

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

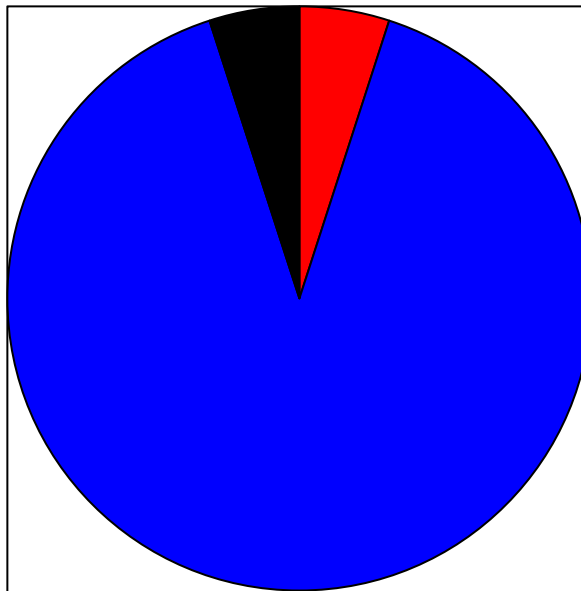
	1999	2004	%Change
Outpatient visits	19,050	49,139	158%
Inpatient admissions	1,815	3,356	85%
Inpatient days	19,021	22,813	20%
Costs (Inflation-adjusted Medicaid charges)	\$26m	\$48m	86%

Major finding 2:

The elderly have surpassed children in their use of CC.

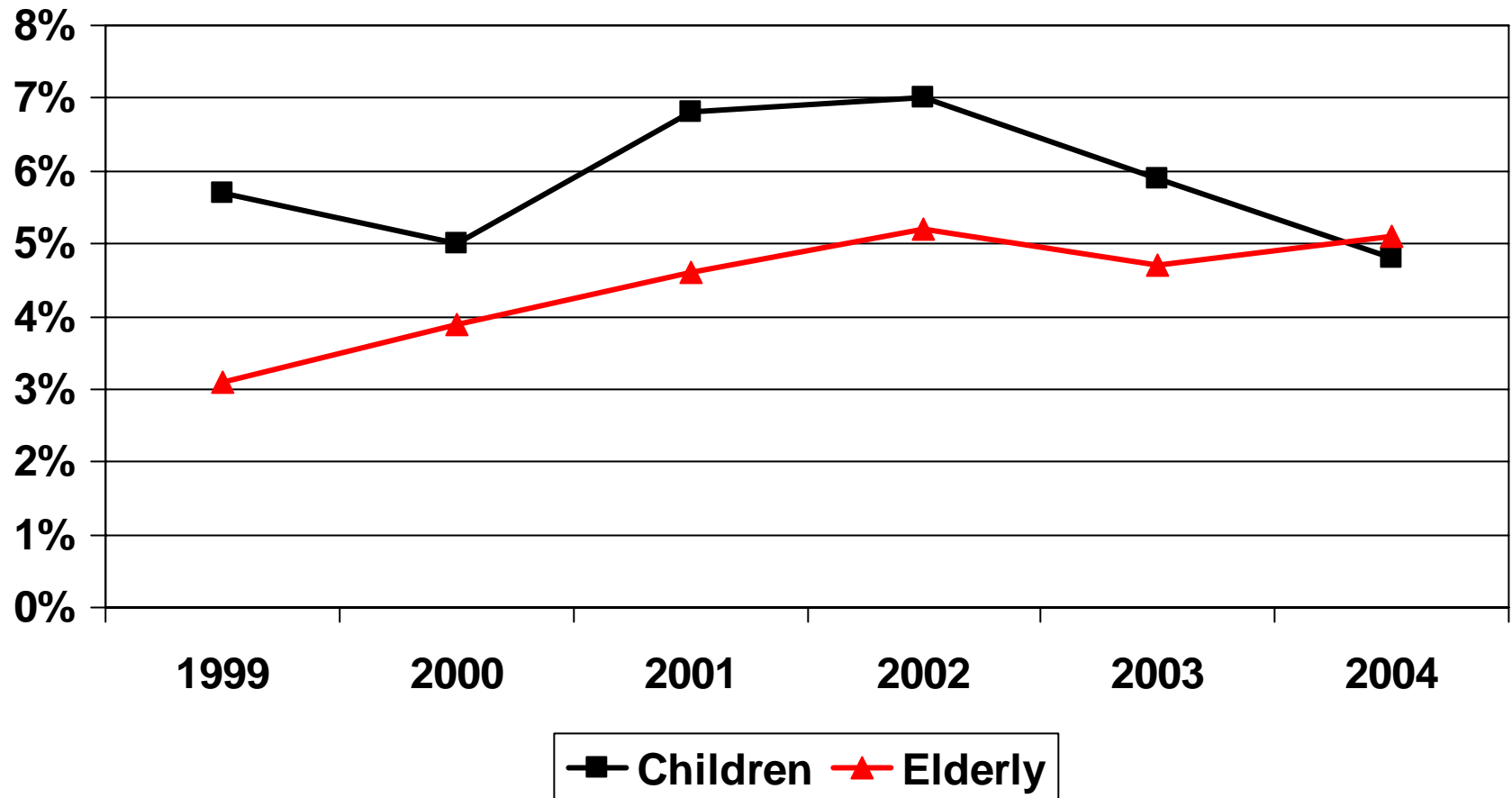
Non-elderly adults are the primary users of hospital CC.

