
PHEC Benefit Extension Costs and Impacts

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PHEC Benefit Definition

Post-Hospital Extended Care (PHEC) Benefit:

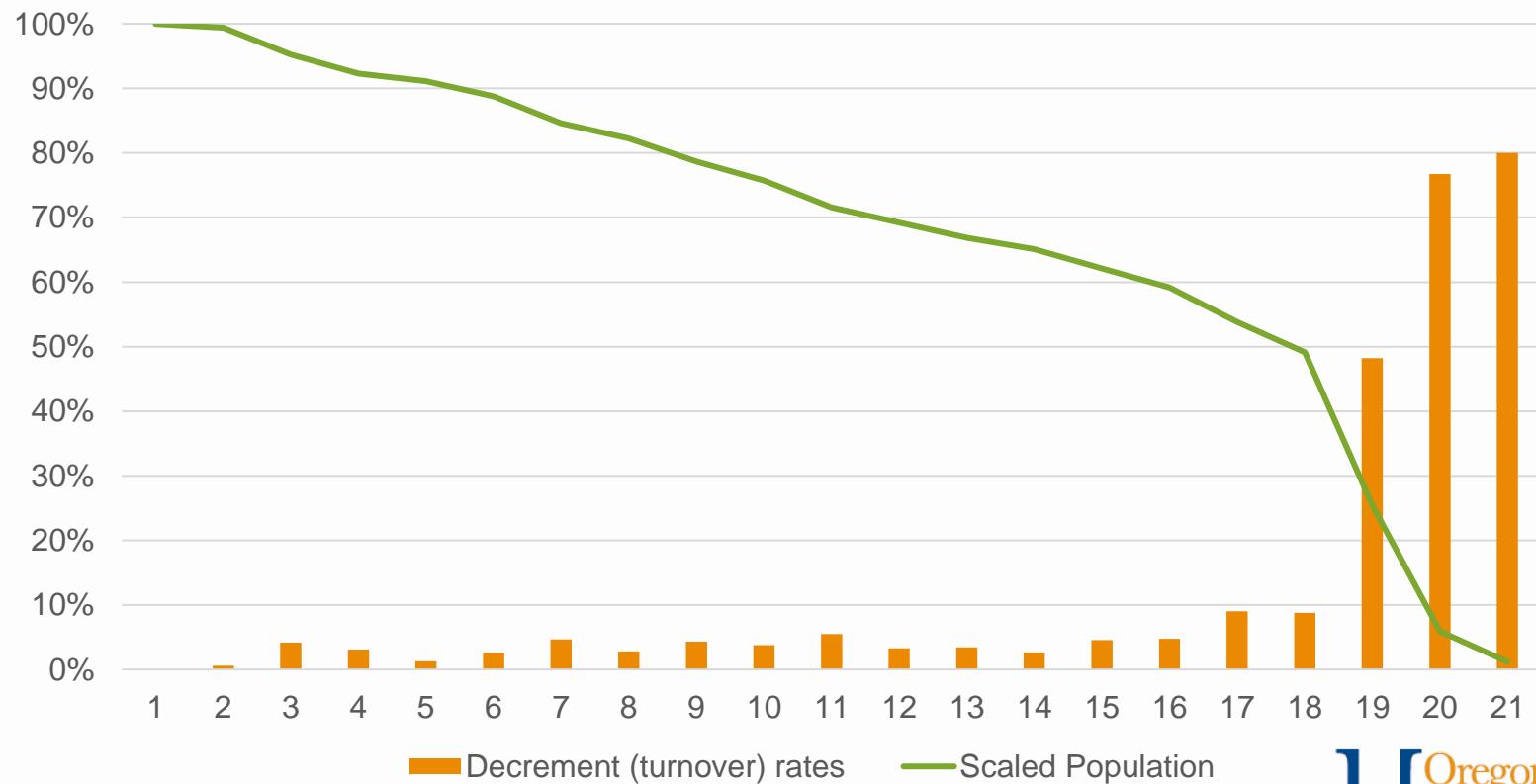
- OHP medical benefit covering nursing facility (NF) stay after 3+ day inpatient hospital stay
 - Distinct from NF benefits under long-term services and supports (LTSS), eligibility for which is determined separately
- Maximum 20 day stay (OAR 411-070-0033)
- Member not eligible for Medicare
 - This is a Medicaid benefit modeled after the Short-term Nursing Facility (SNF) Medicare Benefit described on slide 10
- Details found at Skilled Nursing Benefits web page

