

# State of Delaware - Quarterly Financial Reporting

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## FY23 Q1 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.*

November 2022



**State of Delaware**

Health Plan Quarterly Financial Reporting  
FY23 Q1 Plan Cost Analysis

**Summary plan information**

- FY23 YTD compared to FY22 YTD:

Summary (total)	FY23			FY22			% Change		
	Medical	Rx <sup>4</sup>	Total <sup>2</sup>	Medical	Rx <sup>4</sup>	Total <sup>2</sup>	Medical	Rx <sup>4</sup>	Total <sup>2</sup>
Gross claims <sup>1</sup>	\$168.5	\$91.2	\$259.8	\$145.7	\$71.3	\$217.0	▲ 15.6%	▲ 28.0%	▲ 19.7%
Total program cost (\$M) <sup>2</sup>	\$181.0	\$49.1	\$230.9	\$158.6	\$40.4	\$199.6	▲ 14.2%	▲ 21.6%	▲ 15.6%
Premium contributions (\$M) <sup>3</sup>	\$180.8	\$45.4	\$226.1	\$175.3	\$39.6	\$210.2	▲ 3.1%	▲ 14.6%	▲ 7.6%
Total cost PEPY	\$9,636	\$2,616	\$12,288	\$8,544	\$2,196	\$10,752	▲ 12.8%	▲ 19.1%	▲ 14.3%
Total cost PMPY	\$5,544	\$1,500	\$7,068	\$4,896	\$1,248	\$6,156	▲ 13.2%	▲ 20.2%	▲ 14.8%
Average employees	75,140			74,245			▲ 1.2%		
Average members	130,585			129,640			▲ 0.7%		
Loss ratio	102%			95%					
Net income (\$M)	(\$4.7)			\$10.5					

<sup>1</sup> Gross claims include paid medical and pharmacy claims as reported by Aetna, Highmark, CVS, and ESI; excludes capitation; Rx increase partially attributable to fewer FY22 invoices after CVS Health implementation

<sup>2</sup> Total program cost includes gross claims, pharmacy rebate and EGWP payment offsets, ASO fees, and office operational expenses

<sup>3</sup> Includes fees for participating non-State groups

- FY23 Actual compared to FY23 Revised Budget (pending SEBC vote on FY23 budget):

Summary (total)	FY23 Actual			FY23 Budget			% Change		
	Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
Total program cost (\$M) <sup>1</sup>	\$181.0	\$49.1	\$230.9	\$176.4	\$50.4	\$227.6	▲ 2.6%	▼ 2.5%	▲ 1.5%
Total cost PEPY	\$9,636	\$2,616	\$12,288	\$9,367	\$2,675	\$12,086	▲ 2.9%	▼ 2.2%	▲ 1.7%
Total cost PMPY	\$5,544	\$1,500	\$7,068	\$5,367	\$1,533	\$6,925	▲ 3.3%	▼ 2.2%	▲ 2.1%
Net income (\$M)	(\$4.7)			\$1.9					

- Summary Plan Information through September 2022

FY23 Q1	Aetna	Highmark	Active	Non-Medicare Retiree	Medicare Retiree	Total
<b>Summary (total)</b>						
Total cost (\$M)	\$48.3	\$182.6	\$167.9	\$30.2	\$32.8	\$230.9
Budgeted cost (\$M) <sup>1</sup>	\$47.6	\$178.5	\$162.1	\$23.9	\$40.2	\$226.1
Loss ratio	101%	102%	104%	126%	82%	102%
PEPY	\$15,732	\$11,616	\$17,112	\$17,880	\$4,500	\$12,288
PMPY	\$6,984	\$7,092	\$7,416	\$11,112	\$4,500	\$7,068
# of enrolled employees	12,280	62,860	39,247	6,761	29,132	75,140

<sup>1</sup> 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

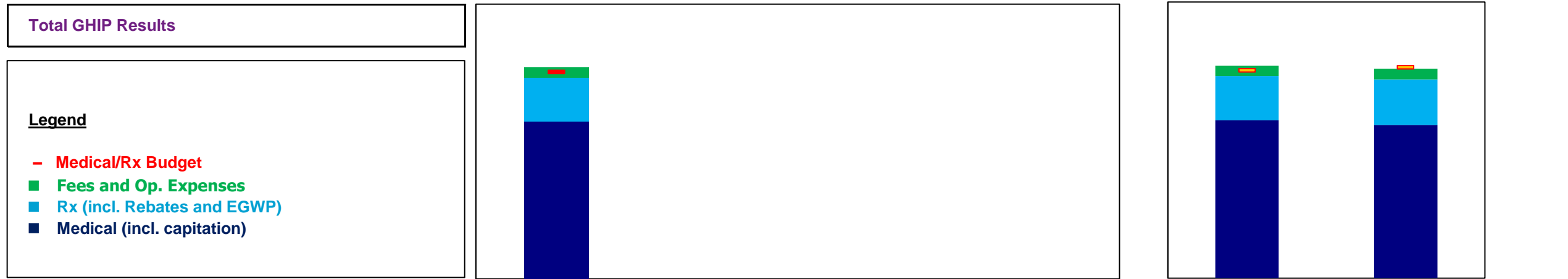
**Plan performance dashboard - key observations for total GHIP population: October 2021 - September 2022 (compared to October 2020 - September 2021)**

- The COVID-19 pandemic has had a significant impact on GHIP utilization and claims. Utilization of medical care continues to return to and/or exceed pre-pandemic levels varying by service category. The Merative plan performance dashboards highlight the following program trends:
  - Increases in well care and preventive visits: increase of 12.5% well child, increase of 5.3% preventive adult
  - Consistent screening rates for colon cancer, breast cancer, cervical cancer and cholesterol; prevalence of osteoarthritis continues to rise, up 8% over prior
  - 0.7% increase in inpatient admits with a 5.5% increase in LOS and 2.5% increase in cost per admit; 7.1% increase in ER visits
  - 8.9% increase in Rx cost across all prescriptions, but 3.0% decrease in utilization of all prescriptions
  - Specialty medications now make up 51% of pharmacy spend, with a 13.6% increase in cost offset by slight reduction in utilization

**Additional notes**

- Claims and expenses are reported on a paid basis
- FY23 budget rates increased by 8.67% over FY22 budget rates
- 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), Merative 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  
FY23 Q1 Plan Cost Analysis



	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY23 YTD Actual	FY23 YTD WTW Budget <sup>7</sup>	Difference vs. Budget
<b>Total Program Cost</b>	<b>\$230,867,419</b>				<b>\$230,867,419</b>	<b>\$227,565,120</b>	<b>▲ 1.5%</b>
- Paid Claims	219,511,364				219,511,364	215,933,900	▲ 1.7%
- <b>Medical (includes capitation<sup>1</sup>)</b>	171,568,445				171,568,445	166,325,429	▲ 3.2%
- <b>Rx (Including Rebates and EGWP)</b>	47,942,919				47,942,919	49,608,471	▼ 3.4%
- Rx Paid Claims	91,229,452				91,229,452	84,248,873	▲ 8.3%
- EGWP <sup>2</sup>	(13,612,434)				(13,612,434)	(5,399,974)	▲ 152.1%
- Direct Subsidy	70,482				70,482	129,931	▼ 45.8%
- CGDP	(7,596,216)				(7,596,216)	0	▼ 100.0%
- Catastrophic Reinsurance	(6,086,700)				(6,086,700)	(5,529,905)	▲ 10.1%
- Rx Rebates <sup>3</sup>	(29,674,098)				(29,674,098)	(29,240,427)	▲ 1.5%
- <b>ASO Fees</b>	10,637,228				10,637,228	10,810,018	▼ 1.6%
- <b>Operational Expenses</b>	718,827				718,827	821,202	▼ 12.5%
<b>Medical/Rx Premium Contributions<sup>4</sup></b>	<b>\$226,145,576</b>				<b>\$226,145,576</b>	<b>\$ 229,456,044</b>	<b>▼ 1.4%</b>
- Net Income	(4,721,843)				(4,721,843)	1,890,924	
- Total Cost as % of Budget	102%				102%	99%	
<b>Current Year Per Capita</b>							
- Total per employee per year <sup>5</sup>	12,288				12,288	12,086	▲ 1.7%
- Total % change over prior	14.3%				14.3%		
- Medical per employee per year	9,636				9,636	9,367	▲ 2.9%
- Medical % change over prior	12.8%				12.8%		
- Rx per employee per year	2,616				2,616	2,675	▼ 2.2%
- Rx % change over prior	19.1%				19.1%		
- Medical per member per year	5,544				5,544	5,367	▲ 3.3%
- Rx per member per year	1,500				1,500	1,533	▼ 2.2%
- Total per member per year <sup>5</sup>	7,068				7,068	6,925	▲ 2.1%
<b>Prior Year Results</b>	<b>Q1 FY22</b>	<b>Q2 FY22</b>	<b>Q3 FY22</b>	<b>Q4 FY22</b>	<b>FY22</b>		
- Total Program Cost	199,645,000				199,645,000	-	-
- Total Program Cost \$ Change	31,222,419				31,222,419	-	-
- Total per employee per year <sup>5</sup>	10,752				10,752	-	-
- Medical per employee per year	8,544				8,544	-	-
- Rx per employee per year	2,196				2,196	-	-
<b>EE Contributions<sup>6</sup></b>	<b>\$45,106,077</b>				<b>\$45,106,077</b>	-	-
- Net SoD	185,761,342				185,761,342	-	-
- SoD Subsidy %	80%				80%	-	-
<b>Headcount</b>							
- Enrolled Ees	75,140				75,140	75,316	▼ 0.2%
- Enrolled Members	130,585				130,585	131,442	▼ 0.7%
- Member/EE Ratio	1.7				1.7	1.7	

<sup>1</sup> Capitation payments apply to HMO plan only

<sup>2</sup> 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 CVS Health

<sup>3</sup> Reflects estimated rebates attributable to FY23; prior quarters to be updated with actual FY23 rebates when received; estimated rebates based on WTW analysis of expected rebates under CVS contract effective July 2021

<sup>4</sup> Premium contributions include fees for participating non-State groups

