**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:** July 24, 2020

**To:** Group Insurance Board

**From:** Molly Heisterkamp, Disease Management & Wellness Program Manager
Tricia Sieg, Pharmacy Benefit Program Manager
Renee Walk, Lead Policy Advisor
Office of Strategic Health Policy

**Subject:** Value Based Insurance Design Pilot Update

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

## Background

At the May 2018 Group Insurance Board (Board) meeting (Ref. GIB | 5.16.18 | 4A), the Board approved piloting a value-based insurance design (VBID) program beginning in 2019 for diabetes management. The program, It's Your Health: Diabetes, is a collaboration between the Board's wellness vendor, StayWell, and the pharmacy benefit manager, Navitus Health Solutions (Navitus). It is intended to support members (subscribers and spouses) with diabetes self-management and to remove financial barriers to adhering to prescription medication treatment. High deductible health plan members are not eligible to participate, due to Internal Revenue Service and Wisconsin statutory requirements that limit coverage of services before deductibles are met.

StayWell invites select members to participate in disease management coaching calls. StayWell contacts those who self-identify as having diabetes on the health assessment, as well as other StayWell portal account users who have filled a diabetes-related prescription. Within one month of completing their first diabetes disease management call with a StayWell nurse consultant, participants receive reduced copayments on their diabetes-related prescriptions. Level 1 drugs have no copay (down from $5), and Level 2 drugs are the lesser of a $10 copayment or 20% coinsurance. There is no copayment reduction for Level 3 or 4 drugs.

## Member Engagement

A total of 460 members completed at least one diabetes disease management call in 2019, the most recent completed year of the program (using the disease management participation information available in DAISI). To receive the reduction in copays, members are required to participate in one disease management coaching call. The

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

Eileen K Mallow Electronically Signed 7/31/20

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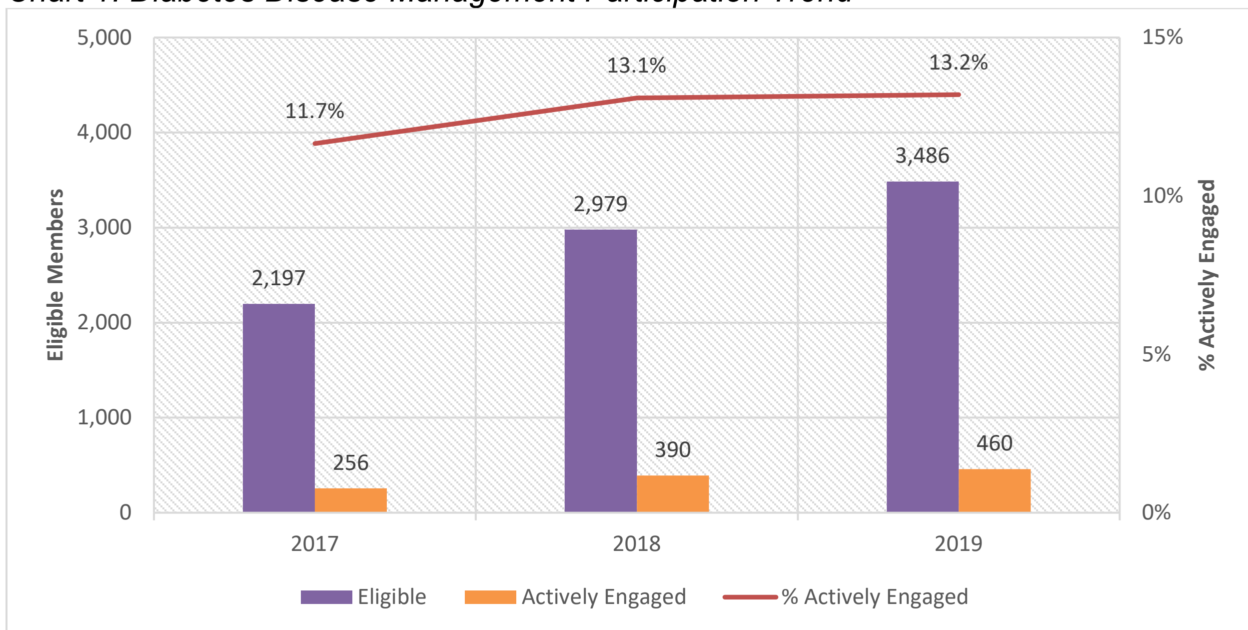
majority of people in the program, however, have engaged with a coach more than one time, as shown in Table 1 below.

