



Advising the Congress on Medicare issues

Mandated report: Effects of the Hospital Readmissions Reduction Program

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The 21st Century Cures Act mandated readmissions study

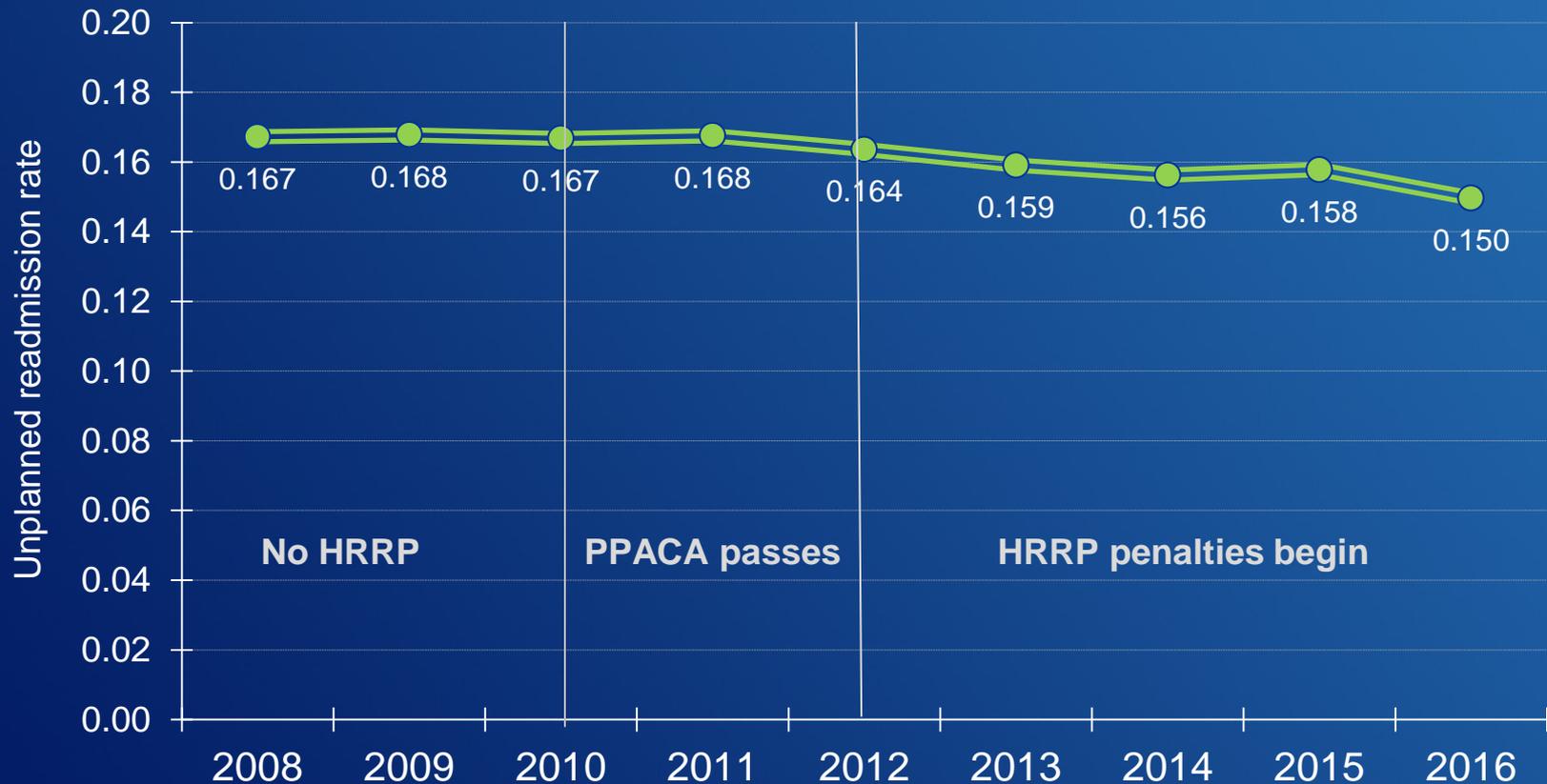
- Mandated study question: Are reduced readmissions “related to changes in outpatient and emergency services”?
- This report examines relationships between changes in readmissions and
 - Observation stays
 - Emergency department visits
 - Mortality

