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## AN ANALYSIS OF THE DURATION OF PRIOR HOSPITAL STAYS FOR EXTENDED CARE FACILITY CASES

*Michael Hooker and Milton Glanz*

### Introduction

To become eligible for Extended Care Facility (ECF) benefits under Medicare, an insured individual must have been an inpatient in a hospital for not less than 3 consecutive days before discharge and transferral to the ECF. The transfer must take place within 14 days from the hospital discharge date.

The term "Extended Care Facility" means an institution which has in effect a transfer agreement with one or more hospitals and which is primarily engaged in providing to inpatients skilled nursing care or rehabilitation services. The ECF has the requirement that the health care of each patient must be under the supervision of a physician. It must also maintain clinical records for every patient, provide 24-hour nursing service, provide a method for dispensing and administering drugs and biologicals, and employ at least one full time registered professional nurse.

### Background, Purpose, and Plan of the Studies

In June 1968, the Office of the Actuary conducted a study to analyze the question of whether the availability of ECF benefits only on the basis of a hospital stay of at least 3 days is causing additional use of hospitals in order to qualify patients for such benefits.

A follow-up study, using basically the same procedure as the previous study, was completed in April 1970. The data, collected from the 0.1% Actuarial Sample, included 200 ECF stays represented (even if incompletely) in bills processed in Social Security central headquarters from November 1967 through April 1968, and in 200 ECF stays processed from September 1969 through March 1970, for the 1968 and 1970 studies respectively. The bills were examined in the operational processing sequence, and every ECF bill sampled was searched against previously accepted bills and discarded if it represented the same prior hospital stay as one of the previously accepted bills.

The hospital and ECF bills for each case in the study were readily available, because the 0.1% Actuarial Sample maintains a complete folder of bills for each case in the sample. This also permits individual examination of the specifics of any case belonging to the sample.

### Results and Interpretation

The results, in the form of prior-stay duration distributions with accumulated percentages, of the 1968 and 1970 studies are summarized in Table 1. The similarity of the corresponding percentages for each sample strongly suggests that both samples are from very similar distributions. The average prior hospital stay (not shown in the table) was 26 days for the 1968 study and 27 days for the 1970 study. These averages are considerably greater than the 14-day average hospital stay of HI patients generally.

For each study, an examination of the bills for each case with a short prior hospital stay (defined as 3, 4, or 5 days) was conducted.

It was judged in the first study that, of the 6 cases with 4-day hospital stays, 3 were clearly legitimate (e.g., fracture cases) and the other 3 showed a possibility of the type of misuse being investigated. In the 1970 sample, there still appears to be no evidence of a practice of using a short hospital stay solely for the purpose of qualifying a patient for ECF benefits. A current review of each of the 3 cases in question in the 1968 study led to a different conclusion. Two of the cases are now viewed as being proper, and one is still a probable misuse case.

It is only reasonable at this point to attempt an explanation of the two reversals. In reviewing the short-stay hospital bills of the samples, generally two categories of admission were noted. There was the clear-cut case where, for example, hospitalization was required to repair a fracture or perform surgery, after which the patient was transferred to the less expensive ECF for recovery. The second category involves the not-so-clear cut case where hospitalization was required primarily for diagnosis and testing to verify the serious nature of the patient's condition. Therapeutic services generally were not rendered. The patient was then transferred to an ECF because, apparently, there was little more that the services offered by the hospital could do to help the patient. The subsequent demise of the patient in such cases was not an uncommon occurence. Therefore, a case belonging to the second category requires careful individual consideration before making a judgement of its legitimacy. One of the more important questions to be answered is whether or not the patient's condition is unstable. That is to say, could he receive adequate care at home?

Each of the 3 questionable cases of the 1968 study fall in the second category. Two of the cases are now judged to be legitimate, while one is still viewed as being an instance of misuse. A brief description of this questionable case is as follows:

> "The patient was residing in a nursing home at the time of admission to a hospital. He remained in the hospital for 4 days, and then he was returned to the original nursing home. His hospital stay involved no diagnostic or therapeutic services. He stayed in the nursing home until his ECF benefits were exhausted, at which time he was discharged. The level of care required seemed to be low and static."

*Conclusion*

After a more intensive examination of cases than the previous study, it is concluded that there is no evidence of any general practice of abuse of inpatient hospital stays which are made in order to qualify patients for ECF benefits. The importance of the subject merits future studies to see if the current high standard of adherence to the intent of the law is maintained.

# TABLE 1

## DURATIONS OF PRIOR HOSPITAL STAY FOR ECF CASES
## IN TWO SELECTED SAMPLES

| Duration (days) | 1968 Sample | | 1970 Sample | |
|---|---|---|---|---|
| | Number of Cases | Accumulated Percentage | Number of Cases | Accumulated Percentage |
| 3 | 0 | 0 | 3 | 1.5 |
| 4 | 6 | 3.0 | 4 | 3.5 |
| 5 | 10 | 8.0 | 4 | 5.5 |
| 6 | 5 | 10.5 | 6 | 8.5 |
| 7 | 9 | 15.0 | 6 | 11.5 |
| 8 | 8 | 19.0 | 7 | 15.0 |
| 9 | 7 | 22.5 | 4 | 17.0 |
| 10–14 | 29 | 37.0 | 36 | 35.0 |
| 15–19 | 24 | 49.0 | 23 | 46.5 |
| 20–24 | 28 | 63.0 | 24 | 58.5 |
| 25–29 | 17 | 71.5 | 20 | 68.5 |
| 30–39 | 16 | 79.5 | 20 | 78.5 |
| 40–49 | 11 | 85.0 | 22 | 89.5 |
| 50–59 | 11 | 90.5 | 7 | 93.0 |
| 60–69 | 11 | 96.0 | 4 | 95.0 |
| 70 and over | 8 | 100.0 | 10 | 100.0 |
| Total | 200 | | 200 | |