Challenges In Utah's Health Care

Utah Health Data Committee

Utah Department of Health

Salt Lake City, Utah

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Health Data Committee and Health Care Transparency

Overview and History of Health Data Committee

The Health Data Authority Act (§26-33a) was adopted in 1990 and established the Health Data Committee (HDC). The committee directs a statewide effort to collect, analyze, and distribute health care data to facilitate the promotion and *accessibility of quality and cost-effective health care* and to facilitate interaction among those with concern for health care issues.

The HDC oversees the Office of Health Care Statistics (OHCS) to implement 10 administrative rules and manage reported health data from 51 hospitals, 62 ambulatory surgical centers, 41 emergency departments, 5 commercial HMOs and 6 Medicaid or Children's Health Insurance Program-contracted health plans. HDC/OHCS has produced many publications, data products, and Web applications to meet the needs of health care providers, purchasers, payers, public programs, policymakers, consumers, patients and families in Utah since 1992.

Policy Perspective of Health Care Transparency

The President of the United States, through Executive Order, directs federal agencies to share with [health insurance] beneficiaries information about prices and quality of health care, to encourage adoption of health information technology (IT) standards, and to develop and identify approaches that facilitate high quality and efficient care.

Since 2005, the state of Utah has promulgated legislation to promote health care transparency. The 2005 Senate Bill 132 Health Care Consumer's Report and the 2007 House Bill 9 Health Care Cost and Quality Data mandate the Health Data Committee to provide information that enables health care consumers and purchasers to make informed choices among healthcare providers.

Partnership, data, public reporting, and targeted improvement become four key components in states' efforts for health care transparency. However, will these efforts make a difference for Utahns seeking health care in the state? In order to answer this question in the near future, the Health Data Committee has begun to set up some baseline measures for Utah's health care system. This report represents its first effort.

> "We really are at a very exciting point in health care. Several years from now we will look back and see that the health care system that we know today has changed in sort of a revolutionary fashion."
>
> *-Clark B. Hinckley, Chairman, Health Data Committee*
> *Summary at the HDC Biennial Retreat, July 11, 2006*

About This Report

Purpose: To Facilitate Policy Discussion

The Utah Health Data Authority Act requires the Health Data Committee (HDC) "to facilitate interaction among those with concern for health care issues" (Utah Code §26-33a-104). To better serve public discussion on health care policy in the state of Utah, the HDC developed the report *Challenges of Utah's Health Care: Quality, Access, and Cost.* A previous version of this report was included in the HDC's 2006 Biennial Report to Utah's Governor and legislature (http://health.utah.gov/hda/Reports/Biennial2006.pdf).

Targeted Audience: Policymakers

The target audience for this report encompasses policymakers and policy analysts in both public and private sectors in Utah. In this report, the HDC looks beyond its own data collected from hospitals, surgery centers, and health plans and provides a broad view of health care in most care settings.

Health Care Summary Indicators: Trend or Variation

This report includes 16 summary indicators highlighting selected health care issues in Utah. The summary indicators are organized into three sections: (1) quality and patient safety, (2) access, and (3) cost of health care. Each section begins with a table to highlight the trend or variation of each summary indicator in that section.

Focus: Improvement

Utah is one of the healthiest states in the nation. Health care professionals, systems, and organizations have developed statewide partnerships with public health to continuously improve quality, patient safety, access, and cost of health care in Utah. The committee celebrates Utah's successes in health care and also identifies areas needing improvement. Though the report pinpoints some challenges facing heath care in the state, it does not provide in-depth explanations on variations for each indicator. Due to limits on report length and available resources, the HDC was unable to provide a comprehensive review of health care in Utah. The HDC encourages and supports interested parties to further examine the challenges in Utah's health care.

Next Steps:

The information presented here is an initial set of indicators for the committee to review biennially. The HDC will continuously solicit public input and expert consultation to select and refine appropriate summary indicators for future biennial reviews. Eventually the selected summary indicators will be published online in the Utah Department of Health Indicator Based Information System for Public Health (IBIS-PH) at http://ibis.health.utah.gov/home/welcome.html. The IBIS-PH health care indicators will be linked to the Health Data Committee's Web site. Gradually, more indicators and/or summary information will be added to the online reporting system.

Trends and Challenges in Utah's Health Care (1)

Health care quality/safety, accessibility, and cost-effectiveness are interrelated. Better quality of health care often equates to safer and more cost-effective care. Residents who lack access to preventive and primary care during the early stages of life will use more acute and expensive care later.

Later in this report, we present quality/safety, access, and cost indicators in respective sections. Below and on the next page, indicators are combined and grouped into three trend directions.

Why is Utah's Health Care Moving in the Right Direction?

- **Utah has strong health care systems. Good and stable performance is observed in all areas of quality, patient safety, access, and cost .**

"stable performance"

Trend*	Area	Highlights
	Quality / Patient Safety	⇒ Overall health care quality ranked as "Strong" (p. 9) ⇒ Established baseline measures for hospital patient safety (p. 11)
	Access	⇒ Decline in uninsured ED visits for primary care sensitive conditions (PCSC) but increased % of visits for the general population, 2001 to 2005 (p. 17) ⇒ Stable hospitalization rates for ambulatory care sensitive conditions over past decade (p. 18)
	Cost	⇒ Decline in proportion of personal health care expenditures for hospitals and nursing homes and increased proportion of expenditures for home health care, 1980 to 2004 (p. 21) ⇒ Slower increase in median charge for hospitalizations over 2004 but similar to the national trend (p. 23) ⇒ Stable utilization rates of hospitals, emergency departments and outpatient surgery centers, 1999 to 2005 (p. 24)

Trends and Challenges in Utah's Health Care (2)

What Are Recent Improvements in Utah's Health Care?

- **Utahns always strive to improve their health care. Noticeable improvements are reported below:** **"improvement made"**

Trend*	Area	Highlights
	Quality / Patient Safety	⇒ Public reporting on quality and safety has increased "best practices" and reduced performance variations among hospitals (p. 12)
	Cost	⇒ Utahns improved their effective use of 24 types of generic drugs, 2003 to 2005 (p. 25)

What Are Key Challenges in Utah's Health Care?

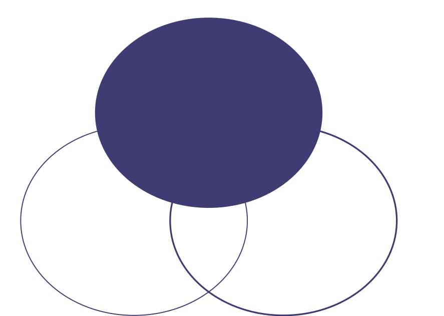
⇒ **Two key areas for intervention by Utah policymakers are 1) promoting the use of preventive services and 2) increasing health insurance coverage.**

"improvement needed"

Trend*	Area	Highlights
	Quality	⇒ Core preventive care measures below national benchmarks (p. 13) ⇒ Significant quality variations exist among types of care and care settings (p. 10)
	Access	⇒ Uninsured population increased from 10.2% in 2004 to 11.6% in 2005 (p. 15) ⇒ Increased rates of uninsured hospital patients admitted through the emergency department, 1997 to 2004 (p. 16) ⇒ Decline in patient satisfaction of "getting needed care" for children with chronic conditions, 2004 vs. 2006 (p. 19)
	Cost	⇒ Utah's growth rates in health care expenditures higher than the national average, 1980 to 2004 (p. 22) ⇒ Total facility charges for all inpatient care, outpatient surgeries and ED visits have increased two-fold since 1997 (p. 26)

