

State of Delaware - Quarterly Financial Reporting

FY24 Q4 Cost Analysis

August 2024



State of Delaware
Health Plan Quarterly Financial Reporting
FY24 Q4 Plan Cost Analysis

Summary plan information

- FY24 YTD compared to FY23 YTD:

Summary (total)	FY24			FY23			% Change		
	Medical	Rx	Total ¹	Medical	Rx	Total ²	Medical	Rx	Total ²
Gross claims ¹	\$790.8	\$422.3	\$1,213.1	\$658.4	\$325.7	\$984.1	▲ 20.1%	▲ 29.7%	▲ 23.3%
Total program cost (\$M) ²	\$827.8	\$214.5	\$1,046.4	\$709.9	\$174.3	\$887.4	▲ 16.6%	▲ 23.1%	▲ 17.9%
Premium contributions (\$M) ³	\$801.6	\$193.3	\$994.8	N/A		\$843.2			▲ 18.0%
Total cost PEPY	\$10,764.0	\$2,760.0	\$13,584.0	\$9,516	\$2,364	\$11,904	▲ 13.1%	▲ 16.8%	▲ 14.1%
Total cost PMPY	\$6,204.0	\$1,596.0	\$7,836.0	\$5,460	\$1,344	\$6,816	▲ 13.6%	▲ 18.8%	▲ 15.0%
Average employees	76,935			74,569			▲ 3.2%		
Average members	133,435			130,141			▲ 2.5%		
Loss ratio	105%			105%					
Net income (\$M)	(\$51.6)			(\$44.2)					

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

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

³ Includes fees for participating non-State groups

- FY24 Actual compared to FY24 Revised Budget (approved by SEBC 10/23/2023):

Summary (total)	FY24 Actual			FY24 Budget			% Change		
	Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
Total program cost (\$M) ¹	\$827.8	\$214.5	\$1,046.4	\$847.3	\$212.7	\$1,063.7	▼ 2.3%	▲ 0.9%	▼ 1.6%
Total cost PEPY	\$10,764	\$2,760	\$13,584	\$11,043	\$2,772	\$13,863	▼ 2.5%	▼ 0.4%	▼ 2.0%
Total cost PMPY	\$6,204	\$1,596	\$7,836	\$6,384	\$1,602	\$8,014	▼ 2.8%	▼ 0.4%	▼ 2.2%
Net income (\$M)	(\$51.6)			(\$69.5)					

- Summary Plan Information through June 2024

FY24 Q4	Aetna	Highmark	Active	Non-Medicare Retiree	Medicare Retiree	Total
Summary (total)						
Total cost (\$M)	\$213.5	\$832.9	\$759.8	\$128.5	\$158.1	\$1,046.4
Budgeted cost (\$M) ¹	\$204.8	\$790.1	\$729.6	\$100.3	\$164.9	\$994.8
Loss ratio	104%	105%	104%	128%	96%	105%
PEPY	\$17,556	\$12,804	\$18,552	\$19,884	\$5,292	\$13,548
PMPY	\$7,896	\$7,824	\$8,148	\$12,288	\$5,292	\$7,836
# of enrolled employees	12,161	65,075	40,909	6,456	29,871	77,236

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

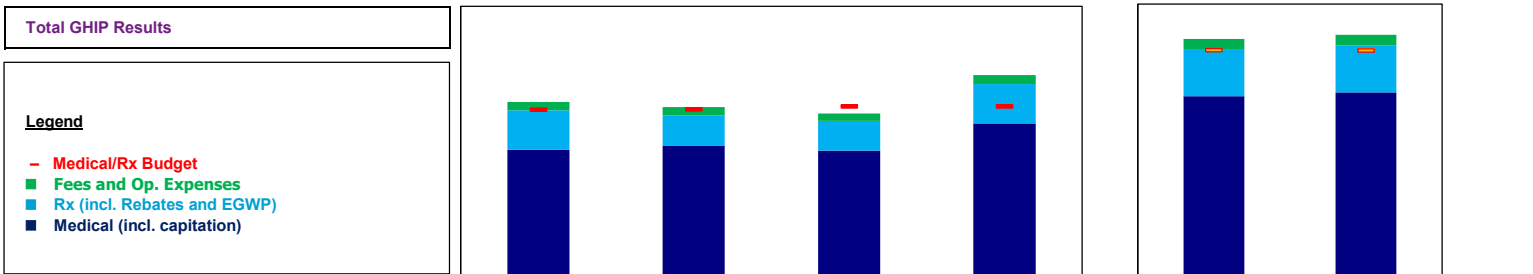
Plan performance dashboard - key observations for GHIP Active population: June 2023 - June 2024 (compared to July 2022 - June 2023)

- 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 4.8% preventive adult visits
 - Fluctuation in screening rates, with cervical cancer screenings down over prior and breast cancer, colon cancer and cholesterol screening rates are above the prior period. All reported screening rates at or above benchmark except cervical cancer (-0.8%)
 - Prevalence of top chronic conditions fluctuated from prior year, for example, diabetes (+1.8%) and asthma (-6.9%); chronic condition prevalence all significantly above benchmark
 - 6.2% decrease in inpatient admits; 3.1% decrease in ER visits
 - 0.8% increase in Rx cost across all prescriptions and 15.5% increase in utilization of all prescriptions
 - Specialty medications now make up 45.2% of pharmacy spend; reduction in cost for specialty drugs offset by 9.1% increase in days supply

Additional notes

- Claims and expenses are reported on a paid basis
- FY24 rates reflect 9.40% premium increase effective 7/1/2023 for non-Medicare plans and 5.00% for Medicare plans; based on average FY23 enrollment with assumed 1% enrollment growth
- Paid claims and enrollment data based on reports from Aetna, Highmark, CVS; 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

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	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY24 YTD Actual	FY24 YTD WTW Budget ⁷	Difference vs. Budget
Total Program Cost	\$257,461,033	\$249,972,679	\$240,508,473	\$297,528,759	\$1,045,470,944	\$1,063,670,458	▼ 1.7%
- Paid Claims	245,396,404	237,806,505	229,645,751	284,060,720	996,909,381	1,016,979,378	▼ 2.0%
- Medical (includes capitation¹)	186,689,281	192,842,612	185,342,529	225,942,552	790,816,973	807,352,749	▼ 2.0%
- Rx (Including Rebates and EGWP)	58,707,123	44,963,893	44,303,223	58,118,168	206,092,407	209,626,629	▼ 1.7%
- Rx Paid Claims	97,534,099	107,408,213	104,300,326	113,026,556	422,269,194	406,302,153	▲ 3.9%
- EGWP ²	(6,388,970)	(23,996,261)	(18,945,720)	(14,237,149)	(63,568,101)	(56,743,559)	▲ 12.0%
- Direct Subsidy	302,628	469,479	(1,364,667)	(1,346,630)	(1,939,190)	(938,720)	▲ 106.6%
- CGDP	0	(17,738,066)	(9,991,398)	(5,283,875)	(33,013,338)	(30,765,967)	▲ 7.3%
- Catastrophic Reinsurance	(6,691,598)	(6,727,675)	(7,589,654)	(7,606,645)	(28,615,572)	(25,038,872)	▲ 14.3%
- Rx Rebates ³	(32,438,006)	(38,448,058)	(41,051,384)	(40,671,239)	(152,608,687)	(139,931,965)	▲ 9.1%
- ASO Fees	11,345,802	11,271,973	9,781,987	12,114,078	44,513,840	42,971,619	▲ 3.6%
- Operational Expenses	718,827	894,201	1,080,735	1,353,961	4,047,723	3,719,461	▲ 8.8%
Medical/Rx Premium Contributions⁴	\$246,220,900	\$246,630,881	\$250,899,884	\$251,082,352	\$994,834,017	\$994,139,221	▲ 0.1%
- Net Income	(8,729,754)	(3,341,798)	10,391,411	(46,446,407)	(50,636,927)	(69,531,237)	-
- Total Cost as % of Budget	104%	101%	96%	118%	105%	107%	-
Current Year Per Capita							
- Total per employee per year ⁵	13,344	13,044	12,552	15,264	13,584	13,863	▼ 2.0%
- Total % change over prior	11.8%	2.8%	-5.0%	12.5%	14.1%		-
- Medical per employee per year	10,284	10,548	10,092	12,108	10,764	11,043	▼ 2.5%
- Medical % change over prior	6.7%	2.8%	-1.6%	11.4%	13.1%		-
- Rx per employee per year	3,024	2,448	2,388	3,120	2,760	2,772	▼ 0.4%
- Rx % change over prior	15.6%	3.6%	-18.1%	17.6%	16.8%		-
- Medical per member per year	5,940	6,108	5,844	7,008	6,204	6,384	▼ 2.8%
- Rx per member per year	1,752	1,416	1,380	1,800	1,596	1,602	▼ 0.4%
- Total per member per year ⁵	7,716	7,548	7,260	8,832	7,836	8,014	▼ 2.2%
Prior Year Results	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23		
- Total Program Cost	224,257,289	238,578,300	250,158,581	257,838,307	970,832,477	-	-
- Total Program Cost \$ Change	30,693,365	23,404,716	-9,650,108	39,690,452	84,138,425	-	-
- Total per employee per year ⁵	11,940	12,684	13,212	13,572	11,904	-	-
- Medical per employee per year	9,636	10,260	10,260	10,872	9,516	-	-
- Rx per employee per year	2,616	2,364	2,916	2,652	2,364	-	-
EE Contributions⁶	\$50,201,301	\$50,347,433	\$36,944,121	\$36,944,121	\$174,436,975		
- Net SoD	204,749,353	211,635,583	203,564,353	260,584,638	871,033,969	-	-
- SoD Subsidy %	80%	81%	85%	88%	83%	-	-
Headcount							
- Enrolled Ees	76,438	76,655	76,655	77,991	76,935	76,725	▲ 0.3%
- Enrolled Members	132,227	132,448	132,448	134,677	133,435	132,721	▲ 0.5%
- Member/EE Ratio	1.7	1.7	1.7	1.7	1.7	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 CVS Health

³ Reflects estimated rebates attributable to FY24; prior quarters to be updated with actual FY24 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 revised FY24 Budget approved by SEBC 10/23/2023

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.

