Insights

It’s easy to get caught up in the allure of “new.” It’s the bright, shiny object that promises to make our lives more full or deliver a new benefit we didn’t know we needed. A perfect example is the line that develops outside of Apple stores when the company delivers a new device. If my iPhone 5 is still offering me everything I need from a smartphone, why would I follow the bandwagon — or stand out in the cold for hours or days — to adopt something that’s unproven? And, after I lay down a huge chunk of change, will I have an equally huge chunk of buyer’s remorse? Nonetheless, there’s a strong pull to acquire the latest electronic bling.

Many lawmakers believe that the state’s Medicaid program is broken and needs to be reformed. One solution offered has been expansion of Medicaid managed care as delivered by traditional health maintenance organizations. The proponents argue that this variety of managed care solves many of the system’s problems in a single package. Unfortunately, it has failed to deliver consistent results or fix more problems than it creates. The allure of an off-the-shelf managed care wonder solution is strong. However, it looks very different under close scrutiny.

One benefit you’d expect from an effective managed care vendor is appropriate emergency department utilization. It’s the low-hanging fruit. Not only is ED care costly, it’s a poor setting for non-emergency care. Nevertheless, research suggests that Missouri’s Medicaid managed care providers aren’t reducing use of EDs. In fact, throughout the past ten years in the Show-Me State, fee-for-service ED utilization has been relatively flat, while Medicaid managed care utilization has been both erratic and significantly higher, with growth topping 40 percent. A similar pattern is evident for ED utilization for psychiatric and substance abuse where visits by Medicaid managed care patients have more than doubled throughout the past ten years.

In yet another signal of inadequate access and mismanaged care, the data reveal that last year 52 percent of treat-and-release ED visits by managed care enrollees occurred after normal business hours. The story is tragic, but you know it well — the average age of the patient was twelve and a half, and 68 percent could have been avoided with a visit to a primary care physician’s office. What was the most common diagnosis? Acute upper respiratory infection — the common chest cold. Earaches came in a close second. Not surprising since Medicaid HMOs only cover moms and kids.

Given the ED statistics, one might assume that the managed care population was sicker than the fee-
for-service population. Not so. In fact, the only demographic dimension where managed care has a disadvantage is the rate of childbirth — a logical result of the program’s overrepresentation of women and children. For the same reason, managed care has significantly lower rates of enrollees with chronic conditions in all categories but asthma.

The one thing we shouldn’t find in care that is well managed is super-utilizers — and yet there are some doozies among the clients of Missouri’s Medicaid HMOs. Among the entire Medicaid managed care population, 3,891 patients were hospitalized or visited an ED ten or more times last year. That means 2.8 percent of managed care patients accounted for 15.1 percent of the visits. At the far end of the tail, 40 managed care patients had 52 or more ED visits last year — that’s a club that averages at least one visit per week. Together these 40 Medicaid HMO enrollees accounted for 2,985 total visits — for an average of 75 apiece — and the one most super of all utilizers logged 139 visits.

In the weeks ahead, we’ll be making the case that traditional Medicaid managed care doesn’t deliver better care, better health for patients or lower cost for the state. This week, I wanted to plant the seed that managed care isn’t delivering on care management. Next week, I’ll focus more on the costs.

There’s nothing new about the traditional HMO managed care model. The more it’s examined, the worse it looks. The advocates continue to sell its supposed virtues, claiming it is what we need for real progress on reform. Beyond the hype and the bling, it’s the same old questionable system — sorely lacking when it comes to delivering real value.

Let me know what you’re thinking.