1. Highlights of Quality and Patient Safety

1. Quality and Patient Safety



Trend	Highlights	Page
⇨	Utah's **overall health care quality** was ranked as "Strong" in the 2006 National Healthcare Quality Report.	9
⇩	Significant quality variations existed among types of care and care settings. Utah's **nursing home care quality** was weaker than hospital or home health care.	10
⇨	Baseline measures of hospital **patient safety** are established.	11
⇧	**Public reporting** on quality and safety can reduce performance variations among hospitals.	12
⇩	Utah faces huge challenges in **promotion of preventive care**.	13

What the arrows mean:

⇧ **"improvement made"**

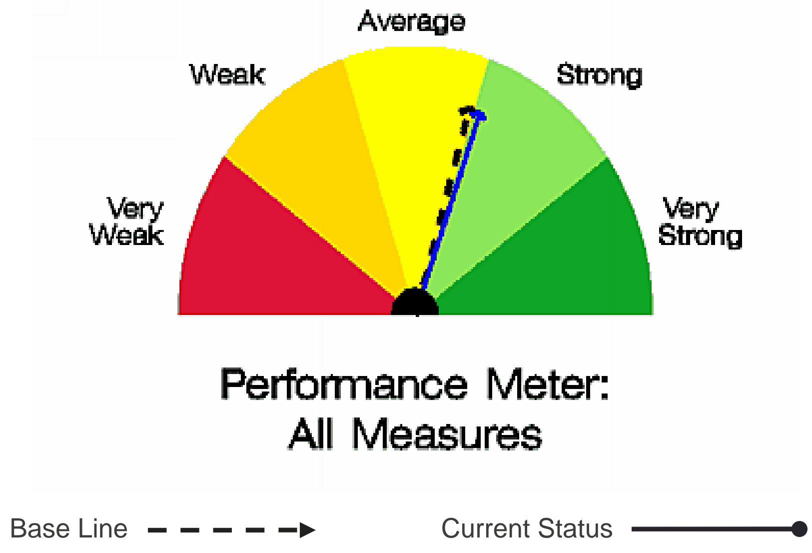
⇨ **"stable performance"**

⇩ **"improvement needed"**

Overall Quality Rating

Utah's Overall Health Care Quality Performance Compared to All States: 2006

The federal Agency for Healthcare Quality and Research (AHRQ) has published the National Healthcare Quality Report (NHQR) annually since 2003. The 2006 NHQR includes 211 performance measures that can be used to monitor the nation's progress toward improved health care quality for all Americans. These measures were collected and reported by different national organizations and federal agencies such as the National Committee for Quality and Accreditation (NCQA), Centers for Diseases Control and Prevention (CDC), and Centers for Medicare & Medicaid Services (CMS). The NHQR provides a relatively comprehensive picture of health care quality for a state in comparison with other states and the nation as a whole.



Base Line
Current Status

The 2006 National Healthcare Quality Report ranked Utah's performance in health care quality as "Strong" on the NHQR State Snapshots Web site. A total of eight states won the "Strong" rating: Maine, Minnesota, Nebraska, New Hampshire, Rhode Island, South Dakota, Utah, and Wisconsin. Utah was the only "strong" state among Rocky Mountain and west-coast states. No states are in the category of "Very Strong."

Although Utah's health care quality was rated as "Strong" in 2006, its rating nearly borders on "Average." Policymakers may find the following report pages to be helpful in identifying appropriate strategies that will move Utah's health quality into the "Very Strong" status.

Source: *State Snapshots* from the 2006 National Healthcare Quality and Reports. March 2007. Agency for Healthcare Research and Quality, Rockville, MD; http://statesnapshots.ahrq.gov/2006.

Quality Variation by Care Type and Setting

TYPE SETTING

Type / Setting	Rating	
Preventive Care	★★	On average
Acute Care	★★	On average
Chronic Care	★★★	Strong/ above average
Hospital Care	★★★	Strong/ above average
Nursing Home Care	★★	On average
Home Health Care	★★★★	Very strong/ above average

The National Healthcare Quality Report provides composite quality indicators for different types of care and care settings in each state. Quality of care in Utah varies among types of care or care settings.

In the 2006 NHQR report, Utah's chronic care quality was ranked Strong and Above Average. The quality of preventive care and acute care was about average in the nation, though two measures received a ranking of "Strong" for Utah: diabetes and respiratory diseases. Other preventive and acute care measures include effectiveness of care for cancer, end-stage renal disease, heart disease, HIV/AIDS, and maternal and child health indicators.

Utah's hospital care and home health care were both rated as Strong and above the national average. Eight states, including Utah, were rating Very Strong in Home Health Care: CA, IL, MI, NJ, NM, PA and WA. Overall quality for Utah's nursing home care was rated as Average, which improved from "Below Average" in 2005. Among the total of 15 quality measures on nursing home care, Utah nursing home residents experienced substandard care in 5 areas, including: patients physically restrained, depressed or anxious; had a urinary catheter inserted and left in their bladder; as well as chronic and post-acute patients with moderate to severe pain. Utah's nursing homes performed better than the national average in 2 areas. These areas were nursing home residents with pressure sores in high-risk cases and residents who lose too much weight.

Sources: For the 2006 NHQR report go to http://www.ahrq.gov/qual/nhqr06/nhqr06.htm. For nursing home measures go to http://www.ahrq.gov/qual/nhqr06/index.html#NursingHome. Accessed in March 2007.

Hospital Patient Safety Compared to the Nation

Patient safety is a very important part of health care quality improvement. The federal Agency for Healthcare Research and Quality (AHRQ) developed a set of Patient Safety Indicators (PSI) based on hospital inpatient discharge data. Utah hospitals performed above or at the expected level for 12 out of the 16 comparable hospital level PSIs from 2003 to 2005. The table below summarizes Utah's patient safety performance in comparison with states that had similar patient populations.

Performance Summary of AHRQ Patient Safety Indicators in Utah: 2003-2005

Compared to States with Similar Patient Population	Number of Indicators	Indicator Label
★★★ Better than expected	7	Decubitus Ulcer; Failure to Rescue; Selected Infections Due to Medical Care; Postoperative Physiologic & Metabolic Derangement; Obstetric Injuries, 3rd or 4th DeDegree Lacerations - Vaginal Delivery With Instrument; Obstetric Injuries, 3rd or 4th Degree Lacerations - Vaginal Delivery Without Instrument; Birth Injuries to Newborn
★★ Same as expected	5	Postoperative Hip Fracture Rate; Postoperative Hemorrhage or Hematoma;Postoperative Respiratory Failure; Postoperative Sepsis; Postoperative Wound Dehiscence
★ Worse than expected	4	Accidental Puncture or Laceration; Complications of Anesthesia; Postoperative Pulmonary Embolism or Deep Vein Thrombosis; Iatrogenic Pneumothorax
Not Applicable (Too few cases)	4	Obstetric Injuries, 3rd or 4th Degree Lacerations Cesarean Delivery; Foreign Body Left During Procedure; Death in Low DRGs ; Transfusion Reaction

Utah had worse than expected rates in 4 patient safety indicators. Annually, 231 out of every 100,000 hospitalized patients experienced “accidental puncture or laceration.” Approximately 333 per 100,000 inpatients had “postoperative pulmonary embolism or deep vein thrombosis.” 21 cases of “iatrogenic pneumothorax” and 36 cases of “complications of anesthesia” among every 100,000 hospital admissions occurred.

Utah has been one of the pioneer states in patient safety improvement. Since 2001, the Utah Department of Health has partnered with the Utah Hospital Association, *HealthInsight,* consumer groups and hospitals to detect and analyze the patient safety events. For more information on the Utah Patient Safety Initiative, please go to http://health.utah.gov/psi/.

