



STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: May 20, 2010

TO: Group Insurance Board

FROM: Arlene Larson, Manager
Self-Insured Health Plans
Division of Insurance Services

SUBJECT: Wisconsin Physicians Service Annual Report on Utilization

This memo is for informational purposes only. No Board action is required.

Attached is the detailed annual Utilization Report for the Standard Plans, provided by WPS Health Insurance (WPS). WPS will bring a presentation, including an executive summary of this report, to the Board at the June 8, 2010 meeting. WPS will provide copies of the summary report at the meeting and will be prepared to answer questions on both this detailed report and the summary PowerPoint presentation.

Attachment

Reviewed and approved by Tom Korpady, Division of Insurance Services.

Signature

Date

Board	Mtg Date	Item #
GIB	6.8.10	5A

State of Wisconsin 2009 Utilization & Integrated Care Management Report

ETF Group Insurance Board

June 8, 2010 Presentation

INSURING WISCONSIN'S HEALTH SINCE 1946



WPS
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Bill Bathke

Executive Vice President and Chief Operating
Officer

June 8, 2010

INSURING WISCONSIN'S HEALTH SINCE 1946



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WPS Presenters



Tom Nelson, CPA
Senior Vice President, Commercial Business Unit

Matt Streiff, ASA
Director, Actuarial Services

Mariann Byers, MBA, MSMI
Director, Quality & Medical Informatics



State Employee Trust Funds

Utilization Report

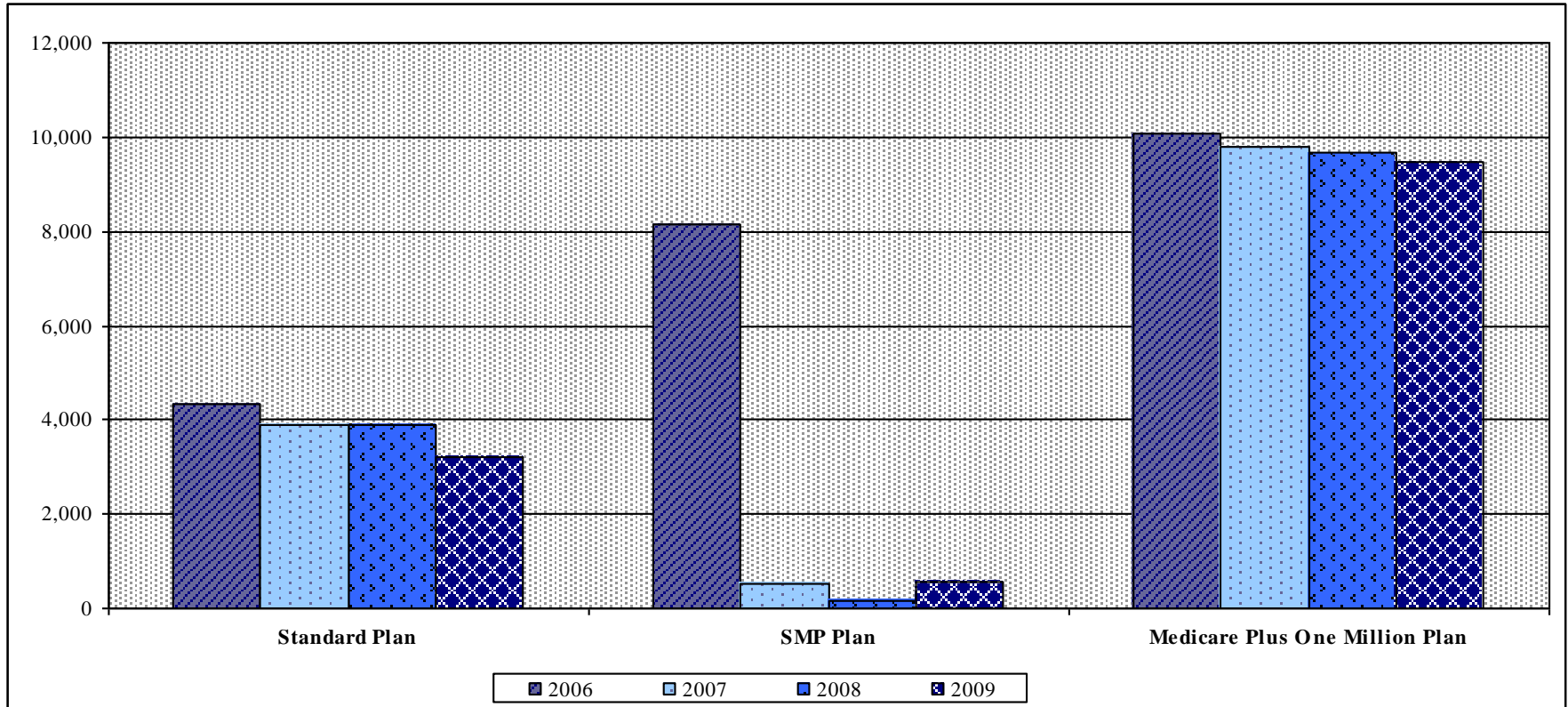
Matt Streiff
Director, Actuarial Services

INSURING WISCONSIN'S HEALTH SINCE 1946



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Annual Average Membership



	2006	2007	2008	2009
Standard Plan	4,335	3,901	3,906	3,229
SMP Plan	8,163	533	147	561
Medicare Plus One Million Plan	10,076	9,795	9,674	9,468
Totals	22,574	14,229	13,727	13,258

