Low-value Care Business Case TEMPLATE

Introduction and background

The US spends more on health care per capita than any other country but does not achieve outcomes commensurate with that spending. A substantial share of this spending is devoted to services that buy no additional health, and in some instances, expose patients to serious harm. Experts estimate that between $158 and $226 billion is spent on low-value care every year (2011 dollars). Private payers bear the cost of between $90 and $140 billion of this amount. And there is reason to believe even the upper estimates of low-value care are too conservative.

Beyond the heavy price that public and private purchasers pay, low-value services harm patients. Low-value care services:

- Expose patients to iatrogenic harm. Harm may be directly related to the overused procedure itself, or follow from downstream services as incidental findings are worked-up.
- Impose high out-of-pocket costs. In an era of high-deductible plans, analyses have found that between 17 percent and 33 percent of spending on low-value care is paid by patients.
- Lead to lost time, lost productivity, and "botheredness."

The Choosing Wisely initiative alone has identified about 500 commonly overused services across the spectrum of medical care.

The Task Force on Low-Value Care, a multi-stakeholder collaboration of leaders across the health care ecosystem, carefully established a list of low-value services for purchaser action. This effort complements and draws from international work of other campaigns, such as Choosing Wisely, to identify services that the clinical community understands to be overused. The Task Force Top Five includes:

- Diagnostic testing and imaging prior to surgery
- Population-based Vitamin D screening
- Prostate-specific Antigen (PSA) screening in men over 75

- Imaging in the first six weeks of nonspecific low back pain
- Using branded drugs when generics are available

The Task Force estimates that spending on unnecessary low back imaging is around $500 million. Specific, actionable tools exist to reduce expenditures on this service that offers no clinical benefit, and could even lead to further harm. We propose taking steps to work with our third-party administrator/carrier to limit these expenditures.

Why address [INSERT SERVICE]? What are the benefits?

What is our current burden of [INSERT SERVICE]?
Calculating the amount that the company spends on low-value care can be challenging, and has direct implications for the benefits and risks. Any project to reduce spending on low back pain should start with assessing the burden in order to determine the benefits.

- The amount that the company spends on low-value care has direct implications for the benefits and risks of reducing low back pain imaging.
- Data specifications are available for the Task Force on Low-Value Care's Top Five low-value care services.
- External tools such as the Health Waste Calculator can help organizations measure and produce reports on low-value care.

What are the tools available to reduce low back pain and how can we use them?
[INCLUDE RELEVANT LEVERS, THE TABLE BELOW SHOWS EXAMPLES OF LEVERS USED BY OTHER ORGANIZATIONS]

Provider-Facing	Patient-Facing
Coverage Policies • Do not reimburse for services that are clearly inappropriate given data from claims and enrollment files. • Ensure medical policies do not require unneeded services for patients to receive coverage of medically necessary services.	**Network Design** • Steer patients to providers and plans that minimize use of inappropriate medical services, including through tools such as shared decision making, which has been shown to reduce unnecessary care.[d]
Payment Rates and Payment Models • Adjust allowed amounts to reduce incentives to provide commonly overused/potentially harmful services. • Use composite measure of low-value care in pay-for-performance programs, such as has been suggested for the Medicare Merit-based Incentive Payment System.[a] • Accelerate adoption of new payment models that reduce incentives for overuse, such as ACO programs with downside risk.[b]	**Utilization Management** • Consider narrowly targeted prior authorization programs.[e] • Minimize administrative burden through tools such as electronic prior authorization for a select number of services and with seamless user-friendly interface.[f]
Provider Profiling Information • Distribute reports benchmarking the practice patterns of a clinician or practice against those of peers.[c]	**Value-Based Insurance Designs** • Align patients' out-of-pocket cost sharing with the value of the underlying service. For example, high-value chronic disease care such as blood pressure medications should be free. • For commonly overused services, selectively allow increases in cost sharing to serve as "speed bumps."[g]

The Low-Value Care Task Force has also developed model RFI language to guide discussions with our TPA around some of these levers. See the Task Force on Low-Value Care's toolkit to explore levers, review model RFI language, and talking points for your administrator.

What are the costs associated with reducing [INSERT SERVICE]?

- Calculating current burden either internally or through consultants.
- Other costs will depend on the levers used.

What are the risks and how can we mitigate them?

- Member experience risk – universal to low-value care removal
    - The primary concern for most business will be how their covered employees will react to changes in their health insurance.
    - The Low-Value Care Task Force's Top Five mitigates this risk – these services were chosen by a multi-stakeholder group of health care leaders specifically for their propensity to be low-value and also that many people would be unlikely to contact Human Resources over a denial, especially when tangible clinical alternatives are available (such as physical therapy in this case).

- Other risks vary by the lever used to address any given service.
    - For example, prior authorization programs can cause employees to believe they are not getting the care they need.
    - To mitigate these types of risks, a strong communication plan which emphasizes the physical risk and harm associated with low-value care is critical.

Conclusion

The harms and cost of [INSERT SERVICE] far outweigh the benefits. We should take steps immediately to negotiate with our TPA and reduce the use of these services, which will ultimately lower our health care costs.