

State of Delaware - Quarterly Financial Reporting

FY23 Q3 Cost Analysis

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

May 2023



Summary plan information

- FY23 YTD compared to FY22 YTD:

Summary (total)	FY23			FY22			% Change		
	Medical	Rx ⁴	Total ²	Medical	Rx ⁴	Total ²	Medical	Rx ⁴	Total ²
Gross claims ¹	\$531.0	\$280.5	\$811.5	\$482.2	\$235.8	\$718.0	▲ 10.1%	▲ 19.0%	▲ 13.0%
Total program cost (\$M) ²	\$568.2	\$143.2	\$713.7	\$520.7	\$130.6	\$653.5	▲ 9.1%	▲ 9.6%	▲ 9.2%
Premium contributions (\$M) ³	\$543.2	\$136.4	\$679.6	\$442.5	\$189.6	\$632.2	▲ 22.8%	▼ 28.1%	▲ 7.5%
Total cost PEPY	\$10,044	\$2,532	\$12,624	\$9,324	\$2,364	\$11,700	▲ 7.7%	▲ 7.1%	▲ 7.9%
Total cost PMPY	\$5,784	\$1,464	\$7,272	\$5,340	\$1,344	\$6,696	▲ 8.3%	▲ 8.9%	▲ 8.6%
Average employees	75,378			74,500			▲ 1.2%		
Average members	130,910			130,087			▲ 0.6%		
Loss ratio	105%			103%					
Net income (\$M)	(\$34.1)			(\$21.3)					

¹ 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

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

- FY23 Actual compared to FY23 Revised Budget (approved by SEBC 11/21/2022):

Summary (total)	FY23 Actual			FY23 Budget			% Change		
	Medical	Rx	Total	Medical	Rx	Total	Medical	Rx	Total
Total program cost (\$M) ¹	\$568.2	\$143.2	\$713.7	\$564.7	\$150.0	\$717.2	▲ 0.6%	▼ 4.6%	▼ 0.5%
Total cost PEPY	\$10,044	\$2,532	\$12,624	\$9,970	\$2,648	\$12,661	▲ 0.7%	▼ 4.4%	▼ 0.3%
Total cost PMPY	\$5,784	\$1,464	\$7,272	\$5,714	\$1,518	\$7,257	▲ 1.2%	▼ 3.5%	▲ 0.2%
Net income (\$M)	(\$34.1)			(\$30.3)					

- Summary Plan Information through March 2023

FY23 Q3	Aetna	Highmark	Active	Non-Medicare Retiree	Medicare Retiree	Total
Summary (total)						
Total cost (\$M)	\$157.2	\$556.5	\$514.3	\$96.5	\$103.0	\$713.7
Budgeted cost (\$M) ¹	\$142.6	\$537.1	\$487.7	\$70.7	\$121.2	\$679.6
Loss ratio	110%	104%	105%	136%	85%	105%
PEPY	\$17,100	\$11,760	\$17,388	\$19,296	\$4,692	\$12,624
PMPY	\$7,596	\$7,176	\$7,548	\$11,940	\$4,692	\$7,272
# of enrolled employees	12,258	63,120	39,447	6,663	29,268	75,378

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: April 2022 - March 2023 (compared to April 2021 - March 2022)

- 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 21.2% well child, increase of 7.5% preventive adult
 - Increase in screening rates, with breast cancer screenings up 8% over prior; all reported screening rates at or above benchmark; prevalence of osteoarthritis and diabetes continue to rise
 - 6.3% increase in inpatient admits; 10.8% increase in ER visits
 - 1.6% increase in Rx cost across all prescriptions and 4.1% increase in utilization of all prescriptions
 - Specialty medications now make up 48% of pharmacy spend; reduction in cost for specialty drugs offset by 15.3% increase in days supply

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
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Total GHIP Results									
<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 2023	Q2 2023	Q3 2023	Q4 2023	FY23 YTD Actual	FY23 YTD WTW Budget ⁷	Difference vs. Budget		FY23 Projected ⁸
Total Program Cost	\$224,257,289	\$238,578,300	\$250,873,985		\$713,709,573	\$717,161,481	▼ 0.5%		\$1,007,180,809
- Paid Claims	212,901,234	227,166,362	239,395,332		679,462,928	682,813,076	▼ 0.5%		961,404,125
- Medical (includes capitation ¹)	171,568,445	183,802,974	185,052,411		540,423,830	535,089,184	▲ 1.0%		761,273,699
- Rx (Including Rebates and EGWP)	41,332,789	43,363,388	54,342,921		139,039,098	147,723,891	▼ 5.9%		200,130,426
- Rx Paid Claims	91,229,452	91,420,938	97,823,055		280,473,445	267,020,693	▲ 5.0%		376,791,731
- EGWP ²	(17,105,865)	(17,136,498)	(11,025,342)		(45,267,705)	(31,249,949)	▲ 44.9%		(53,030,582)
- Direct Subsidy	132,560	356,749	473,580		962,889	903,090	▲ 6.6%		1,435,679
- CGDP	(8,317,578)	(8,528,395)	(4,322,674)		(21,168,647)	(14,499,989)	▲ 46.0%		(25,019,953)
- Catastrophic Reinsurance	(8,920,847)	(8,964,852)	(7,176,248)		(25,061,947)	(17,653,049)	▲ 42.0%		(29,446,308)
- Rx Rebates ³	(32,790,798)	(30,921,052)	(32,454,792)		(96,166,642)	(88,046,853)	▲ 9.2%		(123,630,724)
- ASO Fees	10,637,228	10,558,099	10,655,024		31,850,351	31,884,798	▼ 0.1%		42,491,875
- Operational Expenses	718,827	853,838	823,629		2,396,294	2,463,607	▼ 2.7%		3,284,809
Medical/Rx Premium Contributions⁴	\$226,145,576	\$225,989,473	\$227,486,172		\$679,621,221	\$686,902,003	▼ 1.1%		\$909,895,972
- Net Income	1,888,288	(12,588,827)	(23,387,813)		(34,088,352)	(30,259,478)			(97,284,837)
- Total Cost as % of Budget	99%	106%	110%		105%	104%			111%
Current Year Per Capita									
- Total per employee per year ⁵	11,940	12,684	13,248		12,624	12,661	▼ 0.3%		13,336
- Total % change over prior	11.0%	8.0%	3.3%		7.2%				11.0%
- Medical per employee per year	9,636	10,260	10,260		10,044	9,970	▲ 0.7%		10,570
- Medical % change over prior	12.8%	11.8%	0.5%		7.9%				11.1%
- Rx per employee per year	2,616	2,364	2,952		2,532	2,648	▼ 4.4%		2,728
- Rx % change over prior	19.1%	-6.2%	20.0%		5.9%				10.4%
- Medical per member per year	5,544	5,916	5,916		5,784	5,714	▲ 1.2%		6,067
- Rx per member per year	1,500	1,356	1,704		1,464	1,518	▼ 3.5%		1,552
- Total per member per year ⁶	6,864	7,308	7,632		7,272	7,257	▲ 0.2%		7,644
Prior Year Results	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22				FY22
- Total Program Cost	199,645,000	218,698,156	239,951,120		658,294,276	-	-		895,789,239
- Total Program Cost \$ Change	31,222,419	19,880,144	10,922,865		62,025,428	-	-		111,391,570
- Total per employee per year ⁵	10,752	11,748	12,828		11,776	-	-		12,012
- Medical per employee per year	8,544	9,180	10,212		9,312	-	-		9,516
- Rx per employee per year	2,196	2,520	2,460		2,392	-	-		2,472
EE Contributions⁶	\$46,613,902	\$46,619,816	\$46,715,245		\$139,948,963				\$186,838,645
- Net SoD	185,761,342	191,958,483	204,158,740		573,760,610				820,342,164
- SoD Subsidy %	80%	80%	81%		81%				81%
Headcount									
- Enrolled Ees	75,140	75,231	75,763		75,378	75,524	▼ 0.2%		75,524
- Enrolled Members	130,585	130,627	131,518		130,910	131,766	▼ 0.6%		131,766
- 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 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

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 FY23 Budget approved by SEBC 11/21/2022

⁸ FY23 projected total program cost based on FY23 Q3 long-term projections presented to SEBC in May 2023

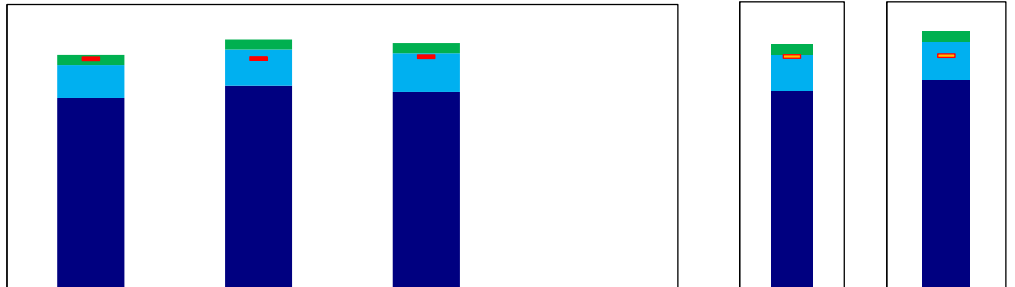
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Health Plan Quarterly Financial Reporting
FY23 Q3 Plan Cost Analysis

Active Employees Only

Legend

- Medical/Rx Budget
- Fees and Op. Expenses
- Rx (incl. Rebates and EGWP)
- Medical (incl. capitation)



	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY23 YTD Actual	FY23 Projected ⁷
Total Program Cost	\$165,012,312	\$175,845,533	\$173,416,075		\$514,273,920	\$721,804,247
- Paid Claims	157,561,938	168,397,171	165,890,511		491,849,619	691,650,172
- Medical (includes capitation¹)	134,559,783	143,084,657	138,687,432		416,331,872	587,443,040
- Rx (Including Rebates and EGWP)	23,002,155	25,312,513	27,203,079		75,517,748	104,207,132
- Rx Paid Claims	39,370,911	40,183,368	42,308,556		121,862,835	164,022,378
- 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	(\$16,368,755)	(\$14,870,855)	(15,105,477)		(46,345,087)	(59,815,246)
- ASO Fees	7,074,918	7,002,041	7,093,241		21,170,200	27,873,996
- Operational Expenses	375,456	446,321	432,323		1,254,101	2,280,079
Medical/Rx Premium Contributions⁴	\$162,082,513	\$162,138,524	\$163,510,784		\$487,731,821	\$652,989,056
- Net Income	(2,929,799)	(13,707,009)	(9,905,290)		(26,542,098)	(68,815,191)
- Total Cost as % of Budget	104%	108%	106%		105%	111%
Current Year Per Capita						
- Total per employee per year ⁵	16,812	17,880	17,448		17,388	18,261
- Total % change over prior	15.7%	12.7%			8.5%	-
- Medical per employee per year	14,352	15,180	14,568		14,748	15,537
- Medical % change over prior	15.6%	14.5%	-2.6%		8.9%	-
- Rx per employee per year	2,712	2,748	2,832		2,592	2,666
- Rx % change over prior	27.7%	7.5%	8.3%		6.6%	-
- Medical per member per year	6,216	6,588	6,336		6,396	6,705
- Rx per member per year	1,176	1,188	1,236		1,128	1,151
- Total per member per year ⁵	7,284	7,764	7,584		7,548	7,881
Prior Year Results	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	FY22
- Total Program Cost	141,803,185	155,067,249	174,393,585		471,264,019	647,132,414
- Total Program Cost \$ Change	26,047,167	20,778,284	-977,510		45,847,941	74,671,833
- Total per employee per year ⁵	14,532	15,864	17,688		16,028	15,713
- Medical per employee per year	12,420	13,260	14,964		13,548	13,801
- Rx per employee per year	2,124	2,556	2,616		2,432	2,128
EE Contributions⁶	\$38,597,633	\$38,638,037	\$38,752,468		\$115,988,138	\$155,009,872
- Net SoD	129,252,719	137,207,496	134,663,607		133,707,941	566,794,375
- SoD Subsidy %	77%	78%	78%		78%	79%
Headcount						
- Enrolled Ees	39,247	39,326	39,768		39,447	39,528
- Enrolled Members	90,580	90,631	91,394		90,868	91,589
- Member/EE Ratio	2.3	2.3	2.3		2.3	2.3

