Performance Measures Could Offer a Big Bang

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Nationwide use of performance measures related to just two clinical areas—coronary artery bypass graft surgery and pneumonia—could have saved hospitals as much as $1 billion in 2004.

That conclusion is part of an analysis from Premier Inc., an alliance of not-for-profit hospitals and health care systems. Officials at Premier also estimated that use of the same performance measures would have improved quality of care in hospitals resulting in about 3,000 fewer deaths, 6,000 fewer complications, 6,000 fewer readmissions, and 500,000 fewer days in the hospital nationwide over 1 year.

The analysis is an extrapolation of the first-year results of a Medicare pay-for-performance demonstration project that involved more than 250 Premier member hospitals in 38 states. As part of the demonstration project, which began in October 2003, Premier collected information on the use of quality indicators across five clinical conditions—myocardial infarction, coronary artery bypass graft (CABG), pneumonia, heart failure, and hip and knee replacement.

The Centers for Medicare and Medicaid Services offered incentive payments to hospitals based on their performance on the quality indicators. The 3-year project is still ongoing but the first-year results showed improvements in all clinical categories.

As part of its national analysis, Premier concentrated on two high-volume diagnoses—pneumonia and CABG—and extrapolated outcomes for the use of seven pneumonia measures and four CABG measures.

The predictions on cost savings and quality improvement are based on all pneumonia and CABG patients receiving 76% of more of the recommended performance measures.

"Improving patient care in these two clinical areas … can be proven statistically to reduce readmissions, and to shorten length of stay," Richard A. Norling, president and CEO of Premier, said during a teleconference to announce the results of the analysis. ■

For more information on the Premier analysis of the impact of performance measures, go to www.premierinc.com/p4p/press.

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