

A perinatal care quality and safety initiative: are there financial rewards for improved quality?

September 9, 2013

Kozhimannil KB, Sommerness SA, Rauk P, et al. A perinatal care quality and safety initiative: are there financial rewards for improved quality? *Jt Comm J Qual Patient Saf.* 2013;39(8):339-48.

<https://psnet.ahrq.gov/issue/perinatal-care-quality-and-safety-initiative-are-there-financial-rewards-improved-quality>

An inconvenient truth about the patient safety movement is that in many cases hospitals actually profit when errors occur. A [recent study](#) found that hospitals received greater net reimbursements for patients who experienced surgical complications compared with patients whose surgeries were uncomplicated. This study examined the financial impact of an effort to eliminate [obstetric complications](#) in a five-hospital health system. The project led to an 11% reduction in preventable adverse events, but hospital reimbursements decreased considerably as a result—meaning that although costs were saved, the hospitals' net revenues declined overall. This finding represents a classic case of misaligned incentives: the outcome was beneficial for payers and patients (who received higher quality care at lower cost) but not directly beneficial for hospitals (who shouldered the cost of implementing the intervention but lost revenue as a result). As the return on investment for safety interventions such as [computerized provider order entry](#) is [marginal](#) at best, payment system reform to align incentives will be necessary in order to improve the [business case](#) for safety.