Editor’s Letter-Fall 2015

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Hospitals Are a Booming Business

Recently, my sister had the misfortune of suddenly becoming ill shortly after midnight. Huge boils broke out on her face, one on her forehead and the other underneath her left eye. She was reluctant to go to the emergency room, but my brother and I were alarmed and convinced her not to delay.

After she got dressed, I drove her to the hospital. Fortunately, we live close to a lauded medical institution that’s a Level II emergency trauma center rated very highly by U.S News and World Report in its Best Hospitals rankings.

When we arrived at the building, I dropped her off near the entrance to the emergency room. Before my sister reached the sliding doors, we saw at least four ambulances from nearby towns pull into parking spaces directly in front of the ER.

As I pulled away from the curb to go find street parking close by, I wondered why ambulances from these neighboring towns were bringing patients to this hospital’s emergency room. Was this now the closest medical facility for these towns? And what happened to all the hospitals that used to serve these other cities?

Well, the answer to that question is two words: mergers and acquisitions. Many of the hospitals where I live have been acquired by the top-rated medical center where I took my sister. It seems hospitals are big business these days, and many have been rapidly consolidating.

Indeed, the current trend is for hospitals to expand. In New Jersey, the merger between Hackensack University Health Network and Meridian Health just created one of the largest hospital systems in the state. Is there a reason for concern?

As you might guess, experts on both sides of the issue have been vocal. Those who believe this trend is positive say that a larger company—notice I said “company” as opposed to “hospital”—could operate more efficiently because of its size and ability to provide patients with better access to specialists and advanced medical technologies.

But other experts ask what these improved services will cost patients. They warn that when individual hospitals merge into larger systems, the leverage the medical system acquires to

demand that health insurance companies pay more for medical procedures can drive up health care costs and put more financial pressure on consumers.

If the trend continues, medical systems can become huge monopolies. And if I remember correctly from history class, monopolies are rarely a good thing. This is because when businesses lack competition, the quality of the services they provide often deteriorates.

Meanwhile, back at the ER, sick patients sat in the receiving area waiting to be called. As the procession of emergency medical technicians from all these different towns filed past, one woman muttered that everyone better order pizza and get ready to pull out their sleeping bags.

She made a face, shook her head, rolled her eyes and said, “We’re going to be here all night. Watch!”

Fortunately, her prediction didn’t come true. After four hours, a doctor diagnosed my sister with an allergic reaction to a bug bite, handed her a prescription and we left the hospital to go home.

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