

# The State of Delaware

## COVID-19 update and utilization analysis

December 13, 2021

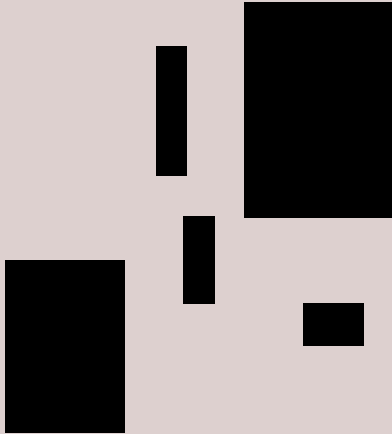


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# Today's discussion

- COVID-19 financial impact
  - Considerations for FY22 and beyond
  - Cost of COVID-19 testing, treatment, vaccinations
- COVID-19 reporting update
- Site of care reporting update
- Next steps

# COVID-19 financial impact



# COVID-19 financial impact

## Considerations for FY22 and beyond

- The impact of the COVID-19 pandemic on the GHIP in FY22 and beyond is still unknown and depends on many factors, including:
  - Level of 2020 care deferral that returns in 2021
  - Ongoing vaccination costs once no longer covered by federal government
  - Change in service mix (e.g., sustained shift to virtual care)
  - Downstream impact from missed preventive screenings/immunizations, compounding mental health issues, and additional unknown health needs of COVID-19 'survivors'
  - Potential for new waves of COVID infection (Omicron)

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

## Cost of COVID-19 testing and treatment

- The tables below highlight GHIP COVID-19 expenses based on the most recent dashboard provided by IBM Watson Health:

COVID-19 Payments	Highmark	Aetna	ESI	CVS	Total
<b>COVID-19 Total</b>	<b>\$27.3m</b>	<b>\$9.9m</b>	<b>\$1.3m</b>	<b>\$584k</b>	<b>\$39.1m</b>
COVID-19 Dx	\$22.0m	\$7.4m			\$29.3m
COVID-19 Tests	\$4.9m	\$2.2m			\$7.0m
COVID-19 Vaccines	\$474k	\$344k	\$1.3m	\$584k	\$2.7m

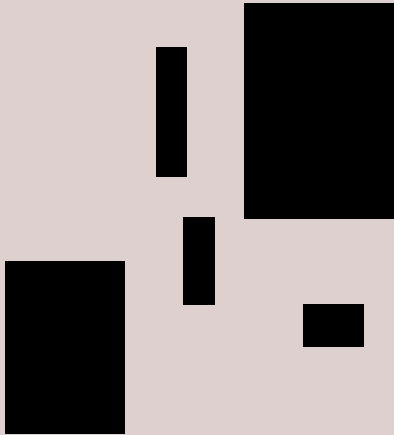
COVID-19 Patients	Highmark	Aetna	ESI	CVS	Unique Patients
DNA RNA Tests	39,039	14,469			45,256
Antibody Diagnostic Tests	7,897	4,499			11,436
Vaccinations	6,536	5,086	24,432	10,907	40,483

**\$39.1m paid for COVID-19 testing, treatment, and vaccinations through October 2021**

- In June 2021, the GHIP received \$23.3m in COVID-19 expense reimbursements based on COVID-19 expenses paid out of the Fund through March 2021
- With \$39.1m in COVID-19 expenses paid through October 2021, the GHIP could receive an additional \$15.8m in COVID-19 expense reimbursement sometime in FY22 or FY23

COVID-19 diagnosis: (Principal Diagnosis = U071 or Any Secondary Diagnosis = U071 or Z8616) OR (Any Secondary Diagnosis = B9729 and Service Month = March 2020 – October 2021) DNA RNA tests: Procedure Codes = 0202U; 0223U; 0240U; 0241U; 87635; 87636; 87367; 87426; C9803; G2023; G2024; U0001; U0002; U0003; U0004  
 Antibody tests: Procedure Codes = 0224U; 0226U; 86318; 86328; 86408; 86409; 86413; 86769; 87428; 87811

# 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 – December 2020 – (FY21 Q2, the first months of claims exceeding budget since the onset of the COVID-19 pandemic)
  - January 2021 – March 2021 - (FY21 Q3, continued return of care)
  - April 2021 – June 2021 – (FY21 Q4, claims returning to expected levels)
  - July 2021 – September 2021 (FY22 Q1, claims well below expected levels)

