

Preventing Hospital Readmissions: A \$25 Billion Opportunity



Targeting the \$25 billion spent annually on preventable hospital readmissions requires building on proven practices and implementing policy actions that target the root causes of the problem.²

Preventable hospital readmissions represent a significant source of wasteful health care spending. The causes of hospital readmissions are complex and systemic, resulting from poor discharge procedures and inadequate follow-up care.

Reducing preventable hospital readmissions requires building on a coordinated set of proven practices in the field coupled with policy actions in the public and private sectors.

THE PROBLEM

Scope of Hospital Readmissions

- Nearly one in every five Medicare patients discharged from the hospital is readmitted within 30 days.³
- Across all insured patients, the preventable readmission rate is 11 percent; for Medicare patients the rate is 13.3 percent.^{4,5}
- 836,000, or 12 percent, of the more than 7 million 30-day hospital readmissions that occur each year are preventable.⁶

Costs of Hospital Readmissions

- Preventable hospital readmissions cost the U.S. health care system an estimated \$25 billion annually.⁷

Reasons for Readmission

- Patients experience preventable medical errors and complications during the first hospital stay.
- Patients have limited or no access to effective post-hospital follow-up care (e.g. rehabilitation) in their communities.
- Patients and their families are inadequately informed about appropriate post-discharge care.
- Hospital records and discharge instructions are not effectively and efficiently disseminated to primary care clinicians and other post-discharge care providers to support the patient's recovery.

Types of Patients Readmitted

- Preventable readmission rates are highest among patients with heart failure, COPD, psychoses, intestinal problems and/or those who have had various types of surgery (cardiac, joint replacement or bariatric procedures).⁸

SOLUTIONS

Change Admission Procedures

- **Proven Practice:** Requiring that hospital admission authorization includes both the identification of a health care professional to manage post-discharge care and a process for health care professionals to receive hospital records and discharge plans.

Upgrade Discharge Processes

- **Proven Practice:** Requiring that discharge procedures include scheduling initial appointments

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Hospital readmissions can be prevented by improving procedures for admitting and discharging patients, providing enhanced follow-up care and utilizing HIT.

A number of tested policy actions have track records in reducing readmissions, including changing payment systems and creating new readmission-based quality measures.

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for patients with health care professionals who will provide follow-up care.

- **Proven Practice:** Creating clear and detailed discharge plans tailored to patients as well as other key stakeholders: family members, clinicians, case managers and payers.
- **Proven Practice:** Conducting medication reconciliation to ensure that pre- and post-discharge medication lists are consistent and utilize clinical pharmacists for post-discharge phone calls to monitor medication use.⁹

Improve Follow-up Care

- **Proven Practice:** Providing patients with timely access to community-based care, such as health care professional visits.
- **Proven Practice:** Using nurse advocates to arrange timely post-discharge follow-up appointments with patients' primary care providers.¹⁰

Enhance Technology Interventions

- **Proven Practice:** Using profiling systems to identify patients at high risk for readmissions and connect them to additional discharge support.¹¹
- **Proven Practice:** Monitoring patients in their homes using tele-health technologies to transmit clinical data to providers.
- **Proven Practice:** Empowering patients through tele-health systems to be better informed about their conditions and self-care measures they can take to prevent readmissions.

Reform Payment for Providers

- **Policy Action:** Reward providers with a share of net financial savings earned from reducing costly and preventable hospital readmissions.
- **Policy Action:** Create alternative payment models, such as bundled payments, to cover the entire episode of care and promote coordination and the delivery of high-value services.
- **Policy Action:** Encourage adequate payment for proven technologies that monitor and support compliance in patient groups at highest risk of readmission.
- **Policy Action:** Encourage private payers to follow Medicare's lead on reducing payments to hospitals for preventable hospital readmissions.

Expand Quality Measurement

- **Policy Action:** Measure whether patients received adequate continuity of care planning, including post-discharge instructions, information about help they will need at home, and symptoms they should watch for during their recovery.

THE PROBLEM

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SOLUTIONS

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