

PHC4

**Pennsylvania Health Care Cost Containment Council
ANNUAL REPORT
2004**



**Out in Front:
Improving Health Care Quality
and Patient Safety**

PHC4

About PHC4

The Pennsylvania Health Care Cost Containment Council (PHC4) is an independent state agency that exists to help improve the quality and restrain the cost of health care in Pennsylvania. Formed in 1986 under Pennsylvania statute, PHC4 was the result of more than three years of efforts by a coalition of business and organized labor leaders working together to pass market-oriented reforms. PHC4 fosters competition in the health care market through the collection, analysis and dissemination of health care data regarding cost and quality.

PHC4 Achievements

- Patient mortality rates for Pennsylvania hospitals dropped from above the national average in 1993 to below the national average in 2003.
- Mortality rates for heart bypass surgery in PA have dropped 48% in the past ten years, mirroring the years of public reporting.
- Pennsylvania has published the most comprehensive hospital performance report since 1989.
- Hospital data submission is nearly 100% compliant.
- Pennsylvania's HMO report is the only one in the nation to combine clinical outcome results with prevention (HEDIS) measures and patient satisfaction surveys (CAHPS).
- Pennsylvania is the first state to begin collecting hospital-acquired infection data under state law.
- Pennsylvania issued 24 public reports and 202 special requests in 2004.
- Pennsylvania has published a comprehensive report on hospital finances for every year since 1990.
- Total PHC4 Web Hits in 2004: 1,983,188; Downloaded Documents: 340,473; Visitor Sessions: 203,000

A LETTER FROM THE COUNCIL CHAIR AND THE EXECUTIVE DIRECTOR

Establishing the Link between Patient Safety, Quality and Costs

Dear Friends of the Council,

Pennsylvania is widely acknowledged as the leader in the field of the public reporting of health care outcomes (results) performance data. Pennsylvanians have the opportunity to know more about their hospitals, physicians and health insurance plan than do any other Americans. In 2004, the Pennsylvania Health Care Cost Containment Council (PHC4) forged ahead on several new initiatives that represent exciting opportunities to improve patient safety and health care quality, and to further connect the dots as to the relationship between superior health care quality and reduced costs.

Reducing Preventable Hospital-acquired Infections

Over the next year, PHC4 will help answer the nationwide call for quality improvement and patient safety by initiating pilot projects with several Pennsylvania hospitals to reduce hospital-acquired infections. For example, as the work of the Dr. Rick Shannon at Allegheny General Hospital (AGH) has shown, the elimination of central line-associated bloodstream (CLAB) infections is an achievable goal. Through sustained internal processes and strong executive leadership commitment, AGH drove CLAB rates to new lows, and realized a savings of \$1.4 million in direct costs in one year. This project demonstrated that reducing infections is not only good for patient care, but also, from a financial standpoint, for purchasers who pay the bills and for providers who treat the patients. Through the stimulation of these pilot projects, PHC4 hopes to provide broader evidence that changes in processes and visionary executive leadership focused on infection reduction can produce tangible improvements in patient safety and overall quality of care. In addition, PHC4 believes significant cost efficiencies may be achieved for purchaser and providers.

Using Information Technology to Improve Quality and Efficiency

The second mission-critical PHC4 initiative is the enhanced use of information technology to improve quality and patient safety. To this end, PHC4 is moving toward encouraging system-wide web-based online data submission from hospitals. This increased use of technology will further support timely and efficient data collection, analysis and public reporting, and the efficiencies should result in reducing further data submission costs borne by Pennsylvania's hospitals.

Our Commitment

Health care is emerging as arguably the top priority issue for policy makers across the nation. Health care purchasers, providers, payors, and consumers continue to look for ways to improve the delivery of effective and efficient health care in Pennsylvania. PHC4 reaffirms our commitment to enhance health care quality, ensure patient safety, and restrain rising health care costs by continuing to provide unparalleled access to health care information.



