



Maryland
Hospital Association

February 27, 2018

Alyson Schuster, Ph.D.
Associate Director, Performance Measurement
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Dear Alyson:

On behalf of the Maryland Hospital Association's 64 member hospitals and health systems, we appreciate the opportunity to comment on the Health Services Cost Review Commission's (HSCRC) *Draft Recommendation for the Readmissions Reduction Incentive Program for Rate Year 2020*. We agree with staff's recommendation to leave unchanged many features of the policy, as the current version has been constructed to provide additional incentive to meet the requirements of the final year of the All-Payer Model. We also support the improvement and attainment targets proposed by staff, barring any extreme changes or volatility based on more recent data.

Including both attainment and improvement targets helps address inherent differences in hospitals' populations, and the influence on readmissions rates. While it has been clearly documented that differences in health status, health literacy, community and social resources affect readmissions, it is difficult to capture those differences with data in a way that can be used to adjust readmissions rates. Further, the National Quality Forum (NQF) in its July 2017 report, *Evaluation of the NQF Trial Period for Risk Adjustment for Social Risk Factors*, documented its experience evaluating the possibility of including adjustments for social risk factors in over 300 measures. As it relates to readmissions, NQF did not recommend adjusting for social risk factors because, although a relationship could be demonstrated between certain social risk factors and readmissions, the effect had limited impact on hospital performance scores or the performance of the risk adjustment model. This finding is consistent with HSCRC staff's finding in the spring of 2016, when Mathematica Policy Research modeled Maryland all-payer readmissions outcomes. It was demonstrated that HSCRC's existing DRG-SOI adjustment explained most of the variation in hospital readmissions rates, and that after including adjustments for age and gender, adding a composite social risk variable – the area deprivation index – had very little impact. The addition of social risk factors can add complexity with little additional explanatory value.

In the next demonstration, it will be important to identify readmissions attainment benchmarks for hospitals or groups of hospitals outside Maryland. Reducing readmissions has been a key indicator of success in hospitals' commitment to patients post discharge, and in managing chronic conditions in a cost effective setting. While that commitment will continue into the next demonstration, it will be wise to set realistic and not overly aggressive readmissions targets, as there is an inverse relationship between readmissions rates and mortality rates – hospitals with higher readmissions rates tend to have lower mortality rates.

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We look forward to continuing to work with the commission on the readmissions policy for performance year 2019 (fiscal year 2021). Should you have any questions, please call me at 410-540-5087.

Sincerely,



Traci La Valle, Vice President

cc: Nelson J. Sabatini, Chairman
Joseph Antos, Ph.D., Vice Chairman
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