nrhi Network for Regional Healthcare Improvement

Healthcare Regional Cost Measurement & Transparency

Standardization & Benchmarking: Requirements for Participation

Michael DeLorenzo
Judy Loren
May 2014

nrhi

Welcome & Introductions

- Project Participants
  - Center for Improving Value in Health Care (Colorado)
  - Maine Health Management Coalition
  - Midwest Health Initiative (St Louis, MO)
  - Minnesota Community Measurement
  - Oregon Health Care Quality Corporation
- Support
  - Robert Wood Johnson Foundation
- Technical Advisors
  - HealthPartners®
  - Maine Health Management Coalition Foundation

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Learning Objectives

- Understand the technical approach to create national benchmarks for Cost and Resource Use
- Identify data requirements for participation in the national benchmarks

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Project Goal

- To develop and produce information to enable communities in multiple regions to reduce the total cost of care with replicable, multi-stakeholder driven strategies.

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Project Key Milestones

November 2013

February 2014

May 2014

April 2015

Planning

Alignment

Evaluation & Dissemination

Project Kick Off

Nat'l Physician Leadership Seminar

Summit

- Explore characteristics of participant data to define common parameters

- Complete plan for public reporting
- Complete plan for national benchmarks

- Calculate national benchmarks
- Identify key stakeholders and engage them in reducing TCOC
- Use benchmarks in reporting
- Make reporting public

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Benchmarks

- What do "national benchmarks" look like?
- They are not dollar values
  - Due to risk adjustment, cannot produce a national benchmark in dollars that a non-participant could use to compare its own performance.
- Instead, indexes give each region a score relative to the average of all regions.
- So the "national benchmark" for Total Cost of Care is literally 1.0
- Regional scores look like 0.85 (Total Cost of Care is 85% of the national average, or 15% less expensive) or 1.08 (8% higher).

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Benchmarking Challenges

- Critical that national benchmarks are calculated on comparable data across all submitters
- Data are collected under different programs
  - State mandate
  - Payer-initiated
  - Voluntary
- Data are collected with different limitations
  - Fully insured only
  - Information on cost withheld
  - Information on cost constrained
  - Privacy restrictions on specific claim contents

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Benchmarking Approach

- Solution: define the requirements around the capabilities and limitations of participants.
- Check: Make sure that the resulting definition will still deliver meaningful benchmarks.
- Examples:
  - If one participant does not receive certain claims (substance abuse), and other participants have the flexibility, ask everyone to eliminate those claims.
  - Participants agree on how to define inpatient claim dollars (whether to include professional claims that occur during an inpatient visit).

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Data Set

- Commercial plans with complete medical coverage
  - Track pharmacy coverage only within medical coverage
  - Eliminate limited plans like Medicare Supplement, Vision only, Behavioral Health only, first dollar plans
- CY 2012 for first round; apply learnings to CY2013 analysis
- Medical and Rx paid claims with minimum 3 month run out
- Ages 1 – 64
- Minimum 9 months of medical eligibility
- Allowed amount (plan paid plus member paid)
- TCRRV (Health Partners measure of resource use)
- Use only 4 diagnosis codes to assign ACG
- Excludes some claims:
  - substance abuse treatment
  - Denied/zero total allowed amount

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Key Technical Activities

- Define methodology for collecting data from participants to support calculation of national benchmarks
  - Define requirements for inclusion of plans
  - Define inclusion/exclusion criteria for members and claims
- Standardize risk adjustment across participants
  - Must be able to calculate ACG on data for submission to national benchmark
  - Do not have to use ACG for practice level reporting

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Risk Adjustment

- ACG Risk Scores
  - ACG risk adjustment begins with assigning each member to a risk category
  - Risk level of each category is calculated as the ratio of the PMPM for the members in the category to the overall PMPM
  - Risk of any subgroup is determined by the mix of categories in that population
  - ACG risk scores are specific to the population being analyzed
  - There are nationally determined risk levels available

