

State of Delaware - Quarterly Financial Reporting

FY22 Q4 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.

August 2022



State of Delaware

Health Plan Quarterly Financial Reporting
FY22 Q4 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	\$658.4	\$325.7	\$984.1	\$639.0	\$313.4	\$952.4	▲ 3.0%	▲ 3.9%	▲ 3.3%
Total program cost (\$M) ²	\$709.9	\$182.7	\$895.8	\$689.1	\$200.3	\$892.6	▲ 3.0%	▼ 8.8%	▲ 0.4%
Premium contributions (\$M) ³	\$661.9	\$181.3	\$843.2	\$661.3	\$181.3	\$842.5	▲ 0.1%	▲ 0.0%	▲ 0.1%
Total cost PEPY	\$9,516	\$2,472	\$12,012	\$9,324	\$2,736	\$12,072	▲ 2.1%	▼ 9.6%	▼ 0.5%
Total cost PMPY	\$5,460	\$1,404	\$6,888	\$5,316	\$1,548	\$6,876	▲ 2.7%	▼ 9.3%	▲ 0.2%
Average employees	74,569			73,946			▲ 0.8%		
Average members	130,141			129,768			▲ 0.3%		
Loss ratio	106%			106%					
Net income (\$M)	(\$52.6)			(\$50.0)					

¹ Gross claims include paid medical and pharmacy claims as reported by Aetna, Highmark, CVS, and ESI; excludes capitation and COVID-19 reimbursements

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	\$709.9	\$182.7	\$895.8	\$752.9	\$169.7	\$925.7	▼ 5.7%	▲ 7.7%	▼ 3.2%
Total cost PEPY	\$9,516	\$2,472	\$12,012	\$10,115	\$2,280	\$12,437	▼ 5.9%	▲ 8.4%	▼ 3.4%
Total cost PMPY	\$5,460	\$1,404	\$6,888	\$5,773	\$1,301	\$7,098	▼ 5.4%	▲ 7.9%	▼ 3.0%
Net income (\$M)	(\$52.6)			(\$77.8)					

- Summary Plan Information through June 2022:

FY22 Q4	Aetna	Highmark	Active	Non-Medicare Retiree	Medicare Retiree	Total
Summary (total)						
Total cost (\$M)	\$197.8	\$697.9	\$647.1	\$115.8	\$132.8	\$895.8
Budgeted cost (\$M) ¹	\$181.2	\$662.0	\$598.6	\$86.0	\$158.5	\$843.2
Loss ratio	109%	105%	108%	135%	84%	106%
PEPY	\$15,648	\$11,268	\$16,500	\$17,484	\$4,632	\$12,012
PMPY	\$6,912	\$6,876	\$7,128	\$10,812	\$4,632	\$6,888
# of enrolled employees	12,645	61,924	39,232	6,625	28,713	74,569

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

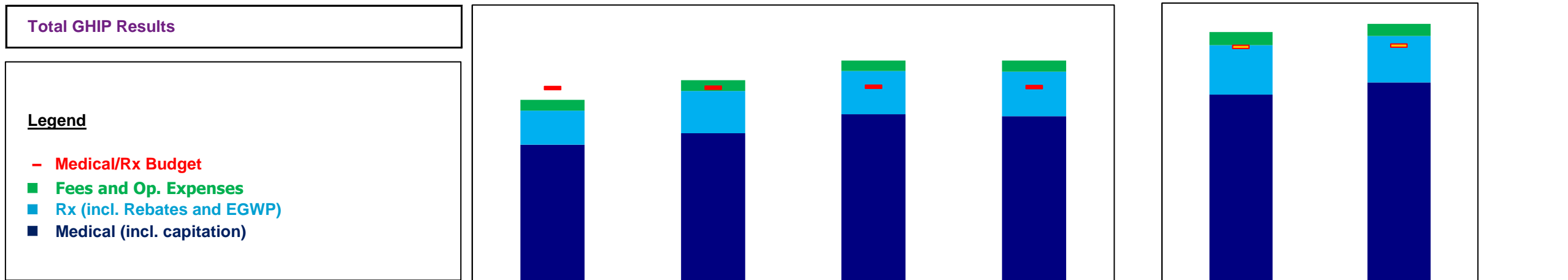
Plan performance dashboard - key observations for total GHIP population: July 2021 - June 2022 (compared to July 2020 - June 2021)

- 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 6.9% well child, increase of 0.0% preventive adult
 - Slight drop in screening rates for colon cancer, breast cancer, cervical cancer and cholesterol; prevalence of osteoarthritis continues to rise, up 2% over prior
 - 5.0% decrease in inpatient admits with a 2.6% increase in LOS and 5.1% increase in cost per admit; 5.6% increase in ER visits
 - 6.8% increase in cost and 0.5% increase in utilization of all prescriptions
 - Specialty medications now make up 52% of pharmacy spend, with a 8.1% decrease in utilization offset by 22.1% increase in cost

