



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: August 5, 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 May 2020 Board meeting ([GIB | 5.13.20 | 9C](#)).

Dashboard Data

The dashboards include data for health care services rendered from April 2019 to March 2020 (*current period*) compared to services rendered from April 2018 to March 2019 (*previous period*). The reported data includes payments through June 2020. The three months between the latest rendered services reported and the most recent paid period (claim lag) allows for a completion of all transactions associated with the reporting period. The dashboards have been updated from a four-month claim lag to the industry standard three-month claim lag. This change was necessary to ensure Segal had complete calendar year 2019 claims data prior to beginning the 2020 rate development process.

Notable Dashboard Highlights

- **Total Net Payment Trends**
 - The current Year Over Year (YOY) increase for the periods in question is at 6.9%, which is higher than the 6.1% trend recorded at the end of the 2019 plan year. Some variability in trends is expected during the plan year, and it is estimated that the variability in trends may be more noticeable this plan year because of the changes in utilization and categories of service due to the COVID-19 pandemic. The effect of the pandemic on what is reported here is still minimal, but it is estimated that this may change as more data is collected for the 2020 plan year. The

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

Electronically Signed 8/7/20

Board	Mtg Date	Item #
GIB	8.19.20	12B

Department of Employee Trust Funds (ETF) and IBM Watson Health intend to proactively track and monitor these expected changes.
[Attachment A: Data Warehouse Dashboard – Financial page 1 top, center]

- **Cost Drivers**

- Major cost drivers have remained consistent:

- Specialty Drug Cost

Specialty drug costs continues to be a major driver of the overall cost trend for the GHIP, currently accounting for about 54% of all costs under the pharmacy benefit program and 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. ETF will provide the Board with a status update and available options for cost improvement at the February Board meeting. [Attachment A: Data Warehouse – Financial page 1 top, right]

- Outpatient Use

- Emergency services have 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](#)). The Board has identified emergency services as an area of opportunity to be addressed as part of its priorities. To reduce program costs, the Board and ETF are working to find ways to redirect potentially avoidable visits from emergency rooms to settings of lower acuity when appropriate. ETF is initially focused on increasing efforts to educate members about available options for immediate care by surveying members about their knowledge and behaviors and working closely with employers and health plans to enhance and coordinate education efforts. Later efforts will focus on opportunities to improve access to primary, urgent, and telehealth care, and consideration of benefit designs changes and incentives that encourage appropriate use of emergency services. ([GIB | 5.13.20 | 6B](#)) [Attachment A: Data Warehouse Dashboard - Financial page 2 top, right]

- **Health Plan Cost Trends**

The following health plans were highlighted because they represent majority of the GHIP membership and contribute considerably to the current cost trends.

- Cost Trend for Quartz
 - The current Per Member Per Year (PMPY) medical and drug cost trend for this plan group is about 8%, which is compared to the 5.3% YoY trend recorded at the end of the 2019 plan year. Quartz is the largest participating plan group 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 during the plan year, and ETF will continue to monitor the trend from this plan group.
- Cost Trend for Dean Health Plan and WEA Trust
 - Dean Health Plan and WEA Trust have a cost trend of 1.6% and 1.0% respectively. These cost trends are comparable to the YoY trends recorded for each these plans at the end of the 2019 plan year. [*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).

- **Membership**
 - The unique count of covered members has remained mostly stable YoY at the drop of 0.4% to 260,000 members. [*Attachment A: Data Warehouse Dashboard – Eligibility page 6, top center*]

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

Attachment A

Financial

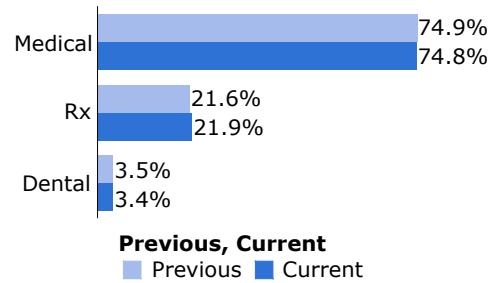
Previous Period: Apr 2018 - Mar 2019 (Incurred)

