



Wellmark Blue Cross and Blue Shield

2025 Iowa Graduate Business Analytics Case Competition

Problem Statement

Introduction

Wellmark Blue Cross and Blue Shield (Wellmark) has protected the health of Iowans and South Dakotans for more than 85 years. As the largest health insurer in Iowa and South Dakota, our mission is to make health care better. We provide affordable, accessible and sustainable health insurance solutions. We're listening to and collaborating with partners throughout the health care system to empower members and communities we serve to be healthy. We prioritize innovation, compassion, and a holistic approach, as we continuously improve the health and well-being of our members and the communities we serve.

Wellmark provides health coverage to **over 2 million members**, including individuals, families, Medicare-eligible individuals, and employees across **20,600+ businesses**, ranging from small enterprises to large corporations. Our extensive network includes **39,000+ in-network healthcare providers**.

Our commitment to our members, clients and each other fuels our path forward. It inspires us to operate with efficiency, transparency and integrity. And it inspires us to think bigger and work harder every day.

Who We Serve:

- **Individuals & Families** – Offering tailored health plans for Iowans and South Dakotans.
- **Employers** – Providing comprehensive health coverage for businesses of all sizes.
- **Medicare Members** – Offering Medicare Supplement plans and Medicare Advantage through Wellmark Advantage Health Plan.

Wellmark, Inc. is a mutual company, which impacts how we operate and prioritize funds. We keep our administrative costs low, with 84 cents of every health premium dollar going directly to preventive care, medical and mental health, and pharmacy benefits. Wellmark uses the remaining 16 cents to make sure our members have the services and support they need to live healthy lives now and in the future.

As a company deeply rooted in our local communities, Wellmark acts as a champion of improving the health of every Iowan and South Dakotan. We use our unique position to work collaboratively with a wide range of stakeholders on focused, data-driven, and evidence-based initiatives that promote meaningful and measurable change. Together, we are working to address the challenges of health equity and improve the health of our rural communities.

Problem Statement

In 2020, the world experienced one of the most severe public health emergencies ever recorded with the COVID-19 pandemic. As a result, many individuals needed medical coverage more than the normal health care system demanded. In response, the federal government passed the [American Rescue Plan Act \(ARPA\)](#) enacting several provisions to ease economic stress. One of the provisions was the ability for anyone who did not have medical coverage to enroll in Medicaid with no restrictions. Iowa and South Dakota have seen an increase in dual eligibility as more low-income individuals are becoming eligible. This increase has been primarily attributed to the increased Medicaid enrollment due to the ARPA provisions passed during the COVID-19 pandemic.

As we head out of the COVID-era, Wellmark seeks to better understand **health disparities faced by underserved communities who are eligible for both Medicare and Medicaid (Dual-Eligible)**. Since the pandemic, enrollment in dual eligibility programs has risen significantly, driven by economic instability, rising healthcare costs, and federal policy changes.

Key contributing factors for increased dual eligibility enrollment may include:

- **Economic Hardship** – Increasing income inequality, stagnant wages, and inflation have made it harder for individuals to afford healthcare and maintain their standard of living.
- **COVID-19 Impact** – Job losses and financial strain pushed more low-income seniors and disabled individuals into Medicaid while they remained on Medicare.
- **Medicaid Policy Changes** – The **Families First Coronavirus Response Act (FFCRA)** and [American Rescue Plan Act \(ARPA\)](#) expanded Medicaid access, preventing disenrollment and allowing more individuals to qualify.
- **Aging Population** – As more people age into Medicare, many also meet Medicaid eligibility requirements due to financial hardship or disability.
- **Increased Awareness & Enrollment Efforts** – Outreach programs have led to higher participation in dual eligibility programs.

As more individuals fall into lower income brackets, the demand for Medicaid coverage continues to grow while healthcare costs persistently rise. These trends raise concerns about the long-term sustainability of these programs, the financial burden on taxpayers, and the ability of healthcare providers to meet increasing demand.

The Challenge

Understanding the characteristics, behaviors, trends, and ongoing economic factors that are impacting these populations is essential for developing **effective strategies** to improve healthcare access, affordability, and outcomes.