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 Q4 Plan Cost Analysis



	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY22 YTD Actual	FY22 YTD WTW Budget ⁷	Difference vs. Budget
Total Program Cost	\$197,355,305	\$218,698,156	\$239,951,120	\$239,784,658	\$895,789,239	\$925,651,825	▼ 3.2%
- Paid Claims	185,446,671	206,690,534	228,507,847	227,850,931	848,495,983	881,061,541	▼ 3.7%
- Medical (includes capitation¹)	148,709,130	160,976,484	181,646,412	179,405,918	670,737,945	714,333,829	▼ 6.1%
- Rx (Including Rebates and EGWP)	36,737,541	45,714,050	46,861,436	48,445,012	177,758,039	166,727,712	▲ 6.6%
- Rx Paid Claims	71,283,072	84,220,528	80,277,549	89,902,714	325,683,863	330,636,430	▼ 1.5%
- EGWP ²	(12,236,133)	(13,761,735)	(9,359,817)	(12,542,482)	(47,900,167)	(50,822,171)	▼ 5.7%
- Direct Subsidy	(193,337)	(80,173)	379,676	402,149	508,316	(226,733)	▼ 324.2%
- CGDP	(6,491,052)	(8,095,417)	(3,724,184)	(6,903,773)	(25,214,427)	(24,707,285)	▲ 2.1%
- Catastrophic Reinsurance	(5,551,744)	(5,586,145)	(6,015,309)	(6,040,858)	(23,194,056)	(25,888,153)	▼ 10.4%
- Rx Rebates ³	(22,309,398)	(24,744,743)	(24,056,296)	(28,915,220)	(100,025,657)	(113,086,548)	▼ 11.5%
- ASO Fees	11,245,182	11,211,115	10,681,023	10,966,801	44,104,121	41,486,246	▲ 6.3%
- Operational Expenses	663,452	796,507	762,250	966,926	3,189,135	3,104,039	▲ 2.7%
Medical/Rx Premium Contributions⁴	\$210,171,526	\$210,454,651	\$211,532,081	\$211,025,194	\$843,183,452	\$ 847,895,861	▼ 0.6%
- Net Income	12,816,221	(8,243,505)	(28,419,039)	(28,759,463)	(52,605,787)	(77,755,964)	
- Total Cost as % of Budget	94%	104%	113%	114%	106%	109%	
Current Year Per Capita							
- Total per employee per year ⁵	10,632	11,748	12,828	12,828	12,012	12,437	▼ 3.4%
- Total % change over prior	-3.1%	2.4%	-0.8%	-0.5%	-0.4%		
- Medical per employee per year	8,544	9,180	10,212	10,116	9,516	10,115	▼ 5.9%
- Medical % change over prior	-1.1%	1.6%	5.3%	2.4%	2.2%		
- Rx per employee per year	2,196	2,520	2,460	2,700	2,472	2,280	▲ 8.4%
- Rx % change over prior	-5.2%	4.0%	-24.4%	-9.3%	-9.8%		
- Medical per member per year	4,896	5,268	5,844	5,808	5,460	5,773	▼ 5.4%
- Rx per member per year	1,248	1,428	1,392	1,524	1,404	1,301	▲ 7.9%
- Total per member per year ⁵	6,084	6,732	7,344	7,356	6,888	7,098	▼ 3.0%
Prior Year Results	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21		
- Total Program Cost	202,268,399	211,738,529	239,639,965	238,663,037	892,309,930	-	-
- Total Program Cost \$ Change	-4,913,093	6,959,626	311,155	1,121,621	3,479,309	-	-
- Total per employee per year ⁵	10,968	11,472	12,936	12,888	12,066	-	-
- Medical per employee per year	8,640	9,036	9,696	9,876	9,312	-	-
- Rx per employee per year	2,316	2,424	3,252	2,976	2,742	-	-
EE Contributions⁶	\$40,912,653	\$40,898,795	\$40,968,703	\$41,012,436	\$163,792,586		
- Net SoD	156,442,652	177,799,361	198,982,417	198,772,222	731,996,653	-	-
- SoD Subsidy %	79%	81%	83%	83%	82%	-	-
Headcount							
- Enrolled Ees	74,245	74,428	74,826	74,777	74,569	74,430	▲ 0.2%
- Enrolled Members	129,640	129,871	130,751	130,303	130,141	130,404	▼ 0.2%
- Member/EE Ratio	1.7	1.7	1.7	1.7	1.7	1.8	

