



Daily Briefing

“Nation’s news in five minutes”

News for Health Care Executives • Thursday, February 14, 2008

SPOTLIGHT

Hospital resource use for Medicare, other populations varies, study says

Large hospital-by-hospital variations in treatment intensity exist not only among fee-for-service Medicare beneficiaries but also for patients covered by Medicare HMOs and non-elderly patients with private insurance, suggesting that “both public and private payers could benefit from efforts to align incentives for more efficient use of the hospital,” according to a *Health Affairs* Web exclusive.

See story #1

RESEARCH HIGHLIGHT

CCTA’s role in ED solidifying, but adoption slower than expected

Use of coronary CT angiography (CCTA) as a tool to provide expedited rule-out of myocardial infarction for chest pain patients in the ED is expected to grow rapidly given early research showing that hospitals and ED patients may benefit from the faster diagnosis, reduced length of stay, and cost savings associated with the exam’s use as a diagnostic tool for low-risk chest pain patients. To learn more, please see the Innovations Center’s *Future of Diagnostic Imaging* brief.

64-slice CT performance in the ED

	Standard of care	Coronary CT angiography
Diagnostic accuracy	98%	97%
Time to diagnosis	15 hours	3.4 hours
Average cost of care	\$1,872	\$1,586
Risk of repeat chest pain visit	7%	2%
Time to discharge	22.1 hours	12.5 hours

Source: Goldstein et al., *Journal of the American College of Cardiology*, 2/27/07; Innovations Center interviews and analysis

THIS DAY IN BRIEF

Report examines states’ 2007 health reform priorities, year ahead

A Blue Cross Blue Shield Association report released yesterday takes stock of recent state efforts to pursue health care reform, finding that many legislators worked to improve coverage and care in 2007 and suggesting that those efforts will extend into 2008.

See story #2

N.Y. state AG launches investigation into payer billing practices

New York Attorney General Andrew Cuomo (D) has announced plans to sue UnitedHealth Group and four subsidiaries as part of a broader investigation into insurers’ billing practices, accusing the industry of requiring consumers to pay too high a portion of bills for service from out-of-network providers, the *New York Times* reports.

See story #3

USA Today explores efforts to ensure providers’ cultural competency

Despite a dearth of research proving that cultural competency training translates to reductions in health care disparities, some state agencies and specialty medical groups are nonetheless launching educational initiatives aimed at improving physician-patient communication, increasing patient compliance with treatment regimens, and enabling higher quality care.

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FROM THE ADVISORY BOARD

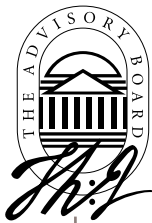
HIPAA: Privacy law considerations in fundraising teleconference

The Philanthropy Leadership Council is pleased to announce an upcoming teleconference, “The Long Shadow of HIPAA—Privacy Law Considerations in Grateful Patient Fundraising,” scheduled for Feb. 21.

See story #6

NAMES IN THE NEWS

Albert Einstein College of Medicine (N.Y.) (#9) ■ Aquinas College (Tenn.) (#8) ■ Central Florida Regional Hospital (#8) ■ Dartmouth University (N.H.) (#1) ■ Mayo Clinic (Minn.) (#9) ■ Medical Center at Lancaster (Texas) (#8) ■ Orlando Regional Healthcare System (Fla.) (#8) ■ St. Thomas Health Services (Tenn.) (#8) ■ Stanford University (Calif.) (#1)



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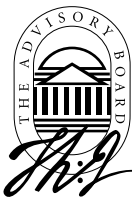
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► Today's Headlines

