



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: January 26, 2023

To: Group Insurance Board

From: Jessica Rossner, Data and Compliance Unit Director
 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 November Board meeting materials ([GIB | 11.16.22 | 14D](#)).

Dashboard Data

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

Total Net Payment Trend

- The current 6.2% Year over Year (YoY) trend in Per Member Per Month (PMPM) net payment mostly reflects typical annual increases in healthcare costs. There is still some additional impact from the pent-up demand for outpatient services in the current period due to the COVID-19 pandemic during the previous period. [Attachment: Data Warehouse Dashboards – Financial page 1, top, right]
- Due to the continued increase in the utilization and costs of typically expensive specialty drugs, this subcategory now accounts for 64.8% of the costs of all services paid for by the prescription drug benefit; this is compared to 60.3% in relative cost of specialty drugs reported at the same time one year ago ([Ref. GIB](#))

Eileen K Mallow
 Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy
 Electronically Signed 01/31/2023

Board	Mtg Date	Item #
GIB	02.22.23	14D

[| 02.16.22 | 12B](#)). [Attachment: Data Warehouse Dashboards – Financial page 1, middle, right]

- There is also a marked shift in the relative cost of inpatient and outpatient services as indicated by the facility costs associated with these subcategories of services. The net payment for facility outpatient services in the current period accounts for 37.8% of all costs under the medical services categories (facility inpatient accounts for 17.8%). These are compared to 34.6% and 20.7% for the outpatient and inpatient subcategories in the previous period. The relative cost of professional services over both periods remained mostly stable at about 44% ([Ref. GIB | 02.16.22 | 12B](#)). The shift of some inpatient services to outpatient and associated costs for the Group Health Insurance Program (GHIP) is in line with the trends in the industry as a whole with the movement of more services historically requiring admission now being provided in outpatient settings. [Attachment: Data Warehouse Dashboards – Financial page 1, middle, center]

Cost Drivers

- Outpatient utilization and costs are the largest positive contributors to the overall cost trend, accounting for \$567 of the overall Per Member Per Year (PMPY) increase of \$639. The utilization in this subcategory is driven in part by the pent-up demand for outpatient services in the current period due to the COVID-19 pandemic impacting the previous period. It is also driven by the fact that some services historically requiring admissions are now being performed in outpatient settings like ambulatory surgical centers. Note the cost mitigating effect (-\$147) that the utilization of inpatient services now shows because of this shift. There is some indication that the relative increase in outpatient costs is partially due to this shift in places of services—more complex and typically more expensive services previously provided in inpatient settings are now rendered as outpatient services. [Attachment: Data Warehouse Dashboards - Financial page 2]
- Prescription drug costs also make a sizable positive contribution (\$187) to the overall trend. This is driven primarily by increases in the cost of specialty drugs. Managing the cost of specialty drugs while maintaining the quality of outcomes for members receiving services in this category is a priority for both the Department of Employee Trust Funds (ETF) and Navitus, the Board's pharmacy benefit manager ([Ref. GIB | 05.18.22 | 5C](#)). The Board approved a new program related to specialty drugs and the site of care in which they are delivered; ETF will provide results of this program in future memos. [Attachment: Data Warehouse Dashboards - Financial page 2]

Cost by Plan Groups

- The overall trend of approximately 6% in the allowed amount PMPY is driven by the largest three plan groups by membership. These three plan groups accounted for 73% of the GHIP membership in the current period.

Plan Group	Average Membership Count (% of Total)	Allowed Amount PMPY Cost Trends
Dean	42,576 (17.9%)	10.2%
Quartz	78,260 (32.9%)	4.6%
WEA Trust	52,745 (22.2%)	6.6%

- Data for all members are included in the trend calculations, but only plan groups that submitted data in the previous and current periods are included in the trend graphic. Aspirus is not included because they only started submitting data in the current period.
- 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]

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

Attachment A: [Data Warehouse Dashboards](#)