



Health Care Cost and Utilization

Review of Results from 2022

Community Webinar

December 13, 2023



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.



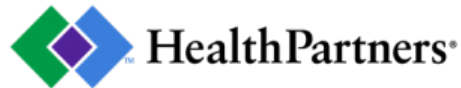
MNCM will send a link to presentation slides and the recording to webinar attendees later this week.

MNCM Members, Thank you!

Health Plan Members



Medical Group Members



MNCM Mission Supporter Program

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



Facilitated
Data Sharing

How MNCM data are used



Quality
improvement



Benchmarking



Value-based
payment



Reducing
disparities



Research
partnerships

THE REPORT



HEALTH CARE COST & UTILIZATION IN 2022

PUBLISHED NOVEMBER 2023



Available on MNCM's website:
<https://mncm.org/reports/#community-reports>



ACKNOWLEDGEMENT



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
- Average cost per procedure

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



KEY FINDINGS



Statewide, total costs per attributed patient increased by 7.0 percent in 2022. The cost growth in 2022 represents a return to pre-pandemic trends, following significant disruptions in 2020.



Over the three-year period of 2020, 2021, and 2022 total cost of care grew at an annualized rate of 5.5 percent per year, which was higher than the pre-pandemic trend of 4.9 percent per year from 2014 to 2019. General inflation was higher than recent historical averages in 2021 and 2022, which likely contributed to the higher annualized rate from 2020 to 2022.



Regional variation in total cost is driven by both the amount of resource used and price of each resource.

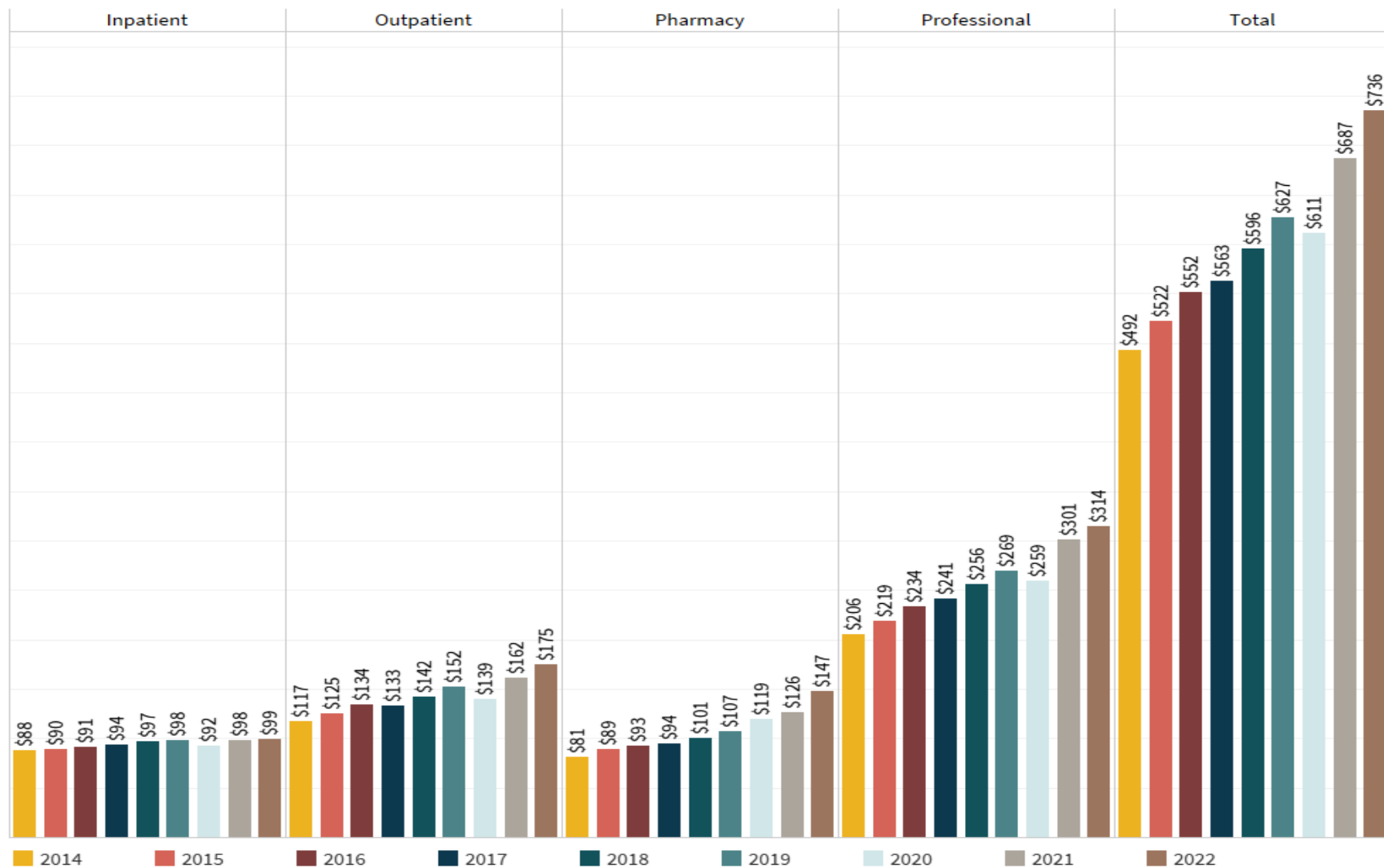


The largest in utilization was in outpatient surgery at 8.0 percent, followed by emergency room visits at 7.2 percent. Inpatient admissions decreased 4.3 percent and primary care visits decreased 2.1 percent.



