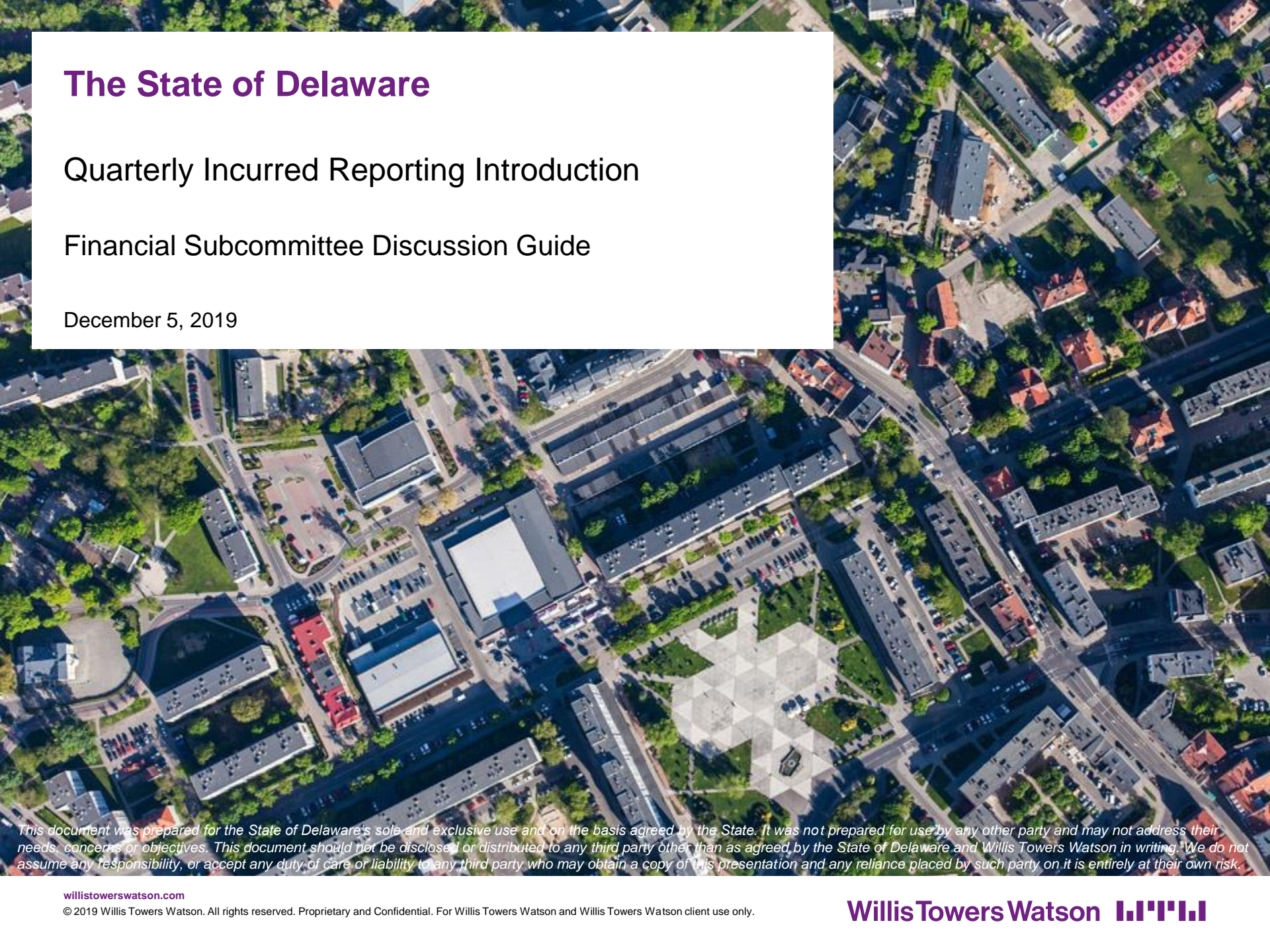


# The State of Delaware

## Quarterly Incurred Reporting Introduction

### Financial Subcommittee Discussion Guide

December 5, 2019



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## Key findings

- Top clinical conditions driving medical trend:
  - Chemotherapy encounters +29.4% PEPM trend (+\$3.9M increase in net medical paid)
  - Newborns, w/wo complication +14.9% (\$1.6M)
  - Coronary artery disease +13.4% (+\$1.6M)
  - Respiratory disorders +11.0% (+\$1.3M)
  - Pregnancy without delivery +7.9% (+\$1.4M)
- The costliest episode of care (including medical and Rx spend) is diabetes at \$45.2M net paid
- Specialty drugs continue to be a significant cost driver
  - Days supply of the top 50 specialty drugs increased 24.2% driving a \$12.0M increase in net paid for these drugs
  - Immunosuppressants (+10.2% increase in utilization, +\$4.1M net paid), antineoplastic agents (+21.1% utilization, +\$3.7M net paid) and hormones & synthetic substitutes (+36.4% utilization, +\$2.1M net paid) are the costliest therapeutic classes of specialty drugs
  - Professional specialty drug claims increased \$3.1M (14.3% trend)
- Utilization of behavioral health services are on the rise:
  - Mental health outpatient visits +11.5%, office visits +5.9%
  - Substance abuse inpatient visits +16.7%, outpatient visits +13.3%, office visits +10.3%
- Inpatient maternity costs increased \$1.8M (+7.6% trend)

## Key findings (continued)

- An overall increase of 10.2% in the PEPM trend for outpatient radiology services driven by:
  - Increased utilization of outpatient mammograms (+29.8%) and therapeutic radiology (+18.2%)
  - Increased PEPM trends for mammograms (+35.3%), x-rays (+20.1%), ultrasounds (+18.7%) and nuclear medicine (+16.2%)
- Outpatient surgery trend increased 10.2% (+\$7.0M net paid) with relatively flat utilization. The following procedures experienced the largest overall cost increases relative to FY18:
  - Cardiac ablation (\$2.1M total paid)
  - Upper GI endoscopy (\$1.8M)
  - Cardiac catheterization (\$1.3M)
  - Shoulder arthroscopy (\$1.1M)
- While inpatient surgery has a modest overall trend (+1.0% increase in PEPM), there are some significant trends for the First State Basic (+ 28.1%), HMO (+25.5%), and CDH Gold (+12.6%) plans. The following factors contributed to plan-specific trends:
  - First State Basic – heart transplant at an out-of-state facility
  - HMO – mix of procedures (skin grafts, cardiovascular, gastrointestinal) linked to high cost claimants<sup>1</sup>
  - CDH Gold – cardiovascular procedures likely related to high cost claimants

<sup>1</sup> High cost claimants are members with \$100,000 or more of incurred claims during the specified time period.

## Next steps

- Opportunity to continue promoting GHIP programs that support diabetes prevention and management to mitigate this condition as a top cost driver
- Evaluate member engagement in maternity care management programs and review adequacy of GHIP resources to help members navigate their care needs before, during and after pregnancy
- Evaluate GHIP resources related to cancer to ensure plan participants have support for navigating their individual care needs
- Evaluate the competitiveness of the GHIP's drug pricing through Express Scripts (currently underway via contract renewal negotiations)
- Continue promotion of all behavioral health resources available through the GHIP (including through the EAP) to ensure plan participant awareness of all pathways to engage with a behavioral health professional