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	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY24 YTD Actual
Active Employees Only					
Legend					
- Medical/Rx Budget					
- Fees and Op. Expenses					
- Rx (incl. Rebates and EGWP)					
- Medical (incl. capitation)					
Total Program Cost	\$179,617,685	\$184,740,118	\$175,327,809	\$219,130,566	\$758,816,177
- Paid Claims	171,348,947	176,633,571	168,333,766	210,128,052	726,444,335
- Medical (includes capitation¹)	145,370,578	149,656,181	142,456,329	178,262,182	615,745,270
- Rx (Including Rebates and EGWP)	25,978,368	26,977,390	25,877,437	31,865,870	110,699,065
- Rx Paid Claims	40,505,140	46,544,225	47,183,594	52,462,914	186,695,872
- EGWP ²	0	0	0	0	0
- Direct Subsidy	0	0	0	0	0
- CGDP	0	0	0	0	0
- Catastrophic Reinsurance	0	0	0	0	0
- Rx Rebates ³	(\$14,526,772)	(\$19,566,835)	(\$21,306,156)	(\$20,597,044)	(75,996,807)
- ASO Fees	7,891,203	7,635,883	6,417,843	8,279,659	30,224,588
- Operational Expenses	377,535	470,664	576,199	722,855	2,147,254
Medical/Rx Premium Contributions⁴	\$179,693,768	\$180,351,761	\$184,603,968	\$184,981,323	\$729,630,819
- Net Income	76,083	(4,388,357)	9,276,159	(34,149,243)	(29,185,358)
- Total Cost as % of Budget	100%	102%	95%	118%	104%
Current Year Per Capita					
- Total per employee per year ⁵	17,892	18,312	16,896	21,048	18,552
- Total % change over prior	6.4%	2.4%	-3.2%	11.8%	4.6%
- Medical per employee per year	15,156	15,468	14,244	17,784	15,708
- Medical % change over prior	7.4%	3.1%	-2.2%	12.5%	5.6%
- Rx per employee per year	2,700	2,808	2,592	3,192	2,796
- Rx % change over prior	2.4%	0.2%	-8.5%	8.1%	-0.3%
- Medical per member per year	6,624	6,780	6,276	7,848	6,900
- Rx per member per year	1,176	1,224	1,140	1,416	1,224
- Total per member per year ⁵	7,824	8,028	7,440	9,288	8,148
Prior Year Results	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
- Total Program Cost	165,012,312	175,845,533	173,416,075	188,135,610	702,409,530
- Total Program Cost \$ Change	14,605,373	18,247,199	1,911,734	30,994,955	65,759,261
- Total per employee per year ⁵	16,812	17,880	17,448	18,828	17,742
- Medical per employee per year	14,112	15,008	14,568	15,804	14,873
- Rx per employee per year	2,636	2,803	2,832	2,952	2,806
EE Contributions⁵	\$43,107,149	\$43,274,538	\$32,231,316	\$25,485,849	\$144,098,852
- Net SoD	136,510,536	150,818,194	143,096,493	193,644,717	156,017,485
- SoD Subsidy %	76%	78%	82%		78%
Headcount					
- Enrolled Ees	40,146	40,343	41,511	41,637	40,909
- Enrolled Members	91,824	92,103	94,190	94,365	93,120
- Member/EE Ratio	2.3	2.3	2.3	2.3	2.3

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 CVS Health

³ Reflects estimated rebates attributable to FY24 prior quarters to be updated with actual FY24 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 due to data reporting limitations

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	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY24 YTD Actual
Non-Medicare Retirees Only					
Legend					
- Medical/Rx Budget					
- Fees and Op. Expenses					
- Rx (incl. Rebates and EGWP)					
- Medical (incl. capitation)					
Total Program Cost	\$31,901,896	\$32,688,526	\$28,956,738	\$34,831,725	\$128,378,886
- Paid Claims	30,549,931	31,390,344	27,873,059	33,455,338	123,268,673
- Medical (includes capitation¹)	25,293,429	26,258,655	23,278,725	28,024,881	102,855,690
- Rx (Including Rebates and EGWP)	5,256,502	5,131,689	4,594,334	5,430,457	20,412,983
- Rx Paid Claims	8,195,871	8,853,729	8,377,074	8,908,739	34,335,414
- EGWP ²	0	0	0	0	0
- Direct Subsidy	0	0	0	0	0
- CGDP	0	0	0	0	0
- Catastrophic Reinsurance	0	0	0	0	0
- Rx Rebates ³	(\$2,939,369)	(\$3,722,040)	(\$3,782,740)	(3,478,282)	(13,922,431)
- ASO Fees	1,290,237	1,222,900	994,401	1,265,870	4,773,408
- Operational Expenses	61,728	75,282	89,278	110,517	336,805
Medical/Rx Premium Contributions⁴	\$25,491,948	\$25,073,810	\$25,000,824	\$24,707,244	\$100,273,825
- Net Income	(6,409,949)	(7,614,716)	(3,955,915)	(10,124,481)	(28,105,061)
- Total Cost as % of Budget	125%	130%	116%	141%	128%
Current Year Per Capita					
- Total per employee per year ⁵	19,440	20,244	18,012	21,888	19,884
- Total % change over prior	11.0%	5.2%	-15.1%	2.7%	0.3%
- Medical per employee per year	16,092	16,884	14,988	18,264	16,236
- Medical % change over prior	11.0%	6.0%	-15.5%	3.5%	-1.3%
- Rx per employee per year	3,312	3,300	2,964	3,552	3,252
- Rx % change over prior	12.0%	1.6%	-8.5%	-1.3%	-0.3%
- Medical per member per year	9,888	10,392	9,384	11,268	10,032
- Rx per member per year	2,040	2,040	1,812	2,184	2,004
- Total per member per year ⁵	11,952	12,456	11,268	13,500	12,288
Prior Year Results	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
- Total Program Cost	29,601,780	31,889,667	34,965,420	34,547,302	131,004,169
- Total Program Cost \$ Change	2,300,117	2,296,696	-6,008,681		-2,625,283
- Total per employee per year ⁵	17,508	19,236	21,204	21,312	19,815
- Medical per employee per year	14,501	15,933	17,736	17,652	16,455
- Rx per employee per year	2,957	3,249	3,240	3,600	3,262
EE Contributions⁵	\$6,928,607	\$6,906,566	\$4,712,805	\$3,006,227	\$21,554,205
- Net SoD	24,973,290	27,279,797	24,243,934	31,825,498	27,080,630
- SoD Subsidy %	78%	80%	84%	91%	83%
Headcount					
- Enrolled Ees	6,564	6,460	6,432	6,366	6,456
- Enrolled Members	10,674	10,494	10,280	10,325	10,443
- Member/EE Ratio	1.6	1.6	1.6	1.6	1.6

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³ Reflects estimated rebates attributable to FY24; prior quarters to be updated with actual FY24 rebates when received; estimated rebates based on WTW analysis of expected rebates under CVS contract effective July 2021

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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 due to data reporting limitations

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Active Employees and Non-Medicare Retirees Only					
<p>Legend</p> <ul style="list-style-type: none"> - Medical/Rx Budget - Fees and Op. Expenses - Rx (incl. Rebates and EGWP) - Medical (incl. capitation) 					
	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY24 YTD Actual
Total Program Cost	\$211,519,581	\$217,428,643	\$204,284,547	\$253,962,291	\$887,195,063
- Paid Claims	201,898,878	208,023,915	196,206,826	243,583,390	849,713,008
- Medical (includes capitation¹)	170,664,007	175,914,836	165,735,054	206,287,063	718,600,960
- Rx (Including Rebates and EGWP)	31,234,871	32,109,079	30,471,771	37,296,327	131,112,048
- Rx Paid Claims	48,701,011	55,397,954	55,560,667	61,371,653	221,031,285
- EGWP ²	0	0	0	0	0
- Direct Subsidy	0	0	0	0	0
- CGDP	0	0	0	0	0
- Catastrophic Reinsurance	0	0	0	0	0
- Rx Rebates ³	(17,466,141)	(23,288,874)	(25,088,896)	(24,075,326)	(89,919,237)
- ASO Fees	9,181,440	8,858,782	7,412,244	9,545,529	34,997,996
- Operational Expenses	439,263	545,946	665,478	833,372	2,484,059
Medical/Rx Premium Contributions⁴	\$205,185,716	\$205,425,570	\$209,604,792	\$209,688,566	\$829,904,644
- Net Income	(6,333,866)	(12,003,073)	5,320,245	(44,273,724)	(57,290,419)
- Total Cost as % of Budget	103%	106%	97%	121%	107%
Current Year Per Capita					
- Total per employee per year ⁵	18,108	18,588	17,040	21,156	18,732
- Total % change over prior	7.0%	2.8%	-5.2%	10.3%	3.8%
- Medical per employee per year	15,288	15,660	14,340	17,856	15,828
- Medical % change over prior	7.8%	3.3%	-4.6%	11.1%	4.8%
- Rx per employee per year	2,784	2,868	2,640	3,240	2,856
- Rx % change over prior	3.9%	0.2%	-9.5%	6.7%	-0.6%
- Medical per member per year	7,020	7,200	6,624	8,244	7,236
- Rx per member per year	1,272	1,308	1,212	1,488	1,308
- Total per member per year ⁵	8,256	8,472	7,824	9,708	8,568
Prior Year Results	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
- Total Program Cost	194,614,091	207,735,200	208,381,495	222,682,912	833,413,699
- Total Program Cost \$ Change	16,905,490	20,543,894	-4,096,947	31,279,378	64,631,815
- Total per employee per year ⁵	16,920	18,084	17,976	19,176	18,039
- Medical per employee per year	14,178	15,153	15,024	16,068	15,106
- Rx per employee per year	2,679	2,863	2,916	3,036	2,873
EE Contributions⁵	\$50,035,756	\$50,181,103	\$36,944,121	\$28,492,076	\$165,653,056
- Net SoD	161,483,825	178,097,991	167,340,427	225,470,214	183,098,114
- SoD Subsidy %	76%	78%	82%	89%	81%
Headcount					
- Enrolled Ees	46,709	46,803	47,943	48,004	47,365
- Enrolled Members	102,498	102,597	104,470	104,689	103,564
- Member/EE Ratio	2.2	2.2	2.2	2.2	2.2

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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 CVS Health

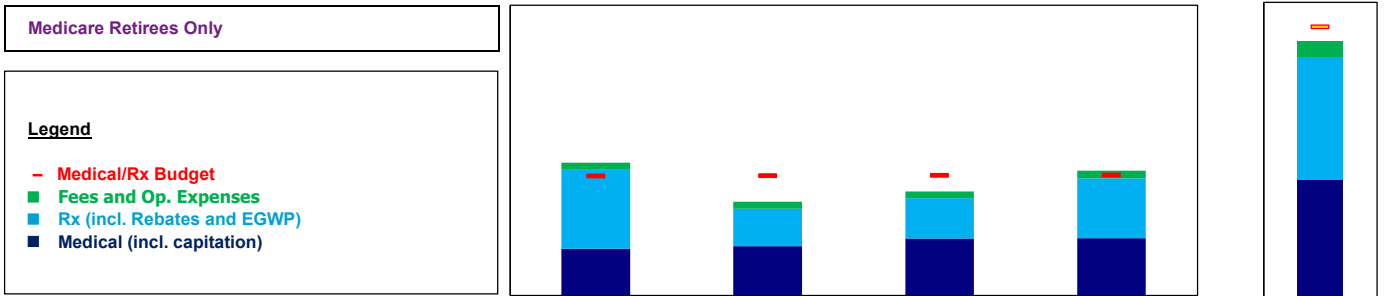
³ Reflects estimated rebates attributable to FY24; prior quarters to be updated with actual FY24 rebates when received; estimated rebates based on WTW analysis of expected rebates under CVS contract effective July 2021

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 due to data reporting limitations

State of Delaware
Health Plan Quarterly Financial Reporting
FY24 Q4 Plan Cost Analysis



