Hospitals that mostly treat Medicaid patients have made smaller quality performance gains

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Hospitals that predominantly treat poor and underserved patients (often referred to as safety-net hospitals) have made smaller improvements in quality performance measures in recent years compared to hospitals that do not primarily serve this patient population, according to a study in the May 14 issue of JAMA.

Safety-net hospitals often have lower quality of care than non–safety-net hospitals. While public reporting and pay for performance have the potential to improve quality of care at poorly performing hospitals, safety-net hospitals may be unable to invest in quality improvement. As such, some have expressed concern that these incentives have the potential to worsen existing disparities between hospitals, according to background information in the article.

Rachel M. Werner, M.D., Ph.D., of the Philadelphia Veterans Affairs Medical Center, and colleagues examined changes in differences in quality of care from 2004 to 2006 between safety-net and non–safety-net hospitals (high vs. low percentage of Medicaid patients) using publicly available data on hospital performance. Of the 4,464 participating hospitals, 3,665 (82 percent) were included in the final analysis.

The researchers found that hospitals with low percentages (5 percent) of Medicaid patients improved their performance significantly more than those with high percentages (40 percent) of Medicaid patients. “For example, hospitals with low percentages of Medicaid patients improved composite acute myocardial infarction [AMI; heart attack] performance

by 3.8 percentage points, vs. 2.3 percentage points at those with high percentages of Medicaid patients. This resulted in a relative difference in performance gain of 39 percent. This pattern was repeated across most individual performance measures and all 3 condition-specific composite measures [AMI, heart failure and pneumonia]," the authors write.

Over time, hospitals with high percentages of Medicaid patients were less likely to be ranked as top performers, as reported on the Centers for Medicare & Medicaid Services (CMS) Hospital Compare website. "The percentage of hospitals in the top decile for AMI performance with high percentages of Medicaid patients decreased by more than half, from 10.1 percent in 2004 to 2.8 percent in 2006. At the same time, the percentage of hospitals in the top AMI performance decile with low percentages of Medicaid patients increased from 13.6 percent to 19.7 percent. These patterns held true across all 3 conditions."

In a simulation model, hospitals with high percentages of Medicaid patients would have received smaller bonus payments and been more likely to incur penalties under pay for performance.

"Over time, trends such as these could damage the reputations of safety-net hospitals and worsen their financial status, potentially reducing their ability to further respond to quality-improvement incentives," the researchers write.

"Improving quality of care at U.S. hospitals is a high priority, and improving quality of care for vulnerable populations is particularly important. Incentive programs such as public reporting and pay for performance may improve quality of care at many hospitals. However, these incentives may have unintended consequences, including exacerbating existing disparities in quality of care across hospitals. Our study suggests that safety-net hospitals may be unable to compete for

performance bonuses. This has the potential to have deleterious effects on existing financial and clinical disparities in performance. As the CMS and others proceed with the implementation of incentives for quality improvement, it is imperative that steps be taken to ensure that disparities are not worsened."

Source: JAMA and Archives Journals

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