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Correspondence Memorandum

Date: October 29, 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

This memorandum provides the Group Insurance Board (Board) with the quarterly dashboard and highlights. The previous quarter’s dashboards and highlights can be found in the meeting materials from the August 2019 Board meeting ([GIB | 8.21.19 | 10E](#)).


Dashboard Data

The dashboards include data for health care services rendered from June 2018 to May 2019 (*current period*) compared to services rendered from June 2017 to May 2018 (*previous period*). The reported data includes payments through September 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

- **Total Net Payment Trends**
 - The Year Over Year (YoY) increase for the periods in question is at 5.8%; this is lower than the previously reported trend of 6.8% in the previous quarter’s dashboards. Some variability is expected during the year and a full year picture is expected when we report for the incurred period ending December 2019. The trend for the complete year will be a valid comparison reference for the last rate increase of 5.8% for the Wisconsin state government employers. Latest available trend for comparable state government employers is 5.6%. [*Attachment A: Data Warehouse Dashboard – Financial page 1 top, center*]

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



Electronically Signed 11/1/19

Board	Mtg Date	Item #
GIB	11.13.19	12B

- **Specialty Drugs Cost**

- The cost of specialty drugs as a percentage of total drug costs continue to increase, and this is highlighted as a major driver of the overall cost for the Group Health Insurance Program (GHIP). For drugs provided under the Rx benefits, this is currently 49.5%, compared to 47.5% at the end of the December 2018 incurred period, and similar to approximately 50% by other employers. IBM Watson Health has presented some options for the Office of Strategic Health Policy (OSHP) team to consider that will help ensure GHIP members are receiving appropriate and cost-efficient specialty drugs services, these include:
 - Regular monitoring of FDA approvals of new drugs and biosimilars and an evaluation of step therapy guidelines and authorization process
 - Identification and tracking of high-cost providers and steerage to lower acuity-level settings when clinically appropriate
 - Comparison of utilization and pricing of similar services provided under the medical and Rx benefits to identify potential value from leveraging pharmacy benefit manager (PBM) bargaining power

These options can work both independently and in conjunction with services provided by the Board's PBM, Navitus Health Solutions. We are evaluating these options to prioritize the next course of action and plan to report this in subsequent communications. *[Attachment A: Data Warehouse – Financial page 1 top, right]*

- **Outpatient Use**

- The cost of emergency services that do not lead to admissions has previously been identified as a major driver of the significant outpatient cost trend, and a major driver of GHIP overall cost trend. This resulted in further analysis ([GIB | 8.21.19 | 10E](#)) and recommendations for managing the trends by the IBM Watson Health team. ETF is working to address opportunities for improvement in emergency services utilization. ETF intends to initially address outpatient access and appropriate utilization through educational efforts. For example, a new video, [Get Medical Care When You Need it Fast](#), encourages appropriate care location utilization and highlights the benefits of telehealth services. Appropriate criteria for evaluating progress is being established and will be provided in subsequent reporting. *[Attachment A: Data Warehouse Dashboard – Financial page 2 top, right]*

- **Cost Trend for WEA Trust**

- The cost trend of over 30% reported for WEA Trust at the end of the December 2018 ([GIB | 8.21.19 | 10E](#)) incurred “current” period is now closer to 10%. This general trend reduction is expected to continue, as more months in 2018 are included in the “previous” period of our reporting.
- A new baseline that fully reflects the new IYC membership risk pool acquired by WEA Trust in 2018 will be shown when our reporting includes data with the “previous” period incurred ending in December 2018.
[Attachment A: Data Warehouse Dashboard – Financial page 5]

Note: Relatively small 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 questions.