Bernard K. Murray
Council Chair



Marc P. Volavka
Executive Director

A handwritten signature in blue ink, appearing to read "B.K. Murray".

Bernard K. Murray
Council Chair

A handwritten signature in blue ink, appearing to read "Marc P. Volavka".

Marc P. Volavka
Executive Director



The Executive Committee. Front row, left to right: Catherine A. Gallagher, Vice-Chair; David Wilderman, Treasurer; Bernard K. Murray, Chair; Marc P. Volavka, Executive Director. Back row: Randall N. DiPalo, Data Systems Committee Chair; Clifton W. Shannon, Education Committee Chair; Leonard A. Boreski, Immediate Past Chair; Thomas F. Duzak, Mandated Benefits Committee Chair.

PHC4 Council Composition

As outlined in Act 14 of 2003

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 improvement expert

State Government

- Secretary of Health
- Secretary of Public Welfare
- Insurance Commissioner

Council Members

Executive Committee

Bernard K. Murray, Chair
Pennsylvania Federation of Teachers, Retired (Labor)

Catherine A. Gallagher, Vice-Chair
Lehigh Valley Business Conference on Health Care (Business)

David Wilderman, Treasurer
Pennsylvania AFL-CIO, Retired (Labor)

Randall N. DiPalo, Chair, Data Systems Committee
Plumbers & Pipefitters Union (Labor)

Thomas F. Duzak, Chair, Mandated Benefits Committee
Steelworkers Health & Welfare Fund (Labor)

Clifton W. Shannon, Chair, Education Committee
SMC Business Councils (Business)

Leonard A. Boreski, Immediate Past Chair
Pennsylvania Chamber of Business & Industry (Business)

Additional Council Members

David B. Acker
Charles Cole Memorial Hospital (Hospitals)

David Barenfeld
Ellwood Group (Business)

David B. Campbell, M.D.
Milton S. Hershey Medical Center (Physicians)

Paul N. Casale, M.D.
The Heart Group (Physicians)

Marc D. Edelman
Crozer-Chester Medical Center (Hospitals)

Henry C. Fader, Esq.
Pepper Hamilton, LLP (Business)

Calvin B. Johnson, M.D., MPH
Secretary, Pennsylvania Department of Health

Janet Kail
AFSCME, Council 13 (Labor)

M. Diane Koken
Commissioner, Pennsylvania Department of Insurance

Donald Liss, M.D.
Aetna US Healthcare (Commercial Insurers)

Cynthia J. Mazer
Rohm & Haas Company (Business)

Mary Ellen McMillen
Independence Blue Cross (Blue Cross/Blue Shield Plans)

Estelle B. Richman
Secretary, Pennsylvania Department of Public Welfare

Susan J. Simmons, Ph.D., RN
Pennsylvania State Nurses Association (Nurses)

Francis S. Soistman, Jr.
Coventry HealthCare, Inc. (HMOs)

Jack Steinberg
Philadelphia Federation of Teachers (Labor)

Terms expired on June 30, 2004:

Richard C. Dreyfuss
Hershey Foods Corporation, Retired (Business)

Carl A. Sirio, M.D.
University of Pittsburgh Medical Center (Physician)

James R. Godfrey
HealthGuard of Lancaster (HMOs)

Executive Director

Marc P. Volavka

**A JOINT MESSAGE FROM
THE PENNSYLVANIA CHAMBER OF BUSINESS AND INDUSTRY
AND THE PENNSYLVANIA AFL-CIO**



**William M. George
President
PA AFL-CIO**

Pennsylvanians spent more than \$30 billion on health care in 2004. Inflation has been less than 3 percent a year, yet nationally the average cost for employer-provided health insurance jumped 15 percent to \$9,950 per family in 2004.

These alarming statistics are a major concern for our members. Skyrocketing costs are forcing employers to increase co-pays, deductibles and cost sharing, limit benefits or drop coverage altogether. Simply increasing employee costs and decreasing employee benefits is not the real answer to health care cost containment. Numerous other options must be pursued before jeopardizing the health of our companies, our employees and their families.