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

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 - June 30, 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	\$26,602,808	\$3,877,569	\$359,969,924	\$59,840,160	\$60,239,633	\$510,530,095	\$90,643,647	\$21,717,923	\$32,527,611	\$3,000,923	\$147,890,104	\$658,420,198
Capitation	\$0	\$0	\$0	\$0	\$0	\$0	\$10,488,500	\$1,829,246	\$0	\$0	\$12,317,746	\$12,317,746
Administration	\$2,354,578	\$216,510	\$18,681,005	\$3,016,715	\$5,669,394	\$29,938,202	\$5,427,321	\$1,338,437	\$2,206,682	\$270,042	\$9,242,481	\$39,180,684
Total Medical Program Cost	\$28,957,386	\$4,094,080	\$378,650,929	\$62,856,875	\$65,909,026	\$540,468,297	\$106,559,468	\$24,885,606	\$34,734,292	\$3,270,965	\$169,450,331	\$709,918,628
Average Number of Employees	3,223	297	25,563	4,128	28,713	61,924	7,426	1,830	3,020	370	12,645	74,569
Program Cost/Employee/Yr.	\$8,984	\$13,808	\$14,812	\$15,227	\$2,295	\$8,728	\$14,350	\$13,599	\$11,502	\$8,842	\$13,400	\$9,516
Change from prior period (pepy)	12.9%	74.6%	6.5%	-7.2%	7.5%	4.8%	6.1%	-14.7%	30.7%	-29.1%	4.4%	2.2%
Average Number of Members	5,846	419	60,154	6,392	28,713	101,524	18,172	3,235	6,549	661	28,617	130,141
Program Cost/Member/Yr.	\$4,953	\$9,765	\$6,295	\$9,834	\$2,295	\$5,324	\$5,864	\$7,693	\$5,303	\$4,947	\$5,921	\$5,460
Change from prior period (pmpy)	14.8%	72.3%	6.6%	-7.8%	7.5%	5.3%	6.5%	-16.7%	28.3%	-27.8%	4.2%	5.1%
Express Scripts, Inc.												
Paid Claims	\$6,562,748	\$726,475	\$103,245,682	\$21,530,586	\$152,441,369	\$284,506,860	\$25,759,200	\$6,646,281	\$7,395,919	\$1,375,602	\$41,177,002	\$325,683,863
Administration	\$91,320	\$8,362	\$721,724	\$116,477	\$3,628,934	\$4,566,817	\$209,354	\$51,642	\$85,193	\$10,431	\$356,621	\$4,923,437
Estimated EGWP Savings	\$0	\$0	\$0	\$0	(\$47,900,167)	(\$47,900,167)	\$0	\$0	\$0	\$0	\$0	(\$47,900,167)
Estimated Rebates ¹	(\$2,174,738)	(\$241,606)	(\$34,326,046)	(\$7,142,703)	(\$42,479,886)	(\$86,364,979)	(\$8,546,939)	(\$2,204,014)	(\$2,453,156)	(\$456,568)	(\$13,660,678)	(\$100,025,657)
Total Rx Program Cost	\$4,479,329	\$493,231	\$69,641,360	\$14,504,360	\$65,690,250	\$154,808,531	\$17,421,615	\$4,493,909	\$5,027,956	\$929,465	\$27,872,945	\$182,681,476
Average Number of Employees	3,223	297	25,563	4,128	27,873	61,084	7,426	1,830	3,020	370	12,645	73,730
Program Cost/Employee/Yr.	\$1,392	\$1,668	\$2,724	\$3,516	\$2,352	\$2,532	\$2,352	\$2,460	\$1,668	\$2,508	\$2,208	\$2,472
Change from prior period (pepy)	-0.9%	-21.0%	-4.6%	-6.4%	-11.7%	-7.9%	5.4%	-28.1%	0.7%	-0.9%	-3.7%	-9.8%
Average Number of Members	5,846	419	60,154	6,392	28,713	101,524	18,172	3,235	6,549	661	28,617	130,141
Program Cost/Member/Yr.	\$768	\$1,176	\$1,152	\$2,268	\$2,292	\$1,524	\$960	\$1,392	\$768	\$1,404	\$972	\$1,404
Change from prior period (pmpy)	0.0%	-22.2%	-5.0%	-6.9%	-14.0%	-8.6%	5.3%	-29.7%	-1.5%	0.9%	-4.7%	-7.1%
Total Medical and Rx												
Premium	\$38,310,969	\$3,258,322	\$407,471,501	\$54,439,693	\$158,519,947	\$662,000,432	\$111,475,397	\$23,623,300	\$41,356,337	\$4,727,987	\$181,183,020	\$843,183,452
Program Cost (prior to operational)	\$33,436,715	\$4,587,311	\$448,292,290	\$77,361,235	\$131,599,276	\$695,276,827	\$123,981,083	\$29,379,515	\$39,762,248	\$4,200,430	\$197,323,277	\$892,600,104
Operational Expenses	\$138,330	\$12,665	\$1,093,374	\$194,317	\$1,228,029	\$2,666,716	\$299,309	\$78,239	\$129,064	\$15,807	\$522,419	\$3,189,135
Total Program Cost	\$33,575,045	\$4,599,976	\$449,385,664	\$77,555,552	\$132,827,306	\$697,943,543	\$124,280,392	\$29,457,754	\$39,891,312	\$4,216,237	\$197,845,696	\$895,789,239
Net Income	\$4,735,923	(\$1,341,654)	(\$41,914,162)	(\$23,115,859)	\$25,692,641	(\$35,943,111)	(\$12,804,996)	(\$5,834,454)	\$1,465,024	\$511,750	(\$16,662,676)	(\$52,605,787)
Total Cost as % of Budget	87.6%	141.2%	110.3%	142.5%	83.8%	105.4%	111.5%	124.7%	96.5%	89.2%	109.2%	106.2%
Average Number of Employees	3,223	297	25,563	4,128	28,713	61,924	7,426	1,830	3,020	370	12,645	74,569
Program Cost/Employee/Yr.	\$10,416	\$15,516	\$17,580	\$18,792	\$4,632	\$11,268	\$16,740	\$16,092	\$13,212	\$11,400	\$15,648	\$12,012
Change from prior period (pepy)	10.9%	54.3%	4.6%	-7.0%	-2.8%	1.7%	6.0%	-17.1%	25.8%	-24.2%	3.2%	-0.4%
Average Number of Members	5,846	419	60,154	6,392	28,713	101,524	18,172	3,235	6,549	661	28,617	130,141
Program Cost/Member/Yr.	\$5,748	\$10,968	\$7,476	\$12,132	\$4,632	\$6,876	\$6,840	\$9,108	\$6,096	\$6,372	\$6,912	\$6,888
Change from prior period (pmpy)	12.7%	52.3%	4.9%	-7.6%	-2.8%	2.3%	6.3%	-18.9%	23.6%	-22.9%	3.0%	2.5%
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	\$9,312
Rx	\$1,404	\$2,112	\$2,856	\$3,756	\$2,664	\$2,748	\$2,232	\$3,420	\$1,656	\$2,532	\$2,292	\$2,742
Total ²	\$9,396	\$10,056	\$16,800	\$20,196	\$4,764	\$11,076	\$15,792	\$19,404	\$10,500	\$15,048	\$15,168	\$12,066
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 Q4 Reporting Reconciliation (WTW vs DHR Fund Equity Report)

FY22 YTD Reporting Reconciliation	WTW FY22 Q4 Financial Report	DHR Jun. 2022 Fund Equity Report
Total Program Cost	\$895,789,239	\$1,029,607,134
Paid Claims⁴	848,495,983	982,313,878
Medical Claims	670,737,945	659,565,523
Rx Claims ¹	177,758,039	322,748,355
Rx Paid Claims	325,683,863	322,748,355
EGWP	(47,900,167)	55,146,345
<i>Direct Subsidy</i>	508,316	(458,861)
<i>CGDP</i>	(25,214,427)	27,811,256
<i>Catastrophic Reinsurance</i>	(23,194,056)	27,793,951
Rx Rebates	(100,025,657)	111,976,337
Total Rx Claim (Offsets)/Revenue ²	(147,925,824)	167,122,682
Total Fees	47,293,256	47,293,256
ASO Fees	44,104,121	44,104,121
Operational Expenses	3,189,135	3,189,135
Premium Contributions/Operating Revenues³	\$843,183,452	\$1,034,436,889
Net Income	(52,605,787)	4,829,755
Total Cost as % of Budget	106%	100%

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 \$21,593,218, and participating group fees totaling \$6,009,693; WTW premium contributions represent FY22 budget rates and headcounts (net of Rx revenues), including participating group fees; DHR premium contributions alone total \$839,711,296

⁴DHR paid claims net of \$32.2M in COVID-19 reimbursement payments attributable to prior years

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 June 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 June 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.

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

- 9 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.
- 10 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.
- 11 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.
- 12 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.
- 13 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.
- 14 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

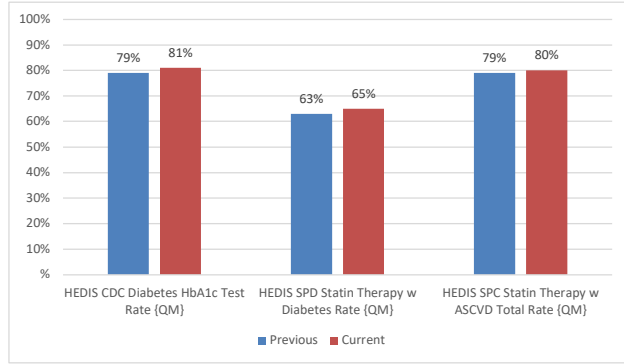
Terminology	Acronym	Definition
Point-of-Service	POS	A type of managed care plan that is a hybrid of HMO and PPO plans. Like an HMO, participants designate an in-network physician to be their primary care provider. But like a PPO, patients may go outside of the provider network for health care services. 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 June 30, 2022.

