HEALTH CARE

Criteria Used to Evaluate Hospital Accreditation Process Need Reevaluation

June 1990
June 11, 1990

The Honorable Fortney H. (Pete) Stark
Chairman, Subcommittee on Health
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

In a November 2, 1988, letter, you asked several questions related to the effectiveness of the Health Care Financing Administration's (HCFA) validation of the Joint Commission on Accreditation of Healthcare Organizations' accreditation process. In addition, you asked whether the Congress should consider any alternatives to the present system of Joint Commission surveys backed up by HCFA validation efforts. As agreed with your office, we divided our work into two phases. This report addresses the questions you raised on HCFA's survey process (see app. I) and discusses the problems HCFA is encountering in comparing its survey results with those of the Joint Commission. In a later report we will address alternatives to the present system being used to protect Medicare beneficiaries.

The Social Security Act, as amended in 1972, requires HCFA to review hospitals serving Medicare patients that have previously received an accreditation survey by the Joint Commission. The purpose of this review is to assess the Joint Commission's accreditation process and assure that Medicare conditions of participation are being met. HCFA performs this task through surveys conducted by state agencies. But, under its current survey process, HCFA cannot be certain that the Joint Commission's process is assuring that hospitals receiving Joint Commission accreditation are meeting Medicare conditions of participation.

HCFA and the Joint Commission use different criteria to measure a hospital's performance. HCFA surveyors measure a hospital's compliance with Medicare conditions of participation. Joint Commission surveyors measure a hospital's compliance with the Commission's accreditation standards. However, since Medicare conditions and Joint Commission standards are not identical, the findings of these surveys are often different.

In its most recent reports to the Congress, HCFA has concluded that the Joint Commission and HCFA survey processes are equivalent. This conclusion is not based on a direct comparison of the two processes. Rather,
it is based on the assumption that because the results of HCFA validation surveys of hospitals that the Joint Commission accredits are similar from year to year, and closely parallel the results of HCFA surveys of nonaccredited hospitals, the two processes must be equivalent. Officials of both organizations maintain that while HCFA conditions and Joint Commission survey standards differ, the intent behind them is the same. However, HCFA has not made a comprehensive comparison of the conditions and standards to (1) identify any significant differences or (2) develop a basis that analysts can use to compare the validation and Joint Commission survey processes and results.

Background

To be approved for participation in the Medicare program, a hospital must be in compliance with health, safety, and organizational standards (referred to as conditions of participation) prescribed in the Code of Federal Regulations. HCFA applies 19 conditions of participation to its Medicare hospital program. These conditions relate to such areas as quality assurance, nursing services, infection control, and state and local law (see app. II). The conditions are subdivided into standards and elements.

Section 1865 of the Social Security Act requires HCFA to accept Joint Commission accreditation of a hospital as evidence that it meets the Medicare conditions of participation. But the act also requires HCFA to review hospitals accredited by the Joint Commission to validate its accreditation process. HCFA performs this review function through surveys conducted on a selective sample basis (validation surveys) or in response to allegations of deficiencies (complaint surveys). Both types of surveys are conducted by state survey agencies under contract with HCFA. HCFA procedures require validation surveys to be performed within 60 days of the completion of Joint Commission accreditation surveys and to include an examination of all conditions of participation. This timing is designed to provide a fair basis for comparing the survey results of the Joint Commission with those of the state agencies.

HCFA authorizes state survey agencies to conduct complaint surveys when allegations (1) indicate that the health and safety of patients at a specific hospital may be at risk and (2) raise doubts as to a hospital’s compliance with Medicare conditions of participation. Complaint surveys address the specific area cited as being a problem. If the problem is substantiated and a hospital is found to be out of compliance with a condition of participation, HCFA can authorize the state agency to expand the survey to include a review of all conditions of participation.
The Joint Commission surveys each hospital seeking accreditation at least every 3 years. If a hospital does not choose to be accredited by the Joint Commission, it is termed a nonaccredited facility and is to be examined annually by state survey agencies under contract with HCFA.\textsuperscript{1} As with accredited hospitals that receive validation surveys, the surveys performed in nonaccredited hospitals are meant to determine if they are meeting the Medicare conditions of participation.

