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In the Literature

Highlights from Commonwealth Fund-Supported Studies in Professional Journals

Low-Quality, High-Cost Hospitals, Mainly in South, Care for Sharply Higher Shares of Elderly Black, Hispanic, and Medicaid Patients

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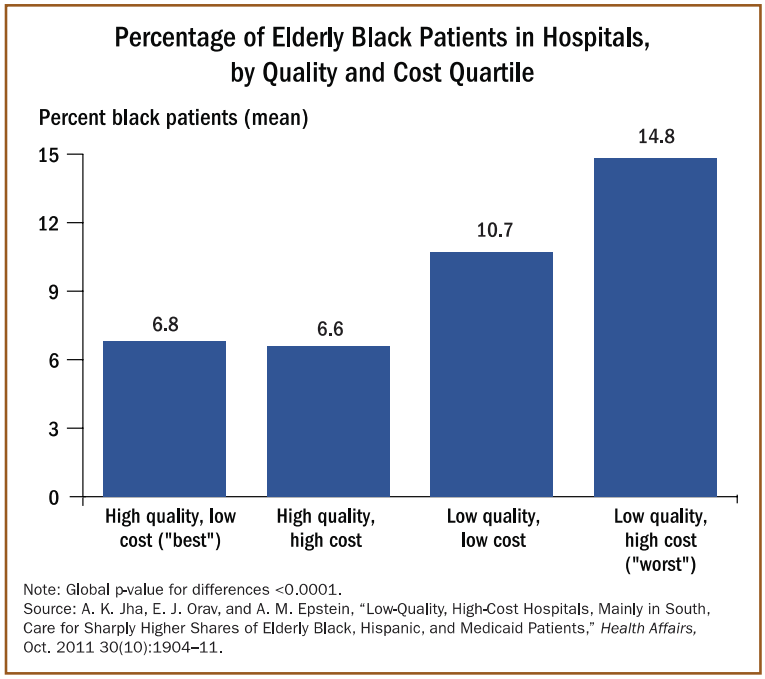
Synopsis

After analyzing hospital data, researchers found that the "worst" hospitals—those characterized by low quality and high costs—have double the proportion of elderly black patients as the "best" hospitals, which have high quality and low costs. Similar disparities were found for elderly Hispanic and Medicaid patients.

Background



Note: Global p-value for differences <0.0001.
Source: A. K. Jha, E. J. Orav, and A. M. Epstein, "Low-Quality, High-Cost Hospitals, Mainly in South, Care for Sharply Higher Shares of Elderly Black, Hispanic, and Medicaid Patients," *Health Affairs,* Oct. 2011 30(10):1904–11.

Hospitals that can simultaneously provide high-quality care and manage their costs well are likely to come out ahead under health reform. That`s because the law authorizes the Centers for Medicare and Medicaid Services to make higher payments to hospitals that achieve better performance and cut reimbursements for those that fail to improve. However, it is unclear whether hospitals will be able to achieve both goals. In this Commonwealth Fund–supported study, researchers assigned hospitals to one of four categories. These include the "best" hospitals (high quality/low cost) and the "worst" hospitals (low quality/high cost), as well two categories that straddle those two worlds—high quality/high cost and low quality/low cost.

Key Findings

- The worst hospitals, typically small public or for-profit institutions in the South, care for double the proportion of elderly black patients as the best hospitals (15% vs. 7%), typically nonprofit institutions in the Northeast.
- Elderly Hispanic and Medicaid patients accounted for 1 percent and 15 percent, respectively, of the patient population at the best hospitals. At the worst hospitals, these groups represented 4 percent and 23 percent of the patients.
- Among patients with acute myocardial infarction or pneumonia, those admitted to the low-cost, low-quality hospitals had 12 percent to 19 percent higher odds of death than those admitted to the best hospitals. (Patients at the worst hospitals had 7 percent to 10 percent higher odds.)
- Compared with those discharged from the worst hospitals, patients discharged from the best hospitals were more likely to rate their place of care highly and to "definitely" recommend it. However, patients discharged from high-quality, high-cost hospitals were much more likely to give a high rating and to definitely recommend it, compared with patients in the other categories. The authors speculate this latter finding may be explained by much higher nurse staffing levels in most high-quality, high-cost hospitals.

Addressing the Problem

The study`s findings have important implications for Medicare`s new value-based purchasing program, through which higher-performing hospitals are poised to benefit financially. "The worst institutions in particular will have to improve on both costs and quality to avoid incurring financial penalties and exacerbating disparities in care," the authors conclude.

"The fact that the worst hospitals have more than twice the proportion of elderly black patients than the best hospitals is both startling and previously unknown."

About the Study

The study was drawn from hospital data from various sources, including Medicare, Hospital Compare, the American Hospital Association, and the Hospital Consumer Assessment of Healthcare Providers and Systems. Quality scores were assigned by using process measures (e.g., giving heart attack patients aspirin upon admission to the hospital) for acute myocardial infarction, congestive heart failure, pneumonia, and prevention of surgical complications.

The Bottom Line

The hospitals that perform worse on both quality and cost measures care for greater numbers of elderly black, elderly Hispanic, and Medicaid patients. These institutions will have to improve on both fronts to achieve parity with other hospitals and to avoid financial penalties.

Citation

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This summary was prepared by Deborah Lorber.