The impact of the COVID-19 pandemic on the GHIP in FY22 and beyond is still unknown

# COVID-19 reporting update

## COVID-19 utilization analysis

- The tables on the following pages, based on reporting 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
- Utilization when compared to baseline varied depending on visit type
  - Preventive visits per 1,000 were above pre-pandemic levels for adult preventive, well child, and mammograms, but were lower in other areas such as well baby and other cancer screenings
  - Outpatient mental health visits increased 11.4% and substance abuse admissions increased 24.3%
  - **Conclusion:** Utilization reached highest levels since the start of the pandemic during FY21 Q4, exceeding the baseline year in many instances, but a dip in utilization was observed in FY22 Q1
  - **Recommendation:** continue to monitor 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)	428.4	851.2	5888.1
April 2020 - June 2020	171.0	865.3	5282.6
July 2020 - September 2020	455.0	1192.0	5803.0
October 2020 - December 2020	465.4	1101.7	5796.1
January 2021 - March 2021	407.5	861.7	5827.2
April 2021 - June 2021	383.8	701.5	5676.9
July 2021 - September 2021	434.0	927.3	4835.8

- 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)	453.7	154.9	294.7	482.2
April 2020 - June 2020	178.8	65.6	116.6	310.7
July 2020 - September 2020	527.2	151.0	326.3	485.2
October 2020 - December 2020	505.7	156.1	281.8	450.2
January 2021 - March 2021	481.8	144.9	288.5	509.8
April 2021 - June 2021	408.3	159.1	265.1	510.0
July 2021 - September 2021	465.1	145.2	229.2	463.1

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:
  - Imaging for outpatient hospital setting decreased 15.8% from baseline, freestanding utilization decreased 4.7% from baseline
  - Freestanding made up 56% of imaging services in the most recent quarter, compared to 53% in the baseline period

Time Period	Hospital	Freestanding Facility
April 2019 - March 2020 (baseline)	521.6	593.8
April 2020 - June 2020	332.1	367.3
July 2020 - September 2020	488.7	586.8
October 2020 - December 2020	491.0	571.0
January 2021 - March 2021	483.4	583.8
April 2021 - June 2021	528.1	626.0
July 2021 - September 2021	439.3	565.7

- Visits per 1,000 to Emergency Rooms:
  - ER utilization remains below baseline period for most top conditions

Time Period	All Conditions	GI	Signs/Symptoms/ Other Conditions	Respiratory Disorders	MSK	Pregnancy
April 2019 - March 2020 (baseline)	321.1	38.3	48.9	47.9	17.4	7.9
April 2020 - June 2020	237.3	23.9	37.5	41.3	11.2	6.8
July 2020 - September 2020	276.3	30.1	41.4	41.0	15.1	7.8
October 2020 - December 2020	253.8	25.0	36.6	44.4	13.4	7.9
January 2021 - March 2021	327.5	32.5	48.6	54.1	11.9	7.3
April 2021 - June 2021	324.3	33.3	47.8	51.6	14.7	9.7
July 2021 - September 2021	308.5	30.5	46.6	47.0	14.8	8.6

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
  - Mental health visits increased at the start of the pandemic (FY20 Q4), and continued to rise, peaking in FY21 Q4
  - In the most recent quarter, visits decreased significantly, but were still 11.4% above the baseline utilization period
  - Substance abuse visits have been below baseline levels in all quarters except FY21 Q1
  - In the most recent quarter, substance abuse utilization was down 31.0% when compared to the baseline time period

Time Period	Mental Health	Substance Abuse
April 2019 - March 2020 (baseline)	1385.1	144.9
April 2020 - June 2020	1521.5	117.9
July 2020 - September 2020	1621.2	222.1
October 2020 - December 2020	1737.8	136.1
January 2021 - March 2021	1795.9	129.4
April 2021 - June 2021	2133.8	123.1
July 2021 - September 2021	1543.0	100.0

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



# COVID-19 reporting update

## COVID-19 utilization analysis

- Admits per 1000 for Mental Health and Substance Abuse Inpatient Services
  - Admissions for mental health have been below baseline levels in all quarters except FY21 Q4; in the most recent quarter admissions were 17.4% below baseline
  - Substance abuse admissions increased drastically from FY20 Q4 to FY21 Q4 by 90.4%
  - Admissions for substance abuse during FY22 Q1 were still 24.3% above the baseline
  - Increased utilization of outpatient mental health services, including virtual behavioral health visits, likely contributing to reduction in inpatient admissions

