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**Correspondence Memorandum**

**Date:** April 17, 2020

**To:** Group Insurance Board

**From:** Rachel Carabell, Senior Health Policy Advisor  
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 Tom Rasmussen, Life Insurance Program Manager  
 Office of Strategic Health Policy

**Subject:** Strategic Priority: Emergency Room Utilization – Part 1

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

**Background**

As part of the recent strategy discussions ([Ref. GIB | 2.5.2020 | 5](#) and [Ref. GIB | 11.13.19 | 6](#)), the Board learned about the IBM Watson Health (IBM) analysis regarding the high use of emergency rooms by Group Health Insurance Program (GHIP) members.

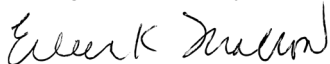
At the February 2020 GIB meeting, a two-part response to addressing the high use of emergency rooms and encouraging alternate treatment options was discussed. Part 1, which is currently underway, focuses on educating members about less intensive and less expensive options than the emergency room, such as urgent care, primary care, and telehealth. The second part, set to begin in 2021, will focus on improving access to these alternative options and possible benefit change recommendations to encourage appropriate use of health care. This memorandum summarizes the key findings of the IBM analysis and provides information on Part 1 of the Department’s member education plan aimed to improve the appropriate use of emergency rooms.

**Overview of the Problem**

Using DAISI, IBM completed an analysis of emergency room utilization for services received by GHIP members from July 2018 through August 2019. IBM grouped emergency room use into four categories, using an algorithm developed by New York University Center for Health and Public Service Research. The four categories used in the analysis were:

- *Non-Emergent:* Immediate medical care was not required within 12 hours;

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

 Electronically Signed 5/1/20

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- *Emergent but Primary Care Treatable*: Treatment was required within 12 hours, but care could have been provided effectively and safely in a primary care setting;
- *Emergent - Emergency Care Needed, but Preventable*: Emergency department care was required but the emergent nature of the condition was potentially preventable if timely and effective care had been received earlier; and
- *Emergent - Emergency Care Needed and Not Preventable*: Emergency department care was required, and earlier care could not have prevented the condition.

While the first three categories are all considered avoidable, IBM advised that the first two categories of emergency use are often best addressed through member education, improving access to non-emergency room sources of care, and providing the proper incentives for use of other sources of care. The third category is best addressed through improved care management of individuals with chronic conditions, such as asthma, diabetes and heart conditions. The fourth category of services are appropriately treated in an emergency room.

Primary findings (Appendix A) from the analysis include:

- Claims for emergency rooms during the one-year period included in the analysis totaled \$108 million, which is more than five percent (5%) of total claims for the same period.
- Emergency room claims for services were eight times more costly than if those services had been addressed in a primary care setting (\$1,732 per visit compared to \$216 per visit).
- Of the 31,768 emergency room visits captured in the analysis, 67%, or 21,494, were classified as Non-Emergent or Emergent but Primary Care Treatable. This is consistent with benchmark data from other IBM clients.
- Avoidable emergency room utilization was similar across health plans, regions, and employers, but there may be more of an opportunity to reduce avoidable emergency room use in areas outside the Madison area.
- Non-Emergent and Primary Care Treatable use of the emergency room is highest for children.
- The highest use of non-emergent services in the emergency room occurs during weekend hours, when primary care or urgent care may not be available.

### **Opportunities to reduce emergency room utilization**

To reduce program costs, the Board and ETF should find ways to redirect visits from the emergency room to other care settings when appropriate. A variety of interventions will be needed, including educational campaigns, improving access to primary, urgent and telehealth care, and possibly change the benefit design and incentives.

ETF intends to approach this opportunity in two parts. The first part, which is already underway, focuses on an educational approach. The second part, beginning in 2021, will focus on improving access to alternative types of care and consideration of benefit changes or other incentives to encourage more appropriate use of the emergency room and other care options.

If ETF achieves a 5% redirection of Non-Emergent and Primary Care Treatable conditions from the emergency rooms, for example, we can expect to save \$1.6 million in program costs annually, assuming the communication efforts are sustained. Additional cost savings are expected with Part 2 of the initiative.

In addition to cost savings, the educational campaign redirecting members to more appropriate care settings may also have a positive impact on program quality and member health (the three tenets of the Board's Triple Aim vision). Members may be more satisfied by getting care in a setting where they can get care faster and with less out-of-pocket expenses. In addition, care received outside of an emergency room may be less stressful and anxiety-inducing.