Recent PHEC Experience

- Claims for stays starting 7/1/2022-6/30/2023 (SFY23)
 - 157 stays (70 CCO, 89 FFS, one overlap)
 - 18 swing bed stays, total of 271 days
 - 13.7% of claims had no identified hospital stay
- NF charges per person per day: \$617 (incl. swing beds)
- Total annual cost \$1.6m (PHEC NF + swing bed costs)
- Other Medicaid costs per day during PHEC/swing bed period: \$245
 - Main services: Rx, Primary Care, OP surgery/ER, Ambulance Transportation

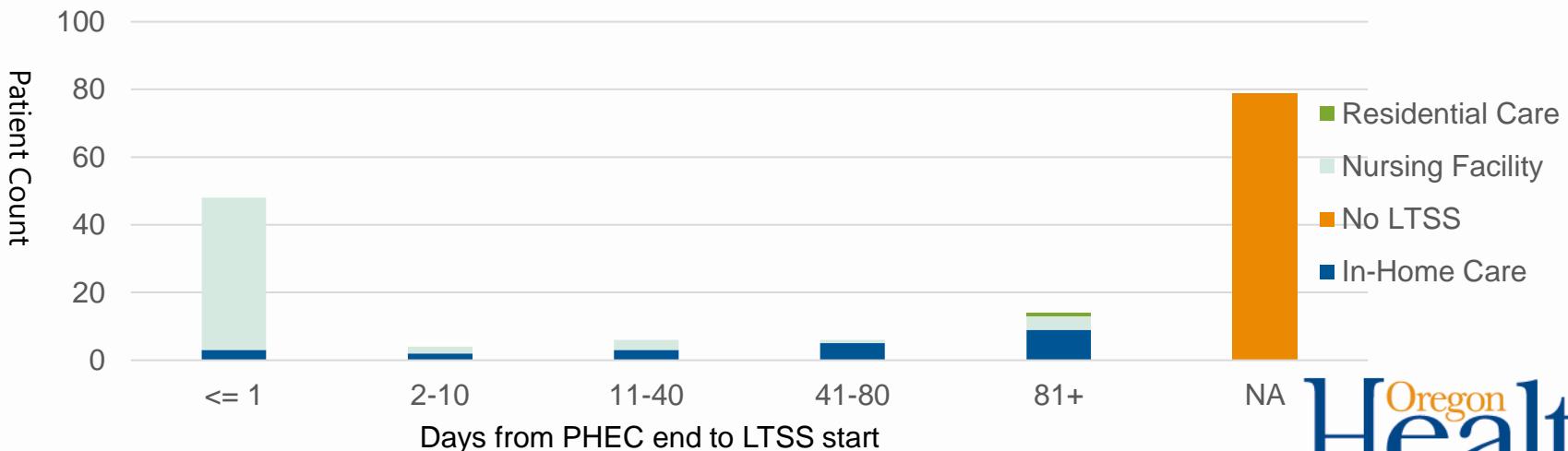
Duration of PHEC Benefit Periods

- Remaining population (scaled) by days of benefit / turnover rates
- Days 1-15 used for pricing scenarios, documented in appendix



Member Outcomes following PHEC

- 45% of PHEC patients received LTSS (N=78), of which
 - 71% remain in nursing facility (N=55)
 - 28% move to in-home (IH) services (N=22)
 - 1% to residential care (N=1)
- Headcount of patients by days from PHEC end to LTSS start, and destination LTSS setting



OHP Costs post-PHEC

- Post-PHEC costs incurred by OHP
 - Remaining in NF
 - Average facility charges \$507 per day
 - Discharge to in-home care
 - 28% in-home regular hours, 72% in-home agency
 - Average IH charges \$38 / day
 - Discharge to other settings limited cost impact
- If PHEC is extended, then current post-PHEC costs to OHP will offset the direct cost of PHEC extension
- 21% re-hospitalization rate within 30 days post-PHEC

