CASE STUDY

Where Costs Meet Outcomes:

How Chartis Helped a Medicaid MCO Optimize Hospital Readmissions

The Client Challenge

A Medicaid MCO was experiencing a high readmission rate for medical and behavioral health conditions. It faced sub-optimal member outcomes (based on NCQA and HEDIS measures), increased readmissions spend, above-average length of stay, increased pharmacy costs, higher emergency room visits, and a reduction in pay-for-performance payments. The payer partnered with Chartis to improve readmissions rates, advance post-discharge care, and reign in avoidable costs.

Navigating to Next: The Solution

With roughly 1 million members, the Medicaid MCO faced a readmission rate of 16%. Chartis aimed to optimize medical spending and clinical outcomes by developing a sustainable enterprise program to improve existing capabilities related to readmissions.

Our current-state assessment revealed several opportunity areas: (1) coordination between interdisciplinary teams (e.g., utilization management and care management, physical and behavioral health, and inpatient and outpatient); (2) system supports for patient identification, engagement, and performance management; and (3) community supports to address social determinants of health (SDOH) needs.

Through advanced data analytics and stakeholder interviews, we defined a targeted approach to reduce readmission rates by members' chronic conditions, serviced hospital, attributed primary care physician, and discharged facility. We identified and enabled operational capabilities for the interdisciplinary care team to manage members' multifaceted needs, including opportunities to expand provider benefits in terms of value-based contracting and performance incentives.

THE CHARTIS GROUP

THE COST OF HIGH INPATIENT READMISSIONS:

- **Higher ED and post-acute care utilization**
- **Poorer member health outcomes and associated quality ratings**
- **Increased medical spend and medical loss ratio (MLR)**
- **Greater use of clinical resources, which can lead to decreased availability for other members to access care**

NAVIGATING TO NEXT: KEY COMPONENTS

CAPABILITY ASSESSMENT

Analyze existing capabilities, synthesize findings, and estimate the benefit

HYPOTHESIS AND OPPORTUNITY ANALYSIS

Develop hypothesis, socialize it with clinical and business subject matter experts, and design a proof-of-concept solution

DESIGN SOLUTIONS

Define member cohorts and develop targeted solutions for the transitions of care program, identify staffing and expertise gaps, and define future-state operating model

MOBILIZE AND EXECUTE

Mobilize workstreams and deploy solutions via a phased approach

MEASURE OUTCOMES

Develop dashboards and reporting to track success, monitor performance on a recurring basis, and identify areas for adjustment

EXPAND PROGRAM

Iterate and expand member cohorts, deploy nice-to-have solutions, and expand program to additional markets

Client Impact

Together, we developed an enhanced transition of care program to optimize the MCO's readmissions management and scale the operating model across multiple markets and lines of business. A proof-of-concept pilot consisted of 3 key solutions: (1) a process to identify patients who are high-risk for readmission; (2) integrated rounds between utilization management and care management teams for members with both behavioral and medical health conditions; and (3) transitions of care pathways for members with chronic conditions.

How We Are Making Healthcare Better

"Chartis is actively working with clients to combat the root causes of preventable inpatient readmissions because we fundamentally believe that addressing members' medical, behavioral, and SDOH needs will improve health outcomes and optimize medical spend."

—Pravith Nambiar, Director, Chartis

In developing the enhanced transition of care program, we identified:

$66M
cost savings opportunity size

$22M
target cost savings in the first 3 years

$2.5M
target cost savings in the first year

NEXT INTELLIGENCE:

An effective transitions of care program includes:

Interdisciplinary care team
collaboration and coordination

System supports
for patient identification, engagement, and performance management

Community supports
to address SDOH needs

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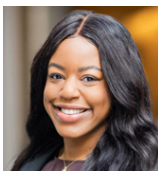

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