Outline

# Abstract

This thesis examines how changes in ownership affect quality outcomes in healthcare markets, focusing specifically on the U.S. nursing home industry. Using a novel dataset linking ownership changes from CMS Provider Enrollment data with facility-level quality and staffing measures, our study investigates whether ownership changes lead to systematic changes in quality of care.

# 1. Introduction

The introduction motivates the topic by discussing the rise in ownership consolidation among nursing homes and the ongoing policy debate surrounding quality of care in increasingly concentrated markets. It situates the research question within the broader industrial organization and health economics literature, emphasizing how ownership structure can influence managerial incentives and resident outcomes. The section concludes with an overview of the paper’s contributions, methodology, and main findings.

# 2. Background and Literature Review

This section reviews the theoretical and empirical literature on ownership structure, competition, and quality in healthcare markets. It draws from seminal studies on hospital and nursing home competition, vertical integration, and profit status effects. Special attention is given to recent empirical papers using event-study and staggered adoption frameworks to analyze ownership changes and quality outcomes.

# 3. Data and Institutional Setting

The study uses data from multiple CMS administrative sources, including the Provider Enrollment, Ownership, and Chain data; the Payroll-Based Journal (PBJ) staffing data; and the Medicare Cost Reports. These data are merged into a monthly facility-level panel covering 2017–2025. Institutional background is provided on how ownership changes are reported to CMS, and how they relate to licensure and chain affiliation in nursing homes. Variables such as staffing intensity (HPPD), occupancy, payer mix, and case-mix adjustments are defined in detail.

# 4. Empirical Framework

The empirical strategy employs both event-study and staggered difference-in-differences designs to estimate the effect of ownership changes on quality-related outcomes. The event-study specification models dynamic effects relative to the ownership change event, while the DiD model estimates average treatment effects across all treated facilities. Facility and month fixed effects are included to account for unobserved heterogeneity and temporal shocks. Standard errors are clustered at the facility level.

# 5. Results

This section presents baseline DiD and event-study results for various quality outcomes, including total staffing hours per patient day (HPPD), RN staffing intensity, and quality ratings. Results are compared across ownership types (for-profit, nonprofit, government) and chain status. The estimates are interpreted in light of theoretical expectations about efficiency and quality trade-offs in concentrated markets.

# 6. Robustness and Extensions

Robustness checks include alternative event windows, placebo tests, and alternative control groups. Extensions explore heterogeneous effects by baseline quality, facility size, and market concentration. The analysis also tests for potential spillover effects, assessing whether ownership changes in dominant chains affect the behavior of competing facilities in the same local market.

# 7. Discussion

The discussion interprets the findings in the context of health economics and policy. It addresses potential mechanisms—such as capital restructuring, managerial efficiency, and workforce adjustments—that may explain observed changes in quality. The section connects results to the ongoing debate on whether private ownership and chain consolidation improve or undermine care quality.

# 8. Conclusion

The paper concludes by summarizing the main results and discussing their policy implications. It highlights how the findings contribute to the literature on ownership and quality in healthcare markets and outlines potential avenues for future research, such as examining heterogeneity by chain type, or incorporating profit margins and capital investment behavior into the analysis.

# References

The reference list will follow Journal of Health Economics and Health Economics citation standards, including key papers on ownership and quality dynamics in nursing homes, as well as studies using event-study and DiD designs in healthcare markets.