HCFA's central office analyzes the survey data obtained from each state agency and reports annually to the Congress on the results of these analyses. As of May 1990, HCFA was finalizing its report on the results of its 1987 survey analysis and was in the initial stages of drafting a report on its 1988 survey analysis.

**Scope and Methodology**

In performing this review, we examined pertinent Medicare legislation, HCFA regulations and operating manuals, HCFA's annual reports to the Congress from 1980 to 1986, and drafts of HCFA reports to be submitted to the Congress on the results of its 1987 and 1988 analyses of survey results. At HCFA's central office we (1) interviewed officials of the Health Standards and Quality Bureau to determine how they validate the Joint Commission's accreditation process and (2) reviewed the files maintained by HCFA on each of the hospitals in which a validation survey was conducted in fiscal years 1987 and 1988. These files contained the state agency survey reports, the results of the Joint Commission accreditation surveys, HCFA's comparison of problems identified by the state agency and the Joint Commission, and pertinent correspondence relating to the surveys.

We also visited HCFA regional offices in Philadelphia and Chicago and health departments of three of the states in those regions (Pennsylvania, Illinois, and Wisconsin) to obtain information missing from central office files on sample validation and complaint surveys. In addition, we interviewed Joint Commission officials to discuss its survey process. Our review was conducted between December 1988 and January 1990 in accordance with generally accepted government auditing standards.

\textsuperscript{1}Hospitals that choose not to be accredited by the Joint Commission are called "nonaccredited" by HCFA and "unaccredited" by the Joint Commission.
HCFA Does Not Know Whether the Joint Commission's Accreditation Process Is Effective

HCFA's validation survey program is designed to evaluate the premise that a hospital receiving Joint Commission accreditation is, in fact, meeting Medicare health and safety requirements. To make such an evaluation, however, HCFA must be able to compare its survey processes and findings with those of the Joint Commission. At present, there is no accurate basis for making such comparisons.

From 1980 to 1986, HCFA reported to the Congress that, on an overall basis, the Joint Commission and HCFA survey processes were similar. HCFA generally based its conclusions on (1) a comparison of the number and types of deficiencies found in HCFA validation surveys and Joint Commission accreditation surveys, (2) the percentage of accredited hospitals surveyed by state agencies that were out of compliance with Medicare conditions of participation in the current assessment year as compared to the percentage in prior years, and (3) a comparison of the number and type of deficiencies found in validation surveys and in HCFA surveys of nonaccredited hospitals. None of these comparisons, however, gives HCFA sufficient information to enable it to draw a conclusion about the equivalency of the two survey processes or the extent to which HCFA can rely on the Joint Commission's accreditation process to identify hospitals that are out of compliance with Medicare conditions of participation.

Comparison of HCFA and Joint Commission Findings Provides Little Insight on Effectiveness of Accreditation Process

HCFA analysts often find differences in the deficiencies identified by state survey agencies and the Joint Commission. This is primarily due to differences in the scope and content of Medicare conditions of participation and Joint Commission standards, which are the basis for the two organizations' surveys. For example, the condition of participation relating to nursing services consists of 3 standards and 16 elements. Joint Commission requirements relating to nursing services consist of 8 standards, 47 required characteristics, and over 80 subelements under the required characteristics. Because of the differing survey criteria, the significance and cause of differences in survey findings is difficult for HCFA central office analysts to assess. But, although differences in survey findings do not necessarily mean that the surveys of either the Joint Commission or HCFA were deficient, they can be a sign of problems in the process that warrant attention. For example, at one hospital HCFA surveyors found that hazardous areas (for example, storage areas for oxygen) had neither automatic sprinklers nor walls or doors that could

2As of May 1990, HCFA's reports to the Congress for fiscal years 1987 and 1988 were in the draft stage and no issue dates had been established.
withstand fire for 1 hour. The Joint Commission survey report did not cite this as a problem. The HCFA analyst with whom we discussed this difference said that the situation represents a major fire hazard.

