In This Presentation

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Guiding Principles

- Measurement used for performance linked with payment must include all patients regardless of payer
- Measurement must be fair to hospitals
- First year target must be established to reasonably support the overall goal of equal or less than the National Medicare readmission rate by CY 2018
- Measure used should be consistent with the CMS Measure of Readmissions (also used by Partnership for Patients Program)
## State Readmission Target - 6.8% Reduction

<table>
<thead>
<tr>
<th></th>
<th>National Medicare</th>
<th>Maryland Medicare</th>
<th>MD-US Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2010</td>
<td>Admissions 11,043,196</td>
<td>Readmissions 2,049,473</td>
<td>% Readmissions 18.56%</td>
</tr>
<tr>
<td>FY2011</td>
<td>Admissions 11,129,694</td>
<td>Readmissions 2,070,250</td>
<td>% Readmissions 18.60%</td>
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<tr>
<td>FY2012</td>
<td>Admissions 10,857,862</td>
<td>Readmissions 1,991,886</td>
<td>% Readmissions 18.35%</td>
</tr>
<tr>
<td>FY2013</td>
<td>Admissions 10,458,098</td>
<td>Readmissions 1,847,036</td>
<td>% Readmissions 17.66%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th></th>
<th>CY 2014</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>16.78%</td>
<td>-0.88%</td>
<td>-5.00%</td>
<td>17.91%</td>
</tr>
<tr>
<td></td>
<td>-1.32%</td>
<td>-7.50%</td>
<td>-5.00%</td>
<td>-1.95%</td>
</tr>
</tbody>
</table>

MD-US Difference: 6.8%
Adjustments to Readmission Rate

- **Adjustments**
  - Planned Admission CMS Algorithm V2.1 with an adjustment for deliveries.
  - Risk Adjustment using Admission APR-DRG

- **All Payer – Any Hospital Readmission**
- **Positive Incentive for Hospitals that reach or exceed the goal**
- **Uniform Achievement Benchmark for all hospitals**
- **Performance will be measured cumulatively for future years**
- **Observation and ED visits within 30 Days of an inpatient stay will be monitored**
- **Possible adjustments in Observation cases within 30 Days increases faster than the overall observation cases.**
All Payer vs Medicare Readmission Trends

FY 2013 Annual % Change in Readmission Rates: All Payer vs Medicare

Unadjusted Medicare Readmission Rates

Planned Excluded All Payer Readmission Rate

R² = 0.7833
Ongoing Work

- Continue with CMMI to refine the readmission measure
  - Planned Admissions
  - Rehab-psych subunit
  - Risk adjustment
- Hospital specific measure
  - Risk adjustment
  - Subsequent target determination etc.