November 2009

# Analysis of Post Acute Care Episode Definitions

# **Data Chart Book**

Prepared for

### Susan Bogasky

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RTI Project Number 0208824.002.003



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### **INTRODUCTION**

## ANALYSIS OF POST ACUTE CARE EPISODE DEFINITIONS DATA CHART BOOK

In 2008, the Medicare program spent \$49.9 billion on post-acute care (PAC) services including skilled nursing facility (SNF), home health agency (HHA), inpatient rehabilitation facility (IRF), and long-term care acute hospitals (LTCH) (MedPAC, June 2009). This represents an increase of 8 percent over 2007 Medicare spending on PAC and much of the increase was driven by spending on HHA and SNF (MedPAC, June 2009). Given the payment silos for each provider type in the current post-acute care payment systems, there is little incentive for providers to work across settings to improve coordination of care and achieve efficiencies over a beneficiary's course of illness.

One idea that has recently been raised by policymakers to improve incentives for coordination and efficiency is "bundled payment." Under a bundled payment, one payment would be made per episode of care. An accountable entity (i.e., a hospital, an insurer, a PAC provider, groups of providers, or other organization) would then be at risk for the care patients receive over the episode. Recently, several Medicare "bundled payment" have been discussed.<sup>1,2,3,4,5</sup> Each propose making a bundled payment for hospital and PAC services, although they differ in which PAC services are included and the number of days' services included. These options vary in terms of the types of PAC services included and in terms of how the 30 day end point is defined (i.e., any claim initiating within 30 days versus 30 calendar days after discharge).

The goal of the work presented here is to inform this discussion of bundled payments by providing data on the implications of different episode definitions, including difference in average program costs when you include/exclude hospital readmissions or use different end points for the episode. The episode definitions explored in this work include both fixed episodes (30 days, 60 days, or 90 days) and variable length episodes defined as ending with a gap in service use (30-day gap, 45-day gap, or 60-day gap). Average Medicare payments per episode and per service are calculated for 18 different definitions of an episode. These definitions are based on analysis of Medicare claims data reflecting actual utilization patterns of acute, HHA, IRF, SNF, LTCH, and hospital outpatient department therapy services. In addition, this work explores differences in PAC payments across geographic areas in order to give more context to discussions regarding PAC use and payments nationally.

<sup>&</sup>lt;sup>1</sup> Office of Management and Budget. A New Era of Responsibility: Renewing America's Promise, 2009. Retrieved July 2009 from http://www.whitehouse.gov/omb/assets/fy2010\_new\_era/A\_New\_Era\_of\_Responsibility2.pdf

<sup>&</sup>lt;sup>2</sup> Senate Finance Committee. Transforming the Health Care Delivery System: Proposals to Improve Patient Care and Reduce Health Care Costs, April 29, 2009. Retrieved July 2009 from

http://finance.senate.gov/sitepages/leg/LEG% 202009/042809% 20Health% 20Care% 20Description% 20of% 20Policy% 20Option.pdf
 <sup>3</sup> Congressional Budget Office. Budget Options Volume 1 Health Care, December 2008. Retrieved July 2009 from
 http://www.cbo.gov/ftpdocs/99xx/doc9925/12-18-HealthOptions.pdf

<sup>&</sup>lt;sup>4</sup> The Commonwealth Fund. A Path to a High Performance U.S. Health System: A 2020 Vision and the Policies to Pave the Way, February 2009. Retrieved July 2009 from http://www.commonwealthfund.org/~/media/Files/Publications/Fund%20Report/2009/Feb/The%20Path%20to%20a%20High%20Performance%20US%20Health%20System/1237\_Commission\_path\_high\_perform\_US\_hlt\_sys\_WEB\_rev\_03052009.pdf

 <sup>&</sup>lt;sup>5</sup> Medicare Payment Advisory Commission. Report to the Congress: Reforming the Delivery System, June 2008. Retrieved October 2009 from http://www.medpac.gov/documents/Jun08\_EntireReport.pdf

In this work, we use a beneficiary-level data file of 2006 Medicare claims constructed in prior work for ASPE examining patterns of PAC use for Medicare beneficiaries (Gage et al., 2009). This file is unique in its ability to track beneficiary service use across settings following an index acute hospital admission. Here, we expand our analyses to explore fixed post-acute care episode definitions (30 day, 60 day, and 90 day) and variable length episodes defined by a gap in service use (30 day gap, 45 day gap, or 60 day gap). For each of the fixed definitions, we examine alternative methods of treating the *last* claim in an episode by including all days and dollars associated with a claim that initiates within the fixed time period versus prorating days and dollars based on the portion of services that occur within the fixed time period. Another alternative end point examined for each of the fixed and variable length episode definitions is acute hospital readmission. In total, our analyses compare the use of post-acute care services under 18 different post-acute care episode definitions (**Table 1**). Analyses of these episodes will demonstrate the effect of different definitions as we examine options for potential payment bundles based on episodes of care.

Each of the alternative episode definitions is compared on the following:

- Percent of beneficiaries with a claim for specific settings of PAC;
- Length of stay associated with the use of specific settings of PAC; and
- Medicare payments associated with the use of specific settings of PAC.

In addition to analyzing the services included under different episode definitions, we examine variations in PAC episode payments in across geographic areas. These analyses are presented at the national and state level, as well as at the core based statistical area (CBSA) level which includes both metropolitan and micropolitan areas. In order to allow for comparison of Medicare payments across these geographic areas, we standardized the PAC payments to remove payment variation related to geography including wage differences and urban/rural location, as well as other policy considerations that affect payments such as indirect medical education (IME) and disproportional share (DSH) payments. By comparing standardized payments, we are able to learn more about differences in patterns of use in the absence of payment adjustments.

In examining differences in episode payments across geographic areas, beneficiary episodes were assigned using two methods. First, based on the location of the index acute hospital, and second, based on beneficiary state of residence. The results of both methods are presented here to inform thinking about how episodes of care might be attributed – based on where a beneficiary lives or based on where they receive their care. This is applicable to discussion of payment based on geography and in thinking about situations where "snowbirds" reside in one geographic area and winter in another geographic area where supply of services, practice patterns, and payments may differ. The results of both episode assignment methods are presented here.

This Data Chart Book provides more detailed information on each of the episode definitions explored in our analysis across all MS-DRGs and for the top 20 MS-DRGs by volume of discharges to PAC. In addition, the data presented here includes information on PAC episodes at both the state and CBSA level using standardized payments. The final report provides summary information based on our findings and focuses on a subset of the episode definitions. The final report on this work also contains details on the

methods used to develop alternative episode definitions and to standardize episode payments. The final report can be found in **Appendix A**.

| Definition A | 30 Day Fixed: Any Claim Starting Within 30 Days After Hospital Discharge  |
|--------------|---|
| Definition B | 30 Day Fixed: Any Claim Starting Within 30 Days After Hospital Discharge Excluding Acute Hospital Readmissions.   |
| Definition C | 30 Day Fixed Following Hospital Discharge (pro rated)   |
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| Definition E | 60 Day Fixed: Any Claim Starting Within 60 Days After Hospital Discharge  |
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| Definition H | 60 Day Fixed Following Hospital Discharge (pro rated) Excluding<br>Acute Hospital Readmissions                    |
| Definition I | 90 Day Fixed: Any Claim Starting Within 90 Days After Hospital Discharge  |
| Definition J | 90 Day Fixed: Any Claim Starting Within 90 Days After Hospital<br>Discharge Excluding Acute Hospital Readmissions |
| Definition K | 90 Day Fixed Following Hospital Discharge (pro rated)   |
| Definition L | 90 Day Fixed Following Hospital Discharge (pro rated) Excluding<br>Acute Hospital Readmissions                    |
| Definition M | 30 Day Variable Length  |
| Definition N | 30 Day Variable Length Excluding Acute Hospital Readmission   |
| Definition O | 45 Day Variable Length  |
| Definition P | 45 Day Variable Period Excluding Acute Hospital Readmission   |
| Definition Q | 60 Day Variable Length  |
| Definition R | 60 Day Variable Length Excluding Acute Hospital Readmission   |

# Table 1. Episode Definitions

# Section 1 Medicare Post-Acute Care Episode Payments, By MS-DRG, Top 20 MS-DRGs by Volume of Discharges to PAC

The tables in this section include data on Medicare post-acute care (PAC) utilization and payments for the top 20 MS-DRGs for beneficiaries discharged to PAC (by volume of discharges). Utilization and payment data are presented separately for each of the 18 PAC episode definitions included in our analysis (Tables 1 -18). See Introduction, Table 1 for a complete list of episode definitions.

Data shown here include total live index acute hospital discharges, percent of beneficiaries discharged to PAC, and number of PAC users for the top 20 MS-DRGs. Total Medicare spending on PAC and rank by total Medicare spending on PAC are also calculated by MS-DRG for each of the episode definitions. Payments include mean index acute hospital payment and mean PAC episode payments calculated per beneficiary discharged from an index acute hospital stay regardless of discharge to PAC (per index acute hospital discharge), and also for beneficiaries using PAC services (per PAC user). Total Medicare spending on acute plus PAC episodes are also presented for each MS-DRG and the rank by total Medicare acute plus PAC spending is presented both per index acute hospital discharge and per PAC user.

# Key findings

- Looking across all MS-DRGs, 35.2 percent of beneficiaries with index acute hospitals stays are discharged to PAC. MS-DRG 470 Major joint replacement or reattachment of lower extremity w/o MCC is the most common MS-DRG among PAC users and 87.7 percent of beneficiaries in this MS-DRG are discharged to PAC. The second most frequent MS-DRG among PAC users is MS-DRG 194 Simple pneumonia & pleurisy w CC and 34.2 percent of beneficiaries in this MS-DRG are discharged to PAC.
- These tables allow us to compare mean payments across episode definitions by MS-DRG. In Episode Definition A (30 Day Fixed), the mean PAC payment per PAC user across all MS-DRGs is \$9,907. Mean PAC payment per PAC user across all MS-DRGs in Episode Definition B (30 Day Fixed Excluding Readmission) decreases to \$7,591 due to the exclusion of readmissions and subsequent PAC use from the episode definition.
- In comparing mean PAC payment per PAC user in Episode Definition A (30 Day Fixed) to mean PAC payment per PAC user in Episode Definition C (30 Day Fixed-pro rated), we see that mean PAC payment decreases when we pro rate the last claim in an episode rather than allowing any claim initiating during a fixed time period to be included in an episode (\$9,907 in Episode Definition A versus \$7,567 in Episode Definition C). Similarly, mean PAC payment per index acute hospital discharge also decreases from Episode Definition A (\$4,592) to Episode Definition C (\$3,585).

- At the MS-DRG level, mean PAC payment per PAC user for MS-DRG 470 is \$7,951 compared to a mean PAC payment of \$7,721 for MS-DRG 194 in Episode Definition A (30 Fixed). In Episode Definition B (30 Day Fixed Excluding Readmissions), mean PAC payments per PAC user for MS-DRG 470 are \$7,065 and mean PAC payments for MS-DRG are \$5,631. The effect of excluding readmissions in Episode Definition B has a greater impact in MS-DRG 194 due to the fact that beneficiaries in this MS-DRG are more likely to have acute hospital readmissions compared to beneficiaries in MS-DRG 470.
- There is little difference in mean PAC payment per index acute hospital discharge and mean PAC payment per PAC user for MS-DRG 470 (\$7,134 versus \$7,951 in Episode Definition A (30 Day Fixed)) due to the high proportion of beneficiaries discharged to PAC (87.7 percent). In contrast in MS-DRG 194 there is a much larger difference in mean PAC payment per index acute hospital discharge and mean PAC payment per PAC user (\$3,682 versus \$7,721 in Episode Definition A) due to the fact that a smaller proportion of beneficiaries are discharged to PAC (34.2 percent). Note that comparing mean payments across these two different denominators is an important policy consideration and setting a payment per hospital discharge versus per PAC user will have different implications for different MS-DRGs depending on the proportion of beneficiaries in the MS-DRG discharged to PAC.
- The data presented in this set of tables also indicate which MS-DRGs are in the top 30 percent of PAC spending under each of the episode definitions included in our analyses. For example, in Episode Definition A (30 Day Fixed), seven MS-DRGs fall within the top 30 percent of PAC spending. The percent of MS-DRGs in the top 30 percent of PAC spending.
- Note that the top 20 MS-DRGs by volume of discharges to PAC are not the same MS-DRGs that rank in the top 20 by total acute plus PAC spending. For example, though MS-DRG 195 Simple pneumonia & pleurisy w/o CC/MM ranks 11<sup>th</sup> in terms of the MS-DRGs among beneficiaries discharged to PAC, it ranks 26<sup>th</sup> among MS-DRGs for total acute plus PAC spending. Total acute plus PAC spending is a function of both the volume of discharges in an MS-DRG plus the per beneficiary payments for acute care plus PAC. Similarly, MS-DRG 192 Chronic obstructive pulmonary disease w/o CC/MCC ranks 18<sup>th</sup> by volume of discharges to PAC, but ranks 47<sup>th</sup> for Medicare spending on acute plus PAC. The distinction between the top MS-DRG by volume versus spending (either mean spending or total spending) is an important distinction to note in thinking about potential phase in options by MS-DRG.
- Results examining Episode Definitions D through R are also included in this section allowing for comparison of results across each of the fixed and variable length episode definitions included in our analyses. In general, we see that longer episode definitions (60 day fixed, 90 day fixed, 30 day variable length, 45 day variable length, and 60 day variable length are associated with higher PAC payments per acute hospital discharge and per PAC user.

| Section 1 - Table 1   |
|---|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC |
| Episode Definition A: 30 Day Fixed: Any Claim Starting Within 30 Days After Hospital Discharge            |
|   |

