Preventable Hospital (Re)Admissions: CMS Taking Action

Barry M. Straube, M.D.
Centers for Medicare & Medicaid Services
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The US Economy

- "The economy is in a crisis not seen since the Great Depression" (Congressional Conference Agreement on the ARRA, February 13, 2009)
  - Credit is frozen
  - Consumer purchasing power in decline
  - In prior 4 months, 2.0 million jobs lost
  - Job loss projection: 3-5 million in the next year
  - Unemployment rates expected to rise to 8-9%
  - Pundits: "The economy is shutting down"
  - Four months later, stabilization?, impact to healthcare sector still evident

2008 Medicare Trust Fund Report

- Income to the HI Trust Fund will soon become inadequate to fund the HI portion of Medicare benefits
  - HI Trust Funds to be depleted by 2017
  - Expenditures currently exceed income/revenue
  - Recipients of benefits growing, workers to beneficiaries decreasing
  - Overall economy affects Trust Fund
  - HI deficit over the next 75 years is $13.4 trillion. Eliminating the deficit would require:
    - Immediate 134% increase in payroll tax, or
    - Immediate 53% reduction in benefits, or
    - Combination of both
  - This dismal situation is in addition to the increased funding needs of Medicare Parts B & D that are funded out of the general fund and premium payments that are adjusted annually.

The Healthcare Quality Challenge

- We spend more per capita on healthcare than any other country in the world
- In spite of those expenditures, US Healthcare quality is often inferior to other nations and often doesn't meet expected evidence-based guidelines
- There are significant variations in quality and costs across the nation with increasing evidence that there may be an inverse relationship between the two
- CMS is responsible for the healthcare of a growing number of persons
- CMS, in partnership and collaboration with other healthcare leaders, must demonstrate leadership in addressing these issues
- Reducing preventable readmissions is one of these issues

Financial Impact of Readmissions

- Department of HHS Estimates for healthcare cost savings from 2010 to 2019
  - $1.211 billion with a hospital Value-Based Purchasing (VBP) Program payment framework implemented
  - $8.43 billion if focus on readmissions included with VBP Program
  - $16.1 billion if a bundled acute/post-acute care payment framework added

Hospital Readmissions

- Recent NEJM article once again documenting the problem
  - 1/5 Medicare patients are readmitted within 30 days following discharge from hospital
  - This finding has been known for years
  - Observed in commercial, Medicare, Medicaid and other payer settings
- Discussions often focus on excuses for findings
  - Risk adjustment of metrics isn't sufficiently comprehensive
  - Provider settings can't control many contributing factors
  - Causes are complex and there are many barriers to addressing
  - Not all readmissions are preventable
  - Improvement activities an unfunded mandate
  - Solutions lead to lost revenue for hospitals
  - No incentive to address the problem without payment reform

Hospital Readmissions

- Although addressing high hospital readmission rates has multiple challenges, the time for action is long overdue
  - Current CMS metrics are risk-adjusted
  - There are evidence-based interventions that:
    - Work, without having to address every barrier or challenge
    - Are arguably part of good discharge planning already
      - Required by hospital Conditions of Participation
      - Reimbursed under current IPPS payment systems
    - Address a significant number or preventable readmissions
    - Should be utilized while addressing larger healthcare reform
- Healthcare Reform begs for action on this issue

CMS Action Strategies

- Readmission Metrics Development
- Data Collection and Validation Design
- Evidence-Based Interventions
- Demonstrations
- Utilization of Readmission Metrics
  - "Traditional" Quality Improvement
  - Public Reporting and Transparency
  - Incentives (and/or Disincentives), Payment Reform
- Regulatory Oversight
  - Conditions of Participation and Conditions for Coverage
  - Contractor contractual requirements
  - Survey & Certification Process
  - Beneficiary Complaint Process

Readmission Metrics Development

- Risk-standardized 30-day readmission measures
  - Congestive Heart Failure
  - Acute Myocardial Infarction
  - Pneumonia
  - Represent about 46% of Medicare readmissions
- Developed by CMS under contract with Yale and Harvard Universities
- Methodology published in peer-reviewed literature
  - Also subjected to public comments in various venues, including public rulemaking

Readmission Metrics Development

- Comply with standards set by the American Heart Association and the American College of Cardiology
- Estimated with Medicare administrative data using models validated against medical record-based abstraction models
  - Results of the models with administrative claims and enrollment data were shown to be highly correlated with the results of models based on clinical data
- Endorsed by the National Quality Forum
- Adopted for reporting by the Hospital Quality Alliance
- Tested in advance of implementation
- Linked to Reporting Hospital Quality Data for Annual Payment Update (RHQDAPU) & Hospital Compare

