



# Health Risk Assessment Within the Individual Exchange



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# Wellpoint

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- ▶ Mission: Improve the lives of the people we serve and the health of our communities.
- ▶ Web Site: [www.wellpoint.com](http://www.wellpoint.com)
- ▶ Trading Symbol: NYSE: WLP
- ▶ Number of employees: 43,500
- ▶ 2012 Revenue: \$61.7 billion
- ▶ Membership: 36.1 million medical members with nearly 67 million individuals served through all subsidiaries
- ▶ Health care networks: Access up to:
  - ▶ 80% of nation's total primary care providers
  - ▶ 90% of nation's total hospitals
  - ▶ 80% of nation's total specialists

# Welcome to the Unknown

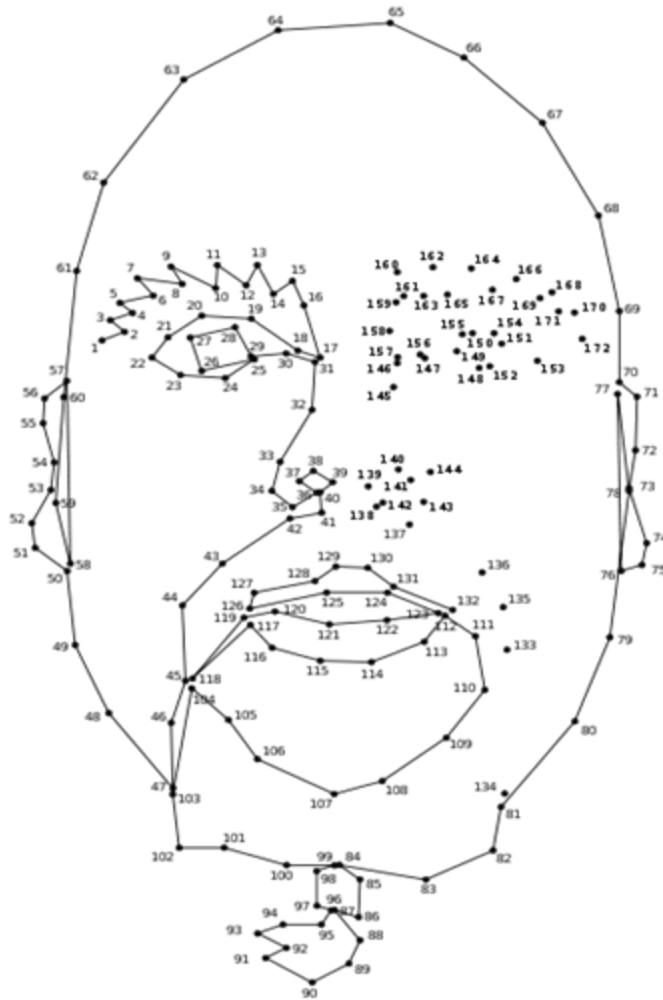
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## Reading the Rune Stone

- ▶ Millions of newly insured
- ▶ States free to design exchanges
- ▶ Requirements emerging and subject to change
- ▶ Traditional guideposts have been removed



# Who are the Newly Insured



## Connecting the Dots

- ▶  $\pm 5\%$  may be at risk vs. traditional 1-2%
- ▶ ~~Preexisting conditions~~
- ▶ ~~Prior claims~~
- ▶ Pent up demand
- ▶ Individuals at risk typically have a major health event with 6-12 months of coverage

# Health Assessment & the Exchange

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- ▶ Administered post enrollment
- ▶ Three functions
  - ▶ Risk Mitigation:
    - ▶ The Exchange has a pool of funds to subsidize premiums for high risk individuals.
    - ▶ Early care may prevent a catastrophic event
  - ▶ Identification of individuals in need
    - ▶ Referrals to medical or behavioral health programs
    - ▶ Assignment of a health coach
  - ▶ Addressing gaps in care
    - ▶ Annual wellness exam
    - ▶ Needed exams/tests

# Now who are you? You are not the same!

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## Individual Focus

- ▶ Traditional HRAs look back
- ▶ Predicative models use history to predict health events (hospitalization)
- ▶ PAM measures competency and predicts utilization cost



