



Health Plan

University of Colorado Health and Welfare Trust

FY22 1st QUARTER FINANCIAL REPORTS

December 7th, 2021



University of Colorado
Boulder | Colorado Springs | Denver | Anschutz Medical Campus



Medicine

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Financial Reports



UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST
FY22 - STATEMENT OF NET POSITION (unaudited)
As of September 30, 2021
 (Updated 11/30/2021)

<u>Assets</u>	<i>Current Q1 <u>9/30/2021</u></i>	<i>Current Q4 <u>6/30/2021</u></i>
Cash:		
Medical	\$ 1,511	\$ 1,494
Flexible Spending Account	755,819	1,160,646
Investments	34,514,456	58,416,464
Receivables:		
Premiums	23,538,358	75,220
Pharmacy Rebates	6,898,300	6,517,205
Premium Assessment Due from Member	628,428	983,718
Interest	83	42,205
Miscellaneous Receivables	631	50,546
Prepaid Expenses	282,879	228,081
Total Assets	\$ 66,620,465	\$ 67,475,579
<u>Liabilities and Net Position</u>		
Accounts Payable - Medical	\$ 2,489,691	\$ 3,189,088
Contracts Payable	602,550	910,796
Benefit Claims Payable - Medical	381,116	-
Incurred But Not Reported Claims Estimate	33,858,875	30,454,523
Flexible Spending	459,820	827,238
Total Liabilities	<u>37,792,052</u>	<u>35,381,645</u>
Plan Net Position - Unrestricted	<u>28,828,413</u>	<u>32,093,934</u>
Total Liabilities and Plan Net Position	\$ 66,620,465	\$ 67,475,579



UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST
FY22 - STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PLAN NET POSITION (unaudited)
For the three months ended September 30, 2021
 (Updated 11/30/2021)

	<i>Current Q1 9/30/2021</i>	<i>Current Q4 6/30/2021</i>
<u>Operating Revenues</u>		
Contributions	\$ 85,910,245	\$ 284,639,003
Flexible Spending Recapture	-	-
Total Operating Revenues	<u>85,910,245</u>	<u>284,639,003</u>
<u>Operating Expenses</u>		
Medical Claims	82,989,292	287,911,555
Medical Claims Administration	5,086,190	19,472,928
General and Administrative	772,811	2,836,769
Total Administrative	<u>5,859,001</u>	<u>22,309,697</u>
Total Operating Expenses	<u>88,848,293</u>	<u>310,221,252</u>
Operating Income	(2,938,048)	(25,582,249)
<u>Nonoperating Revenues (Expenses)</u>		
Investment Earnings	46,933	296,638
Wellness Initiative	(374,406)	(1,562,674)
Total Nonoperating Revenues (Expenses)	<u>(327,473)</u>	<u>(1,266,036)</u>
Change in Plan Net Position	(3,265,521)	(26,848,285)
Plan Net Position Beginning of Year	32,093,934	58,942,219
Plan Net Position End of Period	<u>\$ 28,828,413</u>	<u>\$ 32,093,934</u>

Treasury



Memo

To: Members of the University of Colorado Health and Welfare Trust Board
From: Tony Vu, Treasurer
Date: December 1, 2021
Re: Quarterly Report on Investments

The Trust's cash equivalents and investments on September 30, 2021 totaled \$34.5 million compared to \$45.2 million on September 30, 2020. \$1.9 million was invested in a AAA rated government money market fund and \$32.6 million was invested in a high-quality, short-duration bond fund. Both these investment vehicles are permitted by the Trust's investment policy.

