

Data-Driven Policy Decisions: Uses of Minnesota Hospital Data

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Overview

★ Context

- Importance of data to the policy process
- Data collection and use in Minnesota

★ Specific examples of how data has informed policy debates and decisions

- Evaluating the need for new inpatient hospital capacity
- Analyzing costs associated with preventable hospitalizations

The Importance of Data to the Policy Process

- ★ An old saw:

“The plural of anecdote is not data”

- ★ Legislators and policymakers are there to: legislate and make policy

- Do so in the presence or absence of data to inform their decisions
- Will use data to inform their decisions → but in absence of data, still need to make decisions
- Data and information availability doesn't always guarantee they'll be used to inform the decision...but lack of data guarantees that they won't
- So, the “plural of anecdote” can sometimes be legislation and law, in the absence of data

The (at least) Four Uses of Data in a Policy Context

- ★ Four (not mutually exclusive) areas of influence:
 - Framing the issue
 - Informing policymakers (and the public) and the debate
 - Making the case
 - Developing the solution
 - And probably more

Collection and Use of Data in Minnesota

- ★ Comprehensive health reforms in the early 1990s invested in data collection, research, and analysis to inform policy
- ★ MDH collects administrative and survey data from:
 - Health plans, hospitals, physician clinics, employers, households, government agencies
- ★ Data are used to:
 - Monitor health care market trends (access, cost, and quality)
 - Produce special studies/reports
- ★ High expectations from Legislature about data to inform policy decisions

Evaluating the Need for Inpatient Hospital Beds

Regulatory Environment for Hospital Construction in Minnesota

- ★ Moratorium on hospital construction or expansion of licensed beds - in place since 1984
 - Exceptions require specific authorization from Legislature
- ★ 2004 law established a “public interest review” process to evaluate requests for exceptions
 - MDH recommends whether a proposal is “in the public interest”; Legislature remains the ultimate decision-maker on whether to grant an exception
- ★ Examples from the 2 main reviews conducted since the public interest review law was passed

