

State of Delaware GHIP

August 2023 Fund Report

October, 2023



Disclaimer

Willis Towers Watson has prepared this information solely in our capacity as consultants under the terms of our engagement with you with knowledge and experience in the industry and not as legal advice. This information is exclusively for the State of Delaware's State Employee Benefits Committee to use in the management, oversight and administration of your state employee group health program. It may not be suitable for use in any other context or for any other purpose and we accept no responsibility for any such use.

Willis Towers Watson is not a law firm and therefore cannot provide legal or tax advice. This document was prepared for information purposes only and it should not be considered a substitute for specific professional advice. As such, we recommend that you discuss this document with your legal counsel and other relevant professional advisers before adopting or implementing its contents. This document is based on information available to Willis Towers Watson as of the date of delivery and does not account for subsequent developments after that date.

Willis Towers Watson shares available medical and pharmacy research and the views of our health management practitioners in our capacity as a benefits consultant. We do not practice medicine or provide medical, drug, or legal advice, and encourage our clients to consult with both their legal counsel and qualified health advisors as they consider implementing various health improvement and wellness initiatives.

This material was not prepared for use by any other party and may not address their needs, concerns or objectives. This document may not be reproduced, disclosed or distributed to any other party, whether in whole or in part, other than as agreed with you in writing, except as may be required by law.

We do not assume any responsibility or accept any duty of care or liability to any other party who may obtain a copy of this material and any reliance placed by such party on it is entirely at their own risk.

Executive Summary

	August Budget	August Actual	Better / (Worse)	Comment
Premium Contributions	\$ 82,220,000	\$ 81,230,000	\$ (990,000)	1.2% Variance to Budget
Other Revenues	\$ 36,360,000	\$ 34,860,000	\$ (1,500,000)	Commercial Rebates lower than Budget due to lower Q4 FY23 claims than expected
Claims	\$ (102,550,000)	\$ (108,170,000)	\$ (5,620,000)	HCCs plus SurgeryPlus claims continue larger than projected
Expenses	\$ (3,850,000)	\$ (3,750,000)	\$ 100,000	Total expenses better than Budget for the month
Total	\$ 12,180,000	\$ 4,170,000	\$ (8,010,000)	YTD deficit increased by \$5.3 million. Increases FY25 rate action by 0.6%

Fund Equity Balance now projected to be negative by end of year.

Premium Contributions

	BUDGET			ACTUAL			BETTER / (WORSE) - 2%		
	Highmark	Aetna	Total	Highmark	Aetna	Total	Highmark	Aetna	Total
July	\$ 62,475,578	\$ 16,214,018	\$ 78,689,596	\$ 62,163,018	\$ 16,140,136	\$ 78,303,154	\$ (312,560)	\$ (73,882)	\$ (386,442)
August	\$ 65,266,165	\$ 16,955,820	\$ 82,221,985	\$ 64,575,034	\$ 16,651,582	\$ 81,226,617	\$ (691,131)	\$ (304,238)	\$ (995,369)
September	\$ 65,266,165	\$ 16,955,820	\$ 82,221,985			\$ -	\$ -	\$ -	\$ -
October	\$ 65,428,722	\$ 16,998,051	\$ 82,426,774			\$ -	\$ -	\$ -	\$ -
November	\$ 65,428,722	\$ 16,998,051	\$ 82,426,774			\$ -	\$ -	\$ -	\$ -
December	\$ 65,428,722	\$ 16,998,051	\$ 82,426,774			\$ -	\$ -	\$ -	\$ -
January	\$ 65,591,684	\$ 17,040,388	\$ 82,632,073			\$ -	\$ -	\$ -	\$ -
February	\$ 65,591,684	\$ 17,040,388	\$ 82,632,073			\$ -	\$ -	\$ -	\$ -
March	\$ 65,591,684	\$ 17,040,388	\$ 82,632,073			\$ -	\$ -	\$ -	\$ -
April	\$ 65,755,052	\$ 17,082,830	\$ 82,837,883			\$ -	\$ -	\$ -	\$ -
May	\$ 65,755,052	\$ 17,082,830	\$ 82,837,883			\$ -	\$ -	\$ -	\$ -
June	\$ 65,755,052	\$ 17,082,830	\$ 82,837,883			\$ -	\$ -	\$ -	\$ -
Total	\$ 783,334,287	\$ 203,489,467	\$ 986,823,754	\$ 126,738,052	\$ 32,791,718	\$ 159,529,771	\$ (1,003,691)	\$ (378,120)	\$ (1,381,811)

1.2% YTD variance to Budget in August.

