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## Correspondence Memorandum

**Date:** April 24, 2020  
**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 February 2020 Board meeting ([GIB | 2.5.20 | 10B](#)).

### Dashboard Data

The dashboards include data for health care services rendered from November 2018 to October 2019 (*current period*) compared to services rendered from November 2017 to October 2018 (*pervious period*). The reported data includes payments through February 2020. 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

- **Cost Drivers**
  - Major cost drivers have remained consistent:
    - Outpatient Use
      - Emergency services utilization has been identified as a major driver of the significant outpatient cost trend for the Group Health Insurance Program (GHIP). This resulted in further analysis ([GIB | 5.15.19 | 13K](#)) and strategy discussions with the Board ([GIB | 2.5.20 | 5](#) and [GIB | 11.13.19 | 6](#)). To reduce program costs, the Board and ETF are working on finding ways to redirect visits from emergency rooms to other settings of

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

Electronically Signed 4/30/20

Board	Mtg Date	Item #
GIB	5.13.20	9C

lower acuity when appropriate. The Board and ETF will pursue a variety of interventions to address this matter, including:

- facilitating educational campaigns
  - improving access to primary, urgent, and telehealth care
  - possibly changing benefit designs and incentives to encourage appropriate use of emergency services. ([GIB | 5.13.20 | 6B](#))
- Specialty Drug Cost
    - Specialty drug costs continues to be a major driver of the overall cost trend for the GHIP, currently accounting for about 52% of all costs under the pharmacy benefit program. This is growing faster than the non-specialty drug costs. The Board has identified specialty drugs as part of their priorities for the coming years ([GIB | 2.5.20 | 5](#)), and ETF continues to assess options for providing the most appropriate and cost-efficient specialty drugs services for the GHIP members.
- **Total Net Payment Trends**
    - The Year Over Year (YoY) increase for the periods in question is at 6.8%, which is higher than the previously reported trend of 5.8% ([GIB | 2.5.20 | 10B](#)). In the course of a calendar year, variability is expected. The trend for the complete year, which will be a more valid comparison reference, will be provided at the August Board meeting. [*Attachment A: Data Warehouse Dashboard – Financial page 1 top, center*]
- **Health Plan Cost Trends**

The below health plans were highlighted because these health plans represent majority of the GHIP membership and considerable contributors to the current cost trends.

    - Cost Trend for Quartz
      - The current cost trend for this plan group is about 7%, which is compared to the near flat YoY reported in the last memo ([GIB | 2.5.20 | 10B](#)). Quartz is the largest participating health plan by covered membership, and the cost trend from this entity will contribute markedly to the overall GHIP cost trend. However, some variability in costs is expected in the course of the year, and a full year picture will be reported at the August Board meeting.
    - Cost Trend for WEA Trust
      - The cost trend of about 25% reported for WEA Trust for the incurred period ending February 2018 ([GIB | 8.21.2019 | 10E](#)) is now closer to 4%. This general trend reduction is expected to continue until months in 2017 are no longer included in the “previous” period of our reporting.

- A new baseline that fully reflects WEA's new membership risk pool will be represented in the Board's Data Warehouse Dashboard at the August Board meeting.

*[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 any questions.

Attachment A: Data Warehouse Dashboard

# Attachment A

## Financial

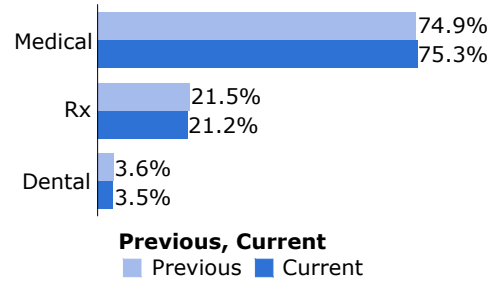
Previous Period: Nov 2017 - Oct 2018 (Incurred)

Current Period: Nov 2018 - Oct 2019 (Incurred)

