



# Health Care Cost Transparency in Minnesota

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# MN Community Measurement: Who We Are and What We Do

## Multi-stakeholder collaborative

Physicians

Hospitals and health systems

Health plans

Employers

Consumers

State government

## Activities

Develop

Collect

Analyze

Report

## Types of data

Quality

Cost

Patient Experience

Disparities

# MNCCM Context and History

MNCCM grew out of the idea that everyone benefits from:

Working together  
to agree on  
measurement  
priorities

Reducing  
fragmented,  
conflicting, and  
duplicative efforts

Combining data to  
get more reliable  
and stable results

Creating a  
common, trusted  
source of  
information

Making data  
transparent

# What is Being Measured?

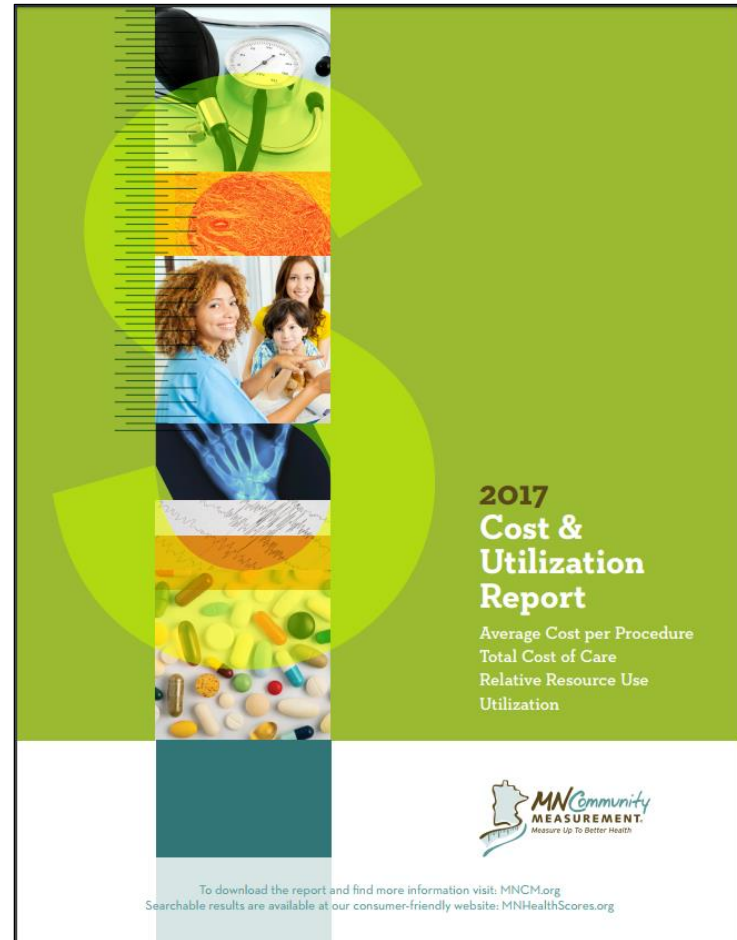
- Quality
  - Clinics and hospitals
- Patient Experience
- Cost
  - Total cost of care
  - Drivers of cost: resource use and price
  - Average prices for common services
- Disparities
  - Variation by race, ethnicity, language, and country of origin

## TRIPLE AIM



# Area of Focus: Cost

- **Total cost** of care, by medical group
- **Drivers of cost:** overall resource use and prices by medical group
- **Prices** by medical group for 118 common services (e.g., office visit, imaging, lab tests)

