

# Provider-Offered Insurance Products Among U.S. Health Systems, 2016

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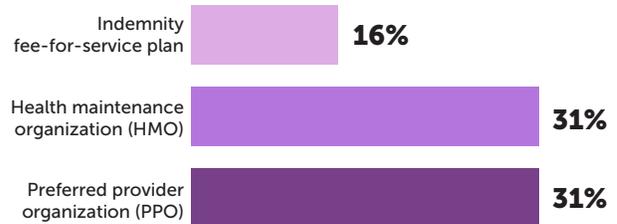
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## Systems offering an insurance product

Nearly 4 in 10 systems offer an insurance product.  
HMO and PPO products are more common than indemnity fee-for-service plans.

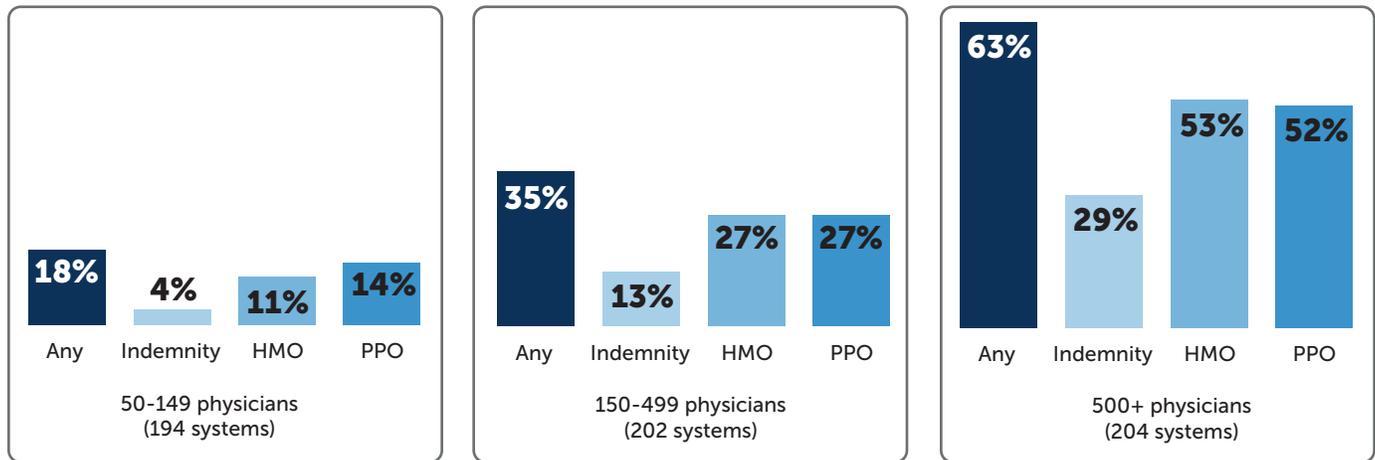
**39%** of systems (N=626) offer an insurance product



Percentage of systems offering an insurance product, by type of product

## Variation in systems offering an insurance product, by number of physicians in the system

Systems with more physicians are more likely to offer an insurance product. Across systems of all sizes, HMO and PPO products are more common than indemnity fee-for-service plans.



Percentage of systems offering an insurance product, overall and by type of product

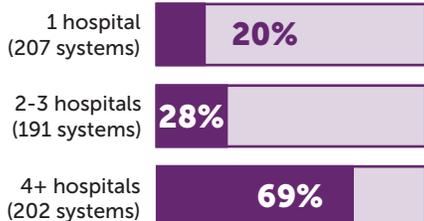
\*This analysis is based on AHRQ's Compendium of U.S. Health Systems, 2016. Developed as part of the Comparative Health System Performance (CHSP) Initiative, the Compendium is a resource for data and research on health systems. For the purposes of the Compendium, **health systems include at least one hospital and at least one group of physicians that provide comprehensive care (including primary and specialty care) and are connected with each other through common ownership or joint management.** The CHSP Initiative includes a robust set of research activities that draw on several other definitions of health systems. For more information about these definitions, visit: <https://www.ahrq.gov/chsp/chsp-reports/resources-for-understanding-health-systems/defining-health-systems.html>.

## Percentage of systems offering an insurance product, by system type



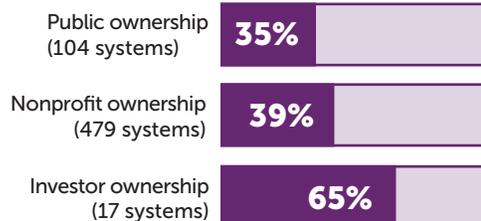
### SYSTEM SIZE

Larger systems are more likely to offer an insurance product.