Extending PHEC Program

- Task Force requested cost analysis of extending 20 day coverage period to 30, 60, or 100 days
- Task Force members noted possibility that extended PHEC benefit might increase NF admissions
 - Extended PHEC bridges until LTSS determination (~45 days)
 - PHEC benefit period does not address member suitability for NF
- Methods and assumptions:
 - Apply decrement rates shown in appendix to extended PHEC coverage periods, using SFY23 population
 - Assume \$617 facility cost per day, less LTSS cost offsets
 - Assume PHEC coverage is primary, LTSS secondary

Projected OHP Costs of PHEC Extension

- Reflects direct facility cost impact less LTSS cost offsets
- Indirect impacts such as earlier hospital discharge or reduced readmissions not estimated
- Measured on SFY23 population / costs

	Current	30 Day	60 day	100 day
Direct facility cost to OHP	\$1.6m	\$2.1m	\$2.7m	\$2.9m
LTSS cost offset	--	(\$0.1m)	(\$0.3m)	(\$0.3m)
Net OHP Cost	--	\$0.3m	\$0.8m	\$0.9m

Net OHP costs may not add due to rounding

Costs of PHEC Extension – Alternate

- Same as prior slide, but assume PHEC admissions increase 50% based on improved coverage duration

	Current	30 Day	60 day	100 day
Direct facility cost to OHP	\$1.6m	\$3.0m	\$4.0m	\$4.3m
LTSS cost offset	--	(\$0.2m)	(\$0.4m)	(\$0.5m)
Net OHP Cost	--	\$1.3m	\$1.9m	\$2.2m

Net OHP costs may not add due to rounding

SNF Benefit Definition

Short-term Nursing Facility (SNF) Benefit:

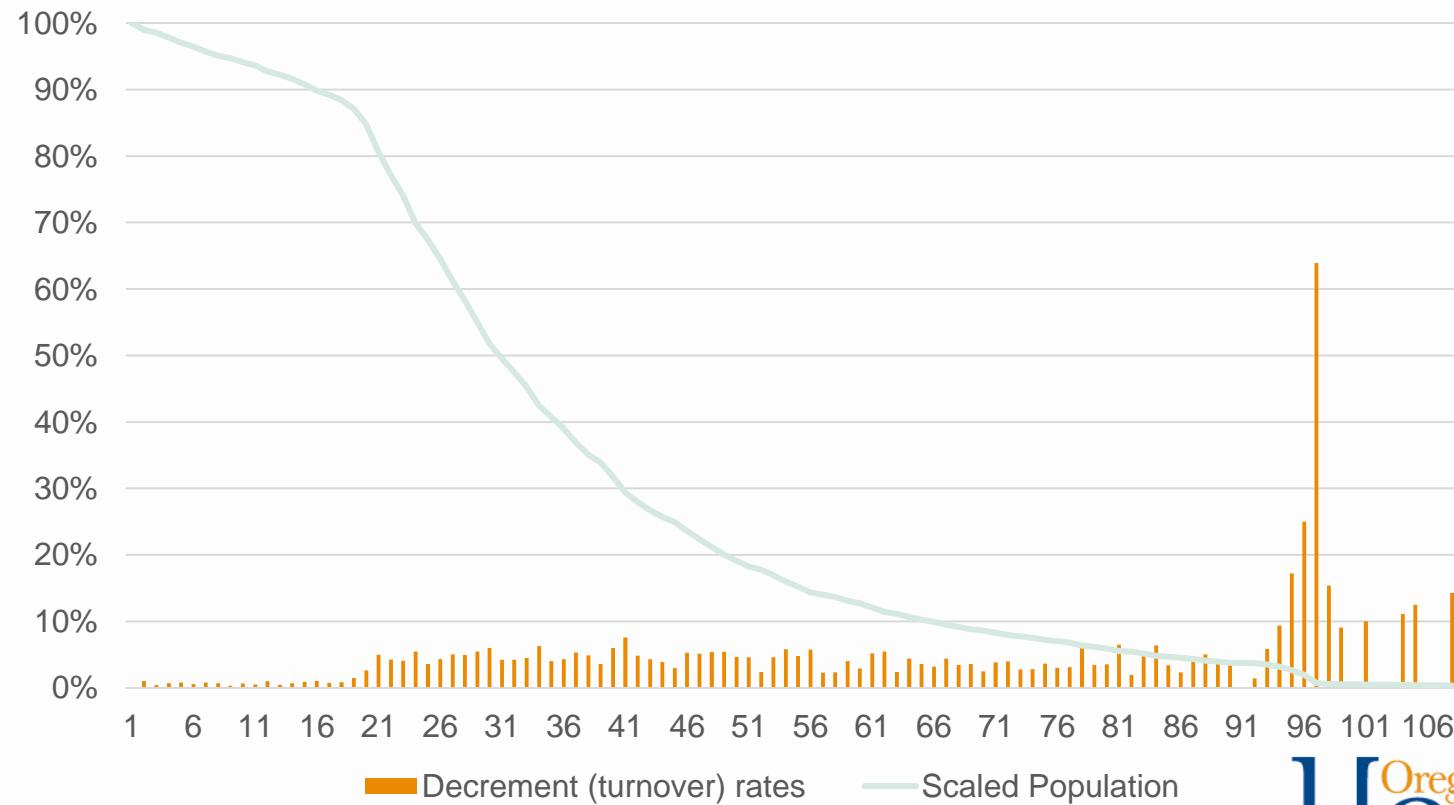
- Medicare benefit covering nursing facility stay after 3+ day inpatient hospital stay
- Maximum 100 day stay
- Patient responsibility of \$200 / day starting day 21
 - For OHP members, the \$200 / day is paid by the state (not CCOs nor members)

