



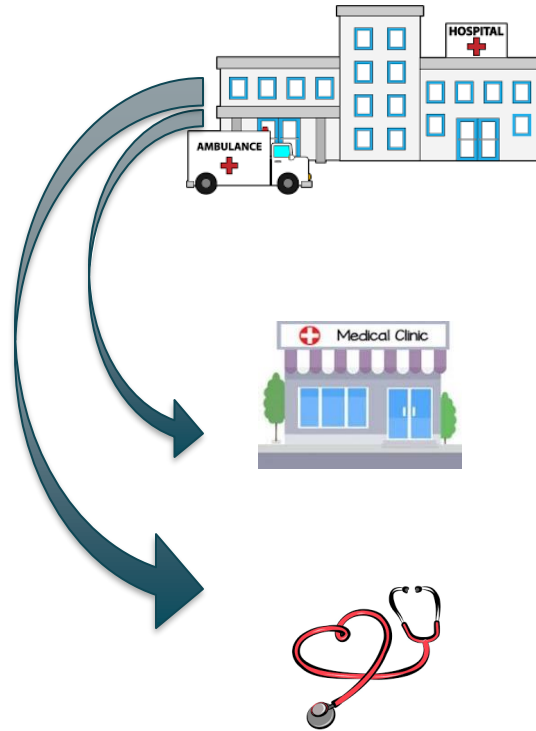
# Impact of Vertical Integration on Prices, Medical Utilization and Outcomes

NCOIL Conference  
April 25, 2025

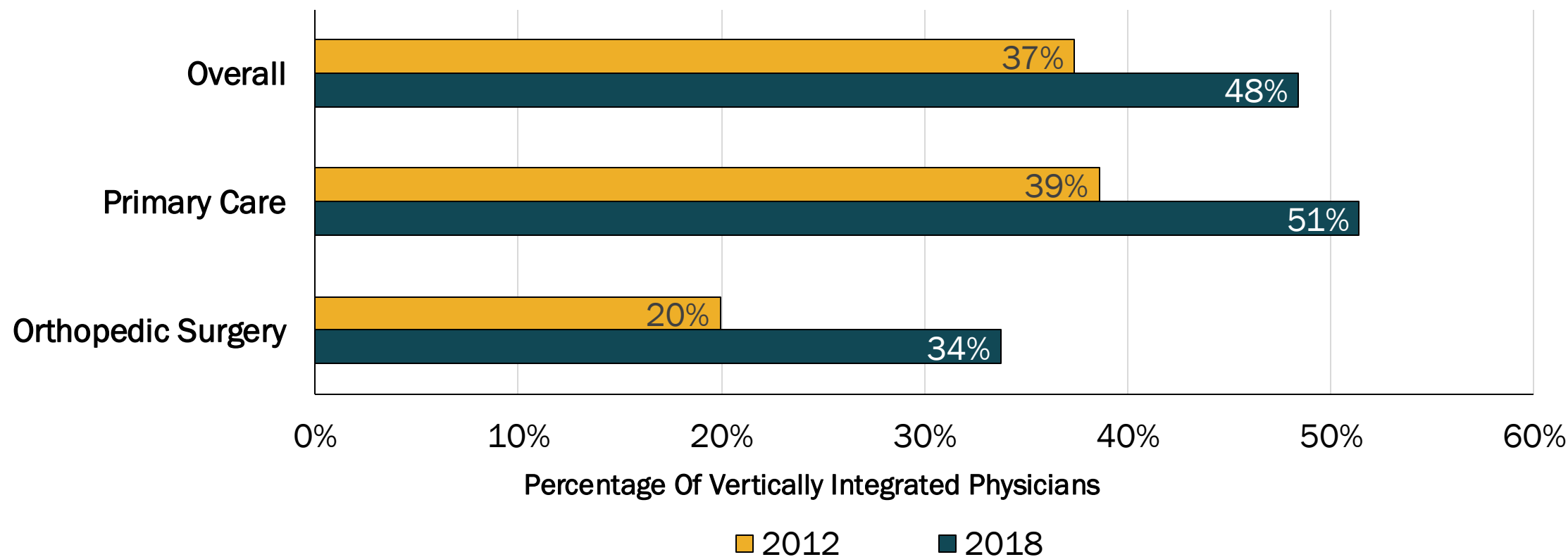
# About WCRI

- Independent, not-for-profit research organization providing high-quality, objective information about public policy issues involving workers' compensation systems
- Serve as a resource for public officials and stakeholders, but we do not make recommendations or take positions
- Studies are peer-reviewed with a focus on benefit delivery
- Diverse membership support, including gov't agencies, employers, insurers, labor unions, service providers, etc.

