

SEHBP Medical Cost Trend Review

Medical Economics

Data Paid through Jan 2025
(unless otherwise noted)

Trend analysis is based on paid dollars incurred Jan 24 to Dec 24 with paid thru Jan 25 compared to Jan 23 to Dec 23 with paid thru Jan 23.



SEHBP/SHBP (Composite) Trend Summary

- Overall SHBP/SEHBP composite PMPM Trend is 10.3% for 2024
 - ✓ This is on-par with the National Trend at 10%
 - ✓ Trend driven by mixture of increase in average cost and utilization
- **Educator** population has the highest increase in Trend at 12.0% driven by higher Inpatient and Outpatient spend
- **State** and **Educator** Inpatient trend increased at the same rate as Outpatient trend

10.3%

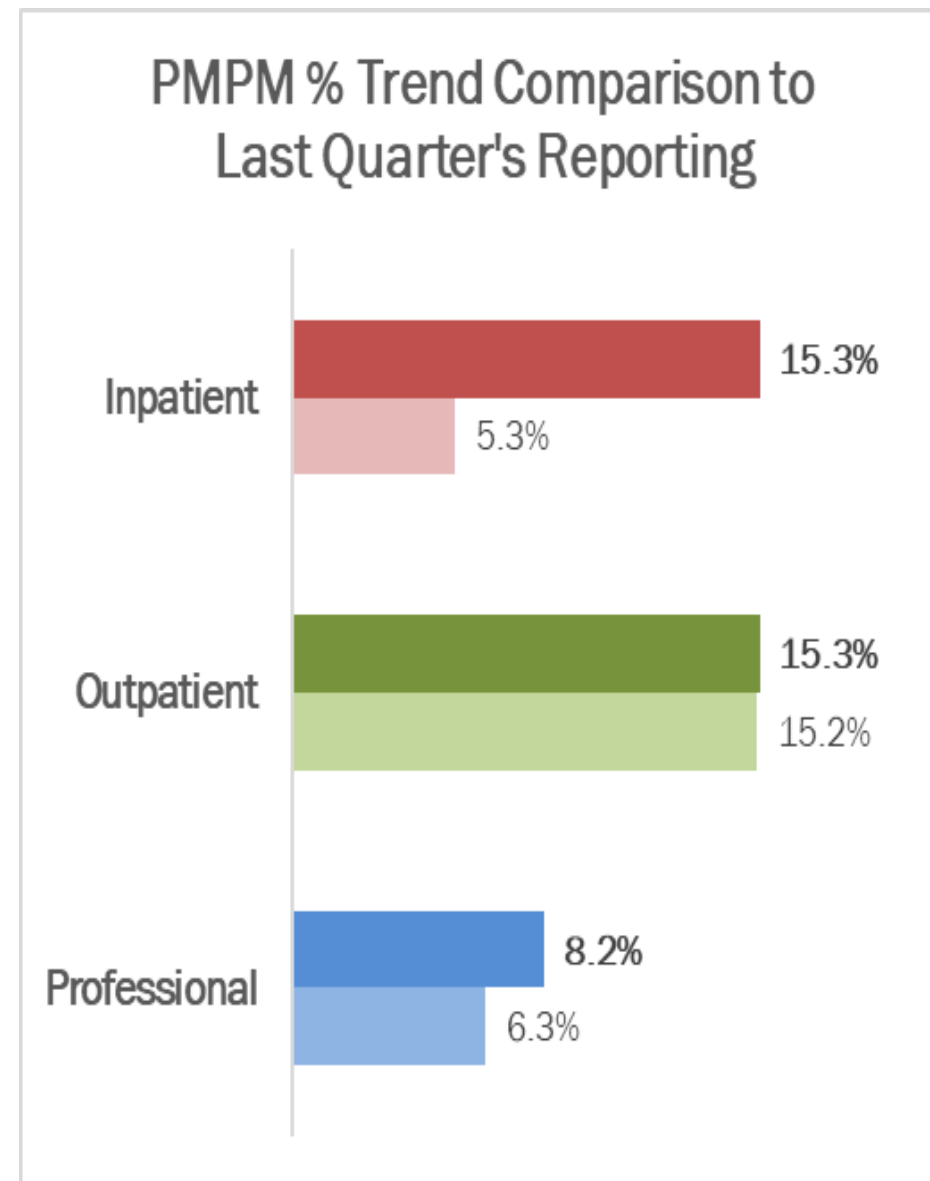
Total Medical Trend

| Cost Category | PMPM Trend % | | | |
|---------------------|--------------|--------------|-------------|------------|
| | Composite | <i>State</i> | <i>Govt</i> | <i>Edu</i> |
| Total | 10.3% | 9.7% | 9.9% | 12.0% |
| Inpatient | 10.6% | 10.5% | 5.8% | 15.3% |
| Outpatient | 12.0% | 10.5% | 10.9% | 15.3% |
| Professional | 8.6% | 8.5% | 10.6% | 8.2% |

SEHBP Trend Compared To Last Report

