

Hospitals Burdened by Readmission Penalties



New research indicates that many hospitals are burdened by persistent penalties incurred for their excess 30-day Medicare readmissions. The study published in *Health Affairs* suggests policymakers look at other alternatives that could help hospitals avoid persistent penalisation, while still reducing the rate of avoidable readmissions.

See Also: [Inclusive Discharge Planning Process Reduces Readmission](#)

Researchers from the University of Tennessee Health Science Center and the Virginia Commonwealth University examined data on the first five years of the Hospital Readmissions Reduction Program (HRRP), which was initiated by the Affordable Care Act. They found that, from fiscal years 2013 to 2017, more than half of participating hospitals received penalties every year. In that period, the increase in average penalties was modest, doubling from 0.29 percent to 0.60 percent, despite increasing opportunities for penalisation.

For hospitals that frequently received penalties, the authors noted they saw “a sizable financial impact on particular hospitals, limiting their ability to meet the needs of the populations they serve and invest in quality improvement activities.”

In particular, safety-net hospitals and similar organisations catering to socioeconomically disadvantaged patients, a demographic prone to readmissions, saw greater penalties. Larger hospitals, hospitals in urban areas, and major teaching hospitals that treated larger proportions of Medicare or low-income patients also reported heavy penalty burden. Surprisingly, hospitals that cared for more Medicare patients with complex medical conditions saw a lower burden than their peers, a phenomenon the authors suggest may stem from existing infrastructure to prevent readmissions for those patients.

Previous studies have linked penalty payments to lower readmission rates, although questions remain regarding whether those lower rates have a measurable effect on improved outcomes.

Source: [Fierce Healthcare](#)

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