Current Period: Apr 2019 - Mar 2020 (Incurred)

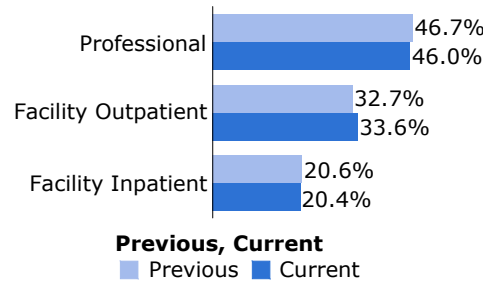


	Previous	Current	% Change
Total Net Payment	\$1.53 B	\$1.63 B	6.9% ▲

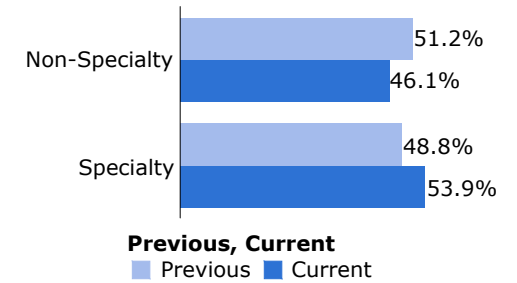
Net Payment by Summary Categories



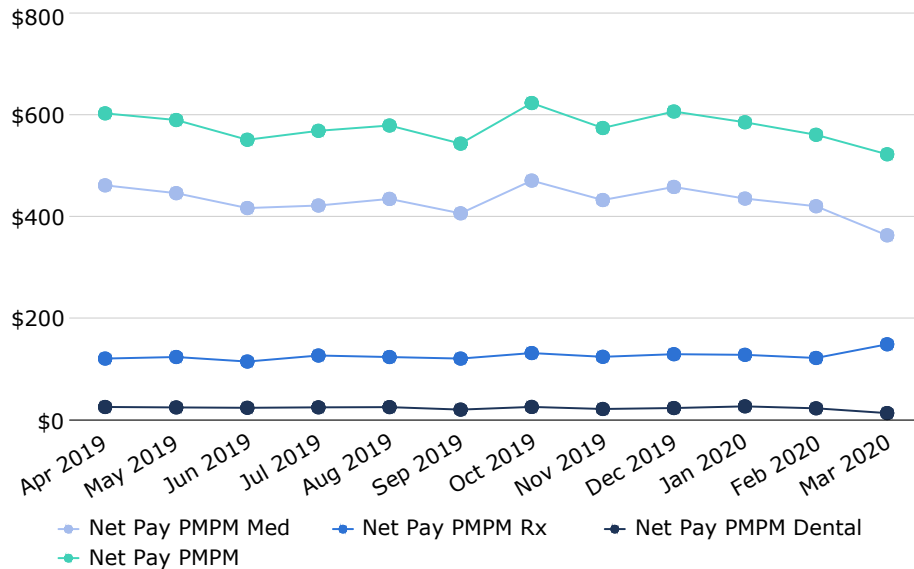
Net Payment by Medical Service Categories



