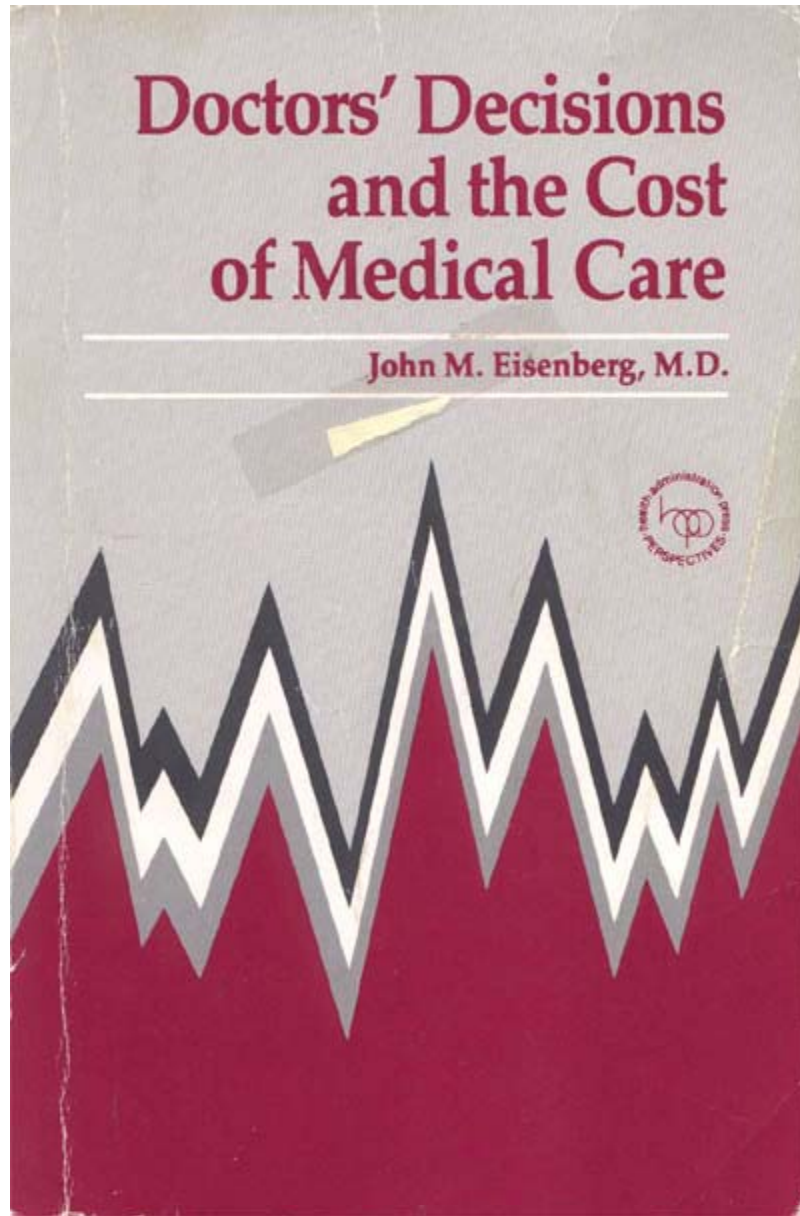


Does Doing Disease Management in Hospitals Still Make Any Sense?

