



## Hospital Readmission Reduction Program

### **Program Type:**

Pay for Performance and Public Reporting – Payments are based on information publicly reported on the Hospital Compare website.

### **Incentive Structure:**

Diagnosis-related group (DRG) payment rates will be reduced based on a hospital's ratio of actual to expected readmissions. The maximum payment reduction is 2 percent until October 2015, after which the payment reduction will be capped at 3 percent.

### **Program Goals:**

- Reducing readmissions in hospitals paid under the Inpatient Prospective Payment System (IPPS), which includes more than three-quarters of all hospitals.
- Providing consumers with quality of care information that will help them make informed decisions about their health care. Hospitals' readmissions information, including their risk-adjusted readmission rates, is available on the Hospital Compare website.

### **Program Update:**

- The Hospital 30-day, all-cause, unplanned, risk-standardized readmission rate (RSRR) following Coronary artery Bypass Graft (CABG) Surgery was added to the program measure set for 2017.
- The planned readmission algorithm for the Acute Myocardial Infarction, Heart Failure, Pneumonia, Chronic Obstructive Pulmonary Disease, and Total Hip Arthroplasty/ Total Knee Arthroplasty measures was updated.

### **Critical Program Objectives (include program objectives and strategic issues)**

- Reduce the number of admissions to an acute care hospital within thirty days of a discharge from the same or another acute care hospital.
- Recognize that multiple entities across the health care system, including hospitals, post-acute care facilities, skilled nursing facilities, and others, all have a responsibility to ensure high quality care transitions to reduce unplanned readmissions to the hospital.
- The definition of readmissions should exclude unrelated readmissions, beyond planned readmissions, such as readmissions related to traumatic injury or burn.
- Acknowledge that factors affecting readmissions may include environmental, community-level, and patient-level factors, including socio-demographic factors.
- Encourage hospitals to take a leadership role in improving care beyond their walls through care coordination across providers since the causes of readmissions are complex and multifactorial.
- Begin with NQF-endorsed readmission measures for acute myocardial infarction (heart attack) (#0505), heart failure (#0330), and pneumonia (#0506), and then consider expanding the program to include other applicable conditions in January 2015.