



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: July 22, 2022

To: Group Insurance Board

From: Jessica Rossner, Data, Measurement and Compliance Lead
 Oladipo Fadiran, Senior Analytic Consultant, Merative
 Office of Strategic Health Policy

Subject: Data Warehouse Dashboard

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 May 2022 Board meeting materials ([GIB | 5.18.22 | 10A](#)).

Dashboard Data

The dashboards include data for health care services provided from April 2021 through March 2022 (current period), compared to services provided from April 2020 through March 2021 (previous period). The reported data includes payments through June 2022. 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

The highlights are similar to those noted in the May 2022 Board meeting dashboards.

Total Net Payment and Cost Trends

The 12.3% Year over Year (YoY) double-digit trend in net payment Per Member Per Month (PMPM) is comparable to the 12.9% YoY trend reported in the May 2022 Board meeting dashboards ([GIB | 5.18.22 | 10A](#)).

This double-digit trend results from a combination of two factors:

1. Cumulative effect of a typical annual trend in cost; and
2. The "previous period" includes three months with the largest disruption in services due to the COVID-19 pandemic (March through May 2020).

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy Electronically Signed 07/27/2022

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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 is no longer included in the trend comparison periods. [Attachment: Data Warehouse Dashboards – Financial page 1, top, right]

Cost Drivers

The largest components driving the YoY cost trend is specialty drugs and outpatient services.

- Specialty drugs continue to grow in relative percentage of overall cost at about 1.1% from 61.5% to 62.6% since the trend reported in the Board dashboards in May 2022 ([GIB | 5.18.22 | 10A](#)). The 62.6% relative cost of specialty prescription drugs represents about \$195 million of the total net payment of the \$310 million for prescription drugs in the current period. ETF and Navitus continue to work with UW Health’s Specialty Pharmacy to establish the Board’s “clear bagging” program that is set to begin on January 1, 2023 ([GIB | 5.18.22 | 5C](#)). [Attachment: Data Warehouse Dashboards – Financial page 1, middle right]
- Outpatient use is the largest contributor to the overall cost trend when the current period is compared to the previous period that includes the height of the pandemic. Outpatient use has rebounded, contributing \$949 to the overall \$1,047 Allowed Amount Per Member Per Year (PMPY) cost increase. The cost for outpatient services only accounts for \$40 in the increase of the overall cost trend. The relative reduction of \$98 in combined inpatient cost and use is a little less than the relative increase in combined cost and use of \$158 for prescription drugs. The latter is primarily driven by prescription specialty drugs. [Attachment: Data Warehouse Dashboards - Financial page 2]

Cost by Plan Groups

The overall double-digit trend is driven by the three largest plan groups by membership. These three plan groups cover almost 75% of all GHIP members.

Plan Group	Average Membership Count (% of Total)	Allowed Amount PMPY Cost Trends
Dean	43,713 (18.3%)	18.2%
Quartz	78,891 (33.1%)	6.7%
WEA Trust	54,321 (22.9%)	10.9%

The relatively small membership of group health plans (membership size is indicated by the size of the circles) makes them more susceptible to large swings in trends, due to outliers. [Attachment: Data Warehouse Dashboards - Financial page 5]

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These trends are not risk adjusted to account for disparities in the risk pool of each health plan.

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

Attachment A: [Data Warehouse Dashboards](#)