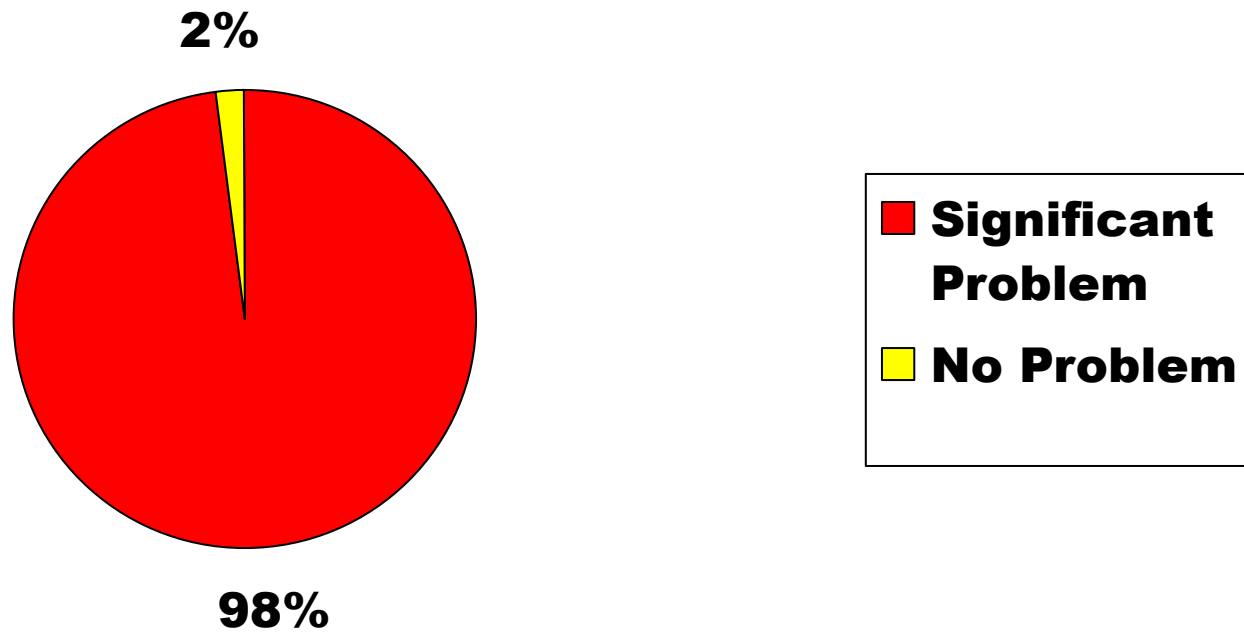
David Shulkin, M.D.
DrShulkin@aol.com

Doctors' Decisions and the Cost of Medical Care

John M. Eisenberg, M.D.



Hospital Administrators who say drug errors are a significant problem in the health care system









The Hospital CFO



MARKET DRIVEN

Health Care

Who Wins, Who Loses
in the Transformation
of America's Largest
Service Industry.

REGINA HERZLINGER
HARVARD BUSINESS SCHOOL



U.S. to Air Ratings Of Health Providers Campaign Aimed At Improving Care

By CECI CONNOLLY
Washington Post Staff Writer

The federal government is planning for the first time to issue detailed ratings of the quality of care provided by nursing homes, Medicare health plans, dialysis centers and eventually hospitals and doctors, a senior Bush administration official announced yesterday.

The Health Care Financing Administration (HCFA), using newspaper advertisements, the Internet and toll-free telephone numbers, plans to release numerical scores for every Medicare provider four times a year based on a half-dozen criteria, ranging from medical credentials to staffing levels.

