Did You Know?

HEALTHDIRECT PHARMACY SERVICES
Personalized care. Direct to you.

June 2017

PREVENTING HOSPITAL READMISSIONS

Introduction:

- Unnecessary hospitalizations can prolong a patient's illness, increase their time away from home and family, expose them to potential harms and add to costs for patients, payors and families.
- Reducing potentially avoidable or preventable hospitalizations (PPH) is increasingly important to skilled nursing facilities (SNFs) and hospitals.
- Shift from fee-for service to strategies that value QUALITY over quantity of care.
- Increasing enrollments in Medicare managed care plans, bundled payments and accountable care organizations have strong financial incentives to reduce preventable readmissions.
- 1 in 5 Medicare patients admitted to skilled nursing facilities are readmitted within 30 days.
- Up to 2/3 of hospital transfers are rated as potentially avoidable by long-term care health professionals.

Reason for Hospitalization	Total Cost	$ per Hospitalization
Sepsis	$3 Billion	11,554
Pneumonia	845 Million	9,464
CHF	643 Million	8,731

Average Medicare Hospitalization Cost
$8,447

Average Medicare SNF Hospitalization Cost
$11,211

Source: 2013 OIG Report on FY 2011

Regulations:

2014 Protecting Access to Medicare Act of 2014 adds a value-based purchase (VBP) program for skilled nursing facilities (SNF)

- HHS specifies a SNF all-cause, all-condition 30-day readmission measure prior to October 2015 (SNFRM)
- Risk-adjusted potentially preventable hospital readmission rate by October 1, 2016
- Public reporting of readmission rates for each SNF on Nursing Home Compare Oct 2017
- HHS develops a scoring methodology in order to create a ranking system which will rank SNFs annually
- Medicare to withhold 2% of SNF payments on Oct 1,2018
  - 50-70% of the withhold will go to incentive payments
  - 30-50% of the withhold will go to Medicare for savings
- Reimbursement rates for SNF will be based partially on their performance scores beginning on Oct 1, 2018
  - Lower 40% of SNFs nationally will receive a penalty
- Congressional Budget Office predicts program will save Medicare $2 billion over the next 10 years

Recommendations for SNF to Reduce Hospital Readmission Rates:

- Assess and improve facility based transitional care processes
- Optimize in-facility communication and protocols for acute change in condition and provider assessment
- Assess and improve clinical capabilities to prevent avoidable transfers
- Involve patient and/or family caregiver at transition of care / discharge from facility
- Establish advanced care directives at transition of care
- Optimize medication regimen while patient is in facility
- Consider enhanced services for high-risk patient discharges
- Establish relationships with community providers for continued care after discharge
- Track & report readmission data, perform RCA to identify trends and areas to improve upon as part of QAPI