

Cost and Quality Analysis among Medicare-certified Hospitals in DC and Virginia

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*No American should ever have to
spend their golden years at the
mercy of insurance companies.
They should retire with the care and
dignity they have earned.*

- Barack Obama



Research Question

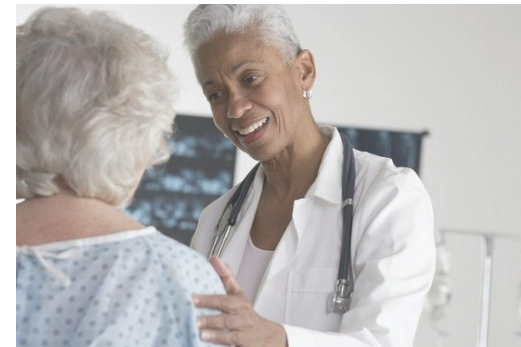
Does higher spending per claim correlate with higher quality of care at Medicare-certified hospitals in Virginia and Washington D.C.?

Who Should Care?

- ▷ American citizens and permanent residents age 65 and over
- ▷ Those who use Medicare as their primary health insurance provider
 - Part A (hospital insurance coverage)
 - Part B (Medicare insurance coverage)



"The doctor will see you now —
I can't promise that he'll talk
to you, but he'll see you."



Digging into Data



Medicare Hospital Spending

Average per episode spending of a single patient at each hospital. Spending per episode indicates the total cost of the entire episode at the hospital.



Patient Satisfaction Survey (HCAHPS)

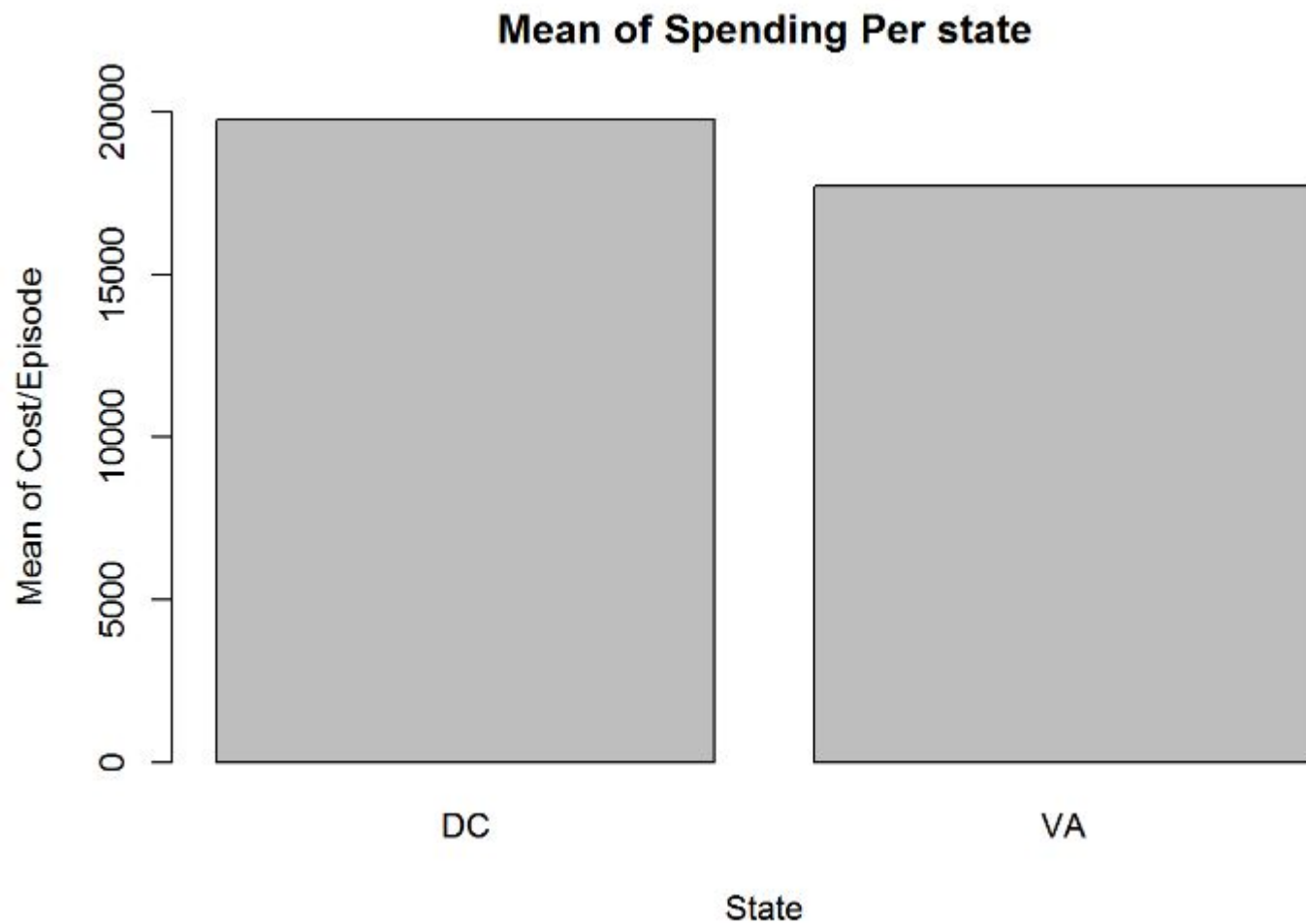
Patients' perceptions of their hospital experience. The survey is administered to a random sample of adult inpatients after discharge.