# We Study the Impact of Vertical Integration: Hospitals Buying Out Physician Practices



# Percentage of Vertically Integrated Physicians Increased Between 2012 and 2018

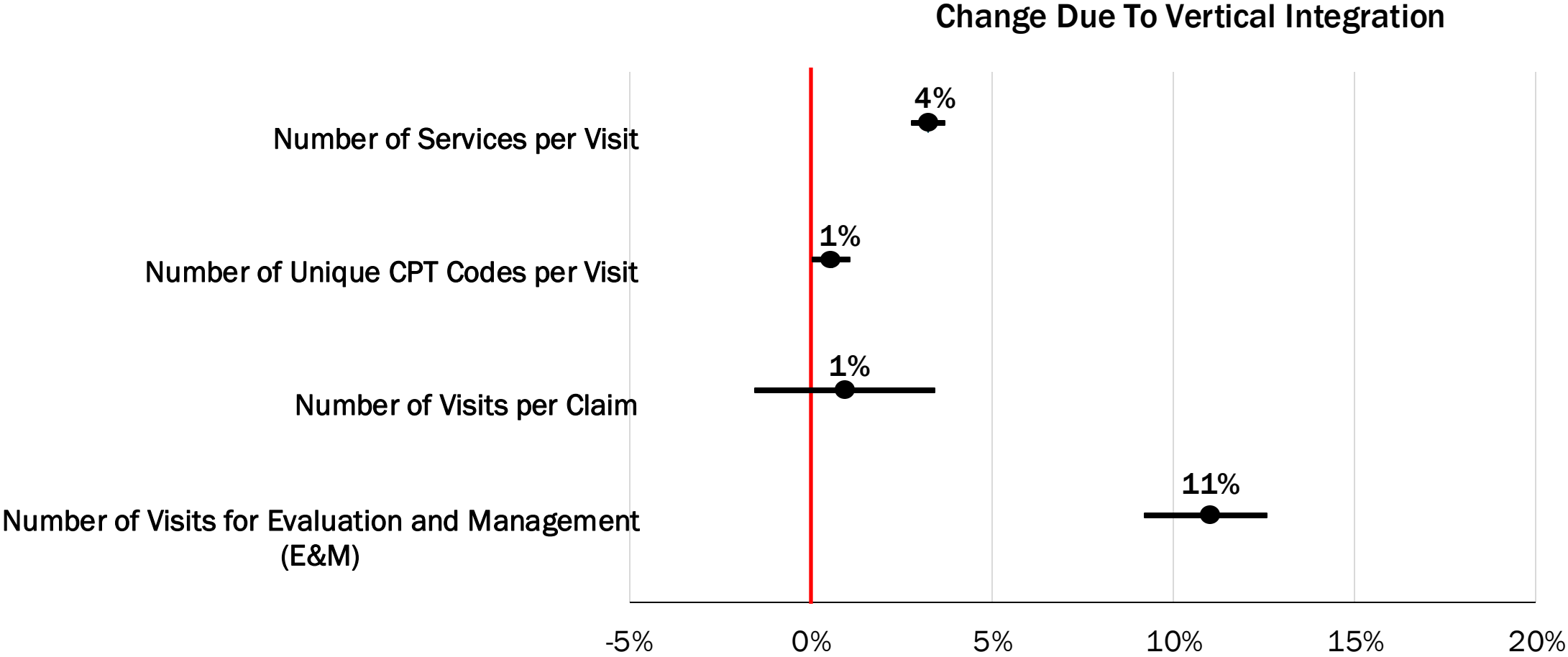


Note: Percentage of physicians who were vertically integrated in 2012 and 2018. The overall measure includes primary care physicians, orthopedic surgeons, pain management physicians, neurologists, radiologists, physical medicine physicians, podiatrists, back surgeons, other surgeons, radiologists, emergency medicine physicians, physical/occupational therapists, nurse practitioners, physician assistants, and chiropractors.