Factors Affecting Future Need for Hospital Capacity in Minnesota

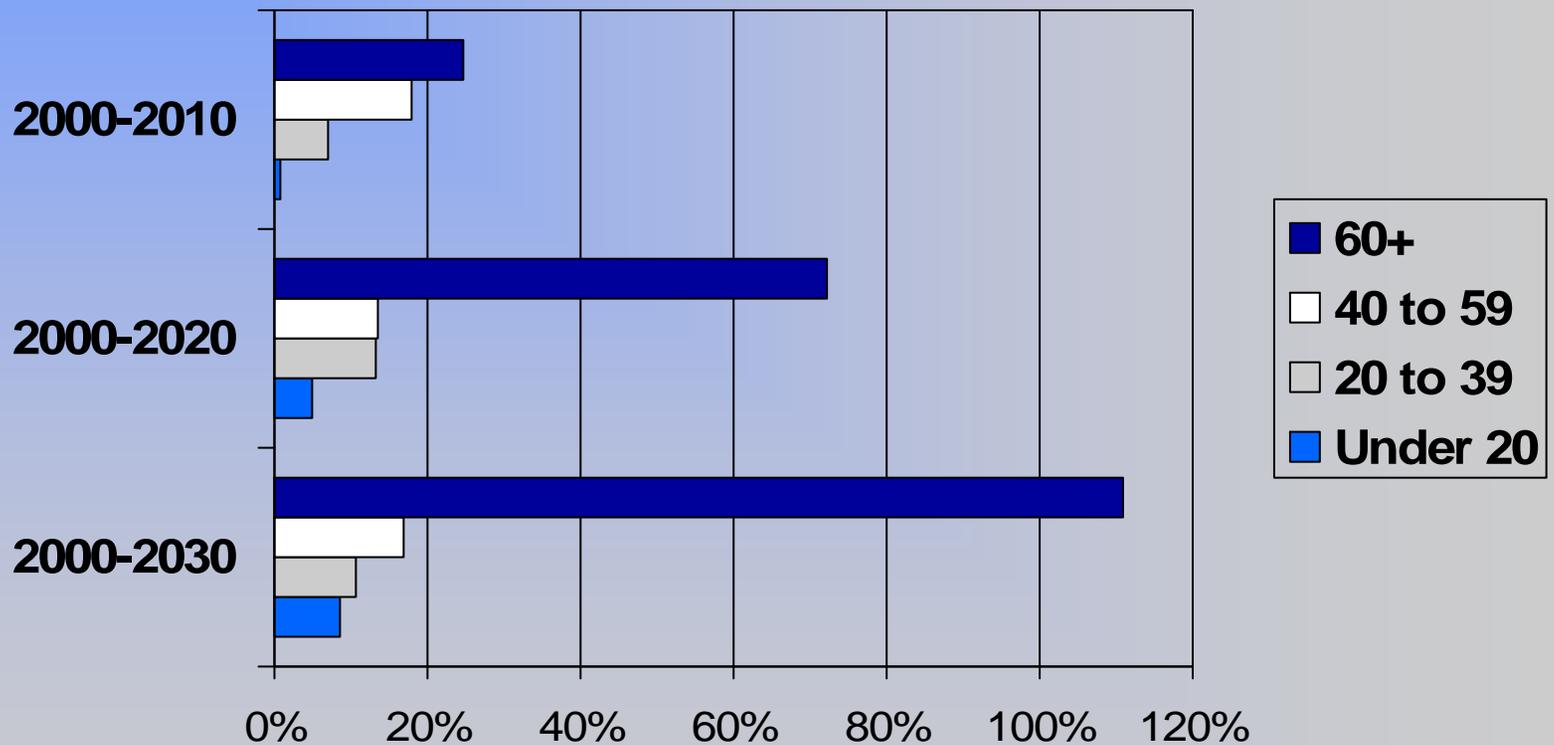
- ★ Population growth

- MN population expected to grow by 1 million people (20%) between 2000 and 2020

