



## Enhancing Consumer Choice in Healthcare Through Transparency

### Background

Estimates for the number of deaths from preventable medical errors in U.S. hospitals range between 200,000-400,000. The errors that cause these preventable deaths are not uniformly reported by hospitals and there is no accurate way to benchmark hospitals to improve patient choice.

The Securities & Exchange Commission (SEC) requires publicly traded companies to publicly report their financial health on a quarterly basis to keep shareholders and the markets informed on a regular basis in a transparent manner. There is, however, no such a reporting requirement for hospitals and, therefore, there is no system in place to keep patients and the healthcare marketplace informed in a transparent way.

By requiring hospitals to publicly report Hospital Acquired Conditions (HACs) by type and incidence rates, consumers will be empowered to choose the safest hospitals for their treatment.

### Policy Proposal

**The Secretary shall promulgate a list of HACs that are: (1) known to date and (2) leading causes of preventable mortality.**

**Upon the direction of the Secretary, hospitals are required to make quarterly, de-identified reports on the incidence rates for HACs included on the Secretary's list (1) within 60 days after the end of the quarter and (2) posted on the hospital's external, publicly-accessible website.**

**End the "gag rule" that prohibits the Secretary from releasing results of hospital accreditation surveys for participation in the Medicare program.**