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UPenn and St. Luke's have withdrawn from US News' best hospitals list. Will others follow?

By **Simar Bajaj** July 6, 2023

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Penn Medicine | Smilow Research Center

University of Pennsylvania hospital complex
JON LOVETTE/ALAMY

Mercy Philadelphia Hospital was planning on shutting down.

Losing Mercy, a safety-net hospital serving a predominantly low-income and Black community, would have created a health care desert in West Philadelphia. "It would have been easy for us to just absorb it into our existing hospital beds," said Kevin Mahoney, CEO of the University of Pennsylvania Health System. "But we thought it was wrong that patients in a poor part of town would have to travel two bus routes, 20 city blocks."

So, Penn Medicine and other nonprofits joined forces to revive the hospital, operating it at a financial loss to ensure this underserved community had access. Instead of being a separate center, the site went under the license of the Hospital of the University of Pennsylvania, one of the top 20 hospitals in the U.S. News & World Report rankings. "During the meeting with my team, someone asked, 'Will this have an impact on our rankings?'" Mahoney recounted. "Shouldn't we be focusing on doing what's right for our community, not what's right to maximize rankings?"

Last week, the UPenn Health System acted on those long-standing concerns, announcing that it would no longer participate in the U.S. News "Best Hospitals" list.

Its withdrawal caps off the latest in a particularly tumultuous period for the U.S. News rankings. In January, Harvard University pulled out of the magazine's medical school rankings, followed by more than a dozen other top schools, including Stanford, Columbia, and UPenn. And in May, St. Luke's University Health Network became the first system to withdraw from the magazine's hospital rankings.

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While Mahoney said that he's been mulling over UPenn's participation for months now, his decision to finally withdraw from the best hospitals list was the culmination of various frustrations with the U.S. News ranking system.

For one, because the magazine focuses solely on inpatient care among Medicare beneficiaries, it excludes the 60% of UPenn patients who received care in ambulatory settings, at home, or via telemedicine, Mahoney said. "The measuring stick U.S. News was using didn't reflect a modern healthcare system."

Participating in the rankings is also fairly expensive, Mahoney noted, because many hospitals try to nab doctors' votes in reputational surveys via blast emails, press releases, and broader advertising campaigns. Hospitals also purchase virtual badges from U.S. News to include on their website, advertisements, and other promotional materials, letting patients know how highly they ranked. With significant financial pressures on hospitals emerging out of the Covid-19 pandemic, "the several million dollars a year that I'm spending on this could be better spent on direct patient care," Mahoney said.

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John Morrow, who founded the "100 Top Hospitals" rating system in 1993 (now released annually by Fortune and Merative) and is currently managing director of health care analytics firm Franklin Trust Ratings, similarly pointed out the twisted logic of commercial ranking systems. "These programs now solely exist for the purpose of charging a fee, for making money," said Morrow, "so one has to question that."

U.S. News CEO and Executive Chairman Eric Gertler defended its ratings system in a statement, noting that the publication updates its methodology each year to better reflect both changes in the health-care system and input from health-care workers. "This year's rankings, for example, will be the first to incorporate measures of patient outcomes following outpatient surgeries, reflecting the growing role of outpatient care," Gertler said. He also noted that U.S. News has "continually stated that rankings should be one factor in [patients'] decision-making process."

Technically speaking, however, UPenn can't drop out because U.S. News will continue to rank them based on publicly available data, said Karl Bilimoria, chair of the department of surgery at Indiana University and a national expert on hospital rating systems.

What the health system can do, Mahoney said, is no longer purchase U.S. News badges, promote its rankings, or submit information to the American Hospital Association (AHA) Annual Survey, which the magazine relies on for 30% of its calculations. The other 70% comes from publicly available measures of patient outcomes (37.5%) — and surveys that look at reputation (27.5%) and patient experience (5%). By declining to actively participate in the rankings, Mahoney said that UPenn will not have "an external for-profit magazine determining what we're going to focus on."

