

I-PASS Implementations Lead to Significant Reductions in Costs

Adverse events are costly, and a reduction in adverse events can result in significant savings. The insurer and the hospital share a mutual financial benefit when a standardized handoff program is implemented.

Annual Savings of Malpractice Claims

	Hospital
Annual Inpatient Admissions of a 450 bed hospital	20,000
Number of malpractice claims per 1,000 admissions ¹	0.83
Estimated number of annual claims reduced	16.6
% of claims reduced through the use of a tools such as I-PASS ²	18%
Estimated number of claims reduced	3.0
Average payout per claim ³	\$484,000
Annual value of malpractice claims avoided	\$1,446,192

1. Results presented at PAS in May 2017, based on initial review of 420 malpractice cases sampled from 2001 to 2011.

2. Journal of Patient Safety, March 21, 2015.

3. CRICO Strategies 2015 Annual Benchmarking Report, average indemnity of provider - provider malpractice cases.

Annual Savings from Costs Avoided

Number of Annual Avoidable Events & Costs		
Annual Inpatient Admissions of a 450 bed hospital		20,000
Reduction of adverse events per 100 admissions ¹		1.5
Annual number of adverse events prevented		300
Annual Avoidable Costs Range	Cost Per Event	Annual Costs Avoided
Low	\$5,000 ²	\$1,500,000
Medium	\$12,000 ³	\$3,600,000
High	\$27,000 ³	\$8,100,000

1. Changes in Medical Errors after Implementation of a Handoff Program. Starmer AJ, Spector ND, et al. N Engl J Med.2014Nov;371:1803-1812. DOI: 10.1056/NEJMs1405556

2. Costs of adverse events in intensive care units. Kaushal R, Bates DW, Franz C, Soukup JR, Rothschild JM. Crit Care Med.2007Nov;35(11):2479-83.PMID: 1782803.

3. American Journal of Medical Quality, p1-7, DOI:10.1177/1062860615608938