Relying on both government inspection reports and customer sur-



modern Healthcare

Weekly Business News February 21, 2000

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healthcare professionals
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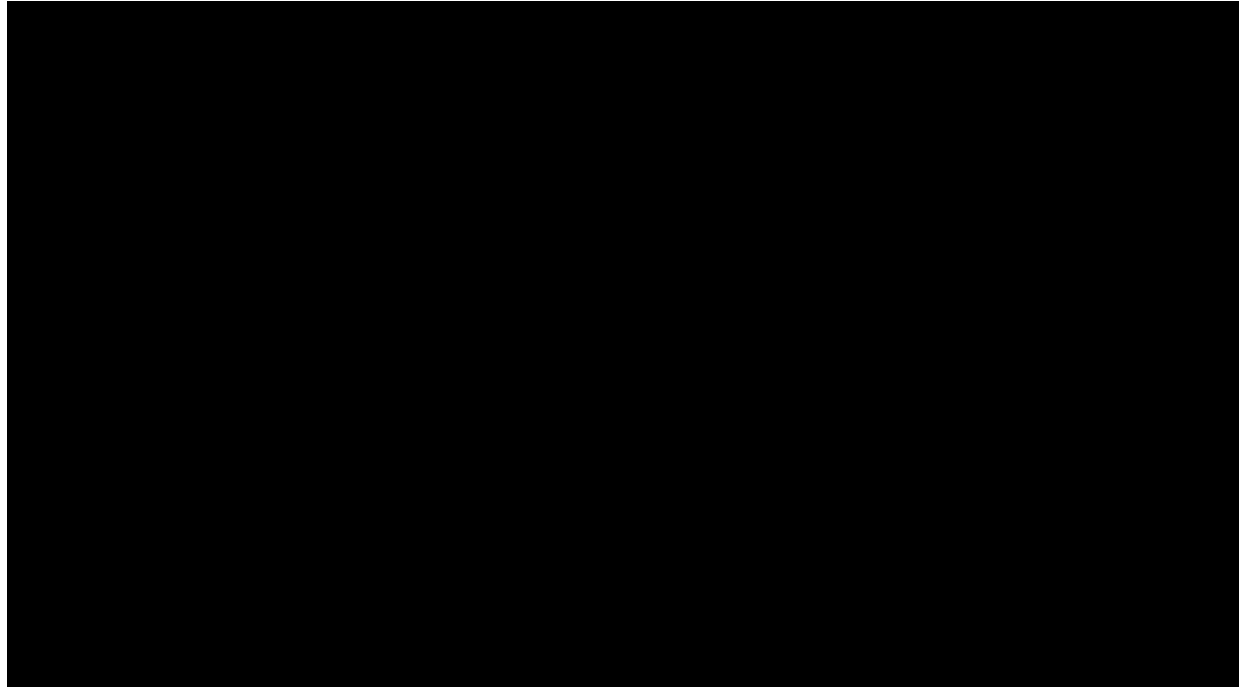






