

# Pennsylvania Health Care Cost Containment Council



**2015**

Annual Report



## A Message from the Executive Director



Dear Friends of PHC4:

Since its inception in 1986, the Pennsylvania Health Care Cost Containment Council's work has been marked by a series of "firsts". PHC4 was the first state agency to issue a hospital report card, the *Hospital Effectiveness Report*, back in 1989. This was quickly followed by our ongoing series of financial reporting about hospitals and outpatient surgery centers. We published the nation's first geographic-based study, *Small Area Analysis*, in 1991. In 1992, we followed New York in issuing one of the nation's first physician-specific reports, the *PA Guide to Coronary Artery Bypass Graft Surgery*. In 1996, we published a highly-regarded study on *Treatment for Heart Attack*, which included a first-ever compilation of physician outcomes for that treatment. In 2000, PHC4 released the *Guide to Commercial Managed Care Plans*, the first to combine clinical outcomes with prevention and patient satisfaction scores. This was quickly followed by a similar publication focused on Medicare HMOs. In 2005, PHC4 became the first state agency to release hard numbers about the cost and quality implications of *hospital-acquired infections*, followed in 2006 by a seminal study noting the infection rates for every PA hospital. These two reports made national news and helped to galvanize a national movement to combat this serious problem. Also in 2005, PHC4 released another physician-specific report, this time about *hip and knee replacement surgery*; we just recently updated that study. In 2012, we issued the most comprehensive *hospital readmissions* report in the country. Over the years, while not necessarily firsts, PHC4 has released important studies about chronic diseases, like diabetes, preventable hospital admissions, C-sections, MRSA, C-diff, bariatric surgery and breast cancer.

I'm proud to note that the past year has brought three more significant reports into the public domain: *Readmissions for the Same Reason*, *Super-utilizer Hospitalizations* and another first—a study about *Pediatric Heart Surgery in Pennsylvania*. That report was produced in collaboration with the PA surgeons who perform these highly-complex and emotionally charged operations.

PHC4 is frequently referred to as one of the best of its kind, and as I've tried to describe, the agency and its supporters have played a crucial role in promoting health care transparency over the past 30 years. But there is much yet to do. Former New York Yankee All-Star Yogi Berra (I realize I'm dating myself here), in addition to being one of the greatest baseball players of all time, is renowned for his creative use of the English language.

## PHC4 Officers 2015-16

He may be best known for “It ain’t over ‘til it’s over,” but the one that strikes closest to my professional heart is “When you get to the fork in the road, take it.” As one attempts to foresee where the health care delivery system will land, say, five years from now, I often feel like we are faced with that “fork in the road” dilemma. What changes will occur, how can we predict them, how can we start now to plan for events that would defy the most expert crystal-ball gazer?

But plan we must. We need better ways to address quality of care issues. While early evidence suggests that the federal Affordable Care Act has increased access to care, its impact on costs and quality remains largely unknown. More and more consumers are joining high-deductible health plans, which encourage them to shop around for better prices, but our system lacks good data resources and tools to help them do so. Regional consolidation of health facilities is occurring in most areas in the state, and as reported recently, some large insurers are following suit. The majority of physicians in the Commonwealth are now employed by large health systems. A recent PHC4 study on those PA patients frequently admitted to hospitals (five times or more in one year) shows the public sector spend on this relatively small subset to be **¾ of a billion dollars**. And mental health disorders ranked among the top three reasons for admissions statewide.

Many challenges confront us. The impact these dynamic and sweeping changes will have on cost and quality is unknown and largely difficult to foresee. For example, while many experts focus on making more and more data available (e.g., one national outfit currently produces more than 400 different outcome measures), efforts to make data meaningful, understandable and actionable are still in their very early stages. As we go forward, PHC4 stands ready to utilize one of the most comprehensive research and reporting operations in the world.

In closing I’d like to thank the staff of PHC4; the Council members; and particularly outgoing Executive Officers Frank Sirianni, President of the PA Building Trades Council; and David Black, President and CEO of the Harrisburg Regional Chamber and CREDC, for their service and welcome new Chairman Joe Huxta of Volvo Group North America; Vice-chairman Frank Snyder, Secretary/Treasurer of the PA AFL-CIO; and Treasurer Todd Shamash, Capital Blue Cross to the leadership team.

