

Use of Charity Care Records to Optimize Care for the Uninsured

Academy Health Annual Research Meeting
Tuesday June 5, 2007
Orlando, FL

Derek DeLia, Ph.D.
Rutgers Center for State Health Policy



Rutgers Center for
State Health Policy

Acknowledgments

- Funding from:

Johnson & Johnson, Inc.

Robert Wood Johnson Foundation

- Comments & contributions from:

Cecilia Huang

Ying Zhang

Joel Cantor

Background

- Universal coverage remains uncertain ==> continued demand for uncompensated care
- Hospital uncompensated care: \$27 billion in 2004
- Medicaid DSH & other subsidies
- Lack of data on services purchased
 - Dollar spent wisely?
 - Opportunity to improve?
- Charity care subsidies in NJ

New Jersey's Hospital Charity Care Program

- State subsidies to hospitals
- Free care for income < 200FPL
- Sliding scale discounts for 200-300FPL

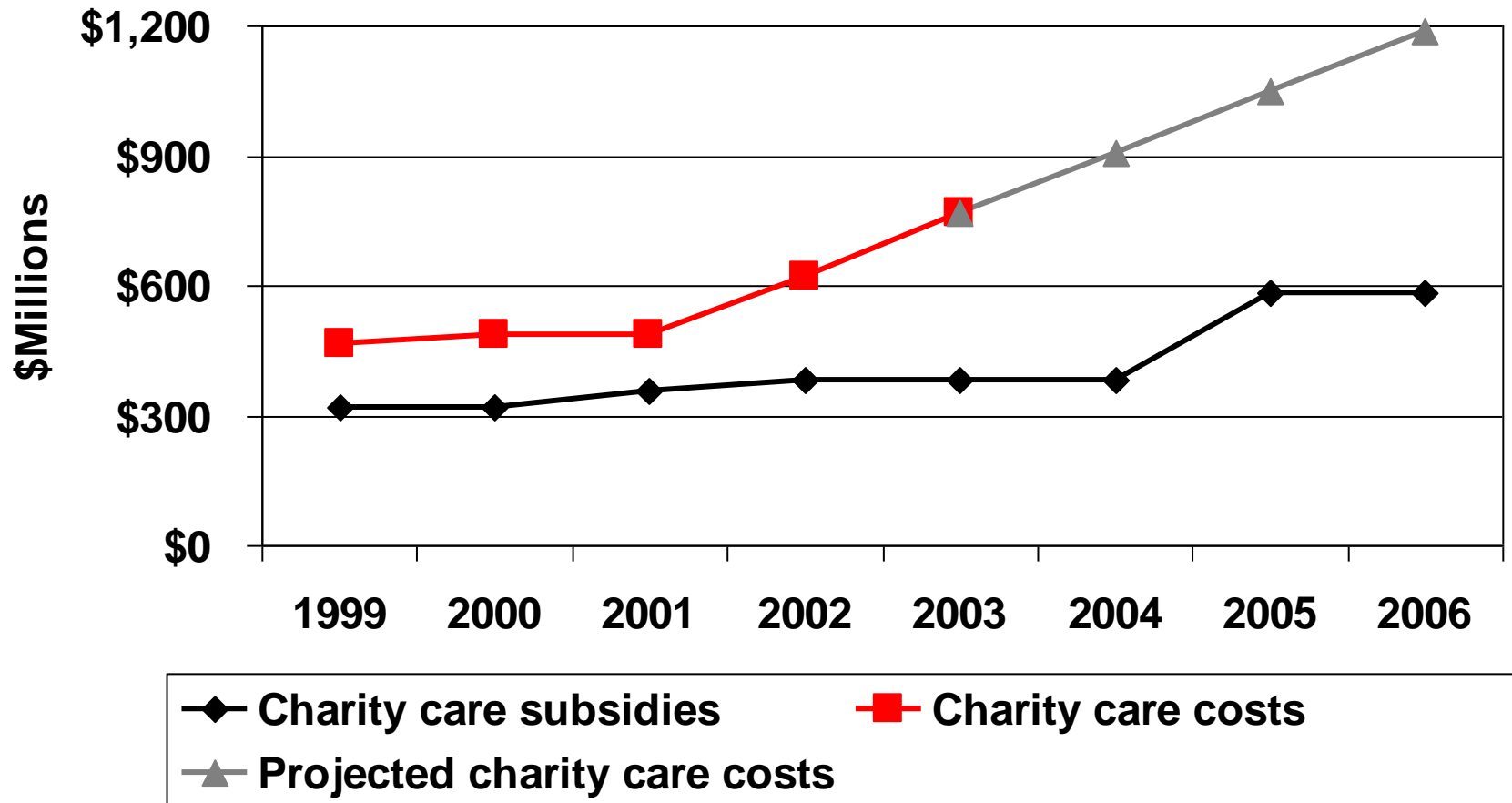
- Federally matched by Medicaid DSH
- Hospitals paid for CC claims
(with complex & changing formula)

