

Surgery at high-quality hospitals costs Medicare less than at low-quality hospitals

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Patients who had major surgery at high-quality hospitals in the U.S. cost Medicare less than those who had surgery at low-quality hospitals according to a new study led by Harvard T.H. Chan School of Public Health. The difference in Medicare spending was driven primarily by the cost of care in the weeks following surgery.

The study will appear online Wednesday, September 7, 2016 in *Health Affairs*.

"In much of [health](#) care, better care costs more money but surgery may be one situation in which getting care at a high-quality [hospital](#) not only saves lives, but also saves money. And that is a win for everyone," said Ashish Jha, K.T. Li Professor of International Health at Harvard Chan School, director of the Harvard Global Health Institute, and senior author of the study.

The researchers looked at costs and outcomes data from the national Medicare program from 2011-12 for five major surgical procedures—coronary artery bypass grafting, pulmonary lobectomy, endovascular repair of [abdominal aortic aneurysm](#), colectomy, and hip replacement. They calculated costs of the procedures and post-surgical care at both 30- and 90-day periods among 110,625 and 93,864 Medicare beneficiaries, respectively.

The researchers identified high-quality hospitals by using two common measures of surgical quality: 30-day surgical [mortality rates](#) and patient reported experience with care.

The results showed that Medicare spent, on average, about \$32,000 for initial hospitalization for [major surgery](#) and the first 30 days of follow-up care, and that spending varied substantially across procedures as well as hospitals. When patients were treated at high-quality hospitals, Medicare spent about \$2,700 less in the first 30 days than it did for patients at low-quality hospitals, and about

\$2,200 less at 90 days after fully accounting for all the differences in patient populations. Nearly two-thirds of Medicare's savings were driven by lower use of post-acute care services—such as a stay in a rehabilitation facility or care from home health aides—by patients at high-quality hospitals compared with those at low-quality hospitals.

"Of course, it is worth remembering that the goal of health care is not to save money, but to save lives. These high-quality hospitals, which had lower spending, had mortality rates that were less than half of what we saw at the low-quality hospitals. The findings should provide real impetus for policymakers to help patients choose high-quality hospitals," said Jha.

More information: "Medicare Paid Less For Surgery At High-Quality Hospitals Than For Surgery At Low-Quality Hospitals," Thomas C. Tsai, Felix Greaves, Jie Zheng, E. John Orav, Michael J. Zinner, and Ashish K. Jha, *Health Affairs*, online September 7, 2016, [DOI: 10.1377/hlthaff.2016.0361](#)

Provided by Harvard T.H. Chan School of Public Health

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