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## Correspondence Memorandum

**Date:** May 1, 2019  
**To:** Group Insurance Board  
**From:** Jessica Rossner, Data, Measurement, and Compliance Lead  
Oladipo Fadiran, IBM Senior Analytics Consultant  
Office of Strategic Health Policy  
**Subject:** Data Warehouse Dashboard

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

### Background

During the February 20, 2019 Group Insurance Board (Board) meeting, IBM presented the first set of dashboards reporting key indices about the program and covered members. These dashboards and a summary of highlights would then be provided to the Board on a quarterly basis. This memorandum provides the Board with the current quarter's dashboard and dashboard highlights. The previous quarter's dashboards can be found in the IBM presentation, [Health Data Warehouse Overview](#) (Ref. GIB | 2.20.18 | 8).

### Dashboard Data

The dashboards include data for health care services rendered between December 2017 and November 2018 (*current period*) and December 2016 and November 2017 (*previous period*) for comparison purposes. The reported data includes payments through March 2019. The four months between the latest rendered services reported and the most recent paid period allows for a completion of all transactions associated with the reporting period.

### Notable Dashboard Highlights

The following are notable dashboard highlights:

- **Continued increase in the Total Net Payment.**
  - The Year Over Year (YoY) Total Net Payment trend of 6.5% is higher than the last increase of 5.8%. [*Attachment A: Data Warehouse Dashboard - Financial page 1 top, center*]. While total net payment will ultimately affect

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy

Electronically Signed 5/6/19

Board	Mtg Date	Item #
GIB	5.15.19	13K

premiums, we will not know the full impact until premium bids are received from health plans.

- **Outpatient use continues to be a main driver for the increase in total cost.**
  - Deeper analysis of outpatient utilization indicates Emergency Room (ER) utilization is a major contributor to the overall cost. In the last incurred year rolling (October 2017 through September 2018), Group Health Insurance Program (GHIP) members made over 65,000 ER visits, at a total cost of over \$100 million. ER cost is more than 5% of the total health care spend. GHIP members made more than 25,000 potentially avoidable visits to the ER in the reported period. Of these, about 22,000 were either non-emergent or emergent, but could be treated in a primary care, urgent care or telehealth setting. ETF and IBM are evaluating strategies that could be applied to encourage more appropriate health care settings be used by our members. *[Attachment A: Data Warehouse Dashboard Financial page 1 top, center]*
  
- **Increase in the proportion of the cost of Specialty Drug Net Payment.**
  - The increase was expected given the recent introduction of several high-cost specialty medications. ETF and Navitus continue to monitor the specialty drug costs. *[Attachment A: Data Warehouse Dashboard - Financial page 1, middle, right]*
  
- **Increased cost per member for medical and pharmacy and rates above the IBM Watson benchmark.**
  - The annual cost per member, indicated by the “Allow Amt PMPY Med and Rx” show an increasing YoY trend of 6.8% on a per member basis, our members cost 20.2% more than the IBM Watson benchmark. The main contributing factors driving this trend have been identified and are the basis for further ongoing efforts, notably further analysis of the GHIP’s ER utilization. *[Attachment A: Data Warehouse Dashboard - Financial page 2, top, left]*

*Note: The possibility of non-favorable comparison to the benchmarks in this and similar dashboards can be explained by the fact the GHIP covers a sizable Medicare population, but the Norms are based on commercial population only.*

- **Increase in cost trend of about 25% for WEA Trust.**
  - This is the result of WEA Trust’s recent acquisition of the It’s Your Choice (IYC) Access Health Plan population at the beginning of the 2018 plan year. We expect a gradual monthly reduction in the cost trend as a new population risk baseline is established for the members covered by WEA Trust. Marked changes are only expected when the “previous” period begins to include more of the 2018 months, establishing a new baseline

that fully reflects the IYC Access Health Plan members acquired by WEA in 2018. *[Attachment A: Data Warehouse Dashboard - Financial page 5]*

*Note: Relatively smaller health plans (plan size indicated by diameter of circle) are more susceptible to effects of cost outliers (e.g. new high cost claimant).*

Staff will be at the Board meeting to answer any questions.