# Main Findings About Changes in Medical Care Use, Claim Costs, and Disability Duration

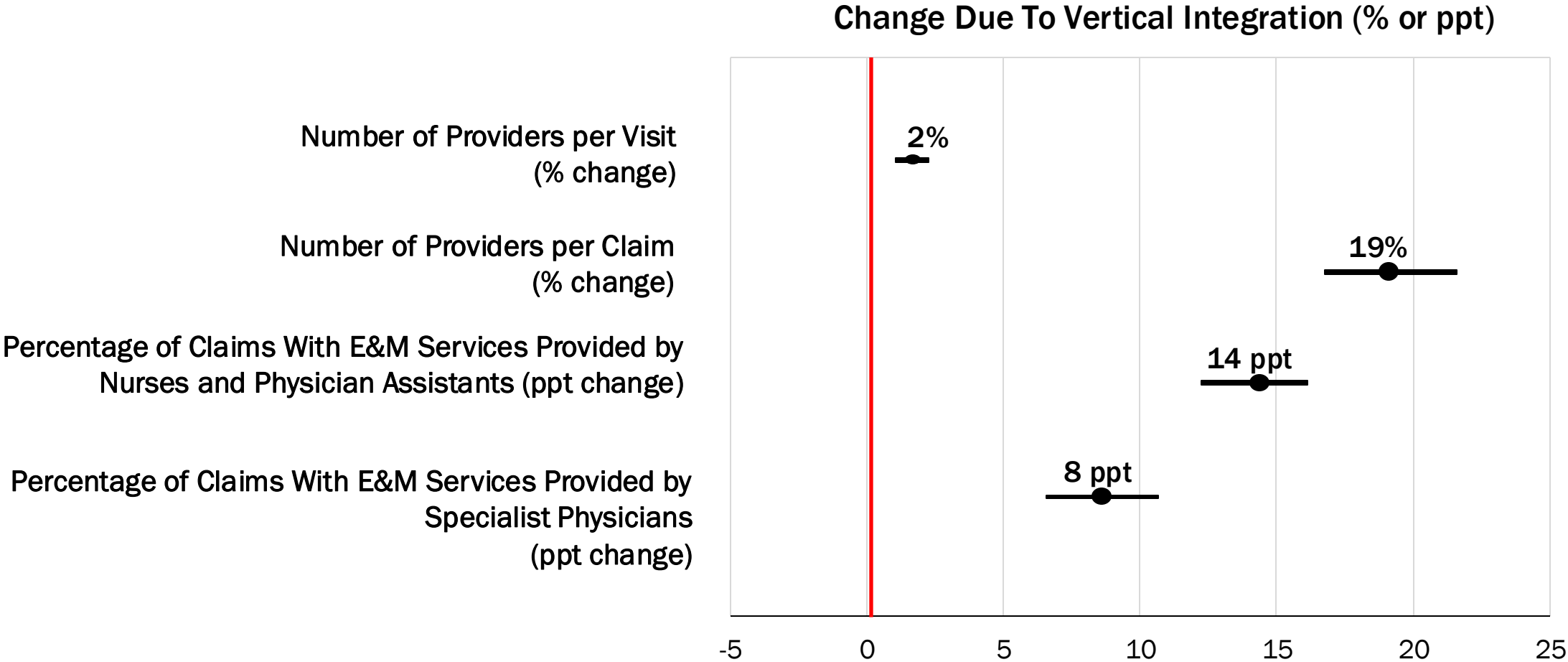
- Vertical integration leads to changes in the use of medical care
  - More services provided/billed per visit
  - More visits per claim
  - Higher number of providers treating injured workers
  - More imaging services
- Vertical integration leads to higher costs of care, but does not translate into faster recovery