| | Prior Period | Current Period | PMPM \$ | PMPM % | Util./1000 % | Trend \$ Impact |
|----------------------|------------------|------------------|--------------|--------------|--------------|-----------------|
| MME | 2,227,374 | 2,052,794 | | | | |
| Total Medical | \$ 696 | \$ 780 | \$ 83 | 12.0% | 3.8% | \$170.9M |
| Inpatient | \$ 111 | \$ 128 | \$ 17 | 15.3% | 3.0% | \$34.8M |
| Outpatient | \$ 259 | \$ 299 | \$ 40 | 15.3% | 7.6% | \$81.3M |
| Professional | \$ 326 | \$ 352 | \$ 27 | 8.2% | 3.5% | \$54.6M |

- ✓ Compared to previous quarter's report, EDU Population PMPM trend increased by 2.6% from 9.4% to 12.0%
- ✓ Inpatient had the highest increase compared to previous report; mainly driven by:
 - Inpatient Medical services (Quademic related DRGs)
 - Inpatient Surgical services (Spinal fusion & Transplants)



* Last Report Trend: 2024Jan-Sep vs 2023 Jan-Sep, Paid Through Oct2024 Mirror Runout

Inpatient Trend is driven by

- Medical admissions related to Septicemia and Respiratory diseases.
- Surgical admissions related to Diseases of MSK (spinal fusion) and procedures associated with Neoplasms