- ★ Changing demographics (aging)

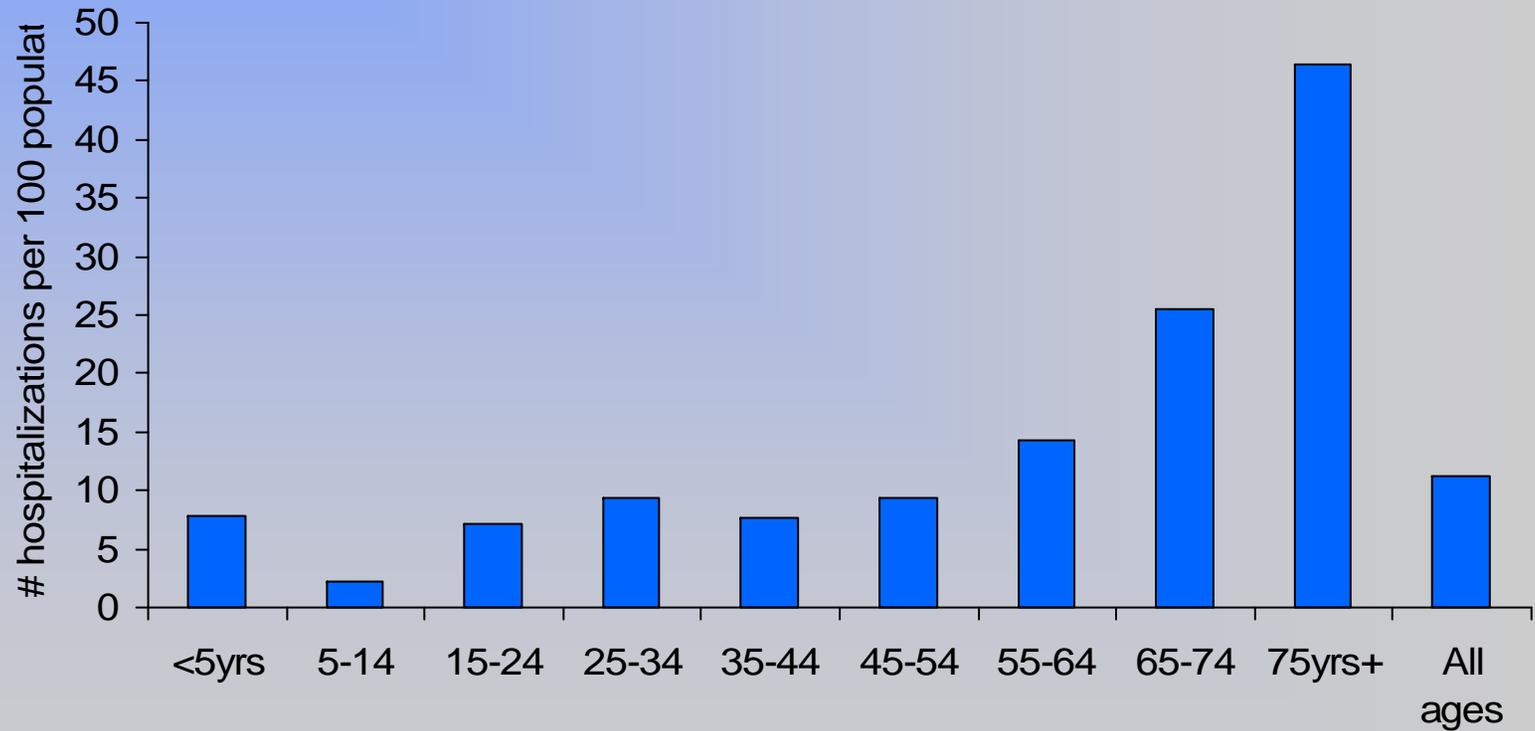
- ★ Changes in use rates of health care services (caused by factors other than aging population)

