

State of Delaware GHIP

September & October 2024 Fund Report and Financial Update

November 18, 2024



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FY25 Executive Summary – September

	September Budget	September Actual	Better / (Worse)	Comment
Premium Contributions	\$ 104,021,000	\$ 101,670,000	\$ (2,351,000)	Lower than expected State employee premiums
Other Revenues	\$ (3,999,000)	\$ (4,109,000)	\$ (110,000)	Lower than expected Commercial Rebate
Claims	\$ (108,593,000)	\$ (105,016,000)	\$ 3,577,000	One less invoice compared to expected. Total claims through August right at Budget.
Expenses	\$ (4,505,000)	\$ (4,108,000)	\$ 397,000	Includes \$1.3M Shared Savings fee to Highmark
Total	\$ (13,076,000)	\$ (11,563,000)	\$ 1,513,000	

	FY25 Budget	FY25 Re-forecast	Better / (Worse)	Comment
Premium Contributions	\$ 1,259,451,000	\$ 1,257,142,000	\$ (2,309,000)	-0.2% Variance to Budget
Other Revenues	\$ 265,506,000	\$ 265,567,000	\$ 61,000	0.0% Variance to Budget
Claims	\$ (1,407,736,000)	\$ (1,404,221,000)	\$ 3,515,000	-0.2% Variance to Budget
Expenses	\$ (50,880,000)	\$ (52,177,000)	\$ (1,297,000)	2.5% Variance to Budget
Total	\$ 66,341,000	\$ 66,311,000	\$ (30,000)	0.0% Variance to Budget

*All figures in the chart above have been rounded to the nearest \$1,000.

FY25 Executive Summary – October

	October Budget	October Actual	Better / (Worse)	Comment
Premium Contributions	\$ 104,107,000	\$ 103,806,000	\$ (301,000)	Lower than expected State employee premiums
Other Revenues	\$ 10,845,000	\$ 11,221,000	\$ 376,000	Higher than expected Coverage Gap Discount Credit
Claims	\$ (122,584,000)	\$ (120,415,000)	\$ 2,169,000	Lower than Budget non-Medicare claims, offset somewhat by higher Medicare claims. GLP-1 experience remains positive to Budget
Expenses	\$ (4,624,000)	\$ (4,137,000)	\$ 487,000	Unexpected \$600K CVS credit
Total	\$ (12,256,000)	\$ (9,525,000)	\$ 2,731,000	

	FY25 Budget	FY25 Re-forecast	Better / (Worse)	Comment
Premium Contributions	\$ 1,259,459,000	\$ 1,253,649,000	\$ (5,810,000)	-0.5% Variance to Budget
Other Revenues	\$ 265,506,000	\$ 265,943,000	\$ 437,000	0.2% Variance to Budget
Claims	\$ (1,407,736,000)	\$ (1,402,082,000)	\$ 5,654,000	-0.4% Variance to Budget
Expenses	\$ (50,880,000)	\$ (51,690,000)	\$ (810,000)	1.6% Variance to Budget
Total	\$ 66,349,000	\$ 65,820,000	\$ (529,000)	-0.8% Variance to Budget

*All figures in the chart above have been rounded to the nearest \$1,000.

FY25 Budget versus Forecast

FY25 BUDGET	7/1/2024	8/1/2024	9/1/2024	10/1/2024	11/1/2024	12/1/2024	1/1/2025	2/1/2025	3/1/2025	4/1/2025	5/1/2025	6/1/2025	Total
Operating Revenues													
Premium Contributions	\$91.8	\$103.9	\$104.0	\$104.1	\$104.2	\$104.3	\$104.5	\$108.3	\$108.4	\$108.5	\$108.6	\$108.7	\$1,259.5
Other Revenues	\$3.6	\$47.8	-\$4.0	\$10.8	\$47.5	\$12.4	\$11.8	\$51.3	\$14.4	\$5.1	\$54.8	\$10.0	\$265.5
Total Operating Revenues	\$95.4	\$151.7	\$100.0	\$115.0	\$151.7	\$116.7	\$116.4	\$159.6	\$122.8	\$113.7	\$163.4	\$118.7	\$1,525.0
Operating Expenses													
Claims	\$106.6	\$120.0	\$108.6	\$122.6	\$111.1	\$112.3	\$126.7	\$114.8	\$116.0	\$117.2	\$132.2	\$119.8	\$1,407.7
Other Expenses	\$4.2	\$3.9	\$4.5	\$4.6	\$5.0	\$3.2	\$4.0	\$4.5	\$2.9	\$4.5	\$4.9	\$4.7	\$50.9
Total Operating Expenses	\$110.7	\$123.9	\$113.1	\$127.2	\$116.0	\$115.5	\$130.6	\$119.3	\$118.9	\$121.8	\$137.0	\$124.5	\$1,458.6
Net Monthly Income	-\$15.4	\$27.8	-\$13.1	-\$12.3	\$35.7	\$1.2	-\$14.3	\$40.4	\$3.9	-\$8.1	\$26.3	-\$5.9	\$66.3
Ending Fund Equity Balance	-\$15.3	\$12.6	-\$5.5	-\$12.8	\$22.9	\$24.1	\$9.9	\$50.2	\$54.1	\$46.0	\$72.3	\$66.4	\$66.4
Reserves													
Claim Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Minimum Reserve	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3
GHIP Surplus (After Reserves)	-\$47.5	-\$19.7	-\$32.8	-\$45.0	-\$9.4	-\$8.2	-\$22.4	\$17.9	\$21.8	\$13.7	\$40.0	\$34.1	\$34.1
FY25 RE-FORECAST	July	August	September	October	November	December	January	February	March	April	May	June	Total
Operating Revenues													
Premium Contributions	\$92.9	\$102.8	\$101.7	\$103.8	\$103.8	\$103.9	\$104.1	\$107.9	\$108.0	\$108.1	\$108.2	\$108.3	\$1,253.6
Other Revenues	\$5.3	\$46.2	-\$4.1	\$11.2	\$47.5	\$12.4	\$11.8	\$51.3	\$14.4	\$5.1	\$54.8	\$10.0	\$265.9
Total Operating Revenues	\$98.3	\$149.0	\$97.6	\$115.0	\$151.3	\$116.3	\$116.0	\$159.2	\$122.4	\$113.3	\$163.0	\$118.3	\$1,519.6
Operating Expenses													
Claims	\$114.1	\$112.5	\$105.0	\$120.4	\$111.1	\$112.3	\$126.7	\$114.8	\$116.0	\$117.2	\$132.2	\$119.8	\$1,402.1
Other Expenses	\$4.6	\$5.2	\$4.1	\$4.1	\$5.0	\$3.2	\$4.0	\$4.5	\$2.9	\$4.5	\$4.9	\$4.7	\$51.7
Total Operating Expenses	\$118.6	\$117.7	\$109.1	\$124.6	\$116.0	\$115.5	\$130.6	\$119.3	\$118.9	\$121.8	\$137.0	\$124.5	\$1,453.8
Net Monthly Income	-\$20.4	\$31.3	-\$11.6	-\$9.5	\$35.3	\$8	-\$14.7	\$40.0	\$3.5	-\$8.5	\$25.9	-\$6.3	\$65.8
Ending Fund Equity Balance	-\$20.3	\$11.0	-\$6	-\$10.1	\$25.2	\$26.0	\$11.3	\$51.3	\$54.8	\$46.3	\$72.2	\$65.9	\$65.9
Reserves													
Claim Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Minimum Reserve	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3	\$32.3
GHIP Surplus (After Reserves)	-\$52.6	-\$21.2	-\$32.8	-\$42.4	-\$7.1	-\$6.3	-\$20.9	\$19.0	\$22.5	\$14.0	\$39.9	\$33.6	\$33.6

