



## ***Correspondence Memorandum***

**Date:** May 9, 2023 (Revised)

**To:** Group Insurance Board

**From:** Jessica Rossner, Data and Compliance Unit Director  
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 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 February Board meeting materials ([GIB | 02.22.23 | 14D](#)).

### **Dashboard Data**

The dashboards include data for health care services provided from January 2022 through December 2022 (current period), compared to services provided from January 2021 through December 2021 (previous period). The reported data includes payments through March 2023. 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**

This update provides a complete picture of the previous (2021) and current (2022) plan years, allowing for full calendar year comparisons and assessments.

### **Total Net Payment Trend**

- The full Year over Year (YoY) trend of 3.9% reflects healthcare cost inflation and other cost drivers, and this is more typical than the 12.9% trend from 2020 compared to 2021 ([GIB | 05.18.22 | 10D](#)). The latter was driven largely by the disruption in services due to the COVID pandemic in 2020 and the resulting pent-up demand for services in 2021. The current annual trend is a return to normalcy. [Attachment: Data Warehouse Dashboards – Financial page 1, top]
- The relative costs for dental services remain stable at 3.2%. However, there was an increase in the relative cost of services received under the pharmacy benefit

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy  
 Electronically Signed 05/03/2023

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from 17.1% in 2021 to 18.6% in 2022. This 1.6% increase in prescription drug services is comparable to the reduction of the relative cost for medical services. The higher trend in prescription drugs is mostly driven by specialty drugs, which accounted for 56% of all prescription drug costs in 2021, compared to 58.8% in 2022. The Board has approved a small-scale bagging program, referred to as the clear bagging program, aimed at controlling the cost of specialty drugs while maintaining the quality of services received by Group Health Insurance Program (GHIP) members ([GIB | 05.18.22 | 5C](#)). The clear bagging program started in January 2023, and ETF will provide performance results of this program to the Board in future memos as we obtain data. [Attachment: Data Warehouse Dashboards – Financial page 1, middle]

- There is also a noticeable shift in the relative cost for services covered under the medical benefits; facility outpatient costs have increased from 36.0% in the previous year to 38.4% in the current year. This is matched by an almost equal reduction in facility inpatient services from 19.5% to 17.0% over the same period. The relative cost of professional services remains stable at about 44.6%. This shift between outpatient and inpatient costs is in line with the current trends in the healthcare industry. Attachment: Data Warehouse Dashboards – Financial page 1, middle]

### Cost Drivers

- Outpatient utilization and costs are the largest contributors to the overall cost trend, accounting for \$371 of the overall YoY Per Member Per Year (PMPY) increase of \$504 in allowed amount costs. The outpatient cost trend is driven primarily by the more complex procedures previously requiring admissions but now performed in outpatient settings. The relative reduction in inpatient utilization and cost is due, at least in part, to the shift of some services to outpatient settings.
- Prescription drug cost and utilization also contributed a sizable \$260 to the trend in allowed amount costs. This larger contribution is from the drug costs, driven largely by the relatively more expensive specialty drugs subcategory. [Attachment: Data Warehouse Dashboards – Financial page 2]

### High-Cost Claimants

- The percentage of members with consistently high costs and their relative costs remained mostly stable YoY at 3.1% - 3.3% and 41.8% - 42.5%, respectively. High-cost claimants are defined as GHIP members who have received medical and drug services totaling \$50,000 or more in one year. The top conditions for members meeting these requirements over multiple years have also been consistent; these are cancer (chemotherapy) and kidney failure (renal services) patients. [Attachment: Data Warehouse Dashboards – Financial page 3]

### Members by Risk Band

- Most of the people in the “Struggling” and “In Crisis” risk categories are the high-cost claimants with disproportionate costs; 23% of members account for 71% of

the costs. Cost and disease management efforts focused on this group may impact disease progression and cost (e.g., preventing diabetes or the progression of the condition to kidney failure). [Attachment: Data Warehouse Dashboards – Clinical page 4]

Cost by Plan Groups

The overall YoY trend of approximately 4.4% in the Allowed Amount PMPY medical and drug services is driven by the largest three plan groups by membership. These three plan groups accounted for about 72% of the GHIP membership in the current period.

| Plan Group | Average Membership Count<br>(% of Total) | Allowed Amount<br>PMPY Cost Trends |
|------------|--|------------------------------------|
| Dean       | 41,741 (17.6%)                           | 5.0%                               |
| Quartz     | 78,027 (32.8%)                           | 5.0%                               |
| WEA Trust  | 51,356 (22.2%)                           | 7.5%                               |

- 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 graph. 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. 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]

Enrollment and Cost Trends by Status

- The unique count of members increased marginally by 0.5% between 2021 and 2022. The average age, gender distribution, and average family sizes of the GHIP population remained mostly unchanged over the two years.
- The average Per Member Per Month (PMPM) costs for the “Active” subpopulation increased from \$628 to \$649, representing a 3.3% YoY trend that is comparable to the 3.9% for the complete GHIP population. Similar cost trends for the larger “Early Retiree” (\$1,060 versus \$1,140 YoY of 7.5%) and “Medicare Retiree” (\$460 versus \$486 YoY of 5.6%) groups are higher than the overall positive cost trend. [Attachment: Data Warehouse Dashboard – Eligibility page 6].

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