

State of Delaware - Quarterly Financial Reporting

FY22 Q3 Cost Analysis

It is evident that the COVID-19 pandemic will have an impact on health care costs. We have used available information and reasonable estimation techniques to develop health care cost estimates for the GHIP that reflect the impact of COVID-19. However due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.

May 2022



State of Delaware

Health Plan Quarterly Financial Reporting
FY22 Q3 Plan Cost Analysis

Summary plan information

- FY22 YTD compared to FY21 YTD:

Summary (total)	FY22			FY21			% Change		
	Medical	Rx ⁴	Total ²	Medical	Rx ⁴	Total ²	Medical	Rx ⁴	Total ²
Gross claims ¹	\$482.2	\$235.8	\$718.0	\$468.6	\$229.1	\$697.6	▲ 2.9%	▲ 2.9%	▲ 2.9%
Total program cost (\$M) ²	\$520.7	\$130.6	\$653.5	\$506.1	\$146.5	\$654.4	▲ 2.9%	▼ 10.9%	▼ 0.1%
Premium contributions (\$M) ³	\$442.5	\$189.6	\$632.2	\$442.5	\$189.6	\$632.1	▲ 0.0%	▲ 0.0%	▲ 0.0%
Total cost PEPY	\$9,324	\$2,364	\$11,700	\$9,132	\$2,664	\$11,808	▲ 2.1%	▼ 11.3%	▼ 0.9%
Total cost PMPY	\$5,340	\$1,344	\$6,696	\$5,196	\$1,512	\$6,720	▲ 2.8%	▼ 11.1%	▼ 0.4%
Average employees	74,500			73,904			▲ 0.8%		
Average members	130,087			129,791			▲ 0.2%		
Loss ratio	103%			104%					
Net income (\$M)	(\$21.3)			(\$22.3)					

¹ Gross claims include paid medical and pharmacy claims as reported by Aetna, Highmark, CVS, and ESI; excludes capitation

² Total program cost includes gross claims, pharmacy rebate and EGWP payment offsets, ASO fees, and office operational expenses; excludes \$20M supplemental COVID-19 funds

³ Includes fees for participating non-State groups

- FY22 Actual compared to Original Budget (approved in August 2021):

Summary (total)	FY22 Actual			FY22 Budget			% Change		
	Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
Total program cost (\$M) ¹	\$520.7	\$130.6	\$653.5	\$553.5	\$132.9	\$688.7	▼ 5.9%	▼ 1.7%	▼ 5.1%
Total cost PEPY	\$9,324	\$2,364	\$11,700	\$9,915	\$2,380	\$12,336	▼ 6.0%	▼ 0.7%	▼ 5.2%
Total cost PMPY	\$5,340	\$1,344	\$6,696	\$5,659	\$1,359	\$7,041	▼ 5.6%	▼ 1.1%	▼ 4.9%
Net income (\$M)	(\$21.3)			(\$53.5)					

- Summary Plan Information through March 2022:

FY22 Q3	Aetna	Highmark	Active	Non-Medicare Retiree	Medicare Retiree	Total
Summary (total)						
Total cost (\$M)	\$144.9	\$508.6	\$471.1	\$86.6	\$95.8	\$653.5
Budgeted cost (\$M) ¹	\$136.3	\$495.9	\$448.8	\$64.7	\$118.7	\$632.2
Loss ratio	106%	103%	105%	134%	81%	103%
PEPY	\$15,240	\$10,968	\$16,032	\$17,412	\$4,452	\$11,700
PMPY	\$6,732	\$6,684	\$6,924	\$10,752	\$4,452	\$6,696
# of enrolled employees	12,681	61,819	39,191	6,634	28,674	74,500

¹ Budgeted cost (premiums) are the product of monthly budget rates and quarterly average tiered contract counts provided by the medical vendors; budget rates are calculated based on pooled experience across all vendors, plans and statuses; loss ratios should therefore be evaluated in aggregate

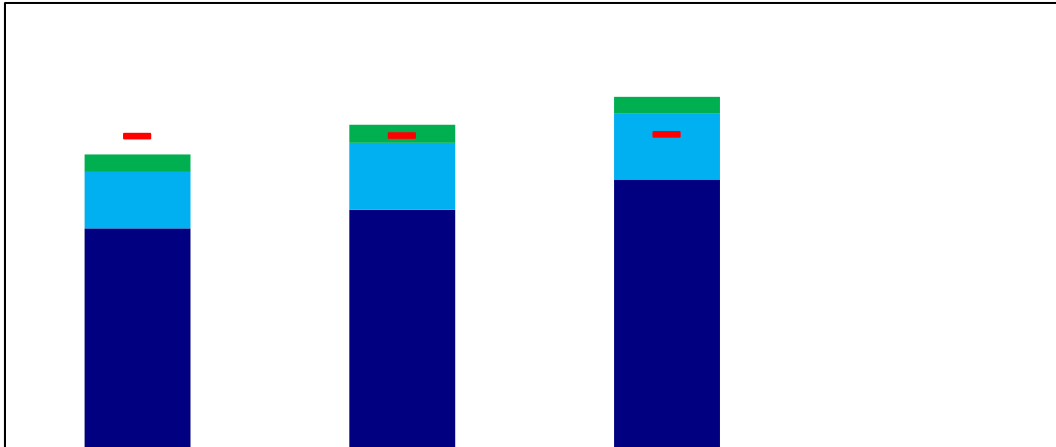
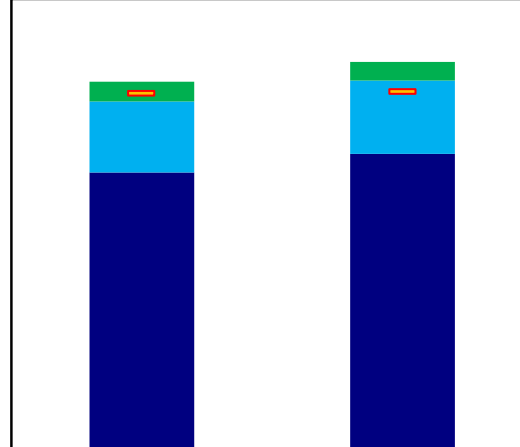
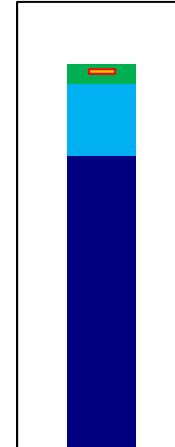
Plan performance dashboard - key observations for total GHIP population: April 2021 - March 2022 (compared to April 2020 - March 2021)

- The COVID-19 pandemic has had a significant impact on GHIP utilization and claims. Due to the timing of suppressed care, utilization of services is generally higher than in the prior period. The IBM Watson Health plan performance dashboards highlights the following program trends:
 - Variation in well care and preventive visits: decrease of 17.4% well child, increase of 11.7% preventive adult
 - Consistent screening rates for colon cancer, breast cancer, cervical cancer and cholesterol; prevalence of osteoarthritis continues to rise, up 12% over prior
 - 0.6% decrease in inpatient admits with a 3.5% increase in LOS and 4.6% increase in cost per admit; 12.6% increase in ER visits
 - Pharmacy claims have been consistent through the pandemic; 5.9% increase in cost and 6.2% increase in utilization of all prescriptions
 - Specialty medications now make up 49% of pharmacy spend, with a 5.4% increase in utilization

Additional notes

- Claims and expenses are reported on a paid basis
- FY22 budget rates were held flat from FY21
- Paid claims and enrollment data based on reports from Aetna, Highmark, CVS, and ESI; costs include operating expenses
- Expenses are broken down into two categories:
 - ASO Fees: includes fees for vendor administration, COBRA administration, ACA-related (PCORI), IBM Watson data analytics, EAP, and WTW consulting fees
 - Office Operational Expenses: includes expenses for items such as staff salaries, supplies, etc.
- Rx rebates and EGWP payments are shown based on the period to which offsets are attributable, rather than actual payment received in a given period
- No adjustments made to cost tracking for large claims as the State does not have stop loss insurance
- HRA dollars are assumed to be included in the reported claims
- Participating groups (such as University of DE) are included in the cost tracking, but are assumed to be 100% employee paid; as a result, reported net cost and cost share percentages may be skewed; participating group fees are included in premium contributions

State of Delaware
Health Plan Quarterly Financial Reporting
FY22 Q3 Plan Cost Analysis

