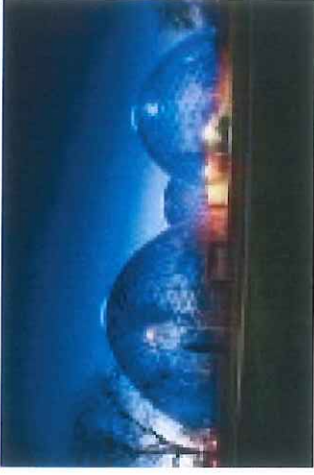


City of Milwaukee



Health Outcomes Reporting 2013 and 2014

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Willis

Understanding Cost Drivers

In January, DER and Willis provided a Health Outcomes report to Finance and Personnel that analyzed claims data covering a two year period, which ended on June 30, 2014.

A commitment was made to update the analysis every six months so that the City can gain insight to health plan cost drivers and monitor ongoing efforts to improve the health of the City's employees and their spouses.

The following report is based on claims for services that were provided in 2014 as compared to 2013.

The Focus of DER and the LMWPC's Efforts

Health care cost is determined by multiple sources

Price per unit x Source₁ x Source₂ x Source₃ x Source₄ X Source₅ adjusted for
Outcome = Cost

Source 1 = Determined by physician practice, billing patterns and technology

Source 2 = Determined by patient preferences and expectations

Source 3 = Determined by patient health status and lifestyle

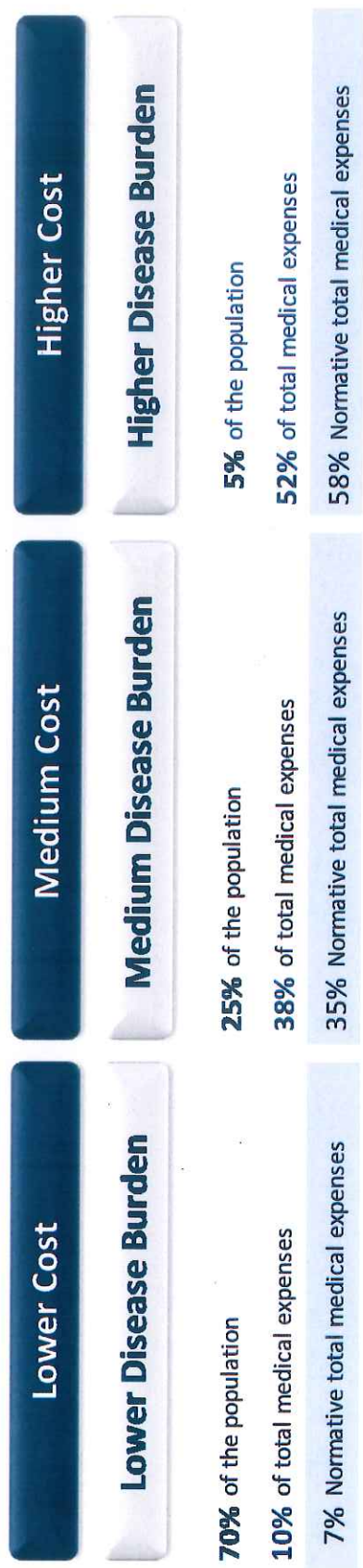
Source 4 = Determined by payer

Source 5 = Does the patient understand and comply with proposed treatment

Outcome = The benefit of the treatment or encounter to the patient

Population Stratification

The distribution is unchanged since the report was delivered in January, which provided a year over year comparison for the period ending June 30, 2014.



Plan Cost and Use Metrics

- Year over year trend was 2.6% versus the Kaiser reported trend of 3.0%;
- Favorable large claims experience continues to help the City;
- Investments in the low end of the distribution is indicative of investments in treatment.