Attachment A: Data Warehouse Dashboard

Attachment A

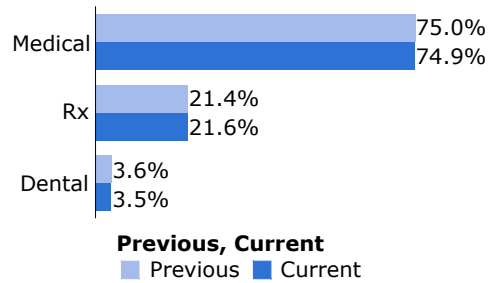
Financial

Previous Period: Jun 2017 - May 2018 (Incurred)
 Current Period: Jun 2018 - May 2019 (Incurred)

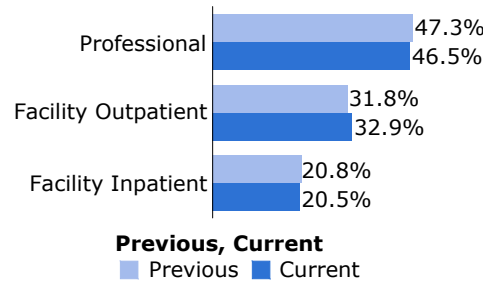


	Previous	Current	% Change
Total Net Payment	\$1.46 B	\$1.54 B	5.8% ▲

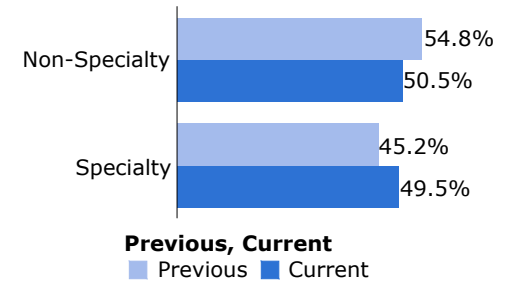
Net Payment by Summary Categories



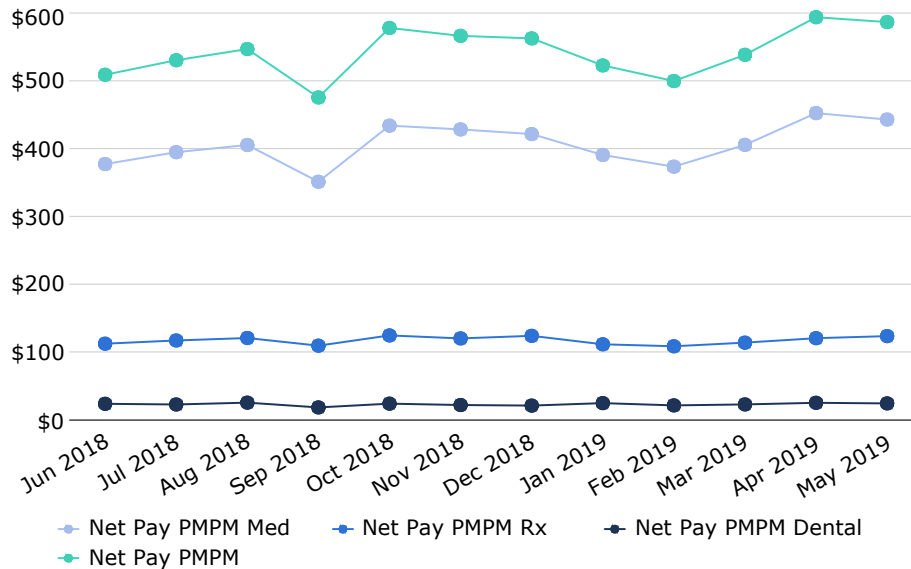
Net Payment by Medical Service Categories



