

# CHA Key Messages

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## Integration Preserves Access to Care, Lowers Costs

- 1. As underscored by the COVID-19 pandemic, hospital integration benefits patients and supports communities in need.**
  - California's integrated health systems – along with other hospitals – have saved countless lives during the COVID-19 pandemic. Systems were invaluable thanks to their ability to share personal protective equipment, transfer patients, and deploy staff quickly and efficiently in response to an emergency.
  - Integrated systems provide value throughout the nation, and in California, as health care providers are joining to create care delivery systems that meet the evolving needs of patients and communities.
  - Integrated systems – communities of three or more hospitals that come together to create a seamless care experience — enable people to avoid redundant tests, receive care closer to home, access specialized services such as organ transplants and trauma care, and benefit from advanced clinical expertise.
  - These systems ensure that struggling hospitals have access to the resources necessary to comply with costly regulations, to pay for new technology that improves patient safety and the quality of care, and to support outreach programs that keep people healthy and active.
- 2. Integration preserves access to care and gives patients more choices about how they get care.**
  - The strength of an integrated system can keep financially struggling hospitals — especially those in rural and underserved communities — open when they otherwise might close.
  - Eighty-four hospitals in California that have negative operating margins are supported by integrated systems; three-quarters of the patients at these hospitals are Medicare/Medical enrollees or receive charity care.
  - Hospital systems that integrate include a range of specialties, locations, and services to offer their patients more choices. Patients no longer have to select one place to receive care, hoping it will meet their needs. Instead, they have access to a full spectrum of services and facilities that can be tailored to their unique medical situations.
- 3. Hospital integration holds costs in check.**
  - Seventy-five percent of California's hospital beds are part of hospital systems, and California ranks as the **19th lowest state in terms of per capita hospital costs**.
  - Integration has shown to reduce annual operating expenses by 2.3% for hospitals that join systems. ([Charles River Associates](#))
  - Revenues per admission at hospitals that join systems drop by 3.5% compared to non-merging hospitals. This suggests that savings from integration are passed on to patients and their health plans. ([Charles River Associates](#))