THE INPATIENT COST AND UTILIZATION IMPACT OF ALCOHOL-ASSOCIATED HEPATITIS (AH) AMONG TRADITIONAL MEDICARE BENEFICIARIES, 2017-2019

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INTRODUCTION

- AH is an acute form of alcohol-associated liver disease (ALD). Based on data from the Nationwide Inpatient Sample database, hospitalizations for AH increased about 24% between 2015 and 2019.[1]
- Medicare provides health insurance coverage to 64 million people, 12.6% of whom are under age 65 and have disabilities.[2] In traditional Medicare, hospitals receive a fixed rate per Medicare Severity Diagnosis Related Group (MS-DRG) regardless of the level of resources used.
- This analysis evaluates the impact of an AH diagnosis on patients' hospital costs and payments to assess payment adequacy in Medicare.

METHODS

- We used the Medicare 100% Inpatient Standard Analytic File Limited Data Set for calendar years 2017-2019.3
- Cases of ALD (including AH) are coded along with fibrosis and cirrhosis of the liver as "Cirrhosis and AH"; they are subclassified based on secondary diagnoses to MS-DRGs 432-434 (Fig. 1).
- Cases with secondary AH diagnoses group to other MS-DRGs based on the primary diagnosis (Fig. 3).

RESULTS

- We identified 41,427 discharges with a primary (n=3,039, Fig. 1) or secondary (n= 38,388) diagnosis of AH.
- Patients with AH are more likely to be younger, white, male and eligible through disability coverage (Fig. 2).
- Most cases in the MS-DRGs 432-434 are for conditions other than alcohol-associated hepatitis (Fig. 1 & Fig. 3).
- Hospitals are paid the same for cases assigned to the same MS-DRG, but AH cases generate higher hospital costs, which are primarily due to longer lengths of stay.
  - **AH w/ MCC: 7.8 days v. Other 432: 6.2 days**
  - **AH w/o MCC: 4.7 days v. Other 433-434: 4.0 days**
- Hospitals lose on average $800 to $5,700 per discharge for hospitalizations in the most common MS-DRGs associated with AH, compared to similar cases without an AH diagnosis (Fig. 3).

FIGURES

Figure 1: Hospitalization Case Mix, MS-DRGs 432-434

MS-DRG	AH cases	All other cases	Total
432 Cirrhosis and AH with MCC	1,308 (4%)	29,996 (96%)	31,304 (100%)
433 Cirrhosis and AH with CC	1,600 (7%)	21,196 (93%)	22,796 (100%)
434 Cirrhosis and AH without CC/MCC	131 (10%)	1,164 (90%)	1,295 (100%)

Figure 2: AH Patient Demographics in Medicare

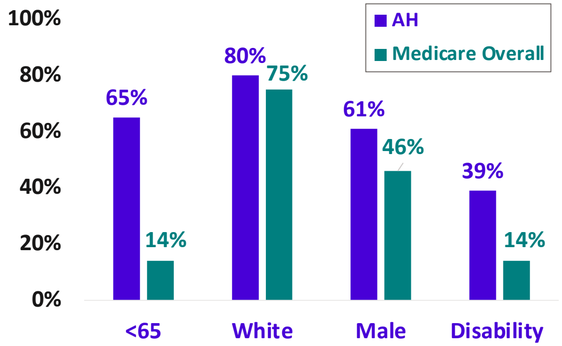
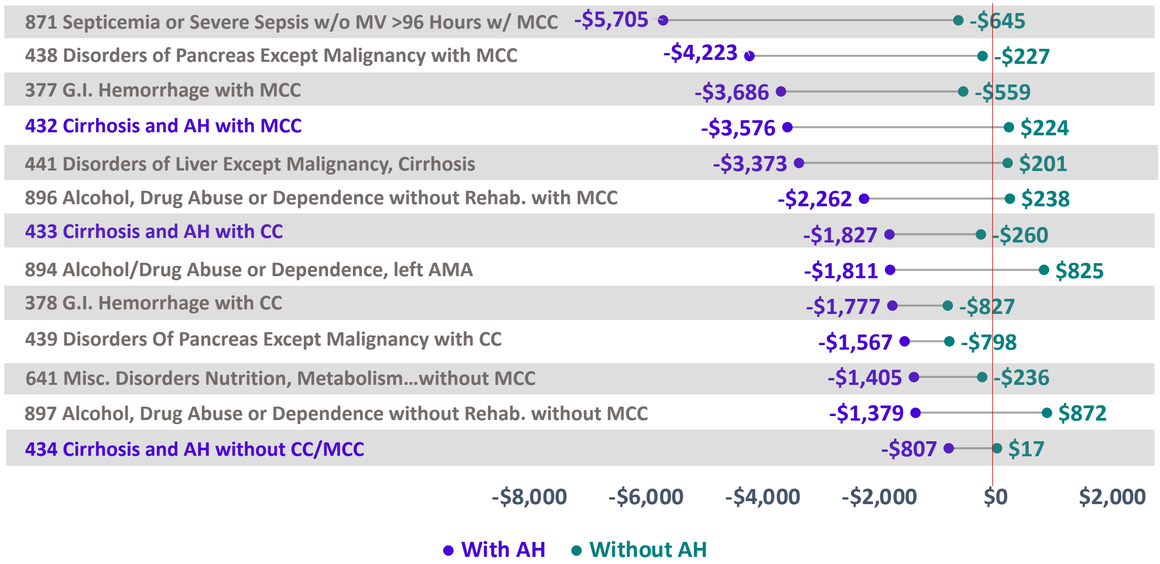


Figure 3: Average Loss Per Stay for Hospitalizations With and Without a Diagnosis of AH, 2017-2019



Note: MCC = Major Complication or Comorbidity; CC = Complication or Comorbidity; MV = Mechanical Ventilation

CONCLUSION

- A diagnosis of AH raised the expected costs of hospitalizations for ALD and other common conditions, primarily by increasing the length of stay for hospitalizations.
- Hospitalizations with an AH diagnosis consistently cost more than hospitals were paid, which creates a financial burden for hospitals in Medicare's fixed payment environment.
- Payment below a hospital's costs may contribute to underdiagnosis and undertreatment of AH at a time when AH is on the rise.
- Payment rates should adjust to reflect the higher resource use associated with AH to ensure financial viability of treatment and accessibility for this population.

REFERENCES

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