<sup>5</sup> 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

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

<sup>7</sup> WTW Budget based on revised FY23 Budget pending approval by SEBC

**State of Delaware**  
**FY2023 Financial Analysis of Health/Rx Plans - Paid Basis**  
**Year to Date July 1, 2022 - September 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
<b>Medical</b>												
Paid Claims	\$6,053,984	\$978,587	\$96,637,247	\$15,490,370	\$13,649,015	\$132,809,203	\$22,353,976	\$5,338,794	\$6,942,195	\$1,088,497	\$35,723,462	\$168,532,665
Capitation	\$0	\$0	\$0	\$0	\$0	\$0	\$2,572,381	\$463,400	\$0	\$0	\$3,035,781	\$3,035,781
Administration	\$584,115	\$53,117	\$4,476,942	\$740,515	\$1,481,345	\$7,336,034	\$1,218,570	\$314,016	\$533,081	\$66,136	\$2,131,803	\$9,467,837
Total Medical Program Cost	\$6,638,099	\$1,031,704	\$101,114,189	\$16,230,885	\$15,130,360	\$140,145,238	\$26,144,926	\$6,116,210	\$7,475,275	\$1,154,633	\$40,891,045	\$181,036,282
Average Number of Employees	3,366	306	25,791	4,266	29,132	62,860	7,020	1,808	3,071	381	12,280	75,140
Program Cost/Employee/Yr.	\$7,889	\$13,486	\$15,682	\$15,219	\$2,078	\$8,918	\$14,898	\$13,529	\$9,738	\$12,122	\$13,320	\$9,636
Change from prior period (pepy)	-3.9%	-8.0%	19.1%	3.9%	6.6%	14.1%	17.0%	8.0%	-7.8%	39.3%	10.4%	12.8%
Average Number of Members	6,085	427	60,626	6,655	29,132	102,924	17,162	3,111	6,708	680	27,661	130,585
Program Cost/Member/Yr.	\$4,364	\$9,657	\$6,671	\$9,756	\$2,078	\$5,447	\$6,094	\$7,863	\$4,458	\$6,792	\$5,913	\$5,544
Change from prior period (pmpy)	-3.4%	-6.7%	19.3%	2.8%	6.6%	14.3%	17.2%	9.5%	-8.6%	39.7%	10.8%	13.2%
<b>Express Scripts, Inc.</b>												
Paid Claims	\$1,853,223	\$174,893	\$28,786,985	\$6,073,642	\$43,371,514	\$80,260,257	\$6,705,987	\$1,869,604	\$2,024,715	\$368,888	\$10,969,195	\$91,229,452
Administration	\$22,482	\$2,044	\$172,310	\$28,501	\$862,003	\$1,087,341	\$46,901	\$12,086	\$20,517	\$2,545	\$82,050	\$1,169,391
Estimated EGWP Savings	\$0	\$0	\$0	\$0	(\$13,612,434)	(\$13,612,434)	\$0	\$0	\$0	\$0	\$0	(\$13,612,434)
Estimated Rebates <sup>1</sup>	(\$636,903)	(\$60,106)	(\$9,893,307)	(\$2,087,346)	(\$13,226,622)	(\$25,904,283)	(\$2,304,666)	(\$642,532)	(\$695,840)	(\$126,777)	(\$3,769,815)	(\$29,674,098)
Total Rx Program Cost	\$1,238,802	\$116,832	\$19,065,989	\$4,014,797	\$17,394,460	\$41,830,880	\$4,448,222	\$1,239,158	\$1,349,393	\$244,657	\$7,281,430	\$49,112,310
Average Number of Employees	3,366	306	25,791	4,266	29,132	62,860	7,020	1,808	3,071	381	12,280	75,140
Program Cost/Employee/Yr.	\$1,476	\$1,524	\$2,952	\$3,768	\$2,388	\$2,664	\$2,532	\$2,736	\$1,752	\$2,568	\$2,376	\$2,616
Change from prior period (pepy)	28.1%	0.8%	29.5%	33.6%	3.1%	16.8%	30.2%	41.6%	29.2%	22.3%	31.1%	19.1%
Average Number of Members	6,085	427	60,626	6,655	29,132	102,924	17,162	3,111	6,708	680	27,661	130,585
Program Cost/Member/Yr.	\$816	\$1,092	\$1,260	\$2,412	\$2,388	\$1,620	\$1,032	\$1,596	\$804	\$1,440	\$1,056	\$1,500
Change from prior period (pmpy)	28.3%	2.2%	29.6%	32.2%	3.1%	17.4%	30.3%	44.6%	28.8%	22.4%	31.3%	20.2%
<b>Total Medical and Rx</b>												
Premium	\$10,787,395	\$905,033	\$111,298,170	\$15,315,305	\$40,209,293	\$178,515,196	\$28,499,877	\$6,318,986	\$11,497,070	\$1,314,447	\$47,630,380	\$226,145,576
Program Cost (prior to operational)	\$7,876,901	\$1,148,536	\$120,180,178	\$20,245,682	\$32,524,820	\$181,976,118	\$30,593,148	\$7,355,368	\$8,824,668	\$1,399,290	\$48,172,474	\$230,148,592
Operational Expenses	\$32,191	\$2,927	\$246,730	\$40,811	\$278,682	\$601,340	\$67,157	\$17,306	\$29,379	\$3,645	\$117,486	\$718,827
Total Program Cost	\$7,909,093	\$1,151,463	\$120,426,907	\$20,286,493	\$32,803,502	\$182,577,458	\$30,660,305	\$7,372,674	\$8,854,047	\$1,402,935	\$48,289,960	\$230,867,419
Net Income	\$2,878,303	(\$246,430)	(\$9,128,737)	(\$4,971,188)	\$7,405,791	(\$4,062,262)	(\$2,160,428)	(\$1,053,688)	\$2,643,023	(\$88,488)	(\$659,581)	(\$4,721,843)
<b>Total Cost as % of Budget</b>	<b>73.3%</b>	<b>127.2%</b>	<b>108.2%</b>	<b>132.5%</b>	<b>81.6%</b>	<b>102.3%</b>	<b>107.6%</b>	<b>116.7%</b>	<b>77.0%</b>	<b>106.7%</b>	<b>101.4%</b>	<b>102.1%</b>
Average Number of Employees	3,366	306	25,791	4,266	29,132	62,860	7,020	1,808	3,071	381	12,280	75,140
Program Cost/Employee/Yr.	\$9,396	\$15,048	\$18,672	\$19,020	\$4,500	\$11,616	\$17,472	\$16,308	\$11,532	\$14,724	\$15,732	\$12,288
Change from prior period (pepy)	0.0%	-7.2%	20.5%	8.6%	5.9%	15.0%	18.8%	12.6%	-3.6%	35.7%	13.0%	14.3%
Average Number of Members	6,085	427	60,626	6,655	29,132	102,924	17,162	3,111	6,708	680	27,661	130,585
Program Cost/Member/Yr.	\$5,196	\$10,776	\$7,944	\$12,192	\$4,500	\$7,092	\$7,152	\$9,480	\$5,280	\$8,256	\$6,984	\$7,068
Change from prior period (pmpy)	0.5%	-5.8%	20.8%	7.5%	5.9%	15.2%	19.0%	14.2%	-4.3%	36.2%	13.5%	14.8%
<b>Prior Period Program Cost</b>												
<b>Per Employee Per Year (FY22)</b>												
Medical	\$8,211	\$14,666	\$13,172	\$14,648	\$1,949	\$7,814	\$12,729	\$12,523	\$10,567	\$8,703	\$12,069	\$8,544
Rx	\$1,152	\$1,512	\$2,280	\$2,820	\$2,316	\$2,280	\$1,944	\$1,932	\$1,356	\$2,100	\$1,812	\$2,196
Total <sup>2</sup>	\$9,396	\$16,212	\$15,492	\$17,508	\$4,248	\$10,104	\$14,712	\$14,484	\$11,964	\$10,848	\$13,920	\$10,752
<b>Per Member Per Year (FY22)</b>												
Medical	\$4,516	\$10,347	\$5,593	\$9,488	\$1,949	\$4,766	\$5,198	\$7,182	\$4,877	\$4,862	\$5,338	\$4,896
Rx	\$636	\$1,068	\$972	\$1,824	\$2,316	\$1,380	\$792	\$1,104	\$624	\$1,176	\$804	\$1,248
Total <sup>2</sup>	\$5,172	\$11,436	\$6,576	\$11,340	\$4,248	\$6,156	\$6,012	\$8,304	\$5,520	\$6,060	\$6,156	\$6,156

<sup>1</sup> Reflects estimated rebates attributable to FY23, based on WTW analysis of expected rebates under new CVS Health contract

<sup>2</sup> Includes Medical, Rx, and Operational Expenses

## State of Delaware

### Health Plan Quarterly Financial Reporting

#### FY23 Q1 Reporting Reconciliation (WTW vs DHR Fund Equity Report)

FY23 YTD Reporting Reconciliation	WTW FY23 Q1 Financial Report	DHR Sep. 2022 Fund Equity Report
<b>Total Program Cost</b>	<b>\$230,867,419</b>	<b>\$290,166,033</b>
<b>Paid Claims</b>	219,511,364	278,809,979
Medical Claims	171,568,445	187,157,308
Rx Claims <sup>1</sup>	47,942,919	97,093,257
Rx Paid Claims	91,229,452	91,652,672
EGWP	(13,612,434)	5,440,585
<i>Direct Subsidy</i>	70,482	(113,644)
<i>CGDP</i>	(7,596,216)	0
<i>Catastrophic Reinsurance</i>	(6,086,700)	5,554,229
Rx Rebates	(29,674,098)	27,596,934
Total Rx Claim (Offsets)/Revenue <sup>2</sup>	(43,286,533)	33,037,520
<b>Total Fees</b>	11,356,054	11,356,054
ASO Fees	10,637,228	10,637,228
Operational Expenses	718,827	718,827
<b>Premium Contributions/Operating Revenues<sup>3</sup></b>	<b>\$226,145,576</b>	<b>\$256,509,040</b>
Net Income	(4,721,843)	(33,656,993)
Total Cost as % of Budget	102%	113%

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

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

<sup>3</sup>DHR premium contributions represent total operating revenues, including premium contributions, Rx revenues (EGWP and rebates), other revenues totaling \$86,961, and participating group fees totaling \$1,591,283; WTW premium contributions represent FY23 budget rates and headcounts (net of Rx revenues), including participating group fees; DHR premium contributions alone total \$221,793,276

**State of Delaware**  
Health Plan Quarterly Financial Reporting  
Assumptions and Caveats

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**Claim basis and timing**

- 1 All reporting provided on a paid basis within this document.
- 2 FY23 represents the time period July 1, 2022 through June 30, 2023 for all statuses; note Medicfill plan for Medicare eligible retirees runs on a calendar year basis. Therefore, FY23 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 September 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 FY23 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 FY23 due to payment timing lag.
- 7 EGWP payments based on actual and expected payments attributable to the period July 1, 2022 through June 30, 2023; reflects actual direct subsidy, prospective reinsurance and coverage gap discount payments received through September 2022; remaining payments attributable to FY23 estimated based on projected amounts provided by ESI; may differ from actual payments received during FY23 due to payment timing lag.
- 8 Prior year costs calculated from WTW's FY21 Financial Reporting.
- 9 FY23 Projected based on updated long-term projections through FY23 Q1; reflects experience through June 2022 and projected FY23 average enrollment based on headcounts through June 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

**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, 2022. Medicare eligible retiree budget rates reflect rates effective January 1, 2022 for FY22 Q1 and Q2, and rates effective January 1, 2023 for FY21 Q3 and Q4. Budget rates include FY23 risk fees for Participating groups (excludes \$2.70 PEPM charge).
- 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 FY23.
- 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

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#### 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, 2022 to September 30, 2022.

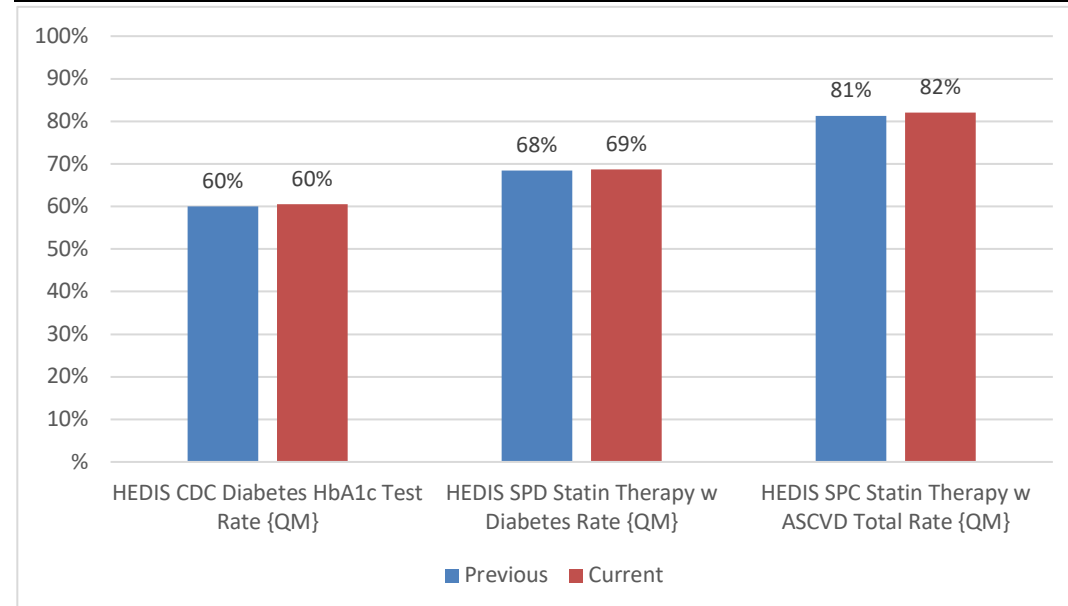


## Medical and Prescription Drug Dashboard - GHIP Population

Previous Period: Oct 2020 - Sep 2021 (Paid)

Current Period: Oct 2021 - Sep 2022 (Paid)

### 1. Quality Metrics



### 3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	5599.4	5708.2	1.9%	5332.1
Visits per 1000 Well Child	891.6	1003.0	12.5%	757.2
Visits per 1000 Prevent Adult	413.6	435.7	5.3%	325.9

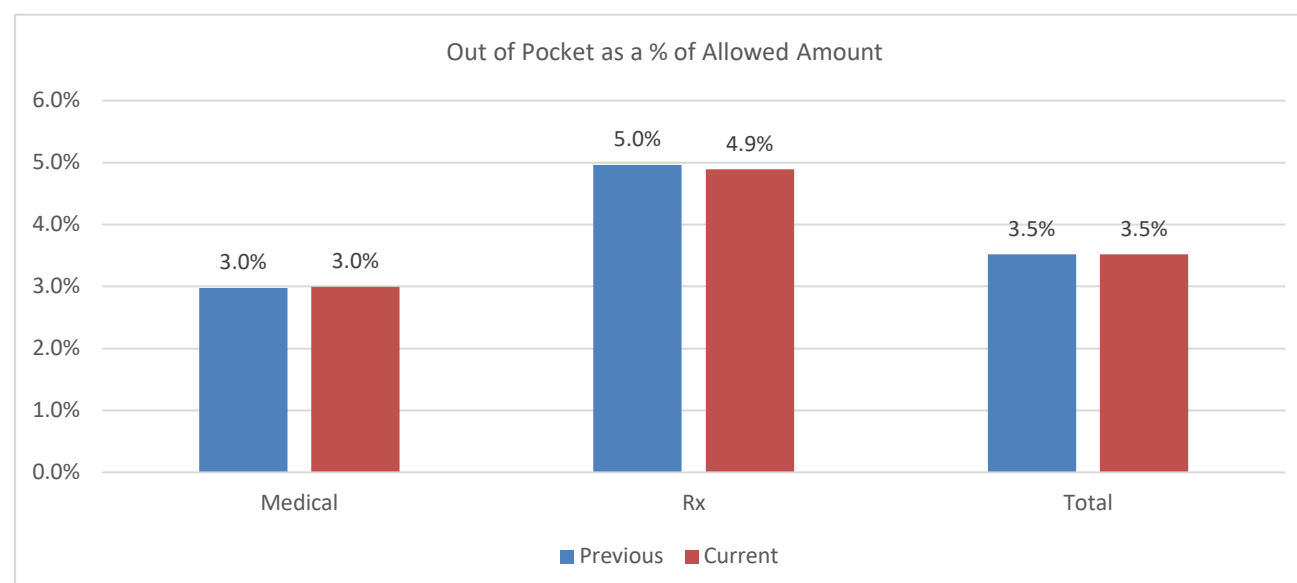
### 4. Medical Eligibility

	Previous	Current	Trend
Average Employees	74,062.9	74,769.0	1.0%
Average Members	129,284.4	129,842.3	0.4%
Family Size	1.7	1.7	-0.5%
Member Age	43.2	43.3	0.4%
Members % Male	44.7%	44.6%	-0.2%

