Tools to Inform Cost Savings Opportunities for Employers and Employees

DMCC, Health and Wellness Committee
September 6, 2019
Agenda

• Overview of CIVHC & the CO All Payer Claims Database
• Shop for Care Tool
• Employer reports currently available
• Employer report in development
Our Mission

We strive to empower individuals, communities, and organizations through collaborative support services and health care information to advance the Triple Aim: Better Health, Better Care, Lower Cost

We are:
- Non-profit
- Independent
- Objective
Who We Serve

Change Agents
Individuals, communities, or organizations working to lower costs, improve care, and make Colorado healthier.
History of the CO APCD

2008
CO APCD recommended by Blue Ribbon Commission for Health Care Reform

2010
CO APCD Legislation (HB 10-1330); CIVHC named administrator by HCPF

2012
CO APCD operational; website goes live; begin providing custom data requests

2013-2016
Enhancements to public data/infrastructure; added more payers/Medicare; increased custom data fulfillments

2017-Present
Transition to new data vendor; enhanced capabilities; launched new website and additional public data
What’s in the CO APCD

Health Insurance Payers
We receive claims from Medicaid, Medicare, Medicare Advantage, and over 37 commercial payers.

Claims
The Colorado APCD has over 800+ million claims (Medical, Pharmacy, and Dental).

Unique Lives
The Colorado APCD represents over 4 million unique lives, and over 70% of insured Coloradans.
Public Data for Employers/Consumers

Shop for Care
www.civhc.org/Shop-for-Care/
Shop for Care

Compare prices across Colorado providers for expensive procedures such as births, hip & knee replacements, and MRIs can help employers/employees realize significant cost savings.

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Minimum Price</th>
<th>Maximum Price</th>
<th>Price Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knee Replacement &amp; Knee Revision</td>
<td>$18,540</td>
<td>$53,760</td>
<td>$35,220</td>
</tr>
<tr>
<td>Hip Replacement &amp; Hip Revision</td>
<td>$15,520</td>
<td>$47,210</td>
<td>$31,690</td>
</tr>
</tbody>
</table>

Use this tool to shop for **prices and quality** by **named providers and save THOUSANDS**.
Search by Zip, Facility, Quality, Procedure

Shop for Health Care Services

Select Service: Bone Density test of spine or hips (CPT 77080)
Select Your ZIP Code: 
Sort List By: 

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>Distance (Miles)</th>
<th>Price Estimate</th>
<th>Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>HealthOne North Suburban Medical Center</td>
<td>6.9</td>
<td>$380</td>
<td>$380–$470</td>
</tr>
<tr>
<td>Denver Health Medical Center</td>
<td>7.2</td>
<td>$180</td>
<td>$180–$180</td>
</tr>
<tr>
<td>SCL St Joseph Hospital</td>
<td>7.8</td>
<td>$300</td>
<td>$260–$480</td>
</tr>
<tr>
<td>Centura Health St Anthony Hospital</td>
<td>8.1</td>
<td>$80</td>
<td>$80–$90</td>
</tr>
<tr>
<td>National Jewish Health</td>
<td>8.7</td>
<td>$320</td>
<td>$70–$330</td>
</tr>
<tr>
<td>HealthOne Rose Medical Center</td>
<td>9.5</td>
<td>$550</td>
<td>$380–$760</td>
</tr>
</tbody>
</table>
Procedure Prices Also Available by Region

Select PROCEDURE:
Breast Biopsy

Average Cost

$2,280 - $5,790

Grand Junction $4,520
West $5,760
Ft. Collins $4,599
Eduard $2,770
Denver $2,980
Colorado Springs $3,680
Pueblo $2,540