*Table 1. 2019 Participation by Number of Coaching Calls*

| Number of Calls | Percentage of Participants |
|---|---|
| **1** | 10% |
| **2** | 14% |
| **3** | 10% |
| **4 or more** | 66% |

Since the beginning of the It's Your Health: Diabetes program, participation has only increased slightly between years. Chart 1 below shows the number of members eligible, the number of members "actively engaged" (having one or more disease management calls), and the trend in engagement. Engagement between 2018, the year before the program began, and the first year of the program was flat.

*Chart 1. Diabetes Disease Management Participation Trend*




Participants in the program tended to be both older and higher-risk; men and women ages 65 to 74 tended to be the most engaged with the program, as well as people who are classified by IBM Watson Health in the "Struggling" risk category (fourth highest category of five).

**Analysis Approach**

IBM Watson Health assisted ETF in developing a matched cohort to attempt to study the effects of the program on the actively engaged study group versus a non-participating control group. The analysis of both populations was limited to those

members who were continuously enrolled throughout 2019 and have at least one diabetes-related care episode during that year. Members were further matched by age band as well as by risk category and the stage of disease the member was in (Stage 1, 2, or 3). The total number of people included in the actively engaged cohort was 361, and the non-participating cohort was 358.

**Health Impact**

There are mixed results regarding health, with participants telling StayWell (via survey) that the program is supporting them with managing their diabetes, improving their health and controlling their hemoglobin A1c, an indicator of how well glucose is controlled in the blood.

It is still relatively early in the lifetime of the program to expect many measurable health impacts to be visible in claims data. Based upon the cohorts created by IBM Watson Health, the actively engaged cohort had slightly higher rates of preventive encounters and lower rates of unplanned utilization.

*Table 2. Comparison of Engagement of 2019 Cohorts.*

| | Actively Engaged | Not Participating |
|---|---|---|
| Diabetes Patients | 361 | 358 |
| Preventive Adult Visits Per 1000 | 501 | 480 |
| Average Primary Care Visits for Diabetes | 2.37 | 2.25 |
| Diabetes Related Admits Per 1000 | 13.85 | 13.97 |
| Diabetes Related ER Visits Per 1000 | 13.85 | 16.76 |
| % of Patients with Episodes of Diabetes Flare Up | 2.77% | 3.07% |

In order to compare whether there could have been a change in behavior from 2018 to 2019, IBM Watson Health further narrowed the cohort groups to members who had been continuously enrolled in both 2018 and 2019. This results in an active cohort group of 179 and a non-participating cohort group of 178. In this population, the non-participating cohort had a slight reduction in risk scores between 2018 and 2019, but IBM Watson Health noted this may not show a trend because it only includes one year of information. The two-year cohort does provide a slightly broader view of program impact on care seeking behaviors.

Both the active and the non-participating cohorts saw increases in the number of preventive adult visits per thousand, though the active group had a larger increase. Both groups also showed decreases in the average number of primary care visits for diabetes and in this case, the active cohort had a larger decrease than the non-participating group, though still small. Diabetes hospital admissions per thousand

stayed steady for the active cohort, but decreased drastically for the non-participating cohort, but this rate is subject to wide variation due to the small number of people in the cohort.

*Table 3. Comparison of Engagement for Cohorts, 2018 and 2019*

| | 2018 | | 2019 | |
|---|---|---|---|---|
| | Actively Engaged | Not Participating | Actively Engaged | Not Participating |
| Diabetes Patients | 179 | 178 | 179 | 178 |
| Preventive Adult Visits Per 1000 | 480 | 444 | 520 | 489 |
| Average Primary Care Visits for Diabetes | 2.50 | 2.47 | 2.39 | 2.45 |
| Diabetes Related Admits Per 1000 | 5.59 | 28.09 | 5.59 | 16.85 |
| Diabetes Related ER Visits Per 1000 | 0* | 22.47 | 27.93 | 28.09 |
| % of Patients with Episodes of Diabetes Flare Up | 3.35% | 3.37% | 2.23% | 3.37% |

