



## Characteristics of High-Cost Medicare Beneficiaries

# Identifying High-Cost Medicare Beneficiaries

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- Identify Medicare beneficiaries covered by Parts A and B, not enrolled in Medicare Advantage, and alive for all of 2010
- Find all paid claims for each beneficiary in each year, and aggregate the payment amounts
- Among eligible beneficiaries, determine whether their payments are in the top 10% on a PMPM basis
- Follow for two years (through 2012) or until death



# Highest Cost Beneficiaries Sicker, More Likely Dual Eligible

## CHARACTERISTICS OF HIGHEST-COST (2012 PMPM TOP 10%) AND AVERAGE MEDICARE FFS BENEFICIARIES IN 2012

Characteristic	2012 PMPM Top 10%*	2012 PMPM FFS Average
Average PMPM Costs	\$5,366	\$824
Dual Eligible Percent	30.7%	19.8%
End Stage Renal Disease Percent	11.7%	1.1%
Hospitalizations per 100 Beneficiaries	1.9	0.3
Average # of Chronic Conditions†	4.6	2.1
Selected Chronic Conditions		
Chronic Kidney Disease (CKD)	38.7%	5.6%
Heart Failure	34.2%	6.3%
Chronic Obstructive Pulmonary Disorder (COPD)	26.9%	8.7%
Stroke/Transient Ischemic Attack	8.3%	2.3%

\* Threshold for the top 10% of PMPM (\$2,541 per month) based on beneficiaries alive for at least one month in 2012, enrolled in both Parts A and B while alive, and not enrolled in any MA plan

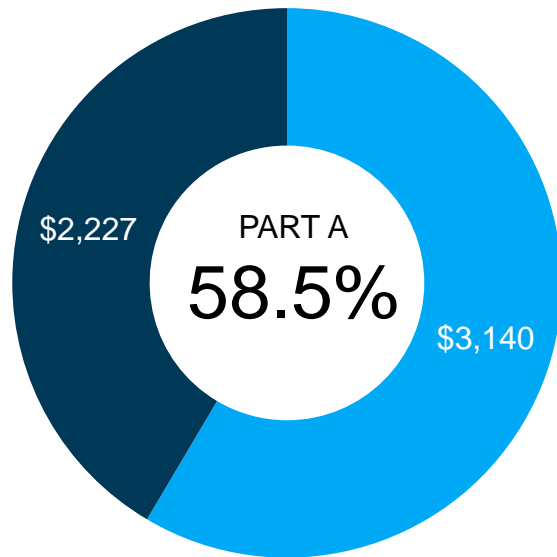
† Chronic conditions included are: Alzheimer's; asthma; atrial fibrillation; CKD; COPD; depression; diabetes; CHF; hyperlipidemia; hypertension; ischemic heart disease; osteoporosis; rheumatoid arthritis and osteoarthritis; stroke/TIA; and cancer (breast, prostate, lung, colorectal, or endometrial)



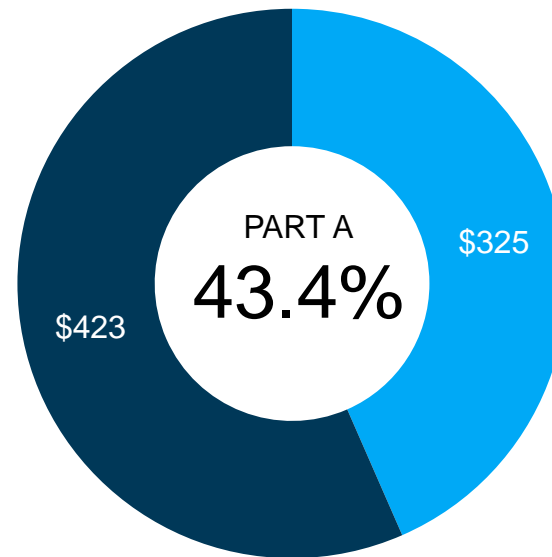
# Part A Is a Larger Share of Total Medicare Spending for High-Cost Beneficiaries versus for the National Average

