The State of Delaware

COVID-19 GHIP Benefit Plan Adjustments and FY21 ACA Preventive Care – Expanded Coverage ***Updated***

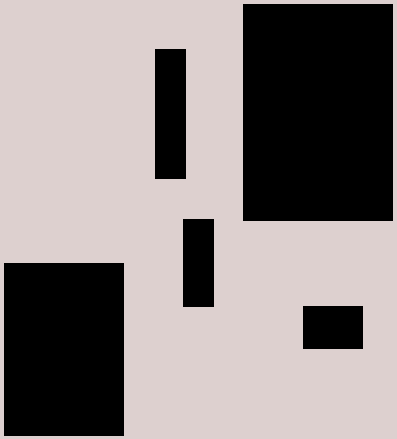
September 14, 2020

Willis Towers Watson

Today's discussion

- COVID-19 reporting update
- COVID-19 benefit plan changes and related considerations
  - Modified end date recommendations
- Next steps

COVID-19 reporting update



COVID-19 financial impact update

Impact of deferred care

- Beginning in late March, deferred care due to the COVID-19 pandemic began to significantly impact the state of the Fund
  - FY20 Q4 claims were a combined ***$47.1m below budget***
- Claim levels have returned closer to budget in July and August, with medical claims expected to land $7.7m and $4.3m below July and August budgets, respectively
- The table below highlights the impact of actual medical/Rx claims relative to budget since the onset of COVID-19[1]:

FY20 Q4	April			May			June			FY20 Q4 Total		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Medical	$44.3m	$61.2m	**($16.9m)**	$32.7m	$54.5m	**($21.7m)**	$38.5m	$51.4m	**($12.9m)**	$115.6m	$167.0m	**($51.5m)**
Rx	$23.6m	$21.8m	**+$1.7m**	$22.7m	$21.8m	**+$0.9m**	$34.5m	$32.8m	**+$1.7m**	$80.8m	$76.4m	**+$4.3m**
Total	$67.9m	$83.0m	**($15.1m)**	$55.5m	$76.3m	**($20.8m)**	$73.0m	$84.1m	**($11.1m)**	$196.3m	$243.5m	**($47.1m)**

FY21 Q1	July			August			September			FY21 Q1 Total		
	Actual	Budget	Variance	Actual[2]	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Medical	$54.3m	$62.0m	**($7.7m)**	$45.3m	$49.6m	**($4.3m)**				$99.6m	$111.6m	**($12.0m)**
Rx	$23.4m	$22.8m	**+$0.6m**	$23.2m	$22.8m	**+$0.4m**				$46.6m	$45.6m	**+$1.0m**
Total	$77.7m	$84.8m	**($7.1m)**	$68.5m	$72.4m	**($3.9m)**				$146.2m	$157.2m	**($11.0m)**

1 Final figures have been rounded to the nearest $0.1m; numbers in table may not add up due to rounding.
2 Based on weekly claims analysis provided by DHR; may differ from final claims to be reflected in August Fund Equity Report

COVID-19 financial impact update

Cost of COVID-19 testing and treatment

- Aetna and Highmark have been tracking weekly COVID-19 related plan expenses; the tables below highlight GHIP COVID-19 expenses based on the most recent weekly dashboards for each vendor:

Highmark YTD COVID-19 Dashboard Summary[1]	
Confirmed Member Count	584
Tested Member Count	5,944
Non-Test Paid Claims	$3.7m
Test Paid Claims	$3.8m
Pending Charges	$1.6m
Telemedicine Visits (COVID-19)	360
Telemedicine Paid Claims (COVID-19)	$34k

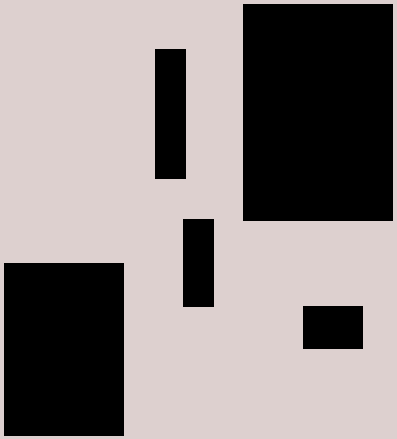
Aetna YTD COVID-19 Dashboard Summary[2]	
# of Claims (Non-Tests)	1,270
# of Claims (Tests)	3,847
Non-Test Paid Claims	$686k
Test Paid Claims	$352k
Telemedicine Visits (COVID-19)	361
Telemedicine Paid Claims (COVID-19)	$22k
Telemedicine Visits (Non-COVID-19)	26,621
Telemedicine Paid Claims (Non-COVID-19)	$1.9m

