The New York Times

Medicare Says It Won't Cover Hospital Errors

By ROBERT PEAR

Published: August 19, 2007

WASHINGTON, Aug. 18 — In a significant policy change, Bush administration officials say that Medicare will no longer pay the extra costs of treating preventable errors, injuries and infections that occur in hospitals, a move they say could save lives and millions of dollars.

Private insurers are considering similar changes, which they said could multiply the savings and benefits for patients.

Under the new rules, to be published next week, Medicare will not pay hospitals for the costs of treating certain "conditions that could reasonably have been prevented."

Among the conditions that will be affected are bedsores, or pressure ulcers; injuries caused by falls; and infections resulting from the prolonged use of catheters in blood vessels or the bladder.

In addition, Medicare says it will not pay for the treatment of "serious preventable events" like leaving a sponge or other object in a patient during surgery and providing a patient with incompatible blood or blood products.

"If a patient goes into the hospital with pneumonia, we don't want them to leave with a broken arm," said Herb B. Kuhn, acting deputy administrator of the Centers for Medicare and Medicaid Services.

The new policy — one of several federal initiatives to improve care purchased by Medicare, at a cost of more than $400 billion a year — is sending ripples through the health industry.

It also raises the possibility of changes in medical practice as doctors hew more closely to clinical guidelines and hospitals perform more tests to assess the condition of patients at the time of admission.

Hospital executives worry that they will have to absorb the costs of these extra tests because Medicare generally pays a flat amount for each case.

The Centers for Disease Control and Prevention estimates that patients develop 1.7 million infections in hospitals each year, and it says those infections cause or contribute to the death of 99,000 people a year — about 270 a day.

Intravenous catheters are widely used to provide hospital patients with medications, nutrition and fluids, but complications are relatively common.

One state, Michigan, has had spectacular success with systematic efforts to reduce infection rates in intensive care units.

Susan M. Pisano, a spokeswoman for America's Health Insurance Plans, a trade group, said, "Private insurers will take a close look at what Medicare is doing, with an eye to adopting similar policies."

Consumer groups welcomed the change. And while hospital executives endorsed the goal of patient safety, they said the policy would require them to collect large amounts of data they did not now have.

Lisa A. McGiffert, a health policy analyst at Consumers Union, hailed the rules.

"Hundreds of thousands of people suffer needlessly from preventable hospital infections and medical errors every year," Ms. McGiffert said. "Medicare is using its clout to improve care and keep patients safe. It's forcing hospitals to face this problem in a way they never have before."

Christine K. Cahill, a registered nurse who used to inspect hospitals for the California Department of Public Health, said: "This is a great start. Infection-control specialists have been screaming for 20 years that federal and state officials should pay more attention to this problem because hospital infections hurt patients and cost money."

The Bush administration estimates the new policy will save Medicare $20 million a year. But other experts say the savings could be substantially greater.

Nancy E. Foster, a vice president of the American Hospital Association, agreed that doctors and hospitals knew how to prevent the transfusion of incompatible blood products and should not be paid more if they accidentally left objects in patients during surgery.

But Ms. Foster said that some of the conditions cited by Medicare officials were not entirely preventable. Commenting on the proposed rules in June, the American Hospital Association said, "Certain patients, including those at the end of life, may be exceptionally prone to developing pressure ulcers, despite receiving appropriate care."

In most states, Ms. Foster said, hospital records do not show whether a particular condition developed before or after a patient entered the hospital. Under the new rules, she said, hospitals will have to perform more laboratory tests to determine, for example, if patients have urinary tract infections at the time of admission.

Dr. Tammy S. Lundstrom, the chief medical officer at Providence Hospital in Southfield, Mich., said, "The rules could encourage unnecessary testing by hospitals eager to show that infections were already present at the time of admission and did not develop in the hospital." Moreover, she said, "Serious, costly infections can occur even when doctors and nurses take all the recommended precautions."

The rules, first reported in The Star-Ledger of Newark, carry out a directive from Congress included in a 2006 law. When they were proposed in May, consumer advocates said they feared that some hospitals might charge patients for costs that Medicare refused to pay.

But that is forbidden. “The hospital cannot bill the beneficiary for any charges associated with the hospital-acquired complication,” the final rules say.

Eileen O’Neill-Pardo of Everett, Wash., said her experience showed the need for the rules. Her 82-year-old mother, Margaret M. O’Neill, died of an infection that developed during intestinal surgery at a Seattle hospital in 2004.

“The operation — to remove scar tissue — was successful, but the patient died,” Ms. O’Neill-Pardo said. “The hospital staff did not take steps to control the infection, which took over her body. My mother died less than a week after the operation.”

Michigan hospitals have been extremely successful in reducing bloodstream infections related to such catheters, researchers reported recently in The New England Journal of Medicine. The hospitals did not use expensive new technology, but systematically followed well-established infection-control practices, like covering doctors and patients from head to toe with sterile gowns and sheets while the catheters were inserted.

Hospital executives said these techniques had saved 1,700 lives and $246 million by reducing infection rates in intensive care units since 2004.

Some of the complications for which Medicare will not pay, under the new policy, are caused by common strains of staphylococcus bacteria. Other life-threatening staphylococcal infections may be added to the list in the future, Medicare officials said.

Dr. Kenneth W. Kizer, an expert on patient safety who was the top health official at the Department of Veterans Affairs from 1994 to 1999, said: “I applaud the intent of the new Medicare rules, but I worry that hospitals will figure out ways to get around them. The new policy should be part of a larger initiative to require the reporting of health care events that everyone agrees should never happen. Any such effort must include a mechanism to make sure hospitals comply.”