Projected Minnesota Population Growth, by Age Group

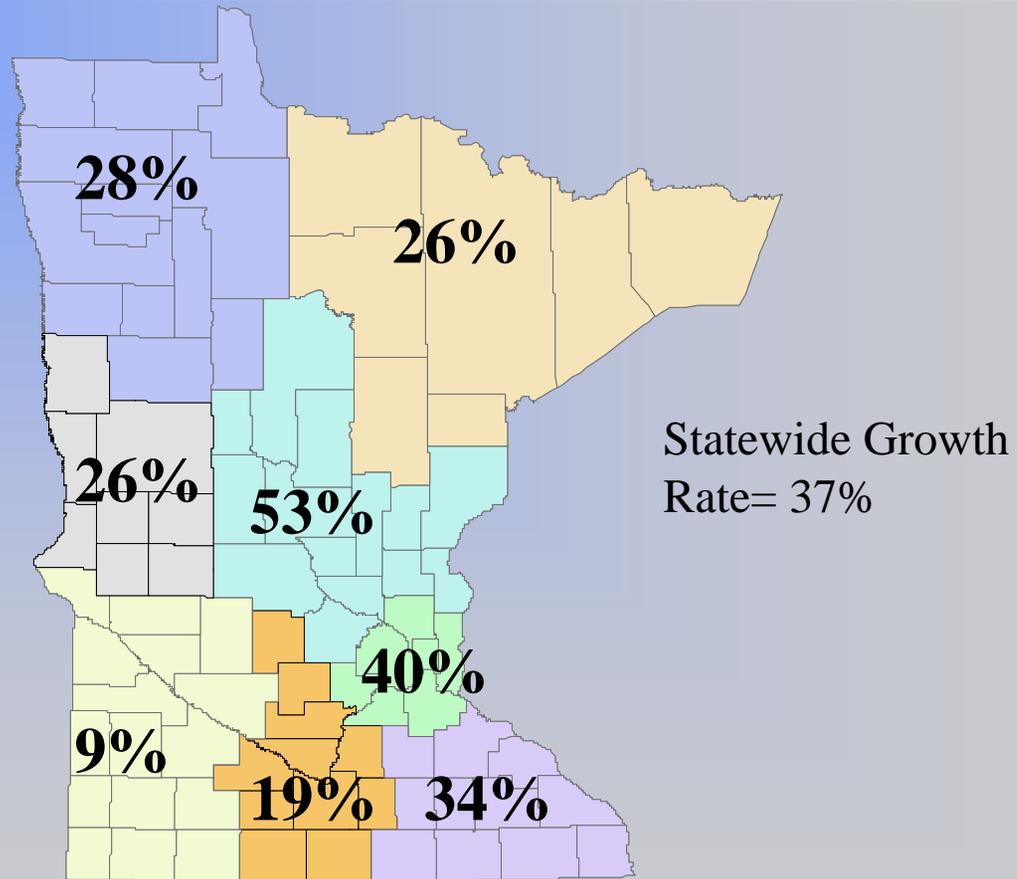


How Does Use of Health Care Services Vary by Age? Hospital Example

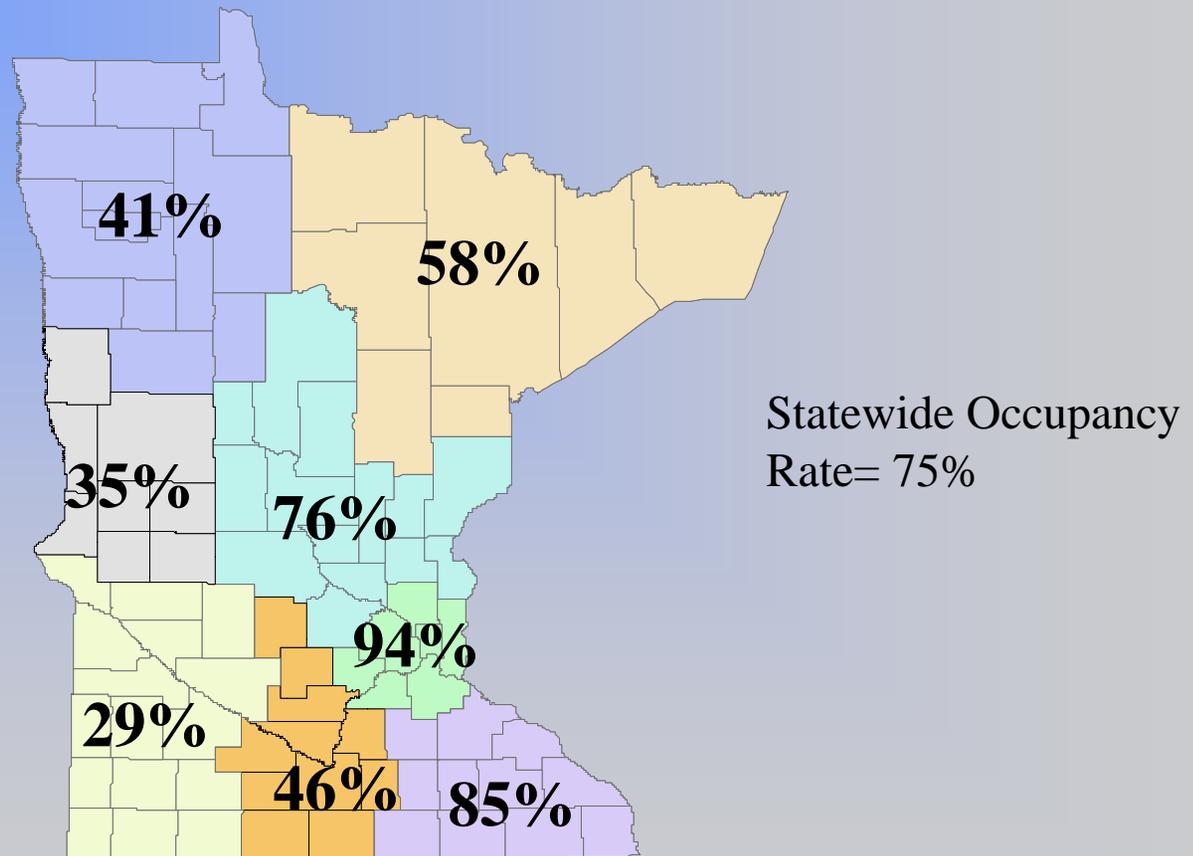
