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New Medicare Regulations Adopted to Reduce Certain Hospital Infections and Medical Errors

Medicare Will Withhold Payments To Hospitals For Failing To Keep Patients Safe

WASHINGTON, D.C. – Under new Medicare regulations, hospitals will no longer receive higher payments for the additional costs associated with treating patients for certain hospital-acquired infections and medical errors. The new rules will give hospitals a powerful new incentive to improve patient care, according to Consumers Union, the nonprofit publisher of Consumer Reports.

“Every year, millions of Americans suffer needlessly from preventable hospital infections and medical errors,” said Lisa McGiffert, Director of Consumers Union’s Stop Hospital Infection’s campaign (www.StopHospitalInfections.org). “These new rules are a good beginning for Medicare to use its clout to mobilize hospitals to improve care and keep patients safe.”

Under the rules adopted by the Centers for Medicare and Medicaid Services (CMS), payments will be withheld from hospitals for care associated with treating certain catheter-associated urinary tract infections, vascular catheter-associated infections, mediastinitis after coronary artery bypass graft (CABG) surgery, and five other medical errors unrelated to infections (bed sores, objects left in patients’ bodies, blood incompatibility, air embolism, and falls). The new rules will go into effect in October 2008.

To comply with a 2005 law passed by Congress, CMS evaluated a number of serious, preventable health care acquired conditions and identified these eight for the first round of non-payment due to the high volume of patients affected, the high cost of treating patients, and the existence of prevention guidelines. The agency intends to consider other hospital acquired infections and medical errors for non-payment in future years.

The new Medicare regulations include protections to prevent hospitals from billing patients when payments are withheld and to minimize avoidance of patients perceived to be at risk for infections. “We are pleased that the rules clearly state that hospitals cannot bill patients for the amount that Medicare refuses to pay,” said McGiffert. “CMS will need to make sure these protections are enforced so patients are treated fairly. And the agency should be on the lookout for hospitals that try to game the system by falsifying codes to avoid nonpayment.”

Catheter-associated urinary tract infections are the most common infection developed by patients in hospitals. The Centers for Disease Control and Prevention (CDC) has reported that there are 561,667 catheter-associated urinary tract infections per year. According to a study in the American Journal of Medicine, the annual cost of urinary tract infections in hospitals is as much as \$451 million.

Bloodstream infections are high in volume and cost, and are preventable. The CDC has reported that there are 248,678 cases of central line associated bloodstream infections every year. The Institute for Healthcare Improvement estimates that approximately 14,000 people die every year from central line-related bloodstream infections.

CMS failed to address the incidence of infections caused by methicillin-resistant *Staphylococcus aureus* (MRSA), a virulent antibiotic resistant bacterium. According to CMS, over 95,000 Medicare patients had MRSA infections in 2005, running up hospital charges of almost \$3 billion. MRSA was not selected for nonpayment because of coding issues and because CMS does “not believe there is a consensus among public health experts that MRSA [infection] is preventable.”

“CMS needs to take strong action to curb the spread of this powerful superbug,” said McGiffert. “Many hospitals do not share the attitude that MRSA infections cannot be prevented and CMS should be on the front lines with them fighting this deadly and costly problem.”

Hospital acquired infections are a leading cause of death in the United States. The Centers for Disease Control and Prevention (CDC) estimates that 2 million patients suffer from hospital infections every year and nearly 100,000 of them die. Research shows that hospitals could prevent many infections through stricter adherence to proven infection control practices.

The financial costs associated with hospital infections are equally staggering. Dr. John A. Jernigan, Chief of Interventions and Evaluations at the CDC, has said that hospital acquired infections result in up to \$27.5 billion in additional health care expenses annually. Medicare foots the bill for a big portion of infection-related health care costs. A 2005 report by the Pennsylvania Health Care Cost Containment Council found that Medicare was billed for 67 percent of the total number of patient infections reported by the state’s hospitals.

“Taxpayers spend billions of dollars every year covering the cost of patient infections,” said McGiffert. “Restricting Medicare payments for medical errors like patient infections will help ensure that the health care taxpayers pay for is safe and effective.”

A copy of the new CMS regulations can be found here (begin at page 290):
<http://www.cms.hhs.gov/AcuteInpatientPPS/downloads/CMS-1533-FC.pdf>

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