Supporting a Culture of Health for High-Need, High-Cost Populations:

Opportunities to Improve Care and Reduce Avoidable Costs for People with Complex Needs
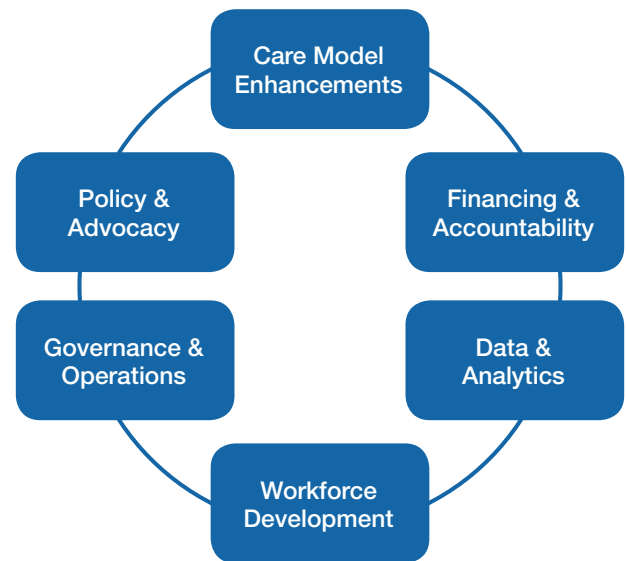
With rapid health care transformation efforts underway across the nation, there is increasing attention on improving outcomes and reducing avoidable costs for the small subset of individuals who account for the majority of health care spending. A recent national scan of innovators across the country explored key opportunities to improve models of care and reduce costs for these high-need, high-cost patients. The scan, supported by the Robert Wood Johnson Foundation and conducted by the Center for Health Care Strategies, uncovered strategies within six key domains to support a "Culture of Health" for high-need, high-cost populations: (1) care model enhancements; (2) financing and accountability; (3) data and analytics; (4) workforce development; (5) governance and operations; and (6) policy and advocacy.

Drawing from the scan, following is a summary of some of the most critical opportunities for future investment and program advancement to more effectively serve people with complex needs.

1. Care Model Enhancements

- **"Tease out" the effectiveness of specific interventions.** Programs that have demonstrated success in caring for high-need, high-cost individuals generally employ an array of interventions. Most of these programs, however, have insufficient understanding of which interventions are most effective overall, or for which specific population subsets. There are opportunities at both the organization-level and more broadly to carefully isolate key drivers of impact and tailor interventions accordingly.

- **Identify appropriate "dosing" of care management intensity and duration.** There is substantial variation across programs regarding: (1) the frequency of contact between care teams and high-cost patients; and (2) the duration of engagement in ongoing care management activities. Effective scaling and sustainability require greater understanding of how "much" intervention is needed and for "how long" – particularly given implications for the cost of implementing these models.

Key Domains to Improve Care for High-Need, High-Cost Populations

- Care Model Enhancements
- Financing & Accountability
- Data & Analytics
- Workforce Development
- Governance & Operations
- Policy & Advocacy

2. Financing and Accountability

- **Establish risk-adjustment methodologies that account for social as well as medical complexity.** A number of existing care management programs use acuity adjustments to match the level of provider payment with the expected intensity of service needs of their patients. As payment arrangements evolve to transition increasing financial risk to the provider-level, use of effective risk-adjustment methodologies will become more critical. For these methodologies to reflect risk for high-need, high-cost populations, they must account for key social as well as medical factors.

- **Refine approaches to managed care rate setting.** As Medicaid populations with complex needs are increasingly enrolled in managed care organizations (MCOs), two key limitations to current MCO rate-setting must be addressed to encourage investment in effective complex care models. These include: (1) establishing mechanisms to share savings generated through more effective approaches to care rather than simply reducing rates in future periods; and (2) giving MCOs "credit" for investments in cost-effective alternatives to Medicaid-covered services (such as housing).

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- **Braid funding streams and align accountability across publicly financed systems.** Counties can be particularly well-suited to blend or braid funding sources to increase access to and better coordinate services across systems, given the county role in funding a broad array of health and social services. Short of braiding service dollars, it is also possible to align accountabilities across systems through use of cross-system performance targets and quality metrics.

3. Data and Analytics

- **Identify unique population subsets to tailor intervention approaches.** It is important to recognize specific subgroups within the very heterogeneous high-need, high-cost population. Categorization may be based on utilization patterns – for example, frequent emergency department visitors may require different intervention strategies than individuals with frequent hospital readmissions. Likewise, providers may distinguish between individuals with high-priority social needs versus others who mainly need help managing specific health conditions.

- **Increase access to real-time, integrated data systems.** Data systems should allow for: timely targeting of patients; building comprehensive clinical care plans; supporting real-time tracking of admissions, discharges, and transfers; and demonstrating outcomes within and outside of health care. Data systems should also go beyond utilization and diagnostic data and provide information on functional status and other non-medical factors.

4. Workforce Development

- **Standardize tools and training specific to caring for high-need, high-cost populations.** Priority topics for training may include, for example, substance use disorder treatment; pain management; team-based care; motivational interviewing; and soft skills, such as trauma-informed care, patient engagement, and resiliency. Training may occur in the academic setting as part of a medical school or residency curriculum, or as a requirement for licensure or board certification.

- **Incorporate new or different types of health professionals and non-traditional health workers.** Rethinking the workforce for high-need, high-cost populations can provide more cost-effective and more culturally competent care. Community health workers, for example, can be used to support engagement and system navigation and a growing number of programs are using a continuum of non-medical specialists to extend the reach of primary care teams.

5. Governance and Operations

- **Leverage governance models to promote reinvestment in community capacity.** One of the more promising strategies for addressing social determinants is by reinvesting health care savings. Reinvested savings may, for example, go toward expansion of affordable housing, vocational training, or increased access to behavioral health treatment. Community governance boards can play a vital role in prioritizing community needs, identifying partners to implement reinvestment plans, and, ideally, bringing non-health care savings to the table to increase the reinvestment pool.

- **Develop management capacity to support operational excellence.** There are untapped opportunities to improve the capacity of organizations serving high-cost populations to operate more efficiently. This work involves standardizing processes, tracking key operational metrics through data management dashboards, and changing organizational culture to emphasize efficiency. Such efficiencies will be critical to delivering return on investment and achieving sustainability.

6. Policy and Advocacy

- **Address key policy barriers.** These include: (1) federal and state privacy laws that impede care coordination efforts through broad restrictions on the sharing of mental health and substance use disorder information; and (2) limitations on the ability to use Medicaid funds to pay for certain cost-effective non-medical interventions.

- **Ensure that the voice of consumers is represented.** Efforts to improve care and reduce costs for high-need populations cannot be isolated from broader discussions about community capacity and development. Consumers and families have much at stake and much insight to offer these efforts throughout design and implementation.

Through coordinated investments in the areas above, policymakers, providers and funders have the potential to dramatically improve models of care for high-need, high-cost populations. Such efforts, combined with those of the growing number of programs currently serving these groups across the country, will further develop the evidence base of what works to improve care for complex populations and support the spread of effective and sustainable approaches.

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