"Typical" division of CC use by age

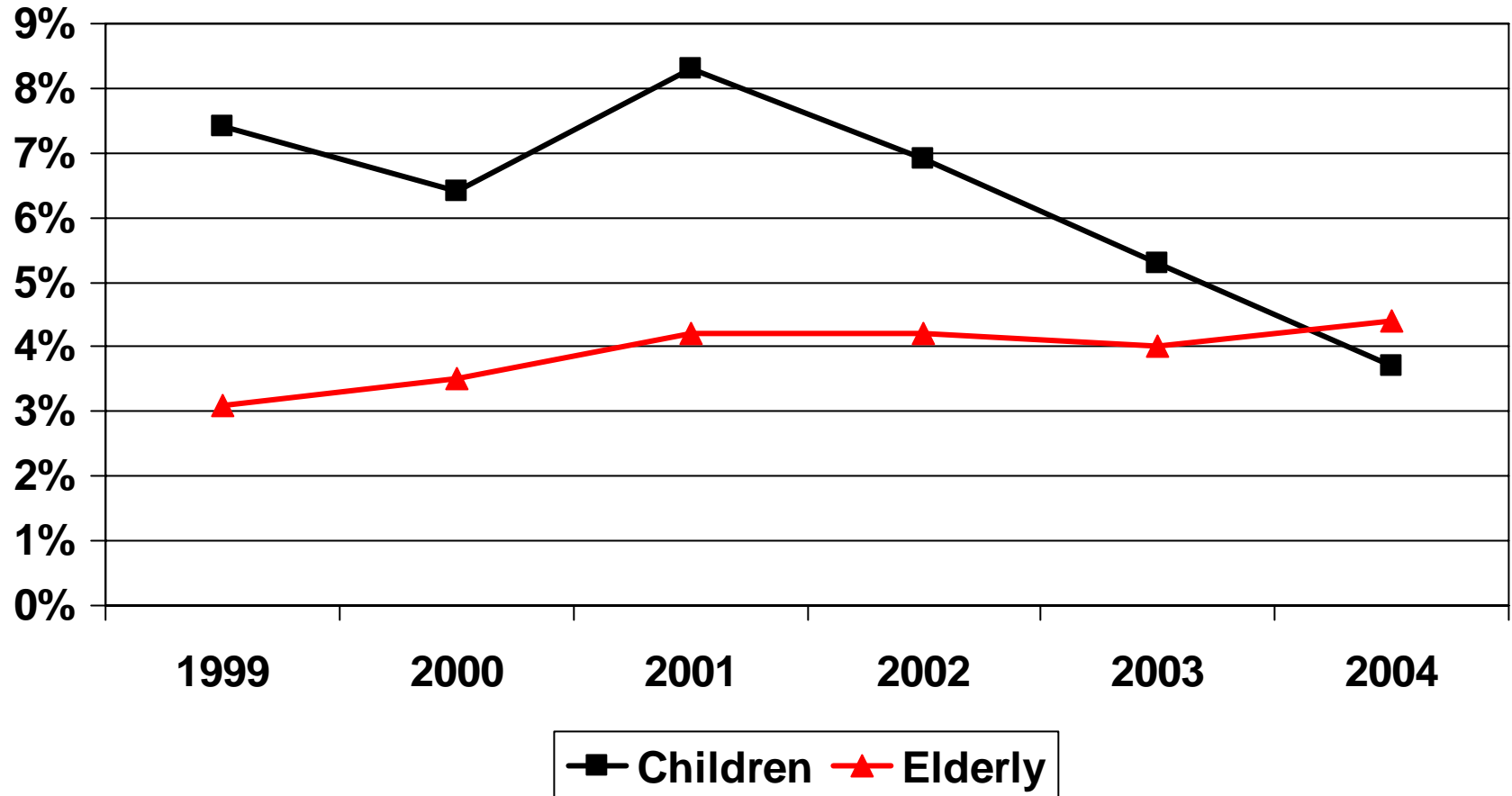


■ Elderly ■ Non-elderly adults ■ Children

