

HEALTH WEALTH CAREER

OREGON'S PUBLIC
EMPLOYEES' BENEFITS
BOARD
UTILIZATION REPORT

July 16, 2019

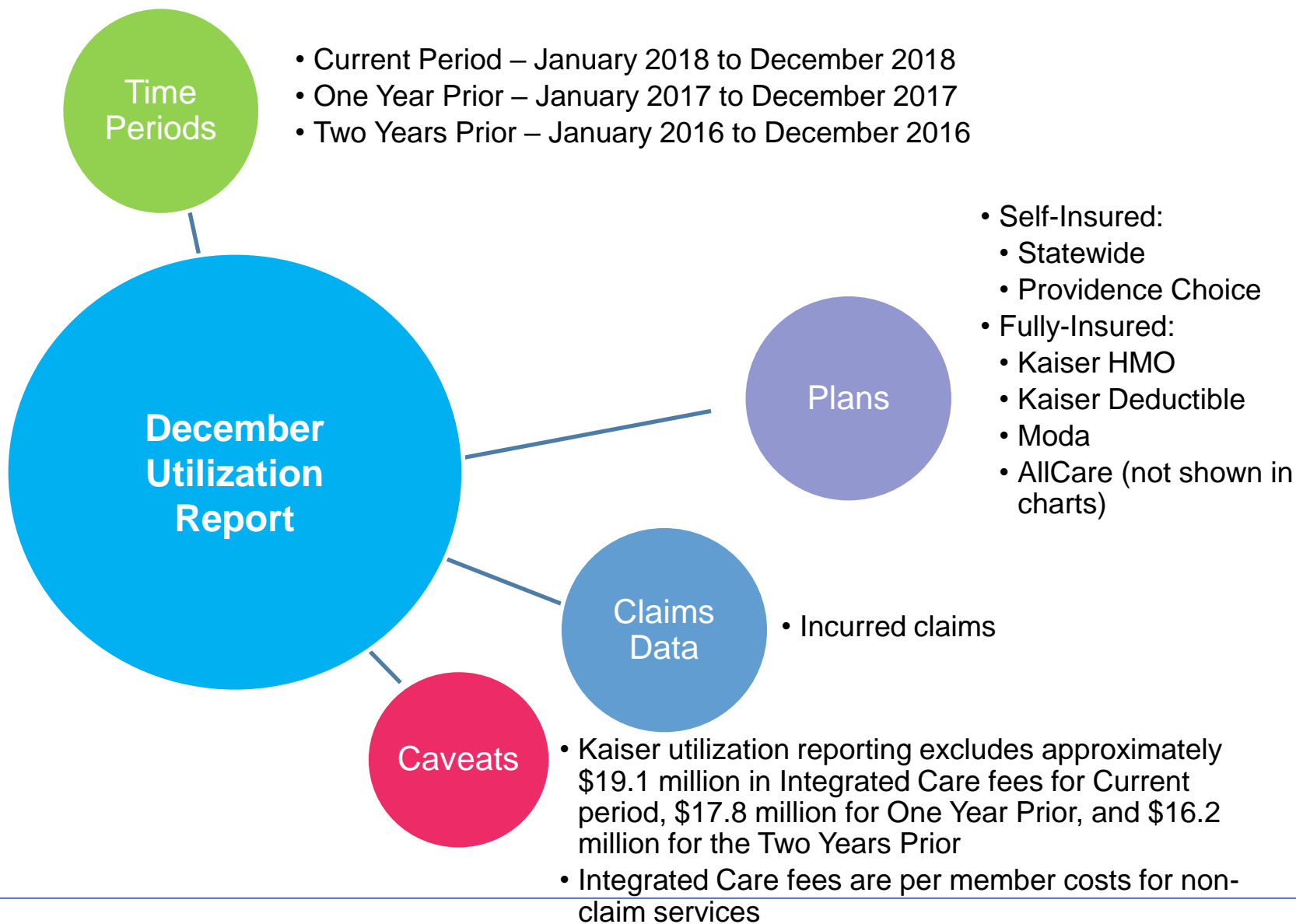
Emery Chen, ASA, MAAA

Attachment 4

CONTENT

- 1 AGGREGATE COSTS
- 2 BY TYPE OF SERVICE
- 3 RISK SCORES
- 4 COMPONENTS OF TREND
- 5 UTILIZATION

DATA AND ASSUMPTIONS



EXECUTIVE SUMMARY

AGGREGATE COSTS

Self-insured per employee costs increasing at a higher rate than fully-insured costs

RISK SCORES

Statewide has the highest risk scores while Moda and Providence have the lowest normalized cost
Kaiser has lowest annualized growth in risk and allowed cost for continuous members

COMPONENTS OF TREND

Member Health Risk is the biggest driver of trend
Specialty drug costs are the largest contributor to trend although site of care management may result in savings

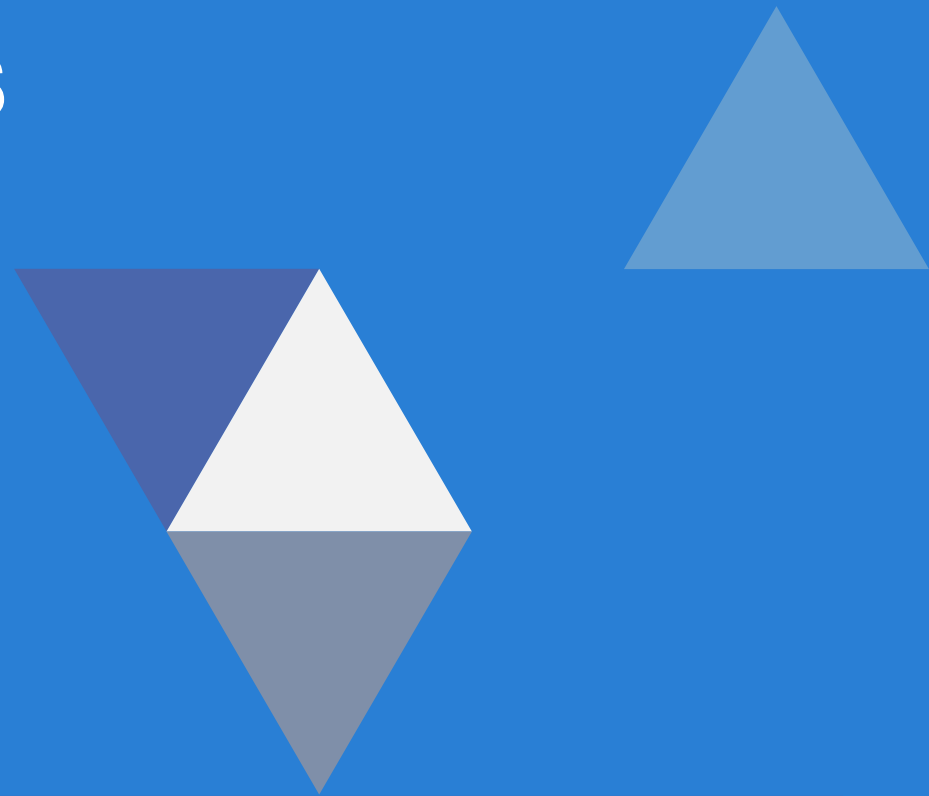
PREFERENCE SENSITIVE SURGERIES

Members in rural locations utilize certain preference sensitive surgeries at a higher rate but will typically travel to receive those surgeries
Non-preference sensitive services are utilized at a slightly lower rate

UTILIZATION

Inpatient Facility costs per admit is increasing significantly due to large claimants and maternity, while *Emergency Room* coding continues to increase costs

AGGREGATE COSTS



ANNUAL COSTS SELF-INSURED

	TWO YEARS PRIOR	ONE YEAR PRIOR	% CHANGE	CURRENT	% CHANGE
AGGREGATE					
Medical	\$486,357,813	\$511,125,468	5.1%	\$538,831,200	5.4%
Prescription Drug	\$75,482,758	\$76,264,188	1.0%	\$82,740,357	8.5%
Total	\$561,840,571	\$587,389,656	4.5%	\$621,571,557	5.8%
PER EMPLOYEE PER YEAR					
Medical	\$12,404	\$13,217	6.6%	\$14,060	6.4%
Prescription Drug	\$1,925	\$1,972	2.4%	\$2,159	9.5%
Total	\$14,329	\$15,189	6.0%	\$16,219	6.8%
AVERAGE ANNUAL MEMBERSHIP					
Employees	39,211	38,673	-1.4%	38,324	-0.9%
Members	104,360	102,703	-1.6%	100,948	-1.7%

- SELF-INSURED COSTS HAVE INCREASED AT A CONSISTENT RATE OVER THE PAST TWO YEARS
- BOTH MEDICAL AND PRESCRIPTION DRUG COSTS INCLUDE IMPACT OF REBATES

ANNUAL COSTS FULLY-INSURED

	TWO YEARS PRIOR	ONE YEAR PRIOR	% CHANGE	CURRENT	% CHANGE
AGGREGATE					
Medical	\$133,391,690	\$157,653,963	18.2%	\$162,447,536	3.0%
Prescription Drug	\$23,171,189	\$25,366,955	9.5%	\$28,189,839	11.1%
Total	\$156,562,879	\$183,020,918	16.9%	\$190,637,375	4.2%
PER EMPLOYEE PER YEAR					
Medical	\$11,563	\$12,587	8.9%	\$12,482	-0.8%
Prescription Drug	\$2,009	\$2,025	0.8%	\$2,166	7.0%
Total	\$13,571	\$14,612	7.7%	\$14,648	0.2%
AVERAGE ANNUAL MEMBERSHIP					
Employees	11,536	12,526	8.6%	13,015	3.9%
Members	29,947	32,724	9.3%	34,121	4.3%

- GROWTH IN FULLY-INSURED COSTS HAVE MODERATED
- ALLCARE WAS REMOVED AS A PEBB HEALTH PLAN STARTING 1/1/18
- KAISER INTEGRATED CARE FEES ARE INCLUDED

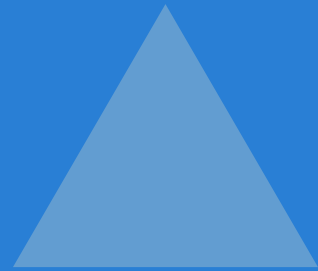
ANNUAL COSTS

TOTAL PEBB

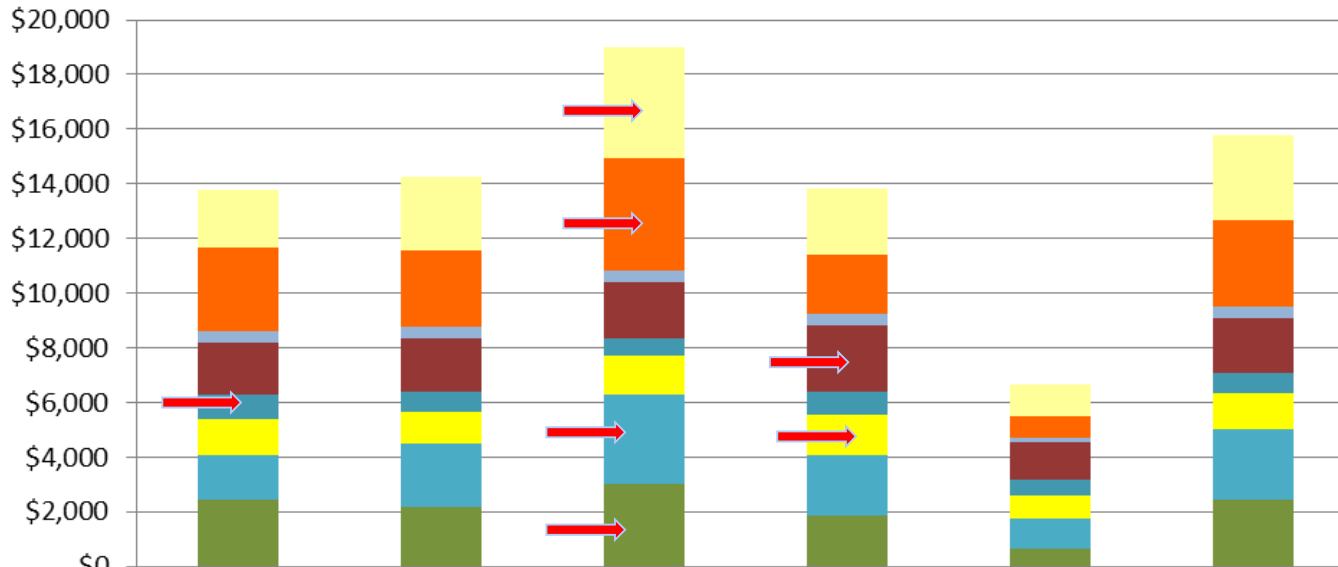
	TWO YEARS PRIOR	ONE YEAR PRIOR	% CHANGE	CURRENT	% CHANGE
AGGREGATE					
Medical	\$619,749,503	\$668,779,431	7.9%	\$701,278,736	4.9%
Prescription Drug	\$98,653,947	\$101,631,143	3.0%	\$110,930,196	9.1%
Total	\$718,403,450	\$770,410,574	7.2%	\$812,208,932	5.4%
PER EMPLOYEE PER YEAR					
Medical	\$12,212	\$13,063	7.0%	\$13,660	4.6%
Prescription Drug	\$1,944	\$1,985	2.1%	\$2,161	8.9%
Total	\$14,157	\$15,048	6.3%	\$15,821	5.1%
AVERAGE ANNUAL MEMBERSHIP					
Employees	50,747	51,198	0.9%	51,339	0.3%
Members	134,307	135,427	0.8%	135,069	-0.3%

