

AUGUST 11, 2017



# FRIDAY LETTER

ALABAMA HOSPITAL ASSOCIATION | WEEKLY RECAP

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In this week's *Friday Letter*...

## [Readmissions Penalties Announced](#)

Beginning this October, 2,573 hospitals nationwide will be penalized by as much as 3 percent a year for excessive readmissions, a Centers for Medicare & Medicaid Services (CMS) savings of \$564 million. Last year, CMS penalized all but 174 of the same hospitals for readmissions.

Since the rule's implementation, readmissions for conditions addressed by the rule for Medicare patients have dropped from 21.5 percent to 17.8 percent. The rate of reduction in readmissions has leveled off in recent years, suggesting a plateau in the level of improvements possible under the rule.