Total GHIP Results										
		Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY22 YTD Actual	FY22 YTD WTW Budget ⁷	Difference vs. Budget		FY22 Projected ⁸
Total Program Cost		\$198,276,306	\$218,112,027	\$237,112,491		\$653,500,824	\$688,651,568	▼ 5.1%		\$845,015,899
- Paid Claims		186,367,672	206,104,405	225,669,218		618,141,296	655,163,205	▼ 5.7%		821,489,149
- Medical (includes capitation ¹)		148,709,130	160,976,484	181,646,412		491,332,026	524,509,815	▼ 6.3%		663,867,179
- Rx (Including Rebates and EGWP)		37,658,542	45,127,921	44,022,806		126,809,269	130,653,390	▼ 2.9%		157,621,969
- Rx Paid Claims		71,283,072	84,220,528	80,277,549		235,781,148	245,289,212	▼ 3.9%		321,530,686
- EGWP ²		(12,236,133)	(13,729,669)	(11,835,776)		(37,801,578)	(38,035,284)	▼ 0.6%		(50,822,171)
- Direct Subsidy		(193,337)	(80,173)	379,676		106,167	(226,733)	▼ 146.8%		(226,733)
- CGDP		(6,491,052)	(8,063,352)	(4,565,325)		(19,119,728)	(16,693,018)	▲ 14.5%		(24,707,285)
- Catastrophic Reinsurance		(5,551,744)	(5,586,145)	(7,650,128)		(18,788,017)	(21,115,534)	▼ 11.0%		(25,888,153)
- Rx Rebates ³		(21,388,397)	(25,362,938)	(24,418,966)		(71,170,301)	(76,600,538)	▼ 7.1%		(113,086,546)
- ASO Fees		11,245,182	11,211,115	10,681,023		33,137,320	31,160,334	▲ 6.3%		40,606,737
- Operational Expenses		663,452	796,507	762,250		2,222,209	2,328,029	▼ 4.5%		2,920,013
Medical/Rx Premium Contributions⁴		\$210,171,526	\$210,454,651	\$211,532,081		\$632,158,258	\$ 635,130,287	▼ 0.5%		\$846,016,759
- Net Income		11,895,220	(7,657,376)	(25,580,410)		(21,342,567)	(53,521,281)			1,000,860
- Total Cost as % of Budget		94%	104%	112%		103%	108%			100%
Current Year Per Capita										
- Total per employee per year ⁵		10,680	11,724	12,672		11,700	12,336	▼ 5.2%		11,308
- Total % change over prior		-2.6%	2.2%	-2.0%		-0.8%				-6.3%
- Medical per employee per year		8,544	9,180	10,212		9,324	9,915	▼ 6.0%		9,366
- Medical % change over prior		-1.1%	1.6%	5.3%		2.2%				0.5%
- Rx per employee per year		2,196	2,520	2,460		2,364	2,380	▼ 0.7%		2,201
- Rx % change over prior		-5.2%	4.0%	-24.4%		-11.3%				-19.6%
- Medical per member per year		4,896	5,268	5,844		5,340	5,659	▼ 5.6%		5,413
- Rx per member per year		1,248	1,428	1,392		1,344	1,359	▼ 1.1%		1,251
- Total per member per year ⁵		6,120	6,720	7,248		6,696	7,041	▼ 4.9%		6,650
Prior Year Results		Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21				FY21
- Total Program Cost		202,268,399	211,738,529	239,639,965		653,646,893	-	-		893,063,789
- Total Program Cost \$ Change		-3,992,092	6,373,498	-2,527,474		(146,069)	-	-		-48,047,890
- Total per employee per year ⁵		10,968	11,472	12,936		11,792	-	-		12,072
- Medical per employee per year		8,640	9,036	9,696		9,124	-	-		9,324
- Rx per employee per year		2,316	2,424	3,252		2,664	-	-		2,736
EE Contributions⁶		\$40,912,653	\$40,898,795	\$40,968,703		\$122,780,150	-	-		\$163,874,810
- Net SoD		157,363,653	177,213,232	196,143,788		530,720,674	-	-		681,141,088
- SoD Subsidy %		79%	81%	83%		81%	-	-		81%
Headcount										
- Enrolled Ees		74,245	74,428	74,826		74,500	74,430	▲ 0.1%		74,725
- Enrolled Members		129,640	129,871	130,751		130,087	130,404	▼ 0.2%		130,458
- Member/EE Ratio		1.7	1.7	1.7		1.7	1.8			1.7

¹ Capitation payments apply to HMO plan only

² Direct subsidy and catastrophic reinsurance prospective payments reflect actual payments received during quarter; CGDP estimated based on payment attributable to quarter; projected EGWP PMPM amounts provided by ESI

³ Reflects estimated rebates attributable to FY22; prior quarters to be updated with actual FY22 rebates when received; estimated rebates based on WTW analysis of expected rebates under CVS contract effective July 2021

⁴ Premium contributions include fees for participating non-State groups

⁵ Total per employee per year (PEPY) and per member per year (PMPY) values include operational expenses; these expenses are excluded from medical and Rx PEPY/PMPY splits

⁶ Participating groups are assumed to be 100% EE funded, and Medicare retirees are assumed to be fully subsidized

⁷ WTW Budget based on final FY22 Budget approved by SEBC

⁸ FY22 projected total program cost is net of \$20 million COVID-19 supplemental bill funding; \$29M COVID-19 funding relief paid in April 2022 included

It is evident that the COVID-19 pandemic will have an impact on health care costs. We have used available information and reasonable estimation techniques to develop health care cost estimates for the GHIP that reflect the impact of COVID-19. However due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.

State of Delaware
FY2022 Financial Analysis of Health/Rx Plans - Paid Basis
Year to Date July 1, 2021 - March 31, 2022

Vendor	Highmark						Aetna					Total
Plan	Basic Active	Basic Non Medicare Retirees	PPO Active	PPO Non Medicare Retirees	Medicare Primary Retirees	Total Highmark	Aetna HMO Active	Aetna HMO Non Medicare Retirees	Aetna CDH Active	Aetna CDH Non Medicare Retirees	Total Aetna	Total
Medical												
Paid Claims	\$19,110,964	\$3,115,213	\$261,555,081	\$45,789,212	\$44,397,484	\$373,967,953	\$65,680,365	\$15,754,066	\$24,567,528	\$2,223,495	\$108,225,454	\$482,193,407
Capitation	\$0	\$0	\$0	\$0	\$0	\$0	\$7,782,024	\$1,356,595	\$0	\$0	\$9,138,619	\$9,138,619
Administration	\$1,739,776	\$162,699	\$13,987,720	\$2,263,542	\$4,252,840	\$22,406,577	\$4,083,323	\$1,006,601	\$1,655,758	\$201,954	\$6,947,637	\$29,354,214
Total Medical Program Cost	\$20,850,740	\$3,277,912	\$275,542,800	\$48,052,754	\$48,650,323	\$396,374,530	\$77,545,712	\$18,117,262	\$26,223,286	\$2,425,449	\$124,311,710	\$520,686,240
Average Number of Employees	3,178	297	25,537	4,133	28,674	61,819	7,453	1,836	3,023	369	12,681	74,500
Program Cost/Employee/Yr.	\$8,748	\$14,705	\$14,387	\$15,504	\$2,262	\$8,549	\$13,873	\$13,160	\$11,565	\$8,761	\$13,071	\$9,324
Change from prior period (pepy)	10.0%	85.9%	3.4%	-5.5%	6.0%	2.7%	2.6%	-17.5%	31.4%	-29.8%	1.8%	2.2%
Average Number of Members	5,773	422	60,110	6,398	28,674	101,376	18,237	3,261	6,553	660	28,711	130,087
Program Cost/Member/Yr.	\$4,816	\$10,368	\$6,112	\$10,014	\$2,262	\$5,213	\$5,669	\$7,407	\$5,336	\$4,902	\$5,773	\$5,340
Change from prior period (pmpy)	11.7%	83.0%	3.5%	-6.1%	6.0%	3.1%	3.0%	-19.8%	29.1%	-28.5%	1.6%	2.8%
Express Scripts, Inc.												
Paid Claims	\$4,750,110	\$518,055	\$74,532,582	\$15,391,018	\$110,672,817	\$205,864,583	\$18,810,221	\$4,739,257	\$5,360,532	\$1,006,556	\$29,916,566	\$235,781,148
Administration	\$64,557	\$6,019	\$517,423	\$83,690	\$2,854,691	\$3,526,381	\$150,849	\$37,197	\$61,211	\$7,467	\$256,725	\$3,783,106
Estimated EGWP Savings	\$0	\$0	\$0	\$0	(\$37,801,578)	(\$37,801,578)	\$0	\$0	\$0	\$0	\$0	(\$37,801,578)
Estimated Rebates ¹	(\$1,583,941)	(\$172,747)	(\$24,853,152)	(\$5,132,189)	(\$29,452,488)	(\$61,194,517)	(\$6,272,334)	(\$1,580,322)	(\$1,787,488)	(\$335,640)	(\$9,975,784)	(\$71,170,301)
Total Rx Program Cost	\$3,230,727	\$351,327	\$50,196,853	\$10,342,519	\$46,273,443	\$110,394,869	\$12,688,735	\$3,196,133	\$3,634,255	\$678,384	\$20,197,507	\$130,592,376
Average Number of Employees	3,178	297	25,537	4,133	27,878	61,023	7,453	1,836	3,023	369	12,681	73,704
Program Cost/Employee/Yr.	\$1,356	\$1,572	\$2,616	\$3,336	\$2,208	\$2,412	\$2,268	\$2,316	\$1,608	\$2,448	\$2,124	\$2,364
Change from prior period (pepy)	-3.4%	-25.6%	-8.4%	-11.2%	-17.1%	-12.2%	1.6%	-32.3%	-2.9%	-3.3%	-7.3%	-11.3%
Average Number of Members	5,773	422	60,110	6,398	28,674	101,376	18,237	3,261	6,553	660	28,711	130,087
Program Cost/Member/Yr.	\$744	\$1,116	\$1,116	\$2,160	\$2,148	\$1,452	\$924	\$1,308	\$744	\$1,368	\$936	\$1,344
Change from prior period (pmpy)	-3.1%	-26.2%	-7.9%	-11.3%	-19.4%	-12.9%	1.3%	-33.9%	-4.6%	-1.7%	-8.2%	-11.1%
Total Medical and Rx												
Premium	\$28,387,122	\$2,456,827	\$305,410,995	\$40,906,174	\$118,729,664	\$495,890,782	\$83,926,199	\$17,771,473	\$31,030,612	\$3,539,191	\$136,267,475	\$632,158,258
Program Cost (prior to operational)	\$24,081,467	\$3,629,240	\$325,739,654	\$58,395,273	\$94,923,766	\$506,769,399	\$90,234,447	\$21,313,395	\$29,857,541	\$3,103,833	\$144,509,216	\$651,278,615
Operational Expenses	\$94,891	\$8,863	\$761,767	\$123,231	\$855,311	\$1,844,063	\$222,218	\$54,793	\$90,138	\$10,996	\$378,146	\$2,222,209
Total Program Cost	\$24,176,358	\$3,638,103	\$326,501,421	\$58,518,503	\$95,779,077	\$508,613,462	\$90,456,665	\$21,368,188	\$29,947,679	\$3,114,829	\$144,887,362	\$653,500,824
Net Income	\$4,210,764	(\$1,181,276)	(\$21,090,426)	(\$17,612,329)	\$22,950,587	(\$12,722,680)	(\$6,530,466)	(\$3,596,715)	\$1,082,933	\$424,362	(\$8,619,887)	(\$21,342,567)
Total Cost as % of Budget	85.2%	148.1%	106.9%	143.1%	80.7%	102.6%	107.8%	120.2%	96.5%	88.0%	106.3%	103.4%
Average Number of Employees	3,178	297	25,537	4,133	28,674	61,819	7,453	1,836	3,023	369	12,681	74,500
Program Cost/Employee/Yr.	\$10,140	\$16,320	\$17,052	\$18,876	\$4,452	\$10,968	\$16,188	\$15,516	\$13,212	\$11,256	\$15,240	\$11,700
Change from prior period (pepy)	7.9%	62.3%	1.5%	-6.5%	-6.5%	-1.0%	2.5%	-20.0%	25.8%	-25.2%	0.5%	-0.8%
Average Number of Members	5,773	422	60,110	6,398	28,674	101,376	18,237	3,261	6,553	660	28,711	130,087
Program Cost/Member/Yr.	\$5,580	\$11,508	\$7,248	\$12,192	\$4,452	\$6,684	\$6,612	\$8,736	\$6,096	\$6,300	\$6,732	\$6,696
Change from prior period (pmpy)	9.4%	59.8%	1.7%	-7.1%	-6.5%	-0.5%	2.8%	-22.2%	23.6%	-23.8%	0.4%	-0.4%
Prior Period Program Cost												
Per Employee Per Year (FY21)												
Medical	\$7,956	\$7,909	\$13,910	\$16,411	\$2,134	\$8,324	\$13,519	\$15,952	\$8,800	\$12,478	\$12,834	\$9,124
Rx	\$1,404	\$2,112	\$2,856	\$3,756	\$2,664	\$2,748	\$2,232	\$3,420	\$1,656	\$2,532	\$2,292	\$2,664
Total ²	\$9,396	\$10,056	\$16,800	\$20,196	\$4,764	\$11,076	\$15,792	\$19,404	\$10,500	\$15,048	\$15,168	\$11,792
Per Member Per Year (FY21)												
Medical	\$4,313	\$5,666	\$5,903	\$10,666	\$2,134	\$5,055	\$5,506	\$9,240	\$4,134	\$6,853	\$5,683	\$5,196
Rx	\$768	\$1,512	\$1,212	\$2,436	\$2,664	\$1,668	\$912	\$1,980	\$780	\$1,392	\$1,020	\$1,512
Total ²	\$5,100	\$7,200	\$7,128	\$13,128	\$4,764	\$6,720	\$6,432	\$11,232	\$4,932	\$8,268	\$6,708	\$6,720

