



## Medicare Readmissions Reduction (MRR) Coverage for Hospitals



The Centers for Medicare and Medicaid Services (CMS) Hospital Readmissions Reduction Program (HRRP) reduces Medicare payments to hospitals, which can significantly affect their bottom line. In fiscal year 2018, CMS will withhold \$564 million in reimbursements from nearly 2,600 hospitals across the country.

These withheld reimbursements represent lost revenues for hospitals with higher-than-average readmission rates. However, through our new Medicare Readmissions Reduction (MRR) product, hospitals can now gain valuable insurance coverage to mitigate the cost of withheld reimbursements.



### The high cost of readmissions

Established under the ACA, the HRRP requires CMS to reduce payments to acute care hospitals that see an excessive number of patients with certain conditions return within 30 days of their discharge. Through the HRRP, CMS withholds reimbursements to hospitals with high readmission rates for:

- Heart attacks
- Heart failure
- Pneumonia
- Chronic obstructive pulmonary disease
- Elective hip or knee replacements
- Coronary artery bypass grafts

Although Medicare readmission rates have fallen since 2012, CMS continues to withhold reimbursements to hospitals with relatively high readmission rates. For fiscal year 2018, CMS will reduce payments by up to 3% across all Medicare inpatient admissions for nearly four-fifths of all US hospitals regulated by the agency, according to a Kaiser Family Foundation analysis.

### Who it's for

For profit and nonprofit acute care hospitals operating in the US that are subject to CMS' HRRP requirements.

### What you get

For profit and nonprofit acute care hospitals operating in the US that are subject to CMS' HRRP requirements.

- Limits of up to 3% of qualifying annual HRRP inpatient fiscal year Medicare revenue.
- One hour of complimentary risk mitigation consultative services with CSK Healthcare Consulting LLC.
- No claim premium credit to be applied against any renewal policy purchased.

### Innovative insurance coverage

Underwritten by Ironshore and available exclusively through Marsh, our new MRR policy provides coverage to mitigate a hospital's risk of a potential reduction in Medicare reimbursements. The MRR Policy provides limits of up to 3% of annual inpatient Medicare revenue subject to HRRP.

In addition to the coverage, the policy also provides for one hour of complimentary risk mitigation consultation with CSK Healthcare Consulting LLC, plus access to additional services at discounted rates. These services can help hospitals:

- Better understand the financial impact of CMS readmission penalties.
- Evaluate factors that can contribute to penalties.
- Gain insight into potential reduction strategies.





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06/19

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