

State Employee Trust Funds

May 7, 2013

INSURING WISCONSIN'S HEALTH SINCE 1946



WPS
HEALTH INSURANCE®

Summary



- General

- Membership has been trending downward.
- Claims on a Per Member Per Month basis have been low or negative.
- Large Claim activity has followed similar patterns.

- Standard Plan

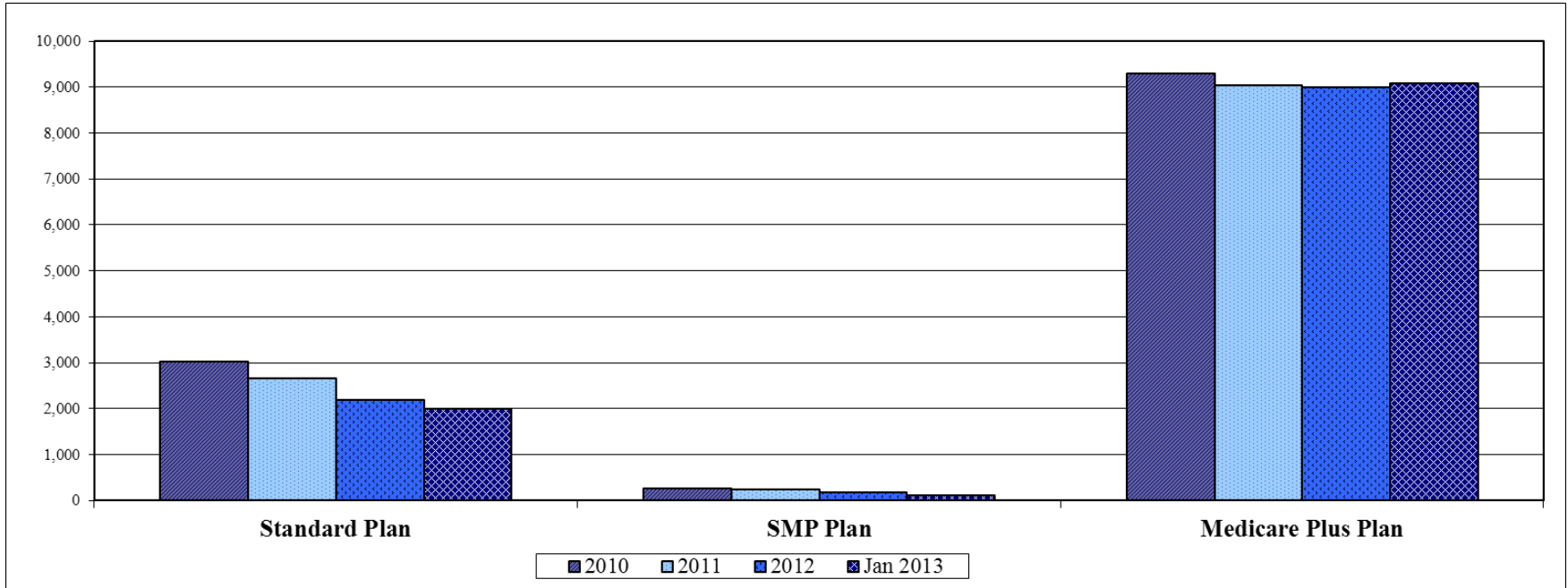
- Membership continues to decrease.
- Year over year trend is negative (-1.6%), related to the Modernization of the benefits effective January 1, 2012.
- Facility Inpatient claims are lower, primarily due to lower surgical costs, but also due to fewer dollars tied up in large claims.
- Large claims are similar in quantity and dollar volume compared to last year.

Summary



- SMP Plan
 - Membership continues to decline, and at this point is not credible.
 - Claims are up slightly (+1.6%).
- Medicare Plus Plan
 - Membership has decreased slightly.
 - Year over year trend is negative, down 5% between the past two years.
 - Driver of lower costs is the drug benefit and the beginning of participation in a group Medicare Part D plan.
 - Medical Claims are have increased 2.9% on a per member per month basis between 2011 and 2012.

