



Daily Briefing

“Nation’s news in five minutes”

News for Health Care Executives • Friday, February 29, 2008

SPOTLIGHT

NEJM letter: CT scans have reduced risk of unnecessary appendectomy

The growing use of preoperative CT scans has reduced patients’ risk of undergoing unnecessary appendectomy, according to University of California-Los Angeles researchers who detail their findings in a letter in this week’s *NEJM*.

See story #1

RESEARCH HIGHLIGHT

Satellites siphoning off ED volumes from competitors

In several markets, freestanding centers have been incredibly successful at capturing ED volumes. While this success comes at the expense of rival hospitals in the region, there is evidence that stand-alone EDs are also attracting patients who would have normally avoided an overcrowded ED. To learn more, please see the Innovations Center’s *Freestanding ED* study.

THIS DAY IN BRIEF

Baxter recalls most remaining heparin products from the market

Baxter International yesterday announced it will voluntarily recall all remaining lots and doses of its heparin sodium injection multi-dose and single-dose vials and Hep-Lock heparin flush products after company officials and the FDA concluded there is “sufficient capacity on the part of other suppliers” to avoid a shortage of the widely used drug.

See story #2

Generics slowed drug cost growth in 2007, Express Scripts says

Increased use of generic drugs slowed the rate of prescription drug cost growth in 2007 to 4.7%, marking the slowest growth rate since at least 1996, according to an analysis by pharmacy benefit manager Express Scripts.

See story #3

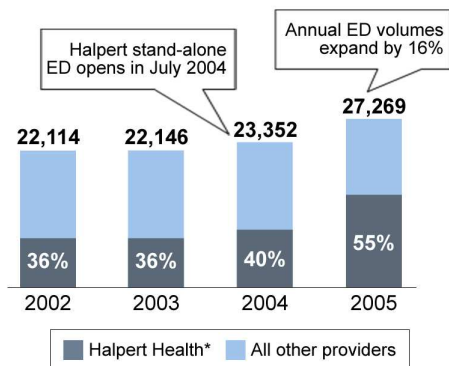
Google offers more details on PHR service, announces partners

In Google’s first detailed public comments about the search engine’s Web-based personal health record system, the company’s CEO said yesterday that the Internet health service would be password protected but would allow customers to invite third parties to build services such as medication tables.

See story #4

Overtaking the competition

Market ED volumes**



* Pseudonym

** ED volumes for emergency center's 6-zip code primary service market

Source: Innovations Center interviews

FROM THE ADVISORY BOARD

Workforce planning tool and resources available

The Human Resource Investment Center has developed a suite of resources to enhance members’ recruitment and retention efforts. Included is the Workforce Demand Forecaster, which allows members to develop one- to five-year forecasts of future hiring needs as the foundation of strategic workforce management practices.

See story #5

NAMES IN THE NEWS

- Carolinas HealthCare (N.C.) (#7) ■ Cedars-Sinai Medical Center (Calif.) (#4) ■ Cleveland Clinic (Ohio) (#4) ■ CMC-Pineville (N.C.) (#7)
 East Jefferson General Hospital (La.) (#7) ■ Middlesex Hospital (Conn.) (#7) ■ Purdue University (Ind.) (#7)
 University of California-Los Angeles (#1) ■ University of Minnesota (#8) ■ West Jefferson Medical Center (La.) (#7)



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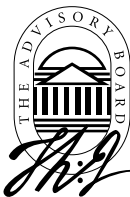
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► Today's Headlines

1 **NEJM letter: CT scans have reduced risk of unnecessary appendectomy**

The growing use of preoperative CT scans has reduced patients' risk of undergoing unnecessary appendectomy, according to **University of California-Los Angeles (UCLA)** researchers who detail their findings in a letter in this week's *NEJM*. Noting that prior studies have offered conflicting evidence regarding the clinical benefit of preoperative CT scans in suspected cases of appendicitis, UCLA researchers examined the type of preoperative imaging and clinical outcomes experienced by 1,081 adults who had their appendix removed between 1996 and 2006. They note that the core group of ED physicians, surgeons, gastrointestinal pathologists, and radiologists interacting with patients suspected of having appendicitis remained "relatively stable" throughout the study period until the last three years, when a team of laparoscopic surgeons joined the surgical group. The researchers found that the rate of preoperative CT scans in suspected appendicitis cases increased from 20% in 1996 to 85% in 2006 and identified a significant inverse relationship between the annual increase in CT usage rates and the annual decrease in the overall rate of false-positive appendicitis diagnoses, which fell from 24% to 3% across the study period; the overall rate of "pathologically proven appendiceal perforation" also decreased from 18% to 5%. In addition, the authors note that the rate of ultrasonography use steadily declined from 24% to 9%, while the rate of use of laparoscopic appendectomy rose from 0% to 23%.

