Preventing Hospital Readmissions: A $25 Billion Opportunity

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.

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...
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.

**SOLUTIONS**

- **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.
- **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.
- **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.

**THE PROBLEM**

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