



The Price of Inaction: Uncovering 3 Key Drivers of Avoidable CKD Costs

Chronic Kidney Disease (CKD) care is a significant cost driver for commercial insurance and Medicare, costing \$124.5 billion¹ for Medicare. However, significant costs can be avoided with better quality care and aligned physician incentives.

Cost increases exponentially with advancing stages of CKD.² Health plans, physicians, and patients often feel powerless in delaying the progression or reducing the cost of this common and underdiagnosed disease. However, most health plans and CKD care management programs aren't focused on the most cost-effective solutions for delaying disease progression. Avalon's Lab Values Management approach addresses three key drivers to improve outcomes while reducing costs.

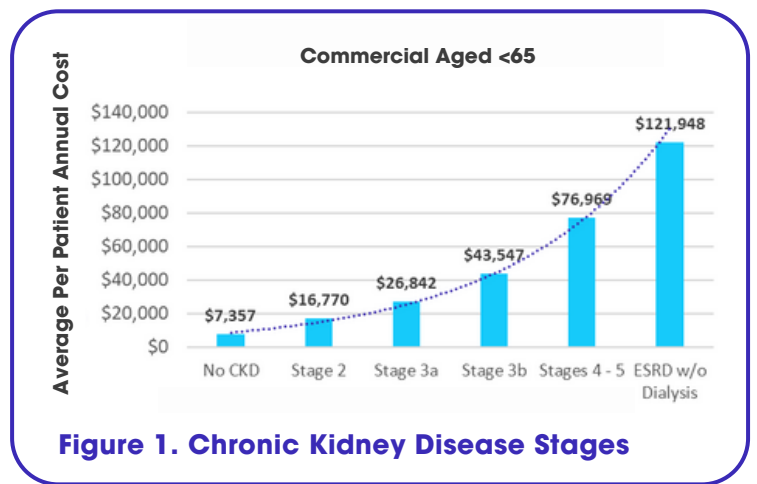
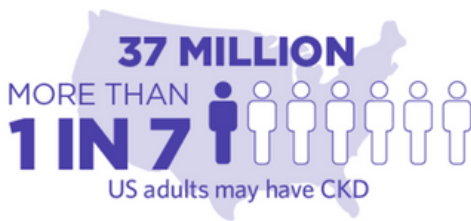


Figure 1. Chronic Kidney Disease Stages

Driver 1: Underdiagnosis and Understaging



Earlier diagnosis and disease management are critical in CKD. Not only are most patients at early stages unaware of their disease, but 40% of patients with severely reduced kidney function are undiagnosed.¹

Consider Avalon's case study from a commercial health plan with 2.4M members. This plan conceivably had thousands of unidentified kidney disease patients. After analyzing a subset of the members, they found that 11,000 were undiagnosed or unstaged.

Those members can now be followed by their providers for diagnosis and, if indicated, prevention of kidney disease progression and improved management of diabetes and hypertension. Within the program's first year, projected savings are \$979 per Stage 4 member.³

Early Identification Using Lab Values

Identify high risk, undiagnosed and non-staged members across all CKD stages.

Inform Health Plan Programs

Leverage actionable insights to enhance impact of care management programs.

Driver 2: Uncontrolled Diabetes and Hypertension

Most CKD care management programs aren't focused on the key factors that contribute to disease progression: uncontrolled diabetes and hypertension.

Controlling diabetes and hypertension not only has long-term benefits for the patient, but controlled patients are less likely to be hospitalized and less likely to "crash" into dialysis.⁴

For example, analysis of lab values from members of another regional commercial plan demonstrates that patients with uncontrolled diabetes are 15% more likely to progress to the next stage of CKD over 27 months.

And controlling diabetes has material cost implications for the plan: **uncontrolled diabetics cost \$4,473 per year more on average than controlled diabetics.**³

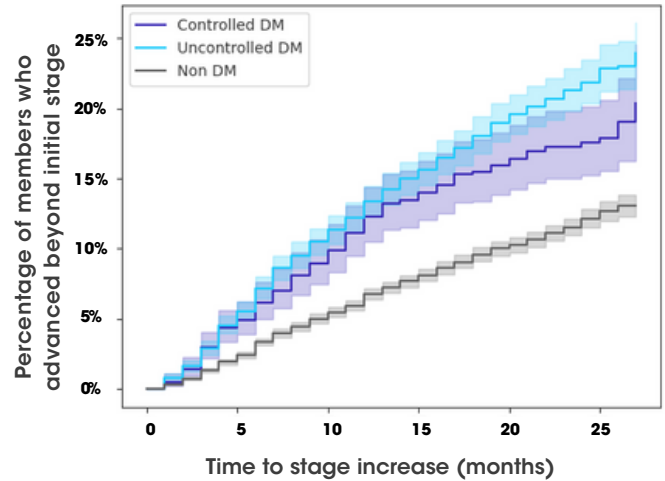


Figure 2. Percentage of members who advanced beyond initial stage by diabetes condition (shaded region=95% CI)

Driver 3: Misaligned Nephrologist Incentives

Many failed value-based care programs have focused on support services that are out of the control of nephrologists. Avalon's physician-designed and led approach benchmarks physician performance and can be used to determine physician performance incentives and shared savings. Analysis of Avalon's nephrologist quality benchmarks shows that **the bottom quartile performers cost \$534 (32%) more per CKD member per month.**³



Bottom Line

Avalon's Lab Values Management improves care quality while addressing 3 key drivers of avoidable CKD cost.

40%

Patients with severe kidney disease undiagnosed

15%

Uncontrolled diabetics progress faster

32%

Bottom performers cost more per CKD member/month

About Avalon

As the world's first Lab Insights company working with 30 health plans nationwide, covering 39M lives, and delivering 10 – 20% outpatient lab benefit savings; we take lab benefit management solutions to the next level. With our unique access to lab data, analytics, and expertise, we unlock actionable lab-driven insights.

As a result, we all save. Not just dollars – we save time, waste uncertainty, and build momentum for value-driven care.

1."Chronic Kidney Disease Initiative." Centers for Disease Control and Prevention. Retrieved February 23, 2024, from <https://www.cdc.gov/kidneydisease/basics.html>

2."All-Cause Costs Increase Exponentially with Increased Chronic Kidney Disease Stage." The American Journal of Managed Care 23, no. 10 (2017). Accessed February 23, 2024, from <https://www.ajmc.com/view/all-cause-costs-increase-exponentially-with-increased-chronic-kidney-disease-stage-article>

3.Avalon Healthcare Solutions. (2023) Unpublished company data

4."Predictors of Suboptimal and Crash Initiation of Dialysis at Two Tertiary Care Centers." Wiley Online Library. October 4, 2012. <https://doi.org/10.1111/j.1542-4758.2012.00744.x>

Interested in learning more? Connect with us today.

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 Avalon Healthcare Solutions

