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A recent news story published by the Kaiser Health News provided a case study of the effect of private equity funding on rural U.S. hospitals. Noble Capital, a Texas-based private equity firm, acquired two rural hospitals in Missouri. Audrain and Callaway community hospitals shortly thereafter closed their doors to patients as Noble needed to “restructure their operations” in order to maintain the financial availability of the hospitals. [more](#)

The acquisition of these two rural hospitals is part of a growing trend where financial capitalists acquire hospitals through leverage buyouts, that is, using debt to buy hospitals. In fact, private equity investment in health care increased twenty-fold from 2000 to 2018.

Dr. Joseph Corrado, a surgeon at Audrain Community Hospital for 40 years, noted that supplies for surgeries started to decline, there were insufficient supplies of medicine, and paychecks to workers were unpaid.

Health Inspectors at the Callaway hospitals observed a 77 year old stab themselves with an ink pen, and an 85 year old missed their medicine over the weekend due to a pharmacist being unavailable. In another instance nurses had to wait 5 minutes to provide oxygen to a patient due to a machine malfunctioning.

Capitalists seek to maximize the profit from their operations despite the social consequences of their actions. In the case of health care, capitalists seek to extract the largest difference between their revenues and their costs, which includes the expenditures on patients and the wages and salaries of their employees. As long as the capitalist system continues to exist the American health care system will benefit the capitalists while the masses pay more for declining quality of care.

Source: [1](#) [2](#)