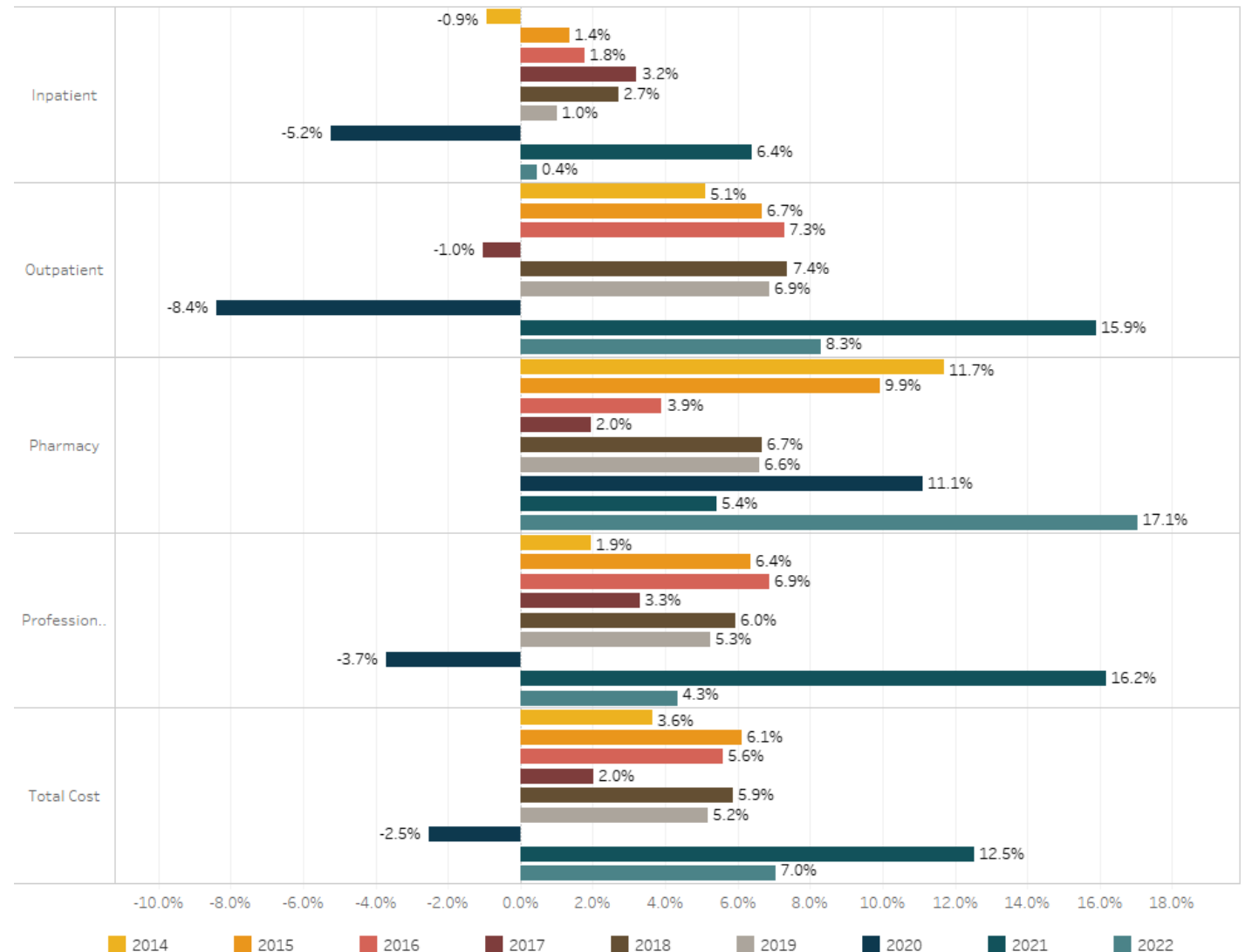
There was a decrease in the percentage of commercial health plan members who used any health care services in 2022 compared to 2021. For all ages, the percentage of people who had any health care utilization decreased from 92.8 percent to 89.5 percent.

STATEWIDE COST TREND BY TYPE OF SERVICE, PMPM



COST GROWTH TREND

- Cost for pharmacy use increased the most, by 17.1 percent. This is followed by outpatient hospital services, which increased by 8.3 percent.
- Cost for inpatient services increased the least at 0.4 percent.
- This chart includes all costs for patients who were attributed to a primary care provider, without adjustments for high-cost outliers.



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	\$100	0.152
1100	Eye/Dental	\$67	0.103
1711	Pregnancy, Delivered, No Issues	\$1389	2.117

