



Daily Briefing

“Nation’s news in
five minutes”

News for Health Care Executives • Thursday, February 21, 2008

SPOTLIGHT

Study finds uninsured ranks grew from 2004-06 amid economic improvement

Despite improving economic conditions and wage increases between 2004 and 2006, the U.S. uninsured population grew by 3.4 million during that period, a trend driven largely by declines in employer-sponsored coverage, according to a new *Health Affairs* Web exclusive.

See story #1

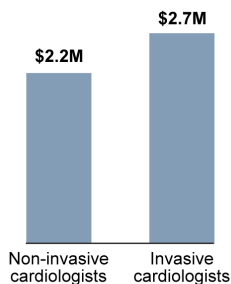
RESEARCH HIGHLIGHT

Huge foregone revenue with vacant positions

Amid projections of a 10,000-physician gap in the cardiologist workforce by 2020, hospitals are already feeling the shortage, recognizing that the hospital forfeits an average of \$2.5 million in revenue for each empty cardiology position. To learn more, please register for the Health Care Advisory Board’s 2007-2008 National Member Meetings.

Hospital net revenue generated by specialist

2005-2006



Source: Merritt, Hawkins & Associates website, accessed 10/4/07

THIS DAY IN BRIEF

Surgical treatment superior for spinal stenosis, study finds

Patients treated with surgical decompression for severe lumbar spinal stenosis demonstrated significantly more improvement in pain reduction and physical function compared with patients treated nonsurgically, according to a study appearing in today’s *NEJM*.

See story #2

Supreme Court ruling limits suits against medical device makers

The Supreme Court yesterday delivered a ruling making it harder for consumers to bring personal injury suits against manufacturers of federally approved medical devices, the Associated Press reports.

See story #3

HHS reverses ruling, supports use of quality improvement checklist

Reversing a decision made in December 2007 that physicians and patient safety experts said could stifle hospital-based safety initiatives, HHS’s Office for Human Research Protections recently announced that Michigan hospitals may continue using a checklist aimed at cutting the rate of catheter-related infections in ICUs without following regulations governing research on human subjects.

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FROM THE ADVISORY BOARD

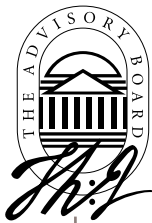
Next-generation hospital-physician alignment teleconference announced

The Cardiovascular Roundtable will host the teleconference “Next-Generation Hospital-Physician Alignment” on Feb. 28 at 1 p.m. ET as part of a larger teleconference series that aims to summarize and expand upon the national meeting series.

See story #5

NAMES IN THE NEWS

Beth Israel Deaconess Medical Center (Mass.) (#7) ■ Dartmouth Medical School (N.H.) (#2) ■ Johns Hopkins University (Md.) (#4)
Nemours Orlando Children’s Hospital (Fla.) (#7) ■ Truman Medical Center-Hospital Hill (Mo.) (#7)
University of California-Los Angeles (#8) ■ University of Kansas Hospital (Mo.) (#7)



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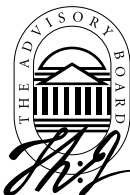
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► Today's Headlines

1 Study finds uninsured grew from 2004-2006 amid economic improvement

Despite improving economic conditions and wage increases between 2004 and 2006, the U.S. uninsured population grew by 3.4 million during that period, a trend driven largely by declines in employer-sponsored coverage, according to a new *Health Affairs* Web exclusive. For the study, researchers from the **Urban Institute** used data from the 2000, 2005, and 2007 March supplements to the U.S. Census Bureau's Current Population Survey to examine insurance coverage trends from 2000 to 2004, a period of economic recession, and from 2004 to 2006, a period of economic expansion. They found that between 2004 and 2006, the number of uninsured adults grew by 2.4 million and the number of uninsured children grew by 1 million, suggesting a much faster growth rate than that recorded during the four-year recession, when the uninsured population grew by 6 million. The researchers attribute the increases recorded across both periods to declines in employer-sponsored coverage, which was provided by 67.8% of employers in 2000 but only 63.3% in 2004 and 63% in 2006.

