

Impact of inpatient harms on hospital finances and patient clinical outcomes.

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<https://psnet.ahrq.gov/issue/impact-inpatient-harms-hospital-finances-and-patient-clinical-outcomes>

A 2013 [study](#) showed hospitals actually profit when patients experience surgical complications, calling into question the [business case](#) for patient safety. This large multistate study used the Institute for Healthcare Improvement's [global trigger tool](#) to examine how all-cause inpatient harms affect hospital finances and clinical outcomes. Approximately 13% of inpatients experienced temporary harm and 12% experienced harm. This study relied on complicated cost accounting and statistical modeling, ultimately using three different financial models, including a novel approach that accounts for various diagnosis-related groups, to analyze the results. Patients who experienced harm had increased total costs, variable costs, and length of stay. Also, harms were associated with a lower contribution margin—an indicator of a hospital's profitability—suggesting harms result in negative financial outcomes for hospitals. As payment models increasingly shift toward paying for [value](#) rather than volume, the negative financial effects of inpatient harms are likely to be heightened.