# Health Assessment Design

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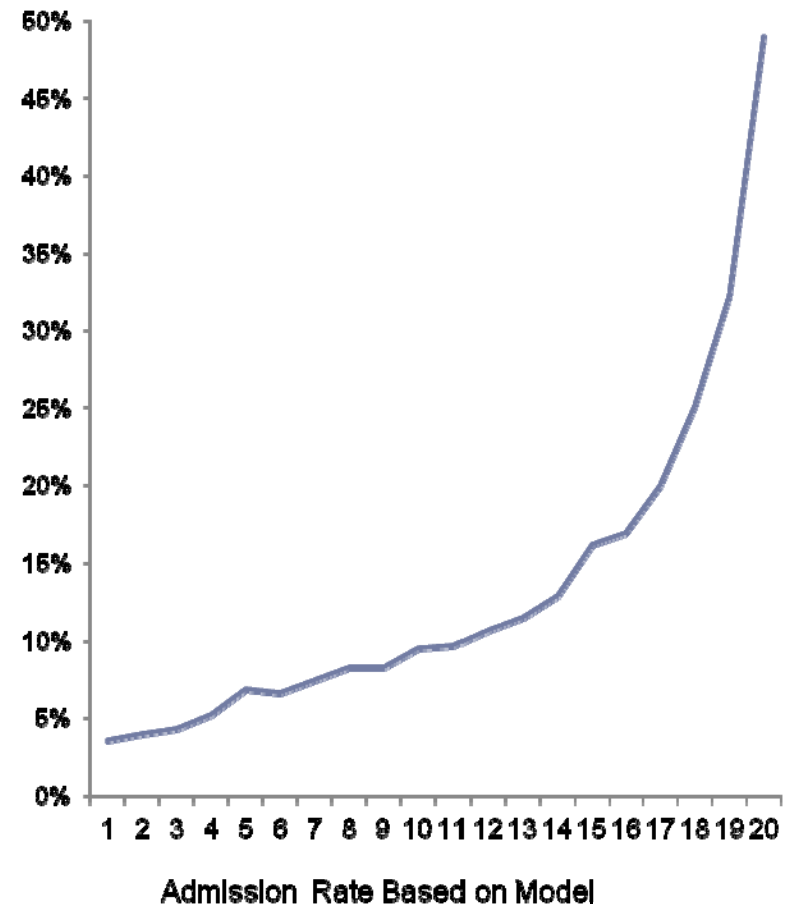
- ▶ Motivation and Ability – Determines the member's level of ability and motivation to manage their health.
- ▶ Overall Health – Members perception of their overall health and utilization of health
- ▶ Chronic conditions
- ▶ Biometric measures – The member's numbers
- ▶ Mobility and assistance issues
- ▶ Preventive measures – Current on exams/screenings.
- ▶ Lifestyle measures – Exercise and balanced diet.
- ▶ Social Measures - Shelter, food, etc.

# Algorithm to Predict Risk

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- ▶ Item responses are weighted
- ▶ Look back to determine true positives based on item responses
- ▶ Develop predictive model
- ▶ “Fit” new members to the model
- ▶ Determine risk level based on fit