Joe Martin



**Joe Huxta, Chair**  
Manager, Health Care Strategy for  
Volvo Group North America



**Frank Snyder, Vice-Chair**  
Secretary Treasurer, PA AFL-CIO



**Todd Shamash, Esq., Treasurer**  
Vice President, Legal & Regulatory  
Affairs, Capital Blue Cross

# Promoting Health Care Quality and Transparency

*“Our union health and welfare funds rely on PHC4’s valuable work in helping our members make choices that provide the best health care in the most cost-efficient manner. That in turn helps us improve quality and make health care affordable for all Pennsylvanians.”*



**Rick Bloomingdale**  
President  
Pennsylvania AFL-CIO

Price variation in hospitals has been a common theme in headlines this year, in part due to the most recent release of data from the Centers for Medicare and Medicaid Services on Medicare hospital utilization charges and payments. The data showed that hospital charges for a series of common procedures have increased by more than 10 percent between 2011 and 2013, which is more than double the rate of inflation. However, the amounts paid by Medicare for those procedures have remained flat having negative impacts mostly on people who are uninsured or who use providers outside their insurance network. This information, released annually by Medicare, has been helpful to many stakeholders in understanding how the health care system works. The annual release of data was initiated as part of the Obama Administration’s efforts to promote transparency around costs and smarter spending on health care.

With the public’s advanced awareness of price variation as well as the proliferation of high deductible, consumer driven health plans and health savings accounts, never before has access to actionable health care data been more relevant or necessary. Individual consumers and group purchasers alike expect to have at their fingertips, tools with which to make educated choices regarding health care decisions.

The Pennsylvania Employees Benefit Trust Fund offers a program called, *Know Your Numbers*, which entails wellness screenings for all active members. These screenings provide valuable information about a member’s health and health risks, which members can later use for discussion with their health care providers. *Knowing one’s numbers* is invaluable in making important health care decisions. Similarly, “knowing the numbers” for Pennsylvania’s health care providers is helpful too, not only to individuals but also to researchers, health care facilities and employers across the state. Whether the numbers describe measures of cost or quality, Pennsylvanians are fortunate to have a reliable source of information to help make informed health care decisions. One such resource is available from the Pennsylvania Health Care Cost Containment Council (PHC4). For nearly three decades, PHC4 has been a leader in making health care quality and cost more transparent.

A recent national study of Medicare patients conducted by researchers at the Yale School of Medicine in New Haven, Connecticut, suggests we are succeeding in improving health care and educating consumers about the benefits of developing healthier lifestyles. Results of the study showed that hospitalizations for heart attack have dropped by 38 percent from 1999 to 2011, echoing PHC4's results in the report *Cardiac Surgery in Pennsylvania 2013*, which also found in-hospital mortality decreased 38 percent for heart valve surgery patients between 2005 and 2012, and readmissions declined by 14 percent during the same time period.

The findings nationally, and in Pennsylvania underscore the commitment of Pennsylvania's heart surgeons and hospitals to the health outcomes of their patients and demonstrate how Pennsylvania's model public reporting program continues to help improve care quality.

Since its inception in 1989, PHC4 has provided comparative information on health care cost and quality, which has been useful to consumers, employers, providers, insurers, researchers, non-profit organizations and state government. In 2014, the Council began to focus efforts on localizing information to make it more directly relevant to constituents, county by county. The Council produced profiles with localized inpatient admission and outpatient surgery data through county-level, population-based reports. The inpatient version includes information about the number of county residents admitted to Pennsylvania hospitals and where they went for treatment. The outpatient version focuses on 10 commonly performed outpatient procedures, including the number and rate for county residents. PHC4 plans to incorporate similar localized data into new reports.

In a world where individuals are accessing more and more information online and with handheld devices, PHC4 provides relevant and useful data using increasingly advanced delivery methods.

