

Health Insurance Administrative Fees

Item 4A - Group Insurance Board

Cindy Klimke, Chief Trust Finance Officer

Division of Trust Finance



Informational item only

- No Board action is required.

Health Insurance Program Reserves as of 12/31/2022 (preliminary)

State (in millions)

Health Reserves	Medical ⁽¹⁾	Wellness	Pharmacy	Dental	Total	% change from prior year
<i>Fund Balance, January 1, 2022</i>	\$93.3	\$3.2	\$90.1	\$23.7	\$210.3	2.0%
Investment Income	(\$8.7)	\$0.1	(\$14.1)	(\$1.5)	(\$24.3)	-174.5%
Contributions	\$1,167.3	\$14.3	\$250.6	\$59.0	\$1,491.2	1.7%
Benefit Expense	(\$1,154.3)	(\$7.7)	(\$278.7)	(\$57.1)	(\$1,497.7)	2.3%
ETF Administrative Expense ⁽²⁾	(\$15.7)	\$0.0	\$0.0	\$0.0	(\$15.7)	13.8%
TPA Administrative Expense	(\$1.0)	(\$6.1)	(\$10.6)	(\$1.1)	(\$18.5)	5.7%
<i>Fund Balance, December 31, 2022</i>	\$81.0	\$3.8	\$37.3	\$23.0	\$145.2	-31.0%

Local (in millions)

Health Reserves	Medical ⁽¹⁾	Wellness	Pharmacy	Dental	Total	% change from prior year
<i>Fund Balance, January 1, 2022</i>	(\$3.7)	\$0.4	\$20.4	\$0.1	\$17.2	17.8%
Investment Income	\$0.0	\$0.0	(\$2.4)	\$0.0	(\$2.4)	-188.9%
Contributions	\$183.4	\$1.9	\$40.0	\$2.0	\$227.3	2.5%
Benefit Expense	(\$181.7)	(\$1.1)	(\$38.9)	(\$2.0)	(\$223.7)	2.6%
ETF Administrative Expense ⁽²⁾	(\$2.1)	\$0.0	\$0.0	\$0.0	(\$2.1)	16.7%
TPA Administrative Expense	(\$0.1)	(\$0.8)	(\$1.0)	\$0.0	(\$2.0)	5.3%
<i>Fund Balance, December 31, 2022</i>	(\$4.1)	\$0.4	\$18.0	\$0.1	\$14.4	-16.3%

(1) Medical is fully insured, thus amounts above do not include health insurance plan provider expenses.

(2) ETF administrative expense allocated to medical only.

Health Insurance Program Reserves as of 12/31/2021

State (in millions)

Health Reserves	Medical ⁽¹⁾	Wellness	Pharmacy	Dental	Total
<i>Fund Balance, January 1, 2021</i>	\$86.3	\$0.1	\$100.1	\$19.6	\$206.1
Investment Income	\$10.2	(\$0.1)	\$20.8	\$1.8	\$32.6
Contributions	\$1,145.8	\$17.2	\$244.6	\$59.3	\$1,466.9
Benefit Expense	(\$1,134.3)	(\$7.8)	(\$266.3)	(\$55.7)	(\$1,464.0)
ETF Administrative Expense ⁽²⁾	(\$13.8)	\$0.0	\$0.0	\$0.0	(\$13.8)
TPA Administrative Expense	(\$0.9)	(\$6.2)	(\$9.2)	(\$1.3)	(\$17.5)
<i>Fund Balance, December 31, 2021</i>	\$93.3	\$3.2	\$90.1	\$23.7	\$210.3

Local (in millions)

Health Reserves	Medical ⁽¹⁾	Wellness	Pharmacy	Dental	Total
<i>Fund Balance, January 1, 2021</i>	(\$2.3)	\$0.1	\$16.8	\$0.1	\$14.6
Investment Income	(\$1.0)	\$0.0	\$3.6	\$0.0	\$2.7
Contributions	\$167.2	\$2.3	\$50.3	\$1.9	\$221.7
Benefit Expense	(\$165.7)	(\$1.1)	(\$49.4)	(\$1.9)	(\$218.1)
ETF Administrative Expense ⁽²⁾	(\$1.8)	\$0.0	\$0.0	\$0.0	(\$1.8)
TPA Administrative Expense	(\$0.1)	(\$0.8)	(\$0.9)	\$0.0	(\$1.9)
<i>Fund Balance, December 31, 2021</i>	(\$3.7)	\$0.4	\$20.4	\$0.1	\$17.2

(1) Medical is fully insured, thus amounts above do not include health insurance plan provider expenses.

(2) ETF administrative expense allocated to medical only.

