Presentation of 'Employer Consolidation and Wages: Evidence from the Hospital Industry'

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Outline

Research Question

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What is the effect of hospital mergers on the wages of hospital workers?

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Key Findings

The authors find that hospital mergers lead to decreases in wages for certain categories of hospital workers, particularly nurses and technicians.

Data

- Datasets:
  - CMS Health Care Cost Report Information System (HCRIS)
  - BLS Current Population Survey (CPS) and Quarterly Census of Employment and Wages (QCEW)
  - American Hospital Association (AHA) Annual Survey
  - Mergers and Acquisitions data from Irving Levin Associates
  - Census data for commuting zones
- Sample Period: 2000 - 2010

HCRIS and AHA Annual Survey

- HCRIS:
  - Provides hospital-level financial and operational data
  - Key variables: number of employees by occupation, wages, hospital characteristics
- AHA: Provides detailed information on hospital characteristics, services, and ownership

CPS and QCEW

- CPS: Individual-level data on employment, wages, demographics
- QCEW: Establishment-level data on employment and wages by industry

Mergers and Acquisitions Data and Commuting Zones

- Mergers data from Irving Levin Associates
  - Data on hospital mergers from Irving Levin Associates
  - Key variables: merger date, involved hospitals, market definitions
- Commuting Zones (CZ)
  - Used to define local labor markets
  - Based on commuting patterns from Census data

Empirical Strategy

- Difference-in-Differences (DiD) approach
- Commuting zones whcih experienced a single merger-induced concentration increase
  - Treatment group: CZs with a hospital merger (84 CZ)
  - Control group: CZs without a hospital merger (293 CZ)

Summary Statistics

summar

Model

$$ln(wage_{imt}) = \delta_i + \tau_t + \alpha post_{mt} + X_{imt}\beta + \epsilon_{imt} \quad (1)$$

Identification

- Parallel trends assumption
- Control for time-invariant differences across CZs and common time shocks
- Robustness checks: varying control groups, alternative specifications

Parallel Trends Check

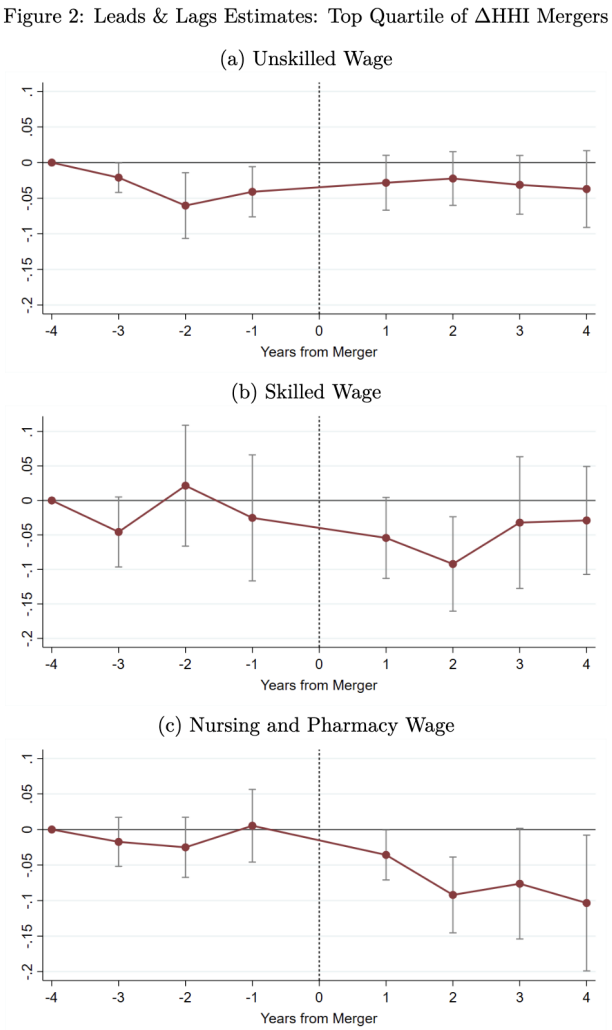

Figure: Wage trends in treatment and control CZs pre-merger

Main Results

Figure: Main empirical finding

Table of Results

Variable	Coef.	Std. Error
X	0.45	0.12
Z	-0.23	0.08

Table: Regression results

Conclusion

- Summarize findings
- Contributions
- Future work