Medical and Prescription Drug Dashboard - GHIP Population (Excludes Medicare Retirees)

Previous Period: Jul 2020 - Jun 2021 (Paid)

Current Period: Jul 2021 - Jun 2022 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	5779.8	5437.6	-5.9%	5332.1
Visits per 1000 Well Child	952.7	886.5	-6.9%	757.2
Visits per 1000 Prevent Adult	476.0	476.0	0.0%	307.0

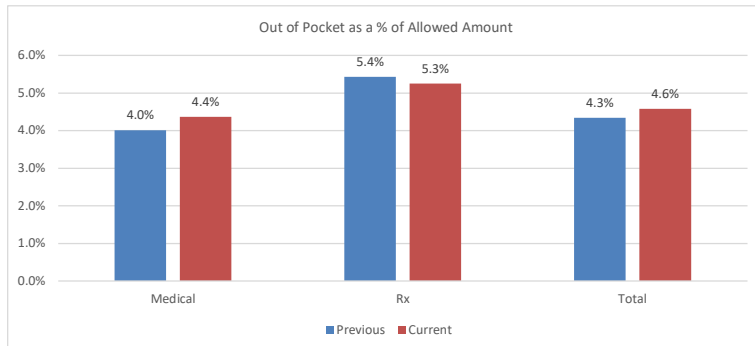
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	47,745.4	47,709.6	-0.1%
Average Members	102,785.6	102,489.4	-0.3%
Family Size	2.2	2.1	-4.5%
Member Age	35.4	35.4	0.0%
Members % Male	45.0%	45.0%	0.0%

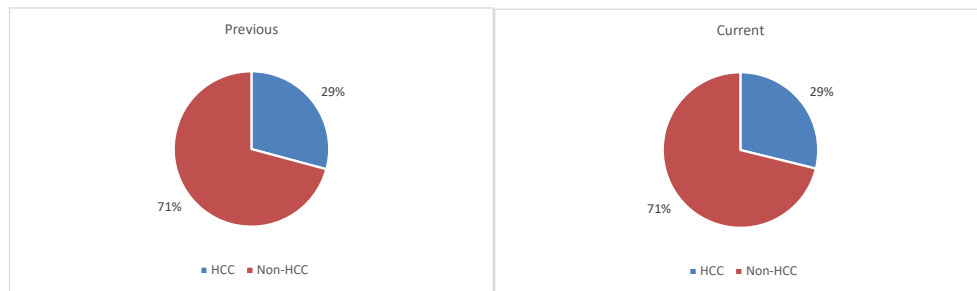
5. Risk Score

	Previous	Current
Member Risk Score	152.7	157.9

7. Cost Sharing



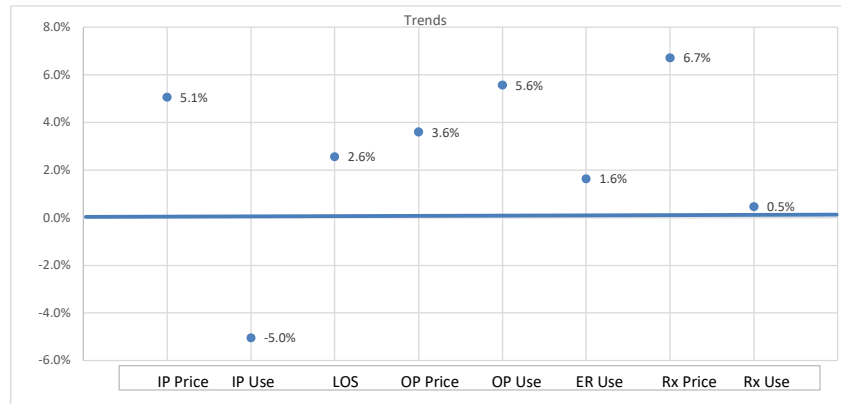
2. High Cost Claimants



	Previous	Current	Trend
Patients	1,115	1,065	-4.5%
Patients per 1,000	10.8	10.4	-4.2%
Payments (in Millions)	\$225 M	\$226 M	0.6%
Payments per Patient	201,400	212,035	5.3%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$31,285	\$32,870	5.1%	\$29,803
	Admits per 1000	58.6	55.6	-5.0%	49.1
	Days LOS	5.5	5.6	2.6%	4.8
Outpatient	Allowed per Service	\$141	\$146	3.6%	\$136
	ER Visits per 1000	249.7	263.6	5.6%	190.2
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	1.6%	n/a
	Days Supply PMPY	456	460	0.7%	n/a
Specialty Rx	Allowed per Days Supply	\$84	\$103	22.1%	n/a
	Days Supply PMPY	11	10	-8.1%	n/a
All RX	Allowed per Days Supply	\$4	\$4	6.8%	\$4
	Days Supply PMPY	468	470	0.5%	365

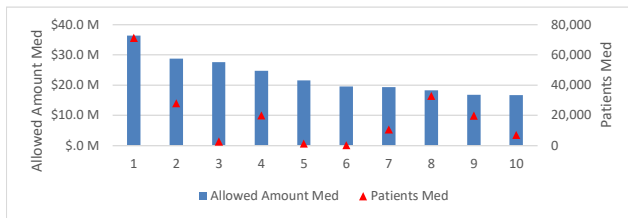


Medical and Prescription Drug Dashboard - GHIP Population (Excludes Medicare Retirees)

Previous Period: Jul 2020 - Jun 2021 (Paid)

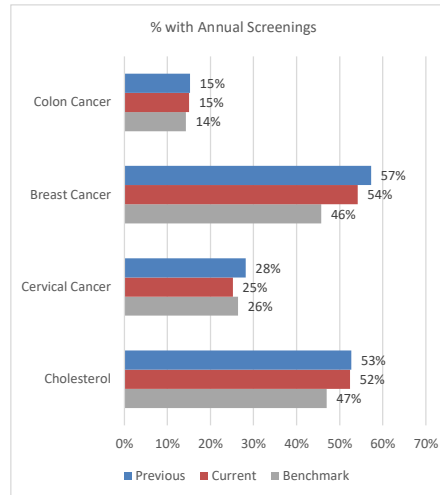
Current Period: Jul 2021 - Jun 2022 (Paid)