In fiscal year 1988, HCFA conducted 98 validation surveys. In at least 14 of these surveys, state agency and Joint Commission findings relating to Medicare conditions of participation were different. The areas in which the differences occurred were: quality assurance, physical environment (with emphasis on life safety code), emergency services, pharmaceutical services, laboratory services, nursing services, and respiratory care services.

In fiscal year 1987, HCFA conducted 61 validation surveys but concentrated its analysis of state agency and Joint Commission survey findings in three areas: physical environment with emphasis on life safety code, infection control, and laboratory. These areas were selected because, in the opinion of HCFA officials, they are where most problems are found in hospitals. HCFA found that in nine hospitals that its surveyors cited as having failed to meet the life safety code requirements, the number and scope of deficiencies found by HCFA and Joint Commission surveyors varied. In its draft report to the Congress, HCFA concluded that the Joint Commission findings could provide better assurance of safety if Commission surveyors devoted more attention to the hospitals' physical environment.

To determine the significance of differing survey findings and the extent to which they can be attributed to different survey criteria, HCFA and Joint Commission requirements must be extensively compared. In doing this, a comprehensive guideline (crosswalk) is needed to allow HCFA analysts to determine which of the Joint Commission standards and required characteristics apply to Medicare conditions of participation and associated standards and elements. In January 1989, the Joint Commission prepared such a “crosswalk” and concluded that the intent of the two sets of requirements are similar. In January 1990, a HCFA analyst completed a similar crosswalk, but HCFA has not yet drawn any conclusions from this effort.\(^1\)

\(^1\)In discussing a draft of this report, the president of the Joint Commission stated that, concerning survey process issues, the core problem relates to how Joint Commission standards or Medicare conditions of participation are interpreted and which standards and conditions are emphasized during the survey process. In the Joint Commission's opinion, the answer lies in ongoing close coordination between HCFA and Joint Commission staffs.
HCFA Needs to Reevaluate How It Uses Survey Results to Assess the Joint Commission Accreditation Process

As part of its assessment of the Joint Commission accreditation process, HCFA (1) compares the number of deficiencies found in validation surveys of accredited hospitals with the number of deficiencies found in surveys of nonaccredited hospitals and (2) determines the extent to which accredited hospitals in which a validation survey was conducted complied with Medicare conditions of participation in the current year and prior years. But neither of these comparisons uses comparable Joint Commission survey data. Thus, in our opinion, they cannot be used to validate the Joint Commission’s accreditation process.

In the reports that HCFA has issued to the Congress from 1980 to 1986, it has concluded that its comparative data demonstrate that the Joint Commission and HCFA survey processes are equivalent. To reach this conclusion, HCFA first compared the results of all validation and complaint surveys in a given fiscal year with survey results in all nonaccredited hospitals in that same year. In these comparisons, the number of deficiencies found in each Medicare condition of participation was aggregated for each type of hospital (accredited and nonaccredited) and the frequency with which the deficiencies occurred in each condition was noted. The comparisons showed whether there were similarities between the survey results at accredited hospitals in which validation surveys were conducted and the results at nonaccredited hospitals. For example, in its 1985 report, HCFA stated that 29 percent of accredited hospitals in which validation and complaint surveys were conducted were out of compliance with at least one Medicare condition of participation. In nonaccredited hospitals the noncompliance rate was 25 percent. Thus, HCFA concluded that the Joint Commission and HCFA survey processes were similar.

HCFA’s second comparison consisted of matching the compliance rates found in validation and complaint surveys in the current year with similar data from prior years. For example, in fiscal year 1986, the last year in which HCFA has reported the results of its validation work to the Congress, HCFA stated that 88 percent of all hospitals receiving a validation or complaint survey were found to be in compliance with all Medicare conditions of participation. Since this compared favorably to compliance data from 1983 (85 percent), 1984 (80 percent), and 1985 (80 percent), HCFA concluded that the Joint Commission and HCFA survey processes continued to be equivalent.