Attachment A: Data Warehouse Dashboard

# Attachment A

## Financial

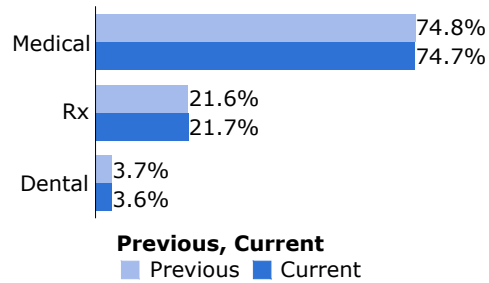
Previous Period: Dec 2016 - Nov 2017 (Incurred)

Current Period: Dec 2017 - Nov 2018 (Incurred)

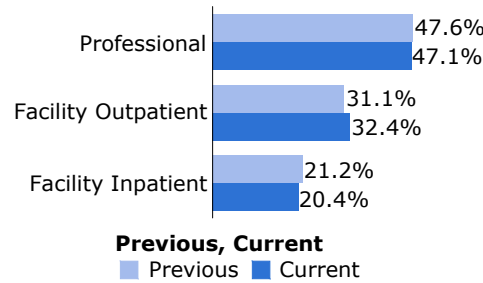


	Previous	Current	% Change
Total Net Payment	\$1.40 B	\$1.50 B	6.5% ▲

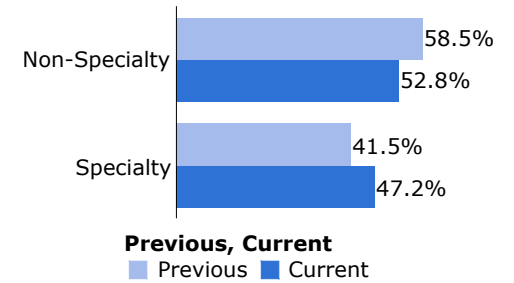
### Net Payment by Summary Categories



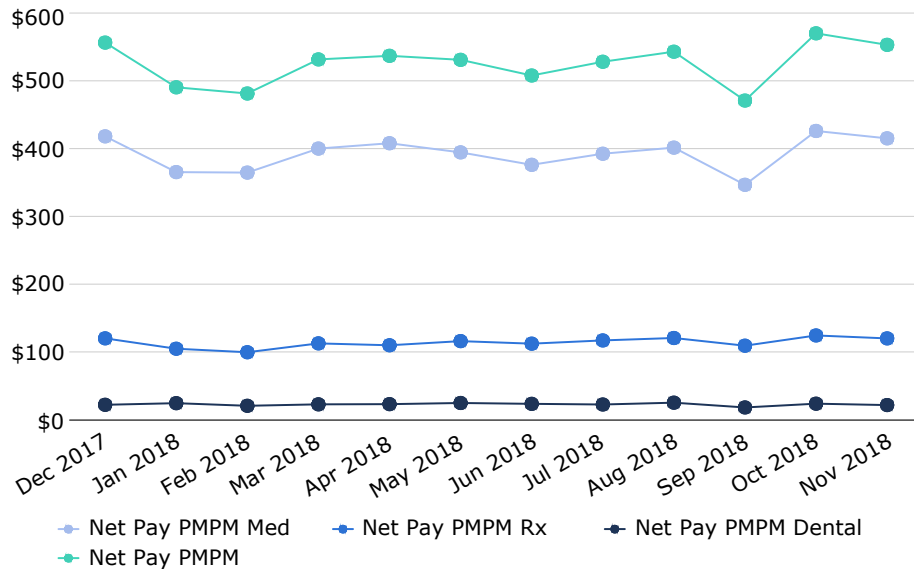
### Net Payment by Medical Service Categories



