

Wisconsin Medicaid HMO Comparison Report: 1996

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Executive Summary

Wisconsin Medicaid employs multiple methods in monitoring and reporting on care provided to Medicaid recipients in both Medicaid-contracted health maintenance organizations (HMOs) and the fee-for-service delivery area. This report, which is produced annually, is one method. It compares 1996 AFDC/Healthy Start self-reported data submitted by individual HMOs and fee-for-service data, obtained from claims submitted by fee-for-service providers to and paid by Medicaid's fiscal agent. While the data are essentially utilization data and/or frequencies of health care occurrences, reasonable conclusions can be drawn from the data relative to the quality of care provided or not provided in individual HMOs and fee-for-service. The data are specifically derived from 11 HMOs in five counties (Dane, Eau Claire, Kenosha, Milwaukee, and Waukesha) and from aggregated data from fee-for-service providers throughout Wisconsin.

The first section of this report is designed to provide concise, readable information for recipients, providers, purchasers of health care services, and health care agencies. It covers the significant areas of access, childhood preventive health care, women's health care, hospitalizations, behavioral health care, and dental care. The second section consists of data tables pertinent to the material presented in the first section.

Some key findings include:

Population features: The Wisconsin Medicaid overall population remains predominately young and female. Over 70 percent of the state's AFDC/Healthy Start Medicaid population is below age 20, and over 80 percent of the adult AFDC/Healthy Start population 21-64 years of age is female.

Wisconsin Medicaid program costs: The AFDC/Healthy Start population represents approximately 60 percent of Wisconsin Medicaid recipients, but accounts for only approximately one-quarter of the state's Medicaid expenditures.

Access to care: Medicaid HMO enrollees had higher rates of visits to primary care providers than fee-for-service providers (.51 visits vs. .67 visits) and lower rates of emergency visits (2.51 visits vs. 0.78 visits).

Children's health care: HMOs achieved an average childhood MMR immunization rate of 66.5 percent, while in fee-for-service the rate was 61.0 percent. On average, children (ages 0 – 5) received more well-child examinations (HealthChecks) per eligible-year in HMOs compared with in fee-for-service (1.4 exams vs. 0.9 exams).

Women's health care: HMO enrollees had an average Caesarean section rate of 13.5/100 deliveries, compared with 17.3/100 deliveries in fee-for service (the national C-section average in 1994 was 21.1 percent). Pap testing was performed at a slightly higher rate for all age groups for fee-for-service enrollees compared to HMO enrollees.

Mental health care: The hospital discharge rate was greater in fee-for-service than in HMOs for both mental health and substance abuse. Medicaid HMOs provided mental health services to an average of 2.7 percent of members ages 15 – 20, compared with 6.0 percent of members ages 21+ in HMOs.

Dental care: In 1996, HMOs provided, on average, 0.56 dental visits per eligible-year compared with 1.11 dental visits per eligible year in fee-for-service. However, the percent of HMO enrollees receiving a dental visit has increased from 18.6 percent receiving dental services in 1993 to 27.8 percent in 1996.

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Introduction

The *Wisconsin Medicaid HMO Comparison Report: 1996* is an annual report published by Wisconsin Medicaid. Previously, it was entitled *The Wisconsin Medicaid HMO/Fee-for-Service Comparison Report*. This report is one of several ways Wisconsin Medicaid monitors and reports on care provided to Aid to Families with Dependent Children (AFDC)/Healthy Start recipients enrolled in HMOs.

This report also continues the evolution from one of utilization to a report on quality. Only those utilization indicators previously used that relate to quality are included this year. Also, the results of other Medicaid quality improvement (QI) activities (described in pages 12-13) are incorporated as appropriate. Finally, when possible, standards for quality, such as federal child preventive care requirements, are used as comparisons.

Wisconsin Medicaid AFDC/Healthy Start-specific data utilized in findings, graphs, and tables are compiled from three principle sources. HMO utilization data are generated and reported by individual Wisconsin Medicaid-contracted HMOs. Fee-for-service utilization data are derived from Medicaid-paid claims data. Eligibility data, both for the fee-for-service and HMO program, are derived from Wisconsin Medicaid's fiscal agent.

