

Components of Trend

Components of Trend (COT) are dashboards that group and categorize costs, so you understand what is driving overall medical expenses annually. Looking at this information as a trend lets you see how cost composition is changing year over year. Easily drill in for more specific investigations.

The five component categories are

- number of members (membership)
- demographic mix of the population (demographics)
- high-cost claimant activity
- price of services
- utilization of services

HDMS Enlight™ pre-aggregates utilization and cost data by time and eligibility dimensions. This means no data prep – users just analyze!

What is driving costs?

- More utilization?*
- More Inpatient stays?*
- More HCCs?*

Analyze and understand year-over-year trends in medical expenses. This is an essential foundation for evaluating benefit plans and improving plan design. It creates focus on where and how to control costs.

Begin with this high-level view of Components of Trend dashboards.

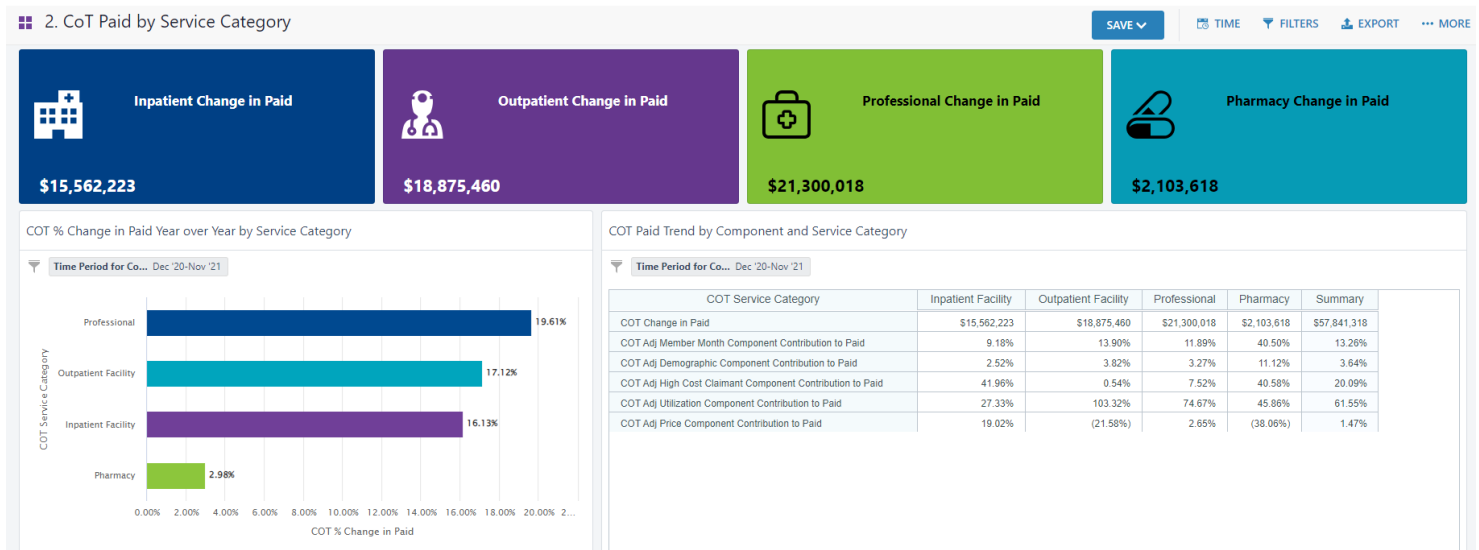
Drill into details for critical context.

Understand the key drivers of financial trends

Change in the trend for medical costs is often due to several driving forces. Components of Trend analytics create clarity on how various factors influence total medical costs.

We use two financial measurement strategies to investigate Components of Trend: **Allowed Amount** and **Paid Amount**. High-level, aggregate dashboards are available for each financial strategy, as well as **per-member, per-month (PMPM)** insights for each.

Multiple measurement strategies gives analysts more thorough investigations. Users easily align to the preferred organization metrics (paid or allowed) when communicating evidence to senior management.





What can we do with this data?

Membership Component



Estimate the impact of change in membership on the overall trend, if the Paid or Allowed amount for each member had remained the same.

Let's measure it: Multiply the difference in membership between years by the Paid PMPM or Allowed PMPM from the prior year.

Demographic Component



Estimate the impact of change in demographics on the overall trend, if the Paid or Allowed amount had remained the same.

Let's measure it: Multiply the difference in the age/gender index between years by Paid or Allowed from the prior period.

High-Cost Claimant Component



Estimate the impact of change in high-cost claimant activity on the overall trend if the membership had remained the same.

Let's measure it: Multiply the difference in Paid PMPM for high-cost claimants between years by the member months from the prior period.

Price Component



Estimate the impact of change in price on the overall trend if the services volume had remained the same.

Let's measure it: Multiply the difference in Paid per Service or Allowed per Service between years by the number of services from the prior period.

Utilization Component



Estimate the impact of change in utilization on the overall trend, if the Paid per Service or Allowed per Service had remained the same

Let's measure it: Calculate the change in services/1000 between years.

Components of Trend

Actionable Insights

Here, membership contributes 13%, demographics 3%, high-cost claimant activity 20%, utilization 61%, and price 1%.

What does this tell us?

Time Period for Component of Trend	Dec '22-Nov '23
COT Change in Paid	\$57,841,318
COT Adj Member Month Component Contribution to Paid	13.26%
COT Adj Demographic Component Contribution to Paid	3.64%
COT Adj High Cost Claimant Component Contribution to Paid	20.09%
COT Adj Utilization Component Contribution to Paid	61.55%
COT Adj Price Component Contribution to Paid	1.47%

What is driving costs?

What we know	What next?
Total Paid Amount increased by \$57.8 million.	Use the Components of Trend metrics for the big picture.
Key drivers are utilization – almost 62% of the increase in costs is due to higher utilization of services. Membership growth (13%) and High-Cost Claimant activity (20%) are also cost contributors.	What's driving utilization increases? Supporting dashboards show us New members (member count) AND members used more services. We see this with utilization metrics like Per Member or /1000 members.
Prices are precontracted, yet the increase in utilization and HCC activity seem disproportionately high for the increase in membership.	Inefficiencies? Inspect high-cost claimant activity for any unnecessary or inefficient services that could be better managed.
This company offers multiple plans, and employee counts are relatively stable.	Shifting from other plans? Investigate to see if changes in benefits YOY are driving up membership.
What actions could follow?	
Target new membership: An ounce of prevention... Reach out to new members regarding preventative care to impact utilization. Preventative care visits are usually less costly than other types of visits.	
Engage new members for preventative care to decrease future HCC and utilization as trend drivers.	

There is so much more to learn about HDMS Enlight®

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We'd love to help you transform health data into a critical resource for building better health and health opportunities. Contact us for more insights and follow us on LinkedIn.