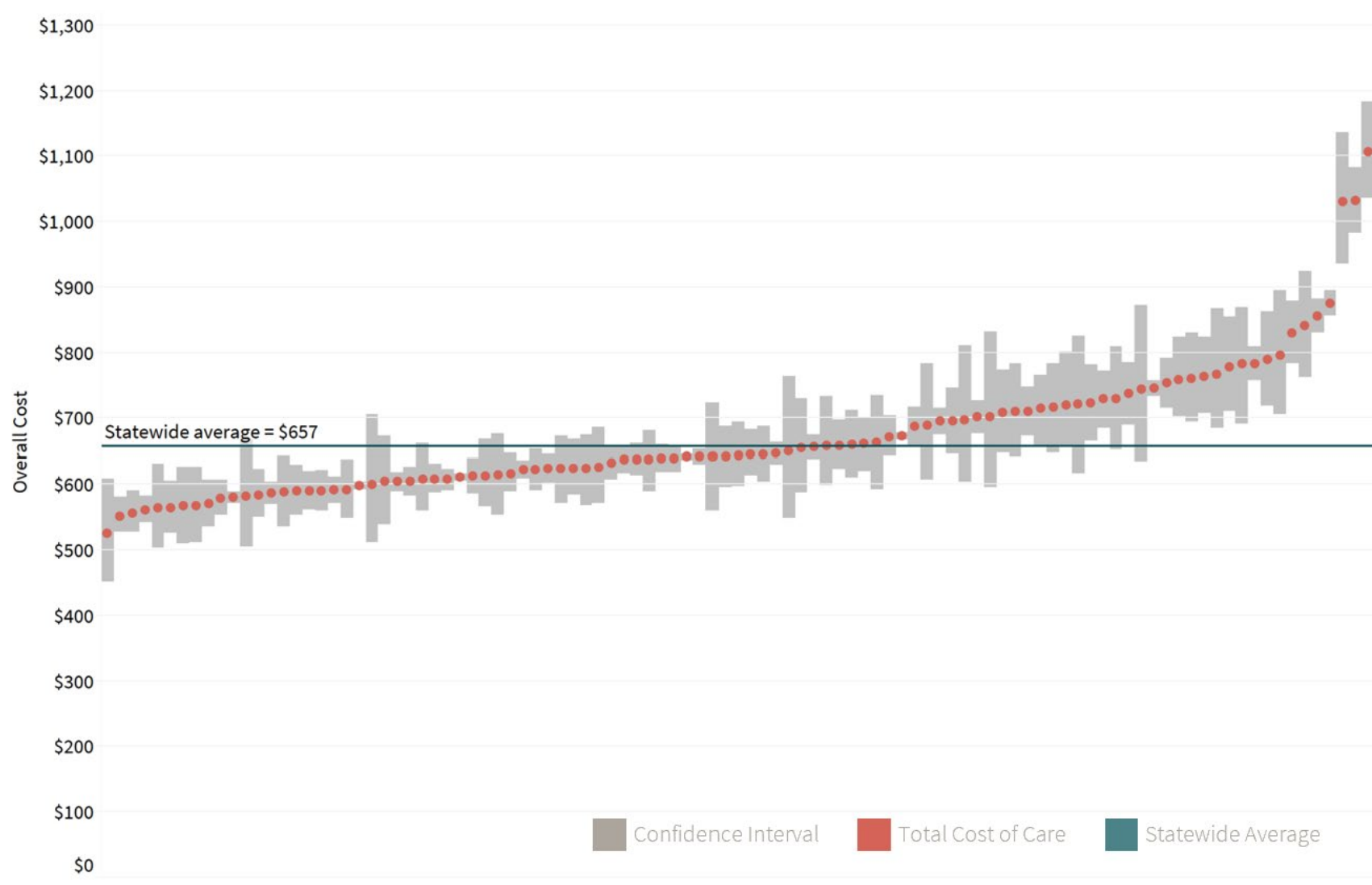
REGIONAL COST VARIATION

- 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 Windom and Detroit Lakes area have lower costs due to lower resource use.
- 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	1.3%	1.8%	-0.4%	\$ 664		
551xx	St. Paul	-3.6%	2.7%	-6.2%	\$ 632		
553xx	Minnetonka	-5.2%	-1.7%	-3.6%	\$ 622		
554xx	Minneapolis	-2.3%	3.3%	-5.5%	\$ 641		
556xx	Two Harbors	13.2%	-0.5%	13.7%	\$ 742		
557xx	Cloquet	12.9%	3.5%	9.1%	\$ 740		
558xx	Duluth	9.3%	2.0%	7.2%	\$ 717		
559xx	Rochester	37.4%	-0.5%	38.0%	\$ 901		
560xx	Mankato	12.6%	-4.6%	18.1%	\$ 738		
561xx	Windom	-1.2%	-7.9%	7.3%	\$ 648		
562xx	Wilmar	7.5%	-2.8%	10.6%	\$ 705		
563xx	St. Cloud	-8.8%	-6.9%	-2.0%	\$ 598		
564xx	Brainerd	0.5%	-4.0%	4.7%	\$ 659		
565xx	Detroit Lakes	-0.6%	-2.8%	2.3%	\$ 652		
566xx	Bemidji	10.0%	-2.7%	13.0%	\$ 721		
567xx	Thief River Falls	2.9%	-1.9%	5.0%	\$ 675		