Premium Contributions

	Active Employees		Pensioners				COBRA	Non-Payroll			Total GHIP	
	State Share	Employee Share	State Share Pre-65	Pensioner Share Pre-65	State Share Medicare	Pensioner Share Medicare		Medicare	Pre-65	Active		
FY 25 Budget	July	\$52.6	\$6.2	\$6.4	\$1.1	\$12.5	\$0.6	\$0.1	\$1.2	\$1.1	\$10.0	\$91.8
	August	\$59.0	\$7.0	\$8.2	\$1.1	\$12.5	\$0.6	\$0.1	\$1.2	\$1.4	\$12.8	\$103.9
	September	\$59.1	\$7.0	\$8.2	\$1.1	\$12.5	\$0.6	\$0.1	\$1.2	\$1.4	\$12.8	\$104.0
	October	\$59.1	\$7.0	\$8.2	\$1.1	\$12.5	\$0.6	\$0.1	\$1.2	\$1.4	\$12.8	\$104.1
	November	\$59.2	\$7.0	\$8.2	\$1.1	\$12.5	\$0.6	\$0.1	\$1.2	\$1.4	\$12.9	\$104.2
	December	\$59.2	\$7.0	\$8.2	\$1.1	\$12.6	\$0.6	\$0.1	\$1.2	\$1.4	\$12.9	\$104.3
	January	\$59.3	\$7.0	\$8.2	\$1.1	\$12.6	\$0.8	\$0.1	\$1.2	\$1.4	\$12.9	\$104.5
	February	\$59.3	\$7.0	\$8.2	\$1.1	\$16.0	\$0.8	\$0.1	\$1.5	\$1.4	\$12.9	\$108.3
	March	\$59.4	\$7.0	\$8.2	\$1.1	\$16.0	\$0.8	\$0.1	\$1.5	\$1.4	\$12.9	\$108.4
	April	\$59.4	\$7.0	\$8.3	\$1.1	\$16.0	\$0.8	\$0.1	\$1.5	\$1.4	\$12.9	\$108.5
	May	\$59.5	\$7.0	\$8.3	\$1.1	\$16.0	\$0.8	\$0.1	\$1.5	\$1.4	\$12.9	\$108.6
	June	\$59.5	\$7.0	\$8.3	\$1.1	\$16.0	\$0.8	\$0.1	\$1.5	\$1.4	\$12.9	\$108.7
Total	\$704.6	\$83.1	\$97.0	\$13.5	\$167.7	\$8.7	\$0.7	\$15.7	\$16.8	\$151.6	\$1,259.5	
FY 25 Actual	July	\$52.8	\$6.2	\$6.4	\$1.1	\$12.5	\$0.6	\$0.0	\$1.2	\$1.2	\$11.0	\$92.9
	August	\$57.7	\$6.7	\$8.0	\$1.2	\$12.6	\$0.6	\$0.0	\$1.2	\$1.2	\$13.7	\$102.8
	September	\$58.0	\$6.8	\$8.5	\$1.1	\$12.6	\$0.6	\$0.0	\$1.2	\$1.2	\$11.6	\$101.7
	October	\$58.9	\$6.9	\$8.2	\$1.1	\$12.6	\$0.7	\$0.1	\$1.2	\$1.2	\$13.0	\$103.8
	November	\$58.9	\$6.9	\$8.2	\$1.1	\$12.5	\$0.6	\$0.1	\$1.2	\$1.4	\$12.9	\$103.8
	December	\$58.9	\$6.9	\$8.2	\$1.1	\$12.6	\$0.6	\$0.1	\$1.2	\$1.4	\$12.9	\$103.9
	January	\$59.0	\$6.9	\$8.2	\$1.1	\$12.6	\$0.8	\$0.1	\$1.2	\$1.4	\$12.9	\$104.1
	February	\$59.0	\$6.9	\$8.2	\$1.1	\$16.0	\$0.8	\$0.1	\$1.5	\$1.4	\$12.9	\$107.9
	March	\$59.1	\$6.9	\$8.2	\$1.1	\$16.0	\$0.8	\$0.1	\$1.5	\$1.4	\$12.9	\$108.0
	April	\$59.1	\$6.9	\$8.3	\$1.1	\$16.0	\$0.8	\$0.1	\$1.5	\$1.4	\$12.9	\$108.1
	May	\$59.2	\$6.9	\$8.3	\$1.1	\$16.0	\$0.8	\$0.1	\$1.5	\$1.4	\$12.9	\$108.2
	June	\$59.2	\$6.9	\$8.3	\$1.1	\$16.0	\$0.8	\$0.1	\$1.5	\$1.4	\$12.9	\$108.3
Total	\$699.7	\$81.8	\$97.0	\$13.5	\$167.7	\$8.8	\$0.7	\$15.8	\$16.3	\$152.3	\$1,253.6	

Other Revenues

		EGWP Direct Subsidy	Federal Reinsurance	Commercial Rebates	EGWP Rebates	EGWP Year-end Reconciliation	Coverage Gap Discount	Participating Group Fees	Other Revenues	Total
B u d g e t	July	\$ 779,000	\$ 2,134,000	\$ -	\$ -	\$ -	\$ -	\$ 635,000	\$ 15,000	\$ 3,563,000
	August	\$ 511,000	\$ 2,136,000	\$ 27,606,000	\$ 16,877,000	\$ -	\$ -	\$ 636,000	\$ 15,000	\$ 47,781,000
	September	\$ 511,000	\$ 2,138,000	\$ -	\$ -	\$ -	\$ -	\$ 637,000	\$ (7,285,000)	\$ (3,999,000)
	October	\$ 512,000	\$ 2,140,000	\$ -	\$ -	\$ -	\$ 7,540,000	\$ 638,000	\$ 15,000	\$ 10,845,000
	November	\$ 512,000	\$ 2,141,000	\$ 27,114,000	\$ 17,085,000	\$ -	\$ -	\$ 639,000	\$ 15,000	\$ 47,506,000
	December	\$ 513,000	\$ 2,143,000	\$ -	\$ -	\$ -	\$ 9,080,000	\$ 640,000	\$ 15,000	\$ 12,391,000
	January	\$ 3,560,000	\$ 918,000	\$ -	\$ -	\$ 6,715,000	\$ -	\$ 641,000	\$ 15,000	\$ 11,849,000
	February	\$ 3,563,000	\$ 918,000	\$ 28,177,000	\$ 17,977,000	\$ -	\$ -	\$ 642,000	\$ 15,000	\$ 51,292,000
	March	\$ 3,566,000	\$ 919,000	\$ -	\$ -	\$ -	\$ 9,280,000	\$ 643,000	\$ 15,000	\$ 14,423,000
	April	\$ 3,569,000	\$ 920,000	\$ -	\$ -	\$ -	\$ -	\$ 644,000	\$ 15,000	\$ 5,148,000
	May	\$ 3,572,000	\$ 921,000	\$ 29,240,000	\$ 20,357,000	\$ -	\$ -	\$ 645,000	\$ 15,000	\$ 54,750,000
	June	\$ 3,575,000	\$ 921,000	\$ -	\$ -	\$ -	\$ 4,800,000	\$ 646,000	\$ 15,000	\$ 9,957,000
	Total	\$ 24,743,000	\$ 18,349,000	\$ 112,137,000	\$ 72,296,000	\$ 6,715,000	\$ 30,700,000	\$ 7,686,000	\$ (7,120,000)	\$ 265,506,000
F Y 2 5 A c t u a l	July	\$ 763,152	\$ 2,070,638	\$ -	\$ 153,629	\$ -	\$ -	\$ 675,186	\$ 1,653,501	\$ 5,316,107
	August	\$ 480,222	\$ 2,075,899	\$ 25,559,138	\$ 17,153,685	\$ -	\$ -	\$ 810,308	\$ 119,421	\$ 46,198,673
	September	\$ 469,325	\$ 2,080,022	\$ -	\$ 9	\$ -	\$ -	\$ 642,690	\$ (7,300,651)	\$ (4,108,605)
	October	\$ 474,553	\$ 2,087,345	\$ -	\$ -	\$ -	\$ 7,864,125	\$ 777,152	\$ 17,702	\$ 11,220,877
	November	\$ 512,000	\$ 2,141,000	\$ 27,114,000	\$ 17,085,000	\$ -	\$ -	\$ 639,000	\$ 15,000	\$ 47,506,000
	December	\$ 513,000	\$ 2,143,000	\$ -	\$ -	\$ -	\$ 9,080,000	\$ 640,000	\$ 15,000	\$ 12,391,000
	January	\$ 3,560,000	\$ 918,000	\$ -	\$ -	\$ 6,715,000	\$ -	\$ 641,000	\$ 15,000	\$ 11,849,000
	February	\$ 3,563,000	\$ 918,000	\$ 28,177,000	\$ 17,977,000	\$ -	\$ -	\$ 642,000	\$ 15,000	\$ 51,292,000
	March	\$ 3,566,000	\$ 919,000	\$ -	\$ -	\$ -	\$ 9,280,000	\$ 643,000	\$ 15,000	\$ 14,423,000
	April	\$ 3,569,000	\$ 920,000	\$ -	\$ -	\$ -	\$ -	\$ 644,000	\$ 15,000	\$ 5,148,000
	May	\$ 3,572,000	\$ 921,000	\$ 29,240,000	\$ 20,357,000	\$ -	\$ -	\$ 645,000	\$ 15,000	\$ 54,750,000
	June	\$ 3,575,000	\$ 921,000	\$ -	\$ -	\$ -	\$ 4,800,000	\$ 646,000	\$ 15,000	\$ 9,957,000
	Total	\$ 24,617,252	\$ 18,114,904	\$ 110,090,138	\$ 72,726,322	\$ 6,715,000	\$ 31,024,125	\$ 8,045,337	\$ (5,390,027)	\$ 265,943,052