1 Hospitals vary in resource use for Medicare, other populations, study says

Large hospital-by-hospital variations in treatment intensity exist not only among fee-for-service (FFS) Medicare beneficiaries but also for patients covered by Medicare HMOs and non-elderly patients with private insurance, suggesting that “both public and private payers could benefit from efforts to align incentives for more efficient use of the hospital,” according to a *Health Affairs* Web exclusive. While prior studies analyzing Medicare FFS claims have revealed substantial disparities in resource use across hospitals, few analyses have measured treatment intensity outside of the Medicare FFS population. Noting that confirming disparities in treatment intensity in additional groups would indicate a much greater opportunity for improving efficiency, researchers from **Stanford University** and **Dartmouth University** studied data from the last two years of life of nearly all chronically ill patients in California who died between Jan. 1, 1999, and Dec. 31, 2003, and had at least one hospital stay in a general acute care hospital during that timeframe. Using hospital discharge records, the researchers assigned each patient to his or her most often-visited hospital and focused on four subgroups of patients—those with Medicare FFS coverage, those with Medicare HMO coverage, those with private HMO coverage, and those with private PPO or FFS coverage—to analyze hospital-level measures of total hospital days, total discharges, and average days per discharge. The researchers found considerable hospital-by-hospital variation in resource use within the broader study population, calculating a more than five-fold difference in total hospital days during the last two years of life for patients treated at the highest- and lowest-use hospitals. This gap persisted when considering each subgroup in isolation; within every insurance group, patients associated with the highest-use hospital logged more than two times as many hospital days as those associated with the lowest-use hospital. Hoping to determine whether Medicare FFS data could be used to glean insight into the treatment of other populations, researchers also studied the extent to which variations in the Medicare FFS population were predictive of variations in other groups. They found that hospital-specific practice patterns observed in Medicare FFS data frequently reflected the treatment provided to other patients.

Noting that they adjusted for a number of potentially confounding variables, the authors say it is unlikely that their findings reflect variations in the patient populations treated by different hospitals. Rather, they state that the fact that certain hospitals demonstrated high resource utilization across all four groups “suggests that admission rates in different insurance groups are all influenced by one or more common factors,” including the number of beds available relative to demand. Prior research, they note, has found a strong positive association between per capita bed supply and hospitalization rates. Acknowledging that if higher-use hospitals had better outcomes then more intensive treatment could ultimately prove beneficial, the researchers report that initial “back of the envelope” calculations “did not produce evidence that additional resource use was associated with longer life.” Concluding that their findings shed light on the variation in treatment intensity experienced by similarly ill patients at different hospitals, the authors emphasize the importance of focusing on “the local delivery system—the hospital and the physicians who are associated with it—as a locus of potential accountability for both quality and costs” (Baker et al., *Health Affairs*, 2/12 [subscription required]).

2 Report highlights states' 2007 health reform priorities, year ahead

A **Blue Cross Blue Shield Association** (BCBSA) report released yesterday takes stock of recent state efforts to pursue health care reform, finding that many legislators worked to improve coverage and care in 2007 and suggesting that those efforts will extend into 2008. Based on legislative information from a BCBSA survey of the 39 independent Blue Cross and Blue Shield companies, the

report notes that health care costs accounted for nearly one-third of total state spending in fiscal year 2007. Key findings:

- Coverage expansion initiatives: Although funding constraints ultimately thwarted state efforts to pass legislation mandating the purchase of state-approved health insurance plans, 12 states introduced measures to that effect, and 13 states considered employer pay-or-play mandates. Vermont and Massachusetts, meanwhile, moved forward with insurance mandates established in 2006 legislation.
- SCHIP and Medicaid expansion: Ten states introduced or passed legislation to subsidize private insurers that cover low-income individuals, while seven states passed legislation expanding State Children's Health Insurance Program (SCHIP) coverage to families earning up to 300% of the federal poverty level; New York and Connecticut also stretched SCHIP eligibility to families with incomes of up to 400% of the federal poverty limit. The August 2007 introduction of federal regulations effectively capping SCHIP coverage eligibility to children of families earning 250% of the federal poverty level caused some states to modify their waiver requests.
- Transparency: Nine states last year began requiring hospitals to disclose adverse event and nosocomial infection rates and a handful mandated disclosure of pricing data for various procedures and services.

Looking ahead to 2008, the report projects that many states will work to implement recommendations made by state health commissions formed during 2007, weigh the merits of making individuals responsible for obtaining health coverage, and consider the creation of employer premium subsidy programs to help lower-income individuals purchase coverage (BCBSA [release](#), 2/13; Cooley, [CQ HealthBeat](#), 2/13 [subscription required]).

