

# Transparency in Healthcare

Kevin T. Kavanagh, MD, MS



Kentucky 45<sup>th</sup> in healthcare in a country with below average life expectancy and above average infant and maternal mortality rates for industrialized nations.

Source: Commonwealth Fund, OCED, Time Magazine

# Transparency in Healthcare

- Regardless of type of healthcare system, transparency is needed. Transparency should be present in either consumer driven healthcare or a single payer system
- Transparency – You know what you are buying.
  - -- Quality
  - -- Costs

$$\text{Value} = \text{Cost} + \text{Quality}$$

# Transparency in Healthcare

## **In the US:**

- Below Average Life Expectancy for industrialized nations. (Ranked 22<sup>ed</sup> out of 30 OECD Nations)
- Above Average Infant Mortality for industrialized nations. (Ranked OECD)
- Ranked 41<sup>st</sup> out of 171 world nations for Maternal Mortality – A rate 3.3 times higher than the top 10 industrialized nations (Reuters & Lancet Oct 13, 2007)
- Spends more in healthcare per capita than any other nation. 238% more than the average OECD Nation.

# Transparency in Healthcare

- Both unions and business organizations support Healthcare Transparency. Excessive healthcare costs is becoming the number one issue in contract negotiations.

AP

## **Health Costs Are Key to GM-UAW Talks**

Thursday September 20, 12:52 am ET

By Tom Krisher and Dee-Ann Durbin, AP Auto Writers

### **Plan for Retiree Trust Would Give UAW Big Responsibility to Keep Up With Rising Health Costs**

DETROIT (AP) -- The United Auto Workers would become one of the nation's largest consumers of health care if it takes over retiree obligations from Detroit's automakers, a huge responsibility that would test the union's ability to control rising health care costs.

Health care is at the heart of bargaining between the UAW and General Motors Corp., which was set to continue Thursday. The union's contract with GM has been extended hour by hour since Friday.

The negotiations are dragging on because of a complex plan to unload GM's roughly \$51 billion in unfunded retiree health costs to a trust administered by the union. In exchange, the UAW wants promises that GM will continue building cars at union-represented plants.

# Transparency in Healthcare

- Transparency needed in all aspects of healthcare
  - Healthcare Facilities
  - Physicians
  - Pharmacy

# Transparency -- Quality

- Facilities – Most Important Parameters
  - Registered Nursing Staff -- The Nurse is the Hospital. ICU means Intensive (Nursing) Care Unit.
  - Infection Rates (Pennsylvania & Florida).
  - Bed ulcer formation – In both high and low risk patients. This can be monitored by nursing homes and hospitals. Disease classification codes are being changed to distinguish “Acquired” vs “Preexisting” skin lesions.
  - Mortality Rates

# Transparency – Nursing Staff

- [Aiken, L.H., et. al. \(JAMA, 2002\)](#) if a nurse is responsible for four patients and the care load is doubled, there is a 31% increase in the patient death rate. In patients who had complications, this rate is even higher.
- [Joint Commission](#) – Aug 2002, Inadequate nursing care was a factor in 24% of all sentinel (severe) events and that “care is literally being left undone”. -- Aug. 2002.
- [Needleman J., et. al. \(NEJM, 2002\)](#) found that the higher the proportion of care provided by registered nurses the shorter the length of stay in the hospital, the lower the rate of urinary tract infections and upper gastrointestinal bleeding, and the lower the rate of pneumonia, shock, cardiac arrest and "failure to rescue".
- [Leape, JAMA, 1995,](#) Nurses are responsible for 86% of all interceptions of medical errors.

# Transparency – Nursing Staff

- Importance – Costs
  - Patients are charged different levels of care (ICU, Stepdown, General Floors.)
  - Patients should know what they are paying for.



# Transparency – Nursing Staff

- If in the ICU, you are receiving nursing staffing of one nurse to four patients, one of two things should be strongly considered.
  - Possibly you are not getting the nursing staffing you need OR
  - Possibly you are paying for an ICU charge when you should be on the stepdown unit or general floor.
- Remember the “intensive care” in Intensive Care Units is mainly given by the nurse, not housekeeping or security. The nurse is the one at the bedside monitoring the patient. The doctor also cares for the patient but he submits a separate bill.

