# **Readmissions for the Same Condition**

January 2013 – August 2014 Data





PA Health Care Cost Containment Council June 2015

### **Readmissions for the Same Condition**

This report on readmissions for the same condition presents hospital-specific results for four conditions: abnormal heartbeat, chronic obstructive pulmonary disease (COPD), congestive heart failure (CHF), and diabetes – medical management. The study examines the percent of hospitalizations, discharged January 2013 through August 2014, that were followed by a readmission for the same condition as that of a previous hospital stay, where only the first readmission within 30 days of discharge is considered. Produced by the Pennsylvania Health Care Cost Containment Council (PHC4), this report shows hospital-specific, risk-adjusted ratings for readmissions for the same condition and the average hospital charge for the readmission stays. Also included are statewide statistics related to patient characteristics, county-level results, regional and statewide trends, as well as Medicare and Medicaid payment information. Taken together, this information can be helpful to patients, families, and purchasers in making more informed health care decisions, and can serve as an aid to providers in highlighting additional opportunities for quality improvement and cost containment.

#### **About PHC4**

Created by the PA General Assembly in 1986, PHC4 is an independent state agency charged with collecting, analyzing and reporting information that can be used to improve the quality and restrain the cost of health care in the state. More than 840,000 public reports on patient treatment results are downloaded from the PHC4 website each year, and nearly 100 organizations and individuals annually utilize PHC4's special requests process to access and use data. PHC4 is governed by a 25-member board of directors, representing business, labor, consumers, health care providers, insurers, and state government.

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#### About readmissions

In recent years, the rate of patient readmission to hospitals has come under increasing scrutiny, as both a potential indicator of the quality of care and as a significant cost driver. While readmissions are not always preventable and indeed are often pre-planned, they also can result from a wide variety of factors related to action taken or not taken during the initial hospital stay or to a patient's post-discharge care or behavior. Studying readmissions for the same condition may be of significant interest to both providers and utilizers of health care as this information

may help identify frequent and potentially preventable readmissions, especially for chronic conditions. There is a growing consensus that the health care system not only can, but must, reduce the number of preventable readmissions. By recognizing and addressing this as a key component for improving the quality of health care, it is anticipated that not only will repeat patient hospitalizations be minimized but so too will the associated costs.

#### About this report

The Pennsylvania Health Care Cost Containment Council (PHC4) is uniquely positioned to evaluate and report on hospital readmissions in Pennsylvania through the inpatient data that it collects from Pennsylvania hospitals.

This new report on readmissions for the same condition includes hospital-specific ratings for four different medical conditions, as defined by ICD-9-CM (International Classification of Diseases, Ninth Revision, Clinical Modification) codes and/or Medicare Severity – Diagnosisreport provide additional detail. They are posted to PHC4's website at www.phc4.org.

Related Groups (MS-DRGs). Technical Notes relevant to this

Also on PHC4's website for **Readmissions for the Same Condition:** 

- ⇒ Statewide Statistics and **Key Findings**
- ➡ Hospital Results
- ➡ Medicare and Medicaid **Payments**
- ➡ County-Level Rates and **Regional Trends**
- ➡ Hospital Comments
- ⇒ Technical Notes
- ➡ Downloadable Data
- This report covers adult (18 years and older) inpatient hospital discharges, regardless of payer, during the period January 2013 through August 2014.

- All Pennsylvania general acute care and several specialty general acute care hospitals are included. Children's hospitals and some specialty hospitals are not reported because they typically treat few cases relevant to the conditions included in this report. Hospitals that closed or merged with other facilities during the study period are not reported, nor are hospitals that recently opened since the data available does not represent the full time frame of the report.
- Hospital names have been shortened in many cases for formatting purposes. Hospital
  names may be different today than they were during the period covered in this report due
  to mergers and name changes.

#### About the data

Hospital discharge data compiled for this report was submitted to PHC4 by Pennsylvania hospitals. The data was subject to standard validation processes by PHC4 and verified for accuracy by the hospitals at the individual case level.

Medicare fee-for-service payment data was obtained from the Centers for Medicare and Medicaid Services. Medicaid payment data (fee-for-service and managed care) was obtained from the Pennsylvania Department of Human Services. The most recent Medicare and Medicaid payment data available to PHC4 for use in this report was for 2011-2012. PHC4 uses clinical laborated

#### Accounting for high-risk patients

Included in the data PHC4 receives from Pennsylvania hospitals is information indicating, in simple terms, "how sick the patient was" on admission to the hospital—information that is used to account for high-risk patients. Even though two patients may be admitted to the hospital with the same illness, there may be differences in the seriousness of their conditions. In order to report fair comparisons among hospitals, PHC4 uses a complex mathematical formula to risk adjust the readmission data included in this report, meaning that hospitals receive "extra

PHC4 uses clinical laboratory data, patient characteristics such as age and gender, and billing codes that describe the patient's medical conditions such as the presence of cancer, coronary artery disease, etc., to calculate risk for the patients in this report.

credit" for treating patients who are more seriously ill or at a greater risk than others. Risk adjusting the data is important because sicker patients may be more likely to be readmitted.

PHC4 uses clinical laboratory data, patient characteristics such as age and gender, and billing codes that describe the patient's medical conditions such as the presence of cancer, coronary artery disease, etc., to calculate risk for the patients in this report. A comprehensive description of the risk-adjustment techniques used for this report can be found in the Technical Notes on PHC4's website at www.phc4.org.