- Claims data ==> charity care surveillance and improvement

Study design

- Analyze charity care claims & hospital billing records (for other populations)
- Quantitative description of the program
- Recent trends in costs & subsidies
- Identify prevalent conditions, avoidable costs, & concentration of costs
- Costs = Medicaid charges

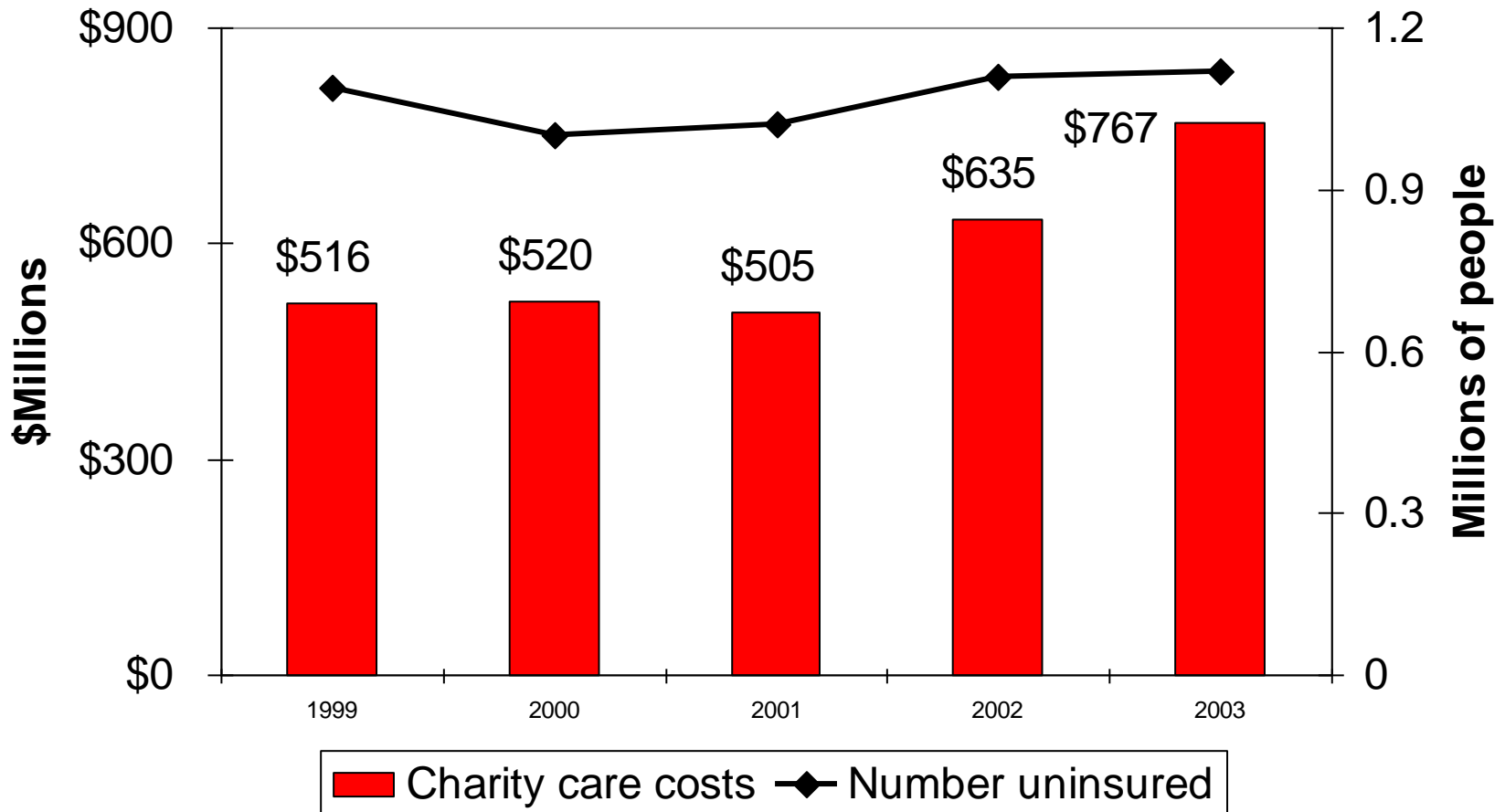
Charity care costs & subsidies



Sources: NJ Charity Care Claim Records, NJDHSS

Dollar values are not inflation-adjusted. Subsidies based on state fiscal years.

Trends in charity care costs & uninsured population in NJ



Sources: NJ Charity Care Claim Records
Dollar values are inflation-adjusted using 2003 CPI

Charity care volume & average costs, 2003

Total costs	\$767 million
Outpatient visits	937,913
Inpatient admissions	74,289
Inpatient days	395,301
Cost per outpatient visit	\$404
Cost per inpatient admission	\$5,214

Source: NJ Charity Care Claim Records

Most common diagnoses in charity care claim records, 2003 (Top 10)

ICD-9-CM	Diagnosis	%Claims	Cum%
