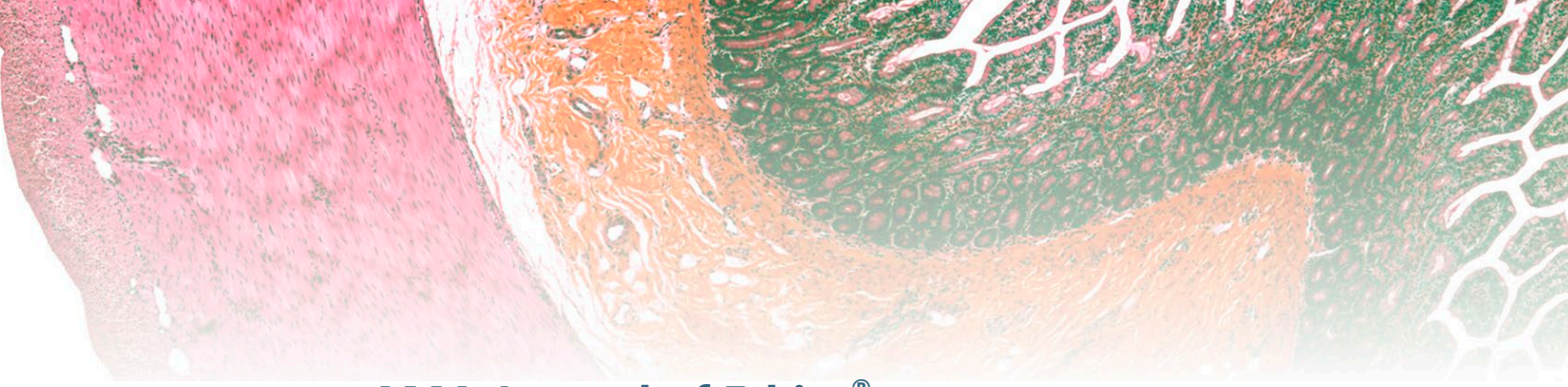

AMA Journal of Ethics®
October 2025, Volume 27, Number 10: E764-767

LETTER TO THE EDITOR

Response to "How Should We Assess Quality of Health Care Services in Organizations Owned by Private Equity Firms?"

Joseph Dov Bruch, PhD, Sneha Kannan, MD, MS, and Zirui Song, MD, PhD

In "How Should We Assess Quality of Health Care Services in Organizations Owned by Private Equity Firms?," our colleagues Drs La Forgia and McDevitt expressed concern that flawed reasoning and cherry-picked findings on private equity (PE) in health care might misinform the public.[1] As researchers guided by scientific evidence and facts, we fully agree with this point in principle. Unfortunately, however, their article exemplifies the very practices they critique.

They argue that a paper by Kannan, Bruch, and Song[2] received unwarranted attention because hospital-acquired conditions "are exceedingly rare, making up 0.2% of all hospitalizations."[1] However, hospital-acquired conditions are a widely used quality measure and account for a greater proportion of total hospitalizations than other outcomes employed in work by McDevitt and colleagues (eg, in-hospital mortality for patients with acute myocardial infarction or 30-day mortality for patients with chronic obstructive pulmonary disease).[3] They also take issue that not all hospitals contributed data for the full 3 years before and after a PE acquisition,[2] but this is common in this area of research, including in work by McDevitt and colleagues.[4]

They further contend that, because the rate of falls and trauma remained constant in PE-acquired hospitals but declined in the control group,[2] it is inappropriate to interpret the difference-in-differences estimate as evidence of deteriorating quality. This argument selectively ignores the logic of all difference-in-differences approaches, including those they rely on in their own studies of PE,[4] and it misunderstands the role of the control group in causal inference. Advances in safety of hospital care reduced complication rates from 2010-2019 across US hospitals on average,[5] so the fact that care quality stagnated (ie, did not improve) in PE-acquired hospitals is, in itself, concerning.

La Forgia and McDevitt claim the article's key takeaway should be the observed decrease in in-hospital mortality, without acknowledging that relatively higher transfer rates and possibly earlier discharge of sicker patients among PE-acquired hospitals all point to the likely bias in patient selection by PE hospitals shown in the study—that PE hospitals admitted relatively younger and fewer dually eligible (particularly disadvantaged) patients after acquisition.

They conclude that PE is "good for fertility clinics."[1] Yet the very study they cite on fertility chain ownership—coauthored by La Forgia—clearly states, "PE funding does not influence the live birth rate," the main outcome evaluated.[6] The authors conclude: "This result suggests quality improvements occur because of the chain, not the PE funding," and PE funding instead drives an increased volume of in vitro fertilization cycles.[6] In fact, the increase in live births after PE acquisition is no larger (and indeed a bit smaller) than after acquisition by non-PE, for-profit chains.[6]

Given the authors' concern about media mischaracterization of research on PE, we are surprised to see their misrepresentation of their own findings and those of others in both this article and public commentary.[7,8] We respect colleagues who defend the role of PE in health care. In fact, we have consistently incorporated defenses of PE in our own lectures and public comments[9,10,11,12]—both to illustrate the nuances in this field and to accurately represent what the evidence shows and what the range of opinions about PE includes. However, defenses of PE on the grounds of objective evidence or informed opinion are different from defenses based on the mischaracterization of evidence or selective departure from scientific methodology. This is the distinction we draw in this response.