TOTAL COST OF CARE BY MEDICAL GROUP

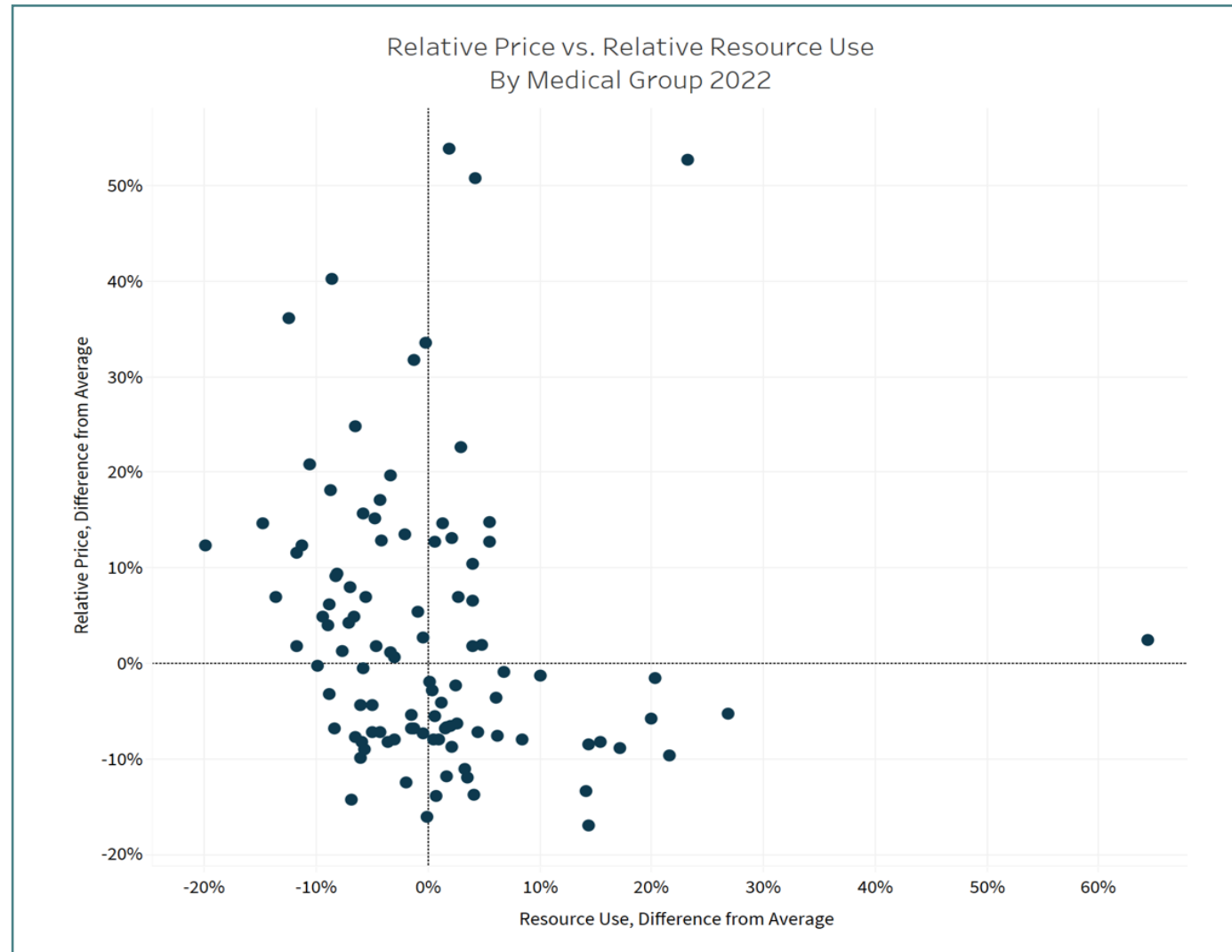


RELATIVE PRICE VS. RELATIVE RESOURCE USE

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, MN CM's analysis separates total cost into these two components.

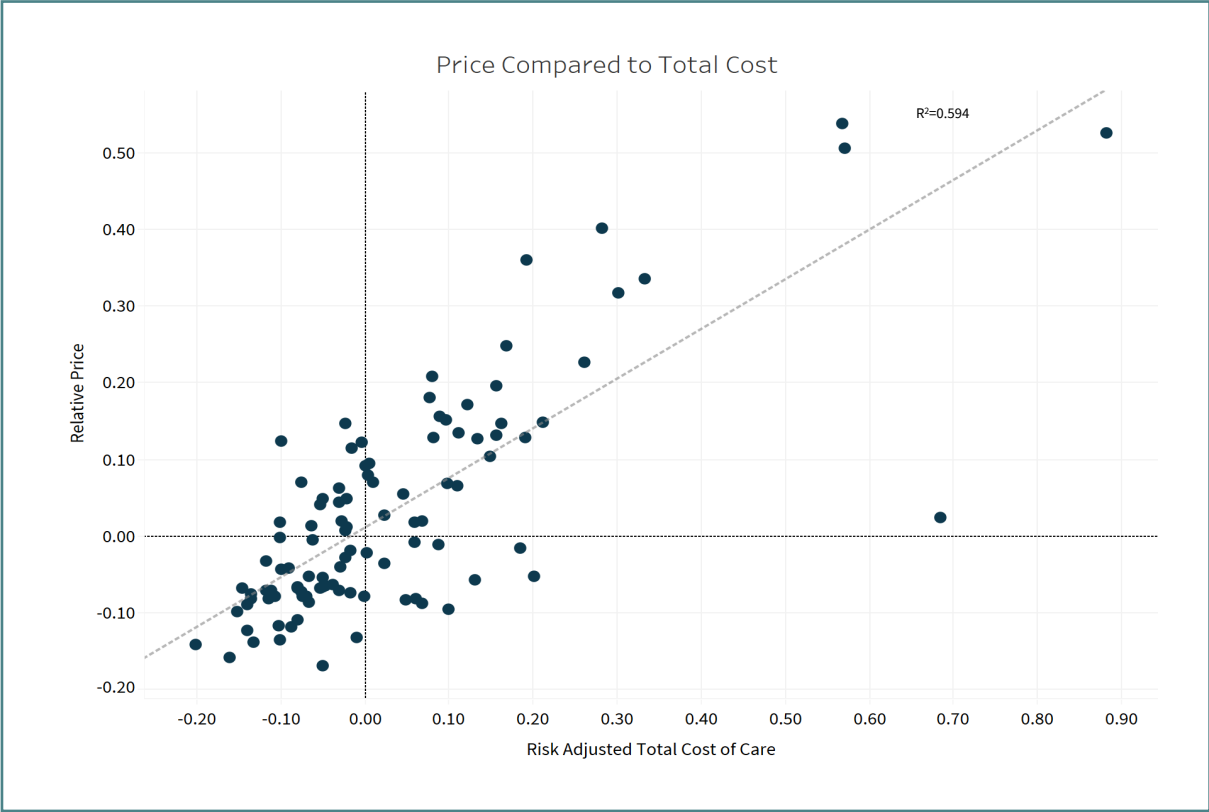
This chart shows the relationship between relative price and relative resource use. There is variation in both.

