



## Ohio Administrative Code

### Rule 5160-2-14 Potentially preventable readmissions.

Effective: January 1, 2017

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#### (A) General provisions.

(1) All hospitals that are subject to the all patient refined diagnosis related groups (APR-DRG) prospective payment methodology utilized by the Ohio department of medicaid as defined in rule 5160-2-65 of the Administrative Code are subject to the potentially preventable readmissions (PPR) provisions set forth in this rule.

(2) Hospitals that have twenty or more medicaid discharges in the reporting year as described in paragraph (D) of this rule are subject to a PPR rate adjustment as described in paragraph (E) of this rule.

(3) PPR hospital report cards are available on the department's website at [medicaid.ohio.gov](http://medicaid.ohio.gov). Report cards will be updated biannually with the most current claims data as defined in this rule.

#### (B) Definitions.

(1) "Potentially preventable readmission (PPR)" is an inpatient readmission that meets all of the readmission criteria set forth in paragraph (C) of this rule, that follows a prior discharge from a hospital within thirty days and that is deemed clinically-related and clinically-preventable to the initial admission by the PPR software.

(2) "PPR software" is the "3M Health Information Systems" grouping software used to determine or group clinically-related and clinically-preventable inpatient hospital admissions.

(3) "Actual PPR rate" is the PPR rate computed as total clinically-related readmission chains as described in paragraph (B)(3)(a) of this rule, divided by the sum of initial admissions as described in paragraph (B)(3)(b) of this rule and only admissions as described in paragraph (B)(3)(c) of this rule.



(a) "Clinically-related readmission chain" is a series of admissions for the same patient where the underlying reason for readmission is related, as determined by the PPR software, to the care rendered during or within thirty days following a prior hospital admission. A clinically-related readmission may have resulted from improper or incomplete care during the initial admission or discharge planning process. The hospital where the initial admission occurred is responsible for the clinically-related readmission chain. Hospitalization resulting from an unpreventable or unrelated event occurring after discharge and planned readmissions are not considered clinically-related.

(b) "Initial admission" is an admission that is followed by a clinically-related readmission within the thirty day readmission period.

(c) "Only admission" is an admission where there was neither a prior initial admission nor a clinically-related readmission within the thirty day readmission period.

(4) "Expected PPR rate" is the PPR rate computed as total clinically-related readmission chains as described in paragraph (B)(3)(a) of the rule divided by the sum of initial admissions as described in paragraph (B)(3)(b) of this rule and only admissions as described in paragraph (B)(3)(c) of this rule.

The expected PPR rate is adjusted for severity of illness and risk of mortality by converting actual total clinically-related readmission chains into expected total clinically-related readmission chains by factoring in for each hospital its mix of adult and pediatric cases by DRG when compared to the statewide mix. Patients with a mental health comorbidity are also considered in the expected PPR rate when compared to the statewide mix.

(5) "Actual-to-expected ratio" is the actual PPR rate as described in paragraph (B)(3) of this rule divided by the expected PPR rate as described in paragraph (B)(4) of this rule.

(6) "Claims data" consists of fee-for-service claims and managed care claims data.

(7) "PPR rate adjustment" is a modification in the hospitals base rate as described in paragraph (E) of this rule.

(C) Readmission criteria.



(1) A readmission is a return hospitalization within thirty days of a prior discharge that meets all of the following criteria:

(a) The readmission is potentially preventable by the provision of appropriate care consistent with accepted care standards, based on the PPR software, in the prior discharge or during the post-discharge follow-up period.

(b) The readmission is for a condition or procedure that is clinically-related to the care provided during the prior discharge or resulting from inadequate discharge planning during the prior discharge.

(c) The PPR chain may contain one or more readmissions that are clinically-related to the initial admission. If the first readmission is within thirty days after the initial admission, the thirty day timeframe may begin again at the discharge of either the initial admission or the most recent readmission clinically-related to the initial admission.

(d) The readmission is to the same or to any other hospital.

(2) Readmissions, for the purposes of determining PPRs, excludes the following circumstances:

(a) The original discharge was a patient initiated discharge, was against medical advice (AMA), and the circumstances of such discharge and readmission are documented in the patient's medical record.

(b) The original discharge was for the purpose of securing treatment of a major or metastatic malignancy, major trauma, neonatal and obstetrical admission, transplant, HIV, and non-events as defined by the PPR software.

(c) Only admissions, which are defined by the PPR software and described in paragraph (B)(3)(c) of this rule. Planned readmissions are considered "only admissions" by the PPR software.

(D) Methodology to determine excess readmissions for calendar year 2017 and thereafter.



(1) Rate adjustments for calendar year 2017 for each hospital shall be based on each hospital's paid claims data for discharges that occurred on July 1, 2014 through June 30, 2015. For each calendar year thereafter, rate adjustments shall be based on each hospital's paid claims data from the state fiscal year ending the calendar year preceding the calendar year immediately preceding the effective date of the PPR rate adjustment.

(2) Excess readmission rates are calculated by dividing the hospital's actual PPR rate by the hospital's expected PPR rate.

(a) An actual-to-expected ratio as described in paragraph (B)(5) of this rule of one indicates that the hospital had readmissions within thirty days at a rate that is expected given their patient mix.

(b) An actual-to-expected ratio as described in paragraph (B)(5) of this rule of less than one indicates that the hospital had less readmissions within thirty days than is expected given their patient mix.

(c) An actual-to-expected ratio as described in paragraph (B)(5) of greater than one indicates that the hospital had more readmissions within thirty days than is expected given their patient mix.

(E) PPR rate adjustment.

(1) A hospital with excess readmissions defined as greater than one is subject to a reduction of their inpatient hospital-specific base rate equal to one per cent.

(2) The excess readmission penalty will be applied on January first of each calendar year and will remain in effect for that calendar year.