Annual Average Membership

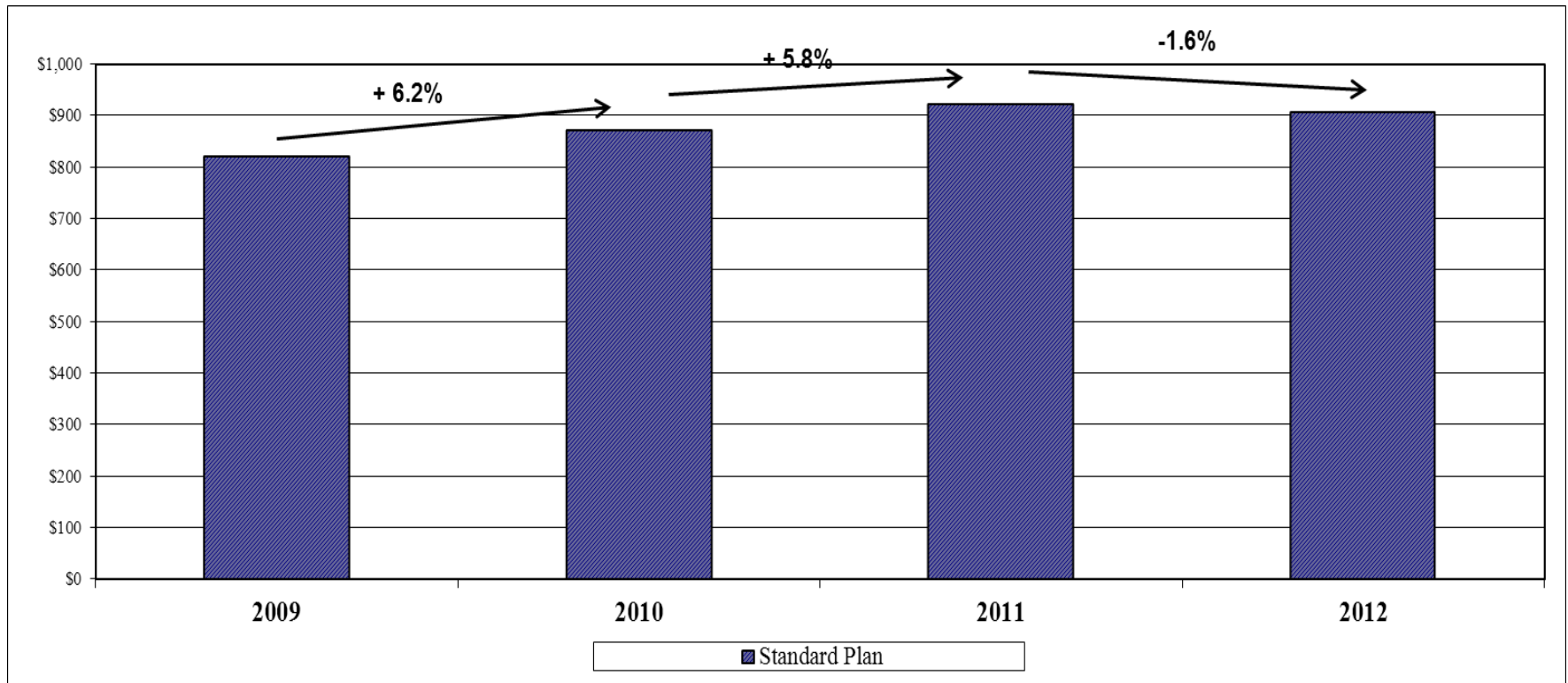


	2010	2011	2012	Jan 2013
Standard Plan	3,013	2,651	2,195	1,986
SMP Plan	264	232	178	108
Medicare Plus Plan	9,298	9,044	8,996	9,076
Totals	12,574	11,932	11,369	11,170

