

Public Agenda Item #15

Consideration of Proposed Fiscal Year 2025 Rates for HealthSelect and Consumer Directed HealthSelect Plans - (Action)

May 22, 2024

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HealthSelect Plans



- Contributions from employers and enrolled members fund HealthSelect plan costs.
- Legislative appropriation determines State contributions.
- The State currently pays
 - 100% of the contribution rate for eligible full-time employees
 - Up to 100% of the contribution rate for retirees based on benefits-eligible years of service upon retirement.
 - 50% of the contribution rate for eligible dependents enrolled in HealthSelect of Texas
- State contributions are the same for HealthSelect of Texas, Consumer Directed HealthSelect and HealthSelect Medicare Advantage.

HealthSelect Plans

PY25 Contribution Rate Analysis



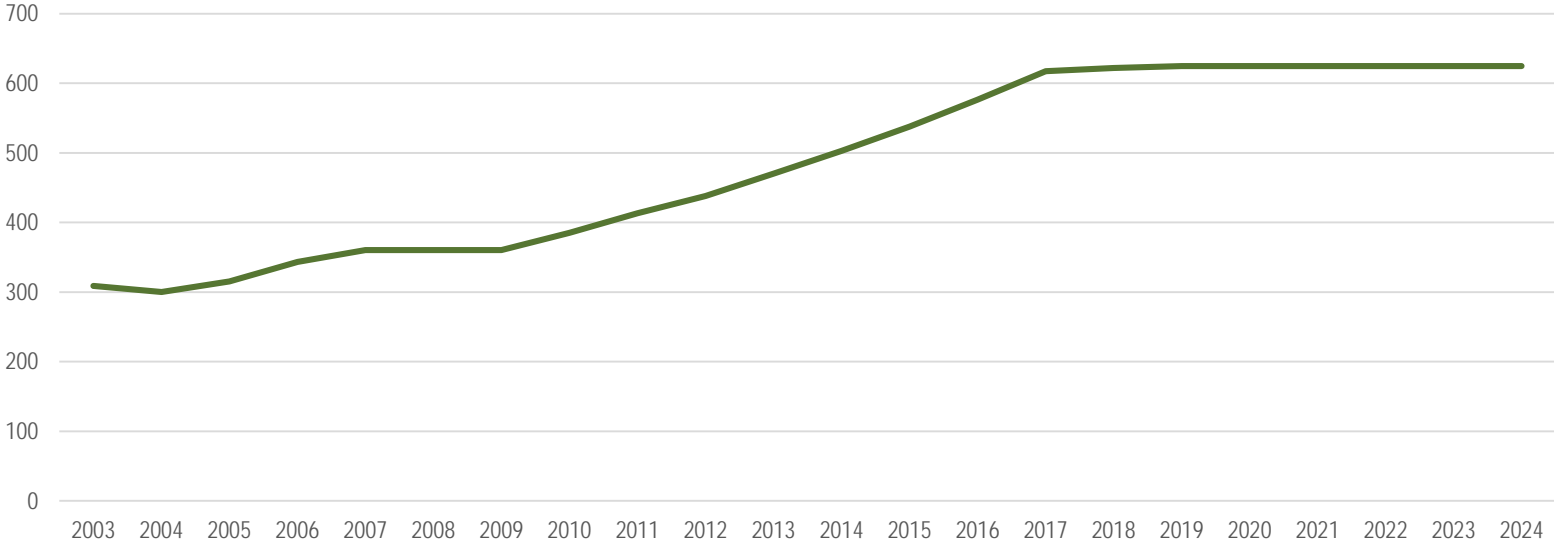
- The Actuarial and Reporting Services unit and consulting actuary analyzed the critical factors listed below.
 - revenue requirements
 - state funding as determined each biennium in the state budget
 - historical enrollment
 - claims experience
 - projected contingency fund balance
 - cost containment practices
 - funding for basic life and accidental death and dismemberment coverages

HealthSelect Plans

HealthSelect Contribution Rate History



Member Only Contribution History



Projected Trends

- 7.9% - PY24 projected medical and prescription drug trend (combined)
 - 6.5% Medical benefit cost trend.
 - 10.9% Prescription drug trend.

- 7.4% - PY25 projected medical and prescription drug trend (combined)
 - 5.6% Medical benefit cost trend.
 - 11.3% Prescription drug trend.

HealthSelect Plans

Projected Trends



- Effective January 1, 2024 Express Scripts became the new pharmacy benefit manager for GBP prescription drug plans.
- This will not have a large impact on gross prescription drug trend but will significantly increase rebates.
- BCBS will continue as the third party administrator for the HealthSelect medical plans.

