

# MedInsight Health Waste Calculator

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# Objectives



- Review MedInsight Health Waste Calculator methodology
- Introduce State Presenters
- Answer Questions

# Health Waste Calculator Methodology

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# Understanding Low Value Care: The IOM\* Framework

Category	Sources	Estimate of Excess Costs	% of Waste	% of Total
<b>Unnecessary Services</b>	<ul style="list-style-type: none"> <li>Overuse beyond evidence-established levels</li> <li>Discretionary use beyond benchmarks</li> <li>Unnecessary choice of higher-cost services</li> </ul>	\$210 billion	27%	9.15%
<b>Inefficiently Delivered Services</b>	<ul style="list-style-type: none"> <li>Mistakes, errors, preventable complications</li> <li>Care fragmentation</li> <li>Unnecessary use of higher-cost providers</li> <li>Operational inefficiencies at care delivery sites</li> </ul>	\$130 billion	17%	5.66%
<b>Excess Admin Costs</b>	<ul style="list-style-type: none"> <li>Insurance paperwork costs beyond benchmarks</li> <li>Insurers' administrative inefficiencies</li> <li>Inefficiencies due to care documentation requirements</li> </ul>	\$190 billion	25%	8.28%
<b>Prices that are too high</b>	<ul style="list-style-type: none"> <li>Service prices beyond competitive benchmarks</li> <li>Product prices beyond competitive benchmarks</li> </ul>	\$105 billion	14%	4.58%
<b>Missed Prevention Opportunities</b>	<ul style="list-style-type: none"> <li>Primary prevention</li> <li>Secondary prevention</li> <li>Tertiary prevention</li> </ul>	\$55 billion	7%	2.40%
<b>Fraud</b>	<ul style="list-style-type: none"> <li>All sources – payers, clinicians, patients</li> </ul>	\$75 billion	10%	3.27%
<b>Total</b>		<b>\$765 billion</b>		<b>33.33%</b>

The Health Waste Calculator targets **unnecessary services**.

SOURCE: "Best Care at Lower Cost: The Path to Continuously Learning Health Care in America." Institute of Medicine (2013)

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\*Now called the National Academy of Medicine.

# What is the Health Waste Calculator?

- Collaborative effort between Milliman and VBID Health based on **Choosing Wisely**®
- Uses claims data to identify and quantify tests, procedures, prescriptions, and other healthcare services that are **unnecessary** based on the clinical context.
- The output can be used to:
  - Analyze the **cost savings** potential of reducing unnecessary services.
  - Report on and improve **quality** and **patient safety**.
  - **Support value based initiatives** by identifying services to be disincentivized to facilitate coverage of high value care.



Source: [www.cdc.gov/antibiotic-use](http://www.cdc.gov/antibiotic-use).

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# What is Low Value Care?

## NO EVIDENCE

Low value services are not supported by evidence.

- Don't order annual electrocardiograms (EKGs) or other cardiac screening tests for low-risk patients without symptoms, except in specific circumstances.

## DUPLICATIVE

Low value services are duplicative of other tests or procedures already received.

- Don't order unnecessary cervical cancer screening (Pap smear and HPV test) in all women who have had adequate prior screening and are not otherwise at high risk for cervical cancer.

## HARMFUL

Low value services can cause physical, emotional and financial harm to patients.

- Do not prescribe oral antibiotics for patients with upper URI or ear infection (acute sinusitis, URI, viral respiratory illness or acute otitis externa) except in specific circumstances.

## UNNECESSARY

Low value services are not truly necessary.

- Don't obtain brain imaging studies (CT or MRI) in the evaluation of simple syncope and a normal neurological examination, except in specific circumstances.

Clinical nuance is paramount!

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Measure development entails a four stage process, which includes review of evidence based guidelines and development of the algorithm.



Measure Criteria

Supported by evidence

Identifiable from Claims data

High Volume or High Cost

- ✓ Clinical nuances are leveraged to identify & prioritize low value care services.
- ✓ Data Analytics is used to quantify the low value care expenditures (in terms of both prevalence and spend).

