

# Medicaid Cost Savings Attributable to Primary Care Management in Carolina Access and Community Care of North Carolina (CCNC)

“[CCNC/Access] is a practical solution to rising health care costs in Medicaid. The General Assembly is quite supportive of this program.” Senator Bill Purcell, Co-Chair, Health Care Committee May 11, 2006.

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## Savings from Carolina Access Compared to Historical Fee-for-Service Costs:

State Fiscal Year 2004 between \$230-260 million  
State Fiscal Year 2003 between \$195-215 million

## Savings from Carolina Access Compared to Program Expenditures Without Any Concerted Cost Control Efforts:

State Fiscal Year 2004 between \$118-130 million  
State Fiscal Year 2003 between \$50-70 million

State Fiscal Year 2004 Cost to operate CCNC: \$10.2 million

## Savings Resulting From CCNC Disease Management

### For people with asthma:

- Average Per Member Per Month costs (2002): *CCNC-participating Access patients:* \$378\*  
*Access-only patients:* \$534\*
- Anticipated Savings (2000-2002) to *CCNC-participating Access patients:* \$3.3 million\*
- Hospitalizations Per 1,000 Members under age 21 (2000): 23% fewer for CCNC patients compared to Access-only patients.

Note: These differences between CCNC and Access-only enrollees widened in 2001 and 2002.

### For people with diabetes:

- Average Per Member Per Month Costs (2002): *CCNC-participating Access patients:* \$859\*  
*Access-only patients:* \$880\*
- Anticipated Savings (2000-2002) to *CCNC-participating Access patients:* \$2.1 million\*
- Hospital Admissions (2000-2002): *CCNC-participating Access patients:* 288-318 days  
*Access-only patients:* 337-352 days

\* These estimates include all Medicaid costs, including the physician case management fee and the additional CCNC network fee. The data were further adjusted to reflect the age-cohort differences in savings. Cost savings are associated with significant changes in utilization and other practice measures (i.e., reduction in hospital emergency room visits).

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### Sources:

1. “Access Cost Savings-State Fiscal Year 2003 Analysis”, Letter to Jeffrey Simms from Mercer Government Human Services Consulting, June 25, 2004. “Access Cost Savings-State Fiscal Year 2004 Analysis”, Letter to Jeffrey Simms from Mercer Government Human Services Consulting, March 24, 2005. CCNC program officials.

Note: The Mercer Cost Effectiveness Analysis included AFDC only for Inpatient, Outpatient, ED, Physician Services, Pharmacy, Administrative Costs, Other.

2. T. Ricketts et al, Evaluation of Community Care of North Carolina Asthma and Diabetes Management Initiatives: January 2000-December 2002. North Carolina Rural Health Research and Policy Analysis Program, The Cecil G. Sheps Center for Health Services Research, The University of North Carolina at Chapel Hill, April 15, 2004.



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Medicaid Case Study – Community of Care of North Carolina  
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