

The Hidden Cost of Private Equity Hospital Buyouts

(Episode 321)

featuring Renee Hsia, MD, MSc



This time on Code WACK!

We're taking a closer look at what happens when private equity buys hospitals. Our guest is **Dr. Renee Hsia** (pronounced "Shaw").

An emergency physician at **Zuckerberg San Francisco General Hospital**, Dr. Hsia explains how patients can be harmed when Wall Street firms take over health care. A Professor of Emergency Medicine and Health Policy at the **University of California, San Francisco**, she is also Vice Chair of Health Services Research in the Department of Emergency Medicine, and a core faculty member of the Philip R. Lee Institute for Health Policy Studies.

This is part two of our two-part series.

SHOW NOTES

Episode 321, March 16, 2026

WE DISCUSS

If a local hospital is bought by private equity, what changes might patients notice?

Hsia: ... it's hard to generalize because each situation may be different, but common ones ... are that you might have longer waits to be roomed, to get medications, to get imaging or get your discharge paperwork....

So, you know, labs could take longer because maybe ... there's fewer lab techs or there's fewer machines. ... You could see that there might be more hallway care.

... there are situations in hospitals all across the country where there are units that are physically closed. They close the whole unit because there's not enough staffing to open that unit. And so that's something that you may see and may feel.

And then also the issue about transfers, you know, we don't, again, ***don't*** want to transfer our patients, but in a situation where there's fewer staffing and fewer specialized services and consult services, that might mean that you have to go somewhere else.

Why do private equity acquisitions often involve hospitals serving low-income or Black communities?

Hsia: So just as a disclaimer, I'm not a researcher in private equity acquisition of hospitals, so I'll just speak on what my limited knowledge is, but there are a lot of hospitals that are at risk of closing down because of poor finances.

And poor finances are usually, or in large part, due to decreased revenue because the insurance profile of the patients is such that they are reimbursing a lower amount. So specifically commercial insurance - *Blue Cross, Blue Shield, Anthem, United* - generally pay more on the dollar than state funded programs or federal funded partnerships like Medicaid, for example.

Or if you're uninsured, then you know you may not be able to reimburse or pay for your visit. So many community hospitals that are serving traditionally marginalized patients or high proportions of black patients or dual eligible [Medicare/Medicaid], which tend to be low income patients, are at more risk of closing.

And so those hospitals are cheaper to acquire. They are sometimes in such a financially distressed situation that [private equity] firms can acquire them at a low cost. And so there's more room for financial restructuring... .

And so that's why many targets of private equity tend to be community hospitals serving these types of patients.

Could payment reform – like single-payer – improve survival in emergency and critical care?

HSIA: ...I think it's actually really important to look at the fundamental restructuring of the way we finance and deliver care in the United States. I think without that, we are stuck with a system where we are only putting band-aids on the problems, but we're not able to fundamentally change the quality issues of quality and cost and access.

I think that it takes a lot of effort and bravery to look at that. And our political environment has been such that health care is a sensitive topic and it's very easy for people to feel protective of the current situation because they don't know what could be different.

... And I think people see stories of wait times in the UK or in Canada and say, *'oh, we would never want that.'*

...You know ... we don't necessarily need the government to run our healthcare system ... I don't think that every physician in the United States would want to be a government employee. That is how it is run in some countries, but that's not what we're suggesting.

You know, having a single-payer system or actually a publicly financed system does not require, you know, everyone to be employed by the US government. And there are ways that we can privately deliver care, but publicly finance it that I think would really benefit our system and our patients and our families.

Episode Transcript

Read the [episode transcript](#)

Helpful Links

[Hospital Staffing and Patient Outcomes After Private Equity Acquisition, *Annals of Internal Medicine*](#)

[Private Equity Drives Health Care Inequity: Regulatory Guardrails for Private Equity Investment In Health Care, *Columbia University, Black Pre-Law Society*](#)

[Barbarians at the Hospital Gates: Private Equity and its Impact on Patient Care, *Center for Medicine in the Public Interest*](#)

[Oregon's new law is nation's toughest against private equity in healthcare, *Healthcare Dive*](#)

[Physicians for a National Health Program \(PNHP\)](#)

Guest Biography - Renee Y. Hsia, MD, MSc

Renee Y. Hsia, MD, MSc (pronounced “Shaw”) is Professor of Emergency Medicine and Health Policy at the University of California San Francisco. She is also Vice Chair of Health Services Research in the Department of Emergency Medicine, and a core member of the Philip R. Lee Institute of Health Policy Studies.

Dr. Hsia is a national leader in research focusing on access to emergency care, especially for vulnerable populations; emergency department and trauma center utilization; the effect of service availability on patient outcomes; regionalization of care; and the wide variation in the costs and charges in healthcare.

She has published over 200 peer-reviewed studies in journals such as the New England Journal of Medicine, the Journal of the American Medical Association, and Health Affairs, and her pioneering work has been highlighted in print media such as the New York Times, national radio such as NPR, and network television. Her research has been funded by the National Institutes of Health; National Heart, Lung, and Blood Institute; the Agency for Healthcare Research and Quality; and the American Heart Association.

Dr. Hsia is the first emergency physician elected to the American Society for Clinical Investigation and is also an elected member of the National Academy of Medicine. Dr. Hsia works clinically at the San Francisco General Hospital and Trauma Center, and speaks Mandarin, Cantonese, Spanish, and French.

Dr. Hsia received her undergraduate degree from the Woodrow Wilson School of Public and International Affairs at Princeton University; her medical degree from Harvard Medical School; her master’s training in health policy, planning, and financing at the London School of Economics and the London School of Hygiene and Tropical Medicine; and her residency training in emergency medicine at Stanford University.

Host Biography: Brenda Gazzar

Brenda Gazzar, the host and co-producer of **Code WACK!**, has produced over 300 weekly podcast episodes topping 400,000 downloads. A skilled interviewer and storyteller, Brenda brings nuance, curiosity, and clarity to every conversation.

Brenda has worked as a multilingual and award-winning reporter with more than two decades experience in California and the Middle East.

Her work has been published by Reuters, Ms. Magazine, USA Today, Los Angeles Daily News, the Orange County Register, The Wrap, The Jerusalem Post, Cairo Times and numerous other publications. She speaks Spanish, Hebrew, and moderate Arabic and is the recipient of national, state and regional awards.

Brenda also enjoys being a life coach, helping people align with their purpose so they feel fulfilled while achieving their boldest dreams.

Brenda's work is grounded in a belief that systemic change and personal growth go hand in hand — and she's here for both.

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Keywords