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How Do Hospitals Fare Under the New Readmissions Penalty?

To incentivize better care and reduce costs, Medicare's Hospital Readmissions Reduction Program penalizes hospitals that have a high share of patients with certain conditions readmitted to the hospital within 30 days of an initial discharge.

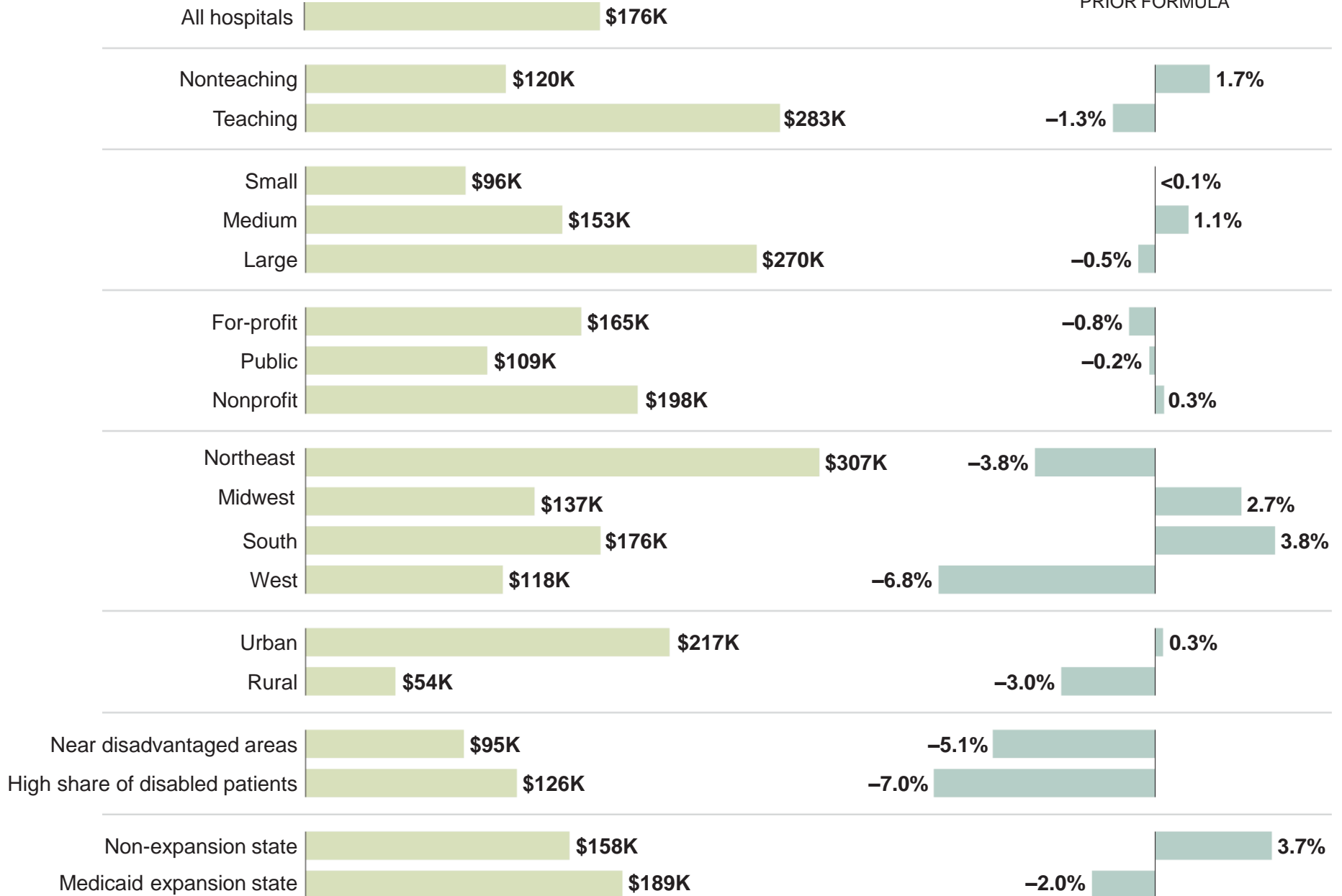
A change to the formula, implemented in fiscal 2019, adjusts scores based on social risk factors — hospitals with higher shares of “dual eligible” enrollees in Medicare and Medicaid, a proxy for poverty, will be compared with a peer group of hospitals to determine their penalty.

Source: Karen Joynt Maddox et. al., “Association of stratification by dual enrollment status with financial penalties in the Hospital Readmissions Reduction Program,” JAMA Internal Medicine

Financial penalties under the Hospital Readmissions Reduction Program, 2019

AVERAGE HOSPITAL PENALTY UNDER NEW FORMULA

CHANGE FROM PRIOR FORMULA



Change in HRRP penalties under the new formula, by state

