Self-reported functional impairments, frailty associated with higher health care costs in Medicare beneficiaries

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A study of more than 8,000 comprehensively characterized Medicare beneficiaries has found that the addition of self-reported functional impairments and physical frailty to claims-based measures of multi-morbidity and frailty identifies large differences in spending attributable to impairments and frailty. The findings are published in *Annals of Internal Medicine*.

Health care systems are assuming increasing responsibility for the expenditures of their patients, including older adults who account for a disproportionate share of health care costs. To reduce future spending, these health care systems need to identify older adults at risk for costly care to select target populations for interventions to reduce health care burden.

Researchers from the University of Minnesota analyzed 8,165 Medicare beneficiaries who were enrolled in prospective cohort studies. The authors found that self-reported functional impairments and physical frailty are robustly associated with substantial additional health care costs in older adults even after accounting for claims-based measures of multi-morbidity and frailty. The authors also found that claims-based models adding functional impairments and physical frailty outperformed models based on claims-derived indicators alone, resulting in better accuracy of cost prediction overall and in high-risk subpopulations.

The researchers note that persons with functional impairments or physical frailty compared to those without these geriatric syndromes had higher costs not attributable to claims-based predictors of costs, ranging from additional costs of $2,354 to $11,770 per year for functional impairments, and from $6,172 to $8,532 per year for physical frailty. According to the authors, their results suggest that assessment of functional impairments and physical frailty may improve identification and characterization of older adults likely to require costly care and aid development and targeting of interventions aimed at reducing costs.

An accompanying editorial from the University of Michigan Medical School highlights the importance of predicting costs when determining how much to pay providers for their care of a defined population. While the addition of functional impairments and physical frailty results in a modest improvement in cost prediction for the overall study population, it is not yet known whether this gain in accuracy justifies the cost and effort that would be required of health systems to routinely collect data on functional status or measure physical frailty in their older patients.

However, the author of the editorial acknowledges that incorporation of these measures into electronic health records, while costly, could potentially allow greater return on investment when one considers the potential for financial incentives that encourage more targeted interventions in older patients with functional impairments to prevent need for long-term care. This information could also help clinicians alter the trajectory of functional decline in older patients in situations where that remains possible.

More information: Study: *Annals of Internal Medicine* (2023). DOI: 10.7326/M22-2626. www.acpjournals.org/doi/10.7326/M22-2626

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