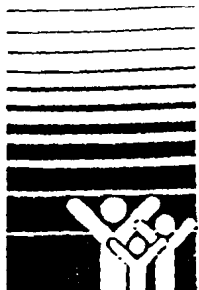


MASS. HS20.2: M46/3/991



312066 0282 3766 7



Your Department of
Public Welfare

180 Tremont Street
Boston, Massachusetts 02111

Carmen Canino-Siegrist, Commissioner

TO: The Honorable Thomas M. Finneran, Chairman
House Ways and Means Committee

FROM: Carmen Canino-Siegrist, Commissioner,
Department of Public Welfare *CS*

DATE: January 15, 1991

RE: Chapter 150: Section 160

The attached reports summarize the following information on Medicaid as required by Section 160 of Chapter 150, the FY91 budget act:

- o the 1,000 providers with the highest dollar value of Medicaid payments in 1989;
- o the 1,000 clients with the highest dollar value of Medicaid payments in FY89 and FY90, respectively; and
- o the payment amount and certain individual characteristics of the fifty Medicaid clients using the highest dollar value of services in FY90, such as diagnostic mix, age, sex, and dates of service.

A number of conclusions are particularly noteworthy and are summarized below.

Provider Utilization:

When ranked by dollars per recipient:

- o nursing homes comprised 48% of the top 1,000 providers; and
- o acute and chronic hospitals comprised 16% of the top 1,000 providers.

All other providers combined accounted for the remaining 36%, including 4.4% for home health, 3.5% for group physician practices, and 3.2% for pharmacy providers.

Client Utilization:

Key findings from analysis of the 1,000 clients with the highest dollar value of services in FY90 show that:

- o Expenditures for these clients in FY90 totalled \$167 million, of which 65% was for acute or chronic hospital services and 26% for long term care services. FY89 payments for services to the top 1,000 utilizers totalled \$107 million, of which 47% was for hospital care. Some of the difference in spending between FY89 and FY90 may be attributable to hospital payments made in FY90 for prior year obligations.

911/140

- o The average cost per client for claims paid in FY90 for the top 1,000 utilizers was \$167,036. The highest single client expenditure was \$683,214.
- o As expected, the clients using the most services are much more likely to be disabled than the average Medicaid client. In particular, these clients are likely to be adults and adolescents with chronic physical disabilities, and infants born with congenital abnormalities.
- o Due to the nature of the illnesses involved, hospital care accounted for the highest proportion of the cost in 730 of the 1,000 cases in FY90; in only 270 cases is the largest proportion of costs incurred in nursing homes. This high percentage of hospital costs is atypical for Medicaid as a whole, where overall, expenditures are greater for nursing home care than for hospital care.
- o The clients with the highest costs tended to be adults -- nearly 560 or 56% of these recipients were between the age of 21 and 64. This age group typically represents less than 15% of all Medicaid recipients. However, a significant minority were young; 16% of recipients were under age 21, with 9% under age four.
- o The intensity and complexity of the illnesses involved also have resulted in a higher utilization of non-institutional Medicaid services. For example, over 190 clients had expenditures for physician services in excess of \$5,000.

Claims History - The Top 50 Clients:

To profile the nature of the highest cost Medicaid cases, the top fifty utilizers were analyzed by abstracting detailed claims for services provided in FY90. The most frequent types of cases were:

- o children born with multiple system disorders, many of whom may have suffered from lack of proper prenatal care; and
- o younger and middle-aged adults with injuries resulting from traumatic accidents, major chronic or congenital illnesses, or AIDS.

These findings underscore the role Medicaid pays as payor of last resort. Most of these clients would not have been fully covered under any other insurance plan. Many would have been totally excluded by other insurers due to "pre-existing conditions" clauses, or would have lost insurance when their disability prevented them from continuing employment.

We hope this information is helpful, and responds to the intent of the outside section.

