

Hospital Quality and Financial Overview

Highlights from the 2018 St. Louis Health Industry Overview, Volume 2

Full report may be accessed at stlbhc.org

The Road to Value

Following the Stars ...

The Centers for Medicare and Medicaid Services (CMS) combines 57 quality metrics into a single score to create the star rating.

How does St. Louis hospital quality compare nationally?

CMS Star Rating	% Hosp. St. Louis	% Hosp. National
★★★★★	15%	9%
★★★★	12%	31%
★★★	33%	32%
★★	36%	20%
★	3%	7%

More St. Louis hospitals hold the top 5-star rating

Value-based payments spur improvements

... mortality and readmission rates are lower since the Medicare programs began in 2012

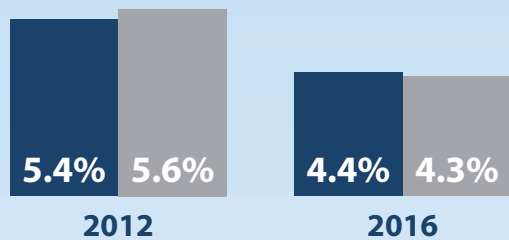
Some St. Louis hospitals earned larger bonuses in 2016...

... overall, hospitals paid \$10.3 million in penalties, down from 2015



Local hospital elective hip and knee replacement readmissions drop below national rates

Hip and Knee Replacement Readmission Rates

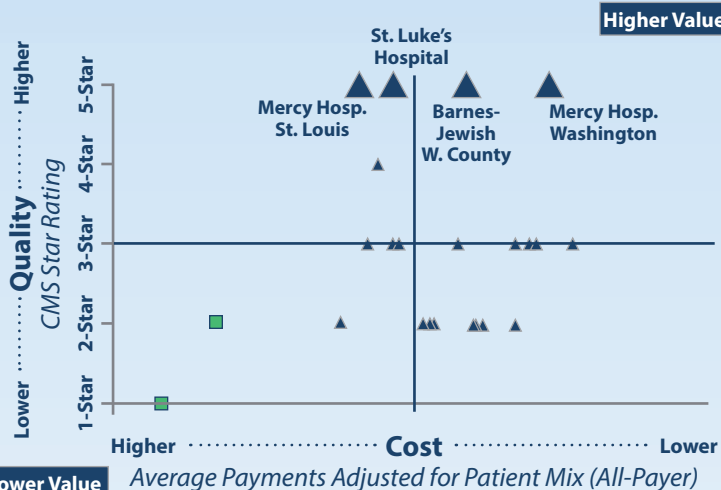


■ U.S. Average ■ St. Louis Average

Readmissions have dropped over 20% after the introduction of bundled payments and value-based programs for hip & knee surgeries.

Encouraging Improvements in Value

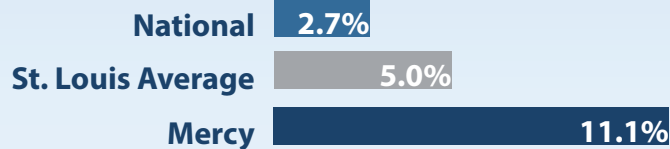
To identify "best value," local hospitals' CMS star quality rating is compared to their average payments



Congratulations to Best Value Hospitals: Mercy Washington and Barnes-Jewish W. County with 5-star quality ratings and lowest average payments.

St. Louis hospital operating margins held at 5%

St. Louis Operating Margins, 2016



St. Louis hospital margins were twice the national average. Mercy's 11% operating margin, the largest in the region, doubled in the past decade. It is unclear if price or process improvement drove profitability.

