Summary of follow-ups from review of the Key Trends report

Original questions stemmed from the August 2023 Key Trends report (paid data through June 2023)

- At the August Financial Subcommittee meeting during the review of the Key Trends report, Subcommittee members requested greater explanation around what's driving outpatient medical costs

- The following summary was discussed at the September Financial Subcommittee meeting, and has been supplemented to reflect updates with the most recent Key Trends report data (paid claims through September 2023):

  - Outpatient medical allowed costs PMPY* increased 13.3% (to $5,114 PMPY) from FY22 to FY23 (paid data through June 2023)

    – Latest Key Trends report (paid data through September 2023) reflects a slight reduction in this double-digit trend (11.2%, to $5,157 PMPY)

  - Top five categories of outpatient medical costs represent about 70% of the totals noted above, which was true for paid claims in FY23 as well as the last 12 months of paid claims through September 2023:

    – Outpatient medical procedures (27% of total outpatient medical costs), with notable increases in anesthesia costs (65% to ~$46 PEPY from FY22 to FY23)

    – Emergency room (12% of total outpatient medical costs), see further details below

    – Professional office visits (12% of total outpatient medical costs), particularly for dermatology, orthopedic surgery, and cardiology

    – Specialty drugs dispensed through the medical plan (12% of total outpatient medical costs), especially for treatment of cancer and multiple sclerosis

    – Radiology (8% of total outpatient medical costs)

  - Emergency room

    – Top reasons to visit the ER were related to pain in the throat or chest and abdominal and pelvic pain

    – ER utilization was further analyzed by member age; utilization had increased across the board for most age groups but was most notable for members under age 10 (17% increase from FY22 to FY23) and for member over age 60 (15% increase over same period)

*PMPY = Per Member Per Year

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