3 N.Y. state AG launches investigation into payer billing practices

New York Attorney General (AG) Andrew Cuomo (D) has announced plans to sue **UnitedHealth Group** and four subsidiaries as part of a broader investigation into insurers' billing practices, accusing the industry of requiring consumers to pay too high a portion of bills for service from out-of-network providers, the *New York Times* reports. The suit could force a reexamination of payers' longstanding use of "reasonable and customary rates"—a calculation intended "to reflect the prevailing market rate in a given geographic area" for provider services—to determine patient reimbursement rates, particularly for out-of-network services. The investigation will focus on UnitedHealth subsidiary **Ingenix**—used throughout the payer industry for reasonable and customary rate calculations—because of concerns that the company's calculations underestimate reasonable and customary fees, leaving consumers to pay too high a percentage of their bills. An investigation by the AG's office found that physicians in the metropolitan New York area charge \$200 for an office visit but that Ingenix's calculations put the rate at only \$77, theoretically leaving a consumer to pay 20% of the \$77 plus the remaining \$123 balance. But UnitedHealth says the AG's numbers are inaccurate and that Ingenix's calculation for these visits ranges from \$125 to \$300; Cuomo staffers did not explain how they came up with their figures.

Cuomo has also issued 16 subpoenas to some of the nation's largest health insurers, including **Aetna**, **Cigna**, and **Empire Blue Cross and Blue Shield**, all of whom—along with UnitedHealth—say that they are cooperating with the investigation. UnitedHealth issued a statement asserting that the company was "committed to fair and appropriate payment for physicians, the state's other health care

providers, and consumers,” and a spokesperson states that Ingenix’s data is subject to a “strong validation process” (Abelson, [Times](#), 2/14 [registration required]; [AP/Baltimore Sun](#), 2/14 [registration required]; Bansal/Krauskopf, [Reuters/Washington Post](#), 2/13 [registration required]).

4 **USA Today explores efforts to ensure providers’ cultural competency**

Despite a dearth of research indicating that cultural competency training translates to reductions in health care disparities, some state agencies and specialty medical groups are nonetheless launching educational initiatives aimed at improving physician-patient communication, increasing patient compliance with treatment regimens, and enabling higher quality care, *USA Today* reports. In 2005, New Jersey became the first state to require cultural competency training as a condition of physician licensure, and California currently requires physicians to take continuing medical education courses that include cultural and linguistic competency modules. The **American Academy of Orthopaedic Surgeons**, meanwhile, has compiled research on the topic—including interviews with a diverse array of patients and physicians—to create an instructional guidebook and a DVD for physicians. The resource details the nuances of providing care to African Americans, Asian Americans, Native Americans, Latinos, women, and patients of various religions and encourages physicians to ask patients culturally targeted questions; however, the guide cautions that providers should “never assume that an individual who comes from an ethnic cultural shares the traits of that ethnicity or culture.” Some physicians, meanwhile, note that mandatory training has its limitations and say that experience interacting with patients ultimately is critical. The chairman of the academy’s diversity advisory board adds that “cultural competency will have to be on everybody’s radar screen for generations to come” (Buchanan, [USA Today](#), 2/13).

5 **Pharmaceutical round-up: Avastin trial, J&J pain patch, and House hearings**

The *Daily Briefing* today summarizes recent pharmaceutical activity, including clinical trial results supporting the use of **Genentech**’s Avastin (bevacizumab) in breast cancer patients, **Johnson & Johnson**’s (J&J) voluntary recall of a pain patch, and a Congressional subcommittee hearing on the FDA approval process for **Sanofi-Aventis**’s antibiotic Ketek (telithromycin).

