

MEDICARE READMISSIONS REDUCTION (MRR) COVERAGE FOR HOSPITALS



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

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

THE HIGH COST OF READMISSIONS

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

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

Although Medicare readmission rates have fallen since 2012, CMS continues to withhold reimbursements to hospitals with relatively high readmission rates. For fiscal year 2018, CMS will reduce payments by up to 3% across all Medicare inpatient admissions for four-fifths of all US hospitals whose readmissions were evaluated, according to a *Kaiser Health News* analysis.

Who it's for

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

What you get

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

INNOVATIVE INSURANCE COVERAGE

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

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

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

ABOUT MARSH

Marsh's HealthCare Practice serves a diversified group of health care organizations that represent thousands of individual hospitals, academic medical centers and physician groups; health insurance plans; skilled nursing, assisted living, and senior residences; and more than 26,000 physicians in alternative risk programs across the US. Our global network comprises more than 275 colleagues dedicated to serving health care organizations. Marsh places more than \$1 billion in premium and premium equivalents on behalf of our health care clients.

As the manager of over \$10 billion in premium and loss costs annually, Marsh's Casualty Practice brings unrivaled market experience and relationships to ensure that your insurance program structure and terms and conditions effectively manage your key risks. MPACT® is Marsh's approach to helping clients assess and manage the five key elements of their total cost of casualty risk, and through which we provide an array of solutions to control and reduce them. MPACT® gives clients confidence that they have a strategy to achieve the most optimal results for their casualty programs. The MPACT® approach incorporates proprietary offerings from Marsh's Casualty and Claims Practices, Marsh Risk Consulting, and Marsh Global Analytics.

ABOUT IRONSHORE

Ironshore, a Liberty Mutual Company, provides broker-sourced specialty property and casualty insurance coverages for varying risks located throughout the world. Select specialty coverages are underwritten at Lloyd's of London through Ironshore's Pembroke Syndicate 4000. The Ironshore group of companies is rated A (Excellent) by A.M. Best with a Financial Size Category of Class XIV and A (Stable) by Standard & Poor's. Pembroke Syndicate 4000 operates within Lloyd's where the market rating is A (Excellent) by A.M. Best, AA- (Very Strong) by Fitch, and A+ (Strong) by Standard & Poor's. When considering a long-term insurance partner for your business, please call 1-877-IRON411, visit www.ironshore.com or email: info@ironshore.com.

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