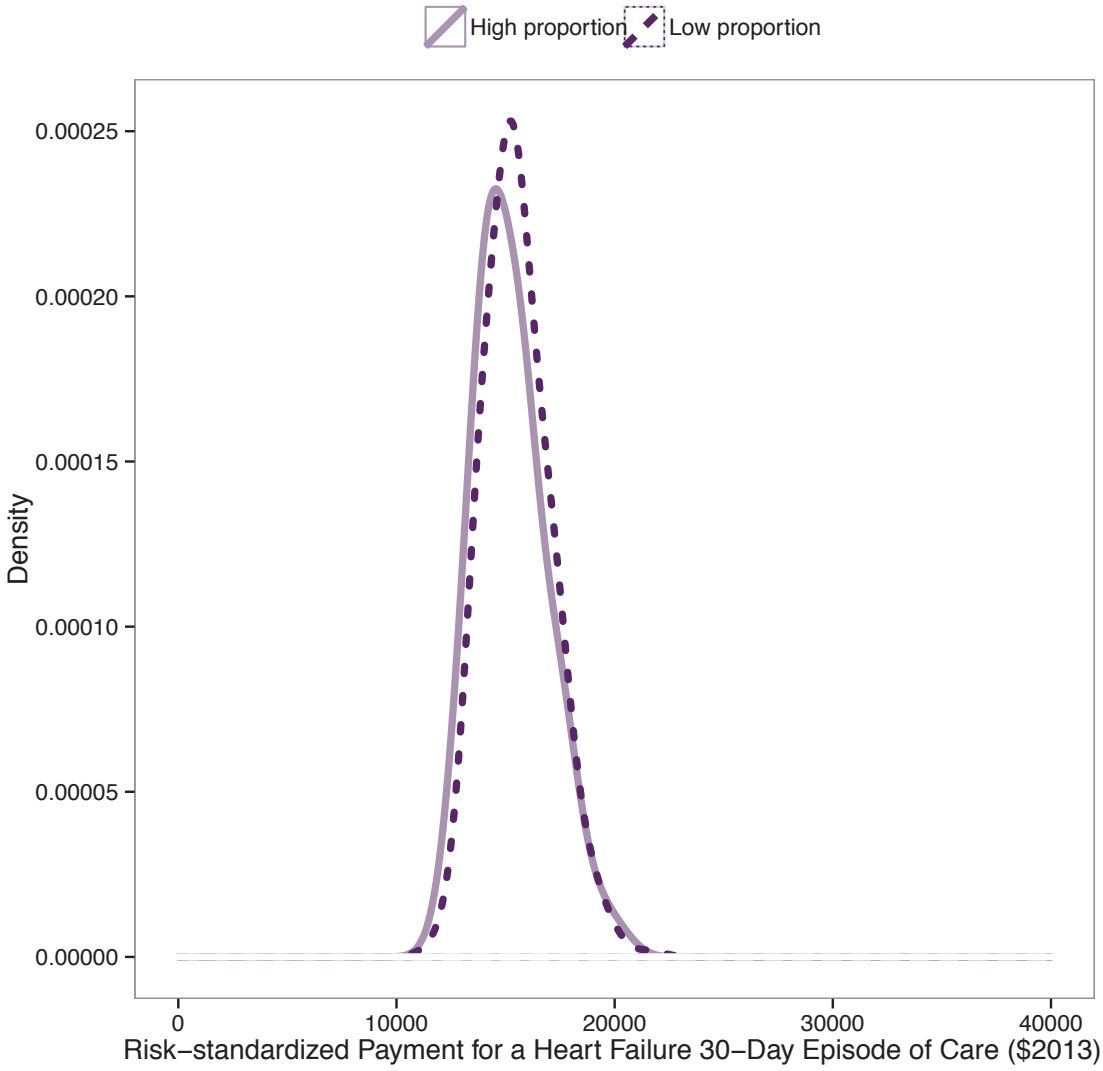
▶ Results from the heart failure payment measure: **Hospitals that serve high and low proportions of Medicaid patients.**

In 2015, the Centers for Medicare & Medicaid Services (CMS) began publicly reporting the following payment measure on Hospital Compare: 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 [2]. The heart failure payment 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, 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 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.

FIGURE I *Distributions of heart failure RSPs ($2013) for hospitals with the lowest and highest proportions of Medicaid patients, July 2011-June 2014.*



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 the impact of caring for Medicaid patients, we examined payments among hospitals with high and low proportions of Medicaid patients. Therefore, we compared the heart failure RSP for a 30-day episode of care for the 365 hospitals with the lowest overall proportion of Medicaid patients (≤ 7.1% of a hospital's patients) to the 366 hospitals with the highest overall proportion of Medicaid patients (≥ 29.6% of a hospital's patients). Hospitals with the lowest and highest proportions of Medicaid patients are designated as those that fall within the lowest and highest deciles of all hospitals with 25 or more qualifying admissions, respectively. The proportion of Medicaid patients for each hospital was determined using the American Hospital Association (AHA) Annual Survey Database Fiscal Year 2013 [3]. 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 2013 dollars.

TABLE I *Distribution of heart failure RSPs ($2013) for hospitals with the lowest and highest proportions of Medicaid patients, July 2011-June 2014.*

	Heart failure RSP ($2013)	
	Lowest proportion (≤ 7.1%) Medicaid patients; n=365	Highest proportion (≥ 29.6%) Medicaid patients; n=366
Maximum	21,659	20,804
90%	17,526	17,600
75%	16,549	16,211
Median (50%)	15,385	15,067
25%	14,464	14,028
10%	13,727	13,328
Minimum	11,479	11,695

The median heart failure RSP for hospitals with the highest proportion of Medicaid patients was $15,067 (interquartile range [IQR]: $14,028-$16,211). The median heart failure RSP for hospitals with the lowest proportion of Medicaid patients was $15,385 (IQR: $14,464-$16,549; Figure 1 and Table 1).

Hospitals with the lowest proportion of Medicaid patients had a median heart failure RSP that was $318 higher than hospitals with the highest proportion. Payment results alone are not an indication of quality.

1. "Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals, Final Rule." Federal Register / 22 August 2014; http://federalregister.gov/a/2014-18545. Accessed 16 June 2015.

2. Kim N, Ott L, Hsieh A, et al. 2015 Condition-Specific Measure Updates and Specifications Report Hospital-Level 30-Day Risk-Standardized Payment Measures: Acute Myocardial Infarction – Version 4.0, Heart Failure – Version 2.0, Pneumonia – Version 2.0; https://www.qualitynet.org/dcs/ContentServer?c=Page&pagename=QnetPublic%2FPage%2FQnetTier4&cid=1228774267858. Accessed 26 June 2015.

3. AHA Annual Survey Database Fiscal Year 2013; http://www.ahadataviewer.com/book-cd-products/aha-survey/. Accessed 26 June 2015.