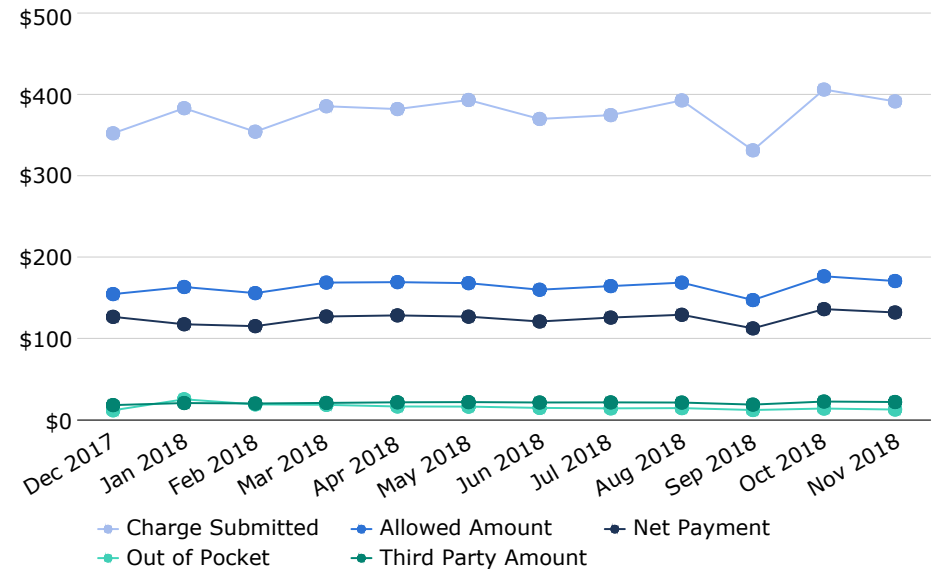
### Net Payment by Non-Specialty vs Specialty Drugs



### Monthly Cost Per Member



### Total Monthly Costs (in Millions)



# Financial

Previous Period: Dec 2016 - Nov 2017 (Incurred)

Current Period: Dec 2017 - Nov 2018 (Incurred)

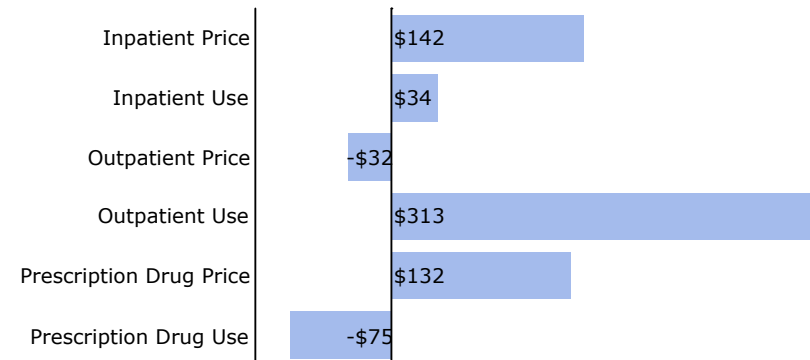


## Cost Per Member

	Previous	Current	% Change		Norm	% Difference from Norm
Allow Amt PMPY Med and Rx	\$7,575	\$8,090	6.8%	▲	\$6,732	20.2% ▲
Allow Amt Per Visit Office Med	\$208	\$213	2.4%	▲		
Allow Amt Per Adm Acute	\$19,271	\$20,536	6.6%	▲	\$30,397	-32.4% ▼
Allow Amt Per Visit ER	\$1,480	\$1,596	7.8%	▲	\$1,980	-19.4% ▼
Allow Amt Per Script Rx	\$120	\$125	4.1%	▲	\$134	-6.9% ▼
Visits Per 1000 Office Med	6,964	6,942	-0.3%		5,847	18.7%
Admits Per 1000 Acute	70	71	1.6%		54	30.6%
Visits Per 1000 ER	270	268	-0.4%		207	29.8%
Scripts Per 1000 Rx	15,902	15,739	-1.0%			

## Cost Drivers

Allowed Amount PMPY increased \$515 in the current period.  
The factors driving this change include:



