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

SPONSOR Rodella **ORIGINAL DATE** 02/20/07 **LAST UPDATED** **HB** 944

SHORT TITLE Health Care Disclosure Of Infection Rates **SB**

ANALYST Geisler

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	$170.0	$170.0	$170.0	$510.0	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to: HB 165

SOURCES OF INFORMATION
LFC Files

Responses Received From

Department of Health (DOH)
Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

House Bill 944 would amend the Public Health Act by creating new sections, which require hospitals in New Mexico to collect and report on hospital-acquired infection rates for specific clinical procedures determined by rule of the Department of Health (DOH). By July 31, 2008, hospitals shall submit semiannual reports to DOH. The reports shall be made available to the public at each hospital and through DOH. DOH shall make an annual report on the findings with recommendations, if any, to the legislative Health and Human Services Committee by September 1 of each year. An advisory committee shall assist DOH with evaluation, collection and dissemination of the information. Patient privacy is maintained in HB 944 and violations of patient privacy are subject to penalty.

FISCAL IMPLICATIONS

No appropriation is including in HB 944. DOH estimates an additional operating budget impact of approximately $170,000 for two staff to develop the methodology to collect and analyze the data and to develop the rules relative to the intent of HB 944.

SIGNIFICANT ISSUES

Infections acquired at hospitals are a serious issue. HPC notes that the CDC estimates that about two million patients at U.S. 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. It is a commonly held belief that collecting and publicizing infection-rate data may help improve hospital performance in reducing infections. According to HPC, a total of 16 states have passed some form of infection reporting legislation.

However, DOH notes that the Centers for Disease Control and Prevention's (CDC) Healthcare Infection Control and Prevention Advisory Committee (HIPAC) concluded in 2005 that there is not enough evidence to determine whether mandatory public reporting of hospital acquired infections will reduce infection rates or provide useful information to consumers. Implementation of an infection reporting system is a complicated endeavor. Please see additional discussion under other substantive issues.

ADMINISTRATIVE IMPLICATIONS

DOH notes that significant resources would be required to facilitate the advisory committee, and to monitor and evaluate reports and disseminate findings to ensure information is useful to both consumers and hospitals. In addition, quality assurance and improvement mechanisms for the project would have to be developed including standardized infection surveillance measures addressing healthcare-associated infections and practices to reduce infections, standardized methods for collecting, analyzing and reporting data and computer systems that support a standardized data collection and reporting process. As discussed under fiscal impact, two additional staff positions would be needed to implement HB 944.

RELATIONSHIP

HB 944 is similar to HB 165, which also would amend the Public Health Act to require that a hospital collect and report on hospital-acquired infection rates for specific clinical procedures determined by rule of the Department of Health (DOH). However, HB 165 requires quarterly reports from hospitals compared to a semi-annual reporting requirement in HB 944. In addition, HB 944 does not contain a section on penalties like HB 165.

TECHNICAL ISSUES

DOH notes that although HB 944 proposes mandatory hospital-acquired infection reporting, there is no penalty for lack of compliance and the bill may not contain adequate incentives for hospitals to willingly fulfill their tracking and reporting obligations. It can be reasonably anticipated that hospitals will resent a mandated obligation to report infection rates and will fear the fiscal and public relations impact. HB 944 would be strengthened by including provisions that would allay health care providers' and hospitals' fear that data could be used against them in litigation and to assure that the reporting of these infections does not cause hospitals to be wary of treating certain patients or conditions that run a high risk for infection.

SUBSTANTIVE ISSUES

- Reporting on hospital quality data appears to improve hospital performance. HPC cites a number of studies that show public reporting improves health provider performance. A Health Affairs (Hibbard, et.al. April 2003) 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 (National Committee for Quality Assurance-NCQA) finds that the quality of care delivered by health plans that publicly report on their performance improved markedly in 2003 (Source: NCQA).

- Requirements to establish an infection data reporting system. DOH states the following are needed if hospital infection data is to be publicly reported:

  1) Standardized infection surveillance measures that address both healthcare-associated infections (outcomes) and healthcare practices that have been shown to reduce the risk of infection (processes) [i.e., all hospitals must measure the same infections or infection prevention practices];
  2) Standardized methods for collecting, risk-adjusting, analyzing, comparing, and reporting data;
  3) Computer systems that support a standardized data collection and reporting process and improve the efficiency, accuracy, and effectiveness of infection surveillance programs;
  4) The involvement of individuals who have expertise in infection surveillance and prevention programs when designing, implementing, and evaluating a system for publicly reporting infection data;
  5) A mechanism to ensure that data reported will be useful and not misleading for consumers and will provide hospitals with the information they need to guide their infection prevention programs;
  6) Education for the consumer on infection prevention strategies and the meaning of the data released in public reports;
  7) Adequate support for infection surveillance, prevention, and control programs to prevent infection control personnel and other healthcare resources from being diverted away from infection prevention activities and towards data collection.
  8) Research to determine the impact that public reporting of infection data has on patients, consumers, and hospitals; and
  9) Adequate funding and infrastructure to support a public reporting system for healthcare-associated infections.

- Collection and use of hospital infection data is a complicated endeavor. HPC notes that health care providers say there is no universal method for obtaining infection rate statistics, 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 will say laws requiring data reporting could affect malpractice litigation, reward facilities that are less persistent in finding infections and force others to hire additional 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.

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? In addition, discovery of infections, and determining the true time when the infection was acquired, is a difficult task.

- Current infection surveillance efforts. DOH notes that New Mexico currently has a process in place through the New Mexico Department of Health for surveillance of infectious diseases of public health significance. New Mexico's list of 'Notifiable Conditions in New Mexico' ([7.4.3.13 NMAC 6/30/2006] is maintained and updated in the context of the National Notifiable Disease Surveillance System and includes a formalized process for public input. Both the national system and the Notifiable Conditions in New Mexico do not require reporting of healthcare-acquired infections. There has been significant debate at the national and state levels about the best mechanism to monitor healthcare-acquired infections. New Mexico has participated in discussions through its collaboration with the Centers for Disease Control and Prevention (CDC), Council of State and Territorial Epidemiologists (CSTE), Association for Professionals in Infection Control and Epidemiology, Inc. (APIC), and the New Mexico Hospital Association. The Joint Commission on the Accreditation of Health Care Organizations (JCAHO) is the body that both sets and monitors the standards for patient safety in hospitals. The role of state departments of health with respect to hospitalized patient safety issues such as healthcare-acquired infections has not been clearly established

  HPC notes that some hospitals have begun publicly and voluntarily reporting their outcomes as a demonstration of accountability to the public they serve. The New Mexico Hospital and Health Systems Association has developed a voluntary reporting process (see http://www.nmchecheckpoint.org) for surgical infection prevention. Twenty two hospitals out of thirty five hospitals participate in the program. Information on hospitals in NM is available at the Medicare website http://www.hospitalcompare.hhs.gov/hospital/home2.asp.

ALTERNATIVES

DOH suggests establishing a research committee to evaluate national data on hospital-acquired infections and feasibility of collecting meaningful data in New Mexico. The research committee should be comprised of a wide-range of public and private stakeholders and should make recommendations to the legislative health and human services committee.

HB 944 could incorporate some of the language of the Model Legislation on Public Reporting of Healthcare-Associated Infections. This would help foster hospital compliance by guarding against the use of hospital acquired infection data in litigation and it would present mandatory reporting of hospital-acquired infections as a more even-keel, useful proposition (with explicit standards to measure processes and outcomes).

GG/nt