

SHBP Utilization Review

May 13, 2026





Report parameters

Population: State of NJ Local Gov and State

Analysis period:

Current Jan '25-Dec '25 w 2 months lag

Prior Jul '24-Dec '24 w 2 months lag

Financial basis: Paid

HCC threshold: \$100,000

Membership Overview

Enrollment Growth Feb 2026/Feb 2025	State	Local Gov	Education
Active ▲%	27.8%	-13%	112.8%
Early Retiree ▲%	-5.4%	-16.5%	16.4%
Total	13.9%	-15%	48.7%

Early Retiree Mix	35%	56%	52%
Total State Early Retiree Mix	13%	23%	20%

INN Utilization	Guarantee	Achieved
Southern NJ	86.0%	96.7%
Northern NJ	76.5%	83.7%
Non-NJ	88.0%	95.9%

Hypergrowth across each segment

- Extraordinary year-over-year enrollment expansion, with Education enrollment more than doubling year over year and State active membership accelerating overall population growth between Feb '25 and Feb '26

High concentration of early retiree

- The population includes a higher share of retirees than the overall State population, as reflected in the 2026 Rate Setting Recommendation Analysis

Strong In-Network Utilization Performance

- In-network utilization continues to exceed contractual requirements, demonstrating a strong and effective provider network.

A photograph of a family of five running on a sandy beach. In the foreground, a young boy on the left and a young girl in the center are running towards the camera, holding hands. Behind them, a woman and a man are also running, and another boy is on the right. They are all smiling and appear to be enjoying their time. The background shows the ocean waves. The entire image has a blue tint.

Local Government

Member and employee characteristics – all members

Member characteristics					
Key measures	Benchmark	Local Gov Total Prior	Local Gov Total Current	Local Gov Actives	Local Gov Retirees
Membership	N/A	7,032	6,799	2,867	3,934
Avg member age	35.7	37.2	37.3	30.4	42.4
Avg employee age	45.2	50.0	49.2	42.1	52.3
All members RRS	1.26	1.11	1.50	1.24	1.68
Employees RRS	1.40	1.43	1.92	1.49	2.09
Family size	2.1	1.9	1.9	2.5	1.5
% membership female	58.7%	59.8%	58.7%	48.9%	65.9%
% employees female	61.7%	64.8%	62.0%	38.4%	72.6%
Spouse:Employee cost ratio	1.3	0.7	0.9	1.2	0.9

Member type	% of total members	% of total cost	Current PMPM w HCC	Current PMPM w/o HCC
Employee	54.0%	68.8%	\$1,055	\$694
Spouse	10.9%	13.1%	\$992	\$768
Dependent	35.1%	18.0%	\$425	\$325

Key measures summary– all members

Costs					
Key measures ¹	Benchmark	Total Plan Prior	Total Plan Current	Local Gov Actives	Local Gov Retirees
Medical PEPM	\$1,176	\$1,253	\$1,532	\$1,721	\$1,447
Medical PEPM w/o HCC	\$772	\$1,014	\$1,061	\$1,291	\$959
Medical PMPM	\$571	\$662	\$827	\$678	\$935
Medical PMPM w/o HCC	\$375	\$535	\$573	\$509	\$620
¹ Capitation dollars are not included in this table or any other financial measures in this report.					
Key measures	Benchmark	Total Plan Prior	Total Plan Current	Local Gov Actives	Local Gov Retirees
Total medical cost	N/A	\$27.92M	\$67.48M	\$23.34M	\$44.14M
Total members	N/A	7,032	6,799	2,867	3,934
Employees	N/A	3,714	3,670	1,130	2,541
% members using benefits	76.3%	78.8%	85.4%	85.1%	85.3%
Employer cost share	84.6%	95.6%	95.8%	96.1%	95.6%

Top Cost Drivers – Local Government

Top Providers by Cost	Claimant Count	Plan Paid
Virtua-West Jersey Health System	433	\$2.5M
Cooperman Barnabas Medical Center	64	\$1.6M
Cooper University Hospital	169	\$1.5M
Inspira Medical Center Mullica Hill	110	\$1.0M
Virtua Our Lady of Lourdes Hospital, Inc	110	\$944K

Specialist Cost Drivers	Visit Count	Plan Paid
Orthopedics	2,404	\$2.1M
Anesthesia	1,855	\$1.9M
ER Physician	5,323	\$1.7M
Plastic Surgery	304	\$1.4M
Physical Rehab Professional	9,543	\$954K