Outpatient Trend is driven by

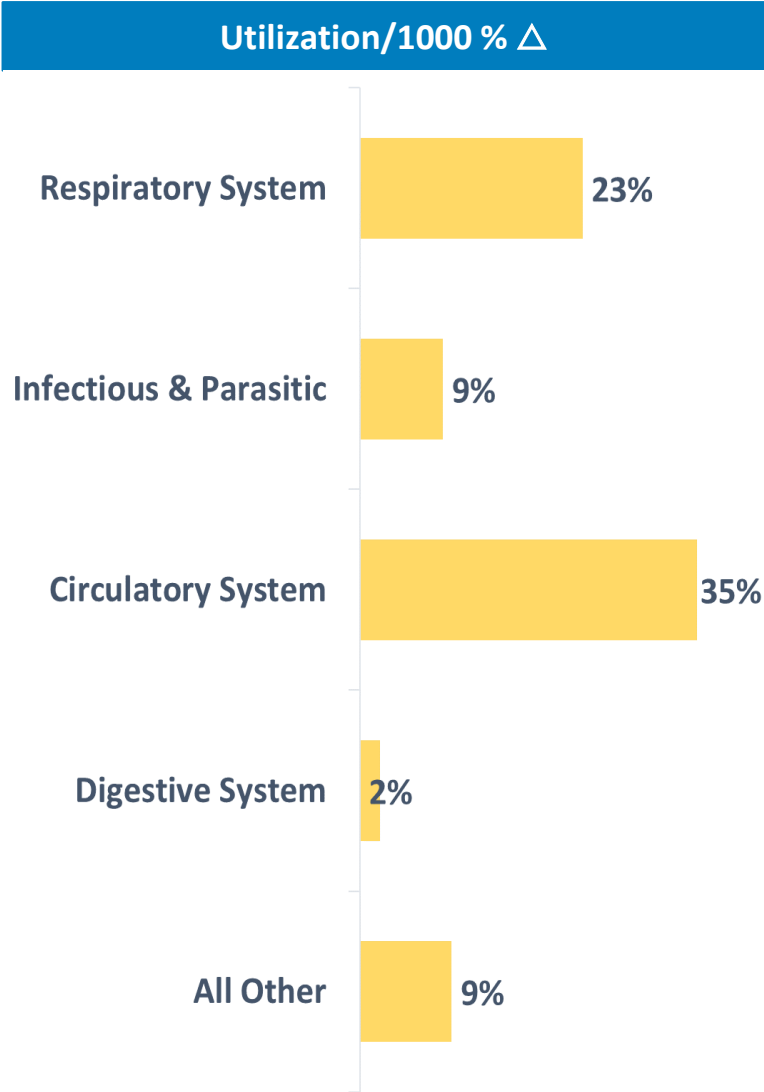
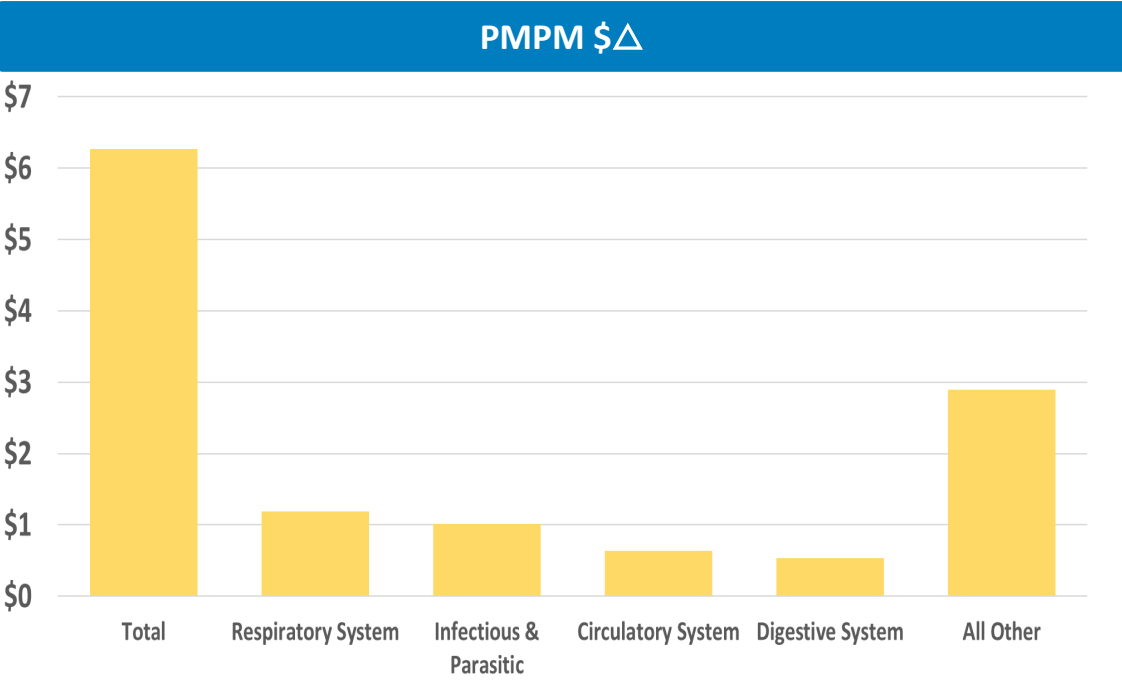
- Outpatient Injectables drugs for the treatment of rare diseases and various cancers.
- Outpatient Surgery for gastroenterology (Colonoscopies, Endoscopies) and orthopedic (Knee, Hip) related surgeries.