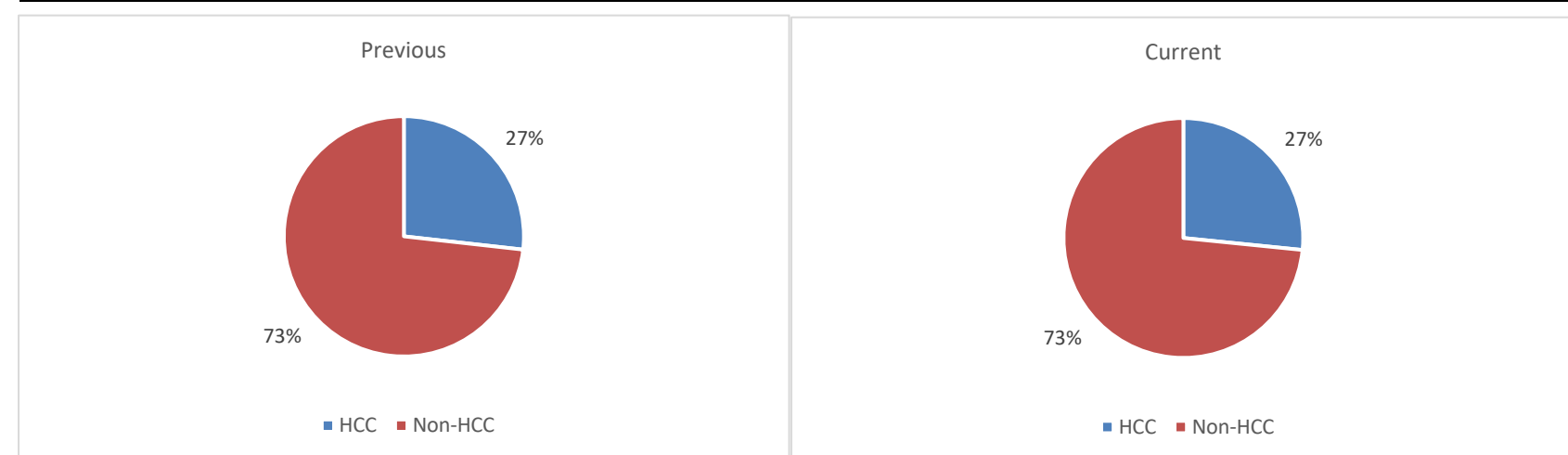
### 5. Risk Score

	Previous	Current
Member Risk Score	235.7	238.5

### 7. Cost Sharing



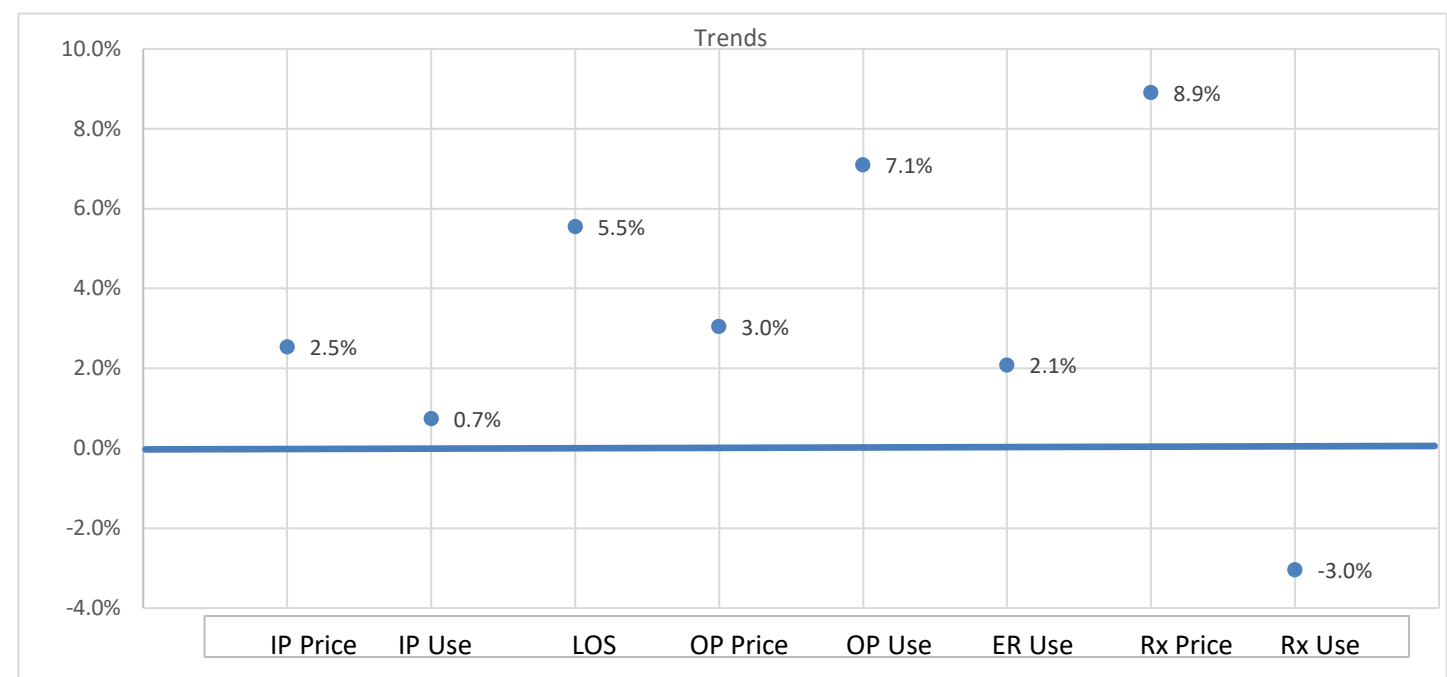
### 2. High Cost Claimants



	Previous	Current	Trend
Patients	1,317	1,131	-14.1%
Patients per 1,000	10.2	8.7	-14.5%
Payments (in Millions)	\$264 M	\$244 M	-7.4%
Payments per Patient	200,092	215,811	7.9%

### 6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$27,115	\$27,800	2.5%	\$32,517
	Admits per 1000	76.5	77.0	0.7%	49.4
	Days LOS	5.9	6.3	5.5%	4.9
Outpatient	Allowed per Service	\$136	\$140	3.0%	\$136
	ER Visits per 1000	298.2	319.4	7.1%	190.6
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	2.1%	n/a
	Days Supply PMPY	709	687	-3.1%	n/a
Specialty Rx	Allowed per Days Supply	\$85	\$97	13.6%	n/a
	Days Supply PMPY	16	15	-0.6%	n/a
All RX	Allowed per Days Supply	\$4	\$4	8.9%	\$4
	Days Supply PMPY	725	703	-3.0%	365

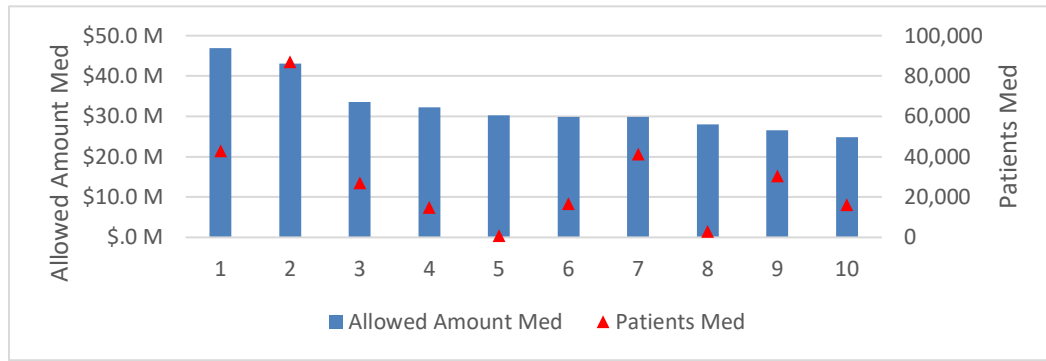


**Medical and Prescription Drug Dashboard - GHIP Population**

Previous Period: Oct 2020 - Sep 2021 (Paid)

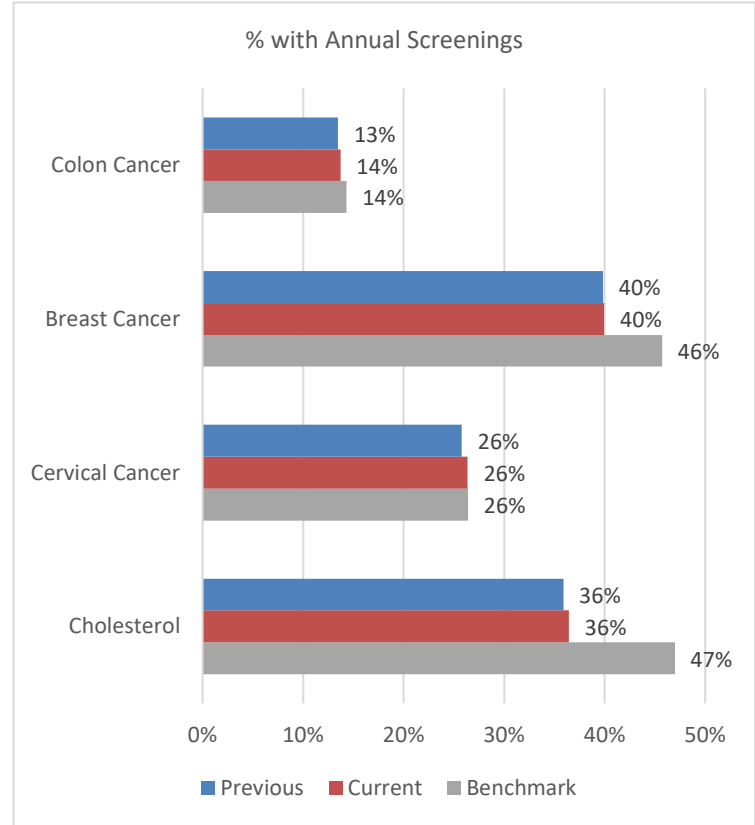
Current Period: Oct 2021 - Sep 2022 (Paid)

**8. Top Medical Conditions (by cost)**

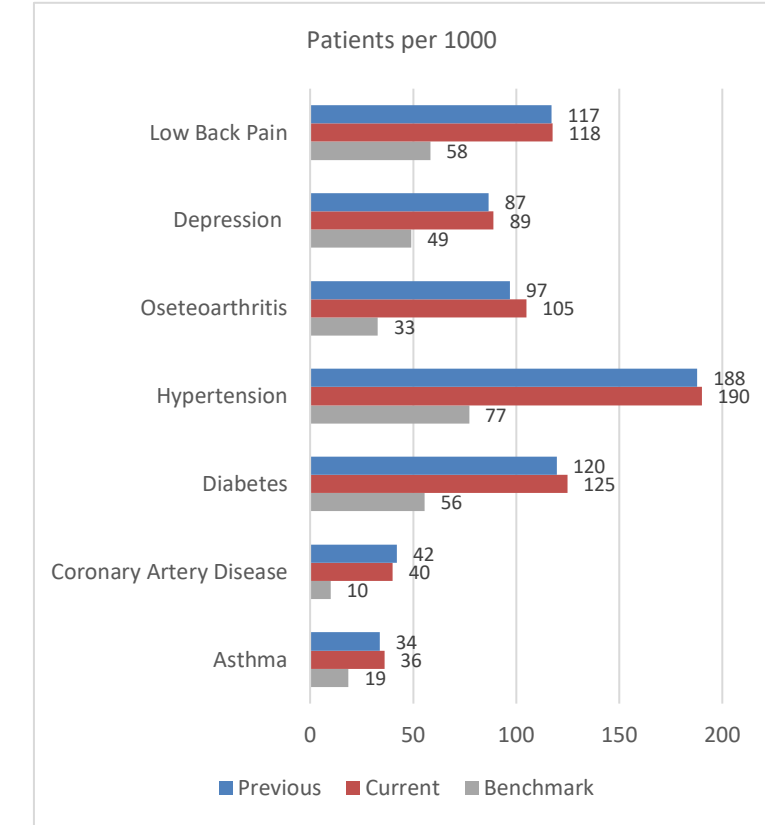


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Signs/Symptoms/Oth Cond, NEI	\$46,900,193	42,676	\$1,099
2 Prevent/Admin Hlth Encounters	\$43,028,520	87,023	\$494
3 Infections - Respiratory, NEC	\$33,574,118	27,050	\$1,241
4 Osteoarthritis	\$32,193,178	14,775	\$2,179
5 Chemotherapy Encounters	\$30,203,028	634	\$47,639
6 Spinal/Back Disord, Low Back	\$29,919,072	16,569	\$1,806
7 Infections, NEC	\$29,829,087	41,105	\$726
8 Pregnancy without Delivery	\$27,962,488	2,781	\$10,055
9 Arthropathies/Joint Disord NEC	\$26,540,523	30,361	\$874
10 Respiratory Disord, NEC	\$24,807,680	16,223	\$1,529

