



For Immediate Release
June 20, 2013

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Hospital Group Praises MedPAC Recommendation

(Washington, D.C.) The National Association of Urban Hospitals praises the Medicare Payment Advisory Commission for calling for changes in Medicare’s hospital readmissions reduction program.

Under the current Medicare readmissions reduction program, hospitals found to have “excessive” readmissions of Medicare patients are penalized financially. Ever since the program was created, NAUH has maintained that it unfairly compares the readmissions rates of hospitals that care for large numbers of low-income seniors with those of hospitals that serve communities whose residents have enjoyed a lifetime of better access to quality medical care. Patients served by private, non-profit urban safety-net hospitals are typically sicker and more difficult to treat than the average hospital patient and generally have a more difficult time gaining access to the family, community, and medical support services they need to avoid readmission to the hospital. Comparing the readmissions of these hospitals to those that do not face such challenges is inappropriate, NAUH believes.

NAUH is not alone in this view. The article “A Path Forward on Medicare Readmissions,” published in the March 28, 2013 edition of the *New England Journal of Medicine*, concluded that “...there is now convincing evidence that safety-net institutions, as well as large teaching hospitals, are far more likely to be penalized under the HRRP [hospital readmissions reduction program]. Left unchecked, the HRRP has the potential to exacerbate disparities in care and create disincentives to providing care for patients who are particularly ill or who have complex medical needs.”

In its June 2013 report to Congress, MedPAC, which advises Congress on Medicare payment issues, signaled its agreement, calling for a new approach in which the readmission rates of hospitals that care for especially large numbers of low-income seniors are compared only to comparable hospitals for the purpose of determining whether they are readmitting too many Medicare patients.

“MedPAC’s recommendation is timely and appropriate,” said Ellen Kugler, NAUH’s executive director. “We share Medicare’s interest in doing everything possible to prevent costly, unnecessary hospital readmissions. MedPAC’s approach would give us a much better way to identify hospitals that are having problems and then find ways to help them. It would level the playing field by ending comparisons between hospitals whose patients, whose missions, and whose challenges are simply not comparable.”

The National Association of Urban Hospitals advocates for adequate recognition and financing of private, non-profit, urban safety-net hospitals that serve America’s needy urban communities. These urban safety-net hospitals differ from other hospitals in a number of key ways: they serve communities whose residents are much older and poorer; they are far more reliant on Medicare and Medicaid for revenue; they provide far more uncompensated care; and unlike public safety-net hospitals, they have no statutory entitlement to local or state funds to underwrite their costs. NAUH’s role is to ensure that when federal officials make policy decisions, they understand the implications of those decisions for these distinctive urban safety-net hospitals. NAUH pursues its mission through a combination of vigorous, informed advocacy, data-driven positions, and an energetic membership.

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