Finances and background info:

Tim and I addressed the financial aspect of the project. We set out to decide how much a diabetes readmission reduction program could save the hospital. The total cost of the program depends on the amount of people we predict that will be readmitted within thirty days and the cost of the doctors and nurses time that is spent implementing the program. However, the gain of the project is that fewer people will be readmitted, so overall the hospital will gain money.

The reason why fewer people being readmitted financially benefits the hospital is because of a piece of legislation called the Medicare Care Transitions Act of 2009. The law aims to address the fact that unplanned rehospitalizations among recipients of medicare are expensive and frequent. They account for 17.4 billion of the 102.6 billion Medicare dollars being paid to hospitals in 2004. [www.modernhealthcare.com/article/20090511/NEWS/904239998]