

# FY 2020 Health Benefits Update

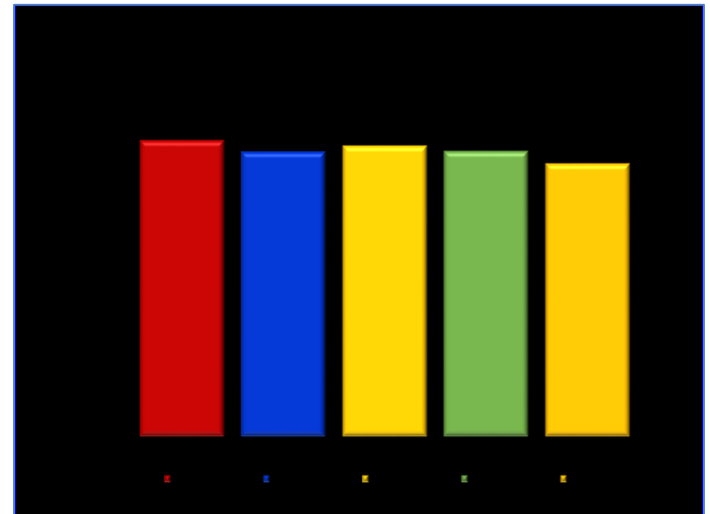
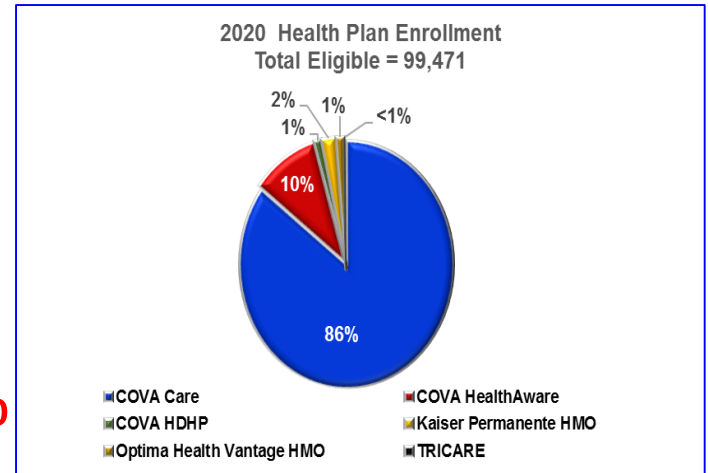
**STATE HEALTH BENEFITS PROGRAM**  
**December 2020**



# Enrollment and Satisfaction

## FY 2020 vs. FY 2019

- Enrollment ↑.3%
- Plans
  - COVA Care ↓2.2%
  - COVA HealthAware ↑11.5%
- Eligibility ↑.5%
- Waived Coverage ↑2.4%
- Employee Satisfaction
  - Slightly less than 90% benchmark



# Premiums & Claims Expense

## Claims Expense

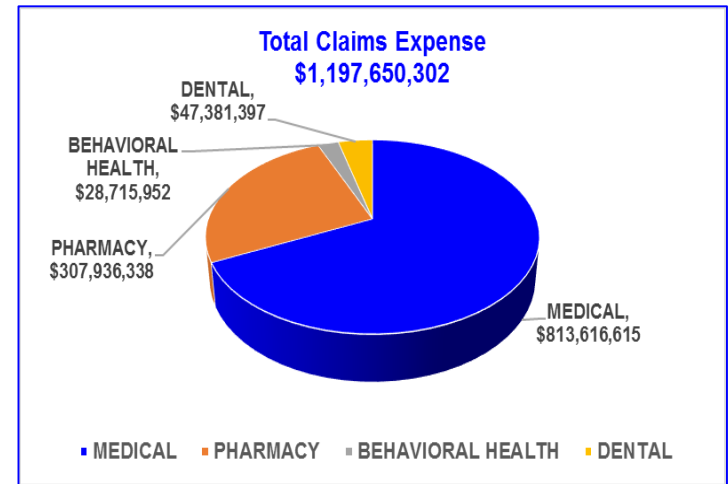
- Medical and Pharmacy
  - 94% of total
- Behavioral Health cost ↑ 46.5%

