Truven Analytics Top 100 Hospitals Ranking

Methodology

Truven’s Top Hospital Rankings focuses on individual hospital quality and financial performance. Released annually, aggregates quality and financial performance metrics into the five categories listed in the table below to calculate an overall hospital score. The hospital’s overall score is then compared to other hospitals within one of five peer comparison groups: Major Teaching Hospitals, Teaching Hospitals, Large Community Hospitals, Medium Community Hospitals, and Small Community Hospitals. Truven divides hospitals into five comparison groups based on the number of beds and the resident-to-bed ratio. The top hospitals from each comparison group are named as a Truven Top 100 Hospital.

Performance data is collected from CMS Hospital Compare and Medicare Provider and Analysis Review (MEDPAR) data sets. For more details on the Truven Top 100 Hospitals methodology, click here.

Categories of Metrics Used to Calculate the Truven Analytics Top 100 Hospital Rankings

<table>
<thead>
<tr>
<th>Category</th>
<th>Category Weight</th>
<th>Example Metrics</th>
<th>Number of Metrics</th>
</tr>
</thead>
</table>
| Inpatient Outcomes        | 20%             | Risk-adjusted inpatient mortality index\(^1\)  
Risk-adjusted complications index\(^2\) | 2                 |
| Process of Care           | 10%             | Prophylactic treatment for thromboembolisms is given to stroke patients and others when indicated | 9                 |
| Extended Outcomes         | 20%             | Mortality from heart attack  
Readmissions from heart attack | 11                |
| Process Efficiency        | 20%             | Severity-adjusted length of stay\(^3\) (10% of total score)  
Time from emergency department arrival to departure | 4                 |
| Cost Efficiency           | 10%             | Medicare spend per beneficiary\(^4\)  
Adjusted inpatient expense per discharge\(^5\) | 2                 |
| Financial Health          | 10%             | Adjusted operating margin\(^6\) | 1                 |
| Patient Experience        | 10%             | Patient’s rating of the hospital overall; one question from HCAHPS\(^7\) | 1                 |

1) This mortality index is the aggregate number of actual in-hospital deaths compared to the deaths expected by Truven’s proprietary mortality risk assessment model.
2) This complications index is the aggregate number of actual complications compared to the deaths expected by Truven’s proprietary complications risk assessment model.
3) Length of stay adjustment compares the total length of stay compared to the length Truven expects based on a patient’s diagnosis at the point of admission.
4) Medicare spend per beneficiary is the cost of care per Medicare patient. Care episode begins three days pre-admission, continues through the treatment period, and ends 30 days post-admission
5) Inpatient expense per discharge is the sum of all hospital charges for Medicare acute inpatients divided by the number of total number of such patient discharges. This ratio is then adjusted using CMS’s case mix index and CMS’s geographic area wage index.
6) Adjusted operating margin is the difference between total operating revenue (net patient revenue plus other operating revenue) and total operating expense. This is based on charge data from 2014 Medicare Cost Reports
7) HCAHPS is the Hospital Consumer Assessment of Healthcare Providers and Systems survey

Truven Health Analytics, “Truven Top 100 Hospitals Study, 2016.” (2016); Physician Executive Council interviews and analysis.