



089620  
089620  
UNITED STATES GENERAL ACCOUNTING OFFICE

REGIONAL OFFICE

ROOM 1903 JOHN F. KENNEDY FEDERAL BUILDING  
GOVERNMENT CENTER

BOSTON, MASSACHUSETTS 02203

July 3, 1975

Neil P. Fallon, Regional Commissioner  
Social and Rehabilitation Service  
Department of Health, Education, and Welfare  
John F. Kennedy Building  
Boston, Massachusetts 02203

Dear Mr. Fallon:

The U. S. General Accounting Office (GAO) is reviewing delays in transferring Medicaid and Medicare patients who are deemed medically ready for discharge from hospitals to lower cost health care situations in Massachusetts.

We are finding that in addition to paying for medically necessary inpatient hospital days, both programs pay for what are called "administratively necessary (AN) days". Although our review is still in process, we are presenting our findings on some reasons for approving Medicaid AN days in Massachusetts for your information and action.

BACKGROUND

The Commonwealth Institute of Medicine (the Institute--established by the Massachusetts Medical Society), under a contract with the Commonwealth of Massachusetts, began monitoring hospital stays of Medicaid recipients under the Commonwealth Hospital Admissions Monitoring Program (CHAMP) in October 1973. It has been monitoring Medicaid recipients in all acute care hospitals since June 1974. The Federal Government and Massachusetts share the cost of this program equally.

As part of its reporting system, CHAMP keeps records for each hospital of the approved AN days. The principal cause of AN days in Massachusetts from July to November 1974, was the lack of appropriate lower health care beds--1,047 days out of 3,016 days for the 5-month period. Although our review is not completed, we believe that some of the causes for AN days could be eliminated and this would help reduce Medicaid costs.

~~909238~~

089620

## FINDINGS

During July-November 1974, the Medicaid program in Massachusetts incurred costs of about \$123,000 because children were kept in the hospital longer than medically necessary. The reasons for which CHAMP approved 534 AN days in a total of 51 cases were:

<u>Children hospitalized for:</u>	<u>No. of cases</u>	<u>Total days approved</u>	<u>AN days approved</u>	<u>Cost to Medicaid of AN days</u>
Lead paint poisoning	30	594	341	\$ 79,000
Suspected abuse or neglect	16	268	168	38,000
Other <sup>1</sup>	5	37	25	6,000
	<u>51</u>	<u>899</u>	<u>534</u>	<u>\$123,000</u>

Hospital and CHAMP officials agreed that there was no medical reason for hospitalizing the children during the AN days. On November 15, 1974, the Institute requested about \$5,000 from the Massachusetts Department of Public Welfare (Welfare Department) to study the problem of AN days being approved for children entering Boston City Hospital (Boston City) suffering from lead paint poisoning and child abuse, and to document whether this problem existed at other hospitals. On April 22, 1975, an Institute official stated that the Welfare Department had not responded to this request.

### Lead paint poisoning

Boston City hospitalizes all cases of suspected lead paint poisoning and does not voluntarily discharge a patient until satisfied that the home has been deleaded. CHAMP approves as administratively necessary those days that a patient is hospitalized because there is no lead-free home for him to go to.

From July-November 1974, CHAMP approved for payment a total of 594 days in 30 lead paint poisoning cases at Boston City. Of the 594 days, 341, or 57 percent, were AN days. The Medicaid billing rate for the period averaged \$232 per day, making the cost of keeping these children in the hospital beyond the days deemed medically necessary about \$79,000.

<sup>1</sup>Three cases awaiting adoption and two cases where mother was hospitalized and children were also hospitalized because there was no one to care for them.

A Boston City official stated that many of the children could be treated as outpatients if the hospital had the staff and facilities to treat and monitor them and if the home was lead-free or the children had an alternative lead-free home to stay in.

Another hospital in Boston--Children's Hospital Medical Center (Medical Center)--does treat most cases of lead paint poisoning as outpatients. A Medical Center official stated that only the most seriously afflicted--usually those experiencing additional occurrences--are hospitalized. She believes that children can be successfully treated as outpatients if parents are adequately counseled on the dangers of children eating lead paint chips.

