TheZetemaProject

High Need High Cost Patients

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Key Takeaways:

1. High-need high-cost patients drive a substantial percentage of total healthcare costs. In the U.S., **1% of individuals drive 20% of total health spending** and 5% of patients drive 50% of total spending

2. HNHC patients **do not all look the same**. HNHC individuals may have multiple chronic illnesses and functional limitations, physical and/or developmental disabilities, or severe behavioral health conditions, for example. HNHC patients are disproportionately older, female, less educated, lower income, and publicly insured

3. Organizations have deployed a **variety of models** to serve HNHC patients, from complex care management to high-touch primary care to wrap-around provision of social supports

4. HNHC programs can be **difficult to scale**, for a variety of reasons including differences in required provider skillsets, a lack of sustainable funding models, and challenges enrolling and maintaining relationships with HNHC patients

5. Our **existing FFS reimbursement model does not sufficiently incentivize HNHC support programs**, as providers and programs only receive reimbursement for the medical services they provide, rather than the downstream costs that they help avoid

6. Payors, employers, and health systems that take on **full risk are better suited to adopt HNHC programs**, as investments in HNHC supports can be recouped through reduced downstream costs

7. Policy changes that integrate funding and/or delivery of **medical services and social supports** are likely to increase the adoption of HNHC support models and expand the scope of feasible programs

Additional Recommended Reading

1. **Effective Care for High-Need Patients** *(full text)*– authored by Zetema Project panelists Peter Long and Melinda Abrams, among others, this book provides an overview of HNHC patients and challenges, and then analyzes innovations in care delivery models and policy shifts that aim to support HNHC populations. Excerpt included in pre-read. https://nam.edu/wp-content/uploads/2017/06/Effective-Care-for-High-Need-Patients.pdf

2. **"High-Need, High-Cost Patients: Who Are They and How Do They Use Health Care?"** – another introduction to HNHC populations, this Commonwealth Fund policy brief co-authored by Melinda Abrams analyzes MEPS data to illustrate who HNHC patients are and how they utilize care. https://www.commonwealthfund.org/publications/issue-briefs/2016/aug/high-need-high-cost-patients-who-are-they-and-how-do-they-use

3. **"Fixing the 5 Percent" and "The Hot Spotters"** – narrative introductions to HNHC populations and innovative efforts to support them, from The Atlantic and New Yorker, respectively. https://www.theatlantic.com/health/archive/2017/06/fixing-the-5-percent/532077/ and https://www.newyorker.com/magazine/2011/01/24/the-hot-spotters

4. **"Expanding the PACE Model of Care to High-Need, High-Cost Populations"** – an overview of the PACE model (serving 55+ adults, with LTSS needs) and an evaluation of the feasibility and opportunity to expand it to other HNHC populations, from the Commonwealth Fund. https://www.commonwealthfund.org/publications/issue-briefs/2020/oct/expanding-pace-model-high-need-high-cost

5. **"Why hospitals and insurers are paying for housing for these patients"** – an overview of MCOs' efforts to provide housing and other social supports to HNHC patients to reduce overall healthcare costs, from Market Watch. https://www.marketwatch.com/story/why-hospitals-and-insurers-are-spending-money-to-house-patients-experiencing-homelessness-2020-02-21