

ACTUARIAL NOTE

NUMBER 84
NOVEMBER 1973

U.S. DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE
SOCIAL SECURITY ADMINISTRATION

AN ANALYSIS OF LENGTH OF PRIOR HOSPITAL STAYS FOR EXTENDED CARE FACILITY CASES

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Introduction

The purpose of this analysis is to determine if the three day hospital stay requirement has been causing additional use of hospitals merely to provide coverage for ECF stays. Two previous studies were conducted in 1968 and 1970 for the same reason (cf. Actuarial Note Number 72, June 1970). The result of those studies showed "no evidence of any general practice of abuse of inpatient hospital stays which are made in order to qualify patients for ECF benefits."

An extended care facility (now referred to as skilled nursing facility) is defined in Medicare Regulations as "an institution, such as a skilled nursing home or rehabilitation center, which has a transfer agreement in effect with one or more participating hospitals." A transfer agreement is a written agreement to transfer patients between the hospital and the ECF, and to exchange medical and other information. Each patient's care must be under the supervision of a physician while at the ECF.

A patient is eligible for ECF benefits under Medicare only after a hospital stay of three or more days prior to his admission to an ECF. The patient must also enter the ECF within fourteen days of his release from the hospital. (With passage of the 1972 Amendments the patient is covered after the fourteen day limit expires if either there were no beds available in the ECF at the time, or if extended care was not medically

appropriate within the fourteen day limit.) In addition, ECF stays are covered only if the "individual needs or needed skilled nursing care on a continuing basis for any of the conditions with respect to which he was receiving inpatient hospital services." (With the 1972 Amendments the level of care required was altered to include skilled rehabilitation services other than skilled nursing care.) The three day hospital stay requirement and the fourteen day transfer limit are intended as administrative tools to help ensure proper use of the facilities. These restrictions would have the opposite effect from that intended if they led to an increase in hospitalization to obtain ECF care. This study analyses whether *any* such excess hospitalization occurs.

Source

The data for this study and the two previous studies was obtained from the 0.1% Actuarial Sample. The Office of the Actuary maintains this sample of all bills submitted for medicare enrollees with health insurance claim numbers ending in '595'. This study is based on bills received by the Social Security Administration through June 30, 1972. Due to the time required for submitting and processing the bills, the sample is somewhat incomplete. (The sample is more than 85% complete for 1971 and more than 95% complete for 1969.) A total of 441 ECF cases for 1969 and 213 for 1971 were examined in the study.

Format of analysis

Table I shows hospital stays which were followed by covered Extended Care Facility stays ending in 1969 and 1971 tabulated by length of hospital stay. If patients were being hospitalized solely to qualify them for ECF benefits, a large number of three and four day qualifying hospital stays would be expected compared to longer hospital stays. The data shows no preponderance of three and four day hospital stays prior to ECF admissions. In 1969, three day hospital stays prior to an ECF admission were actually fairly uncommon. The results of the 1971 data also show no significantly larger number of ECF stays following short hospital stay.

Table II compares the length of hospital stays followed by ECF stays with all hospital stays. Figures for 1971 are represented graphically in Table III. The distribution of hospital stays followed by ECF stays is skewed to the right of the distribution of

all hospital stays. If there were any significant amount of unneeded hospitalization to qualify patients for ECF benefits, exactly the opposite result would be anticipated.

It might be expected that unnecessary hospitalizations to obtain ECF benefits would be followed by relatively long ECF stays—i.e. that where expensive ECF care was anticipated, there would be a tendency to hospitalize the patient to qualify for Medicare ECF benefits. Table IV indicates, on the contrary, that ECF stays following short hospital stays tend to be shorter than those following longer hospital stays.

Conclusion

There are no indications in the sample data of hospitalization solely to provide for extended care facility benefits. If any such misuse of hospitals occurred, it was sufficiently insignificant so as not to affect the statistics studied.

Table I
Distribution of ECF Admissions in 1969 and 1971
by Length of Prior Qualifying Hospital Stay

<u>Length of Hospital Stay (Days) Preceding an ECF Admission</u>	<u>1969 Number of ECF Stays</u>	<u>1971 Number of ECF Stays</u>
3	6	9
4	11	4
5	9	6
6	11	3
7	17	3
8	16	12
9	15	6
10	15	6
11	16	10
12	21	9
13	13	8
14	20	4
15-19	69	38
20-24	43	35
25-29	32	16
30-34	28	11
35-39	25	5
40-44	15	10
45-49	19	4
50-54	8	3
55-59	8	3
60-64	5	3
65-74	9	2
75-84	4	2
85+	6	1
Total	441	213

Table II(a)
Comparison of Length of All Hospital Stays
with Length of Hospital Stays Followed by an ECF Admission
1969

Duration of Hospital Stay (days)	Hospital Stays Followed by an ECF Admission		All Hospital Stays		Hospital Stays followed by ECF Stays as % of Total Hospital Stays
	No.	Percentage of Total	No.	Percentage of Total	
Class					
1-4	17	3.9%	1,199	20.6%	1.4%
5-9	68	15.4	1,699	29.3	3.4
10-14	85	19.3	1,064	18.3	8.0
15-19	69	15.6	643	11.1	10.7
20-24	43	9.8	387	6.7	11.1
25-29	32	7.3	240	4.1	13.3
30-34	28	6.3	140	2.4	20.0
35-39	25	5.7	121	2.1	20.7
40-44	15	3.4	79	1.4	19.0
45-49	19	4.3	51	.9	37.3
50-54	8	1.8	39	.7	20.5
55-59	8	1.8	28	.5	28.6
60-64	5	1.1	32	.6	15.6
65-74	9	2.0	37	.6	24.3
75-84	4	.9	19	.3	21.1
85+	6	1.4	30	.5	20.0
Total	441	100.0	5,808	100.0	

