

# Improving Care and Controlling Health Costs for Dual Eligibles

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# SCAN Health Plan

- Founded in 1977 by senior citizen activists frustrated by lack of access to appropriate services
- Model of Care emphasizes prevention, early intervention, and providing right care at right time
- State Social Case Management Waiver Programs
- Two decades in CMS' Social HMO Demo
- Has successfully delayed or prevented 100,000 nursing home admissions in California

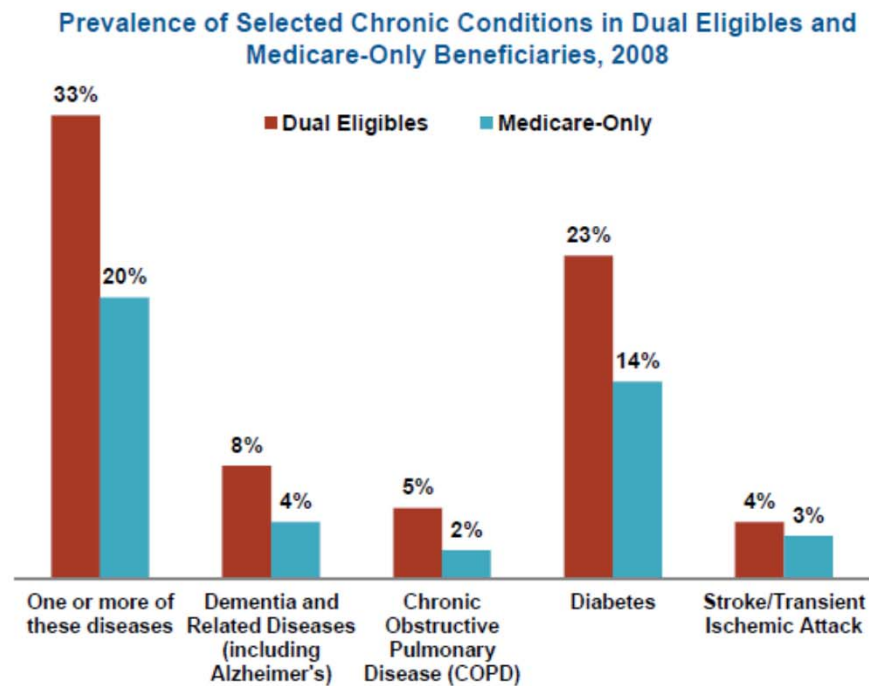


# Current Operations

- Nation's 5<sup>th</sup> largest not-for-profit MA plan
- Approximately 130,000 Medicare beneficiaries
- Nearly 8,000 California dual eligibles in D-SNPs, I-SNP, and other MA-PD plans
- Awarded a 4-star MA quality rating in California
- Manager of California's largest MSSP site since 1980
- Has state MediCal contact to provide LTC services and support

# Dual Eligibles at a Glance

## 2 Dual Eligibles Tend to Have Poorer Health Status and Are More Frail Than Medicare-Only Beneficiaries

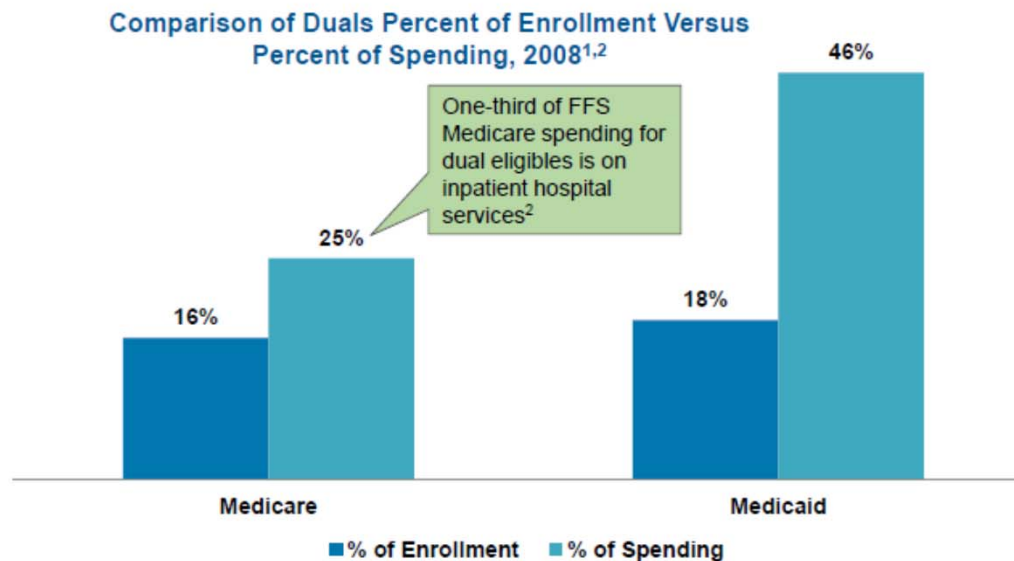


Source: Avalere Analysis of 2008 Medicare Claims Data



# Dual Eligibles at a Glance

## 2 Dual Eligibles Have Complex Needs and Account for a Disproportionate Share of Medicare and Medicaid Spending



The cost of potentially avoidable hospitalizations for dual eligibles was projected to be \$7-\$8 billion in 2011<sup>3</sup>

