



Health Care Cost and Utilization

Review of Results from 2021

Community Webinar
March 1, 2023



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WELCOME!



Thanks for joining us today.



All webinar participants are in "listen-only" mode. To ask a question, please type your question into the "Q&A" box at the bottom of your screen at any time during the webinar.



During the discussion section, you may also use the "raise hand" function to ask a question.



MNCM will send a link to presentation slides and the recording to webinar attendees later this week.



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MNCM Members, Thank you!

Health Plan Members



Medical Group Members



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Financial support is essential to sustain and grow our objective, unbiased work. Your support helps assure our independent work continues. It's an opportunity for your organization to demonstrate its support and commitment to improving health care quality, equity, and affordability while strengthening our work.

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MNCM empowers health care decision makers with meaningful data to drive improvement.

What we do



Multi-stakeholder
convening



Measure
developer



Data collection,
validation



Public
transparency

How MNMCM data are used



Quality
improvement



Benchmarking



Value-based
payment



Reducing
disparities



Research
partnerships



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THE REPORT



HEALTH CARE COST & UTILIZATION IN 2021

PUBLISHED JANUARY 2023



Available on MNCM's website:

<https://mncm.org/reports/#community-reports>



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ACKNOWLEDGEMENT



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INCLUDED IN REPORT

- Cost trends across multiple years by type of service
- Total cost of care comparisons across MN regions and medical groups
- Relative price and relative resource use
- Variation in utilization rates of different services
- Utilizers of health care services



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DEFINITIONS

MEASURE		DEFINITION
RISK ADJUSTED	Total Cost of Care	All costs for patient attributed (assigned) to the appropriate medical group
	Relative Resource Use (TCRRV)	A comparison of the average amount of resources used
	Price Index	A comparison of the relative pricing of all medical costs
INDIRECT RISK ADJUSTMENT	Utilization Metrics	An observed-to-expected ratio of 21 common utilization metrics



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KEY FINDINGS



Statewide, total costs per attributed patient increased by 12.5 percent in 2021. Much of the rapid cost growth in 2021 represents a return to pre-pandemic trends.



Over the two-year period of 2020 and 2021, total cost of care grew at an annualized rate of 4.7 percent per year, which was slightly lower than the pre-pandemic trend of 4.9 percent per year from 2014 to 2019.



All regions of the state showed an increase in total cost of care, but the amount varied by region.



There were increases across all types of utilization. Outpatient surgery had the largest increase at 18.7 percent. Also notable was the 15.5 percent increase for radiology and 14.7 percent increase in lab tests.



There was also an increase in the percentage of commercial health plan members who used any health care services in 2021 compared to 2020. For all ages, the percentage of people who had any health care utilization increased from 88.2 percent to 92.8 percent.

