

The Hidden Legal and Financial Costs of Healthcare-Associated Infections

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Infections can lead to lawsuits, lost Medicare payments, and lower hospital ratings. Learn about the risks, and the simple fix many hospitals are missing.

The Hidden Legal and Financial Costs of Healthcare-Associated Infections

When hospital executives think about healthcare-associated infections (HAIs), the immediate concerns often center on patient safety and clinical outcomes. While these are undoubtedly the most important considerations, there's a significant financial dimension to HAI prevention that many healthcare leaders may not fully appreciate—one that extends far beyond the obvious treatment costs and into territory that can fundamentally impact a hospital's financial stability.

The True Cost of HAIs Goes Beyond Medical Treatment

Most healthcare executives are familiar with the basic statistics: [HAIs affect millions of patients annually](#) and [cost the healthcare system billions of dollars](#). However, recent internal analysis of real hospital data reveals that the financial impact of these infections is often much more substantial than commonly understood.

Consider this: According to the report, a single health system with multiple hospitals spent more than \$8.8 million in just one year on additional inpatient costs directly related to HAIs. That's not including the broader financial implications—just the immediate, measurable hospital costs. For a large rural hospital, similar infections resulted in over \$5.5 million in additional costs annually.

According to [the Agency for Healthcare Research & Quality \(AHRQ\)](#), the additional hospital costs per infection type (adjusted from 2015 to 2023 dollars to account for approximately 29% inflation) are:



Catheter-Associated Urinary Tract Infections (CAUTI):
Approximately \$18,000 per case



Central Line-Associated Bloodstream Infections (CLABSI):
Around \$63,000 per case

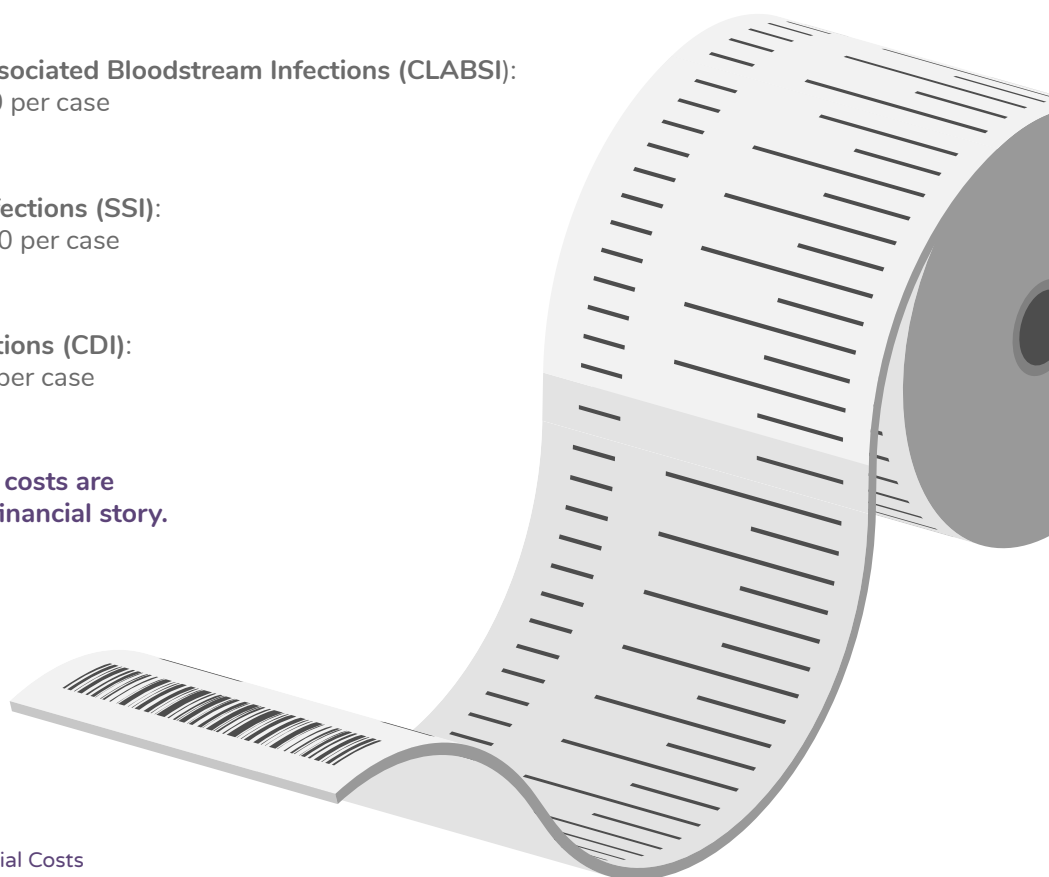


Surgical Site Infections (SSI):
Roughly \$37,000 per case



C. difficile Infections (CDI):
About \$22,500 per case

But these direct treatment costs are only the beginning of the financial story.



The Hidden Costs That Compound the Problem

Legal Liability and Settlement Risks

One of the most significant hidden costs of HAIs is legal exposure. Patients can sue hospitals for healthcare-associated infections up to three years after the incident occurs, depending on the state. This extended liability window means that an infection that occurs today could result in legal action well into the future.

Settlement amounts can be substantial. For example, one hospital paid a \$5 million settlement for a single surgical site infection case. These settlements often occur because hospitals choose to settle rather than face the uncertainty and additional costs of prolonged litigation.

