Leading the Way

PHC4

Pennsylvania Health Care Cost Containment Council

2000 Annual Report

Current PHC4 Council Members and Affiliation 2000-2001

Executive Director

Marc P. Volavka

Executive Committee

Thomas F. Duzak—Chair (United Steelworkers of America, Labor)
Richard C. Dreyfuss—Vice-Chair (Hershey Foods Corporation, Business)
David Wilderman—Secretary/Treasurer (Pennsylvania AFL-CIO, Labor)
Daniel R. Tunnell—Chair, Mandated Benefits Review Committee (Consultant, Business)
Bernard K. Murray—Chair, Data Systems Committee (Pennsylvania Federation of Teachers, Labor)
Carl A. Sirio, M.D.—Chair, Education and Outreach Committee (Physicians)
Leonard A. Boreski—Past Chairman (Pennsylvania Chamber of Business and Industry, Business)

Member List

Patricia W. Barnes (Quantel Associates, Labor)
Jeffrey E. Beck (Aetna US Healthcare, Insurance)
Randall N. DiPalo (Local 520 Plumbers and Pipefitters Union, Labor)
Marc D. Edelman (Crozer-Chester Medical Center, Hospitals)
Catherine A. Gallagher (Lehigh Valley Business Conference on Healthcare, Business)
James R. Godfrey (HealthGuard, Health Maintenance Organization)
Feather O. Houstoun (Secretary of Public Welfare, Administration)
Janet Kail (AFSCME Council 13, Labor)
M. Diane Koken (Insurance Commissioner, Administration)
Mary Ellen McMillen (Independence Blue Cross, Blue Cross/Blue Shield plans)
Nancy L. Pletcher (Armstrong World Industries, Inc., Business)
Clifton W. Shannon (SMC Business Councils, Business)
Robert S. Zimmerman, Jr. (Secretary of Health, Administration)

Technical Advisory Group

Chair – David B. Nash, M.D., M.B.A. (Thomas Jefferson University Hospital)
J. Marvin Bentley, Ph.D. (Penn State University)
David B. Campbell, M.D. (Milton S. Hershey Medical Center)
Paul N. Casale, M.D. (The Heart Group)
Donald E. Fetterolf, M.D., M.B.A. (Highmark, Inc.)
James R. Grana, Ph.D. (US Quality Algorithms/Aetna US Healthcare)
George R. Green, M.D. (Abington Memorial Hospital)
Sheryl F. Kelsey, Ph.D. (University of Pittsburgh)
Judith R. Lave, Ph.D. (University of Pittsburgh)

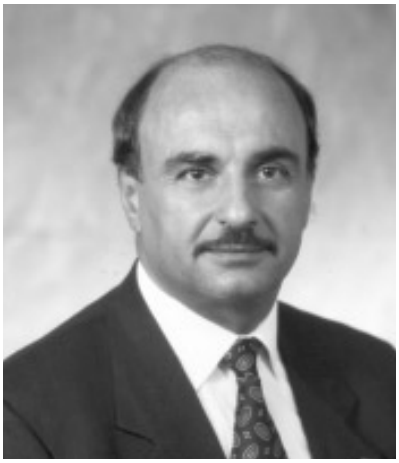
A Joint Message from the Pennsylvania Chamber of Business and Industry and the Pennsylvania AFL-CIO

As we enter the 21st Century, the Pennsylvania AFL-CIO and the Pennsylvania Chamber of Business and Industry are proud to support the innovative work of the Pennsylvania Health Care Cost Containment Council (PHC4). As PHC4 sets the standard for state health care data organizations, they remain focused on restraining cost, improving quality and improving access to health care. The business and organized labor communities are committed to these same goals, as we believe they are crucial to the vitality of Pennsylvania's economy and the quality of life for all its citizens.

We encourage the state's purchasers of health benefits, consumers, health care providers, and payors to utilize the valuable information contained in PHC4's free public reports about hospitals, doctors, and health plans to obtain a clearer picture of their health care options.

In the year 2000, PHC4 improved the integration of its public reports with computer technology through their Web site, www.phc4.org. Now more than ever, timely and accurate health care information is accessible to everyone. This information may provide a basis for Pennsylvania's consumers to make more informed health care choices. In addition, it can act as a catalyst for health care quality improvement and cost containment.

As representatives of the business and organized labor communities, we remain dedicated to the work of PHC4 as it embraces the challenges of an ever-changing health care environment.



