

The Importance of CHIP and Medicaid

Mary Dale Peterson, MD, MHA
January 30, 2009



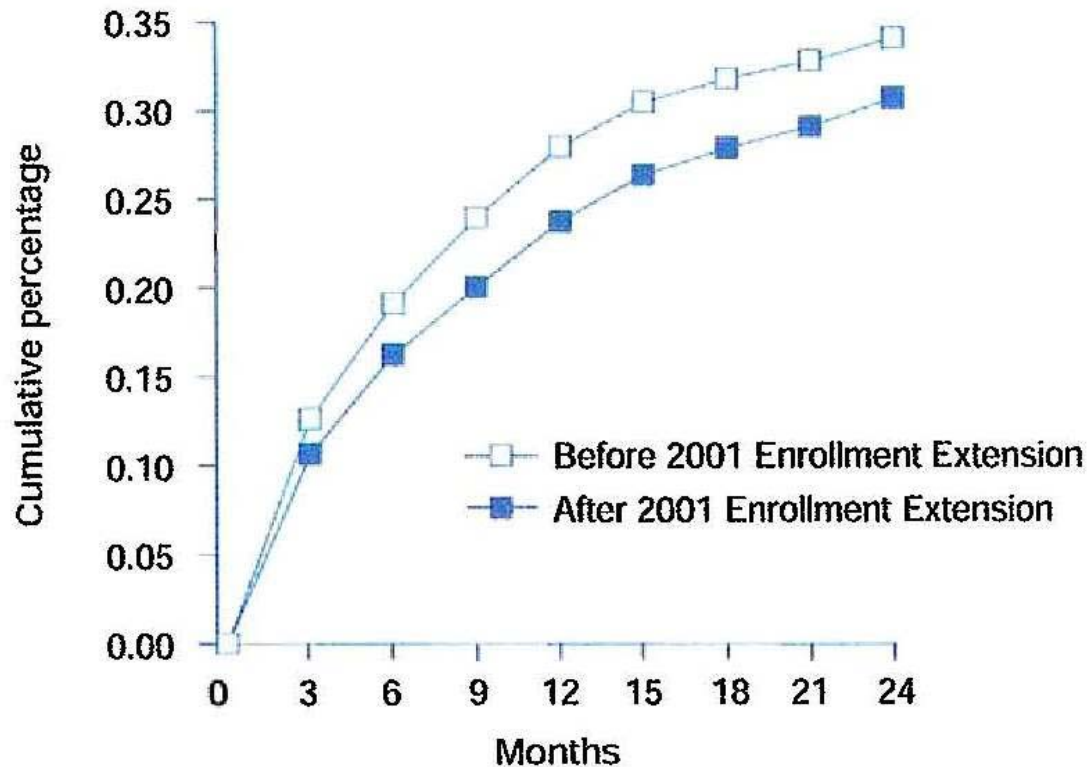
Physicians Caring for Texans

Medicaid Continuous Coverage

- In 2007, the Texas Legislature extended 12 months coverage to most children enrolled in CHIP. Yet, Texas' poorest children must still re-enroll every 6 months.
- Providing continuous coverage is simply good medicine *and* good business:
 - Uninsured children are 10 times more likely than insured children to forego needed medical care.
 - Children with unstable health insurance are more likely to be hospitalized for preventable medical conditions or to rely on costly ERs for routine care.
 - Treating a child for asthma in a doctor's office costs about \$100 vs. \$7,300 in the ER (Harris County Hospital District) and being admitted.