Conclusions

To accurately assess the Joint Commission’s accreditation process, HCFA must change the criteria it is using to perform the assessment. Options
include (1) using the Joint Commission standards in HCFA surveys, (2) modifying Medicare conditions of participation so they are more consistent with Commission standards, (3) requesting the Commission to revise its standards to be more consistent with Medicare conditions of participation, (4) conducting joint surveys, or (5) developing survey criteria that can be used to accurately measure the comparability and effectiveness of the Commission survey process.

Because our review was not meant to determine whether one set of survey criteria is better than the other, and both sets may be acceptable for their intended purposes, we believe that a means must be established through which existing Medicare conditions and Joint Commission standards can be effectively compared. But, to accomplish this, HCFA must develop a more comprehensive crosswalk between Joint Commission standards and Medicare conditions of participation. Further, it must identify and resolve any significant differences between the two sets of requirements.

Once a direct relationship has been drawn between these requirements, HCFA should require its analysts to use the crosswalk when comparing state agency and Joint Commission survey findings. This would (1) reduce the subjectivity currently involved when HCFA analysts compare state agency and Joint Commission survey findings and (2) result in more meaningful comparisons. In conjunction with this effort, HCFA should establish criteria to assess the significance of any differences found between HCFA and Joint Commission survey findings and conduct appropriate analyses to determine if these differences represent a trend, a systemic problem, or merely aberrations. The comparisons HCFA is currently making to enable conclusions to be drawn on the validity of the Joint Commission accreditation process are of little analytical value and should be terminated.

Recommendations

We recommend that the Secretary of Health and Human Services direct HCFA's Administrator to:

- Work with the Joint Commission to (1) develop a comprehensive crosswalk between its standards and Medicare's conditions of participation, (2) identify and resolve any significant differences between the Joint Commission and HCFA survey requirements, and (3) require use of the crosswalk in analyzing and comparing survey results.
Establish a means to measure the significance of differences in state agency and Joint Commission survey results and analyze the differences to determine if any trends or systemic problems exist.

Agency Comments

In a May 3, 1990, letter, the Department of Health and Human Services concurred with our recommendations and cited the actions that either have been, or will be, taken on each (see app. III). Specifically, on March 1, 1990, HCFA requested that the Joint Commission review the crosswalk prepared by HCFA in which its conditions of participation for hospitals were compared with Joint Commission requirements for 1989. When a response is received from the Joint Commission, differences will be evaluated and appropriate modifications effected to assure that Joint Commission requirements are comparable to the conditions of participation. The Department also said that HCFA has developed crosswalks for the 1988 and 1990 Joint Commission requirements which will be used in analyzing and comparing survey results.

The Department also stated that the crosswalks will be used to identify the number, nature, and type of deficiencies identified by the state survey agencies and the Joint Commission. Tests for differences and their significance will be made using a computerized statistical analysis system. Significant differences will be analyzed to determine if trends or systemic problems exist.

Copies of this report are being sent to appropriate congressional committees; the Director, Office of Management and Budget; the Secretary of Health and Human Services; and other interested parties.

This report was prepared under the direction of David P. Baine, Director, Federal Health Care Delivery Issues, who may be reached on (202) 275-6207 if you have any questions about this report. Other major contributors are listed in appendix IV.

Sincerely yours,

Lawrence H. Thompson
Assistant Comptroller General
Appendix I
Responses to Questions Raised in the Chairman's Request

Summary
Number of Validation Surveys Conducted by HCFA Is Unimportant Until Valid Assessment Criteria Are Established
Complaint Survey Findings Not Compared to Joint Commission Survey Findings
HCFA Surveys Not Intended to Determine Whether Problems Identified by the Joint Commission Are Corrected

Appendix II
Medicare Hospital Program Conditions of Participation

Appendix III
Comments From the Department of Health and Human Services

Appendix IV
Major Contributors to This Report

Abbreviation
HCFA Health Care Financing Administration
Our review of HCFA's efforts to assure that the Joint Commission's accreditation process protects Medicare beneficiaries addressed the following three questions that the Chairman, Subcommittee on Health, House Committee on Ways and Means, raised in his November 2, 1988, letter.