William George
President
PA AFL-CIO

Floyd W. Warner
President
PA Chamber of Business and Industry

Leading the Way from the Beginning

Executive Committee

Left to right: Marc P. Volavka, Executive Director; Thomas F. Duzak, Chair; Bernard K. Murray, Data Systems Committee Chair; Richard C. Dreyfuss, Vice-Chair; Carl A. Sirio, M.D., Education Committee Chair.

Not shown: David Wilderman, Secretary/Treasurer; Daniel R. Tunnell, Mandated Benefits Chair.

In 1986, as a result of a unique three-year effort by business and labor leaders aimed at stimulating a competitive health care market, the Pennsylvania General Assembly passed Act 89, establishing the Pennsylvania Health Care Cost Containment Council (PHC4). Under the statute, PHC4 was charged with containing health care costs "through the collection and dissemination of data, public accountability of health care costs and health care for the indigent."

Under Act 89, health care providers are required to supply hospital charge and treatment information, and other financial data, to PHC4 on a quarterly basis. Currently, nearly 2 million inpatient and 1.5 million ambulatory surgical records are submitted each year.

In order to invest important health care stakeholders firmly in the process, a 21-member council was created to provide direction for the agency:

- business community representatives (six members)
- organized labor representatives (six members)
- consumer representative
- hospital representative
- physician representative
- PA Blue Cross/Blue Shield plans representative
- health maintenance organization representative
- commercial insurers representative
- Secretary of the Pennsylvania Department of Health
- Secretary of the Pennsylvania Department of Public Welfare
- Commissioner of the Pennsylvania Department of Insurance

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A Message from the Council Chair and the Executive Director

Thomas F. Duzak
Council Chair

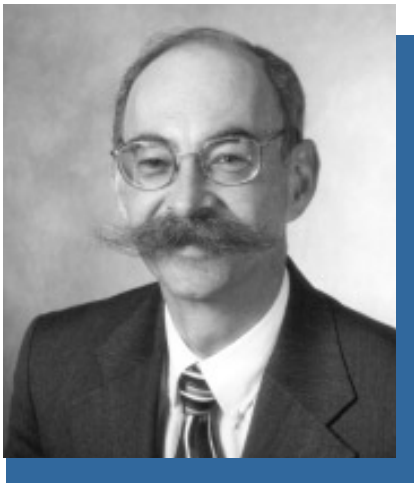
2000 was a banner year for the Pennsylvania Health Care Cost Containment Council (PHC4) as we continued our pioneering work in the arena of public health care reporting. Not only did we continue to improve upon and expand previous initiatives, but 2000 also marked the launch of several new and exciting projects. Most importantly, PHC4 continues to lead the way in the reporting of health care outcome data as we enter the new millennium.

In the summer of 2000, PHC4 released a groundbreaking report on managed care. *Measuring the Quality of Pennsylvania's HMOs: A Managed Care Performance Report* was the first of its kind to combine clinical results, preventive measures, and member satisfaction information in order to give consumers, purchasers, and policy makers a more complete picture of how HMOs serve their members. Under the guidance of PHC4's Data Systems Committee, chaired by Bernard K. Murray, and our Technical Advisory Group, chaired by Dr. David B. Nash, PHC4 has established its leadership in reporting on the impact of managed care. We are honored that this report has been referred to as the "most comprehensive of its kind in the nation."

While embarking on new projects such as the HMO report, PHC4 also continued to release some of the "flagship" reports which have become our hallmark, such as reports on hospital finances and mandated health benefit reviews. Another popular report, the *Hospital Performance Report,* was expanded to include information on six additional treatment conditions as well as an additional performance measure – hospital readmission rates. For the third consecutive year, we were pleased to release these reports only months after the end of the data period, reinforcing our commitment to collect, verify, analyze, and publish data in the most timely manner.

PHC4's financial data has become a valuable resource for policy makers. This data has been used to examine uncompensated care in Pennsylvania and to explore trends in the health care industry.

In 2000, PHC4 continued to follow through on our pledge to improve our use of technology. For the first time, information above and beyond the contents of the *Hospital Performance Report* was available in an interactive section of our Web site presenting data on 73 treatment conditions. This pioneering step helps users of our data target the specific information in which they



Marc P. Volavka
Executive Director

are interested. In addition, PHC4's Web site was redesigned to improve ease of use and access to information. Another important development was the implementation of electronic submission of hospital financial data.

PHC4 continues to lead the way in data collection. By initiating rewards such as "Certificates of Achievement" for deserving facilities, we continue our history of fostering cooperation between providers and PHC4. The end result was a record number of compliant facilities in the year 2000; something both PHC4 and the health care facilities can be very proud of. In addition, steps were taken to develop a functional system for the collection of payor data.