Refinements to the draft report

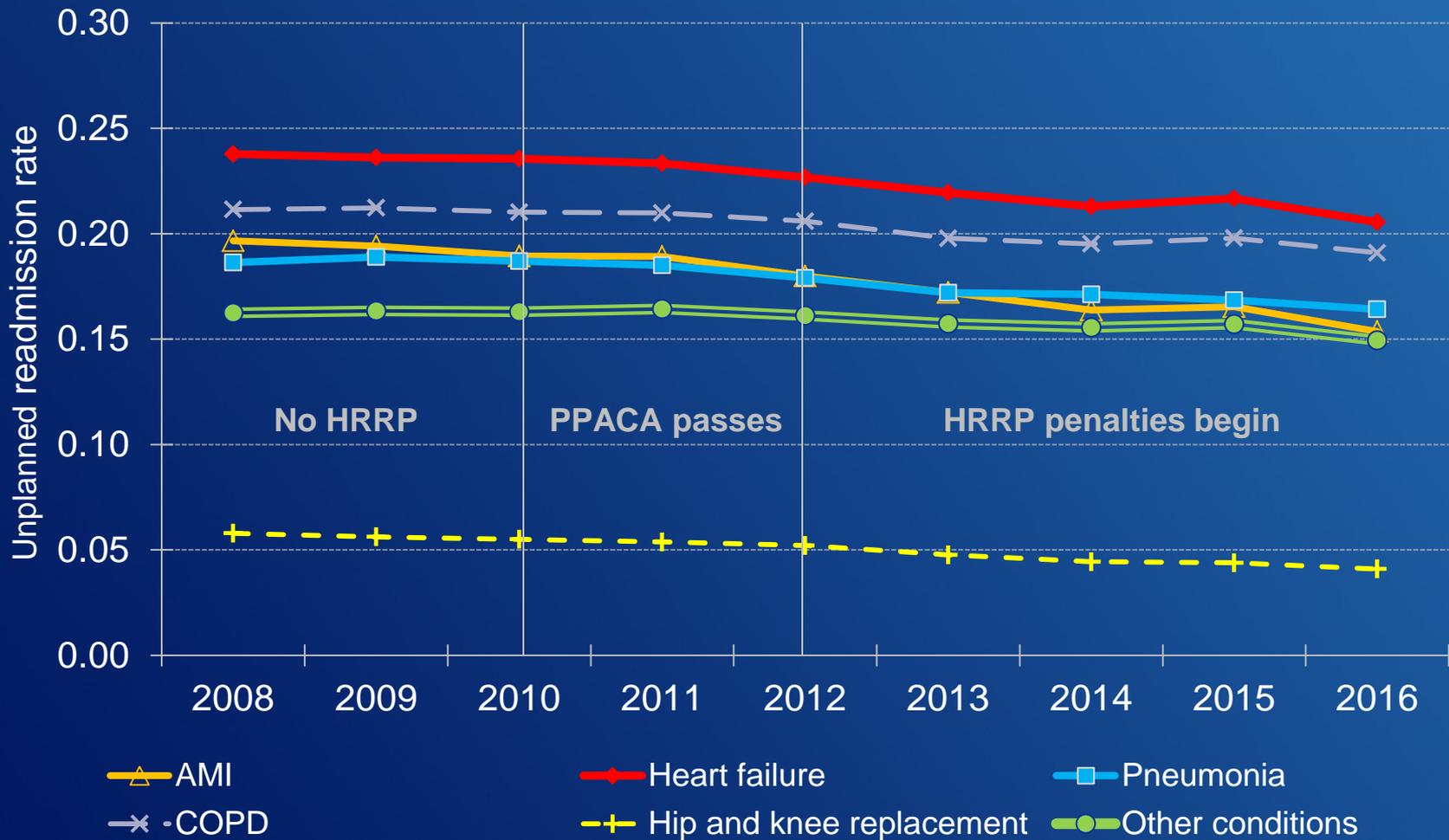
In response to the January meeting's discussion:

- Use non-HRRP conditions as the comparison group in the graphics
- Examined change in rate of decline in hospital readmissions before and after program enactment
 - Readmission rates declined faster after program enactment
 - Added discussion to the chapter
- Updated the literature review
- Findings unchanged