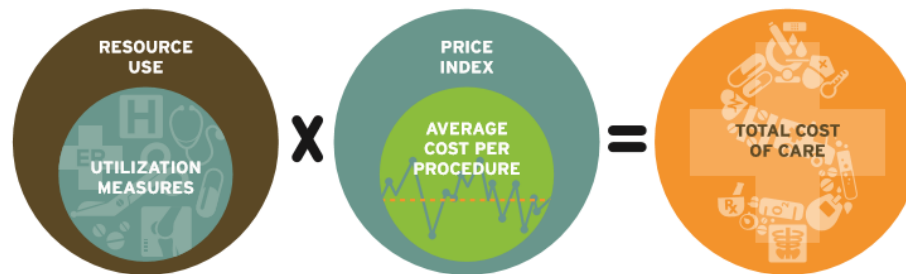


# Three Types of Cost Information

## 1. Total Cost of Care – average per person cost for patient population (commercially insured only)

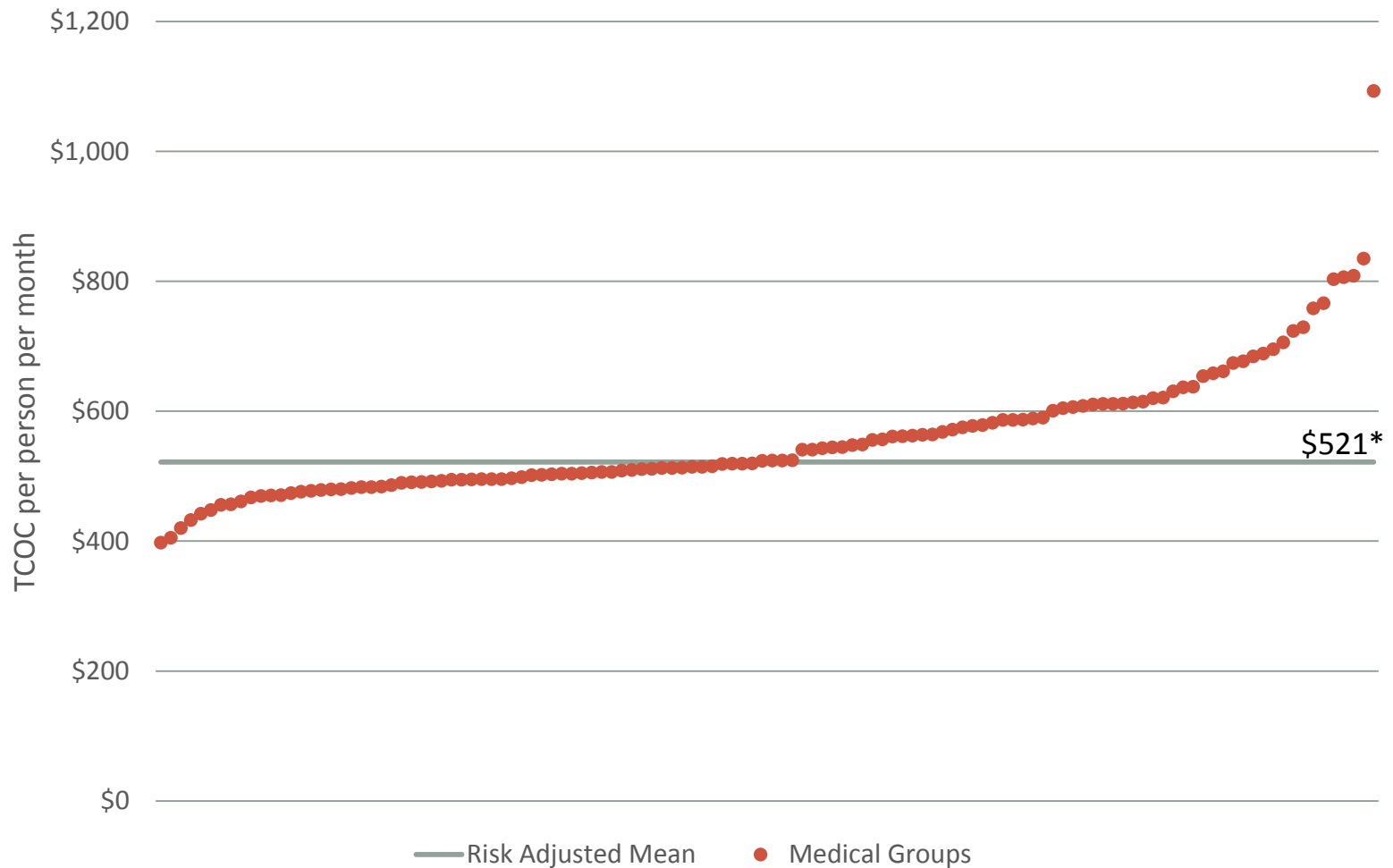
- All care over 12-month period, regardless of where the care was delivered
- Total amount paid: insurance + patient
- Risk-adjusted, and adjusted for high-cost outliers

