Reducing Chronic Disease Healthcare Costs

White Paper by JB Holeman, Updated February 2022

For years the Centers for Medicare & Medicaid Services (CMS), commercial insurance providers, the Veterans Administration, and even the general public have been trying to control healthcare costs – especially for those that are Chronically Ill. One of the latest approaches involves Medicare Advantage plans, specifically SSBCI or Special Supplemental Benefits for the Chronically Ill.

According to Ken Thorpe, the Chairman at the partnership to Fight Chronic Disease, "Medicare's chronic care disease population accounts for three-quarters of the program's spending. As estimates for chronic illness growth continue to swell, Medicare faces potential cost growth to $42 trillion come 2030."[1] In many cases those long term patients are not in a medical facility; they are at home.

Since they are at home there are many instances where there are emergency room visits. A February 2019 study by Premier Inc. "suggests that a patient-centric, physician-aligned care management model can be effective in reducing preventable emergency department visits, with savings of up to $8.3 billion annually."[2] The study went on to say there were 4.3 million potentially preventable visits.

Reconfiguring healthcare delivery to reduce costs is not simple. Delivery reform requires redesigning systems, infrastructure, and processes, investing in health information technology, creating new partnerships, substantive changes in clinician and administrative tasks, and many other significant challenges. One of the most difficult challenges is the cultural redesign required at all levels of the organization, from leadership to the individual clinicians.

A recent white paper by Phillips states it is very hard to reduce costs within the traditional medical provider setting. Models for collaborative health management are developing outside the hospital. The patient, not the hospital, is becoming the main hub.[3]

Perhaps it is time to consider an "outside the box" alternative.

Could the use of non-medical caregiver observations reduce costs and improve chronic care outcomes?

- ***Caregivers include family members, volunteers, agency hires, etc.***
- ***They are dramatically less expensive.***
- ***They see the patient much more frequently.***

It could be as simple as the patient self-reporting using a structured process. For the more significant conditions, the data collection may require caregiver reporting, either by family members, volunteers, or even paid caregivers.

In almost every situation non-medical caregivers see the patient much more frequently than the professionals. They see the patient on a daily basis, and can report changes in condition in a timelier manner than the infrequent professional visits.

As you might suspect, medical professionals have concerns about collecting information from these non-medical sources.

- Can they rely on this type of information? - Harvard Medical School (HMS) recently reviewed the preliminary data from a home caregiver pilot program[4]. In that pilot, caregivers were tasked to report any "changes in condition" with their care recipients. The HMS review pointed out many successful outcomes, including "relatively few false positives".
- How do the medical providers structure the expected observations to be more meaningful? After every discharge or visit, a medical professional explains to the patient and/or their caregiver the changes that should be "watched for". Commonly this tends to be a generic checklist. *To improve the value of these changed condition observations, we suggest that the physician spend a little more time customizing the checklist to each specific patient.*
- Will the use of caregiver information increase the Health Care Provider's (HCP)'s liability? This is a perceived risk issue for many healthcare providers. There is the concern that they might receive a non-medical observation and subsequently do not respond appropriately. Nothing in the suggested alternative alters the doctor's duty of care*. However, in our litigious society, there is no easy way around this issue.*
- HCPs claim that they are already overloaded with information! - Currently with all the digital systems, medical professionals can be easily overwhelmed with information. It is becoming increasingly difficult to keep track of volume and isolate the information that truly affects a patient's health. *Another challenge, but somehow the "system" needs to find a way to prioritize these timely, significant changed condition observations.*
- How does the provider fit these observations into one or more CPT codes? These non-medical observations do not fit a CPT code. However; when they are reviewed by a medical professional and entered into the patient's EMR they fit a wide variety of codes. *Should this lack of an initial CPT prevent an alternative that potentially reduces cost and improves patient outcomes?*

Home Care LINK – A Specific Alternative

Home Care LINK (HCL) has developed an approach for every caregiver to record changed condition observations. These observations are automatically sent to our cloud-based server following each observation. These time-phased, secure reports are immediately available to all authorized users.

Essentially, HCL is a telemedicine variation potentially used by a wide variety of non-medical personnel that is simpler and much less expensive. Home Care LINK service is all-inclusive – the software, the digital tablet, and the data plan to transmit the collected data. No additional equipment or connections are required.

Ideally, each HCL observation is based directly on a physician's checklist of conditions customized for a particular patient. Each HCL observation is prioritized as normal or critical. If a critical observation is recorded, automatic alerts are sent (text or email) to whomever the care manager has designated.

Home care LINK also features "medication reminders". This feature focuses on loading a simple pill box/organizer and monitoring a patient's usage. Results are recorded and sent.

Many professionals and family members believe the concept of using non-medical caregiver observations has great promise to improve chronic patient health care by reducing costs and improving outcome. However, going from concept to implementation remains a challenge.

Implementation scenarios and business models need to be tested to evaluate whether structured caregiver observations reduce medical costs and improve chronic patient outcomes. The potential benefits include:

- Observation windows are more comprehensive.
- Timeliness is significantly improved.
- Alerts and Reports are customized to each patient.
- Fewer visits to the ER.
- Costs significantly reduced.
    - No requirement to technically integrate into the existing EMR system.
    - In many cases, the patient's family pays for the caregivers.
    - The data collection uses a single purpose, inexpensive Android tablet.

---

1. "Medicare Chronic Disease Management Vital to Cut Healthcare Costs". Sara Heath, *Patient Engagement*, June 25, 2018.
2. "Ready, Risk, Reward: Improving Care for Patients with Chronic Conditions", White Paper by Premier Inc., February 2019.
3. "A model for collaborative health management outside the hospital", www.phillips.com, November 2018.
4. "Preliminary Data on a Care Coordination Program for Home Care Recipients", *The American Geriatrics Society Journal*, August 2016.