

**For Immediate Release**  
March 4, 2009

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## **VALUE OF HOSPITAL CARE CAN VARY 40 PERCENT ACROSS REGIONS OF THE COUNTRY**

*Hospital Value Index™ Finds Dramatic Difference in Value Among Hospitals in the Northeast, Southwest*

**Nashville, TN** – The value of care offered to hospital patients can vary by as much as 40 percent across the U.S. according to the latest edition of the Hospital Value Index™, a comprehensive study that examined quality, affordability and efficiency, and patient satisfaction at more than 3,000 hospitals.

"We found that the delivery of high value care is widely divergent across the country, among regions, and even among markets," said Hal Andrews, CEO of Data Advantage, the company that developed the Hospital Value Index™. "Measuring value in healthcare is more complex than measuring solely quality or cost and represents a significant challenge for every stakeholder who wants to improve healthcare."

The federal government is the nation's largest single purchaser of healthcare services through the Centers for Medicare and Medicaid Services (CMS). Under its Value-Based Purchasing initiative, CMS proposes to reimburse hospitals based on performance against established benchmarks. Since the initial release of the Hospital Value Index™ in June 2008, policymakers, such as U.S. Senator Max Baucus, have increasingly endorsed Value-Based Purchasing as a key initiative in addressing the nation's healthcare crisis.

A few examples:

- Hospitals in the Northeast (also known as CMS Region I) have hospital value scores some 40 percent better than those in the Southwest (CMS Region IX). The sharp contrast between Regions highlights the complexity of measuring value. For example, some hospitals provide similar quality at a lower cost, while others provide higher quality at a similar cost.
- Hospitals in New York and New Jersey (CMS Region II) showed the highest Medicare costs per patient but also had the second most favorable Hospital Value Index™ median score, indicating a possible relationship between higher cost and better patient results.
- Hospitals in the Mountain States, including Colorado and Montana (CMS Region VIII), revealed the lowest Medicare costs per patient and scored third lowest on the Hospital Value Index™, questioning whether enough healthcare dollars are being spent in the region to deliver the high value care found in other regions.

- Of the four best performing CMS regions, the hospitals in Kansas, Nebraska, Iowa and Missouri (CMS Region VII) reported the lowest average Medicare reimbursement per member per year for all healthcare costs, indicating that these hospitals are able to offer relatively high value at a relatively low cost.

“These findings underscore that the variances in care and performance are extreme and don’t correlate well to spending or utilization. Our emphasis on CMS Regions demonstrates the challenges ahead as Value-Based Purchasing is implemented,” said John Morrow, a founder of *100 Top Hospitals: Benchmarks for Success*, and a senior advisor to Data Advantage.

As a living scorecard, the Hospital Value Index™ is continually updated as new data and CMS methods are implemented. The Hospital Value Index™ analyzed financial data on Medicare spending submitted by more than 3,000 Medicare-certified general acute-care hospitals to CMS. Each hospital is scored nationally on a 100-point scale. The three elements of Quality, Affordability & Efficiency, and Patient Satisfaction are combined to create an aggregate National Value Score for each hospital.

“Value is the watchword in today’s economy, and healthcare cannot be the exception,” said Andrews. “The Hospital Value Index™ enables a broader range of healthcare stakeholders to compare the value of hospitals in a more comprehensive way.”

Additionally, the study found:

- The median Hospital Value Index™ score declined more than 8.5 percent since June 2008.
- Quality scores overall showed a significant decline, partially due to the inclusion of CMS’ post-discharge mortality data for heart attack, heart failure and pneumonia, which became publicly available in December 2008.
- Patient safety, patient satisfaction, and affordability and efficiency scores showed improvement across virtually all hospitals.

“We found strong positive correlations between the June 2008 and March 2009 studies, with many lesser-known hospitals delivering better value than some of their highly reputed peers,” remarked David Potash, MD, MBA, Data Advantage’s Chief Medical Officer overseeing the study results.

Benchmarks are available for hospitals at [www.HospitalValueIndex.com](http://www.HospitalValueIndex.com); the 2009 Best in Value™ rankings will be announced this summer.

### **About Data Advantage, LLC**

Data Advantage, LLC is a privately held healthcare information company that specializes in providing the healthcare and business communities with independent and objective information resources for Business Intelligence for Healthcare™. For more information, visit [www.data-advantage.com](http://www.data-advantage.com) or call 866-996-3282.

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