



Physician-owned hospitals take a different approach to patient care

by Dave Fehling / 11 News

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HOUSTON—When you're in the hospital, you're probably not thinking about who owns it.

But for some patients and their families, it makes a difference.

"My husband's in intensive care right now," Lou Stone said. "We've never been at a hospital that's treated people so well."

The hospital she's talking about is St. Josephs, and it's owned by the physicians themselves.

"The goal was to make sure that this hospital in downtown Houston didn't go away," Dr. Leon Etter of the St. Joseph Medical Center said.

A few years ago, St. Joseph's was at risk of being shut down, because it was running out of money.

But then, more than 100 doctors who practice there invested millions of their own money in it.

Now business is booming.

"It's definitely one of the best years ever in recent history," CEO Phillip Robinson said. "We probably have twice as many patients today as we did three years ago."

The doctors say it's because they know how to cater to patients.

But there's one other thing that sets St. Joseph's apart from other hospitals. It's remained a general hospital, taking in lots of low-income patients and running a costly emergency room.

Rice University's Vivian Ho, who researches the health care industry, says that's highly unusual.

"That is completely different than the types of hospitals people have been complaining to Congress about," Ho said.

Congress tried to ban doctor-owned hospitals after some of them got a bad reputation.

The complaint was that the doctors, having a financial stake in the hospital, were running patients through needless tests and procedures to make more money and were catering only to the well-insured.

What's happening at St. Joseph's is being looked at by Congress as a better model.

There may be no better place than Houston to see how competitive the hospital industry is.

No state has more doctor-owned hospitals than Texas.

They're an even bigger deal in Houston, because the cutthroat business of medicine is about to take center stage in a Harris County courtroom.

It involves another doctor-owned hospital, Town and Country in West Houston.

That hospital opened just down the street from one owned by Memorial Hermann, but the new hospital lasted only a matter of months before it went under.

The doctors who started Town and Country blamed Memorial Hermann, accusing them of using "bully tactics" to cause insurance companies to boycott their hospital.

The \$100 million lawsuit is going to trial, and Memorial Herman is expected to argue that it simply protected its own interest by legally renegotiating deals with insurance companies.

Whatever the truth, it's a good example of how competitive the market for your health care dollars is in Houston.

Though that competition could potentially translate to higher-quality care at a lower cost, Ho says that hasn't happened yet.

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