



# Health Plan

University of Colorado Health and Welfare Trust

## ***FY22 2<sup>nd</sup> QUARTER FINANCIAL REPORTS***

*March 1<sup>st</sup>, 2022*



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 December 31, 2021**  
 (Updated 02/22/2022)

<b><u>Assets</u></b>	<i>Current Q2 <u>12/31/2021</u></i>	<i>Current Q4 <u>6/30/2021</u></i>
Cash:		
Medical	\$ 1,210	\$ 1,493
Flexible Spending Account	364,485	1,160,645
Investments	31,090,546	58,416,464
Receivables:		
Premiums	28,433,342	75,222
Pharmacy Rebates	6,863,962	6,517,205
Premium Assessment Due from Member	628,428	983,718
Interest	39,275	42,205
Miscellaneous Receivables	521,674	50,546
Prepaid Expenses	182,897	228,081
<b>Total Assets</b>	<b>\$ 68,125,819</b>	<b>\$ 67,475,579</b>
<b><u>Liabilities and Net Position</u></b>		
Accounts Payable - Medical	\$ 4,587,821	\$ 3,189,088
Contracts Payable	556,568	910,796
Benefit Claims Payable - Medical	-	-
Incurred But Not Reported Claims Estimate	33,339,322	30,454,523
Flexible Spending	90,896	827,238
<b>Total Liabilities</b>	<b>38,574,607</b>	<b>35,381,645</b>
Plan Net Position - Unrestricted	29,551,212	32,093,934
<b>Total Liabilities and Plan Net Position</b>	<b>\$ 68,125,819</b>	<b>\$ 67,475,579</b>



**UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST**  
**FY22 - STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PLAN NET POSITION (unaudited)**  
**For the six months ended December 31, 2021**  
 (Updated 02/22/2022)

	<i>Current</i> <i>Q2</i> <b><u>12/31/2021</u></b>	<i>Current</i> <i>Q4</i> <b><u>6/30/2021</u></b>
<b><u>Operating Revenues</u></b>		
Contributions	\$ 173,006,740	\$ 284,639,002
Flexible Spending Recapture	-	-
<b>Total Operating Revenues</b>	<u>173,006,740</u>	<u>284,639,002</u>
<b><u>Operating Expenses</u></b>		
Medical Claims	162,731,437	287,911,554
Medical Claims Administration	10,305,507	19,472,929
General and Administrative	1,615,827	2,836,768
Total Administrative	<u>11,921,334</u>	<u>22,309,697</u>
<b>Total Operating Expenses</b>	<u>174,652,771</u>	<u>310,221,251</u>
Operating Income	(1,646,031)	(25,582,249)
<b><u>Nonoperating Revenues (Expenses)</u></b>		
Investment Earnings	(131,882)	296,638
Wellness Initiative	(764,809)	(1,562,674)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(896,691)</u>	<u>(1,266,036)</u>
<b>Change in Plan Net Position</b>	(2,542,722)	(26,848,285)
Plan Net Position Beginning of Year	32,093,934	58,942,219
Plan Net Position End of Period	<u>\$ 29,551,212</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: February 28, 2022  
Re: Quarterly Report on Investments

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The Trust's cash equivalents and investments on December 31, 2021, totaled \$31.1 million compared to \$48.2 million on December 31, 2020. \$2.7 million was invested in a AAA rated government money market fund and \$28.4 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 of 0.00% and annual return of 0.01%. 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 9% of the fund has weekly liquidity.

