

State of Delaware Benefits Mentor Utilization & Plan Migration Analysis



FY 2020 Open Enrollment



Watson Health™

Key findings

- Among employees utilizing IBM Watson Health's My Benefits Mentor online tool, there were higher rates of enrollment in the lowest cost option compared to employees not using the tool
 - 9,445 (22.3%) of GHIP actives and early retirees utilized the tool prior to electing coverage for FY20
 - 12.2% of these members (1,152) enrolled in the lowest cost option as suggested by the tool
 - In total, 8.9% of all GHIP actives and early retirees (3,753) enrolled in the lowest cost option as suggested by the tool
- Majority of active employees and early retirees continue to enroll in the Highmark PPO plan
 - 55.7% of members using My Benefits Mentor (5,257) elected the PPO in FY20
 - Just under 10% of Highmark's FSB families migrated to the Highmark PPO plan; these members had a slightly higher average cost in FY19 (\$451 allowed amount PMPM) than members continuing in Highmark FSB (\$424 allowed amount PMPM)
 - Just under 6% of Aetna's HMO families migrated to the Highmark PPO; these members had comparable average cost in FY19 (\$498 allowed amount PMPM) compared to members remaining in Aetna HMO (\$501 allowed amount PMPM)
 - Highmark PPO plan continues to attract members with the highest average risk score

Key findings

- The State is limited in its ability to steer members to lower cost plans without requiring legislative changes to plan designs and/or subsidy strategy
- Robust communications and/or incentive strategies (e.g., raffles, premium holidays) can be utilized to ensure GHIP members continue to access the tools and information available prior to electing coverage
- GHIP members continue to favor comprehensive coverage with higher payroll contributions (PPO) to lower cost options with potentially higher out-of-pocket expenses at the point of care (CDH, FSB)
 - 43.9% (or 13,122) of the FY20 Highmark PPO families had allowed costs of \$5,000 or less in FY19, indicating a willingness to pay a premium for comprehensive coverage in the event of unexpected medical costs
 - On the other hand, 20.2% (or 599) of the FY20 Highmark FSB families and 22.8% (or 610) of the Aetna CDHP families had allowed costs of over \$10,000 in FY19, indicating a willingness to pay less in payroll contributions for potentially higher out-of-pocket expenses in FY20, depending on expected family needs
- Opportunity to continue to educate GHIP members on the coverage options, out-of-pocket costs (including annual premiums), tools and resources available to ensure members make the best choices for their family needs

Analytic Parameters

Active Employees and Early Retirees

Claims data for Fiscal Year (FY) 2019 based on medical and prescription drug claims incurred July 2018 through June 2019, unless otherwise noted

Fiscal Year (FY) 2020 plan enrollment and transition results based on June 2019 and July 2019 eligibility data

Plan Groups

- Highmark Delaware Comprehensive PPO (Highmark PPO)
- Highmark Delaware First State Basic (Highmark FSB)
- Aetna CDHP Gold (Aetna CDHP)
- Aetna HMO

Distribution of Contracts by Plan Choice for FY20 by Lowest Cost Plan (“Recommended Plan”) and Use of Watson Benefits Mentor Tool (n=42,296)

Lowest Cost Plan:

- Aetna CDH: 20,740 (49.0%)
- Aetna HMO: 9,198 (21.8%)
- First State Basic: 12,358 (29.2%)

9,445 employees / early retirees utilized the Benefits Mentor tool (22.3%)

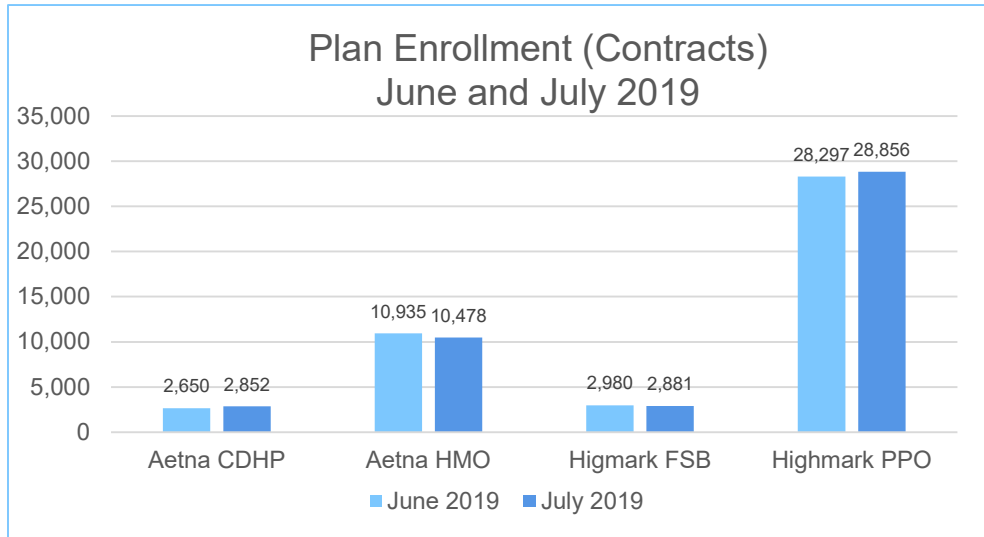
2020 Plan Choice Employees (% of Enrollment among Letter Recipients)	Used Tool (Y/N)	Tool Utilization Distribution by Plan Employees (% of Plan Enrollment among Letter Recipients)
Aetna CDH 2,033 (4.8%)	Y	812 (39.9%)
	N	1,221 (60.1%)
Aetna HMO 8,669 (20.5%)	Y	2,172 (25.1%)
	N	6,497 (74.9%)
Highmark FSB 2,213 (5.2%)	Y	604 (27.3%)
	N	1,609 (72.7%)
Highmark PPO 23,667 (56.0%)	Y	5,257 (22.2%)
	N	18,410 (77.8%)
Medicfill 592 (1.4%)	Y	31 (5.2%)
	N	561 (94.8%)
No Plan Enrollment 5,122 (12.1%)	Y	569 (11.1%)
	N	4,553 (88.9%)

