



# Healthcare Update

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March 10, 2025

# Agenda



- Public Comment
- Financials (Rae-Ellen)
- Premium Rates (Rae-Ellen)
- Partnership (Bernie)
- High-level utilization (Josh)
- Communications (Betsy)
- RFP update (Rae-Ellen)
  - Including supplemental benefits
- RFI update (Lara)



# Public Comment

# Financials



<b>FY 2024-2025 Anticipated Year End Health Account Balances</b>	
Budget Review 2.15.25	
<b>Active Employee Healthcare Appropriation</b>	
<b>Projected Appropriation Balance:</b>	<b>\$ 32,004,187.67</b>
<b>Active Employee Healthcare FAD Accounts</b>	
Projected Active Health FAD	\$ 52,053,834.21
Projected Active Rx FAD	\$ 95,918.39
<b>Combined FAD Balances:</b>	<b>\$ 52,149,752.60</b>
<b>Retired Employee Healthcare Appropriation</b>	
<b>Projected Appropriation Balance:</b>	<b>\$ -37,525,723.20</b>
<b>Retired Employee Healthcare OPEB FAD Accounts</b>	
Projected Retiree Health	\$ 177,801,463.28
Projected Retiree Rx	\$ 47,136,918.31
<b>Combined FAD Balances:</b>	<b>\$ 224,938,381.60</b>

# FY2025-2026 Premium Rates



## **Active**

Medical/Prescription

- 11.10% Medical
- 4.37% Prescription
- 9.94% Total Rate Increase

## **Retiree**

Medical/Prescription

- 13.55% Medical
- 0.17% Prescription
- 10.80% Total Rate Increase



# Partnership



## **Partnership 2.0**

As of 3/1/25 we have 169 groups enrolled totaling over 25,000 employees and just over 60,000 members. We have 2 groups joining for 4/1/25 and one confirmed for 5/1/25.

We will release final rates later today for Partnership 2.0 and will send an email to all existing groups with this information. Individual renewal letters will be sent within the next 2 weeks.

There is a strong interest for new groups joining the plan on 7/1/25. Our team continues to attend meetings and provide information to these potential groups.

## **Partnership 1.0**

As of 3/1/25 we still have 5 groups remaining totaling approximately 2,500 employees and 3,500 members.