Building relationships with purchasers, providers and other state agencies remains a priority for PHC4. In 2000, we continued our collaborative efforts with the Pittsburgh Regional Healthcare Initiative which is using PHC4 outcome data to drive quality improvement in Southwest Pennsylvania. Our data has also served as a tool for the work of other state agencies, such as the Department of Health, Department of Public Welfare and Department of Aging. Throughout the year, PHC4 participated in numerous health care conferences to increase awareness and use of the data.

2000 was a year of change for the health care delivery system. As health care consumers, providers, payors, and policy makers continue to face new challenges in 2001, we believe that the role of PHC4 in providing quality data in a timely manner will continue to grow. Once again we have made a commitment to do another physician-specific report in 2001 and we remain dedicated to finding new ways to serve Pennsylvanians. We look forward to new opportunities as we strive to have a positive impact on the quality and cost of health care in Pennsylvania.

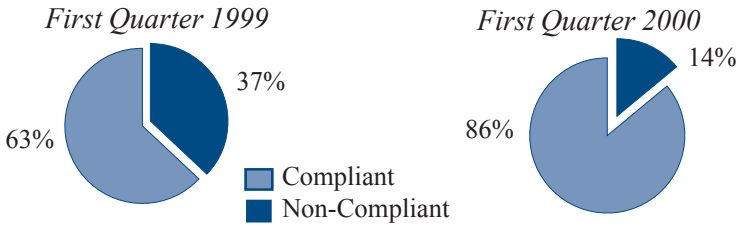
Thomas F. Duzak
Council Chair

Marc P. Volavka
Executive Director

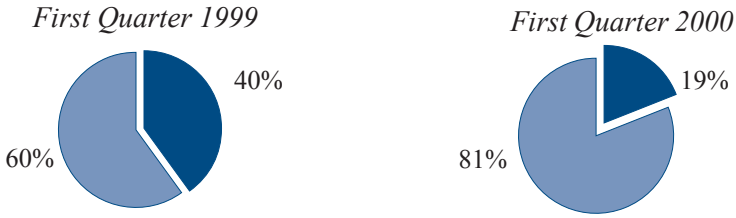
Leading the Way in Data Collection

While data timeliness was a primary PHC4 focus in 1999, data quality was the focus in 2000. Timeliness, as measured by the compliance rate, increased for the third year in a row, while turnaround time, which is how long it takes PHC4 to process the data, decreased. We now finalize the Ambulatory/Outpatient and Inpatient data for internal analysis in about seven and ten weeks, respectively. Furthermore, the data is ready for public analysis and sale roughly 90 days after that due date, which is the same length of time facilities have to submit data. Additionally, almost half of the facilities submit data electronically, which saves the facility as well as PHC4 both time and money.

Inpatient Acute Care Facility Compliance



Ambulatory/Outpatient Facility Compliance



As timeliness improved, we turned our attention to data quality improvement projects. Previously, the UB92/Severity Score match rate was approximately 95%; however, by educating facilities on the matching process, we were able to increase the rate to better than 99% in just a few quarters. We also reviewed some concerns brought to our attention by the specialized children's facilities. As a result, we modified some of our edits/validations as well as the correction process so we could accommodate the uniqueness of child records and decrease the number of errors generated by those facilities. It is the cooperative relationship between PHC4 and facilities that has allowed these as well as many other improvements to take place.

Payor Coding Initiative

Many purchasers of PHC4 data such as hospitals, insurers and other government agencies have requested more detailed payor information. The Payor Coding Initiative, which standardized the two-digit

Payor as well as NAIC Codes that facilities submit to PHC4, took effect on January 1, 2000. This allows the entity responsible for paying the claim to be accurately and uniformly identified, and makes it possible for us to perform detailed analysis by payor as well as product type and/or line of business.

"Pennsylvanians now have access to increasingly timely and accurate data due to the efforts of PHC4. We appreciate the provider community's commitment to supplying high quality data to the public." -- Bernard Murray, Assistant to the President, Pennsylvania Federation of Teachers.

Certificates of Achievement

PHC4 continued to acknowledge compliant facilities by issuing Certificates of Achievement in 2000. Previously certificates were awarded to facilities that met all submission requirements for two quarters. In year 2000 however, the bar was raised and facilities had to meet the requirements for four quarters this year. A total of 121 certificates were awarded for meeting Ambulatory/Outpatient requirements and 104 for Inpatient, a significant increase over last year.