Data compiled by other sources, such as the U.S. Department of Health and Human Services' *Healthy People 2000* document and the *Wisconsin Department of Health and Family Services (DHFS) Family Health Survey* are utilized when such information helps in the analysis of the Medicaid utilization data.

The data in this document, like most health care statistical reporting, must be interpreted with recognition of variables that may influence the data. For example, differences between individual Medicaid HMOs may represent different levels of HMO performance or they may represent demographic and other differences between the recipients served by the HMOs. Comments regarding those variables and their importance are noted in the report as appropriate.

Complete data are not reported for some Wisconsin Medicaid-contracted HMOs in some counties because statewide Wisconsin Medicaid HMO expansion was not complete in 1996. Consequently, this report presents data for Dane, Eau Claire, Kenosha, Milwaukee, and Waukesha Counties. The latter three counties are served by the same HMOs and often analyzed together and labeled "Southeast counties."

Wisconsin Medicaid

What is Medicaid?

Medicaid is a joint federal/state program established in 1965 under Title XIX of the Social Security Act to pay for medical services for the poor and disabled. It is governed under a complex set of federal and state laws and rules, and administered jointly by the federal and state governments. In Wisconsin, Medicaid is administered by the Bureau of Health Care Financing (BHCF) in the Department of Health and Family Services (DHFS).

Who is Eligible for Medicaid?

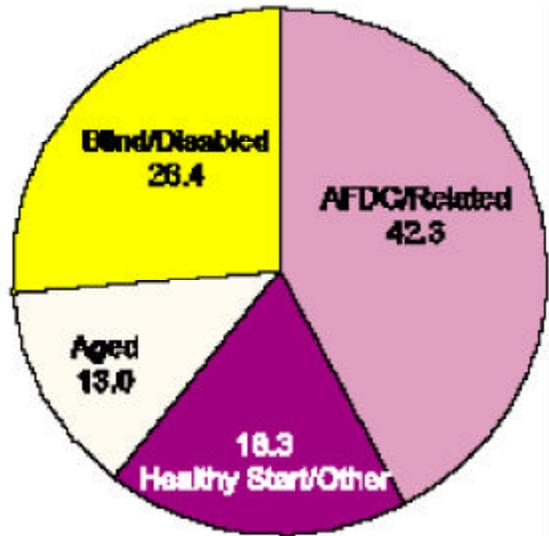
In state fiscal year 1997, over 576,000 Wisconsin residents were eligible for Medicaid for at least some time during the year. The average monthly caseload was 448,307. Wisconsin Medicaid covers a broader range of benefits than any other public or private insurer in Wisconsin.

Four major groups receive medical services through Wisconsin Medicaid. They are the Aged, the Blind/Disabled, the Healthy Start population, and AFDC recipients.¹ Well over half (60.6 percent) of Medicaid recipients are eligible through AFDC or Healthy Start (Graph 2.1). However, about three-quarters (76 percent) of the state's Medicaid costs are attributable to the aged and blind/disabled (Graph 2.2).

The AFDC/Healthy Start Medicaid recipient group, in general, is composed of pregnant women, children, and families with children who meet varying low income criteria. The average AFDC/Healthy Start Medicaid recipient received Medicaid benefits for only six to eight months out of the year in 1996.

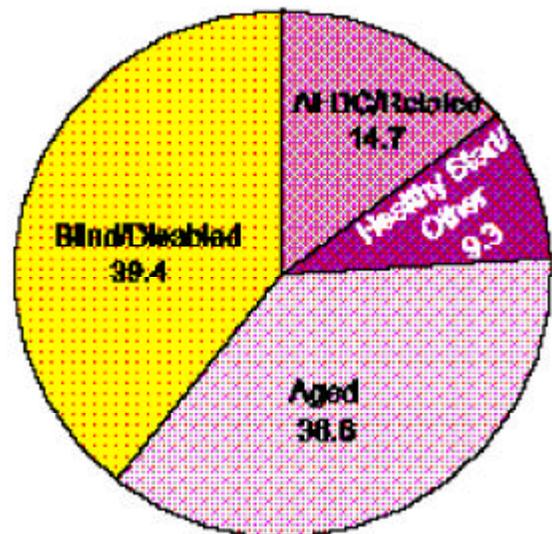
Graph 2.1

Wisconsin Medicaid recipients in state fiscal year 1997 by major eligibility category



Graph 2.2

Total Medicaid expenditures in state fiscal year 1997 by major eligibility category



It is noteworthy that the composition of this group differs significantly from both the State and U.S. general population in several characteristics other than income.