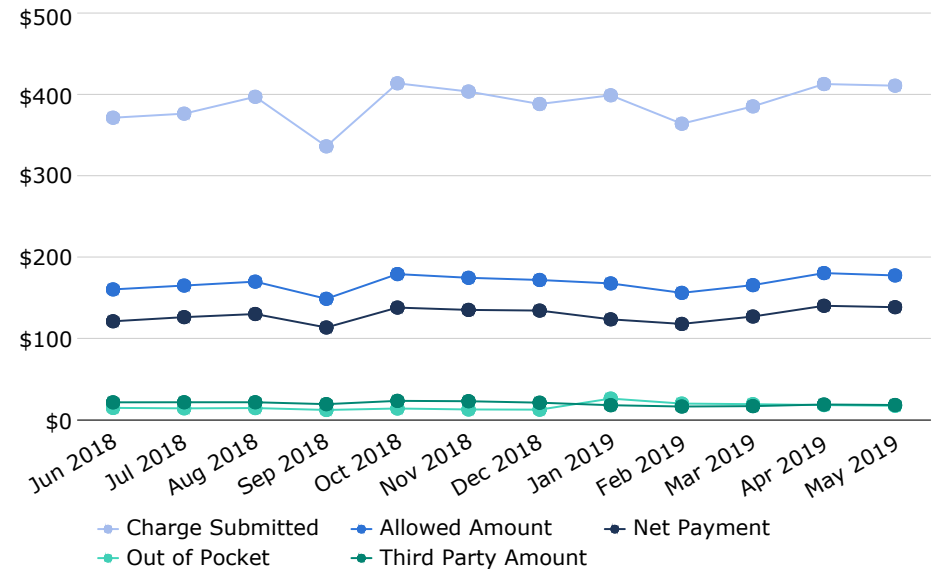
Net Payment by Non-Specialty vs Specialty Drugs



Monthly Cost Per Member



Total Monthly Costs (in Millions)



Financial

Previous Period: Jun 2017 - May 2018 (Incurred)

Current Period: Jun 2018 - May 2019 (Incurred)

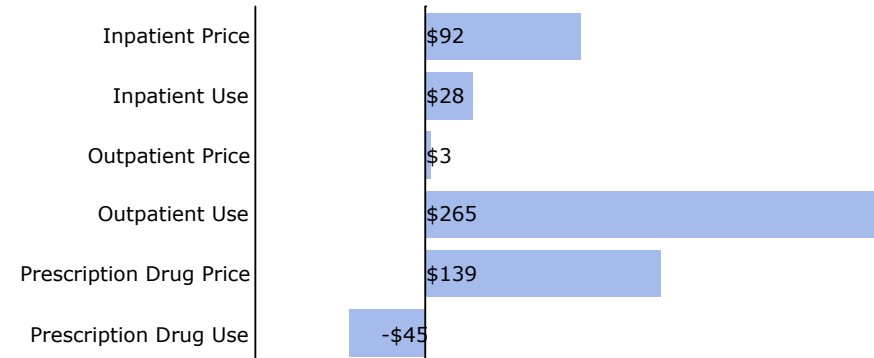


Cost Per Member

	Previous	Current	% Change		Norm	% Difference from Norm
Allow Amt PMPY Med and Rx	\$7,829	\$8,311	6.2% ▲		\$6,688	24.3% ▲
Allow Amt Per Visit Office Med	\$210	\$216	2.7% ▲			
Allow Amt Per Adm Acute	\$20,038	\$20,694	3.3% ▲		\$29,967	-30.9% ▼
Allow Amt Per Visit ER	\$1,539	\$1,676	9.0% ▲		\$1,978	-15.2% ▼
Allow Amt Per Script Rx	\$123	\$130	6.1% ▲		\$134	-3.2% ▼
Visits Per 1000 Office Med	6,955	6,947	-0.1%		5,812	19.5%
Admits Per 1000 Acute	70	71	1.0%		54	32.4%
Visits Per 1000 ER	271	265	-2.4%		206	28.8%
Scripts Per 1000 Rx	15,785	15,608	-1.1%			

Cost Drivers

Allowed Amount PMPY increased \$483 in the current period.
The factors driving this change include:



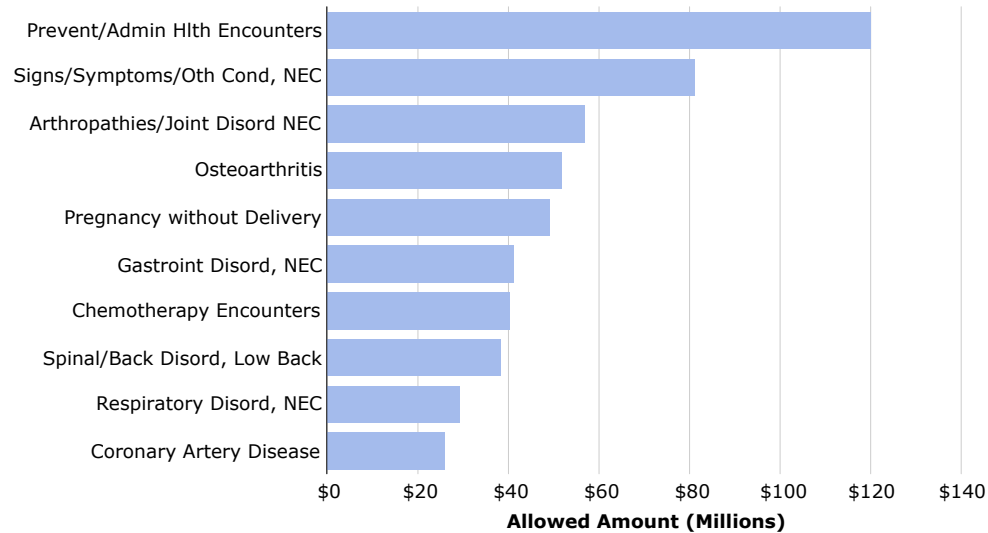
Clinical

Previous Period: Jun 2017 - May 2018 (Incurred)

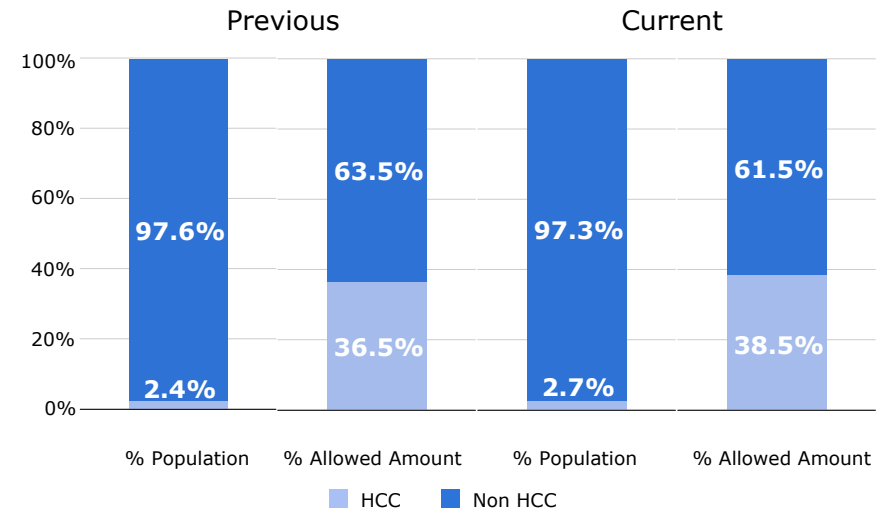
Current Period: Jun 2018 - May 2019 (Incurred)



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	\$21,404,908	342	\$62,587
Renal Function Failure	\$11,536,274	353	\$32,681
Signs/Symptoms/Oth Cond, NEC	\$9,638,570	2,108	\$4,572
Multiple Sclerosis	\$5,690,081	246	\$23,130
Condition Rel to Tx - Med/Surg	\$5,674,422	465	\$12,203
Respiratory Disord, NEC	\$5,212,930	1,052	\$4,955
Neurological Disorders, NEC	\$4,871,305	638	\$7,635
Cancer - Nonspecified	\$4,733,499	319	\$14,839
Cancer - Leukemia	\$4,577,021	147	\$31,136
Infections, NEC	\$4,403,916	561	\$7,850