Fees Added to Health Insurance Premiums

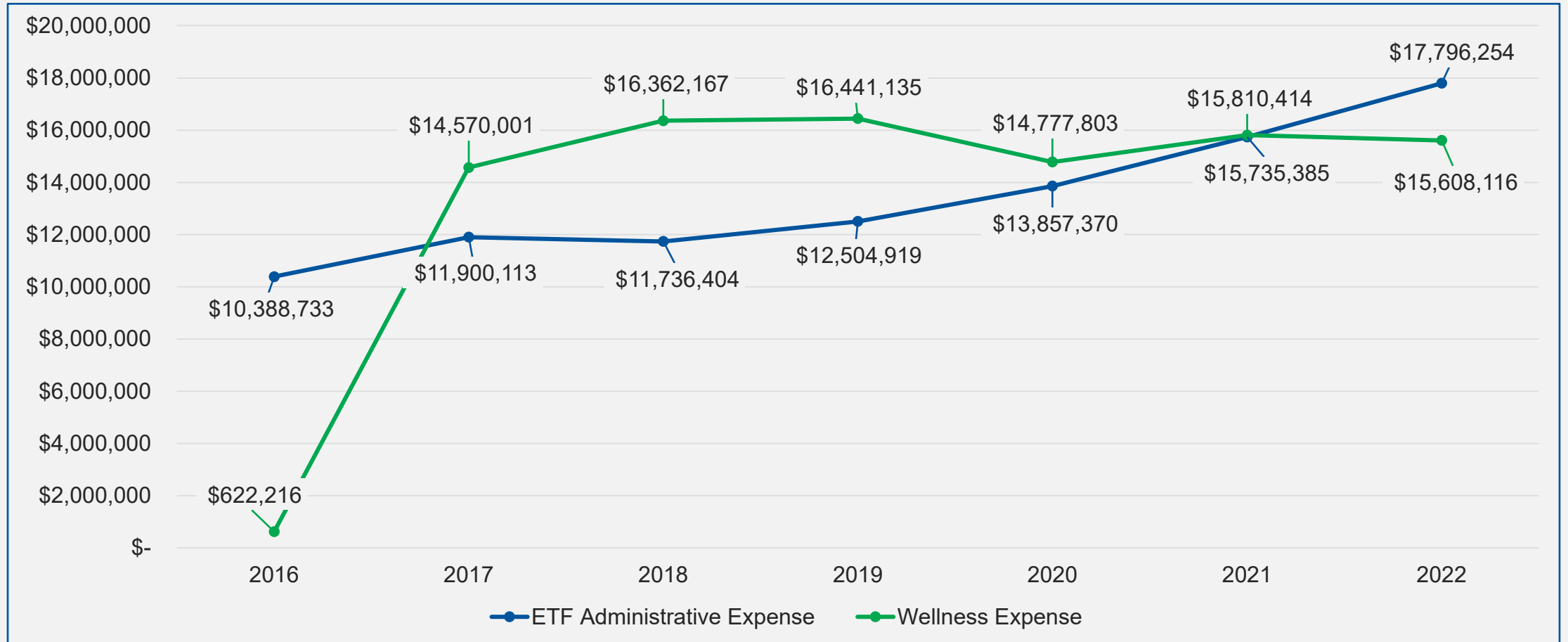
ETF administrative costs

- Staff salaries
- Compliance audits
- Actuarial services
- System costs (e.g., Insurance Administration System, Data Warehouse)

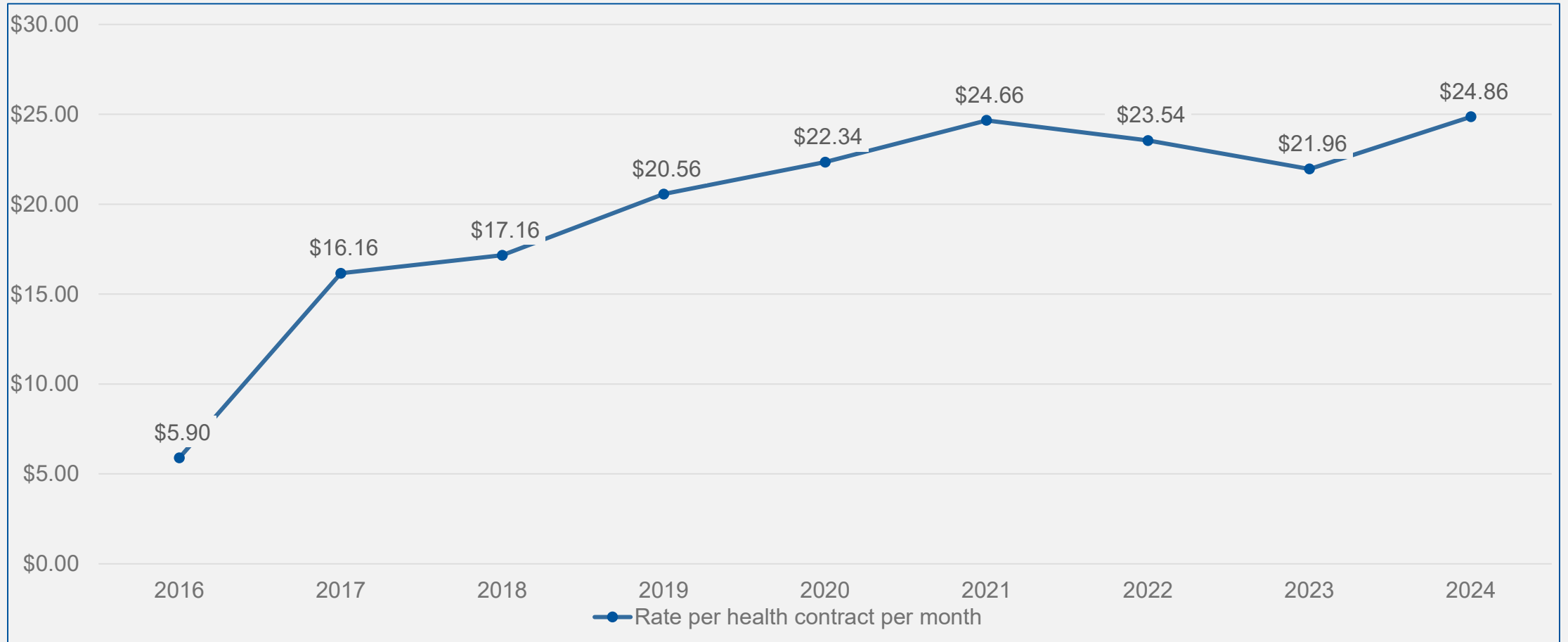
Wellness program costs

- Wellness and disease management program administration
- Coaching
- Biometric screenings
- Incentive payments

ETF Administrative and Wellness Costs per Calendar Year



Health Insurance Administrative Fee History



The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

Questions?

Thank you



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