

Since 1993, the Watson Health 100 Top Hospitals® study has been honoring the nation's leading healthcare organizations.

April 2019

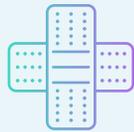
The Watson Health 100 Hospitals study identifies 100 top-performing hospitals based on publicly available data and a balanced look at clinical, operational and financial metrics.

Watson Health 100 Top Hospitals leaders demonstrate that quality care and operational efficiency can be achieved simultaneously, thereby delivering greater value to their communities. As the industry has evolved, so has our study — and 26 years later, it serves as a benchmark of what's achievable in healthcare.

According to this year's study results, if all Medicare inpatients received the same level of care as is offered at our winning facilities:



103,000 additional lives could be saved in-hospital



38,000 additional patients could be complication free



More than \$8.2B in inpatient costs could be saved



The typical patient could be released from the hospital **half a day** sooner



At least **155,000 fewer** discharged patients would be readmitted within 30 days



Patients would spend **17 fewer minutes** in hospital emergency rooms per visit

Compared to similar hospitals, the 100 Top Hospitals had:

- better survival rates
- fewer patient complications
- fewer healthcare associated infections
- lower 30-day mortality and readmission rates
- shorter lengths of stay
- faster throughput in emergency rooms
- lower inpatient expenses
- higher profitability
- higher ratings from patients

What is the 100 Top Hospitals study? Watson Health 100 Top Hospitals is a quantitative study that annually identifies 100 US hospitals with the highest achievement on a balanced scorecard. The 100 Top Hospitals balanced scorecard, based on Norton and Kaplan's concept, is calculated based on publicly available data. It consists of 10 measures distributed across five domains:

- Inpatient outcomes
- Extended outcomes
- Operational efficiency
- Financial health
- Patient experience

How are the top hospitals identified? The hospitals with the highest rankings on a composite score of the 10 measures are identified as the highest-achieving hospitals in the study. The 100 Top Hospitals study includes only short-term, nonfederal, acute care US hospitals that treat a broad spectrum of patients. The 10 measures included in the 2019 study are:

- | | |
|---|--|
| 1. Risk-adjusted inpatient mortality index | 6. Severity-adjusted average LOS |
| 2. Risk-adjusted complications index | 7. Mean ED throughput measure |
| 3. Mean HAI index | 8. Case mix- and wage-adjusted inpatient expense per discharge |
| 4. Mean 30-day risk-adjusted mortality rate | 9. Adjusted operating profit margin |
| 5. Mean 30-day risk-adjusted readmission rate | 10. HCAHPS score |

What data is used in the study? Medicare Provider Analysis and Review (MEDPAR), Medicare Hospital Cost Reports (all-payer), and Centers for Medicare & Medicaid Services (CMS) Hospital Compare data sets.

In the 2019 study, we used the most recent two federal fiscal years of MEDPAR data available - FY 2016 and 2017 which includes Medicare Advantage (HMO) encounters, to identify current performance and to identify the winning hospitals.

- To be included in the study, a hospital must have the two most current years of data available, with valid present-on-admission (POA) coding
- Hospitals that filed under one Medicare provider number jointly with other hospitals were analyzed as one organization
- Six years of MEDPAR data (2012 – 2017) were used to develop the study trend database
- A total of 3,156 short-term, general, acute care US hospitals were available in the MEDPAR 2017 data file. After all exclusions were applied, 2,752 hospitals were included in the 100 Top Hospitals 2019 study.

How can hospitals make use of this study? Watson Health offers custom benchmark reports based on the 100 Top Hospitals program studies, which can support in-depth analyses of your organization's performance. These reports are designed to help your organization understand where you may achieve improved performance across quality, safety, efficiency and patient perception of care.

What is an Everest Award? The Watson Health 100 Top Hospitals Everest Award honors hospitals that have both the highest current performance and the fastest long-term improvement in the approximately five years of data analyzed.

Hospitals do not apply or pay to participate in 100 Top Hospitals studies, nor do winners pay to promote their award.

How can I get more information? For more information on the 100 Top Hospitals program contact Christine Gardner via email at gardnerc@us.ibm.com and order your benchmark report Tracy Schalk tschalk@us.ibm.com. Or visit our website at 100tophospitals.com.

© Copyright IBM Corporation 2019

IBM Corporation
Software Group
Route 100
Somers, NY 10589

Produced in the United States of America
April 2019

IBM, the IBM logo, ibm.com and Watson Health are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the web at "Copyright and trademark information" at ibm.com/legal/copytrade.shtml.

This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates.

The information in this document is provided "as is" without any warranty, express or implied, including without any warranties of merchantability, fitness for a particular purpose and any warranty or condition of non-infringement.

IBM products are warranted according to the terms and conditions of the agreements under which they are provided.

Statement of Good Security Practices: IT system security involves protecting systems and information through prevention, detection and response to improper access from within and outside your enterprise. Improper access can result in information being altered, destroyed or misappropriated or can result in damage to or misuse of your systems, including to attack others.

No IT system or product should be considered completely secure and no single product or security measure can be completely effective in preventing improper access. IBM systems and products are designed to be part of a comprehensive security approach, which will necessarily involve additional operational procedures, and may require other systems, products or services to be most effective. IBM does not warrant that systems and products are immune from the malicious or illegal conduct of any party.

PROV 00136 0419

About IBM Watson Health

Each day, professionals throughout the health ecosystem make powerful progress toward a healthier future. At IBM Watson Health, we help them remove obstacles, optimize efforts and reveal new insights to support the people they serve. Working across the landscape, from payers and providers to governments and life sciences, we bring together deep health expertise; proven innovation; and the power of artificial intelligence to enable our customers to uncover, connect and act — as they work to solve health challenges for people everywhere.

For more information on IBM Watson Health, visit ibm.com/watsonhealth.