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.

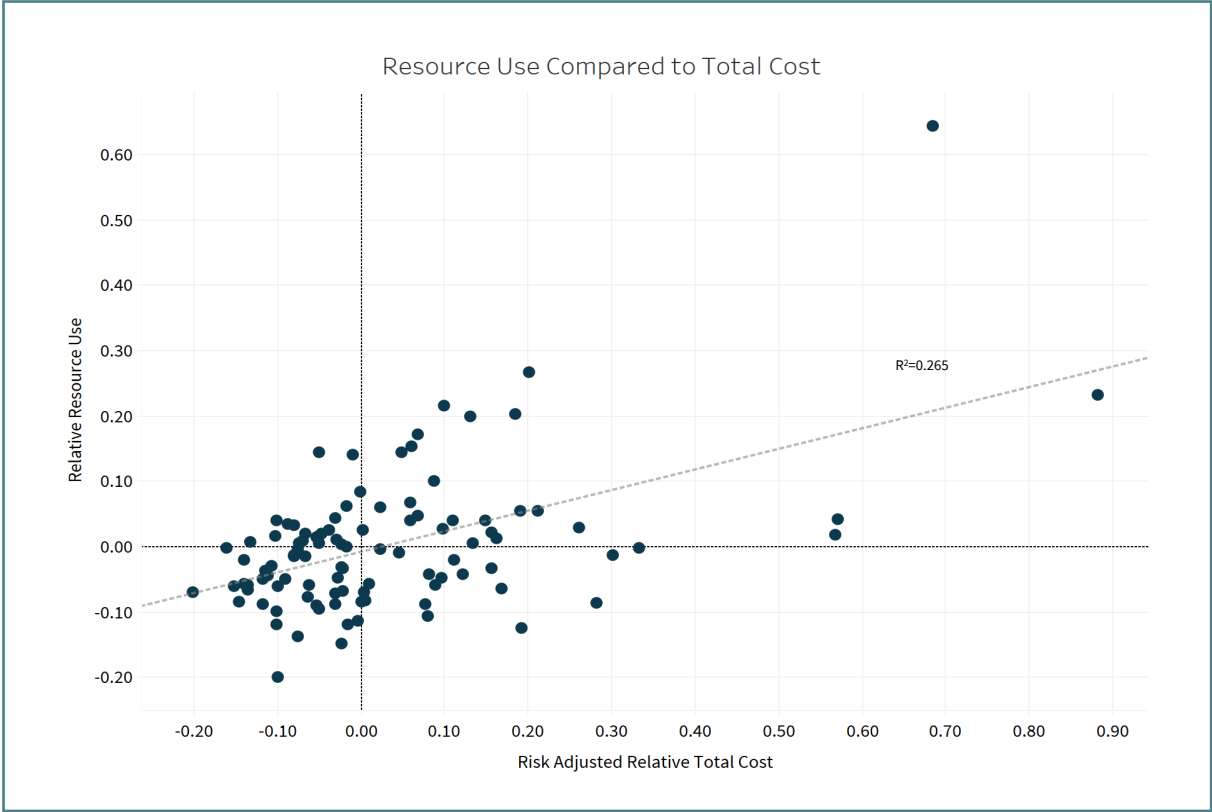


RELATIVE PRICE VS. RELATIVE RESOURCE USE

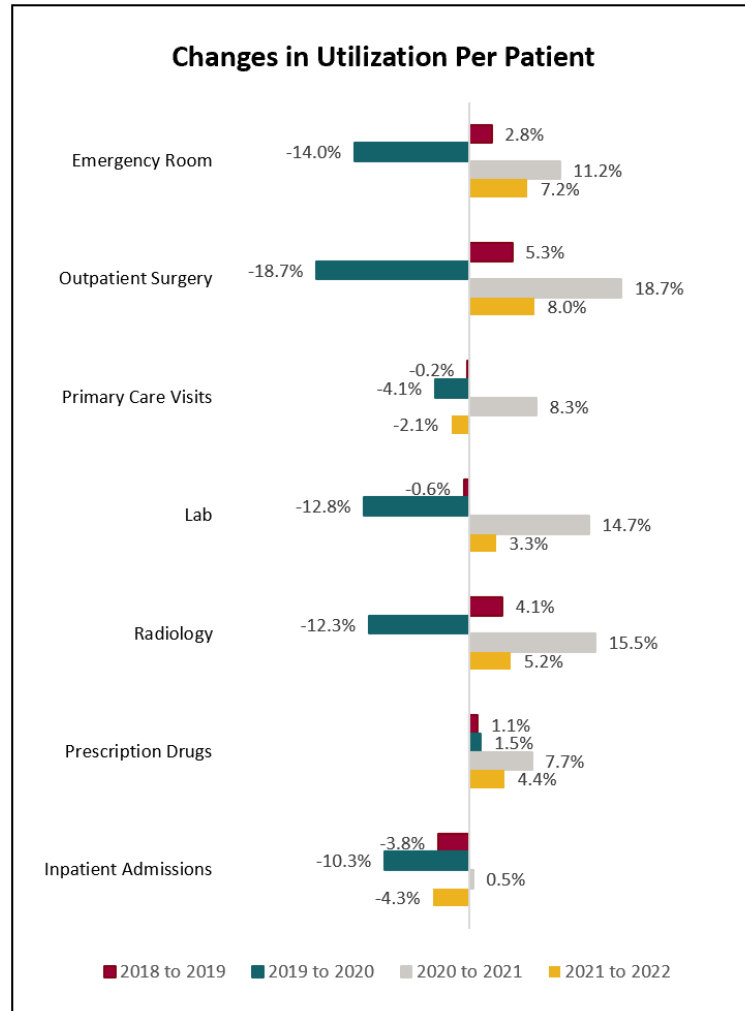
