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# Identifying Seniors for Supplemental Benefits- Across the Health and Disease Continuum

MAY 2021

## A Risk-based Population Identification and Stratification for Healthy Living Interventions

COVID-19 pandemic has greatly exposed the critical importance of addressing the health-related social needs of vulnerable populations, especially older adults with complex medical conditions. Historically, single condition management programs have focused on one chronic disease, often missing opportunities to support other health care needs or interventions for primary prevention and health promotion. **This represents a missed opportunity to engage Seniors in their own health and wellness activities by using additional benefits for services with greater impact on their overall health and conditions.**

Medicare is now recognizing the importance of addressing health support in addition to treatment. Over the past several years, Medicare Advantage (MA) plans have been given flexibility to provide additional **supplemental benefits** – including food, transportation, over-the counter items and housing supports – to meet the growing needs of members with complex chronic conditions. When a health plan is at financial risk with Medicare Advantage, offering these lower cost benefits can improve overall cost of care and better quality of life. While this provides a compelling advantage for MA plans, there is not enough evidence showing the impact of these additional benefits on population health outcomes.

Health care organizations interested in adding **supplemental benefits** to their standard MA offerings should identify, stratify, and rank all populations at health risk for disease complications, excessive resource utilization or total medical cost. We discuss below a data-driven approach for identifying individual health-related risk factors based upon a deeper understanding of their current status on the health and disease continuum.

**Armed with this deeper understanding, organizations can strategically target the right services to the right populations, at the right time – and do so in a more measurable and predictable way, supporting the need to demonstrate and articulate a compelling value proposition.**

## Opportunity for Meaningful Intervention with Medicare Supplemental Benefits

**Supplemental benefits**, a competitive value proposition for Medicare Advantage (MA) programs, are on their way to become a differentiator for all payers and plans. These addition discretionary benefits are thought to drive higher enrollment and growth in MA plans. Regulatory changes enacted by the Centers for Medicare and Medicaid Services (CMS) in 2018 and 2019 expanded the scope of supplemental benefits to support day to day health maintenance and social determinants of health (SDOH) for beneficiaries with chronic illnesses.

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Adoption of new supplemental benefits in response to new CMS guidelines was initially slow. For the 2020 benefit cycle, CMS allowed a new type of “not primarily health-related” benefit category designed for social needs – the Special Supplemental Benefit for the Chronically Ill (SSBCI), Since then, despite a slow start, adoption appears to be growing quickly. Notably, many MA plans took advantage of CMS additional regulatory flexibility in 2020, which permitted plans to provide mid-year benefit enhancements to support the need for physical distancing during the COVID-19 pandemic, including meal and grocery delivery. Further, CMS announced, for calendar year 2021, MA plans may count supplemental benefit spend in the Medical Loss Ratio (MLR) numerator – a significant financial incentive supporting MA plan adoption (as long as overall cost reduced).

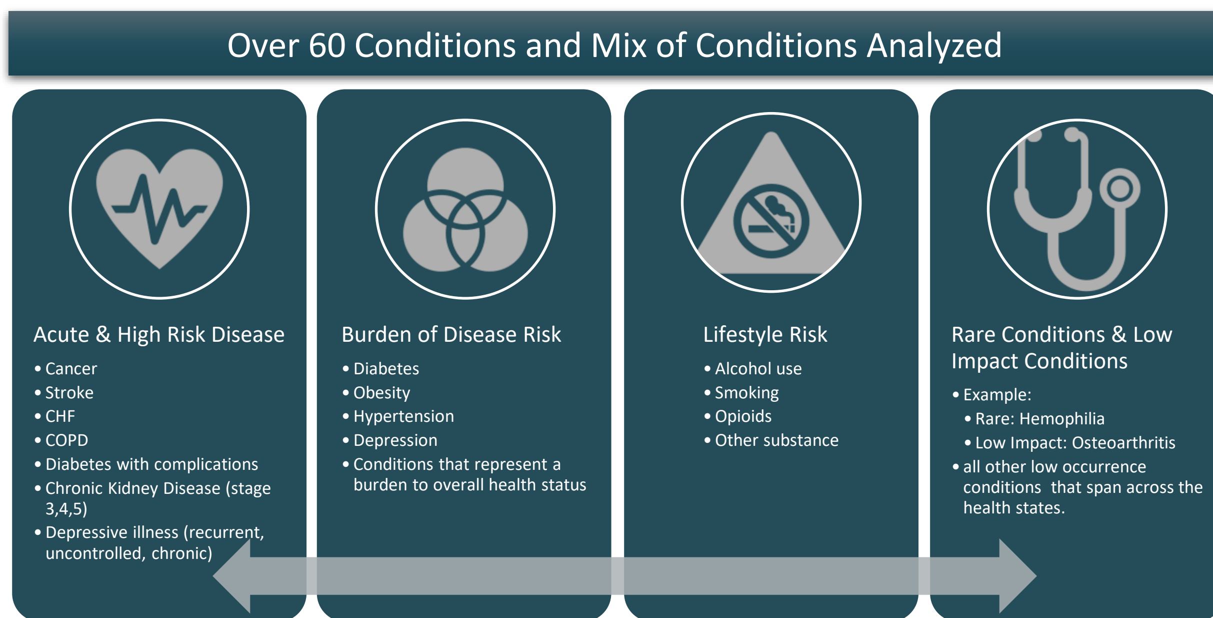
> **With continued maturity of this emerging market segment (in part accelerated by COVID-19 related changes), coupled with the entry of startup companies looking to facilitate adoption, providing the basis for plans to evaluate the value and performance of new benefits is an imperative.**

