



Executive Council Insurance Renewal August 29, 2022

Agenda

- ❑ 2023 Health Plans
- ❑ Health Contracts/Covered Members
- ❑ Key Points for 2023 Renewal
- ❑ Trends
- ❑ Pharmacy
- ❑ Dashboards
- ❑ 2023 Health Plan Premium Recommendations
- ❑ 2023 Recommended Dental Premiums
- ❑ 2023 Life and Long Term Disability Rates
- ❑ DAS Recommendation

2023 Health Plans

- ❑ Continue with one plan design with two options
 - ❑ Iowa Choice (HMO) – access to network of providers in Iowa and continued access in contiguous counties – 79% of the State's enrollment
 - ❑ National Choice (PPO)– access to network of providers nationwide – 21% of the State's enrollment
- ❑ With the PPO plan, the employee buys-up the difference between the PPO plan and the HMO plan
- ❑ Other health promoting, value-added services available through the plan
- ❑ Diabetes Prevention Program offered through Livongo
- ❑ Enrollment Period: October 3rd- November 4th

Health Contracts/Covered Members

- Covered contracts as of 7/1/2022 were 20,337 (previous year 20,798 contracts)
 - Contracts are the State employees who hold the contract
- Covered members as of 7/1/2022 were 52,482 (previous year 53,639 members)
 - Members include the State employee contract holder plus dependents on the plan

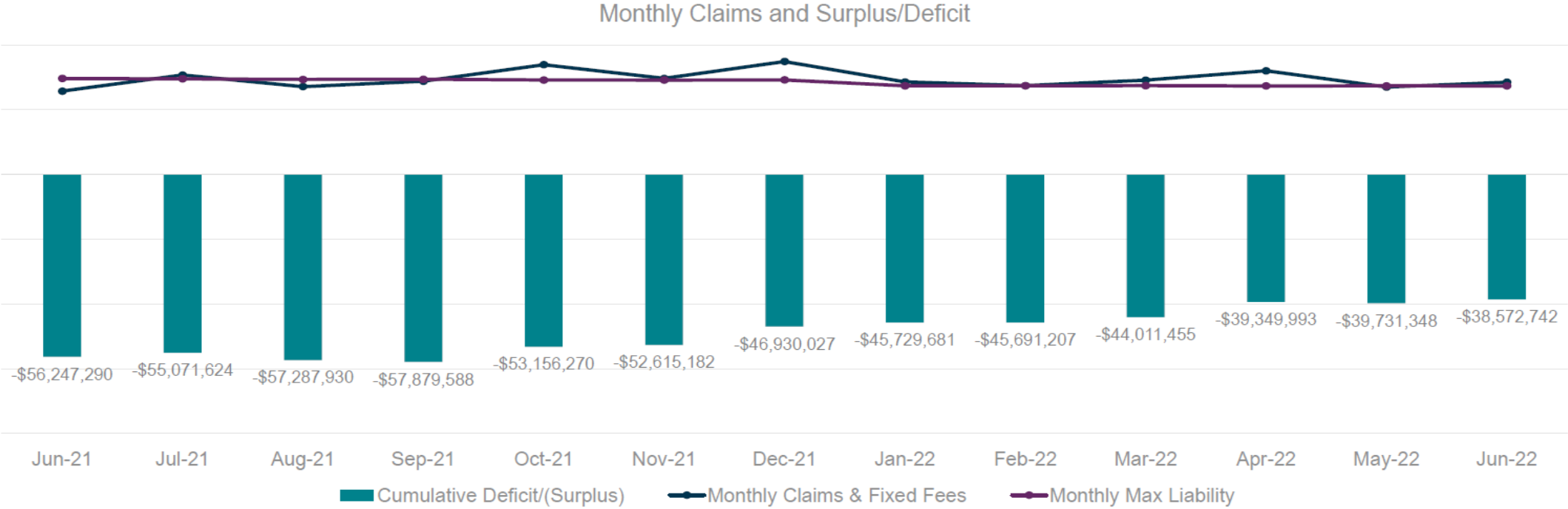
*These numbers are an average over the last 12 months (ex. 7/1/2021 – 6/30/2022)

Key Points for 2023 Renewal

- Minimal Administrative fee changes were made for the 2023 renewal, as outlined in the RFP. The fee increased by 1.97% from the prior year.
- State saved \$23 million in Pharmacy costs for the period.
- The State experienced an increase in the number of large claimants from the prior period 21% (\$3 million increase). Large claimants account for 14% of total claims paid.
- Total claims paid were up \$8.1 million (9% from 2021).
- Pharmacy claims paid increased \$3.4 million from 2021 (9%).
- Projected CY 2023 claims \$359 million (Projected CY 2022 \$329 million for a 9.10% increase)