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

National Process

- Risk scoring for national benchmarks
  - Each participant
    - Assigns its own members to ACG categories
    - Aggregates data by age and attribution status within each ACG category
    - Submits that aggregation to the national process
  - National process
    - Combines data for all participants at the ACG level
    - Determine risk level of each ACG category using combined data
    - Risk of each participant is determined by the mix of ACG categories in its data

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Sample Submission Format

ACG	Age Group	Attributed/ Not attributed	Unique members	Medical member months	Pharmacy member months	Truncated Total allowed amount	Truncated IP allowed amount
001	PEDS	Y	9,999	842	713	$430,262	$105,250
001	PEDS	N	2,222	22,664	19,331	$11,581,508	$9,878,345
001	ADULT	Y	99,999	1,019,990	869,991	$521,214,788	$444,565,554
001	ADULT	N	22,222	226,664	193,331	$115,825,508	$98,792,345
002	PEDS	Y	3,333	33,997	28,997	$17,372,263	$14,817,518
002	PEDS	N	999	10,190	8,691	$5,206,988	$4,441,254
002	ADULT	Y	55,555	566,661	483,329	$289,563,771	$246,980,864
002	ADULT	N	8,888	90,658	77,326	$46,326,034	$39,513,382
003	PEDS	Y	9,999	101,990	86,991	$52,116,788	$44,452,554
003	PEDS	N	2,222	22,664	19,331	$11,581,508	$9,878,345
003	ADULT	Y	99,999	1,019,990	869,991	$521,214,788	$444,565,554
003	ADULT	N	22,222	226,664	193,331	$115,825,508	$98,792,345

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Key Technical Activities

- Accommodate differences in attribution methodology across participants
  - Creating practice panels is basically similar but each region has its own fine points
    - e.g., treatment of Ob/Gyns as primary care or not
  - Similar to risk score challenge, but not an obvious champion like ACG
  - Decided to produce benchmarks at 2 levels
    - Attributed population
    - Total population
  - Look at the effect of different attribution on results

© 2009-2014 Network for Regional Healthcare Improvement

Benchmarks

nrhi

Values are indexes of participant to benchmark

	Adult			Pediatric		
	Attributed	Unattributed	Total	Attributed	Unattributed	Total
Overall Cost	**1.06**	**1.14**	**1.09**	**1.06**	**1.14**	**1.09**
IP Cost	1.25	1.42	1.30	1.25	1.42	1.30
OP Cost	0.98	0.90	0.96	0.98	0.90	0.96
OP ER Cost	*1.00*	*0.99*	*1.00*	*1.00*	*0.99*	*1.00*
Prof Cost	1.71	1.45	1.60	1.71	1.45	1.60
Rx Cost	0.67	0.79	0.72	0.67	0.79	0.72
Overall Resource Use	**0.94**	**0.88**	**0.92**	**0.94**	**0.88**	**0.92**
IP Resource Use	0.80	0.70	0.77	0.80	0.70	0.77
OP Resource Use	1.02	1.11	1.04	1.02	1.11	1.04
OP ER Resource	*1.00*	*1.01*	*1.00*	*1.00*	*1.01*	*1.00*
Prof Resource Use	0.58	0.69	0.63	0.58	0.69	0.63
Rx Resource Use	1.49	1.27	1.39	1.49	1.27	1.39

