**Study Profiles High-Cost Patients**

An IMS Institute for Healthcare Informatics study of health care spending among the privately insured under age 65 population finds that high-cost patients are a significant driver of overall health care costs. While the annual cost for all individuals in this market averaged $4,000 in 2009-2010, the top 1% of members cost more than $100,000 each.

The report highlights the fact that the top 1% of privately insured accounts for 25% of overall health care costs within this market and that the top 5% account for 50%. On the other end of the spectrum, the bottom 50% of members account for only 3% of overall spending.

High-cost patients tend to be those suffering from chronic conditions, cancer, and auto-immune or specialty disorders, but high-cost patients still spend much more than other patients with these same conditions. Diabetes care, for example, was nine times higher for the top 1% of members than for diabetics overall. The IMS estimates that the privately insured market will grow by 17 million people with full implementation of the ACA in the coming years, so it will be important to understand the drivers of overall health care costs.

*“Healthcare Spending Among Privately Insured Individuals Under Age 65,”* IMS Institute for Healthcare Informatics. February 2012.

**Report Recommends Multilingual Enrollment Outreach Efforts**

A new report from the UCLA Center for Health Policy Research recommends the new Health Benefit Exchange build programs to ensure those with limited English proficiency (LEP) do not face language barriers when trying to enroll in coverage. The report states that 110,000 LEPs may not enroll due to language barriers.

The report notes that over one million LEPs will be eligible for subsidies in the Exchange, and more than half are expected to enroll by 2019 if language is not a barrier. Spanish is the predominant language spoken by these individuals, but significant numbers of LEPs speak Chinese, Vietnamese, Korean, and other languages.

California’s LEP population is more than twice that of any other state, and research shows that individuals often do not start or do not finish filling out enrollment forms when they are not available in their language. The authors recommend outreach efforts in the 13 current...
Medi-Cal Managed Care threshold languages as well as making the temporary Medi-Cal provider reimbursement rate increases in 2013-2014 permanent so that safety net providers can continue to serve LEP communities.

“Achieving Equity by Building a Bridge from Eligible to Enrolled.”
UCLA Center for Health Policy Research. February 2012.

Other Reports and Studies

- The International Federation of Health Plans released its 2011 comparative price report for medical and hospital fees in 24 countries. With the exception of cataract surgery, the U.S. is costlier than any of the other countries for physicians’ visits, pharmaceuticals, medical scans, hospitalizations, births, and surgeries. An analysis by The Washington Post points to the fact that in the US, it’s the providers alone – rather than the government or health plans and providers together – who set the prices.

- The Urban Institute and the Robert Wood Johnson Foundation published a brief analyzing coverage trends among parents, children, and adults with no dependent children in the United States from 2000-2010. Overall, employment-based coverage decreased by 10% among adults and 12% among children, from almost 70% of the population to just under 60%.

  Decreases in employment-based coverage coincided with increases in the uninsured rates for adults. Medicaid coverage increased among all three groups but especially among parents and children, for whom the rate almost doubled. Low-income adults and children (below 138% FPL) were less likely to have employment-based coverage and more likely to be uninsured, although low-income children’s uninsured rates declined substantially due to Medicaid/CHIP coverage.

  The report attributes 35% of the loss in employment-based coverage, 22% of the increase in Medicaid coverage, and 50% of the increase in the uninsured rate to changes in income distribution (low-income jobs are less likely to have employment-based coverage) and the recent recession. Increases in Medicaid coverage and the associated declines in uninsurance among children were attributed to eligibility expansions and policies targeted at enrollment and retention as well.

- An study in the American Journal of Managed Care compares hospital readmission rates in Medicare Advantage (MA) plans against fee for service (FFS) readmission rates and finds that MA readmissions are about 22-25% lower than FFS. Adjusting for risk of readmission based on patients’ diagnoses and excluding those under age 65 who are eligible for Medicare due to disability, the study finds that MA readmission rates for 2006-2008 were still 13%-20% lower than FFS readmission rates.