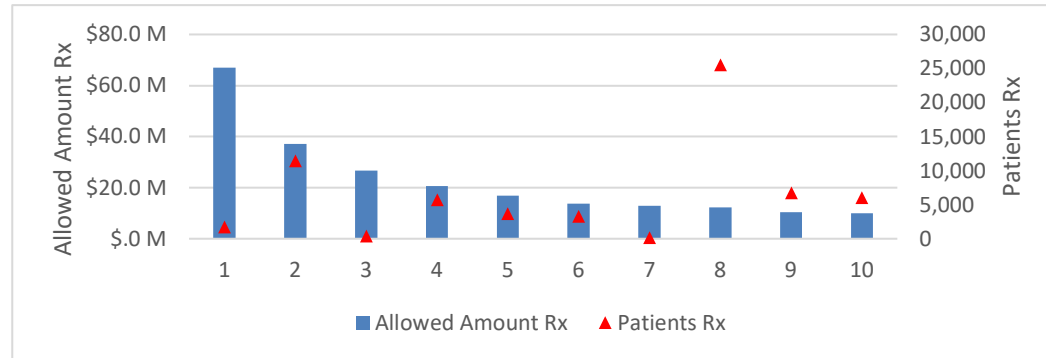
**9. Screening Rates**



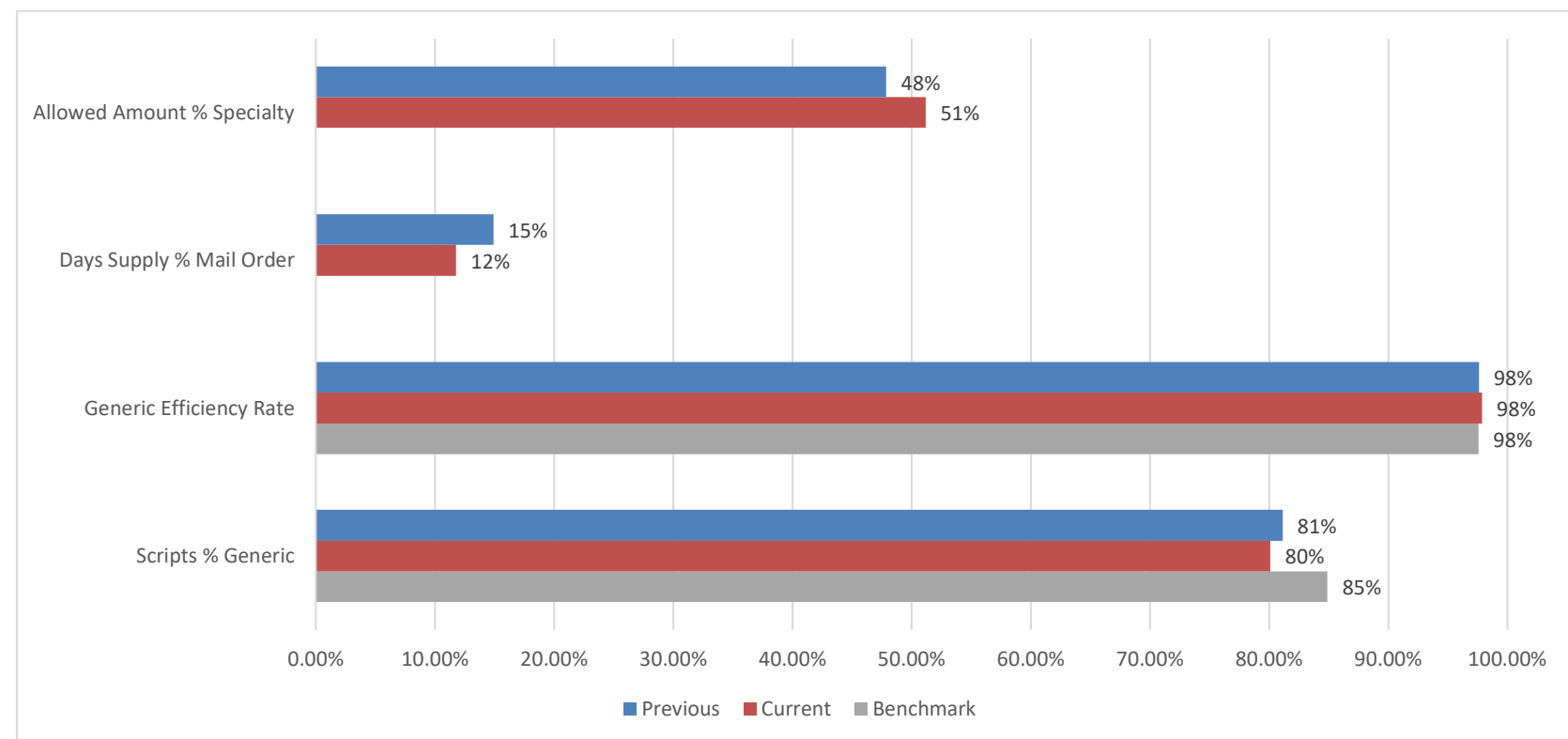
**10. Chronic Condition Prevalence**



**11. Prescription Drug Metrics**



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$66,924,025	1,678	\$39,883
2 Antidiabetic Agents, Misc	\$37,069,591	11,424	\$3,245
3 Molecular Targeted Therapy	\$26,711,391	349	\$76,537
4 Coag/Anticoag, Anticoagulants	\$20,666,397	5,660	\$3,651
5 Antidiabetic Agents, Insulins	\$16,791,559	3,667	\$4,579
6 Antidiabetic Ag, SGLT Inhibitr	\$13,643,552	3,262	\$4,183
7 Biological Response Modifiers	\$12,850,986	151	\$85,106
8 Adrenals & Comb, NEC	\$12,265,503	25,498	\$481
9 Stimulant, Amphetamine Type	\$10,292,185	6,750	\$1,525
10 Misc Therapeutic Agents, NEC	\$9,933,417	6,042	\$1,644

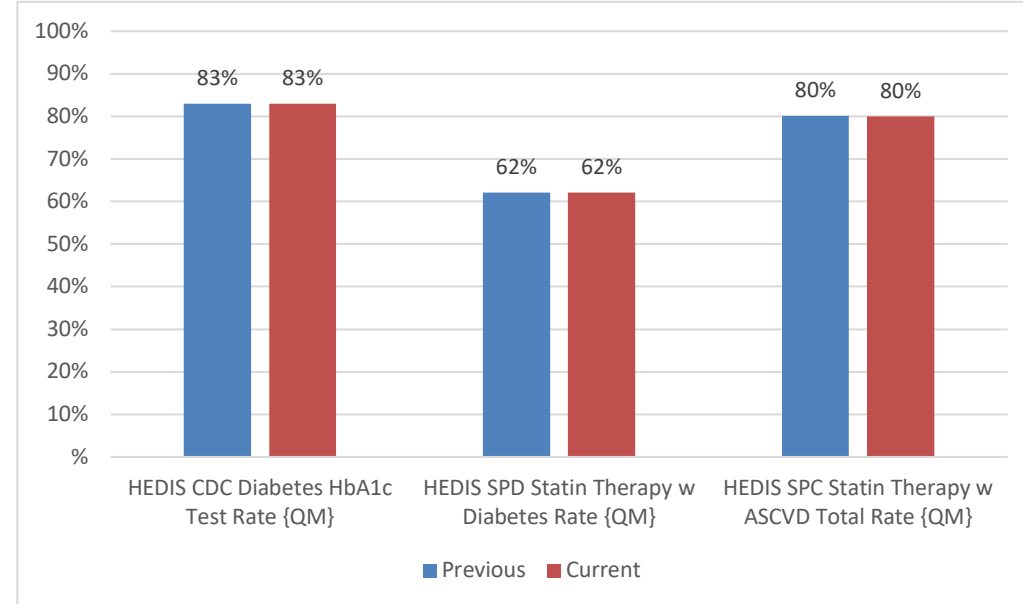


**Medical and Prescription Drug Dashboard - Active Employees**

Previous Period: Oct 2020 - Sep 2021 (Paid)

Current Period: Oct 2021 - Sep 2022 (Paid)

**1. Quality Metrics**



**3. Well Care and Preventive Visits**

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	5605.4	5710.8	1.9%	5332.1
Visits per 1000 Well Child	891.0	1003.6	12.6%	757.2
Visits per 1000 Prevent Adult	473.6	497.3	5.0%	292.6

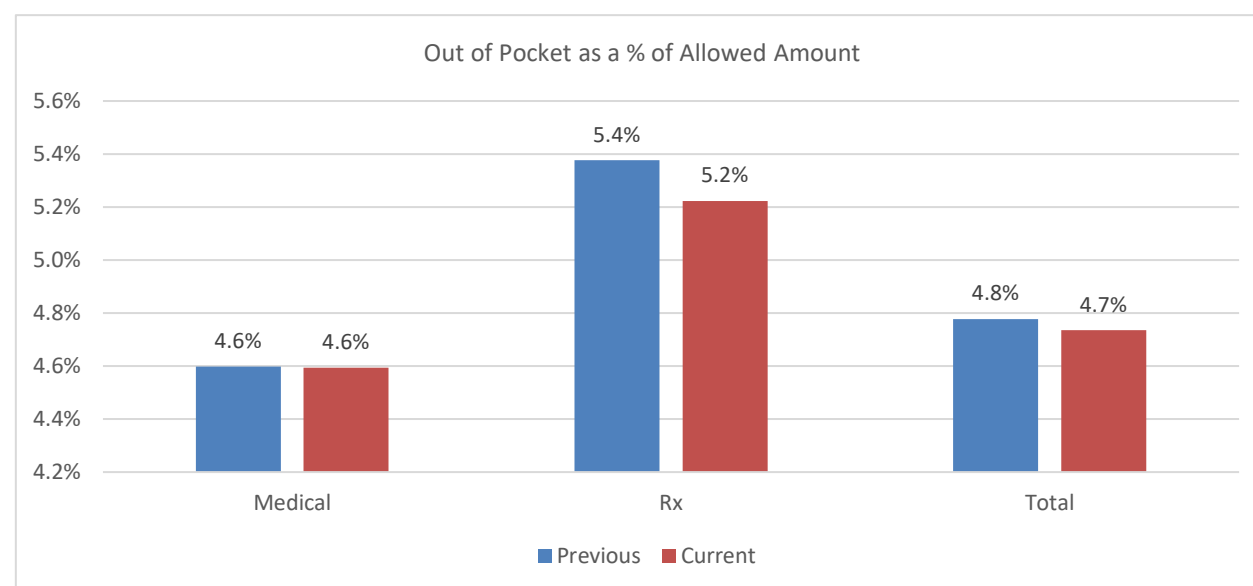
**4. Medical Eligibility**

	Previous	Current	Trend
Average Employees	39,044.3	39,113.8	0.2%
Average Members	90,094.3	89,966.2	-0.1%
Family Size	2.3	2.3	-0.3%
Member Age	32.7	32.7	-0.2%
Members % Male	46.2%	46.1%	-0.2%

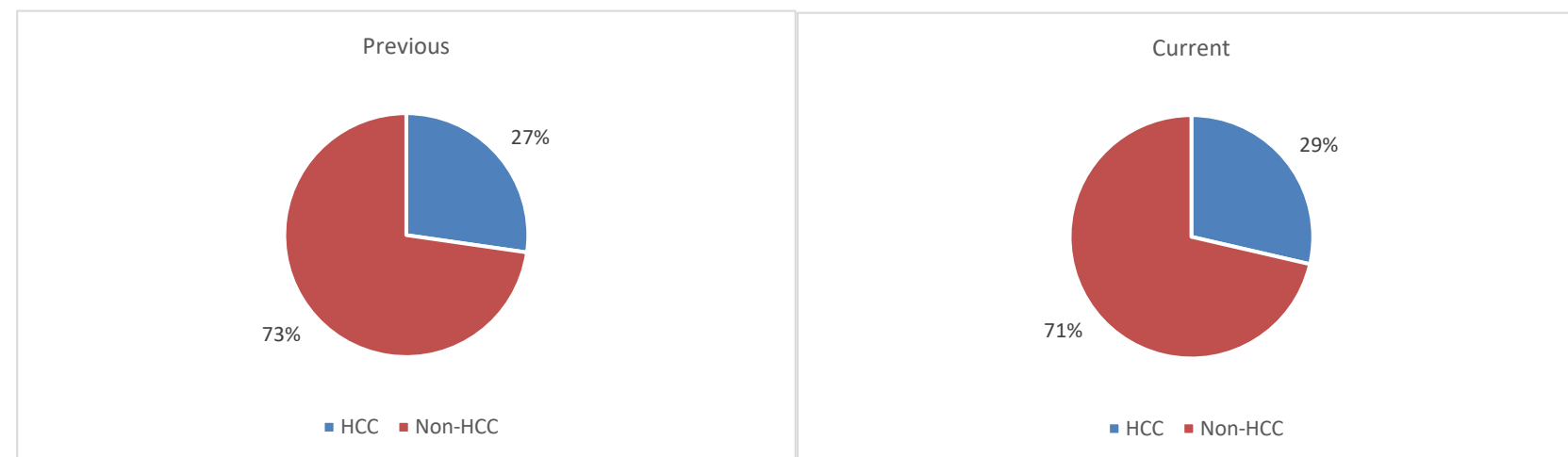
**5. Risk Score**

	Previous	Current
Member Risk Score	137.5	139.8

**7. Cost Sharing**



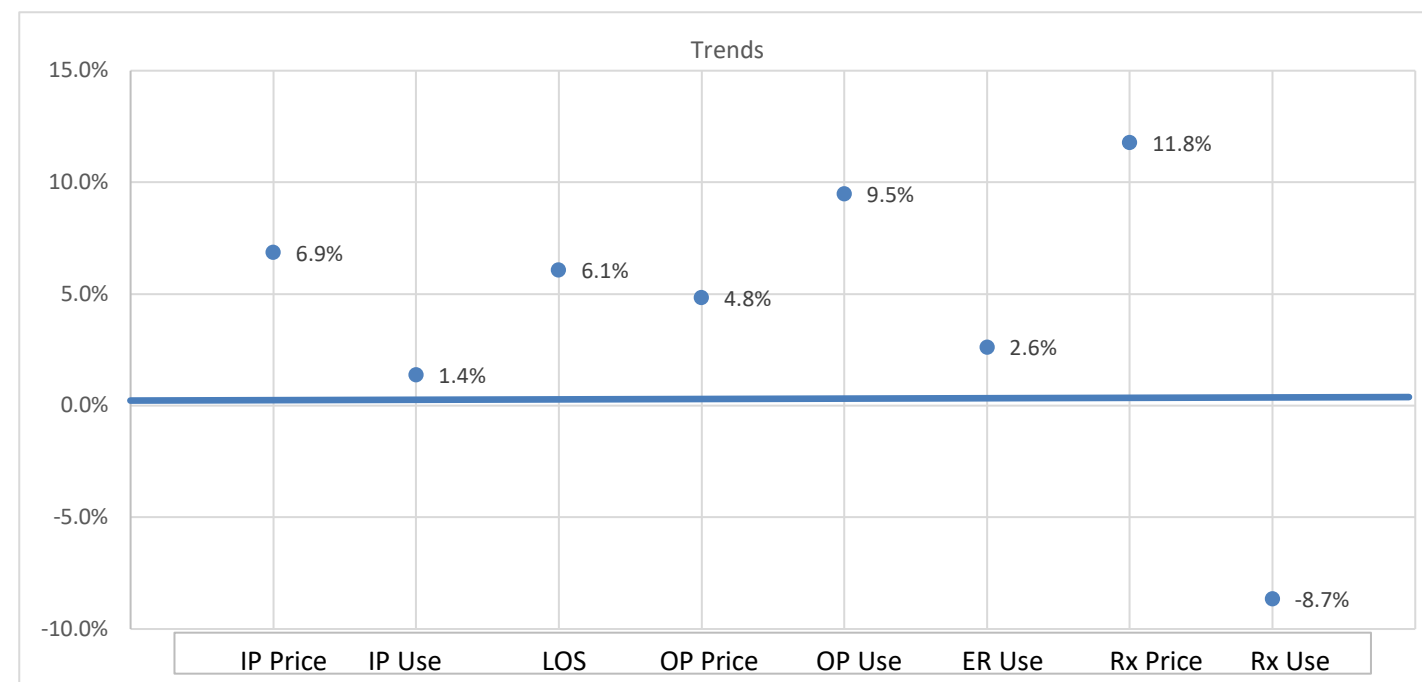
**2. High Cost Claimants**



	Previous	Current	Trend
Patients	894	938	4.9%
Patients per 1,000	9.9	10.4	5.1%
Payments (in Millions)	\$175 M	\$194 M	10.8%
Payments per Patient	195,832	206,879	5.6%

