

FY 2022 Health Benefits Update

STATE HEALTH BENEFITS PROGRAM
December 2022

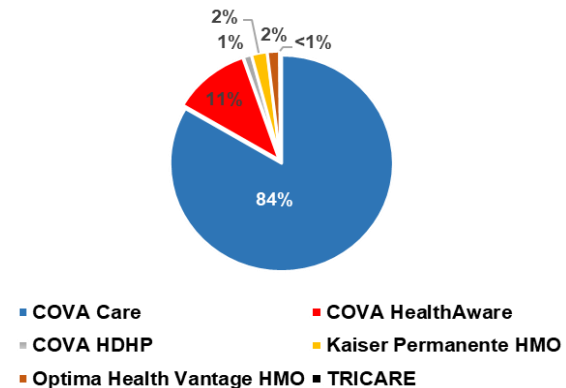


Enrollment and Satisfaction

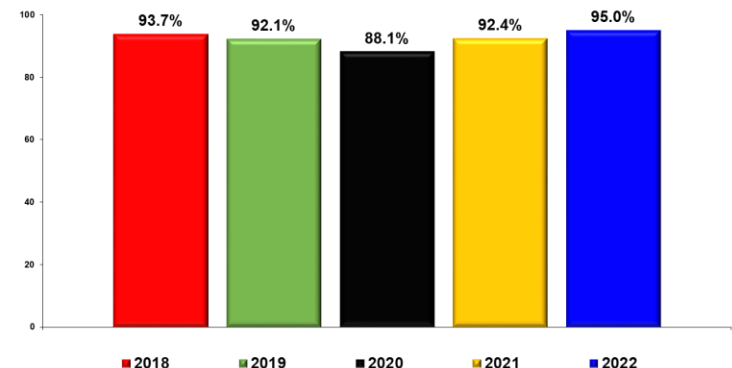
FY 2022 vs. FY 2021

- Enrollment ↓ 0.2%
- Plans
 - COVA Care ↓ 2.1%
 - COVA HealthAware ↑ 3.8%
- Eligibility ↓ 0.2%
- Waived Coverage ↑ 6.4%
- Employee Satisfaction
 - 95% rate
 - Higher than 90% benchmark

2022 Health Plan Enrollment
Total Eligible = 96,676



Overall Employee Satisfaction
(weighted average)



Premiums & Claims Expense

Claims Expense

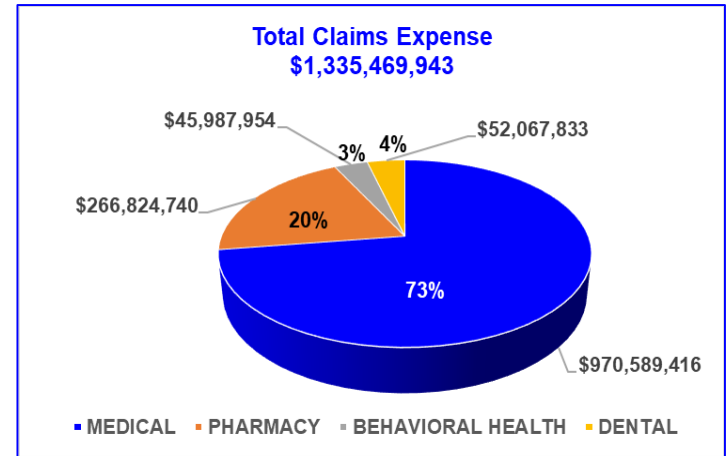
- Medical and Pharmacy
 - 93% of total
- Behavioral Health cost ↑12.9%

Premium: COVA Care

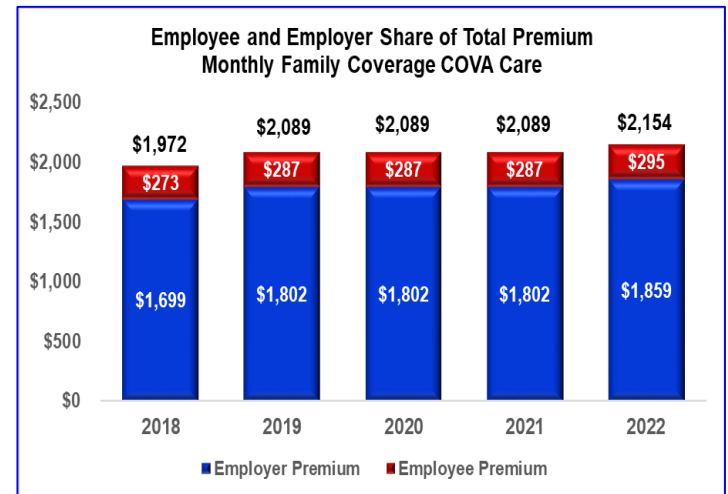
- Monthly Family Coverage
 - Employer paid 86%, employee paid 14%
 - Premiums ↑ 3.1%