Claims

FY25 Budget	Active						Pre-65 Retirees				Medicare Retirees			Total GHIP
	Highmark	Aetna	Surgery Plus	Hinge Health	CVS Commercial	Total	Highmark	Aetna	CVS Commercial	Total	Medicfill	EGWP	Total	
July	\$38.2	\$13.5	\$1.2	\$0.1	\$18.9	\$72.0	\$5.9	\$2.6	\$3.5	\$11.9	\$5.5	\$17.2	\$22.7	\$106.6
August	\$48.3	\$13.3	\$1.2	\$0.1	\$19.2	\$82.1	\$7.4	\$2.5	\$3.5	\$13.5	\$6.9	\$17.5	\$24.4	\$120.0
September	\$39.0	\$13.3	\$1.2	\$0.1	\$19.5	\$73.1	\$6.0	\$2.5	\$3.6	\$12.1	\$5.6	\$17.8	\$23.3	\$108.6
October	\$49.2	\$13.4	\$1.2	\$0.1	\$19.8	\$83.8	\$7.6	\$2.6	\$3.6	\$13.7	\$7.1	\$18.0	\$25.1	\$122.6
November	\$39.8	\$13.5	\$1.2	\$0.1	\$20.1	\$74.7	\$6.1	\$2.6	\$3.7	\$12.4	\$5.7	\$18.3	\$24.0	\$111.1
December	\$40.1	\$13.6	\$1.2	\$0.1	\$20.4	\$75.5	\$6.2	\$2.6	\$3.7	\$12.5	\$5.7	\$18.5	\$24.3	\$112.3
January	\$50.6	\$13.7	\$1.2	\$0.1	\$20.7	\$86.4	\$7.8	\$2.6	\$3.8	\$14.2	\$7.3	\$18.8	\$26.1	\$126.7
February	\$40.9	\$13.8	\$1.2	\$0.1	\$20.9	\$77.1	\$6.3	\$2.6	\$3.8	\$12.8	\$5.9	\$19.1	\$24.9	\$114.8
March	\$41.3	\$13.9	\$1.3	\$0.2	\$21.2	\$77.9	\$6.3	\$2.7	\$3.9	\$12.9	\$5.9	\$19.3	\$25.3	\$116.0
April	\$41.6	\$14.1	\$1.3	\$0.2	\$21.5	\$78.6	\$6.4	\$2.7	\$3.9	\$13.0	\$6.0	\$19.6	\$25.6	\$117.2
May	\$52.6	\$14.2	\$1.3	\$0.2	\$21.8	\$90.0	\$8.1	\$2.7	\$4.0	\$14.8	\$7.5	\$19.9	\$27.4	\$132.2
June	\$42.5	\$14.3	\$1.3	\$0.2	\$22.1	\$80.3	\$6.5	\$2.7	\$4.1	\$13.3	\$6.1	\$20.1	\$26.2	\$119.8
Total	\$524.1	\$164.6	\$14.8	\$1.8	\$246.1	\$951.5	\$80.6	\$31.3	\$45.1	\$157.0	\$75.1	\$224.2	\$299.2	\$1,407.7

YoY	11.0%	10.4%	10.6%	4.1%	30.1%	15.2%	10.0%	10.6%	26.8%	14.4%	5.3%	12.5%	10.7%	14.1%
FY25 Actual	Active						Pre-65 Retirees				Medicare Retirees			Total GHIP
	Highmark	Aetna	Surgery Plus	Hinge Health	CVS Commercial	Total	Highmark	Aetna	CVS Commercial	Total	Medicfill	EGWP	Total	
July	\$48.7	\$11.7	\$1.7	\$0.0	\$15.9	\$78.1	\$6.9	\$2.1	\$2.8	\$11.8	\$6.9	\$17.2	\$24.2	\$114.1
August	\$39.8	\$15.5	\$1.0	\$0.1	\$19.4	\$75.9	\$5.9	\$3.2	\$3.2	\$12.3	\$5.4	\$19.0	\$24.4	\$112.5
September	\$38.7	\$11.3	\$0.9	\$0.2	\$19.3	\$70.4	\$6.2	\$2.1	\$2.9	\$11.3	\$5.2	\$18.1	\$23.3	\$105.0
October	\$45.7	\$13.3	\$1.5	\$0.1	\$20.9	\$81.5	\$7.8	\$1.6	\$3.6	\$13.0	\$6.9	\$19.0	\$25.9	\$120.4
November	\$39.8	\$13.5	\$1.2	\$0.1	\$20.1	\$74.7	\$6.1	\$2.6	\$3.7	\$12.4	\$5.7	\$18.3	\$24.0	\$111.1
December	\$40.1	\$13.6	\$1.2	\$0.1	\$20.4	\$75.5	\$6.2	\$2.6	\$3.7	\$12.5	\$5.7	\$18.5	\$24.3	\$112.3
January	\$50.6	\$13.7	\$1.2	\$0.1	\$20.7	\$86.4	\$7.8	\$2.6	\$3.8	\$14.2	\$7.3	\$18.8	\$26.1	\$126.7
February	\$40.9	\$13.8	\$1.2	\$0.1	\$20.9	\$77.1	\$6.3	\$2.6	\$3.8	\$12.8	\$5.9	\$19.1	\$24.9	\$114.8
March	\$41.3	\$13.9	\$1.3	\$0.2	\$21.2	\$77.9	\$6.3	\$2.7	\$3.9	\$12.9	\$5.9	\$19.3	\$25.3	\$116.0
April	\$41.6	\$14.1	\$1.3	\$0.2	\$21.5	\$78.6	\$6.4	\$2.7	\$3.9	\$13.0	\$6.0	\$19.6	\$25.6	\$117.2
May	\$52.6	\$14.2	\$1.3	\$0.2	\$21.8	\$90.0	\$8.1	\$2.7	\$4.0	\$14.8	\$7.5	\$19.9	\$27.4	\$132.2
June	\$42.5	\$14.3	\$1.3	\$0.2	\$22.1	\$80.3	\$6.5	\$2.7	\$4.1	\$13.3	\$6.1	\$20.1	\$26.2	\$119.8
Total	\$522.3	\$163.1	\$15.1	\$1.6	\$244.3	\$946.4	\$80.6	\$30.2	\$43.4	\$154.2	\$74.5	\$227.0	\$301.5	\$1,402.1

GLP-1 Experience

Commercial Plan - Weight Loss			
FY25 Expected	Claims	FY24 Gross Spend	Month-over-Month
July	2,447	\$ 3,123,754	21%
August	2,814	\$ 3,640,000	15%
September	3,095	\$ 4,000,000	10%
October	3,250	\$ 4,200,000	5%
November	3,380	\$ 4,370,000	4%
December	3,482	\$ 4,500,000	3%
January	3,551	\$ 4,590,000	2%
February	3,622	\$ 4,680,000	2%
March	3,695	\$ 4,770,000	2%
April	3,769	\$ 4,870,000	2%
May	3,844	\$ 4,970,000	2%
June	3,921	\$ 5,060,000	2%
Total	40,870	\$52,773,754	4%

Anti-Diabetes (Commercial Only)			
	Claims	FY24 Gross Spend	Month-over-Month
July	1,991	\$ 2,621,108	12%
August	1,991	\$ 2,640,000	0%
September	2,031	\$ 2,690,000	2%
October	2,031	\$ 2,690,000	0%
November	2,071	\$ 2,740,000	2%
December	2,071	\$ 2,740,000	0%
January	2,113	\$ 2,800,000	2%
February	2,113	\$ 2,800,000	0%
March	2,155	\$ 2,850,000	2%
April	2,155	\$ 2,850,000	0%
May	2,198	\$ 2,910,000	2%
June	2,198	\$ 2,910,000	0%
Total	25,119	\$33,241,108	1%

Commercial Plan - Weight Loss			
FY25 Actual	Claims	Projected FY25	Month-over-Month
July	2,447	\$ 3,123,754	21%
August	2,592	\$ 3,258,384	4%
September	2,678	\$ 3,329,282	2%
October	3,163	\$ 3,855,597	16%
November	3,380	\$ 4,370,000	13%
December	3,482	\$ 4,500,000	3%
January	3,551	\$ 4,590,000	2%
February	3,622	\$ 4,680,000	2%
March	3,695	\$ 4,770,000	2%
April	3,769	\$ 4,870,000	2%
May	3,844	\$ 4,970,000	2%
June	3,921	\$ 5,060,000	2%
Total	40,144	\$51,377,016	4%
		\$ (1,396,738)	

Anti-Diabetes (Commercial Only)			
	Claims	Projected FY25	Month-over-Month
July	1,991	\$ 2,621,108	12%
August	1,867	\$ 2,367,843	-10%
September	1,938	\$ 2,530,685	7%
October	2,103	\$ 2,715,881	7%
November	2,071	\$ 2,740,000	1%
December	2,071	\$ 2,740,000	0%
January	2,113	\$ 2,800,000	2%
February	2,113	\$ 2,800,000	0%
March	2,155	\$ 2,850,000	2%
April	2,155	\$ 2,850,000	0%
May	2,198	\$ 2,910,000	2%
June	2,198	\$ 2,910,000	0%
Total	24,974	\$32,835,518	1%
		\$ (405,590)	

GLP-1 Expansion

Wegovy CV Expansion: Reduction of the risk of major CV events

Expanded indication

For use in combination with a reduced calorie diet and increased physical activity to reduce the risk of major adverse cardiovascular (CV) events in adults with established CV disease and either obesity or overweight.¹

These conditions are estimated to impact 5-10% of the total obesity patient population^{2,3}

Myocardial infarction

Commonly known as a heart attack, blood flow is blocked to the heart⁴

Ischemic or hemorrhagic stroke

Ischemic strokes occur when a blood clot blocks an artery leading to the brain. Hemorrhagic strokes occur when there is bleeding in the brain⁴

Symptomatic peripheral artery disease⁴

Occurs when vessels become blocked, limiting blood flow and impeding proper function, most often in the legs and feet⁴

*As evidenced by intermittent claudication with ankle-brachial index (ABI) less than 0.95 (at rest), or history of a peripheral arterial revascularization procedure, or history of amputation due to atherosclerotic disease. 1. FDA News Release, "FDA Approves First Treatment to Reduce Risk of Serious Heart Problems Specifically in Adults with Obesity or Overweight", March 08, 2024. 2. Wadden, T.A., Chan, A.M., Machuga, S. et al. Tirzepatide after intensive lifestyle intervention in adults with overweight or obesity: the SURMOBILITY-3 phase 3 trial. Nat Med 20. 2909-2918 (2023). https://doi.org/10.1038/s41591-023-02597-w. 3. CVS Caremark Medical Affairs, March 2024. 4. IPD Analytics, "Wegovy Label Expansion for MAACE Reduction", April 2024. 5. John Hopkins Website: Heart Attack. https://www.hopkinsmedicine.org/health/conditions-and-diseases/heart-attack, accessed 5/14/24. 6. John Hopkins Website: Type of Stroke. https://www.hopkinsmedicine.org/health/conditions-and-diseases/stroke/types-of-stroke, accessed 5/14/24. 7. John Hopkins Website: Peripheral Vascular Disease. https://www.hopkinsmedicine.org/health/conditions-and-diseases/peripheral-vascular-disease, accessed 5/14/24

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Dosage Forms Novel in the GLP-1 Class: Pipeline



Orals

Oral agents expected to capture a new market – patients who are needle-phobic

While oral agents are less costly to manufacture, ship and store, it is unknown whether that convenience will come at a higher cost, or comparable cost

Oral semaglutide expected Q2 2025 for obesity and CV risk reduction Q4 2025

Other oral agents in the pipeline: orforglipron (Eli Lilly), danuglipron (Pfizer) and GSK-1290 (Structure Therapeutics) anticipated in 2027.