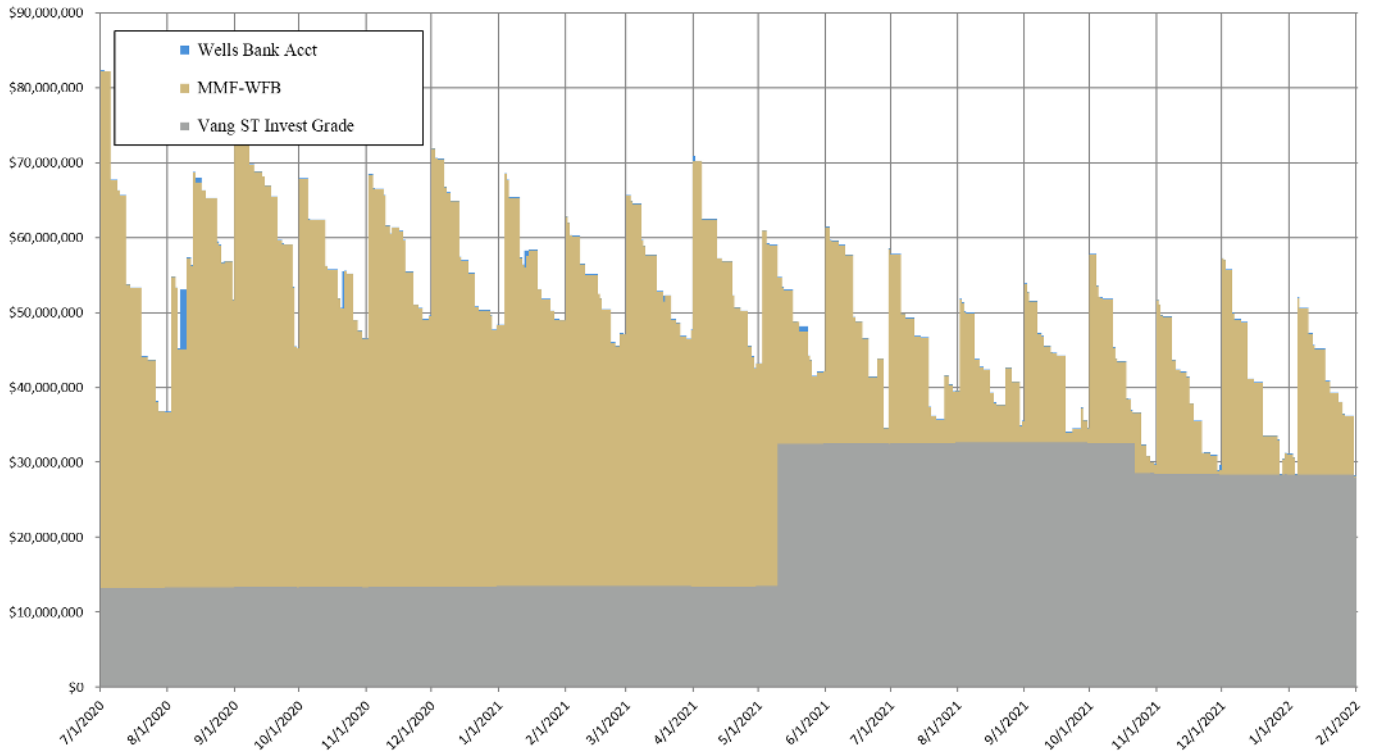
Short duration bond funds have less liquidity but higher return expectations. The Vanguard Short-Term Investment Grade Fund Admiral Shares (VFSUX) quarterly return was -0.69% and the annual return was -0.33%, higher than the annual return of benchmark Bloomberg Barclays U.S. Gov 1-5Y Core Bd TR of -1.16%.

Maximum resources during the second quarter of FY22 remained consistent with levels from the previous quarter. Maximum resources ended lower than levels in FY21 Q2. Minimum resources trended slightly downward throughout the second fiscal quarter and ended lower than FY21 2Q. The bank balance for the second quarter of FY22 remained consistent.

