

ONLINE APPENDIXES

10

**Provider consolidation:
The role of Medicare policy**

10-A

ONLINE APPENDIX

Source of practice affiliation data

**TABLE
10-A1****Physician classification scheme used in this analysis**

Step	Affiliation or type of practice	How identified?
1	Health system	Valid entry in health system variable
2	Hospital system	No health system variable, valid entry in hospital variable
3	Multiple-location group practice	No health system or hospital system, valid entry in group practice name, other locations indicated
4	Single-location group practice	No health system or hospital system, valid entry in group practice name, no other locations indicated
5	Solo practice	No hospital or health system name, and size equal to 1
6	Other	No hospital or health system name, no group practice name, and size not equal to 1

Note: This table describes the scheme used to uniquely classify physicians into their organizational affiliation.

The SK&A database has physician-level information for most office-based practicing physicians, and can be matched to other data sources based on the individual national provider (NPI), a unique provider ID. The SK&A database also contains information on all the organizations with which the physician reports a financial relationship—a group practice, hospital or hospital system, or health system.

Limitations of the SK&A database include the files' incompleteness. The SK&A database appears to be missing records for up to about 100,000 physicians engaged in direct patient care, if compared with the American Medical Association Masterfile. Our analysis could not match an SK&A record to 30 percent of Medicare-billing physician NPIs in 2014. It appears that the SK&A file has poorer coverage of certain specialties (radiologists, pathologists, and anesthesiologists) and physicians working predominantly in hospital or other facility settings (emergency department doctors and general internists working as hospitalists and intensivists).

For this analysis, we created a classification scheme that uniquely classifies each physician into the broadest organization to which they belong, using the hierarchy listed in Table 10-A1.

For this analysis, health systems and hospitals are presented together, and multiple- and single-location groups together. Using this classification, a large share of physicians (about 20 percent) are classified as “other,” including independent practice associations, which the analysis in this chapter reports as a separate category.

Of the 594,871 physicians in the SK&A database in 2014, 34 percent had a valid entry for health system ownership, 28 percent had a valid entry for hospital ownership, and 41 percent had a valid entry for group practice (Table 10-A2, p. 4). Of the physicians reporting health system affiliation, the majority also listed hospital affiliation. ■

**TABLE
10-A2****Selected descriptive statistics for 2014 SK&A file**

	Number of physicians	Share
All physicians	594,871	100%
Physicians with valid:		
Health system variable	199,875	34
Hospital variable	164,524	28
Group practice variable	244,037	41

Note: A single physician can be included in multiple categories.

Source: SK&A Office-Based Physician Database.