Compliance Reports

The Quarterly Compliance and Status Report received a new look. Previous reports only listed the status of the most recent quarter; however, this year the report included the status of the last four quarters. Additionally, we created a new section that recognized those facilities with the lowest overall error rates. We have learned that facilities improve their submissions when we publish specific measures. While it was normal to have two or three facilities with a zero percent error rate in our final database, 21 facilities achieved this level after the second publication of the expanded report.

Market Share Reports

The PHC4 Market Share Reports, which are sent to all compliant facilities, were modified and expanded. As a result of the Payor Coding Initiative, we were able to include the top seven payors for each county or zip code region. We also created more detailed reports for both Allegheny and Philadelphia Counties. Additionally, late in the year, we produced our first Ambulatory/Outpatient Market Share Reports. This report follows the same structure of the inpatient report except it is grouped by Body Systems instead of DRGs. This brings the total number of Market Share Reports that compliant facilities receive each quarter to six.

Breaking New Ground in Health Care Reporting

The first managed care report was publicly released by the Council in 2000. This report has not only led to better information about managed care in Pennsylvania, it was the first of its kind to combine prevention measures, patient satisfaction data and clinical outcome measures in a single report.

Goal of the Report

Entitled *Measuring the Quality of Pennsylvania's HMOs – A Managed Care Performance Report*, this analysis serves as an important source of information for purchasers, providers, consumers and policy makers. Its primary goal is to provide actionable information to assist in choosing an HMO, and/or evaluating its performance. Scores on a wide variety of measures focused upon choice among types of insurance products (using managed care and indemnity benchmarks) and among HMOs available in Pennsylvania.

"PHC4 has made major strides in managed care reporting. This latest report successfully meets the needs of diverse audiences." -- James Godfrey, President, HealthGuard of Lancaster, Inc.

Report Elements

This first effort by PHC4 includes profiles for each HMO, member satisfaction survey results, clinical outcome measures for prevention programs and acute care delivery, and indicators of financial health of the plans. Also included was a worksheet to help the reader organize and use this information.

The *Managed Care Performance Report* combined text, tables and graphics to provide a basis for further questioning and dialogue among those interested in managed care in Pennsylvania. Scientific enough for public release, the report was designed to be intuitive enough for customer use. Its ultimate purpose was to provide information for decision support and action for all constituencies.

The scientific foundation for this report is documented in an accompanying technical report. Clinical outcomes were risk adjusted for severity of illness, age and sex, as appropriate. These

adjustments were necessary to provide meaningful comparisons of outcomes among the HMOs. Comparisons were reported for asthma (adult and pediatric), heart attack, heart failure and hysterectomy.

Findings

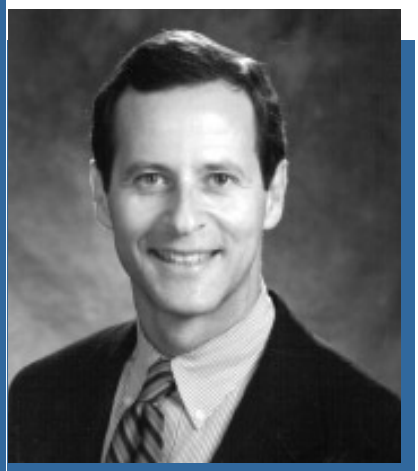
Generally, Pennsylvanians belonging to HMOs are more satisfied with the services they receive than HMO members elsewhere. The report also revealed that rates of hospitalization, complications and readmissions for HMO members vary across select medical categories. Variations among plans also exist for prescriptions for Beta Blockers for heart attack victims, screening for cervical cancer and advice to quit smoking.

Report Response

The report was well accepted by the public and health care industry, as was a smaller brochure produced to share report highlights.

"Nobody is ever going to be completely happy with the mathematical modeling and risk adjustment -- it's an inexact science," said Dr. Don Liss, a medical director at Aetna U.S. Healthcare. "Having said that, these guys [the Health Care Cost Containment Council] are the tops, probably, in the world in what they do." Pittsburgh Post-Gazette, August 17, 2000.

Advancing Performance Analysis



With several enhancements to the *Hospital Performance Report* in 2000, PHC4 continues to assert its leadership in providing purchasers, consumers, insurers, providers and policy makers with useful health care information. PHC4 advanced the scope of analysis for this report by:

- Introducing two new measures;
  - readmission rate
  - percent transferred to acute care facility for heart attack patients
- Adding six new treatment categories;
- Developing an interactive application with an additional 52 treatment categories.

These additions were made possible with the careful guidance of the Technical Advisory Group (TAG), a committee of health experts that assist in the technical and methodological development of PHC4's research, chaired by David B. Nash, MD, MBA.