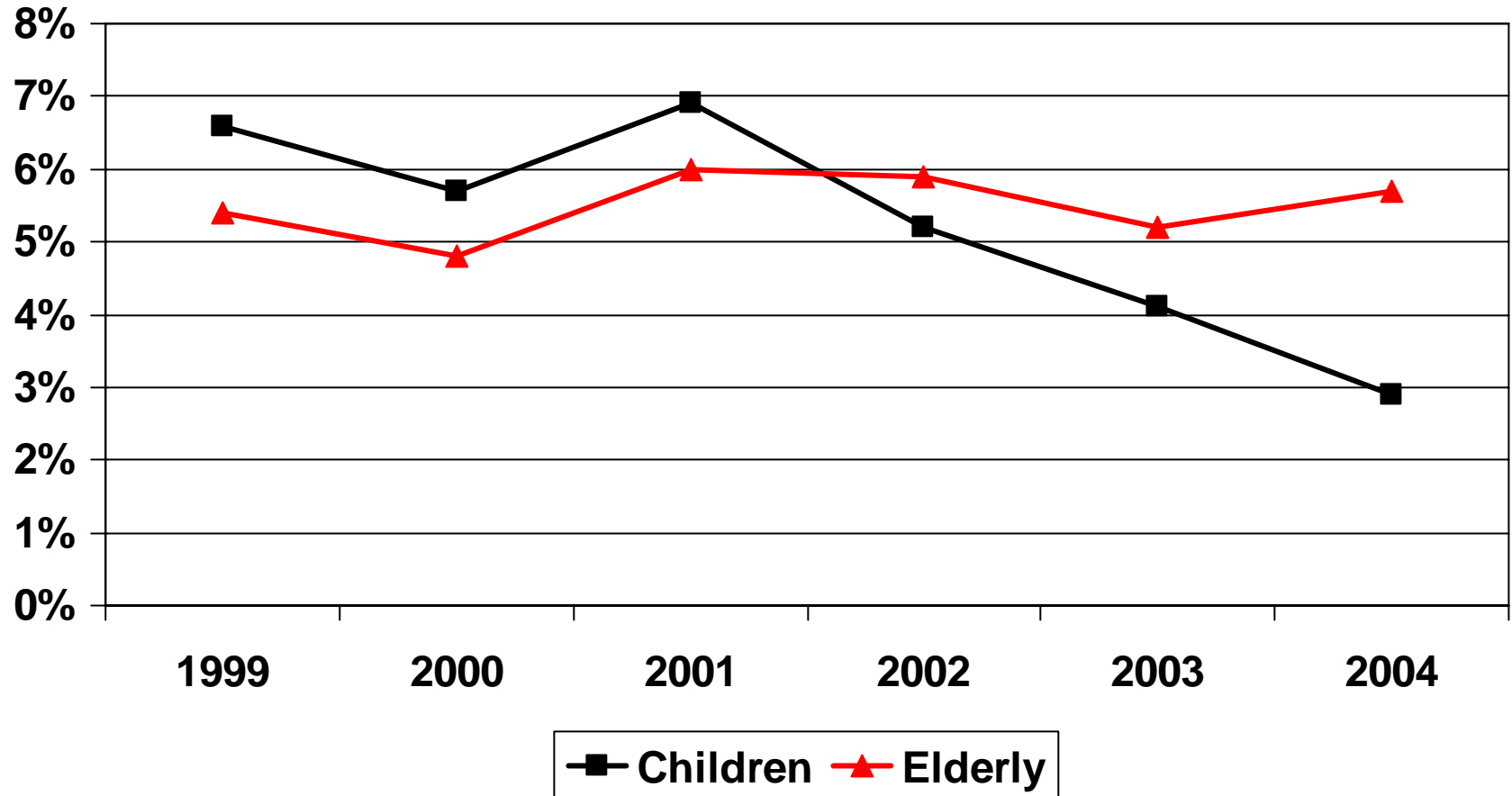
Percentage of outpatient CC visits attributable to children vs. elderly patients in NJ, 1999-2004