• OVERALL PEBB CLAIMS GROWTH ON A PER EMPLOYEE BASIS HAS BEEN CONSISTENT OVER THE PAST THREE YEARS BUT ABOVE 3.4%

BY TYPE OF SERVICE



COSTS BY TYPE OF SERVICE PEPY BY PLAN



	Moda \$13,801	Providence \$14,247	Statewide \$19,007	Kaiser HMO \$13,831	Kaiser Ded \$6,639	PEBB \$15,789
Facility Inpatient	\$2,122	\$2,689	\$4,061	\$2,438	\$1,146	\$3,094
Facility Outpatient	\$3,090	\$2,798	\$4,104	\$2,167	\$775	\$3,176
Physician Inpatient	\$380	\$405	\$449	\$408	\$164	\$415
Physician Outpatient	\$1,924	\$1,963	\$2,022	\$2,437	\$1,375	\$2,041
MHSA	\$915	\$709	\$663	\$844	\$578	\$725
Laboratory and Radiology	\$1,300	\$1,169	\$1,433	\$1,481	\$867	\$1,321
Other Professional Services	\$1,647	\$2,362	\$3,235	\$2,184	\$1,089	\$2,582
Prescription Drugs	\$2,423	\$2,151	\$3,042	\$1,872	\$645	\$2,435

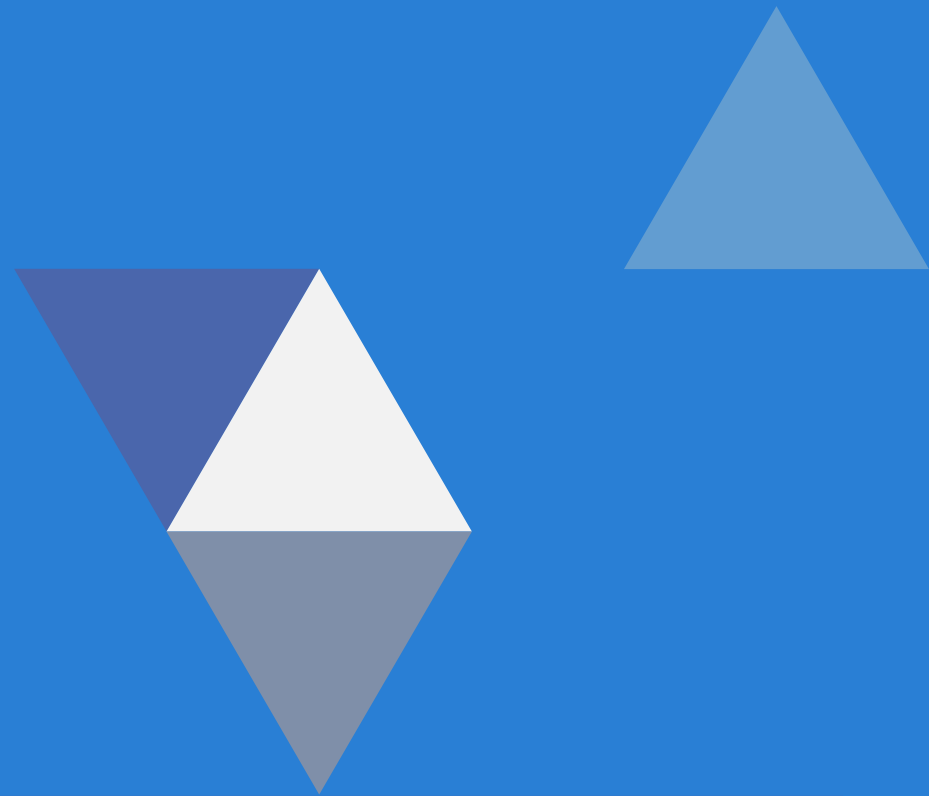
- Statewide plan has highest PEPY costs of all plans

- Statewide has highest cost in five categories; Facility IP, Facility OP, Phys IP, Other Prof, Rx (red arrows)
- Kaiser has the highest cost in for Phys OP, and Lab & X-Ray
- Moda has the highest MHSA costs

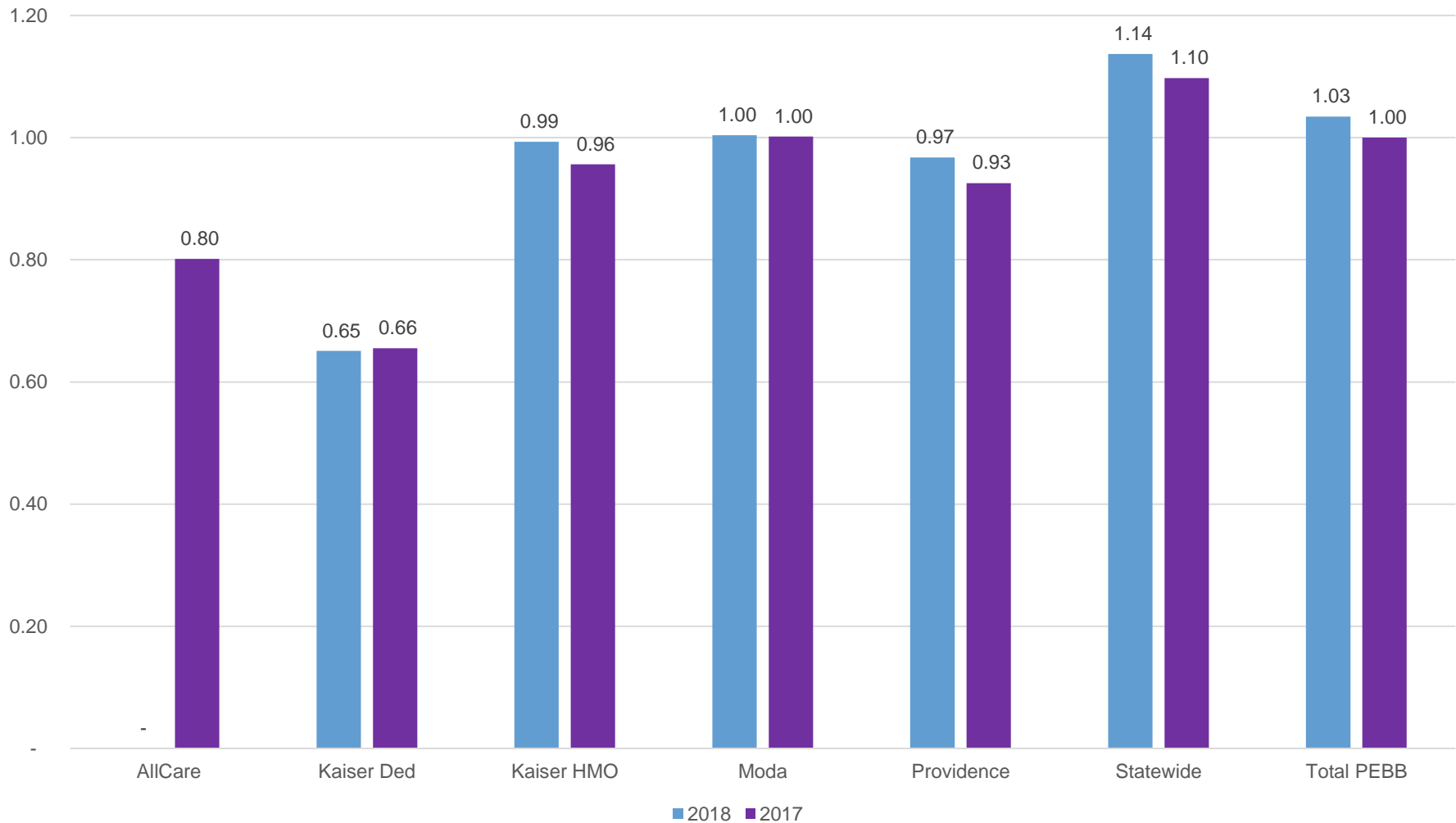
- Kaiser costs do not include \$819 PEPY in integrated care fees
- PEPY Rebates for Statewide and Choice were \$525 and \$386 respectively

Costs shown above are not risk adjusted

RISK SCORES

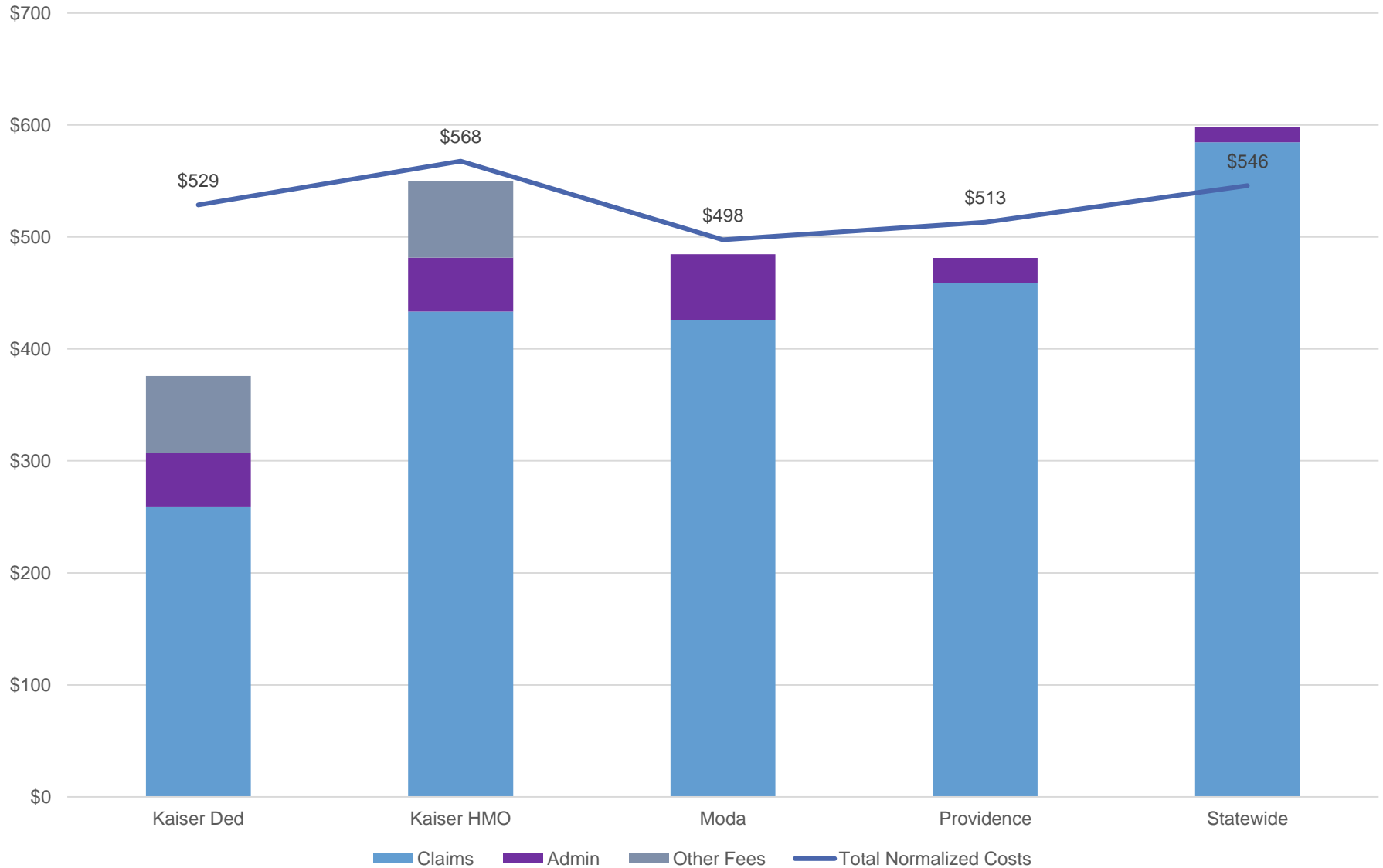


RISK SCORES BY PLAN



Risk scores are the relative cost of a member determined by the underlying illness burden based on age, sex, and diagnosis data. Scores are normalized to an average 2017 PEBB member.