|                   |  |  |   |                        |  |                                  |   |  | Per In                           | dex Acute Hospi                                      | tal Discharge  |  |  |                                  | Per PAC Use  | r  |  |
|-------------------|--|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|--|--|--|--|----------------------------------|--|--|--|
| MS-DRG Descriptor |  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
| А                 | All MS-DRGs  | 310,629  | 35.2  | 109,236                | \$1,082,246,101                                |                                  | -   | \$8,287                                    | \$4,592                          | \$12,879   | \$4,000,523,485  | -  | \$10,297                                   | \$9,907                          | \$20,205   | \$2,207,060,931  | -  |
| 470               | Major joint replacement or reattachment of<br>ower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$114,874,781                                  | 1                                | Y   | \$10,434                                   | \$7,134                          | \$17,568   | \$289,467,332  | 1  | \$10,463                                   | \$7,951                          | \$18,415   | \$266,036,952  | 1  |
|                   | Simple pneumonia & pleurisy w CC                                     | 7,775  | 34.2  | 2,661                  | \$20,545,582                                   | 7                                | Y   | \$5,028                                    | \$3,682                          | \$8,710  | \$67,716,960   | 4  | \$5,107                                    | \$7,721                          | \$12,828   | \$34,135,080   | 7  |
| 65 II             | ntracranial hemorrhage or cerebral infarction w                      | 3,333  | 69.3  | 2,311                  | \$40,869,977                                   | 2                                | Y   | \$6,291                                    | \$12,851                         | \$19,142   | \$63,801,354   | 5  | \$6,307                                    | \$17,685                         | \$23,992   | \$55,445,808   | 4  |
| 481 H             | Hip & femur procedures except major joint w                          | 2,395  | 89.1  | 2,135                  | \$35,117,363                                   | 3                                | Y   | \$9,739                                    | \$15,032                         | \$24,771   | \$59,326,152   | 6  | \$9,698                                    | \$16,448                         | \$26,146   | \$55,821,660   | 3  |
|                   | Kidney & urinary tract infections w/o MCC                            | 5,478  | 38.8  | 2,125                  | \$19,347,671                                   | 9                                | Y   | \$3,896                                    | \$4,445                          | \$8,342  | \$45,695,070   | 13   | \$4,025                                    | \$9,105                          | \$13,130   | \$27,901,416   | 12   |
|                   | ntracranial hemorrhage or cerebral infarction<br>v/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$23,011,472                                   | 5                                | Y   | \$6,044                                    | \$8,045                          | \$14,089   | \$43,801,354   | 16   | \$5,985                                    | \$13,075                         | \$19,060   | \$33,544,980   | 8  |
| 641               | Nutritional & misc metabolic disorders w/o                           | 4,996  | 33.0  | 1,647                  | \$14,877,715                                   | 12                               | Ν   | \$3,457                                    | \$4,080                          | \$7,537  | \$37,657,165   | 21   | \$3,700                                    | \$9,033                          | \$12,733   | \$20,971,356   | 18   |
|                   | leart failure & shock w CC   | 4,387  | 37.0  | 1,622                  | \$13,345,973                                   | 14                               | Ν   | \$5,179                                    | \$4,882                          | \$10,061   | \$44,136,405   | 15   | \$5,299                                    | \$8,228                          | \$13,527   | \$21,941,301   | 16   |
| 871 S             | Septicemia w/o MV 96+ hours w MCC                                    | 3,006  | 51.8  | 1,556                  | \$17,213,011                                   | 10                               | N   | \$9,217                                    | \$6,741                          | \$15,958   | \$47,970,249   | 10   | \$9,475                                    | \$11,062                         | \$20,537   | \$31,955,940   | 10   |
|                   | Hip & femur procedures except major joint w/o<br>CC/MCC              | 1,748  | 87.3  | 1,526                  | \$23,383,301                                   | 4                                | Y   | \$8,288                                    | \$13,711                         | \$21,999   | \$38,454,853   | 18   | \$8,304                                    | \$15,323                         | \$23,628   | \$36,055,966   | 6  |
|                   | Simple pneumonia & pleurisy w/o CC/MCC                               | 5,236  | 28.8  | 1,510                  | \$9,554,837                                    | 22                               | N   | \$4,368                                    | \$2,688                          | \$7,057  | \$36,948,935   | 22   | \$4,512                                    | \$6,328                          | \$10,839   | \$16,367,330   | 26   |
|                   | Medical back problems w/o MCC  | 2,803  | 51.1  | 1,433                  | \$14,405,011                                   | 13                               | N   | \$3,795                                    | \$6,254                          | \$10,049   | \$28,168,192   | 30   | \$3,827                                    | \$10,052                         | \$13,880   | \$19,889,723   | 20   |
|                   | Cellulitis w/o MCC   | 3,814  | 33.5  | 1,277                  | \$8,961,564                                    | 25                               | N   | \$3,759                                    | \$3,058                          | \$6,818  | \$26,002,507   | 32   | \$3,905                                    | \$7,018                          | \$10,922   | \$13,947,629   | 35   |
|                   | Heart failure & shock w MCC  | 2,962  | 42.3  | 1,252                  | \$12,638,821                                   | 15                               | N   | \$5,621                                    | \$6,091                          | \$11,713   | \$34,693,528   | 24   | \$5,884                                    | \$10,095                         | \$15,979   | \$20,005,183   | 19   |
|                   | syncope & collapse   | 5,218  | 23.9  | 1,245                  | \$9,017,248                                    | 24                               | N   | \$3,352                                    | \$2,503                          | \$5,854  | \$30,547,584   | 27   | \$3,595                                    | \$7,243                          | \$10,838   | \$13,493,337   | 37   |
|                   | Esophagitis, gastroent & misc digest disorders<br>v/o MCC            | 9,107  | 13.5  | 1,232                  | \$8,261,674                                    | 27                               | Ν   | \$3,498                                    | \$1,901                          | \$5,399  | \$49,169,703   | 9  | \$3,849                                    | \$6,706                          | \$10,554   | \$13,003,098   | 39   |
| 293 H             | Jeart failure & shock w/o CC/MCC                                     | 4,466  | 27.2  | 1,215                  | \$8,065,035                                    | 30                               | N   | \$4,978                                    | \$3,521                          | \$8,499  | \$37,954,935   | 19   | \$4,987                                    | \$6,638                          | \$11,625   | \$14,123,924   | 33   |
|                   | Chronic obstructive pulmonary disease w/o                            | 5,379  | 20.4  | 1,098                  | \$6,340,213                                    | 40                               | Ν   | \$4,134                                    | \$2,370                          | \$6,503  | \$34,982,039   | 23   | \$4,288                                    | \$5,774                          | \$10,062   | \$11,048,410   | 47   |
| 683 R             | Renal failure w CC   | 2,821  | 38.4  | 1,082                  | \$10,307,751                                   | 20                               | Ν   | \$6,649                                    | \$4,883                          | \$11,532   | \$32,531,549   | 25   | \$6,590                                    | \$9,527                          | \$16,116   | \$17,437,982   | 23   |
| 536 F             | Fractures of hip & pelvis w/o MCC                                    | 1,090  | 84.8  | 924                    | \$11,768,947                                   | 16                               | Ν   | \$3,422                                    | \$11,184                         | \$14,606   | \$15,920,974   | 66   | \$3,416                                    | \$12,737                         | \$16,153   | \$14,924,994   | 31   |

1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.

2. PAC users accel robust additional acceleration and the source of the source acceleration and the source acceleration acceleration and the source acceleration and the source acceleration acceleration acceleration and the source acceleration accelerat

This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.
 Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy.

6. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges. 7. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

#### Section 1 - Table 2 Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC Episode Definition B: 30 Day Fixed: Any Claim Starting Within 30 Days After Hospital Discharge Excluding Acute Hospital Readmissions.

|       |  |  |   |                        |  |                                  |   |  | Per Inc                          | lex Acute Hospi                                      | tal Discharge  |  |  |                                  | Per PAC U  | ser  |  |
|-------|--|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|--|--|--|--|----------------------------------|--|--|--|
| MS-DR | G Descriptor   | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | 5 Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
|       | All MS-DRGs  | 310,629  | 35.2  | 109,236                | \$829,222,115                                  | -                                | -   | \$8,287                                    | \$2,717                          | \$11,004   | \$3,418,155,723  | -  | \$10,297                                   | \$7,591                          | \$17,888   | \$1,954,036,946  | -  |
| 470   | Major joint replacement or reattachment of lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$102,070,895                                  | 1                                | Y   | \$10,434                                   | \$6,248                          | \$16,682   | \$274,871,406  | 1  | \$10,463                                   | \$7,065                          | \$17,528   | \$253,233,066  | 1  |
| 194   | Simple pneumonia & pleurisy w CC                                   | 7,775  | 34.2  | 2,661                  | \$14,985,009                                   | 9                                | N   | \$5,028                                    | \$1,974                          | \$7,002  | \$54,438,339   | 5  | \$5,107                                    | \$5,631                          | \$10,738   | \$28,574,507   | 9  |
| 65    | Intracranial hemorrhage or cerebral infarction w<br>CC             | 3,333  | 69.3  | 2,311                  | \$35,314,840                                   | 2                                | Y   | \$6,291                                    | \$10,728                         | \$17,020   | \$56,726,362   | 4  | \$6,307                                    | \$15,281                         | \$21,588   | \$49,890,671   | 4  |
| 481   | Hip & femur procedures except major joint w                        | 2,395  | 89.1  | 2,135                  | \$30,290,444                                   | 3                                | Y   | \$9,739                                    | \$12,782                         | \$22,521   | \$53,938,349   | 6  | \$9,698                                    | \$14,188                         | \$23,885   | \$50,994,741   | 3  |
| 690   | Kidney & urinary tract infections w/o MCC                          | 5,478  | 38.8  | 2,125                  | \$15,110,313                                   | 8                                | Ν   | \$3,896                                    | \$2,823                          | \$6,719  | \$36,808,059   | 15   | \$4,025                                    | \$7,111                          | \$11,136   | \$23,664,058   | 13   |
| 66    | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC       | 3,109  | 56.6  | 1,760                  | \$19,379,218                                   | 5                                | Y   | \$6,044                                    | \$6,284                          | \$12,328   | \$38,326,577   | 13   | \$5,985                                    | \$11,011                         | \$16,996   | \$29,912,726   | 8  |
| 641   | Nutritional & misc metabolic disorders w/o<br>MCC                  | 4,996  | 33.0  | 1,647                  | \$11,036,099                                   | 12                               | Ν   | \$3,457                                    | \$2,297                          | \$5,754  | \$28,748,479   | 22   | \$3,700                                    | \$6,701                          | \$10,401   | \$17,129,740   | 19   |
| 292   | Heart failure & shock w CC   | 4,387  | 37.0  | 1,622                  | \$8,762,080                                    | 18                               | Ν   | \$5,179                                    | \$2,039                          | \$7,218  | \$31,666,260   | 19   | \$5,299                                    | \$5,402                          | \$10,701   | \$17,357,408   | 18   |
| 871   | Septicemia w/o MV 96+ hours w MCC                                  | 3,006  | 51.8  | 1,556                  | \$12,278,936                                   | 10                               | N   | \$9,217                                    | \$4,139                          | \$13,356   | \$40,148,164   | 12   | \$9,475                                    | \$7,891                          | \$17,366   | \$27,021,865   | 10   |
| 482   | Hip & femur procedures except major joint w/o<br>CC/MCC            | 1,748  | 87.3  | 1,526                  | \$20,846,115                                   | 4                                | Y   | \$8,288                                    | \$12,040                         | \$20,328   | \$35,533,599   | 16   | \$8,304                                    | \$13,661                         | \$21,965   | \$33,518,780   | 6  |
| 195   | Simple pneumonia & pleurisy w/o CC/MCC                             | 5,236  | 28.8  | 1,510                  | \$7,508,968                                    | 21                               | Ν   | \$4,368                                    | \$1,490                          | \$5,858  | \$30,674,321   | 20   | \$4,512                                    | \$4,973                          | \$9,484  | \$14,321,461   | 26   |
| 552   | Medical back problems w/o MCC                                      | 2,803  | 51.1  | 1,433                  | \$10,812,426                                   | 13                               | N   | \$3,795                                    | \$3,933                          | \$7,729  | \$21,663,069   | 34   | \$3,827                                    | \$7,545                          | \$11,373   | \$16,297,138   | 20   |
| 603   | Cellulitis w/o MCC   | 3,814  | 33.5  | 1,277                  | \$6,606,605                                    | 26                               | N   | \$3,759                                    | \$1,782                          | \$5,542  | \$21,135,301   | 36   | \$3,905                                    | \$5,174                          | \$9,078  | \$11,592,670   | 38   |
| 291   | Heart failure & shock w MCC  | 2,962  | 42.3  | 1,252                  | \$8,274,830                                    | 19                               | N   | \$5,621                                    | \$2,847                          | \$8,468  | \$25,082,338   | 27   | \$5,884                                    | \$6,609                          | \$12,493   | \$15,641,192   | 23   |
| 312   | Syncope & collapse   | 5,218  | 23.9  | 1,245                  | \$7,379,414                                    | 22                               | N   | \$3,352                                    | \$1,437                          | \$4,789  | \$24,989,764   | 28   | \$3,595                                    | \$5,927                          | \$9,522  | \$11,855,503   | 36   |
| 392   | Esophagitis, gastroent & misc digest disorders<br>w/o MCC          | 9,107  | 13.5  | 1,232                  | \$6,060,026                                    | 27                               | Ν   | \$3,498                                    | \$695                            | \$4,193  | \$38,187,673   | 14   | \$3,849                                    | \$4,919                          | \$8,767  | \$10,801,450   | 42   |
| 293   | Heart failure & shock w/o CC/MCC                                   | 4,466  | 27.2  | 1,215                  | \$5,204,380                                    | 34                               | Ν   | \$4,978                                    | \$1,212                          | \$6,190  | \$27,644,967   | 24   | \$4,987                                    | \$4,283                          | \$9,270  | \$11,263,269   | 40   |
| 192   | Chronic obstructive pulmonary disease w/o<br>CC/MCC                | 5,379  | 20.4  | 1,098                  | \$4,506,046                                    | 41                               | Ν   | \$4,134                                    | \$873                            | \$5,007  | \$26,933,829   | 25   | \$4,288                                    | \$4,104                          | \$8,392  | \$9,214,243  | 50   |
| 683   | Renal failure w CC   | 2,821  | 38.4  | 1,082                  | \$7,192,045                                    | 23                               | Ν   | \$6,649                                    | \$2,603                          | \$9,252  | \$26,100,032   | 26   | \$6,590                                    | \$6,647                          | \$13,237   | \$14,322,276   | 25   |
| 536   | Fractures of hip & pelvis w/o MCC                                  | 1,090  | 84.8  | 924                    | \$9,756,296                                    | 14                               | Ν   | \$3,422                                    | \$9,055                          | \$12,477   | \$13,600,128   | 67   | \$3,416                                    | \$10,559                         | \$13,974   | \$12,912,343   | 31   |

NOTES:

1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.

2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization.

Total Medicare Spending on PAC is equal to Mean PAC Payment PP PAC User \* Number of PAC Users.
 Total Medicare Spending on PAC is equal to Mean PAC Payment PP PAC User \* Number of PAC Users.
 This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.
 Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges.

7. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1 - Table 3   |
|---|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC |
| Episode Definition C: 30 Day Fixed Following Hospital Discharge (pro rated)                               |

|       |   |  |   |                        |  |                                  |   |  | Per Ind              | lex Acute Hosp  | ital Discharge   |  |  |                                  | Per PAC User  | r  |  |
|-------|---|--|---|------------------------|--|----------------------------------|---|--|----------------------|---|--|--|--|----------------------------------|---|--|--|
| MS-DR | G Descriptor  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment⁵ | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
|       | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$827,595,091                                  |                                  | -   | \$8,287                                    | \$3,585              | \$11,872  | \$3,687,707,063  | -  | \$10,297                                   | \$7,576                          | \$17,873  | \$1,952,409,921  | -  |
| 470   | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$98,742,794                                   | 1                                | Y   | \$10,434                                   | \$6,109              | \$16,543  | \$272,582,054  | 1  | \$10,463                                   | \$6,835                          | \$17,298  | \$249,904,965  | 1  |
| 194   | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$15,449,904                                   | 6                                | Y   | \$5,028                                    | \$2,811              | \$7,838   | \$60,944,330   | 4  | \$5,107                                    | \$5,806                          | \$10,913  | \$29,039,402   | 8  |
| 65    | Intracranial hemorrhage or cerebral infarction<br>w CC                | 3,333  | 69.3  | 2,311                  | \$30,902,827                                   | 2                                | Y   | \$6,291                                    | \$9,714              | \$16,006  | \$53,346,966   | 5  | \$6,307                                    | \$13,372                         | \$19,679  | \$45,478,658   | 3  |
| 481   | Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                  | \$24,678,852                                   | 3                                | Y   | \$9,739                                    | \$10,528             | \$20,267  | \$48,539,673   | 7  | \$9,698                                    | \$11,559                         | \$21,257  | \$45,383,149   | 4  |
| 690   | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$13,857,947                                   | 8                                | Y   | \$3,896                                    | \$3,241              | \$7,138   | \$39,099,511   | 15   | \$4,025                                    | \$6,521                          | \$10,547  | \$22,411,692   | 13   |
| 66    | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$18,158,606                                   | 4                                | Y   | \$6,044                                    | \$6,354              | \$12,397  | \$38,543,235   | 16   | \$5,985                                    | \$10,317                         | \$16,302  | \$28,692,114   | 9  |
| 641   | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$10,612,535                                   | 13                               | Ν   | \$3,457                                    | \$3,016              | \$6,474   | \$32,341,734   | 22   | \$3,700                                    | \$6,444                          | \$10,143  | \$16,706,176   | 20   |
| 292   | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$9,582,115                                    | 15                               | Ν   | \$5,179                                    | \$3,601              | \$8,780   | \$38,516,627   | 17   | \$5,299                                    | \$5,908                          | \$11,207  | \$18,177,443   | 18   |
| 871   | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$12,536,861                                   | 10                               | N   | \$9,217                                    | \$5,003              | \$14,220  | \$42,745,372   | 12   | \$9,475                                    | \$8,057                          | \$17,532  | \$27,279,790   | 10   |
| 482   | Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                  | \$17,202,107                                   | 5                                | Y   | \$8,288                                    | \$10,046             | \$18,334  | \$32,048,546   | 23   | \$8,304                                    | \$11,273                         | \$19,577  | \$29,874,772   | 7  |
| 195   | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$7,249,307                                    | 23                               | Ν   | \$4,368                                    | \$2,036              | \$6,405   | \$33,534,692   | 20   | \$4,512                                    | \$4,801                          | \$9,312   | \$14,061,800   | 30   |
| 552   | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$10,922,301                                   | 12                               | N   | \$3,795                                    | \$4,830              | \$8,625   | \$24,177,255   | 33   | \$3,827                                    | \$7,622                          | \$11,449  | \$16,407,013   | 21   |
| 603   | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$6,324,247                                    | 27                               | N   | \$3,759                                    | \$2,219              | \$5,978   | \$22,800,993   | 38   | \$3,905                                    | \$4,952                          | \$8,857   | \$11,310,312   | 39   |
| 291   | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$9,604,364                                    | 14                               | N   | \$5,621                                    | \$4,759              | \$10,381  | \$30,747,241   | 24   | \$5,884                                    | \$7,671                          | \$13,555  | \$16,970,726   | 19   |
| 312   | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$6,839,256                                    | 24                               | N   | \$3,352                                    | \$1,983              | \$5,334   | \$27,834,505   | 28   | \$3,595                                    | \$5,493                          | \$9,089   | \$11,315,345   | 38   |
| 392   | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$6,263,115                                    | 28                               | Ν   | \$3,498                                    | \$1,526              | \$5,024   | \$45,755,468   | 10   | \$3,849                                    | \$5,084                          | \$8,932   | \$11,004,539   | 40   |
| 293   | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$6,112,035                                    | 29                               | Ν   | \$4,978                                    | \$2,826              | \$7,804   | \$34,851,780   | 19   | \$4,987                                    | \$5,030                          | \$10,017  | \$12,170,924   | 34   |
| 192   | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$4,875,097                                    | 41                               | Ν   | \$4,134                                    | \$1,884              | \$6,018   | \$32,370,100   | 21   | \$4,288                                    | \$4,440                          | \$8,728   | \$9,583,294  | 52   |
| 683   | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$7,328,593                                    | 21                               | Ν   | \$6,649                                    | \$3,645              | \$10,295  | \$29,041,481   | 27   | \$6,590                                    | \$6,773                          | \$13,363  | \$14,458,824   | 25   |
| 536   | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$8,909,685                                    | 17                               | Ν   | \$3,422                                    | \$8,454              | \$11,877  | \$12,945,740   | 72   | \$3,416                                    | \$9,643                          | \$13,058  | \$12,065,732   | 35   |

 NOTES:

 1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.

