## PHC4

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## PHC4 RELEASES HOSPITAL-SPECIFIC PAYMENT DATA IN EXPANDED CARDIAC SURGERY REPORT

Mortality Rates for Heart Bypass Surgery Drop Again

**Harrisburg, PA** – **June 14, 2007** – In the first report of its kind, the Pennsylvania Health Care Cost Containment Council (PHC4) released hospital-specific payment data for cardiac surgery performed in the Commonwealth. The new report is an expansion of PHC4's coronary artery bypass graft (CABG) report, which now includes additional information about valve procedure cases.

"This latest report exemplifies Pennsylvania's ongoing commitment to greater transparency in the pricing and the costs of health care," said Marc P. Volavka, PHC4's Executive Director. "As the call for greater transparency in health care pricing and quality continues to grow, we believe this is the type of information on cost that purchasers and consumers will need to make more informed choices."

"Reporting the average amounts that individual hospitals are actually paid for patients' care is a giant step forward in empowering both health care purchasers and consumers. By providing payment data to PHC4, this states third party insurance community should be commended for translating the rhetoric of pricing transparency into a reality", added Volavka.

Cardiac Surgery in Pennsylvania 2005 includes information on 17,331 CABG and/or valve surgeries performed in Pennsylvania hospitals in 2005. The report provides information on the number of surgeries performed, in-hospital and 30-day mortality rates, 7-day and 30-day readmission rates, and post-surgical lengths of stay for both hospitals and surgeons. Hospital average charges, commercial insurance average payments, and Medicare average payments are listed for hospitals only. Aggregate, statewide information about patients who contracted hospital-acquired infections during their hospitalization for CABG and/or valve surgery is also included.

The report noted that in-hospital patient mortality following CABG surgery in Pennsylvania continued to decline, dropping from 1.98 percent in 2004 to 1.90 percent in 2005. However, both 7-day and 30-day readmission rates for CABG patients increased slightly during this same time period.

Compared to CABG-only and valve-only patients, patients who underwent both CABG and valve surgery during the same hospitalization had the highest mortality rates and highest readmission rates. Patients who underwent CABG, but did not have a valve procedure, had the lowest mortality rates and lowest readmission rates.

For a CABG-only procedure, commercial insurance payments averaged \$30,247 and Medicare payments averaged \$29,175. For a valve-only procedure, commercial payments averaged \$41,651 and Medicare averaged \$42,433. For a combination valve and CABG procedure, commercial payments averaged \$47,471 and Medicare \$44,119. For total valve procedures (with and without CABG), commercial payments averaged \$43,500 and Medicare payments averaged \$43,343.

Of the 17,331 CABG and/or valve patients in 2005, hospitals reported to PHC4 that 755 of them – or 4.4 percent – contracted a hospital-acquired infection during their stay. Patients who underwent both CABG surgery and a valve procedure during the same hospitalization were the most likely to contract a hospital-acquired infection (8.0 percent), and patients who underwent CABG with no valve procedures were the least likely to contract a hospital-acquired infection (3.6 percent).

"Cardiac surgery patients with hospital-acquired infections were more likely to die, be readmitted and have longer lengths of stay than those without such infections, with payments from Medicare and commercial insurers running twice as high," said Mr. Volavka.

Specifically, a comparison of CABG and/or valve patients with and without hospital-acquired infections revealed:

- Of the CABG/valve patients with a hospital-acquired infection (HAI), 13.5 percent died inhospital; 2.4 percent of the CABG/valve patients without an HAI died.
- The average post-surgical length of stay for CABG/valve patients with an HAI was 21.7 days; the average length of stay for CABG/valve patients without an HAI was 7.1 days.
- The average commercial insurance payment for CABG/valve patients with an HAI was \$65,514; the average commercial payment for CABG/valve patients without an HAI was \$32,764.
- The average Medicare payment for CABG/valve patients with an HAI was \$57,883; for CABG/valve patients without an HAI, the average Medicare payment was \$32,911.

The Pennsylvania Health Care Cost Containment Council is an independent state agency charged with collecting, analyzing and reporting information that can be used to improve the quality and restrain the cost of health care in Pennsylvania. Copies of the report are free and can be ordered by calling PHC4 at 717-232-6787 or can be downloaded from PHC4's Web site at <a href="http://www.phc4.org">http://www.phc4.org</a>.