The High Costs of Hospitalists

October 9, 2017
By Richard Young MD

Hospitalists, doctors who only see patients in the hospital, almost always in a shift work model, are the fastest growing “specialty” in medicine, from nothing about 15 years ago to about 50,000 today. There were some studies that I won’t review much here that showed some benefits from hospitalists compared to “usual care” in highly controlled environments, outcomes such as a 0.4 day decrease in length of stay with no reported increase in the readmission rate. Of course, these studies were all conducted within the environment of a screwed up payment system.

I think most family physicians would agree that the reality on the front lines falls well short of the results of the controlled experiments. There is rarely continuity in the hospital, with patients often seeing 3+ different hospitalists on the same admission. Communication by the hospitalists with the patients’ personal family physician is almost non-existent. But because of the screwed up primary care payment system, many family physicians have given up hospital work for economic and many other reasons, so hospitalists have filled the void, often with the explicit support of hospital administrators.

A report in *The Hospitalist* shows how much hospital administrators are spending to maintain some level of control over the hospitalist groups, and also how screwed up the AMA’s CPT coding system is, and how screwed up the CMS Evaluation and Management rules and fee schedules are. I leave it to each reader to determine the contributing ratios for each agency. The report estimates that the average hospitalist income must be subsidized by $157,500 per doctor per year more than what they bill and collect using the current CPT/CMS codes and fee structure. Median total compensation was reported to be $278,746, which for the non-physicians reading this is more than family physicians make, but less than most of the ologists.
I still believe that patients would really like to see their personal family physicians when they are scared, vulnerable, and hospitalized. Because of the payment system that is biased towards procedures over thinking work, private family physicians have largely abandoned seeing their own patients in the hospital. This leads to poorer care that is more fragmented and more expensive. There is evidence that the most comprehensive family physicians deliver the lowest care per patient per year, and seeing patients in the hospital and doing hospital procedures are a big reason for this outcome. It’s time the payment system respected and rewarded this work.

Copyright © 2017 American HealthScare. All Rights Reserved.