CoP/Training Call: The Business Case for Addressing Disparities in Chronic Conditions

Presenter: DNCC

Discussants: ICPC NCC, IHPC NCC, IIPC NCC

January 14, 2013
2:00 PM EST
Housekeeping

Call Norms:

• All lines will be muted during the call.

• We will begin Q & A after the training portion of today’s call.

• Please submit questions via the WebEx chat box or press 14 and the monitor will call on you.

• We are recording this call, and will post slides, recording, and transcript on www.healthcarecommunities.org and www.cmspulse.org.

• Evaluation: Please fill out our evaluation at the end of today’s call.
# Agenda

<table>
<thead>
<tr>
<th>Speaker</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ava Richardson, M.P.H.</td>
<td>Introduction</td>
</tr>
<tr>
<td>Shanta Whitaker, Ph.D., M.P.H. &amp; Alex Shangraw, M.S.P.H</td>
<td>The Business Case for Reducing Health Disparities</td>
</tr>
<tr>
<td>IHPC NCC, ICPC NCC, IIPC NCC</td>
<td>Discussion</td>
</tr>
<tr>
<td>Participants</td>
<td>Questions and Answers</td>
</tr>
<tr>
<td>Ava Richardson, M.P.H.</td>
<td>Announcements</td>
</tr>
</tbody>
</table>
Webinar Goals

• Explore how health disparities contribute to healthcare costs in America.
• Assess the direct health cost of disparities for Medicare beneficiaries.
• Explain the relevance of co-morbidities.
• Answer the question of “Why are health disparities important?”
• Explain the purpose of the Business Case report.
  • Methods and statistical analysis
  • Give a detailed assessment of three chronic conditions
    – Diabetes
    – Congestive Heart Failure
    – Mood disorders
• Present the business case findings by:
  • Race/ethnicity
  • Dual eligible status
  • Urbanization
  • Gender
Shanta Whitaker, Ph.D., M.P.H.
Senior Disparities Analyst
Disparities National Coordinating Center
Delmarva Foundation for Medical Care
Alex Shangraw, M.S.P.H.
Data Analyst
Disparities National Coordinating Center
Poll Question #1

What are the most prevalent chronic conditions in your state among Medicare beneficiaries?

- diabetes mellitus
- chronic kidney disease
- chronic obstructive pulmonary disease
- congestive heart failure
- mood disorders/schizophrenia
Why are Health Disparities Important?
Beyond Race: Disparities are a Huge Problem in our Country

- Gender
- Urbanization
- Dual Eligibility Status
Our Goal

To determine the costs to Medicare caused by disparities in health outcomes.
Study Population

- 2011 Medicare Part A enrollees in the 53 QIO jurisdictions
- Beneficiaries were identified by:
  - Race
  - Ethnicity
  - Gender
  - Dual eligible status
  - Zip code
Methods

• Medicare Part A inpatient claims (Source: QIO Claims/EDB data warehouse)

• Claims classified as:
  – Diabetes
  – Congestive Heart Failure (CHF)
  – Mood Disorders

• Claims classification scheme based on HCUP's ICD-9 clinical classification codes.
Methods

We analyzed the crude inpatient cost differences associated with Diabetes, CHF, and Mood Disorders by:

– Race/ethnicity
– Gender
– Dual eligible status
– Urbanization
Poll Question #2

Which disparate group consistently had the highest costs associated these chronic diseases?

- Minorities
- Those living in rural areas
- Males
- Dual Eligibles
- Those living in poverty
In 2012, diagnosed diabetes cost the U.S. $245 billion, which included $176 billion in direct medical costs and $69 billion in lost productivity.

