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ON EVE OF BUDGET HEARING ON HEALTH, NYPIRG RELEASES NATIONAL DATA SHOWING NEW YORK'S HOSPITALS RANK BELOW THE NATIONAL AVERAGE IN QUALITY OF CARE

(Albany, N.Y.) New York State's hospitals on average deliver subpar health care, ranking 34th in the nation, well behind rankings for neighboring states. That's according to data released today by the New York Public Interest Research Group (NYPIRG), which relied on data from The Leap Frog Group, a national think tank established 20 years ago by the nation's largest employers.

Utah ranked first in the nation, according to The Leap Frog Group's Fall 2024 report.¹ New York ranked well behind Connecticut (3), New Jersey (5), California (6), Pennsylvania (9), Florida (13), and Massachusetts (23).

New York has consistently ranked in the bottom third of the nation.

NYPIRG urged that lawmakers question the Health Department as to why New York's hospitals perform so poorly and worse than similar states as part of their consideration of the executive budget. The Health budget hearing, which includes the Department of Health's budget, is being held on Tuesday.

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¹ Leapfrog Hospital Safety Grade, "How Safe is Your Hospital? State Rankings (2024)," https://www.hospitalsafetygrade.org/your-hospitals-safety-grade/state-rankings.

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Policy Close-Up

New York State's Hospitals Rank Poorly When It Comes To Quality of Care

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Summary: "First do no harm." The Hippocratic Oath is a solemn ethics pledge historically taken by physicians.¹ It requires a new physician to swear to uphold specific ethical standards, most notably by ensuring patient safety. It is an oath that is the bedrock of appropriate medical care.

In Governor Hochul's executive budget, over \$134 billion will be spent on health care.² There will be a debate over whether this is enough and whether more needs to be done to prepare for fiscal uncertainly in Washington. While these are legitimate issues, they ignore a more central problem in our healthcare system.

Too little attention has been devoted to the quality of the medical care that the state, employers, and individuals pay for. There is considerable evidence that the quality of hospital care in New York is too often substandard, and therefore it must be a priority to ensure that steps are taken to address the uneven quality of care as part of any final budget agreement.

Poorer quality of care can drive higher expenses. A key measure in assessing the quality of hospital care, for example, is "readmission" rates.³ Research from the Agency for Healthcare Research and Quality (AHRQ) shows that hospital readmission costs were higher than initial admission costs for about two-thirds of common diagnoses in 2016.⁴ Thus, appropriately reducing hospital readmissions not only provides better care, but is less costly.

The costs of substandard care are well-documented. In November 1999 the Institute of Medicine report, *To Err is Human: Building a Safer Health System*, was released.⁵ It documented an epidemic of preventable deaths in U.S. hospitals. In September 2009, the director of the U.S. Agency for Healthcare Research and Quality, wrote: "Let me be clear: I am just as frustrated as my colleagues in the public and private sectors with our slow rate of progress in preventing and reducing medical errors."⁶ A widely-covered study published in 2023 reported that 400,000 U.S. hospital patients experienced some type of preventable harm each year while another estimated that at least 200,000 patient deaths annually were due to preventable medical errors.⁷

The costs resulting from these patient injuries and deaths are enormous. According to some experts, an estimated \$20 billion was spent each year to treat substandard care, with other experts approximating healthcare costs of \$35.7 to \$45 billion.⁸ Since New York State is approximately 6 percent of the nation's population—and if the quality of care were universally distributed (which it is not) — the state's additional costs would be at least \$1 billion.

However, there is compelling evidence that the quality of health care in New York is *worse* than much of the rest of the nation.

Background: The U.S. Department of Health and Human Services annually publishes *Medicare.gov/Compare*,⁹ which reports the quality of the nation's hospitals and other providers to the public. Researchers use that information to compare states. One organization, the "Leapfrog Group" (established by the nation's large employers in 2000 in order to measure "hospital performance, empowering purchasers to find the highest-value care and giving consumers the lifesaving information they need to make informed decisions") has issued annual reports on the quality of American hospital care for over 20 years.¹⁰ Over those two decades New York has been consistently ranked poorly.

This past year's Leapfrog Group report found that New York State *ranked 34th* nationwide in terms of quality, with only 22 percent of hospitals receiving an "A" grade.¹¹

2024 Fall Ranking	State	Percent hospitals receiving "A" Grades (Fall 24)
1	Utah	60.70%
2	Virginia	57.70%
3	Connecticut	50.00%
4	North Carolina	46.70%
5	New Jersey	46.30%
6	California	44.90%
7	Rhode Island	44.40%
8	Idaho	42.90%
9	Pennsylvania	41.20%
10	South Carolina	40.40%
10	Colorado	40.40%
12	Tennessee	38.40%
13	Florida	37.00%
14	Louisiana	36.70%
15	Texas	35.10%
16	Montana	33.30%
17	Washington	32.70%
18	Oklahoma	32.50%
19	Maine	31.30%
20	New Hampshire	30.80%
21	Nevada	30.00%
22	Kentucky	29.50%
23	Illinois	29.10%
23	Massachusetts	29.10%
25	Wisconsin	28.80%
26	Alaska	28.60%
26	Delaware	28.60%