1. Is HCFA performing enough validation surveys to assess the effectiveness of Joint Commission accreditation surveys?

2. How often do HCFA validation surveys and surveys based on specific complaints identify findings that are at variance with those of the Joint Commission?

3. How effective are the validation surveys in determining whether problems identified by the Joint Commission are corrected?

The number of validation surveys performed is not important given that HCFA has no criteria against which to measure survey results; HCFA does not generally compare the results of complaint surveys with Joint Commission findings; and validation surveys are not intended to determine whether problems identified are, in fact, corrected. Data related to the question on the extent to which HCFA's findings differ from those of the Joint Commission are on pages 4 and 5. The following is a summary of the information we obtained on each question.

In fiscal year 1987, HCFA contracted with state agencies to conduct 61 hospital validation surveys. It concluded, however, that the small number of surveys conducted made it impossible to determine the significance of the percentage of hospitals out of compliance with Medicare conditions of participation. Therefore, HCFA increased the number of surveys authorized to be conducted by state survey agencies to 100 in fiscal year 1988 and to 200 in fiscal year 1989. HCFA selected these sample sizes to allow its analysts to arrive at valid conclusions about (1) the performance of hospitals accredited by the Joint Commission and (2) the comparability of the Joint Commission's accrediting process and the state agencies' survey process. It is interesting to note, however, that from 1980 to 1986, HCFA performed fewer than 80 validation surveys.
Appendix I
Responses to Questions Raised in the
Chairman's Request

Each fiscal year and still drew conclusions on the comparability of the Joint Commission's accreditation process.¹

However, until HCFA establishes an appropriate crosswalk between Medicare conditions and Joint Commission standards to assist in determining whether HCFA and Joint Commission survey requirements and results are comparable, the number of validation surveys conducted is not an important consideration in assessing the Commission's accreditation process. When such a process is available, HCFA can develop a statistically valid sample that would allow conclusions to be drawn on the Joint Commission's process.

Complaint Survey Findings Not Compared to Joint Commission Survey Findings

HCFA analysts do not compare the results of complaint surveys to the findings developed by the Joint Commission. Complaint surveys are generally one issue reviews designed to either substantiate or refute a specific allegation(s) made to HCFA by, for example, a Medicare beneficiary or a state investigating agency. If, however, a significant deficiency is found in a condition being investigated, the examination is supposed to be expanded to a full survey, in which a hospital's compliance with all conditions of participation will be examined. The findings cited in a full survey could be compared with Joint Commission survey results but are not.

According to data contained in HCFA's draft report on fiscal year 1987 survey results, state survey agencies investigated complaints at 606 hospitals based on allegations of significant deficiencies that could affect the health and safety of patients. HCFA found 52 of these hospitals out of compliance with one or more conditions of participation. Data on the number of hospitals that received a full survey because of their compliance problems were unavailable because HCFA's central office did not request its regional personnel to provide it.

In fiscal year 1988, state survey agencies conducted over 200 complaint surveys. As a result of these surveys, 32 hospitals were found to have deficiencies of sufficient severity to place them under state agency surveillance. According to HCFA, each of these hospitals received a full survey. The most frequently occurring deficient condition—which occurred in 16 of the 32 hospitals—involving quality assurance. This condition

consists of standards and elements designed to assure that each hospital has an effective hospitalwide quality assurance program to evaluate the care provided to patients.

HCFA Surveys Not Intended to Determine Whether Problems Identified by the Joint Commission Are Corrected

Validation surveys conducted by state survey agencies are not intended or designed to determine whether problems identified by the Joint Commission are corrected. In accordance with HCFA procedures, state agencies are required to conduct validation surveys within 60 days of a Joint Commission accreditation survey. But state agency surveyors are not provided with Joint Commission survey results and generally do not know what problems the Commission surveyors identified. Further, HCFA surveyors are instructed not to discuss Joint Commission findings, if known, in their survey reports. If a state agency finds a hospital to be out of compliance with a condition of participation, HCFA will authorize follow-up action to assure that the deficiency is corrected.

