



DNV GL HEALTHCARE

# SAFEGUARDING HOSPITAL QUALITY

WHY TRADITIONAL ACCREDITATION IS UNDER ATTACK AND WHAT  
TO DO ABOUT IT

## Safeguarding Hospital Quality: Why Traditional Accreditation is Under Attack and What to Do About It

Despite the efforts to improve the quality of care in hospitals and to prevent medical errors that were launched by the Institute of Medicine's "To Err is Human" report in the 1990's, patient safety remains at risk in American hospitals.<sup>1</sup> A Johns Hopkins University report recently announced that an estimated 250,000 patients die each year due to medical errors.<sup>2</sup> Some two million patients in the U.S. wind up with healthcare-associated infections every year, and nearly 90,000 die as a result.<sup>3</sup> And the Commonwealth Fund ranked the U.S. last among 11 countries for health outcomes, equity and quality.<sup>4</sup>

As a growing number of older Americans requires hospitalization, new bacteria develop and antibiotic resistance becomes more widespread, the dangers for hospitalized patients will grow.

In the midst of this infection epidemic, the traditional model of hospital accreditation – the process that is supposed to assure that hospitals are safe and delivering quality care – is under scrutiny. Legislators, the Centers for Medicare & Medicaid Services, and the *Wall Street Journal* are investigating incidents of hospitals with numerous quality problems that are still receiving accreditation and accepting and treating patients.<sup>5</sup>

This paper asks and answers the question: Is traditional accreditation enough, or do we need a new model for today's hospitals that will dramatically improve the quality of care and the safety that hospital patients should expect?

### The Evolution of Hospital Accreditation

Although hospital surveys have been conducted in one form or another for the past century, and state licensing programs became commonplace after World War Two, it was not until the creation of the Medicare and Medicaid programs in the mid-1960s that there was a pressing need to certify hospitals to participate in government programs on a large scale.<sup>6</sup>

Starting in 1965, Medicaid and Medicare began pumping billions of dollars into the U.S. healthcare system. Standards for hospitals that could treat these patients were promulgated in the original Medicare legislation. Those original Conditions of Participation included the maintenance of clinical records, bylaws for medical staff, a 24-hour nursing service supervised by a registered nurse, utilization review planning, institutional planning, capital budgeting, and state licensure, among others.<sup>7</sup>

In the intervening decades, hospital surveys by a variety of organizations have become commonplace to ascertain that hospitals meet these standards and are able to receive payment for treating Medicare and Medicaid patients. Now, the 5,000 or so acute care facilities throughout

1. "Patient Safety in the U.S.A. Getting Better, But Concerns Remain." The Sentinel Watch. 30 June 2015. <<https://www.americansentinel.edu/blog/2015/06/30/patient-safety-in-the-u-s-a-getting-better-but-concerns-remain/>>. Accessed 4 March 2019.

2. Sipherd, Ray. "The Third-Leading Cause of Death in U.S. Most Doctors Don't Want You To Know About." *CNBC*. 22 February 2018. <<https://www.cnn.com/2018/02/22/medical-errors-third-leading-cause-of-death-in-america.html>>. Accessed 4 March 2019.

3. Stone, Patricia W. "Economic Burden of Healthcare-Associated Infections: An American Perspective." *Expert Review of Pharmacoeconomics & Outcomes Research*. October 2009, Vol. 9, Iss. 5, pp. 417-422. <<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2827870/>>. Accessed 3 March 2019.

4. Schneider, Eric. C., Sarnak, Dana O., et al. "Mirror, Mirror 2017: International Comparison Reflects Flaws and Opportunities for Better U.S. Health Care." The Commonwealth Fund. July 2017. <<https://interactives.commonwealthfund.org/2017/july/mirror-mirror/>>. Accessed 3 March 2019.

5. Macdonald, Ilene. "Grassley Urges Feds to find a way to Make Hospital Accreditation Reports Public." *Fierce Healthcare*. 20 September 2017. <<https://www.fiercehealthcare.com/healthcare/grassley-urges-feds-to-find-a-way-to-make-hospital-accreditation-reports-public>>. Accessed 3 March 2019.