¹ Reflects estimated rebates attributable to FY21, based on WTW analysis of expected rebates under new ESI contract and actual paid rebates through FY20 Q1

² Includes Medical, Rx, and Operational Expenses

State of Delaware

Health Plan Quarterly Financial Reporting

FY22 Q3 Reporting Reconciliation (WTW vs DHR Fund Equity Report)

FY21 YTD Reporting Reconciliation	WTW FY22 Q3 Financial Report	DHR Mar. 2022 Fund Equity Report
Total Program Cost	\$653,500,824	\$776,173,705
Paid Claims	618,141,296	740,814,176
Medical Claims	491,332,026	506,451,878
Rx Claims ¹	126,809,269	234,362,298
Rx Paid Claims	235,781,148	234,362,298
EGWP	(37,801,578)	29,489,395
<i>Direct Subsidy</i>	106,167	(70,111)
<i>CGDP</i>	(19,119,728)	15,991,654
<i>Catastrophic Reinsurance</i>	(18,788,017)	13,567,852
Rx Rebates	(71,170,301)	77,758,604
Total Rx Claim (Offsets)/Revenue ²	(108,971,879)	107,248,000
Total Fees	35,359,529	35,359,529
ASO Fees	33,137,320	33,137,320
Operational Expenses	2,222,209	2,222,209
Premium Contributions/Operating Revenues³	\$632,158,258	\$770,996,904
Net Income	(21,342,567)	(5,176,801)
Total Cost as % of Budget	103%	101%

¹WTW Rx claims shown net of EGWP revenue and Rx rebates; DHR Rx claims reflect gross claim dollars excluding additional revenue (EGWP and rebates)

²WTW reflects EGWP revenue and Rx rebates as offsets to Rx claims; DHR reflects these items as additions to operating revenues

³DHR premium contributions represent total operating revenues, including premium contributions, Rx revenues (EGWP and rebates), other revenues totaling \$21,161,980, and participating group fees totaling \$4,487,928; WTW premium contributions represent FY22 budget rates and headcounts (net of Rx revenues), including participating group fees; DHR premium contributions alone total \$629,416,953

State of Delaware
Health Plan Quarterly Financial Reporting
Assumptions and Caveats

Claim basis and timing

- 1 All reporting provided on a paid basis within this document.
- 2 FY22 represents the time period July 1, 2021 through June 30, 2022 for all statuses; note Medicfill plan for Medicare eligible retirees runs on a calendar year basis. Therefore, FY22 financial results span two plan years for the Medicare eligible population.

Enrollment

- 3 Medical and Rx enrollment based on quarterly tiered enrollment data from Highmark and Aetna; Medicare enrollment provided separately for retirees enrolled in medical (Highmark) and Rx (ESI).

Benefit costs/fees

- 4 Medical quarterly paid claims from Highmark and Aetna; Rx quarterly paid claims from ESI and CVS; EGWP subsidies and Rx rebates (Active, non-Medicare eligible retiree, and Medicare eligible retiree) from DHR
- 5 Administration fees and operational expenses from DHR-provided March 2022 Fund Equity Report; total quarterly fees are assigned to each plan on a contract count basis.
 - a. ASO Fees: includes fees for vendor administration, COBRA administration, ACA-related (PCORI), IBM Watson data analytics, EAP and WTW consulting fees.
 - b. Operational Expenses: includes expenses for items such as staff salaries, supplies, etc.
- 6 Pharmacy drug rebates are shown based on the period to which rebates are attributable; prior quarters to be updated with actual FY22 rebates when received; estimated rebates reflect projected improvements in Rx rebates based on result of PBM award to CVS Health; active/non-Medicare eligible retiree rebates assigned to each plan on a contract count basis; may differ from actual payments received during FY22 due to payment timing lag.
- 7 EGWP payments based on actual and expected payments attributable to the period July 1, 2021 through June 30, 2022; reflects actual direct subsidy, prospective reinsurance and coverage gap discount payments received through March 2022; remaining payments attributable to FY22 estimated based on projected amounts provided by ESI; may differ from actual payments received during FY22 due to payment timing lag.
- 8 Prior year costs calculated from WTW's FY21 Financial Reporting.
- 9 FY22 Projected based on updated long-term projections through FY22 Q3; reflects experience through March 2022 and projected FY22 average enrollment based on headcounts through March 2022; EGWP revenues and prescription drug rebates projected based on the period revenues are payable; includes estimated improvements in Rx rebates and reduction in pharmacy claims based on result of PBM award to CVS Health; 5% medical/8% pharmacy trend; assumes 1% enrollment growth; reflects \$20M COVID-19 supplemental bill funding and \$29M COVID-19 reimbursement paid in April 2022

It is evident that the COVID-19 pandemic will have an impact on health care costs. We have used available information and reasonable estimation techniques to develop health care cost estimates for the GHIP that reflect the impact of COVID-19. However due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.

Budget/contributions

- 10 Active and non-Medicare eligible retiree budget rates and contributions reflect rates effective July 1, 2021. Medicare eligible retiree budget rates reflect rates effective January 1, 2021 for FY21 Q1 and Q2, and rates effective January 1, 2022 for FY21 Q3 and Q4. Budget rates include FY22 risk fees for Participating groups (excludes \$2.70 PEPM charge). FY22 budget rates were held flat from FY21.
- 11 Premiums and employee contributions are the product of monthly budget rate/contribution and quarterly average tiered contract counts provided by the medical vendors; assumes 1% enrollment growth during FY22.
- 12 Highmark quarterly reports do not provide enrollment data split by retirement date. All Medicare eligible retirees are assumed to have retired prior to July 1, 2012, and therefore do not contribute towards the cost of premiums. As a result of this conservative assumption, the healthcare program's net cost to the State may be overstated.
- 13 Participating groups are assumed to be 100% employee paid in order to estimate the healthcare program's net cost to the State; actual employee contributions vary and are difficult to capture since each group pays premiums at different times; participating group fees are included in premium contributions.
- 14 While COBRA enrollment and claims are reflected in the expenses, all medical/Rx participants are assumed to pay active contributions since COBRA participants make up less than 0.1% of the total population.
- 15 HRA funding for CDH plans are included in the paid claims reported in this document.