Purchasers and consumers want high quality care at an affordable price. PHC4 provides us with initiatives and data that can help us identify high quality, cost-effective providers, negotiate agreements with payors, and ultimately protect the health and welfare of our members. With PHC4's assistance, we can help our members find better quality health care. Through PHC4, purchasers have a chance to "Pay for Performance;" that is, reward providers who provide superior results and pay less, or nothing, for poor results.

We all have to work together to overcome this epidemic of rising costs. In a free market economy, health care providers and purchasers, insurers, policymakers and the public are eager to have access to credible, independent information on cost and quality. PHC4 gives Pennsylvania's health care purchasers a competitive edge that those in other states just don't have. This is only one of the many reasons why PHC4 has the proud support of the business community and that of organized labor in Pennsylvania.



**Floyd Warner
President
PA Chamber of
Business and Industry**

A handwritten signature in black ink that reads "William George".

William M. George
President
PA AFL-CIO

A handwritten signature in black ink that reads "Floyd Warner".

Floyd Warner
President
PA Chamber of Business and Industry

The Nationwide Call for Health Care Quality Improvements and Patient Safety

Since a 1999 Institute of Medicine (IOM) report, *To Err is Human: Building a Safer Health System*, the nation's attention has been focused on improving patient safety and reducing medical errors. PHC4's newest and most far-reaching patient safety initiative began early in 2004 when PHC4 undertook the groundbreaking step of collecting information on infections that patients contract in the hospital, and Pennsylvania became one of the first states in the nation to undertake such an initiative.

PHC4's focus on infections as a major patient safety issue began in earnest several years ago when PHC4's data showed that infection was the major reason for readmission to the hospital following heart bypass surgery. Reporting readmissions for complications and infections is now standard practice in PHC4's flagship report, the *Hospital Performance Report*.

Focusing on Hospital-acquired Infections

Hospital-acquired infections are life threatening. According to the U.S. Centers for Disease Control and Prevention, about 90,000 Americans die each year from hospital-acquired infections. A 2002 investigation by the *Chicago Tribune* found more than 100,000 patients died in 2000 from hospital-acquired infections; three quarters of these infections were deemed preventable.

Hospital-acquired infections are costly. Hospital-acquired infections add an estimated \$4.5 to \$5.7 billion per year to the cost of patient care. Patients who get an infection in the hospital spend from one to 30 extra days in the hospital. Approximately

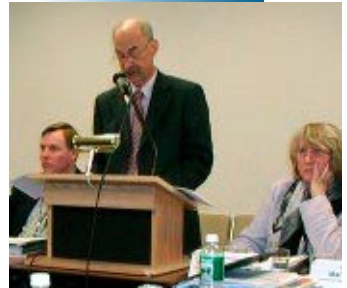
56 percent of hospital profits are eroded by the five percent of admissions who experience an infection. Each hospital-acquired infection is estimated to cost hospitals on average \$8,650.

Hospital-acquired infections are increasing. A study published in the *New England Journal of Medicine* reports that between 1975 and 1995, the incidence of hospital-acquired infections per 1,000 bed days increased by 36.1 percent.

Collecting Data on Hospital-acquired Infections

Beginning January 1, 2004, hospitals were required to submit hospital-wide data on the following infection categories:

- 1. Surgical site infections** for orthopedic surgery, neurosurgery and surgery related to the circulatory system.
- 2. All device-related infections** for:
 - Central line associated bloodstream infections
 - Ventilator associated pneumonia
 - Foley catheter associated urinary tract infections



Executive Director Marc P. Volavka addresses the National Conference of State Legislatures on hospital-acquired infections and clinical misadventures.



These four categories of infections were chosen for the initial data collection because when combined, they account for more than 80 percent of all hospital-acquired infections (*New England Journal of Medicine*, 348:7, 2003). The collection of the remaining hospital-acquired infection data will begin in January of 2006.