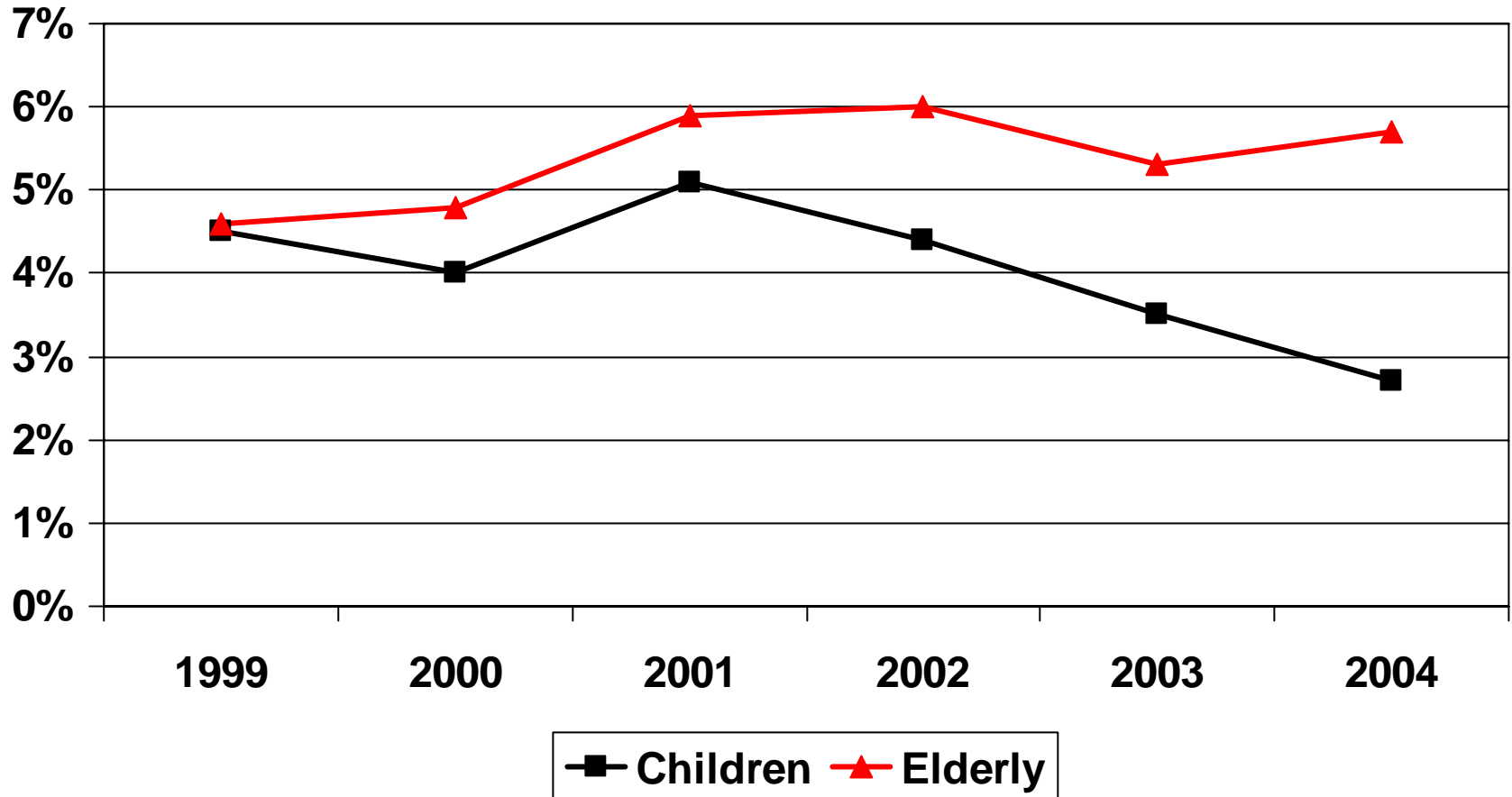
Percentage of inpatient CC admissions attributable to children vs. elderly patients



