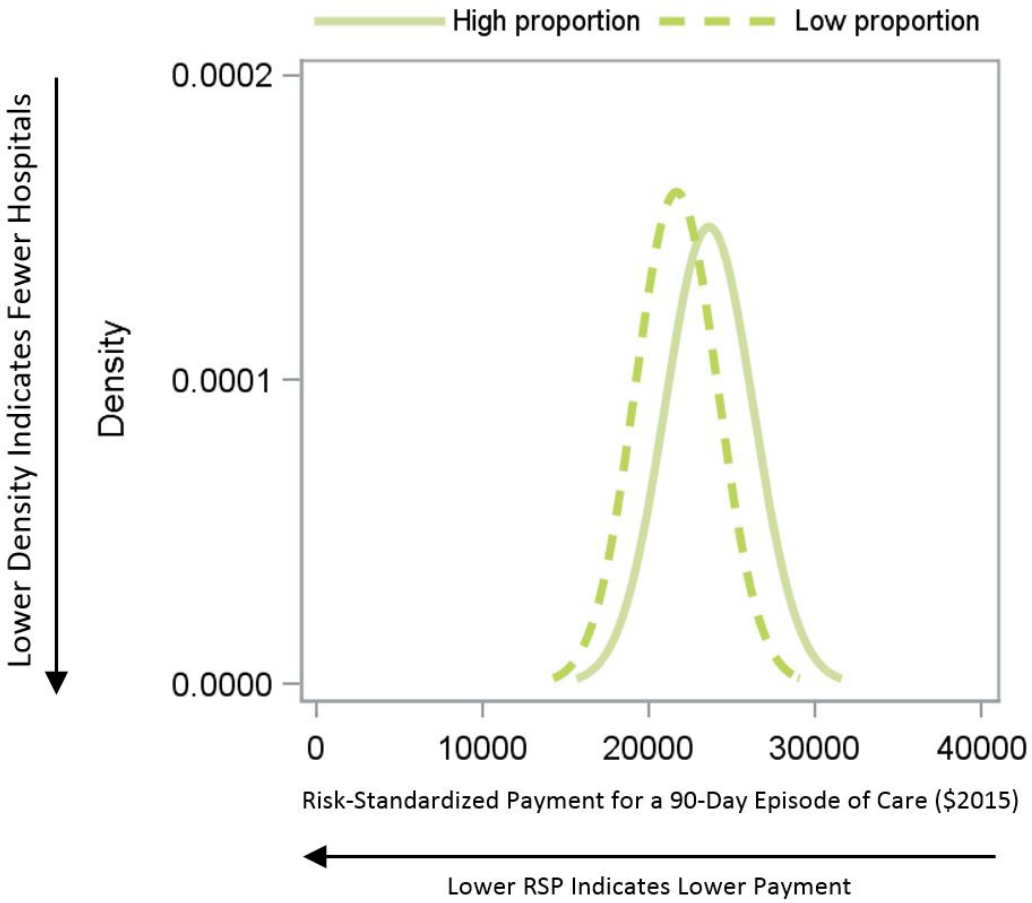
▶ **Risk-standardized payment results across hospitals for a 30-day episode of care following admission for total hip arthroplasty and/or total knee arthroplasty:** Hospitals that serve high and low proportions of African-American patients.

The Centers for Medicare & Medicaid Services (CMS) evaluates hospital performance in relation to the proportion of African-American 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 total hip arthroplasty (THA) and/or total knee arthroplasty (TKA) 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 THA/TKA payment measure results alone are not an indication of quality.

CMS began publicly reporting risk-standardized payments (RSPs) 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. *Distributions of THA/TKA RSPs ($2015) for hospitals with low and high proportions of African-American patients, April 2013-March 2016.*



SOCIAL RISK FACTORS

Variation in THA/TKA RSPs reflects different patterns in care decisions and resource utilization (for example, treatment, supplies, or services) among hospitals for a hospital's patients both during and after the hospital stay. To understand how caring for high or low proportions of African-American patients might impact a hospital's resource utilization, we examined RSPs among hospitals with high and low proportions of African-American patients. We compared the AMI RSP for a 30-day episode of care for the 278 hospitals with ≤0.1% African-American Medicare FFS patients to the 279 hospitals with ≥18.5% African-American Medicare FFS patients for the April 2013 – March 2016 reporting period. We defined hospitals with low and high proportions of African-American patients as those that fall within the lowest and highest deciles of all hospitals with 25 or more qualifying admissions (N= 2,781). The proportion of African-American Medicare FFS patients for each hospital was determined using the Medicare Part A Inpatient Claims from 2015. All hospitals with 0% African-American patients were included in the lowest decile. To ensure accurate assessment of each hospital, the AMI 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 THA/TKA RSPs ($2015) for hospitals with low and high proportions of African-American patients, April 2013-March 2016.*

	THA/TKA RSP ($2015)	
	Hospitals with low proportions (≤ 0.1%) of African-American patients n = 278	Hospitals with high proportions (≥ 18.5%) of African-American patients n = 279
Maximum	31,934	33,101
90%	24,483	27,168
75%	22,829	25,317
Median (50%)	21,384	23,294
25%	19,945	21,813
10%	18,833	20,529
Minimum	16,253	18,517

The median THA/TKA RSP for hospitals with low proportions of African-American patients was $21,384 (interquartile range [IQR]: $19,945 -$22,829; Figure 1 and Table 1). The median THA/TKA RSP for hospitals with high proportions of African-American patients was $23,294 (IQR: $21,813 -$25,317; Figure 1 and Table 1).

Hospitals with low proportions of African-American patients had a median THA/TKA RSP that was $1,910 lower than that of hospitals with high proportions.

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.