*“PHC4’s data is a tremendous resource for our health and welfare funds and members. In the future, the availability of PHC4’s data at the state and local levels will become even more important as our health care system continues to change dramatically.”*

**Frank Sirianni**

President  
Pennsylvania State Building and  
Construction Trades Council



# What is the Pennsylvania Health Care Cost Containment Council?

The Pennsylvania Health Care Cost Containment Council (PHC4) is an independent state agency charged with collecting, analyzing and reporting information that can be used to improve the quality and restrain the cost of health care in the state. The agency was established in 1986 as a result of collaboration among Pennsylvania businesses and labor unions and other key stakeholders to enact market-oriented health care reforms. Their efforts resulted in the General Assembly passing legislation (Act 89 of 1986) to create PHC4. Today, PHC4 is a recognized national leader in public health care reporting.

The primary goal is to provide purchasers of health care benefits—businesses, labor unions and other stakeholders—with information they can use to improve quality and restrain costs. Each year, more than 800,000 public reports are downloaded from the PHC4 website.

PHC4 is governed by a 25-member board of directors representing business, labor, consumers, health care providers, insurers and state government.

## What does PHC4 do?

PHC4 collects comprehensive inpatient and outpatient records—nearly 5 million patient records per year—from Pennsylvania’s 239 hospitals and 284 ambulatory surgery centers. PHC4 collects and verifies data on patient conditions, treatments, outcomes and charges, as well as financial data such as hospital operating and total margins, net patient revenue and uncompensated care.

Using the data, PHC4 prepares and produces reports on important public health care topics in Pennsylvania. The website also includes interactive databases available to businesses, labor, the health care and insurance industries, academic researchers, government policymakers and consumers.



*“As the healthcare landscape continues to change, the Council plays a key role in providing current, accurate healthcare data and information for consumers and providers. Its independent and thorough analyses help to keep healthcare in the Commonwealth affordable and accessible and help consumers and group purchasers identify the healthcare providers that most efficiently and effectively meet their needs.”*

**Gene Barr**  
President & CEO  
Pennsylvania Chamber of  
Business and Industry



**David E. Black**  
 President and Chief Executive Officer  
 Harrisburg Regional Chamber  
 and Capital Region Economic  
 Development Corporation

*“Health care, health insurance and related costs are confusing to most of us. PHC4 seeks to demystify the numbers behind health care and create a level playing field for comparison and general information in a manner that is relatively easy to sort through providing a great service for Pennsylvanians. However, beyond the consumer, there are countless insurers, health care providers and other professionals that use the data provided by PHC4 that in turn helps to provide better service to their clients, who are those same Pennsylvanians. PHC4 does an exceptional job with limited resources providing data that will be used to provide a better health care experience for Pennsylvania residents.”*

**The Council (FY 2014-15)**

**Executive Committee**

- Frank Sirianni, Chair – Labor
- Joe Huxta, Vice Chair & Chair, Education Committee – Business
- David E. Black, Treasurer – Business
- Paul Casale, MD, Chair, Data Systems Committee – Physicians
- Tom Duzak, Chair, Mandated Benefits Committee – Labor
- Gene Barr, Previous Past Chair, Business

**Council Members**

- Neal Bisno – Labor
- David Campbell, MD – Physicians
- The Honorable Ted Dallas – Pennsylvania Secretary of Human Services
- Randy DiPalo – Labor
- Samuel Denisco – Business
- Mark Dever – Business
- Michael Doering – Quality Improvement
- Susan M. Hallick, RN – Nurses
- Bob Johnston – Business
- Edward Karlovich – Hospitals
- Gregory S. Martino – Health Plans
- The Honorable Teresa Miller – Pennsylvania Insurance Commissioner
- The Honorable Karen Murphy, PhD – Pennsylvania Secretary of Health
- Ernest Sessa – Consumers
- Todd Shamash – Health Plans
- Frank Snyder – Labor
- Jack Steinberg – Labor
- Stephen A. Wolfe – Hospitals

**Purchasers**

- 6 Business
- 6 Labor
- 1 Consumer

**Insurers**

- 1 Commercial
- 1 Blue Cross/Blue Shield
- 1 HMO

**Providers**

- 2 Hospitals
- 2 Physicians
- 1 Nurse
- 1 Health Care Quality Continuous Improvement Expert