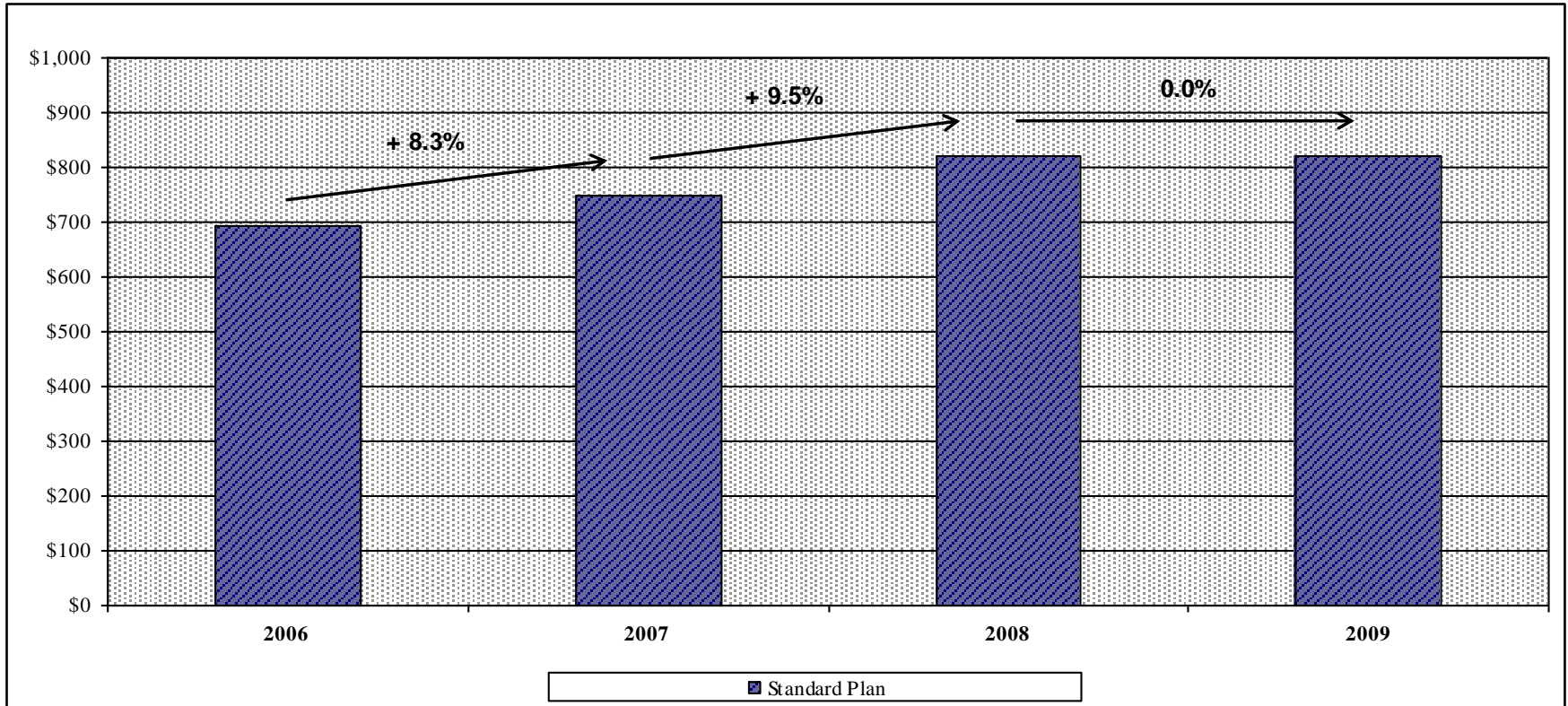


Total PMPM Trend

PMPM = Per Member Per Month



Standard Plan



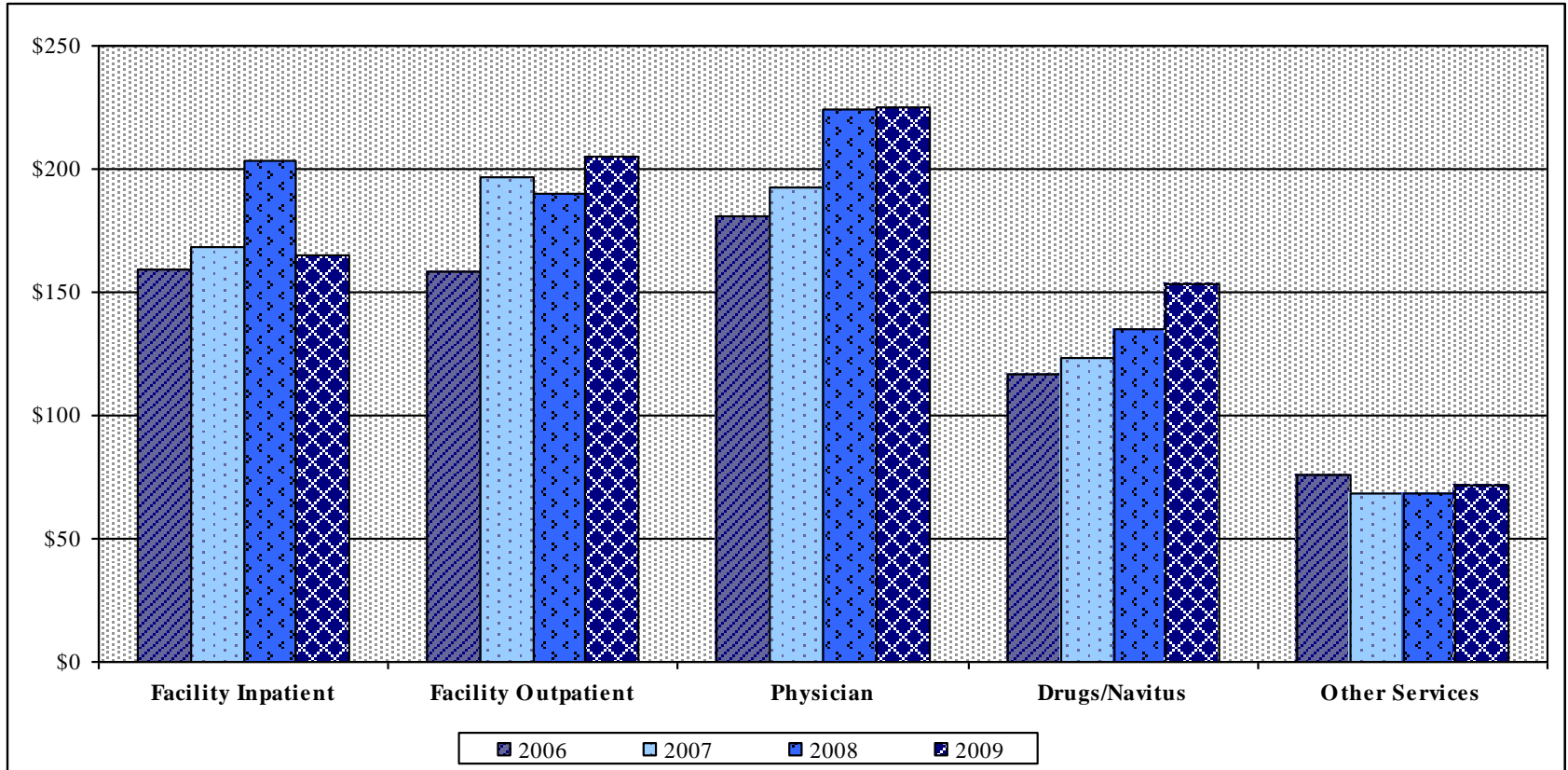
	2006	2007	2008	2009
Standard Plan	\$691.76	\$749.22	\$820.72	\$820.95



Total PMPM by Type of Service



Standard Plan



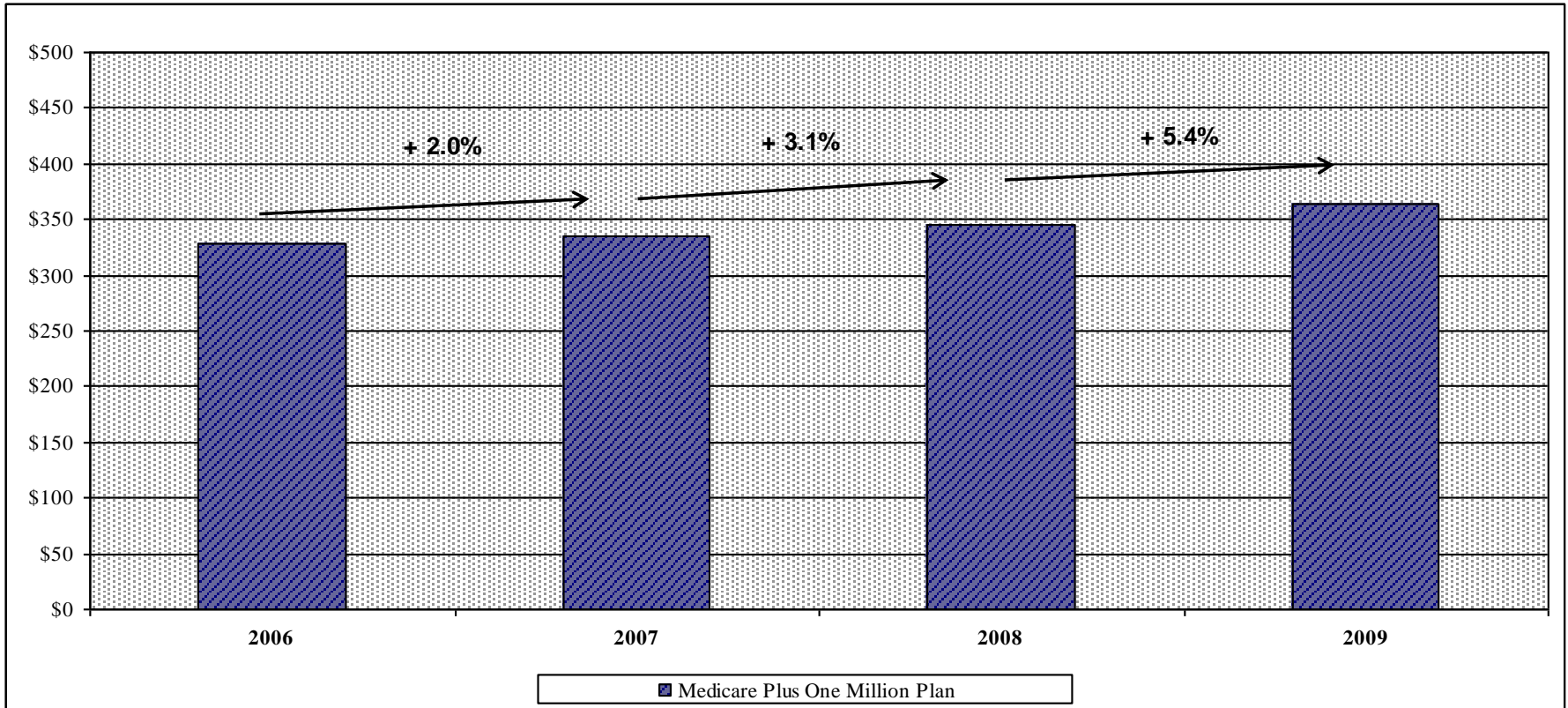
	2006	2007	2008	2009
Facility Inpatient	\$158.97	\$168.49	\$203.12	\$165.18
Facility Outpatient	\$158.61	\$197.08	\$190.35	\$205.25
Physician	\$181.10	\$192.35	\$224.23	\$224.80
Drugs/Navitus	\$116.99	\$123.02	\$134.71	\$153.68
Other Services	\$76.09	\$68.28	\$68.31	\$72.04
Totals	\$691.76	\$749.22	\$820.72	\$820.95