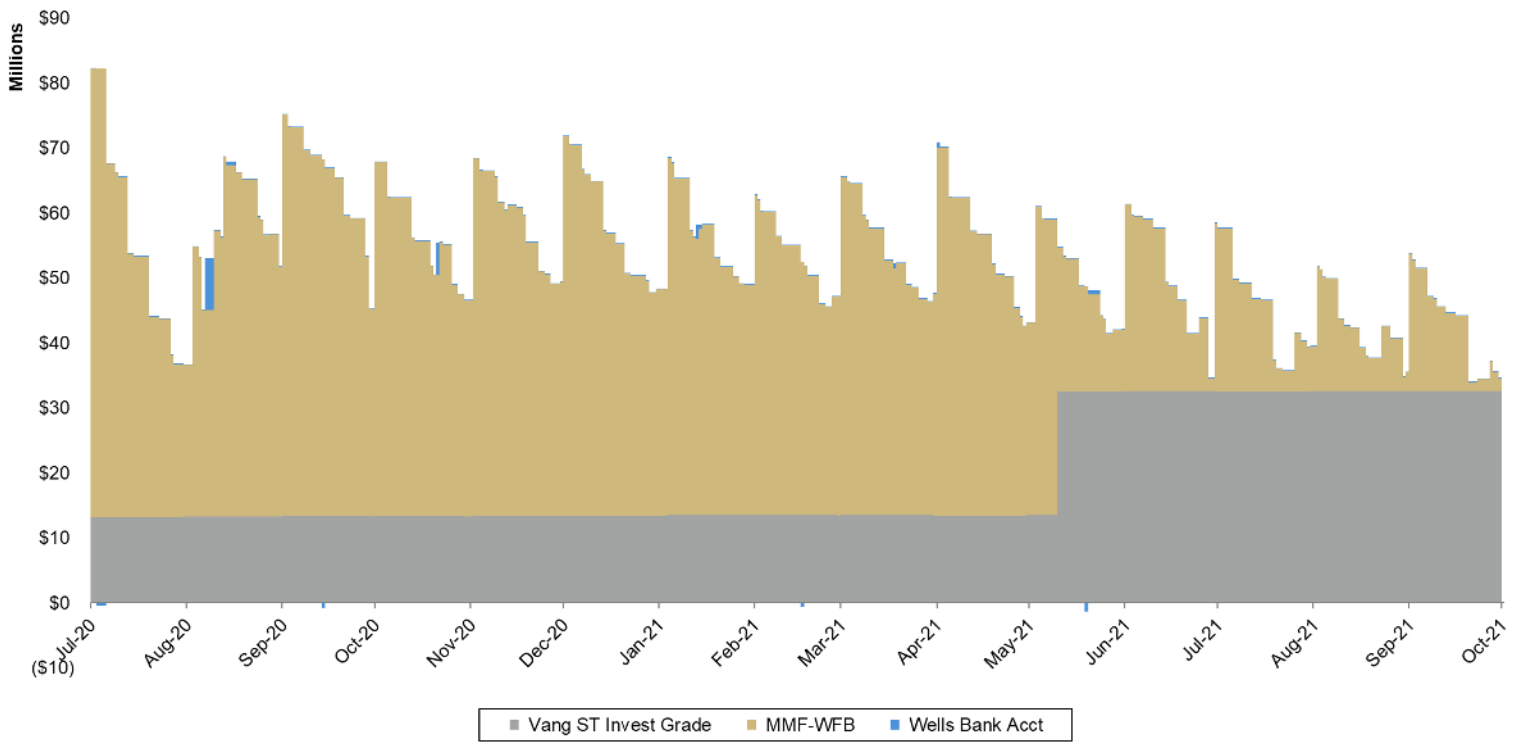
Government money market funds focus on safety and liquidity first and have investment returns as a secondary goal. The Wells Fargo fund (GVIXX) had current quarter-end yield and annual return of 0.00%. The annual investment return for the money market fund continued to be positive though at a smaller rate than the previous quarter. These returns are comparable to other government money markets, which have also been very low if not zero. About 6% of the fund has weekly liquidity.

Short duration bond funds have less liquidity but higher return expectations. The Vanguard Short-Term Investment Grade Fund Admiral Shares (VFSUX) quarterly return was 0.14% and the annual return was 1.34%, higher than the annual return of benchmark Bloomberg Barclays U.S. Gov 1-3 Year Credit Index of 1.08%.