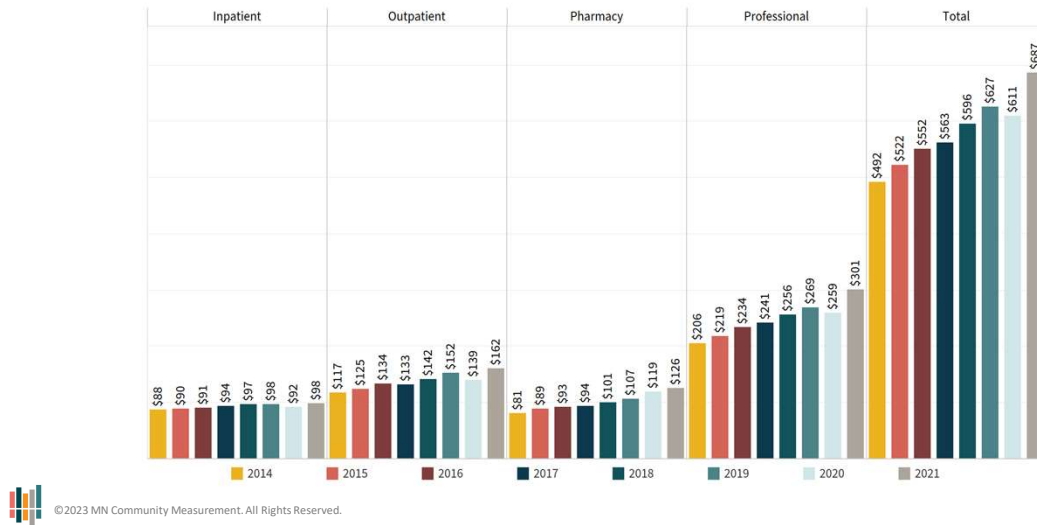


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STATEWIDE COST TREND BY TYPE OF SERVICE, PMPM

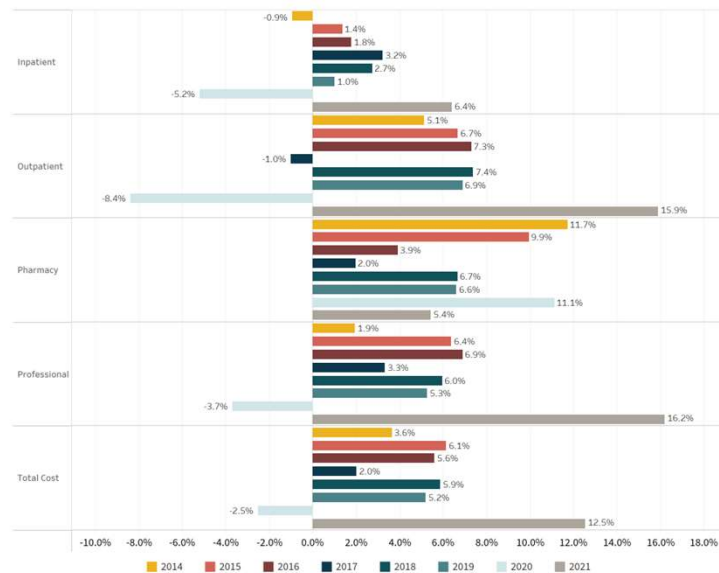


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COST GROWTH TREND

- Cost for professional services increased the most, by 16.2 percent, followed by outpatient hospital services, which increased by 15.9 percent.
- Pharmacy costs increased the least at 5.4 percent.
- This chart includes all costs for patients who were attributed to a primary care provider, without adjustments for high-cost outliers.



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RISK ADJUSTMENT FOR COMPARISONS

- Johns Hopkins Adjusted Clinical Groupings (ACG)
- All health care claims for the full year are reviewed excluding Radiology, Lab and Pharmacy
- Each patient is in one and only one of 85 categories
- Using only data in the measure, a relative market wide relative cost is calculated for each category
- A medical group's risk score is the average of all patient weights

ACG Category	Description	Cost Per Month	Weight
700	Asthma	\$111	0.180
1100	Eye/Dental	\$71	0.115
1711	Pregnancy, Delivered, No Issues	\$1340	2.162



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MINNESOTA REGIONAL TRENDS

Region Zip Code and Major City	Risk Adjusted Cost			Change		Percent Difference from State Average		
	2019	2020	2021	2019-2020	2020-2021	2019	2020	2021
550xx Stillwater	\$586	\$565	\$635	-3.7%	12.5%	2.3%	2.1%	1.9%
551xx St Paul	\$542	\$527	\$591	-2.8%	12.2%	-5.4%	-4.7%	-5.3%
553xx Minnetonka	\$546	\$525	\$591	-3.8%	12.7%	-4.8%	-5.0%	-5.2%
554xx Minneapolis	\$545	\$535	\$600	-1.8%	12.2%	-4.9%	-3.2%	-3.8%
556xx Two Harbors	\$664	\$623	\$701	-6.2%	12.6%	15.8%	12.7%	12.4%
557xx Cloquet	\$670	\$646	\$722	-3.6%	11.8%	16.9%	16.9%	15.8%
558xx Duluth	\$642	\$612	\$661	-4.7%	8.1%	12.0%	10.7%	6.1%
559xx Rochester	\$831	\$781	\$892	-6.1%	14.3%	45.1%	41.2%	43.0%
560xx Mankato	\$684	\$633	\$713	-7.4%	12.6%	19.4%	14.6%	14.3%
561xx Windom	\$639	\$603	\$671	-5.6%	11.2%	11.5%	9.1%	7.5%
562xx Wilmar	\$612	\$597	\$666	-2.5%	11.6%	6.8%	7.9%	6.8%
563xx St Cloud	\$526	\$491	\$560	-6.6%	14.0%	-8.3%	-11.2%	-10.3%
564xx Brainerd	\$568	\$567	\$640	-0.2%	12.8%	-0.8%	2.6%	2.6%
565xx Detroit Lakes	\$567	\$560	\$623	-1.2%	11.4%	-1.1%	1.3%	0.0%
566xx Bemidji	\$673	\$648	\$713	-3.7%	10.1%	17.5%	17.3%	14.4%
567xx Thief River Falls	\$628	\$607	\$690	-3.4%	13.7%	9.6%	9.7%	10.6%
Risk adjusted and outlier removed MN resident average*	\$573	\$553	\$624	-3.5%	12.8%	NA	NA	NA