While the researchers acknowledge that the reduction in employer-sponsored coverage seen from 2000 to 2004 reflected the period's poor economic conditions, they call the continued slide from 2004 to 2006 "disturbing," noting that those decreases were further exacerbated by a slowdown in the growth of public programs such as Medicaid and the State Children's Health Insurance Program. In addition, the study finds that although declines in employer-sponsored coverage occurred at all income levels, the drops were much greater for low-income adults than for their high-income counterparts. Noting that the underlying factors threatening employer-sponsored coverage—including rising health care costs and the shifting of employment to service and construction industries where employer-sponsored coverage rates remain low—are unlikely to change, the researchers predict that such erosion will continue across the next several years, particularly among lower-income workers (Holahan/Cook, *Health Affairs*, 2/20 [subscription required]; *Health Affairs* [release](#), 2/20).

2 Surgical treatment superior for spinal stenosis, study finds

Patients treated with surgical decompression for severe lumbar spinal stenosis demonstrated significantly more improvement in pain reduction and physical function compared with patients treated nonsurgically, according to a study appearing in today's *NEJM*. Spinal stenosis is the most common reason for lumbar surgery in people over the age of 65, but few studies have documented its effectiveness compared with drug and physical therapy. For the study, researchers from **Dartmouth Medical School** randomized 645 patients with at least 12 weeks of spinal stenosis symptoms without spondylolisthesis to undergo lumbar surgery or to receive nonsurgical treatment at 13 participating U.S. spine treatment centers. After two years, however, 43% of patients assigned to receive nonsurgical care had undergone surgery in addition to 67% of those assigned to the surgical group. Using primary outcome measures of bodily pain and physical function as measured by the Medical Outcome Study 36-item Short-Form General Health Survey and the modified Oswestry Disability index at six weeks, three months, six months, and one and two years follow-up, the intention-to-treat analysis demonstrated "a significant treatment effect favoring surgery on the...scale for bodily pain," with a mean difference in change at baseline of 7.8. However, the results did not indicate that surgery improved physical function. In analyzing the as-treated group—which combined the randomized and observational cohorts and adjusted for potential confounders—the researchers found that surgery offered a significant advantage beginning at three months for all primary outcomes measures and that

these changes remained significant after two years. Neither group suffered from high rates of complications.

The researchers acknowledge that patient crossover eliminated randomization from the analyses but contend that “the results are strengthened by the use of specific inclusion and exclusion criteria, the sample size, and adjustment for potentially confounding baseline differences.” The researchers add that “the characteristics of the crossover patients suggest that the intention-to-treat analysis underestimated the true effect of surgery,” given that they likely switched to surgery because they were experiencing significant pain and discomfort. Noting that patients who delayed surgery were likely in less pain, the researchers state that “non-surgical therapies or watchful waiting are options...[;] what is most important is that we engage [patients] in the decision-making process and offer them informed choice” (Weinstein et al., [NEJM](#), 2/21 [subscription required]; Groch, [MedPageToday](#), 2/20; Steenhuisen, [Reuters](#), 2/20).

3 Supreme Court ruling limits suits against medical device makers

The Supreme Court yesterday delivered a ruling making it harder for consumers to bring personal injury suits against manufacturers of federally approved medical devices, the Associated Press reports. Justices voted 8-to-1 against the estate of a patient who suffered serious injuries after a **Medtronic** catheter burst during a 1996 angioplasty and attempted to sue the company under state law. In writing for the majority, Justice Antonin Scalia said that **FDA** review is a “rigorous” process and that federal policy bars state lawsuits if they would impose additional requirements under state product-liability law. Lawyers for the estate had argued that while manufacturers can use FDA approval to bolster their defense, federal approval does not permit the companies to block state lawsuits outright. The *New York Times* notes that the case in question applies only to medical devices that received premarket approval under a process defined by the Medical Device Amendments of 1976—generally “more technologically advanced, expensive, and, in some instances, risky” devices such as drug-eluting stents and implantable defibrillators—adding that the majority of medical devices currently on the market were approved through a different process.

