

## HOSPITAL CHARACTERISTICS

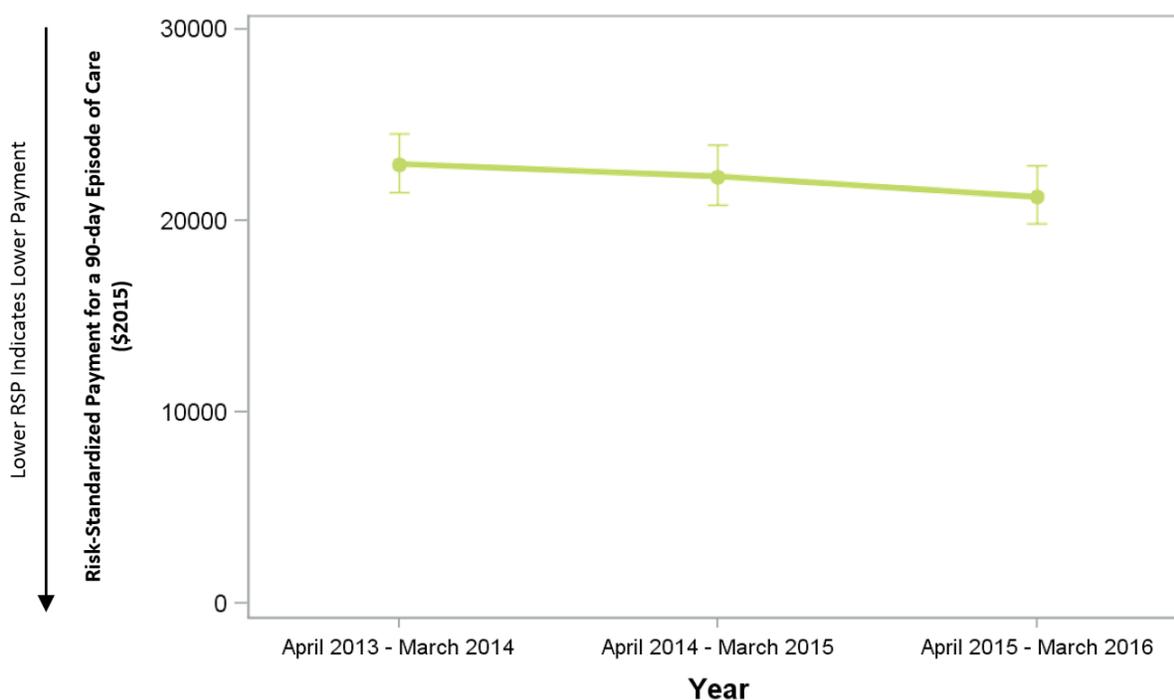
### ► Trends in risk-standardized payments across hospitals for a 90-day episode of care following admission for elective primary total hip arthroplasty and/or total knee arthroplasty.

The Centers for Medicare & Medicaid Services (CMS) evaluates the trends in measure results over time 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 total hip arthroplasty (THA) and/or total knee arthroplasty (TKA) payment measures assess 90-day episode-of-care payments that begin with an index admission for elective primary THA/TKA. The measure includes admissions for Medicare fee-for-service (FFS) beneficiaries aged 65 or older. This measure captures payments across multiple care settings, services, and supplies (this includes inpatient, outpatient, skilled nursing facility, home health, hospice, physician/clinical laboratory/ambulance services, durable medical equipment, prosthetics/orthotics, and supplies). 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. Standardizing the payment in this way allows for comparison across hospitals based solely on payments for decisions related to clinical care. It is important to note that the THA/TKA measure results alone are not an indication of quality.

CMS began publicly reporting risk-standardized payment (RSP) associated with a 90-day episode of care for THA/TKA in 2017 [2]. Publicly reported measure results are updated annually on the [Hospital Compare](#) website.

**FIGURE I.** Trend in the median hospital RSPs (\$2015) for THA/TKA, April 2013-March 2016.



Prepared for CMS by Yale New Haven Health Services Corporation - Center for Outcomes Research and Evaluation (YNHHSC/CORE) September 2017

Examining trends in hospital results for the THA/TKA payment measure provides insight into whether there is variation from year to year in care decisions and resource utilization (for example, treatment, supplies, or services). To determine the trends in national results for this measure, we examined hospitals' RSPs for each year of the April 2013-March 2016 reporting period. We included hospitals with 25 or more qualifying cases. To ensure accurate assessment of each hospital, the measures use a statistical model to adjust for key differences in patient risk factors that are clinically relevant and that have strong relationships with the payment outcome [1]. Additionally, for this reporting period, all payments were inflation-adjusted to 2015 dollars.

**TABLE I.** *Trend in the median hospital RSPs (\$2015) for THA/TKA, April 2013 – March 2016.*

Median (IQR) of Hospital RSPs (\$2015)			
	April 2013 - March 2014	April 2014 - March 2015	April 2015 - March 2016
THA/TKA	22,944 (21,471, 24,546) (2148 hospitals)	22,297 (20,826, 23,929) (2145 hospitals)	21,223 (19,827, 22,845) (2150 hospitals)

Over this three-year period, the median hospital RSP for a THA/TKA decreased by \$1,721 between March 2014 and March 2016 (Figure 1 and Table 1). The bars on the graph in Figure 1 represent the interquartile range (IQR).

Hospital RSPs for a THA/TKA procedure decreased by \$1,721 between March 2014 and March 2016.

1. Jaymie Simoes, Jacqueline N. Grady, Jo DeBuhr, et al. 2017 Measure Updates and Specifications Report Hospital-Level Risk-Standardized Payment Measures: Acute Myocardial Infarction – Version 6.0 Heart Failure – Version 4.0 Pneumonia – Version 4.0 Elective Primary Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) – Version 3.0. <https://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=QnetPublic%2FPage%2FQnetTier4&cid=1228774267858>. Available as of April 4, 2017.

2. Hospital Inpatient Quality Reporting (IQR) Program Overview. QualityNet website. <https://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=QnetPublic%2FPage%2FQnetTier2&cid=1138115987129>. Accessed March 1, 2017.