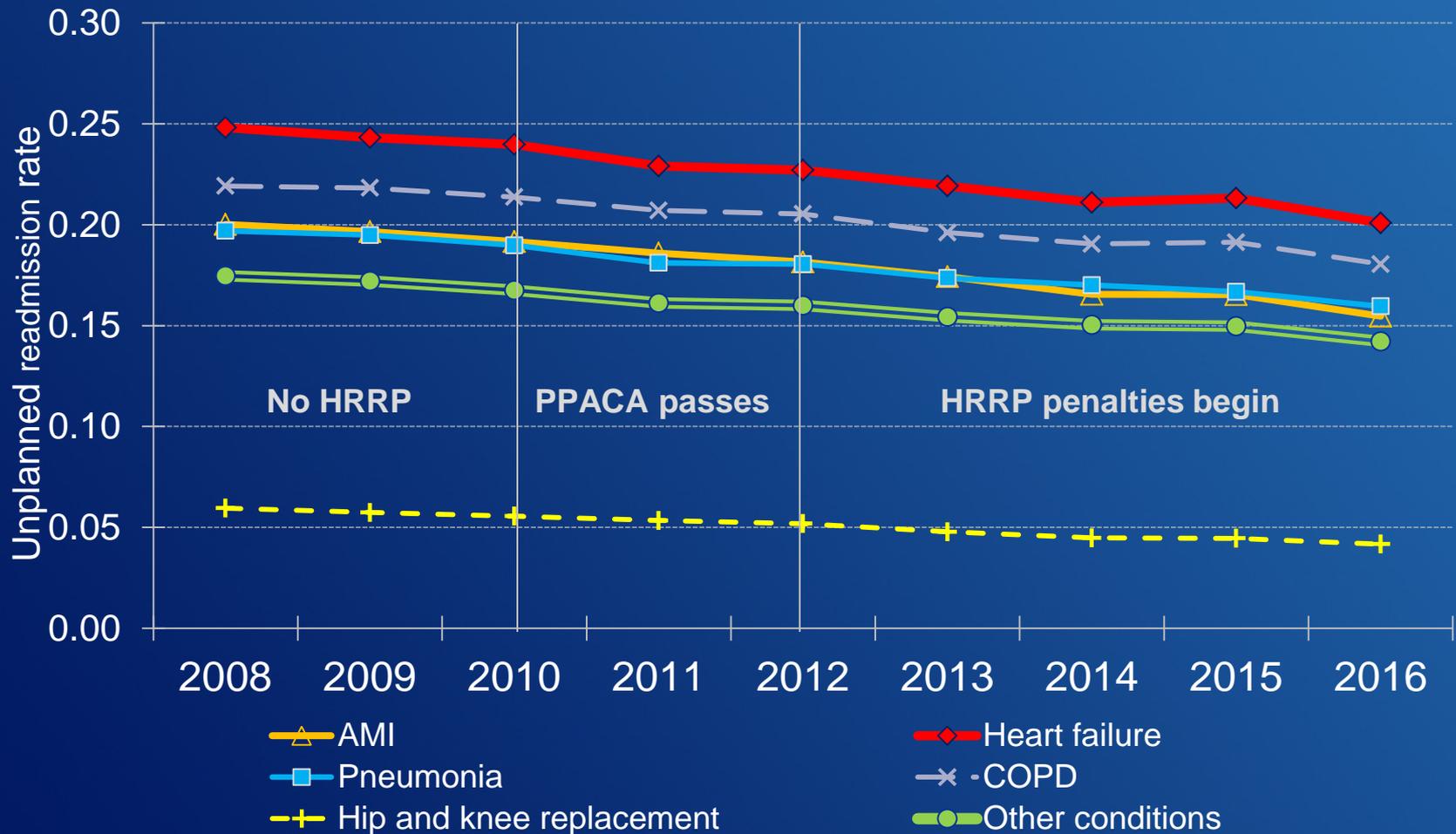
Raw readmission rates after passage of the HRRP