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Injectables

In addition to the weekly subcutaneous pen injections:

Eli Lilly launched vials for select strengths of Zepbound as part of a DTC strategy

Other manufacturers are evaluating the potential for monthly – rather than weekly – formulations

- Longer drug half-life
- New delivery systems, such as an injectable gel that releases drug slowly over a month

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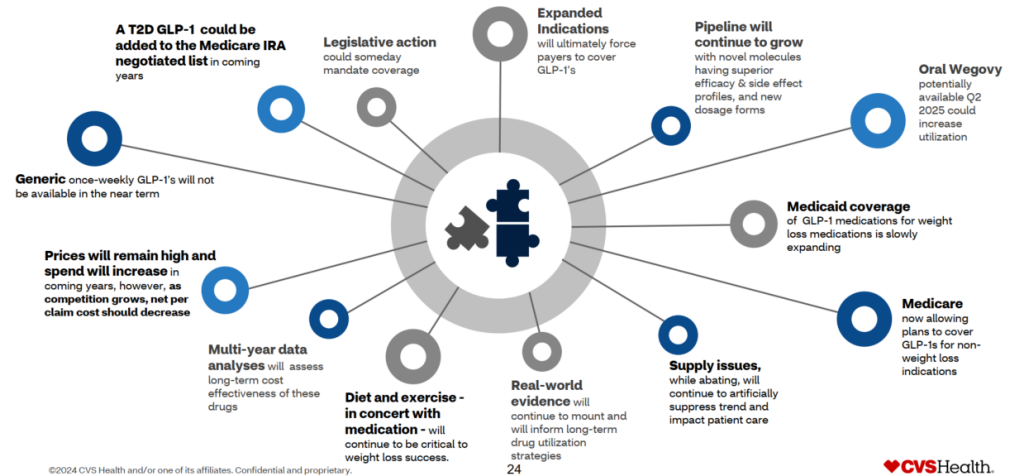


Implants

Exenatide (molecule in Byetta) is being tested in an implant formulation, requiring once or twice-yearly implantation for weight loss.

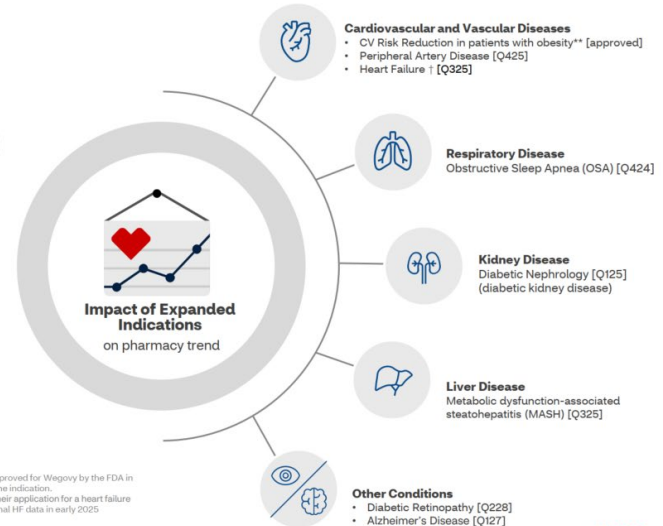


What do we see in our Crystal Ball?



Additional indications in the pipeline*

The GLP-1 pipeline is robust, with new molecules and new indications for molecules already in market.



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Expenses

FY25 Budget	Program & ASO Fees	Office Expenses	Employee Assistance	Data Warehouse	Consulting Fees	COBRA Fees	ACA Fees	Total
July	\$ 3,440,000	\$ 222,000	\$ 37,000	\$ 40,000	\$ 42,000	\$ 5,000	\$ 370,000	\$ 4,156,000
August	\$ 3,411,000	\$ 214,000	\$ 37,000	\$ 41,000	\$ 217,000	\$ 6,000	\$ -	\$ 3,926,000
September	\$ 4,160,000	\$ 249,000	\$ 55,000	\$ 27,000	\$ 5,000	\$ 9,000	\$ -	\$ 4,505,000
October	\$ 4,155,000	\$ 231,000	\$ 55,000	\$ 41,000	\$ 125,000	\$ 17,000	\$ -	\$ 4,624,000
November	\$ 4,064,000	\$ 442,000	\$ 37,000	\$ 41,000	\$ 388,000	\$ 8,000	\$ -	\$ 4,980,000
December	\$ 2,686,000	\$ 303,000	\$ 37,000	\$ 41,000	\$ 125,000	\$ 8,000	\$ -	\$ 3,200,000
January	\$ 3,681,000	\$ 219,000	\$ 37,000	\$ 41,000	\$ 3,000	\$ 6,000	\$ -	\$ 3,987,000
February	\$ 3,749,000	\$ 494,000	\$ 38,000	\$ 41,000	\$ 136,000	\$ 8,000	\$ -	\$ 4,466,000
March	\$ 2,170,000	\$ 401,000	\$ 38,000	\$ 41,000	\$ 273,000	\$ 6,000	\$ -	\$ 2,929,000
April	\$ 4,071,000	\$ 257,000	\$ 38,000	\$ 133,000	\$ 30,000	\$ 7,000	\$ -	\$ 4,536,000
May	\$ 3,847,000	\$ 664,000	\$ 57,000	\$ 135,000	\$ 167,000	\$ 8,000	\$ -	\$ 4,878,000
June	\$ 3,818,000	\$ 474,000	\$ 38,000	\$ 41,000	\$ 315,000	\$ 7,000	\$ -	\$ 4,693,000
Total	\$43,252,000	\$ 4,170,000	\$ 504,000	\$ 663,000	\$ 1,826,000	\$ 95,000	\$ 370,000	\$50,880,000
FY25 Actual	Program & ASO Fees	Office Expenses	Employee Assistance	Data Warehouse	Consulting Fees	COBRA Fees	ACA Fees	Total
July	\$ 3,661,554	\$ 262,107	\$ 35,979	\$ 39,633	\$ 154,948	\$ 4,532	\$ 392,889	\$ 4,551,642
August	\$ 4,863,803	\$ 246,519	\$ 54,028	\$ 39,825	\$ 15,000	\$ 5,530	\$ -	\$ 5,224,705
September	\$ 3,646,144	\$ 269,182	\$ 36,248	\$ 39,825	\$ 109,948	\$ 6,409	\$ -	\$ 4,107,756
October	\$ 3,335,176	\$ 530,388	\$ 36,404	\$ 39,825	\$ 184,448	\$ 10,938	\$ -	\$ 4,137,178
November	\$ 4,064,000	\$ 442,000	\$ 37,000	\$ 41,000	\$ 388,000	\$ 8,000	\$ -	\$ 4,980,000
December	\$ 2,686,000	\$ 303,000	\$ 37,000	\$ 41,000	\$ 125,000	\$ 8,000	\$ -	\$ 3,200,000
January	\$ 3,681,000	\$ 219,000	\$ 37,000	\$ 41,000	\$ 3,000	\$ 6,000	\$ -	\$ 3,987,000
February	\$ 3,749,000	\$ 494,000	\$ 38,000	\$ 41,000	\$ 136,000	\$ 8,000	\$ -	\$ 4,466,000
March	\$ 2,170,000	\$ 401,000	\$ 38,000	\$ 41,000	\$ 273,000	\$ 6,000	\$ -	\$ 2,929,000
April	\$ 4,071,000	\$ 257,000	\$ 38,000	\$ 133,000	\$ 30,000	\$ 7,000	\$ -	\$ 4,536,000
May	\$ 3,847,000	\$ 664,000	\$ 57,000	\$ 135,000	\$ 167,000	\$ 8,000	\$ -	\$ 4,878,000
June	\$ 3,818,000	\$ 474,000	\$ 38,000	\$ 41,000	\$ 315,000	\$ 7,000	\$ -	\$ 4,693,000
Total	\$43,592,676	\$ 4,562,195	\$ 482,659	\$ 673,108	\$ 1,901,344	\$ 85,409	\$ 392,889	\$51,690,280

