On March 11th, 2020, the Commission approved the staff recommendations for the Rate Year (RY) 2022 Readmission Reduction Incentive Program (RRIP). This memo summarizes the changes for the RY 2022 program.

While the quality program revenue adjustments are on hold for data for January-June 2020 (minimally) due to the COVID-19 public health emergency, we are sharing this memo so that hospitals are aware of the approved policy for when the program resumes. Furthermore, while revenue adjustments are suspended during this time, the HSCRC will still report on readmissions based on the approved changes in this policy.

These are the final recommendations for the RY 2022 RRIP that were approved by the Commission:

1. Update 30-day, all-cause readmission measure with the following changes:
   a. Exclude all discharges with discharge disposition “left against medical advice”
   b. Include oncology discharges based on logic adapted from NQF 3188 - 30-day unplanned readmissions for cancer patients
2. Establish statewide 5-year Improvement target of -7.5 percent from 2018 base period, which would reduce Maryland Readmissions to approximately ~75th percentile of like geographies
3. Attainment Target - maintain attainment target methodology as currently exists, whereby hospitals at or better than the 65th percentile statewide receive scaled rewards for maintaining low readmission rates
4. For improvement and attainment, set the maximum reward hospitals can receive at 1 percent of inpatient revenue and the maximum penalty at 2 percent of inpatient revenue
5. Establish additional payment incentive (up to 0.50 percent of inpatient revenue) for reductions in within-hospital readmission disparities:
   a. Provide reward of 0.25 percent of IP revenue for hospitals on pace for 25 percent reduction in disparity gap measure over 8 years (>=6.94 percent reduction in disparity gap measure 2018 to 2020)
b. Provide reward of 0.50 percent of IP revenue for hospitals on pace for 50 percent reduction in disparity gap measure over 8 years (>=15.91 percent reduction in disparity gap measure 2018 to 2020)
c. Limit disparity reduction rewards to hospitals that have demonstrated improvement in the case-mix adjusted, 30-day, all-cause readmission measure for the general population

6. Explore development of an all-payer Excess Days in Acute Care measure in order to account for severity of readmission and emergency department and observation revisits

The final, approved RRIP policy can be found on the HSCRC quality website: https://hscrc.maryland.gov/Pages/init-readm-rip.aspx.

Readmission Measurement

For the RRIP methodology, performance is measured using the 30-day all-payer, all hospital readmission rate (both within and between hospitals) with case-mix adjustments for patient severity (based upon discharge APR-DRG and severity of illness (SOI)) and with exclusions granted for planned admissions.1 Readmissions to specialty hospitals are also included.2 See Appendix A for additional details on the HSCRC readmission measure specifications.

The two updates to the readmission measure for RY 2022 include:

1. **Removal of discharges from the denominator that leave against medical advice (AMA).** This change aligns the HSCRC readmission measure with the national readmission metrics and removes around 7,500 discharges from the denominator. The patient disposition code (PAT_DISP = 71, 72, or 73 through FY 2018; 07 FY 2019 onward) is used to flag discharges as leaving against medical advice. The HSCRC will be monitoring by hospital changes in the use of this patient disposition code and may audit hospitals with substantial increases.

2. **Inclusion of oncology discharges in the readmission measure.** This change includes oncology discharges in the readmission measure (previously excluded based on APR-DRG) using logic adapted from an NQF-endorsed readmission measure for cancer hospitals.

Measuring the Better of Attainment or Improvement for RY 2022

Using the updated readmission measure that was approved by the Commission, the improvement and attainment targets for CY 2020 performance are as follows:

a. Set the all-payer case-mix adjusted readmission rate improvement target at 3.07 percent for CY 2018 to CY 2020, to align with five-year statewide improvement of 7.50 percent.

b. Set the attainment performance standards for CY 2020 to align with rewards beginning at the 65th percentile as follows:

1 Most recent CMS Planned Admission logic is under Version 4. Current CCS Categories to calculate Planned Admissions are under Version 2019.1 for diagnosis codes and for procedure codes, more specifications on current CCS may be found here: https://www.hcup-us.ahrq.gov/toolssoftware/ccs10/ccs10.jsp.

