

A Series by The SCAN Foundation

Defining the Business Case for Targeted Care Coordination



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There is an old story about a man, who having lost his car keys in the dark, looks under the lamppost for them because that's where the light is – and of course, doesn't find the keys. This story plays out in health care too, where health plans use easily available administrative claims data to seek understanding of their population. However, if your population includes chronically ill people who have substantial daily living

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challenges which are known to drive up costs, administrative data won't tell you much about their everyday needs and potential solutions to those needs. Therefore, the critical question is this: how can health plans become more person-centered by using different analytic tools to understand and meet the needs of their vulnerable populations while maintaining a return on investment?

A [new report](#) and [series of briefs](#) from Avalere Health commissioned by The SCAN Foundation explore how gathering and using non-medical data to better coordinate care for high risk Medicare beneficiaries can improve person-centered care and be financially sustainable for health plans. The report confirms the long-held notion that when older Medicare beneficiaries have non-medical characteristics such as functional impairment, or self-reported fair or poor health, their risk for health care utilization increases dramatically, leading to higher costs for health plans. Avalere looked closely at how health risk assessments, the information gathering process that Medicare Advantage and Special Needs Plans are required to administer, can provide a broader picture of the person receiving care. Health plans have substantial latitude to tailor health risk assessments in order to gather information on how their population is actually functioning

on a day-to-day basis, providing a snapshot of their daily lives. This information, in turn, allows health plans to best target care coordination and transitions programs to their vulnerable members in order to meet their care and daily living needs, not just their medically-oriented needs.

This matters because Avalere's analysis shows that when effective care coordination and transition models are employed to address the medical and non-medical needs of targeted Medicare beneficiaries, their quality of care and life improves and results in a decrease in utilization of high-cost medical services.

This work offers managed care executives three critical focus areas to more effectively address the needs of their high-risk populations:

1. Identify the Full Range of Risk Factors.

Non-medical factors are as powerful as medical factors in determining an individual's health care utilization.

2. Improve Data Collection. Through a well-developed health risk assessment process that includes data on individuals' functioning in their homes and communities, health plans have an important opportunity to collect information about their members. This will strengthen their ability to identify people with high medical and functional needs and discuss care coordination interventions specific to their needs.

3. Implement Targeted Care Coordination Programs. Effective care coordination and transition efforts not only improves outcomes for people receiving care, but can also yield a positive return on investment.

In order to truly serve the individual while using limited health care dollars efficiently, we need to understand the whole person and tailor services to meet their needs. Health plans do not need to reinvent the wheel, as proven care coordination and transition models already exist. By moving in this direction, we can develop a financially stable health care system that is true to the promise of being person-centered.