To help design data collection processes that were complete and thorough, while not unduly burdensome to the hospitals, PHC4 created a Hospital-Acquired Infection Advisory (HAI) Panel. This expert advisory panel included not only infection control professionals, but also other hospital and medical representatives.

Using Data for Patient Safety Analysis and Improvement

Under Section 5 of Act 14 of 2003, PHC4 is mandated “to provide each hospital with individualized data on patient safety indicators.” The data is intended to provide the patient safety committee of each hospital with information necessary to assist in con-

ducting patient safety analysis and provide opportunity for quality improvement where indicated. PHC4 provides these patient safety reports to hospitals each quarter. These reports provide detailed information for the individual hospital, as well as peer-group and statewide comparisons. Preliminary results suggest that over 7 percent of those hospitalized experience some type of possible complication or infection that should be evaluated further by the hospital.

Emphasizing Infection Reduction

The collection of data on hospital-acquired infection is a necessary first step; however, the ultimate goal is to provide

those who work in infection control with the tools they need to identify areas of improvement. Therefore, to improve the quality of data collection and help redirect resources and executive leadership to the prevention of infections, PHC4 is proposing the creation of

a pilot program in which certain hospitals would volunteer in an attempt to duplicate the work performed in Allegheny General Hospital to reduce to near zero the number of infections in certain critical care units. The Council will work in partnership with the Jewish Healthcare Foundation and the Pittsburgh Regional Healthcare Initiative to assist these hospitals in marshalling resources and organizational commitment in this seminal project.

“You can’t improve what you can’t measure.”

David B. Nash, M.D., MBA, Associate Dean, Chairman of the Department of Health Policy at Thomas Jefferson University Hospital and Chairman of PHC4’s Technical Advisory Group.

- *Modern Healthcare*, Aug. 2004

Using Information Technology to Improve Health Care Quality and Patient Safety

PHC4 is in sync with a new national priority in health care — the link between information technology and health care quality.

The backbone of PHC4's activities involves the collection, analysis and public release of health care data, including information on patient safety, quality of care, hospital and physician performance, hospital finances, and managed care. In 2004 PHC4 took steps to embark on a new initiative to upgrade the entire data collection and verification process. It will be primarily electronic and nearly paperless.

Upgrading the Electronic Data Process

While hospitals have been *submitting* data electronically to PHC4 for some time, there has been limited ability to *correct or validate data* through electronic means. PHC4 plans to streamline the quarterly process of validating hospital data and minimize potential errors in the manual process by moving, over time, to a comprehensive web-based submission and correction process. New hardware, software, and other services will be added, allowing PHC4 to work directly with hospitals to correct their data. This will require significant new Web development.

Currently, each submission is run through hundreds of data edits and validations that PHC4 has developed during the

past ten years. Hospitals and free standing ambulatory surgery centers will continue to submit data files to PHC4 using a secure Web site, which is currently being done by 9 out of 10 facilities. In the future, a Web process will automatically read the data and write files to a database.

Enhancing Efficiency

The move to an Electronic Medical Record (EMR) at most facilities has been slow. Only in the last year or so have most Pennsylvania hospitals had access to both e-mail and the Internet. Additionally, there has been a substantial increase in the number of new free-standing ambulatory surgery centers, where the investment in information technology has been minimal. Moreover, the software to manage an electronic process has only recently matured. This initiative will rely upon additional hardware and software, including additional bandwidth to handle the increased Internet traffic. Upon completion of this long-term project, both PHC4 and Pennsylvania hospitals should see cost savings through these more efficient and effective Web-based activities.

“Information technology goes hand in hand with quality. It's a ... convergence of those two things. Accomplishing one means accomplishing the other.”

David Brailer, National Healthcare IT Coordinator, HHS.

- *Modern Healthcare*, Aug. 2004

Ahead of the Curve in Health Care Reporting

Public reporting provides health care purchasers and consumers with information to help identify the most effective providers and health plans. The goal in doing so is to improve the quality of care and to restrain costs. In 2004, PHC4 released a wide variety of reports about the health care delivery system in Pennsylvania, including:

In-hospital mortality rates have dropped steadily in Pennsylvania over the past ten years, going from above the national average to below, which suggests that the process of public reporting in PA is having a positive impact on the quality of care.

