

Hospitalization Trends in North Carolina Medicaid

Patients with Multiple Chronic Conditions, 2008-2014

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KEY POINTS FROM THIS BRIEF:

- Among North Carolina Medicaid beneficiaries who are living with multiple chronic medical conditions, rates of hospital admission and readmission have declined by 10% and 16%, respectively, since 2008.
- Lower rates of hospitalization are driven entirely by successful trends within the CCNC-enrolled population, while rates among unenrolled beneficiaries have continued to rise.
- Medicaid recipients who are not enrolled in CCNC are being admitted at almost twice the rate as recipients of similar clinical complexity who are enrolled in CCNC.
- Prevented hospitalizations within the CCNC program amount to a total cost avoidance of \$389 Million in SFY 2014.

Background

Individuals living with multiple chronic medical conditions account for the vast majority of potentially preventable hospitalizations and hospital readmissions nationally.^{1,2}

Community Care of North Carolina's approach to population health management for NC Medicaid recipients emphasizes support of beneficiaries with chronic medical conditions, by establishing a longitudinal relationship with a medical home for better management of chronic disease and prevention of complications, as well as targeted care management support of those at highest risk

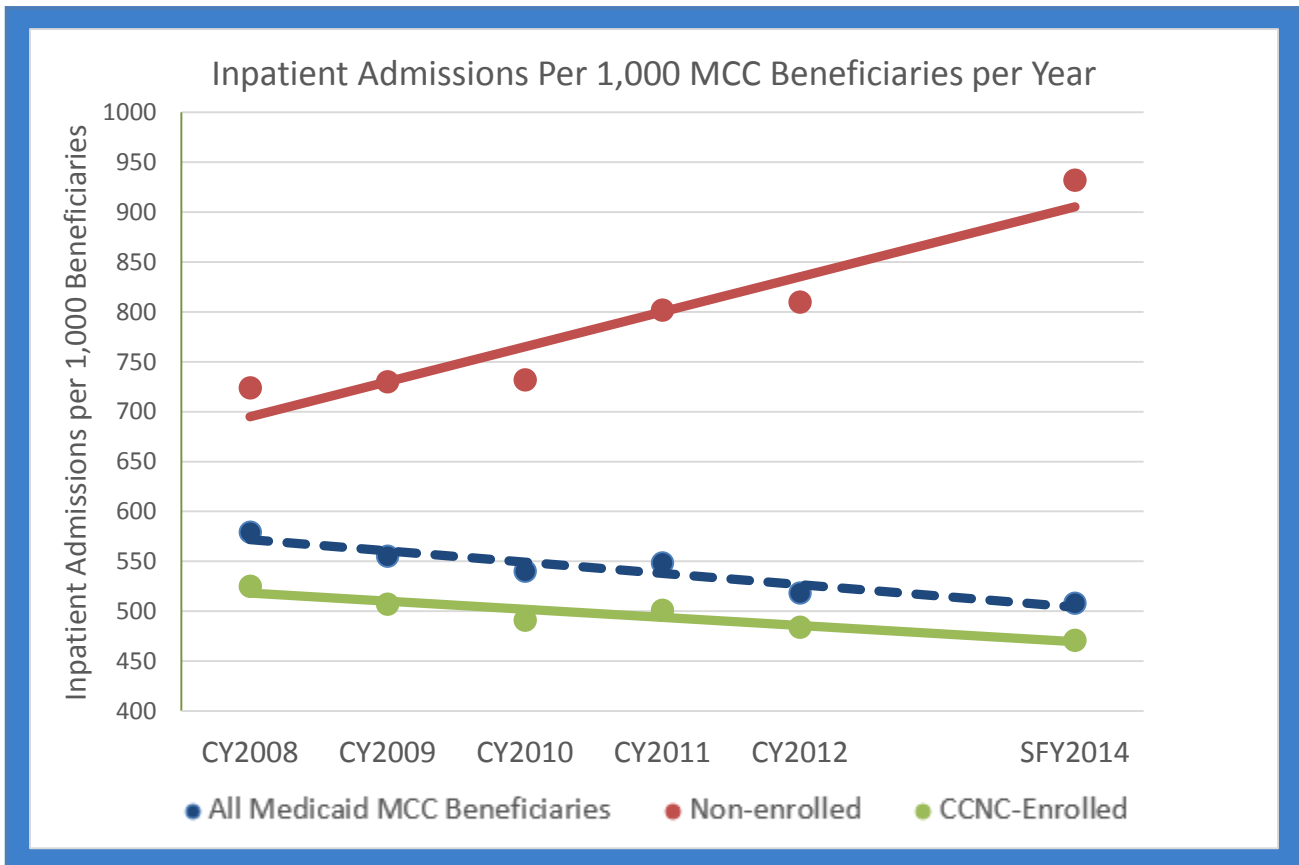
Multidisciplinary care team support of complex patients, by care managers embedded in local communities, is considered to be a key component of CCNC's success in controlling costs for high risk Medicaid beneficiaries.³ CCNC's transitional care program, which aims to reduce readmissions after hospital discharge, has been shown to prevent one readmission per for every six beneficiaries with multiple chronic conditions served, with much of the benefit realized beyond the first 30 days.^{4,5}