2 The five specialty hospitals at this time are: 213028 - Chesapeake Rehabilitation; 213029 - Adventist Rehabilitation; 213300 - Mt Washington Pediatric Hospital; 214000 - Sheppard Pratt; and 214003 - Brook Lane.
i. Use CY 2018 YTD hospital performance results with an improvement factor added to determine reward threshold readmission rate.
ii. Determine reward threshold percentile based on reward threshold readmission rate, which is the 65th percentile, or 11.30%.
iii. Maintain the threshold for full attainment reward at the 5th percentile, which is 8.74%

Based on the better of improvement or attainment, the Commission approved scaled penalties of up to 2% and scaled rewards of up to 1% of inpatient revenue. These rewards and penalties are not revenue neutral.\(^3\) Appendix B contains the RY 2022 preset scales for rewards and penalties linked to improvement and attainment performance levels. The percent change will be rounded to two decimal places for the payment incentive.

**Within-Hospital Disparity Measurement Using Patient Adversity Index (PAI)**

The RY 2022 policy includes a new component that incentivizes hospitals to reduce socioeconomic disparities in readmission rates. The incentives are calculated in three steps: 1) Measure patient socioeconomic exposure; 2) For each hospital, assess the change in readmission rates across socioeconomic exposure, or “gap” measure; 3) Reward hospitals achieving reductions in the gap measure.

We assess patient socioeconomic exposure with the Patient Adversity Index (PAI), a measure developed by the HSCRC. The PAI is calculated for each discharge record. It relies on the patient’s Medicaid status, race, and Area Deprivation Index score as reported on the claim. Each of the three items is given a weight that reflects the strength of its association with readmission. The weight for each item is multiplied against the value reported on the claim, and those products are summed together.

Once we have calculated the PAI score for each discharge, we calculate the gap measure for each hospital. The gap measure is a reflection of how readmission risk within a hospital changes for patients with varying levels of PAI. The measure relies on a statistical model (specifically, a random-slope Poisson regression model). The model estimates the change in readmission rate for a one-unit change in PAI at each hospital, after controlling for patient age, APR-DRG, gender, and the mean PAI value for the hospital.

After the gap measure is calculated, we incorporate this information into hospital reimbursement. Hospital rewards are based on progress toward a goal of reducing disparities by 50% over eight years. We use a base year of 2018, and 2020 is the initial performance year. Hospitals with improvement during that period of 15.91% or more are eligible for a reward of 0.50% of inpatient revenue. Hospitals with improvement of at least 6.94%, but less than 15.91%, are eligible for a reward of 0.25%. Hospitals must also demonstrate overall improvement in readmission rates for the same period to receive the reward.

Additional information in the disparity gap metric can be found in the RRIP policy.

\(^3\) Across all quality programs, there is a hospital maximum penalty guardrail of 3.42% of total revenue for RY 2021. The RY 2022 maximum guardrail policy will be calculated in accordance with the following formula, per the “Final Maximum Revenue Guardrail for Maryland Hospital Quality Programs” during the November 2019 Commission Meeting - Percent of Medicare revenue at-risk for quality multiplied by the percent of Maryland revenue attributable to inpatient services.
Grouper Versions
For RY 2022, the data for CY 2020 (performance period) will be run using version 37 of the APR grouper, and CY 2018 will also be rerun using version 37 to calculate the achieved improvement. A workbook with base period (CY 2018) data, re-run under version 37, CGS revision 2019.3.2, will be posted to the CRS Portal. We anticipate that the CGS version will update to accommodate additional updates during the COVID-19 crisis. We also intend to provide data for earlier years (i.e., CY 2016 onwards) for trending purposes.

