100 TOP HOSPITALS

100 Top Hospitals and Everest Award methodology highlights

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Truven Health 100 Top Hospitals® is an annual quantitative study produced by Truven Health Analytics®, IBM Watson Health™, that identifies the 100 hospitals in the US with the highest achievement on our validated balanced scorecard.

The 100 Top Hospitals balanced scorecard, based on Norton and Kaplan's concept, consists of 11 measures distributed across seven domains—inpatient outcomes, process of care, extended outcomes, operational efficiency, cost efficiency, financial health, and patient experience—and uses only publicly available data. The 100 hospitals with the highest ranking on a composite score of the 11 measures are the winners.

The Truven Health 100 Top Hospitals Everest Award honors a special group of the 100 Top Hospitals award winners—those hospitals that achieve top-100 benchmark status for one-year performance while simultaneously setting national benchmarks for the fastest long-term improvement on our national balanced scorecard.

How we select the 100 Top Hospitals Award winners

The four main steps we take in selecting the 100 Top Hospitals are:

1. **Building the database of hospitals, including special selection and exclusion criteria.** This study focuses on short-term, acute care, nonfederal US hospitals that treat a broad spectrum of patients. Data is from public sources, including the Medicare Provider Analysis and Review (MEDPAR) data set, the Centers for Medicare & Medicaid Services (CMS) Hospital Compare data set, and the Medicare Cost Report. This year's study includes 2,740 hospitals and uses data primarily from 2014 and 2015.

2. **Classifying hospitals into five comparison groups according to bed size and teaching status. (Numbers of hospitals in each group included in the 2017 study are listed in parentheses.)**
   - Major teaching hospitals (204)
   - Teaching hospitals (445)
   - Large community hospitals (312)
   - Medium community hospitals (933)
   - Small community hospitals (846)

3. Scoring hospitals on a balanced scorecard of the following 11 performance measures centered on quality, efficiency, finance, and consumer assessment of care.

- Risk-adjusted inpatient mortality index
- Risk-adjusted complications index
- Core measures mean percent
- Mean 30-day risk-adjusted mortality rate (acute myocardial infarction [AMI], heart failure, pneumonia, chronic obstructive pulmonary disease [COPD], and stroke patients)
- Mean 30-day risk-adjusted readmission rate (AMI, heart failure, pneumonia, hip/knee arthroplasty, COPD, and stroke patients)
- Severity-adjusted average length of stay
- Mean emergency department throughput measure
- Case mix- and wage-adjusted inpatient expense per discharge
- Medicare spend per beneficiary index
- Adjusted operating profit margin
- Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) score (patient rating of overall hospital performance)

4. Determining the 100 Top Hospitals award winners by ranking hospitals relative to their comparison group.

Within the five hospital comparison groups, we rank hospitals on the basis of their performance on each of the 11 measures relative to other hospitals in their group. We then sum each hospital's performance measure rankings and re-rank, overall, to arrive at a final ranking for the hospital. The hospitals with the best final ranking in each comparison group are selected as the 100 Top Hospitals winners.

All measures, except the inpatient expense per discharge and Medicare spend per beneficiary index, receive a weight of 1 in the final ranking process. Each one of the cost-efficiency metrics receives a weight of ½ in the final 100 Top Hospitals ranking process for winner selection.

How we select the Everest Award winners

Winners of the 100 Top Hospitals Everest Award set national benchmarks for both long-term (five-year) improvement and highest one-year performance on the study's balanced scorecard. Everest Award winners are selected from among the new 100 Top Hospitals award winners. Both awards are based on a set of measures that reflect effective performance across the whole organization.

Our methodology for selecting the Everest Award winners can be summarized in three main steps:

1. Selecting the annual 100 Top Hospitals award winners using our objective methodology, based on the most current (2015 at the time of this study) publicly available data and a balanced scorecard of performance measures.
2. Using our multi-year trending methodology to select the 100 hospitals that show the fastest, most consistent five-year improvement rates on the same balanced scorecard of performance measures, where trend data is available.
3. Aligning these two lists of hospitals and looking for overlap. Those that rank in the top 100 of both lists are the Everest Award winners. Combining these two methodologies yields a select group of Everest Award winners. The number of Everest Award winners varies every year, based solely on performance.
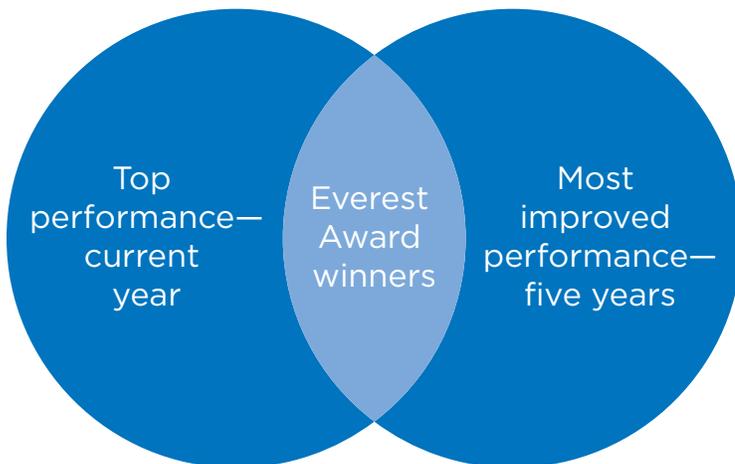
For more information

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About Truven Health Analytics, IBM Watson Health

Truven Health Analytics®, IBM Watson Health™, provides market-leading performance improvement solutions built on data integrity, advanced analytics, and domain expertise. For more than 40 years, our insights and solutions have been providing hospitals and clinicians, employers and health plans, state and federal government agencies, life sciences companies, and policymakers the facts they need to make confident decisions that directly affect the health and well-being of people and organizations in the U.S. and around the world. The company was acquired by IBM in 2016 to help form a new business, Watson Health. Watson Health aspires to improve lives and give hope by delivering innovation to address the world's most pressing health challenges through data and cognitive insights.

Truven Health Analytics owns some of the most trusted brands in healthcare, such as MarketScan®, 100 Top Hospitals®, Advantage Suite®, Micromedex®, Simpler®, and ActionOI®. Truven Health has its principal offices in Ann Arbor, Mich.; Chicago; and Denver. For more information, please visit truvenhealth.com.

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