In November 1989, HCFA's Director, Health Standards and Quality Bureau, wrote to executives of several organizations, including the Joint Commission, American Hospital Association, and American Medical Association, citing several changes he is considering in selecting hospitals for validation surveys. The intent of these changes is for HCFA to obtain better information on the effectiveness of the Joint Commission's accreditation process throughout the 3-year period of a hospital's accreditation.

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2The 60-day time limitation begins on the last day of the Joint Commission survey.

3Under the director's proposal, about one-third of HCFA's sample would be derived from the Joint Commission's monthly survey schedule (as it currently is), about one-third would be taken from the Commission's list of hospitals that have been found to be in less than substantial compliance with its standards, and the remainder would be randomly selected to represent various intervals over the accreditation period.
Appendix II

Medicare Hospital Program Conditions of Participation

1. Compliance with federal, state, and local laws
2. Governing body
3. Quality assurance
4. Medical staff
5. Nursing services
6. Medical record services
7. Pharmaceutical services
8. Radiologic services
9. Laboratory services
10. Food and dietetic services
11. Physical environment
12. Infection control
13. Surgical services
14. Anesthesia services
15. Nuclear medicine services
16. Outpatient services
17. Emergency services
18. Rehabilitation services
19. Respiratory care services

An additional condition relating to hospital utilization review is normally waived by HCFA because hospitals are subject to independent utilization reviews by Medicare Peer Review Organizations or state survey agencies.
Mr. David P. Baine
Director, Federal Health Care
and Delivery Issues
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Baine:

Enclosed are the Department's comments on your draft report, "Health Care: Criteria Used to Evaluate Hospital Accreditation Process Needs Reevaluation." The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely yours,

Richard P. Kusserow
Inspector General

Enclosure
Overview

The Social Security Act, as amended in 1972, requires HCFA to conduct surveys of hospitals previously accredited by the Joint Commission on Accreditation of Healthcare Organizations to assess the Joint Commission's accreditation process. GAO believes HCFA does not know with any degree of certainty whether the Joint Commission's process can be relied upon to ensure that hospitals receiving Joint Commission accreditation are meeting Medicare conditions of participation. GAO believes that Medicare conditions and Joint Commission standards are not the same; as a result, the findings which result from these surveys are often dissimilar.

GAO Recommendation

We recommend that the Secretary of Health and Human Services direct HCFA's Administrator to:

- work with the Joint Commission to (1) develop a comprehensive crosswalk (guideline) between Joint Commission standards and Medicare conditions of participation, (2) identify and resolve any significant differences between the Joint Commission and HCFA survey requirements, and (3) require use of the crosswalk in analyzing and comparing survey results; and

Department Comment

On March 1, 1990, HCFA wrote to the Joint Commission requesting its review of HCFA's crosswalk comparing the conditions of participation for hospitals with the 1989 Joint Commission requirements. This crosswalk identified 11 significant differences, that is, 11 condition and standard-level Medicare requirements that lack comparable Joint Commission requirements. We are awaiting a response from the Joint Commission. Differences will be evaluated and appropriate modifications effected to ensure that Joint Commission requirements are comparable to the Medicare conditions of participation.
Crosswalks have also been developed for the 1988 and 1990 Joint Commission requirements. The appropriate crosswalk will be used in analyzing and comparing survey results for all full surveys.

**GAO Recommendation**

- establish a means to measure the significance of differences in State agency and Joint Commission survey results, and analyze the differences to determine if any trends or systemic problems exist.

**Department Comment**

Use of the crosswalks will identify the number, nature and type of deficiencies identified by the State survey agencies and the Joint Commission. Tests for differences and their significance will be accomplished through use of a computerized statistical analysis system. Significant differences will be analyzed to determine if trends or systemic problems exist.
Appendix IV

Major Contributors to This Report

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