

*Admissions Across State Lines: Healthcare
Accessibility, Fiscal, and Legislative
Concerns Facing the ABA*

Michael Peck

*North Carolina Jaycee Burn Center
Chapel Hill, NC*

Definition of the Problem

- Burn care is regional
- Burn centers require fiscal health to secure the future of injury treatment and disaster preparedness in the US
- Burn centers are variably reimbursed for the care they provide
- *Perhaps the most variably reimbursed category is that of patients transferred across state lines for their care*

Review of UNC Cross-State Data

- Retrospective review of patients admitted to NC Jaycee Burn Center Feb, 2001, thru Nov, 2006
- 125 patients with 1 944 hospital days
 - 66 from VA
 - 38 from SC
 - 10 from other states in Southern Region
 - 10 from Northern states

What is the Magnitude of the Problem?

- UNC Hospitals one of three verified burn centers in the Southern Region
 - One other burn center in NC
 - One burn center in VA; two burn units
 - None in SC
- Two billing offices for UNC patients
 - UNC Physicians and Associates
 - UNC Hospitals

What was the Bottom Line?

- 36% of physician practice charges were reimbursed
 - 52% of hospital charges were reimbursed
 - 104% of hospital costs recovered
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- *What were the differences amongst payor groups?*

Charge Reimbursement & Cost Recovery

| | <u>Charge Reimbursement</u> | <u>Cost Recovery</u> |
|--------------------------|-----------------------------|----------------------|
| Medicare (n=20; 16%) | 82% | 149% |
| Medicaid (n=18; 14%) | 20% | 43% |
| Commercial (n=38; 30%) | 80% | 156% |
| Workers Comp (n=25; 20%) | 58% | 123% |
| Tricare (n=3; 2%) | 30% | 45% |
| Self-pay (n=21; 17%) | 0% | 0% |
| Total (N=125) | 52% | 104% |

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Summary from UNC Data

- Overall reimbursement rate is suboptimal—costs are barely recovered
- Medicare and Commercial reimbursement are fixed and/or satisfactory
- Self-pay a hopeless cause
 - Difficult to enroll patients in out-of-state 'Caid
- *What about WC, Tricare and Medicaid?*

Suggestions?

- Minimum national rate of WC reimbursement
 - 80%? 85%? 90%? Money is “easy” to obtain
 - Some states moving to ‘Caid rates
- Improve enrollment of out-of-state indigents
- Fix Tricare reimbursement to match costs
 - Presently tied to ‘Caid rates
 - Only pays interim (allowable) rate
 - Doesn’t include medical education, disproportionate share (for higher volume of indigent care), capital pass through, and bad debt allowance
 - NC ‘Caid matches costs at UNC—Tricare does not

Focus on Medicaid Reimbursement for Out-of-State Patients?

- At NC Jaycee BC, 14% of out-of-states patients have 'Caid
- These patients caused loss to the hospital of > \$600 000 in last 5-6 years
- *If Federal regulations mandated reimbursement of costs to regional burn centers, loss to the hospital from out-of-state 'Caid would be cut to nil*

**Admissions Across State Lines:
Harnessing the Insight of NBR
For the Healthcare Accessibility,
Fiscal, and Legislative
Concerns Facing the ABA**

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Browning MPH, Mary-Elizabeth Bilodeau MSN
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**Correlative Session XIII: Fiscal & Administrative
Manchester Ballroom GH
10:00 AM**

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