



The amount and cost of hospital treatment in a community have more to do with the number of physicians there, their medical specialties, and the procedures they prefer than with the health of the residents.

John Wennberg and Alan Gittlesohn
Scientific American, 1982

Hospital admissions are arguably the earliest, best and fairest indicator of a local health system's performance and the effectiveness of health plans in managing care. Here's why:

- Hospital admission rates for medical and surgical admissions vary widely within and across cities, states and regions. For example, women in Stanislaus County had hysterectomies at a rate 2.7 times that of their peers in San Francisco County.
- Variations in hospital admission rates are best explained by the type and amount of medical resources in a given community and the specific treatment decisions of local providers. Community residents experience higher elective surgery rates where there are more surgeons and higher hospital admission rates where primary care is lacking or when providers fail to treat chronic disease according to professional treatment standards.

CHCC analyzed hospital admissions patterns on a county-by-county basis, using 2005 hospital discharge data reported by hospitals to the California Office of Statewide Health Planning and Development. The analysis showed wide variation in hospital admission rates for both medical and surgical admissions. We report as "questionable" those admissions that were five percent or more above the statewide average. Counties with high numbers of questionable admissions included:

- **Stanislaus County:** 6,650 questionable admissions totaling \$413 million in charges,
- **Fresno County:** 7,076 questionable admissions totaling \$219,551 million in charges,
- **San Francisco Bay Area:** 18,808 questionable admissions totaling \$885 million in charges,
- **Los Angeles County:** 80,451 questionable admissions totaling \$3.4 billion in charges.

The most striking variations occurred in the following categories: heart disease; hysterectomies; surgical procedures for obesity; post-operative and post-traumatic infections; and ambulatory care sensitive conditions that rarely require hospitalization if treated effectively in outpatient settings.

"Questionable" does not necessarily mean that these admissions were avoidable or inappropriate. It does mean that higher than average hospital admission rates should be investigated to determine if they result from delivery system failures to treat according to professional standards or provider-driven overuse of inappropriate or unnecessary treatments. Research has conclusively shown widespread under-use of effective treatments and over-use of unnecessary treatments. Despite this, no commercial health plan in California currently calculates admission rates in order to identify and resolve possible problems in the appropriateness and effectiveness of care delivered by their contracted physicians. Health plans also do not tell us which physicians consistently achieve the best outcomes for patients and which are most efficient in doing so.

At a time of rising costs and eroding coverage, we ask why California health plans and providers aren't held financially responsible for consistently delivering the right care at the right time to patients in California.