UTAH DEPARTMENT OF HEALTH

Office of Health Care Statistics

A Discussion about Utah's Health Waste Calculator Results

Updated July 19th, 2021

Presentation Overview

- HB 195 & Bill Summary
- OHCS Expectations
- HDC Expectations
- Summary Data from Milliman
- OHCS's Deep Dive
- Facilitative Questions regarding:
  - Duplicative health care quality initiatives
  - Instances of non-alignment in metrics used
  - Methods to avoid overuse of non-evidence based health care

Presentation Facilitators

Carl Letamendi: Bureau Director, Office of Health Care Statistics & Patient Safety Surveillance and Improvement Program Manager

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MISSION & VISION

The Utah Department of Health's mission is to protect the public's health through preventing avoidable illness, injury, disability, and premature death; assuring access to affordable, quality health care; and promoting healthy lifestyles.

Our vision is for Utah to be a place where *all* people can enjoy the best health possible, where *all* can live and thrive in healthy and safe communities.

STRATEGIC PRIORITIES

Healthiest People – The people of Utah will be among the healthiest in the country.

Optimize Medicaid – Utah Medicaid will be a respected innovator in employing health care delivery and payment reforms that improve the health of Medicaid members and keep expenditure growth at a sustainable level.

A Great Organization – The UDOH will be recognized as a leader in government and public health for its excellent performance. The organization will continue to grow its ability to attract, retain, and value the best professionals and public servants.

ABOUT THE OFFICE OF HEALTH CARE STATISTICS

Office of Health Care Statistics:

- **Collects:** We collect and produce data that are relevant and useful to our stakeholders

- **Analyzes:** We create valuable enhancements to our data resources and our systems have the analytic capacity to transform them into useful information

- **Disseminates:** We make the data and information we collect and produce available to the *right people* at the *right time* for the *right purposes*

ABOUT THE OFFICE OF HEALTH CARE STATISTICS

The data sets under OHCS's purview include:

- **Consumer Assessment of Healthcare Providers and Systems (CAHPS)**—Annual customer satisfaction surveys relating to health plan performance.
- **Healthcare Effectiveness Data and Information Set (HEDIS)**—Annual quality measures relating to health plan performance.
- **Healthcare Facility Data (HFD)**—A collection of information about all inpatient, emergency room, and outpatient surgery/diagnostic procedures performed in the state.
- **All Payer Claims Data (APCD)**—A collection of data about health care paid for by third parties, including insurers, plan administrators, and dental and pharmacy benefits plans.
- **Patient Safety Surveillance and Improvement Program (PSSIP)** —A reporting mechanism which captures patient safety events (injuries, deaths, or other adverse events) associated with healthcare delivery and administration of anesthesia or sedation, which fosters conversations on how to minimize adverse patient safety events in Utah.

HB 195 SUMMARY

H.B. 195 Identifying Wasteful Health Care Spending

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This bill:

- requires the Department of Health to contract with an organization for an analysis to identify potential overuse of non-evidence-based health care;
- requires the Health Data Committee to:
  - review the results from the analysis;
  - review scientific literature and solicit input on duplication in health care; and
  - solicit input on instances of non-alignment in health care metrics; and
- requires the Department of Health to annually report on the findings [to] the Health Data Committee.

...

OHCS EXPECTATIONS

1. (DONE) Contract with an entity to provide a nationally-recognized health waste calculator
2. (DONE) Analyze the data in the APCD and flag data entries that the calculator identifies as potential overuse of non-evidence-based health care
3. (DONE) Analyze the data flagged as potential overuse of non-evidence-based health care
4. (IN PROGRESS) Review current scientific literature about:
   - medical services that are best practice and
   - eliminating duplication in health care
5. (IN PROGRESS) Solicit input from Utah health care providers, health systems, insurers, and other stakeholders regarding:
   - Duplicative health care quality initiatives and instances of non-alignment in metrics used to measure health care quality that are required by different health systems
   - Methods to avoid overuse of non-evidence-based health care
6. Present to the HDC

Source: https://le.utah.gov/~2020/bills/static/HB0195.html

HDC EXPECTATIONS

7. Make recommendations for action and opportunities for improvement based on the results
8. Make recommendations on methods to bring into alignment the various health care quality metrics different entities in the state use, and
9. Identify priority issues and recommendations to include in an annual report.

Source: https://le.utah.gov/~2020/bills/static/HB0195.html

HWC METHODOLOGY

The current release (version 7.0) of the Waste Calculator contains **48 measures** for evaluating wasteful services in a medical claims data set. These measures address services related to diagnostic testing, screening tests, disease approach, pre-operative evaluation, routine follow up monitoring and common treatments (prescription drugs) that, under certain circumstances, may be unnecessary.

Source: https://le.utah.gov/~2020/bills/static/HB0195.html

HWC METHODOLOGY

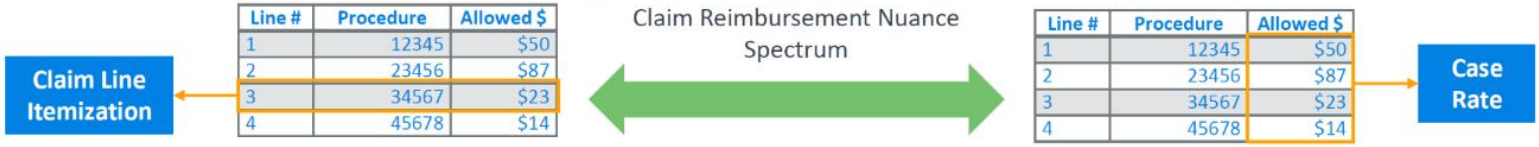
- Choosing Wisely (from the ABIM Foundation);
- US Preventive Services Task Force Grade D Recommendations (recommendations against the service), for which there is moderate or high certainty that the service had no net benefit, or that harms outweigh the benefits;
- The American Medical Associations' Physician Consortium for Performance Improvement;
- The United Kingdom's National Institute for Health and Care Excellence (NICE) recommendations on high quality care;
- Medical specialty society guidelines;
- Numerous high-quality, evidence-based research papers

Source: https://le.utah.gov/~2020/bills/static/HB0195.html

Waste Cost Analysis – Accounting for Variation in Contracts

- Counting wasteful costs is an art, not a science
- **Due to contracting nuances, best practice for estimating cost of waste specific to your data is to set a standard price per wasteful service**
- When standard pricing assignment is not available, the Health Waste Calculator Cost Model offers two additional methodologies for counting costs:
  - **Case Rate** - counts costs from all lines for a particular claim ID where at least one claim line has been identified as "wasteful"
  - **Claim Line Itemization** - counts costs from only the claim line(s) where the line(s) has been identified as "wasteful"

Example: Claim with 4 lines where line 3 is tagged as a wasteful procedure



- **For some HWC measures, Claim Line Itemization may be more appropriate and for others the Case Rate methodology** (e.g. For pre-operative lab tests, the Case Rate methodology seems to overstate the potential savings

Milliman MedInsight

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Source: https://le.utah.gov/~2020/bills/static/HB0195.html

Top Measures by Prevalence (Waste Services)

Measure	Degree of Harm	Total Waste Services	Members with Waste*	Quality Index	Waste Index
AAPMR05: Opiates in acute disabling low back pain Don't prescribe opiates in acute disabling low back pain before evaluation and a trial of other alternatives is considered	H	120,190	44,527	10%	90%
AFP05: Annual Resting EKGs Don't order annual EKGs or any other cardiac screening for low-risk patients without symptoms	M	105,732	97,009	71%	29%
AP00: Antibiotics for Acute URI and Ear Infections Don't prescribe oral antibiotics for members with upper URI or ear infection (acute sinusitis, URI, viral respiratory illness or acute otitis externa)	L	94,404	83,437	0%	100%
ASA01a: Preoperative Baseline Laboratory Studies Don't obtain baseline laboratory studies in patients without significant systemic disease (ASA I or II) undergoing low-risk surgery	L	72,495	61,910	18%	82%
APA01: Two or more antipsychotic medications Don't routinely prescribe two or more antipsychotic medications concurrently	M	33,241	4,402	89%	11%
Total		**637,059**	**478,475**	**60%**	**40%**

Reporting period: CY 2019, 26,049,017 member months, processed historic claims to 2008
*This is the sum of distinct members for each measure, but one member could have wasteful services under more than one measure.

