We know why we need to target HC/HN patients

Top 10% of Medicare patients  
52.7% of costs
Challenge: HC/HN patients not a monolithic group

- Number of Chronic Conditions
  - High Cost: 4
  - Non-High Cost: 1

- Mental Health Condition
  - High Cost: 16.0%
  - Non-High Cost: 6.4%

- Markers for Frailty (mean)
  - High Cost: 1.7
  - Non-High Cost: 0.2

- Eligible for Medicaid
  - High cost: 37%
  - Non High cost: 18%

Our approach: Segment into 6 groups

- Chronically ill
  - Under 65 disabled
  - Frail elderly
  - Major complex chronic
  - Minor complex chronic
  - Simple Chronic
  - Relatively healthy
Likelihood of being high cost

Proportion of all high cost patients
High-Need, High-Cost Patients: The Role of Behavioral Health

Mean Spending by Segments and by HC status (per beneficiary)

High Cost Patients’ Distributional Mean Spending Per Capita

Frail Elderly Under 65 Disabled

DME
Total Carrier
Part D (Drugs)
Post Acute Care
Outpatient
Inpatient
What’s next? Identify the drivers of utilization within segments

Mental health disease is highly prevalent among HC/HN patients

Top 3 mental illnesses in the Medicare population

- Depression
  - Non-High-Cost Patients: 12%
  - High-Cost Patients: 29%

- Anxiety Disorders
  - Non-High-Cost Patients: 9%
  - High-Cost Patients: 20%

- Schizophrenia and Other Psychotic Disorders
  - Non-High-Cost Patients: 3%
  - High-Cost Patients: 10%
Prevalence of Mental Health Disease Varies by Segment

**Prevalence of Depression**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Non-High Cost</th>
<th>High-Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 65 Disabled</td>
<td>25%</td>
<td>42%</td>
</tr>
<tr>
<td>Frail Elderly</td>
<td>24%</td>
<td>29%</td>
</tr>
<tr>
<td>Minor Complex Chronic</td>
<td>10%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Thank you!

Questions?
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