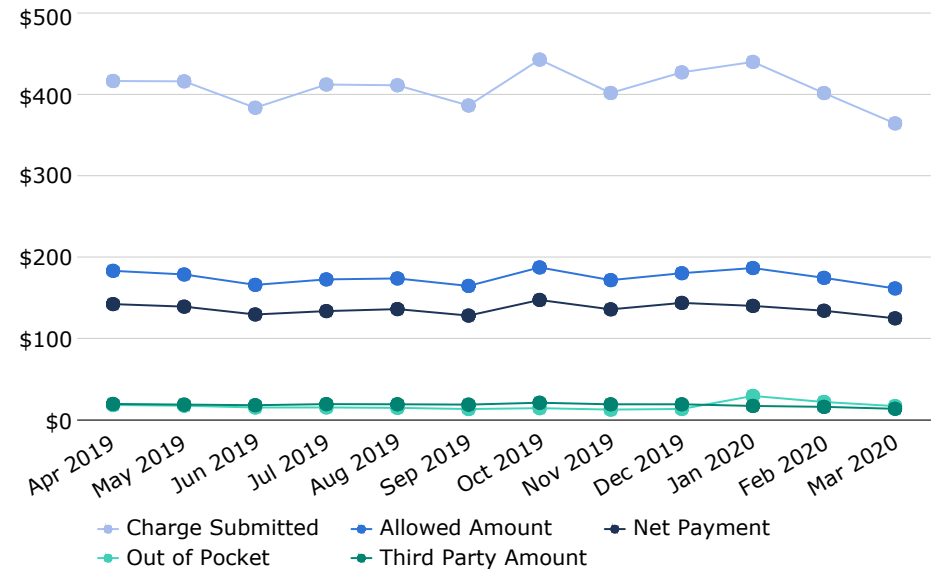
Net Payment by Non-Specialty vs Specialty Drugs



Monthly Cost Per Member



Total Monthly Costs (in Millions)



Financial

Previous Period: Apr 2018 - Mar 2019 (Incurred)

Current Period: Apr 2019 - Mar 2020 (Incurred)

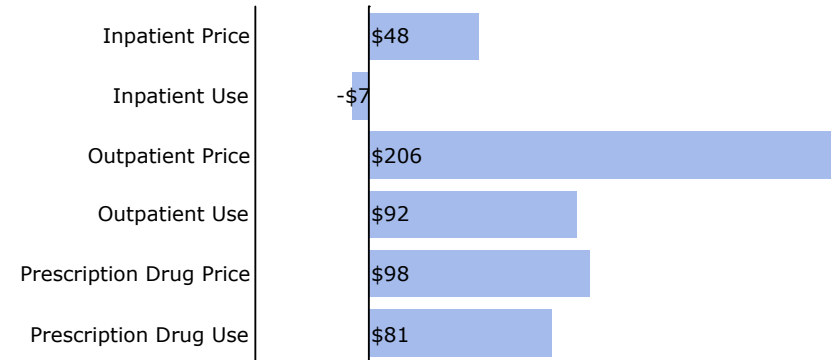


Cost Per Member

	Previous	Current	% Change		Norm	% Difference from Norm
Allow Amt PMPY Med and Rx	\$8,186	\$8,704	6.3% ▲		\$6,893	26.3% ▲
Allow Amt Per Visit Office Med	\$215	\$218	1.5% ▲			
Allow Amt Per Adm Acute	\$20,977	\$21,312	1.6% ▲		\$31,452	-32.2% ▼
Allow Amt Per Visit ER	\$1,658	\$1,717	3.5% ▲		\$2,111	-18.7% ▼
Allow Amt Per Script Rx	\$128	\$138	7.9% ▲		\$134	3.4% ▲
Visits Per 1000 Office Med	6,907	7,074	2.4%		6,049	17.0%
Admits Per 1000 Acute	71	70	-1.6%		53	30.7%
Visits Per 1000 ER	266	271	2.0%		209	29.6%
Scripts Per 1000 Rx	15,600	15,748	0.9%			

Cost Drivers

Allowed Amount PMPY increased \$518 in the current period.
The factors driving this change include:



