



# Potentially Preventable Events: Comparing Medicaid and Privately Insured Populations



**Medicaid and CHIP Payment and Access Commission**

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# Potentially Preventable Events (PPEs)

- Potentially preventable events (PPEs) are health care services that might have been avoided by:
  - providing higher quality care
  - providing access to care
- A significant portion of health care service use can be attributed to the provision of unnecessary care
- Identifying and reducing the number of PPEs helps:
  - compare measures across programs and populations
  - target areas for interventions

# Potentially Preventable Events: MACPAC Contracted Studies

- MACPAC contracted with the Urban Institute (Medicaid data) and Truven Health Analytics (private insurer data) to conduct two separate studies:
  - Potentially preventable hospital readmissions (PPRs)
  - Potentially preventable hospital admissions (PPAs)
  - Potentially preventable emergency department visits (PPVs)
- Methodology produced by 3M Corporation using expert input and published research
- Methodology allows us to:
  - compare PPE rates for Medicaid and privately insured nonelderly populations
  - identify populations and diagnoses with high rates of PPEs

# Data and Methods

# Data

- Medicaid data come from the 2011 Medicaid Analytic eXtract (MAX)
  - 32 states have usable fee-for-service Medicaid data submitted to CMS
  - Used inpatient and other provider files
- Private/commercial data come from the 2011 MarketScan® Commercial and Encounter (CCE) database
  - Contains health care claims of approximately 43 million enrollees and their dependents
  - Captures approximately 30% of people in the United States with commercial health insurance

# Exclusions

- Excluded from both Medicaid and private datasets:
  - enrollees age 65 and over
  - enrollees with nursing home coverage during the year
- Excluded from Medicaid datasets:
  - dually eligible Medicare and Medicaid enrollees
  - enrollees with limited benefits

# Potentially Preventable Hospital Readmissions (PPRs)

- Defined as inpatient admissions that are clinically related to a hospitalization occurring in the prior 30 days
- Each admission assigned to an all-patient refined diagnosis related group (APR-DRG)
- PPR categorization is based on a clinical panel that determined if conditions in initial admission and readmission DRGs are clinically related

# Potentially Preventable Hospital Admissions (PPAs)

- Defined as inpatient admissions that could have been prevented or managed with better ambulatory care.
- Uses historical claims data to classify patients into Clinical Risk Groups (CRGs), which describe the chronic illness burden of a patient
- Uses ambulatory sensitive conditions and a summary of the literature in conjunction with clinical expertise to classify a hospitalization as a PPA



# Potentially Preventable Emergency Department Visits (PPVs)

- Defined as emergency department visits that could have been prevented or managed with better ambulatory care.
- Uses historical claims data to classify patients into Clinical Risk Groups (CRGs), which describe the chronic illness burden of a patient
- Identifies candidate events based on Enhanced Ambulatory Patient Groups (EAPG).

# Results

# Potentially Preventable Hospital Readmissions (PPRs)

- Among children, PPR rates did not differ substantially between Medicaid and privately insured (about 2%).
- Children qualifying on the basis of a disability had higher PPR rates than children who did not.
- PPR rates were higher on average for Medicaid adults (7%) than for privately insured adults (3%). Difference is largely driven by higher rates among the disabled Medicaid population (4% for nondisabled vs. 13% for disabled).
- Younger adults with Medicaid had lower rates than older adults; this difference is much smaller among privately insured adults.

# Potentially Preventable Hospital Readmissions (PPRs) (continued)

- The reasons for potentially preventable readmissions for Medicaid adults were more likely to be associated with their initial condition, while for privately insured adults they were more likely to be associated with their care while in the hospital.
- Medicaid enrolled adults were more than three times as likely to have a PPR associated with diabetes.
- PPRs for obstetrical diagnoses were rare, and comparable, among both insurance groups, regardless of disability status.
- Medicaid covered adults also had higher PPR rates associated with behavioral health conditions than privately insured adults, with disabled adults having slightly lower rates than all Medicaid covered adults.

# Potentially Preventable Hospital Admissions (PPAs)

- Medicaid enrollees had slightly higher rates than privately insured enrollees among both children and adults (18% versus 16% for adults; 35% versus 31% for children).
- Children with Medicaid who qualified on the basis of disability had similar PPA rates as those who did not (about one-third of both groups).
- Rates were much higher for Medicaid-covered adults who qualify on the basis of a disability (28%) than those who did not (9%).

# Potentially Preventable Hospital Admissions (PPAs) (continued)

- Healthier privately insured adults had more PPAs than did adults with Medicaid coverage.
- Medicaid adult enrollees with more complex health conditions and high health care utilization had more PPAs than their privately insured counterparts.
- PPA diagnoses for adults with Medicaid coverage were higher for chronic obstructive pulmonary disease and diabetes compared to privately insured adults.
- Among children, asthma was the most common diagnosis for both Medicaid (24% of PPAs) and privately insured (18% of PPAs).

# Potentially Preventable Emergency Department Visits (PPVs)

- Medicaid child and adult enrollees have higher rates of PPVs than their privately insured counterparts.
- More than 74% of ED visits for both adults and children covered by Medicaid are considered to be preventable, compared to 63% of privately insured children and 67% of privately insured adults.
- Adult Medicaid enrollees have higher PPV rates regardless of health status or basis of eligibility.

# Potentially Preventable Emergency Department Visits (PPVs) (continued)

- Adults with Medicaid classified as healthy had similar PPV rates to those with serious health conditions.
- Among children with Medicaid, a larger percentage of PPVs were associated with respiratory conditions compared to privately insured children.
- Among adults, respiratory infections comprised the largest share of PPVs for the Medicaid population; among privately insured adults the largest share of PPVs was for abdominal pain.



# Possible Next Steps

- Use more sophisticated risk-adjustment
- Update analysis with more recent/more complete data (e.g., T-MSIS or encounter data)
- Track activities of states using this methodology



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