HEALTH WEALTH CAREER

EFFECTIVE STRATEGIES FOR PROACTIVE MANAGEMENT OF PEOPLE WITH HIGH COST CLAIMS

WESTERN BENEFITS & PENSION COUNCIL 2019 SPRING FORUM

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Principal

Seattle

AGENDA

1. Describe High Cost Claimants (HCCs)
2. Identify Health Plan Strategies to manage HCCs
3. Discuss Provider Strategies to manage HCCs
4. Illustrate the Needs of Patients with High Cost Claims, including Family Members and Care Givers
5. Describe Barriers to Effective Outcomes with HCCs
6. Identify Emerging Strategies to Enhance Outcomes with HCCs

DESCRIPTION OF HCCS

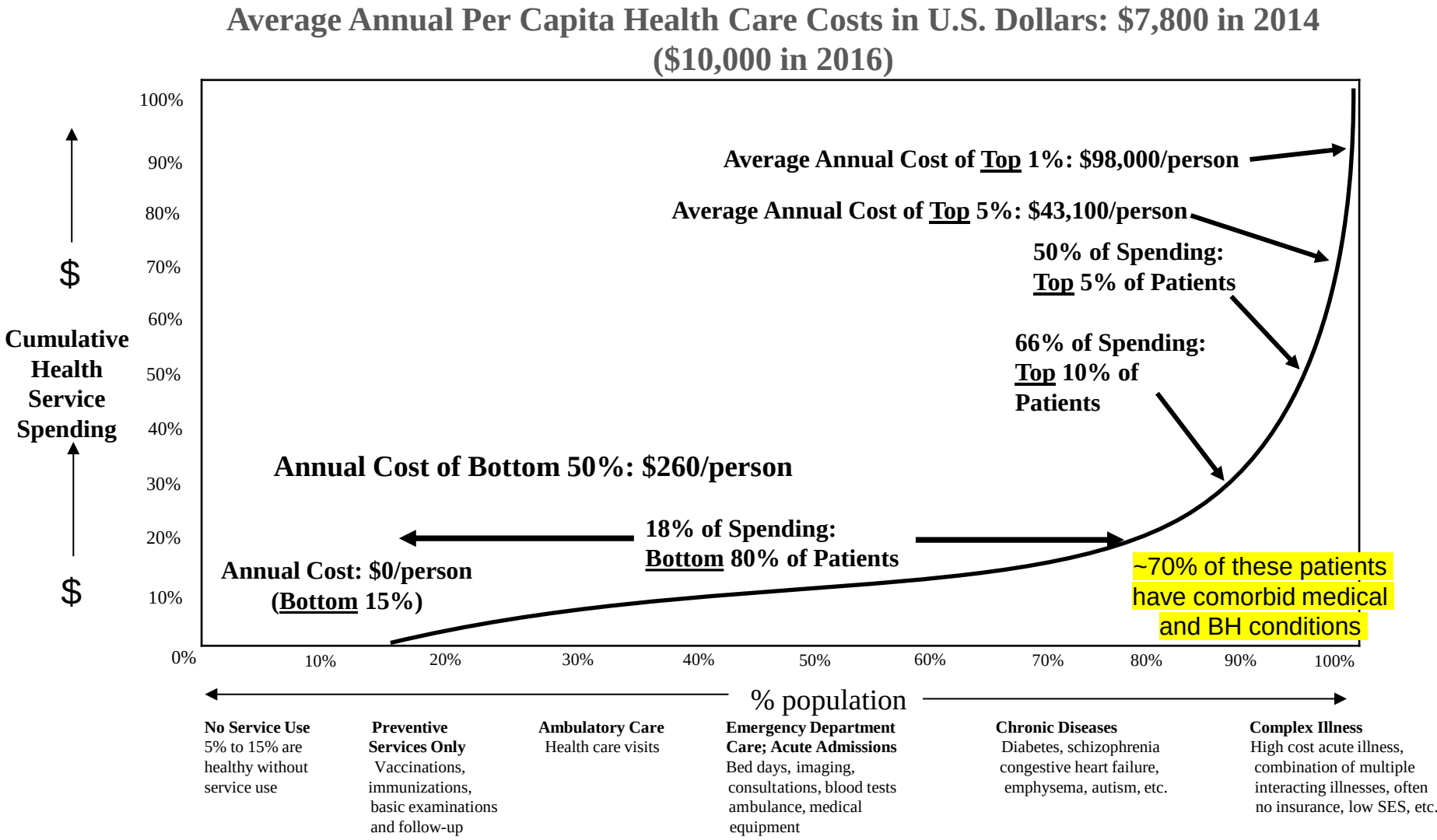
WHO ARE THESE CLAIMANTS?
SOME CONDITIONS/EVENTS ARE NOT PREVENTABLE

- High catastrophic claims are less impacted by lifestyle and wellness
  - Disease, congenital anomalies, and neoplasms are most prevalent
  - Frequency varies at higher deductible levels
  - Some conditions/events are not preventable

	Frequency at Deductible Level		Max. Reimb.
Condition	**Overall**	**>$500,000**	
Malignant neoplasm	19.8%	5.8%	$1,704,810
Chronic/ESRD	5.9%	7.4%	$3,000,734
Leukemia, lymphoma	4.5%	7.9%	$2,137,398
Spinal	4.1%	<3.0%	Not provided
Heart disease	2.3%	6.3%	$2,265,552
Congenital anomalies	2.2%	14.2%	$2,556,925
Diseases of blood, blood-forming organs	<1.5%	8.9%	Not provided