Surplus Summary

SURPLUS/DEFICIT SUMMARY



Positive Trends

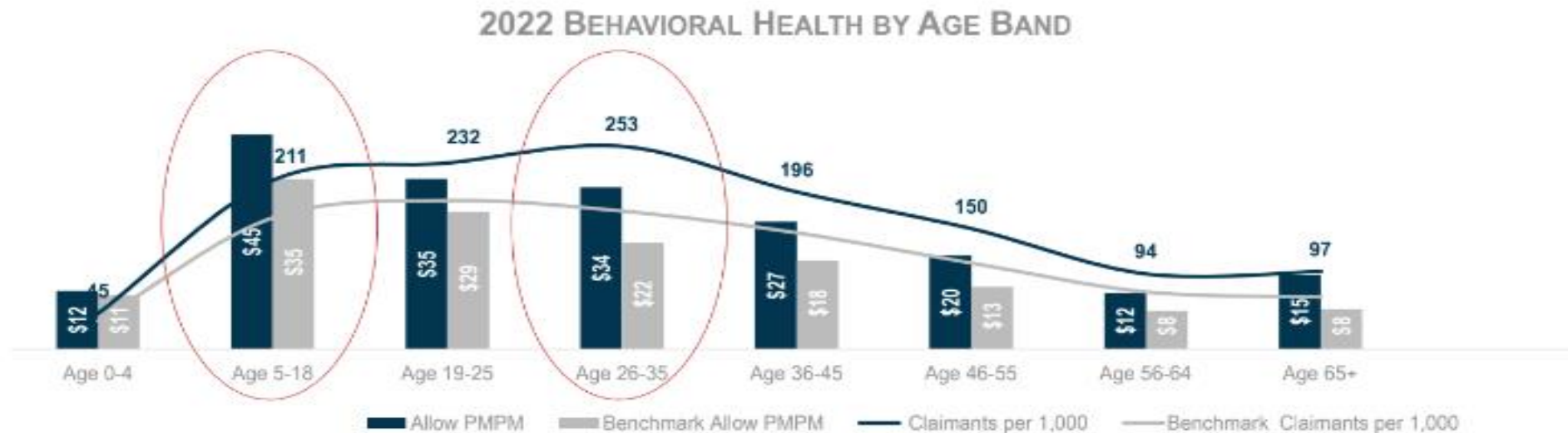
- Livongo enrollment has exceeded the 1,000 member mark. Overall goal is 1,692 members (approximate 18 month ROI).
- Most preventive care categories were higher than the 2019 pre-pandemic levels and higher than the benchmark.
- Rise in mental health utilizers and claims costs means members were addressing both their physical health along with their mental health.
- Musculoskeletal services shifted from the inpatient setting to the less costly outpatient setting.
- Antidiabetics was the top drug class, driven by increased utilizers and 30-day supply for treatment and medication compliance of diabetic conditions.

Pharmacy

- Still seeing increases in specialty drugs - \$2.4 million – drivers are increased utilization in medications related to dermatology medications.
 - ▣ Specialty medications account for 50% of the paid amount but only 0.9% of days supply
- Non-specialty increased by \$1 million, driven by antidiabetic medications (4% increase in these medications).
- Total savings of \$36.6 million in pharmacy costs: Formulary management \$5.3 million, Prior Authorizations \$5.5 million, Quantity Limits \$2.5 million, Rebates \$23 million

Behavioral Health

BEHAVIORAL HEALTH



- Proportionately, the 5 to 18 age band accounted for the highest number of claimants at 27%, allowed costs at 35%, and highest allowed PMPM at \$45. Their average allowed per claimant was \$1,273.
- The 26 to 35 age band experienced the highest claimants per 1,000 at 253 and was higher than the benchmarks 172. The allowed PMPM at \$34 was higher than the benchmark's \$22 PMPM. The age band accounted for 13% of the claimants and 11% of allowed costs with an average allowed per claimant of \$799.

2023 Health Plan Premium Recommendation

| 2022 Health Premiums | | | | | |
|------------------------|------------|-------------|-----|----------|-----|
| | Total | State Share | % | EE Share | % |
| Iowa Choice | | | | | |
| Single | \$769.00 | \$715.00 | 93% | \$54.00 | 7% |
| Family | \$1,804.00 | \$1,624.00 | 90% | \$180.00 | 10% |
| National Choice | | | | | |
| Single | \$845.00 | \$715.00 | 85% | \$130.00 | 15% |
| Family | \$1,966.00 | \$1,624.00 | 83% | \$342.00 | 17% |
| 2023 Health Premiums | | | | | |
| | Total | State Share | % | EE Share | % |
| Iowa Choice | | | | | |
| Single | \$799.00 | \$743.00 | 93% | \$56.00 | 7% |
| Family | \$1,874.00 | \$1,687.00 | 90% | \$187.00 | 10% |
| National Choice | | | | | |
| Single | \$878.00 | \$743.00 | 85% | \$135.00 | 15% |
| Family | \$2,057.00 | \$1,687.00 | 82% | \$370.00 | 18% |
| Difference 2022-2023 | State | Employee | | | |
| Iowa Choice Single | 3.88% | 3.70% | | | |
| Iowa Choice Family | 3.88% | 3.89% | | | |
| National Choice Single | 3.92% | 3.85% | | | |
| National Choice Family | 3.88% | 8.19% | | | |

2023 Recommended Dental Premiums

| 2022 | | | | | | 2023 | | | | |
|--------|---------|----------|-----|----------|------|---------|----------|-----|----------|------|
| | Total | Employee | | Employer | | Total | Employee | | Employer | |
| | | Share | % | Share | % | | Share | % | Share | % |
| Single | \$34.00 | \$0.00 | 0% | \$34.00 | 100% | \$35.00 | \$0.00 | 0% | \$35.00 | 100% |
| Family | \$88.00 | \$44.00 | 50% | \$44.00 | 50% | \$90.00 | \$44.50 | 50% | \$44.50 | 50% |

Life and Long Term Disability Rates

- There are no changes to the Life and LTD rates for 2023
- Life/LTD rates are guaranteed for the remainder of the contract (12/31/23)

DAS Recommendations for Executive Council



- Approve recommended premiums for health insurance for 2023
- Approve recommended premiums for dental insurance for 2023
- Approval of the Delta Dental of Iowa Contract