

**Florida Association of Health Plans**  
2012 Annual Conference  
**Clinical Breakout Session**  
September 6, 2012



## Utilization in the Eye of Healthcare Reform

Presented by:  
Yvette Bailey, MD  
Medical Director  
Care to Care LLC

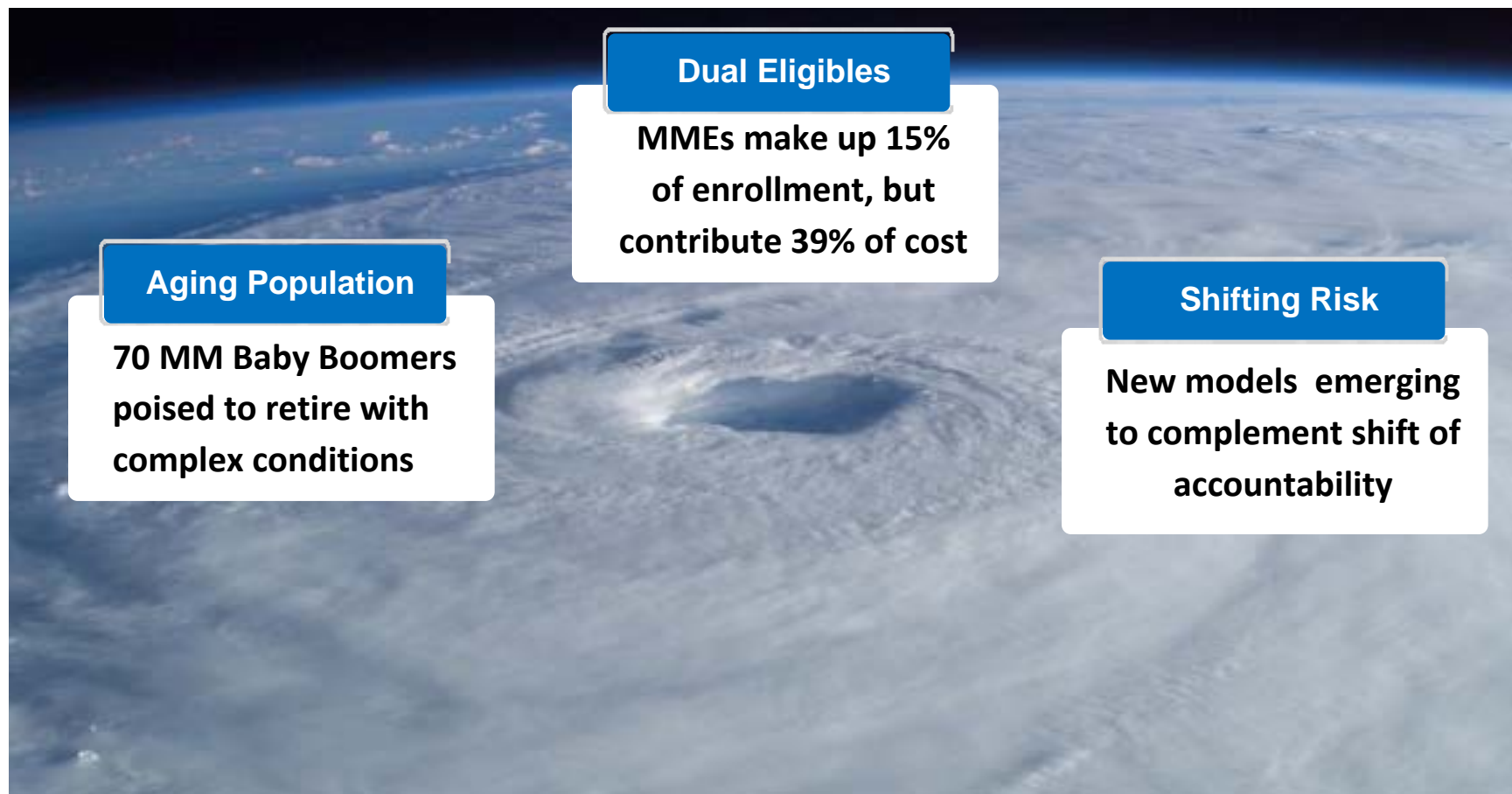
# The Winds of Change

Florida Postcard



# Utilization: What Lies Ahead

July 2012 - Gov. Scott: Florida will not implement exchanges or expansion



