

**MEDICAID EXPENDITURES FOR
CHILDREN IN TEXAS RECEIVING
MEDICAID PERSONAL CARE
SERVICES, SEPTEMBER 2008 –
AUGUST 2010**

REPORT TO
THE TEXAS HEALTH AND
HUMAN SERVICES COMMISSION

PREPARED BY
TEXAS A&M HEALTH SCIENCE CENTER
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MEDICAID EXPENDITURES FOR CHILDREN IN TEXAS RECEIVING MEDICAID PERSONAL CARE SERVICES, SEPTEMBER 2008 - AUGUST 2010

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MEDICAID EXPENDITURES FOR CHILDREN IN TEXAS RECEIVING MEDICAID PERSONAL CARE SERVICES, SEPTEMBER 2008 - AUGUST 2010

EXECUTIVE SUMMARY

The Medicaid Personal Care Services (PCS) Program provided services to over 5,700 children under the age of 21 during 2009 and to over 8,200 children during 2010. This report presents the results of the Texas A&M Health Science Center (TAMHSC) research team's analysis of Texas Medicaid claims experience for those children receiving and those children not receiving PCS during state fiscal year (SFY) 2009 (September 1, 2008 through August 31, 2009) and SFY 2010 (September 1, 2009 through August 31, 2010). This research uses claims for children in the Texas Medicaid acute care fee-for-service (FFS) program (P100) and the Medicaid Primary Care Case Management (PCCM) program (P200).

Differences in SFY Medicaid expenditures are driven by three factors: the type of care (e.g., hospital versus home care), the cost of each episode of care (e.g., an office visit may cost \$50 or \$75), or the number of episodes of care (5 emergency room visits versus 2 emergency room visits). Depending on the nature of the comparison, children receiving PCS differed from other children along one or more of these dimensions. The one consistent finding, which may have resulted from any or all of these three factors, is that more Medicaid dollars were spent overall on children receiving PCS than other children in the Medicaid program.

Number of Children and Total and Average Payments

In SFY 2010, a total of 2.7 million children had Medicaid claims, accounting for roughly 24.5 million claims and \$5.0 billion in payments. The children receiving PCS represented .3% of the children with claims; however, this three-tenths of one percent of children receiving Medicaid were responsible for 6.0% of all Medicaid payments for children. Even more noteworthy is that, on average, Medicaid payments per child receiving PCS averaged \$36,314, or 20.6 times the average payment for a child not receiving PCS (\$1,761). Compared to SFY 2009, SFY 2010 represented a substantial increase in Medicaid payments for children receiving PCS. This increase was primarily a

result of the 44% increase in the number of children receiving PCS, from 5,745 in SFY 2009 to 8,254 in SFY 2010. In addition, the average per child Medicaid payment increased 8.0% between SFY 2009 and SFY 2010 for children receiving PCS, while remaining relatively flat (a 0.2% increase) for those children not receiving PCS.

Hospital-based Services

Comparing utilization and payments by place of service reveals interesting and important differences between children receiving PCS and those not receiving PCS. There is a dramatic difference in expenditures per child for inpatient and outpatient hospital services. This is driven by both the much higher number of claims or level of utilization and by the cost per claim, although the cost per claim difference for hospital outpatient services is relatively smaller than the differences for inpatient services. In SFY 2010, there is a 30% difference in emergency room (ER) services utilization between children on the basis of their participation in the PCS Program. The 5.5 times higher per child expenditure for ER services for children receiving PCS primarily reflects the intensity of the services. During SFY 2010, an ER visit (claim) for children in the PCS program was 4.2 times the cost of the ER visit for a child not receiving PCS.

Office- and Home-based Services

The data for office-based and home care services present a different result. The costs per office visit and home care visit is higher for children with no PCS than for children receiving PCS. But children in the PCS program have a dramatically higher utilization rate for office visits and for home care than do other children in the Medicaid Program.

Summary: Ratio of Payments per Child with PCS to those Not Receiving PCS¹

As a summary indicator, the ratio of Medicaid payments per child receiving PCS to Medicaid payments per child not receiving PCS varied from 2.0 to 8.7 across the place of service categories in SFY 2010. Since the PCS population is a home care population, the largest ratio (8.7) was observed, not surprisingly, in home care services. However, the next largest payment ratios were found in

¹This ratio can be found in the last column in Exhibits 1 through 7 and in the last row in Exhibits 8 and 9. For example, in Exhibit 2, for those children with hospital inpatient services during the year, the average payment per child receiving PCS in SFY 2010 was \$24,443 for the inpatient services. For children not receiving PCS, the average payment for those requiring inpatient services was \$5,728 during SFY 2010. The ratio of \$24,443 to \$5,728 is 4.27 which is the number in the next to the last row of the "Ratio PCS/No PCS" column in Exhibit 2. As a summary measure, it indicates that the average intensity of inpatient services (based on payments) for children receiving PCS was more than four times greater than for children not receiving PCS.

hospital outpatient services (6.2), other Medicaid services (5.8), and ER services (5.5). Health care for children with PCS, based on Medicaid claims and payments, was somewhat more similar to health care for other children in the Medicaid program in office-based services and hospital inpatient services. In SFY 2010, children with PCS had payment ratios for these services that ranged from 2.0 to 4.3.

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MEDICAID EXPENDITURES FOR CHILDREN IN TEXAS RECEIVING MEDICAID PERSONAL CARE SERVICES, SEPTEMBER 2008 - AUGUST 2010

FOCUS OF THE REPORT

This report compares Texas Medicaid claims experience between children receiving Personal Care Services (PCS) and children not receiving PCS during state fiscal year (SFY) 2009, September 1, 2008 through August 31, 2009, and SFY 2010, September 1, 2009 through August 31, 2010. We analyzed claims for children ages 0 to 20 years in the Texas Medicaid acute care fee-for-service (FFS) program (P100) and the Medicaid Primary Care Case Management (PCCM) program (P200)². We present 12 exhibits that compare utilization and payments in SFY 2009 and SFY 2010 for children receiving PCS and those not receiving Medicaid PCS by place of service, month of service, and age. In general, the comparisons include the number of children with claims, number of claims, Medicaid payments, average claims per child and average payments per claim and child. In addition to providing data for SFY 2010, these exhibits update the data for SFY 2009 presented in our June 2010 report³.