Used Tool (9,445)	Lowest Cost Plan	Plan Choice		% Choosing Recommended Plan*
	Aetna CDHP (n=4,913)	Aetna CDHP	493	10.0%
		Aetna HMO	1,288	
		Highmark FSB	285	
		Highmark PPO	2,786	
		Medicfill	16	
		Not Enrolled	45	
	Aetna HMO (n=2,147)	Aetna CDHP	106	18.8%
		Aetna HMO	404	
		Highmark FSB	64	
Highmark PPO		1,551		
Medicfill		9		
Not Enrolled		13		
Highmark FSB (n=2,385)	Aetna CDHP	213	10.7%	
	Aetna HMO	480		
	Highmark FSB	255		
	Highmark PPO	920		
	Medicfill	6		
	Not Enrolled	511		

Did Not Use Tool (32,851)	Lowest Cost Plan	Plan Choice		% Choosing Recommended Plan*
	Aetna CDHP (n=15,827)	Aetna CDHP	691	4.4%
		Aetna HMO	3,697	
		Highmark FSB	703	
		Highmark PPO	10,120	
		Medicfill	260	
		Not Enrolled	356	
		Aetna HMO (n=7,051)	Aetna CDHP	
	Aetna HMO		1,189	
	Highmark FSB		185	
Highmark PPO	5,119			
Medicfill	230			
Not Enrolled	157			
Highmark FSB (n=9,973)	Aetna CDHP		359	7.3%
	Aetna HMO	1,611		
	Highmark FSB	721		
	Highmark PPO	3,171		
	Medicfill	71		
	Not Enrolled	4,040		