# Transparency – Nursing Staff

- Staffing Data is Available for Nursing Homes at <http://www.medicare.gov/NHCompare/>

	Nursing Home In SOMERSET	State Average in Kentucky	National Average
Number of Residents	142	89.2	95.6
Licensed Nursing Staff:			
Registered Nurses Hours	19 minutes	30 minutes	30 minutes
Licensed Practical Nurses/Licensed Vocational Nurses Hours	+ 1 hour 3 minutes	+ 48 minutes	+ 48 minutes
Total Number of Licensed Nursing Staff Hours	= 1 hour 22 minutes	= 1 hour 18 minutes	= 1 hour 18 minutes
Certified Nursing Assistants Hours	2 hours 11 minutes	2 hours 30 minutes	2 hours 18 minutes

Nursing Staff Hours Per Resident Per Day is the average daily hours worked by the nurses or nursing assistants divided by total number of residents. The amount of care given to each resident varies.

# Transparency – Nursing Staff

- However, consumer choices are limited.
- In Kentucky, the number of beds available is strictly controlled by the Certificate of Need process.

# Transparency – Infection Rates

- Very important parameter. Currently publically reported by Pennsylvania and Florida.
- This parameter is affected by the numbers of nursing and housekeeping staff, and adherence to hospital protocols.
- This parameter may also have major impact on the community. Facility outliers may be responsible for the development and spread of antibiotic resistant Staphylococcus (MRSA) and resistant Strep Pneumonia.

# Transparency – Skin Sores & Bed Ulcers

- Nursing Homes: Skin Ulcer Data can be obtained on <http://www.medicare.gov/NHCompare/>
- Hospitals: Florida ( [www.floridahealthfinder.gov](http://www.floridahealthfinder.gov) ) has public access to this data. However, high risk patients (those from nursing homes) are not included.
  - Diagnostic codes do not discriminate between acquired and preexisting bed sores. New codes to differentiate these two groups will soon be available.

# Transparency – Mortality Rates

- Available on-line at:  
[www.hospitalcompare.hhs.gov](http://www.hospitalcompare.hhs.gov)
- For Kentucky, is available on-line at:  
<https://publicreports.chfs.ky.gov/healthdata/>

# Kentucky - Quality Transparency

- the KY State Website -- Mortality Data & Measurement of the Quality of Prevention Services.  
<http://chfs.ky.gov/ohp/healthdata/>
- KY OIG Reports released under Freedom of Information. Few state regulations for hospitals to guide investigations. Investigations, should be posted on website similar to KY Medical Board.
- Joint Commission – Summary information posted after 90 days on their website. Initial findings may be expunged from the final report.
- Healthgrades: [www.healthgrades.com](http://www.healthgrades.com)
- DHHS website: [www.hospitalcompare.hhs.gov](http://www.hospitalcompare.hhs.gov)  
(Treatment Protocols for Heart Disease, Pneumonia and Surgical Infection Prevention Protocols.)

# Kentucky - OIG

- Investigation reports can be obtained by filing a Freedom of Information Act request.
- In 2004 and 2005 the number of citations dropped to  $\frac{1}{2}$  to  $\frac{1}{4}$  that under the previous administration.



# Joint Commission

- Main resource that the State of KY uses to assure quality of healthcare facilities.
- Little Transparency – KY Senator Request Letter.
- The ANA is suing the US DHHS in June of 2006 for lack of quality oversight and allegations of inadequate Joint Commission quality safeguards in assuring adequate nursing staffing in hospitals.
- Salisbury, NC, Veterans Administration Incident.

# Joint Commission

**Used in Kentucky to accredit acute care hospitals.**

- The State is prevented from accrediting Hospitals that have had full accreditation on or before 7/15/2002 – KRS 216B.185(1).
- ..... An annual on-site licensing inspection of a hospital shall not be conducted if the Office of the Inspector General receives from the hospital:
- (a) A copy of the accreditation report within thirty (30) days of the initial accreditation and all subsequent reports; or
- (b) Documentation from a hospital that holds full accreditation from an approved accrediting organization on or before July 15, 2002.