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	\$120,015,953	8.1%	168,368	\$713
Signs/Symptoms/Oth Cond, NEC	\$81,189,944	5.5%	67,363	\$1,205
Arthropathies/Joint Disord NEC	\$56,718,887	3.8%	47,710	\$1,189
Osteoarthritis	\$51,807,956	3.5%	14,604	\$3,548
Pregnancy without Delivery	\$49,049,915	3.3%	4,964	\$9,881
Gastroint Disord, NEC	\$41,092,970	2.8%	24,508	\$1,677
Chemotherapy Encounters	\$40,260,193	2.7%	969	\$41,548
Spinal/Back Disord, Low Back	\$38,197,942	2.6%	25,804	\$1,480
Respiratory Disord, NEC	\$29,133,847	2.0%	19,954	\$1,460
Coronary Artery Disease	\$25,921,883	1.8%	5,307	\$4,884
Top 10 Subtotal	\$533,389,491	36.2%	197,290	\$2,704
All Clinical Conditions	\$1,473,529,289	100.0%	241,977	\$6,511

+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.

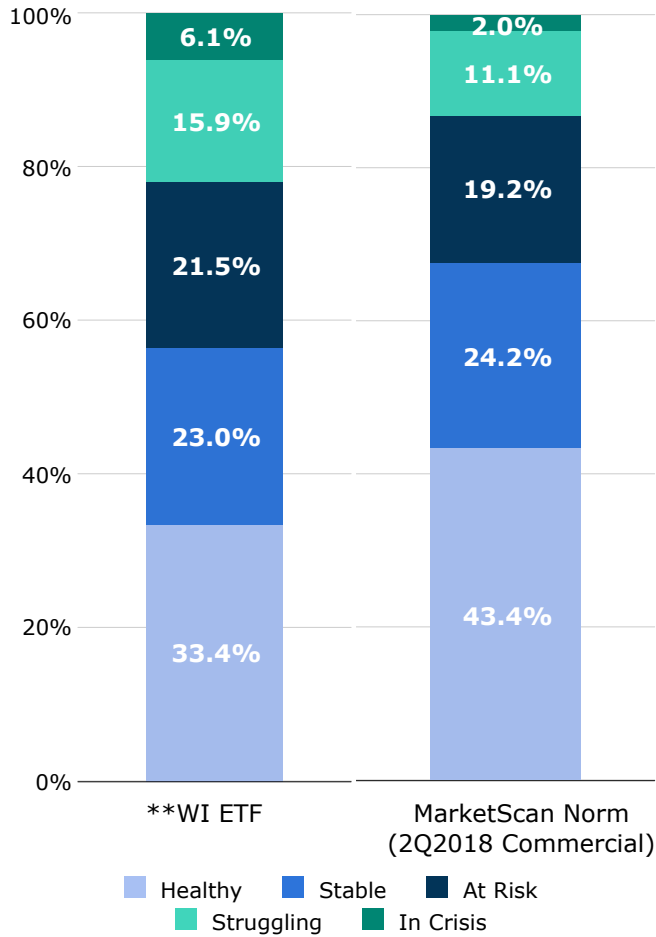
Clinical

*Current Period: Jun 2018 - May 2019 (Incurred)

