

Comments on “How Acquisitions Affect Firm Behavior and Performance”

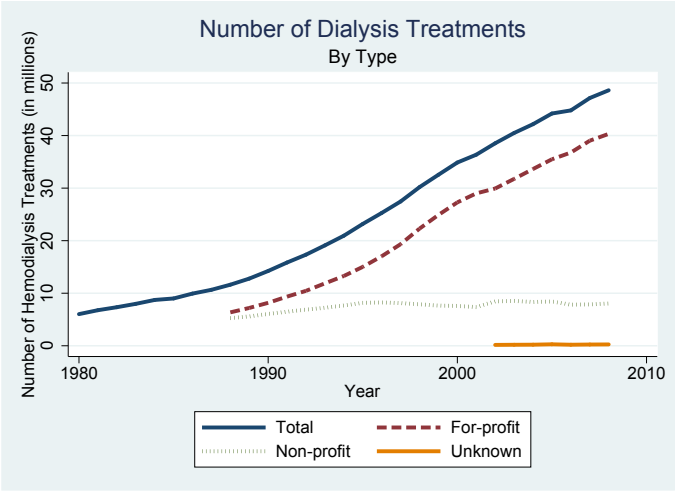
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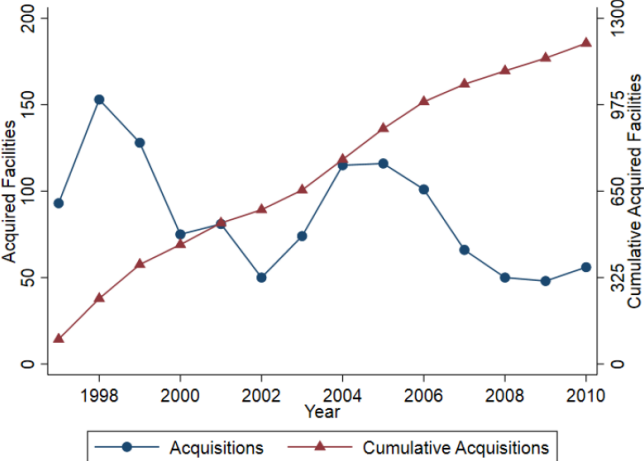
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Dialysis Market Trends



Prevalence of ESRD in US expanding rapidly. Patients *now* treated predominantly in for-profit facilities.

Dialysis Market Trends



Rise of for-profits due due to acquisitions by large chains as well as faster entry

Paper Contribution

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- ▶ Econometric techniques are straightforward examples of treatment effects estimation
- ▶ Patient level evidence shows that acquisitions tend to lead to worse health outcomes for patients
- ▶ Facility level evidence points to reduced expenditures on high end inputs and increased doses of highly reimbursed pharmaceuticals

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 - ▶ Perhaps explore sensitivity of those conclusions focusing on less heterogeneous sample
 - ▶ How coincident were individual transactions with other market structure changes?
3. Extensive margin effects: Is there any evidence that suggests that acquisition increases the overall treatment population? Any welfare increasing effects?

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 - ▶ Non-profit market power not correlated with increased spending on charity care
- ▶ What is going in with dialysis that is so different?