

readmission rates by type of facility

In October 2012, under its Hospital Readmissions Reduction Program, the Centers for Medicare & Medicaid Services (CMS) began reducing inpatient prospective payment system (IPPS) payments for facilities with excess rates of readmissions following inpatient stays in three diagnosis categories: heart attack, heart failure, and pneumonia. Effective for FY15, two additional measures have been added to account for readmissions following inpatient stays for chronic obstructive pulmonary disease and elective, primary total hip and/or total knee replacement. These new measures and any future additions will continue to alter the payment system for inpatient services. Hospitals will need to monitor their performance to avoid not only financial penalties, but also negative attention generated by poor performance.

The measures used for calculating the expected and predicted rates of readmissions in the program are risk-adjusted to account for variations between each facility's patient mix. Unfortunately, these risk-adjusted rates are not conducive to comparative benchmarking in traditional categories. To provide data to facilitate comparisons based on common operating characteristics, this analysis uses the cases and numbers of readmissions for each hospital tracked by CMS in the most recent period of readmission analysis.

Because these aggregated statistics are not risk-adjusted, there is a discernible increase in readmission rates in relation to number of beds. It is reasonable to assume that this increase is due to the higher case mix indexes typically associated with larger hospitals that tend to treat more complex cases.

No remarkable differences in readmission rates were noted between for-profit and not-for-profit hospitals. Only minor differences were observed between teaching and nonteaching hospitals, presumably because the data reported are not risk-adjusted. Teaching hospitals typically have higher case mix indexes due to more complex caseloads.

As additional data become available over time, the measurable effects of the Readmissions Reduction Program should become more apparent—and it will be interesting to see what patterns develop. ■

This analysis was performed by American Hospital Directory, Inc, Louisville, Ky. For more information, contact William Shoemaker at wshoemaker@ahd.com.

RATES OF READMISSIONS FOR 3 DIAGNOSIS CATEGORIES BEING TRACKED UNDER THE READMISSIONS REDUCTION PROGRAM, BY TYPE OF FACILITY AND BED SIZE, JULY 1, 2009, TO JUNE 30, 2012

	Facilities	Heart Attack	Heart Failure	Pneumonia
Teaching Status				
Nonteaching	2,460	16.50%	22.65%	17.05%
Teaching	1,127	17.60%	22.90%	18.00%
Type of Control				
Not-for-Profit	2,622	17.19%	22.65%	17.43%
For-Profit	965	16.91%	23.37%	17.59%
Acute Care Beds				
0-50	762	9.84%	20.69%	14.54%
51-100	656	12.68%	21.96%	16.27%
101-175	797	16.18%	23.18%	17.64%
176-325	789	17.55%	23.00%	17.83%
326+	583	17.67%	22.81%	18.01%
Total	3,587	17.14%	22.78%	17.46%