East $2,280
Additional Views - Price Variation Summaries with State Medians

LOWEST / HIGHEST FACILITY MEDIAN

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Lowest</th>
<th>Highest</th>
<th>Statewide Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head or brain</td>
<td>$20</td>
<td>$2,250</td>
<td>$565</td>
</tr>
<tr>
<td>Abdomen and pelvis, w/contrast</td>
<td>$290</td>
<td>$5,150</td>
<td>$1,240</td>
</tr>
<tr>
<td>Abdomen and pelvis, w/o con.</td>
<td>$120</td>
<td>$6,030</td>
<td>$1,130</td>
</tr>
<tr>
<td>Knee Replacement &amp; Knee Revision</td>
<td>$3,400</td>
<td>$18,540</td>
<td>$35,170</td>
</tr>
<tr>
<td>Hip Replacement &amp; Hip Revision</td>
<td>$5,300</td>
<td>$15,520</td>
<td>$33,590</td>
</tr>
<tr>
<td>Gall Bladder Surgery</td>
<td>$5,300</td>
<td>$24,930</td>
<td>$12,875</td>
</tr>
<tr>
<td>Knee Arthroscopy</td>
<td>$3,400</td>
<td>$19,010</td>
<td>$5,960</td>
</tr>
<tr>
<td>Vaginal Delivery</td>
<td>$6,000</td>
<td>$17,160</td>
<td>$11,660</td>
</tr>
<tr>
<td>C-Section</td>
<td>$14,020</td>
<td>$23,150</td>
<td>$18,110</td>
</tr>
</tbody>
</table>
How Can Employers Use this Info?

• Encourage employees to use the site to shop for care
• Consider changing benefit design
• Partner with Centers of Excellence
• If a bill seems high, compare with statewide data

“Good news. The hospital settled at the reasonable level of $2,226. Using data from Colorado All Payer Claims Database, I was able to make a case for a $14,000 reduction in the $16,385 bill. Thank you CIVHC, the information was invaluable in enabling me to achieve a fair outcome.”
- Colorado Patient
Other Public Data for Employers – Medicare Reference-based Prices
Individual Hospital Price and Quality Also Available *(Get Data/Interactive/Reference Pricing)*

<table>
<thead>
<tr>
<th>Hospital Name</th>
<th>Hospital % of Medicare</th>
<th>DOI % of Medicare</th>
<th>County % of Medicare</th>
<th>Patient Experience</th>
<th>Hospital Overall Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centura Health-Porter Adventist Hospital</td>
<td>250%</td>
<td>260%</td>
<td>200%</td>
<td>★★★★★</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Denver Health Medical Center</td>
<td>240%</td>
<td>260%</td>
<td>200%</td>
<td>★★★★</td>
<td>★★★★</td>
</tr>
<tr>
<td>National Jewish Health</td>
<td>Null</td>
<td>260%</td>
<td>200%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Presbyterian St Lukes Medical Center</td>
<td>260%</td>
<td>260%</td>
<td>200%</td>
<td>★★★★★</td>
<td>★★★★★</td>
</tr>
</tbody>
</table>


Blank regions in the map indicate that the value was suppressed due to low volume.
- Not available for hospitals that are not required to report to Centers for Medicare & Medicaid Services due to low Medicare volume.
It’s NOT just a Resort Rural or Volume Thing!

<table>
<thead>
<tr>
<th>County</th>
<th>County Designation</th>
<th>Inpatient/Outpatient Combined % Medicare</th>
<th>Outpatient % Medicare</th>
<th>Outpatient Volume</th>
<th>Inpatient % Medicare</th>
<th>Inpatient Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan</td>
<td>Rural – non-resort</td>
<td>576%</td>
<td>763%</td>
<td>4,770</td>
<td>267%</td>
<td>285</td>
</tr>
<tr>
<td>Summit</td>
<td>Rural – resort</td>
<td>504%</td>
<td>694%</td>
<td>9,776</td>
<td>340%</td>
<td>650</td>
</tr>
<tr>
<td>El Paso</td>
<td>Urban</td>
<td>251%</td>
<td>306%</td>
<td>120,290</td>
<td>217%</td>
<td>11,242</td>
</tr>
<tr>
<td>Denver</td>
<td>Urban</td>
<td>200%</td>
<td>282%</td>
<td>240,220</td>
<td>173%</td>
<td>36,606</td>
</tr>
<tr>
<td>Lincoln</td>
<td>Rural – non-resort</td>
<td>125%</td>
<td>127%</td>
<td>1,934</td>
<td>100%</td>
<td>14</td>
</tr>
<tr>
<td>Pitkin</td>
<td>Rural – resort</td>
<td>115%</td>
<td>123%</td>
<td>20,079</td>
<td>96%</td>
<td>621</td>
</tr>
</tbody>
</table>

RAND Corp. CO APCD Analysis for CO; Commercial Payments as a % of Medicare, 2017, Interactive data available at www.civhc.org
How are Employers Using Medicare Price Comparisons?