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 - December 2020	3.7	1.9
January 2021 - March 2021	3.6	2.0
April 2021 - June 2021	3.9	2.7
July 2021 - September 2021	3.2	2.3

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 Clinical Conditions
  - Utilization remains below baseline for most top 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)	1366.1	1262.8	170.2	442.0	969.0
April 2020 - June 2020	733.1	1058.4	155.9	266.3	682.5
July 2020 - September 2020	1438.9	1262.5	176.5	388.8	917.5
October 2020 - December 2020	1720.9	1266.0	174.9	391.1	951.3
January 2021 - March 2021	1393.1	1230.0	182.4	374.4	934.4
April 2021 - June 2021	1585.8	1312.7	198.0	451.8	1076.7
July 2021 - September 2021	1343.2	1113.8	175.3	374.6	901.5

- Visits per 1000 for Top 5 Outpatient Surgical Procedure Groups
  - Outpatient surgical procedures reached the highest level in FY21 Q4

Time Period	Anesthesia services	Colonoscopy	Injections/ noninjectables	Major skin surgery	Major musculoskeletal surgery
April 2019 - March 2020 (baseline)	129.6	50.0	30.9	30.9	29.1
Apr 2020 - Jun 2020	62.8	16.4	20.4	23.0	16.0
Jul 2020 - Sep 2020	116.2	45.7	30.7	28.2	26.1
Oct 2020 - Dec 2020	121.9	45.9	29.5	28.7	28.5
Jan 2021 - Mar 2021	115.4	36.3	28.8	27.1	28.8
Apr 2021 - Jun 2021	129.6	35.8	34.4	29.2	31.0
Jul 2021 - Sep 2021	107.7	32.6	26.9	22.9	26.8

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



# COVID-19 reporting update

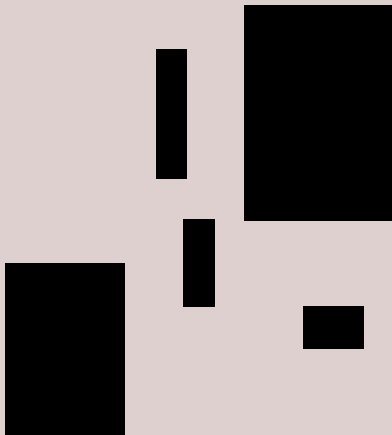
## COVID-19 utilization analysis

- Admits per 1,000 for Top 5 Principal Procedures
  - Utilization for top 5 admissions was consistently below baseline, except for those who required the insertion of a stent for a blocked artery in the heart during FY21 Q1 and FY21 Q4
  - Elective procedures, e.g. knee replacements, remain significantly below baseline

Time Period	Replacement Right Knee Joint w Synth Substitute, Cemented, Open Appr	Replacement Left Knee Joint w Synth Substitute, Cemented, Open Approach	Dilation 1 Coronary Artery w DE Intraluminal Device, Perq Approach	Excision of Stomach, Percutaneous Endoscopic Approach, Vertical	Resection of Gallbladder, Percutaneous Endoscopic Approach
Apr 2019 - Mar 2020	1.0	1.0	0.5	0.7	0.4
Apr 2020 - Jun 2020	0.2	0.2	0.4	0.3	0.2
Jul 2020 - Sep 2020	0.6	0.4	0.7	0.3	0.3
Oct 2020 - Dec 2020	0.4	0.4	0.4	0.2	0.3
Jan 2021 - Mar 2021	0.2	0.3	0.4	0.2	0.2
Apr 2021 - Jun 2021	0.2	0.1	0.8	0.3	0.4
Jul 2021 - Sep 2021	0.3	0.2	0.3	0.1	0.4