PROJECT BACKGROUND

Since September 2007, under the leadership of the Texas Health and Human Services Commission (HHSC), case managers in the Department of State Health Services (DSHS) have been assessing children in the Early and Periodic, Screening, Diagnostic and Treatment (EPSDT) Program, newborns to those 20 years of age, to determine their level of need for PCS. For the first year of this new arrangement, assessments were performed using an interim assessment instrument.

²We obtained Medicaid claims data from September 1, 2007 to August 31, 2010 per the State Action Requests (SAR) 12232009P002 and 10062010P008. Claims for children in Medicaid managed care (e.g., STAR+PLUS), the Family planning program (P300), and the Children with Special Health Care Needs program (P400) are excluded. Managed care claims are not billed to Texas Medicaid and Healthcare Partnership (TMHP, the fiscal intermediary) and the latter two programs receive funding differently than traditional Medicaid (P300 from Title V, X, XX and XIX; and P400 from Title V).

³Miller, T.R., C.D. Phillips, A. Patnaik, J. Dyer, C. Fournier, T. Elliott, J. Johnson, and E. Naiser (2010). *Medicaid Expenditures for Children in Texas Receiving Medicaid Personal Care Services, September 2008 – August 2009*.

In September 2008, case managers began using assessment forms developed through a contract issued by the HHSC. This contract called for the development of assessment instruments specially designed for use in determining the PCS needs of children enrolled in Medicaid. Two multi-dimensional assessment instruments were developed and tested as part of this contract. The first instrument was the Personal Care Assessment Form 0-3 (PCAF 0-3) that is used to assess the PCS needs of all children seeking or receiving assistance who are under four years of age. The second instrument was the Personal Care Assessment Form 4-20 (PCAF 4-20) that case managers use to assess all EPSDT children who are from 4 years to 20 years old and are seeking or receiving PCS services.

Many items on the PCAF instruments were initially developed as part of the Minimum Data Set for Nursing Home Resident Assessment and Care Screening (MDS) or the Minimum Data Set for Home Care (MDS-HC)[®]. These instruments and items were chosen after a review of the assessment tools used by other states to assess children in the EPSDT Program. One of the reasons MDS-based instruments were chosen was their explicit focus on functional status, which is a key issue in determining the need for personal care. In addition, these assessment tools are used in other sectors of the health care arena in Texas (e.g., nursing homes, managed care, and home health), so the possibility for continuity of information across care settings was enhanced. Where necessary, the items and the training material were modified to assure their relevance to the EPSDT population. In addition, a variety of items were purpose-built by the research team for the assessments.⁴

For the purposes of the Medicaid claims analysis presented here, children receiving PCS were defined as those children with at least one detail line item in a Medicaid claim submitted to the Texas Medicaid and Healthcare Partnership (TMHP) with a procedure code equal to T1019 (Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, Intermediate Care Facility for the Mentally Retarded (ICF/MR), or Institution for Mental Disease (IMD)) during SFY 2009 or SFY 2010. This definition results in a sample of 5,745 PCS children in SFY 2009 and 8,254 PCS children in SFY 2010. Those children receiving PCS were compared to

⁴The MDS-HC[®] was developed by *interRAI*, which is an international organization of health professionals in more than 30 countries. *interRAI* is dedicated to the development of assessment instruments for vulnerable populations round the world. More information on *interRAI* can be obtained www.interrai.org.

the 2,357,195 and 2,651,209 children in the Medicaid program who did not receive PCS during SFY 2009 and SFY 2010, respectively.

The exhibits in this report compare health services use and payments based on claims data for children receiving PCS and those children not receiving PCS for the acute care FFS and PCCM programs. Comparisons are made by place of service, month of service, and age of the children. Although the exhibits present data for SFY 2009 and SFY 2010, the text discussions focus on SFY 2010 and the key changes in the use of services and Medicaid payments between SFY 2009 and SFY 2010

TOTAL MEDICAID CLAIMS AND EXPENDITURES

Exhibit 1 compares the total number of children with Medicaid claims, the number of claims, and total Medicaid payments for those children receiving PCS and those children not receiving PCS in SFY 2010 with SFY 2009. The Medicaid payments in Exhibit 1 represent total payments for all services, including inpatient and outpatient hospital services, emergency room, office-based and home-based services, and services provided in other settings. In SFY 2010, 2.7 million children had Medicaid claims, accounting for roughly 24.5 million claims and \$5.0 billion in payments. Children receiving PCS represented 0.3% of the all children with claims. However, this three-tenths of one percent of children receiving Medicaid were responsible for 4.9% of the claims for children and 6.0% of all Medicaid payments for children. For those children with at least one claim during the year, a child receiving PCS had 16.6 times more claims (146.4 claims per child) than a child not receiving PCS (8.8 claims per child). Total Medicaid payments per child with PCS averaged \$36,314, or 20.7 times the average payment for a child not receiving PCS (\$1,761).

Compared to SFY 2009, SFY 2010 represented a substantial increase in total Medicaid payments for children receiving PCS. This increase was primarily a result of the 44% increase in the number of children receiving PCS, from 5,745 in SFY 2009 to 8,254 in SFY 2010. In addition, average per child Medicaid payments increased 8.0% between SFY 2009 and SFY 2010 for children receiving PCS while remaining relatively flat (a 0.2% increase) for those children not receiving PCS.

Exhibit 1
Number of Children, Claims, and Average Payments
Children Receiving and Children Not Receiving Personal Care Services (PCS)

ALL CLAIMS	All	PCS^a %	Children with:		Ratio
SFY 2009	Children	of Total	PCS^a	No PCS^b	PCS/No PCS
Children with Claims	2,362,940	0.24	5,745	2,357,195	
Number of Claims	20,928,041	4.14	866,986	20,061,055	
Per child	8.86		150.91	8.51	17.74
Payments (\$)	4,335,676,630	4.46	193,194,132	4,142,482,498	
Per child	1,834		33,628	1,757	19.14
Per claim	207		223	206	1.08
ALL CLAIMS	All	PCS^a %	Children with:		Ratio
SFY 2010	Children	of Total	PCS^a	No PCS^b	PCS/No PCS
Children with Claims	2,659,463	0.31	8,254	2,651,209	
Number of Claims	24,535,301	4.92	1,208,211	23,327,090	
Per child	9.23		146.38	8.80	16.64
Payments (\$)	4,967,394,948	6.03	299,739,020	4,667,655,928	
Per child	1,868		36,314	1,761	20.63
Per claim	202		248	200	1.25
EXCLUDING					
CLAIMS FOR PCS^c	All	PCS^a %	Children with:		Ratio
SFY 2009	Children	of Total	PCS^a	No PCS^b	PCS/No PCS
Children with Claims	2,362,018	0.24	5,618	2,356,400	
Number of Claims	19,623,782	2.31	454,264	19,169,518	
Per child	8.31		80.86	8.14	9.93
Payments (\$)	4,205,447,079	3.27	137,321,207	4,068,125,872	
Per child	1,780		24,443	1,726	14.16
Per claim	214		303	212	1.42
EXCLUDING					
CLAIMS FOR PCS^c	All	PCS^a %	Children with:		Ratio
SFY 2010	Children	of Total	PCS^a	No PCS^b	PCS/No PCS
Children with Claims	2,658,566	0.3	8,078	2,650,488	
Number of Claims	23,091,843	2.83	653,453	22,438,390	
Per child	8.69		80.89	8.47	9.56
Payments (\$)	4,793,634,937	4.39	210,334,926	4,583,300,011	
Per child	1,803		26,038	1,729	15.06
Per claim	208		322	204	1.58

^aIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

^bChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services (23,913 children in SFY 2009 and 24,660 children in SFY 2010).

^cExcludes claims and payments for any personal care services to compare non-PCS utilization and expenditures.

CLAIMS FOR AN INPATIENT STAY

Exhibit 2 compares Medicaid claims and payments for children with hospital inpatient claims. The data represent claims with at least one detail line with a procedure code representing an inpatient room and board charge in an acute care facility. Data are presented for SFY 2009 and SFY 2010.

In SFY 2010, a total of 218,894 children had inpatient claims, accounting for almost \$1.3 billion in payments (25.8% of the total Medicaid payments for children). The children receiving PCS were 2.3 times more likely to have an inpatient claim than those children not receiving PCS (18.8% vs. 8.2%). The children in the PCS program represented 0.7% of all children with inpatient claims, 1.1% of claims, and 3.0% of Medicaid payments for inpatient hospital services. On average, a child receiving PCS had 1.6 times more inpatient claims than a child not receiving PCS. Medicaid payments per child in the PCS program for inpatient services averaged \$24,443, or 4.3 times the average payment for other children receiving Medicaid services in SFY 2010 (\$5,728). For children receiving PCS and those not receiving PCS, the differences in expenditures for inpatient services were largely driven by higher costs per claim, not by the difference in the number of claims per child.

Between SFY 2009 and SFY 2010, the percentage of children with inpatient claims declined slightly: from 19.1% to 18.8% for children receiving PCS, and from 9.6% to 8.2% for children not receiving PCS. In SFY 2010, average Medicaid payments per child for inpatient services were 2.1% higher than in SFY 2009 and there was a dramatic difference in average payment between children receiving PCS and those not receiving PCS. For children receiving PCS, the average payment per child for inpatient services in SFY 2010 was 12.7% higher than in SFY 2009. However, the average payment per child increased only 1.2% from SFY 2009 to SFY 2010 for those not receiving PCS. This almost 13% increase for children receiving PCS occurred despite a decrease in the average number of inpatient claims per child between SFY 2009 and SFY 2010, from 1.98 claims per child to 1.86 claims per child.

Exhibit 2

**Number of Children, Claims, and Payments for Hospital Inpatient Services^a
Children Receiving and Children Not Receiving Personal Care Services (PCS)**

SFY 2009	All Children	PCS ^b % of Total	Children with:		Ratio PCS/No PCS
			PCS ^b	No PCS ^c	
Children with Claims	227,396	0.48	1,100	226,296	
Percentage of children	9.6		19.1	9.6	1.99
Number of Claims	262,320	0.83	2,178	260,142	
Per child	1.15		1.98	1.15	1.72
Payments (\$)	1,304,150,214	1.99	23,863,278	1,280,286,936	
Per child	5,735		21,694	5,658	3.83
Per claim	4,972		10,957	4,921	2.23
SFY 2010					
Children with Claims	218,894	0.71	1,555	217,339	
Percentage of children	8.2		18.8	8.2	2.30
Number of Claims	252,634	1.14	2,886	249,748	
Per child	1.15		1.86	1.15	1.62
Payments (\$)	1,282,844,419	2.96	38,008,488	1,244,835,931	
Per child	5,861		24,443	5,728	4.27
Per claim	5,078		13,170	4,984	2.64

^aClaims with at least one detail line with Place of Service = Inpatient Hospital and Room & Board as procedure code. There are some claims with Inpatient Hospital as the Place of Service in one or more detail line items that have no Room & Board procedure codes; such as for physician consultations, and these have been excluded. Excludes detail claim lines with a procedure code = 450 (Emergency Room).

^bIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

^cChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services (23,913 children in SFY 2009 and 24,660 children in SFY 2010).

CLAIMS FOR OUTPATIENT SERVICES

Exhibit 3 presents Medicaid claims and payment data for children with hospital outpatient claims. Specifically, the data are claims with at least one detail line with a “Place of Service” code equal to Hospital-Outpatient. Data are presented for SFY 2009 and SFY 2010.

In SFY 2010, a total of 827,400 children had outpatient hospital claims. These claims accounted for \$762 million in payments (15.3% of the total Medicaid payments for children). The children receiving PCS were almost 2.4 times more likely to have an outpatient hospital claim compared to those not receiving PCS; more than 7 out of 10 children with PCS had an outpatient hospital claim compared to just over 3 out of 10 children with no PCS. The children receiving PCS represented 0.7% of all children with hospital outpatient claims, 3.8% of claims, and 4.4% of Medicaid payments for outpatient hospital services for children. Average payment per claim was approximately 15% higher for children receiving PCS and these children had 5.5 times more hospital outpatient claims (30.8 claims per child) than a child not receiving PCS (5.6 claims per child). Remarkably, Medicaid payments per child with PCS averaged \$5,524, or 6.2 times the average payment for a child with no PCS (\$887). As this exhibit indicates, differences between our two populations resulted from the large difference in the number of claims per child rather than the difference in the average payment per claim, which reflects intensity of services.

Between SFY 2009 and SFY 2010, the percentage of children with hospital outpatient claims remained relatively stable. Unlike the change in average inpatient payments, the average payment per child for hospital outpatient services decreased for children receiving PCS between SFY 2009 and SFY 2010, from \$5,842 to \$5,524, or 5.4%. There was essentially no change in the average payment amount for children not receiving PCS during this time period.