#### What is measured in this report and why is it important?

## In the hospital results section of the report are the following measures, reported for each hospital:

- **Total Number of Cases.** For each hospital, the number of cases for each condition, after exclusions, is reported. This can give a patient or a purchaser an idea of the experience each facility has in treating such patients. Studies have suggested that, in at least some areas, the volume of cases treated by a physician or hospital can be a factor in the success of the treatment. The number of cases represents separate hospital admissions, not individual patients. A patient admitted several times would be included each time in the number of cases. Outcome data are not reported for hospitals that have fewer than five cases evaluated for a measure; such low volume cannot be considered meaningful and, as such, the outcome data are not displayed. Not Reported (NR) appears in the table when this occurs. Note that small or specialty hospitals may report low volume due to the unique patient population they serve or geographic location.
- Risk-Adjusted 30-Day Readmissions for the Same Condition. This measure is reported as a statistical rating that represents the number of patients who are readmitted for the same condition as the initial or index hospital stay within 30 days after being discharged. Index hospitalizations are the beginning point for examining readmissions and, for this report, include adult inpatient discharges for abnormal heartbeat, COPD, CHF, or diabetes medical management. All analyses are limited to discharges from Pennsylvania general and specialty general acute care hospitals only. Readmissions that are likely to have been planned (identified through a set of criteria used by the Centers for Medicare and Medicaid Services (CMS)—referred to as the "Planned Readmission Algorithm, Version 3.0"<sup>1</sup>) are not included in the analysis. While some re-hospitalizations can be expected, high quality care may lessen the need for subsequent, unplanned hospitalizations. To determine the risk-adjusted rating for readmissions for the same condition, PHC4 compares the number of

<sup>&</sup>lt;sup>1</sup> Centers for Medicare and Medicaid Services. 2014. "2014 Measures and Specifications Report: Hospital-Level 30-Day Risk-Standardized Readmission Measures." Available at http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/HospitalQualityInits/Measure-Methodology.html

patients one could reasonably expect to be readmitted (for the same condition), after

accounting for patient risk, with the actual number of such readmissions. (Please see "Understanding the Symbols" box on this page.)

 Case Mix Adjusted Average Hospital Charge of Readmissions for the Same Condition. The average hospital charge represents the entire length of the readmission stay for the same condition. It does not include professional fees (e.g., physician fees) or other additional post-discharge costs, such as rehabilitation treatment, long-term care and/or home health care. The average charge is adjusted for the mix of cases (readmissions) that are specific to each hospital and includes only charges for patients readmitted back to the original hospital to ensure the figures reported are specific to that hospital alone. (For more information, please refer to the Technical Notes at www.phc4.org).

#### In the payments section of the report is information about Medicare and Medicaid payments for readmissions for the same condition:

 Medicare and Medicaid Payments for Readmissions. This section of the report displays the average payments made by Medicare fee-for service, Medicaid fee-for-service, and Medicaid managed care for readmissions for the same condition (along with the number of readmissions included in the average payment). Included are payments for patients readmitted to any Pennsylvania hospital (original or other general or specialty general acute care hospital). Detailed

#### **Understanding the Symbols**

The symbols displayed in this report represent a comparison of a hospital's actual rate of readmission to what is expected after accounting for patient risk.

- Hospital's rate was significantly lower than expected. Fewer patients were readmitted than could be attributed to patient risk and random variation.
- Hospital's rate was not significantly different than expected. The number of patients who were readmitted was within the range anticipated based on patient risk and random variation.
- Hospital's rate was significantly higher than expected. More patients were readmitted than could be attributed to patient risk and random variation.

information is also shown, which breaks down the results by the MS-DRGs (Medicare Severity – Diagnosis-Related Group) associated with each condition. The most recent payment data available to PHC4 was for years 2011 through 2012.

#### Uses of this report

This report can be used as a tool to examine hospital performance in specific treatment categories. It is not intended to be a sole source of information for making decisions about health care, nor should it be used to generalize about the overall quality of care provided by a hospital. Readers of this report should use it in discussions with their physicians who can answer specific questions and concerns about their care.

- **Patients/Consumers** can use this report as an aid in making decisions about where to seek treatment for the conditions detailed in this report. This report should be used in conjunction with a physician or other health care provider when making health care decisions.
- **Group Benefits Purchasers/Insurers** can use this report as part of a process in determining where employees, subscribers, members, or participants should go for their health care.
- *Health Care Providers* can use this report as an aid in identifying opportunities for quality improvement and cost containment.
- **Policymakers/Public Officials** can use this report to enhance their understanding of health care issues, to ask provocative questions, to raise public awareness of important issues, and to help constituents identify health care options.
- *Everyone* can use this information to raise important questions about why differences exist in the quality and efficiency of care.

The measurement of quality is highly complex, and the information used to capture such measures is limited. A readmission is sometimes an unavoidable consequence of a patient's medical condition. Hospitals and physicians may do everything right, and the patient may still need to be readmitted. However, the statistical methods used for this report eliminate many of the clinical and medical differences among the patients in different hospitals, thereby allowing us to explore the real differences in the measures presented. The pursuit of these issues can play an important and constructive role in raising the quality while restraining the cost of health care in the Commonwealth of Pennsylvania.