



DISCOVERY'S 'HOSPITAL RATING' COLLIDES WITH CLINICIANS

Discovery Health's new hospital rating index (HRI), a locally unprecedented Internet tool claiming to enable the tailoring of a patient's needs to the 'cost, quality and value' offered by hospitals treating members, has run head-on into widespread resistance.

Using claims data on mortality, complications, and readmissions within 30 days among their 1.8 million members, the medical aid has created a user-friendly star-rated 'hospital report card' for virtually every major disease category (MDC) they fund. Only cancer, kidney disease and HIV/AIDS are excluded.



SAMA Private Practice Committee chief, Dr Jan Talma.

Picture: Chris Bateman

Hospitals as an institution are not rated but clusters of individual therapies are. This enables prospective patients, 'in consultation with their doctors, to choose the hospital best suited to their needs'.

However, the South African Medical Association's (SAMA's) Private Practice Committee (PPC) and the Hospitals Association of South Africa (HASA) are taking the scheme with a large dose of salt. SAMA PPC chief, Dr Jan Talma, while supporting the 'principle' said any rating indices should be created by independent bodies with no vested

interests and charged that the parameters used for rating failed to include accurate clinical data.

Expressing 'grave concern' about the potential (albeit unintentional) of misleading the public, Talma called for Discovery to remove the rating index, claiming it could be misinterpreted, thus damaging doctor-patient relationships. The index created the 'perception' of clinical outcomes when the ratings were primarily based on medical schemes claims data with indicators drawn mainly from financial and administrative data. 'In light of this, the term "quality" can only be used by inference and not in absolute terms,' warned Talma.

Discovery Health MD Barry Swartzberg still believes the cyber-tool that was 2 years in the making and based on a successful international model, stands to change patient behaviour, improve service quality and lower traditionally high private hospital costs. 'It's an additional tool to use, as opposed to listening to your aunt on which hospital to go to,' he stresses.

In addition to having control over their discretionary health spending, consumers should be able to benefit from the transparency the new index provided and should 'get involved in their hospital spend as well,' Swartzberg adds.

Ratings 'flawed' says HASA

However, Advocate Kurt Worrall-Clare, CEO of HASA, said that the ratings system, although a good idea, was 'flawed'. The way complications and readmissions were qualified failed to take account of patients presenting with pre-existing conditions, ignored the performance of the actual health care practitioner and penalised specialist hospitals. 'Anything that encourages consumers to be more aggressive about quality should be commended, but this looks like a one size fits all approach which to my mind is not conducive to

an accurate reading of the industry,' he added.

He cited as an example the 'average' rating of Pretoria's top specialist hospitals (heart and gynaecology). 'Patients present with high or low blood pressure, we treat obese patients differently to others – all this needs to be taken into account. The practitioner often has no control over whether complications will result and sometimes re-admission may be indicated from the outset.'

Talma said that in the current era of medical super-specialisation, it was highly unlikely that all institutions would attract cases of similar complexity nor would they necessarily drive all costs. Above average costs should be interpreted in relation to the level of specialisation and the presence or absence of pre-existing comorbidities and risk factors.

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Discovery Health's head of clinical risk management, Dr Brian Ruff, said all scores were case-mix adjusted to the extent that the coded and administrative data allowed. This included pre-existing conditions and consequently did not compromise specialist hospitals. Ruff conceded that individual scores for practitioners were 'not available at this stage'. He said Discovery Health had used a comprehensive 'high-level approach' that had the advantage of applying a standard methodology across the whole sector, thereby allowing comparisons.

The disadvantage of this was that it did not take the 'few highly specific and unusual arrangements into account at this



stage', but this anomaly was balanced by 'useful information' in the majority of cases. Ruff said only preventable complications were measured and not those that were an extension of the underlying pathology.

Worrall-Clare said distinguishing between cost and quality certainly allowed Discovery Health members to make qualified choices but asked that, where possible, 'some indicator' be included to evaluate the health profession. 'While such an evaluation might be difficult, we believe it necessary in understanding the dynamics of the private hospital sector,' he stressed.

Ruff said he believed that the HRI would result in hospital managers and doctors working together as a team to achieve quality as opposed to the traditional 'purely independent' way.

'No consultation'

Responding to Worrall-Clare's charge that Discovery Health had not discussed their product with HASA at any stage before its launch, Ruff said comprehensive briefings were made to the senior managements of NetCare, LifeHealth and Medi-Clinic.

Worrall-Clare said he had no problem with a mechanism to exert additional pressure on hospitals 'to deal with the issue of costs', but rating the vast majority as average was 'manifestly unfair' and ignored Discovery Health's own Monitor research last year. This had rated South Africa's private health care industry as the third best in the world.

'We have highly specialised hospitals and they're certainly not average – like in the United States, where there is a move towards centres of excellence. You cannot ignore realities within the South African health system such as lifestyle diseases and the prevention of chronic conditions,' he said.

Ruff responded that the HRI was an internal South African measure comparing quality against the measured



Discovery Health MD, Barry Swartzberg.
Picture: Chris Bateman

average and not against any external benchmark. The idea was to promote continuous and repeated improvement, 'and not rest on our laurels – because international comparisons are flattering'.

Worrall-Clare noted that Discovery Health had set a 6-month revision date for their ratings system and said he hoped that HASA's concerns would be addressed 'through consultation and interaction with individual hospitals'.

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A hospital rating index button on the Discovery website enables users to launch a search by inputting the major disease category and geographical region. The results list hospitals by star ratings (1 - 5) under headings of cost, quality and value for each disease and include admission volumes for each ('experience rating'). Scores are not presented for a major disease category if the hospital has had less than 24 admissions for an MDC over 2 years.

Touted as a 'groundbreaking tool', the website purports to give doctors greater discernment in helping patients tailor their needs to an 'appropriate' hospital – and influence 'disproportionate' private hospital consumption of available health care funds.

Model under the spotlight

Swartzberg said that the index was created using data from 744 000 hospital admissions among its members during 2003 and 2004 and had been scrutinised and approved by statistical and actuarial scientists at the University of the Witwatersrand.

'We looked at the quality of outcomes of events – so far we've presented it to the South African Medical Association's joint private practice committee and the GP equivalent, and they're positive.' However, the two SAMA groupings have requested further meetings to interrogate the model in greater detail.

Life Healthcare MD Michael Flemming questioned Discovery Health's methodology, adding his voice to Worrall-Clare's about how sick patients were upon admission and whether they had underlying conditions.

Swartzberg conceded while presenting the website to *Izindaba* that hospital groups had questioned their methodology – but not the concept. 'They all want to know how we calculated the re-admissions and complications. We're responding by changing and adapting and will continue to do so – basically we're the only ones who have all the information at our disposal to do this kind of work,' he said.

Discovery Health owns a quarter of the South African medical insurance market and covers an additional 100 000 lives at the lower end, which they are aggressively pursuing using 'KeyCare', which uses hospital and non-hospital networks to make care more affordable.

Chris Bateman