State of Delaware

Health Plan Quarterly Financial Reporting

Glossary of Important Health Care Terms

Terms directly tied to cost tracking

Terminology	Acronym	Definition
Administrative Services Only	ASO	When an organization funds its own employee benefit plan, such as a health insurance program, and it hires an outside firm to perform specific administrative services. Also referred to as “self-funded”. Currently, the GHIP has ASO contracts with Aetna, Highmark and Express Scripts.
Capitation	n/a	Fixed payment amount (per member) to a physician or group of physicians for a defined set of services for a defined set of members. Fixed or “capitated” payment per member provides physician with an incentive for meeting quality and cost efficiency outcomes, since the physician is responsible for any costs incurred above the capitated amount. May be risk adjusted based on the demographics of the member population or changes in the member population. Often used for <i>bundled payments</i> or other <i>value-based payments</i> .
Consumer Driven Health Plan	CDHP	Allows members to use health savings accounts (HSA), health reimbursement accounts (<i>HRA</i>), or other similar medical payment products to pay routine health care expenses directly. GHIP currently offers a CDHP with <i>HRA</i> .
Coverage Gap Discount Program	CGDP	One of the funding components of an <i>EGWP</i> . Manufacturers provide discounts on covered Part D brand prescription drugs to Medicare beneficiaries while in the coverage gap.
Employee	EE	A person employed for wages or salary.
Employer Group Waiver Plans	EGWP	A Center for Medicare Service (CMS) approved program for both employers and unions. An employer may contract directly with CMS or go through an approved TPA, such as ESI, to establish the plan. They are usually Self Funded, are integrated with Medicare Part D, and sometimes include a fully insured “wrapper” around the plan to cover non-Medicare Part D prescription drugs. GHIP currently contracts with ESI as the TPA and includes a “wrapper,” which is referred to as an enhanced benefit.
Fiscal Year	FY	A year as reckoned for taxing or accounting purposes. GHIP fiscal year runs from July 1st through June 30th.
Health Maintenance Organization	HMO	A form of health insurance combining a range of coverages in a group basis. A group of doctors and other medical professionals offer care through the HMO for a flat monthly rate. However, only visits to professionals within the HMO network are covered by the policy. All visits, prescriptions and other care must be cleared by the HMO in order to be covered. A primary physician within the HMO handles referrals.
Health Reimbursement Account	HRA	Employer-funded account that reimburses employees for out-of-pocket medical expenses. Employees can choose how to use their HRA funds to pay for medical expenses, but the employer can determine what expenses are reimbursable by the HRA (e.g., employers often designate prescription drug expenses as ineligible for reimbursement by an HRA). Funds are owned by the employer and are tax-deductible to the employee. GHIP only offers HRA to employees and non-Medicare eligible retirees who enroll in the CDH Gold plan.
High Cost Claimant	HCC	An insured who incurs claims over a catastrophic claim limit during the plan year. For purposes of cost tracking, this threshold is \$100K.
Per Employee Per Month	PEPM	A monthly cost basis measured on an employee/contract/subscriber level
Per Employee Per Year	PEPY	A yearly cost basis measured on an employee/contract/subscriber level
Per Member Per Month	PMPM	A monthly cost basis measured on a member level
Per Member Per Year	PMPY	A yearly cost basis measured on a member level
Patient-Centered Outcomes Research Trust Fund Fee	PCORI	The Patient-Centered Outcomes Research Trust Fund fee is a fee on plan sponsors of self-insured health plans that helps to fund the Patient-Centered Outcomes Research Institute (PCORI). The institute will assist, through research, patients, clinicians, purchasers and policy-makers, in making informed health decisions by advancing the quality and relevance of evidence-based medicine. The institute will compile and distribute comparative clinical effectiveness research findings. This fee is part of the Affordable Care Act legislation.

State of Delaware

Health Plan Quarterly Financial Reporting

Glossary of Important Health Care Terms

Terms directly tied to cost tracking

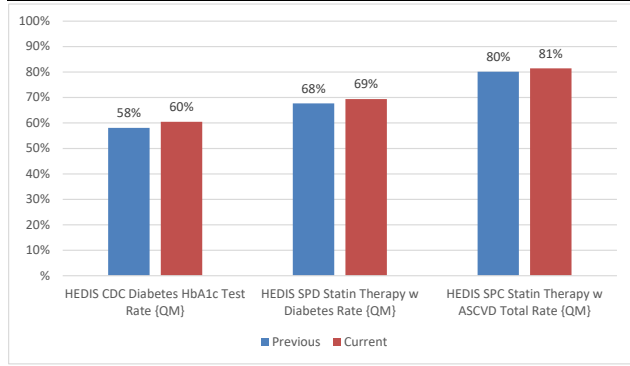
Terminology	Acronym	Definition
Point-of-Service	POS	A type of managed care plan that is a hybrid of HMO and PPO plans. Like an HMO, participants designate an in-network physician to be their primary care provider. But like a PPO, patients may go outside of the provider network for health care services. GHIP only offers this type of plan to Port of Wilmington employees.
Preferred Provider Organization	PPO	A health care organization composed of physicians, hospitals, or other providers which provides health care services at a reduced fee. A PPO is similar to an HMO, but care is paid for as it is received instead of in advance in the form of a scheduled fee. PPOs may also offer more flexibility by allowing for visits to out-of-network professionals at a greater expense to the policy holder. Visits within the network require only the payment of a small fee. There is often a deductible for out-of-network expenses and a higher co-payment.
Transitional Reinsurance Fee	TRF	Fee collected by the transitional reinsurance program to fund reinsurance payments to issuers of non-grandfathered reinsurance-eligible individual market plans, the administrative costs of operating the reinsurance program, and the General Fund of the U.S. Treasury for the 2014, 2015, and 2016 benefit years. This fee is part of the Affordable Care Act legislation, and ends after the 2016 benefit year.
Year to Date	YTD	A period, starting from the beginning of the current year (either the calendar year or fiscal year) and continuing up to the present day. For this financial reporting document, YTD refers to the time period of July 1, 2021 to March 31, 2022.

Medical and Prescription Drug Dashboard - Total GHIP Population

Previous Period: Apr 2020 - Mar 2021 (Paid)

Current Period: Apr 2021 - Mar 2022 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	5609.5	5443.4	-3.0%	5332.1
Visits per 1000 Well Child	963.9	796.2	-17.4%	757.2
Visits per 1000 Prevent Adult	370.2	413.7	11.7%	325.7

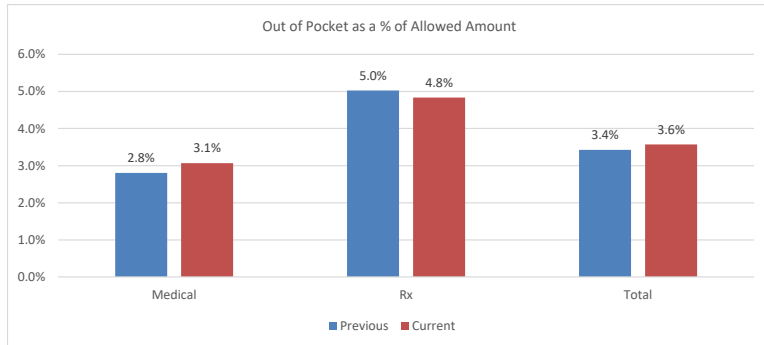
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	73,768.1	74,386.0	0.8%
Average Members	129,154.4	129,479.1	0.3%
Family Size	1.8	1.7	-0.6%
Member Age	43.1	43.3	0.4%
Members % Male	44.8%	44.7%	-0.3%

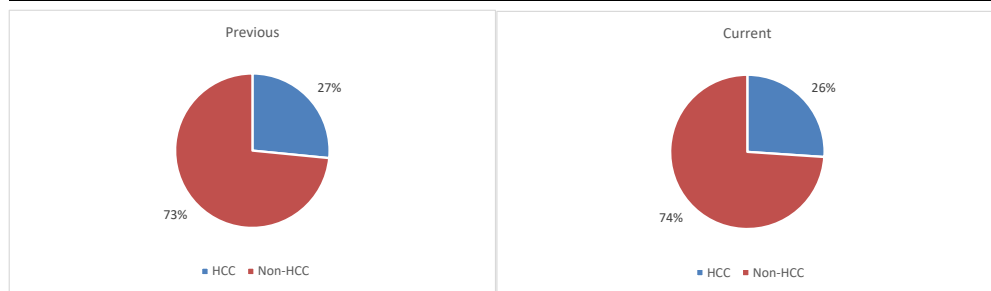
5. Risk Score

	Previous	Current
Member Risk Score	229.9	235.7

7. Cost Sharing



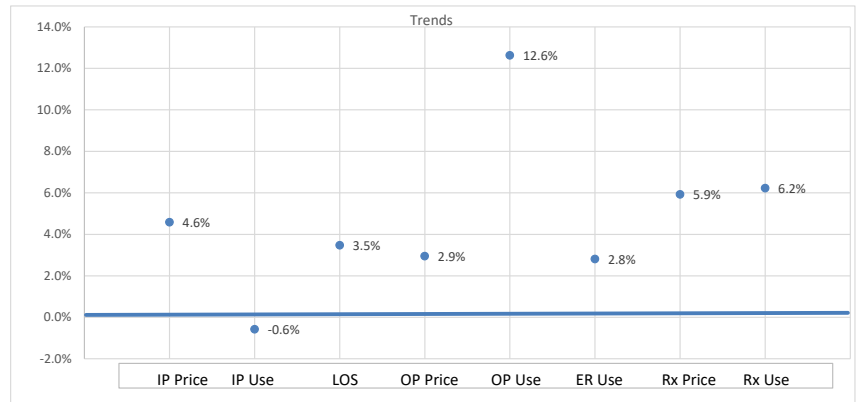
2. High Cost Claimants



	Previous	Current	Trend
Patients	1,203	1,239	3.0%
Patients per 1,000	9.3	9.6	2.7%
Payments (in Millions)	\$237 M	\$249 M	5.3%
Payments per Patient	196,809	201,217	2.2%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$26,119	\$27,316	4.6%	\$33,091
	Admits per 1000	74.3	73.9	-0.6%	49.4
	Days LOS	5.9	6.1	3.5%	4.9
Outpatient	Allowed per Service	\$133	\$137	2.9%	\$136
	ER Visits per 1000	270.7	304.9	12.6%	190.6
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	2.8%	n/a
	Days Supply PMPY	667	709	6.2%	n/a
Specialty Rx	Allowed per Days Supply	\$88	\$96	10.2%	n/a
	Days Supply PMPY	14	15	5.4%	n/a
All RX	Allowed per Days Supply	\$4	\$4	5.9%	\$4
	Days Supply PMPY	681	724	6.2%	365