V22.1	Supervision of other normal pregnancy	5.5%	5.5%
401.9	Unspecified essential hypertension	2.7%	8.2%
V22.2	Pregnant state, incidental	2.2%	10.4%
042	HIV	2.0%	12.4%
250.00	Diabetes mellitus (w/out complication)	2.0%	14.4%
789.00	Abdominal pain, unspecified site	1.9%	16.3%
V72.3	Gynecological examination	1.7%	18.0%
786.50	Unspecified chest pain	1.2%	19.1%
V57.1	Other physical therapy	1.2%	20.3%
599.0	Urinary tract infection, site not specified	1.1%	21.4%

Source: NJ Charity Care Claim Records

Most costly diagnoses in charity care claim records, 2003 (Top 10)

ICD-9-CM	Diagnosis	%Costs	Cum%
414.01	Coronary atherosclerosis of native coronary artery	1.7%	1.7%
304.01	Opioid type dependence, continuous abuse	1.4%	3.1%
486	Pneumonia, organism unspecified	1.3%	4.4%
042	HIV	1.3%	5.7%
428.0	Congestive heart failure, unspecified	1.3%	7.0%
V58.1	Antineoplastic chemotherapy and immunotherapy	1.2%	8.2%
786.59	Other chest pain	1.2%	9.4%
789.00	Abdominal pain, unspecified site	1.1%	10.5%
V22.1	Supervision of other normal pregnancy	1.0%	11.5%
786.50	Unspecified chest pain	1.0%	12.5%