*Excludes those not enrolled and Medicfill enrollees

Changes in Plan Enrollment

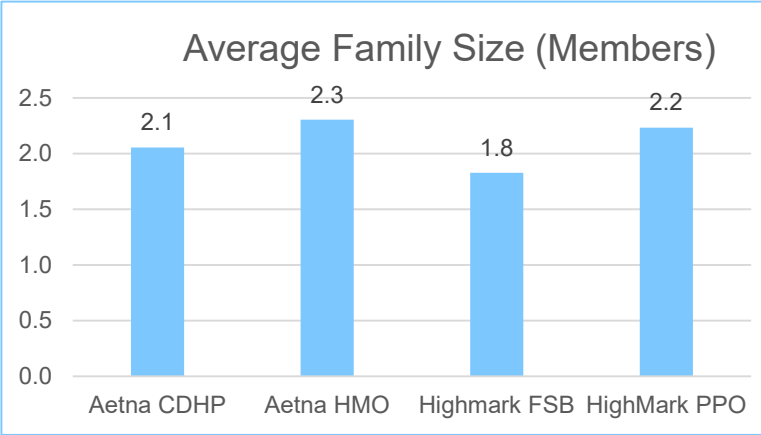
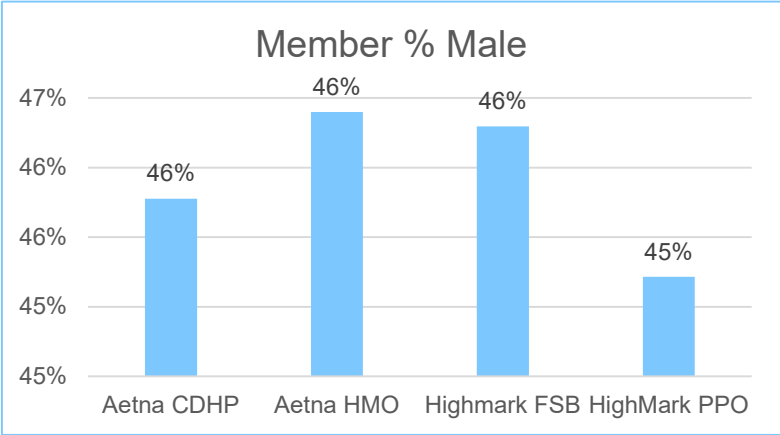
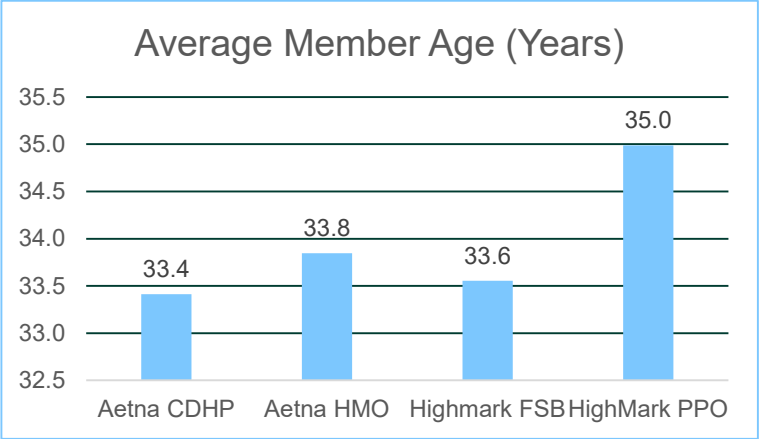
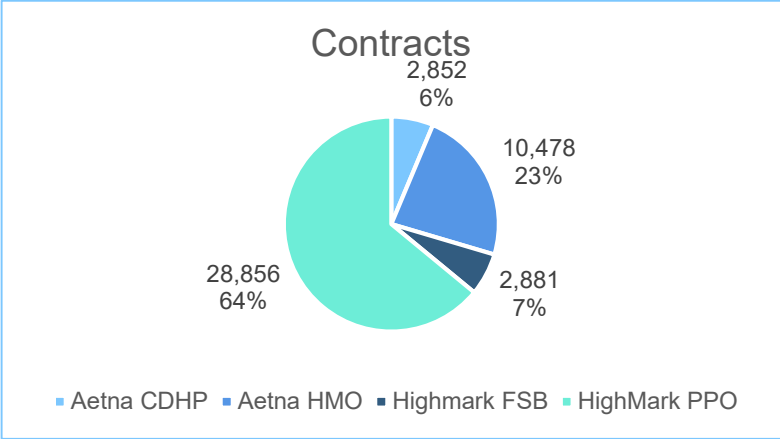


Enrollment July 2019

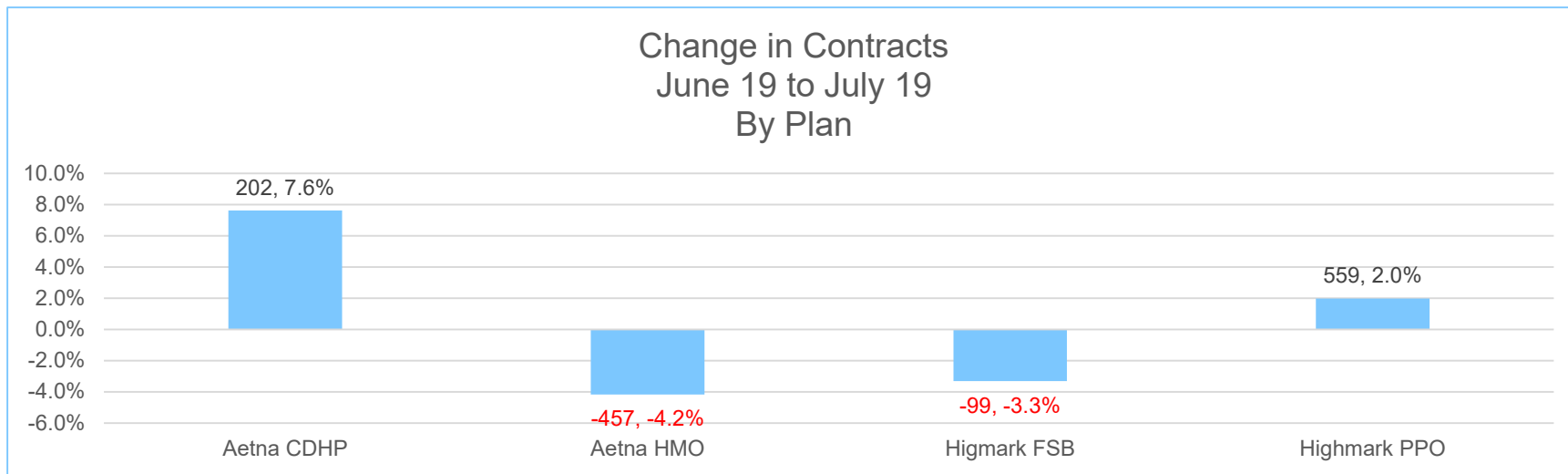
	<u>Continuing Contracts</u>	<u>New Contracts</u>
Aetna CDHP	2,779	73
Aetna HMO	10,344	134
Highmark FSB	2,747	134
Highmark PPO	28,485	371

- The total contracts from the active employee and early retiree population in the four available plans in June 2019 was 44,862. The number of contracts in the four available plans in July 2019 was 45,067, an increase of less than 1 percent.
- There were a total of 712 new contracts in the four plans in July 2019.

