

Readmissions Measure Trends and Reduction Program Analysis

Annual Update Based on Hospital Compare's October 2015 (3rd quarter 2015) Data Release
-October 2015, Version 1-

Analysis Description

The Readmissions Measure Trends and Reduction Program Analysis is intended to provide detailed performance information on the readmissions measures that are currently evaluated or will be evaluated under the Hospital Readmissions Reduction Program.

The Measure Trends portion of the analysis is intended to provide hospitals with a comparative review, over time, of the 30-day readmission rates calculated by the Centers for Medicare and Medicaid Services (CMS) and made public on the Hospital Compare Web site.

The Readmissions Reduction Program portion of the analysis is intended to provide hospitals with an in-depth review of actual performance under the Federal Fiscal Years (FFYs) 2015 and 2016 Programs. The analysis also projects potential exposure under the FFY 2017 Program.

The analysis includes three reports. The first report focuses on performance trends. The second and third reports focus on the Readmissions Reduction Program. The following provides detail on the reports included in this analysis along with the data sources utilized.

Readmissions Measure Trends Analysis

The specific measures analyzed (5 in total) represent the measures CMS has adopted for use under FFYs 2015, 2016, and 2017 Hospital Readmissions Reduction Programs and include:

- Heart Attack (AMI)
- Heart Failure (HF)
- Pneumonia (PN)
- Hip/Knee Surgery (THA/TKA)
- Chronic Obstructive Pulmonary Disease (COPD)
- Coronary Artery Bypass Graft Surgery (CABG)

Text is provided under each data table specifying the applicable program years for each measure.

Hospital readmissions rates are made available on a rolling 3-year aggregate basis and are updated/published to CMS' Hospital Compare Web site once per year as part of the Hospital Inpatient Quality Reporting (IQR) Program. The rates reflect Medicare inpatient fee-for-service (FFS) patients only and do not include patients enrolled in Medicare Advantage Plans. Due to certain exclusion criteria, the measure rates reported on Hospital Compare are not exactly the same as the measure rates that are used under the Readmissions Reduction Program.

Rates included in this analysis are shown over five update/publication periods (2011-2015). The following describes the data sets analyzed and the 3-year data collection period associated with each data set:

- June 2011 update: July 2007 – June 2010
- June 2012 update: July 2008 – June 2011
- December 2013 update: July 2009 – June 2012
- December 2014 update: July 2010 – June 2013
- June 2015 update: July 2011 – June 2014

It is important to note that, in 2013, CMS modified its calculation of readmissions rates to better account for planned readmissions. As a result, a new trend line starts with the December 2013 data and it is likely that the rates published after the December 2013 release will be lower than previous publications.

Hospital performance levels are shown in both graphical and tabular form with relevant comparisons to national standards (the U.S. average and U.S. top 10%). Rankings within the nation and the state are also provided to show how hospital performance is changing relative to performance across the country (a hospital with performance levels that are not improving at a rate comparable to or better than the nation may have performance levels that are improving but will have a national ranking that is falling).

The graphs in this analysis are set to display hospital performance relative to national performance standards (the U.S. average and U.S. top 10%). As a result, the axis for each chart varies.

Importantly, the measure trends analysis evaluates performance for ALL hospitals included in CMS' Hospital Compare database. Critical Access Hospitals and other hospitals exempt and/or not eligible for the Readmissions Reduction Program will have a trends report but the other reports will indicate not applicable or not eligible.

Readmissions Reduction Program Analysis

The Readmissions Reduction Program Analysis consists of two reports.

The first report is a Performance Scorecard. This report provides a detailed review of hospital performance and the factors that drive performance under the Readmissions Reduction Program for FFYs 2015, 2016 and 2017 using actual and estimated data. Using performance and revenue data critical to the Program, the report uses a series of tables and graphs to highlight exposure areas and the conditions that drive the payment penalties by Program year. Each section of the report includes text to describe what is displayed, whether it is actual or estimated, how the data relates to the program, and why it is important.

The second report provides a detailed calculation of the FFY 2016 readmissions adjustment factor based on actual and estimated data. The result of the calculation is compared to the actual program factor published by CMS in the FFY 2016 Medicare IPPS final rule and used to adjust payments under the IPPS during FFY 2016. The factor's estimated total impact on FFY 2016 Medicare inpatient FFS operating payments is also shown.

For both tables, the readmissions adjustment factors calculated in this analysis may differ slightly from the actual factors. The use of slightly different hospital claims data is the cause of any difference between the actual and estimated factors.

Data Sources Utilized

- Readmissions rates and information from the most recent Hospital Compare update (October 2015 update) at <http://www.medicare.gov/download/downloadddb.asp>
- Readmissions rates and information from previous Hospital Compare updates at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/HospitalQualityInits/HospitalCompare.html>
- Medicare inpatient claims data from the Medicare Provider Analysis and Review (MEDPAR) Files from FFYs 2010, 2011, 2012, 2013, and 2014

- Hospital payment data from the FFY 2016 IPPS final rule Impact File available on the CMS Web site at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2016-IPPS-Final-Rule-Home-Page.html>
- FFYs 2014, 2015, and 2016 Readmissions Reduction Program Supplemental Data files available on the CMS Web site at:
 - <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2014-IPPS-Final-Rule-Home-Page.html>
 - <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2015-IPPS-Final-Rule-Home-Page.html>
 - <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2016-IPPS-Final-Rule-Home-Page.html>

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