Medical Xpress

Lower-cost hospital care is not always lower in quality

February 22 2010

The costs that hospitals incur in treating patients vary widely and do not appear to be strongly associated either with the quality of care patients receive or their risk of dying within 30 days, according to a report in the February 22 issue of *Archives of Internal Medicine*.

"Hospitals face increasing pressure to lower cost of care while improving quality of care," the authors write as background information in the article. However, critics have expressed concerns about the trade-off between the two goals. "In particular, might hospitals with lower cost of care and lower expenditures devote less effort to improving quality of care? Might the pursuit of lower cost of care drive hospitals to be 'penny wise and pound foolish,' discharging patients sooner, only to increase re-admission rates and incur greater inpatient use over time?"

Lena M. Chen, M.D., M.S., of the University of Michigan, Ann Arbor, and colleagues conducted a national study of hospitals that discharged Medicare patients who were hospitalized for congestive heart failure or pneumonia in 2006. For each condition, the researchers used data from national databases to examine the association between hospital cost of care and several variables: 30-day death rates, readmission rates, six-month inpatient cost of care and a quality score based on several performance indicators for each condition.

Costs of care for each condition varied widely. Care for a typical patient with congestive heart failure averaged $7,114 and could range from $1,522 to $18,927, depending on which of the 3,146 hospitals

discharged the patient. Cost of care for a typical patient with pneumonia averaged $7,040 and varied from $1,897 to $15,829 per hospitalization among 3,152 facilities.

"Compared with hospitals in the lowest-cost quartile [one-fourth] for congestive heart failure care, hospitals in the highest-cost quartile had higher quality-of-care scores (89.9 percent vs. 85.5 percent) and lower mortality [death] for congestive heart failure (9.8 percent vs. 10.8 percent)," the authors write. "For pneumonia, the converse was true. Compared with low-cost hospitals, high-cost hospitals had lower quality-of-care scores (85.7 percent vs. 86.6 percent) and higher mortality for pneumonia (11.7 percent vs. 10.9 percent)."

Hospitals with lower costs had similar or slightly higher 30-day readmission rates (24.7 percent for congestive heart failure and 17.9 percent for pneumonia) when compared with higher-cost hospitals (22 percent for congestive heart failure and 17.3 percent for pneumonia). However, patients initially seen in lower-cost hospitals still incurred lower overall costs of care over six months compared with patients initially seen in higher-cost hospitals ($12,715 vs. $18,411 for congestive heart failure and $10,143 vs. $15,138 for pneumonia).

"Our findings did not support the hypothesis that hospitals seeking to lower cost of care by discharging patients earlier ultimately use more hospital resources over time," the authors write. "Although low-cost hospitals had about 20 percent shorter length of stay, their patients had comparable or marginally higher readmission rates and substantially lower six-month total inpatient cost of care. Therefore, our findings suggest that initial lower hospital cost of care may not have a deleterious effect on long-term inpatient use."

More information: *Arch Intern Med*. 2010;170[4]:340-346.

Medical Xpress

Provided by JAMA and Archives Journals

Citation: Lower-cost hospital care is not always lower in quality (2010, February 22) retrieved 23 April 2024 from https://medicalxpress.com/news/2010-02-lower-cost-hospital-quality.html

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.