## Premium: COVA Care

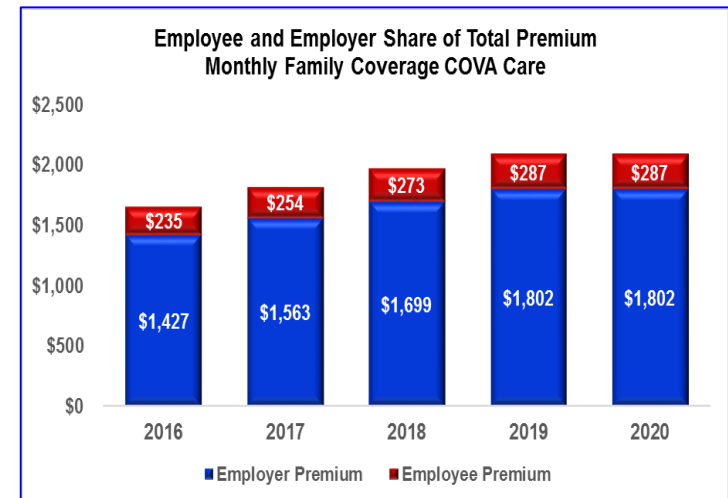
- Monthly Family Coverage
  - Employer paid 86%, employee paid 14%
  - Premiums same as 2019

## Premium Rewards:

- Earned by about 35% of participants and/or spouses who completed a health assessment
- Individual pays \$17 less and with spouse \$34 less when meeting requirement



Sources: Anthem, Aetna, Delta Dental



# Operations Expense

- Total expense ↓ 7.2%
- Claims expense ↓ 9.0%
- Administration expense ↑ 4.4%
- Claims: 91.3% of expense
- Administration: 5.4% of expense
- Other expense (ACA fee, Cardinal accounting, third party appeals): 3.3%

PROGRAM TOTAL	FISCAL YEAR 2016	FISCAL YEAR 2017	FISCAL YEAR 2018	FISCAL YEAR 2019	FISCAL YEAR 2020
<b>Annual Income</b> (Premiums, Interest, Other)	\$1,216,450,352	\$1,318,935,036	\$1,415,215,515	\$1,493,959,124	\$1,376,156,706
<b>Annual Expenses</b> (Claims, Contract Administration, Other)	\$1,260,333,640*	\$1,278,043,872*	\$1,283,732,312*	\$1,385,074,060*	\$1,285,335,785*
<b>Income Less Expenses</b>	<b>(\$43,883,288)</b>	<b>\$40,891,164</b>	<b>\$131,483,203</b>	<b>\$108,885,064</b>	<b>\$90,820,921</b>
	*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:

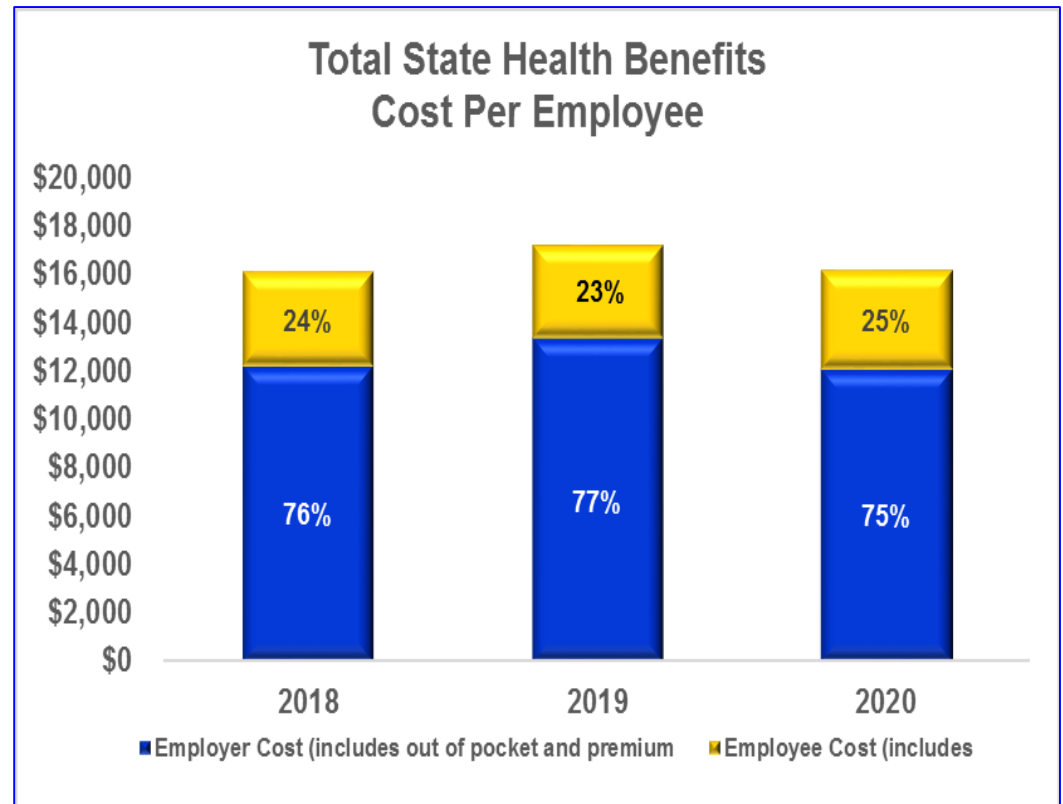
- FY 2019: \$13,297
- FY 2020: \$12,047

## Average Cost Per Employee (Employee Portion):

- FY 2019: \$3,870
- FY 2020: \$4,083

## Total Average Cost Per Employee:

- Down 6% over 2019



Source: Department of Human Resource Management

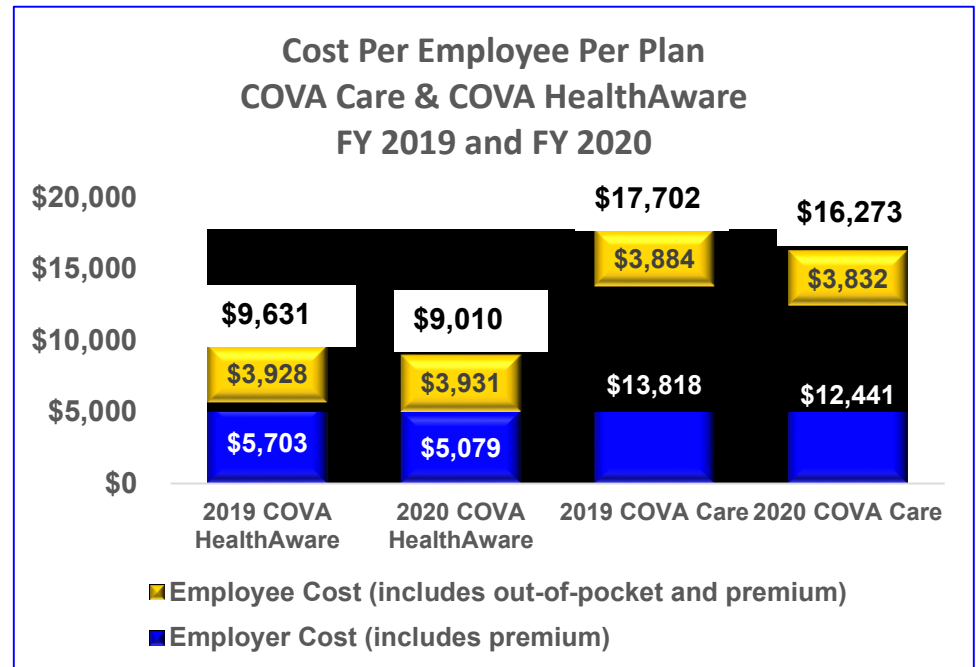
# Cost Per Employee Per Plan

## COVA Care Employer Cost:

- FY 2020: \$12,441
- 76% cost share
- Down 2% from 2019

## COVA HealthAware Employer Cost:

- FY 2020: \$5,079
- 56% cost share
- Down 3% from 2019



Source: Department of Human Resource Management

# FY 2020 Cost Drivers

## Age of Population

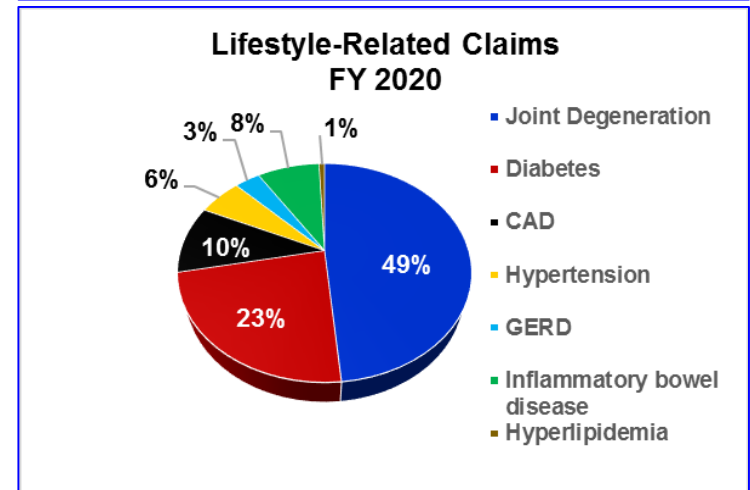
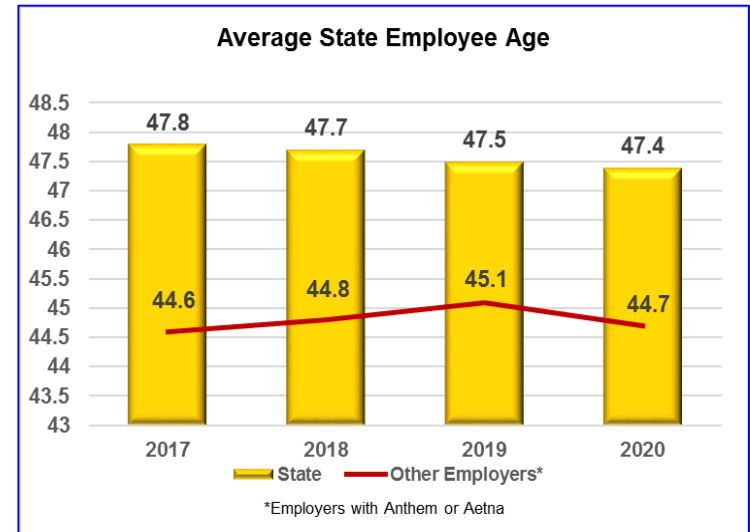
- Average employee age: 47.4
- 35% of members are 50+ and drive 57% of expense

## Lifestyle

- 7 conditions that correlate clinically primarily with lifestyle
- Total Cost \$157 PMPM
- Top 2: Joint Degeneration and Diabetes

## Specialty Prescription Drugs:

- Almost 22,000 filled
- Cost \$128.6 million
- 42% of drug cost



# FY 2020 Highlights

- **Health Benefits Premium Holiday**
  - October 2018 as required by state budget language
  - For employees, retiree group and Extended Coverage (COBRA) participants
  - All plans except TRICARE, excluded by the Code of Virginia
- **New Optima Health Regional Plan**
  - Optima Health Vantage HMO introduced in Hampton Roads
- **Cardinal HMS Project**
  - Reviewed logic and protocols for transition to new information technology system in March 2021 for HR and health benefits management
- **Health and Wellness programs moved to plan administrators**
  - Condition management, maternity management, well-being coaching and support
- **Health plan apps offered**
  - Anthem introduced Sydney app
  - Aetna enhanced Aetna Health app



# FY 2020 Highlights

- **Addressing the COVID-19 Pandemic**
  - **Additional medical and pharmacy benefits to assist employees**
    - Waived out-of-pocket costs for COVID-19 testing and related office visits
    - Waived out-of-pocket costs for virtual office visits
    - Made available early 30-day refills of certain maintenance medications
  - **Flexible Spending Account (FSA) grace period added**
    - Extended period to incur claims through October 31, 2020
  - **Additional 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