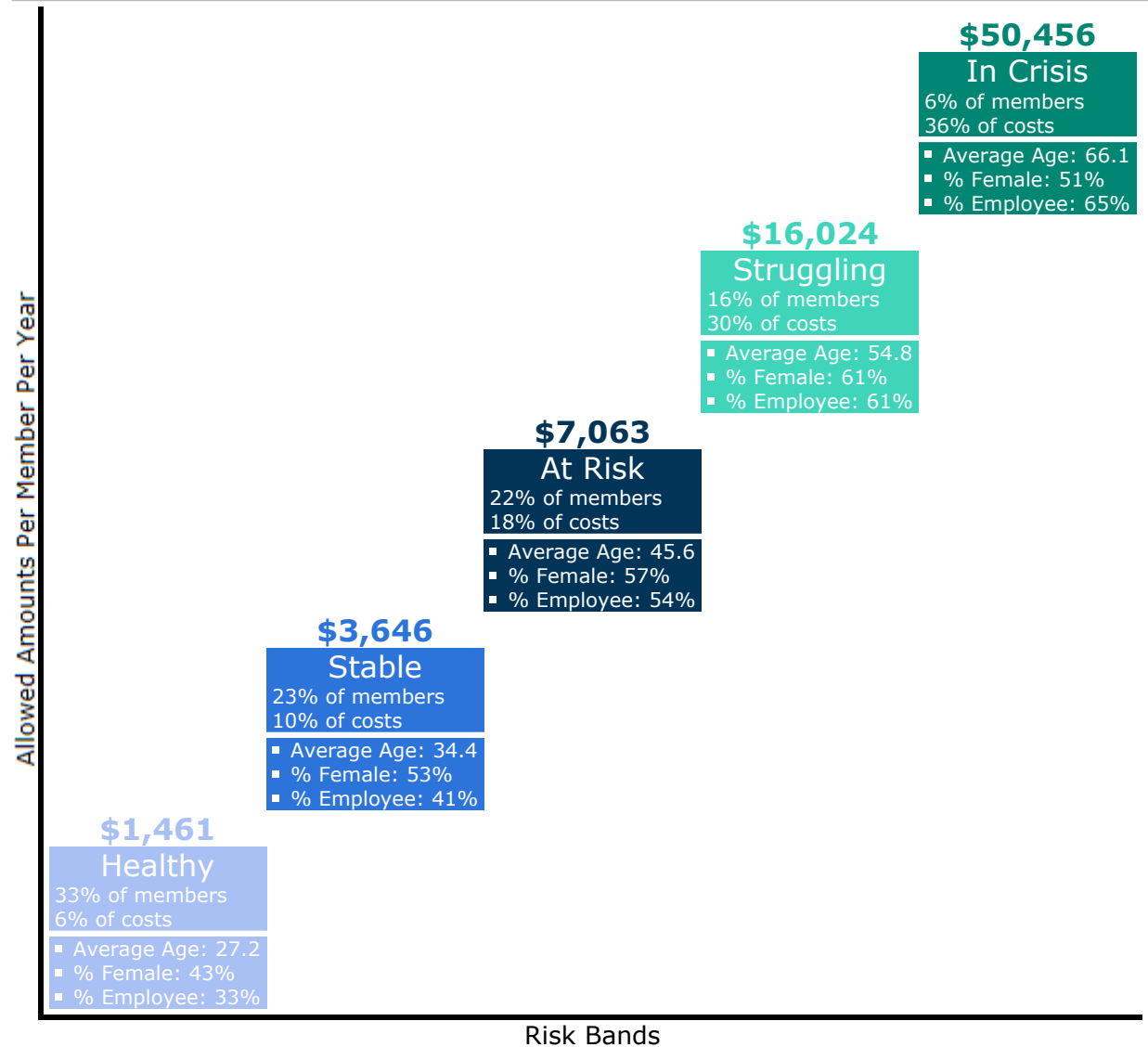
**DCG Period: Jan 2018 - Dec 2018



% of Members by Risk Band



Risk Band Profiles



*Demographic and financial metrics are for the current period

**See glossary for details on DCG