 2. PAC users are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.

 3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC users.

 4. This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.

 5. Mean PAC payment includes Medicare payments for SNF, IRF, ICTCH, HHA, and hospital outpatient therapy.

 6. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges.

 7. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1 - Table 4   |
|---|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC         |
| Episode Definition D: 30 Day Fixed Following Hospital Discharge (pro rated) Excluding Acute Hospital Readmissions |

|        |   |  |   |                        |  |                                  |   |  | Per Ir                           | dex Acute Hospit                                     | al Discharge   |  |  |                                  | Per PAC Us | ser  |   |
|--------|---|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|--|--|--|--|----------------------------------|------------|--|---|
| MS-DRG | Descriptor  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Spending   | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total<br>Medicare<br>Acute + PAC<br>Spending |
|        | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$635,651,866                                  | -                                | -   | \$8,287                                    | \$2,066                          | \$10,354   | \$3,216,108,034  | -  | \$10,297                                   | \$5,819                          | \$16,116   | \$1,760,466,697  | -   |
| 470    | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$88,350,135                                   | 1                                | Y   | \$10,434                                   | \$5,388                          | \$15,822   | \$260,693,171  | 1  | \$10,463                                   | \$6,115                          | \$16,579   | \$239,512,306  | 1   |
| 194    | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$11,214,525                                   | 8                                | N   | \$5,028                                    | \$1,465                          | \$6,492  | \$50,478,558   | 4  | \$5,107                                    | \$4,214                          | \$9,321    | \$24,804,023   | 9   |
| 65     | Intracranial hemorrhage or cerebral infarction<br>w CC                | 3,333  | 69.3  | 2,311                  | \$27,085,754                                   | 2                                | Y   | \$6,291                                    | \$8,185                          | \$14,476   | \$48,248,220   | 6  | \$6,307                                    | \$11,720                         | \$18,028   | \$41,661,585   | 4   |
| 481    | Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                  | \$21,455,907                                   | 3                                | Y   | \$9,739                                    | \$9,013                          | \$18,752   | \$44,910,671   | 7  | \$9,698                                    | \$10,050                         | \$19,747   | \$42,160,204   | 3   |
| 690    | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$10,681,757                                   | 9                                | N   | \$3,896                                    | \$1,978                          | \$5,874  | \$32,178,639   | 17   | \$4,025                                    | \$5,027                          | \$9,052    | \$19,235,502   | 14  |
| 66     | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$15,439,365                                   | 4                                | Y   | \$6,044                                    | \$4,990                          | \$11,034   | \$34,304,483   | 15   | \$5,985                                    | \$8,772                          | \$14,757   | \$25,972,873   | 8   |
|        | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$7,844,781                                    | 13                               | Ν   | \$3,457                                    | \$1,602                          | \$5,059  | \$25,273,936   | 25   | \$3,700                                    | \$4,763                          | \$8,463    | \$13,938,422   | 21  |
| 292    | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$6,280,879                                    | 17                               | Ν   | \$5,179                                    | \$1,449                          | \$6,628  | \$29,075,982   | 19   | \$5,299                                    | \$3,872                          | \$9,172    | \$14,876,207   | 19  |
| 871    | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$8,778,230                                    | 11                               | N   | \$9,217                                    | \$2,944                          | \$12,161   | \$36,555,983   | 12   | \$9,475                                    | \$5,642                          | \$15,116   | \$23,521,159   | 12  |
|        | Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                  | \$15,317,920                                   | 5                                | Y   | \$8,288                                    | \$8,808                          | \$17,096   | \$29,884,445   | 18   | \$8,304                                    | \$10,038                         | \$18,342   | \$27,990,585   | 7   |
| 195    | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$5,610,651                                    | 21                               | N   | \$4,368                                    | \$1,099                          | \$5,467  | \$28,627,425   | 20   | \$4,512                                    | \$3,716                          | \$8,227    | \$12,423,144   | 29  |
|        | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$8,305,732                                    | 12                               | N   | \$3,795                                    | \$2,992                          | \$6,788  | \$19,025,850   | 37   | \$3,827                                    | \$5,796                          | \$9,623    | \$13,790,444   | 22  |
|        | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$4,660,425                                    | 27                               | N   | \$3,759                                    | \$1,246                          | \$5,005  | \$19,090,060   | 36   | \$3,905                                    | \$3,650                          | \$7,554    | \$9,646,490  | 40  |
|        | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$6,105,683                                    | 20                               | N   | \$5,621                                    | \$2,083                          | \$7,705  | \$22,821,836   | 30   | \$5,884                                    | \$4,877                          | \$10,760   | \$13,472,045   | 23  |
| 312    | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$5,519,921                                    | 24                               | N   | \$3,352                                    | \$1,067                          | \$4,418  | \$23,054,154   | 29   | \$3,595                                    | \$4,434                          | \$8,029    | \$9,996,010  | 38  |
| 392    | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$4,537,668                                    | 28                               | Ν   | \$3,498                                    | \$509                            | \$4,007  | \$36,491,389   | 13   | \$3,849                                    | \$3,683                          | \$7,532    | \$9,279,092  | 43  |
| 293    | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$3,717,712                                    | 36                               | N   | \$4,978                                    | \$853                            | \$5,831  | \$26,040,015   | 23   | \$4,987                                    | \$3,060                          | \$8,047    | \$9,776,601  | 39  |
| 192    | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$3,357,147                                    | 39                               | Ν   | \$4,134                                    | \$641                            | \$4,774  | \$25,681,403   | 24   | \$4,288                                    | \$3,058                          | \$7,345    | \$8,065,344  | 52  |
| 683    | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$5,109,456                                    | 26                               | Ν   | \$6,649                                    | \$1,832                          | \$8,481  | \$23,925,323   | 26   | \$6,590                                    | \$4,722                          | \$11,312   | \$12,239,687   | 30  |
| 536    | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$7,439,980                                    | 15                               | Ν   | \$3,422                                    | \$6,863                          | \$10,285   | \$11,211,104   | 73   | \$3,416                                    | \$8,052                          | \$11,468   | \$10,596,027   | 36  |

NOTES: 1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations. 2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization. 3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC users. 4. This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending. 5. Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy. 6. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users. 7. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1 - Table 5   |
|---|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC |
| Episode Definition E: 60 Day Fixed: Any Claim Starting Within 60 Days After Hospital Discharge            |

|       |   |  |   |                        |  |                                  |   |  | Per Ind                          | ex Acute Hosp   | ital Discharge   |  |  |                         | Per PAC U  | ser  |  |
|-------|---|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|---|--|--|--|-------------------------|--|--|--|
| MS-DR | G Descriptor  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean<br>PAC<br>Payment⁵ | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
|       | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$1,291,929,921                                | -                                | -   | \$8,287                                    | \$6,020                          | \$14,307  | \$4,444,126,733  | -  | \$10,297                                   | \$11,827                | \$22,124   | \$2,416,744,752  | -  |
| 470   | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$126,195,193                                  | 1                                | Y   | \$10,434                                   | \$7,884                          | \$18,318  | \$301,833,379  | 1  | \$10,463                                   | \$8,735                 | \$19,198   | \$277,357,364  | 1  |
| 194   | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$24,685,162                                   | 7                                | Y   | \$5,028                                    | \$4,983                          | \$10,010  | \$77,831,440   | 4  | \$5,107                                    | \$9,277                 | \$14,384   | \$38,274,660   | 7  |
| 65    | Intracranial hemorrhage or cerebral infarction<br>w CC                | 3,333  | 69.3  | 2,311                  | \$46,813,429                                   | 2                                | Y   | \$6,291                                    | \$14,971                         | \$21,262  | \$70,867,475   | 5  | \$6,307                                    | \$20,257                | \$26,564   | \$61,389,260   | 3  |
| 481   | Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                  | \$39,667,486                                   | 3                                | Y   | \$9,739                                    | \$17,093                         | \$26,832  | \$64,262,079   | 6  | \$9,698                                    | \$18,580                | \$28,277   | \$60,371,783   | 4  |
| 690   | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$23,350,688                                   | 8                                | Y   | \$3,896                                    | \$5,783                          | \$9,679   | \$53,022,783   | 12   | \$4,025                                    | \$10,989                | \$15,014   | \$31,904,433   | 11   |
| 66    | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$26,114,612                                   | 4                                | Y   | \$6,044                                    | \$9,533                          | \$15,576  | \$48,426,866   | 15   | \$5,985                                    | \$14,838                | \$20,823   | \$36,648,120   | 8  |
| 641   | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$18,010,203                                   | 12                               | Ν   | \$3,457                                    | \$5,507                          | \$8,964   | \$44,783,344   | 18   | \$3,700                                    | \$10,935                | \$14,635   | \$24,103,844   | 17   |
| 292   | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$16,836,302                                   | 14                               | Ν   | \$5,179                                    | \$6,931                          | \$12,110  | \$53,126,022   | 11   | \$5,299                                    | \$10,380                | \$15,679   | \$25,431,630   | 15   |
| 871   | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$21,003,851                                   | 10                               | Y   | \$9,217                                    | \$8,751                          | \$17,968  | \$54,011,970   | 10   | \$9,475                                    | \$13,499                | \$22,974   | \$35,746,780   | 9  |
| 482   | Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                  | \$25,926,316                                   | 5                                | Y   | \$8,288                                    | \$15,316                         | \$23,604  | \$41,259,260   | 23   | \$8,304                                    | \$16,990                | \$25,294   | \$38,598,981   | 6  |
| 195   | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$11,697,278                                   | 21                               | Ν   | \$4,368                                    | \$3,714                          | \$8,083   | \$42,321,689   | 20   | \$4,512                                    | \$7,747                 | \$12,258   | \$18,509,771   | 25   |
| 552   | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$17,163,472                                   | 13                               | N   | \$3,795                                    | \$7,838                          | \$11,634  | \$32,609,054   | 28   | \$3,827                                    | \$11,977                | \$15,805   | \$22,648,184   | 19   |
| 603   | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$11,007,041                                   | 24                               | N   | \$3,759                                    | \$4,180                          | \$7,939   | \$30,281,197   | 34   | \$3,905                                    | \$8,619                 | \$12,524   | \$15,993,106   | 33   |
| 291   | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$15,726,476                                   | 15                               | N   | \$5,621                                    | \$8,387                          | \$14,009  | \$41,494,229   | 22   | \$5,884                                    | \$12,561                | \$18,445   | \$23,092,838   | 18   |
| 312   | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$11,171,072                                   | 23                               | N   | \$3,352                                    | \$3,515                          | \$6,867   | \$35,829,693   | 26   | \$3,595                                    | \$8,973                 | \$12,568   | \$15,647,161   | 34   |
| 392   | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$10,594,846                                   | 27                               | Ν   | \$3,498                                    | \$3,013                          | \$6,511   | \$59,291,420   | 7  | \$3,849                                    | \$8,600                 | \$12,448   | \$15,336,270   | 37   |
| 293   | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$10,483,629                                   | 28                               | Ν   | \$4,978                                    | \$5,297                          | \$10,275  | \$45,887,511   | 17   | \$4,987                                    | \$8,629                 | \$13,615   | \$16,542,518   | 32   |
| 192   | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$8,129,752                                    | 36                               | Ν   | \$4,134                                    | \$3,692                          | \$7,826   | \$42,097,573   | 21   | \$4,288                                    | \$7,404                 | \$11,692   | \$12,837,949   | 45   |
| 683   | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$12,948,136                                   | 18                               | Ν   | \$6,649                                    | \$6,744                          | \$13,393  | \$37,781,355   | 25   | \$6,590                                    | \$11,967                | \$18,557   | \$20,078,367   | 22   |
| 536   | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$13,467,906                                   | 16                               | Ν   | \$3,422                                    | \$12,861                         | \$16,284  | \$17,749,372   | 63   | \$3,416                                    | \$14,576                | \$17,991   | \$16,623,953   | 31   |

1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.

2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization.