Total PMPM Trend



Medicare Plus One Million



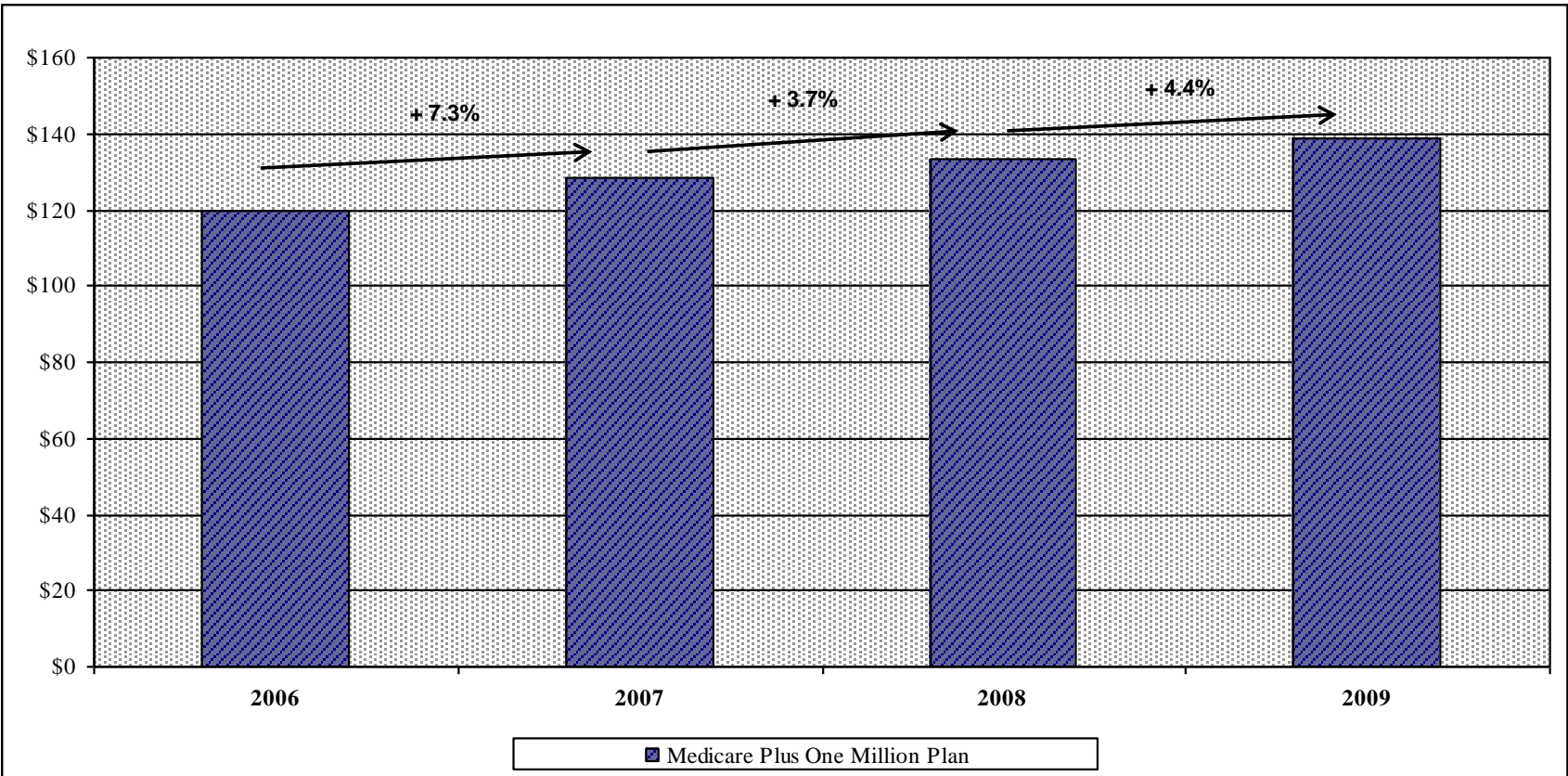
	2006	2007	2008	2009
Medicare Plus One Million Plan	\$328.51	\$335.07	\$345.51	\$364.15



Medical PMPM Trend



Medicare Plus One Million



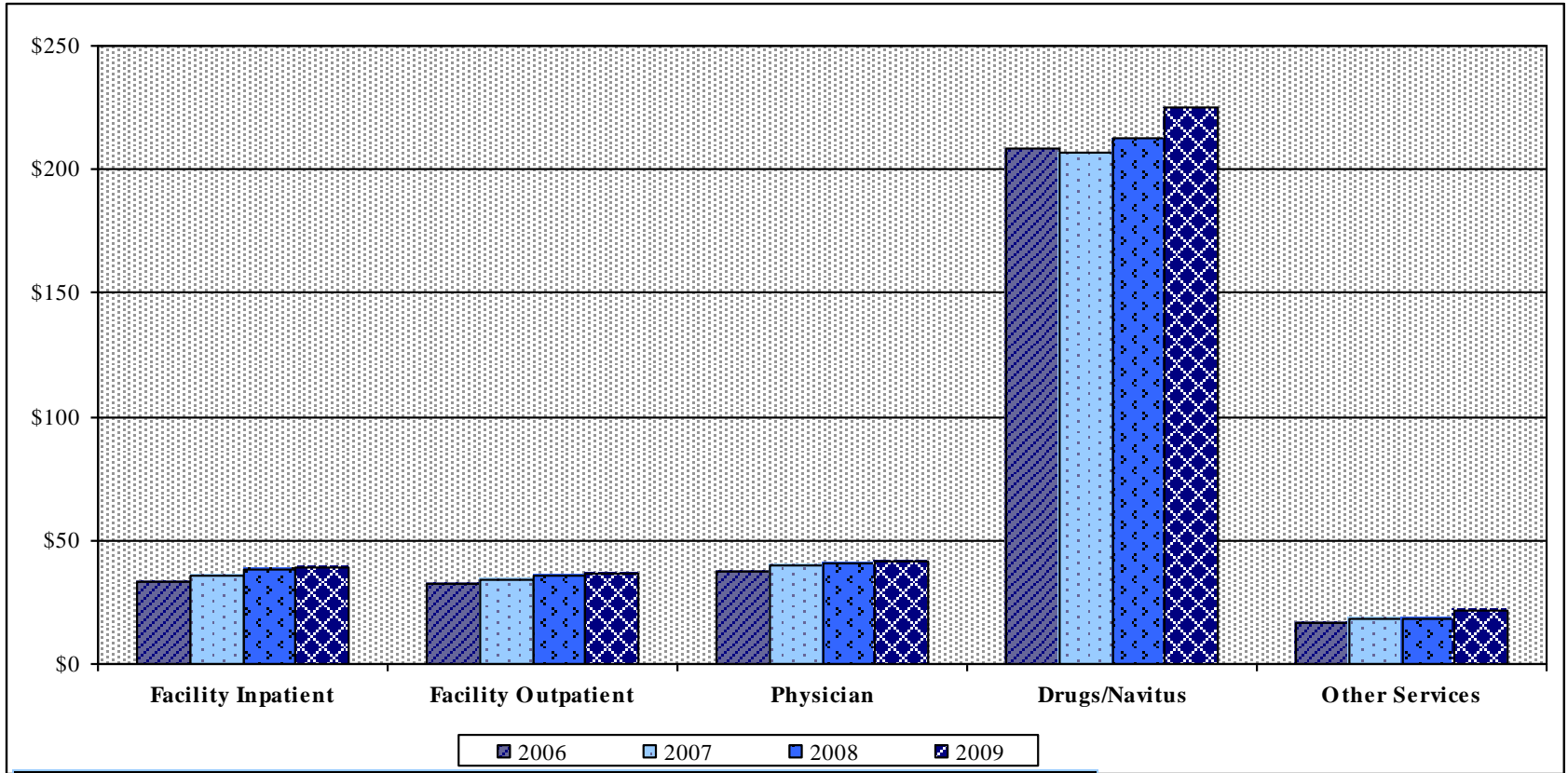
	2006	2007	2008	2009
Medicare Plus One Million Plan	\$119.79	\$128.49	\$133.18	\$139.01