NORMALIZED COSTS BY PLAN

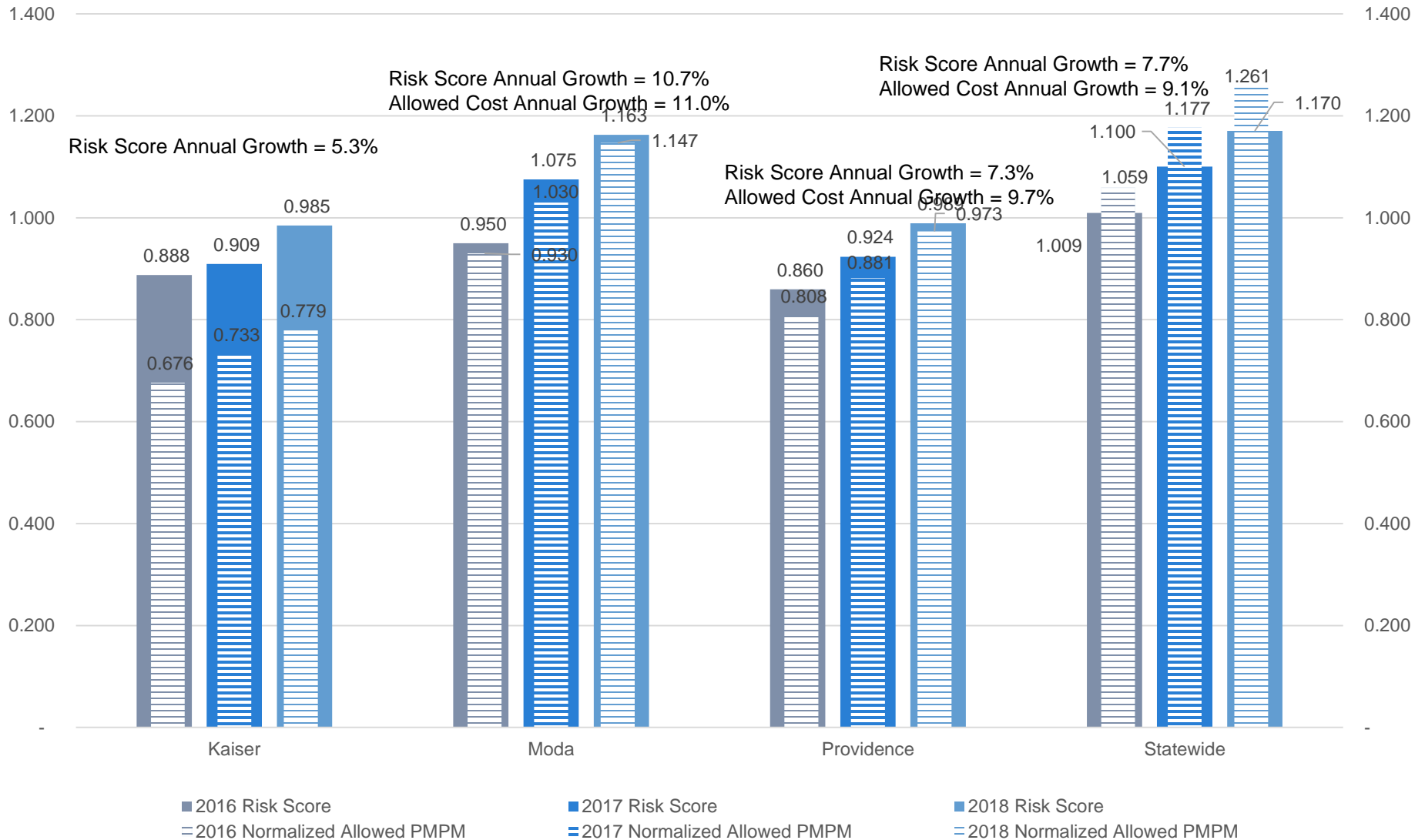


ADMINISTRATION BASED ON COSTS FROM 2018 RENEWAL

STATEWIDE AND CHOICE ADMINISTRATION OFFSET BY REBATES

RISK SCORE

RISK AND COST OF CONTINUOUSLY ENROLLED



EXCLUDES ADMINISTRATIVE COSTS

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RISK SCORE

JAN 2019 VS DEC 2018 ENROLLMENT

Members		December 2018 Plan					New to PEBB	
		Kaiser Ded	Kaiser HMO	Moda	Providence	Statewide		Total
JANUARY 2019 PLAN	Moda	24	95	10,461	780	746	12,106	537
	Providence	73	269	518	45,403	1,629	47,892	1,153
	Statewide	9	71	216	1,113	47,787	49,196	740
	Total	106	435	11,195	47,296	50,162	109,194	
	Left PEBB/Kaiser	2,388	19,972	442	1,886	2,091		

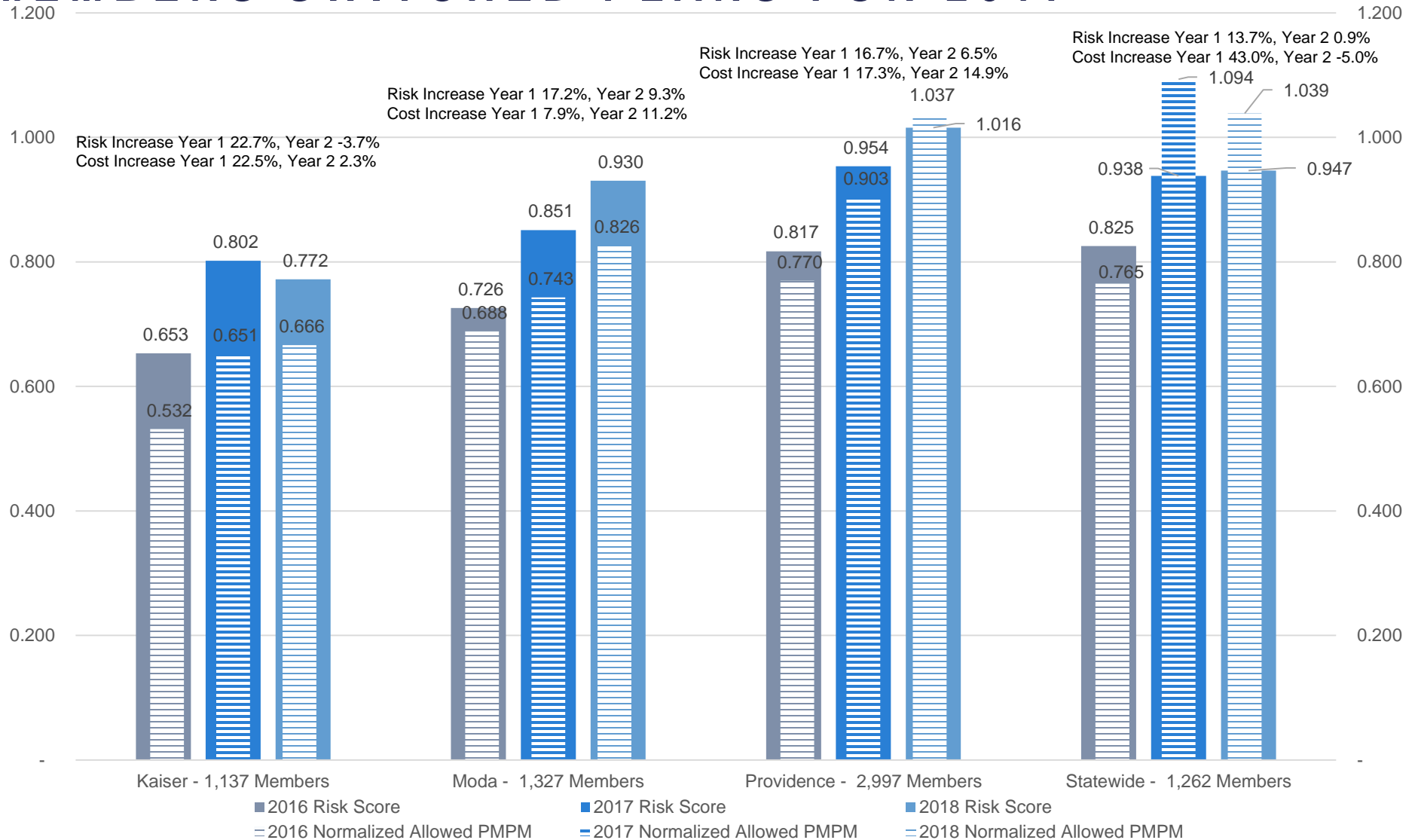
Risk Score		December 2018 Plan					
		Kaiser Ded	Kaiser HMO	Moda	Providence	Statewide	Total
JANUARY 2019 PLAN	Moda	0.42	0.77	0.97	0.95	0.98	0.97
	Providence	0.48	0.80	0.90	0.95	0.95	0.94
	Statewide	0.39	1.02	0.79	0.99	1.11	1.10
	Total	0.46	0.83	0.96	0.95	1.10	1.02
	Left PEBB/Kaiser	0.64	0.98	0.77	0.93	1.00	

Key Points

- Risk scores remained relatively stable between plans
- Providence and Statewide experienced a slight reduction in risk scores due to switching from other plans

