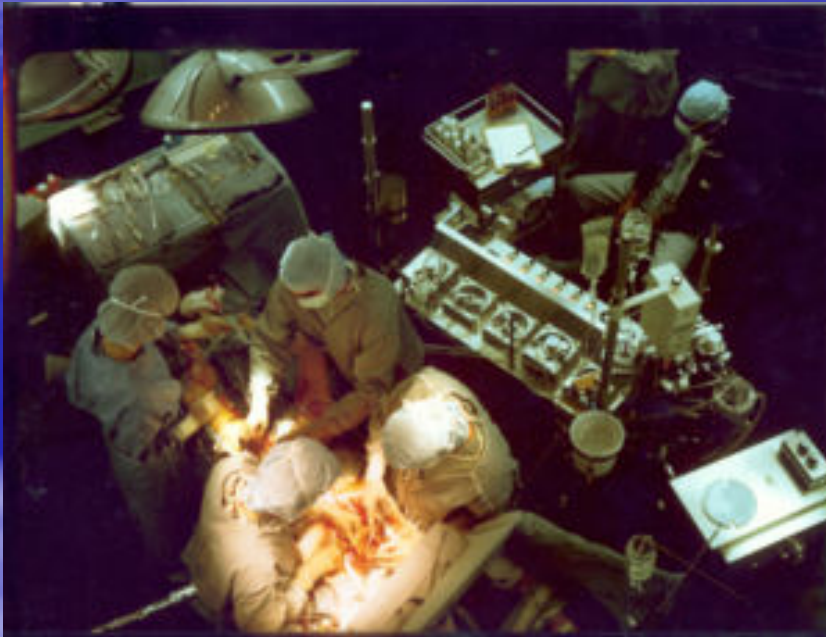


Report Cards & Reputational Incentives



- NYS cardiac surgery registry
- Studies 1989-2003
 - In general: no impact
 - When impact was noted it was transient

Report Cards & Reputational Incentives



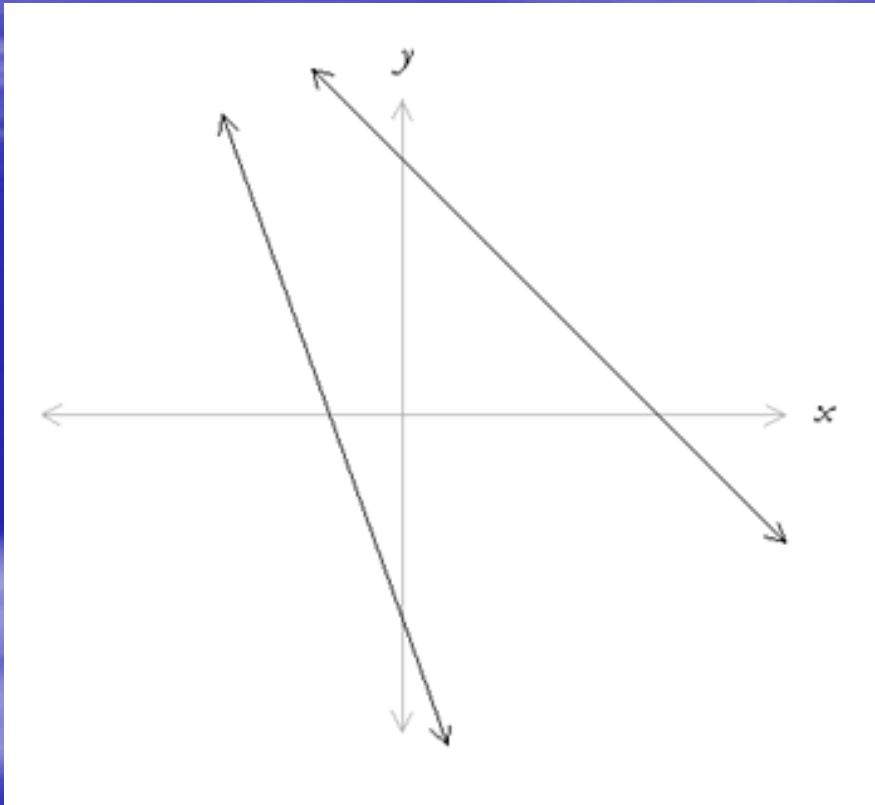
- Disruptive Innovation 1995 – present
 - Gag Rule & managed care
 - Internet
 - Pregnancy is no longer a disease
 - Report Cards are easy to review
 - IOM's reports

Report Cards & Reputational Incentives



- Disruptive Innovation Consequences
 - Report Cards begin to have economic impact
 - Government moves to institutionalize report cards

Report Cards & Reputational Incentives



- Disruptive Innovation & Hospitals
 - Negative impact is somewhat hard to demonstrate
 - Reasons: Plurality of grading systems and metrics confuses consumers

