The Medicare Hospital Compare Website

Country: USA
Partner Institute: The Commonwealth Fund, New York
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Health Policy Issues: Quality Improvement

Current Process Stages

- Idea
- Pilot
- Policy Paper
- Legislation
- Implementation
- Evaluation
- Change

Featured in half-yearly report: Health Policy Developments Issue 5

1. Abstract

On April 1, 2005, the Centers for Medicare and Medicaid Services (CMS) launched “Hospital Compare,” a website displaying quality performance data for nearly all of the nation’s 4,200 general hospitals. The website rates hospitals according to their adherence to certain evidence-based treatment protocols.

2. Purpose of health policy or idea

The purposes of the website are twofold:

- To enable consumers to see how hospitals in their service area compare to one another (and to national averages), thereby allowing individuals to make informed choices about their care; and

- To motivate hospitals to institute quality improvement efforts aimed at the utilization of clinically proven methods of treatment.

“Hospital Compare” currently contains performance indicators on the treatment of heart attack, heart failure, and pneumonia, conditions that are of particular interest to CMS due to their prevalence among the Medicare population, as well as their cost burden. Plans are in place to add performance measures on the treatment of other priority conditions.

The website is a public-private venture led by organizations representing the hospital industry, providers and consumers, with coordination provided by government agencies and the U.S. Congress. The information that appears on the website has been provided primarily by hospitals participating in a national project called the Hospital Quality Alliance: Improving Care through Information (HQA). The HQA was founded in 2002 by groups representing the hospital industry, with the goal of making hospital performance data available to the public.

In order to encourage participation in the voluntary program, Congress included a provision in the Medicare Modernization Act of 2003 that offers a 0.4% payment premium to participating hospitals (Thomas, 2005). According to officials from CMS, this financial incentive has had a powerful impact on participation. Close to 100% of the nation’s 4,200 general hospitals are now providing data to the Hospital Compare site.
Main objectives
The "Hospital Compare" website shows quality performance ratings on nearly all of the nation’s 4200 general hospitals, with a focus on indicators for the treatment of heart attack, heart failure, and pneumonia. Goals of the website include:

- Allowing consumers and payers to compare the quality of care delivered by hospitals in any service area; and
- Motivating hospitals to deliver care according to evidence-based guidelines.

Type of incentives
The Medicare Modernization Act of 2003 includes a 0.4% payment premium that is paid based on a hospital’s disclosure of performance data.

Groups affected
Hospitals, Consumers/Purchasers, Government Agencies (CMS, AHRQ)

3. Characteristics of this policy

<table>
<thead>
<tr>
<th>Degree of Innovation</th>
<th>traditional</th>
<th>innovative</th>
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</thead>
<tbody>
<tr>
<td>Degree of Controversy</td>
<td>consensual</td>
<td>highly controversial</td>
</tr>
<tr>
<td>Structural or Systemic Impact</td>
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<td>fundamental</td>
</tr>
<tr>
<td>Public Visibility</td>
<td>very low</td>
<td>very high</td>
</tr>
<tr>
<td>Transferability</td>
<td>strongly system-dependent</td>
<td>system-neutral</td>
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See Section 5.

4. Political and economic background

"To Err is Human," a seminal 1999 report written by the Institute of Medicine's (IOM) Committee on Quality of Health Care in America, has been the driving force behind health care quality improvement efforts in the U.S. over the last 6 years. The widely-read report revealed that errors in the treatment of hospital patients result in up to 98,000 deaths each year (IOM, 1999). The Committee envisioned a series of reforms aimed at improving quality by making providers more accountable for their performance. In the 2001 follow-up report, "Crossing the Quality Chasm," the Committee expanded this vision into a series of recommendations, including a call for regulators and private organizations to encourage hospitals to voluntarily disclose performance data to the public, as seen in the “Hospital Compare” program (IOM, 2001).