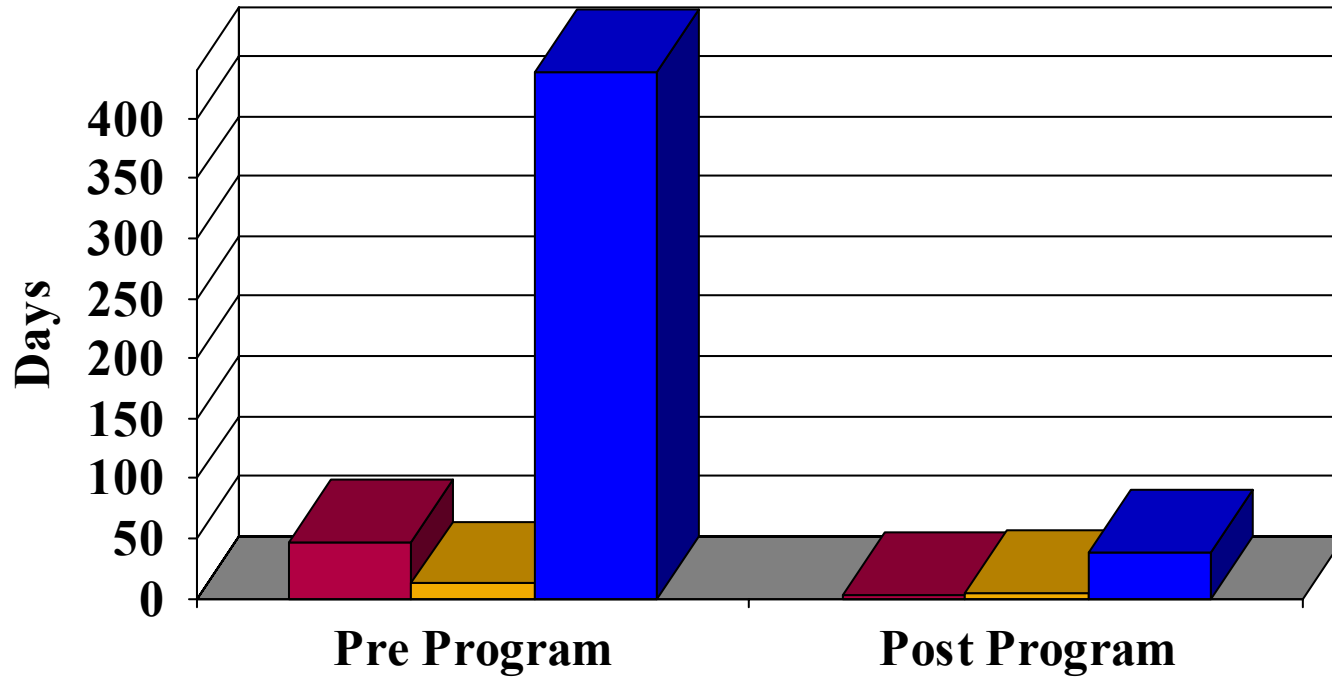
Cumulative Probability of Hospitalization Before and After Enrollment Extension

Probability of a hospitalization for an ambulatory care sensitive condition, children ages 1–17 in California Medicaid



Source: Adapted from A. B. Bindman, A. Chattopadhyay, and G. M. Auerback, "Medicaid Re-Enrollment Policies and Children's Risk of Hospitalizations for Ambulatory Care Sensitive Conditions", *Medical Care*, October 2008 46(10):1049–54.

- Uninsured children are 25 percent more likely to miss school, resulting in the loss of vital state funding for school districts



