

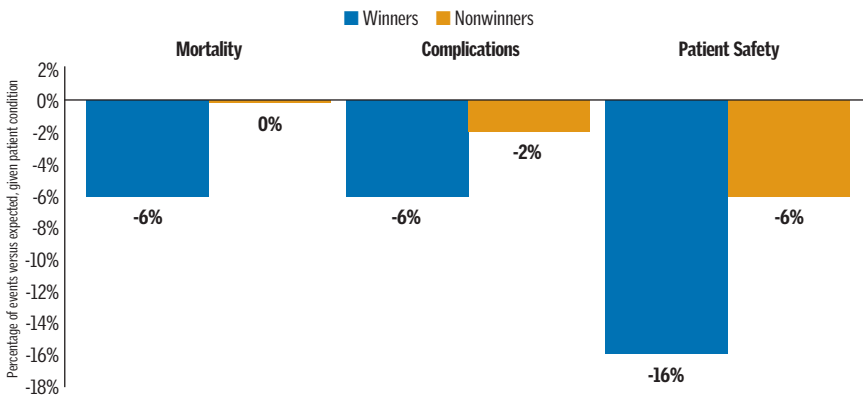
FACTFILE

Hospital Performance

The annual Truven Health 100 Top Hospitals® identifies U.S. hospitals with the best overall performance across multiple organizational metrics, including clinical, operational, and financial. The ability of some hospitals to adapt as the industry is changing demonstrates leadership as the winners set the standards their peers seek to achieve. Study projections indicate that if the new national benchmarks of high performance were achieved by all hospitals in the United States, nearly 126,500 additional lives could be saved, almost 109,000 additional patients could be complication-free, and \$1.8 billion in inpatient costs could be saved.

BETTER PATIENT OUTCOMES

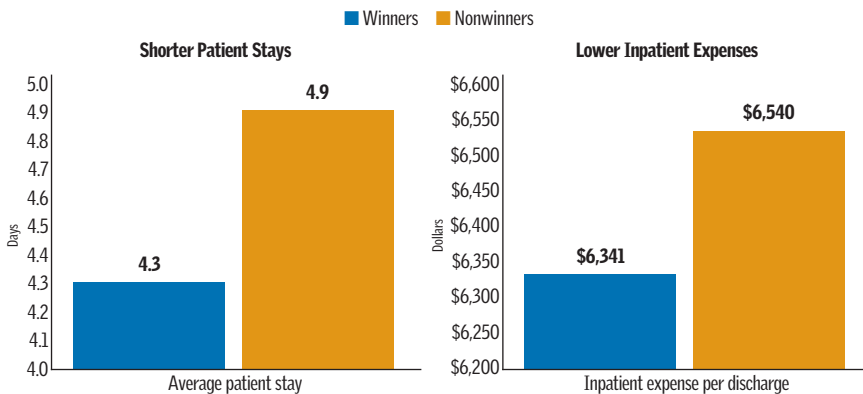
The 100 Top Hospital winners posted better patient outcomes and survival rates. Overall, winners had 6% fewer deaths and 6% fewer complications than expected, considering patient severity, while their nonwinning peers had as many deaths as would be expected and just 2% fewer complications than expected. A patient safety index of 0.84 tells us that the winning hospitals had 16% fewer adverse patient safety events than expected, while their peers had 6% fewer adverse events than expected.



SOURCE: Truven Health 100 Top Hospitals® 2015.

BETTER EFFICIENCY

Patients treated at 100 Top Hospitals returned home sooner and at lower costs. Winning hospitals had a median average length of stay more than half a day shorter than their peers' median: 4.3 days compared to 4.9 days. Similarly, the expense per discharge averaged \$199 less at winning hospitals: \$6,341 vs. \$6,540 per inpatient stay.



SOURCE: Truven Health 100 Top Hospitals® 2015.

ABOUT THE DATA: As with all of the 100 Top Hospitals awards, the methodology is objective, and all data come from public sources. Truven Health Analytics builds a database of short-term, acute care, nonfederal U.S. hospitals that treat a broad spectrum of patients. The primary data sources are the Medicare Provider Analysis and Review patient claims dataset, the Centers for Medicare & Medicaid Services Hospital Compare hospital performance dataset, and the Hospital Cost Report Information System Medicare cost report file. The most recent five years of data available is used for trending and the most current year for selection of winners. This analysis is based only on Medicare patients included in this study; if the same standards were applied to all inpatients, the impact would be even greater. For more information, visit 100tophospitals.com or email 100tophospitals@truvenhealth.com.

