National Report: U.S. Hospitals in Medicaid Expansion States Seeing More Medicaid Patients and Reduced Charity Care Levels

Examination of national data demonstrates definitive nationwide impact of Medicaid expansion under the Affordable Care Act

GREENWOOD VILLAGE, COLO. (June 2, 2014) — The Colorado Hospital Association (CHA) released a new study that shows hospitals in states that chose to expand Medicaid under the Affordable Care Act saw significantly more Medicaid patients and a related reduction in self-pay and charity care cases; whereas, hospitals in states that chose not to expand Medicaid experienced no changes outside normal variation in Medicaid volume or self-pay and charity care cases.

The study, which is believed to be the first of its kind, used data from 465 hospitals in 30 states from the first quarter of 2014. Data was gathered from Jan. 1—the official launch of Medicaid expansion—to March 31. The increase in Medicaid volume (29 percent), which occurred only in expansion states, is demonstrably due to Medicaid expansion. However, the parallel decrease in self-pay (25 percent) and charity care (30 percent) shows that previously uninsured patients are the individuals newly enrolled in Medicaid.

“While media reports have detailed increases in Medicaid volume in hospitals located in expansion states, we now have definitive proof that such increases are translating into reduced self-pay and charity care cases,” said Steven J. Summer, president and CEO of CHA. “These findings not only affirm that more people are finding health care coverage who didn’t have it before, but also that it is having a positive impact by reducing the levels of uncompensated care at hospitals, which could further efforts to reduce health care costs.”

Uncompensated care is the total cost of hospital care provided for which no payment was received from the patient or an insurer. Uncompensated care is the sum of bad debt and charity care at cost, which totaled approximately $500 million in Colorado in 2012. Those losses must either be absorbed by hospitals—which ultimately results in a decrease in health care services and access to care—or shifted to private insurers. This practice is referred to as “cost shifting,” and is noted as one of the driving forces of escalating health care costs.

The report was conducted by CHA’s Center for Health Information and Data Analytics using its DATABANK program, which has been working with hospitals throughout the country since 1985. To read the full report, Impact of Medicaid Expansion on Hospital Volumes, visit www.cha.com.

About the Colorado Hospital Association
The Colorado Hospital Association (CHA) represents 100 member hospitals and health systems throughout Colorado. CHA partners with its members to work towards health reform, clinical excellence and performance improvement, and provides advocacy and representation at the state and federal level. Colorado hospitals and health systems are committed to providing coverage and access to safe, high-quality and affordable health care. In addition, Colorado hospitals have a tremendous impact on the state’s economic stability and growth, contributing to nearly every community across the state with 72,000 employees statewide. For more information, visit www.cha.com.

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1 Bad debt and charity care defined here: http://www.cha.com/Colorado-Hospitals/Uncompensated-Care.aspx
Impact of Medicaid Expansion on Hospital Volumes

Executive Summary

- The Medicaid proportion of patient volume at hospitals in states that expanded Medicaid increased substantially in the first quarter of 2014. At the same time, the proportion of self-pay and overall charity care declined in expansion-state hospitals.
- Medicaid, self-pay and charity care showed no change outside normal variation for hospitals in non-expansion states in 2014.
- The increase in Medicaid volume, which occurred only in expansion states, is due to Medicaid expansion. The parallel decrease in self-pay and charity care shows that previously uninsured patients are now enrolled in Medicaid.

Introduction

Originally a required part of the Affordable Care Act (ACA), the U.S. Supreme Court ultimately ruled that Medicaid expansion should be voluntary, and allowed each state to choose independently whether to expand. This expansion, if fully implemented, would allow an estimated 21 million Americans to enroll in Medicaid by 2022 (Kaiser Family Foundation, 2013). On January 1, 2014, 26 states across the U.S. voluntarily expanded Medicaid eligibility. While the long-term effects on Americans’ health and well-being will take more time to emerge, some immediate impacts of states’ decisions to expand Medicaid are beginning to appear.