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³ 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
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
⁷ FY23 projected total program cost based on FY23 Q3 long-term projections presented to SEBC in May 2023

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	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY23 YTD Actual	FY23 Projected ⁷
Non-Medicare Retirees Only						
Legend						
- Medical/Rx Budget						
■ Fees and Op. Expenses						
■ Rx (incl. Rebates and EGWP)						
■ Medical (incl. capitation)						
Total Program Cost	\$29,601,780	\$31,889,667	\$34,965,420		\$96,456,867	\$135,682,986
- Paid Claims	28,318,129	30,633,346	33,717,025		92,668,501	130,273,033
- Medical (includes capitation¹)	23,359,648	25,439,515	28,228,262		77,027,426	108,688,279
- Rx (Including Rebates and EGWP)	4,958,481	5,193,831	5,488,763		15,641,075	21,584,754
- Rx Paid Claims	8,487,028	8,245,156	8,536,594		25,268,778	34,010,739
- 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	(\$3,528,546)	(\$3,051,325)	(3,047,831)		(9,627,702)	(12,425,985)
- ASO Fees	1,218,962	1,181,039	1,176,678		3,576,679	5,139,614
- Operational Expenses	64,689	75,282	71,717		211,687	270,339
Medical/Rx Premium Contributions⁴	\$23,853,771	\$23,444,969	\$23,397,314		\$70,696,053	\$94,649,861
- Net Income	(\$5,748,009)	(\$8,444,699)	(11,568,106)		(25,760,813)	(41,033,125)
- Total Cost as % of Budget	127%	136%	149%		136%	143%
Current Year Per Capita						
- Total per employee per year ⁵	17,508	19,236	21,204		19,296	20,336
- Total % change over prior	8.2%	3.8%	20.8%		10.8%	-
- Medical per employee per year	14,460	15,972	17,736		15,696	16,577
- Medical % change over prior	5.9%	4.4%	24.9%		9.1%	-
- Rx per employee per year	3,372	3,324	3,420		3,168	3,265
- Rx % change over prior	32.5%	4.5%	5.6%		6.0%	-
- Medical per member per year	8,988	9,876	10,908		9,708	10,191
- Rx per member per year	2,100	\$2,052	2,100		1,968	2,007
- Total per member per year ⁵	10,884	11,892	13,044		11,940	12,502
Prior Year Results	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	FY22
- Total Program Cost	26,859,802	30,655,716	29,164,757		86,680,275	115,829,520
- Total Program Cost \$ Change	3,353,762	1,233,951	5,800,663		9,776,592	19,853,466
- Total per employee per year ⁵	16,176	18,528	17,556		17,420	17,484
- Medical per employee per year	13,656	15,300	14,196		14,384	13,908
- Rx per employee per year	2,544	3,180	3,240		2,988	3,084
EE Contributions⁶	\$6,350,911	\$6,308,304	\$6,282,193		\$18,941,408	\$25,128,773
- Net SoD	23,862,653	25,581,364	28,683,227		26,042,414	110,554,213
- SoD Subsidy %	79%	80%	82%		80%	81%
Headcount						
- Enrolled Ees	6,761	6,631	6,597		6,663	6,672
- Enrolled Members	10,873	10,722	10,726		10,774	10,853
- Member/EE Ratio	1.6	1.6	1.6		1.6	1.6

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³ 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

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

⁷ FY23 projected total program cost based on FY23 Q3 long-term projections presented to SEBC in May 2023

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Active Employees and Non-Medicare Retirees Only							
Legend <ul style="list-style-type: none"> - Medical/Rx Budget ■ Fees and Op. Expenses ■ Rx (incl. Rebates and EGWP) ■ Medical (incl. capitation) 							
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY23 YTD Actual	FY23 Projected ⁷	
Total Program Cost	\$194,614,091	\$207,735,200	\$208,381,495		\$610,730,786	\$857,487,233	
- Paid Claims	185,880,067	199,030,517	199,607,536		584,518,120	821,923,205	
- Medical (includes capitation ¹)	157,919,431	168,524,173	166,915,694		493,359,297	696,131,319	
- Rx (Including Rebates and EGWP)	27,960,637	30,506,345	32,691,842		91,158,823	125,791,886	
- Rx Paid Claims	47,857,938	48,428,524	50,845,150		147,131,613	198,033,117	
- 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	(19,897,302)	(17,922,180)	(18,153,308)		(55,972,790)	(72,241,231)	
- ASO Fees	8,293,879	8,183,081	8,269,919		24,746,878	33,013,610	
- Operational Expenses	440,145	521,603	504,040		1,465,788	2,550,418	
Medical/Rx Premium Contributions⁴	\$185,936,284	\$185,583,492	\$186,908,099		\$558,427,875	\$747,638,917	
- Net Income	(8,677,808)	(22,151,708)	(21,473,396)		(52,302,912)	(109,848,316)	
- Total Cost as % of Budget	107%	112%	111%		109%	115%	
Current Year Per Capita							
- Total per employee per year ⁵	16,920	18,084	17,976		17,664	18,560	
- Total % change over prior	14.5%	11.3%	1.8%		8.8%	-	
- Medical per employee per year	14,376	15,288	15,024		14,940	15,752	
- Medical % change over prior	14.1%	12.8%	1.2%		9.3%	-	
- Rx per employee per year	2,808	2,832	2,916		2,676	2,753	
- Rx % change over prior	28.6%	7.3%	7.5%		6.5%	-	
- Medical per member per year	6,552	6,972	6,864		6,780	7,160	
- Rx per member per year	1,272	1,284	1,320		1,212	1,251	
- Total per member per year ⁵	7,668	8,196	8,160		8,016	8,436	
Prior Year Results	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	FY22	
- Total Program Cost	168,662,988	185,722,965	203,558,342		557,944,294	762,961,933	
- Total Program Cost \$ Change	29,400,929	22,012,235	4,823,153		56,236,318	94,525,300	
- Total per employee per year ⁵	14,772	16,248	17,664		16,228	16,644	
- Medical per employee per year	12,600	13,548	14,844		13,664	14,040	
- Rx per employee per year	2,184	2,640	2,712		2,512	2,556	
EE Contributions⁶	\$44,948,544	\$44,946,341	\$45,034,661		\$134,929,546	\$180,138,645	
- Net SoD	153,115,373	162,788,860	163,346,833		159,750,355	677,348,588	
- SoD Subsidy %	77%	78%	78%		78%	79%	
Headcount							
- Enrolled Ees	46,008	45,957	46,365		46,110	46,200	
- Enrolled Members	101,454	101,353	102,120		101,642	102,442	
- Member/EE Ratio	2.2	2.2	2.2		2.2	2.2	

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 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

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

⁷ FY23 projected total program cost based on FY23 Q3 long-term projections presented to SEBC in May 2023

State of Delaware
Health Plan Quarterly Financial Reporting
FY23 Q3 Plan Cost Analysis

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY23 YTD Actual	FY23 Projected ⁷
Medicare Retirees Only						
Legend						
	<ul style="list-style-type: none"> - Medical/Rx Budget ■ Fees and Op. Expenses ■ Rx (incl. Rebates and EGWP) ■ Medical (incl. capitation) 					
Total Program Cost	\$29,643,197	\$30,843,099	\$42,492,490		\$102,978,787	\$149,693,576
- Paid Claims	27,021,167	28,135,845	39,787,796		94,944,808	139,480,920
- Medical (includes capitation¹)	13,649,015	15,278,801	18,136,717		47,064,533	65,142,380
- Rx (Including Rebates and EGWP)	13,372,153	12,857,044	21,651,079		47,880,275	74,338,540
- Rx Paid Claims	43,371,514	42,992,414	46,977,905		133,341,833	178,758,614
- EGWP ²	(17,105,865)	(17,136,498)	(11,025,342)		(45,267,705)	(53,030,582)
- Direct Subsidy	132,560	356,749	473,580		962,889	1,435,679
- CGDP	(8,317,578)	(8,528,395)	(4,322,674)		(21,168,647)	(25,019,953)
- Catastrophic Reinsurance	(8,920,847)	(8,964,852)	(7,176,248)		(25,061,947)	(29,446,308)
- Rx Rebates ³	(12,893,496)	(12,998,872)	(14,301,484)		(40,193,852)	(51,389,493)
- ASO Fees	2,343,348	2,375,019	2,385,105		7,103,472	9,478,265
- Operational Expenses	278,682	332,235	319,589		930,507	734,391
Medical/Rx Premium Contributions⁴	\$40,209,293	\$40,405,981	\$40,578,074		\$121,193,347	\$162,257,055
- Net Income	10,566,095	9,562,881	(1,914,417)		18,214,560	12,563,479
- Total Cost as % of Budget	82%	76%	105%		85%	92%
Current Year Per Capita						
- Total per employee per year ⁵	4,068	4,212	5,784		4,692	5,105
- Total % change over prior	1.2%	-8.4%	14.2%		2.9%	-
- Medical per employee per year	2,160	2,376	2,748		2,352	2,443
- Medical % change over prior	4.7%	7.0%	-1.3%		-0.2%	-
- Rx per employee per year	2,304	1,608	2,988		2,304	2,637
- Rx % change over prior	0.0%	-33.7%	42.3%		1.2%	-
- Medical per member per year	2,160	2,376	2,748		2,352	2,443
- Rx per member per year	1,872	1,608	2,988		2,304	2,637
- Total per member per year ⁵	4,068	4,212	5,784		4,692	5,105
Prior Year Results	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	FY22	FY22
- Total Program Cost	28,692,318	32,975,190	36,392,778		98,060,286	132,827,306
- Total Program Cost \$ Change	4,111,184	(2,132,091)	6,099,712		8,078,805	16,866,270
- Total per employee per year ⁵	4,020	4,596	5,064		4,560	4,632
- Medical per employee per year	2,064	2,220	2,784		2,356	2,292
- Rx per employee per year	2,304	2,424	2,100		2,276	2,292
EE Contributions⁶	\$1,665,358	\$1,673,476	\$1,680,583		\$5,019,417	\$6,700,000
- Net SoD	32,645,969	29,169,624	40,811,907		34,209,167	142,993,576
- SoD Subsidy %	100%	95%	96%		97%	96%
Headcount						
- Enrolled Ees	29,132	29,274	29,398		29,268	29,324
- Enrolled Members	29,132	29,274	29,398		29,268	29,324
- 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 Medicaid

