

Ohio

**Governor's Office of
Health Transformation**

Medicaid Hot Spots

Ohio's Health System Performance

Health Outcomes – 42nd overall¹

- 42nd in preventing infant mortality (only 8 states have higher mortality)
- 37th in preventing childhood obesity
- 44th in breast cancer deaths and 38th in colorectal cancer deaths

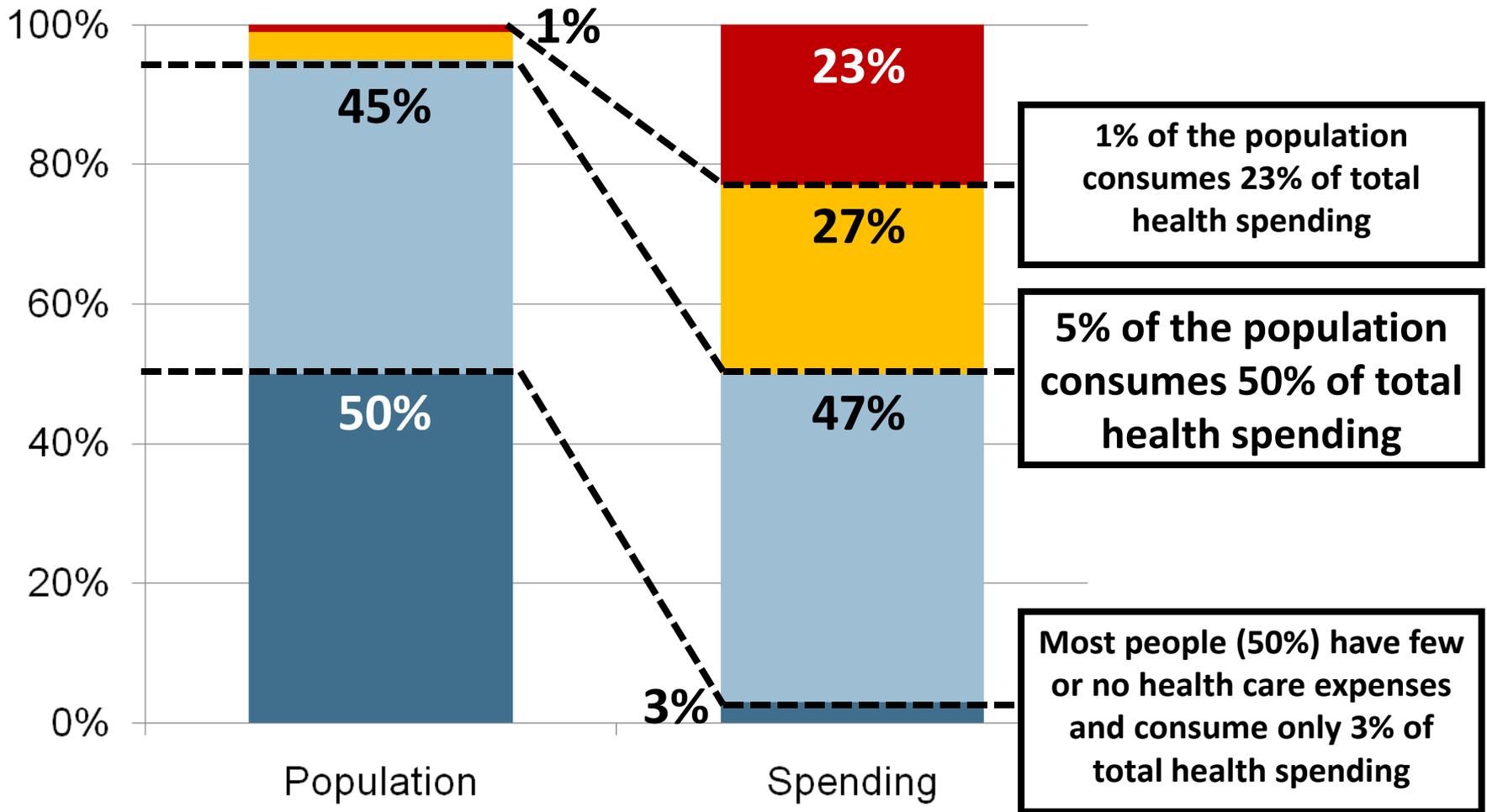
Prevention, Primary Care, and Care Coordination¹

- 37th in preventing avoidable deaths before age 75
- 44th in avoiding Medicare hospital admissions for preventable conditions
- 40th in avoiding Medicare hospital readmissions

Affordability of Health Services²

- 37th most affordable (Ohio spends more per person than all but 13 states)
- 38th most affordable for hospital care and 45th for nursing homes
- 44th most affordable Medicaid for seniors

Medical Hot Spot: A few high-cost cases account for most health spending



Fragmentation

vs.