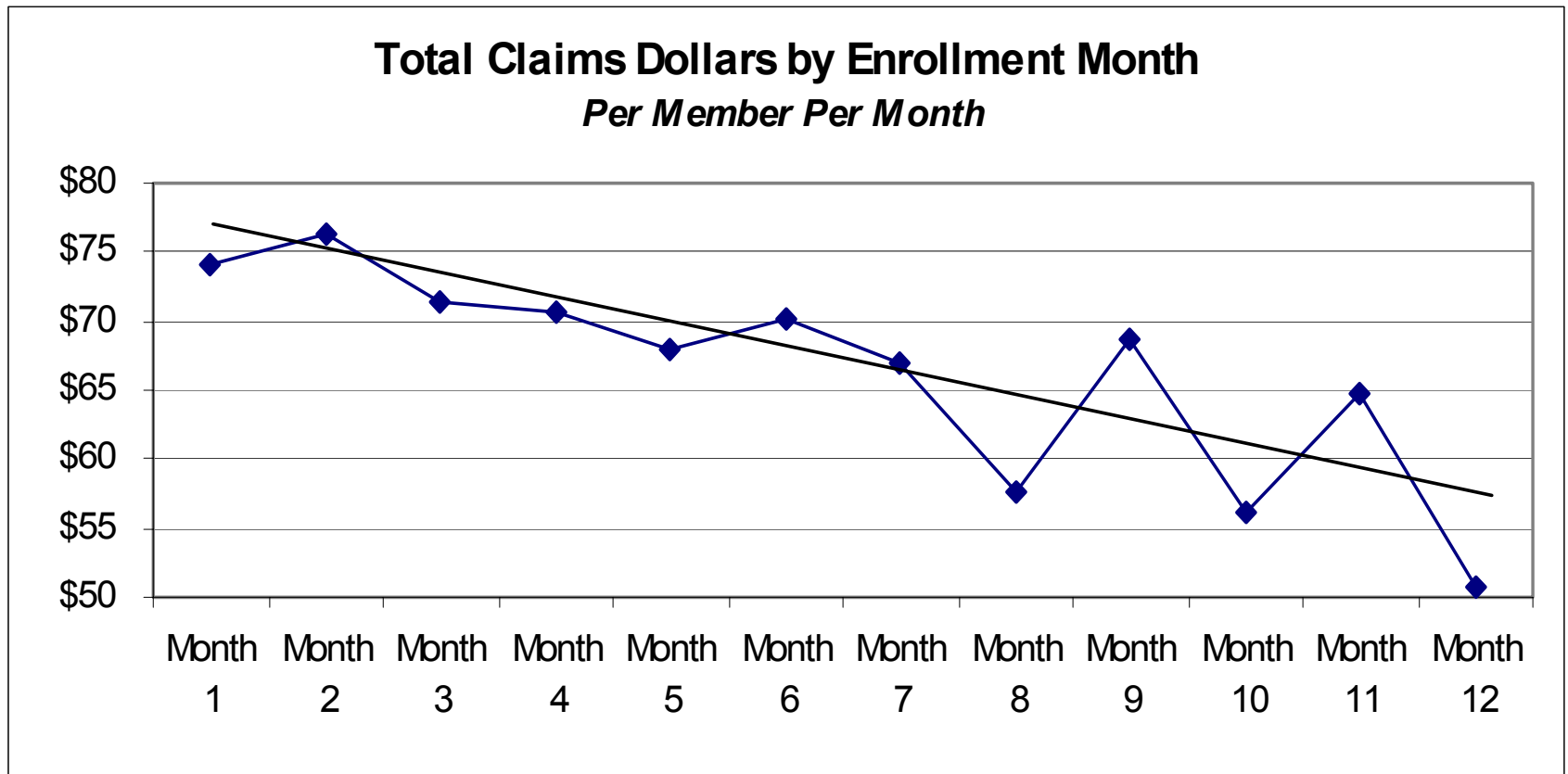
■ # ER visits 47/3

■ # Hospitalizations 12/5

■ # School Days Absent 439/38

- Data from Texas Children's Health Plan indicates that the longer a child is enrolled, the lower the medical costs

INPATIENT HOSPITAL CARE – Source: Texas Children's Health Plan: "CHIP Study June 2000 – June 2004" – Texas Children's Health Plan



Medicaid Continuous Coverage

- Enacting 12-months continuous coverage in children's Medicaid will help Texas comply with the *Frew vs. Hawkins* agreement by improving timeliness of medical and dental check ups

Table 2. health Insurance Coverage Patterns and Health care Experiences[†]

	All Children (N=12 270), %	Continuously Uninsured (n=882), %	Multiple Gaps (n=352), %	Single Gap/Transition In/out (n=2801), %	Continuously Insured; Public (n=3160), %	Continuously Insured; Private (n=5075), %
No unusual source of care [‡]	9.7	30.77***	23.1***	16.4***	7.8	4.9
No well-child visit [§]	35.1	60.2***	57.2***	41.3***	36.6	28.4
Unmet needs	6.1	9.0***	13.4***	11.9***	9.4***	2.0
At least 1 problem with medical care [¶]	5.9	6.7	6.0	7.0	7.1*	4.9

* Significant at the p<.05 level.

*** Significant at the P<.001 level.

† Percentages are unadjusted.

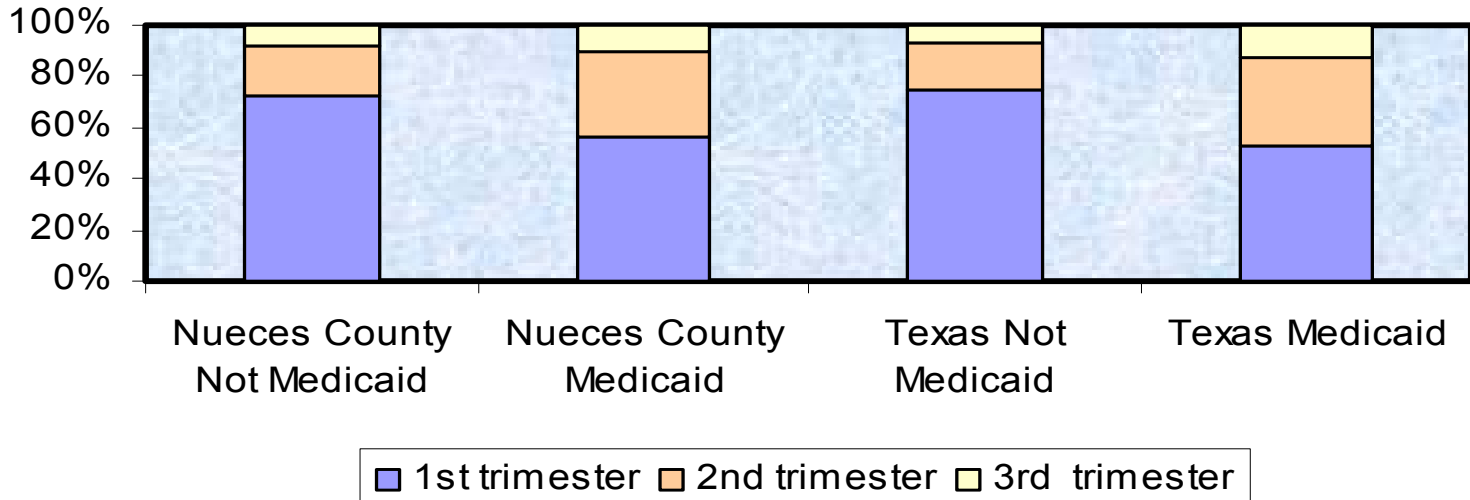
‡ The respondent indicated that their child does not have a usual source of care.

