



STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
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: October 27, 2021
To: Group Insurance Board
From: Jessica Rossner, Data, Measurement and Compliance Lead
Oladipo Fadiran, IBM Analytics Consultant
Office of Strategic Health Policy
Subject: Data Warehouse Dashboards

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

Background

This memo provides the Group Insurance Board (Board) with the quarterly data warehouse dashboard and highlights. The previous quarter's dashboards and highlights can be found in the meeting materials from the August 2021 Board meeting (GIB | 8.18.21 | 9B).

Dashboard Data

The dashboards include data for health care services provided from July 2020 to June 2021 (current period) compared to services provided from July 2019 to June 2020 (previous period). The reported data includes payments through September 2021. There is typically a gap in time between when services are provided and when they are paid. The three-month delay in reporting allows for the billing and payment process to be completed for most of the services rendered.

Notable Dashboard Highlights

Total Net Payment and Cost Trends

- The current 13.6% Year over Year (YoY) trend in net pay per member per month (PMPM) reflects a combination of two factors:
 - Typical annual trend in cost; and
 - The three months with the largest disruption in service due to the COVID-19 pandemic (March through May 2020), are now in the "previous period".
- Barring any further marked disruption in services in the near future, the double-digit trend is expected to continue until data from March through May 2020 are no longer included in the trend calculations. [Attachment: Data Warehouse Dashboards – Financial page 1, top, right]

Reviewed and approved by Eileen K Mallow, Director, Office of
Strategic Health Policy Electronically Signed 11/04/2021

| Board | Mtg Date | Item # |
|-------|----------|--------|
| GIB | 11.17.21 | 13D |

Cost Drivers

- The largest components driving the YoY cost trend is inpatient price and outpatient use. These are indicative of the services most affected by the disruption in the previous period from the COVID-19 pandemic:
 - Inpatient utilization had a mitigating effect on the overall cost trend, but the price contributed \$247 to the total cost increase. This is an indication that the fewer services rendered were urgent and of higher severity.
 - Outpatient use is the largest positive contributor to the overall cost trend. This is a result of the fact that this service category suffered the most disruption during the COVID-19 pandemic. [Attachment: Data Warehouse Dashboards – Financial page 2]

Cost by Plan Groups

- All plan groups (with the exception of MercyCare) show a marked YoY trend in medical and pharmacy allowed amount per member per year (PMPY) cost trend of 11.2%. The overall double-digit trend is driven primarily by the three largest plan groups by membership. These three plan groups cover almost 76% of all the Group Health Insurance Program (GHIP) members.

| Plan Group | Average Membership Count (% of Total) | Allowed Amount PMPY Cost Trends |
|-------------------|--|--|
| Dean | 45,330 (18.9%) | 12.8% |
| Quartz | 80,131 (33.5%) | 9.9% |
| WEA Trust | 55,287 (23.1%) | 9.7% |

- The relatively small membership of plan groups like MercyCare and Medical Associates makes trends for them susceptible to large swings in trends due to outliers.
- These trends are not risk adjusted to account for disparities in the risk pool of each health plan. [Attachment: Data Warehouse Dashboards – Financial Page 5]

YoY Trend by Relationship

- The YoY net payment PMPM trend by relationship show significant differences between employee (15.2%), spouse (14.2%) and child/dependent (8.2%). This is a possible indication that the level of disruption in services resulting from the COVID-19 pandemic is age dependent. [Attachment: Data Warehouse Dashboards – Eligibility Page 6]

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

Attachment A

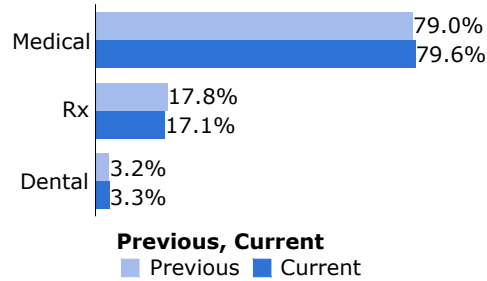
Financial

Previous Period: Jul 2019 - Jun 2020 (Incurred)
 Current Period: Jul 2020 - Jun 2021 (Incurred)