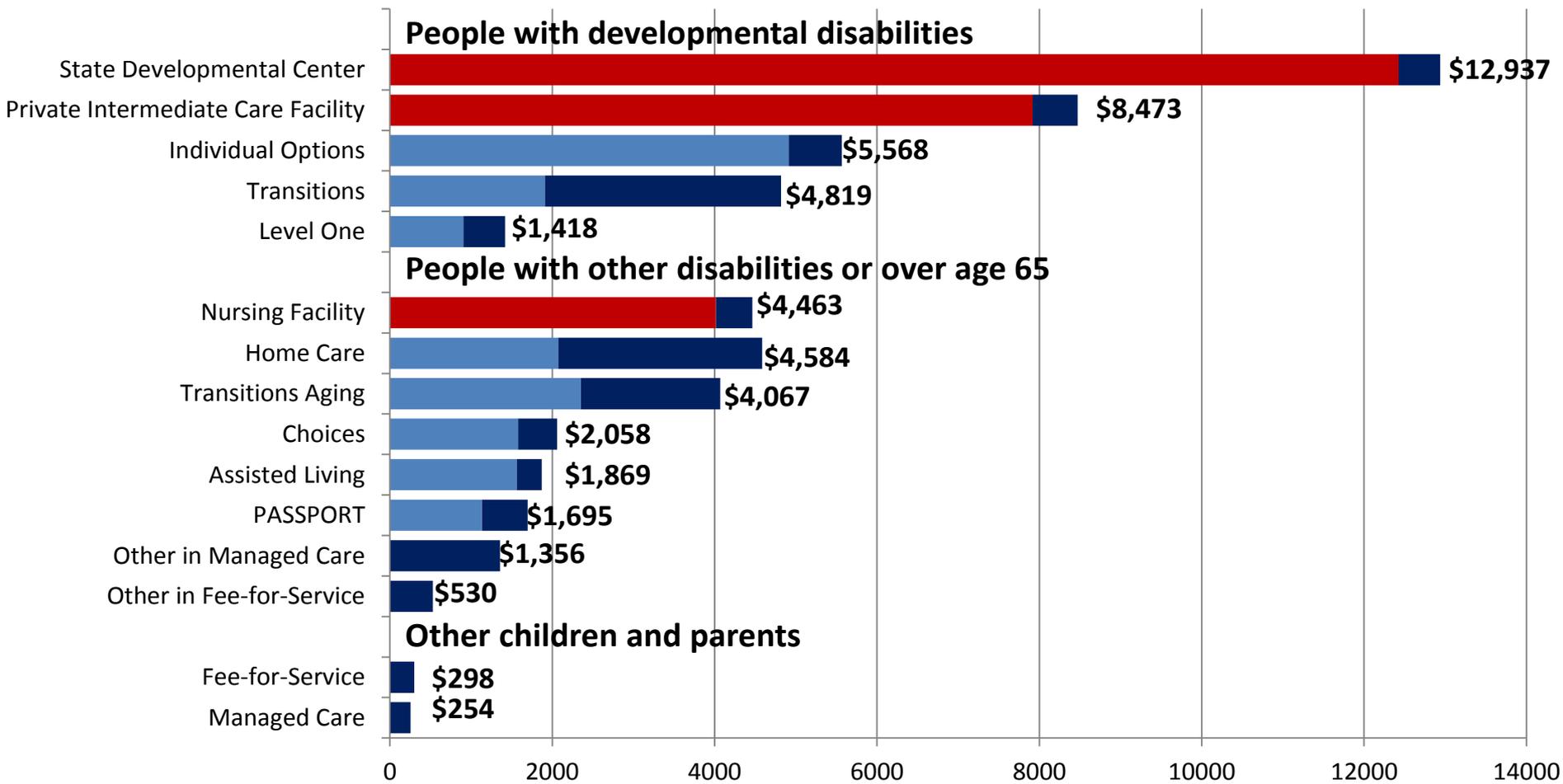
Coordination

- Multiple separate providers
- Provider-centered care
- Reimbursement rewards volume
- Lack of comparison data
- Outdated information technology
- No accountability
- Institutional bias
- Separate government systems
- Complicated categorical eligibility
- Rapid cost growth

- Accountable medical home
- Patient-centered care
- Reimbursement rewards value
- Price and quality transparency
- Electronic information exchange
- Performance measures
- Continuum of care
- Medicare/Medicaid/Exchanges
- Streamlined income eligibility
- Sustainable growth over time

Ohio Medicaid Spending per Member per Month by Setting

■ Institutional Services ■ Waiver Services ■ All Other Medicaid



Source: Ohio Department of Job and Family Services. Includes claims incurred from July 2009 through June 2010 and paid through October 2010; cost differences between institutional and waiver/community alternatives do not necessarily represent program savings because population groups being compared may differ in health care needs.