Other Revenues

	BUDGET									ACTUAL								
	EGWP Direct Subsidy	Federal Reinsurance	Commercial Rebates	EGWP Rebates	EGWP Year-end Reconciliation	Coverage Gap Discount	Participating Group Fees	Other Revenues	Total	EGWP Direct Subsidy	Federal Reinsurance	Commercial Rebates	EGWP Rebates	EGWP Year-end Reconciliation	Coverage Gap Discount	Participating Group Fees	Other Revenues	Total
July	\$ 4,835	\$ 1,933,426	\$ -	\$ -	\$ -	\$ -	\$ 607,349	\$ -	\$ 2,545,610	\$ 4,996	\$ 1,938,026	\$ -	\$ -	\$ -	\$ -	\$ 557,634	\$ 39,005	\$ 2,539,662
August	\$ (95,393)	\$ 1,933,426	\$ 18,905,075	\$ 15,013,124	\$ -	\$ -	\$ 607,349	\$ -	\$ 36,363,582	\$ (146,427)	\$ 1,947,349	\$ 17,466,141	\$ 14,971,865	\$ -	\$ -	\$ 608,217	\$ 15,624	\$ 34,862,770
September	\$ (95,393)	\$ 1,933,426	\$ -	\$ -	\$ -	\$ -	\$ 607,349	\$ -	\$ 2,445,382									\$ -
October	\$ (143,446)	\$ 1,938,241	\$ -	\$ -	\$ -	\$ 7,548,906	\$ 608,862	\$ -	\$ 9,952,563									\$ -
November	\$ (143,446)	\$ 1,938,241	\$ 19,946,440	\$ 14,806,609	\$ -	\$ -	\$ 608,862	\$ -	\$ 37,156,706									\$ -
December	\$ (143,446)	\$ 1,938,241	\$ -	\$ -	\$ -	\$ 9,213,030	\$ 608,862	\$ -	\$ 11,616,687									\$ -
January	\$ 258,846	\$ 2,234,529	\$ -	\$ -	\$ 13,466,470	\$ -	\$ 610,379	\$ -	\$ 16,570,223									\$ -
February	\$ 258,846	\$ 2,234,529	\$ 20,234,251	\$ 14,931,948	\$ -	\$ -	\$ 610,379	\$ -	\$ 38,269,952									\$ -
March	\$ 258,846	\$ 2,234,529	\$ -	\$ -	\$ -	\$ 9,446,543	\$ 610,379	\$ -	\$ 12,550,297									\$ -
April	\$ 259,490	\$ 2,240,095	\$ -	\$ -	\$ -	\$ -	\$ 611,899	\$ -	\$ 3,111,484									\$ -
May	\$ 259,490	\$ 2,240,095	\$ 20,697,953	\$ 15,396,565	\$ -	\$ -	\$ 611,899	\$ -	\$ 39,206,002									\$ -
June	\$ 259,490	\$ 2,240,095	\$ -	\$ -	\$ -	\$ 4,557,489	\$ 611,899	\$ -	\$ 7,668,973									\$ -
Total	\$ 938,720	\$ 25,038,872	\$ 79,783,719	\$ 60,148,247	\$ 13,466,470	\$ 30,765,967	\$ 7,315,468	\$ -	\$ 217,457,462	\$ (141,430)	\$ 3,885,376	\$ 17,466,141	\$ 14,971,865	\$ -	\$ -	\$ 1,165,851	\$ 54,629	\$ 37,402,432

- Commercial rebates \$1.4 lower than Budget
- Due to Q4 FY23 claims lower than expected - \$50.8M versus \$53.3M

	BETTER / (WORSE) - 5%								
	EGWP Direct Subsidy	Federal Reinsurance	Commercial Rebates	EGWP Rebates	EGWP Year-end Reconciliation	Coverage Gap Discount	Participating Group Fees	Other Revenues	Total
July	\$ 161	\$ 4,600	\$ -	\$ -	\$ -	\$ -	\$ (49,715)	\$ 39,005	\$ (5,949)
August	\$ (51,034)	\$ 13,924	\$ (1,438,935)	\$ (41,259)	\$ -	\$ -	\$ 867	\$ 15,624	\$ (1,500,812)
September	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
October	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
November	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
December	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
January	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
February	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
March	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
April	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
May	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
June	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (50,872)	\$ 18,524	\$ (1,438,935)	\$ (41,259)	\$ -	\$ -	\$ (48,848)	\$ 54,629	\$ (1,506,761)

