



# *In the Literature*

Highlights from Commonwealth Fund-Supported Studies in Professional Journals

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## Recasting Readmissions by Placing the Hospital Role in Community Context

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**Authors:** Douglas McCarthy, M.B.A., Marian Bihrl Johnson, M.P.H., and Anne-Marie J. Audet, M.D., M.Sc.

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**Contact:** Douglas McCarthy, M.B.A., Institute for Healthcare Improvement, [dmccarthy@ihi.org](mailto:dmccarthy@ihi.org), or Mary Mahon, Assistant Vice President, Public Information, The Commonwealth Fund, [mm@cmwf.org](mailto:mm@cmwf.org)

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### The Issue

Avoidable hospital readmissions drive up costs and undermine health outcomes. As part of the Hospital Readmission Reduction Program, created by the Affordable Care Act, hospitals with excessive readmission rates for certain medical conditions now receive reduced Medicare payments. But hospitals are only one part of the readmissions problem and only one part of potential solutions, say researchers with the Institute for Healthcare Improvement and The Commonwealth Fund.

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### Getting All Stakeholders Involved

Typically, a “complex interplay” of personal, medical, and social factors determines whether a patient successfully recovers from a hospital stay or, instead, experiences a deterioration that leads to readmission, the authors say. A promising innovation from the State Action on Avoidable Rehospitalizations (STAAR) initiative—a multistakeholder approach developed by the Institute for Healthcare Improvement—calls for collaborative “cross-continuum” teams comprising staff from acute care, skilled nursing, home health, and ambulatory care facilities, as well as public health and social service providers and patients and their family caregivers. The teams improve communication and care transitions through assessment of patients’ full postdischarge needs, education of patients and family caregivers, follow-up care, and timely communication of patients’ needs to each care provider.

**“The Hospital Readmission Reduction Program has raised awareness of readmissions as an indicator of a fragmented health care delivery system. Yet financial penalties alone are not likely to drive change.”**

Reducing readmissions also requires new reimbursement methods in which hospitals and other providers share in both the costs of care and the savings achieved from high-quality, efficient care. “From a societal perspective, patients benefit from improved care coordination and payers benefit from reduced utilization,” the authors write. “For individual hospitals, however, reduced readmissions means that fixed costs must be spread across fewer encounters.” While some hospitals will be able to fill beds freed by fewer readmissions, others may need to make difficult adjustments because of reduced revenue.

## **Moving Beyond Penalties**

The Hospital Readmission Reduction Program has raised awareness of hospital readmissions, yet financial penalties alone are unlikely to drive change. The program does provide quality improvement support for hospitals with high risk-adjusted rates of readmissions. The authors suggest broadening the program to include all stakeholders involved in care coordination. In addition, public and private payers could structure payment policies that encourage community-oriented solutions to health care fragmentation.

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## **Citation**

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*This summary was prepared by Deborah Lorber.*