

SEHBP Garden State Health Plan Utilization Review

November 18, 2024



THANK YOU

for allowing us to walk
alongside you as

your trusted

health care partner and empower

your employees to **live**

healthier lives





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Plan Performance
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Report parameters

Population: State of NJ All Commercial

Analysis period:

Current Jan '24-Jun '24 incurred (1 month lag)

Prior Jan '23-Jun '23 incurred (1 month lag)

Financial basis: Paid

HCC threshold: \$100,000



Financial Insights

- **Total Medical Paid:** \$9.7M; 119.5% increase from 1st half of 2023
- **Membership:** Increase of 80.9% in average membership (from 1,775 to 3,210)
- **Medical Trend: 21.4%;** net of high-cost claimants was 11.7%

Medical PMPM \$503

Cost/Visit Trend: 12.3% **Utilization Trend:** 8.1%

Specialist (6.4% contribution to trend), Inpatient facility (5.6% contribution to trend) , Medical Rx (4.7% contribution to trend) were the major cost category trend drivers mostly due to increased Cost/Visit.

- **In Network Claims Paid:** 64.9%, up 5.8 pts YoY (68.5% Aetna BoB). OON claim costs contributed 1.7 percentage points to Total Paid Trend
- **Member Medical Benefits Utilization:** 73.4% (5.8 point increase compared to 1st half 2023)
- Plan paid 94.1% of medical expenses

Member and employee characteristics – all members

Member demographics

- Average membership increased 81% YoY
- 16% increase in retrospective risk (illness burden)
- Dependent HCC costs of \$1.1M; 4 HCCs in current period, none prior
- 31% PMPM increase in southern NJ market

Key measures	Prior	Current	Change (current vs prior)
Membership	1,775	3,210	80.9%
Avg member age	33.6	33.2	-1.4%
Avg employee age	42.4	41.4	-2.4%
All members RRS	0.81	0.94	16.3%
Employee RRS	0.99	1.08	9.1%
Family size	1.9	1.9	-2.8%
% membership female	55.7%	55.8%	0.1
% employees female	65.9%	64.8%	-1.1
Spouse:Employee cost ratio	0.7	0.9	19.5%

Member type	% of total members	% of total cost	Change	Current PMPM w/o HCC	Change
Employee	53.4%	59.4%	1.2%	\$400	0.8%
Spouse	16.1%	15.9%	20.9%	\$430	48.6%
Dependent	30.4%	24.7%	120.5%	\$219	18.1%

Members continuously enrolled in the reporting period



Key measures summary– all members

Trend

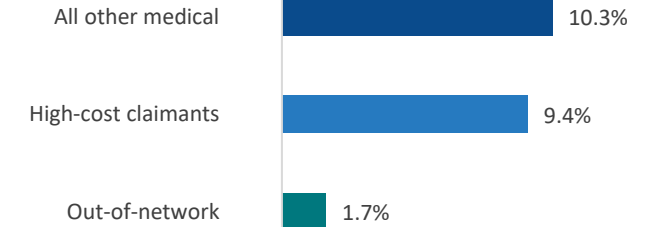
- Plan's total medical cost increased 120%, mostly related to YoY membership growth
- 5.8 point increase in percent of members using benefits

Key measures ¹	Prior	Current	Change (current vs prior)
Medical PEPM	\$797	\$941	18.0%
Medical PEPM without HCC	\$603	\$655	8.6%
Medical PMPM	\$414	\$503	21.4%
Medical PMPM without HCC	\$313	\$350	11.7%

¹ Capitation dollars are not included in this table or any other financial measures in this report.

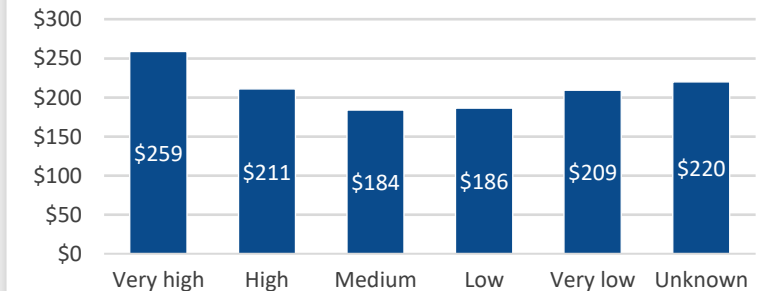
Key measures	Prior	Current	Change (current vs prior)
Total medical cost	\$4.41M	\$9.69M	119.5%
Total members	1,775	3,210	80.9%
Employees	922	1,715	86.0%
% members using benefits	67.6%	73.4%	5.8
Employer cost share	93.6%	94.1%	0.5

Trend impact¹



¹ Trend impact uses a hierarchy to break out results. This methodology may cause variations when looking at trend impact in other chapters.

