Business, Economic and Social Case for Medicaid and Quality: Investing in the Workforce of Tomorrow, Today and Caring for the Vulnerable

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Medicaid at 40: Demonstrating Quality for 50 Million Americans
Princeton
June 16, 2005
Medicaid and Quality: Essential Pillar of U.S. Health Care

- Quality “chasm” for Medicaid beneficiaries = opportunity to improve on all dimensions

- Business, economic and social case for quality
  - Aligning incentives, innovative payment
  - Information systems and IT
  - Need for system approaches

- Medicaid challenges

- Changing terms of debate: Medicaid as essential pillar of care system not temporary or supplemental
Medicaid: Improving Capacity for Quality Care

• **Primary care**
  - Rapid access, after hours care
  - Medical home, coordination and links
  - Medical records; Registries

• **Safety-net clinics and hospitals**
  - IT capacity
  - Links to primary care
  - Care innovations

• **Chronic care**
  - Transitions; More effective team care

• **Examples illustrate opportunities**
Medicaid: Underserved = Opportunities to Make a Difference by Improving Quality and Efficiency

Quality: Improved Health Care Outcomes

- Innovation
- Well Insured Higher income
- Medicaid & Lower income

$ Resources
Building Quality Into RITE Care
Higher Quality and Improved Cost Trends

Rhode Island Commercial vs. Rite Care, 1994 – 2003 (Cumulative)

- Quality targets and $ incentives
- Improved access, medical home
  - One third reduction in hospital and ER
  - Tripled primary care doctors
  - Doubled clinic visits
- Significant improvements in prenatal care, birth spacing, lead paint, infant mortality, preventive care

Improving Primary Care: Rapid Access


- Case Study #1: Redesigning the Patient Visit
  - **The Jerome Belson Health Center**, in the Bronx, a center operated by the United Cerebral Palsy Association of New York State that serves a developmentally disabled population.

- The Belson Center achieved:
  - 40% reduction of total visit time
  - 58% increase in productivity- more patients seen
Coney Island Hospital’s Asthma Buddy Pilot: Effect on Asthma Hospitalization (69 Children Ages 8–16 years, 2001–2003)

Number per Child

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<th>ED Visit</th>
<th>Hospitalization</th>
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<tr>
<td>Asthma Patients Over 6–mo. Winter, With Asthma Buddy (Oct. 2002 – Mar. 2003)</td>
<td>0.01</td>
<td>0.01</td>
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</tbody>
</table>

Source: Coney Island Hospital, Asthma Buddy Pilot data, 2003.
Effect of Advanced Practice Nurse Care on Congestive Heart Failure Patients’ Average Per Capita Expenditures

Source: M.D. Naylor, “Making the Business Case for the APN Care Model,” report to the Commonwealth Fund, October 2003; estimated charges by Mark Pauly.
Computerized Physician Order Entry Results, NY Public Hospital

- In the first 12 Months of Computerized Physician Order Entry (CPOE) at Metropolitan Hospital:
  - Overall medication errors were reduced by more than 40%
  - Incomplete orders declined by more than 70%
  - Incorrect orders decreased by at least 45%
  - Illegible orders were virtually eliminated but the level of medication errors categorized by drug therapy problems remained significantly unchanged

Effective Care of Young Children: Long Term, Health and Social Benefits

• Medicaid critical role and opportunity
  – Half of all low income children and one fourth insured by Medicaid/CHIP
  – 12-17% of all children have a developmental or behavioral problem such as speech-language impairments, mental retardation, learning disabilities and emotional/behavioral disturbance
  – Between 19-40 percent of Medicaid children at risk
  – 99% of young children have contact with the health care system

• Care guidelines recommend early and periodic screening, assessment and treatment

• Only 20-30 percent of at risk children are detected prior to school entrance.

• Effective, early care = long term social benefits for health, school and productive lives
Increasing Developmental Screening at Guilford Child Health, North Carolina ABCD

Proportion of Young Children in Medicaid Receiving Good Quality Health Care

- Anticipatory guidance: 50%
- Assessment for psychosocial issues: 48%
- Screen for tobacco and substance abuse: 69%
- Family-centered care: 71%
- Follow-up for children at risk: 60%

Medicaid: Challenges to Improving Quality and Efficiency

• Often high risk, complex patients.
  – Need for team, cross-site initiatives
  – Incentives and accountability
  – Measuring and assessing performance

• Incentives: Cross programs and across acute and long term care.
  – Medicare and Medicaid
  – Nursing home residents and hospitalization example

• Resource risk factors

• Churning and coverage instability
Medicaid and Medicare: Mis-Aligned Incentives - Nursing Home Example

• Wide variation in hospitalization rates for Medicaid nursing home residents.
  – Improved care could reduce hospital use and reduce health risks

• $ Incentives work against quality improvement
  – Savings accrue to Medicare if reduce hospital use
  – Nursing home gains if hospitalize resident
    • Paid while resident in hospital
    • Paid higher Medicare rates when resident returns

• New payment designs could support quality and efficiency.
Medicaid Coverage Instability Can Undermine Quality
Frequent Gain and Loss of Coverage Over 4 Years (Under 65)

**Base: Under 200% poverty with any time on Medicaid**

Percent in and out of Medicaid during 4 years

<table>
<thead>
<tr>
<th>Medicaid and time uninsured</th>
<th>Medicaid and multiple times uninsured</th>
<th>Two or more times on Medicaid</th>
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<tbody>
<tr>
<td>70</td>
<td>40</td>
<td>43</td>
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**Base: Under 200% poverty with any time uninsured**

Percent of uninsured ever insured by Medicaid or private during 4 years

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<tr>
<th>Ever on Medicaid</th>
<th>Multiple times on Medicaid</th>
<th>Any time private</th>
<th>Multiple times private</th>
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<tbody>
<tr>
<td>53</td>
<td>29</td>
<td>63</td>
<td>31</td>
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Cancer Patients with Early and Late Stage Cancer When Diagnosed by Medicaid Enrollment Status

Percent diagnosed with early or late stage breast, colorectal or lung cancer, Michigan 1996-97

- 40% of cancer patients Michigan Medicaid Enrolled AFTER Diagnosis
- Patients who enrolled late much more likely to have advanced stage cancer
- Patients who enrolled late had much lower 8 year Survival Rate

Changing the Terms of the Debate: Medicaid and Quality

• Medicaid: essential pillar of care system not temporary or supplemental
  – Core insurance for children; workforce of tomorrow
  – Market “stabilizer” for private insurance. High risk, complex, chronic and disabled.
  – Critical acute care supplement to Medicare
  – Main source of long term care financing
  – Potential for low income adult workforce

• Focus on success as well as opportunity: Make the economic and social case

• Capacity: primary care and Information systems

• Reimbursement innovations to support and encourage quality and efficient care across sites and programs

• Eligibility reform to support continuity
Acknowledgment and Reports

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• Karen Davis, President, Commonwealth Fund

• Fund Supported Reports on Business Case for Quality Include:

• For case studies and reports visit
  – The Fund Website at: www.cmwf.org