Shahian DM, Silverstein T, Lovett AF, et al.: Comparison of Clinical and Administrative Data Sources for Hospital Coronary Artery Bypass Graft Surgery Report Cards. *Circulation*. 2007; 115:1518-1527; Halasyamani LK and Davis MM: Conflicting measurements of hospital quality: Ratings from "Hospital Compare" verse "Best Hospitals." *J Hosp Med*. 2007 Jun 4;2 (3):128-134; Julia A Rainwater and Patrick S Romano: What data do California HMOs use to select hospitals for contracting? *American Journal of Managed Care* 2003; 9(8): 553-561.**Stross R: How many reviews should be in the kitchen?. *NY Times* Sept 7, 2008 (internet edition). Epstein AJ: Do Cardiac Surgery Report Cards Reduce Mortality? Assessing the Evidence. *Medical Care Research and Review* 2006; 63(4): 403-426; Rosenstein AH: Hospital Report Cards: Intent, Impact, and Illusion. *Am J Med Qual* 2004; 19(5): 183-192. Amy Gooch: Hospital Pricing

Report Cards & Reputational Incentives

- RIs development continues despite
 - Different quality metrics decrease market transparency.
 - May account for limited purchaser viewing
 - Increase provider fear?



Report Cards & Reputational Incentives



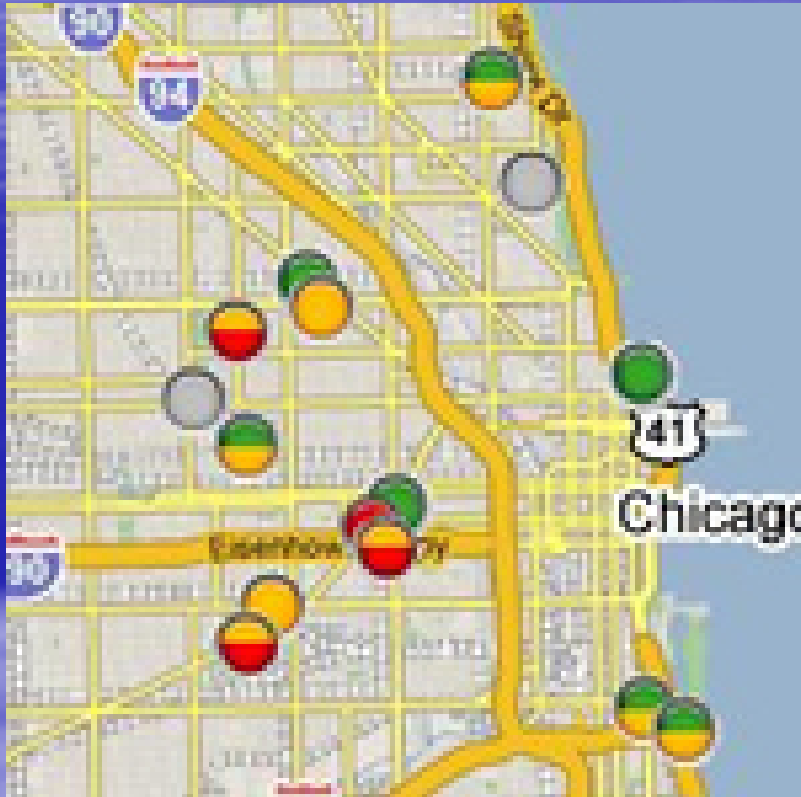
- While hospital data is not solid:
- Since 2003, negative publicity for governmental hospitals has resulted in significant operational changes to avoid further adverse occurrences

Report Cards & Reputational Incentives



- Survey evidence shows (-) reports can tarnish a hospital image

Report Cards & Reputational Incentives



- For example, JC data was bundled into a cardiac services report card that likely tarnished the image of several Chicago hospitals

Based on Joint Commission data;

http://images.google.com/imgres?imgurl=http://featuresblogs.chicagotribune.com/features_julieshealthclub/images/2007/11/12/hospitalratingsmap.jpg&imgrefurl=http://featuresblogs.chicagotribune.com/features_julieshealthclub/2007/11/the-bestworst-h.html&usq=__7f_OLRD_6c-S923TAD0IJ2-Xs4Q-&h=149&w=150&sz=31&hl=en&start=5&tbnid=nHcIRr7ARq1tXM:&tbnh=95&tbnw=96&prev=/images%3Fq%3D%2522worst%2Bhospitals%2522%26gbv%3D2%26hl%3Den%26safe%3Dactive (25 Nov 08)

Report Cards & Reputational Incentives



- NYS cardiac surgery data demonstrates:
 - Individual hospitals
 - become more risk adverse
 - “Appear” to improve quality as mortality rate falls
 - Relevant market loses volume to markets without report cards

R . Apolito , M . Greenberg , M . Menegus , et al.: Impact of the New York State Cardiac Surgery and Percutaneous Coronary Intervention Reporting System on the management of patients with acute myocardial infarction complicated by cardiogenic shock. American Heart Journal 2008; 155(2): 267 – 273 (“acute myocardial infarction and cardiogenic shock were less likely to undergo coronary angiography and PCI and waited significantly longer to receive CABG than their non–New York counterparts”). David Dranove et al.: Is More Information Better? The Effects Of .Report Cards. On Health Care Providers. NBER Working Paper No. 8697; Jan. 2002; URL on request. Image URL available on request.