Out-of-pocket medical cost per claimant by social risk



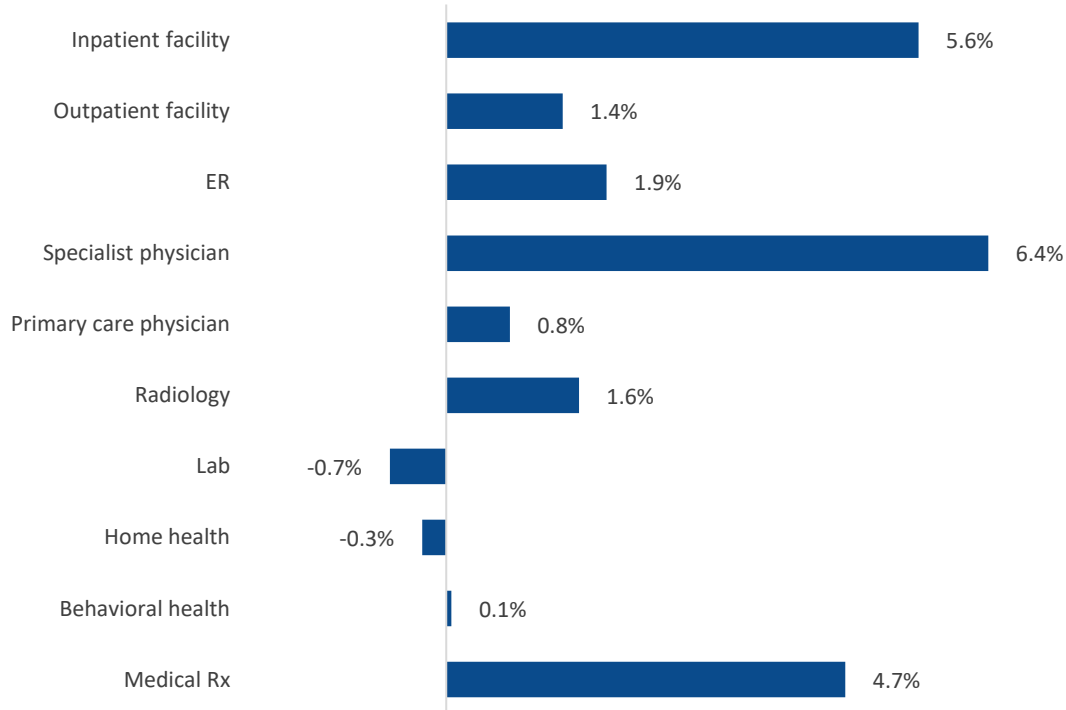
Contribution to medical trend

Observations

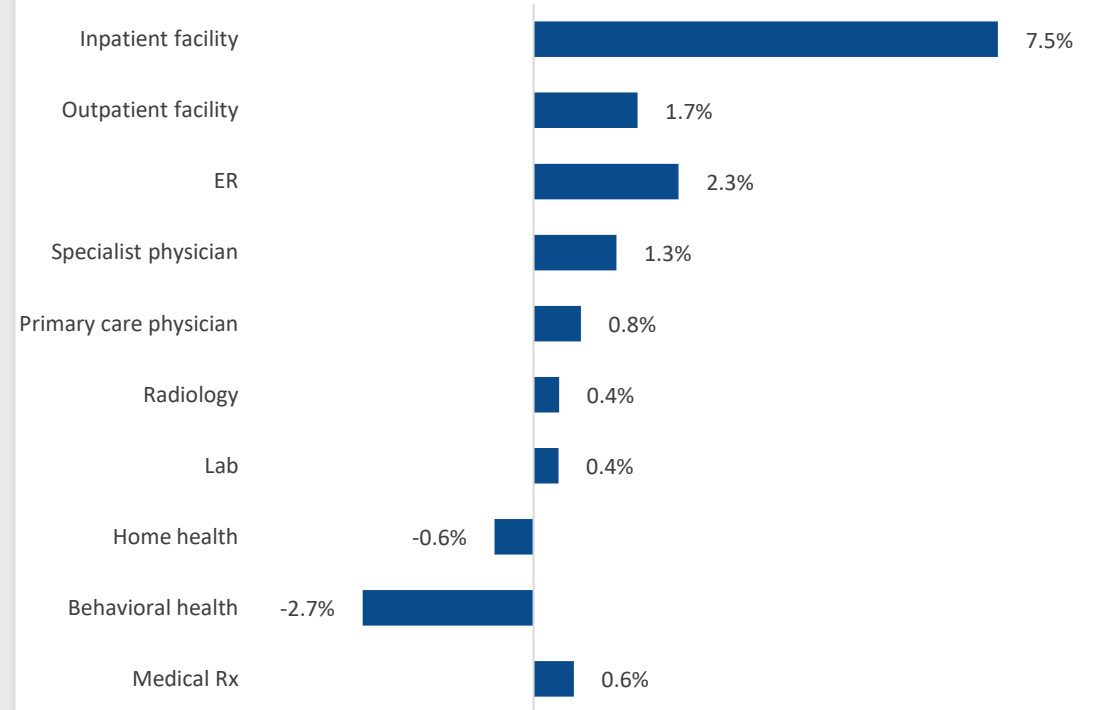
- Overall, specialist physician, inpatient facility, and medical pharmacy were the top contributors to trend
- Net of HCCs, inpatient facility and ER were the top trend contributors