SORRY...
Closed





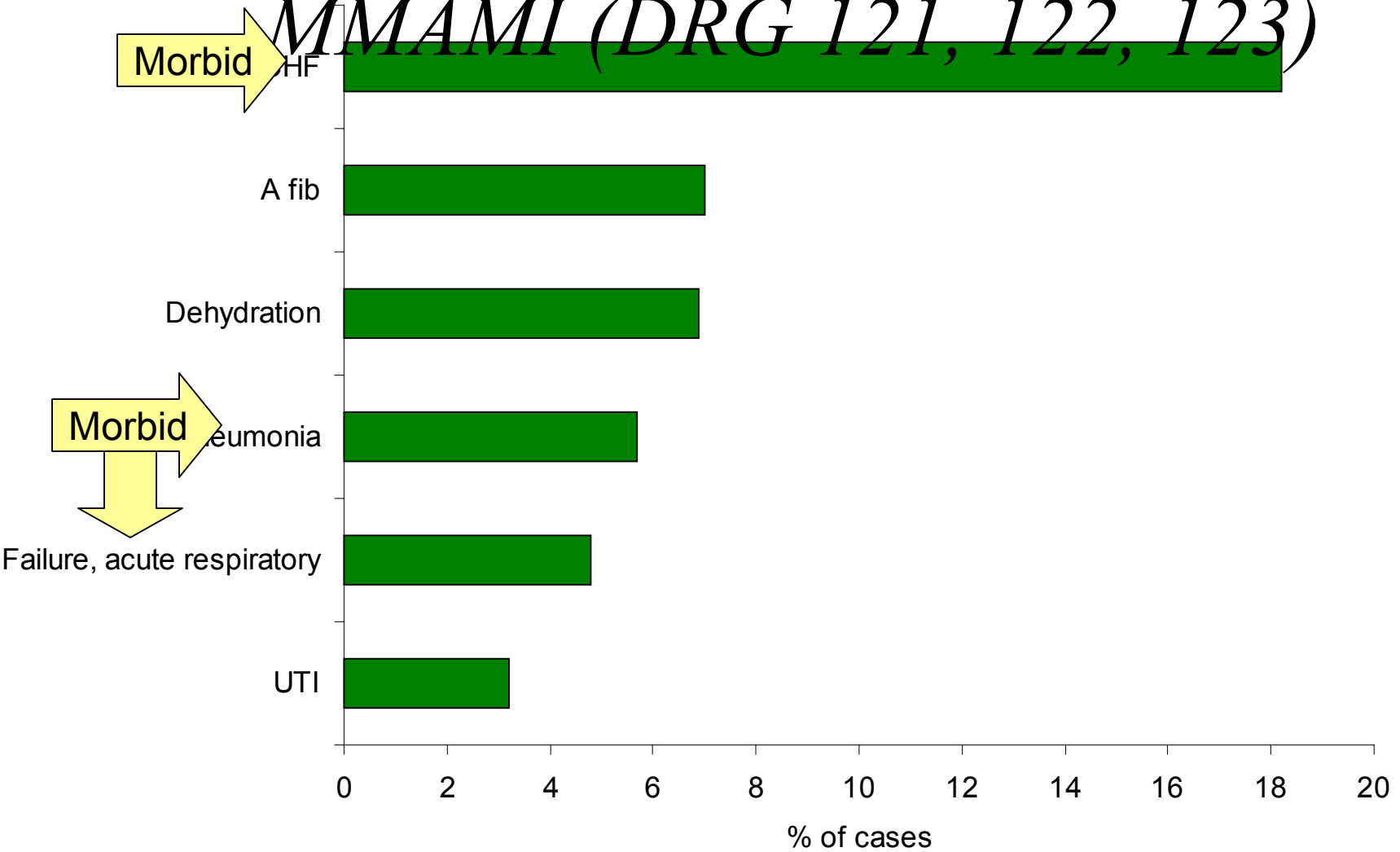
AMI Core Measure Data

AMI Core Measure	% Compliant
Beta blocker at arrival (14234)	84%
Beta blocker prescribed at discharge (14232)	65%
Aspirin at arrival (14229)	82%
Aspirin prescribed at discharge (14230)	70%
ACEI for LVSD (14231)	83%

Core Measure data 1/1/03-6/30/03

Top Complication Distribution

MMAMI (DRG 121, 122, 123)



Resource Utilization

Whole Population

- Aspirin – 71%
- Beta blockers – 61% enteral
- ACE inhibitors – 45% enteral
- Nitroglycerin – 62% topical, 6% parenteral
- Lipotropics – 38%
- Oxygen – 86%
- Troponin – 99%
- Thrombolytics – 7%

Proven Approaches to Quality

Handwashing can reduce approximately 1
million
Noscomial infections a year (CDC)