	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY24 YTD Actual
Total Program Cost	\$45,941,452	\$32,544,036	\$36,223,926	\$43,418,400	\$158,127,813
- Paid Claims	40,987,147	29,782,590	33,438,926	40,329,263	144,537,926
- Medical (includes capitation¹)	16,025,274	16,927,776	19,607,475	19,655,489	72,216,013
- Rx (Including Rebates and EGWP)	27,472,252	12,854,814	13,831,451	20,673,774	74,832,292
- Rx Paid Claims	48,833,088	52,010,259	48,739,659	51,654,904	201,237,909
- EGWP ²	(6,388,970)	(23,996,261)	(18,945,720)	(14,237,149)	(63,568,101)
- Direct Subsidy	302,628	469,479	(1,364,667)	(1,346,630)	(1,939,190)
- CGDP	0	(17,738,066)	(9,991,398)	(5,283,875)	(33,013,338)
- Catastrophic Reinsurance	(6,691,598)	(6,727,675)	(7,589,654)	(7,606,645)	(28,615,572)
- Rx Rebates ³	(14,971,865)	(15,159,184)	(15,962,488)	(16,743,980)	(62,837,517)
- ASO Fees	2,164,362	2,413,191	2,369,743	2,568,549	9,515,845
- Operational Expenses	279,564	348,255	415,257	520,589	1,563,664
Medical/Rx Premium Contributions⁴	\$41,035,184	\$41,205,311	\$41,295,092	\$41,393,785	\$164,929,373
- Net Income	(2,395,888)	8,661,275	5,071,166	(2,024,615)	6,801,560
- Total Cost as % of Budget	106%	79%	88%	105%	96%
Current Year Per Capita			0%		
- Total per employee per year ⁵	5,844	4,356	4,848	5,796	5,292
- Total % change over prior	43.7%	3.4%	-14.8%	21.7%	13.0%
- Medical per employee per year	2,400	2,532	2,880	2,904	2,616
- Medical % change over prior	4.6%	6.5%	4.8%	8.0%	3.5%
- Rx per employee per year	3,396	1,776	1,908	2,820	2,616
- Rx % change over prior	97.3%	-0.4%	-34.0%	39.9%	24.4%
- Medical per member per year	2,400	2,532	2,880	2,904	2,616
- Rx per member per year	3,396	1,776	1,908	2,820	2,616
- Total per member per year ⁵	5,844	4,356	4,848	5,796	5,292
Prior Year Results	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23
- Total Program Cost	29,643,197	30,843,099	41,777,087	35,155,394	137,418,778
- Total Program Cost \$ Change	13,787,875	2,860,822	(5,553,161)	8,263,006	19,358,542
- Total per employee per year ⁵	4,068	4,212	5,688	4,764	4,683
- Medical per employee per year	2,295	2,377	2,748	2,688	2,527
- Rx per employee per year	1,721	1,782	2,892	2,016	2,103
EE Contributions⁵	\$165,545	\$166,330	\$0	\$0	\$331,875
- Net SoD	32,645,969	33,537,592	36,223,926	43,418,400	36,456,472
- SoD Subsidy %	75%	100%	100%	100%	94%
Headcount					
- Enrolled Ees	29,729	29,852	29,916	29,987	29,871
- Enrolled Members	29,729	29,852	29,916	29,987	29,871
- Member/EE Ratio	1.0	1.0	1.0	1.0	1.0

¹ Capitation payments apply to HMO plan only and do not apply to Medicfill

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 CVS Health

³ Reflects estimated rebates attributable to FY24; prior quarters to be updated with actual FY24 rebates when received; estimated rebates based on WTW analysis of expected rebates under CVS contract effective January 2022

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 due to data reporting limitations;

State of Delaware
FY2024 Financial Analysis of Health/Rx Plans - Paid Basis
Year to Date July 1, 2023 - June 30, 2024

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	\$36,484,587	\$3,782,008	\$435,853,340	\$67,301,611	\$72,216,013	\$615,637,559	\$89,472,661	\$24,009,221	\$42,791,366	\$5,804,849	\$162,078,098	\$777,715,657
Capitation	\$0	\$0	\$0	\$0	\$0	\$0	\$11,143,316	\$1,958,000	\$0	\$0	\$13,101,316	\$13,101,316
<u>Administration</u>	<u>\$2,637,605</u>	<u>\$196,378</u>	<u>\$17,463,972</u>	<u>\$2,675,865</u>	<u>\$6,075,761</u>	<u>\$29,049,582</u>	<u>\$4,455,305</u>	<u>\$1,090,354</u>	<u>\$2,138,216</u>	<u>\$252,831</u>	<u>\$7,936,706</u>	<u>\$36,986,288</u>
Total Medical Program Cost	\$39,122,192	\$3,978,386	\$453,317,312	\$69,977,476	\$78,291,775	\$644,687,141	\$105,071,282	\$27,057,575	\$44,929,583	\$6,057,680	\$183,116,121	\$827,803,262
Average Number of Employees	4,047	301	26,759	4,098	29,871	65,075	6,827	1,670	3,277	388	12,161	77,236
Program Cost/Employee/Yr.	\$9,668	\$13,225	\$16,941	\$17,077	\$2,621	\$9,907	\$15,390	\$16,206	\$13,711	\$15,633	\$15,058	\$10,716
Change from prior period (pepy)	17.4%	-5.5%	6.9%	9.2%	11.7%	8.3%	1.2%	-7.8%	16.1%	0.3%	2.4%	12.6%
Average Number of Members	7,324	406	62,335	6,455	29,871	106,390	16,346	2,924	7,116	659	27,045	133,435
Program Cost/Member/Yr.	\$5,342	\$9,811	\$7,272	\$10,841	\$2,621	\$6,060	\$6,428	\$9,255	\$6,314	\$9,188	\$6,771	\$6,204
Change from prior period (pmpy)	17.4%	-3.2%	7.7%	8.8%	11.7%	8.5%	3.1%	-8.9%	16.8%	5.3%	3.6%	7.3%
Express Scripts, Inc.												
Paid Claims	\$11,654,864	\$989,382	\$135,356,994	\$24,621,842	\$201,237,909	\$373,860,991	\$29,087,791	\$7,598,437	\$10,596,222	\$1,125,753	\$48,408,203	\$422,269,194
Administration	\$347,976	\$26,019	\$2,309,741	\$354,184	\$3,440,083	\$6,478,002	\$589,089	\$144,310	\$282,684	\$33,467	\$1,049,550	\$7,527,552
Estimated EGWP Savings	\$0	\$0	\$0	\$0	(\$63,582,637)	(\$63,582,637)	\$0	\$0	\$0	\$0	\$0	(\$63,582,637)
Estimated Rebates ¹	<u>(\$3,886,356)</u>	<u>(\$329,913)</u>	<u>(\$54,966,912)</u>	<u>(\$9,981,464)</u>	<u>(\$62,837,517)</u>	<u>(\$132,002,162)</u>	<u>(\$11,829,476)</u>	<u>(\$3,080,289)</u>	<u>(\$4,302,298)</u>	<u>(\$458,051)</u>	<u>(\$19,670,114)</u>	<u>(\$151,672,275)</u>
Total Rx Program Cost	\$8,116,484	\$685,488	\$82,699,823	\$14,994,561	\$78,257,838	\$184,754,194	\$17,847,403	\$4,662,459	\$6,576,608	\$701,169	\$29,787,639	\$214,541,834
Average Number of Employees	4,047	301	26,759	4,098	29,871	65,075	6,827	1,670	3,277	388	12,161	77,236
Program Cost/Employee/Yr.	\$2,004	\$2,280	\$3,096	\$3,660	\$2,616	\$2,844	\$2,616	\$2,796	\$2,004	\$1,812	\$2,448	\$2,772
Change from prior period (pepy)	38.0%	42.9%	7.9%	2.3%	16.0%	11.8%	2.8%	3.6%	16.0%	-18.8%	4.1%	17.3%
Average Number of Members	7,324	406	62,335	6,455	29,871	106,390	16,346	2,924	7,116	659	27,045	133,435
Program Cost/Member/Yr.	\$1,104	\$1,692	\$1,332	\$2,328	\$2,616	\$1,740	\$1,092	\$1,596	\$924	\$1,068	\$1,104	\$1,608
Change from prior period (pmpy)	37.3%	46.9%	8.8%	2.1%	16.0%	11.5%	4.6%	2.3%	16.7%	-14.4%	5.7%	10.7%
Total Medical and Rx												
Premium	\$56,419,144	\$3,764,490	\$500,272,266	\$64,679,427	\$164,929,373	\$790,064,700	\$119,505,482	\$25,887,054	\$53,433,927	\$5,942,854	\$204,769,317	\$994,834,017
Program Cost (prior to operational)	\$47,238,676	\$4,663,874	\$536,017,135	\$84,972,038	\$156,549,613	\$829,441,335	\$122,918,686	\$31,720,034	\$51,506,191	\$6,758,849	\$212,903,760	\$1,042,345,095
<u>Operational Expenses</u>	<u>\$214,356</u>	<u>\$15,709</u>	<u>\$1,403,058</u>	<u>\$213,738</u>	<u>\$1,563,664</u>	<u>\$3,410,524</u>	<u>\$357,892</u>	<u>\$87,115</u>	<u>\$171,948</u>	<u>\$20,243</u>	<u>\$637,198</u>	<u>\$4,047,723</u>
Total Program Cost	\$47,453,032	\$4,679,583	\$537,420,193	\$85,185,776	\$158,113,277	\$832,851,860	\$123,276,578	\$31,807,149	\$51,678,139	\$6,779,092	\$213,540,958	\$1,046,392,818
Net Income	\$8,966,112	(\$915,093)	(\$37,147,926)	(\$20,506,349)	\$6,816,096	(\$42,787,160)	(\$3,771,096)	(\$5,920,095)	\$1,755,788	(\$836,238)	(\$8,771,641)	(\$51,558,801)
Total Cost as % of Budget	84.1%	124.3%	107.4%	131.7%	95.9%	105.4%	103.2%	122.9%	96.7%	114.1%	104.3%	105.2%
Average Number of Employees	4,047	301	26,759	4,098	29,871	65,075	6,827	1,670	3,277	388	12,161	77,236
Program Cost/Employee/Yr.	\$11,724	\$15,552	\$20,088	\$20,784	\$5,292	\$12,804	\$18,060	\$19,056	\$15,768	\$17,496	\$17,556	\$13,548
Change from prior period (pepy)	20.6%	-0.5%	7.1%	7.9%	14.0%	9.1%	1.5%	-6.2%	16.1%	-2.0%	2.7%	13.8%
Average Number of Members	7,324	406	62,335	6,455	29,871	106,390	16,346	2,924	7,116	659	27,045	133,435
Program Cost/Member/Yr.	\$6,480	\$11,544	\$8,616	\$13,200	\$5,292	\$7,824	\$7,536	\$10,884	\$7,260	\$10,284	\$7,896	\$7,836
Change from prior period (pmpy)	20.5%	2.0%	7.8%	7.6%	14.0%	9.2%	3.3%	-7.4%	16.8%	2.8%	3.9%	7.9%
Prior Period Program Cost												
Per Employee Per Year (FY23)												
Medical	\$8,233	\$13,998	\$15,853	\$15,642	\$2,347	\$9,145	\$15,207	\$17,583	\$11,805	\$15,582	\$14,708	\$9,516
Rx	\$1,452	\$1,596	\$2,868	\$3,576	\$2,256	\$2,544	\$2,544	\$2,700	\$1,728	\$2,232	\$2,352	\$2,364
Total ²	\$9,720	\$15,636	\$18,756	\$19,260	\$4,644	\$11,736	\$17,796	\$20,316	\$13,584	\$17,856	\$17,100	\$11,904
Per Member Per Year (FY23)												
Medical	\$4,550	\$10,135	\$6,751	\$9,964	\$2,347	\$5,587	\$6,237	\$10,162	\$5,404	\$8,728	\$6,536	\$5,784
Rx	\$804	\$1,152	\$1,224	\$2,280	\$2,256	\$1,560	\$1,044	\$1,560	\$792	\$1,248	\$1,044	\$1,452
Total ²	\$5,376	\$11,316	\$7,992	\$12,264	\$4,644	\$7,164	\$7,296	\$11,748	\$6,216	\$10,008	\$7,596	\$7,260

