



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Statement of Sen. Chuck Grassley of Iowa
Chairman, Committee on Finance
News Conference with Rep. Pete Stark of California
Ranking Member, Committee on Ways and Means Subcommittee on Health
Report of the Government Accountability Office on Hospital Accreditation and Patient Safety
Tuesday, July 20, 2004

Congressman Stark and I are here to release a report that we requested from the Government Accountability Office (GAO-04-850, available at www.gao.gov) and to describe our legislative response (bill text follows this statement).

This GAO report examines the quality of work done by the Joint Commission on Accreditation of Healthcare Organizations. The Joint Commission accredits most hospitals that participate in Medicare. The GAO concluded that to better protect the safety of hospital patients, the Centers for Medicare and Medicaid Services should have additional oversight authority over the Joint Commission.

The Joint Commission has unique statutory authority to accredit hospitals. Congress expects the Joint Commission to be a consumer watchdog on behalf of patients. However, based on what the GAO found in this new report and what an Inspector General found in 1999, we need to make sure the Joint Commission isn't a lapdog.

Approval from the Joint Commission is supposed to be the gold standard, not a rubber stamp. The bill we're introducing today in the Senate and House of Representatives would give the federal government the same oversight authority for the accreditation of hospitals that it has for all other health care providers. Our bill says Medicare can restrict or remove the Joint Commission's authority if a problem is detected.

Our bill is well-founded. The GAO reviewed 500 hospitals that received the Joint Commission's seal of approval over a three-year period. It found that serious problems were missed in too many of those hospitals.

These serious deficiencies are problems that can't be dismissed as one-time incidents. They're the kind of problems that may put multiple lives at risk. The GAO report details how a

validation survey of 157 accredited hospitals done by the federal government found between one and six serious deficiencies in each of those hospitals. And a single serious deficiency can limit a hospital's capability to ensure patient safety.

An example of a worst-case scenario resulting from a serious deficiency was found in Redding, California at a hospital owned by Tenet Healthcare Corporation. The Joint Commission accredited Redding and its renowned cardiac care department in 1999 and again July 2002. Redding was a hugely profitable hospital for Tenet. It boasted about high scores from the Joint Commission. In October 2002, Redding was raided by federal agents. Among other allegations of fraud, doctors at Redding were accused of performing medically unnecessary heart surgeries. Many highly profitable, but unnecessary open-heart surgeries were performed at Redding dating back to 1999.

The Joint Commission never identified the systemic problems at Redding. A state surveyor found that there was no physician review of heart surgery patients who had complications or died there. The medical staff at Redding were not held accountable by their peers or by Tenet. We don't know exactly how many patients suffered unnecessarily at Redding, but hundreds had medically unnecessary heart surgeries or procedures.

It's important to understand that the GAO's analysis of the validation surveys done by the Centers for Medicare and Medicaid Services can't be generalized to all hospitals accredited by the Joint Commission. The vast majority are undoubtedly good hospitals, and that's a tribute to their hardworking administrative and medical staffs. The government needs a better way to assess how well the Joint Commission detects serious deficiencies. Even so, over the three-year period studied, the Joint Commission denied accreditation to only three hospitals.

The Joint Commission recently overhauled its accreditation process in response to critics. The changes might find and correct more deficiencies. Nevertheless, the federal government needs greater authority to hold the Joint Commission accountable and, if necessary, restrict or remove its hospital accreditation authority. The bills we're introducing today, and Sen. Baucus is co-sponsoring the Senate bill, would give the Centers for Medicare and Medicaid Services that authority and that responsibility.

Now I'll turn the podium over to Congressman Stark, who deserves a lot of credit for working on this issue for a long time. He first brought up these hospital accreditation problems at a hearing in 1990, and again in 2000 and 2002. He introduced legislation five years ago to increase public representation on the governing boards of national accrediting entities and to require those entities to have open meetings. And, the GAO review we're talking about today is the third GAO report requested by Congressman Stark on the Joint Commission.

2D SESSION **H. R.** _____

IN THE HOUSE OF REPRESENTATIVES

Mr. STARK introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend title XVIII of the Social Security Act to revoke the unique ability of the Joint Commission for the Accreditation of Healthcare Organizations to deem hospitals to meet certain requirements under the medicare program and to provide for greater accountability of the Joint Commission to the Secretary of Health and Human Services.