IOM Report- To Err is Human

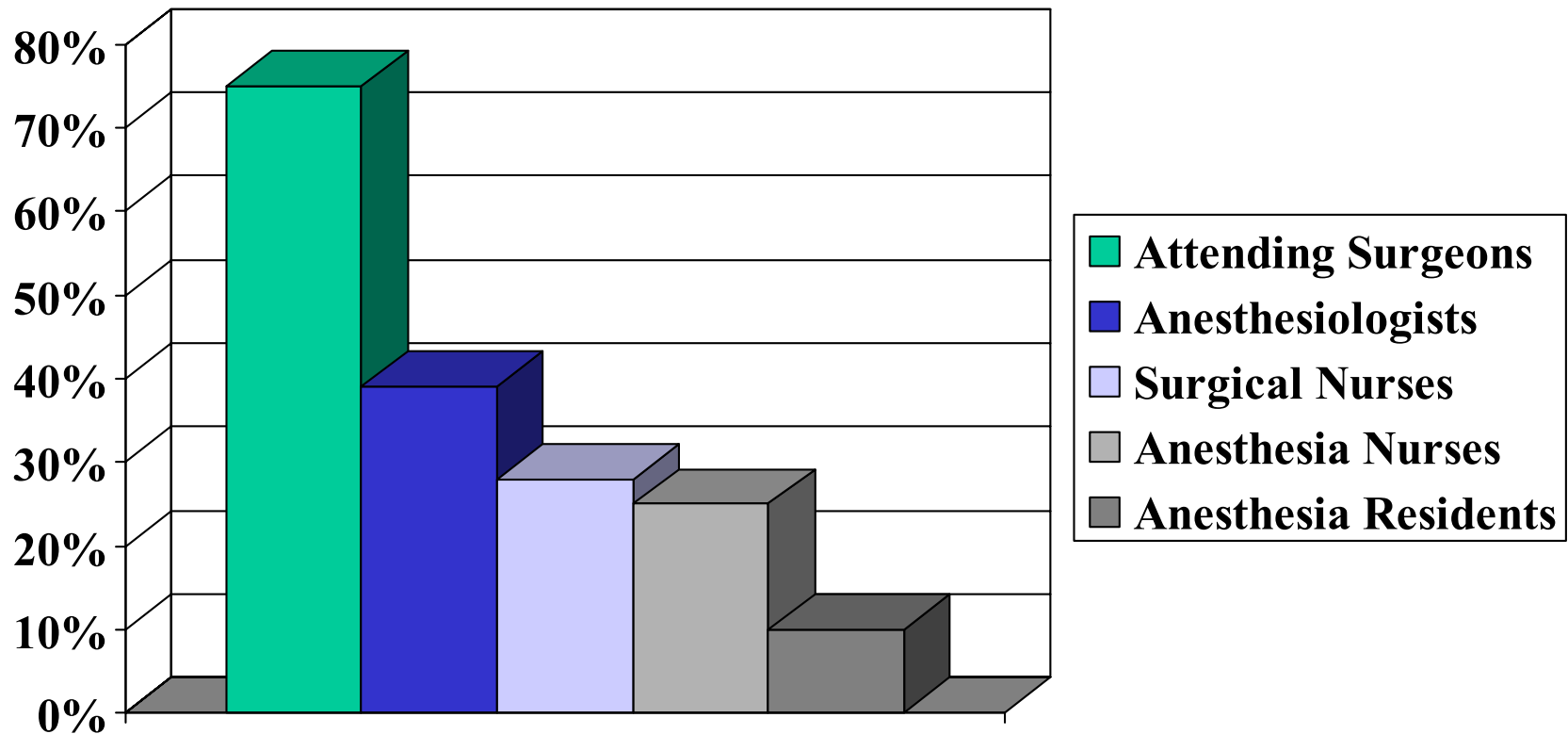
IOM Principle 3- Train in teams those who are expected to work in teams