RRIP Program Reporting
The HSCRC provides hospitals with monthly summary and case-level reports for monitoring readmissions throughout the performance period. The summary level reporting on the disparity gap will only be updated on a quarterly (preliminary and final) basis and is still under development, and thus initially the summary level reports for the RY 2022 program will only contain the improvement and attainment information. The HSCRC anticipates having the disparity gap reports available in June or July but given that the data for January-June will not be used for revenue adjustments, this may be delayed, especially if resources are needed to address the COVID-19 public health emergency. However, in the meantime the case-level data will contain the variables that make up the PAI measure (i.e., Medicaid status, race, ADI) so that hospitals can track readmissions for these populations.

Summary reports and case-level data for the RRIP program are sent to hospitals via the CRISP Reporting Services (CRS) Portal. Each hospital has a point-of-contact, the Chief Financial Officer or their designee, who is contacted by CRISP to approve requests for access. If you need access to quality reports, please send an email to CRISP Support (support@crisphealth.org) indicating level of access (summary reports or case-level data).

For RY 2022, CRISP will initially provide a summary workbook that contains: a) the normative values; b) full base period CY 2018 readmission results under v37 (may vary over time; see Appendix B for details); c) CY 2018 to CY 2020 year-to-date improvement (by payer); and d) the readmission rate adjusted for out-of-state readmissions, which is used for attainment. The summary report will also contain a calculation sheet and the improvement and attainment revenue adjustment scales. In later reports, the disparity gap tabs will be added to the report or sent out in a separate workbook.

If you have any questions, please e-mail hsrc.quality@maryland.gov or call Andrea Zumbrum (410-764-5591) or Dr. Alyson Schuster (410-764-2673).
Appendix A. RRIP Readmission Measure and Revenue Adjustment Methodology

1) Performance Metric
The methodology for the Readmissions Reduction Incentive Program (RRIP) measures performance using the 30-day all-payer all hospital (both intra- and inter-hospital) readmission rate with adjustments for patient severity (based upon discharge all-patient refined diagnosis-related group severity of illness [APR-DRG SOI]) and planned admissions. Unique patient identifiers from CRISP are used to be able to track patients across hospitals for readmissions.

The measure is similar to the readmission rate that is calculated by CMMI to track Maryland performance versus the nation, with some exceptions. The most notable exceptions are that the HSCRC measure includes psychiatric patients in acute care hospitals, and readmissions that occur at specialty hospitals. In comparing Maryland’s Medicare readmission rate to the national readmission rate, the Centers for Medicare & Medicaid Services (CMS) will calculate an unadjusted readmission rate for Medicare beneficiaries. Since the Health Services Cost Review Commission (HSCRC) measure is for hospital-specific payment purposes, an additional adjustment is made to account for differences in case-mix. See below for details on the readmission calculation for the RRIP program.

2) Inclusions and Exclusions in Readmission Measurement
- Planned readmissions are excluded from the numerator based upon the CMS Planned Readmission Algorithm V. 4.0. The HSCRC has also added all vaginal and C-section deliveries and rehabilitation as planned using the APR-DRGs, rather than principal diagnosis. Planned admissions are counted as eligible discharges in the denominator, because they could have an unplanned readmission.
- Discharges for newborn APR-DRG are removed.
- New for RY 2022: Remove DRG oncology exclusion but continue to exclude bone marrow transplants and liquid tumor patients by making these discharges not eligible to have an unplanned readmission or count as an unplanned readmission.
- New for RY 2022: Exclude patients with a discharge disposition of Left Against Medical Advice (PAT_DISP = 71, 72, or 73 through FY 2018; 07 FY 2019 onward)
- Rehabilitation cases as identified by APR-860 (which are coded under ICD-10 based on type of daily service) are marked as planned admissions and made ineligible for readmission after readmission logic is run.
- Admissions with ungroupable APR-DRGs (955, 956) are not eligible for a readmission, but can be a readmission for a previous admission.
- APR-DRG-SOI categories with less than two discharges statewide are removed.
- Hospitalizations within 30 days of a hospital discharge where a patient dies is counted as a readmission; however, the readmission is removed from the denominator because the case is not eligible for a subsequent readmission.
- Admissions that result in transfers, defined as cases where the discharge date of the admission is on the same or next day as the admission date of the subsequent admission.

