



## STATISTICAL BRIEF

May 2011

### **The Most Expensive Conditions for Hospitalization by Payer, 2009**

The Texas hospitals billed \$118.6 billion in total charges in 2009 for nearly 3 million hospital stays. Two government payers, Medicare and Medicaid, bore responsibility for 58.2 percent of the statewide hospital bill (Figure 1). Medicare incurred about \$53 billion in total charges for 956 thousand hospital stays, representing 44.7 percent of the total statewide hospital bill. Hospital stays billed to Medicaid totaled nearly \$16 billion, or 13.5 percent of the statewide bill. Private insurance was billed for about one million hospital stays with total charges of \$38.2 billion (32.2 percent of the statewide hospital bill). Uninsured patients accounted for 7.9 percent (\$9.4 billion) of the statewide bill.

In 2009, 48 percent of the statewide hospital charges were for the top 20 most expensive conditions, with the top five conditions accounting for one-fifth of the total charges (Table 1). Hospital stays involving newborn infants resulted in a total hospital bill of \$6.2 billion, or 5.2 percent of the entire statewide bill, and was the most expensive condition treated. Rehabilitation care was the second most expensive condition (\$5.8 billion) and comprised 4.9 percent of the statewide hospital bill. The next two most expensive conditions were septicemia and pneumonia which accounted for 4 percent and 3 percent of the statewide bill, respectively.

Tables 2 through 5 illustrate the 20 most expensive conditions billed to Medicare, Medicaid, private insurance, and the uninsured. Some commonalities exist across payers in the conditions that generated high total hospital charges. For all four payer groups, septicemia, pneumonia, and respiratory failure ranked among the top 20 most expensive conditions. The treatment of newborn infants was the most expensive condition for Medicaid and private insurance, ranked 16th for the uninsured; the condition of skin and subcutaneous tissue infections was among the top 20 for these three payers. Congestive heart failure and diabetes with complications were included in the top 20 for Medicare, Medicaid, and the uninsured. Coronary atherosclerosis and heart attack were among the top 20 most expensive conditions for Medicare, private insurance, and the uninsured. Complication of device, implant or graft was among the top 20 most expensive conditions billed to Medicare, Medicaid, and private insurance.

Predictably, given payer differences in demographic mix and service coverage, certain conditions are relatively more prominent in the top rankings of some payer groups than in others. For example, Table 2 shows that circulatory diseases comprised six of the top 20 most expensive

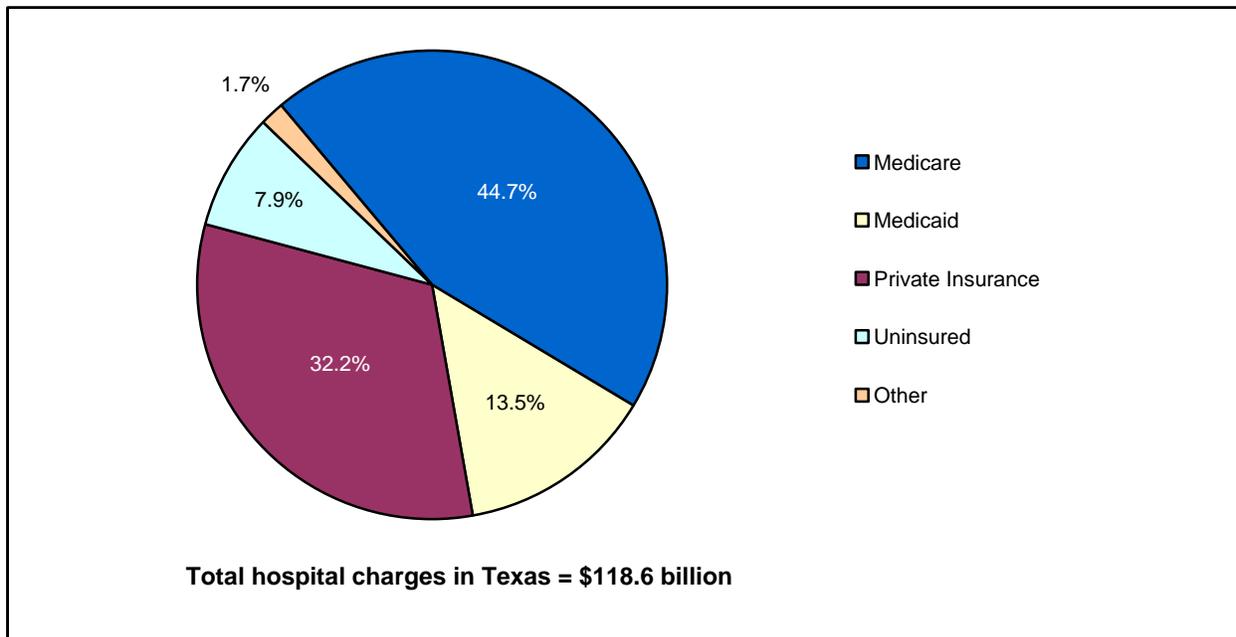
conditions and accounted for 17.4 percent (\$9,240 million) of total hospital charges billed to Medicare. Hip fracture ranked 13th for Medicare (\$1,147 million), but was not in the top 20 ranking for other three payers.