Recommendation 8.1

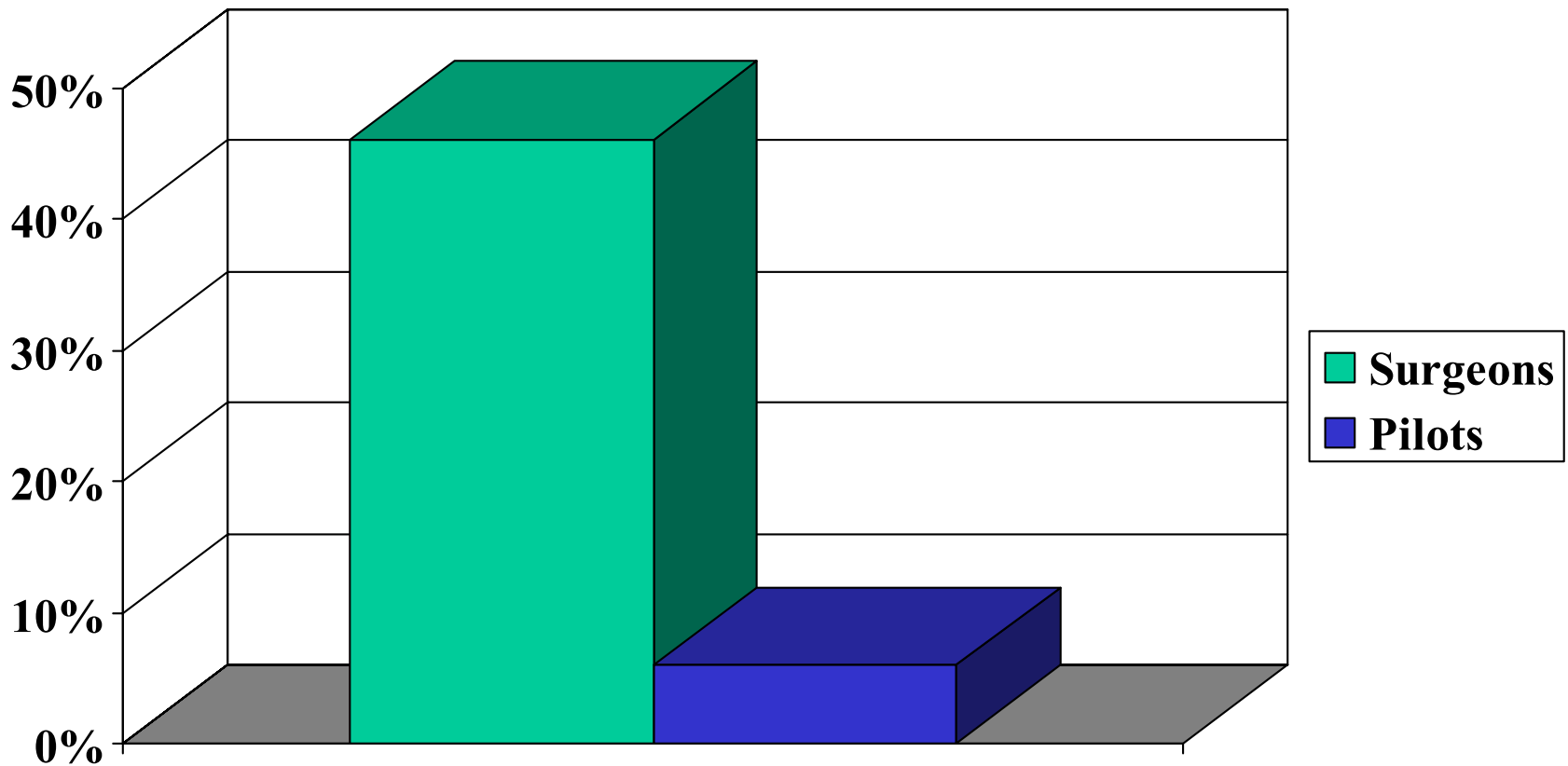
Healthcare organizations should establish interdisciplinary team training programs for providers that include:

