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Health Services Cost Review Commission

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To: Hospital CFOs

Cc: Case Mix Liaisons, Hospital Quality Contacts

From: Alyson Schuster, Ph.D., Associate Director, Performance Measurement

Date: May 28, 2015

Re: Readmission Reduction Incentive Program Revenue Adjustments for RY2016

This memorandum is to inform hospitals that Health Services Cost and Review Commission (HSCRC) will be using the results below for the Readmission Reduction Incentive Program (RRIP) revenue adjustments for Rate Year (RY) 2016. The RY2016 RRIP was a positive incentive program where any hospital that had a 6.67% or greater improvement in their risk-adjusted readmission rate between CY2013 and CY2014 was eligible for up to a 0.5% rate increase (see Appendix I). For the hospitals that were eligible for this increase, we examined the change in the number of 30-day observation stays to the same hospital together with the change in total number of observation stays to see whether an adjustment to the reward was warranted (see Appendix II). Based upon this analysis, all of the hospitals will receive the full 0.5% reward.

If you have any questions, please email the quality team at hsrc.quality@maryland.gov.

Appendix I. Individual Hospital Scores and Revenue Impact of Rewards for RY2016

Positive Incentive Reward of up to 0.5% of Hospital Inpatient Revenue- For Rate Year 2016