Total PMPM by Type of Service



Medicare Plus One Million



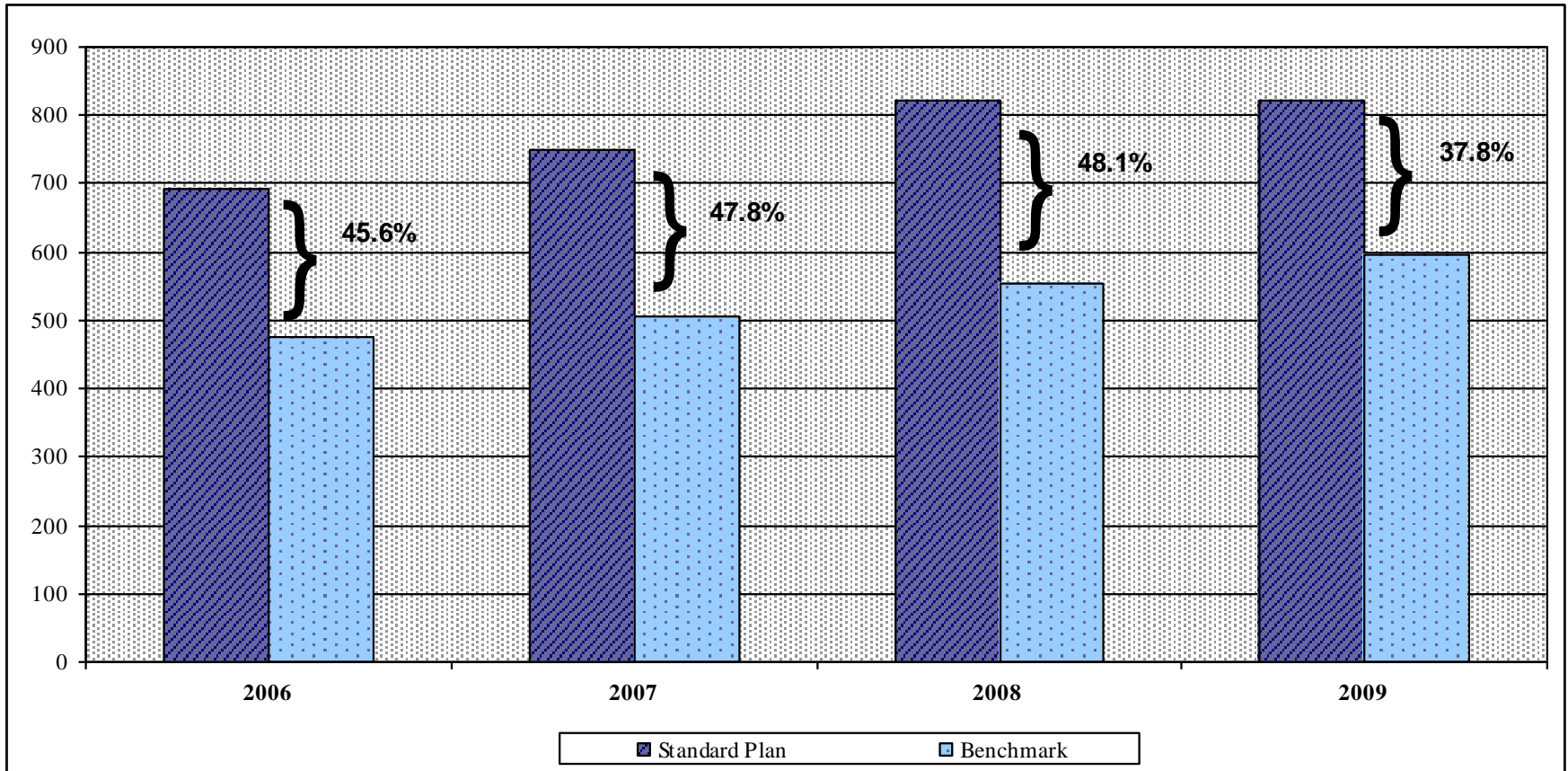
	2006	2007	2008	2009
Facility Inpatient	\$33.47	\$36.05	\$38.23	\$39.20
Facility Outpatient	\$32.50	\$34.43	\$35.73	\$36.58
Physician	\$37.32	\$40.09	\$40.71	\$41.44
Drugs/Navitus	\$208.72	\$206.58	\$212.23	\$225.14
Other Services	\$16.51	\$17.92	\$18.51	\$21.79
Totals	\$328.52	\$335.07	\$345.41	\$364.15



Total PMPM Compared to Benchmark



Standard Plan



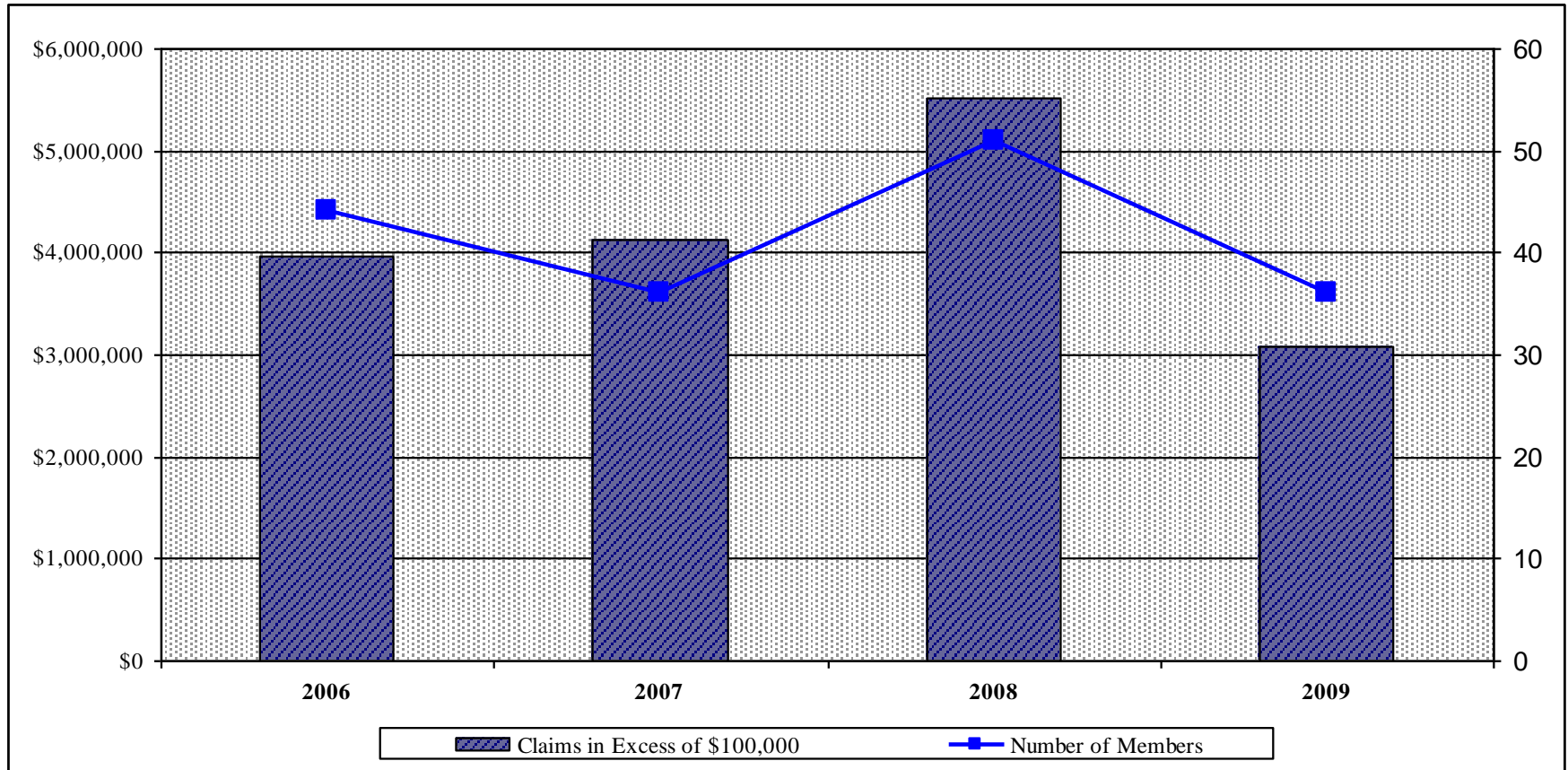
	2006	2007	2008	2009
Standard Plan	\$691.76	\$749.22	\$820.72	\$820.95
Benchmark	\$474.96	\$506.70	\$554.32	\$595.95



Claims in Excess of \$100,000



Standard Plan



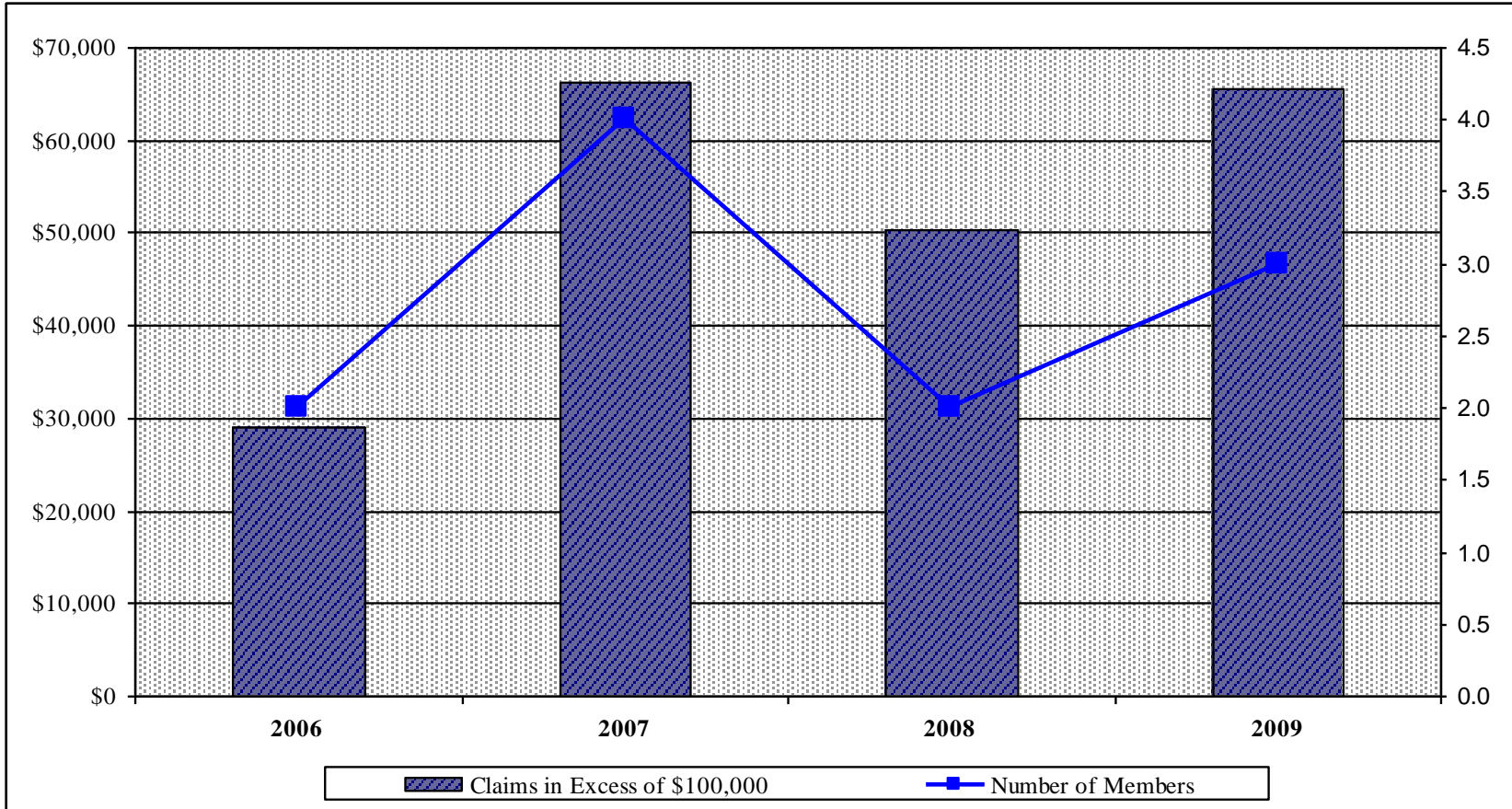
	2006	2007	2008	2009
Claims in Excess of \$100,000	\$3,963,919	\$4,119,465	\$5,521,101	\$3,076,563
Number of Members	44	36	51	36
PMPM in Excess of \$100,000	\$76.20	\$88.00	\$117.79	\$79.40