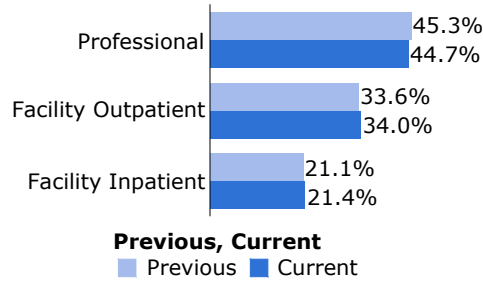


| | Previous | Current | Previous | Current | % Change |
|-------------------|----------|----------|------------------|---------|---------------|
| Total Net Payment | \$1.49 B | \$1.70 B | Net Payment PMPM | \$522 | \$593 13.6% ▲ |

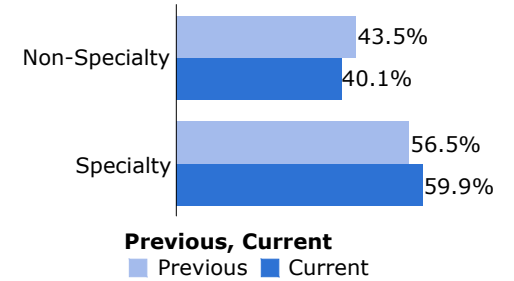
Net Payment by Summary Categories



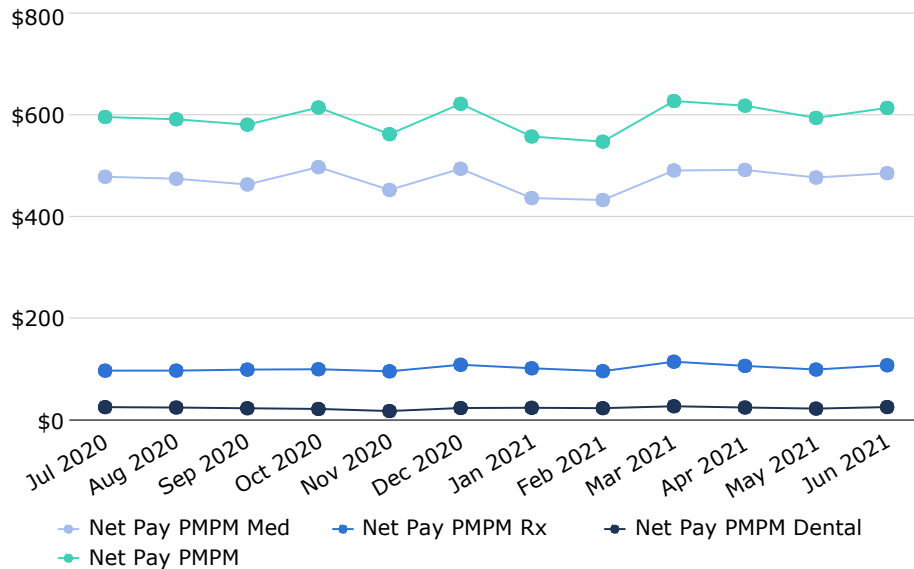
Net Payment by Medical Service Categories