## Data-driven Identification of Actionable Health Risks: A novel approach

A promising avenue maximizing ability to measure and predict value (return on investment) via the offering of SSBCI is to direct these new services to the at-risk population who most need them, at the right time in their health journey. As is the case with population health management programs, the offering of new supplemental benefits requires analytics to inform targeted delivery of specific interventions.

Our analytics and strategic business development experts, supported with epidemiology and clinical insights, have designed a framework for evaluating populations along a continuum of health and illness. We believe this approach helps our clients evaluate at-risk populations to identify not just what their health-related issues are today (and what is driving associated health care cost), but where they are likely heading and what the best opportunities are to intervene to improve future outcomes and cost.

***While health insurance claims alone can be used for clinical risk segmentation, incorporating a mix of disease burden with other health related factors can drive more precise stratification –***




***Not just WHO is at-risk but finding the right timeframe for optimal results and adoption.***

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## Analytic framework:

If the goal is to employ a deeper understanding of not just where someone is today (in their health journey) but where they are likely headed, it is useful to not just take a "snapshot" of what their current clinical conditions are, but to layer in measures of the overall "burden of illness" as it pertains to their health status. This might include information derived from claims and/or electronic medical records (EMR) about how well their health is being managed and/or controlled, and what their relative patterns of health care utilization can tell us about where they are headed.

In this manner, we might identify individuals who may not be "high cost" today but based on the observable management and progression of their health and illnesses, are likely to become "high cost" in the future. Conversely, other individuals may appear as "high cost" today but looking at the breakdown of where that cost is being generated, the cumulative impact of their clinical conditions may level off or move to a lower overall illness burden in the future.

*Two out of three Medicare beneficiaries have two or more chronic conditions, making managing chronic condition outcomes and cost a challenging priority.*

| Opportunity to Align services to drive optimal health and wellness – complementing medical treatment | Markers to understand and evaluate "shifts" in individual's health – identifying best way and timeframe for intervention(s) |
|---|---|
| • What conditions are impacting individuals?<br>• What risks are they facing, where in their journey are they, relative to their health conditions?<br>• How to account for and modify as individual health risks change, year over year<br>• What are the cost drivers, within health risk categories?<br>• How can we find individuals who are at risk for future declines in health before they incur adverse outcomes? | Deeper understanding of individual's personal health status across multiple dimensions:<br>• Physical health<br>• Emotional and mental health<br>• Burden of illness<br>• Social (lifestyle) factors<br>• Environment<br>• How their health (conditions) is being managed today and what that implies for the future |

**STEP ONE: Derive claim-based variables**

This data rich approach to modeling health risk relies first upon review of claim data to identify:

- Over **60 different conditions** along the spectrum of both acute and chronic illness
- **Burden of disease risk** (examples: diabetes, hypertension, depression) – how do utilization of services compare to expected for condition being well managed; what do these patterns reveal about the progression of illness and overall "burden" of disease?

It is already well documented that Medicare beneficiaries with multiple chronic conditions account for a disproportionate share of expenditures, but wouldn't it be helpful to target additional services that aid in the management of those conditions ***at an inflection point*** where they are predicted to be heading toward an increased burden of illness that is likely to produce poorer outcomes and higher cost?