8. Top Medical Conditions (by cost)

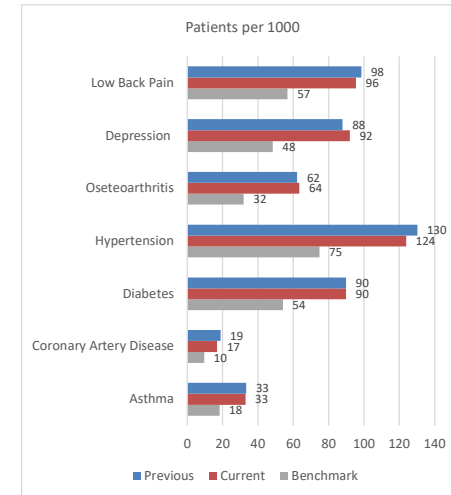


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Prevent/Admin Hlth Encounters	\$36,389,230	71,293	\$510
2 Signs/Symptoms/Oth Cond, NEI	\$28,721,847	28,057	\$1,024
3 Pregnancy without Delivery	\$27,591,264	2,810	\$9,819
4 Infections - Respiratory, NEC	\$24,724,311	20,038	\$1,234
5 Newborns, w/wo Complication	\$21,589,779	1,423	\$15,172
6 Chemotherapy Encounters	\$19,602,816	299	\$65,561
7 Spinal/Back Disord, Low Back	\$19,391,883	10,744	\$1,805
8 Infections, NEC	\$18,278,387	33,043	\$553
9 Arthropathies/Joint Disord NEC	\$16,857,145	19,907	\$847
10 Osteoarthritis	\$16,758,224	7,141	\$2,347

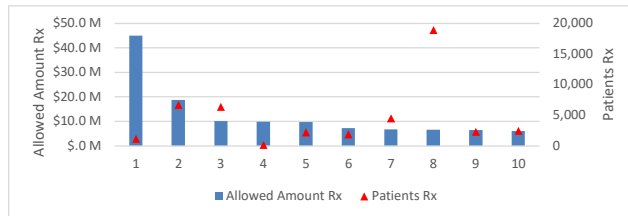
9. Screening Rates



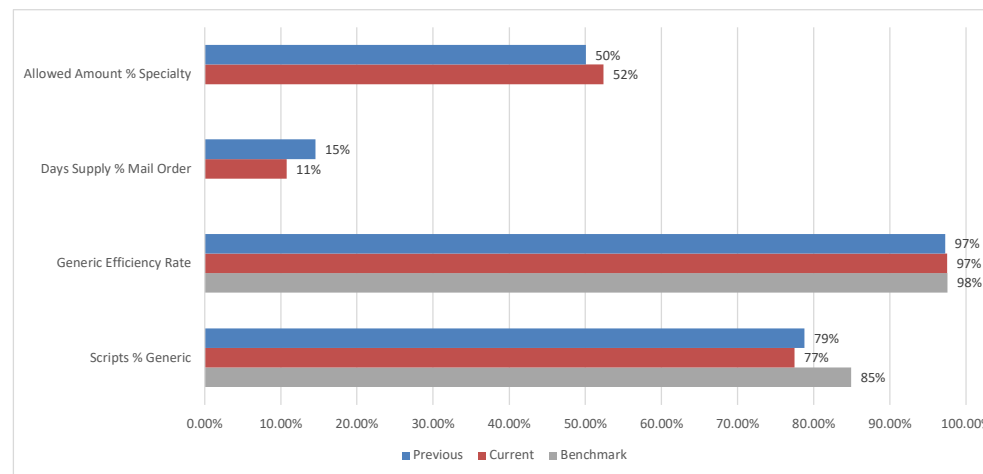
10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$44,914,437	1,143	\$39,295
2 Antidiabetic Agents, Misc	\$18,738,082	6,674	\$2,808
3 Stimulant, Amphetamine Type	\$10,112,647	6,350	\$1,593
4 Molecular Targeted Therapy	\$9,911,191	149	\$66,518
5 Antidiabetic Agents, Insulins	\$9,665,350	2,216	\$4,362
6 Antidiabetic Ag, SGLT Inhibitr	\$7,243,713	1,907	\$3,798
7 Antivirals, NEC	\$6,741,903	4,487	\$1,503
8 Adrenals & Comb, NEC	\$6,525,315	18,867	\$346
9 CNS Agents, Misc.	\$6,457,029	2,288	\$2,822
10 Misc Therapeutic Agents, NEC	\$6,078,894	2,454	\$2,477

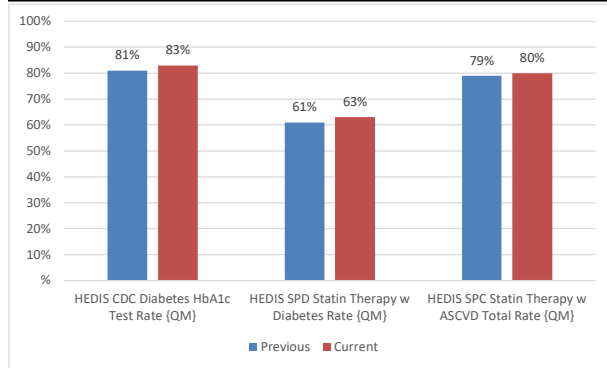


Medical and Prescription Drug Dashboard - Active Employees

Previous Period: Jul 2020 - Jun 2021 (Paid)

Current Period: Jul 2021 - Jun 2022 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	5786.5	5441.9	-6.0%	5332.1
Visits per 1000 Well Child	954.7	887.2	-7.1%	757.2
Visits per 1000 Prevent Adult	482.0	481.0	-0.2%	293.0