Exhibit 3

**Number of Children, Claims, and Payments for Hospital Outpatient Services^a
Children Receiving and Children Not Receiving Personal Care Services (PCS)**

SFY 2009	All Children	PCS ^b % of Total	Children with:		Ratio PCS/No PCS
			PCS ^b	No PCS ^c	
Children with Claims	754,476	0.55	4,155	750,321	
Percentage of children	31.9		72.3	31.8	2.27
Number of Claims	4,256,485	3.26	138,741	4,117,744	
Per child	5.64		33.39	5.49	6.08
Payments (\$)	682,024,683	3.56	24,274,888	657,749,795	
Per child	904		5,842	877	6.66
Per claim	160		175	160	1.10
SFY 2010					
Children with Claims	827,400	0.73	6,004	821,396	
Percentage of children	31.1		72.7	31.0	2.35
Number of Claims	4,820,337	3.83	184,688	4,635,649	
Per child	5.83		30.76	5.64	5.45
Payments (\$)	761,795,053	4.35	33,168,852	728,626,201	
Per child	921		5,524	887	6.23
Per claim	158		180	157	1.14

^aClaims with at least one detail line with Place of Service = Hospital-Outpatient. Excludes detail claim lines with a procedure code = 450 (Emergency Room).

^bIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

^cChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services (23,913 children in SFY 2009 and 24,660 children in SFY 2010).

CLAIMS FOR EMERGENCY ROOM USE

Exhibit 4 compares Medicaid claims and payments for children with emergency room claims. Children included in this analysis had at least one detail line with a procedure code equal to 450 (Emergency Room). Data are presented for SFY 2009 and SFY 2010.

In SFY 2010, more than 500,000 children had claims for emergency room (ER) services, accounting for \$443.2 million in payments in the fiscal year (8.9% of the total Medicaid payments for children). Over one-third of the children receiving PCS (34.9%) had an ER claim versus only 18.8% of other children receiving Medicaid services. Thus, children in the PCS program were 1.9 times more likely to have an ER claim than those not receiving PCS. The children with PCS represented 3.1% of the Medicaid payments for ER services, but less than .8% of the claims and .6% of children with claims. On average, a child receiving PCS had 1.3 times more ER claims than a child not receiving PCS. The bulk of the difference in payments for ER services resulted from the difference in the payments per claims rather than the number of claims per child. Average payment per claim was substantially higher for those children receiving PCS (\$2,298 per claim versus \$545 per claim for children not receiving PCS). Similarly, Medicaid payments per child with PCS averaged \$4,739, or 5.5 times the average payment for a child not receiving PCS (\$863).

Between SFY 2009 and SFY 2010 total payments for ER services declined slightly (2.7%). The percentage of children receiving PCS with ER claims increased from 33.7% in SFY 2009 to 34.9% in SFY 2010 while for children not receiving PCS, the percentage decreased from 19.2% to 18.8%. For children receiving PCS, the average payment per child for ER services in SFY 2010 was 11.0% higher than in SFY 2009. However, the average payment per child decreased 12.7% from SFY 2009 to SFY 2010 for those children not receiving PCS. This 11% increase for children receiving PCS occurred despite a decrease in the average number of ER claims per child between SFY 2009 and SFY 2010, from 2.15 claims per child to 2.06 claims per child.

Exhibit 4

**Number of Children, Claims, and Payments for Emergency Room Services^a
Children Receiving and Children Not Receiving Personal Care Services (PCS)**

SFY 2009	All Children	PCS ^b % of Total	Children with:		Ratio PCS/No PCS
			PCS ^b	No PCS ^c	
Children with Claims	454,829	0.43	1,936	452,893	
Percentage of children	19.2		33.7	19.2	1.75
Number of Claims	710,579	0.58	4,156	706,423	
Per child	1.56		2.15	1.56	1.38
Payments (\$)	455,610,695	1.81	8,262,625	447,348,070	
Per child	1,002		4,268	988	4.32
Per claim	641		1,988	633	3.14
SFY 2010					
Children with Claims	500,431	0.58	2,881	497,550	
Percentage of children	18.8		34.9	18.8	1.86
Number of Claims	794,843	0.75	5,941	788,902	
Per child	1.59		2.06	1.59	1.30
Payments (\$)	443,218,817	3.08	13,653,023	429,565,794	
Per child	886		4,739	863	5.49
Per claim	558		2,298	545	4.22

^aClaims with at least one detail line with a procedure code = 450 (Emergency Room).

^bIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

^cChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services (23,913 children in SFY 2009 and 24,660 children in SFY 2010).

CLAIMS FOR PHYSICIAN SERVICES

Exhibit 5 compares Medicaid claims and payments for children with office-based claims. These data include claims with at least one detail line with a “Place of Service” code equal to Office. **Exhibit 6** examines the subset of office-based claims that represent physician evaluation and management (E&M) services. Physician E&M services represent physician “evaluation and management” codes, that is, claims with a place of service equal to “office” and a Current Procedural Terminology (CPT) code between 99201 and 99499. These services consist of office or other outpatient services, preventive medicine, consultations, and prolonged E&M services. Data are presented for SFY 2009 and SFY 2010.

In SFY 2010, there were a total of 2.5 million children with office-based claims, accounting for \$1.9 billion in payments (38.0% of the total Medicaid payments for children). The children receiving PCS were only slightly more likely to have an office-based claim compared to those not receiving PCS (95.1% of children with PCS had an office-based claim compared to 93.5% of children with no PCS). The children receiving PCS represented just under one-third of one percent of the total children with claims, 1.9% of the claims, and 1.3% of the Medicaid payments for office-based services. A child receiving PCS had, on average, 6.2 times more office-based claims (37.3 claims per child) than a child not receiving PCS (6.0 claims per child). As a result, although average per claim payments for children with PCS (\$83) were lower than those for children with no PCS (\$125), office-based Medicaid payments per child receiving PCS averaged \$3,109, or 4.1 times the average payment for a child with no PCS (\$751). This differences in payments obviously resulted from the much higher number of office visits by children receiving PCS than from the intensity of services (reflected in the average payments per claim) they received in their office visits.

Compared to SFY 2009, the percentage of children with claims for office-based services increased in SFY 2010 for both the children receiving PCS and those not receiving PCS. The average payment per claim increased 13.7% and 6.8%, respectively, and the average payment per child increased between SFY 2009 and SFY 2010 by 12.3% for children receiving PCS and 10.4% for children not receiving PCS. Since the average payment per child for physician E&M services increased only 2.3% between SFY 2009 and SFY 2010 (Exhibit 6), most of the increase in the average payment per child in Exhibit 5 reflects an increase in office-based services other than routine physician visits.

