

The State of Delaware

COVID-19 update and utilization analysis

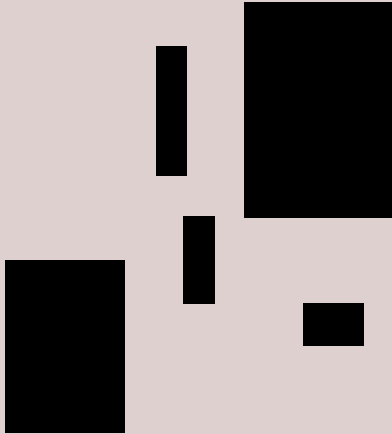
December 14, 2020

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Today's discussion

- COVID-19 financial impact
 - Considerations for FY21 and beyond
 - Impact of deferred care
 - Cost of COVID-19 testing and treatment
- COVID-19 reporting update
 - COVID-19 utilization analysis
- Next steps

COVID-19 financial impact



COVID-19 financial impact

Considerations for FY21 and beyond

- The cost of deferred care continues to significantly outpace the costs related to testing and treatment of COVID-19 cases
- The impact of the COVID-19 pandemic on the GHIP in FY21 and beyond is still unknown and depends on many factors, including:
 - Effectiveness of policies to mitigate spread and timing of easing of social distancing measures
 - Level of FY20 care deferral that returns in FY21
 - Level of new care deferral that emerges in FY21
 - Cost of new vaccine or therapeutic agents
 - Potential for new waves of COVID infection
- On July 27th, 2020, the SEBC approved decision to hold a one-time COVID-19 reserve of \$23.5M in FY21; continue to monitor

Continue to evaluate COVID-19 impact on GHIP long term cost projections, trend assumptions, minimum reserve, rate action planning, and other factors

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**; FY21 Q1 claims were an additional **\$11.2m below budget**
- Through November, FY21 Q2 claims have run **\$11.0m above budget**, and have offset the favorable claims impact generated in FY21 Q1
- The table below highlights the impact of actual medical and Rx claims relative to budget since the onset of COVID-19¹:

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)	\$58.5m	\$58.9m	(\$0.5m)	\$158.0m	\$170.5m	(\$12.5m)
Rx	\$23.4m	\$22.8m	+\$0.6m	\$23.2m	\$22.8m	+\$0.4m	\$23.0m	\$22.8m	+\$0.2m	\$69.6m	\$68.3m	+\$1.3m
Total	\$77.7m	\$84.8m	(\$7.1m)	\$68.5m	\$72.4m	(\$3.9m)	\$81.4m	\$81.7m	(\$0.3m)	\$227.6m	\$238.8m	(\$11.2m)

FY21 Q2	October			November ²			December			FY21 Q2 Total		
	Actual	Budget	Variance	Actual ²	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Medical	\$55.1m	\$50.6m	+\$4.5m	\$53.4m	\$47.6m	+\$5.8m				\$108.5m	\$98.2m	+\$10.3m
Rx	\$23.9m	\$23.3m	+\$0.6m	\$35.1m	\$35.0m	+\$0.2m				\$59.0m	\$58.3m	+\$0.8m
Total	\$79.0m	\$73.9m	+\$5.1m	\$88.6m	\$82.6m	+\$6.0m				\$167.5m	\$156.5m	+\$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 November 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	1,102
Tested Member Count	12,015
Non-Test Paid Claims	\$5.4m
Test Paid Claims	\$7.3m
Pending Charges	\$1.0m
Telemedicine Visits (COVID-19)	636
Telemedicine Paid Claims (COVID-19)	\$60k

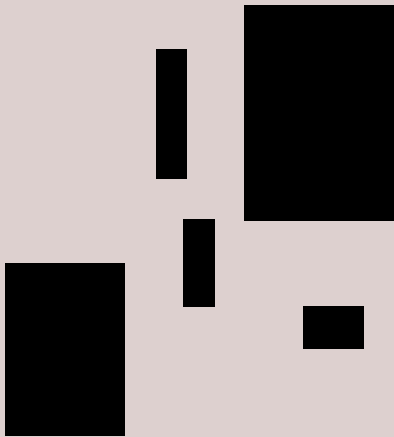
Aetna YTD COVID-19 Dashboard Summary ²	
# of Claims (Non-Tests)	2,695
# of Claims (Tests)	7,110
Non-Test Paid Claims	\$1.6m
Test Paid Claims	\$652k
Telemedicine Visits (COVID-19)	672
Telemedicine Paid Claims (COVID-19)	\$34k
Telemedicine Visits (Non-COVID-19)	44,428
Telemedicine Paid Claims (Non-COVID-19)	\$3.1m

- 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 – 12/5/2020; tested and confirmed cases are mutually exclusive; pending claims as of 12/7/2020 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 11/29/2020; 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 reporting update



COVID-19 reporting update

COVID-19 utilization analysis

- To better understand the impact care deferral and pent-up demand have had on the Fund since the onset of COVID-19, Willis Towers Watson and IBM Watson Health reviewed utilization metrics by service category for the following time periods:
 - April 2019 – March 2020 (the 12 months preceding the COVID-19 pandemic)
 - April 2020 – June 2020 (FY20 Q4, the height of GHIP care deferral)
 - July 2020 – September 2020 (FY21 Q1, continued GHIP care deferral)
 - October 2020 – the first month of claims exceeding budget since the onset of the COVID-19 pandemic
- The tables on the following pages, provided by IBM Watson Health, highlight the utilization trends for these time periods across various service categories
 - The charts have been shaded to reflect more or less favorable utilization relative to the April 2019 - March 2020 “baseline” period prior to the COVID-19 pandemic
- For most services, October utilization per 1,000 is higher than pre-COVID-19 utilization levels
 - **Conclusion:** pent-up demand is a factor in FY21 Q2 claim levels exceeding budget
 - **Recommendation:** continue to monitor weekly GHIP claims experience and provide necessary updates to Financial Subcommittee and SEBC members regarding timing and amount of future rate action