# Joint Commission - Transparency

- ✿ Response from Joint Commission to a request to release records:

Dear Senator

I am in receipt of your letter dated October 19, 2005 to Marlene Korso at the Joint Commission on Accreditation of Healthcare Organizations regarding Lake Cumberland Regional Hospital in Somerset, Kentucky.

It is my understanding from your correspondence that you seek a copy of the accreditation report for Lake Cumberland Regional Hospital. Unfortunately, the Joint Commission is unable to provide you with a copy of the accreditation report. The Joint Commission has an obligation to its accredited organizations to keep accreditation related information confidential, including the accreditation report.

- ✿ Response for CMS: “Also, in addition you would like to request the initial find(ing)s from the Joint Commission on Accreditation of Healthcare Organizations (JACHO) survey which took place in late September 2005, including the narrative of the initial findings of the survey. There were no documents located in the file that pertains to the initial findings from the J(A)CH(O) survey which took place in September 2005.”

# Joint Commission - Transparency

- **As Reported By SUSAN ELZEY**  
**Danville, VA**  
**Register & Bee staff writer**  
**Thursday, May 31, 2007.**
- Portions of Danville Regional Medical Center's Joint Commission evaluation were unveiled to area business leaders Wednesday, but the complete results have not been made public. The hospital received a "preliminary denial of accreditation" from the national health care accreditation organization in March.
- Art Doloresco, CEO of Danville Regional Medical Center, presented the results of the survey Wednesday morning at a Chamber of Commerce breakfast. .... "This is only the second time in the United States that a hospital has revealed a Joint Commission decision," he said. "This is a unique opportunity for businesses to take a look."

# Joint Commission – ANA Lawsuit

- Joint Commission is paid by the organizations it accredits.

# Joint Commission – Quality Assurance

- Salisbury, NC – Veterans Administration Hospital. <http://www.charlotte.com/va/v-print/story/78072.html>

Charlotte.com

Sunday, Nov 4, 2007

---

Posted on Sun, Apr. 08, 2007

## **Veterans hospitals received gold seal**

STELLA M. HOPKINS

The Salisbury veterans hospital can boast a "Gold Seal of Approval" from the premier overseer of U.S. health care quality.

But the Joint Commission awarded its highly sought certification without any knowledge that the VA had investigated suspicious deaths at the hospital and found it provided poor care.

# Quality -- Physicians

- KY Medical Board. Make sure license has no actions against it. If actions were taken find out what they are.
- National Board of Medical Examiners. Find out if your doctor is board certified.
- Google: Pull up news reports which may disclose civil legal actions.

# Quality -- Physicians

- Medicare tracks a number of hospital parameters for quality. Many of these are physician dependent. Such as administration of antibiotics within one hour of surgery.
- Data for hospitals is currently available online. Physician data may also soon be available. [www.hospitalcompare.hhs.gov](http://www.hospitalcompare.hhs.gov)



# Quality -- Physicians

- Do not rely upon online patient ratings of physicians.
- These are not randomized surveys and can be manipulated by the provider and his competitors.

# Quality -- Transparency

- This information supports the assertion that the State of Kentucky should also take an active role in assuring quality of healthcare facilities.
- Statues KRS 216B.155 – Facility Quality Assurance  
KRS 216B.160 – Patient Care Needs  
KRS 216B.165 – Whistleblower Protection

There should be regulations and penalties to make these statues effective.

# Costs -- Physicians

- Ask about costs when you schedule an appointment. How much will the visit cost and any expected tests or services.
- Physician billing is complicated, since there are three types of visits; Consult, New and Return, each with five levels.
- Thus, one physician may charge more for each level but charge a lower level for the service.

