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Hospital Report Cards: Too Soon for a Passing Grade

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UHC is an alliance of two hundred academic medical centers. UHC provides a variety of resources aimed at improving its member's performance levels in clinical, operational and financial areas.

Dr. Keroack pointed out that the growing number of employees not enrolled in HMOs are being asked to take on the responsibility for choosing quality providers. Employees need tools that allow them to differentiate between providers and make informed choices. UHC tracks at least 15 health care report cards that are promoted to consumers as reliable measures of hospital quality. None of these report cards achieve a reliable measure of clinical quality. Some steer consumers towards providers with substandard outcomes and give low rankings to providers with the best clinical outcomes.

Differences in rating methodologies were examined and shown to lead to variability in report card findings. While consumers generally like report cards backed up by volume measures, the Leapfrog Group's volume criteria were shown to exclude more top performers than they included. The more diligent a provider is about documenting complication rates, the more likely that provider will receive a lower rating.

The current hospital report cards are not a true measure of treatment outcomes. This requires a reliable method of adjusting for individual patient risk factors. Since payer data is often the basis for hospital report cards, some critical risk factors such as how the patient arrived at the hospital and their socio-economic status is not available. And the healthcare industry currently lacks consensus on how to determine expected mortality.

To be effective, report cards must be easy for consumers to understand. Current report cards are at risk of misdirecting consumers by providing faulty ratings based on simple measures. It is questionable whether report cards impact consumer behavior. According to a Harris Interactive study, although one quarter of adults surveyed had seen hospital report cards, fewer than five percent indicate that reports influenced them to seriously consider changing hospitals or physicians. The State of New York has been publishing hospital-specific mortality rates for cardio-vascular surgery for ten years but the providers with the lowest reported mortality rates have failed to gain market share. In contrast, the providers with the highest mortality rates have actually gained market share.

It is reasonable to expect that consumerism will intensify as insurers and employers migrate from restricted access, discount networks to cost shifting and broader employee choice. Consumers are struggling to understand the differences between providers. There continues to be an unmet need for effective risk-adjusted methodologies and tools that will differentiate hospitals based on reliable measure of clinical quality.