CHA DATABANK Analysis

Colorado Hospital Association (CHA) collects monthly reported financial and volume data for hospitals across the country in DATABANK (http://www.databank.org/). This analysis contains 465 hospitals from DATABANK across 30 different states¹, 15 of which expanded Medicaid and 15 that did not (seen in Fig. 1, data downloaded May 15, 2014). This CHA analysis reports the preliminary impact of the ACA Medicaid expansion on hospitals in both expansion and non-expansion states. Specifically, the report explores volume trends through changes in charges and payer mix.

Figure 1. Medicaid expansion status of states included in DATABANK (Medicaid.gov, 2014).

¹Twelve states comprise over 90 percent of the hospitals included in this survey; the remaining 18 states have fewer than 10 hospitals per state.
Fig. 2 shows the proportion of Medicaid charges increasing for hospitals in expansion states for first quarter 2014. This shift cannot be explained by an overall rise in total volume of patients attending hospitals or overall costs of care due to other structural changes in the health care sector, as these changes would have resulted in the same proportions of each payer type—no one group would have increased its share. Instead, the Medicaid share grows in expansion states relative to Medicare, which held steady over the same time frame. The changes are thus due to something that effected Medicaid specifically: the Medicaid expansion. The distinct departure from previous patterns for these measures only occurs for hospitals in expansion states, not those in non-expansion states. Such a divide further supports the hypothesis that the new trends seen here are due to Medicaid expansion. Also, the changes appear in first quarter 2014, when Medicaid expansion began. Both groups show very similar patterns for Medicare charges, implying that the patient populations within these two groups and the external forces on hospitals, such as economic pressures, are reasonably similar; thus, the main variability arises from the status of their Medicaid programs.
Additionally, self-pay volumes and charity care experienced the opposite effect, with hospitals in expansion states recording significant reductions in these at the start of 2014. This decline in self-pay and charity care, occurring in parallel with the growth in numbers of Medicaid beneficiaries, shows that previously uninsured patients are now enrolled in Medicaid. Many hospitals provided on-site assistance to enroll eligible patients into Medicaid, promoting the recruitment of patients into Medicaid who otherwise would have self-paid or been provided with charity care.

The changes seen here are not only distinct, but also substantial. The Medicaid proportion of total charges increased over three percentage points to 18.8 percent in 2014 from 15.3 percent in 2013, representing a 29 percent growth in the volume of Medicaid charges. When compared to the first quarter of 2013, there was a 30 percent drop in average charity care per hospital across expansion states, to $1.9 million from $2.8 million. Similarly, total self-pay charges declined 25 percent in expansion states, bringing its proportion of total charges down to 3.1 percent from 4.7 percent. In contrast, the proportion of Medicare volume shows little variation through first quarter 2014.

This analysis, while preliminary, outlines noticeable changes occurring due to Medicaid expansion in certain states. Whether the future continues to magnify these impacts on payer shifts remains to be seen; CHA will continue to monitor these trends resulting from the expansion.
Colorado Hospitals

The changes reported by hospitals in expansion states nationally are also seen locally across Colorado. Urban, rural and critical access hospitals (CAHs) all demonstrate similar increases in Medicaid volume and decreases in self-pay volume and charity care. The magnitude of the changes in Colorado hospitals is greater than the national trend, as seen in Table 1. Furthermore, the values are outside the range of normal variation, indicating an influence beyond the typical month-to-month change. The proportion of Medicaid charges jumped almost five percentage points for urban hospitals and over three percentage points for CAHs and rural hospitals. Across the state, total Medicaid charges for Colorado grew 37 percent, while total self-pay charges dropped by 27 percent from first quarter 2013 to first quarter 2014.

<table>
<thead>
<tr>
<th>Hospital Peer Group</th>
<th>Jan—Mar 2013</th>
<th>Jan—Mar 2014</th>
<th>% Change</th>
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<tr>
<td>% Medicare Charges</td>
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<td>$2.9 million</td>
<td>-36.2%</td>
</tr>
</tbody>
</table>

Red numbers represent values outside of normal variation (more than two standard deviations from the mean).

