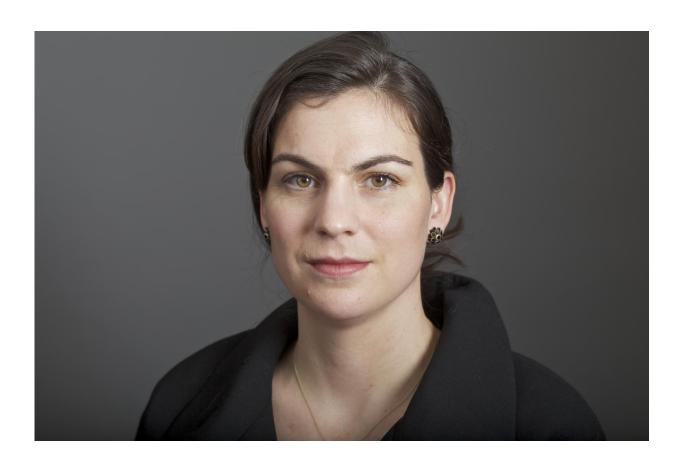


## Does payer type—commercial insurance or Medicare—affect the use of low-value care?

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Carrie Colla heads up a research team which recently examined the association between payer type -- commercial insurance vs Medicare -- and the use of low-value healthcare services. Credit: The Dartmouth Institute

In a first-of-its-kind national study, researchers from The Dartmouth



Institute for Health Policy and Clinical Practice examined the connection between payer type and low-value care to determine what effect insurance design (commercial insurance vs. Medicare) may have on medical overuse and waste. For most providers and services, the profit margins for delivering care to commercially insured patients are higher so the incentives to recommend services are stronger (all else being equal). However, in a paper recently published in *Health Services Research*, the researchers speculated that overuse may be more prevalent in the older Medicare population as this group has more contact with the health care system.

To better understand the association between reimbursement and the use of low-value care, the researchers compared the use of seven medical services identified as low-value services by the Choosing Wisely initiative: early imaging for back pain, Vitamin D screening, cervical cancer screening over age 65, prescription opioid use for migraines, cardiac testing in asymptomatic patients, short-interval repeat bone densitometry (DXA), pre-operative carding testing for low-risk surgery, and a composite of these. Launched by the American Board of Internal Medicine (ABIM) in 2012, the aim of the Choosing Wisely initiative is to improve health care quality and identify low-value care (the provision of a service that has little or no clinical benefit, or one that carries a risk of harm that outweighs its potential benefits).

The research team used claims data from the Health Care Cost Institute (HCCI) as well as Medicare administrative data from 2009-2011 and compared the data at both the national and Hospital Referral Region (HRR) level.

## Among their key findings:

• The tendency to deliver or avoid low-value care appears largely independent of payer type (Medicare or commercial) and patient



population attributes. (Researchers note that the finding suggests that either the difference in anticipated reimbursement is unimportant to providers or that they are "unwilling or unable to discriminate by payer type at the point of care.")

- Regions with a high specialist to primary care ratio have more overuse.
- Some Hospital Referral Regions may deliver more overuse either as a direct result of higher physician group competition or as an indirect result (more competition results in more fragmentation and redundancy).
- The use of the seven low-value services remained relatively consistent over time. However, Vitamin D screening increased substantially during the study period (perhaps as a result of increased public awareness and the promotion of Vitamin D as a medical concern). In contrast, the use of cervical cancer screening in the over 65 population decreased substantially.
- The rate of prescription of opioids for migraine patients is similar in both commercially insured and Medicare populations, but is much more commonly provided than the other Choosing Wisely services examined in the study. (\*The study's authors note that study data may not reflect the slight decline in prescription opioid use in response to growing concerns over opioid abuse.)
- Finally, the study found that the use of low-value services in both payer types was greater among HRRs with higher proportions of black patients. The researchers note that their finding suggests a concerning "potential for double jeopardy in health services receipt among black Americans."

In light of their finding that the use of low-value does not appear tied to payer type, the researchers state that provider systems are likely "better equipped" than payers to identify locally acceptable versions of the Choosing Wisely recommendations and to leverage available resources



to bring about "meaningful practice changes.

**More information:** Carrie H. Colla et al, Payer Type and Low-Value Care: Comparing Choosing Wisely Services across Commercial and Medicare Populations, *Health Services Research* (2017). DOI: 10.1111/1475-6773.12665

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