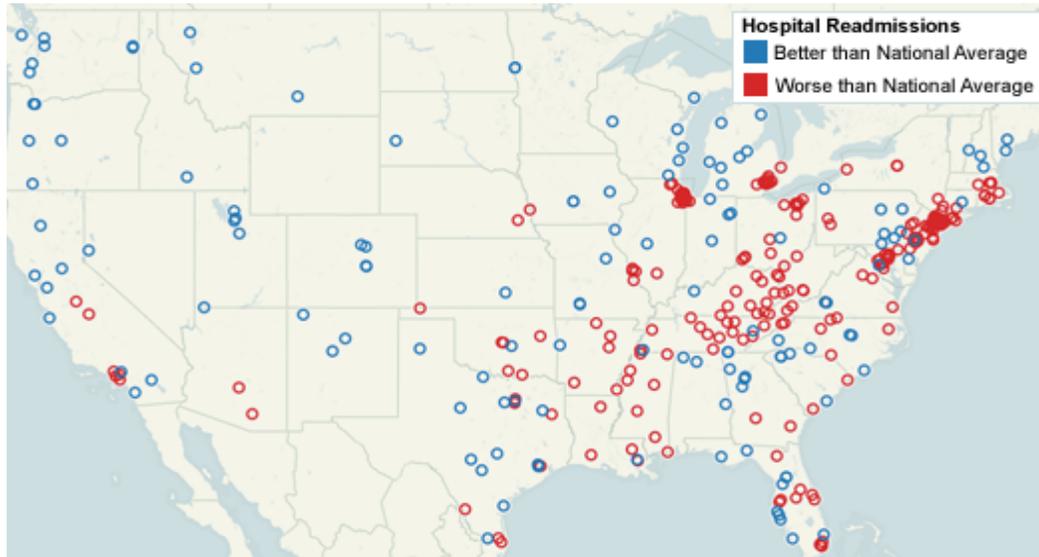




The Best & Worst of Hospital Readmissions

September 5, 2012



Hospital Readmissions for Heart Attack, Heart Failure & Pneumonia

On Oct. 1, 2012, the Hospital Readmissions Reduction Program will take effect and the Centers for Medicare and Medicaid Services (CMS) will begin penalizing hospitals that show excessive 30-day readmission rates for heart attack (HA), heart failure (HF) and pneumonia (PN).

As the Billian team preps to bring the latest round of hospital readmission statistics into the Billian's HealthDATA Portal (offering database subscribers a method for data exploration beyond the facility look-up features available on Hospital Compare), researchers combed the CMS-issued readmission statistics to benchmark hospital market standing going into launch of the new readmissions reduction program.

A Brief Background

Kaiser Health News recently reported that Medicare beneficiaries readmitted to hospitals within 30 days of release account for roughly \$17.5 billion a year in additional healthcare expenditures.

Beginning FY 2013, hospitals stand to lose up to 1 percent of their Medicare reimbursements for failing to bring readmission rates in line with - or, better yet, under - the expected ratios for that facility, established using a risk adjustment methodology that accounts for differences in patient demographics and co-morbidities.

Penalty rates will climb, capping at three percent, and will include additional conditions (COPD, CABG, PTCA and other vascular diagnoses) by 2015. Medicare funds withheld as part of the Readmissions Reduction Program, along with penalty forfeitures stemming from additional healthcare improvement initiatives, will be repurposed as bonus incentives for hospitals that perform better than expected or show marked improvements in clinical areas.

Then, Now & Down the Road

The latest data on hospital readmissions (covering the three-year period from July 2008 - June 2011) shows a decline in the total number of both over- and under-performing facilities compared to the three-year period prior to that, indicating a marginal shift to more middle ground for most facilities.

Of the 4,367 hospitals reporting for 2008-11, 133 (2.9%) scored better and 248 (5.4%) scored worse than national risk-adjusted averages in at least one of three 30-day readmissions categories currently being monitored (HA, HF & PN), compared to rates of 4.6% and 7.1%, respectively, for the three-year period prior to that.

Clusters of poorly performing facilities were found along the north-east and in metropolitan areas like Los Angeles, Detroit and New York, where a handful of hospitals held the less-than-enviable position of under-performing across all three measures.

Only two hospitals - Sarasota Memorial Hospital and Citrus Memorial Hospital (both in Florida) - were reported as performing better than national averages across all three readmissions areas.

Billian will continue to monitor the impact of readmissions reduction and other programs, including penalties and incentives tied to EHR adoption, patient experience feedback, and clinical and discharge guideline adherence, as more information becomes available.