NATIONAL COALITION ON HEALTH CARE

Working Together for an Affordable Future

FACT SHEET SERIES

EXPAND CARE COORDINATION FOR HIGH-COST, HIGH-NEED BENEFICIARIES

In both Medicare and Medicaid, a small fraction of patients accounts for a majority of health care costs. These patients typically face multiple chronic conditions, often accompanied by functional limitations and/or behavioral health conditions. Some are living with advanced illness. Better care for these high-need individuals is an indispensable element of any serious effort to slow the growth of health care spending while improving quality.

Background

High-Cost, High-Need Beneficiaries: Diverse Populations Facing Diverse Challenges

- Medicare beneficiaries with multiple chronic conditions accounted for 93% of total Medicare spending, and 98% of Medicare hospital readmissions in 2010. [1]
- The average per capita Medicare spending for beneficiaries with one or more chronic conditions and one or more functional limitations (limitations that require help with activities of daily living) was nearly twice that as average per capita spending for beneficiaries with three or more chronic conditions.[2]
- Medicare beneficiaries with behavioral health conditions are also more likely to generate higher costs. In 2010, Medicare spent an average of $43,792 per beneficiary aged 65+ with both severe mental illnesses and substance use disorders compared to an average of $8,649 per beneficiary for all beneficiaries aged 65+. [3]
- According to the Institute of Medicine (IOM) 2014 report, *Dying in America*, of Medicare beneficiaries who are in the top 5% of per capita costs, an estimated 11% are in their final year of life.[4]

The 15% of Medicare enrollees who have chronic conditions and functional limitations account for 32% of Medicare spending.[2]

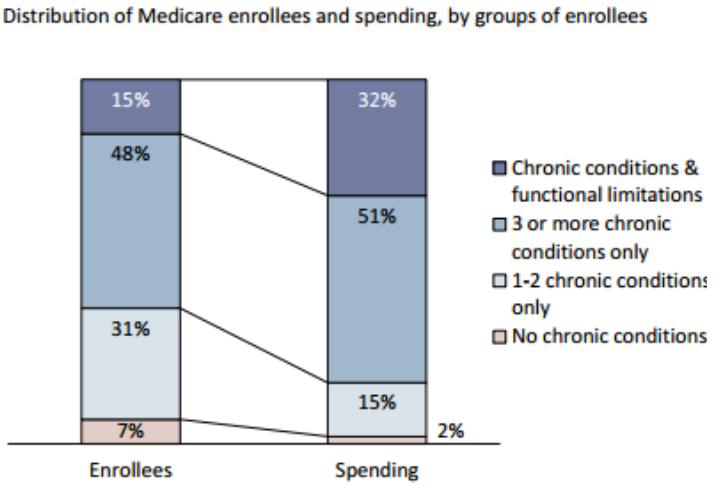

Image source: Komisar, H., & Feder, J. (2011) . *Transforming care for Medicare beneficiaries with chronic conditions and long-term care needs.*

Cost-saving, integrated approaches to care are unavailable to the majority of high-cost, high-need Medicare beneficiaries with functional limitations.

15% of Medicare beneficiaries have both one or more functional limitations and one or more chronic conditions.[2] In addition to the challenge of coping with chronic physical illnesses, these enrollees may face difficulties living in their homes and may have unmet social service needs that can contribute to hospital readmissions, poor health outcomes, and nursing home stays. For those Medicare beneficiaries who are also eligible for full Medicaid benefits, supportive services such as personal care assistance, nutritional services, and home modifications can improve care while reducing Medicare and Medicaid expenditures.[5,6] However, 57% of Medicare beneficiaries with functional limitation and a chronic diagnosis lack Medicaid coverage.[2] For them, current coverage and reimbursement rules make it difficult for either Medicare Advantage (MA) plans or Accountable Care Organizations (ACOs) to deliver coordinated care and targeted supportive services that are needed to keep them in their home and out of nursing homes.

Beneficiaries with mental health and/or substance abuse conditions have inadequate access to care due to a lack of adequate integration of primary care and behavioral health services.

Patients with behavioral health conditions use more medical resources, are more likely to be hospitalized for medical conditions, and are readmitted to the hospital more frequently than beneficiaries without behavioral health conditions.[7] Failure to recognize and appropriately address behavioral health conditions has a significant impact on both health outcomes and costs. Yet today's Medicare and Medicaid reimbursement rules discourage delivery of primary care in specialty mental health care settings, like community behavioral health centers or psychiatric hospitals, where 90% of behavioral health services are delivered. Conversely, poor integration of basic screening for and treatment of mental illness and substance abuse in primary care has helped ensure that two-thirds of medical patients with behavioral health comorbidity receive no assessment and treatment of their behavioral health conditions.[7]

Seriously ill patients encounter barriers accessing patient-centered care planning and palliative care services.

Addressing the complex medical, practical, and spiritual needs of patients with serious or advanced illnesses is always challenging, but some strategies can improve patient satisfaction and outcomes. Care planning for serious illnesses such as Alzheimer's has been shown to better the quality of care an individual receives, and studies suggest that care planning can improve the long-term health of caregivers as well.[8] Palliative care can also enhance quality of life for patients and increase longevity.[9] Wider access to care planning and palliative care also has the potential to lower health care costs.[10,11] Unfortunately, current Medicare rules do not reimburse providers for the care planning needed following diagnosis of serious illness. Nor do they support palliative care consultations and palliative services, except when the beneficiary is expected to live no longer than six months, has agreed to forego curative services and has enrolled in Medicare's hospice benefit.

Recommendations

Improve Chronic Care in MA plans and Medicare ACOs

In Medicare, meeting our responsibility to high-need patients means doing more to help MA plans and ACOs to improve care and lower costs for them. Congress should pass legislation to enable both health plans and ACOs to invest program dollars in targeted social and long-term services and supports.

Integrate Behavioral and Primary Care Services

Better integration of and access to care is needed in both the specialty mental health and primary care settings. NCHC recommends:

- providing a Medicaid prospective payment system for community behavioral health clinics that meet high standards of care and can coordinate and deliver both primary care and behavioral health services to their patients
- promoting the integration of basic screening for and management of mental health and substance abuse disorders into primary care

Promote Patient-Centered Care Planning

When chronic disease evolves into serious or advanced illness, it is particularly critical that a patient's own preferences and choices guide the course of treatment. NCHC supports the following improvements in Medicare:

- ensuring that palliative care options are available and made known to patients throughout the course of illness
- reimbursing for care planning offered to patients upon diagnosis of Alzheimer's Disease

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