Premium Rewards:

- Earned by about 29% of participants and/or spouses who completed a health assessment
- Individual pays \$17 less and with spouse \$34 less when meeting requirement



Source: Department of Human Resource Management



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Operations Expense

- Total expense ↑ 3.6%
- Claims expense ↑ 3.5%
- Administration expense ↑ 8.8%
- Claims: 92.3% of expense
- Administration: 4.2% of expense
- Other expense (ACA fee, Cardinal accounting, third party appeals): 3.5%

PROGRAM TOTAL	FISCAL YEAR 2018	FISCAL YEAR 2019	FISCAL YEAR 2020	FISCAL YEAR 2021	FISCAL YEAR 2022
Annual Income (Premiums, Interest, Other)	\$1,415,215,515	\$1,493,959,124	\$1,376,156,706	\$1,347,408,531	\$1,476,215,510
Annual Expenses (Claims, Contract Administration, Other)	\$1,283,732,312*	\$1,385,074,060*	\$1,285,335,785*	\$1,396,504,984*	\$1,447,384,768*
Income Less Expenses	\$131,483,203	\$108,885,064	\$90,820,921	(\$49,096,453)	\$28,830,742
	*Prescription drug rebates deducted	*Prescription drug rebates deducted	*Prescription drug rebates deducted	*Prescription drug rebates deducted	*Prescription drug rebates deducted

Cost Per Employee

Average Cost Per Employee:

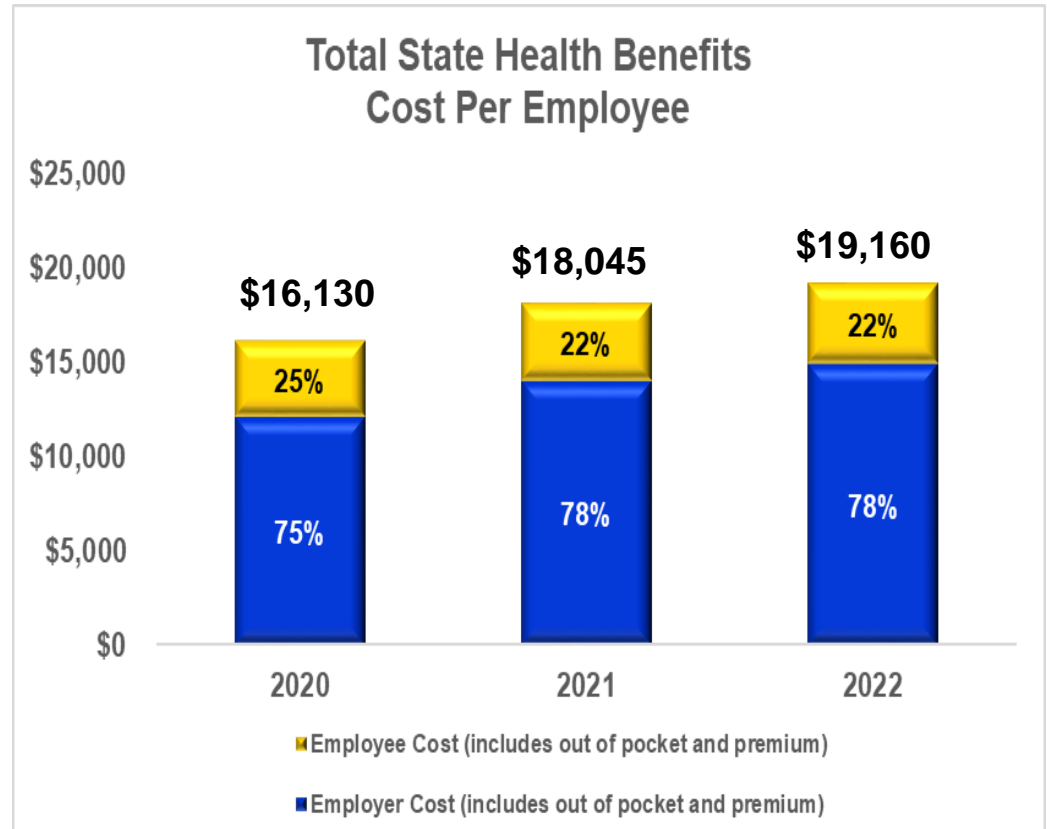
- FY 2021: \$14,001
- FY 2022: \$14,896

Average Cost Per Employee (Employee Portion):