# Transparency - Costs

- Facilities:

- Insurance costs are posted on web by BC/BS and Humana.
- Charge data posted by the KHA.
- Modified Cost to Charge ratios are posted by the KY Dept of Labor -- Suggest a link to this site from <http://chfs.ky.gov/ohp/healthdata/> to <http://www.labor.ky.gov/workersclaims/medicallservices/hospitalcost/>

# Transparency - Costs

- Cost to charge ratios are often used to describe a hospital's finances. A low cost to charge ratio can be caused by excessive charges or lower costs.
- The lower the cost to charge ratio, the larger the profit margin on the charges. Similar to buying a car, this information is useful in negotiating a price.
- It is Health Watch USA's opinion that the costs of supplies and pharmaceuticals in most hospitals are similar due to cooperative purchasing organizations. That one of the ways a health care facility can cut costs is to cut the staff, a practice which may lower the quality of service.

<http://www.floridahealthfinder.gov/> 1



# FloridaHealthFinder.gov

Connecting Florida with Health Care Information

Florida Consumers   Researchers and Professionals

## look up a medical condition.

Look up a medical condition or procedure, and find out more information

Search Condition or Procedure:

GO

[Full List of Topics](#)

General Medical Information

Bones and Joints

Brain and Nervous System

Cancer

Children's Health

Cosmetic Services/Plastic Surgery

Heart and Circulatory System

Kidneys and Urologic System

Lungs

Oral Surgery

Psychiatry

More Topics ...

## locate a facility.

Find Florida health care facilities, including driving directions.

Search by Facility Type

Search by Proximity

## compare health plans.

Find information on health plans for Florida residents.

Compare Health Plans

More Resources

## symptom navigator.

Where does it hurt?

This tool will help you to decide whether to treat at home or see a doctor.



## Welcome...

Welcome to the State of Florida's newly redesigned health care website, at the [Agency for Health Care Administration \(AHCA\)](#). The new design brings together two websites, [FloridaHealthStat.com](#) and [FloridaCompareCare.gov](#) into a new central site.

You can find information to help you compare hospitals, ambulatory surgery centers, health plans, nursing homes, and prescription drugs. The website also lists Florida health care facilities; information on health insurance; medical care resources for the uninsured; resources for seniors; and much more.

## Help for Florida Consumers.

AHCA Call Center

Brochures and Guides

Emergency Department Care

Find Drug Prices

Find Facilities

Find Health Care Professionals

Florida Medicaid

Health Plans

Hospitals and Ambulatory Surgery Centers – Health Outcomes

Look up a Medical Condition

Medical Help Resources



# <http://www.floridahealthfinder.gov/> 2

**Directions:**

To begin your search, click the button for Hospitals or Ambulatory (Outpatient) Surgery Centers and follow the directions.

## Health Care Facilities

### Step 1 - Select a facility type:

- ☒ Hospitals - Inpatient Care
- ☐ Ambulatory (Outpatient) Surgery Centers - includes Hospitals

### Step 2 - Select one of the following:

[Why are these important?](#)

- ☐ Hospitalizations, length of stay, and charges (includes pediatrics)
- ☐ Mortality Rates
- ☒ Complication / Infection Rates
- ☐ Facility Profiles

### Step 3 - Select one of the following:

- ☒ Search by geographic location/facilities
- ☐ Search by medical condition/procedure

Continue

All copyrights in and to 3M™ APR™ DRGs Classification System and 3M™ APR™ Software are owned by 3M. All rights reserved.

