Special Issues Associated with Readmissions of Medicaid Beneficiaries

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Background

- Readmissions have significant cost and quality implications.
- Policy attention and resources tend to focus on the Medicare population.
- *What about Medicaid patients, another high-risk group?*
- This is an urgent issue in view of state budget constraints and Medicaid expansion.

Overview

Readmissions for Medicaid patients

- How does the readmission rate for Medicaid compare to those for other payers?
- What are the top conditions that contribute to the highest share of readmissions?

Drivers of Medicaid readmissions

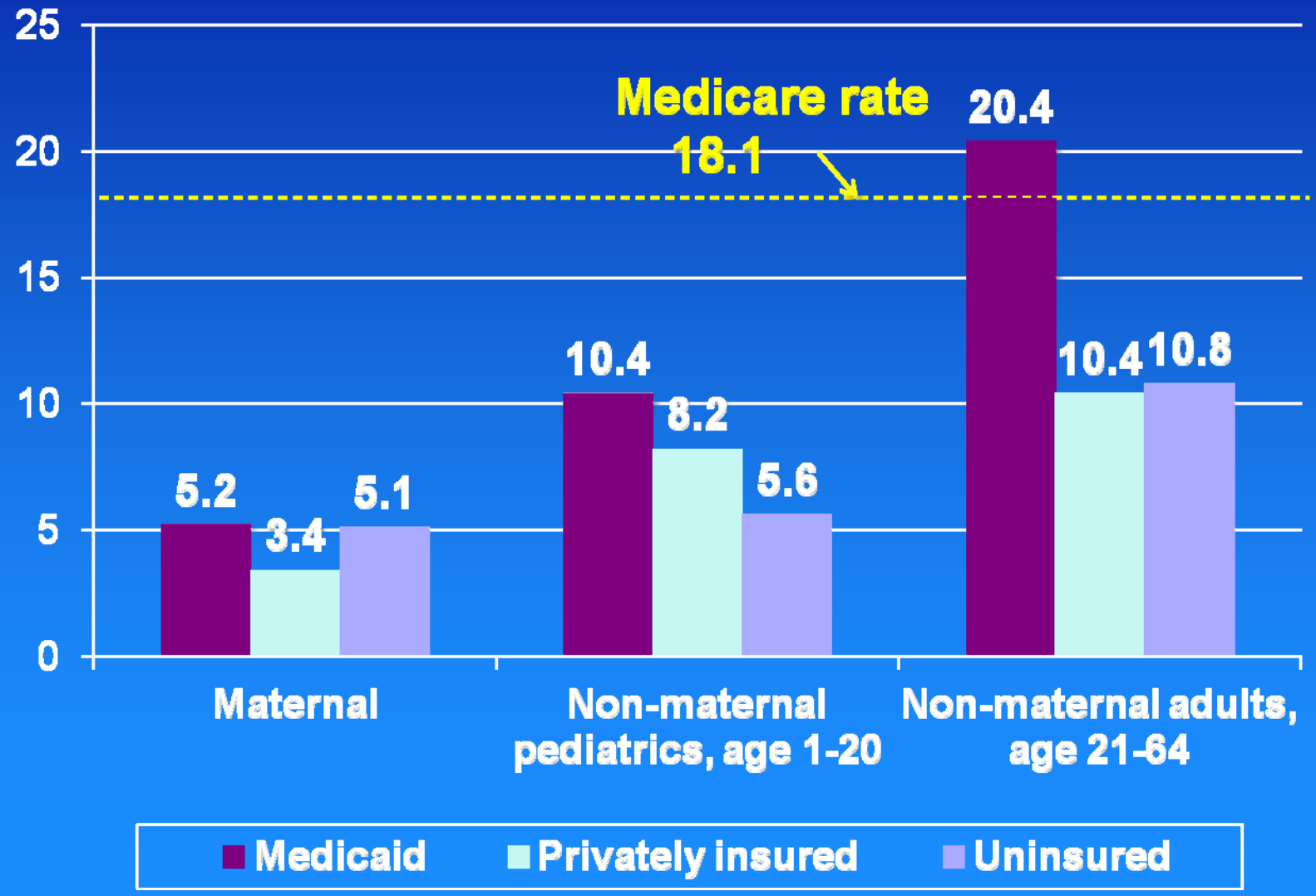
- Patient, provider, and system factors

Strategies for reducing readmissions

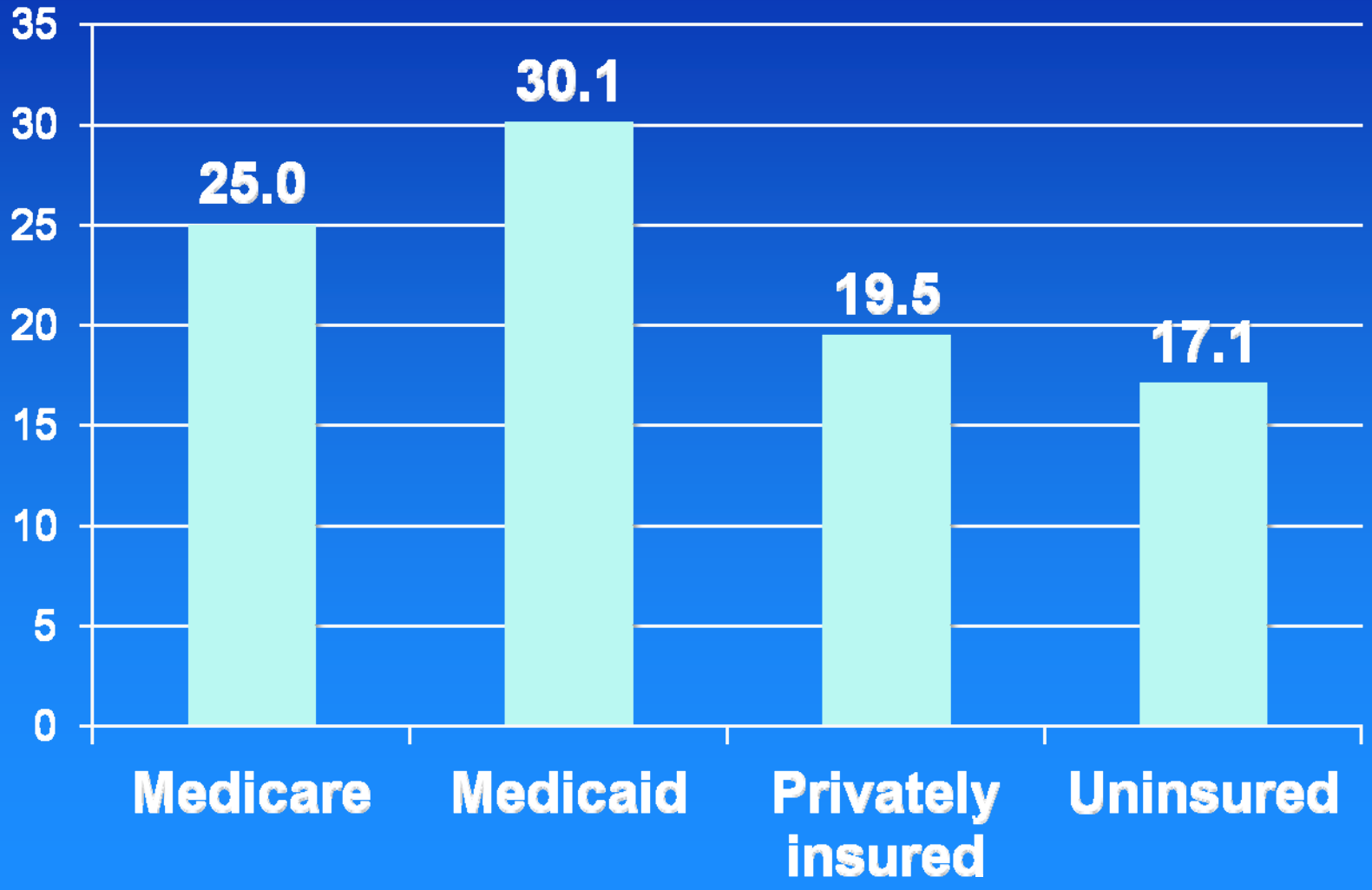
Readmission Rates for Medicaid Patients

- Data source:
  Healthcare Cost and Utilization Project (HCUP)