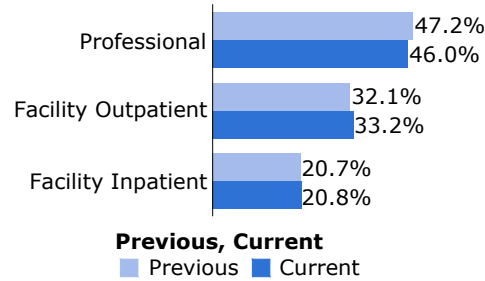


	Previous	Current	% Change
Total Net Payment	\$1.49 B	\$1.60 B	6.8% ▲

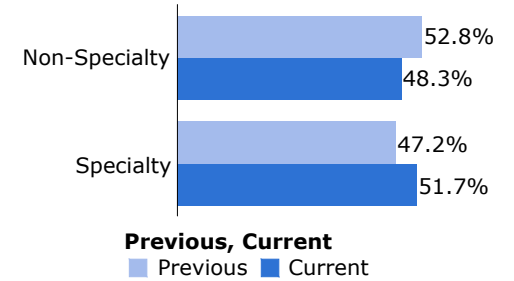
### Net Payment by Summary Categories



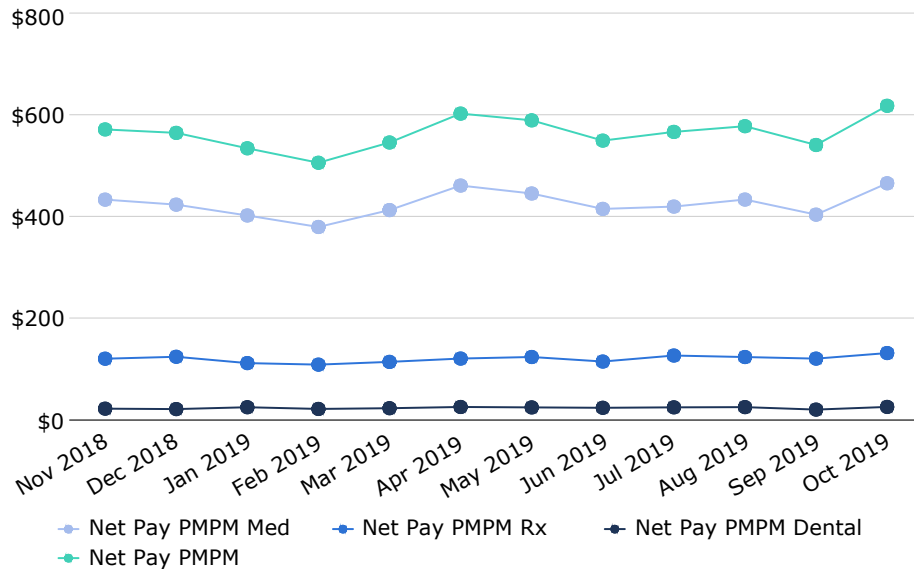
### Net Payment by Medical Service Categories



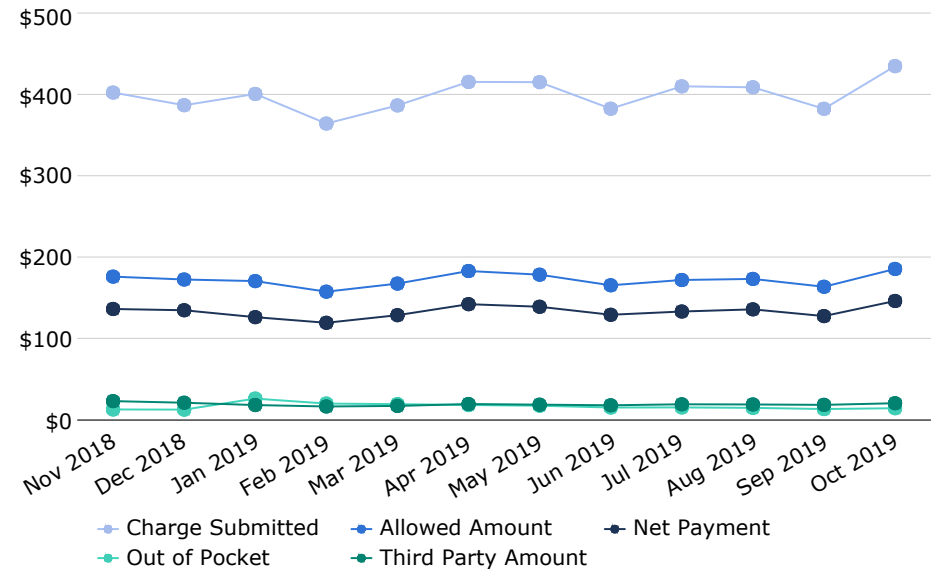
### Net Payment by Non-Specialty vs Specialty Drugs