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STAT reached out to the other top 20 hospitals on U.S. News' list to get a sense of whether other hospitals might follow in the footsteps of St. Luke's and UPenn. None of the eleven hospitals that responded said they planned to similarly withdraw from the rankings. Massachusetts General Hospital noted that it planned to continue submitting information to the AHA survey, writing in a statement that "because the AHA advocates for broad issues facing hospitals within the United States, it is important to continue to provide them data about the experience of care within our institutions."

Stanford Health Care, Vanderbilt University Medical Center, and Johns Hopkins Hospital did

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not respond to multiple requests for comment. The Mayo Clinic, UCLA Medical Center, Mount Sinai Hospital, and New York Presbyterian declined to comment.

In an interview with STAT, Marc Boom, CEO of Houston Methodist Hospital, was unflinching in his criticism of the U.S. News ranking system, saying that "it's too much of a beauty contest" and that "every single methodology they've had for reputation has been massively flawed."

But he also noted that Houston Methodist was not planning to withdraw from the best hospitals list at this time because of the value his patients see in the rankings. "When we talk to the public, they do find some use that we're the number one hospital in Texas," said Boom. "U.S. News is still the standard barometer out there."

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As such, Houston Methodist will still purchase the badges as part of its marketing plans, and Boom noted that his hospital already does not spend money campaigning for votes or trying to game the U.S. News rankings. "Our philosophy is that if you focus on the fundamentals — unparalleled safety, quality, service, and innovation — the awards will follow."

Boom predicts that a few other hospitals may ultimately follow the example of St. Luke's and UPenn but added, "I don't think you're going to see a wholesale exit." The criticism of the best hospitals rankings is not really analogous to the debate over the U.S. News medical school rankings, he said, given that graduate school rankings rely more heavily on data submitted by institutions rather than publicly available data.

Still, not submitting data to the AHA almost certainly means receiving a lower ranking. Donna Sabol, senior vice president and chief quality officer of St. Luke's University Health Network, acknowledged this reputational risk, but she pointed out that St. Luke's still ranks high in various other lists, including the Fortune/Merative "100 Top Hospitals" and The Leapfrog Group "Top Hospitals." Both she and Mahoney thus felt confident that their established community prominence will allow them to avoid any loss to referrals or their bottom lines.

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It might be worth re-evaluating the need for any hospital ranking systems, according to Helena Hansen, interim chair of psychiatry and biobehavioral sciences at the University of California, Los Angeles. She supports St. Luke's and UPenn's decisions to withdraw because, she said, the U.S. News rankings celebrate what is essentially a racist two-tiered healthcare system.

The first tier is "a privatized, biotechnology-laden system that advertises its services to affluent white markets and participates in national contests for rankings that attract the best consumers," Hansen said. The second is "an underfunded and less quality-controlled system for poor, Black and Brown people that can't retain licensed professionals, that has long waiting lists for care."

Indiana University's Bilimoria said that renewed conversations around hospital ranking systems are much-needed. But he noted that both St. Luke's and UPenn continue to participate in other commercial rankings such as those from Leapfrog and Healthgrades. While Mahoney and Sabol hailed those lists' utility and objectivity, Bilimoria described these ranking systems as "awful" at measuring hospital quality, scoring a C- and D+ in a study he published in the New England Journal of Medicine Catalyst, compared to U.S. News' B grade.

Still, Bilmoria notes that, for better or for worse, these rankings still matter because they are what payers, purchasers, and insurance companies use to decide where to send their patients. “I would rather see us work to improve the rating systems rather than just pull out all together,” he said. While UPenn has promised to create its own public-facing dashboard of quality measures, Bilimoria described this as also suboptimal because ”pretty much every hospital can put up a set of measures — topics they find important and topics that make them look good.”

In an ideal world, Bilimoria said, the entire hospital community would come together to produce better data that are collected in a standardized fashion, go beyond Medicare claims, and undergo robust audits. “We’re pretty far from that,” said Bilimoria. “There are at least 1,000 top-100 hospitals, if you look at all the rating systems together.”

This story has been updated with comments from U.S. News.

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