Source: Office of Health Care Statistics internal analysis using the AHRQ's Patient Safety Indicator Software.

Public Reporting Can Reduce Performance Variations

Senate Bill 132 Health Care Consumer's Report requires the Health Data Committee to publish annual reports that compare health care facilities in charges, quality, and patient safety. The committee has spent considerable resources to carry out this new mandate and released a total of five topical consumer reports in 2005 and 2006.

Will the consumer reports impact hospitals' performance? Will public reporting impact the quality of health care in Utah? The 2004 and 2005 Hospital Comparison for Maternity and Newborn reports contain the only available data that can provide initial observations to begin to answer these questions.

In consumer reports

= Hospital performed better than expected than their peer hospitals in the nation that treated similar patients.

Numbers of Three-Star Hospitals
In the Consumer Reports on Obstetric Safety: 2004 - 2005

Patient Safety Indicator	2004	2005
Obstetric Injuries, 3rd or 4th Degree Lacerations – Vaginal Delivery With Instrument	**4** hospitals	**6** hospitals
Obstetric Injuries, 3rd or 4th Degree Lacerations – Vaginal Delivery Without Instrument	**13** hospitals	**19** hospitals

The above table shows that four Utah hospitals in 2004 and six hospitals in 2005 had lower [better] rates of 3rd and 4th degree lacerations (obstetric injury) during instrument-assisted vaginal deliveries than comparable rates of peer hospitals in the nation. For the vaginal deliveries without instrument assistance, 13 hospitals in 2004 and 19 in 2005 had lower [better] obstetric injury rates than their peer hospitals in the nation.

The improvement during 2004 and 2005 demonstrated that many hospitals took action in one or more of the following: 1) examining accuracy and quality of data, 2) standardizing medical coding practices, and/or, of most importance, 3) improving quality-assurance procedures and processes for women's reproductive health services in the state of Utah.

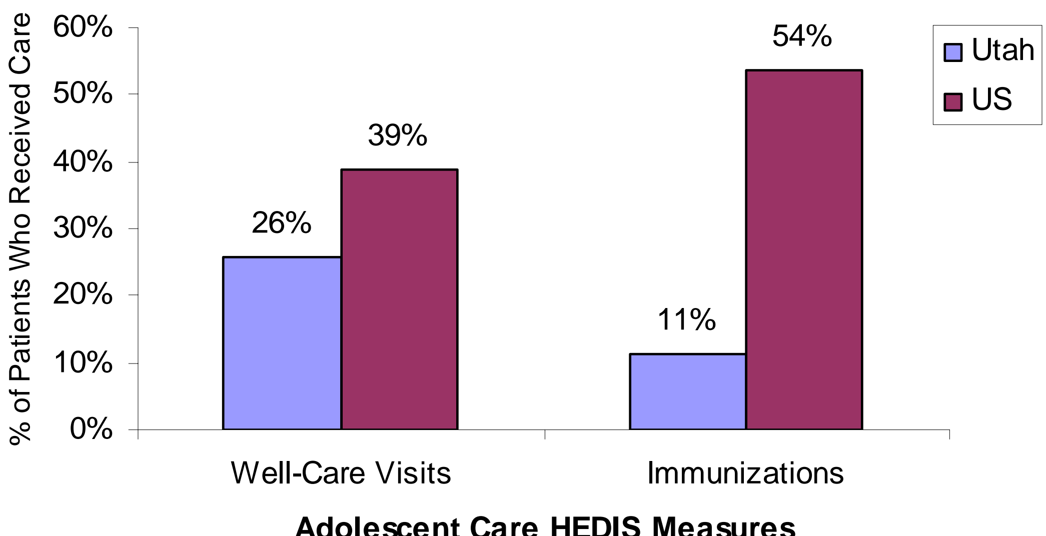
Source: http://health.utah.gov/myhealthcare/reports/maternity2006/index.html#safety and internal analysis of the Utah Office of Health Care Statistics.

Challenges in Promotion of Preventive Care

Important components of preventive care include immunizations, health screenings, and well-care visits. Several quality measures for preventive care in Utah are lower than national standards. The following graph and table compare Utah's commercial HMO performance to national benchmarks using selected preventive measures.

According to the 2006 performance report for Utah commercial HMOs, Medicaid and CHIP health plans, quality performance measures of commercial HMOs in Utah were:

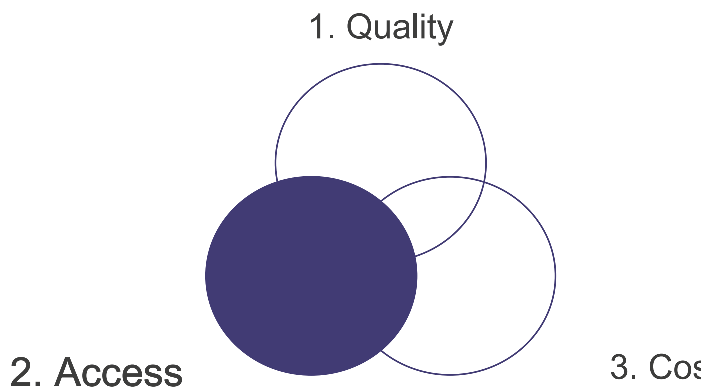
- below national averages on well-child and primary care visits for children,
- well below national averages on adolescent well-care and immunization, and
- below national averages on screenings for cervical cancer, breast cancer, colorectal cancer, and chlamydia.



Recommended Preventive Care	Received Care	
	Utah	U.S.
Cervical Cancer Screening	75%	82%
Breast Cancer Screening	64%	72%
Colorectal Cancer Screening	47%	52%
Chlamydia Screening in Women	20%	35%

Source: http://health.utah.gov/hda/consumer_publications/HmoPerformance2006.pdf

2. Highlights of Accessibility of Health Care



Trend	Highlights	Page
↓	Utah's **rate of uninsured population** increased from 10.2% in 2004 to 11.6% in 2005.	15
↓	Utah experienced rapidly increasing rates of **uninsured hospital patients** who were admitted through the emergency department from 1997 to 2005.	16
→	Numbers of **ED visits for primary care sensitive conditions** (PCSC) for **uninsured** Utahns declined from 32,381 in 2001 to 21,693 in 2005 but the percentage of ED-PCSC visits for the **general** population increased from 44% in 2001 to 47% in 2005.	17
→	Utah's hospitalization rates for **ambulatory care sensitive conditions** have been stable for the last decade.	18
↓	Patients' satisfaction with **"getting needed care"** for children with chronic conditions declined slightly from 2004 to 2006.	19

What the arrows mean:

↑ **"improvement made"**

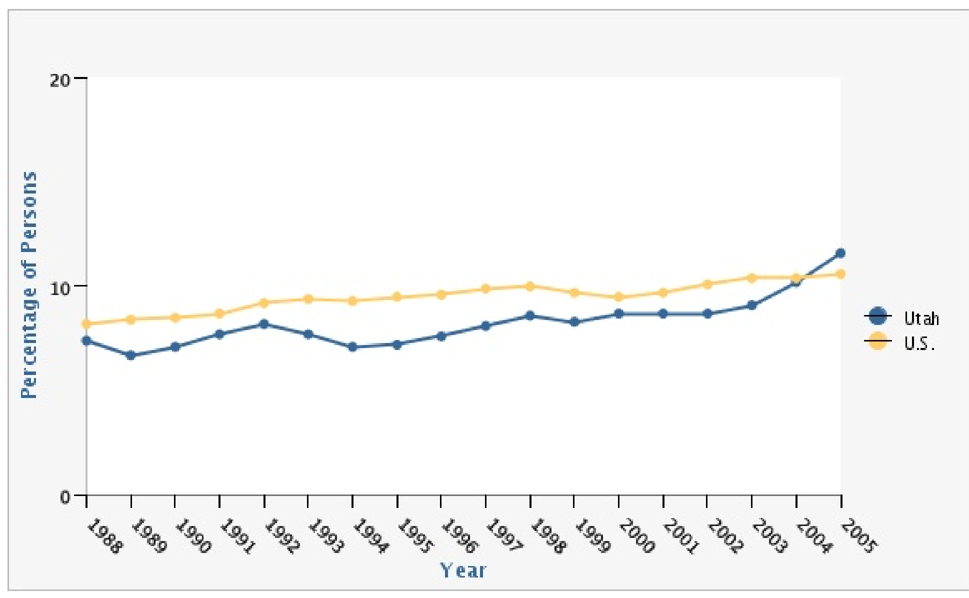
→ **"stable performance"**

"improvement needed"

Utah is 6th Healthiest State but 34th in Providing Health Insurance in the U.S.

