



Highlights of [GAO-04-850](#), a report to congressional requesters

Why GAO Did This Study

Hospitals accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) are considered in compliance with Medicare participation requirements. GAO examined the extent to which JCAHO's pre-2004 hospital accreditation process identified hospitals not complying with Medicare requirements, the potential of JCAHO's new process for improving the detection of deficiencies in Medicare requirements, and the effectiveness of CMS's oversight of JCAHO's hospital accreditation program. GAO analyzed CMS data on hospitals state surveyors found to have deficiencies in Medicare requirements that JCAHO surveyors did not detect, analyzed CMS's measure of JCAHO's ability to detect noncompliance with Medicare requirements, and interviewed JCAHO officials.

What GAO Recommends

GAO believes that Congress should consider giving CMS the authority over JCAHO's hospital accreditation program that it has over other accreditation programs and recommends that CMS modify its methods for assessing JCAHO's performance. CMS agreed with GAO's recommendations. JCAHO stated that GAO's methodology was incomplete and did not comprehensively assess its overall performance. GAO emphasized that its engagement was limited to one aspect of deficiency detection and was not intended to reflect JCAHO's overall performance.

www.gao.gov/cgi-bin/getrpt?GAO-04-850.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Janet Heinrich at (202) 512-7119.

MEDICARE

CMS Needs Additional Authority to Adequately Oversee Patient Safety in Hospitals

What GAO Found

JCAHO's pre-2004 hospital accreditation process did not identify most of the hospitals found by state survey agencies in CMS's annual validation survey sample to have deficiencies in Medicare requirements. In comparing the results of the two surveys, CMS considered whether it was reasonable to conclude that the deficiencies found by state survey agencies existed at the time JCAHO surveyed the hospital. In a sample of 500 JCAHO-accredited hospitals, state agency validation surveys conducted in fiscal years 2000 through 2002 identified 31 percent (157 hospitals) with deficiencies in Medicare requirements. Of these 157 hospitals, JCAHO did not identify 78 percent (123 hospitals) as having deficiencies in Medicare requirements. For the same validation survey sample, JCAHO also did not identify the majority—about 69 percent—of deficiencies in Medicare requirements found by state agencies. Importantly, the number of deficiencies found by validation surveys represents 2 percent of the 11,000 Medicare requirements surveyed by state agencies in the sample during this time period. At the same time, a single deficiency in a Medicare requirement can limit the hospital's capability to provide adequate care and ensure patient safety and health. Inadequacies in nursing practices or deficiencies in a hospital's physical environment, which includes fire safety, are examples of deficiencies in Medicare requirements that could endanger multiple patients.

The potential of JCAHO's new hospital accreditation process to improve the detection of deficiencies in Medicare requirements is unknown because the process was just implemented in January 2004. JCAHO plans to move from using announced to unannounced surveys in 2006, which would afford JCAHO the opportunity to observe hospitals' operations when the hospitals have not prepared in advance to be surveyed. In addition, the pilot test of the new accreditation process was of limited value in predicting whether it will be an improvement over the pre-2004 process in detecting deficiencies. Limitations in the pilot test included that hospitals were not randomly selected to participate; that observers from JCAHO accompanied each surveyor, thus possibly affecting surveyors' actions; and that JCAHO evaluated the results instead of an independent entity.

CMS has limited oversight authority over JCAHO's hospital accreditation program because the program's unique legal status effectively prevents CMS from taking actions that it has the authority to take with other health care accreditation programs to ensure satisfactory performance. For example, requiring JCAHO's hospital accreditation program to submit to a direct review process or placing the program on probation while monitoring its performance. Further, CMS relies on a measure to evaluate how well JCAHO's hospital accreditation program detects deficiencies in Medicare requirements that provides limited information and can mask problems with program performance, uses statistical methods that are insufficient to assess JCAHO's performance, and has reduced the number of validation surveys it conducts.