Methodology

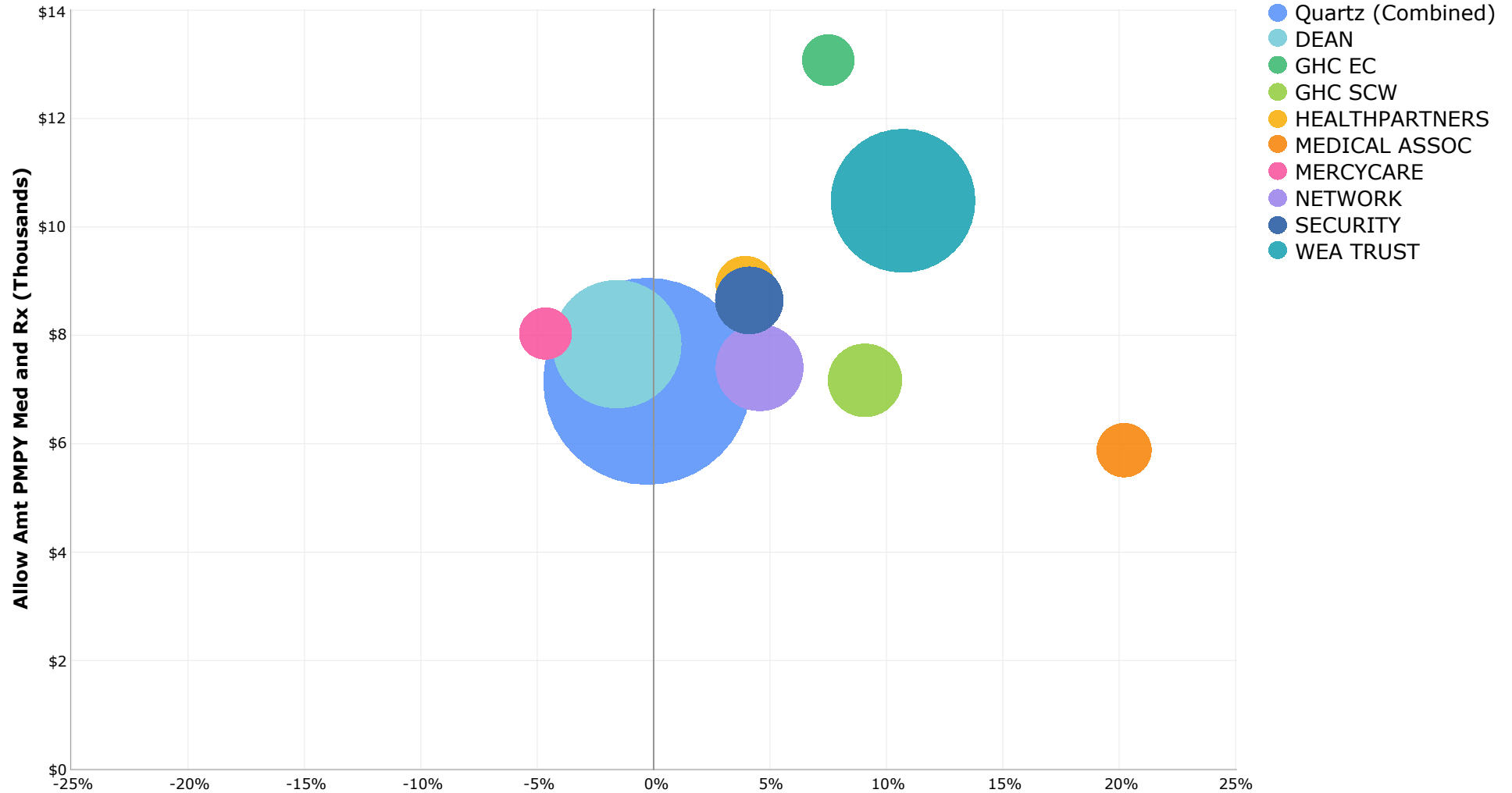
Financial

Previous Period: Jun 2017 - May 2018 (Incurred)

Current Period: Jun 2018 - May 2019 (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: Jun 2017 - May 2018 (Incurred)