Data Collection & Validation

- Claims and administrative data
- Chart abstraction
- Registries
- Electronic Health Records
- Many issues come up
  - Burden to providers, payers and other stakeholders
  - Accuracy and how to validate results
  - Review of results by provider
  - Attibution
    - Single provider
    - Chains, Accountable Care Organizations, ?other
  - How accurate must data be for various uses

Evidence-Based Interventions

- Pre-discharge education
- Discharge medication programs
- Comprehensive Discharge planning
- Post-discharge appointment, the sooner the better
  - Home visits by RNs and/or physicians
- Inconclusive
  - Telephone follow-up
  - Home telecare monitoring
  - Post-acute care tool across settings

CMS Demonstrations

- Readmissions in Medicare Premier Hospital Quality Incentive Demonstration
  - Provides bonuses for high quality care in 5 clinical areas.
  - Readmissions included as a quality measure for hip and knee replacement
  - Test measure for AMI, CABG, pneumonia, and CHF
- Readmissions in the Acute Care Episode (ACE) Demonstration
  - Bundled payment currently covers only hospital and physician services provided during hospitalization
  - 30-day readmission rate is one of the quality measures for monitoring both cardiovascular and orthopedic procedures
  - Demonstration may include readmissions in future

CMS Demonstrations

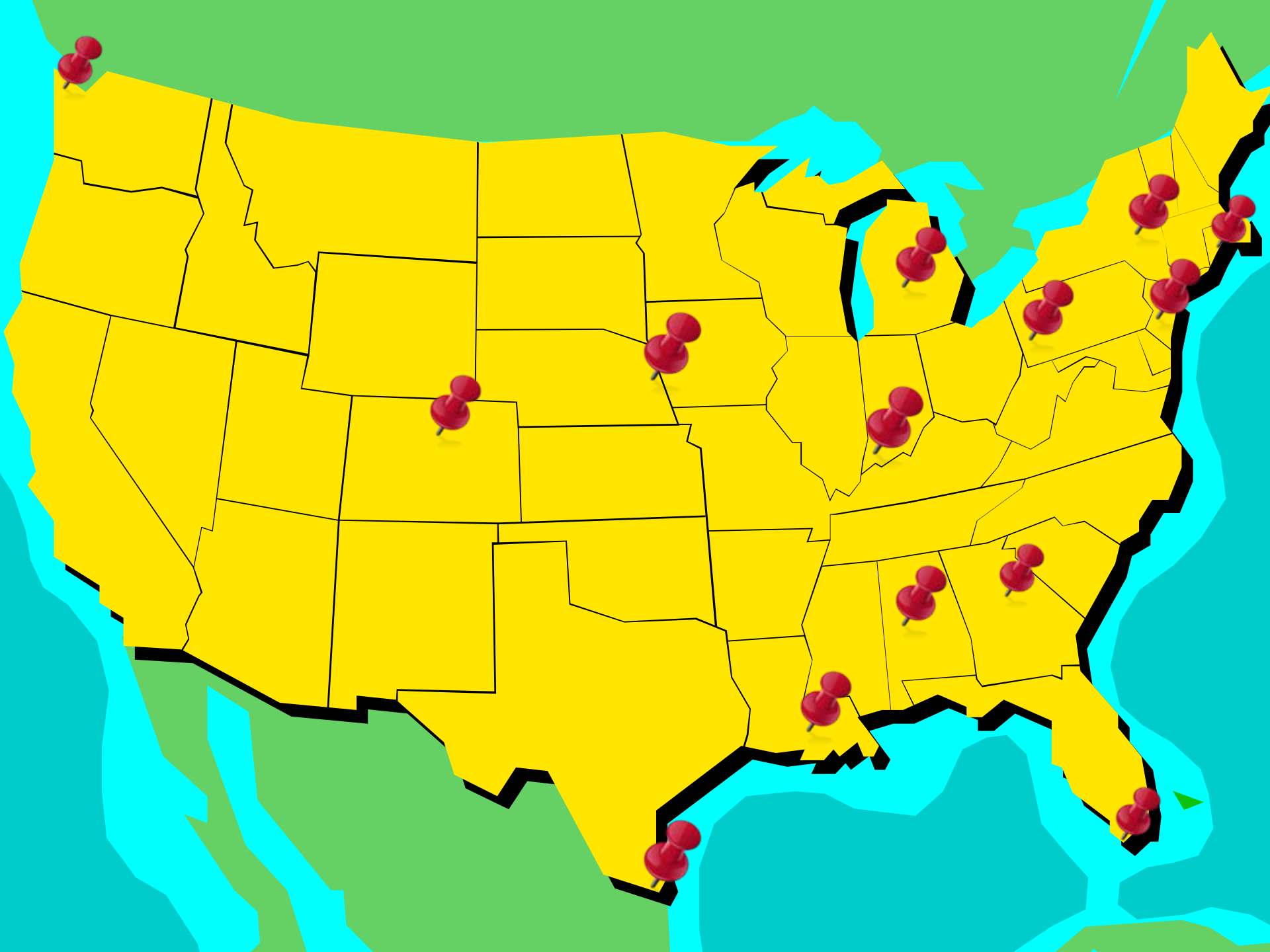
- Readmissions in Post Acute Care (PAC) Demonstration
  - Demonstration is assessing use of a single post acute care tool to identify, monitor and address conditions across settings of care after discharge from an acute care hospital admission
  - May lead to consolidation of multiple payment systems to pay for episodes of care in hospitals, nursing homes, and other settings
  - Readmission to hospitals, as well as other settings, a key metric