While these landmark reports continue to guide quality improvement efforts in the U.S., the "Hospital Compare" project can also be seen within the context of the Bush Administration's health policy agenda. Since its first term began in 2000, the administration has advocated a number of policies that give consumers greater responsibility for their own health care options. The President has lent considerable support to initiatives such as Health Savings Accounts (HSAs) and high deductible health plans, which aim to increase the options available to consumers while
instilling greater cost-consciousness (White House, 2005). However, supporters of consumer-driven health care realize that increased responsibility will require more and better information on provider cost and quality (WSJ 4/1). The "Hospital Compare" website, which has been touted by sponsors as a tool for empowering consumers, can be seen as a response to this call for expanded information.

5. Purpose and process analysis

Origins of health policy idea
As noted previously, the "Hospital Compare" website is the result of a collaborative effort involving hospital interest groups, consumer advocates, and government agencies, with the goal of increasing the availability of hospital performance data and encouraging quality improvement initiatives. Many of the ideas behind this venture have their roots in the quality improvement agenda laid out by the Institute of Medicine during the past decade.

Underlying many of the IOM's recommendations is an assumption that great strides can be made in the pursuit of quality improvement by utilizing the forces of the marketplace. If purchasers and consumers of care would harness their power to influence providers, goes the theory, doctors and hospitals would be highly motivated to put quality improvement at the top of their agendas.

In the years since the release of "To Err is Human," public and private payers have sought to put this theory, sometimes referred to as "the business case for quality," into practice by developing incentives for providers to demonstrate continuous quality improvement. In the private sector, organizations such as the Leapfrog Group, a coalition of large employers launched in 2000, have sought ways to tie the purchase of health care to principles that encourage provider quality, including the use of financial incentives to promote evidence-based practice (LG fact sheet).

Other antecedents to the "Hospital Compare" initiative include:

- CMS's "Nursing Home Compare" Website: CMS launched a similar website displaying measures of quality for nursing homes across the country. The site includes so-called Quality Measure scores on each of 16,000 Medicare- and Medicaid-certified homes, including comparisons to state and national averages. According to the CMS, the Nursing Home Compare website is one of the most popular destinations on www.medicare.gov, receiving 13 million page views in 2004 (CMS, 2004).

- Bridges to Excellence: A coalition of health care institutions, health plans, and large employers, Bridges to Excellence rewards physicians for providing high quality care, focusing on the treatment of diabetes and cardiovascular diseases, as well as patient care management systems (BTE, 2005).

- The Health Plan Employer Data and Information Set (HEDIS): A tool developed by the National Committee for Quality Assurance (NCQA), HEDIS rates the care provided by health plans and makes performance data available to purchasers and consumers through the Quality Compass database (NCQA, 2005).

- HealthGrades: This Colorado-based consulting firm rates hospitals using a quantitative formula based on results from Medicare cases. Some data is available to the public free of charge, while other information can be accessed for a small fee (HealthGrades FAQ, 2005).

- State-based efforts: States have played an important role in promoting public reporting of quality information. Notable models include New York's hospital report cards on cardiac surgery mortality, Pennsylvania's comprehensive assessments of hospital quality, and New Jersey's report cards on the treatment of heart attack and pneumonia (NY, PA, NJ).
Initiators of idea/main actors

- Government

Approach of idea

The approach of the idea is described as: renewed: A number of states have instituted similar rating systems (see Section 4.1)

Innovation or pilot project

Local level - In the states (see Section 4.1)

Stakeholder positions

Major support for the Hospital Compare website has been provided by the American Hospital Association (AHA), the Federation of American Hospitals (FAH), and the Association of American Medical Colleges (AAMC). These organizations were instrumental in the creation of the Hospital Quality Alliance (HQA), the aforementioned public-private collaboration established for the specific purpose of reporting on hospital quality. In addition to the major hospital member associations, the Alliance consists of organizations that represent consumers, doctors, employers, accrediting organizations, and Federal agencies. This broad base of support, as well as the leadership role played by hospital interests in designing the quality measurement tools, has been instrumental in the legislative and implementation phases.

