

## HOSPITAL READMISSIONS PENALTIES IN CONNECTICUT: FFY 2015-2018

Under the Centers for Medicare and Medicaid Services (CMS) [Hospital Readmission Reduction Program](#), CMS assesses penalties on and reduces Medicare payments to hospitals with excess 30 day readmissions of Medicare patients to improve healthcare by linking payments to quality of care. Hospitals can avoid these penalties by optimizing transitional care and improving patient engagement. CMS assesses a hospital's performance relative to other hospitals with similar proportion of patients for these six conditions: acute myocardial infarction (AMI), heart failure (HF), pneumonia (PN), chronic obstructive pulmonary disease (COPD), elective total hip arthroplasty (THA), total knee arthroplasty (TKA) and coronary artery bypass graft (CABG). CMS caps reductions at 3% and applies them to all Medicare fee-for-service base operating diagnostic related groups (DRGs) payments. For the purposes of this analysis, readmissions refer to 30-day readmissions, only.

<b>Hospital Readmission Penalty Trends (MCR Worksheet E, Part A, Line 70.94)</b>				
<b>Hospitals</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Backus	\$221,307	\$275,413	\$253,825	\$82,807
Bridgeport	\$236,465	\$370,649	\$469,209	\$966,696
Bristol	\$225,166	\$138,319	\$166,095	\$205,220
Danbury	\$124,021	\$305,937	\$433,585	\$921,147
Day Kimball	\$53,283	\$36,846	\$51,816	\$39,995
Dempsey	\$0	\$0	\$87,731	\$70,665
Greenwich	\$159,898	\$169,337	\$353,405	\$310,218
Griffin	\$134,023	\$116,572	\$108,017	\$60,292
Hartford	\$361,504	\$955,080	\$775,144	\$724,598
Hospital of Central CT	\$449,899	\$354,436	\$215,909	\$28,262
Hungerford	\$161,887	\$247,683	\$227,387	\$94,454
Johnson	\$61,423	\$82,201	\$98,526	\$63,214
L+M	\$277,192	\$52,188	\$76,950	\$126,101
Manchester <sup>1</sup>	\$4,159	\$210,879	\$257,212	\$158,121
Middlesex	\$589,489	\$622,412	\$116,465	\$97,621
Midstate	\$254,911	\$107,095	\$333,369	\$453,018
Milford	\$167,949	\$209,313	\$178,248	\$41,861
Norwalk	\$89,132	\$249,464	\$190,971	\$41,013
Rockville <sup>1</sup>	\$85,607	\$78,029	\$168,586	\$47,206
St. Francis	\$482,910	\$366,286	\$783,054	\$281,918
St. Mary's	\$22,430	\$20,265	\$74,220	\$78,822
St. Vincent's	\$995,649	\$605,270	\$316,955	\$294,071
Sharon <sup>2,3</sup>	\$28,254	\$22,149	\$16,403	\$17,939
Stamford	\$25,852	\$66,413	\$128,360	\$97,136
Waterbury	\$166,372	\$300,808	\$437,819	\$581,523
Windham	\$74,379	\$38,606	\$43,992	\$11,006
Yale New Haven	\$1,661,549	\$2,593,170	\$4,732,779	\$4,052,176
<b>Total</b>	<b>\$7,114,710</b>	<b>\$8,594,820</b>	<b>\$11,096,032</b>	<b>\$9,947,100</b>
<sup>1</sup> 2017 figures represents 15 months of data (10/01/2016 to 12/31/2017) as the hospital transitioned to calendar year reporting.				
<sup>2</sup> 2017 figure represents 10 months of data (10/01/2016 to 07/31/2017) due to the timing of the hospital merging with HealthQuest.				
<sup>3</sup> 2018 figure represents 14 months of data (08/01/2017 to 09/30/2018) due to the timing of the hospital merging with HealthQuest.				
CT Children's Medical Center did not have CMS assessed readmission penalties and has been excluded from any analysis.				