<sup>1</sup> MedPAC Report to the Congress: Aligning Incentives in Medicare. Chapter 5: Coordinating the care of dual eligible beneficiaries. June 2010, page 131

<sup>2</sup> Kaiser Family Foundation analysis of the CMS Medicare Current Beneficiary Survey Cost and Use File, 2006

<sup>3</sup> Segal, M. Dual Eligible Beneficiaries and Potentially Avoidable Hospitalizations. CMS Policy Insight Brief. 2011



## SCAN's Dual Eligibles

- HEDIS scores for most duals = 75<sup>th</sup> - >90<sup>th</sup> percentile
- Less than 2% of NFLOC membership are enrolled in LTC institutions
- More than 96% of SCAN members with six or more chronic conditions currently live at home
- NFLOC members average less than 12% acute hospital readmission rate
- USC found a 26% greater likelihood of discharge from SNF to home through SCAN HCBS (avoiding conversion of short term to long term stay)
- More than 96% of SCAN's dual eligible members say that they are satisfied with their benefits

# Low Disenrollment Rate

Disenrollment	SCAN FIDE-SNP	SCAN Network Average - MAPD
Voluntary	11.5	8.9
Involuntary	8.7	6.8
Total	20.2	15.2

\* The national voluntary disenrollment rate for dual eligibles was 17% in 2003 (the last year that this data was collected).

# Reduced Hospital Admissions

	<b>SCAN/HCP FIDE-SNP LA County*</b>	<b>Milliman LA County FFS Duals</b>
<b>Admits/1000/Year</b>	285	458
<b>Avg Length of Stay</b>	3.2	7.3
<b>Days/1000/Year</b>	912	3342

\* Source: 2011 encounter data  
Data is not case mix adjusted



# Lower Nursing Home Admissions

	<b>SCAN Network Average – FIDE-SNP*</b>	<b>Milliman LA County FFS Duals</b>
<b>Duals in LTC</b>	.016%	.06%

\* Source: 2011 encounter data  
Data is not case mix adjusted



# Avalere Study: Methodology

- Released April 2012
- Looks at California individuals who were dually eligible in 2009 and 2010
- 5,500 SCAN duals and an equivalent number of duals enrolled in FFS Medicare
- Risk profiles were matched to ensure accurate comparison
- Examined hospitalizations and HEDIS 30-day all-cause readmissions rates
- Performed rough estimate on Medicare savings rate