*Be it enacted by the Senate and House of Representa- 1
tives of the United States of America in Congress assembled, 2*

SECTION 1. SHORT TITLE. 1

This Act may be cited as the “Medicare Hospital Ac- 2
creditation Act of 2004”. 3

SEC. 2. REVOCATION OF UNIQUE DEEMING AUTHORITY OF 4
THE JOINT COMMISSION FOR THE ACCREDI- 5
TATION OF HEALTHCARE ORGANIZATIONS. 6

(a) REVOCATION.—Section 1865 of the Social Secu- 7
rity Act (42 U.S.C. 1395bb) is amended— 8

(1) by striking subsection (a); and 9
(2) by redesignating subsections (b), (c), (d), 10
and (e) as subsections (a), (b), (c), and (d), respec- 11
tively. 12

(b) CONFORMING AMENDMENTS.—(1) Such section 13
is further amended— 14

(A) in subsection (a)(1), as so redesignated, by 15
striking “In addition, if” and inserting “If”; 16

(B) in subsection (b), as so redesignated— 17

(i) by striking “released to him by the 18
Joint Commission on Accreditation of Hos- 19
pitals,” and inserting “released to the Secretary 20
by”; and 21

(ii) by striking the comma after “Associa- 22
tion”; 23

(C) in subsection (c), as so redesignated, by 24
striking “pursuant to subsection (a) or (b)(1)” and 25
inserting “pursuant to subsection (a)(1)”; and 26

(D) in subsection (d), as so redesignated, by 1
striking “pursuant to subsection (a) or (b)(1)” and 2
inserting “pursuant to subsection (a)(1)”. 3

(2) Section 1861(e) of such Act (42 U.S.C. 1395x(e)) 4
is amended in the fourth sentence by striking “and (ii) 5

is accredited by the Joint Commission on Accreditation 6
of Hospitals, or is accredited by or approved by a program 7
of the country in which such institution is located if the 8
Secretary finds the accreditation or comparable approval 9
standards of such program to be essentially equivalent to 10
those of the Joint Commission on Accreditation of Hos- 11
pitals” and inserting “and (ii) is accredited by a national 12
accreditation body recognized by the Secretary under sec- 13
tion 1865(a), or is accredited by or approved by a program 14
of the country in which such institution is located if the 15
Secretary finds the accreditation or comparable approval 16
standards of such program to be essentially equivalent to 17
those of such a national accreditation body.”. 18

(3) Section 1864(c) of such Act (42 U.S.C. 19
1395aa(c)) is amended by striking “pursuant to sub- 20
section (a) or (b)(1) of section 1865” and inserting “pur- 21
suant to section 1865(a)(1)”. 22

(4) Section 1875(b) of such Act (42 U.S.C. 23
1395ll(b)) is amended by striking “the Joint Commission 24
on Accreditation of Hospitals,” and inserting “national ac- 1
creditation bodies under section 1865(a)”. 2

(5) Section 1834(a)(20)(B) of such Act (42 U.S.C. 3
1395m(a)(20)(B)) is amended by striking “section 4

1865(b)” and inserting “section 1865(a)”. 5

(6) Section 1852(e)(4)(C) of such Act (42 U.S.C. 6
1395w-22(e)(4)(C)) is amended by striking “section 7
1865(b)(2)” and inserting “section 1865(a)(2)”. 8

(c) AUTHORITY TO RECOGNIZE JCAHO AS A NA- 9

TIONAL ACCREDITATION BODY.—The Secretary of Health 10
and Human Services may recognize the Joint Commission 11
on Accreditation of Healthcare Organizations as a na- 12
tional accreditation body under section 1865 of the Social 13
Security Act (42 U.S.C. 1395bb), as amended by this sec- 14
tion, upon such terms and conditions, and upon submis- 15
sion of such information, as the Secretary may require. 16

(d) EFFECTIVE DATE; TRANSITION RULE.—(1) Sub- 17

ject to paragraph (2), the amendments made by this sec- 18
tion shall apply with respect to accreditations of hospitals 19
granted on or after the date that is 18 months after the 20
date of the enactment of this Act. 21

(2) For purposes of title XVIII of the Social Security 22
Act (42 U.S.C. 1395 et seq.), the amendments made by 23
this section shall not effect the accreditation of a hospital 24
by the Joint Commission on Accreditation of Healthcare 25
Organizations, or under accreditation or comparable ap- 1
proval standards found to be essentially equivalent to ac- 2

creditation or approval standards of the Joint Commission 3
on Accreditation of Healthcare Organizations, for the pe- 4
riod of time applicable under such accreditation. 5