

# Online Appendix

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**Appendix Table A1: Effect of Bundled Payments by Hospital**

		Diff-in-Diff Est.	SE	p-value
(1)	Resurrection Medical Center	-0.09	(0.03)	[0.005]
(2)	Saint Joseph Hospital	-0.02	(0.04)	[0.590]
(3)	Our Lady of the Resurrection Medical Center	0.00	(0.04)	[0.980]

Data cover the 2013-2014 period. The unit of observation is an episode of care. Each row reports the coefficient, standard error, and p-value from an indicator for each of the participating hospitals interacted with an indicator for 2014. These parameters are estimated in a single regression of log episode cost on each participating hospital indicator interacted with the year 2014 indicator, separate indicators for each participating hospital, a year 2014 indicator, and a vector of patient characteristics. The standard errors are clustered by operating physician.

## Appendix Table A2: Effect of Bundled Payments by Number of Gainsharing Physicians

	Independent Variable	Diff-in-Diff Est.	SE	p-value
(1)	Only Operating Physician	0.05	(0.04)	[0.189]
(2)	Both Operating and Attending	-0.18	(0.06)	[0.001]

Data cover the 2013-2014 period. The unit of observation is an episode of care. The rows reports the coefficient, standard error, and p-value from (1) an indicator for participating hospitals interacted with a year 2014 indicator and (2) for episodes where both the operating and attending physician are gainsharing interacted with a year 2014 indicator. These parameters are estimated in a single regression of log episode cost on the participating hospital-year 2014 interaction, episodes where both the operating and attending physician are gainsharing interacted with an indicator for 2014, an interaction term for episodes where the operating physician is not gainsharing with the year 2014, an indicator for participating hospitals, an indicator for episodes where both the attending and operating physician are gainsharing, and indicator for episodes where the operating physician is not gainsharing, a year 2014 indicator, and a vector of patient characteristics. The standard errors are clustered by operating physician.

**Appendix Table A3: Effect of Bundled Payments on Proxies for Health**

	Outcome Variable	Diff-in-Diff Est.	SE	p-value
(1)	Age	-0.04	(1.31)	[0.977]
(2)	Dual Eligibility	-0.07	(0.04)	[0.120]
(3)	Charlson Co-Morbidity Index	-0.36	(0.14)	[0.013]
(4)	Number of Diagnosis	-0.20	(0.72)	[0.781]

Data cover the 2013-2014 period. The unit of observation is an episode of care. Each row reports the coefficient, standard error, and p-value for an indicator for the participating hospitals interacted with an indicator for 2014. These parameters are estimated in a regression of the outcome variable on that interaction term, a participating hospital indicator, and a year 2014 indicator. The standard errors are clustered by operating physician.

**Appendix Table A4: Effect of Bundled Payments on Presence Health Per Patient Revenue**

		Presence	Non-Presence
		(1)	(2)
(1)	Institutional Revenue	-0.06 (0.04) [0.158]	-0.06 (0.11) [0.570]
(2)	Inpatient Revenue	-0.16 (0.04) [0.000]	0.16 (0.12) [0.158]
(3)	SNF Revenue	1.78 (0.42) [0.000]	-0.93 (0.34) [0.007]
(4)	Home Health Revenue	0.78 (0.45) [0.084]	-0.99 (0.59) [0.094]

Data cover the 2013-2014 period. The unit of observation is an episode of care. The outcome variables are listed in the rows and the sample is listed in the columns, e.g., the first cell in the table (1,1) reports results from a regression where the outcome variable is log Presence institutional revenue from bundled payment patients. Each cell reports the coefficient, standard error (in parenthesis), and p-value (in brackets) for an indicator for the participating hospitals interacted with an indicator for 2014. These parameters are estimated in a regression of the outcome variable on that interaction term, a participating hospital indicator, a year 2014 indicator, and a vector of patient characteristics. The standard errors are clustered by operating physician. We define institutional revenue as the sum of inpatient revenue, SNF revenue, and home health revenue.

**Appendix Table A5: Effect of Bundled Payments on Presence Health Share of Patient Revenue**

	Outcome Variable	Diff-in-Diff Est.	SE	p-value
(1)	Presence Share of Institutional Revenue	0.00	(0.02)	[0.830]
(2)	Presence Share of Inpatient Revenue	-0.01	(0.01)	[0.128]
(3)	Presence Share of SNF Revenue Presence Share of Home Health	0.20	(0.05)	[0.000]
(4)	Revenue	0.16	(0.08)	[0.042]

Data cover the 2013-2014 period. The unit of observation is an episode of care. Each row reports the coefficient, standard error, and p-value for an indicator for the participating hospitals interacted with an indicator for 2014. These parameters are estimated in a regression of the outcome variable on that interaction term, a participating hospital indicator, a year 2014 indicator, and a vector of patient characteristics. The standard errors are clustered by operating physician. We define institutional revenue as the sum of inpatient revenue, SNF revenue, and home health revenue. The Presence share of revenue is equal to Presence revenue divided by the sum of Presence and Non-Presence revenue.