Top Diagnostic Categories by Cost	Claimant Count	Plan Paid
Musculoskeletal Disorders	2,877	\$10.6M
Digestive Disorders	1,740	\$7.5M
BH Disorders	1,708	\$7.3M
Non-specific Disorders	4,959	\$5.5M
Cardiac Disorders	1,765	\$4.3M

Ambulatory Facility Cost Drivers	Visit Count	Plan Paid
Lower GI Endoscopy	369	\$1.3M
Neurologic Procedures - Other	174	\$1.0M
Upper GI Endoscopy	185	\$640K
Hip Arthroplasty	16	\$376K
Knee Arthroplasty	16	\$357K

Utilization and unit cost



	Total cost	Percent of Total Cost	PMPM				Utilization per 1,000			
			Benchmark	Local Gov Total Current	Local Gov Actives	Local Gov Retirees	Benchmark	Local Gov Total Current	Local Gov Actives	Local Gov Retirees
Inpatient facility	\$9.95M	16.5%	\$112	\$122	\$108	\$132	34.5	41.8	46.7	48.8
Outpatient facility	\$11.70M	15.6%	\$95	\$143	\$117	\$163	609.0	802.5	535.5	996.8
ER	\$5.43M	7.0%	\$36	\$67	\$51	\$78	171.4	256.5	230.6	275.3
Specialist physician	\$18.89M	22.1%	\$128	\$232	\$180	\$269	6,289.4	9,356.4	7,984.4	10,353.9
Primary care physician	\$2.77M	4.1%	\$22	\$34	\$32	\$36	1,761.0	2,308.7	2,120.6	2,445.1
Radiology	\$4.38M	8.1%	\$45	\$54	\$38	\$65	1,359.8	1,649.3	1,137.2	2,022.1
Lab	\$2.96M	4.3%	\$23	\$36	\$33	\$38	2,221.0	2,640.2	2,252.2	2,922.3
Home health	\$0.82M	1.3%	\$5	\$10	\$11	\$10	309.1	494.0	552.6	451.2
Behavioral health	\$6.02M	10.3%	\$37	\$74	\$51	\$90	2,195.5	3,022.4	2,665.2	3,282.0
Medical Rx	\$4.55M	10.6%	\$68	\$56	\$58	\$54	714.9	828.3	723.2	904.8
Total	\$67.48M		\$571	\$827	\$678	\$935	N/A	N/A	N/A	N/A

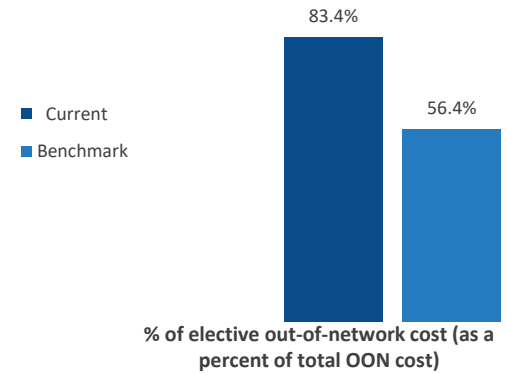


Network management

In-network usage

Key measures	Benchmark	Local Gov All Current	Local Gov Actives Current	Local Gov Retirees Current
% claims cost	92.6%	82.9%	86.6%	81.0%
Admits	97.0%	92.6%	97.8%	89.5%
PCP visits	96.5%	90.4%	97.2%	86.0%
BH visits	83.9%	79.8%	87.5%	75.1%
Lab visits	97.2%	96.5%	97.1%	96.2%
Cancer visits	95.1%	94.7%	94.9%	94.7%

Discount savings	Local Gov All Current	Savings	Institutes of Quality® (IOQ)	Local Gov All Current
Inpatient facility	\$24.54M	275.1%	IOQ Usage Opportunity Savings	\$255.49K
Outpatient facility	\$42.75M	123.0%	Total IOQ Cases	11
Physician/Other	\$41.24M	137.1%	Procedures currently using IOQ	19.0%
Total	\$108.53M	151.8%		



High-cost claimants

High-cost claimants

34.5%
HCC cost out-of-network

6.6%
HCC cost medical specialty
drugs

Key measures	Benchmark	Local Gov Total	Local Gov Actives	Local Gov Retirees
Number of HCC	N/A	95	27	68
HCC/1,000	11.3	14.0	9.4	17.3
% of total cost	34.4%	30.7%	25.0%	33.7%
HCC PMPM	\$196	\$254	\$170	\$316
Avg cost/HCC	\$208,138	\$218,243	\$215,970	\$219,036
Member characteristics	Benchmark	Local Gov Total	Local Gov Actives	Local Gov Retirees
HCC continuously enrolled in reporting period	N/A	74.7%	66.7%	75.0%
Avg age	46.9	49.9	42.8	52.5
% female	66.5%	60.7%	48.5%	65.0%

