HEALTH CAPITAL Topics
Volume 13
Issue 7
July 2020
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New Index Ranks Hospitals' Community Benefit

On July 7, 2020, the Lown Institute, a nonpartisan think tank,[1] announced the initial release of its new ranking system for hospitals.[2] Called the "*Hospitals Index*," this ranking analyzes not just the quality of care and patient outcomes but also the hospital's civic leadership and avoidance of overuse,[3] ideas that harken back to the core mission and vision of the Lown Institute itself. Founded in 1973, the Institute advocates for a healthcare system that "*rejects low-value care, incentivizes healing over profits, promotes health equity, and honors the value of the clinician-patient relationship*."[4] This vision came from the Institute's founder, cardiologist and 1985 Nobel Peace Prize winner[5] Bernard Lown, MD, who was instrumental in developing the direct current defibrillator and in understanding the psychological factors of heart diseases.[6] Today, the Institute addresses issues such as medical overuse/underuse, health equity, and the cost of care[4] through publications, conferences, data, and tool development;[7] the Institute also founded *Right Care Alliance*, an advocacy organization focusing on healthcare as a human right.[8] The Institute's priorities are reflected in the *Lown Institute Hospitals Index*, which examines factors such as inclusivity, use of low-value care, and community benefit in ranking the best hospitals in the country.[9] In its *Washington Monthly* article, the Institute made parallels between its new ranking system and reports such as *U.S. News & World Report*'s "*America's Best Hospitals*" list and IBM Watson Health's "*Top 100 Hospitals*," but concluded that these rankings fall short because they do not examine whether hospitals use their resources wisely and "*to provide quality care to everyone in their communities*."[10]

In order to create its rankings, the Lown Institute analyzed three main components – quality of care, civic leadership, and value of care, weighted at 50%, 30%, and 20%, respectively – which components contained subsections including pay equity, community benefit, inclusivity, overuse, clinical outcomes, patient safety, and patient satisfaction.[11] The Institute ranked 3,282 hospitals in its system, assigning to each an overall letter grade, as well as letter grades for each category.[12] Each hospital and health system was also given a percentile score for each component and a star rating for the subsections of each component.[13] The Institute principally used data from the 2015-2017 time period, and aggregated the information from multiple sources, including the *Centers for Medicare & Medicaid Services* (CMS), the *American Hospital Association* (AHA), the U.S. Census Bureau's *American Community Survey*, *Internal Revenue Service* (IRS) 990 forms, the *Securities and Exchange Commission* (SEC), and the *Bureau of Labor Statistics* (BLS).[14] Hospitals were excluded from the rankings if they: (1) were classified as a non-acute care hospital, federally-owned hospital, Medicare Advantage program, or specialty hospital; (2) were located outside of the 50 U.S. states or Washington, D.C.; (3) were closed by 2019; or, (4) had missing data.[15]

The top five hospitals in the *Lown Institute Hospitals Index* are (in ranking order):

(1) JPS Health Network in Fort Worth, Texas;
(2) Marshall Medical Center in Placerville, California;
(3) UPMC McKeesport in McKeesport, Pennsylvania;
(4) Seton Northwest Hospital in Austin, Texas; and,
(5) Mercy Health-West Hospital in Cincinnati, Ohio.[16]

All of these hospitals scored component scores of at least *A-*, with the exception of Mercy, who scored a *B* in their Civic Leadership category.[17] Surprisingly, many of the renowned, and often well-ranked, hospitals did not earn top spots in Lown's ranking system: for example, University of Washington Medical Center, Massachusetts General Hospital, Cleveland Clinic, and Mayo Clinic in Jacksonville, Florida,[18] were ranked at 141, 394, 1,009, and 2,047, respectively, out of 3,282.[19] Many of these hospitals' scores were dragged down by their civil leadership ratings, mostly due to high CEO salaries, which led to low scores for the pay equity criterion.[20]

The Lown Institute hopes that their report will address gaps in existing rating systems, assist hospitals in serving their communities, and help the public hold hospitals accountable.[21] The Institute asserts that "*what you measure matters*," and in order to quantify how well hospitals are serving the communities they represent, and how nonprofit hospitals are earning their tax-exempt status, measures such as patient population inclusivity, overuse of unnecessary (and even harmful) services, and community benefit should be considered.[22] Lown Institute President Vikas Saini states that community contributions and investment by hospitals are essential to patients, because life expectancy often "*depends more on your ZIP code than your genetic code*."[23] Many healthcare professionals have praised the release of this ranking system. For example, Sara Singer of Stanford

