

Background

Our client is a self-insured west coast health system with an employee health plan that covers over 30,000 employees and their beneficiaries. The client uses Analytics for Risk Contracting (ARC) as its primary claims data analytics platform.

The Challenge

The focus was to identify opportunities for cost savings and revenue enhancement. The client classified these into the categories of: Improved Medical Management, Optimal Product and Plan Design and Enabling Local Accountability.

Improved Medical Management	Optimal Product and Plan Design	Enabling Local Accountability
<ul style="list-style-type: none"> Reduce Preventable ED Visits OON Utilization Drug Dispensing Type Re-Allocation 	<ul style="list-style-type: none"> Expanding Benefit Plan Offerings PCP Assignments PPO Plan Design Adjustment Contract Philosophy 	<ul style="list-style-type: none"> Care Delivery Redesign Opportunities Best Practices and Selective Capitation in Areas Driving Higher PMPM Adjustment to Unique POD P/L

The Findings

Using the ARC Platform to analyze claims data across the above categories, and comparing to internal benchmarks¹, the client identified a significant opportunity to reduce preventable and overall ED utilization.²

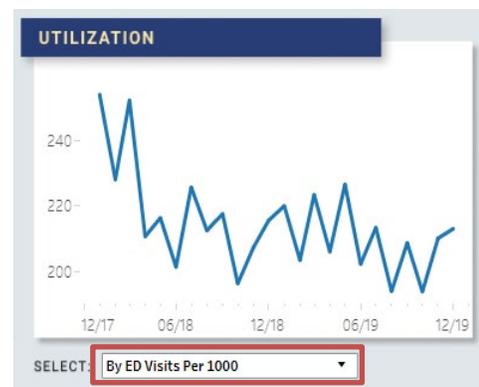
	Non-Preventable ED	Preventable ED	Overall ED
Gross Paid	\$15M	\$4.1M	\$19.1M
PMPM	\$41.76	\$11.58	\$26.67
Utilization per 1000	168.1	56.9	112.5

The Solution and Results

After identifying ED utilization as an opportunity, the client and ARC subject matter experts designed and implemented initiatives focused on reducing ED utilization. These initiatives focused on managing potentially preventable ED visits in lower acuity settings and included expanding and promoting the client’s urgent care network and telehealth service.

Analyzing the Data

Following the implementation of these initiatives, comparison of ED utilization year over year, as illustrated in the System dashboard, indicated a reduction in overall ED utilization of 4%.



¹ Internal benchmarks are developed for each client, utilizing risk-adjusted performance of peer providers within the network.

² Defined utilizing the NYU ED algorithm (<https://wagner.nyu.edu/faculty/billings/nyued-background>)

Using the Comparison dashboard, a reduction in ED and Emergency Medicine utilization per 1000 members can be seen between 2018 and 2019.