PAC users are defined as beneficiaries discharged to SNF, IKF, of LTCH WILLIN 3 days of discharge Total use intex acute nosphanization, of discharged to SNF, IKF, of LTCH WILLIN 3 days of discharge Total use intex acute nosphanization, of discharged of THCS of nosphanization.
 Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC Users.
 This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.
 Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1 - Table 6  |
|--|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC                            |
| Episode Definition F: 60 Day Fixed: Any Claim Starting Within 60 Days After Hospital Discharge Excluding Acute Hospital Readmissions |

|   |  |   | Per Index Acute Hospital |  |                                  |   |  |                                  | ital Discharge  |  |  |  | Per PAC Us                          | er   |  |  |
|---|--|---|--------------------------|--|----------------------------------|---|--|----------------------------------|---|--|--|--|-------------------------------------|--|--|--|
| MS-DRG Descriptor   | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users   | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean<br>PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
| All MS-DRGs   | 310,629  | 35.2  | 109,236                  | \$861,344,349                                  |                                  | -   | \$8,287                                    | \$2,847                          | \$11,134  | \$3,458,618,471  | -  | \$10,297                                   | \$7,885                             | \$18,182   | \$1,986,159,181  | -  |
| 470 Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                   | \$105,451,034                                  | 1                                | Y   | \$10,434                                   | \$6,468                          | \$16,902  | \$278,493,709  | 1  | \$10,463                                   | \$7,299                             | \$17,762   | \$256,613,205  | 1  |
| 194 Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                    | \$15,380,487                                   | 9                                | N   | \$5,028                                    | \$2,040                          | \$7,068   | \$54,951,303   | 6  | \$5,107                                    | \$5,780                             | \$10,887   | \$28,969,985   | 9  |
| 65 Intracranial hemorrhage or cerebral infarction<br>w CC                 | 3,333  | 69.3  | 2,311                    | \$37,050,298                                   | 2                                | Y   | \$6,291                                    | \$11,296                         | \$17,587  | \$58,617,350   | 4  | \$6,307                                    | \$16,032                            | \$22,339   | \$51,626,129   | 4  |
| 481 Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                    | \$31,759,845                                   | 3                                | Y   | \$9,739                                    | \$13,433                         | \$23,172  | \$55,496,769   | 5  | \$9,698                                    | \$14,876                            | \$24,573   | \$52,464,142   | 3  |
| 690 Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                    | \$15,592,256                                   | 8                                | N   | \$3,896                                    | \$2,943                          | \$6,840   | \$37,467,711   | 15   | \$4,025                                    | \$7,338                             | \$11,363   | \$24,146,001   | 13   |
| 66 Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC           | 3,109  | 56.6  | 1,760                    | \$20,176,183                                   | 5                                | Y   | \$6,044                                    | \$6,564                          | \$12,608  | \$39,198,627   | 13   | \$5,985                                    | \$11,464                            | \$17,449   | \$30,709,691   | 8  |
| 641 Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                    | \$11,471,525                                   | 12                               | Ν   | \$3,457                                    | \$2,439                          | \$5,896   | \$29,457,143   | 21   | \$3,700                                    | \$6,965                             | \$10,665   | \$17,565,166   | 19   |
| 292 Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                    | \$9,058,816                                    | 18                               | Ν   | \$5,179                                    | \$2,137                          | \$7,316   | \$32,093,734   | 19   | \$5,299                                    | \$5,585                             | \$10,884   | \$17,654,144   | 18   |
| 871 Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                    | \$12,638,594                                   | 11                               | N   | \$9,217                                    | \$4,285                          | \$13,501  | \$40,585,191   | 12   | \$9,475                                    | \$8,122                             | \$17,597   | \$27,381,523   | 10   |
| 482 Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                    | \$21,739,266                                   | 4                                | Y   | \$8,288                                    | \$12,597                         | \$20,885  | \$36,506,483   | 16   | \$8,304                                    | \$14,246                            | \$22,550   | \$34,411,931   | 6  |
| 195 Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                    | \$7,720,520                                    | 22                               | Ν   | \$4,368                                    | \$1,554                          | \$5,923   | \$31,010,426   | 20   | \$4,512                                    | \$5,113                             | \$9,625  | \$14,533,013   | 26   |
| 552 Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                    | \$11,250,352                                   | 13                               | N   | \$3,795                                    | \$4,113                          | \$7,908   | \$22,166,519   | 35   | \$3,827                                    | \$7,851                             | \$11,678   | \$16,735,064   | 20   |
| 603 Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                    | \$6,820,425                                    | 26                               | N   | \$3,759                                    | \$1,869                          | \$5,628   | \$21,465,003   | 36   | \$3,905                                    | \$5,341                             | \$9,245  | \$11,806,490   | 37   |
| 291 Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                    | \$8,473,015                                    | 19                               | N   | \$5,621                                    | \$2,941                          | \$8,563   | \$25,363,314   | 28   | \$5,884                                    | \$6,768                             | \$12,651   | \$15,839,377   | 23   |
| 312 Syncope & collapse  | 5,218  | 23.9  | 1,245                    | \$7,781,856                                    | 21                               | Ν   | \$3,352                                    | \$1,538                          | \$4,889   | \$25,512,105   | 27   | \$3,595                                    | \$6,250                             | \$9,846  | \$12,257,945   | 36   |
| 392 Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                    | \$6,265,441                                    | 28                               | Ν   | \$3,498                                    | \$737                            | \$4,235   | \$38,569,959   | 14   | \$3,849                                    | \$5,086                             | \$8,934  | \$11,006,865   | 42   |
| 293 Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                    | \$5,321,841                                    | 35                               | N   | \$4,978                                    | \$1,267                          | \$6,245   | \$27,890,668   | 23   | \$4,987                                    | \$4,380                             | \$9,367  | \$11,380,730   | 40   |
| 192 Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                    | \$4,596,517                                    | 41                               | Ν   | \$4,134                                    | \$917                            | \$5,050   | \$27,166,324   | 25   | \$4,288                                    | \$4,186                             | \$8,474  | \$9,304,714  | 50   |
| 683 Renal failure w CC  | 2,821  | 38.4  | 1,082                    | \$7,405,231                                    | 24                               | Ν   | \$6,649                                    | \$2,736                          | \$9,386   | \$26,477,151   | 26   | \$6,590                                    | \$6,844                             | \$13,434   | \$14,535,462   | 25   |
| 536 Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                      | \$10,280,620                                   | 14                               | Ν   | \$3,422                                    | \$9,589                          | \$13,011  | \$14,182,149   | 64   | \$3,416                                    | \$11,126                            | \$14,542   | \$13,436,667   | 31   |

1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations. 2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization.

PAC users are defined as beneficiance discharged to SNF, IRF, or LICH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hosp 3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC users.
 This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.
 Man PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1 - Table 7   |
|---|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC |
| Episode Definition G: 60 Day Fixed Following Hospital Discharge (pro rated)                               |

|                   |   |  |   |                        |  |                                  |   |  | Per In                           | dex Acute Hospi                                      | al Discharge   |  |  |                                  | Per PAC User   | •  |  |
|-------------------|---|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|--|--|--|--|----------------------------------|--|--|--|
| MS-DRG Descriptor |   | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
|                   | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$1,169,173,965                                | -                                |   | \$8,287                                    | \$5,451                          | \$13,738   | \$4,267,483,834  | -  | \$10,297                                   | \$10,703                         | \$21,000   | \$2,293,988,796  | -  |
| 470               | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$120,474,133                                  | 1                                | Y   | \$10,434                                   | \$7,515                          | \$17,949   | \$295,748,928  | 1  | \$10,463                                   | \$8,339                          | \$18,802   | \$271,636,304  | 1  |
| 194               | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$22,424,478                                   | 6                                | Y   | \$5,028                                    | \$4,465                          | \$9,492  | \$73,803,328   | 4  | \$5,107                                    | \$8,427                          | \$13,534   | \$36,013,976   | 6  |
| 65                | Intracranial hemorrhage or cerebral infarction<br>w CC                | 3,333  | 69.3  | 2,311                  | \$41,586,105                                   | 2                                | Y   | \$6,291                                    | \$13,294                         | \$19,585   | \$65,276,909   | 5  | \$6,307                                    | \$17,995                         | \$24,302   | \$56,161,936   | 3  |
| 481               | Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                  | \$35,023,671                                   | 3                                | Y   | \$9,739                                    | \$15,057                         | \$24,796   | \$59,385,966   | 6  | \$9,698                                    | \$16,405                         | \$26,102   | \$55,727,968   | 4  |
| 690               | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$20,509,920                                   | 8                                | Y   | \$3,896                                    | \$5,131                          | \$9,027  | \$49,452,249   | 12   | \$4,025                                    | \$9,652                          | \$13,677   | \$29,063,665   | 12   |
| 66                | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$23,801,846                                   | 4                                | Y   | \$6,044                                    | \$8,566                          | \$14,609   | \$45,420,322   | 16   | \$5,985                                    | \$13,524                         | \$19,509   | \$34,335,354   | 8  |
| 641               | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$15,957,693                                   | 12                               | Ν   | \$3,457                                    | \$4,873                          | \$8,330  | \$41,615,156   | 19   | \$3,700                                    | \$9,689                          | \$13,389   | \$22,051,334   | 17   |
| 292               | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$14,960,530                                   | 14                               | Ν   | \$5,179                                    | \$6,181                          | \$11,360   | \$49,834,929   | 11   | \$5,299                                    | \$9,224                          | \$14,523   | \$23,555,858   | 15   |
| 871               | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$18,276,869                                   | 10                               | Y   | \$9,217                                    | \$7,607                          | \$16,824   | \$50,572,389   | 10   | \$9,475                                    | \$11,746                         | \$21,221   | \$33,019,798   | 10   |
| 482               | Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                  | \$23,317,995                                   | 5                                | Y   | \$8,288                                    | \$13,761                         | \$22,049   | \$38,541,252   | 24   | \$8,304                                    | \$15,280                         | \$23,585   | \$35,990,660   | 7  |
| 195               | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$10,589,494                                   | 21                               | Ν   | \$4,368                                    | \$3,324                          | \$7,692  | \$40,275,553   | 20   | \$4,512                                    | \$7,013                          | \$11,524   | \$17,401,987   | 25   |
| 552               | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$15,476,175                                   | 13                               | N   | \$3,795                                    | \$7,089                          | \$10,885   | \$30,509,372   | 29   | \$3,827                                    | \$10,800                         | \$14,627   | \$20,960,887   | 20   |
| 603               | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$9,734,284                                    | 25                               | N   | \$3,759                                    | \$3,725                          | \$7,485  | \$28,546,310   | 34   | \$3,905                                    | \$7,623                          | \$11,527   | \$14,720,349   | 34   |
| 291               | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$14,425,176                                   | 15                               | N   | \$5,621                                    | \$7,679                          | \$13,301   | \$39,397,447   | 22   | \$5,884                                    | \$11,522                         | \$17,405   | \$21,791,538   | 18   |
| 312               | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$10,053,121                                   | 23                               | N   | \$3,352                                    | \$3,182                          | \$6,533  | \$34,090,407   | 26   | \$3,595                                    | \$8,075                          | \$11,670   | \$14,529,210   | 35   |
| 392               | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$9,588,336                                    | 28                               | Ν   | \$3,498                                    | \$2,707                          | \$6,204  | \$56,504,349   | 7  | \$3,849                                    | \$7,783                          | \$11,631   | \$14,329,760   | 37   |
| 293               | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$9,614,291                                    | 27                               | N   | \$4,978                                    | \$4,862                          | \$9,840  | \$43,944,545   | 17   | \$4,987                                    | \$7,913                          | \$12,900   | \$15,673,180   | 31   |
| 192               | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$7,364,630                                    | 37                               | Ν   | \$4,134                                    | \$3,314                          | \$7,448  | \$40,061,914   | 21   | \$4,288                                    | \$6,707                          | \$10,995   | \$12,072,827   | 46   |
| 683               | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$11,562,259                                   | 18                               | Ν   | \$6,649                                    | \$6,034                          | \$12,683   | \$35,778,756   | 25   | \$6,590                                    | \$10,686                         | \$17,276   | \$18,692,490   | 22   |
| 536               | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$12,336,545                                   | 16                               | Ν   | \$3,422                                    | \$11,746                         | \$15,169   | \$16,533,885   | 67   | \$3,416                                    | \$13,351                         | \$16,767   | \$15,492,592   | 32   |

NOTES: 1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations. 2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization. 3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC Users. 4. This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending. 5. Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy. 6. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment + Number of EVE User).

7. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1 - Table 8   |
|---|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC         |
| Episode Definition H: 60 Day Fixed Following Hospital Discharge (pro rated) Excluding Acute Hospital Readmissions |

|        |   |  |   |                        |  |                                  |   |  | Per Ind                          | ex Acute Hosp   | ital Discharge   |  |  |          | Per PAC   | User   |  |
|--------|---|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|---|--|--|--|----------|---|--|--|
| MS-DR0 | Descriptor  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment |          | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
|        | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$788,208,675                                  | -                                | -   | \$8,287                                    | \$2,592                          | \$10,879  | \$3,379,267,522  | -  | \$10,297                                   | \$7,216  | \$17,513  | \$1,913,023,506  | -  |
| 470    | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$101,368,112                                  | 1                                | Y   | \$10,434                                   | \$6,210                          | \$16,644  | \$274,241,297  | 1  | \$10,463                                   | \$7,017  | \$17,480  | \$252,530,283  | 1  |
| 194    | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$14,049,588                                   | 9                                | N   | \$5,028                                    | \$1,856                          | \$6,883   | \$53,518,683   | 5  | \$5,107                                    | \$5,280  | \$10,387  | \$27,639,086   | 9  |
| 65     | Intracranial hemorrhage or cerebral infarction w CC                   | 3,333  | 69.3  | 2,311                  | \$33,343,774                                   | 2                                | Y   | \$6,291                                    | \$10,147                         | \$16,439  | \$54,790,601   | 4  | \$6,307                                    | \$14,428 | \$20,735  | \$47,919,605   | 4  |
| 481    | Hip & femur procedures except major joint w CC                        | 2,395  | 89.1  | 2,135                  | \$28,419,803                                   | 3                                | Y   | \$9,739                                    | \$12,008                         | \$21,747  | \$52,084,241   | 6  | \$9,698                                    | \$13,311 | \$23,009  | \$49,124,100   | 3  |
| 690    | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$14,052,053                                   | 8                                | N   | \$3,896                                    | \$2,636                          | \$6,532   | \$35,783,151   | 15   | \$4,025                                    | \$6,613  | \$10,638  | \$22,605,798   | 13   |
| 66     | Intracranial hemorrhage or cerebral infarction w/o CC/MCC             | 3,109  | 56.6  | 1,760                  | \$18,578,431                                   | 5                                | Y   | \$6,044                                    | \$6,031                          | \$12,075  | \$37,539,978   | 14   | \$5,985                                    | \$10,556 | \$16,541  | \$29,111,939   | 8  |
| 641    | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$10,293,843                                   | 13                               | Ν   | \$3,457                                    | \$2,157                          | \$5,614   | \$28,049,857   | 22   | \$3,700                                    | \$6,250  | \$9,950   | \$16,387,484   | 19   |
| 292    | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$8,064,656                                    | 18                               | Ν   | \$5,179                                    | \$1,889                          | \$7,067   | \$31,004,756   | 19   | \$5,299                                    | \$4,972  | \$10,271  | \$16,659,984   | 18   |
| 871    | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$11,316,287                                   | 11                               | N   | \$9,217                                    | \$3,822                          | \$13,039  | \$39,195,893   | 12   | \$9,475                                    | \$7,273  | \$16,748  | \$26,059,216   | 11   |
| 482    | Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                  | \$19,652,397                                   | 4                                | Y   | \$8,288                                    | \$11,359                         | \$19,647  | \$34,343,364   | 18   | \$8,304                                    | \$12,878 | \$21,183  | \$32,325,062   | 6  |
| 195    | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$7,103,447                                    | 21                               | Ν   | \$4,368                                    | \$1,420                          | \$5,789   | \$30,310,511   | 20   | \$4,512                                    | \$4,704  | \$9,216   | \$13,915,940   | 25   |
| 552    | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$10,392,142                                   | 12                               | N   | \$3,795                                    | \$3,787                          | \$7,582   | \$21,253,200   | 34   | \$3,827                                    | \$7,252  | \$11,079  | \$15,876,854   | 21   |
| 603    | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$6,096,088                                    | 26                               | N   | \$3,759                                    | \$1,656                          | \$5,416   | \$20,655,843   | 37   | \$3,905                                    | \$4,774  | \$8,678   | \$11,082,153   | 39   |
| 291    | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$7,735,325                                    | 19                               | N   | \$5,621                                    | \$2,671                          | \$8,292   | \$24,560,814   | 29   | \$5,884                                    | \$6,178  | \$12,062  | \$15,101,687   | 22   |
| 312    | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$7,098,631                                    | 22                               | N   | \$3,352                                    | \$1,395                          | \$4,747   | \$24,767,862   | 27   | \$3,595                                    | \$5,702  | \$9,297   | \$11,574,720   | 36   |
| 392    | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$5,827,680                                    | 27                               | Ν   | \$3,498                                    | \$671                            | \$4,169   | \$37,965,782   | 13   | \$3,849                                    | \$4,730  | \$8,579   | \$10,569,104   | 42   |
| 293    | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$4,798,146                                    | 35                               | Ν   | \$4,978                                    | \$1,122                          | \$6,100   | \$27,243,116   | 24   | \$4,987                                    | \$3,949  | \$8,936   | \$10,857,035   | 41   |
| 192    | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$4,172,659                                    | 41                               | Ν   | \$4,134                                    | \$824                            | \$4,958   | \$26,669,019   | 25   | \$4,288                                    | \$3,800  | \$8,088   | \$8,880,856  | 52   |
| 683    | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$6,646,370                                    | 25                               | Ν   | \$6,649                                    | \$2,428                          | \$9,077   | \$25,607,624   | 26   | \$6,590                                    | \$6,143  | \$12,733  | \$13,776,601   | 27   |
| 536    | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$9,565,826                                    | 14                               | Ν   | \$3,422                                    | \$8,884                          | \$12,306  | \$13,413,672   | 67   | \$3,416                                    | \$10,353 | \$13,768  | \$12,721,873   | 31   |

1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.

Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, L1CH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.
 PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization.
 Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \*
 This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.
 Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1 - Table 9   |
|---|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC |
| Episode Definition I: 90 Day Fixed: Any Claim Starting Within 90 Days After Hospital Discharge            |

|        |   |  |   |                        |  |                               |   |  | Per II                           | ndex Acute Hospit | al Discharge   |  |  |                      | Per PAC U | ser  |  |
|--------|---|--|---|------------------------|--|-------------------------------|---|--|----------------------------------|-------------------|--|--|--|----------------------|-----------|--|--|
| MS-DR0 | G Descriptor  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By Total<br>PAC Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Spending          | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment⁵ | Spending  | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
|        | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$1,452,885,764                                | -                             | -   | \$8,287                                    | \$7,063                          | \$15,350          | \$4,768,158,157  | -  | \$10,297                                   | \$13,300             | \$23,598  | \$2,577,700,594  | -  |
| 470    | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$134,408,420                                  | 1                             | Y   | \$10,434                                   | \$8,429                          | \$18,863          | \$310,807,534  | 1  | \$10,463                                   | \$9,304              | \$19,767  | \$285,570,591  | 1  |
| 194    | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$28,390,340                                   | 5                             | Y   | \$5,028                                    | \$5,989                          | \$11,017          | \$85,656,330   | 3  | \$5,107                                    | \$10,669             | \$15,776  | \$41,979,838   | 6  |
| 65     | Intracranial hemorrhage or cerebral infarction<br>w CC                | 3,333  | 69.3  | 2,311                  | \$50,774,812                                   | 2                             | Y   | \$6,291                                    | \$16,407                         | \$22,698          | \$75,652,968   | 5  | \$6,307                                    | \$21,971             | \$28,278  | \$65,350,643   | 3  |
| 481    | Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                  | \$42,758,202                                   | 3                             | Y   | \$9,739                                    | \$18,500                         | \$28,239          | \$67,631,535   | 6  | \$9,698                                    | \$20,027             | \$29,725  | \$63,462,499   | 4  |
| 690    | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$26,404,512                                   | 8                             | Y   | \$3,896                                    | \$6,927                          | \$10,823          | \$59,291,133   | 10   | \$4,025                                    | \$12,426             | \$16,451  | \$34,958,257   | 11   |
| 66     | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$28,444,196                                   | 4                             | Y   | \$6,044                                    | \$10,590                         | \$16,633          | \$51,713,062   | 16   | \$5,985                                    | \$16,161             | \$22,146  | \$38,977,704   | 8  |
| 641    | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$20,423,930                                   | 12                            | Ν   | \$3,457                                    | \$6,632                          | \$10,089          | \$50,405,873   | 17   | \$3,700                                    | \$12,401             | \$16,101  | \$26,517,571   | 16   |
| 292    | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$19,648,400                                   | 14                            | Ν   | \$5,179                                    | \$8,512                          | \$13,691          | \$60,060,366   | 8  | \$5,299                                    | \$12,114             | \$17,413  | \$28,243,728   | 13   |
| 871    | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$23,877,759                                   | 10                            | Y   | \$9,217                                    | \$10,077                         | \$19,294          | \$57,997,132   | 11   | \$9,475                                    | \$15,346             | \$24,820  | \$38,620,688   | 9  |
| 482    | Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                  | \$27,418,171                                   | 6                             | Y   | \$8,288                                    | \$16,242                         | \$24,530          | \$42,878,864   | 23   | \$8,304                                    | \$17,967             | \$26,272  | \$40,090,836   | 7  |
| 195    | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$13,315,493                                   | 21                            | N   | \$4,368                                    | \$4,446                          | \$8,814           | \$46,150,468   | 21   | \$4,512                                    | \$8,818              | \$13,330  | \$20,127,985   | 24   |
| 552    | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$20,011,760                                   | 13                            | N   | \$3,795                                    | \$9,310                          | \$13,105          | \$36,732,721   | 27   | \$3,827                                    | \$13,965             | \$17,792  | \$25,496,472   | 19   |
| 603    | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$13,043,269                                   | 22                            | N   | \$3,759                                    | \$5,244                          | \$9,004           | \$34,340,199   | 30   | \$3,905                                    | \$10,214             | \$14,119  | \$18,029,334   | 31   |
| 291    | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$18,569,778                                   | 15                            | N   | \$5,621                                    | \$10,336                         | \$15,958          | \$47,267,380   | 20   | \$5,884                                    | \$14,832             | \$20,716  | \$25,936,140   | 18   |
| 312    | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$12,812,282                                   | 25                            | N   | \$3,352                                    | \$4,412                          | \$7,764           | \$40,513,224   | 26   | \$3,595                                    | \$10,291             | \$13,886  | \$17,288,371   | 33   |
| 392    | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$12,434,088                                   | 26                            | Ν   | \$3,498                                    | \$3,831                          | \$7,328           | \$66,738,713   | 7  | \$3,849                                    | \$10,093             | \$13,941  | \$17,175,512   | 35   |
| 293    | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$12,989,352                                   | 23                            | N   | \$4,978                                    | \$6,883                          | \$11,861          | \$52,969,321   | 13   | \$4,987                                    | \$10,691             | \$15,678  | \$19,048,241   | 27   |
| 192    | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$10,078,213                                   | 31                            | Ν   | \$4,134                                    | \$4,764                          | \$8,898           | \$47,862,321   | 18   | \$4,288                                    | \$9,179              | \$13,467  | \$14,786,410   | 42   |
| 683    | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$15,083,651                                   | 16                            | Ν   | \$6,649                                    | \$8,236                          | \$14,885          | \$41,990,505   | 24   | \$6,590                                    | \$13,941             | \$20,530  | \$22,213,882   | 21   |
| 536    | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$14,706,332                                   | 17                            | Ν   | \$3,422                                    | \$14,093                         | \$17,515          | \$19,091,674   | 63   | \$3,416                                    | \$15,916             | \$19,332  | \$17,862,379   | 32   |

1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations. 2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization.

3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC Users. 4. This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.

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| Section 1 - Table 10   |
|--|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC                            |
| Episode Definition J: 90 Day Fixed: Any Claim Starting Within 90 Days After Hospital Discharge Excluding Acute Hospital Readmissions |

|       |   |  |   |                        |  |                                  |   |  | Per Ind                          | lex Acute Hospi   | ital Discharge   |  |  |                                  | Per PAC U   | Jser   |  |
|-------|---|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|---|--|--|--|----------------------------------|---|--|--|
| MS-DR | G Descriptor  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
|       | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$883,979,995                                  | -                                | -   | \$8,287                                    | \$2,936                          | \$11,223  | \$3,486,075,950  | -  | \$10,297                                   | \$8,092                          | \$18,389  | \$2,008,794,826  | -  |
| 470   | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$107,014,709                                  | 1                                | Y   | \$10,434                                   | \$6,568                          | \$17,002  | \$280,141,843  | 1  | \$10,463                                   | \$7,407                          | \$17,871  | \$258,176,880  | 1  |
| 194   | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$15,873,697                                   | 9                                | N   | \$5,028                                    | \$2,115                          | \$7,143   | \$55,534,596   | 6  | \$5,107                                    | \$5,965                          | \$11,072  | \$29,463,195   | 9  |
| 65    | Intracranial hemorrhage or cerebral infarction<br>w CC                | 3,333  | 69.3  | 2,311                  | \$37,877,048                                   | 2                                | Y   | \$6,291                                    | \$11,566                         | \$17,857  | \$59,517,120   | 4  | \$6,307                                    | \$16,390                         | \$22,697  | \$52,452,879   | 4  |
| 481   | Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                  | \$32,602,086                                   | 3                                | Y   | \$9,739                                    | \$13,804                         | \$23,543  | \$56,385,055   | 5  | \$9,698                                    | \$15,270                         | \$24,968  | \$53,306,383   | 3  |
| 690   | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$15,995,656                                   | 8                                | N   | \$3,896                                    | \$3,041                          | \$6,938   | \$38,004,019   | 15   | \$4,025                                    | \$7,527                          | \$11,553  | \$24,549,401   | 13   |
| 66    | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$20,617,838                                   | 5                                | Y   | \$6,044                                    | \$6,720                          | \$12,763  | \$39,681,340   | 13   | \$5,985                                    | \$11,715                         | \$17,700  | \$31,151,346   | 7  |
| 641   | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$11,781,365                                   | 12                               | Ν   | \$3,457                                    | \$2,522                          | \$5,979   | \$29,872,643   | 21   | \$3,700                                    | \$7,153                          | \$10,853  | \$17,875,006   | 19   |
| 292   | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$9,440,683                                    | 18                               | Ν   | \$5,179                                    | \$2,241                          | \$7,420   | \$32,552,361   | 19   | \$5,299                                    | \$5,820                          | \$11,120  | \$18,036,011   | 18   |
| 871   | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$12,907,539                                   | 11                               | N   | \$9,217                                    | \$4,390                          | \$13,606  | \$40,900,918   | 12   | \$9,475                                    | \$8,295                          | \$17,770  | \$27,650,468   | 10   |
| 482   | Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                  | \$22,214,893                                   | 4                                | Y   | \$8,288                                    | \$12,880                         | \$21,168  | \$37,001,550   | 16   | \$8,304                                    | \$14,558                         | \$22,862  | \$34,887,558   | 6  |
| 195   | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$7,938,217                                    | 22                               | Ν   | \$4,368                                    | \$1,611                          | \$5,979   | \$31,307,321   | 20   | \$4,512                                    | \$5,257                          | \$9,769   | \$14,750,710   | 26   |
| 552   | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$11,488,455                                   | 13                               | N   | \$3,795                                    | \$4,215                          | \$8,011   | \$22,453,600   | 34   | \$3,827                                    | \$8,017                          | \$11,844  | \$16,973,167   | 20   |
| 603   | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$7,076,532                                    | 25                               | N   | \$3,759                                    | \$1,952                          | \$5,711   | \$21,782,902   | 36   | \$3,905                                    | \$5,542                          | \$9,446   | \$12,062,597   | 37   |
| 291   | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$8,737,403                                    | 19                               | N   | \$5,621                                    | \$3,054                          | \$8,675   | \$25,696,654   | 28   | \$5,884                                    | \$6,979                          | \$12,862  | \$16,103,765   | 23   |
| 312   | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$8,017,600                                    | 21                               | N   | \$3,352                                    | \$1,602                          | \$4,954   | \$25,848,652   | 27   | \$3,595                                    | \$6,440                          | \$10,035  | \$12,493,689   | 36   |
| 392   | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$6,545,265                                    | 28                               | Ν   | \$3,498                                    | \$778                            | \$4,276   | \$38,939,676   | 14   | \$3,849                                    | \$5,313                          | \$9,161   | \$11,286,689   | 43   |
| 293   | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$5,638,879                                    | 33                               | N   | \$4,978                                    | \$1,350                          | \$6,328   | \$28,261,095   | 23   | \$4,987                                    | \$4,641                          | \$9,628   | \$11,697,768   | 40   |
| 192   | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$4,787,175                                    | 40                               | Ν   | \$4,134                                    | \$968                            | \$5,102   | \$27,443,143   | 25   | \$4,288                                    | \$4,360                          | \$8,648   | \$9,495,372  | 49   |
| 683   | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$7,657,980                                    | 24                               | Ν   | \$6,649                                    | \$2,842                          | \$9,491   | \$26,775,132   | 26   | \$6,590                                    | \$7,078                          | \$13,667  | \$14,788,211   | 25   |
| 536   | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$10,541,241                                   | 14                               | Ν   | \$3,422                                    | \$9,851                          | \$13,274  | \$14,468,406   | 64   | \$3,416                                    | \$11,408                         | \$14,824  | \$13,697,288   | 31   |

NOTES: 1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations. 2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization. 3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC Users. 4. This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending. 5. Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy. 6. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of IAC Users. 7. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1 - Table 11   |    |
|--|----|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PA | AC |
| Episode Definition K: 90 Day Fixed Following Hospital Discharge (pro rated)                              |    |
| Per Index Acute Hospital Discharge   |    |

|   |                            |  |   |                        |  |                                  |   |  | Per In                           | dex Acute Hospita                                    | ıl Discharge   |  |  |                                  | Per PAC U  | Jser   |  |
|---|----------------------------|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|--|--|--|--|----------------------------------|--|--|--|
| MS-DRG Descriptor                                   |                            | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
| All MS-DRGs   |                            | 310,629  | 35.2  | 109,236                | \$1,383,076,435                                | -                                | -   | \$8,287                                    | \$16,133                         | \$15,015   | \$4,664,223,595  | -  | \$10,297                                   | \$12,661                         | \$22,958   | \$2,507,891,265  | -  |
| 470 Major joint replacemen<br>lower extremity w/o M |                            | 16,477   | 87.7  | 14,447                 | \$131,784,402                                  | 1                                | Y   | \$10,434                                   | \$20,211                         | \$18,693   | \$308,003,639  | 1  | \$10,463                                   | \$9,122                          | \$19,585   | \$282,946,573  | 1  |
| 194 Simple pneumonia & p                            |                            | 7,775  | 34.2  | 2,661                  | \$26,886,741                                   | 5                                | Y   | \$5,028                                    | \$11,330                         | \$10,716   | \$83,316,582   | 4  | \$5,107                                    | \$10,104                         | \$15,211   | \$40,476,239   | 6  |
| 65 Intracranial hemorrhage<br>CC                    | e or cerebral infarction w | 3,333  | 69.3  | 2,311                  | \$48,237,180                                   | 2                                | Y   | \$6,291                                    | \$22,806                         | \$21,864   | \$72,871,404   | 5  | \$6,307                                    | \$20,873                         | \$27,180   | \$62,813,011   | 3  |
| 481 Hip & femur procedure<br>CC                     | s except major joint w     | 2,395  | 89.1  | 2,135                  | \$40,981,122                                   | 3                                | Y   | \$9,739                                    | \$29,166                         | \$27,453   | \$65,749,076   | 6  | \$9,698                                    | \$19,195                         | \$28,892   | \$61,685,419   | 4  |
| 690 Kidney & urinary tract                          |                            | 5,478  | 38.8  | 2,125                  | \$25,158,085                                   | 8                                | Y   | \$3,896                                    | \$10,924                         | \$10,432   | \$57,144,368   | 10   | \$4,025                                    | \$11,839                         | \$15,864   | \$33,711,830   | 11   |
| 66 Intracranial hemorrhage<br>w/o CC/MCC            |                            | 3,109  | 56.6  | 1,760                  | \$27,274,170                                   | 4                                | Y   | \$6,044                                    | \$16,892                         | \$16,135   | \$50,162,423   | 15   | \$5,985                                    | \$15,497                         | \$21,482   | \$37,807,678   | 8  |
| 641 Nutritional & misc met<br>MCC                   | abolic disorders w/o       | 4,996  | 33.0  | 1,647                  | \$19,294,108                                   | 12                               | Ν   | \$3,457                                    | \$10,198                         | \$9,704  | \$48,482,564   | 17   | \$3,700                                    | \$11,715                         | \$15,415   | \$25,387,749   | 17   |
| 292 Heart failure & shock v                         | v CC                       | 4,387  | 37.0  | 1,622                  | \$18,577,297                                   | 14                               | Ν   | \$5,179                                    | \$13,950                         | \$13,245   | \$58,106,554   | 9  | \$5,299                                    | \$11,453                         | \$16,753   | \$27,172,625   | 14   |
| 871 Septicemia w/o MV 96                            |                            | 3,006  | 51.8  | 1,556                  | \$22,205,452                                   | 10                               | Y   | \$9,217                                    | \$19,880                         | \$18,632   | \$56,008,648   | 12   | \$9,475                                    | \$14,271                         | \$23,746   | \$36,948,381   | 9  |
| 482 Hip & femur procedure<br>CC/MCC                 | s except major joint w/o   | 1,748  | 87.3  | 1,526                  | \$26,525,610                                   | 6                                | Y   | \$8,288                                    | \$25,523                         | \$24,001   | \$41,953,375   | 23   | \$8,304                                    | \$17,382                         | \$25,687   | \$39,198,275   | 7  |
| 195 Simple pneumonia & p                            |                            | 5,236  | 28.8  | 1,510                  | \$12,714,790                                   | 21                               | N   | \$4,368                                    | \$9,063                          | \$8,616  | \$45,114,956   | 21   | \$4,512                                    | \$8,420                          | \$12,932   | \$19,527,283   | 24   |
| 552 Medical back problems                           | w/o MCC                    | 2,803  | 51.1  | 1,433                  | \$18,881,368                                   | 13                               | N   | \$3,795                                    | \$13,217                         | \$12,611   | \$35,347,869   | 27   | \$3,827                                    | \$13,176                         | \$17,004   | \$24,366,080   | 19   |
| 603 Cellulitis w/o MCC                              |                            | 3,814  | 33.5  | 1,277                  | \$12,203,667                                   | 24                               | N   | \$3,759                                    | \$9,190                          | \$8,693  | \$33,153,299   | 31   | \$3,905                                    | \$9,557                          | \$13,461   | \$17,189,732   | 33   |
| 291 Heart failure & shock v                         | v MCC                      | 2,962  | 42.3  | 1,252                  | \$17,653,724                                   | 15                               | N   | \$5,621                                    | \$16,466                         | \$15,440   | \$45,734,331   | 20   | \$5,884                                    | \$14,100                         | \$19,984   | \$25,020,086   | 18   |
| 312 Syncope & collapse                              |                            | 5,218  | 23.9  | 1,245                  | \$12,171,619                                   | 25                               | N   | \$3,352                                    | \$8,100                          | \$7,486  | \$39,062,614   | 26   | \$3,595                                    | \$9,776                          | \$13,372   | \$16,647,708   | 34   |
| 392 Esophagitis, gastroent &<br>w/o MCC             | & misc digest disorders    | 9,107  | 13.5  | 1,232                  | \$11,629,756                                   | 27                               | Ν   | \$3,498                                    | \$7,668                          | \$7,121  | \$64,850,472   | 7  | \$3,849                                    | \$9,440                          | \$13,288   | \$16,371,180   | 35   |
| 293 Heart failure & shock w                         |                            | 4,466  | 27.2  | 1,215                  | \$12,225,205                                   | 23                               | Ν   | \$4,978                                    | \$12,071                         | \$11,546   | \$51,566,554   | 14   | \$4,987                                    | \$10,062                         | \$15,049   | \$18,284,094   | 27   |
| 192 Chronic obstructive pul<br>CC/MCC               | monary disease w/o         | 5,379  | 20.4  | 1,098                  | \$9,449,477                                    | 31                               | Ν   | \$4,134                                    | \$9,074                          | \$8,613  | \$46,331,118   | 19   | \$4,288                                    | \$8,606                          | \$12,894   | \$14,157,674   | 44   |
| 683 Renal failure w CC                              |                            | 2,821  | 38.4  | 1,082                  | \$14,170,616                                   | 16                               | Ν   | \$6,649                                    | \$15,231                         | \$14,347   | \$40,472,012   | 25   | \$6,590                                    | \$13,097                         | \$19,687   | \$21,300,847   | 21   |
| 536 Fractures of hip & pelv                         | is w/o MCC                 | 1,090  | 84.8  | 924                    | \$14,131,290                                   | 17                               | N   | \$3,422                                    | \$17,551                         | \$16,944   | \$18,469,115   | 64   | \$3,416                                    | \$15,294                         | \$18,709   | \$17,287,337   | 31   |

Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.
 PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization.

PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hosp 3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC Users.
 This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.
 Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

### Section 1 - Table 12 Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC Episode Definition L: 90 Day Fixed Following Hospital Discharge (pro rated) Excluding Acute Hospital Readmissions

|       |   |  |   |                        |  |                                  |   |  | Per In                           | dex Acute Hospit                                     | tal Discharge  |  |  |                                  | Per PAC Us   | ser  |  |
|-------|---|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|--|--|--|--|----------------------------------|--|--|--|
| MS-DR | G Descriptor  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
|       | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$849,232,843                                  | -                                | -   | \$8,287                                    | \$2,812                          | \$11,099   | \$3,447,636,891  | -  | \$10,297                                   | \$7,774                          | \$18,071   | \$1,974,047,674  |  |
| 470   | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$105,226,571                                  | 1                                | Y   | \$10,434                                   | \$6,455                          | \$16,889   | \$278,282,120  | 1  | \$10,463                                   | \$7,284                          | \$17,747   | \$256,388,742  | 1  |
| 194   | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$15,198,560                                   | 9                                | Ν   | \$5,028                                    | \$2,019                          | \$7,047  | \$54,787,034   | 6  | \$5,107                                    | \$5,712                          | \$10,819   | \$28,788,058   | 9  |
| 65    | Intracranial hemorrhage or cerebral infarction w<br>CC                | 3,333  | 69.3  | 2,311                  | \$36,437,546                                   | 2                                | Y   | \$6,291                                    | \$11,116                         | \$17,407   | \$58,018,238   | 4  | \$6,307                                    | \$15,767                         | \$22,074   | \$51,013,377   | 4  |
| 481   | Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                  | \$31,547,704                                   | 3                                | Y   | \$9,739                                    | \$13,353                         | \$23,092   | \$55,305,808   | 5  | \$9,698                                    | \$14,776                         | \$24,474   | \$52,252,001   | 3  |
| 690   | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$15,420,126                                   | 8                                | Ν   | \$3,896                                    | \$2,920                          | \$6,817  | \$37,341,381   | 15   | \$4,025                                    | \$7,257                          | \$11,282   | \$23,973,871   | 13   |
| 66    | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$19,924,485                                   | 5                                | Y   | \$6,044                                    | \$6,486                          | \$12,530   | \$38,955,144   | 13   | \$5,985                                    | \$11,321                         | \$17,306   | \$30,457,993   | 8  |
| 641   | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$11,335,335                                   | 12                               | Ν   | \$3,457                                    | \$2,411                          | \$5,868  | \$29,315,296   | 21   | \$3,700                                    | \$6,882                          | \$10,582   | \$17,428,976   | 19   |
| 292   | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$8,901,778                                    | 18                               | Ν   | \$5,179                                    | \$2,103                          | \$7,282  | \$31,946,178   | 19   | \$5,299                                    | \$5,488                          | \$10,787   | \$17,497,106   | 18   |
| 871   | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$12,368,097                                   | 11                               | Ν   | \$9,217                                    | \$4,198                          | \$13,415   | \$40,324,685   | 12   | \$9,475                                    | \$7,949                          | \$17,424   | \$27,111,026   | 10   |
| 482   | Hip & femur procedures except major joint w/o<br>CC/MCC               | 1,748  | 87.3  | 1,526                  | \$21,568,963                                   | 4                                | Y   | \$8,288                                    | \$12,498                         | \$20,786   | \$36,334,553   | 16   | \$8,304                                    | \$14,134                         | \$22,439   | \$34,241,628   | 6  |
| 195   | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$7,658,150                                    | 22                               | N   | \$4,368                                    | \$1,549                          | \$5,917  | \$30,981,715   | 20   | \$4,512                                    | \$5,072                          | \$9,583  | \$14,470,643   | 25   |
| 552   | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$11,145,232                                   | 13                               | N   | \$3,795                                    | \$4,081                          | \$7,877  | \$22,078,406   | 34   | \$3,827                                    | \$7,778                          | \$11,605   | \$16,629,944   | 20   |
| 603   | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$6,733,382                                    | 26                               | N   | \$3,759                                    | \$1,850                          | \$5,610  | \$21,395,121   | 36   | \$3,905                                    | \$5,273                          | \$9,177  | \$11,719,447   | 38   |
| 291   | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$8,326,038                                    | 19                               | N   | \$5,621                                    | \$2,897                          | \$8,518  | \$25,230,422   | 28   | \$5,884                                    | \$6,650                          | \$12,534   | \$15,692,400   | 23   |
| 312   | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$7,708,532                                    | 21                               | N   | \$3,352                                    | \$1,532                          | \$4,884  | \$25,482,146   | 27   | \$3,595                                    | \$6,192                          | \$9,787  | \$12,184,621   | 36   |
| 392   | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$6,254,485                                    | 28                               | Ν   | \$3,498                                    | \$736                            | \$4,233  | \$38,552,209   | 14   | \$3,849                                    | \$5,077                          | \$8,925  | \$10,995,909   | 43   |
| 293   | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$5,232,779                                    | 35                               | N   | \$4,978                                    | \$1,244                          | \$6,222  | \$27,788,581   | 24   | \$4,987                                    | \$4,307                          | \$9,294  | \$11,291,668   | 40   |
| 192   | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$4,515,299                                    | 41                               | Ν   | \$4,134                                    | \$905                            | \$5,039  | \$27,103,877   | 25   | \$4,288                                    | \$4,112                          | \$8,400  | \$9,223,496  | 50   |
| 683   | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$7,326,031                                    | 24                               | Ν   | \$6,649                                    | \$2,705                          | \$9,354  | \$26,387,266   | 26   | \$6,590                                    | \$6,771                          | \$13,361   | \$14,456,262   | 26   |
| 536   | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$10,288,513                                   | 14                               | Ν   | \$3,422                                    | \$9,600                          | \$13,023   | \$14,194,894   | 64   | \$3,416                                    | \$11,135                         | \$14,550   | \$13,444,560   | 30   |

NOTES:

1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.

2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization. 3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC Users.

4. This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.

Then have assigned and soluting data describing by Total medicate specialing of TAC and neutropying in MS-DAOS accounting for the Op 50% of TS.
 Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

#### Section 1 - Table 13 Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC Episode Definition M: 30 Day Variable Length

|       |   |  |   |                        |  |    |   |  | Per Inc                          | lex Acute Hosp  | ital Discharge   |  |  |                                  | Per PAC Us   | ser  |  |
|-------|---|--|---|------------------------|--|----|---|--|----------------------------------|---|--|--|--|----------------------------------|--|--|--|
| MS-DR | Descriptor  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> |    | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
|       | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$1,567,270,349                                | -  |   | \$8,287                                    | \$6,522                          | \$14,809  | \$4,600,058,189  | -  | \$10,297                                   | \$14,348                         | \$24,645   | \$2,692,085,180  |  |
| 470   | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$139,007,609                                  | 1  | Y   | \$10,434                                   | \$8,639                          | \$19,073  | \$314,265,364  | 1  | \$10,463                                   | \$9,622                          | \$16,603   | \$239,862,011  | 2  |
| 194   | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$29,651,046                                   | 5  | Y   | \$5,028                                    | \$5,241                          | \$10,269  | \$79,839,223   | 4  | \$5,107                                    | \$11,143                         | \$17,312   | \$46,066,446   | 8  |
| 65    | Intracranial hemorrhage or cerebral infarction w CC                   | 3,333  | 69.3  | 2,311                  | \$55,839,503                                   | 2  | Y   | \$6,291                                    | \$17,545                         | \$23,836  | \$79,443,738   | 5  | \$6,307                                    | \$24,162                         | \$29,777   | \$68,815,316   | 5  |
| 481   | Hip & femur procedures except major joint w CC                        | 2,395  | 89.1  | 2,135                  | \$45,783,399                                   | 3  | Y   | \$9,739                                    | \$19,612                         | \$29,351  | \$70,296,372   | 6  | \$9,698                                    | \$21,444                         | \$26,072   | \$55,662,706   | 6  |
| 690   | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$28,233,296                                   | 8  | Y   | \$3,896                                    | \$6,415                          | \$10,311  | \$56,481,178   | 9  | \$4,025                                    | \$13,286                         | \$37,143   | \$78,928,666   | 4  |
| 66    | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$30,327,355                                   | 4  | Y   | \$6,044                                    | \$10,659                         | \$16,703  | \$51,928,920   | 14   | \$5,985                                    | \$17,231                         | \$176,170  | \$310,059,550  | 1  |
| 641   | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$23,012,539                                   | 11 | Y   | \$3,457                                    | \$6,137                          | \$9,594   | \$47,930,742   | 16   | \$3,700                                    | \$13,972                         | \$20,153   | \$33,191,535   | 14   |
| 292   | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$22,754,573                                   | 12 | Y   | \$5,179                                    | \$7,690                          | \$12,869  | \$56,457,064   | 10   | \$5,299                                    | \$14,029                         | \$24,435   | \$39,633,796   | 11   |
| 871   | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$25,734,301                                   | 10 | Y   | \$9,217                                    | \$9,993                          | \$19,210  | \$57,744,494   | 7  | \$9,475                                    | \$16,539                         | \$122,706  | \$190,931,168  | 3  |
| 482   | Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                  | \$28,775,518                                   | 7  | Y   | \$8,288                                    | \$16,894                         | \$25,182  | \$44,018,977   | 20   | \$8,304                                    | \$18,857                         | \$16,618   | \$25,358,852   | 19   |
| 195   | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$13,730,985                                   | 24 | N   | \$4,368                                    | \$3,809                          | \$8,177   | \$42,813,605   | 22   | \$4,512                                    | \$9,093                          | \$22,638   | \$34,183,339   | 13   |
| 552   | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$21,343,491                                   | 14 | N   | \$3,795                                    | \$9,012                          | \$12,807  | \$35,899,027   | 27   | \$3,827                                    | \$14,894                         | \$33,264   | \$47,667,037   | 7  |
| 603   | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$14,820,574                                   | 21 | N   | \$3,759                                    | \$4,877                          | \$8,636   | \$32,937,270   | 28   | \$3,905                                    | \$11,606                         | \$23,356   | \$29,826,118   | 17   |
| 291   | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$20,349,996                                   | 15 | N   | \$5,621                                    | \$9,460                          | \$15,081  | \$44,669,932   | 19   | \$5,884                                    | \$16,254                         | \$21,075   | \$26,385,911   | 18   |
| 312   | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$13,702,802                                   | 26 | N   | \$3,352                                    | \$3,633                          | \$6,985   | \$36,445,158   | 26   | \$3,595                                    | \$11,006                         | \$29,332   | \$36,518,615   | 12   |
| 392   | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$13,702,830                                   | 25 | Ν   | \$3,498                                    | \$2,827                          | \$6,325   | \$57,604,071   | 8  | \$3,849                                    | \$11,122                         | \$11,570   | \$14,253,640   | 46   |
| 293   | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$14,894,038                                   | 20 | Ν   | \$4,978                                    | \$5,598                          | \$10,576  | \$47,231,441   | 17   | \$4,987                                    | \$12,258                         | \$33,347   | \$40,516,209   | 10   |
| 192   | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$10,759,221                                   | 32 | Ν   | \$4,134                                    | \$3,671                          | \$7,805   | \$41,984,174   | 24   | \$4,288                                    | \$9,799                          | \$11,752   | \$12,903,482   | 56   |
| 683   | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$16,669,729                                   | 16 | Ν   | \$6,649                                    | \$7,684                          | \$14,333  | \$40,434,785   | 25   | \$6,590                                    | \$15,406                         | \$20,050   | \$21,694,462   | 23   |
| 536   | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$15,347,595                                   | 19 | Ν   | \$3,422                                    | \$14,517                         | \$17,939  | \$19,553,324   | 62   | \$3,416                                    | \$16,610                         | \$17,771   | \$16,420,103   | 36   |

NOTES:

NOTES: 1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations. 2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization. 3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC users. 4. This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending. 5. Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy. 6. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Ive Index Acute Hospital Discharges. 7. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1 -   | Table 14                           |
|---|------------------------------------|
| Medicare Post-Acute Care Episode Payments, By MS-DRG,<br>Episode Definition N: 30 Day Variable Leng |                                    |
|   | Per Index Acute Hospital Discharge |
|   |                                    |

|       |   |  |   |                        |  |                                  |   |  | Per Ind                          | lex Acute Hospi   | tal Discharge  |  |  |                      | Per PAC Us   | er   |  |
|-------|---|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|---|--|--|--|----------------------|--|--|--|
| MS-DR | G Descriptor  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment⁵ | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
|       | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$901,881,258                                  |                                  | -   | \$8,287                                    | \$2,958                          | \$11,246  | \$3,493,184,738  | -  | \$10,297                                   | \$8,256              | \$18,553   | \$2,026,696,089  | -  |
| 470   | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$108,053,895                                  | 1                                | Y   | \$10,434                                   | \$6,617                          | \$17,051  | \$280,954,991  | 1  | \$10,463                                   | \$7,479              | \$17,943   | \$259,216,066  | 1  |
| 194   | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$16,069,756                                   | 9                                | Ν   | \$5,028                                    | \$2,116                          | \$7,144   | \$55,547,344   | 6  | \$5,107                                    | \$6,039              | \$11,146   | \$29,659,254   | 9  |
| 65    | Intracranial hemorrhage or cerebral infarction<br>w CC                | 3,333  | 69.3  | 2,311                  | \$38,952,615                                   | 2                                | Y   | \$6,291                                    | \$11,838                         | \$18,129  | \$60,424,913   | 4  | \$6,307                                    | \$16,855             | \$23,162   | \$53,528,446   | 4  |
| 481   | Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                  | \$33,144,707                                   | 3                                | Y   | \$9,739                                    | \$13,991                         | \$23,730  | \$56,834,123   | 5  | \$9,698                                    | \$15,524             | \$25,222   | \$53,849,004   | 3  |
| 690   | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$16,373,216                                   | 8                                | Ν   | \$3,896                                    | \$3,064                          | \$6,960   | \$38,126,961   | 15   | \$4,025                                    | \$7,705              | \$11,730   | \$24,926,961   | 13   |
| 66    | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$21,082,546                                   | 5                                | Y   | \$6,044                                    | \$6,841                          | \$12,885  | \$40,058,215   | 13   | \$5,985                                    | \$11,979             | \$17,964   | \$31,616,054   | 7  |
| 641   | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$12,103,071                                   | 12                               | Ν   | \$3,457                                    | \$2,526                          | \$5,983   | \$29,891,667   | 21   | \$3,700                                    | \$7,349              | \$11,048   | \$18,196,712   | 19   |
| 292   | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$9,727,201                                    | 18                               | Ν   | \$5,179                                    | \$2,264                          | \$7,443   | \$32,654,487   | 19   | \$5,299                                    | \$5,997              | \$11,296   | \$18,322,529   | 18   |
| 871   | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$13,196,035                                   | 11                               | N   | \$9,217                                    | \$4,454                          | \$13,671  | \$41,094,444   | 12   | \$9,475                                    | \$8,481              | \$17,956   | \$27,938,964   | 10   |
| 482   | Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                  | \$22,442,779                                   | 4                                | Y   | \$8,288                                    | \$12,969                         | \$21,257  | \$37,156,407   | 16   | \$8,304                                    | \$14,707             | \$23,011   | \$35,115,444   | 6  |
| 195   | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$8,054,422                                    | 22                               | Ν   | \$4,368                                    | \$1,598                          | \$5,966   | \$31,235,707   | 20   | \$4,512                                    | \$5,334              | \$9,846  | \$14,866,915   | 26   |
| 552   | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$11,663,636                                   | 13                               | N   | \$3,795                                    | \$4,246                          | \$8,041   | \$22,538,072   | 34   | \$3,827                                    | \$8,139              | \$11,967   | \$17,148,348   | 20   |
| 603   | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$7,319,730                                    | 25                               | N   | \$3,759                                    | \$1,979                          | \$5,738   | \$21,885,232   | 36   | \$3,905                                    | \$5,732              | \$9,636  | \$12,305,795   | 37   |
| 291   | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$8,881,187                                    | 19                               | N   | \$5,621                                    | \$3,059                          | \$8,680   | \$25,710,575   | 28   | \$5,884                                    | \$7,094              | \$12,977   | \$16,247,549   | 23   |
| 312   | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$8,286,952                                    | 21                               | N   | \$3,352                                    | \$1,616                          | \$4,968   | \$25,921,771   | 27   | \$3,595                                    | \$6,656              | \$10,251   | \$12,763,041   | 36   |
| 392   | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$6,694,074                                    | 28                               | Ν   | \$3,498                                    | \$768                            | \$4,266   | \$38,849,563   | 14   | \$3,849                                    | \$5,434              | \$9,282  | \$11,435,498   | 41   |
| 293   | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$5,933,519                                    | 33                               | N   | \$4,978                                    | \$1,380                          | \$6,358   | \$28,396,869   | 23   | \$4,987                                    | \$4,884              | \$9,870  | \$11,992,408   | 39   |
| 192   | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$4,998,676                                    | 40                               | Ν   | \$4,134                                    | \$972                            | \$5,106   | \$27,463,453   | 25   | \$4,288                                    | \$4,553              | \$8,841  | \$9,706,873  | 49   |
| 683   | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$7,841,062                                    | 24                               | Ν   | \$6,649                                    | \$2,842                          | \$9,491   | \$26,773,728   | 26   | \$6,590                                    | \$7,247              | \$13,837   | \$14,971,293   | 25   |
| 536   | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$10,732,970                                   | 14                               | Ν   | \$3,422                                    | \$9,970                          | \$13,392  | \$14,596,943   | 64   | \$3,416                                    | \$11,616             | \$15,031   | \$13,889,017   | 29   |

1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations. 2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization.

3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC Users. 4. This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.

This hag was assigned after sorting bar descenting by Total interaction of PAC and teaching fing the instruction counting for the op 50% of 15. Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1 - Table 15  |
|---|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC |
| Episode Definition O: 45 Day Variable Length  |

|        |   |  |   |                        |  |                                  |   |  | Per Inc                          | lex Acute Hospi   | ital Discharge   |  |  |                                  | Per PAC Us   | er   |   |
|--------|---|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|---|--|--|--|----------------------------------|--|--|---|
| MS-DRG | Descriptor  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total<br>Medicare<br>Acute + PAC<br>Spending |
|        | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$1,667,919,577                                | -                                |   | \$8,287                                    | \$7,267                          | \$15,554  | \$4,831,667,306  | -  | \$10,297                                   | \$15,269                         | \$25,566   | \$2,792,734,409  | -   |
|        | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$143,865,858                                  | 1                                | Y   | \$10,434                                   | \$8,972                          | \$19,406  | \$319,758,173  | 1  | \$10,463                                   | \$9,958                          | \$20,421   | \$295,028,029  | 1   |
| 194    | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$31,959,382                                   | 4                                | Y   | \$5,028                                    | \$5,922                          | \$10,950  | \$85,132,769   | 4  | \$5,107                                    | \$12,010                         | \$17,117   | \$45,548,880   | 6   |
| 65     | Intracranial hemorrhage or cerebral infarction<br>w CC                | 3,333  | 69.3  | 2,311                  | \$57,614,324                                   | 2                                | Y   | \$6,291                                    | \$18,258                         | \$24,549  | \$81,821,577   | 5  | \$6,307                                    | \$24,930                         | \$31,238   | \$72,190,155   | 3   |
| 481    | Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                  | \$46,963,936                                   | 3                                | Y   | \$9,739                                    | \$20,198                         | \$29,937  | \$71,699,502   | 6  | \$9,698                                    | \$21,997                         | \$31,695   | \$67,668,233   | 4   |
| 690    | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$30,076,689                                   | 6                                | Y   | \$3,896                                    | \$7,107                          | \$11,003  | \$60,276,845   | 10   | \$4,025                                    | \$14,154                         | \$18,179   | \$38,630,434   | 10  |
|        | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$31,500,954                                   | 5                                | Y   | \$6,044                                    | \$11,269                         | \$17,313  | \$53,827,456   | 14   | \$5,985                                    | \$17,898                         | \$23,883   | \$42,034,462   | 9   |
|        | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$24,159,091                                   | 12                               | Y   | \$3,457                                    | \$6,815                          | \$10,272  | \$51,320,541   | 17   | \$3,700                                    | \$14,669                         | \$18,368   | \$30,252,732   | 14  |
| 292    | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$25,354,273                                   | 11                               | Y   | \$5,179                                    | \$8,977                          | \$14,156  | \$62,102,651   | 8  | \$5,299                                    | \$15,631                         | \$20,931   | \$33,949,601   | 13  |
|        | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$27,683,670                                   | 9                                | Y   | \$9,217                                    | \$11,046                         | \$20,263  | \$60,911,096   | 9  | \$9,475                                    | \$17,792                         | \$27,266   | \$42,426,599   | 7   |
|        | Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                  | \$29,458,399                                   | 7                                | Y   | \$8,288                                    | \$17,340                         | \$25,628  | \$44,797,896   | 22   | \$8,304                                    | \$19,304                         | \$27,609   | \$42,131,064   | 8   |
| 195    | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$14,880,836                                   | 23                               | N   | \$4,368                                    | \$4,368                          | \$8,736   | \$45,740,689   | 21   | \$4,512                                    | \$9,855                          | \$14,366   | \$21,693,329   | 25  |
|        | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$23,084,993                                   | 14                               | N   | \$3,795                                    | \$9,963                          | \$13,758  | \$38,564,925   | 27   | \$3,827                                    | \$16,110                         | \$19,937   | \$28,569,705   | 17  |
|        | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$16,033,347                                   | 19                               | N   | \$3,759                                    | \$5,584                          | \$9,343   | \$35,632,728   | 28   | \$3,905                                    | \$12,555                         | \$16,460   | \$21,019,412   | 28  |
| 291    | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$22,307,851                                   | 15                               | N   | \$5,621                                    | \$10,800                         | \$16,421  | \$48,639,371   | 18   | \$5,884                                    | \$17,818                         | \$23,701   | \$29,674,213   | 16  |
| 312    | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$14,821,210                                   | 25                               | N   | \$3,352                                    | \$4,226                          | \$7,578   | \$39,541,405   | 26   | \$3,595                                    | \$11,905                         | \$15,500   | \$19,297,299   | 33  |
|        | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$14,726,483                                   | 26                               | Ν   | \$3,498                                    | \$3,477                          | \$6,975   | \$63,517,946   | 7  | \$3,849                                    | \$11,953                         | \$15,802   | \$19,467,907   | 32  |
| 293    | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$16,764,773                                   | 17                               | N   | \$4,978                                    | \$6,763                          | \$11,741  | \$52,435,342   | 16   | \$4,987                                    | \$13,798                         | \$18,785   | \$22,823,662   | 23  |
|        | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$12,659,468                                   | 29                               | Ν   | \$4,134                                    | \$4,541                          | \$8,675   | \$46,660,838   | 20   | \$4,288                                    | \$11,530                         | \$15,818   | \$17,367,665   | 38  |
| 683    | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$17,817,792                                   | 16                               | Ν   | \$6,649                                    | \$8,506                          | \$15,155  | \$42,752,169   | 25   | \$6,590                                    | \$16,467                         | \$23,057   | \$24,948,023   | 21  |
| 536    | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$15,830,606                                   | 21                               | Ν   | \$3,422                                    | \$15,042                         | \$18,464  | \$20,125,596   | 62   | \$3,416                                    | \$17,133                         | \$20,548   | \$18,986,653   | 34  |

NOTES:
1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.
2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization.
3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC Users.
4. This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.
5. Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy.
6. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.
7. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1   | - Table 16  |  |  |  |  |  |  |  |  |  |  |
|---|---|--|--|--|--|--|--|--|--|--|--|
| Medicare Post-Acute Care Episode Payments, By MS-DRG                              | , 2006, Top 20 MS-DRGs by Volume of Discharges to PAC |  |  |  |  |  |  |  |  |  |  |
| Episode Definition P: 45 Day Variable Length Excluding Acute Hospital Readmission |   |  |  |  |  |  |  |  |  |  |  |
|   |   |  |  |  |  |  |  |  |  |  |  |
|   | Per Index Acute Hospital Discharge                    |  |  |  |  |  |  |  |  |  |  |

|   |  |   |                        |  |                                  |   |  | Per Inc                          | lex Acute Hosp  | ital Discharge   |  |  |                                  | Per PAC   | User   |  |
|---|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|---|--|--|--|----------------------------------|---|--|--|
| MS-DRG Descriptor   | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean<br>Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
| All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$906,780,684                                  |                                  | -   | \$8,287                                    | \$2,990                          | \$11,277  | \$3,503,051,778  | -  | \$10,297                                   | \$8,301                          | \$18,598  | \$2,031,595,515  | -  |
| 470 Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$108,342,895                                  | 1                                | Y   | \$10,434                                   | \$6,645                          | \$17,079  | \$281,406,494  | 1  | \$10,463                                   | \$7,499                          | \$17,963  | \$259,505,066  | 1  |
| 194 Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$16,216,923                                   | 9                                | N   | \$5,028                                    | \$2,146                          | \$7,174   | \$55,775,699   | 6  | \$5,107                                    | \$6,094                          | \$11,201  | \$29,806,421   | 9  |
| 65 Intracranial hemorrhage or cerebral infarction<br>w CC                 | 3,333  | 69.3  | 2,311                  | \$39,138,152                                   | 2                                | Y   | \$6,291                                    | \$11,929                         | \$18,220  | \$60,728,047   | 4  | \$6,307                                    | \$16,936                         | \$23,243  | \$53,713,983   | 4  |
| 481 Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                  | \$33,293,844                                   | 3                                | Y   | \$9,739                                    | \$14,074                         | \$23,813  | \$57,033,207   | 5  | \$9,698                                    | \$15,594                         | \$25,292  | \$53,998,141   | 3  |
| 690 Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$16,506,396                                   | 8                                | Y   | \$3,896                                    | \$3,110                          | \$7,006   | \$38,378,731   | 15   | \$4,025                                    | \$7,768                          | \$11,793  | \$25,060,141   | 12   |
| 66 Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC           | 3,109  | 56.6  | 1,760                  | \$21,142,989                                   | 5                                | Y   | \$6,044                                    | \$6,876                          | \$12,920  | \$40,168,962   | 13   | \$5,985                                    | \$12,013                         | \$17,998  | \$31,676,497   | 7  |
| 641 Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$12,186,199                                   | 12                               | Ν   | \$3,457                                    | \$2,569                          | \$6,026   | \$30,105,015   | 21   | \$3,700                                    | \$7,399                          | \$11,099  | \$18,279,840   | 19   |
| 292 Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$9,788,202                                    | 17                               | Ν   | \$5,179                                    | \$2,300                          | \$7,479   | \$32,809,698   | 19   | \$5,299                                    | \$6,035                          | \$11,334  | \$18,383,530   | 18   |
| 871 Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$13,328,121                                   | 11                               | Ν   | \$9,217                                    | \$4,512                          | \$13,729  | \$41,269,001   | 11   | \$9,475                                    | \$8,566                          | \$18,041  | \$28,071,050   | 10   |
| 482 Hip & femur procedures except major joint<br>w/o CC/MCC               | 1,748  | 87.3  | 1,526                  | \$22,529,540                                   | 4                                | Y   | \$8,288                                    | \$13,039                         | \$21,327  | \$37,279,361   | 16   | \$8,304                                    | \$14,764                         | \$23,068  | \$35,202,205   | 6  |
| 195 Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$8,122,439                                    | 22                               | Ν   | \$4,368                                    | \$1,623                          | \$5,991   | \$31,366,431   | 20   | \$4,512                                    | \$5,379                          | \$9,891   | \$14,934,932   | 26   |
| 552 Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$11,763,404                                   | 13                               | N   | \$3,795                                    | \$4,299                          | \$8,094   | \$22,686,831   | 33   | \$3,827                                    | \$8,209                          | \$12,036  | \$17,248,116   | 20   |
| 603 Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$7,381,358                                    | 25                               | N   | \$3,759                                    | \$2,009                          | \$5,768   | \$21,997,341   | 36   | \$3,905                                    | \$5,780                          | \$9,685   | \$12,367,423   | 37   |
| 291 Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$8,916,177                                    | 19                               | N   | \$5,621                                    | \$3,093                          | \$8,714   | \$25,811,224   | 28   | \$5,884                                    | \$7,122                          | \$13,005  | \$16,282,539   | 22   |
| 312 Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$8,351,528                                    | 21                               | N   | \$3,352                                    | \$1,645                          | \$4,997   | \$26,075,478   | 27   | \$3,595                                    | \$6,708                          | \$10,303  | \$12,827,617   | 36   |
| 392 Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$6,777,561                                    | 28                               | Ν   | \$3,498                                    | \$788                            | \$4,286   | \$39,035,894   | 14   | \$3,849                                    | \$5,501                          | \$9,350   | \$11,518,985   | 41   |
| 293 Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$5,980,043                                    | 33                               | Ν   | \$4,978                                    | \$1,408                          | \$6,386   | \$28,517,886   | 23   | \$4,987                                    | \$4,922                          | \$9,909   | \$12,038,932   | 39   |
| 192 Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$5,027,553                                    | 40                               | Ν   | \$4,134                                    | \$987                            | \$5,121   | \$27,546,730   | 25   | \$4,288                                    | \$4,579                          | \$8,867   | \$9,735,750  | 49   |
| 683 Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$7,895,986                                    | 23                               | Ν   | \$6,649                                    | \$2,901                          | \$9,550   | \$26,940,334   | 26   | \$6,590                                    | \$7,298                          | \$13,887  | \$15,026,217   | 25   |
| 536 Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$10,785,857                                   | 14                               | Ν   | \$3,422                                    | \$10,054                         | \$13,476  | \$14,688,592   | 64   | \$3,416                                    | \$11,673                         | \$15,089  | \$13,941,904   | 29   |

1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.

