

BUSINESS OF HEALTHCARE

Nashville Firm Releases Hospital Value Index

By SHARON H. FITZGERALD

When it comes to delivering the best value in hospital care in the Nashville area, the winner is Nashville General Hospital at Mehary. That's according to a new Hospital Value Index™ released by Data Advantage, with offices in Nashville and Louisville, Ky. The index also ranked the Nashville-Davidson-Murfreesboro market 29th out of the 98 large markets examined.

"Nashville General scored in the top quartile in affordability and efficiency, and they scored in the top quartile for quality. That doesn't just happen. That means that there is very active management going on at the hospital and that they are being successful," said David Potash, MD, Data Advantage's chief medical officer.

Data Advantage was founded in 1992 to help healthcare and other business communities use independent and objective information to



benchmark their performance and thus improve their operations. "We've been primarily a business-to-business provider of information and assistance in the hospital market," Potash explained.

The Hospital Value Index, the first of its kind in the nation, was a natural next step for the company, he added. It was introduced in June at the Healthcare Financial Management Association's annual conference in Las Vegas. The company bills the index as "the first comprehensive scorecard measuring the relative value of care provided by U.S. hospitals." The new measure examined more than 1,500 general acute-care hospitals serving approximately 180 million consumers.

"We used CMS (Centers for Medicare and Medicaid Services) data extensively because there is so much of it. And one of the reasons that we wanted to do this value index is because CMS has announced its interest in what it calls value-based purchasing, which is to pay in such a way as to reward efficiency and quality performance," Potash explained.

"In fact, to make the value index as relevant to hospitals as possible, we used CMS methodology as much as possible, ... taking publicly available data, taking the leading publicly available methodology for expressing that data and creating a single index."

According to a CMS issues paper, "Medicare's current payment systems reward quantity, rather than quality of care, and provide neither incentive nor support to improve quality of care. Value-based purchasing, which links payment more directly to the quality of care provided, is a strategy that can help to transform the current payment system by rewarding providers for delivering high quality, efficient clinical care." The new policy will "transform Medicare from a passive payer of claims to an active purchaser of care," CMS said.

Thus, Data Advantage's new index should help hospitals see where they stand in comparison to other hospitals in their market and nationwide, as well as where process improvements are needed. "In reality, when you're talking about value, hospitals are creating value anew every single day for thousands of patients. How well are they creating that value? How well are they managing the creation of that value? That's one of the reasons we wanted to do the study, to shine a light and say, 'Here's a metric that can be used to see where you are in comparison and also to track your improvement,'" Potash explained.

With a perfect score being 100, the index measured four components: the quality of care, including patient safety; the efficiency and affordability of

care, including prices; patient satisfaction; and local reputation. Nationally, individual hospital scores ranged from 84.1 to 30.4. The range of scores in the Nashville market was 69.9 (Nashville General) to 47.7.

The index examined 18 hospitals in the Nashville market. Data Advantage released the names of the hospitals in each market that made it into the market's top quartile. For the Nashville area, that was five hospitals:

1. Nashville General,
2. Northcrest Medical Center in Springfield,
3. Riverview Regional Medical Center – North Campus in Carthage,
4. Skyline Medical Center in Madison and
5. Saint Thomas Hospital in Nashville.

The other hospitals examined were: Baptist Hospital, Centennial Medical Center, Hendersonville Medical Center, Horizon Medical Center in Dickson, Middle Tennessee Medical Center in Murfreesboro, Southern Hills Medical Center, StoneCrest Medical Center in Smyrna, Stones River Hospital in Woodbury, Summit Medical Center, Sumner Regional Medical Center, University Medical Center in Lebanon, Vanderbilt University Medical Center and Williamson Medical Center. No Nashville-area hospitals made the index's list of the "100 Best Value Hospitals," though two East Tennessee hospitals did. Nashville General did make the index's list of "100 Best Kept Secrets."

For more information on the Value Index and specific findings, go online to www.data-advantage.com



Dr. David Potash
Data Advantage Chief
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