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Predictive Modeling NEWS

Journal Scan

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Hopkins Researchers Validate Using Senior Risk Factors to Predict Utilization

"It is valid to use geriatric risk factors identified from electronic health record data as predictors for increased healthcare utilization for providers and healthcare organizations without access to claims data. Given the time lag of claims data, EHR data provides the advantage of real-time identification of patients with increased geriatric risk and healthcare needs for timely clinical interventions."

The Center for Population Health Information Technology and the ACG Team – part of the Department of Health Policy and Management at the Johns Hopkins Bloomberg School of Public Health -- have been "putting lots of effort into mining the electronic medical record for predictive modeling," reports Jonathan P. Weiner DrPH, CPHIT director, ACG co-developer and director of the ACG R&D Team and professor of health policy & management and of health informatics there and a *Predictive Modeling News* Editorial Advisory Board member.

The latest result: "We recently published a breakthrough article in *Medical Care* presenting and evaluating the ACG System's new expanded Geriatric Risk/Frailty Risk metrics for predictive modeling derived from both 'structured' and 'free text' EHRs." The risk metric, he notes, has considerable relevancy for Medicare and disabled populations.

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In This Issue

Episode Analytics Can Boost Multiple Business Functions, McKinsey Finds

McKinsey & Company researchers examined episode-based payments and found that the analytics behind them can be leveraged across the enterprise. "Payers and providers that have dismissed bundled payments or treated them as a narrow part of their strategies may under-appreciate the value of episode analytics in improving core business functions," McKinsey wrote in *Extending the use of episode analytics beyond alternative payment models*, published in March. Those payments have been widely adopted for their "potential to achieve faster and more consistent impact than other alternative payment models," the report adds, noting these examples:

- Horizon Blue Cross' episodes program "reduced the readmission rate after hip replacement by 37% and the rate of C-sections by 32%."
- In Tennessee, episode-based payments "lowered the cost of managing asthma exacerbations in the Medicaid population by 9%."
- Baptist Health System in Texas found episodes for total joint replacement "decreased average post-acute care spending by 27%, largely because of fewer inpatient rehabilitation and skilled nursing facility admissions."
- After Arkansas Medicaid started using the episode construct for attention deficit hyperactivity disorder, "average episode costs dropped 22%."

Indeed, McKinsey says, "when different conditions are aggregated, episode-based payment can affect at least half, and perhaps three-quarters, of a health insurer's total spending. The use of episode analytics for payment innovation can result in 6% to 18% savings on an insurer's total book of business."

The efficacy of episode-based payment derives from its "specificity in isolating actionable opportunities for improvement," the report adds, such as decisions about high-tech imaging, treatment substitutions or sites of care. "Not only can such decisions be isolated within an episode, they can be placed in a clinical context that is intuitive to providers and matches what patients experience when they then engage with the healthcare system," it notes. "This advantage can be extended to performance improvement levers beyond incentive design."

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