Milliman MedInsight

SUMMARY DATA FROM MILLIMAN

Wasteful Spend Findings

Top 4 measures account for more than 40% of total wasteful dollars

~0.8% of total allowed or $3.41 PMPM wasted*

Wasteful spend from claims totals **$88,492,829,** with a potential range of $75M to $247M (or 0.7% – 2.3% total spending)

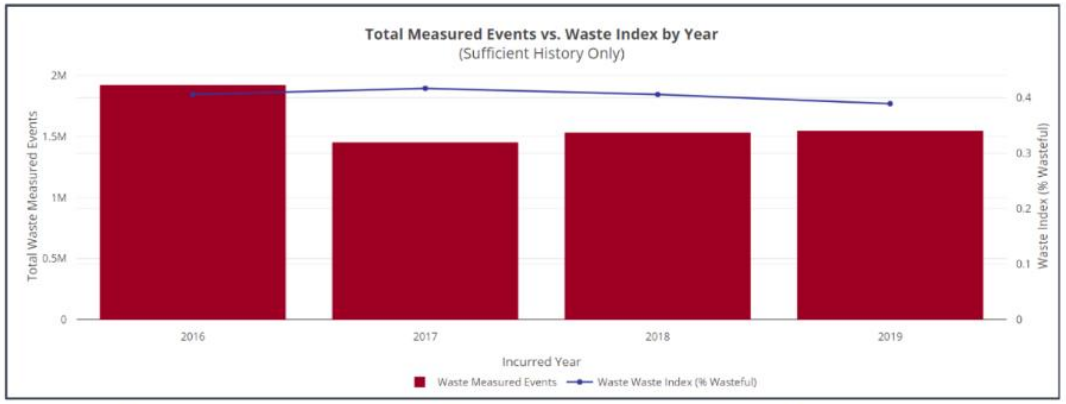
Measure	Waste Services	Total Waste Dollars Case	Total Waste Dollars Line	% of Total $
APA01: Two or more antipsychotic medications Don't routinely prescribe two or more antipsychotic medications concurrently	33,241	$17,544,753	**$16,943,458**	0.15%
AAPMR05: Opiates in acute disabling low back pain Don't prescribe opiates in acute disabling low back pain before evaluation and a trial of other alternatives is considered	120,190	$9,640,043	**$9,639,841**	0.09%
SCP01: 25-OH-Vitamin D Deficiency Don't perform population based screening for 25-OH-Vitamin D deficiency	19,187	**$4,897,419**	$928,222	0.04%
AFP05: Annual Resting EKGs Don't order annual EKGs or any other cardiac screening for low-risk patients without symptoms	105,732	$45,443,334	**$4,499,796**	0.04%
Total	637,059	$247,421,629	$75,327,173	0.81%

Milliman MedInsight

Reporting period: CY 2019, 26,049,017 member months, processed historic claims to 2008
Note: SNP01: PICC Stage III-V CKD measure excluded due to payment through DRGs

SUMMARY DATA FROM MILLIMAN

Waste Variation by Year and Line of Business



- Between 2016 to 2019, for services with sufficient historical lookback periods, the overall waste index (proportion of wasteful services) has decreased slightly from 41% to 39%

- In 2019, variation by Line of Business shows Medicare has the highest wasteful services and cost by population, but Commercial has the highest total wasteful dollars and proportion of wasteful services (Waste Index)

	Member Months	Total Allowed PMPM	Wasteful Services per 1,000	Total Waste Allowed Dollars	Waste Allowed PMPM	% of Total Allowed Dollars	Waste Index
Commercial	16,523,938	$426	309.2	$51,982,978	$3.15	0.7%	46%
Medicare	2,013,705	$757	736.0	$20,815,253	$10.34	1.4%	34%

Milliman MedInsight

Top: Year trend graph generated using the State of Utah MedInsight portal
Bottom: Data sourced from Cost Model. Reporting period CY 2019, unknown LOB claims excluded