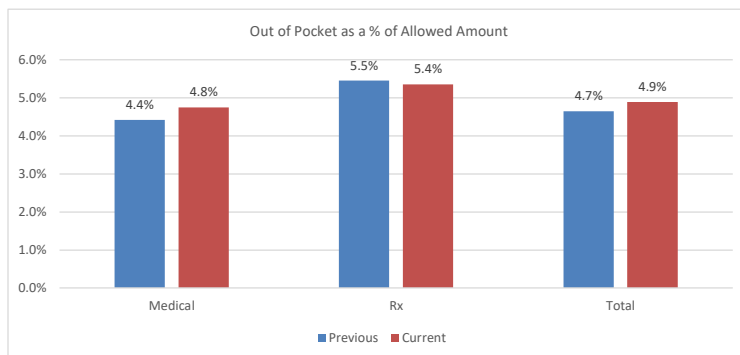
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	39,100.4	39,060.8	-0.1%
Average Members	90,267.0	89,926.7	-0.4%
Family Size	2.3	2.3	0.0%
Member Age	32.8	32.7	-0.3%
Members % Male	46.0%	46.0%	0.0%

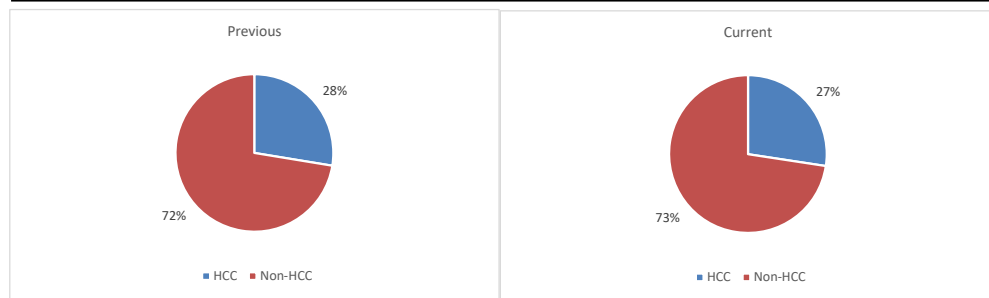
5. Risk Score

	Previous	Current
Member Risk Score	131.3	137.5

7. Cost Sharing



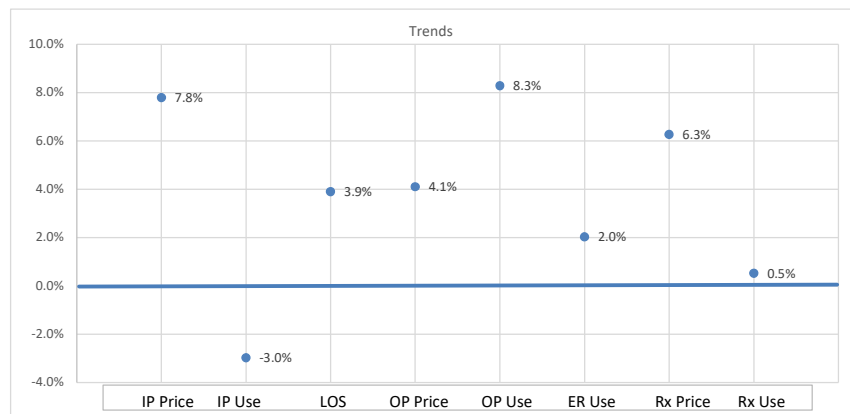
2. High Cost Claimants



	Previous	Current	Trend
Patients	908	878	-3.3%
Patients per 1,000	10.1	9.8	-2.9%
Payments (in Millions)	\$172 M	\$179 M	3.8%
Payments per Patient	189,951	203,884	7.3%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$30,594	\$32,982	7.8%	\$27,920
	Admits per 1000	53.6	52.0	-3.0%	48.3
	Days LOS	5.1	5.3	3.9%	4.7
Outpatient	Allowed per Service	\$139	\$144	4.1%	\$136
	ER Visits per 1000	230.4	249.6	8.3%	188.4
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	2.0%	n/a
	Days Supply PMPY	391	394	0.7%	n/a
Specialty Rx	Allowed per Days Supply	\$86	\$102	19.6%	n/a
	Days Supply PMPY	10	9	-7.2%	n/a
All RX	Allowed per Days Supply	\$4	\$4	6.4%	\$4
	Days Supply PMPY	401	403	0.5%	365

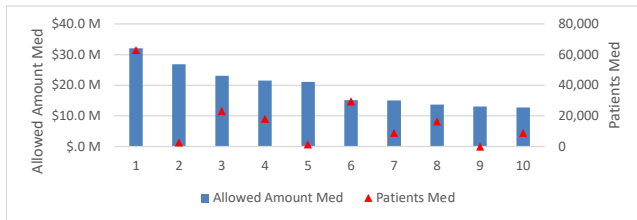


Medical and Prescription Drug Dashboard - Active Employees

Previous Period: Jul 2020 - Jun 2021 (Paid)

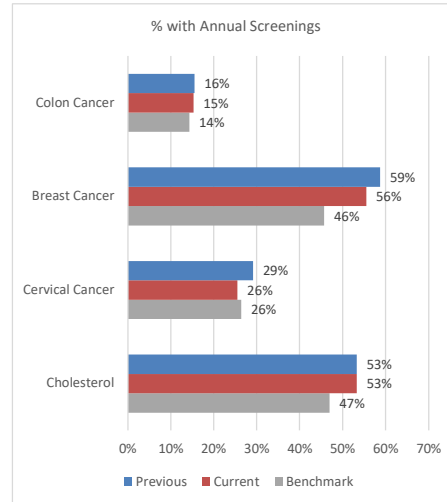
Current Period: Jul 2021 - Jun 2022 (Paid)

8. Top Medical Conditions (by cost)

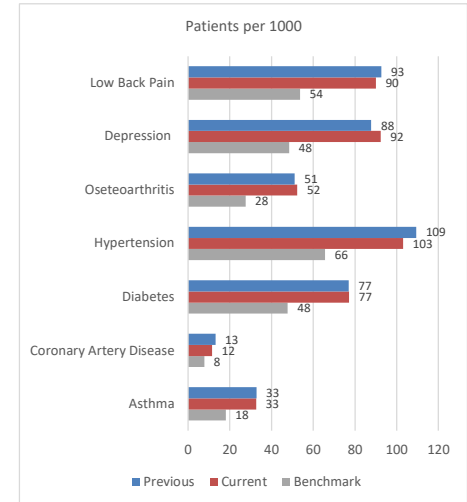


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Prevent/Admin Hlth Encounters	\$32,013,605	63,080	\$508
2 Pregnancy without Delivery	\$26,875,634	2,722	\$9,873
3 Signs/Symptoms/Oth Cond, NEC	\$23,048,076	23,251	\$991
4 Infections - Respiratory, NEC	\$21,512,844	18,033	\$1,193
5 Newborns, w/wo Complication	\$21,119,722	1,398	\$15,107
6 Infections, NEC	\$15,149,836	29,539	\$513
7 Spinal/Back Disord, Low Back	\$15,053,730	8,910	\$1,690
8 Arthropathies/Joint Disord NEC	\$13,707,986	16,481	\$832
9 Chemotherapy Encounters	\$13,034,892	191	\$68,246
10 Gastroint Disord, NEC	\$12,821,910	8,959	\$1,431

