

Higher-spending hospitals have fewer deaths for emergency patients

April 3 2012

Higher-spending hospitals do have better outcomes for their emergency patients, including fewer deaths, according to a Vanderbilt study released as a working paper through the National Bureau of Economic Research.

Vanderbilt's John Graves, Ph.D., assistant professor of <u>Preventive Medicine</u>, along with colleagues from the Massachusetts Institute of Technology and Cornell University, examined <u>Medicare</u> ambulance and hospital data from 2002-2008, finding that higher-cost hospitals have significantly lower one-year <u>mortality rates</u> compared to lower-cost hospitals.

"At least for emergency, acute patients in our study, overall mortality was reduced 20 to 30 percent in higher spending hospitals," Graves said.

"Doing more in the hospital, including being treated in a teaching or high technology hospital has a positive impact on outcomes. We found that right up front."

Treatment in a <u>teaching hospital</u> reduced the risk of death within 1 year by 4 percent, while the most technologically advanced hospitals conferred a 4.7 percent risk reduction. High levels of initial treatment intensity in <u>emergency situations</u> conferred the most protection, reducing risk by 18 percent

The researchers were then able to replicate their initial finding using additional data from New York State that matched exact patient



addresses to hospital discharge records. There, they found that patients who live very near each other but on either side of ambulance-dispatch boundaries go to different types of hospitals and receive different levels of care.

The research runs counter to current thinking, which suggests hospitals that spend the most on <u>Medicare patients</u> have no better outcomes and no better <u>patient satisfaction</u> than hospitals that spend less, or even much less.

Some researchers have suggested that <u>Medicare costs</u> nationwide could be reduced 20 to 30 percent, without harming quality of care.

Graves said his study doesn't discount the idea there is wasteful spending, but it does provide evidence that some hospitals spending more on acute or emergent care can have better survival outcomes.

The idea makes intuitive sense, but teasing out the complexities of cost versus quality has been difficult and some influential research in the last decade has failed to find benefits for spending more.

"An inefficient hospital, a high acuity hospital, and a technologically advanced hospital all will exhibit high cost structures, and each may or may not be better at saving lives," Graves said. "The challenge is being able to 'unbundle' the complex cost-mortality association and pinpoint areas that can be improved upon to lower costs without harming quality."

Graves said the paper is important because it shows a creative approach can remove major barriers to more accurate cost-effectiveness research.

Provided by Vanderbilt University Medical Center



Citation: Higher-spending hospitals have fewer deaths for emergency patients (2012, April 3) retrieved 20 April 2024 from

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