To explore these challenges, Wellmark seeks to gain deeper insights into the following areas:

Healthcare System & Funding Challenges

As enrollment in these federal programs continues to grow, more demand is placed on the healthcare industry. This includes higher hospital costs, lack of resources, restricted access to care, and increased administrative burdens on health providers. This drives up the need for additional funding to support these programs, which raises concerns about the sustainability of Medicare and Medicaid in the future.

- Predict what additional demands will be placed on the doctors and hospitals due to increased enrollment in dual eligibility?
- Estimate how much additional Medicare funding is needed to support the demand for dual-eligible individuals?

Geographic & Sociographic Trends in Dual Eligibility

Wellmark aims to better understand health disparities that exist with dually-eligible populations in underserved communities. This raises important questions about the characteristics of these populations and the impact of geographic and socio-demographic factors on enrollment eligibility.

- What possible trends or correlations exist within the population demographics?
- How have dual-eligible populations evolved?
- How are these trends contributing to the increase in dual eligibility?

Economic & Policy Impact on Medicaid Eligibility

The increase in income inequality continues to force more individuals into lower income brackets. Healthcare costs are continuing to increase, whereas wages have remained stagnant or have experienced minimal growth. Along with rising inflation, individuals struggle to maintain their same standard of living.

- How have inflationary pressures influenced increases in Medicaid eligibility (e.g., job loss, fewer people in the workforce)?
- What inflation-related factors are contributing to rising healthcare costs, specifically within Medicaid (e.g., new pharmaceuticals, new technologies)?

The Goal:

Wellmark's objective is to enhance the health of Iowans and South Dakotans through focused, data-driven and evidence-based initiatives. This information will be implemented into market strategies, plan and benefit designs and community outreach. The deliverables that you provide will support Wellmark in making meaningful improvements to community health and addressing the critical issues of health equity and the health of rural communities.

Understanding Medicare, Medicaid, and Dual Eligibility

Medicare and Medicaid are government programs that provide health coverage in the United States. Established in 1965, they are regulated by the Centers for Medicare & Medicaid Services (CMS), a division of the U.S. Department of Health and Human Services.

Both programs have distinct eligibility requirements that determine the amount of coverage an individual or family will receive. In some circumstances, it is possible for individuals to be eligible for both programs, which is known as [dual eligibility](#). It is important to understand the difference between the two programs as well as how they work together to provide coverage for individual and family needs.

Like other government programs, the federal government contracts with private-sector businesses to provide these services to the public. In the case of Medicare and Medicaid, CMS contracts with private insurance companies, like Wellmark, to manage and administer Medicare and Medicaid benefits, claims and provider networks.

- For Medicare, private insurers, like Wellmark, offer [Part C](#) (also known as Medicare Advantage) and Part D plans through a government contract with CMS. These programs are heavily regulated, and CMS requires insurers to meet certain criteria and requirements to administer these plans on behalf of the federal government. Private insurers then receive a [fixed monthly payment](#) based on how many members have enrolled in their plans.
- For Medicaid, states contract with [Managed Care Organizations \(MCO\)](#), also private insurers, to manage Medicaid benefits and costs. States pay the MCOs a fixed amount for every member enrolled in the Medicaid program. Like Medicare, MCO's are regulated by CMS and follow strict compliance guidelines to manage and administer plans.

Medicare: Federal Health Insurance for Seniors & Certain Individuals

Medicare is [funded by two trust funds](#) monitored by the Department of Treasury. The Hospital Insurance (HI) trust finances inpatient hospital and hospice care, and the Supplementary Medical Insurance (SMI) trust finances health care coverage and prescription drug costs via taxpayer dollars.

Medicare is a federally funded health insurance program for:

- Individuals **65 and older**
- People with **ALS, End-Stage Renal Disease (kidney failure), or disabilities** who qualify for **Social Security Disability Insurance (SSDI)**

Medicare has **four parts**:

- **Part A:** Covers hospital stays and nursing care
- **Part B:** Covers doctor visits, check-ups, and medical tests
- **Part C (Medicare Advantage):** Private insurance plans, like Wellmark, offer a combination of Part A & Part B and often include drug coverage and extra benefits

- **Part D:** Covers prescription drugs

✦ **Example:** John recently retired after working as a maintenance technician for over 35 years. While he had employer-provided health insurance during his career, that coverage ended when he retired. Now, as a 65-year-old retiree, John qualifies for Medicare, the federal health insurance program for seniors.