State of Delaware Health Fund

Monthly Statement

September 2024

OPERATING REVENUES	September		September Budget		Variance		YTD Actual		YTD Budget		Variance	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Premium Contributions												
Highmark	\$ 79,911,999	81.91%	\$ -	0.00%			\$ 234,865,771	68.11%	\$ -	0.00%		#DIV/0!
Aetna	\$ 21,757,952	22.30%	\$ -	0.00%			\$ 62,558,171	18.14%	\$ -	0.00%		#DIV/0!
Total Premium Contributions	\$ 101,669,951	104.21%	\$ 104,021,000	104.00%	\$ (2,351,049)	-2.26%	\$ 297,423,943	86.25%	\$ 299,774,000	86.36%	\$ (2,350,057)	-0.78%
Other Revenues												
Medicare Retiree RX Prog. (EGWP) Direct Subsidy	\$ 469,325	0.48%	\$ 511,000	0.51%	\$ (41,675)	-8.16%	\$ 1,712,699	0.50%	\$ 1,801,000	0.52%	\$ (88,301)	-4.90%
Federal Reinsurance	\$ 2,080,022	2.13%	\$ 2,138,000	2.14%	\$ (57,978)	-2.71%	\$ 6,226,560	1.81%	\$ 6,408,000	2%	\$ (181,440)	-2.83%
Prescription Drug Rebates (Commercial)	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 25,559,138	7.41%	\$ 27,606,000	7.95%	\$ (2,046,862)	-7.41%
Prescription Drug Rebates (EGWP)	\$ 9	0.00%	\$ -	0.00%	\$ 9	0.00%	\$ 153,715	0.04%	\$ 16,877,000	4.86%	\$ (16,723,285)	-99.09%
Prescription True Up/Yr End Recon Pymts	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Medicare Part D Coverage Gap Discount	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 17,153,608	4.97%	\$ -	0.00%	\$ 17,153,608	0.00%
Participating Group Fees	\$ 642,690	0.66%	\$ 637,000	0.64%	\$ 5,690	0.89%	\$ 2,128,185	0.62%	\$ 1,908,000	0.55%	\$ 220,185	11.54%
Other Revenues	\$ (7,300,651)	-7.48%	\$ (7,285,000)	-7.28%	\$ (15,651)	0.21%	\$ (5,527,729)	-1.60%	\$ (7,255,000)	0.00%	\$ 1,727,271	0.00%
Total Other Revenues	\$ (4,108,605)	-4.21%	\$ (3,999,000)	-4.00%	\$ (109,605)	2.74%	\$ 47,406,175	13.75%	\$ 47,345,000	13.64%	\$ 61,175	0.13%
Total Operating Revenues	\$ 97,561,346		\$ 100,022,000		\$ (2,460,654)	-2.46%	\$ 344,830,118		\$ 347,119,000		\$ (2,288,882)	-0.66%
OPERATING EXPENSES												
Claims												
Highmark	\$ 50,119,606	45.93%	\$ 50,579,000	44.72%	\$ (459,394)	-0.91%	\$ 163,819,966	47.42%	\$ 162,778,000	46.81%	\$ 1,041,966	0.64%
Aetna	\$ 13,472,429	12.35%	\$ 15,852,000	14.02%	\$ (2,379,571)	-15.01%	\$ 46,033,658	13.32%	\$ 47,680,000	13.71%	\$ (1,646,342)	-3.45%
Express Scripts/CVS (non-Plan D)	\$ 22,218,931	20.36%	\$ 23,067,000	20.40%	\$ (848,069)	-3.68%	\$ 63,490,028	18.38%	\$ 68,170,000	19.61%	\$ (4,679,972)	-6.87%
Express Scripts/CVS (Plan D)	\$ 18,107,065	16.59%	\$ 17,755,000	15.70%	\$ 352,065	1.98%	\$ 54,338,961	15.73%	\$ 52,471,000	15.09%	\$ 1,867,961	3.56%
Surgery Plus	\$ 1,097,829	1.01%	\$ 1,340,000	1.18%	\$ (242,171)		\$ 3,933,548	1.14%	\$ 4,031,000	1.16%	\$ (97,452)	
Total Claims	\$ 105,015,859	96.24%	\$ 108,593,000	96.02%	\$ (3,577,141)	-3.29%	\$ 331,616,161	95.98%	\$ 335,130,000	96.38%	\$ (3,513,839)	-1.05%
Other Expenses												
Program Fees and Costs (Vendor ASO Fees)	\$ 3,646,144	3.34%	\$ 4,160,000	3.68%	\$ (513,856)	-12.35%	\$ 12,171,500	3.52%	\$ 11,011,000	3.17%	\$ 1,160,500	10.54%
Office Expenses	\$ 269,182	0.25%	\$ 249,000	0.22%	\$ 20,182	8.11%	\$ 777,807	0.23%	\$ 685,000	0.20%	\$ 92,807	13.55%
Employee Assistance	\$ 36,248	0.03%	\$ 55,000	0.05%	\$ (18,752)	-34.09%	\$ 126,255	0.04%	\$ 129,000	0.04%	\$ (2,745)	-2.13%
Data Warehouse	\$ 39,825	0.04%	\$ 27,000	0.02%	\$ 12,825	47.50%	\$ 119,283	0.03%	\$ 108,000	0.03%	\$ 11,283	10.45%
Consultant Fees	\$ 109,948	0.10%	\$ 5,000	0.00%	\$ 104,948	2098.96%	\$ 279,896	0.08%	\$ 264,000	0.08%	\$ 15,896	6.02%
COBRA Fees	\$ 6,409	0.01%	\$ 9,000	0.01%	\$ (2,592)	-28.79%	\$ 16,471	0.00%	\$ 20,000	0.01%	\$ (3,529)	-17.65%
ACA Fees	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 392,889	0.11%	\$ 370,000	0.11%	\$ 22,889	6.19%
Total Other Expenses	\$ 4,107,756	3.76%	\$ 4,505,000	3.98%	\$ (397,244)	-8.82%	\$ 13,884,102	4.02%	\$ 12,587,000	3.62%	\$ 1,297,102	10.31%
Total Operating Expenses	\$ 109,123,615		\$ 113,098,000		\$ (3,974,385)	-3.51%	\$ 345,500,263		\$ 347,717,000		\$ (2,216,737)	-0.64%
Net Income	\$ (11,562,269)		\$ (13,076,000)		\$ 1,513,731		\$ (670,146)		\$ (598,000)		\$ (72,146)	
Balance Forward	\$ 10,984,664		\$ 12,570,541				\$ 92,541		\$92,541			
Fund Equity Balance	\$ (577,605)		\$ (505,459)		\$ (72,146)	14.27%	\$ (577,605)		\$ (505,459)		\$ (72,146)	14.27%