Maximum resources were level during the first quarter of FY22. Although the FY22 1Q year over year balance was lower, it is higher than the FY20 1Q balance. The minimum resource levels trended slightly downward throughout the first fiscal quarter and ended lower than FY21 1Q. The bank balance for the first quarter of FY22 remained consistent.

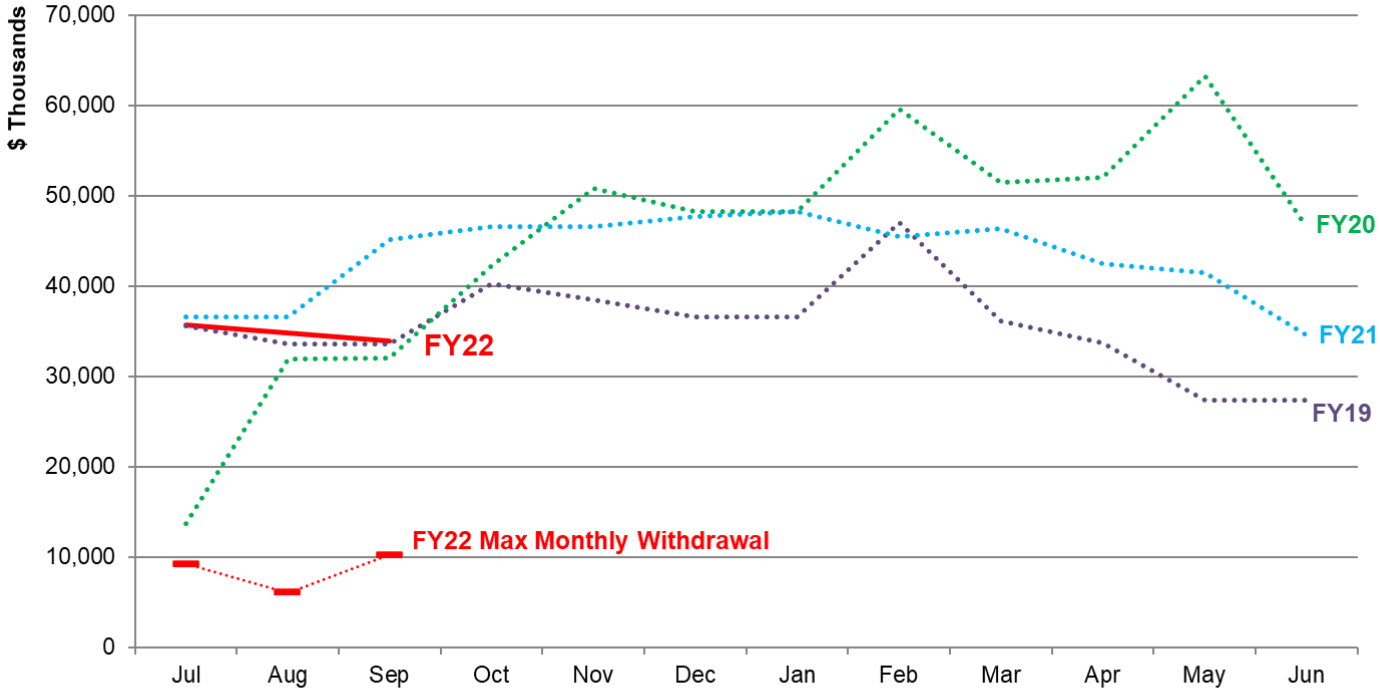
Total investment interest earnings for the first quarter of FY22 including unrealized gains/(losses) total **\$46,933**.

