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MHA Today News for Health Care Leaders

October 5, 2012

MHA Today is provided as a service to members of the Missouri Hospital Association. Additional information is available online at MHAnet.

Insights

It is a shame that the term "managed care" already had been defined in the health care lexicon before the work of Jeffrey Brenner, M.D. was widely known. His efforts to reduce health care costs and increase quality among a high cost, high utilization patient population in Camden, N.J., were spotlighted last year in a story by Atul Gawande in *The New Yorker*. I highly recommend that you read the article. What's more, I recommend you attend the executive briefing that Dr. Brenner will be providing at the MHA Convention and Trade Show on Nov. 7 at 9 a.m.

Ideally, managed care would be about just that — managing patients' wellness and organizing medical interventions to maintain and improve patients' lives. Unfortunately, managed care, as we know it is often times more about managing costs and payments, rather than patient care.

As a new physician in Camden, Brenner — who grew up and trained outside of the area — found himself in a city, and within a health care community, that was literally collapsing. As is the case with many poor urban areas, the issues seemed intractable. After an appointment to the city's police reform commission, he began to recognize that some of the most successful strategies for improving public safety had transferrable lessons for health care. Brenner diligently embarked on a health care data collection campaign. And, ultimately, he was able to identify cost and utilization "hot spots" — the one percent of patients, or communities of patients, who were accounting for 30 percent of the city's health care costs.

Every hospital in Missouri probably serves patients similar to those Brenner identified. They are generally poor, with chronic conditions and living in an environment that is not conducive to maintaining or improving their health. Brenner's solution was to recruit these patients, and build a medical home for them. However, it was a medical home on steroids. Not only did they provide a venue for accessible care, they addressed social issues outside of medicine. They employed physicians and nurses, but also counselors and social workers to develop long-term, meaningful relationships with the patients. They provided around-the-clock access to their services, eliminating unnecessary 911 calls and emergency department visits, and they visited patients in their homes when necessary to identify issues that are impossible to spot and address in an office visit.

Not every Missourian needs this type of care. In fact, most do not. The ones that do need it, and do not receive it, cost a fortune.

Our analysis of Missouri Medicaid indicates that hot-spots exist in Missouri. For example, 5 percent of

the state's Medicaid beneficiaries account for 48 percent of Medicaid hospital spending in the state. And you probably guessed it, 91 percent of those 22,000 beneficiaries suffer from a chronic condition — 65 percent have three or more chronic conditions. It's clear that Missouri's hot-spot population, if better managed, could potentially result in significant savings to the state and better care for these individuals.

But there's more — much more. During the past five years, ED utilization in the state has increased by more than 150,000 visits. Of those new visits, 92 percent were Medicaid beneficiaries and nearly two-thirds of the Medicaid visits were by Medicaid managed care enrollees.

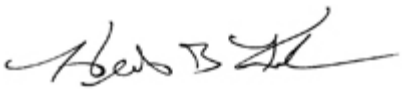
Our analysis also uncovered three Missouri hot-spot ZIP codes, with an aggregate population of fewer than 30,000 individuals that sent Medicaid patients to the emergency room more than 15,000 times in 2011. The majority of the 15,000 visits — at a cost of nearly $10 million — were for non-emergent reasons that could have been treated more cost effectively in a primary care setting. We also found 51 individuals who visited an ED at least once a week on average and accounted for $5.3 million in Medicaid spending.

The room for improvement is quantifiable and evident. Thoughtful analyses of the data hospitals generate will assist state policymakers in identifying the opportunities to improve patient outcomes and reduce costs. That's Dr. Brenner's paradigm. And, that's what we strive to emulate in Missouri.

As we move forward to find new ways to deliver care in Missouri more efficiently, we need to ask ourselves four key questions. First, what kind of care coordination model improves the quality of patient care? Second, will the coordination effort improve access to care? Third, will the coordination model encourage a more integrated delivery system? And fourth, will it help usher in sustainable and long-term reductions in Medicaid program spending?

Throughout the next several months, we will be sharing more information about care coordination options in Missouri, what the data tells us about our past and current experience and options for the future. Dr. Brenner's briefing at the convention will present an opportunity to learn firsthand about a program that works, and works well. Be sure to ask Dr. Brenner how and why when you see him at the convention.

If you have thoughts, send me a note.



Herb B. Kuhn
MHA President and CEO

In This Issue

Regulatory News the latest actions of agencies monitoring health care

Medicare Strike Force Charges 91 Individuals

MHA Staff Contact: Andrew Wheeler

Attorney General Eric Holder and Health and Human Services Secretary Kathleen Sebelius announced that the Medicare Fraud Strike Force charged 91 individuals in seven cities with participating in Medicare fraud schemes amounting to $429.2 million in false billing. Dozens of charged individuals

were arrested or surrendered as indictments were released. The indictments charged more than $230 million in home health care fraud, more than $100 million in mental health care fraud, more than $49 million in ambulance transportation fraud and millions in additional areas of fraud. Secretary Sebelius stated “Today’s arrests put criminals on notice that we are cracking down hard on people who want to steal from Medicare. The health care law gives us new tools to better fight fraud and make Medicare stronger.”

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MHD Updates Behavioral Health Provider Manual
MHA Staff Contact: Steve Renne

All sections of the MO HealthNet Division’s Psychology/Counseling manual have been updated to reflect the name change to Behavioral Health Services. Also, the online fee schedule Web address and direct deposit information in section 12 have been updated, beginning on Page 159.

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MLN Updates and CMS e-News
MHA Staff Contact: Andrew Wheeler

The Centers for Medicare & Medicaid Services has issued updates to *MLN Matters* and e-News. The latest issue provides updates to national provider calls, new screening and diagnostic mammography booklets, a fact sheet on complying with Medicare signature requirements, updated ICD-10 implementation information, a partial code freeze prior to ICD-10 implementation, and more.

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Health Law Insight

Kansas High Court Upholds Noneconomic Damage Caps
MHA Staff Contact: Anne Curchin

The Kansas Supreme Court has upheld the state’s $250,000 cap on noneconomic damages, ruling the caps do not interfere with an individual's right to a jury trial. The ruling follows a decision by the Missouri Supreme Court in the *Watts* case that invalidated Missouri’s caps on noneconomic damages. As in Missouri, the Kansas decision was divided. However, in Kansas the majority was 5 to 2 in favor of upholding the caps.

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Did You Miss An Issue Of MHA Today?

The following articles were published in this week’s issues of *MHA Today* and are available online.

October 4, 2012
MHN Awards External Quality Review Contract

October 3, 2012
State Releases September General Revenue Report
Public Hearing To Address Additional Requirements For Charitable Hospitals
CMS Updates Readmission Penalty Calculations
OIG Announces FY 2013 Work Plan

October 2, 2012
U.S. District Court Issues Decision On ACA's Contraceptive Mandate
U.S. Senator Questions Hospitals' Use Of 340B Program
Not-for-profit Fundraising Reaches Nearly $9 Billion
MHA, DSS Host Medicaid EHR Webinar
CMS Provides Identity Theft Material
Freeman Neosho Hospital Announces Leadership Change

October 1, 2012
Poll Examines Voters' Top Concerns For Presidential Election

Consider This ...

While the economy was the top concern of voters surveyed by Rasmussen in mid-September, health care was tied for second place.

Source: Rasmussen Reports

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