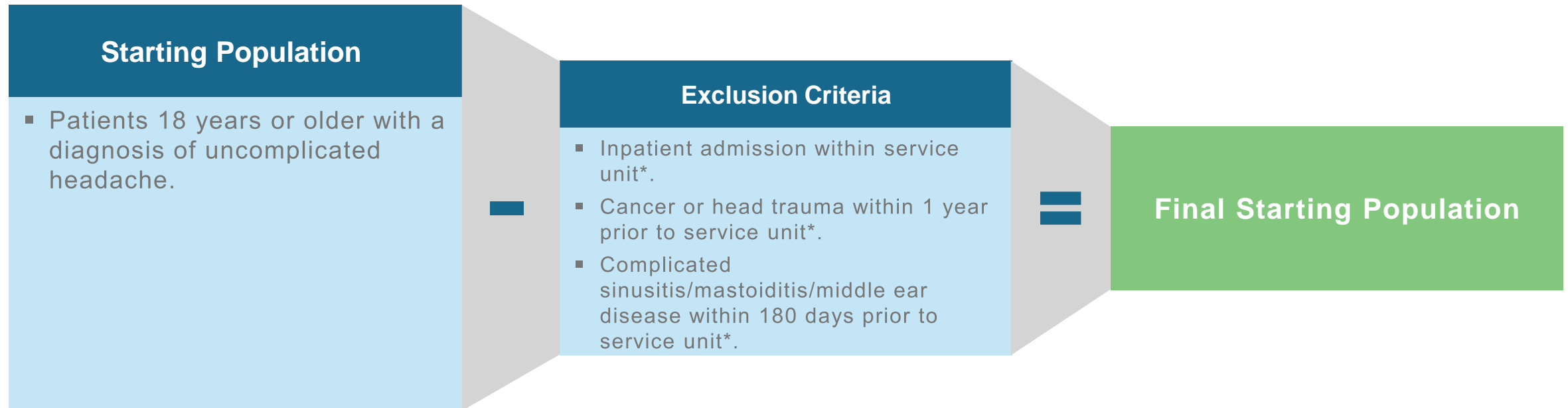
# Anatomy of a Health Waste Calculator Measure





# Example: Imaging for Uncomplicated Headache

- **Measure Description** – Don't do head imaging for uncomplicated headache in patients 18 years and older without neurologic symptoms, except in specific circumstances.
- **Head imaging services being measured** – MRI, MRA, CT, CTA.



\*Service unit = 30 days between head image and an evaluation/management visit for headache (all diagnosis fields).

# Example: Imaging for Uncomplicated Headache

## NOT WASTEFUL:

- MRI/MRA - Members aged 55 years or older with ESR/temporal arteritis who have not had a diagnosis of headache in the past year.
- MRI/CT – Members with underlying conditions (e.g. seizures, papilledema, altered mental status, vomiting, etc.)
- MRI – Diagnosis of meningitis or encephalitis.
- MRI/MRA/CT – Diagnosis of cerebrovascular event.
- All imaging: Diagnosis of complicated headache (severe headache, sudden onset or unilateral headache, suspected carotid or vertebral dissection, ipsilateral Horner's syndrome, immunodeficiency, suspected meningitis/encephalitis).
- All imaging: Diagnosis of pregnancy without prior diagnosis of headache in the past 270 days.
- All imaging: Diagnosis of chronic conditions as far back in time as possible.

# Example: Imaging for Uncomplicated Headache

## LIKELY WASTEFUL:

- CT/CTA – Patients aged 55 years or older with ESR/temporal arteritis, without a diagnosis of headache in the past year.
- CT/MRA/CTA – Patients with chronic conditions (e.g. HIV, DiGeorge's syndrome, Wiskott-Aldrich syndrome, trigeminal nerve disorders, Bell's palsy etc.) as far back in time as possible.
- MRA/CTA – Patients with underlying conditions (e.g. seizures, papilledema, altered mental status, vomiting, etc.).
- CT – Patients with meningitis/encephalitis.
- MRI – Patients with a diagnosis of chronic headache within the past year.