## 2. Factors driving variation in total cost of care



## 3. Prices for common services

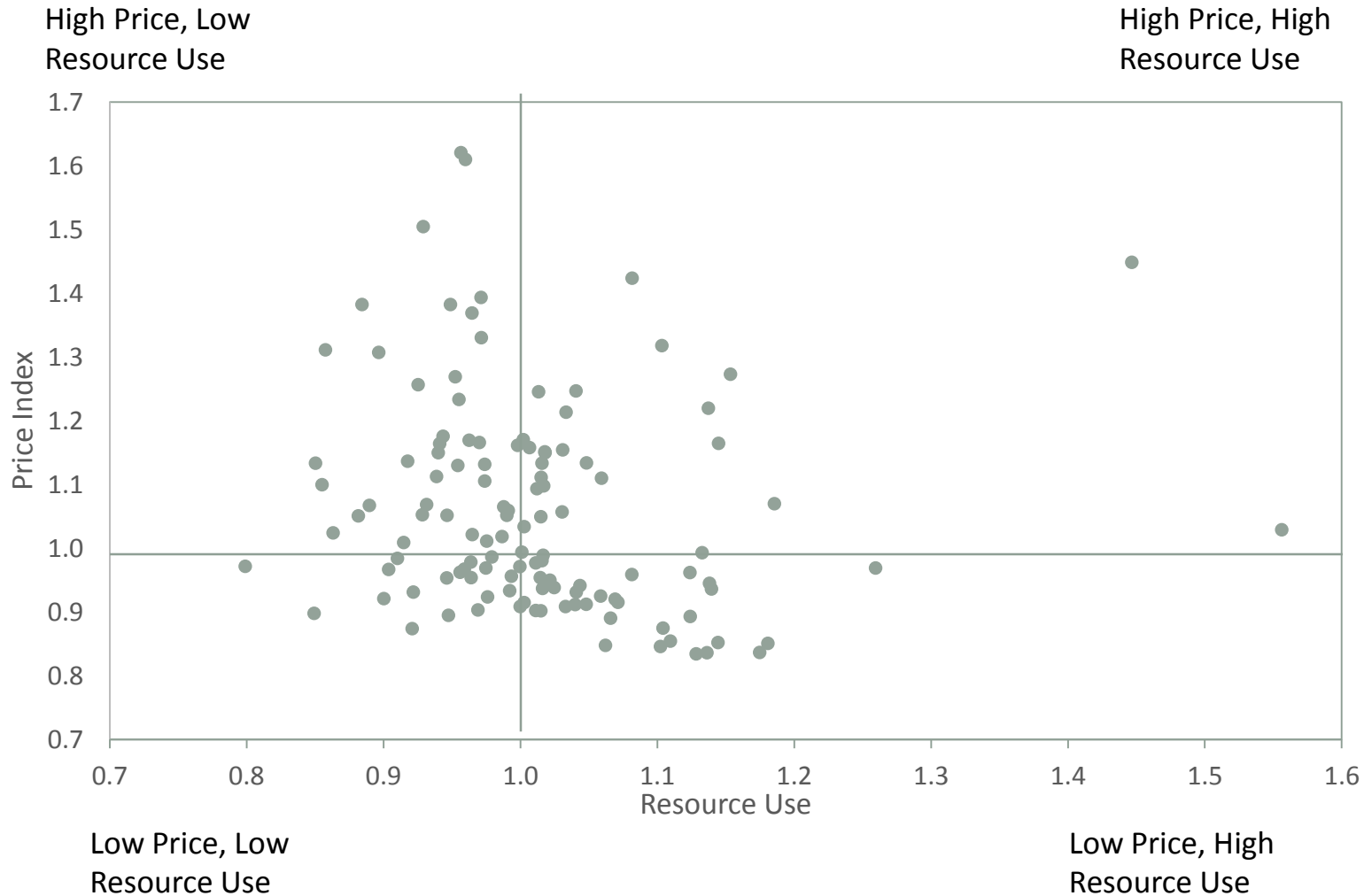
# Total Cost of Care Variation, 2017



\*Excludes outlier costs above \$125,000 for any individual patient..