2018						2019					
Payor	Line of Business	Product	Time Period	Network	Risk Pod	Payor	Line of Business	Product	Time Period	Network	Risk Pod
All	All	All	Multiple values	All	All	All	All	All	Multiple values	All	All
Comparison View 1: Payor: Self-Insured, LOB: Commercial, Product: *, Risk Pod: *						Comparison View 2: Payor: Self-Insured, LOB: Commercial, Product: *, Risk Pod: *					
Selection Service Type	Selection Service Category	PMPM	Utilization per 1000	Unit Cost	Gross Paid	Selection Service Type	Selection Service Category	PMPM	Utilization per 1000	Unit Cost	Gross Paid
Outpatient	Total	\$309.48	2,363.9	\$1,571	\$111,241,119	Outpatient	Total	\$309.90	2,212.6	\$1,681	\$122,735,952
	Ambulance	\$0.20	0.6	\$4,127	\$70,164		Ambulance	\$0.15	0.5	\$3,715	\$59,443
	Chemotherapy	\$18.12	32.2	\$6,756	\$6,513,210		Chemotherapy	\$25.46	31.4	\$9,744	\$10,085,325
	Clinic Visits	\$0.31	72.0	\$51	\$110,015		Clinic Visits	\$0.22	42.1	\$62	\$86,740
	Dialysis	\$4.58	7.7	\$7,096	\$1,646,306		Dialysis	\$3.21	6.3	\$6,111	\$1,271,171
	DME/Supplies	\$0.02	0.4	\$599	\$7,784		DME/Supplies	\$0.03	1.0	\$393	\$12,584
	Drugs/Injectables	\$5.60	16.0	\$4,201	\$2,012,447		Drugs/Injectables	\$4.82	15.5	\$3,734	\$1,907,957
	Emergency Department	\$45.94	217.7	\$2,532	\$16,511,655		Emergency Department	\$49.75	209.3	\$2,853	\$19,704,447
	Home Health	\$0.01	0.2	\$732	\$3,662		Home Health	\$0.01	0.2	\$344	\$2,061
	Lab/Pathology	\$47.61	1,043.5	\$547	\$17,112,247		Lab/Pathology	\$48.92	999.3	\$587	\$19,375,889
	Observation	\$6.10	11.6	\$6,321	\$2,193,329		Observation	\$9.79	11.2	\$10,479	\$3,877,237
	Other Outpatient	\$36.80	141.1	\$3,131	\$13,226,654		Other Outpatient	\$27.28	126.3	\$2,592	\$10,802,648
	Outpatient Surgery	\$69.06	122.1	\$6,786	\$24,823,006		Outpatient Surgery	\$71.11	115.2	\$7,407	\$28,162,378
	Radiology	\$47.59	528.1	\$1,081	\$17,106,283		Radiology	\$50.11	501.9	\$1,198	\$19,844,724
	Rehab/Therapy	\$27.53	169.8	\$1,945	\$9,895,289		Rehab/Therapy	\$19.01	151.9	\$1,501	\$7,527,529
	Urgent Care	\$0.03	0.9	\$349	\$9,065		Urgent Care	\$0.04	0.7	\$719	\$15,819
Professional	Total	\$123.40	13,758.5	\$108	\$44,356,458	Professional	Total	\$124.02	13,816.9	\$108	\$49,115,909
	Acupuncture	\$0.02	7.6	\$30	\$6,844		Acupuncture	\$0.02	4.3	\$45	\$6,377
	Advance Practice Provider	\$4.12	413.8	\$119	\$1,480,108		Advance Practice Provider	\$4.70	460.0	\$123	\$1,861,178
	Allergy & Immunology	\$0.66	112.2	\$70	\$235,884		Allergy & Immunology	\$0.61	123.5	\$59	\$242,381
	Ambulance	\$4.02	38.2	\$1,261	\$1,443,347		Ambulance	\$4.77	34.1	\$1,677	\$1,889,927
	Anesthesiology	\$5.70	125.8	\$544	\$2,049,336		Anesthesiology	\$5.02	117.4	\$513	\$1,986,518
	Audiology	\$1.73	23.0	\$903	\$623,390		Audiology	\$1.67	24.8	\$808	\$660,634
	Cardiology	\$2.74	295.5	\$111	\$986,560		Cardiology	\$2.71	277.8	\$117	\$1,072,487
	Cardiothoracic Surgery	\$0.44	7.7	\$690	\$158,814		Cardiothoracic Surgery	\$0.32	6.8	\$573	\$127,715
	Critical Care (Intensivists)	\$0.48	28.1	\$205	\$173,097		Critical Care (Intensivists)	\$0.43	27.3	\$189	\$170,542
	Dental/Orthodontics	\$0.14	2.8	\$583	\$48,980		Dental/Orthodontics	\$0.03	1.0	\$361	\$12,285
	Dermatology	\$1.75	288.2	\$73	\$630,103		Dermatology	\$1.82	258.0	\$85	\$719,530
	DME/Supplies	\$4.79	427.5	\$134	\$1,720,988		DME/Supplies	\$4.63	376.0	\$148	\$1,835,178
	Emergency Medicine	\$6.49	474.6	\$164	\$2,332,496		Emergency Medicine	\$5.70	384.5	\$178	\$2,259,316
	Endocrinology	\$0.69	83.2	\$99	\$247,435		Endocrinology	\$0.71	81.3	\$105	\$281,997
	Federally Qualified Health	\$0.01	0.7	\$116	\$2,557		Federally Qualified Health	\$0.00	0.2	\$11	\$87
	Gastroenterology	\$1.22	105.0	\$140	\$439,137		Gastroenterology	\$1.26	100.0	\$151	\$497,742

Lastly, within the Cost & Use dashboard*, the team was able to validate the expected increase in PMPM year over year for primary care. The specific encounter, claim, and member-level detail can be seen for PCP professional services.



*The wider and lighter blue bar represents 2018 and the thinner darker blue bar represents 2019.

Results

In 2019, **488** ED visits were avoided resulting in an estimated savings of **\$1.3M**. These estimates were defined using the changes in ED utilization between 2018 and 2019.