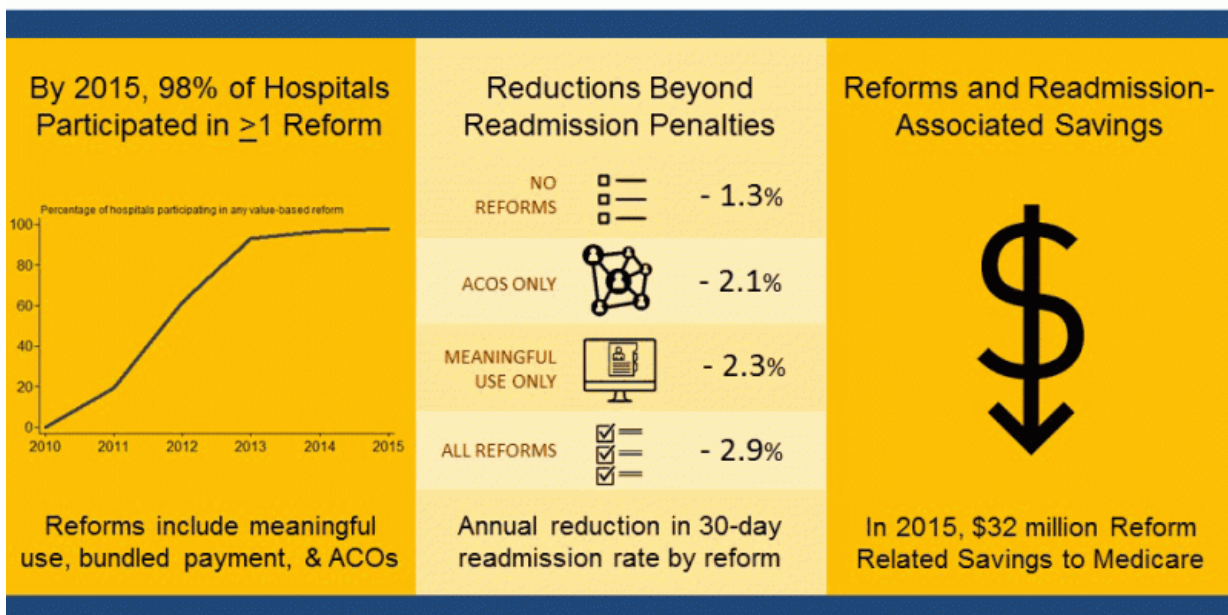


# Voluntary value-based health programs dramatically reduce hospital readmissions

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## Hospital Participation in Value-Based Reforms Reduced Readmissions & Medicare Spending



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When it comes to programs that improve quality and cost in hospitals

new research from the University of Michigan finds a carrot is indeed better than a stick.

Participation in one or more voluntary value-based [health](#) care programs had a greater impact on keeping patients from returning to the hospital within 30 days for three common diagnoses than the government's mandatory program that penalizes [acute care facilities](#) for high readmission rates, U-M researchers found.

In fact, when looking at the combined impact of the three voluntary programs to improve hospital quality and value, researchers found 2,400 fewer people out of nearly 275,000 heading back to the [hospital](#), and a savings in 2015 of \$32 million from reduced readmissions.

The three value-based reforms are the Meaningful Use of Electronic Health Records program, the Accountable Care Organization programs and the Bundled Payment for Care Initiative.

"This, to us, was encouraging and makes us think there is a reason to believe these value programs are reinforcing the broader push to value-based care," said lead author Andrew Ryan, associate professor in the School of Public Health Department of Health Management and Policy. "Our findings show the importance of a multi-pronged Medicare strategy to improve quality and value."

The research is featured in the April online issue of the *Journal of the American Medical Association Internal Medicine*.

The researchers tracked patients from 2,877 hospitals that received care from 2008 to 2015 for acute myocardial infarction (heart attack), heart failure and pneumonia.

They looked at hospitals that had adopted the voluntary programs and

compared them with others that had not. All hospitals were subject to the Hospital Readmission Reduction Program, which reduces payments to hospitals that have excessive readmissions.

The Meaningful Use program that began in 2011 offered incentives for [health care providers](#) to adopt [electronic health records](#) to improve quality and safety for patients through improved care coordination. It also provided valuable data that could be used to help researchers and others trying to find solutions for health problems. Voluntary at first, the program in 2015 began penalizing those that did not meet meaningful use criteria.

Accountable Care Organizations, first established in 2012, represent groups of doctors, hospitals and other care providers that have voluntarily come together to better coordinate care for Medicare patients, avoid costly duplication of services, and help prevent medical errors. Participating providers share in the savings they achieve for Medicare.

The Bundled Payment for Care Initiative, which started in 2013, pays health care providers that participate a set amount for a single episode of care—like a specific surgery—rather than for separate services. This saves the system money for which the participants are rewarded.

Some of the programs were instituted as part of the American Recovery and Reinvestment Act of 2009 and others came about with adoption of the Patient Protection and Affordable Care Act in 2010.

Research to date has been mixed as to the success of these and other quality and cost saving programs individually. This is believed to be the first study to look at the three in combination, Ryan said, and it could be that some of the key to success is from the synergies and mutually reinforcing goals of each.

For example, providers that use electronic records are encouraged to enter information into computers about medications and clinical decisions that can be useful in care coordination.

"We're having the chance to learn from Medicare's experiments to improve value," Ryan said. "The programs haven't been an unmitigated success but we see places they are working.

"We should be optimistic about how successful these programs are. It would be a shame to put the brakes on now," he said, referring to current efforts to repeal or replace the Affordable Care Act. "This is the right way to pay for [health care](#)."

**More information:** Andrew M. Ryan et al. Association Between Hospitals' Engagement in Value-Based Reforms and Readmission Reduction in the Hospital Readmission Reduction Program, *JAMA Internal Medicine* (2017). [DOI: 10.1001/jamainternmed.2017.0518](https://doi.org/10.1001/jamainternmed.2017.0518)

Provided by University of Michigan

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