

Using Risk Adjustment to Compare Medicaid Waiver Program Performance Glenn M. Landers, MBA, MHA, James P. Cooney, Jr., Ph.D., and Mei Zhou, MS, MA

Introduction

The researchers' original study examined the experiences of Georgia long-term care patients using Medicaid and Medicare data from the years 1999 to 2000. Several of the waiver programs were relatively young. State officials desired an updated review of all four waiver programs using only Medicaid data from the years 2001 and 2002 to determine if the original, observed differences still held as the programs matured.

Objective

Compare the 2002 costs and outcomes of patients in four Medicaid long-term care waiver programs to 2000 results using risk adjustment methodology.

Population Studied

All 2002 participants of four Georgia Medicaid waiver programs - Community Care Services Program (CCSP): N = 14,968; Service Options Using Resources in Community Environments (SOURCE): N = 1,005; Independent Care Waiver Program (ICWP): N = 428; ShepherdCare: N = 86.

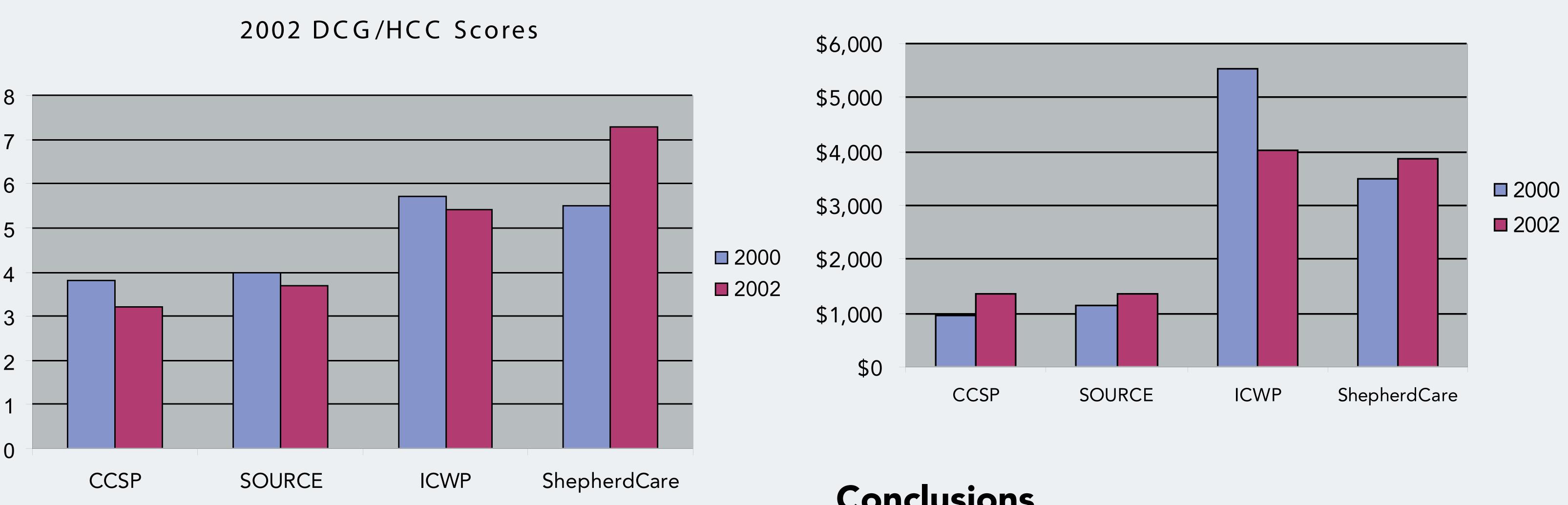
Methods

Retrospective cohort analysis of Medicaid claims using the Diagnostic Cost Grouping System/ Hierarchical Condition Category (DCG/HCC) model to adjust for illness severity and multivariate regression analysis to control for race, patient residence, rehabilitation status, dual eligibility, and mortality at the end of the observation year.