Hospital Performance Report

This report includes mortality rates, readmission rates, length of stay, and hospital charges for numerous medical procedures and treatments that are commonly performed at Pennsylvania hospitals. The *Hospital Performance Report* released in September showed that patient mortality rates for many conditions declined, but readmission rates rose. In order to provide the most timely, up-to-date information possible, PHC4 now releases Hospital Performance Report data every three months on its Web site. Each release has one year of data on a rolling quarterly basis.

Hospital Financial Reporting

This series of reports examines hospital finances and is released in three volumes: 1) A statewide *Preview* summary; 2) *Volume One*, which focuses on general acute care hospitals in Pennsylvania (The most recent

version noted that despite increases in revenue and charges, nearly half of Pennsylvania's general acute care hospitals lost money in fiscal year 2003); and 3) *Volume Two*, which includes the non-acute care facilities in Pennsylvania – including ambulatory (outpatient) surgery centers. The 2004 release of *Volume 2* indicates a significant increase in recent years in the number of ambulatory surgery centers licensed in Pennsylvania, as well as the utilization of their services.

PHC4's hospital financial data is also used by the Pennsylvania Department of Public Welfare to calculate payments under the Hospital Uncompensated Care Program and the Hospital Extraordinary Expense Program. Created as part of Act 77 of 2001, these programs distribute funds from the Master Settlement Agreement with tobacco manufacturers to qualified hospitals.

Pennsylvania's Guide to Coronary Artery Bypass Graft Surgery

Pennsylvania is one of the few states in the country to report hospital and surgeon specific data on coronary artery bypass graft (CABG) surgery. The report provides information on the number of surgeries, mortality rates, readmission rates, and





length of stay for each hospital and surgeon performing this operation. Hospital charges are also reported. PHC4 has released a series of these reports, beginning in 1992. The report released in March 2004 noted a dramatic 16.6 percent drop in in-hospital mortality and a ten percent decrease in readmission rates.

Diabetes Hospitalization Report

Diabetes often results in severe and costly complications. This report highlights hospital admission rates for this disease and compares these rates among Pennsylvania counties. The most recent release in November 2004 showed that the rate of hospital admissions for diabetes has continued to increase in recent years.

Choosing a Medicare Managed Care Plan

For the fourth consecutive year, PHC4 joined with the Pennsylvania Department of Aging to produce a guide to help explain the Medicare Managed Care Plan options available to older Pennsylvanians. This guide has become popular among legislators as a resource for their constituents. The most recent version of *Choosing a Medicare Managed Care Plan* was released in November 2004. The guide lists managed care plans by region, and provides comparisons of monthly premiums and co-pay-



The Technical Advisory Group

The Technical Advisory Group (TAG), comprised of physicians, researchers and biostatisticians, provides expert independent advice to PHC4's statisticians and researchers on technical issues such as methodology and data quality.

David B. Nash, M.D., MBA, Chair
Thomas Jefferson University Hospital

Joseph G. Cacchione, M.D., FACC
Saint Vincent Health Center

Paul N. Casale, M.D., FACC
The Heart Group

John R. Combes, M.D.
Hospital & Healthsystem Association of Pennsylvania

Donald E. Fetterolf, M.D., MBA
Highmark Inc.

George R. Green, M.D.
Abington Memorial Hospital

Judith R. Lave, Ph.D.
University of Pittsburgh

Russell F. Stahl, M.D., FACS
Cardiothoracic Surgery, LLC

Craig B. Wisman, M.D.
Pinnacle Health System

Timothy C. Zeddies, Ph.D.
Independence Blue Cross

Retired in 2004:

David B. Campbell, M.D.
Milton S. Hershey Medical Center

Dr. Sheryl F. Kelsey, Ph.D.
University of Pittsburgh



ments, an overview of the benefits offered, and information on several quality measurements and the results of patient satisfaction surveys. New to this guide is information about the Prescription Drug Discount Card program, which is being offered to Medicare-eligible consumers until the full prescription benefit begins in 2006.