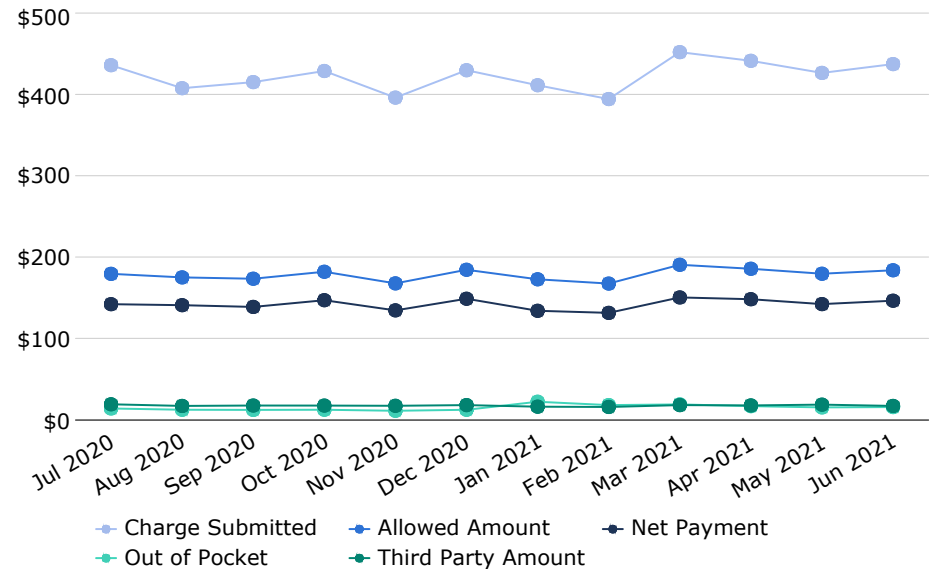
Net Payment by Non-Specialty vs Specialty Drugs



Monthly Cost Per Member



Total Monthly Costs (in Millions)



Financial

Previous Period: Jul 2019 - Jun 2020 (Incurred)

Current Period: Jul 2020 - Jun 2021 (Incurred)

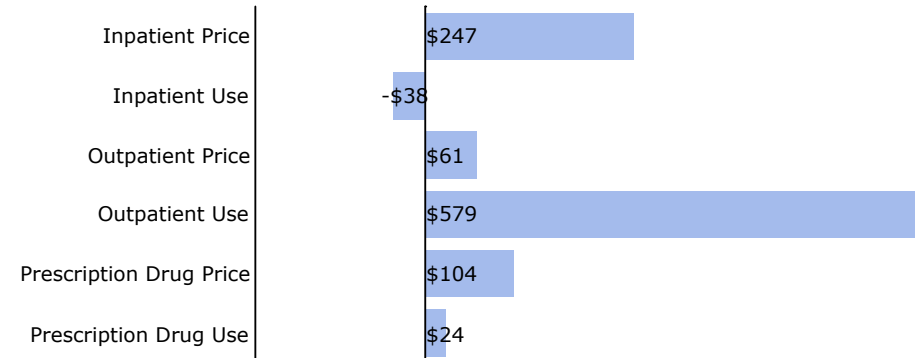


Cost Per Member

| | Previous | Current | % Change | | Norm | % Difference from Norm |
|--------------------------------|----------|----------|----------|---|----------|------------------------|
| Allow Amt PMPY Med and Rx | \$7,809 | \$8,786 | 12.5% | ▲ | \$7,236 | 21.4% ▲ |
| Allow Amt Per Visit Office Med | \$218 | \$219 | 0.4% | ▲ | | |
| Allow Amt Per Adm Acute | \$22,376 | \$25,498 | 14.0% | ▲ | \$33,361 | -23.6% ▼ |
| Allow Amt Per Visit ER | \$1,792 | \$2,072 | 15.6% | ▲ | \$2,225 | -6.9% ▼ |
| Allow Amt Per Script Rx | \$144 | \$159 | 10.5% | ▲ | \$145 | 9.8% ▲ |
| Visits Per 1000 Office Med | 6,574 | 7,302 | 11.1% | | 6,059 | 20.5% |
| Admits Per 1000 Acute | 67 | 65 | -2.2% | | 52 | 24.2% |
| Visits Per 1000 ER | 249 | 226 | -9.2% | | 208 | 8.7% |
| Scripts Per 1000 Rx | 11,614 | 11,321 | -2.5% | | | |

Cost Drivers

Allowed Amount PMPY increased \$977 in the current period.
The factors driving this change include:



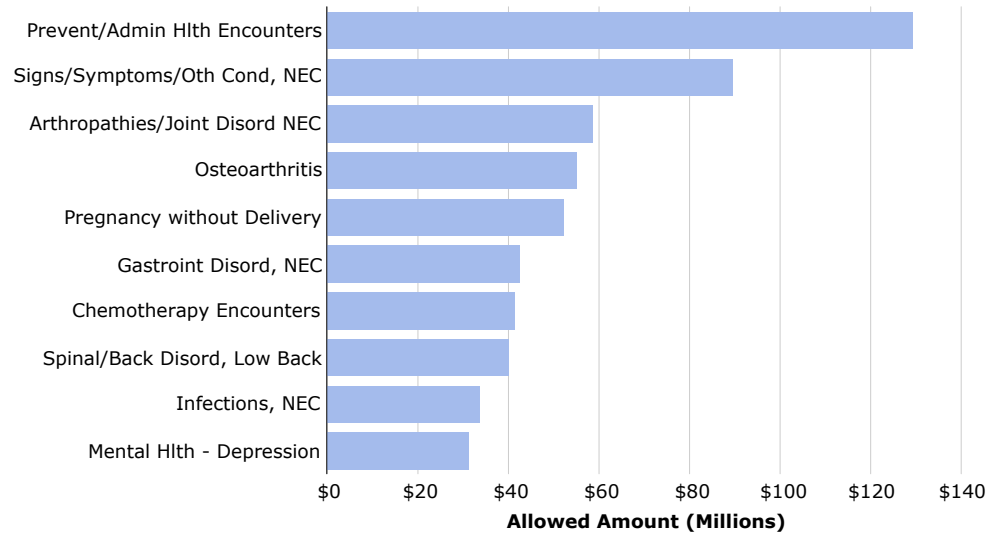
Clinical

Previous Period: Jul 2019 - Jun 2020 (Incurred)

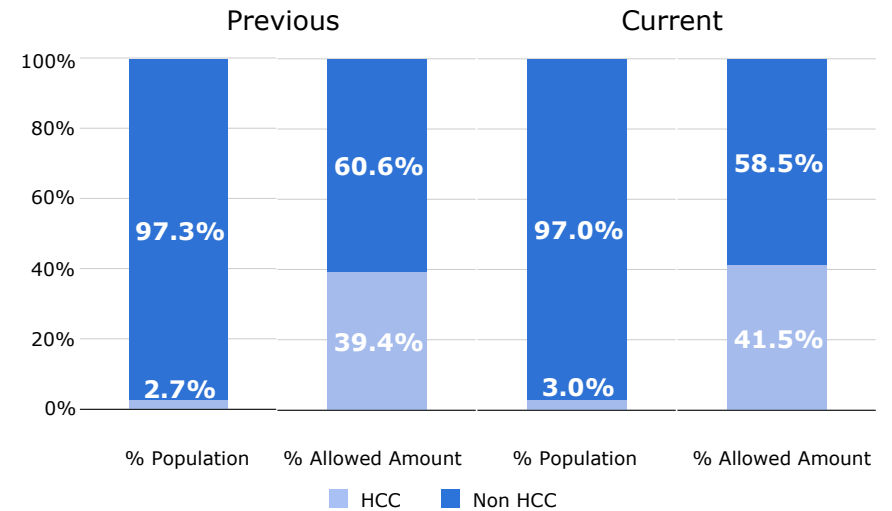
Current Period: Jul 2020 - Jun 2021 (Incurred)



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 | \$21,982,499 | 341 | \$64,465 |
| Renal Function Failure | \$15,374,525 | 365 | \$42,122 |
| Signs/Symptoms/Oth Cond, NEC | \$11,659,537 | 2,298 | \$5,074 |
| Multiple Sclerosis | \$7,535,901 | 217 | \$34,728 |
| Condition Rel to Tx - Med/Surg | \$7,267,291 | 472 | \$15,397 |
| Crohn's Disease | \$6,570,550 | 281 | \$23,383 |
| Cancer - Leukemia | \$5,463,488 | 176 | \$31,043 |
| Infections, NEC | \$5,245,542 | 1,060 | \$4,949 |
| Coronary Artery Disease | \$5,023,505 | 318 | \$15,797 |
| Respiratory Disord, NEC | \$4,630,930 | 1,027 | \$4,509 |

