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## New Study Examines Private vs. Public Sector Approaches to Reducing Costs of High Cost Claimants

*American Health Policy Institute compares high cost beneficiaries under in large employer plans with those covered by the federal government*

**Washington, D.C.** – Today, the American Health Policy Institute (AHPI) releases its new study, “High Cost Claimants: Private vs. Public Sector Approaches,” in collaboration with Leavitt Partners. The study compares and contrasts high cost claimants in the private and public sectors (a high cost claimant is defined as a beneficiary who costs \$50,000 or more in one year).

In order to better understand the burden of high cost claimants’ costs to employers’ health plans, as well as options for addressing these costs, AHPI surveyed 26 large employers on their claims data. Key findings include:

- The average high cost claimant costs **\$122,382** annually;
- **1.2%** of all members are high cost claimants;
- High cost claimants comprise **31%** of total spending;
- High cost claimants cost **29.3 times** as much as members on average;
- The costliest claims include cancer treatments, heart disease, live birth and perinatal conditions, and blood infections.

To compare high cost claimants covered under employer-sponsored insurance with those covered by the public sector, Leavitt Partners analyzed 2013 Medicare fee-for-service claims data. Key findings include:

- The average high cost claimant costs **\$105,004** annually;
- **3.4%** of Medicare FFS beneficiaries are high cost claimants;
- High cost claimants comprise **44%** of total spending;
- High cost claimants cost **12.8 times** as much as members on average;
- The costliest claims include end stage renal disease, acute respiratory failure, and congestive heart failure.

Dr. Tevi Troy, CEO of AHPI, said, “Both the federal government and the private sector need to take a careful look at high cost claimants. Employers, for their part, are developing innovative approaches to high cost claimants and are in a unique position to establish programs that address this group. These new approaches, coupled with the slowness of our political system to respond to cost challenges, make it probable that employers will be nimbler and faster in developing innovative programs to address high cost claimants.”

# Press Release

Some possible initiatives that the private and public sectors can take to reduce the cost of high cost claimants include:

- Mining health data to target certain chronic conditions;
- Engaging beneficiaries to be active plan participants;
- Implementing wellness programs with a clinical orientation;
- Developing predictive biometric health screening profiles;
- Using care management to target the costs of particular diseases or procedures;
- Using State Innovation and Medicaid Waivers to target high-cost beneficiaries.

**To view the full study, please visit the following link:**

[http://www.americanhealthpolicy.org/Content/documents/resources/High\\_Cost\\_Claimants.pdf](http://www.americanhealthpolicy.org/Content/documents/resources/High_Cost_Claimants.pdf)

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**American Health Policy Institute** (AHPI) is a non-partisan 501(c)(3) think tank, established to examine the impact of health policy on large employers, and to explore and propose policies that will help bolster the ability of large employers to provide quality, affordable health care to employees and their dependents. The Affordable Care Act has catalyzed a national debate about the future of health care in the United States, and AHPI serves to provide thought leadership grounded in the practical experience of America's largest employers. To learn more, visit [americanhealthpolicy.org](http://americanhealthpolicy.org).