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Use competitor data to benchmark your OP department performance

A Kentucky Internet firm has all the APC performance information you might never have known you wanted -- information that can allow you to benchmark yourself against hospitals across the nation or across the street.

The best part: Much of it is free.

American Hospital Directory (www.ahd.com), Louisville, KY, has combined proprietary and publicly available information, mixed in some intuitive web design, and created easy-to-use reports detailing many aspects of a hospital outpatient department's performance.

"APCs are so complicated, hospitals have had a really hard time doing any kind of an impact analysis. That depends on the accuracy of documentation and coding in the outpatient area, and frankly, hospitals hadn't really focused on complete and

accurate coding and documentation in that area," says **Paul Shoemaker**, chairman of American Hospital Directory.

AHD isn't new to this type of performance analysis; the company has offered detailed information on inpatient performance since 1997. But Shoemaker says the company recently decided that, with no competitors to its service, it was time to tackle the operating aspects of hospital outpatient services and charges.

While a \$395 subscription will buy more detailed information and custom data reporting for those who want it, much of the content on AHD's website is free, and Shoemaker intends to keep it that way. "It's a mountain of data that's been very hard to access in the past, and very expensive to access as well," he says

For the free information, the AHD website reports a hospital's average charges, payments and costs for that hospital's 20 APCs with the highest revenue for the 12 months ending March 30, 2002 (see Figure 1), statistics for the top 20 procedures (see Figure 2), and other data cuts. The subscription service provides even more detailed information (see Figure 3, which shows representative subscription information for Parkland Health and Hospital System, a public hospital in Dallas.)

Database built from claims

The data on the AHD website is gleaned from every acute care hospital that treats Medicare patients. The database of information is built from Medicare claims data and Medicare cost reports gathered by the Centers for Medicare and Medicaid Services (CMS) on more than 6,000 hospitals, and data is added from other public use files such as Medicare Provider of Services listings and Medicare Hospital Service Area

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APC Number	APC Description	Total Payment	Number Patient Claims	Average Charge (1)	Average Cost (2)	Average Payment (3)	National Average Charge
	COMPUTERIZED AXIAL TOMOGRAPHY WITH CONTRAST	\$1,093,639	4,653	\$691	\$243	\$235	\$1,002
0246	CATARACT PROCEDURES WITH IOL INSERT	\$971,374	764	\$779	\$504	\$1,271	\$1,564
	etc. for 20 highest reve	enue ambula	tory pati	ent grou	ps		
	All other APC codes	\$6,784,626	55,807				
[Unclassified Services (4)	\$615,337	110,269				
· · ·	TOTAL	\$16,308,885	212,847				
	SERVICE MIX INDEX (5) = 12.3456						
Note (2) Note (3) Note (4)	 The total charges (covered and non-covered) ta billing period before reduction for the deduct of services provided. Charges adjusted to cost using the hospital's The computed 2001 OPPS payment for a line payment, including deductible, coinsurance, and There are no APC codes for some procedures APC codes have relative weights that are perior relative weights for all claims (based only on A descriptions and relative weights) 	tible and coinsur specific cost cent item based on tl nd program payr and services. odically updated	ance amou er cost-to- ne paymen nent. by CMS. T	ints and be charge rational t APC. The he Service	fore an ad o e "paymen" Mix Index	justment for t APC" refers is the avera	the cost to total ge of APC
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"This information has been out in the public domain for quite a while, but it's been very costly and difficult to access. What we've tried to do is take the data and focus it to give it this high level view," says Shoemaker. "Our goal is to let someone come in and look at this data. If there's a data set

out there that has useful information about hospitals or their outpatient or inpatient operations, we license it and put it on the site."

Available data includes volumes, average charges, average costs, and average payments to the hospital for individual diagnoses, procedures, and ambulatory patient groupings. The top 20 APCs that AHD's reports cover typically account for about half of a hospital's total outpatient revenue, Shoemaker says.

That information can be useful for comparing charge structures among hospitals and benchmarking performance and market share among peers around the country -- and competitors across the street. It's also useful for giving managers a sense of what they're getting paid versus what they're charging.

Comparative data helps with decision-making

But more than that, Shoemaker says the data gives managers a chance to really look at what's going on around the industry and make decisions on a hospital's service lines, such as which are doing well and which need work -- or even need to be jettisoned.