- Genentech this week announced results from a late-stage clinical trial indicating that the company’s cancer drug Avastin slowed the growth of breast-cancer tumors when used in conjunction with the chemotherapy. The announcement comes as Genentech awaits a Feb. 23 FDA ruling on the drug’s potential as a breast cancer treatment; Avastin is already approved for use in colorectal and lung cancer patients. For the 736-person trial—sponsored by Genentech majority shareholder **Roche Holding**—researchers tested Avastin at two doses in combination with the chemotherapy drug docetaxel and found that patients receiving Avastin showed statistically significant improvement in duration of progression-free survival compared with those receiving chemotherapy and placebo. Previously, an FDA advisory panel in December 2007 voted 5–4 not to recommend Avastin’s approval for breast cancer, citing insufficient data; one analyst, however, notes that the new study may help “swin[g] the balance for approval” (Berkrot, [Reuters](#), 2/12; Chase, [Wall Street Journal](#), 2/13 [subscription required]).
- J&J voluntarily recalled the 25-microgram-per-hour version of its pain patch Duragesic (fentanyl transdermal), saying that the patches may have a defect that could result in leaking. The patch—sold in the U.S. by **Sandoz** and J&J’s **PriaCara** unit—is used for patients experiencing moderate to severe chronic pain and contains an opioid that if used improperly

could lead to respiratory depression and fatal overdose. J&J will recall about 32 million patches but estimates that just 64 have the defect; an FDA spokeswoman says the agency is working with J&J to investigate the situation (Wang/Johnson, [Wall Street Journal](#), 2/13 [subscription required]).

- Witnesses and lawmakers speaking at a House Energy and Commerce subcommittee hearing this week said that the FDA ignored warning signs of fraud when considering clinical trial data submitted by Sanofi-Aventis to gain marketing approval for its antibiotic Ketek, emphasizing that the incident “raises questions about the very integrity of the drug approval process.” FDA agents suggested that Sanofi-Aventis and clinical investigators—one of whom was convicted in 2004 of submitting fraudulent data in the study—also should have recognized that the data was falsified; however, Sanofi-Aventis’s president of U.S. research and development told the subcommittee that the company provided the data “in good faith” and was “unable to confirm actual fraud.” Noting that **HHS** has declined to produce certain records related to the investigation, subcommittee members—who have been investigating the Ketek approval for more than a year—said they will continue the probe “as deeply as necessary to determine whether the entire approval process itself has been compromised” (Wilde Mathews, [Wall Street Journal](#), 2/12 [subscription required]; Reichard, [CO HealthBeat](#), 2/12 [subscription required]).

► From the Advisory Board

6 HIPAA: Privacy law considerations in fundraising teleconference

The Philanthropy Leadership Council is pleased to announce an upcoming teleconference, “The Long Shadow of HIPAA—Privacy Law Considerations in Grateful Patient Fundraising,” scheduled for Feb. 21.

This teleconference will feature a discussion of relevant portions of the Health Insurance Portability and Accountability Act (HIPAA) and analysis of potential interpretations impacting day-to-day fundraising. The presentation is excerpted from the Philanthropy Leadership Council’s work on grateful patient fundraising and will provide an opportunity for development executives and their staff to engage in a question-and-answer session with the research team. The Council will not provide legal advice but will outline the issues members should discuss with their own legal counsel.

For more information

Philanthropy Leadership Council members may register for this teleconference by visiting the program’s [website](#) on Advisory.com. Should you have questions about the Philanthropy Leadership Council, please contact Ryan Turner at turner@advisory.com.

7 Compass analytics improve nursing business performance

The Advisory Board is currently evaluating institutions for participation in its Nursing Compass cohort. One of the newest solutions in the Advisory Board’s nursing portfolio, Nursing Compass, is grounded in the world-class best practice research of the Nursing Executive Center. It combines cutting-edge business intelligence technology with real-time problem solving support and performance benchmarking to provide timely, comprehensive, and accurate data at the individual unit level, as well as enterprise-wide.

For more information

If you are interested in learning how Nursing Compass can impact performance at your institution, or for more information on any of the solutions in our nursing portfolio, please contact Chelsea Fleckenstine at 202-266-5710 or fleckenc@advisory.com.