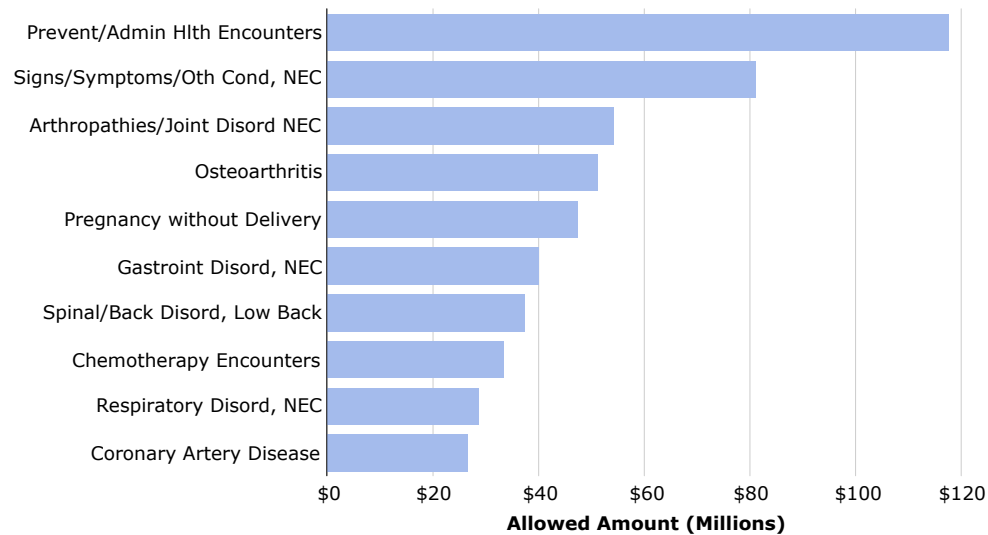
# Clinical

Previous Period: Dec 2016 - Nov 2017 (Incurred)

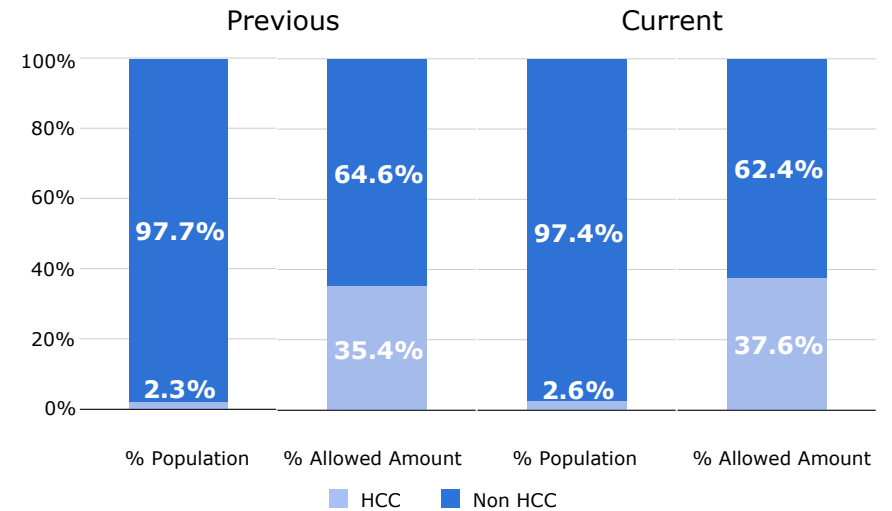
Current Period: Dec 2017 - Nov 2018 (Incurred)



## 10 Most Expensive Clinical Conditions



## High Cost Claimants (HCC) Trends



## Top 10 Conditions for \*Consistent HCC

Condition	Allow Amt Med	Patients	**Allow Amt Per Patient Med
Chemotherapy Encounters	\$17,064,944	317	\$53,833
Renal Function Failure	\$9,217,065	313	\$29,447
Signs/Symptoms/Oth Cond, NEC	\$9,145,186	1,960	\$4,666
Respiratory Disord, NEC	\$5,170,337	975	\$5,303
Condition Rel to Tx - Med/Surg	\$5,012,653	399	\$12,563
Cancer - Leukemia	\$4,635,007	151	\$30,695
Crohns Disease	\$4,446,412	217	\$20,490
Multiple Sclerosis	\$4,322,893	253	\$17,087
Radiation Therapy Encounters	\$3,945,992	120	\$32,883
Cancer - Breast	\$3,921,729	138	\$28,418

HCC: defined as member with allowed amount >= \$50K.

\*Consistent HCC: in addition, member must meet the HCC requirement for each of the last 2 Incurred Rolling years.

	Allow Amt Med	% of Total	+Patients	**Allow Amt Per Patient Med
Prevent/Admin Hlth Encounters	\$117,643,119	8.2%	167,702	\$702
Signs/Symptoms/Oth Cond, NEC	\$81,054,326	5.6%	68,315	\$1,186
Arthropathies/Joint Disord NEC	\$54,243,721	3.8%	47,372	\$1,145
Osteoarthritis	\$51,230,816	3.6%	14,545	\$3,522
Pregnancy without Delivery	\$47,350,674	3.3%	4,957	\$9,552
Gastroint Disord, NEC	\$40,033,691	2.8%	24,371	\$1,643
Spinal/Back Disord, Low Back	\$37,360,499	2.6%	25,819	\$1,447
Chemotherapy Encounters	\$33,291,893	2.3%	984	\$33,833
Respiratory Disord, NEC	\$28,685,304	2.0%	20,251	\$1,416
Coronary Artery Disease	\$26,570,746	1.8%	5,143	\$5,166
<b>Top 10 Subtotal</b>	<b>\$517,464,789</b>	<b>35.9%</b>	<b>197,760</b>	<b>\$2,617</b>
<b>All Clinical Conditions</b>	<b>\$1,440,511,454</b>	<b>100.0%</b>	<b>243,351</b>	<b>\$6,331</b>