"That's kind of a new way of looking at things. When DRGs [diagnosis related groups] came around, hospitals started taking a product line orientation in managing the inpatient side of their business," he says. "The outpatient prospective payment system is going to compel hospitals to take a service line approach with the outpatient business as well."

Hospitals are changing some of their management focus in response to the outpatient prospective payment system, and they're eager to look at scorecards such as this, Shoemaker says. They're eager to consider different management techniques that might help them survive and prosper under the system.

"We don't make any judgments about it. We don't say you're high, you're low, you're different, anything else," he says. "We just say 'here's the data you can use for improvement initiatives or to help focus on areas where you might need to concentrate.'"

Editor's Note: Contact Paul Shoemaker at (502) 894-8418 or shoebox@ahd.com. 光

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HCPCS/CPT Code	HCPCS/CPT Description	Total Payment	Number Patient Claims			Average Payment (3)	National Average Charge
66984	EXTRACAPSULAR CATARACT REMOVAL W/ INSERTION, LENS PROSTHESIS	\$966,896	758	\$780	\$505	\$1,276	\$1,564
77413	RADIATION TREATMENT DELIVERY, 3+ AREAS; 6-10 MEV	\$525,584	4,942	\$170	\$75	\$106	\$355
	etc. for 20 highest re	evenue outpa	tient pro	ocedures	;		
	All other HCPCS/CPT codes	\$10,343,598	123,294				
	Unclassified Services (4)	\$0	59,542				
	TOTAL	\$16,308,885	212,847				
Note (2) - (Note (3) - 1	The total charges (covered and non-covered) a billing period before reduction for the deduc fervices provided. Charges adjusted to cost using the hospital's the computed 2001 OPPS payment for a line payment, including deductible, coinsurance, a here are no HCPCS/CPT codes for some prov	tible and coinsur specific cost cent item based on tl nd program payr	ance amou er cost-to- he paymen ment.	ints and be	fore an ad	justment for	r the cost
note (4) *	There are no hop-cay opt codes for some proc	eoures and serv	ices.			🚯 Interr	pat

Figure 3								
The Americ	can Hospital Directory: Outpatient Utilization - Microso	ft Internet Exp	orer provi	ded by AT&	≺T ₩orldNe	t Service		5
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Click here	ics for the Top 20 Ambulatory Patie for a description of the Medicare Outpatient Prospectiv for descriptions of Medicare APCs (formats: Excel or PI	e Payment Sys			5)			
APC Number	APC Description	Total Payment	Number Patient Claims	Average Charge (1)	Average Cost (2)	Average Payment (3)		
0600	LOW LEVEL CLINIC VISITS	\$2,377,027	48,712	\$97	\$249	\$49	\$63	
0601	MID LEVEL CLINIC VISITS	\$1,101,901	22,115	\$95	\$245	\$50	\$67	
0602	HIGH LEVEL CLINIC VISITS	\$589,409	7,122	\$114	\$293	\$83	\$102	
0269	ECHOCARDIOGRAM EXCEPT TRANSESOPHAGEAL	\$277,802	1,828	\$416	\$182	\$152	\$357	
0260	LEVEL I PLAIN FILM EXCEPT TEETH	\$256,091	9,168	\$119	\$67	\$28	\$142	
0610	LOW LEVEL EMERGENCY VISITS	\$205,544	3,407	\$213	\$78	\$60	\$129	
0611	MID LEVEL EMERGENCY VISITS	\$201,510	2,224	\$455	\$167	\$91	\$233	
0332	COMPUTERIZED ANGIOGRAPHY AND COMPUTERIZED AXIAL TOMOGRAPHY WITHOUT C	\$198,572	1,063	\$836	\$101	\$187	\$844	
0246	CATARACT PROCEDURES WITH IOL INSERT	\$177,801	185	\$2,859	\$1,417	\$961	\$1,564	•
0301	LEVEL II RADIATION THERAPY	\$158,198	1,952	\$258	\$101	\$81	\$357	
0115	CANNULA/ACCESS DEVICE PROCEDURES	\$150,899	184	\$721	\$426	\$820	\$1,497	
0283	COMPUTERIZED AXIAL TOMOGRAPHY WITH CONTRAST	\$143,425	966	\$978	\$118	\$148	\$1,002	_
0612	HIGH LEVEL EMERGENCY VISITS	\$135,851	991	\$854	\$313	\$137	\$431	_
0088	THROMBECTOMY	\$134,420	148	\$2,181	\$1,094	\$908	1 +	
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