Regulatory and Reimbursement Impact

HAIs directly impact Medicare reimbursements through CMS's Hospital-Acquired Condition (HAC) Reduction Program. [Hospitals with HAC scores in the worst-performing quartile face a 1% reduction in all Medicare payments](#), affecting their entire reimbursement structure. This policy has already [saved Medicare almost \\$350 million annually](#), representing money that hospitals can no longer recover.

Beyond Medicare penalties, poor infection rates influence Leapfrog Hospital Safety Grades and HCAHPS patient satisfaction scores. These poor ratings can drive patients to seek care elsewhere, creating a cascading effect on the hospital's reputation and financial performance.

Operational Inefficiencies

Beyond direct costs, HAIs create substantial operational inefficiencies that compound financial strain. Studies show that [patients with HAIs account for 9.3% of total hospital bed days and 11.4% of total costs](#), despite representing a much smaller percentage of admissions.

The operational burden extends beyond extended stays. [Patients with HAIs have significantly higher readmission rates](#), nearly double that of patients without HAIs. Staff must be diverted from routine care to manage complex infections, implement isolation protocols, and coordinate with infection control teams. Equipment and rooms require specialized cleaning and may be temporarily unavailable for other patients. These operational disruptions create ripple effects throughout the hospital system, reducing overall efficiency and capacity.

The ROI of Prevention: Electronic Hand Hygiene Monitoring

Given these substantial costs, the return on investment for HAI prevention becomes compelling. Electronic hand hygiene monitoring systems represent one of the most effective tools for reducing infection rates and, consequently, their associated costs.

According to [AHRQ estimates](#) adjusted for inflation, hospitals using SwipeSense electronic hand hygiene monitoring systems saw significant cost savings, such as:

- After the installation of the SwipeSense® system, a client saved more than \$850,000 after reporting 42 fewer CDI cases and one fewer CLABSI case than the year prior.
- Another facility reduced several types of HAIs simultaneously, saving more than \$582,000 annually.
- In the first calendar year using SwipeSense, a client saw a 32% reduction in CAUTI CLABSI and CDI cases and up to a 77% reduction during subsequent years.

These savings dwarf the investment required for electronic monitoring systems, often paying for themselves within the first year through HAI reduction alone.

The Technology Advantage in Behavior Change

Traditional hand hygiene monitoring through direct observation is not only time-intensive and subjective, it's also insufficient for creating the systematic behavior change needed to reduce HAI risk significantly. Electronic monitoring systems provide the consistent, objective data necessary to drive real improvement in compliance rates.

Internal data shows that as hand hygiene compliance exceeds 75%, HAI rates decrease dramatically. Electronic systems make it possible to not only achieve these compliance levels but maintain them consistently over time.

HAIs and Strategic Financial Management

For hospital executives, electronic hand hygiene monitoring shouldn't be viewed merely as a compliance tool or patient safety initiative, though it certainly serves those purposes. It should be understood as a strategic financial management tool that can:



Reduce direct treatment costs by preventing expensive infections.



Minimize legal exposure by demonstrating systematic infection prevention efforts.



Improve operational efficiency by reducing the burden of managing infected patients.



Enhance reputation and ratings that can impact future revenue.

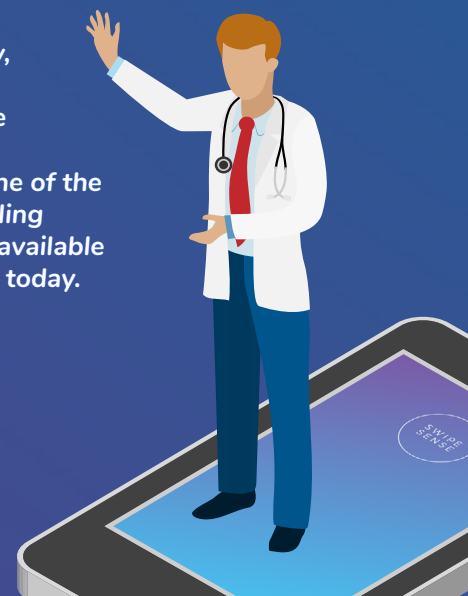
The Bottom Line: HAI Prevention as Financial Strategy

The financial risks associated with healthcare-associated infections extend far beyond what most hospital balance sheets reveal. With potential costs ranging from hundreds of thousands to millions of dollars annually—not including legal settlements, regulatory penalties, and operational disruptions—HAIs represent one of the most significant preventable financial risks facing healthcare organizations today.

Electronic hand hygiene monitoring systems offer hospital executives a clear path to address these risks proactively. The technology doesn't just improve patient safety; it delivers measurable financial returns that often exceed the initial investment within the first year. When hospitals can achieve million-dollar savings through HAI reduction, the business case becomes undeniable.

While healthcare margins continue to tighten and financial pressures intensify, smart hospital executives are recognizing that HAI prevention is essential for financial sustainability. The question isn't whether hospitals can afford to invest in electronic hand hygiene monitoring, but whether they can afford not to.

The data is clear: systematic hand hygiene monitoring works, HAI reduction saves substantial money, and the return on investment speaks for itself. For healthcare leaders looking to make strategic decisions that serve both patient outcomes and fiscal responsibility, electronic hand hygiene monitoring represents one of the most compelling investments available in healthcare today.





Get in Touch



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Learn how SwipeSense can help your hospital cut infection costs, reduce legal risk, and protect revenue.

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