Report on Early Elective Deliveries

As Required by
The 2018-19 General Appropriations Act, Senate Bill 1, 85th Legislature, Regular Session, 2017 (Article II, Special Provisions Relating to All Health and Human Services Agencies, Section 18)

Health and Human Services

November 2017
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Executive Summary

The fiscal year 2017 Report on Early Elective Deliveries is submitted in compliance with the 2018-19 General Appropriations Act, Senate Bill 1, 85th Legislature, Regular Session, 2017 (Article II, Special Provisions Relating to All Health and Human Services Agencies, Section 18). The rider requires the Health and Human Services Commission (HHSC) and Department of State Health Services (DSHS) to improve data and oversight to reduce early elective deliveries (EEDs).

For the purpose of this report, EEDs are induced or cesarean section deliveries occurring before 39 weeks of gestation where the administrative (claims-based) data did not provide an identifiable clinical indication for the early delivery. As discussed in the fiscal year 2016 report, HHSC and DSHS use different methods, populations, and data sets for analysis of EEDS, so results differ by agency.

Since the previous report’s submission, the following notable activities occurred:

- The HHSC Office of Inspector General (OIG) fully implemented enhanced retrospective medical claims reviews using a new tool, SURProfiler Plus, endorsed by the Centers for Medicare & Medicaid Services (CMS).
- *Health Affairs*\(^1\) positively assessed HHSC’s policy of non-payment for medically unnecessary EEDs in Texas Medicaid, as well as collaborative efforts to reduce EEDs leading to improvements in related health outcomes.
- The National Institute for Children’s Health Quality asked DSHS and HHSC to contribute to a national Infant Mortality Toolkit.

HHSC and DSHS will continue working together to reduce the number of EEDs by evaluating methods, soliciting stakeholder feedback, using linked data sources to increase data quality, and conducting targeted reviews for future analysis.

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**1. Introduction**

Special Provisions 18 requires HHSC and DSHS to evaluate the effectiveness of strategies to reduce EEDs using improved data and audit results and submit a report by December 1, 2017, to the Legislative Budget Board and Governor.

HHSC and DSHS are directed to:

- revise the method to estimate the rate of EEDs in Texas to include data from both the birth certificate and hospital discharge data in the Texas Health Care Information Collection (THCIC) (DSHS role);
- evaluate claims for similar services submitted to Texas Medicaid fee-for-service and managed care programs (HHSC role); and
- evaluate the effectiveness of strategies to reduce EEDs using revised estimate and audit results (DSHS and HHSC coordinated role).
2. Background

Since 1979, the American College of Obstetricians and Gynecologists has discouraged delivering a baby before 39 weeks of gestation when not medically necessary. Non-medical reasons for EEDs may include delivery for purposes of family or provider convenience or to relieve discomfort. EEDs have a statistically higher health risk to the infant and mother compared to waiting to deliver until a full term has been achieved at 39 weeks.\textsuperscript{2,3,4,5}

Since early 2010, HHSC and DSHS have focused on reducing EEDs through the following initiatives:

- Starting in 2013, DSHS participated in the Collaborative Improvement and Innovation Network to Reduce Infant Mortality (CoIIN), designed to reduce infant mortality rates and non-medically indicated cesarean sections and induced deliveries.
- Starting in 2014, DSHS provided hospital administrators with birth outcome data on non-medically indicated cesarean sections and induced deliveries


from 37-38 weeks of gestation (along with other birth outcomes) to help hospitals identify opportunities for improvement.

- In 2011, HHSC implemented a Medicaid policy to recoup claims payment for non-medically indicated deliveries prior to 39 weeks of gestation based on retrospective reviews of physician’s claims and medical records by the HHSC OIG.

DSHS and HHSC have also conducted additional activities to promote a reduction in EEDs, including:

- soliciting participation from Texas birthing hospitals in a CoIIN-sponsored online survey on EEDs;
- implementing training and educational opportunities (among providers and patients) to increase awareness of the negative consequences of EEDs;
- participating in a multistate collaborative focused on identifying opportunities and leveraging initiatives to impact birth outcomes;
- participating in workgroups focused on maternal and child health, in which reduction of EEDs was a topic; and
- surveying the Medicaid health plans regarding policy to reduce EEDs.