Hospital Care Expenditures

The share of expenditures that goes to hospital care is about 36.3% of all healthcare expenditures in the United States, or nearly \$759 billion. By state, the dollar amounts range from a high of nearly \$77 billion in California to a low of about \$1.6 billion in Wyoming.

Location	In millions
United States	\$759,074
1. California	\$76,628
2. New York	\$57,571
3. Texas	\$52,956
4. Florida	\$40,852
5. Pennsylvania	\$36,021
6. Illinois	\$34,778
7. Ohio	\$33,225
8. Michigan	\$26,828
9. Massachusetts	\$23,108
10. North Carolina	\$21,336
11. New Jersey	\$20,440
12. Georgia	\$18,859
13. Missouri	\$18,805
14. Virginia	\$18,067
15. Indiana	\$16,703
16. Washington	\$16,074
17. Maryland	\$15,738
18. Wisconsin	\$15,428
19. Minnesota	\$13,653
20. Tennessee	\$13,591
21. Arizona	\$13,026
22. South Carolina	\$11,627
23. Louisiana	\$11,369
24. Kentucky	\$11,241
25. Colorado	\$10,781
26. Alabama	\$9,936
27. Connecticut	\$9,353
28. Oklahoma	\$9,344
29. Oregon	\$8,441
30. Iowa	\$8,162
31. Mississippi	\$8,085
32. Kansas	\$7,128
33. Arkansas	\$6,412
34. West Virginia	\$5,597
35. Nebraska	\$5,298
36. Nevada	\$5,142
37. Utah	\$5,088
38. New Mexico	\$4,956
39. Maine	\$4,300
40. New Hampshire	\$3,940
41. Idaho	\$3,267
42. Rhode Island	\$3,236
43. Hawaii	\$3,195
44. District of Columbia	\$2,968
45. Montana	\$2,767
46. Delaware	\$2,749
47. Alaska	\$2,695
48. South Dakota	\$2,552
49. Vermont	\$2,118
50. North Dakota	\$2,056
51. Wyoming	\$1,586

NOTES: Hospital care covers all services provided by hospitals to patients. These include room and board, ancillary charges, services of resident physicians, inpatient pharmacy, hospital-based nursing home and home healthcare, and any other services billed by hospitals in the United States. The value of hospital services is measured by total net revenue, which equals gross patient revenues (charges) less contractual adjustments, bad debts, and charity care. It also includes government tax appropriations as well as nonpatient and nonoperating revenues.

SOURCE: Kaiser State Health Facts, *Distribution of Health Care Expenditures by Service by State of Residence (in millions)*, <http://kff.org/other/state-indicator/distribution-of-health-care-expenditures-by-service-by-state-of-residence-in-millions/>; Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group, *National Health Expenditure Data: Health Expenditures by State of Residence*, December 2011.

Upcoming Topic:
 > Revenue Cycle Management

FACT FILE PARTNER:



LIMITED PERFORMANCE IMPROVEMENT OVER TIME

In recent years, U.S. hospitals overall (winners and nonwinners) have not been able to significantly improve performance across the entire balanced scorecard. However, over the years studied (2009–2013), there were a few noteworthy performance improvements for specific measures. Nearly 59% of hospitals had significant improvement in adherence to mean core measures, and almost 44% significantly improved their 30-day readmission rates, likely a result of the attention these measures are getting in payment systems. And while nearly 10% of hospitals significantly improved their inpatient mortality rates, more than 11% had statistically significant worsening of their 30-day mortality rates. On the operating efficiency front, nearly 21% of hospitals had a significant increase in expense per discharge, while less than 3% were able to drive significant decreases in expenses per discharge.

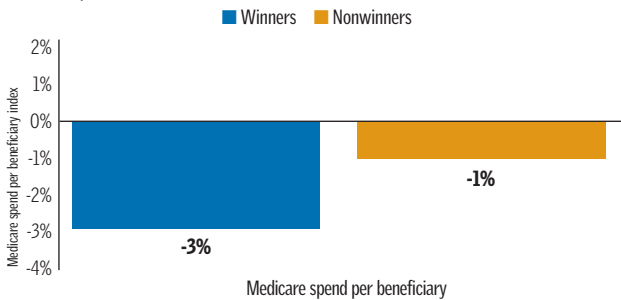
Performance measure	Significantly improving performance		No statistically significant change in performance		Significantly declining performance	
	Count of hospitals	Percent of hospitals	Count of hospitals	Percent of hospitals	Count of hospitals	Percent of hospitals
Risk-adjusted mortality index	255	9.5%	2,433	90.2%	8	0.3%
Risk-adjusted complication index	57	2.1%	2,578	95.6%	61	2.3%
Risk-adjusted patient safety index	8	0.3%	2,541	97.0%	71	2.7%
Core measures mean percent	1,582	58.7%	1,106	41.0%	8	0.3%
30-day mortality rate	378	14.0%	2,012	74.6%	306	11.4%
30-day readmission rate	1,183	43.9%	1,507	55.9%	6	0.2%
Severity-adjusted average length of stay	270	10.0%	2,407	89.3%	19	0.7%
Adjusted inpatient expense per discharge	71	2.6%	2,058	76.7%	554	20.6%
Operating margin	210	7.8%	2,300	85.7%	173	6.4%
HCAHPS score	598	22.2%	2,042	75.7%	56	2.1%