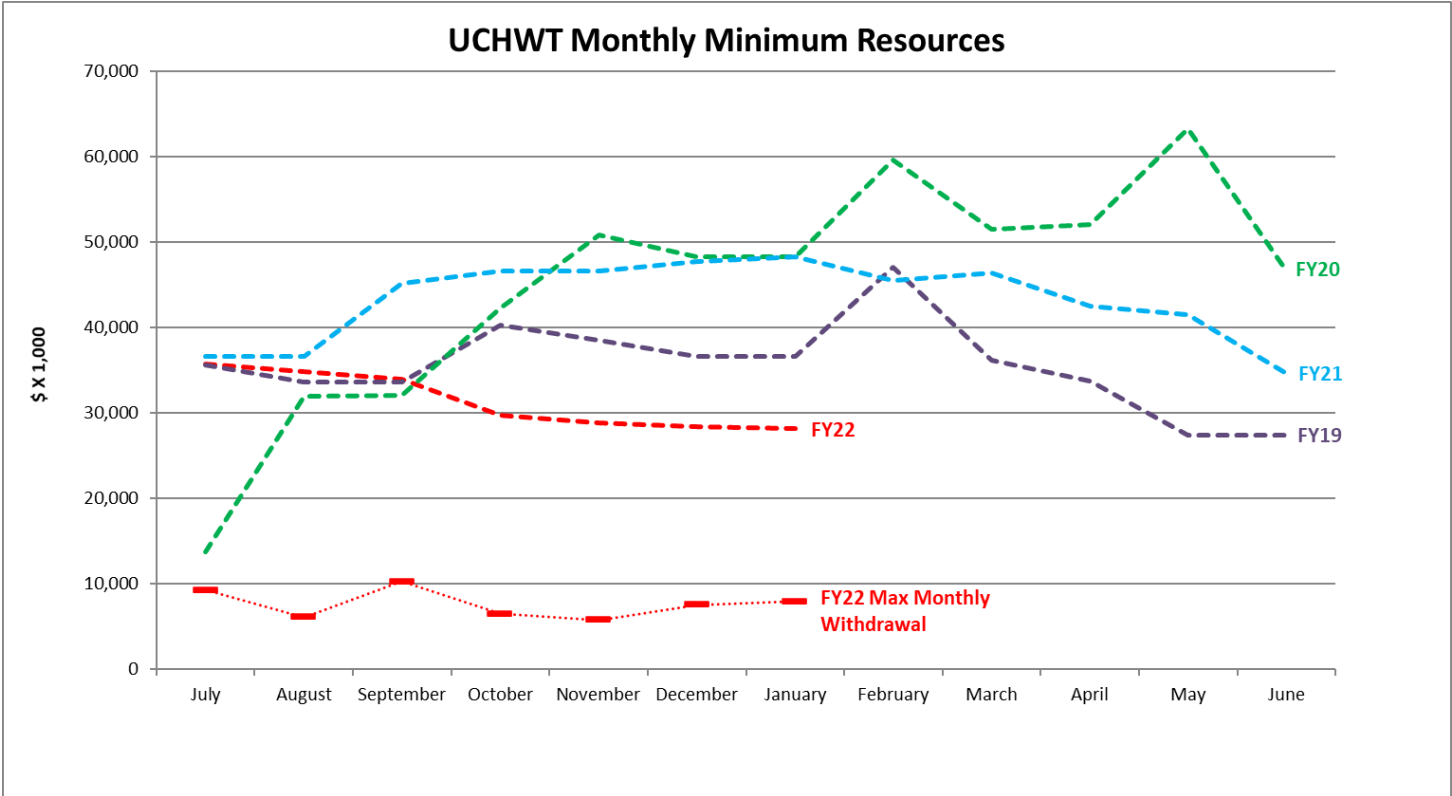
Total investment interest earnings for the second quarter of FY22 including unrealized gains/(losses) total -\$178,815. YTD investment interest earnings including unrealized gains/(losses) total -\$131,882.