§ The respondent indicated that their child did not have a regular or routine visit to their medical provider during the past year.

|| The respondent indicated that due to cost their child had unmet medical or prescription needs.

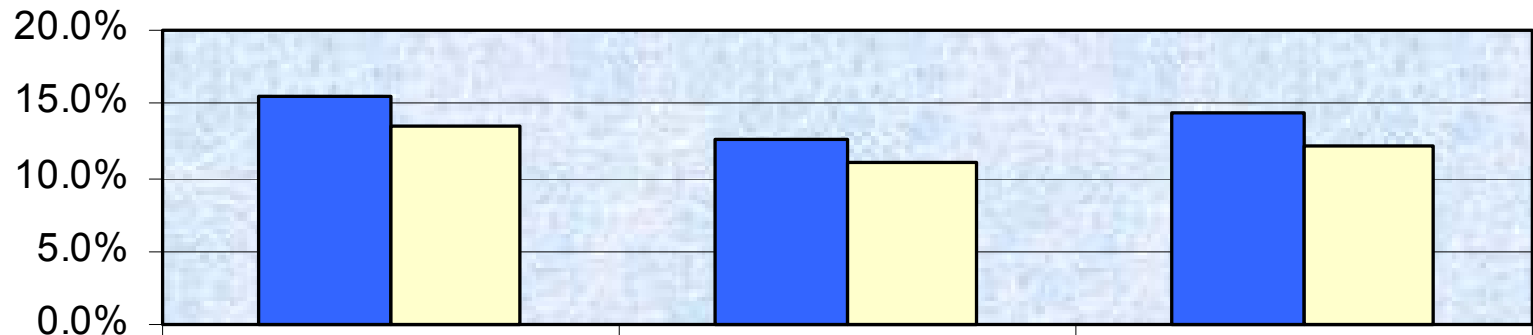
¶ The respondent indicated that they were not too satisfied or were not at all satisfied with the quality of care provided to their child, that their child's medical provider never or only sometimes respects them, that they never or only sometimes have confidence in their child's medical provider, that their child's medical provider never or only sometimes listens to them, spends enough time with them, or explains things to them.

Trimester Prenatal Care Began



	Nueces County		Texas	
	Not Medicaid	Medicaid	Not Medicaid	Medicaid
3rd Trimester	8.1%	9.9%	7.3%	12.8%
2d Trimester	19.1%	34.0%	17.7%	33.8%
1st Trimester	72.8%	56.1%	75.0%	53.4%