State of Delaware Health Fund

Monthly Statement

October 2024

OPERATING REVENUES	October		October Budget		Variance		YTD Actual		YTD Budget		Variance	
		%		%		%		%		%		%
Premium Contributions												
Highmark	\$ 81,846,848	71.15%	\$ -	0.00%		#DIV/0!	\$ 316,712,619	68.87%	\$ -	0.00%		#DIV/0!
Aetna	\$ 21,959,454	19.09%	\$ -	0.00%		#DIV/0!	\$ 84,517,625	18.38%	\$ -	0.00%		#DIV/0!
Total Premium Contributions	\$ 103,806,302	90.25%	\$ 104,107,000	90.57%	\$ (300,698)	-0.29%	\$ 401,230,245	87.25%	\$ 403,881,000	87.41%	\$ (2,650,755)	-0.66%
Other Revenues												
Medicare Retiree RX Prog. (EGWP) Direct Subsidy	\$ 474,553	0.41%	\$ 512,000	0.45%	\$ (37,447)	-7.31%	\$ 2,187,252	0.48%	\$ 2,313,000	0.50%	\$ (125,748)	-5.44%
Federal Reinsurance	\$ 2,087,345	1.81%	\$ 2,140,000	1.86%	\$ (52,655)	-2.46%	\$ 8,313,904	1.81%	\$ 8,548,000	2%	\$ (234,096)	-2.74%
Prescription Drug Rebates (Commercial)	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 25,559,138	5.56%	\$ 27,606,000	5.97%	\$ (2,046,862)	-7.41%
Prescription Drug Rebates (EGWP)	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 153,715	0.03%	\$ 16,877,000	3.65%	\$ (16,723,285)	-99.09%
Prescription True Up/Yr End Recon Pymts	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Medicare Part D Coverage Gap Discount	\$ 7,864,125	6.84%	\$ 7,540,000	6.56%	\$ 324,125	4.30%	\$ 25,017,732	5.44%	\$ 7,540,000	1.63%	\$ 17,477,732	231.80%
Participating Group Fees	\$ 777,152	0.68%	\$ 638,000	0.56%	\$ 139,152	21.81%	\$ 2,905,337	0.63%	\$ 2,546,000	0.55%	\$ 359,337	14.11%
Other Revenues	\$ 17,702	0.02%	\$ 15,000	0.01%	\$ 2,702	18.01%	\$ (5,510,027)	-1.20%	\$ (7,240,000)	0.00%	\$ 1,729,973	0.00%
Total Other Revenues	\$ 11,220,877	9.75%	\$ 10,845,000	9.43%	\$ 375,877	3.47%	\$ 58,627,052	12.75%	\$ 58,190,000	12.59%	\$ 437,052	0.75%
Total Operating Revenues	\$ 115,027,179		\$ 114,952,000		\$ 75,179	0.07%	\$ 459,857,296		\$ 462,071,000		\$ (2,213,704)	-0.48%
OPERATING EXPENSES												
Claims												
Highmark	\$ 60,416,444	48.51%	\$ 63,849,000	50.19%	\$ (3,432,556)	-5.38%	\$ 224,236,410	47.70%	\$ 226,627,000	47.72%	\$ (2,390,590)	-1.05%
Aetna	\$ 14,851,844	11.92%	\$ 15,957,000	12.54%	\$ (1,105,156)	-6.93%	\$ 60,885,502	12.95%	\$ 63,637,000	13.40%	\$ (2,751,498)	-4.32%
Express Scripts/CVS (non-Plan D)	\$ 24,547,102	19.71%	\$ 23,410,000	18.40%	\$ 1,137,102	4.86%	\$ 88,037,130	18.73%	\$ 91,580,000	19.28%	\$ (3,542,870)	-3.87%
Express Scripts/CVS (Plan D)	\$ 18,993,445	15.25%	\$ 18,019,000	14.16%	\$ 974,445	5.41%	\$ 73,332,406	15.60%	\$ 70,490,000	14.84%	\$ 2,842,406	4.03%
Surgery Plus	\$ 1,606,119	1.29%	\$ 1,349,000	1.06%	\$ 257,119	19.1%	\$ 5,539,667	1.18%	\$ 5,380,000	1.13%	\$ 159,667	2.96%
Total Claims	\$ 120,414,955	96.68%	\$ 122,584,000	96.37%	\$ (2,169,045)	-1.77%	\$ 452,031,116	96.17%	\$ 457,714,000	96.38%	\$ (5,682,884)	-1.24%
Other Expenses												
Program Fees and Costs (Vendor ASO Fees)	\$ 3,335,176	2.68%	\$ 4,155,000	3.27%	\$ (819,824)	-19.73%	\$ 15,506,676	3.30%	\$ 15,166,000	3.19%	\$ 340,676	2.25%
Office Expenses	\$ 530,388	0.43%	\$ 231,000	0.18%	\$ 299,388	129.61%	\$ 1,308,195	0.28%	\$ 916,000	0.19%	\$ 392,195	42.82%
Employee Assistance	\$ 36,404	0.03%	\$ 55,000	0.04%	\$ (18,597)	-33.81%	\$ 162,659	0.03%	\$ 184,000	0.04%	\$ (21,342)	-11.60%
Data Warehouse	\$ 39,825	0.03%	\$ 41,000	0.03%	\$ (1,175)	-2.87%	\$ 159,108	0.03%	\$ 149,000	0.03%	\$ 10,108	6.78%
Consultant Fees	\$ 184,448	0.15%	\$ 125,000	0.10%	\$ 59,448	47.56%	\$ 464,344	0.10%	\$ 389,000	0.08%	\$ 75,344	19.37%
COBRA Fees	\$ 10,938	0.01%	\$ 17,000	0.01%	\$ (6,062)	-35.66%	\$ 27,409	0.01%	\$ 37,000	0.01%	\$ (9,591)	-25.92%
ACA Fees	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 392,889	0.08%	\$ 370,000	0.08%	\$ 22,889	6.19%
Total Other Expenses	\$ 4,137,178	3.32%	\$ 4,624,000	3.63%	\$ (486,822)	-10.53%	\$ 18,021,280	3.83%	\$ 17,211,000	3.62%	\$ 810,280	4.71%
Total Operating Expenses	\$ 124,552,133		\$ 127,208,000		\$ (2,655,867)	-2.09%	\$ 470,052,397		\$ 474,925,000		\$ (4,872,603)	-1.03%
Net Income	\$ (9,524,954)		\$ (12,256,000)		\$ 2,731,046		\$ (10,195,100)		\$ (12,854,000)		\$ 2,658,900	
Balance Forward	\$ (577,605)		\$ (505,459)				\$ 92,541		\$ 92,541			
Fund Equity Balance	\$ (10,102,560)		\$ (12,761,459)		\$ 2,658,899	-20.84%	\$ (10,102,560)		\$ (12,761,459)		\$ 2,658,899	-20.84%
Average Members	132,300		132,432		-132	-0.10%						

Long-term Projections

Rating Approaches – FY26 Impact

- All Groups Combined (*current methodology*)
 - Risk spread across largest pool
 - Keeps impact lower for pre-65 retirees
 - Cross-subsidization of groups
- Active versus Retired
 - Pre-65 retirees and Medicare retirees combined into one group
 - Medicare retirees would be subsidizing Pre-65 retirees
 - Risk spread across entire retirement period
- Non-Medicare versus Medicare
 - Active employees/Pre-65 retirees in the same benefits plans compared vs Medicare retirees in Medicfill/EGWP
 - How most employers set rates prior to Financial Accounting Standards (FAS) 106
 - Modest impact to Actives and Pre-65 retirees versus current methodology
- Separate rating by cohort
 - Smaller risk pools lead to greater volatility by group
 - Best representation of true costs of each group
 - Pre-65 retirees more costly due to poorer health
 - Medicare retirees less costly due to funding from Medicare
 - Modest impact on active employees and Medicare retirees
 - Significant impact to Pre-65 retirees (on fixed budgets)

	Active	Pre-65	Medicare
Combined	4.2%	4.2%	4.2%
Active vs Retired	4.7%	2.3%	2.3%
Non-Medicare vs Medicare	6.3%	6.3%	0.0%
Active vs Pre-65 Retiree vs Medicare	4.7%	17.1%	0.0%

Any change in rating methodology may have an impact on OPEB liability and expense

Long-term Projection – All GHIP Groups Combined

GHIP Costs (\$ millions)	Rate Increase	27.0%	4.2%	4.2%	4.2%
	FY24	FY25	FY26	FY27	FY28
	Projected	Projected	Projected	Projected	Projected
Average Enrolled Members	133,487	136,122	137,484	138,858	140,247
GHIP Revenues					
Premium Contributions - Non-Medicare	\$824.0	\$1,061.4	\$1,133.9	\$1,193.0	\$1,255.2
Premium Contributions - Medicare	\$166.0	\$192.3	\$225.1	\$236.8	\$249.1
Total Premium Contributions	\$990.0	\$1,253.6	\$1,359.0	\$1,429.8	\$1,504.3
Transfer from OMB	\$7.3				
Payback of Transfer from OMB		(\$7.3)			
Other Revenues	\$223.2	\$273.2	\$311.0	\$339.3	\$363.4
Total Operating Revenues	\$1,220.5	\$1,519.6	\$1,670.0	\$1,769.1	\$1,867.8
GHIP Expenses					
Claims	\$1,230.7	\$1,402.1	\$1,554.5	\$1,707.7	\$1,868.7
Expenses	\$48.6	\$51.7	\$52.9	\$54.9	\$57.1
Total Operating Expenses	\$1,279.3	\$1,453.8	\$1,607.3	\$1,762.6	\$1,925.7
% Change Per Member	5.4%	11.7%	9.8%	8.8%	8.3%
Adjusted Net Income	(\$58.7)	\$65.8	\$62.6	\$6.5	(\$58.0)
Balance Forward	\$58.8	\$0.1	\$65.9	\$128.5	\$135.0
Ending Fund Cash Balance	\$0.1	\$65.9	\$128.5	\$135.0	\$77.0
- Less Claims Liability	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
- Less Minimum Reserve	\$28.0	\$32.1	\$64.3	\$70.5	\$77.0
GHIP Surplus (After Reserves/Deposits)	(\$28.0)	\$33.7	\$64.2	\$64.5	(\$0.0)

Assumptions:

- 8% medical trend, 5% Medicfill trend, see Appendix for graded pharmacy trend assumption
- Starting with actual July, 2024 open enrollment results and 1% per annum growth in GHIP membership with consistent plan and tier elections thereafter
- Reflects added cost for legislation going into effect during FY25
- Reflects current market check improvements for FY25/FY26 pharmacy program
- Reflect changes to 2025 (and beyond) EGWP reimbursements due to the Inflation Reduction Act
- Reflects increased cost due to plan changes adopted for FY25 to be in compliance with MHPAEA
- Does not reflect added cost due to potential pending legislation

Long-term Projection – Active Employees Only

GHIP Costs (\$ millions)	Rate Increase	27.0%	4.7%	4.7%	4.7%
	FY24	FY25	FY26	FY27	FY28
	Projected	Projected	Projected	Projected	Projected
GHIP Revenues					
Premium Contributions	\$722.7	\$934.5	\$1,003.3	\$1,061.1	\$1,122.3
Transfer from OMB	\$5.8				
Payback of Transfer from OMB		(\$5.8)			
Other Revenues	\$82.8	\$101.5	\$119.2	\$131.9	\$144.4
Total Operating Revenues	\$811.3	\$1,030.2	\$1,122.5	\$1,193.0	\$1,266.7
GHIP Expenses					
Claims	\$823.6	\$946.4	\$1,051.2	\$1,155.2	\$1,264.6
Expenses	\$32.0	\$34.2	\$34.9	\$36.3	\$37.7
Total Operating Expenses	\$855.6	\$980.6	\$1,086.1	\$1,191.5	\$1,302.3
<i>% Change Per Member</i>					
Adjusted Net Income	(\$44.3)	\$49.6	\$36.4	\$1.5	(\$35.5)
Balance Forward	\$58.8	\$0.0	\$49.6	\$86.1	\$87.6
Ending Fund Cash Balance	\$0.0	\$49.6	\$86.1	\$87.6	\$52.1
- Less Claims Liability	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
- Less Minimum Reserve	\$18.9	\$21.7	\$43.4	\$47.7	\$52.1
GHIP Surplus (After Reserves/Deposits)	(\$18.9)	\$27.9	\$42.6	\$40.0	(\$0.0)

