Status of the Unreimbursed Trauma and Catastrophic Care Study for the Wyoming Healthcare Commission

The State  of Wyoming

September 27, 2004

Study Introduction

The Wyoming Healthcare Commission has contracted with Navigant Consulting, Inc. (NCI) to assist in the development of the legislatively-mandated study of unreimbursed catastrophic and trauma care to be submitted to the Joint Labor, Health and Social Services Interim Committee in October. This study focuses on the following services:

- Inpatient Hospital
- Outpatient Hospital
- Ambulance



Unreimbursed Catastrophic and Trauma Care Study Tasks

1. Estimate the cost of inpatient and outpatient hospital unreimbursed catastrophic and trauma care.

2. Identify the differences in existing local financing support across the state for hospitals and other local health care providers.

3. Assess the estimated costs for unreimbursed catastrophic and trauma care potentially shifted to private pay and private insurance companies.

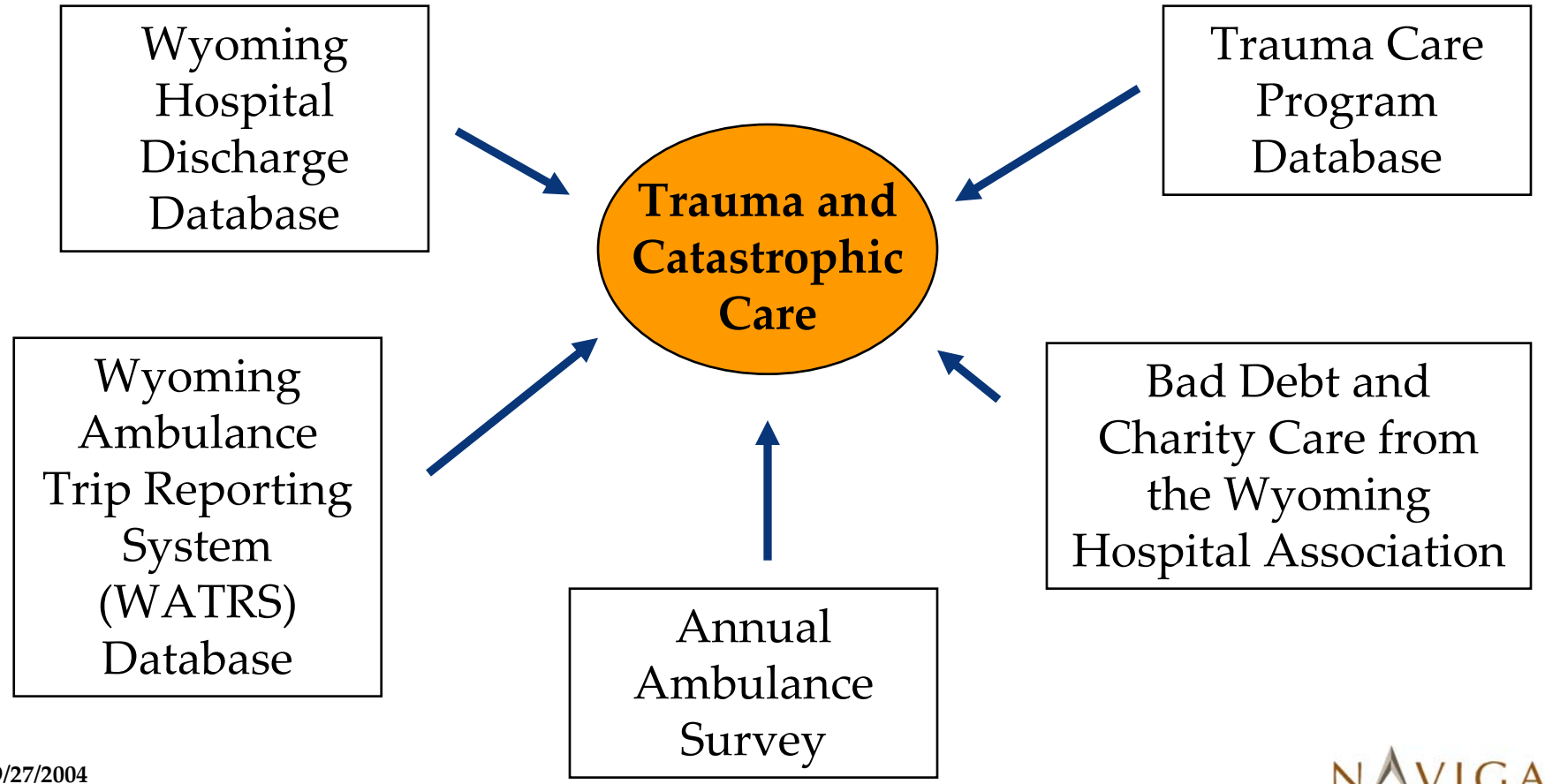
Unreimbursed Catastrophic and Trauma Care Study Tasks