Professional Trend is driven by

- Evaluation and Management Codes for Specialist and PCP visits
- Behavioral Health Mental Health Visits

* Last Report Trend: 2024Jan-Sep vs 2023 Jan-Sep, Paid Through Oct2024 Mirror Runout

SEHBP– Inpatient Acute Medical Total Drivers by DRG MDC



Comments and Notes

PMPM up 25% driven by 11% increase in utilization and 12% in costs.
Total PMPM impact: \$12.9M

- Infectious and parasitic diseases include mostly septicemia which can be caused by a variety of infections, including: Bacterial infections (e.g., pneumonia, urinary tract infections, skin infections) Viral infections (e.g., influenza, COVID-19) Fungal infections
- Respiratory disease driven by DX J96 Respiratory failure and J45 Asthma

Additional Details

PMPM %Δ Impact:

- Respiratory System: 35%
- Infectious & Parasitic: 24%
- Circulatory System: 64%
- Digestive System: 16%

PMPM \$ Impact (millions):

- Respiratory System: \$2.4M
- Infectious & Parasitic: \$2.1M
- Circulatory System: \$1.3M
- Digestive System: \$1.1M

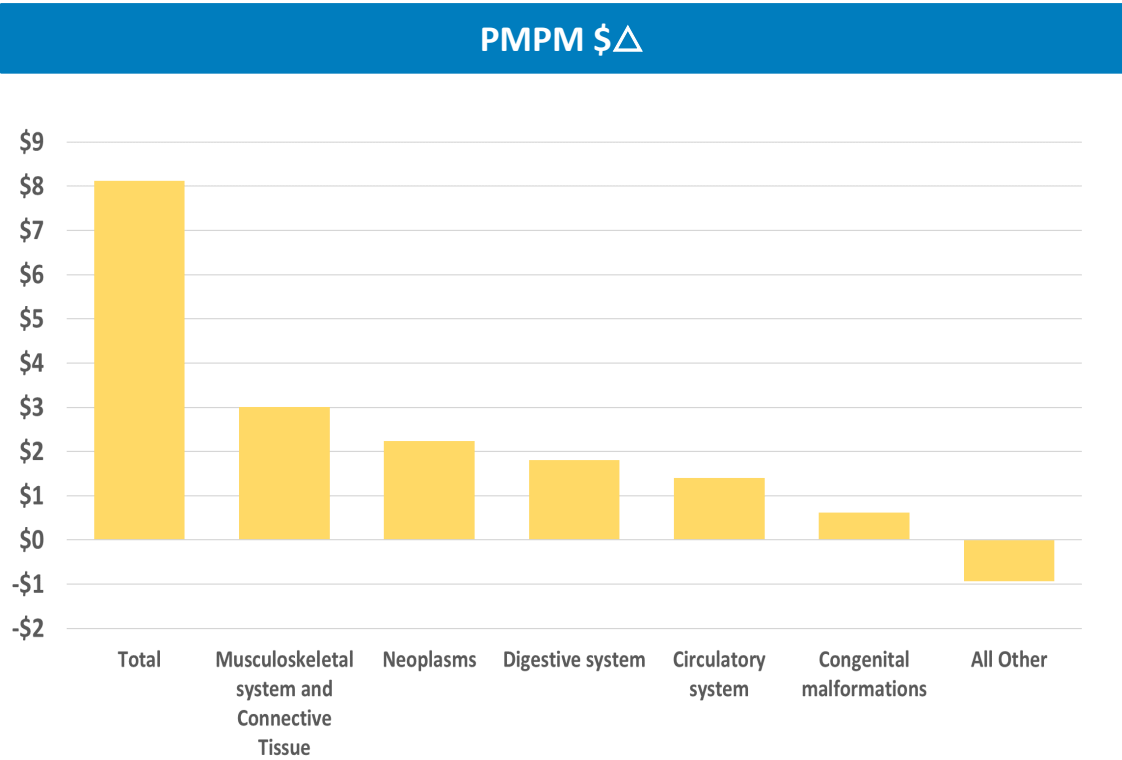
Total Allowed (current period):

- Respiratory System: \$9.4M
- Infectious & Parasitic: \$10.9M
- Circulatory System: \$3.3M
- Digestive System: \$7.8M

Prior period: Jan 2023 - Dec 2023
Current period: Jan 2024 - Dec 2024
Source: CTOS Medical Cost Trend_COMM & GP_2025-01 SHBP

Note: Vendor-At-Risk (eviCore) and Catastrophic claims are included in data.