**Predictive Model**





# Model Development Assumptions

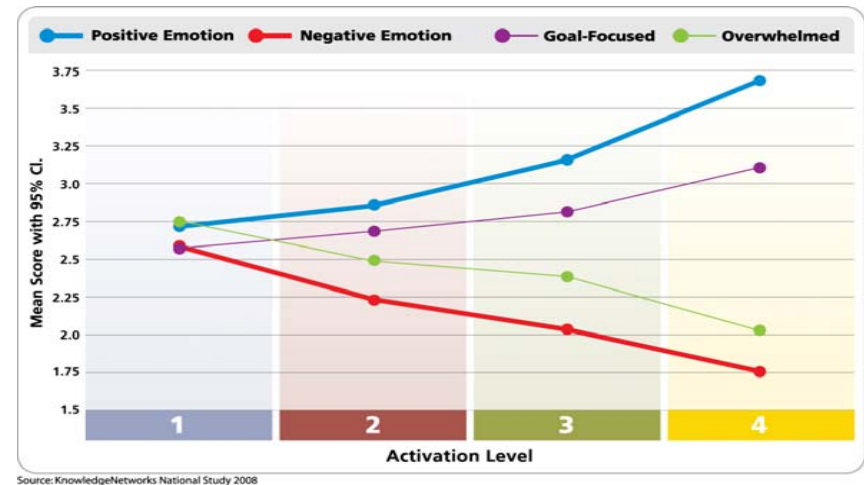
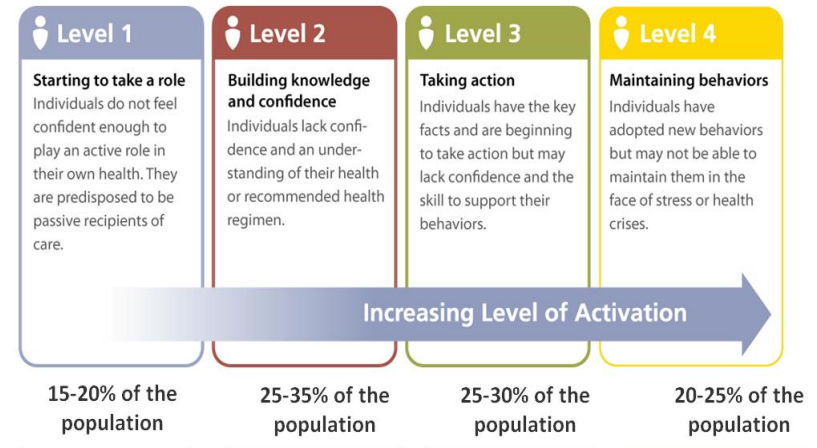
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- ▶ Forensic and other behavioral modeling techniques provide a foundation
- ▶ Past behavior is best predictor of future health event
- ▶ PAM scores along with an individual's perception of their health are significant components of the model
  - ▶ PAM is a viable predictor of health utilization costs
- ▶ Traditional HRA factors like depression, completion of exams and biometrics are not valid predictors of risk
  - ▶ They are important within an intervention.

# Awareness is the First Step

## How do we intervene?

- ▶ Meet them where they are
- ▶ PAM score informs us on an approach and level of resources required
- ▶ Important as many interventions “assume” level 1 – wastes time and resources



# Providing what one needs.

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- ▶ Utilizing PAM scores to direct an intervention
  - ▶ Significantly higher satisfaction than similar interventions
  - ▶ Greater commitment to act
- ▶ Utilizing PAM scores to allocate resources
  - ▶ +50% reduction in resource cost
- ▶ PAM score also provides an important baseline to measure program effectiveness & gains

	% change for a 1 point change in PAM score	10 point gain impact 54 (L2) to 64 (L3)
Hospitalization	1.7% decline	17% decreased likelihood of hospitalization
Good A1c control (HbA1c<8%)	1.8% gain	18% greater likelihood of good glycemic control
A1c testing LDL-c testing	3.4% gain	34% improvement in testing

Source: Is Patient Activation Associated with Future Health Outcomes and Healthcare Utilization Among Patients with Diabetes? Journal of Ambulatory Care Management, Oct/Dec 2009.

# Meeting NCQA Requirements

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## Element A: HA Components - 0.20 points

The organization's HA includes the following:

- ▶ 1. Questions on member demographics
- ▶ 2. Questions on personal health history, including chronic illness and current treatment
- ▶ 3. Questions on self-perceived health status
  - ▶ PAM score also relates to self awareness of health
- ▶ 4. Questions to identify effective behavioral change strategies
- ▶ 5. Questions to identify members with special needs in the areas of hearing impairment, vision impairment and language preference

# Summary

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- ▶ Risk Mitigation is key
- ▶ Tradition wellness focused HRA may not be effective
- ▶ We need to find individuals at risk and mitigate that risk within the first 45 days
- ▶ We are able to model risk
- ▶ PAM score tells us how to intervene and provides a baseline measure
- ▶ PAM also meets NCQA requirement for identifying behavior change strategies.