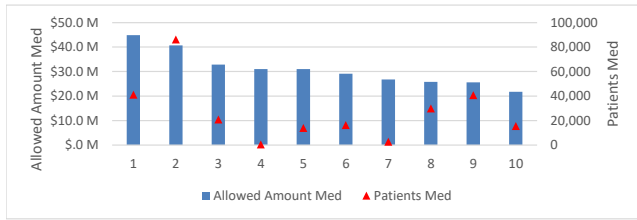


Medical and Prescription Drug Dashboard - Total GHIP Population

Previous Period: Apr 2020 - Mar 2021 (Paid)

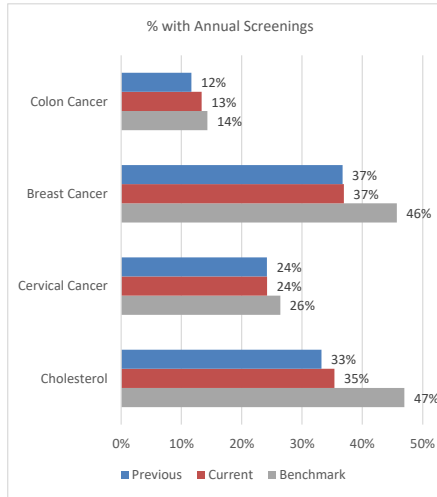
Current Period: Apr 2021 - Mar 2022 (Paid)

8. Top Medical Conditions (by cost)

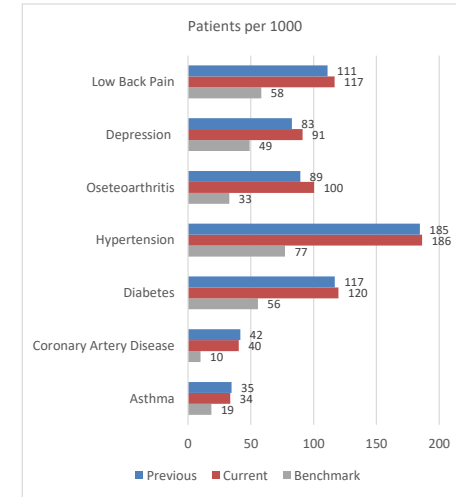


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Signs/Symptoms/Oth Cond, NEC	\$44,882,928	41,233	\$1,089
2 Prevent/Admin Hlth Encounters	\$40,686,077	86,324	\$471
3 Infections - Respiratory, NEC	\$32,808,864	20,945	\$1,566
4 Chemotherapy Encounters	\$30,999,453	656	\$47,255
5 Osteoarthritis	\$30,984,769	14,102	\$2,197
6 Spinal/Back Disord, Low Back	\$29,147,145	16,393	\$1,778
7 Pregnancy without Delivery	\$26,749,911	2,862	\$9,347
8 Arthropathies/Joint Disord NEC	\$25,789,955	29,975	\$860
9 Infections, NEC	\$25,572,332	40,878	\$626
10 Respiratory Disord, NEC	\$21,730,433	15,599	\$1,393

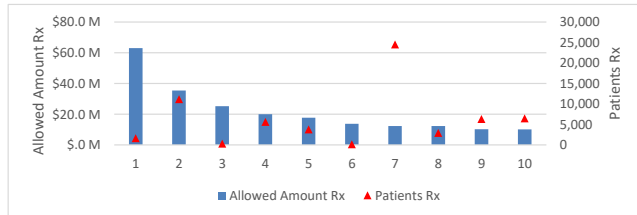
9. Screening Rates



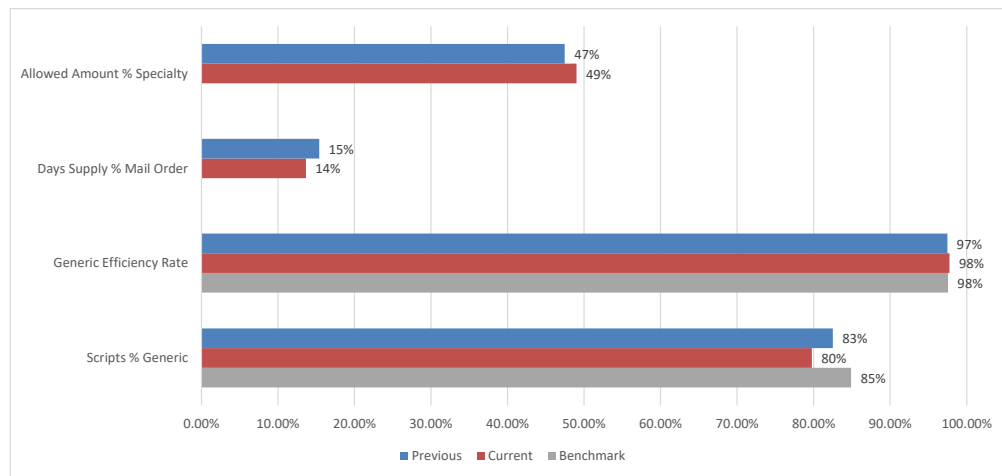
10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$63,002,703	1,617	\$38,963
2 Antidiabetic Agents, Misc	\$35,346,148	11,150	\$3,170
3 Molecular Targeted Therapy	\$25,132,745	281	\$89,440
4 Coag/Anticoag, Anticoagulants	\$19,949,590	5,618	\$3,551
5 Antidiabetic Agents, Insulins	\$17,677,945	3,768	\$4,692
6 Biological Response Modifiers	\$13,728,821	154	\$89,148
7 Adrenals & Comb, NEC	\$12,215,605	24,519	\$498
8 Antidiabetic Ag, SGLT Inhibitr	\$12,212,661	2,914	\$4,191
9 Misc Therapeutic Agents, NEC	\$10,106,193	6,310	\$1,602
10 Stimulant, Amphetamine Type	\$10,015,205	6,465	\$1,549

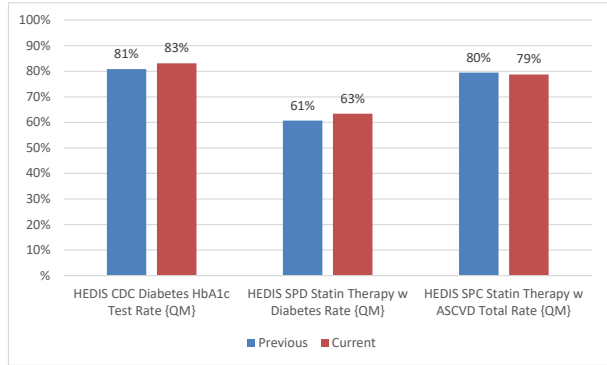


Medical and Prescription Drug Dashboard - Active Employees

Previous Period: Apr 2020 - Mar 2021 (Paid)

Current Period: Apr 2021 - Mar 2022 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	5615.9	5445.9	-3.0%	5332.1
Visits per 1000 Well Child	965.8	794.3	-17.8%	757.2
Visits per 1000 Prevent Adult	420.9	475.3	12.9%	292.6

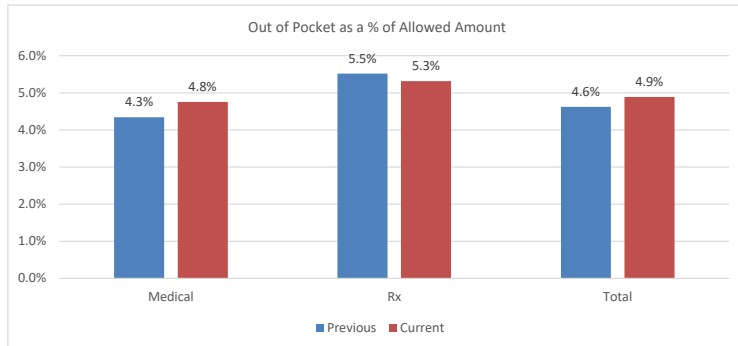
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	39,079.3	39,036.8	-0.1%
Average Members	90,279.4	89,938.9	-0.4%
Family Size	2.3	2.3	-0.3%
Member Age	32.8	32.7	-0.1%
Members % Male	46.3%	46.2%	-0.3%