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MEDICAL REPORT

THE HOT SPOTTERS

Can we lower medical costs by giving the neediest patients better care?

BY ATUL GAWANDE

“The critical flaw in our health care system ... is that it was never designed for the kind of patients who incur the highest costs. Medicine’s primary mechanism of service is the doctor visit and the emergency room visit. It’s like arriving at a major construction project with nothing but a screwdriver and a crane.”

Medical Hot Spot: Per Capita Health Spending: Ohio vs. US

Measurement	US	Ohio	Percentage Difference	Affordability Rank (Out of 50 States)
Total Health Spending	\$5,283	\$5,725	+ 8%	37
Hospital Care	\$1,931	\$2,166	+ 12%	38
Physician and Clinical Services	\$1,341	\$1,337	- 0.3%	27
Nursing Home Care	\$392	\$596	+ 52%	45
Home Health Care	\$145	\$133	- 8.3%	35



Medicaid Hot Spot: Per Enrollee Medicaid Spending: Ohio vs. US

Measurement	US	Ohio	Percentage Difference	Affordability Rank (Out of 50 States)
All Enrollees	\$5,163	\$5,781	+ 12.0%	36
Children	\$2,135	\$1,672	- 21.7%	7
Adults	\$2,541	\$2,844	+ 13.5%	18
Elderly	\$12,499	\$18,087	+ 44.7%	44
Disabled	\$14,481	\$15,674	+ 8.2%	33



Medicaid Hot Spot: Non-Institutionalized High Cost Populations

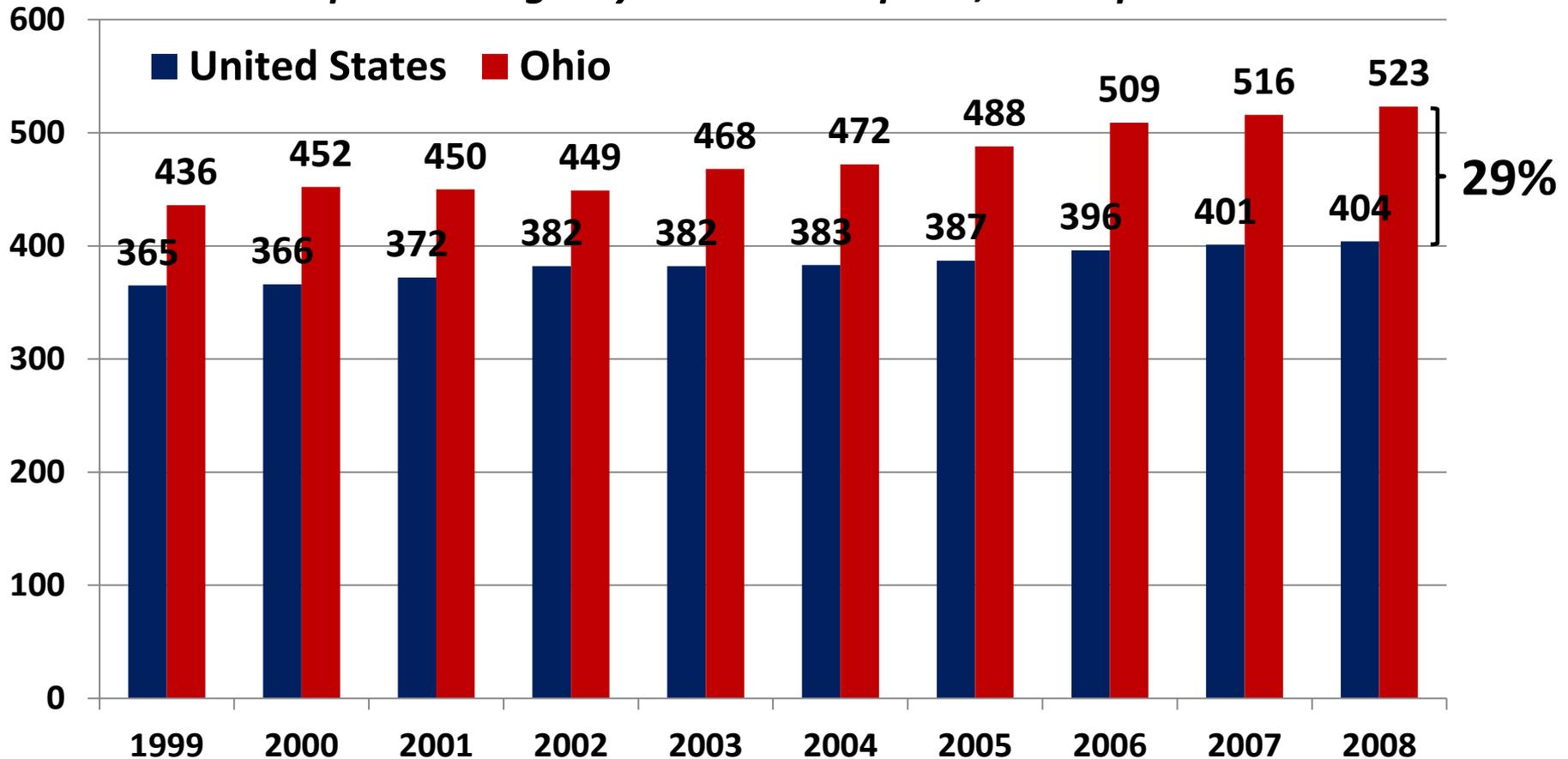
Non-Institutionalized Medicaid Population	Enrollment		Spending		Average Cost
	Number Served	%	Amount	%	
Non-institutionalized children	1.3 million	57%	\$2.9 billion	28%	\$2,200
Neonatal Intensive Care Unit (NICU) Infants	3,359	0.1%	\$166 million	2%	\$49,500
Most expensive children (including NICU infants)	69,159	5%	\$1.5 billion	14%	\$21,400
Non-institutionalized adults	1.0 million	43%	\$7.4 billion	72%	\$7,400
Most expensive adults	50,000	5%	\$3.6 billion	33%	\$68,500