6. Vatel, Boris. "The Government Inspector." *Journal of American Physicians and Surgeons*. Fall 2017, Vol. 22, Iss. 3, pp. 87-88. <<http://www.jpands.org/vol22no3/vatel.pdf>>. Accessed 28 December 2018.

7. McGeary, Michael G.H., "Medicare Conditions of Participation and Accreditation for Hospitals." Institute of Medicine. 1990. <<https://www.ncbi.nlm.nih.gov/books/NBK235473/>>. Accessed 28 December 2018.

the United States are accredited by a variety of private organizations or state government agencies.

## The Issues Facing Hospitals and Hospital Patients

Hospitals are combating a variety of risks that can endanger patients. The 1996 Institute of Medicine report concluded that 98,000 Americans were dying in hospitals every year due to medical errors. A newer study in 2013 concluded an updated number is actually closer to 440,000 fatalities every year, which would make medical errors the third-leading cause of death in the United States.<sup>8</sup>

The authors of that study observe that not only was it probable the landmark IOM study undercounted deaths "it is...possible that the frequency of preventable and lethal patient harms has increased from 1984 to 2002–2008 because of the increased complexity of medical practice and technology, the increased incidence of antibiotic-resistant bacteria, overuse/misuse of medications, an aging population, and the movement of the medical industry toward higher productivity and expensive technology, which encourages rapid patient flow."

Along with the rise of antibiotic-resistant strains of diseases, deadly blood infections such as sepsis are increasing. Sepsis is linked to as many as 52 percent of deaths in U.S. hospitals.<sup>9</sup> Although the vast majority of sepsis cases are acquired outside of hospitalization, more than 20 percent of its victims are readmitted to the hospital within 30 days of discharge.<sup>10</sup> Meanwhile, the number of cases of sepsis are outpacing the growth of the U.S. population.<sup>11</sup>

Medical errors are the third-leading cause of death nationwide, or more than 250,000 per year, according to a 2016 study in the *British Medical Journal*.<sup>12</sup> Only cancer and heart disease claim more lives. Researchers at Johns Hopkins University have urged states to make modifications to death certificates to include a provision for reporting medical errors, as well as asking the Centers for Disease Control and Prevention to list medical errors as among its leading causes of death in the United States.<sup>13</sup>

Another serious issue is patient readmissions within 30 days of discharge from the hospital. Since the Medicare program began penalizing hospitals for excess readmissions as part of the Affordable Care Act in 2012, it has withheld nearly \$2 billion from hospitals that failed to meet the standard, including \$528 million in fiscal 2017.<sup>14</sup>

The costs regarding readmissions are not solely confined to penalties imposed by CMS. Readmissions cost the Medicare program \$27 billion a year, of which \$17 billion were related to what are considered avoidable costs. That does not include the costs of readmission for those enrolled in Medicaid, commercial plans, or who do not have insurance at all.<sup>15</sup>

8. "Hospital Errors are the Third Leading Cause of Death in U.S." The Leapfrog Group. 23 October 2013. <<https://www.hospitalsafetygrade.org/newsroom/display/hospitalerrors-thirdleading-causeofdeathinus-improvementstooslow>>. Accessed 3 March 2019.

9. "JAMA: Up to 50% of Hospital Deaths Linked to Sepsis." The Advisory Board. 21 May 2014. <<https://www.advisory.com/daily-briefing/2014/05/21/jama-up-to-of-hospital-deaths-linked-to-sepsis>>. Accessed 4 March 2019.

10. Chang, Dong W., Tseng, Chi-Hong and Shapiro, Martin F. "Rehospitalizations Following Sepsis: Common and Costly." *Critical Care Medicine*. October 2015, vol. 43, iss. 10, pp. 2,085–2,093.