However, data included in this report provide no direct means to assess whether or to what degree these additional activities directly influenced the EED percentages.
3. Updates to Early Elective Delivery Data

Previous work on EEDs is documented in the state fiscal year 2016 report on EEDs, including details on estimation methods used. Much of this work continues and we expect ongoing benefits. Where possible, the state fiscal year 2017 report provides updates on previous work.

HHSC and DSHS continue to coordinate activities to reduce EEDs. However, populations, data sources, and methods used to measure EED differ by agency. As a result, DSHS’ EED estimates are not equivalent to HHSC’s EED estimates. The following sections describe the EED sources and estimation methods used by each agency.

Department of State Health Services

EED Estimation Data Sources and Methods

DSHS’ portion of the previous report used data from state fiscal years 2010 through 2014 and described a new method of estimating EEDs, which used linked data from all payer types included in birth certificates and claims-based administrative data birthing hospitals submitted to the THCIC. There have been no significant findings warranting updates to the calculation method since publication.

Due to the timeline of this report and requirements to obtain and link finalized 2015 data, this report does not include 2015 statistics. Reporting on these linkages is planned for a later date. A summary of findings using state fiscal year 2010 to 2014 data is provided below.


7 These data are based upon diagnosis codes or other clinical data submitted by the healthcare provider and do not provide a direct, detailed record of the medical care provided or medical decision leading to the delivery.
Summary of Significant Findings from the Previous Report

In summary, DSHS found:

- The new method produced lower EED percentages than previous estimations (which had been done as part of the CoIIN). In the last quarter of 2014, the Texas EED percentage was between 21.4 and 31.2.
- Percentages of EED reduced from 2010 through 2011, but have been mostly stable since that time.
  - This reduction did not appear to correspond with the CoIIN efforts (which began in January 2012).
  - In May 2014, EED statistics were also provided to hospital administrators, but the EED percentage did not decrease afterwards.

Additional findings from the previous report included higher percentages of EED for deliveries:

- by mothers age 35 and older;
- by non-Hispanic white mothers;
- paid by private insurance;
- by mothers who had at least one previous cesarean section;
- in border and rural counties; and
- in Public Health Regions 5 (Southeast Texas) and 11 (South Texas).

Additional information about findings, as well as an evaluation of the strengths and weaknesses of DSHS’ data sources, methods, and other factors are included in the previous report.

Recent Activities

Since the previous report’s publication, DSHS has continued to conduct activities which may help lower the percentage of EEDs, including training and educational opportunities (among providers and patients) to increase awareness of the negative consequences of EEDs.
Health and Human Services Commission

EED Estimation Sources and Methods

HHSC uses Medicaid utilization data, which is reported by physicians and indicates if a caesarian or induced delivery paid for by Medicaid occurred before 39 weeks of gestation and if it was documented as medically necessary.

Medicaid policy requires the recoupment of payment for deliveries prior to 39 weeks of gestation, which are not medically necessary. This recoupment policy, implemented in 2011, is in place to help reduce the number of EEDs.

HHSC OIG conducts retrospective reviews of EED Medicaid physician claims/encounters data and medical records to determine whether there was a medical indication for early delivery. This information is used to help determine the incidence of EEDs and enforce the recoupment policy.

Summary of Significant Findings

Physician Modifier Codes

All physician deliveries paid by Medicaid are required to include one of the following attestation types on healthcare claims submitted for payment:

- U1: delivery was prior to 39 weeks of gestation and medically necessary;
- U2: delivery was on or after 39 weeks of gestation; and
- U3: delivery was prior to 39 weeks of gestation and not medically necessary.

Table 1, below, shows the frequency with which each attestation type was used for state fiscal years 2012 through 2016. The table shows an overall decreasing trend in the number and percentage of non-medically induced EEDs.
<table>
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<td>0 - 38</td>
<td>Yes</td>
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<td><strong>100%</strong></td>
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<td>209,722</td>
<td>203,233</td>
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Medical Claims Reviews

HHSC OIG fully implemented enhanced retrospective medical claims reviews to monitor accurate data submission of non-medically necessary EEDs using a new tool, SURProfiler Plus, endorsed by CMS.

