

# How health care is paid for appears to impact outcome

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Whether an individual is treated for a hip fracture at a hospital reimbursed by Medicare or is treated at a Department of Veterans Affairs Medical Center makes a significant difference in what happens to the patient after release from the medical facility, according to a large study which may contribute to the ongoing debate on how to pay for health care.

The seven-year study, which appears in the February 2010 issue of the *Journal of the American Medical Directors Association*, found that while 49 percent of those who had a [Medicare](#) reimbursed procedure went to nursing homes, only 35 percent of those treated at VA facilities were discharged to a nursing home. The complete explanation for this difference requires future study of institutional differences, patient transitions between care settings, and other issues as well as reimbursement policies.

VA hospitals do not have the financial incentives that impact the decision to discharge that exist outside the VA. [Hip fracture](#) patients at a VA facility were hospitalized for an average of 14 days as opposed to seven days at non-VA facilities.

Death rates were similar for veterans with hip fracture whether cared for under Medicare or at a VA hospital.

The study looked at post-hip fracture surgery data from 43,165 veterans hospitalized at Medicare paid facilities and 12,539 veterans treated at

VA hospitals. The average age of the veterans was 79 years and men constituted 95.8 percent of the patient population. Hip fractures are the second most common type of osteoporotic fracture worldwide.

"While we think it makes sense for patients to have shorter hospital stays, we need to realize that the length of stay in the hospital is only part of the equation of the cost of the [health care](#) of that individual. It may be that we should make the hospital stay longer to enable the individual to be discharged in optimal condition for the next phase of their care," said corresponding author Dustin French, Ph.D., Regenstrief Institute investigator and assistant professor of medicine at the Indiana University School of Medicine. Dr. French is a health economist who studies health outcomes.

"Under the current Medicare reimbursement system, the healthcare system is not given an incentive to help patients live independently and age successfully after they are discharged. Further investigation is needed, but we believe our findings point to the importance of patient-centric restorative care both prior to and after discharge as being good for the health-care system as well as the patient," said Dr. French, who is also a research scientist with the Center of Excellence on Implementing Evidence Based Practice at the Richard A. Roudebush VA Medical Center.

Provided by Indiana University School of Medicine

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