IBM indicates that its clients with educational campaigns that are sustained throughout the year usually have better results than campaigns that focus educational messaging only during open enrollment. Further, positive results are not sustained if the campaign does not continue.

Because the analysis found that Non-Emergent use of the emergency room is greatest among children, a messaging campaign focused on parents may be an effective method of reducing non-emergent emergency room use. There also appears to be an opportunity to focus on communities outside the Madison-area. Providing education on other options of care, such as urgent care, primary care, nurse lines and telehealth services, may provide the greatest opportunities for an effective educational campaign.

### **Current Activity and Challenges**

In mid-2019, as part of ETF's ongoing efforts to educate GHIP members on how to use their benefits, ETF produced a variety of materials to help them understand their options when they need to "[Get Care Fast](#)." These materials are available on ETF's website and include a short video, a resource sheet, and other materials including links to each health plans' telehealth and nurse line information. ETF also worked with its online benefit counselor administrator, Jellyvision, to release a short video in December 2018, "[Health Care in Your PJs](#)," which highlights the benefits of telehealth.

During open enrollment in 2019 ETF debuted the videos and materials during meetings with participating employers. In 2020 ETF shared the "Get Care Fast" materials in meetings with the state's Payroll Council, Wellness Council, and University of Wisconsin System benefits and payroll staff. ETF asked employers to share the materials with their employees as an important resource on how to best use their health plan benefits.

ETF communicates directly with members through ETF Email Updates, the member newsletter, and social media. Email notifications are sent to members who voluntarily sign-up to receive communications and 2018 StayWell wellness portal users. ETF has used these communication channels to share the “Get Care Fast” and “Health Care in your PJs” materials with members. Finally, in early 2020, broad-based promotion activities regarding telehealth has increased with the development of the COVID-19 pandemic.

ETF also had preliminary discussions with health plans to understand what education they already provide to their membership about the appropriate use of emergency rooms and other care options. Most health plans have general materials that are primarily shared with members during open enrollment. In addition, most health plans identify frequent users of emergency rooms and target members for outreach and medical management.

ETF is currently exploring other direct-to-member communication channels, including partnering with StayWell to communicate to those participating in the Well Wisconsin program.

One of the primary challenges with an ETF-led educational campaign is that active employees are more likely to get information about their health benefits through their employer or their health plan, and not through ETF. Open enrollment provides an opportunity for ETF to directly engage with active employees through the website, the benefits counselor, ALEX, and benefit fairs held across the state. However, evidence has shown that educational materials are most effective when they are more persistent, meaning members see them more frequently than once per year. Furthermore, employers may have a challenge of managing competing requests from ETF as we have concurrent strategic priorities in play including upcoming educational efforts to train human resources staff on new benefit processes and ongoing member education efforts on benefit changes and how best to use their plan.

An additional challenge with beginning a new educational campaign is that it will be competing with the COVID-19 pandemic. This may create a barrier for employers having the ability to support the educational campaign efforts and/or for members to take-in new information. Furthermore, recent media reports highlight changes in the way patients are consuming healthcare due to COVID-19, making it difficult to understand what impact our educational efforts may have on member healthcare utilization patterns. A counterpoint to this potential barrier is that the current healthcare crisis provides an opportunity to pair the messaging related to COVID-19, new educational materials for members and human resources staff, and appropriate ER utilization. Providing a clear, universal message could amplify the overall effect as compared to each individually.

## **Future Activities**

### ETF-Based Education

Benefits education is part of ETF's operational activities and has included creating resources for members to learn where and how they can get care. ETF will continue to enhance these operational activities and ensure consistent, broad-based messaging is sent. Some examples include making materials more present on ETF's website, utilizing enhanced communication channels such as StayWell and employer-committees, and enhancing the existing materials and messages to address opportunities identified via DAISI. For instance, ETF can add messages to address the circumstances or populations most likely to use the emergency room when other options are appropriate (such as parents of young children) or identifying urgent care facilities across the state.

### Collaboration and Targeted Communication

As indicated, ETF intends to collaborate with employers and health plans to leverage existing communication channels with active employees. These partnerships will allow for consistent messaging to targeted populations that may be most likely to use an emergency room when other options exist.

ETF will share data with employers and health plans and collaborate on the types of educational materials needed, the content, and channels of communication to most effectively reach GHIP members.

