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BRIEF

## Children with Disabilities and Private Insurance Coverage of Medical Services: A Fact Sheet on Findings

### Issues Addressed

There is national concern that children with disabilities may have less access to medical services under health maintenance organizations (HMOs), which typically have tighter cost controls than other forms of health insurance. Children with disabilities have greater needs for medical services than typically developing children, and therefore may be especially likely to experience any effects of managed care strategies to control costs by restricting access to services or providers. This fact sheet looks at the medical services children with disabilities received through their parents' private, employer-provided insurance plans in 1995. It addresses the following questions:

- ♦ Did children with disabilities in HMOs receive a significantly different number of medical visits and hospital days, compared with children with disabilities in other types of insurance plans?
- ♦ Did children's experiences in HMOs vary by type of disability?

### Study Methods

The analyses are based on private insurance claims data (MarketScan<sup>®</sup>, maintained by the MEDSTAT Group). This database contains information on insurance plan

benefits, paid claims, and the characteristics of the people covered. The analyses presented here use claims data from plans that had complete enrollment and benefit information in 1995. Data were used from a total of 48 health plans, which covered 1,776,830 individuals in all four regions of the country.

Approximately 500,000 of those individuals were children under the age of 21. This study examines the experiences of the 3,531 children who received services specifically related to the following five disabilities: autism (4%), cerebral palsy (17%), Down syndrome (5%), epilepsy (32%) and mental retardation (other than Down syndrome; 42%). The analyses focus on the medical services which 1) were specifically recorded in the claims data as related to their disability (using diagnosis codes from the International Classification of Diseases, Ninth Revision) and 2) were covered by their parents' insurance. These children's use of medical services for their disabilities was analyzed by three key characteristics: the child's disability, the type of service (outpatient visits with primary care physicians, outpatient visits with specialists, and hospital days), and the type of insurance plan that covered their

medical services. The children's health plans were divided into three categories, based upon their structure and implied degree of cost controls:

- ♦ Fee-for-service (FFS) plans generally have open provider networks, and include basic medical, major medical and comprehensive plans (n=1,639 children; 46% of sample).
- ♦ Preferred provider organizations and point-of-service (PPO/POS) plans generally have more restricted networks (n=1,309 children; 37% of sample).
- ♦ Health maintenance organizations (HMOs) generally have closed provider networks and share financial risk with providers (n=583 children; 17% of sample).

Other *child characteristics* (age, sex, geographic region, and other health conditions) and *plan characteristics* (deductibles, coinsurance and annual limits) were also taken into consideration in the analyses reported here. Only statistically significant findings from these analyses are presented. All results are presented by type of disability, type of insurance plan, and type of service, to illustrate how children's experiences vary by these key characteristics.

## Findings

- ◆ The following table summarizes the statistically significant findings regarding differences in the number of primary care visits, by type of plan and disability. These findings are interpreted below.

SUMMARY OF SIGNIFICANT DIFFERENCES IN THE NUMBER OF PRIMARY CARE VISITS BY TYPE OF PLAN AND TYPE OF DISABILITY		
DISABILITY	FFS VS. HMO	PPO/POS VS. HMO
Autism (n=142)	NS	NS
Cerebral Palsy (n=611)	+ FFS	+ PPO/POS
Down Syndrome (n=170)	- FFS	NS
Epilepsy (n=1,121)	NS	+ PPO/POS
Mental Retardation (n=1,487)	NS	NS

“+” Indicates that children in the type of plan specified had significantly more visits, compared with children with the same disability in HMO plans.

“-” Indicates that children in the type of plan specified had significantly fewer visits, compared with children with the same disability in HMO plans.

“NS” Indicates that there were no statistically significant differences between children in the type of plan specified, compared with children with the same disability in HMO plans.