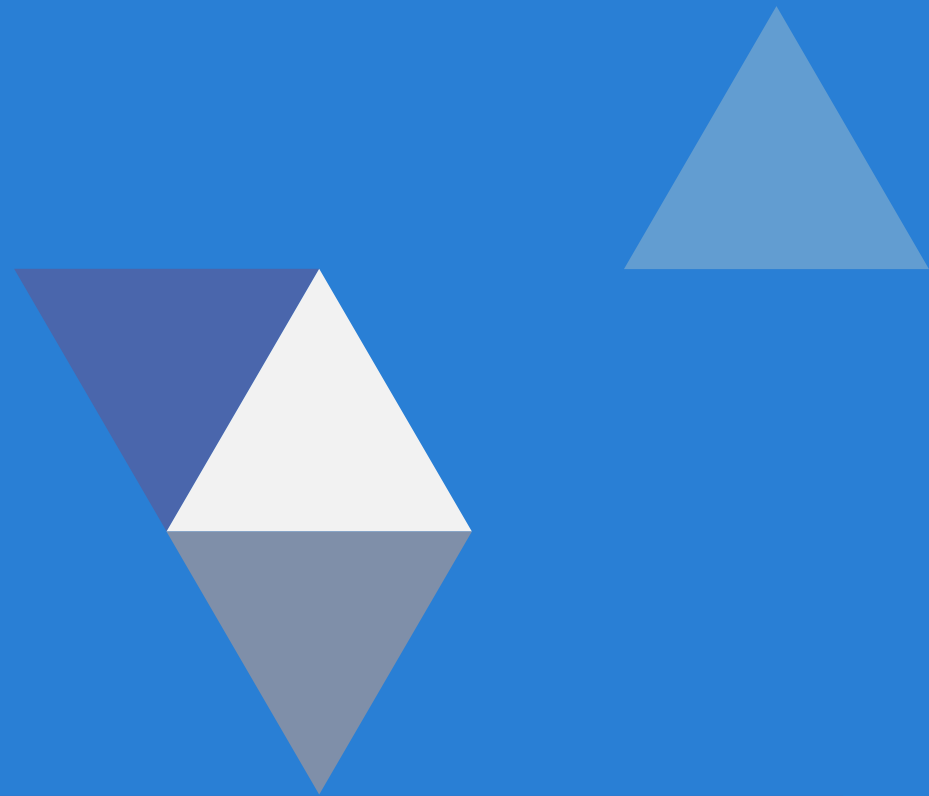
RISK SCORE

MEMBERS SWITCHED PLANS FOR 2017

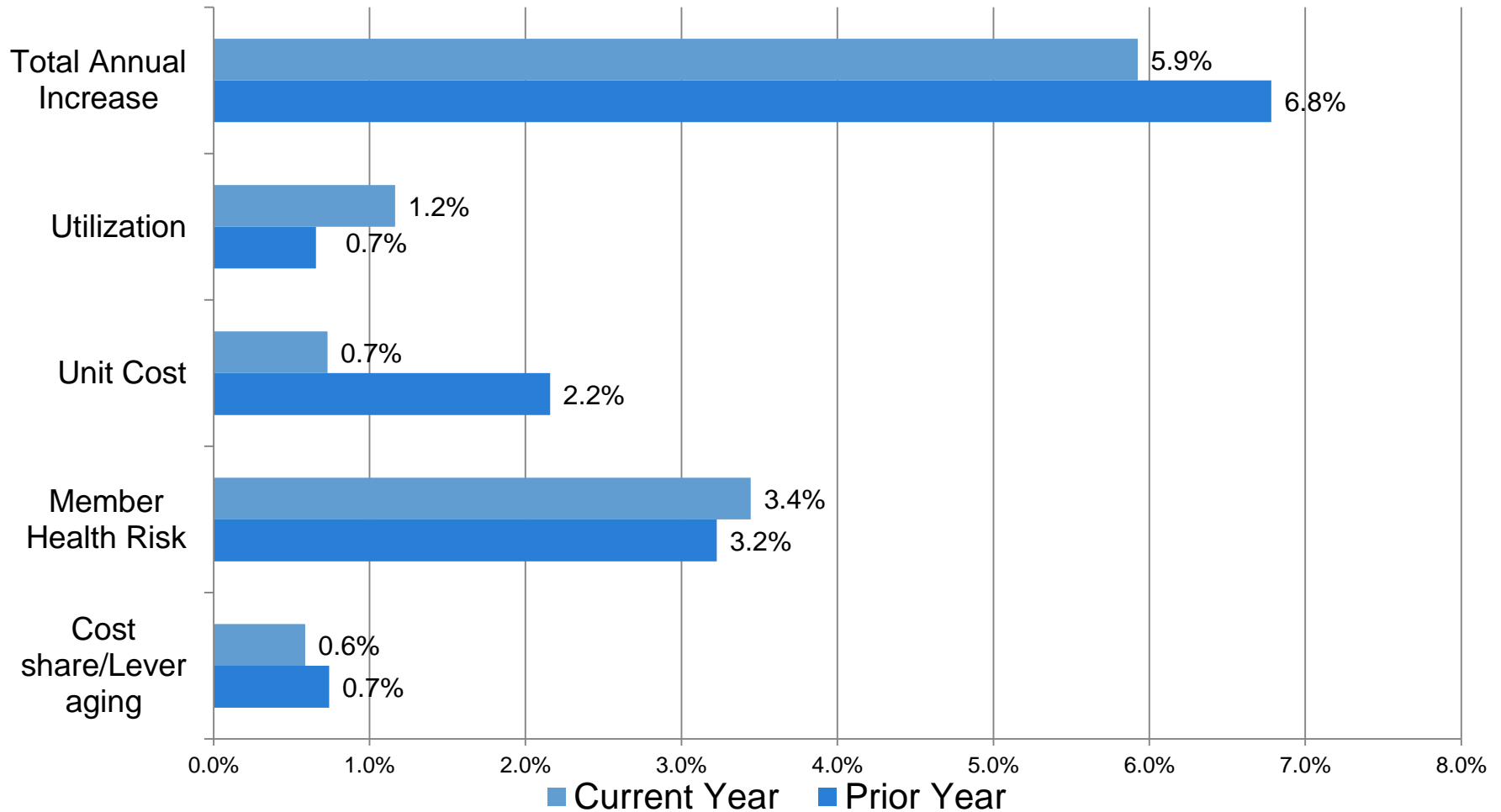


ENROLLED IN DIFFERENT PLAN FOR 2016, SAME FOR 2017 AND 2018

COMPONENTS OF TREND



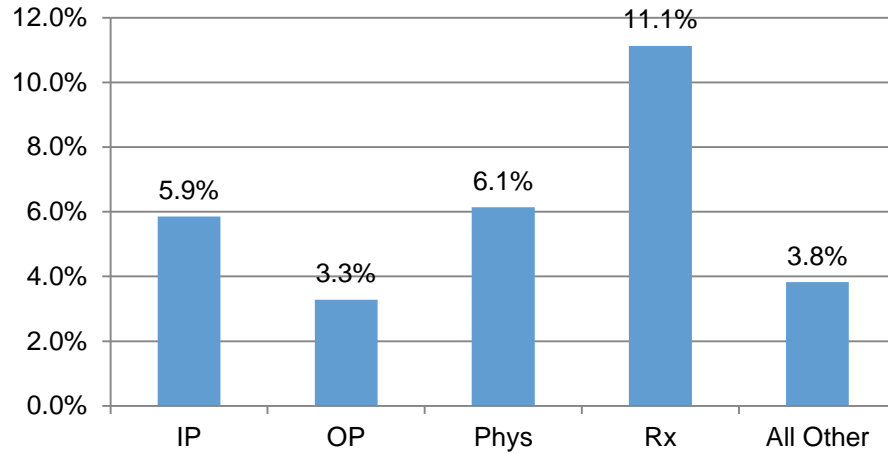
COMPONENTS OF TREND



- LARGEST CONTRIBUTORS TO UNIT COST INCREASES FOR CURRENT PERIOD ARE: OP FACILITY SURGERY, IP FACILITY MEDICAL, AND OP FACILITY SPECIALTY DRUGS
- UNIT COST INCLUDES REIMBURSEMENT RATES, MIX OF SERVICES, AND INTENSITY

FACTORS IMPACTING TREND

% Increase



CATEGORY	IMPACT ON TREND	MAIN DRIVER
Prescription Specialty Drugs	1.4%	Utilization (76%)
Professional Specialty Drugs	0.9%	Unit cost (53%)
Prescription Drugs Mail Order	0.8%	Utilization (119%) Cost decreased 21%
Facility Inpatient Maternity	0.6%	Cost (65%)
Facility Inpatient Medical	0.5%	Cost (77%)

KEY INSIGHTS

1

RX

- Unit cost increase is 10.5% with specialty increases and shifting to mail order impacting trend
- Three specialty drugs newly provided in a professional setting
 - One is a biosimilar for Remicade in a lower cost setting
- Drug cost to treat Hunter Syndrome increased 40%

2

FACILITY IP MATERNITY

- Cost increase is partially due to high cost out-of-state C-sections with complications
- Average cost per C-section without complications for Oregon facilities increased 10% from 2017 to 2018

3

FACILITY IP MEDICAL

- Cost per admit increased 9.5%
- Approximately 60% of the allowed increase is due to DRGs with complications
 - May be partially reflected in member risk

SPECIALTY DRUGS

SITE OF CARE POTENTIAL SAVINGS

- Potential savings from site of care redirection
 - Shift specialty drug claims from higher cost administration sites (i.e., inpatient and outpatient hospital) to lower cost administration sites (e.g., professional office and patient home).

Drug Name	Facility Setting		Office Setting		Potential Savings From Redirection
	Service Count	Cost/Service	Service Count	Cost/Service	
Acterna	128	\$4,204	232	\$2,824	\$176,629
Entyvio	74	\$15,882	197	\$7,362	\$630,494
Immune Globulin	282	\$15,318	156	\$4,721	\$1,173,717
Ocrevus	37	\$49,928	23	\$24,518	\$940,164
Orencia	77	\$7,416	211	\$3,576	\$295,752
Prolia	122	\$3,252	256	\$1,853	\$170,696
Remicade	740	\$11,019	1,121	\$5,973	\$3,734,664
Tysabri	294	\$12,575	81	\$7,529	\$1,483,448
Total	1,754	\$11,801	2,277	\$5,244	\$8,605,564

- Based on 2017 and 2018 claims for services in both facility and office setting

PREFERENCE SENSITIVE SURGERIES



PREFERENCE SENSITIVE SUMMARY

Includes treatment for medical conditions where options exist, which may have clinical and cost tradeoffs. Medical conditions with more than one treatment option are termed preference-sensitive conditions

COSTS BY COUNTY

Rural counties, especially in Eastern and Southern Oregon have higher risk adjusted costs

WHERE MEMBERS GET THEIR CARE

Eastern Oregon University members travel out of state for their spinal fusion surgeries

PREFERENCE SENSITIVE CONDITIONS

For conditions that have more than one treatment option, rural members receive more spinal fusions and stents than for members in more highly-populated counties

ADMITS BY COUNTY

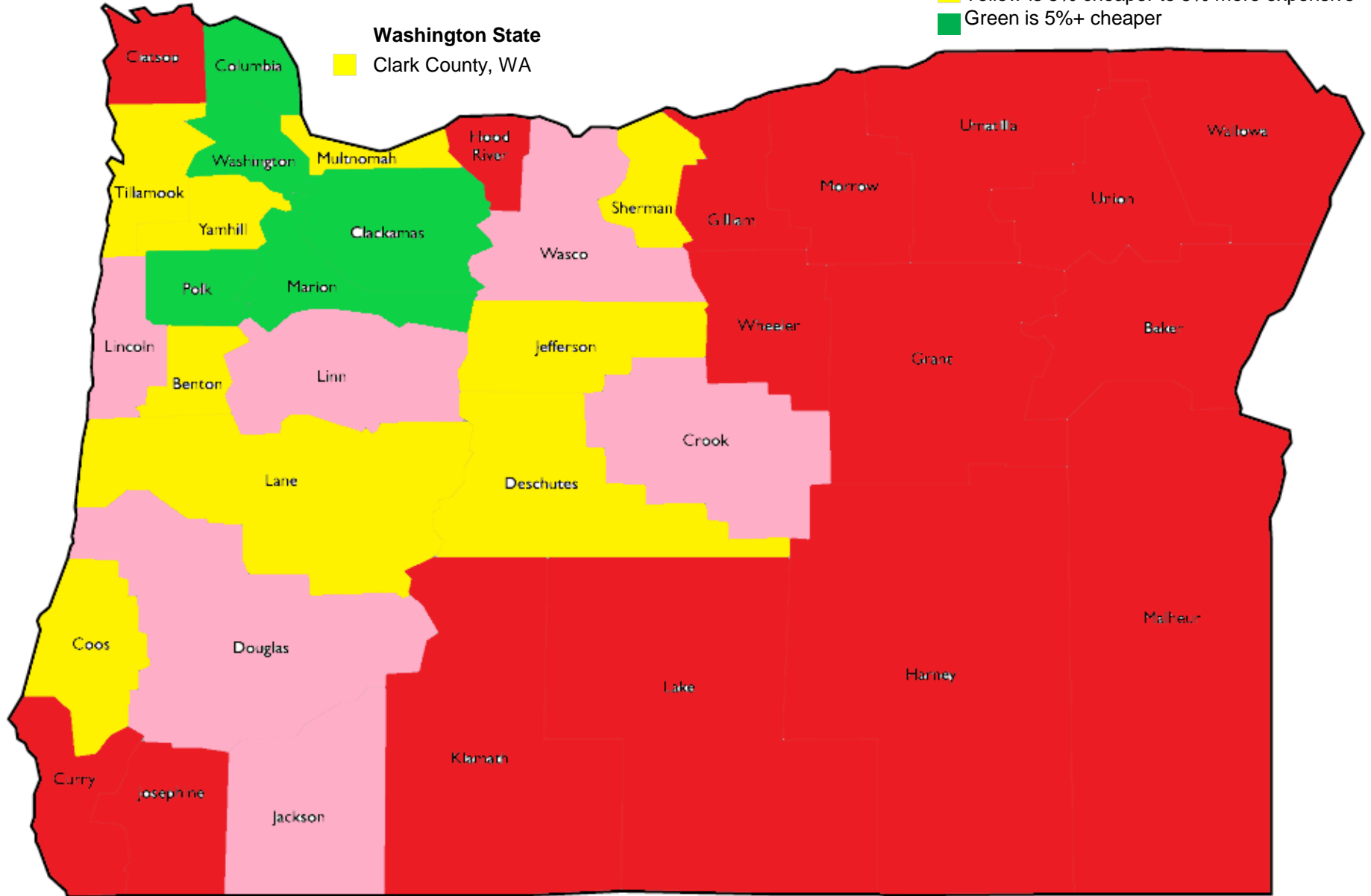
Rural members are more likely to travel for surgical admits, with an even higher proportion traveling for preference sensitive surgeries

ADMITS BY HOSPITAL

For spinal fusions, members travel to Portland, Salem, Walla Walla, and Bend
Hip and knee replacement: members stay more local with some out of state
Bariatric: significant traveling, with many going to Portland and Bend
For stents, members who travel go to Portland and Bend

RELATIVE COSTS BY COUNTY

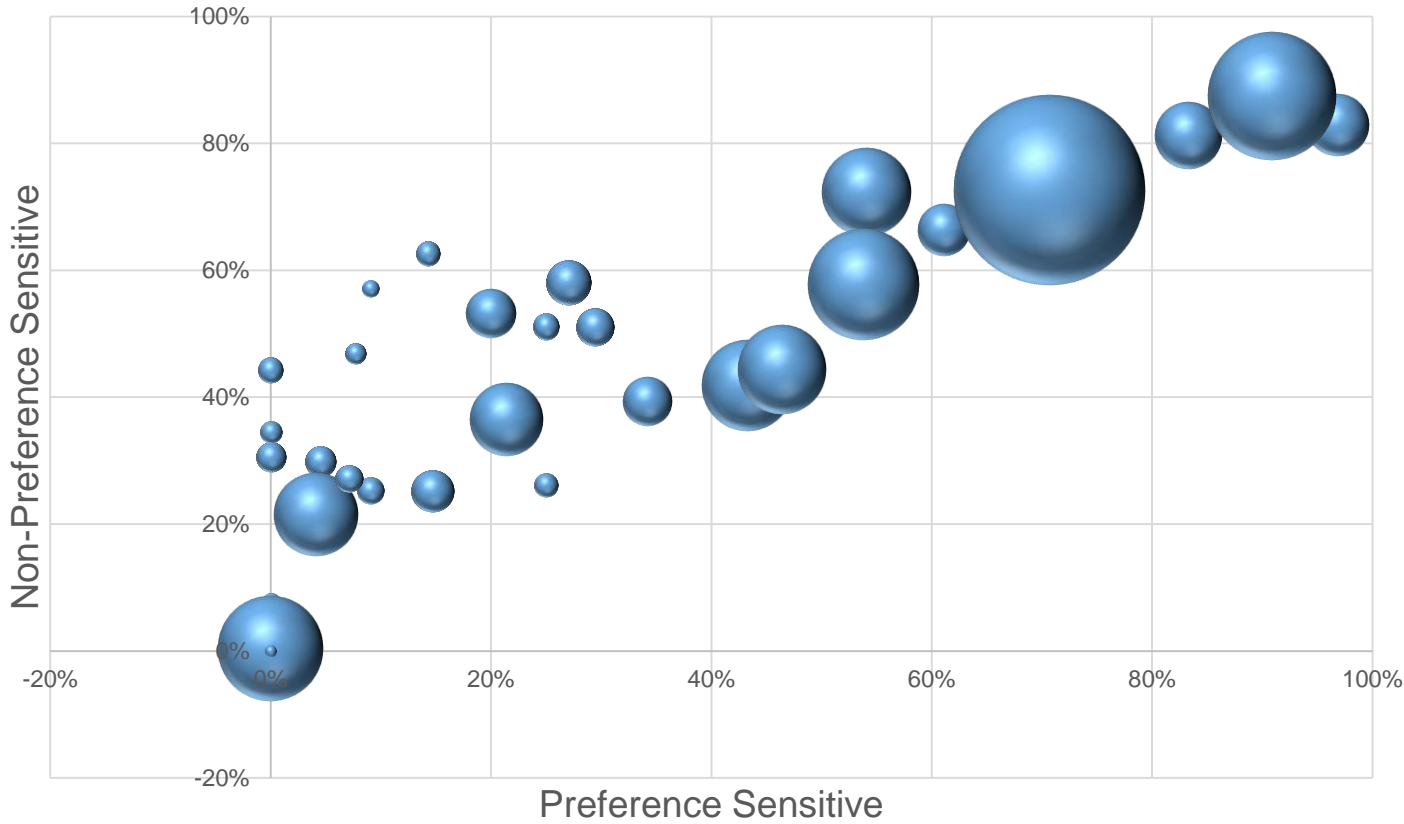
- 15%+ more expensive
- 5% to 15% more expensive
- Yellow is 5% cheaper to 5% more expensive
- Green is 5%+ cheaper