Claims in Excess of \$100,000



Medicare Plus One Million



	2006	2007	2008	2009
Claims in Excess of \$100,000	\$28,980	\$66,192	\$50,425	\$65,530
Number of Members	2	4	2	3
PMPM in Excess of \$100,000	\$0.24	\$0.56	\$0.43	\$0.58



Integrated Care Management

Medical Management

Mariann Byers, MBA, MSMI
Director, Quality & Medical Informatics



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Demographics and Major Claim Categories



Demographics of ETF Standard Plan Members

	ETF Standard Plan	WPS Benchmark*
Average Age	44 years	35 years
Percent Female	55%	52%
Age 55+	41.8%	17.5%
Geographical Distribution (Milwaukee County):	15.2%	6.0%
Out of State Residence	23.1%	7.3%
2009 Members with Paid Claims >\$100K	11.15 members/1000	3.72 members/1000

Largest Expense Areas

- Cancers
 - Lymphoma, Leukemia, Breast Cancer
- Cardiovascular
 - Stroke
- Orthopedic
 - Fractures, Fusions, Hip and Knee Replacements
- Behavior Health
 - Inpatient and Outpatient

* 2009 Benchmark. Out of State Residence - Overseas count is from 2008.



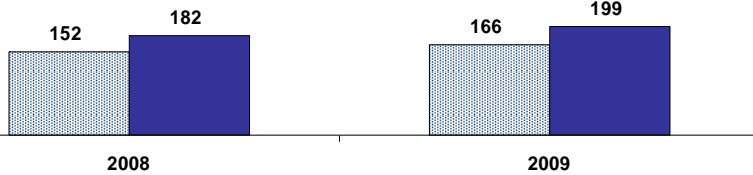
Inpatient Utilization Comparison to Benchmark



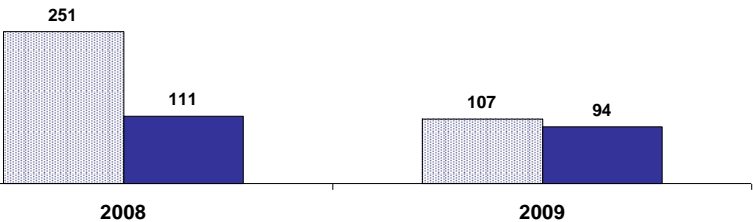
Largest expense areas are inpatient hospital costs....despite a reduction in surgical bed days from 2008

Major outliers include surgical (includes radiology & pathology), psych/AODA, and inpatient medical cost per day.

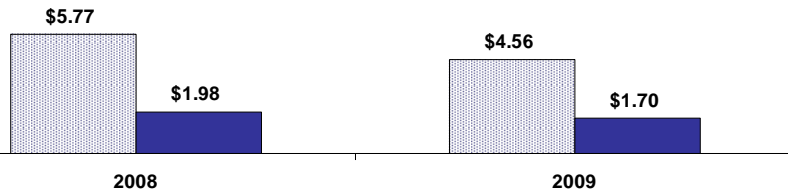
Medical Days/1000



Surgical Days/1000



Psych/AODA PMPM



Standard Benchmark

STATE EMPLOYEE TRUST FUNDS

Inpatient Utilization - Standard

Incurred January 2009 - December 2009 Paid Through March 2010

	ACTUAL					
	Medical	Surgical	Psych / AODA	Maternity	Other	Total
Days/1000	166	107	38	32	97	440
Admits/1000	43	34	5	11	N/A	93
ALOS	3.83	3.15	7.29	2.81	N/A	4.62
Cost/Day	\$4,588	\$9,443	\$1,425	\$2,407	\$761	\$4,495
Cost/Admit	\$17,567	\$29,787	\$10,397	\$6,764	N/A	\$20,783
PMPM	\$63.47	\$84.55	\$4.56	\$6.46	\$6.14	\$165.18
% of Paid	38.42%	51.19%	2.76%	3.91%	3.72%	100.00%

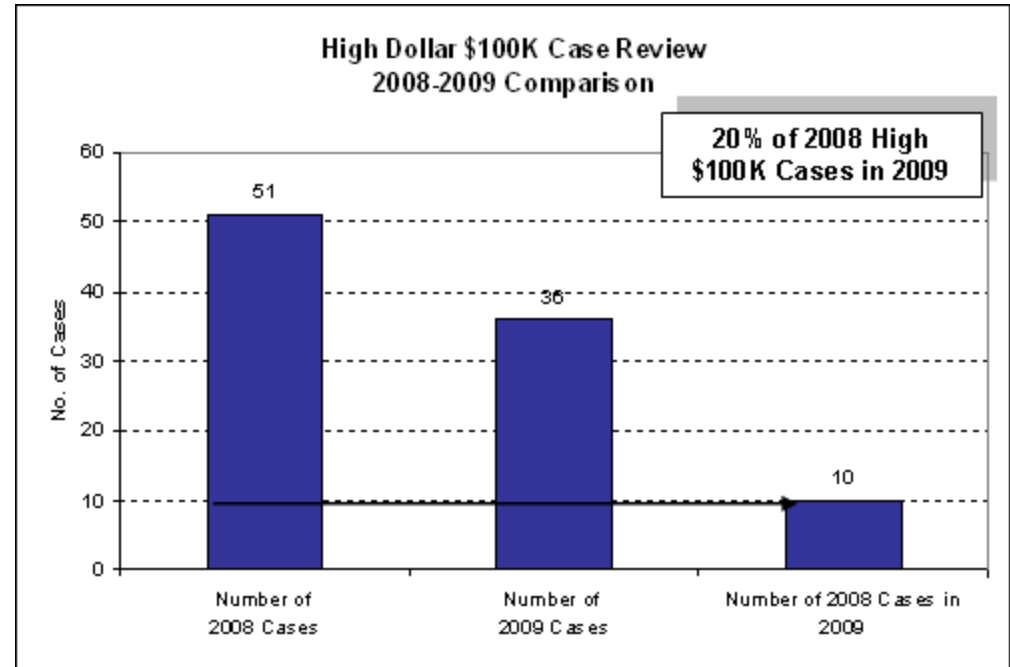
	BENCHMARK					
	Medical	Surgical	Psych / AODA	Maternity	Other	Total
Days/1000	199	94	16	31	39	379
Admits/1000	36	20	3	13	N/A	72
ALOS	5.53	4.70	5.33	2.38	N/A	5.26
Cost/Day	\$3,546	\$7,773	\$1,262	\$1,886	\$691	\$4,016
Cost/Admit	\$19,561	\$36,807	\$6,949	\$4,076	N/A	\$23,677
PMPM	\$58.12	\$61.80	\$1.70	\$4.84	\$2.30	\$128.76
% of Paid	45.13%	48.00%	1.32%	3.76%	1.79%	100.00%



High Dollar Claims Analysis 2008 and 2009 Comparison



- In 2009, there were 36 High Dollar \$100K Cases; 51 in 2008.
- There were 10 High Dollar (\$100K) 2008 cases which continued to be High Dollar in 2009 (20% of cases).