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 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 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; Medicaid contributions estimated based on DHR reporting as of February 2023

⁷ FY23 projected total program cost based on FY23 Q3 long-term projections presented to SEBC in May 2023

State of Delaware
FY2023 Financial Analysis of Health/Rx Plans - Paid Basis
Year to Date July 1, 2022 - March 31, 2023

Vendor	Highmark						Aetna					Total
Plan	Basic Active	Basic Non Medicare Retirees	PPO Active	PPO Non Medicare Retirees	Medicare Primary Retirees	Total Highmark	Aetna HMO Active	Aetna HMO Non Medicare Retirees	Aetna CDH Active	Aetna CDH Non Medicare Retirees	Total Aetna	Total
Medical												
Paid Claims	\$19,849,015	\$2,989,092	\$294,450,704	\$47,037,808	\$47,064,533	\$411,391,152	\$68,282,915	\$21,271,189	\$25,791,497	\$4,292,514	\$119,638,116	\$531,029,268
Capitation	\$0	\$0	\$0	\$0	\$0	\$0	\$7,957,740	\$1,436,823	\$0	\$0	\$9,394,563	\$9,394,563
Administration	\$1,765,306	\$151,102	\$13,050,303	\$2,114,755	\$4,464,800	\$21,546,266	\$3,529,637	\$903,900	\$1,558,619	\$193,747	\$6,185,903	\$27,732,169
Total Medical Program Cost	\$21,614,322	\$3,140,194	\$307,501,007	\$49,152,563	\$51,529,332	\$432,937,418	\$79,770,292	\$23,611,912	\$27,350,116	\$4,486,261	\$135,218,581	\$568,156,000
Average Number of Employees	3,501	299	25,863	4,190	29,268	63,120	6,994	1,791	3,089	384	12,258	75,378
Program Cost/Employee/Yr.	\$8,233	\$13,998	\$15,853	\$15,642	\$2,347	\$9,145	\$15,207	\$17,583	\$11,805	\$15,582	\$14,708	\$10,044
Change from prior period (pepy)	-5.9%	-4.8%	10.2%	0.9%	3.8%	7.0%	9.6%	33.6%	2.1%	77.8%	12.5%	7.9%
Average Number of Members	6,334	413	60,735	6,577	29,268	103,327	17,052	3,098	6,748	685	27,583	130,910
Program Cost/Member/Yr.	\$4,550	\$10,135	\$6,751	\$9,964	\$2,347	\$5,587	\$6,237	\$10,162	\$5,404	\$8,728	\$6,536	\$5,784
Change from prior period (pmpy)	-5.5%	-2.2%	10.5%	-0.5%	3.8%	7.2%	10.0%	37.2%	1.3%	78.0%	13.2%	8.3%
Express Scripts, Inc.												
Paid Claims	\$5,952,501	\$561,695	\$88,408,454	\$17,937,799	\$133,341,833	\$246,202,281	\$21,188,624	\$5,747,948	\$6,313,256	\$1,021,336	\$34,271,164	\$280,473,445
Administration	\$113,033	\$9,560	\$829,935	\$133,937	\$2,638,673	\$3,725,137	\$224,189	\$57,342	\$99,178	\$12,335	\$393,044	\$4,118,181
Estimated EGWP Savings	\$0	\$0	\$0	\$0	(\$45,267,705)	(\$45,267,705)	\$0	\$0	\$0	\$0	\$0	(\$45,267,705)
Estimated Rebates ¹	(\$2,260,660)	(\$213,222)	(\$33,632,174)	(\$6,836,766)	(\$40,193,852)	(\$83,136,674)	(\$8,051,736)	(\$2,186,696)	(\$2,400,518)	(\$391,018)	(\$13,029,968)	(\$96,166,642)
Total Rx Program Cost	\$3,804,874	\$358,032	\$55,606,216	\$11,234,970	\$50,518,948	\$121,523,039	\$13,361,077	\$3,618,594	\$4,011,916	\$642,653	\$21,634,240	\$143,157,280
Average Number of Employees	3,501	299	25,863	4,190	29,268	63,120	6,994	1,791	3,089	384	12,258	75,378
Program Cost/Employee/Yr.	\$1,452	\$1,596	\$2,868	\$3,576	\$2,304	\$2,568	\$2,544	\$2,700	\$1,728	\$2,232	\$2,352	\$2,532
Change from prior period (pepy)	7.1%	1.5%	9.6%	7.2%	4.3%	6.5%	12.2%	16.6%	7.5%	-8.8%	10.7%	5.9%
Average Number of Members	6,334	413	60,735	6,577	29,268	103,327	17,052	3,098	6,748	685	27,583	130,910
Program Cost/Member/Yr.	\$804	\$1,152	\$1,224	\$2,280	\$2,304	\$1,572	\$1,044	\$1,560	\$792	\$1,248	\$1,044	\$1,464
Change from prior period (pmpy)	8.1%	3.2%	9.7%	5.6%	7.3%	8.3%	13.0%	19.3%	6.5%	-8.8%	11.5%	8.9%
Total Medical and Rx												
Premium	\$33,611,882	\$2,635,684	\$334,382,749	\$45,244,396	\$121,193,347	\$537,068,059	\$85,068,740	\$18,838,028	\$34,668,449	\$3,977,945	\$142,553,163	\$679,621,221
Program Cost (prior to operational)	\$25,419,196	\$3,498,227	\$363,107,223	\$60,387,532	\$102,048,280	\$554,460,458	\$93,131,368	\$27,230,506	\$31,362,033	\$5,128,914	\$156,852,822	\$711,313,279
Operational Expenses	\$111,431	\$9,504	\$822,172	\$133,067	\$930,507	\$2,006,680	\$222,288	\$56,905	\$98,210	\$12,211	\$389,614	\$2,396,294
Total Program Cost	\$25,530,627	\$3,507,730	\$363,929,394	\$60,520,600	\$102,978,787	\$556,467,138	\$93,353,656	\$27,287,412	\$31,460,242	\$5,141,125	\$157,242,435	\$713,709,573
Net Income	\$8,081,256	(\$872,046)	(\$29,546,645)	(\$15,276,203)	\$18,214,560	(\$19,399,079)	(\$8,284,916)	(\$8,449,384)	\$3,208,207	(\$1,163,180)	(\$14,689,273)	(\$34,088,352)
Total Cost as % of Budget	76.0%	133.1%	108.8%	133.8%	85.0%	103.6%	109.7%	144.9%	90.7%	129.2%	110.3%	105.0%
Average Number of Employees	3,501	299	25,863	4,190	29,268	63,120	6,994	1,791	3,089	384	12,258	75,378
Program Cost/Employee/Yr.	\$9,720	\$15,636	\$18,756	\$19,260	\$4,692	\$11,760	\$17,796	\$20,316	\$13,584	\$17,856	\$17,100	\$12,624
Change from prior period (pepy)	-4.1%	-4.2%	10.0%	2.0%	5.4%	7.2%	9.9%	30.9%	2.8%	58.6%	12.2%	7.2%
Average Number of Members	6,334	413	60,735	6,577	29,268	103,327	17,052	3,098	6,748	685	27,583	130,910
Program Cost/Member/Yr.	\$5,376	\$11,316	\$7,992	\$12,264	\$4,692	\$7,176	\$7,296	\$11,748	\$6,216	\$10,008	\$7,596	\$7,272
Change from prior period (pmpy)	-3.7%	-1.7%	10.3%	0.6%	5.4%	7.4%	10.3%	34.5%	2.0%	58.9%	12.8%	8.6%
Prior Period Program Cost												
Per Employee Per Year (FY22)												
Medical	\$8,748	\$14,705	\$14,387	\$15,504	\$2,262	\$8,549	\$13,873	\$13,160	\$11,565	\$8,761	\$13,071	\$9,312
Rx	\$1,356	\$1,572	\$2,616	\$3,336	\$2,208	\$2,412	\$2,268	\$2,316	\$1,608	\$2,448	\$2,124	\$2,392
Total ²	\$10,140	\$16,320	\$17,052	\$18,876	\$4,452	\$10,968	\$16,188	\$15,516	\$13,212	\$11,256	\$15,240	\$11,776
Per Member Per Year (FY22)												
Medical	\$4,816	\$10,368	\$6,112	\$10,014	\$2,262	\$5,213	\$5,669	\$7,407	\$5,336	\$4,902	\$5,773	\$5,340
Rx	\$744	\$1,116	\$1,116	\$2,160	\$2,148	\$1,452	\$924	\$1,308	\$744	\$1,368	\$936	\$1,344
Total ²	\$5,580	\$11,508	\$7,248	\$12,192	\$4,452	\$6,684	\$6,612	\$8,736	\$6,096	\$6,300	\$6,732	\$6,696

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

² Includes Medical, Rx, and Operational Expenses

State of Delaware
FY2023 Financial Analysis of Health/Rx Plans - Paid Basis
Full Projection July 1, 2022 - June 30, 2023