FY 20 Demographics, July 2019



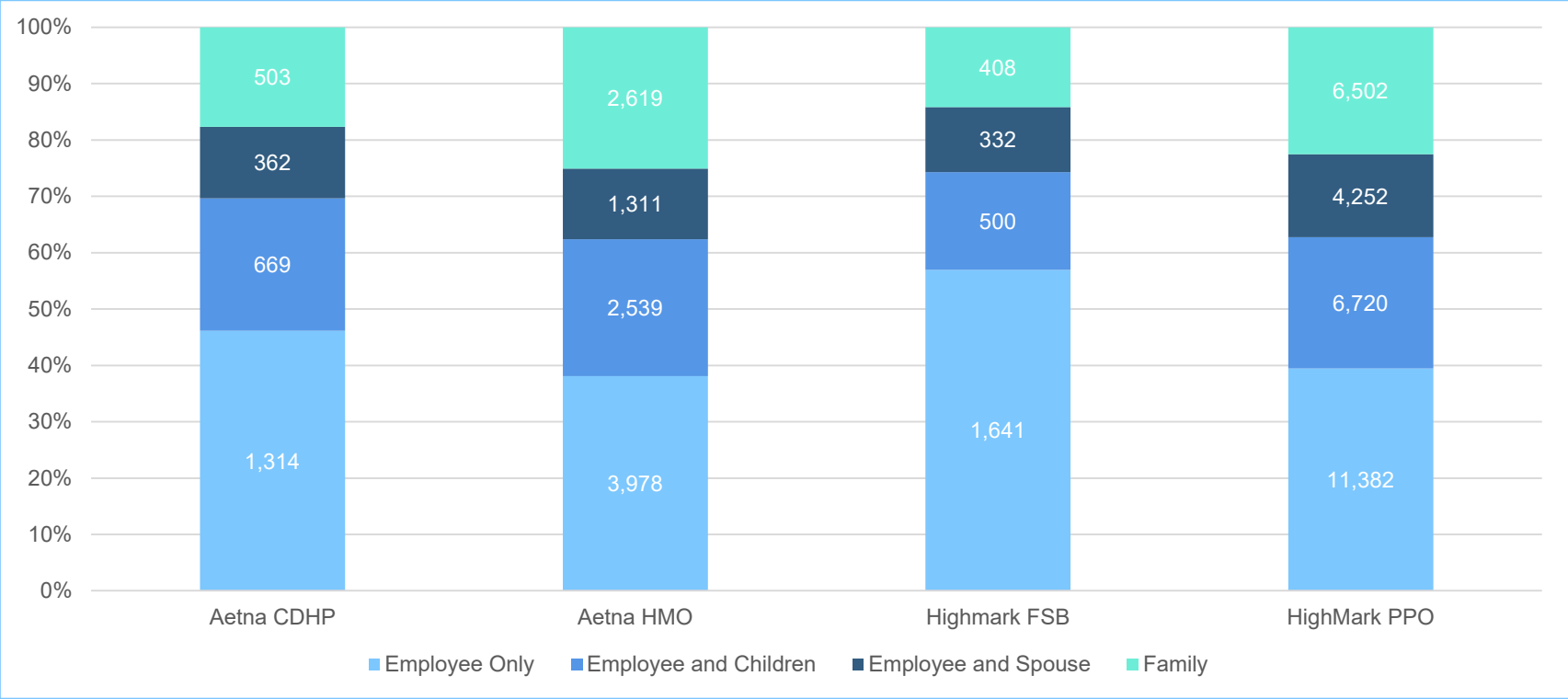
Plan Changes from June 2019 to July 2019



What happened to employee plan enrollment year-over-year?

- In absolute terms, the largest increase in contracts was in Highmark PPO (an increase of 559 families).
- In relative terms, the largest increase in contracts was in Aetna CDHP (an increase of 7.6%).