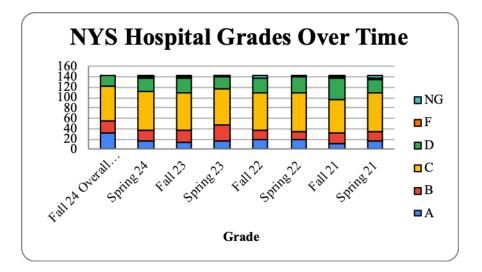
28	Arizona	28.00%
29	Michigan	27.20%
30	Maryland	26.80%
31	Kansas	25.80%
32	Ohio	25.20%
33	Indiana	25.00%
34	New York	22.10%
35	Georgia	21.50%
36	Missouri	20.30%
37	Washington, D.C.	20.00%
37	Arkansas	20.00%
37	Nebraska	20.00%
40	Mississippi	16.20%
41	Oregon	15.20%
42	Minnesota	11.40%
43	Wyoming	11.10%
44	Hawaii	8.30%
45	Alabama	6.70%
46	New Mexico	5.60%
47	West Virginia	4.50%
48	Iowa	0.00%
48	South Dakota	0.00%
48	North Dakota	0.00%

While New York State is in the bottom third of the nation in terms of the percentage of its hospitals receiving an "A" grade, when examining states' performance with hospitals that received "F" or "D" grades, New York ranks among the lowest. According to Leapfrog, New York's hospitals ranked *seventh* in terms of having the highest percentage of *poor quality* grades – and has the most hospitals in that category overall.

State	Number of hospitals ranked D or F	Percent of hospitals receiving D or F grades (Fall 2024)
West Virginia	13	59.09%
Iowa	12	37.50%
New Mexico	7	36.84%
Wyoming	2	22.22%
Alabama	12	20.34%
Washington, D.C.	1	20.00%
New York	22	15.38%
Alaska	1	14.29%
Kansas	4	12.50%
Oregon	4	12.12%
Illinois	13	11.71%
Montana	1	11.11%

South Dakota	1	10.00%
Oklahoma	4	9.76%
Arizona	5	9.62%
Massachusetts	5	9.09%
Indiana	6	8.33%
Missouri	5	8.20%
Ohio	9	7.83%
New Hampshire	1	7.69%
Hawaii	1	7.69%
Idaho	1	7.14%
Minnesota	3	6.67%
Maine	1	6.67%
California	18	6.29%
Georgia	5	6.25%
Arkansas	2	6.25%
Wisconsin	4	6.06%
Tennessee	4	5.41%
Pennsylvania	7	5.30%
Mississippi	2	5.00%
Nebraska	1	5.00%
Michigan	4	4.88%
Florida	9	4.66%
Texas	9	3.96%
South Carolina	2	3.85%
Kentucky	2	3.28%
North Carolina	2	2.17%
Colorado	1	2.08%
Washington	1	2.04%
Louisiana	1	1.64%
Utah	0	0.00%
Virginia	0	0.00%
Connecticut	0	0.00%
New Jersey	0	0.00%
Rhode Island	0	0.00%
Nevada	0	0.00%
Delaware	0	0.00%
Maryland	0	0.00%
North Dakota	0	0.00%

Ironically, New York hospitals' dismal performance is an improvement over recent years' grade. As seen below, as poorly as the state did, Fall 2024 was New York hospitals best year in Leapfrog's quality of care grades in recent years.



Why do New York hospitals perform comparatively so much worse?

In July 2019 Erica Mobley, director of Leapfrog Group, explained what she knew about New York's hospital safety:

"The system as a whole didn't seem to have emphasized safety. We've seen other states work together and look at what's working well at other states and implement it. It just doesn't seem to be happening in New York. It has to be front of mind every single day in a hospital."¹²

New York State's Commission on the Future of Health Care

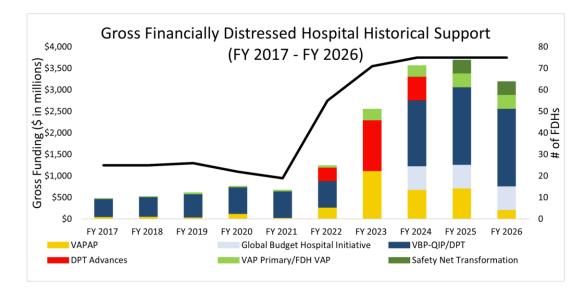
In 2023, due to the advocacy of Governor Hochul, New York established a Commission on the Future of Health Care.¹³ The mission of the Commission is to "provide ongoing strategic recommendations to transform the health care system in New York State, with a goal of ensuring that the limited resources of the State and other health care payers are optimized to enable the delivery of accessible, equitable, high-quality care for all New Yorkers, through a resilient health care ecosystem and a strong health care workforce. It will be tasked with identifying strategies to ensure the long-term resilience of New York's health care system."¹⁴

The Commission was charged with delivering its first-year recommendations by the end of 2024. Presumably, those recommendations – or at least the ones agreed to by the governor – are included as part of her executive budget introduced this month. However, there was no obvious highlighting of any significant proposal to improve the quality of care in hospitals.