OHCS DEEPER DIVE

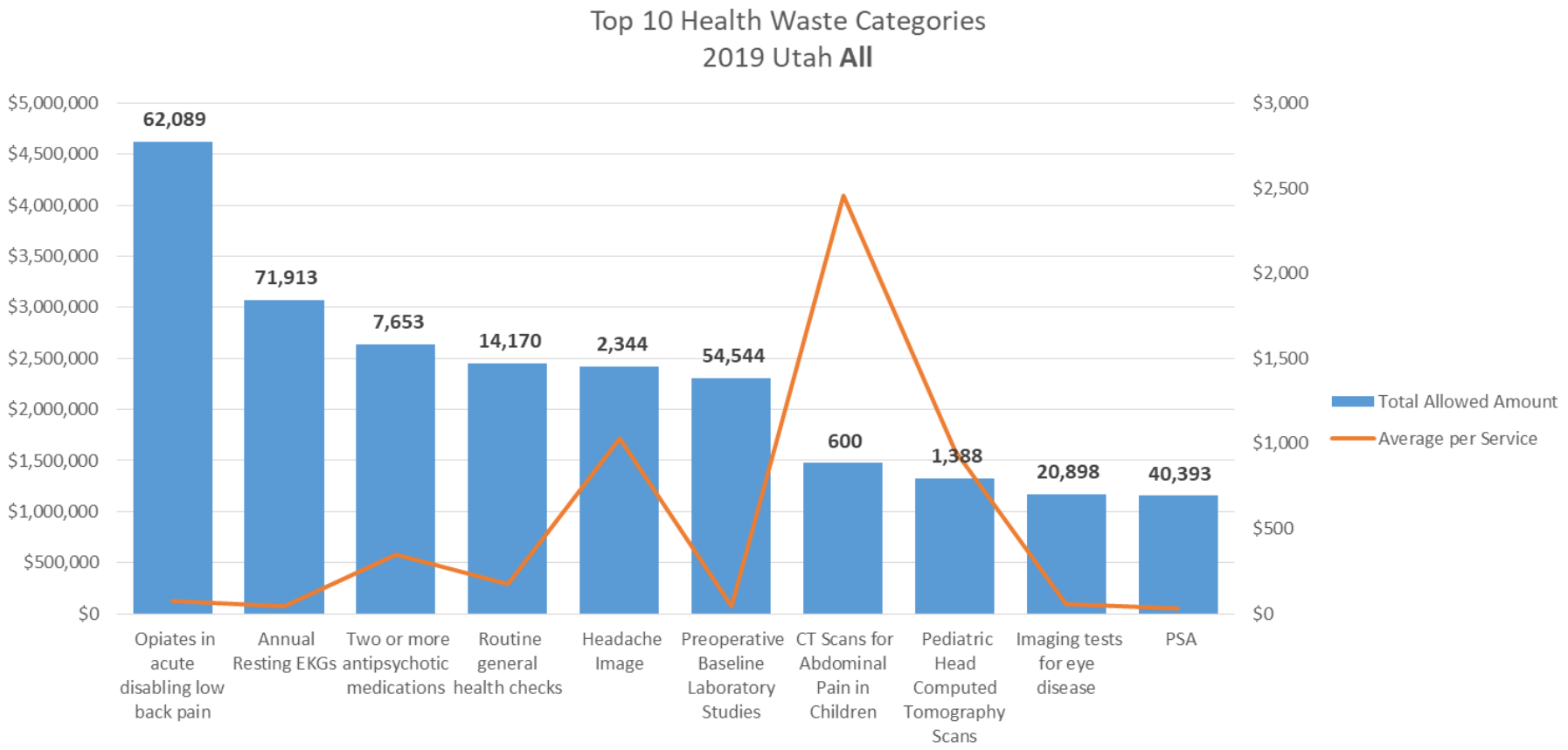
Plans Removed

- Removed Dental only plans
- Removed Rx only plans
- Removed Limited benefit plans
- Removed plan with Line of Business inaccuracies

Claims Removed

- Dental claims removed
- Earlier claim iterations
- Secondary claims

OHCS DEEPER DIVE



** Preliminary Data - Subject to Change - For Discussion Only **

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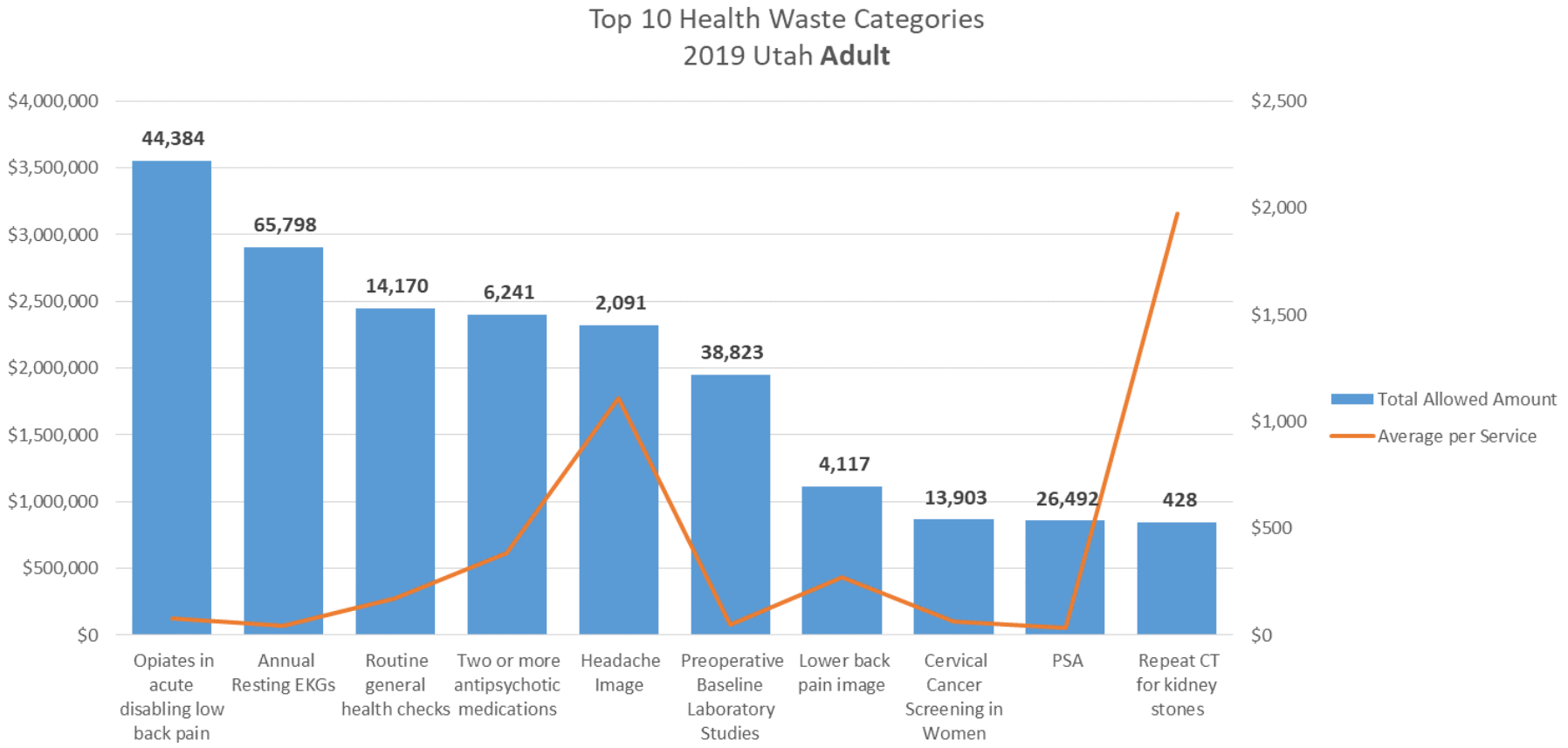

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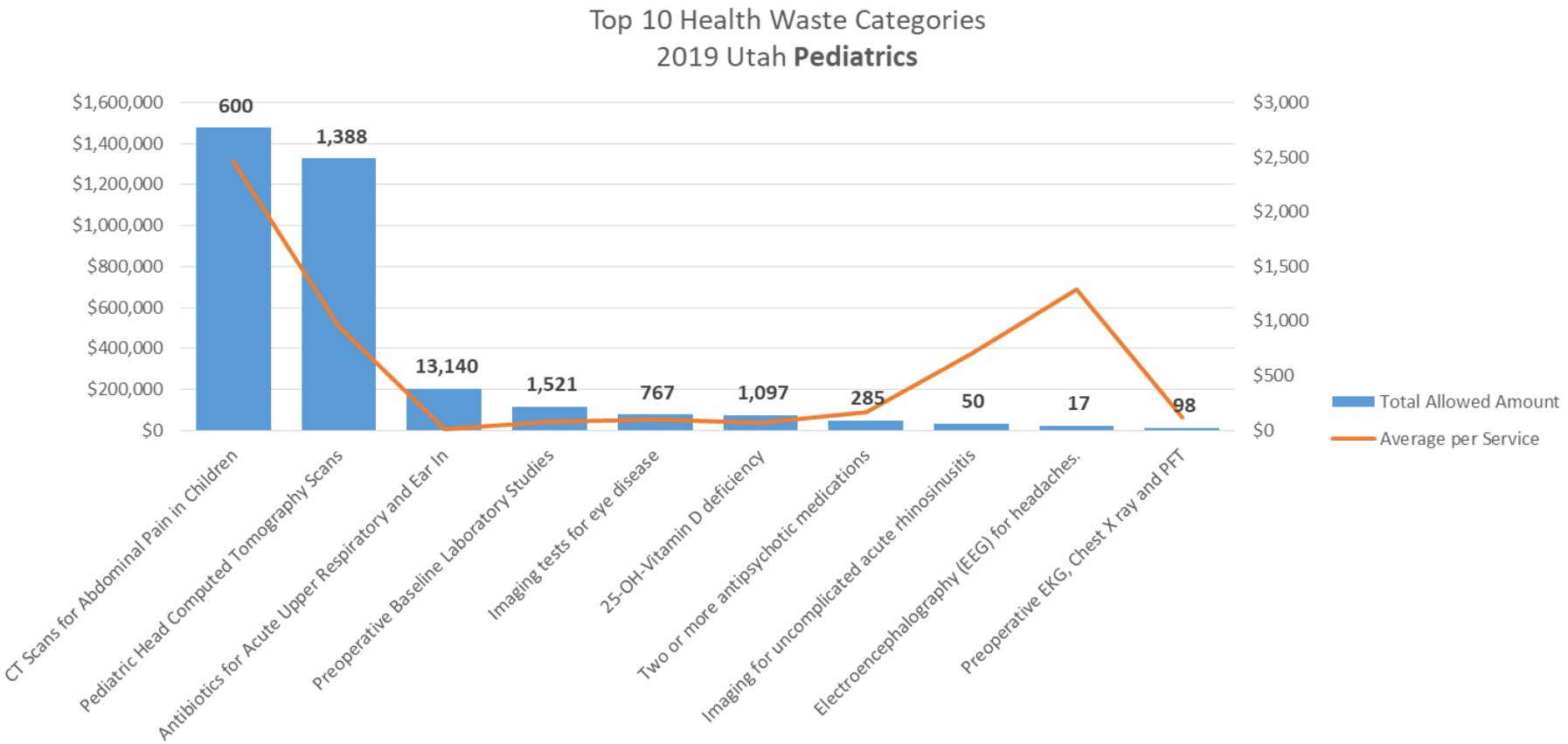