4 Discuss how lack of reimbursement for catastrophic and trauma care may affect access to services.

5 Develop alternatives to reimburse hospitals and other health care providers for unreimbursed catastrophic and trauma care costs.

Status of Study

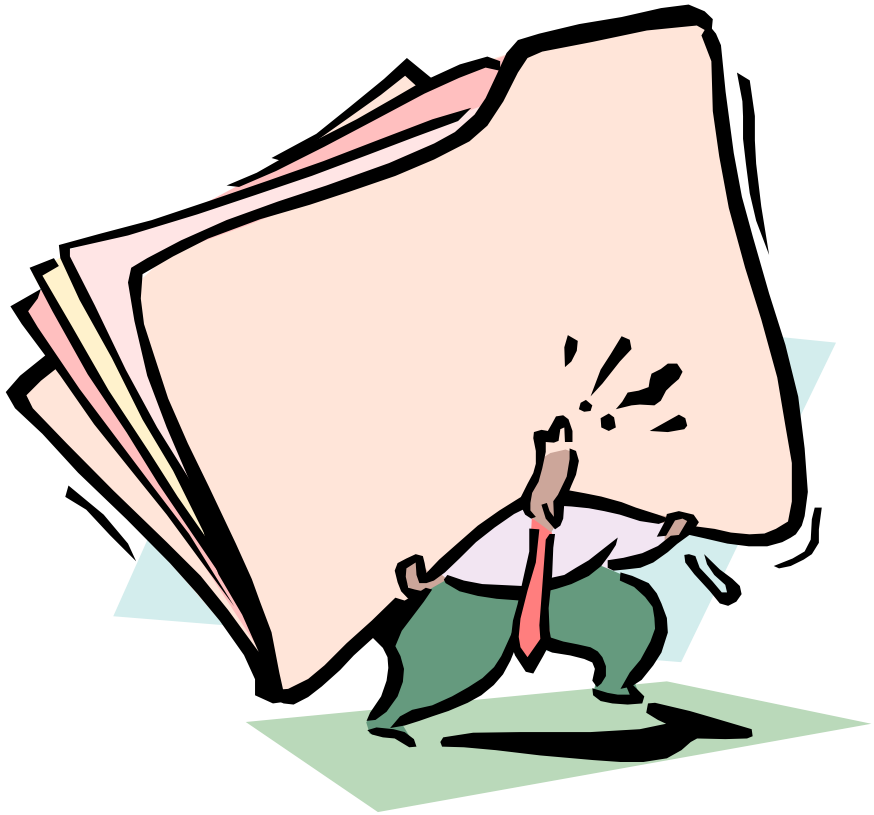
NCI is currently analyzing data from various Wyoming-specific databases that contain information on unreimbursed trauma and catastrophic care services, as follows:



Status of Study, cont'd

NCI is also:

- Researching local health care funding sources
- Researching other states' trauma and catastrophic care reimbursement policies (through internet research and phone interviews)
- Conducting a provider survey to collect payment data for high-cost trauma and catastrophic care.



Approach to Identifying Trauma Care Services

To analyze trauma care services, NCI is:

1. Adopting the Wyoming Trauma Program's definition of trauma care.

2. Using descriptive data regarding recipients of trauma care from the Wyoming Trauma Care Program's database.

3. Supplementing the Wyoming Trauma Care Program's data with information from the Wyoming Hospital Discharge database and a hospital survey.