HOSPID	HOSPITAL NAME	FY 2015 PERMANENT INPATIENT REVENUE*	CY 13 Base Year Risk Adjusted Readmission Rate	CY 14 Performance Period Risk Adjusted Readmission Rate	CY 14 Readmission Improvement	CY2014 Performance Period Goal	Difference Between CY2014 Actual Rate and CY2014 Goal	SCALING BASIS	REVENUE IMPACT OF SCALING
A	B	C	D	E	F=E/D-1	G=D*(1-6.76%)	H=E-G	I	J=I*C
210045	MCCREADY	\$3,571,064.06	11.82%	9.30%	-21.30%	11.02%	-1.72%	0.50%	\$17,855
210028	ST. MARY	\$69,990,405.25	12.09%	10.21%	-15.52%	11.27%	-1.06%	0.50%	\$349,952
210039	CALVERT	\$67,061,372.88	9.63%	8.16%	-15.30%	8.98%	-0.82%	0.50%	\$335,307
210013	BON SECOURS	\$75,937,921.77	18.43%	15.79%	-14.31%	17.18%	-1.39%	0.50%	\$379,690
210051	DOCTORS COMMUNITY	\$136,010,793.59	12.52%	10.77%	-13.97%	11.67%	-0.90%	0.50%	\$680,054
210030	CHESTERTOWN	\$29,287,619.34	13.29%	11.79%	-11.24%	12.39%	-0.60%	0.50%	\$146,438
210040	NORTHWEST	\$141,883,177.42	14.52%	13.11%	-9.70%	13.54%	-0.43%	0.50%	\$709,416
210011	ST. AGNES	\$238,960,906.16	13.43%	12.15%	-9.53%	12.52%	-0.37%	0.50%	\$1,194,805
210024	UNION MEMORIAL	\$239,732,514.10	13.78%	12.53%	-9.08%	12.85%	-0.32%	0.50%	\$1,198,663
210008	MERCY	\$232,326,849.10	13.96%	12.77%	-8.56%	13.02%	-0.25%	0.50%	\$1,161,634
210018	MONTGOMERY GENERAL	\$87,866,457.56	12.03%	11.11%	-7.58%	11.21%	-0.10%	0.50%	\$439,332
210012	SINAI	\$428,400,532.05	13.67%	12.67%	-7.34%	12.75%	-0.08%	0.50%	\$2,149,003
210055	LAUREL REGIONAL	\$77,138,956.35	13.18%	12.23%	-7.27%	12.29%	-0.07%	0.50%	\$385,695
210017	GARRETT COUNTY	\$18,608,187.37	7.21%	6.69%	-7.24%	6.73%	-0.03%	0.50%	\$93,041
210029	HOPKINS BAYVIEW MED CTR	\$354,237,613.19	14.71%	13.86%	-5.78%	13.72%	0.14%	0.00%	\$0
210003	PRINCE GEORGE	\$176,633,176.79	10.04%	9.49%	-5.47%	9.36%	0.13%	0.00%	\$0
210044	G.B.M.C.	\$200,727,664.89	10.67%	10.09%	-5.43%	9.95%	0.14%	0.00%	\$0
210038	UMMC MIDTOWN	\$137,603,928.30	15.97%	15.16%	-5.07%	14.89%	0.27%	0.00%	\$0
210023	ANNE ARUNDEL	\$308,739,340.58	11.99%	11.38%	-5.06%	11.17%	0.20%	0.00%	\$0
210048	HOWARD COUNTY	\$167,430,726.52	11.81%	11.21%	-5.04%	11.01%	0.20%	0.00%	\$0
210063	UM ST. JOSEPH	\$230,010,193.37	11.40%	10.83%	-4.97%	10.63%	0.20%	0.00%	\$0
210061	ATLANTIC GENERAL	\$38,616,312.78	11.65%	11.09%	-4.86%	10.87%	0.22%	0.00%	\$0
210034	HARBOR	\$122,412,281.84	12.81%	12.28%	-4.15%	11.95%	0.33%	0.00%	\$0
210057	SHADY GROVE	\$231,030,091.92	10.84%	10.42%	-3.87%	10.10%	0.31%	0.00%	\$0
210062	SOUTHERN MARYLAND	\$161,253,765.94	11.39%	10.96%	-3.83%	10.62%	0.33%	0.00%	\$0
210056	GOOD SAMARITAN	\$178,635,337.98	13.62%	13.10%	-3.80%	12.70%	0.40%	0.00%	\$0
210043	BALTIMORE WASHINGTON MEDICAL CENTER	\$224,082,797.59	13.77%	13.30%	-3.38%	12.84%	0.47%	0.00%	\$0
210033	CARROLL COUNTY	\$136,537,812.51	11.86%	11.53%	-2.77%	11.06%	0.47%	0.00%	\$0
210002	UNIVERSITY OF MARYLAND	\$869,783,533.93	13.78%	13.55%	-1.63%	12.85%	0.71%	0.00%	\$0
210027	WESTERN MARYLAND HEALTH SYSTEM	\$182,494,313.32	11.89%	11.73%	-1.31%	11.09%	0.65%	0.00%	\$0
210022	SUBURBAN	\$182,880,097.32	10.94%	10.81%	-1.27%	10.20%	0.60%	0.00%	\$0
210015	FRANKLIN SQUARE	\$282,129,811.54	12.63%	12.50%	-1.05%	11.78%	0.72%	0.00%	\$0
210006	HARFORD	\$46,774,506.17	11.04%	10.95%	-0.80%	10.29%	0.66%	0.00%	\$0
210058	REHAB & ORTHO	\$69,116,850.62	11.46%	11.47%	0.01%	10.69%	0.78%	0.00%	\$0
210009	JOHNS HOPKINS	\$1,303,085,115.22	13.97%	13.97%	0.04%	13.02%	0.95%	0.00%	\$0
210032	UNION HOSPITAL OF CECIL COUNT	\$67,638,499.19	9.77%	9.82%	0.51%	9.11%	0.71%	0.00%	\$0
210049	UPPER CHESAPEAKE HEALTH	\$153,131,633.20	11.45%	11.59%	1.27%	10.67%	0.92%	0.00%	\$0
210005	FREDERICK MEMORIAL	\$190,475,900.63	10.38%	10.51%	1.30%	9.67%	0.84%	0.00%	\$0
210001	MERITUS	\$188,367,775.67	11.38%	11.53%	1.36%	10.61%	0.92%	0.00%	\$0
210060	FT. WASHINGTON	\$17,901,765.04	12.53%	12.74%	1.65%	11.68%	1.05%	0.00%	\$0
210010	DORCHESTER	\$23,804,066.20	11.07%	11.28%	1.89%	10.32%	0.96%	0.00%	\$0
210035	CHARLES REGIONAL	\$76,417,733.97	11.57%	11.90%	2.82%	10.79%	1.11%	0.00%	\$0
210019	PENINSULA REGIONAL	\$232,896,407.52	10.77%	11.08%	2.88%	10.04%	1.04%	0.00%	\$0
210004	HOLY CROSS	\$319,832,140.30	11.12%	11.69%	5.09%	10.37%	1.32%	0.00%	\$0
210016	WASHINGTON ADVENTIST	\$160,049,372.87	10.79%	11.42%	5.77%	10.06%	1.35%	0.00%	\$0
210037	EASTON	\$95,655,306.19	10.47%	11.93%	13.98%	9.76%	2.17%	0.00%	\$0
		\$8,977,162,630						Rewards:	\$9,233,884