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 | \$129,157,345 | 7.8% | 178,387 | \$724 |
| Signs/Symptoms/Oth Cond, NEC | \$89,494,789 | 5.4% | 74,204 | \$1,206 |
| Arthropathies/Joint Disord NEC | \$58,572,674 | 3.6% | 44,652 | \$1,312 |
| Osteoarthritis | \$54,951,009 | 3.3% | 14,913 | \$3,685 |
| Pregnancy without Delivery | \$52,165,451 | 3.2% | 4,723 | \$11,045 |
| Gastroint Disord, NEC | \$42,357,453 | 2.6% | 22,755 | \$1,861 |
| Chemotherapy Encounters | \$41,238,303 | 2.5% | 1,031 | \$39,998 |
| Spinal/Back Disord, Low Back | \$40,014,819 | 2.4% | 24,913 | \$1,606 |
| Infections, NEC | \$33,626,916 | 2.0% | 48,070 | \$700 |
| Mental Hlth - Depression | \$31,222,990 | 1.9% | 20,225 | \$1,544 |
| Top 10 Subtotal | \$572,801,749 | 34.8% | 207,091 | \$2,766 |
| All Clinical Conditions | \$1,647,585,846 | 100.0% | 243,196 | \$7,258 |

+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.

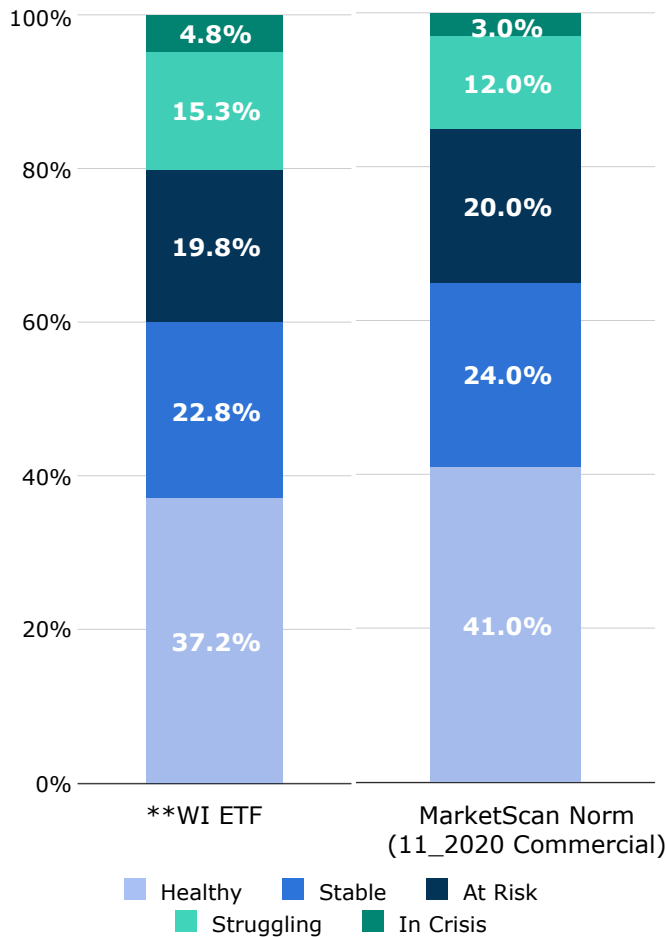
Clinical

*Current Period: Jul 2020 - Jun 2021 (Incurred)

