

# When it comes to reducing hospital readmissions, financial penalties work

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Credit: Anne Lowe/public domain

Hospitals that were financially penalized for too many readmissions were more likely than non-penalized institutions to subsequently reduce readmissions for all conditions, according to a new study by Yale School of Medicine researchers and colleagues in the *Journal of the American Medical Association*.

Reducing [readmissions](#) has become a national priority. The Hospital Readmission Reduction Program (HRRP) was enacted as part of the Patient Protection and Affordable Care Act and imposed financial penalties beginning in Oct. 2012 for hospitals with higher-than-expected readmissions for three conditions: [acute myocardial infarction](#) (AMI; heart attack), [congestive heart failure](#), and pneumonia among fee-for-service Medicare beneficiaries.

Since the program began, thousands of hospitals have been subjected to nearly \$1 billion in penalties for not reducing readmissions. To determine whether these penalties resulted in fewer readmissions for the three target conditions, as well as for all conditions, Nihar R. Desai, M.D., assistant professor of medicine at Yale School of Medicine and colleagues looked at data from 2008 and 2015.

"We found that hospitals that were subject to penalties under HRRP had more significant reductions in readmissions than hospitals that were not penalized," said Desai. "In addition, hospitals that were subject to penalty also seemed to focus their efforts on reducing readmissions for conditions that were the basis of the penalty. In contrast, hospitals that weren't penalized seemed to reduce readmissions across all conditions."

Desai said that hospitals seem to have responded to these external policy initiatives, indicating that they indeed work, but he noted that readmission reductions have plateaued since the initial push.

"We know that not all readmissions are preventable, but we are also looking for ways to improve readmission numbers even further," said Desai. "We're exploring whether additional reductions in readmissions are attainable and feasible and what kind of policy environment would be needed to foster those additional reductions."

**More information:** Nihar R. Desai et al, Association Between

Hospital Penalty Status Under the Hospital Readmission Reduction Program and Readmission Rates for Target and Nontarget Conditions, *JAMA* (2016). [DOI: 10.1001/jama.2016.18533](https://doi.org/10.1001/jama.2016.18533)

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