- ◆ In the following instances, children in FFS or PPO/POS plans received more primary care visits than children in HMOs:
  - Children with cerebral palsy in FFS plans had more primary care visits than children with cerebral palsy in HMO plans.
  - Children with cerebral palsy or epilepsy in PPO/POS plans had more primary care visits than children with cerebral palsy or epilepsy in HMO plans.
- ◆ In one instance, children in FFS or PPO/POS plans received fewer primary care visits than children in HMOs:
  - Children with Down syndrome in FFS plans had fewer primary care visits than children with Down syndrome in HMO plans.
- ◆ The following table summarizes the statistically significant findings regarding differences in the number of specialist visits, by type of plan and disability. These findings are interpreted below.

SUMMARY OF SIGNIFICANT DIFFERENCES IN THE NUMBER OF SPECIALIST VISITS BY TYPE OF PLAN AND TYPE OF DISABILITY		
DISABILITY	FFS VS. HMO	PPO/POS VS. HMO
Autism (n=142)	NS	- PPO/POS
Cerebral Palsy (n=611)	NS	NS
Down Syndrome (n=170)	- FFS	- PPO/POS
Epilepsy (n=1,121)	NS	NS
Mental Retardation (n=1,487)	- FFS	- PPO/POS

“+” Indicates that children in the type of plan specified had significantly more visits, compared with children with the same disability in HMO plans.

“-” Indicates that children in the type of plan specified had significantly fewer visits, compared with children with the same disability in HMO plans.

“NS” Indicates that there were no statistically significant differences between children in the type of plan specified, compared with children with the same disability in HMO plans.

- ◆ In no instances did children in FFS or PPO/POS plans receive more specialist visits than children in HMOs.
- ◆ In the following instances, children in FFS or PPO/POS plans received fewer specialist visits than children in HMOs:
  - Children with Down syndrome or mental retardation in FFS plans

had fewer specialist visits than children with Down syndrome or mental retardation in HMO plans.

- Children with autism, Down syndrome or mental retardation in PPO/POS plans had fewer specialist visits than children with those conditions in HMO plans.

- ◆ There were no statistically significant differences in the number of hospital days between children in FFS and PPO/POS plans and those in HMOs among the children in this study.
- ◆ Children’s experiences in HMO plans, compared with FFS plans and PPO/POS plans, did vary by type of disability.
  - ◆ Children with autism in PPO/POS plans received fewer specialist visits than children with autism in HMOs.
  - ◆ Children with cerebral palsy in FFS plans and PPO/POS plans received more primary care visits than children with cerebral palsy in HMOs.
  - ◆ Among children with Down syndrome, those in FFS plans received fewer primary care visits and fewer specialist visits than those in HMOs, and those in PPO/POS plans received fewer specialist visits than those in HMOs.
  - ◆ Among children with epilepsy, those in PPO/POS plans received more primary care visits than those in HMOs.
  - ◆ Among children with mental retardation, children in FFS and PPO/POS plans received fewer specialist visits than those in HMOs.

## Summary

- ◆ In several instances, children with disabilities in HMOs received fewer primary care visits than children with disabilities in FFS or PPO/POS plans, and in one instance, children with disabilities in HMOs received more primary care visits than children with disabilities in FFS plans.
- ◆ The evidence presented here suggests that children with disabilities in HMOs received an equal or greater number of specialist visits, compared with children with disabilities in FFS or PPO/POS plans.
- ◆ There were no significant differences in the number of hospital days between children with disabilities in HMOs and children with disabilities in FFS or PPO/POS plans.
- ◆ Children's experiences in obtaining medical services under different types of insurance plans appear to depend upon the kinds of conditions they have and the type of services they use.

*This is one in a series of fact sheets describing access to health and rehabilitative services among children and youth with disabilities and special health care needs. These publications can be obtained directly from the Consortium for Children and Youth with Disabilities and Special Health Care Needs. The Consortium is funded by the National Institute on Disability and Rehabilitation Research of the U.S. Department of Education.*

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*For further information on The Consortium for Children and Youth with Disabilities and Special Health Care Needs, its partners or projects, please go to the consortium website at: [www.consortiumnrrtc.org](http://www.consortiumnrrtc.org)*



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