F I S C A L I M P A C T R E P O R T

SPONSOR Vaughn **DATE TYPED** 2-15-05 **HB** HJM 62

SHORT TITLE Study Rate of Infections While Hospitalized **SB**

ANALYST Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			See Narrative		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SJM45, HB934, SB775/HB823, HB709

SOURCES OF INFORMATION
LFC Files

Responses Received From
Aging and Long-Term Services Department (ALTSD)
Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

House Joint Memorial 62 requests HPC, in conjunction with DOH, study the best practices and current studies on nosocomial infections to determine if a uniform reporting system is necessary. The bill instructs participation by hospital and health systems associations, the association of primary health care clinics, medical associations, professionals in infection control and epidemiology, and physician-surgeons. The study will advise New Mexico hospitals about using the federal Centers for Disease Control and Prevention (CDC) nosocomial reporting standards. The bill requires HPC to report findings and recommendations to the legislative Health and Human Services Committee in October 2005.

Significant Issues

ALTSD indicates CDC reported that 90 thousand people die annually from hospital-acquired infections. Their report further indicates that approximately two million people are infected yearly during hospital stays. Hospital-acquired infections cost the United States nearly $5 billion each

year. The Journal of the American Medical Association has reported that one type of hospital-related infection—postoperative sepsis—can add 10 additional days to a patient's hospital stay and can add more than $57 thousand to a patient's hospital bill.

PERFORMANCE IMPLICATIONS

HPC indicates infections and infection control are clinical processes of hospital care and health-care. The field is a scientific discipline with infectious disease specialists who devote their entire professional career to dealing with the causes and prevention of infections. HPC would have to tap into that expertise in order to complete a study of best practices and make a determination if a uniform public reporting system is in the public interest. HPC does not have the clinical expertise within its operation to conduct such a study. However, HPC could contract with private individuals and organizations to obtain the knowledge base required to do this study. HPC could utilize other state resources as well, in particular, within the Department of Health.

FISCAL IMPLICATIONS

Although there is no appropriation attached to the joint memorial, HPC indicates the budget currently does not have any funding for what may be required for contract services in the event that consultative expertise, as noted above, is required. The joint memorial also notes the results of the recent Atlanta infection control symposium and the need to collect the information from that event. There may be some unbudgeted expense in that collection as well.

ADMINISTRATIVE IMPLICATIONS

This is a study HPC expresses interest in conducting. The results could make a difference in the lives of numerous New Mexicans even if nothing other than best practices via a literature search and research is published. The prioritization of the staff resources within HPC will have to take place at the possible expense of other activities within HPC to complete this study.

RELATIONSHIP

House Joint Memorial 62 relates to Senate Joint Memorial 45 which proposes to study hospital acquired infection rates; House Bill 934, Senate Bill 775 and its duplicate House Bill 823, which all propose disclosure of infection rates, taking into account patient privacy; and House Bill 709 which proposes an interstate compact on communicable diseases.

OTHER SUBSTANTIVE ISSUES

In the past two to three years, Florida, Illinois, Missouri and Pennsylvania have passed legislation that requires public disclosure of hospital-acquired infections. The California legislature passed a hospital infection reporting bill but the governor did not sign it. A few other states, including Colorado, are currently attempting to pass similar legislation.

HPC notes, as does ALTSD, a study by the *American Journal of Infection Control* in 2002 found that hospital-acquired infections add about $5 billion a year to health care costs. Advocates of collecting infection-rate data say the information can help reduce the incidence of infections.

Health care providers, however, say there is no universal method for obtaining infection-rate sta-

tistics, in part because it is difficult to determine whether a patient developed an infection while in the hospital. Providers add that some hospitals are more likely to have higher infection rates because of patient mix, and a universal standard would need to account for these discrepancies. Hospitals say laws requiring data reporting could affect malpractice litigation, reward facilities that are less persistent in finding infections and force others to hire on more record keeping staff.

Some infection control specialists say CDC data show that only about one third of hospital-acquired infections are preventable and, even with infection-disclosure mandates, health experts do not know just how far it is possible to reduce them.

HPC also indicates a large part of the difficulty in measuring hospital-acquired infections will be definitional. Will the definition include outpatients treated within the hospitals? Will it include a home health agency operated by a hospital? Will it include ambulance service operated by a hospital, but the patient transported may never be in that hospital?

Discovery of infection may on the surface seem to be easy; however, it is not an easy task. Patients can develop post-operative or post-hospitalization nosocomial infections days post discharge with the infection not apparent at discharge. Who is responsible, if anyone, to report that type of infection back to the hospital?

HPC notes some patients are predisposed to develop infections or are already infected, but not clinically confirmed as such. Because of immuno-surpressed physical conditions upon admission to a hospital, the infection develops. Also, at times admissions to hospitals are made to run a series of diagnostic tests to see if the individual is infected. The infection may be in place at admission, but not surface for some time. Is this type of infection a nosocomial infection or not?

HPC notes the following information on hospital reporting:

Since the early 1990's there has been a proliferation of healthcare quality report cards focusing on outcomes and processes of healthcare. Consumer demand for public reporting of healthcare quality data has increased since the 1999 publication of the Institute of Medicine's " *To Err is Human: Building a Safer Health System"* which reported 98,000 deaths in United States hospitals per year and $29 billion spent per year associated with medical error.

The literature shows that when outcomes are made public, results improve. A *Health Affairs* study evaluated the impact on quality improvement of reporting hospital performance publicly versus privately back to the hospital. Making performance information public appears to stimulate quality improvement activities in areas where performance is reported to be low. The findings from this Wisconsin-based study indicate that there is added value to making this information public.

A new study done by the National Committee for Quality Assurance finds that the quality of care delivered by health plans that *publicly* report on their performance improved markedly in 2003.

Using data from 1991 to 1999, a New York study showed the reporting program has both influenced patients' decisions of which hospital to attend and improved quality of care. Those hospitals with low mortality rates see a positive flow of patients in the first year following a report, but this increase declines soon after. In contrast, those hospitals identified publicly as offering relatively low quality surgery experienced a decline of 10 percent in the number of patients during

the first 12 months after an initial report and remained at that level for three years. However, their risk-adjusted mortality rate declined significantly – about 1.2 percentage points.

Some hospitals have begun publicly and voluntarily reporting their outcomes as a demonstration of accountability to the public they serve. One of Salt Lake City's largest hospitals, Latter Day Saints, which already had an infection rate below the national average, reduced its rate by half between 1985 and 1995, largely by increasing how thoroughly doctors and nurses complied with pre-surgical best practices. At Mercy Health Center in Oklahoma City, the surgical infection rates for cardiac bypass, orthopedic surgery, colon and hysterectomy surgeries were reduced by 78 percent in one year. Another large Kentucky system, Norton Healthcare, has announced that the health care system has voluntarily committed to measure and publicly report this spring on a comprehensive list of approximately 200 industry-consensus indicators for clinical quality and patient safety.

ALTERNATIVES

HPC indicates an alternative would be to allow a voluntary task force of providers to develop their own public reporting, assuming their data could be audited from an independent third party that reports its findings to the legislative Health and Human Services Committee.

KBC/yr