Table 1. First quarter comparisons between 2013 and 2014 for Colorado hospital peer groups.
Urban hospitals reported a drop of $3.6 million in charity care for the first quarter of 2014, as compared with the same quarter in 2013. For rural and urban hospitals, charity care was well outside the normal range (Fig. 3). While technically within an expected range of change, the 52 percent drop in charity care reported by CAHs between first quarter 2014 and first quarter 2013 is still substantial; charity care in February and March 2014 was also lower than any other months in 2012 or 2013. Charity care in CAHs varies considerably, causing a greater range of values to be considered within normal variation.

These results are preliminary. CHA will continue to update this analysis as more months pass to see whether the trends seen here persist or grow for Colorado hospitals.
About CHA
CHA represents 100 member hospitals and health systems throughout Colorado. The Association partners with its members to work towards health reform and performance improvement, and provides advocacy and representation at the state and federal level. Colorado hospitals and health systems are committed to providing coverage and access to safe, high-quality and affordable health care. In addition, Colorado hospitals have a tremendous impact on the state’s economic stability and growth, contributing to nearly every community across the state with more than 71,000 employees statewide. For more information, visit www.cha.com.

About the Center for Health Information and Data Analytics
CHA is cognizant that data must be combined and analyzed quickly to derive meaningful and actionable information that will help hospitals continue to provide much-needed care and economic stability in their communities. To this end, CHA recently created a new center for health information and data analytics. A robust analytics function is crucial to informing CHA’s advocacy on behalf of its members. The goal of the analytical function is to be proactive about changes and to use data to predict the effect of changes on hospital providers.

About DATABANK
The CHA DATABANK Program is an online hospital database available to licensed hospital associations, their members and other hospitals across the country willing to submit monthly data. Since 1985, DATABANK has served as a trusted source of hospital utilization and financial data, serving the needs of the hospital community. The DATABANK Program offers comparable data in a variety of useful reporting formats and graphs for many standard industry metrics including information on discharges, patient days, births, inpatient and outpatient surgeries, charges/cost, expenses, profitability and balance sheet ratios. Each month, hundreds of hospitals across the country upload their data into the database. In return, associations and hospitals can access useful, timely and accurate information online with a few clicks, or users can elect to have reports sent directly to their inboxes. Currently, there are hospitals in more than 25 states reporting monthly data.

References
Workplace Violence is a recognized hazard in the health care industry. Statistics show that health care workers are some of the most likely to be attacked on the job. Workplace Violence training is a necessity in today’s hospitals, clinics and medical centers.

**In this ½ day program participants will learn:***
- To identify red flags & warning signs of potential violence
- Strategies to reduce violence & mitigate risk
- What other health care facilities are doing to ensure the safety of their staff
- How to debrief after a violent or threatening incident
- How to deal with angry people in waiting rooms and emergency rooms

This interactive session will allow for facilitated conversations so that attendees also learn from each other about what worked and what didn’t work in past situations. We’ll review a couple of scenarios & case studies allowing participants to share their experiences and knowledge with the group.

Health Care Professionals commitment to patient care sometimes places them in a tenuous conflict between patient care and their own safety! Increase in violence, those seeking drugs & an increase in mental health issues all result in acts of aggression that must be addressed. No worker should be afraid of violence in their workplace especially those who care for others. Prevention is essential for creating a safe and therapeutic environment for patients and a safer work place for health care workers. **This is one seminar you can’t afford to miss!**

**Who Should Attend:**
Nurses, Physicians, Nursing Supervisors & Managers, Safety & Security, Facilities Managers and Hospital Administrators
Faculty:
Carol Fredrickson is the CEO and co-founder of Violence Free. She speaks and trains internationally and is a recognized workplace violence expert. Clients rely on Carol skills, knowledge and expertise to prevent 6-7 figure lawsuits, and more importantly to avert violent workplace disasters and save lives. She is a recognized authority on workplace violence & conflict in the workplace. She has been profiled and interviewed by hundreds of print, radio, and television outlets and she consults with the media on a regular basis.