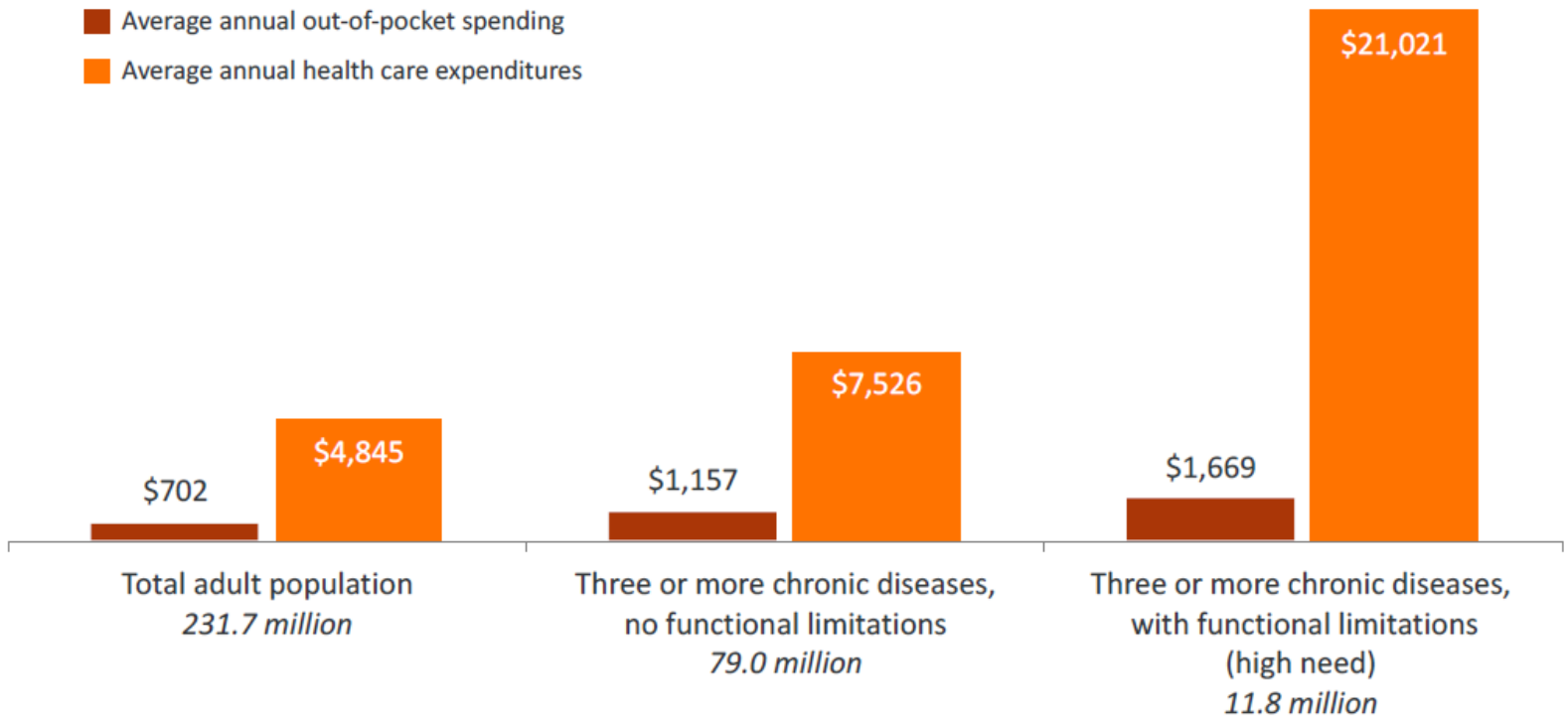
Source: *2014 Sun Life Stop Loss Report*

TODAY'S U.S. HEALTHCARE MARKET PLACE



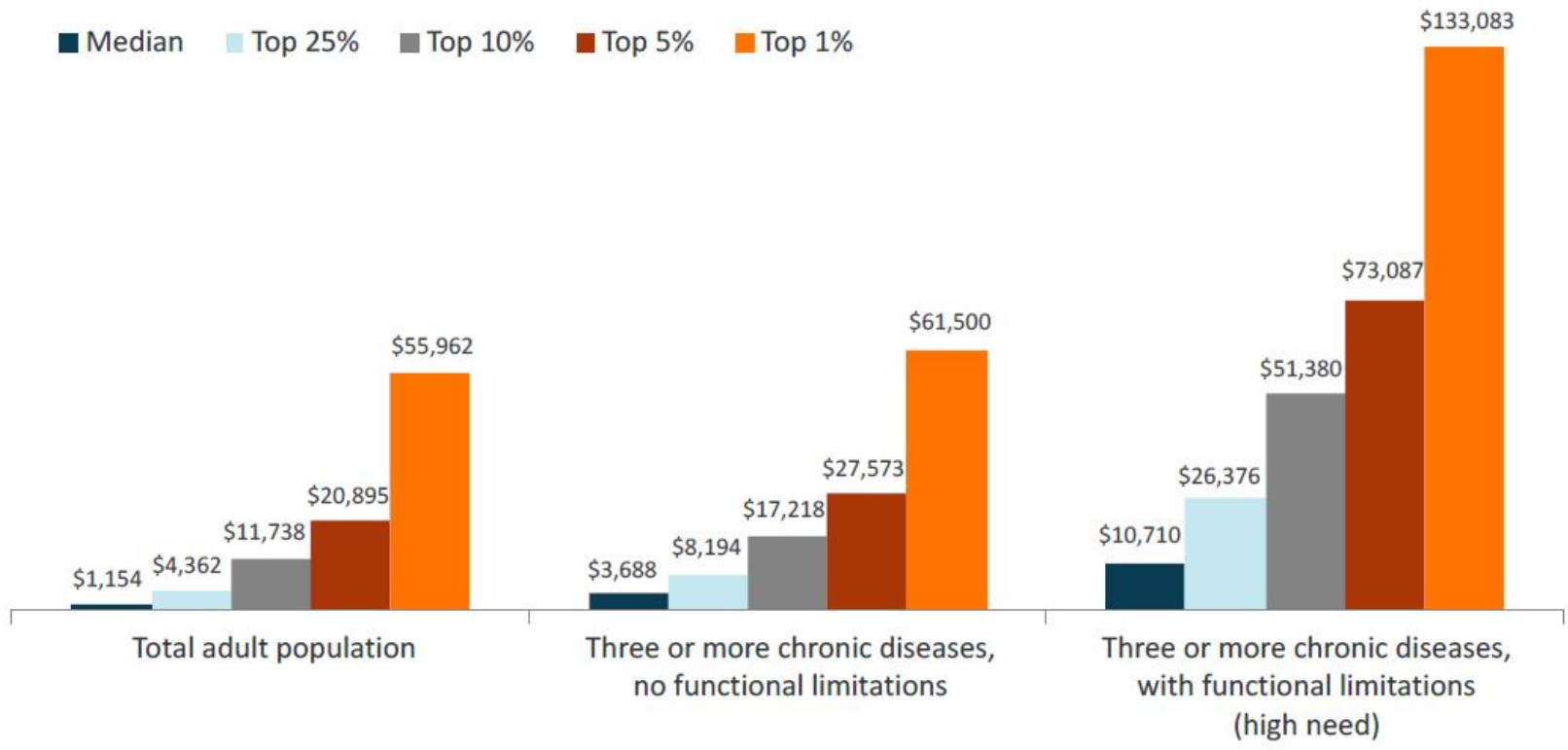
Kathol et al, The Integrated Case Management Manual, 2nd Ed., 2018

