Targeting High Cost Patients and their Needs

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We know why we need to target HC/HN patients
Concentration
The top 10% of patients represent...

Proportion of Costs

- Non-Medicare Under 65: 66.8%
- Medicare: 57.8%
- Dual Eligibles: 42.1%
Sicker the population, less concentrated the spending
Threshold for High-Cost Status

- Non-Medicare Under 65: $11,295
- Medicare: $32,782
- Dual Eligibles: $88,036
Who are the HC/HN?
Mean Number of Chronic Conditions

- Non-Medicare Under 65: 1.5
- Medicare: 4.7
- Dual Eligibles: 4.8

- Non-High Cost: Non-Medicare Under 65: 1.5, Medicare: 4.7, Dual Eligibles: 4.8
Mean Number of Frailty Indicators

- Non-Medicare Under 65: 0.05
- Medicare: 0.20
- Dual Eligibles: 0.36
- Medicare: 1.7
- Non-Medicare Under 65: 0.26
- Dual Eligibles: 1.09

Non High Cost

High Cost

Non-High Cost

High Cost

Non-High Cost

High Cost

Non-High Cost

High Cost

Non-High Cost

High Cost

Non-High Cost

High Cost

Non-High Cost

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Non-High Cost

High Cost

Non-High Cost

High Cost

Non-High Cost

High Cost

Non-High Cost

High Cost
Mental Health Diagnosis

- Mental Health Diagnosis: 13.9%
- Mental Health Diagnosis: 16.0%
- Mental Health Diagnosis: 29.8%
- Mental Health Diagnosis: 35.0%
- Mental Health Diagnosis: 33.0%
- Mental Health Diagnosis: 45.0%

Non High Cost
- 13.9%
- 16.0%
- 29.8%

High Cost
- 35.0%
- 33.0%
- 45.0%
Problem: HC/HN patients not a monolithic group
Our approach

- Define sub-populations within each population
  - “Segments”

- Characterize their spending by type
  - E.g. inpatient, outpatient, post-acute

- Determine the degree to which costs segregate between these subpopulations and settings
  - And the degree to which costs are preventable
Our 6 segments

- Mutually exclusive
- Divided in waterfall/hierarchical fashion
Our 6 segments

- Under 65 disabled
- Frail
- Major complex chronic
- Minor complex chronic
- Simple Chronic
- Relatively healthy

Chronically ill

Not included in Non-Medicare Under 65 population
17 potential sub-segments

- Under 65 disabled
- Frail
- Major complex chronic
- Minor complex chronic
- Simple Chronic
- Relatively healthy

- Related acute
- Unrelated acute
- No acute

Chronically ill
Proportion of all high cost patients
Non-Medicare Under 65

- Under 65 Disabled: 0%
- Frail: 6.5%
- Major Complex Chronic: 10.5%
- Minor Complex Chronic: 41.2%
- Simple Chronic: 24.9%
- Relatively Healthy: 16.9%
Proportion of all high cost patients
Medicare

- Under 65 Disabled: 25.6%
- Frail: 39.5%
- Major Complex Chronic: 20.1%
- Minor Complex Chronic: 10.2%
- Simple Chronic: 3.6%
- Relatively Healthy: 1.1%
Proportion of all high cost patients
Dual Eligibles

- Under 65 Disabled: 44.6%
- Frail: 21.8%
- Major Complex Chronic: 17.8%
- Minor Complex Chronic: 12.4%
- Simple Chronic: 2.9%
- Relatively Healthy: 0.7%
High Cost Patients’ Distributional Mean Spending
Medicare Only

Under 65 Disabled

Frail

Major Complex Chronic

Minor Complex Chronic

Simple Chronic

Relatively Healthy

Inpatient

Outpatient

PAC + LTC

Part D

Total Carrier

DME
Preventable Spending
Preventable spending in our segments

Medicare

- Percentage of Population
- Percentage of Preventable Spending
Key Takeaways
Key takeaways

- The 3 populations all quite different
  - The sicker the population, the less concentrated the spending
  - The sicker the population, the higher the threshold for being HC

- Possible to segment patients in each population

- Segments really are very different subpopulations
Key takeaways #2

- If populations and subpopulations (segments) different
  - Strategies for improving care different
  - Strategies for lowering costs different
    - e.g. Ambulatory Care Sensitive Conditions

- Lots of things left to do:
  - Other populations (kids, etc.)
  - Provider characteristics
  - Examine why some patients are HC versus others are not
  - Issues of persistence versus transience
  - Understanding what works to change the trajectory
Questions?

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