

Study: Where hospitals send surgery patients to heal matters a lot for health care costs

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Thousands of times a day, doctors sign the hospital discharge papers for patients who have just had surgery, and send them off to their next destination. About half of those patients will get some sort of post-surgery care to help them heal and get back into life.

But a new study finds huge variation in where they end up, depending on where they had their operation. And that variation in turn leads to huge differences in how much their care costs, the research shows.

The study, published in *Health Affairs* by a University of Michigan team, looks at the impact of sending [patients](#) home with some in-house or outpatient help, compared with sending them to a skilled nursing facility or an inpatient rehabilitation center.

The researchers looked at the type and cost of post-hospital care received by hundreds of thousands of patients covered by traditional Medicare in the 90 days after they had one of three common operations: hip replacement, heart bypass surgery, or removal of a part of their colon, called colectomy. They divided patients up by which hospital they had their operation at, and looked over a three-year period at how those hospitals compared.

Some hospitals, they found, had average post-acute care costs for a surgical patient that were three times as high as other hospitals.

But after the researchers looked closer at where each of those hospitals

tended to send their patients, those cost differences shrank markedly.

In the end, a hospital's decision to send a post-surgery patient to an inpatient rehabilitation facility was the key driver of total 90-day post-hospital costs. To a lesser extent, the decision to send the patient to a skilled nursing facility also drove costs, compared with prescribing in-home care or outpatient rehabilitation.

Doctors have little official guidance or objective measurements to help them decide which patients will do best in each setting, says Lena Chen, M.D., the lead author of the study and an assistant professor at the U-M Medical School.

"Based on these findings, and others, we can see that it's going to be really important to find out which type of care setting will have value to which patients, and when," she says. "We need to better understand how to do what's best for each patient."

The need for such tools is even more important now, because hospitals are increasingly being penalized or rewarded financially by Medicare for the total cost of their surgical patients' care - even in the weeks after the patient leaves the hospital.

Accountable care organizations and bundled payment programs are all incentivizing hospitals and health systems to do things that will get the most value out of Medicare dollars - including spending on post-hospital care. For instance, the Hospital Value-Based Purchasing Program is penalizing hospitals that spend more than their peers on "episodes of care" that start just before a patient enters the hospital, and ends 30 days after they leave the hospital.

More about the study

The researchers looked at Medicare data from 2009 to 2012 from 231,744 hip replacement patients treated in 1,831 hospitals; 218,940 bypass patients treated in 1,056 hospitals, and 189,229 colectomy patients treated in 1,876 hospitals. They accounted for differences in patient populations and the prices for care in different parts of the country.

Even though skilled nursing facilities charge for every day that a patient is there, the length of stay in such facilities didn't matter nearly as much as the decision to send a patient to such a facility or to a rehab facility, compared with the lower-cost home-based or outpatient care.

How to decide which patients could benefit most from each type of post-hospital care will rely on good uniform measures of how well patients are functioning at the time they leave the hospital - and the time they finish their post-hospital care. The agency that runs Medicare is testing a tool called the Continuity Assessment Record and Evaluation (CARE) Item Set that will help with this.

But also important, Chen says, is the amount of social support a patient has - whether he or she has a relative or friend available to help out at home or transportation to outpatient rehab appointments, for instance. The availability of high-quality post-acute care in the local area around the patient also matters a lot. Those factors couldn't be included in this study.

Educating patients and families about their post-surgery options before and after the operation is also important, she notes. If patients understand the different options and how the type of care differs from setting to setting, they and their loved ones can convey what they prefer. And that can be factored in as the doctor is preparing to write the discharge orders and the care team is making the arrangements for post-[hospital](#) care.

And while much effort is going into helping reduce length of stay in nursing facilities, Chen notes, the need for research on what patients get the most benefit from what post-acute care settings may be even greater from a cost perspective. "Once providers better understand what setting has value and when, the payment system can better incentivize appropriate decisions," she notes. "Right now, we know so little about what is the best, and who gets the most benefit from the highest-cost options."

More information: Lena M. Chen et al, Spending On Care After Surgery Driven By Choice Of Care Settings Instead Of Intensity Of Services, *Health Affairs* (2017). [DOI: 10.1377/hlthaff.2016.0668](https://doi.org/10.1377/hlthaff.2016.0668)

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