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DEATH RATE 70% LOWER AT NATION'S TOP-RATED HOSPITALS: HEALTHGRADES 11th ANNUAL HOSPITAL QUALITY STUDY

– The Most Comprehensive Annual Study of Hospital Quality in America Examines 41 Million Patient Records at 5,000 Hospitals Over Three Years; Mortality Rates Improve Nationally –

– City and State-Level Hospital Death Rates Released –

– Hospital Quality Ratings Available Free to Consumers at HealthGrades.com –

GOLDEN, Colo. (October 14, 2008) – Patients have on average a 70 percent lower chance of dying at the nation's top-rated hospitals compared with the lowest-rated hospitals across 17 procedures and conditions analyzed in the eleventh annual *HealthGrades Hospital Quality in America Study*, issued today by HealthGrades, the leading independent healthcare ratings organization.

While overall death rates declined from 2005 to 2007, the nation's best-performing hospitals were able to reduce their death rates at a much faster rate than poorly performing hospitals, resulting in large state, regional and hospital-to-hospital variations in the quality of patient care, the study found.

HealthGrades Hospital Quality in America Study, also found that if all hospitals performed at the level of five-star rated hospitals, 237,420 Medicare deaths could potentially have been prevented over the three years studied. More than half of those deaths were associated with four conditions: sepsis (a life-threatening illness caused by systemic response to infection), pneumonia, heart failure and respiratory failure.

The HealthGrades study of patient outcomes at the nation's approximately 5,000 hospitals is the most comprehensive annual study of its kind, analyzing more than 41 million Medicare hospitalization records from 2005 to 2007. The study examines procedures and conditions ranging from heart valve-replacement surgery to heart attack to pneumonia.

Based on the study, HealthGrades today made available its 2009 quality ratings for all nonfederal hospitals in the country at www.healthgrades.com, a Web site designed to help individuals research and compare local healthcare providers.

Full reports on death rate trends in each of the 50 states and the District of Columbia are available in the study. And, for the first time, HealthGrades has released hospital death rates for the nation's 15 largest metropolitan statistical areas: New York, Los Angeles, Chicago, Dallas, Philadelphia, Houston, Miami, Washington D.C., Atlanta, Boston, Detroit, San Francisco, Phoenix, Riverside-Inland Empire (CA) and Seattle. Large variation exists between major metropolitan areas.

“Geography should not be a major factor in patients' outcomes. If our nation's hospitals are to close the quality gap and guarantee an equally high level of medical care for every patient, no matter where he or she lives, it will require a commitment by our nation and its communities to demand more from quality improvement,” said Samantha Collier, MD, HealthGrades' chief medical officer and a study author. “Until then, it is imperative that anyone seeking medical care at a hospital do their homework and know the hospital's quality ratings before they check in.”

The study's major findings are:

- The nation's in-hospital risk-adjusted mortality rate improved, on average, 14.17 percent from 2005 to 2007, but the degree of improvement varied widely by procedure and diagnosis studied (range: 6.30% to 20.94%). Five star-rated hospitals' mortality rates continue to improve at a faster rate (13.18%) than 1- or 3-star hospitals (12.30% and 13.14%, respectively).
- Large gaps persist between the "best" and the "worst" hospitals across all procedures and diagnoses studied. Five star-rated hospitals had significantly lower risk-adjusted mortality across all three years studied. Across all procedures and diagnoses studied, there was an approximate 70 percent lower chance of dying in a 5-star rated hospital compared to a 1-star rated hospital. Across all procedures and diagnoses studied, there was an approximate 50 percent lower chance of dying in a 5-star rated hospital compared to the U.S. hospital average.
- If all hospitals performed at the level of a 5-star rated hospital across the 17 procedures and diagnoses studied, 237,420 Medicare lives could have potentially been saved from 2005 to 2007.
- Fifty-four percent (128,749) of the potentially preventable deaths were associated with just four diagnoses: Sepsis, heart failure, pneumonia and respiratory failure.
- Variation in risk-adjusted mortality exists not only at the national level but also at the state and regional levels. The greatest quality differences between states occurred in hospital death rates for heart failure, pulmonary, stroke and cardiac surgery.
- The region with the lowest overall risk-adjusted mortality rates was the East North Central region (IL, IN, MI, OH, and WI), while the East South Central region (AL, KY, MS, and TN) had the highest mortality rates.
- The East North Central region (IL, IN, MI, OH, and WI), had the highest percentage of best-performing hospitals at 26 percent. Less than seven percent of hospitals within the New England region (CT, MA, ME, NH, RI, and VT) were top-performing hospitals.

In the study's analysis of hospital death rates, the following 17 procedures and conditions were analyzed: bowel obstruction, chronic obstructive pulmonary disease, coronary bypass surgery, coronary interventional procedures (angioplasty/stent), diabetic acidosis and coma, gastrointestinal bleed, gastrointestinal surgeries and procedures, heart attack, heart failure, pancreatitis, pneumonia, pulmonary embolism, resection/replacement of the abdominal aorta, respiratory failure, sepsis, stroke, and valve replacement surgery. The full study, along with its methodology and state-by-state hospital-quality statistics, can be found at www.healthgrades.com.

HealthGrades' Star Ratings of Hospitals

On its Web site, HealthGrades offers, free to consumers, quality ratings of 27 procedures and treatments for every nonfederal hospital in the country. The Web site is designed so that consumers can easily compare patient outcomes at their local hospitals for procedures ranging from aortic aneurysm repair to bypass surgery. Each hospital receives a star rating based on its patient outcomes in terms of mortality or complication rates for each procedure or treatment. Hospitals with outcomes that are above average to a statistically significant degree receive a five-star rating. Hospitals with average outcomes receive a three-star rating, and hospitals with outcomes that are below average receive a one-star rating. Because no two hospitals or their patients' risk profiles are alike, HealthGrades employs extensive risk-adjustment algorithms to ensure that it is making fair comparisons.

About HealthGrades

Health Grades, Inc. (Nasdaq: HGRD) is the leading healthcare ratings organization, providing ratings and profiles of hospitals, nursing homes and physicians. Millions of consumers and many of the nation's largest employers, health plans and hospitals rely on HealthGrades' independent ratings, advisory services and decision-support resources to make healthcare decisions based on the quality and cost of care. More information on the company can be found at www.healthgrades.com.