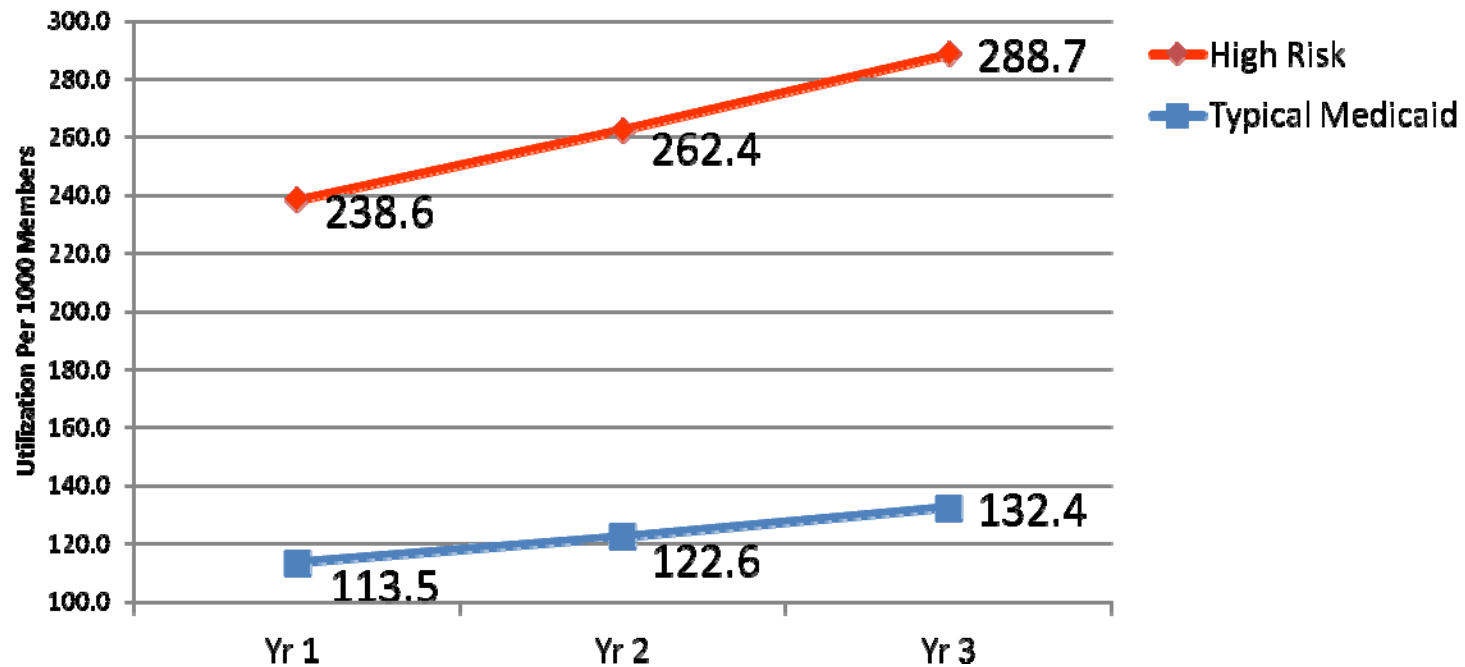
Sources: Centers for Medicare & Medicaid Services; American Medical Association; RAND Health  
<http://www.ama-assn.org/amednews/2012/04/09/bil20409.htm>;  
[http://www.acponline.org/advocacy/events/state\\_of\\_healthcare/statehc06\\_1.pdf](http://www.acponline.org/advocacy/events/state_of_healthcare/statehc06_1.pdf)