Using the Wyoming Hospital Discharge Database to Identify Trauma Care

The Wyoming Hospital Discharge database, provided to NCI by the Wyoming Hospital Association, contains detailed information on inpatient hospital services statewide, including:

- Charges and estimated costs for fully adjudicated claims
- ICD-9 diagnosis codes by discharge



The Wyoming Hospital Discharge database does not contain payments; this information must be gathered directly from hospitals.

Using the Wyoming Hospital Discharge Database to Identify Trauma Care

NCI has used the Trauma Care Program's definition of trauma to identify trauma care services, specifically we:

1. Identified those discharges with at least one injury ICD-9 diagnosis code included in the Wyoming Trauma Care Program's definition of trauma care
2. Excluded any discharges for patients over 55 years old with diagnosis codes for both a fall and a broken hip

While the Wyoming Trauma Program Policy Manual lists additional program inclusion and exclusion criteria (i.e., motor vehicle crash), the Wyoming Hospital Discharge database does not contain the data necessary to make these additional determinations.

Trauma Care Discharges

Trauma care discharges represent approximately nine percent of total discharges and 12 to 14 percent of total charges and costs.

State Fiscal Year		Total	Trauma Care	Percent of Total
2002	Discharges	45,810	4,456	10
	Charges	$461,895,969	$62,390,946	14
	Costs	$262,674,657	$35,779,864	14
2003	Discharges	47,565	4,341	9
	Charges	$512,884,935	$63,799,246	12
	Costs	$274,701,735	$33,738,291	12

Source: Wyoming Hospital Discharge Database as obtained from the Wyoming Hospital Association

Trauma Care Discharges

- Wyoming residents account for 95 percent of all inpatient discharges and 88 percent of trauma care inpatient discharges.
- The cost per discharge for trauma care was over 35 percent higher than the average cost per discharge for all services.

State Fiscal Year	Cost Per Discharge: All Services	Cost Per Discharge: Trauma Care Services
2002	$5,734	$8,030
2003	$5,775	$7,772

Source: Wyoming Hospital Discharge Database as obtained from the Wyoming Hospital Association

- Hospital costs vary substantially; the average cost per discharge for all services ranges from $1,576 to $7,415.

Identifying Unreimbursed Catastrophic and Trauma Care

NCI must analyze hospital payments to determine the unreimbursed portion of trauma care and catastrophic (high-cost) care.

Payments < **Costs** = **Unreimbursed Trauma or Catastrophic Care**

- The Trauma Care Program database does not provide payment data that we can use in our analysis of trauma and catastrophic care discharges.

- As it is too administratively burdensome to request payment data from hospitals for all discharges, NCI worked with the Wyoming Subcommittee on Uncompensated Catastrophic and Trauma Care and the Wyoming Hospital Association to develop a hospital survey to collect payment data for specific high-cost discharges and related outpatient hospital services.

Identifying Unreimbursed Catastrophic and Trauma Care

The hospital survey requested information about high-cost discharges, i.e., those above each hospital's average cost per discharge plus three standard deviations.

State Fiscal Year	Total Costs	Total Discharges	Discharges Above Hospital-Specific Threshold			
			Discharges	% of Total Discharges	% of Total Costs	% of Total Trauma Care
2002	$262,674,657	45,810	743			
2003	$274,701,735	47,565	800	2	12	4

Next Steps

- Obtain feedback from the Subcommittee on Uncompensated Catastrophic and Trauma Care regarding preliminary options (presented on September 27, 2004)
- Continue analysis of payment data received from hospital survey, and estimate costs for additional charges submitted by hospitals
- Complete research on other states' policies to reimburse trauma and catastrophic care
- Complete research on local healthcare funding sources
- Explore administrative burden and structure of potential options
- Obtain stakeholder input
- Develop recommendations for the Wyoming Healthcare Commission and the Joint Labor, Health and Social Services Interim Committee's consideration

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