**6. Price and Use**

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$31,414	\$33,567	6.9%	\$27,075
	Admits per 1000	52.9	53.6	1.4%	48.4
	Days LOS	5.2	5.5	6.1%	4.7
Outpatient	Allowed per Service	\$141	\$147	4.8%	\$136
	ER Visits per 1000	235.6	258.0	9.5%	188.4
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	2.6%	n/a
	Days Supply PMPY	417	381	-8.6%	n/a
Specialty Rx	Allowed per Days Supply	\$83	\$104	25.3%	n/a
	Days Supply PMPY	11	9	-12.0%	n/a
All RX	Allowed per Days Supply	\$4	\$5	11.8%	\$4
	Days Supply PMPY	427	390	-8.7%	365

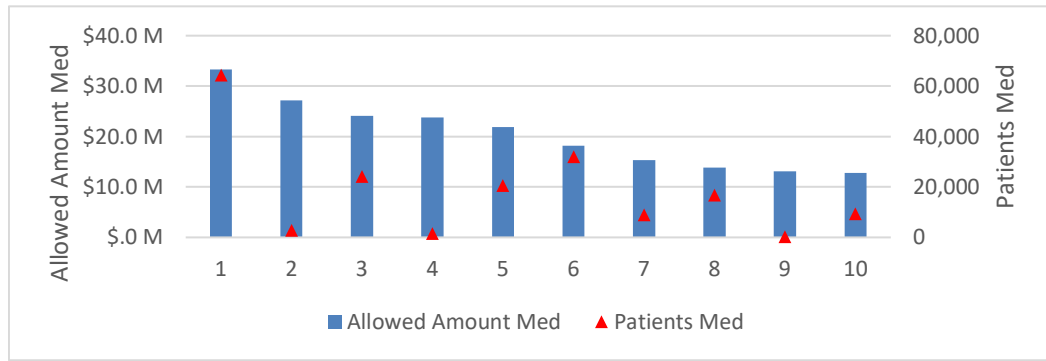


**Medical and Prescription Drug Dashboard - Active Employees**

Previous Period: Oct 2020 - Sep 2021 (Paid)

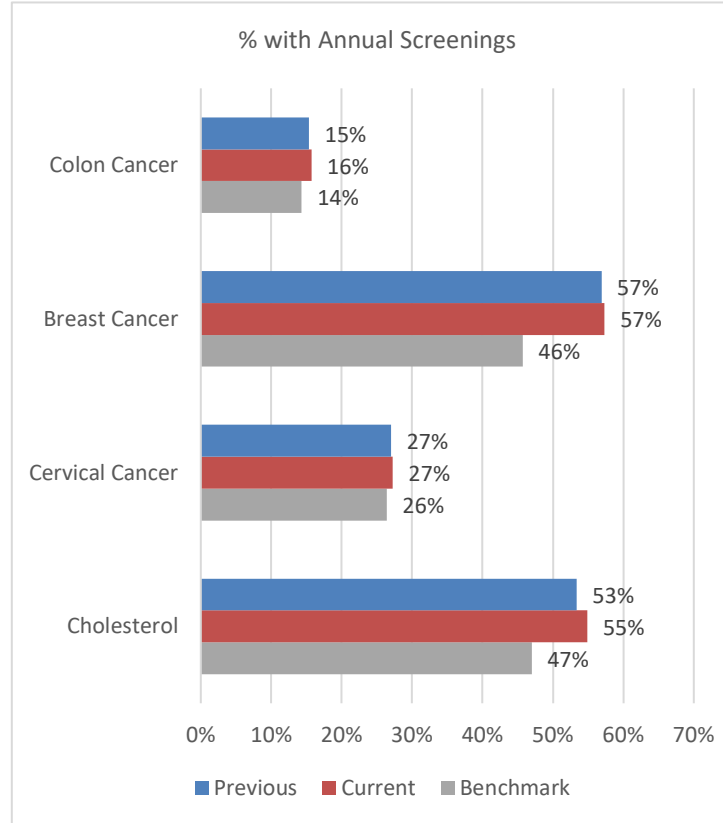
Current Period: Oct 2021 - Sep 2022 (Paid)

**8. Top Medical Conditions (by cost)**

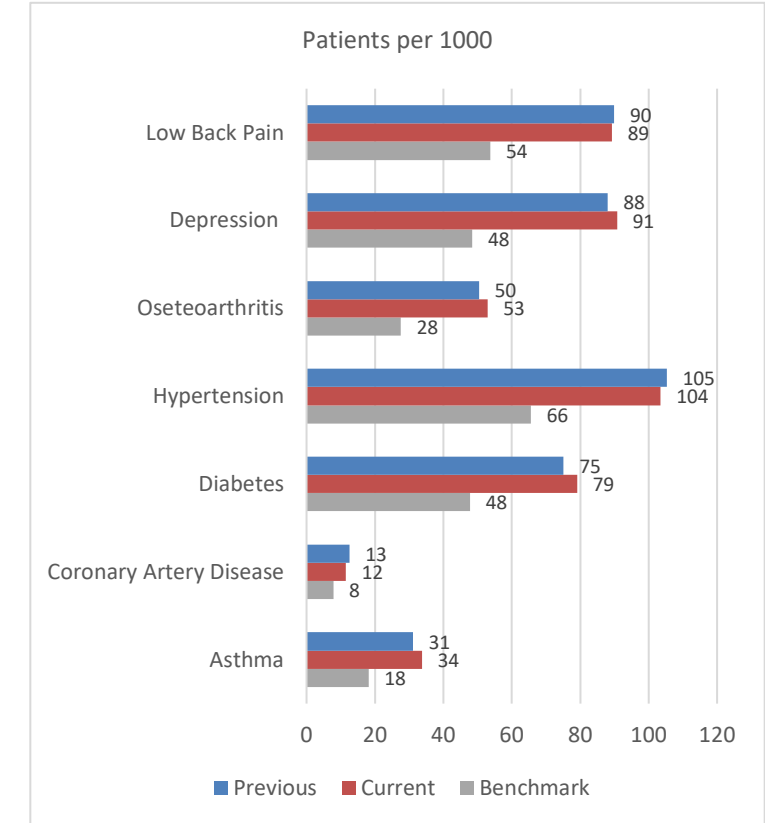


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Prevent/Admin Hlth Encounters	\$33,299,003	64,248	\$518
2 Pregnancy without Delivery	\$27,188,189	2,688	\$10,115
3 Signs/Symptoms/Oth Cond, NEC	\$24,135,361	24,048	\$1,004
4 Newborns, w/wo Complication	\$23,783,356	1,434	\$16,585
5 Infections - Respiratory, NEC	\$21,909,125	20,391	\$1,074
6 Infections, NEC	\$18,201,440	31,883	\$571
7 Spinal/Back Disord, Low Back	\$15,320,488	8,942	\$1,713
8 Arthropathies/Joint Disord NEC	\$13,831,307	16,581	\$834
9 Chemotherapy Encounters	\$13,139,603	186	\$70,643
10 Gastroint Disord, NEC	\$12,761,470	9,191	\$1,388

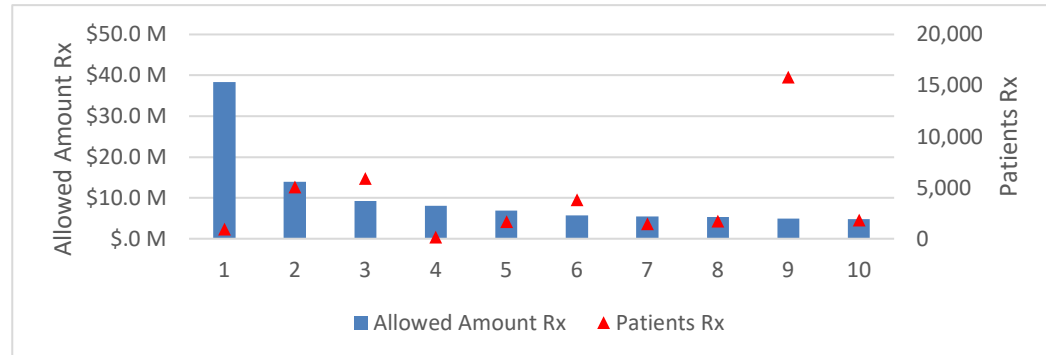
**9. Screening Rates**



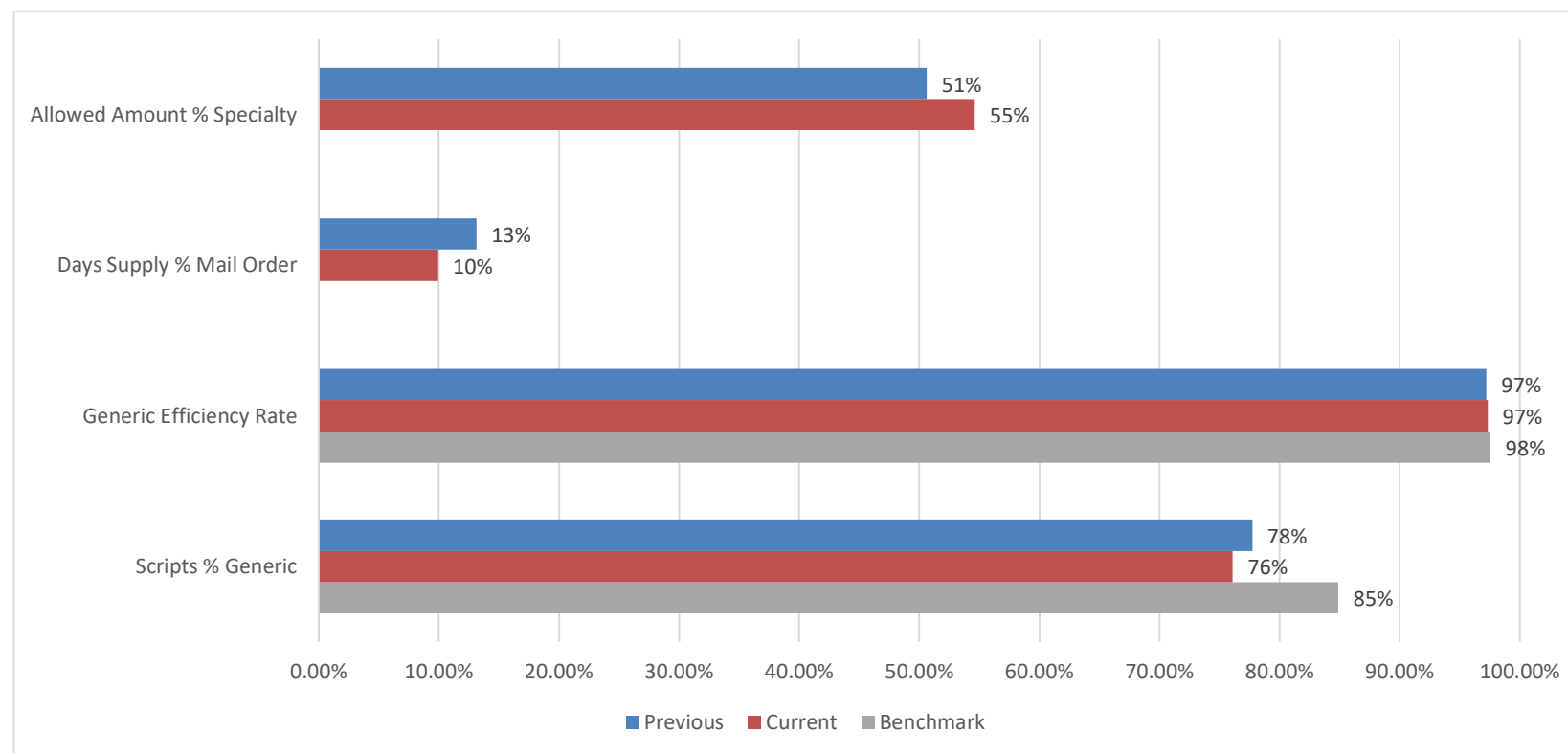
**10. Chronic Condition Prevalence**



**11. Prescription Drug Metrics**



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$38,359,955	949	\$40,421
2 Antidiabetic Agents, Misc	\$13,947,147	5,048	\$2,763
3 Stimulant, Amphetamine Type	\$9,188,086	5,881	\$1,562
4 Molecular Targeted Therapy	\$8,001,314	136	\$58,833
5 Antidiabetic Agents, Insulins	\$6,877,738	1,645	\$4,181
6 Antivirals, NEC	\$5,756,476	3,810	\$1,511
7 Antidiabetic Ag, SGLT Inhibitr	\$5,481,399	1,473	\$3,721
8 Misc Therapeutic Agents, NEC	\$5,268,913	1,718	\$3,067
9 Adrenals & Comb, NEC	\$4,918,858	15,806	\$311
10 CNS Agents, Misc.	\$4,825,759	1,833	\$2,633

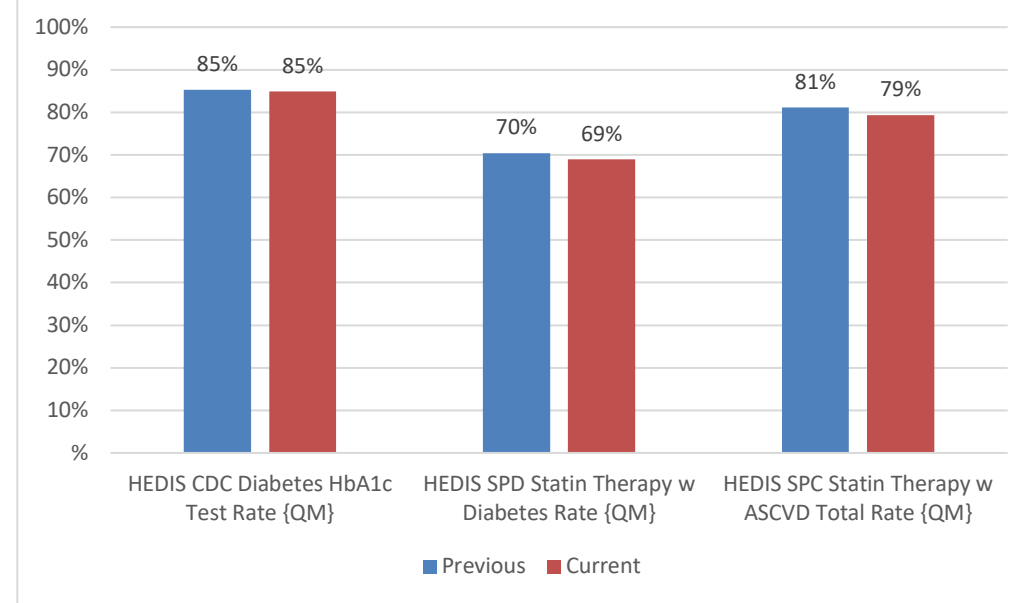


**Medical and Prescription Drug Dashboard - Early Retirees**

Previous Period: Oct 2020 - Sep 2021 (Paid)

