



Saving Lives and Dollars by Reducing Preventable Readmissions

By Debra Ness and Bill Kramer

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Every year, Medicare spends about one-third of its budget on paying for hospital admissions. Hospitals provide high-quality care for millions of seniors and people with disabilities often restoring them to good health and mobility. But a significant number of hospitalized Medicare patients wind up being readmitted within a month after discharge. While some readmissions are planned, necessary and unavoidable, many are the result of poor transitions from the hospital back to the community. Some patients are discharged before their conditions are fully stabilized; others aren't given clear instructions on how to manage their care and health when they get home; still others have poorly coordinated care or lack access to the care services or medications they need to fully heal.

The Medicare Payment Advisory Commission (MedPAC) estimates that nearly one in five hospitalized Medicare patients were readmitted within 30 days of discharge and that *preventable* hospital readmissions cost Medicare about \$12 billion a year. Reducing preventable readmissions should be a priority in our nation's efforts to improve care, improve health, and lower costs. Accordingly, the Centers for Medicare & Medicaid Services (CMS) has set a goal of reducing preventable readmissions by 20% by the end of 2013 and is providing hospitals with significant resources to help them lower their rates as part of its Partnership for Patients initiative.

Medicare has identified three common conditions that too often result in a readmission: Acute Myocardial Infarction, Heart Failure and Pneumonia. CMS recently published data on readmissions related to these three conditions, creating a baseline measure of hospitals' readmission rates. Beginning in fiscal 2013, Medicare will tie payments to hospitals' progress in lowering their rates. Some hospitals have expressed concerns that the new program will penalize them for taking care of sicker patients. It's important to note that Medicare will adjust these rates to account for patient demographic characteristics, comorbidities, and patient frailty.

Reducing readmissions requires all stakeholders to work together, including hospitals, other healthcare providers, communities, and patients and their families. Creating financial incentives for hospitals to address high readmission rates is just one element of what must be a multi-faceted solution. Some

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hospitals are already showing progress and can serve as best practice models. A 2011 Commonwealth Foundation [report](#) looked at four hospitals in Utah, Texas, Iowa, and Missouri and found impressive results thanks to their efforts to integrate hospital and outpatient care. The key factors identified were:

- Incorporating evidence-based practices, standardized procedures, and electronic information systems into care to gather information, provide feedback, and support clinical decisions;
- Ensuring smooth care transitions upon discharge by checking in regularly with patients at the highest risk for readmission - heart failure patients, the very elderly, patients with complex medical and social needs, and those without the financial resources to obtain post-hospital care – and using telemonitoring devices; and
- Helping uninsured or underinsured patients get care and support services through free clinics and prescription drug assistance programs.

CMS is taking positive steps to move us toward meeting the three-part aim of better care, better health, and lower costs by prioritizing the reduction of preventable readmissions. Attaching payment incentives to progress and performance will give the initiative real teeth. Publicly reporting readmission rates and feeding that information back to hospitals will enhance accountability and provide information that fosters more rapid quality improvement. Now we need to take the next step and make sure private sector payers are reinforcing this program by adopting aligned incentives and strategies for promoting improved performance and accountability in this vital area. It is all too rare that leaders from all sectors agree on a problem and a solution. Let's not allow this opportunity to pass us by.

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