

# Site of Care Utilization Analysis

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# Executive Summary

- In response to Subcommittee member questions about the key drivers of outpatient spend, and as a reflection of recent discussions related to conducting deeper dives into key areas of GHIP spend, today's discussion will focus on trends in outpatient cost and utilization with a focus on differences across various sites of care for similar types of services
- The focus on outpatient cost drivers is aligned with a GHIP Strategic Framework goal that focuses on limiting health care cost inflation through targeted reduction in cost and utilization within key areas of spend

# Executive Summary

- Outpatient utilization continues to drive overall cost
  - PEPM trend increased 11.3%, approximately \$25 million dollars, driven by \$14.3M increase in outpatient surgeries, \$6.9M increase for emergency room, and \$4.9M increase in specialty drugs on the medical plans
- Utilization across all plans in the emergency rooms increased by 5.1% with a corresponding PEPM increase of 13.5%
  - Utilization of the ER for non-emergent or primary care treatable conditions increased by 8.1% with a corresponding PEPM increase of 19.3%, amounting to an overall increase of \$2.9 million dollars
  - Non-emergent and primary care treatable condition visits increased by 7.3%; with the most common diagnoses being abdominal pain, pain in the throat and chest, and other soft tissue disorders
  - Other common diagnoses include dorsalgia (pain in the back), acute bronchitis, and dizziness and giddiness
- Outpatient surgeries can be performed in the hospital setting or at ambulatory surgery centers (ASC)
  - Colonoscopy events rose 19% in the hospital setting, but only rose 7.0% in the ambulatory surgery centers; on average, this procedure costs 3 times more in the hospital setting (\$4,556) than in an ambulatory surgery center (\$1,498)
  - Ear tube placement (myringotomy) was 4 times more costly in the hospital setting
  - Action item: Promote use of COEs through the medical carriers and SurgeryPlus; adjust benefits to increase the cost differential

# Executive Summary

- Telemedicine & primary care provider visits for anxiety and depression increased in the latest 12-month period
  - In the primary care setting anxiety visits increased by 11.8%, visits for depression 8.5%; telemedicine had an increase in visits for anxiety of 4.1% and 1.0% for depression
  - Action item: Continue to promote \$0 copay access for telemedicine providers
- High-tech radiology visits increased at freestanding and facilities by 10% and 1.6%, respectively; and allowed amount increased 1.4% in freestanding locations and 8.4% in the facility setting
  - Visits for outpatient high-tech radiology increased by 10% at freestanding facilities and 1.6% at hospitals, while total allowed amount increased by 1.4% at freestanding facilities and 8.4% at hospitals
  - Visits for outpatient basic radiology increased by 8.2% at freestanding facilities and 4.8% at hospitals, while average net pay per visit by service category were comparable for both freestanding and facilities
  - Action item for consideration: Adjust benefits to increase the cost differential between freestanding and facility setting

# Site of care steerage – current copay differentials

*Highlights copay change  
(amount and timing)*

- The GHIP PPO and HMO plans include variable copays for the same type of service depending on where the service is provided (“site of care” or “site of service”)
- Chart reflects current site of care copay differentials, with highlighted text noting the timing and amount of the last change to the copay for the hospital-based place of service
  - For the past several years, the SBO, Highmark and Aetna have implemented multiple communications (i.e., emails, letters, flyers, postcards, posters, and online training courses) to educate members<sup>1</sup> throughout each fiscal year about selecting the most appropriate site of care for members’ individual needs
    - See October 2022 Subcommittee meeting materials for more details

Copays by type of service	HMO & PPO plans
<b>Basic Imaging (X-rays, ultrasounds)</b> <ul style="list-style-type: none"> <li>▪ In-network non-hospital affiliated freestanding facility (preferred)</li> <li>▪ Hospital-based facility</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$0 copay</li> <li>▪ \$50 copay <i>(+\$15 from FY19)</i></li> </ul>
<b>High-Tech Imaging (MRI, CT, PET scan)</b> <ul style="list-style-type: none"> <li>▪ In-network non-hospital affiliated freestanding facility (preferred)</li> <li>▪ Hospital-based facility</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$0 copay</li> <li>▪ \$100 copay <i>(+\$25 from FY22)</i></li> </ul>
<b>Outpatient Lab</b> <ul style="list-style-type: none"> <li>▪ In-network non-hospital affiliated preferred lab</li> <li>▪ Other lab</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$10 copay</li> <li>▪ \$50 copay <i>(+\$30 from FY19)</i></li> </ul>
<b>Emergency / Urgent Care / Primary Care</b> <ul style="list-style-type: none"> <li>▪ Primary Care</li> <li>▪ Urgent Care</li> <li>▪ Emergency Room</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$15 HMO / \$20 PPO</li> <li>▪ \$15 HMO / \$20 PPO</li> <li>▪ \$200 copay <i>(+\$50 from FY19)</i></li> </ul>
<b>Outpatient Surgeries (through medical carrier network provider)</b> <ul style="list-style-type: none"> <li>▪ Ambulatory Surgery Center</li> <li>▪ Hospital</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$50 copay</li> <li>▪ \$150 copay <i>(+\$50 from FY22)</i></li> </ul>
<b>In-network telemedicine provider through third-party vendors</b>	<ul style="list-style-type: none"> <li>▪ \$0 copay<sup>2</sup> <i>(-\$15 HMO / -\$20 PPO from FY19)</i></li> </ul>

<sup>1</sup> Includes employees, non-Medicare eligible pensioners and their covered dependents.

<sup>2</sup> Effective March 2020, \$0 copay temporarily applied to CDH Gold and First State Basic plans and virtual telemedicine services provided by a primary care or other physician.

# FY25 opportunities for consideration

FY25 Opportunity	Description	Estimated # Members or Services Impacted	Est. FY25 Net \$ Impact + Cost / (Savings)	Comments
<b>Site-of-care steerage: Hospital outpatient surgery copay changes</b>	Increase hospital outpatient surgery copay to encourage use of alternate sites of care  Modeled incremental increases of \$25 - \$75	Varies by year; in FY23, about 40% of top 10 types of outpatient surgeries (2,700 total) were conducted at an outpatient hospital  <i>Non-Medicare plans only</i>	Cost avoidance to GHIP of: <b>(\$52K)</b> to <b>(\$156K)</b> based on range of copay options modeled	These copays have not been increased in multiple years despite increases to other site-of-care copays. Outpatient facility was the most expensive medical service category in FY21, FY22, and FY23
<b>Site-of-care steerage: High-tech imaging copay changes</b>	Increase high-tech imaging copay to encourage use of alternate sites of care  Modeled incremental increases of \$5 - \$25	Varies by year; in FY23, about 52% of 14,500 high-tech imaging services were conducted at non-preferred sites of care  <i>Non-Medicare plans only</i>	Cost avoidance to GHIP of: <b>(\$37K)</b> to <b>(\$183K)</b> based on range of copay options modeled	Opportunity to continue managing future use of non-preferred sites of care for these high cost procedures.