



Reducing Avoidable Hospital Readmissions

There is great potential to improve quality and reduce Medicare payment through reducing unplanned, avoidable readmissions. MedPAC has estimated that Medicare spends \$17.4 billion on unplanned hospitalizations within 30 days of hospital discharge.ⁱ

\$520 Million

Savings in one year (2008) where home health is the first setting of post-acute care, reducing regional hospital readmissions to the national median by providing additional care management.

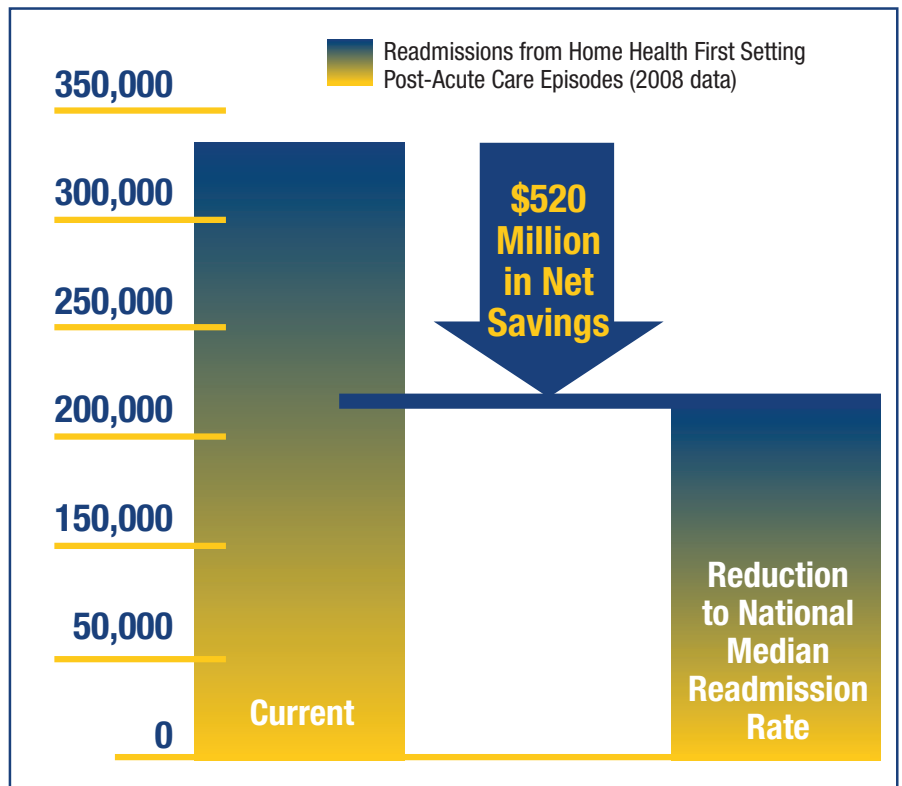
\$10.3 Billion

Medicare savings possible over ten years (2014-2023) if regional hospital readmissions are reduced to the national median rate by providing additional care management for home health first setting post-acute care episodes.

Medicare episode payments more than double when an episode contains at least one readmission



Reducing readmissions from home health first setting episodes



Source for all graphics: Dobson | DaVanzo analysis of research-identifiable 5% SAF for all sites of service, 2008, wage index adjusted by setting and geographic region. All analyses are conducted at the MS-DRG level.

i. Medicare Payment Advisory Commission (MedPAC), "Chapter 5: Payment policy for inpatient readmissions", Report to Congress: Promoting Greater Efficiency in Medicare (2007).