Recent SNF Experience

- Claims for stays starting 7/1/2022-6/30/2023
 - Duals 1,863 (31 CCO, 1,841 FFS, with 9 duplicates)
 - Medicaid 23 (all in FFS)
 - QMB/Needy/NoMMC 181 (all in FFS)
- Avg NF costs per day: \$110 (often \$200 post 20 day)
- Total annual cost ~\$7.2m (NF only)
- Other medical costs per day during stay period \$18
- 36.8% of records without identified hospital stay
- Claims are all FFS – no CCO liability pre/post 20 days

Recent SNF Experience

- Remaining population (scaled) by days of stay / turnover rates
- Days 16-95 used for pricing scenarios, documented in appendix



Impact of PHEC Extension on SNF

- Reviewed and used SNF experience as a basis for modeling PHEC extension beyond 20 days
- After 20 days, decrement rates increase sharply
 - Reason not clear through available data, but appears unrelated to Medicaid PHEC benefit
 - Therefore, if PHEC benefit lengthens no assumed impact on SNF costs

Conclusions

- Potential benefits of PHEC extension
 - Earlier discharge from hospital
 - Improved reception from nursing facilities
 - Additional time for coordination with LTSS or other care
 - Reduced rehospitalization
- Costs of PHEC extension
 - Direct increase in Medicaid medical costs
 - Potential increase in PHEC admissions to NFs
 - Partial offsets for existing LTSS costs
 - Possible offsets for shorter / reduced hospitalization

Questions?

Supporting Information

Decrement Rates Used for Pricing

PHEC

Day	Decrement Rate
1	0.6%
2	4.2%
3	3.1%
4	1.3%
5	2.6%
6	4.7%
7	2.8%
8	4.3%
9	3.8%
10	5.5%
11	3.3%
12	3.4%
13	2.7%
14	4.5%
15	4.8%

SNF

Day Range	Decrement Rate
16~20	2.1%
21~25	4.3%
26~30	5.1%
31~35	4.6%
36~40	5.5%
41~45	4.3%
46~50	5.1%
51~55	4.7%
56~60	3.3%
61~65	3.8%
66~70	3.6%
71~75	3.3%
76~80	4.7%
81~85	3.9%
86~90	3.7%
91~95	12.0%
96~98*	30.0%
99*	50.0%
100*	100.0%

Day 96-100 rates also used for final 5 days in 30-day and 60-day pricings

Caveats and Limitations

- The purpose of this report is to facilitate discussion with the Joint Task Force on Hospital Discharge Challenges regarding the potential costs of extending the duration of PHEC coverage under Oregon Health Plan.
- This analysis relies on eligibility and encounter data maintained within OHA and DHS, and the assumptions and methods used to obtain and process PHEC claims. OAFA reviewed the data and information for internal consistency and reasonableness, but we did not audit it.
- Projections are based upon the information and data available at a point in time and are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely, and potentially wide, range of variability from the estimate. Actual program costs will differ from these projections.
- Estimates herein are not intended to be used or relied upon by any other party or for any other purpose than for which it was issued by OAFA.