Informational Notice

Date: July 26, 2012
To: Hospitals
Re: Medical Assistance Inpatient Hospital Services PPR Presentation

Overview
As a result of Public Act 097-0689 (pdf), referred to as the Save Medicaid Access and Resources Together (SMART) Act, the department of Healthcare and Family Services (HFS) is launching an important initiative to support the reduction of potentially preventable readmissions (PPRs) for Medical Assistance inpatient hospital services, effective with dates of discharge and liability incurred on or after October 1, 2012. As part of this initiative, the department will be measuring PPRs on an ongoing basis and adjusting prospective rates paid to hospitals whose actual PPR rate exceeds a predetermined target rate. Per the SMART Act, expenditures to hospitals during the State fiscal year ending on June 30, 2013, must be reduced by a total of $40 million.

The materials referenced below will provide additional information on HFS’ approach to identifying potentially preventable readmissions (using PPR software from the 3M Corporation) and calculating hospital-specific actual and target PPR rates.

PPR Presentation(s)
The department will be presenting how the PPRs are calculated and the department’s policy via a Webinar on Tuesday, July 31, 2012, from 1:30 p.m. to 3:30 p.m. CDT. We encourage all hospital providers to participate in the Webinar. Please complete your information to register for the PPR Presentation Webinar. Once registrations are completed HFS will send an invite to the Webinar.

Provider Information
On August 1, 2012, each hospital provider will receive a hospital-specific PPR report detailing calculations for their hospital. During the presentation on July 31, 2012, HFS will walk the providers through example hospital-specific reports and answer any provider questions. Additional information will be posted on the HFS Web site including the presentation, a sample of the hospital-specific reports and other pertinent information regarding PPRs and the department’s policy. HFS has created an online registration for hospitals to register and maintain their information, including Provider ID, Hospital name, city, contact name and e-mail address. You will be required to register to receive your hospital-specific reports. Please use the Hospital Registration link to register and to update your information. We thank you for your participation.

SMART Act Language
(d) The department shall establish benchmarks for hospitals to measure and align payments to reduce potentially preventable hospital readmissions, inpatient complications, and unnecessary emergency room visits. In doing so, the department shall consider items, including, but not limited to, historic and current acuity of care and historic and current trends in readmission. The department shall publish provider-specific historical readmission data and anticipated potentially preventable targets 60 days prior to the start of the program. In the instance of readmissions, the department shall adopt policies and rates of reimbursement for services and other payments provided under this Code to ensure that, by June 30, 2013, expenditures to hospitals are reduced by, at a minimum, $40,000,000.

Frank Kopel
Division of Finance