Preterm and Low Birth Weight by Medicaid Coverage Nueces County vs. Texas

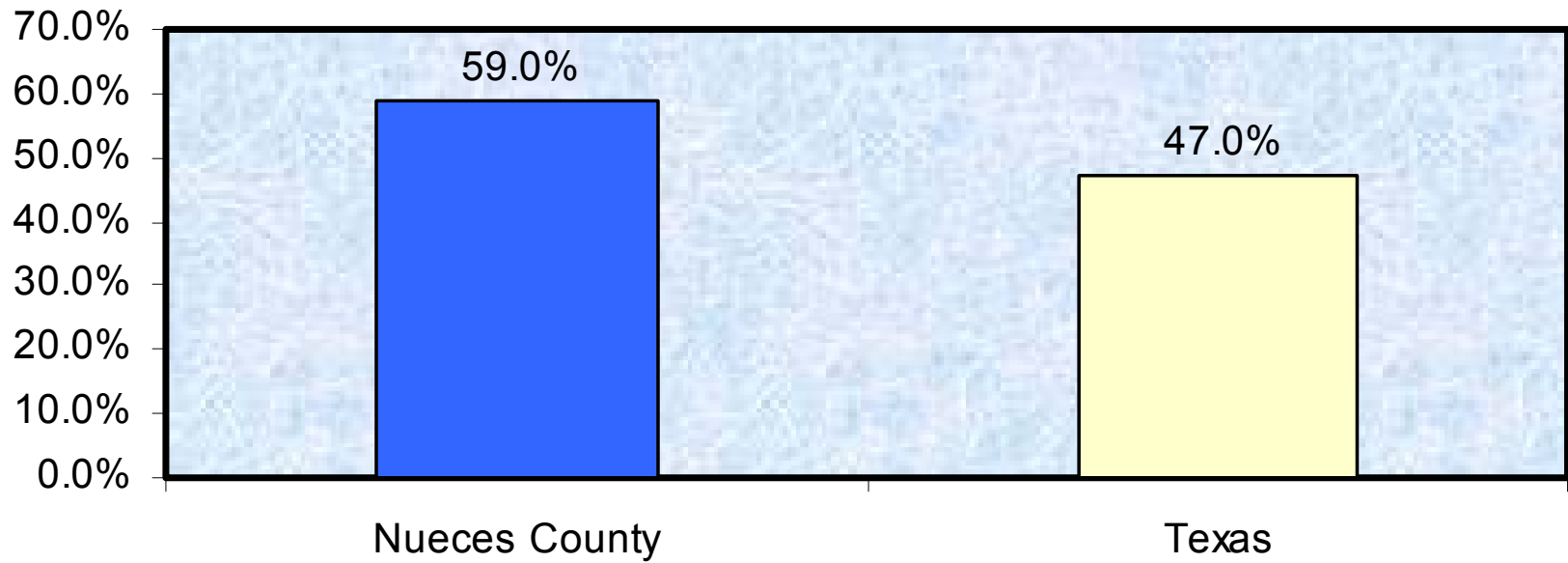


	Medicaid	Not Medicaid	Total
■ Nueces County	15.5%	12.6%	14.3%
■ Texas	13.5%	11.1%	12.2%

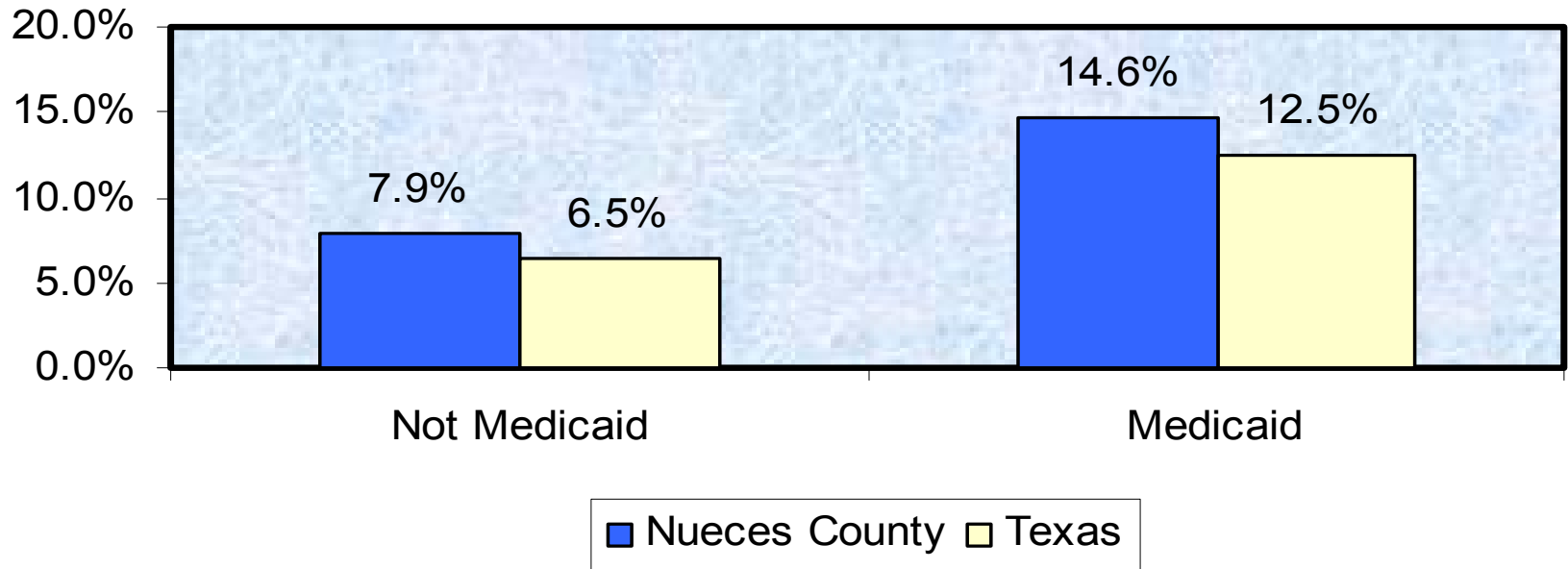
Key Findings:

- 1: Medicaid moms have a higher rate of LBW babies.
- 2: Nueces County has a higher percentage of Preterm and LBW babies.