**State Government**

- Secretary of Health
- Secretary of Human Services
- Insurance Commissioner



# Who Relies on PHC4 for Accurate Data?

**During the calendar year 2014, many agencies have relied on PHC4 for accurate, reliable data about Pennsylvania health care, including:**

Agency for Healthcare Research & Quality  
Allied Services  
Altoona Regional Health System  
Armstrong County Memorial Hospital  
Berkeley Research Group  
Bon Secours Health System, Inc.  
Boston University School of Medicine  
Bucknell University  
Capital Blue Cross  
Coordinated Health  
Corry Memorial Hospital  
DataBay Resources  
Deborah Heart and Lung Center  
Emory University  
Good Shepherd Rehabilitation Hospital  
HCR ManorCare  
HealthSouth  
Highmark  
Home Nursing Agency  
Hospital & Healthsystem Association of PA  
IMS Health  
Intellimed  
Johns Hopkins University  
Lancaster General Health  
LeadingAge Pennsylvania  
Lehigh University  
Lehigh Valley Health Network  
Memorial Medical Center  
National Bureau of Economic Research  
New Solutions, Inc.

OptumInsight  
PA Department of Health  
PA Department of Human Services  
Pennsylvania eHealth Partnership  
Authority  
Pennsylvania Office of Attorney General  
Pennsylvania Patient Safety Authority  
Pennsylvania Physical Medicine & Pratter  
Philadelphia Department of Public Health  
Pittsburgh Regional Health Initiative  
Renzi Podiatry  
Service Employees International Union  
SG-2, LLC  
Southwest Regional Medical Center  
St Joseph Regional Health Network  
Summit Health  
Susquehanna Health System  
The Nemours Foundation  
Truven Health Analytics  
University of Chicago  
University of Pennsylvania  
University of Penn School of Medicine  
University of Pittsburgh  
University of Pittsburgh Medical Center  
University of Rochester Medical Center  
VNA Health System  
Wayne Memorial Hospital  
WellSpan Health

# Specialized Data Analysis Assists Varied Client Base



*“As consumers take greater control over their health care choices, and as employers make increasingly, complex decisions around coverage and benefits, the Council plays an elevated role in providing public information about health care cost and quality in the Commonwealth. The Hospital & Healthsystem Association of Pennsylvania values the Council’s work to share critical data and identify trends, improvements, and challenges that help inform strategic efforts to reduce health care costs and improve care outcomes for all Pennsylvanians.”*

**Andy Carter**

President and Chief Executive Officer  
The Hospital & Healthsystem  
Association of Pennsylvania

One of the most valuable services the Pennsylvania Health Care Cost Containment Council (PHC4) provides is the production of customized reports and datasets for health care providers, researchers, consultants and other users who want to tailor PHC4 data for various purposes. PHC4 provides data for a fee to commercial, non-commercial and research clients. For Pennsylvania state government agencies, PHC4 usually waives the fee.

Between January 1 and December 31, 2014, PHC4 fulfilled 105 requests for datasets and reports, surpassing the number of requests from any previous year in the agency’s history. Revenue from the 95 requests from entities other than PA state agencies totaled \$748,162. All revenue generated from sales of data covers operating expenses, providing about 20 percent of PHC4’s annual operating budget.

Most PHC4 data requests (64) came from non-commercial clients, including hospitals, health systems, health care organizations, purchasers and insurers. Non-commercial clients use PHC4 data internally for quality improvement, strategic planning, needs assessment, market share analyses, surgical outcomes analyses and utilization reviews.

Academic health care researchers, both inside and outside the commonwealth use PHC4 data extensively. During calendar year 2014, PHC4 completed 14 research requests. PHC4 is also a data partner with the Healthcare Cost & Utilization Project (HCUP), sponsored by the Agency for Healthcare Research and Quality. The family of databases, developed through a federal-state-industry partnership, is an essential data source for health researchers across the nation, providing comprehensive, accurate and timely data for use in evaluating cost, quality and access to health care. Also during 2014, PHC4 fulfilled 15 requests from commercial clients—corporations or other organizations that repackage and redistribute PHC4 data or the resultant analysis for a profit.

