CMS Readmission Reduction Program:
HEART FAILURE
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CMS Readmission Reduction Program

- Established by the Affordable Care Act in 2010
- Effective for hospital discharges beginning on October 1, 2012
- “Readmission” defined as an admission to a hospital within 30 days of a discharge from the same or another hospital
- Hospitals with excessive readmissions are penalized a percentage of their Medicare base rate
CMS Readmission Penalty

- Adopted readmission measures for the applicable conditions of Acute Myocardial Infarction (AMI), Heart Failure (HF) and Pneumonia (PN);
- Established a methodology to calculate the excess readmission ratio for each applicable condition, which is used, in part, to calculate the readmission payment adjustment.
- A hospital’s excess readmission ratio for AMI, HF and PN is a measure of a hospital’s readmission performance compared to the national average for the hospital’s set of patients with that applicable condition.
- Established a policy of using the risk adjustment methodology endorsed by the NQF which includes adjustment for factors that are clinically relevant including patient demographic characteristics, comorbidities, and patient frailty.
- Established an applicable period of three years of discharge data and the use of a minimum of 25 cases to calculate a hospital’s excess readmission ratio of each applicable condition.
CMS Readmission Penalty

**Readmissions Adjustment Factor =**

- For FY 2013, the higher of the Ratio or 0.99 (1% reduction);
- For FY 2014, the higher of the Ratio or 0.98 (2% reduction).
- For FY 2015, the higher of the Ratio or 0.97 (3% reduction)
Beginning in FY 2015, there are two new measures included in the Readmission program: (1) patients admitted for an acute exacerbation of chronic obstructive pulmonary disease (COPD); and (2) patients admitted for elective total hip arthroplasty (THA) and total knee arthroplasty (TKA).
## Kentucky Rank

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