# Vertical Integration Leads to More Services Billed/Provided per Visit, and More E&M Visits



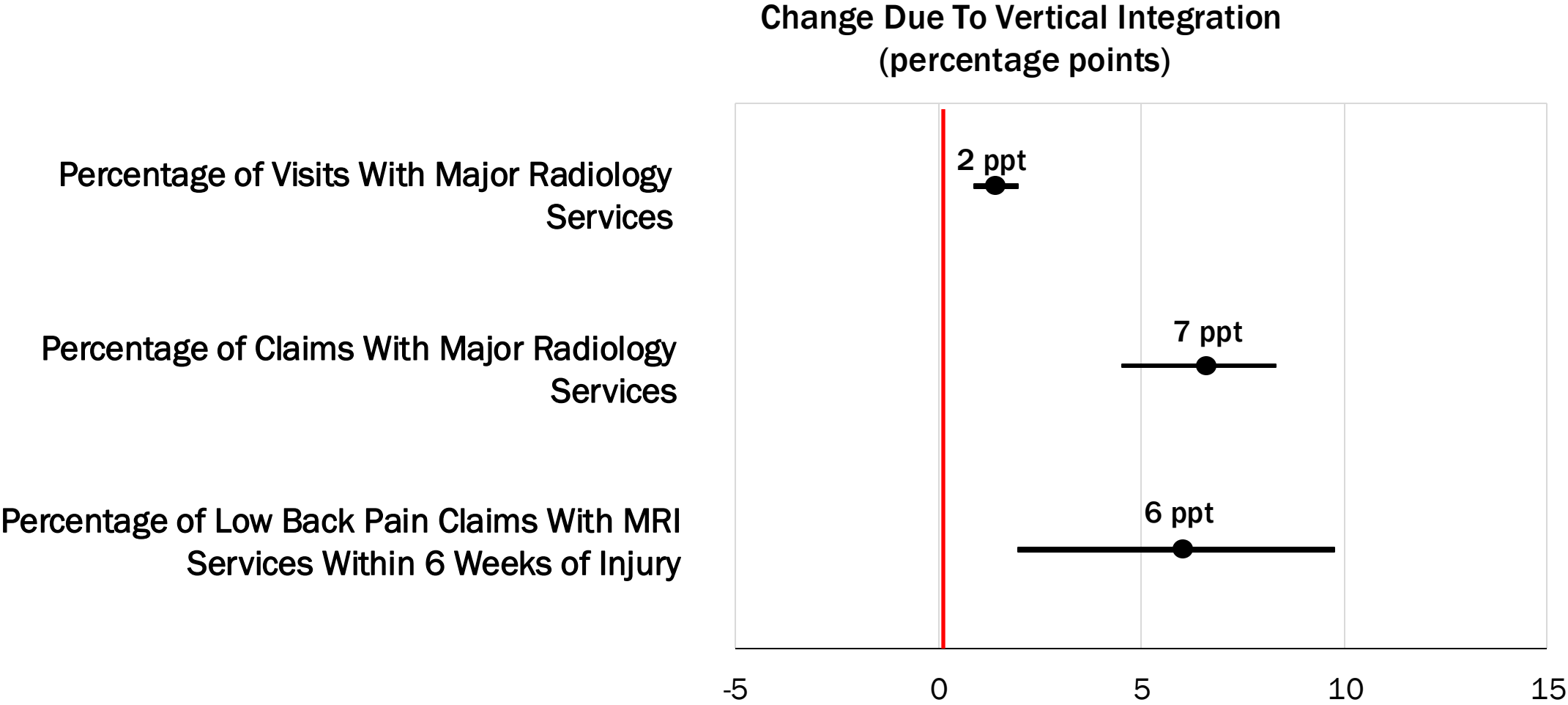
Estimated change in number of services per visit and number of visits per claim due to vertical integration. Samples of claims with more than 7 days of lost time at 6 months of maturity. Showing coefficients and confidence intervals.

# Workers Treated by Integrated Providers See a Higher Number of Providers



Estimated change in number of providers per visit and share of claims treated with different providers due to vertical integration. Samples of claims with more than 7 days of lost time at 6 months of maturity. Showing coefficients and confidence intervals. ppt: Percentage Point(s).