- Active employees contribute approximately 11% of the total State premium cost for active employees (excluding Non-state groups)
- Employee contributions range from \$42 to \$412 per month
- A 5% rate action would increase employee contributions by a range of \$2 - \$21 per month

Long-term Projection – Pre-65 Retirees Only

GHIP Costs (\$ millions)	Rate Increase	27.0%	17.1%	17.1%	17.1%
	FY24	FY25	FY26	FY27	FY28
	Projected	Projected	Projected	Projected	Projected
GHIP Revenues					
Premium Contributions	\$101.4	\$126.8	\$151.6	\$179.3	\$212.0
Transfer from OMB	\$1.5				
Payback of Transfer from OMB		(\$1.5)			
Other Revenues	\$15.1	\$18.5	\$20.4	\$22.8	\$25.0
Total Operating Revenues	\$117.9	\$143.9	\$172.1	\$202.1	\$237.1
GHIP Expenses					
Claims	\$135.5	\$154.2	\$171.5	\$188.6	\$206.6
Expenses	\$5.7	\$6.0	\$6.3	\$6.5	\$6.8
Total Operating Expenses	\$141.1	\$160.2	\$177.8	\$195.2	\$213.3
<i>% Change Per Member</i>					
Adjusted Net Income	(\$23.2)	(\$16.3)	(\$5.8)	\$6.9	\$23.7
Balance Forward	\$0.0	\$0.0	(\$16.3)	(\$22.1)	(\$15.2)
Ending Fund Cash Balance	\$0.0	(\$16.3)	(\$22.1)	(\$15.2)	\$8.5
- Less Claims Liability	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
- Less Minimum Reserve	\$3.1	\$3.6	\$7.1	\$7.8	\$8.5
GHIP Surplus (After Reserves/Deposits)	(\$3.1)	(\$19.9)	(\$29.2)	(\$23.0)	(\$0.0)

- Pre-65 retirees contribute approximately 12% of the total State premium cost for Pre-65 retirees (excluding Non-state groups)
- Retiree contributions range from \$42 to \$412 per month
- A 17.9% rate action would increase retiree contributions by a range of \$8 - \$74 per month

Long-term Projection – Medicare Retirees Only

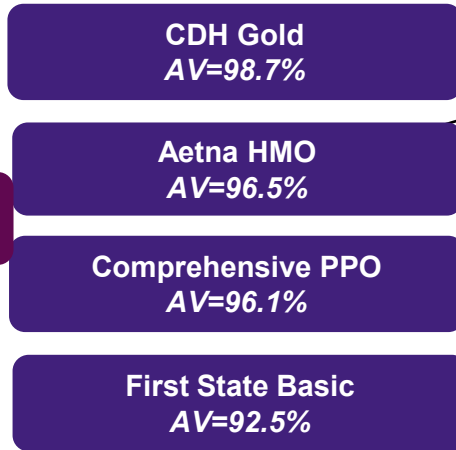
GHIP Costs (\$ millions)	Rate Increase	27.0%	0.0%	0.0%	0.0%
	FY24	FY25	FY26	FY27	FY28
	Projected	Projected	Projected	Projected	Projected
GHIP Revenues					
Premium Contributions	\$166.0	\$192.3	\$221.2	\$223.4	\$225.6
Transfer from OMB					
Payback of Transfer from OMB					
Other Revenues	\$125.3	\$153.2	\$171.3	\$184.6	\$194.0
Total Operating Revenues	\$291.3	\$345.5	\$392.5	\$408.0	\$419.6
GHIP Expenses					
Claims	\$271.7	\$301.5	\$331.8	\$363.8	\$397.5
Expenses	\$10.9	\$11.4	\$11.7	\$12.2	\$12.6
Total Operating Expenses	\$282.5	\$313.0	\$343.5	\$376.0	\$410.2
<i>% Change Per Member</i>					
Adjusted Net Income	\$8.8	\$32.5	\$49.0	\$32.0	\$9.4
Balance Forward	\$0.0	\$0.1	\$32.6	\$81.6	\$113.6
Ending Fund Cash Balance	\$0.1	\$32.6	\$81.6	\$113.6	\$123.1
- Less Claims Liability	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
- Less Minimum Reserve	\$6.0	\$6.9	\$13.7	\$15.0	\$16.4
GHIP Surplus (After Reserves/Deposits)	(\$5.9)	\$25.8	\$67.9	\$98.6	\$106.7

- Medicare retirees contribute approximately 5% of the total State premium cost for Medicare retirees (excluding Non-state groups)
- More than 60% of State Medicare retirees do not contribute towards the cost of Medical and/or Rx benefits
- Those paying the “Retiree Share” contribute \$17 per month for Medicfill coverage and \$31 per month for Medicfill+Rx coverage, including a \$4 and \$7 per month increase over 2024, respectively
- Medicare retiree contributions account for approximately \$2.7M of the projected FY28 year-end Surplus

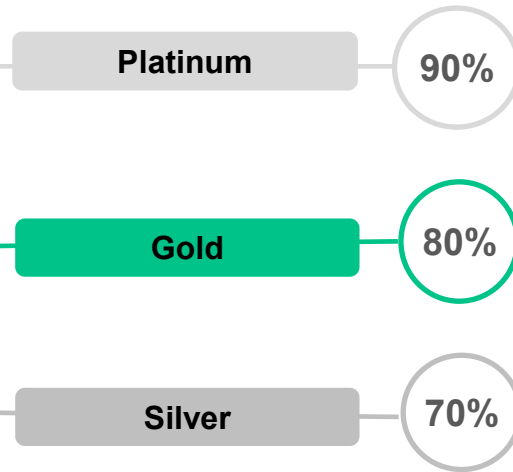
Plan Values and Employee Contributions

Plan Values

Current State (Plan Design Value)



Actuarial Value Medallion Level



Actuarial Value (AV)
Measures the percentage of medical claims cost that insurance is expected to cover after employees pay cost sharing (e.g. deductible and coinsurance)

Observations

- Plans are all extremely rich
- CDH Gold and HMO richer than PPO but employees pay significantly less for those two options

- Given the mis-alignment between plan design values and premium equivalent rates for the non-Medicare plans, the State should be aware of the impact of aligning plan values with those rates, as well as the impact of creating more meaningful differentiation between these plan options
- The following slides illustrate the impact of these changes for the SEBC's consideration

FY26 Rates – Rates re-aligned based on Actuarial Value (AV)

	August 2024 Enrollment	Actuarial Value	FY26 with 5% Rate Action				Re-Align Rates based on Current Avs				New AVs to Align to Legislated Employee Shares					
			Gross Rate	Percent Share	Employee Contribution	Increase	Increase	Gross Rate	Percent Share	Employee Contribution	New AV	Gross Rate	Employee Contribution	Percent Share	State Subsidy	
First State Basic		92.5%									92.5%					
Employee	2,891		\$ 1,102.06	4.00%	\$ 44.08	\$ 2.10	12%	\$ 1,172.61	4.00%	\$ 46.90	90.1%	\$ 1,099.65	\$ 43.99	4.00%	\$1,055.66	
Employee + Spouse	427		\$ 2,280.12	4.00%	\$ 91.20	\$ 4.32	12%	\$ 2,433.29	4.00%	\$ 97.33	90.1%	\$ 2,281.88	\$ 91.28	4.00%	\$2,190.61	
Employee + Child	925		\$ 1,675.23	4.00%	\$ 67.01	\$ 3.19	13%	\$ 1,807.20	4.00%	\$ 72.29	90.1%	\$ 1,694.75	\$ 67.79	4.00%	\$1,626.96	
Family	612		\$ 2,850.25	4.00%	\$ 114.01	\$ 5.41	12%	\$ 3,041.94	4.00%	\$ 121.68	90.1%	\$ 2,852.67	\$ 114.11	4.00%	\$2,738.56	
CDH Gold		98.7%									98.7%					
Employee	1,770		\$ 1,140.62	5.00%	\$ 57.03	\$ 2.71	15%	\$ 1,247.98	5.00%	\$ 62.40	91.0%	\$ 1,111.22	\$ 55.56	5.00%	\$1,055.66	
Employee + Spouse	444		\$ 2,364.98	5.00%	\$ 118.25	\$ 5.63	15%	\$ 2,589.70	5.00%	\$ 129.49	91.0%	\$ 2,305.90	\$ 115.30	5.00%	\$2,190.61	
Employee + Child	1,077		\$ 1,742.66	5.00%	\$ 87.13	\$ 4.15	16%	\$ 1,923.36	5.00%	\$ 96.17	91.0%	\$ 1,712.59	\$ 85.63	5.00%	\$1,626.96	
Family	757		\$ 3,004.49	5.00%	\$ 150.22	\$ 7.16	13%	\$ 3,237.48	5.00%	\$ 161.87	91.0%	\$ 2,882.70	\$ 144.13	5.00%	\$2,738.56	
Aetna HMO		96.5%									96.5%					
Employee	3,429		\$ 1,150.53	6.50%	\$ 74.78	\$ 3.54	11%	\$ 1,221.45	6.50%	\$ 79.39	92.6%	\$ 1,129.05	\$ 73.39	6.50%	\$1,055.66	
Employee + Spouse	1,002		\$ 2,425.77	6.50%	\$ 157.68	\$ 7.50	10%	\$ 2,534.65	6.50%	\$ 164.75	92.6%	\$ 2,342.90	\$ 152.29	6.50%	\$2,190.61	
Employee + Child	2,060		\$ 1,760.01	6.50%	\$ 114.40	\$ 5.44	12%	\$ 1,882.48	6.50%	\$ 122.36	92.6%	\$ 1,740.06	\$ 113.10	6.50%	\$1,626.96	
Family	1,986		\$ 3,026.81	6.50%	\$ 196.74	\$ 9.36	10%	\$ 3,168.66	6.50%	\$ 205.96	92.6%	\$ 2,928.94	\$ 190.38	6.50%	\$2,738.56	
Comprehensive PPO		96.1%									96.1%					
Employee	12,918		\$ 1,258.15	13.25%	\$ 166.71	\$ 7.95	2%	\$ 1,216.90	13.25%	\$ 161.24	96.1%	\$ 1,216.90	\$ 161.24	13.25%	\$1,055.66	
Employee + Spouse	3,836		\$ 2,610.80	13.25%	\$ 345.93	\$ 16.45	2%	\$ 2,525.20	13.25%	\$ 334.59	96.1%	\$ 2,525.20	\$ 334.59	13.25%	\$2,190.61	
Employee + Child	7,987		\$ 1,939.04	13.25%	\$ 256.92	\$ 12.24	2%	\$ 1,875.46	13.25%	\$ 248.50	96.1%	\$ 1,875.46	\$ 248.50	13.25%	\$1,626.96	
Family	6,417		\$ 3,263.86	13.25%	\$ 432.46	\$ 20.60	2%	\$ 3,156.84	13.25%	\$ 418.28	96.1%	\$ 3,156.84	\$ 418.28	13.25%	\$2,738.56	
		48,538	96.0%	\$93,385,573	10.72%	\$10,007,610	\$476,568	5%	\$93,385,573	10.54%	\$ 9,846,210	94.5%	\$ 90,748,025	\$ 9,700,110		
													\$ (2,637,548)	\$ (307,500)		