Raw readmission rates declined for each condition covered by HRRP



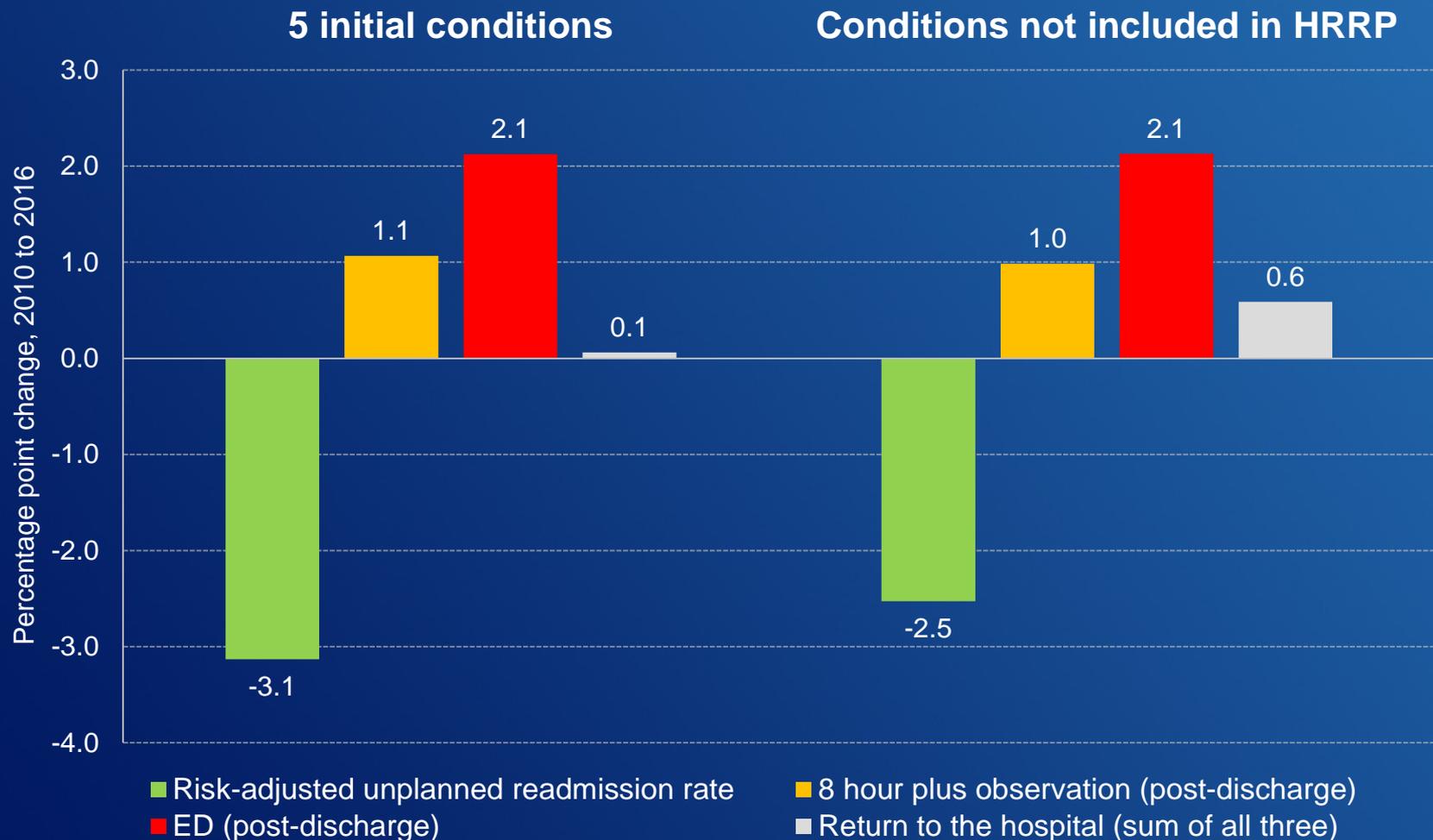
Risk-adjusted readmission rates fell faster for conditions covered by the HRRP