### Monthly Cost Per Member



### Total Monthly Costs (in Millions)



# Financial

Previous Period: Nov 2017 - Oct 2018 (Incurred)

Current Period: Nov 2018 - Oct 2019 (Incurred)

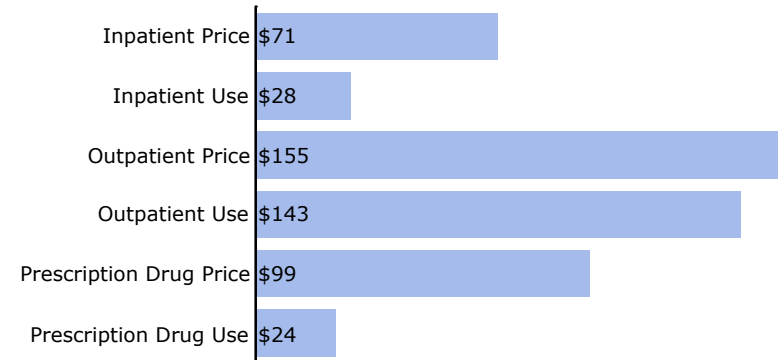


## Cost Per Member

	Previous	Current	% Change		Norm	% Difference from Norm
Allow Amt PMPY Med and Rx	\$8,022	\$8,541	6.5%	▲	\$6,904	23.7% ▲
Allow Amt Per Visit Office Med	\$213	\$216	1.8%	▲		
Allow Amt Per Adm Acute	\$20,698	\$21,300	2.9%	▲	\$31,258	-31.9% ▼
Allow Amt Per Visit ER	\$1,586	\$1,707	7.6%	▲	\$2,111	-19.1% ▼
Allow Amt Per Script Rx	\$124	\$133	7.3%	▲	\$134	-0.5% ▼
Visits Per 1000 Office Med	6,978	7,048	1.0%		6,054	16.4%
Admits Per 1000 Acute	71	72	1.1%		53	34.0%
Visits Per 1000 ER	270	268	-0.8%		209	28.2%
Scripts Per 1000 Rx	15,745	15,592	-1.0%			

## Cost Drivers

Allowed Amount PMPY increased \$519 in the current period.  
The factors driving this change include:



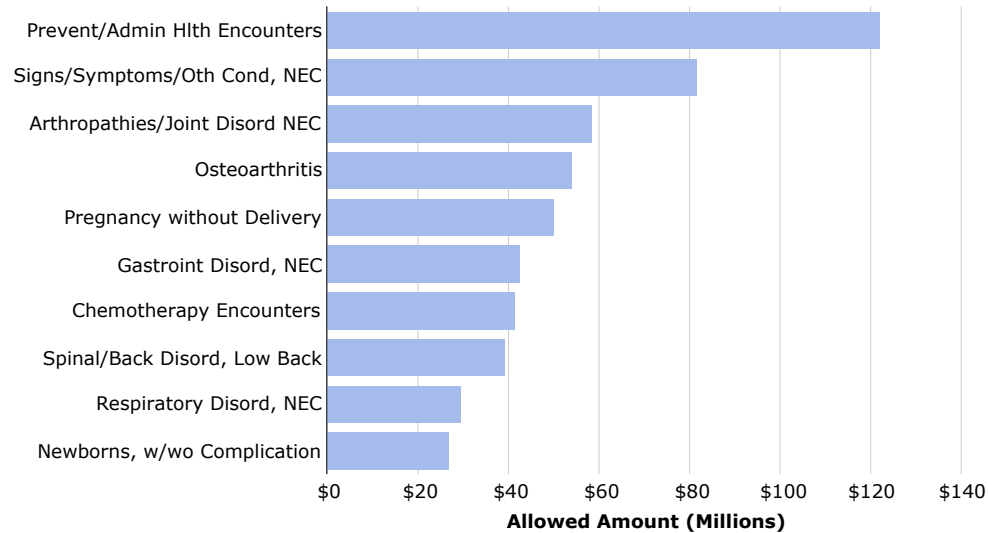
# Clinical

Previous Period: Nov 2017 - Oct 2018 (Incurred)