# Imaging as Precursor to High-Cost Care

Imaging: 12% of  
Healthcare Expenditures

Projected: \$187 Billion in  
Imaging Cost by 2013

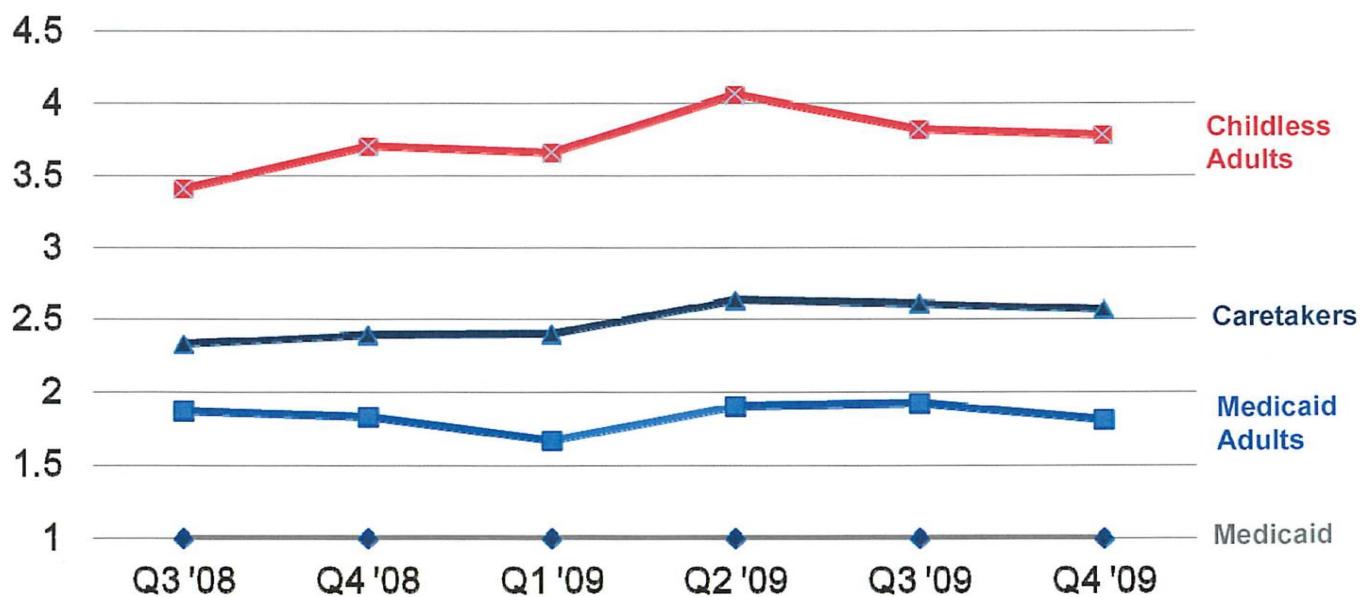
**Advanced Imaging (MR, CT, PET)**  
*Utilization Difference: High Risk Population*



Source: Care to Care Data on File

# Healthcare Utilization Trends

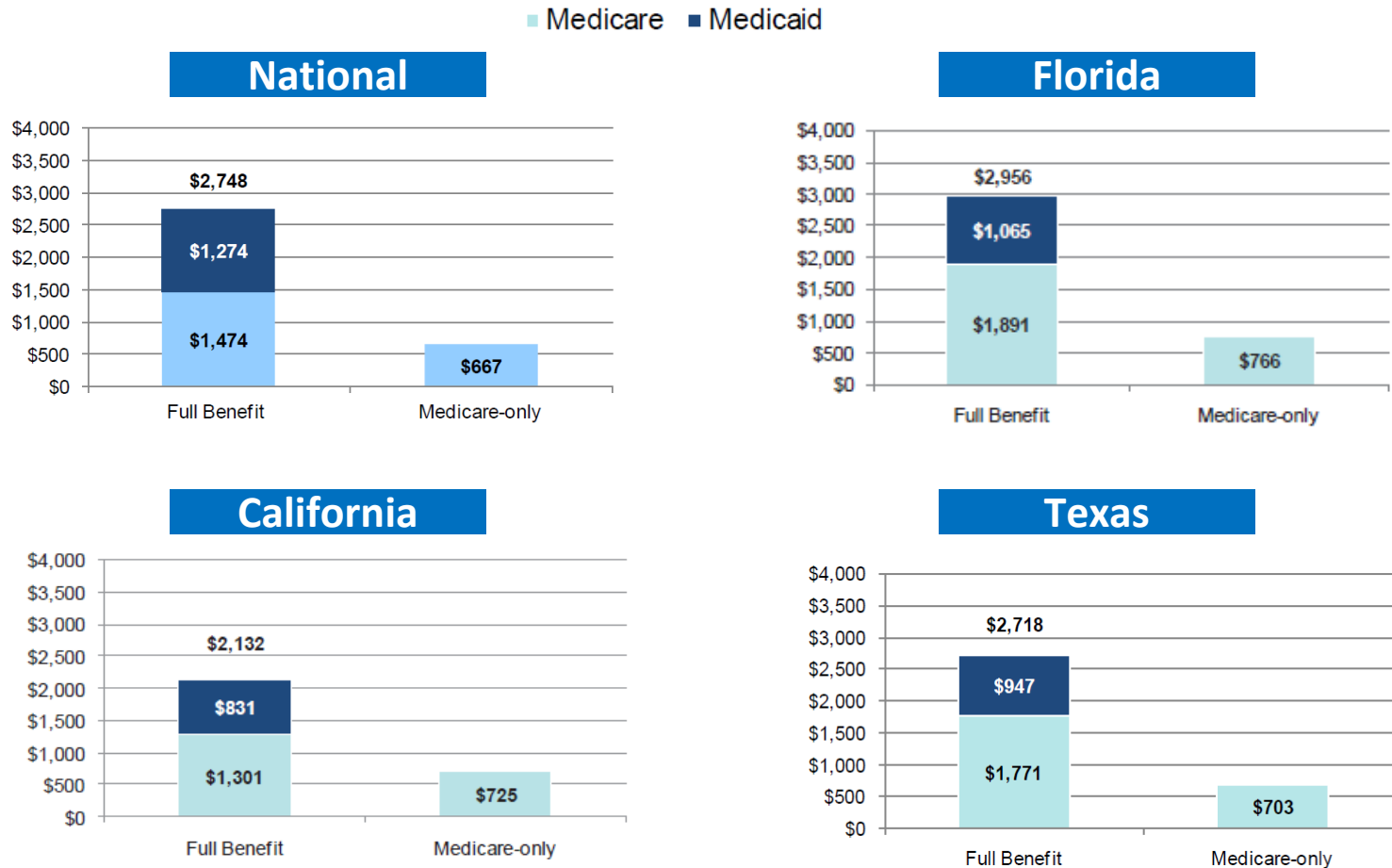
## Differences in Population Types High Risk vs. Typical Medicaid