As an independent state agency, PHC4 provides data at no charge to its sister state government agencies and members of the Pennsylvania General Assembly. PHC4's waiver of fees for state government agencies makes our data available to policymakers and administrators at no additional cost to Pennsylvania's taxpayers. During 2014, PHC4 filled 10 data requests valued at \$45,247 from our fellow state agencies, saving time, effort and tax dollars. A number of state agencies rely on PHC4 annually for reliable, accurate data, including the **Attorney General, Auditor General, Department of Health, Department of Human Services and the Patient Safety Authority.**

- The Pennsylvania Department of Health uses PHC4 data for various reports and projects, including the Asthma Control Program, the Diabetes Prevention and Control Program, the Chronic Disease Burden report, the Infectious Disease Hospitalization Report, the Environmental Public Health Tracking Program, the Violence and Injury Prevention Program and the Healthy People 2020 Initiative developed by the Centers for Disease Control and Prevention.
- The Pennsylvania Department of Human Services calculates payments to hospitals for obstetric and neonatal services and computes payments to hospitals for the Hospital Uncompensated Care and Extraordinary Expense programs established under the Tobacco Settlement Act of 2001 using data from PHC4. Custom financial data is used to determine an annual assessment amount for hospitals that do not have an accepted Medicare cost report as part of the Hospital Quality Care Assessment.
- The Pennsylvania Office of Attorney General ensures compliance with antitrust laws in its review of hospital mergers using inpatient discharge, ambulatory/outpatient procedure, inpatient and outpatient revenue code detail datasets and financial data from PHC4. The Attorney General's office conducts the investigations jointly with the Federal Trade Commission.
- The Pennsylvania Department of the Auditor General annually audits hospitals that received funding from the Uncompensated Care and Extraordinary Expense Programs established under the Tobacco Settlement Act of 2001 using PHC4 data sets.
- The Pennsylvania Patient Safety Authority, another independent state agency tasked with improving the quality of health care in the Commonwealth, calculates rates of patient falls and wrong site/wrong side surgeries performed in Pennsylvania utilizing PHC4 data.



*“In pursuit of advanced quality and value in health care, PHC4’s research findings are used to maintain high standards of service. A pioneer in medical care through its world-renowned physicians and hospitals, Pennsylvania continues to be a health care leader thanks, in part, to PHC4.”*

**Michael R. Fraser, Ph.D.**  
Chief Executive Officer  
Pennsylvania Medical Society

# Demonstrating Improvement in Health Outcomes



*“As improving the health of communities and populations becomes front and center, PHC4’s work will be more mission-critical to improving quality and restraining costs than ever.”*

**David B. Nash M.D.**

Dean and Dr. Raymond C. & Doris N. Grandon Professor of Health Policy & Medicine  
Jefferson College of Population Health  
Thomas Jefferson University

## Hospital Performance Report Shows Declining Mortality Rates

PHC4’s *Hospital Performance Report* for 2013, released in December 2014, showed that between 2008 and 2013, the statewide in-hospital mortality rate in Pennsylvania decreased for eight of 16 common medical conditions and surgical procedures analyzed in the report. The sharpest decrease was in Septicemia, where the mortality rate decreased from 18.8% to 12.2%. None of the conditions and medical procedures studied by PHC4 showed a significant increase in mortality. One of PHC4’s most popular reports, the *Hospital Performance Report* includes information on the volume of cases, mortality rates, readmission rates and hospital charges to evaluate outcomes of care in Pennsylvania’s general acute care hospitals.

This report covers adult (18 years and older) inpatient hospital discharges, regardless of payer, during calendar year 2013.

This was PHC4’s third *Hospital Performance Report* since transitioning to an in-house system to collect laboratory data for risk-adjusting patient outcomes. Risk adjustment accounts for the severity of patients’ illness to fairly compare hospitals when examining mortality rates and readmission rates. The in-house system gives hospitals greater flexibility in meeting their reporting requirements.