¹ Reflects estimated rebates attributable to FY24, based on WTW analysis of expected rebates under new CVS Health contract

² Includes Medical, Rx, and Operational Expenses

State of Delaware
FY2024 Financial Analysis of Health/Rx Plans - Paid Basis
Full Projection July 1, 2023 - June 30, 2024

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	\$37,229,154	\$3,859,191	\$ 444,748,115	\$68,675,084	\$73,689,778	\$628,201,322	\$91,504,454	\$24,554,436	\$43,763,095	\$5,936,668	\$165,758,653	\$793,959,975
Capitation	\$0	\$0	\$0	\$0	\$0	\$0	\$11,143,316	\$1,958,000	\$0	\$0	\$13,101,316	\$13,101,316
Administration	\$2,821,952	\$210,103	\$18,684,558	\$2,862,886	\$6,500,406	\$31,079,904	\$4,766,694	\$1,166,561	\$2,287,659	\$270,502	\$8,491,416	\$39,571,320
Total Medical Program Cost	\$40,051,106	\$4,069,293	\$463,432,673	\$71,537,970	\$80,190,184	\$659,281,226	\$107,414,463	\$27,678,996	\$46,050,755	\$6,207,170	\$187,351,385	\$846,632,611
Average Number of Employees	3,860	287	26,482	4,055	29,915	64,599	7,096	1,735	3,165	374	12,370	76,969
Program Cost/Employee/Yr.	\$10,376	\$14,179	\$17,500	\$17,642	\$2,681	\$10,206	\$15,137	\$15,953	\$14,550	\$16,597	\$15,146	\$11,000
Change from prior period (pepy)	26.0%	1.3%	10.4%	12.8%	14.2%	11.6%	-0.5%	-9.3%	23.3%	6.5%	3.0%	9.5%
Average Number of Members	6,909	383	61,008	6,317	29,915	104,532	16,802	3,005	6,796	630	27,233	131,765
Program Cost/Member/Yr.	\$5,797	\$10,625	\$7,596	\$11,325	\$2,681	\$6,307	\$6,393	\$9,211	\$6,776	\$9,853	\$6,880	\$6,425
Change from prior period (pmpy)	27.6%	1.3%	6.8%	7.9%	9.7%	7.5%	-1.7%	-14.0%	20.9%	7.3%	0.8%	5.9%
Express Scripts, Inc.												
Paid Claims	\$11,662,588	\$990,037	\$135,446,693	\$24,638,158	\$200,840,056	\$373,577,532	\$29,107,067	\$7,603,473	\$10,603,244	\$1,126,499	\$48,440,283	\$422,017,815
Administration	\$372,296	\$27,837	\$2,471,173	\$378,938	\$3,680,516	\$6,930,760	\$630,261	\$154,396	\$302,441	\$35,806	\$1,122,905	\$8,053,665
Estimated EGWP Savings	\$0	\$0	\$0	\$0	(\$62,477,787)	(\$62,477,787)	\$0	\$0	\$0	\$0	\$0	(\$62,477,787)
Estimated Rebates¹	(\$3,943,298)	(\$334,747)	(\$55,772,286)	(\$10,127,712)	(\$62,837,517)	(\$133,015,561)	(\$12,002,802)	(\$3,125,421)	(\$4,365,335)	(\$464,762)	(\$19,958,320)	(\$152,973,881)
Total Rx Program Cost	\$8,091,586	\$683,128	\$82,145,579	\$14,889,384	\$79,205,267	\$185,014,944	\$17,734,526	\$4,632,448	\$6,540,350	\$697,543	\$29,604,867	\$214,619,811
Average Number of Employees	3,860	287	26,482	4,055	29,244	63,928	7,096	1,735	3,165	374	12,370	76,298
Program Cost/Employee/Yr.	\$2,096	\$2,380	\$3,102	\$3,672	\$2,708	\$2,894	\$2,499	\$2,670	\$2,066	\$1,865	\$2,393	\$2,813
Change from prior period (pepy)	42.9%	47.3%	5.2%	-0.3%	-0.2%	3.3%	-4.7%	-3.9%	16.5%	-18.5%	-1.1%	11.6%
Average Number of Members	6,909	383	61,008	6,317	29,915	104,532	16,802	3,005	6,796	630	27,233	131,765
Program Cost/Member/Yr.	\$1,171	\$1,784	\$1,346	\$2,357	\$2,648	\$1,770	\$1,056	\$1,542	\$962	\$1,107	\$1,087	\$1,629
Change from prior period (pmpy)	45.4%	53.3%	7.9%	1.1%	0.4%	5.3%	-1.3%	-3.3%	19.2%	-13.2%	1.7%	4.9%
Total Medical and Rx												
Premium	\$56,734,051	\$3,785,502	\$503,064,571	\$65,040,439	\$165,849,938	794,474,501	\$118,436,114	\$25,655,410	\$52,955,785	\$5,889,676	202,936,984	\$997,411,485
Program Cost (prior to operational)	\$48,142,691	\$4,752,421	\$545,578,252	\$86,427,354	\$159,395,451	844,296,170	\$125,148,990	\$32,311,444	\$52,591,105	\$6,904,713	\$216,956,252	\$1,061,252,422
Operational Expenses	\$222,163	\$12,301	\$1,890,914	\$195,807	\$906,134	\$3,227,319	\$495,867	\$88,684	\$215,853	\$20,001	\$820,405	\$4,047,723
Total Program Cost	\$48,364,854	\$4,764,722	\$547,469,166	\$86,623,161	\$160,301,585	\$847,523,489	\$125,644,857	\$32,400,128	\$52,806,958	\$6,924,714	\$217,776,657	\$1,065,300,145
Net Income	\$8,369,197	(\$979,221)	(\$44,404,596)	(\$21,582,721)	\$5,548,352	(\$53,048,988)	(\$7,208,743)	(\$6,744,718)	\$148,827	(\$1,035,039)	(\$14,839,673)	(\$67,888,661)
Total Cost as % of Budget	85.2%	125.9%	108.8%	133.2%	96.7%	106.7%	106.1%	126.3%	99.7%	117.6%	107.3%	106.8%
Average Number of Employees	3,860	287	26,482	4,055	29,915	64,599	7,096	1,735	3,165	374	12,370	76,969
Program Cost/Employee/Yr.	\$12,530	\$16,602	\$20,673	\$21,362	\$5,359	\$13,120	\$17,706	\$18,674	\$16,685	\$18,515	\$17,605	\$13,841
Change from prior period (pepy)	28.1%	2.3%	4.4%	5.3%	5.0%	5.4%	-5.0%	-13.0%	18.0%	-1.6%	-1.8%	9.7%
Average Number of Members	6,909	383	61,008	6,317	29,915	104,532	16,802	3,005	6,796	630	27,233	131,766
Program Cost/Member/Yr.	\$7,000	\$12,441	\$8,974	\$13,713	\$5,359	\$8,108	\$7,478	\$10,782	\$7,770	\$10,992	\$7,997	\$8,085
Change from prior period (pmpy)	30.3%	6.5%	7.0%	6.7%	5.0%	7.1%	-1.6%	-12.5%	20.7%	4.9%	1.0%	5.8%
Prior Period Program Cost (FY23)												
Per Employee Per Year												
Medical	\$8,233	\$13,998	\$15,853	\$15,642	\$2,347	\$9,145	\$15,207	\$17,583	\$11,805	\$15,582	\$14,708	\$10,044
Rx	\$1,466	\$1,616	\$2,949	\$3,682	\$2,715	\$2,801	\$2,623	\$2,777	\$1,775	\$2,290	\$2,421	\$2,520
Total ²	\$9,784	\$16,230	\$19,811	\$20,292	\$5,105	\$12,447	\$18,639	\$21,463	\$14,145	\$18,812	\$17,922	\$12,612
Per Member Per Year (FY23)												
Medical	\$4,544	\$10,493	\$7,112	\$10,491	\$2,443	\$5,865	\$6,505	\$10,707	\$5,604	\$9,181	\$6,822	\$6,067
Rx	\$805	\$1,163	\$1,248	\$2,331	\$2,637	\$1,681	\$1,070	\$1,595	\$807	\$1,276	\$1,069	\$1,552
Total ²	\$5,374	\$11,681	\$8,385	\$12,847	\$5,105	\$7,571	\$7,599	\$12,327	\$6,436	\$10,481	\$7,916	\$7,644

¹ Additional CVS contract savings independently projected by WTW

² Includes Medical, Rx, and Operational Expenses

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

Health Plan Quarterly Financial Reporting

FY24 Q4 Reporting Reconciliation (WTW vs DHR Fund Equity Report)

FY24 YTD Reporting Reconciliation	Carrier FY24 Q4 Financial Report	DHR June. 2024 Fund Equity Report
Total Program Cost	\$1,045,470,944	\$927,106,498
Paid Claims	1,213,086,168	892,012,974
Medical Claims	790,816,973	582,014,201
Rx Claims ¹	206,092,407	309,998,773
Rx Paid Claims	422,269,194	309,998,773
EGWP	(63,568,101)	(42,799,395)
<i>Direct Subsidy</i>	(1,939,190)	(607,097)
<i>CGDP</i>	(33,013,338)	(27,729,464)
<i>Catastrophic Reinsurance</i>	(28,615,572)	(14,462,835)
Rx Rebates	(152,608,687)	(112,302,642)
Total Rx Claim (Offsets)/Revenue ²	(216,176,787)	(155,102,037)
Total Fees	35,093,524	35,093,524
ASO Fees	32,399,762	32,399,762
Operational Expenses	2,693,762	2,693,762
Premium Contributions/Operating Revenues³	\$994,834,017	\$903,231,013
Net Income	(50,636,927)	(23,875,486)
Total Cost as % of Budget	105%	103%

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 \$7,642,019 and participating group fees totaling \$7,370,170; WTW premium contributions represent FY24 budget rates and headcounts (net of Rx revenues), including participating group fees; DHR premium contributions alone total \$990,041,315

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 FY24 represents the time period July 1, 2023 through June 30, 2024 for all statuses; note Medicfill plan for Medicare eligible retirees runs on a calendar year basis. Therefore, FY24 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 (CVS).

