Atlas | Integrated Healthcare Association

Fact Sheet

Innovation through Collaboration

October 2018

California Regional Health Care Cost & Quality Atlas

California's largest healthcare benchmarking and hot-spotting improvement tool updated

Benchmarking and tracking regional performance on key quality and cost measures is critical to monitoring the state's progress toward high-quality, affordable, patient-centered care for all Californians. The second edition of the online California Regional Health Care Cost & Quality Atlas (Atlas) highlights the continuing wide variation in quality and cost across the state. Developed by the Integrated Healthcare Association (IHA) with support from the California Health Care Foundation (CHCF) and the California Health and Human Services Agency, the Atlas includes information about care provided in 2013 and 2015—just before and after the Affordable Care Act (ACA) coverage expansions took effect—to nearly three-fourths of the state's total population, or about 29 million people. Spanning commercial insurance—both health maintenance organization (HMO) and preferred provider organization (PPO) products—Medicare Advantage (MA), Medicare fee for service (FFS), Medi-Cal managed care, and Medi-Cal FFS, the Atlas brings together data on clinical quality, hospital utilization, and total cost of care to assess geographic and insurance product type performance variation in a meaningful way. The updated Atlas also incorporates new characteristics—large group, small group, and individual coverage; self-insured employers; Covered California; risk-sharing arrangements; accountable care organizations (ACOs); and clinical condition cohorts—to allow comparison among market segments, subpopulations, and the overall insured population.

A Snapshot of California Health Care

The Atlas continues to track performance by geographic region and insurance product type to provide benchmarks and a clearer picture of population-level health care quality and costs to support identification of hot spots for targeted performance improvement. For ease of comparison, the Atlas' 19 geographic regions follow boundaries defined by Covered California, the state's health insurance exchange.

What the Atlas Tracks

The Atlas tracks clinical quality measures spanning preventive, acute, and chronic care; hospital utilization measures and frequency of selected commonly used procedures; and average annual cost of care per member.

- **Clinical Quality Measures:** Breast cancer screening; colorectal cancer screening; cervical cancer under- and over-screening; use of imaging for low back pain; avoidance of antibiotic treatment for acute bronchitis; asthma medication ratio; and several diabetes care measures: blood sugar screening, blood sugar control, and kidney disease monitoring.
- **Hospital Utilization Measures:** Emergency department (ED) visits per thousand member years (PTMY); inpatient bed days PTMY, discharges PTMY, and average length of stay for acute inpatient care—reported separately for maternity, surgery, and medical admissions; all-cause 30-day readmissions; and frequency of selected procedures PTMY for several commonly overused cardiac procedures, orthopedic surgeries, and other surgical procedures such as hysterectomy, gall bladder removal, and tonsillectomy.
- **Cost of Care Measures:** Average payment to providers to care for a member for a year, including professional, pharmacy, hospital, and ancillary services and member cost-sharing amounts—in total and by the following major service categories: inpatient facility, outpatient facility, pharmacy, professional services, and capitation. The total cost measure is risk adjusted to account for differences in member age, gender, and health status.

Atlas Data Sources

Ten health plans participate in the Atlas—Aetna, Anthem Blue Cross, Blue Shield of California, Cigna, Health Net, Kaiser Permanente, SCAN Health Plan, Sharp Health Plan, UnitedHealthcare, and Western Health Advantage—providing commercial HMO, commercial PPO and/or Medicare Advantage data, as applicable. The Centers for Medicare & Medicaid Services (CMS) provided Medicare FFS data. Medi-Cal managed care and FFS results were provided by the California Department of Health Care Services.

What the Atlas Shows

New Atlas data confirm wide and ongoing geographic and insurance product variation in clinical quality and cost.

- **Commercial Insurance.** From a regional perspective in 2015, Northern California continued to show the strongest performance on clinical quality for commercially

insured members but at relatively high cost; Southern California performed solidly on quality at much lower cost; and Central California showed weaker performance on quality with mixed cost performance. There was $2,400 variation in average annual per member cost across geographic regions in 2015. When comparing commercial HMOs to commercial PPOs in 2015, although PPO quality performance improved markedly from 2013 to 2015, HMOs continued to outperform PPOs on clinical quality, while the HMO total cost advantage over PPO grew. PPO members paid significantly more in cost sharing compared to HMO members, which according to IHA estimates, translated to nearly $2.7 billion in additional costs paid directly by PPO members.

- **Medicare.** For seniors enrolled in Medicare, the quality and cost of care also varied widely: Northern California showed the strongest performance on clinical quality in 2015 but with higher costs; Southern California performed solidly on quality with variable costs; and Central California showed the weakest performance on quality with mid-range costs. Medicare geographic variation in cost of care in 2015 was $4,000, in part reflecting the clinical and demographic characteristics of the Medicare-eligible population. Comparing Medicare Advantage to fee for service, MA far outperformed FFS on clinical quality measures and had 25% lower total cost overall; however, it is noteworthy that MA in Northern California regions had higher average per-member costs than FFS, seemingly driven by higher professional services costs outside of capitation. Similar to commercial, Medicare FFS members paid much more out of pocket than MA members.
- **Medi-Cal.** Unlike commercial and Medicare, Medi-Cal did not show clear patterns of variation in overall quality and general utilization across Northern, Central, and Southern California—except for the frequency of selected procedures measures, which were all highest in Northern California and lowest in Southern California. However, there was still wide variation in specific measures, such as a 30 percentage point span for breast cancer screening between the lowest and highest performing regions. Overall quality performance decreased on the clinical quality measures tracked from 2013 to 2015. During the same period, there were millions of new Medi-Cal enrollees through the ACA coverage expansion. Consistent with the experience of other states like Massachusetts and Oregon that expanded Medicaid coverage, the rate of ED visits also increased from 2013 to 2015. Regions with the greatest increase in ED visits were not necessarily the regions with the largest enrollment increases.

Implications

The Atlas highlights wide geographic variation in the quality and cost of care provided across the state. Such sizable quality and cost performance differences indicate significant opportunities to improve care for many Californians. For example:

- If care for all 29 million insured Californians represented by the Atlas were provided at the same quality as the top-performing region, nearly 570,000 more people would have been screened for colorectal cancer and 166,000 more women would have been screened for breast cancer in 2015.
- If care for all commercially and Medicare-insured Californians represented by the Atlas were provided at the same cost as observed in San Diego—a relatively high-quality, low-cost region—overall cost of care would decrease by an estimated $11 billion annually, or about 9.6 percent of the $115 billion total cost of care for the commercially and Medicare-insured people represented in the Atlas in 2015.

Coming Soon—Atlas 3.0

With continued CHCF support and participation by health plans, in early 2019 IHA will update the Atlas with 2017 data. Tracking regional performance on key quality and cost measures through the Atlas marks an important step toward reducing unwarranted cost and quality variation and advancing high-value care.

About IHA

Integrated Healthcare Association

Founded in 1994 and based in Oakland, CA, the nonprofit, nonpartisan Integrated Healthcare Association is guided by a 40-member board of industry-leading health plans, physician organizations, and hospitals and health systems, plus representatives of purchaser, consumer, academic, pharmaceutical, and technology entities. As a member-driven organization convening diverse stakeholders committed to advancing high-quality, affordable, patient-centered care, IHA generates objective data and insights to help forge common ground across California's health care community. For more information, visit www.iha.org.

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