Potential Plan Design/AV Update – First State Basic

Plan Name	First State Basic	First State Basic - Alternative
Network Identifier	IN	IN
Medical		
Deductible (Single/Family)	\$500/\$1000	\$750/\$1500
Accumulation Method (Ded)	Embedded	Embedded
General Coinsurance	90%	85%
Preventive Care	100% ded waived	100% ded waived
Office Visit - PCP	90%	85%
Office Visit - SPC	90%	85%
Urgent Care	\$25	\$25
Emergency Room	90%	85%
Inpatient Hospital	90%	85%
Outpatient Surgery	90%	85%
Lab work	90%	85%
X-rays	0	0
Out-Of-Pocket Max (Single/Family)	\$2000/\$4000	\$2500/\$5000
Accumulation Method (OOP Max)	Embedded	Embedded
Pharmacy		
Generic	\$10	\$10
Formulary	\$32	\$32
Non-Formulary	\$60	\$60
Specialty	n/a	n/a
Mail Order - Generic	\$20	\$20
Mail Order - Formulary	\$64	\$64
Mail Order - Non-Formulary	\$120	\$120
Mail Order - Specialty	n/a	n/a
Account Seed		
Annual Funding (Single/Family)		
Plan Values		
AV - Without Account Funding	92.6%	90.5%

Potential Plan Design/AV Update – CDH Gold

Plan Name	CDH Gold	CDH Gold - Alternative
Network Identifier	IN	IN
Medical		
Deductible (Single/Family)	\$1500/\$3000	\$1500/\$3000
Accumulation Method (Ded)	Embedded	Embedded
General Coinsurance	90%	85%
Preventive Care	100% ded waived	100% ded waived
Office Visit - PCP	90%	85%
Office Visit - SPC	90%	85%
Urgent Care	90%	85%
Emergency Room	90%	85%
Inpatient Hospital	90%	85%
Outpatient Surgery	90%	85%
Lab work	90%	85%
X-rays	0	0
Out-Of-Pocket Max (Single/Family)	\$4500/\$9000	\$4500/\$9000
Accumulation Method (OOP Max)	Embedded	Embedded
Pharmacy		
Generic	\$10	\$10
Formulary	\$32	\$32
Non-Formulary	\$60	\$60
Specialty	n/a	n/a
Mail Order - Generic	\$20	\$20
Mail Order - Formulary	\$64	\$64
Mail Order - Non-Formulary	\$120	\$120
Mail Order - Specialty	n/a	n/a
Account Seed		
Annual Funding (Single/Family)	\$1250/\$2500	\$500/\$1000
Plan Values		
AV - Without Account Funding	86.8%	86.3%
AV - With Account Funding	98.8%	91.1%

Potential Plan Design/AV Update – Aetna HMO

Plan Name	Aetna HMO	Aetna HMO - Alternative
Network Identifier	IN	IN
Medical		
Deductible (Single/Family)	\$0/\$0	\$500/\$1000
Accumulation Method (Ded)	Embedded	Embedded
General Coinsurance	100%	90%
Preventive Care	100% ded waived	100% ded waived
Office Visit - PCP	\$15	90%
Office Visit - SPC	\$25	90%
Urgent Care	\$15	
Emergency Room	\$200	90%
Inpatient Hospital	\$150	90%
Outpatient Surgery	\$50	90%
Lab work	\$10	90%
X-rays	0	0
Out-Of-Pocket Max (Single/Family)	\$4500/\$9000	\$2000/\$4000
Accumulation Method (OOP Max)	Embedded	Embedded
Pharmacy		
Generic	\$10	\$10
Formulary	\$32	\$32
Non-Formulary	\$60	\$60
Specialty	n/a	n/a
Mail Order - Generic	\$20	\$20
Mail Order - Formulary	\$64	\$64
Mail Order - Non-Formulary	\$120	\$120
Mail Order - Specialty	n/a	n/a
Account Seed		
Annual Funding (Single/Family)	\$0/\$0	\$0/\$0
Plan Values		
AV - Without Account Funding	96.5%	92.6%

Potential Plan Design/AV Update – Comprehensive PPO

Plan Name	Comprehensive PPO
Network Identifier	IN
Medical	
Deductible (Single/Family)	\$0/\$0
Accumulation Method (Ded)	Embedded
General Coinsurance	100%
Preventive Care	100% ded waived
Office Visit - PCP	\$20
Office Visit - SPC	\$30
Urgent Care	\$20
Emergency Room	\$200
Inpatient Hospital	\$150
Outpatient Surgery	\$50
Lab work	\$10
X-rays	0
Out-Of-Pocket Max (Single/Family)	\$4500/\$9000
Accumulation Method (OOP Max)	Embedded
Pharmacy	
Generic	\$10
Formulary	\$32
Non-Formulary	\$60
Specialty	n/a
Mail Order - Generic	\$20
Mail Order - Formulary	\$64
Mail Order - Non-Formulary	\$120
Mail Order - Specialty	n/a
Account Seed	
Annual Funding (Single/Family)	\$0/\$0
Plan Values	
AV - Without Account Funding	96.2%

Appendix

Pharmacy Trend - Trend

COMMERCIAL	FY23	FY24	Incr	FY25	Incr	FY26	Incr	FY27	Incr	FY28	Incr
Gross Spend before GLP-1's & PrudentRx	\$183.6	\$198.3	8%	\$216.1	9%	\$235.5	9%	\$256.7	9%	\$279.8	9%
GLP-1 - Weight Loss		\$14.2		\$52.8	272%	\$69.2	31%	\$79.6	15%	\$87.6	10%
GLP-1 - Diabetes	\$17.0	\$24.7	45%	\$33.2	34%	\$43.6	31%	\$50.1	15%	\$55.2	10%
PrudentRx Savings		(\$16.0)		(\$17.8)	11%	(\$19.8)	11%	(\$21.8)	10%	(\$23.8)	9%
Total Gross Spend before Rebates	\$200.6	\$221.2	10%	\$284.3	29%	\$328.5	16%	\$364.6	11%	\$398.8	9%
Rebates	(\$71.6)	(\$90.1)	26%	(\$112.1)	24%	(\$131.9)	18%	(\$146.8)	11%	(\$161.5)	10%
Net Spend after Rebates	\$129.0	\$131.1	2%	\$172.2	31%	\$196.6	14%	\$217.8	11%	\$237.3	9%

EGWP	FY23	FY24	Incr	FY25	Incr	FY26	Incr	FY27	Incr	FY28	Incr
Gross Spend before GLP-1's & PrudentRx	\$165.5	\$181.5	10%	\$197.8	9%	\$215.6	9%	\$235.0	9%	\$256.2	9%
GLP-1 - Weight Loss											
GLP-1 - Diabetes	\$14.9	\$19.3	30%	\$24.1	25%	\$28.9	20%	\$33.2	15%	\$36.5	10%
PrudentRx Savings											
Total Gross Spend before Rebates	\$180.4	\$200.8	11%	\$221.9	11%	\$244.5	10%	\$268.2	10%	\$292.7	9%
Rebates	(\$51.5)	(\$62.8)	22%	(\$72.3)	15%	(\$80.0)	11%	(\$88.0)	10%	(\$95.9)	9%
Net Spend after Rebates	\$128.9	\$138.0	7%	\$149.6	8%	\$164.5	10%	\$180.2	10%	\$196.8	9%