Data-Informed Population Health Reduces PMPM

MemorialCare™

⭐ **66 percent** of MemorialCare's ACO individuals at extremely high risk of severe COVID-19 illness were engaged by care management.

💰 **$2.3M in cost savings**, the result of a **9.1 percent relative reduction** in per member per month cost.

PRODUCTS

❯ Health Catalyst® Data Operating System (DOS™)

❯ Per Member Per Month (PMPM) Analyzer analytics accelerator
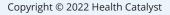
EXECUTIVE SUMMARY

The success of accountable care organizations (ACOs) depends on performance, which can make profitability unpredictable. Deep insight into the right data that supports the delivery of effective care management is vital for ACOs to prosper. MemorialCare, a leading nonprofit, integrated health system in California, needed a way to better access the numerous inputs of data so it could increase its capacity to utilize data for continuous improvement. By leveraging its analytics platform to help support the delivery of care management and prioritize resources, MemorialCare has enhanced its performance, resulting in improved patient outcomes and cost savings.

ACO SUCCESS BASED ON PERFORMANCE

ACOs receive bonuses or penalties for performance and operate in high-risk environments. Success as an ACO requires the use of robust information technologies to identify opportunities across clinical, financial, and operational domains to reduce per member per month (PMPM) costs, achieve higher quality scores, and improve patient outcomes in areas such as readmissions.[1,2] MemorialCare's goal was to continue advancing its care management programs to enhance performance and ensure it was engaging with the right patient population to prevent and mitigate negative impacts from COVID-19.

MISSING DATA IMPACTS IMPROVEMENT EFFORTS

MemorialCare's vast service area includes patient populations whose healthcare needs are highly variable. Its providers deliver individual patients high-quality care based on each patients' needs; however, it lacked access to a tool that allowed the organization to easily collate data and perform analytics. This made it burdensome to identify the number of patients with care gaps and challenging to identify the right patients for patient engagement, identify PMPM cost drivers, and evaluate the impact of care on contract performance. Variable structure and patient needs created challenges in allocating the care management and provider-support resources required to improve performance.

MemorialCare needed a data and analytics solution that would enable more efficient identification of patients that could benefit from care management and the drivers of PMPM costs and enable the organization to maximize the impact of engaging high- and rising-risk patients in care management.

REDUCING PMPM COSTS IMPROVES ACO SUCCESS

MemorialCare leverages the Health Catalyst® Data Operating System (DOS™) platform and a robust suite of analytics applications, including a PMPM root-cause analytics accelerator, to gain insight into performance. The improved data helps the organization support providers and care managers to ensure patients receive the right care in the right location, prevent unnecessary overutilization, and improve contract performance.

The organization performs comprehensive, deep-dive analyses to reveal the factors that drive PMPM performance, identify areas for improvement, and manage costs to realize savings and avoid losses. MemorialCare uses the analytics accelerator to review claims-based data and evaluate the drivers of PMPM performance. The organization can visualize an in- and out-of-network view of payment trends, enabling it to understand how the providers, members, and specialty areas contribute to overall PMPM payment performance, providing insight into opportunities for reducing PMPM.

MemorialCare's clinically integrated network (CIN) supports primary care providers in delivering needed primary and specialty care. Network and provider performance targets and improvement goals align with the goals in its various contracts. The organization allocates its care management team members to support specific regions, providers, and patients within the CIN.

MemorialCare uses standard work for care transitions and ongoing care management activities. The care management team leverages patient risk-stratification data to identify high- or rising-risk patients for outreach, engaging patients in care management activities that ensure the patients receive the right care in the right location. MemorialCare uses a COVID-19 risk for mortality algorithm to identify and risk-stratify members at the highest risk of mortality from COVID-19. Care managers can visualize at-risk members and can quickly prioritize member lists for outreach.

ABOUT MEMORIALCARE

MemorialCare is a leading nonprofit integrated health system in California. The organization strives to improve the future of healthcare by delivering high-quality, easily accessible, and affordable care to 1.7 million patients annually.

MemorialCare analyzed its data to identify opportunities for improvement, including emergency department (ED) utilization, network leakage, and brand-name prescription use. For example:

- The data showed that patients with newly diagnosed conditions, rather than those with a known chronic condition, often sought emergency care over primary care. To address this, the care management team contacts newly diagnosed patients weekly to assess their current understanding of their condition, offer education, and support patients in accessing needed primary and specialty care, avoiding overutilization.

- An analysis of network utilization data indicated that self-directed referrals and provider-directed referrals for specialty care were areas of leakage. The care management team proactively educated both patients and providers to better manage specialty referrals to avoid costly out-of-network use.

- Data analysis also revealed that high pharmaceutical costs and off-label use were additional opportunities to reduce costs. The pharmacist and care management team collaborated to improve medication management and safely transition patients to generic equivalents.

The care management team and providers meet monthly to review data to increase understanding of performance, continually improve processes, learn from successes, and identify future improvement opportunities.

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Using the PMPM Analyzer has allowed us to understand contract performance and the drivers of PMPM. Our care management teams are able to focus on ensuring patients receive the right care and improve contract performance We've improved health outcomes for the patients we serve while decreasing PMPM.

Linda Violas, BSN, RN, PHN, Executive Director ACO, MemorialCare

RESULTS

MemorialCare's data-informed care management interventions have demonstrated the desired results. Patients receive the right care in the right location, and the organization has reduced overutilization and improved contract performance. The COVID pandemic also reduced utilization of health care services. Results include:

- **66 percent** of MemorialCare's ACO individuals at extremely high risk of severe COVID-19 illness were engaged by care management.
- **$2.3M in cost savings in 12 months**, the result of a 9.1 percent relative reduction in PMPM costs.
- In addition to the PMPM cost reductions, MemorialCare observed reductions in other utilization measures.
  - **25.5 percent relative reduction** in ED visits per thousand members per year (PKPY).
  - **24.3 percent relative reduction** in laboratory and pathology tests PKPY.
  - **18.9 percent relative reduction** in high-cost imaging.
  - **17.7 percent relative reduction** in inpatient admissions PKPY.
  - **14.1 percent relative reduction** in 30-day readmission PKPY.

WHAT'S NEXT

MemorialCare will continue to use its data and analytics to identify opportunities to improve the effectiveness of its care management programs while also improving contract performance.

REFERENCES

1. Peiris, D., et al. (2016). ACOs holding commercial contracts are larger and more efficient than noncommercial ACOs. *Health Affairs, 35*(10), 1849–1856. Retrieved from https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5116911/

2. Conroy, K.J. (2020). 4 key building blocks for continued ACO success. *MGMA*. Retrieved from https://www.mgma.com/resources/financial-management/4-key-building-blocks-for-continued-aco-success

ABOUT HEALTH CATALYST

Health Catalyst is a leading provider of data and analytics technology and services to healthcare organizations, committed to being the catalyst for massive, measurable, data-informed healthcare improvement. Our customers leverage our cloud-based data platform—powered by data from more than 100 million patient records, and encompassing trillions of facts—as well as our analytics software and professional services expertise to make data-informed decisions and realize measurable clinical, fi nancial, and operational improvements. We envision a future in which all healthcare decisions are data informed.

Learn more at **www.healthcatalyst.com**, and follow us on **Twitter**, **LinkedIn**, and **Facebook**.