Benefit costs/fees

- 4 Medical quarterly paid claims from Highmark and Aetna; Rx quarterly paid claims from 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 2024 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 FY24 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 FY24 due to payment timing lag.
- 7 EGWP payments based on actual and expected payments attributable to the period July 1, 2023 through June 30, 2024; reflects actual direct subsidy, prospective reinsurance and coverage gap discount payments received through March 2024; remaining payments attributable to FY24 estimated based on projected amounts provided by CVS; may differ from actual payments received during FY24 due to payment timing lag.
- 8 Prior year costs calculated from WTW's FY23 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, 2023. Medicare eligible retiree budget rates reflect rates effective January 1, 2023 for FY24 Q1 and Q2, and rates effective January 1, 2024 for FY24 Q3 and Q4. Budget rates include FY24 risk fees for Participating groups (**excludes \$2.70 PEPM charge**).
- 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 FY24.
- 11 Highmark quarterly reports do not provide enrollment data split by retirement date. Medicfill contributions are estimated based on reporting provided by DHR
- 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 (HRA), or other similar medical payment products to pay routine health care expenses directly. GHIP currently offers a CDHP with HRA.
Coverage Gap Discount Program	CGDP	One of the funding components of an EGWP. 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 CVS, 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 CVS 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

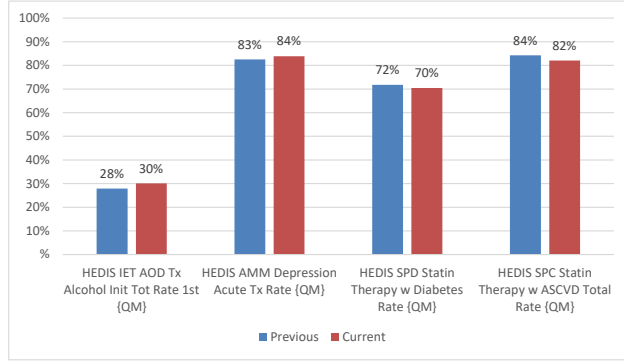
Terminology	Acronym	Definition
Point-of-Service	POS	A type of managed care plan that is a hybrid of HMO and PPO plans. Like an HMO, participants designate an in-network physician to be their primary care provider. But like a PPO, patients may go outside of the provider network for health care services. 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, 2023 to March 31, 2024.

Medical and Prescription Drug Dashboard - GHIP Population

Previous Period: Jul 2022 - Jun 2023 (Paid)

Current Period: Jul 2023 - Jun 2024 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	5580.8	5509.4	-1.3%	5451.5
Visits per 1000 Well Child	914.7	838.0	-8.4%	885.7
Visits per 1000 Prevent Adult	462.7	484.1	4.6%	456.1

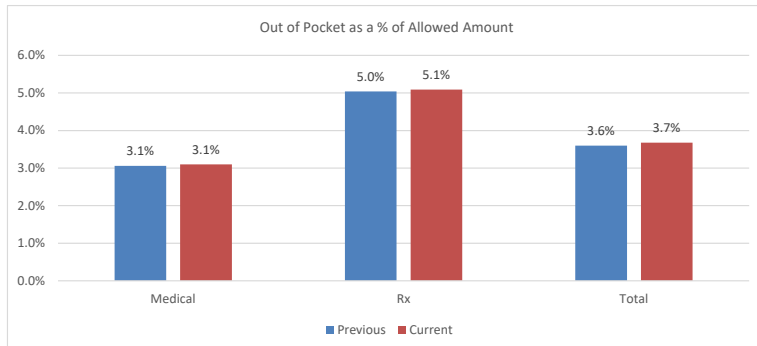
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	75,507.9	77,214.9	2.3%
Average Members	130,644.2	132,981.9	1.8%
Family Size	1.7	1.7	-0.5%
Member Age	43.4	43.5	0.1%
Members % Male	44.4%	44.3%	-0.1%

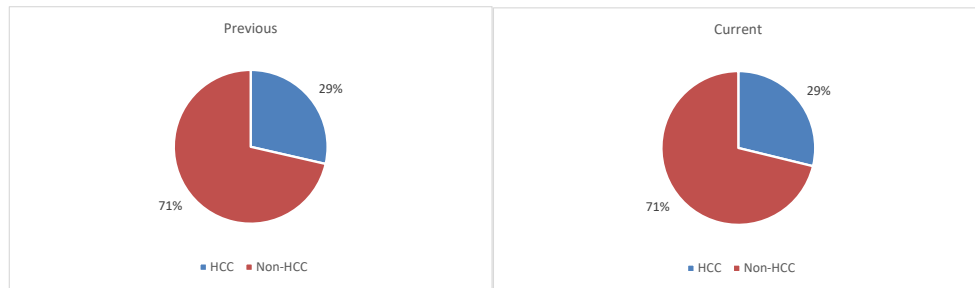
5. Risk Score

	Previous	Current
Member Risk Score	242.6	252.3

7. Cost Sharing



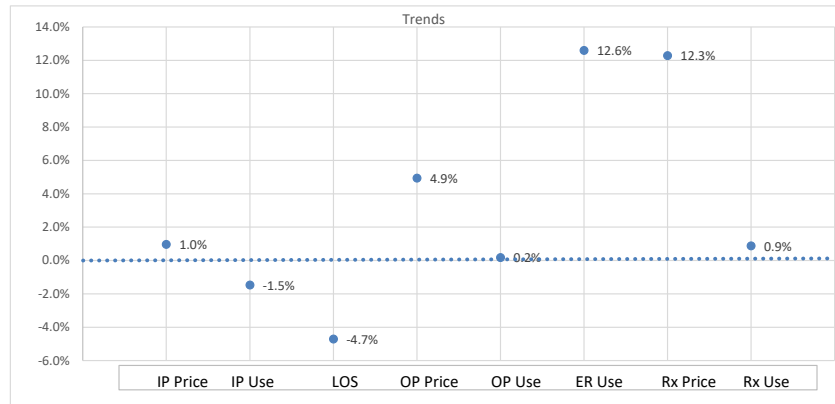
2. High Cost Claimants



	Previous	Current	Trend
Patients	1,290	1,301	0.9%
Patients per 1,000	9.9	9.8	-0.9%
Payments (in Millions)	\$271 M	\$289 M	6.8%
Payments per Patient	209,750	222,120	5.9%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$27,058	\$27,321	1.0%	\$33,463
	Admits per 1000	80.5	79.3	-1.5%	48.1
	Days LOS	6.0	5.7	-4.7%	4.9
Outpatient	Allowed per Service	\$146	\$153	4.9%	\$140
	ER Visits per 1000	344.4	345.0	0.2%	226.1
Non-Specialty Rx	Allowed per Days Supply	\$2	\$3	12.6%	n/a
	Days Supply PMPY	721	726	0.8%	n/a
Specialty Rx	Allowed per Days Supply	\$130	\$135	3.8%	n/a
	Days Supply PMPY	11	12	8.9%	n/a
All RX	Allowed per Days Supply	\$4	\$5	12.3%	\$5
	Days Supply PMPY	732	738	0.9%	372

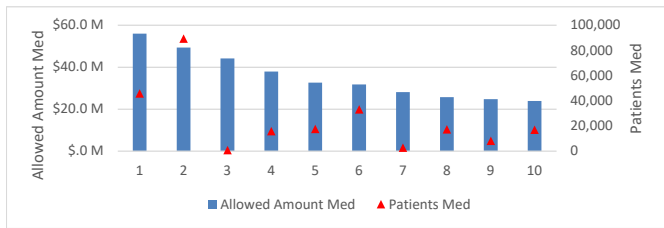


Medical and Prescription Drug Dashboard - GHIP Population

Previous Period: Jul 2022 - Jun 2023 (Paid)

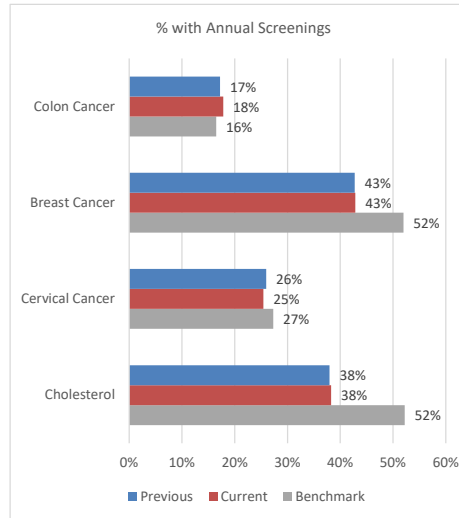
Current Period: Jul 2023 - Jun 2024 (Paid)

8. Top Medical Conditions (by cost)

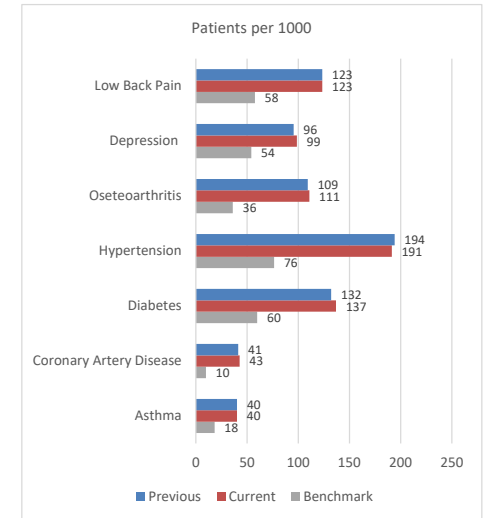


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Signs/Symptoms/Oth Cond, NE	\$56,037,879	45,839	\$1,222
2 Prevent/Admin Hlth Encounters	\$49,326,175	89,309	\$552
3 Chemotherapy Encounters	\$44,184,322	732	\$60,361
4 Osteoarthritis	\$37,922,317	15,863	\$2,391
5 Spinal/Back Disord, Low Back	\$32,640,235	17,662	\$1,848
6 Arthropathies/Joint Disord NEC	\$31,799,405	33,074	\$961
7 Pregnancy without Delivery	\$28,146,386	2,726	\$10,325
8 Respiratory Disord, NEC	\$25,691,207	17,270	\$1,488
9 Cardiac Arrhythmias	\$24,787,486	8,143	\$3,044
10 Gastroint Disord, NEC	\$23,902,972	16,889	\$1,415