+Patient counts may not be unique since some patients have multiple conditions.

\*\*Only costs associated with this condition in the current period, patients may have multiple conditions.

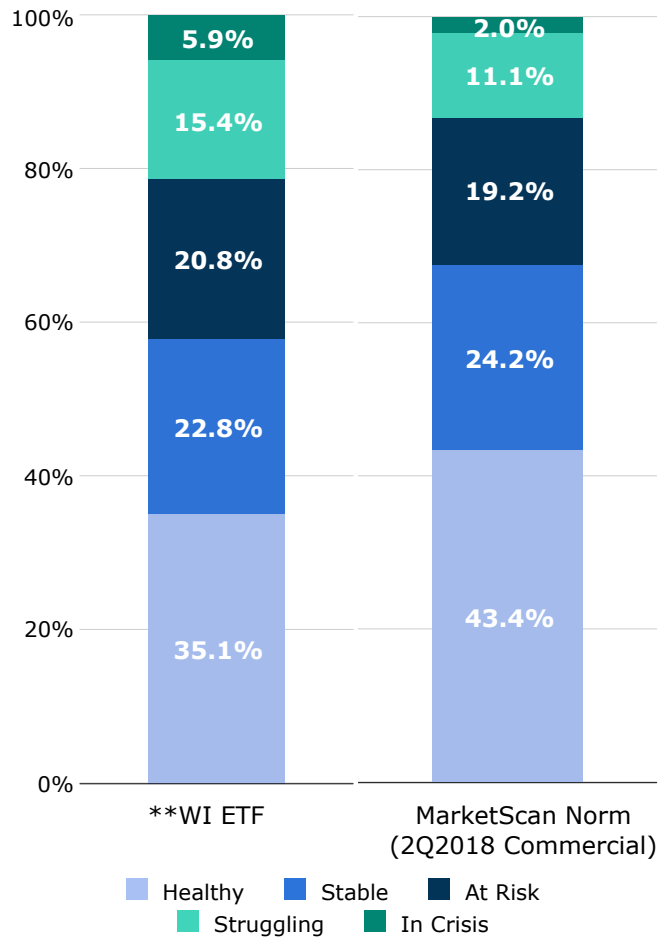
# Clinical

\*Current Period: Dec 2017 - Nov 2018 (Incurred)