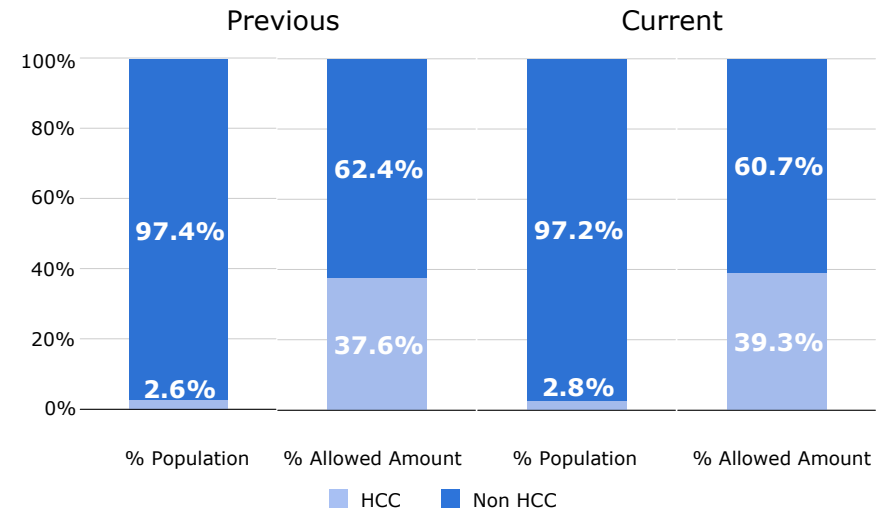
Current Period: Nov 2018 - Oct 2019 (Incurred)



## 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	\$21,634,111	344	\$62,890
Renal Function Failure	\$11,934,082	390	\$30,600
Signs/Symptoms/Oth Cond, NEC	\$10,493,052	2,197	\$4,776
Multiple Sclerosis	\$6,102,084	251	\$24,311
Neurological Disorders, NEC	\$5,629,206	656	\$8,581
Condition Rel to Tx - Med/Surg	\$5,607,289	498	\$11,260
Respiratory Disord, NEC	\$5,536,376	1,115	\$4,965
Infections, NEC	\$4,740,679	579	\$8,188
Crohns Disease	\$4,611,927	221	\$20,868
Cancer - Nonspecified	\$4,582,194	331	\$13,843

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	\$121,881,967	8.1%	167,520	\$728
Signs/Symptoms/Oth Cond, NEC	\$81,620,424	5.4%	67,607	\$1,207
Arthropathies/Joint Disord NEC	\$58,319,055	3.9%	48,352	\$1,206
Osteoarthritis	\$53,960,903	3.6%	15,059	\$3,583
Pregnancy without Delivery	\$49,933,059	3.3%	4,832	\$10,334
Gastroint Disord, NEC	\$42,373,452	2.8%	24,632	\$1,720
Chemotherapy Encounters	\$41,279,700	2.7%	964	\$42,821
Spinal/Back Disord, Low Back	\$39,011,616	2.6%	25,964	\$1,503
Respiratory Disord, NEC	\$29,411,867	1.9%	20,147	\$1,460
Newborns, w/wo Complication	\$26,678,218	1.8%	2,430	\$10,979
<b>Top 10 Subtotal</b>	<b>\$544,470,262</b>	<b>36.0%</b>	<b>196,530</b>	<b>\$2,770</b>
<b>All Clinical Conditions</b>	<b>\$1,510,568,907</b>	<b>100.0%</b>	<b>241,459</b>	<b>\$6,692</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.