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University School of Medicine commended the use of a civic leadership measurement and the evaluation of overuse of low-value procedures.[24] Leah Binder, President and CEO of the Leapfrog Group (which has its own rating system that emphasizes patient safety measures), called the inclusion of a metric for low-value procedures "*a breakthrough*."[25] Binder notes that, while patients are not likely to choose a hospital based on pay equity, these civic leadership measures "*are informative about a hospital's culture*" and that "*[i]f there is anything you want out of a hospital, it's ethics*."[26]

Some who praised the report, however, also offered criticism. Singer, for example, was skeptical of the usefulness of the civic leadership measure for patients, stating that while she could see it influencing "*where you might make a charitable contribution*," she was unsure that it was as necessary for patients as quality measures.[27] As noted above, quality of care indicators in the *Lown Institute Hospitals Index* account for 50% of the hospital's composite rankings, while the criticized civic leadership indicator is weighted at 30%.[28] The AHA was vocal in its objections to the Lown rankings, calling the report "*a hodgepodge of composite score, ranking, and star ratings*" that offer no "*accurate and useful information*" to consumers and merely confuses and misleads them.[29] Specifically, the AHA argued that the Institute's definition of community benefit was "*too narrow*" and does not recognize hospital contributions to "*medical research and professional training*."[30] The Lown Institute itself states in its methodology that it used a subset of reported community benefit spending and specifically chose not to include certain types of spending that have been criticized in research for not directly benefiting community health, including the research and health professional training measures that the AHA highlighted.[31] The Lown Institute also recognizes that the ranking data is limited, due in part to issues in hospital transparency, especially regarding community benefit spending and CEO pay,[32] an issue that other reports have previously highlighted.[33] In fact, CEO pay information was publicly unavailable for over 1,500 of the hospitals included in Lown's rankings – nearly half of the dataset.[34] Lown used a model from the half of hospitals with available data to estimate CEO pay for those hospitals with unavailable data. This model was created from almost exclusively private, nonprofit hospital information, but was extrapolated to project pay estimates for for-profit, public, and other nonprofit hospitals.[35] Further, over 20% of hospitals had incomplete wage index information for workers' wages, which were instead estimated by the Institute using BLS data.[36] Dr. John Mafi, an assistant professor at UCLA and low-value care and quality measurement researcher, expressed concern that the rankings did not indicate every time that services were actually low-value, instead opting to use categorical terminology like "*always overuse*," which he found problematic.[37] In his work, he says, he has seen a lot more "*gray area*" than the Lown measures take into account.[38]

While Saini admits that the Lown Institute's measurements are not perfect and may be flawed, he hopes that these rankings will serve to begin the discussion on the importance of what society measures and how hospitals engage and operate within their communities.[39] Hospitals need to think critically about what they are doing to advance equity in their region, he says.[40] The COVID-19 pandemic has highlighted the pertinence of the Lown Institute measures and the necessity of having a report that prioritizes these measures – with U.S. hospitals losing over $50 billion every month since March 2020 and nearly a quarter of the nation's rural hospitals in danger of closing,[41] the Lown Institute points to a troublesome system that is dependent on elective procedures, does not adequately address the conditions that produce at-risk groups, and is not transparent on important fairness and safety issues.[42] In its press release, Lown elaborated on the importance and use of their ranking system in the current COVID-19 crisis:

> "*Regardless of which class of patients they serve, hospitals are getting financially creamed because of the high costs of treating COVID-19 patients and a nationwide drop in profitable surgeries... [The initial] $100 billion in [federal] aid to hospitals…will almost certainly wind up just being a down payment. Hundreds of billions more tax dollars will be needed… [The bailout is] a chance to fundamentally rethink the nation's entire health system and the role hospitals should play in it…Taxpayers have a right to demand some accountability for all that money…[but] we first need a reliable set of metrics to hold them accountable to*."[43]

This accountability is precisely what the Lown Institute hopes their hospital rankings will contribute to the healthcare system.

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