



# State of New Jersey Medicare Plan

**SHBP Mid-Year Update**  
June 25<sup>th</sup>, 2025



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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



# SHBP 2024 Performance Executive Summary

**2024 paid medical trend is 7.8%** and level with the overall SONJ result. From a medical cost category perspective, **Inpatient is a top driver** with nearly 11% trend and contributing 36% of PMPM increase. Post acute care for multiple **musculoskeletal procedures** drove more than a \$3 PMPM increase in this category. **Circulatory conditions impacted trend by over \$7 PMPM** with a 10% jump in acute admits and a 21% increase in post-acute days/admit. MedRx pressure from increased utilization of Keytruda and impact from Padcev, a chemotherapy often combined with Keytruda.

## Key Performance Indicators

**7.8%**

**Increasing Trend**  
Dec '24 vs. Dec '23

SONJ = 7.8%

**\$1,194**

Dec paid **PMPM**

SONJ = \$1,188

**\$87**

**PMPM Change**  
Dec '24 vs. Dec '23

**41%**

**SHBP is 41% of paid claims and 41% of SONJ membership**

## Key Cost Categories

**8.2%**

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

**Contribution to Total Trend: 14%**

SONJ = 6.7%

**10.6%**

**Inpatient** trend driven by **increasing utilization**

**Contribution to Total Trend: 36%**

SONJ = 11.3%

**12.9%**

**MedRx** trend driven by **increasing cost**

**Contribution to Total Trend: 21%**

SONJ = 11.8%

**4.6%**

**Specialist** trend driven by **increasing utilization**

**Contribution to Total Trend: 15%**

SONJ = 5.1%

# SHBP 2024 Medical Expense Cost Category Trends & Insights



## Key Cost Categories Paid PMPM Trends

**8.2%**

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

SONJ = **6.7%**

**10.6%**

**Inpatient** trend driven by **increasing utilization**

SONJ = **11.3%**

**12.9%**

**MedRx** trend driven by **increasing cost**

SONJ = **11.8%**

**4.6%**

**Specialist** trend driven by **increasing utilization**.

SONJ = **5.1%**



## Key Trend Drivers and Insights

- Shoulder replacements continue to pressure AmbFac trends with over 25 more members treated YTD than prior year. Cost per treatment up 30% and impacted by increased reimbursement from CMS.
- Implants and treatment of nerve conditions was \$1M impact to expenses

- Post-acute care for MSK procedures was top cost driver with impact of \$3 PMPM (\$3M)
- Acute admits trend was over 8% led by infectious disease diagnoses with a rise in patients > 20%
- Circulatory conditions accounted for nearly 1/4 of cost trend with valve replacements as top driver

- Eylea HD was a trend driver across Medicare with nearly \$2 PMPM spent (\$1.8M)
- Traditional Eylea costs were down \$1.7M offsetting Eylea HD trend
- Keytruda was top drug expense contributing 43% to trend
- Padcev treated 26 members, up from 10 in 2023 and a \$2.6M cost impact

- MSK, skin and eye disorders were top diagnoses treated and 51% of PMPM cost. The same categories for SONJ made up 35% of total MCC
- Visits within an office, clinic and hospital setting drove cost trend impacting over 1/2 of PMPM increase
- Cardiology, PT and Dialysis were top 3 providers by PMPM cost

# SHBP 2025 YTD Performance Executive Summary

SHBP Q1 trend is 8.4% and slightly better than overall SONJ result. Inpatient costs are top driver with an 11% PMPM trend driven by increased admissions and **contributing more than a third to total trend**. MedRx trend is a modest 1.9% and well below the SONJ trend as **chemotherapy visits were down more than -7%**. Specialist trend driven by office visits and other patient visits across multiple clinical locations (i.e. – SNF, hospital, PT rehab). SHBP members utilize specialists more than 15% as much as benchmark membership.



## Key Performance Indicators

8.4%

Increasing Trend  
Mar '25 vs. Mar '24

SONJ = 9.1%

\$1,200

Mar paid PMPM

SONJ = \$1,200

\$92

PMPM Change  
Mar '25 vs. Mar '24

55%

SHBP is 55% of  
paid claims and  
55% of SONJ  
membership



## Key Cost Categories

11.4%

Inpatient trend driven by  
increasing utilization

Contribution to Total Trend:  
36%

SONJ = 9.9%

9.9%

Ambulatory Facility trend  
driven by increasing cost &  
utilization

Contribution to Total Trend:  
17%

SONJ = 8.6%

4.9%

Specialist trend driven by  
increasing utilization

Contribution to Total Trend:  
15%

SONJ = 6.2%

1.9%

MedRx trend driven by  
increasing utilization

Contribution to Total Trend:  
3%

SONJ = 9.3%



# SHBP 2025 YTD Medical Expense Cost Category Trends & Insights



## Key Cost Categories Paid PMPM Trends

**11.4%**

**Inpatient** trend driven by increasing utilization

SONJ = 9.9%

**1.9%**

**MedRx** trend driven by increasing utilization

SONJ = 9.3%

**4.9%**

**Specialist** trend driven by increasing utilization

SONJ = 6.2%

**9.9%**

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

SONJ = 8.6%



## Key Trend Drivers and Insights

- Acute admits > 10 days were up 18% accounting more than 40% of PMPM trend
- Longer stays were for ECMO and Septicemia which had 58 members treated, up from 34 in PY
- 2 members received bone marrow transplants
- Post-acute days/k up 23% with MSK post-op care contributing nearly 50% of PMPM trend change

- Chemotherapy costs make up 47% of trend but year over year PMPM change was just 2%
- Padcev was top chemo driver impacted by higher utilization while 1 member treated w/ CAR-T for \$550k YTD
- Eylea HD was top non-chemo driver with claimants nearly 1.5x higher YoY
- 2 members treated with Vyvgart for gMG

- PT/OT visits were up 7.5% with Fox Rehab (5.6%) and IvyRehab (7.2) accounting for more than 15% of visits
- Short office visit (< 20 min) was top cost driver as member utilization jumped 13%
- A newer visit type, E/M visit add on, increased in utilization by nearly 3X mostly for cancer and cardiac diagnoses

- PMPM trend driven by hospital-based care at 14% while freestanding care facility trend was < -1%
- Afib ablation procedures were by far the top cost driver with utilization up 54%
- Knee/hip replacements up 17% while benchmark was 7%
- 4X more prostate biopsies in CY vs PY

An elderly couple is walking a small, light-colored dog on a leash through a grassy park. The woman, on the left, has short blonde hair and is wearing a grey sweater under a dark blue vest and dark blue trousers. She is holding a black walking stick. The man, on the right, has a grey beard and is wearing a dark brown hat, a grey vest over a dark long-sleeved shirt, and light blue jeans. He is holding a long, thin wooden walking stick. They are walking between two large, thick tree trunks. In the background, there is a green lawn and a winding path. The text "Thank you" is overlaid in large, white, sans-serif font on the left side of the image.

**Thank you**

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