Service Type Trend Analysis

Applied Business Analytics BAN5650

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Service Type Trend Analysis

Features Considered:

- AGE_LVL = >65

- BENE_GEO_LVL = National

- Year = 2007 – 2021

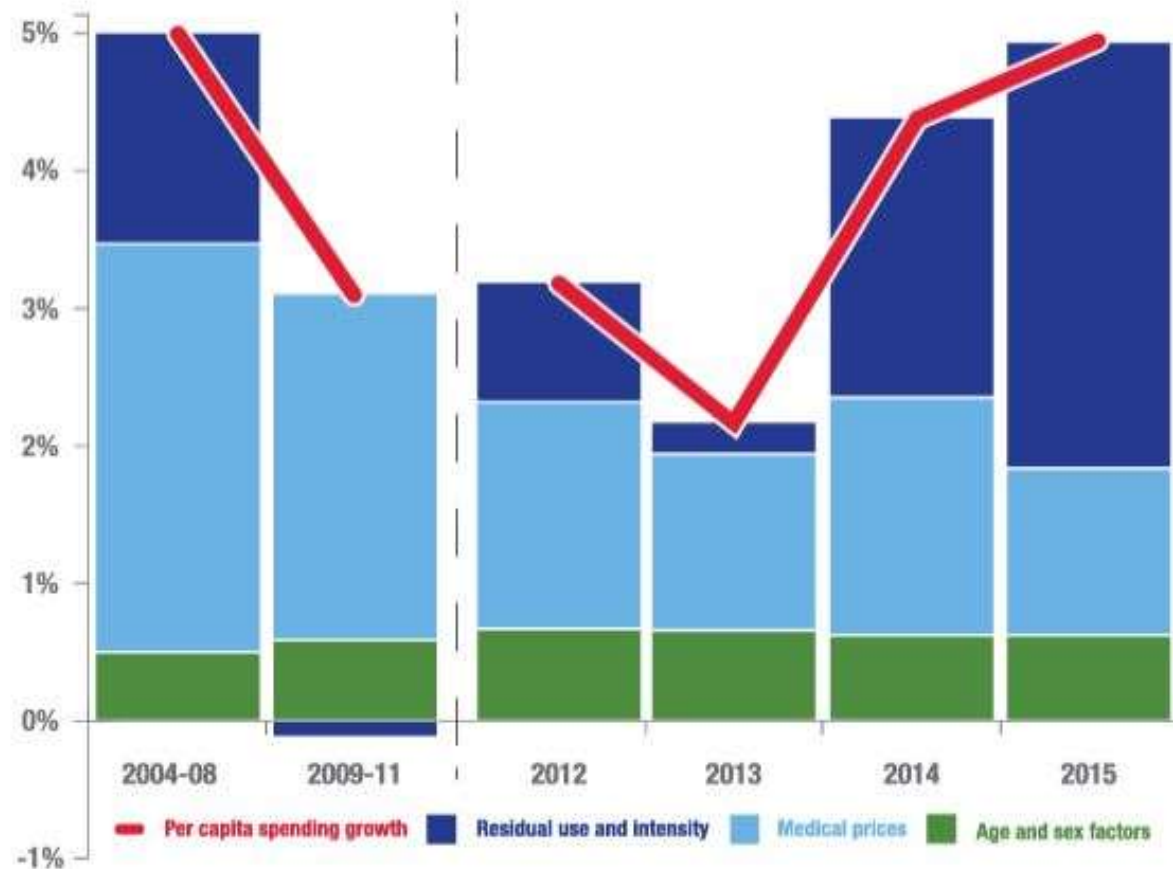- Service Type: Cost and Utilization metrices as listed

Service Type	Cost	Utilization
Hospital Inpatient	IP_MDCR_STDZD_PYMT_PC	IP_CVRD_DAYS_PER_1000_BENES
Hospital Outpatient	OP_MDCR_STDZD_PYMT_PC	OP_VISITS_PER_1000_BENES
Ambulatory Surgery Center	ASC_MDCR_STDZD_PYMT_PC	ASC_EVENTS_PER_1000_BENES
Evaluation and Management	EM_MDCR_STDZD_PYMT_PC	EM_EVNTS_PER_1000_BENES
Procedures	PRCDRS_MDCR_STDZD_PYMT_PC	PRCDR_EVNTS_PER_1000_BENES
Tests	TESTS_MDCR_STDZD_PYMT_PC	TESTS_EVNTS_PER_1000_BENES
Imaging	IMGNG_MDCR_STDZD_PYMT_PC	IMGNG_EVNTS_PER_1000_BENES

Trend of Medicare spending (IP and OPT)

- Growth in Medicare spending for all hospital services - inpatient and outpatient was at its lowest level in 17 years as of 2015. (Health Affairs, 2016)

- Inpatient spending declined by 1.9% in 2015. (Health Affairs, 2016)

- Growth in hospital spending was largely driven by increased use and intensity of services.(Health Affairs, 2016)

Health care spending growth per capita was largely driven by increased use and intensity of services provided in 2014 and 2015.