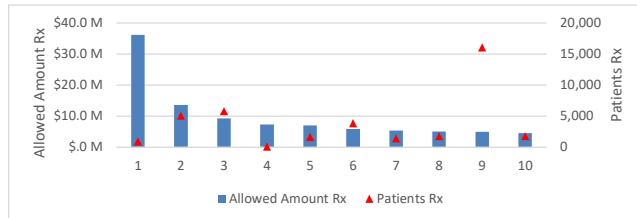
9. Screening Rates



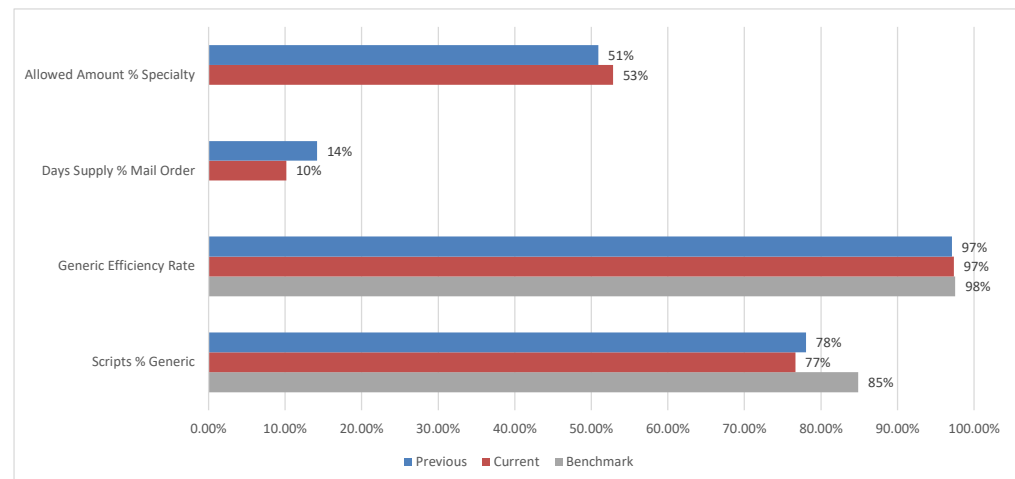
10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$36,189,275	918	\$39,422
2 Antidiabetic Agents, Misc	\$13,690,187	5,064	\$2,703
3 Stimulant, Amphetamine Type	\$9,282,532	5,806	\$1,599
4 Molecular Targeted Therapy	\$7,416,315	115	\$64,490
5 Antidiabetic Agents, Insulins	\$7,019,619	1,657	\$4,236
6 Antivirals, NEC	\$5,913,144	3,885	\$1,522
7 Antidiabetic Ag, SGLT Inhibitr	\$5,405,136	1,438	\$3,759
8 Misc Therapeutic Agents, NEC	\$5,138,164	1,780	\$2,887
9 Adrenals & Comb, NEC	\$4,981,191	16,078	\$310
10 CNS Agents, Misc.	\$4,614,837	1,781	\$2,591

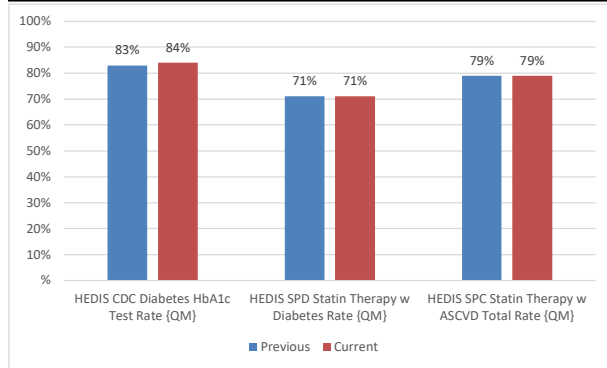


Medical and Prescription Drug Dashboard - Early Retirees

Previous Period: Jul 2020 - Jun 2021 (Paid)

Current Period: Jul 2021 - Jun 2022 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	4771.1	4212.8	-11.7%	5332.1
Visits per 1000 Well Child	803.3	755.4	-6.0%	757.2
Visits per 1000 Prevent Adult	498.0	508.0	2.0%	420.0

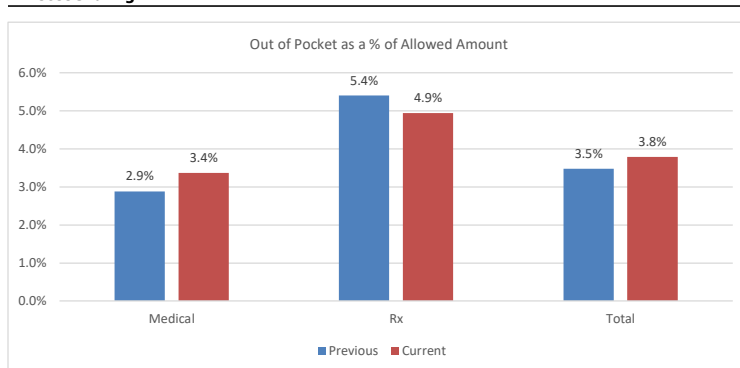
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	6,100.4	6,068.9	-0.5%
Average Members	9,715.8	9,721.3	0.1%
Family Size	1.6	1.6	0.0%
Member Age	50.1	50.1	0.0%
Members % Male	42.0%	42.0%	0.0%

