

Chapter 1: Reasons for Risk Adjustment, by Lisa Iezzoni

1. The local newspaper is about to report that your academic medical center has higher mortality rates for patients admitted with heart problems than the community hospital in the nearby suburbs. How would you explore that discrepancy and whether it is a danger sign that requires your attention? What information would you assemble to construct your response?

- Ask about the methods used to compute the mortality rates:
 - How was the patient population considered in these mortality rates defined? Did “heart problems” include individuals with a range of heart conditions with different levels of mortality risks?
 - Were the mortality rates risk adjusted, accounting for the severity of the heart problems, level of comorbid conditions, and other factors that could affect mortality?
- Look for factors other than those in the risk adjustment model that might explain the discrepancy:
 - Quality shortfalls
 - Differences in goals of hospitalization or patients’ preferences (For example, the academic medical center may admit persons who have few therapeutic options but desire high-risk percutaneous coronary interventions. Conversely, persons with long-standing heart failure who have sought treatment over time at the academic medical center may desire admission for end-of-life care.
- If you can obtain the risk score produced by the risk adjustment model for each heart disease patient at your hospital, examine the reasons for the deaths especially among the low-risk patients.

2. The governor has asked your managed care health plan to enroll more Medicaid-eligible individuals in a particular region of the state where enrollment rates among eligible individuals are low. What would you need to know to anticipate the financial resources (i.e., capitated payments) that will be required to cover the health needs of the new enrollees?

- If these persons have not enrolled in Medicaid despite being eligible for the program, maybe they have some characteristics that account for this lack of enrollment and also affect their health needs.

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- Do they have more health conditions and disabilities that make them less cognitively or physically able to enroll?
- Do they have sociodemographic attributes that might make them less likely to enroll and that might affect their abilities to respond to health care interventions or to manage their own care (e.g., low health literacy, less supportive social and home environments)?
- You should request data on the current or past (previous year) health care utilization of the potential new enrollees (e.g., hospitalizations, emergency department visits, use of long-term services and supports). Prior service use is generally an excellent predictor of needs in the immediate future.
- Are there specific subpopulations of these individuals who might require additional interventions and thus generate higher costs?
 - Children with chronic health conditions, such as asthma
- Persons eligible for Medicaid because of disabilities, such as
 - significant psychiatric disabilities, or
 - substantial physical disabilities requiring long-term services and support, such as daily personal care assistant (PCA) services

3. You are a primary care physician practicing in an inner-city clinic, and your mammography screening rates among women aged 50 to 75 are lower than the benchmark against which you are being compared. What information would you need to understand better why you have these lower rates?

- Effects of sociodemographic characteristics of your women patients aged 50 to 75
- Effects of patients' preferences
- Effects of access to and availability of mammography services
- Effects of health literacy