PHC4 fyi

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Pennsylvania is a Leader in Quality Outcomes Reporting

The public reporting of quality outcome measures is receiving increased attention as a way to compare the quality of hospitals, physicians and managed care plans. State governments, health care providers, purchasers, consumer groups and the federal government are recognizing the value of health outcomes reporting. While reporting on health care quality is a relatively new undertaking, informed purchasers recognize that by creating a demand and an expectation for quality, they encourage providers to deliver better care. This can lead to an overall improvement in the health care system, including lower costs. In 1986, the Pennsylvania General Assembly recognized the value of health care data collection as a way to stimulate competition in the health care marketplace, and enacted legislation creating the Pennsylvania Health Care Cost Containment Council (PHC4) as an independent agency of state government to collect the data.

According to the National Association of Health Data Organizations (NAHDO), 37 states have mandates that require the collection of health care data. NAHDO Executive Director, Denise Love, views Pennsylvania as a model for other states. According to Ms. Love, "PHC4 has been collecting and reporting clinical data for a number of years and Pennsylvanians can reap the benefits and rewards of having a refined infrastructure in place to collect hospital and physician-specific data."

The states that collect data vary in the scope and reason for their data collection activities. There are several factors that cause Pennsylvania to stand out: 1) the data are public; 2) the data are used to drive competition among providers to enhance quality and restrain costs; and 3) the data are risk-adjusted. What do we mean by risk-adjusted? The clinical data used to calculate mortality, readmission, complications and length of stay figures are derived from patients' medical records and adjusted to account for differences in patient illness levels and other important risk factors. The methods used, in essence, give extra credit to hospitals and physicians that treat higher proportions of higher risk or sicker patients. This allows for fair and equitable public comparisons. Not all states perform these functions; none carry them out to the degree that Pennsylvania does. Pennsylvania has the largest and most complex health care database of any state, and is currently the only state to publicly report patient outcomes on almost 80 treatment categories.

Another distinction is that Pennsylvania is among a handful of states that analyze and report physician-level information on cardiac-related conditions. Furthermore, Pennsylvania pioneered the use of outcome data linked with consumer satisfaction levels in its HMO report card, *Measuring the Quality of Pennsylvania's Commercial HMOs*.

Other states have only recently started to recognize the value of quality outcomes and are at various stages of development in reporting this information. This *FYI* looks at a few examples of other states' progress on outcomes reporting:

California – The state has developed several reports using outcome data. With the use of clinical data studies, the Office of Statewide Health Planning and Development (OSHPD) produces Coronary Artery Bypass Graft (CABG) surgery outcome reports. In July 2001, California issued a CABG report with 1997-98 hospital data; it also risk-adjusted to account for differences in illness levels. Since 1995, OSHPD and the Pacific Business Group on Health have been working together on a public-private partnership to develop the CABG mortality report.

Maryland – In 1999, the Maryland Health Care Commission (MHCC) was created as an independent com-

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mission within the Department of Health and Mental Hygiene. Along with creating an HMO quality and performance evaluation system, MHCC is charged with developing a system to compare quality of care outcomes and performance measurements across hospitals and ambulatory surgical facilities. MHCC's Internet-based *Hospital Performance Evaluation Guide* provides an overview of information on lengths of stay and readmission information for 33 high-volume treatment categories. The data is risk-adjusted to provide consumers with a fair comparison of hospitals. In June 2000, PHC4 staff met with a Maryland steering committee overseeing the development of a reporting system to inform them about PHC4's efforts in public reporting.

Massachusetts – Currently, Massachusetts collects health care outcome data, but does not publicly report it. Concerned about increasing health care costs, Massachusetts State Senator Richard Moore introduced a bill (Senate Bill 588) on January 1, 2003 proposing the establishment of the "Massachusetts Health Care Cost Containment Council." The bill would create an independent state agency modeled after PHC4 by reorganizing several existing state functions. The bill was introduced following a meeting convened by Senator Moore to discuss Pennsylvania's history with PHC4.

New Jersey – The New Jersey Department of Health and Senior Services collects data and reports on heart bypass surgery. The most recent cardiac report, *Cardiac Surgery in New Jersey: A Consumer Report*, was released in 2001 for surgeries performed in 1998-1999, and contains performance data for both individual surgeons and the 14 hospitals that performed cardiac surgery during the report period. New Jersey uses a methodology that risk-adjusts to account for doctors and hospitals that treat sicker patients. New Jersey officials are now consulting with PHC4 to gain insights on publicizing their information.

New York – Along with Pennsylvania, New York was one of the first states to publish outcome information related to CABG surgery. Hospital cardiac surgery departments collect individual patient data on approximately 40 risk factors. These include demographic factors and patient clinical characteristics. Since 1989, the New York State Department of Health has published annual data on risk-adjusted mortality for CABG surgery for hospitals and surgeons. In September 2002, New York issued the *Coronary Artery Bypass Surgery Report* for discharges in 1997 through 1999.

Texas – With 1995 enabling legislation similar to PHC4's law, an independent agency oversees the collection of health care data in Texas. The Texas Health Care Information Council (THCIC) operates independently, although its appropriation comes under the umbrella of the state's Department of Health. THCIC is charged with developing a statewide system to collect hospital discharge data including charges, utilization, provider quality, and outcome data. It publishes HEDIS data, and results comparing the performance of managed care plans. (HEDIS is sponsored, supported and maintained by NCQA.) THCIC published its first hospital "report card" on 25 conditions in 2002, using discharge data from 2000.

Virginia – The state-chartered Virginia Health Information (VHI), a non-profit organization, is a public-private partnership that collects, analyzes and distributes data about hospitals, physicians, nursing homes and HMOs. In its *Industry Report*, VHI uses a mechanism to rank hospitals and nursing homes using audited financial data. Using discharge records from 2001, VHI released its first public risk-adjusted report of hospital cardiac care mortality information. The VHI Internet-based system, like PHC4's online system, allows users to create custom reports online by health care service category, region or hospital.

In conclusion, while 37 states are required to collect some form of data related to health care services, the states are in various stages of developing quality-related outcome reports. With the expertise gained through years of experience, Pennsylvania is a national leader among the state agencies, according to NAHDO. In addition to the states already mentioned, PHC4 has been asked to participate in planning sessions with other states including Ohio, Wisconsin, and Alabama, as they develop collection and dissemination processes. Pennsylvania's experience in outcomes reporting may help other states as they move forward in their data collection and reporting processes. Not only are other states learning and benefiting from Pennsylvania's experience, but Commonwealth residents have unparalled access to public health care data that is not yet available in many other states.

PA Health Care Cost Containment Council (PHC4)

Marc P. Volavka, Executive Director

Editor: Michael L. Berney, Manager, Purchaser and Community Relations • email: mberney@phc4.org

225 Market Street, Suite 400, Harrisburg, PA 17101 • Phone: 717-232-6787 • Fax: 717-232-3821 • Web site: www.phc4.org