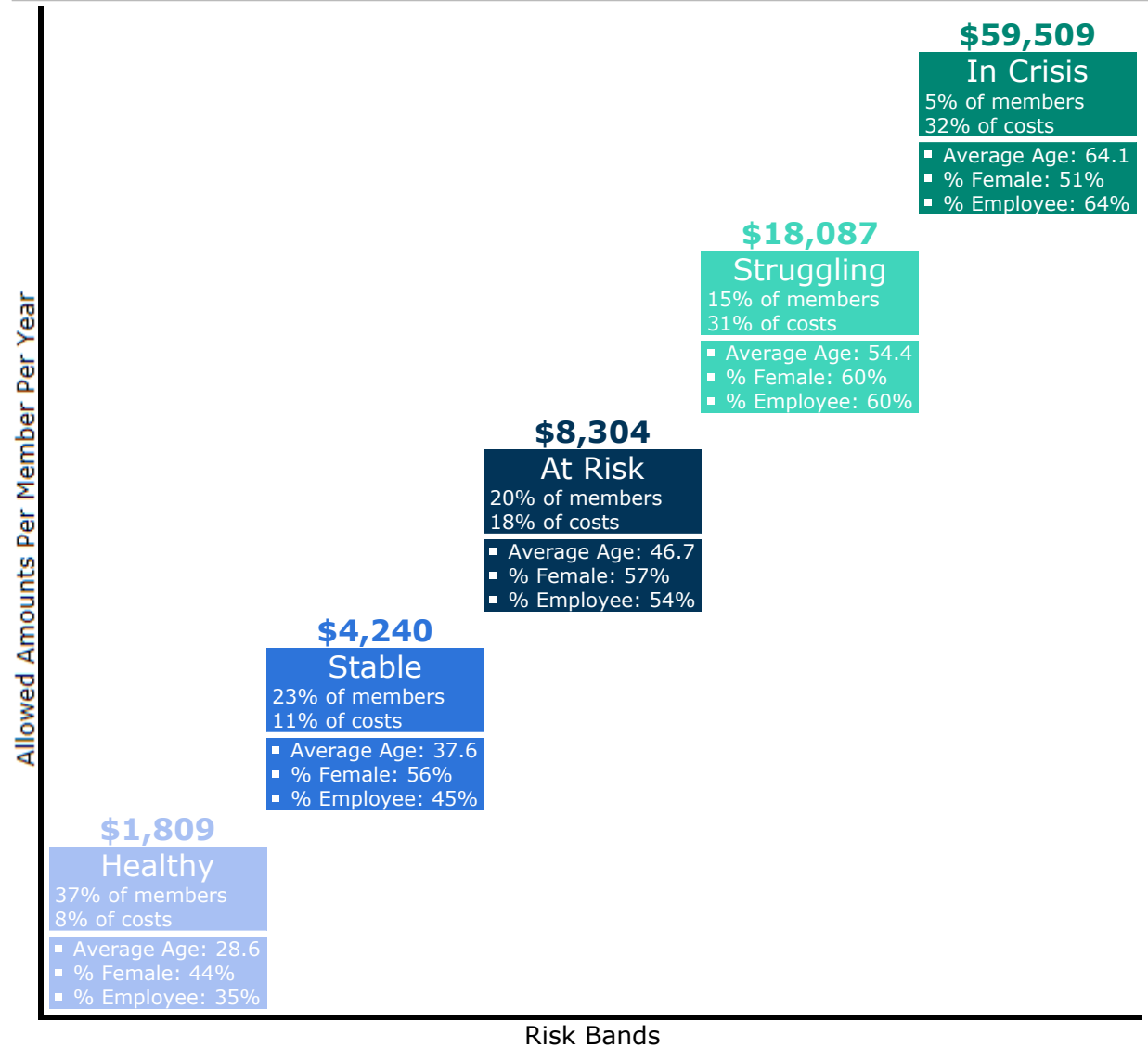
**DCG Period: Jan 2020 - Dec 2020



% of Members by Risk Band



Risk Band Profiles



*Demographic and financial metrics are for the current period

**See glossary for details on DCG Methodology

Attachment A