ADULTS WITH HIGH NEEDS HAVE HIGHER HEALTH CARE SPENDING AND OUT-OF-POCKET COSTS



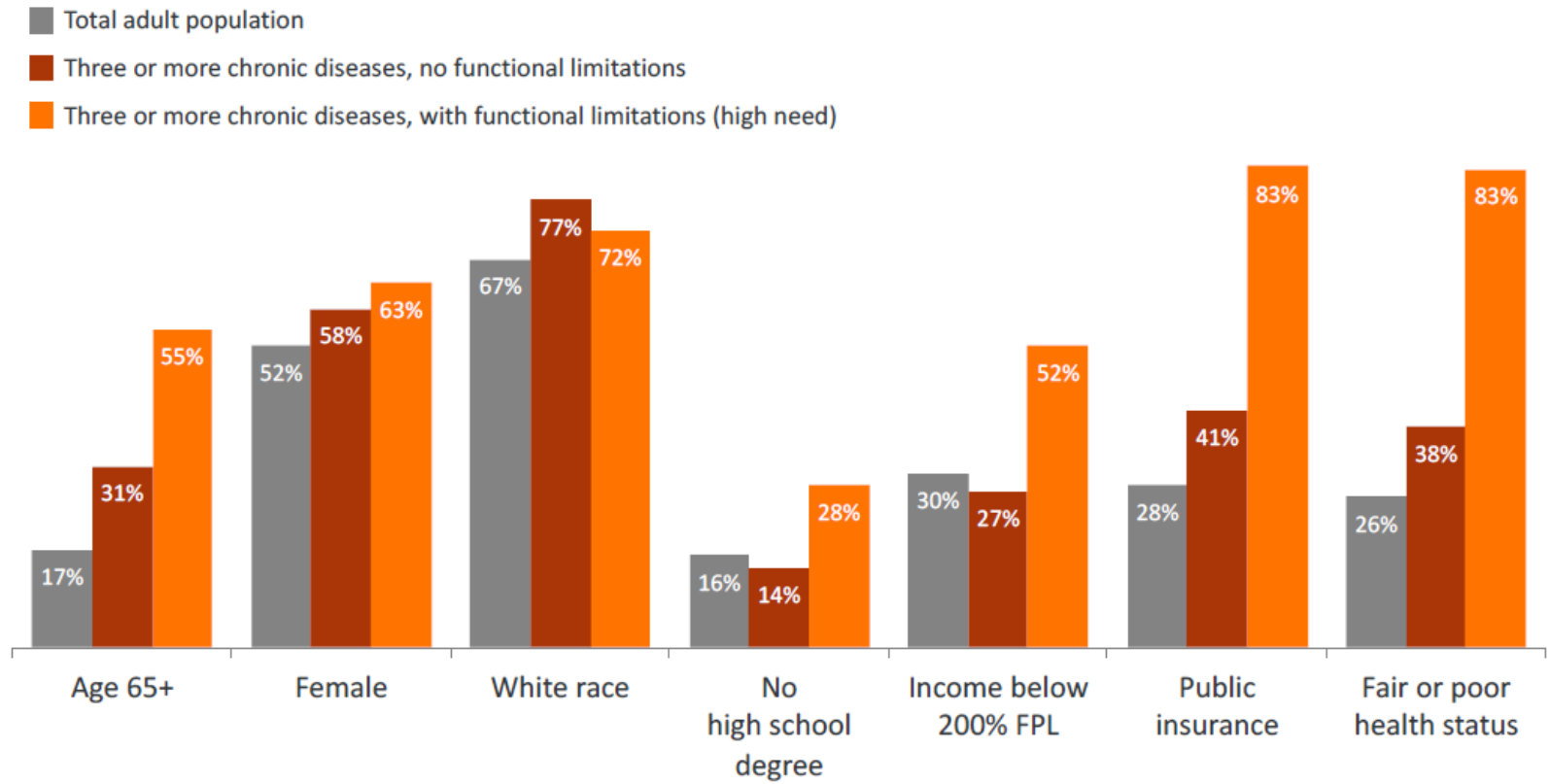
Note: Noninstitutionalized civilian population age 18 and older.
Data: 2009–2011 Medical Expenditure Panel Survey (MEPS). Analysis by C. A. Salzberg, Johns Hopkins University.