Source: NJ Charity Care Claim Records

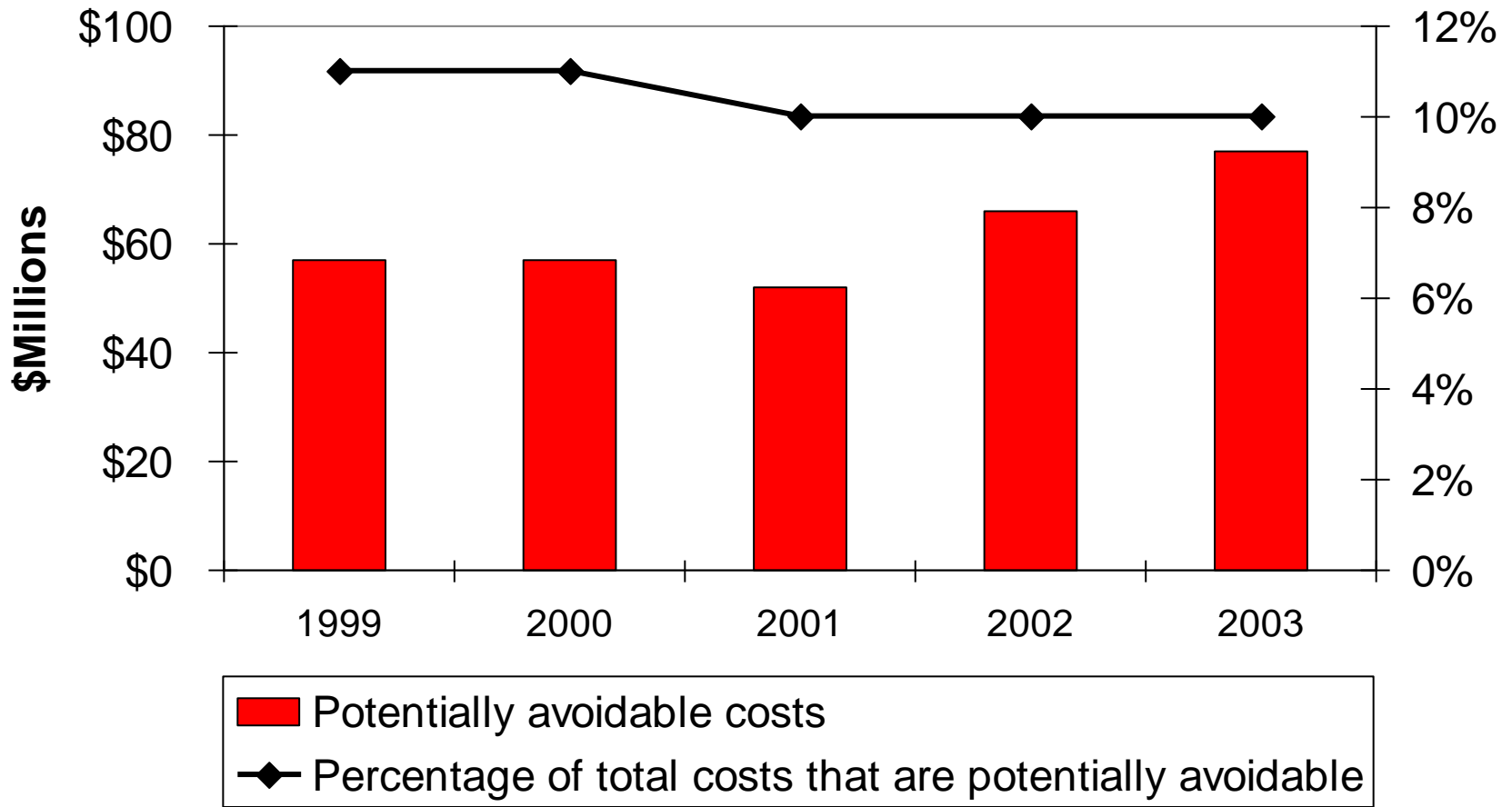
Major Diagnostic Categories: Charity care vs. other patients (Top 8)

MDC	Charity	Medicaid	Medicare	Private	Self-pay
Alc/drug	17%	3%	<1%	1%	10%
Circulatory	14%	7%	27%	11%	11%
Psych	11%	10%	2%	1%	8%
Digestive	8%	6%	13%	13%	9%
Respiratory	8%	8%	12%	5%	6%
Preg/birth	5%	20%	0%	14%	11%
Hepa/Gen	5%	2%	2%	3%	4%
Nerve	5%	4%	7%	4%	4%

Sources: NJ Charity Care Claim Records, NJ Uniform billing records

Note: Medicare & Medicaid HMO may be included under private.