Total PMPM Trend



Standard Plan – Medical and Drug Claims

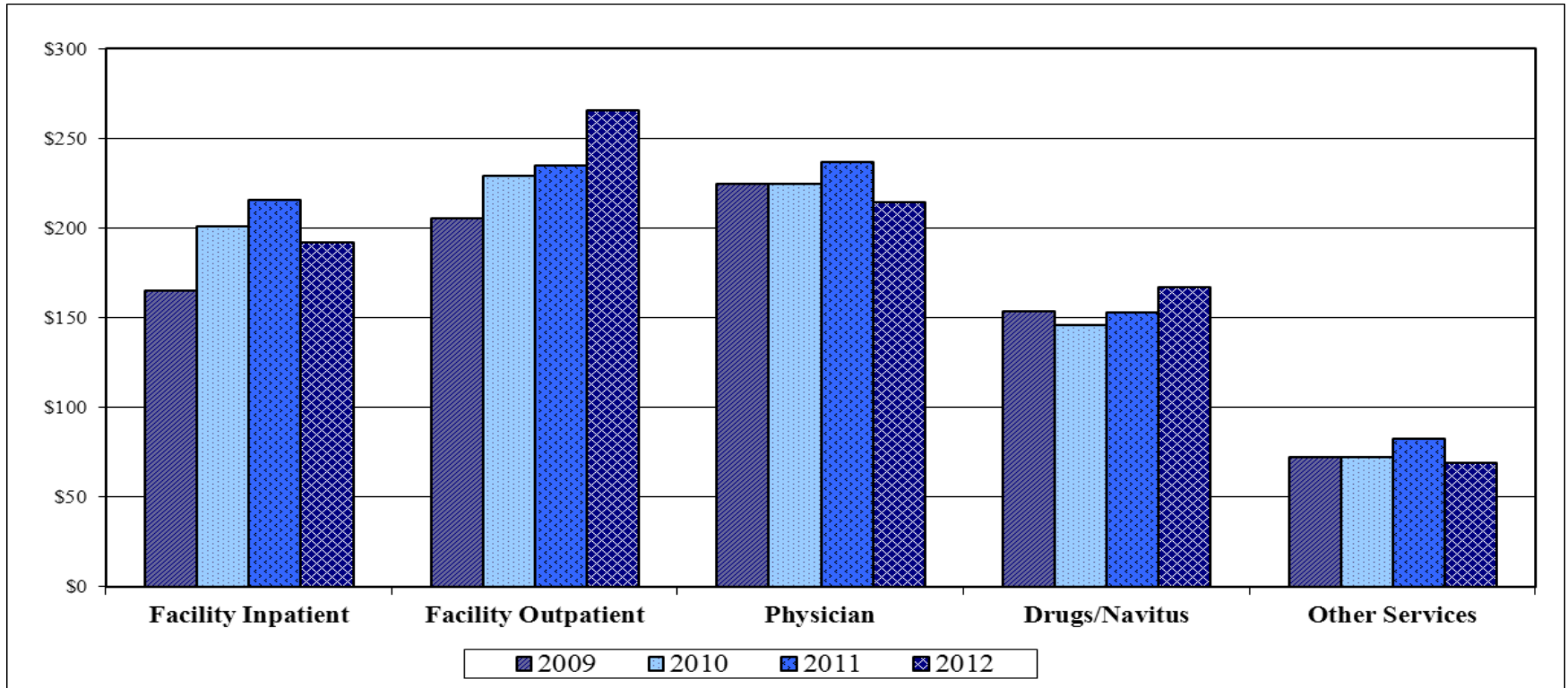


	2009	2010	2011	2012
Standard Plan	\$820.95	\$872.15	\$922.74	\$908.25

Total PMPM by Type of Service



Standard Plan

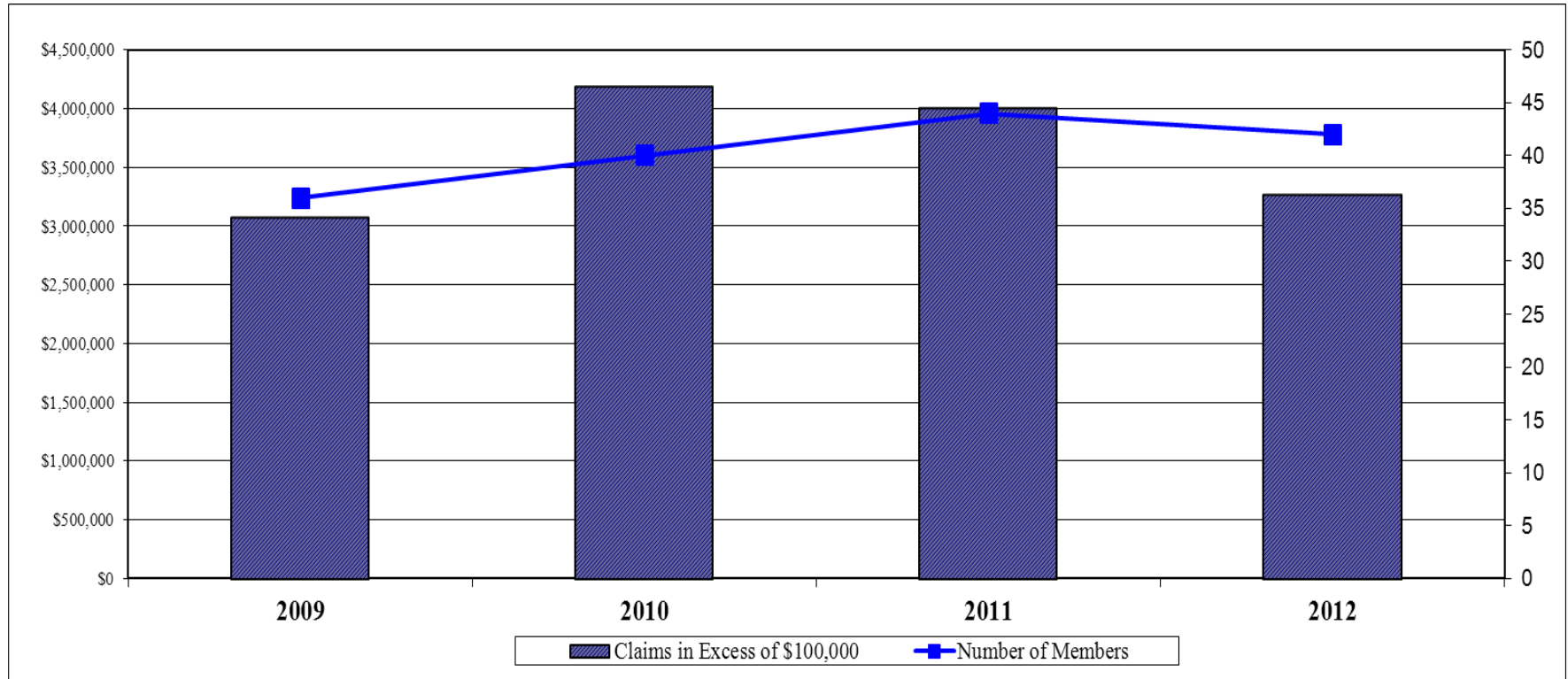


	2009	2010	2011	2012
Facility Inpatient	\$165.18	\$200.71	\$215.84	\$192.05
Facility Outpatient	\$205.25	\$229.05	\$234.55	\$265.51
Physician	\$224.80	\$224.24	\$236.79	\$214.54
Drugs/Navitus	\$153.68	\$145.94	\$153.12	\$166.89
Other Services	\$72.04	\$72.21	\$82.44	\$69.27
Totals	\$820.95	\$872.15	\$922.74	\$908.26

Claims in Excess of \$100,000



Standard Plan – Medical and Drug Claims

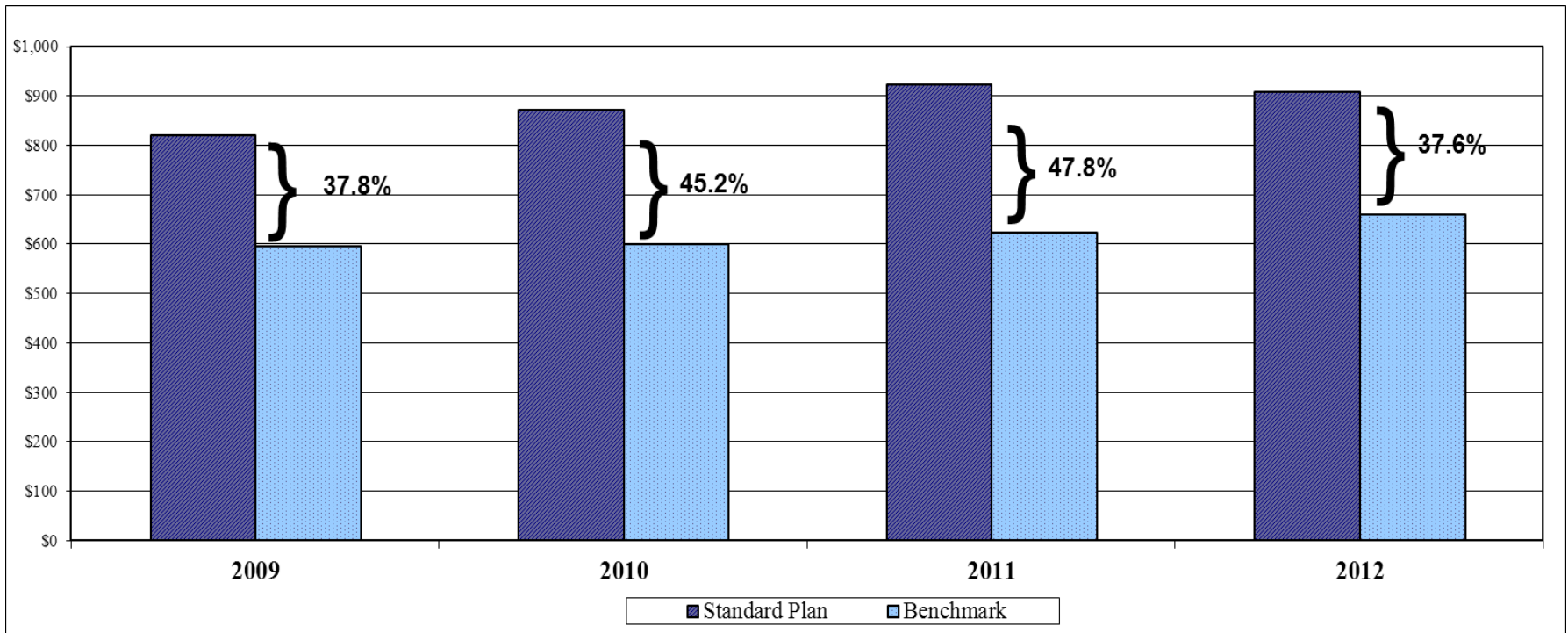


	2009	2010	2011	2012
Claims in Excess of \$100,000	\$3,076,563	\$4,186,534	\$4,003,036	\$3,274,872
Number of Members	36	40	44	42
PMPM in Excess of \$100,000	\$79.40	\$115.57	\$125.64	\$124.33