PRICE COMPARED TO TOTAL COST



RESOURCE USE COMPARED TO TOTAL COST



UTILIZATION OF MEDICAL SERVICES

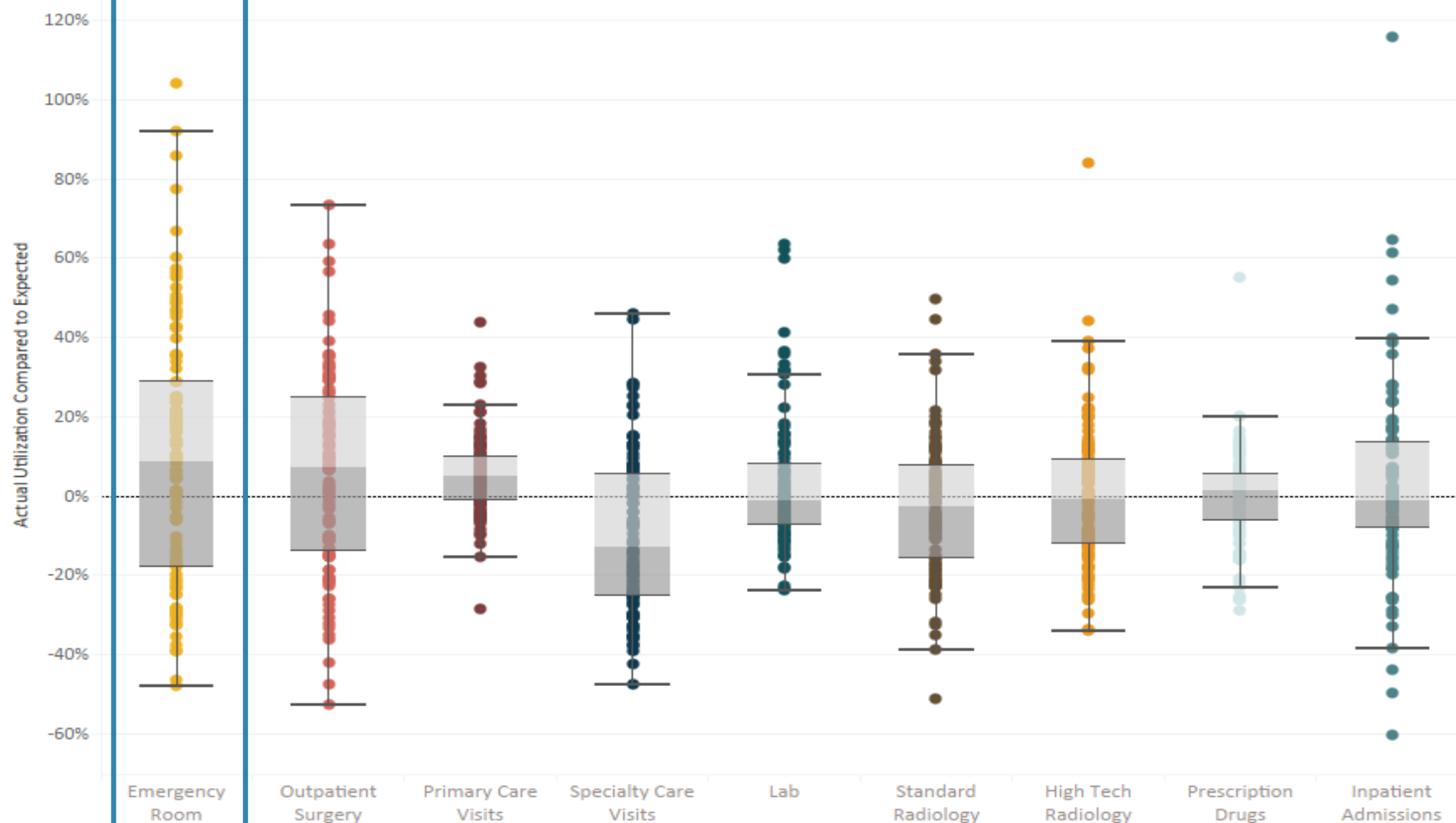
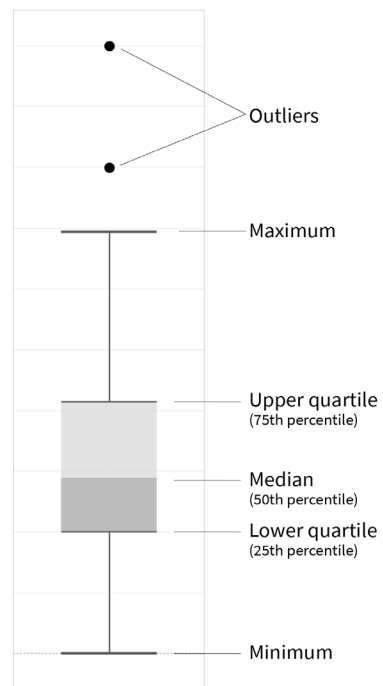