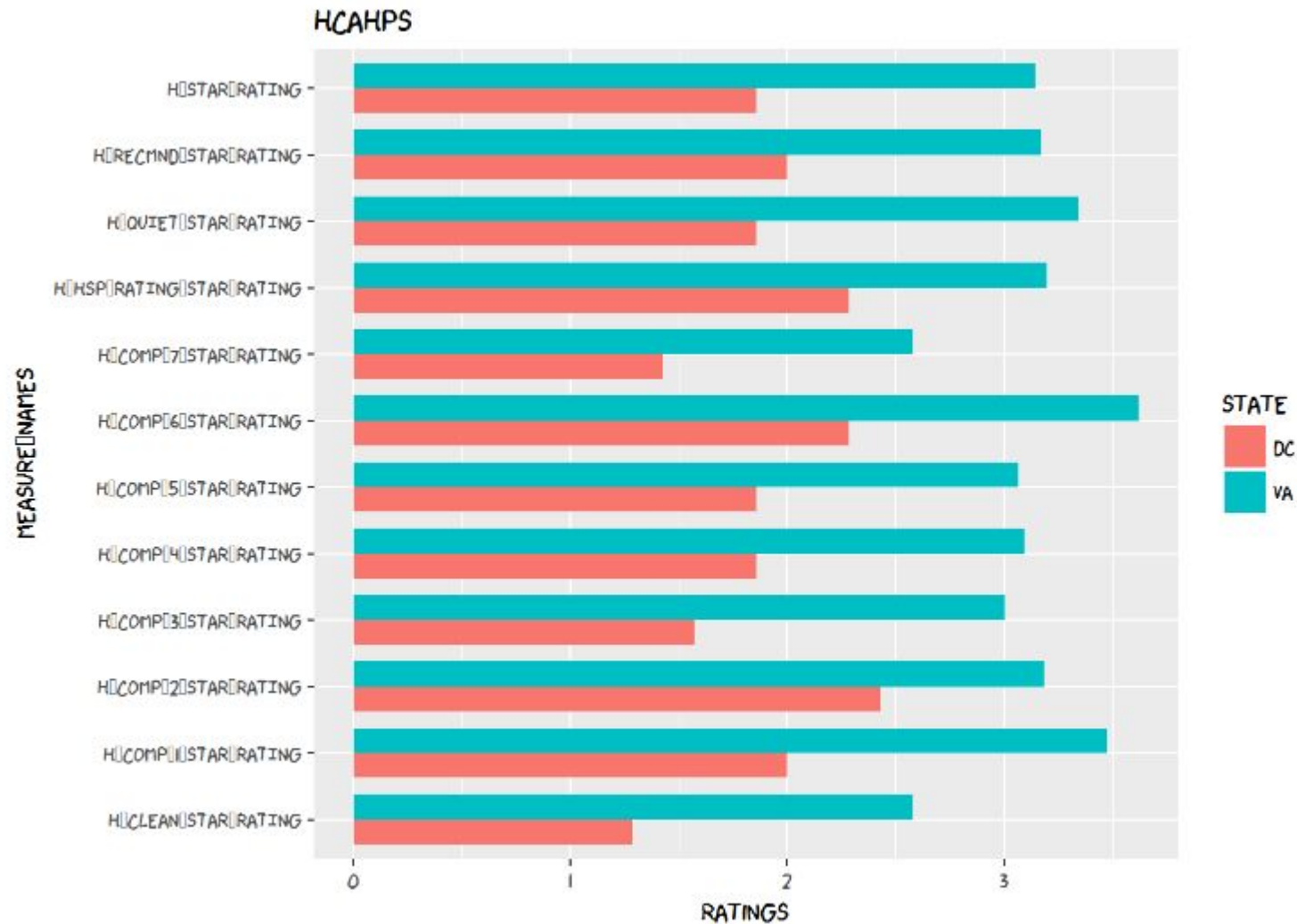
Patient Complications

Accidental cuts and tears from medical treatment, Deaths among Patients with Serious Treatable Complications after Surgery, and Serious complications.