FY 20 Contracts by Coverage Tier



Plan Migration FY19 / FY20¹

		FY 2020 Selection											
		Aetna CDHP			Aetna HMO			Highmark FSB			Highmark PPO		
		% of Families	Allowed Amt PMPM	Avg. Family Size	% of Families	Allowed Amt PMPM	Avg. Family Size	% of Families	Allowed Amt PMPM	Avg. Family Size	% of Families	Allowed Amt PMPM	Avg. Family Size
FY 2019 Plan	Aetna CDHP	93.4%	\$417	2.1	2.5%	\$696	2.5	1.1%	\$554	1.6	2.9%	\$592	2.2
	Aetna HMO	1.4%	\$340	2.4	92.3%	\$501	2.3	0.6%	\$432	1.9	5.7%	\$498	2.3
	Highmark FSB	2.6%	\$165	2.1	3.2%	\$304	2.0	84.8%	\$424	1.8	9.4%	\$451	2.1
	Highmark PPO	0.4%	\$371	2.3	0.6%	\$578	2.5	0.4%	\$859	2.1	98.6%	\$646	2.3

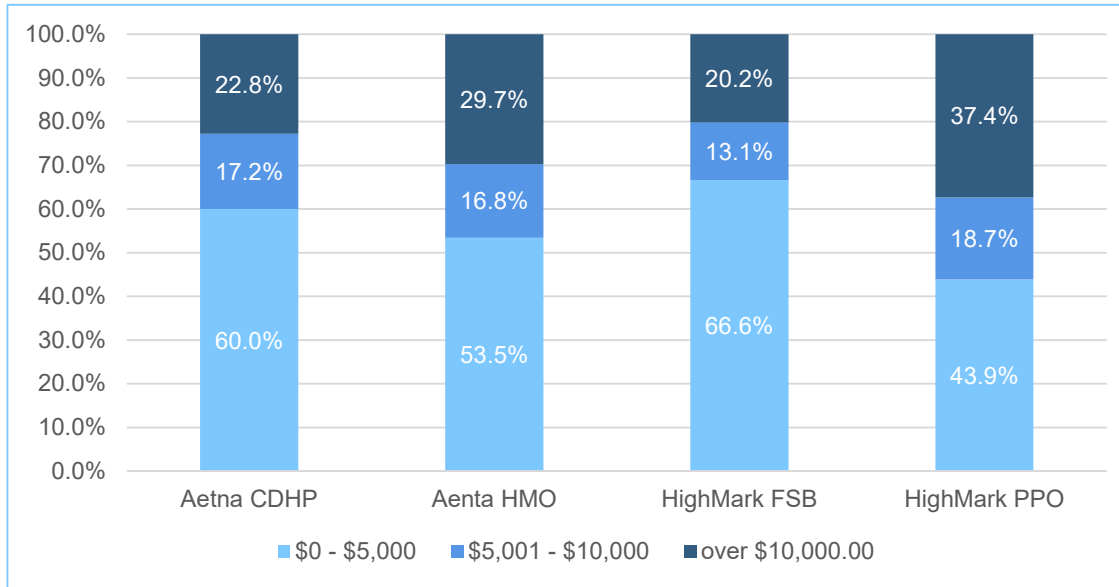
¹Among the active employee and early retiree population, there were 42,771 contracts identified in the Advantage Suite database that continued enrollment from one of the four available plans in June 2019 to one of the four available plans in July 2019. The balance of this analysis focuses on these contracts. New contracts for FY20, employees and their families not enrolling for FY20, other employee status groups and those enrolling in Medicfill are excluded.

How Did Contract Distribution Change?

For families that were enrolled in a plan in FY19 and continued enrollment in FY20:

- 4.1% of contract holders (1,738) migrated to a different plan at the start of FY20.
- The largest movement was among contract holders moving from Aetna HMO to Highmark PPO (597 contract holders or 5.7% of Aetna HMO's June 2019 contracts) followed by contract holders moving from Highmark FSB to Highmark PPO (247 contract holders or 9.4% of Highmark FSB's June 2019 contracts).

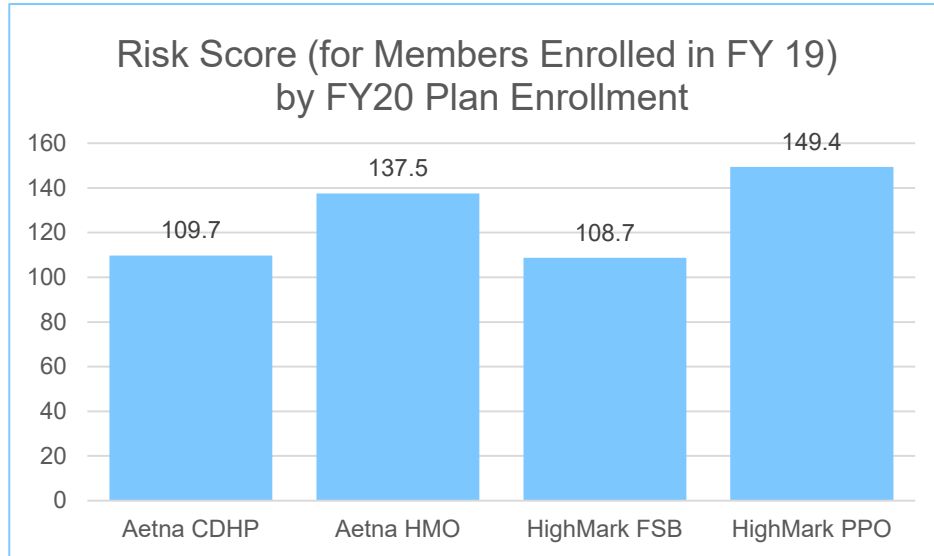
FY20 Plan Enrollment by FY19 Family Costs



Are employees choosing coverage based on prior year's cost for their family?