"PHC4 continues to make important strides in developing new outcome measures to help consumers, purchasers and providers make better health care decisions. I'm very pleased to be a part of these pioneering efforts." -- David B. Nash, M.D., M.B.A., Associate Dean and Director, Office of Health Policy and Clinical Outcomes, Thomas Jefferson Hospital.

The *Hospital Performance Report* examines the performance of each Pennsylvania hospital in treatment areas, called Diagnosis Related Groups or DRGs. Using measures such as risk-adjusted mortality rates, risk-adjusted lengths of stay and average charges, PHC4 found considerable variation in medical treatment among the state's 172 acute care hospitals. For example, the average hospital stay for an operation of the stomach or small intestine ranged from 5 to 18 days after taking patient risk factors into account.

Through this report, PHC4 prompts questions regarding quality improvement and cost containment. With this information consumers and purchasers are supplied with the tools they need to assist them in making more informed health care decisions. For providers the information can be used as clinical benchmarks.

PHC4's most recent *Hospital Performance Report* and the corresponding interactive web application can be found at www.phc4.org.

Setting the Standard for Financial Reporting

PHC4's annual *Financial Analysis* has emerged as a leading resource for public policy makers, hospital board members and managers, and others wrestling with issues surrounding the financial health of Pennsylvania's hospital-based healthcare industry.

Financial Analysis 99 was released in 2000 as a two-volume set. *Volume I* (released June 2000) addressed the 198 licensed general acute care (GAC) hospitals. *Volume II* (released September 2000) reviewed the 114 non-general acute care facilities, including: rehabilitation, psychiatric, long-term acute and specialty hospitals as well as the ambulatory surgery centers.

Volume 1 documents a continued deterioration of the financial health of Pennsylvania's general acute care hospital industry during the 1999 fiscal year. The industry-wide net income (total margin) fell 30% for the second consecutive year. The statewide average operating margin fell to near zero. PHC4 Executive Director, Marc Volavka noted "a growing number of hospitals are unable to make money at their core activity – treating patients - and are increasingly dependent on other revenue, such as investment income, to offset operating losses."

Volume 1 also addressed the causes for the overall decline in hospital income. PHC4 research revealed that 65% of hospitals saw their incomes decline because they were unable to keep the change in expenses below the change in revenue. Uncompensated care – the combination of bad debt and charity care – rose 9.9% during the 1999 fiscal year and is now equivalent to almost 5% of statewide patient revenue.

Volume 2 revealed an array of economic trends among the five diverse categories of non-general acute care facilities.

- The freestanding rehabilitation hospital sector experienced a growth in the number of patients and an improvement in average income levels.
- The twenty psychiatric hospitals had a broad spectrum of performance, ranging from three hospitals with total margins below –25% to one facility with a total margin above 35%.
- The ambulatory surgery centers continued their strong performance with statewide average income levels above 16%.

Volume 2 also includes the utilization of psychiatric and rehabilitation care provided at GAC hospitals.

Financial Database

In addition to the *Financial Analysis 99*, PHC4's financial database was utilized for numerous key studies for the Pennsylvania Legislature and the Administration, and a variety of projects for the health care and insurance industries.

PHC4 continues to make improvements to the quality and timeliness of our financial database and is expanding our capability to analyze the factors that affect the financial health of hospitals and surgery centers. As a result of our new online data submission system, 47% of the hospitals submitted their fiscal year 2000 financial data electronically. PHC4 has also initiated efforts to link financial performance of individual hospitals to the quality of medical treatment received by patients.

Integrating Technology and Data

By incorporating advanced technology into the Council's data collection and analysis processes, PHC4 has asserted its leadership in these critical areas of its operations. Information technology plays a vital role in every aspect of the Council's work from supporting the high-speed database to instituting web-based communications.

2000 was a year in which PHC4 focused on the use of web technologies. Not only does PHC4 use the Internet to provide the public with access to health care information, but this year the council began collecting financial data via the web.

"Providing technology-based data over the Internet will be a shot in the arm to purchasers, consumers, providers, insurers and policy makers. By emphasizing web-based technology for data collection and dissemination, PHC4 has dedicated itself to the utility of the data - and what could be more fundamental?" -- Richard Dreyfuss, Director of Compensation and International Benefits, Hershey Foods Corporation and Council Vice-Chair.

Reaching the Public

In addition to traditional means of communications, the PHC4 Web site is a valuable medium of information dissemination to the public. In September 2000 a new format for the Web site was released.