Measuring the Quality of Pennsylvania's Commercial HMOs

This series of reports focuses on the quality of health care services received by members of Pennsylvania's commercial Health Maintenance Organizations (HMOs). PHC4's HMO report is the only public report in the nation to combine data on preventive care and member satisfaction with a broad mix of clinical results. In the report released in March 2004, HMOs in Pennsylvania performed better than the national HMO average in

various measures designed to keep members healthy. And Pennsylvanians, in general, appear to be more satisfied with HMO services compared to national averages, with 86% reporting no problems in receiving the care they needed.

Research Briefs

PHC4's Research Briefs are periodic web-based publications that examine health care topics relevant to public policy and public interest. The most recent research brief, *Avoidable Hospitalizations in Pennsylvania*, found that in 2003, there were more than 109,000 potentially avoidable hospitalizations for conditions like pneumonia, diabetes, asthma, and hypertension, which accounted for \$2.8 billion in hospital charges and 550,000 hospital days.

Other research briefs released in 2004 included:

- *Obesity-Related Surgery in Pennsylvania*, and
- *Hospital Admissions for Firearm-Related Injuries in Pennsylvania*.



PHC4 FYIs

PHC4 FYI is a series of white papers about topics of interest to health care purchasers. Since the publication's inception in August of 2001, PHC4 has released more than two dozen FYIs. 2004 topics included:

- *The Costs of Depression in the Workplace*
- *The Obesity Epidemic*
- *Back Pain – A Costly Ache*
- *Prescription Drug Safety*
- *The Rising Utilization and Costs of Prescription Drugs*
- *The Growth of Diagnostic Imaging Utilization*
- *Paying for Performance – The Business Case*

Copies of all reports are free and are available on the Council's Web site at www.phc4.org or by calling PHC4 at 717-232-6787.

County Profiles

This interactive feature on PHC4's Web site allows users access to general utilization information about hospital admissions. Users can customize their search to examine state-wide or county level hospital admission data by age, sex, insurance coverage, facility, and general area of treatment. Outpatient procedure data was recently added.

Facility Name	Total Cases	% of Total	Total Charges	% of Total	Total Days	% of Total
Temple University Hospital	65,811	8.1%	\$1,455,281,992	14.0%	667,875	8.1%
Lebanon Medical Center	52,810	6.5%	\$751,485,467	7.1%	61,810	7.5%
Georgetown Hospital	52,759	6.5%	\$950,236,200	9.0%	72,811	8.8%
Medical of the University of Pennsylvania	52,663	6.5%	\$715,447,207	6.7%	62,005	7.5%
Thomas Jefferson University Hospital	52,597	6.5%	\$622,554,095	5.8%	76,751	9.3%
Harrisburg Hospital (now the Hill Co.)	44,883	5.5%	\$716,438,064	6.7%	62,751	7.6%
York-Lebanon Healthcare System	44,642	5.5%	\$703,438,157	6.6%	61,436	7.4%
Temple East Co.	4,091	0.5%	\$717,184,000	6.7%	60,436	7.3%
York Hospital	3,729	0.5%	\$336,284,000	3.1%	48,811	5.9%
Shary Hospital of Wilkes-Barre	3,411	0.4%	\$714,475,000	6.7%	57,004	6.9%
Lebanon Springs	3,292	0.4%	\$703,438,000	6.6%	49,004	5.9%
York Healthcare Hospital & Medical Center	3,076	0.4%	\$718,838,000	6.8%	47,045	5.7%
York-Lebanon Healthcare System	3,000	0.4%	\$336,284,000	3.1%	46,436	5.6%
University of the Medical Center/Harrisburg	2,741	0.3%	\$715,447,000	6.7%	47,004	5.7%
Harrisburg Hospital	2,517	0.3%	\$715,447,000	6.7%	46,004	5.6%

Purchasers Turning Data into Knowledge into Action



Left to right: Dr. Alberto Colombi, M.D., MPH, Corporate Medical Director, PPG Industries; Cliff Shannon, President, SMC Business Councils and Chair, PHC4 Education Committee; William George, President, PA AFL-CIO.