Current Period: Oct 2021 - Sep 2022 (Paid)

**1. Quality Metrics**



**3. Well Care and Preventive Visits**

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	4660.2	4207.8	-9.7%	5332.1
Visits per 1000 Well Child	946.7	883.3	-6.7%	757.2
Visits per 1000 Prevent Adult	482.1	525.0	8.9%	420.0

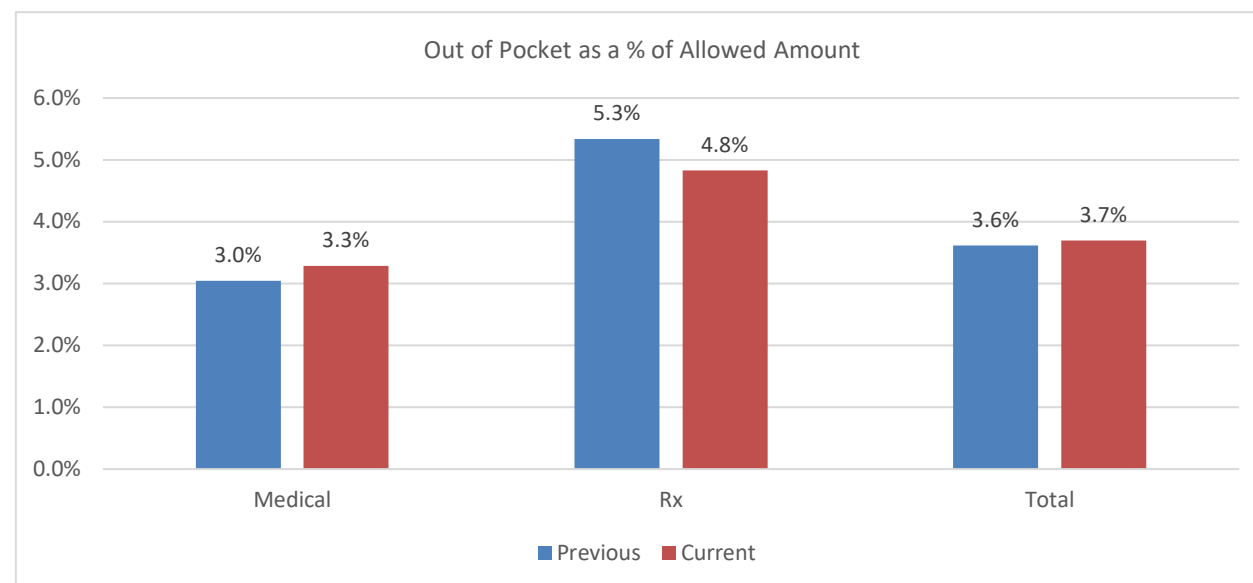
**4. Medical Eligibility**

	Previous	Current	Trend
Average Employees	6,082.3	6,091.6	0.2%
Average Members	9,694.6	9,762.5	0.7%
Family Size	1.6	1.6	0.5%
Member Age	50.1	50.1	-0.1%
Members % Male	41.9%	42.3%	1.0%

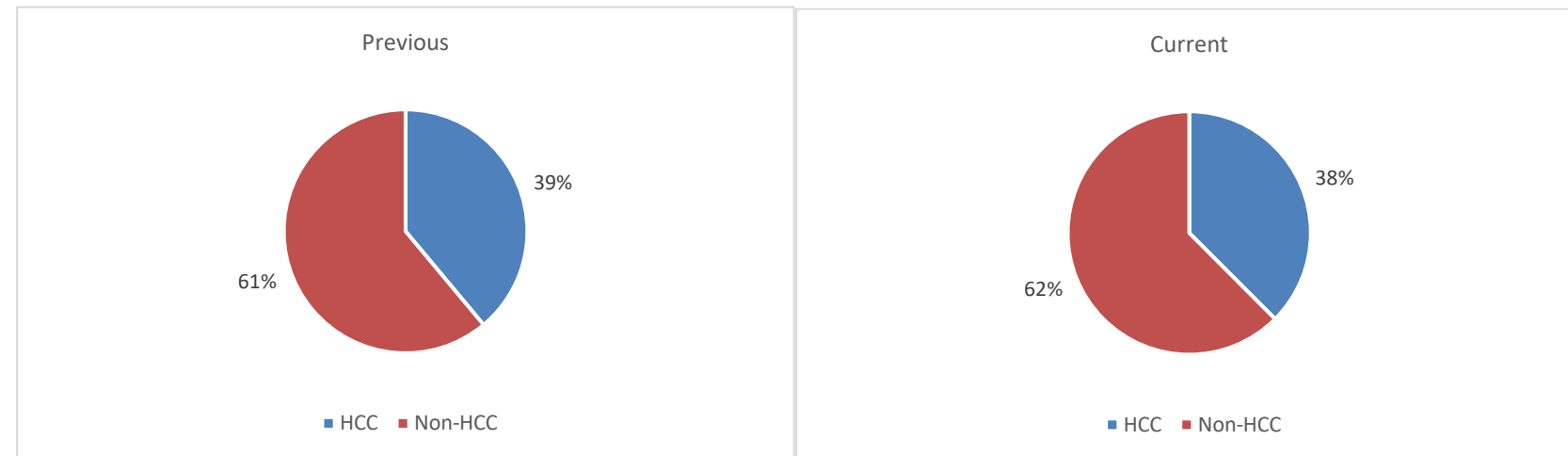
**5. Risk Score**

	Previous	Current
Member Risk Score	246.7	238.0

**7. Cost Sharing**



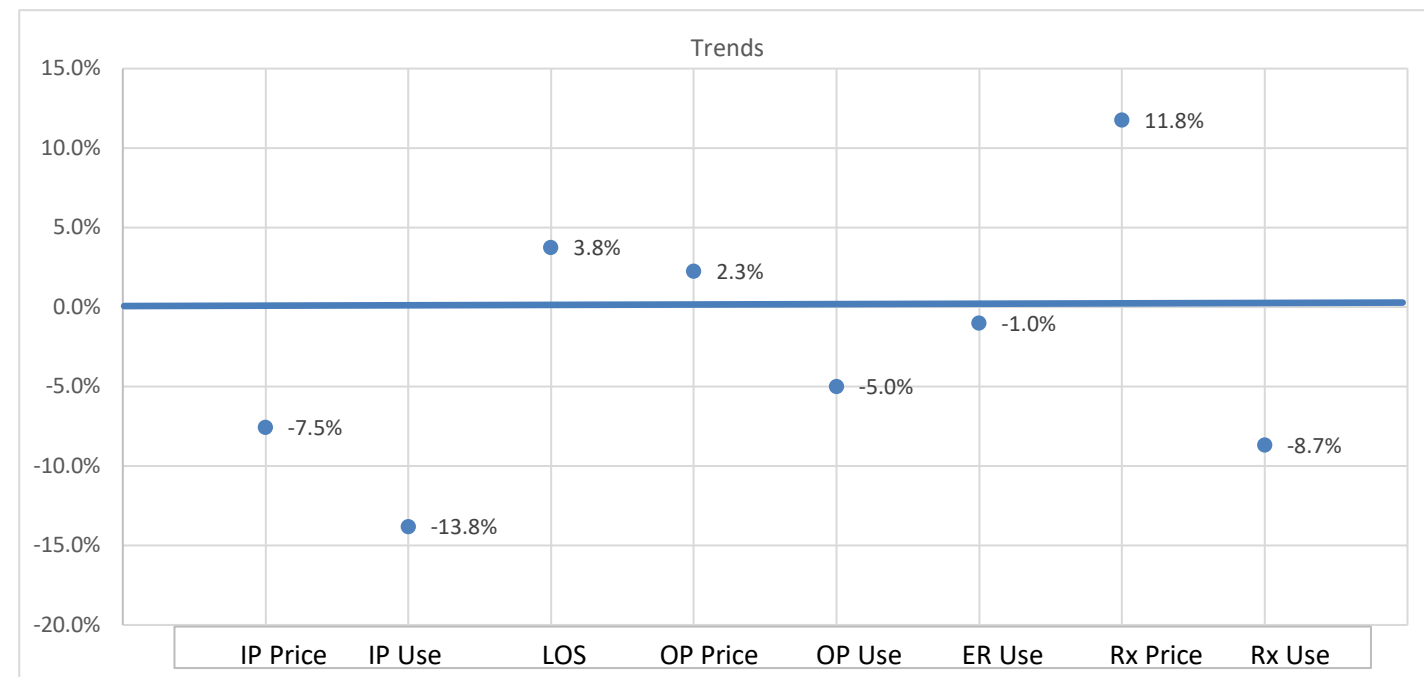
**2. High Cost Claimants**



	Previous	Current	Trend
Patients	270	254	-5.9%
Patients per 1,000	27.9	26.0	-6.6%
Payments (in Millions)	\$47 M	\$44 M	-8.0%
Payments per Patient	175,050	171,279	-2.2%

**6. Price and Use**

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$45,483	\$42,056	-7.5%	\$39,091
	Admits per 1000	65.7	56.6	-13.8%	56.4
	Days LOS	6.9	7.1	3.8%	5.5
Outpatient	Allowed per Service	\$161	\$165	2.3%	\$136
	ER Visits per 1000	316.6	300.8	-5.0%	206.0
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	-1.0%	n/a
	Days Supply PMPY	856	760	-11.3%	n/a
Specialty Rx	Allowed per Days Supply	\$77	\$117	52.3%	n/a
	Days Supply PMPY	21	16	-24.7%	n/a
All RX	Allowed per Days Supply	\$4	\$4	14.4%	\$4
	Days Supply PMPY	878	776	-11.6%	365

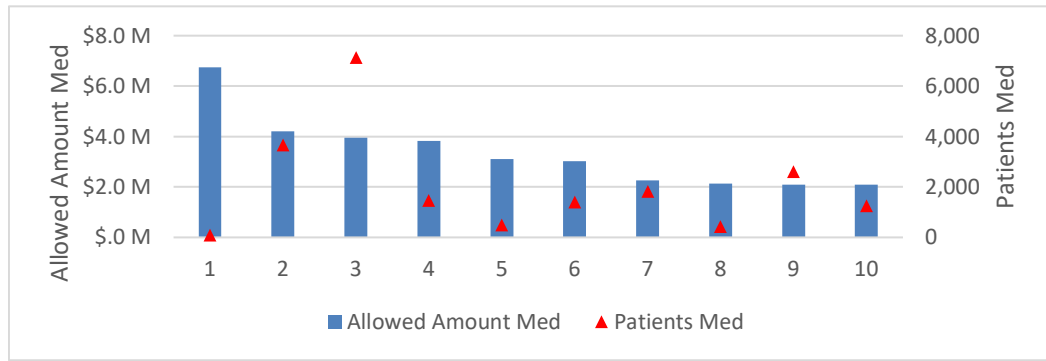


**Medical and Prescription Drug Dashboard - Early Retirees**

Previous Period: Oct 2020 - Sep 2021 (Paid)

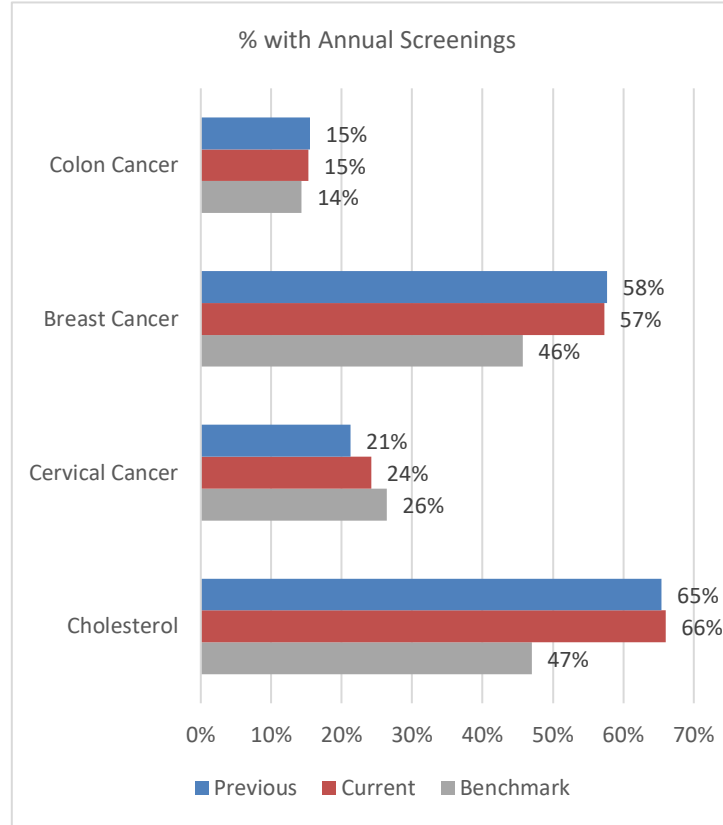
Current Period: Oct 2021 - Sep 2022 (Paid)

