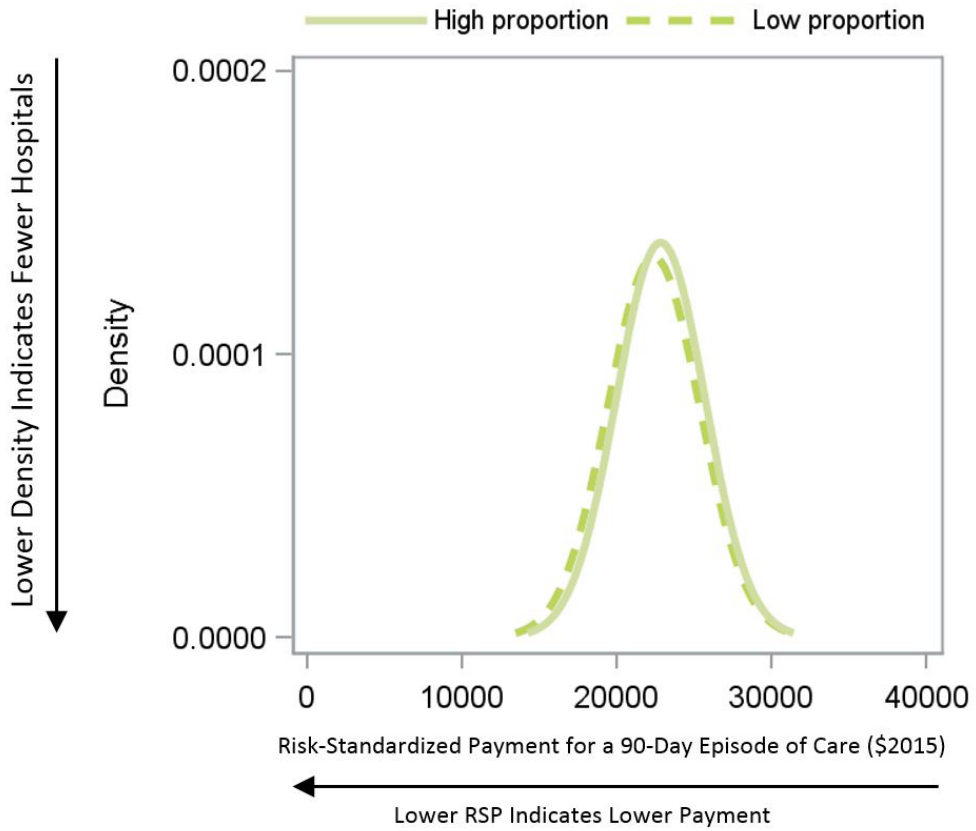
▶ Risk-standardized payment across hospitals for a 90-day episode of care following admission for elective primary total hip arthroplasty and/or total knee arthroplasty: Hospitals that serve high and low proportions of Medicaid patients.

The Centers for Medicare & Medicaid Services (CMS) evaluates hospital performance in relation to the proportion of Medicaid 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 within U.S. hospitals.

The elective primary total hip arthroplasty (THA) and/or total knee arthroplasty (TKA) 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 THA/TKA payment measure results alone are not an indication of quality.

CMS began publicly reporting risk-standardized payments (RSPs) associated with a 90-day episode of care for THA/TKA in 2017 [2]. Publicly reported measure results are updated annually on the *Hospital Compare* website.

FIGURE I. *Distributions of THA/TKA RSPs ($2015) for hospitals with low and high proportions of Medicaid admissions, April 2013-March 2016.*



SOCIAL RISK FACTORS

Variation in THA/TKA RSPs reflects different patterns in care decisions and resource utilization (for example, treatment, supplies, or services) among hospitals for a hospital's patients during and after the hospital stay. To understand how caring for high or low proportions of Medicaid patients might impact a hospital's resource utilization, we examined RSPs among hospitals with high and low proportions of Medicaid patients. We compared the THA/TKA RSP for a 90-day episode of care for the 274 hospitals with ≤7.3% Medicaid admissions to the 274 hospitals with ≥30.9% Medicaid admissions. We defined hospitals with low and high proportions of Medicaid admissions as those that fall within the lowest and highest deciles of all hospitals with 25 or more qualifying admissions (N= 2,749). The proportion of Medicaid admissions for each hospital was determined using the American Hospital Association (AHA) Annual Survey Database Fiscal Year 2015 [3]. To ensure accurate assessment of each hospital, the THA/TKA 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 THA/TKA RSPs ($ 2015) for hospitals with low and high proportions of Medicaid admissions, April 2013-March 2016.*

	THA/TKA RSP ($2015)	
	Hospitals with low proportions (≤ 7.3%) of Medicaid admissions n = 274	Hospitals with high proportions (≥ 30.9%) of Medicaid admissions n = 274
Maximum	49,496	30,842
90%	25,667	26,961
75%	23,587	24,682
Median (50%)	22,077	22,715
25%	20,649	20,624
10%	19,377	19,351
Minimum	17,685	16,669

The median THA/TKA RSP for hospitals with low proportions of Medicaid admissions was $22,077 (interquartile range [IQR]: $20,649 -$23,587; Figure 1 and Table 1). The median THA/TKA RSP for hospitals with high proportions of Medicaid admissions was $22,715 (IQR: $20,624 -$24,682; Figure 1 and Table 1).

Hospitals with low proportions of Medicaid admissions had a median THA/TKA RSP that was $638 lower than hospitals with high proportions.

1. Jaymie Simoes, Jacqueline N. Grady, Jo DeBuhr, et al. 2017 Measure Updates and Specifications Report Hospital-Level Risk-Standardized Payment Measures: Acute Myocardial Infarction – Version 6.0 Heart Failure – Version 4.0 Pneumonia – Version 4.0 Elective Primary Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) – Version 3.0. https://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=QnetPublic%2FPage%2FQnetTier4&cid=1228774267858. Available as of April 4, 2017.

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

3.AHA Annual Survey Database Fiscal Year 2015; http://www.ahadataviewer.com/book-cd-products/AHA-Survey/. Accessed March 2, 2017.