

IOM PRESENTATION DECEMBER 14, 2010

*Trends in Medicaid Expenditures and
Utilization*



Factors Impacting Cost

- DMA Initiated Factors
 - Rate reductions
 - Policy changes in response to budget shortfalls
 - Payment policies
 - Changing mix of enrollees
 - Economy
 - Increasing consumption
- External Factors



Trends in Utilization and Cost

- Inpatient Services
 - PMPM's decreasing due to rate reductions and mix(14.7% in 2011)
 - Days/1,000 increasing
 - Decreasing non-maternity admissions in 2010
- Outpatient Services
 - PMPM's increased due to cost based payments in 2009, decreased by 8.9% in 2011
 - Number of surgical recipients increasing but cost per recipient declining at a faster rate – overall PMPM down 4.2% in 2011
 - Emergency visit rate declining per recipient but cost per visit increasing



Trends in Utilization and Cost

- Mental Health Services
 - Increased inpatient cost with higher proportion of non-state owned days
 - I/P days per recipient stable
 - Outpatient expenditures decreasing because of cost and utilization
- Laboratory
 - 5.3% increase in 2009 from utilization - 9% decrease in 2010 due to rate reduction
- Radiology
 - Decreases in cost/visit – rate reductions and capitated services



Trends in Utilization and Cost

- Prescription Drugs
- Increased use rates offset by decreasing cost with generic prescribing increasing from 66% to 74%