Exhibit 5

Number of Children, Claims, and Payments for Office-based Services^a
Children Receiving and Children Not Receiving Personal Care Services (PCS)

SFY 2009	All Children	PCS ^b % of Total	Children with:		Ratio PCS/No PCS
			PCS ^b	No PCS ^c	
Children with Claims	2,175,897	0.25	5,426	2,170,471	
Percentage of children	92.1		94.4	92.1	1.03
Number of Claims	12,828,219	1.59	204,575	12,623,644	
Per child	5.90		37.70	5.82	6.48
Payments (\$)	1,491,971,798	1.01	15,020,075	1,476,951,723	
Per child	686		2,768	680	4.07
Per claim	116		73	117	0.63
SFY 2010					
Children with Claims	2,487,759	0.32	7,848	2,479,911	
Percentage of children	93.5		95.1	93.5	1.02
Number of Claims	15,205,429	1.92	292,572	14,912,857	
Per child	6.11		37.28	6.01	6.20
Payments (\$)	1,887,207,734	1.29	24,401,052	1,862,806,682	
Per child	759		3,109	751	4.14
Per claim	124		83	125	0.67

^aClaims with at least one detail line with Place of Service = Office.

^bIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

^cChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services (23,913 children in SFY 2009 and 24,660 children in SFY 2010).

As shown in Exhibit 6, there were a total of 1.3 million children with physician E&M claims in SFY 2010, accounting for \$352.3 million in payments and representing 18.7% of payments for all office-based services. The children receiving PCS were 1.7 times more likely to have a physician E&M visit claim compared to those not receiving PCS (83.9% of children with PCS had an E&M claim compared to 49.0% of children with no PCS). The children receiving PCS represented one-half of one percent of the total children with claims, 1.1% of the claims, and 1.1% of the Medicaid payments for physician E&M services. A child receiving PCS had, on average, 2.1 times more E&M claims (8.5 claims per child) than a child not receiving PCS (4.1 claims per child). As a result, although average per claim payments for children with PCS (\$64) were lower than those for children with no PCS (\$66), physician E&M Medicaid payments per child receiving PCS averaged \$543, or 2.0 times the average payment for a child with no PCS (\$268). This difference in payments resulted from both the higher number of physician office visits by children receiving PCS and the higher intensity of services they received in their physician office visits.

The percentage of children with claims for physician E&M services remained relatively stable between SFY 2009 and SFY 2010 for both the children receiving PCS and those not receiving PCS. The average payment per claim also changed just slightly, decreasing by \$2 on average for those children receiving PCS and increasing by \$1 for those not receiving PCS. The average payment per child for physician E&M services decreased 4.6% between SFY 2009 and SFY 2010 for children receiving PCS while increasing only 1.9% for children not receiving PCS.

Exhibit 6

**Number of Children, Claims, and Payments for Physician E&M Services^a
Children Receiving and Children Not Receiving Personal Care Services (PCS)**

SFY 2009	All Children	PCS ^b % of Total	Children with:		Ratio PCS/No PCS
			PCS ^b	No PCS ^c	
Children with Claims	1,163,687	0.41	4,787	1,158,900	
Percentage of children	49.2		83.3	49.2	1.69
Number of Claims	4,705,238	0.87	41,094	4,664,144	
Per child	4.04		8.58	4.02	2.13
Payments (\$)	307,193,314	0.89	2,723,647	304,469,667	
Per child	264		569	263	2.17
Per claim	65		66	65	1.02
SFY 2010					
Children with Claims	1,305,242	0.53	6,923	1,298,319	
Percentage of children	49.1		83.9	49.0	1.71
Number of Claims	5,342,891	1.10	58,763	5,284,128	
Per child	4.09		8.49	4.07	2.09
Payments (\$)	352,321,721	1.07	3,761,613	348,560,108	
Per child	270		543	268	2.02
Per claim	66		64	66	0.97

^aClaims with at least one detail line with Place of Service = Office and procedure code = 99201 - 99305, indicating a physician Evaluation and Management (E&M) service. These are a subset of the children in Exhibit 5.

^bIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

^cChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services (23,913 children in SFY 2009 and 24,660 children in SFY 2010).

CLAIMS FOR HOME AND COMMUNITY BASED SERVICES

Exhibit 7 compares Medicaid claims and payments for children with claims for home care services. As with the other analyses by place of service, these data represent claims with at least one detail line with a “Place of Service” code equal to Home. Data are presented for SFY 2009 and SFY 2010. Since PCS is a home care service, all of the children identified as “receiving PCS” have home-based claims.

In SFY 2010, a total of 215,016 children had home-based claims, accounting for \$752.3 million in payments (15.1% of the total Medicaid payments for children). The children receiving PCS were 12.8 times more likely to have a home-based claim compared to those not receiving PCS (100.0% of children with PCS had a home-based claim compared to 7.8% of children with no PCS). Importantly, although the children receiving PCS represented only 3.8% of the total children with home-based claims, they represented 29.5% of the claims, and 25.8% of the Medicaid payments for home-based services. Not surprisingly, a child receiving PCS had 10.5 times more home-based claims (80.1 claims per child) than a child not receiving PCS (7.6 claims per child) and Medicaid payments for home-based services averaged \$23,469 for children with PCS, or 8.7 times the average payment for a child with no PCS (\$2,701).

The total payments for home-based claims increased 28.7% between SFY 2009 and SFY 2010, with 43% of the additional \$167.5 million in the increase to children receiving PCS. Between SFY 2009 and SFY 2010, the average payment per child increased 10.2% for children receiving PCS, but declined 3.5% for children not receiving PCS. Similarly, the average payment per claim increased 12.7% for children receiving PCS and fell 11.3% for those children not receiving PCS.

