



## Frequently Asked Questions 2009 Hospital Ratings

### **What is HealthGrades®?**

HealthGrades (Nasdaq:HGRD) is the leading independent healthcare ratings company, providing ratings and profiles of hospitals, nursing homes and physicians. Consumers and many of the nation's largest employers, health plans and hospitals rely on HealthGrades' independent ratings to make healthcare decisions based on the quality of care. Each month, more than 6 million consumers visit HealthGrades.com to research the quality of healthcare providers.

### **How does HealthGrades rate hospitals?**

Each year, HealthGrades issues the *Hospital Quality in America* study, the foundation of the hospital ratings that appear free on its Web site and are used by hospitals, major employers, health plans and millions of consumers to evaluate the quality of care at the nation's hospitals.

As part of the study, HealthGrades independently and objectively rates the quality of care for nearly every hospital in the country, for each of twenty-eight procedures and diagnoses – from bypass surgery to knee replacement to treatment for a heart attack. A five-star rating indicates that the hospital has below-average mortality or complication rates for that particular procedure. Three stars indicate the care is “as expected,” and one star indicates that the care is among the poorest in the nation, with above-average mortality or complication rates. The star ratings are based on an analysis of more than 40 million patient records over a three-year period that hospitals themselves submit to the Centers for Medicare and Medicaid Services as well as state governments. The records are “risk adjusted,” meaning that hospitals taking sicker patients are compared on equal footing with other hospitals.

HealthGrades' 2009 ratings, issued on October 14, 2008, represent data from the years 2005 through 2007, the most current information available.

HealthGrades' ratings are purely objective, based on information about patient outcomes that hospitals report to federal and state governments. There are no subjective elements, such as reputation, that are factored into HealthGrades' star ratings. HealthGrades' methodology white paper is available at [www.healthgrades.com](http://www.healthgrades.com) and provides additional detail.

### **What other awards are available for hospitals from HealthGrades?**

In addition to providing star ratings of hospitals, HealthGrades recognizes hospitals for excellence in several categories.

The HealthGrades Distinguished Hospital Award for Clinical Excellence™ is designed to identify hospitals with the lowest mortality and complication rates across a range of procedures and diagnoses. Using its annual hospital ratings in 27 procedures/diagnoses, HealthGrades calculates an average star rating for hospitals that provide the broadest range of medical and surgical services. Recipients of the Distinguished Hospital Award for Clinical Excellence™ are in the top 5% of all hospitals in the nation (To be announced January 31, 2009).

The HealthGrades Distinguished Hospital Award for Patient Safety™ is based on the Agency for Healthcare Research and Quality's (AHRQ) patient-safety indicators. This award is based on 13 indicators of the original set of 20, with 7 eliminated based on specific criteria. Recipients of the Distinguished Hospital Award for Patient Safety™ are in the top 5% of all hospitals in the nation.

HealthGrades also annually recognizes hospitals with Specialty Excellence Awards, given to those that perform in the top 10% in the nation in the following 13 specialty categories: bariatric surgery, cardiac

care, cardiac surgery, coronary intervention, critical care, gastrointestinal care, gastrointestinal surgery, general surgery, joint replacement surgery, maternity care, orthopedic surgery, pulmonary care, spine surgery, stroke, vascular surgery, and women's health.

### **Which health care providers does HealthGrades rate?**

- Nearly 5,000 hospitals according to specialty (cardiac surgery, cardiology, orthopedic surgery, neurosciences, pulmonary/respiratory, vascular surgery, critical care, GI, general surgery and maternity care).
- Maternity Care and Women's Health Services information is available for 17 states (only due to the public availability of data)
- Every practicing physician in the country, comprising over 700,000 physicians in 143 specialties
- Every nursing home in the country, totaling 15,000
- 6,000 home health agencies

### **Where does HealthGrades get its information?**

HealthGrades compiles data from dozens of independent private and public sources, including the Center for Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Human Services, 17 states' records, 50 states' medical board records, publicly available directories and telephone surveys.

### **How often is HealthGrades' information updated?**

Hospital data are updated annually, physician data are updated on an ongoing basis, nursing-home data are updated monthly, and all other data are reviewed annually, at a minimum.

### **Who sees and uses this ratings information?**

- 6 million individuals each month
- More than 50 of America's largest corporations and health plans provide employees with HealthGrades information as a benefit
- More than 350 hospitals rely on HealthGrades' quality information and advisory services

### **What services does HealthGrades offer consumers?**

HealthGrades' Web site, [www.healthgrades.com](http://www.healthgrades.com), gives consumers vital tools for evaluating and selecting hospitals, doctors and nursing homes based on quality. HealthGrades provides objective provider ratings, profiles and directory information; tips, recommendations and checklists for selecting the best providers, with online maps and driving directions to each location. The site can help consumers, for example, identify which hospital in each state has the best survival rate for coronary bypass surgery, or which local nursing homes in provide superior care. The site also lets users select physicians among 110 specialties, and was the first Web site to offer cost information on medical procedures.

### **What services does HealthGrades offer corporations and health plans?**

More than 50 of the nation's largest employers and health plans provide HealthGrades' healthcare ratings and interactive personal-finance and condition-management tools to their employees and members. HealthGrades ratings generate cost savings for these companies and health plans by steering their employees and members away from poor-quality doctors, hospitals and nursing homes, and the extra costs they generate.

### **What services does HealthGrades offer hospitals?**

More than 350 hospitals across the country work with HealthGrades' physician-led teams to identify areas where quality can be improved, and with HealthGrades' consultants to license the company's star ratings in their marketing materials.

### **Where has HealthGrades been acknowledged?**

HealthGrades' award-winning quality information on hospitals, physicians and nursing homes is trusted by the media and has been featured in *The Wall Street Journal*, *USA Today*, *The New York Times*, *The Washington Post*, the Associated Press, Reuters, CNN, NBC's Today Show, *Time*, *Newsweek* and more.

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