Table 3 illustrates that a large proportion (18.2 percent) of the total hospital charges billed to Medicaid was for treatment of newborn infants (\$2,911 million). Previous C-section (\$585 million) was the second most expensive condition billed to Medicaid, but was not among the top 20 most expensive conditions for other payers.

The most expensive reason for hospitalization among patients with private insurance was the care of newborn infants (\$3,125 million) (Table 4). Two musculoskeletal conditions – back pain (\$1,393 million) and osteoarthritis (\$1,147 million) were the next two most expensive conditions for private insurers.

Among the uninsured, heart attack (\$350 million) was the most expensive reason for hospitalization (Table 5). Two of the top 20 most expensive reasons for hospitalization among uninsured patients involved injuries. These were crushing injury or internal injury (\$222 million) and fracture of lower limb (\$153 million), but they were not included among the top 20 for other payers.

**Figure 1. Distribution of total hospital charges, by primary payer, 2009**



Source: Texas Hospital Inpatient Discharge Public Use Data File (PUDF), 2009.

**Table 1. Top 20 most expensive conditions for hospitalization, 2009**

Rank	Principal diagnosis	Total hospital charges (in millions)	Percentage of hospital charges	Number of hospital stays (in thousand days)
1	Liveborn (newborn infant)	\$6,210	5.2%	1,348
2	Rehabilitation care, fitting of prostheses, and adjustment of devices	\$5,797	4.9%	893
3	Septicemia	\$4,764	4.0%	570
4	Pneumonia	\$3,555	3.0%	478
5	Coronary atherosclerosis	\$3,297	2.8%	201
6	Complication of device, implant or graft	\$3,067	2.6%	336
7	Acute myocardial infarction (heart attack)	\$3,043	2.6%	203
8	Congestive heart failure, nonhypertensive	\$2,949	2.5%	364
9	Respiratory failure, insufficiency, arrest (adult)	\$2,908	2.5%	386
10	Osteoarthritis	\$2,883	2.4%	187
11	Back pain (spondylosis, intervertebral disc disorders, other back problems)	\$2,644	2.2%	137
12	Cardiac dysrhythmias (irregular heart beat)	\$2,489	2.1%	160
13	Acute cerebrovascular disease (stroke)	\$2,049	1.7%	236
14	Complications of surgical procedures or medical care	\$1,804	1.5%	290
15	Skin and subcutaneous tissue infections	\$1,697	1.4%	248
16	Urinary tract infections	\$1,686	1.4%	200
17	Chronic obstructive pulmonary disease and bronchiectasis	\$1,667	1.4%	222
18	Diabetes mellitus with complications	\$1,615	1.4%	256
19	Biliary tract disease	\$1,434	1.2%	151
20	Other complications of birth, puerperium affecting management of mother	\$1,402	1.2%	170
<b>Total for top 20 conditions</b>		\$56,958	48.0%	7,035
<b>Total for all hospitalizations</b>		\$118,624	100.0%	15,540

Source: Texas Hospital Inpatient Discharge Public Use Data File (PUDF), 2009.