11. Hajj, Jihane, Blaine, Natalie, et. al. "The 'Centrality of Sepsis': A Review on Incidence, Mortality, and Cost of Care." *Healthcare*. 30 July 2018. <<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6164723/>>. Accessed 4 March 2019.

12. Makary, Martin and Daniel, Michael. "Medical Error—The Third Leading Cause Of Death In The U.S." *BMJ*. 3 May 2016. <<https://www.bmj.com/content/353/bmj.i2139>>. Accessed 11 January 2019.

13. Allen, Marshall and Pierce, Olga. "Medical Errors Are No. 3 Cause Of U.S Deaths, Researchers Say." *NPR*. 3 May 2016. <<https://www.npr.org/sections/health-shots/2016/05/03/476636183/death-certificates-undercount-toll-of-medical-errors>>. Accessed 15 January 2019. LISTEN:3:47

14. "Hospital Readmissions Reduction Program Fact Sheet." The American Hospital Association. August 2016. <<https://www.aha.org/system/files/2018-01/fs-readmissions.pdf>>. Accessed 17 January 2019.

15. Kauffman, Bill. "Readmissions & Medicare: What's the Cost?" National Investment Center for Seniors Housing & Care. 23 March 2016. <<https://www.nic.org/blog/readmissions-medicare-whats-the-cost/>> Accessed 18 January 2019.

Meanwhile, the overall demographics of the U.S. population do not bode for an overall improvement in health anytime soon. The number of Americans over the age of 65 is projected to double by 2060, reaching nearly 100 million.<sup>16</sup> This aging population will put even more demands on America's hospitals and other medical providers.

In addition to the issues occurring within the hospital walls, these institutions are vastly expanding their services outside of those walls. Many large hospitals and healthcare systems have been acquiring medical groups in large numbers, transactions that tend to make care flow more complex. Meanwhile, the rise of telemedicine means that many hospitals are grappling with the care redesign and regulatory issues inherent in delivering services to offsite patient populations.

### Is Accreditation Effective in Protecting Patients?

Accreditation of hospitals is extraordinarily important. All hospital patients -- whether inpatient or outpatient -- are putting their lives in the care of these institutions. Without a means that attest to the quality of care being provided, a hospital stay becomes a gamble in which patients are betting their health and their lives.

Nonetheless, despite the enormous complexity of these tasks and responsibilities, the accrediting process is intended to ensure they provide care of the highest quality has often fallen short.

Accreditation these days is often systematic and, to some extent, ingrained. The most common forms of accreditation have not changed in years, if not decades. If a state agency is performing the accreditation during periods of lean budgets, it can be up to five years between surveys. Meanwhile, hospital staff can prepare for weeks, if not months, for a survey for accreditation. They often spend tens of thousands of dollars to get ready for the surveyors, not including the fees paid to accrediting bodies.

However, as with any process that is also mostly unchanged for decades, some practices have become hidebound. Surveyors trained to look for specific issues can become overzealous. They may issue "gotcha"-style warnings that have little to do with legitimate patient safety issues. It may be as picayune as a surveyor taking unattended papers off a nursing station desk and then claiming that patient records were not properly secured.

Moreover, when legitimate clinical or safety issues are discovered by surveyors, their proposed solutions can often be one-size-fits-all and overly proscriptive. This rigidity can often cause friction among hospital staff, particularly if the solution does not mesh well with its culture. It can also mean the proposed solution when implemented may not be effective.

Recent data and news reports tend to validate these concerns. A series of articles that appeared in the *Wall Street Journal* between September 2017 and December 2018 detailed numerous woes at hospitals certified by the Joint Commission, the largest accrediting body in the U.S. Among the issues that surfaced:

- A hospital in Massachusetts kept its accreditation despite being on the verge of being barred from participating in the Medicare program due to the deaths of two infants at the facility within a six-week period.<sup>17</sup>
- Thirty hospitals kept their accreditation even though the Centers for Medicare & Medicaid Services (CMS) had declared safety violations at their facility were so severe that patient lives were in danger.<sup>18</sup>

16. Mather, Mark. "Fact Sheet: Aging in the United States." Population Research Bureau. 13 January 2016. <<https://www.prb.org/aging-unitedstates-fact-sheet/>>

17. Armour, Stephanie, "Hospital Watchdog Gives Seal of Approval, Even After Problems Emerge." *The Wall Street Journal*. 8 September 2017. <<http://ezproxy.lapl.org/login?url=https://search-proquest-com.ezproxy.lapl.org/docview/1936595782?accountid=6749>>. Accessed 6 January 2019.

