

MDS Alert

Industry News You Can Use: Prepare For Payment Incentives To Reduce Hospital Readmissions

Nearly half of hospitalizations among your residents are preventable, CMS claims.

The **Centers for Medicare & Medicaid Services** (CMS) has released new data showing promising results on its initiative to reduce avoidable hospitalizations among skilled nursing facility (SNF) residents. And this emerging data is pushing forward new Medicare payment incentives for SNFs.

On Feb. 3, CMS released the annual report summarizing the results from the "Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents" in 2014, the second performance year of the pilot initiative. The pilot aimed to test ways to reduce avoidable hospitalizations among long-stay SNF residents.

CMS research has estimated that 45 percent of hospitalizations among SNF residents were preventable using well-targeted interventions. In 2014, all seven SNF participant sites generally experienced reductions in Medicare expenditures, with statistically significant reductions in total Medicare expenditures at two sites in particular.

Also, all sites generally experienced a decline in all-cause hospitalizations and potentially avoidable hospitalizations, with four sites showing statistically significant reductions in at least one of the hospitalization measures, according to CMS.

The initiative for reducing avoidable hospitalizations among SNF residents came on the heels of major success in the nationwide initiative to reduce inappropriate use of antipsychotic medications in SNF residents through the National Partnership to Improve Dementia Care. And CMS expects to gather more data from the hospital readmissions initiative's results to gain a more complete understanding of its impacts.

"These early results are promising," CMS Principal Deputy Administrator and Chief Medical Officer **Patrick Conway, MD** said in the Feb. 3 announcement. "As we plan for new Medicare payment incentives to reduce hospital readmissions from skilled nursing facilities, these results provide early indications that when the right strategies are in place, they may effectively reduce hospitalization rates and reduce overall Medicare spending."

Links: The full report on the 2014 results is available at <https://innovation.cms.gov/Data-and-Reports/index.html>. Also, you can access more information about the new Medicare payment incentives to reduce hospital readmissions at www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-08-27.html.