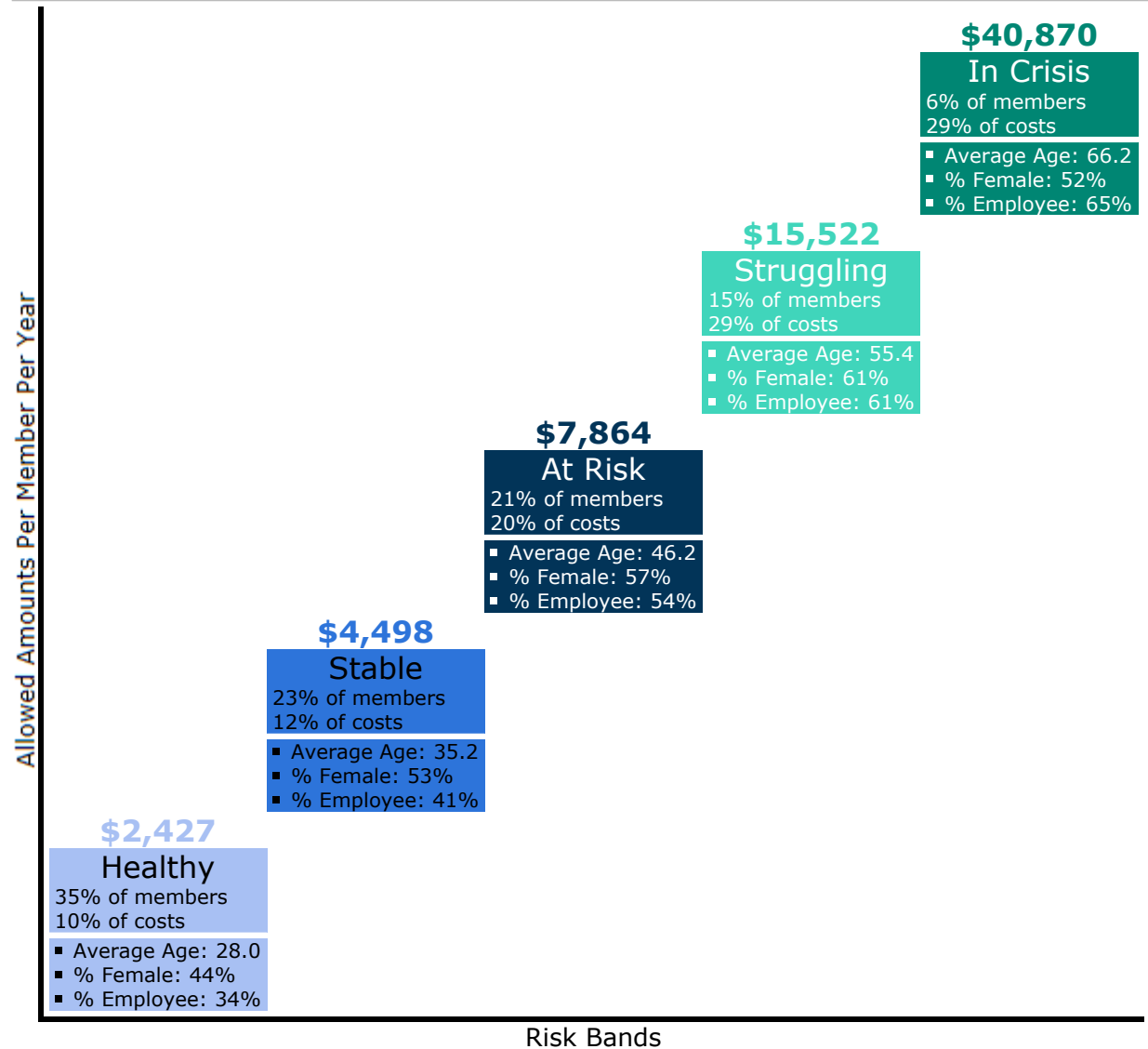
\*\*DCG Period: Jan 2017 - Dec 2017



## % of Members by Risk Band



## Risk Band Profiles



\*Demographic and financial metrics are for the current period

\*\*See glossary for details on DCG Methodology

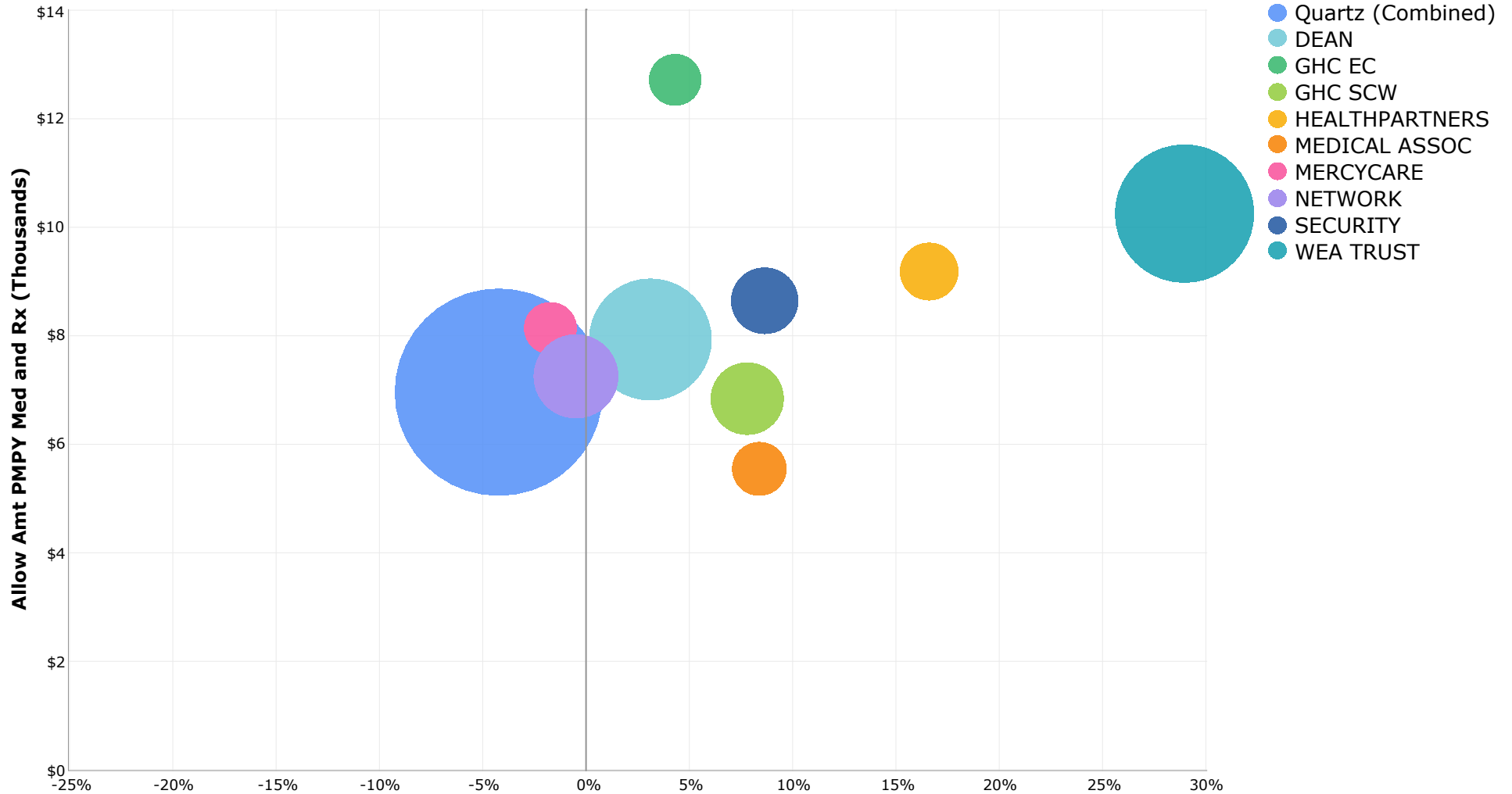
# Financial

Previous Period: Dec 2016 - Nov 2017 (Incurred)

Current Period: Dec 2017 - Nov 2018 (Incurred)



## Enrollment and Allowed Amount PMPY by Plan Group



Size of the bubbles represent current enrollment in each plan group  
