



Highlights of [GAO-06-54](#), a report to the Committee on Finance, U.S. Senate

Why GAO Did This Study

The Medicare Modernization Act of 2003 directed that hospitals lose 0.4 percent of their Medicare payment update if they do not submit clinical data for both Medicare and non-Medicare patients needed to calculate hospital performance on 10 quality measures. The Centers for Medicare & Medicaid Services (CMS) instituted the Annual Payment Update (APU) program to collect these data from hospitals and report their rates on the measures on its Hospital Compare Web site.

For hospital quality data to be useful to patients and other users, they need to be reliable, that is, accurate and complete. GAO was asked to (1) describe the processes CMS uses to ensure the accuracy and completeness of data submitted for the APU program, (2) analyze the results of CMS's audit of the accuracy of data from the program's first two calendar quarters, and (3) describe processes used by seven other organizations that assess the accuracy and completeness of clinical performance data.

What GAO Recommends

GAO recommends that CMS take steps to improve its processes for ensuring the accuracy and completeness of hospital quality data. In commenting on a draft of this report, CMS agreed to implement steps to improve the quality and completeness of the data.

www.gao.gov/cgi-bin/getrpt?GAO-06-54.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cynthia A. Bascetta, (202) 512-7101 or BascettaC@gao.gov.

HOSPITAL QUALITY DATA

CMS Needs More Rigorous Methods to Ensure Reliability of Publicly Released Data

What GAO Found

CMS has contracted with an independent medical auditing firm to assess the accuracy of the APU program data submitted by hospitals, but has no ongoing process in place to assess the completeness of those data. CMS's independent audit checks accuracy by comparing the quality data submitted by hospitals from the medical records for a sample of five patients per calendar quarter for each hospital to the quality data that the contractor has reabstracted from the same records. The data are deemed to be accurate if there is 80 percent or greater agreement between these two sets of results. CMS has established no ongoing process to check data completeness. For the payment updates for fiscal years 2005 and 2006, CMS compared the number of cases submitted by a hospital to the number of Medicare claims that hospital submitted. However, these analyses did not address non-Medicare patient records, and the approach that CMS took in these analyses was not capable of detecting incomplete data for all hospitals.

Although GAO found a high overall baseline level of accuracy when it examined CMS's assessment of the data submitted for the first two quarters of the APU program, the results are statistically uncertain for up to one-third of hospitals, and a baseline level of data completeness cannot be determined. The median accuracy score of 90 to 94 percent—depending on the calendar quarter and measures used—was well above the 80 percent accuracy threshold set by CMS, and about 90 percent of hospitals met or exceeded that threshold for both the first and the second calendar quarters of 2004. However, for approximately one-fourth to one-third of all the hospitals that CMS assessed for accuracy, the statistical margin of error for their accuracy score included both passing and failing accuracy levels. Consequently, for these hospitals, the small number of cases that CMS examined was not sufficient to establish with statistical certainty whether they met the accuracy threshold set by CMS. With respect to completeness of data, CMS did not assess the extent to which all hospitals submitted data on all eligible patients, or a representative sample thereof, for the two baseline quarters. As a result, there were no data from which to derive an assessment of the baseline level of completeness of the quality data that hospitals submitted for the APU program.

Other reporting systems that collect clinical performance data have adopted a range of activities to ensure data accuracy and completeness, which include some methods employed by all, such as checking the data electronically to identify missing data. Officials from some of the other reporting systems and an expert in the field stressed the importance of including an independent audit in the methods used by organizations to check data accuracy and completeness. Most of the other reporting systems incorporate three methods into their process that CMS does not use in its independent audit. Specifically, most include an on-site visit in their independent audit, focus their audits on a selected number of facilities, and review a minimum of 50 patient medical records during the audit.