Exhibit 7

Number of Children, Claims, and Payments for Home-based Services^a
Children Receiving and Children Not Receiving Personal Care Services (PCS)

SFY 2009	All Children	PCS ^b % of Total	Children with:		Ratio PCS/No PCS
			PCS ^b	No PCS ^c	
Children with Claims	170,996	3.36	5,745	165,251	
Percentage of children	7.2		100.0	7.0	14.26
Number of Claims	1,630,853	28.87	470,891	1,159,962	
Per child	9.54		81.97	7.02	11.68
Payments (\$)	584,735,553	20.92	122,342,784	462,392,769	
Per child	3,420		21,296	2,798	7.61
Per claim	359		260	399	0.65
SFY 2010					
Children with Claims	215,016	3.84	8,254	206,762	
Percentage of children	8.1		100.0	7.8	12.82
Number of Claims	2,239,834	29.53	661,367	1,578,467	
Per child	10.42		80.13	7.63	10.50
Payments (\$)	752,279,337	25.75	193,712,166	558,567,171	
Per child	3,499		23,469	2,701	8.69
Per claim	336		293	354	0.83

^aClaims with at least one detail line with Place of Service = Home.

^bIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

^cChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services (23,913 children in SFY 2009 and 24,660 children in SFY 2010).

CLAIMS AND EXPENDITURES BY PLACE OF SERVICE

Exhibit 8 and **Exhibit 9** summarize the number of children, claims, and payments by place of service for children receiving PCS and children not receiving PCS, for SFY 2009 and SFY 2010, respectively. The far right column, “Other,” in the exhibits represents claims with line item detail place of service equal to nursing home, independent laboratory, birthing center, or other locations. The columns in Exhibit 8 and Exhibit 9 will sum to greater than the total payments presented in Exhibit 1 because some claims have multiple detail line items with more than one place of service code. Hospital inpatient data presented here and in Exhibit 1 reflect claims with a “room and board” procedure code. In SFY 2010, room and board claims represented 86.6% of the total payments for claims with Place of Service code equal to Hospital-Inpatient. The other hospital-inpatient claims primarily include physician professional fees associated with an inpatient stay.

As Exhibit 9 demonstrates for SFY 2010, for inpatient hospital services, the intensity of the service (average cost per claim) was 2.6 times higher for children receiving PCS than for children not receiving PCS. In addition, children with PCS were 2.3 times more likely to have an inpatient stay and averaged more stays per child (1.86 vs. 1.15) than children not receiving PCS. These factors also come into play for hospital outpatient services; however, the difference in the number of claims per child (30.8 vs. 5.6) was the biggest contributor to the 6.2 times higher average payment per child for children receiving PCS compared to those not receiving PCS. The dramatic difference in expenditures per child is driven by the much higher number of claims or level of utilization rather than intensity of the services. In contrast, the difference in ER services primarily reflects the intensity of the services rather than the number of claims per child. An average ER visit for children in the PCS program costs 4.2 times the costs of the ER visit for a child not receiving PCS. With 30% additional utilization, the average payment per child was 5.5 times higher for children receiving PCS.

The data for office visits and home care services present a very different picture than what was seen in ER visits. Based on claims, the costs per physician E&M visit, other office-based visit or service, and home care visit is higher for children who are not in the PCS Program than for children receiving PCS. But children in the PCS program have a higher utilization rate for office visits and home care than do other child in the Medicaid Program (2.1 times higher for physician E&M services, 5.8 times higher for other office-based services, and 10.5 times higher for home

care). The category of “Other” (places of service) presents yet a different picture. For these Medicaid services, children in the PCS Program have both higher utilization (3.5 times higher) and receive more intense services (1.7 times higher payment per claim).

Also, looking at the final entries in Exhibits 8 and 9 provides a quick picture of which types of services children with PCS differed most dramatically in their costs to the Medicaid program from children not receiving PCS. The ratio of Medicaid payments per child (PCS/no PCS) varied from 2.0 to 8.7. As one would expect, the largest ratio (8.7) was in home care services. The PCS population is a home care population. However, the next largest payment ratios were found in hospital outpatient services (6.2) and in other (place of service) Medicaid services (5.8). Health care for children with PCS was most similar to health care for other children in the Medicaid program in inpatient services, physician E&M visits, and other office-based visits. But, “most similar” is a relative term. Children with PCS had payment ratios for these services that ranged from 2.0 to 4.3.

Exhibit 8

Summary Number of Children, Claims, and Payments by Place of Service
Children Receiving and Not Receiving Personal Care Services (PCS), SFY 2009

Measure of Use	Place of Service = Hospital			Place of Service = Office		Home	Other
	Inpatient ^a	Outpatient	ER	Physician E&M	Other		
Children Receiving PCS^b							
Children with Claims	1,100	4,155	1,936	4,787	5,223	5,745	2,909
Percentage of children	19.1	72.3	33.7	83.3	90.9	100.0	50.6
Number of Claims	2,178	138,741	4,156	41,094	163,481	470,891	35,131
Per child	1.98	33.39	2.15	8.58	31.30	81.97	12.08
Payments (\$)	23,863,278	24,274,888	8,262,625	2,723,647	12,296,428	122,342,784	5,395,965
Per child	21,694	5,842	4,268	569	2,354	21,296	1,855
Per claim	10,957	175	1,988	66	75	260	154
Children Not Receiving PCS^c							
Children with Claims	226,296	750,321	452,893	1,158,900	2,050,371	165,251	275,712
Percentage of children	9.6	31.8	19.2	49.2	87.0	7.0	11.7
Number of Claims	260,142	4,117,744	706,423	4,664,144	7,959,500	1,159,962	964,898
Per child	1.15	5.49	1.56	4.02	3.88	7.02	3.50
Payments (\$)	1,280,286,936	657,749,795	447,348,070	304,469,667	1,172,482,056	462,392,769	81,385,912
Per child	5,658	877	988	263	572	2,798	295
Per claim	4,921	160	633	65	147	399	84
Payment per Child Ratio							
With PCS to No PCS ^d	3.83	6.66	4.32	2.17	4.12	7.61	6.28

NOTE: Columns will sum to greater than total payments (Exhibit 1) because claims have multiple detail line items with more than one place of service code.

^aClaims with at least one detail line item with a Room & Board procedure code.

^bIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

^cChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services.

^dFor those children with at least 1 claim in the place of service category in the column header.