Percentage of inpatient CC days attributable to children vs. elderly patients



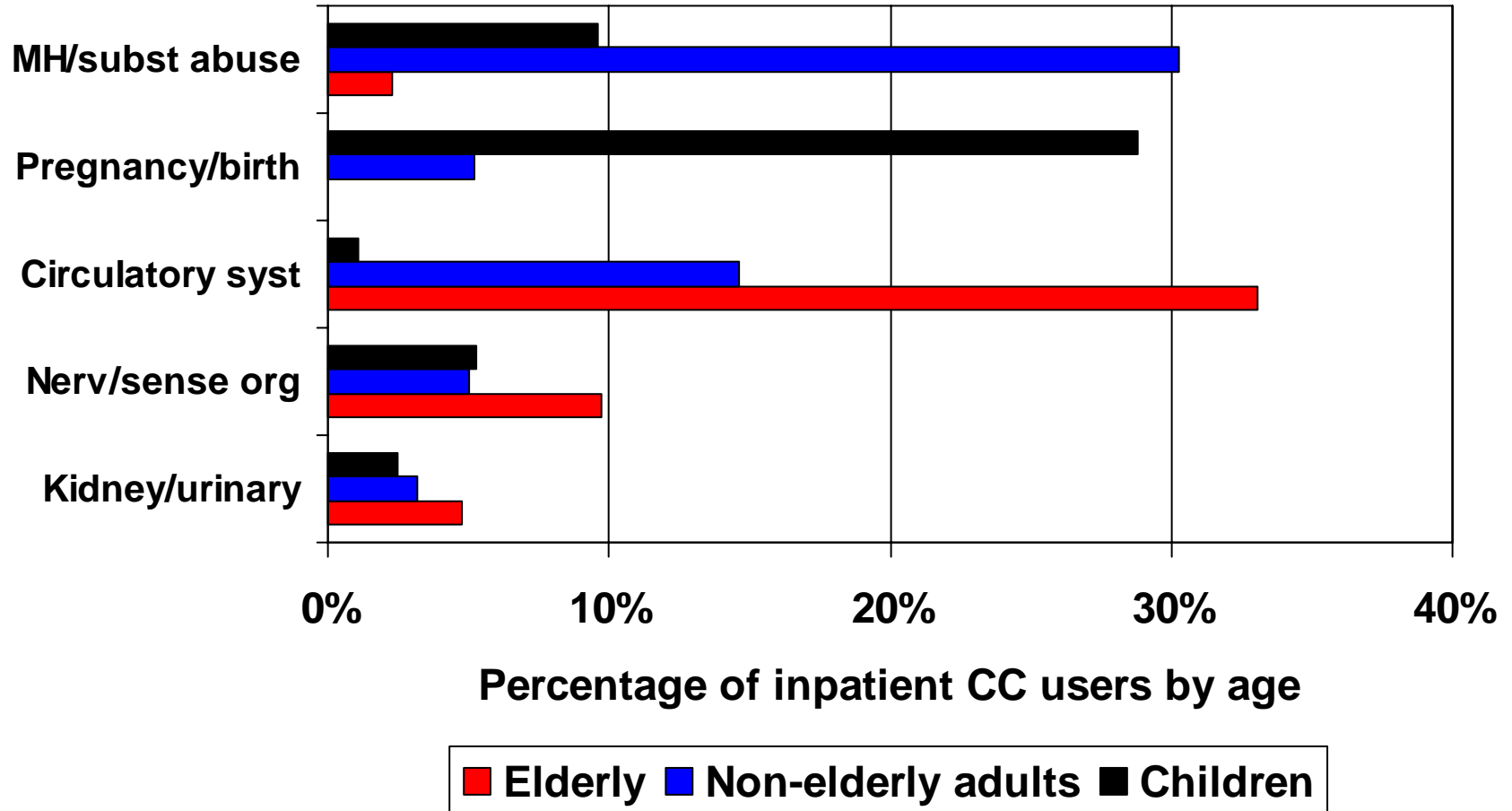
Percentage of CC “costs” attributable to children vs. elderly patients (Costs = Inflation-adjusted Medicaid charges)