HEALTH CARE SPENDING WAS HIGHER AT EVERY LEVEL FOR ADULTS WITH HIGH NEEDS THAN FOR ADULTS WITH MULTIPLE CHRONIC DISEASES ONLY



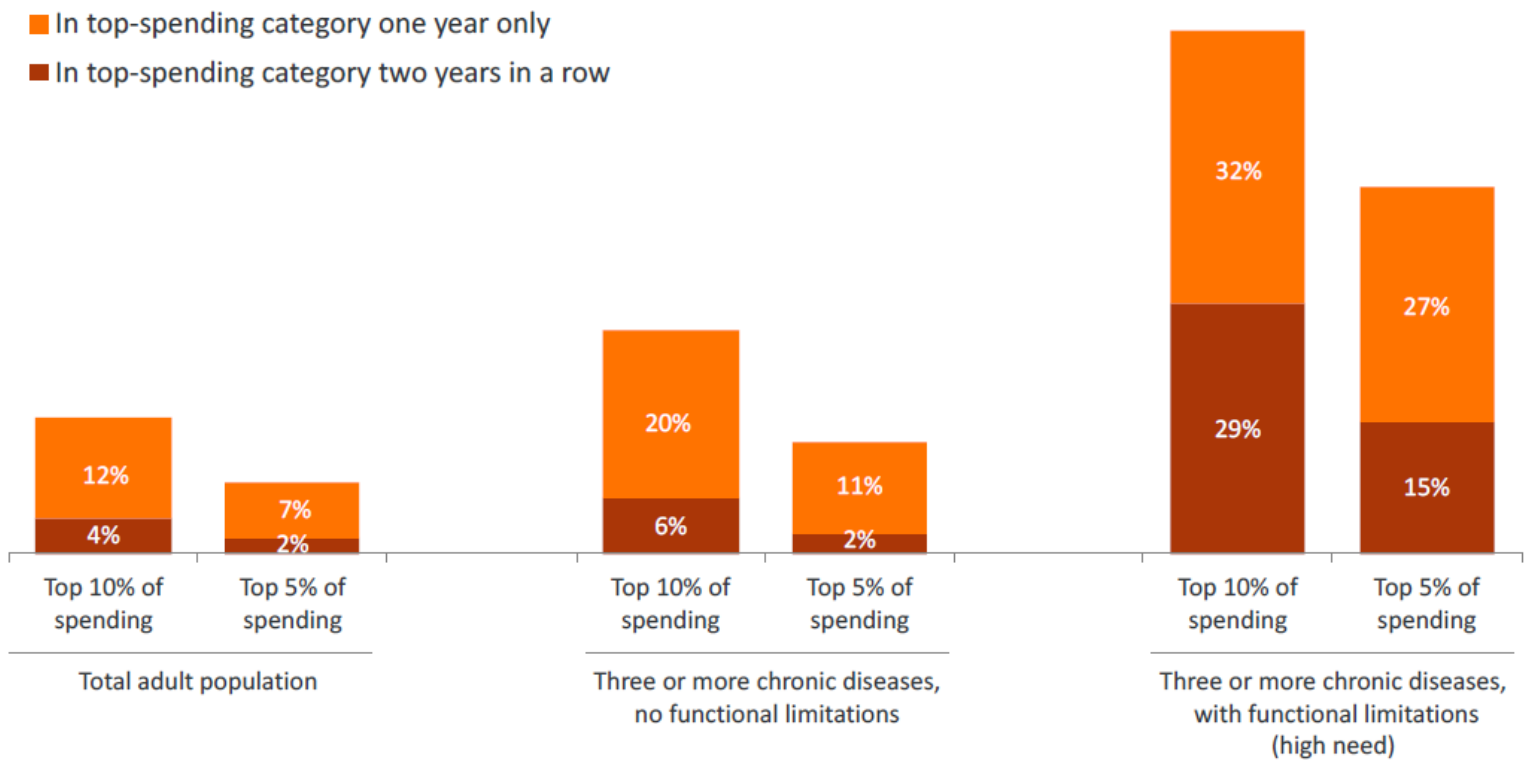
Note: Noninstitutionalized civilian population age 18 and older.
Data: 2009–2011 Medical Expenditure Panel Survey (MEPS). Analysis by C. A. Salzberg, Johns Hopkins University.

ADULTS WITH HIGH NEEDS HAVE UNIQUE DEMOGRAPHIC CHARACTERISTICS



Notes: Noninstitutionalized civilian population age 18 and older. Public insurance includes Medicare, Medicaid, or combination of both programs (dual eligible).
Data: 2009–2011 Medical Expenditure Panel Survey (MEPS). Analysis by C. A. Salzberg, Johns Hopkins University.

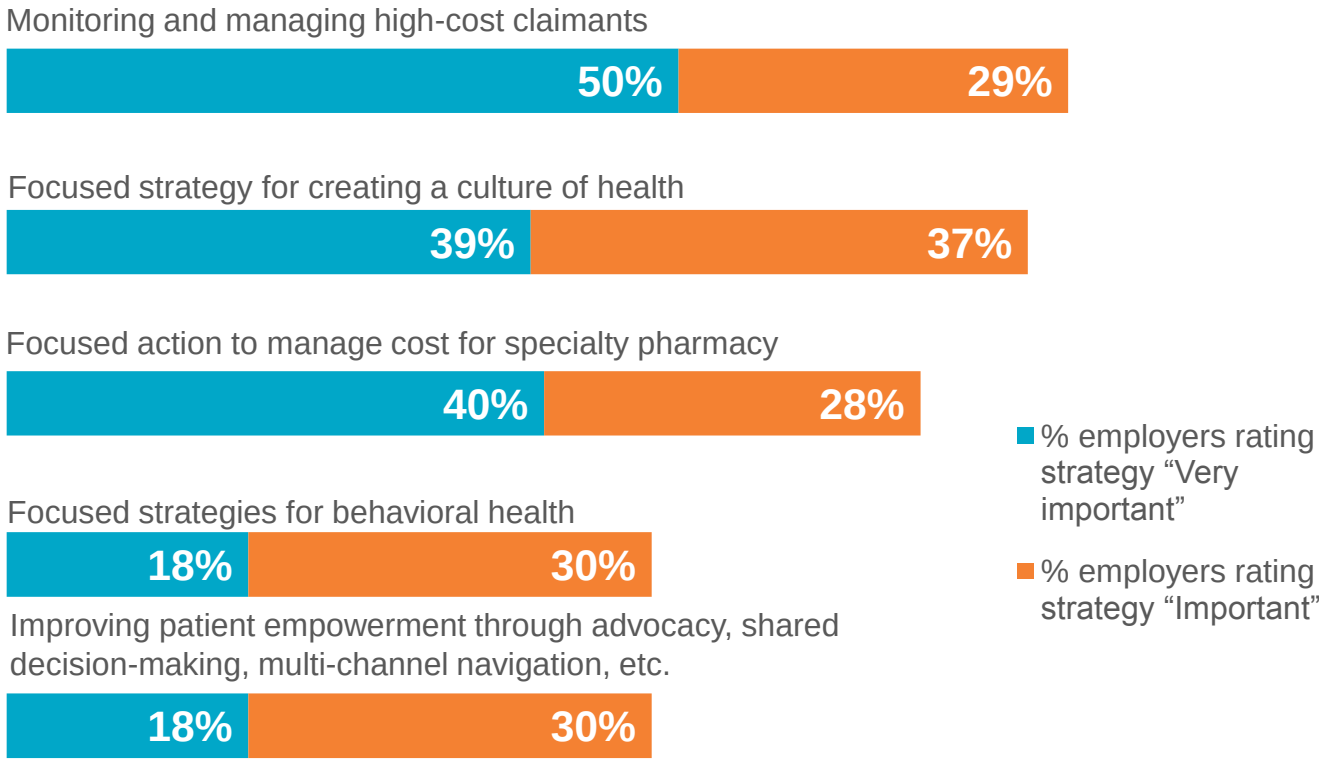
ADULTS WITH HIGH NEEDS ARE MORE LIKELY TO INCUR AND MAINTAIN HIGH HEALTH CARE SPENDING