Exhibit 9

**Summary Number of Children, Claims, and Payments by Place of Service
Children Receiving and Not Receiving Personal Care Services (PCS), SFY 2010**

Measure of Use	Place of Service = Hospital			Place of Service = Office		Home	Other
	Inpatient ^a	Outpatient	ER	Physician E&M	Other		
Children Receiving PCS ^b							
Children with Claims	1,555	6,004	2,881	6,923	5,223	8,254	4,083
Percentage of children	18.8	72.7	34.9	83.9	63.3	100.0	49.5
Number of Claims	2,886	184,688	5,941	58,763	145,812	661,367	46,081
Per child	1.86	30.76	2.06	8.49	27.92	80.13	11.29
Payments (\$)	38,008,488	33,168,852	13,653,023	3,761,613	11,258,462	193,712,166	7,393,512
Per child	24,443	5,524	4,739	543	2,156	23,469	1,811
Per claim	13,170	180	2,298	64	77	293	160
Children Not Receiving PCS ^c							
Children with Claims	217,339	821,396	497,550	1,298,319	2,050,371	206,762	316,191
Percentage of children	8.2	31.0	18.8	49.0	77.3	7.8	11.9
Number of Claims	249,748	4,635,649	788,902	5,284,128	9,921,301	1,578,467	1,031,901
Per child	1.15	5.64	1.59	4.07	4.84	7.63	3.26
Payments (\$)	1,244,835,931	728,626,201	429,565,794	348,560,108	1,538,647,626	558,567,171	98,889,435
Per child	5,728	887	863	268	750	2,701	313
Per claim	4,984	157	545	66	155	354	96
Payment per Child Ratio							
With PCS to No PCS ^d	4.27	6.23	5.49	2.02	2.87	8.69	5.79

NOTE: Columns will sum to greater than total payments (Exhibit 1) because claims have multiple detail line times with more than one place of service code.

^aClaims with at least one detail line item with a Room & Board procedure code.

^bIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

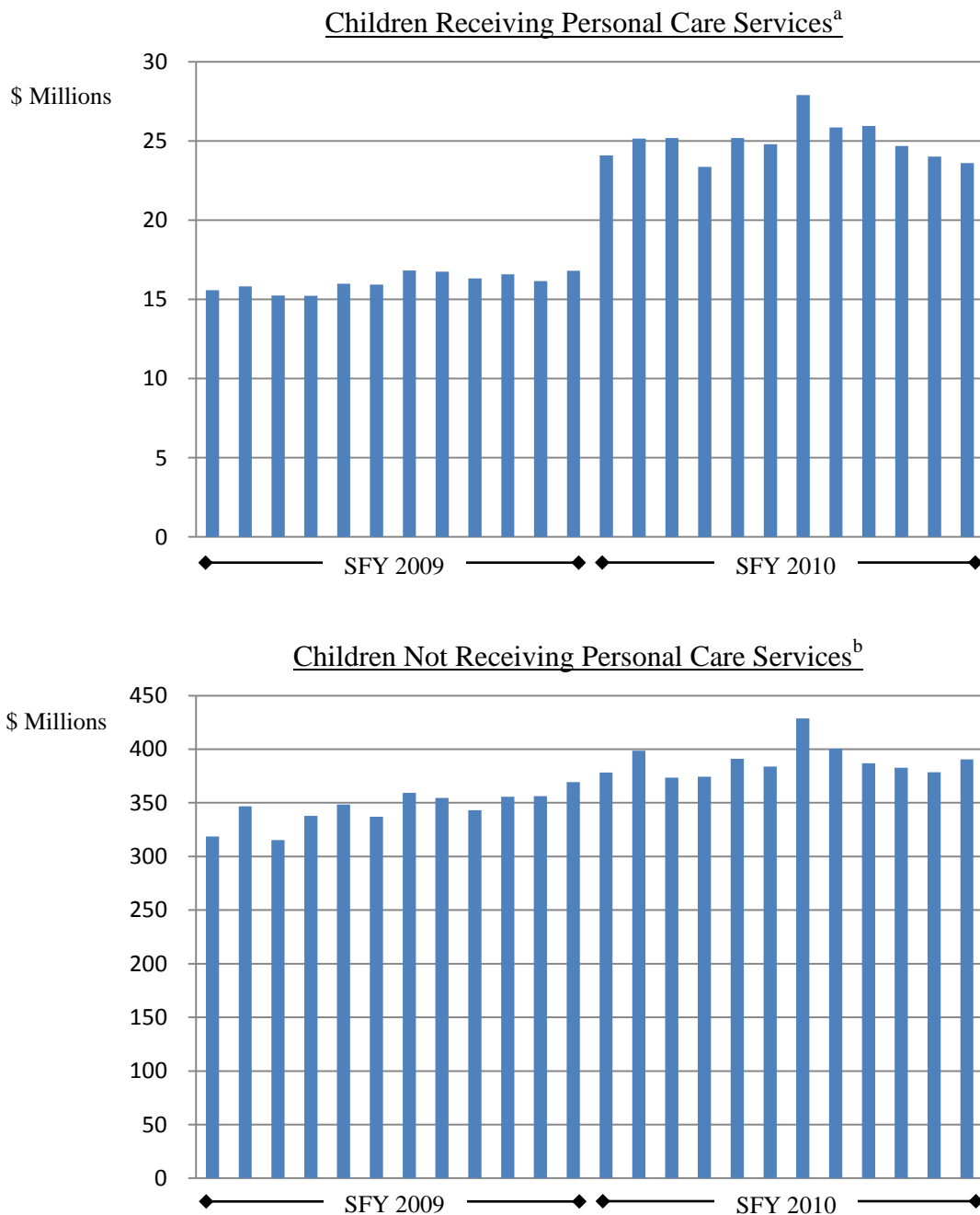
^cChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services.

^dFor those children with at least 1 claim in the place of service category in the column header.

EXPENDITURES BY MONTH

Exhibit 10 presents the monthly distribution of Medicaid payments during SFY 2009 and SFY 2010. Two graphs are presented, one for the children receiving PCS and one for those not receiving PCS. The increase in SFY 2010 payments for children receiving PCS reflects the 42.7% increase in the number of children receiving these services. In each fiscal year, March was the month with the highest payment amount; however, this difference was most dramatic in SFY 2010.

Exhibit 10
Monthly Payments
Children Receiving and Not Receiving Personal Care Services (PCS)
September 2008 – August 2010



^aIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

^bChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services (23,913 children in SFY 2009 and 24,660 children in SFY 2010).

