HEALTH CARE

Dollars From Data

Using information technology to identify the health system’s most frequent users can lower states’ costs.

BY LISA WAUGH

Fior Rosario was in and out of Allentown, Penn., hospitals almost weekly for several years because of a recurring cycle of anxiety and asthma that left her unable to breathe easily.

Ten miles away in Bethlehem, Jenny Hassan would end up in the hospital emergency room once or twice a week, often arriving by ambulance. Her bipolar disorder prevented her from properly managing her diabetes and keeping a job. According to the local newspaper, The Morning Call, both these women’s lives were spiraling out of control until a health care coordination program helped address the complex underlying issues that were preventing them from stabilizing their lives and their health.

Rosario and Hassan were what are called “super-utilizers”—the 5 percent of patients who account for 55 percent of overall health care costs, according to the Kaiser Commission on Medicaid and the Uninsured.

The Top 5%

Because of their many, often mismanaged, health conditions, people like Rosario and Hassan too frequently end up in costly ambulances and hospital emergency rooms, as well as county jails and social safety net programs, such as homeless shelters. Their health care bills account for a disproportionate share of health spending and drive up Medicaid costs.

Along with several chronic medical conditions—diabetes, asthma, kidney disease, congestive heart failure—around 30 percent of super-utilizers also have behavioral health issues, such as substance abuse, anxiety or depression, that complicate their medical care. Added to that is the fact that various mental health issues tend to be exacerbated in patients as their medical problems worsen and their independence decreases.

With the rising costs of Medicaid and other state-funded health services, identifying super-utilizers and helping them manage their care has emerged as a promising strategy to control costs.

“Patients with multiple chronic illnesses tend to have extremely high and unpredictable health care expenses,” says Colorado Senator Irene Aguilar (D).

“As a physician, I have seen the benefits of improved care coordination for people with multiple chronic illnesses,” she says. “As a legislator I am convinced of the cost savings associated with programs for super-utilizers.”

The Data Piece

The challenge is finding the super-utilizers, and that’s where information technology helps.

Some states are tracking down super-utilizers thanks to improvements in data collection and analysis. Data analysts, like the pioneer in this field, Jeffrey Brenner from Camden, N.J., study information from state Medicaid programs and hospital billing, utilization and claims records looking for patients who visit numerous inpatient facilities and repeatedly call on emergency responders.

Brenner, a physician, learned early in his career that the people with the highest medical costs were usually receiving the most uncoordinated care by cycling in and out of hospital emergency departments. He believed “we could make a big difference in people’s lives if we could figure out how to deliver more organized services that were easier for patients to use,” according to an interview by The New Yorker.

Once super-utilizers are identified, care
coordination programs—which organize all aspects of patient care, including information sharing among providers—can help address their needs before they reach a crisis.

Care coordinators helped Rosario draw on her faith and reconnect with her local church community. Members helped her find an apartment and settle in. And as she did, her breathing became easier to control, and the following year, she didn’t go to the emergency room once.

Medical Homes and More

In Colorado, lawmakers approved a program at Denver Health Medical Center, a public hospital, where super-utilizers receive help establishing a “medical home”—a single place for comprehensive care. Patients form stable relationships with health care providers, receive transportation to medical appointments and services, and learn to manage their medical and behavioral health issues.

And, the state saves money.

Tracy Johnson, a Denver Health researcher, found that 3 percent of adult patients met super-utilizer criteria there and accounted for 30 percent of all adult costs.

“Even if savings are just 2 to 5 percent ... it is still significant in terms of dollars,” says Johnson. “In a system like ours, that translates into millions of dollars.”

Other programs have reported savings as high as 50 percent. Denver Health calculates its return on investment using a comparison group, however, and may have a more realistic estimate of potential savings.

The Cost Factor

It is costly to establish data systems that track super-utilizers in the health care sector; but it is even more difficult to assess the cost of super-utilizers across different sectors, such as the criminal justice and social service systems. For example, the significant expenses covered by states and localities when people are incarcerated are rarely included in Medicaid calculations for super-utilizers.

Data systems that can integrate information from several sources and track costs can help officials improve coordination of care programs within and across the health and social services sectors and identify ways to cut costs.

Bringing It Together

As legislators debate health care funding and what looks to be the most promising programs for achieving real savings, many are considering these health care data systems.

Lawmakers in Maryland, New Jersey, Oregon and Texas have taken the lead in passing legislation authorizing super-utilizer programs that address data collection, usage, analysis and privacy issues.

“States need to assess the costs and benefits of establishing data systems that collect information from all areas of state government,” says Utah Representative James A. Dunnigan (R), co-chair of the Utah Health Reform Task Force. With this data, “decision makers can assess the true impact that super-utilizers have on state budgets.”

Data systems that track how people use health care services are quickly becoming useful tools—not only for people like Rosario and Hassan, who receive better care, but also for state lawmakers who can track how health care dollars are spent.

Coming Soon: CPC+

Comprehensive Primary Care Plus is coming next January from the U.S. Department of Health and Human Services. Called CPC+, the five-year effort hopes to move the nation’s health care system away from the traditional fee-for-service model with carrots rather than sticks.

Participating providers will receive a monthly fee, along with bonuses for meeting specific goals, instead of for performing a certain number of patient visits or medical procedures, like most current systems still do.

CPC+ offers incentives for states to adopt the “medical home” model of care. Medical homes are “one-stop shops” for patients to get all their health needs met as efficiently as possible. Because they’re designed to coordinate medical services, behavioral health care and long-term community-based services, they can better meet the needs of people with several chronic illnesses.

Medical homes can also save money. Minnesota, for example, a leader in this type of care, has saved more than $1 billion in the past five years, according to a University of Minnesota study.

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