Using PHC4 Info: Purchasers on the Move!

- ★ Lehigh Valley Business Conference on Health Care
- ★ Pennsylvania AFL-CIO
- ★ SMC Business Council
- ★ Pittsburgh Business Group on Health
- ★ Philadelphia Law Enforcement Health Benefits
- ★ Pittsburgh Regional Healthcare Initiative
- ★ Lancaster County Business Group on Health
- ★ SEIU
- ★ PPG Industries

“Pay for Performance” is Topic of Purchaser Meeting in Western Pennsylvania

PHC4 hosts lively and informative purchaser meetings, sponsored in part by the Pennsylvania AFL-CIO and the Pennsylvania Chamber of Business and Industry. In September 2004, PHC4 conducted a purchaser meeting in western Pennsylvania, in partnership with SMC Business Councils. The agenda featured “Pay for Performance” health care purchasing, and the *Pittsburgh*

Post Gazette labeled the meeting a “health care summit” which “called for dramatic reforms.” Speakers described strategies to improve health care outcomes to an audience of more than 100 participants. Panel members included the PHC4 Executive Director, a physician, two business executives, a labor leader, and two health care coalition leaders.



More than 100 participants attended the Purchaser Meeting on Pay for Performance. Speakers included (left to right): Tom Lamb, Director, Law Enforcement Health Benefits and Greg Mazol, Mellon Financial.

Outreach throughout the State

As health care cost containment, paying for performance and the reporting of infection data were topics of interest in 2004, requests for presentations by PHC4 increased dramatically. PHC4 staff gave presentations to audiences of government financial officers, health care executives and financial managers, health care information managers, members of chambers and business organizations, labor-management, senior citizens, public health providers and a Penn State Masters class in Health Administration. PHC4's risk-adjustment model was the subject of a workshop and poster presentation to a statewide professional audience.

To make Pennsylvanians aware of the accessible, independent health care information available to them, PHC4 exhibited at senior and consumer expos sponsored by state senators and representatives and at conferences sponsored by the Governor, Attorney General and other state agencies. Additional events focused on health care purchasers, as well as insurers, health care providers and educators.

A business health care coalition task-force on wellness used PHC4 data to identify major health issues in their county. PHC4's county inpatient hospitalization database on the Web site is referenced as a resource on the coalition's wellness toolkit, designed to assist members in implementing employee wellness or prevention programs.

2004 Speaking Engagements by Marc P. Volavka, PHC4 Executive Director

<u>Date</u>	<u>Event/Title of Presentation</u>
April 28	PBGH Annual Conference <i>"Pay for Performance"</i>
May 4	PA Chapter of the American College of Cardiology Annual Legislative Conference <i>"PHC4 - An Overview - The Mission of PHC4 and Its Impact on Cardiology"</i>
May 12	Nevada Legislative Committee on Health Care <i>"The Case for Public Reporting... Making the DATA Real"</i>
July 12	Presentation before the National Business Coalition on Health <i>"The Case for Public Accountability"</i>
July 27	Presentation before the Democratic Policy Committee
Aug.16	Presentation before the Ontario Ministry of Health & Long Term Care <i>"The PHC4 Mission"</i>
Sept. 15	Presentation at the PHC4 Purchaser Meeting <i>"Pay for Performance?? (You already are!)"</i>
Sept. 16	Presentation before the Allegheny County School Health Consortium
Sept. 23	Protecting Patients in Complex Systems, sponsored by PMS, PRHI, Carnegie Mellon University, and Western PA Chapter, American College of Physicians <i>"Hospital-Acquired Infections: The PHC4 Initiative"</i>
Oct. 7	Democratic Policy Committee/Hearing for Representative Phyllis Mundy
Dec. 6	Presentation at the NAHDO Annual Meeting, Washington, DC

How Others Are Using PHC4 Data

PHC4 data is requested by government agencies, researchers, health care providers and commercial enterprises for various studies and research projects. In FY04, PHC4 completed 202 special data requests, generating \$535,076.36 in revenue.