Justice Ruth Bader Ginsburg delivered the dissent, saying that Congress never wished for “a radical curtailment of state common-law lawsuits seeking compensation for injuries caused by defectively designed or labeled medical devices.” It remains unclear how the court’s decision will affect other pending lawsuits against medical device makers, the *Times* reports, noting that the ruling does not preclude cases brought under state laws that mirror federal policy or those claiming that devices were made in violation of FDA specifications. Meanwhile, Bloomberg reports that the ruling could help pharmaceutical companies currently trying to restrict patients’ ability to sue over FDA-approved drugs; two Supreme Court cases are pending ([AP/New York Times](#), 2/20 [registration required]; Greenhouse, [Times](#), 2/21 [registration required]; Stohr, [Bloomberg](#), 2/20).

4 HHS reverses ruling, supports use of quality improvement checklist

Reversing a decision made in December 2007 that physicians and patient safety experts said could stifle hospital-based safety initiatives, **HHS**’s Office for Human Research Protections (OHRP) recently announced that Michigan hospitals may continue using a checklist aimed at cutting the rate of catheter-related infections in ICUs without following regulations governing research on human subjects. In its December ruling, the OHRP said that using a checklist of safety procedures and studying its effect on patient outcomes is equivalent to conducting a research project without obtaining formal patient consent or establishing institutional review board oversight (see related story in the Jan.

14 [Daily Briefing](#)). The case centers on a checklist of evidence-based infection prevention procedures—including rigorous hand-washing, the use of sterile masks and gloves, and proper catheter handling—developed by a **Johns Hopkins University** safety researcher and implemented at 70 Michigan hospitals. In his latest letter to Johns Hopkins and the Michigan Health and Hospital Association, the director of OHRP’s Division of Compliance Oversight encourages the checklist’s ongoing use, clarifying that the intervention is currently used only for clinical purposes, not experimentation. Noting that HHS does “not want to stand in the way of quality improvement activities that pose minimal risks to subjects,” OHRP officials say that HHS will review how it applies human subject research regulations to evidence-based quality improvement initiatives to determine whether any changes are needed to facilitate such investigations while protecting human subjects (*AHA News Now*, 2/20; HHS [release](#), 2/15).

► From the Advisory Board

5 Next-generation hospital-physician alignment teleconference announced

The Cardiovascular Roundtable will host the teleconference “Next-Generation Hospital-Physician Alignment” on Feb. 28 at 1 p.m. ET as part of a larger teleconference series that aims to summarize and expand upon the national meeting series.

In an era of declining volumes and shrinking margins, securing patient referrals has never been more important. Despite the recognized significance of hospital-physician partnerships, cardiovascular administrators often struggle to align with physicians. In past years, programs have tested the waters with joint ventures and equity arrangements, but the newly proposed Stark Laws and Physician Fee Schedule changes further restrict these options. This teleconference will examine changes in regulations and new opportunities to align with physicians by investigating the reemergence of employment and by exhaustively examining service line organizational structure to include physicians in strategic planning and management.

For more information

Cardiovascular Roundtable members may register for this upcoming teleconference by visiting the program’s [website](#) on Advisory.com. To learn more about the Cardiovascular Roundtable, please contact Mollie Reed at reedm@advisory.com.

6 H*Works boosts front-line performance via Revenue Cycle Boot Camp

The Advisory Board’s H*Works Consulting division is pleased to announce the **Revenue Cycle Boot Camp**. The Boot Camp expands upon the current H*Works Revenue Cycle Training courses by incorporating a customized staff education curriculum on the heels of a full revenue cycle diagnostic. The combination enables development of tailored education modules for new and veteran front-line staff specific to the opportunities surfaced in the diagnostic assessment.

As front-line staff experience growing complexity in their daily roles, errors and gaps in competency are increasingly likely to translate into an overall revenue cycle performance plateau. Research demonstrates that most hospitals rely on informal (and perhaps outdated) training for patient access and patient financial services staff. The Boot Camp is designed to uncover gaps in performance, assess staffing ratios and responsibilities, and educate staff on best practices that will provide sustained improvement in key indicators such as registration accuracy, days in A/R, and POS cash collections.

For more information

To learn more about the Revenue Cycle Boot Camp or other offerings in the H*Works Consulting portfolio, please contact Neha Sharma at 202-266-6463 or sharman@advisory.com.