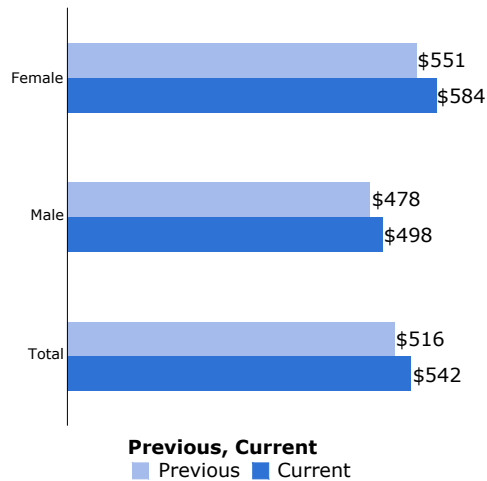
Current Period: Jun 2018 - May 2019 (Incurred)



	Enrollment			Average Age		
	Previous	Current	% Change	Previous	Current	% Change
Employees	119,850	119,733	-0.1%	51.0	51.1	0.1%
Members	263,720	261,193	-1.0%	39.3	39.4	0.4%
Family Size Avg	2.2	2.2	-0.8%			

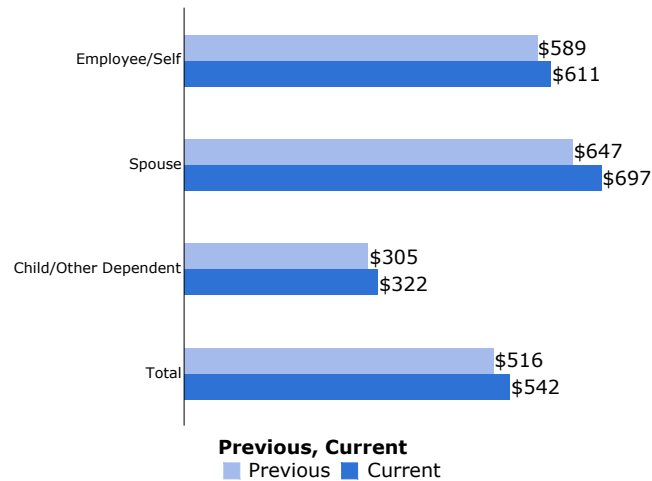
Membership and Net Pay PMPM by Gender

	Previous	Current	% Change
Female	136,475	135,398	-0.8%
Male	127,245	125,836	-1.1%



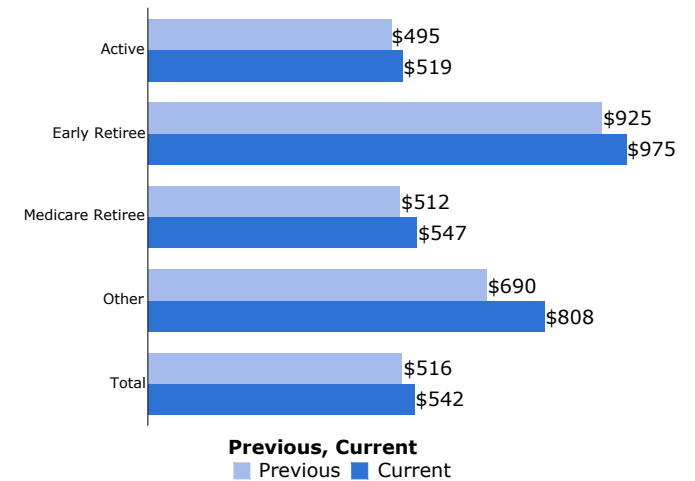
*Membership and Net Pay PMPM by Employee Relationship

	Previous	Current	% Change
Employee/Self	119,668	119,078	-0.5%
Spouse	61,851	60,543	-2.1%
Child/Other Dependent	82,201	81,572	-0.8%



* Membership and Net Pay PMPM by Employee Status

	Previous	Current	% Change
Active	220,355	217,328	-1.4%
Early Retiree	13,058	12,756	-2.3%
Medicare Retiree	35,056	35,396	1.0%
Other	1,382	1,487	7.6%



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

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

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

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

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)
 - Net Payment = Allowed Amount - (OOP + 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

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