## WASTEFUL:

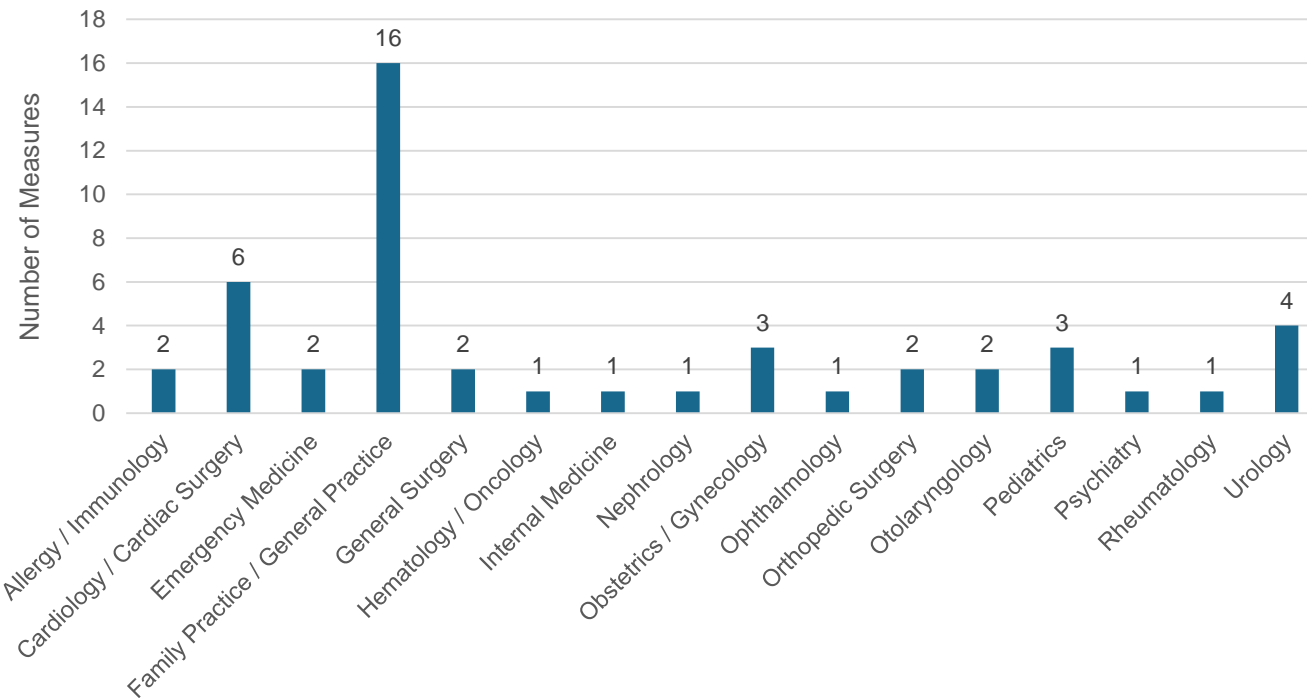
- All remaining from final starting population who do not meet criteria for Not Wasteful or Likely Wasteful

# 48 Measures in Place Today; 500+ In the Pipeline

- Version 7 has 48 measures representing 16 physician specialty societies and 66 Choosing Wisely recommendations, as well as other sources including USPSTF Grade D Guidelines.
- Each measure comes with a Clinical Specification for transparency.

ID #	Waste Headline	Waste Mnemonic
1	Antibiotics for Acute Rhinosinusitis	AI01b
2	Coronary Artery Calcium Scoring for known CAD	SCCT01
3	Headache Image	ACR01
4	Immunoglobulin G/ immunoglobulin E Testing	AI02
5	Lower Back Pain Image	AFP02
6	PSA	URG01
7	Radiographic Imaging for Uncomplicated Acute Rhinosinusitis	AOHN04
8	Routine Annual Stress Testing	NMMI02
9	Sinus CT	AI01a
10	Stress Cardiac Imaging or Advanced Non-Invasive Imaging	AC01
11	Annual EKGs or Cardiac Screening	AFP05
12	Antibiotics for Adenoviral Conjunctivitis	AO03

v7 Health Waste Calculator Measures by Milliman Specialty



# Introduction of State Presenters

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