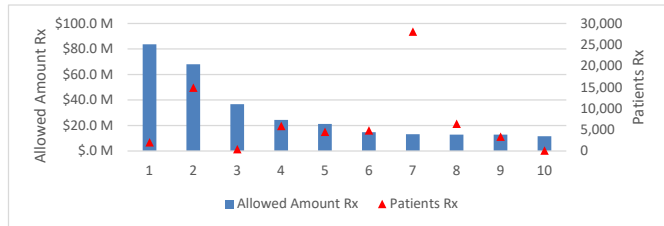
9. Screening Rates



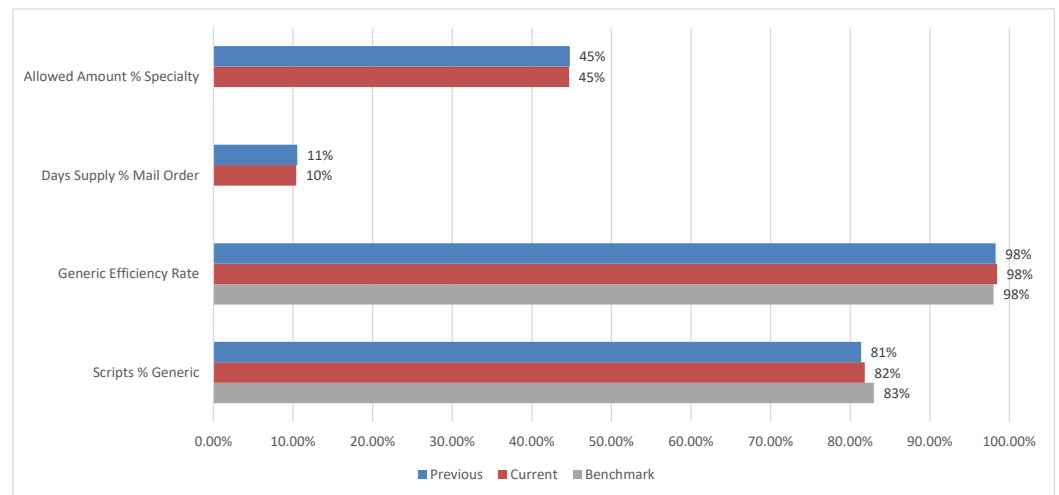
10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$83,724,044	2,068	\$40,486
2 Antidiabetic Agents, Misc	\$68,003,335	14,891	\$4,567
3 Molecular Targeted Therapy	\$36,724,172	446	\$82,341
4 Coag/Anticoag, Anticoagulants	\$24,368,621	5,886	\$4,140
5 Antidiabetic Ag, SGLT Inhibitr	\$21,218,988	4,518	\$4,697
6 CNS Agents, Misc.	\$14,781,154	4,860	\$3,041
7 Adrenals & Comb, NEC	\$13,162,061	28,079	\$469
8 Misc Therapeutic Agents, NEC	\$12,876,726	6,436	\$2,001
9 Antidiabetic Agents, Insulins	\$12,823,395	3,379	\$3,795
10 Antineoplastic Agent, Misc.	\$11,645,684	94	\$123,890

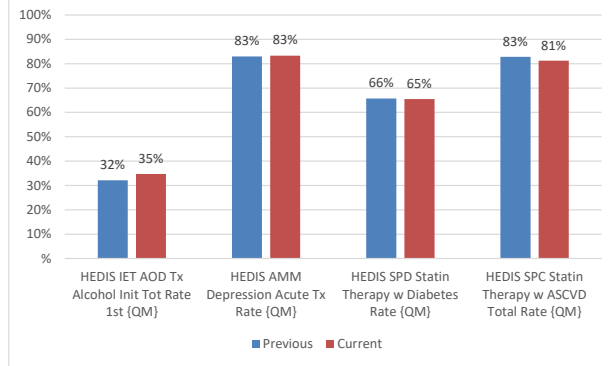


Medical and Prescription Drug Dashboard - Active Employees

Previous Period: Jul 2022 - Jun 2023 (Paid)

Current Period: Jul 2023 - Jun 2024 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark	Benchmark Population
Visits per 1000 Well Baby	5583.4	5506.8	-1.4%	5384.1	Green
Visits per 1000 Well Child	914.3	836.6	-8.5%	785.8	Green
Visits per 1000 Prevent Adult	532.3	551.8	3.7%	456.1	Green

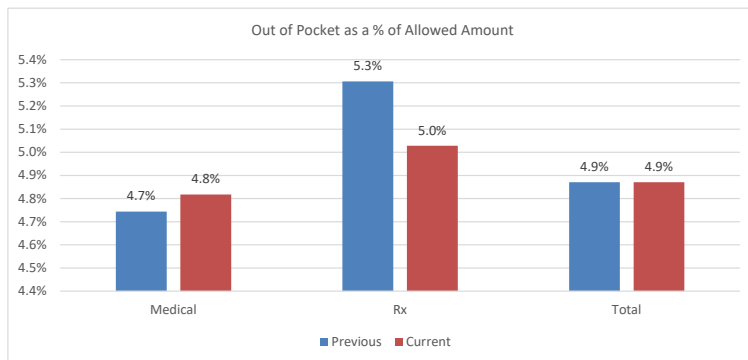
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	39,421.8	40,754.1	3.4%
Average Members	90,294.3	92,334.2	2.3%
Family Size	2.3	2.3	-1.1%
Member Age	32.7	32.7	0.1%
Members % Male	45.9%	45.8%	-0.3%

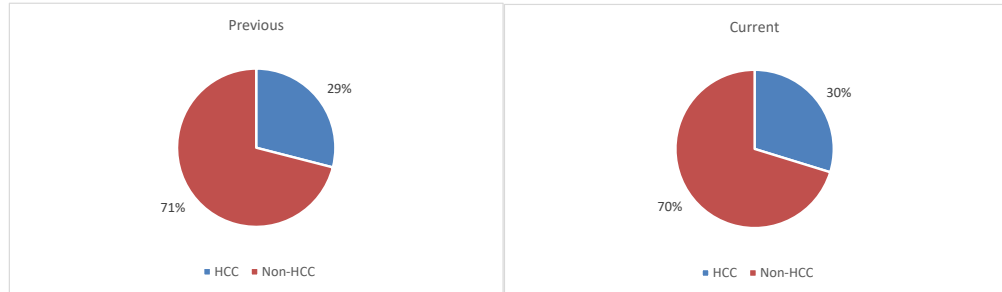
5. Risk Score

	Previous	Current
Member Risk Score	143.5	147.4

7. Cost Sharing



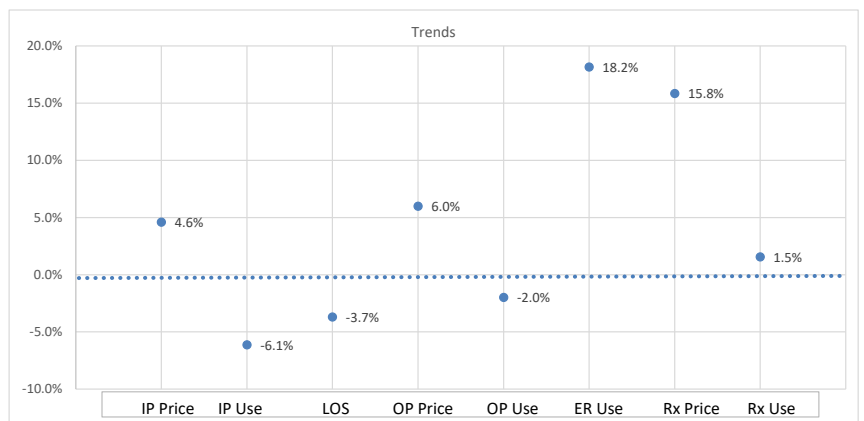
2. High Cost Claimants



	Previous	Current	Trend
Patients	1,062	1,100	3.6%
Patients per 1,000	11.8	11.9	1.3%
Payments (in Millions)	\$212 M	\$233 M	9.9%
Payments per Patient	199,527	211,691	6.1%

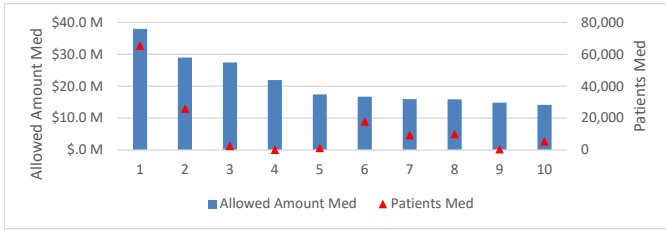
6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$31,799	\$33,258	4.6%	\$28,021
	Admits per 1000	56.2	52.8	-6.1%	47.5
	Days LOS	5.2	5.0	-3.7%	4.7
Outpatient	Allowed per Service	\$154	\$163	6.0%	\$140
	ER Visits per 1000	282.0	276.4	-2.0%	225.2
Non-Specialty Rx	Allowed per Days Supply	\$2	\$3	18.2%	n/a
	Days Supply PMPY	421	427	1.4%	n/a
Specialty Rx	Allowed per Days Supply	\$122	\$128	4.9%	n/a
	Days Supply PMPY	8	8	9.9%	n/a
All RX	Allowed per Days Supply	\$5	\$5	15.8%	\$5
	Days Supply PMPY	428	435	1.5%	339



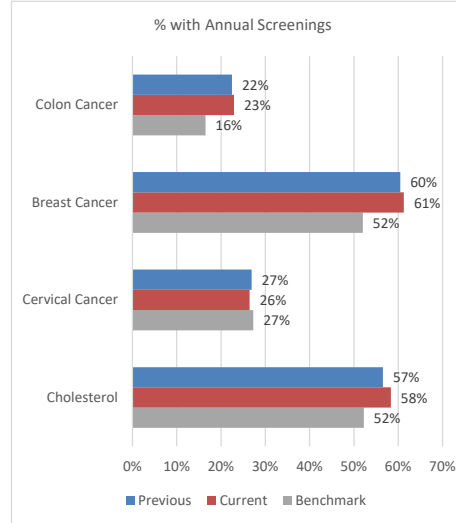
Medical and Prescription Drug Dashboard - Active Employees
Previous Period: Jul 2022 - Jun 2023 (Paid)
Current Period: Jul 2023 - Jun 2024 (Paid)

8. Top Medical Conditions (by cost)

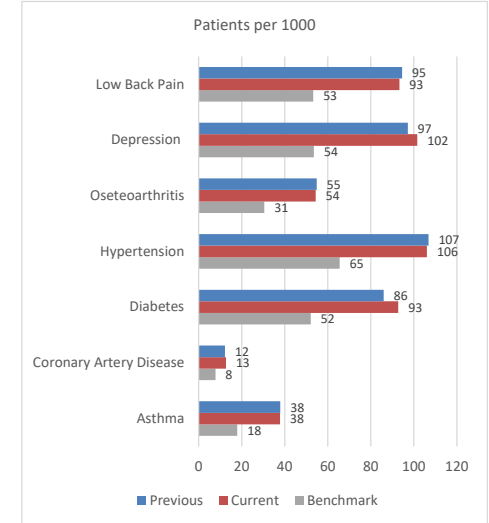


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Prevent/Admin Hlth Encounters	\$38,001,093	65,481	\$580
2 Signs/Symptoms/Oth Cond, NEC	\$28,975,665	26,022	\$1,114
3 Pregnancy without Delivery	\$27,422,494	2,636	\$10,403
4 Chemotherapy Encounters	\$21,932,217	234	\$93,727
5 Newborns, w/wo Complication	\$17,416,381	1,365	\$12,759
6 Arthropathies/Joint Disord NEC	\$16,746,444	17,977	\$932
7 Spinal/Back Disord, Low Back	\$15,964,180	9,468	\$1,686
8 Gastroint Disord, NEC	\$15,874,661	10,107	\$1,571
9 Cancer - Breast	\$14,843,792	635	\$23,376
10 Osteoarthritis	\$14,131,409	5,518	\$2,561