# Actives & Non-Medicare Retirees

## All Plans

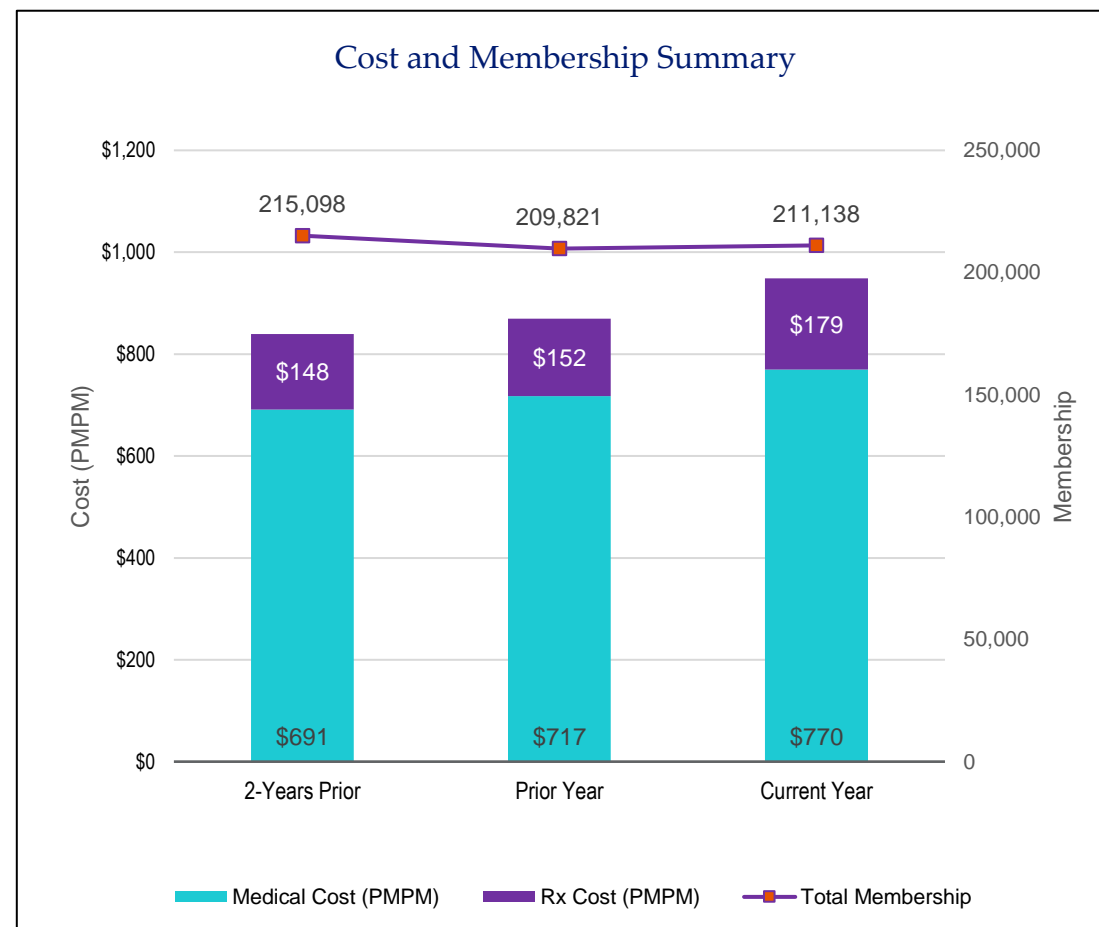
### Claims Summary<sup>1</sup>

	Total Cost (PMPM)	% of Total Cost	Current Trend
<b>Medical</b>	<b>\$769.88</b>	<b>81%</b>	<b>▲ 7.3%</b>
Inpatient Facility	\$154.86	16%	▲ 9.9%
Outpatient Facility	\$302.26	32%	▲ 7.1%
Professional Services	\$290.26	31%	▲ 6.5%
Ancillary	\$22.50	2%	▲ 4.3%
<b>Pharmacy<sup>2</sup></b>	<b>\$178.88</b>	<b>19%</b>	<b>▲ 17.7%</b>
<b>Total Cost</b>	<b>\$948.77</b>		<b>▲ 9.1%</b>

### Drivers of Trend

Service Category	Current PMPM	Prior PMPM	Change
Pharmacy - Specialty	\$57.12	\$40.10	▲ \$17.02
Prescription Drugs - Brand	\$93.99	\$83.91	▲ \$10.08
Inpatient - Medical	\$48.05	\$39.84	▲ \$8.21
Outpatient - Pharmacy	\$58.05	\$51.28	▲ \$6.77
Outpatient - Surgery	\$95.10	\$89.43	▲ \$5.67

### Cost and Membership Summary



### Observations

- PMPM medical costs have increased 7.3% Year-over-Year (“YoY”) and accounted for 81% of total spend.
- PMPM Rx costs have increased 17.7% YoY and accounted for 19% of total spend.
- The second table above illustrates the top 5 drivers of trend. Pharmacy - Specialty was the top driver of spend on a PMPM basis, increasing \$17.02 PMPM over last year.

<sup>1</sup> Reflects paid claims through January 2025. Claims for the current period have been completed using a factor of 0.95  
<sup>2</sup> Pharmacy costs reflect PrudentRx savings through August 2024.

# Communications



Email Topic	Sent*/Group	Subscriber Audience	Open Rate	Total Clicks	CTOR
<b>Wellbeing /Chronic Condition HEP Seminars</b>	State – Feb 10	31,804	14%	2,504	10%
	State personal – Feb 11	57,994	44%	1,049	4%
	SPP – Feb 10	21,826	42%	2,493	11%
<b>State Employee Credit Union</b>	State – Feb 13	40,431	19%	4,882	15%
	State personal – Feb 14	57,992	46%	1,059	5%



## Benefits Portal Sliders (March)

**2025 HEP STATUS**  
 Check your 2025 HEP Status. Stay on track all year long by scheduling your preventive screenings today.

[CHECK YOUR HEP STATUS](#)

**MARCH IS COLORECTAL CANCER AWARENESS MONTH**

Are you up-to-date on your routine screenings? Beginning at age 45, you should start getting preventive colorectal cancer screenings. Talk to your doctor about which test is right for you and how frequently you should be screened.



# Retiree Health – Medicare RFP



2/27/25 Request for Proposal Request Released

3/4/25 Pre-Bid Conference Conducted

3/5/25 Written Questions Due

3/27/25 Proposal Submissions Due

## Requested Products:

- Fully Insured Medicare Advantage with Prescription (MAPD)
- Fully Insured Medicare Advantage with Self-funded EGWP Prescription
- Fully Insured Medicare Supplement with Self-funded EGWP Prescription

# RFI Update



12/6/2024 – Request for Information for Digital Therapeutic behavioral health services, oncology/cancer treatment, and fertility services to members of its State Medical Plan and Partnership Medical Plan was released with the goal to obtain:

- Improved clinical outcomes
- Better access to care
- Increased member satisfaction
- Cost containment (hard dollar savings and prevention of unneeded spending)

1/09/2025 – RFI closed having;

- 6 respondents for behavioral health,
- 5 respondents for oncology/cancer treatment and
- 6 for fertility services

1/14/2025 - RFI committee convened and elected to release a Request for Proposal (RFP) for behavioral health services

2/11/2025 -- RFP for digital and in-person behavioral health services that include mental health, substance use disorder and overall well-being was released.

2/27/2025 – RFP closed having 4 respondents

3/11/2025 – RFP committee convenes to review responses received

3/17/2025 to 3/24/2025 – Interviews

3/28/2025 – Committee select and recommend any services to Comptroller

4/01/2025 – Begin negotiations and implementation

7/01/2025 – Contract effective date



# Questions and Comments



# Adjourn