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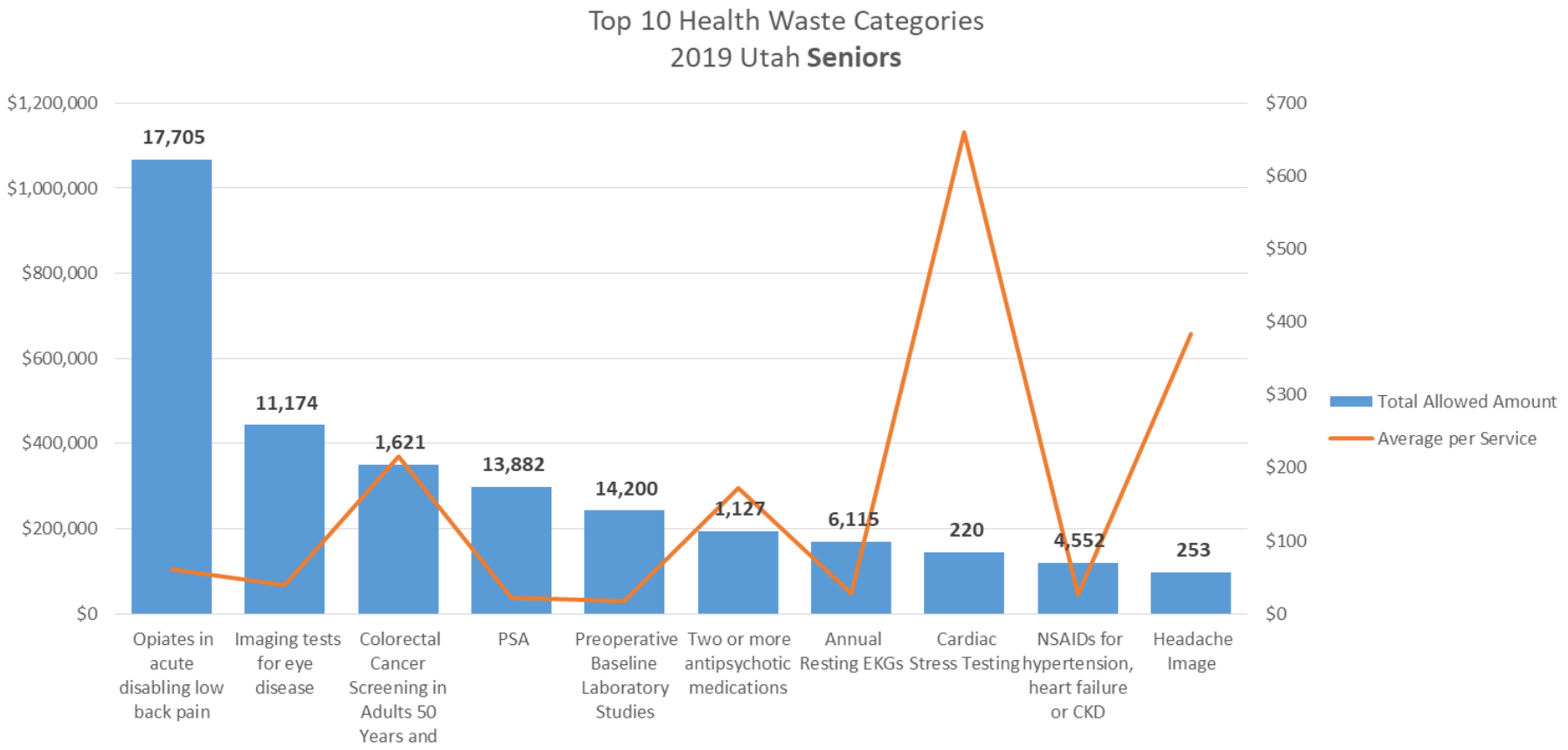

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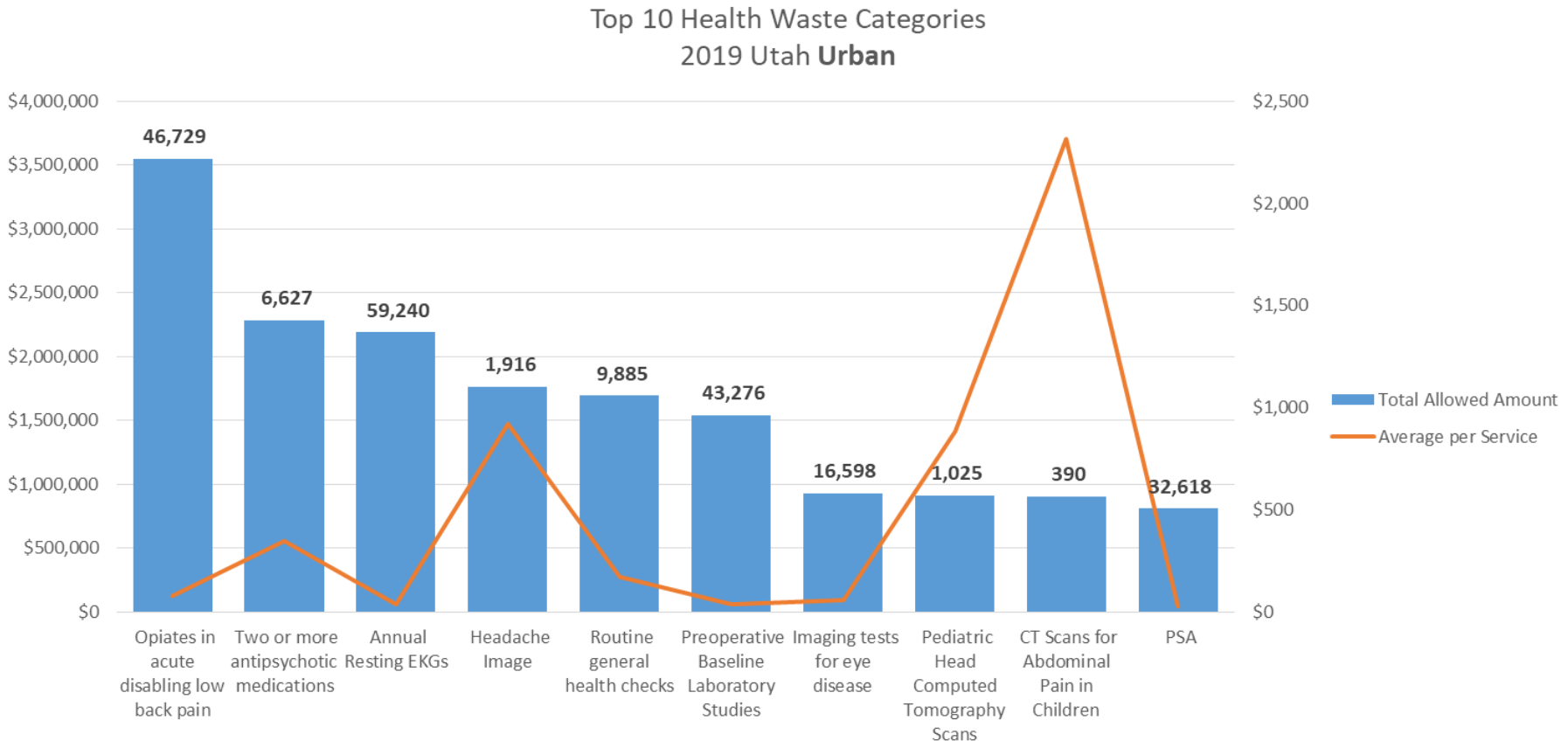