5. Risk Score

	Previous	Current
Member Risk Score	248.4	246.7

7. Cost Sharing



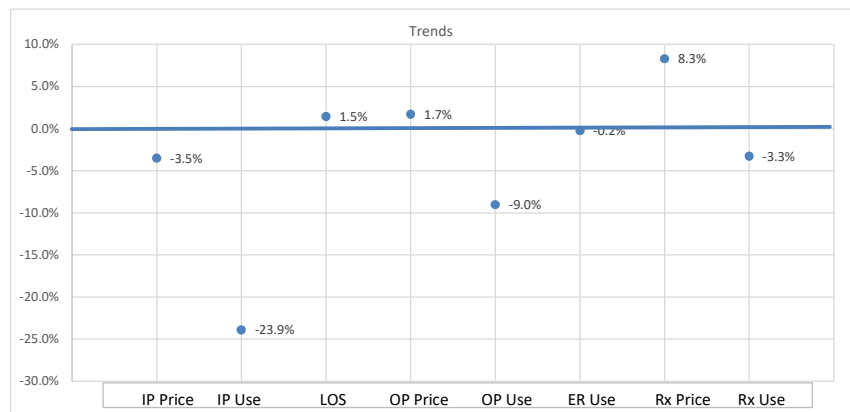
2. High Cost Claimants



	Previous	Current	Trend
Patients	264	251	-4.9%
Patients per 1,000	27.2	25.8	-5.0%
Payments (in Millions)	\$50 M	\$42 M	-14.3%
Payments per Patient	187,604	169,054	-9.9%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$45,100	\$43,522	-3.5%	\$41,246
	Admits per 1000	71.3	54.3	###	56.3
	Days LOS	6.9	7.0	1.5%	5.7
Outpatient	Allowed per Service	\$160	\$163	1.7%	\$136
	ER Visits per 1000	320.8	291.9	-9.0%	206.0
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	-0.2%	n/a
	Days Supply PMPY	809	786	-2.8%	n/a
Specialty Rx	Allowed per Days Supply	\$80	\$113	41.8%	n/a
	Days Supply PMPY	20	16	###	n/a
All RX	Allowed per Days Supply	\$4	\$4	8.5%	\$4
	Days Supply PMPY	829	802	-3.3%	365

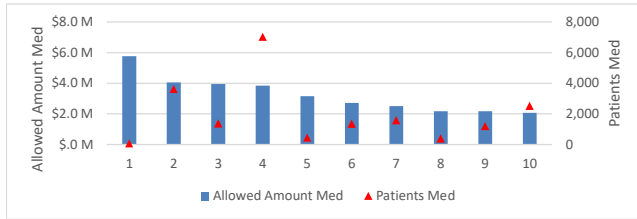


Medical and Prescription Drug Dashboard - Early Retirees

Previous Period: Jul 2020 - Jun 2021 (Paid)

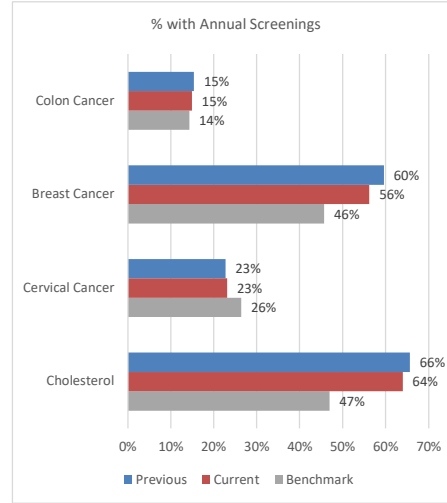
Current Period: Jul 2021 - Jun 2022 (Paid)

8. Top Medical Conditions (by cost)

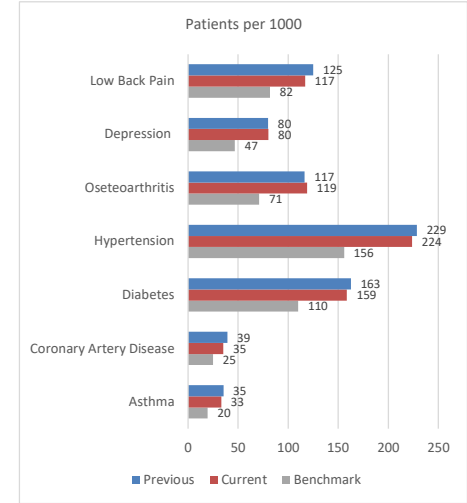


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient	
1	Chemotherapy Encounters	\$5,759,692	79	\$72,907
2	Signs/Symptoms/Oth Cond, NEI	\$4,048,543	3,625	\$1,117
3	Osteoarthritis	\$3,949,692	1,389	\$2,844
4	Prevent/Admin Hlth Encounters	\$3,846,290	7,027	\$547
5	Cardiac Arrhythmias	\$3,150,482	466	\$6,761
6	Spinal/Back Disord, Low Back	\$2,728,227	1,367	\$1,996
7	Infections - Respiratory, NEC	\$2,505,427	1,599	\$1,567
8	Coronary Artery Disease	\$2,176,593	413	\$5,270
9	Gastroint Disord, NEC	\$2,173,268	1,207	\$1,801
10	Arthropathies/Joint Disord NEC	\$2,066,729	2,535	\$815

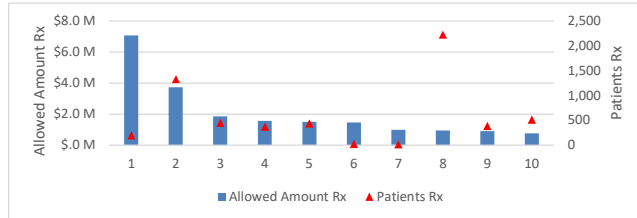
9. Screening Rates



10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient	
1	Immunosuppressants, NEC	\$7,072,724	203	\$34,841
2	Antidiabetic Agents, Misc	\$3,747,142	1,332	\$2,813
3	Antidiabetic Agents, Insulins	\$1,858,899	452	\$4,113
4	CNS Agents, Misc.	\$1,573,971	373	\$4,220
5	Antidiabetic Ag, SGLT Inhibitr	\$1,497,366	438	\$3,419
6	Molecular Targeted Therapy	\$1,474,899	26	\$56,727
7	Biological Response Modifiers	\$987,329	18	\$54,852
8	Adrenals & Comb, NEC	\$963,046	2,224	\$433
9	Coag/Anticoag, Anticoagulants	\$929,300	389	\$2,389
10	Antivirals, NEC	\$757,871	518	\$1,463

