IF YOU BUILD IT RIGHT
THEY WON'T HAVE TO COME BACK

A CASE MANAGEMENT APPROACH TO UNDERSTANDING AND REDUCING HOSPITAL READMISSION

OBJECTIVES

1. We will understand the “rules” for hospital readmission penalties.
2. We will understand some of the contributing factors to hospital readmissions.
3. We will discuss strategies to reduce hospital readmissions.

“Not all hospital admissions are necessary and many hospital readmissions represent failures in discharge planning and follow-up care.”

READMISSION FACTS

• 19.6% Medicare patients are readmitted to the hospital within 30 days of discharge.
• Readmissions cost our health care system $17.4 billion.
• Patients readmitted stay approximately 0.6 days longer than patients with the same DRG who were readmitted 6 months ago.

READMISSION FACT

• MedPAC reports 13.3 percent of Medicare’s 30-day readmissions are preventable.
• This equates to $12 billion per year.

What is the Hospital Readmissions Reduction Program?

• Is a program which requires CMS to reduce payments to inpatient prospective payment systems (IPPS) hospitals with excess readmissions.
• CMS defines a readmission as an inpatient admission to a hospital within 30 days of a discharge from the same or another hospital.
• Patients placed in observation, subacute, LTACH or rehab facilities do not count toward the 30 day readmission penalty.
Hospital Readmissions Reduction Program cont....

- Readmission penalty became effective for discharges beginning October 1, 2012.
- Penalties are for Acute Myocardial Infarction, Heart Failure and Pneumonia readmissions.
- Maximum penalty is 1% in 2013, 2% in 2014 and 3% in 2015.

Risk Adjustment Methodology

“excess readmission ratios”

- patient demographics,
- characteristics,
- comorbidities,
- and the frailness of the patients.

CMS used three years of a hospital discharge data and a minimum of 25 cases to calculate the hospital's excess readmission ratio.

READMISSION RATE LOCATOR

- FY 2013 IPPS Final Rule: Hospital Readmissions Reduction Program Supplemental Data File (updated September 2012) [ZIP, 576KB]

- Locate rates by Provider's Medicare Number

SIMPLE MATH

Excessive Payment for Condition

Number of patients with condition $ \times $ Average reimbursement for condition $ \times $ % Higher than expected = Excessive Payment for Condition

CMS determines your “excessive Readmission rate.”

TWO HOSPITALS

- HOSPITAL A
  - $50 MILLION MEDICARE REVENUE
  - $500,000.00 maximum penalty
  - CHF-20%
  - MI—10 %
  - PN- 5%

- HOSPITAL B
  - $30 MILLION MEDICARE REVENUE
  - $300,000.00 maximum penalty
  - CHF-20%
  - MI—10 %
  - PN- 5%
### HOSPITAL A

<table>
<thead>
<tr>
<th>Condition</th>
<th># of Patients</th>
<th>Average Reimbursement</th>
<th>% Higher Than Expected</th>
<th>Excessive Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF</td>
<td>500</td>
<td>$5,000</td>
<td>20%</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>AMI</td>
<td>400</td>
<td>$4,000</td>
<td>10%</td>
<td>$160,000.00</td>
</tr>
<tr>
<td>Pneumonia</td>
<td>300</td>
<td>$3,000</td>
<td>5%</td>
<td>$45,000.00</td>
</tr>
</tbody>
</table>

**Total Excess Payment** $705,000.00

### HOSPITAL B

<table>
<thead>
<tr>
<th>Condition</th>
<th># of Patients</th>
<th>Average Reimbursement</th>
<th>% Higher Than Expected</th>
<th>Excessive Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF</td>
<td>200</td>
<td>$5,000</td>
<td>20%</td>
<td>$200,000.00</td>
</tr>
<tr>
<td>AMI</td>
<td>150</td>
<td>$4,000</td>
<td>10%</td>
<td>$60,000.00</td>
</tr>
<tr>
<td>Pneumonia</td>
<td>100</td>
<td>$3,000</td>
<td>5%</td>
<td>$15,000.00</td>
</tr>
</tbody>
</table>

**Total Excess Payment** $275,000.00

### Final penalty calculations

**HOSPITAL A**

- **Excessive Payment** $705,000.00
  - Operating Payments from Medicare $50,000,000.00
  - **Percentage of Total Operating Payment** 1.41%

Final penalty will NOT be the excessive payment calculations of $705,000.00

**HOSPITAL B**

- **Excessive Payment** $275,000.00
  - Operating Payments from Medicare $30,000,000.00
  - **Percentage of Total Operating Payment** 0.92%

Final penalty will be the excessive payment calculations $275,000.00

### Medical Acuity Factors

- Sicker patients who’s condition deteriorates
- Discharged too soon.
- End stages of a disease.
- Multiple medical conditions and multiple prescriptions,
- Physical and/or mental impairments

### Factors Related to Readmissions.

1. Medical Acuity
2. Psychosocial
3. Inadequate Transition of Care.
Psychosocial Factors

• Financial difficulty
• Inability to secure adequate food for dietary restrictions.
• Homeless; shelter does not accommodate diet restrictions.
• They cannot afford the co-pays and deductibles for follow up physician appointments.

Psychosocial Factors

• Transportation difficulties.
• Poor Health Literacy.
• Inadequate caregiver support.
• Non-compliant due to drugs and/or alcohol addictions.

Inadequate Transition of Care

• No follow up plan of care.
• Barriers to follow up care were not identified.
• Inadequate communication between providers; communication to the next level of care.
• Lack of medication reconciliation.
• Inadequate discharge instruction to the patient and/or care giver.

WHAT CAN YOU DO?

READMISSION REDUCTION STRATEGIES

1. Make sure patients are medically stable prior to discharge.
2. Complete medication reconciliation prior to discharge.
3. Use teach back method for discharge instructions.

More Strategies

4. Make sure patients have a follow up appointment.
5. Make sure patients know how to contact their doctor.
6. Make follow up phone calls within 1-2 days of discharge.
More Strategies cont.:
7. Make sure the receiving organization have the necessary medical information to provide continuation of care.
8. Make sure the next level of care is able to provide the needed services.
9. Identify patients at risk for readmissions and provide them with intensive resources.

RISK FACTORS FOR READMISSIONS
— Tend to be elderly and frailer with multiple comorbidities.
— Patients from nursing homes.
— Patients from a lower socioeconomic status.
— Patients with recent or frequent ED and/or inpatient admissions.

RISK FACTORS FOR READMISSIONS
— Tend to be elderly and frailer with multiple comorbidities.
— Patients from nursing homes.
— Patients from a lower socioeconomic status.
— Patients with recent or frequent ED and/or inpatient admissions.

More Strategies cont.:
10. Increase the use of home care referrals.
11. Identify the patient’s cost associated with care delivery prior to discharge.
12. Measure more than just readmission rates.

Expand the use of observation to stabilize the patient for a discharge to a SNF or nursing home.

FINAL THOUGHTS
IT WASN’T ALWAYS LIKE THIS.

READMISSION RATES are THE NEW FACE OF HEALTH CARE DELIVERY.

IF YOU BUILD IT RIGHT THEY WON’T HAVE TO COME BACK.
REFERENCES

- http://cms.gov/
- Case Management Advisor, "Preventing Readmissions Benefits Patients, Save Money," February 2013