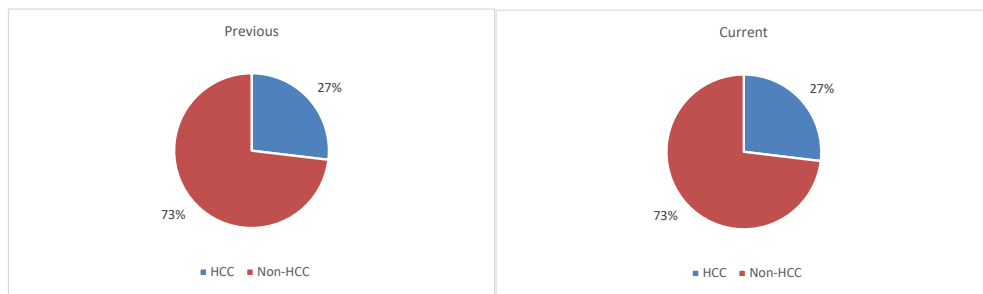
5. Risk Score

	Previous	Current
Member Risk Score	131.3	137.5

7. Cost Sharing



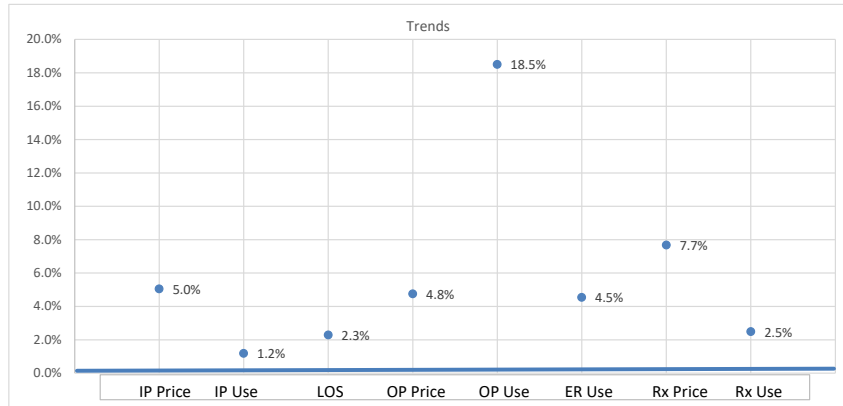
2. High Cost Claimants



	Previous	Current	Trend
Patients	812	885	9.0%
Patients per 1,000	9.0	9.8	9.4%
Payments (in Millions)	\$154 M	\$173 M	12.2%
Payments per Patient	189,827	195,353	2.9%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$29,932	\$31,443	5.0%	\$27,629
	Admits per 1000	51.3	51.9	1.2%	48.3
	Days LOS	5.1	5.2	2.3%	4.6
Outpatient	Allowed per Service	\$137	\$143	4.8%	\$136
	ER Visits per 1000	209.0	247.6	18.5%	188.4
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	4.5%	n/a
	Days Supply PMPY	389	399	2.7%	n/a
Specialty Rx	Allowed per Days Supply	\$85	\$103	21.2%	n/a
	Days Supply PMPY	10	9	-6.5%	n/a
All RX	Allowed per Days Supply	\$4	\$4	7.7%	\$4
	Days Supply PMPY	398	408	2.5%	365

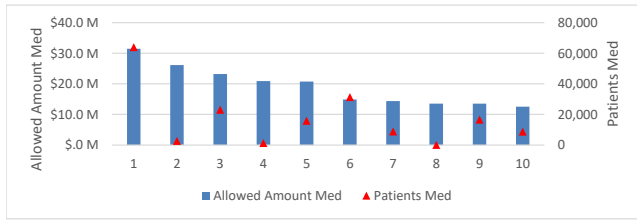


Medical and Prescription Drug Dashboard - Active Employees

Previous Period: Apr 2020 - Mar 2021 (Paid)

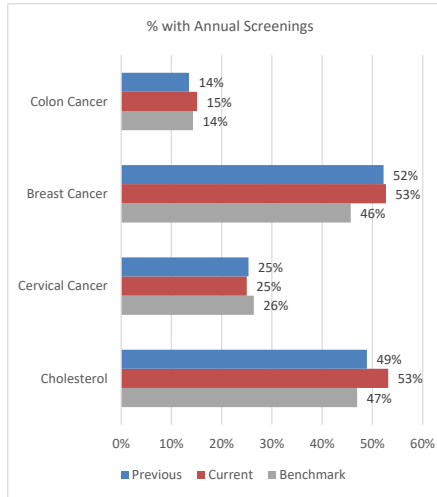
Current Period: Apr 2021 - Mar 2022 (Paid)

8. Top Medical Conditions (by cost)

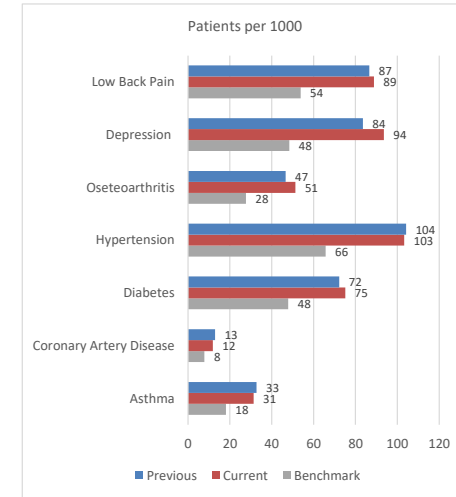


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Prevent/Admin Hlth Encounters	\$31,429,596	64,003	\$491
2 Pregnancy without Delivery	\$26,097,916	2,769	\$9,425
3 Signs/Symptoms/Oth Cond, NEC	\$23,187,513	23,211	\$999
4 Newborns, w/wo Complication	\$20,889,380	1,395	\$14,974
5 Infections - Respiratory, NEC	\$20,744,881	15,949	\$1,301
6 Infections, NEC	\$14,904,455	31,469	\$474
7 Spinal/Back Disord, Low Back	\$14,337,045	8,914	\$1,608
8 Chemotherapy Encounters	\$13,542,500	204	\$66,385
9 Arthropathies/Joint Disord NEC	\$13,541,711	16,661	\$813
10 Gastroint Disord, NEC	\$12,543,665	8,873	\$1,414

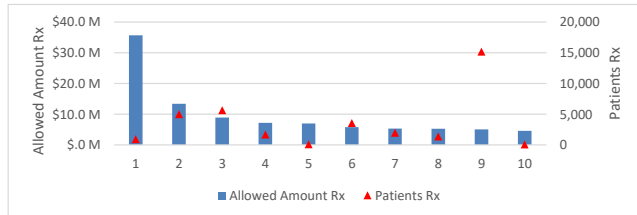
9. Screening Rates



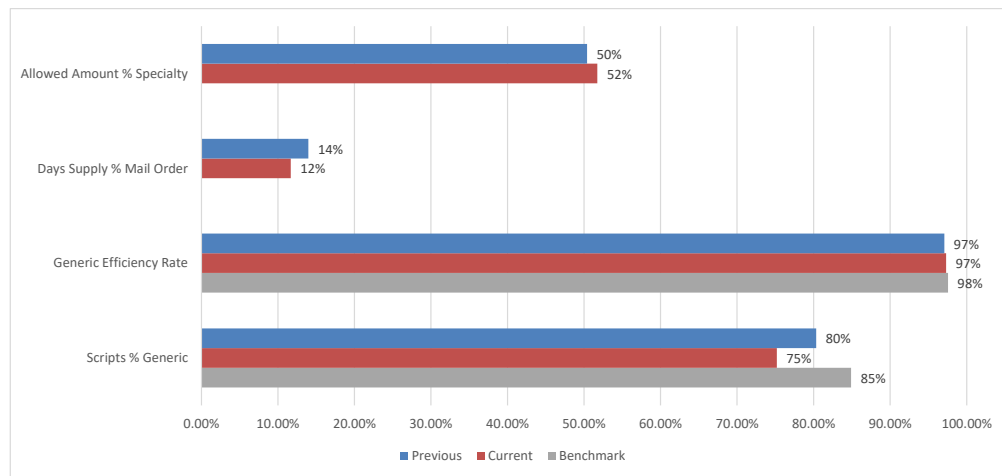
10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$35,664,901	919	\$38,808
2 Antidiabetic Agents, Misc	\$13,348,855	4,999	\$2,670
3 Stimulant, Amphetamine Type	\$8,857,598	5,636	\$1,572
4 Antidiabetic Agents, Insulins	\$7,182,991	1,687	\$4,258
5 Molecular Targeted Therapy	\$6,959,846	90	\$77,332
6 Antivirals, NEC	\$5,765,670	3,550	\$1,624
7 Misc Therapeutic Agents, NEC	\$5,304,199	1,963	\$2,702
8 Antidiabetic Ag, SGLT Inhibitr	\$5,253,202	1,369	\$3,837
9 Adrenals & Comb, NEC	\$5,001,785	15,175	\$330
10 Biological Response Modifiers	\$4,567,388	63	\$72,498

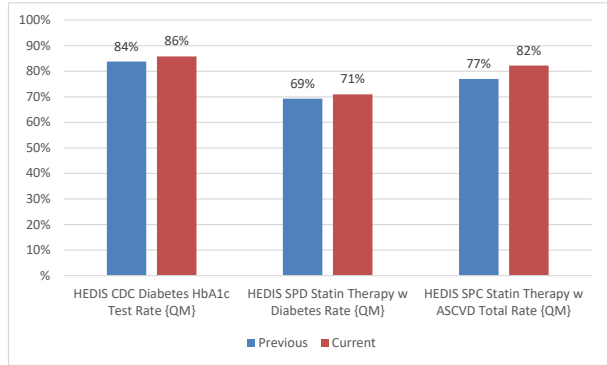


Medical and Prescription Drug Dashboard - Early Retirees

Previous Period: Apr 2020 - Mar 2021 (Paid)