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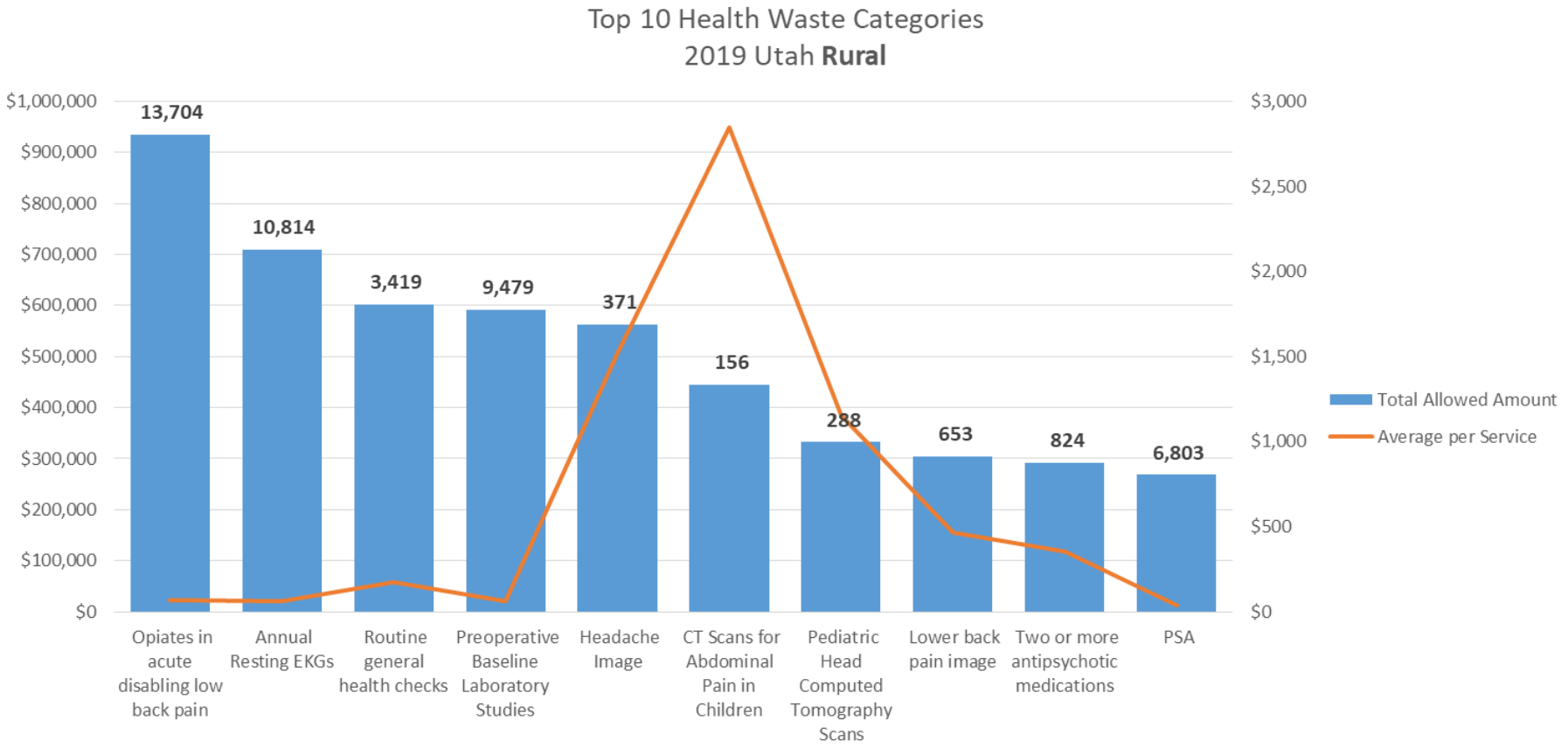

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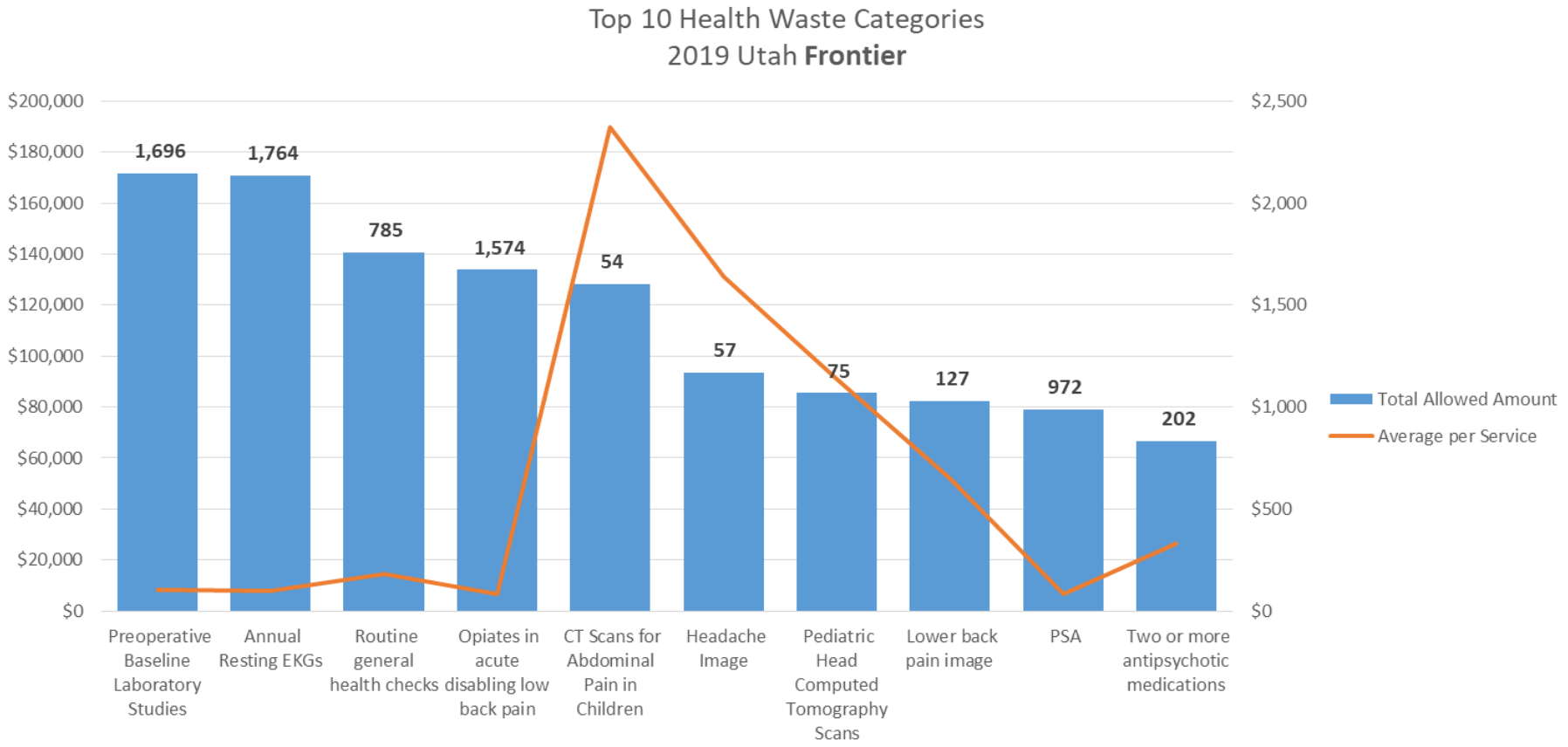