  State Inpatient Databases (SID)
- National estimates:
  By payer, maternal vs. non-maternal, age group
- All-cause 30-day Readmissions:
  - Index admissions = all admissions discharged alive
  - Readmissions = admitted within 30 days discharge of the previous index admission
  - Transfer records were combined
  - Event-based rather than person-based rate

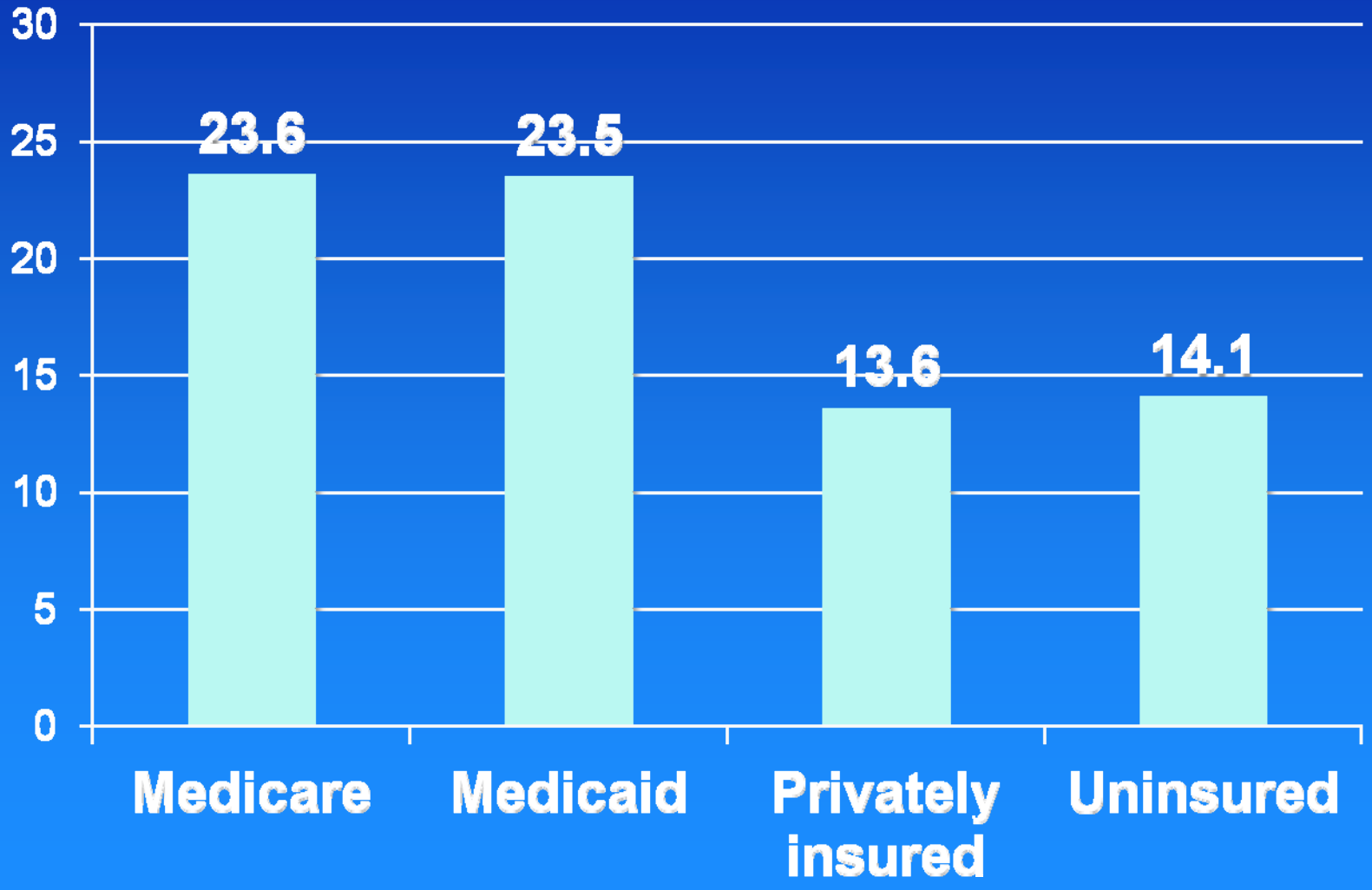
All-Cause 30-Day Readmission Rates, 2010