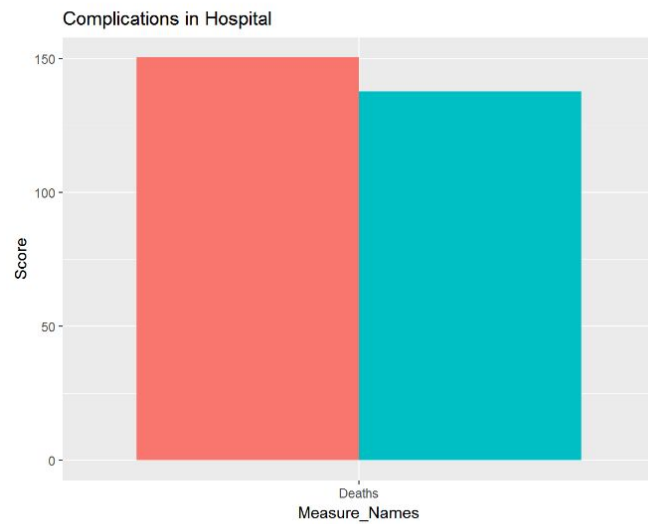
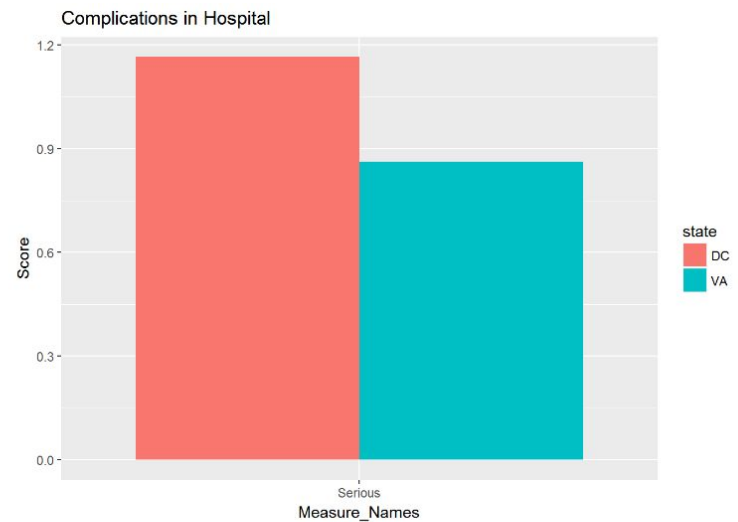
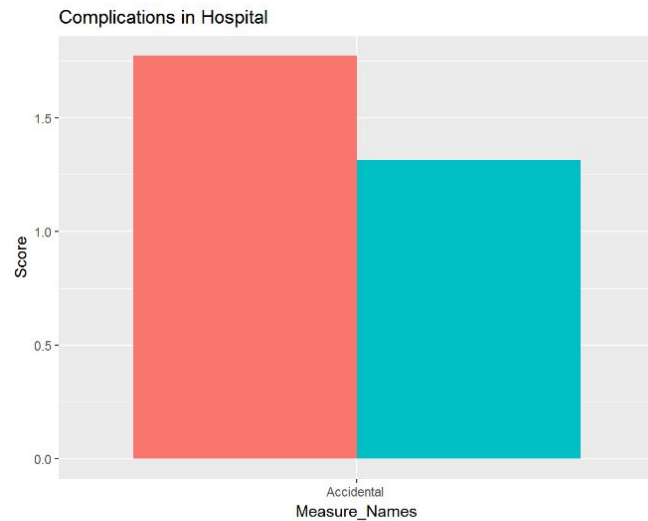
R Plots



R Plots (continued)



R Plots (continued)



Key Statistics for DC Hospitals (compared to VA counterparts)

On average...



\$2,047

more spending per episode (\$19,781 vs \$17,734)



1 star rating

lower in patient satisfaction survey (2 vs 3)



9.5%

higher score on death rate (150 vs 137)

Interpretation

- ▷ DC hospitals exhibited *lower quality of care* and *higher rate of complications* despite *higher spending per claim*
- ▷ Patients might start giving preference to VA-based Medicare facilities

Recommendations

Take initiative to “step up the game”!

- ▷ DC is the capital of United States, it should serve as a role model
- ▷ Meet the expectation: higher cost = better quality
- ▷ Conduct further investigations on potential causes of holdback
- ▷ Be more assertive, actively engaging in providing patients with the best care possible



medicare

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Thank you!

Any questions?