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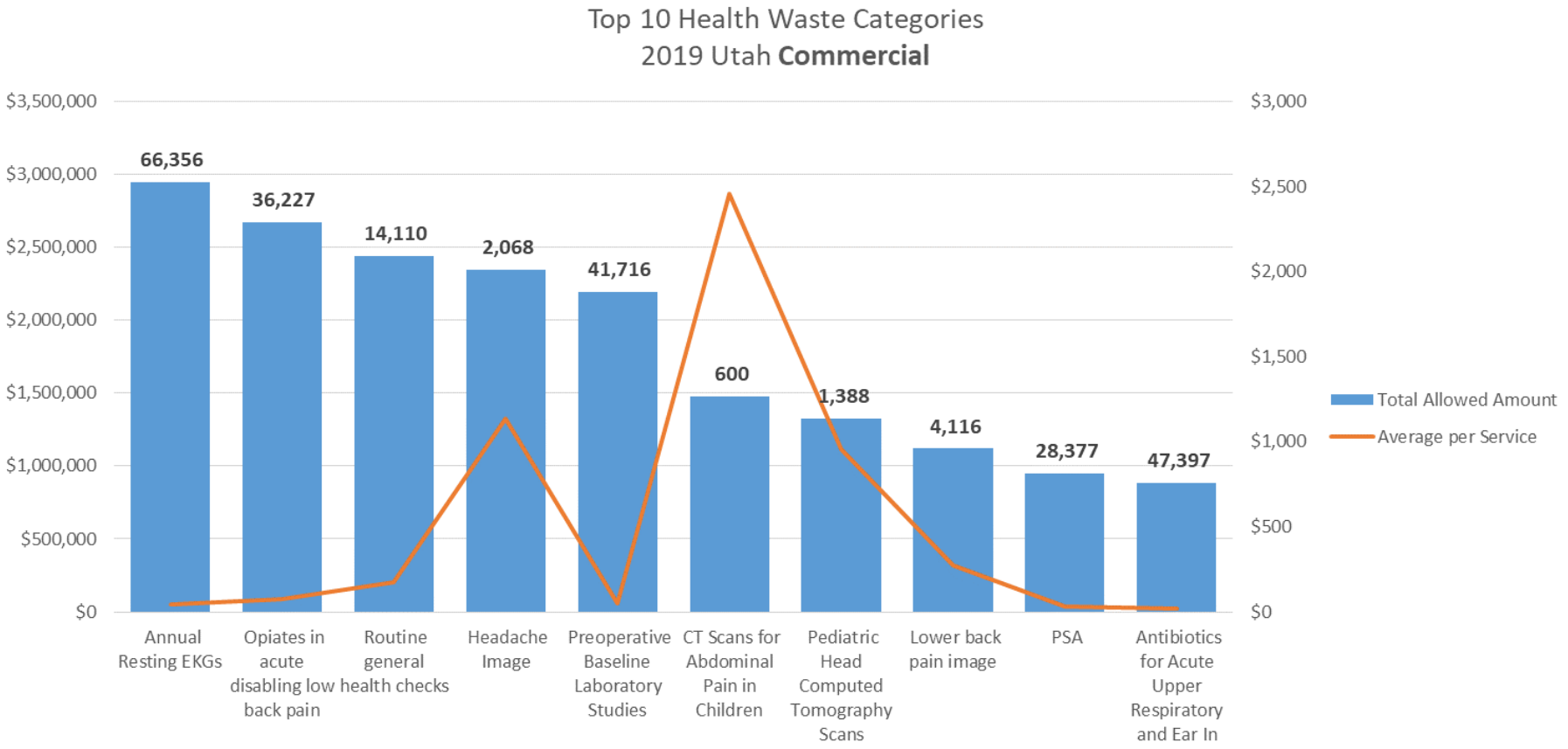