X-axis: % Change Allowed Amount PMPY Current vs Previous for each plan group



# Eligibility

Previous Period: Dec 2016 - Nov 2017 (Incurred)

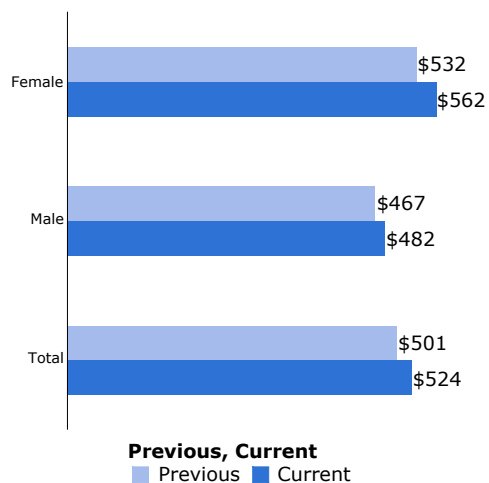
Current Period: Dec 2017 - Nov 2018 (Incurred)



	Enrollment			Average Age		
	Previous	Current	% Change	Previous	Current	% Change
Employees	122,004	120,531	-1.2%	51.0	51.0	0.0%
Members	269,375	264,067	-2.0%	39.3	39.3	0.1%
Family Size Avg	2.2	2.2	-0.9%			

