

# More penalties on the way for hospitals that treat the poor? New study suggests so

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Last week, the federal government revealed that it will fine more than 2,600 hospitals in the coming year, because too many Medicare patients treated at these hospitals are ending up back in the hospital within 30 days of going home. Two new conditions have been added in this round of penalties: elective hip and knee replacement and chronic lung disease.

Now, a new University of Michigan analysis shows that penalties for [chronic lung disease](#) will have a greater impact on hospitals that care for poor and [minority patients](#). The findings are published in *The American Journal of Respiratory and Critical Care Medicine*.

Approximately one in five Medicare patients are rehospitalized within 30 days of discharge, a rate the Centers for Medicare & Medicaid Services (CMS) considers excessive.

Since 2012, CMS has reduced payments to hospitals with excessive readmission rates for patients with heart failure, heart attack, or pneumonia.

Now, CMS is also including readmissions for hip/[knee replacement](#) surgery and chronic obstructive pulmonary disease – also known as COPD – in their calculations of a [hospital's](#) penalties.

"We worry that this policy may cause more harm than good," says author Michael Sjoding, M.D., a pulmonary and critical care fellow in the U-M Medical School's Department of Internal Medicine. "Medicare is trying

to improve patient care and reduce waste, but the hospitals they are penalizing may be the ones who need the most help to do so."

For the study, researchers evaluated three years of data on 3,018 hospitals that cared for patients with COPD. They found that, based on readmission rates in the past, teaching hospitals and safety-net hospitals will bear the brunt of the new financial penalties.

These hospitals often care for a larger number of poor or medically complex patients with COPD—who are at a higher risk for readmissions because of a large number of socioeconomic and health factors.

CMS's Hospital Readmission Reduction Program was designed to stimulate hospitals to improve the quality of care for select diagnoses by providing financial incentives to lower readmissions. But research shows many times patients get readmitted for reasons outside a hospital's control.

"If patients can't afford medications, or have unstable housing situation, they may end up being readmitted to the hospital," says Sjoding. "No interventions to date have effectively and sustainably reduced COPD readmissions, so it's unclear what a hospital can do to prevent them."

Prior studies found penalties for other conditions may also target hospitals caring for vulnerable patients. Experts have recommended that the policy should be changed, but whether Medicare will make any changes to address the issue is not clear.

Provided by University of Michigan Health System

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