Source: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group. *Health Affairs*. December 2, 2016.
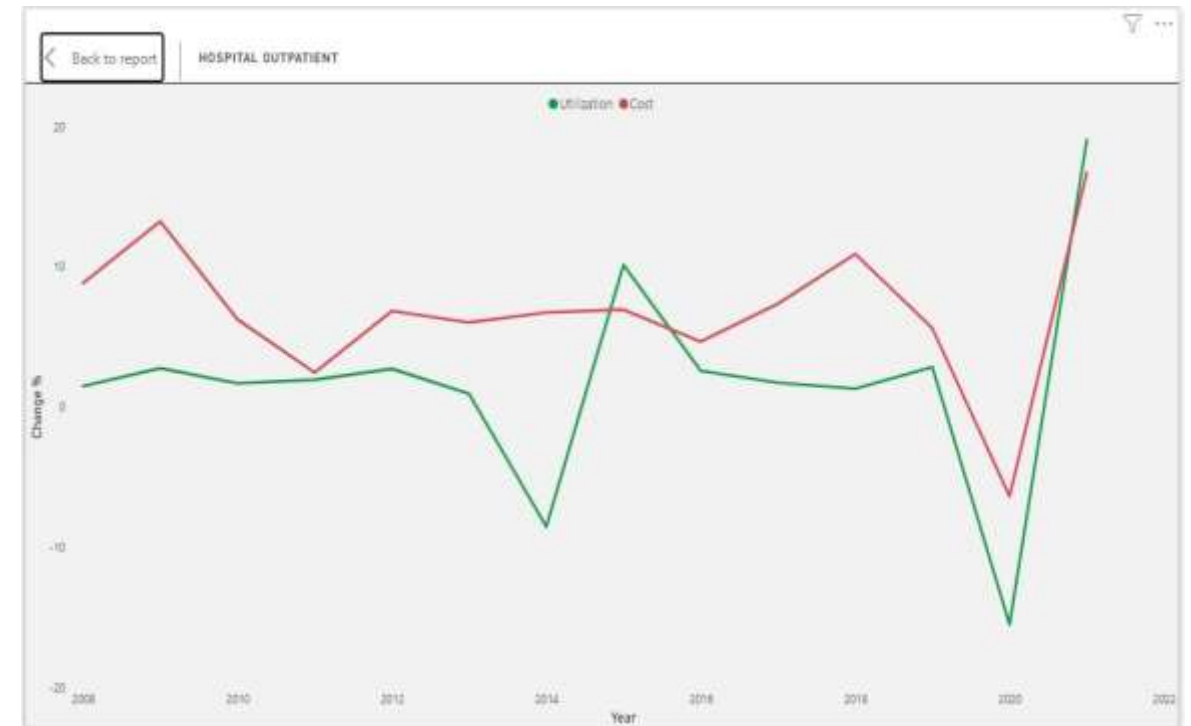
Hospital Outpatient Service Trend

Outpatient visits include all types of:
- Clinic visits
- Referred visits
- Observation services
- Outpatient surgeries
- Emergency department visits

- These visits are counted **regardless of the number** of diagnostic or therapeutic procedures performed during the visit.

- **2013/2014 data** showed:

  - A **sharp decrease** in outpatient visits per 1,000 beneficiaries.

  - **Negligible change** in Medicare payment per capita.

Telehealth

- Medicare currently offers **limited coverage** for telehealth services.

- Other payers have **more quickly** adopted telehealth coverage across various services and regions (American Hospital Association, 2016).

- Telehealth is **convenient**, saving patients from having to visit the physician's office and resulting in fewer lost workdays.

- **Telehealth, telemonitoring, and telepsychiatry** reduce:
    - Time spent
    - Travel expenses
    - Emergency Room (ER) wait times.

References

- Centers for Medicare and Medicaid Services. (2016, December). Office of the Actuary, National Health Statistics Group. Health Affairs.

- American Hospital Association. (2016, April). *Telehealth: Helping Hospitals Deliver Cost Effective Care*. https://www.aha.org/system/files/content/16/16telehealthissuebrief.pdf

Thank You