CLOSING THE REVOLVING DOOR: An Overview of the Hospital Readmissions Reduction Program

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Disclosures

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The HRRP was mandated by the Affordable Care Act (ACA) of 2008.

It was designed as a payment penalty program aimed at reducing readmissions rates for Medicare fee for services (FFS). Specifically it targets costly, high volume readmissions.

It excludes Critical Access Hospitals (CAH), Inpatient Psychiatric facilities and post acute care providers such as Long Term Acute Care Hospitals.

It includes any hospital which is paid under the Medicare Inpatients Prospective Pay System (IPPS)
Readmission Measures

• 2013 - Acute Myocardial Infarction (AMI)
• 2013 - Congestive Heart Failure (CHF)
• 2013 - Pneumonia
• 2013 - Stroke – Cerebral Vascular Accident (CVA)
• 2015 - Chronic Obstructive Pulmonary Disease (COPD)
• 2015 - Total Hip Arthroplasty (THA)
• 2015 - Total Knee Arthroplasty (TKA)
• 2017 - CABG
So how do we pull the rabbit out of the hat?
How are they determined???

• The data is derived from Medicare claims data which must be submitted to CMS in order to process payment.
  *side note* - please be aware all claims information (ICD-10) is simply providing data into a systems database which in the near future will be able to provide predictive analytics of practice patterns. That is a whole other subject for another time.

• CMS uses a 3 year sample to yield more cases than a single year could provide for most measures.

• An ACA mandated formula is applied to each measure and a national average benchmark is established. The formula takes into account a number of factors like trying to account for clinical mix and risk adjustment.

• At this point hospitals with excessive readmissions to the national average are penalize. There is simply a stick…NO CARROT!
Example Performance Category Assignment for the Mortality, Readmission, and Complication Measures
Example Payment Category Assignment for the AMI Payment Measure

- **Hospital A**
  - Less: $14,600 to $16,560
  - $16,560 to $18,735

- **Hospital B**
  - No Different: $17,900 to $20,110
  - $20,110 to $22,140

- **Hospital C**
  - Greater: $21,490 to $23,450
  - $23,450 to $25,000

Risk-Standardized Payment ($ and 95% Interval Estimate)
And things begin tumble

Figure 2
National Medicare Readmission Rates Started to Fall in 2012

NOTES: National readmission rates include Medicare fee-for-service unplanned hospitalizations for any cause within 30 days of discharge from an initial hospitalization for either heart failure, heart attack, or pneumonia. Rates are risk-adjusted for certain patient characteristics, such as age and other medical conditions.

SOURCE: Kaiser Family Foundation analysis of CMS Hospital Compare data files.
Time keeps ticking
All Cause Readmissions

• The American Hospital Association recognized that not all admissions can be avoided.
  • There are staged or planned re-admissions. (a CHF patient with a re-admission for a ventricular assist device)
  • Admissions not associated with the targeted measure but was discovered during the previous admission (A patient is admitted for CHF and a lung mass is discovered which requires a subsequent admission for surgery).
  • An admission completely unrelated to the targeted measure (A patient is admitted for an AMI and then is later admitted for a leg fracture).

• CMS re-evaluated its criteria and algorithm for planned readmissions but currently there is no change for unrelated readmissions.
Risk Adjustment – Accounting for issues outside of the hospitals control

• Currently there is no methodology to account for factors outside of the hospitals control.

• Patents with more severe more multiple co-morbidities have a higher chance of readmission.

• Sociodemographic factors
  • Transportation
  • Medications
  • Dietary resources
  • Family support
  • Income
  • Language/literacy
Chronic multiple conditions 30 day Readmissions

- 0-1 condition = 9%
- 2-3 conditions = 10%
- 4-5 conditions = 14%
- 6 or more = 25%
Disparity

• As the ACA’s focus is trying to address disparity within the system, the current structure penalizes hospitals that treat lower income patients at a higher rate.

• Hospital with the lowest disproportionate patient percentage (DPP) were penalized less at 62% versus 85% of the highest DPP.

• In terms of dollars, the lowest DPP paid out $78 million versus $117 million for the highest DPP.

• It is exacerbating the very problem it is trying to address.
Percent of Hospitals incurring HRRP penalties

<table>
<thead>
<tr>
<th>Year</th>
<th>No penalty</th>
<th>Penalized</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>37%</td>
<td>63%</td>
</tr>
<tr>
<td>FY 2014</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>24%</td>
<td>76%</td>
</tr>
</tbody>
</table>

2 indications added
So how do we close the door?
The Health Resource and Educational Trust (HRET), an educational affiliate of the American Hospital Association, has partnered up with CMS’s Partnership for Patients a Hospital Engagement Network (HEN).

- This includes 1,500 hospitals and 31 state hospital associations.
- HRET has developed tools and resources aimed at aiding hospitals to reduce readmissions.
Strategies

• A toolkit, checklists and multilingual posters.

• Within the toolkit are ways to identify the 4 primary drivers:
  • Identification of high risk patients
  • Self management skills (medications, community resources)
  • Coordination of care along the care continuum.
  • Adequate follow up
Strategies

• Interdisciplinary teams with team huddles to address high-risk admissions.

• Outside services and consulting to supplement your initiatives.

• Automations within your EMR for medication teaching, disease state education and identification on admissions.

• Pre-discharge risk screenings.

• Hospital visits with wellness coach.

• Ongoing follow up and disease management.
Springhill Medical Center

Watershed Health Readmission Reduction Program at Springhill Medical Center

Pre-Watershed (June 2011 - July 2014)
Post-Watershed (September 2014 - Present)

- CHF: 11.7% vs. 6.3%
- AMI: 16.1% vs. 9.3%
- PN: 16% vs. 9.9%
- COPD: 22.2% vs. 9.5%
Resources and references

- CMS 2014 Publicly Reported Risk-Standardized Outcomes and Payment Measures FAQ Book
- Rethinking Hospital Readmissions Program, American Hospital Association Trend Watch, March 2015
- Medicare.gov/HRRP
- Healthreform GPS, HRRP, Janet Hyatt Thorpe
Thank You

Lord knows I hope you don’t have questions!!!
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