*FY 2015 Permanent IP Revenue = FY 2015 Total GBR Revenue + out of state and other non-GBR revenue x percent inpatient revenue from FY 2013

Appendix II. Analysis of Changes in 30-Day Observation Stays

		Readmissions	Number of 30-Day Observation Stays			Number of 30-Day Observation Stays to Same Hospital			Number of 30-Day Observation Stays to Other Hospital			Total Number of Observation Stays			Percent Difference in 2014 Percent change in 30 day same hosp vs total obs
Hospital ID	Hospital Name	Annual Improvement CY13-CY14	CY2013	CY2014	Percent	CY2013	CY2014	Percent	CY2013	CY2014	Percent	CY2013	CY2014	Percent	Percent
210045	MCCREADY	-21.30%	15	8	-46.67%	15	7	-53.33%	0	1	.	224	192	-14.29%	-39.05%
210028	ST. MARY	-15.52%	159	166	4.40%	146	145	-0.68%	13	21	61.54%	2,324	2,670	14.89%	-15.57%
210039	CALVERT	-15.30%	60	103	71.67%	39	88	125.64%	21	15	-28.57%	1,288	2,002	55.43%	70.21%
210013	BON SECOURS	-14.31%	437	323	-26.09%	147	130	-11.56%	290	193	-33.45%	1,475	1,974	33.83%	-45.40%
210051	DOCTORS COMMUNITY	-13.97%	367	348	-5.18%	235	264	12.34%	132	84	-36.36%	4,307	5,085	18.06%	-5.72%
210030	CHESTERTOWN	-11.24%	24	36	50.00%	19	32	68.42%	5	4	-20.00%	386	421	9.07%	59.35%
210040	NORTHWEST	-9.70%	228	339	48.68%	41	174	324.39%	187	165	-11.76%	831	3,067	269.07%	55.32%
210011	ST. AGNES	-9.53%	526	644	22.43%	327	452	38.23%	199	192	-3.52%	5,277	7,107	34.68%	3.55%
210024	UNION MEMORIAL	-9.08%	553	520	-5.97%	324	281	-13.27%	229	239	4.37%	4,104	4,311	5.04%	-18.32%
210008	MERCY	-8.56%	383	387	1.04%	111	208	87.39%	272	179	-34.19%	1,655	2,963	79.03%	8.35%
210018	MONTGOMERY GENERAL	-7.58%	160	179	11.88%	118	126	6.78%	42	53	26.19%	2,508	2,267	-9.61%	16.39%
210012	SINAI	-7.34%	366	418	14.21%	59	123	108.47%	307	295	-3.91%	1,439	2,276	58.17%	50.31%
210055	LAUREL REGIONAL	-7.27%	95	139	46.32%	46	109	136.96%	49	30	-38.78%	1,196	2,267	89.55%	47.41%
210017	GARRETT COUNTY	-7.24%	19	24	26.32%	18	23	27.78%	1	1	0.00%	453	548	20.97%	6.81%
210029	HOPKINS BAYVIEW MED CTR	-5.78%	635	732	15.28%	295	353	19.66%	340	379	11.47%	3,211	3,637	13.27%	6.39%
210003	PRINCE GEORGE	-5.47%	298	346	16.11%	180	200	11.11%	118	146	23.73%	4,268	4,396	3.00%	8.11%
210044	G.B.M.C.	-5.43%	361	337	-6.65%	261	241	-7.66%	100	96	-4.00%	4,797	4,303	-10.30%	2.64%
210038	UMMC MIDTOWN	-5.07%	412	343	-16.75%	224	158	-29.46%	188	185	-1.60%	3,145	2,971	-5.53%	-23.93%
210023	ANNE ARUNDEL	-5.06%	272	352	29.41%	196	265	35.20%	76	87	14.47%	3,069	4,178	36.14%	-0.93%
210048	HOWARD COUNTY	-5.04%	254	240	-5.51%	209	174	-16.75%	45	66	46.67%	3,642	3,119	-14.36%	-2.39%