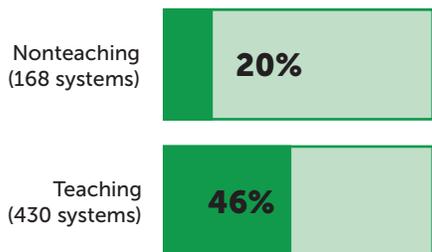
### OWNERSHIP

Systems that are investor owned are more likely to offer an insurance product.



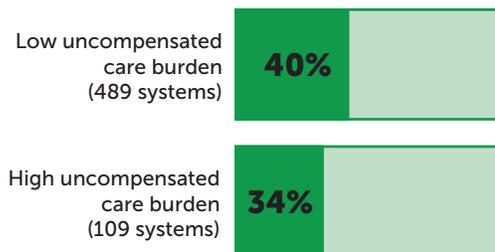
### TEACHING

Systems with a high teaching intensity are more likely to offer an insurance product.



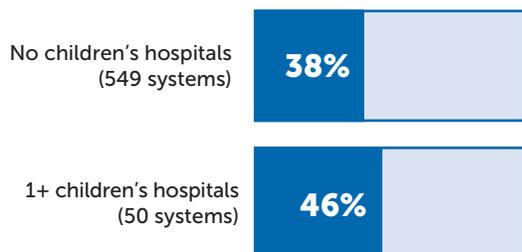
### SAFETY NET

Systems with a lower uncompensated care burden are more likely to offer an insurance product.



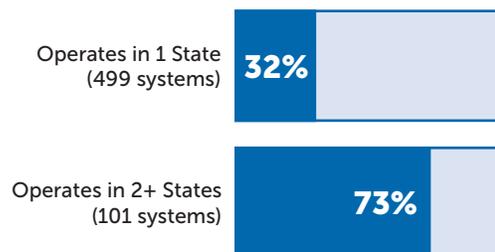
### CHILDREN'S SYSTEMS

Systems that include at least one children's hospital are more likely to offer an insurance product.



### MULTISTATE SYSTEMS

Systems that operate in two or more States are more likely to offer an insurance product.



\*The shaded portions of the bars represent percentages of systems that offered an insurance product. There are 626 systems in the Compendium of U.S. Health Systems, 2016. Twenty-six systems are missing results for the insurance product variable. Two additional systems are missing results for the safety net and teaching system variables; one system is missing information for the children's system variable. These systems are excluded from relevant calculations. The relationships between system type and offering an insurance product do not adjust for system size or any other system characteristics. For example, large systems and multistate systems might be more likely to offer an insurance product because they have more hospitals that could offer a product.

## Percentage of systems offering an insurance product, by system type

System type	Number of systems offering an insurance product	Total number of systems	Percentage of systems
<b>System size</b>			
1 hospital	41	207	20%
2-3 hospitals	53	191	28%
4+ hospitals	139	202	69%
<b>Ownership</b>			
Public ownership	36	104	35%
Nonprofit ownership	186	479	39%
Investor ownership	11	17	65%
<b>Teaching</b>			
Nonteaching	34	168	20%
Teaching	198	430	46%
Minor teaching	130	276	47%
Major teaching	68	154	44%
<b>Safety net</b>			
Low uncompensated care burden	195	489	40%
High uncompensated care burden	37	109	34%
Without a high DSH patient percentage hospital	132	417	32%
With a high DSH patient percentage hospital	100	181	55%
<b>Children's systems</b>			
No children's hospitals	209	549	38%
1+ children's hospitals	23	50	46%
At least one children's hospital	16	21	76%
Predominately children's system	7	29	24%
<b>Multistate systems</b>			
Operates in 1 State	159	499	32%
Operates in 2+ States	74	101	73%
Operates in 2 States	38	58	66%
Operates in 3+ States	36	43	84%

DSH = disproportionate share hospital.

Note: Twenty-six systems are missing results for the insurance product variable. Two additional systems are missing results for the safety net and teaching system variables; one system is missing information for the children's system variable. The results are missing for these systems because all of the hospitals in the systems have missing values. These systems are excluded from relevant calculations.

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## METHODS

This analysis is based on the Compendium of U.S. Health Systems, 2016, which presents a list of U.S. health systems. To operationalize the definition of health systems described above, we identified systems using the following data sources:

- American Hospital Association (AHA) annual survey of hospitals data, 2015
- SK&A integrated health system database, 2016
- QuintilesIMS™ Healthcare Organization Services (OneKey Organizations [HCOS]), 2016

In addition to being identified in one of the data sources, systems had to meet these three criteria to be included in the final list: have at least one non-Federal general acute care hospital; have 50 or more total physicians; and have 10 or more primary care physicians.