Bank and Investment Balances by Day
Wells Fargo Bank, JPM Short Duration Fund, and Money Market Fund - FY21 - FY22 to date

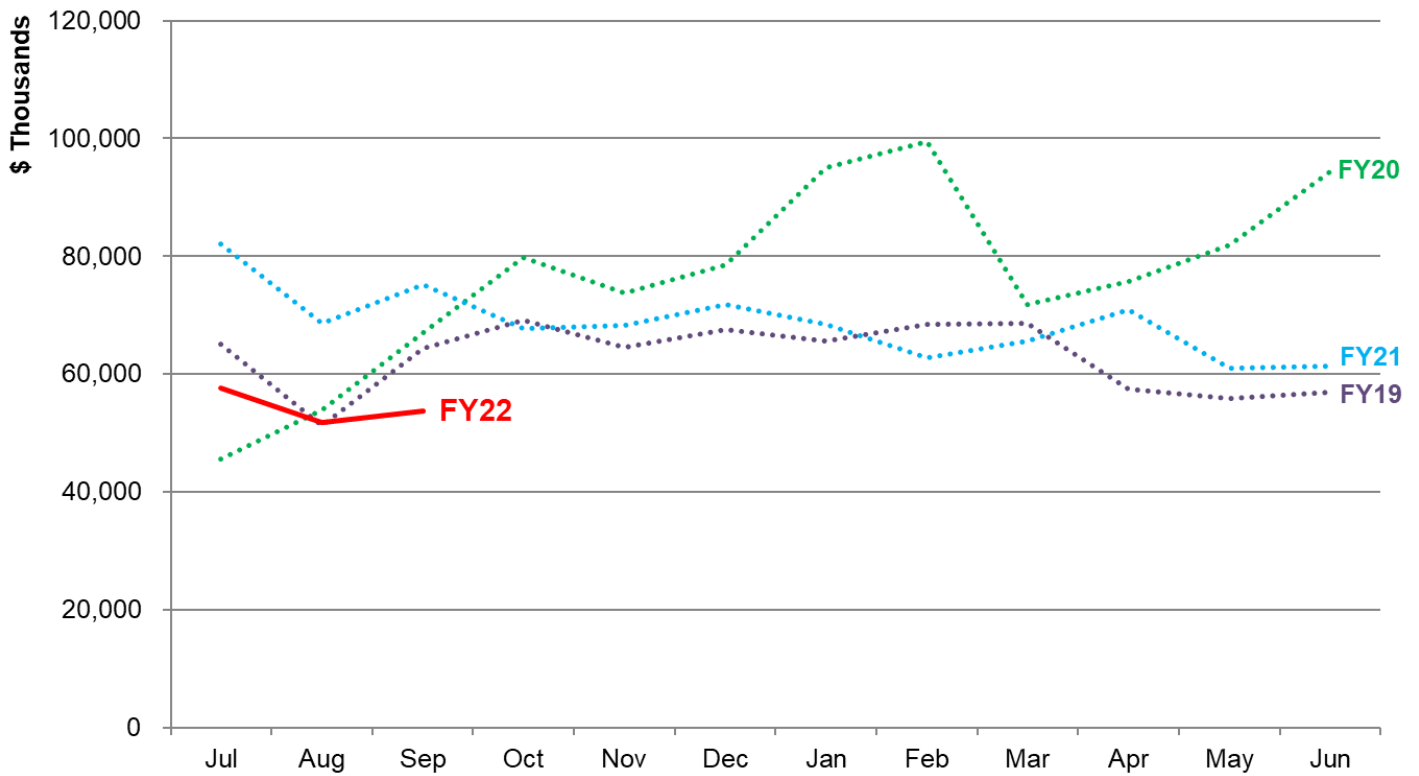




UCHWT Monthly Minimum Resources



UCHWT Monthly Maximum Resources



Budget Performance



FY21 – BUDGET TO ACTUAL REPORT AS OF: 9/30/2021

	FY22 TOTAL BUDGET	FY22 BUDGET DETAIL	FY22 ACTUALS AS OF 9/30/2021	FY22 AVAILABLE AMOUNT	1Q FY22 % BUDGET TO ACTUALS	1Q FY21 % BUDGET TO ACTUALS
REVENUES/INFLOWS						
SELF-FUNDED CLAIMS & RESERVES	\$ 344,680,605					
ANTHEM AND CVS		\$ 276,478,363	\$ 69,378,294	\$ 207,100,069	25.09%	25.27%
KAISER		46,824,582	11,178,453	35,646,129	23.87%	23.39%
VISION		1,702,700	438,140	1,264,560	25.73%	26.09%
DENTAL		19,674,960	4,915,359	14,759,601	24.98%	25.15%
HEALTH CARE FLEX SPENDING PLANS *	4,196,000	4,196,000	887,362	3,308,638	21.15%	15.27%
INVESTMENT INCOME	269,000	269,000	46,933	222,067	17.45%	12.64%
TOTAL REVENUE/INFLOWS	349,145,605	349,145,605	86,844,541	262,301,064	24.87%	24.80%
EXPENSES/OUTFLOWS						
INCURRED SELF-FUNDED CLAIMS	318,084,479					
ANTHEM AND CVS		260,003,114	69,362,546	190,640,568	26.68%	21.94%
KAISER		37,488,528	9,189,415	28,299,113	24.51%	22.80%
VISION		1,543,413	419,517	1,123,896	27.18%	22.82%
DENTAL		19,049,424	4,017,814	15,031,610	21.09%	24.50%
ADMINISTRATIVE FEES, MISC CHARGES						
ASO FEES	22,065,126					
ANTHEM AND CVS		11,235,963	2,628,777	8,607,186	23.40%	24.47%
KAISER		10,031,916	2,259,251	7,772,665	22.52%	20.97%