Collaboration with State Government Agencies

PHC4 cooperated with other state government agencies to provide data and customized reports for a variety of projects and studies, including:

Pennsylvania Department of Public Welfare:

- To compute reimbursement payments to qualified hospitals under the Tobacco Settlement Act of 2002.
- For a study of older Pennsylvanians hospitalized for mental diseases, alcohol or drug related disorders, or induced organic mental disorders.
- For establishment of a hospital quality outcomes program for the Medical Assistance Fee-for-Service program.

Pennsylvania Department of Health:

- A Crash Outcome Data Evaluation Study (CODES), evaluation of trauma triage protocols, pediatric treatment protocols, and the Trauma Systems Plan;
- Development of a Birth Defects Registry;

- An Injury Prevention Program to improve the ability of health officials and practitioners for planning and evaluation of programs and policies;
- A DOH Web site containing state and local data (including trend data) corresponding to the Healthy People 2010 objectives, as developed by the Centers for Disease Control and Prevention (CDC);
- Hospital audits conducted by the Department's Licensing and Quality Assurance surveyors;
- A study of discharge patterns to be used in quality assurance and licensing by the Division of Acute and Ambulatory Care.

Pennsylvania Office of the Auditor General:

- An audit of hospitals that received June 2004 Tobacco Settlement reimbursement monies for uncompensated care.

Examples of Research Projects Using PHC4 Data

Here are a few examples of research studies using PHC4 data:

- **Children's Hospital of Philadelphia:** A study to identify ways to improve palliative, end-of-life, and bereavement services for dying children and their families.
- **Johns Hopkins University:** A study on the impact of federal policy changes and health care market forces on the organizational and management strategies, financial viability and clinical performance of U.S. rural hospitals.
- **Temple University Pulmonary & Critical Care:** An analysis of birth certificate data quality in Pennsylvania to assess the impact of the National Center for Health Statistics' 2003 revision to the U.S. Standard Certificate of Live Birth.
- **United Network for Organ Sharing (UNOS):** A study of the role of organ transplantation in decreasing patient morbidity and burden of disease for patients with end-stage organ failure.
- **University of Alabama at Birmingham:** A multi-state study to test whether cardiac Certificate of Need (CON) regulations affect the total number of procedures for revascularization (CABG and PTCA) in a state.
- **University of Pennsylvania School of Medicine:** A research study on reducing medication errors among the elderly, in cooperation with the Pennsylvania Department of Aging, Pharmaceutical Assistance Contract for the Elderly (PACE).
- **University of Pittsburgh/Pittsburgh VA Healthcare Systems:** A research project to develop a clinical prediction rule for prognosis to identify low risk patients with pulmonary embolism who could be candidates for outpatient treatment or a short hospital observation.



Council Members
Pennsylvania Health Care Cost Containment Council
Harrisburg, Pennsylvania

We have audited in accordance with auditing standards generally accepted in the United States of America, the statement of net assets and the governmental fund balance sheet of the Pennsylvania Health Care Cost Containment Council as of June 30, 2004, and the related statement of activities and governmental fund revenues, expenditures, and changes in fund balance, and in our report dated December 15, 2004, we expressed an unqualified opinion on those financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements are fairly stated in all material respects in relation to the financial statements from which it has been derived.

McGill, Power, Bell & Associates, LLP

McGill, Power, Bell & Associates, LLP

Grove City, Pennsylvania
December 15, 2004



Pennsylvania Health Care Cost Containment Council

225 Market Street, Suite 400

Harrisburg, PA 17101

Phone: (717) 232-6787

Fax: (717) 232-3821

www.phc4.org

**Marc P. Volavka
Executive Director**