In 1974, the Medical Center treated 70 children for lead paint poisoning--11 as inpatients and 59 as outpatients. During the 5-month period reviewed, four Medicaid patients were hospitalized. No AN days were approved for these patients. Forty-two of the 59 patients were Medicaid recipients. The savings to Medicaid from not hospitalizing these children for treatment amounts to about \$46,500.

Suspected child abuse  
and neglect

Massachusetts law requires certain hospital officials to report all suspected cases of child abuse and neglect to the Welfare Department which investigates to determine whether the child can remain at home or should be removed either with parental consent or by court order. If a decision is made to remove the child, the Welfare Department is responsible for placing the child in a foster home. AN days during this process are normally approved as legal complications preventing discharge.

From July 1 through November 30, 1974, CHAMP approved 416 AN days in 52 cases because legal complications prevented discharge. Twenty-nine cases involving 304 AN days were at eight hospitals in the City of Boston. We selected 18 cases at three hospitals--Boston City, New England Medical Center and the Children's Hospital Medical Center--to determine why CHAMP approved 175 AN days.

Sixteen of the 18 cases involved child abuse or neglect for which a total of 168 AN days were approved at a cost to the Medicaid program of about \$38,000. The Welfare Department's investigations showed that more AN days were approved in cases where it was decided to place the child outside the home.

<u>Agency's Decision</u>	<u>AN days</u>		
	<u>Cases</u>	<u>Total</u>	<u>Average</u>
Return to the home	3	16	5.3
Placement outside the home	<u>13</u>	<u>152</u>	11.7
Total	<u>16</u>	<u>168</u>	

Welfare Department officials stated that during this period not all cases were immediately assigned to a social worker due to a lack of staff. They believe that this was the primary cause for the placement delays. A Welfare Department official stated that as of April 22, 1975, there were no unassigned cases in the City of Boston. However, because of other problems, such as not enough foster homes, he believes that placement delays may still be occurring.

#### Other reasons

From July 1 through November 30, 1974, CHAMP also approved a total of 25 AN days in five other instances. There were three cases of babies given up for adoption for which a total of nine AN days were approved and two cases of children who incurred eight AN days each because there was no one at home to take care of them so they accompanied their mother to the hospital. These 25 AN days cost the Medicaid program about \$6,000.

#### CONCLUSIONS

From July 1 to November 30, 1974, the Medicaid program in Massachusetts incurred costs of about \$123,000--which the State and Federal Governments share about equally--because children were hospitalized for 534 days longer than medically necessary. These findings show a need for Massachusetts to seek less costly methods than medically unnecessary hospitalization to protect a child's well being.

Your office should encourage the Welfare Department to identify such methods to (1) help reduce the cost of the Medicaid program and (2) remove healthy children from the hospital environment. Possible solutions include placing healthy children in foster homes on a timely basis, or considering the potential of setting up a temporary placement facility for children.

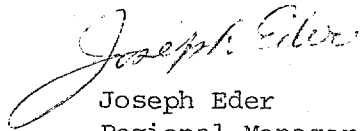
In the instances of lead paint poisoned children at Boston City, the Welfare Department should reduce or eliminate AN days (which averaged over 11 days per case). This will require timely action to

identify AN day patients and either place them in foster situations or return them to their homes with proper counseling and monitoring. The Welfare Department should also consider whether Boston City should treat more lead paint poisoning cases as outpatients as the Children's Hospital Medical Center does.

Your office should also determine whether AN days for suspected child abuse and neglect cases are still occurring and obtain assurance that the Welfare Department has a system for identifying and quickly processing all suspected cases to reduce or eliminate AN days.

We would appreciate your comments on these matters within 60 days from the date of this letter and would be pleased to discuss it with you if you desire. A copy of this letter is being sent to the Massachusetts Commissioner of Public Welfare.

Sincerely yours,

  
Joseph Eder  
Regional Manager