*MN resident average includes only patients with a Minnesota ZIP code as their place of residence.

Risk Adjustment includes accounting for patient mix using the Johns Hopkins ACG tool and removal of outlier costs, defined as cost over \$125,000 for any patient.



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REGIONAL COST VARIATION

- Total cost is driven by both the amount of resources used and the price of each resource.
- The metropolitan areas of Minneapolis and St. Paul have lower costs due to lower prices.
- The St. Cloud and Minnetonka areas have lower cost due to lower resource use and lower prices.
- Overall, variation in prices is the primary driver of regional variation in costs.

REGION		RISK ADJUSTED RELATIVE COST AND RESOURCE USE				
Three-digit zip code	Major city in zip code area	Total Cost	Relative use	Price	Cost per member per month	
550xx	Stillwater	1.9%	2.0%	-0.2%	\$ 635	
551xx	St. Paul	-5.3%	1.3%	-6.5%	\$ 591	
553xx	Minnetonka	-5.2%	-1.0%	-4.2%	\$ 591	
554xx	Minneapolis	-3.8%	1.8%	-5.5%	\$ 600	
556xx	Two Harbors	12.4%	0.2%	12.2%	\$ 701	
557xx	Cloquet	15.8%	4.6%	10.7%	\$ 722	
558xx	Duluth	6.1%	-1.2%	7.4%	\$ 661	
559xx	Rochester	43.0%	4.0%	37.5%	\$ 892	
560xx	Mankato	14.3%	-3.9%	19.0%	\$ 713	
561xx	Windom	7.5%	0.5%	7.0%	\$ 671	
562xx	Wilmar	6.8%	-4.4%	11.7%	\$ 666	
563xx	St. Cloud	-10.3%	-7.9%	-2.6%	\$ 560	
564xx	Brainerd	2.6%	-2.6%	5.3%	\$ 640	
565xx	Detroit Lakes	0.0%	-2.1%	2.1%	\$ 623	
566xx	Bemidji	14.4%	3.8%	10.2%	\$ 713	
567xx	Thief River Falls	10.6%	5.8%	4.5%	\$ 690	

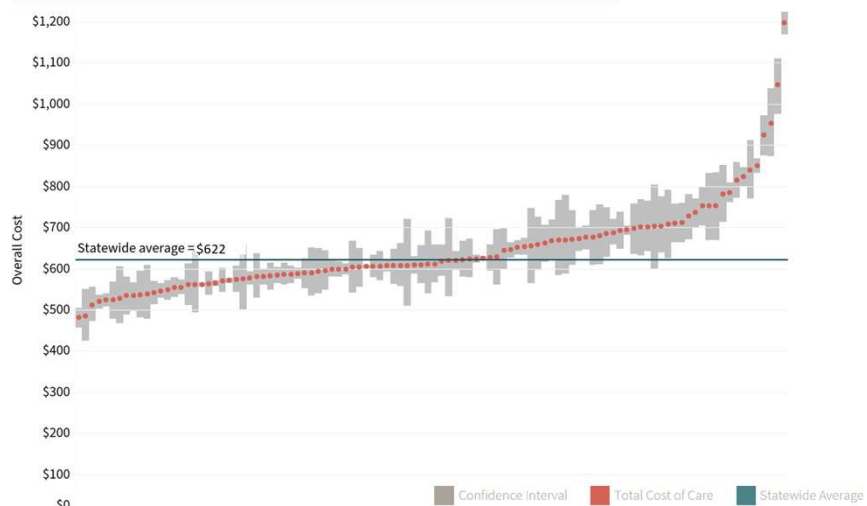


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TOTAL COST OF CARE BY MEDICAL GROUP