Schedule:
Registration begins at 9:30 a.m.; program begins at 10:00 a.m. and concludes at 2:00 p.m. including time for questions/answers. Lunch will be provided.

Program Site:
Ramada Bismarck Hotel, 1400 E Interchange Avenue, Bismarck ND 58501, 701 258-7000
Room rate of $95.00 if booked before June 17th. Be sure to mention the North Dakota Hospital Association (NDHA) block of rooms.

Registration:

NDHA Member Fees:
Single Registrant $179.00 per person
1 – 4 Registrants $159.00 per person
1 – 6 or more Registrants $139.00 per person

Non-member Fees $300.00 per person

A member hospital is referred to as an individual facility, not a hospital system. Fees reflect the cost of program development, administration, promotion, faculty expenses, materials, lunch and break items. A late fee of $25 will be added if registration is received after June 27, 2014.

NDHA wishes to take those steps required to ensure no individual with a disability is excluded, denied service, segregated or otherwise treated differently than other individuals because of the absence of auxiliary aids and services.

NDHA reserves the right to cancel or reschedule due to an insufficient number of registrants or other unforeseen circumstances. Registration fees, less a $25 cancellation fee are refundable if notice is received five working days prior to the program date. Registrants unable to attend may send an alternate. No shows will be billed. Space is limited!!

Certificates of attendance will be provided for all participants.
Workplace Violence Prevention for Health Care Professionals

Name________________________________ Title __________________________________
Organization ________________________________________________________________
Address __________________________________________________________________
City/State/Zip ________________________________________________________________
E-mail ______________________________________________________________________
Phone ______________________________________________________________________

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Phone ______________________________________________________________________

For additional information, contact Linda Simmons (701) 224-9732. You may register for this program in any of the following ways:

Mail this completed form to:
North Dakota Hospital Association
PO Box 7340
Bismarck ND  58506

Fax this form to (701) 224-9529
Online at http://www.ndha.org, under Education

If you do not receive a confirmation e-mail, please contact our office.
Knowledge Center Updates

In the March/April newsletter we announced our new product Knowledge Center. This site is being updated frequently with more FAQs, documents, release notes, and newly scheduled events/webinars. A good way to receive these updates is to subscribe to the RSS Feed. While there are many ways to do this the most common is to add the Feed to Microsoft Office. Visit Knowledge Center for instructions on how to get this step up: client.carelearning.com.

New Email Notification

The most recent release of the AMS added more email notification capability which is no longer dependent on the email software your organization is using. This includes the ability to automatically send emails to individuals for the following reasons:

- Student Enrollment Notices (Login Information)
- Course Registration
- Course Deregistration
- Event Registration
- Event Deregistration
- Event Waiting List
- Event Cancellation

If you were using email notification prior to this upgrade you need to activate email notification once again. Visit Knowledge Center for instructions on how to get this step up: client.carelearning.com.

CareLearning can host courses not currently in our catalog

CareLearning works with several 3rd party content providers to offer their courses via our online catalog. This allows our organizations the opportunity to purchase these courses directly through CareLearning, place the courses in their curriculum and therefore the appropriate student classrooms, and track completion. Unfortunately there are 3rd party content providers that are unable to offer their courses in this traditional way. No worries! Many of these content providers will allow you to purchase their courses directly and place on the careLearning LMS. We currently have several organizations offering the American Heart Association ACLS and American Academy of Pediatrics NRP Online Exam via the careLearning LMS. If you are interested in this option, please contact Peggy Engelkemier, Director of Workforce Development Solutions at peggyeng@carelearning.com. careLearning does not charge an additional fee for this service.