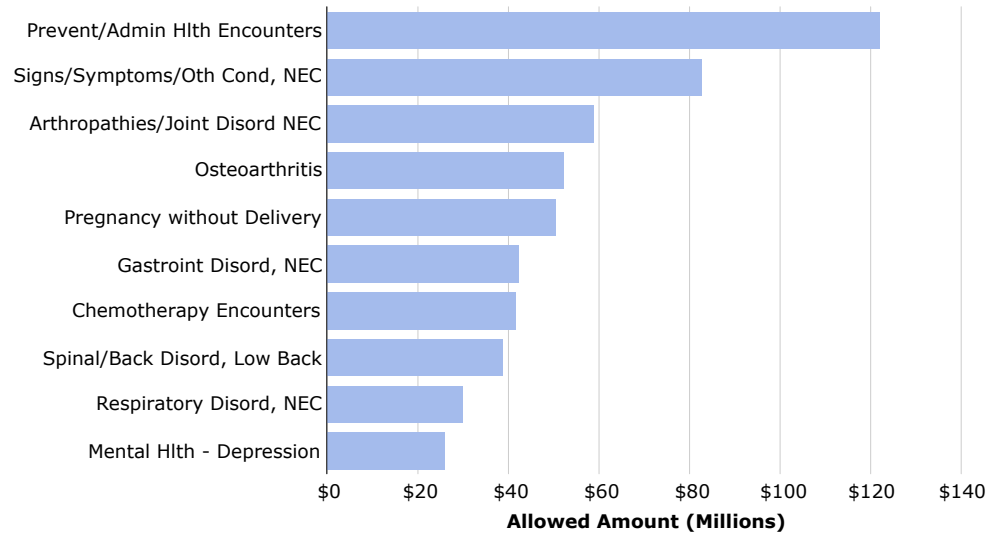
Clinical

Previous Period: Apr 2018 - Mar 2019 (Incurred)

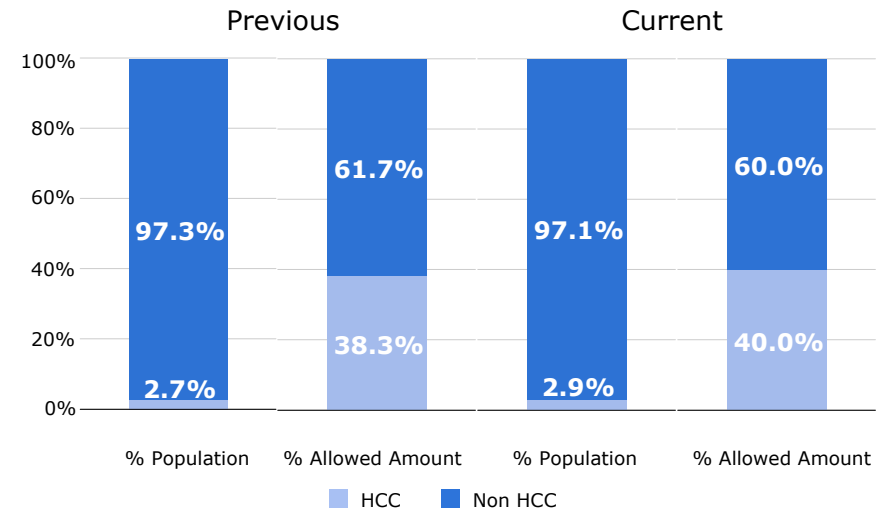
Current Period: Apr 2019 - Mar 2020 (Incurred)



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	\$25,176,755	355	\$70,920
Renal Function Failure	\$12,855,040	431	\$29,826
Signs/Symptoms/Oth Cond, NEC	\$10,559,342	2,327	\$4,538
Multiple Sclerosis	\$6,533,280	244	\$26,776
Condition Rel to Tx - Med/Surg	\$5,832,859	488	\$11,953
Respiratory Disord, NEC	\$5,574,818	1,154	\$4,831
Gastroint Disord, NEC	\$5,313,928	949	\$5,600
Infections, NEC	\$5,273,969	638	\$8,266
Cancer - Nonspecified	\$5,259,372	322	\$16,333
Neurological Disorders, NEC	\$4,944,514	725	\$6,820