ETF will begin by reaching out to two large employers and two health plans each quarter, in the third quarter of 2020 and continue through at least 2021. We believe that rolling out these partnerships across employers and health plans is the most effective method of developing true partnerships and the most efficient use of resources. Additionally, ETF believes there is an opportunity to supplement the current healthcare messages circulating in response to the COVID-19 pandemic with personalized messages targeted specifically to GHIP members. Provided that the messaging is clear and adjusts for recent changes within the healthcare environment due to COVID-19, we believe the timing of this outreach will enhance participation from employers and health plans, as it partners well with the dominant theme of healthcare in 2020.

Below are approximate timelines for ETF, employer and health plan activities under this plan.

**Table 1: ETF Staff Activity Timeline**

Timeframe	Collaboration and Targeted Communication	ETF-Based Communications
2019		Get Care Fast and Health Care in your PJs information released and communicated
Q1 2020	Develop work plan and begin conversations with large payroll groups regarding avoidable ER as one of the Board’s strategic priorities.	Continue promoting and adding to ETF’s resource library.
Q2 2020	Administer the pre-survey to assess member knowledge, skills and attitudes.	
	Analyze employer and health plan data to identify potential partners for targeted communications and potential policy change.	
	Develop additional employer resources/templates (staff meeting ppt, email, posters, etc.) and health plan templates.	
Q3 2020 – Q1 2021	Reach out to two employers and two health plans per quarter to provide targeted support for policy change and communications (as applicable).	
Q2 2021 – Q1 2022	Mid-point evaluation/check-in.	
	Redirect efforts or stay the course.	
Q2 – Q3 2022	Evaluate changes to rates of avoidable ER use and telehealth.	
	Administer the post-survey to assess changes in knowledge, skills and attitudes.	

**Table 2: Outline of Employer Collaboration and Tailored Communications Approach**

Week 1	Initial meeting to review targeted data, current policies that may influence avoidable ER use (e.g., return to work policies), cultural norms, available communication channels, and opportunities for redirection efforts.
Week 2	Employer discusses opportunity with supervisors and managers and encourages them to have staff complete Get Ready for Medical Care <a href="#">worksheet</a> during a staff meeting and/or download their <a href="#">telehealth</a> app.
Week 3	Employer directs staff to <a href="#">Get Care Fast resources</a> via applicable channels (posters, emails, newsletters, intranet sites, etc.).
Weeks 4 – 8	Employer makes updates to applicable policies (e.g., return to work) and processes (e.g., new employee orientation or benefits enrollment).

Week 9	Employer checks-in w/supervisors and managers to see if they've been able to complete the week 2 activities and provide an update on the changes to applicable policies and processes.
Week 10	Updated policies and processes are communicated broadly and implemented.
Ongoing	Employer sends quarterly reminders regarding appropriate sites of care.

**Table 3: Outline of Health Plan Collaboration and Tailored Communications Approach**

Week 1	Initial meeting to review targeted data, current (and possible) communication methods, and opportunities for redirection efforts.
Weeks 2 – 8	Health Plan develops appropriate communication and education resources (posters, handouts, website, etc.)
Weeks 9 - 10	Health Plan shares resources with primary care physicians and encourages them to communicate appropriate sites of care with patients.
Ongoing	Health Plan shares resources and includes reminders about appropriate sites of care in member communications.

**Evaluation**

Starting in 2022 and into 2023, ETF will evaluate the results of this initiative by reviewing claims in DAISI (ETF's data warehouse administered by IBM Watson Health) for use of emergency rooms, urgent care, and telehealth in 2021 compared to the baseline period (2019). ETF will also survey members on their understanding of appropriate use of the emergency room and other options for more immediate care and compare the baseline results collected in 2020. ETF also plans to evaluate differences by employer and health plan to determine the effectiveness of the collaborations and targeted communications.

**Conclusion**

In summary, there is opportunity to improve the membership's utilization of emergency care by applying the tools of the Triple Aim through enhanced education and communications regarding avoidable emergency room use and appropriate sites of care. ETF began communication efforts in 2019 and will continue these broad-based messages going forward. ETF will start working directly with employers and health plans to identify additional opportunities to influence the use of appropriate sites of care through policy and education.