<http://www.floridahealthfinder.gov/> 3

**Directions:**

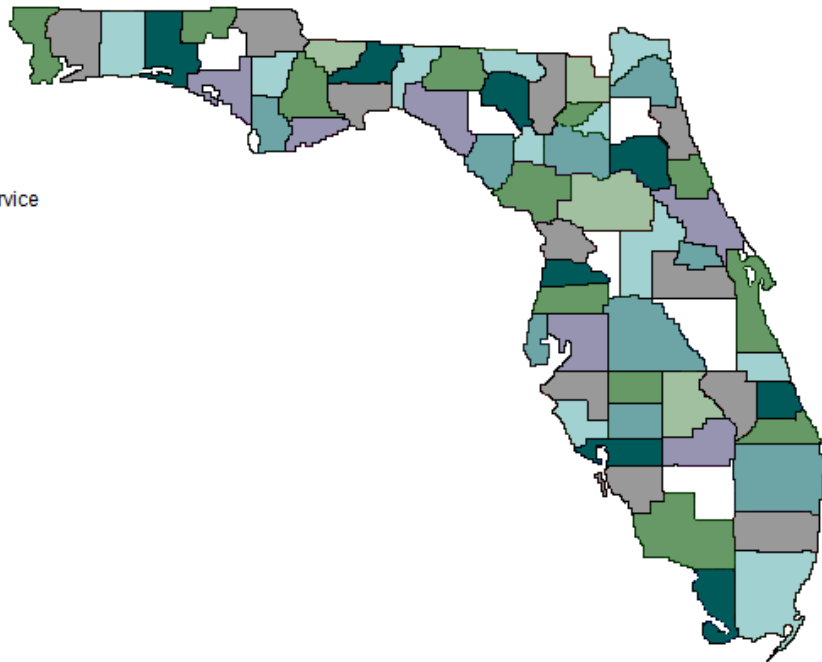
Click one of the options to choose facilities or use the map and click a county to choose facilities.

Use the buttons at the bottom of the page to continue.

**Select Geographic Location**

**Facilities:**

- ☒ All Facilities
- ☐ Facilities by County
- ☐ Facilities by Name
- ☐ Facilities by Special Service
- ☐ Facilities by Zip Code



Start Over

Select Procedure / Condition

View Results



**Directions:**

Select one of the indicators from the list.

Use the buttons at the bottom of the page to continue.

**Select one:**

**Note:** For additional information on a condition or procedure click the ?.

*Patient Safety Indicators*

Select	Description	
<input checked="" type="radio"/>	Complication Index	?
<input type="radio"/>	Decubitus ulcer (bed or pressure sore) *	?
<input type="radio"/>	Infections due to medical care *	?
<input type="radio"/>	Iatrogenic pneumothorax *	?
<input type="radio"/>	Postoperative hip fracture *	?
<input type="radio"/>	Postoperative pulmonary embolism or deep vein thrombosis *	?
<input type="radio"/>	Postoperative sepsis	?

\*Included in the Complication Index

[Start Over](#)[View Results](#)

<http://www.floridahealthfinder.gov/> 5

View Results

Facility / City	Complication Index
<b>STATEWIDE</b>	<b>1.0</b>
<b>Anne Bates Leach Eye Hospital 100240</b> Miami	As Expected 0.4933
<b>Aventura Hospital And Medical Center 100131</b> Aventura	As Expected 1.908
<b>Baptist Hospital of Miami 100008</b> Miami	As Expected 1.161
<b>Cedars Medical Center 100009</b> Miami	As Expected 1.0548
<b>Coral Gables Hospital 100183</b> Coral Gables	As Expected 1.1883
<b>Doctors Hospital 100020</b> Coral Gables	As Expected 2.4299
<b>Douglas Gardens Hospital 100197</b> Miami	As Expected 0.919
<b>Hialeah Hospital 100053</b> Hialeah	Lower than Expected 0.5378
<b>Homestead Hospital 100125</b> Homestead	As Expected 0.9525
<b>Jackson Memorial Hospital 100022</b> Miami	Higher than Expected 1.3248
<b>Jackson North Medical Center 100114</b> North Miami Beach	As Expected 1.7908
<b>Jackson South Community Hospital 100208</b> Miami	As Expected 0.914
<b>Kendall Regional Medical Center 100209</b> Miami	As Expected 0.8803
<b>Larkin Community Hospital 100181</b> South Miami	As Expected 1.281
<b>Mercy Hospital 100061</b> Miami	Lower than Expected 0.5912

# KY Healthcare – One could argue

- Monopolies granted with the Certificate of Need.
- No “Public Service Commission” to oversee charges or quality.
- Little state oversight of quality. The accrediting agency used by most facilities is paid for by the facilities it accredits.