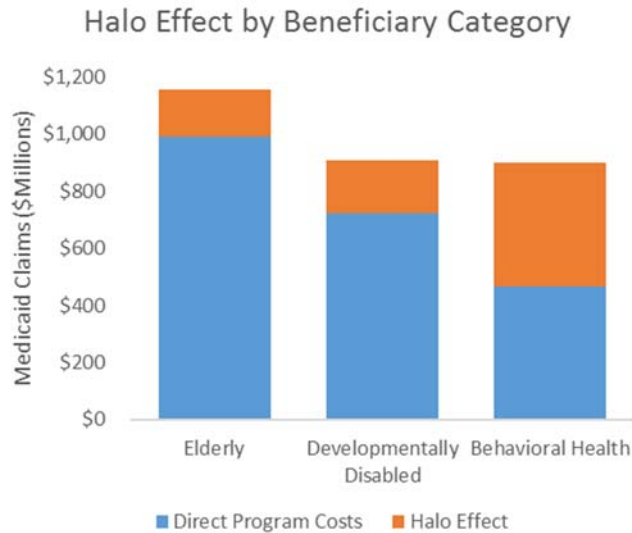


Finding the Halo Effect

Arkansas Medicaid knew that its high risk population represents a sizable portion of the Medicaid population. The Aged, Blind and Disabled (ABD) population include individuals with unique healthcare



needs—putting them at high risk for expensive health care. Historic reporting showed the costs of *programs* specifically directed to those populations. However, the accounting reports did not show the extent of the “halo effect”, or how much those beneficiaries were spending in medical costs beyond the programs specifically dedicated to that population. The challenge was to get behind the accounting information by program—to find out total healthcare expenditures by individuals.

The Finding full healthcare costs for the ABD was aided by Arkansas’ Medicaid Data Warehouse and the DeComp, a newly released tool Arkansas Medicaid developed for “slicing

and dicing” raw claims information in a manner that ties to accounting reports.

Finding the halo effect for high risk populations involved two steps. It started with determining all the beneficiaries that had claims charged to the ABD programs or behavioral health. The second step was to extract from the data warehouse all the medical claims for this list of beneficiaries.

The result showed that once full costs of their healthcare are included, fully 74% of Medicaid claims in Arkansas are for those in high risk populations, including ABD and behavioral health programs.

This is important for Arkansas Medicaid because nearly all of the on-going cost management programs including its Health Care Payment Improvement Initiative and Private Option programs were targeted outside the special populations. Historically the high risk populations had been treated as different, and not easily managed. Armed with this information, the Arkansas legislature refocused the Agency on developing care management and cost reduction programs for the high risk populations.

Special Population Costs with Halo