Notes: Noninstitutionalized civilian population age 18 and older. Percentages are based on total individuals in each cohort for whom there were 2 years of data.
Data: 2009–2011 Medical Expenditure Panel Survey (MEPS). Analysis by C. A. Salzberg, Johns Hopkins University.

EMPLOYERS' TOP PRIORITIES FOR THE NEXT 5 YEARS: ADDRESS COST DRIVERS AND HELP EMPLOYEES THRIVE

EMPLOYERS WITH 500 OR MORE EMPLOYEES



* Mercer's National Survey of Employer-Sponsored Health Plans, 2018

PERSPECTIVES FROM KEY STAKEHOLDERS ON HIGH COST CLAIMANTS

Patients

- Believe that all providers are communicating with one another
- Perceive they are typically receiving high quality care
- Do not routinely receive evidence-based care for chronic conditions
- Vary in their health literacy and self-advocacy

Providers

- Provider-centric scheduling and workflow
- Use medical jargon not easily understood by patients
- Are challenged with using EHRs and data that fit with workflows
- Under pressure to be more efficient with new care models
- Not aware of benefit plans or programs

Employers

- Experience escalation of healthcare costs
- Believe there is waste in the healthcare system
- Hear complaints about the health plan and health systems from employees
- See employees who lose work due to sickness and disability
- Frustrated by a health system that is broken

Health Plans

- Managing provider networks that are constantly evolving
- Implementing new value based care models and health innovations
- Increasing collaboration with providers
- Challenged with aging data systems
- Evolving predictive modeling in to be more accurate

HEALTH PLANS STRATEGIES TO MANAGE HCCS

HEALTH PLAN TRADITIONAL STRATEGIES

HEALTH PLAN CHALLENGES AND OPPORTUNITIES

- Lack of proactive outreach and engagement with people with chronic conditions
- Low enrollment rate into case management programs
- Limited communication with the providers or the caregivers
- Singular focus on the presenting condition, not on the whole person
- Limited or no focus behavioral health
- Limited or no focus on social determinants of health

ONE HEALTH PLAN SUCCESS STORY: BACKGROUND

- Blue Shield California (BSC) prospective cohort study of members with life-limiting and multiple comorbid conditions
- Implemented patient centered management (PCM) of members with end of life and pain management issues
- 75% were oncology patients
- PCM interventions included:
  - Education
  - Home visits
  - Frequent contact
  - Goal oriented care plans

* Sweeney, L. et al. Patient-centered management of complex patients can reduce costs without shortening life. *American Journal of Managed Care*. February 2007. Vol. 13, No. 2, pages 84 – 92.

RESULTS OF HEALTH PLAN SUCCESS STORY

Increases

- Home Health Days
- Hospice Days

Decreases

- Overall Costs reduced by 26%
- Inpatient Admissions
- Emergency Department Visits
- Hospital Days
- Readmissions
- Chemotherapy
- Radiation Therapy