# Monitoring the Fiscal Health of PA Providers

## Reports Measure the Financial Health of Hospitals and Surgery Centers

Since 1989, PHC4 has annually conducted financial analysis of Pennsylvania's individual hospitals and ambulatory surgery centers. Such analysis is important because Pennsylvania's health care facilities must be financially sound in order to maintain a high-quality, cost-effective health care delivery system. The *Financial Analysis Series 2013* was published in three volumes.

*Volume One*, released in May 2014 showed the statewide net income or total margin realized by the 173 General Acute Care (GAC) hospitals in Pennsylvania increased from 5.93% to 6.10%. The foregone dollar value of uncompensated care grew by 5.41%, or \$53 million, from \$989 million in FY12 to \$1.042 billion during FY13.

Released in November 2014, *Volume Two* focused on ambulatory surgery centers (ASCs), and was based on each facility's fiscal year that ended during 2013. The number of ASCs in Pennsylvania increased by four during Fiscal Year 2013 (FY13) to 285 and the average revenue per visit to an ASC rose 4.8 percent to \$1,084. The average operating and total margins for ASCs statewide decreased from FY12 to FY13, with the average operating margin decreasing to 24.94% (from 25.74%) and the total margin decreasing to 25.13% (from 26.92%).

The report also noted ASCs reported 1.06 million outpatient visits and \$1.10 billion in net outpatient revenue during FY 13, the number of procedures at ASCs increased 0.5% from FY12 and that Medicare and Medical Assistance covered 41.9% of outpatient procedures at ASCs during FY13.

*Volume Three*, the final volume of the *Financial Analysis* report, included facility-specific information about the financial health of non-general acute care health facilities in Pennsylvania providing rehabilitation, psychiatric, long-term acute care and specialty services for fiscal year 2013. These facilities accounted for 5.77% of patients receiving inpatient care and 5.26% of the outpatient visits.

*"For more than a decade, PHC4 data have informed PRHI's mission and agenda—uncovering trends important to health care policy, identifying opportunities to improve care, and informing our demonstration projects. We look forward to continuing to work with PHC4 to ensure that its treasure trove of data is increasingly used to create meaningful, actionable information by which consumers, providers and purchasers may make informed health care decisions."*



**Karen Wolk Feinstein, Ph.D.**

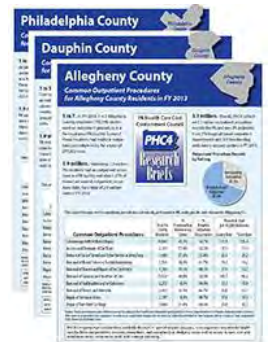
President & CEO  
Jewish Healthcare Foundation &  
Pittsburgh Regional Health Initiative

# Focusing on Localized Information

## County Hospital Admission Profiles FY 2013

PHC4 released an updated set of research briefs profiling hospital inpatient admissions by county. The *County Admission Profiles for FY 2013* provides helpful information to county residents and stakeholders, as well as state legislators. The research brief includes:

- The number of county residents admitted to a Pennsylvania hospital
- Hospitalization rates and county rankings for chronic conditions
- The top five hospitals treating county residents
- The percent of hospitalizations paid for by Medicare, Medicaid, and private insurers
- Admission data by age group
- Medicare payments made on behalf of county enrollees



## County Outpatient Procedure Profiles FY 2013

PHC4's outpatient procedure data are an important resource for health care facilities and providers, insurers, researchers, and consultants in studying issues such as access to care, cost and reimbursements, community need and strategic planning. Beginning in 2014, PHC4 released a new set of County Profiles for Outpatient Procedures, which includes for each of the 67 counties:

- The number of county residents who underwent outpatient procedures in a Pennsylvania facility
- A focus on 10 commonly performed outpatient procedures, including the number and rate for county residents
- The top three facilities where residents had these procedures
- The percent of procedures paid for by Medicare, Medicaid, and private insurers



*“Through the work of PHC4, Pennsylvania is a recognized national leader in promoting transparency of health care information. Access to information about patient safety and outcomes is critical if employers and consumers are to effectively manage the cost of health care.”*