# Price vs Resource Use, 2017



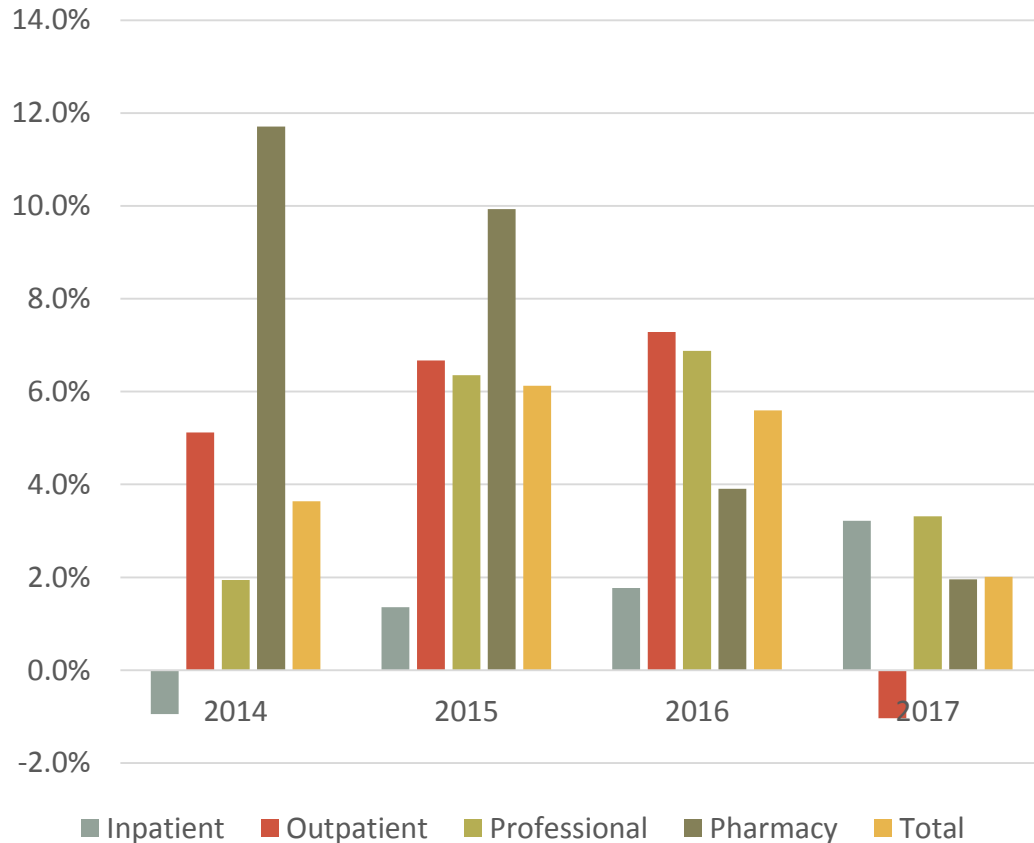
Results are risk adjusted and exclude outlier costs above \$125,000 for any individual patient..



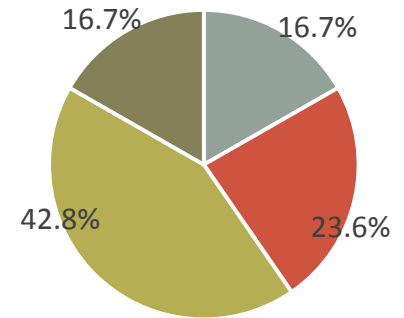


# Growth and Cost Drivers

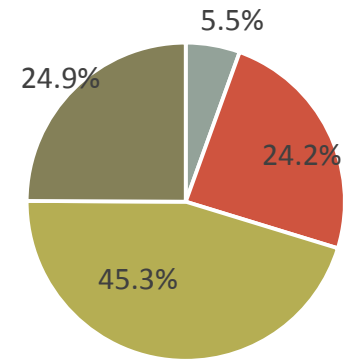
Growth from Previous Year\*



Share of Spending 2017\*



Share of Growth, 2013-17\*



\*Before removal of outlier costs above \$125,000 for any individual patient..