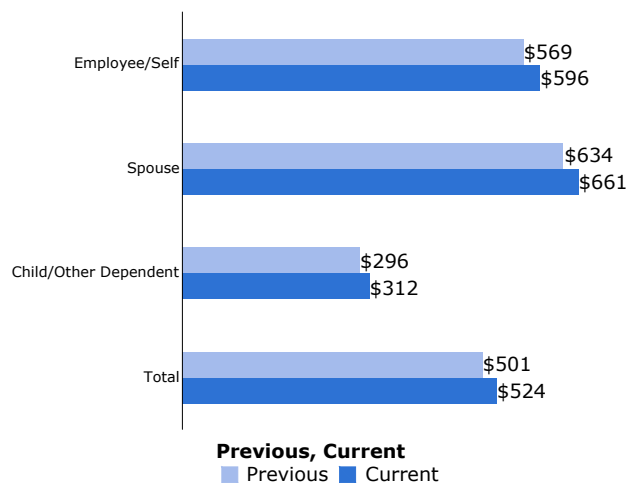
## Membership and Net Pay PMPM by Gender

	Previous	Current	% Change
Female	139,183	136,714	-1.8%
Male	130,192	127,353	-2.2%



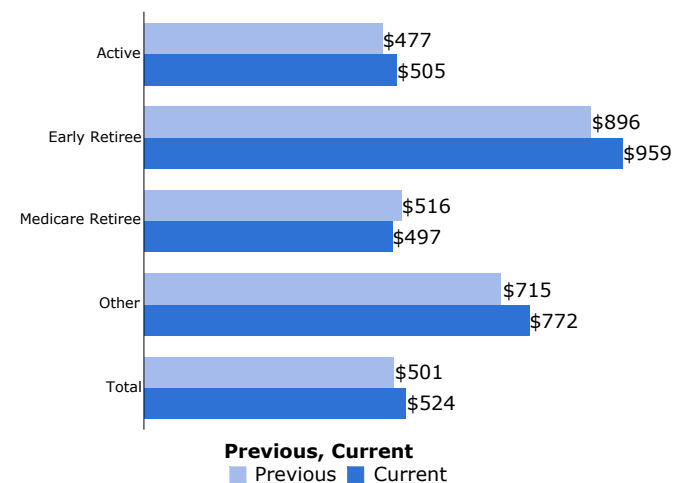
## \*Membership and Net Pay PMPM by Employee Relationship

	Previous	Current	% Change
Employee/Self	121,924	119,979	-1.6%
Spouse	63,464	61,809	-2.6%
Child/Other Dependent	83,986	82,279	-2.0%



## \* Membership and Net Pay PMPM by Employee Status

	Previous	Current	% Change
Active	225,603	220,430	-2.3%
Early Retiree	13,553	13,057	-3.7%
Medicare Retiree	35,329	35,378	0.1%
Other	1,295	1,576	21.7%



\*Membership counts may not be unique since there may be transitions between the listed categories during the reported period

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## Time Periods

- CRY: Current Rolling Year
- DCG Periods
  - Related to Diagnostic Cost Group methodology and risk adjustment
  - Typically aligned with Jan - Dec plan year
- Incurred: the date a service was rendered
- Paid: the date that the claim for a service was paid
- PRY: Previous Rolling Year

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## Clinical

- Clinical Conditions: IBM description for a clinical condition based on valid ICD principal diagnosis
- IP: inpatient service, related to an admission
- OP: outpatient services
- Rx: prescription drugs

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## Eligibility

- Employees: subscriber/self
- Family Size: average number of covered members per family
- Member Age: average age of covered employees/members
- Members: subscribers and dependents

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## Financial

- Allowed Amount: the total amount paid to the provider by all parties - the underlying medical cost that drives spending
- Net Payment: the amount paid by the plan sponsor (WI ETF)
  - $\text{Net Payment} = \text{Allowed Amount} - (\text{OOP} + \text{Third Party Payment})$
- OOP: Out Of Pocket, cost to member
- Rates:
  - PMPM: Per Member Per Month
  - PMPY: Per Member Per Year
- Third Party Payment: e.g. Medicare, Medicaid, and other insurance

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## Other

- DCG: Diagnostic Cost Group (DCG) classifications are the foundation of a family of risk-adjusted payment and analysis methodologies
- Risk Scores and Categories
  - Are the predicted patient risk based on (i) Diagnosis codes (ICD 9/10) and (ii) Demographics
  - Concurrent / prospective: current and predicted risk scores
  - NonRescaled: DCG model population reference / average = 100
  - Rescaled: WI ETF population reference / average = 100
  - Risk Bands: groupings of risk scores based on IBM MarketScan