SAMPLE DATA

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

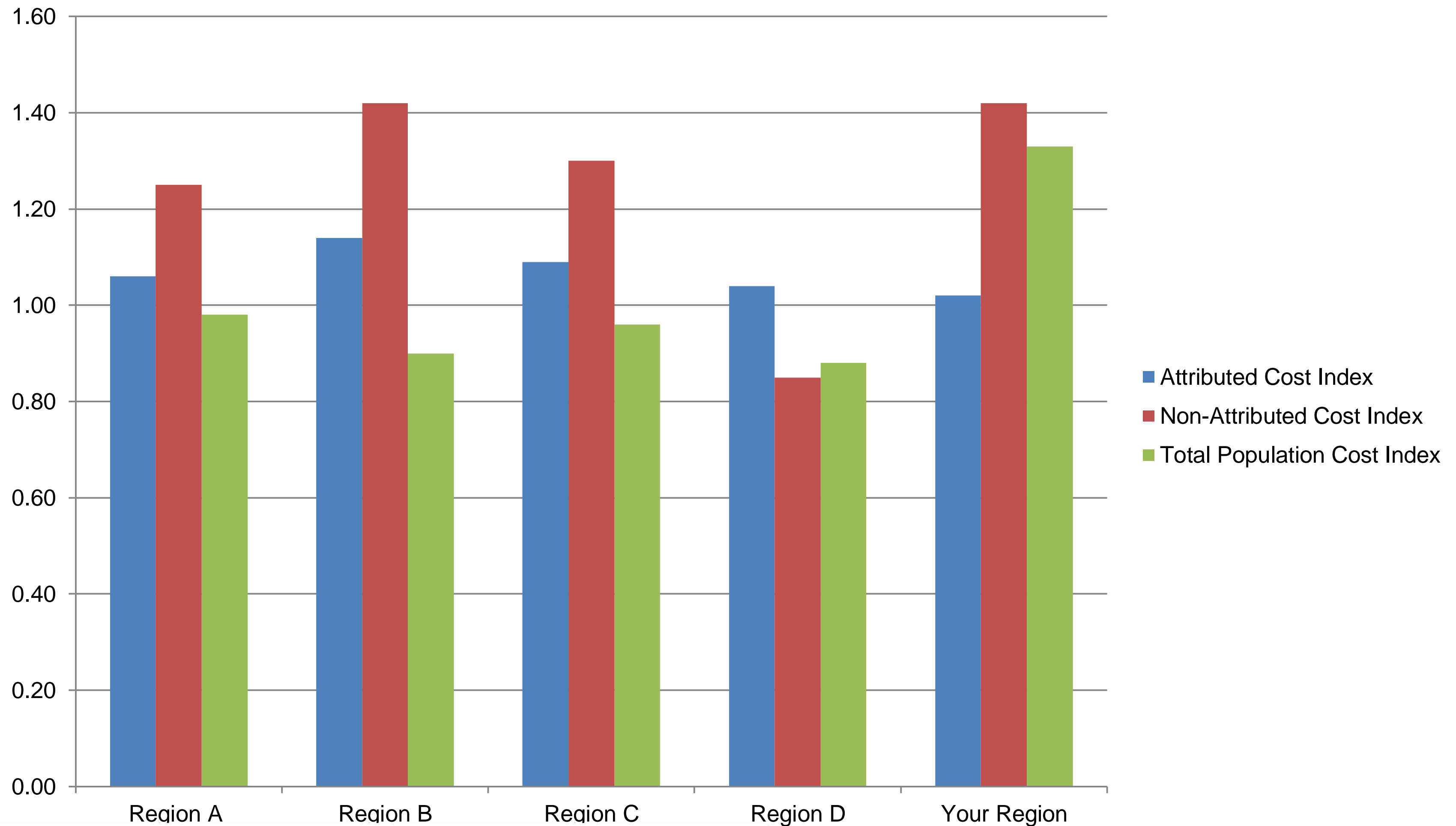
Benchmarks in Practice Level Reporting

- To be determined
- Discuss at National Physician Leadership Seminar
- Presentation may differ by region
- Local benchmarks enhanced by national context
- Overall comparison important

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Comparative Populations Total Cost Index