► Regional Round-up

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



- **California:** The Los Angeles County Board of Supervisors has temporarily shelved plans to shutter all but one of the county's health care clinics and reduce services at its six comprehensive outpatient health centers in a bid to cut costs. While the plan was seen as a way to curb the health department's budget deficit—expected to hit at least \$195 million in the fiscal year starting July 1—opponents suggested that the proposal would reroute patients to hospitals and further strain already overcrowded EDs. In postponing the changes, the board called on health care officials to provide alternative budget-cutting plans and voted to hire independent experts to analyze the effects of reducing the county's role in providing primary care services (Leonard, [Los Angeles Times](#), 2/20 [registration required]).
- **Florida: Nemours Orlando Children's Hospital** has received final approval from state health care regulators to begin construction on a \$400 million children's hospital, with groundbreaking required within 18 months. The Lake Nona-based hospital—which will be Orlando's third children's facility—is slated to open in 2012. Under its agreement with state regulators, Nemours has pledged to allocate at least 54% of its hospital services to Medicaid and charity care patients. In addition, the hospital will spend at least \$3 million annually on clinical research, donate \$3.5 million across 10 years to Orange County clinics serving uninsured children, publicly report its annual charity care expenditures, and hire at least 50 full-time pediatric subspecialists from outside Central Florida within its first five years (Wessel, [Orlando Sentinel](#), 2/20).
- **Missouri:** Overcrowding at Kansas City EDs—which logged 715,958 visits in 2007, compared with 576,446 in 2005—has increasingly forced facilities to divert ambulances to other nearby hospitals. **University of Kansas Hospital**, for example, in 2007 spent 15.6% of the time on ambulance diversion, compared with an average diversion rate of 1.4% in 2004. **Truman Medical Center-Hospital Hill**, meanwhile, was on ambulance diversion nearly 30% of the time in 2007 (Karash, [Kansas City Star](#), 2/18).
- **Massachusetts:** The Service Employees International Union (SEIU) has sent a letter to directors at **Beth Israel Deaconess Medical Center** alleging that the hospital violated not-for-profit governing standards by including losses from bad debt in its total charity care estimates for 2005 and 2006; the letter calls on the organization to restate its financial reports for those years. The union asserts that Beth Israel Deaconess directors who also serve on the boards of other for-profit companies should have known, given “the specialized knowledge they have from their position in the for-profit world,” not to “comingl[e] charity care and bad debt in the hospital's financial statements.” The *New York Times* notes, however, that while the Internal Revenue Service announced in December 2007 that it does not consider bad debt part of not-for-profits' charity care, the decision was not retroactive. In addition, some law experts have questioned the argument put forth by the union—which also has levied criticism against hospitals in other states

as part of a declared “reform effort”—noting that Massachusetts law does not require directors of not-for-profit organizations to act exactly like those of for-profit companies. Beth Israel Deaconess, meanwhile, says it “follow[s] all the reporting requirements of the uncompensated care rules” and has never “been given any indication by...regulatory agencies that anything is not according to the regulations” (Strom, *Times*, 2/20 [registration required]).

► Endnotes

8 Et cetera

Sitting duck? Men with desk jobs more likely to develop prostate cancer

Men who hold desk jobs are more likely to develop prostate cancer than those whose careers involve manual labor, according to a study published in this month’s *Cancer Causes Control*. For the study, **University of California-Los Angeles** (UCLA) researchers examined job history and medical data from more than 2,100 men who worked at Rocketdyne Propulsion and Power, a nuclear and rocket engine testing facility in California’s San Fernando Valley; 362 participants had been diagnosed with prostate cancer between January 1988 and December 1999, while 1,805 were cancer free. Men with jobs requiring little physical exertion, such as managers, analysts, and engineers, were more likely to develop prostate cancer compared with those who performed physical labor, such as masons, welders, and janitors. The researchers also note that participants with cancer also were more likely to be black; to have a family history of the disease; and to experience increased contact with chemicals such as hydrazine, benzene, and polycyclic aromatic hydrocarbons. Given the findings, the lead study author emphasizes the potential link between exercise and prostate cancer risk, encouraging workers with desk jobs to step up their physical activity.

—[Bloomberg/Dallas Morning News](#), 2/12