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Health Care Notes

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Health Care Notes Launched by The Center for Health Services Research

Health Care Notes is the new publication of The Center for Health Services Research of the University of Tennessee. Its mission is to provide health care professionals, policy makers and planners with relevant and timely information about advances in the organization, delivery, effectiveness and financing of health care. Specific emphasis will be on issues that are important to Tennessee. This newsletter will promote the mission of The Center as it strives to become a trusted resource and a valued partner for developing and evaluating health-related public policies and programs.

Health Care Notes will include summaries of breakthrough research important to health and health care in Tennessee, updates on the status of health in the state from reports of national organizations such as the Centers for Disease Control and Prevention, and information about the activities of The Center. It will be published periodically throughout the year and will be distributed to all health related professionals and organizations requesting it.

To receive *Health Care Notes* or additional information concerning The Center, contact David M. Mirvis, MD, Director of The Center for Health Services Research, at (901) 448-5826 or by e-mail at dmirvis@utmem.edu, or visit The Center's web site at www.utmem.edu/center.

Academic Managed Care Organizations Attract Sicker Patients Under TennCare

Managed care organizations (MCOs) owned or operated by academic medical centers attract a higher proportion of the sickest patients under TennCare than do other MCOs. If payments to MCOs or providers do not adequately adjust for these differences, the plans or providers may be placed at significant financial risk.

These are the conclusions of a study led by James E. Bailey, Associate Professor of Medicine, University of Tennessee College of Medicine and published in the September 15, 1999, issue of the *Journal of the American Medical Association*. The three academic MCOs included in this study are affiliated with The University of Tennessee, Memphis; Vanderbilt University in Nashville; and The University of Tennessee, Knoxville.

The three MCOs owned or operated by academic health centers had significantly greater enrollments (in relation to their total enroll-

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**Adverse Selection
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“The historic role of (academic medical centers) in providing a safety net for highly complex care may be threatened by their very success in attracting and serving the sickest patients.”

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ment) of patients with five of the six state-designated high cost conditions and for 22 of the 27 nationally recognized high costs illnesses than did the other MCOs. Academic managed care organizations enrolled 14.1 times as many patients with AIDS, 6.4 times as many patients with coagulation defects and 4.4 times as many patients requiring transplants as did statewide MCOs. Academic MCOs enrolled 4.5% of the overall TennCare population but enrolled 38% of those with AIDS and 26% of those undergoing organ transplantation.

This study documented that managed care organizations affiliated with academic health centers attract sicker patients than do other plans. Because these patients require more health care resources, they are more expensive to serve. Thus, the academic plans may be placed at financial risk if payment systems do not adequately adjust for the higher costs. This risk is heightened because the academic health plans are among the smaller of the state’s MCOs so that the financial burden of these high cost patients cannot be as readily offset by payments for the lower cost, less complex patients.

A serious concern expressed by the authors is that the financial drain that may be imposed by the high proportion of costly patients will divert resources away from these other missions and thereby reduce the effectiveness of the state’s academic health centers in meeting the educational needs of the state.

For additional information, please contact the study director and Associate of The Center for Health Services Research, James E. Bailey, MD, MPH, at jebailey@utm.edu.

Racial Disparities in Health Outcomes Continue in US and in Tennessee

Recently reported data continue to demonstrate significant differences in health outcomes for African Americans, Hispanics and whites across the United States and in Tennessee. The most recent national data, reported as part of the annual publication *Health 1999*, focus on perinatal outcomes.

Key indicators for Tennessee are displayed in the figure below:

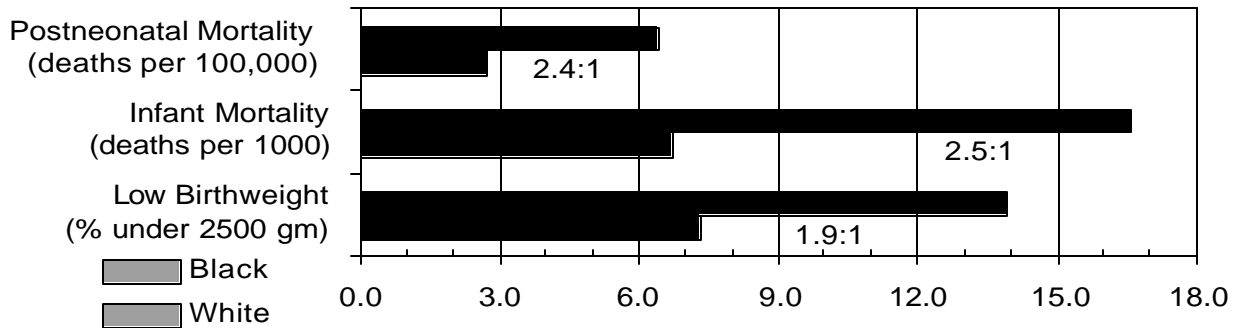


Figure 1: Values for rates of postneonatal mortality (deaths between 28-365 days), infant mortality (deaths under 1 year) and low birthweight infants for white and black populations in Tennessee in 1997. Ratios next to the bars indicate the ratio of the rates for black and the white groups.