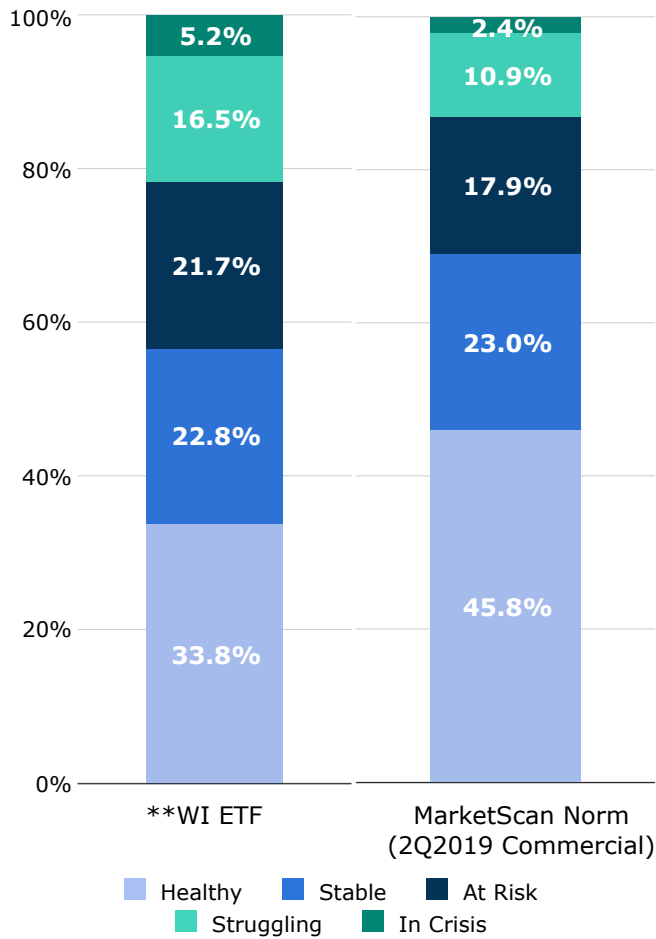
# Clinical

\*Current Period: Nov 2018 - Oct 2019 (Incurred)