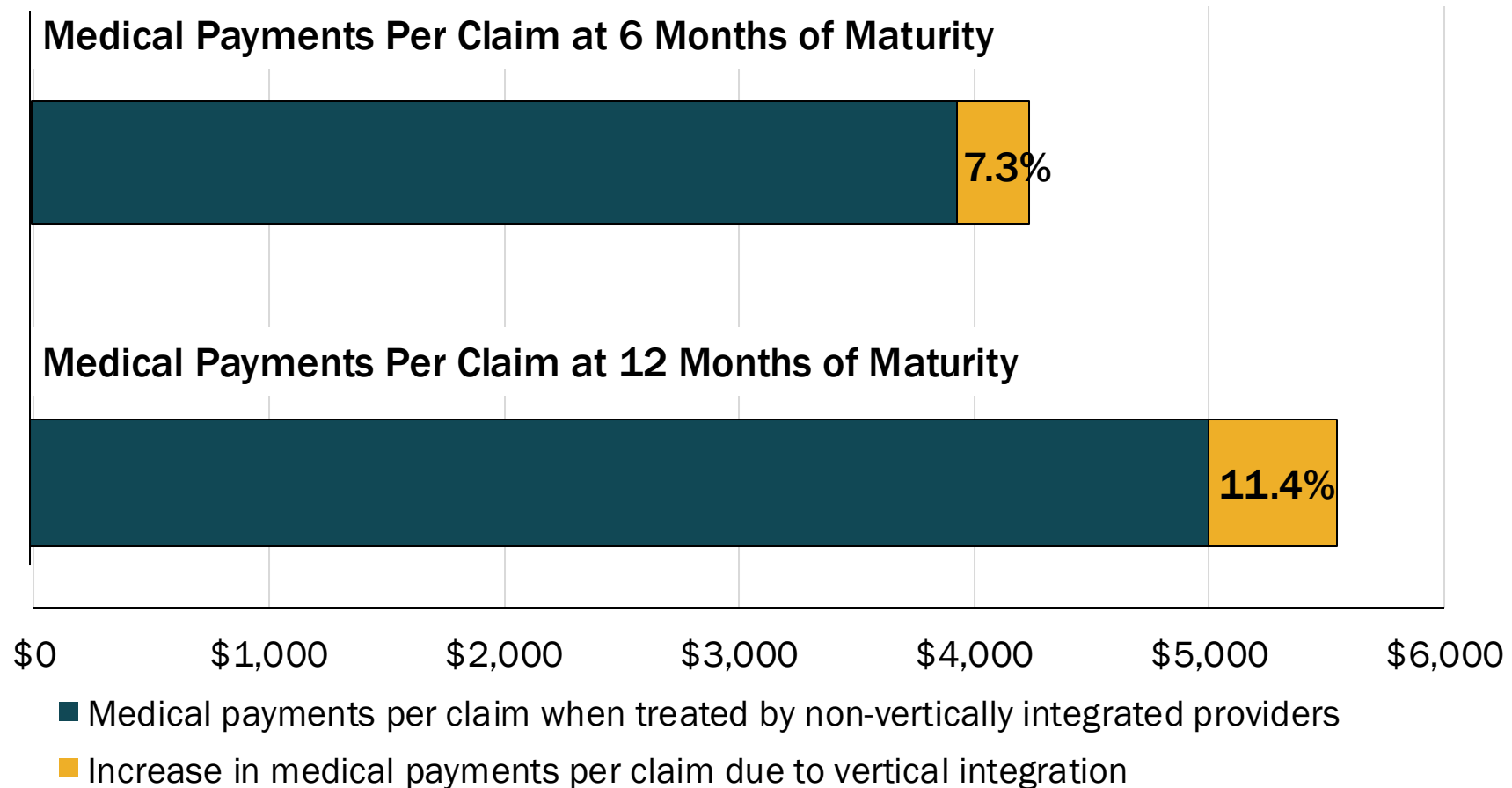
# When Treated by Vertically Integrated Providers, Workers Receive More Imaging Services



Estimated change in percentage of visits with different services due to vertical integration. Samples of claims with more than 7 days of lost time at 6 months of maturity. Showing coefficients and confidence intervals.