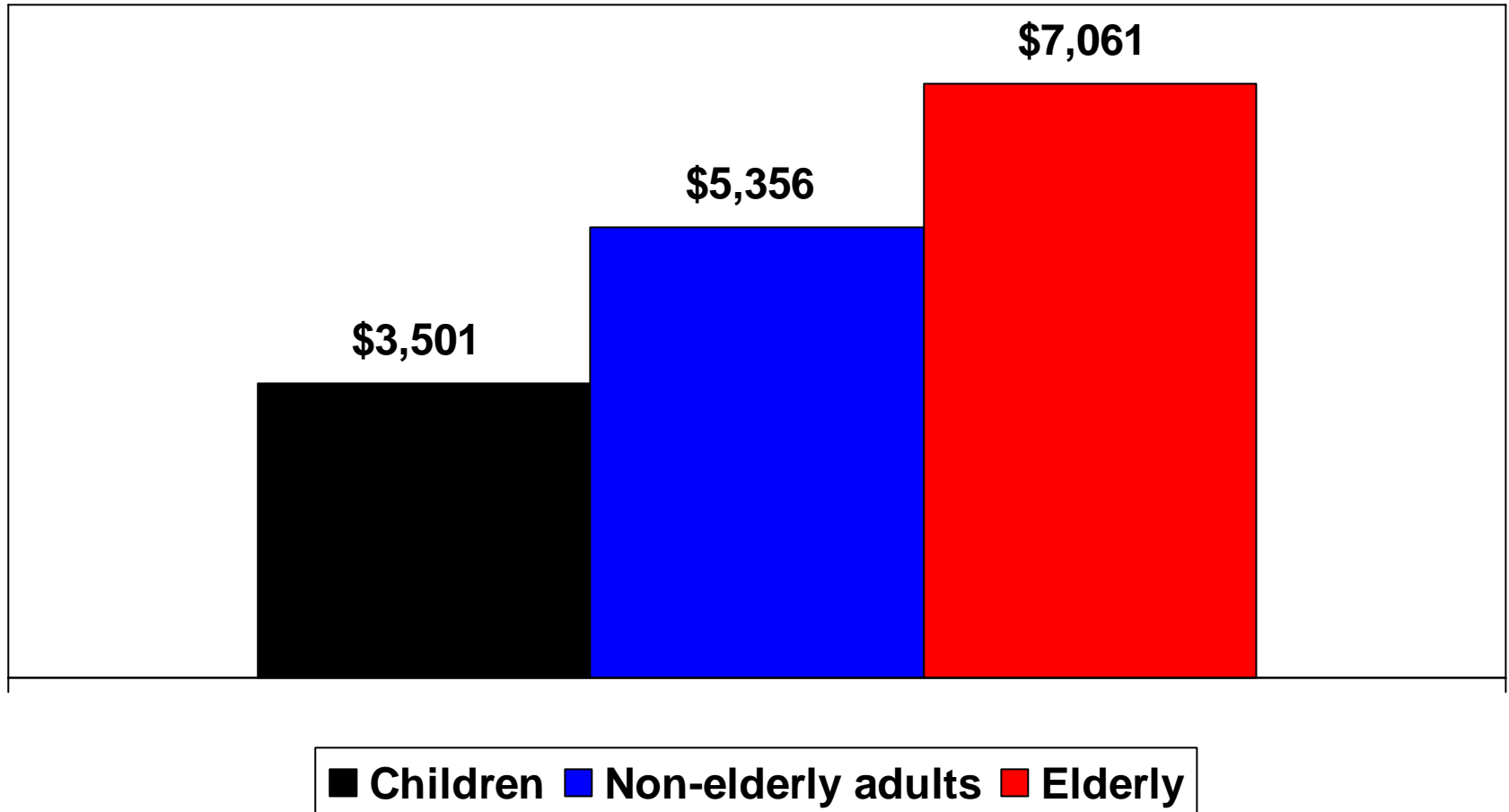
Major finding 3:

Elderly CC patients use a different mix of services and generate a different distribution of costs.

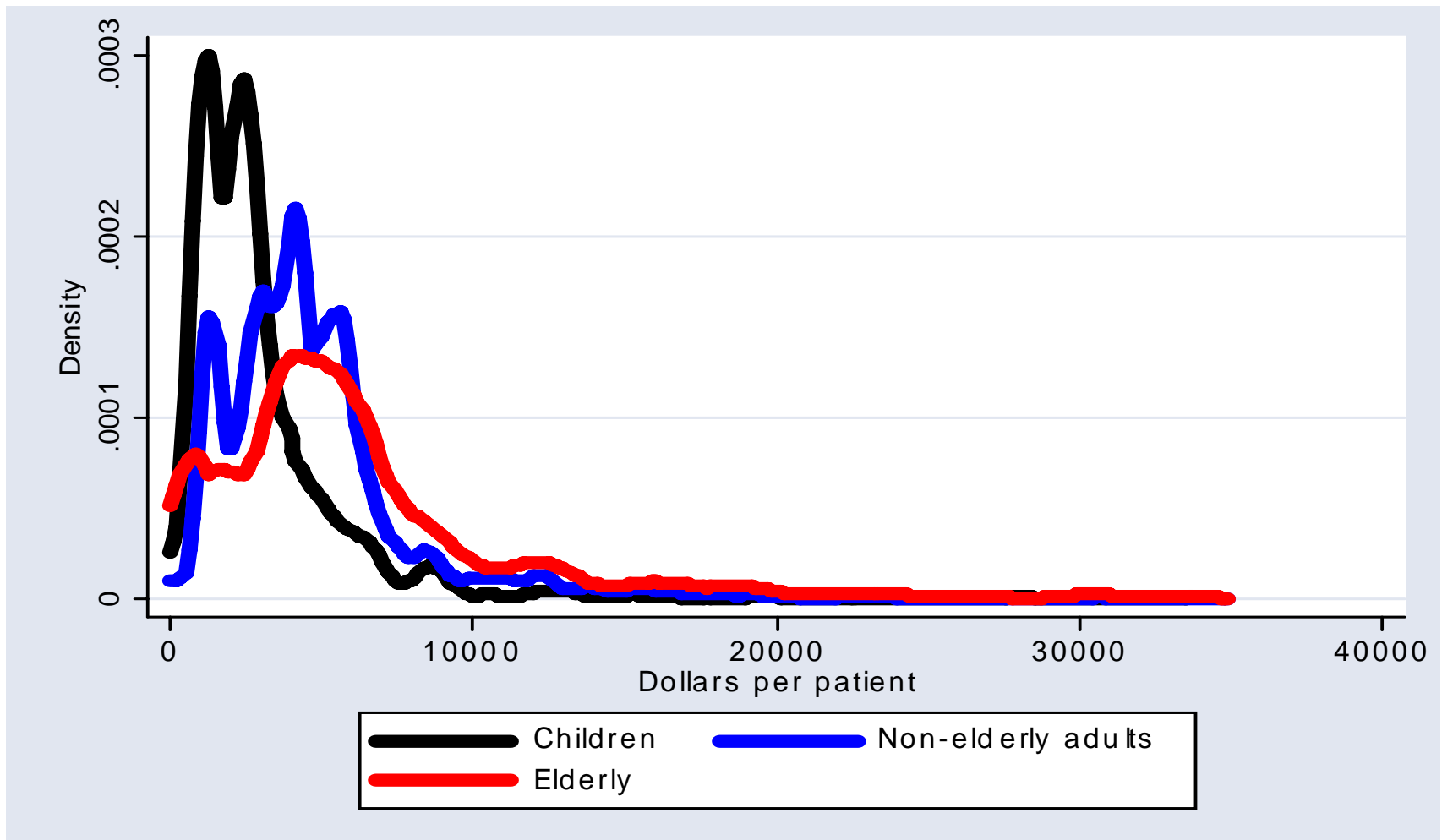
Most Common Major Diagnostic Categories for Inpatient CC users by Age, 2004



