

Milliman Hospital Performance Index

Powered by Milliman Healthcare Intelligence



The Milliman Hospital Performance Index™ (HPI), part of Milliman’s Healthcare Intelligence product suite, creates consistent and meaningful hospital performance benchmarks—allowing for side-by-side case mix-adjusted performance comparisons of individual facilities to HPI benchmarks. In addition, the easy “Compare” search tool allows for a quick illustration of individual hospital performance against other facilities, specific markets, or to hospitals that share similar characteristics across the country.

The HPI helps users identify the percentage of potentially avoidable days down to the diagnosis-related group (DRG) and specialty levels—demonstrating how a facility compares against national or regional best practices, as well as other relevant comparisons, such as competitors in a given market, or even to the market itself. This allows for opportunities to focus improvement efforts on reducing potentially avoidable inpatient days, as well as the optimal mix of observation and acute bed days.

Our tools pair rigorous actuarial and statistical data analysis methods (including clinical input) with comprehensive data sets. The easy-to-use search functions in HPI readily allow direct comparisons with just a few clicks. This combination of data and actuarial analysis provides our clients with detailed, actionable information, offering an accessible window into how best practices could be achieved.

National and regional health plans, hospitals, and health systems, as well as government health agencies, have used the HPI for more than two decades. With both customized and standard reporting options available, users can quickly identify “hot spots” for improved efficiency, and, because our database is updated quarterly, clients are able to conveniently assess the actual impact of programs put in place.

The HPI takes nationally available data sets, performs adjustments based on the acuity of the patient, and then analyzes and creates best case mix-adjusted benchmarks—producing real-world results that clients can use.

The HPI addresses critical business needs, including:

- Risk or capitation evaluation
- Opportunities for more active care management
- Identification of potential under- or overreliance on observation care
- Ability to identify potential efficient partners if expanding network footprint
- Long-term strategic planning
- Profitability of Medicare DRGs
- Identification of most efficient practice facilities
- Selection/evaluation/integration of networks
- Contract negotiation requirements
- Clear percentages behind potentially avoidable days
- Benchmarks at the DRG level

Area	Number of Admissions	Average LOS	Total LOS Days	HPI Potentially Avoidable LOS (HPI-L)
Arcadia	529	3.11	1,647	22.20% (C)
Cape Coral-Fort Myers	40,621	5.34	216,766	27.94% (C)
Clewiston	305	2.86	872	16.41% (C)
Crestview-Fort Walton Beach-Destin	12,452	4.51	56,172	25.37% (C)
Deltona-Daytona Beach-Ormond Beach	38,657	5.31	205,275	30.12% (C)
Fort Lauderdale-Pompano Beach-Deerfield Beach	94,708	5.91	559,391	30.87% (C)
Gainesville	32,636	5.84	190,623	30.98% (C)

The HPI allows a drill-down to the Core Based Statistical Areas (CBSA) to compare facilities in a region to the most efficient practice benchmarks.

Now with new Observation and Readmission modules

The U.S. Centers for Medicare and Medicaid Services (CMS) pays for short inpatient stays and observation outpatient stays differently and hospitals handle these cases in disparate ways. The decision whether to treat a stay as short inpatient versus longer observation can impact both the provider and patient financially and has led to conflict over how to handle these types of cases. The HPI tool allows users to view observation and rates of conversion (from observation to inpatient admission) for states, CBSAs, and individual hospitals.

The readmissions module compares the readmissions performance of every hospital against a case mix-adjusted national measure. Each hospital has a national measure adjusted to that hospital's mix of cases. Where there is enough volume, users can drill down to the DRG level and compare directly to Milliman's calculated national rate. Readmission rates can be analyzed in combination with observation rates for each individual fiscal year and can be displayed at the hospital, CBSA, or state level. This combination should give a window into whether individual readmission rates are declining due to better uses of observation care.

Most Opportunity and Best Performing DRGs

In two easy-to-produce reports, the HPI allows the user to quickly see where the areas of biggest opportunities for improvement are, as well as where a provider is best performing relative to other facilities. Because opportunities are driven, in part, by volume, the HPI quickly illustrates how even the smallest refinement in high-volume DRGs can lead to impactful improvements.

HPI shows Most Opportunity and Best Performing DRGs to highlight hot spots for improvement by hospital and by DRG.

Description (Numbers case mix adjusted)	Percentage of Stays			Rates	
	Inpatient Only	Observation Only	Observation & Inpatient	Observation Rate	Conversion Rate
Florida 2017 Q4	68.98%	17.67%	13.35%	31.02%	43.03%
National	71.79%	18.93%	9.27%	28.21%	35.10%
Fort Lauderdale-Pompano Beach-Deerfield Beach 2017 Q4	66.02%	20.43%	13.55%	33.98%	39.89%
National	72.29%	18.47%	9.24%	27.71%	36.45%
County General	63.36%	21.88%	14.75%	36.64%	40.27%
National	76.40%	14.78%	8.82%	23.60%	46.02%

Area	Area Data		National Data	
	Index Admissions	Readmit Rate	Index Admissions	Readmit Rate
Arcadia	414	14.33%	7,039,443	14.21%
Cape Coral-Fort Myers	21,748	14.44%	7,039,443	12.74%
Clewiston	124	17.46%	7,039,443	14.96%
Crestview-Fort Walton Beach-Destin	7,599	14.62%	7,039,443	13.37%
Deltona-Daytona Beach-Ormond Beach	16,166	14.06%	7,039,443	13.42%
Fort Lauderdale-Pompano Beach-Deerfield Beach	30,874	16.22%	7,039,443	13.24%
Gainesville	15,102	16.85%	7,039,443	12.65%

Most Opportunity				Best Performing DRGs			
DRG	Number of Admissions	Avoidable Days (HPI-AT)	Quartile	DRG	Number of Admissions	Avoidable Days (HPI-AT)	Quartile
883 Psychiatric - Psychoses	237	3,060	Bottom	470 Surgery - Major joint replacement or reattachment of lower extremity w/o MCC	308	798	Middle
871 Medicine - Sepsis/sepsis or severe sepsis w/o MV 96+ hours age >17 w MCC	490	1,113	Middle	877 Medicine - Sepsis/sepsis or severe sepsis w/o MV 96+ hours age >17 w MCC	101	71	Top
291 Medicine - Heart failure & shock w MCC	173	408	Middle	194 Medicine - Simple pneumonia & pleurisy age >17 w CC	63	21	Top
801 Surgery - Inact transplant or implants of heart assist system w MCC	76	361	Middle	190 Medicine - Chronic obstructive pulmonary disease w MCC	66	19	Middle
470 Surgery - Major joint replacement or reattachment of lower extremity w/o MCC	308	798	Middle	883 Medicine - Renal failure w CC	103	62	Middle
2378 Surgery Cardiac Major - Major cardiac procedures w MCC or thoracic aortic aneurysm repair (SCA)	43	272	Bottom	481 Surgery - Hip & femur procedures except major joint age >17 w CC	51	18	Top
803 Surgery - ECMO or trach w MV 96+ hrs or PDx exc lease, mouth & neck w maj D/L	29	238	Middle	690 Medicine - Kidney & urinary tract infections age >17 w MCC	72	35	Middle
883 Surgery - Infectious & parasitic diseases w D/L procedure w MCC	68	236	Middle	365 Medicine - Intracranial hemorrhage or cerebral infection w CC	49	11	Middle



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