Herb B. Kuhn
MHA President and CEO

In This Issue
Average Tax Credit To Enroll In Healthcare.gov Amounts To Nearly $300 Per Month
CMS Issues Final Rule On Medicaid Outpatient Drugs
CMS Releases Explanation Of FY 2004 Outlier Fixed-Loss Threshold
HIDI Releases Fourth Quarter FFY 2015 Update To Discharge Data-Based Quality Indicators
Physician Burnout Rates On The Rise

Average Tax Credit To Enroll In Healthcare.gov Amounts To Nearly $300 Per Month
Staff Contact: Andrew Wheeler

The U.S. Department of Health & Human Services posted that 83 percent of those who are enrolled in a 2016 marketplace insurance plan will receive an average of $294 per month in tax credits. This amounts to an average of 72 percent of the total premium cost that will be subsidized.
CMS Issues Final Rule On Medicaid Outpatient Drugs
Staff Contact: Daniel Landon

The Centers for Medicare & Medicaid Services issued a final rule with comment period to revise its standards for Medicaid outpatient drugs. The agency also released a fact sheet. MHA published an issue brief on the new final rule.

CMS Releases Explanation Of FY 2004 Outlier Fixed-Loss Threshold
Staff Contact: Andrew Wheeler

The Centers for Medicare & Medicaid Services released an explanation of the fiscal year 2004 outlier fixed-loss threshold. This is in response to a case which challenged the outlier fixed-loss threshold rulemaking for FY 2004. The explanation centers on why the secretary corrected for only 50 turbocharging hospitals in the 2004 rulemaking rather than for the 123 that were identified. Turbocharging is being used as a term to describe improper manipulation of charges by hospitals.

HIDI Tech Connect

HIDI Releases Fourth Quarter FFY 2015 Update To Discharge Data-Based Quality Indicators
Staff Contact: Shane VanOverschelde

Readmissions, Hospital-Acquired Conditions and AHRQ Quality Indicators data have been refreshed within HIDI Analytic Advantage PLUS to include measure calculations based on discharge data from the fourth quarter of federal fiscal year 2015. These quality data updates can be found in various reports in the following HIDI Analytic Advantage PLUS locations.

- quality > benchmarking
- quality > readmissions
- quality > strategic quality initiatives
- executive reports

For technical questions regarding these measures, contact Shane VanOverschelde. For questions about accessing the website or running these reports, contact HIDI.

Workforce News

Physician Burnout Rates On The Rise
Staff Contact: Meredith Kenyon

Medscape released a new report of nearly 16,000 physicians across 25 specialties, describing that both physician burnout and the severity of burnout increased compared to last year. The survey found the highest percentage of physician burnout occurred in critical care, urology and emergency medicine at 55 percent, while rheumatologists and psychiatrists reported the lowest percentage of burnout at 3.9
Did You Miss An Issue Of MHA Today?

The following articles were published in this week’s issues of MHA Today and are available online.

**January 18, 2016**
MHD Posts Radiology Benefit Management Program Changes
CMS Reminds Hospitals Of IQR Clinical Data Submission Deadline

**January 19, 2016**
MHA Distributes Projected Payment Implications Of Medicare’s VBP, HAC And Readmissions
U.S. Senate Committee Considers Opioid Issues At Missouri Hearing
Committee Considers Change In Medicaid Eligibility Standards
MHN Advises Providers To Update Contact Information

**January 20, 2016**
Legislative Committee Votes To Block Personal Care Wage Increase
House Hears HMO Policy Bill
Senate Approves New Expert Witness Standards
ACA Requires DSS To Send IRS Form 1095-B To Medicaid Beneficiaries
CMS Announces Direction For EHR Incentive Programs
CMS Provides Marketplace Special Enrollment Period Update
Trajectories — Care Coordination
DOE And HHS Release School/Health Sector Collaboration Toolkit

**January 21, 2016**
Gov. Nixon Delivers “State of the State” Address
Senate Approves Expert Witness Bill
Missouri KidsFirst Offers SAFE CARE Training
CMS Provides Update On LTC PBJ Requirements
MLN Connects Provider eNews Available
HIDI And MHA Host Monthly Focus Session Highlighting PPS Reports
CMS Announces Overall Hospital Star Rating Preview Period
CMS Announces HBIPS Calculation Updates
BJC HealthCare Affiliates With Memorial Group

Consider This ...

Less than 30 percent of high school students get at least 60 minutes of physical activity every day. Physical activity can help with weight control, and may improve academic achievement in students.

Source: Centers for Disease Control and Prevention