

Hospitals measure up for Medicare reimbursement

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For-profit hospitals are out-performing other hospitals when treating stroke, heart attack and pneumonia patients in emergency departments and, thus, will be more likely to receive bonuses under Medicare's new payment rules, according to a new Northwestern Medicine® study.

Though nonprofit and <u>public hospitals</u> are lagging behind in performance, many are making noticeable improvements and also many will be eligible for bonuses, too.

The findings give an early look at how hospitals are measuring up under the new, mandatory Hospital Inpatient Value-Based Purchasing Program that went into effect October 2012. Hospitals receive <u>financial rewards</u> or penalties according to achievement or improvement on several publicly reported <u>quality measures</u>.

The study was published online March 13 in the *Annals of Emergency Medicine*.

"Hospitals owned by for-profits are hitting their quality markers frequently and, therefore, will fare well under the program," said Rahul Khare, M.D., one of the study authors. "And though nonprofit and public hospitals scored lower on quality, many won't lose out because they are improving."

Khare is an assistant professor in the department of emergency medicine at Northwestern University Feinberg School of Medicine and an



emergency medicine physician at Northwestern Memorial Hospital.

Researchers merged 2008 to 2010 performance data from nearly 3,000 hospitals nationwide. They calculated a score for each hospital based on its performance on four different <u>emergency department</u> measures for stroke, heart and pneumonia.

For-profit and public hospitals had the biggest difference in performance scores. The average performance scores were 50 for forprofits, 35 for nonprofit hospitals and 30 for public hospitals. The scores of for-profit hospitals were more often driven based on achievement of quality targets. The scores for public hospitals were often driven based on improvement rather than achievement.

"The government recognizes that some public or non-profit hospitals don't have adequate resources and is saying, 'if you can improve you won't be punished for lower quality scores,'" Khare said.

Provided by Northwestern University

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