Components of Trend Guide

This tool was developed to guide users through the Components of Trend analysis. Users were able to enter data in an input area and select a few options. The following tables would update given the input data, and users could track the data as it flowed through the analysis.

Financial Change

Change in Paid

= Paid – Prior Paid

% Change in Paid PMPM

= (Paid PMPM / Prior Paid PMPM) – 1 or = (Paid PMPM – Prior Paid PMPM) / Paid PMPM – 1

Measure	Current Period	Prior Period	Change
Paid	$3,239,573	$2,000,000	$1,239,573 ↑
Paid PMPM	$129.58	$100.00	29.58% ↑

Components

Membership Component

= (Member Months – Prior Member Months) * Prior Paid PMPM

Measure	Current Period	Prior Period
Member Months	25,000	20,000
Paid PMPM	$129.58	$100.00
Component	$500,000 ↑	

Demographics Component

= (Age-Gender Index – Prior Age-Gender Index) * Prior Paid

Measure	Current Period	Prior Period
Age/Gender Index	1.0059	0.9975
Allowed	$3,239,573	$2,000,000
Component	$16,800 ↑	

High Cost Claimants Component

= (Paid PMPM: HCC – Prior Paid PMPM: HCC) * Prior Member Months
Where: Paid PMPM: HCC = Total Paid: HCC / Member Months
                   Paid: HCC = Paid: $30K-$50K HCC + Paid: over $50K HCC

Measure	Current Period	Prior Period
Paid: $30-$50K HCC	$485,936	$300,000
Paid: over $50K HCC	$809,893	$500,000
Paid: HCC	$1,295,829	$800,000
Member Months	25,000	20,000
Paid PMPM: HCC	$51.83	$40.00
Component	$236,663 ↑	

Paid: HCC and Paid PMPM: HCC are not available since the data is split into two categories.

Price Component

= (Paid per Service − Prior Paid per Service) * Prior Services

Measure	Current Period	Prior Period
Services	1,806	1,858
Paid/Service	$1,793.78	$1,076.43
Component	$1,332,850 ↑	

Utilization Component

= % Change in Services per 1000 * Prior Services * Prior Paid per Service

Where: % Change in Services per 1000 = (Services per 1000 / Prior Services per 1000) − 1

Measure	Current Period	Prior Period	Change
Services	1,806	1,858	
Services/1000	866.9	1114.8	-22.24%
Paid/Service	$1,793.78	$1,076.43	
Component	-$444,779 ↓		

Covariance Factor

= Change in Paid / (sum of each component)

* The covariance factor handles the amount of overlap between the components.

Component Name	Component Value
Membership	$500,000 ↑
Demographics	$16,800 ↑
HCCs	$236,663 ↑
Price	$1,332,850 ↑
Utilization	-$444,779 ↓
Total	$1,641,534 ↑
Total PMPM	$1,141,534 ↑

Change in Paid	% Change in Paid PMPM		Covariance Factor	Covariance Factor PMPM
$1,239,573	29.58%		0.755130978	0.321236129

Component Contribution

= Component * Covariance Factor / Change in Paid

Change in Paid	% Change in Paid PMPM	Covariance Factor	Covariance Factor PMPM
$1,239,573	29.58%	0.755130978	0.321236129

Component Name	Component Value	Adjusted Component	Adjusted Percent
Membership	$500,000	$377,565	30.46% ↑
Demographics	$16,800	$12,686	1.02% ↑
HCCs	$236,663	$178,712	14.42% ↑
Price	$1,332,850	$1,006,476	81.20% ↑
Utilization	-$444,779	-$335,867	-27.10% ↓
Total	$1,641,534	$1,239,573	100.00%
Note: For PMPM, only the Adjusted Percent is available.			

Final Results

Measure Name	Results
Change in Paid	$1,239,573
% Change in Paid PMPM	29.58%
Adj Member Month Component Contribution to Paid	30.46% ↑
Adj Demographic Component Contribution to Paid	1.02% ↑
Adj High Cost Claimant Component Contribution to Paid	14.42% ↑
Adj Price Component Contribution to Paid	81.20% ↑
Adj Utilization Component Contribution to Paid	-27.10% ↓