**8. Top Medical Conditions (by cost)**

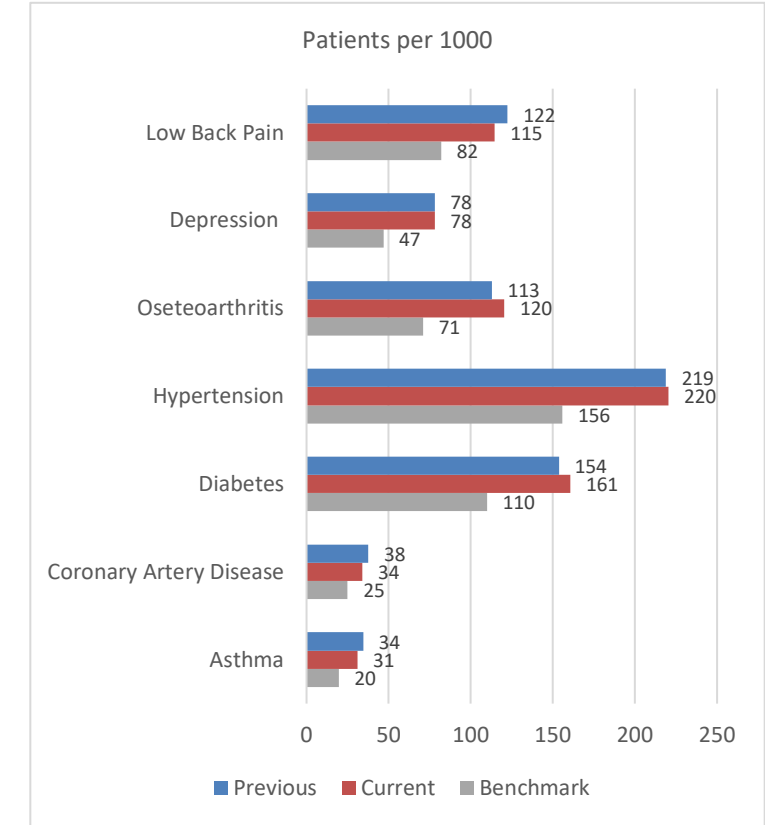


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Chemotherapy Encounters	\$6,743,120	76	\$88,725
2 Signs/Symptoms/Oth Cond, NEC	\$4,210,289	3,666	\$1,148
3 Prevent/Admin Hlth Encounters	\$3,943,799	7,129	\$553
4 Osteoarthritis	\$3,815,569	1,462	\$2,610
5 Cardiac Arrhythmias	\$3,105,126	476	\$6,523
6 Spinal/Back Disord, Low Back	\$3,012,724	1,392	\$2,164
7 Infections - Respiratory, NEC	\$2,266,401	1,819	\$1,246
8 Coronary Artery Disease	\$2,136,141	414	\$5,160
9 Arthropathies/Joint Disord NEC	\$2,097,576	2,608	\$804
10 Gastroint Disord, NEC	\$2,090,934	1,237	\$1,690

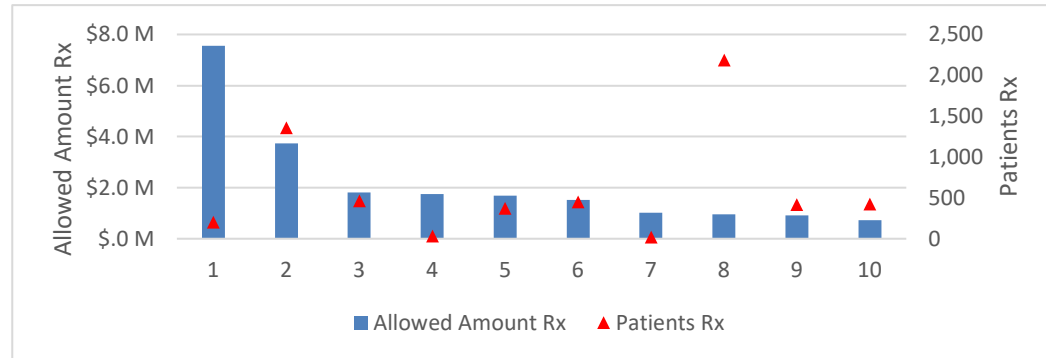
**9. Screening Rates**



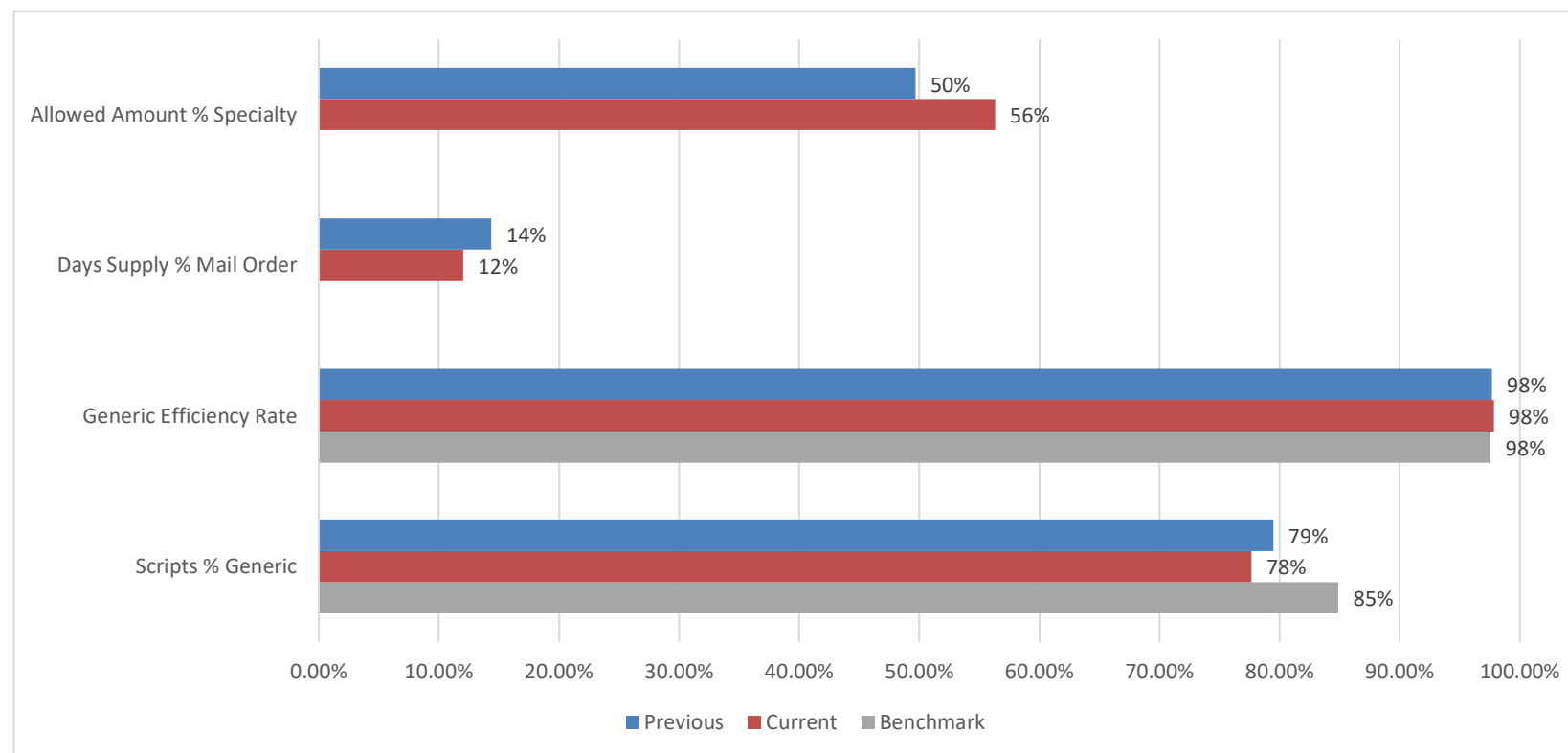
**10. Chronic Condition Prevalence**



**11. Prescription Drug Metrics**



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$7,549,380	201	\$37,559
2 Antidiabetic Agents, Misc	\$3,727,668	1,355	\$2,751
3 Antidiabetic Agents, Insulins	\$1,817,569	465	\$3,909
4 Molecular Targeted Therapy	\$1,746,480	30	\$58,216
5 CNS Agents, Misc.	\$1,689,676	372	\$4,542
6 Antidiabetic Ag, SGLT Inhibitr	\$1,525,567	451	\$3,383
7 Biological Response Modifiers	\$1,011,463	18	\$56,192
8 Adrenals & Comb, NEC	\$954,151	2,188	\$436
9 Coag/Anticoag, Anticoagulants	\$924,384	415	\$2,227
10 Misc Therapeutic Agents, NEC	\$726,245	425	\$1,709

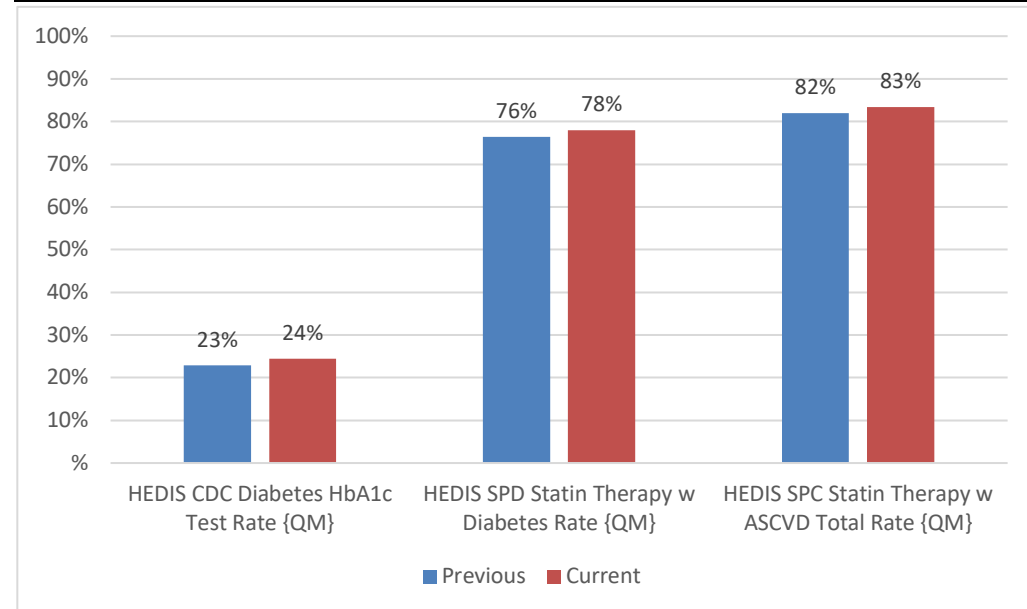


**Medical and Prescription Drug Dashboard - Medicare Retirees**

Previous Period: Oct 2020 - Sep 2021 (Paid)

Current Period: Oct 2021 - Sep 2022 (Paid)

**1. Quality Metrics**



**3. Well Care and Preventive Visits**

	Previous	Current	Trend	Benchmark
Visits per 1000 Prevent Adult	259.4	275.1	6.0%	395.7

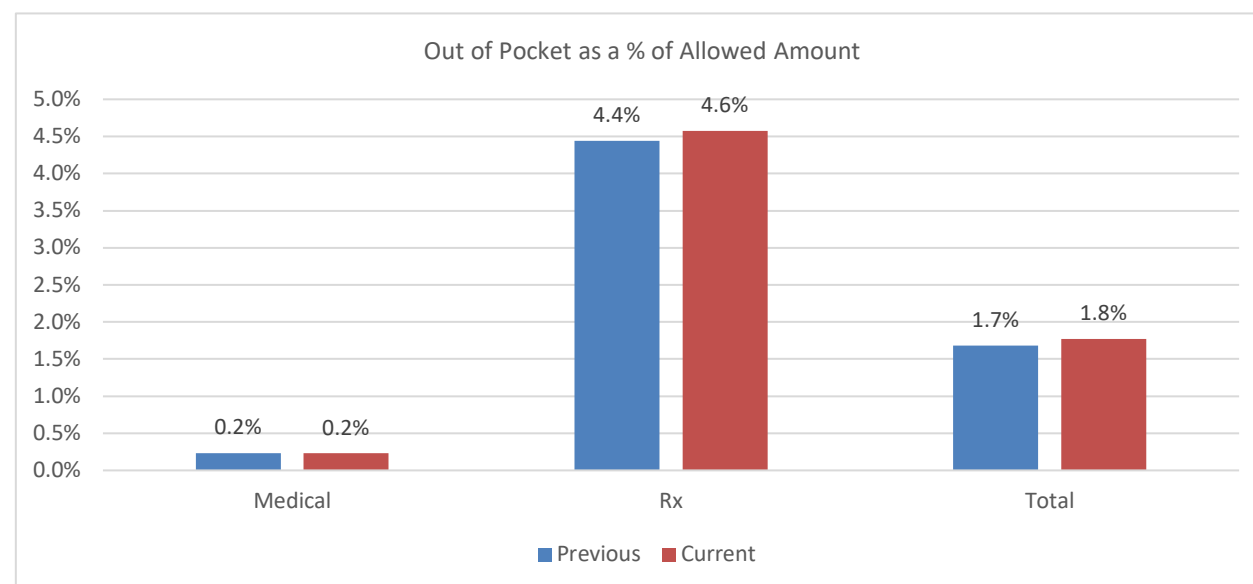
**4. Medical Eligibility**

	Previous	Current	Trend
Average Employees	26,380.3	26,980.0	2.3%
Average Members	26,674.5	27,271.2	2.2%
Family Size	1.0	1.0	0.0%
Member Age	73.1	73.3	0.2%
Members % Male	41.4%	41.2%	-0.3%