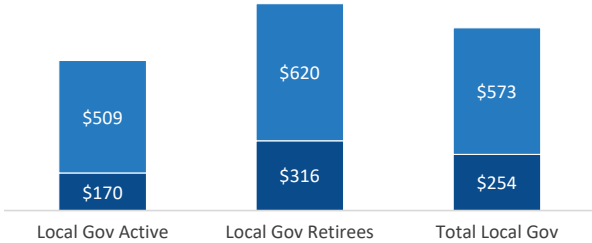
HCC cost by relationship

Employee Spouse Dependent



HCC medical PMPM

HCC Non-HCC



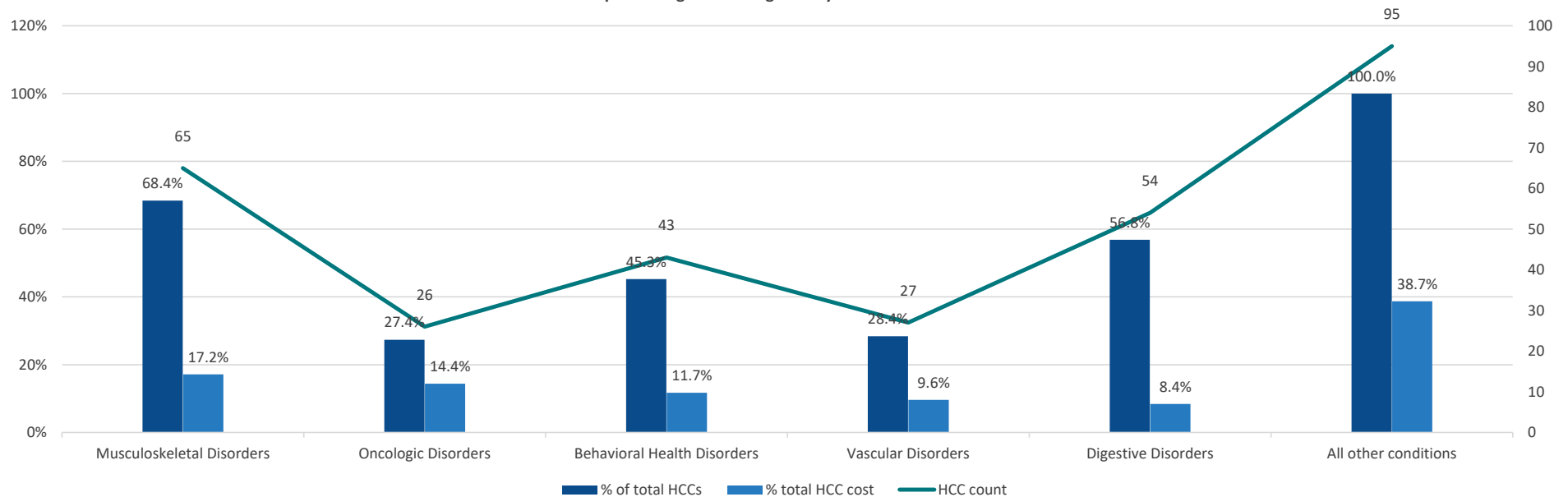
High-cost claimants

High-cost claimants

95

Number of unique
HCC

Top HCC diagnostic categories by total medical cost¹

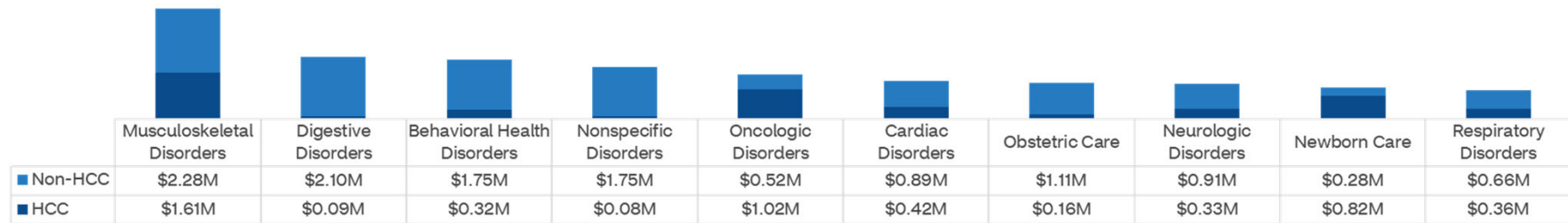


