Caring for the New Uninsured: Hospital Charity Care for the Elderly without Coverage

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The Elderly without Coverage

• Medicare as “universal insurance” for the elderly

• 350,000 people in the U.S. elderly & uninsured in 2000 (Mold, Fryer, & Thomas, 2004)

  Mix of individuals not eligible for Medicare
  Immigrants, Unusual work history
  May also be Medicaid ineligible

• Likely rely on hospital charity care
• Little data to describe extent & trends in use
• Hospital CC database in NJ
Study objectives

1. Describe prevalence & growth in hospital CC use by the elderly.

2. Compare CC use by the elderly (65+) to corresponding use by children (0-18) & non-elderly adults (19-64).

3. Compare CC costs & services used by the elderly to other age groups.
Study population & data

- Hospital charity care claims data in NJ, 1999-2004
- Hospital Charity Care Program
- Subsidies for CC to qualified low-income uninsured residents
- Payment rate based on discounted Medicaid rates
- Full Medicaid charges as “conservative” estimate of CC costs
- Inflation adjusted to 2004 $ using MC-CPI
Major finding 1: CC use by the elderly has grown very rapidly.
Use of hospital CC by the elderly in NJ, 1999 vs. 2004

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2004</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outpatient visits</td>
<td>19,050</td>
<td>49,139</td>
<td>158%</td>
</tr>
<tr>
<td>Inpatient admissions</td>
<td>1,815</td>
<td>3,356</td>
<td>85%</td>
</tr>
<tr>
<td>Inpatient days</td>
<td>19,021</td>
<td>22,813</td>
<td>20%</td>
</tr>
<tr>
<td>Costs (Inflation-adjusted Medicaid charges)</td>
<td>$26m</td>
<td>$48m</td>
<td>86%</td>
</tr>
</tbody>
</table>
Major finding 2:

The elderly have surpassed children in their use of CC.
Non-elderly adults are the primary users of hospital CC.

"Typical" division of CC use by age

- Elderly
- Non-elderly adults
- Children
Percentage of outpatient CC visits attributable to children vs. elderly patients in NJ, 1999-2004
Percentage of inpatient CC admissions attributable to children vs. elderly patients

- Children
- Elderly
Percentage of inpatient CC days attributable to children vs. elderly patients
Percentage of CC “costs” attributable to children vs. elderly patients
(Costs = Inflation-adjusted Medicaid charges)
Major finding 3:

Elderly CC patients use a different mix of services and generate a different distribution of costs.
Most Common Major Diagnostic Categories for Inpatient CC users by Age, 2004

- **Kidney/urinary**
- **Nerv/sense org**
- **Circulatory syst**
- **Pregnancy/birth**
- **MH/subst abuse**

Percentage of inpatient CC users by age:
- **Elderly**
- **Non-elderly adults**
- **Children**
Average costs per inpatient CC admission by age group, 2004

- Children: $3,501
- Non-elderly adults: $5,356
- Elderly: $7,061
Distribution of inpatient CC costs by age group, 2004
Average costs per outpatient CC visit by age group, 2004

Children: $279
Non-elderly adults: $441
Elderly: $492
Distribution of outpatient CC costs by age group, 2004
Implications for SN hospitals

• Use of CC by the elderly more common & more expensive

  ==> higher costs per case
  ==> greater financial burden on SN hospitals
  ==> Shift to different service mix
  ==> increased demand for unreimbursed services addressing needs of the elderly

• Similar trends in other states?
  SCHIP, Aging population, Immigration
Potential policy responses

- Medicare expansion
  Economic constraints
  Political constraints (coverage for immigrants)

- Direct SN support
  Growing demand for unreimbursed care
  High need/high cost population