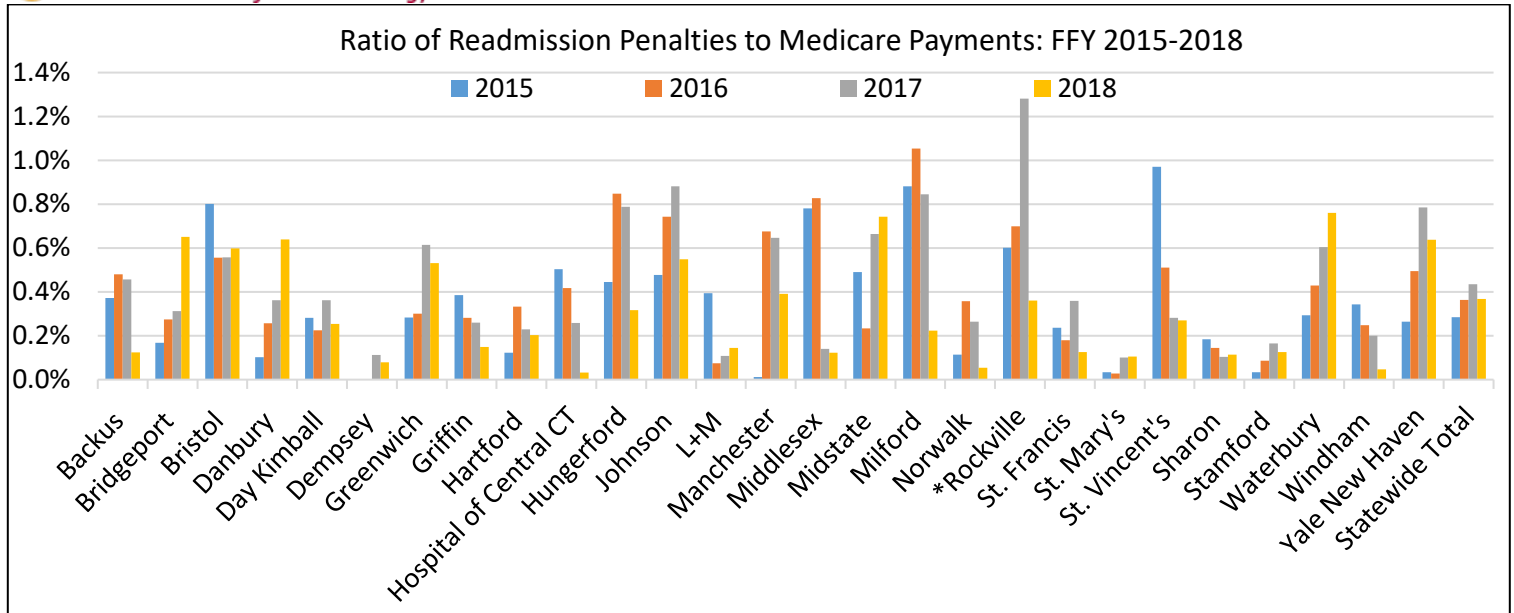
Statewide readmission penalties grew steadily from \$7.1M in 2015 to \$11M in 2017 before dropping to \$10M in 2018. Among the hospitals in this analysis, the three hospitals with the highest increases in penalties from 2015 to 2018 were Yale New Haven (\$2.4M), Danbury (\$797K) and Bridgeport (\$730K) Hospitals.

During the same period, Manchester (3,702%), Danbury (643%) and Bridgeport Hospitals (309%) had the highest percentage increase in penalties.

Penalty increases may be partially due to lags in when hospitals adapt and implement transitional care and patient engagement best practices for CMS newly added DRG conditions. The Hospital Readmission Reduction Program added COPD, THA and TKA in 2015; and CABG in 2017.

Some hospitals have had large decreases in readmission penalties since 2015 including the Hospital of Central CT (-94%), Windham (-85%), and Middlesex Hospital (-83%).