► Regional Round-up

8 Around the nation: Bite-sized hospital and health industry news



- **Colorado:** The state Senate on Tuesday approved a joint resolution to give all Colorado children access to health care coverage by 2010. While legislators set a goal of covering about 180,000 children currently without insurance, they did not specify how the state will achieve that goal. Commenting on the resolution, Gov. Bill Ritter (D) said that it is unlikely that lawmakers will seek tax increases to fund a coverage expansion but praised the goal of expanding government plans to qualified children (Mook, [Denver Business Journal](#), 2/12 [registration required]).
- **Florida: Health Management Associates (HMA)** is moving forward with plans to open a new hospital in Oviedo after the state's First District Court of Appeal dismissed an appeal by competitor **Central Florida Regional Hospital**. City officials expect construction to begin soon on the 60-bed acute-care hospital, which HMA is expected to operate in partnership with **Orlando Regional Healthcare System** (Pedicini, [Orlando Sentinel](#), 2/13).
- **Pennsylvania:** The state Chronic Care Management, Reimbursement, and Cost Reduction Commission—established as part of Gov. Ed Rendell's (D) Prescription for Pennsylvania plan—has unveiled a program aimed at improving chronic disease prevention and management. Under the plan, the state will train primary care physicians and other clinicians to create “medical homes” and will offer financial support as providers work to redesign their practices to foster a team-oriented and data-driven approach to care. The program will launch this May (Goldstein, [Philadelphia Inquirer](#), 2/13 [registration required]).
- **Rhode Island:** Saying that the state cannot afford to insure all residents in the absence of efficiency improvements, Lieutenant Governor Elizabeth Roberts (D) this week unveiled a health care proposal that would launch cost control efforts before mandating coverage. The plan—which requires legislative approval—would seek to cut spending by working with insurers to emphasize primary care over emergency care, better manage chronic diseases, and reward physicians for improved patient outcomes. In addition, the proposal would establish a database of proven treatment strategies, create an agency to work with insurers to develop more affordable private coverage options, require businesses to pay \$1,000 annually for each uninsured employee, and expand state health coverage programs. Beginning July 2009, the plan also would impose a coverage mandate for everyone earning more than 400% of the federal poverty level. The *Boston Globe* notes that Rhode Island is one of a growing number of states attempting a more gradual approach to health care reform that targets costs first (Dembner, [Globe](#), 2/13 [registration required]).
- **Tennessee: Aquinas College's** nursing program has received a \$2 million donation from **St. Thomas Health Services** and a \$4 million donation from the chairman and founder of **CareAll Home Care Services**, enabling it to construct a new nursing and science building

and increase enrollment. College officials, however, have not yet released specific plans for the nursing program expansion (Sherborne, Nashville [Tennessean](#), 2/13).

- **Texas: Medical Center at Lancaster**—the city’s only hospital—will shutter today after approximately 25 years of operation, according to hospital officials. Despite recent efforts to remodel its labor and delivery unit and purchase new equipment, the hospital has struggled in the face of competition from other southern Dallas facilities, bad debt, and low payment rates from HMOs (Langton, [Dallas Morning News](#), 2/13).

► Endnotes

9 Et cetera

Love helps: Evidence suggests that positive relationships ward off illness

Various studies have confirmed that “something as simple as a little love” can yield a variety of health benefits, the *Albany Times Union* reports. Researchers at **Albert Einstein College of Medicine** performed MRI scans on college students “newly in love” and found that the subjects’ ventral tegmental—a segment of the brain that produces the neurotransmitter dopamine, responsible for pleasure and motivation—became activated when researchers displayed photographs of the students’ significant others. In addition, results from the MacArthur Study of Successful Aging indicate that adults ages 70 to 79 who feel useful to their family and friends are less likely to have chronic illnesses and experience lower mortality rates. Experts at the **Mayo Clinic**, meanwhile, point to statistical evidence that happily married people live longer and have lower chronic illness rates than singles. However, the *Times Union* notes that “you don’t need to be married to reap the health benefits of love.” Experts say that positive relationships with close friends, parents, and children also can stimulate the production of oxytocin, which lowers stress hormones, reduces blood pressure, increases pain tolerance, and may help wound healing.

—Shrager, [Times Union](#), 2/12