

## Understanding Children's Utilization and Expenditures in New York Medicaid

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VBP Children's Subcommittee and Clinical Advisory Group  
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## United Hospital Fund

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Mission: United Hospital Fund works to build a more effective health care system for every New Yorker. An independent, nonprofit organization, we analyze public policy to inform decision-makers, find common ground among diverse stakeholders, and develop and support innovative programs that improve the quality, accessibility, affordability, and experience of patient care.

### Children's Health Initiative and Medicaid Institute Publications

Seizing the Moment: Strengthening Children's Primary Care in New York (Jan 2016)

You Get What You Pay for: Measuring Quality in Value-Based Payment for Children's Health Care (June 2016)

Understanding Medicaid Utilization for Children in New York State (July 2016)

Value-Based Payment Models for Medicaid Child Health Services (July 2016)



## Context - Children in NY Medicaid

- Medicaid covers 43.5% of all children under age 21 in New York State
- Children account for 37% of all NYS Medicaid Enrollees
- Most, but not all, children are in managed care
- VBP only applies to children in managed care

Enrollment Jan 2016	2,292,641
Managed Care	2,042,872
Fee For Service	249,769
Age Breakdown	Under age 1 – 6%
	1-4 – 22%
	5-9 – 26%
	10-13 – 18%
	14-17 – 17%
	18-20 – 11%

Sources: New York State Medicaid Program Enrollment by Month – Health Data NY;  
Census Bureau American Fact Finder ACS Demographic and Housing Estimates;  
United Hospital Fund Understanding Medicaid Utilization for Children in New York State.



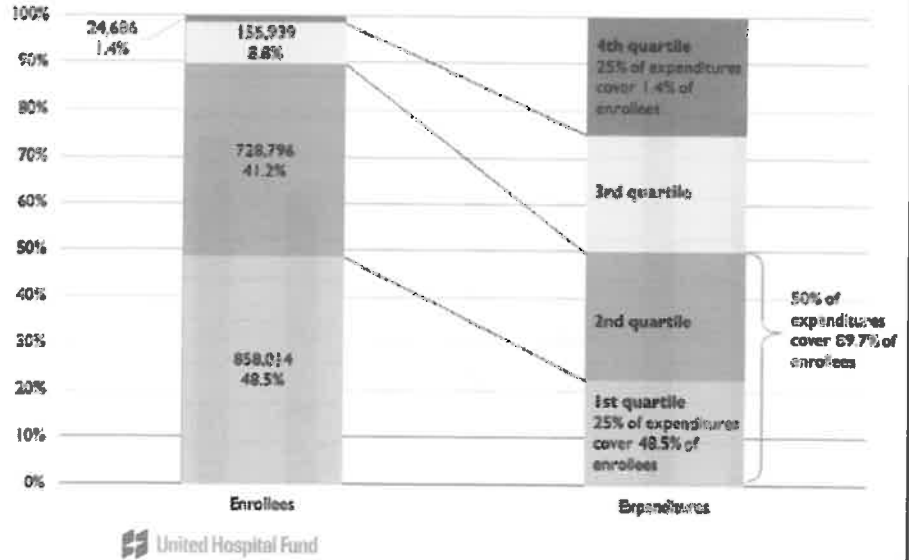
## Data Needs for Value-Based Payment

- Population Segmentation – Multiple analytic approaches
  - Expenditures – How are dollars spent – Differentiating low-need and high-need children in Medicaid – Limited savings opportunities
  - Utilization – Determining current usage and investigating potential points of under- or over-utilization. Identify variation by:
    - Demographics – Age, race/ethnicity, geography
    - Utilization type – primary care, emergency department, inpatient
    - Diagnoses – Common conditions at different developmental stages
- Adult Comparisons – How are children different from adults?



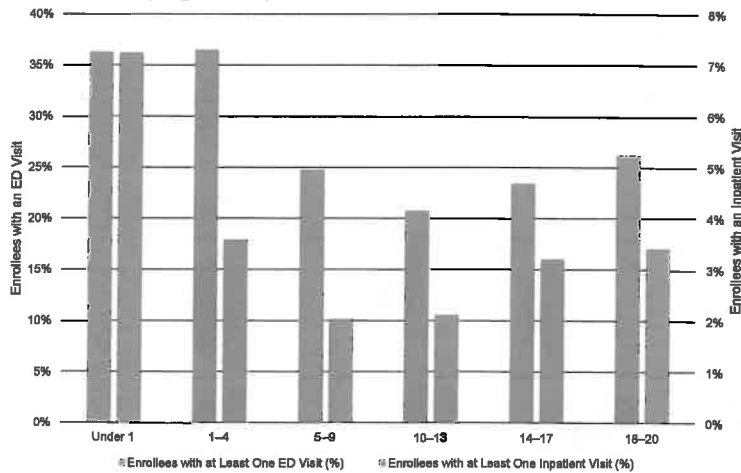
## Population Segmentation by Expenditure Quartiles