- In 1996, only 7.3 percent of the U.S. population was under age 5,² while one-third of AFDC/Healthy Start Medicaid recipients were under age 6.
- In Wisconsin, less than one-third of the population is below age 20,³ but over 70 percent of the state's AFDC/Healthy Start Medicaid population is below age 20.
- Among adults 21 to 64 years of age, over 80 percent of the AFDC/Healthy Start population is female, while that proportion is closer to 50 percent in the population at large.
- Over two-thirds of Wisconsin's AFDC/Healthy Start Medicaid recipients in the 15 through 20 age group are females. Among adult female AFDC recipients, less than 0.5 percent are over 50.

A sizable portion of Wisconsin Medicaid AFDC/Healthy Start recipients reside in larger urban areas. Milwaukee County alone accounts for 43.3 percent of all AFDC/Healthy Start recipients statewide (see Graph 2.3).

Who Pays for Medicaid?

Both federal and state tax dollars support Medicaid. For the state fiscal year 1997 (1996-1997), Medicaid expenditures were \$2.45 billion. Of that amount, \$866 million was contributed by the state and nearly \$1.58 billion by the federal government.

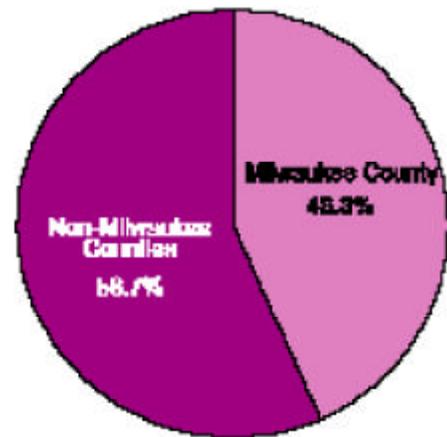
Medicaid is the second largest program in the state's budget, representing almost 11 percent of the total. Increased Medicaid costs are

primarily attributable to expanded eligibility and rising health care costs. Wisconsin's rate of increase in Medicaid spending since 1987 has been lower than the nation as a whole (see Graph 2.4 for the years 1992-96).

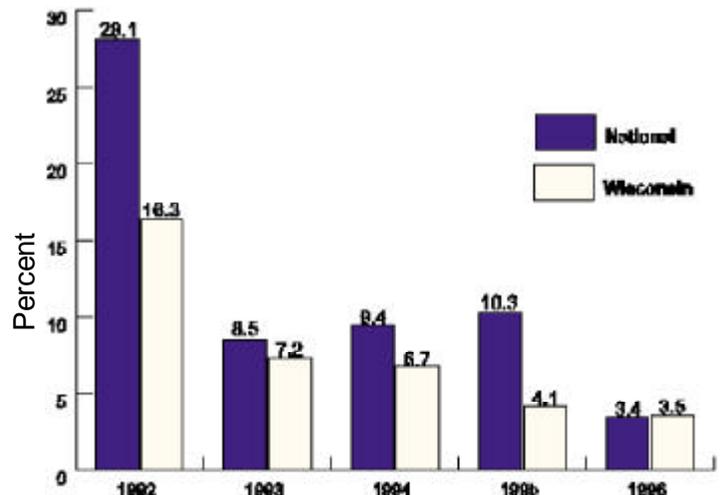
Medicaid Managed Care

In the early 1980s, soaring Medicaid budgets, concerns about access, quality and continuity of care, a recognition of

Graph 2.3
Wisconsin Medicaid AFDC/Healthy Start recipients in Milwaukee County versus non-Milwaukee counties, 1996



Graph 2.4
Medicaid expenditure growth, National versus Wisconsin, 1992-1996*



* State data are for state fiscal years; national data are for federal fiscal years.

inappropriate and cost-inefficient utilization patterns, and poor utilization of preventive services spurred a search for alternatives to the traditional fee-for-service Medicaid delivery system. In an effort to address these problems, Wisconsin was one of the first states to initiate managed care for the AFDC/Healthy Start Medicaid population. Since Wisconsin first received a federal waiver to pursue the managed care alternative, many states have followed.