Total PMPM Compared to Benchmark



Standard Plan – Medical and Drug Claims

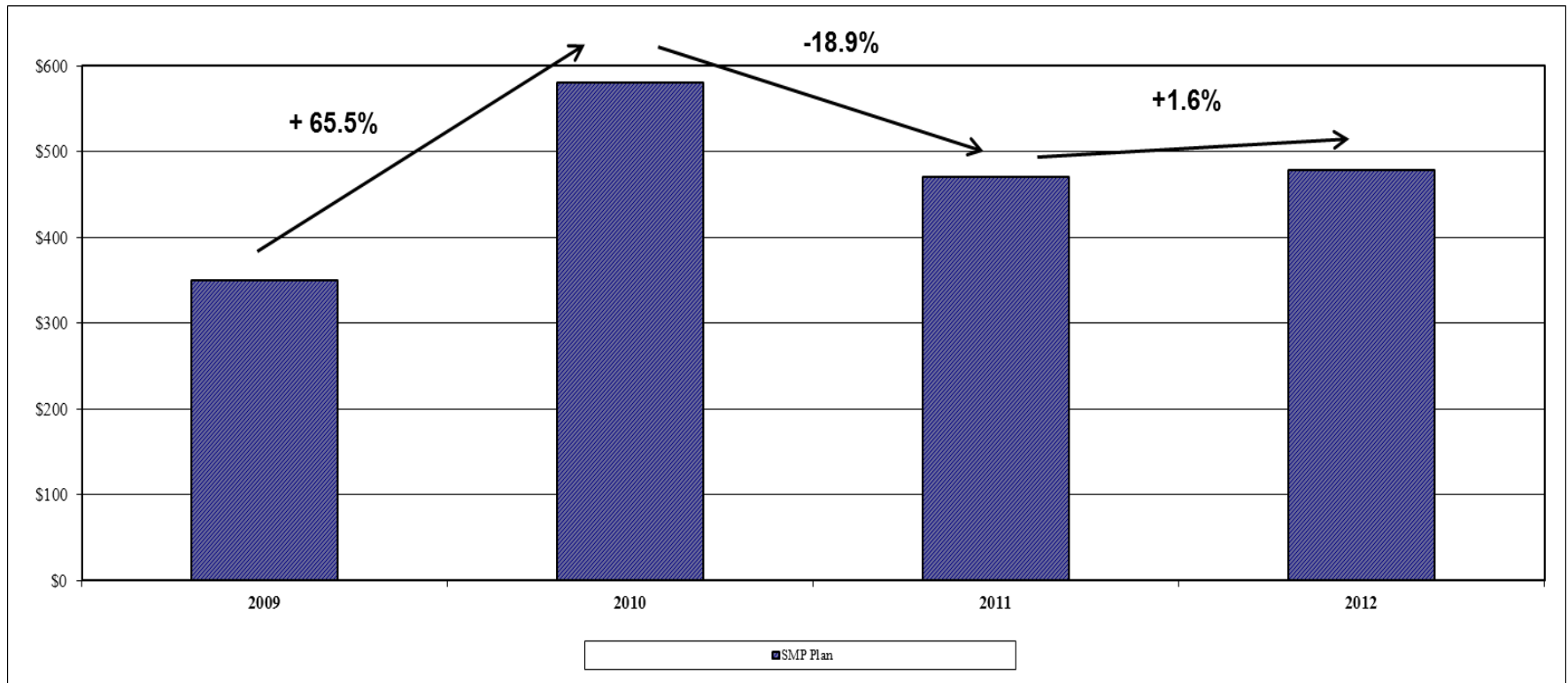


	2009	2010	2011	2012
Standard Plan	\$820.95	\$872.15	\$922.74	\$908.26
Benchmark	\$595.95	\$600.55	\$624.23	\$660.03