Claims

	FY24 BUDGET						FY24 ACTUAL					
	Highmark	Aetna	CVS Commercial	CVS Part D	Surgery Plus	Total	Highmark	Aetna	CVS Commercial	CVS Part D	Surgery Plus	Total
July	\$ 45,578,936	\$ 13,597,954	\$ 16,171,545	\$ 15,320,283	\$ 389,268	\$ 91,057,985	\$ 43,665,576	\$ 12,360,046	\$ 16,047,371	\$ 14,901,785	\$ 1,170,789	\$ 88,145,566
August	\$ 56,973,670	\$ 13,597,954	\$ 16,171,545	\$ 15,320,283	\$ 486,585	\$ 102,550,036	\$ 61,041,710	\$ 13,012,239	\$ 16,321,729	\$ 16,365,344	\$ 1,429,373	\$ 108,170,395
September	\$ 45,578,936	\$ 16,997,442	\$ 16,171,545	\$ 15,320,283	\$ 389,268	\$ 94,457,473						\$ -
October	\$ 54,198,812	\$ 12,935,676	\$ 16,762,156	\$ 15,786,441	\$ 370,309	\$ 100,053,394						\$ -
November	\$ 43,359,050	\$ 12,935,676	\$ 16,762,156	\$ 15,786,441	\$ 462,886	\$ 89,306,209						\$ -
December	\$ 43,359,050	\$ 16,169,595	\$ 16,762,156	\$ 15,786,441	\$ 370,309	\$ 92,447,550						\$ -
January	\$ 62,937,937	\$ 15,021,450	\$ 17,519,704	\$ 16,632,145	\$ 537,523	\$ 112,648,758						\$ -
February	\$ 50,350,350	\$ 15,021,450	\$ 17,519,704	\$ 16,632,145	\$ 430,018	\$ 99,953,666						\$ -
March	\$ 50,350,350	\$ 18,776,813	\$ 17,519,704	\$ 16,632,145	\$ 430,018	\$ 103,709,029						\$ -
April	\$ 63,494,035	\$ 15,154,175	\$ 19,076,609	\$ 18,165,169	\$ 433,818	\$ 116,323,806						\$ -
May	\$ 50,795,228	\$ 18,942,718	\$ 19,076,609	\$ 18,165,169	\$ 542,272	\$ 107,521,997						\$ -
June	\$ 50,795,228	\$ 15,154,175	\$ 19,076,609	\$ 18,165,169	\$ 433,818	\$ 103,624,999						\$ -
Total	\$ 617,771,583	\$ 184,305,077	\$ 208,590,040	\$ 197,712,114	\$ 5,276,089	\$ 1,213,654,903	\$ 104,707,286	\$ 25,372,285	\$ 32,369,100	\$ 31,267,129	\$ 2,600,162	\$ 196,315,961

- Significant uptick in high-cost claimants for the Highmark population driving August claims.
- SurgeryPlus claims higher than projected but likely producing better results and lower overall cost – further analysis needed.

(BETTER) / WORSE - 3%						
Highmark	Aetna	CVS Commercial	CVS Part D	Surgery Plus	Total	
\$ (1,913,360)	\$ (1,237,908)	\$ (124,174)	\$ (418,498)	\$ 781,521	\$ (2,912,419)	
\$ 4,068,039	\$ (585,715)	\$ 150,184	\$ 1,045,062	\$ 942,789	\$ 5,620,359	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 2,154,679	\$ (1,823,622)	\$ 26,011	\$ 626,564	\$ 1,724,310	\$ 2,707,940	