PHC4's Web site is a comprehensive reference source for:

- access to reports, press releases, technical notes, and third-party comments;
- information on special requests;
- an overview of the agency and its function;
- links to a wealth of health care sites;
- the latest PHC4 news and events;
- interactive pages: the County Hospitalization Data and the Hospital Performance Report.

Providing More Data Online

In 2000, PHC4 made significantly more data available online. Through the *Hospital Performance Report's* (HPR) interactive page, information about 73 different treatment categories can

now be accessed. Users have the opportunity to customize their own report, first by selecting the treatment category and then by comparing specific facilities, facilities within a county, or all facilities statewide. The HPR interactive page is the second such section of the PHC4 Web site; the first was the county inpatient hospitalization data released last year. New county data is posted each quarter.

Collecting Financial Data

Web-based technology has enabled PHC4 to begin collecting financial data electronically. More than 100 facilities, approximately one-half of all acute care hospitals, submitted data via the Internet this year. This successful initiative has helped streamline data processing, allowing PHC4 to become even more efficient.

Forging Collaborative Efforts in State Government

As health care issues continue to play a major role in the lives of Pennsylvanians, government leaders once again turned to PHC4 in 2000 for credible and objective data and policy analysis.

Mandated Benefits

One way PHC4 directly serves the legislature is through the review of proposed mandated health insurance benefits legislation, a statutory requirement of PHC4's enabling legislation. Since the creation of PHC4 in 1986, PHC4 has completed more than 20 mandated benefit reviews. PHC4 reviews such legislation upon the written request of an appropriate committee chair in the Pennsylvania General Assembly or the Secretary of Health. In reviewing a proposed mandated benefit, PHC4 analyzes information from supporters and opponents and, when appropriate, analyzes its own hospital data. If a sufficient amount of information is received, PHC4 may contract with a panel of experts to complete a separate analysis of the information. The final report, which takes several months to complete, includes an estimated cost benefit analysis and a recommendation on the proposed benefit to government leaders.

During 2000, PHC4 completed reviews on coverage for:

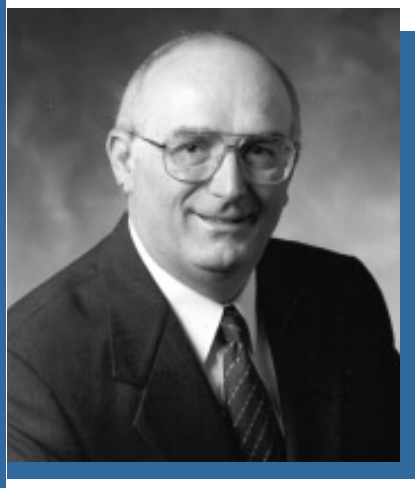
- contraception drugs and devices;
- treatments of Temporomandibular Joint Dysfunction (TMD);
- low protein modified food products for the treatment of rare genetic metabolic disorders; and,
- general anesthesia for dental care for special needs patients and children under five years of age.

While PHC4 plays an important role in the review of potential mandates, at times PHC4 is able to study the impact some mandates have had on health care in Pennsylvania. For example, PHC4 reviewed the legislation that led to Act 98 of 1998 in Pennsylvania. (This law mandates that health insurance plans provide coverage for medical supplies and education used by Pennsylvanians with diabetes to manage their disease.) In reviewing the legislation, PHC4 noted its potential to prevent hospitalizations and made a commitment to track that information.

Following up on Act 98, PHC4 examined data related to diabetes hospitalizations. Findings were presented in the report *Diabetes Hospitalization 2000*, which was released during National Diabetes Month in November. While the report cannot be directly

attributed to the passage of Act 98 (it includes 1999 data - the year Act 98 became effective), it establishes a benchmark to which we can compare future related data in an effort to help policy makers evaluate the impact of a mandated insurance benefit that is preventive in nature. The data in this report suggests that diabetes continues to be a significant public health challenge throughout Pennsylvania. Overall, this report shows an increase in hospital admissions for diabetes between 1995 and 1999 – an indication that ongoing efforts to manage and treat diabetes are appropriate. PHC4 intends to continue to examine the topic of diabetes in the next released report measuring the quality of HMOs.

Another way PHC4 helps to inform government leaders is through testimony and other presentations. Throughout the year, PHC4 was invited to present testimony before several state legislative committees. Topics of the hearings included mandated benefits, pharmaceutical costs, and managed care issues. In addition, keeping policy makers abreast of PHC4's work is a priority. In meeting this goal, public reports are distributed to them on a regular basis. Government leaders were particularly interested in a new report released this year measuring the quality of Pennsylvania's HMOs.