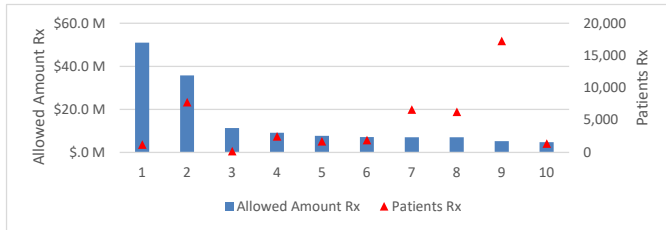
9. Screening Rates



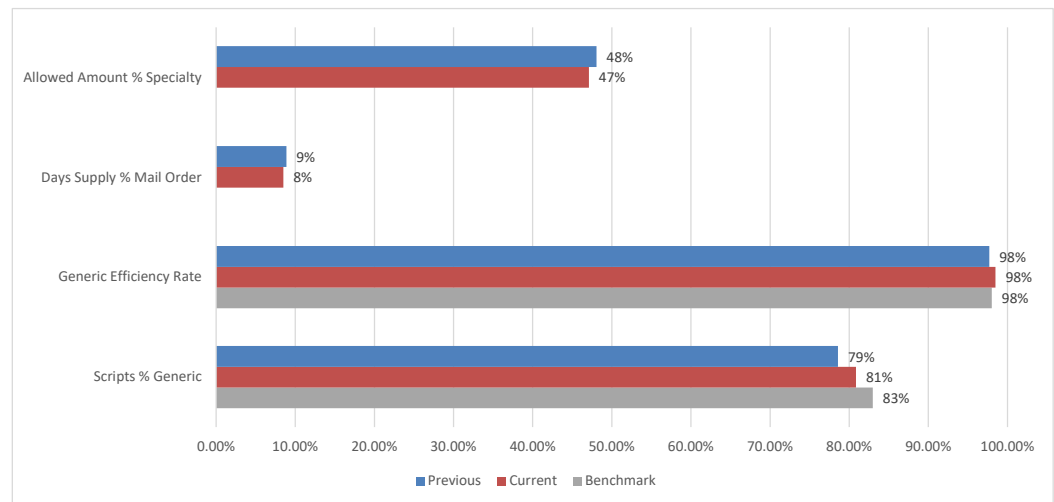
10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$50,997,102	1,203	\$42,392
2 Antidiabetic Agents, Misc	\$35,785,942	7,779	\$4,600
3 Molecular Targeted Therapy	\$11,291,496	187	\$60,382
4 CNS Agents, Misc.	\$9,087,965	2,472	\$3,676
5 Antidiabetic Ag, SGLT Inhibitr	\$7,701,303	1,717	\$4,485
6 Misc Therapeutic Agents, NEC	\$7,161,844	1,905	\$3,759
7 Antivirals, NEC	\$7,078,353	6,626	\$1,068
8 Stimulant, Amphetamine Type	\$7,074,150	6,294	\$1,124
9 Adrenals & Comb, NEC	\$5,216,433	17,250	\$302
10 Antidiabetic Agents, Insulins	\$4,798,677	1,378	\$3,482

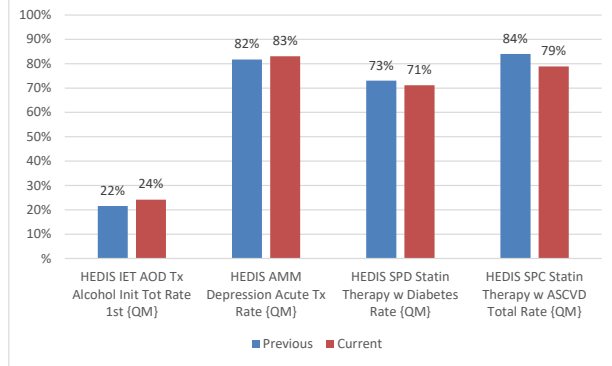


Medical and Prescription Drug Dashboard - Early Retirees

Previous Period: Jul 2022 - Jun 2023 (Paid)

Current Period: Jul 2023 - Jun 2024 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	4705.9	5333.3	13.3%	4916.1
Visits per 1000 Well Child	878.6	896.4	2.0%	705.4
Visits per 1000 Prevent Adult	559.1	578.6	3.5%	456.1

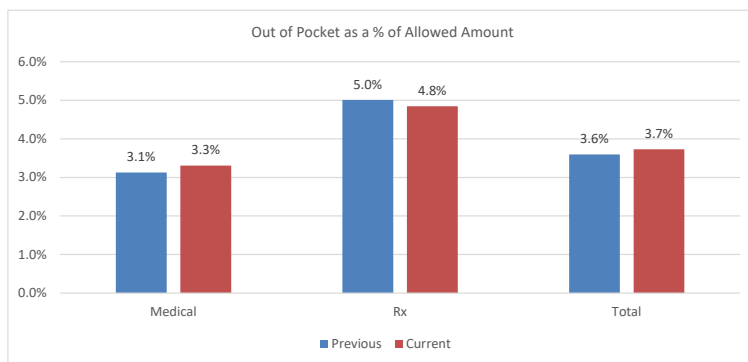
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	6,044.9	5,890.8	-2.6%
Average Members	9,742.6	9,517.8	-2.3%
Family Size	1.6	1.6	0.2%
Member Age	49.9	49.9	0.1%
Members % Male	42.3%	42.6%	0.8%

5. Risk Score

	Previous	Current
Member Risk Score	242.9	248.4

7. Cost Sharing



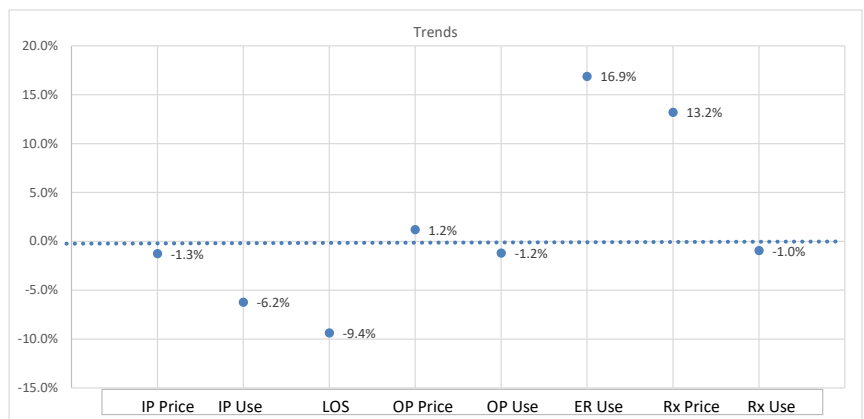
2. High Cost Claimants



	Previous	Current	Trend
Patients	289	264	-8.7%
Patients per 1,000	29.7	27.7	-6.5%
Payments (in Millions)	\$52 M	\$47 M	-8.5%
Payments per Patient	179,643	179,874	0.1%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$42,420	\$41,882	-1.3%	\$36,530
	Admits per 1000	64.8	60.7	-6.2%	51.0
	Days LOS	7.3	6.6	-9.4%	5.7
Outpatient	Allowed per Service	\$178	\$180	1.2%	\$140
	ER Visits per 1000	317.9	314.0	-1.2%	234.5
Non-Specialty Rx	Allowed per Days Supply	\$2	\$3	16.9%	n/a
	Days Supply PMPY	819	810	-1.1%	n/a
Specialty Rx	Allowed per Days Supply	\$125	\$126	0.9%	n/a
	Days Supply PMPY	13	14	7.1%	n/a
All RX	Allowed per Days Supply	\$4	\$5	13.2%	\$5
	Days Supply PMPY	832	825	-1.0%	658

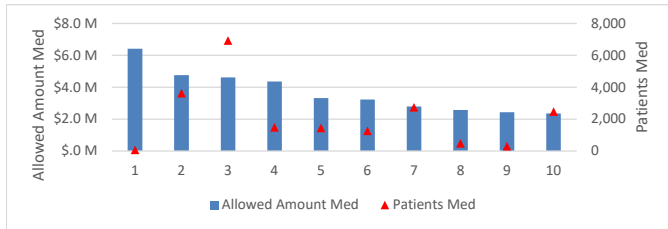


Medical and Prescription Drug Dashboard - Early Retirees

Previous Period: Jul 2022 - Jun 2023 (Paid)

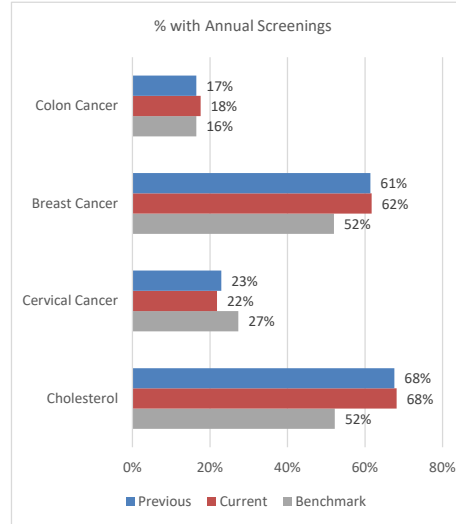
Current Period: Jul 2023 - Jun 2024 (Paid)

8. Top Medical Conditions (by cost)

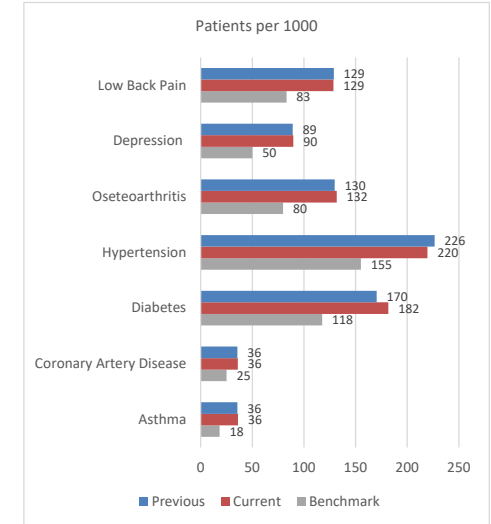


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Chemotherapy Encounters	\$6,409,659	70	\$91,567
2 Signs/Symptoms/Oth Cond, NE	\$4,760,062	3,627	\$1,312
3 Prevent/Admin Hlth Encounters	\$4,620,972	6,926	\$667
4 Osteoarthritis	\$4,361,996	1,482	\$2,943
5 Spinal/Back Disord, Low Back	\$3,316,080	1,448	\$2,290
6 Respiratory Disord, NEC	\$3,233,931	1,261	\$2,565
7 Arthropathies/Joint Disord NEC	\$2,788,970	2,743	\$1,017
8 Cardiac Arrhythmias	\$2,569,108	480	\$5,352
9 Cerebrovascular Disease	\$2,439,127	300	\$8,130
10 Hypertension, Essential	\$2,361,128	2,471	\$956