WHERE MEMBERS GET THEIR CARE

- Eastern Oregon University had significantly more spinal fusions per lower back patients than other universities
 - Question came up in the IWG as to where members receive their care
 - For spinal fusions, all four members received care out of state
 - 3 at Providence St. Mary in Walla Walla, one at St. Alphonsus in Boise
- Of all admits, 52% were in Grande Ronde Hospital in La Grande
- For certain preference sensitive admits, 24% were in Grande Ronde Hospital
 - All Grand Ronde admits were for hip or knee replacements
 - Other services classified as preference sensitive include Bariatric, pacemakers, and spinal fusion

% OF ADMITS IN SAME COUNTY AS MEMBER



	% of Admits in Same County	
	PS	Non PS
Rural County	33%	44%
Non-Rural County	61%	64%

BUBBLE SIZE REPRESENTS NUMBER OF ADMITS

Utilization Per 1,000 members	Bariatric	Cholecystectomy (gallbladder)	Coronary bypass	Hip/Knee Replacement	Hysterectomy	Pacemaker	Spinal decompression (Laminectomy)	Spinal Fusion	Stent	Non Preference Sensitive
Rural County	3.60	1.15	0.78	7.35	0.06	0.17	0.42	1.70	1.32	136.54
Non-Rural County	3.65	1.60	0.85	7.50	0.06	0.17	0.62	1.33	0.96	159.99
Rural County % difference	-1%	-28%	-8%	-2%	1%	1%	-32%	28%	37%	-15%

SPINAL FUSION

County	% Patients/1000 +/- PEBB Avg.	#1 Hospital		#2 Hospital	
		Name	City	Name	City
Gilliam County, OR	1342%	Providence St Vincent Medical Center	PORTLAND		
Grant County, OR	317%	St Lukes Boise Medical Center	BOISE		
Harney County, OR	306%	St Charles Medical Center - Bend	BEND		
Hood River County, OR	262%	Providence Portland Medical Center	PORTLAND		
Union County, OR	241%	Providence St Mary Medical Center	WALLA WALLA	SAINT ALPHONSUS MEDICAL CENTER	NAMPA
Crook County, OR	189%	St Charles Medical Center - Bend	BEND		
Wallowa County, OR	187%	Providence St Mary Medical Center	WALLA WALLA		
Coos County, OR	149%	McKenzie - Willamette Medical Center	SPRINGFIELD	PeaceHealth Sacred Heart Medical	SPRINGFIELD
Morrow County, OR	130%	Providence St Mary Medical Center	WALLA WALLA		
Columbia County, OR	114%	Kaiser Sunnyside	CLACKAMAS	Providence St Vincent Medical Center	PORTLAND
Baker County, OR	90%	Good Samaritan Regional Medical Center	CORVALLIS	Providence St Mary Medical Center	WALLA WALLA
Clark County, WA	90%	Kaiser Sunnyside	CLACKAMAS	PeaceHealth Southwest Medical Center	VANCOUVER
Jackson County, OR	72%	Asante Rogue Regional Medical Center	MEDFORD	Providence Medford Medical Center	MEDFORD
Josephine County, OR	52%	Providence Medford Medical Center	MEDFORD	Asante Rogue Regional Medical Center	MEDFORD
Clackamas County, OR	50%	Providence Willamette Falls Medical Center	OREGON CITY	Providence St Vincent Medical Center	PORTLAND
Lake County, OR	26%	St Charles Medical Center - Bend	BEND		
Umatilla County, OR	14%	Providence St Mary Medical Center	WALLA WALLA	Providence St Vincent Medical Center	PORTLAND
Wasco County, OR	12%	Providence Portland Medical Center	PORTLAND		
Polk County, OR	7%	Salem Health - Salem Hospital	SALEM	Good Samaritan Regional Medical Center	CORVALLIS
Marion County, OR	6%	Salem Health - Salem Hospital	SALEM	Kaiser Sunnyside	CLACKAMAS
Tillamook County, OR	2%	Providence Portland Medical Center	PORTLAND		
Malheur County, OR	2%	St Lukes Boise Medical Center	BOISE		
Linn County, OR	-15%	OHSU - Marquam Hill Campus	PORTLAND	Salem Health - Salem Hospital	SALEM
Clatsop County, OR	-17%	Legacy Emanuel Medical Center	PORTLAND		
Douglas County, OR	-32%	PeaceHealth Sacred Heart Medical	SPRINGFIELD		
Klamath County, OR	-35%	Sky Lakes Medical Center	KLAMATH FALLS	St Charles Medical Center - Bend	BEND
Yamhill County, OR	-39%	Adventist Medical Center - Portland	PORTLAND	Providence St Vincent Medical Center	PORTLAND
Deschutes County, OR	-40%	St Charles Medical Center - Bend	BEND		
Benton County, OR	-41%	McKenzie - Willamette Medical Center	SPRINGFIELD	OHSU - Marquam Hill Campus	PORTLAND
Lane County, OR	-51%	PeaceHealth Sacred Heart Medical	SPRINGFIELD	McKenzie - Willamette Medical Center	SPRINGFIELD
Multnomah County, OR	-53%	Providence Portland Medical Center	PORTLAND	Providence St Vincent Medical Center	PORTLAND
Washington County, OR	-53%	Providence Willamette Falls Medical Center	OREGON CITY	Providence St Vincent Medical Center	PORTLAND
Curry County, OR	-100%				
Jefferson County, OR	-100%				
Lincoln County, OR	-100%				
Sherman County, OR	-100%				
Wheeler County, OR	-100%				

HIP KNEE REPLACEMENTS

County	% Patients/1000 +/- PEBB Avg.	#1 Hospital		#2 Hospital	
		Name	City	Name	City
Wallowa County, OR	310%	SAINT ALPHONSUS MEDICAL CENTER	NAMPA	Providence St Mary Medical Center	WALLA WALLA
Gilliam County, OR	195%	PROVIDENCE HOOD RIVER MEMORIAL	HOOD RIVER		
Sherman County, OR	188%	PROVIDENCE HOOD RIVER MEMORIAL	HOOD RIVER		
Morrow County, OR	136%	Good Shepherd Medical Center	HERMISTON	Kadlec Regional Medical Center	RICHLAND
Curry County, OR	75%	Bay Area Hospital	COOS BAY	PeaceHealth Sacred Heart Medical	SPRINGFIELD
Union County, OR	74%	Grande Ronde Hospital	LA GRANDE	SAINT ALPHONSUS MEDICAL CENTER	NAMPA
Malheur County, OR	66%	St Lukes Boise Medical Center	BOISE	St Alphonsus Medical Center - Ontario	ONTARIO
Lincoln County, OR	53%	Good Samaritan Regional Medical Center	CORVALLIS	Salem Health - Salem Hospital	SALEM
Hood River County, OR	48%	Providence St Vincent Medical Center	PORTLAND	PROVIDENCE HOOD RIVER MEMORIAL	HOOD RIVER
Crook County, OR	48%	St Charles Medical Center - Bend	BEND		
Klamath County, OR	45%	Sky Lakes Medical Center	KLAMATH FALLS	OHSU - Marquam Hill Campus	PORTLAND
Deschutes County, OR	43%	St Charles Medical Center - Bend	BEND	OHSU - Marquam Hill Campus	PORTLAND
Coos County, OR	32%	Bay Area Hospital	COOS BAY	Asante Three Rivers Medical Center	GRANTS PASS
Clackamas County, OR	31%	Providence Willamette Falls Medical Center	OREGON CITY	Providence Milwaukie Hospital	PORTLAND
Baker County, OR	17%	Grande Ronde Hospital	LA GRANDE	St Lukes Boise Medical Center	BOISE
Yamhill County, OR	13%	Providence Newberg Medical Center	NEWBERG	OHSU - Marquam Hill Campus	PORTLAND
Umatilla County, OR	7%	Good Shepherd Medical Center	HERMISTON	St Anthony Hospital	PENDLETON
Tillamook County, OR	4%	Legacy Salmon Creek Medical Center	VANCOUVER	Providence St Vincent Medical Center	PORTLAND
Lake County, OR	3%	St Charles Medical Center - Bend	BEND	Lake District Hospital	LAKEVIEW
Marion County, OR	-4%	Salem Health - Salem Hospital	SALEM	Legacy Silverton Medical Center	SILVERTON
Jefferson County, OR	-5%	St Charles Medical Center - Bend	BEND		
Wasco County, OR	-9%	PROVIDENCE HOOD RIVER MEMORIAL	HOOD RIVER		
Washington County, OR	-10%	Providence St Vincent Medical Center	PORTLAND	Kaiser Sunnyside	CLACKAMAS
Linn County, OR	-11%	Good Samaritan Regional Medical Center	CORVALLIS	Salem Health - Salem Hospital	SALEM
Lane County, OR	-12%	PeaceHealth Sacred Heart Medical	SPRINGFIELD	McKenzie - Willamette Medical Center	SPRINGFIELD
Multnomah County, OR	-12%	Providence Portland Medical Center	PORTLAND	Kaiser Sunnyside	CLACKAMAS
Columbia County, OR	-13%	Kaiser Sunnyside	CLACKAMAS	Providence St Vincent Medical Center	PORTLAND
Benton County, OR	-13%	Good Samaritan Regional Medical Center	CORVALLIS	Salem Health - Salem Hospital	SALEM
Grant County, OR	-15%	St Alphonsus Medical Center - Baker City	BAKER CITY	St Charles Medical Center - Bend	BEND
Clatsop County, OR	-15%	Columbia Memorial Hospital	ASTORIA	PeaceHealth St John Medical Center	LONGVIEW
Douglas County, OR	-17%	Mercy Medical Center	ROSEBURG	PeaceHealth Sacred Heart Medical	SPRINGFIELD
Harney County, OR	-17%	St Alphonsus Medical Center - Ontario	ONTARIO	St Charles Medical Center - Bend	BEND
Jackson County, OR	-17%	Asante Ashland Community Hospital	ASHLAND	Asante Rogue Regional Medical Center	MEDFORD
Polk County, OR	-24%	Salem Health - Salem Hospital	SALEM	Good Samaritan Regional Medical Center	CORVALLIS
Clark County, WA	-42%	PeaceHealth Southwest Medical Center	VANCOUVER	Kaiser Sunnyside	CLACKAMAS
Josephine County, OR	-79%	Asante Rogue Regional Medical Center	MEDFORD	Asante Three Rivers Medical Center	GRANTS PASS
Wheeler County, OR	-100%				