In presenting their findings, the researchers note that surgeons traditionally have "erred on the side of surgery" when presented with suspected appendicitis cases, accepting a false-positive diagnosis rate of up to 20% in order to minimize morbidity associated with a missed diagnosis; in clinical practice, the reported rate of false-positives has been as high as 42% for women, according to the authors. Given their findings, the study authors conclude that "increased use of high-quality preoperative CT...has led to significantly improved clinical outcomes in adults" (Ramon et al., *NEJM* [letter](#), 2/28 [subscription required]; Emery, [Reuters](#), 2/27).

2 **Baxter recalls most remaining heparin products from the market**

Baxter International yesterday announced it will voluntarily recall all remaining lots and doses of its heparin sodium injection multi-dose and single-dose vials and Hep-Lock heparin flush products after company officials and the **FDA** concluded there is "sufficient capacity on the part of other suppliers" to avoid a shortage of the widely used drug. Following reports of adverse effects linked to some of its heparin products, Baxter initially recalled nine lots of multi-dose vials in mid-January; two weeks later, Baxter halted U.S. production of multi-dose vials (see related story in the Feb. 12 [Daily Briefing](#)). While noting that the majority of adverse event reports have been tied to Baxter's multi-dose heparin products, the FDA in a release calls the broader recall a "precautionary step," adding that the recall does not involve heparin pre-mix IV solutions in bags, including heparin sodium in 5% dextrose injection and heparin sodium in 0.9% sodium chloride injection. Commenting on the recall, the president of Baxter's medication delivery business said that the company "will continue to collaborate with the FDA...to determine the cause of the increased rate of adverse reactions and resolve this issue."

Meanwhile, the FDA reports that the number of adverse reaction reports linked to Baxter's heparin products has increased to 448, up from 350 earlier this month. In addition, the number of deaths potentially associated with the drug has risen from four to 21, although the FDA cautions that the evidence linking those additional deaths to heparin is "more tenuous," according to the *New York*

Times. The *Times* reports that FDA officials have vowed “to get to the root cause” of the situation and are continuing to investigate a Chinese plant that supplied an active ingredient for the drug, as well as Chinese companies that supplied raw ingredients and crude heparin ultimately used in the Chinese plant (Bogdanich, [Times](#), 2/29 [registration required]; Miller, [Chicago Tribune](#), 2/28 [registration required]; FDA [release](#), 2/28).

3 Generics slowed drug cost growth in 2007, Express Scripts says

Increased use of generic drugs slowed the rate of prescription drug cost growth in 2007 to 4.7%, marking the slowest growth rate since at least 1996 and generating savings of approximately \$5.2 billion for commercially insured Americans and benefits plan sponsors, according to an analysis by pharmacy benefit manager **Express Scripts**. In 2006, total spending on prescription drugs increased by 5.9%, compared with a high of 15.9% in 2000 and 2001. After analyzing member copayments and plan sponsor costs for roughly 3 million randomly selected Express Scripts members enrolled in 2006 or 2007, the company found that the average cost of a prescription drug in the United States was \$54.34 in 2007, up just \$1.09—or 2%—from 2006; Express Scripts calculates that the increase would have been \$3.58 per prescription without the so-called “generic effect.” While the average cost of brand-name medications increased 7.4% during 2007, the average cost of generic therapies—which accounted for 63.7% of prescriptions by the end of 2007, compared with 59.7% a year earlier—fell by 3.1% during that period; total spending also was influenced by a 2.5% rise in drug utilization. According to the report, generic drugs’ cost-lowering potential was most evident for cholesterol-lowering drugs, a category in which the average cost of a prescription fell by 15.5% during 2007 to \$67.32. Driven in part by patent expirations for some top-selling statins—including **Merck’s** Zocor (simvastatin) and **Bristol Myers Squibb’s** Pravachol (pravastatin)—spending on cholesterol-lowering therapies dropped 9% in 2007, despite a 7.5% increase in overall statin utilization. Additionally, the average costs for gastrointestinal and antidepressant therapies fell in 2007, while costs for diabetes and asthma drugs rose sharply by 12.8% and 10.2%, respectively. Commenting on the findings, the CMO of Express Scripts notes that “greater use of generics is clearly the single most important aspect of why [drug cost growth is] coming down” (Krauskopf, [Reuters](#), 2/29; Goldstein, [Wall Street Journal](#), 2/29 [subscription required]; Express Scripts [release](#), 2/29).