The United Health Foundation's America's Health Rankings™ ranked Utah as the 6th healthiest state in 2006 and 4th in 2005. The decreased ranking was partially due to four worsening trends out of the 18 health determinants monitored in their annual report. They were increased prevalence of smoking and obesity, increased rates of people who lack health insurance and percentage of people who reported poor physical health days.

Percentage of Persons Who Lacked Health Insurance Coverage Utah and U.S., 1988-2005

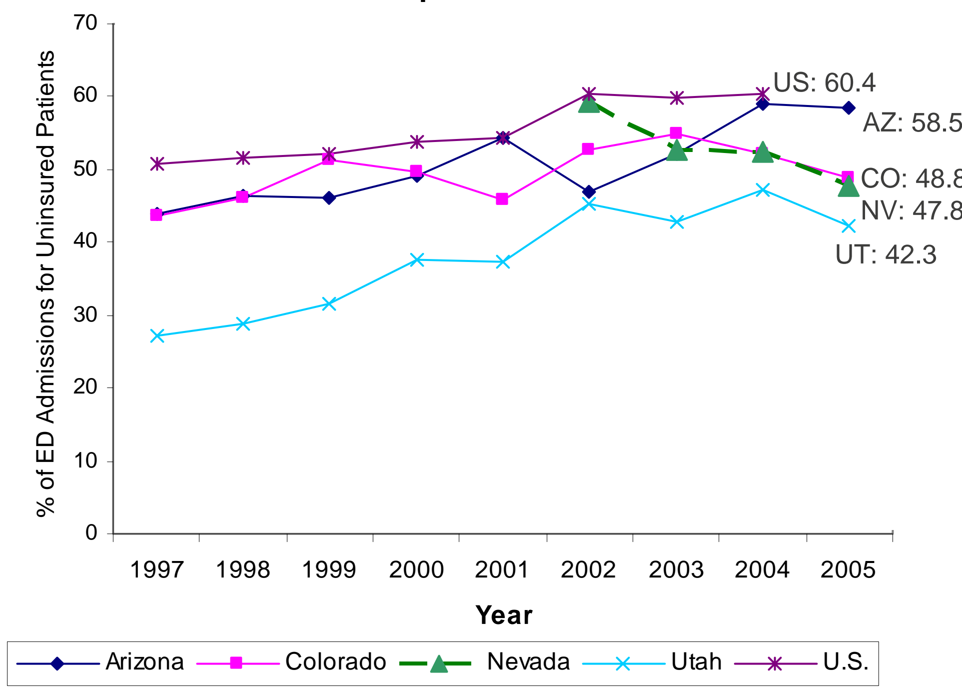


An estimated 292,800 Utahns (11.6%) were without health insurance coverage in 2005. The percentage of uninsured has increased from an estimated 8.7% in 2001 to 9.1% in 2003 and 10.2% in 2004. Persons with health insurance were more likely than persons without health insurance to have a regular source of primary health care, and were more likely to have routine preventive care. Persons without coverage have often delayed seeking needed care and found services difficult to afford.

Sources: www.unitedhealthfoundation.org and http://ibis.health.utah.gov/phom/expanded_view/HlthIns.html. Accessed in December 2006.

Uninsured and Hospital Care

Increased Hospitalizations of Uninsured Residents in Utah, the U.S. and Selected States, 1997-2005

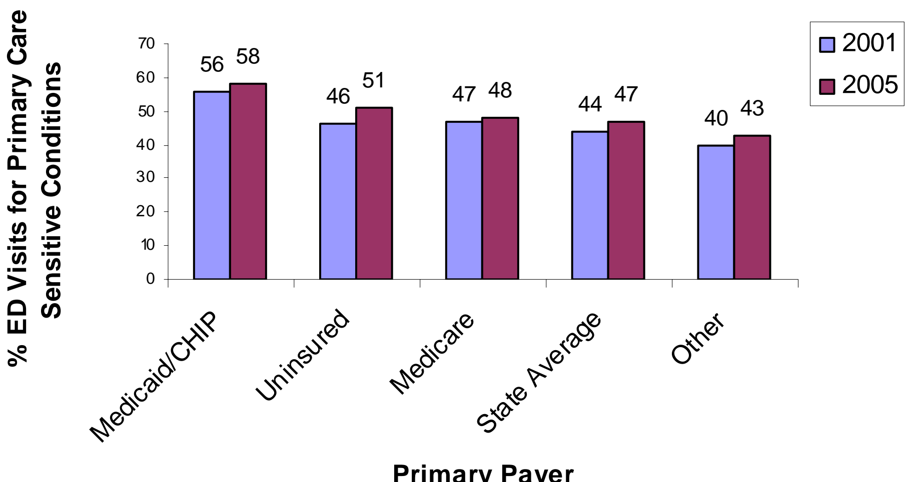


Uninsured people cannot afford preventive and primary care and are more likely to use the emergency departments and/or hospital inpatient services for their urgent or delayed care. Emergency department care is more costly than care provided in physicians' offices.

Utah's percentage of emergency department admissions for uninsured patients increased from 27% in 1997 to 42% in 2005. Although the nation — including Arizona and Colorado — has a similar trend, the rate increase in Utah was higher than other comparable states and the nation as a whole. However, Nevada's percentage declined from 59% in 2002 to 48% in 2005.

Sources: http://hcupnet.ahrq.gov/ "State Statistics from the SID." (State Inpatient Databases) Accessed on March 9, 2007.

Access to Primary Care Through Emergent Care



The hospital Emergency Department (ED) plays a critical role as a safety net provider in communities for the uninsured, underinsured, and those who otherwise have limited access to primary care providers. In many instances, the ED serves as a means of entry into the health care system. Therefore, ED utilization profiles can provide proxy information about the accessibility of primary care in the state of Utah.