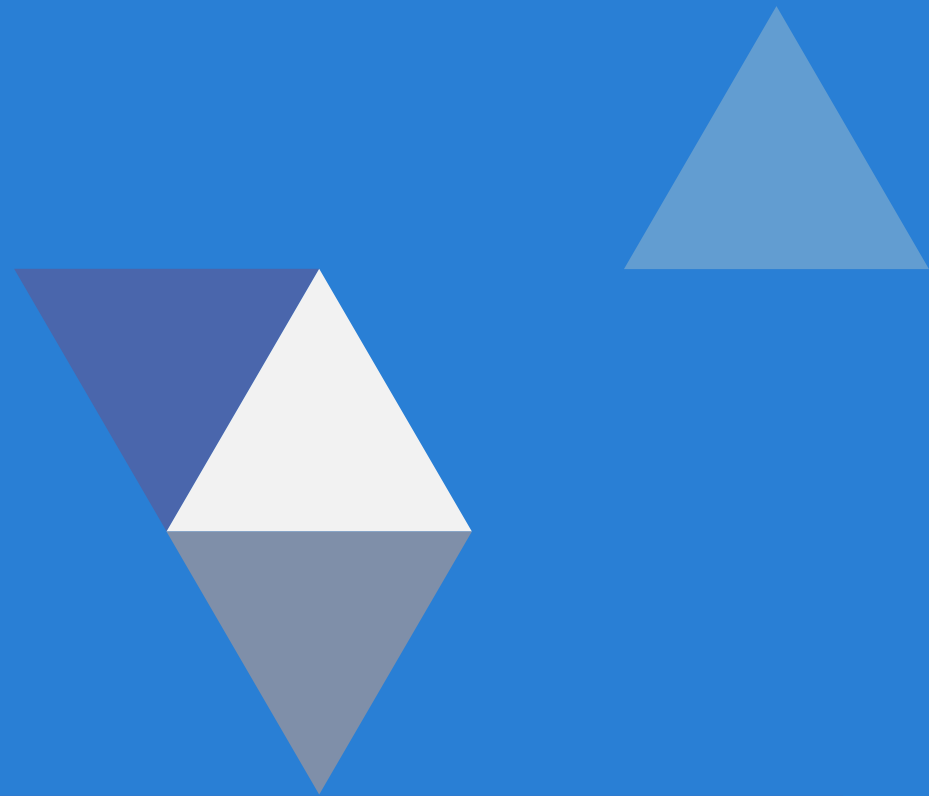
BARIATRIC SURGERY

County	% Patients/1000 +/- PEBB Avg.	#1 Hospital		#2 Hospital	
		Name	City	Name	City
Wheeler County, OR	417%	St Charles Medical Center - Bend	BEND		
Grant County, OR	340%	St Charles Medical Center - Bend	BEND		
Morrow County, OR	191%	OHSU - Marquam Hill Campus	PORTLAND		
Jefferson County, OR	146%	St Charles Medical Center - Bend	BEND		
Tillamook County, OR	115%	Legacy Good Samaritan Medical Center	PORTLAND	OHSU - Marquam Hill Campus	PORTLAND
Crook County, OR	83%	St Charles Medical Center - Bend	BEND	PeaceHealth Southwest Medical Center	VANCOUVER
Columbia County, OR	80%	Legacy Good Samaritan Medical Center	PORTLAND	OHSU - Marquam Hill Campus	PORTLAND
Douglas County, OR	72%	Bay Area Hospital	COOS BAY	PeaceHealth Sacred Heart Medical	SPRINGFIELD
Malheur County, OR	71%	St Lukes Boise Medical Center	BOISE		
Harney County, OR	71%	St Charles Medical Center - Bend	BEND		
Josephine County, OR	50%	Asante Rogue Regional Medical Center	MEDFORD	Bay Area Hospital	COOS BAY
Lincoln County, OR	44%	Good Samaritan Regional Medical Center	CORVALLIS	OHSU - Marquam Hill Campus	PORTLAND
Marion County, OR	34%	Salem Health - Salem Hospital	SALEM	Kaiser Sunnyside	CLACKAMAS
Umatilla County, OR	31%	OHSU - Marquam Hill Campus	PORTLAND	Legacy Good Samaritan Medical Center	PORTLAND
Baker County, OR	20%	St Lukes Boise Medical Center	BOISE		
Clark County, WA	20%	Kaiser Sunnyside	CLACKAMAS	Legacy Good Samaritan Medical Center	PORTLAND
Linn County, OR	17%	Good Samaritan Regional Medical Center	CORVALLIS	Salem Health - Salem Hospital	SALEM
Polk County, OR	12%	Salem Health - Salem Hospital	SALEM	Kaiser Sunnyside	CLACKAMAS
Clackamas County, OR	10%	Legacy Good Samaritan Medical Center	PORTLAND	Kaiser Sunnyside	CLACKAMAS
Deschutes County, OR	10%	St Charles Medical Center - Bend	BEND		
Lake County, OR	6%	Bay Area Hospital	COOS BAY		
Jackson County, OR	5%	Asante Rogue Regional Medical Center	MEDFORD	OHSU - Marquam Hill Campus	PORTLAND
Klamath County, OR	-5%	Asante Rogue Regional Medical Center	MEDFORD	Bay Area Hospital	COOS BAY
Wasco County, OR	-6%	OHSU - Marquam Hill Campus	PORTLAND	St Charles Medical Center - Bend	BEND
Yamhill County, OR	-9%	Legacy Good Samaritan Medical Center	PORTLAND	Willamette Valley Medical Center	MCMINNVILLE
Curry County, OR	-10%	Asante Rogue Regional Medical Center	MEDFORD		
Coos County, OR	-16%	Bay Area Hospital	COOS BAY		
Hood River County, OR	-24%	OHSU - Marquam Hill Campus	PORTLAND		
Union County, OR	-28%	St Lukes Boise Medical Center	BOISE	St Charles Medical Center - Bend	BEND
Washington County, OR	-33%	Legacy Good Samaritan Medical Center	PORTLAND	Kaiser Sunnyside	CLACKAMAS
Multnomah County, OR	-38%	Legacy Good Samaritan Medical Center	PORTLAND	Kaiser Sunnyside	CLACKAMAS
Lane County, OR	-55%	PeaceHealth Sacred Heart Medical	SPRINGFIELD	Good Samaritan Regional Medical Center	CORVALLIS
Benton County, OR	-65%	Good Samaritan Regional Medical Center	CORVALLIS	Kaiser Sunnyside	CLACKAMAS
Clatsop County, OR	-100%				
Gilliam County, OR	-100%				
Sherman County, OR	-100%				
Wallowa County, OR	-100%				

STENTS

County	% Patients/1000 +/- PEBB Avg.	#1 Hospital		#2 Hospital	
		Name	City	Name	City
Morrow County, OR	534%	Kadlec Regional Medical Center	RICHLAND		
Tillamook County, OR	322%	Providence St Vincent Medical Center	PORTLAND		
Coos County, OR	242%	Bay Area Hospital	COOS BAY	PeaceHealth Sacred Heart Medical	SPRINGFIELD
Grant County, OR	187%	St Charles Medical Center - Bend	BEND		
Umatilla County, OR	125%	Providence St Mary Medical Center	WALLA WALLA	Kadlec Regional Medical Center	RICHLAND
Crook County, OR	99%	St Charles Medical Center - Bend	BEND		
Klamath County, OR	78%	Sky Lakes Medical Center	KLAMATH FALLS		
Washington County, OR	55%	Providence St Vincent Medical Center	PORTLAND	Kaiser Sunnyside	CLACKAMAS
Wasco County, OR	54%	OHSU - Marquam Hill Campus	PORTLAND		
Malheur County, OR	40%	SAINT ALPHONSUS MEDICAL CENTER	NAMPA		
Jackson County, OR	29%	Asante Rogue Regional Medical Center	MEDFORD	Providence Medford Medical Center	MEDFORD
Yamhill County, OR	27%	Providence St Vincent Medical Center	PORTLAND		
Polk County, OR	18%	Salem Health - Salem Hospital	SALEM	Kaiser Sunnyside	CLACKAMAS
Deschutes County, OR	10%	St Charles Medical Center - Bend	BEND		
Clackamas County, OR	-4%	Kaiser Sunnyside	CLACKAMAS	Legacy Meridian Park Medical Center	TUALATIN
Union County, OR	-6%	OHSU - Marquam Hill Campus	PORTLAND	Providence St Mary Medical Center	WALLA WALLA
Lincoln County, OR	-6%	Salem Health - Salem Hospital	SALEM		
Douglas County, OR	-6%	Asante Rogue Regional Medical Center	MEDFORD	Mercy Medical Center	ROSEBURG
Benton County, OR	-8%	Good Samaritan Regional Medical Center	CORVALLIS	Legacy Good Samaritan Medical Center	PORTLAND
Marion County, OR	-16%	Salem Health - Salem Hospital	SALEM	Kaiser Sunnyside	CLACKAMAS
Josephine County, OR	-30%				
Clark County, WA	-35%	PEACEHEALTH SOUTHWEST MEDICAL	VANCOUVER		
Multnomah County, OR	-35%	Providence Portland Medical Center	PORTLAND	Adventist Medical Center - Portland	PORTLAND
Lane County, OR	-39%	PeaceHealth Sacred Heart Medical	SPRINGFIELD	McKenzie - Willamette Medical Center	SPRINGFIELD
Linn County, OR	-41%	Good Samaritan Regional Medical Center	CORVALLIS	McKenzie - Willamette Medical Center	SPRINGFIELD
Baker County, OR	-100%				
Clatsop County, OR	-100%				
Columbia County, OR	-100%				
Curry County, OR	-100%				
Gilliam County, OR	-100%				
Harney County, OR	-100%				
Hood River County, OR	-100%				
Jefferson County, OR	-100%				
Lake County, OR	-100%				
Sherman County, OR	-100%				
Wallowa County, OR	-100%				
Wheeler County, OR	-100%				

UTILIZATION



UTILIZATION EXECUTIVE SUMMARY

INPATIENT FACILITY

Allowed cost per admission increased 10.3% across all of PEBB, with Statewide seeing the largest increase at 17.5%

OUTPATIENT OFFICE VISITS

Utilization and allowed amounts per visit increased 4.6% and 2.6%, respectively.

EMERGENCY ROOM

Utilization of the emergency room remained unchanged across PEBB, but the cost per visit increased 4.4% as the coding for ER visits increased (categories 4 and 5 – the highest acuity levels)

LAB / RADIOLOGY

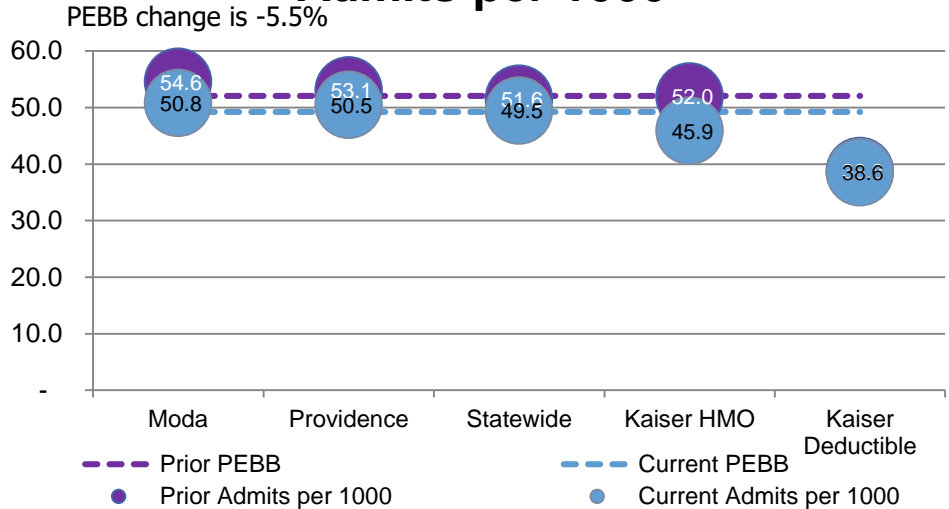
Laboratory cost and utilization remained flat
Radiology utilization increased 5.9%; Moda cost per service increased 10.5% with significant increase in abdomen CT scans allowed per service with increased utilization at high cost out of state facilities and Salem Hospital

PRESCRIPTION

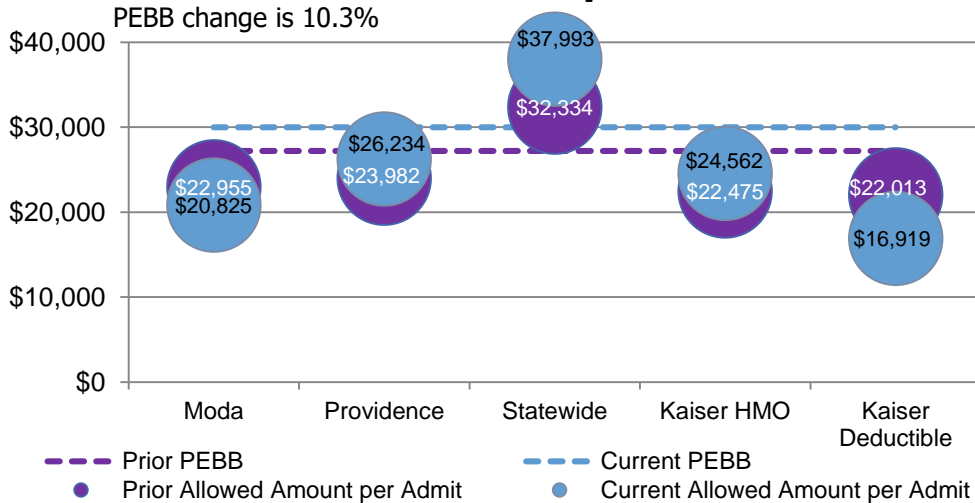
Allowed costs (PMPY) increased 10.2% with specialty drugs accounting for 75% of the increase; specialty drugs make up 14.8% of total PEBB cost, up from 13.1% in the prior 12-months

INPATIENT FACILITY

Admits per 1000



Allowed Amount per Admit



KEY INSIGHTS

1

- Statewide allowed per admit increased 17.5%
 - Majority of increase is due to large claimants
 - Cost per normal newborn increased 68%