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	\$121,866,696	8.0%	169,707	\$718
Signs/Symptoms/Oth Cond, NEC	\$82,649,959	5.4%	68,502	\$1,207
Arthropathies/Joint Disord NEC	\$58,679,573	3.9%	47,573	\$1,233
Osteoarthritis	\$52,106,268	3.4%	14,937	\$3,488
Pregnancy without Delivery	\$50,304,167	3.3%	4,836	\$10,402
Gastroint Disord, NEC	\$42,306,783	2.8%	24,084	\$1,757
Chemotherapy Encounters	\$41,460,427	2.7%	985	\$42,092
Spinal/Back Disord, Low Back	\$38,704,927	2.5%	25,428	\$1,522
Respiratory Disord, NEC	\$29,913,096	2.0%	20,631	\$1,450
Mental Hlth - Depression	\$25,969,457	1.7%	19,801	\$1,312
Top 10 Subtotal	\$543,961,351	35.7%	200,030	\$2,719
All Clinical Conditions	\$1,521,884,468	100.0%	241,326	\$6,738

+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.

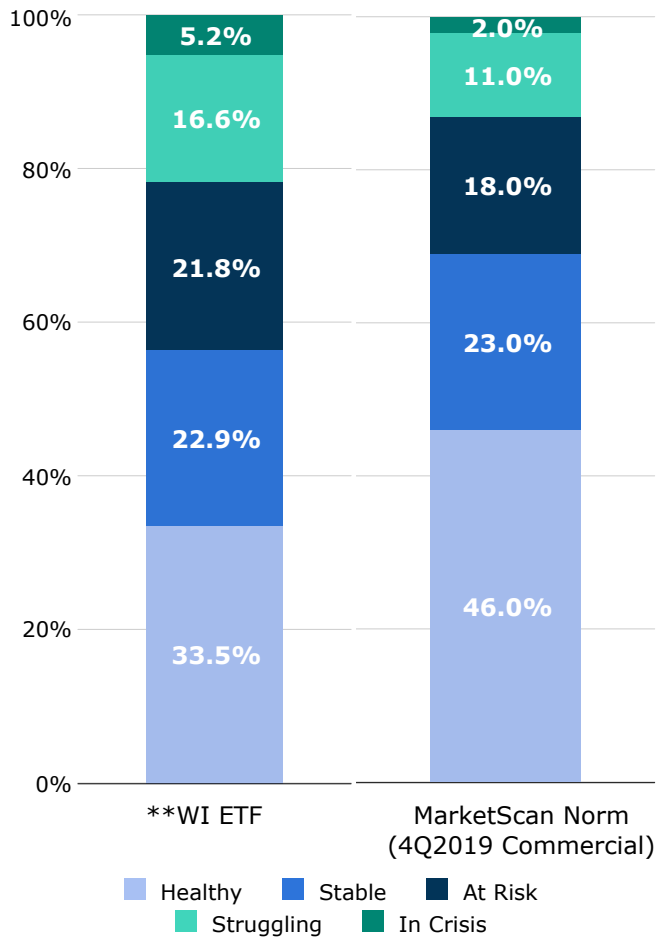
Clinical

*Current Period: Apr 2019 - Mar 2020 (Incurred)