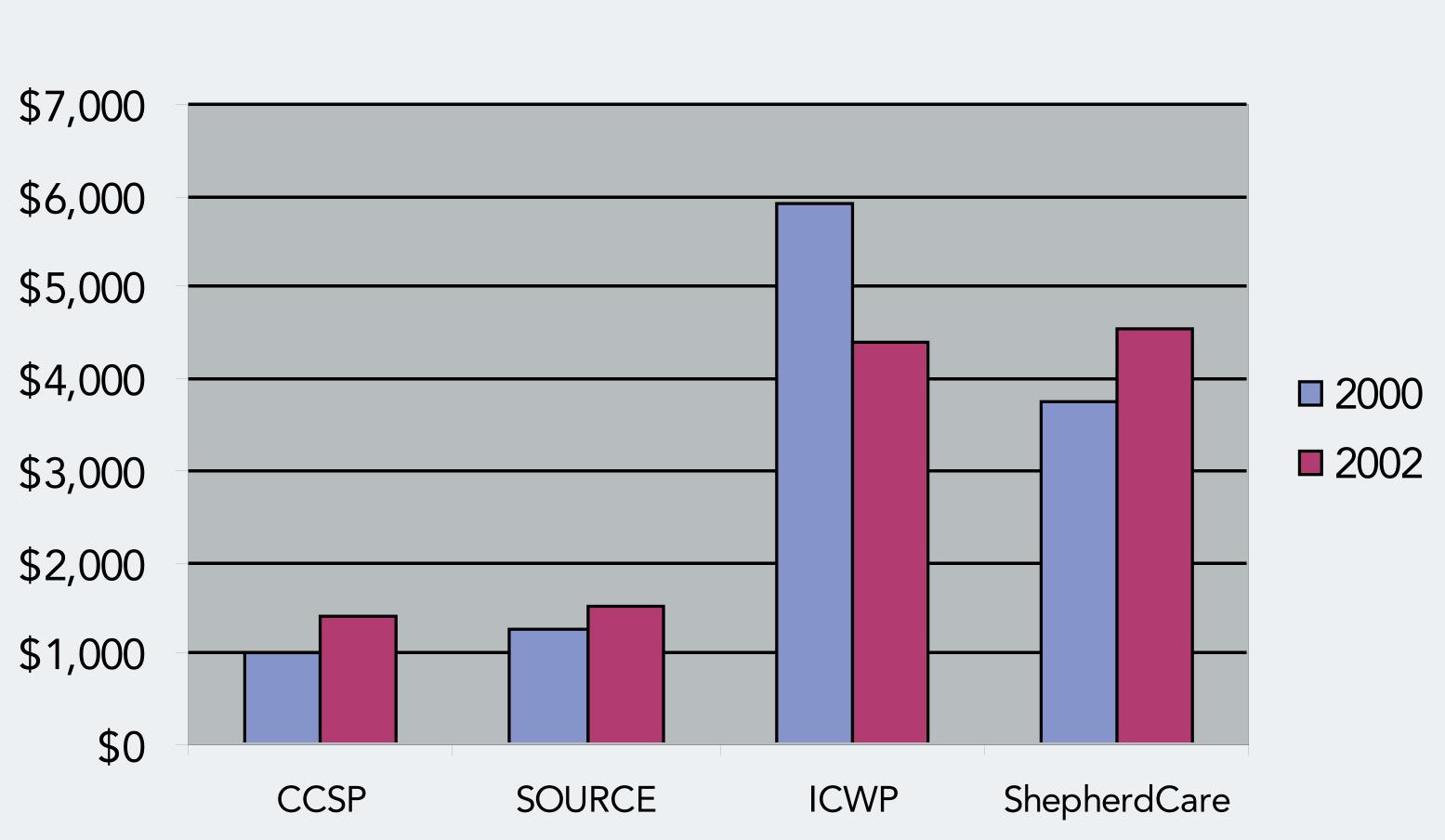
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Results Obtained

2002 DCG/HCC scores decreased from 2000 for the CCSP, SOURCE, and ICWP programs (3.2 v. 3.8, 3.7 v. 4.0, and 5.4 v. 5.7 respectively) and increased for the Shepherd Care program (7.3 v. 5.5).



Unadjusted costs increased for all waiver programs except for ICWP between 2000 and 2002.



Unadjusted Average Monthly Medicaid Cost

The research team would like to thank the Georgia Department of Community Health for research support.

Adjusted costs also increased for all waiver programs except for ICWP between 2000 and 2002; although, the ShepherdCare group's higher DCG/HCC score mitigated its cost increase somewhat.

Adjusted Average Monthly Medicaid Cost

Conclusions

Medicaid waiver programs, as they grow and mature, are subject to the same inflationary increases as institutional care. Risk adjustment systems allow the comparison of waiver programs designed to serve different populations.

Implications for Policy or Practice

The Shepherd Care program, designed for severely physically disabled patients, continued to control growth in the cost of services while the program itself grew and admitted patients with significantly higher DCG-HCC scores.

Describing the determinants of the Shepherd Care program's success may assist other Medicaid waiver programs in controlling costs and improving outcomes.