Cost Summary	Current Period	Prior Period	% Chg PP	Norm	% Chg Norm	
Medical Place of Service PMPM Spend						
Inpatient	\$113.82	\$124.90	(8.9%)	\$88.25	29.0%	
Outpatient	\$155.93	\$148.77	4.8%	\$80.68	93.3%	
Office Visits & Imaging, etc.	\$111.47	\$114.53	(2.7%)	\$94.46	18.0%	
Pharmacy PMPM Spend						
Pharmacy	\$138.61	\$118.36	17.1%	\$56.18	146.7%	
Cost Distribution	Members	Costs	Cost/Member	% of Cost	Norm	Delta - Norm
Member Distribution (based on Current Period)						
1%	248	\$35,244,845	\$142,116	25.2%	30.5%	(5.3%)
2-5%	992	\$36,821,261	\$37,118	26.3%	27.7%	(1.4%)
6-15%	2,481	\$33,519,770	\$13,511	24.0%	22.7%	1.3%
16-30%	3,721	\$20,110,971	\$5,405	14.4%	12.1%	2.3%
31-60%	7,442	\$12,736,562	\$1,711	9.1%	6.4%	2.7%
61-100%	9,922	\$1,407,467	\$142	1.0%	0.6%	0.4%
Total	24,806	\$139,840,876	\$5,637			

Plan Cost and Use Metrics

- ER use is up slightly, but not enough to be a concern;
- Inpatient metrics, although above norms, continue to improve.

Utilization	Current Period	Prior Period	% Chg PP	Norm	% Chg Norm
Emergency Room Metrics					
ER Visits (per 1000)	300.7	295.8	1.7%	260.7	15.4%
% ER Visits Resulting in Admission	47.0%	46.0%	2.1%	37.3%	26.0%
Paid per ER Visit	\$989	\$1,045	(5.3%)	\$963	2.7%
Inpatient Metrics					
Inpatient Days (per 1000)	521.2	573.6	(9.1%)	336.8	54.7%
Average Length of Stay (Days)	5.0	5.3	(4.9%)	4.8	5.3%
Total Admissions (per 1000)	103.5	108.3	(4.4%)	70.4	46.9%
Medical	43.9	47.0	(6.5%)	23.2	89.6%
Surgical	33.2	33.8	(1.6%)	22.1	50.3%
Perinatal	18.2	17.6	2.9%	21.2	(14.4%)
Behavioral	8.2	9.9	(17.5%)	3.9	106.7%

Plan Cost and Use Metrics

With the exception of urgent care, metrics for pharmacy, office and scans are trending down, but still above norms norms.

Utilization	Current Period	Prior Period	% Chg PP	Norm	% Chg Norm
Drug Utilization					
Pharmacy Scripts (per 1000)	16,130.7	16,526.7	(2.4%)	11,419.6	41.3%
Pharmacy Scripts - % Mail Order	-	-	-	8.7%	(100.0%)
Pharmacy Scripts - % Generic Drugs	84.6%	82.7%	2.3%	79.9%	5.9%
Office Visit Utilization					
Total Office Visits (per 1000)	5,329.3	5,523.0	(3.5%)	4,220.2	26.3%
Regular Office Visits	3,811.4	3,968.9	(4.0%)	3,137.8	21.5%
Preventive Office Visits	508.7	504.5	0.8%	485.5	4.8%
Behavioral Health Office Visits	757.5	792.7	(4.4%)	414.3	82.8%
On-Site Clinic Visits	-	-	-	-	-
Urgent Care Visits	28.9	20.7	39.3%	-	-
Imaging Utilization					
CT Scan	113.3	143.0	(20.8%)	65.8	72.2%
MRI Scan	88.7	107.2	(17.2%)	68.5	29.6%

Demographics

- The City is older than similar populations in similar areas;
- The demographics are skewing slightly younger;
- Total lives covered continues to decline slightly.

Plan Demography and Risk Review	Current Period	Prior Period	% Chg PP	Norm	% Chg Norm
Current Employees	9,745	9,964	(2.2%)		
Current Members	22,269	22,674	(1.8%)		
Dependent Ratio	2.3	2.3	0.4%		
Average Age	41.3	42.3	(2.4%)	35.7	15.5%

Relative Risk Score & Care Gap Index

The distribution is very similar to the last report, with a slight skewing toward the higher care gap within each tier.

63.1% of the population is classified with a low Care Gap Index (CGI) and the average Care Gap Index of 2.55 is higher than the norm CGI of 1.14.