MEDICARE SPENDING BY PART A VERSUS PART B, TOP PMPM 10%\* VERSUS FFS AVERAGE

2012 PMPM Top 10%



2012 PMPM FFS Average



■ Part A  
■ Part B

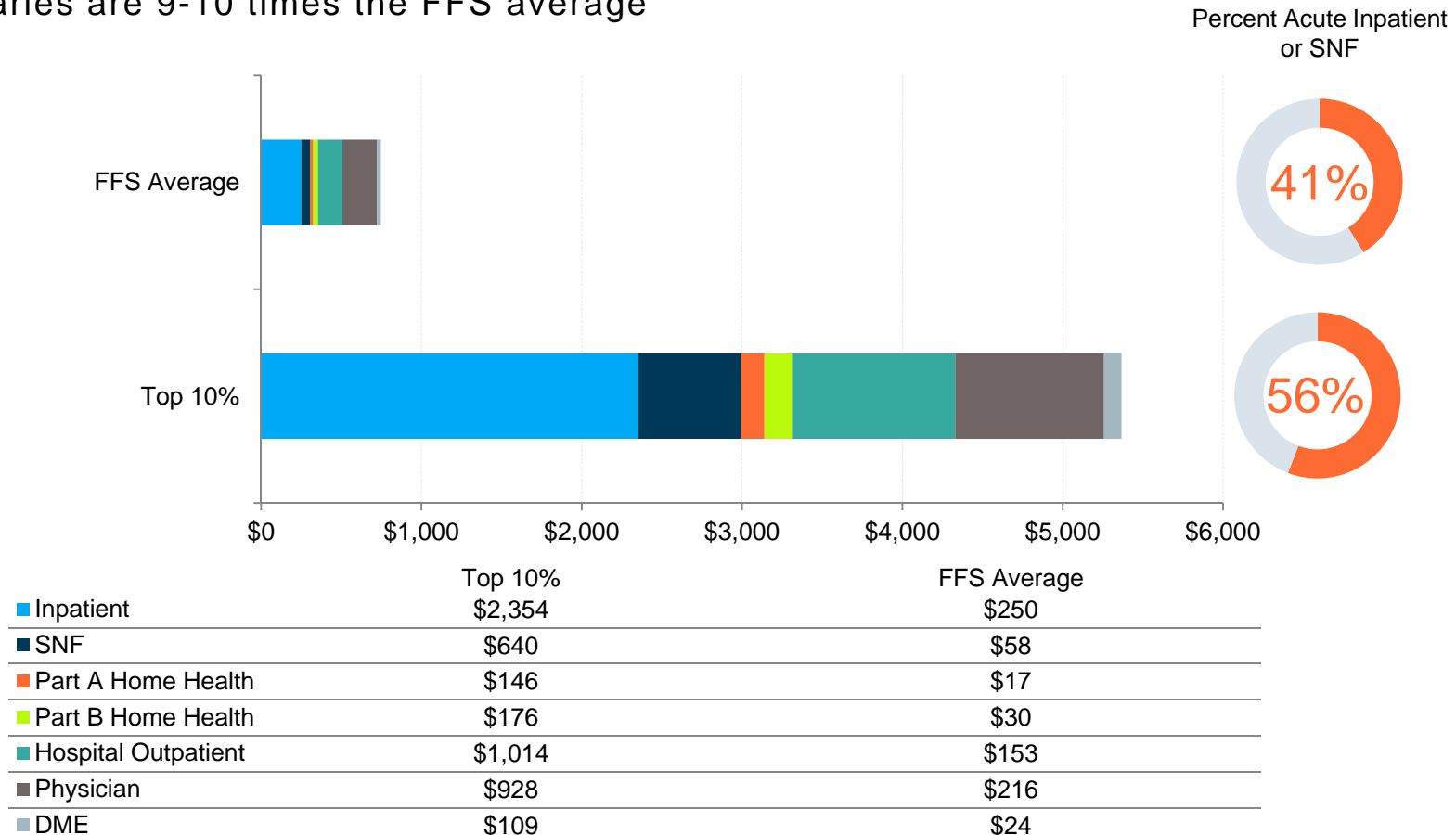
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# Medicare Spending on High-Cost Beneficiaries Driven by Disproportionate Increases in Acute Inpatient and SNF Use

## PMPM MEDICARE SPENDING BY TYPE OF SERVICE, TOP PMPM 10%\* VERSUS FFS AVERAGE

Medicare payments for the top 10% most costly beneficiaries (on a PMPM basis) are 6.5 times the FFS average; however, payments on acute inpatient and SNF services for the top 10% of beneficiaries are 9-10 times the FFS average



\* Threshold for the top 10% of PMPM (\$2,541 per month) based on beneficiaries alive for at least one month in 2012, enrolled in both Parts A and B while alive, and not enrolled in any MA plan