It is widely acknowledged that the safety and quality of health care in the U.S. is not as high or consistent as it should be. As a result, health system leaders are being called on to improve the quality of care provided in their systems. Before effective strategies can be devised and implemented to improve conditions, however, they need to know exactly what the state of quality is in their systems. Only then can institutional leaders act effectively with knowledge to set specific goals they should attempt to reach and be able to assess the degree to which they have accomplished those goals. By “the state of quality” we mean (1) the extent to which care provided in a particular system meets established criteria for good quality care and (2) specific deficits that can be identified and act as targets for improvement.

This paper is organized into two sections, one for each of its two main purposes. The first is to examine factors that could affect the suitability of using utilization measures in efforts to measure quality of care delivered in their systems as a necessary step in the effort to improve safety and quality of care in health care organizations or systems. The second is to discuss ways of actually using those measures to improve quality of care in those systems.

First quality will be defined so that it can be measured and reflect the care provided in the health care system. Utilization measures will be related to quality and allow better quality to be distinguished from lesser quality.

There are two principal sources of utilization measures: claims for services rendered and medical records. The advantages and limitations of both will be discussed. Additional data reflecting demographic characteristics of patients as well as diagnosis and other indicators of health status before and after treatment will also be discussed. Among the uses to which these data can be put are the following: (1) determine whether or not indicated services were provided; (2) identify patterns of services provided and compare to condition-specific standards of care; and (3) determine whether indicated follow-up services were provided and when.

Having produced utilization measures and interpreted them to represent the quality of care provided, we will turn to ways in which the data can be used by clinical and other leaders of health systems to improve safety and quality of care.