2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization.

Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC Users.
 This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.

Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges.
 Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

| Section 1 - Table 17  |  |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|
| Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC |  |  |  |  |  |  |  |  |  |  |
| Episode Definition Q: 60 Day Variable Length  |  |  |  |  |  |  |  |  |  |  |

|       |   |  |   |                        |  |                                  |   |  | Per In                           | dex Acute Hospit                                     | al Discharge   |  |  |                                  | Per PAC Us           | ser  |  |
|-------|---|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|--|--|--|--|----------------------------------|----------------------|--|--|
| MS-DR | G Descriptor  | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Spending             | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending |
|       | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$1,754,142,903                                |                                  |   | \$8,287                                    | \$7,844                          | \$16,131   | \$5,010,719,782  | -  | \$10,297                                   | \$16,058                         | \$26,355             | \$2,878,957,734  | -  |
| 470   | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$148,678,506                                  | 1                                | Y   | \$10,434                                   | \$9,282                          | \$19,716   | \$324,867,330  | 1  | \$10,463                                   | \$10,291                         | \$20,755             | \$299,840,677  | 1  |
| 194   | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$34,309,011                                   | 4                                | Y   | \$5,028                                    | \$6,563                          | \$11,591   | \$90,116,366   | 3  | \$5,107                                    | \$12,893                         | \$18,000             | \$47,898,509   | 6  |
| 65    | Intracranial hemorrhage or cerebral infarction w<br>CC                | 3,333  | 69.3  | 2,311                  | \$58,748,154                                   | 2                                | Y   | \$6,291                                    | \$18,692                         | \$24,983   | \$83,266,745   | 5  | \$6,307                                    | \$25,421                         | \$31,728             | \$73,323,985   | 3  |
| 481   | Hip & femur procedures except major joint w CC                        | 2,395  | 89.1  | 2,135                  | \$48,125,110                                   | 3                                | Y   | \$9,739                                    | \$20,771                         | \$30,510   | \$73,072,473   | 6  | \$9,698                                    | \$22,541                         | \$32,239             | \$68,829,407   | 4  |
| 690   | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$31,703,148                                   | 6                                | Y   | \$3,896                                    | \$7,650                          | \$11,546   | \$63,246,251   | 9  | \$4,025                                    | \$14,919                         | \$18,944             | \$40,256,893   | 10   |
| 66    | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$32,702,634                                   | 5                                | Y   | \$6,044                                    | \$11,873                         | \$17,917   | \$55,704,194   | 14   | \$5,985                                    | \$18,581                         | \$24,566             | \$43,236,142   | 8  |
| 641   | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$25,239,599                                   | 12                               | Y   | \$3,457                                    | \$7,344                          | \$10,801   | \$53,963,370   | 16   | \$3,700                                    | \$15,325                         | \$19,024             | \$31,333,240   | 15   |
| 292   | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$27,754,154                                   | 11                               | Y   | \$5,179                                    | \$10,068                         | \$15,247   | \$66,888,934   | 8  | \$5,299                                    | \$17,111                         | \$22,410             | \$36,349,482   | 11   |
| 871   | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$29,015,203                                   | 9                                | Y   | \$9,217                                    | \$11,758                         | \$20,975   | \$63,050,812   | 10   | \$9,475                                    | \$18,647                         | \$28,122             | \$43,758,132   | 7  |
| 482   | Hip & femur procedures except major joint w/o<br>CC/MCC               | 1,748  | 87.3  | 1,526                  | \$29,974,013                                   | 7                                | Y   | \$8,288                                    | \$17,684                         | \$25,972   | \$45,398,698   | 22   | \$8,304                                    | \$19,642                         | \$27,947             | \$42,646,678   | 9  |
| 195   | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$15,611,329                                   | 25                               | Ν   | \$4,368                                    | \$4,734                          | \$9,102  | \$47,659,896   | 21   | \$4,512                                    | \$10,339                         | \$14,850             | \$22,423,822   | 25   |
| 552   | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$24,527,652                                   | 13                               | N   | \$3,795                                    | \$10,782                         | \$14,577   | \$40,860,636   | 27   | \$3,827                                    | \$17,116                         | \$20,944             | \$30,012,364   | 17   |
| 603   | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$17,195,464                                   | 18                               | N   | \$3,759                                    | \$6,123                          | \$9,882  | \$37,690,582   | 28   | \$3,905                                    | \$13,466                         | \$17,370             | \$22,181,529   | 27   |
| 291   | Heart failure & shock w MCC   | 2,962<br>5.218   | 42.3<br>23.9  | 1,252<br>1,245         | \$24,359,620<br>\$16,295,293                   | 14<br>22                         | N<br>N  | \$5,621<br>\$3,352                         | \$12,128<br>\$4,769              | \$17,749   | \$52,574,002<br>\$42,376,054                                       | 18<br>26   | \$5,884<br>\$3,595                         | \$19,457<br>\$13.089             | \$25,340<br>\$16.684 | \$31,725,982<br>\$20,771,382                                       | 14<br>29   |
| 312   | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$16,295,293                                   | 22                               | N   | \$3,352                                    | \$4,769                          | \$8,121  | \$42,376,054   | 26   | \$3,595                                    | \$13,089                         | \$16,684             | \$20,771,382   | 29   |
| 392   | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$15,723,320                                   | 24                               | Ν   | \$3,498                                    | \$3,891                          | \$7,389  | \$67,293,747   | 7  | \$3,849                                    | \$12,762                         | \$16,611             | \$20,464,744   | 30   |
| 293   | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$18,356,392                                   | 17                               | N   | \$4,978                                    | \$7,628                          | \$12,606   | \$56,297,143   | 13   | \$4,987                                    | \$15,108                         | \$20,095             | \$24,415,281   | 22   |
| 192   | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$13,495,564                                   | 29                               | Ν   | \$4,134                                    | \$5,142                          | \$9,276  | \$49,897,672   | 19   | \$4,288                                    | \$12,291                         | \$16,579             | \$18,203,761   | 37   |
| 683   | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$18,947,656                                   | 16                               | N   | \$6,649                                    | \$9,351                          | \$16,000   | \$45,135,162   | 23   | \$6,590                                    | \$17,512                         | \$24,102             | \$26,077,887   | 20   |
| 536   | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$16,529,518                                   | 20                               | N   | \$3,422                                    | \$15,708                         | \$19,130   | \$20,852,233   | 62   | \$3,416                                    | \$17,889                         | \$21,305             | \$19,685,565   | 34   |

NOTES: 1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations. 2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization. 3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC Users \* Number of DAC Users. 4. This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending. 5. Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy. 6. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges. 7. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges.

7. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.

#### Section 1 - Table 18 Medicare Post-Acute Care Episode Payments, By MS-DRG, 2006, Top 20 MS-DRGs by Volume of Discharges to PAC Episode Definition R: 60 Day Variable Length Excluding Acute Hospital Readmission

|        |   |  |   |                        |  |                                  |   |  | Per In                           | dex Acute Hospi                                      | tal Discharge  |  |  |                                  | Per PAC Us   | er   |   |
|--------|---|--|---|------------------------|--|----------------------------------|---|--|----------------------------------|--|--|--|--|----------------------------------|--|--|---|
| MS-DR0 | RG Descriptor   | Total Live<br>Index Acute<br>Hospital<br>Discharges <sup>1</sup> | Percent of<br>Beneficiaries<br>Discharged to<br>PAC<br>(PAC Users) <sup>2</sup> | Number of<br>PAC Users | Total Medicare<br>Spending on PAC <sup>3</sup> | Rank By<br>Total PAC<br>Spending | MS-DRG<br>in top 30% of<br>PAC Spending <sup>4</sup><br>(Y/N) | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>6</sup> | Rank By<br>Total Medicare<br>Acute + PAC<br>Spending | Mean Index<br>Acute<br>Hospital<br>Payment | Mean PAC<br>Payment <sup>5</sup> | Mean Medicare<br>Spending<br>(Acute+PAC<br>Episodes) | Total Medicare<br>Spending<br>(Acute+PAC<br>Episodes) <sup>7</sup> | Rank By<br>Total Medicar<br>Acute + PAC<br>Spending |
|        | All MS-DRGs   | 310,629  | 35.2  | 109,236                | \$910,746,335                                  | -                                | -   | \$8,287                                    | \$3,013                          | \$11,300   | \$3,510,097,167  | -  | \$10,297                                   | \$8,337                          | \$18,635   | \$2,035,561,166  | -   |
| 470    | Major joint replacement or reattachment of<br>lower extremity w/o MCC | 16,477   | 87.7  | 14,447                 | \$108,564,855                                  | 1                                | Y   | \$10,434                                   | \$6,661                          | \$17,095   | \$281,668,591  | 1  | \$10,463                                   | \$7,515                          | \$17,978   | \$259,727,026  | 1   |
| 194    | Simple pneumonia & pleurisy w CC                                      | 7,775  | 34.2  | 2,661                  | \$16,341,786                                   | 9                                | Ν   | \$5,028                                    | \$2,168                          | \$7,196  | \$55,945,348   | 6  | \$5,107                                    | \$6,141                          | \$11,248   | \$29,931,284   | 9   |
| 65     | Intracranial hemorrhage or cerebral infarction w<br>CC                | 3,333  | 69.3  | 2,311                  | \$39,233,071                                   | 2                                | Y   | \$6,291                                    | \$11,966                         | \$18,257   | \$60,850,472   | 4  | \$6,307                                    | \$16,977                         | \$23,284   | \$53,808,902   | 4   |
| 481    | Hip & femur procedures except major joint w<br>CC                     | 2,395  | 89.1  | 2,135                  | \$33,435,302                                   | 3                                | Y   | \$9,739                                    | \$14,139                         | \$23,878   | \$57,188,888   | 5  | \$9,698                                    | \$15,661                         | \$25,358   | \$54,139,599   | 3   |
| 690    | Kidney & urinary tract infections w/o MCC                             | 5,478  | 38.8  | 2,125                  | \$16,565,641                                   | 8                                | Y   | \$3,896                                    | \$3,131                          | \$7,027  | \$38,492,879   | 15   | \$4,025                                    | \$7,796                          | \$11,821   | \$25,119,386   | 12  |
| 66     | Intracranial hemorrhage or cerebral infarction<br>w/o CC/MCC          | 3,109  | 56.6  | 1,760                  | \$21,225,282                                   | 5                                | Y   | \$6,044                                    | \$6,910                          | \$12,954   | \$40,273,897   | 13   | \$5,985                                    | \$12,060                         | \$18,045   | \$31,758,790   | 7   |
| 641    | Nutritional & misc metabolic disorders w/o<br>MCC                     | 4,996  | 33.0  | 1,647                  | \$12,235,980                                   | 12                               | Ν   | \$3,457                                    | \$2,601                          | \$6,058  | \$30,267,294   | 21   | \$3,700                                    | \$7,429                          | \$11,129   | \$18,329,621   | 19  |
| 292    | Heart failure & shock w CC  | 4,387  | 37.0  | 1,622                  | \$9,916,901                                    | 16                               | Ν   | \$5,179                                    | \$2,337                          | \$7,516  | \$32,971,439   | 19   | \$5,299                                    | \$6,114                          | \$11,413   | \$18,512,229   | 18  |
| 871    | Septicemia w/o MV 96+ hours w MCC                                     | 3,006  | 51.8  | 1,556                  | \$13,369,582                                   | 11                               | Ν   | \$9,217                                    | \$4,537                          | \$13,754   | \$41,344,975   | 11   | \$9,475                                    | \$8,592                          | \$18,067   | \$28,112,511   | 10  |
| 482    | Hip & femur procedures except major joint w/o<br>CC/MCC               | 1,748  | 87.3  | 1,526                  | \$22,590,496                                   | 4                                | Y   | \$8,288                                    | \$13,091                         | \$21,379   | \$37,371,137   | 16   | \$8,304                                    | \$14,804                         | \$23,108   | \$35,263,161   | 6   |
| 195    | Simple pneumonia & pleurisy w/o CC/MCC                                | 5,236  | 28.8  | 1,510                  | \$8,156,222                                    | 22                               | Ν   | \$4,368                                    | \$1,640                          | \$6,008  | \$31,457,382   | 20   | \$4,512                                    | \$5,401                          | \$9,913  | \$14,968,715   | 26  |
| 552    | Medical back problems w/o MCC   | 2,803  | 51.1  | 1,433                  | \$11,817,487                                   | 13                               | Ν   | \$3,795                                    | \$4,324                          | \$8,119  | \$22,756,712   | 33   | \$3,827                                    | \$8,247                          | \$12,074   | \$17,302,199   | 20  |
| 603    | Cellulitis w/o MCC  | 3,814  | 33.5  | 1,277                  | \$7,432,816                                    | 25                               | Ν   | \$3,759                                    | \$2,037                          | \$5,796  | \$22,106,366   | 36   | \$3,905                                    | \$5,821                          | \$9,725  | \$12,418,881   | 37  |
| 291    | Heart failure & shock w MCC   | 2,962  | 42.3  | 1,252                  | \$8,961,075                                    | 19                               | N   | \$5,621                                    | \$3,118                          | \$8,739  | \$25,885,523   | 28   | \$5,884                                    | \$7,157                          | \$13,041   | \$16,327,437   | 22  |
| 312    | Syncope & collapse  | 5,218  | 23.9  | 1,245                  | \$8,395,419                                    | 21                               | Ν   | \$3,352                                    | \$1,662                          | \$5,014  | \$26,163,639   | 27   | \$3,595                                    | \$6,743                          | \$10,339   | \$12,871,508   | 35  |
| 392    | Esophagitis, gastroent & misc digest disorders<br>w/o MCC             | 9,107  | 13.5  | 1,232                  | \$6,841,631                                    | 28                               | Ν   | \$3,498                                    | \$804                            | \$4,302  | \$39,180,865   | 14   | \$3,849                                    | \$5,553                          | \$9,402  | \$11,583,055   | 41  |
| 293    | Heart failure & shock w/o CC/MCC                                      | 4,466  | 27.2  | 1,215                  | \$6,024,476                                    | 32                               | Ν   | \$4,978                                    | \$1,430                          | \$6,408  | \$28,618,300   | 23   | \$4,987                                    | \$4,958                          | \$9,945  | \$12,083,365   | 39  |
| 192    | Chronic obstructive pulmonary disease w/o<br>CC/MCC                   | 5,379  | 20.4  | 1,098                  | \$5,049,613                                    | 40                               | Ν   | \$4,134                                    | \$1,006                          | \$5,140  | \$27,648,772   | 25   | \$4,288                                    | \$4,599                          | \$8,887  | \$9,757,810  | 48  |
| 683    | Renal failure w CC  | 2,821  | 38.4  | 1,082                  | \$7,950,818                                    | 23                               | Ν   | \$6,649                                    | \$2,938                          | \$9,587  | \$27,045,691   | 26   | \$6,590                                    | \$7,348                          | \$13,938   | \$15,081,049   | 25  |
| 536    | Fractures of hip & pelvis w/o MCC                                     | 1,090  | 84.8  | 924                    | \$10,807,521                                   | 14                               | N   | \$3,422                                    | \$10.091                         | \$13,513   | \$14,729,037   | 64   | \$3,416                                    | \$11.696                         | \$15,112   | \$13,963,568   | 29  |

NOTES:

1. Index acute hospitalizations are defined as hospital admissions following a 60-day period without acute, LTCH, SNF, IRF, or HHA service use. The study sample is limited to live discharges from index acute hospitalizations.

2. PAC users are defined as beneficiaries discharged to SNF, IRF, or LTCH within 5 days of discharge from the index acute hospitalization, or discharged to HHA or hospital outpatient therapy within 14 days of discharge from the index acute hospitalization.

3. Total Medicare Spending on PAC is equal to Mean PAC Payment Per PAC User \* Number of PAC Users.

This flag was assigned after sorting data descending by Total Medicare Spending on PAC and identifying the MS-DRGs accounting for the top 30% of PAC spending.
 Mean PAC payment includes Medicare payments for SNF, IRF, LTCH, HHA, and hospital outpatient therapy.

6. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of Live Index Acute Hospital Discharges.

7. Total Medicare Spending is equal to (Mean Index Acute Hospital Payment + Mean PAC Payment) \* Number of PAC Users.