**No visits reported in 2018 for this population; highly variable due to small numbers.*

**Quality Impact**

Based on a survey administered by StayWell in June 2020, participants are active promoters for both the disease management program and the nurse consultants and find the program to be valuable. A Net Promoter Score is an index value from -100 to 100 that tells how willing a customer is to recommend a product or service. For It's Your Health: Diabetes, the Net Promoter Score from the June survey was 35.7, which is good. The Net Promoter Score for the StayWell nurse consultant was 53.6, which is outstanding. Most survey respondents reported never having participated in a StayWell disease management program before, suggesting that the program was successful in getting new participants to enroll.

Fifty two percent of respondents said the reduced copay did not change their motivation. When coupled with the prior participation reports, this suggests that the communications for the reduced copay triggered new registrants but did not necessarily increase their motivation to engage in disease management. In the group that said they had participated previously, 67% said the reduced copay increased their motivation.

The cohort analysis provided by IBM Watson Health also provided information on certain quality of care metrics that are monitored by the Healthcare Effectiveness Data and Information Set (HEDIS), which ETF uses to calculate and reward health plan quality.

The 2019 cohorts are very similar in HEDIS metrics, as well as in prescription drug compliance, which is not a HEDIS measure, but is a general indicator of how regularly patients are taking needed medications. There is a slightly higher rate of adherence for statin prescriptions amongst the active cohort.

*Table 4. Diabetes-Related HEDIS Quality Metrics Comparison, 2019*

| | ***Actively Engaged*** | ***Not Participating*** |
|---|---|---|
| *Diabetes Patients* | *361* | *358* |
| *HbA1c Test Rate* | *91%* | *90%* |
| *Eye Exam Rate* | *72%* | *74%* |
| *Statin Adherence Rate* | *65%* | *61%* |
| *Rx Compliance (non-HEDIS)* | *94%* | *96%* |

Between 2018 and 2019, the populations analyzed did not show significant changes in the HEDIS measures, except in statin adherence. Here, the data seems to indicate that, while adherence rates were similar between the active and non-participating cohorts in 2018, the active cohort's adherence may actually be a gain over the non-participating cohort.

*Table 5. Diabetes Related HEDIS Quality Metrics Comparison, 2018 and 2019*

| | **2018** | | **2019** | |
|---|---|---|---|---|
| | **Actively Engaged** | **Not Participating** | **Actively Engaged** | **Not Participating** |
| Diabetes Patients | 179 | 178 | 179 | 178 |
| HbA1c Test Rate | 88% | 90% | 88% | 90% |
| Eye Exam Rate | 71% | 73% | 70% | 76% |
| Statin Adherence Rate | 56% | 54% | 61% | 56% |

**Cost Impact**

During 2019, 399 participating members filled 2,402 prescriptions and saved $83,239 in copays. In 2020, through June 30th, 472 participating members, filled 2,230 prescriptions and saved $87,659 in copays.

*Table 6. Prescription Drug Utilization, Spending, and Cost Sharing Change*

| | **Utilizing Members** | **Prescriptions Filled** | **Member Savings** |
|---|---|---|---|
| **2019** | 399 | 2,402 | $83,239 |
| **2020*** | 472 | 2,230 | $87,659 |
| **Total** | 501 | 4,632 | $170,898 |

*2020 results are for January 1, 2020 through June 30, 2020 only

According to Navitus, if all members who have prescriptions for diabetic medications participated in the It's Your Health: Diabetes program, the collective membership would have saved $1,685,526 from July 1, 2019, until June 30, 2020.

In addition to the cohort comparison, IBM Watson Health is assisting ETF to develop a return on investment (ROI) analysis for the reduced cost sharing to determine if improved outcomes balance those costs. Per IBM Watson Health, results are best analyzed over multiple years of participation, with at least three consecutive years of available data needed to state impacts. IBM Watson Heath and ETF would look at how members move through the stages of diabetes; higher to lower movement amongst the participants would indicate better management and cost savings.

**Next Steps**

The Board approved continuing the pilot program through 2021 at the May 2020 meeting (Ref. GIB | 5.13.20 | 5A). ETF staff will continue to monitor outcomes and will provide an updated analysis of all facets of the Triple Aim at a future meeting.

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