Medicaid: State-Based Health Insurance for Low-Income Individuals

Medicaid is a health insurance program [jointly funded](#) by the state and federal governments for low-income individuals and families, jointly. Each state sets **eligibility rules** based on income and household size.

Most states (41) use a Managed Care Organization (MCO) to administer Medicaid benefits. Another nine states fund Medicaid entirely through state tax dollars.

✦ **Example:** Sophia is a hardworking single mother raising two children. She works two part-time jobs—one as a cashier at a grocery store and another as a daycare assistant. Despite working 40+ hours a week, her monthly income of \$1,500 is well below 138% of the Federal Poverty Level (FPL), making her eligible for Medicaid coverage under Iowa's Medicaid expansion program.

Dual Eligibility: Qualify for Both Medicare & Medicaid

Some individuals qualify for both programs, known as **dual eligibility**. There are two types:

- **Full-Dual Eligibility:** Individuals receive full benefits from both Medicare and Medicaid.
- **Partial-Dual Eligibility:** Individuals don't fully qualify for Medicaid but receive assistance through a [Medicare Savings Program \(MSP\)](#) to help cover costs.

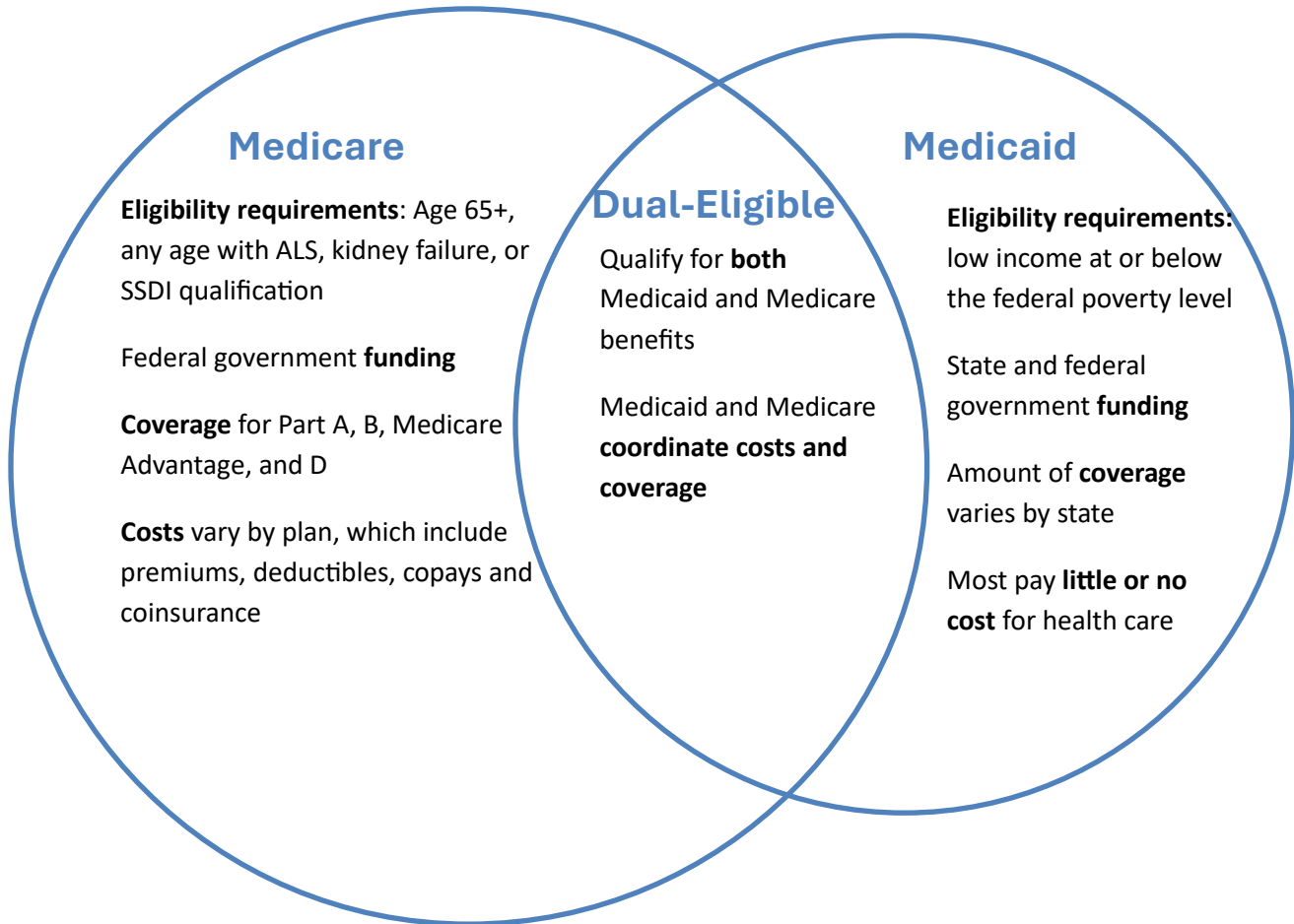
Additionally, **Low-Income Subsidy (LIS)**, provides "extra help" so dual-eligible individuals can afford prescription drugs by covering premiums, deductibles, and co-pays.