The executive budget did highlight the growing financial difficulties of hospitals. According to the executive budget,

"Currently, 75 of 261, or 29 percent, of New York's hospitals are financially distressed, and overall distressed hospital spending has increased over 600 percent since FY 2017. While reforms supported by the 1115 Waiver and Safety Net Transformation program mergers may help support some of these facilities, need has continued to grow at unsustainable levels."¹⁵

As seen below, from the executive budget, the growth of state support for financially distressed hospitals has been increasing:



Better hospital care is less expensive care.

According to Leapfrog,¹⁶ its "Hospital Safety Grade uses up to 30 national performance measures from the Centers for Medicare & Medicaid Services (CMS), the Leapfrog Hospital Survey and information from other supplemental data sources. Taken together, those performance measures produce a single letter grade representing a hospital's overall performance in keeping patients safe from preventable harm and medical errors. The Leapfrog Hospital Safety Grade methodology has been peer reviewed and published in the Journal of Patient Safety.¹⁷

The rationale for the Safety Grade is quite clear, "Many hospitals have world-renowned doctors and equipment, but not all hospitals prioritize their patient's safety above all else. You deserve to know which hospitals do the best at protecting their patients from harm...The Safety Grade rates hospitals on the very basics of medical care, such as handwashing, entering prescriptions through a computer, and the availability of highly trained nurses. So, no matter the reason for a hospital visit, safety should be your number one concern."¹⁸

Helping patients make informed choices about their health care decisions is a clear rationale for the Safety Grades.

There is another reason, safer hospital care not only protects patients, but costs less than substandard care.¹⁹ According to experts, higher quality care is *less expensive* care.²⁰ Thus, developing recommendations to improve the quality of care will not only lessen unnecessary patient injuries and deaths, but it will also make the system more efficient in its use of public dollars. *In short, better Safety Grades will help reduce health care costs*. Improving quality of care must be a top priority for New York.

Health care is an enormous cost to the state, and the quality is uneven.

New York State is the single biggest non-federal "purchaser" of health care through its Medicaid program and Essential Plan (projected to be approximately \$124 billion combined)²¹ alone and its funding of the state employee health insurance programs, Empire Plan and NYSHIP. Yet, as seen in the Leapfrog Safety Grades, the state simply does not do enough, does little to ensure that the quality and value of the health care services paid for with taxpayer money meets the highest standards.

New York has a fiduciary responsibility to the taxpayers to leverage its buying power in ways that reward safety, quality and efficiency, and penalize those who fail to meet standards of high-value, high-quality health care. It is time for New York policymakers to ensure that the state is doing all it can to embrace "prudent purchaser" programs.

Recommendation:

Over the next month, state lawmakers will hold a hearing on the governor's proposed health budget. New York hospitals' consistent poor performance should be a top line of inquiry. Here are some questions that lawmakers should be asking of the state's regulator of hospital safety, the New York State Department of Health:

- Why did New York State hospitals consistently rank so poorly?
- What has the New York Department of Health done to respond to the national rankings that have consistently found poor quality in state hospitals?
- What progress has New York State made in meeting its goal to reduce by half New York's hospital patients' injuries and deaths, a promise made 20 years ago?

When New Yorkers go to the hospital, they should all expect that all is being done to make them better, not worse. It seems too often clear that isn't happening in New York. State lawmakers should use the budget process to get to the bottom of why New York's hospitals are falling short of the oath to "first do no harm."

Endnotes:

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⁹ Medicare.gov, "Find & compare providers near you," <u>https://www.medicare.gov/care-compare/</u>.

¹⁰ Leapfrog Group, <u>https://www.leapfroggroup.org/about</u>.

¹¹ Leapfrog Hospital Safety Grade, "State Rankings," <u>https://www.hospitalsafetygrade.org/your-hospitals-safety-grade/state-rankings</u>.

¹² See p 4: <u>https://www.cityandstateny.com/articles/policy/health-care/why-new-york-hospitals-have-terrible-federal-rankings.html</u>

¹³ Governor Hochul Announces Launch of New Commission on the Future of Health Care, November 2, 2023, <u>https://www.governor.ny.gov/news/governor-hochul-announces-launch-new-commission-future-health-care</u>.

¹⁴ Governor Hochul Announces Launch of New Commission on the Future of Health Care, November 2, 2023, <u>https://www.governor.ny.gov/news/governor-hochul-announces-launch-new-commission-future-health-care</u>.
¹⁵ New York State Fiscal Year 2026 Executive Budget Briefing Book, p. 70.

https://www.budget.ny.gov/pubs/archive/fy26/ex/book/briefingbook.pdf.

¹⁶ Leapfrog Hospital Safety Grade, see: <u>https://www.hospitalsafetygrade.org/your-hospitals-safety-grade/about-the-grade</u>.

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