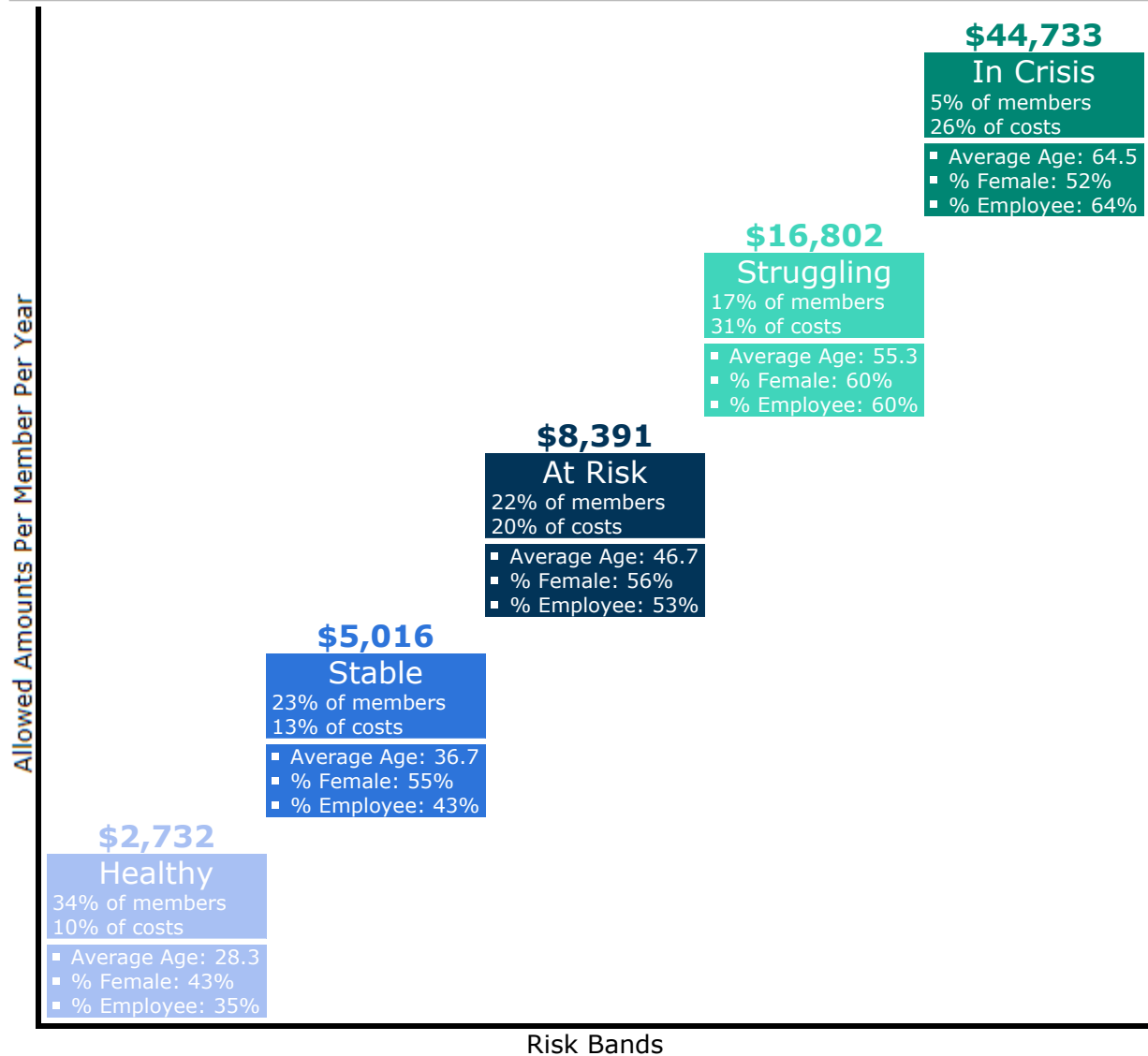
**DCG Period: Jan 2019 - Dec 2019



% of Members by Risk Band



Risk Band Profiles



*Demographic and financial metrics are for the current period

**See glossary for details on DCG