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RELATIVE PRICE VS. RELATIVE RESOURCE USE

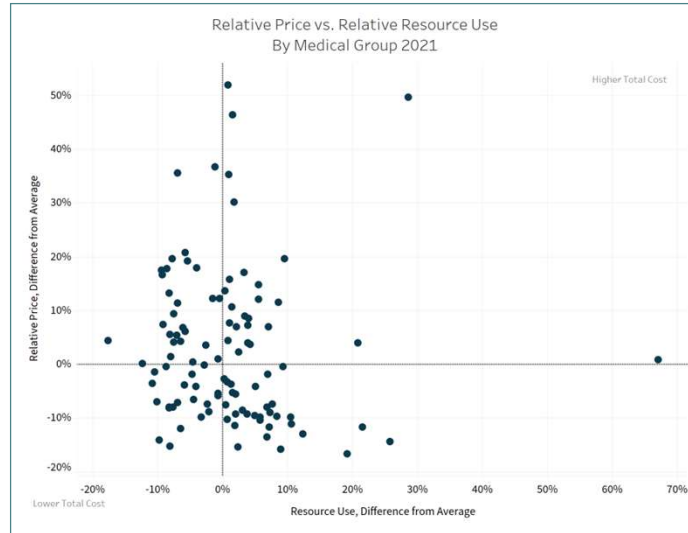
Total cost is driven by both the amount of resources used and the price of each resource. To better understand the reasons for cost variation, MNCM's analysis separates total cost into these two components.

This chart shows the relationship between relative price and relative resource use. There is variation in both.

Variation in price continues to be a more significant factor in how total cost of care varies across medical groups than the amount of resources used.



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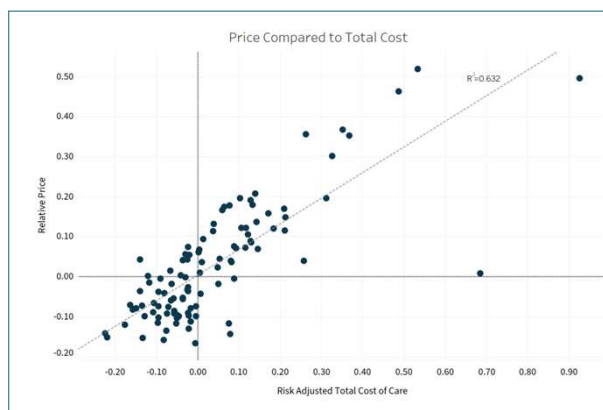


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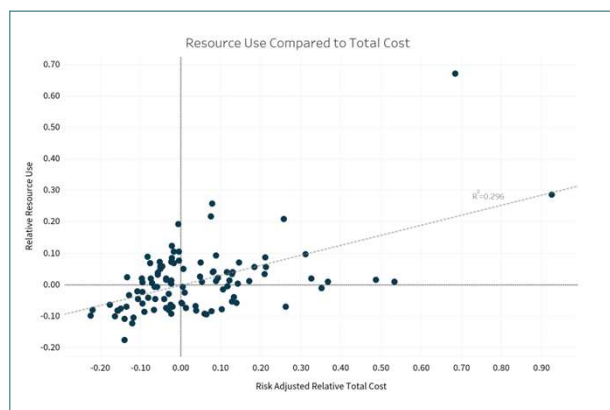
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RELATIVE PRICE VS. RELATIVE RESOURCE USE

PRICE COMPARED TO TOTAL COST



RESOURCE USE COMPARED TO TOTAL COST



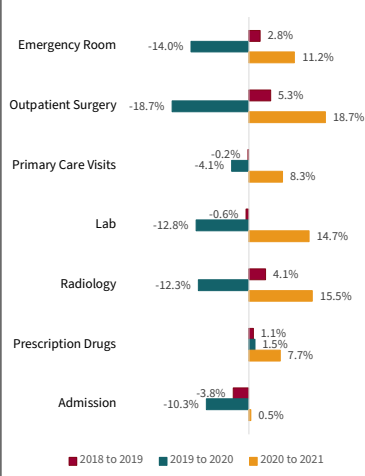
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UTILIZATION OF MEDICAL SERVICES