21.4%
Total medical trend

Contribution to medical trend with HCC¹



Contribution to medical trend without HCC¹



¹The sum of the trends by medical cost categories will equal total medical trend.

Managing cost and utilization

Observations topic 1

- Musculoskeletal, obstetric/newborn care and renal disorders were primary drivers of specialist cost increase

Observations topic 2

- IP admits per 1,000 for non-HCCs increased from 20.3 to 41.1. More than half of the increase can be attributed to higher rate of obstetric/newborn care admissions

Observations topic 3

- 1 HCC was the primary driver of Medical Rx trend. Specialty drug costs for oncology and inflammatory bowel disease also increased YoY

Key measures with HCC	Current PMPM	PMPM change	Utilization/ 1,000 change	Unit cost change
Inpatient facility	\$135	20.7%	103.6%	-33.1%
Outpatient facility	\$47	13.8%	8.8%	4.5%
ER	\$28	39.0%	7.0%	30.0%
Specialist physician	\$127	26.3%	3.2%	22.3%
Primary care physician	\$22	16.3%	17.2%	-0.8%
Radiology	\$25	35.3%	0.4%	34.7%
Lab	\$21	-11.5%	0.2%	-11.7%
Home health	\$4	-21.6%	5.7%	-25.8%
Behavioral health	\$38	0.7%	31.7%	-23.6%
Medical Rx	\$56	54.0%	-5.9%	63.7%

Key measures without HCC	Current PMPM	PMPM change	Utilization/ 1,000 change	Unit cost change
Inpatient facility	\$66	55.1%	105.8%	7.5%
Outpatient facility	\$45	13.3%	14.4%	-1.0%
ER	\$27	37.2%	8.1%	26.9%
Specialist physician	\$101	4.3%	0.5%	3.8%
Primary care physician	\$21	12.7%	12.4%	0.3%
Radiology	\$19	7.5%	-6.0%	14.4%
Lab	\$20	6.6%	3.4%	3.1%
Home health	\$3	-37.6%	-11.0%	-29.9%
Behavioral health	\$29	-22.7%	28.1%	-39.7%
Medical Rx	\$18	12.6%	-4.9%	18.4%