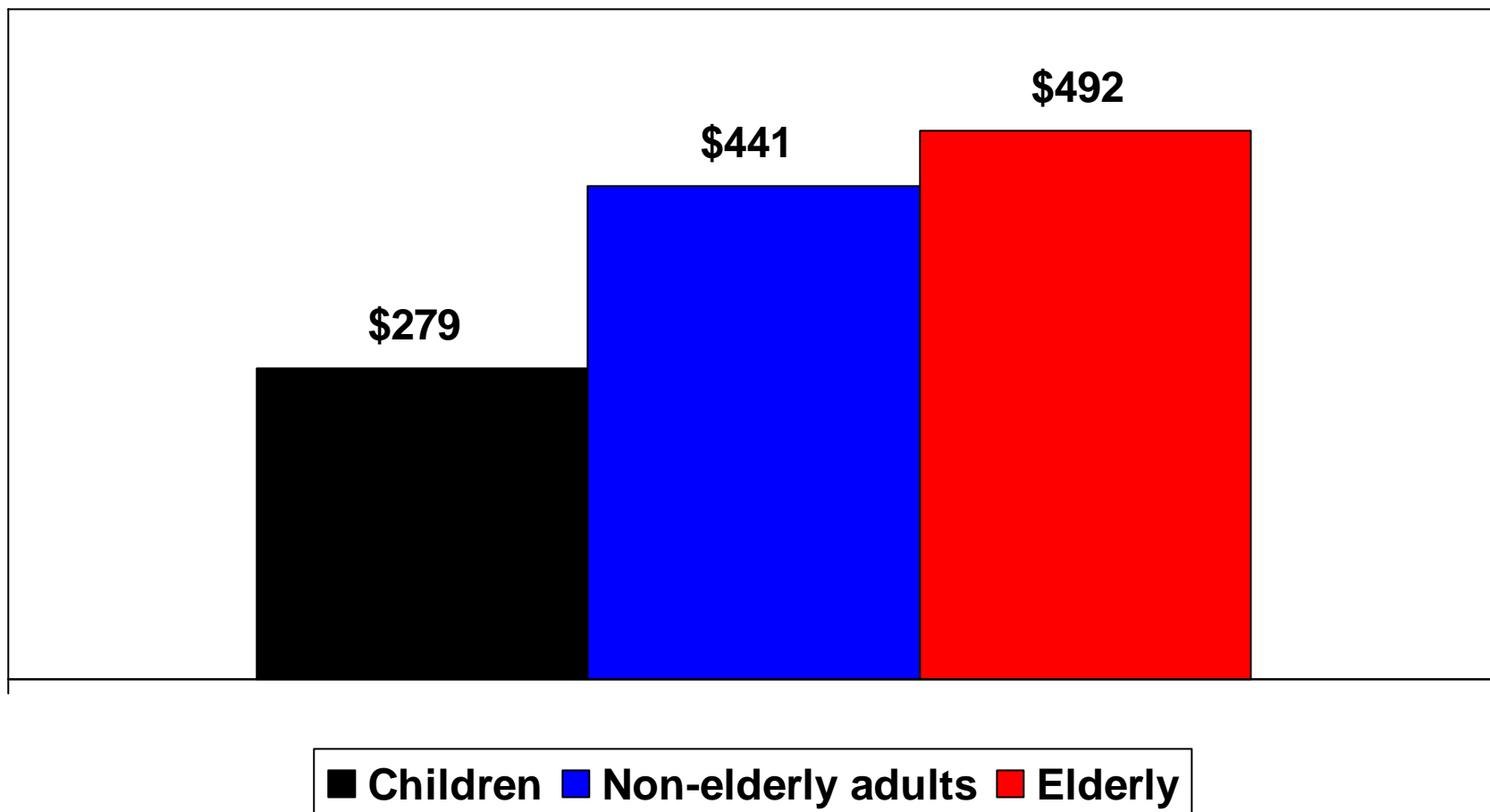
Average costs per inpatient CC admission by age group, 2004