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	\$28,036,941	\$4,222,124	\$415,914,691	\$66,441,394	\$65,142,380	\$579,757,530	\$96,450,330	\$30,045,776	\$36,430,759	\$6,063,221	\$168,990,086	\$748,747,616
Capitation	\$0	\$0	\$0	\$0	\$0	\$0	\$10,610,319	\$1,915,764	\$0	\$0	\$12,526,083	\$12,526,083
Administration	\$1,297,110	\$195,334	\$19,242,013	\$3,073,866	\$6,490,246	\$30,298,569	\$4,462,210	\$1,390,048	\$1,685,445	\$280,511	\$7,818,214	\$38,116,783
Total Medical Program Cost	\$29,334,051	\$4,417,458	\$435,156,704	\$69,515,260	\$71,632,625	\$610,056,098	\$111,522,859	\$33,351,588	\$38,116,204	\$6,343,732	\$189,334,383	\$799,390,481
Average Number of Employees	3,546	303	25,897	4,195	29,324	63,265	6,990	1,789	3,095	385	12,259	75,524
Program Cost/Employee/Yr.	\$8,272	\$14,579	\$16,803	\$16,571	\$2,443	\$9,643	\$15,955	\$18,643	\$12,315	\$16,477	\$15,445	\$10,585
Change from prior period (pepy)	-5.4%	-0.9%	16.8%	6.9%	8.0%	12.8%	15.0%	41.7%	6.5%	88.1%	18.2%	13.5%
Average Number of Members	6,456	421	61,186	6,626	29,324	104,013	17,145	3,115	6,802	691	27,753	131,766
Program Cost/Member/Yr.	\$4,544	\$10,493	\$7,112	\$10,491	\$2,443	\$5,865	\$10,707	\$5,604	\$9,181	\$6,822	\$6,067	\$6,067
Change from prior period (pmpy)	-5.7%	1.2%	16.4%	4.8%	8.0%	12.5%	14.7%	44.6%	5.0%	87.3%	18.2%	13.6%
Express Scripts, Inc.												
Paid Claims	\$8,011,822	\$756,018	\$118,994,153	\$24,143,542	\$178,758,614	\$330,664,149	\$28,519,019	\$7,736,502	\$8,497,384	\$1,374,677	\$46,127,582	\$376,791,731
Administration	\$105,971	\$8,963	\$778,083	\$125,569	\$2,988,020	\$4,006,606	\$210,182	\$53,759	\$92,982	\$11,564	\$368,487	\$4,375,093
Estimated EGWP Savings	\$0	\$0	\$0	\$0	(\$53,030,582)	(\$53,030,582)	\$0	\$0	\$0	\$0	\$0	(\$53,030,582)
Estimated Rebates ¹	(\$2,917,718)	(\$275,195)	(\$43,407,335)	(\$8,823,866)	(\$51,389,493)	(\$106,813,607)	(\$10,391,966)	(\$2,822,257)	(\$3,098,227)	(\$504,667)	(\$16,817,117)	(\$123,630,724)
Total Rx Program Cost	\$5,200,075	\$489,786	\$76,364,901	\$15,445,245	\$77,326,560	\$174,826,567	\$18,337,235	\$4,968,004	\$5,492,139	\$881,574	\$29,678,952	\$204,505,519
Average Number of Employees	3,546	303	25,897	4,195	28,485	62,426	6,990	1,789	3,095	385	12,259	74,685
Program Cost/Employee/Yr.	\$1,466	\$1,616	\$2,949	\$3,682	\$2,715	\$2,801	\$2,623	\$2,777	\$1,775	\$2,290	\$2,421	\$2,738
Change from prior period (pepy)	8.1%	2.8%	12.7%	10.4%	22.9%	16.1%	15.7%	19.9%	10.4%	-6.5%	14.0%	15.8%
Average Number of Members	6,456	421	61,186	6,626	29,324	104,013	17,145	3,115	6,802	691	27,753	131,766
Program Cost/Member/Yr.	\$805	\$1,163	\$1,248	\$2,331	\$2,637	\$1,681	\$1,070	\$1,595	\$807	\$1,276	\$1,069	\$1,552
Change from prior period (pmpy)	8.3%	4.2%	11.8%	7.9%	22.8%	15.8%	15.8%	21.9%	8.5%	-6.7%	14.3%	15.5%
Total Medical and Rx												
Premium	\$45,000,532	\$3,528,728	\$447,681,013	\$60,574,468	\$162,257,055	719,041,796	\$113,892,418	\$25,220,880	\$46,415,093	\$5,325,785	190,854,176	\$909,895,972
Program Cost (prior to operational)	\$34,534,126	\$4,907,244	\$511,521,605	\$84,960,505	\$148,959,185	784,882,665	\$129,860,094	\$38,319,592	\$43,608,343	\$7,225,306	\$219,013,335	\$1,003,896,000
Operational Expenses	\$158,928	\$10,366	\$1,523,967	\$165,042	\$734,391	\$2,592,694	\$427,874	\$77,735	\$169,310	\$17,196	\$692,115	\$3,284,809
Total Program Cost	\$34,693,054	\$4,917,610	\$513,045,572	\$85,125,547	\$149,693,576	\$787,475,359	\$130,287,968	\$38,397,327	\$43,777,653	\$7,242,502	\$219,705,450	\$1,007,180,809
Net Income	\$10,307,478	(\$1,388,882)	(\$65,364,559)	(\$24,551,079)	\$12,563,479	(\$68,433,563)	(\$16,395,550)	(\$13,176,447)	\$2,637,440	(\$1,916,717)	(\$28,851,274)	(\$97,284,837)
Total Cost as % of Budget	77.1%	139.4%	114.6%	140.5%	92.3%	109.5%	114.4%	152.2%	94.3%	136.0%	115.1%	110.7%
Average Number of Employees	3,546	303	25,897	4,195	29,324	63,265	6,990	1,789	3,095	385	12,259	75,524
Program Cost/Employee/Yr.	\$9,784	\$16,230	\$19,811	\$20,292	\$5,105	\$12,447	\$18,639	\$21,463	\$14,145	\$18,812	\$17,922	\$13,336
Change from prior period (pepy)	-3.5%	-0.6%	16.2%	7.5%	14.7%	13.5%	15.1%	38.3%	7.1%	67.1%	17.6%	14.0%
Average Number of Members	6,456	421	61,186	6,626	29,324	104,013	17,145	3,115	6,802	691	27,753	131,766
Program Cost/Member/Yr.	\$5,374	\$11,681	\$8,385	\$12,847	\$5,105	\$7,571	\$7,599	\$12,327	\$6,436	\$10,481	\$7,916	\$7,644
Change from prior period (pmpy)	-3.7%	1.5%	15.7%	5.4%	14.7%	13.3%	14.9%	41.1%	5.6%	66.4%	17.6%	14.2%
Prior Period Program Cost (FY22)												
Per Employee Per Year												
Medical	\$8,748	\$14,705	\$14,387	\$15,504	\$2,262	\$8,549	\$13,873	\$13,160	\$11,565	\$8,761	\$13,071	\$9,324
Rx	\$1,356	\$1,572	\$2,616	\$3,336	\$2,208	\$2,412	\$2,268	\$2,316	\$1,608	\$2,448	\$2,124	\$2,364
Total ²	\$10,140	\$16,320	\$17,052	\$18,876	\$4,452	\$10,968	\$16,188	\$15,516	\$13,212	\$11,256	\$15,240	\$11,700
Per Member Per Year (FY22)												
Medical	\$4,816	\$10,368	\$6,112	\$10,014	\$2,262	\$5,213	\$5,669	\$7,407	\$5,336	\$4,902	\$5,773	\$5,340
Rx	\$744	\$1,116	\$1,116	\$2,160	\$2,148	\$1,452	\$924	\$1,308	\$744	\$1,368	\$936	\$1,344
Total ²	\$5,580	\$11,508	\$7,248	\$12,192	\$4,452	\$6,684	\$6,612	\$8,736	\$6,096	\$6,300	\$6,732	\$6,696

¹ Additional ESI 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

FY23 Q3 Reporting Reconciliation (WTW vs DHR Fund Equity Report)

FY23 YTD Reporting Reconciliation	WTW FY23 Q3 Financial Report	DHR Mar. 2023 Fund Equity Report
Total Program Cost	\$713,709,573	\$876,441,121
Paid Claims	679,462,928	842,194,477
Medical Claims	540,423,830	562,738,705
Rx Claims ¹	139,039,098	279,455,771
Rx Paid Claims	280,473,445	279,455,771
EGWP	(45,267,705)	46,401,641
<i>Direct Subsidy</i>	962,889	(915,946)
<i>CGDP</i>	(21,168,647)	23,661,170
<i>Catastrophic Reinsurance</i>	(25,061,947)	23,656,416
Rx Rebates	(96,166,642)	91,331,627
Total Rx Claim (Offsets)/Revenue ²	(141,434,347)	137,733,268
Total Fees	34,246,645	34,246,645
ASO Fees	31,850,351	31,850,351
Operational Expenses	2,396,294	2,396,294
Premium Contributions/Operating Revenues³	\$679,621,221	\$818,412,781
Net Income	(34,088,352)	(58,028,340)
Total Cost as % of Budget	105%	107%

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 \$1,947,579, and participating group fees totaling \$4,898,668; WTW premium contributions represent FY23 budget rates and headcounts (net of Rx revenues), including participating group fees; DHR premium contributions alone total \$673,833,266

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 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 March 2023; 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 FY22 Financial Reporting.
- 9 FY23 Projected based on updated long-term projections through FY23 Q3; reflects experience through April 2023 and projected FY23 average enrollment based on headcounts through March 2023; 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 FY23 Q1 and Q2, and rates effective January 1, 2023 for FY23 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. Medicfill contributions are estimated based on reporting provided by DHR
- 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.

Terms directly tied to cost tracking

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

State of Delaware

Health Plan Quarterly Financial Reporting

Glossary of Important Health Care Terms

Terms directly tied to cost tracking

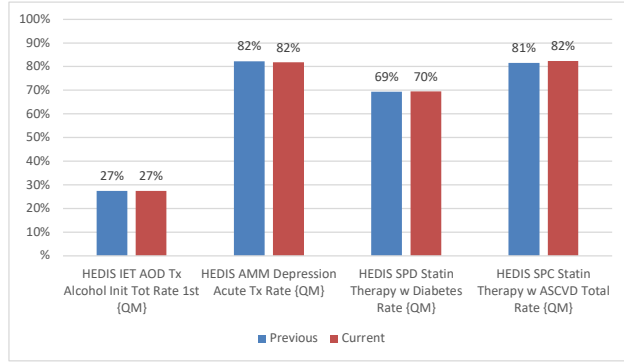
Terminology	Acronym	Definition
Point-of-Service	POS	A type of managed care plan that is a hybrid of HMO and PPO plans. Like an HMO, participants designate an in-network physician to be their primary care provider. But like a PPO, patients may go outside of the provider network for health care services. GHIP only offers this type of plan to Port of Wilmington employees.
Preferred Provider Organization	PPO	A health care organization composed of physicians, hospitals, or other providers which provides health care services at a reduced fee. A PPO is similar to an HMO, but care is paid for as it is received instead of in advance in the form of a scheduled fee. PPOs may also offer more flexibility by allowing for visits to out-of-network professionals at a greater expense to the policy holder. Visits within the network require only the payment of a small fee. There is often a deductible for out-of-network expenses and a higher co-payment.
Transitional Reinsurance Fee	TRF	Fee collected by the transitional reinsurance program to fund reinsurance payments to issuers of non-grandfathered reinsurance-eligible individual market plans, the administrative costs of operating the reinsurance program, and the General Fund of the U.S. Treasury for the 2014, 2015, and 2016 benefit years. This fee is part of the Affordable Care Act legislation, and ends after the 2016 benefit year.
Year to Date	YTD	A period, starting from the beginning of the current year (either the calendar year or fiscal year) and continuing up to the present day. For this financial reporting document, YTD refers to the time period of July 1, 2022 to March 31, 2023.