4 Planned admissions defined under [CMS Planned Admission Logic version 4 – updated March 2018].
5 Rehab DRGs: 860; OB Deliveries and Associated DRGs: 540, 541, 542, 560, 539
7 Bone Marrow Transplant: Diagnosis code Z94.81 or CCS Procedure code 64; Liquid Tumor: Diagnosis codes C81.00-C96.0. See section below for additional details on the oncology logic.
admission, are removed from the denominator. Thus, only one admission is counted in the denominator, and that is the admission to the transfer hospital (unless otherwise ineligible, i.e., died). It is the second discharge date from the admission to the transfer hospital that is used to calculate the 30-day readmission window.

- Beginning in RY 2019, HSCRC started including discharges from chronic beds within acute care hospitals.
- In addition, the following data cleaning edits are applied:
  - Cases with null or missing CRISP unique patient identifiers (EIDs) are removed.
  - Duplicates are removed.
  - Negative interval days are removed.

HSCRC staff is revising case-mix data edits to prevent submission of duplicates and negative intervals, which are very rare. In addition, CRISP EID matching benchmarks are closely monitored. Currently, hospitals are required to make sure 99.5 percent of inpatient discharges have a CRISP EID.

Additional Details on Oncology Logic:

*Items that are **bolded** are adaptations from NQF measure

This updated logic replaces the RY 2021 measure logic that removes all oncology DRGs from the dataset, such that an admission with an oncology DRG cannot count as a readmission or be eligible to have a readmission.

**Step 1:** Exclude discharges where patients have a bone marrow transplant procedure, bone marrow transplant related diagnosis code, or liquid tumor diagnosis. This logic varies from the NQF cancer hospital measure that risk-adjusts for bone marrow transplant and liquid tumors. HSCRC staff recommended removing these discharges (similar to current DRG exclusion) because the current indirect standardization approach did not allow for additional risk-adjustment but based on conversations with clinicians staff agreed these cases were significantly more complicated and at-risk for an unpreventable readmission.

**Step 2:** Flag discharges with a primary malignancy diagnosis to apply cancer specific logic for determining readmissions. This varies from the NQF cancer hospital measure that flags patients with primary or secondary malignancy diagnosis being treated in a cancer specific hospital. Staff think we should only flag those with a primary diagnosis since in a general acute care hospital there may be differences in the types of patients with a secondary malignancy diagnosis. Further, we remove the bone marrow and liquid
tumor discharges regardless of malignancy diagnosis, thus ensuring the most severe cases are removed. Last, our initial analyses did not show a large impact on overall hospital rates when primary vs primary and secondary malignancies were flagged. It should be noted however that the current modeling in this policy uses readmission rates where both primary and secondary are flagged.

**Step 3:** Flag planned admissions using additional criteria beyond the CMS planned admission logic:

a) Nature of admission of urgent or emergent considered unplanned, all other nature of admission statuses are planned

b) Any admission with primary diagnosis of chemotherapy or radiation is considered planned

c) Any admission with primary diagnosis of metastatic cancer is not considered preventable, and thus gets excluded from being a readmission

In step 3, admissions are deemed not eligible to be a readmission but they are eligible to have a subsequent unplanned readmission.

**3) Details on the Calculation of Case-Mix Adjusted Readmission Rate**

**Data Source:**
To calculate readmission rates for RRIP, inpatient abstract/case-mix data with CRISP EIDs (so that patients can be tracked across hospitals) are used for the measurement period, with an additional 30 day runout. To calculate the case-mix adjusted readmission rate for CY 2018 base period and CY 2020 performance period, data from January 1 through December 31, plus 30 days in January of the next year are used. The base period data are used to calculate the normative values, which are used to determine a hospital’s expected readmissions, as detailed below, as well as the estimated CY 2018 readmission rates.