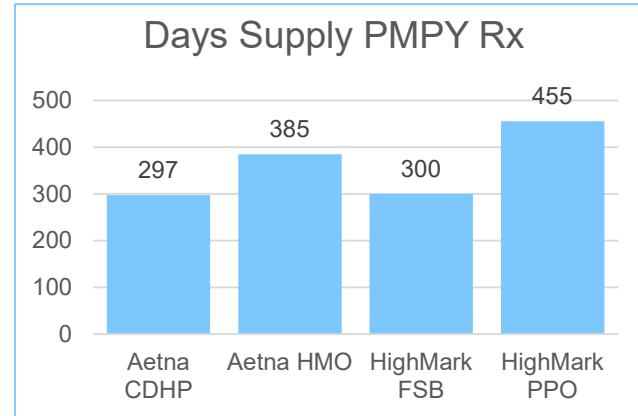
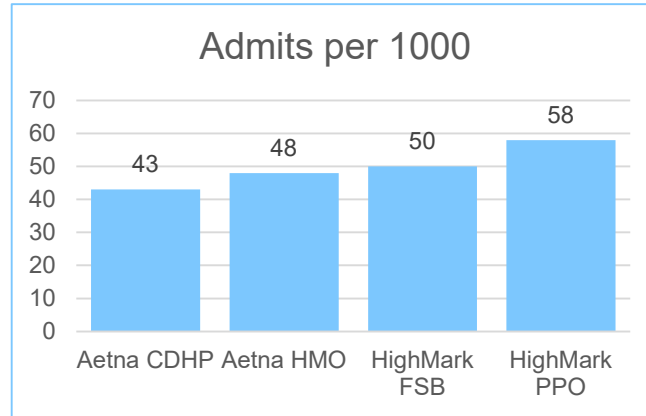
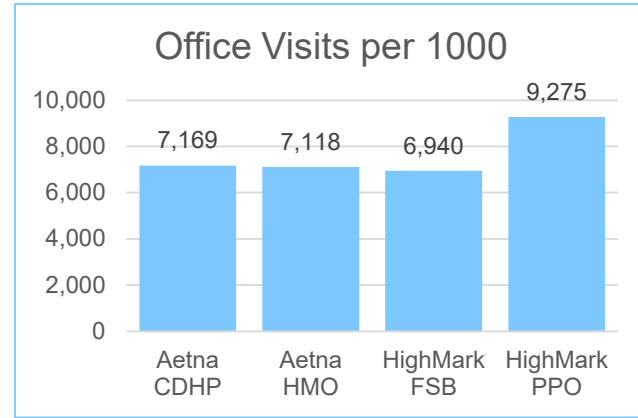
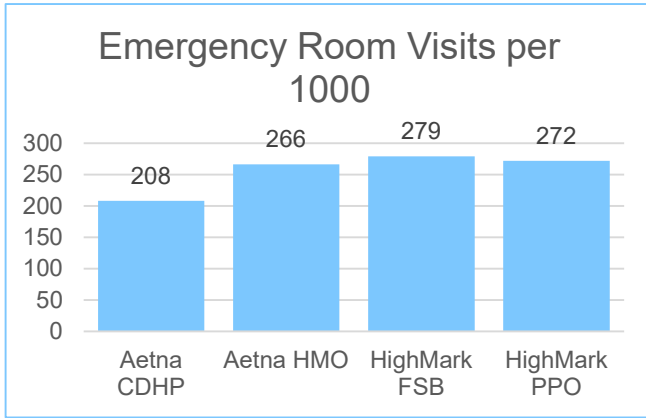
- 43.9.% of the families (13,122) enrolled in Highmark PPO in FY20 had allowed cost of \$5,000 or less in FY19
- 20.2% (or 599) of the FY20 Highmark FSB families and 22.8% (or 610) of the Aetna CDHP families had allowed cost of over \$10,000 in FY19

How Does Risk Vary by Plan?