	Members Identified	Percent of Members	Percent of Members Norm	Average PMPY	3 Yr. Spend (\$ in millions)	Percent of Spend	Percent of Spend Norm	Average Age
Low Relative Risk Score (<= 1.13)								
Low Care Gap Index (0-2)	10,791	50.1%	61.7%	\$1,790	\$52.1	15.6%	18.1%	
Medium Care Gap Index (3-4)	1,663	7.7%	6.8%	\$2,820	\$13.6	4.1%	3.5%	29.1
High Care Gap Index (+5)	475	2.2%	1.4%	\$4,250	\$6.0	1.8%	1.4%	
Subtotal Low RRS	12,929	60.0%	69.9%	\$2,013	\$71.8	21.5%	23.0%	
Medium Relative Risk Score (> 1.13 and <= 2.69)								
Low Care Gap Index (0-2)	2,191	10.2%	13.0%	\$6,230	\$37.7	11.3%	15.0%	
Medium Care Gap Index (3-4)	1,420	6.6%	4.7%	\$6,760	\$28.1	8.4%	7.4%	53.0
High Care Gap Index (+5)	1,407	6.5%	3.3%	\$6,050	\$25.2	7.5%	5.5%	
Subtotal Medium RRS	5,018	23.3%	20.9%	\$6,330	\$90.9	27.2%	27.9%	
High Relative Risk Score (> 2.69)								
Low Care Gap Index (0-2)	614	2.9%	3.5%	\$19,080	\$31.9	9.5%	14.4%	
Medium Care Gap Index (3-4)	738	3.4%	2.4%	\$19,860	\$42.5	12.7%	13.4%	64.9
High Care Gap Index (+5)	2,241	10.4%	3.3%	\$14,650	\$97.4	29.1%	21.3%	
Subtotal High RRS	3,593	16.7%	9.2%	\$16,477	\$171.7	51.4%	49.1%	
Total	21,540			\$5,431	\$334.4			

Top Chronic Conditions

The information is now mature. The City is well above the norms for two reasons.

1. The City has a health screening process in place that touched 90% of the population. Most populations are underdiagnosed;
2. The City has historically had a higher incidence of disease.

Diseases	Members		Total paid	PMPY		Office Visits per Member		ER Visits per Member		Admission per Member	
	Actual	Norm		Actual	Norm	Actual	Norm	Actual	Norm	Actual	Norm
Hypertension	5,091	2,228	\$ 56,256,155	\$ 11,705	\$ 9,120	8.52	7.83	0.49	0.42	0.25	0.17
Hyperlipidemia (High Cholesterol)	4,356	1,479	\$ 42,578,754	\$ 10,266	\$ 7,475	8.24	7.60	0.40	0.28	0.19	0.10
Osteoarthritis	2,404	720	\$ 30,943,751	\$ 13,609	\$ 14,680	10.87	11.43	0.54	0.54	0.28	0.27
Diabetes	2,154	1,297	\$ 29,840,929	\$ 14,720	\$ 11,670	9.23	8.63	0.54	0.48	0.28	0.21
Coronary Artery Disease (incl. MI)	1,289	434	\$ 18,127,896	\$ 14,908	\$ 19,866	10.57	10.36	0.74	0.78	0.46	0.45
Chronic Renal Failure	485	127	\$ 10,895,386	\$ 24,288	\$ 36,080	11.69	13.01	1.09	1.02	0.71	0.68
Asthma	1,019	465	\$ 10,327,745	\$ 10,647	\$ 7,972	9.30	9.19	0.69	0.69	0.16	0.16
Cerebrovascular Disease	660	188	\$ 10,132,397	\$ 16,649	\$ 25,740	11.35	11.62	1.04	1.15	0.57	0.64
Congestive Heart Failure	416	96	\$ 10,044,816	\$ 27,020	\$ 41,736	12.26	13.68	1.37	1.57	0.94	1.12
Atrial Fibrillation	666	176	\$ 9,277,015	\$ 15,258	\$ 22,229	11.61	12.40	0.97	0.91	0.66	0.59



Mid Year Update and Ongoing Strategy

- Joint assessment of alternatives to UHC and ESI with County, MPS and Transit produced material savings (14.5 million over current terms by keeping UHC and changing PBM to Optum and EGWP);
- Continue to make sure that our population is aware of their health status and acts on that knowledge;
- Continually assess the programs in place to help people;
- Continue to monitor and evolve how the Workplace Clinic can help address the care gap;
- Get our population engaged in using programs to help them and follow doctors' orders;
- Focus on a partnership and leveraging the tools of UHC, Work Force Health, and others;
- Monitor results with data (claims and biometrics) and take corrective action as necessary;
- Share results and progress.