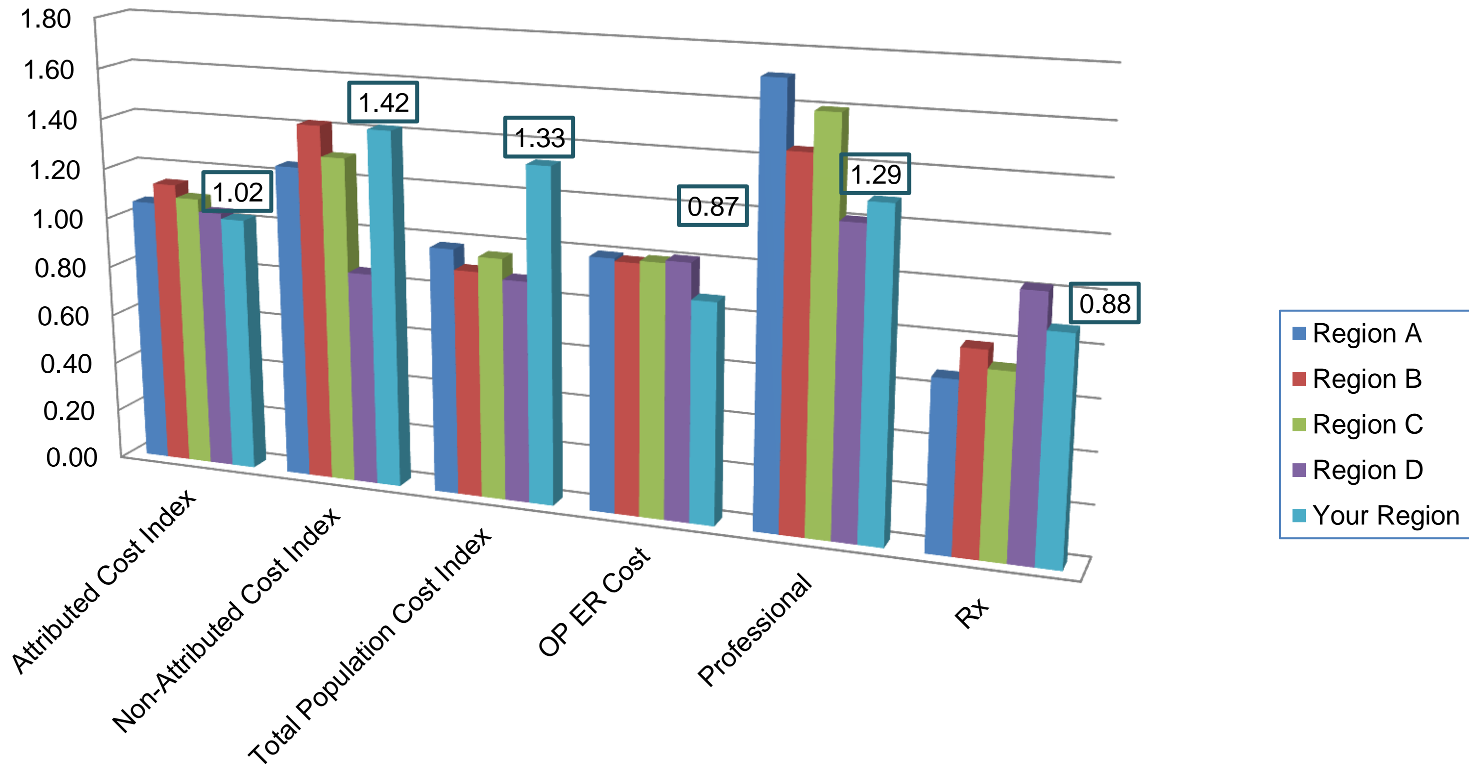


Sample Report & Data

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Attributed Population - Adult Cost Index