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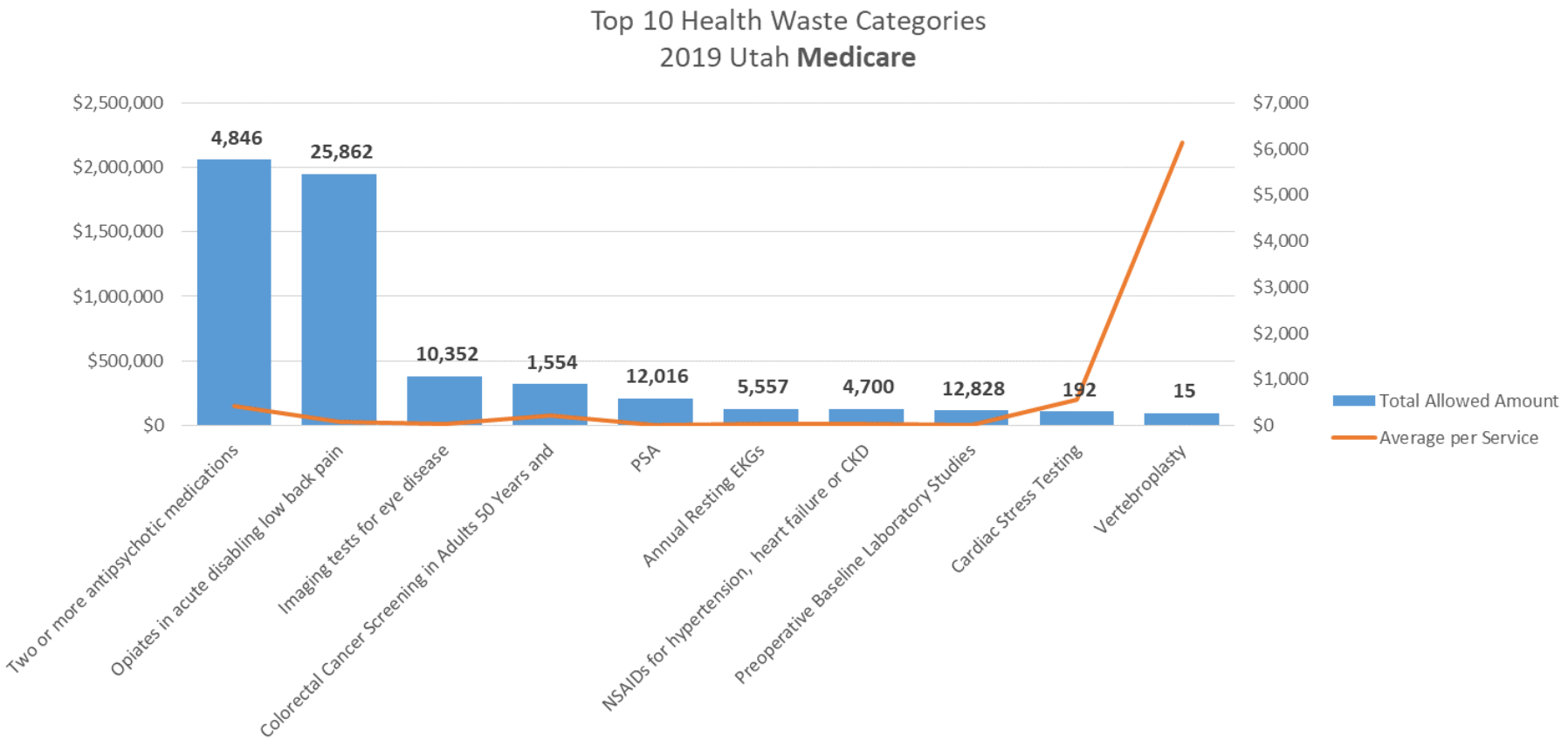

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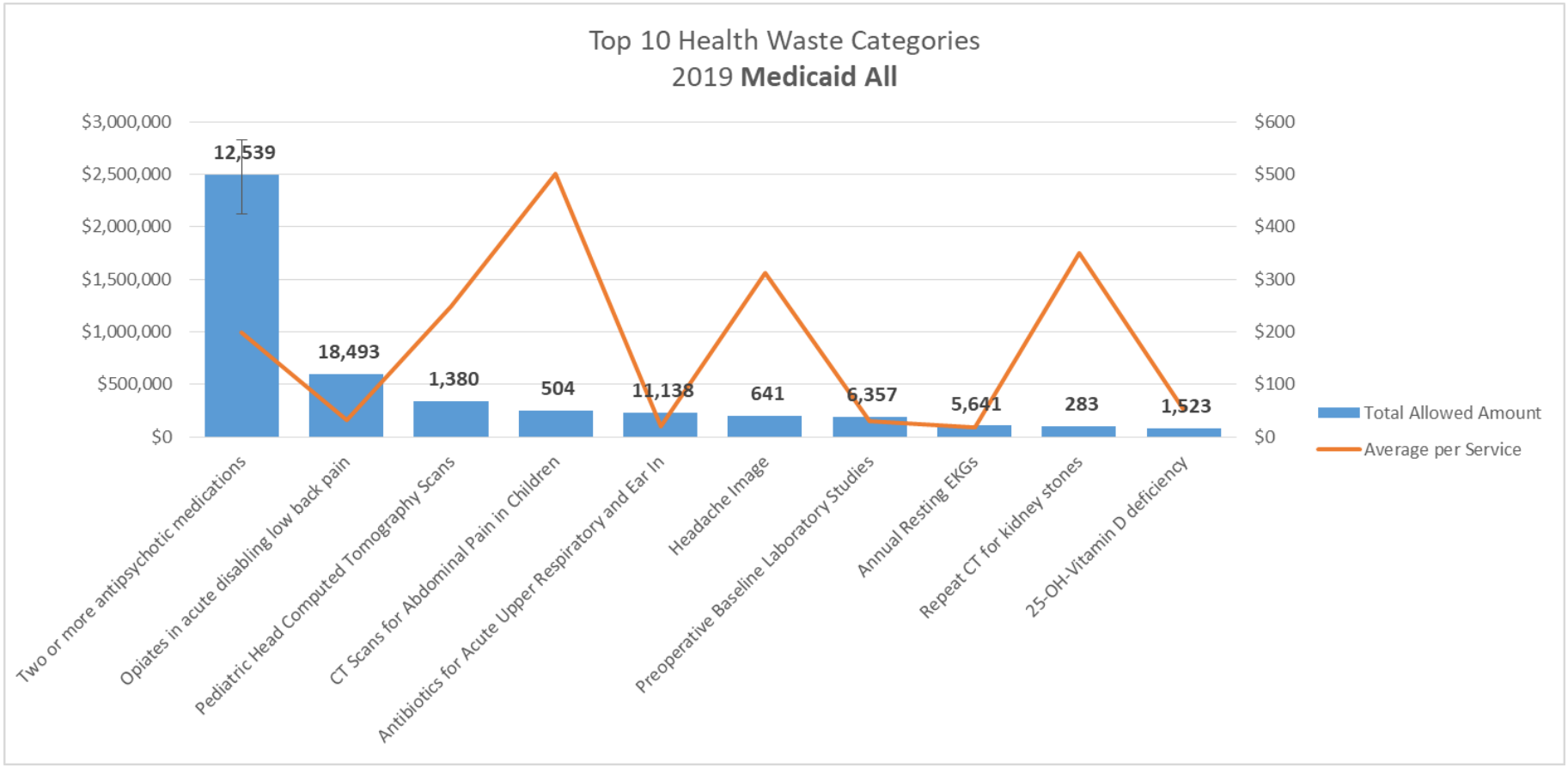