**Table 2. Top 20 most expensive conditions billed to Medicare, 2009**

Rank	Principal diagnosis	Total hospital charges (in millions)	Percentage of hospital charges	Number of hospital stays (in thousand days)
1	Rehabilitation care, fitting of prostheses, and adjustment of devices	\$4,972	9.4%	623
2	Septicemia	\$2,969	5.6%	362
3	Congestive heart failure, nonhypertensive	\$2,088	3.9%	261
4	Pneumonia	\$2,083	3.9%	284
5	Coronary atherosclerosis	\$1,818	3.4%	115
6	Respiratory failure, insufficiency, arrest (adult)	\$1,777	3.3%	244
7	Cardiac dysrhythmias (irregular heart beat)	\$1,770	3.3%	114
8	Complication of device, implant or graft	\$1,753	3.3%	198
9	Acute myocardial infarction (heart attack)	\$1,677	3.2%	118
10	Osteoarthritis	\$1,616	3.0%	110
11	Chronic obstructive pulmonary disease and bronchiectasis	\$1,292	2.4%	163
12	Urinary tract infections	\$1,151	2.2%	133
13	Hip fracture	\$1,147	2.2%	106
14	Acute cerebrovascular disease (stroke)	\$1,146	2.2%	130
15	Back pain (spondylosis, intervertebral disc disorders, other back problems)	\$964	1.8%	61
16	Complications of surgical procedures or medical care	\$963	1.8%	155
17	Fluid and electrolyte disorders	\$818	1.5%	76
18	Intestinal obstruction without hernia	\$766	1.4%	77
19	Diabetes mellitus with complications	\$752	1.4%	126
20	Hypertension with complications and secondary hypertension	\$741	1.4%	65
<b>Total for top 20 conditions</b>		\$32,264	60.8%	3,522
<b>Total for all hospitalizations</b>		\$53,049	100.0%	6,225

Source: Texas Hospital Inpatient Discharge Public Use Data File (PUDF), 2009.

**Table 3. Top 20 most expensive conditions billed to Medicaid, 2009**

Rank	Principal diagnosis	Total hospital charges (in millions)	Percentage of hospital charges	Number of hospital stays (in thousand days)
1	Liveborn (newborn infant)	\$2,911	18.2%	727
2	Previous C-section	\$585	3.7%	75
3	Septicemia	\$513	3.2%	62
4	Pneumonia	\$501	3.1%	60
5	Other complications of pregnancy	\$426	2.7%	66
6	Other complications of birth, puerperium affecting management of mother	\$369	2.3%	77
7	OB-related trauma to perineum and vulva	\$366	2.3%	66
8	Cardiac and circulatory congenital anomalies	\$335	2.1%	25
9	Early or threatened labor	\$311	1.9%	35
10	Complication of device, implant or graft	\$298	1.9%	36
11	Respiratory failure, insufficiency, arrest (adult)	\$280	1.8%	29
12	Mood disorders	\$279	1.7%	156
13	Normal pregnancy and/or delivery	\$274	1.7%	39
14	Other perinatal conditions	\$259	1.6%	38
15	Skin and subcutaneous tissue infections	\$248	1.6%	32
16	Congestive heart failure, nonhypertensive	\$224	1.4%	27
17	Fetal distress and abnormal forces of labor	\$198	1.2%	27
18	Hypertension complicating pregnancy, childbirth and the puerperium	\$187	1.2%	44
19	Gastrointestinal hemorrhage	\$186	1.2%	6
20	Diabetes mellitus with complications	\$177	1.1%	30
<b>Total for top 20 conditions</b>		<b>\$8,928</b>	<b>55.9%</b>	<b>1,658</b>
<b>Total for all hospitalizations</b>		<b>\$15,985</b>	<b>100.0%</b>	<b>2,723</b>

Source: Texas Hospital Inpatient Discharge Public Use Data File (PUDF), 2009.