Please note that, the base year readmission rates are not “locked in”, and may change if there are CRISP EID or other data updates. The HSCRC does not anticipate changing the base period data, and does not anticipate that any EID updates will change the base period data significantly; however, the HSCRC has decided the most up-to-date data should be used to measure improvement. For the performance period, the CRISP EIDs are updated throughout the year, and thus, month-to-month results may change based on changes in EIDs.

**SOFTWARE:** APR-DRG Version 37.

**Calculation:**

\[
\text{Case-Mix Adjusted Readmission Rate} = \frac{\text{(Observed Readmissions)}}{\text{(Expected Readmissions)}} \times \text{Statewide Base Year Readmission Rate}
\]

**Numerator:** Number of observed hospital-specific unplanned readmissions.

**Denominator:** Number of expected hospital specific unplanned readmissions based upon discharge APR-DRG and Severity of Illness. See below for how to calculate expected readmissions, adjusted for APR-DRG SOI.

**Risk Adjustment Calculation:**
Calculate the Statewide Readmission Rate without Planned Readmissions.

- Statewide Readmission Rate = Total number of readmissions with exclusions removed / Total number of hospital discharges with exclusions removed.

For each hospital, enumerate the number of observed, unplanned readmissions.

For each hospital, calculate the number of expected unplanned readmissions at the APR-DRG SOI level (see Expected Values for description). For each hospital, cases are removed if the discharge APR-DRG and SOI cells have less than two total cases in the base period data.

Calculate at the hospital level the ratio of observed (O) readmissions over expected (E) readmissions. A ratio of > 1 means that there were more observed readmissions than expected, based upon a hospital’s case-mix. A ratio of < 1 means that there were fewer observed readmissions than expected based upon a hospital’s case-mix.

Multiply the O/E ratio by the base year statewide rate, which is used to get the case-mix adjusted readmission rate by hospital. Multiplying the O/E ratio by the base year state rate converts it into a readmission rate that can be compared to unadjusted rates and case-mix adjusted rates over time.

**Expected Values:**

The expected value of readmissions is the number of readmissions a hospital would have experienced had its rate of readmissions been identical to that experienced by a reference or normative set of hospitals, given its mix of patients as defined by discharge APR-DRG category and SOI level. Currently, HSCRC is using state average rates as the benchmark.

The technique by which the expected number of readmissions is calculated is called indirect standardization. For illustrative purposes, assume that every discharge can meet the criteria for having a readmission, a condition called being “eligible” for a readmission. All discharges will either have zero readmissions or will have one readmission. The readmission rate is the proportion or percentage of admissions that have a readmission.

The rates of readmissions in the normative database are calculated for each APR-DRG category and its SOI levels by dividing the observed number of readmissions by the total number of eligible discharges. The readmission norm for a single APR-DRG SOI level is calculated as follows:

Let:

\[ N = \text{norm} \]
\[ P = \text{Number of discharges with a readmission} \]
\[ D = \text{Number of eligible discharges} \]
\[ i = \text{An APR DRG category and a single SOI level} \]

\[ N_i = \frac{P_i}{D_i} \]

For this example, the expected rate is displayed as readmissions per discharge to facilitate the calculations in the example. Most reports will display the expected rate as a rate per one thousand.

Once a set of norms has been calculated, the norms are applied to each hospital’s DRG and SOI distribution. In the example below, the computation presents expected readmission rates for a single diagnosis category and its four severity levels. This computation could be expanded...
to include multiple diagnosis categories, by simply expanding the summations.

Consider the following example for a single diagnosis category.