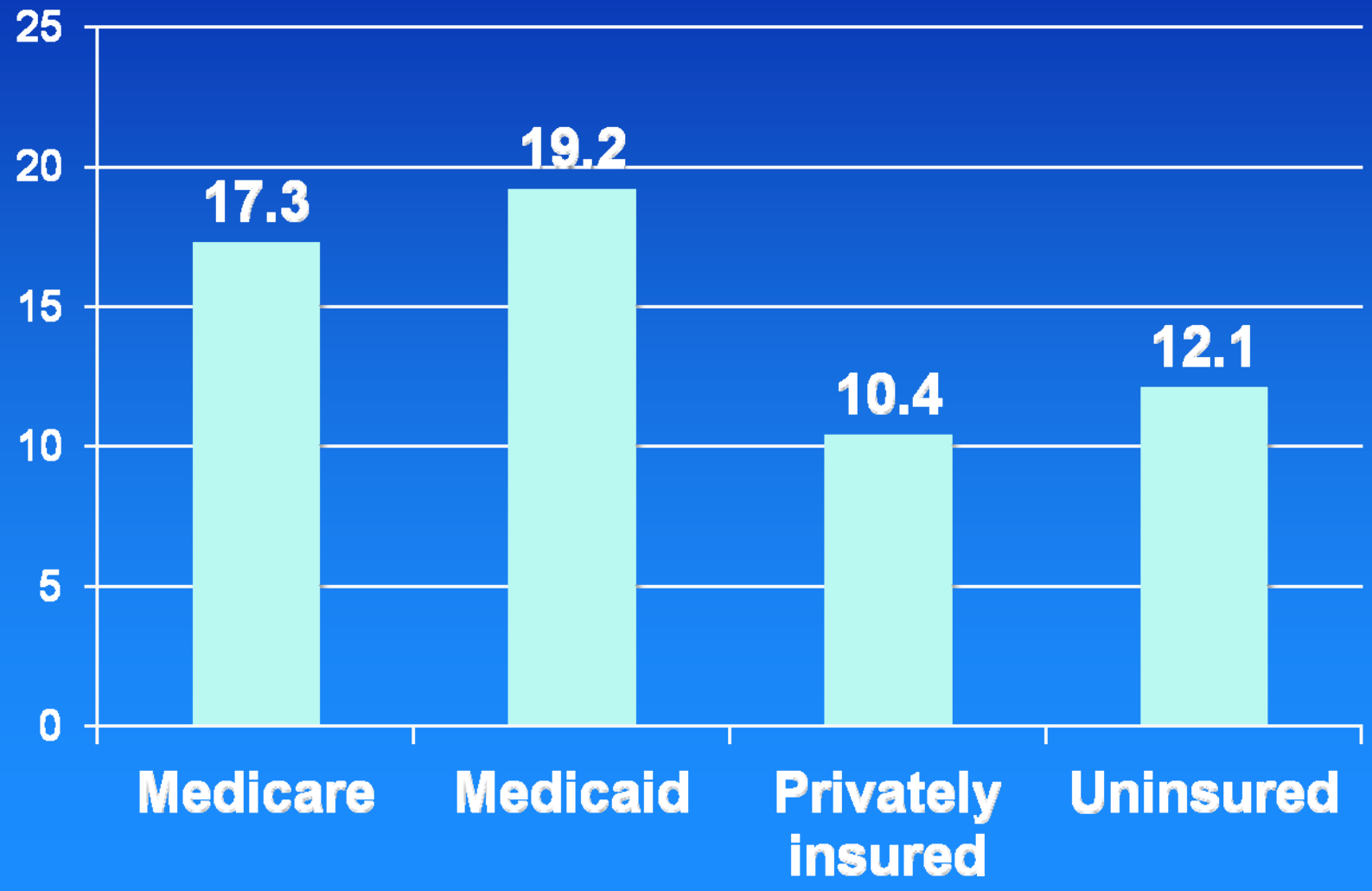
All-Cause 30-Day Readmission Rates for *Congestive Heart Failure*, 2010 (adults aged 18+ years)



