



Feds fine Holy Cross to curb readmissions

By Andrew Oxford

The Taos News, 8/8/2013

When a hospital discharges an elderly patient, Medicare officials are increasingly concerned not just that the patient is healthy but they will remain healthy.

“In a perfect world, when grandmother goes home you would have a caseworker there the next day,” Holy Cross Hospital CEO Peter Hofstetter said, adding that changes to federal policy are prompting concerns among healthcare providers about a slew of challenges facing discharged patients. “Are they taking their medications? Can they get a ride to their doctor’s appointment?”

The concern for federal officials is that patients who leave the hospital will soon return with the same ailment due to lack of care or resources at home and rack up new bills for a growing government program.

Starting Oct. 1, Holy Cross and 44 percent of New Mexico hospitals will be penalized by the Center for Medicare Services for failing to meet new standards to reduce readmission rates.

Holy Cross Hospital will see .11 percent of all Medicare payments deducted for one year under the Affordable Care Act’s Readmission Reduction Program.

Launched in October 2012, the initiative was designed to levy fines against hospitals where relatively high rates of Medicare patients returned for care within one month of being discharged from treatment for a heart attack, heart failure or pneumonia. The goal was to spur changes in care to ensure patients received support after discharge.

“[The Center for Medicare Services] is very clear about wanting to move from paying for quantity to paying for value,” said Margy Weinbar of HealthInsight New Mexico, an Albuquerque nonprofit that studies health care. The Readmission Reduction Program, Weinbar said, was one stick in the federal government’s carrot-and-stick approach to containing costs.

“I know where Medicare is coming from,” Hofstetter told

The Taos News. “It is the right way to provide care but the transition to the new system is clunky.”

Though the Affordable Care Act focused on hospitals in the bid to reduce readmission rates among the elderly, analysts say responsibility also rests with home health agencies, nursing homes and families.

“The hospitals are being held accountable for what is a community- wide issue,” Weinbar said.

Including stakeholders beyond the hospital’s walls to provide more comprehensive care for discharged patients, Hofstetter said, was key but could be costly.

“The system is not really paying us to do all these things,” Hofstetter said.

“That is the Catch-22,” he added, alluding to this year’s penalty.

The fine is only a fraction of each Medicare dollar the hospital receives and administrators could not project how it may impact the facility’s budget.

St. Vincent Hospital in Santa Fe will see the biggest fine among the 14 New Mexico hospitals facing penalties. The hospital will have .25 percent deducted from all Medicare payments, according to data from the Center for Medicare Services and Kaiser Health News.

Holy Cross tied Plains Regional Medical Center in Clovis for the second-largest penalty imposed on a New Mexico provider.

The Taos hospital was not penalized during the first year of the program.

Eight New Mexico hospitals will face smaller penalties in October than in the previous year.

Nationwide, 2,225 hospitals will pay more than \$227 million in fines and the average penalty will decline. Only 18 hospitals, according to data, will incur the maximum deduction of 2 percent from every Medicare payment.