

# State and National Policy Initiatives - Past Performance

## ***Short Stay Hospitalizations and the Risk of Readmission***

The study "Short Stay Hospitalizations and the Risk of Readmission" was designed to explore whether the use of obstetrical hospitalizations less than one day in length have the result of increasing the readmission rate. The study used NPIC/QAS, New Jersey, and Massachusetts data on mothers and newborns in 1993 and 1989 to identify the trends in short stays and readmission rates over two points in time. The work identified that rates of re-hospitalizations changed and differential rates of readmissions were present for a specific payer group.

The impetus for this work emerged when the Maternal and Child Health Bureau identified that the rate of short stays was rising with very little known about the potential risks of such a broad based policy. The risk of re-hospitalization for mothers and newborns is one of a number of risks that were identified.

## ***Perinatal Health: Strategies for the 21st Century***

This three-year cooperative agreement between NPIC/QAS and the Maternal and Child Health Bureau, DHHS, was carried out by NPIC/QAS in collaboration with the College of Public Health at the University of South Florida.

"*Perinatal Health: Strategies for the 21st Century*" was a three year strategic planning effort designed to identify the most effective approaches to improving the organization and delivery of perinatal health services in the United States. The project was designed to obtain consultation from policy makers, providers, administrators, planners and academicians in shaping how the country should proceed in perinatal health as it moves into the next century.

Over the project period, numerous consensus workshops were held to discuss how to restructure perinatal health policy in six areas: health, benefits, financing, organization, quality assurance, professional development and health education. A national meeting was also held to build consensus concerning the ideas developed. The results of that meeting culminated in the final report of the project.

## ***New York Hospital Reimbursement Analysis***

January 1, 1988 marked the beginning of a DRG based reimbursement scheme for all New York payors. Similar to Medicare, this case specific reimbursement system was to be phased in over a three year period, giving hospitals time to prepare for state-wide payment rates. This study was aimed at predicting the impact of the 1990 New York reimbursement parameters on 1988 case mix of seven perinatal centers.



The study design involved using 1988 Clinical/Financial data, grouping the cases using the 1989 NY DRG grouper, and projecting reimbursement based on the 1990 blend rates set by the New York Department of Health. The analyses were aimed at identifying answers to the following questions:

- *What is the financial impact of the NY DRG system on case mix with special emphasis on perinatal cases, MDC 14 and 15?*
- *What is the impact of The New York 34 birth weight assigned Pediatric modified DRGs (PM-DRGs), other than the seven neonatal DRGs developed by Medicare.*

The New York study findings were consistent with other NPIC/QAS DRG findings. Low birth weight or high risk DRGs tend to create losses for perinatal centers. To offset the losses, centers need to maintain an adequate mix of normal and less acute infants, which is not an easily accomplished task given the competitive nature of health care systems today.

### ***Developing and Evaluating Options for Pediatric Prospective Payment***

The National Perinatal Information Center collaborated with the Health Care Research Unit at Boston University to evaluate the Children's Diagnostic Related Groups (CDRGs) designed by the National Association of Children's Hospitals and Related Institutions (NACHRI).

The primary objective of the project was identification whether the CDRG grouping system improved case-mix control compared to the Diagnosis Related Group (DRG) system of Medicare. Another important objective of the study was exploration of those factors which need to be considered in establishing prospective payment systems for pediatric patients. Other factors that could be included in the pediatric prospective payment system, included the education pass-through, wage index and other adjustments now in place, were examined.

