

# Medicare Advantage MSK Innovation

From Benefit Design to Top Clinical Interventions

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**Presented By:**

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- All participant lines are muted. To protect your privacy, you will only see your name and the presenters names in the participant box.
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# About the Speakers

## About Luna:

- In-home, in-person outpatient physical therapy
- 3,500 therapists across 55 metro-areas in 28 states
- Specialized clinical interventions to the home delivered by licensed physical therapists
- Learn more at [www.getluna.com](http://www.getluna.com)

## About Wakely:

- Leader in healthcare actuarial assessments, audits, and modeling
- Offices across the US
- Expertise in all aspects of health plan, health system, provider, and vendor strategies
- Learn more at [www.wakely.com](http://www.wakely.com)

# Agenda

- Introductions
- **The Facts:** Medicare Advantage MSK Spend
- **Step 1:** MSK Foundation: MA Benefit Redesign
- **Step 2:** Lowering MLR & Driving Adherence
- **Step 3:** Risk Adjustment Impact of Your MSK Partner
- **Step 4:** MSK Transformation in your 5 Star Initiatives
- **Step 5:** Top MSK Clinical Interventions Reducing MLR
- **Step 6:** Holistic Impact in MSK
- Recommendations

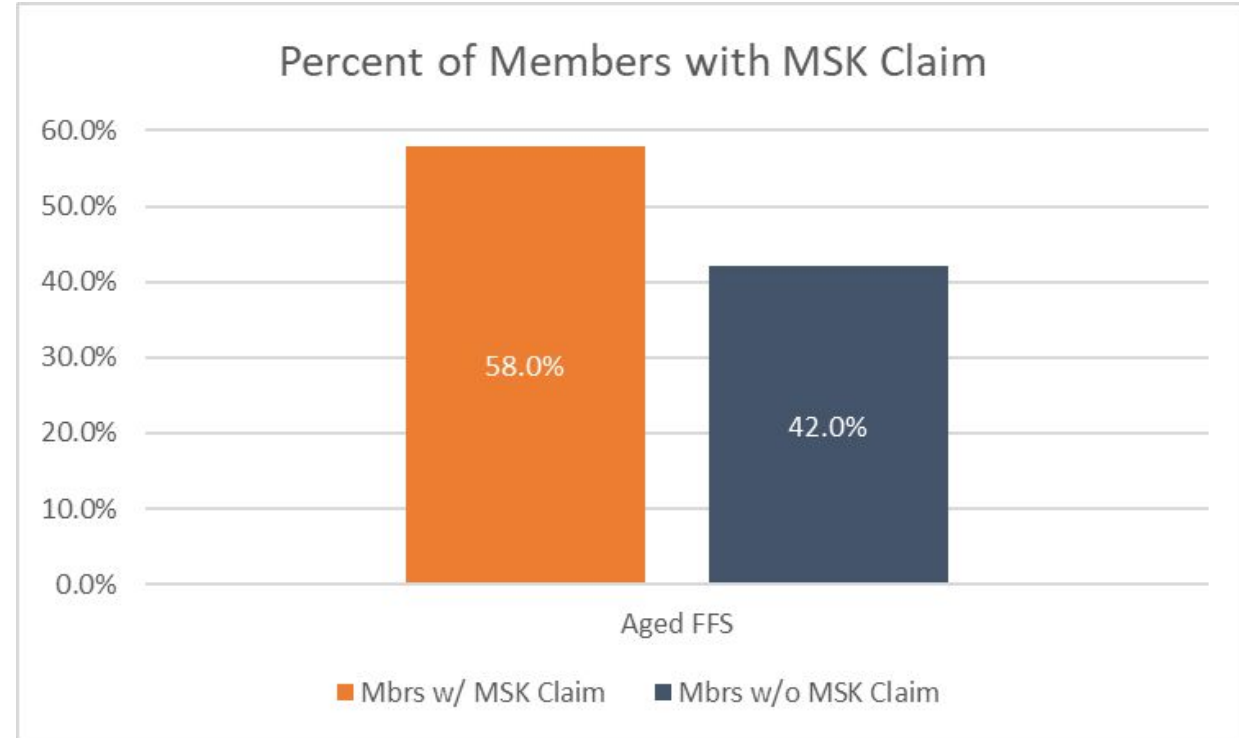


# The Facts: MSK Conditions

**Diseases of the musculoskeletal system and connective tissue**

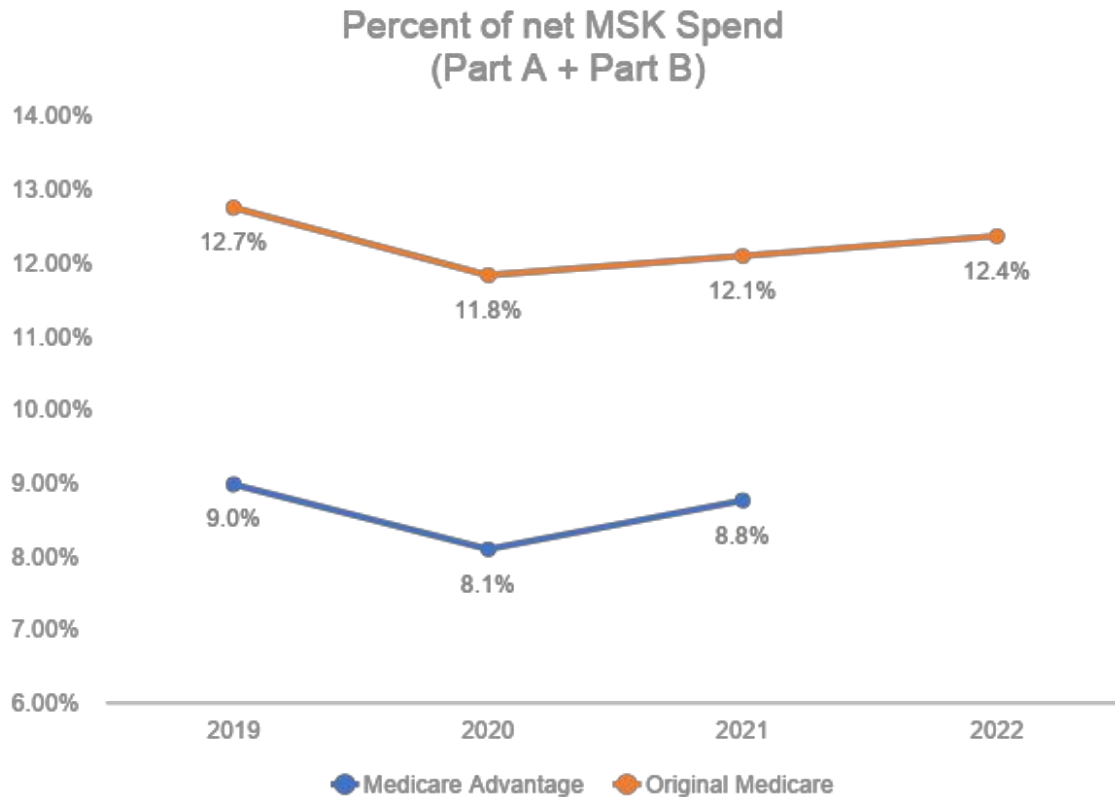
**Common conditions include:**

- **Low back pain**
- **Joint replacement (knee, hip, etc.)**
- **Arthritis**



# Musculoskeletal Medicare Spend

## Primary Diagnosis Position




- Original FFS Medicare
  - Ranges from 11.8% - 12.7%
  - Based on 1.4M lives per year
- Medicare Advantage Plans
  - Ranges from 8.1% - 9.0%
  - Based on 366K lives per year
- We see the spend heading to 12% for 2024
- MSK diagnoses typically in top 3 for total dollars spent by condition

# MSK Innovation: Optimal Benefit Design

As seen in the headlines, MSK expenses are soaring. The first step to innovate is via the benefit design for outpatient physical therapy. Changing the wording to **ensure in-home, outpatient therapy** is an accepted care delivery model:

- **EOC language:** Outpatient rehabilitation services
- **Covered services include:** physical therapy, occupational therapy, and speech language therapy.
- Outpatient rehabilitation services are provided in various outpatient settings, such as hospital outpatient departments, independent therapist offices, and Comprehensive Outpatient Rehabilitation Facilities (CORFs), ***including in home for non-homebound members with Luna (outpatient therapy provider)***
- *Referral may be required. Please contact plan for details. Authorization not required for initial evaluation. Authorization may be required for subsequent visits.*
- PBP does not have a site of service specificity

# Physical Therapy Delivery Models

	Home Health	 Luna In-Home Outpatient	Outpatient Clinic
Payer	Medicare Part A	Medicare Part B	Medicare Part B
Place of Service	Patient's home	Patient's home	Clinic
Regulatory Requirement	Homebound status required	No homebound status required	No homebound status required
Accessibility to Care	Good	Excellent	Poor
Patients Functional Status	Poor	Poor, moderate, or good	Moderate or good
Clinical Goal	Stabilize environment and prepare for next level of care	Optimal function and safety in both home and community	Optimal function and safety in the community
National Average Cost of Care	\$3,500 - \$4,000 per POC	\$1,000 - \$2,000 per POC	\$1,000 - \$2,000 per POC



# PT Adherence

Average Prevalence and Annual Costs for individuals with MSK-related Diagnoses in a Medicare FFS Population

MSK Condition	Prevalence in Population	Average Annual Costs
Cervical Spine	11%	\$21,485
Hip Pain	25%	\$20,383
Knee Pain	27%	\$20,250
Lumbar Spine	19%	\$20,105
MSK M-Code Other	18%	\$14,550

- About 58% of the Aged-FFS population has some form of MSK-related diagnosis
- Excluding “Other”, 40% of the Aged-FFS population has an MSK-related diagnosis
- Average Annual Costs for members with an MSK-related diagnosis are about \$20K (excluding Other)

# PT Adherence

Average Annual Costs for individuals with MSK-related Diagnoses in a Medicare FFS Population Split by Physical Therapy Utilization

MSK Condition	Low Physical Therapy	High Physical Therapy
Cervical Spine	\$26,559	\$22,156
Hip Pain	\$24,338	\$20,687
Knee Pain	\$24,680	\$20,639
Lumbar Spine	\$24,251	\$21,243
MSK M-Code Other	\$28,039	\$19,621

Category	Medium Number of PT Visits
Cervical Spine with surgery	11
Cervical Spine without surgery	10
Hip Pain with surgery	14
Hip Pain without surgery	10
Knee Pain with surgery	21
Knee Pain without surgery	9
Lumbar Spine with surgery	13
Lumbar Spine without surgery	10
MSK-Other M-Code	8

# PT Adherence

Average Annual Costs for individuals with MSK-related Diagnoses in a Medicare FFS Population Split by Physical Therapy Utilization - No Surgery

MSK Condition	Low Physical Therapy	High Physical Therapy
Cervical Spine	\$25,382	\$20,797
Hip Pain	\$23,926	\$20,179
Knee Pain	\$24,148	\$19,809
Lumbar Spine	\$23,142	\$19,910

Average Annual Costs for individuals with MSK-related Diagnoses in a Medicare FFS Population Split by Physical Therapy Utilization - Surgery

MSK Condition	Low Physical Therapy	High Physical Therapy
Cervical Spine	\$66,998	\$67,469
Hip Pain	\$35,182	\$34,350
Knee Pain	\$30,932	\$30,346
Lumbar Spine	\$52,048	\$55,266

- Without Surgery, PT plays a large role in annual costs
- Unsurprisingly, those who get surgeries have higher annual costs
  - Cost doesn't vary materially if a member had a surgery and low or high PT

# PT Adherence

Average Annual Cost for individuals with a Fall-related diagnosis in a Medicare FFS  
Population Split by Physical Therapy Utilization

Condition (top by \$)	Prevalence in Population	With Low PT	With High PT
Fall Related Injuries	9%	\$31,889	\$25,085
Fall Related Conditions	33%	\$27,201	\$22,123

\*Annual cost of care includes all care provided during the year a member presented with a diagnostic code (including surgery)

- 9% of the FFS aged/disabled population have had a fall-related injury in a given calendar year
- Members with a fall injury or condition generally have \$5-\$7K less costs if they have higher PT utilization versus their lower PT counterparts.