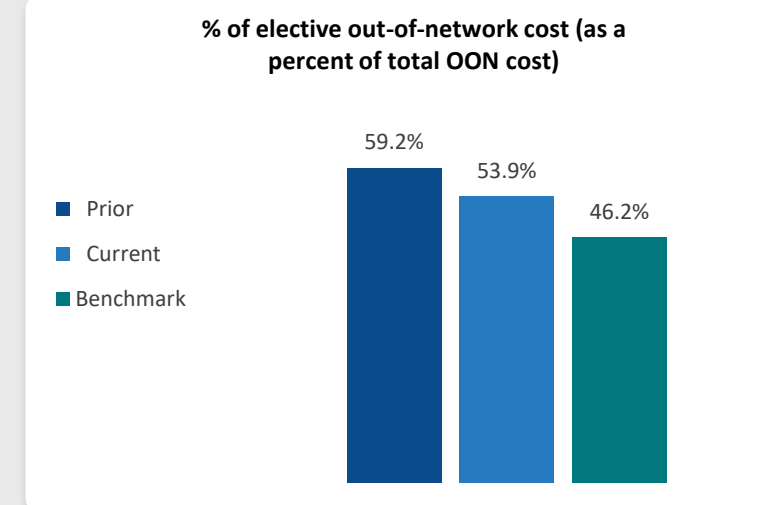
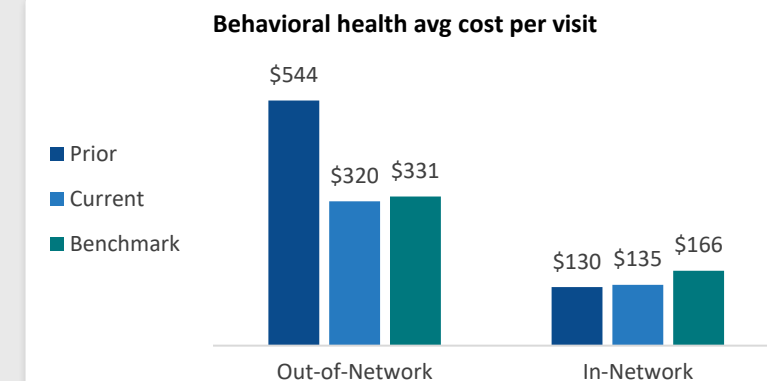
Network management

In-network usage

- Percent of claims costs in network improved but remains low and below benchmark
- 12 HCCs accounted for 58% of total OON costs
- 32% of plan claimants incurred OON costs

Key measures	Prior	Current
% claims cost	59.1%	64.9%
Admits	48.1%	67.1%
PCP visits	88.0%	91.6%
BH visits	75.0%	76.5%
Lab visits	88.4%	91.6%
Cancer visits	87.3%	85.9%

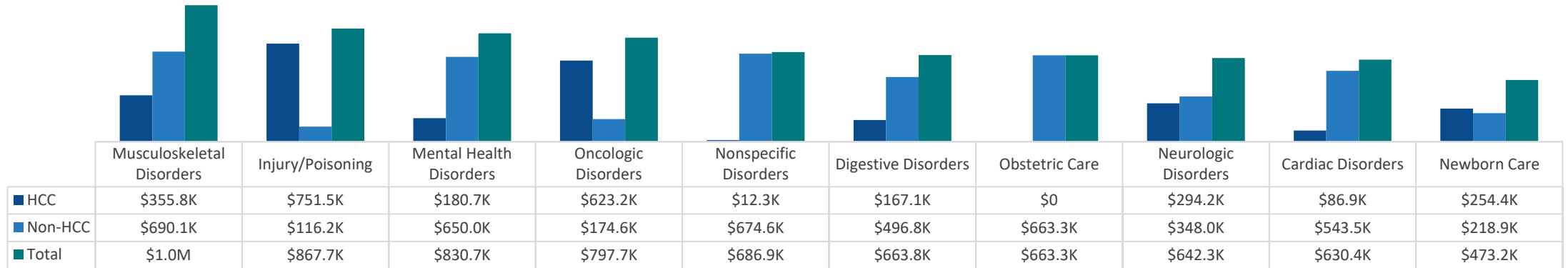
Institutes of Quality® (IOQ)	Current
IOQ Usage Opportunity Savings	\$16K
Total IOQ Cases	3
Procedures currently using IOQ	50.0%



Medical cost by diagnostic category

Diagnostic categories¹

- Injury/Poisoning contributed 9.4 points to trend. Two HCCs with complications from cardiac implants/stents were the main driver.
- Obstetric Care/Newborn Care contributed 9.3 points to trend. Delivery count increased from 5 to 23 YoY. One newborn HCC



% of total cost (prior)	7.9%	1.5%	10.3%	18.0%	8.7%	5.6%	4.1%	4.1%	5.4%	1.0%
% of total cost (current)	10.8%	9.0%	8.6%	8.2%	7.1%	6.9%	6.8%	6.6%	6.5%	4.9%
Contribution to trend (current)	5.2%	9.4%	0.1%	-8.0%	-0.1%	2.7%	4.3%	3.9%	2.5%	5.0%
Total claimants	615	118	548	82	1,297	363	79	261	341	26

¹ Non-specific conditions refer to any encounter when sufficient clinical information is not known or available about a particular health condition to assign a more specific code. This category includes unspecified morbidities which includes but is not limited to symptoms, abnormal lab results and other investigative procedures including visits for providing COVID testing and vaccines.