Table II(b)
1971

Duration of Hospital Stay (days)	Hospital Stays Followed by an ECF Admission		All Hospital Stays		Hospital Stays followed by ECF Stays as % of Total Hospital Stays
	No.	Percentage of Total	No.	Percentage of Total	
Class					
1-4	13	6.1%	1,238	21.4%	1.1%
5-9	30	14.1	1,785	30.9	1.7
10-14	37	17.4	1,059	18.3	3.5
15-19	38	17.9	681	11.8	5.6
20-24	35	16.4	357	6.2	9.8
25-29	16	7.5	229	4.0	7.0
30-34	11	5.2	145	2.5	7.6
35-39	5	2.3	75	1.3	6.7
40-44	10	4.7	60	1.0	16.7
45-49	4	1.9	34	.6	11.8
50-54	3	1.4	35	.6	8.6
55-59	3	1.4	26	.4	11.5
60-64	3	1.4	18	.3	16.7
65-74	2	.9	21	.4	9.5
75-84	2	.9	12	.2	16.7
85+	1	.9	9	.1	11.1
Total	213	100.0	5,784	100.0	3.7

Table III
Frequency Distribution of All Hospital Stays and Hospital Stays
Followed by ECF Stays

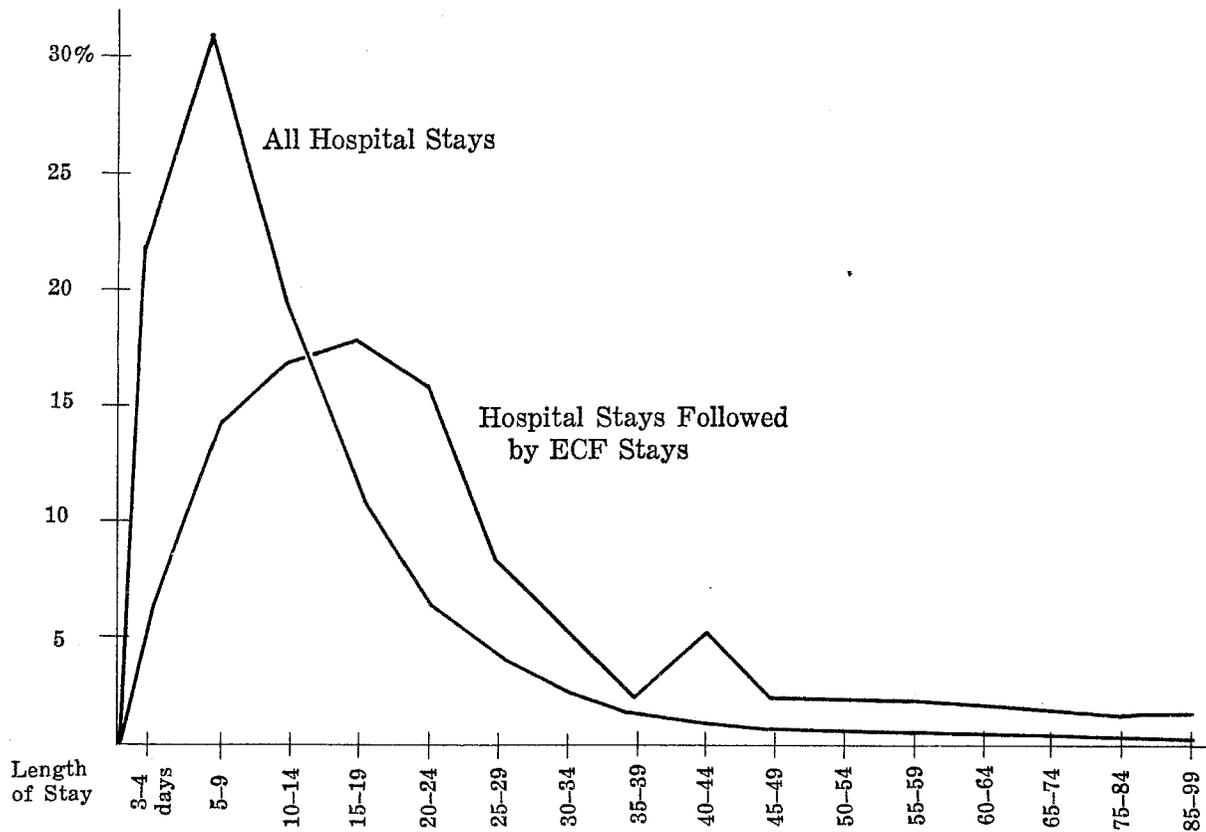


Table IV
Length of ECF Stay by Length of Prior Hospital Stay

Length of Prior Hospital Stay (days)	1969 Average Length of ECF Stay (days)	1971 Average Length of ECF Stay (days)
1-4	37.1	22.9
5-9	42.4	21.7
10-14	38.5	32.2
15-19	47.4	27.1
20-24	44.9	26.3
25-29	52.2	37.1
30-34	42.8	46.6
35-39	56.3	40.6
40-44	52.2	31.1
45-49	63.2	33.2