¹ HCC can fall into multiple diagnostic categories

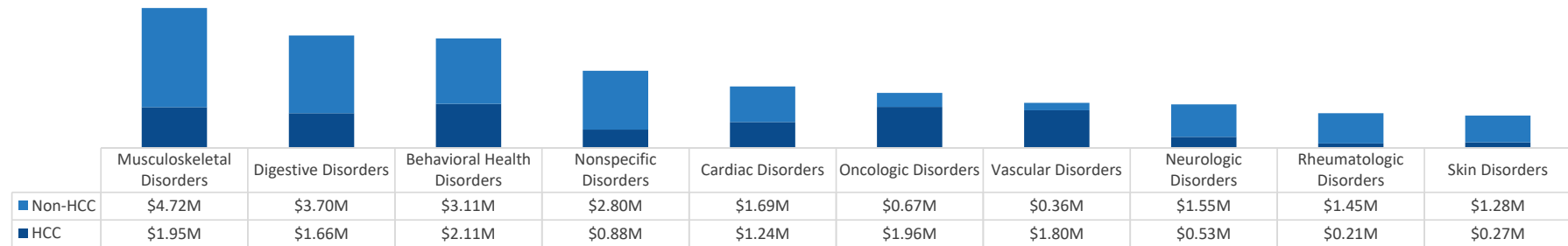
Medical cost by diagnostic category – Local Government

Diagnostic categories¹

Local Gov Active



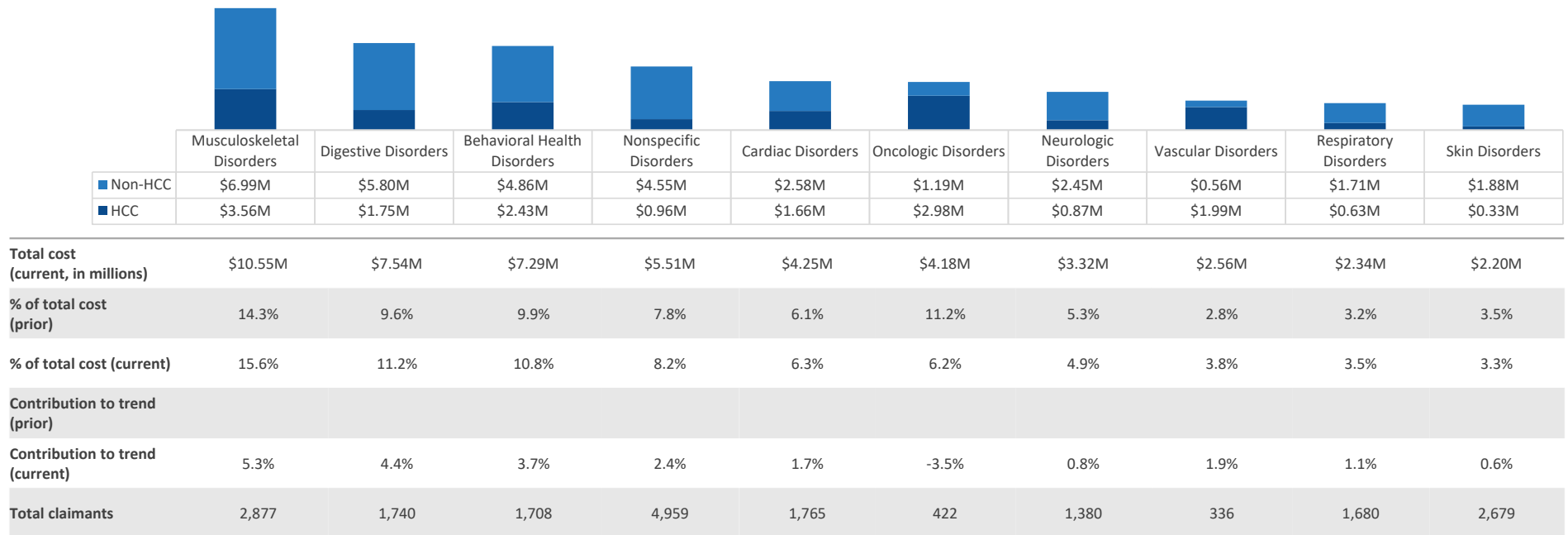
Local Gov Retiree



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.

