

Hospital Integration Is an Invaluable Component of a Strong, Responsive Statewide Health Care System

The Issue

Like the state itself, California's health care system thrives and survives thanks to the diversity of not just the people who deliver care, but also of the different organizational structures that enable those individuals to serve their patients and communities safely and efficiently.

One type of these organizational structures – integrated health systems – has a long history of saving lives, preserving access to care, and lowering costs for Californians.

One need look no further than mid-2020, when the COVID-19 pandemic was sweeping across California, to see the clear benefits of hospital integration. Hospitals throughout the state and nation were struggling with scarce resources, like personal protective equipment, medical devices like ventilators, physical space to house patients, and staff to treat them. Integrated hospital systems, by nature of their structure, were able to rapidly transfer resources among facilities as needed and were able to accept patients from hotspots that were overwhelmed by the virus.

There are many other benefits of integrated systems. They enable people to avoid redundant tests, receive care closer to home, access specialized services such as organ transplants and trauma care, and benefit from advanced clinical expertise. They also ensure that struggling hospitals can remain open, access resources necessary to comply with costly regulations, pay for new technology that improves patient safety and the quality of care, and support outreach programs that keep people healthy and active.

Like any organizational structure, health systems can be improved and California's hospitals welcome discussion on this issue – with the paramount goals of expanding access to care, improving quality, and controlling cost growth.

Critics often point to studies that show integration drives up costs, but these aspersions typically manifest from [an echo chamber of inaccurate data](#). For example, "The Price Ain't Right? Hospital Prices and Health Spending on the Privately Insured" has been consistently cited as a definitive argument against consolidation since it was originally published in December 2015 (Cooper et al. 2015). This work has serious limitations and flaws; authors used old and limited data, relied on a crude geographic measure of hospital markets, and **found no causal link between hospital consolidation and prices**.

What's Needed

As policies are considered relating to hospital integration, consider that integrated health systems are not monolithic, and that while there are detractors who point out some flaws, on balance, systems bring care to more people in California, with cost efficiencies, and significant benefits to clinical practice.



75%

of California's hospital beds are part of hospital systems, and California ranks as the



19th

lowest

state in terms of per capita hospital costs.
(USC Schaeffer)