Actors and positions

Description of actors and their positions

Government

<table>
<thead>
<tr>
<th>Description</th>
<th>Influence</th>
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<td>Government</td>
<td>very supportive</td>
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Influences in policy making and legislation

In contrast to the extensive negotiations over the major components of the Medicare Modernization Act (such as the government's ability to negotiate for lower prescription drug prices), the portion of the legislation devoted to encouraging hospitals to disclose performance data was passed with little controversy. Major stakeholders, including interest groups representing the hospital industry and medical professions, were supportive of the legislation. Both major political parties have expressed support for public reporting of hospital performance information, particularly when disclosure does not expose providers to malpractice liability.

Legislative outcome

success

Actors and influence

Description of actors and their influence

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Positions and Influences at a glance

Adoption and implementation

The genesis of the "Hospital Compare" website provides some lessons about soliciting provider buy-in to quality
improvement efforts, as well as some strategies for success. When the Hospital Quality Alliance, with the aid of CMS, began to collect data on performance indicators, many hospitals were reluctant to release information for public consumption. With the passage of the Medicare Modernization Act, including the provision tying reimbursement to disclosure of quality data, participation increased dramatically (to near 100%). This financial incentive has proved to be an effective lever in facilitating public disclosure. While the initiative does not link payment to performance, per se, supporters hope that public exposure will motivate hospitals to achieve better results.

Whether or not initiatives like "Hospital Compare" do actually result in quality improvement is widely debated. In part, this is due to the limited amount of data on the performance-enhancing benefits of public reporting (Marshall et al, 2003). Of the studies that have been conducted, some indicate significant improvements, including:

- Findings that states with public reporting systems have experienced accelerated declines in cardiac surgery mortality, when compared to states that do not have reporting systems in place (Hannan EL, et al, 1994; Peterson ED, et al, 1998; and Chassin, 2002).

- Hospitals have responded to negative data released to the public by instituting quality improvement efforts in areas such as obstetric and cardiovascular care at a rate significantly higher than hospitals that have received negative feedback internally or no feedback at all (Hibbard, 2003).

- Health plans that have disclosed performance data to the public have improved at a greater rate on some HEDIS measures than those that did not report such data (Longo, DR, et al, 1997).

**Monitoring and evaluation**

Monitoring and evaluation of the website and its use will be conducted on an ongoing basis by CMS, the Hospital Quality Alliance, and Quality Improvement Organizations (QIOs) within each state and territory.

**Review mechanisms**

Mid-term review or evaluation, Final evaluation (internal), Final evaluation (external)
Dimensions of evaluation
Structure, Process

Results of evaluation
No evaluation has yet been carried out.

6. Expected outcome

Though the website represents a commendable effort to elicit reporting of quality data from hospitals, the effort is limited somewhat by its reliance on process data. While there is much evidence to suggest a link between certain processes in the treatment of heart attack, heart failure, and pneumonia and good outcomes, the true measure of a hospital’s performance is its success in getting patients healthy. Performance ratings that are based on outcomes, though controversial from the point of view of providers, have greater potential to drive quality improvement initiatives and to arm consumers with the kind of data that can be used to make well-informed, forward-thinking decisions.

Despite this drawback, the data that is currently available can be useful in identifying gaps and highlighting improvements in the quality of care. However, the format of the website and the presentation of data are regrettably complex as currently constituted. Policymakers should make a concerted effort to simplify the process of obtaining information and to ensure that each measure is accompanied by a simple, plain language explanation that allows lay individuals to interpret findings.

Having access to information on the treatment of conditions for which indicators currently exist is a good first step. As the implementation stage progresses, it is imperative that further conditions for which treatment is supported by a solid evidence base be added, so that the website is applicable to greater numbers of individuals. Leaders of the initiative should also focus on setting national standards for performance.

7. References

Sources of Information
Hospital Quality Alliance Fact Sheet, 2005.


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Hibbard JH, Stockard J, and Tuslter M. "Does Publicizing Hospital Performance Stimulate Quality Improvement Efforts?" Health Affairs 22(2):84-94.


Bridges to Excellence - Fact Sheet


HealthGrades: Quality Reports - Frequently Asked Questions.

The Leapfrog Group Fact Sheet

National Committee on Quality Assurance - NCQA Fact Sheet.


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