# MSK Innovation: Use for Risk Adjustment

- Provider Type: 65
- CPT codes: 13
- ICD-10 codes: 200+
- Range of impact: .3-.6 RAF
- Innovation Step:
  - MSK Assessments:
    - Fall Risk,
    - Surgical Readiness,
    - Post-Operative,
    - Mobility & Independence,
    - Frailty, and
    - Welcome & Wellness



# In-Home Physical Therapy and Impact on Quality

Putting a physical therapist in the home can help with stars and quality. Examples include:

- Collect Self-Reported HEDIS data
- Patient Engagement & Satisfaction (CAHPS)
- Care Coordination
- Functional Outcomes and Mobility
- Fall Prevention
- HOS

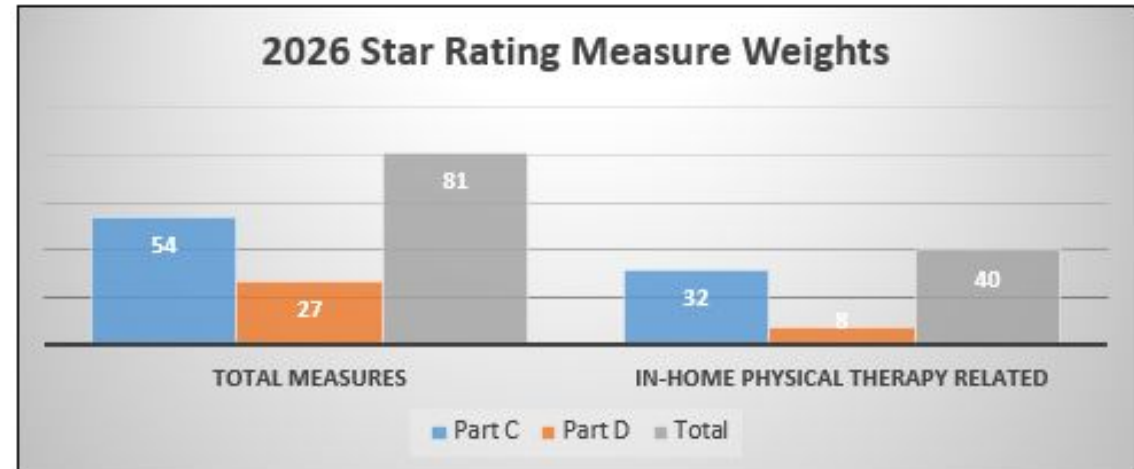


# Impactable Quality Measures from In-Home Physical Therapy

Measure	Measure Type	SY 2024 Code	SY 2025 Measure Weighting	Proposed SY 2026 Measure Weighting
Improving or Maintaining Physical Health	Outcome Measure		NA	1
Improving or Maintaining Mental Health	Outcome Measure		NA	1
Monitoring Physical Activity	Process Measure	C04	1	1
Care for Older Adults – Pain Assessment	Process Measure	C07	1	1
Osteoporosis Management in Women who had a Fracture	Process Measure	C08	1	1
Reducing the Risk of Falling	Process Measure	C12	1	1
Medication Reconciliation Post-Discharge	Process Measure	C14	1	1
Plan All-Cause Readmissions	Outcome Measure	C15	3	3
Getting Needed Care	Patients' Experience and Complaints Measure	C19	4	2
Getting Appointments and Care Quickly	Patients' Experience and Complaints Measure	C20	4	2
Customer Service	Patients' Experience and Complaints Measure	C21	4	2
Rating of Health Care Quality	Patients' Experience and Complaints Measure	C22	4	2
Rating of Health Plan	Patients' Experience and Complaints Measure	C23	4	2
Care Coordination	Patients' Experience and Complaints Measure	C24	4	2
Complaints about the Health Plan	Patients' Experience and Complaints Measure	C25	4	2
Members Choosing to Leave the Plan	Patients' Experience and Complaints Measure	C26	4	2
Health Plan Quality Improvement	Improvement Measure	C27	5	5

# Impactable Quality Measures from In-Home Physical Therapy

- 2025 Star Rating
  - 63% of part C Measures
  - 56% of total
- 2026 Star Rating\*
  - 59% of Part C Measures
  - 49% of total





# MSK Clinical Intervention Innovation



**Luna Complete™**

Increase adherence to physical therapy, enabling better outcomes and reduced downstream costs.