Methodology

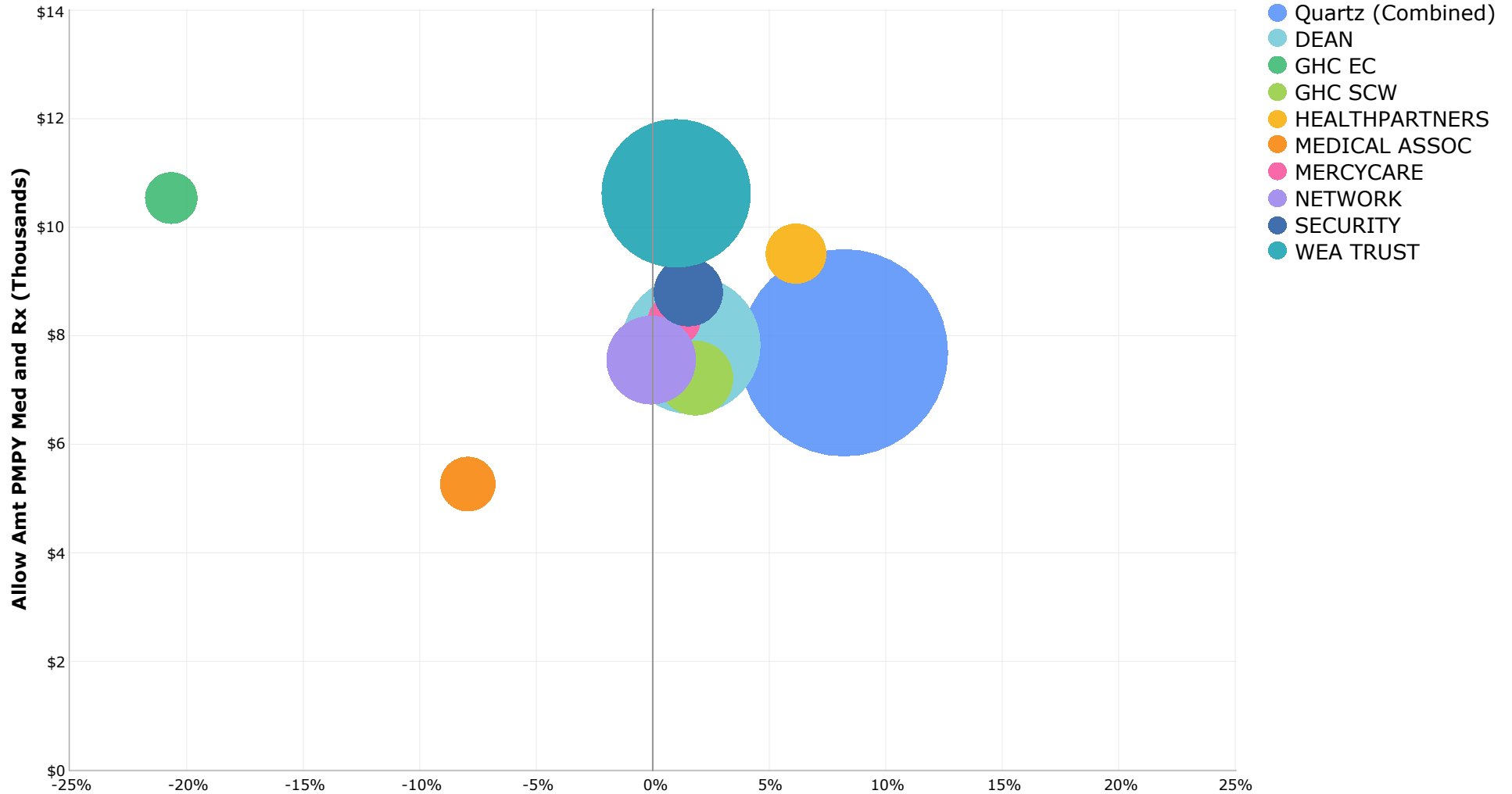
Financial

Previous Period: Apr 2018 - Mar 2019 (Incurred)

Current Period: Apr 2019 - Mar 2020 (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: Apr 2018 - Mar 2019 (Incurred)

