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Hospitals ranked according to efficiency, productivity



MARK GORMUS/TIMES-DISPATCH

The day after spinal surgery, Martin Lukes works his way through a hallway at Henrico Doctors' Parham campus during physical therapy with Kathryn Morgan.

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HOSPITAL EFFICIENCY

Virginia Health Information's composite index of efficiency and productivity is a "big picture" score based on 10 measures of cost and utilization. The score does not consider quality indicators. A lower score is better.

Bon Secours Memorial Regional Medical Center— **1.6**

Bon Secours St. Mary's Hospital— **2.1**

HCA CJW Medical Center— **2.2**
 HCA John Randolph Medical Center— **2.4**
 Bon Secours St. Francis Medical Center— **2.5**
 Bon Secours Richmond Community Hospital— **2.6**
 HCA Henrico Doctors' Hospital— **2.8**
 VCU Health System— **2.8**
 Southside Regional Medical Center— **3.2**
 HCA Retreat Hospital— **3.3**

SOURCE: Virginia Health Information 2009 Industry Report

HOSPITAL PROFITABILITY

Local hospitals are listed with their profit or loss and margin. Profit is revenue and gains in excess of expenses and losses. Technically, nonprofits do not make a profit; the surplus is retained by the organization. Margin is based on net income, earnings or loss that a facility generates in relation to its expenses.

HCA CJW Medical Center—\$69.6 million; 11.81 percent
Bon Secours St. Mary's Hospital—\$40.5 million; 10.41 percent
HCA Henrico Doctors' Hospital—\$38.7 million; 9.32 percent
Bon Secours Memorial Regional Medical Center—\$17.9 million; 7.47 percent
VCU Health System—\$52.3 million; 5.55 percent
HCA John Randolph Medical Center—\$3.8 million; 4.42 percent
Bon Secours St. Francis Medical Center—\$4.7 million; 2.99 percent
Southside Regional Medical Center—\$7.1 million; -4.72 percent
HCA Retreat Hospital—\$2.2 million; -6.55 percent
Bon Secours Richmond Community—\$6.5 million; -15.41 percent

SOURCE: Virginia Health Information 2009 Industry Report

DATA SOURCES

A number of agencies collect and report hospital quality and cost data. Here are some resources.

Virginia Health Information: <http://www.vhi.org>

Virginia Hospital and Healthcare Association PricePoint: <http://www.vapricepoint.org>

Medicare Hospital Compare: <http://www.hospitalcompare.hhs.gov>.

Medicare Hospital Quality Initiative: <http://www.cms.hhs.gov/HospitalQualityInits>

The Joint Commission Quality Check: <http://www.qualitycheck.org>

SOURCE: Staff research

By Tammie Smith

Published: February 7, 2010

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At some Bon Secours hospitals in Virginia, critically ill patients on ventilators have their teeth, gums and tongue

brushed twice a day -- an oral-care regimen that's been shown to help reduce health-care-associated infections.

"Right now, we have two hospitals that do it very consistently, and basically they've had no incidence of ventilator-associated pneumonia" in 12 months, said Melinda S. Hancock, a Bon Secours Richmond vice president of strategic finance.

Many hospitals in the region are standardizing procedures and using best practices with measurable outcomes as a means to improve care and reduce costs. An infection such as ventilator-associated pneumonia can worsen a patient's condition and drive up the cost of a hospital stay by \$5,000 to more than \$30,000, research suggests.

Consumers can get a glimpse of which hospitals are doing better at managing costs in a new score included in Virginia Health Information's annual industry report.

The state contracts with VHI, a nonprofit agency in Richmond, to collect, analyze and report health-care data. Much of the information is available on the agency's Web site.

The Virginia Health Information industry report for the first time this year includes a score that lumps together 10 measures of efficiency and productivity into a single score, making it easier to do hospital-to-hospital comparisons. Measures rolled into the composite efficiency and productivity score, or CEP score, include staffing cost per admission, capital cost per admission and staffed bed occupancy rates.

The new CEP score shows Bon Secours hospitals as among the most efficient. A lower score is better, and the 1.6 composite score given Bon Secours Memorial Regional Medical Center in Hanover County was the third best in the state.

"It is really a reflection that they keep their costs low, they staff wisely, and they have high occupancy rates, so they don't have a lot of people sitting around without something to do," said Michael Lundberg, Virginia Health Information executive director.

"Their length of stay is very efficient. They did very well on all those indicators," Lundberg said.

...

Regionally, most hospitals did OK in the VHI industry report, which is based on fiscal year 2008 data. The average CEP score statewide was 2.5. At the other end of the spectrum, some hospitals scored in the high 2s and low 3s.

The scores don't measure quality, but they do offer a sense of how hospitals are perceived and performing, given that patients have a choice of facilities in the Richmond area.

A hospital with a high CEP score, for instance, may possibly charge more, an issue for people who don't have insurance. The VHI report includes average charges for classes of care.