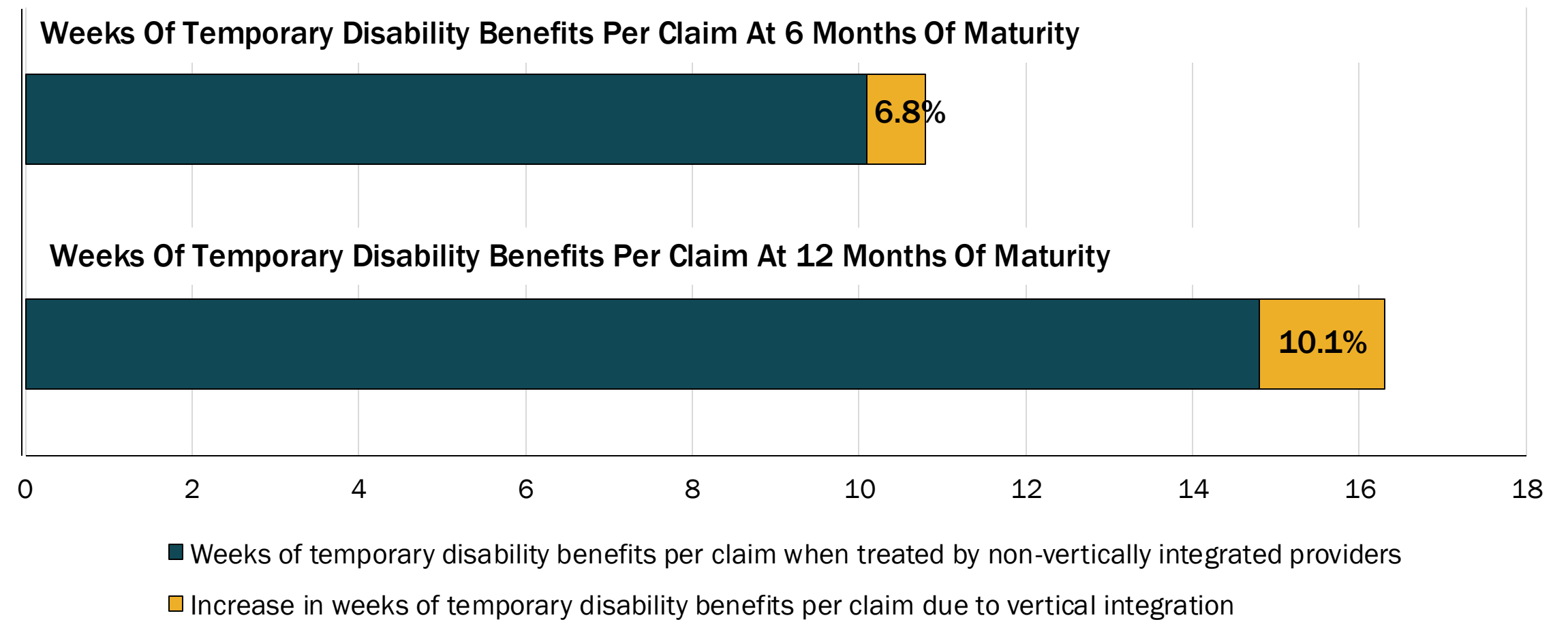


# Vertical Integration Leads to Higher Medical Payments per Claim



Estimates of the effects of vertical integration on medical payments per claim. Sample of claims with more than 7 days of lost time.

# Vertical Integration Increases Duration of Temporary Disability Benefits



Estimated effects of vertical integration on duration of temporary disability benefits. Sample of claims with more than 7 days of lost time.

# Main Effects of Vertical Integration

- Higher costs of care, driven by changes in medical utilization
- Longer recovery, as patients receive more care and see more providers



# Thank You

- Questions about the findings, e-mail us at [wcri@wcrinet.org](mailto:wcri@wcrinet.org)
- The studies discussed today are available for download on our website at [www.wcrinet.org](http://www.wcrinet.org)
- For information about membership, visit [www.wcrinet.org/membership](http://www.wcrinet.org/membership)
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