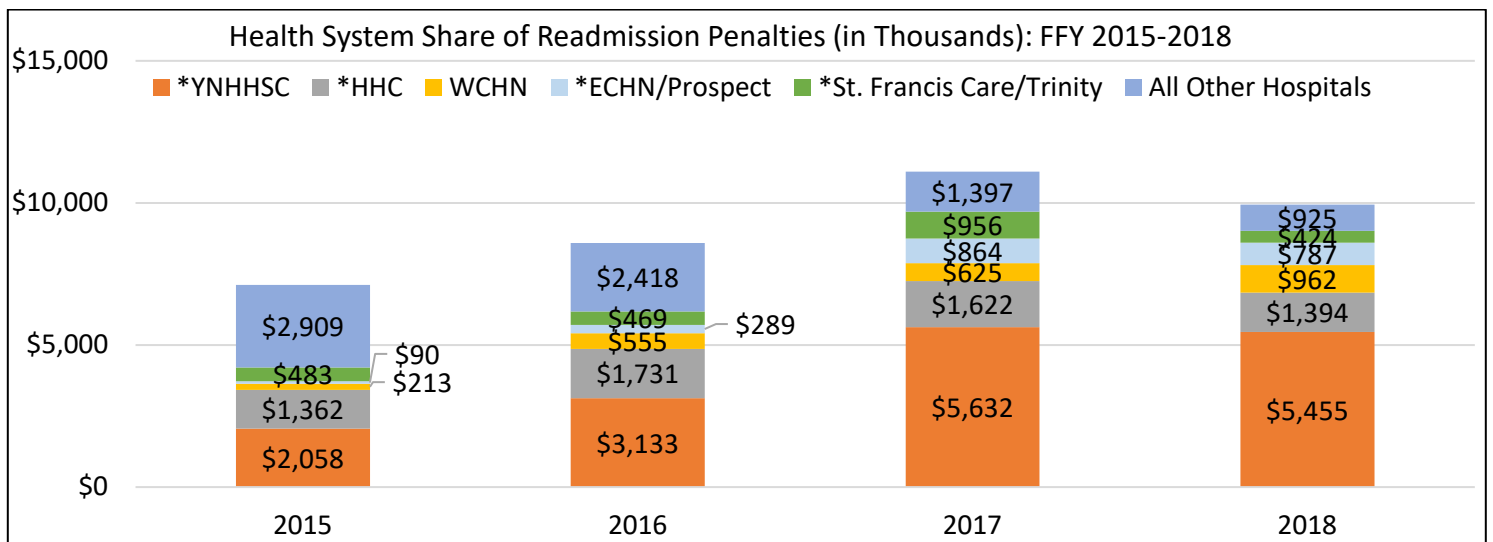
St. Vincent's (\$702K), Middlesex (\$492K) and the Hospital of Central CT (\$422K) had the largest decreases in penalties over the three year period.



\*Rockville General Hospital's 2017 ratio represents 15 months of operations.

The statewide readmission penalty to Medicare payments rate grew from .29% in 2015 to .37% in 2018. The 2018 rates range from .03% for Hospital of Central CT to .76% for Waterbury Hospital. The number of hospitals that experienced year-over-year increases has steadily declined since 2016; from 15 hospitals in 2015 to seven hospitals in 2018.

Since 2015, Bridgeport, Danbury and Waterbury Hospitals have had three consecutive years of increases in their penalty rates. Griffin, St. Vincent's, Hospital of Central CT and Windham Hospitals had decreases over the same period.



\* Groupings are based on the year a hospital was acquired by a larger health care system.

The five largest health systems<sup>1</sup> have increased their share of CMS assessed readmission penalties due to systems becoming larger from acquisitions of other hospitals and from increased assessments because CMS expanded the criteria for readmission penalties in 2015 and 2017. The share of penalties at all other hospitals has decreased every year.

**Conclusion:** The increases in statewide readmission penalties were partly because CMS changed reimbursements by adding new conditions for penalties; and lags in when hospitals implemented transitional care and patient engagement best practices. Health systems' acquisition of hospitals during the same time and lags in standardizing these practices within systems may also account for increases. Hospitals should continue to proactively implement effective transitional care, care coordination and communication with post-acute care community providers to avoid the penalties.

<sup>1</sup>Health systems are comprised as follows: Yale New Haven Health Services Corporation (YNHHSC) – Bridgeport, Greenwich, L+M and Yale New Haven; Hartford Healthcare (HHC) – Backus, Hartford, HOCC, Hungerford, Midstate and Windham; Western CT Health Network (WCHN) – Danbury and Norwalk; Eastern CT Health Network (ECHN)/Prospect – Manchester, Rockville and Waterbury; Trinity – Johnson, St. Francis and St. Mary's.

Data Sources: Office of Health Strategy Hospital Reporting System – Report 550 and Hospital Medicare Cost Reports

For questions contact: [HSP@ct.gov](mailto:HSP@ct.gov)

For more about the Office check: <https://portal.ct.gov/OHS>