210063	UM ST. JOSEPH	-4.97%	250	267	6.80%	103	108	4.85%	147	159	8.16%	1,564	1,880	20.20%	-15.35%
210061	ATLANTIC GENERAL	-4.86%	39	64	64.10%	33	50	51.52%	6	14	133.33%	1,104	1,293	17.12%	34.40%
210034	HARBOR	-4.15%	287	282	-1.74%	179	180	0.56%	108	102	-5.56%	2,949	3,287	11.46%	-10.90%
210057	SHADY GROVE	-3.87%	328	299	-8.84%	242	224	-7.44%	86	75	-12.79%	5,009	5,196	3.73%	-11.17%
210062	SOUTHERN MARYLAND	-3.83%	370	389	5.14%	285	295	3.51%	85	94	10.59%	5,019	5,527	10.12%	-6.61%
210056	GOOD SAMARITAN	-3.80%	507	542	6.90%	357	374	4.76%	150	168	12.00%	3,972	4,484	12.89%	-8.13%
210043	BALTIMORE WASHINGTON	-3.38%	428	505	17.99%	337	386	14.54%	91	119	30.77%	6,266	6,554	4.60%	9.94%
210033	CARROLL COUNTY	-2.77%	207	253	22.22%	197	221	12.18%	10	32	220.00%	3,345	3,859	15.37%	-3.18%
210002	UNIVERSITY OF MARYLAND	-1.63%	819	875	6.84%	381	409	7.35%	438	466	6.39%	5,080	5,048	-0.63%	7.98%
210027	WESTERN MARYLAND HEALTH	-1.31%	258	322	24.81%	250	310	24.00%	8	12	50.00%	3,394	3,648	7.48%	16.52%
210022	SUBURBAN	-1.27%	254	233	-8.27%	175	155	-11.43%	79	78	-1.27%	3,974	4,310	8.45%	-19.88%
210015	FRANKLIN SQUARE	-1.05%	794	853	7.43%	643	658	2.33%	151	195	29.14%	8,882	9,998	12.56%	-10.23%
210006	HARFORD	-0.80%	232	214	-7.76%	171	165	-3.51%	61	49	-19.67%	2,657	2,984	12.31%	-15.82%
210058	REHAB & ORTHO	0.01%	50	41	-18.00%	0	0	.	50	41	-18.00%
210009	JOHNS HOPKINS	0.04%	856	938	9.58%	327	316	-3.36%	529	622	17.58%	3,966	3,706	-6.56%	3.19%
210032	UNION HOSPITAL OF CECIL	0.51%	105	121	15.24%	93	110	18.28%	12	11	-8.33%	1,367	1,448	5.93%	12.35%
210049	UPPER CHESAPEAKE HEALTH	1.27%	418	470	12.44%	345	398	15.36%	73	72	-1.37%	6,749	7,735	14.61%	0.75%
210005	FREDERICK MEMORIAL	1.30%	230	368	60.00%	198	342	72.73%	32	26	-18.75%	2,676	5,608	109.57%	-36.84%
210001	MERITUS	1.36%	278	335	20.50%	262	311	18.70%	16	24	50.00%	5,625	6,030	7.20%	11.50%
210060	FT. WASHINGTON	1.65%	71	92	29.58%	41	49	19.51%	30	43	43.33%	1,244	1,182	-4.98%	24.50%
210010	DORCHESTER	1.89%	33	33	0.00%	26	22	-15.38%	7	11	57.14%	377	502	33.16%	-48.54%
210035	CHARLES REGIONAL	2.82%	166	162	-2.41%	131	124	-5.34%	35	38	8.57%	2,597	2,455	-5.47%	0.12%
210019	PENINSULA REGIONAL	2.88%	265	241	-9.06%	234	212	-9.40%	31	29	-6.45%	2,453	2,818	14.88%	-24.28%
210004	HOLY CROSS	5.09%	383	417	8.88%	284	293	3.17%	99	124	25.25%	4,834	4,401	-8.96%	12.13%
210016	WASHINGTON ADVENTIST	5.77%	222	199	-10.36%	116	96	-17.24%	106	103	-2.83%	1,579	1,400	-11.34%	-5.91%
210037	EASTON	13.98%	82	84	2.44%	56	63	12.50%	26	21	-19.23%	848	1,027	21.11%	-8.61%