Potentially avoidable charity care costs

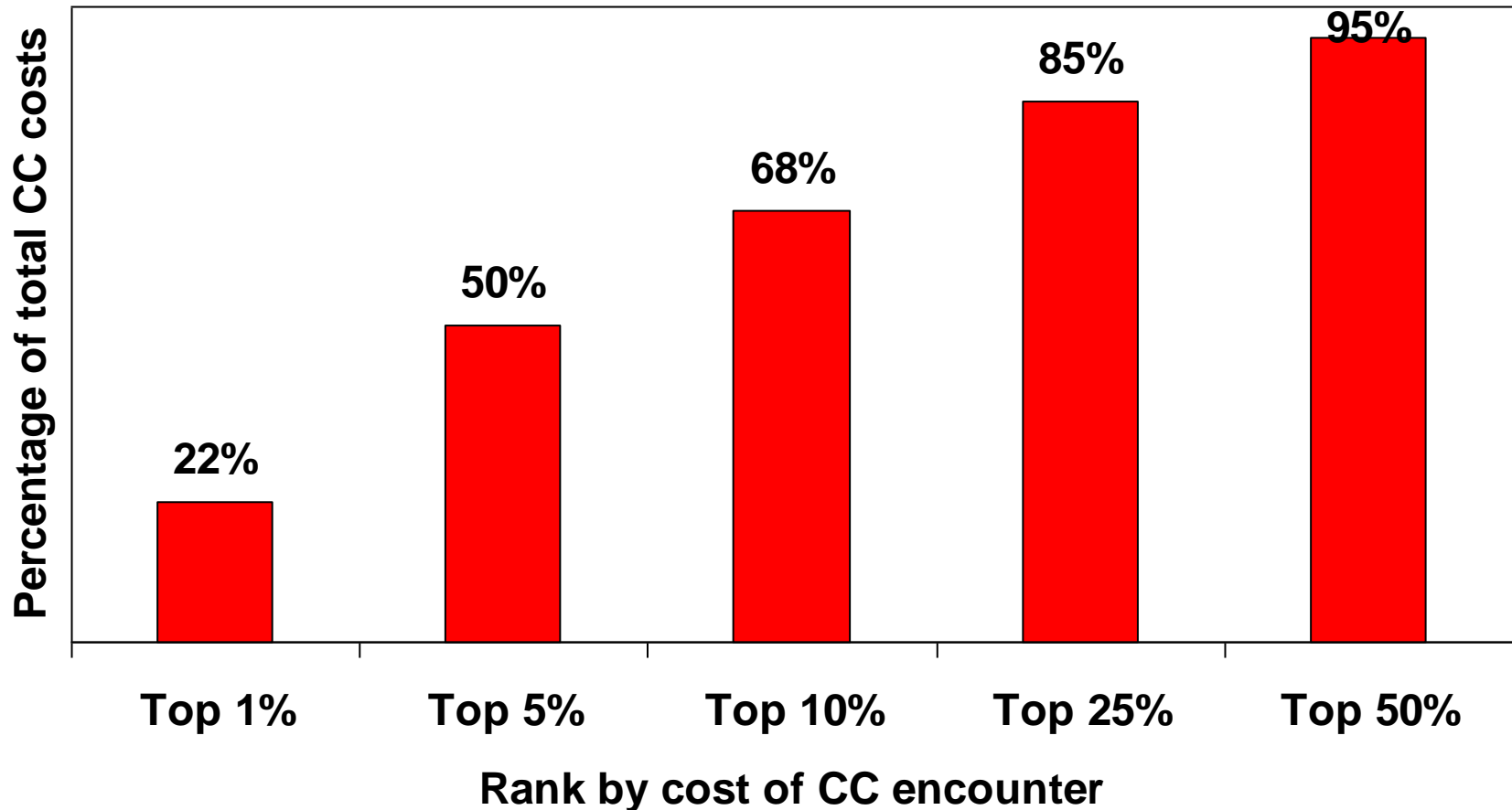


Source: NJ Charity Care Claim Records

Avoidable costs are defined as costs generated by ACS admissions and emergent ED visits (without admission) that are ambulatory care sensitive.

