

Medicare: CMS Needs Additional Authority to Adequately Oversee Patient Safety in Hospitals
GAO-04-850 July 20, 2004
Highlights Page (PDF) Full Report (PDF, 50 pages) Accessible Text Recommendations
(HTML)

Summary

Hospitals accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) are considered in compliance with Medicare participation requirements. GAO examined the extent to which JCAHO's pre-2004 hospital accreditation process identified hospitals not complying with Medicare requirements, the potential of JCAHO's new process for improving the detection of deficiencies in Medicare requirements, and the effectiveness of CMS's oversight of JCAHO's hospital accreditation program. GAO analyzed CMS data on hospitals state surveyors found to have deficiencies in Medicare requirements that JCAHO surveyors did not detect, analyzed CMS's measure of JCAHO's ability to detect noncompliance with Medicare requirements, and interviewed JCAHO officials.

JCAHO's pre-2004 hospital accreditation process did not identify most of the hospitals found by state survey agencies in CMS's annual validation survey sample to have deficiencies in Medicare requirements. In comparing the results of the two surveys, CMS considered whether it was reasonable to conclude that the deficiencies found by state survey agencies existed at the time JCAHO surveyed the hospital. In a sample of 500 JCAHO-accredited hospitals, state agency validation surveys conducted in fiscal years 2000 through 2002 identified 31 percent (157 hospitals) with deficiencies in Medicare requirements. Of these 157 hospitals, JCAHO did not identify 78 percent (123 hospitals) as having deficiencies in Medicare requirements. For the same validation survey sample, JCAHO also did not identify the majority--about 69 percent--of deficiencies in Medicare requirements found by state agencies. Importantly, the number of deficiencies found by validation surveys represents 2 percent of the 11,000 Medicare requirements surveyed by state agencies in the sample during this time period. At the same time, a single deficiency in a Medicare requirement can limit the hospital's capability to provide adequate care and ensure patient safety and health. Inadequacies in nursing practices or deficiencies in a hospital's physical environment, which includes fire safety, are examples of deficiencies in Medicare requirements that could endanger multiple patients. The potential of JCAHO's new hospital accreditation process to improve the detection of deficiencies in Medicare requirements is unknown because the process was just implemented in January 2004. JCAHO plans to move from using announced to unannounced surveys in 2006, which would afford JCAHO the opportunity to observe hospitals' operations when the hospitals have not prepared in advance to be surveyed. In addition, the pilot test of the new accreditation process was of limited value in predicting whether it will be an improvement over the pre-2004 process in detecting deficiencies. Limitations in the pilot test included that hospitals were not randomly selected to participate; that observers from JCAHO accompanied each surveyor, thus possibly affecting surveyors' actions; and that JCAHO evaluated the results instead of an independent entity. CMS has limited oversight authority over JCAHO's hospital accreditation program because the program's unique legal status effectively prevents CMS from taking actions that it has the authority to take with other health care accreditation programs to ensure satisfactory performance. For example, requiring JCAHO's

hospital accreditation program to submit to a direct review process or placing the program on probation while monitoring its performance. Further, CMS relies on a measure to evaluate how well JCAHO's hospital accreditation program detects deficiencies in Medicare requirements that provides limited information and can mask problems with program performance, uses statistical methods that are insufficient to assess JCAHO's performance, and has reduced the number of validation surveys it conducts.

Recommendations

Our recommendations from this work are listed below with a Contact for more information. Status will change from "In process" to "Implemented" or "Not implemented" based on our follow up work.

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Matters for Congressional Consideration

Recommendation: Given the serious limitations in JCAHO's hospital accreditation program and that efforts to improve this program through informal action by CMS have not led to necessary improvements, Congress may wish to consider giving CMS the same kind of authority over JCAHO's hospital accreditation program that it has over all other Medicare accreditation programs.

Status: Implemented

Comments: As stated in our Matter for Congressional Consideration, Congress took steps through Public Law 110-275, Section 125 to remove JCAHO's deemed status as a Medicare accreditation program. As a result, CMS will have the same authority over JCAHO as it has over other Medicare accreditation programs.

Recommendations for Executive Action

Recommendation: To strengthen the ability of CMS to identify and report to Congress on JCAHO's ability to ensure that the hospitals it accredits protect the safety and health of patients through compliance with the Medicare conditions of participation (COPs), the Administrator of CMS should modify the method used to measure the rate of disparity between validation survey findings and accreditation program findings to provide a reasonable assurance that Medicare COPs are being met and consider whether additional measures are needed to accurately reflect an accreditation program's ability to detect deficiencies in Medicare COPs.

Agency Affected: Department of Health and Human Services: Centers for Medicare and Medicaid Services

Status: Not Implemented

Comments: CMS reports that it does not have sufficient funding to implement this recommendation and has closed the recommendation as not implemented. However, Congress took steps through Public Law 110-275, Section 125 to remove JCAHO's deemed status as a Medicare accreditation program. As a result CMS will have the same authority over JCAHO as it has over other Medicare accreditation programs. When JCAHO's deemed status is removed CMS will be able to change the survey validation method it uses to ensure that the hospitals JCAHO accredits protect the safety and health of patients through compliance with Medicare conditions of participation. As a result, this recommendation may no longer apply.

Recommendation: To strengthen the ability of CMS to identify and report to Congress on JCAHO's ability to ensure that the hospitals it accredits protect the safety and health of patients through compliance with the Medicare COPs, the Administrator of CMS should provide in the annual report to Congress an estimate, based on the validation survey sample, of the performance of all JCAHO-accredited hospitals, including the limitations and protocols for these estimates based on generally accepted sampling and statistical methodologies; and develop a written protocol for these calculations.

Agency Affected: Department of Health and Human Services: Centers for Medicare and Medicaid Services

Status: Not Implemented

Comments: CMS considers this recommendation closed and stated that the fundamental limitation on disparity calculations is the small sample size for validation surveys and the agency does not have the funding necessary to increase the sample size. CMS further stated that statistic refinements in the disparity rate calculations will not remedy this more fundamental problem of a small sample size for validation surveys of JCAHO accredited hospitals. However, Congress took steps through Public Law 110-275, Section 125 to remove JCAHO's deemed status as a Medicare accreditation program. As a result CMS will have the same authority over JCAHO as it has over other Medicare accreditation programs. When JCAHO's deemed status is removed CMS will be able to change the survey validation method it uses to ensure that the hospitals JCAHO accredits protect the safety and health of patients through compliance with Medicare conditions of participation. As a result, this recommendation may no longer apply.

Recommendation: To strengthen the ability of CMS to identify and report to Congress on JCAHO's ability to ensure that the hospitals it accredits protect the safety and health of patients through compliance with the Medicare COPs, the Administrator of CMS should annually conduct traditional validation surveys on a sample of JCAHO-accredited hospitals that is equal to at least 5 percent of all JCAHO-accredited hospitals.

Agency Affected: Department of Health and Human Services: Centers for Medicare and Medicaid Services

Status: Not Implemented

Comments: CMS reports that it has not increased the sample size of its traditional validation surveys of JCAHO-accredited hospitals to at least 5 percent of all JCAHO-accredited hospitals because it does not have the necessary funding. CMS considers this recommendation closed. However, Congress took steps through Public Law 110-275, Section 125 to remove JCAHO's deemed status as a Medicare accreditation program. As a result, CMS will have the same authority over JCAHO as it has over other Medicare accreditation programs. When JCAHO's deemed status is removed CMS will be able to change the validation survey method it uses to ensure that the hospitals JCAHO accredits protect the safety and health of patients through compliance with Medicare conditions of participation. As a result, this recommendation may no longer apply.