4 Google offers more details on PHR service, announces partners

In Google’s first detailed public comments about the search engine’s Web-based personal health record (PHR) system, the company’s CEO said yesterday that the Internet health service would be password protected but would allow customers to invite third parties to build services such as medication tables or immunization reminders. Speaking at the **Healthcare Information and Management Systems Society** annual conference, CEO Eric Schmidt noted that Google will not sell advertising space on the Google Health system; instead, “Google is counting on increased Web traffic to make the site profitable without ads,” the Associated Press reports. Google first alluded to plans for the service in 2006, and the company last week announced a partnership with the Ohio-based **Cleveland Clinic** designed to test the PHR (see related coverage in the [Aug. 14, 2007](#), and [Feb. 22](#) issues of the *Daily Briefing*) among 1,500 to 10,000 **Cleveland Clinic** patients who volunteered to have their PHRs electronically forwarded to the Google system. In their latest announcement, Google officials said the company also has forged deals with several hospital and corporate partners, including **Cedars-Sinai Medical Center**, health insurer **Aetna**, medical testing company **Quest Diagnostics**, Walgreens, Wal-Mart, and Duane Reade.

Google's interface, which is not yet available to the public, reportedly includes sections for health notices, drug interactions, medications, allergies, health conditions, immunization records, procedures, and test results; another feature will allow consumers to store imaging files. In addition, the system will connect users with online research about health conditions and notify them about potential drug interactions or other safety risks. The *Wall Street Journal* notes that while PHR systems have been slow to gain steam largely because of consumer privacy concerns and medical practices' slow uptake of EMR technology, Google's efforts could help "boost the nation's fledgling efforts to adopt electronic medical records." The *Journal* adds that the new initiative puts Google "in company" with Microsoft and **Revolution Health Group**, which also are launching PHR management Web services. Google officials did not announce a target date for the service's public launch, but said it would likely be several months before a nationwide rollout ([AP/New York Times](#), 2/28 [registration required]; Lawton/Worthen, [Journal](#), 2/28 [subscription required]; Liston, [Reuters](#), 2/28).

► From the Advisory Board

5 Workforce planning tool and resources available

Hospitals' traditional reactive recruitment approach is increasingly ineffective amid unprecedented competition for talent. In response, the Human Resource Investment Center has developed a suite of resources to enhance members' recruitment and retention efforts, the capstone of which is the Workforce Demand Forecaster. This Excel-based tool leverages hospitals' readily available data in order to develop one- to five-year forecasts of future hiring needs. Aimed at maximum utility and flexibility, the tool includes an array of built-in instructional guides, printable report options, and advanced functionalities to enable customized forecasts. The initiative also includes guidance on targeting workforce planning efforts, effective data-gathering, and evaluating supply channels for key professions.

For more information

For more information about the Workforce Demand Forecaster and to initiate use of the tool, click [here](#).