Medical cost by diagnostic category

Diagnostic categories¹



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.

Key impactable conditions

Prevalence	Benchmark	State Total Current	State Active Current	State Retiree Current
Asthma	4.1%	6.0%	6.2%	5.6%
Depression	9.2%	10.2%	9.8%	10.7%
Diabetes	6.5%	7.4%	5.4%	10.5%
Gastritis	8.5%	9.8%	8.5%	11.9%
Hyperlipidemia	15.9%	18.8%	14.6%	25.7%
Hypertension	14.4%	15.5%	11.6%	21.7%
Low back pain	7.3%	9.3%	7.8%	11.5%
Obesity	10.2%	13.0%	12.4%	14.0%



State Group

Member and employee characteristics – all members

Member characteristics					
Key measures	Benchmark	State Total Prior	State Total Current	State Actives	State Retirees
Membership	N/A	12,624	14,904	8,895	5,972
Avg member age	35.7	36.2	36.0	32.1	41.9
Avg employee age	45.2	47.1	45.7	41.6	49.8
All members RRS	1.26	1.06	1.40	1.21	1.67
Employees RRS	1.40	1.34	1.74	1.47	1.98
Family size	2.0	1.8	1.8	2.2	1.4
% membership female	56.2%	56.9%	56.2%	53.2%	60.6%
% employees female	57.4%	63.7%	62.6%	60.4%	64.8%
Spouse:Employee cost ratio	1.3	0.7	0.9	1.1	1.0

Member type	% of total members	% of total cost	Current PMPM w HCC	Current PMPM w/o HCC
Employee	55.2%	65.7%	\$875	\$670
Spouse	12.3%	13.7%	\$820	\$605
Dependent	32.5%	20.5%	\$464	\$355

Key measures summary– all members



Key measures ¹	Benchmark	Total Plan Prior	Total Plan Current	State Actives	State Retirees
Medical PEPM	\$1,136	\$1,013	\$1,331	\$1,402	\$1,267
Medical PEPM w/o HCC	\$755	\$772	\$937	\$1,054	\$826
Medical PMPM	\$558	\$591	\$735	\$639	\$881
Medical PMPM w/o HCC	\$371	\$450	\$517	\$480	\$574

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

Key measures	Benchmark	Total Plan Prior	Total Plan Current	State Actives	State Retirees
Total medical cost	N/A	\$47.58M	\$131.43M	\$68.15M	\$63.17M
Total members	N/A	12,624	14,904	8,895	5,972
Employees	N/A	6,852	8,226	4,052	4,154
% members using benefits	76.1%	77.6%	85.5%	86.3%	84.5%
Employer cost share	84.6%	95.4%	94.6%	94.8%	94.5%

Top Cost Drivers - State

Top Providers by Cost	Claimant Count	Plan Paid
Virtua-West Jersey Health System	826	\$4.7M
Cooper University Hospital	415	\$3.6M
Capital Health Medical Center Hopewell	325	\$2.9M
Virtua-Memorial Hospital Burlington County	377	\$2.6M
Hospital of the University of Pennsylvania	188	\$2.4M

Specialist Cost Drivers	Visit Count	Plan Paid
Anesthesia	3,546	\$4.2M
ER Physician	8,436	\$2.5M
Orthopedics	3,886	\$2.0M
Obstetrics/Gynecology	6,303	\$1.9M
Physical Rehab Professional	16,883	\$1.4M

Top Diagnostic Categories by Cost	Claimant Count	Plan Paid
Musculoskeletal Disorders	5,116	\$16.6M
BH Disorders	4,001	\$16.2M
Oncologic Disorders	776	\$12.8M
Digestive Disorders	3,313	\$12.1M
Non-specific Disorders	10,740	\$10.4M

Ambulatory Facility Cost Drivers	Visit Count	Plan Paid
Lower GI Endoscopy	749	\$2.6M
Upper GI Endoscopy	305	\$1.1M
Neurologic Procedures – Other	284	\$965K
Knee Arthroplasty	34	\$885K
Drug Administration	614	\$801K