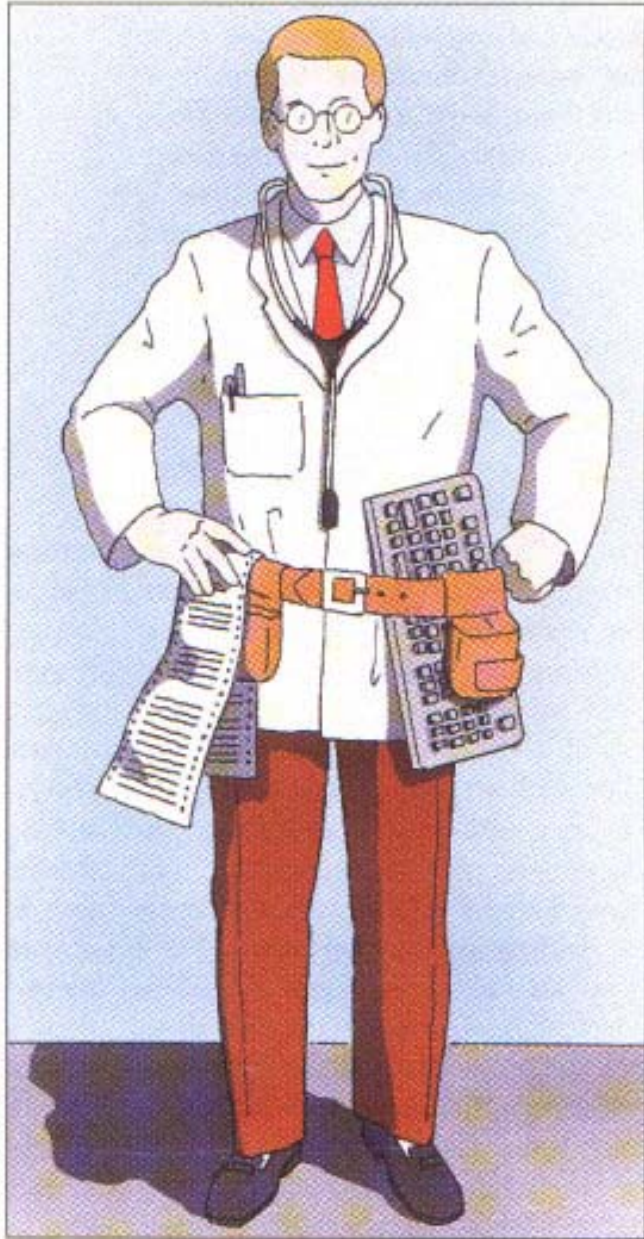
- team training
- simulation
- incorporate methods for managing work in teams

Teamwork level felt to be “high”



Believe that decisions of the “leader” should *not* be questioned





Technology as Good as Your Supermarket-





**Insurer won't
pay hospitals for
“never events”**

Bribing Hospitals to Do Better

Medicare Plan Would Award Bonuses for Superior Care; Top Marks for Treating Strokes

By LAURIE MCGINLEY

IN A NEW STRATEGY to improve health care for its 40 million patients, Medicare is planning an experiment: Reward hospitals that provide superior care.

Given the size of Medicare, its entry into the "pay-for-performance" field adds momentum to the growing movement to use financial incentives to improve health care in the U.S.

Medicare traditionally has paid hospitals the same fee for a procedure regardless of the outcome. But now, it is following the lead of private employers and managed-care plans that have begun paying hospitals and doctors more if they can show their patients fared better.

The agency that runs Medicare and Medicaid Services has already begun posting statistics on the quality of care at various nursing homes and home health agencies on the Medicare Web site and running ads in local newspapers. On the Web site, consumers can check the percent of residents with bed sores, for example, or check inspection results and pertinent staff information.



Getting Graded: Increasingly, patients can review rating systems that gauge how well a hospital cares for sick people.

Under the latest pilot project by Medicare, hospitals would submit data on patients with eight medical conditions—including stroke, heart attack, hip surgery, pneumonia and heart failure—that are common among Medicare's patients. A hospital might, for instance, report how quickly patients with pneumonia get antibiotics, which increases the likelihood of a speedy recovery. Or it might

report what percentage of heart-attack patients get beta blockers at discharge, which help prevent future heart attacks. Those results would likely be posted publicly.

As proposed by Medicare, hospitals with top scores on quality would get a small bonus—1% or 2%—added to their regular Medicare payments. Under the initial plan, the lowest performers wouldn't be affected, while the top hospitals would get additional funds for all three years of the project.

