



Uncompensated Care



HSCRC

Health Services Cost
Review Commission

Pre- and Post- ACA Expansion Trends in Medicaid and Self-Pay/Charity Charges

- ▶ Compare CY 2013 (pre-expansion) to CY 2014 (post-expansion) data
 - ❑ Use HSCRC Case Mix data which includes field for expected primary payer
 - ❑ Self-Pay Charity Trends for CY 2013 and CY 2014 shared with hospitals
 - ❑ Analytical limitations identified as some hospitals reported Medicaid pending cases as Self-pay/Charity in 2013 and Medicaid in 2014
- ▶ Medicaid Pending Issue Resolved Using CRISP Matching of Medicaid Enrollment Files with HSCRC Case Mix Data
 - ❑ CRISP used Master Patient Index to identify hospital admissions/visits by Medicaid enrollees during their enrollment period
 - ❑ Analysis covered January to June of 2013 and 2014
 - ❑ Inpatient charges for 2013 PAC enrollees excluded from analysis - further refinement of identification of PAC eligible charges underway

Expected Payer for Charges Identified by CRISP as Incurred During Medicaid Enrollment Period

<u>Primary Expected Payer in HSCRC Data</u>	<u>2013</u>	<u>2014</u>
Medicare	33%	30%
Medicaid	55%	62%
Self-Pay/Charity	4%	1%
Commercial	7%	7%
Workers' Comp	0%	0%
Other	<u>1%</u>	<u>1%</u>
	100%	100%

Comparison of CRISP Results to Case Mix Data

- ▶ Some charges reported in case mix as Medicaid were not associated with a Medicaid enrollee during a Medicaid coverage period.
 - These charges were re-categorized as self-pay charity
 - Case Mix Accuracy Rate of 87% in CY 13 and 91% in CY 14
- ▶ Some charges reported in case mix as self-pay/charity were associated with Medicaid enrollee during a Medicaid coverage period
 - These charges were re-categorized as Medicaid
 - Case mix accuracy rate of 79% in CY 13 and 85% in CY 14

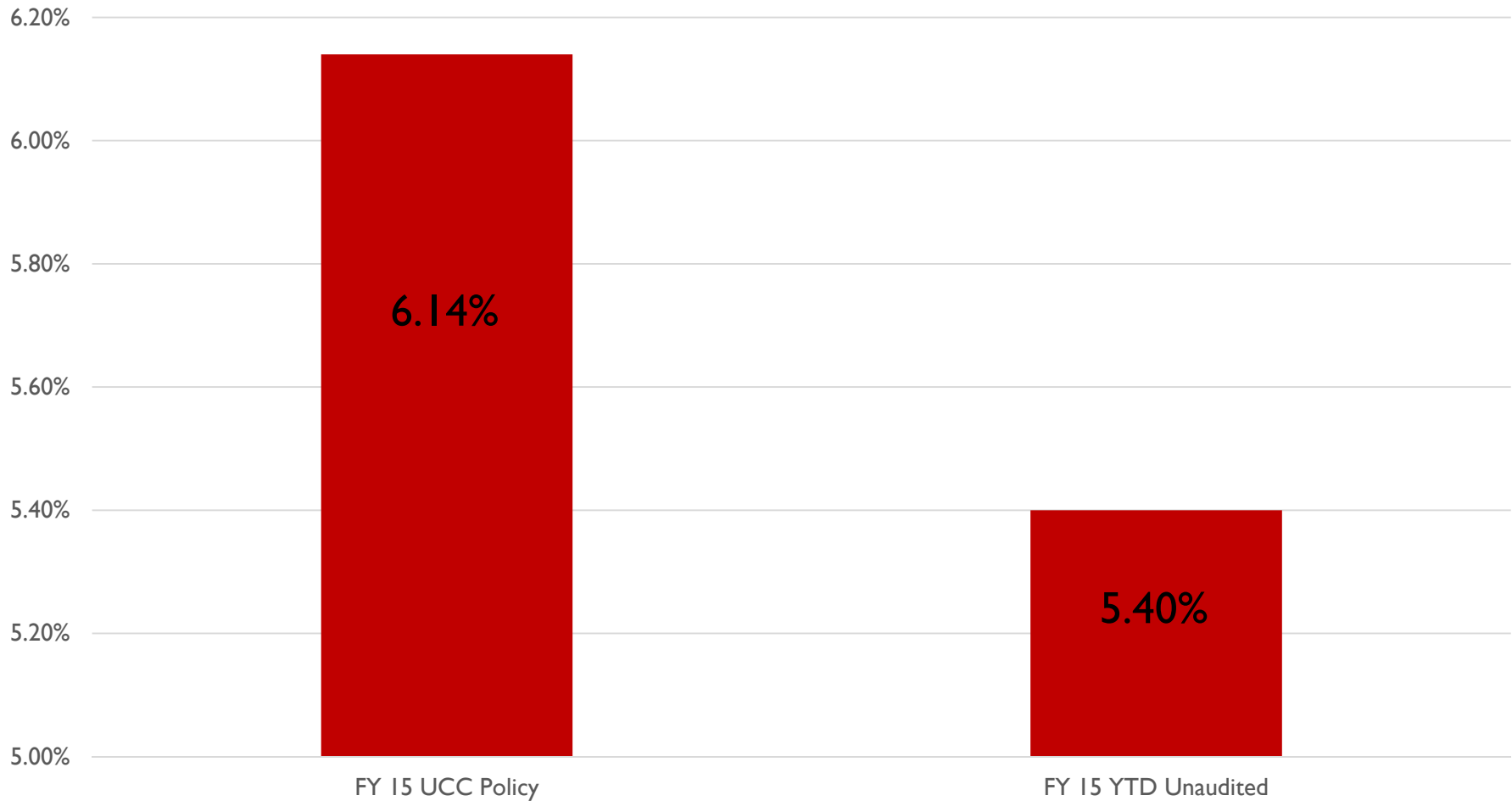
	<u>2013</u>	<u>2014</u>	<u>Change</u>
Self-Pay/Charity Charges in Case Mix Data	357	183	
Remove Charges Associated with Medicaid Coverage Period	-75	-27	
Add Charges recorded as Medicaid but not Associated w/ Medicaid Coverage Period	<u>165</u>	<u>140</u>	
	446	296	-150

