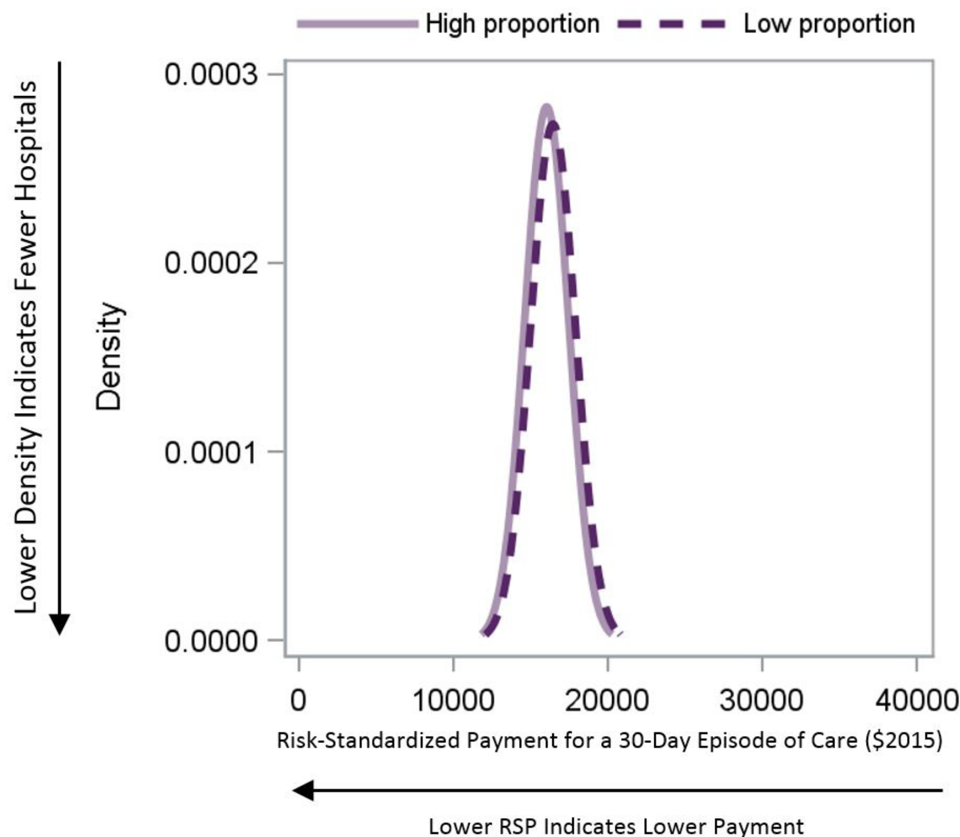
▶ **Risk-standardized payments across hospitals for a 30-day episode of care following admission for heart failure:** Hospitals that serve high and low proportions of Medicaid patients.

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 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 Medicaid admissions, July 2013-June 2016.*



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 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 heart failure RSP for a 30-day episode of care for the 356 hospitals with ≤7.6% Medicaid admissions to the 355 hospitals with ≥31.7% 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=3,558). The proportion of Medicaid admissions for each hospital was determined using the American Hospital Association (AHA) Annual Survey Database Fiscal Year 2015 [5]. 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 Medicaid admissions, July 2013-June 2016.*

	Heart failure RSP ($2015)	
	Hospitals with low proportions (≤ 7.6%) of Medicaid admissions n = 356	Hospitals with high proportions (≥ 31.7%) of Medicaid admissions n = 355
Maximum	21,251	21,819
90%	18,433	17,816
75%	17,230	16,826
Median (50%)	16,313	15,925
25%	15,422	15,078
10%	14,745	14,354
Minimum	12,742	13,177

The median heart failure RSP for hospitals with low proportions of Medicaid admissions was $16,313 (interquartile range [IQR]: $15,422 -$17,230; Figure 1 and Table 1). The median heart failure RSP for hospitals with high proportions of Medicaid admissions was $15,925 (IQR: $15,078 -$16,826; Figure 1 and Table 1).

Hospitals with low proportions of Medicaid admissions had a median heart failure RSP that was $388 higher than hospitals with high proportions. Payment results alone are not an indication of quality.

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