2

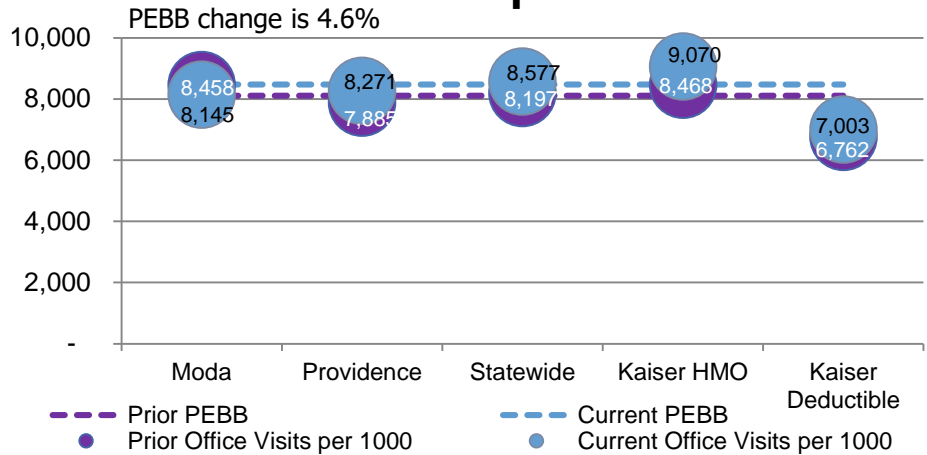
- Providence Choice PMPM costs increased 9.4% with 58% due to cost per admit
 - C-section cost increased 10% and normal newborn increase 24% per admit

3

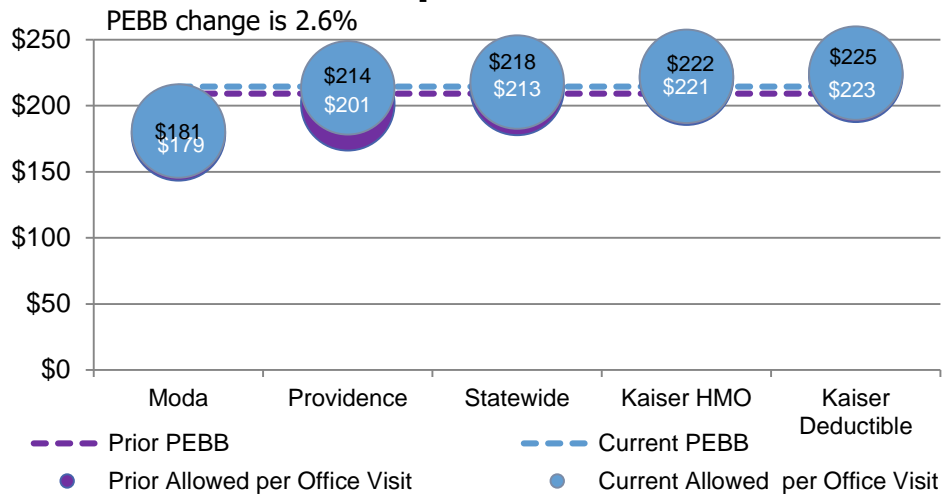
- Kaiser HMO costs increased mostly due to allowed per admit increases
- Reduction in complications was offset by increases in allowed per DRG
- Spinal procedures shifted from OHSU to Kaiser facilities and cost per DRG increased

OUTPATIENT OFFICE VISITS

Office Visits per 1000



Allowed per Office Visit



KEY INSIGHTS

1

- Both utilization per 1000 and cost per visit increased during the current period

2

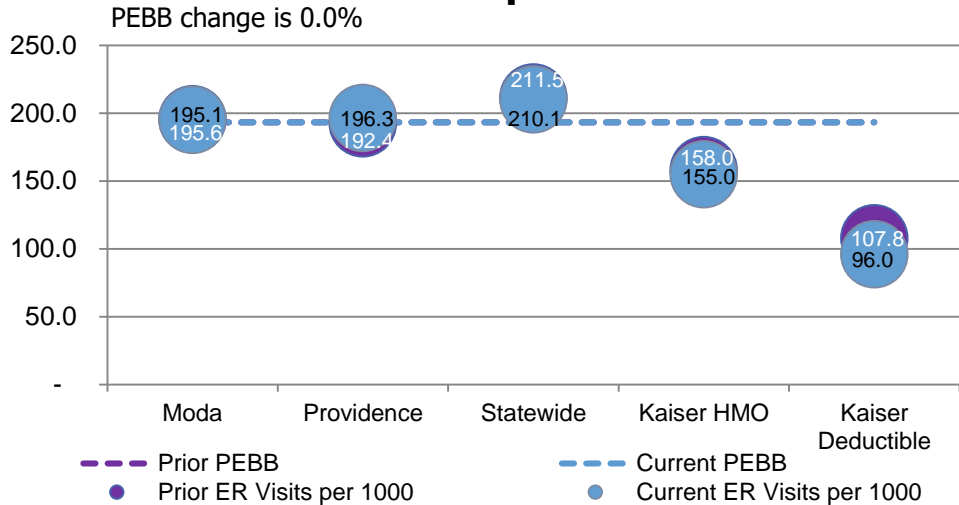
- The increase in Kaiser office visits is driven by an increase in mental health visits and visits for the flu vaccine

3

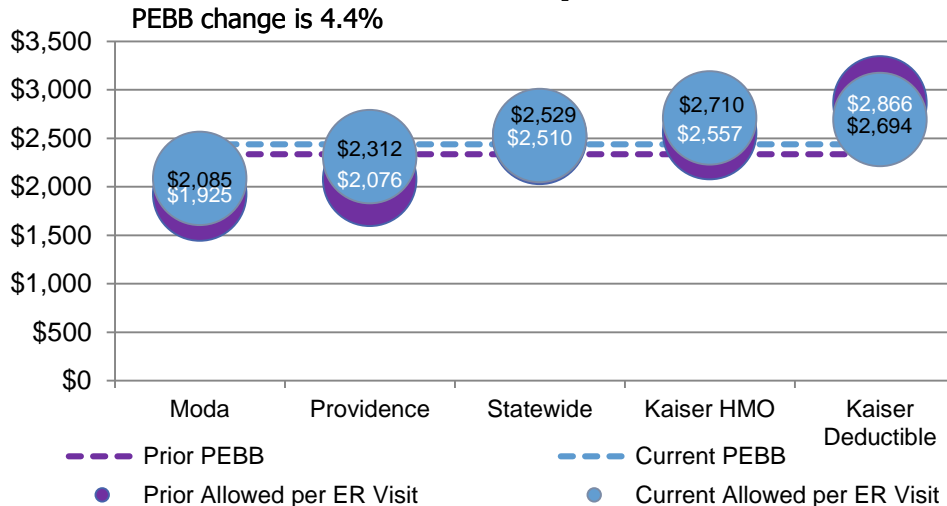
- Providence Choice allowed per visit increase is mostly due to change in service mix

EMERGENCY ROOM

ER Visits per 1000



Allowed Amount per ER Visit



KEY INSIGHTS

1

- Cost per emergency room visit continues to increase with Providence (11.4%) and Moda (8.3%) having the largest increases
- Kaiser HMO cost per ER visit increased 6.0%

2

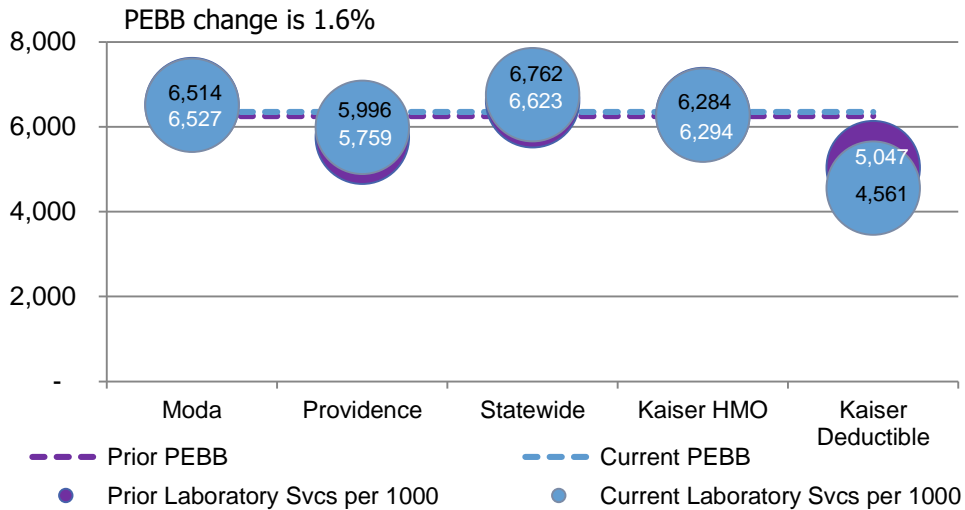
- Percentage of ER visits coded as category 4 or 5 increased to 58.5% from 55.2%
- Kaiser Deductible, Providence Choice and Statewide had the largest increases in category 4 or 5

3

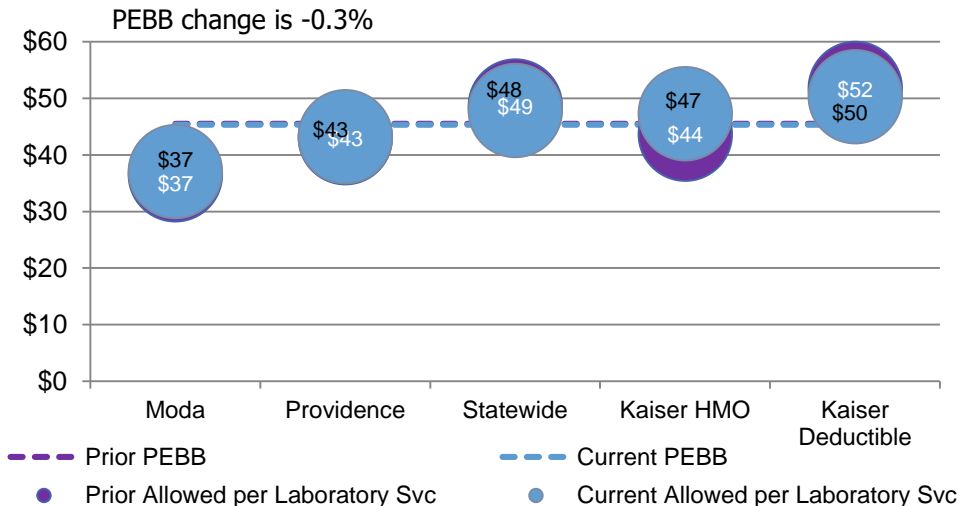
- Allowed amount for code G0378 (observation) was \$1.4 million, an increase of \$223,000; almost all was in Providence Choice
- Providence Choice services increased 33% and cost/service increased 35%
- Moda saw a 57% increase in the cost per service

LABORATORY SERVICES

Laboratory Svcs per 1000



Allowed Amount per Laboratory Svc



KEY INSIGHTS

1

- Statewide had the highest utilization of laboratory services
- Choice had the highest utilization increase at 4.1%

2

- Kaiser HMO cost per service increased 8.4%
- Change in service mix impacted the Kaiser HMO increases

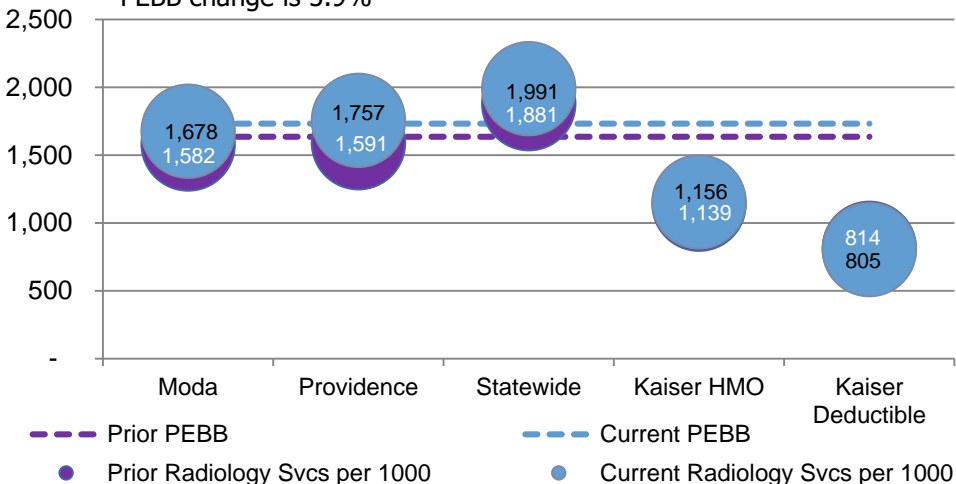
3

- Usage of preventive lab screenings contributed to the Providence Choice utilization increase

RADIOLOGY SERVICES

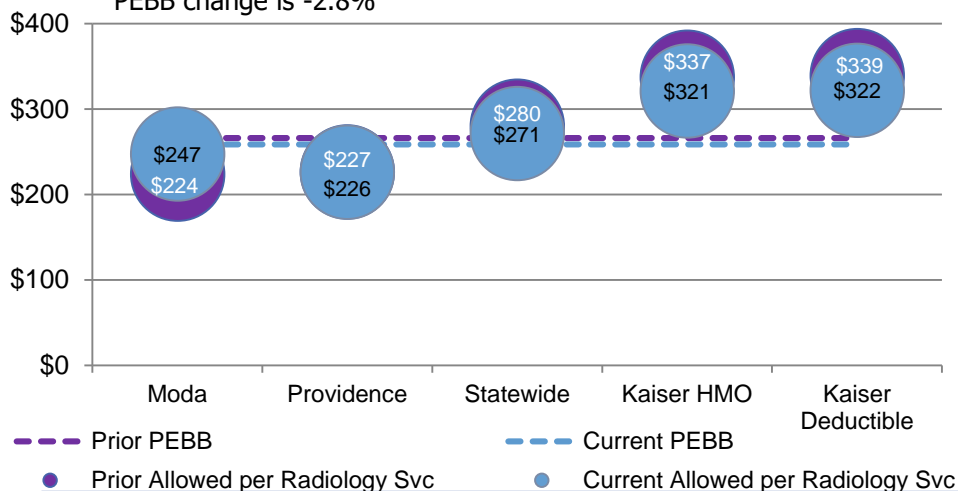
Radiology Svcs per 1000

PEBB change is 5.9%



Allowed Amount per Radiology Svc

PEBB change is -2.8%



KEY INSIGHTS

1

- Statewide had the highest utilization of radiology services, with Providence and Moda increasing