- 90% of Children average only \$2400 per year in expenditures
- Children are much cheaper than adults
- High-cost children have a range of conditions (e.g., DD, BH, complex chronic conditions)



## Utilization for Children Varies by Many Factors

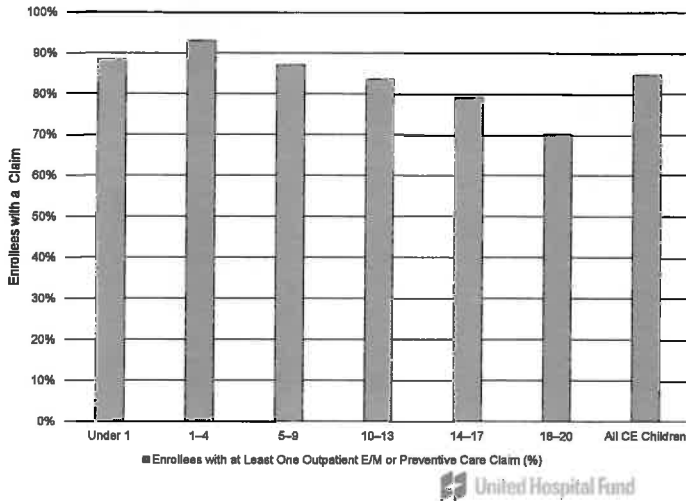
Continuously Enrolled Children with at Least One Inpatient or ED Visit by Age Group, 2014



- Children have high utilization in the early years, especially primary care and hospitalizations for asthma and gastroenteritis
- In the teen years utilization rises mostly due to behavioral health conditions

## 'Primary Care' Utilization Relatively High

Continuously Enrolled Children with at Least One 'Primary Care' Visit by Age Group, 2014







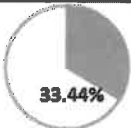
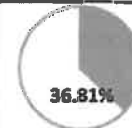


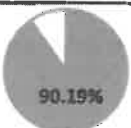
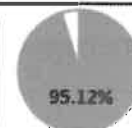


- Proxy for primary care visits - core evaluation and management and preventive care codes for children
- Though primary care utilization generally high, opportunities for improvement remain

## Utilization Varies Based on Children's Diagnoses...

Subcohort	CE Children	CE Children with a Primary Diagnosis of ...		
		Asthma	Diabetes	Gastroenteritis
Number of Enrollees	1,767,435	138,936	10,850	82,886
Percent of Total CE Children	100.0%	7.9%	0.6%	4.7%
Enrollees with an Inpatient Visit (%)	3.05%	9.63%	13.24%	7.03%
Enrollees with an ED Visit (%)	27.21%	49.03%	37.63%	52.81%
Enrollees with an Outpatient E/M or Preventive Care Visit (%)	84.66%	97.08%	97.19%	97.55%

## ...Including for Children with Complex Conditions

Subcohort	CE Children	CE Children with a Primary Diagnosis of ...		
		Behavioral Health Condition	Developmental Disability	Complex Chronic Condition
Number of Enrollees	1,767,435	219,477	117,721	96,722
Percent of Total CE Children	100.0%	12.4%	6.7%	5.5%
Enrollees with an Inpatient Visit (%)	 3.05%	 7.79%	 6.75%	 15.24%
Enrollees with an ED Visit (%)	 27.21%	 38.74%	 33.44%	 36.81%
Enrollees with an Outpatient E/M or Preventive Care Visit (%)	 81.66%	 90.14%	 90.19%	 95.12%

## Children Are Not Just Small Adults

- Average expenditure per child \$6,900 less than for average adult
- Children use much less inpatient care, and have shorter stays than adults
- Diagnoses driving emergency and inpatient utilization differ greatly

2014*	Children	Adults
Expenditures	\$7.52 Billion	\$23.8 Billion
Enrollees w/ Inpatient Visit	5.8%	12.3%
Length of Stay	5.32 days	8.17 days
Emergency visits / 1,000 Enrollees	487	648

\*Data limited to children and adults continuously enrolled in New York Medicaid in 2014

Source: United Hospital Fund Understanding Medicaid Utilization for Children in New York State.



## Data Limitations and Implications

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- Data analysis excludes some services for children in foster care, and likely includes a small over-count of inpatient visits.
- Compared to adults, children are generally a low-cost, low-utilization population and have more contact with primary care.
  - 'Well' children less likely than adults to have avoidable hospitalizations that are often the target for value-based payment savings
  - Preventing 'well' children from becoming high-need in the future may require more and/or different services, especially during early childhood
- A very small subset of children with heterogeneous needs account for a large proportion of expenditures – Some of these sub-populations are not yet in managed care and all may require a different VBP approach.