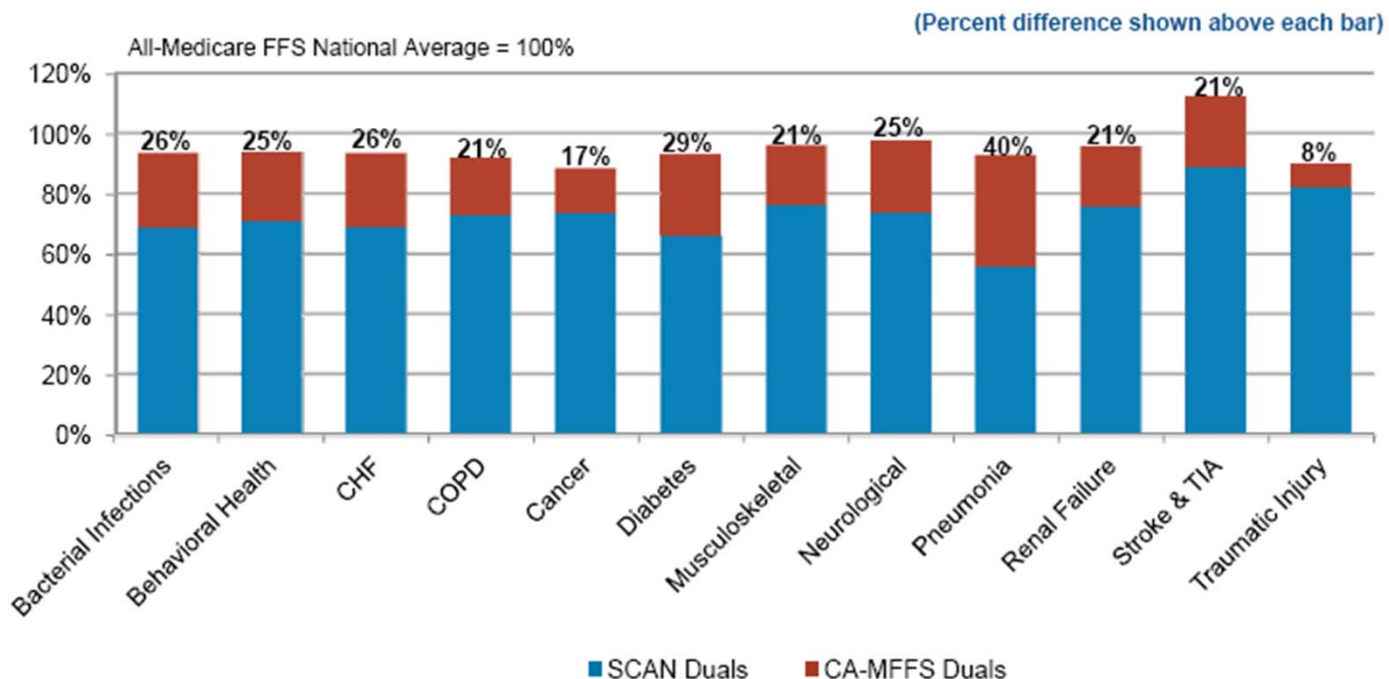
## Avalere Study: Key Findings

- Overall, SCAN performed 14 percent better on initial hospital admissions
- Overall, SCAN performed 25 percent better on hospital readmissions
- SCAN had lower rates of hospitalization for 9 of 12 measures comprising the PQI composite
- SCAN had lower rates of observed readmissions and risk adjusted readmissions for all 12 condition groups measured
- Avalere estimated at least \$50 million in potential annual savings to Medicare in California

# Avalere Health Study: Risk-Adjusted Readmission Rate

## 1 SCAN Duals Have Lower HEDIS Risk-Adjusted Readmission Rates than CA-MFFS for Twelve Select Medical Conditions<sup>1</sup>

Comparison of Risk-Adjusted Readmission Rates for SCAN and CA-MFFS Dual Eligibles Relative to the All-Medicare National Average, for Twelve Select Conditions, 2010



<sup>1</sup> Condition groups were created by mapping enrollees' prior year inpatient and outpatient claims (excluding DME and hospice) into AHRQ H-CUP Clinical Condition Software Level 3 condition groups and then combining and aggregating up to a total of 23 condition groups; the Avalere analysis was limited to these 12 selection conditions since the remaining 11 condition groups are generally "other" conditions such as "other cardiovascular disorders" which are less well defined; See Appendix for full condition group list  
NOTE: For details regarding the methodology and limitations, please see the Appendix



# Implications for Duals Reform

- Evidence shows integrated care is succeeding
- State and federal governments should press forward with the dual integration demo
- But the demo should not inadvertently undermine Special Needs Plans
- States should contract with SNPs for LTC
- Congress should extend the life of SNPs
- PACE should be expanded beyond bricks and mortar and to younger populations



# Appendix

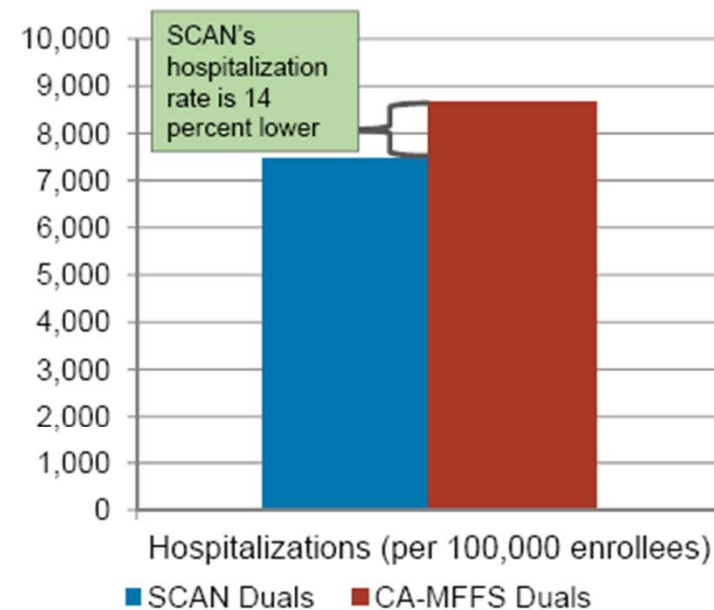
# Avalere Health Study: Hospitalization Rate