Data Supports Removing \$100 M+ from FY 2016 Rates

Annualized Self-Pay/Charity Decline ($\$150 \text{ M} \times 2$)	\$299 M
UCC Policy Adjustment for PAC In FY 2015 Rates	<u>-\$166 M</u>
UCC/Charity Decline Exceeds PAC Adjustment	\$133 M

- ▶ Six month data annualized rather than updating for full CY 2014 experience as Medicaid enrollment files for more recent periods are less reliable due to retroactive eligibility determinations.

FY 2015 UCC Policy Compared to Year to Date Experience (Unaudited Data from Financials)



Utilization by Expansion Population

- ▶ \$394 Million of charges in CY 2013 (Quarters 1-3) for people enrolled in ACA Expansion in Quarter #1 of CY 2014.
 - ▶ \$149 Million with expected payer of Self-pay/Charity
 - ▶ Majority of other charges with expected payer of Medicaid

- ▶ \$587 Million of charges in CY 2014 (Quarters 1-3) for All ACA Expansion Enrollees (**captures more people than included in CY 2013 data**).

- ▶ Analysis being refined
 - ▶ Compare utilization of identical populations
 - ▶ Understand CRISP match rate
 - Is 2013 match rate better for PAC than new expansion population?

Utilization by Expansion Population

(\$ in Millions)

