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2010 ACG International
Risk Adjustment Conference

MAY 10-12
Tucson, Arizona
Loews Ventana Canyon

ACG PREDICTIVE MODELING IN THE MANAGED CARE ENVIRONMENT

A Management Perspective with Practical Applications

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Select Health of South Carolina

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Introduction

- **Select Health of South Carolina – Medicaid Managed Care Organization (MCO)**
- **Current Membership 193,000 with 83% children age 18 and under**
- **Case/Disease Management (CM/DM) Programs target diabetes, asthma, sickle cell and chronic heart failure**



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Management Perspective - Problems

- Rapidly increasing membership
 - ❖ 71% in 2007, 78% in 2008, 40% in 2009
- Medical Services staff expansion to keep pace with membership
- ACG Model was created quarterly



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Management Perspective - Problems

- ACG was used to generate a single Excel spreadsheet for a Nurse Case Manager to use to target members
- Nurse Case Managers used an unstable Access database to generate member mailing and call lists



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Management Perspective - Action

- Build ACG Model monthly for both Select Health and FFS populations
- Install ACG Software on Nurse Case Manager desktops
- Build custom Member File Format to include health service specific indicators



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Management Perspective - Action

- Replace existing CM/DM Access database with database based on ACG criteria for inclusion of members
- Create useful, timely reports for:
 - ❖ CM/DM Team
 - ❖ Medical Services Management
 - ❖ Finance
 - ❖ Provider Relations



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Practical Applications

- **ACG model was created monthly for two populations:**
 - ❖ **Select Health Members**
 - Members that are active within the previous **12 months** – specific ACG risk criteria, co-morbidity and diagnoses are evaluated to place the member in a specific CM/DM program
 - ❖ **FFS Members**
 - Those members previously on the SC State FFS plan who have elected to join Select Health – pre-emptive evaluation by the Nurse Case managers for possible inclusion in a CM/DM program



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Practical Applications

- **Monthly ACG Models at the desktop:**
 - ❖ **Nurse Case Managers:**
 - Have direct access to member specific information, including provider affiliation and health status
 - Use model to evaluate member health status to facilitate member and provider interactions
 - Use model to identify specific at-risk populations for intervention
 - ❖ **CM/DM Management Team:**
 - Evaluate and report on risk reduction and intervention strategies associated with CM/DM activities



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Practical Applications

- **Disease Management Databases**
 - ❖ Available at the desktop for Nurse Case Managers to generate mailing and call lists
 - ❖ Specific to diabetes, asthma, sickle cell and chronic heart failure
 - ❖ Automatically updated monthly using ACG based criteria



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Practical Applications

- **Disease Management Databases are used to:**
 - ❖ Identify newly diagnosed members for target mailings and follow-up calls
 - ❖ Identify high-risk members not currently in a CM/DM Program
 - ❖ Identify members for possible inclusion in a special program for intensive home-based care management
 - ❖ Identify members who are due for HDL/LDL testing for chronic diabetes care



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Practical Applications

■ Reporting:

❖ Medical Services:

- Annual evaluations of CM/DM activities to determine success rates for cost and risk reduction targets
- Provider specific reporting on cost and pharmacy trends

❖ Finance:

- Annual actuarial reporting on risk and cost by product line
- Ad-hoc review of specific population characteristics for rating and premium evaluation



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Practical Applications

- Reporting:
 - ❖ Provider Relations
 - Ad-hoc reporting on physician performance
 - Ad-hoc analysis on population risk for contract evaluation



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