NOTES: *Count of hospitals* refers to the number of in-study hospitals whose performance fell into the highlighted category on the measure. Total number of hospitals included in the analysis will vary by measure due to exclusion of interquartile range outlier data points. Patient safety index, inpatient expense, and operating margin are affected. Some in-study hospitals had too few data points remaining to calculate trend. *Percent of hospitals* is of the total in-study hospitals across all peer groups.

SOURCE: Truven Health 100 Top Hospitals® 2015.

LOWER MEDICARE COST PER EPISODE

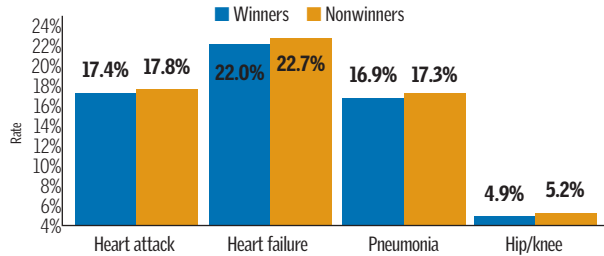
Medicare spend per beneficiary is a CMS metric and a proxy for the cost of an episode of care for Medicare patients (including indemnity-type Medicare episodes only and not Medicare Advantage). Winning hospitals had a MSPB index 2 percentage points lower than nonwinning hospitals, -3% compared to -1%.



SOURCE: Truven Health 100 Top Hospitals® 2015.

BETTER 30-DAY READMISSIONS

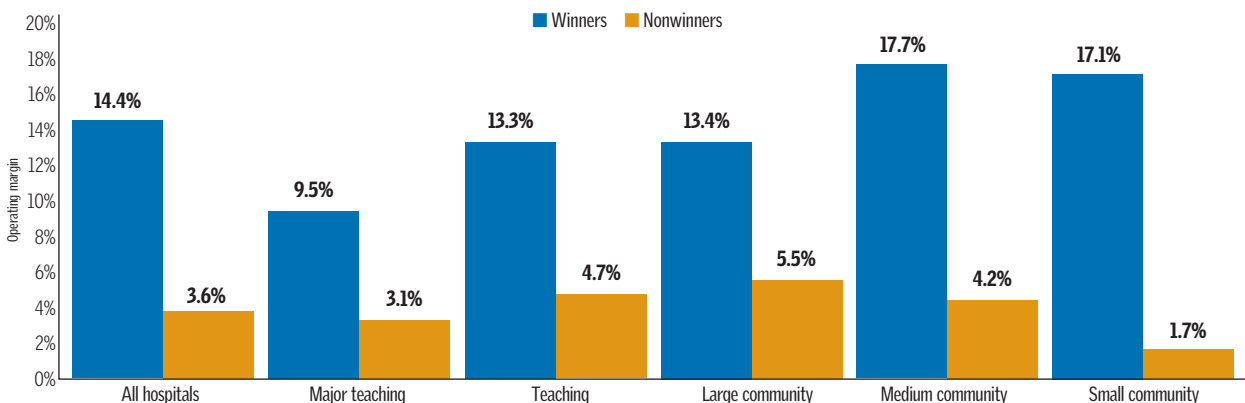
Winning hospitals had lower 30-day readmission rates for heart attack, heart failure, pneumonia, and hip and/or knee arthroplasty. These measures are part of CMS' value-based purchasing program and are watched closely in the industry. Hospitals with lower rates appear to be providing care with better medium-term results for these conditions. The greatest difference, 0.7 points, was recorded in the heart failure category.



SOURCE: Truven Health 100 Top Hospitals® 2015.

HEALTHIER OPERATING MARGINS

Overall, winning hospitals had a median operating margin that was nearly 11 percentage points higher than nonwinning hospitals (14.4% versus 3.6%). This positive financial performance was most dramatic in the small and medium community hospital groups, where winners had margins that were 15.4 and 13.5 percentage points higher than nonwinners, respectively. Major teaching hospital winners had the lowest median operating margin of any winning group at 9.5%.



SOURCE: Truven Health 100 Top Hospitals® 2015.

