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Rx: Health Care FYI #8

Subject: *Reward Positive Performance in Hospitals*
From: *Rep. Tim Murphy (PA-18)*

The problem: Federal incentives to hospitals and health care providers can have dramatic effects on reducing medical errors and thereby reduce overall health care costs.

Hospitals are improving patient safety:

- Hospitals have worked with state Quality Improvement Organizations (QIO) on improvement activities for the past 20 years and have seen providers achieve a 10-20% relative improvement in performance. Improvements were measured based on the implementation of quality measures for administering recommended treatments such as the distribution of aspirin, beta blockers and inhibitors for heart disease and administering pneumonia vaccines.¹
- Brigham and Women's Hospital in Boston implemented a computerized drug-ordering system that has reduced serious medication errors by 55 percent.²
- Several hundred hospitals around the country are finding dramatic success in reducing surgical infections by properly adhering to specific clinical guidelines for administering antibiotics to surgical patients within 60 minutes before an incision is made, ensuring the correct antibiotic is given, and ending antibiotics 24 hours after surgery ends. For example, Mercy Health Center in Oklahoma has performed 400 surgeries without any infections.³

The private sector is already rewarding hospitals and physicians for improving quality:

- The Robert Wood Johnson Foundation, a private health care sponsored foundation, funded \$25 million in grants to 13 hospitals through the Pursuing Perfection Initiative for Health Care Improvement to set goals for improvements in patient safety, to measure performance and change the infrastructure to support the improvements, especially with regard to workforce, information technology, and communications. Examples includes:
 - Tallahassee Memorial Hospital in Florida implemented collaborative care teams of physicians, nurses, pharmacists, therapists, and others to share knowledge, observations, and expertise and established rapid response teams to provide care 24/7. This reduced mortality by nearly 31 percent.
 - McLeod Regional Hospital in South Carolina separated drugs that sounded and looked alike; implemented a computerized ordering system for their drugs, implemented automated dispensing units for drugs in medical/surgical units and increased access to pharmacists for consultations with physicians.

¹ Hospital Quality Initiative Overview. Centers for Medicare and Medicaid Services. March 2005.

² Allan, Scott. Medical Mistakes. Boston Globe. 2004.

³ Bratzler, Dale. Use of Antimicrobial Prophylaxis for Major Surgery: Baseline Results From the National Surgical Infection Prevention Project. Archives of Surgery. 2005.

This reduced the average wait time for patients to receive medication from 92 minutes to seven and reduced harmful drug events to less than one per 1,000 doses in 2004.

- Hackensack University Medical Center in New Jersey combined technology and teamwork to begin taking electrocardiogram of patients suspected of having a heart attack, while they are in route to the hospital; the results are digitally sent to awaiting Emergency department staff so they can prepare for the patient upon arrival. This reduced the mortality rate from heart attacks to approximately five percent, significantly below the national average of 10.9 percent.⁴

The federal government's role:

- CMS is exploring pay-for-performance for hospitals under the Premier Hospital Quality Incentive Demonstration. Under the demonstration, 274 hospitals will receive bonuses based on their performance on quality measures selected for inpatients with specific clinical conditions: heart attack, heart failure, pneumonia, coronary artery bypass graft, and hip and knee replacements. Those hospitals in the top 20 percent will be recognized and given a financial bonus. Participation in the demonstration is voluntary and open to hospitals as of March 31, 2003.⁵
- In 2003, the Department of Health and Human Services (HHS) implemented the Hospital Quality Initiative (HQI) to allow for voluntary uniform reporting of data for the Hospital Compare Website. In addition, HQI is working with HHS's Agency for Health Care Research and Quality (AHRQ), to develop a standardized survey of patient perspectives of their hospital care, known as Hospital CAHPS (HCAHPS). Information from this survey will be publicly reported on the Hospital Compare website in the future.
- CMS is currently involved in a three-state pilot program of hospitals in collaboration with CMS and the State Quality Improvement Organizations (QIOs) in Maryland, New York and Arizona. The project, which will run until October 2005, tests various approaches to public reporting of hospital performance measures.⁶
- Electronic Medical Records that include prompts and recommendations to hospital staff can be used to communicate updated quality improvement/patient safety information.

Incentives:

- Increases in Medicare and Medicaid reimbursements for health care providers must be tied to improving patient safety, decreasing infection rates and reducing overall health care spending.
- Promote the adoption of health information technology to improve patient safety by increasing Medicare and Medicaid reimbursements to hospitals.

⁴ Institute for Healthcare Improvement. Pursuing Perfection success stories. 2004.

⁵ Rewarding Superior Quality Care: The Premier Hospital Quality Incentive Demonstration. Centers for Medicare and Medicaid Fact Sheet. March 2005.

⁶ CMS Hospital Three State Pilot. Centers for Medicare and Medicaid Services Fact Sheet. November 2004.

Congressman Tim Murphy, a member of the Energy and Commerce Committee, is a psychologist and holds two Adjunct Associate Professor positions at the University of Pittsburgh (Pediatrics, and Public Health). He is Co-chair of both the Congressional 21st Century Healthcare Caucus and the Congressional Mental Health Caucus.