"The Department of Health has worked closely with PHC4 during the past year, building upon our common goal to keep the public informed about health care in Pennsylvania. Our joint efforts help our state government better serve Pennsylvanians and provide them with meaningful information regarding health care issues." -- Robert S. Zimmerman, Jr., M.P.H., Pennsylvania Secretary of Health.

Building Relationships with State Agencies

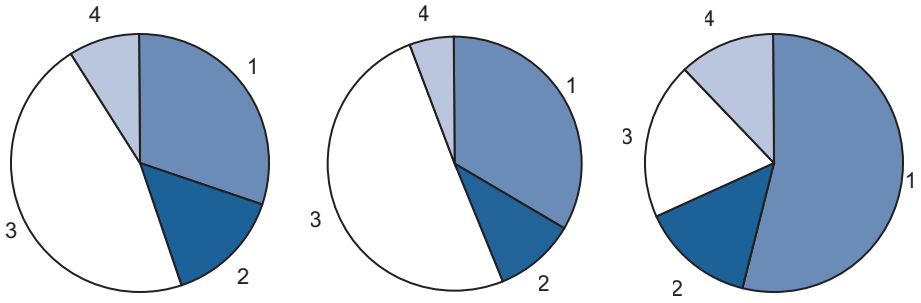
Building valuable and solid relationships with other state agencies is a key objective for PHC4. PHC4 shares timely data and develops custom reports at the request of state agencies and elected officials. By providing them with data and/or analyses, government leaders make more informed decisions on issues related to health care costs and quality of care. In filling their requests, PHC4 prepared analyses relating to a variety of topics including:

- Hospital Finances
- Emergency Medical Services
- Injury Prevention
- Birth Defects
- Communicable Diseases
- Breast Cancer and Mastectomy
- Prostate Cancer
- Anaphylactic Shock
- Economic Study of Hospital Mergers
- Respiratory-related Illnesses

Encouraging New Uses of PHC4's Data

Aside from the public agency reporting process, data users can gain access to substantial amounts of PHC4's rich database through the "Special Requests" process. Through this process, PHC4 creates standard or custom reports for sale based on user needs. Special request clients include hospitals, government agencies, consultants, commercial vendors, and researchers. In 2000, Special Requests revenue reached an all time high of $497,827 due to a record number (148) of completed projects.

	2000		1999		1998	
Type of Special Request	Total Requests	% of Requests	Total Requests	% of Requests	Total Requests	% of Requests
Commercial (1)	45	30%	49	34%	49	54%
Government (2)	21	14%	15	10%	13	14%
Non-Commercial (3)	69	47%	74	51%	18	20%
Research (4)	13	9%	8	5%	11	12%
TOTAL	**148**	**100%**	**146**	**100%**	**91**	**100%**



	2000	1999	1998
Total Revenue	$497,827	$433,728	$374,430

Special Request User Profiles

Stimulating Competition

Pfizer, Inc. is using PHC4 data to demonstrate the benefits of its medication to treat Gastro Intestinal (GI) bleeding to hospital pharmacy administrators and physicians. These benefits include fewer GI complications, hospitalizations, and overall health care costs. This project incorporates number of admissions, total number of days, average length of stay, and total charges by hospital from the 1998 custom report of inpatient and ambulatory data for GI bleed-related admissions.

Exploring Utilization Patterns

The PA Department of Aging acquired 1998 inpatient and ambulatory surgery data for its Pharmaceutical Assistance Contract for the Elderly (PACE) enrollees for three ongoing research projects.

- The Polypharmacy Study conducts epidemiological study on the association of multiple concomitant prescriptions with risk of hospitalization and specific health outcomes among elderly PACE enrollees. This study is conducted through a contract between the Department of Aging and Penn State University.
- The Medications Safety Project (MSP) explores the risks and outcomes associated with patterns of use of prescription drugs that are known to interact with nutrients or which may affect eating behaviors. The study is funded by the Community Partnership Program of SmithKline Beecham through a grant to Penn State University and Magee Rehabilitation Hospital of Philadelphia. The goals of this project will be met through the active partnership of these two organizations along with the Department of Aging, First Health Services, Penn State University, The Pennsylvania Corporation on Aging, Allegheny University of the Health Sciences and Sessa Associates.
- The Prescribing Practices Project is examining health outcomes associated with utilization of different classes of prescription drugs and is also evaluating the impact of PACE's Prospective Drug Utilization Review (ProDUR) program. In addition, it evaluates different drug therapies and practice guidelines and evaluates efforts to reduce adverse clinical outcomes associated with pharmaceuticals.