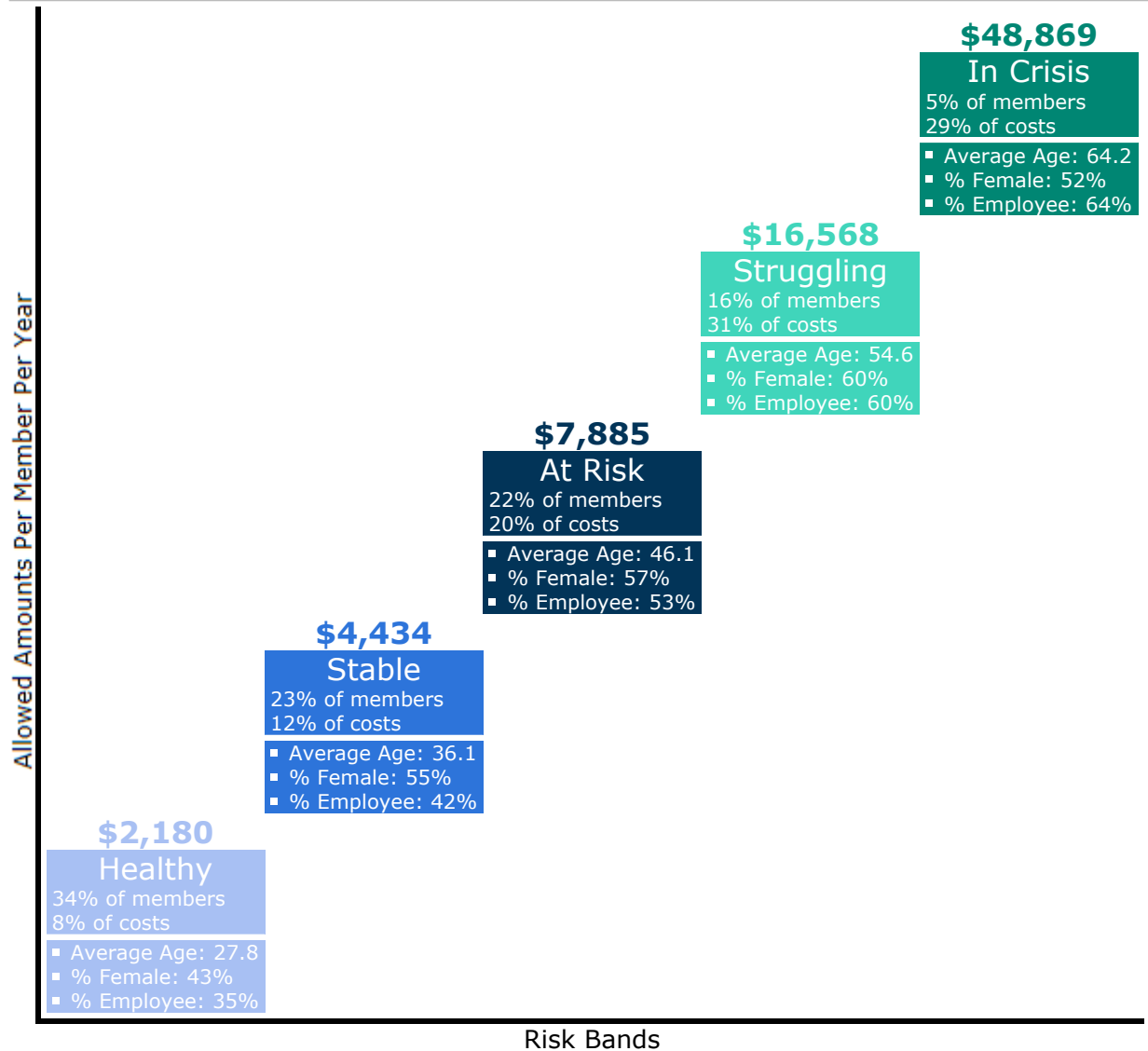
\*\*DCG Period: Jan 2018 - Dec 2018



## % of Members by Risk Band



## Risk Band Profiles



\*Demographic and financial metrics are for the current period  
 \*\*See glossary for details on DCG Methodology

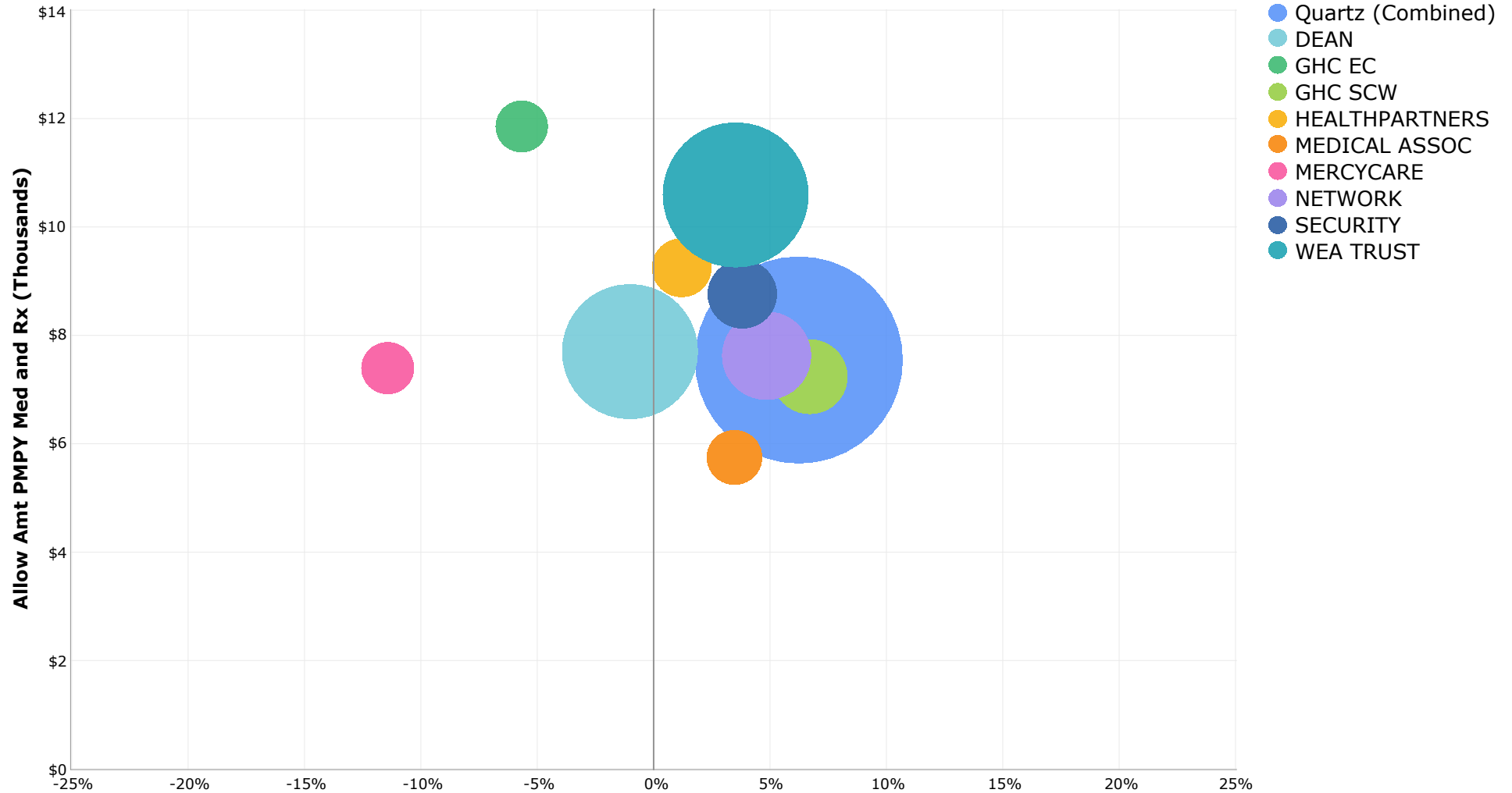
# Financial

Previous Period: Nov 2017 - Oct 2018 (Incurred)