Utilization Metrics per 1,000 patients per year					
	2018	2019	2020	2021	2022
Emergency Room	166	171	147	163	175
Outpatient Surgery	131	138	112	134	144
Primary Care Visits	2,622	2,618	2,510	2,718	2,660
Lab	6,311	6,272	5,467	6,272	6,480
Radiology	944	983	862	996	1,048
Prescription Drugs (count of 30 day prescriptions)	15,262	15,433	15,666	16,880	17,617
Inpatient Admissions	55	53	47	47	45

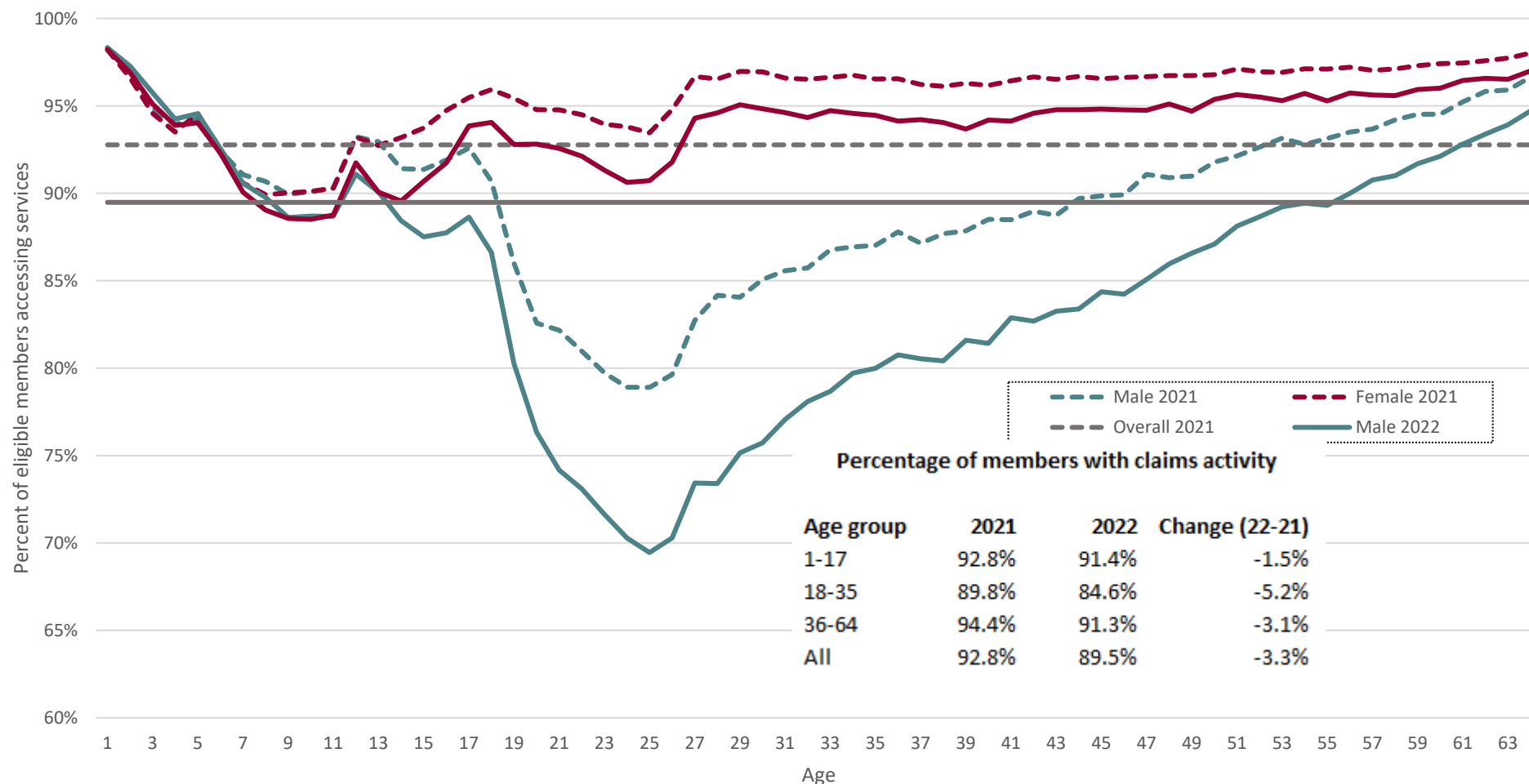


VARIATION IN UTILIZATION

How to read a boxplot



HEALTH PLAN MEMBERS UTILIZING SERVICES



AVERAGE COST PER PROCEDURE

EXAMPLES

Average Cost per Procedure



		Commercial Range			Government Fees when comparable	
		Minimum	Median	Maximum	Medicare	Medicaid
IMAGING						
71046	Chest X-ray (2 views)	\$49	\$85	\$348	\$35	\$25
72100	Spine X-ray (2 views)	\$68	\$100	\$308	\$41	\$30
72131	Lumbar Spine CT without contrast	\$323	\$485	\$1,381	\$139	\$101
72148	Lumbar Spine MRI without contrast	\$459	\$840	\$3,623	\$207	\$152
72158	Lumbar Spine MRI without and with contrast	\$864	\$1,016	\$3,672	\$348	\$254
73030	X-Ray Exam Of Shoulder	\$54	\$86	\$345	\$36	\$26
73110	X-Ray Exam Of Wrist	\$68	\$102	\$301	\$42	\$31
73562	Knee X-ray (1 or 2 views)	\$60	\$102	\$248	\$42	\$31
73610	X-Ray Exam Of Ankle	\$59	\$92	\$323	\$38	\$28
73630	X-Ray Exam Of Foot	\$54	\$87	\$370	\$36	\$26
73700	Lower Extremity CT without contrast	\$326	\$511	\$1,052	\$139	\$101
73721	Lower Extremity MRI without contrast	\$447	\$579	\$3,010	\$219	\$160
76805	Ultrasound of Obstetrical Uterus	\$211	\$321	\$814	\$140	\$103
76856	Ultrasound Exam Pelvic complete	\$182	\$249	\$860	\$110	\$80
77067	Screening Mammography digital	\$187	\$342	\$644	\$133	\$97
MENTAL HEALTH						
90791	Psychiatric diagnostic evaluation	\$136	\$294	\$471	\$177	\$145
	Psychiatric diagnostic evaluation with medical services	\$186	\$438	\$959	\$197	\$162
90792	Psychotherapy, 30 minutes with patient and/or family member	\$60	\$131	\$240	\$77	\$63
90832	Psychotherapy, 45 minutes with patient and/or family member	\$81	\$182	\$327	\$101	\$83
90834	Psychotherapy, 60 minutes with patient and/or family member	\$108	\$141	\$449	\$149	\$122
90837	Group Psychotherapy	\$10	\$44	\$163	\$27	\$22

