

INDUSTRIAL & SYSTEMS ENGINEERING SEMINAR

Wednesday, September 21

3:15 PM – Refreshments before the seminar

3:30 PM – Graduate Seminar

Mechanical Engineering Room 4125 A & B



Physician Workload and Hospital Reimbursement: Overworked Servers Generate Lower Income

Professor Sergei Savin

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We study the impact of physician workload on hospital reimbursement utilizing a detailed data set from the trauma department of a major urban hospital. We find that the proportion of patients assigned a “high-severity” status for reimbursement purposes, which maps, on average, to a 47.8% higher payment for the hospital, is substantially reduced as the workload of the discharging physician increases. This effect persists after we control for a number of systematic differences in patient characteristics, condition and time of discharge. Furthermore, we show that it is not caused by selection bias or endogeneity in either discharge timing or allocation of discharges to physicians. We attribute this phenomenon to a workload-induced reduction in diligence of paperwork execution. We estimate the associated monetary loss to be approximately 1.1% (95% Confidence Interval 0.4%-1.9%) of the department's annual revenue.

BIO: Sergei Savin is an Associate Professor of Operations and Information Management at the Wharton School, University of Pennsylvania. Savin’s research interests include diagnostic and service capacity management in healthcare operations, revenue management, and diffusion models for new products and services.

FOR MORE INFORMATION ON PROFESOR SAVIN’S RESEARCH PLEASE VISIT:

<http://opimweb.wharton.upenn.edu/people/faculty.cfm?id=418>