Medical and Prescription Drug Dashboard - GHIP Population

Previous Period: Apr 2021 - Mar 2022 (Paid)

Current Period: Apr 2022 - Mar 2023 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	5573.0	5700.7	2.3%	5449.2
Visits per 1000 Well Child	816.8	987.3	20.9%	778.3
Visits per 1000 Prevent Adult	419.9	452.1	7.7%	444.3

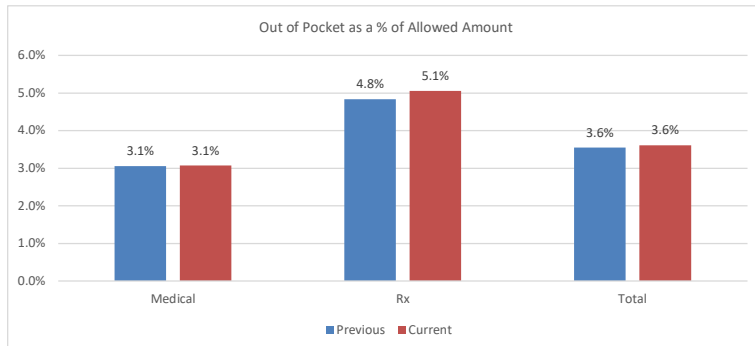
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	74,386.0	75,205.3	1.1%
Average Members	129,479.1	130,273.9	0.6%
Family Size	1.7	1.7	-0.5%
Member Age	43.3	43.4	0.3%
Members % Male	44.7%	44.5%	-0.3%

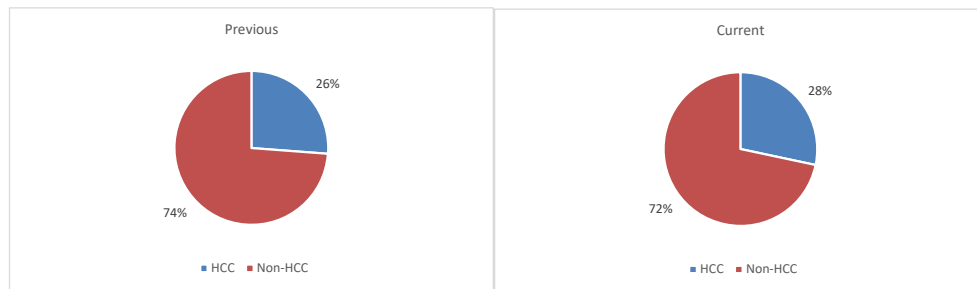
5. Risk Score

	Previous	Current
Member Risk Score	235.7	239.7

7. Cost Sharing



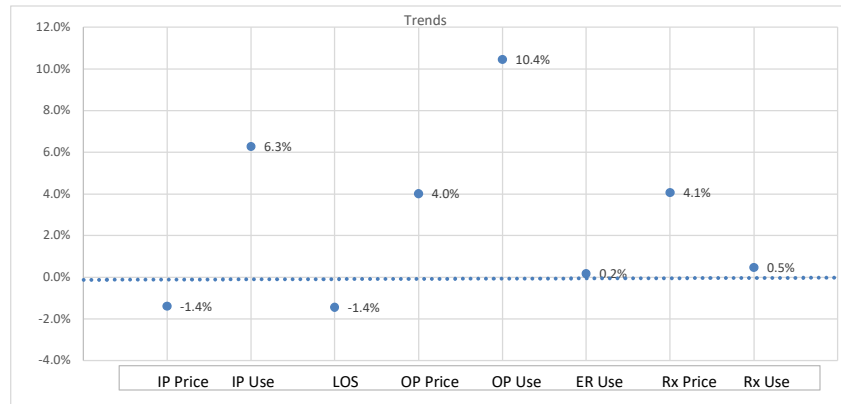
2. High Cost Claimants



	Previous	Current	Trend
Patients	1,260	1,236	-1.9%
Patients per 1,000	9.7	9.5	-2.5%
Payments (in Millions)	\$255 M	\$261 M	2.2%
Payments per Patient	202,276	210,763	4.2%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$27,740	\$27,358	-1.4%	\$32,917
	Admits per 1000	75.0	79.7	6.3%	51.0
	Days LOS	6.1	6.1	-1.4%	5.0
Outpatient	Allowed per Service	\$138	\$143	4.0%	\$135
	ER Visits per 1000	309.7	342.1	10.4%	216.3
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	0.2%	n/a
	Days Supply PMPY	714	717	0.3%	n/a
Specialty Rx	Allowed per Days Supply	\$130	\$128	-1.3%	n/a
	Days Supply PMPY	9	10	11.6%	n/a
All RX	Allowed per Days Supply	\$4	\$4	4.1%	\$4
	Days Supply PMPY	724	727	0.5%	365

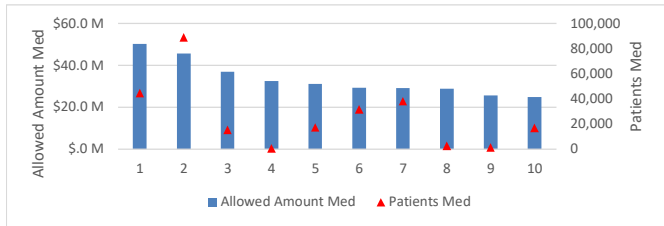


Medical and Prescription Drug Dashboard - GHIP Population

Previous Period: Apr 2021 - Mar 2022 (Paid)

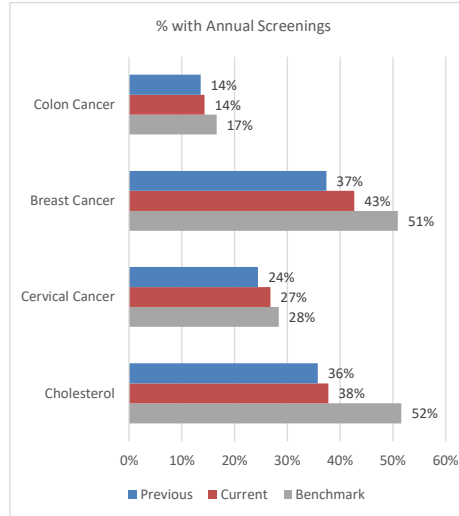
Current Period: Apr 2022 - Mar 2023 (Paid)

8. Top Medical Conditions (by cost)

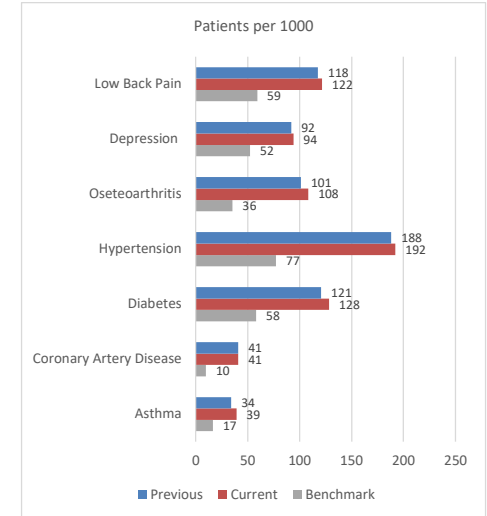


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Signs/Symptoms/Oth Cond, NE	\$50,187,922	44,663	\$1,124
2 Prevent/Admin Hlth Encounters	\$45,679,019	88,797	\$514
3 Osteoarthritis	\$36,951,066	15,333	\$2,410
4 Chemotherapy Encounters	\$32,563,313	668	\$48,747
5 Spinal/Back Disord, Low Back	\$31,097,081	17,220	\$1,806
6 Arthropathies/Joint Disord NEC	\$29,258,364	31,630	\$925
7 Infections, NEC	\$29,178,419	38,083	\$766
8 Pregnancy without Delivery	\$28,949,758	2,784	\$10,399
9 Newborns, w/wo Complication	\$25,755,868	1,496	\$17,216
10 Respiratory Disord, NEC	\$24,883,624	16,943	\$1,469

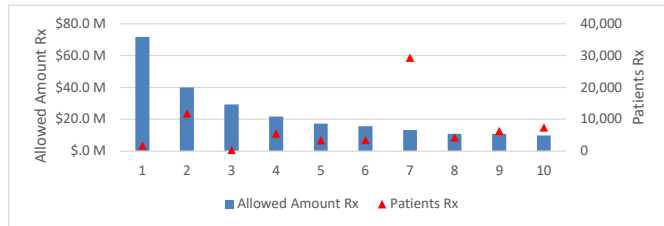
9. Screening Rates



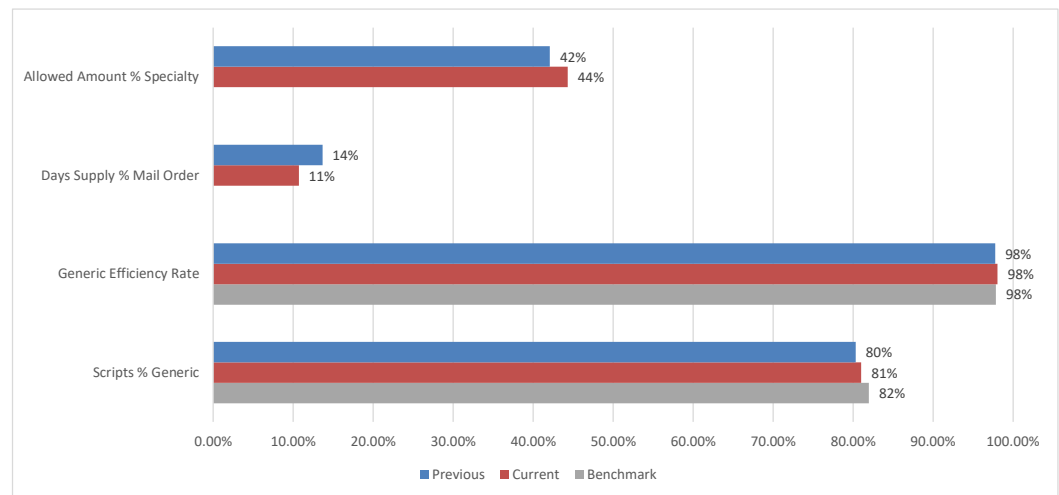
10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$71,662,434	1,752	\$40,903
2 Antidiabetic Agents, Misc	\$39,913,250	11,870	\$3,363
3 Molecular Targeted Therapy	\$29,329,109	389	\$75,396
4 Coag/Anticoag, Anticoagulants	\$21,615,833	5,602	\$3,859
5 Antidiabetic Agents, Insulins	\$17,239,560	3,415	\$5,048
6 Antidiabetic Ag, SGLT Inhibitr	\$15,657,139	3,471	\$4,511
7 Adrenals & Comb, NEC	\$13,128,380	29,272	\$448
8 Biological Response Modifiers	\$10,895,989	4,309	\$2,529
9 Misc Therapeutic Agents, NEC	\$10,732,401	6,324	\$1,697
10 Stimulant, Amphetamine Type	\$9,848,023	7,401	\$1,331

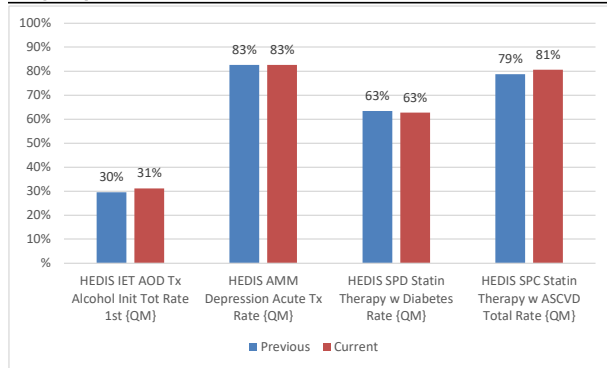


Medical and Prescription Drug Dashboard - Active Employees

Previous Period: Apr 2021 - Mar 2022 (Paid)

