

# Readmission penalties for safety net hospitals drop under new rules

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Dr. Ambarish Pandey, Assistant Professor of Internal Medicine at UT Southwestern, Texas Health Resources Clinical Scholar. Credit: UT Southwestern Medical Center

Readmission penalties against hospitals providing care to

socioeconomically disadvantaged patients have dropped 14 percentage points under new rules adopted in 2019 that more equitably account for low-income populations being served, according to a new analysis led by UT Southwestern Medical Center and Harvard researchers.

Hospitals serving low-income populations have traditionally been disproportionately penalized for [hospital readmissions](#) under the Hospital Readmissions Reduction Program designed to reduce health system costs, explained Dr. Ambarish Pandey, Assistant Professor of Internal Medicine at UT Southwestern and senior author. The new rules adopted in 2019 instead compare similar hospitals, such as groups of large safety net hospitals.

The stratified payment method had the most significant impact among the hospitals serving socioeconomically disadvantaged populations, reducing penalties by 14 percentage points. Across all hospitals, the savings were about 4 percentage points," said Dr. Pandey, a Texas Health Resources Clinical Scholar. "The more equitable distribution of penalties among these hospitals lessens the burden carried by hospitals caring for patients of low socioeconomic status."

The investigation of more than 3,000 hospitals is one of the first to examine the effectiveness of the new rules to help level the playing field by comparing penalties for all hospitals to the reclassified hospitals that serve low socioeconomic status populations for four targeted [medical conditions](#):

- Acute myocardial infarction ([heart attack](#))
- Heart failure
- Chronic obstructive pulmonary disease
- Pneumonia.

"The results also show the greatest reductions in readmissions came in

heart-related conditions," said Dr. Pandey, a cardiologist whose clinical expertise focuses on prevention of cardiovascular disease.

Researchers found the Hospital Readmission Reduction Program:

- Reduced penalties from 79 percent to 75 percent across all hospitals (a 4 percentage point reduction).
- Reduced penalties from 91 percent to 77 percent across safety net hospitals (a 14 percentage point reduction)
- Had the greatest impact on nonteaching, physician-owned hospitals in rural regions

The research appears in *JAMA Open Network*. This research was performed in collaboration with investigators from different U.S. institutions including Brigham and Women's Hospital, Massachusetts General Hospital, Northwestern University, and UCLA Health.

"Our study findings highlight the benefits of an effective policy modification by the Centers for Medicare and Medicaid Services (CMS)," said Dr. Cian P. McCarthy, lead author from Massachusetts General Hospital.

"Dual-eligible patients, those eligible for both Medicare and Medicaid, represent a complex, high-risk cohort that account for a third of spending in both programs," said Dr. Muthiah Vaduganathan, co-first author from Brigham and Women's Hospital. "The new stratified peer group-based assessment of [hospital](#) performance is a welcome initial step and addresses variation in care provided to dual-eligible patients across hospital systems in the U.S."

Provided by UT Southwestern Medical Center

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