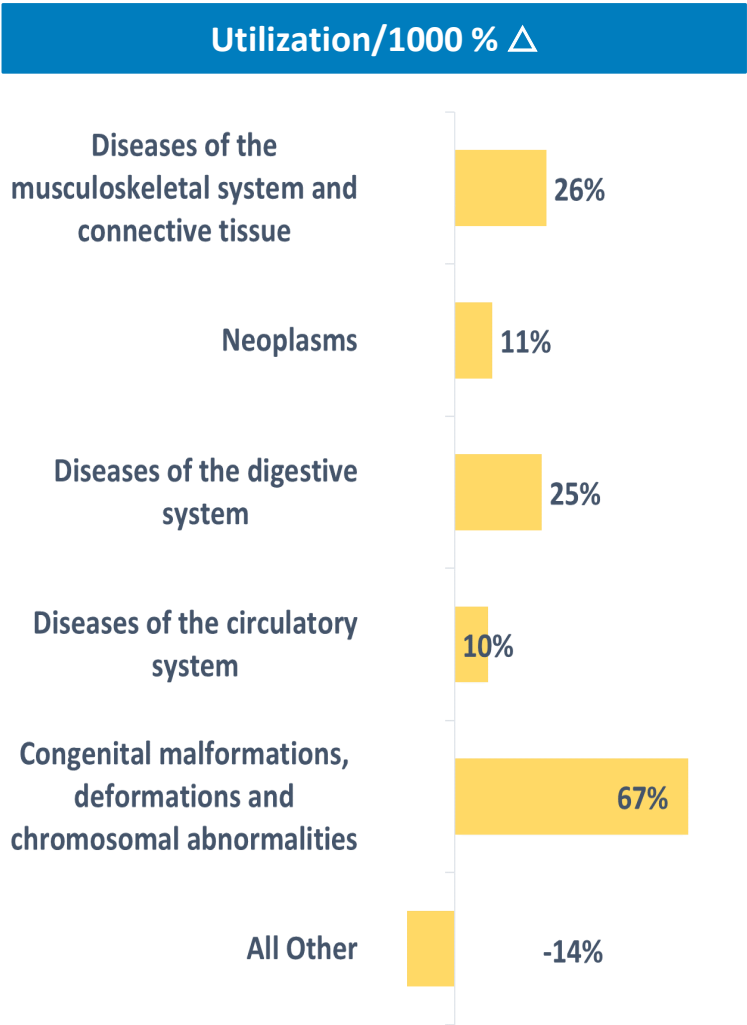
SEHBP– Inpatient Acute Surgical Total Drivers by Major Diagnosis Category (MDC-1)



Comments and Notes

PMPM up 21% driven by increase of 17% in costs. Total PMPM impact: \$16.7M.

- Diseases of MSK include spinal fusion procedures
- Neoplasms include INTRACRANIAL PROCEDURES and ECMO
- Diseases of digestive includes liver transplants. Transplant surgeries were a major driver of trend.
- Diseases circulatory include craniotomy implants and cardiac valve



Prior period: Jan 2023 - Dec 2023
Current period: Jan 2024 - Dec 2024
Source: CTOS Medical Cost Trend_COMM & GP_2025-01 SHBP

Additional Details

PMPM %Δ Impact:

- Diseases of the musculoskeletal system and connective tissue: 41%
- Neoplasms: 30%
- Diseases of the digestive system: 59%
- Diseases of the circulatory system: 33%
- Congenital malformations, deformations and chromosomal abnormalities: 62%