All-Cause 30-Day Readmission Rates for *Diabetes with Complications*, 2010 (adults aged 18+ years)



All-Cause 30-Day Readmission Rates for *Coronary Artery Bypass Graft*, 2010 (adults aged 18+ years)



Top 5 Disease Categories by Share of All 30-Day Readmissions:

Medicaid adult patients aged 21-64 years

MDC at Index Admission	Readmission Rate	% of All Readmissions	Cumulative %
Mental disorders & substance abuse	21.8	16.6	16.6
Circulatory diseases	20.4	12.4	29.0
Pregnancy, childbirth & puerperium	5.2	11.7	40.7
Respiratory diseases	21.6	9.9	50.6
Digestive diseases	20.3	9.0	59.6

Top 5 Disease Categories by Share of All 30-Day Readmissions:

Medicaid pediatric patients aged 1-20 years

MDC at Index Admission	Readmission Rate	% of All Readmissions	Cumulative %
Pregnancy, childbirth & puerperium	5.1	23.5	23.5
Mental disorders	12.1	14.4	37.9
Myeloproliferative diseases, poorly differentiated neoplasm	69.9	9.8	47.7
Respiratory diseases	5.8	8.2	55.9
Digestive diseases	8.5	7.4	63.3

Summary

Message #1:

We have to work on reducing Medicaid readmission rates.

- Medicaid readmission rates were *consistently and substantially higher* than rates for the privately insured.
- Readmission rates for non-maternal adult Medicaid patients were *as high as* (and sometimes even higher than) the rates for Medicare patients.

Summary (cont.)

Message #2:

Interventions can target those "signature" conditions that contribute to the highest share of readmissions.

Adults (21-64 years):
Mental disorders & substance abuse
Circulatory diseases
Pregnancy, childbirth & puerperium

Pediatrics (1-20 years):
Pregnancy, childbirth & puerperium
Mental disorders

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Understand Drivers of Medicaid Readmissions

Qualitative studies funded by AHRQ

- The John Snow, Inc. led by Jim Maxwell, PhD and Amy Boutwell, MD
- George Washington University led by Marsha Regenstein, PhD

Methods

- Literature review
- Working with six safety-net hospitals to conduct site visits, patient/family/caregiver interviews, medical record review, and provider interviews
- Telephone interviews with state Medicaid officials and Medicaid managed care plans

Understand Drivers of Medicaid Readmissions – Patient Factors

- Mental illness and substance abuse
- Medication non-compliance
- Low health literacy
- Language and cultural issues
- Reliance on family and social support for care
- Financial stress

Patient Factors – Let's look at Patient #1…

- 50 year old male on Medicaid with a history of IV drug use.
- First hospitalized due to heart failure.
- The patient missed his scheduled follow-up appointment, but the clinic was successful in scheduling another follow-up appointment the next day.
- Despite these best efforts, the patient was readmitted with a primary diagnosis of congestive heart failure.
- The patient explained that he was not taking his medications because he ran out of one of them, and that he has trouble picking them up because he depends on friends for a ride.