Dollar values are inflation-adjusted using 2003 CPI

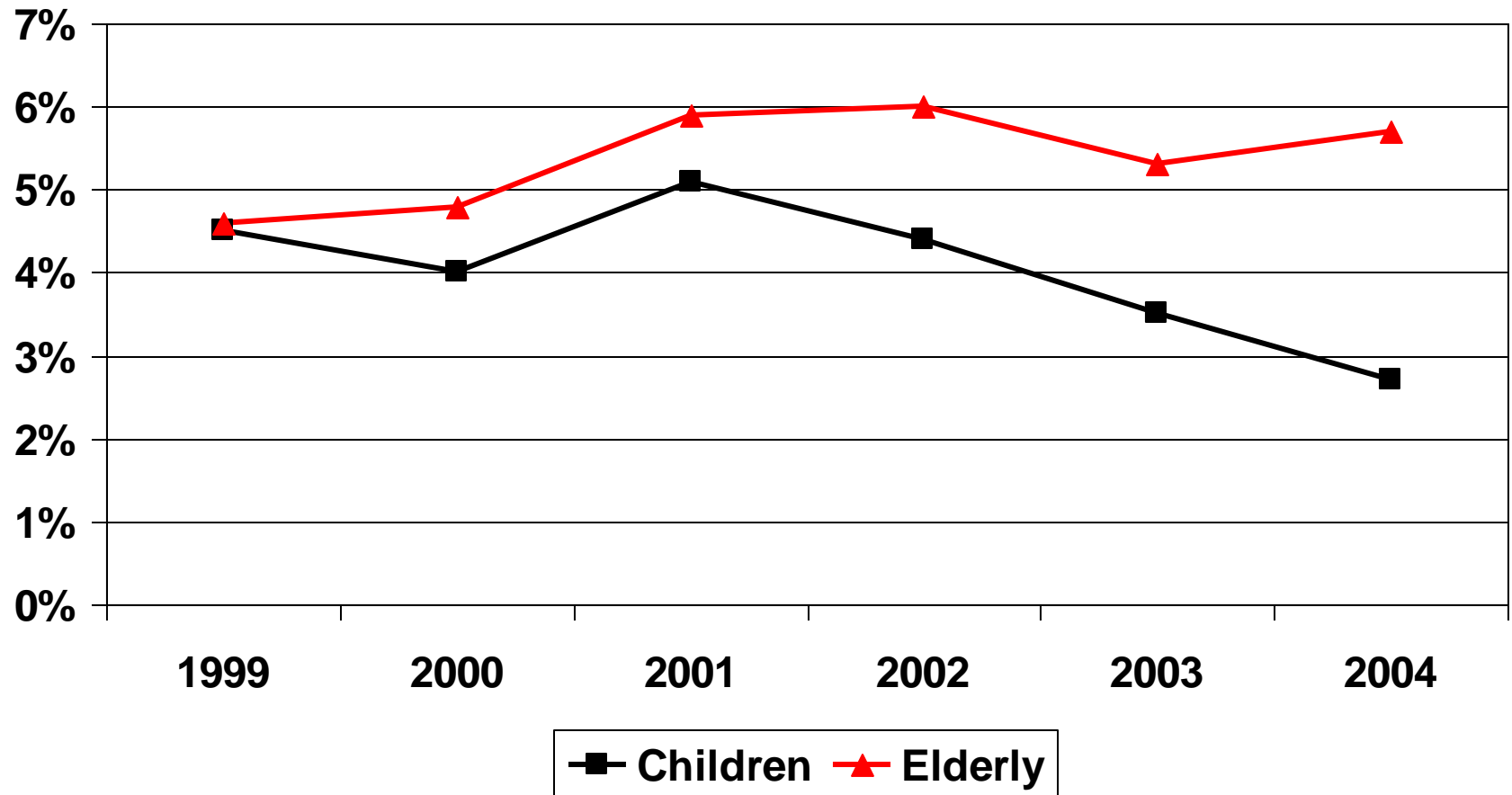
Concentration of charity care costs among the most expensive encounters, 2003



Source: NJ Charity Care Claim Records

Encounters defined as the sum of inpatient admissions & outpatient visits

Percentage of CC “costs” attributable to children vs. elderly patients



Source: NJ Charity Care Claim Records

Summary

- CC Program ==> acute, chronic, mental health
- 10% of costs potentially avoidable
- Costs are highly concentrated among small # of users
- Surprising # of pregnant women
- Growing number of elderly patients are using hospital charity care

Implications

- Concentrated & avoidable costs ==> Opportunities for targeted disease management & high cost case management
- Pregnant CC users ==> missed opportunities to enroll in Medicaid or FamilyCare
- CC claims data useful but need improvement

Patient identifiers ==> repeat use

Demographic info ==> race, immigration, zip code, etc.