Wouldn't the effort and expense in providing supplemental benefits targeted specifically to those individuals generate the greatest value as a way to delay or reduce future risk in terms of their quality of life, health care outcomes and cost?

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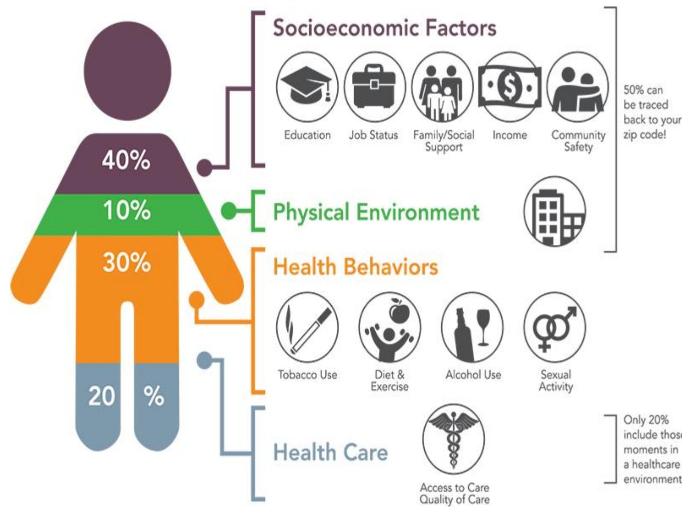
**STEP TWO: Incorporate measures of Life-Style Risk**

Where available (via accessing information from electronic medical records (EMR) or other sources of consumer data), adding measures of **Life-Style Risk** (examples: alcohol dependency, smoking) to the analytic model provides a more complete health risk assessment.




Only 20% of an individual's health status and/or health risk is attributable to interaction with health care services and delivery

It stands to reason that identification of the health status/risk for a given population will be improved via the inclusion of data and insights pertaining to health behaviors, physical environment, and socio-economic factors, along with what we can learn from individual's use of health care services.

Source: Institute for Clinical Systems Improvement, Going Beyond Clinical Walls: Solving Complex Problems (October 2014)

**STEP THREE: Model using clinical interpretation to establish weighting**

All these elements are aggregated and analyzed using weighing factors derived from medical literature and expert clinical interpretation. The model output reveals patterns that tell us more about individuals – not just what conditions they have, but where they are in the progression of their overall health and associated burden of illness and lifestyle risk. It also provides "markers" to pinpoint WHAT is driving an individual's relative risk and thus supports alignment of risk mitigation programs and interventions ((benefits) in a more predictable and impactful way.

Weighting factors are derived from health care literature and expert clinical review, leveraging data that is typically readily available in a Medicare Advantage claims dataset and (where available) via EMR

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The output from this analytic modeling allows for evaluation of a population along a continuum of health and illness, allowing for identification of cohorts at various levels of “risk” relative to future outcomes and health care utilization and cost.

| Continuum of Health/Illness cohorts | Model predicted risk – future cost increase | Members | Medical PMPM | Pharmacy PMPM | Average # of Chronic Conditions |
|---|---|---|---|---|---|
| Healthy today, with lifestyle risk | Low Risk | 91,619 | $358 | $135 | 2.5 |
| Acute illness ,plus lifestyle risk | Medium-High Risk | 140,215 | $1,177 | $313 | 2.5 |
| Multiple chronic conditions - stable | Medium Risk | 71,630 | $488 | $193 | 5.0 |
| Chronic illness, not well managed or controlled | Medium-High Risk | 60,492 | $1,432 | $330 | 5.0 |
| Evidence of health decline | High Risk | 900 | $8,024 | $684 | 8.0 |

*(Note – illustration is hypothetical, for purpose of demonstration)*

## Summary

The analytic modeling described here identifies specific population cohorts who, regardless of their current risk status and/or level of health care expense, have characteristics that suggest future risk (worse outcomes, higher cost). They are at that **inflection point** where targeting supplemental benefits will have the greatest impact and “return on investment” – relative to mitigating and/or avoiding future expense and declines in health status. While the identified population (whether due to lifestyle risk, illness burden and number of chronic conditions) will benefit from additional services aimed at their specific needs and/or conditions, focusing on those who are most likely to be facing a higher chance of declining status might yield the best opportunities.

Our analytic and health care consulting teams are well versed in the design of advanced data analytics for the assessment and evaluation of at-risk populations. We also help our clients develop strategies for development and implementation of new products, programs, and services - leveraging analytics.

Visit our web site or contact us for more information.

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