Source: WellPoint data., 5<sup>th</sup> Annual Managed Medicaid Summit, February 2012.

# CMS Report: Medicare-Medicaid Enrollee State Profile | Florida

## Spending: Average PMPM Spend by Enrollment Status - 2007

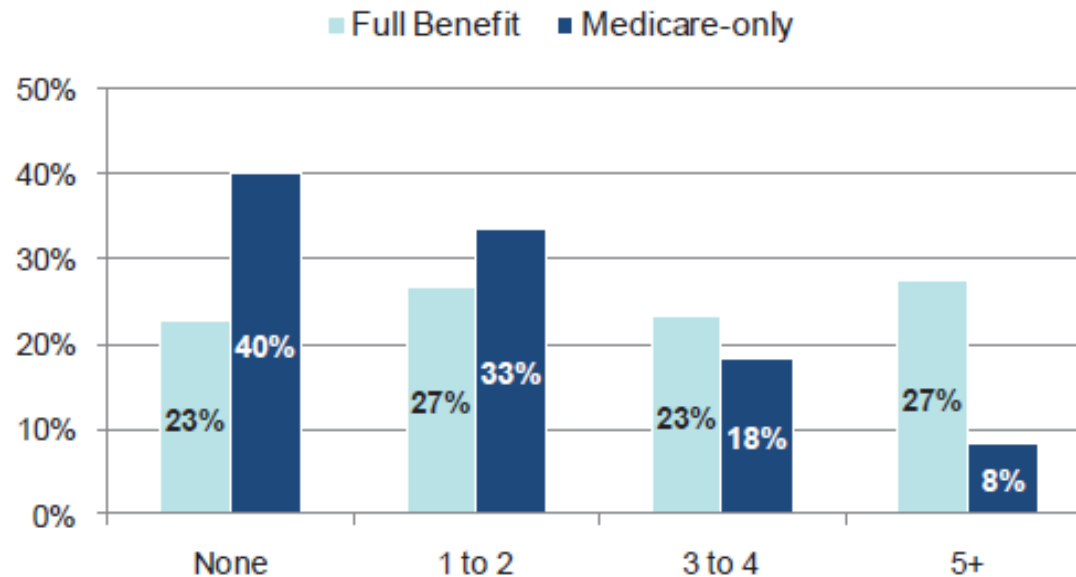


Source: <http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/StateProfiles.html>

# CMS Report: Medicare-Medicaid Enrollee State Profile | Florida

## Chronic Conditions

FIGURE 6. NUMBER OF CHRONIC CONDITIONS BY ENROLLMENT GROUP: FLORIDA, 2007



*Full Benefit enrollees were nearly 3 and a half times more likely than Medicare-only beneficiaries to have had 5 or more chronic conditions.*

# Population Mix and Chronic Conditions

## 5 Leading Causes of Death All Races 2007

1. [Heart disease](#)
2. [Cancer](#)
3. [Stroke](#)
4. [Chronic Lower Respiratory Infections](#)
5. [Unintentional injuries](#)

## 5 Leading Causes of Death Women All Races All Ages 2007

1. [Heart disease](#)
2. [Cancer](#)
3. [Stroke](#)
4. [Chronic Lower Respiratory Infections](#)
5. [Alzheimer's](#)