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 increasing 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 **Blue Shield of California Foundation (BSCF)** has announced that it will distribute \$13.1 million for programs aimed at preventing nosocomial infections and improving wellness statewide. The largest grant of \$5.75 million will go to BSCF's California Healthcare-Associated Infection Prevention Initiative, which was tested in nine hospitals and will soon expand to at least 100 hospitals statewide. Given the pilot project's initial results, foundation officials project that the program expansion will cut nosocomial infection cases by 4,000 annually, which they say would translate to 30,000 fewer inpatient days, \$60 million in avoided costs to patients and hospitals, and nearly \$15 million in savings to the hospital bottom-line. Meanwhile, BSCF also awarded \$350,000 for an expansion of the California Health Foundation and Trust's telemedicine program, \$105,000 for an initiative to reduce catheter-associated and other nosocomial infections in neonatal intensive care units, and additional funds to expand health insurance coverage for California youth and various anti-violence initiatives (Raubert, [San Francisco Business Times](#), 2/27 [registration required]).
- **Connecticut: Middlesex Hospital** is scheduled to open a new, \$31 million ED in March that will triple the size of the hospital's old ED, allowing it to serve 60,000 patients annually. The four-story wing, which opens after more than 18 months of planning and construction, will offer bedside registration and feature a helipad, a concrete entrance ramp specifically for ambulances, and a separate eight-room psychiatric ED. The facility also will house an express care center where patients can receive treatment for non-emergent problems such as sports injuries and fractures within one hour (Kovner, [Hartford Courant](#), 2/28 [registration required]).
- **Georgia:** Illinois-based **Cancer Treatment Centers of America (CTCA)**—a network of cancer treatment facilities offering holistic care services—received state Senate approval this week to bring a \$150 million “destination” cancer hospital to Atlanta. To date, the project has been blocked by the state's CON rules, which bar out-of-state providers from offering health care services in Georgia. The narrowly approved Senate bill would create an exception for CTCA based on its assurance that most patients would come from outside the state (Jones, [Atlanta Journal-Constitution](#), 2/27).
- **Louisiana:** The Jefferson Parish Council this week decided to allocate about \$2 million per year in revenue generated from stoplight camera fines to **West Jefferson Medical Center** and **East Jefferson General Hospital**. The hospitals each will receive about \$1 million annually across the next three years; West Jefferson plans to use the unexpected funds to stabilize the hospital's pediatric facilities, while East Jefferson will use the money to recoup losses from treating uninsured patients, the ranks of which have increased since Hurricane Katrina (Rainey, New Orleans [Times-Picayune](#), 2/27).
- **Michigan:** The state's not-for-profit organ donation agency, Gift of Life, reports that organ and tissue donations in Michigan reached an all-time high last year, with 301 organ donations and 920 tissue donations, up from 292 and 301, respectively, in 2006. Michigan now ranks among the 10 U.S. states with the most organ donations, according to the **United Network for Organ Sharing**. Gift of Life aims to further increase donations in 2008 with new programs,

including one to develop organ donation guidelines for patients who die in the ED and another to create a public and media education campaign in partnership with the Michigan secretary of state agency and **Purdue University** (Anstett, [Detroit Free Press](#), 2/28).

- **North Carolina: Carolinas HealthCare** system this week received CON approval for a \$174 million expansion project that will create a major heart program and a Level III trauma center on its **CMC-Pineville** campus. The project also calls for transferring a number of assets from other Carolinas HealthCare facilities, including beds, ORs, and catheterization labs. Slated for completion by mid-2013, the expansion will renovate 50,000 square feet, add 285,000 square feet, and bring CMC-Pineville's bed count to 206 (London, [Charlotte Business Journal](#), 2/27 [registration required]).

► Endnotes

8 Et cetera

Feline fix: Cat ownership may cut heart attack risk by 30%, study finds

Building on the large body of scientific literature suggesting that pets help reduce stress—a known contributor to cardiovascular events—a new study finds that cat companionship could reduce owners' risk of heart attack by nearly 30%. For the study, presented at the **American Stroke Association's** International Stroke Conference, **University of Minnesota** researchers analyzed data on 4,435 Americans ages 30 to 75 who participated in the federal government's second National Health and Nutrition Examination Study from 1976 to 1980, 2,435 of whom were current or former cat owners. After tracking rates of death from all causes in the two groups, the researchers found that cat-owners demonstrated a 30% reduction in heart attack risk across a 10-year follow-up period, compared with people who never owned the pet. Researchers say they were surprised by the "magnitude" of risk reduction, adding that pet ownership should be considered a "low-cost, low-risk medical intervention that can potentially save or extend lives, especially for the elderly."

—Mundell, [HealthDay](#), 2/21