Source: Ohio Department of Job and Family Services for SFY 2010. Note that medical costs include those incurred by managed care plans and paid by fee-for-service, excluding institutionalized consumers and their costs. Consumers may have been in both FFS and MC delivery systems within SFY 2010. This analysis includes consumers costs in both systems.



Medical Hot Spot: Emergency Department Utilization: Ohio vs. US

Hospital Emergency Room Visits per 1,000 Population



Source: American Hospital Association Annual Survey (March 2010) and population data from Annual Population Estimates, US Census Bureau: <http://www.census.gov/popest/states/NST-ann-est.html>.



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Medicaid Hot Spot: Avoidable Hospital Admissions for Children

Avoidable admissions are those conditions on admission claims that generally would not have resulted in inpatient admission if appropriate prior treatment had occurred.

Measurement	Admits	SFY 2009 Cost	Cost Per Admit
Asthma ¹	1,404	\$7,639,922	\$5,441
Perforated Appendix ²	318	\$2,517,296	\$7,916
Urinary Tract Infection ³	759	\$4,270,681	\$5,626
Low Birth Weight ⁴	7,446	\$156,110,544	\$20,965

¹ Principal diagnosis code of asthma and no secondary diagnosis code of cystic fibrosis or respiratory anomaly, for patient aged 2 years and older.

² Diagnosis code of perforated or abscessed appendix, for patients aged 1 year and older.

³ Principal diagnosis code of urinary tract infection (UTI), for patients over the age of 90 days.

⁴ Diagnosis code of low birth weight, for neonates less than 2 months of age. Admissions for newborns with a missing age are included.



Medicaid Hot Spot: Medicaid Enrollees Who Get Care Primarily from Hospitals*

** Indicating a lack of primary care and/or care coordination*

Non-Institutionalized Medicaid Population	Enrollment		Spending		Average Cost
	Number	%	Amount	%	
Children	29,552	1.3%	\$510 million	5%	\$17,300
Adults	12,530	0.5%	\$841 million	8%	\$67,100
Total	42,082	1.8%	\$1.35 billion	13%	\$32,100

Source: Ohio Department of Job and Family Services for SFY 2010. Note that medical costs include those incurred by MCPs and paid by FFS, excluding institutionalized consumers and their costs. Consumers may have been in both FFS and MC delivery systems within SFY 2010. This analysis includes consumers costs in both systems.