HealthSelect Plans

Projected Trends



- GLP-1s continue to increase plan costs and are expected to exceed \$300 million in total spend in PY24.
- Based on new CMS approval, on April 5, 2024 ERS started covering Wegovy for individuals in HealthSelect Medicare Rx who are overweight and at high risk for a Major Adverse Cardiovascular Event.

HealthSelect Plans

Plan Design Changes



- HB 916 requires plans to cover up to 3 months supply of contraceptives for first time fills of a medication and up to 12 months supply for subsequent fills.
- This plan design change will be effective September 1, 2024.

HealthSelect Plans

Chronic Conditions



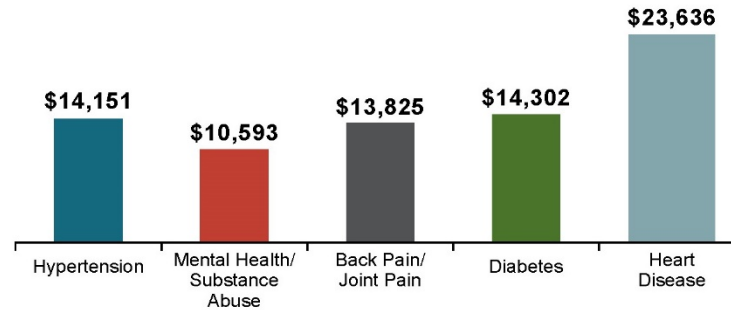
FY23 plan costs for a HealthSelect participant living with a chronic condition were higher than the \$6,844 average for all participants

The top 5 most prevalent chronic conditions (percent of participants diagnosed):

- Hypertension: 16%
- Mental Health and Substance Abuse: 20%
- Back and Joint Pain: 19%
- Diabetes: 14%
- Heart Disease: 9%

Note: Participants are counted in each category for which they had a medical claim in FY23. Some may appear in more than one category.

Average annual cost*
of a participant with chronic conditions
(includes medical and pharmacy)



*Average annual cost is the total average annual medical and pharmacy plan spend (net of rebates) for participants with the given condition. Medicare population excluded.

HealthSelect Plans

Health Management Enhancements



- **Hello Heart - Digital Cardiac Support**
 - App-based digital program to help manage and prevent High Blood Pressure, High Cholesterol and Heart Disease
 - Personalized health coaching with the ability to connect tracking devices to monitor progress
 - Program includes free FDA-approved blood pressure monitor

HealthSelect Plans

Health Management Enhancements



- **Learn to Live - Mental Health Self-Service Platform**
 - Digital programs for participants aged 13 and over to include a confidential mental health assessment to manage stress, depression, social and generalized anxiety, insomnia, substance use, and panic disorders
 - 24/7 access to Masters-level clinician coaches available via text, email or phone. Live, on-demand webinars for a self-paced experience

HealthSelect Plans

Health Management Enhancements



- **Hinge Health - Digital Musculoskeletal (MSK) Support**
 - Digital 12-week coach-led program to assist employees in managing MSK disorders like chronic joint and back pain
 - Personal health coach, app-delivered and tailored exercise therapy
 - Progress tracking with wearable sensors

HealthSelect Plans

Health Management Enhancements



- **ProgenyHealth – Maternal and Infant Health Management**
 - Service included as part of BCBSTX Women’s and Family Health offerings
 - Neonatal Intensive Care Unit (NICU) utilization and care management program
 - Supports discharge planning, postpartum depression screening and clinical support from birth to one year of age

HealthSelect Plans

Consumer Directed HealthSelect



- By statute, the Consumer Directed HealthSelect plan is required to be revenue neutral. Assumptions were developed for the plan design to meet this requirement.
- The original pricing assumptions were based on projected 3% enrollment. Current enrollment is at 1.4%. Therefore, to develop rates, ERS continued its original pricing assumptions.

HealthSelect

Proposed PY25 Rates



	HealthSelect of Texas Proposed Monthly Contribution Rates Plan Year 2025			
	Total Contribution	State Pays	Member Pays	Change in Member Monthly Contribution
Member Only	\$ 622.60	\$ 622.60	\$ 0.00	\$ 0.00
Member & Spouse	1,338.60	980.60	358.00	0.00
Member & Child(ren)	1,102.00	862.30	239.70	0.00
Member & Family	1,818.00	1,220.30	597.70	0.00

Consumer Directed HealthSelect

Proposed PY25 Rates



**HealthSelect of Texas
Proposed Monthly Contribution Rates
Plan Year 2025**

	Total Contribution	State Pays	Member Pays	Change in Member Monthly Contribution
Member Only	\$ 622.60	\$ 622.60	\$ 0.00	\$ 0.00
Member & Spouse	1,302.80	980.60	322.20	0.00
Member & Child(ren)	1,078.02	862.30	215.72	0.00
Member & Family	1,758.22	1,220.30	537.92	0.00

Questions?
Action Item