

State of New Jersey Medicare plan

SEHBP Trend Update

November 2024



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LISTENING

A familiar partner always seeking to understand and adapt to the needs of the State of New Jersey

DELIVERING

On our financial promises and service execution commitments

EVOLVING

Always thinking ahead and considering what's next

State of New Jersey: SEHBP

2024 YTD Executive Summary

Paid trend through September medical trend is 8.5% and **<1%** higher than overall SONJ result. From a medical cost category perspective, **Inpatient is a top driver** with 15% trend driven by increasing admissions which aligns with similar trends across all Medicare populations in 2024. MedRx trend is 11.1% compared to overall SONJ total of 12.3% suggesting less severe or complicated conditions. On average **50% of MedRx costs are chemotherapy/cancer treatments** and accounted for nearly 60% of category trend.



Performance

8.5%

Increasing Trend
Sept '24 vs. Sept '23

SONJ = 7.8%

\$1,090

Sept paid **PMPM**

SONJ = \$1,095

\$86

PMPM Change

Sept '24 vs.
Sept '23

59%

SEHBP is 59% of paid claims and 59% of SONJ membership



Key Cost Categories

8.4%

Ambulatory Facility trend driven by **increasing cost & utilization.**

SONJ = 8.1%

15.0%

Inpatient trend driven by **increasing utilization.**

SONJ = 12.8%

11.1%

MedRx trend driven by **increasing utilization.**

SONJ = 12.3%

4.3%

Specialist trend driven by **increasing utilization.**

SONJ = 3.5%

State of New Jersey: SEHBP

2024 YTD Executive Summary by Medical Cost Category



Key Cost Categories Paid PMPM Trends

8.4%

Ambulatory Facility trend driven by **increasing cost & utilization.**

SONJ = **8.1%**

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Inpatient trend driven by **increasing utilization.**

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Specialist trend driven by **increasing utilization.**

SONJ = **3.5%**



Trend Drivers and Insights

- MSK procedures (ie – joints, back) are top cost driver with PMPM trend of 10%
- Cardiac procedures (ie – pacemakers) are running at 6% PMPM trend

- Cardiac, MSK and Infectious Disease are top drivers by Major Diagnostic Category
- Septicemia ranks first in PY and CY for top DRG cost driver as trend was nearly 40% with longer and costlier admits
- 20 members exceeded \$200k in CY. PY was 12 members

- Oncologic treatments are consistently top cost driver with 47% of expenses
- Other top cost drivers treat osteoporosis, eye disorders and anemia, all common among Medicare populations

- Timed visits are top cost driver impacted by increased reimbursements from CMS YOY
- Physical Therapy/Rehab was 2nd ranked driver but YOY PMPM trend was small. Costs are 18% of total

Thank you