2

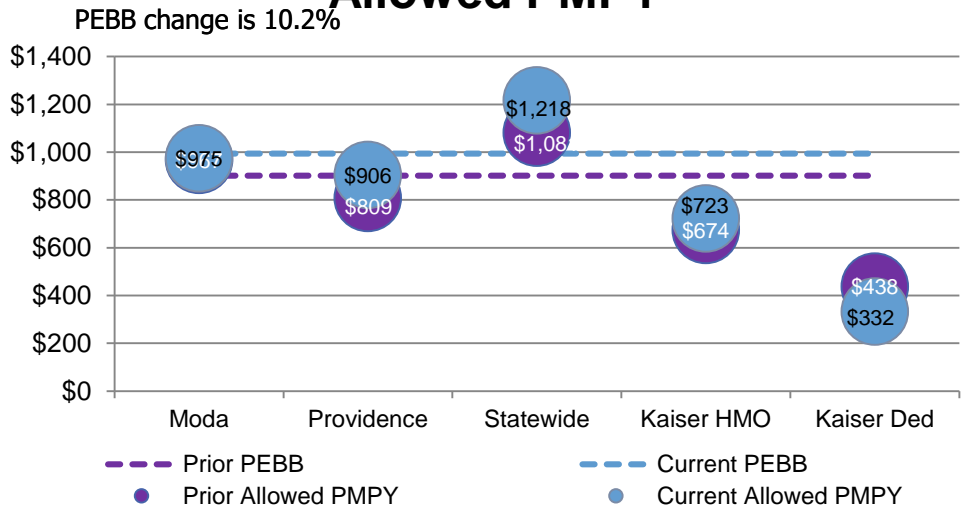
- Moda cost per service increased 10.5% over the prior period
- Significant increase in abdomen CT scans allowed per service with increased utilization at high cost out of state facilities and Salem Hospital

3

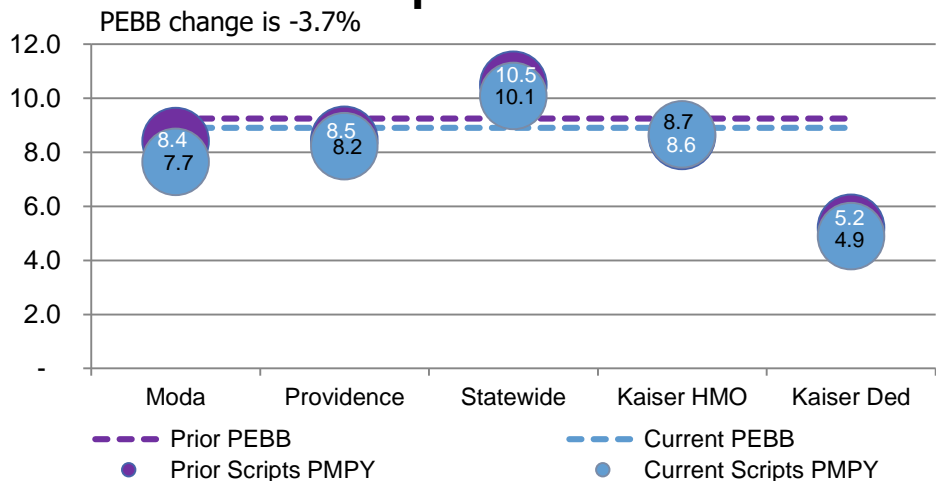
- Significant increase in utilization for Moda in mammography screenings
- CPT 77067 avg. allow ranges from
 - ~\$220 for imaging centers
 - ~\$280 for hospitals in Portland
 - ~\$350 for hospitals in Corvallis & Albany
 - ~\$400 for hospitals in Medford and Grants Pass
- 200% of Medicare is \$288 for Portland and \$269 for rest of Oregon

PRESCRIPTION DRUGS

Allowed PMPY



Scripts PMPY



KEY INSIGHTS

1

- Allowed per member increased significantly for Statewide (12.6%) and Providence (12.0%)
- Increase in specialty drug costs accounted for approximately 75% of the increase

2

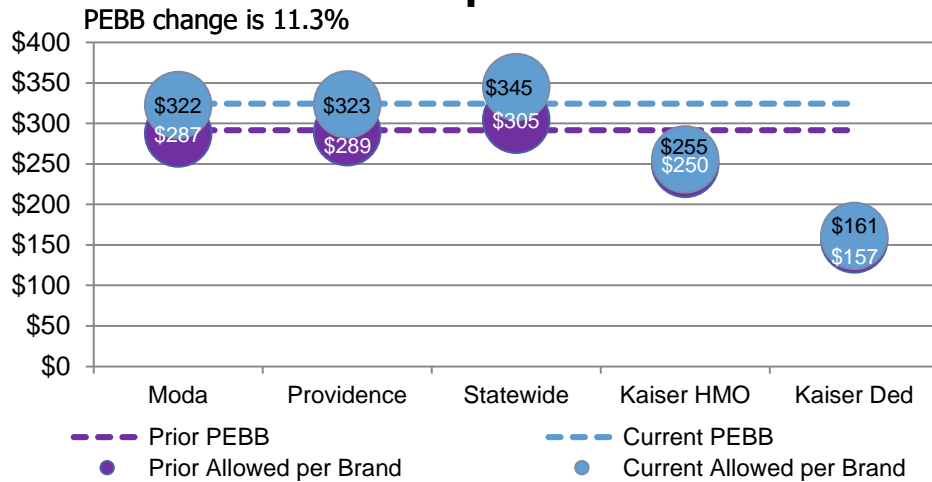
- The paid per member increased 11.0%, indicating a decrease in members' cost share

3

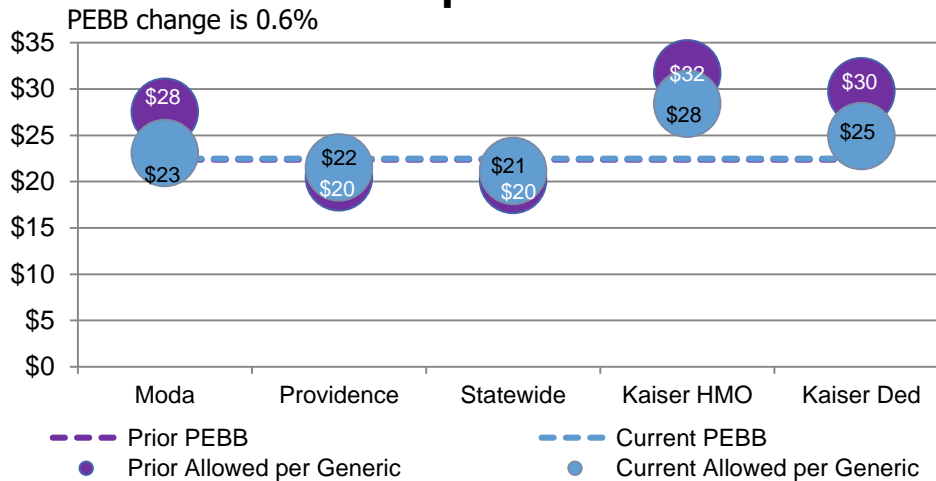
- The paid per script increased 15.3% for PEBB overall which is partially due to a shift in utilization from retail to mail order

PRESCRIPTION DRUGS

Allowed per Brand



Allowed per Generic



KEY INSIGHTS

1

- Allowed per brand script increased for all plans

2

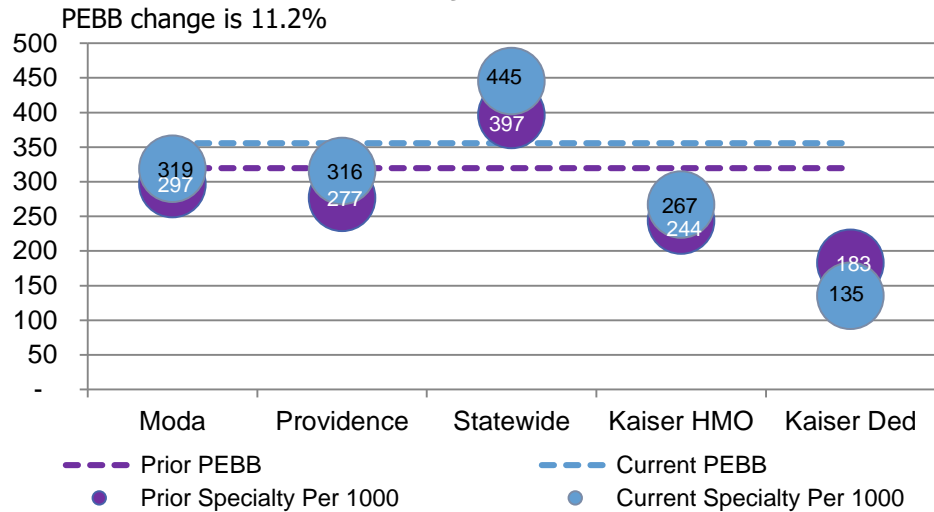
- Allowed per generic increased for Providence and Statewide but decreased for all other plans
- Costs exclude specialty drugs and Rx rebates

3

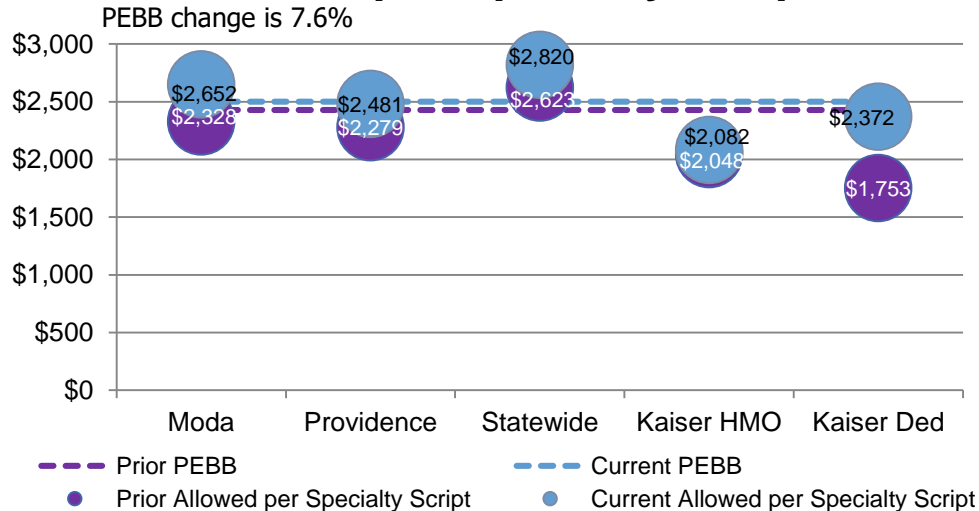
- Generic utilization for PEBB decreased by 0.4% to 84.2%
- Some brand drugs may be covered as generic under the plans but are classified as brand in the database

SPECIALTY DRUGS

Specialty Per 1000



Allowed per Specialty Script



KEY INSIGHTS

- 1
 - Utilization of specialty drugs increased 14% for Statewide and 12% for Choice
 - Allowed per script increased for all plans with Kaiser Deductible up 35% and Moda up 12%
- 2
 - Specialty drug costs now represent 14.8% of total PEBB claims
 - Statewide (16.8%) and Moda (15.9%) have the largest share of specialty drugs out of the plans
 - This is an increase from 13.1%
- 3
 - Excluding specialty drugs, the PEBB allowed cost increase of 5.7% would have been 3.7%

WHAT CAN PEBB DO TODAY ABOUT THESE TRENDS?

KEY TRENDS

Escalating specialty drug costs

Escalating inpatient facility costs

High use of preference sensitive services, especially surgeries

Increasing unit costs of ER visits due to increased acuity levels based on coding

Increased use of radiology services

POTENTIAL MITIGATION STRATEGIES

- Engage in a purchasing co-operative for better pricing based on combined purchaser volume
- Evaluate the engagement of high cost claimants with the carrier case management programs, such as clinical assessments and reporting on engagement
- Develop and implement centers of excellence for key surgical procedures that include screening for medical appropriateness for high volume procedures, such as total knees, total hips, and bariatric procedures
- Request carriers to develop and implement patient decision aids for high volume preference sensitive surgeries to ensure members understand their treatment options for those procedures
- Request the carriers to report on their claim review of the higher acuity level emergency room visits to verify the accuracy of the coding
- Request the carriers to increase communications about nurse lines and other alternative access channels to healthcare, such as urgent care and telehealth
- Request information from the carriers regarding their utilization review procedures, including pre-service and post-service reviews, for radiology services



MERCER