# Examples of Variation in Prices for Specific Services

2017 Dates of Service, Commercial Insurance

	Low	Average	High
Knee X Ray	\$29	\$72	\$378
MRI – lower extremity	\$195	\$851	\$3,050
Strep Test	\$8	\$22	\$96
Office Visit 15 min	\$62	\$150	\$202

- *Actual allowed amounts, not billed charges (averaged across 4 largest commercial payers)*
- *Specific information on average prices by medical group is available at [mnhealthscores.org](http://mnhealthscores.org)*

# Public Reporting

**MINNESOTA HealthScores**  
When Health Care Improves, Everyone Wins.

Clinic Quality & Patient Experience Ratings    Medical Group Quality & Cost Ratings    Hospital Quality & Patient Experience    Cost of Services & Procedures Ratings    See All Measure Topics

## Compare ratings on the quality and cost of healthcare in Minnesota and neighboring areas.

Get started by selecting one of the following categories:

- Clinic Quality and Patient Experience**
- Medical Group Quality and Total Cost**
- Hospital Quality and Patient Experience**
- Cost of Services and Procedures**

### Clinic Quality and Patient Experience

Use our clinic quality and patient experience ratings and resources to improve your health and health care.

SELECT A HEALTH TOPIC FOR DETAILED RATINGS

Select

[View all Clinic Quality of Care Ratings](#)

[View all Clinic Patient Experience Ratings](#)

# Public Reporting – Cost *and* Quality

<input type="checkbox"/> COMPARE SELECTED <span style="float: right;">f t in ✉</span> <span style="float: right;">ADD MEASURE COLUMN</span>					
MEDICAL GROUPS	<input type="checkbox"/> TOTAL COST: MORE INFORMATION	<input type="checkbox"/> DIABETES: ADULT MORE INFORMATION	<input type="checkbox"/> VASCULAR CARE MORE INFORMATION	<input type="checkbox"/> DEPRESSION: FEL MORE INFORMATION	
Sort	Low to High Performer	Sort	Sort	Sort	
<input type="checkbox"/> South Lake Pediatrics MINNETONKA, MN	AVERAGE \$401	NOT REPORTABLE	NOT REPORTABLE	NOT REPORTABLE	
<input type="checkbox"/> Essentia Health St. Mary's DETROIT LAKES, MN	AVERAGE \$400	BELOW AVERAGE 33%	AVERAGE 49%	AVERAGE 9%	
<input type="checkbox"/> France Avenue Family Physicians- Minnesota Healthcare Network EDINA, MN	AVERAGE \$399	★ TOP 50%	AVERAGE 56%	AVERAGE 8%	
<input type="checkbox"/> North Memorial ROBBINSDALE, MN	AVERAGE \$398	ABOVE AVERAGE 42%	AVERAGE 51%	BELOW AVERAGE 4%	
<input type="checkbox"/> Entira Family Clinics (formerly Family Health Services MN) ST. PAUL, MN	AVERAGE \$398	★ TOP 52%	★ TOP 64%	★ TOP 17%	
<input type="checkbox"/> Central Pediatrics WOODBURY, MN	AVERAGE \$396	NOT REPORTABLE	NOT REPORTABLE	NOT REPORTABLE	
<input type="checkbox"/> HealthPartners Clinics MINNEAPOLIS, MN	AVERAGE \$392	★ TOP 46%	★ TOP 59%	BELOW AVERAGE 5%	

Public reporting display on *MNHealthScores.org* – Cost and quality side-by-side



# Other Formats & Audiences: Detail for Providers Only

Analysis By Claim Type for attributed patients	Actual	Expected	Actual/Expected	TCRRV™	Price Ratio	Expected based on all reported groups and adjusted for risk mix
Inpatient	\$1,837,886	\$1,731,033	1.062	0.993	1.069	UB claim form with room and board codes.
Outpatient	\$2,923,818	\$2,961,713	0.987	0.955	1.034	UB claim form, non inpatient.
Professional	\$4,414,479	\$5,209,186	0.847	0.907	0.935	All CMS-1500 claim form claims.
Rx (Prorated for missing Rx data)	\$1,560,190	\$2,117,442	0.737	0.764	0.965	Pharmacy claims prorated for Rx paid by different PBM
Total	\$10,736,372	\$12,019,374	0.893	0.907	0.985	