Total PMPM Trend



SMP Plan – Medical and Drug Claims

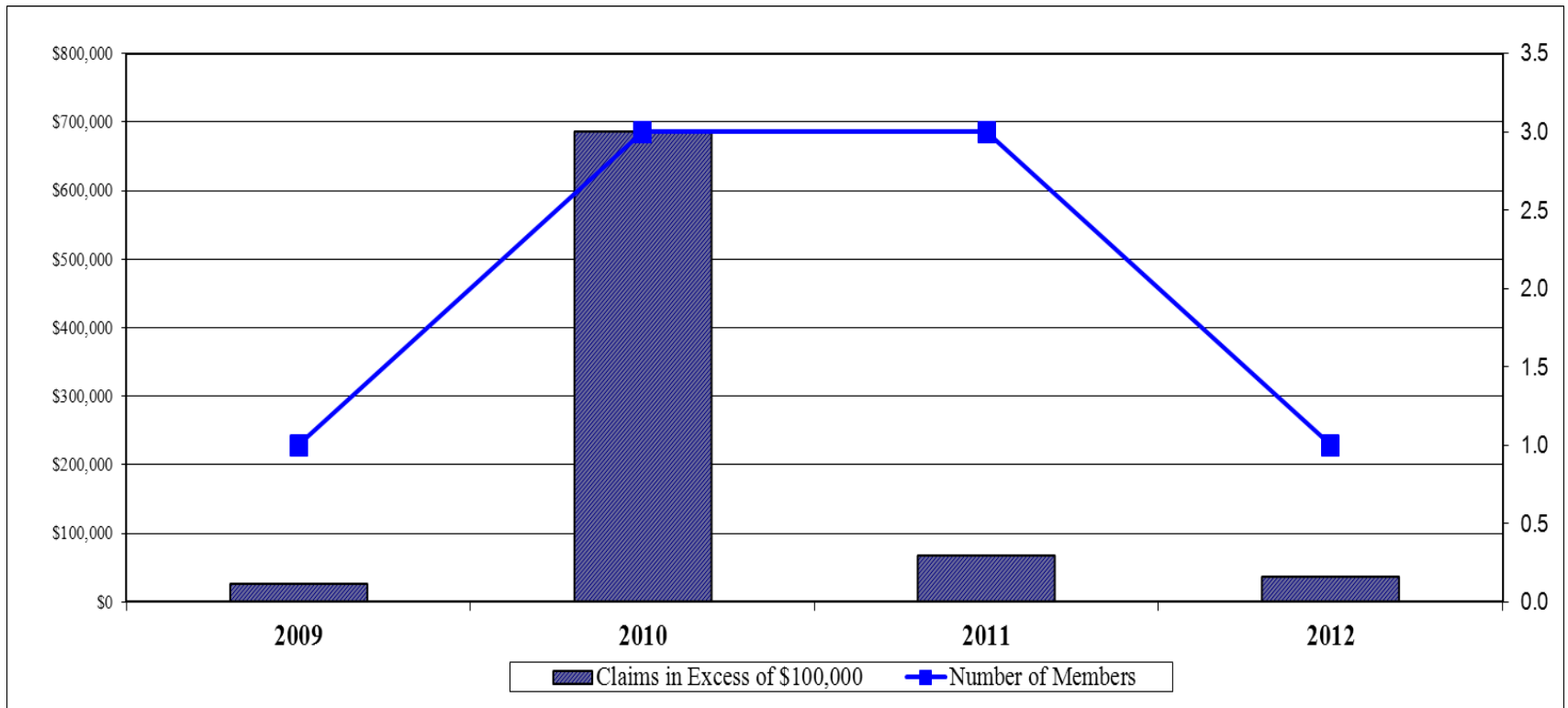


	2009	2010	2011	2012
SMP Plan	\$350.32	\$579.81	\$470.42	\$478.16

Claims in Excess of \$100,000



SMP Plan – Medical and Drug Claims

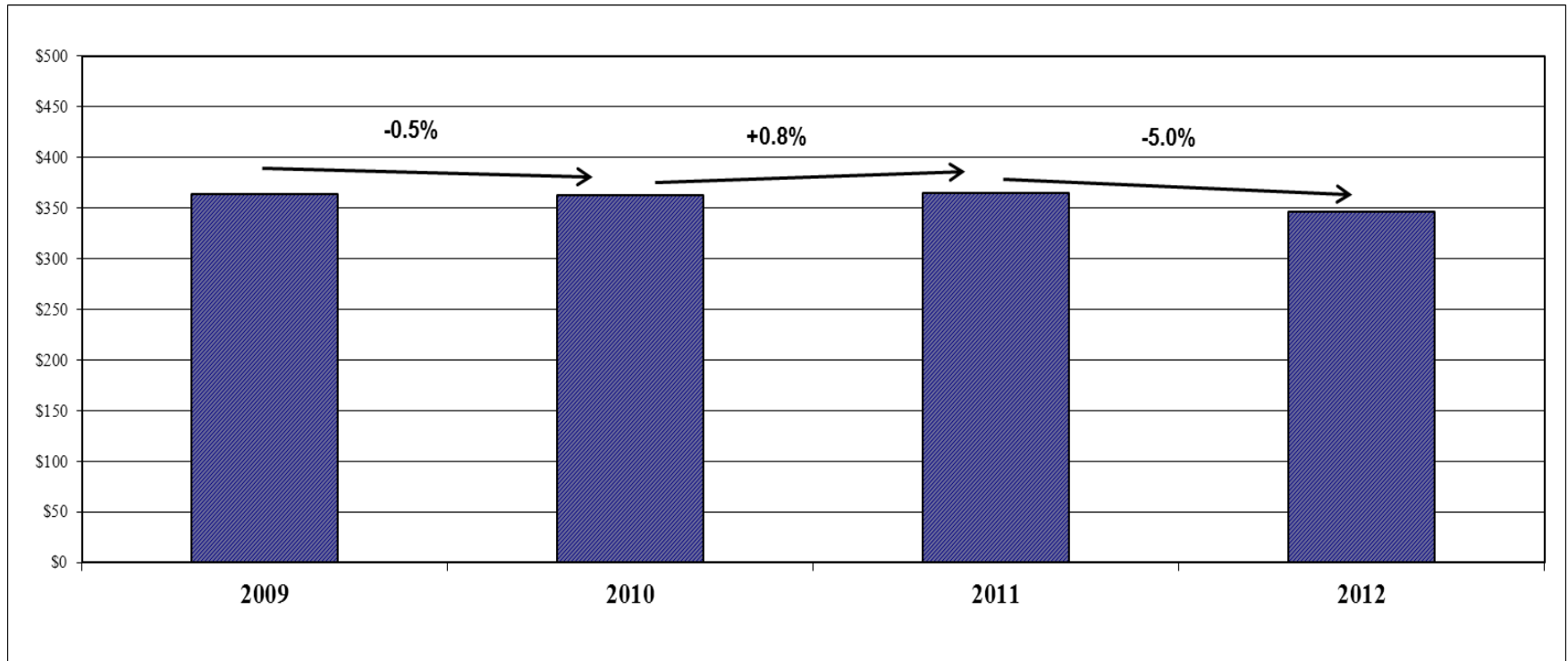


	2009	2010	2011	2012
Claims in Excess of \$100,000	\$27,385	\$686,988	\$68,679	\$36,893
Number of Members	1	3	3	1
PMPM in Excess of \$100,000	\$4.07	\$216.65	\$24.67	\$17.27

