
CHEAT SHEET

Care Management

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Key takeaways

- Care management programs help patients navigate clinical and non-clinical services and improve self-management. Services include personalized care planning, chronic disease management, and patient education, among others.
- Care management programs typically have three phases: patient enrollment, care coordination and health coaching, and graduation to self-management.
- Effective care management programs demonstrate ROI under value-based care. They improve quality of care, reduce downstream utilization, and ultimately lower total cost of care.

What is it?

Care management encompasses programs that help patients navigate clinical and non-clinical services and improve self-management. Services can include: personalized care planning, chronic disease management, care coordination, community resource connection, patient education, and ongoing monitoring. Scalable care management models tailor services based on a patient's risk level.

Care management is a multidisciplinary effort, with different members of the care team serving as care managers.¹ Registered nurses (RN) and social workers typically manage high- and rising-risk patients' needs. Community health workers help surface and manage patients' unmet non-clinical needs. Licensed practical nurses (LPN) and medical assistants (MA) typically manage low- and moderate-risk patient needs.

Most of today's cross-continuum care management teams operate in silos. To date, health systems have focused on optimizing ambulatory support to prevent downstream utilization. Progressive organizations are now creating efficient, system-wide care management models.

1. Inpatient care management relies more heavily on RNs and social workers to staff their programs.

Why does it matter?

Care management can lower total cost of care while improving quality, which is critical under risk-based contracts. Studies demonstrate a clear ROI for ambulatory care management. Similarly, organizations with system-wide care management programs have seen decreased utilization by frequent ED users and significant savings rates.

Return on investment¹

Improve quality

10/10

Studies demonstrate improved quality outcomes²

Improve utilization

11.5/12

Studies demonstrate decrease in hospital admission and/or readmission³

9/11

Studies demonstrate decreases in emergency department utilization⁴

Reduce cost

12/12

Studies demonstrate decreased costs⁴

As CMS shows growing support for nontraditional services intended to lower total cost of care, revenue generating opportunities for care managers continue to grow.⁵ Additionally, payers have increasingly demonstrated interest in care management with health plans spending upwards of \$1.5 billion on chronic disease management efforts.

1. For ambulatory care management programs.

2. Admissions and readmissions. One study shows decreased admissions but no impact on 90-day readmissions.

3. Two studies show both positive and neutral or negative impacts. Some studies showed lower utilization or cost as compared to a control group.

4. Two studies show both positive and neutral impacts.

5. For the services to be reimbursable, they must be provided incident-to a physician. Incident-to services refer to services provided in an outpatient setting by a licensed non-physician practitioner, such as a clinical pharmacist, under the supervision of a physician and billed for by the supervising physician. Each code has different requirements regarding the level of supervision required.

Source: Edington, *Am J Health Syst Pharm*, 2001, 15(5): 341-349; Hong C, et al., "Caring for High-Need, High-Cost Patients," *Commonwealth Fund*, 2014, 19; Merrick E, et al., "Health Plans' Disease Management Programs: Extending Across the Medical and Behavioral Health Spectrum?," *Journal of Ambulatory Care Management*, 31, no. 4 (2008), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4405107/>; Advisory Board, Playbook for Population Health; Physician Executive Council interviews and analysis.

How does it work?

Care management programs have three phases: patient enrollment, care coordination and health coaching, and graduation to self-management.

For enrollment, effective programs have easy-to-follow, explicit eligibility criteria and share it widely among clinical staff. Having standardized criteria helps care teams refer the appropriate patients to care management for outreach, including in-person warm handoffs and phone calls.

Scalable models tailor care coordination and health coaching based on patient risk. Rising-risk care management focuses on patient education, chronic disease management, and adherence to care. High-risk care management provides those same services, augmented with wraparound support, such as care transition coordination and psychosocial support. Models that include low-risk care management tend to focus on healthy lifestyle education and preventive care.

The goal of any care management program is patient graduation from the program. Care managers should set this expectation early. When patients and their care managers work toward clear objectives, it helps them both view care management as a tool to improve self-management.

Conversations you should be having

01 Pinpoint the gaps and duplications in your care management functions.

02 Create cross-continuum guidelines to standardize care management. Examples include patient identification, outreach, enrollment, and graduation guidelines.

03 Decide what ambulatory deployment model(s) address your patients' needs in a way that is scalable and engaging for staff.

04 Determine how to measure and evaluate cross-continuum care management success.

These conversations might uncover the need to audit your current care management services to ensure a comprehensive and scalable approach. 

Related resources

 RESEARCH REPORT
System-wide Care Management
advisory.com/System-wideCM

 RESEARCH REPORT
Advancing Your Approach to
Ambulatory Care Management
advisory.com/AmbulatoryCMGuide

 CHEAT SHEET
Primary Care Roles 101
advisory.com/PCRolesCheatSheets

 WEBINAR
Care Management 101
advisory.com/CM101

 RESEARCH REPORT
How to Scale Chronic Disease
Management Programs
advisory.com/ScaleCDM

 REFERENCE GUIDE
Care Delivery Innovation Reference Guide
advisory.com/caredeliveryreferenceguide

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