<table>
<thead>
<tr>
<th>Severity of Illness Level</th>
<th>Eligible Discharges</th>
<th>Discharges with Readmission</th>
<th>Readmission per Discharge (C/B)</th>
<th>Normative Readmission per Discharge</th>
<th>Expected # of Readmissions (A*E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>200</td>
<td>10</td>
<td>.05</td>
<td>.07</td>
<td>14.0</td>
</tr>
<tr>
<td>2</td>
<td>150</td>
<td>15</td>
<td>.10</td>
<td>.10</td>
<td>15.0</td>
</tr>
<tr>
<td>3</td>
<td>100</td>
<td>10</td>
<td>.10</td>
<td>.15</td>
<td>15.0</td>
</tr>
<tr>
<td>4</td>
<td>50</td>
<td>10</td>
<td>.20</td>
<td>.25</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>500</td>
<td>45</td>
<td>.09</td>
<td>56.5</td>
<td></td>
</tr>
</tbody>
</table>

For the diagnosis category, the number of discharges with a readmission is 45, which is the sum of discharges with readmissions (column C). The overall rate of readmissions per discharge, 0.09, is calculated by dividing the total number of eligible discharges with a readmission (sum of column C) by the total number of discharges at risk for readmission (sum of column B), i.e., 0.09 = 45/500. From the normative population, the proportion of discharges with readmissions for each severity level for that diagnosis category is displayed in column E. The expected number of readmissions for each severity level shown in column F is calculated by multiplying the number of eligible discharges (column B) by the normative readmissions per discharge rate (column E) The total number of readmissions expected for this diagnosis category is the sum of the expected numbers of readmissions for the 4 severity levels.

In this example, the expected number of readmissions for this diagnosis category is 56.5, compared to the actual number of discharges with readmissions of 45. Thus, the hospital had 11.5 fewer actual discharges with readmissions than were expected for this diagnosis category. This difference can also be expressed as a percentage or the O/E ratio.

4) Revenue Adjustment Methodology

The RRIP assesses improvement in readmission rates from base period, and attainment rates for the performance period with an adjustment for out-of-state readmissions. The policy then determines a hospital’s revenue adjustment for improvement and attainment and takes the better of the two revenue adjustments, with scaled rewards of up to 1 percent of inpatient revenue and scaled penalties of up to 2 percent of inpatient revenue. The figure below provides a high level overview of the RY 2021 RRIP methodology for reference, please see Appendix B for RY 2022 RRIP Revenue Adjustment Scales.
Overview Rate Year 2021 RRIP Methodology

**RRIP Performance Metric**

- **Measure:** All-Payer, 30-day, all-cause readmissions using CRISP unique identifier to track patients across acute hospitals in Maryland.

- **Case-Mix Adjustment:** Indirect standardization by diagnosis and severity of illness levels to calculate hospital expected readmissions given the patient mix and acuity.

- **Discharges Ineligible for Readmission:** Transfers, deaths, oncology, rehab, newborns, APR-DRG SOI cells <2 discharges statewide, missing or ungroupable data.

- **Unplanned Readmissions Only:** Planned admissions (based on CMS logic) are not counted as readmissions (but are eligible for an unplanned readmission).

- **Improvement:** Change in readmission rate from base period (FY 2022: CY16-CY19).

- **Attainment:** All-payer readmission rate is adjusted to account for out of state readmissions using Medicare ratio of in-state vs. out-of-state readmissions.

**Revenue Adjustments:**

<table>
<thead>
<tr>
<th>Improvement</th>
<th>Change in Readmission Rate</th>
<th>Percent Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving</td>
<td>-14.40%</td>
<td>1.00%</td>
</tr>
<tr>
<td>-9.15%</td>
<td>0.50%</td>
<td></td>
</tr>
<tr>
<td>-3.90%</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>1.35%</td>
<td>-0.50%</td>
<td></td>
</tr>
<tr>
<td>6.60%</td>
<td>-1.00%</td>
<td></td>
</tr>
<tr>
<td>11.85%</td>
<td>-1.50%</td>
<td></td>
</tr>
<tr>
<td>17.10%</td>
<td>-2.0%</td>
<td></td>
</tr>
</tbody>
</table>