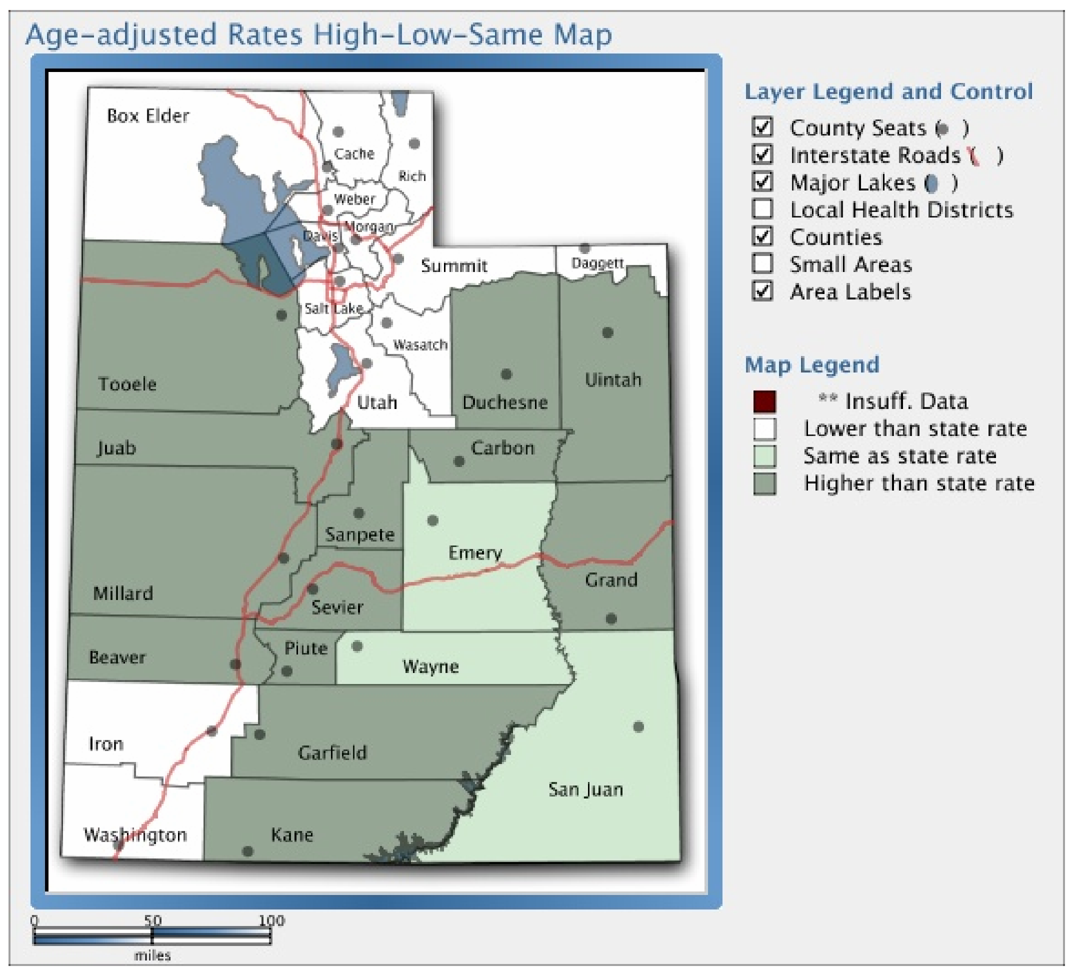
New York University developed an algorithm classifying ED patient emergency status into five emergency conditions: (1) non-emergent; (2) emergent but primary care treatable; (3) emergent, ED needed but preventable/avoidable; (4) emergent, ED needed-not preventable/avoidable; and (5) other (which included injuries and conditions related to mental health, alcohol, and substance abuse, and residual diagnoses codes). We use the first three categories as an indicator for primary care sensitive emergency department visits.

- Primary Care Sensitive (PCS) outpatient ED visits are common in Utah. At least four out of every 10 ED visits were PCS ED visits in Utah from 2001 to 2005.
- Medicaid members had the highest percentage of PCS ED visits (56-58%) among all types of payers, followed by uninsured patients (46-51%).
- The *percentage* of ED visits for PCS conditions increased slightly from 2001 to 2005 for all types of payers and the state as a whole. The largest increase (5%) occurred among the uninsured population.
- The total *number* of PCS ED visits for uninsured Utahns declined from 32,381 in 2001 to 21,693 in 2005.

Source: http://ibis.health.utah.gov/query/module/selection/edpcsc/EDSelection.html.
Accessed in December 2006.

Variation of Access to Ambulatory Care

Hospitalization Rates for Ambulatory Care Sensitive Conditions by County, Utah: 1996-2005



Ambulatory care sensitive (ACS) conditions are conditions for which hospitalization can often be prevented when effectively managed in outpatient settings. For example, asthma can usually be managed in outpatient settings, precluding the need for hospitalization. High rates for ACS conditions indicate poor access to primary health care.

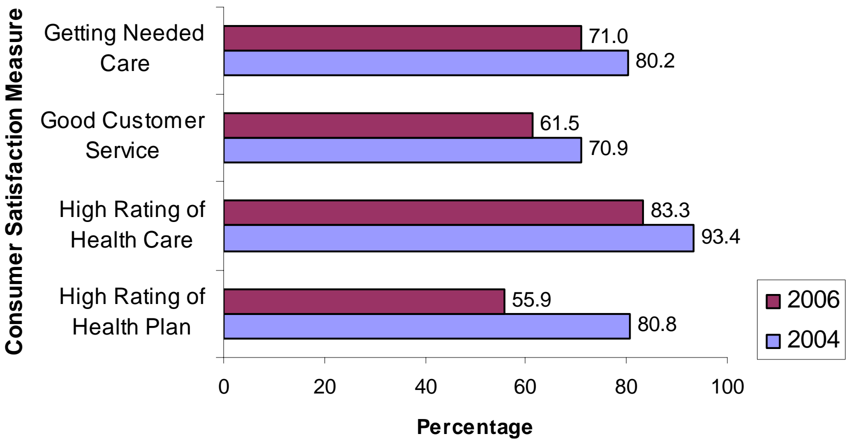
Utah's hospitalization rates for ACS conditions are approximately 1 per 100 population in the past 10 years. Approximately 13 rural counties, identified by dark color in the above map, had higher age-adjusted ACS hospitalization rates than the state average (1.22 per 100). Beaver county had the highest rate (4.15 per 100) of preventable or avoidable hospitalizations for ambulatory care sensitive conditions among all 29 counties.

Source: http://ibis.health.utah.gov/query/module_selection/map/MapSelection.html. Accessed in December 2006.

Getting Needed Care for Special Populations

The Consumer Assessment of Healthcare Providers and Systems (CAHPS®) - formerly known as the Consumer Assessment of Health Plans Survey - has developed surveys containing self-reported measures on consumers' satisfaction with their own health plan. Children with chronic medical conditions are one of the vulnerable groups who require special health care and are at higher risk of being underserved. Changes in satisfaction measures reported by parents of children with chronic conditions may be more sensitive to indicate a policy concern than the changes reported by parents of the general child population. Therefore, the Health Data Committee has conducted statewide surveys on parent satisfaction with care for children with chronic conditions since 2002.

Parent Satisfaction with Care for Children with Chronic Conditions
Utah CAHPS®, Commercial HMOs, 2004 vs. 2006
(Higher percentages are better)

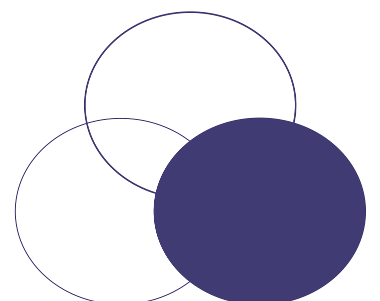


- Declining satisfaction with care for children with chronic conditions was observed between 2004 and 2006 surveys.
- Approximately 80% of parents said getting necessary care was "Not a Problem" in 2004, but only 71% of parents said so in 2006.
- Nearly 71% of patients said getting customer service was "Not a Problem" in 2004, while only 62% of patients said so in 2006.
- Parent satisfaction with health care declined from 93% to 83%. Satisfaction with the health plan dropped from 81% to 56%.

Sources: http://health.utah.gov/hda/consumer_publications/HmoPerformance2006.pdf and http://health.utah.gov/hda/consumer_publications/HmoPerformance2004.pdf.