High-cost claimants

12.5%

Contribution to medical trend

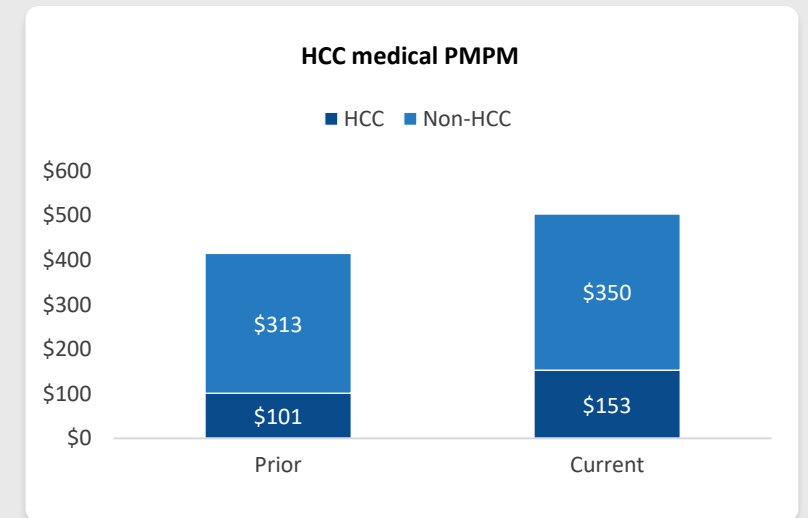
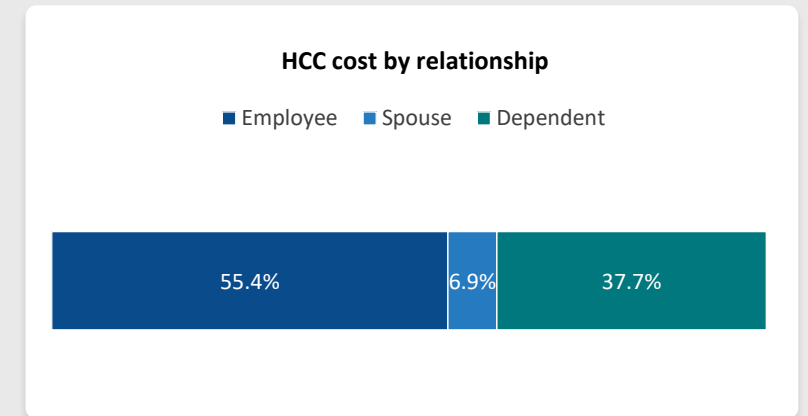
67.0%

HCC cost out-of-network

23.5%

HCC cost medical specialty drugs

Key measures	Prior	Current	Change
Number of HCC	3	12	300.0%
HCC/1,000	1.7	3.7	121.2%
% of total cost	24.4%	30.4%	6.0
HCC PMPM	\$101	\$153	51.3%
Average cost/HCC	\$359,161	\$245,703	-31.6%
Member characteristics	Prior	Current	Change
HCC enrolled < 12 months	100.0%	100.0%	0.0
Average age	50.9	37.2	-26.9%
% female	0.0%	48.5%	48.5



Abbreviation and acronym glossary

ACO	Accountable Care Organization
Avg	Average
BH or MH	Behavioral Health or Mental Health
Benchmark	Aetna commercial book of business
CAIR	Consultative Analytic Impact Report
CDC	Centers for Disease Control and Prevention
COB	Coordination of benefits
CPT code	Current Procedural Technology code
ER	Emergency room
GI	Gastrointestinal
GYN	Gynecological
HCC	High-cost claimant
HEDIS	Health Effectiveness Data and Information Set
IOQ	Institutes of Quality®
IVF	In vitro fertilization
MRI	Magnetic resonance imaging

MCC	Medical cost category
MSK	Musculoskeletal
NICU	Neonatal Intensive Care Unit
OB	Obstetrics
OON	Out-of-network
OP facility	Outpatient facility
P4P	Pay for Performance
PCMH	Patient Centered Medical Home
PCP	Primary care physician
PEPM	Per employee per month
PMPM	Per member per month
RRS	Retrospective risk score
RSV	Respiratory syncytial virus
Rx	Pharmacy
SDoH	Social Determinants of Health
VBC	Value-based contracting

A woman with long dark hair is hugging a young child with blonde hair from behind. They are standing in a field with trees in the background under a warm, golden sunset sky. The scene is overlaid with a semi-transparent dark blue diamond shape.

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want us
to be ♥**

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