Total Percentage of Women Covered by Medicaid



Count of Short Interval Births (One to Three Births)



< 6 month interval = 40% increased risk for preterm birth and 60% increased risk for LBW

Each month < 18 month interval = 1.9% increased risk for preterm birth and 3.3% increased risk for LBW

Source: 2006 American Medical Association (reprinted: JAMA, April 19, 2006- Vol 295, No. 15 Birth Spacing and Risk of Adverse Perinatal Outcomes)

Medicaid Continuous Coverage

- Annual enrollment will simplify Texas' strained eligibility system by reducing by half the number of child Medicaid renewals that eligibility workers must manage

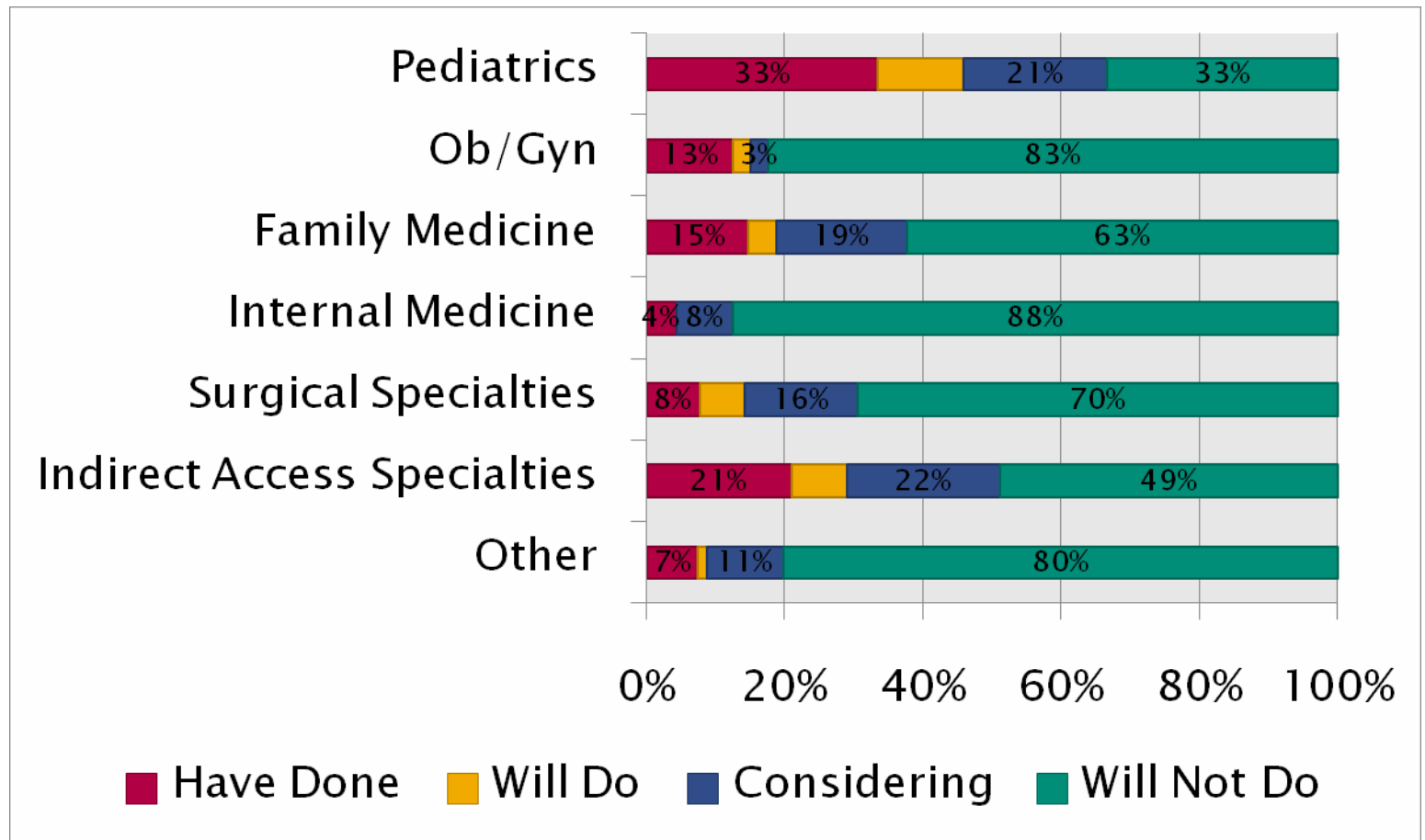
Medicaid Continuous Coverage

- A 5 year old girl is diagnosed with a rare genetic endocrine disease (congenital adrenal hyperplasia). After diagnosis, she loses Medicaid and is lost to follow-up for over a year. She gets back on Medicaid but now her bone age is 4 years advanced, she just had a menstrual period at age 7 and is going to be 4 foot 7 inches tall due to accelerated bone maturation. Now, our only recourse to salvage height is to 1) stop puberty with drugs costing \$20,000 a year, AND start growth hormone to accelerate residual growth until full bone growth plate closure which will cost \$25,000-\$30,000 /year.
- All because of a lapse in Medicaid....