**Thomas J. Croyle**  
President  
Lehigh Valley Business  
Coalition on Healthcare

## PHC4 Website – A Valuable Resource



**PENNSYLVANIA HEALTH CARE COST CONTAINMENT COUNCIL**



[www.phc4.org](http://www.phc4.org)

**Visit us on the Web for:**

- ♦ free health care data and reports
- ♦ interactive databases
- ♦ research briefs on current health care topics
- ♦ customized data requests
- ♦ more information about PHC4



**Pennsylvania Health Care Cost Containment Council (PHC4)**  
225 Market Street, Suite 400, Harrisburg, PA 17101  
Phone: 717-232-6787 • Fax: 717-232-3821 • [www.phc4.org](http://www.phc4.org)

*“PHC4 is a progressive leader in promoting transparency in healthcare, providing critical data and benchmarks to stimulate best practices and to guide the transformation of health care to value and quality.”*

**Stephen Wolfe**  
President and  
Chief Executive Officer  
Indiana Regional Medical Center



PHC4 is constantly updating and revising its website, which is used heavily by viewers and by hospitals submitting data to our agency. In its quarter-century history, PHC4 has transformed the manner in which hospitals have submitted complex annual data, moving from paper to electronic submissions that have saved both reporting entities and agency personnel significant time and effort.

As Pennsylvania continues to find ways to reduce the cost of healthcare and improve quality through outcome and charge transparency, PHC4 works to enhance its role and level of performance without raising costs to taxpayers. It is a formidable goal for any agency, but one PHC4 has managed successfully.

Visitors to PHC4’s website downloaded more than 800,000 health care quality/cost reports in 2014.

## Important PHC4 Facts

1. Overall mortality rates in PA hospitals dropped from above to well below national averages between 1991 and 2010—years mirroring PHC4’s public reporting. PHC4 estimates a savings of about 72,000 lives and \$2.8 billion in hospital charges can be attributed to this trend.
2. In-hospital mortality rates for coronary artery bypass graft surgery dropped 53 percent between 1994 and 2012—years for which PHC4 released hospital and surgeon results for this procedure. Using PHC4 as an example, a 2003 study in *Medical Care* confirmed that publicly reporting hospital outcomes was associated with lower mortality rates for this surgery. Further work in this area, recently completed by a group of Lehigh University researchers, found that PHC4’s online reporting of heart surgery data led hospitals to commit additional resources to saving more patient lives—and achieved an 8-10% reduction in patient mortality.
3. A 2008 study in the *American Journal of Medical Quality* reported that PHC4’s public reporting was associated with lower odds of in-hospital death in PA (21% to 41% lower than in other states). Further analyses estimated that PHC4’s public reporting in six treatment categories prevented 1,500 deaths in one year.
4. Between 2008 and 2013, Pennsylvania experienced significant decreases in in-hospital mortality rates in eight of 16 major illness categories studied in PHC4’s *Hospital Performance Report*, including septicemia, pneumonia, heart attack, kidney failure and stroke.
5. Statewide patient readmission rates significantly decreased during the same time period (2008-2013) in eight of the 13 conditions for which readmissions were studied including congestive heart failure, pneumonia, kidney failure, chronic obstructive pulmonary disease, and kidney and urinary tract infections.
6. In 2005, Pennsylvania, through PHC4, became the first state to publicly report on hospital-acquired infections, and has one of the most comprehensive infection



identification and prevention programs in the nation. Even in its early stages, this effort showed an important impact on cost drivers. Between 2006 and 2007, the number of statewide hospital-acquired infections dropped 7.8%—an estimated savings of \$370 million in hospital charges.

7. Between 2010 and 2014, PHC4 filled 160 data sets valued at more than \$425,000 for our fellow state agencies, saving time, effort and tax dollars. PHC4 also provides data to many of PA's top universities to help them pursue their mission-critical academic research missions.
8. Visitors to PHC4's website downloaded more than 800,000 copies of health care quality/cost reports in 2013.
9. PHC4's 25 board members represent business, labor, consumers, health care providers, insurers and state government ensuring the agency has broad-based guidance.
10. With a staff of 22 and state funding of \$2.7 million in Fiscal Year 2014, PHC4 costs about 21 cents per Pennsylvania citizen annually.