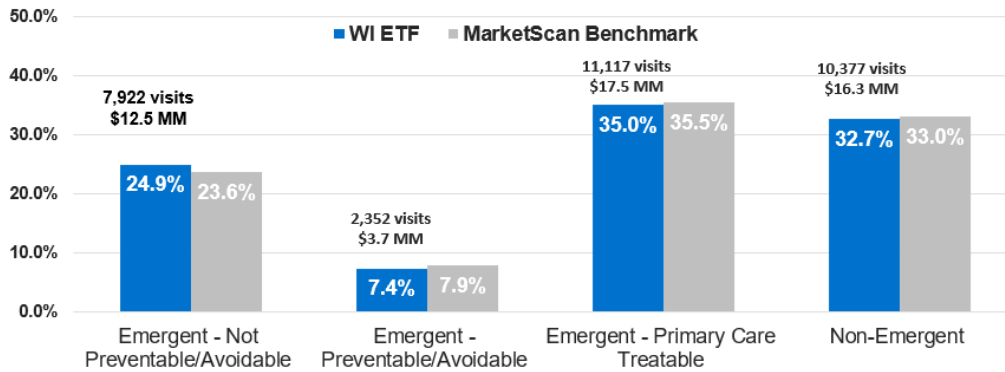
Staff will be available at the meeting to answer any questions.

## Appendix A: WI ETF Avoidable Emergency Room Utilization

Nov 2018 - Oct 2019				
Allowed Amount	Allowed Amount ER	Allow Amt Per Visit Office Med	Allow Amt Per Visit ER	Allow Amt Per Visit ER Amb
\$2,063,603,341.85	\$107,990,425.98	\$216.34	\$1,707.47	\$1,731.52

Source: IBM Watson Advantage Suite created April 7, 2020.

### Summary Results



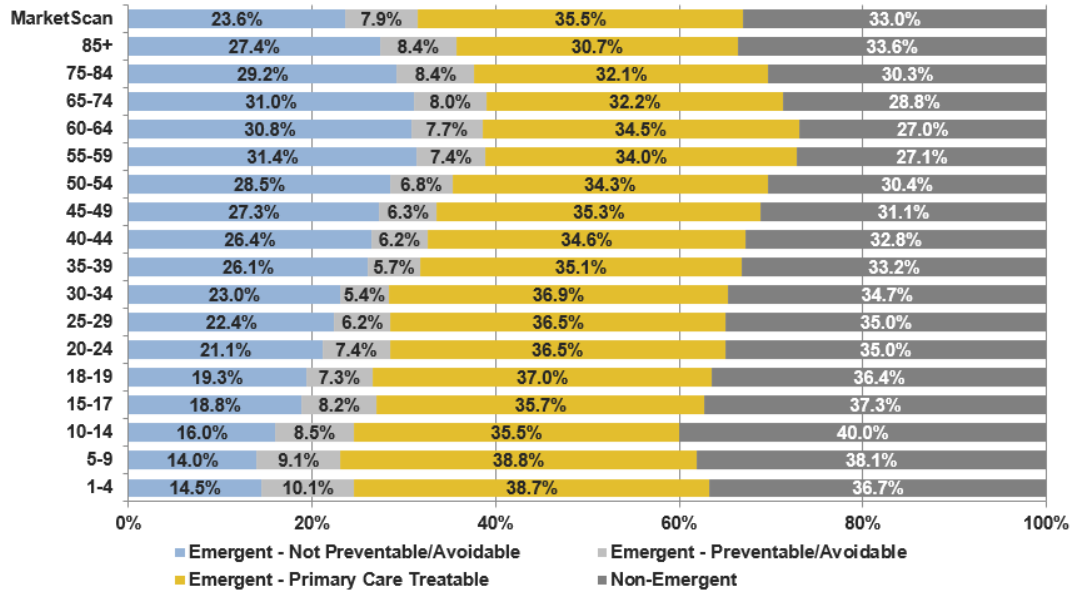
- 31,768 ER visits included in evaluation (unclassified and excluded)
- ER category distribution similar to MarketScan® norm
- Significant opportunity for potential savings
- Cost estimates based on average allowed amount per visit for all WI ETF ER visits

Watson Health © IBM Corporation 2020

Source: IBM Watson Advantage Suite, created January 22, 2020.