…Patient #2…

- 24 year old, dual eligible female living with her mother.
- Hospitalized 8 times and visited the ER twice in the last year.
- First hospitalized for pneumonia. Readmitted 8 days later for pneumonia.
- Has HIV/AIDS with a number of comorbidities.
- She was given medication for her HIV, but no follow-up appointments with a PCP or specialist were made.
- When asked how the hospital can help her and others prepare to leave the hospital, she said, “Make all appointments before I leave the hospital.”

Understand Drivers of Medicaid Readmissions – Provider Factors

Hurdles for hospitals:

a) Lack of business case

Under the current FFS payment, hospitals are not incentivized to reduce Medicaid readmissions. Reducing readmissions results in reduced revenues for the hospital.

b) Lack of awareness on the high risk of Medicaid patients

A perception that readmission is the Medicare problem only. Do not always pull out data on Medicaid patients.

Provider Factors (cont.)

Hurdles for hospitals (cont.)

c) Lack of resources – financial and human

Particularly for safety-net hospitals (SNH) that treat a high proportion of Medicaid patients while struggling financially due to payment reduction from all payers and declining contributions from state and local governments.

Understand Drivers of Medicaid Readmissions – System Factors

Difficulty in finding primary care physicians (PCP) and mental health providers for Medicaid patients

- One of the study hospitals reported:
  - Medicaid patients are least likely to have a PCP compared to Medicare and privately insured patients.
  - They are also least likely to have an outpatient visit but most likely to have at least one ER visit between index admission and readmission.
- Another hospital commented:
  - Severe shortage of mental health providers in the area as well as insufficient reimbursement rates have contributed to unnecessary readmissions.

System Factors (cont.)

"You can't manage what you don't measure!"

- Not every state Medicaid program has the data capacity to track all hospital use by its enrollees.
  - Mostly are claims but no encounter data; thus do not capture patients in managed care plans.
  - Some states don't have data on mental health and substance abuse because of carve-outs.
  - States do not have data on dual-eligibles because hospital bills go to Medicare.

- Individual hospitals do not have information on patients readmitted to another hospital.

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Strategies for Reducing Readmissions

- Align financial incentives to reduce Medicaid readmissions
  - Include readmissions as a key measure in contracts with managed care plans (MCOs) and with accountable care organizations (ACOs)
  - Penalty policy (e.g., payment reduction or no-pay) applies to FFS patients only
- Make Medicaid data available for benchmarking
  - Allow states, providers, and health plans to identify potential areas for improvement

Strategies for Reducing Readmissions (cont.)

- Engage patients & caregivers
  - Hear their voices to find out what happened after they left the hospital and why they've come back.
  - Provide them with adequate resources and training to help manage the patient's health.

- Engage hospitals
  - On learning what's special about Medicaid
  - Add Medicaid on the high-risk of readmission screen

Strategies for Reducing Readmissions (cont.)

- Facilitate partnership between hospitals and Medicaid managed care plans (MCO)

➢ MCOs have greater leverage to influence readmissions:

- Have stronger financial incentives to reduce readmissions;
- Have the data capacity to identify high risk patients;
- More easily establish long-term relationship with high-risk patients for ongoing management of the conditions;
- In a better position to provide care coordination, follow-up and other post-discharge services.

➢ A particularly viable strategy for SNH to launch and sustain successful Medicaid readmission programs.

Strategies for Reducing Readmissions (cont.)

- Address shortage of PCP and mental health providers
  - Increase reimbursement rates.
  - Locate alternative resources, e.g., nurse practitioners.
  - Try new delivery models such as telemedicine.

- Develop community-wide collaboration that include Medicaid-specific partners
  - Hospitals, FQHC, local physicians, Medicaid MCOs, home health agencies, social service agencies, etc.
  - Address a wide range of health and social needs unique to the Medicaid population.

Final Takeaways

- Medicaid population is a high-risk group that cannot be ignored.

- To effectively tackle Medicaid readmissions, we need to have:
  - Increasing attention from policymakers
  - Strong business case for providers
  - Strategies for engaging patients and caregivers
  - Partnerships among stakeholders