Current Period: Apr 2021 - Mar 2022 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	4678.0	4254.5	-9.1%	5332.1
Visits per 1000 Well Child	844.7	733.3	-13.2%	757.2
Visits per 1000 Prevent Adult	440.4	497.9	13.1%	420.9

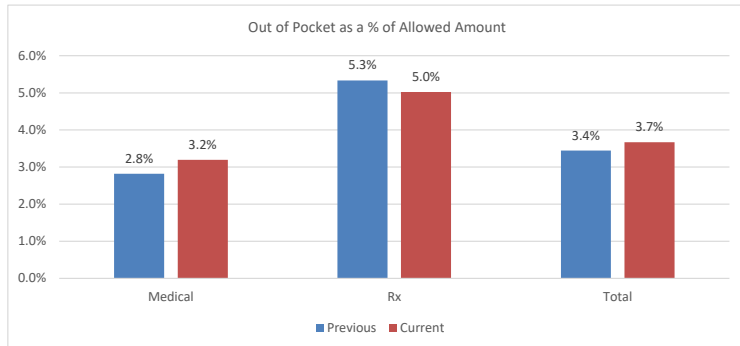
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	6,120.0	6,070.4	-0.8%
Average Members	9,758.7	9,711.0	-0.5%
Family Size	1.6	1.6	0.3%
Member Age	50.0	50.1	0.1%
Members % Male	41.6%	41.8%	0.6%

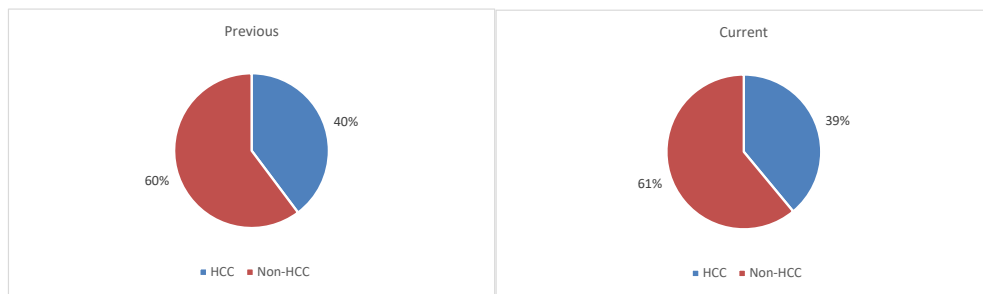
5. Risk Score

	Previous	Current
Member Risk Score	248.4	246.7

7. Cost Sharing



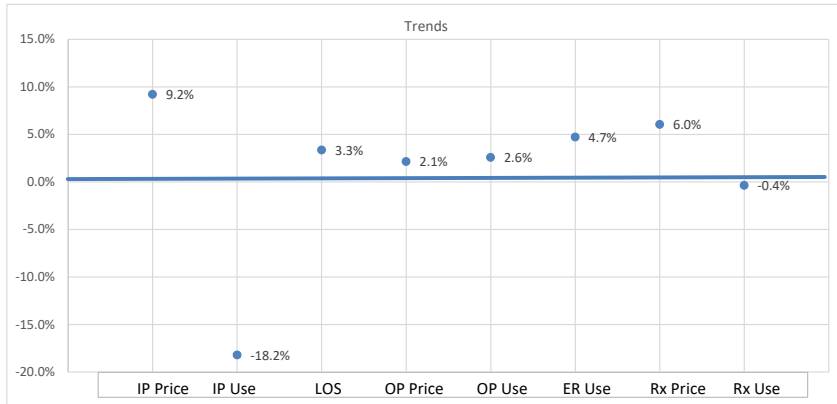
2. High Cost Claimants



	Previous	Current	Trend
Patients	251	255	1.6%
Patients per 1,000	25.7	26.3	2.1%
Payments (in Millions)	\$46 M	\$45 M	-1.4%
Payments per Patient	183,444	177,986	-3.0%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$43,675	\$47,699	9.2%	\$40,812
	Admits per 1000	69.4	56.7	-18.2%	56.0
	Days LOS	6.9	7.1	3.3%	5.9
Outpatient	Allowed per Service	\$160	\$163	2.1%	\$136
	ER Visits per 1000	296.4	304.0	2.6%	205.9
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	4.7%	n/a
	Days Supply PMPY	800	802	0.2%	n/a
Specialty Rx	Allowed per Days Supply	\$82	\$113	36.8%	n/a
	Days Supply PMPY	20	15	-22.2%	n/a
All RX	Allowed per Days Supply	\$4	\$4	6.0%	\$4
	Days Supply PMPY	820	817	-0.4%	365

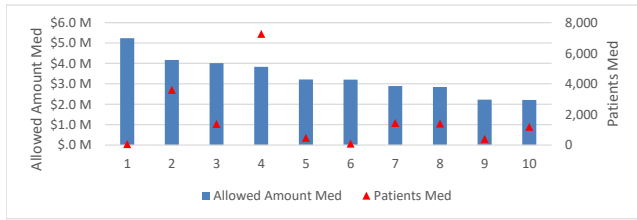


Medical and Prescription Drug Dashboard - Early Retirees

Previous Period: Apr 2020 - Mar 2021 (Paid)

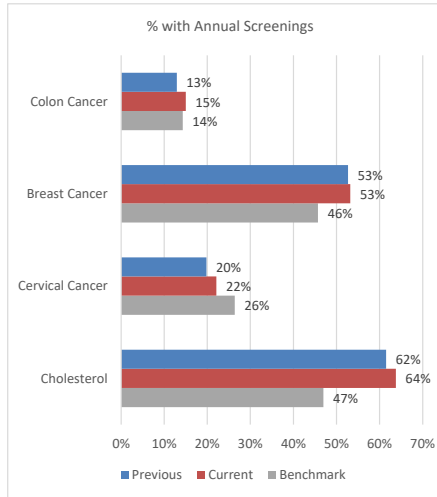
Current Period: Apr 2021 - Mar 2022 (Paid)

8. Top Medical Conditions (by cost)

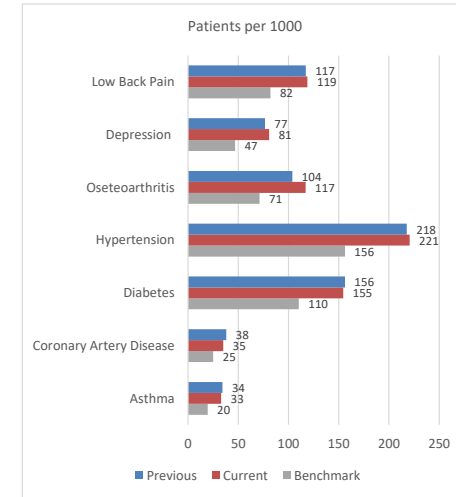


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1	\$5,234,580	72	\$72,702
2	\$4,168,756	3,613	\$1,154
3	\$4,013,639	1,390	\$2,888
4	\$3,829,429	7,269	\$527
5	\$3,213,654	480	\$6,695
6	\$3,206,563	98	\$32,720
7	\$2,889,692	1,448	\$1,996
8	\$2,846,641	1,412	\$2,016
9	\$2,221,924	416	\$5,341
10	\$2,206,286	1,204	\$1,832

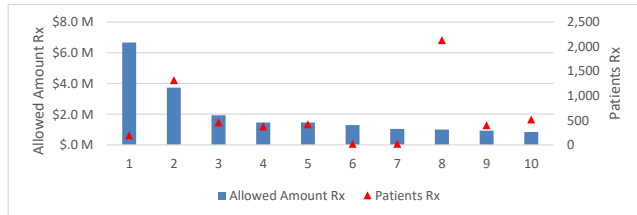
9. Screening Rates



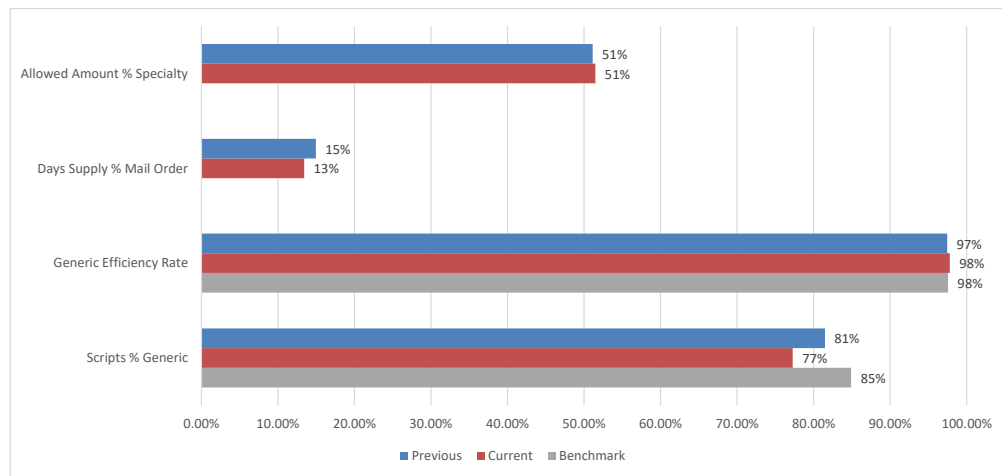
10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1	\$6,662,707	195	\$34,168
2	\$3,720,989	1,316	\$2,827
3	\$1,926,327	458	\$4,206
4	\$1,457,097	375	\$3,886
5	\$1,452,399	418	\$3,475
6	\$1,290,350	21	\$61,445
7	\$1,040,479	21	\$49,547
8	\$998,237	2,131	\$468
9	\$921,012	398	\$2,314
10	\$843,088	517	\$1,631