We used the 2015 American Hospital Association (AHA) Annual Survey Database to construct the measure of whether a system offered any insurance product. We used responses to the following AHA survey question: “Does your hospital, health system or health network have equity interest in any of the following products?” The types of insurance products that a respondent can report are health maintenance organization (HMO), preferred provider organization (PPO), and indemnity fee-for-service plan. The survey asked whether the hospital or health system had an equity interest in each of those products or a joint venture with an insurer. We constructed a system-level variable equal to one if at least one non-Federal general acute care hospital within the system reported having HMO, PPO, or indemnity fee-for-service activity within their own hospital, within their system, or as a joint venture with an insurer. Twenty-six of the 626 systems are missing data on whether the system or one of its hospitals offers an insurance product. We used systems with non-missing insurance product data to report the percentage of systems that offer an insurance product.

Health system types were calculated using data from the Centers for Medicare & Medicaid Services’ Healthcare Cost Report Information System (HCRIS) and reflect all U.S. non-Federal general acute care hospitals. Health system types are defined as follows:

- Ownership: Systems are categorized as primarily public, nonprofit, or investor owned based on the majority of non-Federal general acute care hospital beds in the system. We compared HCRIS data on investor-owned status to AHA data on investor-owned status. For cases in which the two data sources disagreed, we considered the system to be not investor owned. For systems with missing HCRIS ownership data, we filled in information from the AHA annual survey.
- Teaching: Systems are categorized as nonteaching, minor teaching, or major teaching based on their resident-to-bed ratio across systems’ non-Federal general acute care hospitals. Systems with no residents are considered nonteaching systems, systems with a resident-to-bed ratio greater than zero but less than 0.25 are considered minor teaching, and systems with a resident-to-bed ratio greater than or equal to 0.25 are considered major teaching systems.
- Safety net systems: Systems are categorized as serving the safety net using two measures: (1) systems with a high systemwide uncompensated care burden calculated as the ratio of total uncompensated care to total operating expense across systems’ non-Federal general acute care hospitals and (2) systems with at least one hospital with a high DSH patient percentage. In both cases, “high” is defined as the top quintile among U.S. health systems.
- Children’s systems: Systems are categorized as having no children’s hospitals, having a children’s hospital but not predominately serving children, and predominately delivering care at children’s hospitals. Systems are considered to predominately serve children if a majority of non-Federal general acute care hospital beds in the system are in children’s hospitals.

## CAVEATS AND LIMITATIONS

Because the list largely relies on the definitions of systems in the three data sources and systems’ members specified in the data, systems may be included in this analysis that may not precisely align with the working definition. Similarly, we approximate delivery of comprehensive care using the hospital and physician type and count information, which may lead to inclusion of systems that do not provide comprehensive care in the manner intended by the definition. Further, we rely on hospital reporting in the HCRIS data for the system types and attributes, for which information about some hospitals is missing.

Our approach to measuring whether the system offered an insurance product relied on self-reported data. As with all self-reported data, the accuracy of the measure depends on the knowledge of the respondent and the meaning the informant ascribes to key terms such as joint venture, system, and equity interest. Although some systems were missing data for one or more hospitals, our analyses suggested that missing data on insurance products was not a major problem for most systems on the list.

**For more information about the methodology to construct and analyze the national list of health systems and a more detailed summary of caveats and limitations, visit: <https://www.ahrq.gov/chsp/data-resources/compendium/technical-documentation.html>.**

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## About the Comparative Health System Performance Initiative

The Agency for Healthcare Research and Quality (AHRQ) created the Comparative Health System Performance (CHSP) Initiative to study the characteristics of high-performing health systems and to understand how health systems use evidence-based practices, including patient-centered outcomes research (PCOR). The effective adoption and use of PCOR evidence holds promise as a way to improve clinical outcomes and reduce costs. However, little is known about the characteristics of high-performing health systems and the role of PCOR evidence in health system performance.

The CHSP Initiative aims to address these knowledge gaps and accelerate the diffusion of PCOR evidence among health systems. Specifically, the objectives of the CHSP Initiative are to:

- Classify and characterize types of health systems and compare their performance on clinical and cost outcomes.
- Identify characteristics of high-performing health systems.
- Evaluate the role of PCOR in health system performance.
- Promote the diffusion of PCOR evidence across health systems nationally.

The Compendium of U.S. Health Systems, which presents a list of health systems in the United States, is a step toward classifying and characterizing health systems and is a data resource to help advance research on health systems. The Compendium is intended to be a resource for researchers, policymakers, health system leaders, and others who seek to study health systems and will be updated over the course of the 5-year initiative to reflect the evolving health care delivery environment.

For more information about the CHSP initiative, visit <https://www.ahrq.gov/chsp/index.html>.

### Suggested Citation

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