This program has expanded gradually since its inception in 2008 and currently provides care

management support after hospital discharge to over 2,600 Medicaid recipients each month. Under the CCNC model, increased utilization of primary and preventive care services, improved care coordination across providers and settings of care,

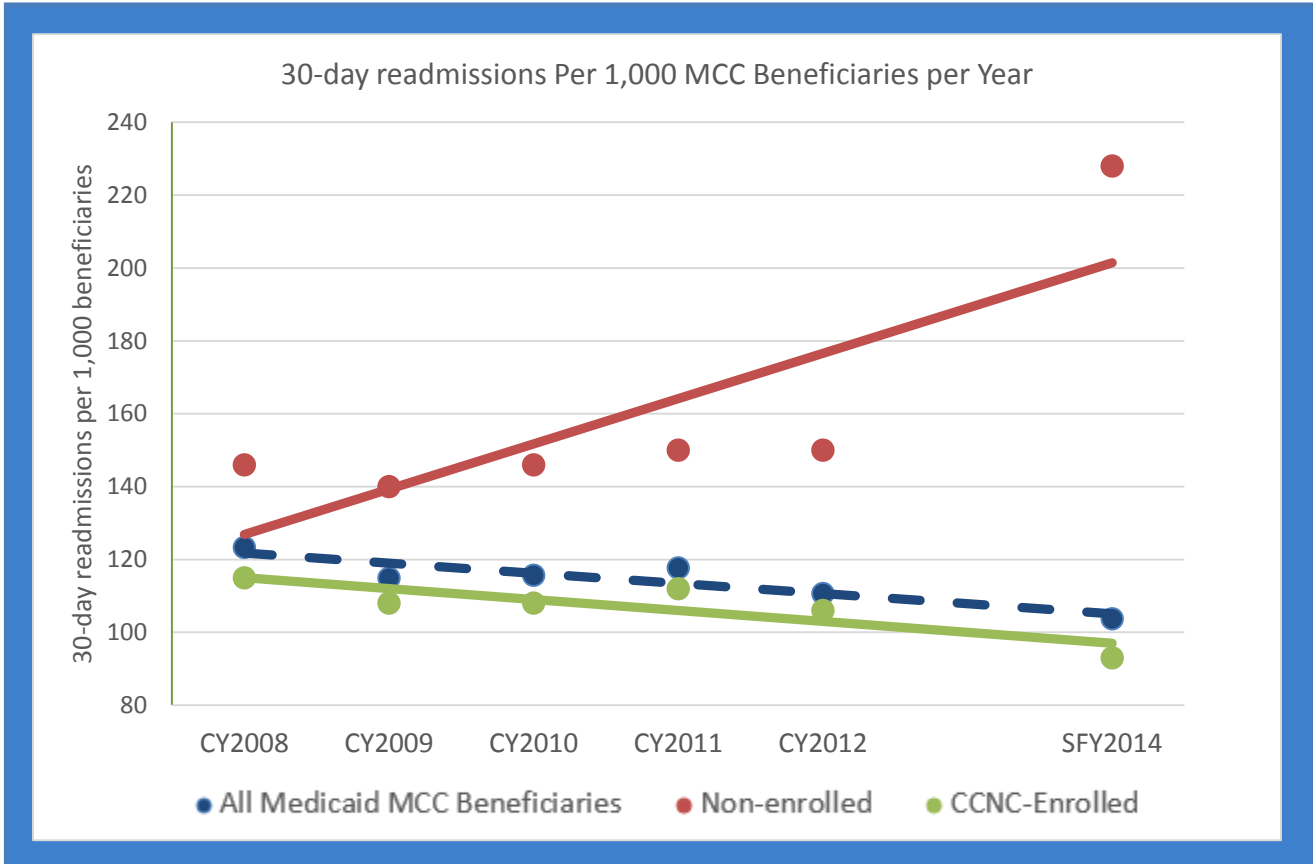
and improved management of chronic conditions are expected to result in savings through reductions in hospital utilization and other potentially preventable services.

