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 pneumonia readmission measure includes Medicare fee-for-service (FFS) beneficiaries aged 65 or older and assesses the occurrence of unplanned readmission for any cause within 30 days after discharge from a hospitalization for pneumonia [1].

CMS began publicly reporting 30-day risk-standardized readmission rates (RSRRs) following hospitalizations for pneumonia in 2009 [2]. Publicly reported measure results are updated annually on the Hospital Compare website. The pneumonia readmission measure has been included in the Hospital Readmissions Reduction Program (HRRP) since 2012 [3].

**FIGURE I.** Distributions of pneumonia RSRRs (%) for hospitals with low and high proportions of Medicaid admissions, July 2013–June 2016.

Variation in RSRRs reflects differences in performance among hospitals; lower RSRRs suggest better quality and higher RSRRs suggest worse quality. To understand how caring for Medicaid patients might impact a hospital’s RSRR, we examined RSRRs among hospitals with high and low proportions of Medicaid patients. We compared the pneumonia RSRRs for the 414 hospitals with ≤6.0% Medicaid admissions to the 414 hospitals with ≥31.3% Medicaid admissions for the July 2013 – June 2016 reporting period. 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 discharges (N= 4,236). The proportion of Medicaid admissions for each hospital was determined using the American Hospital Association (AHA) Annual Survey Database Fiscal Year 2015 [4]. To ensure accurate assessment of each hospital, the pneumonia readmission 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 readmission outcome [1].
The median pneumonia RSRR for hospitals with low proportions of Medicaid admissions was 16.6% (interquartile range [IQR]: 16.1%-17.2%; Figure 1 and Table 1). The median pneumonia RSRR for hospitals with high proportions of Medicaid admissions was 17.1% (IQR: 16.2%-18.2%; Figure 1 and Table 1).

Hospitals with low proportions of Medicaid admissions had a median pneumonia RSRR that was 0.5 percentage points lower than hospitals with high proportions.


