

Basic medical care would save money

By Kim Dixon, August 31, 2006

CHICAGO (Reuters) - **Simple adherence to basic medical treatment guidelines would save thousands of lives and \$1.35 billion a year in medical costs**, according to a large analysis of data from 260 hospitals. The report tracked Medicare patients hospitalized for pneumonia, coronary artery bypass graft surgery, heart attack, hip and knee replacement and heart failure, and compared patient recovery rates and cost data.

About 224,000 patient records were analyzed by Premier Inc., a coalition of nonprofit hospitals, which is working with the federal government on measuring patient medical outcomes and costs. **Those who pay for health care in the United States, primarily the government and private employers, are increasingly rewarding good patient care with better payments, as opposed to the current system which generally pays according to volume.**

Experts point out that **more quality, safety and cost information is available for cars than for most health-care services.**

The U.S. Centers for Medicare and Medicaid Services (CMS), the government health insurer for the elderly and poor, and the biggest health-care purchaser, is moving closer to linking quality with reimbursement rates. Premier is working with CMS on quality-measuring projects in advance of a congressional- required plan coming in 2009.

"One of the questions that always comes up is, does high quality care cost more? If we are going to do all these measures and interventions, is it going to cost more?" said Denise Remus, vice president in clinical affairs at Premier, adding it is the first large study of its kind to show a statistically significant link.

The report found that **5,700 deaths, 8,100 complications and 10,000 readmission to the hospital could be averted if clinicians followed medically prescribed treatment steps.** For example, pneumonia patients should get an oxygen assessment upon arrival in the hospital, a blood culture and in certain cases antibiotics. The study found that **among 60,000 pneumonia patients, those who received the least rigorous care on average cost the hospital \$11,100, while those receiving the top quality care cost was \$8,351, a \$2,756 difference per case.** The study then extrapolated the cost savings using national data.

After adjusting for illness severity, it found adherence to the quality standards led to shorter patient stays, lower complication rates and lower costs across all clinical populations, except heart failure. In heart failure, a condition in which the heart cannot pump blood effectively, higher quality of care did cost more.

The U.S. Congress is requiring the Medicare agency to come up with a plan for so-called value-based purchasing, which would more broadly reward hospitals that can prove they top quality guidelines. Health care costs have risen more than twice the rate of inflation for several years, with hospital costs accounting for the biggest chunk of the price tag. Medical spending is about 16 percent of the U.S. economy and rising.