

Health Care Partnerships Benefit Patients, Communities

The Issue

Amid widespread instability and an uncertain future, partnerships among hospitals and health systems have taken on new importance when it comes to protecting access to care. In 2023, merger efforts to rescue Madera Community Hospital were unsuccessful, leaving the hospital closed and decimating access for tens of thousands living in the Central Valley.

Health care partnerships can take many forms — affiliations, mergers, or acquisitions. Whatever the structure, the ability of hospitals and other providers to work together benefits patients and communities. For instance, patients who need specialized services such as cancer treatment, cardiac care, or organ transplants often can receive that care closer to home when doctors, hospitals, and caregivers are part of an integrated delivery system.

In some communities, partnering with a larger system may be the best hope to keep hospitals open. A recent merger between Adventist Health and Beverly Hospital, which declared bankruptcy in 2023, allowed the Montebello facility to reopen its intensive care unit and resume 911 emergency transports.

Many financially struggling hospitals are open today only because they have partnered with integrated systems. In California, 74% of hospitals have already partnered with larger health systems, a number likely to grow as many health care organizations attempt to weather the financial and workforce challenges ahead.

What's Needed

Hospitals' ability to enter partnerships must be preserved. Legislators and policymakers should base their views of health care partnerships on facts. One common misconception is that hospital integration leads to higher health care costs. A [recent Kaufman Hall report](#) refutes this argument: **“There is no apparent correlation between higher levels of integration and lower levels of affordability for consumers.”**

In fact, according to the report, **“consumers in more highly integrated states may have more affordable insurance premiums and lower per capita health care expenditures.”** This finding is supported by data from the Centers for Medicare & Medicaid Services, which show that per capita spending on hospital care in California is 10th lowest in the nation when adjusting for cost of living.



**10th lowest
in the nation**

**California's rank
for per capita
hospital spending
(adjusted for
cost of living)**