Looking through the Windshield

The importance of understanding future drivers of healthcare costs



Focusing on large claimants in any given year is standard practice in the healthcare industry. Is this focus informative? Sure. Is it interesting? Certainly. Does the focus on historic large claimants have any impact on managing future healthcare costs? Rarely. Business Consulting at The Partners Group calls this perspective "the rearview mirror." Predicting a future high cost claimant is far more valuable to managing healthcare costs than focusing only on past claims.

The Problem

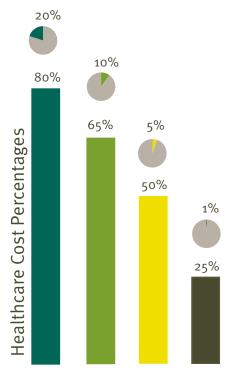
A major flaw of the rearview mirror perspective is the fact that, in any given year, more than 50% of high cost claimants turn over. Focusing on known high cost claimants ignores those who have "the right stuff" to become a high cost claimant in the future. Another flaw with the rearview perspective is that, by definition, it's reactive. The risk has already materialized. The cost has already been incurred. An intervention has limited or no value.

Did You Know?

- 5% of a large, credible population drives 50% of total healthcare costs? (see graph)
- 10% of a population drives 65% of total healthcare costs? (see graph)
- Unfavorability in year-over-year healthcare costs can be explained by the top 1% of claimants?

What Can You Do About It?

Population Percentage



The Solution

Identifying those who have the capacity to drive claims is key to establishing a windshield view.

Through data management and analysis capabilities along with medical claims, pharmacy claims, enrollment, biometric, health risk assessment, and demographic data, The Partners Group (TPG) enables employers and health plans to take a proactive approach to managing healthcare costs.

Discovering potential high cost claimants is only the first step. Ensuring these individuals have access to effective medical management and care coordination is the second step to proactively managing risk.

TPG risk-stratifies a population and works with the unique needs and resources of each client to implement meaningful interventions for potential high cost members.

1% of any population is accountable for 25% of that population's total healthcare cost.

In any given year, the individuals who make up the top 5% of claimants are new from the prior year claimants.



The Results

Our strategies have been implemented at firms across the country to help with the transition from the rearview mirror perspective to the windshield perspective.

From interfacing data to medical management to assisting in the creation and implementation of patient-centered care teams, we have enabled our clients to understand, focus, and act on healthcare risks before it becomes too late.

We've helped over 30 hospitals, spanning over 60,000 members, focus their limited resources in the right direction.

The Next Steps

Do you find you have exhausted all the traditional levers to control and manage healthcare costs?

Are you ready to move toward a more effective strategy of managing risk?

If The Partners Group solution looks like it could be your solution:

1. Contact us.

Call us at 503.941.4314
Email us at solutions@tpgrp.com
Visit us at www.tpgrp.com

2. Meet with us.

Set up a Discovery Meeting

3. Partner with us.

Solve the Problem

BCD OFFERS:

- Unique Solutions to Unique Problems
- Tailored Systems to fit your Culture
- Results in Numbers. Results in Relationships.
- It's about Success. It's About Fun.

Business Consulting at TPG

We are problem solvers. At TPG, we don't give you problems for us to solve. We solve your problems. In fact, in partnership with us, you will not only find an answer to the problem, but a relationship with good people who have your best interest at heart.

We do data right. More than ever, solving problems relies heavily on data. Working with a firm with this understanding along with the skills to manage the process is crucial to a successful solution.

How we solve problems:

Inspire. Initiate. Innovate.

Other Services

• Engaged Consulting:

Creating a better culture to achieve high levels of employee and spouse engagement

• Absence Management:

Understanding the total cost of absence to your organization and doing something about it

• Project Management

Superior skills to provide framework to accomplish your goals

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