

NEWS RELEASE

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FOR IMMEDIATE RELEASE

NAPHS Releases First Study to Examine Readmissions within the Medicare Inpatient Psychiatric Facility Prospective Payment System (IPF PPS)

(Washington, DC, May 13, 2013)...The National Association of Psychiatric Health Systems (NAPHS) today released a new study by The Moran Company that is the first to examine readmission patterns within inpatient psychiatric facilities (IPFs) paid under the Medicare IPF prospective payment system (IPF PPS). Two types of facilities are included in the IPF PPS: 1) freestanding psychiatric IPFs (both governmental and nongovernmental) and 2) hospital-based ("distinct part") psychiatric units in general hospitals (both governmental and nongovernmental). Together, these facilities deliver inpatient psychiatric hospital care to more than 300,000 Medicare beneficiaries each year.

"As policymakers begin to examine the broad issue of hospital readmissions, NAPHS commissioned the study to help policymakers and healthcare providers have a baseline for understanding the characteristics of this specialty population and unique issues that may impact their readmission patterns," said NAPHS President/CEO Mark Covall. "All readmission policy discussions to date have focused solely on acute-care hospitals paid under Medicare's DRG system. This study offers the first look at readmissions in a Medicare population being treated specifically for psychiatric diagnoses in facilities paid under the inpatient psychiatric facility PPS. Facilities paid under the IPF PPS treat the majority (some 64% in 2008) of all Medicare inpatient psychiatric admissions, according to the Medicare Payment Advisory Commission (MedPAC)."

KEY FINDINGS

The study, which looks at 2010 Medicare fee-for-service claims data, provides these key insights.

- **The majority of Medicare beneficiaries treated in IPFs exhibit characteristics that the available literature associates as risk factors for hospital readmissions – including chronic psychiatric diagnoses, disability, and low income.**
- **Eighty percent of psychiatric discharges from IPFs had a primary diagnosis of either schizophrenia or episodic mood disorders (including depression), both of which are considered chronic psychiatric conditions and potential risk factors for readmission.**
- **The majority of beneficiaries who were readmitted to IPFs were disabled and dually eligible for Medicaid and Medicare.**
- **Beneficiaries who were readmitted to IPFs tended to be younger and more likely to be male.**
- **The study found 15% of all psychiatric discharges from IPFs were readmissions that occurred within 30 days. Only 5.4% of all psychiatric discharges from IPFs were readmissions that occurred within 7 days.**

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- **The total average length of stay (of all admissions) for beneficiaries readmitted to IPFs was greater than those who were not readmitted.**
- **Partial hospitalization has an impact on time to readmission.** Some patients received IPF services through a partial hospitalization program. Time to readmission for these Medicare beneficiaries was 131 days (vs. 59 days for those who did not participate in this program between admissions).

For a copy of The Moran Company study, *Medicare Psychiatric Patients & Readmissions in the Inpatient Psychiatric Facility Prospective Payment System*, go to www.naphs.org.

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The National Association of Psychiatric Health Systems advocates for behavioral health and represents provider systems that are committed to the delivery of responsive, accountable, and clinically effective prevention, treatment, and care for children, adolescents, adults, and older adults with mental and substance use disorders. Its members are behavioral healthcare provider organizations that own or manage more than 700 specialty psychiatric hospitals, general hospital psychiatric and addiction treatment units and behavioral healthcare divisions, residential treatment facilities, youth services organizations, and extensive outpatient networks. Founded in 1933, the association is headquartered in Washington, DC.

The Moran Company, located in Arlington, Virginia, is a healthcare research and consulting firm with expertise in the design, implementation, and evaluation of payment systems in Medicare, Medicaid, and the private sector

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