**Surgical Readiness™**

Avoid/defer unnecessary surgeries for hips, knees, shoulders, and spines.

Uses the *Luna Surgical Readiness Score™*.



**Postoperative Success™**

Significantly more cost-effective alternative to home health.

Uses the *Luna Protocol Library™*.



**Fall Safeguard™**

Protect from falls and improve safety.

Uses the *Luna Fall Safeguard Score™*.



**Mobility Empowerment™**

Regain independence, improve mobility, and reduce cost of care.

Uses the *Luna Mobility Empowerment Score™*.

# Holistic Well Being Benefits

- Mental Health Conditions
  - Exercise therapy may be an effective treatment for depression and other mental health conditions
- Cardiovascular Health
  - Increased physical activity may lead to improved biometrics (i.e. blood pressure)
- Rx Duration
  - PT programs can result in shorter opioid duration following surgery
- Improved Pre and Postoperative Outcomes
  - Prehab (i.e. pre-surgical physical therapy) influences post-operative expectations



# Recommended Action Plan

## MSK Innovation:

1. Activate MA benefits to enable in-home, in-person outpatient therapy
2. Create care pathways to drive adherence which lowers MLR, some health plans are embracing 8 visit episodic care for MSK condition with adherence incentives
3. Use the ICD-10s for risk adjustment
4. Embrace the in-home initiative for 5 Star approaches
5. Launch clinical interventions, such as surgical readiness, to drive down MLR by 3% in year
6. Realize the holistic patient-centric wellness of in-person, in-home care

# THANK YOU

For more information, please contact  
RaeAnn Grossman at [rgrossman@getluna.com](mailto:rgrossman@getluna.com)

***Coming soon:*** Luna has an upcoming RISE webinar  
on March 5, 2024

# Appendix

## CPT Codes Used to Identify Surgeries:

Cervical Surgery	22551, 22552, 22600, 22614, 22840, 63020, 63021, 63001, 63002, 63075
Lumbar Surgery	22554, 22558, 22585, 22612, 22614, 63030, 63035, 63042, 63047, 63048
Hip Surgery	27130, 27125, 27132
Knee Surgery	27447, 27446, 27488

CPT Codes Used To Identify Physical Therapy:	97110, 97112, 97116, 97140, 97150, 97530, 97535, 97750, 97761, 90901, 90911
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## ICD-10 Codes Used To Identify Prevalence

Cervical Spine	Lumbar Spine	Hip Pain	Knee Pain	Fall Related Conditions	Fall Related Injuries
M47812	M4316	M0550	M0500	G20	S02
M47813	M4806	M0560	M0510	M05	S08
M5030	M4807	M0570	M0530	M056x	S12
M5031	M489	M160	M170	M057x	S13
M5032	M511	M161	M171	M06	S14
M5033	M512	M164	M172	M066x	S22
M531	M513	M169	M173	M067x	S23
M5412	M5389	M24151	M174	M15	S24
M5413	M544	M24152	M175	M16	S32
M542	M545	M255	M179	M160	S33
M791	M546	M7060	M255	M161	S34
M792	M548	M7061	M792	M17	S42
S134XXA	M5489	M7062	M79604	M170	S43
S138XXA	M549	M79609		M171	S44
S139XXA		M797		M172	S52
		M8705		M173	S53
		M8706		M174	S54
		S720		M18	S62
		S721		M19	S63
		S722		M1907	S64
				M1917	S72
				M1927	S73
				M80	S74
				M81	S82
				R26	S83
				R260	S84
				R261	S92
				R262	S93
				R268	S94
				R269	