Previous HMO/fee-for-service comparison data documented Medicaid HMO utilization rates that compared favorably to the utilization rates under fee-for-service. Partly for this reason, the Medicaid HMO program was expanded in 1996 and 1997 beyond the existing five counties. Expansion for the AFDC/Healthy Start population into additional counties occurred systematically in three phases starting in the eastern Wisconsin counties. By the end of 1996, 149,088 recipients participated through 19 HMOs in 39 counties.

More than 80 percent of Medicaid HMO enrollees reside in Milwaukee County (see Graph 2.5).

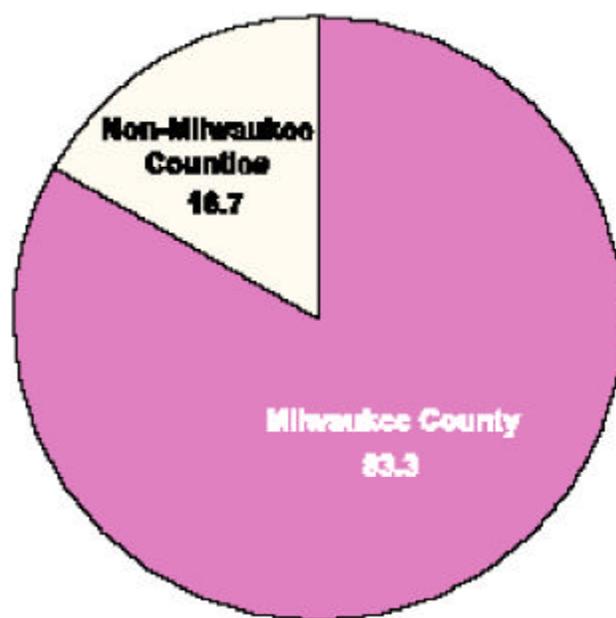
This report only presents data for those HMOs and counties with a full year's enrollment in 1996. Table 2.1 lists those HMOs which are the subject of this report and the average number of enrollee months per recipient. This average is important because it affects an HMO's ability to influence an enrollee's health outcome. In general, Medicaid recipients are enrolled in

HMOs for shorter periods of time than are commercial subscribers, partly because Medicaid enrollment is dependent on individuals meeting or not meeting eligibility requirements. Graph 2.6 (see page 13), which presents the percent of enrollment per month, shows that only 37 percent of Medicaid enrollees across all HMOs were enrolled for the full 12 months in 1996.

Other Wisconsin Medicaid Managed Care Programs

Medicaid managed care program for AFDC/Healthy Start recipients is not the only Wisconsin Medicaid managed care program. Wisconsin has initiated several smaller managed care

Graph 2.5
Percent of total Medicaid HMO enrollees: Milwaukee County versus non-Milwaukee counties, 1996