## 5 Leading Causes of Death Hispanic/Latino 2007

1. [Heart disease](#)
2. [Cancer](#)
3. [Unintentional injuries](#)
4. [Stroke](#)
5. [Diabetes](#)

## 5 Leading Causes of Death African Americans 2009

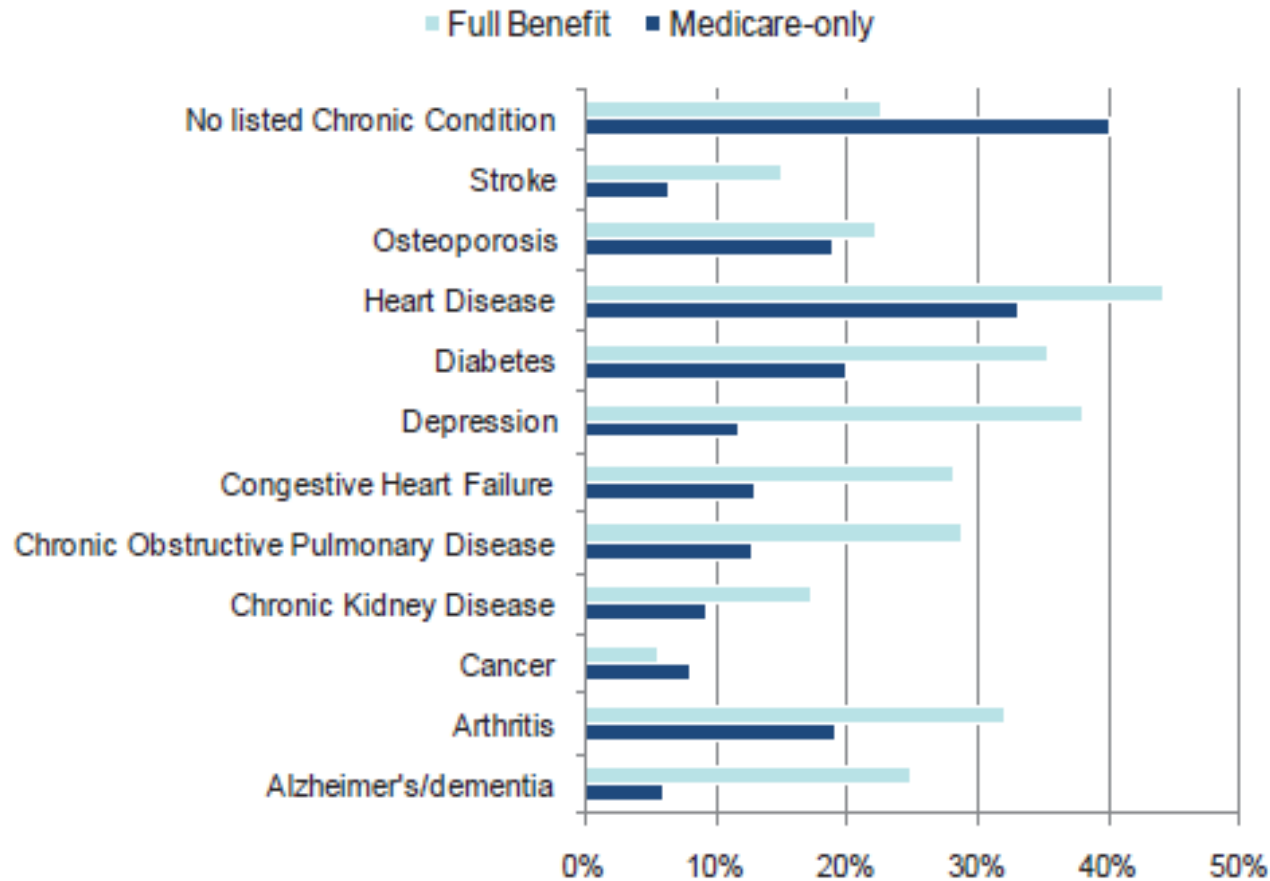
1. [Heart disease](#)
2. [Cancer](#)
3. [Stroke](#)
4. [Unintentional injuries](#)
5. [Diabetes](#)

Source: CDC.gov



## CMS Report: Conditions Driving Utilization | Florida

FIGURE 7. PREVALENCE OF SELECT CHRONIC CONDITIONS BY ENROLLMENT GROUP: FLORIDA, 2007



*Full Benefit enrollees typically had a greater prevalence of chronic conditions compared to Medicare-only beneficiaries.*

## The Perfect Storm?



After a test-run in Nashville, the new **bacon sundae** from Burger King is available across America starting **June 14, 2012**. The press release describes “The sweet & savory dessert features the rich & creamy vanilla BK® soft serve, drizzled with chocolate fudge, caramel and topped with bacon crumbles, complete with a thick-cut, hardwood smoked bacon garnish.”