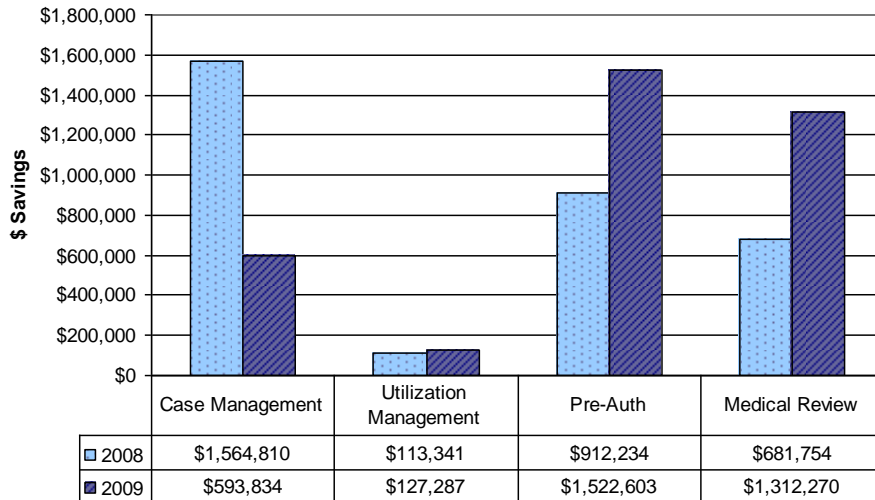


Integrated Care Management Savings and Case Volumes

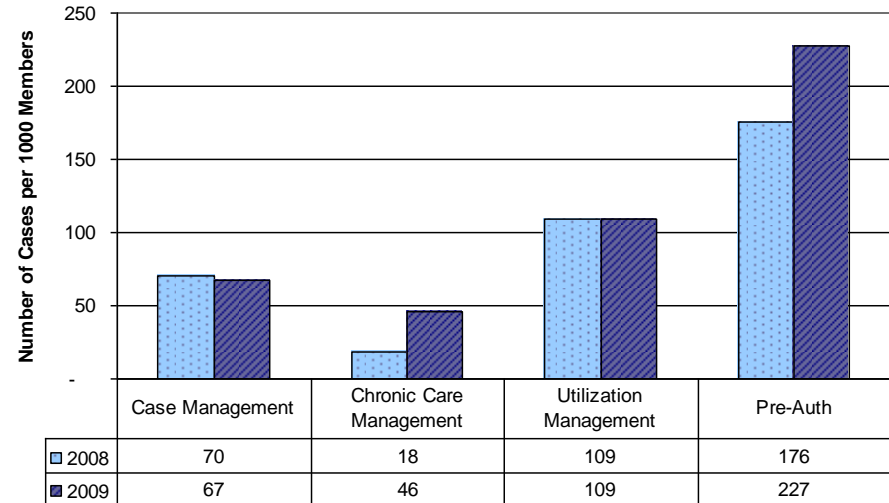


- Savings
 - Overall 8.7% increase in savings.
 - Case Management savings reduction due to reduction in overall cases.
- Integrated Care Management (Cases per 1000 Members)
 - Increase in Chronic Care Management with enhanced Outreach Program (Diabetes)

Savings by ICM Services



ICM Cases per 1000 Members

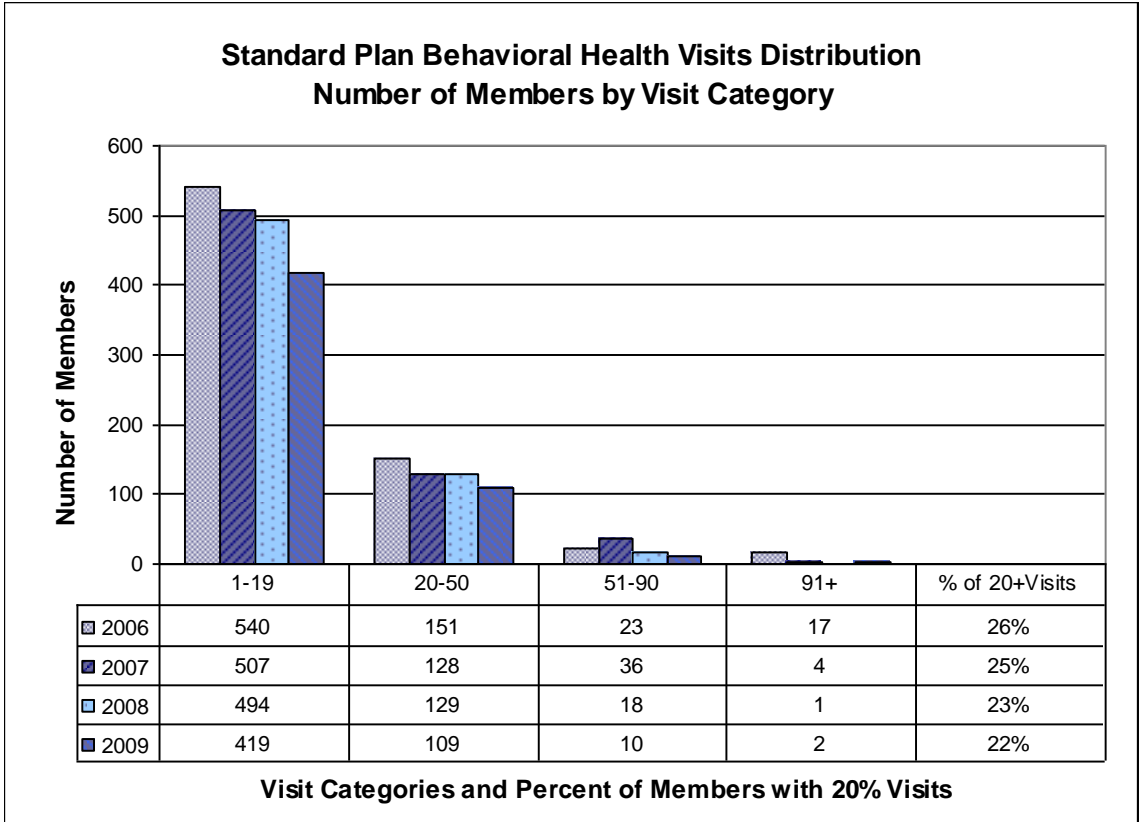


Behavioral Health Case Management

Distribution by Number of Visits



- Over the last four years, there is a four percent decrease in the percentage of members with more than 20+ behavioral health visits (26% in 2006 to 22% in 2009).
- From 2008 to 2009, the number of actual visits among those with 20+ visits in the year was reduced by 18%; 5,358 in 2008 to 4,411 in 2009.
- Behavioral Case Management is updated monthly on list of patients with high utilization.



Bariatric Visits Utilization and Cost Trends

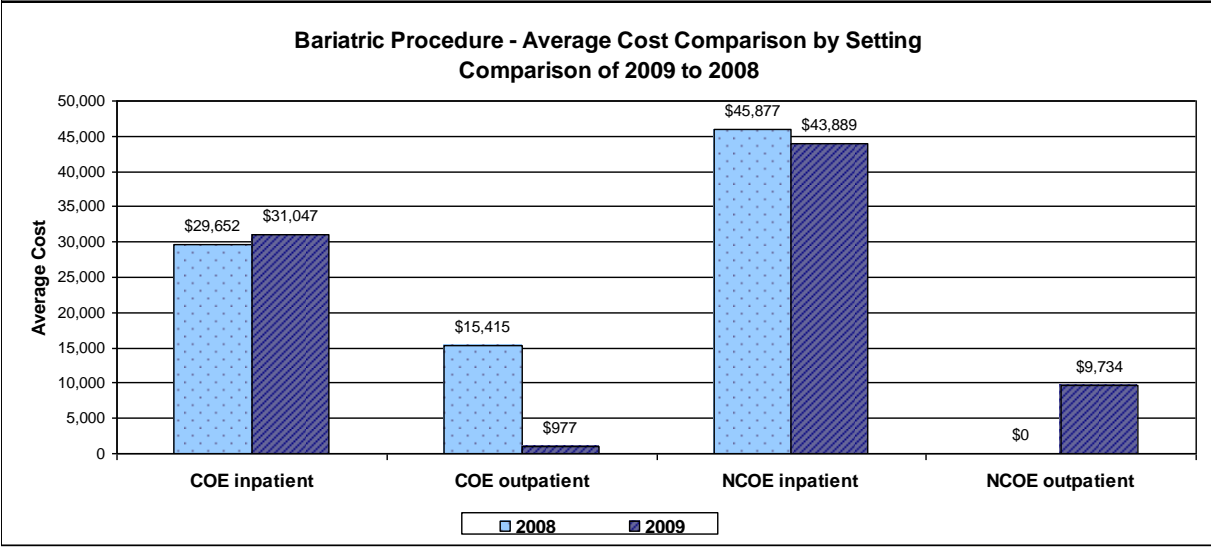
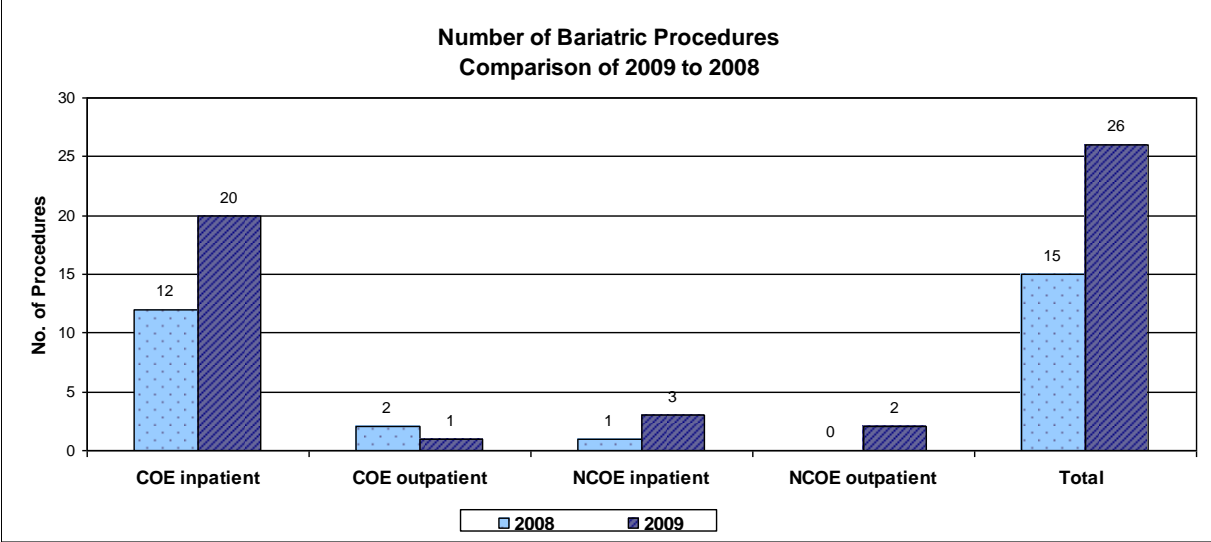


