

Hospital Readmissions Reduction Program (HRRP): Fiscal Year (FY) 2015 Fact Sheet

Overview

The Hospital Readmissions Reduction Program (HRRP) was established under section 3025 of the Affordable Care Act with the goal of improving healthcare for Americans by linking payment to the quality of hospital care. The Centers for Medicare & Medicaid Services (CMS) measures and reports hospitals' Excess Readmission Ratios (ERRs) on the *Hospital Compare* website, and adjusts hospitals' reimbursement based on their ERR. In the first two years of the program, CMS included patients with acute myocardial infarction (AMI), heart failure (HF), and pneumonia. These conditions significantly affect the lives of many patients, and identifying excess unplanned readmission rates for these patients indicates an opportunity to save taxpayer dollars and improve many people's lives.

For this year's (FY 2015) program, CMS will add two new readmission measures, which are chronic obstructive pulmonary disease (COPD), and elective primary total hip and/or total knee replacement (THA/TKA). COPD is a common, debilitating condition and a leading cause of readmission and death. Total hip replacement and total knee replacement are common elective procedures that improve a patient's quality of life, but can also lead to significant complications. Hospitals became familiar with these measures prior to their use in HRRP during national dry runs that CMS held in September 2012 (for THA/TKA) and September 2013 (for COPD).

In addition to adding the two new measures, CMS also updated hospitals' results for the AMI, HF, and pneumonia measures to reflect more recent hospital discharges and other minor changes made during annual measure maintenance. Also important to note, this year is the first year that the maximum hospital payment reduction will increase to 3 percent.

Hospitals will receive information on their FY 2015 HRRP results in their Hospital-Specific Report (HSR) in July 2014. The HSRs include a summary of the hospital results along with state and national readmission rates, detailed discharge-level data, and risk factor information. As part of the review and correction process, hospitals can review the data provided in their HSRs and replicate their ERRs. Hospitals can submit requests for corrections of their ERR Excess Readmission Ratio calculation during the Review and Corrections period, which is expected to begin mid-July 2014 and run for 30 days.

Measure Development and Methodology

CMS developed the 30-day risk-standardized readmission measures with a team of clinical and statistical experts from Yale and Harvard Universities through a transparent process that included input from multiple national Technical Expert Panels and public comments. CMS maintains the readmission measures and recalculates the rates annually to include updates made in response to public comments and policy considerations.

The measures include Medicare fee-for-service beneficiaries who were admitted for inpatient care at an applicable hospital with a principal diagnosis of AMI, COPD, HF, or pneumonia, or for an elective primary THA and/or TKA. The measures assess all-cause, unplanned readmissions that occur within 30 days of discharge from the index admission. Readmissions to any applicable hospital are counted, regardless of the principal diagnosis, because, from a patient perspective, readmission from any cause is an adverse event.

The measures risk adjust for differences in each hospital's patient case mix so that hospitals that care for a high proportion of older or sicker patients are fairly evaluated. To ensure the availability of a full year of

administrative data for risk adjustment, beneficiaries must be enrolled in Part A and Part B Medicare for the 12 months prior to their index admission.

FY 2015 Updates

CMS has made the following specific updates to the measures for this year's program:

- Added the COPD and THA/TKA readmission measures.
- Updated the performance period to include hospital discharges between July 1, 2010 and June 30, 2013.
- Applied the updated planned readmission algorithm version 3.0 to all readmission measures.

A full description of these updates, as well as detailed information about the measure methodology, can be found in the 2014 Measure Updates and Specifications Reports posted on [QualityNet](http://www.qualitynet.org) at: [\(<http://www.qualitynet.org>\) > Hospitals-Inpatient > Claims-Based Measures > Readmission Measures > Measure Methodology.](http://www.qualitynet.org)

More Information about the CMS Readmission Measures

For questions or comments about the calculation and reporting of ERRs for HRRP, or about the HRRP HSRs, please contact the QualityNet Help Desk at: gnetsupport@hcqis.org.

CMS has contracted with Yale New Haven Health Services Corporation/Center for Outcomes Research and Evaluation (YNHHSC/CORE) to support the implementation of these measures. Questions about the readmission measure methodology should be sent to Yale at: CMSreadmissionmeasures@yale.edu.

Please do not submit Patient-Identifiable Information (e.g., date of birth, Social Security Number, Health Insurance Claim Number) to these inboxes.