

New Study Demonstrates Importance Of Oral Nutritional Supplements In Helping Hospitals Achieve Medicare Readmission Reduction Requirements

As Affordable Care Act Penalties on Hospital Readmissions Increase, Nutritional Intervention May Help Decrease 30-day Readmission Rates among Medicare Patients

ABBOTT PARK, Ill., Oct. 18, 2013 /PRNewswire/ -- (NYSE: ABT) – In the U.S., one in five Medicare patients is readmitted to a hospital each year at an estimated cost of \$17.5 billion annually.ⁱ To reduce this impact, the Affordable Care Act (ACA) has introduced hospital penalties based on readmissions conditions that commonly affect patients aged 65 and older – including acute myocardial infarction, congestive heart failure and pneumonia.ⁱ

A new study conducted by leading researchers at the University of Southern California, Stanford University, The Harris School at The University of Chicago and Precision Health Economics, and supported by Abbott, found that the use of oral nutritional supplements decreased the probability of 30-day hospital readmission, length of stay and costs among hospitalized Medicare patients aged 65 and over.

The study, to be presented this weekend at the 35th annual meeting of the Society for Medical Decision Making (SMDM) in Baltimore, demonstrated that oral nutritional supplements were associated with a decreased probability of 30-day readmission among Medicare patients aged 65 and over who could be tracked for readmission, with:

- 8.4 percent reduction for patients with any diagnosis
- 10.1 percent reduction for congestive heart failure patients
- 12.0 percent reduction for acute myocardial infarction patients

Oral nutritional supplements are dietary food, often in liquid form, that provide calories, protein and nutrients for added nutrition and energy in the diet.

Readmission Penalties

Starting this month, the ACA's current penalty of one percent doubles for hospitals whose number of readmitted patients, within 30 days, goes above the national average specifically for those conditions. Federal data estimates \$227 million in fines will be levied by Medicare this year against 2,225 hospitals.ⁱⁱ

In addition, the Centers for Medicare & Medicaid Services is looking at expanding readmission penalties to include other diagnoses such as chronic obstructive pulmonary disease (COPD), and knee and hip replacements.

Length of Stay and Hospital Cost Reductions

In addition to readmission rates, the use of oral nutritional supplements also delivered associated improvements in a patient's length of stay and hospital costs. The study found the impact of oral nutritional supplements on length of stay and cost of care were even more impactful and statistically significant when looking at all Medicare patients aged 65 and older with any primary diagnosis:

- 16.0 percent or 1.65 days reduction in length of stay
- 15.8 percent or \$3,079 in cost savings per episode

This impact is important because today hospitals are seeking interventions that improve patient care and reduce costs.

"Hospitals are going to be looking for ways to improve quality of care for Medicare patients in order to lower readmission rates and prevent fines," said study co-author, Tomas Philipson, Ph.D., who is the Daniel Levin Chair of Public Policy at the University of Chicago. "This analysis suggests that use of oral nutritional supplements is a simple and cost-effective solution that hospitals can implement immediately."

Through the analysis of 11 years of hospital data, researchers were able to determine differences in length of stay, episode cost and 30-day readmission rates for Medicare patients aged 65 and older by comparing cases where oral nutritional supplements were prescribed to patients with the same conditions to those who weren't prescribed oral nutritional supplements.

"Abbott is committed to delivering innovative nutritional solutions through products that improve the quality of care for patients and also help reduce healthcare costs," said Robert H. Miller, Ph.D., divisional vice president, Global Research & Development and Scientific Affairs for Abbott Nutrition. "This research aligns with other studies Abbott has conducted and on-going, and will contribute to the growing body of evidence that demonstrates the role nutritional supplements, such as Ensure[®], can play in improving outcomes and lowering costs."

About the Study

The "Oral Nutrition Supplements' Impact on Hospital Outcomes in the Context of Affordable Care Act and New Medicare Reimbursement Policies" study is an 11-year data analysis on hospitalized Medicare patients aged 65 and over with any diagnosis and those carrying a diagnosis of acute myocardial infarction, congestive heart failure or pneumonia.

Analyses were conducted using the Premier Research Database, which contained data from 2000-2010. The matched sample for all Medicare patients aged 65 and over for any primary diagnosis was 667,684 hospital stays. The study compared hospital stays involving use of oral nutritional supplements to stays not involving use of oral nutritional supplements, in one-to-one

matched samples.

The subpopulation matched samples included 20,870; 38,418; and 47,477 for acute myocardial infarction, congestive heart failure and pneumonia hospital stays, respectively. In addition to propensity score matching, instrumental variables (IV) regression analysis was performed to address potential bias due to non-random selection.

About Precision Health Economics

Founded by three renowned health economists from leading universities: Tomas Philipson; Dana Goldman; and Darius Lakdawalla, Precision Health Economics (PHE) integrates deep technical expertise with practical insights to bring intellectual integrity, academic rigor, and a creative approach to the most challenging problems in healthcare.

PHE has offices across the United States and draws on the research expertise of a network of affiliated academic economists and clinicians from the world's leading universities. PHE's work straddles the policy arena and the clinical field, reaching top decision makers to influence outcomes. For more information, go to www.precisionhealthconomics.com.

About Abbott Nutrition

For more than 85 years, Abbott Nutrition has been a leader in developing and marketing science-based nutrition products to support the growth, health and wellness of people of all ages. Brands include Similac[®] infant formulas, Gain[®] growing-up formulas, PediaSure[®] nutritional shakes for children, Ensure[®] nutritional shakes for adults, Glucerna[®] nutritional shakes and bars for people with diabetes, EAS[®] specialized products for athletes, and ZonePerfect[®] nutrition bars for busy, active lifestyles. More information about Abbott Nutrition and its products is available at www.AbbottNutrition.com.

About Abbott

Abbott is a global healthcare company devoted to improving life through the development of products and technologies that span the breadth of healthcare. With a portfolio of leading, science-based offerings in diagnostics, medical devices, nutritionals and branded generic pharmaceuticals, Abbott serves people in more than 150 countries and employs approximately 70,000 people.

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ⁱ [Health Affairs.org](http://HealthAffairs.org), "Will The Readmission Rate Penalties Drive Hospital Behavior Changes?" Feb. 14, 2013.

ⁱⁱ [Kaiser Health News](http://KaiserHealthNews), "Armed With Bigger Fines, Medicare To Punish 2,225 Hospitals For Excess Readmissions" Aug. 2, 2013.

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