Utilization Trends

- Eleven more inpatient bariatric procedures occurred in 2009 than in 2008, nine of those were performed in a center of excellence.

Cost Trends

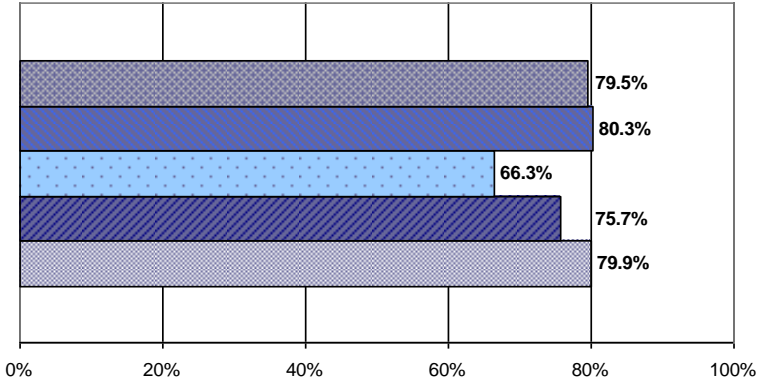
- Average cost per procedure increased somewhat among centers of excellence, but remained substantially lower than in non-center of excellence facilities.



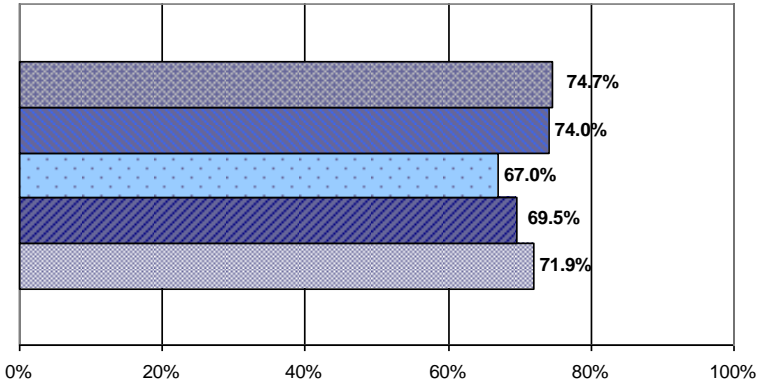
Diabetes Care Quality Measures on Compliance



Diabetes Care - HbA1c Testing
(Percentage of Diabetics Ages 18-75 with a HbA1c Test)



Diabetes Care - LDL-C Testing
(Percentage of Diabetics Ages 18-75 with a LDL-C Test)



* WHIO Data: 10/01/07-9/30/09, paid through 12/31/09; PPO only; all Residents.

Responsive performance improvement

- Responding to the trend in HbA1c testing rates, we have launched a performance improvement initiative:
 - Targeted outreach program with direct mailing “reminders” to members
 - Telephone outreach to provide education and offer care management
 - High volume provider/facility outreach program
 - Outreach and education efforts reinforce the need for diabetics to have both the HbA1c and LDL-C tests
 - New **Preventive Health Guidelines** are being developed for all members, which include information to help members manage chronic conditions

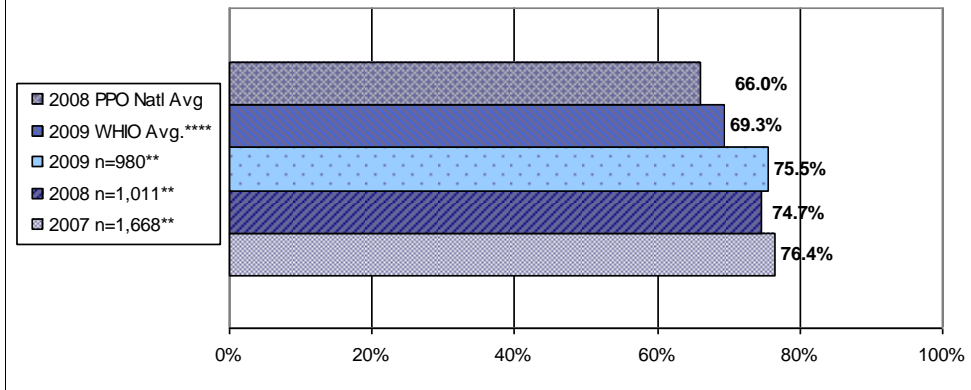
- Goal: improvement in HbA1c testing to 73% in the next measurement period.
- Goal: improvement in LDL-C testing to match the National PPO average of 74.7% in the next measurement period.



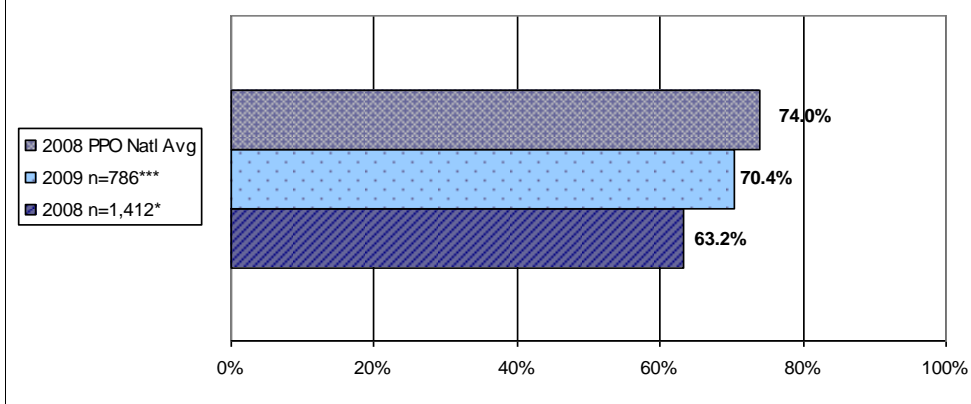
Preventive Cancer Screening Rates



Breast Cancer Screening Rates
(Percentage of Women Ages 40-69 with a Mammogram)



Cervical Cancer Screening Rates
(Percentage of Women Ages 21-64 with a Pap Test)



Responsive performance improvement

- We will work to sustain breast cancer screening rates at or above our current levels, which remain above national averages.
- We will provide member outreach with the goal to match or exceed the National PPO average of 74.0% for cervical cancer screening.
- *Performance improvement initiatives*
 - Development and dissemination of consumer-oriented **Preventive Health Guidelines** that include cancer screening
 - Targeted mail and telephone member outreach and education program
 - High volume provider/facility outreach program

* Rate includes screenings performed in 2006, 2007 or 2008.
 ** Rate includes screenings performed in the reporting year or one year prior.
 *** Rate includes screenings performed over three year period (i.e.; 2007-2009).
 **** WHIO Data: 10/01/07-9/30/09, paid through 12/31/09; PPO only; all Residents. Cervical cancer rate not available due to 3-year measurement period.