Total PMPM Trend



Medicare Plus Plan – Medical and Drug Claims

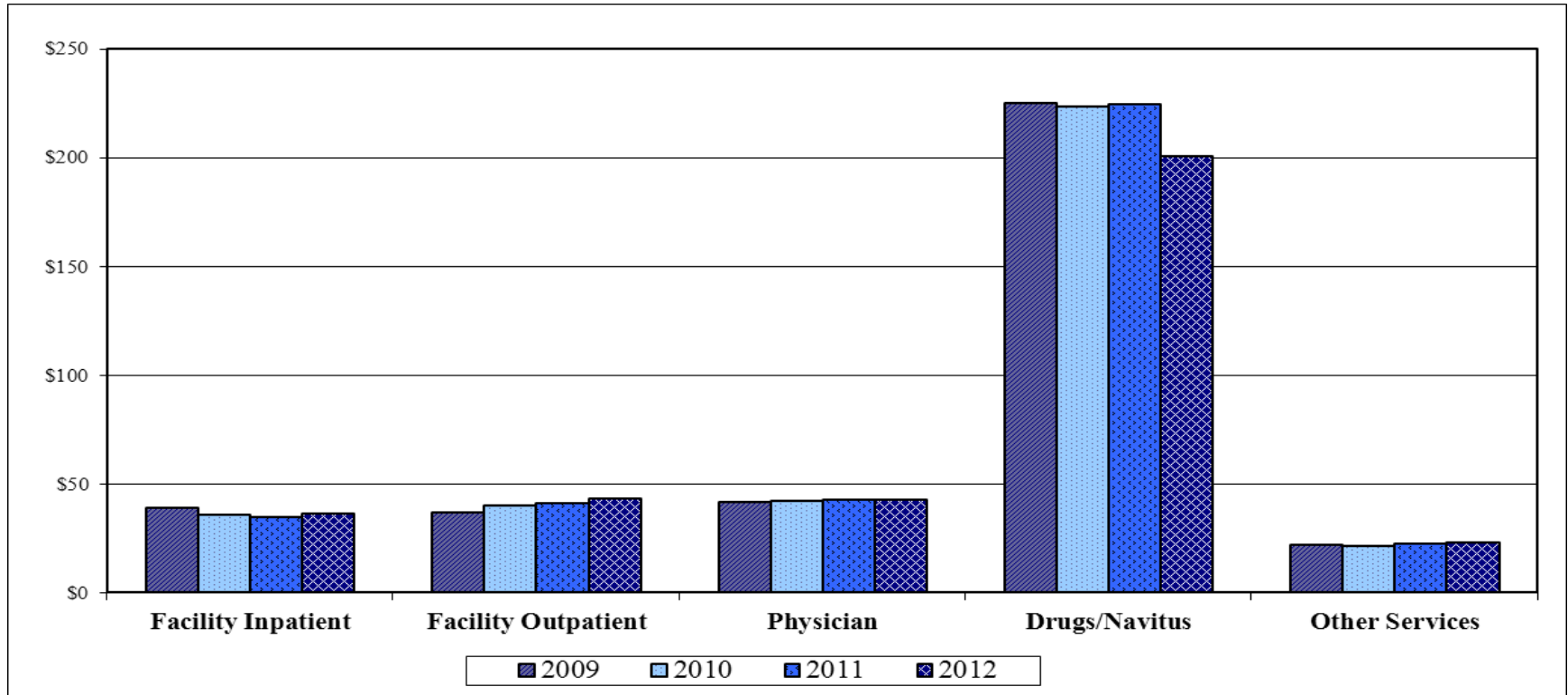


	2009	2010	2011	2012
Medicare Plus Plan	\$364.15	\$362.49	\$365.41	\$347.05

Total PMPM by Type of Service



Medicare Plus Plan

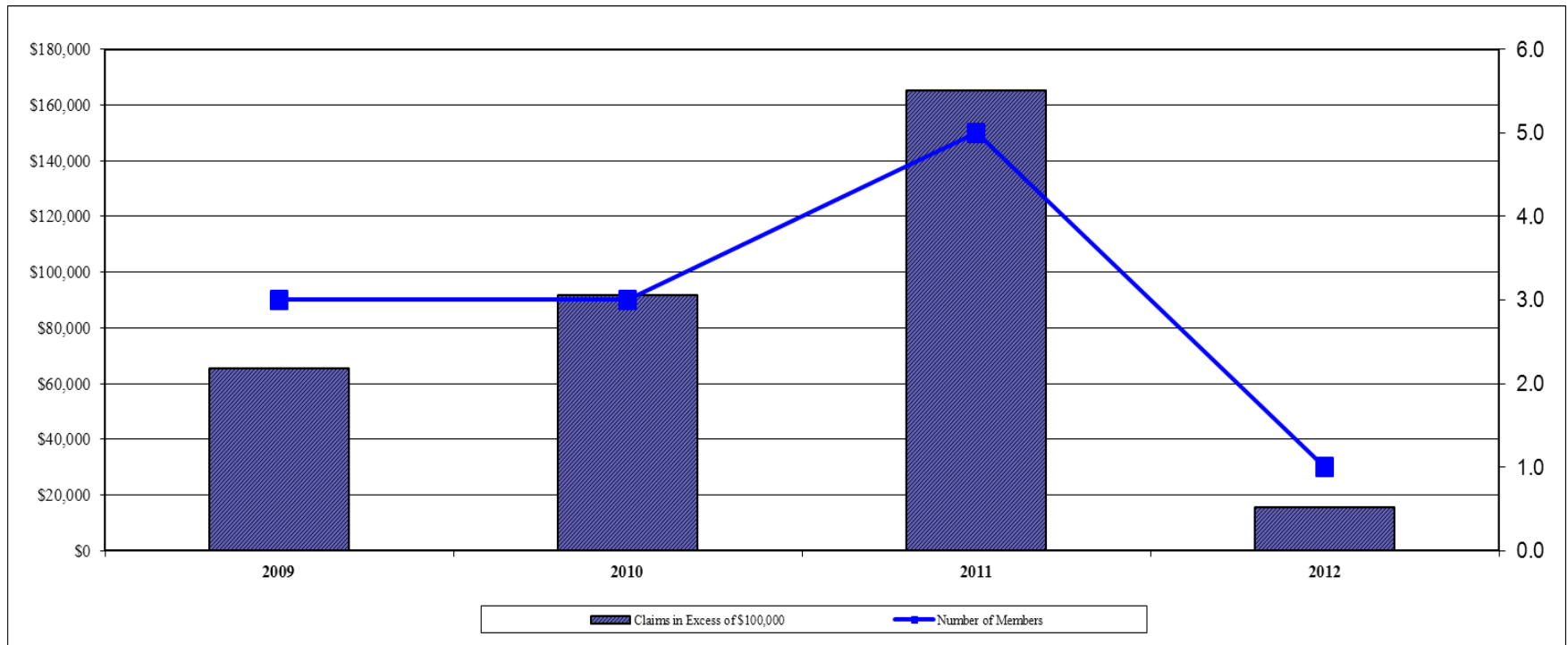


	2009	2010	2011	2012
Facility Inpatient	\$39.20	\$35.73	\$34.89	\$36.18
Facility Outpatient	\$36.58	\$40.07	\$40.91	\$43.01
Physician	\$41.44	\$42.21	\$42.92	\$42.73
Drugs/Navitus	\$225.14	\$223.20	\$224.36	\$200.68
Other Services	\$21.79	\$21.28	\$22.32	\$23.23
Totals	\$364.15	\$362.49	\$365.40	\$345.83

Claims in Excess of \$100,000



Medicare Plus Plan – Medical and Drug Claims



	2009	2010	2011	2012
Claims in Excess of \$100,000	\$65,530	\$91,739	\$165,296	\$15,655
Number of Members	3	3	5	1
PMPM in Excess of \$100,000	\$0.58	\$0.82	\$1.52	\$0.15