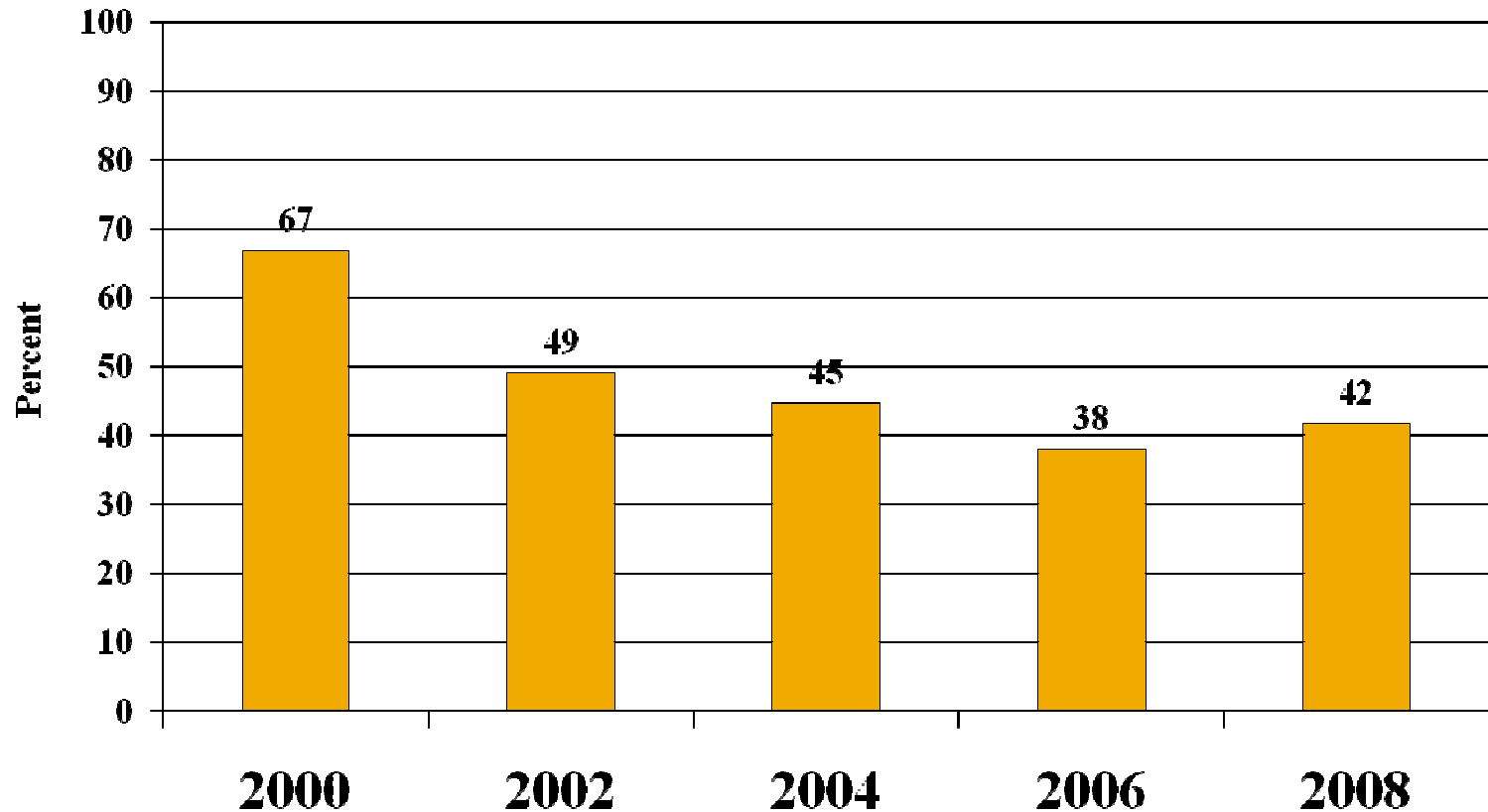
Medicaid/CHIP Physician Network

- In 2007, Legislature enacted the first significant physician Medicaid payment increase in 15 years:
 - 25 percent update in total dollars for children's services
 - 10 percent for adults
- TMA 2008 physician survey indicates that the higher rates have increased physician acceptance of new Medicaid patients, particularly among pediatricians

