

**Effect of Coordinated Care Organizations on hospital and emergency department expenditures:
Evidence from female medicaid enrollees in Oregon**

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PRESENTATION FORMAT: Oral Presentation

TOPIC/TARGET AUDIENCE: Public health professionals and researchers interested in improving the efficiency of the health care system through health care delivery and payment reforms.

ABSTRACT: Purpose: The growth of health care costs continues to outpace inflation and economic growth. One approach to containing health care cost growth is to improve the efficiency of the health care delivery system. Recent work examining variations in Medicaid spending and quality shows that higher cost providers do not necessarily provide higher quality care. We examined the effect of coordinated care organizations (CCOs) on hospital and emergency department (ED) expenditures for women aged 15-44 years old.

Methods: Using Medicaid enrollment and claims records for years 2011 to 2013, we created monthly panel data on 45,969 women enrolled in Oregon Medicaid (N = 3,309,768). We estimated two-part health expenditure models and obtained difference-in-differences estimates of the effects of CCO enrollment on hospital and ED expenditures.

Results: The CCO model yielded significant Medicaid cost savings, reducing, each year, overall hospital spending by \$45 million, hospital costs for ambulatory sensitive conditions by \$13 million, overall ED expenditure by \$14 million, and preventable ED spending by \$9.8 million for female Medicaid enrollees of reproductive age.

Conclusion: The innovation of the health care delivery system through the CCO model leads to an improvement in health system efficiency through a reduction in avoidable health expenditure.

OBJECTIVE(S):

- Discuss health care delivery system transformation nationwide and in Oregon.
- Explain how Oregon's CCOs may improve the efficiency of the health care system through reductions in avoidable hospital and ED expenditures.

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