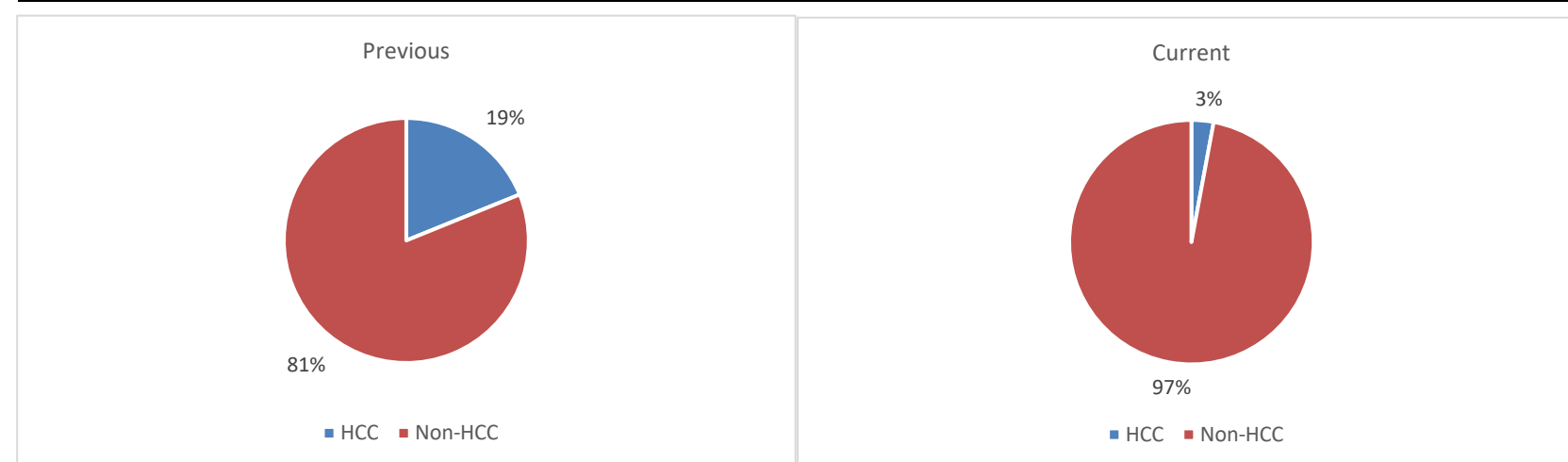
**5. Risk Score**

	Previous	Current
Member Risk Score	537.6	536.6

**7. Cost Sharing**



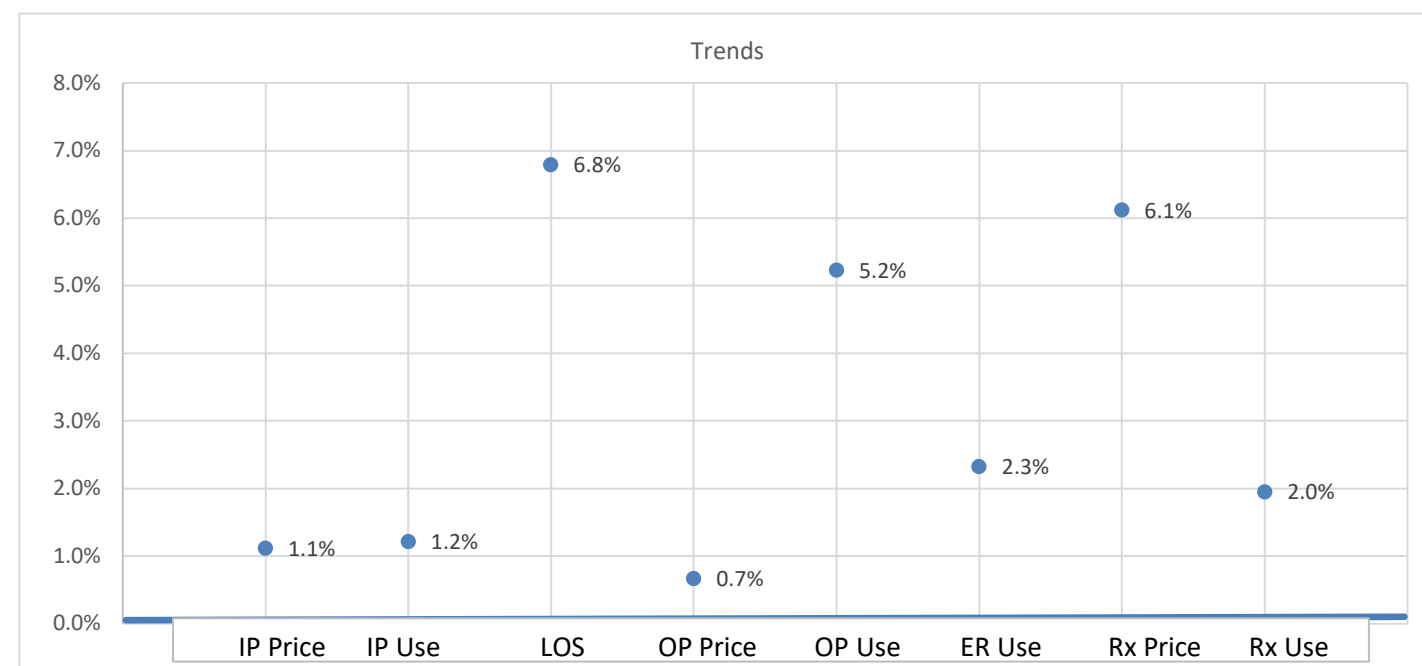
**2. High Cost Claimants**



	Previous	Current	Trend
Patients	254	40	-84.3%
Patients per 1,000	9.5	1.5	-84.6%
Payments (in Millions)	\$38 M	\$3 M	-91.7%
Payments per Patient	148,316	78,170	-47.3%

**6. Price and Use**

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$19,953	\$20,177	1.1%	\$37,833
	Admits per 1000	148.6	150.4	1.2%	50.3
	Days LOS	6.6	7.0	6.8%	5.1
Outpatient	Allowed per Service	\$123	\$124	0.7%	\$136
	ER Visits per 1000	469.4	494.0	5.2%	192.5
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	2.3%	n/a
	Days Supply PMPY	1,592	1,619	1.7%	n/a
Specialty Rx	Allowed per Days Supply	\$90	\$87	-3.6%	n/a
	Days Supply PMPY	30	35	17.4%	n/a
All RX	Allowed per Days Supply	\$4	\$4	6.1%	\$4
	Days Supply PMPY	1,622	1,653	2.0%	365

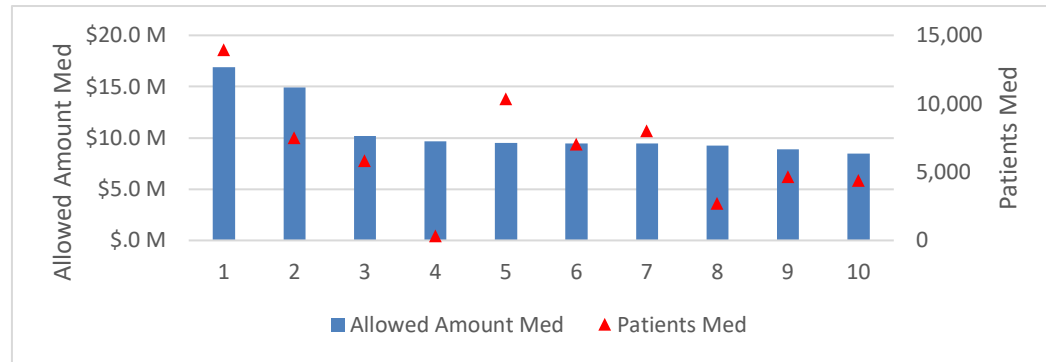


**Medical and Prescription Drug Dashboard - Medicare Retirees**

Previous Period: Oct 2020 - Sep 2021 (Paid)

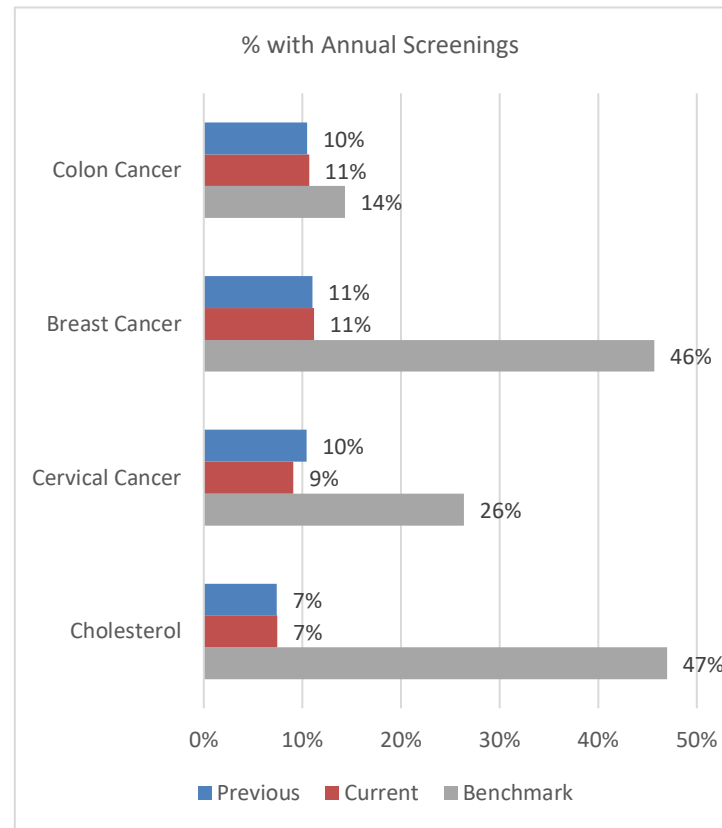
Current Period: Oct 2021 - Sep 2022 (Paid)

**8. Top Medical Conditions (by cost)**

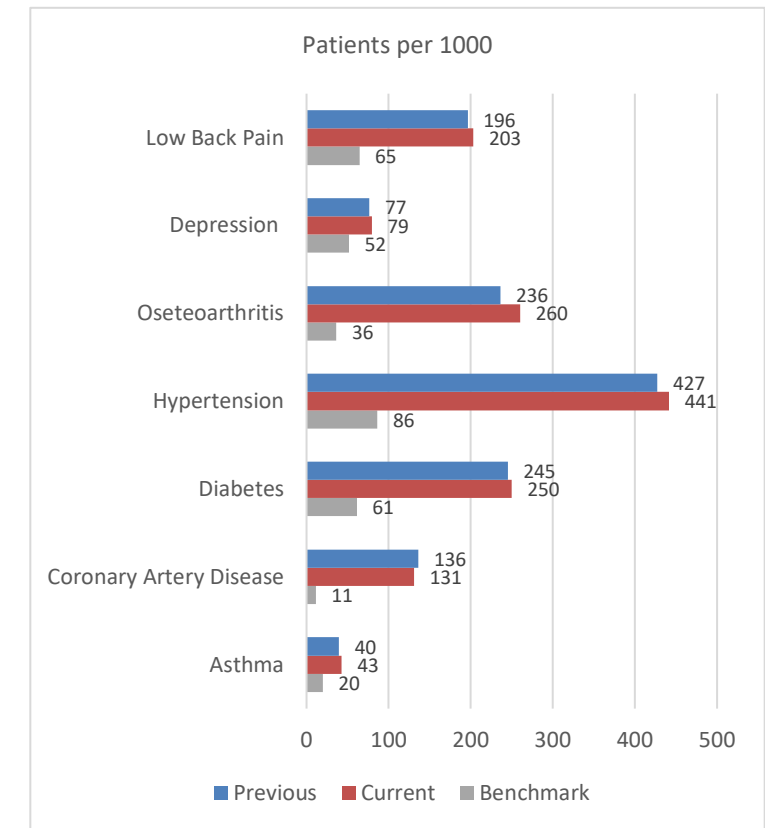


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Signs/Symptoms/Oth Cond, NEI	\$16,874,128	13,950	\$1,210
2 Osteoarthritis	\$14,907,758	7,507	\$1,986
3 Spinal/Back Disord, Low Back	\$10,170,388	5,863	\$1,735
4 Chemotherapy Encounters	\$9,656,404	355	\$27,201
5 Arthropathies/Joint Disord NEC	\$9,508,875	10,388	\$915
6 Respiratory Disord, NEC	\$9,434,089	7,051	\$1,338
7 Eye Disorders, Degenerative	\$9,430,854	8,026	\$1,175
8 Renal Function Failure	\$9,227,070	2,738	\$3,370
9 Cardiac Arrhythmias	\$8,866,156	4,682	\$1,894
10 Infections - Respiratory, NEC	\$8,473,212	4,384	\$1,933

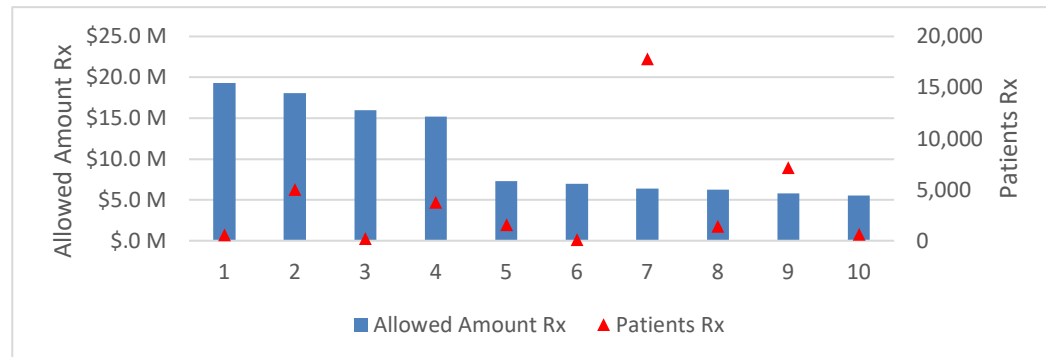
**9. Screening Rates**



**10. Chronic Condition Prevalence**



**11. Prescription Drug Metrics**



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$19,327,623	537	\$35,992
2 Antidiabetic Agents, Misc	\$18,049,206	5,017	\$3,598
3 Molecular Targeted Therapy	\$15,993,477	181	\$88,362
4 Coag/Anticoag, Anticoagulants	\$15,161,188	3,745	\$4,048
5 Antidiabetic Agents, Insulins	\$7,313,497	1,579	\$4,632
6 Biological Response Modifiers	\$6,952,120	70	\$99,316
7 Antihyperlipidemic Drugs, NEC	\$6,411,321	17,771	\$361
8 Antidiabetic Ag, SGLT Inhibitr	\$6,267,327	1,394	\$4,496
9 Adrenals & Comb, NEC	\$5,814,375	7,116	\$817
10 Hormone-Modifying Therapy	\$5,535,253	620	\$8,928