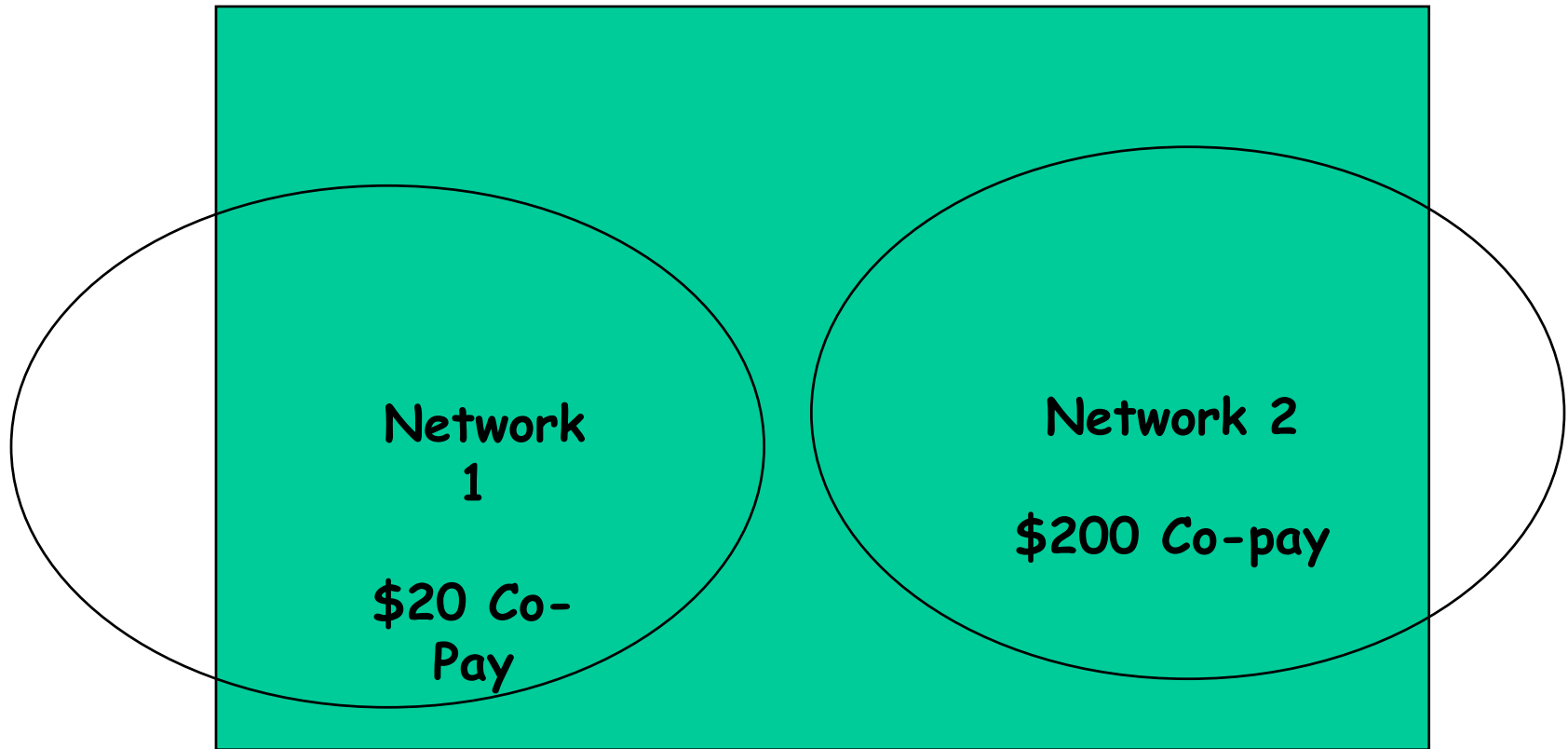
"There's no question that pay for performance will work," said Thomas Scully, head of the federal Centers for Medicare and Medicaid Services, the agency that oversees Medicare.

Mr. Scully has championed provider "report cards," saying that they give consumers important information and prod providers to change their behavior. "If you fly into Washington, D.C., you can figure out the best restaurant, the best hotel and the best cab service, but not which hospital does the best hip replacements," he said at a recent conference.

There is still some debate over how to set up the program to provide patients with the most

Please Turn to Page D2, Column 5

Tiered Networks



Network 1 - Recognized for Quality or Cost ?

“When it comes to quality reporting, payment incentives are nearly 100% effective”

Mark McClellan, M.D.
CMS Administrator

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