3. Highlights of Costs of Health Care

1. Quality and Patient Safety



2. Access

3. Cost

Trend	Highlights	Page
	Proportion of personal health care expenditures for hospitals and nursing homes declined. Expenditures for home health care and use of medication increased significantly from 1980 to 2004.	21
	Utah's **annual percentage growth** in health care expenditures from 1980 to 2004 (9.7%) was higher than the national average (8.6%). However, the rapid increase of expenditures in home health care is appropriate.	22
	Utah had an 8.5% **increase in median charge for hospitalizations** in 2005. This figure was lower than 9.7% in 2003 but higher than 8.0% in 2004. Utah's trend is similar to the national trend.	23
	Utah's **utilization rates of health care facilities** (hospitals, emergency departments and outpatient surgery centers) were stable between 1999 and 2005.	24
	Utahns' effective use of 24 types of **generic drugs** improved between 2003 and 2005.	25
	Total facility charges for all inpatient care, outpatient surgeries and ED visits have increased more than two-fold since 1997.	26

What the arrows mean:

"improvement made"

"stable performance"

"improvement needed"

Personal Health Care Expenditures

Health Care Expenditures by Care Setting
Utah and the U. S., 1980 vs. 2004

Percentage Distribution of Personal Health Care Expenditures for All Payers

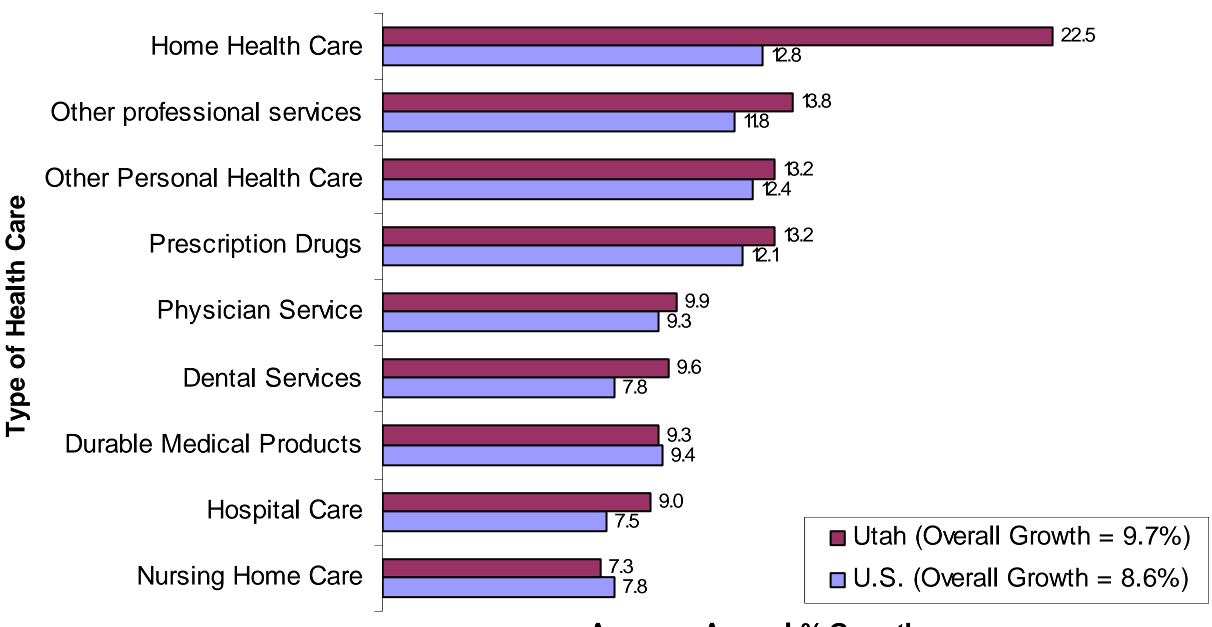
	U.S.		Utah	
Type of Personal Health Care	**1980**	**2004**	**1980**	**2004**
Hospital Care	47%	37%	43%	37%
Physician Service	22%	26%	24%	25%
Other professional services	2%	3%	2%	4%
Dental Services	6%	5%	8%	7%
Home Health Care	1%	3%	0%	3%
Prescription Drugs	6%	12%	6%	12%
Durable Medical Products	2%	1%	3%	2%
Non-Durable Medical Products	5%	2%	6%	4%
Nursing Home Care	9%	7%	8%	4%
Other Personal Health Care	2%	3%	1%	3%
Total	100%	100%	100%	100%

Health has become a major industry in our state and the nation in the past decade. Total personal health care expenditures made up 16% of the Gross Domestic Product for the U. S. in 2005 and 11.9% of the Gross State Product for Utah in 2004. Information on market share among different health care sectors is important for policymakers to monitor health care market structures, to understand where costs are incurred, and to evaluate expenditure increases in individual components. The U.S. Department of Health and Human Services' Center for Medicare and Medicaid Services (CMS) has reported health care expenditures by state since 1980.

- Similar to residents in other states, Utahns spent approximately 74% of personal health care expenditures for hospital care, physician services and prescription drugs in 2004.
- Hospitals held the largest proportion of the personal health care market, but showed a decline of 6% in Utah (from 43% to 37%) and 10% in the nation (from 47% to 37%) from 1980 to 2004.
- The highest increases in both the U.S. and Utah from 1980-2004 were found for prescription drugs, from 6% of total expenditures in 1980 to 12% in 2004, and home health care, from 0-1% in 1980 to 3% in 2004.

Sources: http://www.cms.hhs.gov/NationalHealthExpendData/05_NationalHealthAccountsStateHealthAccounts.asp#TopOfPage. Accessed in December 2006. Catlin, Aaron, et al. National Health Spending in 2005: The Slowdown Continues. Health Affairs, Vol 26(1):142-153.

Growth in Personal Health Care Expenditure



Based on the federal Centers for Medicare and Medicaid Services' report on national health expenditures, Utahns spent about $1 billion on personal health care in 1980, $3.2 billion in 1990, $6.8 billion in 2000, and $9.8 billion in 2004. Although Utah's per capita personal health care expenditure was $4,042 in 2004, it was lower than the national average ($5,313).

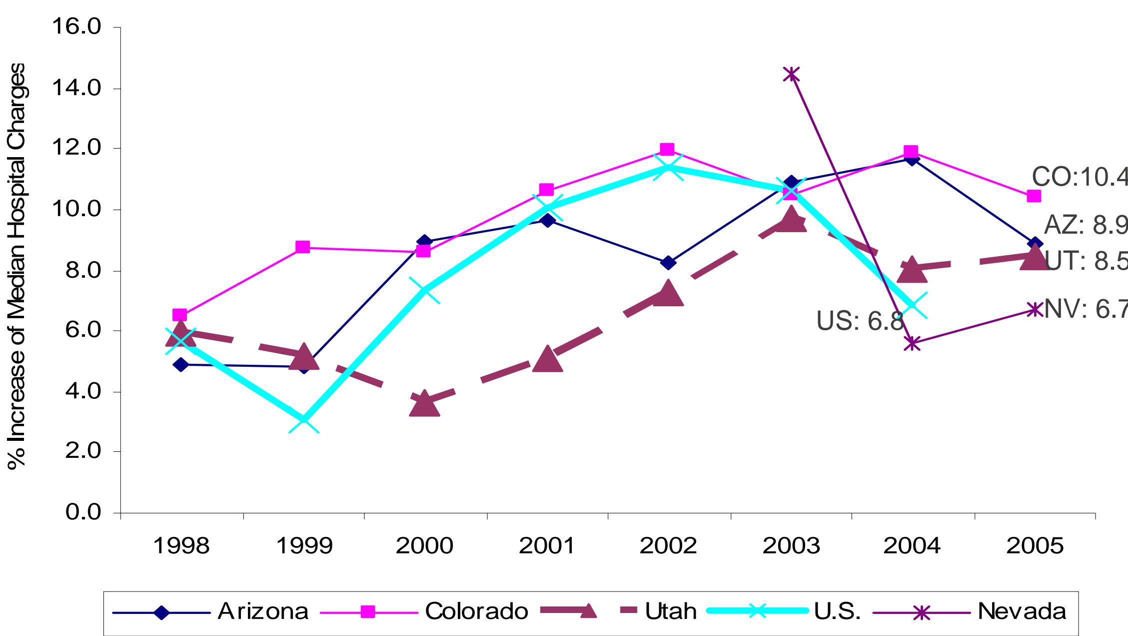
- As seen in the bar chart key, Utah's average annual percentage growth in health care expenditure from 1980 to 2004 (9.7%) was higher than the national average (8.6%).

