

## Navigating Hospital Rating Systems Can Be Difficult for Consumers

In light of the *Affordable Care Act* (ACA), many consumers have taken a renewed interest in the delivery of healthcare, and are increasingly concerned with the quality of care they receive.<sup>1</sup> These concerned consumers have turned to the internet as a resource, as reports that rate hospital and physician performance, as well as hospital and physician rankings based on patient satisfaction, safety, and infection rates, are becoming increasingly popular.<sup>2</sup> However, there is a lack of consistency in rating methods between reporting agencies, and, as such, separate reports will often come to different conclusions for a single entity.<sup>3</sup> These conflicting reports can make the process of finding a high quality provider more difficult for consumers,<sup>4</sup> and potentially decrease hospital and physician patient volume, and therefore revenue.<sup>5</sup> An increased awareness of this disparity in ratings methodology will not only help patients, but will also help bolster support for a unified and standardized approach to hospital ratings.

As of March 2014, the individual mandate of the ACA has reduced the national uninsured population by 5.4 million, indicating that the U.S. health insurance system has, and will likely see, a significant increase in patronage.<sup>6</sup> With this increased patronage, the 'patient experience' will become all the more important, particularly as consumers become more concerned with high quality care and lower prices.<sup>7</sup> As reported by United Healthcare in 2012, 40 percent of those surveyed indicated they had spent some time online researching healthcare providers before being treated for a major health-care event,<sup>8</sup> but just 14 percent were comparing prices.<sup>9</sup> However, consumers are expected to increasingly compare healthcare prices as more advanced technology becomes available, making the search for cost comparisons easier, which enables consumers to take a more active role in their healthcare selections.<sup>10</sup>

A publication endorsed by the Governor of Massachusetts recommended that patients conduct cost comparisons, as well as consult safety ratings of hospitals, particularly as approximately 440,000 people die, per year, as a result of preventable medical errors.<sup>11</sup> The publication endorsed by the Governor recommended that consumers utilize the following safety ratings, which are endorsed by the Leapfrog Group:

- (1) *"prevent medication errors;*
- (2) *have appropriate Intensive Care Unit (ICU) staffing levels, take steps to avoid harm;*
- (3) *reduce pressure ulcers;*
- (4) *reduce in-hospital injuries;*
- (5) *manage serious errors; and,*
- (6) *reduce intensive care unit infections."*<sup>12</sup>

There are numerous companies which publish ratings of both hospitals and their providers, with some of the best known being:

- (1) The Joint Commission, which accredits and certifies more than 20,500 health care organizations in the U.S.<sup>13</sup>;
- (2) Consumer Reports, which helps consumers *"compare hospitals based on patient safety scores, as well as individual measures relating to patient experience, patient outcomes, and certain hospital practices"*<sup>14</sup>;
- (3) HealthGrades, which describes itself as an *"online resource for consumers looking to choose a doctor or hospital based on objective information that can lead to better health;"*<sup>15</sup> and,
- (4) The Leapfrog Group, which provides results from voluntary surveys which *"assess hospitals on three key areas: how patients fare, resources used in caring for patients, and leadership and structures that promote patient safety."*<sup>16</sup>

While these groups may have similar goals, there are differences in:

- (1) the groups' method of gathering data;
- (2) the groups' reporting methods;
- (3) the level of transparency in each groups' reporting methods; and,
- (4) differences among each groups' rating scales.<sup>17</sup>

These differences in rating methods and scales may result in *"wildly divergent conclusions, and sometimes provide as much confusion as clarity for consumers."*<sup>18</sup> A prominent example of differing ratings results can be seen with the University of California San Francisco

(UCSF) Medical Center, which has received high marks in the various rating schemes, yet has been fined \$425,000 for repeatedly endangering patients.<sup>19</sup> Another example is the Saint Francis Hospital in Tulsa, Oklahoma which is being penalized by Medicare “for falling short on the government’s quality assessment,” yet is ranked as the 2<sup>nd</sup> best hospital in Oklahoma by US News, and is a Healthgrades Distinguished Hospital for Clinical Excellence.<sup>20</sup> These discrepancies can occur due to:

- (1) the utilization of outdated data;
- (2) the utilization of results from voluntary responses, rather than direct data points;
- (3) the weighing of categories differently, i.e., patient outcomes vs. patient satisfaction;
- (4) the utilization of different rating systems, i.e., a letter scale (A-F) vs. Stars vs. numerical; and,
- (5) differences between rating systems designed to give performance data, and those focused on awards and recognition.<sup>21</sup>

Due to this variance between ratings reports, physicians and hospitals have voiced their concern regarding how to improve the quality of care and address patient concerns, amid the dissemination of conflicting data regarding the hospital or physician weaknesses.<sup>22</sup> The Vice President of the *Healthcare Association of New York* (HANY), an organization which advocates on behalf of all New York hospitals and healthcare systems at the State and Federal level,<sup>23</sup> explains that:

*“Hospitals take (rating sites) very seriously and use them to figure out how to deliver better care. But unless there is some type of standardized approach with very transparent methodology, it’s going to be very difficult for hospitals to really apply the ratings for the purpose of quality improvement.”*<sup>24</sup>

In response to the concerns of hospitals and physicians, HANY created its “*Report on Report Cards*” as an “*educational resource for hospital leaders and their boards; as a primer for evaluating and responding to publicly available consumer report cards.*”<sup>25</sup> This “*Report on Report Cards*” aims to assist hospital leaders in understanding what concerns from the ratings reports are the most pressing, and the methods used to assign those hospital ratings and rankings, so that hospital leadership can accurately determine how best to approach any alleged deficiency.<sup>26,27</sup> However, in criticism of the “*Report on Report Cards*”, the ratings groups have argued that HANY has a conflict of interest, as HANY advocates for the hospitals, and HANY was not transparent in the methods used to create the “*Report on Report Cards*”.<sup>28</sup> Furthermore, executives from ratings sites argue that when a hospital receives favorable ratings, the hospital rarely complains about rating system methodologies or transparencies, and instead will use the favorable ratings to bolster the hospital’s reputation.<sup>29</sup>

The issue of ratings has become important to hospitals and physicians, likely, at least in part, due to a study published in *The Journal of the American Medical Association* (JAMA), which reported that 35% of consumers utilizing ratings sites to search for doctors selected their practitioner based upon good reviews, while 37% avoided a doctor based upon a bad review.<sup>30</sup> As such, physicians and hospitals could suffer significant financial harm if a rating site portrays the provider inaccurately.

There may not be a simple or immediately plausible fix for the many ratings systems available on the internet. However, in the meantime, Dr. Jeff Rice, CEO and Founder of the Healthcare Bluebook, recommends that hospitals take the lead in disclosing quality and cost information in a clear and useful way,<sup>31</sup> which could lessen consumer confusion, increase transparency, and ultimately assist the consumer in making a more informed decision in their search for high quality and affordable healthcare.

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