SALIENT® HEALTHCARE

A Division of Salient Management Company

Beneficiary Retention

Introduction:

Beneficiary retention is a key performance indicator for all ACOs. Continuous attribution to the ACO for an entire calendar year promotes continuity of care. ACOs with a high churn rate (high rate of lost patient attribution) is an indication of an underperforming ACO. Ensuring that the ACO has a low churn rate is the first step before moving to risk in order to decrease variability and increase predictability.

Assumption I:

If I decrease churn, I can lower the total cost of care.

Proof I:

As seen below in the table, an ACO has a PMPY of $11,731 and an average risk score of 1.30. When analyzing the continuously assigned population, the PMPY decreases by 16% to $9,806 with an average risk score of a 1.34. When analyzing the population that is not continuously assigned, the PMPY increases by approximately 33%, to $15,548, with an average risk score of a 1.22. The continuously assigned population has shown to decrease the total cost of care while simultaneously increasing the average risk score.

Whole ACO

Unique Attributed Beneficiaries	Claim Pmt Amt	PMPY Actual	Avg Risk Score per Beneficiary
11,524	$71,615,488.33	$11,731.91	1.30

Continuously Assigned Population

Unique Attributed Beneficiaries	Claim Pmt Amt	PMPY Actual	Avg Risk Score per Beneficiary
9,629	$39,790,135.07	$9,806.56	1.34

Non-Continuously Assigned Population

Unique Attributed Beneficiaries	Claim Pmt Amt	PMPY Actual	Avg Risk Score per Beneficiary
3,916	$31,825,353.26	$15,548.58	1.22

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Assumption II:

If I decrease churn, I can better manage chronic conditions.

Proof II:

In order to ensure continuous attribution of the assigned beneficiaries to the ACO, it is important to increase visit frequency. CMS has published that approximately 70% of the total Medicare population has one or more chronic conditions. Therefore, to manage chronic conditions effectively, patients with one or more chronic conditions should be seen on a quarterly basis. With increased visit frequency comes early detection of disease pathology, higher instances to catch patient noncompliance, increased patient trust, a stronger relationship with the provider, as well as a higher likelihood of appropriate exacerbation triage.

As noted below, we can clearly see that the diabetic population follows the same pattern as the total population with regard to spend PMPY and average risk score per beneficiary. Furthermore, the same pattern applies to two other chronic condition diagnoses, CHF and COPD. All three populations, despite diagnoses, have a decreased PMPY and an increased average risk score when the beneficiaries are continuously assigned to the ACO.

Diabetes

Heart Failure

COPD

Whole ACO

Total CC Diabetes: 2

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary
Diabetes	2,702	$18,980.45	1.71
No Diabetes	5,446	$10,242.75	1.07

Total CC Heart Failure: 2

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary
Heart Failure	1,271	$33,478.23	2.39
No Heart Failure	6,877	$9,627.75	1.10

Total CC COPD: 2

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary
COPD	1,051	$30,968.92	2.24
No COPD	7,097	$10,565.62	1.15

Continuously Assigned Population

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary
Diabetes	1,577	$15,986.03	1.72
No Diabetes	2,907	$9,425.73	1.11

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary
Heart Failure	701	$27,347.06	2.36
No Heart Failure	3,783	$8,995.12	1.15

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary
COPD	590	$25,555.38	2.26
No COPD	3,894	$9,688.94	1.19

Non-Continuously Assigned Population

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary
Diabetes	1,206	$24,984.46	1.69
No Diabetes	2,710	$11,562.14	1.01

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary
Heart Failure	644	$44,304.91	2.45
No Heart Failure	3,272	$10,722.69	1.00

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary
COPD	519	$40,662.48	2.22
No COPD	3,397	$12,080.54	1.07

Additionally, when analyzing the compliance of quality metrics, we note higher compliance for those beneficiaries continuously attributed to the ACO. In this example, we can see the total population receiving their HbA1c at a 75% completion rate. When the population is continuously assigned to the ACO, we see an increase of the HbA1c to 83.3%. When the population is not continuously assigned, we see a decrease of the HbA1c completion rate to 61.2%.

Whole ACO

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary	Unique Beneficiaries w HbA1C %
Diabetes	2,702	$18,980.45	1.71	75.4
No Diabetes	5,446	$10,242.75	1.07	29.1

Continuously Assigned Population

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary	Unique Beneficiaries w HbA1C %
Diabetes	1,577	$15,986.03	1.72	83.3
No Diabetes	2,907	$9,425.73	1.11	34.1

Non-Continuously Assigned Population

	Unique Attributed Beneficiaries	PMPY Actual	Avg Risk Score per Beneficiary	Unique Beneficiaries w HbA1C %
Diabetes	1,206	$24,984.46	1.69	61.2
No Diabetes	2,710	$11,562.14	1.01	22.0

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Beneficiaries that are appropriately triaged, when plagued with an illness, tend to have better outcomes and higher patient satisfaction. Many beneficiaries with COPD, that contract the flu, end up with a hospital admission compared to those who contract the flu without a chronic condition. Salient sought to prove that when patients are continuously attributed to the ACO, proper triaging will promote lower total cost of care in the hospital setting, as well as a decreased length of stay for those patients with COPD that have contracted the flu. As seen in the table below, the total COPD population that has had an inpatient admission with the flu diagnosis has a claim average payment amount of $4,102 and an average length of stay of 1.7 days. For the continuously attributed population with COPD that have had an inpatient admission with the flu diagnosis, we see a decrease in claim average payment amount by 5% to $3,897 and a decrease in average length of stay by 30% to 1.2 days. For the population not continuously attributed with COPD that have had an inpatient admission with the flu diagnosis, we see an increase in claim average payment amount by 4% to $4,262, and an increase in average length of stay by 47% to 2.5 days.

Whole ACO

	Claim Pmt Amt	Claim Avg Pmt Amt per Beneficiary	Procedure Count	Avg Length of Stay
COPD	$65,640.37	$4,102.52	79	1.7

Continuously Assigned Population

	Claim Pmt Amt	Claim Avg Pmt Amt per Beneficiary	Procedure Count	Avg Length of Stay
COPD	$27,280.59	$3,897.23	35	1.2
No COPD	$27,271.09	$826.40	198	0.2

Non-Continuously Assigned Population

	Claim Pmt Amt	Claim Avg Pmt Amt per Beneficiary	Procedure Count	Avg Length of Stay
COPD	$38,359.78	$4,262.20	44	2.5
No COPD	$45,790.79	$2,543.93	64	1.8

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Conclusion:

Beneficiary retention is an important KPI to ensure a steady population before taking on risk and growing the ACO. It is important to be proactive as ACO administrators and providers, and to conduct continuous process improvement. Be sure your analytics and management vendor can provide you with proactive and analytical list / summaries / reports that are actionable and timely to drive the ACO towards success.

Salient Healthcare combines decades of experience in value-based healthcare programs with our industry-leading analytics platform to deliver the only end-to-end performance management solution designed specifically for value-based healthcare organizations.

Our methodology helps healthcare organizations achieve lower costs, higher quality, greater insights, and improved outcomes across the continuum of care.