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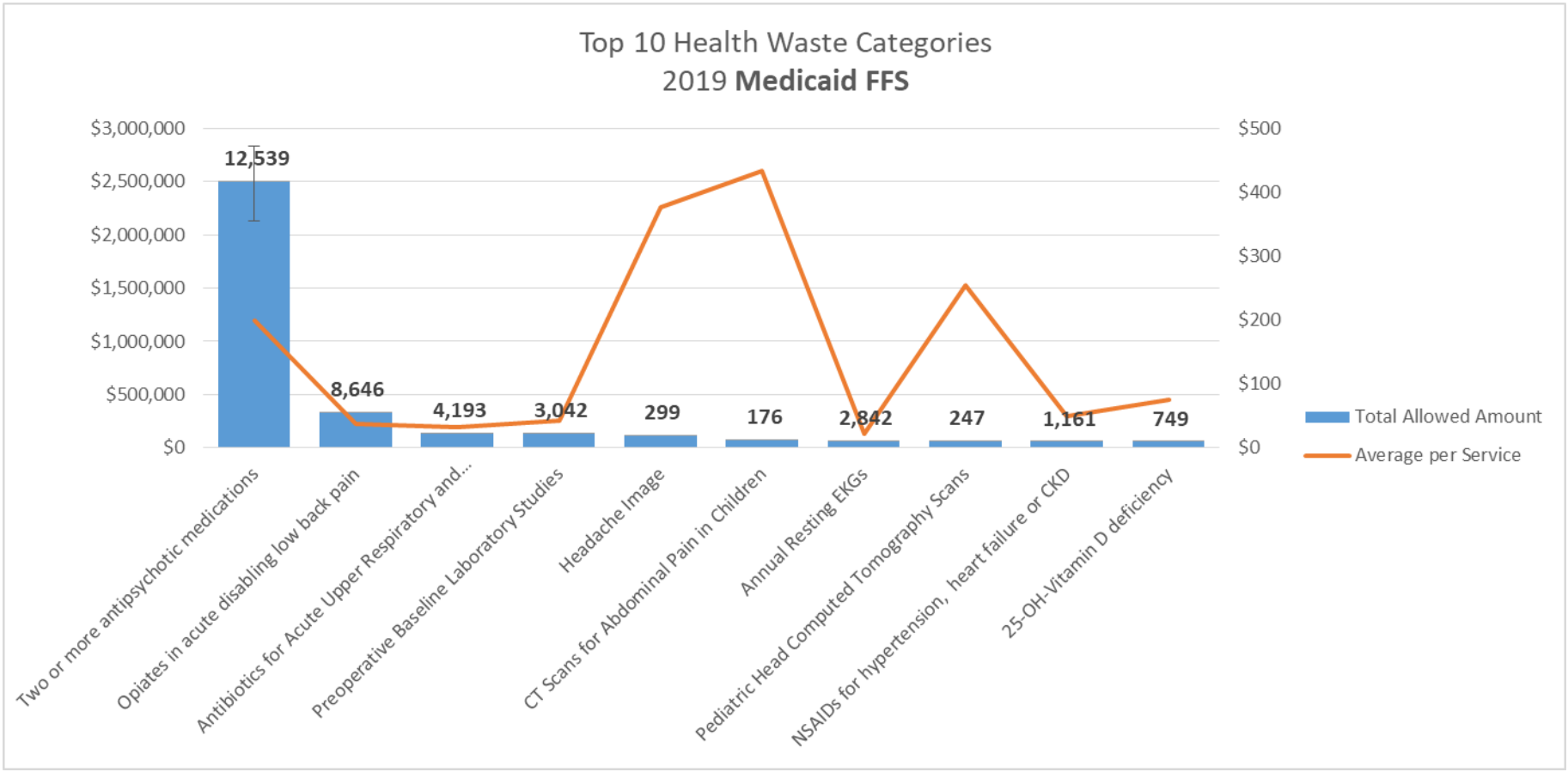

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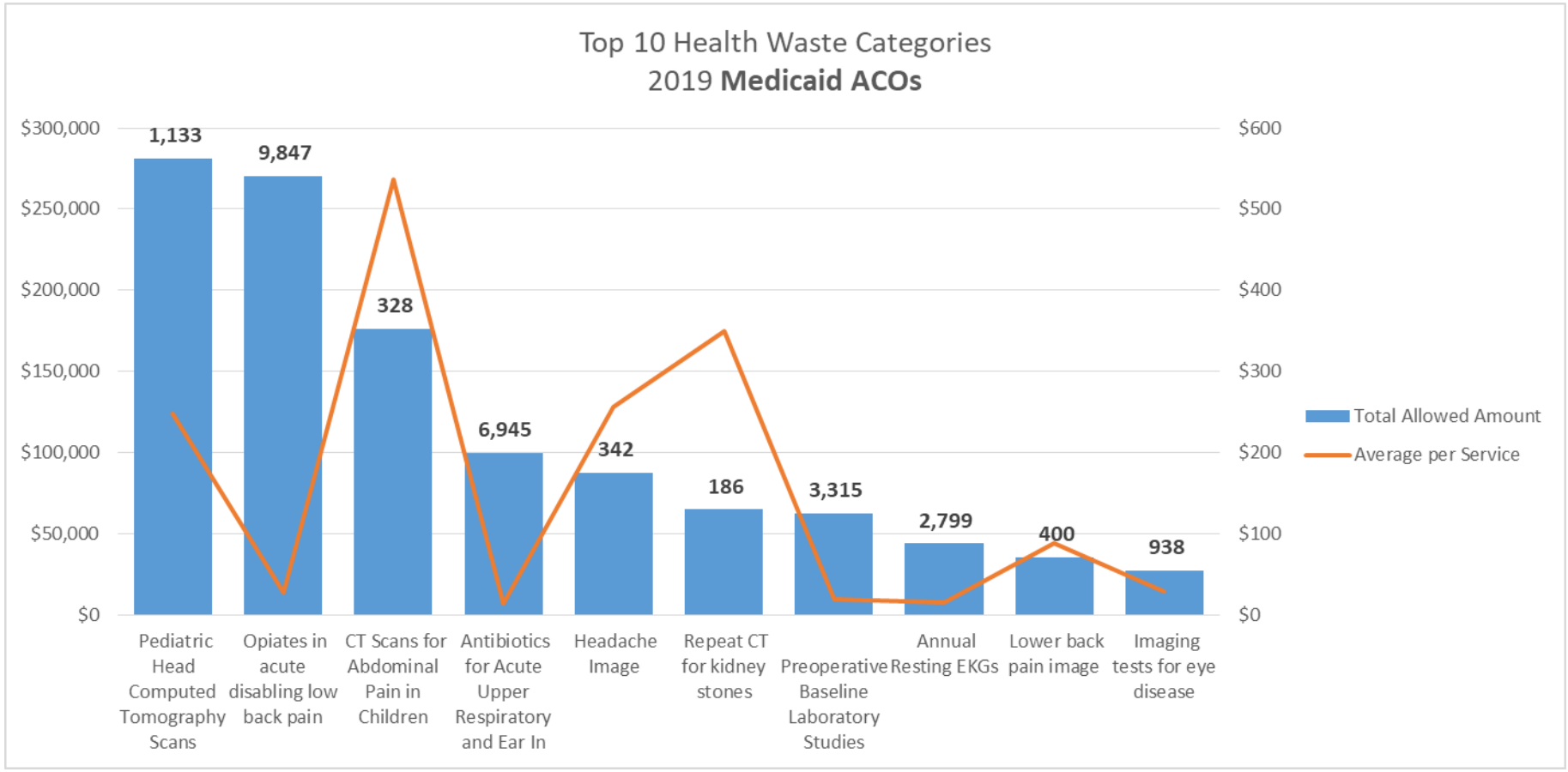

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Additional calculations that can be done

- Any mixture of Age, Gender, LOB, and Geographic classifications
- Billing and/or servicing providers can be identified
- Per member per month calculations
- Quality and Waste Indexes can be created and reported on
- Number of wasteful services per 1000 members

FACILITATIVE QUESTIONS

Having now seen the results of the HWC…

1. What can be done regarding duplicative health care quality initiatives?

2. How do we work to avoid instances of non-alignment in metrics used?

3. What do you think are some methods that could help avoid overuse of non-evidence based health care? Provider perspective? Payer perspective? Other stakeholders?

4. What recommendations do you have what recommendations for next steps that should be given to the legislature to reduce costs and waste without compromising patient care?

5. What are the benefits of ***measurement alignment***, and what would it take to get us there? Any recommendations you would like proposed in the report?

NEXT STEPS?

- Compile/organize thoughts shared during today's meeting
- Continue sharing with relevant stakeholders for feedback/recommendations
- Continue to work on the literature review and diving deeper into the data, elevate notable findings (June-July)
- Create a Google Doc with the draft of the report and share with HDC for comments and feedback (~August)
- Finalize Draft (October)