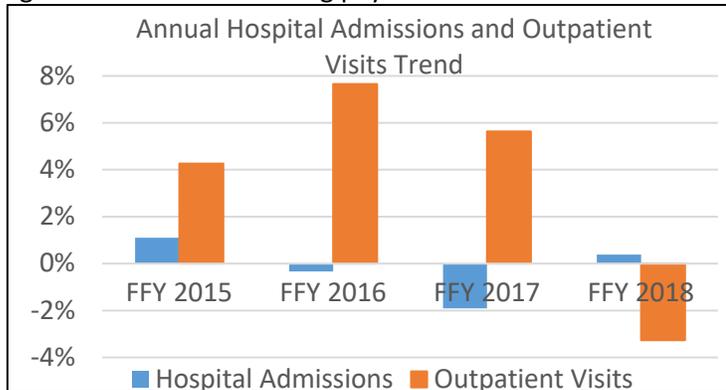
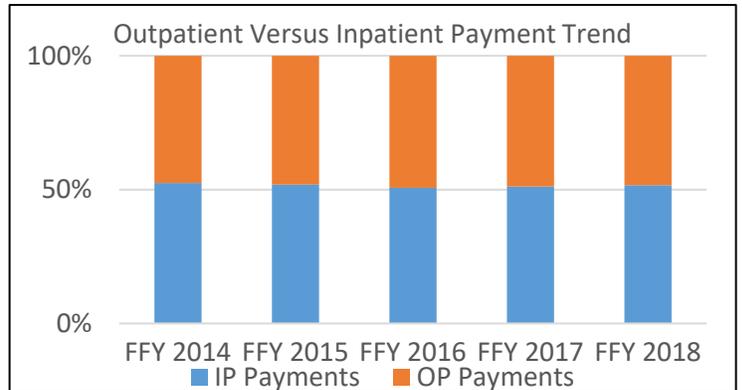


## Hospital Utilization and Payments Trends in Connecticut: FFY 2014-2018

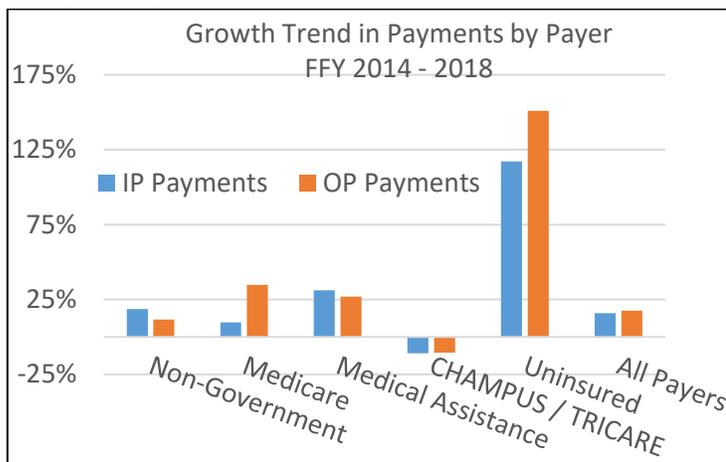
Statewide hospital outpatient (OP) visits have grown at a faster pace than hospital inpatient admissions since federal fiscal year (FFY) 2014 before declining in FFY 2018. The ratio of statewide OP payments to total payments has remained steady, about 50% over the past five years. The annual growth of inpatient (IP) payments compared to OP payments reveals variations among payers. OP payments grew faster for Medicare and the uninsured while IP care payments grew faster for non-government and medical assistance<sup>1</sup> payers. Lastly, total hospital discharges decreased 2% over the period with significant variations among payers.



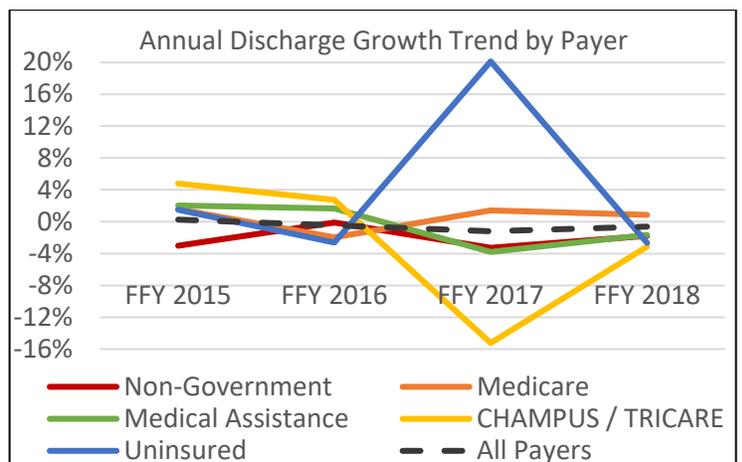
Annual growth in OP visits outpaced that of hospital admissions except in FFY 2018 when volume decreased by 3% or 247k visits. William W. Backus Hospital accounted for 65% of the decrease due to the hospital selling off its clinical laboratories affiliate.



Despite the growth in OP visits outpacing hospital inpatient admissions, the ratio of hospital OP payments to total payments has remained steady, ranging from 47% to 49% per year since FFY 2014.



IP payments grew at a faster pace than OP payments for non-government and medical assistance payers. Growth in OP payments outpaced IP by a wide margin for Medicare and the uninsured. The uninsured growth rate for IP and OP payments exceeded the growth rate for all payers. Overall, rate of growth in OP payments has exceeded the growth of IP payments.



Note: The changes in uninsured discharges and Tricare in 2017 is attributed to volume fluctuations in a low volume category. Total hospital discharges have trended down 2% since FFY 2015. Non-government, medical assistance and TRICARE discharges have decreased at a faster pace than total statewide hospital discharges since FFY 2016. Conversely, Medicare discharges have increased at a faster rate than statewide discharges since FFY 2016. Overall, uninsured discharges have decreased from FFY 2015 levels.

**Conclusion:** Inpatient hospital admissions are growing at a slower pace and projected to continue to due to the growth in outpatient care. CMS has led in this shift with policy changes to encourage the use of outpatient services over inpatient care for some procedures e.g. proposing to remove total hip arthroplasty from their Inpatient Only list. The shift is evident in the growth in outpatient visits from FFY 2014 to FFY 2018. Although the ratios of IP to OP payments have been relatively stable, hospitals will over time see IP payments decline.

<sup>1</sup>Medical assistance for the purposes of this analysis includes Medicaid, out of state Medicaid and other State of Connecticut medical assistance programs.