Approximately 59% of the healthcare expenditures associated with diabetes are for those 65 years and older.
Total Medicare Part A Cost Differences by Race/Ethnicity: Diabetes

- American Indian/Alaska Native: $158.44
- Asian or Pacific Islander: $148.14
- Black: $3,041.40
- Hispanic or Latino: $585.58

Total Cost Difference (in Millions)

$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000 $7,000 $8,000

White (Ref.)
Total Medicare Part A Cost Differences by Gender and Dual Eligibility: Diabetes

<table>
<thead>
<tr>
<th>Dual Eligible</th>
<th>Gender</th>
<th>Total Cost Difference (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Male</td>
<td>$1,960.27</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>Ref.</td>
</tr>
<tr>
<td>Yes</td>
<td>Ref.</td>
<td>$7,424.16</td>
</tr>
<tr>
<td>No</td>
<td>Ref.</td>
<td></td>
</tr>
</tbody>
</table>
Total Medicare Part A Cost Differences by Urbanization: Diabetes

<table>
<thead>
<tr>
<th>Urbanization</th>
<th>Total Cost Difference (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urbanized Area</td>
<td>$4,441.47</td>
</tr>
<tr>
<td>Urban Cluster</td>
<td>$437.79</td>
</tr>
<tr>
<td>Non-urban Area</td>
<td>Ref.</td>
</tr>
</tbody>
</table>
Congestive Heart Failure (CHF)

- CHF in Medicare beneficiaries results in nearly 1.4 million hospitalizations and $17 billion in spending.

- Medicare beneficiaries with CHF usually have comorbidities, placing an even greater burden on the healthcare system.
Total Medicare Part A Differences by Race/Ethnicity: CHF

- **White**: Ref.
- **Hispanic or Latino**: $116.99
- **Black**: $1,660.69
- **Asian or Pacific Islander**: -$17.22
- **American Indian/Alaska Native**: $17.71

Total Cost Difference (in Millions)
## Total Medicare Part A Cost Differences by Gender and Dual Eligibility: CHF

<table>
<thead>
<tr>
<th>Gender</th>
<th>Dual Eligible</th>
<th>Total Cost Difference (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>Yes</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>$4,118.59</td>
</tr>
<tr>
<td>Male</td>
<td>Yes</td>
<td>$1,250.64</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>$0</td>
</tr>
</tbody>
</table>

- **Female Dual Eligible**: $0
- **Female Non-Dual Eligible**: $4,118.59
- **Male Dual Eligible**: $1,250.64
- **Male Non-Dual Eligible**: $0
Total Medicare Part A Cost Differences by Urbanization: CHF

- Urbanized Area: $4,102.52
- Urban Cluster: $319.33
- Non-Urban Area: Ref.

Total Cost Difference (in Millions)
Mood Disorders

- Mood disorders are associated with loss of work productivity and reduced quality of life.
  - Includes: depression and bipolar disorder

- Depression, the most common mood disorder in Medicare beneficiaries, is associated with substantially high medical costs.
Total Medicare Part A Cost Differences by Race/Ethnicity: Mood Disorders

- American Indian/Alaska Native: $18.22
- Hispanic or Latino: $16.29
- Black: $23.53
- Asian or Pacific Islander: $152.97
- White: $0

Total Cost Difference (in Millions)
Total Medicare Part A Cost Differences by Gender and Dual Eligibility: Mood Disorders

- Female
  - Dual Eligible: Yes
    - $4,555.10
  - Dual Eligible: No
    - $2,713.69

- Male
  - Ref.

Gender

Total Cost Difference (in Millions)
Total Medicare Part A Cost Differences by Urbanization: Mood Disorders

- Urbanized Area: $3,068.89
- Urban Cluster: $414.69
- Non-Urban Area: Ref.

Total Cost Difference (in Millions)
Summary: Race/Ethnicity

- Non-whites had consistently higher inpatient costs for Diabetes and CHF.

- Asians cost Medicare approximately $153 million less for Mood Disorders than Whites.
Summary: Gender

Males cost Medicare more for all chronic conditions analyzed except mood disorders.
Dual Eligibles had a substantially higher inpatient cost associated with diabetes, CHF, and mood disorders compared to those with Medicare only.
Beneficiaries residing in an urbanized area (>50,000 people) cost Medicare significantly more than beneficiaries residing in an urban cluster or rural area.
Conclusion

• Health disparities pose an economic burden to Medicare.