Current Period: Apr 2022 - Mar 2023 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	5577.5	5705.5	2.3%	5449.2
Visits per 1000 Well Child	815.7	988.6	21.2%	778.3
Visits per 1000 Prevent Adult	482.1	518.2	7.5%	444.3

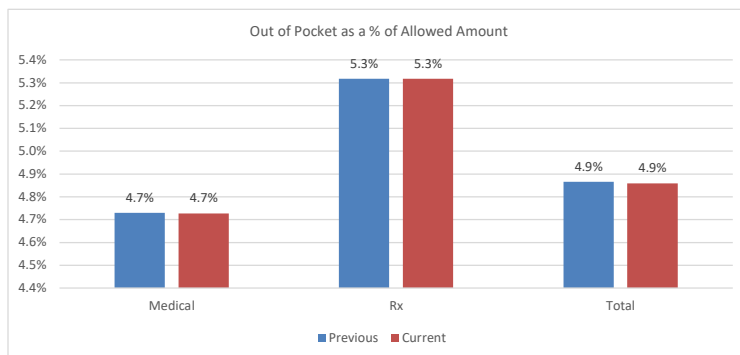
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	39,036.8	39,257.2	0.6%
Average Members	89,938.9	90,070.3	0.1%
Family Size	2.3	2.3	-0.4%
Member Age	32.7	32.7	-0.1%
Members % Male	46.2%	46.0%	-0.3%

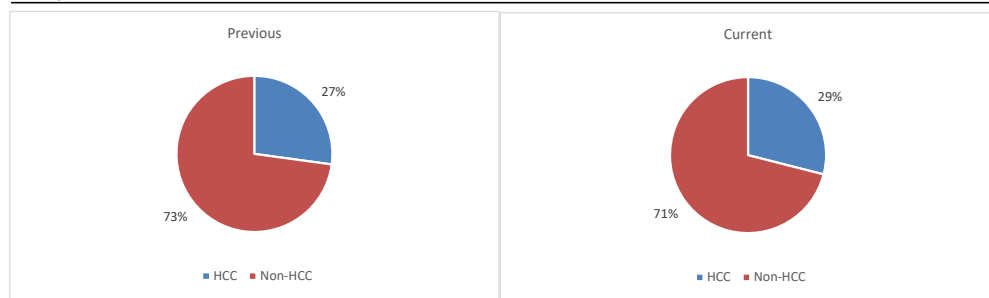
5. Risk Score

	Previous	Current
Member Risk Score	137.5	140.7

7. Cost Sharing



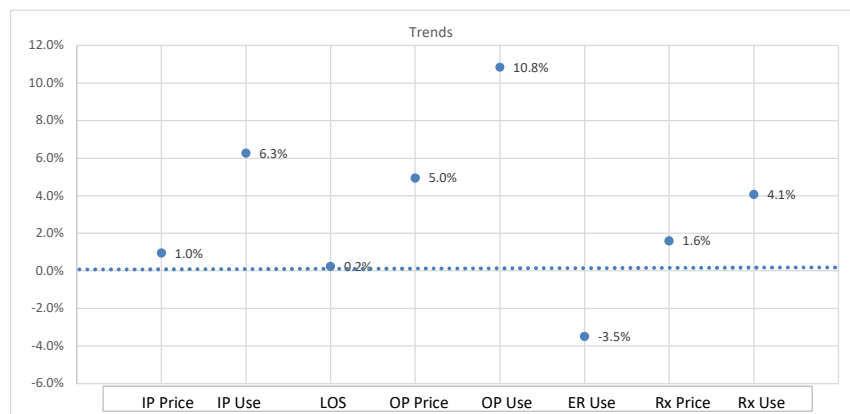
2. High Cost Claimants



	Previous	Current	Trend
Patients	902	1,025	13.6%
Patients per 1,000	10.0	11.4	13.5%
Payments (in Millions)	\$178 M	\$207 M	16.5%
Payments per Patient	196,853	201,820	2.5%

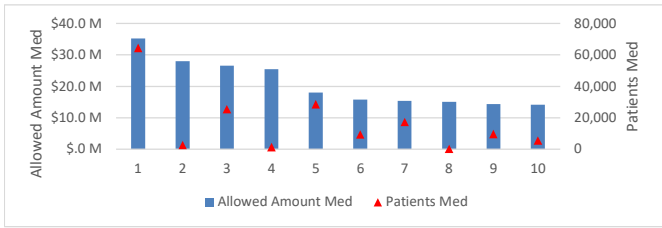
6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$32,264	\$32,575	1.0%	\$27,440
	Admits per 1000	52.6	55.9	6.3%	50.3
	Days LOS	5.3	5.3	0.2%	4.8
Outpatient	Allowed per Service	\$143	\$150	5.0%	\$135
	ER Visits per 1000	251.3	278.6	10.8%	214.4
	Non-Specialty Rx Allowed per Days Supply	\$2	\$2	-3.5%	n/a
Specialty Rx	Days Supply PMPY	402	417	3.9%	n/a
	Allowed per Days Supply	\$124	\$121	-2.5%	n/a
All RX	Days Supply PMPY	6	7	15.3%	n/a
	Allowed per Days Supply	\$4	\$4	1.6%	\$4
	Days Supply PMPY	408	425	4.1%	365



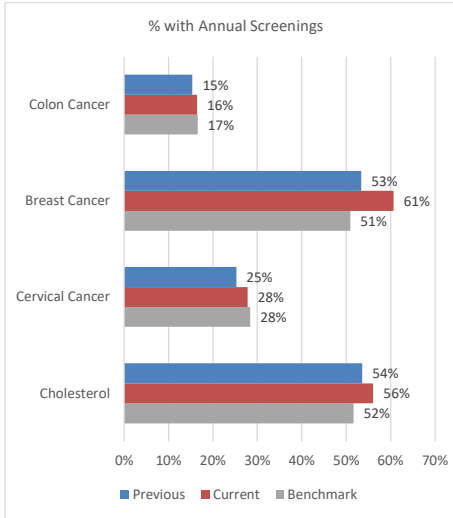
Medical and Prescription Drug Dashboard - Active Employees
Previous Period: Apr 2021 - Mar 2022 (Paid)
Current Period: Apr 2022 - Mar 2023 (Paid)

8. Top Medical Conditions (by cost)

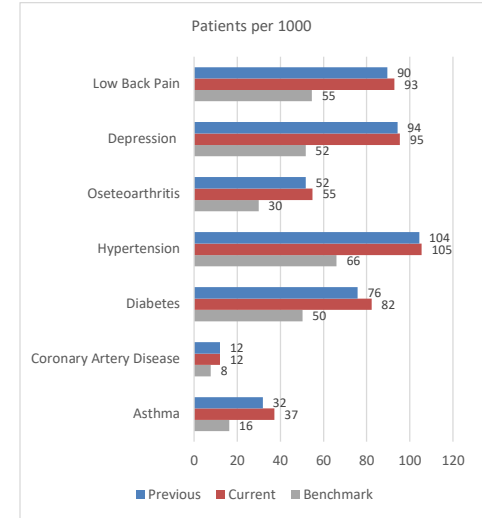


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Prevent/Admin Hlth Encounters	\$35,201,011	64,403	\$547
2 Pregnancy without Delivery	\$27,999,628	2,703	\$10,359
3 Signs/Symptoms/Oth Cond, NE	\$26,604,624	25,441	\$1,046
4 Newborns, w/wo Complication	\$25,490,567	1,463	\$17,423
5 Infections, NEC	\$18,068,259	28,515	\$634
6 Spinal/Back Disord, Low Back	\$15,788,754	9,371	\$1,685
7 Arthropathies/Joint Disord NEC	\$15,337,741	17,335	\$885
8 Chemotherapy Encounters	\$15,059,805	206	\$73,106
9 Gastroint Disord, NEC	\$14,431,189	9,724	\$1,484
10 Osteoarthritis	\$14,118,699	5,534	\$2,551

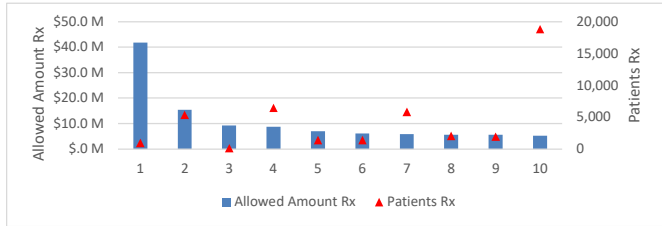
9. Screening Rates



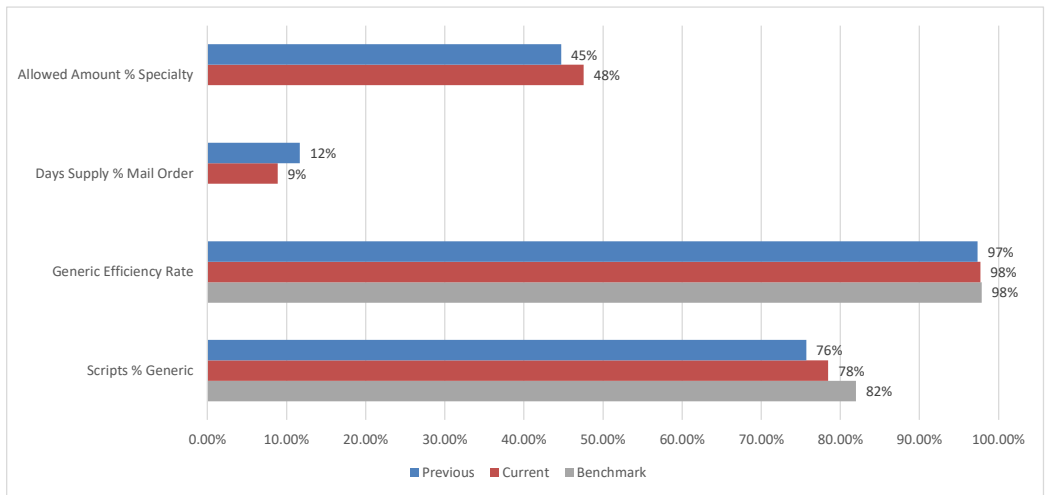
10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$41,877,225	1,003	\$41,752
2 Antidiabetic Agents, Misc	\$15,474,470	5,389	\$2,871
3 Molecular Targeted Therapy	\$9,258,315	163	\$56,799
4 Stimulant, Amphetamine Type	\$8,766,334	6,494	\$1,350
5 Antidiabetic Agents, Insulins	\$7,023,187	1,432	\$4,904
6 Antidiabetic Ag, SGLT Inhibitr	\$6,069,537	1,429	\$4,247
7 Antivirals, NEC	\$5,890,491	5,845	\$1,008
8 CNS Agents, Misc.	\$5,657,467	2,091	\$2,706
9 Misc Therapeutic Agents, NEC	\$5,641,367	1,978	\$2,852
10 Adrenals & Comb, NEC	\$5,312,705	18,839	\$282