- Except for nursing home care and durable medical products, all other components of personal health care in Utah saw a higher average annual percentage growth in expenditures than the nation during the same period.

- The rapid increase in expenditures in home health care (22.5%) was desirable. In general, the cost of home health care would be lower than that of hospital or nursing home care. The increased use of home health care in Utah might help to contain the growth of expenditures for hospital and nursing home care.

Source: http://www.cms.hhs.gov/NationalHealthExpendData/05_NationalHealthAccountsState HealthAccounts.asp#TopOfPage. Accessed in December 2006.

Trends of Hospital Charges



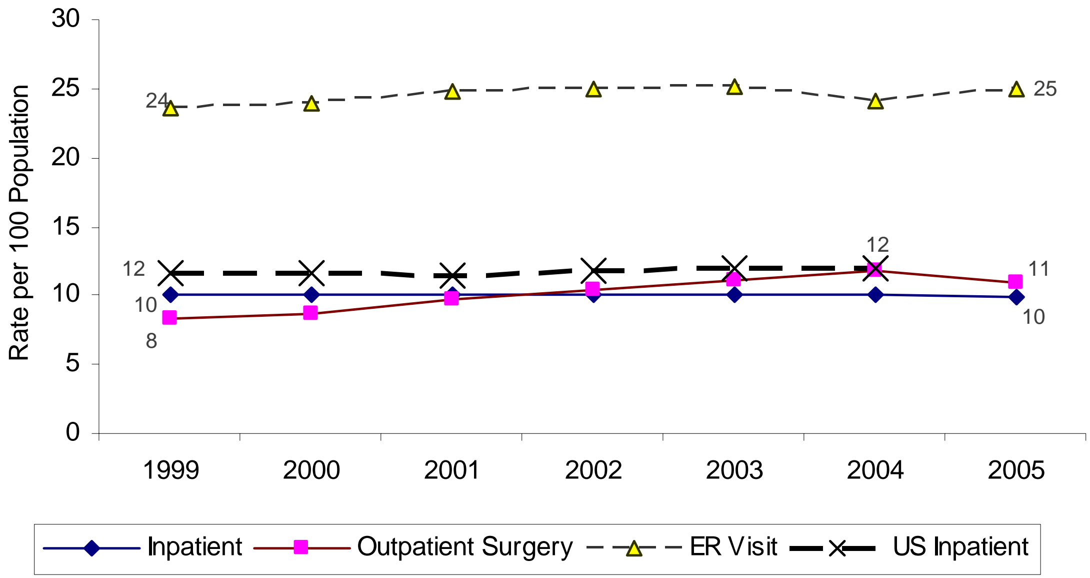
While Utah's average annual percentage growth in hospital care expenditures from 1980 to 2004 was 9.7%, a slower growth trend in hospital care has been observed since 2003 based on data from the federal Agency for Healthcare Research and Quality, Healthcare Cost & Utilization Project (HCUP) HCUPNet application. Arizona, Colorado, and Nevada were the available neighboring states with comparable information for this analysis.

- Utah had a lower median charge for hospital admissions ($6,416) than Arizona ($13,427), Colorado ($12,623), and Nevada ($16,939) in 2005 (data are not reported here).
- From 2000 through 2003, Utah's annual rate of median inpatient charges trended upward (from 3.6% to 9.7%) but remained lower than the nation and comparable states.
- Utah's annual increase rate fell from 9.7% in 2003 to 8.0% in 2004, then increased to 8.5% in 2005.
- The U.S. trend for median charge increase was similar to Utah's, rising from 1999 through 2002 (3.1% to 11.4%) and then falling in 2003 and 2004 (10.6% to 6.8%).

Sources: http://hcupnet.ahrq.gov/ "State Statistics from the SID." (State Inpatient Databases) Accessed on March 9, 2007. ttp://www.cms.hhs.gov/NationalHealthExpendData/05_NationalHealthAccountsState HealthAccounts.asp#TopOfPage. Accessed in December 2006.

Utilization of Facility Health Care

Utilization Rates of Hospital Inpatient Care, Outpatient Surgeries, or Emergency Room Visits, per 100 Population: Utah and U.S., 1999-2005



Information on population-based utilization rates and trends of health care can help policy makers and health service planners to assess or predict needs of health care facilities. Utah's utilization rates of health care facilities (hospitals, emergency departments, outpatient surgery centers) were stable from 1999 to 2005.

- Annually, 10 of every 100 Utahns had an overnight hospital stay between 1999 and 2005. The Utah hospital utilization rate was lower than the national rate of 12 per 100 population.
- Approximately 1 of every 4 Utahns visited an emergency room annually.
- Use of outpatient surgery centers increased slightly from a rate of 8 per 100 population in 1999 to 11 per 100 in 2005. The increase might be due in part to the increased number of facilities reporting the data to the state of Utah. This increase might also result from more procedures no longer requiring an overnight hospital stay.

Sources: The Utah Health Data Committee's hospital inpatient discharge databases, emergency department encounter databases, and ambulatory surgery databases. The National Center for Health Statistics' surveys at http://www.cdc.gov/nchs/about/major/hdasd/listpubs.htm.

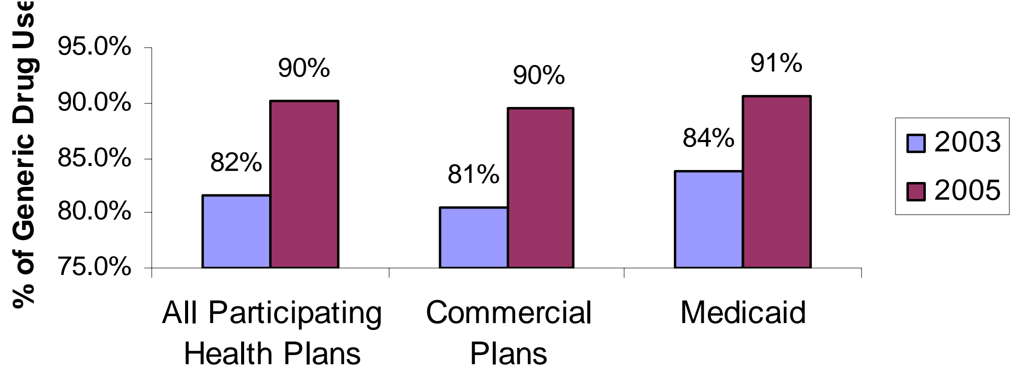
Control Cost of Prescription Drugs

Effective Use of Generic Drugs

The increasing costs of prescription medications, along with the associated burden to patients and the health care system, have been well documented. Generic drugs have the same therapeutic properties as their brand name counterparts. As multiple manufacturers gain the ability to produce generic drugs (as opposed to brand name drugs still under patent), use of generics can result in significant cost savings.