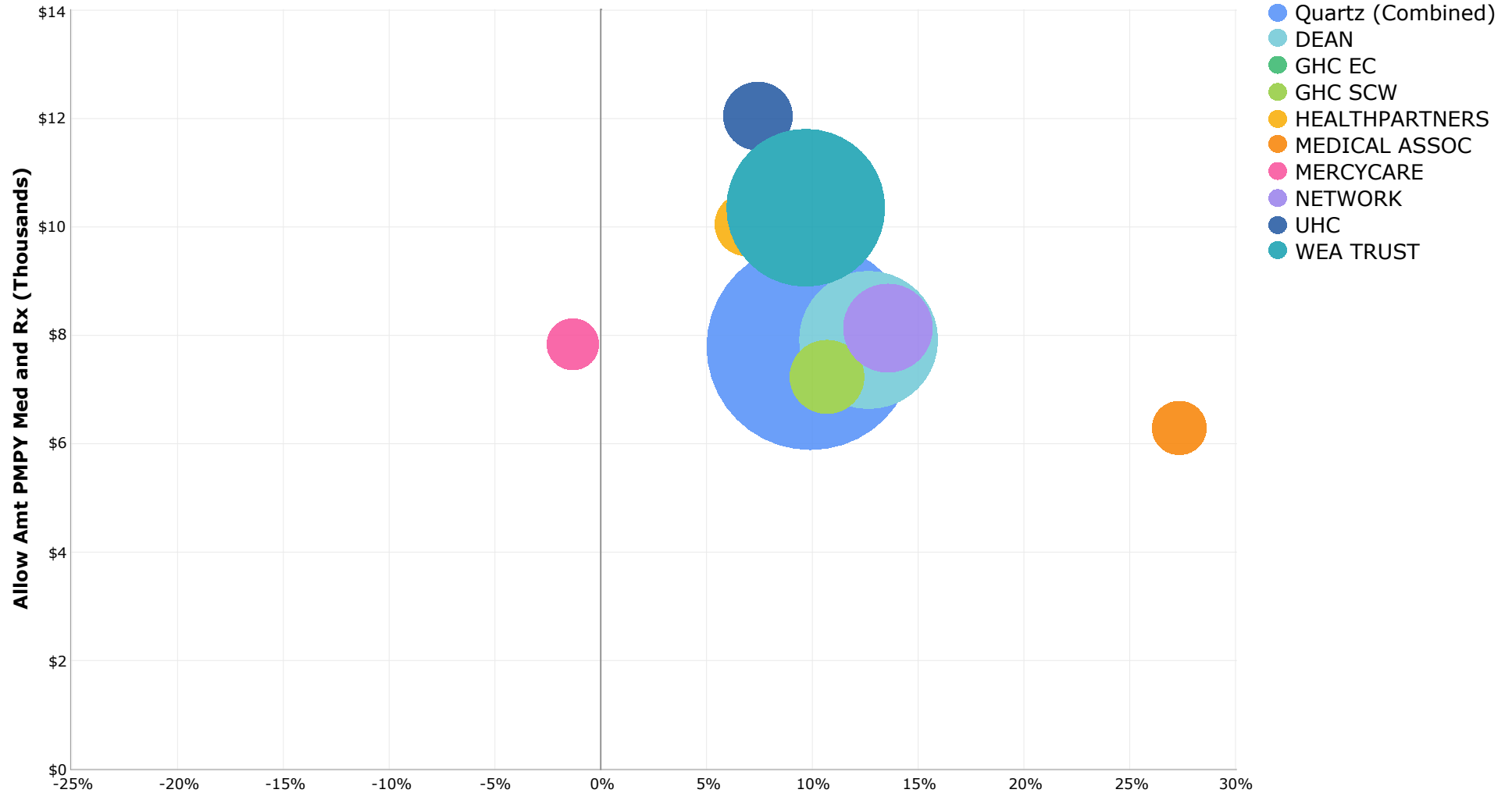
Financial

Previous Period: Jul 2019 - Jun 2020 (Incurred)

Current Period: Jul 2020 - Jun 2021 (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: Jul 2019 - Jun 2020 (Incurred)