Hospitalization Rates by Age



Projected Growth in Inpatient Hospital Days by Region, 2000 to 2020



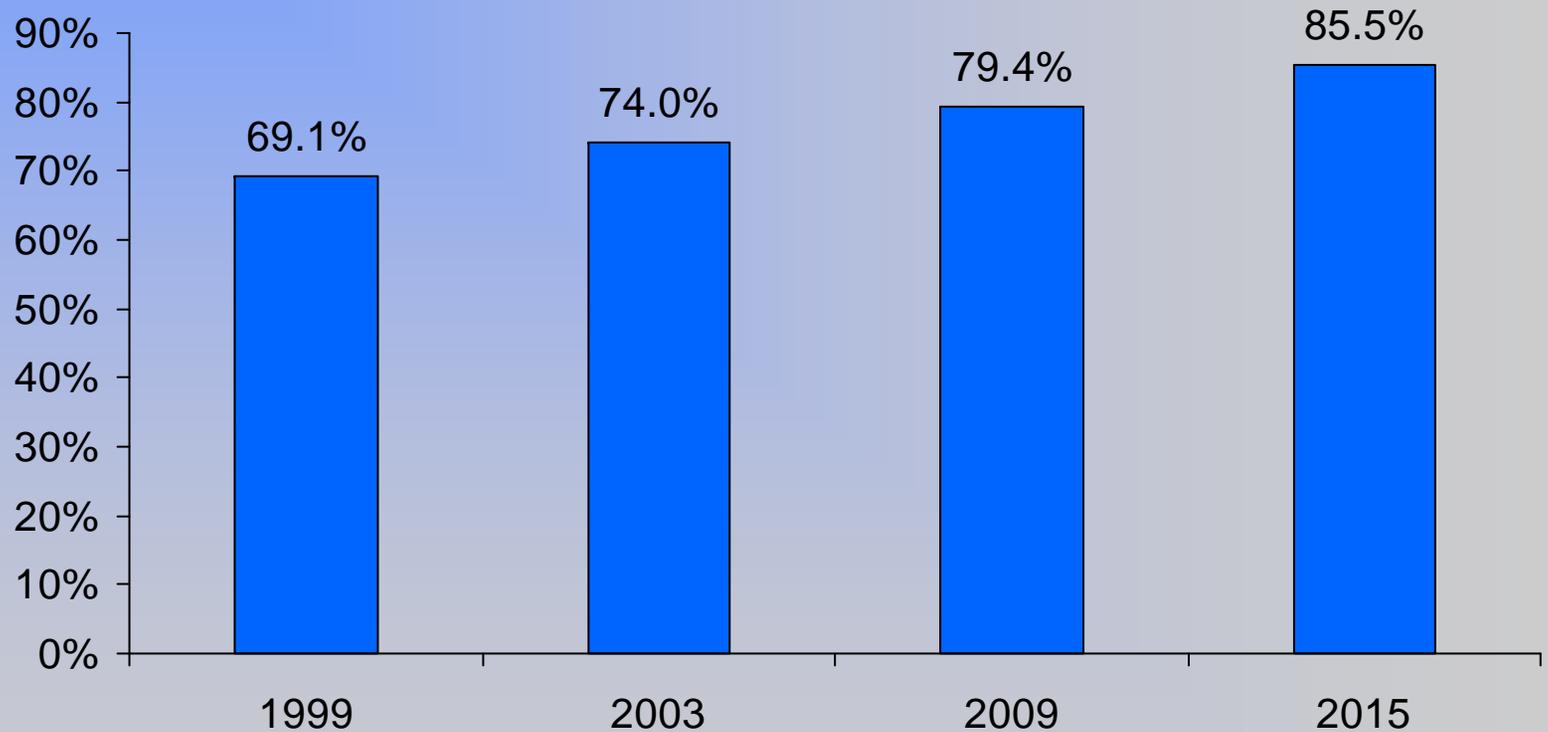
Projected Occupancy Rates as % of 2003 Available Beds, by Region, 2020