18. Ibid.

- Mortality rates at hospitals accredited by the Joint Commission were no different than those accredited by state agencies, according to a study recently published in the *British Medical Journal*.<sup>19</sup>

"The wealthy, big hospitals that generally have more resources are more likely to be Joint Commission-accredited, and the thinking is that they have better outcomes," Ashish Jha, director of the Harvard Global Health Institute and an author of the study, told the *Wall Street Journal*. "What you find is that it doesn't have a big effect, and it really makes you worry. We've put a lot of faith and resources into accreditation."<sup>20</sup>

The coverage has drawn the attention of lawmakers and regulators in Washington, D.C. Sen. Charles Grassley, R-IA, chairman of the Senate Judiciary Committee, called for public disclosure of hospital inspection reports. The Energy and Commerce Committee in the U.S. House of Representatives also began a separate probe.<sup>21</sup> In December 2018, CMS announced it would examine whether it would continue to certify accreditation bodies that also operate consulting arms due to potential conflicts of interest.<sup>22</sup>

With an investigative spotlight cast on the work and business of accrediting bodies, what can be done to ensure that the process is not only fully functional, but ensures patient safety and a high quality of care? Is there a new model for accreditation that may be deployed?

Taking those specific issues into consideration, the process of accreditation, if possible, should not only ensure that hospitals and other healthcare facilities are safe for patients, but proactively encourage providers to improve the quality of care they provide between surveys. There is one accrediting company that can achieve that goal.

## DNV GL Healthcare

DNV GL Healthcare was founded more than a decade ago with the intent of reinventing the healthcare accrediting process. Its founders - former hospital executives and hospital surveyors - had decided that the traditional, proscriptive process for accrediting was neither making hospital management happy nor patients safer. It eventually joined forces with DNV GL (Det Norske Veritas and Germanischer Lloyd), a Norwegian company with a century-and-a-half of certification and quality control experience, starting with Det Norske Veritas' decades of experience inspecting ships for insurance underwriting purposes. In the ensuing decades, DNV GL has become a global leader in certification and quality assurance in maritime shipping and the energy fields, and has more than 100,000 clients worldwide. The company consistently devotes five percent of its revenues to research and development.

DNV GL Healthcare focuses on promoting continuous quality improvement in American hospitals. One of the most significant ways DNV GL accomplishes this is through the annual surveys of hospitals, in contrast to The Joint Commission which surveys hospitals every three years. With limited resources, state agencies may survey even less frequently than that, particularly in times of lean budgets. The primary advantage conferred by annual surveys is that hospital staff are kept alert to opportunities to improve the healthcare services they are delivering, while not burdened by trying to meet an ultimatum set by another organization.

19. Armour, Stephanie. "Study Challenges Hospitals' Use of Accrediting Watchdogs." *The Wall Street Journal*. 18 October 2018. <<http://ezproxy.lapl.org/login?url=https://search-proquest-com.ezproxy.lapl.org/docview/2121207968?accountid=6749>>. Accessed 6 January 2019.

20. Ibid.

21. "E&C Chairmen Seek Information on CMS Oversight of Hospital Accreditors." American Hospital Association. 13 March 2018. <<https://www.aha.org/news/headline/2018-03-13-ec-chairmen-seek-information-cms-oversight-hospital-accreditors>>. Accessed 3 March 2019.

22. "CMS Seeks Public Comment on Accrediting Organizations and Conflicts of Interest." Centers for Medicare & Medicaid Services press release. 18 December 2018. <<https://www.cms.gov/newsroom/press-releases/cms-seeks-public-comment-accrediting-organizations-and-conflicts-interest>>. Accessed 3 March 2019.



