

# Hospitals could be fined millions of pounds even if they reduce infection risk

November 21 2008

---

NHS Hospital Trusts that are successful in reducing *Clostridium difficile* risks in line with government targets still have a 50% chance of paying a financial penalty every year, and around a 95% chance of being fined over three years, warn researchers on [bmj.com](http://bmj.com) today.

Sarah Walker and colleagues from research institutes in Oxford, Cambridge, and London, say a recent initiative to encourage Trusts to reduce *C difficile* infections have resulted in a perverse incentive where, in the worst case situation, Trusts can be heavily penalised if they go over the set target by just a single extra case, and, in general, penalties are very hard to avoid completely.

Penalties may involve millions of pounds, for example, a 2% fine of a large Trust with a revenue of £500 million could be around £10 million.

The authors argue that the current system, introduced as part of the 2008 [NHS](#) National Health Service contract for acute services, may de-incentivise Trusts from performing well and encourage hospitals to automatically reserve funds to pay penalties, whether or not they achieve the target. Such reserve funds cannot be used in delivering vital services to patients.

The authors explain that the problem with the current penalty system is the way targets and financial penalties are applied to Trusts. The NHS contract does not distinguish between the underlying risk of each new patient getting *C difficile*, which they want to reduce by about 10% a

year, and the actual count of cases observed in a particular Trust—this is only an approximate measure of the underlying risk, particularly in smaller Trusts. Even if this underlying risk is reduced by the right amount, for a relatively rare event like *C difficile* the play of chance means that the actual number of cases seen may be higher or lower than this.

In addition, the penalties are uneven. In the worst case scenario, a Trust with 199 cases of *C difficile* cases in the previous year and 199 cases in the actual year will escape penalty. However, if the Trust reaches 200 cases it is automatically fined 2% of its revenue because the 10% target reduction (179 cases) has not been achieved by a margin of 10% or more.

Thus a single case could cost a trust millions of pounds. Realistically, Trusts will have to exceed the target risk reduction by 5% to avoid being fined.

According to the authors, the efforts a Trust puts into reducing infection rates and improving *C difficile* control, such as enhanced cleaning and hand washing are not taken into account in this scheme.

A fairer system, and one supported by the Healthcare Commission, would be to estimate a baseline number of cases for each Trust from several years data, calculate target risk reductions for the next three years, and then only penalize Trusts where there was strong statistical evidence that they have not met these targets, say the authors.

The authors conclude that while there is a strong case for using incentives to reduce *C difficile* cases in NHS Trusts, the system to achieve this aim should be fairer and better designed so as not to penalise Trusts who are working hard to reduce infection rates and meet targets, but experience normal year-to-year variation in their number of

cases.

Source: British Medical Journal

Citation: Hospitals could be fined millions of pounds even if they reduce infection risk (2008, November 21) retrieved 24 April 2024 from <https://medicalxpress.com/news/2008-11-hospitals-fined-millions-pounds-infection.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.