- FY 2021: \$4,044
- FY 2022: \$4,264

Total Average Cost Per Employee:

- Up 6.2% over 2021



Source: Department of Human Resource Management

FY 2022 Cost Drivers

Age of Population

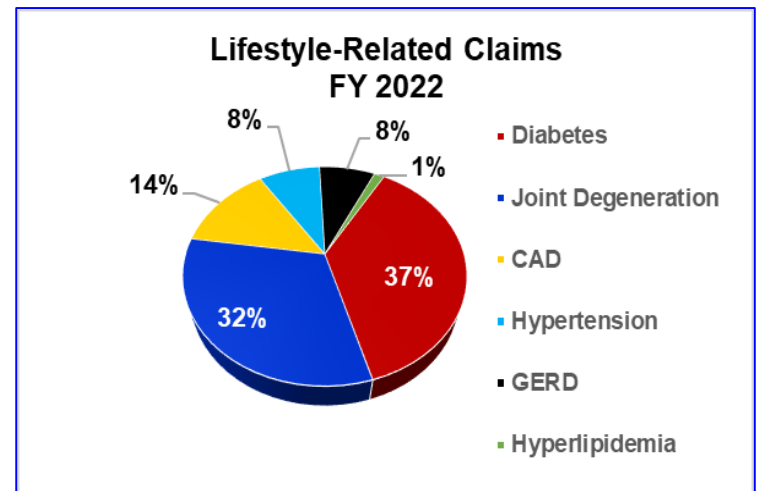
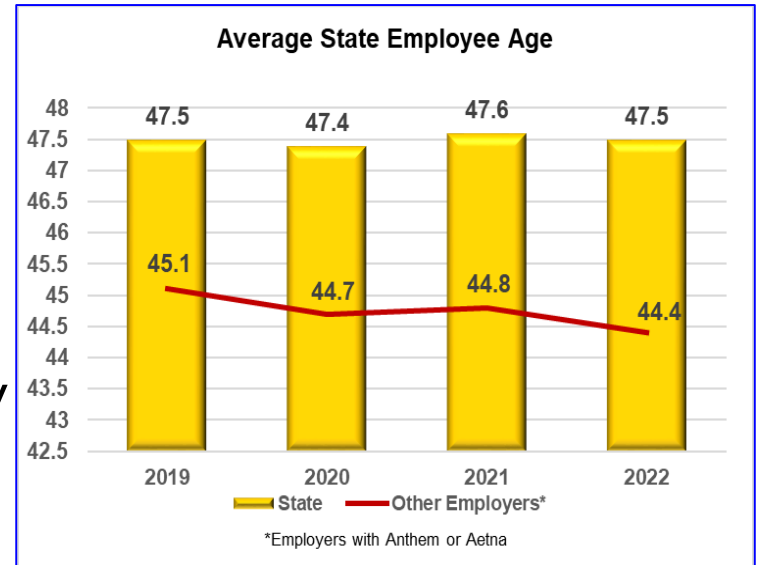
- Average employee age: **47.5**
- 36% of members are 50+ and drive 57% of expense

Lifestyle

- 6 conditions that correlate clinically primarily with lifestyle
- Total Cost \$113 PMPM
- Top 2: Diabetes & Joint Degeneration
- Cancer is the most expensive condition overall

Specialty Prescription Drugs:

- 31,229 filled
- Cost \$203.9 million
- **50.7%** of drug cost



FY 2022 Highlights

- **Balance Billing Protection Notice** distributed to all plan participants.
- **\$50 Limit Placed** on member cost sharing in-network for up to a 34-day supply, or \$150 for 90-day supply, of covered insulin prescription drugs to treat diabetes.
- **LiveHealth Online Healthy Sleep** program added for COVA Care at no cost to the member and COVA HDHP at 20% after deductible.
- **Continuous Glucose Monitors** available under the IngenioRx pharmacy benefit as well as the durable medical equipment (DME) medical benefit.
- **Capitol Square Healthcare** offered two drive-thru free flu shot clinics for COVA Care, COVA HDHP and COVA HealthAware members in October 2021. 254 flu shots were administered.
- **Transitioned to first and second release** of new Cardinal HCM information technology system in October 2021 and April 2022 for HR and health benefits management.

FY 2022 Highlights

- **Continued to Address the COVID-19 Pandemic**
 - Dependent Care Flexible Spending Account (FSA) grace period added
 - Extended period to incur claims through September 15, 2022
 - Saved employees \$500,000 in plan year
 - Continued Employee Assistance Program (EAP) resources provided
 - Online EAP services for wage and waived employees not covered by state health plans
 - EAP resources for state agencies, including critical incident response and workshops

