

Community Hospitals May Provide Higher Quality, Value

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Some of the highest value hospital care actually may be provided by nearby community-based hospitals, according to the 2009-2010 Hospital Value Index released Tuesday that ranks hospitals by an analysis using publically available data on quality, affordability, efficiency, and patient satisfaction performance data.

"What's interesting when you run studies of this kind [is that the hospitals] are not always who you think they might be. They're not always the big brand. They're often a community hospital that's serving a smaller rural or even a suburban market," said John Morrow, a senior advisor to Nashville-based Data Advantage, a privately held health information company, which created the index. "They are not a single model of healthcare, but they shine the light so others may follow."

Of the more than 4,500 hospitals that were analyzed by the company, 747 were identified as providing "best in value" care. The company noted that if all hospitals across the country performed at the average benchmark for the "best in value" hospitals, about 9.3% of costs—or approximately \$60 billion—could be eliminated from annual hospital spending.

With the inclusion of many community hospitals, the analysis suggests that consumers may find higher values closer to home and that policymakers may want to expand their search for models of reform beyond the bigger name teaching hospitals, according to Morrow.

The highest ranked hospitals in the study were found to be geographically diverse—with the top 10 hospitals located in Dothan, AL; Minden, LA; Tawas City, MI; Clarksburg, WV; Gastonia, NC; Maysville, KY; Elmira, NY; Mechanicsville, VA; Holland, MI; and Winston-Salem, NC.

Among the 100 largest metropolitan areas, the highest ranked markets are Charlotte, NC; Rochester, NY; Grand Rapids, MI; Pittsburgh, PA; and Knoxville, TN. Hospitals in larger cities, such as Los Angeles, San Francisco, and Chicago were found to score lower, based on the index. Overall, markets with a population of less than 2 million people were found to outperformed markets with a population of more than 2 million.

The top five states in delivering value were:

- North Dakota
- Iowa
- Montana
- South Dakota
- Maine

The bottom five states were:

- New Mexico
- Arkansas
- California
- Hawaii
- Nevada

California had only two hospitals among the top 100 "best in value" hospitals, while New York, Alabama, and Iowa each have at least six hospitals in the top 100.

As legislators consider healthcare reform, it will become important to recognize and reward those hospitals that deliver outstanding value, Morrow said. But the idea of value has to be more clearly defined—with hospitals wanting to know the areas in which improvements are needed.

The Centers for Medicare and Medicaid Services (CMS) did recommend the use of value-based purchasing in November 2007, in which hospitals would be reimbursed based on the overall value that they deliver. But the agency has not officially established what value-based purchasing will look like, said Data Advantage CEO Hal Andrews.

The company is trying to expand on some of those concepts by looking at metrics CMS already uses:

- Quality, by examining data that includes CMS' core measures, patient safety, mortality, and readmission rates.
- Efficiency, by including the relative measure of the cost to the hospital for providing services.
- Affordability, by providing a relative comparison of prices charged for inpatient and outpatient services, including what hospitals ultimately collect.
- Patient satisfaction as measured by the Hospital Consumer Assessment of Healthcare Providers and Systems, which is better known as HCAHPS.

While the data may show that a community hospital or a large academic teaching hospital may be providing excellent value for the care they provide, the report does not include information about what they are doing "to deliver a higher level of value care than other hospitals," Morrow said.

"We don't think there's really enough to know what the commonalities are," said Morrow, who said the company is organizing a summit in December to look at the issue.

"There are examples in every category [of hospitals] that are doing well, and it's easy to demonstrate that they are doing well. And we think that instead of looking to one or two hospitals that are either geographic or demographic flukes in the overall scheme of things—that we look to the top quartile performers and say: What's going on that works in Billings, MT, as well as in Nashville, TN, as well in Worcester, MA," Morrow said.

Hospitals themselves, as well as consumers, can look at hospital-specific and market-specific data by visiting the [free Web site](#) and selecting a hospital found on the map.

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