# ACOs: Florida's Evolving Model for Shifting Risk

**Nationally: 1.1 million Medicare beneficiaries enrolled in shared savings program for improved coordination, quality, and cost of care**

**Florida Physicians Trust (Winter Park):** One of first 27 ACOs to participate in Medicare Shared Savings Program (MSSP). 16,500 beneficiaries. Independent physicians, including doctors of medicine and osteopathic medicine. Focus on care coordination, team-based care and improved provider-patient communication.

**Primary Partners :** 7,500 Beneficiaries in Lake, Orange, Osceola and Polk counties. One of first 27 ACOs in MSSP. Clinically integrated patient-centered care while PCPs continue to operate independent practices.

**West Florida ACO (Trinity):** One of first 27 participants in MSSP. 30+ primary care physicians and specialists who focus on care coordination for geriatric patients. Expected to serve 10,000+ Medicare beneficiaries.

**JSA Medical Group (Saint Petersburg):** One of 32 Pioneer ACOs in the country. 34 primary care practices in Tampa Bay & Orlando. Affiliated with 50+ primary care practices ; 184 PCPs and 1,800 specialists.

**ProMed Alliance (Dade County):** Subsidiary of Peer Review Mediation & Arbitration, a medical services business development company. 15 primary care physicians, 20 specialists, and advanced diagnostic/surgery center. First of 50 PRMA/ProMed plans to develop across US over next 5 years.

Source: [www.beckershospitalreview.com/hospital-physician-relationships/60-accountable-care-organizations-to-know.html](http://www.beckershospitalreview.com/hospital-physician-relationships/60-accountable-care-organizations-to-know.html); April 2012

## UM Approaches – No, Not That UM



According to legend, the ibis is the last sign of wildlife to take shelter before a hurricane , & the first to reappear once the storm has passed.

Ibis: University of Miami “Hurricanes” Mascot

# Evolving Utilization Management (UM) Continuum

MANAGED CARE / JANUARY 2012

## Decision Support's New Advocates

Attempts to replace radiology benefit managers with a more doctor-friendly system show success

