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

SPONSOR Sanchez, M. **DATE TYPED** 2-26-05 **HB**

SHORT TITLE Study Hospital-Acquired Infection Rates **SB** SJM 45

ANALYST Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			Minimal	Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 823 and SB 775

SOURCES OF INFORMATION
LFC Files

Responses Received From
Department of Health (DOH)
Health Policy Commission (HPC)
Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 45 requests DOH conduct a comprehensive study of hospital-acquired infection rates in New Mexico and provide a written report by December 31, 2005 to the appropriate interim committee of the legislature.

Significant Issues

DOH indicates, as early as 1843, Oliver Wendell Holmes concluded that some form of fever was spread by the hands of health personnel. Normal human skin is colonized with bacteria. Hospital settings are ripe with infections, sick people, and health care workers/medical staff who can inadvertently transmit disease. In the context of a recent study, the authors report that surgical site infections prolong hospital stays, are among the leading nosocomial causes of morbidity, and a source of excess medical costs.

Hospital-acquired infections (known in the literature as healthcare-associated infections or noso-

comial infections) are infections associated with care received in an acute care facility defined by the Centers for Disease Control and Prevention (CDC) as an infection that was not present or incubating at the time of admission to the hospital. Hospitals in the United States, including New Mexico, have had infection surveillance, prevention and control programs for over 30 years. Infection control practitioners throughout New Mexico has received specialized training in infection prevention, surveillance and epidemiology and they are the professionals who typically oversee the infection control programs in hospitals. Currently DOH does not require reporting of healthcare-associated infections, which are also not nationally notifiable conditions. Hospitals are accredited through The Joint Commission on Accreditation of Healthcare Organizations (JCAHO), an independent, not-for-profit organization. JCAHO is both the nation's predominant accrediting body as well as standards-setting organization for hospitals.

DOH indicates the study and public disclosure of hospital-acquired infections rates will facilitate the provision of information that the public needs to choose hospitals that achieve low infection rates and avoid those hospitals that do not achieve low infection rates.

FISCAL IMPLICATIONS

There is no appropriation and DOH indicates the department would address the memorial to the extent resources, both fiscal and administrative, are available.

RELATIONSHIP

Senate Joint Memorial 45 relates to House Bill 823 and Senate Bill 775 which deal with infection rates disclosure and patient privacy. HSD indicates without those measures in place it may be difficult for the secretary to fulfill this memorial as some hospitals may not collect these data currently and without standardization of collecting and reporting methodologies it will not be as useful a tool for consumers to make informed decision about where to have their hospital care.

TECHNICAL ISSUES

HPC notes page 4, line 2 defines hospital as a "general or special hospital." The bill should include "limited service hospitals" which was a classification added by the legislature in 2003.

Additionally, an undefined, but large number of surgeries are performed every year in licensed ambulatory surgery centers in New Mexico. Should these centers also be included in the bill?

Finally, HPC indicates the definition of what constitutes infection, and in particular nosocomial or hospital-acquired infection, could be controversial and suggests the bill not be specific on this as is the case on page 1, lines 22-25 and have the advisory committee as composed on page 2 define infections. CDC defines infection "as a condition that was not present or incubating in a person at the time of admission to the hospital."

OTHER SUBSTANTIVE ISSUES

HPC research shows CDC estimates that about two million patients at United States hospitals develop infections each year, possibly leading to 90,000 deaths annually. 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.

However, providers say there is no universal method for obtaining infection-rate statistics, in part because it can be 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 will 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.

Regarding hospital reporting, HPC indicates 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 a 1999 publication from the Institute of Medicine 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 study reported in *Health Affairs* (Hibbard, et.al. April 2003) evaluated the impact on quality improvement of reporting hospital performance publicly versus privately reporting 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, 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 that 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 month 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 list of approximately 200 industry-consensus indicators for clinical quality and patient safety.

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