



Market Update: Trends in Readmission Rates

Part 2

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RECOMMENDED FOR

Acute and post-acute care
strategy leaders

READING TIME

10 min.

A primer on acute care discharges



Background

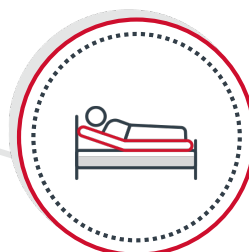
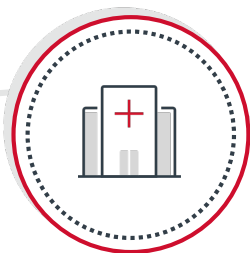
In response to increasing financial pressures to control health care costs, providers are looking to scale back spending and boost the efficiency of care delivery through improved patient throughput and streamlined care transitions. Hospitals that successfully improve episodic care efficiency while delivering high quality care can reap the benefits of lower overall costs. Likewise, post-acute providers that help hospitals streamline care delivery and improve patient transitions stand to profit from increased referrals and improved cross-continuum relationships.

While providers have worked to diminish episodic care variation by reducing length of stay, lowering readmission risk, and ensuring appropriate post-acute utilization, figuring out where providers should focus next can be a challenge. To help, this research note offers data driven insights so providers can determine where they have successfully controlled costs and where additional opportunities for improvements lie.



Data Source

This analysis was conducted using Medicare Fee for Service claims data ranging from Q1 2013 to Q2 2018. The data includes acute care length of stay, readmission rates, and volumes for patients transitioning to the next site of service for each Medicare severity-diagnosis related group (MS-DRG). The sites of discharge included in this analysis are skilled nursing facilities (SNF), inpatient rehabilitation facilities (IRF), long term care hospitals (LTACH), home health, and patients going home without home health care (patient home). Patients who expired or transitioned directly to another short term acute care hospital were excluded for the purposes of our analysis.



Research note in brief:

Part 2: Trends in readmission rates

Learn how changes in length of stay, patient complexity, and discharge disposition impact readmission rates. Furthermore, use this analysis to identify key focus areas to reduce readmission risk.

Executive summary

Key insights from Advisory Board's analysis of Medicare claims data

NOT INCLUDED IN THIS EXCERPT

1 Acute care length of stay has decreased

From 2013 to 2018, average acute care length of stay decreased by 0.3 days. Discharge disposition does not alter this trend—patients discharged with and without post-acute services are spending less time in the hospital than they used to.

INCLUDED IN THIS EXCERPT

2 Hospital readmission rates have trended downward, but not for all discharges

Despite the decrease in hospital length of stay, readmissions have trended down for patients transitioning to post-acute care, indicating that patients can be managed outside the hospital following shorter lengths of stay. For patients transitioning without post-acute support, results are less conclusive.

3 Post-acute utilization is down, and the post-acute patient population is changing

Overall, fewer patients are transitioning to post-acute settings. In addition, complex patients with multiple comorbidities now comprise a bigger portion of the post-acute patient population, a trend likely to continue.

4 Patient diagnosis doesn't dictate discharge disposition

Patients with similar conditions are discharged to both post-acute settings and directly home. Determining a patient's discharge setting is based on more than just clinical factors, but the substantial overlap suggests the need to further segment the types of conditions each discharge setting is equipped to treat.

Hospital

- Learn where hospitals have successfully reduced acute care spending
- Identify new opportunities to reduce hospital length of stay



Post-acute care

- Understand industry trends leading to lower post-acute utilization
- Determine where post-acute support can help hospitals further reduce acute care spending



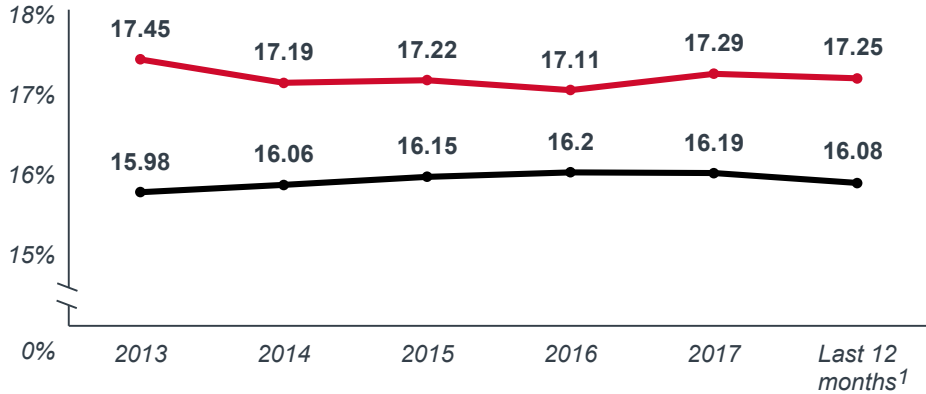
Trends in readmission rates

Part
2

Acute care length of stay is at a five year low

30-day readmission rates, by discharge disposition

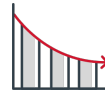
Medicare FFS discharges, Q1 2013-Q2 2018



Hospitals are managing to prevent readmissions, especially if patients have post-acute support



Although readmissions for patients discharging without post-acute support were lower than for patients with post-acute care, the overall readmission risk did increase. This indicates that more work needs to be done to strike a balance between discharging patients sooner without increasing readmissions.



The overall decrease in readmission rates for post-acute discharges demonstrates that post-acute providers can effectively manage patients sooner in their care episodes.

