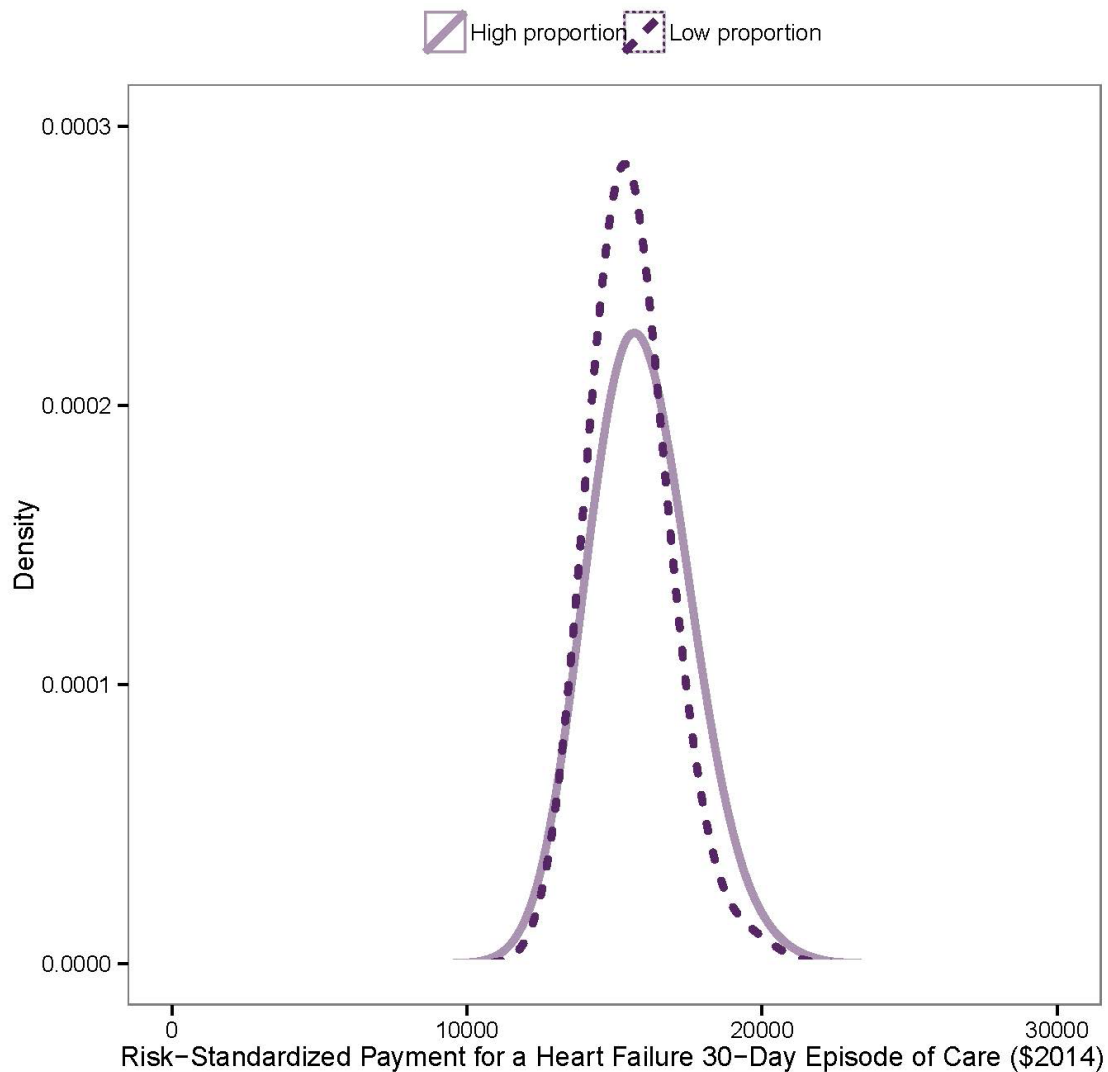


SOCIODEMOGRAPHIC STATUS

► **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 African-American patients.

The Centers for Medicare & Medicaid Services (CMS) periodically investigates select hospital practices that may impact a hospital's results on the following payment measure: hospital-level risk-standardized payment (RSP) associated with a 30-day episode of care for heart failure [1]. 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) [2]. 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 [2]. 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. The heart failure payment measure has been publicly reported on [Hospital Compare](#) since 2015 [3].

FIGURE I. Distributions of heart failure RSPs (\$2014) for hospitals with the lowest and highest proportions of African-American patients, July 2012-June 2015.



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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 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 heart failure RSP for a 30-day episode of care for the 480 hospitals with the lowest overall proportion of African-American Medicare FFS patients (0% of a hospital's Medicare FFS patients) to the 368 hospitals with the highest proportion of African-American Medicare FFS patients ($\geq 23.3\%$ of a hospital's Medicare FFS patients) for the July 2012 – June 2015 reporting period. We defined hospitals with the lowest and highest proportions of African-American patients as those that fall within the lowest and highest deciles of all hospitals with 25 or more qualifying admissions. The proportion of African-American Medicare FFS patients for each hospital was determined using the Medicare Part A Inpatient Claims from 2014. All hospitals with 0% African-American patients were included in the lowest decile. 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 [2]. Additionally, all payments were inflation-adjusted to 2014 dollars.

TABLE I. Distributions of heart failure RSPs (\$2014) for hospitals with the lowest and highest proportions of African-American patients, July 2012-June 2015.

	Heart failure RSP (\$2014)	
	Lowest proportion (0%) African-American patients; n=480	Highest proportion ($\geq 23.3\%$) African-American patients; n=368
Maximum	20,334	20,918
90%	17,219	17,830
75%	16,246	16,801
Median (50%)	15,488	15,811
25%	14,653	14,834
10%	14,059	14,103
Minimum	12,727	11,976

The median heart failure RSP for hospitals with the lowest proportion of African-American patients was \$15,488 (interquartile range [IQR]: \$14,653-\$16,246; Figure 1 and Table 1). The median heart failure RSP for hospitals with the highest proportion of African-American patients was \$15,811 (IQR: \$14,834-\$16,801; Figure 1 and Table 1).

Hospitals with the lowest proportion of African-American patients had a median heart failure RSP that was \$323 lower than that of hospitals with the highest proportion.

1. 2015 Medicare Hospital Quality Chartbook. Prepared by Yale New Haven Health Services Corporation Center for Outcomes Research and Evaluation for the Centers for Medicare and Medicaid Services. <https://www.cms.gov/medicare/quality-initiatives-patient-assessment-instruments/hospitalqualityinits/outcomemeasures.html>. Accessed March 1, 2016.

2. Lesli S. Ott, Nancy Kim, Angela Hsieh, et al. 2016 Measure Updates and Specifications Report Hospital-Level Risk-Standardized Payment Measures: Acute Myocardial Infarction – Version 5.0, Heart Failure – Version 3.0, Pneumonia – Version 3.0, Elective Primary Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) – Version 2.0. <https://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=QnetPublic%2FPage%2FQnetTier4&cid=1228774267858>. Accessed May 9, 2016.

3. 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 4, 2016.