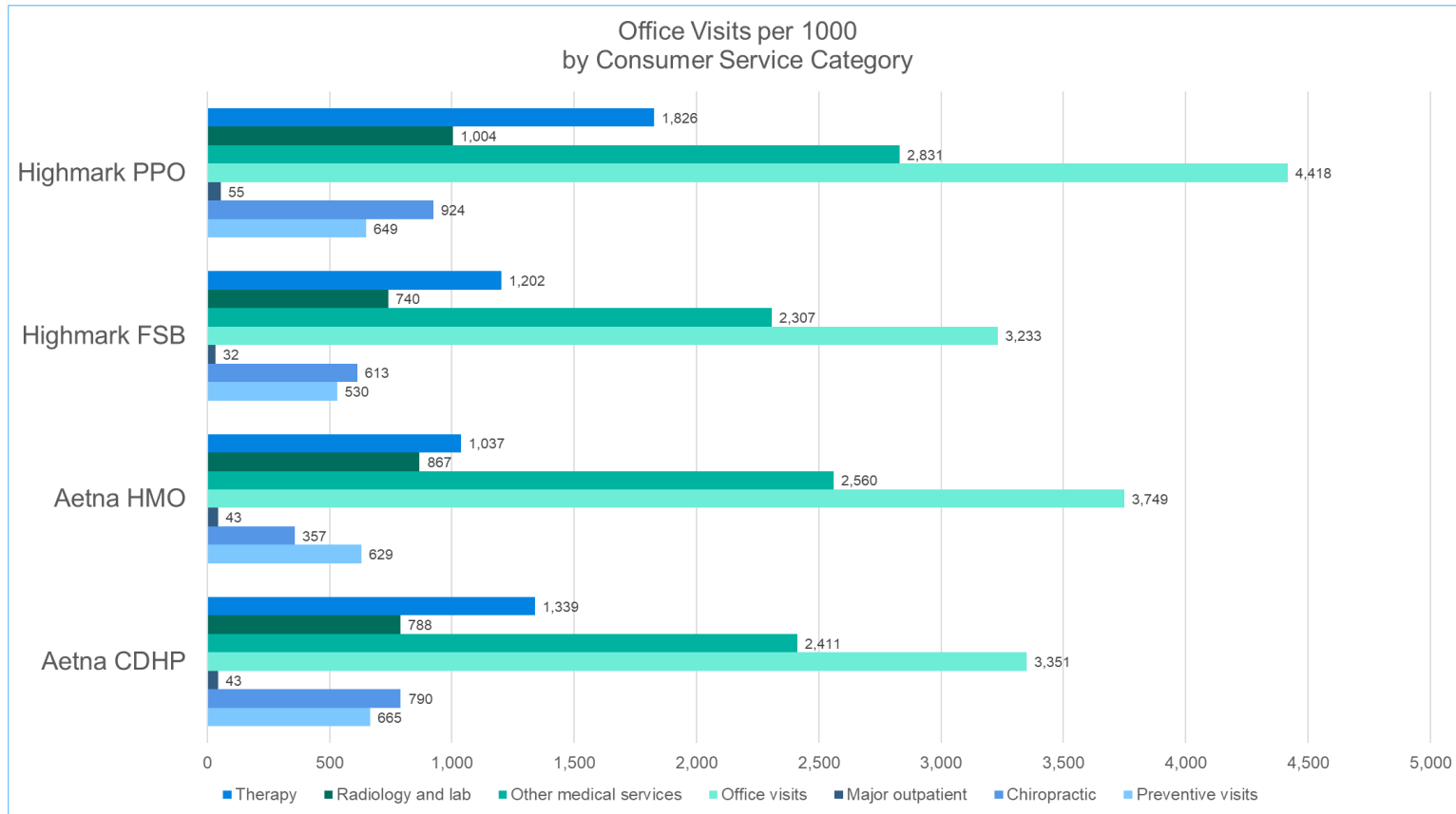


For FY20, Highmark PPO has the highest average risk and Highmark FSB has the lowest average risk based on utilization and cost for the respective membership (incurred in FY19).