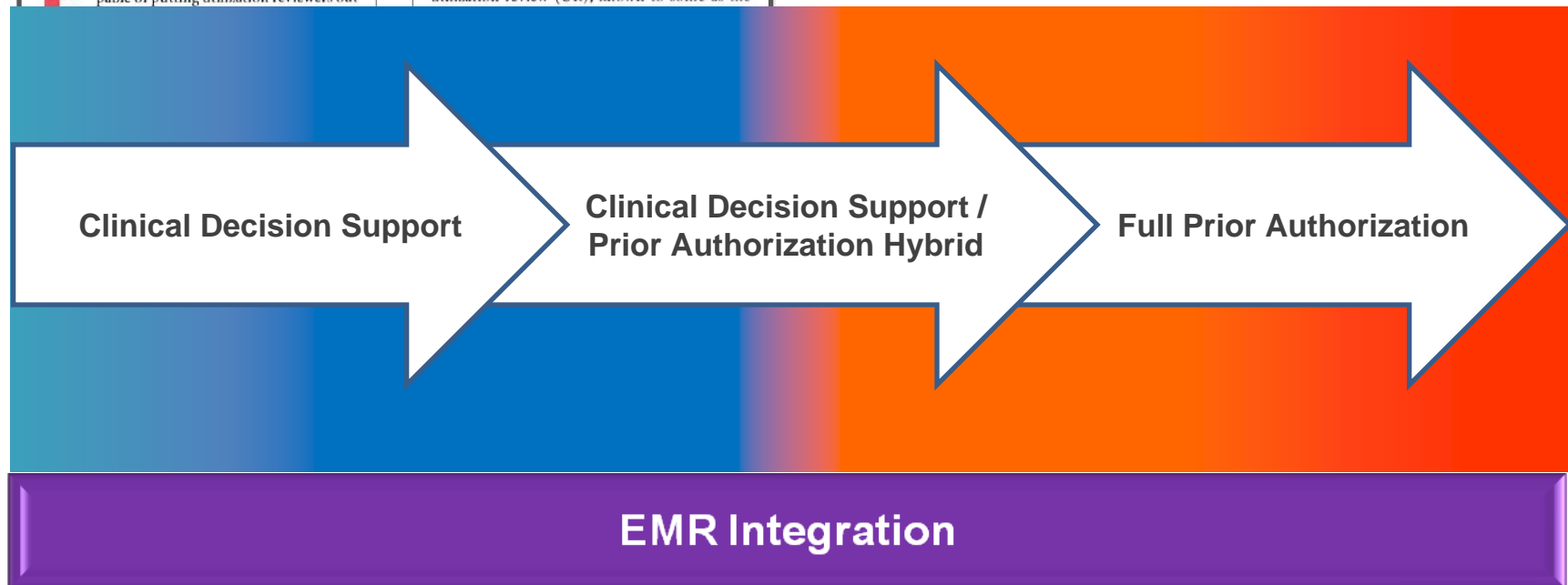
By Joseph Burns  
Contributing Editor

Proponents of clinical decision support (CDS) systems believe these tools are capable of putting utilization reviewers out

need for each HTDI request to a clinician or other staffer from an RBM.

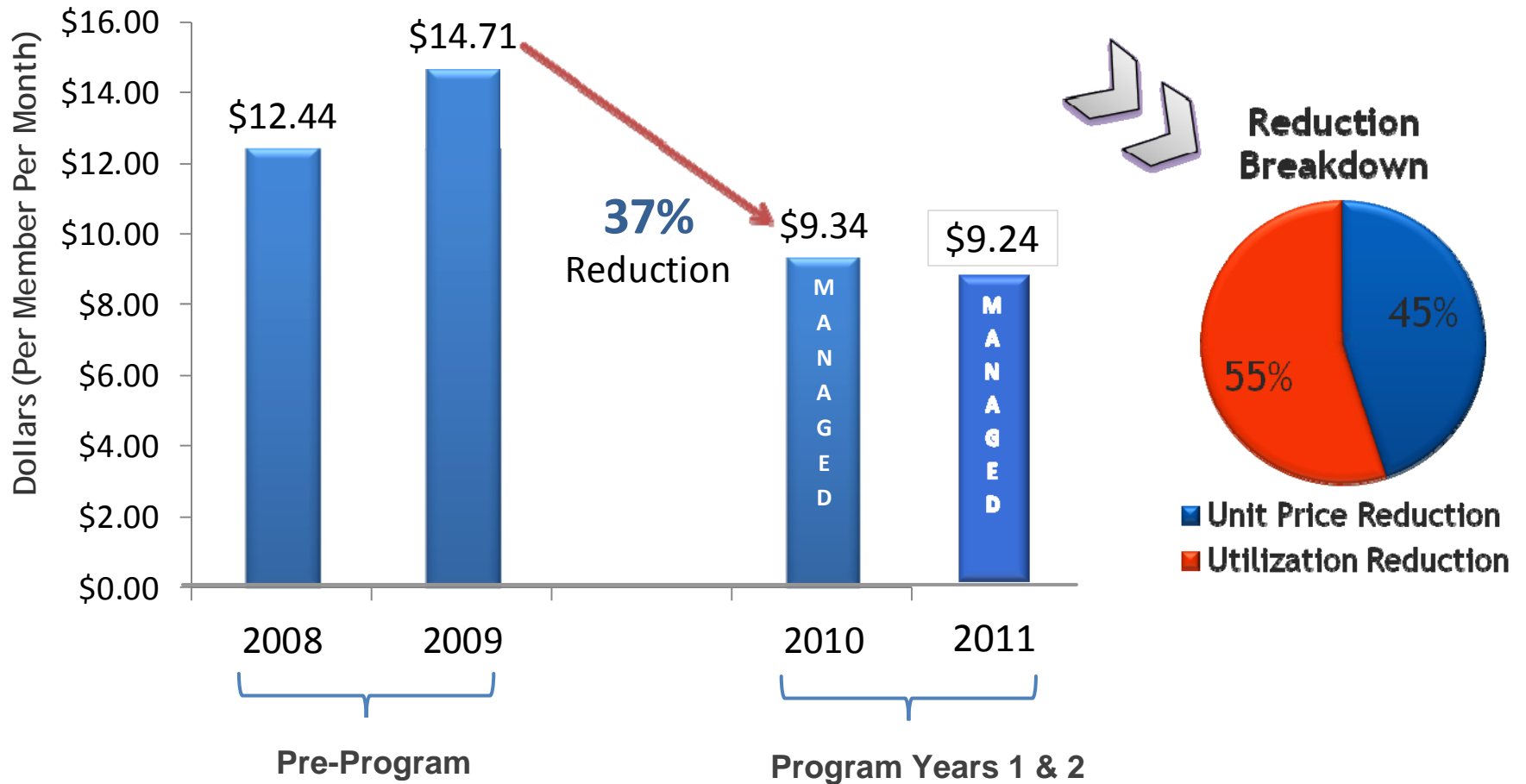
So far, Minnesota may be the only state where CDS is widespread, but this success has helped to spawn the idea that perhaps CDS could replace utilization review (UR), known to some as the