Medicaid Hot Spot: Serious Mental Illness

Adult Medicaid beneficiaries with serious mental illness:

- 10% of beneficiaries = 26% of Medicaid costs
- Higher rates of expensive chronic disease
- 2X more emergency department visits and hospitalizations

Medicaid beneficiaries with Schizophrenia:

- 3X more hospitalizations for uncontrolled diabetes
- 2X more hospitalizations for pneumonia and chest pains
- 3X higher costs for nursing home, Rx, and home health

Source: The Best Practice in Schizophrenia Treatment (BeST) Center within the Northeastern Ohio Universities Colleges of Medicine and Pharmacy (NEOUCOM), "Articulating the Ohio Business Case for Integrated Behavioral Health and Primary Care Services," (February 2011)

Medicaid Hot Spot: Medicaid Enrollees with Severe Mental Illness (SMI)

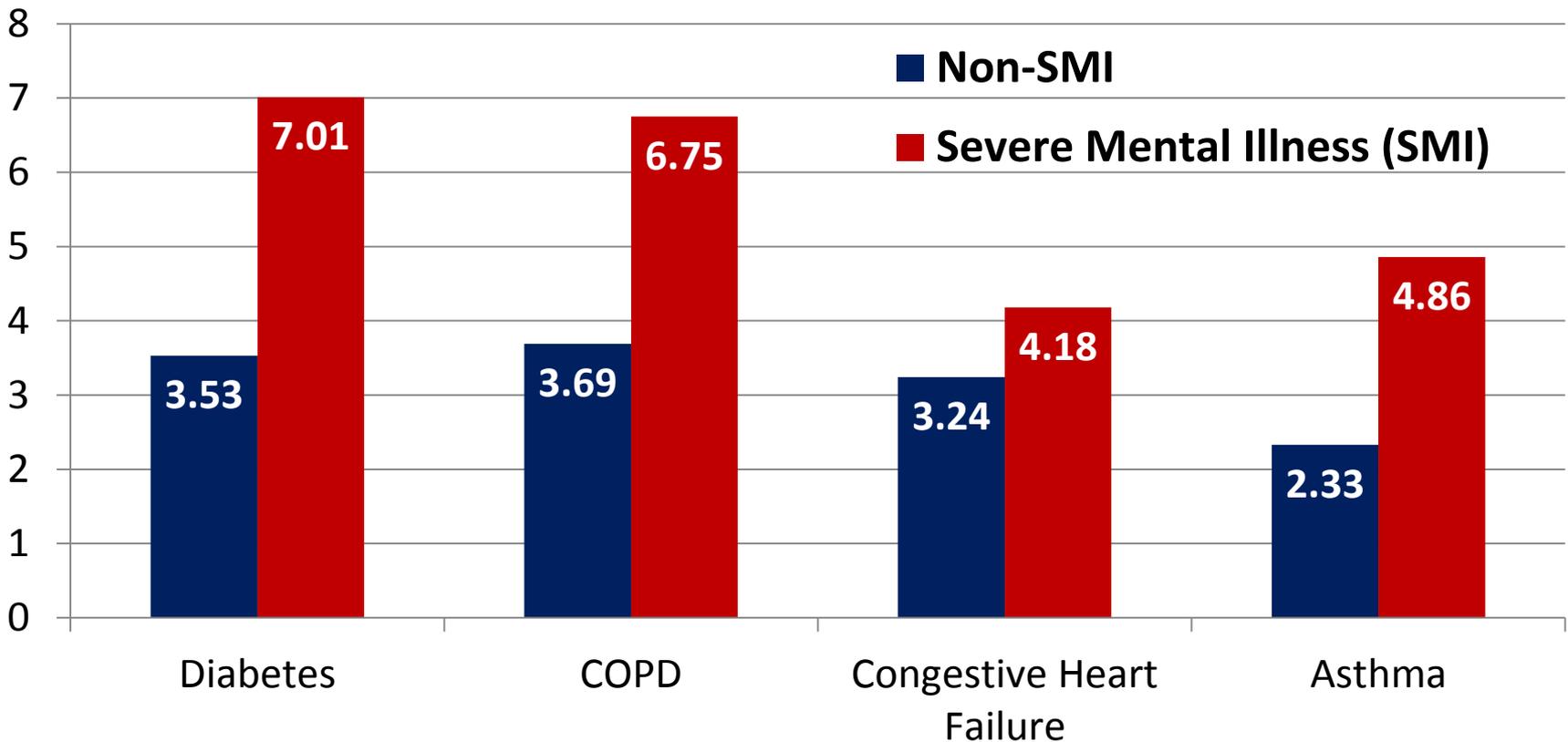
SMI Qualifying Condition	Number	Cost	Per Person
Psychosis	9,486	\$268,079,490	\$28,260
Schizophrenia	39,021	\$784,961,862	\$20,116
Bipolar	52,547	\$663,630,548	\$12,629
Depression	86,759	\$1,062,375,477	\$12,245
All Other	66,164	\$607,983,192	\$9,189
Total SMI	253,977	\$3,387,030,569	\$13,335