Montana Case Study

• In 2017 with $9M in deficits projected, the Montana State Employee Plan negotiated 234% of Medicare rates with hospitals

• In the first year, $15.6M was saved using the reference-based pricing model.

• Other states are considering implementing similar initiatives
Future Employer Reports (in development)

8 Reports in Development for Employers/Communities:

• Total Costs, Drivers, and Outmigration –
  • What is my overall spending and where are my employees going outside my area?

• % Medicare spend (beyond acute care) –
  • What am I paying compared to Medicare rates?

• Facility cost/quality –
  • Are my employees selecting high value care facilities?

• Pharmacy costs –
  • Do I have opportunities to save money on pharmacy costs (i.e. switching from brand to generic)?
Future Employer Reports (in development)

8 Reports in Development (cont):

- **Low Value Care and Cost** –
  - Are my employees receiving care that may not be necessary or contribute to their overall health?

- **Health Conditions and Cost** –
  - Can I save money treating people with chronic conditions?

- **Quality of Care** –
  - Are my employees getting care according to national standards?

- **Avoidable ED** –
  - Are my employees using appropriate care settings and can I save money on reducing avoidable ED visits?
Sample Employer Mock-up

DRAFT - SAMPLE DATA FOR DEMONSTRATION PURPOSES ONLY

Purpose: This report is intended to help employers and communities understand the occurrence and cost associated with low value care so they can address this with providers and patients/employees in their community as a cost-savings opportunity.

<table>
<thead>
<tr>
<th>Low Value Services and Costs Associated</th>
<th>% members/population with at least 1 low value care service</th>
<th>% Low Value Care Services</th>
<th>Low Value Care Cost</th>
<th>Comparison Region % Low Value</th>
<th>Comparison Region Low Value Care Cost</th>
<th>Statewide % Low Value Care</th>
<th>Statewide Low Value Care Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>85%</td>
<td>20%</td>
<td>$300,000</td>
<td>15%</td>
<td>$3,000,000</td>
<td>18%</td>
<td>$50,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top 5-10 Low Value Services</th>
<th>% Low Value Care Services</th>
<th>% Low Value Care Cost</th>
<th>Low Value Care Cost</th>
<th>Comparison Region % Low Value Services</th>
<th>Comparison Region % Low Value Care Cost</th>
<th>Statewide % Low Value Care Services</th>
<th>Statewide % Low Value Care Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline lab studies</td>
<td>50%</td>
<td>20%</td>
<td>$100,000</td>
<td>30%</td>
<td>10%</td>
<td>20%</td>
<td>40%</td>
</tr>
<tr>
<td>Stress cardiac imaging</td>
<td>30%</td>
<td>10%</td>
<td>$50,000</td>
<td>60%</td>
<td>50%</td>
<td>10%</td>
<td>30%</td>
</tr>
<tr>
<td>Annual EKGs</td>
<td>20%</td>
<td>5%</td>
<td>$300,000</td>
<td>70%</td>
<td>30%</td>
<td>50%</td>
<td>20%</td>
</tr>
<tr>
<td>Cervical cytology screening</td>
<td>10%</td>
<td>15%</td>
<td>$20,000</td>
<td>10%</td>
<td>40%</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>PSA-based prostate cancer screening</td>
<td>10%</td>
<td>20%</td>
<td>$10,000</td>
<td>90%</td>
<td>60%</td>
<td>90%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Notes:
This report can be created based on an employer population, county or counties or other geography/demographics defined by the user.
Comparison Region is defined by user and can be a county or counties, or DOI region(s).
Methodology: Output for this report is generated using the Milliman Waste Calculator tool.
Employer or community specific number of low value services to identify may be less than indicated depending on volume of claims and suppression rules.
Employer Report Considerations

• Mock-ups subject to change as data discoveries are made and testing occurs with employers

• Timing of reports may also shift as discoveries are made with new analytics

• Ability to report at the individual employer level dependent on number of covered lives
  • Options include groups of employers, reporting at the county or Zip code level as a proxy, etc.
  • Each report is different and will need to be evaluated separately for each employer
Questions?

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