

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

April 2020

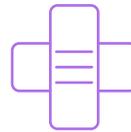
The Watson Health 100 Hospitals study identifies 100 top-performing hospitals using a balanced scorecard comprised of clinical, operational and financial metrics based on publicly available data.

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 27 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:



106,000 additional lives could be saved in-hospital



49,000 additional patients could be complication free



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



More than \$8.3B in inpatient costs could be saved

Compared to similar hospitals, the 100 Top Hospitals had:

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

More than 2,600 US hospitals are included in the 2020 study.

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 11 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 11 measures are identified as the highest-achieving hospitals in the study. The 100 Top Hospitals study includes only short-term, non-federal, acute care US hospitals that treat a broad spectrum of patients. The 11 measures included in the 2020 study are:

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|---|--|
| 1. Risk-adjusted inpatient mortality index | 6. 30-day risk-adjusted hospital-wide readmission rate |
| 2. Risk-adjusted complications index | 7. Severity-adjusted average LOS |
| 3. Mean HAI index | 8. Mean ED throughput measure |
| 4. Influenza immunization rate | 9. Case mix- and wage-adjusted inpatient expense per discharge |
| 5. Mean 30-day risk-adjusted mortality rate | 10. Adjusted operating profit margin |
| | 11. 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 2020 study, we used the most recent two federal fiscal years of MEDPAR data available - FY 2017 and 2018 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 (2013 – 2018) were used to develop the study trend database
- A total of 3,134 short-term, general, acute care US hospitals were available in the MEDPAR 2018 data file. After all exclusions were applied, 2,680 hospitals were included in the 100 Top Hospitals 2020 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 and to order your benchmark report, contact Tracy Schalk tschalk@us.ibm.com. Or visit our website at 100tophospitals.com.

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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.

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