Spending by Provider Type for the Highest 1,000
Medicaid Clients Ranked by Payment per Client
FY90*

<u>Provider Type</u>	<u>Expenditure</u>	<u>% of Total</u>
Acute and Chronic Hospital	\$108,171,833	65%
Long Term Care	\$43,838,219	26%
Medical Services**	\$9,793,228	6%
Physician	\$2,431,302	1%
Outpatient	\$1,620,821	1%
Other Types	\$687,172	0%
Pharmacy	\$494,345	0%
Total	\$167,036,920	100%

*Date of payment

**Includes home health, private duty nursing, therapies, etc.

Spending by Provider Type for the Highest 1,000
Medicaid Clients Ranked by Payment per Client
FY89*

<u>Provider Type</u>	<u>Expenditure</u>	<u>% of Total</u>
Acute and Chronic Hospital	\$51,102,979	47%
Long Term Care	\$44,139,001	41%
Medical Services**	\$8,174,220	8%
Physician	\$1,896,215	2%
Outpatient	\$1,062,173	1%
Pharmacy	\$388,177	0%
Other	\$1,177,669	1%
Total	\$107,940,434	100%

*Date of payment.

**Includes home health, private duty nursing, therapies, etc.

Selected Data for Top 1,000
Medicaid Clients Ranked by Payment per Client
FY90

<u>Categories</u>	<u>Client Total</u>	<u>% of Total</u>
o <u>Sex Distribution</u>		
Males	491	49.1%
Females	467	46.7%
Sex Unrecorded	42	4.2%
o <u>Age Distribution</u>		
Clients over age 64	154	15.4%
Clients ages 21-64	557	55.7%
Clients ages 4-20	158	15.8%
Clients under age 4	90	9.0%
Clients age unknown	41	4.1%
o <u>Service Use</u>		
Number of cases in which hospital care is highest cost	730	73.0%
Number of cases in which long term care is highest cost	270	27.0%
o <u>Ambulatory Care</u>		
Number of clients with over \$5,000 in physician services	191	19.1%
Number of clients with over \$5,000 in acute hospital outpatient services	79	7.9%

Selected Data for Top 1,000
Medicaid Clients Ranked by Payment per Client
FY89

<u>Categories</u>	<u>Client Total</u>	<u>% of Total</u>
o <u>Sex Distribution</u>		
Males	526	52.6%
Females	431	43.1%
Sex Unrecorded	43	4.3%
o <u>Age Distribution</u>		
Clients over age 64	226	22.6%
Clients ages 21-64	516	51.6%
Clients ages 4-20	133	13.3%
Clients under age 4	82	8.2%
Clients age unknown	43	4.3%
o <u>Service Use</u>		
Number of cases in which hospital care is highest cost	529	52.9%
Number of cases in which long term care is highest cost	471	47.1%
o <u>Ambulatory Care</u>		
Number of clients with over \$5,000 in physician services	143	14.3%
Number of clients with over \$5,000 in acute hospital outpatient services	60	6.0%

Case Profiles of Top Fifty Medicaid Clients in FY90
Ranked by Total Dollars Paid Per Recipient

Rank	Total \$	Date of Service ^a		Age	Sex	Primary Diagnosis
		First	Last			
1	\$683,214	11/1/87	4/17/90	29	M	Nervous System Anomaly
2	\$655,889	9/2/88	4/30/90	2	M	Perinatal Chronic Respiratory Disorder
3	\$545,017	7/26/89	4/30/90	1	M	Congenital Lung Disorder
4	\$562,393	2/2/88	4/30/90	46	M	Tuberculosis
5	\$534,140	8/23/88	4/30/88	15	F	Quadriplegia, Respiratory Failure
6	\$510,194	2/3/87	9/12/87	55	M	Malignant Bladder Cancer
7	\$506,440	11/15/88	2/28/90	32	M	Injury of the Lung with Paraplegia
8	\$466,292	8/31/89	2/7/90	0	M	Congenital Abnormalities of the Diaphragm; Respiratory Failure
9	\$459,072	11/1/86	5/13/90	15	M	Quadriplegia
10	\$430,322	7/31/86	4/8/89	32	M	Probable AIDS
11	\$340,155	8/24/88	4/30/90	21	M	Congenital Heart Disorder
12	\$367,662	5/4/87	4/30/90	62	F	Psychosis; Organic Personality Disorder
13	\$408,692	3/12/87	4/1/90	65	M	Chronic Pulmonary Disorder
14	\$407,141	11/21/87	2/28/90	1	F	Muscular Dystrophy and Lung Disorders
15	\$406,611	10/11/88	4/27/90	3	F	Congenital Cirrhosis of the Liver with Liver Transplant
16	\$403,676	1/1/86	1/4/90	58	M	Heart Disease
17	\$402,522	5/13/89	4/30/90	0	M	Congenital Respiratory Disorder
18	\$401,155	5/26/87	4/2/90	46	F	Cirrhosis of Liver
19	\$388,149	7/11/88	5/12/90	2	M	Spinal and Muscular Development Disorder