Examining Public Health and Access to Care Issues

New York University, Center for Health and Public Service Research is using PHC4 data for two studies funded by the Robert Wood Johnson Foundation. The first research project seeks to measure the impact of Robert Wood Johnson Foundation's Urban Health Initiative on the health and safety of urban children and youth. The second study, the Safety Net Assessment Project, will describe the factors that affect access to care and health outcomes for uninsured and vulnerable populations. This project is a cooperative initiative of three research centers at New York University, Rutgers, and UCLA. New York University has purchased the 1992 and 1997 inpatient discharge data for the Pittsburgh and Philadelphia metropolitan areas and they plan to purchase PHC4 data through 2005.

Education and Outreach Program - Leading the Way to More Informed Health Care Choices

Nice report, but how do I use it? Which data can be used to influence improvement of health care services for my employees? How can our members use this information? How do I choose an HMO? What are the latest trends in health care?

These are some of the questions PHC4 staff face as they give presentations to key stakeholder groups and the general public. The message is often tailored to instruct the audience as to how to better utilize recent PHC4 public reports as resources of information to make more informed health care choices. Some audiences are also interested in hearing about the latest health care trends and pending legislation on both the state and national level. Often, County Inpatient Hospitalization Data are featured in order to give a regional perspective.

Presentations are just one aspect of this active education and outreach program. PHC4 exhibits its information booth at meetings and conferences, providing an opportunity to distribute public reports, answer questions and speak to people one-on-one. Exhibiting also builds awareness about how to use PHC4 as a resource for health care cost and quality data through free public reports, special requests or PHC4's Web site, www.phc4.org.

"Through the Education and Outreach Program, PHC4 promotes awareness and use of its rich database when making health care decisions. One noteworthy example is innovative use of the data by the Pittsburgh Regional Healthcare Initiative." -- Carl Sirio, M.D., Associate Professor of Anesthesiology/Critical Care Medicine.

Collaboration with Coalitions

Through a balancing act of competition and collaboration, the Pittsburgh Regional Healthcare Initiative (PRHI) promotes continuous quality improvement in the realm of health care purchasing and in the delivery of health care services. Based on the use of objective outcome data as an empowerment tool, PRHI seeks to position Southwestern Pennsylvania as the national leader in the provision of top quality health care. Detailed objective outcome databases, created by PHC4 and underwritten by the Jewish Healthcare Foundation, have been structured to monitor and further motivate the quality improvement process. Physicians and purchasers are at the center of the equation. A committee of lead-

ing doctors, with representation from medical societies and a cross-section of the region's healthcare institutions, has helped healthcare purchasers select five major areas of clinical care for the initial focus. Physicians themselves have helped to determine the questions to be analyzed for clinical relevance and have overseen the development of the database. These databases will be used in the future as benchmarks to measure the initiative's impact. PRHI has found that data quality is important - it fosters trust and underlies the entire quality improvement process.

In the year 2000, PHC4's Education and Outreach Program has reached out to employees in the health plan selection process, legislative constituents, purchasers such as business and labor, insurers, health care educators, public health and health care quality professionals, and coalitions, especially labor-management groups.

To schedule a PHC4 speaker for your meeting or conference, or to provide information for exhibitor opportunities, please feel free to contact PHC4 at 717-232-6787.

Act 89 provides that "PHC4 shall develop and implement outreach programs designed to make its information understandable and usable as well as to educate and to facilitate the making of more informed health care choices."

2000 Publications

Measuring the Quality of Pennsylvania's HMOs – A Managed Care Performance Report

Diabetes Hospitalizations Report

Hospital Financial Analysis, 1999

Two Volumes –

Volume One – General Acute Care Facilities
Volume Two – Non-General Acute Care Facilities

Hospital Performance Report: 21 Common Medical Procedures and Treatments

Three Regional Versions –

Central and Northeastern Pennsylvania
Southeastern Pennsylvania
Western Pennsylvania

Ambulatory/Outpatient Market Share Report

Body Systems and Payors with Highest Volumes
Preliminary Discharge Data
1999 Quarters Three and Four and 2000 Quarters One and Two
Three Volumes per Quarter –

Allegheny County
Philadelphia County
All Pennsylvania Counties and Select States

Inpatient Market Share Report

DRGs and Payors with Highest Volumes
Preliminary Discharge Data
1999 Quarters Three and Four and 2000 Quarters One and Two
Three Volumes per Quarter –

Allegheny County
Philadelphia County
All Pennsylvania Counties and Select States

These reports and additional information, such as interactive reports and county profiles, are available on PHC4's Web site at: www.phc4.org.

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