NEW STUDY ANALYZES EFFECT OF ADJUSTING FOR SOCIOECONOMIC STATUS IN CMS HOSPITAL READMISSIONS REDUCTION PROGRAM

Study Appears in April 2018 issue of The Joint Commission Journal on Quality and Patient Safety

(OAKBROOK TERRACE, Illinois, March 21, 2018) – A new study in the April 2018 issue of The Joint Commission Journal on Quality and Patient Safety analyzes the effect of hospital peer groups in adjusting for socioeconomic status (SES) or “social risk” in the Centers for Medicare & Medicaid Services (CMS) Hospital Readmissions Reduction Program (HRRP). CMS plans to adopt hospital peer groups for its Fiscal Year 2019 rate adjustments.

In 2016, the 21st Century Cures Act directed CMS to develop ways to prevent hospitals that care for more patients with low SES from being inappropriately penalized because of higher readmission rates. Patients who are poorer or have less education may have fewer resources to help them avoid readmission. Therefore, it is problematic to compare hospitals that disproportionately care for patients with low SES to hospitals that care for patients with higher SES. One proposed solution is to group hospitals into “peer groups” with similar patient populations.

In the study, "Will Hospital Peer Grouping by Patient Socioeconomic Status Fix the Medicare Hospital Readmission Reduction Program or Create New Problems?,” Richard L. Fuller, MS, and co-authors, analyze the impact of hospital peer groups on the number and distribution of hospitals penalized for higher readmission rates. For the study, the authors used CMS analysis files for the Fiscal Year 2017 HRRP Final Rule and Disproportionate Share Hospital adjustments to assign hospitals to peer groups. The median excess readmission ratios for hospital peer groups were calculated, and the resulting pattern of hospital penalties within the peer groups was analyzed. The findings suggest that the use of peer groups introduces differing performance standards for hospitals, which may be affected by factors such as volume.

For surgical cases, hospitals with fewer patients had higher readmission rates, while for medical cases, hospitals with fewer patients had fewer readmissions. Because CMS assigns individual HRRP penalties on six clinical conditions but proposes to assign hospitals to a single SES peer group based on all admissions, it may ignore substantial differences in the distribution of peer group medians across the conditions—potentially distorting the peer group adjustment intended to correct for SES.

In an accompanying editorial, "Understanding Complexity in the Readmission Program," Helen R. Burstin, MD, MPH, Council of Medical Specialty Societies, Chicago, notes that “In addition to ‘social complexity,’ there is likely unmeasured ‘medical complexity’ (for example, frailty, poor functional status) not currently captured in the claims-based risk adjustment methodology for the readmission measures.”
The article and editorial are available online free to the public. Also featured in the issue:

- "How Patient Partners Influence Quality Improvement" (WellSpan Health and Aligning Forces for Quality, South Central Pennsylvania)
- "Optimizing Hospitalist-Patient Communication: An Observation Study of Medical Encounter Quality" (Western Michigan University, Kalamazoo, Michigan)
- "A Collaborative for Implementation of an Evidence-Based Clinical Pathway for Enhanced Recovery in Colon and Rectal Surgery in an Affiliated Network of Health Care Organizations" (Mayo Clinic, Rochester, Minnesota)
- "The Hidden Cost of Regulation: The Administrative Cost of Reporting Serious Reportable Events"
- "Improving Satisfaction with Pediatric Pain Management by Inviting the Conversation" (Packard Children’s Hospital, Palo Alto, California)
- "Using the Patient Safety Huddle as a Tool for High Reliability" (Providence Little Company of Mary Medical Center, San Pedro, California)

For more information, visit The Joint Commission Journal on Quality and Patient Safety website.

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**Note for editors**
The article is "Will Hospital Peer Grouping by Patient Socioeconomic Status Fix the Medicare Hospital Readmission Reduction Program or Create New Problems?" by Richard L. Fuller, MS; John S. Hughes, MD; Norbert I. Goldfield, MD; and Richard F. Averill, MS. The article appears in The Joint Commission Journal on Quality and Patient Safety, volume 44, number 4 (April 2018), published by Elsevier.

The editorial is "Unending Complexity in the Readmission Program" by Helen R. Burstin, MD, MPH. The editorial appears in The Joint Commission Journal on Quality and Patient Safety, volume 44, number 4 (April 2018), published by Elsevier.

*The Joint Commission Journal on Quality and Patient Safety* (JQPS) is a peer-reviewed journal providing health care professionals with innovative thinking, strategies and practices in improving quality and safety in health care. JQPS is the official journal of The Joint Commission and Joint Commission Resources, Inc. Original case studies, program or project reports, reports of new methodologies or the new application of methodologies, research studies, and commentaries on issues and practices are all considered.