- COVID-19 testing, treatment and provider billing is still evolving; the information included in these dashboards is believed to be accurate based on all known information as of the production date; however, it is subject to change

1 Covers claims incurred and processed 1/1/2020 – 9/5/2020; tested and confirmed cases are mutually exclusive; pending claims as of 9/7//2020 and represent claims that have been received but not yet adjudicated (claims may be paid or denied and are subject to the member's benefit and contract provisions in force at the time); confirmed cases are identified by the CDC guidelines; test paid claims encompass ONLY the members who have been tested but have NOT been confirmed as positive via a claim; telemedicine claims include American Well as well as other providers

2 Covers claims from 3/1/2020 to 8/30/2020; test and non-test cases based on diagnosis and procedure code definitions used for COVID-19 identification; telemedicine claims include Teladoc as well as community based providers performing telemedicine services

COVID-19 benefit plan changes and related considerations



COVID-19 benefit plan changes

Modified end date recommendations

Benefit Plan	Change	Optional / Legislation	Cost *(per 3 month extension)*	Approval Date for Change	Start Date	Initial End Date	Extended End Date	Recommended Extension?
Medical	No member cost share for in-network, inpatient services related to treatment of COVID-19 or associated complications	Optional	$0.2m-$0.3m[1]	4/2/2020	4/2/2020	5/31/2020 - Highmark 6/1/2020 - Aetna	9/30/2020 – Highmark & Aetna	Yes (1)
EAP	Coverage for all SOD employees	Optional	$16,800	3/18/2020	3/19/2020	6/30/2020	9/30/2020	Yes (2)
Medical	No member cost share for office visits (PCP, urgent care, ER) that result in either order or administration of COVID-19 test or for treatment of COVID-19 or associated health complications	FFCRA[2]	—[3]	3/18/2020	3/18/2020	End of federal mandate	9/30/2020 – Aetna & Highmark	Yes (3)
Medical	No member cost share for any telehealth visits	Optional	$25,000 - $37,000 (est.)	3/20/2020	3/20/2020	6/4/2020 – Aetna 6/15/2020 – Highmark	9/30/2020 –Aetna & Highmark	Yes (4)

1) Recommend extending for all members, across both Aetna and Highmark, through 12/31/2020 (additional FY21 cost: $0.2m - $0.3m), and any time period following for which Aetna and Highmark fully-insured plans are extended

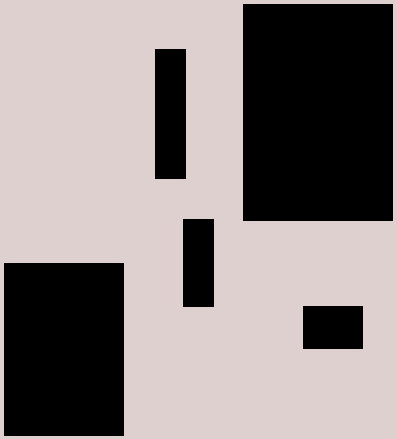
2) Recommend extending for all State employees through 12/31/2020 ($16,800)

3) Recommend extending for all members, across both Aetna and Highmark, through 12/31/2020, and any time period following for which Aetna and Highmark fully-insured plans are extended

4) Recommend extending for all members, across both Aetna and Highmark, for all services (not only behavioral and mental health visits), through 12/31/2020 (additional FY21 cost: $25,000 - $37,000), and any time period following for which Aetna and Highmark fully-insured plans are extended

1 Based on estimated annual cost of $0.7m - $1.2m calculated for all medical plans, adjusted for 3 months of FY20.
2 FFCRA = Families First Coronavirus Response Act.
3 Not valued separately – cost included in medical estimate for expanding in-network inpatient treatment of COVID-19 shown in recommendation 1 above.

Next steps



Next steps

- SEBC to vote on extension and/or adoption of updated recommended changes for FY20 and FY21
- Recommended changes:
  - Extend EAP coverage for all State employees through 12/31/2020
  - Extend no member cost share for in-network, inpatient services related to COVID-19 through 12/31/2020, and any time period following for which Aetna and Highmark fully-insured plans are extended
  - Extend no member cost share for IP/OP admissions related to COVID-19, or office visits (PCP, urgent care, ER) that result in order or administration of COVID-19 test for all members through 12/31/2020, and any time period following for which Aetna and Highmark fully-insured plans are extended
  - Extend no member cost share for any telehealth visits through 12/31/2020, and any time period following for which Aetna and Highmark fully-insured plans are extended