Current Period: Nov 2018 - Oct 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: Nov 2017 - Oct 2018 (Incurred)

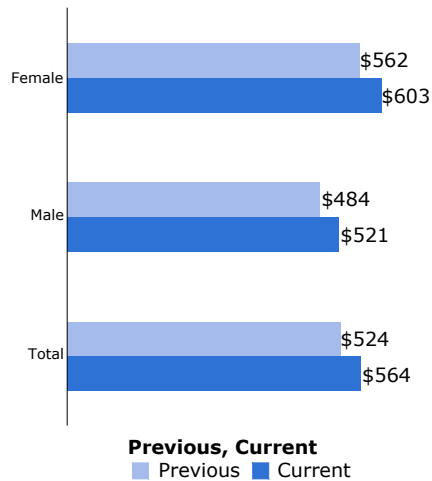
Current Period: Nov 2018 - Oct 2019 (Incurred)



	Enrollment			Average Age		
	Previous	Current	% Change	Previous	Current	% Change
Employees	120,475	120,620	0.1%	51.0	51.1	0.2%
Members	264,027	262,130	-0.7%	39.3	39.5	0.5%
Family Size Avg	2.2	2.2	-0.7%			

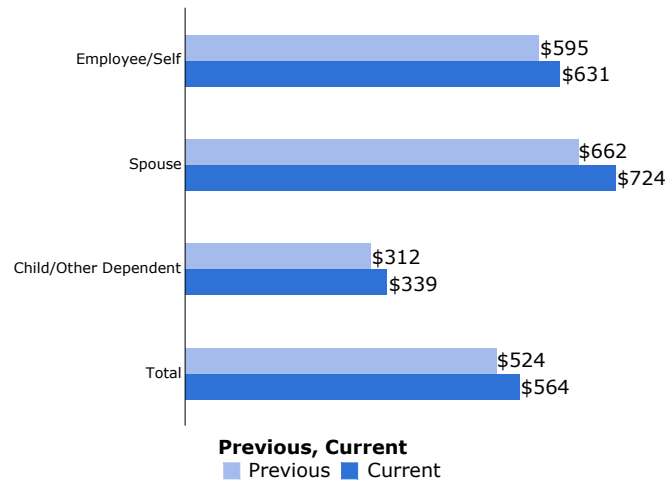
## Membership and Net Pay PMPM by Gender

	Previous	Current	% Change
Female	136,667	136,010	-0.5%
Male	127,360	126,206	-0.9%



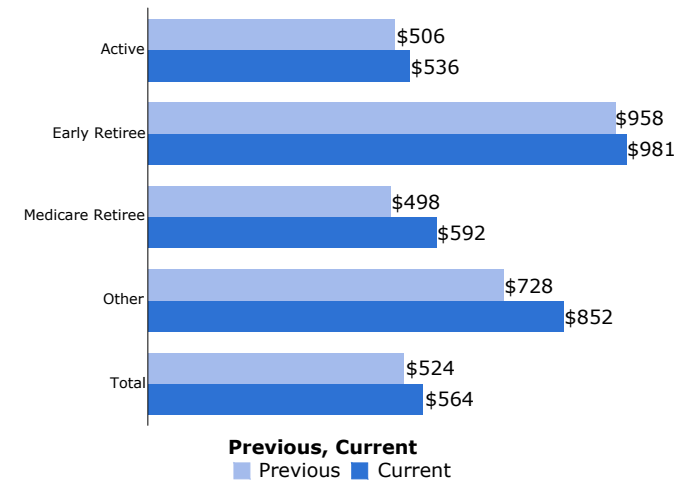
## \*Membership and Net Pay PMPM by Employee Relationship

	Previous	Current	% Change
Employee/Self	120,276	120,030	-0.2%
Spouse	61,770	60,645	-1.8%
Child/Other Dependent	81,981	81,455	-0.6%



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

	Previous	Current	% Change
Active	220,229	217,911	-1.1%
Early Retiree	13,123	12,978	-1.1%
Medicare Retiree	35,397	35,901	1.4%
Other	1,571	1,601	1.9%



\*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