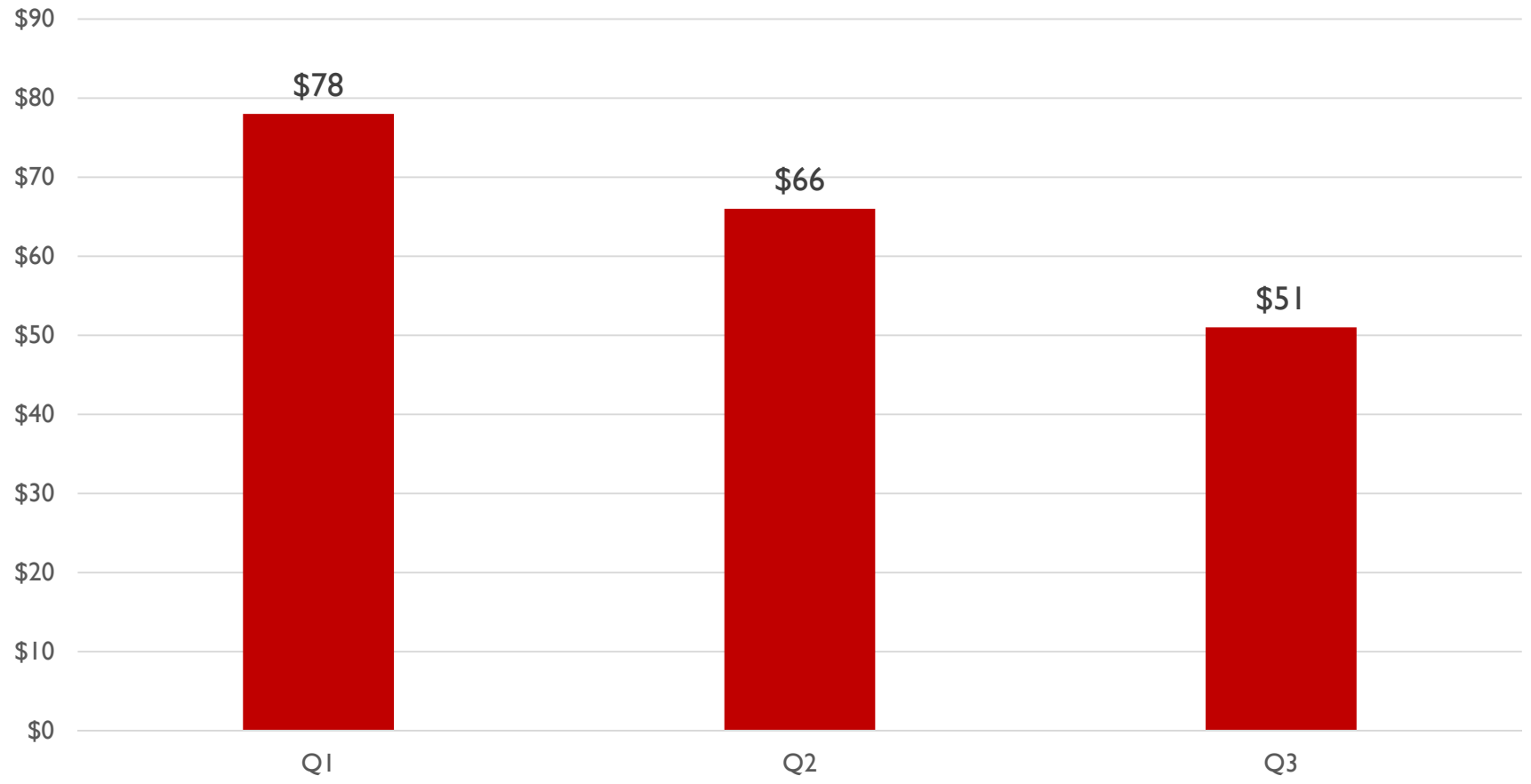
	<u>PAC Only</u>	<u>Non-PAC</u>
CY 2013 Utilization Q1 thru Q3	\$247	\$147
CY 2014 Utilization Q1 thru Q3	<u>320</u>	<u>267</u>
Change	\$73	\$120
% Change	30%	81%

Utilization Uptick

- ▶ Observations About ACA Utilization Growth
 - ▶ Growth slowing over course of CY 2014 (see next slide)
 - ▶ Reflects pent up demand and may be largely temporary (e.g. orthopedics)
 - Staff analyzing Medicaid growth by product line in effort to determine ongoing vs. one-time uptick
 - ▶ Growth Funded in FY 2015 by excess UCC in rates
 - ▶ Upward adjustment to FY 2016 rates is likely to capture ongoing portion of utilization uptick

Expansion Population Utilization Growth Appears to Be Slowing

Growth in Hospital Charges for ACA Expansion Population, CY 2013 to CY 2014



Next Steps

- ▶ Finalize CRISP Analysis
- ▶ Share data with hospitals
- ▶ Review Write-off and Recovery Data at March Meeting
- ▶ Continue to Analyze Medicaid Trends