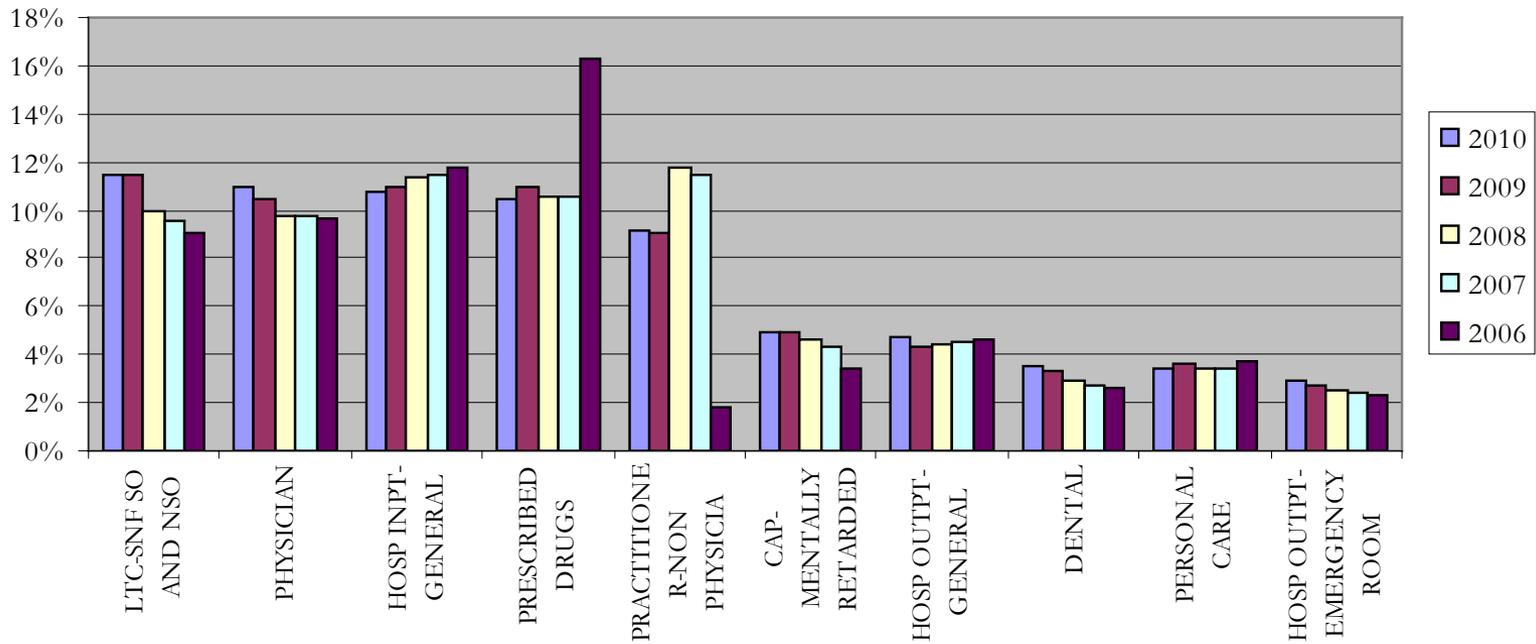
Trends in Cost per Visit/Admission

	<i>2009</i>	<i>2010</i>	<i>2011</i>
Non- Maternity Inpatient	\$ 7,520	\$ 7,235	\$ 6,750
Maternity Inpatient	\$ 2,328	\$ 2,414	\$ 2,341
Emergency Services	\$ 177	\$ 189	\$ 202
Outpatient Surgery	\$ 288	\$ 282	\$ 204
Outpatient Diagnostic	\$ 64	\$ 66	\$ 60
I/P Mental Health	\$ 6,268	\$ 6,644	\$ 6,853
O/P Mental Health	\$ 1,106	\$ 1,073	\$ 922
Laboratory	\$ 67	\$ 68	\$ 66
Radiology	\$ 225	\$ 227	\$ 209



Trends in Top 10 Expenditures

Medicaid Top 10 Expenditures



Trends in Top 10 Expenditures

	<i>Total Expenditures</i>				
	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>
LTC-SNF SO AND NSO	\$ 1,146,354,124	\$ 1,105,802,820	\$ 921,777,335	\$ 830,894,702	\$ 760,251,107
PHYSICIAN	\$ 1,089,686,760	\$ 1,008,973,800	\$ 900,285,567	\$ 851,156,965	\$ 815,020,088
HOSP INPT-GENERAL	\$ 1,072,494,510	\$ 1,051,569,076	\$ 1,049,063,081	\$ 995,995,649	\$ 995,163,797
PRESCRIBED DRUGS	\$ 1,045,385,821	\$ 1,049,983,658	\$ 973,100,802	\$ 921,809,223	\$ 1,373,014,510
PRACTITIONER-NON PHYSICIAN	\$ 915,421,592	\$ 872,228,571	\$ 1,083,054,818	\$ 999,990,264	\$ 154,662,289
CAP-MENTALLY RETARDED	\$ 488,520,746	\$ 470,544,418	\$ 427,977,911	\$ 376,113,959	\$ 288,169,935
HOSP OUTPT-GENERAL	\$ 468,405,405	\$ 417,982,192	\$ 405,879,823	\$ 393,127,921	\$ 387,743,789
DENTAL	\$ 355,716,586	\$ 320,971,201	\$ 269,608,979	\$ 240,176,470	\$ 217,935,223
PERSONAL CARE	\$ 342,538,687	\$ 345,006,361	\$ 318,712,072	\$ 299,724,191	\$ 313,181,303
HOSP OUTPT-EMERGENCY ROOM	\$ 293,066,310	\$ 257,126,586	\$ 231,890,190	\$ 214,469,395	\$ 198,358,544



Utilization of Top 10 Services

	<i>Recipients per 1,000 Enrolled</i>				
	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>
LTC-SNF SO AND NSO	18.2	19.1	19.0	18.3	17.2
PHYSICIAN	862.9	845.3	848.9	822.1	833.3
HOSP INPT-GENERAL	20.1	19.1	17.3	23.1	28.4
PRESCRIBED DRUGS	306.3	310.3	312.2	311.1	374.6
PRACTITIONER-NON PHYSICIAN	63.1	63.2	65.2	54.1	28.5
CAP-MENTALLY RETARDED	6.8	7.3	7.2	6.7	5.3
HOSP OUTPT-GENERAL	70.3	70.6	72.9	75.8	82.1
DENTAL	82.2	78.2	79.3	74.6	68.7
PERSONAL CARE	25.9	29.2	27.4	27.6	29.6
HOSP OUTPT-EMERGENCY ROOM	55.6	54.3	52.0	51.0	50.7