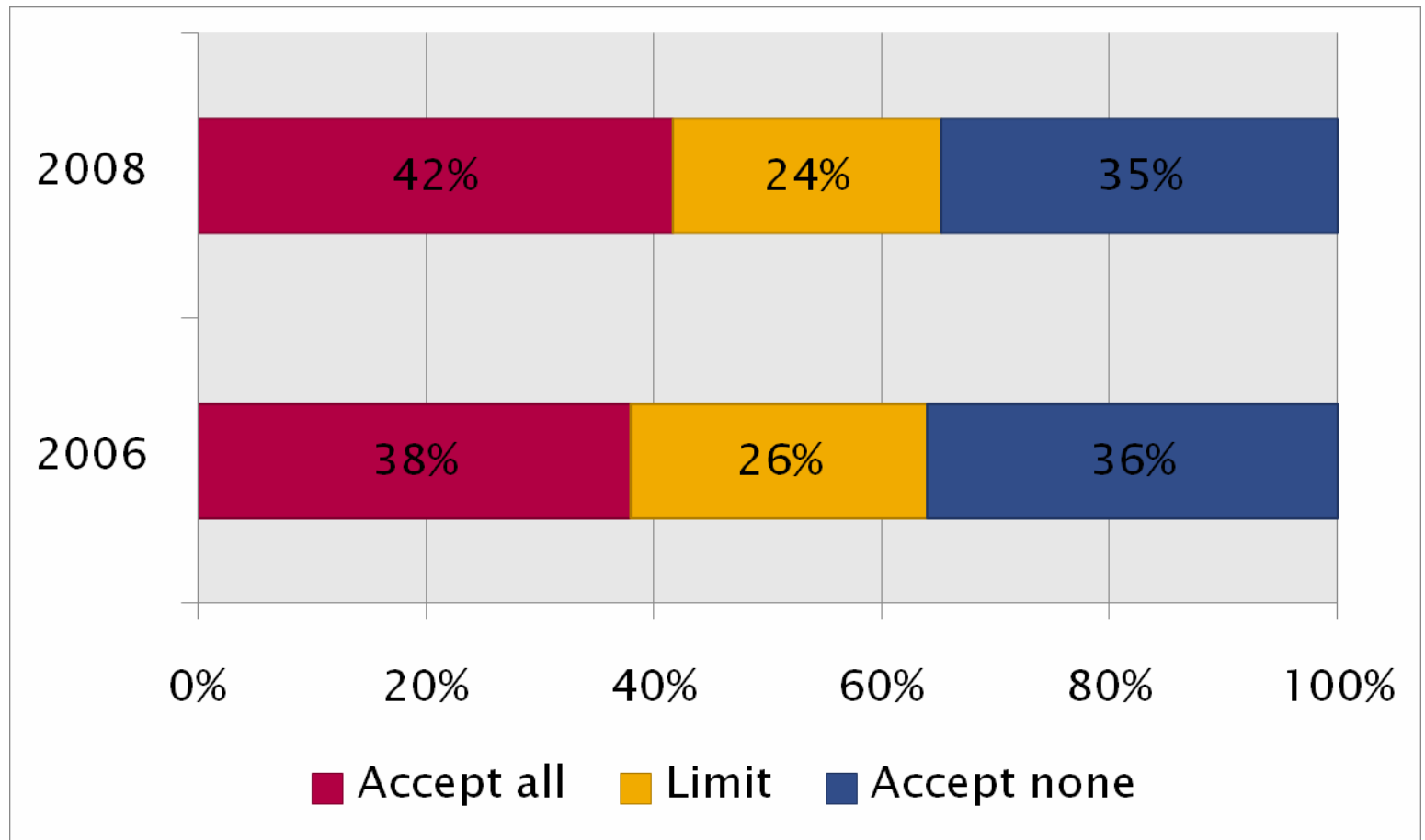
Increased acceptance of Medicaid-covered children?



Percent of Texas physicians who will accept all new Medicaid patients



Are you currently accepting new patients covered by Medicaid?



Medicaid/CHIP Physician Network

- HHSC study of physician/provider Medicaid participation confirms TMA findings
- Major HHSC findings:
 - Number of new Medicaid providers has increased across all geographic regions and specialties
 - Comparing first 3 quarters of 2007 claims data to 2008 data indicates number of Medicaid claims by new provider locations increased by 57%

Medicaid/CHIP Physician Network

- Despite the rate increases, Medicaid/CHIP physician payments still average only 73 percent of what *Medicare* pays for the same service
 - Physician practice costs increase about 3 percent a year
 - To build on the success of the 2007 physician rate increases, TMA, TPS, and TAFP recommend that the 2009 Legislature:
 - Continue to strive towards Medicare parity for all physician services
 - Adopt annual indexing so that rates do not erode to inflation
- 