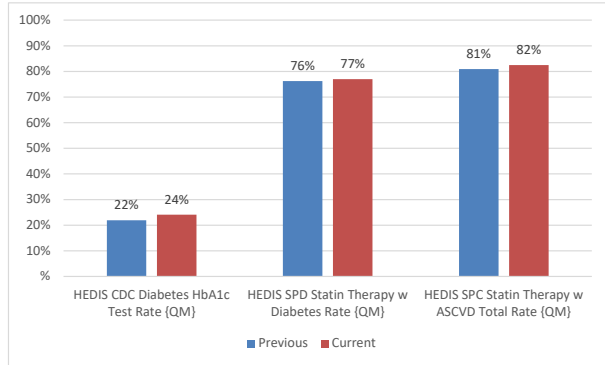


Medical and Prescription Drug Dashboard - Medicare Retirees

Previous Period: Apr 2020 - Mar 2021 (Paid)

Current Period: Apr 2021 - Mar 2022 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Prevent Adult	233.0	253.6	8.8%	395.7

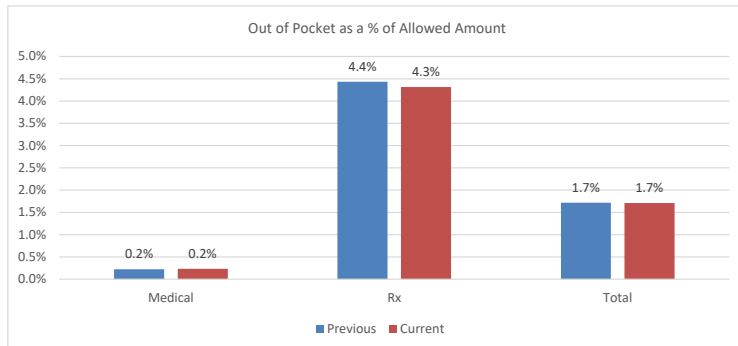
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	26,031.1	26,707.8	2.6%
Average Members	26,325.5	26,997.3	2.6%
Family Size	1.0	1.0	0.0%
Member Age	73.1	73.2	0.2%
Members % Male	41.5%	41.3%	-0.4%

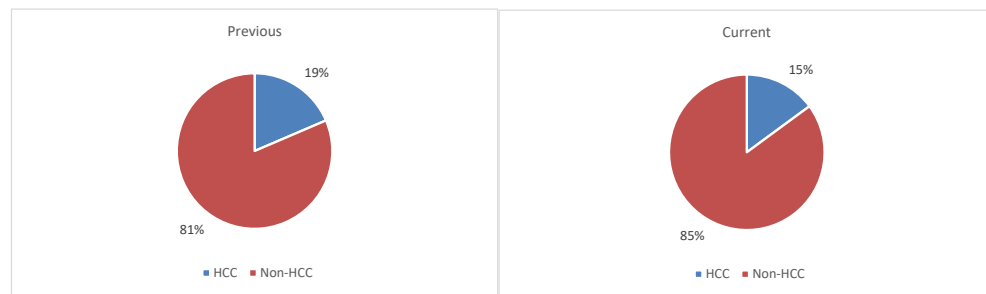
5. Risk Score

	Previous	Current
Member Risk Score	534.3	537.6

7. Cost Sharing



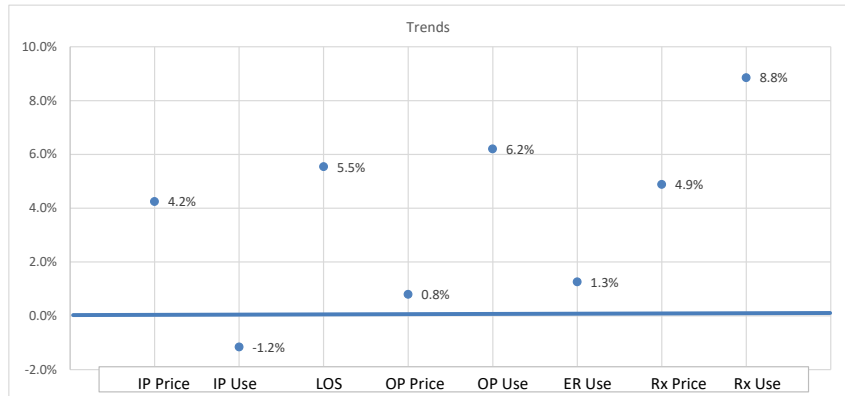
2. High Cost Claimants



	Previous	Current	Trend
Patients	231	198	-14.3%
Patients per 1,000	8.8	7.3	-16.4%
Payments (in Millions)	\$34 M	\$26 M	-22.2%
Payments per Patient	146,947	133,443	-9.2%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$19,361	\$20,183	4.2%	\$38,360
	Admits per 1000	145.0	143.3	-1.2%	50.4
	Days LOS	6.5	6.9	5.5%	5.1
Outpatient	Allowed per Service	\$121	\$122	0.8%	\$136
	ER Visits per 1000	438.6	465.8	6.2%	192.5
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	1.3%	n/a
	Days Supply PMPY	1,522	1,653	8.6%	n/a
Specialty Rx	Allowed per Days Supply	\$93	\$88	-4.6%	n/a
	Days Supply PMPY	26	33	25.2%	n/a
All RX	Allowed per Days Supply	\$4	\$4	4.9%	\$4
	Days Supply PMPY	1,549	1,686	8.8%	365

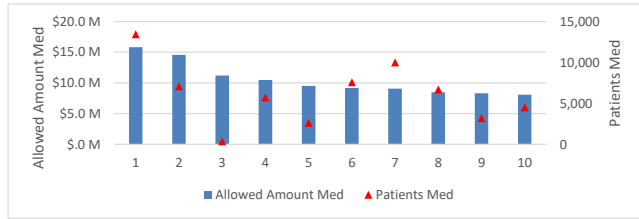


Medical and Prescription Drug Dashboard - Medicare Retirees

Previous Period: Apr 2020 - Mar 2021 (Paid)

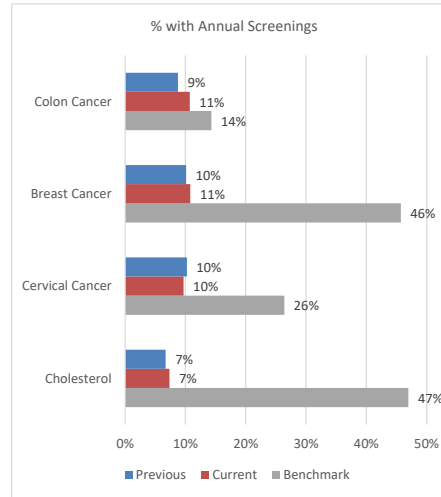
Current Period: Apr 2021 - Mar 2022 (Paid)

8. Top Medical Conditions (by cost)

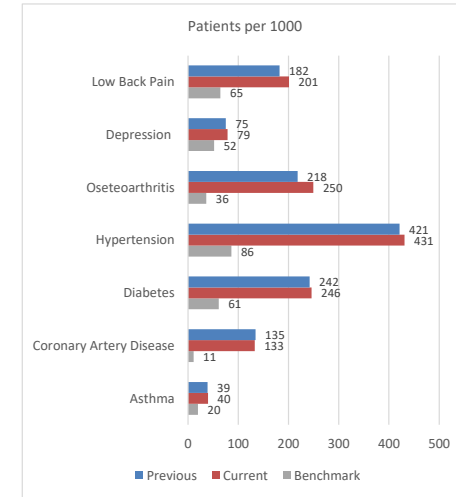


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Signs/Symptoms/Oth Cond, NEC	\$15,813,981	13,454	\$1,175
2 Osteoarthritis	\$14,552,948	7,097	\$2,051
3 Chemotherapy Encounters	\$11,191,871	361	\$31,002
4 Spinal/Back Disord, Low Back	\$10,465,490	5,714	\$1,832
5 Renal Function Failure	\$9,512,236	2,612	\$3,642
6 Eye Disorders, Degenerative	\$9,174,129	7,581	\$1,210
7 Arthropathies/Joint Disord NEC	\$9,052,645	10,012	\$904
8 Respiratory Disord, NEC	\$8,472,221	6,693	\$1,266
9 Infections - Respiratory, NEC	\$8,304,193	3,197	\$2,597
10 Cardiac Arrhythmias	\$8,077,271	4,508	\$1,792

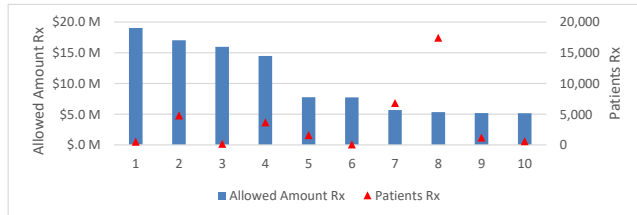
9. Screening Rates



10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$19,030,373	513	\$37,096
2 Antidiabetic Agents, Misc	\$17,023,479	4,783	\$3,559
3 Molecular Targeted Therapy	\$15,939,657	165	\$96,604
4 Coag/Anticoag, Anticoagulants	\$14,462,782	3,655	\$3,957
5 Antidiabetic Agents, Insulins	\$7,758,956	1,585	\$4,895
6 Biological Response Modifiers	\$7,730,119	68	\$113,678
7 Adrenals & Comb, NEC	\$5,661,653	6,816	\$831
8 Antihyperlipidemic Drugs, NEC	\$5,325,155	17,437	\$305
9 Antidiabetic Ag, SGLT Inhibitr	\$5,181,817	1,177	\$4,403
10 Hormone-Modifying Therapy	\$5,149,381	591	\$8,713

