



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 28, 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 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 May Board meeting materials ([GIB | 05.17.23 | 8E](#)).

### Dashboard Data

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

#### Total Net Payment Trend

- The current Year-over-Year (YoY) trend of 2.9% reflects healthcare cost inflation and other cost drivers. This trend is lower but closer to the typical historical annual trend, an indication of a return back to normalization after the disruption of healthcare services due to the COVID pandemic. Note that the "previous" reporting span (April 2021 - March 2022) includes a period of a rebound in healthcare service utilization immediately after the most marked disruption due to the COVID pandemic. When compared to the "current" more normalized period, the transient, higher than usual utilization in the "previous" period is expected to result in a lower YoY trend as currently recorded, there may be an increase in the

Reviewed and approved by Eileen Mallow, Director, Office of Strategic Health Policy  
Electronically Signed 08/01/2023

Board	Mtg Date	Item #
GIB	08.16.23	9D

annual trend as both the previous and current period are no longer affected by the short-term effects of the COVID pandemic.

- The shift between outpatient and inpatient costs reported in the previous memo ([GIB | 05.17.23 | 8E](#)) continues, with the relative costs of facility outpatient services now representing 38.9% of all medical costs, compared to 36.9% in the previous period. The relative cost for facility inpatient services has decreased by a similar 2.1% over the same period. This shift in relative costs by service categories is in line with the current trends in the healthcare industry. The Wisconsin Department of Employee Trust Funds (ETF) is monitoring the relevant metrics closely and has commenced discussions to ensure that the Group Health Insurance Program (GHIP) members are obtaining the best value from this rapidly growing service segment. [Data Warehouse Dashboards – Financial page 1, top]

### Cost Drivers

- The outpatient and prescription drug categories are the largest contributors to the overall YoY cost trend, accounting for \$312 and \$237, respectively. The prescription drug cost is mostly driven by the cost of specialty drugs, an issue already being addressed by ETF and Navitus through a clear-bagging program ([GIB | 05.18.22 | 5C](#)). ETF started exploratory discussions concerning the cost trends in the outpatient service category. [Data Warehouse Dashboards – Financial page 2]

### Cost by Plan Groups

The overall YoY trend of approximately 3.1% in the Allowed Amount Per Member Per Year (PMPY) medical and drug services is driven by the largest three health plan groups by membership. These three health plans accounted for about 68% of the GHIP membership in the current period. The relative representation of these three plans has dropped because of the exit of the WEA Trust plan at the end of 2022.

Health Plan	Average Membership Count (% of Total)	Allowed Amount PMPY Cost Trends
Dean	44,818 (18.7%)	3.9%
Quartz	78,306 (32.7%)	6.2%
WEA Trust	38,300 (16.0%)	8.3%

- Only partial data are used for the trend calculations for the WEA Trust and Aspirus because these health plans did not have members spanning the “previous” and “current” periods.
- The relatively small membership of 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]

Data Warehouse Dashboards  
July 28, 2023  
Page 3

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

Attachment A: [Data Warehouse Dashboards](#)