



Total Cost of Care: A Minnesota Hotdish

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In Minnesota, we love a good hotdish – especially during our frigid Januarys. Hotdish recipes are handed down from generation to generation and each family has their own secret elements to make the dish their own, so no two are quite the same.

Given the complex and varied nature of hotdish recipes, it seems a fitting metaphor for where our community began in our effort to measure the total cost of care. Many in our community have measured the cost of care for years – medical groups, health plans and incentive programs. Each did so slightly differently and aligned with its own purpose, which meant no one could replicate it or even agree on a common number.

Our community recognized the need for a standard, repeatable and consistent cost of care measurement to help us provide high-value care to Minnesotans. The challenge was to combine all those recipes into a single approach we could all agree upon.

That effort over the past three years has involved more than 40 representatives from medical groups, health plans, large employers, consumer groups, state agencies, professional associations and health care improvement organizations. While we began with a Total Cost of Care (TCOC) methodology that was developed in Minnesota and endorsed by the National Quality Forum (NQF), it took considerable partnership, collaboration and shared vision by those involved to gain agreement on how to attribute patients to medical groups; perform risk adjustment; define methods of calculation; and specify what data to report publicly and back to medical groups.

Minnesota’s providers and health plans can be commended for working together to increase transparency of the cost of care and for using that information to improve the value of care. These conversations are not always easy, but the results are essential for our community.

We conducted multiple rounds of testing calculations and processes - between MNMCM and health plans supplying the data; MNMCM and medical groups receiving the reports; and between medical groups and health plans exchanging patient attribution lists. Independent statisticians and local and national experts provided technical assistance and validation, including NQF, the Network for Regional Healthcare Improvement and Johns Hopkins University.

The end result is something we can all be proud of: We just released the nation’s first TCOC measure, allowing for the first time comparison of the cost of care at medical groups across our state. A full list of results is available at MNHealthScores.org, by clicking on “Managing Cost.”

The 2013 health care costs of more than 1.5 million patients are included in the report, and information is available for 115 medical groups that represent more than 1,050 clinics statewide.

The average monthly total cost of care per patient in Minnesota is \$435, but what is most striking is the difference between medical groups in the middle: Eighty percent of Minnesota medical groups are considered average cost. And there is a range of more than \$1,500 per patient annually between the highest and lowest average cost group.

Even a small decrease in the average could have a significant impact. A reduction in the average per patient cost of just \$12 per month, or \$144 per year, would save Minnesotans \$750 million in health care costs annually.

The TCOC measure includes all costs associated with treating commercially-insured patients, including professional, facility inpatient and outpatient, pharmacy, lab, radiology, behavioral health and ancillary costs. It is based on office-based primary care claims for commercially-insured patients from the four largest health plans in Minnesota. Primary care is defined as family medicine, pediatrics, internal medicine and obstetrics/gynecology. Claims are attributed to medical groups by evaluating where the patient had the majority of his/her appointments during the measurement year. Prior to public reporting, medical groups have an opportunity to view a report of their results, and then request a list of the patients attributed to their medical group if they want.

It takes a lot of work to find the right combination of ingredients to make a great hotdish. In this case, it took convening the right parties, sharing and discussing strategies, and having MNCM as a source trusted by all stakeholders to collect, aggregate and report the data. In the end, we have a shared recipe to continue shared efforts to improve the cost, quality and health outcomes of our community.

About Us

MN Community Measurement is a non-profit organization dedicated to improving health by publicly reporting health care information. A trusted source of health care data and public reporting on quality, cost and patient experience since 2003, MNCM works with medical groups, health plans, employers, consumers and state agencies to spur quality improvement, reduce health care costs and maximize value. MN Community Measurement is one of five regional health improvement collaboratives from across the nation involved with the Regional Total Cost of Care pilot, led by the Network for Regional Healthcare Improvement (NRHI) and funded by the Robert Wood Johnson Foundation. Learn more about MN Community Measurement at www.mncm.org.