


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

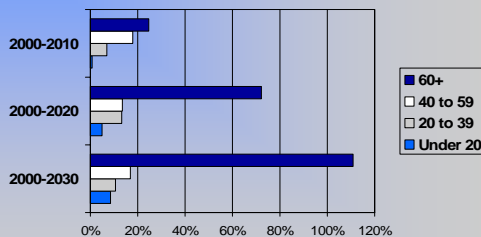


Factors Affecting Future Need for Hospital Capacity in Minnesota

- * 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)

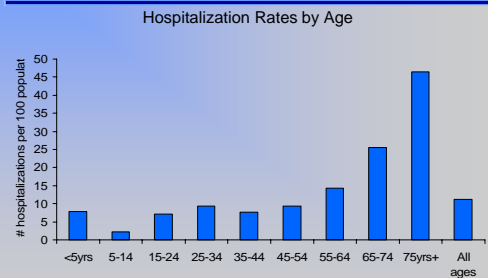


Projected Minnesota Population Growth, by Age Group



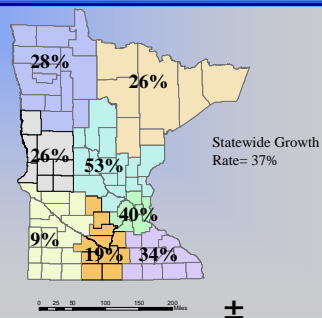
Source: Minnesota State Demographic Center

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

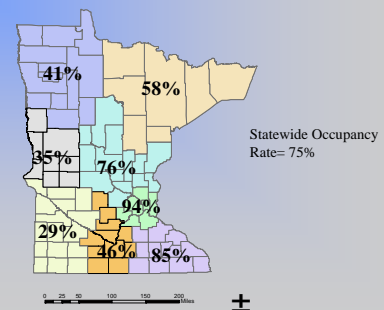


Sources: AHRQ, National Inpatient Sample.

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


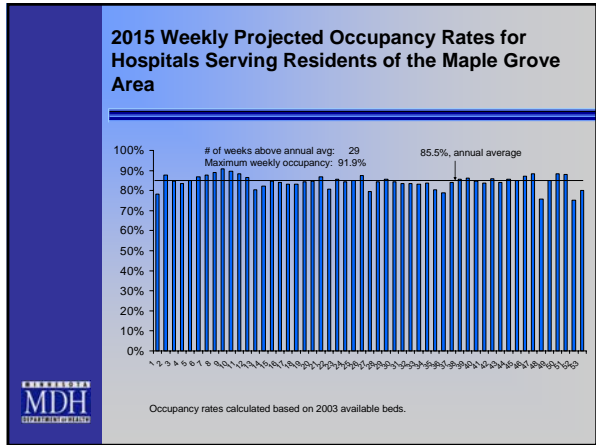
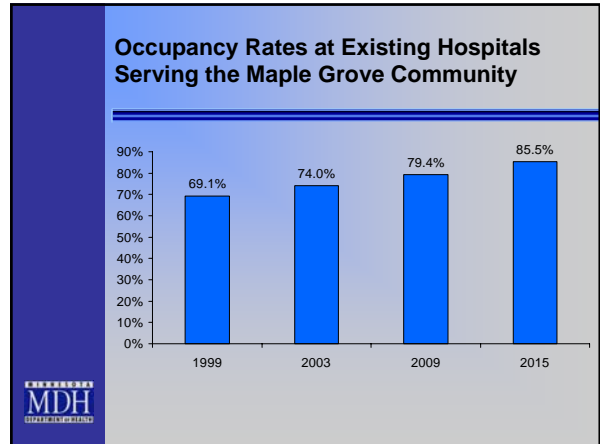


Projected Occupancy Rates as % of 2003 Available Beds, by Region, 2020




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


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

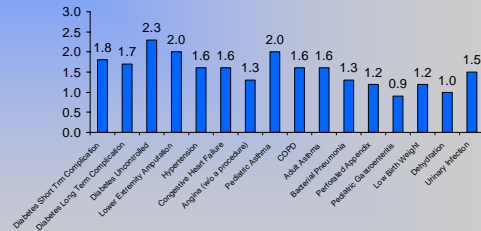
- * Determination here was whether the beds were needed to provide timely access to services
- * Again, discharge data, this time on inpatient psychiatric services, was critical to the analysis
- * Data analysis led to determination that a new inpatient psychiatric facility of the size proposed was not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