Utilization and unit cost



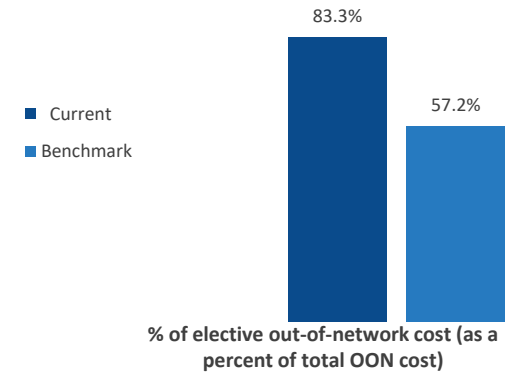
	Total cost	Percent of Total Cost	PMPM				Utilization per 1,000			
			Benchmark	State Total Current	State Actives	State Retirees	Benchmark	State Total Current	State Actives	State Retirees
Inpatient facility	\$21.76M	17.0%	\$113	\$122	\$120	\$125	35.6	44.5	50.6	48.4
Outpatient facility	\$20.55M	15.8%	\$90	\$115	\$93	\$148	584.4	706.2	603.9	862.1
ER	\$9.20M	6.7%	\$35	\$51	\$44	\$62	170.3	225.4	208.6	251.0
Specialist physician	\$29.11M	24.0%	\$126	\$163	\$136	\$203	6,165.1	7,827.4	7,121.5	8,884.2
Primary care physician	\$5.34M	4.0%	\$22	\$30	\$29	\$31	1,735.5	2,154.2	2,082.2	2,267.1
Radiology	\$10.61M	6.6%	\$42	\$59	\$51	\$72	1,253.8	1,403.5	1,185.9	1,732.5
Lab	\$5.71M	4.0%	\$23	\$32	\$30	\$35	2,188.3	2,495.5	2,363.8	2,694.9
Home health	\$1.67M	1.7%	\$5	\$9	\$7	\$14	300.2	442.7	370.3	553.0
Behavioral health	\$13.54M	9.0%	\$38	\$76	\$65	\$91	2,317.7	3,641.2	3,865.2	3,317.4
Medical Rx	\$13.94M	11.2%	\$64	\$78	\$63	\$100	697.3	867.2	831.0	922.2
Total	\$131.43M		\$558	\$735	\$639	\$881	N/A	N/A	N/A	N/A

Network management

In-network usage

Key measures	Benchmark	State All Current	State Actives Current	State Retirees Current
% claims cost	92.4%	91.2%	95.2%	86.8%
Admits	97.1%	96.2%	97.4%	93.6%
PCP visits	96.4%	92.7%	97.1%	86.6%
BH visits	84.1%	85.0%	89.2%	77.9%
Lab visits	97.2%	97.5%	98.6%	96.1%
Cancer visits	95.0%	95.9%	95.4%	96.6%

Discount savings	State All Current	Savings	Institutes of Quality® (IOQ)	State All Current
Inpatient facility	\$55.77M	208.9%	IOQ Usage Opportunity Savings	\$404.11K
Outpatient facility	\$110.25M	194.3%	Total IOQ Cases	24
Physician/Other	\$83.09M	187.8%	Procedures currently using IOQ	24.5%
Total	\$249.11M	195.2%		



High-cost claimants

High-cost claimants

13.9%
HCC cost out-of-network

20.0%
HCC cost medical specialty
drugs

Key measures	Benchmark	State Total	State Actives	State Retirees
Number of HCC	N/A	178	82	96
HCC/1,000	10.8	11.9	9.2	16.1
% of total cost	33.5%	29.6%	24.8%	34.8%
HCC PMPM	\$187	\$218	\$158	\$307
Avg cost/HCC	\$207,757	\$218,634	\$206,242	\$229,219
Member characteristics	Benchmark	State Total	State Actives	State Retirees
HCC continuously enrolled in reporting period	N/A	82.6%	79.3%	85.4%
Avg age	46.9	47.5	45.5	49.2
% female	60.1%	61.9%	60.3%	63.2%