This software obtains profiles for Surveillance and Utilization Reviews and helps identify a targeted sample of providers for further review and data collection in place of using a random sample, which is more resource, time, and cost intensive.

Additional benefits of the SURProfiler tool are the:

- ability to conduct more focused reviews since selected cases are based on providers with high utilization and where cases are outside of the standard deviation;
- ability to ensure more providers are reviewed since providers previously reviewed can be eliminated;
- ability to review all biller types; and
- ability to compare all like payers and have peer ranking.

Since the previous report, OIG conducted two reviews of medical claims using the tool. Those reviews show the same pattern of overall provider compliance with the Medicaid policy to reduce EED deliveries prior to 39 weeks where there is no medical necessity. The recoupment rate of falsely-submitted claims remains at 1 percent.

Recent Activities

With the intent to provide an incentive to reduce non-medically necessary deliveries, on October 1, 2016, HHSC Rate Analysis implemented a rate change as part of the biennial fee review process which increased non-surgical physician delivery fees to 69.25 percent of Medicare fees. This change is expected to reduce the gap between natural and cesarean deliveries, especially cesarean deliveries that are prior to 39 weeks gestation.
4. Interest in Early Elective Delivery Reduction Efforts in Texas

Health Affairs

Following the submission of the state fiscal year 2016 report, Health Affairs, a peer-reviewed healthcare journal, published a research article focusing on Texas’ efforts to reduce EEDs. The article describes the HHSC policy to recoup Medicaid payment for deliveries prior to 39 weeks of gestation without medical cause and participation in ongoing collaborative efforts to reduce EEDs.

The researchers used 2009 through 2013 birth certificate data obtained from the National Vital Statistics system, and a different estimation method of EEDs. The researchers found Texas’ improvements in EED percentages were larger than other states, and potentially attributed this to HHSC’s Medicaid payment reforms in combination with participation in collaborative efforts to reduce EEDs.

The article cites how Texas’ activities may have resulted in:

- decreased early elective deliveries by 14 percent;
- increased average gestational age by five days; and
- increased average birthweight of babies by six ounces.

CoIIN Infant Mortality Toolkit

In May 2017, the National Institute for Children’s Health Quality contacted DSHS and HHSC and interviewed the agencies regarding Texas’ activities to reduce EEDs. Results from this interview and a summary of Texas’ efforts are planned for inclusion within the national CoIIN Infant Mortality Toolkit. This toolkit is designed to share successes and lessons learned with other states and stakeholders.

Feedback was provided on early versions of the toolkit in July and August 2017. A final version of the toolkit is forthcoming.
5. Conclusion

While it appears the percentage of EEDs has remained relatively steady since the last quarter of state fiscal year 2011, the subsequent, combined efforts of DSHS and HHSC may have contributed to a slight decline in EEDs.

HHSC and DSHS continue to collaborate to meet legislative direction to reduce EEDs in Texas. To that end, HHSC continues to conduct reviews of Medicaid claims/encounters, and HHSC and DSHS continue to explore ways to match data from claims/encounters and medical records with birth certificate data. HHSC and DSHS are committed to producing quality statistics, including EED percentage from claims/encounters, medical records, and birth certificate data in order to improve birth outcomes for all Texans.

HHSC will continue to look at reimbursement rate changes as a means to impact a reduction in non-medically necessary delivers.
## List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Name</th>
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<tbody>
<tr>
<td>CoIIN</td>
<td>Collaborative Improvement and Innovation Network to Reduce Infant Mortality</td>
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<tr>
<td>CMS</td>
<td>Centers for Medicare and Medicaid Services</td>
</tr>
<tr>
<td>DSHS</td>
<td>Department of State Health Services</td>
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<tr>
<td>EED</td>
<td>Early elective delivery</td>
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<tr>
<td>HHSC</td>
<td>Health and Human Services Commission</td>
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<tr>
<td>OIG</td>
<td>Office of Inspector General</td>
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<tr>
<td>THCIC</td>
<td>Texas Health Care Information Collection</td>
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