Average Cost per Procedure (ACP) is a measure of the average amount paid to each medical group by commercial health plans for specific common ambulatory care procedures and services.

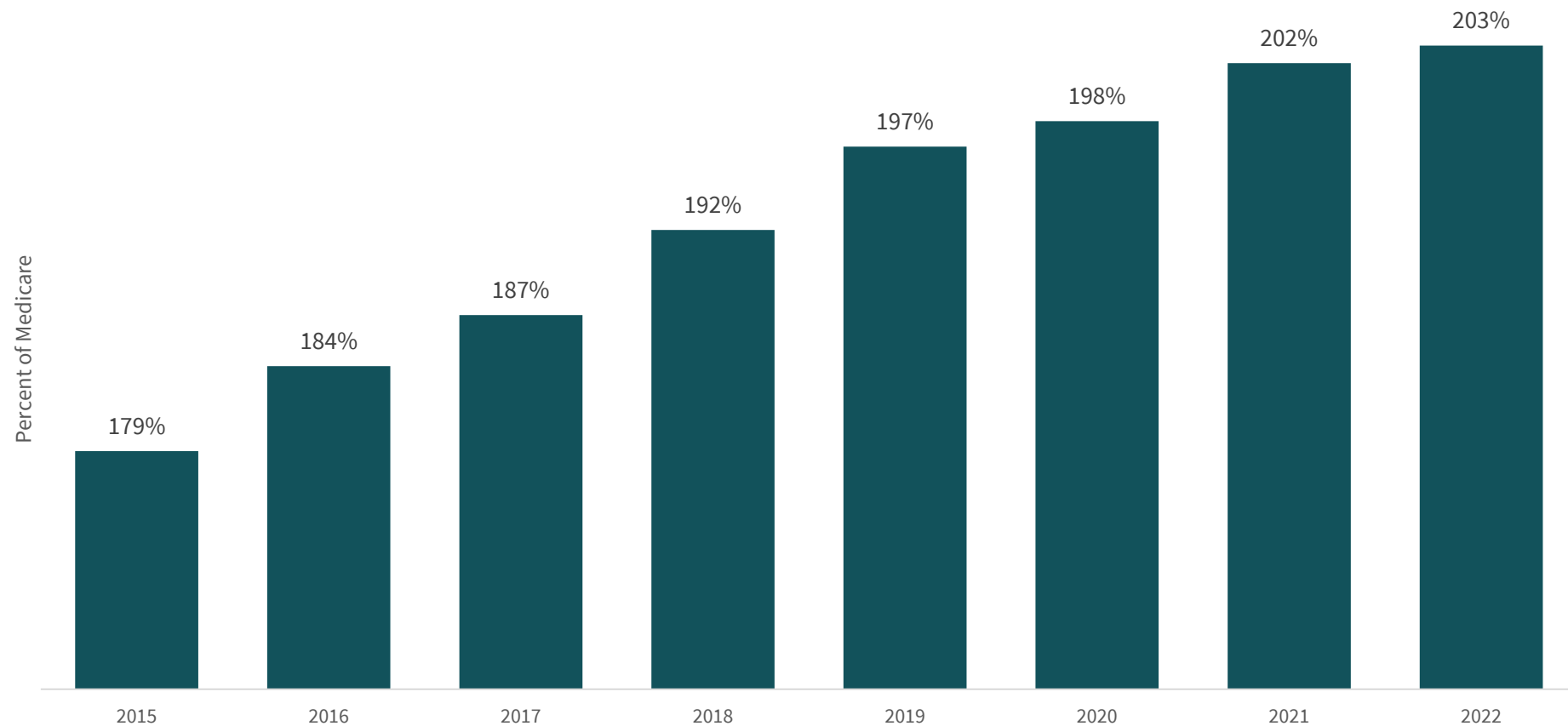
This table provides examples of pricing variation for procedures that a patient could shop for.

As shown here, prices for individual services vary substantially across providers — for example, from \$49 to \$348 for a chest X-ray.

MNCM plans to discontinue this measure in future years, since new federal price transparency requirements make it easier for consumers to obtain information specific to their situations.



COMPARISON OF COMMERCIAL PRICES TO MEDICARE





Questions

Please type your questions into the “Q&A” box at the bottom of your screen

Upcoming Events

December 20 Health Care Quality Report Part 2 Release

January 11 Health Care Quality Report Part 3 Release

January 23 Health Care Quality Report Part 2 & 3 Webinar

September 25 MNCM 2024
Annual Conference
Minneapolis Marriott Northwest
Brooklyn Park, MN

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