"DNV GL Healthcare is a lot of work and a change in thought process," said Nicole Spence, manager of patient care services for Sentara Halifax Regional Hospital, a 192-bed facility in South Boston, Va. "But it is worth it."

## **ISO 9001 – The New Quality Model for Hospitals**

Another significant component of DNV GL's focus on continuous quality improvement is the deployment of the ISO 9001 quality management system. ISO 9001 was originally developed for the manufacturing sector. DNV GL Healthcare adopted this highly respected system for the operation of hospitals. Any hospital that is accredited by DNV GL must become certified in the ISO 9001 processes within three years.

It would be difficult to overstate how important ISO 9001 is in the overall improvement in healthcare delivery. Although it sets specific standards and expectations, it is up to the individual institution to determine the route taken to meet specific goals. This flexibility allows individual healthcare institutions to set their own path toward improvement, one that meshes well with its management, culture and the preferences of its employees. If hospital staff wishes or needs to improve a process, they can do so without being disruptive to a healthcare institution's long-established processes, routines, and even corporate culture.

The primary advantage conferred by annual surveys and ISO 9001 is that hospital staff are kept alert to opportunities to improve the healthcare services they are delivering, while not burdened by trying to meet an ultimatum set by another organization.

These three differentiators – annual surveys, the ISO 9001 framework for continuous improvement, and customized quality improvement options for hospitals – have enabled the more than 500 DNV-GL accredited hospitals to achieve major improvements in quality.

## **Here Are Some of the Hospital Achievements:**

### **CoxHealth**

"The DNV GL accreditation process and ISO 9001 aligns with our strategy to integrate value-based payments and population health. Our partnership and implementation of an ISO 9001 quality management system process approach has created synergy and progression toward our goals," says Arlo Stallion, director of regulatory affairs and staff services at CoxHealth, a six-hospital system in Southwest Missouri.

As part of its continuous improvement efforts, CoxHealth focused on reducing patient readmissions. It integrated a tool into its electronic medical records system that gauged the risk of readmission for each patient, based on factors such as whether they had been hospitalized before and the number of prescription medications they were taking, among others. Particular attention was paid to patients who had five or more hospital admissions through the emergency room, a cohort that tends to have a significantly higher readmission rate than average. It was determined that many of these patients were seeking care through the ER due to dental pain, mental health, and social issues. The hospital put a care redesign team into place to study how it might be able to change familiar processes that might not represent the best clinical pathways for patients.

The solution: CoxHealth embedded social workers in the emergency department to assist with arranging a variety of community services to meet patient needs. It also established a Community Health Advanced Practice Paramedic Program (CHAPP) to conduct frequent home visits by specially trained paramedics to address the medical, behavioral and social needs of their patients.

**The results: CoxHealth reduced its ED visits by 16%, and its readmission rates by about 15%.**

### **Charleston Area Medical Center**

West Virginians are particularly vulnerable to strokes. According to the American Heart Association and the American Stroke Association, nearly 69 percent of the state's residents are overweight or obese, a rate that is significantly higher than the national average. Partly as a result of an overly obese population, nearly 4 percent of West Virginians have had a stroke -- a percentage that is more than a third higher than the national average.

After two separate surveys with DNV GL Healthcare on its delivery of services to stroke patients, Charleston Area Medical Center in Charleston, West Virginia, was able to strengthen its program for stroke victims, including creating more timely interventions by its team of eight neurologists. It also hired an additional radiologist to more quickly interpret brain scans. As a result, the number of ischemic stroke patients who received PA within an hour of their stroke totaled 140 between April 2016 and April 2017 — compared to approximately 30 in the year prior to that period. Patients also swiftly received antithrombotics and anticoagulation therapy. After discharge, patients were prescribed cholesterol-reducing drugs and smoking cessation counseling if needed. The hospital also created a telestroke program, guaranteeing patients immediate care from a neurologist even if they are not at the CAMC facility.

