

State of New Jersey Medicare Plan

SHBP Mid-Year Update
June 25th, 2025



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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.



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



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



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%



- Shoulder replacements continue to pressure AmbFac trends with over 25 more members treated YTD then 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

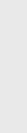




SHBP 2025 YTD Performance Executive Summary

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.





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



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



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%



- 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 postop 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







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