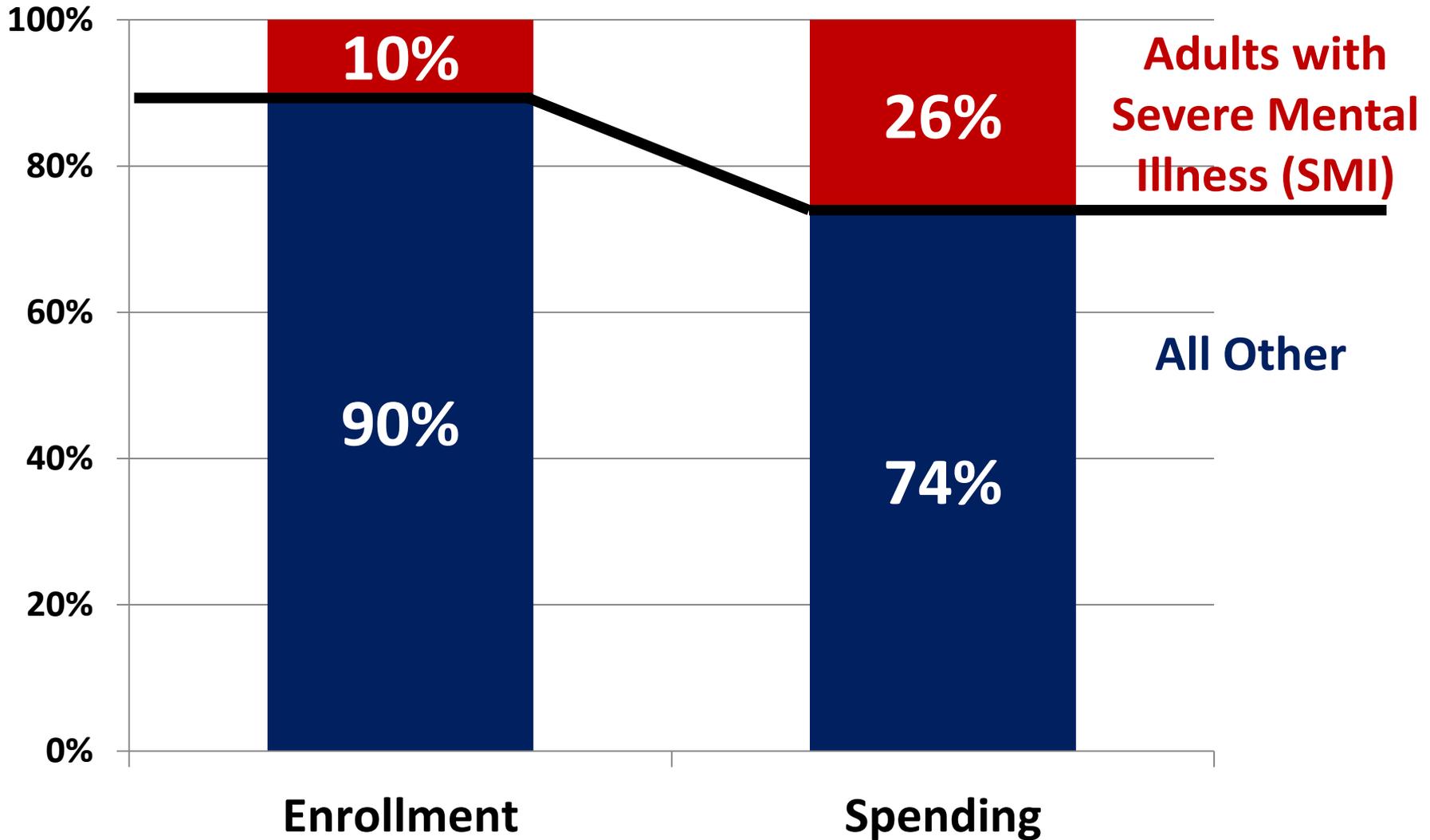
Medicaid Hot Spot:

Hospital Admissions for People with Severe Mental Illness

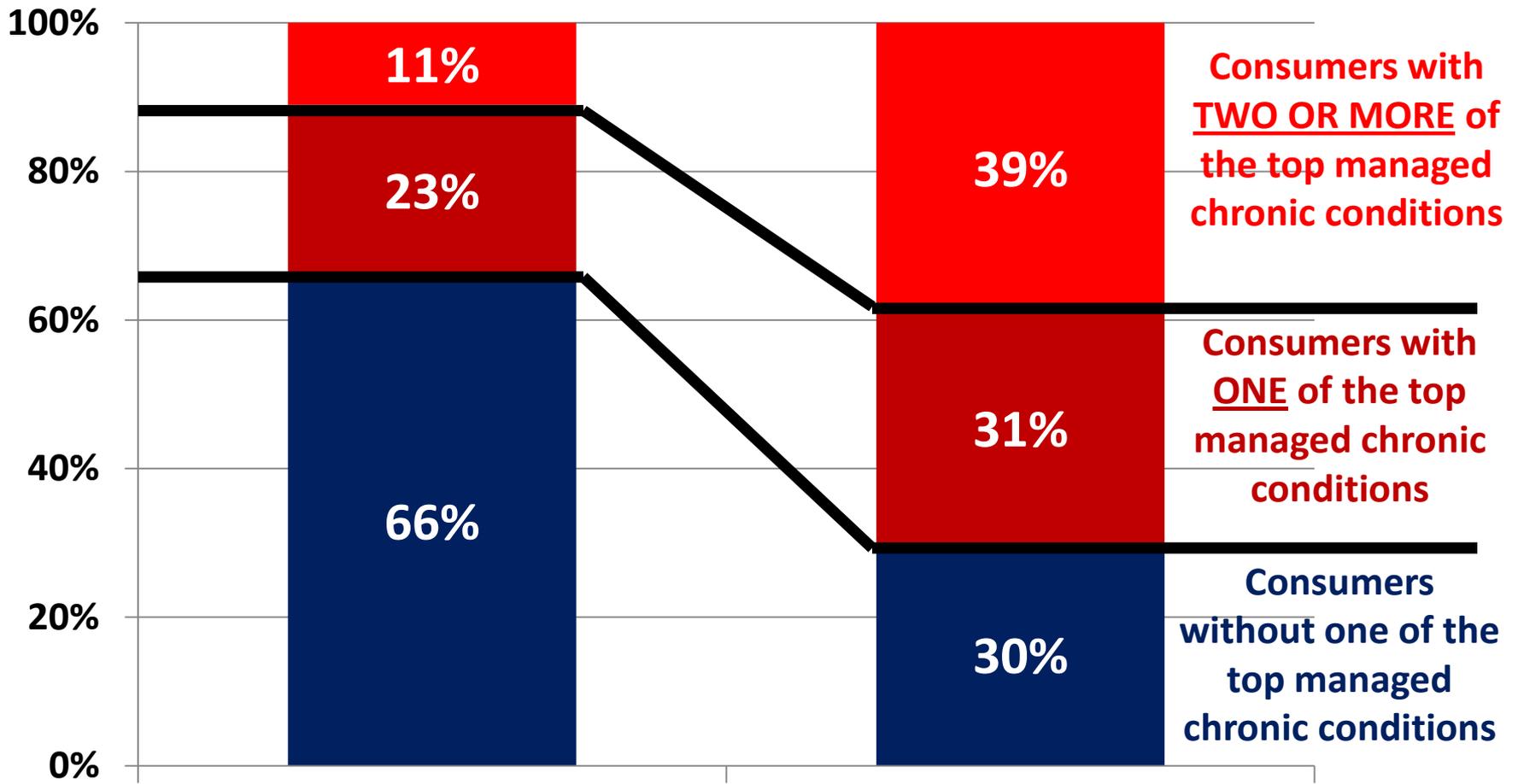
Avoidable hospitalizations per 1000 persons for ambulatory care sensitive conditions (avoidable with proper treatment)