VISION		159,075	39,185	119,890	24.63%	25.68%
DENTAL		638,172	158,977	479,195	24.91%	25.19%
BANK CHARGES	5,000	5,000	1,061	3,939	21.22%	27.85%
FSA CLAIMS ADMINISTRATION	96,000	96,000	21,572	74,428	22.47%	22.92%
HEALTH SAVINGS ACCOUNT ADMINISTRATION	51,000	51,000	13,108	37,892	25.70%	25.14%
FLEX SPENDING CLAIMS PAYMENTS *	4,196,000	4,196,000	1,254,780	2,941,220	29.90%	31.47%
WELLNESS	1,783,000					
BE COLORADO - MOVE		1,264,000	298,837	965,163	23.64%	25.74%
NUTRITION		117,000	27,758	89,242	23.72%	24.36%
MARKETING		10,000	2,100	7,900	21.00%	0.00%
MENTAL HEALTH		167,000	10,731	156,269	6.43%	9.61%
PREGNANCY EDUCATION		225,000	34,980	190,020	15.55%	22.22%
PREVENTION	25,000					
BIOMETRIC SCREENINGS		15,000	-	15,000	0.00%	0.00%
HEALTH FAIRS/5K		10,000	-	10,000	0.00%	0.00%
PILOTS, STUDIES AND OTHER EXPENSES	25,000	25,000	-	25,000	0.00%	0.00%
DATA WAREHOUSE	352,000	352,000	90,496	261,504	25.71%	25.00%
TRUST FEES						
CONSULTING	425,000					
ACTUARY		180,000	25,624	154,376	14.24%	31.81%
LEGAL		20,000	-	20,000	0.00%	5.11%
MANAGEMENT		75,000	1,608	73,392	2.14%	0.00%
AUDIT		150,000	69,320	80,680	46.21%	0.00%
INSURANCE	143,000					
FIDUCIARY LIABILITY		59,000	14,934	44,066	25.31%	25.16%
ERRORS AND OMISSIONS		82,000	21,433	60,567	26.14%	24.97%
CRIME		2,000	525	1,475	26.25%	24.55%
CU HEALTH PLAN ADMINISTRATION	1,895,000	1,895,000	513,130	1,381,870	27.08%	26.24%
TOTAL EXPENSES/OUTFLOWS	349,145,605	349,145,605	90,477,479	258,668,126	25.91%	22.42%
	\$ 0	\$ 0	\$ (3,632,938)	\$ 3,632,938		