Expenses

	BUDGET									ACTUAL								
	Program & ASO Fees	Office Expenses	Employee Assistance	Data Warehouse	Consulting Fees	COBRA Fees	ACA Fees	Total	Program & ASO Fees	Office Expenses	Employee Assistance	Data Warehouse	Consulting Fees	COBRA Fees	ACA Fees	Total		
July	\$ 3,307,357	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ 365,828	\$ 4,215,902	\$ 3,274,467	\$ 215,393	\$ 34,882	\$ 39,125	\$ 40,753	\$ 4,731	\$ 362,611	\$ 3,971,961		
August	\$ 3,307,357	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ -	\$ 3,850,075	\$ 3,247,187	\$ 207,690	\$ 35,092	\$ 39,633	\$ 210,264	\$ 6,019	\$ -	\$ 3,745,884		
September	\$ 3,307,357	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ -	\$ 3,850,075								\$ -		
October	\$ 3,314,252	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ -	\$ 3,856,969								\$ -		
November	\$ 3,314,252	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ -	\$ 3,856,969								\$ -		
December	\$ 3,314,252	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ -	\$ 3,856,969								\$ -		
January	\$ 3,321,163	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ -	\$ 3,863,881								\$ -		
February	\$ 3,321,163	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ -	\$ 3,863,881								\$ -		
March	\$ 3,321,163	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ -	\$ 3,863,881								\$ -		
April	\$ 3,328,092	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ -	\$ 3,870,810								\$ -		
May	\$ 3,328,092	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ -	\$ 3,870,810								\$ -		
June	\$ 3,328,092	\$ 309,955	\$ 39,979	\$ 60,216	\$ 125,000	\$ 7,568	\$ -	\$ 3,870,810								\$ -		
Total	\$ 39,812,591	\$ 3,719,461	\$ 479,742	\$ 722,592	\$ 1,500,000	\$ 90,820	\$ 365,828	\$ 46,691,033	\$ 6,521,654	\$ 423,083	\$ 69,974	\$ 78,758	\$ 251,016	\$ 10,749	\$ 362,611	\$ 7,717,845		

	(BETTER) / WORSE - 10%							
	Program & ASO Fees	Office Expenses	Employee Assistance	Data Warehouse	Consulting Fees	COBRA Fees	ACA Fees	Total
July	\$ (32,890)	\$ (94,562)	\$ (5,097)	\$ (21,091)	\$ (84,248)	\$ (2,838)	\$ (3,217)	\$ (243,942)
August	\$ (60,170)	\$ (102,265)	\$ (4,887)	\$ (20,583)	\$ 85,264	\$ (1,550)	\$ -	\$ (104,191)
September	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
October	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
November	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
December	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
January	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
February	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
March	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
April	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
May	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
June	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (93,060)	\$ (196,827)	\$ (9,984)	\$ (41,674)	\$ 1,016	\$ (4,388)	\$ (3,217)	\$ (348,133)

Enrollment

	BUDGET						ACTUAL					
	First State Basic	Comp PPO	CDH Gold	HMO	Medicfill	Total	First State Basic	Comp PPO	CDH Gold	HMO	Medicfill	Total
July	4,101	30,198	3,500	8,733	29,544	76,076	4,048	30,645	3,623	8,473	29,651	76,440
August	4,103	30,212	3,501	8,737	29,559	76,113	4,065	30,651	3,614	8,461	29,716	76,507
September	4,105	30,227	3,503	8,742	29,573	76,150						0
October	4,107	30,242	3,505	8,746	29,588	76,187						0
November	4,109	30,257	3,507	8,750	29,602	76,224						0
December	4,111	30,271	3,508	8,755	29,616	76,261						0
January	4,113	30,286	3,510	8,759	29,631	76,298						0
February	4,115	30,301	3,512	8,763	29,645	76,336						0
March	4,117	30,315	3,513	8,767	29,660	76,373						0
April	4,119	30,330	3,515	8,772	29,674	76,410						0
May	4,121	30,345	3,517	8,776	29,688	76,447						0
June	4,123	30,360	3,518	8,780	29,703	76,484						0
Average	4,112	30,279	3,509	8,757	29,624	76,280	8,113	61,296	7,237	16,934	59,367	152,947

Enrollment about 0.5% higher than projected.

	HIGHER / (LOWER)					
	First State Basic	Comp PPO	CDH Gold	HMO	Medicfill	Total
July	(53)	447	123	(260)	107	364
August	(38)	439	113	(276)	157	394
September	0	0	0	0	0	0
October	0	0	0	0	0	0
November	0	0	0	0	0	0
December	0	0	0	0	0	0
January	0	0	0	0	0	0
February	0	0	0	0	0	0
March	0	0	0	0	0	0
April	0	0	0	0	0	0
May	0	0	0	0	0	0
June	0	0	0	0	0	0
Average	(91)	886	236	(537)	264	758

