Hospitals serving elderly poor more likely to be penalized for readmissions

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Hospitals that treat more poor seniors who are on both Medicaid and Medicare tend to have higher rates of readmissions, triggering costly penalties from the Centers for Medicare and Medicaid Services (CMS), finds a new study in *Health Services Research*.

The Hospital Readmission Reduction Program (HRRP) of CMS is intended to reduce the number of preventable hospital readmissions for patients with pneumonia, heart attack or heart failure. Hospitals that readmit too many patients within 30 days of their discharge suffer a cut in their Medicare payments of 3 percent by 2015. The goal of HRRP is to cut healthcare expenses by ensuring that patients are stable when they leave the hospital and will not need costly readmissions.

However, a new study of Medicare in-patient claims and other data has found that being dual eligible—both old enough for Medicare and poor enough for Medicaid—increases the risk of a patient's readmission when the data is adjusted for other risks. Hospitals with more dual-eligible patients were 24 percent more likely to have readmissions for patients who had heart attacks than hospitals with fewer dual-eligible patients.

Hospitals that treat many dual-eligible patients are more likely to have their payments cut by CMS under the HRRP, said Lane Koenig, Ph.D., president of KNG Health Consulting in Rockville, MD, and an author of the study. Many of these hospitals are not financially healthy, he noted. "While these hospitals are more likely to be hurt, they are also more likely to be struggling financially." Such hospitals may be in areas with fewer or lower quality primary-care resources, which can increase the likelihood that a newly discharged patient ends up back in the hospital within 30 days.

For certain populations, the community may have a greater effect on whether a given patient is readmitted than the hospital does, said Bradley Flansbaum, DO, MPH, a hospitalist at Lenox Hill Hospital in New York City and a member of the Public Policy Committee of the Society for Hospital Medicine. "The hospital can do everything right and yet these patients will still come back," Flansbaum said.

According to a spokesperson for the American Hospital Association (which took part in and funded the study), the U.S. Department of Health and Human Services has contracted with the National Quality Forum to convene a panel evaluating the issue of economic disparities in the calculation of HRRP and how such information should be handled.

Currently, CMS does not take socioeconomic status into account when calculating readmission rates. It is possible that adjusting HRRP calculations for socioeconomic data could mask disparities in quality of

care, Koenig said. "The counter argument is that by not adjusting it, you may be penalizing hospitals simply because they treat a potentially sicker or more-difficult-to-manage population."

More information: Gu Q, Koenig L, Faerberg J, et al.: The Medicare Hospital Readmissions Reduction Program: Potential unintended consequences for hospitals serving vulnerable populations. *Health Services Research*. academyhealth.org/files/2013/monday/koenig.pdf

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