

# The State of Delaware

## COVID-19 Reporting Update

September 10, 2020

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# COVID-19 financial impact

## Considerations for FY21 and beyond

- The cost of deferred care continues to significantly outpace the costs related to testing and treatment of COVID-19 cases
- The impact of the COVID-19 pandemic on the GHIP in FY21 and beyond is still unknown and depends on many factors, including:
  - Effectiveness of policies to mitigate spread and timing of easing of social distancing measures
  - Level of FY20 care deferral that returns in FY21
  - Level of new care deferral that emerges in FY21
  - Cost of new vaccine or therapeutic agents
  - Potential for new waves of COVID infection

Consider impact on GHIP long term cost projections, trend assumptions, minimum reserve, rate action planning, and other factors

# COVID-19 financial impact update

## Impact of deferred care

- Beginning in late March, deferred care due to the COVID-19 pandemic began to significantly impact the state of the Fund
  - FY20 Q4 claims were a combined **\$47.1m below budget**
- Claim levels have returned closer to budget in July and August, with medical claims expected to land \$7.7m and \$4.3m below July and August budgets, respectively
- The table below highlights the impact of actual medical/Rx claims relative to budget since the onset of COVID-19<sup>1</sup>:

FY20 Q4	April			May			June			FY20 Q4 Total		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Medical	\$44.3m	\$61.2m	(\$16.9m)	\$32.7m	\$54.5m	(\$21.7m)	\$38.5m	\$51.4m	(\$12.9m)	\$115.6m	\$167.0m	(\$51.5m)
Rx	\$23.6m	\$21.8m	+\$1.7m	\$22.7m	\$21.8m	+\$0.9m	\$34.5m	\$32.8m	+\$1.7m	\$80.8m	\$76.4m	+\$4.3m
<b>Total</b>	<b>\$67.9m</b>	<b>\$83.0m</b>	<b>(\$15.1m)</b>	<b>\$55.5m</b>	<b>\$76.3m</b>	<b>(\$20.8m)</b>	<b>\$73.0m</b>	<b>\$84.1m</b>	<b>(\$11.1m)</b>	<b>\$196.3m</b>	<b>\$243.5m</b>	<b>(\$47.1m)</b>

FY21 Q1	July			August			September			FY21 Q1 Total		
	Actual	Budget	Variance	Actual <sup>2</sup>	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Medical	\$54.3m	\$62.0m	(\$7.7m)	\$45.3m	\$49.6m	(\$4.3m)				\$99.6m	\$111.6m	(\$12.0m)
Rx	\$23.4m	\$22.8m	+\$0.6m	\$23.2m	\$22.8m	+\$0.4m				\$46.6m	\$45.6m	+\$1.0m
<b>Total</b>	<b>\$77.7m</b>	<b>\$84.8m</b>	<b>(\$7.1m)</b>	<b>\$68.5m</b>	<b>\$72.4m</b>	<b>(\$3.9m)</b>				<b>\$146.2m</b>	<b>\$157.2m</b>	<b>(\$11.0m)</b>

1 Final figures have been rounded to the nearest \$0.1m; numbers in table may not add up due to rounding.

2 Based on weekly claims analysis provided by DHR; may differ from final claims to be reflected in August Fund Equity Report

# COVID-19 financial impact update

## Cost of COVID-19 testing and treatment

- Aetna and Highmark have been tracking weekly COVID-19 related plan expenses; the tables below highlight GHIP COVID-19 expenses based on the most recent weekly dashboards for each vendor:

Highmark YTD COVID-19 Dashboard Summary <sup>1</sup>	
Confirmed Member Count	584
Tested Member Count	5,944
Non-Test Paid Claims	\$3.7m
Test Paid Claims	\$3.8m
Pending Charges	\$1.6m
Telemedicine Visits (COVID-19)	360
Telemedicine Paid Claims (COVID-19)	\$34k

Aetna YTD COVID-19 Dashboard Summary <sup>2</sup>	
# of Claims (Non-Tests)	1,270
# of Claims (Tests)	3,847
Non-Test Paid Claims	\$686k
Test Paid Claims	\$352k
Telemedicine Visits (COVID-19)	361
Telemedicine Paid Claims (COVID-19)	\$22k
Telemedicine Visits (Non-COVID-19)	26,621
Telemedicine Paid Claims (Non-COVID-19)	\$1.9m

- COVID-19 testing, treatment and provider billing is still evolving; the information included in these dashboards is believed to be accurate based on all known information as of the production date; however, it is subject to change

<sup>1</sup> Covers claims incurred and processed 1/1/2020 – 9/5/2020; tested and confirmed cases are mutually exclusive; pending claims as of 9/7/2020 and represent claims that have been received but not yet adjudicated (claims may be paid or denied and are subject to the member's benefit and contract provisions in force at the time); confirmed cases are identified by the CDC guidelines; test paid claims encompass ONLY the members who have been tested but have NOT been confirmed as positive via a claim; telemedicine claims include American Well as well as other providers

<sup>2</sup> Covers claims from 3/1/2020 to 8/30/2020; test and non-test cases based on diagnosis and procedure code definitions used for COVID-19 identification; telemedicine claims include Teladoc as well as community based providers performing telemedicine services