Medicaid Hot Spot: Enrollment and Spending for Severe Mental Illness



Medicaid Hot Spot: Enrollment Spending by Top Managed Chronic Conditions



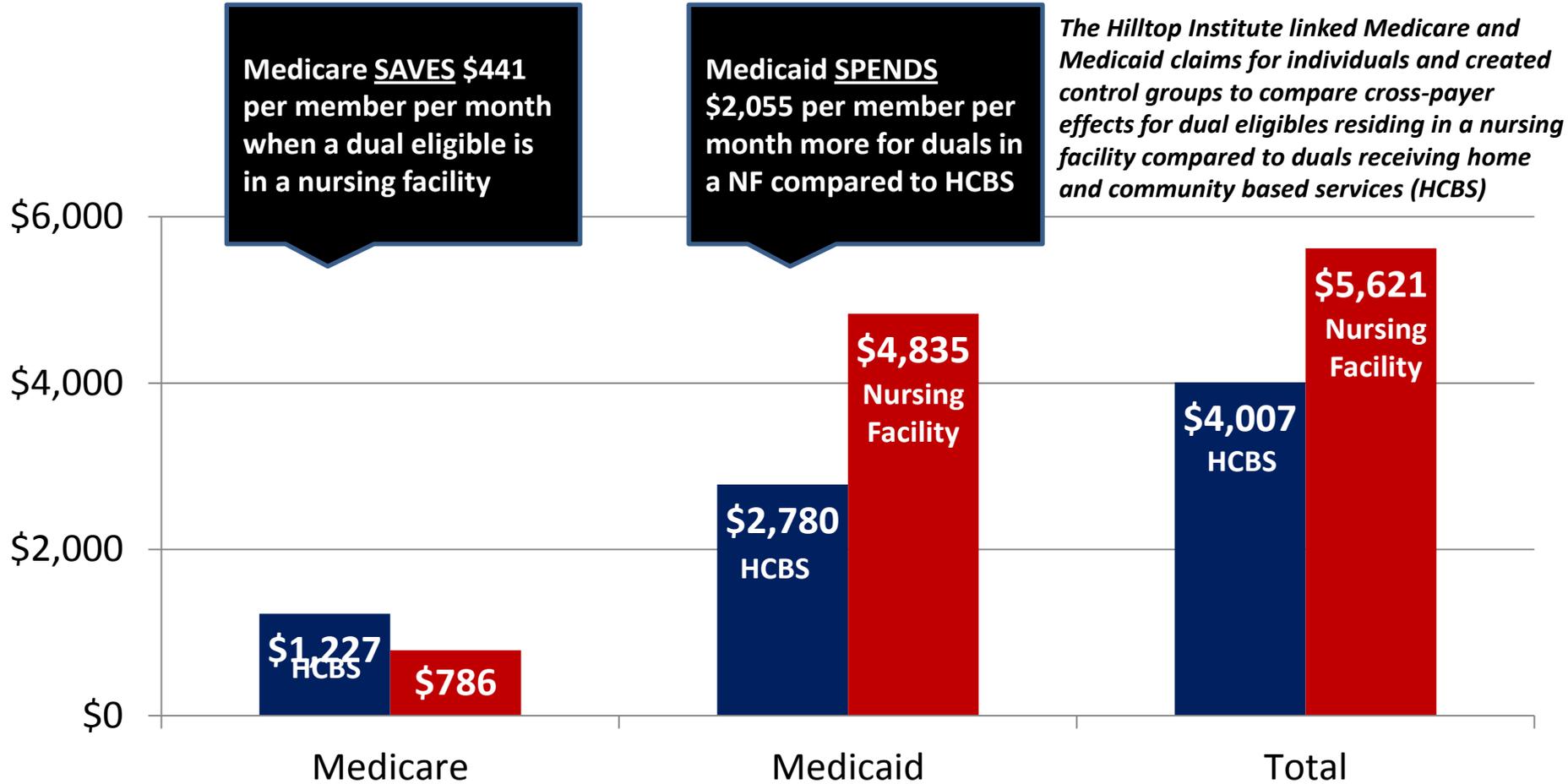
Enrollment (2.3 million) Spending (\$10.3 billion)

Source: Ohio Department of Job and Family Services. Institutionalized consumers excluded. Based on SFY 2010 total medical cost either by ODJFS or Medicaid managed care plans. Top managed conditions = Diabetes, CAD, CHF, Hypertension, COPD, Asthma, Obesity, Migraine, HIV, BH, & Sub. Abuse.



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Maryland Dual Eligible Case Study: Medicare and Medicaid Financing Do Not Align to Promote Home and Community Based Services (HCBS)



Medicaid Hot Spot: Enrollment and Spending for Dual Eligibles