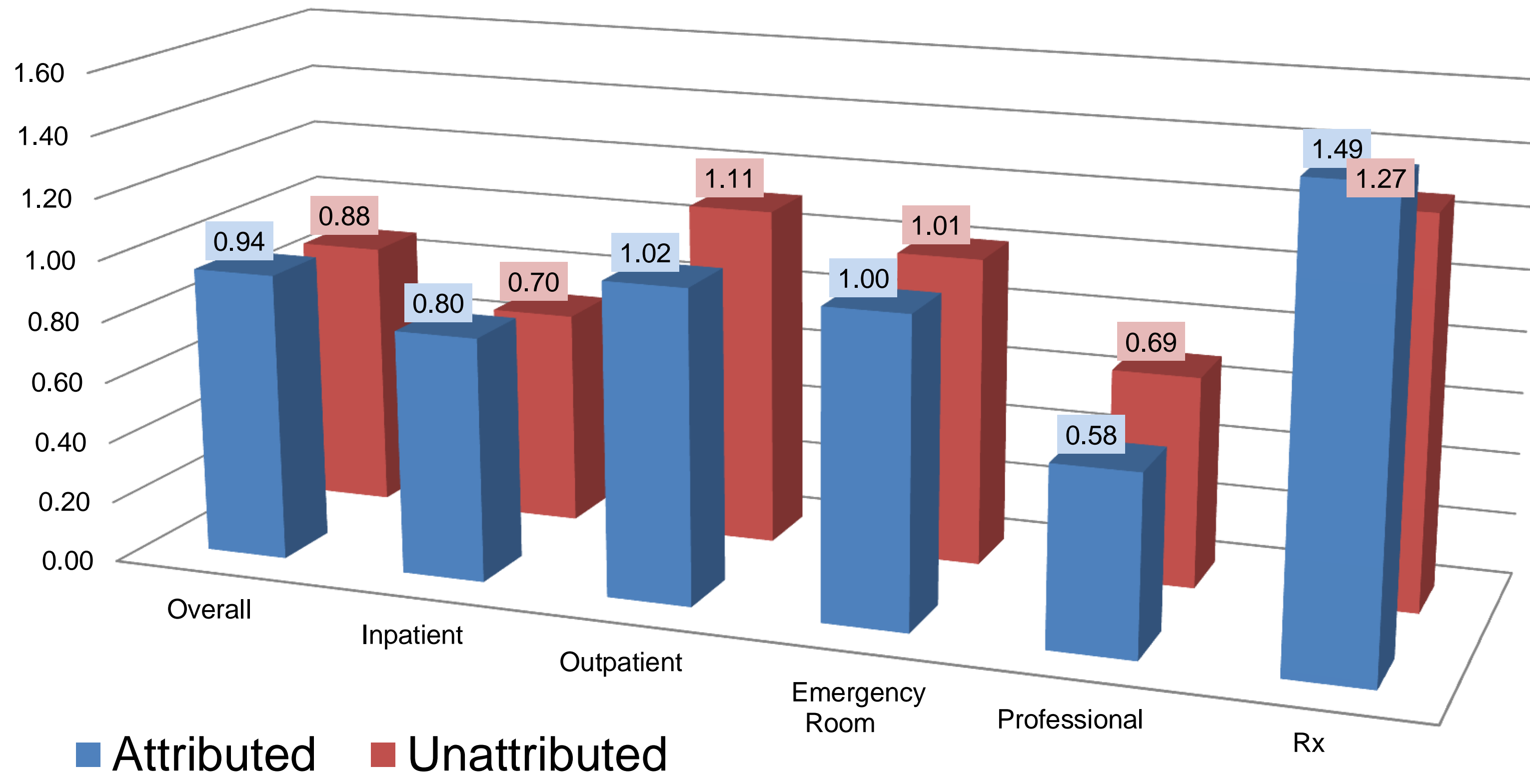


Sample Report & Data

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Adult Resource Use Index Attributed vs. Non-Attributed



Sample Report & Data

© 2009-2014 Network for Regional Healthcare Improvement

QUESTIONS?

nrhi

Next Steps

- Regional data analysis for CY 2012 claims
  - Submit for benchmarking analysis
  - Produce practice level reports
- Produce Benchmarks
  - Variation analysis
  - Incorporate into local reporting
- National Physician Leadership Seminar– August 2014
  - Curriculum, Expectations & Logistics
- Website - NRHI Member Portal **Coming soon**
- Stakeholder Engagement Strategies
- Plan National Summit – April 2015

© 2009-2014 Network for Regional Healthcare Improvement

nrhi

Contacts

- Ellen Gagnon, HRCMT Project Director

  egagnon@nrhi.org

- Judy Loren, Senior Researcher, Maine Health Management Coalition

  jloren@mehmc.org

THANK YOU!