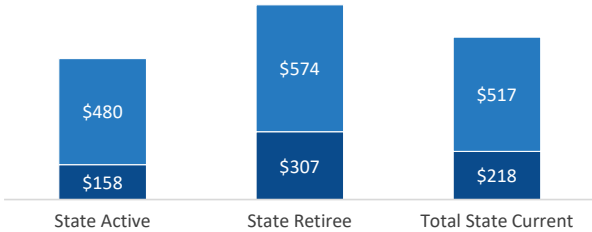
HCC cost by relationship

■ Employee ■ Spouse ■ Dependent



HCC medical PMPM

■ HCC ■ Non-HCC



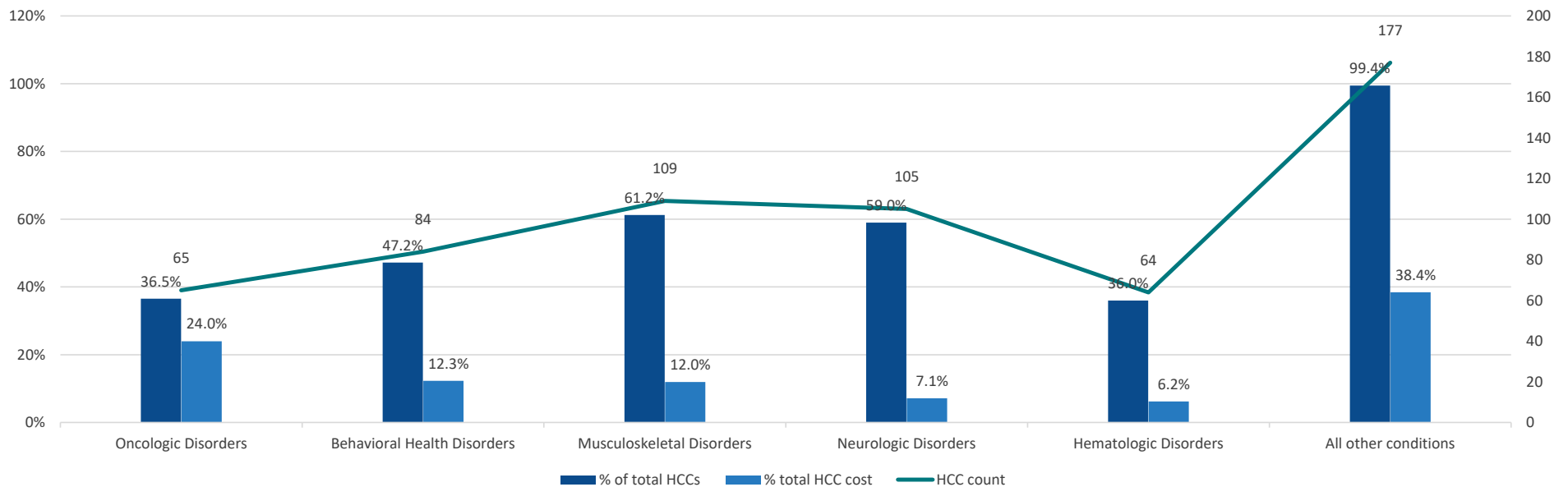
High-cost claimants

High-cost claimants

178

Number of unique
HCC

Top HCC diagnostic categories by total medical cost¹

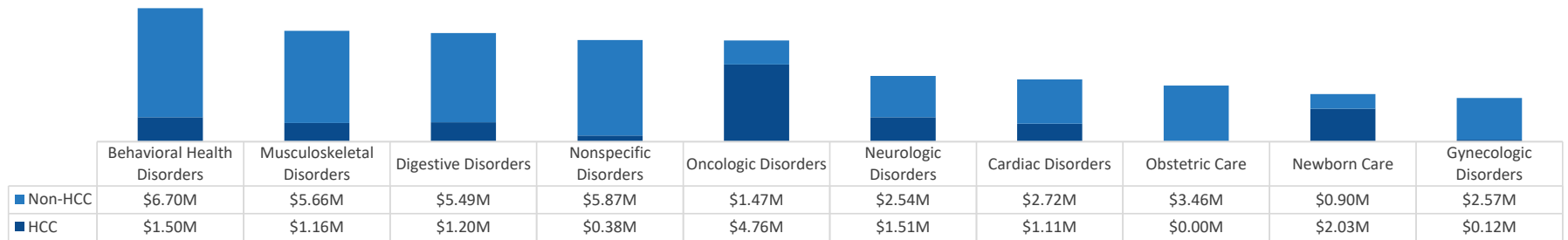


¹ HCC can fall into multiple diagnostic categories

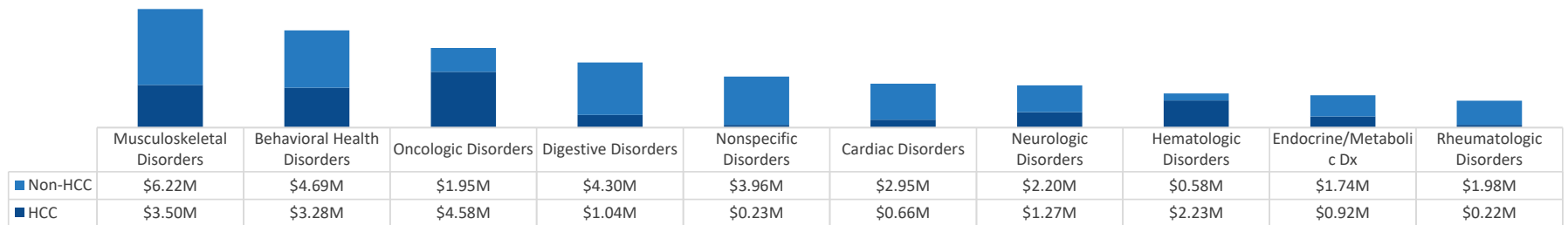
Medical cost by diagnostic category – State population

Diagnostic categories¹

State Active



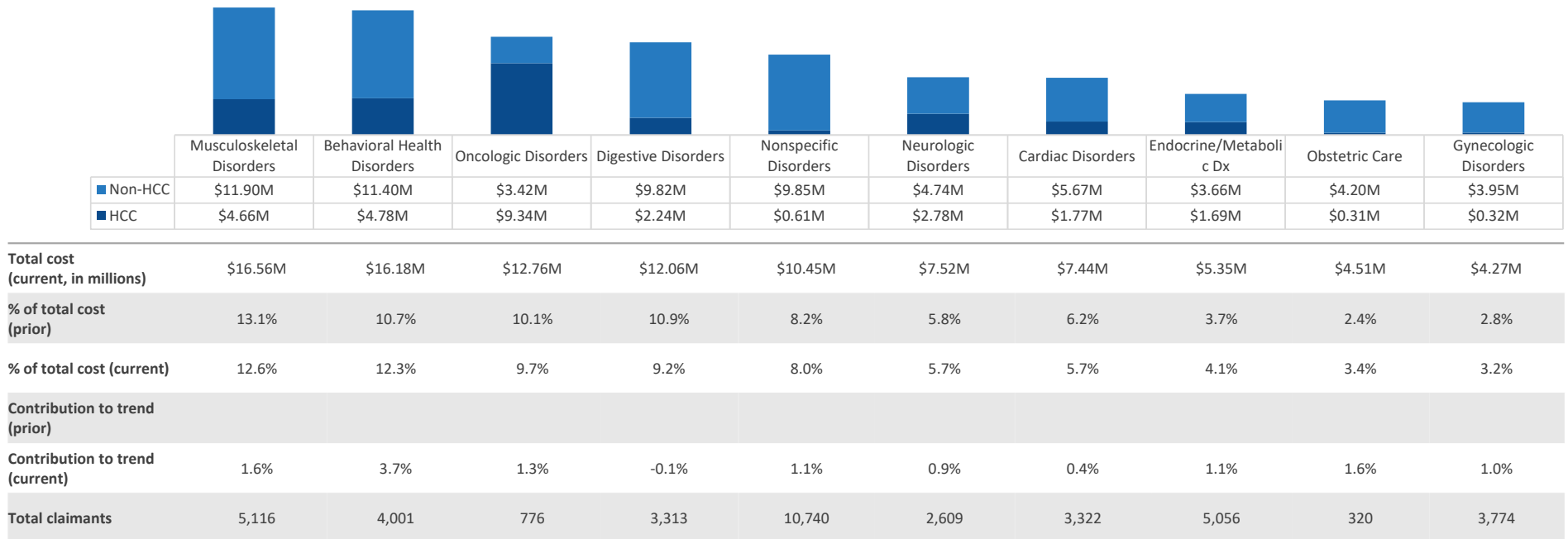
State Retiree



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Medical cost by diagnostic category

Diagnostic categories¹



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.

Key impactable conditions

Prevalence	Benchmark	State Total Current	State Active Current	State Retiree Current
Asthma	4.1%	6.0%	6.2%	5.6%
Depression	9.2%	10.2%	9.8%	10.7%
Diabetes	6.5%	7.4%	5.4%	10.5%
Gastritis	8.5%	9.8%	8.5%	11.9%
Hyperlipidemia	15.9%	18.8%	14.6%	25.7%
Hypertension	14.4%	15.5%	11.6%	21.7%
Low back pain	7.3%	9.3%	7.8%	11.5%
Obesity	10.2%	13.0%	12.4%	14.0%

Abbreviation and acronym glossary

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
PCP	Primary care physician
PDC	Privacy drill control
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

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