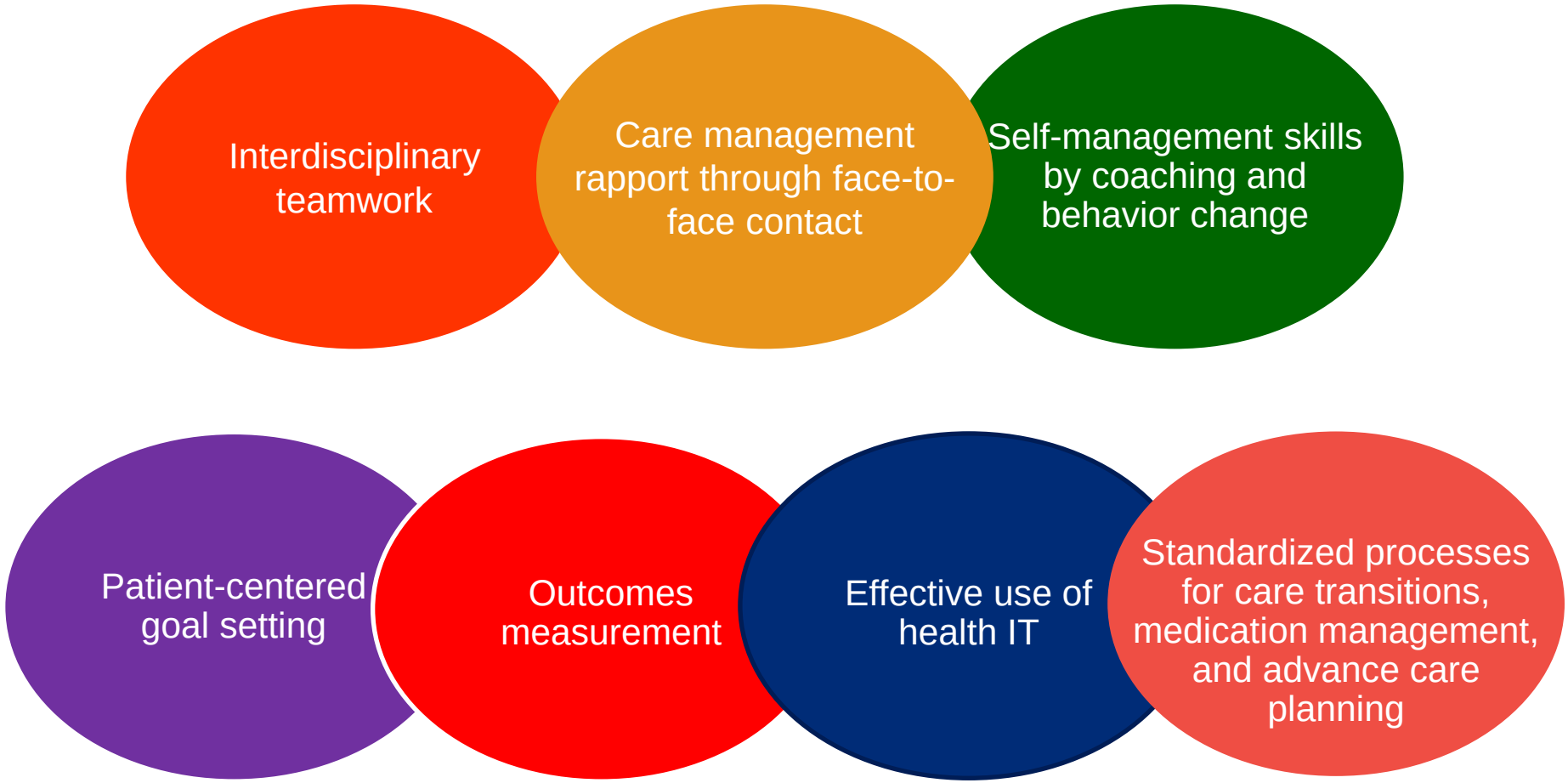
* Sweeney, L. et al. Patient-centered management of complex patients can reduce costs without shortening life. *American Journal of Managed Care*. February 2007. Vol. 13, No. 2, pages 84 – 92.

PROVIDER STRATEGIES TO MANAGE HCCS

PROVIDER STRATEGIES AND LESSONS LEARNED IN MANAGING HCCS

* Health Care Transformation Task Force. Developing care management programs to serve high-need, high-cost populations: Insights from the Health Care Transformation Task Force. White Paper. February 2016.

COMMON ATTRIBUTES OF SUCCESSFUL CARE MODELS FOR PROVIDER MANAGEMENT OF HCCS



* Mccarthy, D., et al. Models of care for high-cost patients: an evidence synthesis. The Commonwealth Fund. Issue Brief. October 2015

NEEDS OF HIGH COST CLAIMANTS AND THEIR FAMILIES

NEEDS OF HCCS, FAMILY MEMBERS, AND CAREGIVERS TO REDUCE ED VISITS AND INPATIENT SERVICES

- At home services, including visiting nurse and physical therapy
- At-home medication delivery
- Larger supply of medications
- After-hours clinics
- Care management
- Telehealth

* Das, L.T., et al. “High need, high cost patients offer solutions for improving their care and reducing costs.” *NEJM Catalyst*. February 5, 2019.

BARRIERS TO SUCCESSFUL OUTCOMES

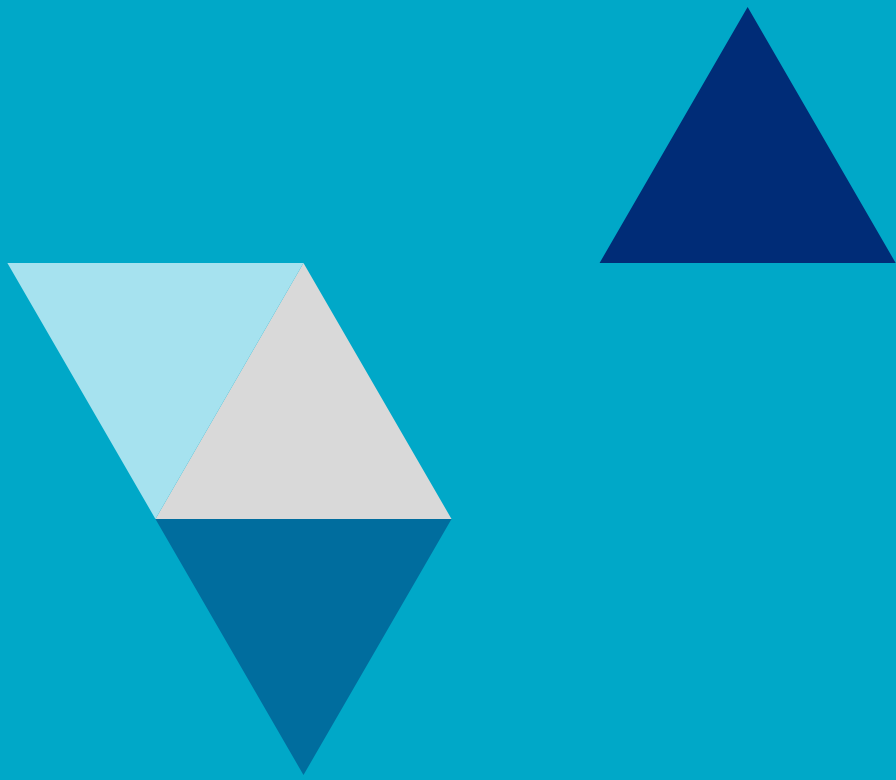
BARRIERS TO SUCCESSFUL OUTCOMES

Barrier		Description
Financial incentives		Lack of incentives to provide care coordination and supportive services under fee-for-service payment; difficulty of prevailing against fee-for-service incentives to generate sufficient cost savings in an acceptable time frame
Capacity to change		Stresses on primary care and limited capacity to implement care management models, despite the logic of doing so in this setting
Culture and workforce		Professional uncertainty and lack of training and skills to take on new roles, adopt a patient-centered paradigm, and change the culture
Infrastructure		Inadequate electronic health records systems and interoperability to support integrated care management and coordination across the care continuum
Evidence		Difficulty scaling up limited evidence from single-site or single-condition studies to multiple contexts and chronic conditions (e.g., determining the relative importance and ideal intensity of each feature in the bundle, etc.)

