



Outcomes for High-Needs Patients: Practices with a Higher Proportion of These Patients Have an Edge

Synopsis

Patients with high health care needs enrolled in Michigan primary care practices that treat a large proportion of such patients had lower health care costs, fewer hospital admissions, and fewer emergency department visits than those enrolled in practices serving smaller proportions of high-need patients. Small practices—those with one or two physicians—exhibited lower overall spending for high-risk patients, though not lower utilization of services, compared with larger practices.

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The Issue

Because patients with multiple health conditions account for a disproportionate share of health care spending and are at greater risk for poor outcomes, improving primary care for them is critical to advancing care quality and reducing costs. It remains unclear whether certain types of primary care practices are better able to make the kinds of organizational changes required to deliver high-quality care to high-need patients. The authors of this *Health Affairs* study, supported by The Commonwealth Fund, look at two medical practice characteristics—the proportion of patients with high needs and the size of the practice—and examine their relationship to performance.

Key Findings

- In practices with a substantial proportion of high-need patients (more than 10% of the practice panel) and in those with a moderate proportion (2%–10%), high-need patients incurred less spending than did those in practices with a minimal proportion (less than 2%) of such patients.
- Total medical and surgical spending was nearly 12 percent lower for high-need patients in practices with a moderate share of these patients and more than 40 percent lower in practices with a substantial share. Patients in moderate- and substantial-share practices also had lower odds of incurring any inpatient spending.
- Patients in practices with substantial and moderate proportions of high-need patients were less likely to be admitted to the hospital or to visit the emergency department.
- High-need patients treated by small practices recorded lower spending, but not lower levels of care utilization, than patients in larger practices.
- Composite quality-of-care scores for practices with a substantial proportion of high-need patients were significantly worse than those for practices with a moderate proportion. Small practices with one or two physicians also had worse scores compared with larger practices.

The Big Picture

The finding that practices with a large proportion of high-need patients had lower levels of spending was surprising given that these patients require more time, resources, and expertise to manage their conditions effectively. The authors suggest that practices treating more high-need patients might have structural advantages over other practices or specific approaches developed over time that position them to provide better care. “It may be that practices with a greater proportion of complex patients reach a ‘tipping point’ where they have gained the experience and economies of scale necessary to effectively target care processes to this population’s unique needs,” they write. As to why smaller practices and practices with more high-need patients had lower quality-of-care scores, the authors posit that the quality measures may have been targeted toward adherence to best care practices for healthy patients or those with only one health condition rather than capture the distinct care needs of more complex patients.

“Our findings should prompt policymakers to further vet the assumption that practice consolidation will result in better care for patients who are most in need.”

The study’s results have important policy implications. Efforts to direct high-need patients to specialized sites of care that serve a high proportion of these patients have shown early promise and could be bolstered with support from policymakers and payers. In addition, there is a consistent trend toward consolidation of primary care to large practices, but these results and others affirm the value of smaller practices. Policymakers should find ways to support and preserve small primary care practices across the country.

About the Study

The researchers examined four years of claims data for high-need patients insured by Blue Cross Blue Shield of Michigan and treated in primary care practices. High-need patients were defined as those with two or more chronic physical, mental, or behavioral health conditions that generate significant health care use. The final data set included 65,816 patient observations among 1,338 practices from 2010–2013.

The Bottom Line

Primary care practices serving large proportions of high-need patients have lower spending and utilization compared to practices with smaller proportions of such patients. Small practices had less spending, but not lower utilization, compared with large practices. Organizational experience and economies of scale may play roles.

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This summary was prepared by Jeni Williams.