

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

August 15, 2013

The Honorable Gene L. Dodaro  
Comptroller General  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Comptroller General Dodaro:

In recent years, there have been indications of increasing consolidation among health care providers. In particular, hospital markets are becoming more concentrated as hospitals acquire, merge with, or form "strategic affiliations" with other hospitals. Hospitals have also been acquiring physician practices and other types of health care providers. Some of this trend may be explained by the drive to better integrate care and coordinate care for patients. However, provider consolidation may have adverse unintended consequences and result in less competition, higher prices for health care services, and greater use of services.

It is important for policymakers to understand the extent to which hospital consolidation is occurring and how such consolidation is affecting the Medicare program. Therefore, I request that the GAO undertake a study of this issue that specifically addresses the following objectives.

(1) Identify, using existing Medicare and other data sources, recent trends in hospital consolidation, including

- Hospital mergers,
- Hospital acquisition of physician practices, and
- Hospital acquisition of ancillary business, such as ambulatory surgery centers, independent diagnostic and testing facilities, and clinical labs.

(2) Analyze trends in Medicare service utilization and spending associated with such consolidation.

If you or your staff have any questions regarding this request, please contact Tiana Korley in my office at (202) 225-3106 or at [tiana.korley@mail.house.gov](mailto:tiana.korley@mail.house.gov).

Sincerely,



Jim McDermott  
Member of Congress