Source: Authors' synthesis of evidence reviews, case studies, and conference proceedings.

McCarthy, D., et al. Models of care for high-need, high-cost patients: an evidence synthesis. The Commonwealth Fund. Issue Brief. October 2015

EMERGING STRATEGIES TO IMPROVE HCC OUTCOMES



EMERGING STRATEGIES TO IMPROVE HCC OUTCOMES

Financial Management

Administrative and Operational Management

Clinical Management

Provider

Data Analytics

Whole Person

FINANCIAL STRATEGIES

- Stop Loss
- Reporting and Monitoring
- Forecasting and Budgeting
- Financial support or loans to members

ADMINISTRATIVE AND OPERATIONAL MANAGEMENT STRATEGIES

Performance guarantees for reporting, timeliness, and other administrative metrics

Integration and coordination between benefits vendors

Third party assessments

CLINICAL MANAGEMENT STRATEGIES

- Proactive population health management for modifiable conditions
- Performance guarantees for engagement, frequency of contacts, effectiveness of interventions, and clinical, financial, and member experience/activation outcomes
- Third party assessments
- Cost savings methodology evaluation
- Reporting

PROVIDER STRATEGIES

- Alternative payment methods (APMs) shifting financial accountability
- Implementation of new care delivery models
- Coordination and integration across the delivery system including physical health, behavioral health, acute care, specialty care, and primary care
- Increased awareness of benefits ecosystem

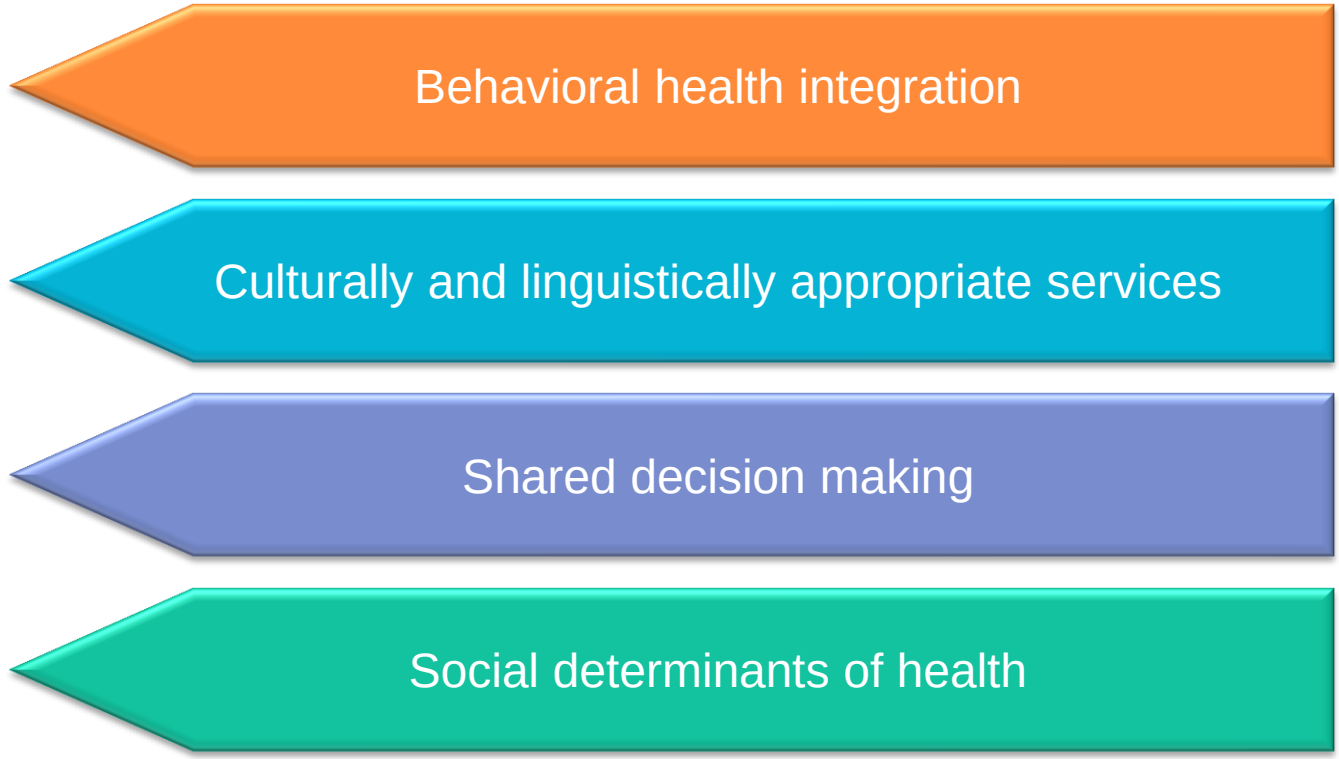
DATA ANALYTICS STRATEGIES

Incorporation of non-claims data, including electronic health record, patient reported outcomes, biometric, digital health app, and health risk assessment data

Predictive modeling

Use of artificial intelligence, machine learning, and blockchain

WHOLE PERSON STRATEGIES



QUOTES TO PONDER

Financial incentives must align, infrastructure must be interoperable, and there must be a willingness to transition to care management

Health Care Transformation Task Force. Developing Care Management Programs to Service High-Need, High-Cost Populations. February 2016.