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

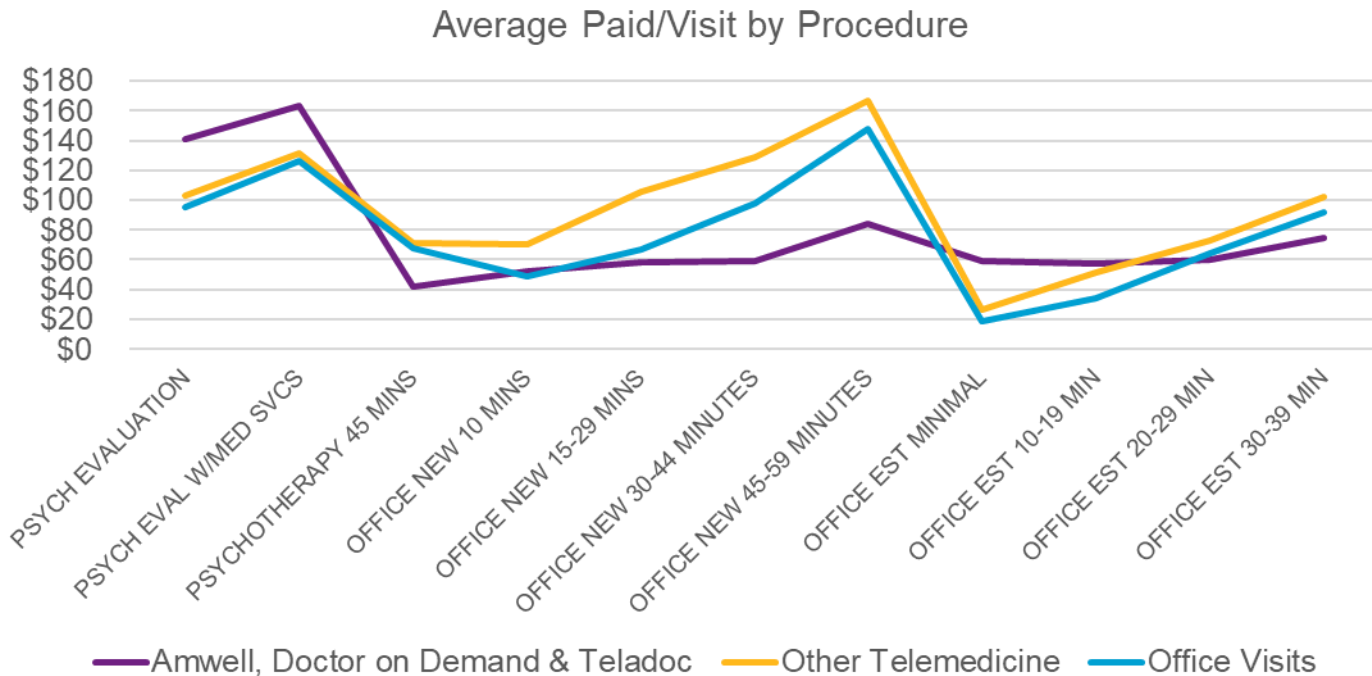
## Site of care reporting update



# Site of Service

## Telemedicine and Office Visits

- Average Paid per visit for telemedicine and office visits FY21
  - Average paid for traditional telemedicine (Amwell, Doctor on Demand, & Teladoc) providers was \$56, while other telemedicine providers averaged \$84 per visit and office visits were \$79
  - Office visits and other telemedicine visits had similar costs per visit by procedure codes; difference could be based on individual providers' contracts



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



## Site of Service

Visits to emergency room, urgent care, primary care for treatable conditions

- Visits by site of service from July 2019 – June 2021:
  - Total visits decreased at each site from FY20 to FY21
  - ER utilization for non-emergent/primary care treatable conditions consistently 6% of total visits during FY19-FY21
  - Steering from ER to urgent care for non-emergencies could have saved approximately \$13.2m in FY21

	FY2019		FY2020		FY2021		Change from FY2019		Change from FY2020	
Site of Service	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit
Emergency Room	13,319	\$1,248.23	11,597	\$1,302.46	10,182	\$1,420.58	-1,722	4.3%	-1,415	9.1%
Urgent Care	55,755	\$108.03	48,740	\$110.53	42,160	\$126.45	-7,015	2.3%	-6,580	14.4%
Primary Care	146,350	\$93.05	126,789	\$100.51	110,933	\$118.16	-19,561	8.0%	-15,856	17.6%
Total	215,424	\$168.34	187,126	\$177.61	163,275	\$201.52	-28,298	5.5%	-23,851	13.5%

Source: IBM Watson Health; includes active employees, early retirees and their families. Net Payment and Allowed Amount are computed using a completion factor for claims incurred but not reported.