^a First and last dates of service paid by MMIS in this claim abstract; does not represent an individual spell of illness.

Case Profiles of Top Fifty Medicaid Clients in FY90
Ranked by Total Dollars Paid Per Recipient

Rank	Total \$	Date of Service ^a		Age	Sex	Primary Diagnosis
		First	Last			
20	\$374,270	3/14/89	2/13/90	1	M	Multiple Congenital Disorders
21	\$373,433	4/10/89	4/19/90	38	M	Coma with Spinal Injury
22	\$365,293	7/7/88	5/10/90	16	F	Neck Fracture with Spinal Cord Injury
23	\$361,055	9/23/87	12/2/89	1	M	Circulatory Failure
24	\$351,453	1/20/88	1/1/89	36	M	Probable AIDS
25	\$430,321	2/1/89	8/4/89	44	M	Probable AIDS
26	\$316,245	11/7/88	5/7/90	2	F	Congenital Heart Defect
27	\$349,768	4/19/88	5/15/90	0	F	Severe Burn Injury; Convulsions
28	\$345,932	3/11/88	4/26/90	23	F	Congenital Heart Disorder
29	\$342,990	5/15/89	5/9/90	31	M	Injury MLT
30	\$338,201	6/27/89	4/30/89	3	F	Complications of Accidental Drowning
31	\$327,615	3/4/88	4/30/90	52	F	Chronic Pulmonary Disorder
32	\$325,699	9/23/88	5/6/89	50	F	Malignant Cervical Cancer
33	\$321,893	11/5/88	4/30/90	1	M	Chronic Respiratory Disorder
34	\$316,192	11/16/88	3/18/90	2	F	Pneumonia
35	\$314,592	8/2/88	4/20/90	1	F	Congenital Neurological Disorder
36	\$312,857	10/4/88	5/10/90	12	M	Degenerative Disorder; Mentally Retarded Patient
37	\$176,921	4/9/89	2/28/90	0	M	Congenital Respiratory Disorder
38	\$308,900	7/8/89	2/14/90	0	M	Premature Infant; Respiratory Disorder
39	\$307,466	8/11/88	10/28/89	2	M	Acute Lymphoid Leukemia; Liver Transplant; Respiratory Disorders

Case Profiles of Top Fifty Medicaid Clients in FY90
Ranked by Total Dollars Paid Per Recipient

<u>Rank</u>	<u>Total \$</u>	<u>Date of Service*</u>		<u>Age</u>	<u>Sex</u>	<u>Primary Diagnosis</u>
		<u>First</u>	<u>Last</u>			
40	\$306,362	2/3/89	7/13/89	0	M	Extreme Prematurity and Respiratory Disorder
41	\$304,125	10/11/88	4/27/90	2	M	Cirrhosis of the Liver; Malignant Cancer
42	\$303,956	11/24/88	4/30/90	37	M	Neurological and Seizure Disorder with Alcoholism
43	\$299,759	1/30/89	5/23/90	0	M	Congenital Respiratory Disorder
44	\$299,877	10/17/89	4/4/90	0	F	Premature Infant; Cardiac Disorder
45	\$297,569	3/17/89	4/5/90	0	F	Congenital Intestinal Disorder
46	\$294,457	11/30/87	1/31/88	34	F	AIDS
47	\$289,521	7/1/88	4/30/90	93	F	Osteoarthritis
48	\$336,335	8/2/88	4/30/90	2	F	Congenital Birth Defect
49	\$288,962	1/11/89	4/25/90	0	M	Congenital Respiratory Disorder
50	\$288,815	7/1/88	4/30/90	56	F	Polio Osteopathy