- More respectful of doctor/patient relationship
- Must deliver quality/cost results



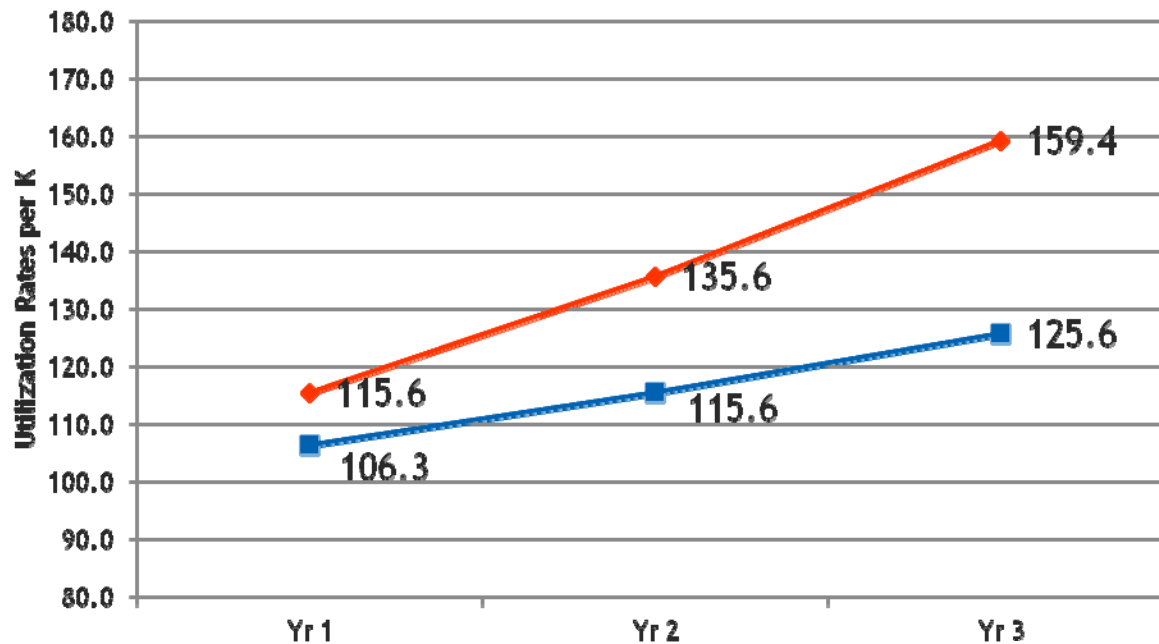
# Medicare Advantage: Lower Utilization & Unit Cost

Ongoing Advanced Imaging Cost Reduction for Client  
Per Member Per Month (PMPM) Expenditures



# Managed Medicaid: Projected vs. Experience

## Program Effectiveness: Reduced Inappropriate Utilization



Actual % Reduction:

**11.9%**

YTD Average 2012

**8.1%**

Y1 Projected  
Average Reduction

—◆— Without RBM  
—■— With RBM

615,000  
Members

Source: Care to Care Data on File

# Expanding UM Solutions to Improve Quality & Cost

	Estimated % Inappropriate	Key Drivers of Inappropriate Utilization	
Advanced Imaging MR/CT/PET	20 – 50%	Self referral, defensive medicine, poor care coordination	Oncology Radiation Therapy
Ultrasound (OB & Non-OB)	20 – 53%	Largely unmanaged, machines inexpensive to purchase (self referral), defensive medicine	MSK Implantables & Pain Management
Cardiac Imaging & Implantables	Imaging: 30% ICDs: 22%	<u>Imaging</u> : 36% of cardiologist income (self referral), lack of education & care coordination <u>ICD</u> : Limited use of medical evidence, reimbursement \$	LTC / Home Health Coordination & Management
ER Imaging Retrospective Review	20%	Defensive medicine, poor care coordination, frequent flyers, lack of education on tests, triage	





*Enjoy Your Stay!*



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