

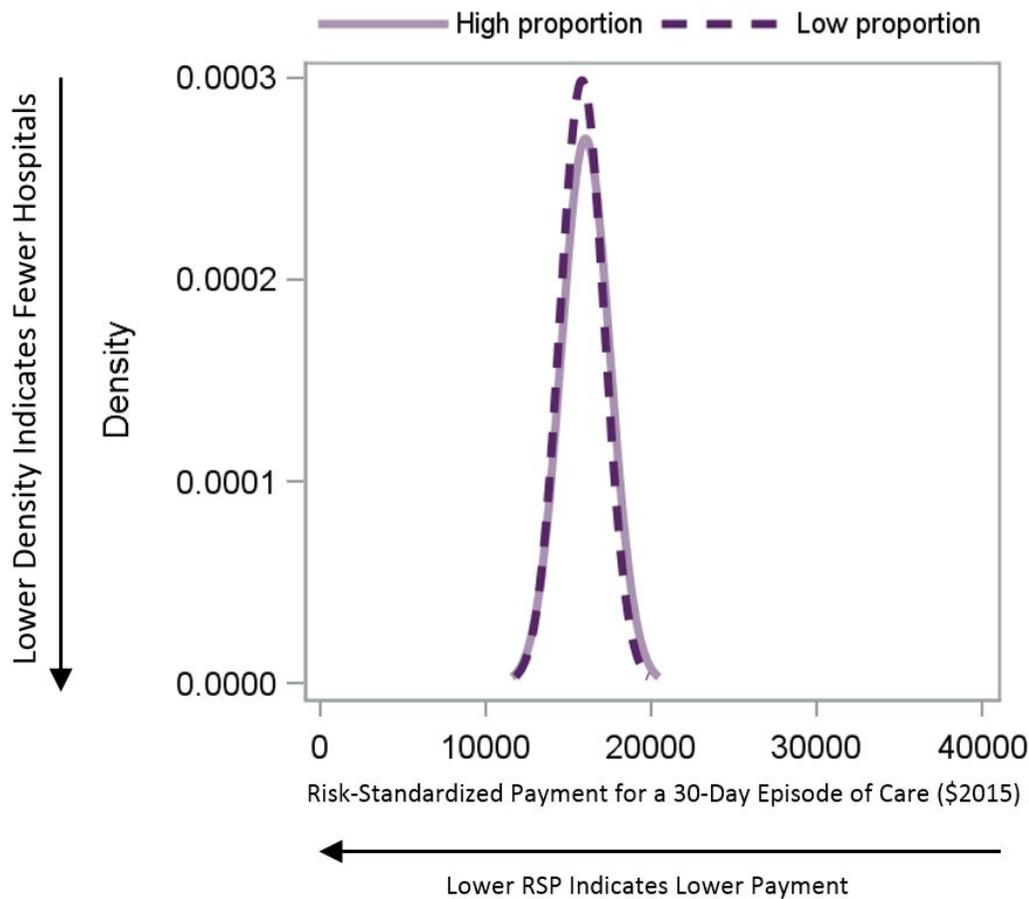
► **Risk-standardized payments across hospitals for a 30-day episode of care following admission for heart failure:** Hospitals that serve high and low proportions of African-American patients.

The Centers for Medicare & Medicaid Services (CMS) evaluates hospital performance in relation to the proportion of African-American patients served in order to monitor patterns, changes, and potential unintended consequences in the measure results. This information allows CMS to better understand the current state of care in U.S. hospitals.

The heart failure payment measure includes admissions for Medicare fee-for-service (FFS) beneficiaries aged 65 or older and captures payments across multiple care settings, services, and supplies (this includes inpatient, outpatient, skilled nursing facility, home health, hospice, physician/clinical laboratory/ambulance services, and durable medical equipment, prosthetics/orthotics, and supplies) [1]. To isolate payment variation that reflects practice patterns rather than factors unrelated to clinical care, geographic differences, and policy adjustments in payment rates for individual services are removed from the total payment for that service [1]. Standardizing the payment in this way allows for comparison across hospitals based solely on payments for decisions related to clinical care. However, it's important to note that the heart failure payment measure results alone are not an indication of quality.

CMS began publicly reporting risk-standardized payments (RSPs) associated with a 30-day episode of care for heart failure in 2015 [2]. Publicly reported measure results are updated annually on the [Hospital Compare](#) website. The AMI and heart failure payment measures will be included in the Hospital Value-Based Purchasing (HVBP) Program beginning in 2021 [3,4].

**FIGURE I.** Distributions of heart failure RSPs (\$2015) for hospitals with low and high proportions of African-American patients, July 2013-June 2016.



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## SOCIAL RISK FACTORS

Variation in heart failure RSPs reflects different patterns in care decisions and resource utilization (for example, treatment, supplies, or services) among hospitals for a hospital's patients both at the hospital and after they leave. To understand how caring for high or low proportions of African-American patients might impact a hospital's resource utilization, we examined RSPs among hospitals with high and low proportions of African-American patients. We compared the heart failure RSP for a 30-day episode of care for the 445 hospitals with 0% African-American Medicare FFS patients to the 360 hospitals with  $\geq 22.3\%$  African-American Medicare FFS patients for the July 2013 – June 2016 reporting period. We defined hospitals with low and high proportions of African-American patients as those that fall within the lowest and highest deciles of all hospitals with 25 or more qualifying admissions (N= 3,600). The proportion of African-American Medicare FFS patients for each hospital was determined using the Medicare Part A Inpatient Claims from 2015. All hospitals with 0% African-American patients were included in the lowest decile. To ensure accurate assessment of each hospital, the heart failure payment measure uses a statistical model to adjust for key differences in patient risk factors that are clinically relevant and that have a strong relationship with the payment outcome [1]. Additionally, all payments were inflation-adjusted to 2015 dollars.

**TABLE I.** Distributions of heart failure RSPs (\$2015) for hospitals with low and high proportions of African-American patients, July 2013-June 2016.

	Heart failure RSP (\$2015)	
	Hospitals with low proportions (0%) of African-American patients n = 445	Hospitals with high proportions ( $\geq 22.3\%$ ) of African-American patients n = 360
Maximum	20,715	21,476
90%	17,692	17,884
75%	16,588	16,862
Median (50%)	15,678	15,984
25%	14,950	15,030
10%	14,263	14,178
Minimum	12,742	11,963

The median heart failure RSP for hospitals with low proportions of African-American patients was \$15,678 (interquartile range [IQR]: \$14,950 - \$16,588; Figure 1 and Table 1). The median heart failure RSP for hospitals with high proportions of African-American patients was \$15,984 (IQR: \$15,030 - \$16,862; Figure 1 and Table 1).

Hospitals with low proportions of African-American patients had a median heart failure RSP that was \$306 lower than that of hospitals with high proportions.

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2. Hospital Inpatient Quality Reporting (IQR) Program Overview. QualityNet website. <https://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=QnetPublic%2FPage%2FQnetTier2&cid=1138115987129>. Accessed March 1, 2017.

3. Hospital Value-Based Purchasing Overview. QualityNet website. <https://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=QnetPublic%2FPage%2FQnetTier2&cid=1228772039937>. Accessed March 1, 2017.

4. Centers for Medicare and Medicaid Services. Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals, Final Rule Fiscal Year 2017. 81 FR 56761. Federal Register website. <https://www.federalregister.gov/d/2016-18476>. Published August 22, 2016. Effective October 1, 2016. Accessed March 1, 2017.

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