Plan Performance





November 18, 2021

**University of Colorado Health and Welfare Trust
Fiscal Year 2022 – Financial Results**

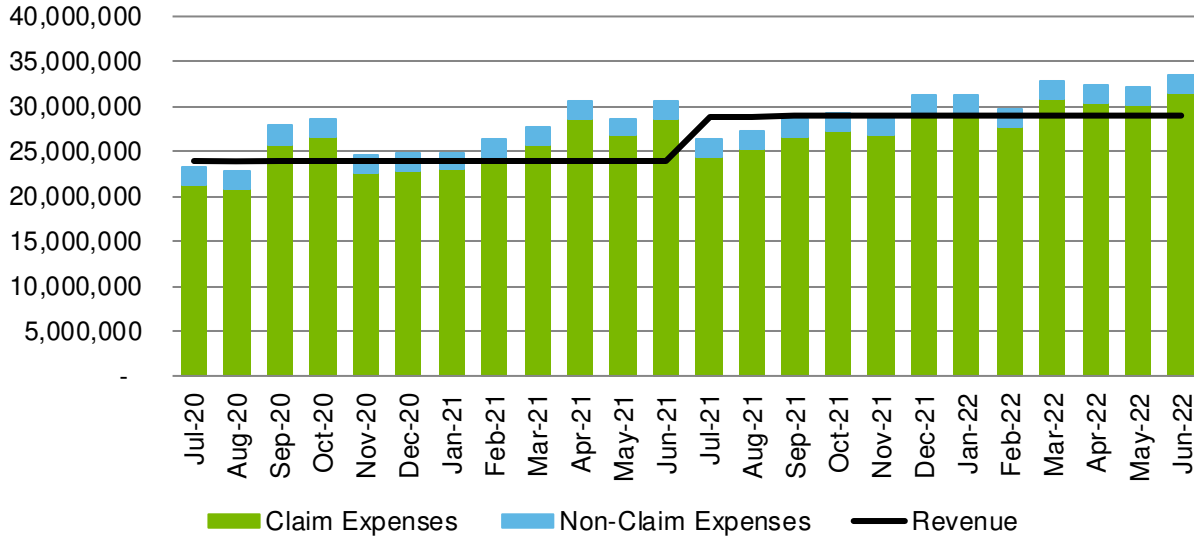
- As of September 30, 2021, remitted premiums have exceeded total plan costs (claims plus expenses) of the aggregated experience of all plans by \$4.3 million. The table below shows results for the full fiscal year 2021, fiscal year 2022 through September, and projected fiscal year 2022 (in millions).

	FY2021	FY2022 YTD	FY2022 Proj.
Enrollment (Months)			
<i>Medical</i>	267,224	70,912	284,500
<i>Vol. Vision</i>	159,513	43,574	175,019
<i>Dental</i>	269,871	71,284	287,464
Premium (\$m)s			
<i>Funding</i>	300.8	86.6	347.3
<i>Discount</i>	(13.4)	-	-
Invoiced Premiums	287.3	86.6	347.3
Expense (\$m)s			
<i>Claims</i>	296.5	76.1	338.7
<i>Admin</i>	24.1	6.2	24.8
Total Expense	320.6	82.3	363.6
Gain/Loss	(33.3)	4.3	(16.2)
<i>Loss Ratio</i>	111.6%	95.0%	104.7%

The projected medical, pharmacy and dental incurred claim estimates included in this report are based on historical claims adjusted for trend and plan seasonality consistent with historical projection methodology. We also included adjustments for the impact of COVID-19 on medical, pharmacy, and dental claims.

- The chart below shows a comparison of total cost (split between claim and non-claim costs) vs. remitted premiums for the prior fiscal year (FY2021) as well as the current fiscal year (FY2022). Current premiums are about \$29M per month and total monthly costs for FY2022 are between \$26 million and \$34 million. This chart demonstrates the monthly volatility experienced by the plan as well as the seasonal pattern of costs throughout the fiscal year.
- All claims are on an incurred basis using data paid through September 30, 2021 and therefore include an estimate of incurred but not paid claims.

Aggregate Cost vs. Remitted Premium



- The graph below displays the rolling 12-month (R12) medical and pharmacy costs along with the trends the plan has experienced across both medical carriers.

Total Medical and Rx PMPM Trend

