FY 2022 Health Benefits Update

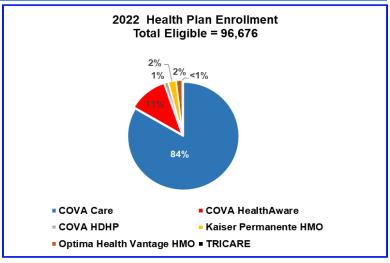
STATE HEALTH BENEFITS PROGRAM
December 2022

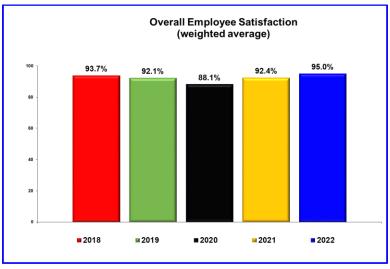


Enrollment and Satisfaction

FY 2022 vs. FY 2021

- Enrollment ↓ 0.2%
- Plans
 - COVA Care | 2.1%
 - COVA HealthAware 13.8%
- Eligibility ↓ 0.2%
- Waived Coverage ¹6.4%
- Employee Satisfaction
 - 95% rate
 - Higher than 90% benchmark





Premiums & Claims Expense

Claims Expense

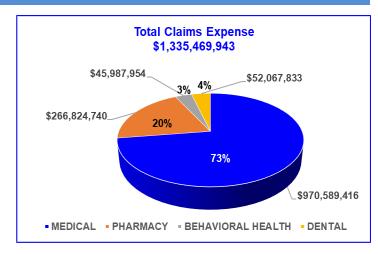
- Medical and Pharmacy
 - 93% of total
- Behavioral Health cost †12.9%

Premium: COVA Care

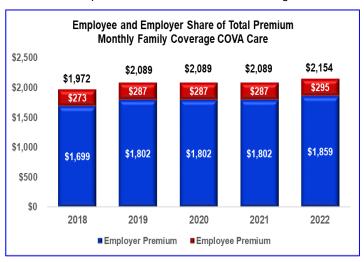
- Monthly Family Coverage
 - Employer paid 86%, employee paid 14%
 - Premiums **†** 3.1%

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



Source: Department of Human Resource Management



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	\$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				

Cost Per Employee

Average Cost Per Employee:

FY 2021: \$14,001

FY 2022: \$14,896

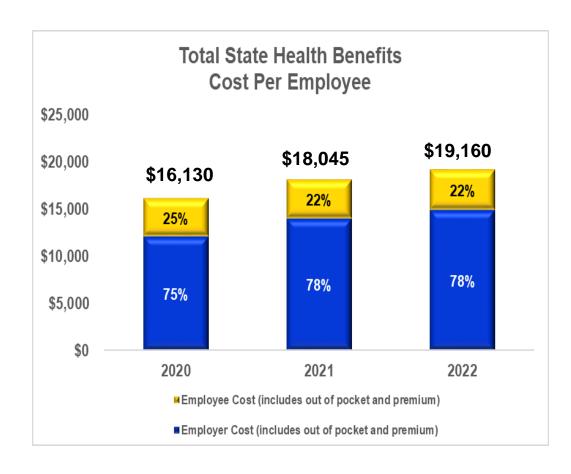
Average Cost Per Employee (Employee Portion):

• 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

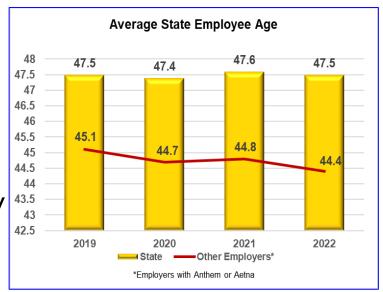
- Average employee age: 47.5
- 36% of members are 50+ and drive 57% of expense

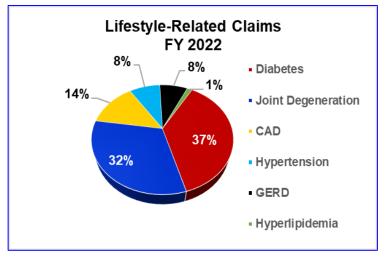
Lifestyle

- 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 flushot clinics for COVA Care, COVA HDHP and COVA
 HealthAware members in October 2021. 254 flushots 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