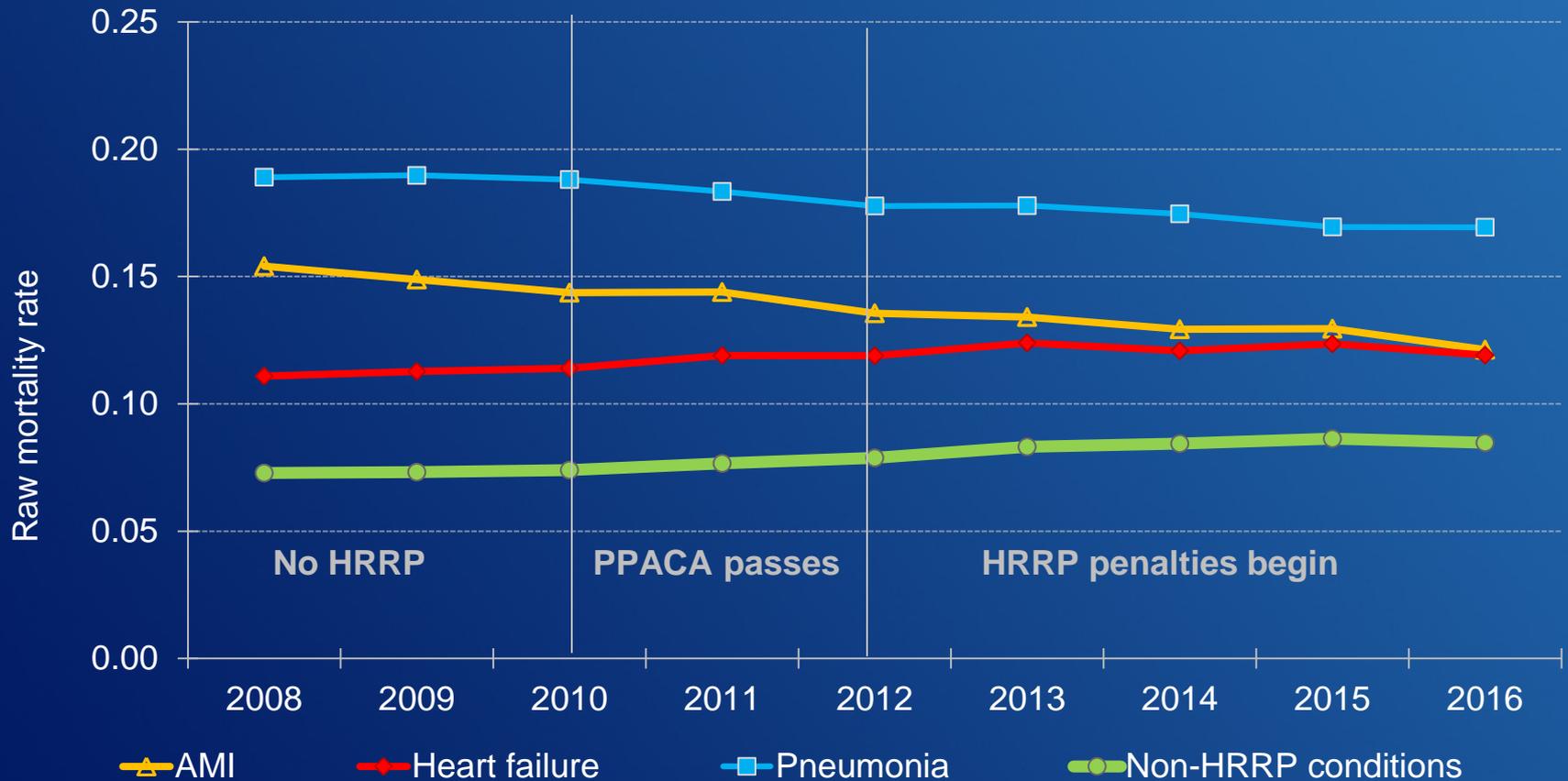
Growth in observation and ED use was not driven by the HRRP program

- Overall observation and ED visits increased from 2010 to 2016 (overall, meaning not just post-discharge visits)
 - Observation stays overall increased by 1.9 per 100 beneficiaries
 - ED visits overall increased by 5.4 visits per 100 beneficiaries
- Growth in use of observation and ED began before the HRRP passed
- Similar growth for beneficiaries without an admission, suggesting the HRRP program did not drive the increase

Risk-adjusted use of observation and ED grew the same for conditions covered and not covered by the HRRP