# Non-emergent visits to emergency room

## Top 5 non-emergent diagnoses

- Top 5 non-emergent diagnosis in ER compared to their costs in urgent care
  - Potential cost avoidance if ER visits were performed in an urgent care setting instead would be approximately \$2.6m for the top 5 non-emergent diagnoses

Diagnosis Summary Group	Visits	Paid/Visit	Total Payments	Urgent Care Paid/Visit
Other and unspecified soft tissue disorders, not elsewhere classified	681	\$572.09	\$389,589.89	\$114.36
Dorsalgia	591	\$1,003.77	\$593,229.39	\$119.65
Other joint disorder, not elsewhere classified	583	\$585.95	\$341,609.54	\$112.48
Dizziness and giddiness	548	\$1,644.93	\$901,419.20	\$122.52
Nausea and vomiting	486	\$1,515.64	\$736,602.19	\$109.68

Source: IBM Watson Health; includes active employees, early retirees and their families. Net Payment and Allowed Amount are computed using a completion factor for claims incurred but not reported. Top conditions were determined by ranking disease summary groups by the combined volume of visits to emergency rooms and urgent care centers during the latest rolling year period.

## Site of Service

### High-tech imaging

- Visits by site of service from July 2019 – June 2021:
  - Overall number of visits decreased at each site from FY19 to FY20, but increased from FY20 to FY21
  - Visits in an outpatient hospital setting for high-tech imaging accounted for 58.3% during FY19, only 55.4% of the high-tech imaging services were performed in the same setting during FY21
  - While some high-tech imaging services need to be performed in an outpatient hospital setting, the GHIP could have saved approximately \$11-12m if all high-tech imaging services in FY21 were performed at a freestanding facility

Site of Service	FY2019		FY2020		FY2021		Change from FY2019		Change from FY2020	
	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit
Hospital Outpatient	8,175	\$1,784.22	7,684	\$1,934.37	7,793	\$2,021.67	-491	8.4%	109	4.5%
Freestanding Facility	5,857	\$452.56	5,852	\$441.52	6,263	\$491.96	-5	-2.4%	411	11.4%
Total	14,032	\$1,228.38	13,536	\$1,288.97	14,056	\$1,340.07	-496	4.9%	520	4.0%

Source: IBM Watson Health; includes active employees, early retirees and their families. Net Payment and Allowed Amount are computed using a completion factor for claims incurred but not reported. Excludes PET scans

# Site of Service

## Basic imaging

- Visits for basic imaging by site of service
  - Cost and utilization increased for both sites of service from FY20 to FY21
  - Average cost per visit was 97% higher in the outpatient hospital setting than at a freestanding location for basic imaging services
  - During FY19, 43.5% of basic imaging visits were performed in the outpatient hospital setting; comparatively, outpatient hospital basic imaging visits comprised 39.7% in FY21
  - While some basic imaging services need to be performed in an outpatient hospital setting, the GHIP could have saved approximately \$3-4m if all basic imaging services in FY21 were performed at a freestanding facility

Basic Imaging	FY2019		FY2020		FY2021		Change from FY2019		Change from FY2020	
	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit
Hospital Outpatient	33,243	\$261.09	28,800	\$254.09	30,430	\$278.41	-4,443	-2.68%	1,630	9.6%
Freestanding Facility	43,151	\$127.17	41,523	\$130.73	46,157	\$141.28	-1,628	2.80%	4,634	8.1%

Source: IBM Watson Health; includes active employees, early retirees and their families. Net Payment and Allowed Amount are computed using a completion factor for claims incurred but not reported.

# Site of Service Labs

- Visits for lab services by site of service
  - In FY21, average cost per visit in a preferred lab was 60.1% less than in hospital outpatient lab, even after average paid per visit increased 18.9% from FY20 to FY21
  - Preferred lab utilization increased from 66.3% in FY 2019 to 71.5% in FY21
  - While some lab services need to be performed in an outpatient hospital setting, the GHIP could have saved approximately \$3-4m if all lab services in FY21 were performed at a preferred lab

Labs	FY2019		FY2020		FY2021		Change from FY2019		Change from FY2020	
	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit	Visits	Avg Paid/Visit
Hospital (Outpatient Lab)	66,762	\$90.06	57,381	\$96.16	66,239	\$96.99	-9,381	6.8%	8,858	0.9%
Preferred Lab	131,274	\$31.73	133,085	\$32.56	165,916	\$38.72	1,811	2.6%	32,831	18.9%

Source: IBM Watson Health; includes active employees, early retirees and their families. Net Payment and Allowed Amount are computed using a completion factor for claims incurred but not reported.

## 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; discuss potential plan design changes to promote utilization of preferred sites of care
- Continue to discuss timing and level of future rate action