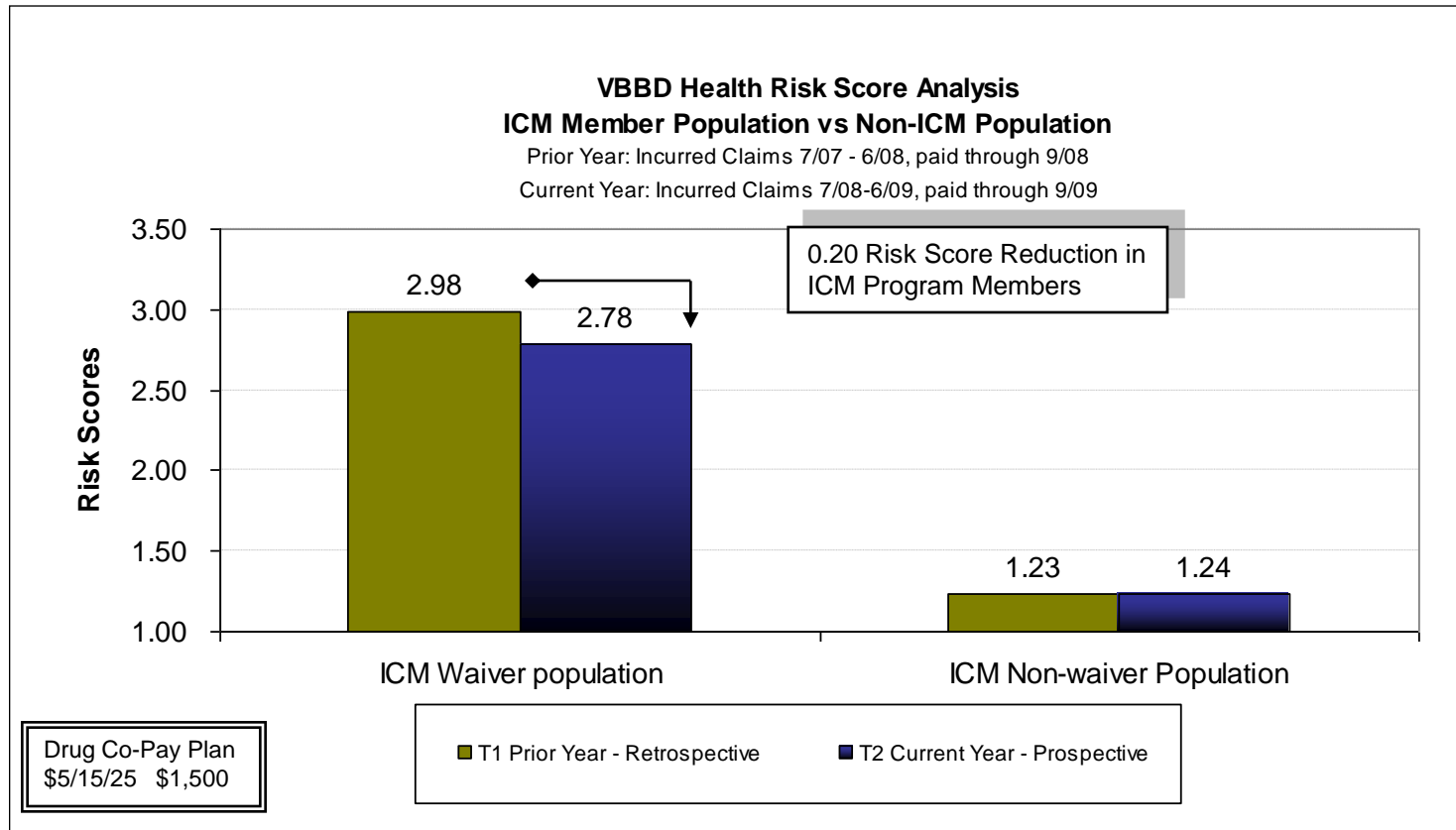
- Major Success Factor Considerations
 - Member Acceptance
 - Some reluctance of members to receive mailings and phone calls from their “insurance company” regarding diabetes management compliance.
 - Member : Physician Ratio
 - No requirement for members to identify a PCP
 - Geographic Dispersion and Multiple Provider Locations
 - 90 non-compliant members are seen by 80+ physicians
 - Only five physicians have at least three patients on non-compliance list.
- How to Change Member Behavior
 - Initiatives must be “member-centric”

Value Based Benefit Design

Preliminary Positive Outcomes



- In late 2008, WPS piloted VBBD program: Rx copay waiver for major chronic conditions.
- Preliminary analysis indicates a risk score reduction of 0.20 of the members who participated in the program.
- The analysis includes a comparison of the risk scores of the members with drug-copay waivers (ICM participation) to all other members in year 1 vs year 2.



Source: WPS Impact Intelligence, 1/10/2010. Prior Year: Incurred Claims 7/07 - 6/08, paid through 9/08.
 Current Year: Incurred Claims 7/08-6/09, paid through 9/09



“Moving the Needle – Leveraging Change” VBBD Considerations



Potential VBBD Program Considerations

- Continue detailed cost analysis of drivers
 - cancers, musculoskeletal, cardiac, behavioral health, etc.

- Encourage completion of HRA with biometrics for additional driver analysis

- Moderating program cost has potential to be a change agent.
 - ETF Customer Satisfaction Surveys
 - High satisfaction with WPS Insurance
 - However prefer it was “less expensive”



“Moving the Needle – Leveraging Change” VBBD Considerations



Potential VBBD Program Considerations (continued)

- Focus on major cost driving conditions
 - Diabetes
 - Affects blood pressure, heart disease, cardiac disease, stroke, weight.
 - Incentivize getting LDL tests, A1C tests, filling & taking diabetes medications.
 - A 1% reduction in A1C levels equates to a 2.0% reduction in vascular complications.
 - Source: “ABC of Arterial and Venous Disease: Vascular Complications of Diabetes.” Donnelly et al. BMJ.2000; 320: 1062-1066.
 - BMI (Obesity)
 - Affects blood pressure, joint disease, heart disease, diabetes, back pain.
 - Incentivize “participating” in weight loss programs
 - Initial research in-house on group population correlating BMI ≥ 30 and 30% higher claims than members with BMI < 30 .
- Key Success Factors
 - Member-Centric Plan
 - Incentivizing Select or All Members
 - Overall HRA-based Scoring
 - Methods of Incentivizing
 - Benefits
 - Drug Co-pays
 - Coinsurance

“Moving the Needle – Leveraging Change” *Potential Programs*



Centers of Excellence for Joint Replacement

- Using health analytics data (WHIO and WPS) designate certain sites as Centers of Excellence (COE)
- Incentivize steerage, savings and better outcomes similar to Bariatric COE





Aggressive Physical Therapy Management

- Recommend prior authorization of physical therapy and chiropractic services after initial evaluation.
- Judicious use of visits has beneficial outcomes:
 - Requires members be taught & engage in a home exercise program
 - Requires goals, progress along these goals, and measureable improvement.
 - Encourages healthy lifestyle modification to maximize therapy program.
 - Reduces findings of “not medically necessary” or maintenance services after the fact.

“Moving the Needle – Leveraging Change” Expanded 2010 Programs



- Management of Imaging Services**
 - Recommend prior authorization of MRI, MRA, PET scans, cardiac studies
 - 5-10% of studies are unnecessary
 - False positive studies result in more studies

- Publication of WPS Preventive Health Guidelines**
 - Goal is to mail with December 2010 Member Letter

- Smoking Cessation and Seatbelt Use**
 - Encouragement of smoking cessation & seatbelt use with every member during CCM/CM engagement
 - Seatbelt use & non-smoking are correlated with increased productivity at work
 - Source: John E. Riedel, Jessica Grossmeier: “Use of a Normal Impairment Factor in Quantifying Avoidable Productivity Loss Because of Poor Health”, Journal of Environmental Medicine: Vol. 51, No. 3, March 2009.

Keep You and Your Family Healthy with These Preventive Health Guidelines


A little prevention can go a long way when it comes to your health. Your overall wellbeing simply by keeping up on recommended screenings.

The chart below highlights recommended guidelines for preventive health care which means that each guideline was recommended and deemed a high priority by sources such as: the United States Preventive Services Task Force (USPSTF), the Centers for Disease Control and Prevention (CDC), the National Cancer Institute (NCI), and others.

These guidelines are general. Individual needs can vary, so talk to your doctor to see what is right for you and your family. And please remember that certain high-risk individuals may need services more frequently or at an earlier age.

Preventive health care for you and your family

What	Who	Frequency
Blood pressure screening	Men and women over age 18	Annually
Breast cancer screening (screening mammogram)	Women over age 40	Annually
Cervical cancer screening (Pap test)	Women over age 18	Annually
Chlamydia & STD (if at risk) screening	Women age 24 and younger if sexually active	Annually
Cholesterol, lipids & triglycerides screening (see diabetes care below)	Men age 35 and older and women age 45 and older	Annually
Colorectal cancer screening	Men and women over age 50	Annually
Hepatitis B & HIV screening	Pregnant women	At first prenatal visit
Diabetes care blood tests—hemoglobin A1c (HbA1c) and LDL-C	Individuals with diabetes mellitus	Annually
Influenza vaccination	Men and women over age 65	Annually prior to flu season
Low-dose aspirin	Men over age 45; women over age 55	Daily
Obesity screening	Adults and children at risk	As needed
Tobacco cessation	Anyone currently using tobacco should quit	Anytime. Talk to your doctor about options for help with quitting
Aneurysm (AAA) screening	Men 65-75 who have ever been smokers	One-time screening when physician determines risk
Osteoporosis screening	Women 65 and over; 60 if risk factors are present	Every two years
Heart rhythm (EKG) screening	Men and women over 65	When referred by physician
Glaucoma screening	Men and women over 65	Annually
Pneumococcal vaccination	Men and women over 65	One-time immunization



Preventive Health Guidelines
Keeping you and your family in good health.

WPS
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Questions?

Thank You