30-day readmission rates, by discharge disposition

Medicare FFS discharges, Q1 2013-Q2 2018

	2013	2015	Last 12 months
Patient Home	16.0%	16.2%	16.1%
Home Health	16.6%	16.3%	15.6%
SNF	20.4%	20.2%	20.6%
IRF	17.6%	17.8%	18.5%
Hospice	2.1%	1.98%	1.9%
LTACH	14.5%	14.2%	15.2%

LTACH discharges represent opportunities for improvement

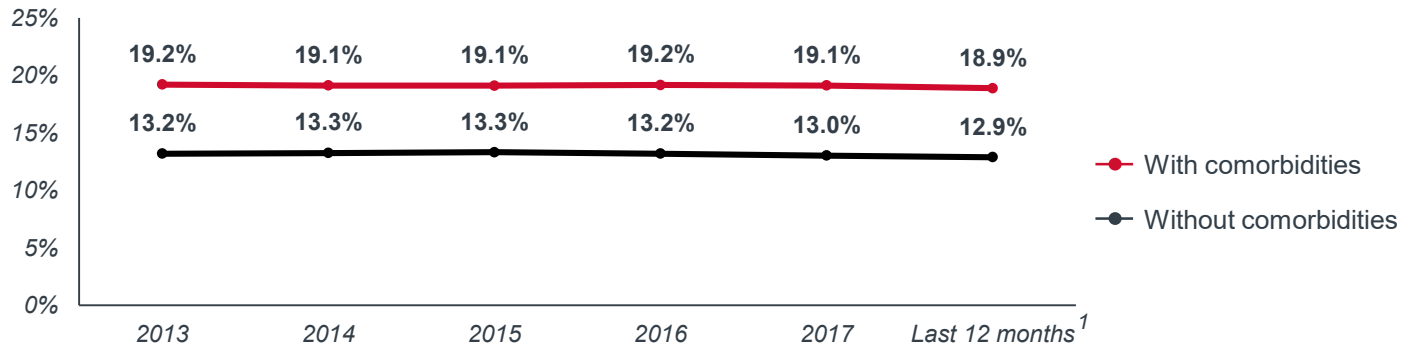
Increase in both LTACH readmission rates and length of stay mean hospitals need to manage LTACH disposed patients differently. As LTACHs often admit the highest acuity patients, hospitals should prioritize complex-patient management to effectively support these patients post-discharge.

1. Presents the most recent 12 month period during which the data was available. In this case, the time frame ranges from Q3 2017 to Q2 2018.

Overall readmission risk is down, even with comorbidities

30-day readmission rates for discharges without post-acute services

Medicare FFS discharges without PAC services, Q1 2013-Q2 2018



Comorbidities substantially increase risk of readmission, although the overall risk is slightly down



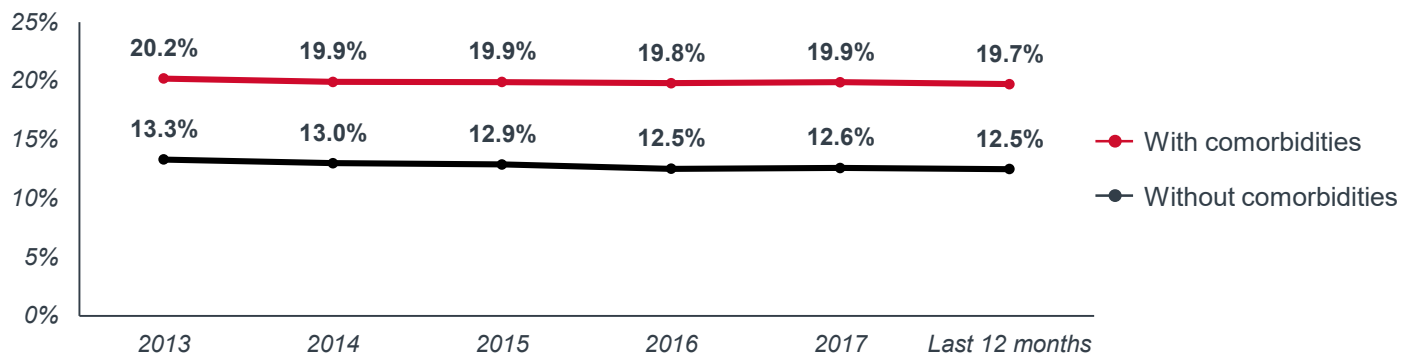
Readmission risk, even for patients with comorbidities, has decreased for patients discharging home without post-acute services.



Comorbidities still increase likelihood of readmission. Better follow up care post-discharge can provide necessary medical support to reduce readmission risk.

30-day readmission rates for discharges with post-acute services

Medicare FFS discharges with PAC services, Q1 2013-Q2 2018



Post-acute providers have lowered readmission risk for patients over time



Although patients with comorbidities are nearly twice as likely to be readmitted, the overall risk is still down for patients discharging with post-acute services.



Overall, post-acute providers have managed to reduce readmission risk for patients transitioning to post-acute care.

1. Presents the most recent 12 month period during which the data was available. In this case, the time frame ranges from Q3 2017 to Q2 2018.

Related resources to address readmission risk

Although hospitals and post-acute providers have made some strides in reducing readmission rates, additional improvements require an increased emphasis on readmission reduction strategy, especially for patients discharging without any post-acute support.

See below for a preview of resources Advisory Board members can use to calculate readmission risk, identify gaps in follow up procedures, and support patients to further reduce readmission risk.

Understand your organization's readmission risk:



Implementation resource: [Post-Acute Pathways Explorer](#)

Use the interactive Pathways Explorer to access readmission data for your organization.

Prepare for an efficient discharge:



Research report: [10 Keys to an Efficient Post-Acute Episode, Part 1](#)

This research report provides strategies to strengthen post-acute collaboration and effective patient management strategies following the hospital stay.

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