✦ **Example:** Chris, a 66-year-old, worked for 30 years as a cashier but had to retire early due to worsening arthritis. He receives **Social Security and Medicare benefits**, but his fixed income of **\$1,200 per month** allows him to qualify for **Medicaid** due to his **low income**. This makes him **fully dual-eligible**, meaning he receives benefits from both programs.

By understanding Medicare, Medicaid, and dual eligibility, individuals can make informed decisions about their healthcare coverage.

Comparison Chart –

Below is a comparison chart of the 3 different plans discussed:



Deliverables –

Quantitative Analysis and Modeling – Explain your approach to the analysis, scope of the project, modeling techniques, findings and solutions.

- Teams should be knowledgeable about the data and demonstrate the ability to efficiently describe different variables and how they are related to the analysis.
- Identify and distinguish key characteristics, disparities, and any other notable observations relevant to dual-eligible populations
- Develop a model to help Wellmark predict or forecast the impact of increased demand on the healthcare system and Medicare funding
- Teams should explain their data modeling approach including discussion on what techniques were considered, used, and how results were obtained

Solutions and Recommendations – Clearly and concisely articulate your findings and suggestions.

- Provide a solution that allows for continued monitoring of dual eligibility impacts to Wellmark
- Teams should recognize and address any biases to ensure their analysis remains objective and accurate.
- Teams should provide sound justifications for recommendations
- Prioritize and highlight key insights or areas of analysis that Wellmark should investigate in the future.
- Propose any additional questions that should be explored or considered moving forward.

Presentation – Tell a clear story through your analysis, findings, and recommendations.

- Create a visual presentation that showcases the entirety of this case. Provide the following:
 - A concise explanation of your methods, key findings, and recommendations.
 - Showcase well-designed visualizations and graphs that enhance and support your analysis.
 - Create clean slides with high-level bullet points for clarity.
 - Use storytelling techniques to ensure understanding of complex concepts
- Teams should demonstrate a cohesive narrative to their presentation with a clear outline, a logical flow of findings and analysis and a strong conclusion with actionable recommendations for Wellmark.

Data Summary

Below is a selection of files that may be useful for this case. While not all files will be necessary to complete this case, they are available if needed to support analysis and deliverables. This is not an exhaustive list of files to be used.

Enrollment

Iowa Medicare Monthly Enrollment – file attached

[API Docs | CMS Data](#)

[CMS Program Statistics - Medicare Total Enrollment | CMS Data](#)

[CMS Program Statistics - Medicare-Medicaid Dual Enrollment | CMS Data](#)

[Medicare Advantage Geographic Variation - National & State | CMS Data](#)

[Medicaid Contracts and Rates | Health & Human Services \(iowa.gov\)](#) – Iowa Medicaid contracts

[Provider of Services File - Hospital & Non-Hospital Facilities | CMS Data](#)

Cost

[FFS Data \(2015-2022\) | CMS](#) - risk tables for measuring cost

[Ratebooks & Supporting Data | CMS](#) - rate tables for measuring reimbursement

[Federal Reserve Economic Data | FRED | St. Louis Fed](#)

[U.S. Bureau of Labor Statistics : U.S. Bureau of Labor Statistics](#)

Geographic

US Zips – file attached