Wisconsin Medicaid

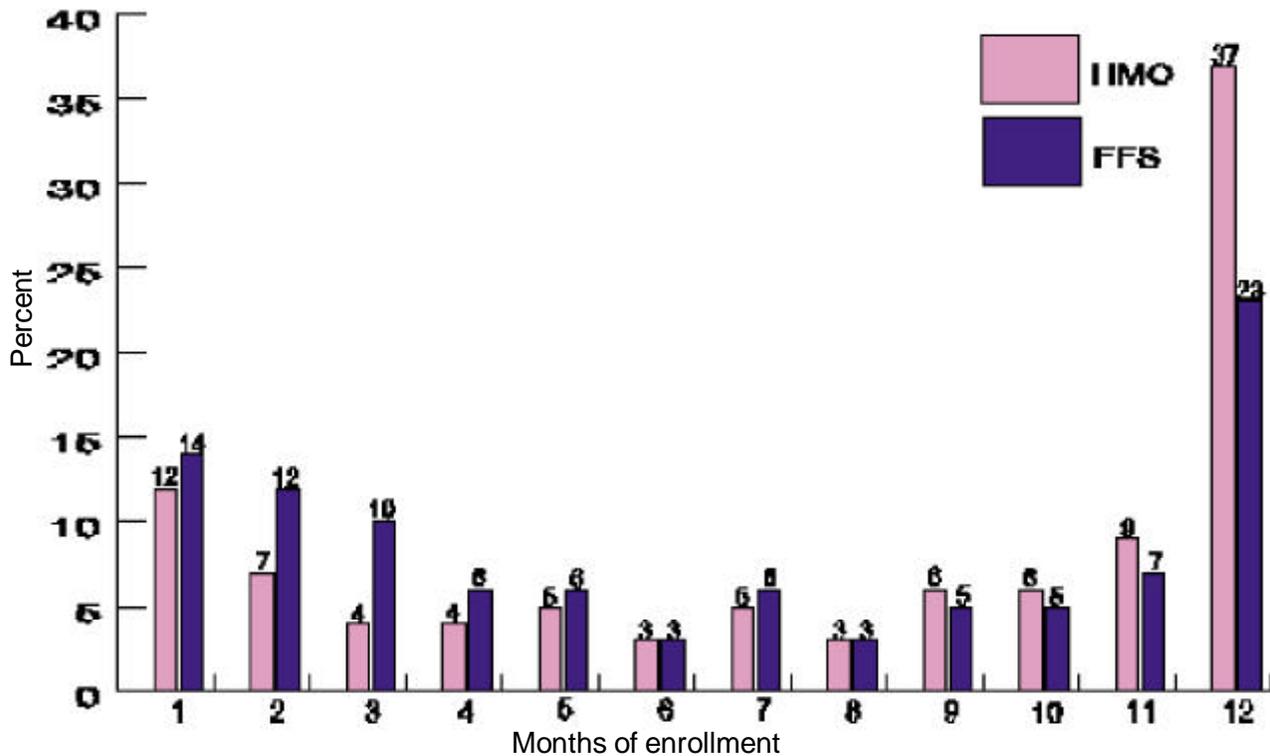
HMO COMPARISON REPORT: 1996

Table 2.1
*Number of recipients enrolled in participating Medicaid HMOs and
duration of enrollment: January 1-December 31, 1996*

HMO	County	Average Monthly Number of Eligibles	Average Number of Enrollee Months per Recipient in 1996
Compcare	Kenosha	790	7.50
	Milwaukee	18,739	7.53
	Waukesha	<u>684</u>	<u>6.69</u>
	Total	20,213	7.49
Family Health Plan	Milwaukee	1,458	7.45
	Waukesha	<u>191</u>	<u>6.60</u>
	Total	1,649	7.27
GHC - Dane	Dane	2,583	7.20
GHC - Eau Claire	Eau Claire	2,904	8.23
Genesis Health Plan	Kenosha	4,214	7.83
	Milwaukee	<u>4,624</u>	<u>6.28</u>
	Total	8,838	6.98
Humana	Kenosha	1,055	7.51
	Milwaukee	22,078	8.79
	Waukesha	<u>420</u>	<u>6.24</u>
	Total	23,553	8.65
Managed Health Services	Kenosha	393	7.62
	Milwaukee	8,810	8.42
	Waukesha	<u>429</u>	<u>6.88</u>
	Total	9,632	8.27
Maxicare	Kenosha	278	7.21
	Milwaukee	10,164	9.00
	Waukesha	<u>371</u>	<u>6.78</u>
	Total	10,813	8.83
Primecare	Milwaukee	40,721	9.24
	Waukesha	<u>1,119</u>	<u>6.78</u>
	Total	41,840	9.16
Unity Health Plan	Dane	4,569	7.50
Valley Health Plan	Eau Claire	1,312	6.69
Grand Total		127,906	8.37

Graph 2.6

Enrollment of AFDC/Healthy Start Medicaid enrollees expressed in months in HMOs and fee-for-service, 1996



programs designed to improve care coordination, quality, and cost-efficiency for specific populations: the disabled, elderly, severely emotionally disturbed children, and persons with high cost or chronic diseases.

Endnotes

- 1 The AFDC population is comprised of families with dependent children under the age of 19 who meet certain income and asset limit levels. In 1996, the Healthy Start population included all children under the age of 6 and pregnant women who resided in a family with a household income of 186 percent or less of the poverty level. For example, in 1996, the poverty level for pregnant women and infants in a family of three was \$12,590; 185 percent of this level is \$23,291.
- 2 Official population estimates of the U.S. for July 1, 1996. U.S. Census Bureau.
- 3 Vital Statistics Wisconsin. 1994.