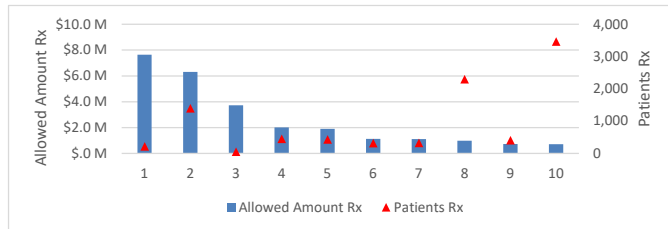
9. Screening Rates



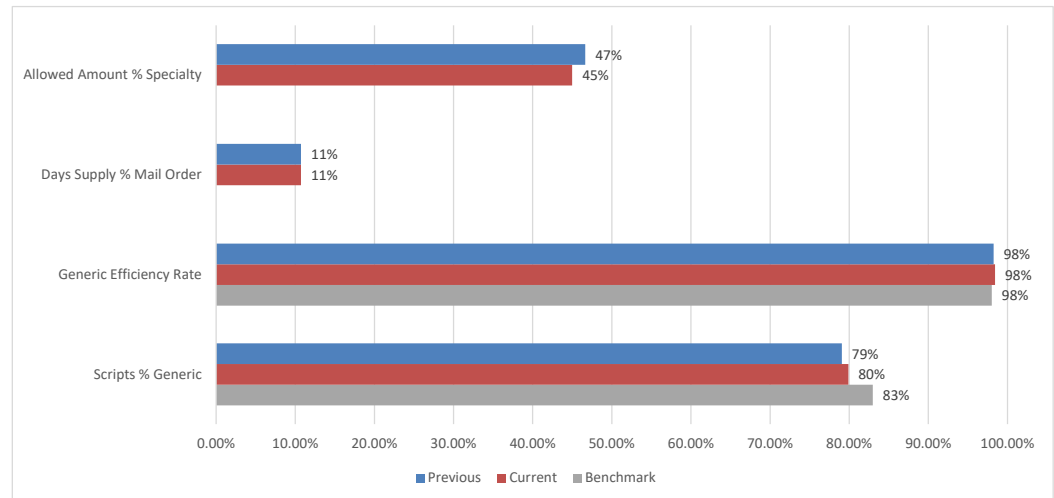
10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$7,635,518	218	\$35,025
2 Antidiabetic Agents, Misc	\$6,306,954	1,397	\$4,515
3 Molecular Targeted Therapy	\$3,718,044	49	\$75,878
4 Antidiabetic Ag, SGLT Inhibitr	\$2,020,720	452	\$4,471
5 CNS Agents, Misc.	\$1,899,044	430	\$4,416
6 Antidiabetic Agents, Insulins	\$1,131,168	320	\$3,535
7 Coag/Anticoag, Anticoagulants	\$1,102,621	321	\$3,435
8 Adrenals & Comb, NEC	\$979,893	2,294	\$427
9 Misc Therapeutic Agents, NEC	\$728,888	406	\$1,795
10 Antihyperlipidemic Drugs, NEC	\$714,905	3,460	\$207

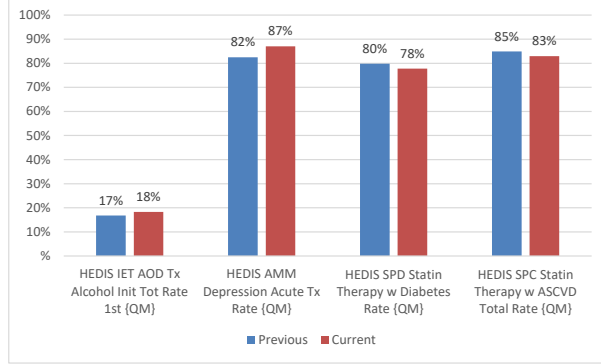


Medical and Prescription Drug Dashboard - Medicare Retirees

Previous Period: Jul 2022 - Jun 2023 (Paid)

Current Period: Jul 2023 - Jun 2024 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Prevent Adult	283.8	311.3	9.7%	456.1

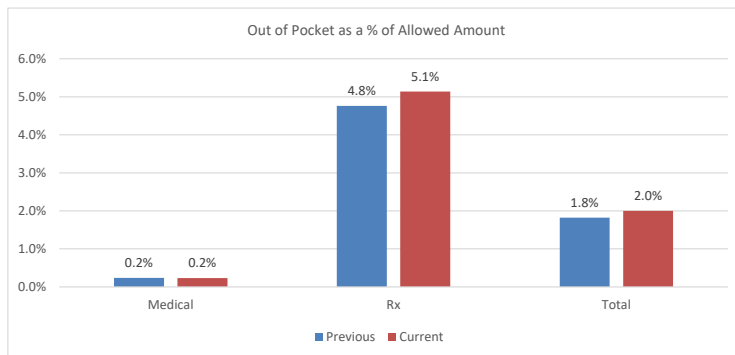
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	27,446.0	27,948.5	1.8%
Average Members	27,747.6	28,260.6	1.8%
Family Size	1.0	1.0	0.0%
Member Age	73.4	73.6	0.3%
Members % Male	40.9%	40.9%	0.0%

5. Risk Score

	Previous	Current
Member Risk Score	541.7	565.0

7. Cost Sharing



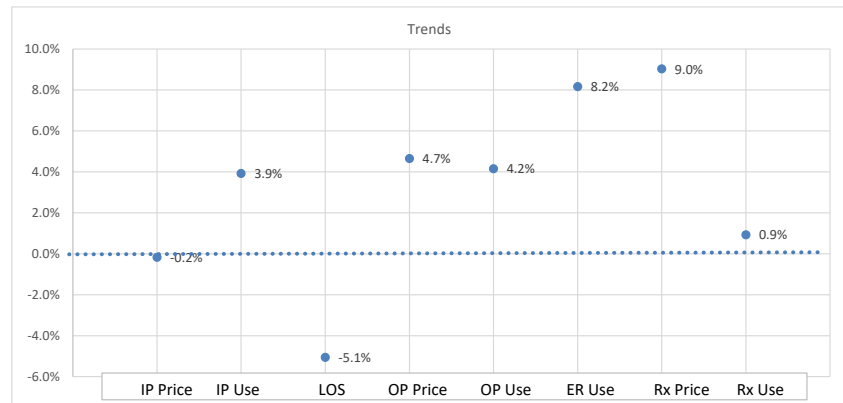
2. High Cost Claimants



	Previous	Current	Trend
Patients	44	49	11.4%
Patients per 1,000	1.6	1.7	9.3%
Payments (in Millions)	\$4 M	\$4 M	17.8%
Payments per Patient	85,523	90,498	5.8%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$20,156	\$20,121	-0.2%	\$20,380
	Admits per 1000	153.5	159.5	3.9%	169.4
	Days LOS	6.7	6.4	-5.1%	5.1
Outpatient	Allowed per Service	\$127	\$133	4.7%	\$114
	ER Visits per 1000	521.5	543.2	4.2%	570.7
Non-Specialty Rx	Allowed per Days Supply	\$2	\$3	8.2%	n/a
	Days Supply PMPY	1,607	1,625	1.1%	n/a
Specialty Rx	Allowed per Days Supply	\$138	\$144	4.5%	n/a
	Days Supply PMPY	19	21	8.0%	n/a
All RX	Allowed per Days Supply	\$4	\$4	9.5%	\$5
	Days Supply PMPY	1,626	1,646	1.2%	977

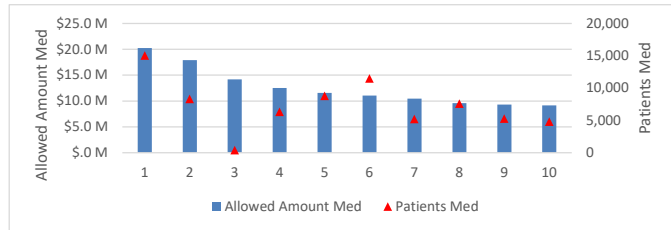


Medical and Prescription Drug Dashboard - Medicare Retirees

Previous Period: Jul 2022 - Jun 2023 (Paid)

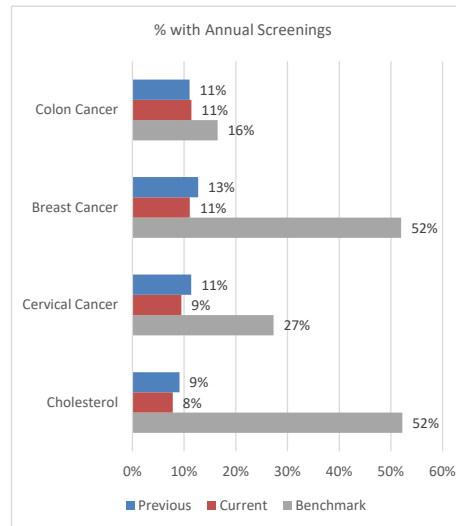
Current Period: Jul 2023 - Jun 2024 (Paid)

8. Top Medical Conditions (by cost)

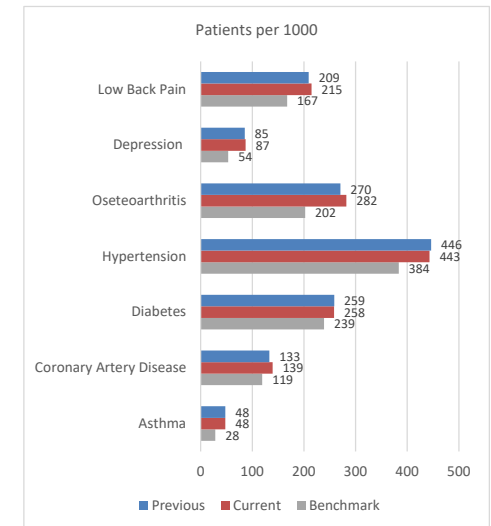


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Signs/Symptoms/Oth Cond, NEC	\$20,259,510	15,072	\$1,344
2 Osteoarthritis	\$17,923,813	8,326	\$2,153
3 Chemotherapy Encounters	\$14,169,543	415	\$34,143
4 Spinal/Back Disord, Low Back	\$12,509,893	6,329	\$1,977
5 Eye Disorders, Degenerative	\$11,577,798	8,826	\$1,312
6 Arthropathies/Joint Disord NEC	\$11,061,082	11,505	\$961
7 Cardiac Arrhythmias	\$10,446,828	5,221	\$2,001
8 Respiratory Disord, NEC	\$9,597,203	7,617	\$1,260
9 Infections, NEC	\$9,327,211	5,308	\$1,757
10 Neurological Disorders, NEC	\$9,148,061	4,835	\$1,892

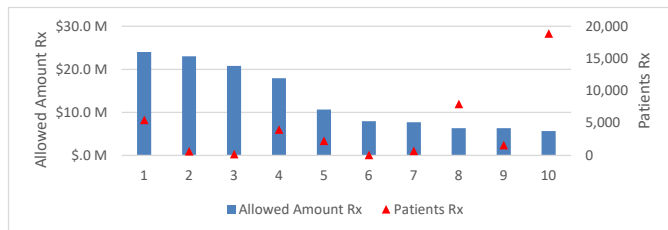
9. Screening Rates



10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Antidiabetic Agents, Misc	\$24,011,587	5,493	\$4,371
2 Immunosuppressants, NEC	\$23,036,105	627	\$36,740
3 Molecular Targeted Therapy	\$20,802,094	205	\$101,474
4 Coag/Anticoag, Anticoagulants	\$17,928,149	4,010	\$4,471
5 Antidiabetic Ag, SGLT Inhibitr	\$10,656,003	2,241	\$4,755
6 Antineoplastic Agent, Misc.	\$7,942,480	62	\$128,105
7 Hormone-Modifying Therapy	\$7,709,700	700	\$11,014
8 Adrenals & Comb, NEC	\$6,331,023	7,948	\$797
9 Antidiabetic Agents, Insulins	\$6,302,341	1,573	\$4,007
10 Antihyperlipidemic Drugs, NEC	\$5,676,224	18,870	\$301