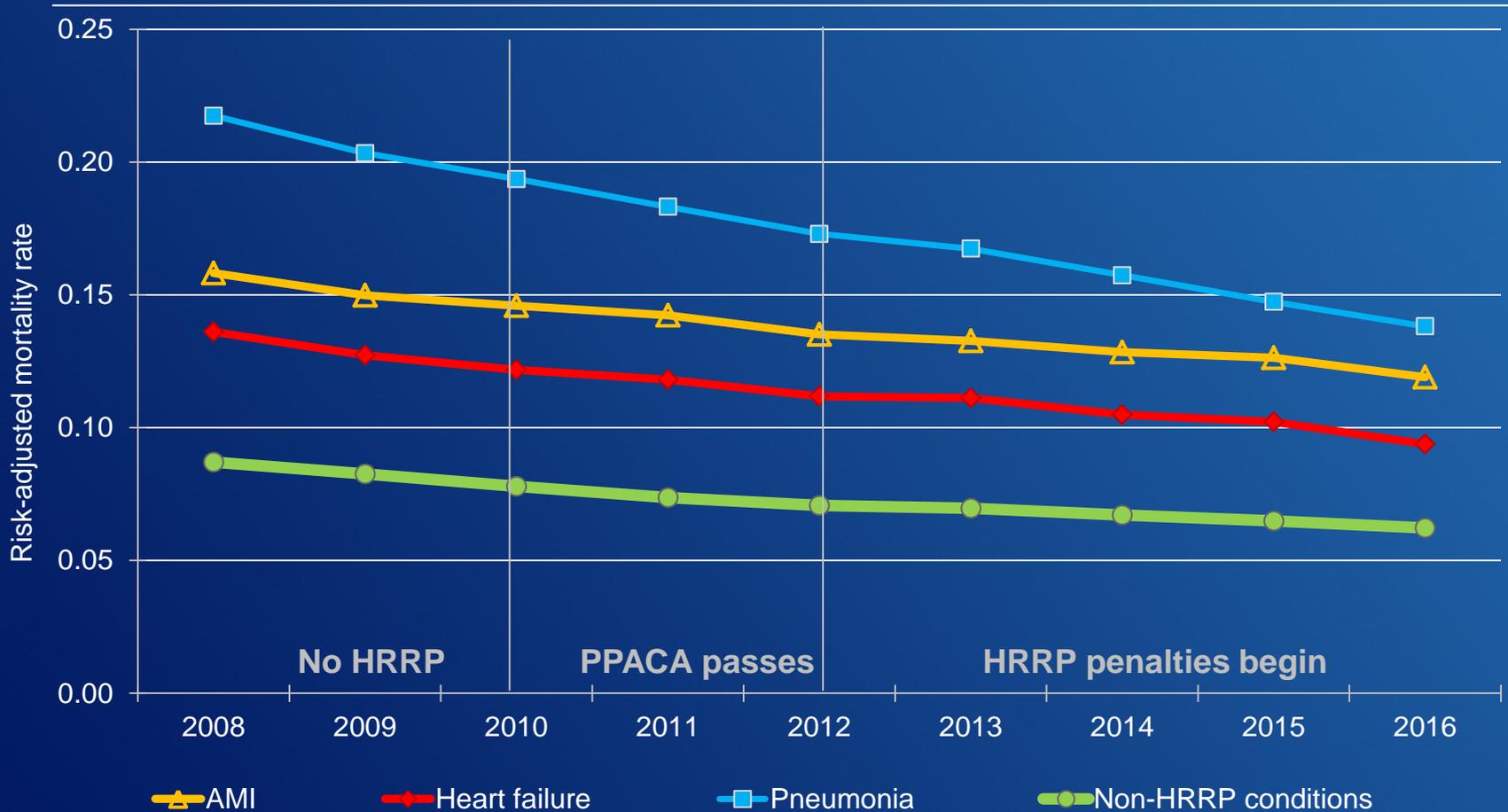


Raw mortality rates, 2008 to 2016



Note: Raw mortality includes in-hospital and 30 days after discharge

Risk-adjusted mortality rates declined from 2008 to 2016



Note: Risk-adjusted mortality includes in-hospital and 30 days after discharge

Readmission policy refinements

- Refine the penalty formula (eliminate the multiplier)
- Expand to all conditions to pay for fixing the penalty formula
- Fixed target
- Adjust penalties to account for SES (implemented as part of the 21st Century Cures Act)

Readmission program has been largely successful

- The HRRP created an incentive to reduce readmissions
- Readmissions declined (at least partially due to the HRRP)
- Observation and emergency visits increased, but may be largely due to reasons other than the HRRP
- HRRP did not appear to negatively affect mortality rates
- While successful, the HRRP still could be refined