

Public Agenda Item #13

Health Insurance Financial Update for Fiscal Year 2021 and Outlook for Fiscal Year 2022

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HealthSelect of Texas[®] Review



Trends

	PY19	PY20	PY21 Estimated Trend	PY21 over PY19 Annualized Trend
Medical Trend	3.0%	-0.8%	12.8%	5.7%
Pharmacy Trend	7.2%	5.6%	8.7%	7.1%
Combined Medical and Pharmacy Trend	4.1%	1.0%	11.6%	6.1%

HealthSelect Review

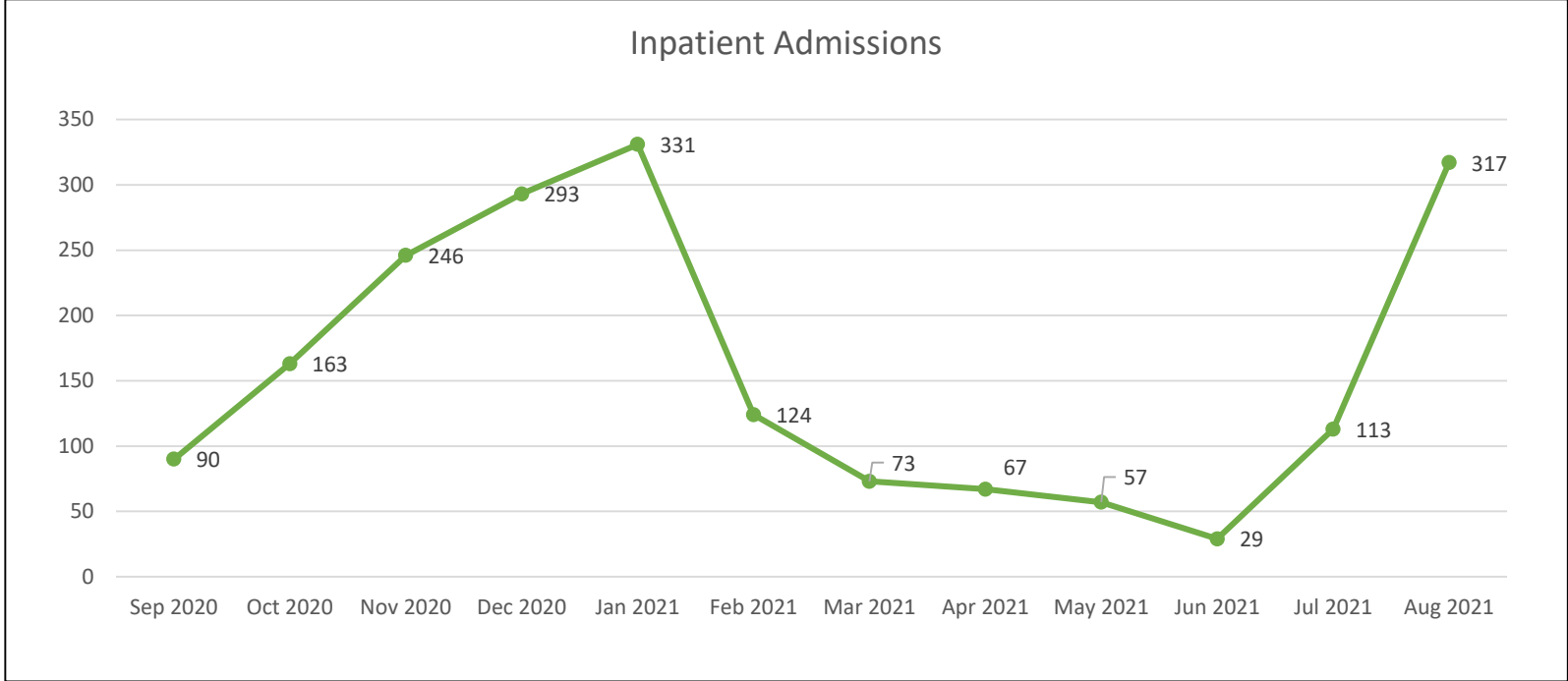
Impact of the COVID-19 Pandemic



- Based on claims data, HealthSelect had approximately 41,000 cases in PY21 with an estimated cost of \$126.9 million.
- The plan spent an additional estimated \$20.7 million on tests and vaccine administration.
- Participants used fewer services than expected due to the pandemic. As a result, the plan spent \$61.7 million less on services unrelated to COVID-19 than expected.
- The PY21 net cost impact due to the pandemic resulted in an estimated \$85.9 million increase.
 - Net cost impact: The cost of COVID-19 claims, testing, and vaccine administration less the reduction in the use of services unrelated to COVID-19.

HealthSelect Review

Seasonality of the Pandemic



Fiscal Year Projections



Plan Year 2022 Financial Outlook

- As vaccination rates rise, PY22 should reflect a reduction in cases.
- Even with an expected increase in cases this winter, fewer cases are expected than the winter of PY21.
- Without large surges in the number of COVID-19 cases, the use of services is expected to return to normal.
- Assuming no significant COVID-19 case rate surges, we expect trend to return to normal in PY23 and beyond.

Fiscal Year Projections



Group Benefit Health Plan Performance (in millions)

	FY20	FY21 Estimated	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected
Revenue	\$4,112	\$4,139	\$4,121	\$4,197	\$4,283	\$4,369.	\$4,455	\$4,541
Expenditures	\$3,508	3,732	3,932	4,192	4,557	4,937	5,335	5,772
Net Gain (Loss)	604	407	189	5	(274)	(568)	(880)	(1,231)
Contingency Fund Balance	2,696	3,103	3,292	3,297	3,023	2,455	1,575	344

Includes all GBP health plans

Questions?