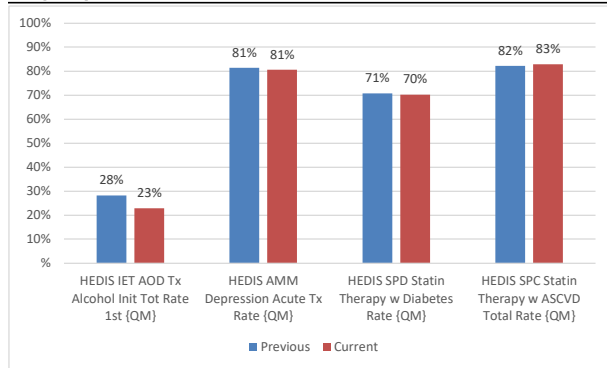


Medical and Prescription Drug Dashboard - Early Retirees

Previous Period: Apr 2021 - Mar 2022 (Paid)

Current Period: Apr 2022 - Mar 2023 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Well Baby	4254.5	4528.3	6.4%	5449.2
Visits per 1000 Well Child	733.3	924.8	26.1%	778.3
Visits per 1000 Prevent Adult	505.4	549.4	8.7%	444.3

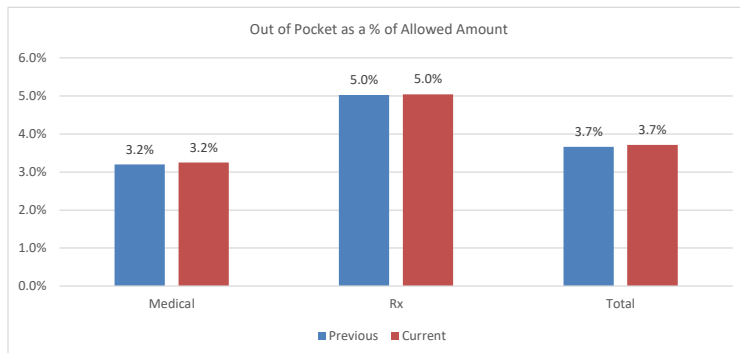
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	6,070.4	6,074.6	0.1%
Average Members	9,711.0	9,767.9	0.6%
Family Size	1.6	1.6	0.5%
Member Age	50.1	49.9	-0.3%
Members % Male	41.8%	42.3%	1.1%

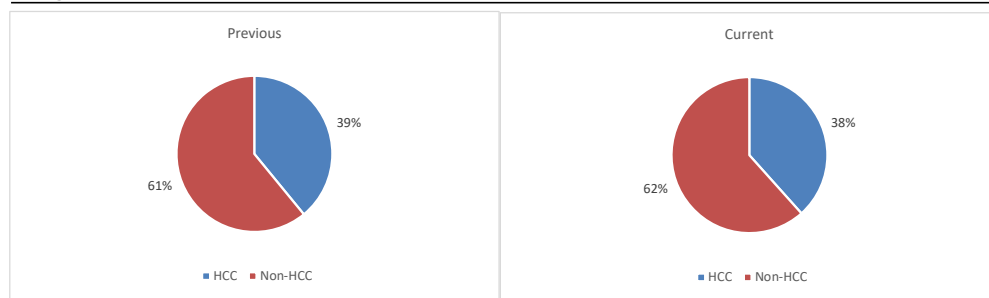
5. Risk Score

	Previous	Current
Member Risk Score	246.7	239.6

7. Cost Sharing



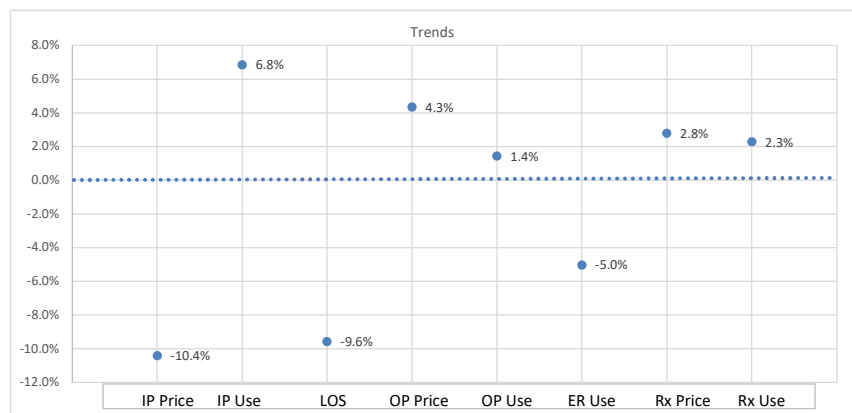
2. High Cost Claimants



	Previous	Current	Trend
Patients	258	268	3.9%
Patients per 1,000	26.6	27.4	3.3%
Payments (in Millions)	\$46 M	\$48 M	3.0%
Payments per Patient	178,840	177,305	-0.9%

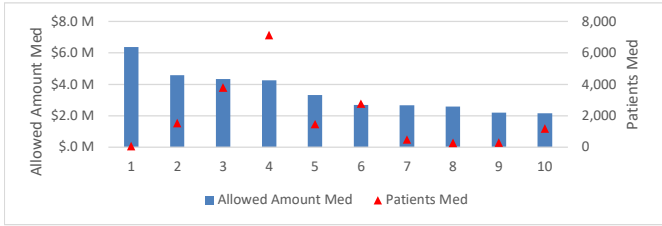
6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$47,245	\$42,331	-10.4%	\$38,023
	Admits per 1000	57.9	61.8	6.8%	55.9
	Days LOS	7.3	6.6	-9.6%	5.6
Outpatient	Allowed per Service	\$163	\$170	4.3%	\$135
	ER Visits per 1000	309.3	313.8	1.4%	229.4
	Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	-5.0%
Days Supply PMPY		808	823	2.0%	n/a
Specialty Rx	Allowed per Days Supply	\$138	\$125	-9.5%	n/a
	Days Supply PMPY	10	13	28.6%	n/a
All RX	Allowed per Days Supply	\$4	\$4	2.8%	\$4
	Days Supply PMPY	818	837	2.3%	365



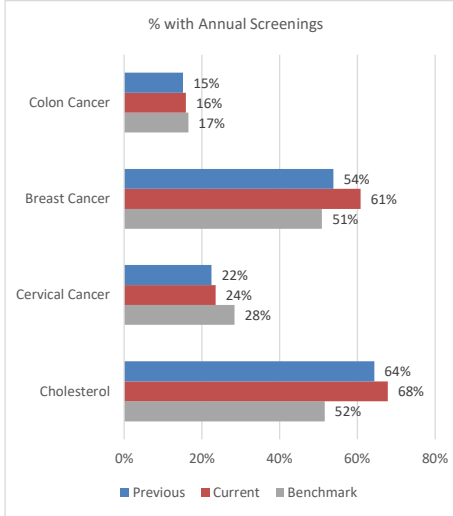
Medical and Prescription Drug Dashboard - Early Retirees
Previous Period: Apr 2021 - Mar 2022 (Paid)
Current Period: Apr 2022 - Mar 2023 (Paid)

8. Top Medical Conditions (by cost)

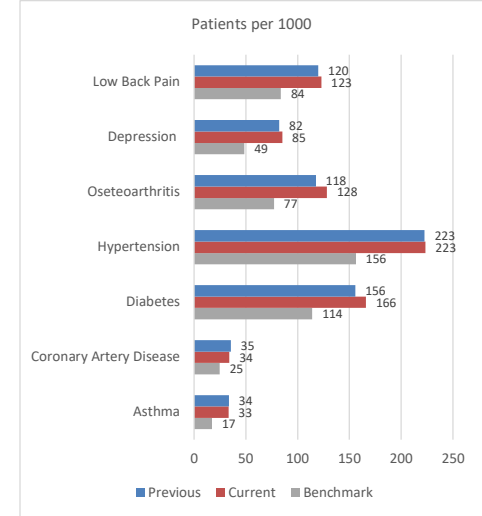


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1	\$6,358,901	75	\$84,785
2	\$4,579,184	1,537	\$2,979
3	\$4,322,227	3,792	\$1,140
4	\$4,264,160	7,135	\$598
5	\$3,315,512	1,472	\$2,252
6	\$2,690,490	2,767	\$972
7	\$2,657,163	491	\$5,412
8	\$2,598,427	283	\$9,182
9	\$2,200,847	293	\$7,511
10	\$2,164,256	1,189	\$1,820

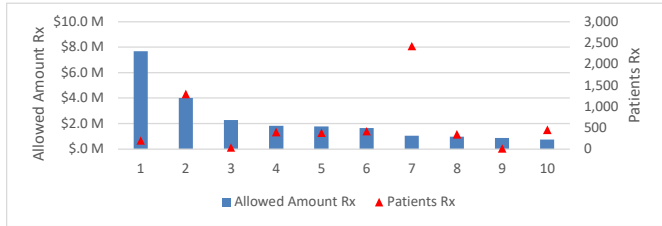
9. Screening Rates



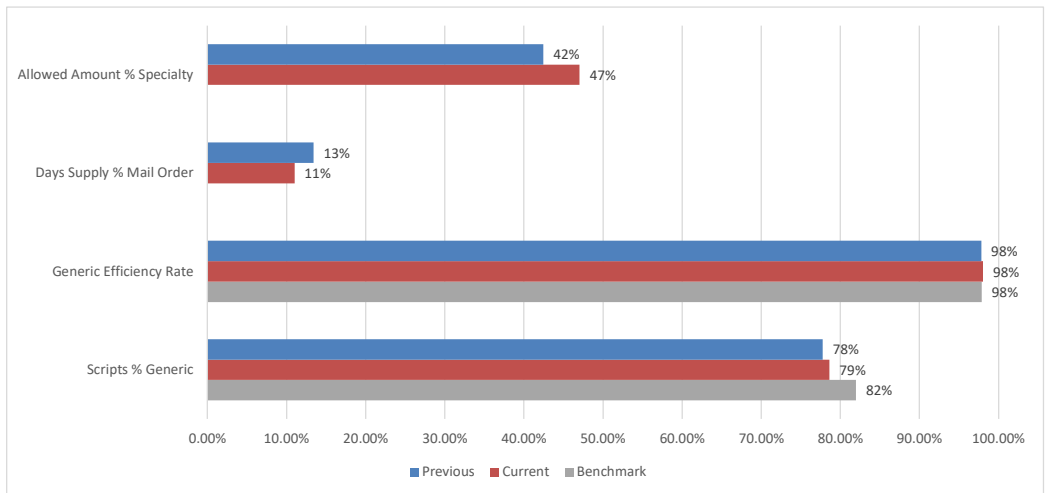
10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1	\$7,681,315	206	\$37,288
2	\$4,018,072	1,300	\$3,091
3	\$2,274,466	41	\$55,475
4	\$1,829,715	405	\$4,518
5	\$1,784,539	385	\$4,635
6	\$1,667,470	425	\$3,923
7	\$1,063,773	2,425	\$439
8	\$991,553	350	\$2,833
9	\$871,686	17	\$51,276
10	\$758,744	456	\$1,664

