

NBCH action brief

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Hospital Patient Safety

Hospital-acquired conditions, readmissions and serious reportable events are significant issues impacting employee health and the health care claims costs incurred by employers. For example, \$30 billion is lost annually due to avoidable costs such as longer hospital stays¹. Employers can play a key role in improving patient safety and reducing preventable occurrences. This Action Brief highlights the issues using data from eValue8™—a process used by purchasers to track health plan performance—and offers steps employers can take to improve patient safety.

WHAT'S THE ISSUE?

ON AVERAGE, THE COST OF HOSPITAL STAYS FOR ADULTS WHO DEVELOP HEALTH CARE-ASSOCIATED INFECTIONS IS ABOUT \$43,000 MORE EXPENSIVE²

Hospital-Acquired Conditions (HACS)

- E Every year 1.7 million people acquire health problems such as bacterial infections and incorrect blood transfusions after arriving at a hospital³—of these, nearly 100,000 die⁴
- E According to [The Leapfrog Group](#), rates of HACS vary significantly with a tenfold difference between the best and worst performing hospitals⁵

Hospital Readmissions

- E Although nearly always preventable,⁶ 18% of Medicare patients are readmitted within 30 days of discharge each year for reasons including poor quality of care and inadequate education on proper medication use⁷
- E Thanks to cost-shifting to the private sector, these Medicare readmissions that cost an extra \$15 billion annually⁸ impact employers too

Serious Reportable Events

- E Incorrect surgical procedures, such as wrong site surgery or tools left inside a patient's body after surgery, are examples of serious reportable events (SREs) or "never events"
- E Eighteen types of medical errors account for 2.4 million extra hospital days and \$9.3 billion in excess charges each year⁹

Best Practice Example [Group Health Cooperative](#)

Prior to becoming a patient influenced by Group Health's Emergency Department/Hospital Inpatient Initiative, Larry Stults was depressed. The 82 year-old diabetic and cancer survivor with a heart condition had been readmitted to the emergency room a half a dozen times in as many months. This cross functional effort to improve the coordination and communication of care issued as patients transition from one care setting to the next not only changed Larry's life but also saved the organization \$51 million in hospital costs in 2010. Today, Larry feels fabulous. He exclaims, "I feel like I could go out and run up and down the street! I feel like I could play tennis or volleyball!"

MEASURING UP

14% OF HEALTH PLANS STILL PAY FOR HACS

Hospital-Acquired Conditions (HACS)

- E Less than two-thirds (63%) of health plans reporting to eValue8 in 2011 require hospitals to participate in at least one reporting program such as Joint Commission, an important step in improving care. Does yours?

Hospital Readmissions

- E 91% of health plans reporting to eValue8 track readmissions; and the same percent track readmissions for specific conditions—tracking these rates allows the plans to identify high performing providers
- E Plans responding to eValue8 report readmissions that range from a low of 2% for orthopedic surgeries to a high of over 25% for psychoses with more than a tenfold variation between plans for some conditions

Serious Reportable Events

- E 88% of health plans reporting to eValue8 require hospitals to report SREs to at least one reporting program
- E Nearly one-fourth (26%) of plans still pay for SREs

Incentives For Improvement

- E 90% of health plans use financial incentives or patient steering through plan design to reward hospital performance on quality and efficiency measures
- E 84% use financial incentives only—ask your plan what they are doing to reward and what results they have seen
- E Of those offering financial incentives or tiering, only 21% base the incentive/tiering in part on safety indicators, and of those offering financial incentives, the average percent of total reimbursement that is incentives-based is only about 1%



VIRGINIA BUSINESS COALITION ON HEALTH

287 Independence Blvd., Pembroke Two, Suite 120, Virginia Beach, Virginia 23462
www.myVBCH.org T.757.552.0913 F.757.497.5101



TAKE ACTION

TIE YOUR PAYMENTS TO BETTER PATIENT SAFETY!

Medicare is seeking to improve patient safety by tying a portion of its hospital payments to how well hospitals perform in areas including patient safety.¹⁰ Six percent of Medicare hospital payments will be tied to performance on patient safety by 2013.¹¹ Now is the perfect time to align your strategies with Medicare, and send the providers a united message about the importance of improving patient safety.

ACTION ITEM #1: Ask your plan what they're doing, how they compare, and how they can improve

Using eValue8, employers work with their health plans to gauge the level of performance improvement and benchmark progress compared with other plans. Employers should encourage health plans to increase the percentage of total provider reimbursement that is tied to patient safety.

ACTION ITEM #2: Don't pay for HACs and SREs

Get informed and ensure that neither you nor your health plan is paying for such events. If the dry cleaner lost or ruined your suit, would you still pay for the intended cleaning service? Would you pay the cleaner again to repair the damage he caused?

ACTION ITEM #3: Encourage your plans and hospitals to publicly report

Ensure that your health plan both tracks and publicly reports the rates of readmission and HACs. While responding to eValue8 is one mechanism for reporting, they too should require hospitals to report publicly by participating in The Leapfrog Group's annual survey answering questions related to HACs, readmissions, serious reportable events, and other activities that can keep your employees safe.

ACTION ITEM #4: Make high-performance provider networks available to your employees

High-performance networks and centers of excellence are recognized as leading to high-value care. Ensure that your health plan contracts with these hospitals, and encourage and incentivize your employees to choose these designated networks that provide consistent, high-quality care.

ACTION ITEM #5: Raise the awareness about patient safety among your employees

Communication is key before, during, and after non-emergency hospital stays. Efforts to raise employee awareness around patient safety may include incorporating patient safety messaging into brochures, poster campaigns, emails, and newsletters. Empower your employees to be prepared if they or a loved one end up in the hospital.

ACTION ITEM #6: Partner Up!

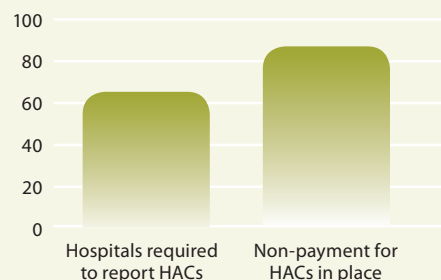
Join the [Partnership for Patients](#), a public-private initiative that seeks to reduce the rate of readmissions and harm to hospital patients by tying a portion of Medicare hospital payments to patient safety performance.

ACTION ITEM #7: Join your local business health care coalition

The coalition movement is a proven vehicle for meaningful change at the local level. [Coalitions](#) leverage the voice and power of their employer purchaser members by serving as community leaders and collaborators working to advance change.

FIGURE 1. HAC: Reporting and Reimbursing

HACs: PERCENT OF PLANS REQUIRING REPORTING AND NOT REIMBURSING



1. Only 63% of plans reporting say they require hospitals to report at least one program designed for reporting (e.g. Joint Commission). HAC reporting is complicated by the need to record "present on admission" status

2. 86% of the plans reported that they do not pay for HACs.

ENDNOTES

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