**Table 4. Top 20 most expensive conditions billed to private insurance, 2009**

<b>Rank</b>	<b>Principal diagnosis</b>	<b>Total hospital charges (in millions)</b>	<b>Percentage of hospital charges</b>	<b>Number of hospital stays (in thousand days)</b>
1	Liveborn (newborn infant)	\$3,125	8.2%	546
2	Back pain (spondylosis, intervertebral disc disorders, other back problems)	\$1,393	3.6%	58
3	Osteoarthritis	\$1,147	3.0%	67
4	Coronary atherosclerosis	\$1,114	2.9%	57
5	Other complications of birth, puerperium affecting management of mother	\$978	2.6%	82
6	Septicemia	\$921	2.4%	100
7	Complication of device, implant or graft	\$856	2.2%	82
8	Acute myocardial infarction (heart attack)	\$837	2.2%	49
9	OB-related trauma to perineum and vulva	\$825	2.2%	65
10	Pneumonia	\$733	1.9%	96
11	Rehabilitation care, fitting of prostheses, and adjustment of devices	\$687	1.8%	214
12	Respiratory failure, insufficiency, arrest (adult)	\$658	1.7%	90
13	Skin and subcutaneous tissue infections	\$643	1.7%	68
14	Other complications of pregnancy	\$589	1.5%	44
15	Complications of surgical procedures or medical care	\$584	1.5%	89
16	Cardiac dysrhythmias (irregular heart beat)	\$578	1.5%	31
17	Pancreatic disorders (not diabetes)	\$550	1.4%	44
18	Benign neoplasm of uterus	\$528	1.4%	29
19	Prolapse of female genital organs	\$489	1.3%	10
20	Nonspecific chest pain	\$485	1.3%	20
<b>Total for top 20 conditions</b>		<b>\$17,719</b>	<b>46.4%</b>	<b>1,840</b>
<b>Total for all hospitalizations</b>		<b>\$38,206</b>	<b>100.0%</b>	<b>5,020</b>

Source: Texas Hospital Inpatient Discharge Public Use Data File (PUDF), 2009.

**Table 5. Top 20 most expensive conditions billed to the uninsured, 2009**

<b>Rank</b>	<b>Principal diagnosis</b>	<b>Total hospital charges (in millions)</b>	<b>Percentage of hospital charges</b>	<b>Number of hospital stays (in thousand days)</b>
1	Acute myocardial infarction (heart attack)	\$350	3.7%	23
2	Septicemia	\$301	3.2%	37
3	Skin and subcutaneous tissue infections	\$299	3.2%	38
4	Diabetes mellitus with complications	\$260	2.8%	34
5	Acute cerebrovascular disease (stroke)	\$253	2.7%	32
6	Urinary tract infections	\$249	2.6%	13
7	Pancreatic disorders (not diabetes)	\$233	2.5%	26
8	Biliary tract disease	\$226	2.4%	26
9	Crushing injury or internal injury	\$222	2.4%	15
10	Essential hypertension	\$222	2.4%	3
11	Appendicitis and other appendiceal conditions	\$198	2.1%	14
12	Pneumonia	\$191	2.0%	31
13	Coronary atherosclerosis	\$183	1.9%	14
14	Other lower respiratory disease	\$179	1.9%	3
15	Cancer of bronchus, lung	\$179	1.9%	5
16	Liveborn (newborn infant)	\$164	1.7%	70
17	Congestive heart failure, nonhypertensive	\$161	1.7%	23
18	Epilepsy, convulsions	\$154	1.6%	7
19	Fracture of lower limb	\$153	1.6%	17
20	Respiratory failure, insufficiency, arrest (adult)	\$153	1.6%	17
<b>Total for top 20 conditions</b>		<b>\$4,329</b>	<b>46.0%</b>	<b>449</b>
<b>Total for all hospitalizations</b>		<b>\$9,412</b>	<b>100.0%</b>	<b>1,256</b>

Source: Texas Hospital Inpatient Discharge Public Use Data File (PUDF), 2009.