We are concerned about research that is funded by PE and believe that scientifically rigorous and non-ideological commentary might offer a more objective starting point for such discussion about the role of PE in health care, given the patient outcomes at stake.

References

1. La Forgia A, McDevitt RC. How should we assess quality of health care services in organizations owned by private equity firms? *AMA J Ethics*. 2025;27(5):E385-E391.
2. Kannan S, Bruch JD, Song Z. Changes in hospital adverse events and patient outcomes associated with private equity acquisition. *JAMA*. 2023;330(24):2365-2375.
3. Cerullo M, Yang K, Joynt Maddox KE, McDevitt RC, Roberts JW, Offodile AC 2nd. Association between hospital private equity acquisition and outcomes of acute medical conditions among Medicare beneficiaries. *JAMA Netw Open*. 2022;5(4):e229581.
4. Cerullo M, Yang KK, Roberts J, McDevitt RC, Offodile AC 2nd. Private equity acquisition and responsiveness to service-line profitability at short-term acute care hospitals. *Health Aff (Millwood)*. 2021;40(11):1697-1705.
5. Eldridge N, Wang Y, Metersky M, et al. Trends in adverse event rates in hospitalized patients, 2010-2019. *JAMA*. 2022;328(2):173-183.
6. La Forgia A, Bodner J. Getting down to business: chain ownership and fertility clinic performance. *Manage Sci*. 2025;71(6):5022-5044.
7. Solman P, Connelly Holmes R. How private equity's increasing role in health care is affecting patients. *PBS*. April 2, 2025. Accessed July 11, 2025. https://www.pbs.org/newshour/show/how-private-equitys-increasing-role-in-health-care-is-affecting-patients
8. McDevitt RC. Author interview: "How should we assess quality of health care services in organizations owned by private equity firms?" *AMA Journal of Ethics*. May 1, 2025. Accessed July 11, 2025. https://journalofethics.ama-assn.org/podcast/author-interview-how-should-we-assess-quality-health-care-services-organizations-owned-private

9. Office of Alumni Affairs and Development. Reunion 2025. Harvard Medical School. June 13, 2025. Accessed July 11, 2025. https://alumni.hms.harvard.edu/attend/reunion/reunion-2025#Friday-Morning
10. 2024 Princeton Conference: exploring the health care system. Council on Health Care Economics and Policy; Health Industry Forum; Brandeis Heller School of Social Policy and Management; 2024. Accessed July 11, 2025. https://heller.brandeis.edu/council/pdfs/2024/2024-princeton-conference-agenda-final.pdf
11. Joint Committee on Health Care Financing. Examination of the effects of private equity ownership and investment in health care. 194th General Court of the Commonwealth of Massachusetts. March 25, 2024. Accessed July 11, 2025. https://malegislature.gov/Events/Hearings/Detail/4903
12. Private capital, public impact: an FTC workshop on private equity in health care. Federal Trade Commission. March 5, 2024. Accessed July 11, 2025. https://www.ftc.gov/news-events/events/2024/03/private-capital-public-impact-ftc-workshop-private-equity-health-care

Joseph Dov Bruch, PhD is an assistant professor of public health sciences at the University of Chicago in Illinois. Dr Bruch graduated from Harvard University with a PhD in population health sciences and a master's degree in biostatistics. He was trained as a social epidemiologist and health policy researcher and has conducted many studies focused on private equity in health care.

Sneha Kannan, MD, MS is an assistant professor of critical care medicine at the University of Pittsburgh School of Medicine in Pennsylvania. She completed her MD at the University of Pennsylvania, her internal medicine training at Massachusetts General Hospital, and her fellowship training in the Harvard Combined Fellowship Program at Massachusetts General Hospital and Beth Israel Deaconess Hospital. Dr Kannan's research focuses on private equity financing of US health care and financial incentives and ownership structures for hospitals and health systems.

Zirui Song, MD, PhD is an associate professor of health care policy and medicine at Harvard Medical School and a general internist at Massachusetts General Hospital in Boston. He received an MD and a PhD in health policy (economics track) from Harvard University. Dr Song's research focuses on the health and economic effects of financial incentives, public policies, and private sector interventions in the health care system.

Citation
AMA J Ethics. 2025;27(10):E764-767.

DOI
10.1001/amajethics.2025.764.

Conflict of Interest Disclosure
Dr Song reports work with the Research Triangle Institute and Google Ventures, as well as legal case consultation. Dr Bruch reports grants or fees from the Commonwealth Fund, the Robert Wood Johnson Foundation, and the Rx Foundation. Dr Kannan disclosed no conflicts of interest relevant to the content.

The viewpoints expressed in this article are those of the author(s) and do not necessarily reflect the views and policies of the AMA.

ISSN 2376-6980