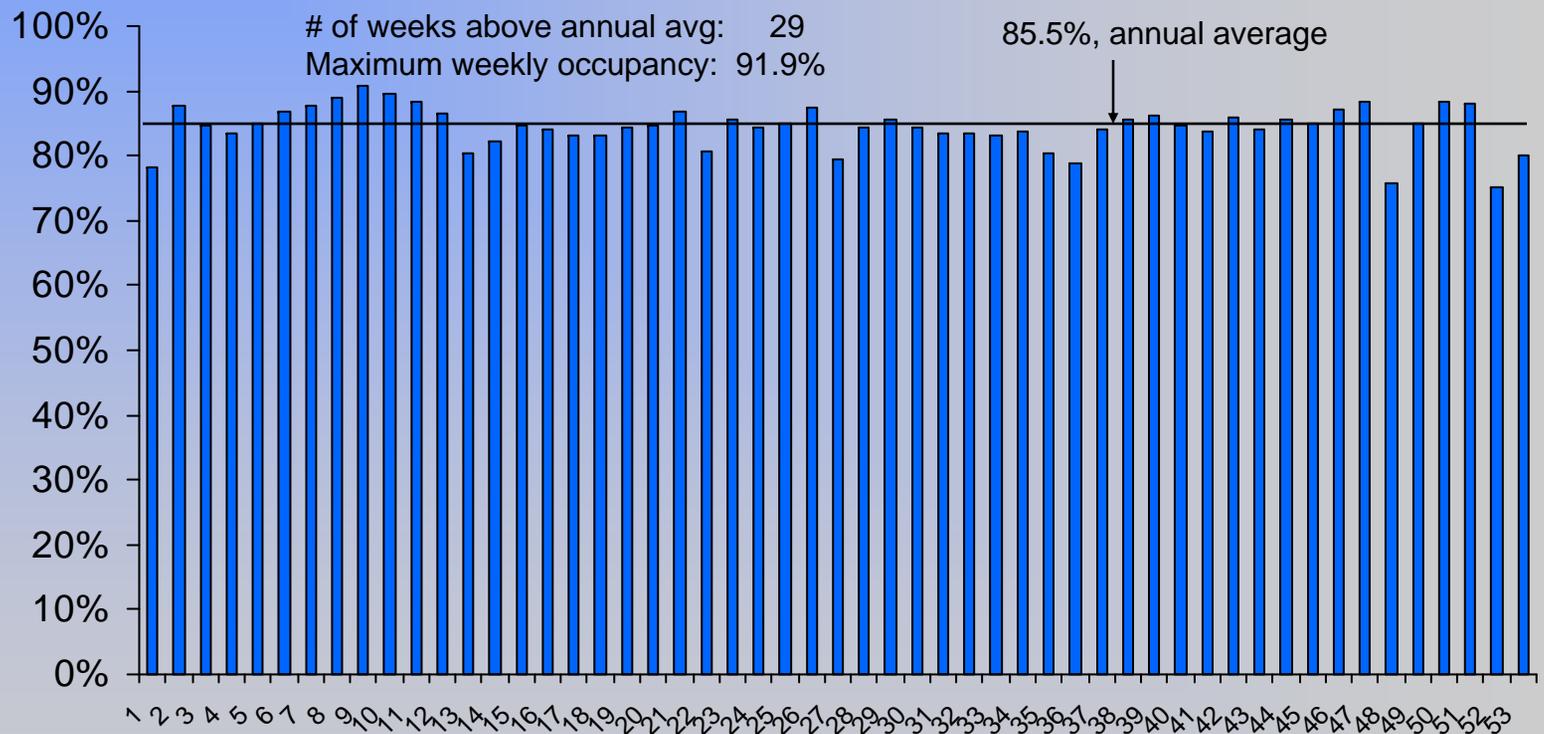
2005: Requests to build a new community hospital in a fast-growing suburb of Minneapolis (Maple Grove)

- ★ Would be the first major facility constructed since moratorium in 1984
- ★ Use of aggregate and claims-level hospital data was critical in the analysis and findings
- ★ Examination of local level occupancy rates and projections of use of services based on:
 - Population projections, by age and geography
 - Current patient flows (discharge data)
 - Projections of changed patient flows in the construction of a new facility

Occupancy Rates at Existing Hospitals Serving the Maple Grove Community



2015 Weekly Projected Occupancy Rates for Hospitals Serving Residents of the Maple Grove Area



Occupancy rates calculated based on 2003 available beds.