Trends in Recipient Costs

	<i>Cost per Recipient</i>				
	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>
LTC-SNF SO AND NSO	\$ 44,503	\$ 43,754	\$ 39,017	\$ 37,350	\$ 37,872
PHYSICIAN	\$ 891	\$ 903	\$ 853	\$ 854	\$ 836
HOSP INPT-GENERAL	\$ 37,664	\$ 41,731	\$ 48,620	\$ 35,560	\$ 29,921
PRESCRIBED DRUGS	\$ 2,408	\$ 2,560	\$ 2,505	\$ 2,442	\$ 3,132
PRACTITIONER-NON PHYSICIAN	\$ 10,233	\$ 10,437	\$ 13,362	\$ 15,244	\$ 4,631
CAP-MENTALLY RETARDED	\$ 50,373	\$ 49,030	\$ 47,500	\$ 45,991	\$ 46,092
HOSP OUTPT-GENERAL	\$ 4,700	\$ 4,478	\$ 4,475	\$ 4,278	\$ 4,037
DENTAL	\$ 3,054	\$ 3,105	\$ 2,732	\$ 2,656	\$ 2,711
PERSONAL CARE	\$ 9,318	\$ 8,945	\$ 9,338	\$ 8,951	\$ 9,033
HOSP OUTPT-EMERGENCY ROOM	\$ 3,716	\$ 3,580	\$ 3,588	\$ 3,466	\$ 3,346



Inpatient Hospitalization

	2010 Recipients	2008 Recipients	2010 Cost Per Recipient	2008 Cost Per Recipient
Delivery	41%	41%	\$ 5,219	\$ 5,791
Orthopedic	2%	2%	\$ 7,711	\$ 8,094
Cardiac	4%	4%	\$ 11,031	\$ 11,792
Respiratory	6%	5%	\$ 4,676	\$ 5,627
Substance Abuse	2%	2%	\$ 2,803	\$ 2,996
Mental Health	5%	6%	\$ 6,644	\$ 6,253
Cancer	2%	2%	\$ 8,682	\$ 8,945
Neurology	4%	4%	\$ 6,318	\$ 7,023
Diabetes	1%	1%	\$ 3,147	\$ 3,335
Renal	2%	2%	\$ 4,292	\$ 4,656
Urology	1%	1%	\$ 3,280	\$ 3,467
Other Surgery	7%	8%	\$ 9,774	\$ 10,796
Other Medical	23%	21%	\$ 5,401	\$ 5,686



Hospital Outpatient Costs

	2010 Recipients	2008 Recipients	2010 Cost Per Recipient	2008 Cost Per Recipient
Surgery	3%	3%	\$ 589	\$ 640
Imaging	11%	11%	\$ 292	\$ 290
Cardiology	2%	2%	\$ 289	\$ 304
OT/ST and PT	2%	2%	\$ 168	\$ 180
Respiratory	1%	1%	\$ 65	\$ 54
Observation	1%	1%	\$ 159	\$ 157
Emergency	3%	4%	\$ 189	\$ 172
Other Surgery	6%	7%	\$ 218	\$ 227
Gastro	0%	1%	\$ 362	\$ 369
Clinic and Treatment Room	5%	5%	\$ 85	\$ 87
Drugs	3%	1%	\$ 202	\$ 147
Lab	61%	62%	\$ 45	\$ 58



Hospital Outpatient Costs

	2010 Cost Per Unit	2008 Cost Per Unit	2010 Units Per Recipient	2008 Units Per Recipient
Surgery	\$ 16	\$ 21	36.3	30.0
Imaging	\$ 179	\$ 175	1.6	1.7
Cardiology	\$ 177	\$ 179	1.6	1.7
OT/ST and PT	\$ 42	\$ 43	4.0	4.2
Respiratory	\$ 34	\$ 29	1.9	1.8
Observation	\$ 12	\$ 12	13.6	13.1
Emergency	\$ 97	\$ 6	1.7	21.3
Other Surgery	\$ 18	\$ 21	12.0	10.7
Gastro	\$ 283	\$ 277	1.3	1.3
Clinic and Treatment Room	\$ 40	\$ 39	2.1	2.2
Drugs	\$ 7	\$ 18	28.4	8.4
Lab	\$ 15	\$ 14	2.9	4.2



QUESTIONS

Steve N. Owen

Chief Business Operating Officer

919-855-4123 steve.owen@dhhs.nc.gov