COVID-19 reporting update

COVID-19 utilization analysis

- Visits per 1,000 for Adult Preventive, Well Child and Well Baby:

Time Period	Adult Preventive	Well Child	Well Baby
April 2019 - March 2020 (baseline)	428	851	5,888
April 2020 - June 2020	171	860	5,136
July 2020 - September 2020	455	1,181	5,606
October 2020	485	1,151	6,222

- Visits per 1,000 for Mammogram Screening, Colon Cancer Screening, Cervical Cancer Screening and Cholesterol Screening:

Time Period	Mammograms	Colon Cancer	Cervical Cancer	Cholesterol
April 2019 - March 2020 (baseline)	454	155	295	482
April 2020 - June 2020	179	66	117	311
July 2020 - September 2020	527	151	326	485
October 2020	564	172	312	493

Source: IBM Watson Health; reflects total GHIP population; utilization annualized based on average membership



COVID-19 reporting update

COVID-19 utilization analysis

- Visits per 1,000 for Outpatient Imaging Services at Hospitals and Freestanding Facilities:

Time Period	Hospital	Freestanding Facility
April 2019 - March 2020 (baseline)	522	594
April 2020 - June 2020	332	367
July 2020 - September 2020	489	587
October 2020	573	593

- Visits per 1,000 to Emergency Rooms:

Time Period	All Conditions	Gastrointestinal	Signs/Symptoms/ Other Conditions	Respiratory Disorders	MSK	Pregnancy
April 2019 - March 2020 (baseline)	321	38	49	48	17	8
April 2020 - June 2020	237	24	38	41	11	7
July 2020 - September 2020	276	30	41	41	15	8
October 2020	272	26	39	44	14	9

Source: IBM Watson Health; reflects total GHIP population; utilization annualized based on average membership



COVID-19 reporting update

COVID-19 utilization analysis

- Patients per 1000 for Top 5 Outpatient Surgical Procedures:

Time Period	EGD TRANSORAL BIOPSY SINGLE/ MULTIPLE	COLSC FLX W/RMVL OF TUMOR POLYP LESION SNARE TQ	COLONOSCOPY W/BIOPSY SINGLE/ MULTIPLE	XCAPSL CTRC RMVL INSJ IO LENS PROSTH W/O ECP	COLONOSCOPY FLX DX W/COLLJ SPEC WHEN PFRMD
April 2019 - March 2020 (baseline)	26.3	21.5	20.1	20.3	17.5
April 2020 - June 2020	13.9	8.7	8.3	9.2	6.6
July 2020 - September 2020	27.6	21.9	19.9	17.6	15.5
October 2020	30.0	27.2	20.0	25.6	16.7

Source: IBM Watson Health; reflects total GHIP population; utilization annualized based on average membership



COVID-19 reporting update

COVID-19 utilization analysis

- Patients per 1000 for Top 10 Clinical Conditions:

Time Period	Prevent/Admin Hlth Encounters	Signs/Symptoms/ Oth Cond, NEC	Pregnancy without Delivery	Osteoarthritis	Spinal/Back Disord, Low Back
April 2019 - March 2020 (baseline)	1,366	1,263	170	442	969
April 2020 - June 2020	733	1,058	156	266	682
July 2020 - September 2020	1,439	1,262	177	389	917
October 2020	2,089	1,372	195	433	1,025

Time Period	Chemotherapy Encounters	Arthropathies/ Joint Disord NEC	Gastroint Disord, NEC	Coronary Artery Disease	Respiratory Disord, NEC
April 2019 - March 2020 (baseline)	49	1,229	285	169	343
April 2020 - June 2020	52	741	213	118	293
July 2020 - September 2020	55	1,084	272	155	316
October 2020	56	1,250	296	170	373

Source: IBM Watson Health; reflects total GHIP population; utilization annualized based on average membership



COVID-19 reporting update

COVID-19 utilization analysis

- Visits per 1000 for Mental Health and Substance Abuse Outpatient Services:

Time Period	Mental Health	Substance Abuse
April 2019 - March 2020 (baseline)	1,385	145
April 2020 - June 2020	1,521	178
July 2020 - September 2020	1,622	312
October 2020	1,846	197

- Admits per 1000 for Mental Health and Substance Abuse Inpatient Services:

Time Period	Mental Health	Substance Abuse
April 2019 - March 2020 (baseline)	3.8	1.9
April 2020 - June 2020	3.4	1.4
July 2020 - September 2020	3.6	1.5
October 2020	3.9	1.6

Source: IBM Watson Health; reflects total GHIP population; utilization annualized based on average membership

Next steps

- Continue to monitor emerging plan experience for COVID-19 testing and treatment, care deferral by type of care, and GHIP overall
- Continue to monitor emerging utilization and cost savings for the GHIP initiatives adopted to date
- Continue to discuss timing and level of future rate action