Utilization of Readmission Metrics

- "Traditional Quality Improvement"
- Public Reporting and Public Transparency
- Incentive (or Disincentive) Programs
  - VBP (formerly P4P)
  - Bundled payments with quality oversight
  - Gainsharing
  - Many others potentially, including hybrids
- Research for effective evidence-based programs

CMS Quality Improvement Organization (QIO) Program

- VALUE Project during 8th SOW
  - 4 sites
  - Most successful in Colorado by QIO and University of Colorado
  - Set stage for wider initiative in 9th SOW
- Care Transitions Theme in QIO 9th SOW
  - 3 years of planning
  - Implemented August 1, 2008
  - 14 states involved, hopefully nationwide in 10th SOW
  - Not a pilot or demo, contractual with deliverables



Regulatory Oversight

- Conditions of Participation for hospitals
  - Requires hospitals to provide comprehensive discharge evaluation and planning services to its patients under certain circumstances
    - Must identify patients at risk early in hospitalization
    - Patient/family request
    - Physician request in absence of hospital-generated plan
    - Must include evaluation of services needed and availability
  - Must be timely
  - Must be supervised by nurse, social worker or other appropriately trained personnel

Regulatory Oversight

- Conditions of Participation for hospitals
  - Hospital must arrange for initial implementation
    - Arrangement for post-hospital services and care
    - Educating patient, family, caregivers and community providers about the plan
  - Hospitals must transfer patient to appropriate facilities, agencies, or outpatient services as needed (with caveats)
  - Hospital must reassess discharge plan if there are factors that may affect the continuing care needs or appropriateness of the discharge plan
  - Discharge planning part of required QAPI requirements

Regulatory Oversight

- Survey & Certification Process
  - Routine and complaint-driven
  - Surveyor guidelines assess compliance with Conditions of Participation
  - If deficiencies found can result in
    - Corrective actions: Far most common
    - Termination from Medicare Program
    - Referral to Office of the Inspector General
  - We could target readmissions as a focus if a policy decision were made

Regulatory Oversight

- Beneficiary Complaint Process
  - Many venues to register a complaint
    - 1-800-MEDICARE
    - QIOs
    - State Survey Agencies
    - CMS Central Office and Regional Offices
    - Office of Ombudsman
    - Contractors: MA Health Plans, Prescription Drug Plans, MACs, etc.
  - Hospital CAHPS (HCAHPS) Survey

Summary

- Preventable readmissions reflect low quality (care that should be unacceptable for patients) and low value (waste of dollars) and must be addressed NOW
- There are interventions that can and should be implemented immediately, while simultaneously addressing larger barriers and policy issues
- Payment reform will be one of several key components to reduce preventable readmissions
- Payment reform, by itself, won't correct all the issues
  - Some form of integration of the healthcare delivery system addressing care transitions and coordination will also be needed

Contact Information

Barry M. Straube, M.D.
CMS Chief Medical Officer, &
Director, Office of Clinical Standards & Quality
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Email: Barry.Straube@cms.hhs.gov
Phone: (410) 786-6841