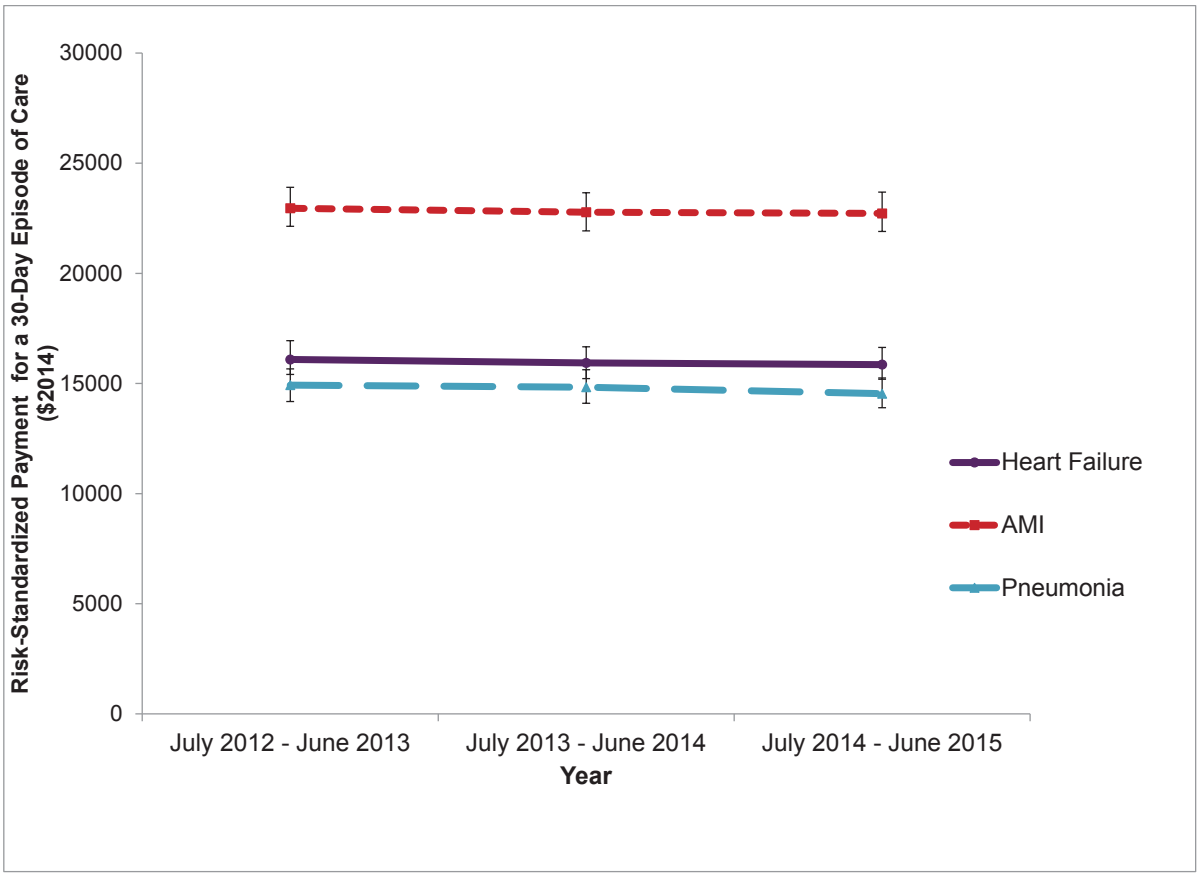
PAYMENT

Trends in risk-standardized payments across hospitals for a 30-day episode of care following admission for acute myocardial infarction, heart failure, and pneumonia.

The Centers for Medicare & Medicaid Services (CMS) periodically provides an overview of national results trends for episode-of-care payments associated with hospital admissions for specific medical conditions [1]. The payment measures assess 30-day episode-of-care payments that begin with an index admission for acute myocardial infarction (AMI), heart failure, and pneumonia. The measures include admissions for Medicare fee-for-service (FFS) beneficiaries aged 65 or older [2]. CMS began publicly reporting risk-standardized payment (RSP) associated with a 30-day episode of care for AMI in 2014; and for heart failure and pneumonia in 2015 [3]. Publicly reported measure results are updated annually on the *Hospital Compare* website. These measures capture 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) [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. It is important to note that the AMI, heart failure, and pneumonia payment measure results alone are not an indication of quality. For 2016 public reporting, the pneumonia payment measure does not reflect the cohort change of the pneumonia mortality and readmission measures [2].

FIGURE I. *Trends in the median hospital RSPs ($2014) for AMI, heart failure, and pneumonia, July 2012-June 2015.*



PAYMENT

Examining trends in hospital results for the condition-specific payment measures 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 these measures, we examined hospitals' RSPs for each year of the July 2012-June 2015 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 [2]. Additionally, for this reporting period, all payments were inflation-adjusted to 2014 dollars.

TABLE I. *Trends in the median hospital RSPs ($2014) for AMI, heart failure, and pneumonia, July 2012-June 2015.*

	Median (IQR) of Hospital RSPs ($2014)		
	July 2012-June 2013	July 2013-June 2014	July 2014-June 2015
AMI	22,953 (22,135, 23,905)	22,774 (21,927, 23,658)	22,721 (21,901, 23,687)
Heart Failure	16,090 (15,410, 16,943)	15,936 (15,221, 16,665)	15,855 (15,192, 16,636)
Pneumonia	14,924 (14,180, 15,662)	14,833 (14,101, 15,623)	14,537 (13,899, 15,250)

The median hospital RSP for AMI decreased by $232 between July 2012 and June 2015 (Figure 1 and Table 1). Over this three-year period, the median hospital RSP for heart failure decreased by $235, and the median hospital RSP for pneumonia decreased by $387 (Figure 1 and Table 1). The bars on the graph in Figure 1 represent the interquartile range (IQR).

Hospital RSPs for an AMI, heart failure, and pneumonia episode of care decreased by $232, $235, and $387, respectively, between July 2012 and June 2015.

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 May 9, 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.