CONCENTRATION OF MEDICAID EXPENDITURES

Exhibit 11 compares the distribution of Medicaid payments, by selected ranges of payments per child, of the children receiving PCS to the children not receiving PCS. For children with PCS, more than half of total Medicaid payments are for children with payments for the year that exceeded \$50,000 per child (54.9% in SFY 2009 and 57.4% in SFY 2010). In comparison, this \$50,000+ per child group represents less than one-fourth of the payments to children with no PCS in SFY 2010. In SFY 2010, for children not receiving PCS, approximately one-third of the Medicaid payments are for children in the \$1,000 - \$4,999 payment range. For these children with no PCS, 15% of the payments were for children with payments less than \$1,000. Remarkably, this payment range (< \$1,000) represented only .02% for children receiving PCS. Extending this comparison to the < \$5,000 per child ranges, almost half (48.5%) of the Medicaid payments to children not receiving PCS are less than \$5,000 per child in SFY 2010, compared to less than one percent (0.8%) of those children receiving PCS. Clearly, the children with PCS have a much larger concentration of high payments per child compared to those children with no PCS. In general, the differences in distribution of payments between children receiving PCS and those not receiving PCS was greater in SFY 2010 than in SFY 2009.

Exhibit 11

**Distribution of Payments by Per Child Expenditure Range
Children Receiving and Children Not Receiving Personal Care Services (PCS)**

SFY 2009	Children Receiving PCS^a			Children Not Receiving PCS^b		
<u>\$/Child Range</u>	<u>Total Payments</u>	<u>% of Payments</u>	<u>Cum. Prcnt.^c</u>	<u>Total Payments</u>	<u>% of Payments</u>	<u>Cum. Prcnt.^c</u>
< 1,000	36,655	0.0 ^d	0.0 ^a	623,109,048	15.0	15.0
1,000 – 4,999	1,811,773	0.9	1.0	1,272,575,368	30.7	45.8
5,000 – 9,999	6,496,177	3.4	4.3	411,306,010	9.9	55.7
10,000 – 19,999	22,761,314	11.8	16.1	334,861,989	8.1	63.8
20,000 – 29,999	23,000,907	11.9	28.0	171,291,167	4.1	67.9
30,000 – 49,999	32,929,104	17.0	45.1	195,821,062	4.7	72.6
50,000 +	106,158,202	54.9	100.0	1,133,517,854	27.4	100.0
SFY 2010						
< 1,000	49,444	0.0	0.0	709,387,693	15.2	15.2
1,000 – 4,999	2,275,523	0.8	0.8	1,552,139,856	33.3	48.5
5,000 – 9,999	8,833,603	2.9	3.7	462,232,757	9.9	58.4
10,000 – 19,999	32,045,655	10.7	14.4	381,655,090	8.2	66.5
20,000 – 29,999	34,287,804	11.4	25.9	193,445,436	4.1	70.7
30,000 – 49,999	50,205,691	16.7	42.6	210,451,270	4.5	75.2
50,000 +	172,041,300	57.4	100.0	1,158,343,827	24.8	100.0

^aIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

^bChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services (23,913 children in SFY 2009 and 24,660 children in SFY 2010).

^cCum. Prcnt. = Cumulative Percentage.

^dRepresents .02% of the total payments to children receiving PCS.

Exhibit 12 presents the distribution of payments by age cohort for children receiving PCS and those not receiving PCS for SFY 2009 and SFY 2010. In addition, Exhibit 12 presents the average payment per claim for the two groups of children by age cohort. In SFY 2010, the 0 to 1 year old age cohort represents 19.8% of the Medicaid payments for children not receiving PCS, compared to representing only 1.9% of the payments for children receiving PCS. This is because there are no neonates and very few young infants in the group with PCS compared to the group with no PCS. For the children receiving PCS, 39.0% of the payments are for children 5 to 11 years old. Medicaid payments for children receiving PCS that are 18 to 20 years old account for 15.6% of total payments; while this age group accounts for only 7.8% of the payments to children not receiving PCS. For both categories of children, the percentage of payments in the 0 to 1 year old cohort declined slightly between SFY 2009 and SFY 2010.

Exhibit 12

**Distribution of Payments and Average Payment per Claim by Age Cohort^a
Children Receiving and Children Not Receiving Personal Care Services (PCS)**

SFY 2009					Children Not Receiving PCS ^c			
<u>Age Cohort^a</u>	Children Receiving PCS ^b				<u>Total Payments^c</u>	<u>% of Payments</u>	<u>Cum. Prcnt.</u>	<u>\$ Per Claim</u>
	<u>Total Payments^d</u>	<u>% of Payments</u>	<u>Cum. Prcnt.</u>	<u>\$ Per Claim</u>				
0 – 1 year	\$4,404,696	2.3	2.3	\$594	\$918,118,057	22.2	22.2	\$409
1 – 4 years	29,138,502	15.1	17.4	265	932,976,264	22.5	44.7	180
5 – 11 years	74,662,788	38.6	56.0	199	1,103,154,455	26.6	71.3	163
12 – 14 years	27,899,085	14.4	70.4	203	425,768,712	10.3	81.6	183
15 – 17 years	25,305,017	13.1	83.5	233	429,134,178	10.4	92.0	207
18 – 20 years	31,783,778	16.5	100.0	249	331,944,898	8.0	100.0	228
SFY 2010								
0 – 1 year	\$5,646,765	1.9	1.9	\$873	\$922,867,774	19.8	19.8	\$376
1 – 4 years	51,613,065	17.2	19.1	302	1,072,098,347	23.0	42.7	175
5 – 11 years	116,807,808	39.0	58.1	212	1,309,034,218	28.0	70.8	164
12 – 14 years	43,693,082	14.6	72.7	239	500,381,279	10.7	81.5	181
15 – 17 years	34,970,662	11.7	84.4	248	496,435,740	10.6	92.2	208
18 – 20 years	46,869,223	15.6	100.0	301	365,977,747	7.8	100.0	230

^aAge is calculated based on claim date; therefore an individual child may be in more than one age cohort.

^bIncludes children with at least one claim detail line with a procedure code (in SFY 2009 or SFY 2010) of T1019 = Personal Care Services, Per Diem, Not for an Inpatient or Resident of a Hospital, Nursing Facility, ICF/MR, or IMD.

^cChildren with no procedure code = T1019; however these children may have had School-based or Bus-based personal care services (23,913 children in SFY 2009 and 24,660 children in SFY 2010).

^dIn SFY 2009, there are 4 claims with missing age data accounting for \$266 in payments. In SFY 2010, there are 4 claims with missing age data accounting for \$138,415 in payments.

^eIn SFY 2009, there are 1,533 claims with missing age data accounting for \$1,385,934 in payments. In SFY 2010, there are 846 claims with missing age data accounting for \$860,824 in payments.

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