State Employee Trust Fund

May 7, 2013

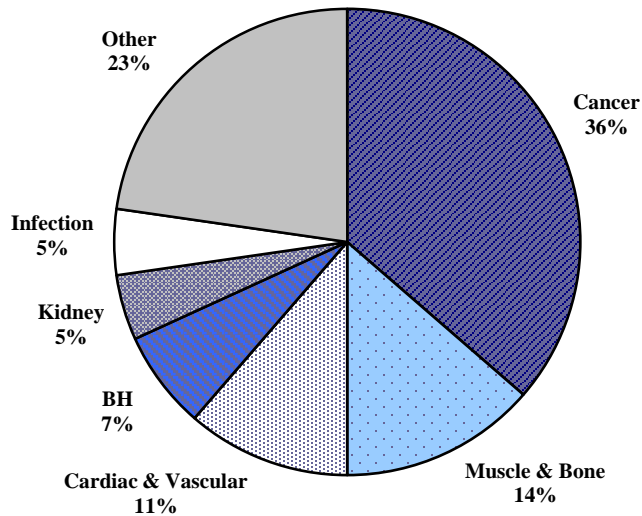
Marv Wiener MD
Senior Medical Director

WPS
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Cost Drivers

**% OF HIGH DOLLAR
CASES**

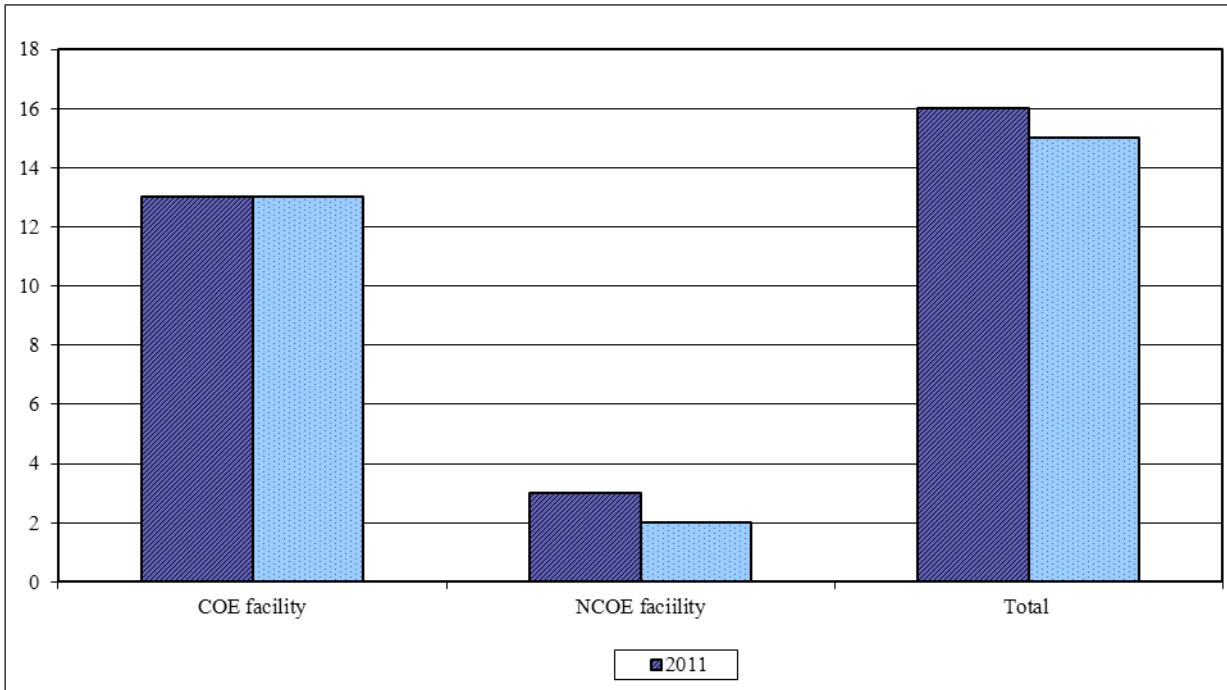


Cancer + orthopedic + cardiac = 61% of high costs

Behavioral Health (BH) a relatively small component

Kidney expenses stable

Bariatric Surgery



*One member receiving services in a NCOE facility experienced serious complications, requiring a longer inpatient stay with time in intensive care to stabilize. This case impacted the average for the group. More information is available in the high dollar member addendum portion of the report.

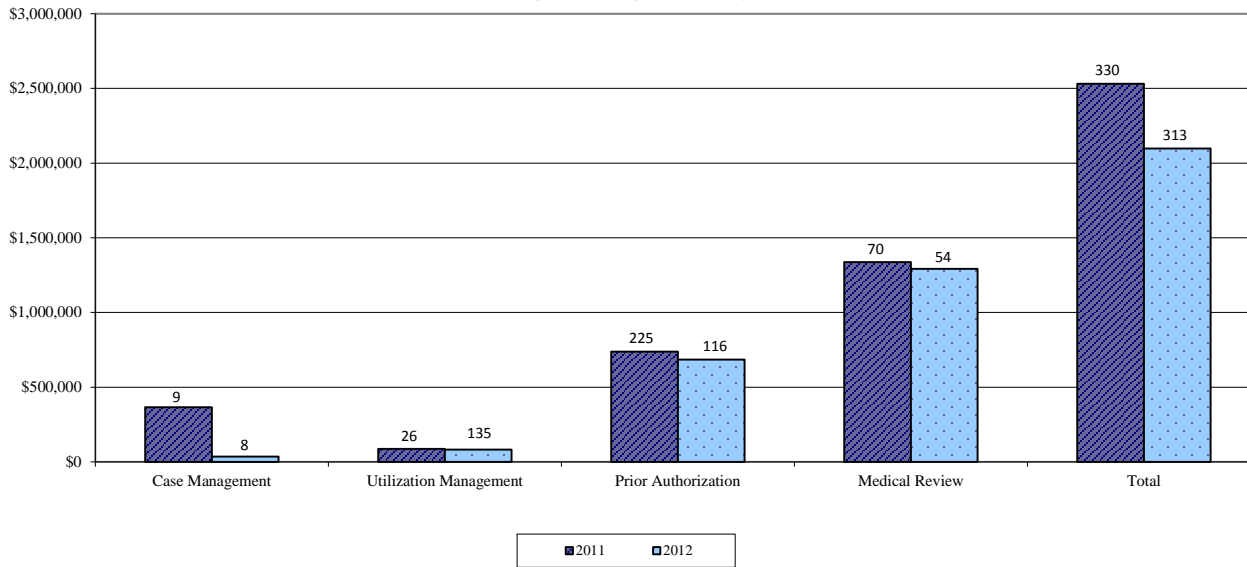
Centers of Excellence (COE) are facilities that CMS and the American Society of Metabolic and Bariatric Surgery list as having best outcomes