The Utah Health Data Committee (UHDC), in collaboration with Altius Health Plans, Public Employees Health Plan, SelectHealth, and the Utah Division of Health Care Financing Medicaid), developed the Utah Statewide Health Plans Pharmacy Claims Database to monitor the use of generic/brand name drugs. The HDC examined the percentage of generic vs. brand name prescriptions for a selected list of twenty-four medications available in generic form in Utah.

Percentage of Selected Generic Drug Usage
Utah, 2003 and 2005

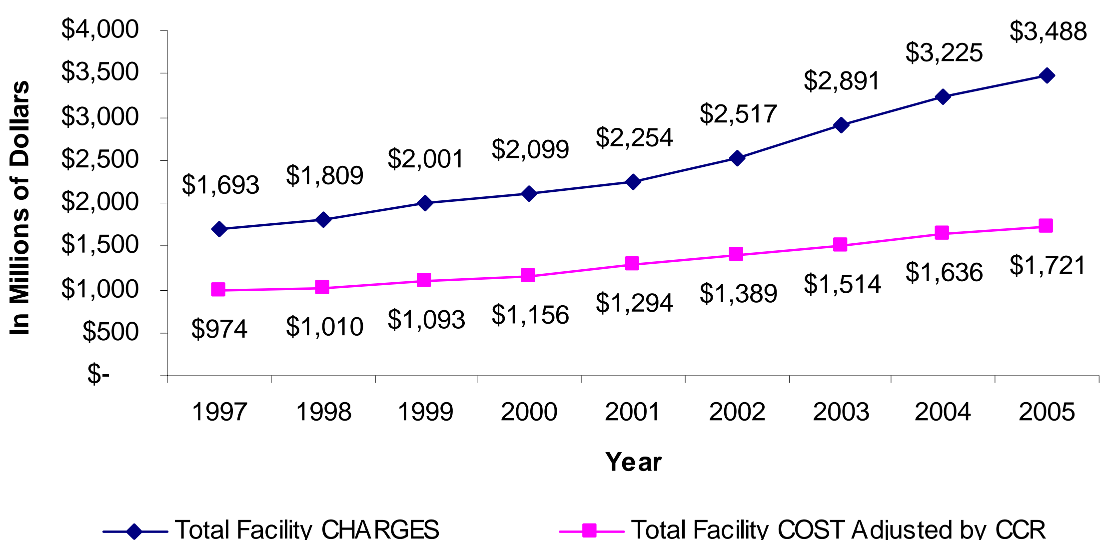


The above figure shows that the effective use of 24 types of generic drugs in Utah has improved statewide from 82% in 2003 to 90% in 2005. Participating commercial health plans increased selected generic drug usage from 81% to 90%, while the Utah Medicaid program had kept a slightly higher level of effective use of generic drugs than the commercial plans in both years. A similar trend was observed at the national level. Weaker growth in prescription drug spending contributed to a slight slowdown in overall health spending in 2005. Researchers acknowledge that major factors contributing to this trend include increased use of generic drugs.

In March 2007, Utah Governor Jon Huntsman, Jr. signed Senate Bill (SB) 42 titled "Preferred Prescription Drug List." SB 42 permits the Utah Department of Health to develop a Medicaid drug program that may include placing some drugs on a preferred drug list.

Sources: http://health.utah.gov/hda/pharmacy/RxIndicators2003.pdf. Utah's Office of Health Care Statistics' internal analysis. Catlin, Aaron, et al. National Health Spending in 2005: The Slowdown Continues. Health Affairs, Vol 26(1):142-153.

Total Inpatient Charges and Costs



- Based on the Utah Health Data Committee's data, the **total facility charges** of all hospitalizations in Utah have increased steadily more than two-fold since 1997. However, hospital facility charge is different from "price", "cost", or "payment". It is the total billed amount of hospital services. The Health Data Committee has been looking for other data sources to support the trend estimates from the facility charge data.

- All Medicare hospitals report their "**cost to charge ratio**" (CCR) to the Centers for Medicare and Medicaid Services. The Agency for Healthcare Quality and Research has developed a statewide average CCR for this report. Utah's CCR was 58% in 1997 and declined to 49% in 2005. This means that the estimated facility costs of hospitalizations in Utah made up 49% of overall hospital inpatient charges in 2005.

- A similar upward trend of **total facility cost adjusted by CCR** is observed as well. However, the amount of estimated costs between 1997 and 2005 was less than a two-fold increase.

Sources: Utah Hospital Inpatient Discharge Database, Utah Department of Health, Office of Health Care Statistics. The Agency for Healthcare Quality and Research HCUP Project, State Inpatient Data, Internal Analysis. For information on CCR go to http://www.hcup-us.ahrq.gov/db/state/costtocharge.jsp. For the adjustment method used in the above chart, see Page 27 in this report.

Technical Note for Statewide CCR-adjusted Costs

Formula:

The Costs Adjusted by Cost-to-Charge Ratio (CCR), reported on Page 26 in this report, were calculated as follows:

Statewide CCR-adjusted Cost =
*Statewide CCR-adjusted Mean Cost * Number of Discharges in a Given Year for a State*

Where
Statewide CCR-adjusted Mean Cost =

$$\frac{\sum [\text{Hospital CCR} * \text{Hospital Total Charges}]}{\sum [\text{Hospital Total Charges}]} * \frac{\sum [\text{Hospital Total Charges}]}{\sum [\text{Number of Discharges in a Hospital}]}$$

Note: Records where hospital total charges were less than $100 were excluded from the calculation. Records where length of stay equals zero were included.

Refinements:

The Agency for Healthcare Research and Quality's Healthcare Cost and Utilization (HCUP) Project developed the Utah's statewide CCR based on available Utah's hospital reported CCRs from 1997 to 2005. The hospital CCRs are constructed using all-payer, inpatient facility cost and charge information from the detailed financial reports, which hospitals submit to the Centers for Medicare and Medicaid Services (CMS). Due to missing data from some hospitals and for some years, the HCUP and Utah staff members made the following refinements for the statewide CCR-adjusted costs:

1) To impute the 1998 and 2005 statewide CCR
   - The 1998 CCR was interpolated by average of the 1997 and 1999 Utah's CCRs.
   - The 2005 Utah's CCR was imputed by multiplying 2004 CCR by .978, which was the estimated factor for CCR rate change from 2004 to 2005. During 2000 and 2004, Utah's CCR declined 2.2% annually.

2) To estimate costs for hospitals with missing CCR.
   Five specialty hospitals did not reported cost-to-charge information to CMS in various years. We include their number of discharges in total cost calculation, assuming that their mean cost of discharges might be similar to the *Statewide CCR-adjusted Mean Cost.*

Caveats:

This is the first time for the Utah Health Data Committee to report statewide hospital inpatient costs adjusted by CCR. Methodology outlined above may need to be modified, especially methods of imputation. Furthermore, the facility costs reported to CMS are those costs meeting the CMS criteria as "Medicare Allowable Costs." We don't know what would be the proportion of unreported costs and to what degree the unreported costs impact the statewide Cost-to-Charge Ratio.

For information on state CCR files go to http://www.hcup-us.ahrq.gov/db/state/costtocharge.jsp

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- 2006 Health Data Committee Biennial Report ~ *Released 1/07*
- 2006 Performance Report for Utah Commercial HMOs and Medicaid and CHIP Health Plans ~ *Released 11/06*
- 2005 Inpatient Hospital Utilization and Charge Profile -Hospital Detail ST-1 2005~ ***Released* 9/06**
- 2004 Utah Hospital and Freestanding Ambulatory Surgery Center Utilization and Charge Profile for Outpatient Surgery AMBST-1 2004- *Released 4/06*

http://health.utah.gov/hda

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Also see our consumer web site at http://health.utah.gov/myhealthcare