### ER Visits – Age Group

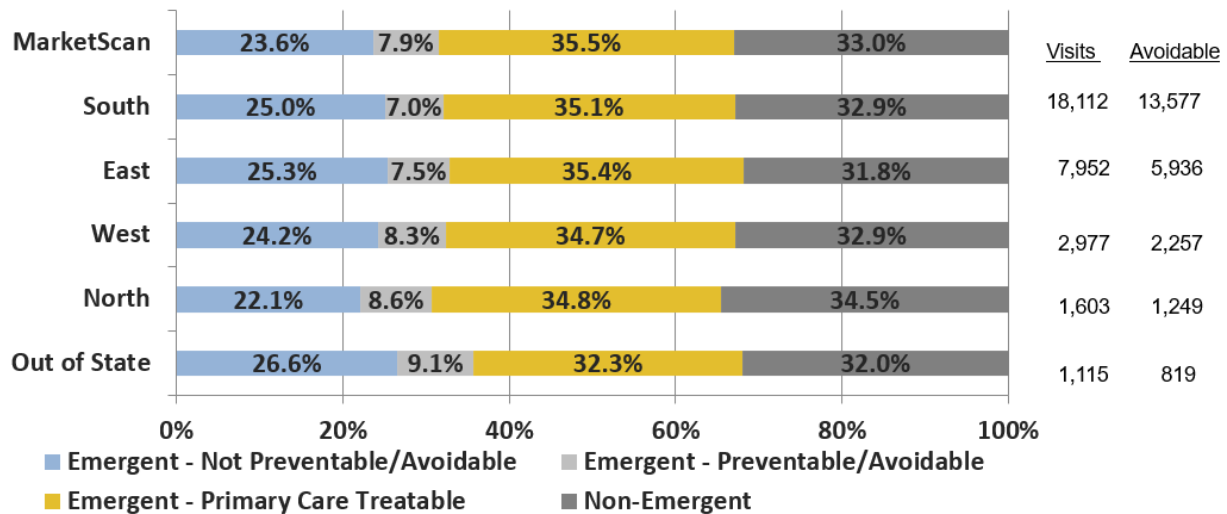


- More opportunity in younger age groups

Watson Health © IBM Corporation 2020

Source: IBM Watson Advantage Suite, created January 22, 2020.

### ER Visits – By Region



- Regions with larger populations show distributions comparable to MarketScan® norm
- North region with lower population indicates some opportunity

Watson Health © IBM Corporation 2020

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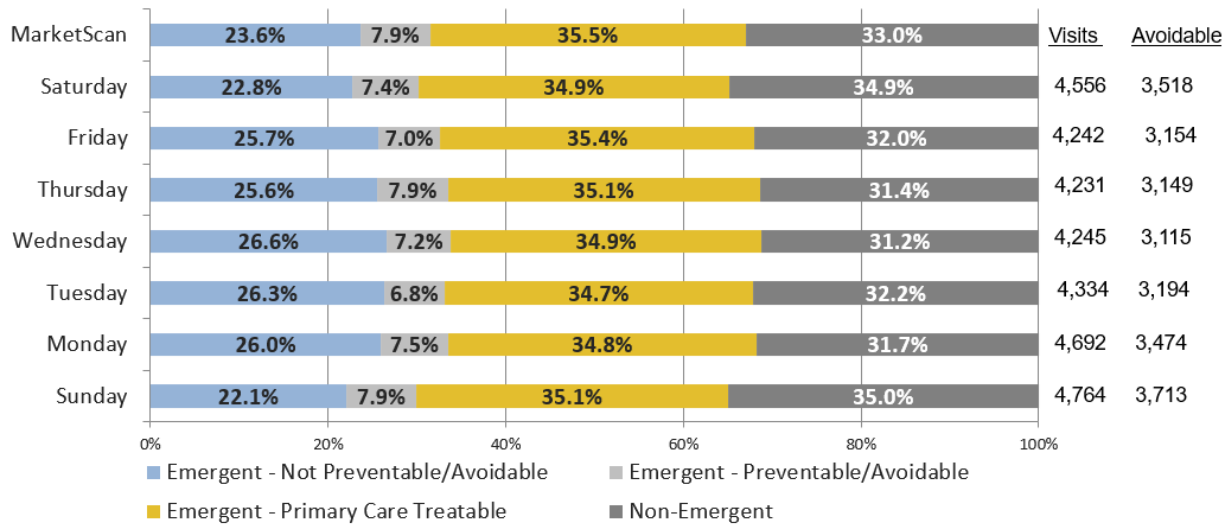
Source: IBM Watson Advantage Suite, created January 22, 2020.

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## ER Visits – Day of Week



- More avoidable utilization over the weekend – indication of access issues

Source: IBM Watson Advantage Suite, created January 22, 2020.