FY20 Plan Enrollment by FY19 Utilization



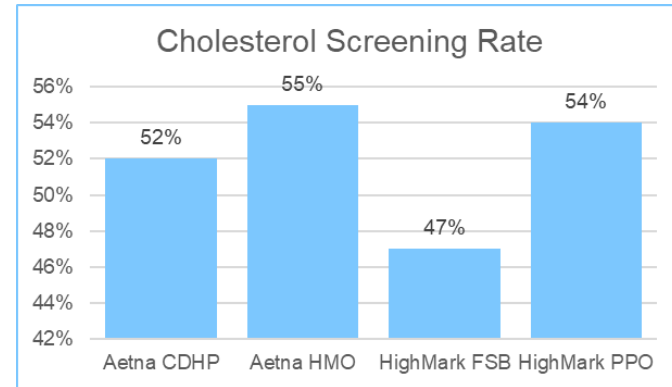
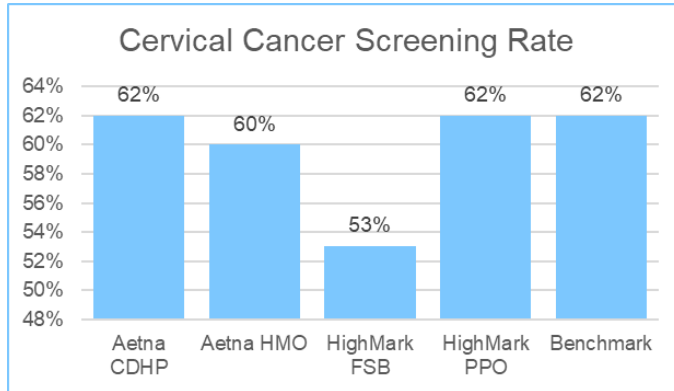
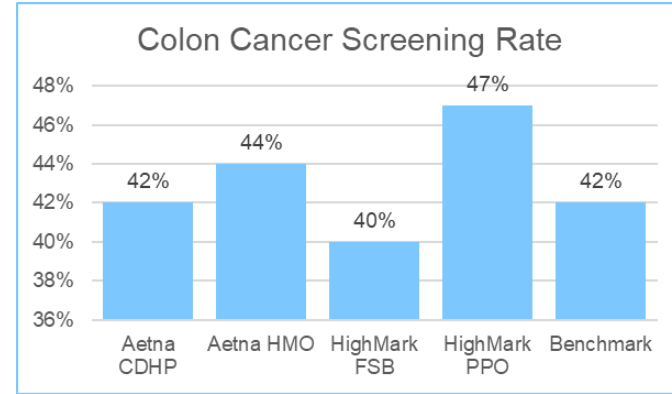
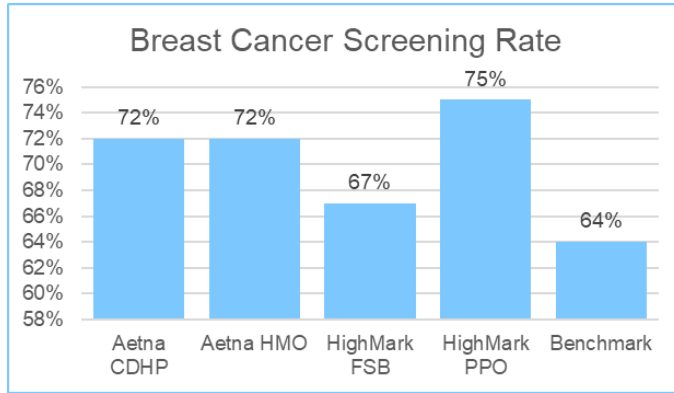
FY20 Plan Enrollment by FY19 Utilization



How Does Past Utilization (FY19) Vary by Membership Plan Enrollment in FY20?

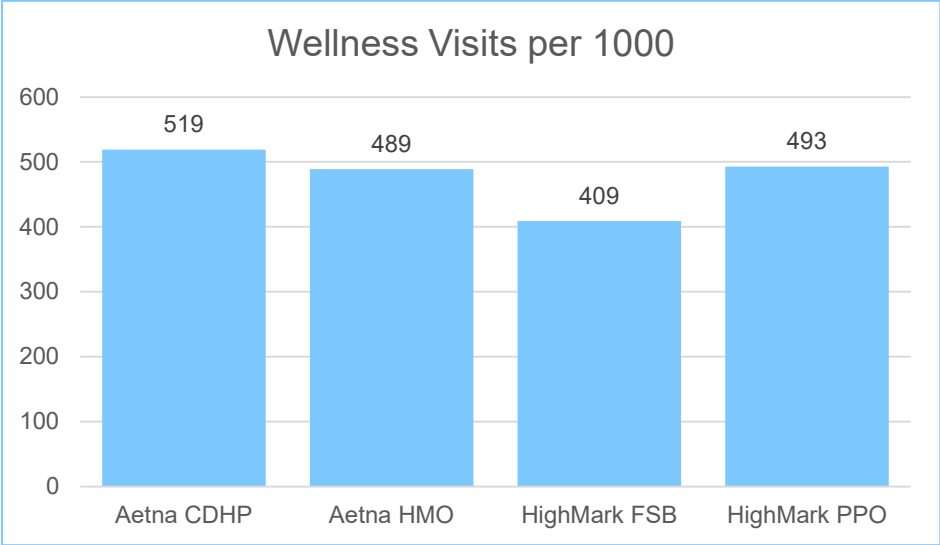
- For hospital admissions, Highmark PPO had the highest rate of utilization (58 per 1,000) among its membership for FY19.
- For emergency room visits, Highmark PPO, Highmark FSB, and Aetna HMO had much higher rates utilization than the Aetna CDHP plan.
- For office visits and prescription drugs, Highmark PPO had the highest rates of utilization (9.275 visits per 1,000 and 455 days supply PMPY, respectively) among its membership for FY19).

FY20 Plan Enrollment by FY19 Preventive Services¹



¹Reported benchmarks based on FY18 2nd Quarter Semi-Annual Norms from MarketScan.

How Does Past Utilization (FY19) Vary by Membership Plan Enrollment in FY20?



For wellness visits, Aetna CDHP had the highest rate of utilization (519 per 1000) and Highmark FSB has the lowest rate (409 per 1000).