• It is imperative to understand the root causes of these disparities and the costs associated with comorbidities.

• Understanding the costs associated per beneficiary will aid in the development of targeted interventions to reduce Medicare associated costs.
References

Useful web sites:

- "The Economic Burden of Health Inequalities in the United States," by Thomas A. LaVeist, Darrell J. Gaskin and Patrick Richard, (The Joint Center for Political and Economic Studies)
- The Healthcare Cost and Utilization Project: This document assesses the cost of racial and ethnic health disparities.
- Health Disparities Costs Impact Tool - This is a unique type of software that allows employers to assess how disparities contribute to the healthcare expenditures.
- Evaluating the Economic Causes and Consequences of Racial and Ethnic Health Disparities. A plethora of information is packed in an easy to read and impactful report by the American Public Health Association.
- Hopkins Center for Health Disparities Solutions Project - Check out this site to learn all the Johns Hopkins University is doing to close the gap in health disparities.
Kimberly Irby, M.P.H.
Associate Director, National Projects
Integrating Care for Populations & Communities National Coordinating Center
Colorado Foundation for Medical Care (CFMC)
<table>
<thead>
<tr>
<th>QIO Discussants: Oklahoma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dana Auden, M.A.</strong></td>
</tr>
<tr>
<td>Health Care Data Analyst</td>
</tr>
<tr>
<td>Improving Individual Patient Care National Coordinating Center</td>
</tr>
<tr>
<td>Oklahoma Foundation For Medical Quality</td>
</tr>
<tr>
<td><strong>Allen Ma, Ph.D.</strong></td>
</tr>
<tr>
<td>Senior Research Analyst</td>
</tr>
<tr>
<td>Improving Individual Patient Care National Coordinating Center</td>
</tr>
<tr>
<td>Oklahoma Foundation For Medical Quality</td>
</tr>
<tr>
<td><strong>Cathy Maffry, B.S.N, M.B.A.,RN-BC</strong></td>
</tr>
<tr>
<td>Senior Research Analyst</td>
</tr>
<tr>
<td>Improving Individual Patient Care National Coordinating Center</td>
</tr>
<tr>
<td>Oklahoma Foundation For Medical Quality</td>
</tr>
<tr>
<td><strong>Wato Nsa, M.D., Ph.D.</strong></td>
</tr>
<tr>
<td>Director of Analytics</td>
</tr>
<tr>
<td>Improving Individual Patient Care National Coordinating Center</td>
</tr>
<tr>
<td>Oklahoma Foundation For Medical Quality</td>
</tr>
</tbody>
</table>
QIO Discussants: Virginia

Johanna Gattuso, RN, MBA, CPHQ
Program Manager
Improving Health for Populations and Communities
National Coordinating Center (IHPC NCC) at the VHQC

Erica Morrison, MS
Community of Practice Manager
Improving Health for Populations and Communities
National Coordinating Center (IHPC NCC) at the VHQC
Q&A

Please type your question into the chat box or press 14 on your telephone.
DNCC VIRTUAL TRAININGS PAGE
CHECK IT OUT TODAY!

www.cmspulse.org

This new format serves as a central repository for all virtual training presentations and materials

Sign up for the disparities listserv to stay current on all DNCC happenings!
Upcoming Events

Office Hours
Wednesday January 22, 2014
2:00-3:00pm EST

Community of Practice Call
Tuesday February 11, 2014
2:00-3:00pm EST
LEARN HOW TO SHARE YOUR SUCCESS ON THE CMS PULSE WEBSITE!

Contact Ava Richardson
Phone: 410-872-9682
Email: richardsonav@dfmc.org
Thank you for participating in today’s webinar.

At the close of the presentation, you will automatically be directed to an evaluation screen.