In the Richmond area, Retreat Hospital, HCA Inc.'s small hospital in the Fan District in Richmond, had the highest score, a 3.3, indicating the least efficient. Southside Regional Medical Center in Petersburg, which lost money in fiscal year 2008 as it moved to a new campus, scored a 3.2.

"The biggest contributing factor is we moved into the new building," said David J. Fikse, CEO of the hospital that

is part of Tennessee-based Community Health Systems. .

"There were quite a bit of assets where depreciation was accelerated," Fikse said. "We wrote that off, and we got new equipment. The second thing that is part of that negative margin is . . . obviously there was an increased operational cost, not only from the day of the move but from the standpoint of planning and getting ready for the new hospital operation. It took many, many man hours."

The VHI report is one of many tools consumers can use to check hospital quality and costs. No one is advising picking a hospital based on the CEP score, but to consider it with other factors

Lundberg said the financial information in the annual industry report can be used with other VHI reports online that look at cardiac care and obstetrical care to get a broader picture of a hospital's performance.

Of HCA Inc.'s flagship hospitals in the region, CJW Medical Center did better than Henrico Doctors', with efficiency and productivity scores of 2.2 and 2.8, respectively. Financially, CJW Medical Center had the highest profit margin in the region, 11.81 percent, and the biggest dollar profit, \$69.5 million.

HCA spokespersons said other tools such as HealthGrades, an independent rating organization, also can give consumers a picture of hospital performance.

"When you look at either HealthGrades or Hospital Compare, you are going to see measures which are actually about what patients care most about," said Karen Nelson, a spokeswoman for HCA Virginia Health System-Central Virginia.

"Which is, 'Am I going to receive the right care and high-quality care for the reasons I am in the hospital in the first place? Am I going to have a good outcome?'" Nelson said.

Hospital Compare is run by the federal government's Medicare. Other places to check hospital quality, costs and productivity include the Virginia Hospital and Healthcare Association's PricePoint database and the Leapfrog Group Hospital Survey, all available online.

There are also rankings such as those put out by U.S. News and World Report and accreditation status awarded by The Joint Commission. Different hospitals tout different rankings.

The VCU Health System's composite score, at 2.8, is higher than the state average, but so is the University of Virginia's, at 2.7. As teaching hospitals, they have other costs that community hospitals don't. The VHI methodology seeks to account for those differences.

"It is predominantly a set of financial parameters," said John Duval, CEO for MCV Hospitals, part of the VCU Health System.

"While they are risk-adjusted, they don't necessarily deal with the costs that come from being a Level 1 trauma center, of having a burn unit, or being an educational institution with the attendant costs for maintaining teaching programs across medicine, nursing, pharmacy and all those things that we do," Duval said.

Lundberg, at VHI, said consumers, particularly aging baby boomers, are getting savvier about health-care purchases. VHI has seen demand for health information double over the past year to more than 1,200 visitors a day, he said.

"Many families have stories of poor quality of care they've experienced and no longer assume all care is equal," Lundberg said. "Many boomers and their kids use the Internet to compare all kinds of purchases. Health care, which is so important and expensive, is probably no different to them."

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[Flag Comment](#) Posted by NB on February 07, 2010 at 7:22 pm

I only use VCU/MCV for any specialty care beyond my PCP. MCV Stony Point is an excellent facility. The downtown main hospital isn't bad once you figure out the parking and how to get around.

[Flag Comment](#) Posted by Interested Read on February 07, 2010 at 11:39 am

This report fails to quantify the real reason people choose one hospital over another—the QUALITY of care available in that institution. Your doctor should be your #1 advocate for you. If you don't have confidence in that doctor, then no hospital will be acceptable.

I find that efficiency or profit has no real bearing on the quality of care. When I'm in the hospital, I pay attention to how staff treat each other by their language, helpfulness, how much they complain about and to each other, how they interact with patients, how the doctors treat staff on the floor or on the phone, and lastly patients. If you are a visitor, you can get a real inside picture of how things REALLY go in that particular hospital by simple

observation. However, you must be realistic in your evaluation. Not every situation will be perfect.

This size of the hospital has no real bearing on quality of care. I've gotten excellent care from a small hospital in the city and a large teaching hospital downtown. The overriding factor is your attending physician and his/her quality of care.

The "most popular hospital" which is "not for profit" is not necessarily the best. I've had dealings with one hospital, both as a patient, as a family member of a patient, and as a visitor. In all instances, I've been less than pleased with the quality of care received, given, or observed. I have observed nurses and other professional staff complaining about this or that, right in front of patients and visitors. That certainly does not inspire my confidence in this hospital.

So, before you need surgery or admission to a hospital, be careful of the quality of your physician and the hospital he/she chooses.

Flag Comment Posted by VaGentleman on February 07, 2010 at 9:34 am

If I read this article's data correctly, the lower the score the more efficient the hospital. This article says nothing about the actual quality of the care, only that it is delivered in the most cost-effective manner. Where are the metrics that measure a hospital's staff capacity to provide care that is compassionate, thoughtful and respectful of patients and their families? I have visited a number of these hospitals, observing how staff relates to one another and to patients families?

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