**As a result of these changes, in 2014 CAMC received the highest level of the Stroke Quality Achievement Award from the American Stroke Association. It also received this award in 2015 and 2016. In 2015, CAMC was the recipient of a Malcolm Baldrige National Quality Award.**

We're a big supporter of DNV," said Barbara Covelli, CAMC's director of corporate compliance, "There's no better way to maintain accreditation and quality."

### **Nicklaus Children's Medical Center**

Nicklaus Children's Medical Center in Miami, Florida has leveraged recent advances in technology to make its clinical operations more efficient and safer. It collaborated with a local firm, NESA Solutions, to dramatically speed up the supplying of its medical crash carts using radio frequency identification technology.

By having the digitally enabled cart communicate what supplies are needed rather than have staff conduct a thorough inventory, the carts can be restocked within minutes instead of hours.

And by using geofencing technology around the hospital's hand-washing areas, Nicklaus Children's is able to automatically determine who is washing their hands between procedures. This information allows the hospital to more effectively encourage staff to adopt the practice, thereby reducing hospital-acquired infections.

"We chose to work with DNV GL Healthcare because they would be a true working partner with us, instead of an organization that just checked off the boxes to be sure we were compliant," said Jose Perdomo, Nicklaus Children's senior vice president of ethics and compliance and privacy officer. "We have always pushed the envelope on clinical excellence, and in fact we developed our own clinical excellence index to monitor 55 metrics required for quality care. Our previous accrediting organization did not give us any credit for this achievement. DNV GL Healthcare recognizes the progress we have made."

### Other examples of hospital achievements include:

- CoxHealth also lowered c.diff rate infections by 63%
- Piedmont Healthcare System, Atlanta, reduced infection in half, benefiting patients AND saving nearly \$2 million in cost avoidance
- Self Regional Healthcare, Greenwood, S.C., cut patient fall rates by half, protecting patients and saving \$80,000

Independently conducted surveys of DNV GL- accredited hospitals verify the value of this new accreditation model.

Statement	Percent Agreed
Adoption of the DNV GL Healthcare certification helped us meet our performance objectives.	94%
Adoption of DNV GL Healthcare has helped us improve the treatment of our patients.	92%
Our DNV GL Healthcare accreditation has been embraced by the nursing staff.	93%
I would recommend DNV GL Healthcare accreditation to other healthcare professionals.	95%
The ISO 9000 component of DNV GL Healthcare accreditation was an important factor in the adoption process.	85%
The DNV GL Healthcare Surveyors' approach has encouraged us to identify and develop processes directly connected to our hospitals' goals.	93%
Processes are critical to the way that we manage healthcare in our hospitals.	99%
The key to good patient care is effective management of the processes.	92%

The same independent research team also verified that 30 day readmission rates for DNV GL are lower (15.243%) compared to 15.507% for the Joint Commission, a statistically significant difference.

While these significant achievements by hospitals accredited by DNV GL are impressive, the demands of the future will continue to create new challenges. Healthcare costs will continue to rise. Pressure is mounting on providers to deliver value-based care, particularly given that Centers for Medicare & Medicaid Services has recently cut the number of years participants can remain in accountable care organizations without risk. Both of those developments will also force providers to continue to reduce patient readmissions and demonstrate high quality metrics.

Meanwhile, as more healthcare costs are shifted over to individual patients, they will demand better care at a lower price.

Hospitals and other healthcare providers must respond to these ever-increasing demands. They can only be successful and meet their commitment to provide quality care for their communities if they have the tools and the guidance to improve the quality of care they deliver, every day. The path toward higher-quality, value-based care requires a new model for accreditation, one that can guide the future of healthcare delivery itself.



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Within healthcare we help our customers achieve excellence by improving quality and patient safety through hospital accreditation, managing infection risk, management system certification and training.

With origins stretching back to 1864 and operations in more than 100 countries, our experts are dedicated to helping customers make the world safer, smarter and greener.