Changes in Utilization Per Patient



Utilization Metrics per 1,000 patients per year

	2018	2019	2020	2021
Emergency Room	166	171	147	163
Outpatient Surgery	131	138	112	134
Primary Care Visits	2,622	2,618	2,510	2,718
Lab	6,311	6,272	5,467	6,272
Radiology	944	983	862	996
Prescription Drugs	15,262	15,433	15,666	16,880
Admission	55	53	47	47



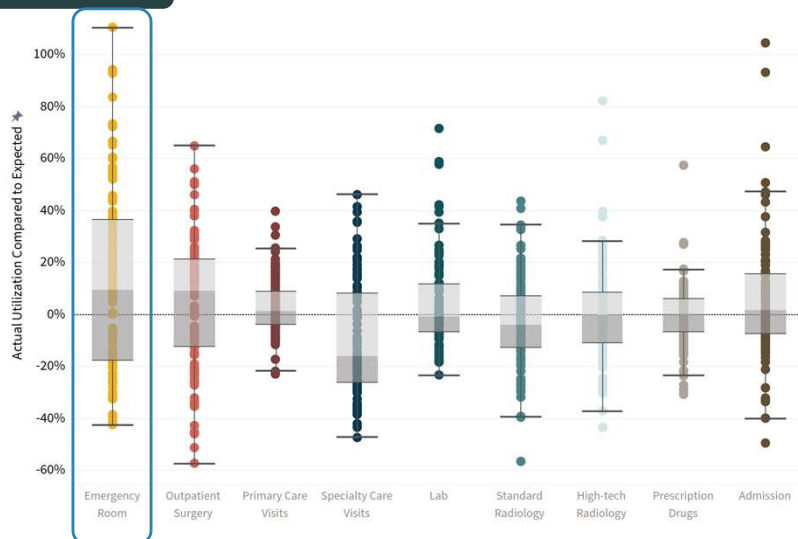
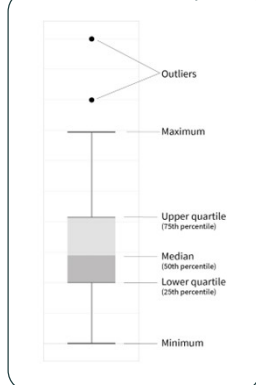
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VARIATION IN UTILIZATION

How to read a boxplot

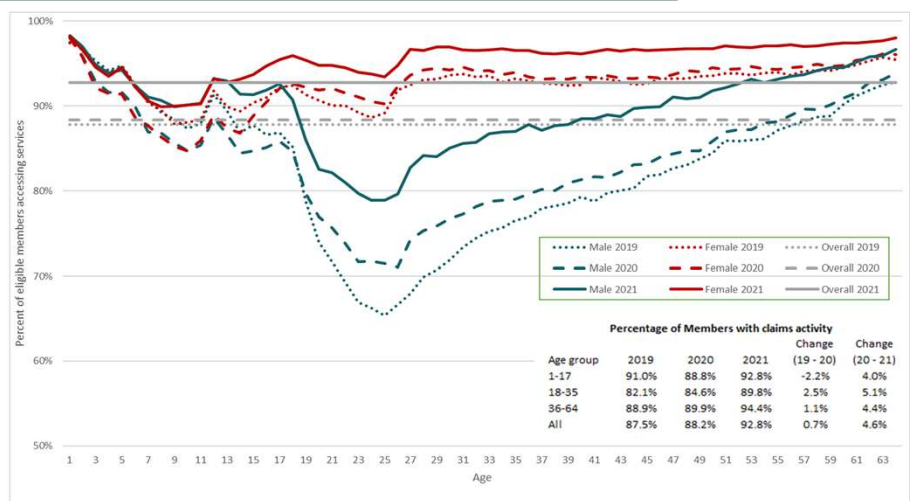


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HEALTH PLAN MEMBERS UTILIZING SERVICES



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Questions

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Upcoming Events

March 22 Webinar on Social Risk Factors Data Collection

April 26 MNCM 2023 Annual Conference

Crowne Plaza Minneapolis West | Plymouth, MN



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THANK YOU!



MNCM will send a link to presentation slides and the recording to webinar attendees later this week.



Please reach out to us at support@mncm.org with additional questions related to available data or how our data can support your work.



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