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 **12.1%**
 - COVA HealthAware 13.8%
- Eligibility | 0.2%
- Waived Coverage 16.4%
- Employee Satisfaction
 - 95% rate
 - Higher than 90% benchmark





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







3

Operations Expense

- Total expense 13.6%
- Claims expense 13.5%
- Administration expense 18.8%
- 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	\$1,283,732,312*	\$1,385,074,060*	\$1,285,335,785*	\$1,396,504,984*	\$1,447,384,768*
Administration, Other)					
Income Less	\$131,483,203	\$108,885,064	\$90,820,921	(\$49,096,453)	\$28,830,742
Expenses					
	*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

