

Michigan Ranks Near Bottom in Use of Health Services Proven to Be Low-Value

By Maria Castelluci

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Michigan ranks near the worst among the Great Lakes states and among the bottom 25 percent of states in the country for residents receiving health care services that are shown by evidence to be low value, according to a study by an Ann Arbor-based research group.

Residents who live in the North and Southeast U.S. are more likely to receive a low-value health care service than those living in western and midwestern states like Michigan, according to the analysis, which found Michigan was 11th-highest in per member low-value health spending.

The report, published by researchers at Ann Arbor-based consultancy Altarum and funded by the PhRMA Foundation, found that about 20 percent of members of a large national insurer living in Florida, New Jersey, North Carolina and New York received at least one low-value service in 2015 while roughly 10 percent of the insurer's members living in Alaska, North Dakota, Utah and Oregon experienced a low-value service.

Low-value services included imaging for low back pain, routine cervical cancer screening and opioids for headache treatment. Overall, an estimated \$5.5 billion was spent overall on the 20 low-services in 2015, the analysis found. That figure is extrapolated to represent all commercially insured patients nationally.

The findings are in line with other studies that have shown low-value care is more common in some areas of the country over others, said Beth Beaudin-Seiler, lead author of the study and senior analyst at Altarum.

For example, a 2017 study in Health Affairs found low-value care persisted five years after the [Choosing Wisely campaign](#) launched in 2012. More than 70 medical societies are helping patients choose high-value care and avoid care that is unnecessary based on clinical evidence.

The current Altarum analysis doesn't dive into the causes for the disparities, but Beaudin-Seiler said local provider cultures might not be educated or invested in changing behavior, which would perpetuate low-value care.

"It seems to be more local practices that are providing low-value care rather than let's say a type of insurance carrier or a patient demographic," she said.

States with less low-value care may also struggle with accessing care, and many with smaller percentages of low-value care included significant rural areas. Fee-for-service reimbursement

may encourage low-value services by not discouraging providers to cull those practices, she added.

The Altarum study ranked the 50 states and the District of Columbia by per-member per month spending on low-value services ranging from a high of \$32 PMPM for Florida to a low of \$12 PMPM for Alaska.

Michigan ranked No. 11 in 2015 at the higher end of spending at about \$28 PMPM. Other Midwestern states were Indiana at No. 10 about \$29, followed by Ohio at \$27, Illinois at \$26 and Minnesota at \$25.

Of the 12 million people analyzed in the study, an Altarum spokesman told Crain's that only approximately 5 percent of the privately insured population in Michigan were included, similar to 24 other states. The sample was weighted to age and sex of the commercial population in Michigan and extrapolated to be representative of the commercially insured members in Michigan.

Mark Fendrick, M.D., a University of Michigan physician and researcher who also heads up the V-BID Center, was a co-author of the study with Altarum.

"Almost everyone agrees there is enough money in the United States health care system, yet we spend billions of dollars on services that do not make Americans healthier," Fendrick said in an email to Crain's. "The measurement and reduction of unnecessary care would allow public and private payers to invest more resources into those services that have been demonstrated to improve health."

The analysis also found the most common low-value services were annual Pap smears for women ages 30-65, routine Vitamin D screening and the use of five branded drugs even though generics are available.

Beaudin-Seiler said each of the low-value services can happen for different reasons. Vitamin D screenings may be ordered without even the doctor's knowledge because electronic health records bundle that test in along with other routine tests. Annual Pap smears can be performed without a needed indication because the physician isn't caught up on the latest practice guidelines.

The solution (to low-value care) is multifaceted," she said.

Fifteen of the 20 low-value services selected for the analysis were from the Choosing Wisely campaign and the remaining five were selected based on their recognition in the industry that these services don't add value to the patient.

To get the results, Altarum used an algorithm developed by Anthem that considers the codes in claims to determine if the service was necessary based on the patient's risk factors. Beaudin-Seiler said she's confident the services considered low-value in the study actually were because of Anthem's algorithm.

Beaudin-Seiler said solutions to low-value care involve providers and patients engaging as partners.

"Educating the patient is really important and giving them a way to be engaged is important," she said. "They have to start playing a role in their own healthcare in order to get high-value care and work with providers as a team."

States also have a role to play. Hospital associations can educate members and focus on goals in this area.

"There is a role for state-level organizations all the way through to individual provider groups," Beaudin-Seiler said.

Despite a slight dip in low-value health care services from 2014 to 2016, a recent report found that 20 to 25 percent, or \$800 billion annually, of annual health care expenditures of about \$3.5 trillion dollars are likely wasteful, including unnecessary spending on administrative complexity, failures in care delivery and coordination, pricing failures, fraud and abuse and overtreatment.