Utilization Metrics 2016 Totals 2016 totals for all patients attributed to Sample Medical Group	2016 Totals			Per 1000 Patients Per Year Average Number of Events for 1,000 patients in a year				
	Actual	Expected	Difference	Actual	Expected	Difference	Ratio	Market Wide Rate
Admissions	111	106	5	52.4	49.8	2.59	1.05	55.1
Days	419	445	(26)	197.6	210.1	(12.47)	0.94	206.7
Average Length of Stay	3.77	4.22	(0.45)	3.77	4.22	(0.45)	0.89	3.75
Surgical Admits	44	36	8	20.8	16.9	3.81	1.23	16.2
Surgical Days	152	152	0	71.7	71.5	0.15	1.00	61.2
Average Length of Stay	3.45	4.22	(0.77)	3.45	4.22	(0.77)	0.82	3.79
Medical Admissions	67	70	(3)	31.6	32.8	(1.23)	0.96	38.9
Medical Days	267	294	(27)	125.9	138.5	(12.57)	0.91	145.4
Average Length of Stay	3.99	4.22	(0.23)	3.99	4.22	(0.23)	0.94	3.74
Emergency Room	332	345	(13)	156.6	162.6	(6.01)	0.96	164.2
High Tech Imaging in ER	59	85	(26)	27.8	39.9	(12.07)	0.70	38.9
Outpatient Surgery	207	273	(66)	97.6	128.5	(30.90)	0.76	129.9
Office Visits	8,324	8,665	(341)	3,926.3	4,087.2	(160.90)	0.96	4,158.8
Primary Care	5,197	4,497	700	2,451.3	2,121.4	329.95	1.16	2,183.3
Specialty Care	3,127	4,168	(1,041)	1,474.9	1,965.8	(490.85)	0.75	1,975.5
Lab	10,637	12,757	(2,120)	5,017.3	6,017.2	(999.91)	0.83	6,377.5
Radiology	1,528	1,783	(255)	720.7	840.9	(120.17)	0.86	949.0
High Tech Imaging <sup>1</sup>	451	500	(49)	212.7	236.0	(23.27)	0.90	231.8
Standard	1,077	1,282	(205)	508.0	604.9	(96.91)	0.84	717.21
Pharmacy - Count of scripts	23,049	24,647	(1,598)	12,771	13,656	(885.24)	0.94	14,193.2
Generic prescribing rate								87.4%
								88.1%



# What Does It Take To Accomplish Price And Cost Transparency?

- Commitment
  - Consensus on value of doing the work
  - Momentum/determination to keep moving forward
- Collaboration
  - Need to build consensus about details like attribution, level of detail reported
- Persistence
  - It takes time to get everyone on the same page and bought in to methodology – providers need more detail
  - It is a good idea to publish results privately to providers first
    - MNCM is currently the only region publishing by medical group

# Do We Need An All-Payer Claims Database?

- Surprisingly, NO.
  - MN Community Measurement uses a “distributed model” where participating health plans all run the analysis the same way and provide us the results for aggregation
  - Most other regions doing this analysis do have APCDs
  - There are advantages and disadvantages to each approach – but distributed model can be a testing ground that doesn’t require payers to give up control of their data

# Cost and Price Transparency: Things to Consider

- Price transparency has a role to play, especially when consumers face significant out of pocket costs. The best price information is:
  - Easy to find and use
  - Timely
  - Relevant to consumer's specific health concerns and insurance coverage
- But, be careful not to focus only on price:
  - Total cost of care is affected by variation in use of care and in prices. MNCM analysis finds:
    - 95% variation in resource use
    - 94% variation in price
  - Many consumers think high price = high quality. Must have information on both to make good decisions



# Cost and Price Transparency: Things to Consider, Part 2

- Transparency alone is not enough
  - Need to give consumers/employees a reason to use this information
  - Benefit design is an important tool – through its impact on both consumers' and providers' behavior. Examples include:
    - Tiered networks
    - Reference pricing
    - High-value networks

# Wrap-up/Summary

- There is more than 2.5-fold variation across medical groups in Minnesota in total cost of care
- Pharmacy and outpatient are growing at the fastest rates, but professional services still account for about 45% of growth in total cost – because they are a big share of the total to start with
- Prices for individual services also vary substantially across providers
- Measurement and transparency are important tools in driving improvement
  - Identify opportunities
  - Measure progress/impact