	2011	2012
COE facility	13	13
NCOE facility	3	2
Total	16	15

	2011	2012
COE inpatient	\$38,691	\$36,902
NCOE inpatient*	\$50,247	\$94,020

Case Management Savings

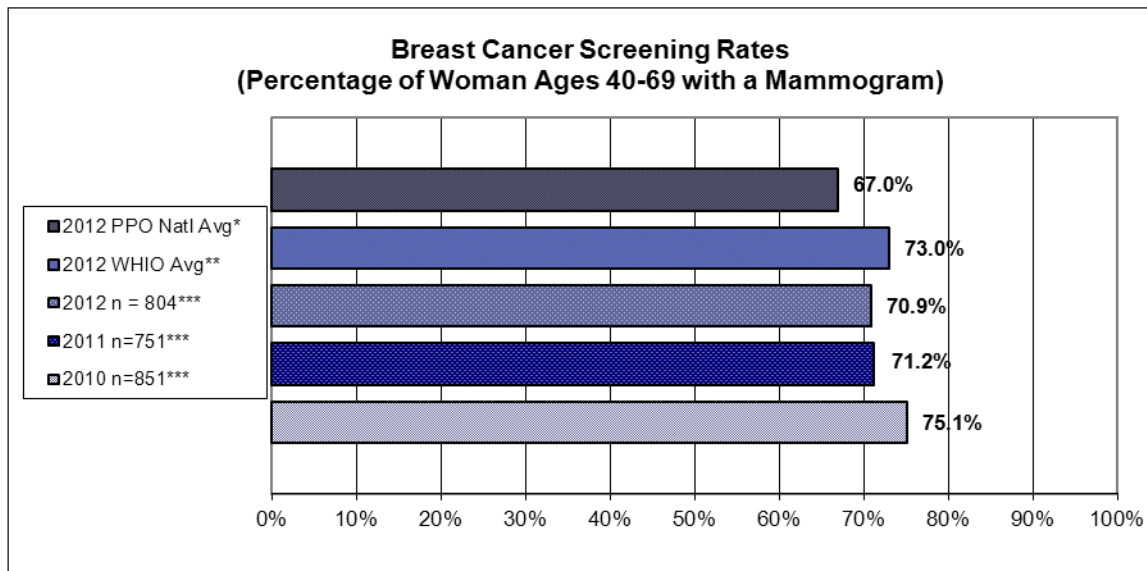
Savings by Management Category



Case Management in 2011 redirected 2 kidney transplant cases

Care Management Category	2011		2012	
	Savings	Members	Savings	Members
Case Management	\$367,141	9	\$36,186	8
Utilization Management	\$87,886	26	\$83,370	135
Prior Authorization	\$737,871	225	\$686,129	116
Medical Review	\$1,337,763	70	\$1,292,782	54
Total	\$2,530,661	330	\$2,098,467	313

Mammography Screening

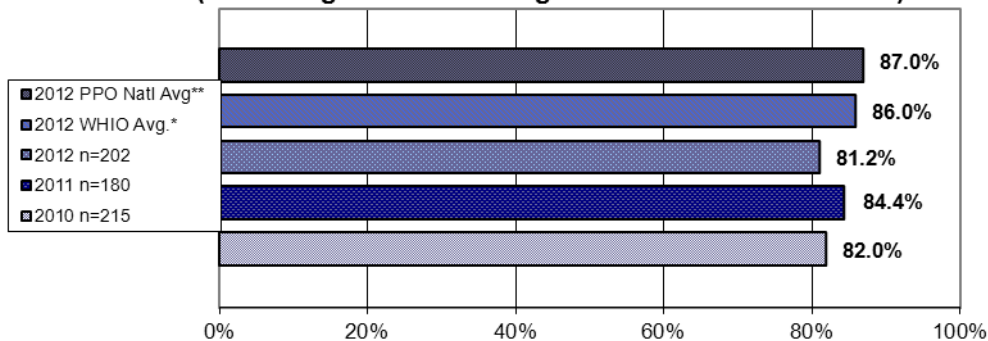


Database change in 2012 from metric based on actuarial data to metrics done from the Optum Ingenix database - different criteria for inclusion results in different result. The eligibility requirements for inclusion in Optum data set are less stringent. The methodology is identical to that used in the WHIO calculations.

In 2012 enrollment went down but the number of participants went up from 751 to 804 due to methodology change

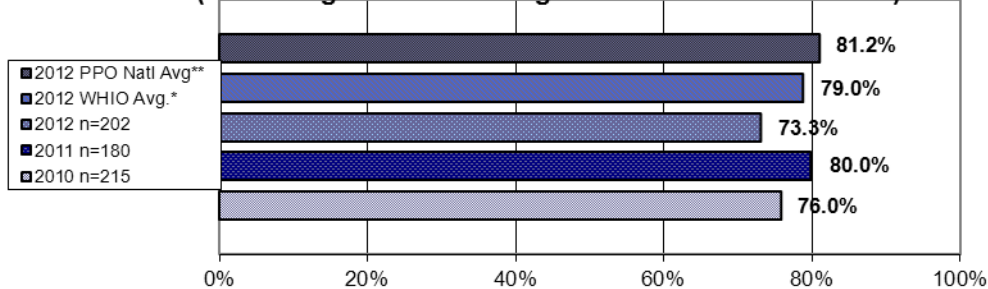
Diabetes Metrics

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



Database change to
Ingenix: See notes
on Mammogram
Page for explanation

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



Initiatives

- Renal dialysis bears watching – yearly and lifetime caps removed by PPACA may result in very high hemodialysis charges in commercial insurance
- Oncology management for 2013
- NIA Imaging Management for 2013
- Honoring Choices expanding from 2012 – multi-year project (Honoring Choices is a statewide initiative to improve end of life planning by discussing options, choices and goals earlier in life – WPS is a financial supporter)