



Clinical Integration: An Economic and Research Perspective

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Clinical Integration in Health Care: A Check-Up
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Outline

- › Similarities with “efficiency” discussion
- › Potential theory
- › Relevant literature
- › Research perspective



Similarities with Efficiency

- › Parallels healthcare efficiency discussion
 - What is “clinical integration?”
 - › Physician-physician
 - › Physician-hospital
 - › Hospital-hospital

- › Clarity on details
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Potential Theory

- › Economics: Theory of the Firm
 - Coase (“The Nature of the Firm,” 1937) and many others
 - Existence: Why do firms emerge?
 - Boundaries: Where are firms located? Which transactions are performed internally? Which are negotiated by the market?
 - Organization: Why are firms structured in specific way? What is interplay of formal and informal relationships?



Key Concepts

- › Product / service
- › Input
- › “Make” or “buy”
 - Transaction costs
- › Competition
- › Complex interactions



Relevant Literature

- › Does clinical integration improve efficiency, lower costs, improve quality?
- › Few, if any, direct empirical studies
- › Related work
 - Healthcare markets and market forces
 - Cost and quality of care
 - Mergers, closures, product lines, competition
 - Organizational characteristics



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