Policy Outcome

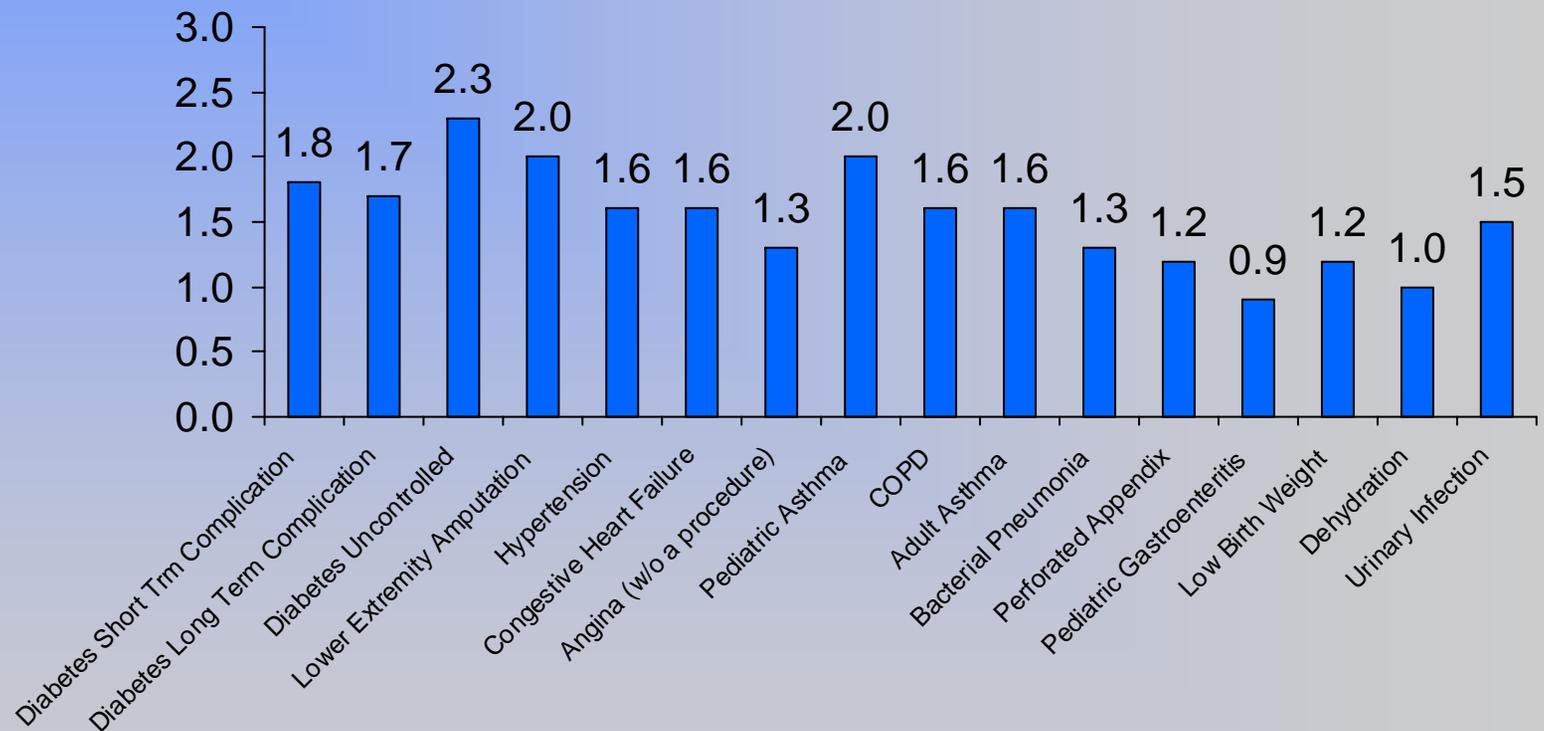
- ★ MDH determined the hospital proposal to be in the public interest
- ★ Legislature passed an exception to the construction moratorium, allowing the new facility to be built
- ★ Construction currently under way – hospital opening in 2009

2008: Request to build an inpatient psychiatric facility in an eastern suburb of the Twin Cities

- ★ Determination here was whether the beds were needed to provide timely access to services
- ★ Again, discharge data, this time on inpatient psychiatric services, was critical to the analysis
- ★ Data analysis led to determination that a new inpatient psychiatric facility of the size proposed was not in the public interest
 - Legislature did not grant the exception

The Policy Impact of Preventable Hospitalizations

Framing the Issue: Ratio of Potentially Preventable Hospitalization Rates for the US Compared with Minnesota



Informing the Debate: Preventable Hospitalizations

- ★ 10% of all hospitalizations in Minnesota were estimated to be potentially preventable
- ★ Cost associated with these hospitalizations estimated at \$440 million (payments, not charges)
- ★ Data used in health reform debates; spurred discussion about payment reform

Policy Outcome

- ★ Comprehensive health reform law that focused on:
 - Payment reforms to align incentives for quality
 - Payment for care coordination, especially to prevent complications of chronic disease

Summary

- ★ Legislators and policymakers will make decisions with or without data
 - Data should and does help guide that debate
- ★ Hospital data has been essential to smart policy decision making in Minnesota
- ★ Moving forward, data will become increasingly important as the issues facing lawmakers become increasingly complex

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