



EDUCATIONAL SERIES

Insight #1, January 2022

Reduce Avoidable Utilization for Medicare Advantage Members Who Depend on Family Caregivers

Important Insights

- Members who depend on family caregivers incur 56% of total MA plan costs and 68% of all inpatient admissions.
- Family caregiver empowerment has been shown to reduce medical costs and inpatient admissions for these underserved Members.

Executive Summary

A recent study showed that a digital caregiver empowerment platform developed by [Ceresti Health](#) delivered **statistically significant, third-party-validated, reductions in medical costs (-53%) and inpatient utilization (-80%)** during a 6-month deployment with caregivers of MA members with dementia.

These results have implications for the 26% of Members in a typical Medicare Advantage (MA) plan that depend on a family caregiver (e.g., spouse or adultchild) to manage changes in their condition. **These Members drive 56% of total MA plan costs and 68% of all inpatient admissions** and are difficult to engage in traditional care management programs. They are underserved because they rely on family caregivers to access care, benefits and programs.

MA plans can improve the health and health equity of a large, costly and underserved population by reducing avoidable utilization for their Members who depend on family caregivers.

Insight #1

An estimated 26% of Members in a typical Medicare Advantage (MA) plan depend on a family caregiver, typically a spouse or adult child, to manage changes in their condition. These Members are difficult to engage in traditional care management programs because they have Alzheimer’s Disease or other dementias, Parkinson’s Disease, have had a stroke, or because they are frail. They are underserved because they rely on family caregivers to access care, benefits and health programs.

Members who depend on family caregivers are vulnerable and costly, and drive 56% of total MA plan costs (see Table 1). For Duals plans the relative cost impact of Members who depend on family caregivers is even higher due to the higher prevalence of these caregiver-supported conditions.

Table 1. Total plan costs for Medicare Advantage Members who depend on family caregivers

Costs and hospitalizations for Members who depend on a family caregiver (for a typical Medicare Advantage plan)	Conditions Requiring High Levels of Caregiver Support				Any of These Conditions
	Dementia	Stroke	Parkinson's	Frailty (est)	
Prevalence (% of all members diagnosed)	8.5%	7.8%	1.8%	20.0%	26.3%
Total (Medical + Rx) Costs PMPM	\$2,812	\$2,767	\$2,470	\$2,760	\$2,621
Multiplier (vs. without the condition)	2.6	2.5	2.1	3.3	3.6
% of Total Plan Costs	19%	18%	4%	45%	56%

Sources: [Milliman white paper](#), J Am Geriatr Soc. 2015; 63(6):1121-1128, Ceresti claims analyses

These costs are driven by inpatient admissions rates that are 3-6 times higher than the inpatient admissions rates for Members without these caregiver-supported conditions (see Table 2). For a typical MA plan, Members who depend on a family caregiver drive 68% of all inpatient admissions.

Claims analyses show that many of these hospitalizations are due to conditions that are potentially avoidable, including falls/trauma, sepsis/ septicemia, heart failure, stroke, diabetes, pneumonia, UTI, COPD, hypertension, and altered mental status. Note that these same conditions drive avoidable hospitalization for all members in an MA plan, but occur at a higher rate for Members that depend on a family caregiver.

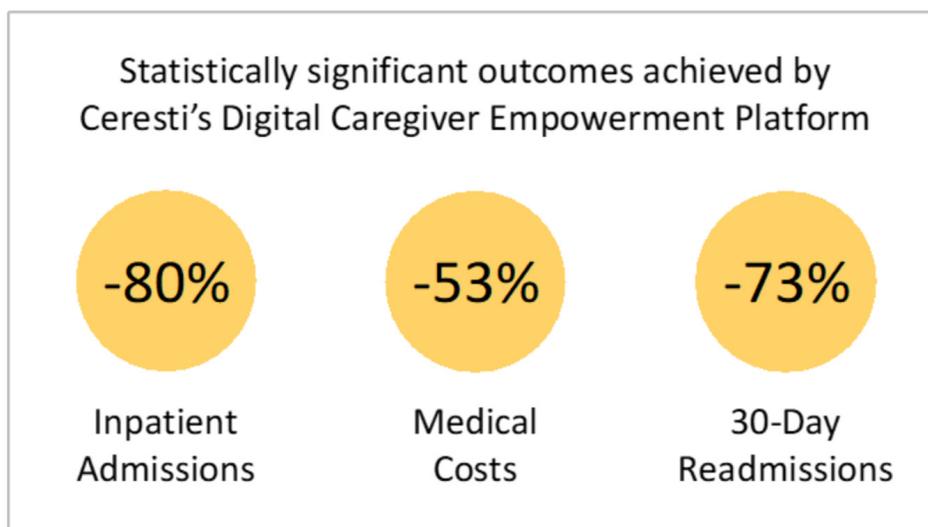
Table 2. Inpatient admissions for Medicare Advantage Members who depend on family caregivers

Inpatient admissions for Members who depend on a family caregiver (for a typical Medicare Advantage plan)	Conditions Requiring High Levels of Caregiver Support				Any of These Conditions
	Dementia	Stroke	Parkinson's	Frailty (est)	
Prevalence (% of all members diagnosed)	8.5%	7.8%	1.8%	20.0%	26.3%
Inpatient Admissions per 1,000 Members (ADK)	743	710	533	610	567
Multiplier (vs. without the condition)	4.2	4.0	2.5	5.0	5.9
% of Total Inpatient Admissions	27%	25%	4%	55%	68%

Sources: [Milliman white paper](#), J Am Geriatr Soc. 2015; 63(6):1121-1128, Ceresti claims analyses

For Members who depend on family caregivers, reducing avoidable utilization depends on the knowledge, skills and confidence of their family caregivers. A recent study showed that a digital caregiver empowerment platform developed by Ceresti Health delivered statistically significant, [third-party-validated](#), reductions in medical costs (-53%) and inpatient utilization (-80%) during a 6-month deployment with caregivers of MA members with dementia (Figure 1).

Figure 1. Outcomes Attributable to More Empowered Family Caregivers



Reducing avoidable utilization for Members who depend on family caregivers, enables MA plans to improve the health and health equity of this large, costly and underserved population.

[Ceresti Health](#) is the leader in virtual care for Medicare beneficiaries who depend on family caregivers to manage their care. Our digital caregiver empowerment platform is deployed with care teams from leading Medicare Advantage health plans.