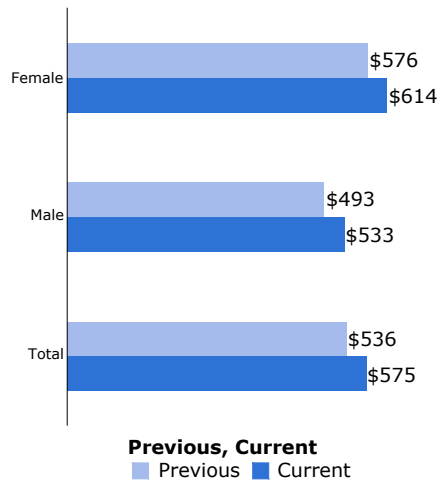
Current Period: Apr 2019 - Mar 2020 (Incurred)



	Enrollment			Average Age		
	Previous	Current	% Change	Previous	Current	% Change
Employees	120,301	120,161	-0.1%	51.1	51.1	0.1%
Members	261,949	260,384	-0.6%	39.4	39.6	0.4%
Family Size Avg	2.2	2.2	-0.6%			

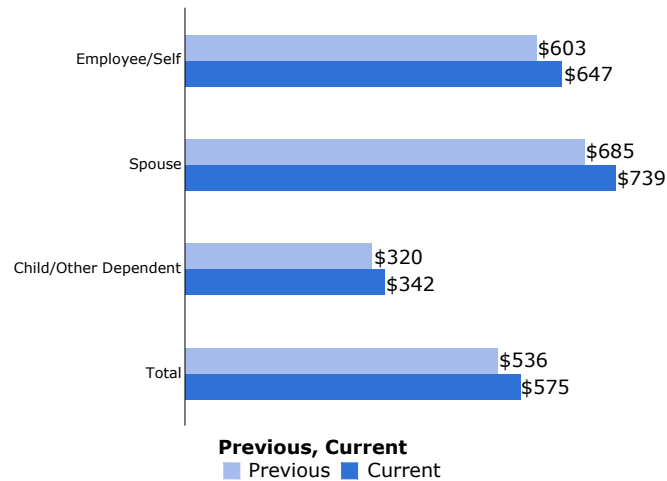
Membership and Net Pay PMPM by Gender

	Previous	Current	% Change
Female	135,739	135,251	-0.4%
Male	126,223	125,234	-0.8%



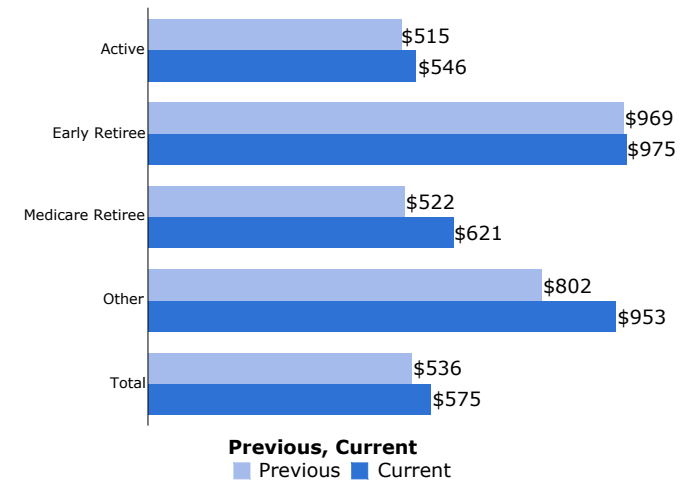
*Membership and Net Pay PMPM by Employee Relationship

	Previous	Current	% Change
Employee/Self	119,974	119,562	-0.3%
Spouse	60,600	60,219	-0.6%
Child/Other Dependent	81,375	80,603	-0.9%



* Membership and Net Pay PMPM by Employee Status

	Previous	Current	% Change
Active	218,430	216,565	-0.9%
Early Retiree	12,867	12,789	-0.6%
Medicare Retiree	35,277	36,006	2.1%
Other	1,496	1,533	2.5%



*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