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Thus, poor perinatal outcomes were two or more times as common among black Tennesseans than among whites. In addition, and overall death rates were 60% higher in the black community than in the white community (527 deaths per 100,000 population vs 821.7 deaths per 100,000 population). These differences have been longstanding and have shown little change since 1989.

Racial differences in health outcomes as well as in health resource utilization have been demonstrated for numerous conditions, including lower rates of cardiac catheterization and bypass graft surgery and higher mortality rates for heart failure and various forms of cancer among African Americans than among whites (see, for example, "Health Care in Black and White" by D. M. Mirvis, in *Tennessee Medicine*, December 1998, and available through The Center's web site). Reasons for these differences include socioeconomic factors (e.g., income and insurance levels), racial biases by providers, cultural differences among patient groups and differences in disease prevalence and severity among the racial groups.

Institute of Medicine Report Highlights Medical Management Errors in Hospitals

The high number and significance of patient care errors occurring during hospitalization is the subject of a new report by the Institute of Medicine. Based upon studies conducted in Colorado, Utah and New York, the report concludes that serious errors occur in 1.9% to 3.7% of hospitalizations and that death results from up to 13.6% of these errors. Most importantly, over half of the errors were preventable.

When extrapolated to all hospitals in the United States, these results suggest that as many as 98,000 Americans die each year as a result of medical errors. This is more than the number of persons dying each year from motor vehicle accidents, breast cancer or AIDS.

The goal of the report is "to break (the) cycle of inaction" that surrounds this issue. As stated in the report, "the status quo is not acceptable ... it is simply not acceptable for patients to be harmed by the same health care system that is supposed to offer healing and comfort." The committee concludes that "it would be irresponsible to expect anything less than a 50% reduction in errors over 5 years" by a combination of efforts that create sufficient external pressures on hospitals to make errors so costly that they are compelled to take action while enhancing knowledge and tools to improve safety.

The report entitled "To Err is Human" is available from the National Academy Press through its web site www.nap.edu.

Cigarette Use in Tennessee Among Highest in the Nation

Rates of cigarette smoking among adults and youths in Tennessee are among the highest in the nation and are well above year 2000 targets. Data recently reported by the Centers for Disease Control and Prevention (CDC) included the following examples:

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Racial Disparities in Health and Health Care *(continued)*

"This report describes a serious concern in health care that, if discussed at all, is discussed only behind closed doors."

Health Care Notes



Cigarette Use High in Tennessee

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“The net effect is that among children living in America today, 5 million will die an early, preventable death...”

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□ In 1997, 26.9% of adults (18 years old or over) in Tennessee smoked cigarettes; the national average was 23.2% and Tennessee had the 5th highest rate.

□ Among youth in grades 9 through 12 in Tennessee, 38.6% had smoked cigarettes within the past month; Tennessee ranked 9th among states studied.

□ In 1996, 17.6% of mothers in Tennessee reported smoking during their pregnancy; the overall national rate was 13.6% and Tennessee ranked 14th.

□ Between 1990 and 1994, the rate of deaths related to cigarette smoking in Tennessee was 390 per 100,000 population. This corresponded to 135,175 years of life lost or an average of 14.4 years of life lost per death due to cigarette smoking. The national average was 358 per 100,000 and Tennessee ranked 7th.

□ Medical costs related to smoking in Tennessee are estimated to have been \$1,097,730,000.

Goals set by Healthy People 2010, the set of health care objectives established by the U.S. Department of Health and Human Services (DHHS), include reducing cigarette smoking by adults to under 15% and reducing the number of high school students who have smoked within the past month to under 6%. Tennessee's rates substantially exceed these targets.

Tobacco use causes one of every five deaths and is the most common preventable cause of death. According to Donna Shalala, Secretary, DHHS, “Today, nearly 3,000 young people...will begin smoking regularly. Of these..., 1,000 will lose that gamble to the diseases caused by smoking. The net effect is that among children living in America today, 5 million will die an early, preventable death...” These and related information on health practices are available from the CDC (www.cdc.gov/nccdphp/).

Health Policy Papers of *Tennessee Medicine* Available on the Internet

Articles from *Tennessee Medicine*, the medical journal of the Tennessee Medical Association, focusing on current health care policy issues will soon be available on the internet. The full text of the papers can be accessed through The Center's web site at www.utmem.edu/center. These articles, written by Associates of The Center for Health Services Research, have covered key issues in policy. Recent topics have included the impact of health insurance, race and poverty on health and health care as well as issues of physician manpower planning. Upcoming topics include discussions of the role of health services research in formulating health care policy and the state of health care safety net.

Health Care Quote:

“The abdomen, the chest and the brain will forever be shut from the intrusion of the wise and humane surgeon”.

Sir John Eric Ericson,
Surgeon to Queen Virginia, 1873.