**Max Penalty = 2%**

**Max Reward = 1%**

**Benchmark Threshold**

<table>
<thead>
<tr>
<th>Readmission Rate w/ Out-of-State</th>
<th>Percent Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.94%</td>
<td>1.00%</td>
</tr>
<tr>
<td>10.03%</td>
<td>0.50%</td>
</tr>
<tr>
<td>11.12%</td>
<td>0.00%</td>
</tr>
<tr>
<td>12.21%</td>
<td>-0.50%</td>
</tr>
<tr>
<td>13.30%</td>
<td>-1.00%</td>
</tr>
<tr>
<td>14.39%</td>
<td>-1.50%</td>
</tr>
<tr>
<td>15.47%</td>
<td>-2.0%</td>
</tr>
</tbody>
</table>
Appendix B: RY 2022 RRIP Revenue Adjustment Scales

The tables below summarize the revenue adjustment scales for the improvement and attainment scales. All readmission rates used for the RRIP calculations are case-mix adjusted; readmission rates used to calculate attainment adjustment are further adjusted for proportion of out-of-state readmissions.

**Improvement**
Per Figure 1 below, hospitals with a 13.57 percent or larger decline (improvement) in CY 2020 readmission rates compared to CY 2018 base year rates will receive a positive adjustment of one percent of their inpatient revenue. Hospitals with a 17.93 percent or larger increase in their readmission rates will receive a negative adjustment of two percent of their inpatient revenue. Hospitals with performance between these two points will receive rewards and penalties based on their performance proportionate with the improvement target. For example, a hospital with 8.32 percent decline (improvement) would receive a 0.5 percent positive adjustment.

**Attainment**
A similar point scale is created to calculate rewards and penalties based on attainment rates, illustrated in Figure 2. Hospitals will begin receiving attainment rewards with a CY 2020 Readmission Rate of 11.30 percent or lower. Hospitals with a CY 2020 Readmission Rate of 8.74 percent or lower will receive a positive adjustment of 1 percent inpatient revenue. Hospitals with a rate of 17.01 percent or greater will receive a negative adjustment of two percent of their inpatient revenue.

The final adjustment amounts are determined by the better of attainment or improvement (Column B in both Figures).
Figure 1. Abbreviated RY 2022 Improvement Scale
Improvement Target: CY 2018 – CY 2020 Compounded Improvement = -3.07%

<table>
<thead>
<tr>
<th>All Payer Readmission Rate Change CY18-CY20</th>
<th>RRIP % Inpatient Revenue Payment Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>Improving Readmission Rate</td>
<td></td>
</tr>
<tr>
<td>-13.57%</td>
<td>1.00%</td>
</tr>
<tr>
<td>-8.32%</td>
<td>0.50%</td>
</tr>
<tr>
<td>Target</td>
<td></td>
</tr>
<tr>
<td>-3.07%</td>
<td>0.00%</td>
</tr>
<tr>
<td>2.18%</td>
<td>-0.50%</td>
</tr>
<tr>
<td>7.43%</td>
<td>-1.00%</td>
</tr>
<tr>
<td>12.68%</td>
<td>-1.50%</td>
</tr>
<tr>
<td>17.93%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Worsening Readmission Rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-2.0%</td>
</tr>
</tbody>
</table>

Figure 2. Abbreviated RY 2022 Attainment Scale
Attainment Target: CY 2020 = 11.30%

<table>
<thead>
<tr>
<th>All Payer Readmission Rate CY20</th>
<th>RRIP % Inpatient Revenue Payment Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Absolute Readmission Rate</td>
<td>1.0%</td>
</tr>
<tr>
<td>Benchmark</td>
<td></td>
</tr>
<tr>
<td>8.74%</td>
<td>1.00%</td>
</tr>
<tr>
<td>10.02%</td>
<td>0.50%</td>
</tr>
<tr>
<td>Threshold</td>
<td></td>
</tr>
<tr>
<td>11.30%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Higher Absolute Readmission Rate</td>
<td></td>
</tr>
<tr>
<td>12.73%</td>
<td>-0.50%</td>
</tr>
<tr>
<td>14.16%</td>
<td>-1.00%</td>
</tr>
<tr>
<td>15.59%</td>
<td>-1.50%</td>
</tr>
<tr>
<td>17.01%</td>
<td>-2.0%</td>
</tr>
</tbody>
</table>