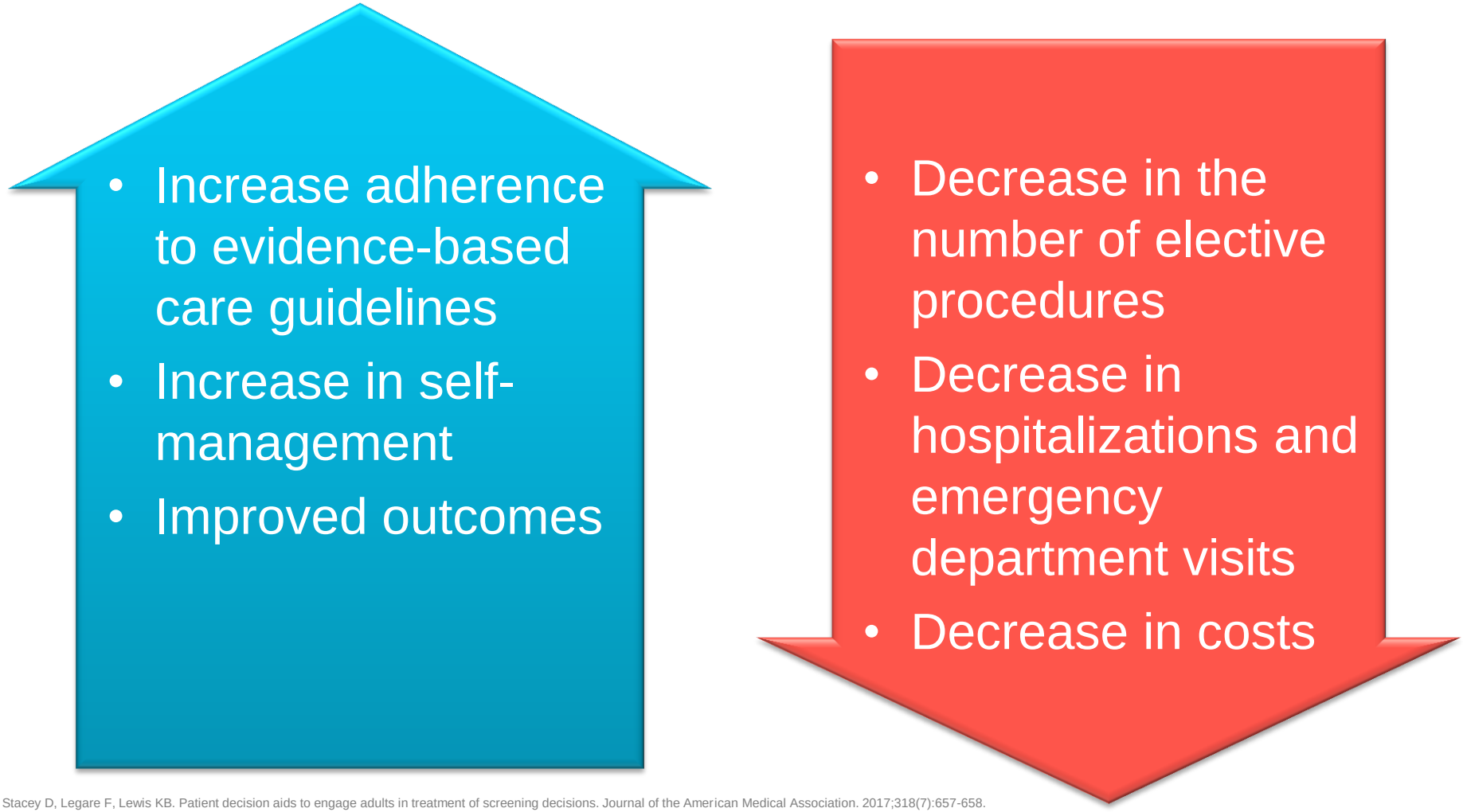
Transformation requires sustained change in individual behavior, team interactions, and operations design

Richard Bohmer, MB, ChB, MPH; Senior Visiting Fellow, Nuffield Trust; Faculty Member, Harvard Business School

We're in the midst of an era of patient-centered care, when patients' needs and desired outcomes drive many of the decision health care organizations make.

Das, L.T., et al. "High-need, high-cost patients offer solutions for improving their care and reducing costs." *NEJM Catalyst*. February 5, 2019

WHAT HAPPENS WHEN PATIENT EXPERIENCE AND ENGAGEMENT ARE IMPROVED



Stacey D, Legare F, Lewis KB. Patient decision aids to engage adults in treatment of screening decisions. Journal of the American Medical Association. 2017;318(7):657-658.

Reistroffer, C, Hearld, LR, Szychowski, JM. An Examination of the Relationship Between Care Management With Coaching for Activation and Patient Outcomes. American Journal of Managed Care. 2017;23(2):123-128

Hibbard, JH, Greene, J, Sacks, RM, Overton, V, Parrotta, C. Improving Population Health Management Strategies: Identifying Patients Who Are More Likely to Be Users of Avoidable Costly Care and Those More Likely to Develop a New Chronic Disease. Health Services Research. August 2017. 52(4):1297-1309.

Arterburn, D, et al. Introducing Decision Aids At Group Health Was Linked To Sharply Lower Hip And Knee Surgery Rates And Costs. Health Affairs. 2012; 31(9): 2094–2104

OUTCOME MODEL FOR CARE MANAGEMENT

Patient/Client

Age, gender, cultural/ethnic factors, deficits, confidence and abilities, family and social supports, condition/diagnosis, physical/physiological factors, psychological/cognitive factors, ability to articulate the plan

Systems:

Benefits
Healthcare
Community

Practice setting, jurisdictional requirements, legal & regulatory issues, benefits plan, availability of resources, technology recourses, organizational structure, accreditation standards

Care Manager

Communication abilities, accessibility, professional discipline, respectfulness, empathy, technical competency, collaboration, cultural sensitivity, assessment skills, knowledge of community resources, advocacy philosophy, ethical behavior, licensure & certification credentials, benefit plan knowledge

*Moorhead, S., et al. Nursing Outcomes Classification (NOC), 5th Edition. Elsevier. 2012.