## 1 SCAN's Dual Eligibles Score Better on the PQI Overall Composite Score with a 14 Percent Lower Hospitalization Rate

### SCAN Performs Better than CA-MFFS on Select PQI Individual Measures

- SCAN's dual eligibles have lower hospitalization rates than CA-MFFS enrollees on each of the following PQI measures:
  - Congestive Heart Failure (CHF) (PQI 8)
  - Uncontrolled Diabetes (PQI 14)
  - Diabetes Short-Term Complications (PQI 1)
  - Diabetes Long-Term Complications (PQI 3)
  - Lower-Extremity Amputation Among Patients With Diabetes (PQI 16)
  - Dehydration (PQI 10)
  - Bacterial Pneumonia (PQI 11)
  - Urinary Tract Infection (PQI 12)
  - Adult Asthma (PQI 15)
- CA-MFFS dual eligibles have lower hospitalization rates for the following three PQI measures:
  - Angina Without Procedure (PQI 13)
  - Hypertension (PQI 7)
  - Chronic Obstructive Pulmonary Disorder (COPD) (PQI 5)

### Comparison of SCAN's PQI Overall Composite with CA-MFFS, 2010



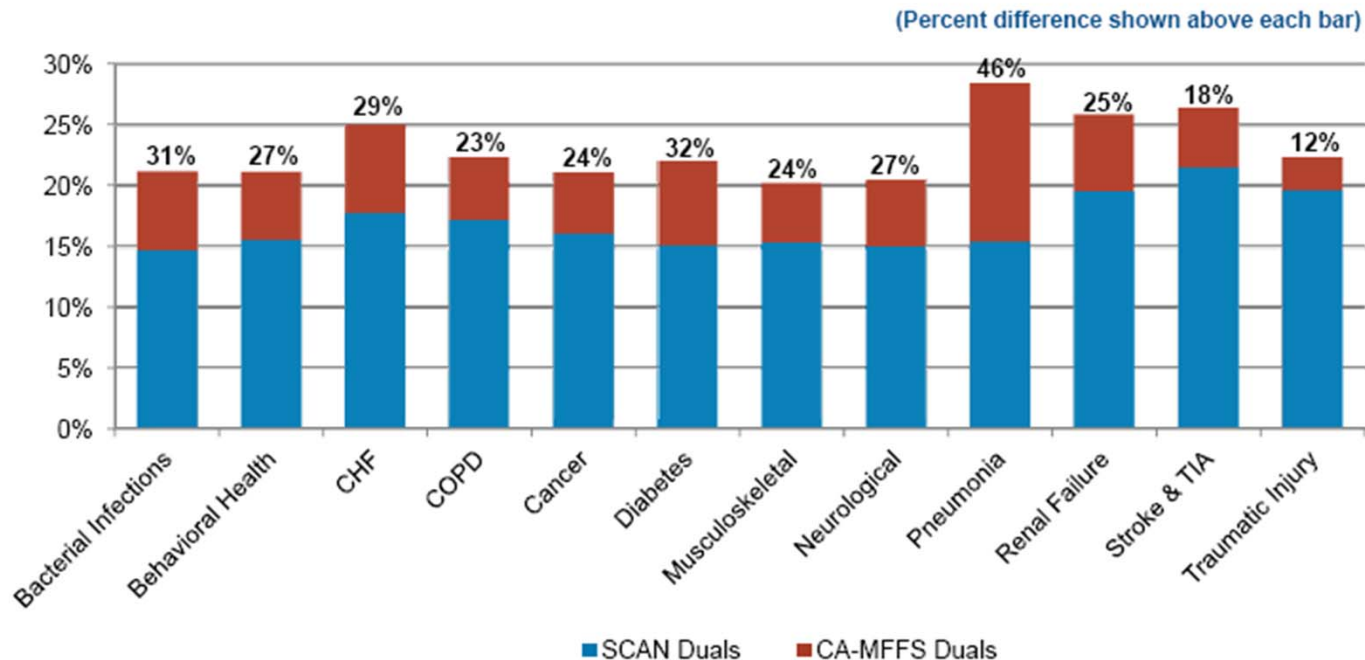
NOTE: For details regarding the methodology and limitations for this analysis, please see the Appendix



# Avalere Health Study: Risk-Adjusted Readmission Rate

## 1 SCAN Duals Have Lower HEDIS Observed Readmission Rates than CA-MFFS for Twelve Select Medical Conditions<sup>1</sup>

Comparison of SCAN's Observed Readmission Rates with CA-MFFS, for Twelve Select Conditions, 2010



<sup>1</sup> Condition groups were created by mapping enrollees' prior year inpatient and outpatient claims (excluding DME and hospice) into AHRQ H-CUP Clinical Condition Software Level 3 condition groups and then combining and aggregating up to a total of 23 condition groups; the Avalere analysis was limited to these 12 selection conditions since the remaining 11 condition groups are generally "other" conditions such as "other cardiovascular disorders" which are less well defined; See Appendix for full condition group list  
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# Further Discussion

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