PMPM \$ Impact (millions):

- Diseases of the musculoskeletal system and connective tissue: \$6.2M
- Neoplasms: \$4.6M
- Diseases of the digestive system: \$3.7M
- Diseases of the circulatory system: \$2.9M
- Congenital malformations, deformations and chromosomal abnormalities: \$1.3M

Total allowed (current period):

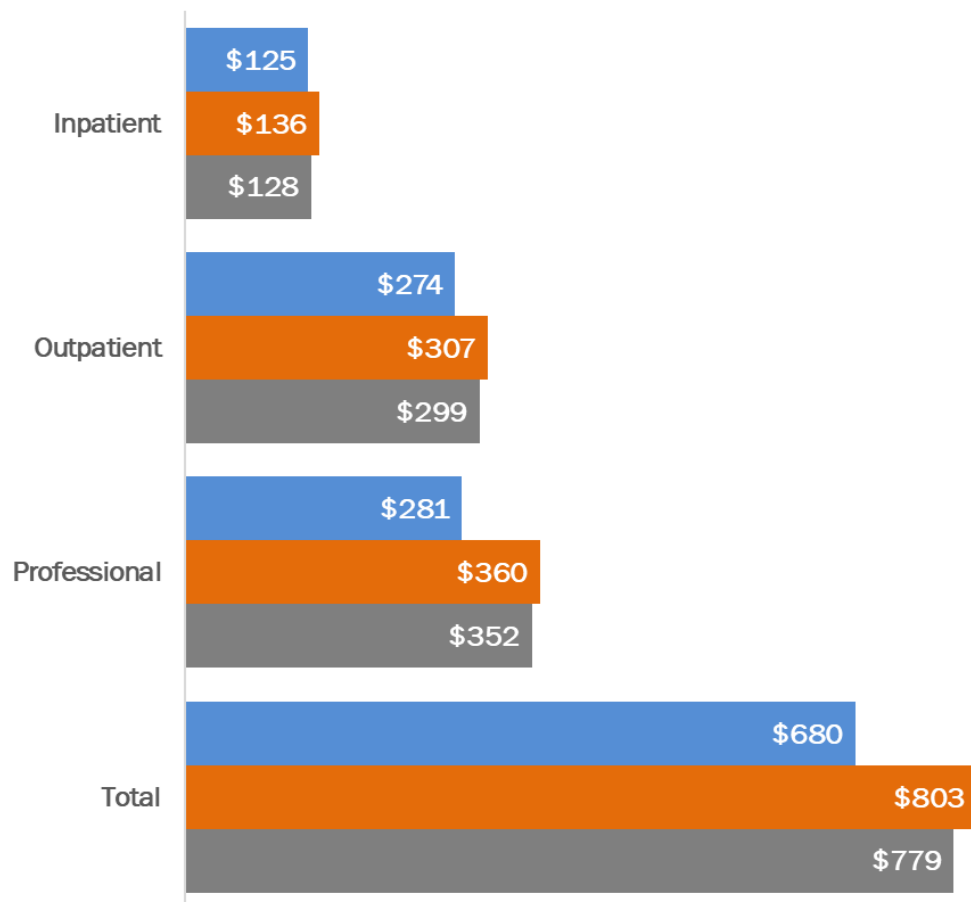
- Diseases of the musculoskeletal system and connective tissue: \$21.4M
- Neoplasms: \$20.0M
- Diseases of the digestive system: \$10.0M
- Diseases of the circulatory system: \$11.4M
- Congenital malformations, deformations and chromosomal abnormalities: \$3.3M

Note: Vendor-At-Risk (eviCore) and Catastrophic claims are included in data.

SEHBP/SHBP (Composite) Trend Summary by Population

The **State** population with the highest membership is **13% less costly than EDU** and **15% less costly than the GOVT**

Current Period PMPM Spend for **STATE**,
GOVT, and EDU



Current Period: % of Total Membership vs % of
Total Spend