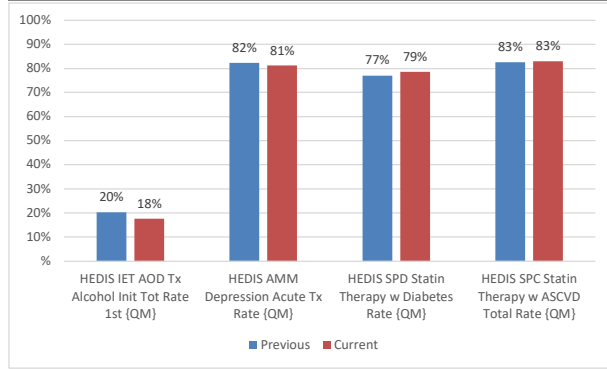


Medical and Prescription Drug Dashboard - Medicare Retirees

Previous Period: Apr 2021 - Mar 2022 (Paid)

Current Period: Apr 2022 - Mar 2023 (Paid)

1. Quality Metrics



3. Well Care and Preventive Visits

	Previous	Current	Trend	Benchmark
Visits per 1000 Prevent Adult	257.9	279.9	8.6%	444.3

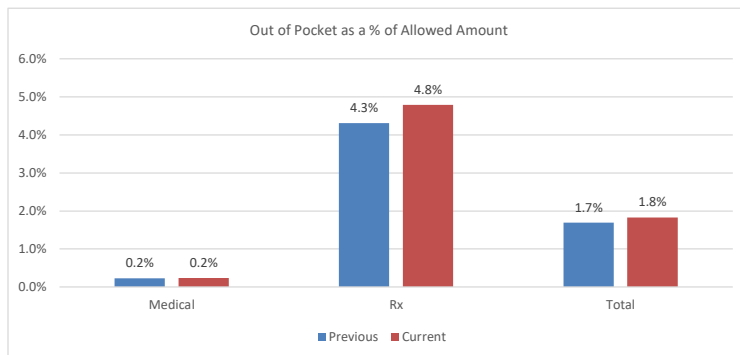
4. Medical Eligibility

	Previous	Current	Trend
Average Employees	26,707.8	27,282.3	2.2%
Average Members	26,997.3	27,579.4	2.2%
Family Size	1.0	1.0	0.0%
Member Age	73.2	73.4	0.2%
Members % Male	41.3%	41.0%	-0.9%

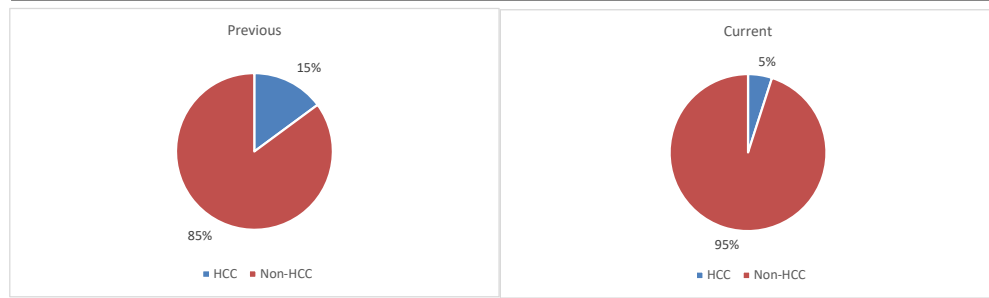
5. Risk Score

	Previous	Current
Member Risk Score	537.6	538.5

7. Cost Sharing



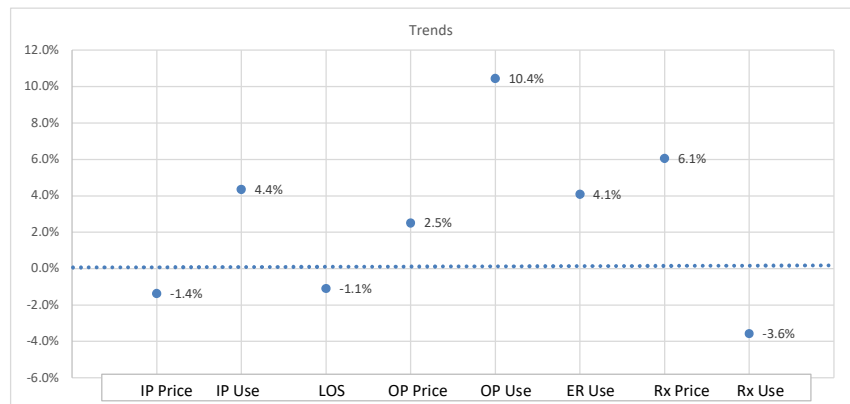
2. High Cost Claimants



	Previous	Current	Trend
Patients	200	45	-77.5%
Patients per 1,000	7.4	1.6	-78.0%
Payments (in Millions)	\$27 M	\$3 M	-86.9%
Payments per Patient	132,697	77,524	-41.6%

6. Price and Use

		Previous	Current	Trend	Benchmark
Inpatient	Allowed per Admit	\$20,345	\$20,066	-1.4%	\$38,418
	Admits per 1000	145.7	152.0	4.4%	51.7
	Days LOS	6.9	6.8	-1.1%	5.1
Outpatient	Allowed per Service	\$123	\$126	2.5%	\$135
	ER Visits per 1000	473.4	522.8	10.4%	217.4
Non-Specialty Rx	Allowed per Days Supply	\$2	\$2	4.1%	n/a
	Days Supply PMPY	1,667	1,607	-3.6%	n/a
Specialty Rx	Allowed per Days Supply	\$135	\$138	1.8%	n/a
	Days Supply PMPY	19	19	3.4%	n/a
All RX	Allowed per Days Supply	\$4	\$4	6.1%	\$4
	Days Supply PMPY	1,686	1,626	-3.6%	365

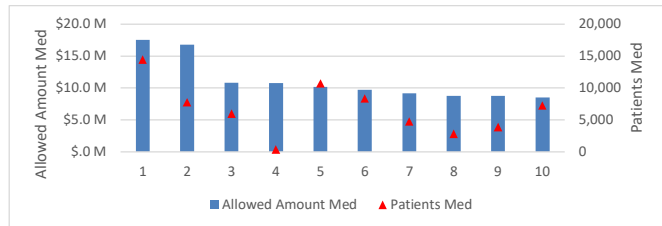


Medical and Prescription Drug Dashboard - Medicare Retirees

Previous Period: Apr 2021 - Mar 2022 (Paid)

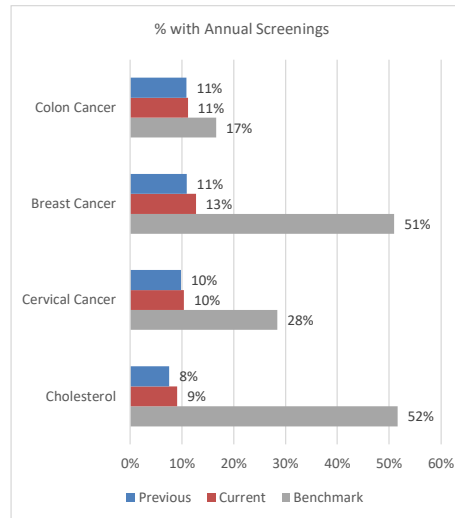
Current Period: Apr 2022 - Mar 2023 (Paid)

8. Top Medical Conditions (by cost)

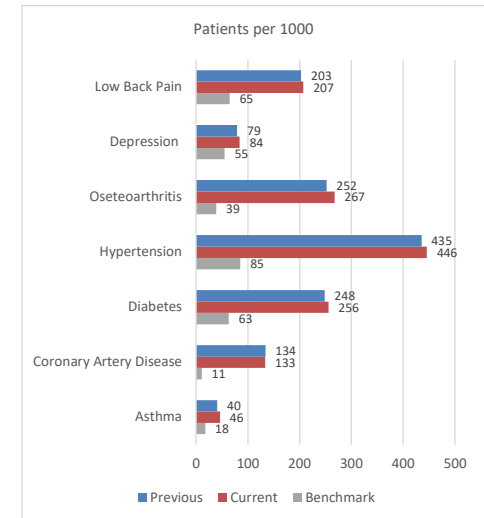


Condition	Allowed Amount Med	Patients Med	Med Allowed per Patient
1 Signs/Symptoms/Oth Cond, NE	\$17,538,423	14,456	\$1,213
2 Osteoarthritis	\$16,803,598	7,756	\$2,167
3 Spinal/Back Disord, Low Back	\$10,835,619	6,012	\$1,802
4 Chemotherapy Encounters	\$10,768,109	366	\$29,421
5 Arthropathies/Joint Disord NEC	\$10,152,175	10,740	\$945
6 Eye Disorders, Degenerative	\$9,737,748	8,353	\$1,166
7 Cardiac Arrhythmias	\$9,186,752	4,764	\$1,928
8 Renal Function Failure	\$8,735,623	2,844	\$3,072
9 Coronary Artery Disease	\$8,732,060	3,869	\$2,257
10 Respiratory Disord, NEC	\$8,490,442	7,275	\$1,167

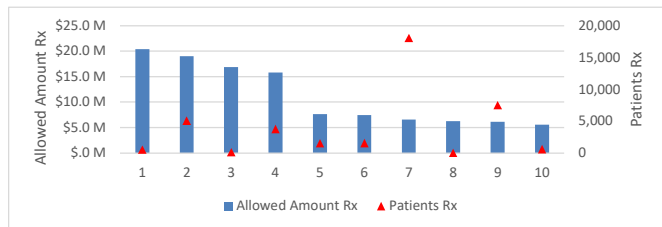
9. Screening Rates



10. Chronic Condition Prevalence



11. Prescription Drug Metrics



Therapeutic Class	Allowed Amount Rx	Patients Rx	Rx Allowed per Patient
1 Immunosuppressants, NEC	\$20,396,872	543	\$37,563
2 Antidiabetic Agents, Misc	\$18,974,943	5,106	\$3,716
3 Molecular Targeted Therapy	\$16,867,357	180	\$93,708
4 Coag/Anticoag, Anticoagulants	\$15,789,695	3,797	\$4,158
5 Antidiabetic Agents, Insulins	\$7,643,113	1,549	\$4,934
6 Antidiabetic Ag, SGLT Inhibitr	\$7,457,666	1,605	\$4,647
7 Antihyperlipidemic Drugs, NEC	\$6,614,462	18,064	\$366
8 Antineoplastic Agent, Misc.	\$6,247,799	41	\$152,385
9 Adrenals & Comb, NEC	\$6,173,473	7,543	\$818
10 Hormone-Modifying Therapy	\$5,577,732	633	\$8,812