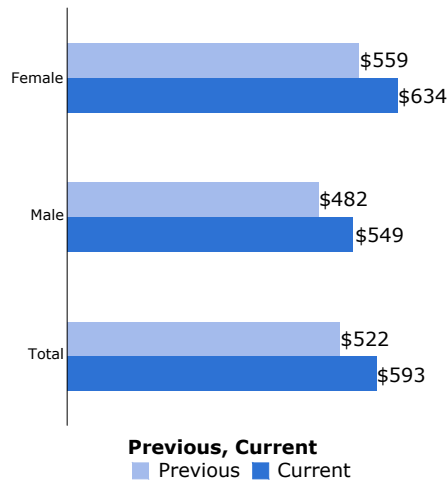
Current Period: Jul 2020 - Jun 2021 (Incurred)



| | Enrollment | | | Average Age | | |
|-----------------|------------|---------|----------|-------------|---------|----------|
| | Previous | Current | % Change | Previous | Current | % Change |
| Employees | 119,186 | 119,238 | 0.0% | 51.1 | 51.3 | 0.2% |
| Members | 258,837 | 258,463 | -0.1% | 39.6 | 39.7 | 0.4% |
| Family Size Avg | 2.2 | 2.2 | -0.1% | | | |

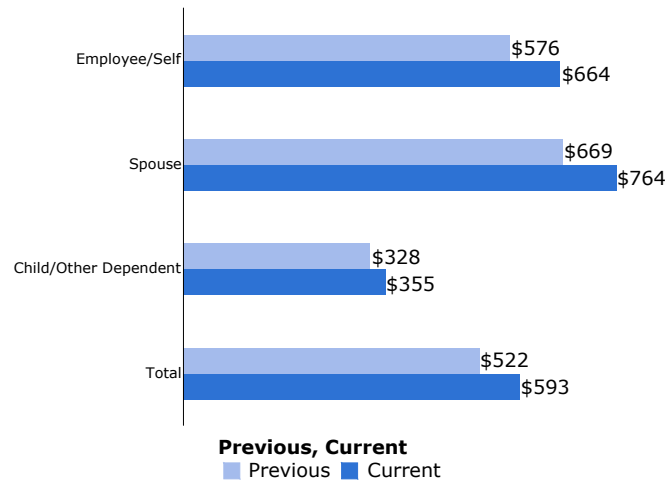
Membership and Net Pay PMPM by Gender

| | Previous | Current | % Change |
|--------|----------|---------|----------|
| Female | 134,481 | 134,457 | 0.0% |
| Male | 124,448 | 124,065 | -0.3% |



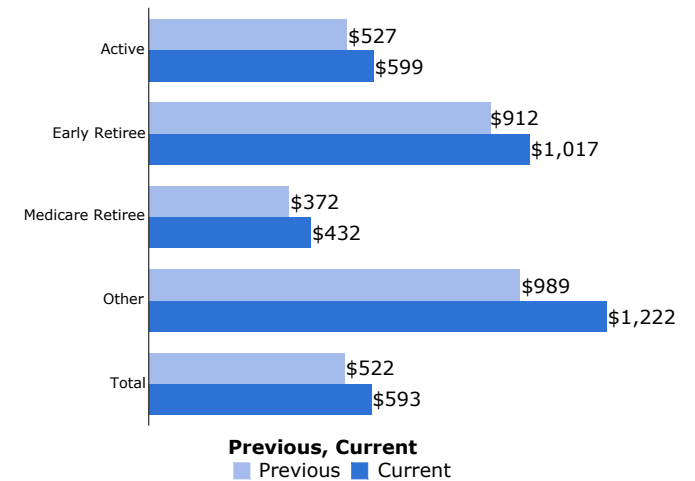
*Membership and Net Pay PMPM by Employee Relationship

| | Previous | Current | % Change |
|-----------------------|----------|---------|----------|
| Employee/Self | 118,963 | 118,725 | -0.2% |
| Spouse | 59,744 | 59,828 | 0.1% |
| Child/Other Dependent | 80,130 | 79,910 | -0.3% |



* Membership and Net Pay PMPM by Employee Status

| | Previous | Current | % Change |
|------------------|----------|---------|----------|
| Active | 214,577 | 213,200 | -0.6% |
| Early Retiree | 12,752 | 12,749 | 0.0% |
| Medicare Retiree | 36,291 | 37,289 | 2.7% |
| Other | 1,512 | 1,332 | -11.9% |



*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)
 - $\text{Net Payment} = \text{Allowed Amount} - (\text{OOP} + \text{Third Party Payment})$
- 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

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