Trends in Hospitalization Rates among NC Medicaid Beneficiaries with Multiple Chronic Conditions



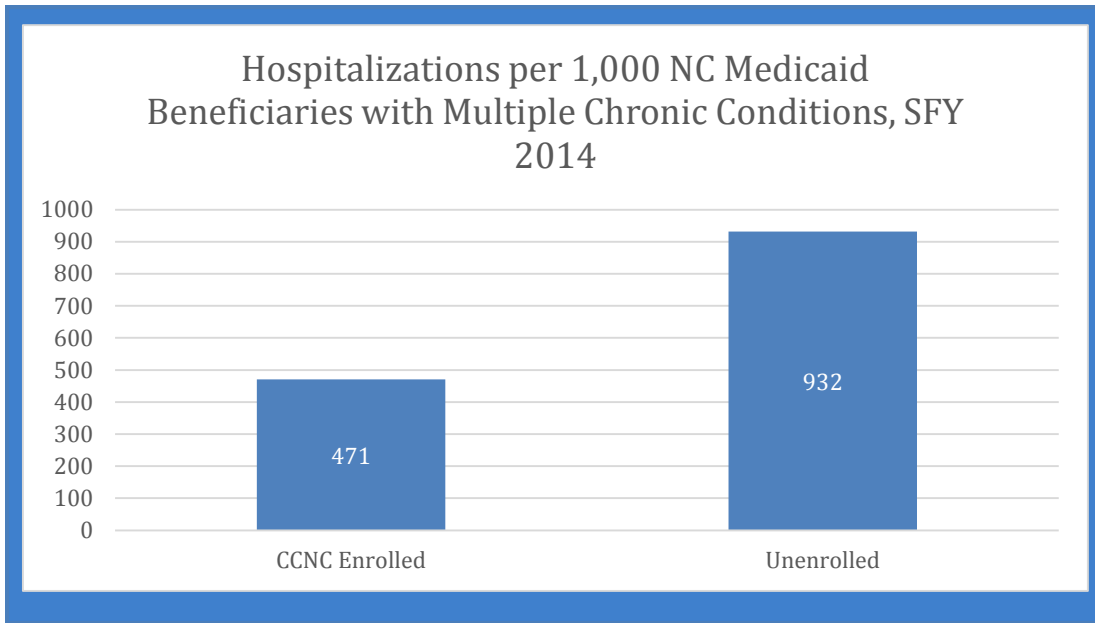
- Between January 2008 and June 2014, admission rates for NC Medicaid beneficiaries with multiple chronic conditions declined by over 10%. Comparing current hospitalization rates to 2008 rates, this amounts to 8,000 fewer hospitalizations for FY 2014.
- This progress has been driven entirely by experience among beneficiaries enrolled in the CCNC program: admission rates have declined by 10.3% among CCNC-enrolled while rising by 28.7% among the unenrolled.

Trends in 30-Day Readmission Rates among NC Medicaid Beneficiaries with Multiple Chronic Conditions



- Between January 2008 and June 2014, 30-day readmission rates for North Carolina Medicaid beneficiaries with multiple chronic conditions have declined by 16%. Comparing current readmission rates to 2008 rates, this amounts to over 2,200 fewer readmissions within 30 days of hospital discharge for FY 2014.
- This progress has been driven entirely by experience among beneficiaries enrolled in the CCNC program: readmission rates have declined by 19% among CCNC-enrolled while rising by 56% among the unenrolled.

Cost Avoidance Due to Lower Hospitalization Rates



- In 2014, there were 471 admissions for every 1,000 Medicaid beneficiaries with multiple chronic conditions who were enrolled in CCNC, compared to 932 admissions per 1,000 beneficiaries outside of CCNC.
- At an average cost of \$8,100 per admission, the lower admission rates among CCNC enrollees amount to a total cost avoidance of \$389 Million in SFY 2014 alone.

Data Sources and Methodology

Analyses used NC Medicaid eligibility and enrollment administrative data, and paid claims data for services delivered between January 1, 2008 and June 30, 2014. We limited our analyses to all NC Medicaid recipients identified as having multiple chronic or catastrophic conditions as defined by 3M Health Information Systems Clinical Risk Group methodology.⁷ Recipients dually eligible for Medicaid and Medicare were excluded due to lack of complete Medicare claims data. All inpatient visits were included, whether reimbursed by Medicaid or by a Behavioral Health Managed Care Organization. Inpatient admissions that occurred within 30 days of a previous discharge were counted as a readmission, regardless of the reason for readmission; same-day hospital transfers were not counted as readmissions. The denominator for per beneficiary measures included all months in which recipients with multiple chronic or catastrophic conditions (MCC) were enrolled in NC Medicaid during the year. Methods and trends through 2012 have previously been reported.⁸ Data is unavailable for CY2013 because of a switch in the state's Medicaid data vendor in July 2013, preventing generation of Clinical Risk Groups and accurate counts for admissions during this period.

References

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