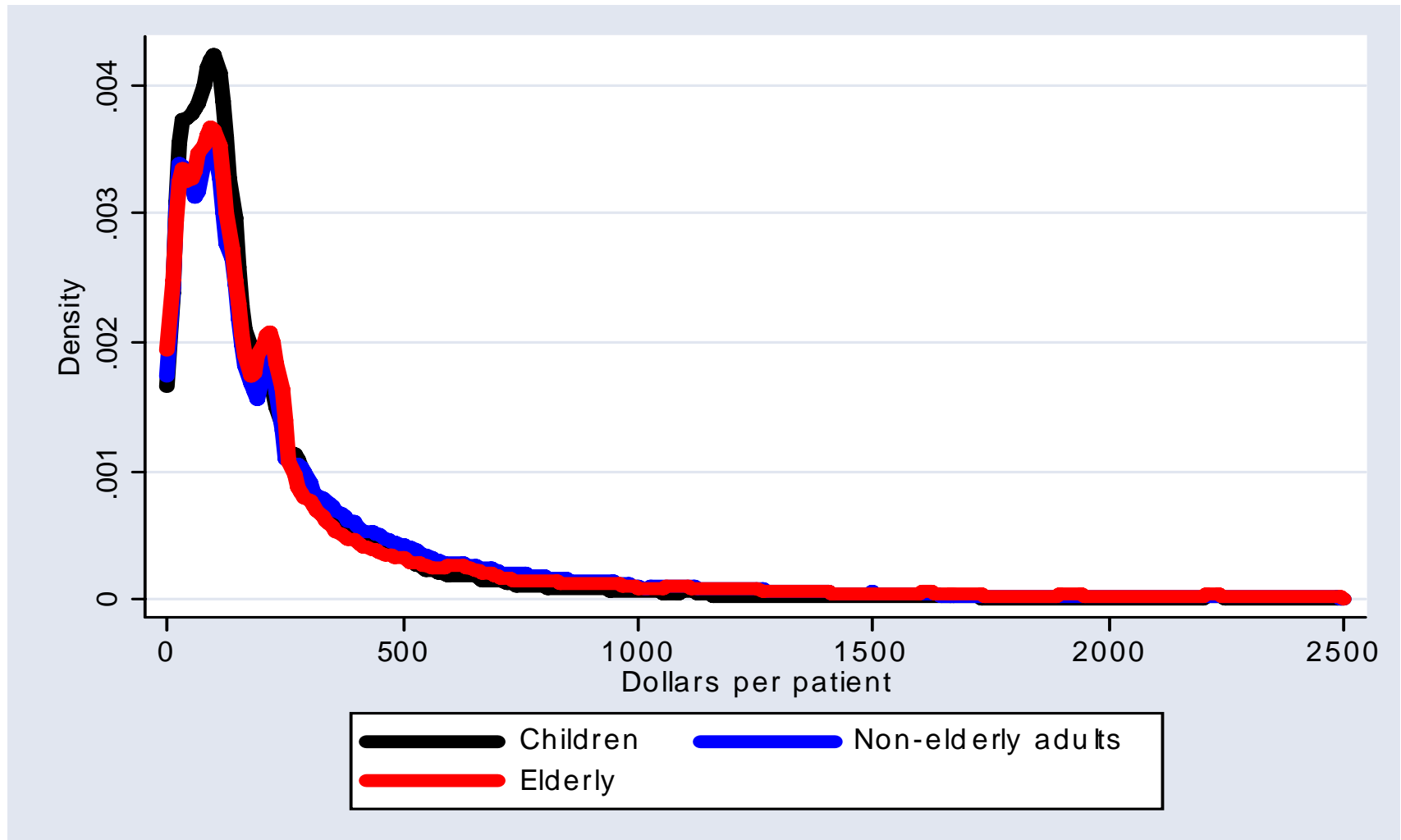
Distribution of inpatient CC costs by age group, 2004



Average costs per outpatient CC visit by age group, 2004



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