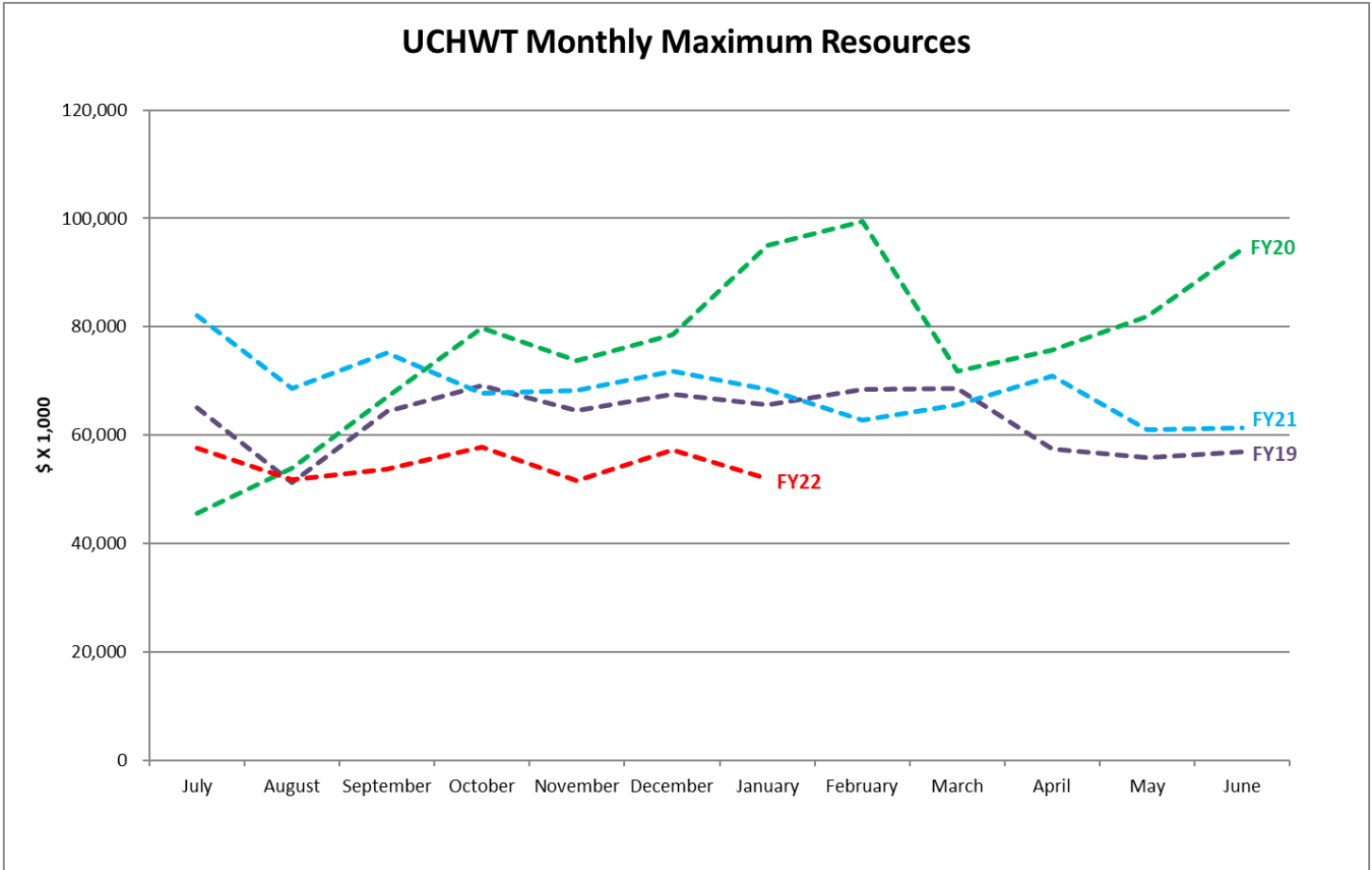
### Bank and Investment Balances by Day

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









# Budget Performance



**FY21 – BUDGET TO ACTUAL REPORT AS OF: 12/31/2021**

	<b>FY22 TOTAL BUDGET</b>	<b>FY22 BUDGET DETAIL</b>	<b>FY22 ACTUALS AS OF 12/31/2021</b>	<b>FY22 AVAILABLE AMOUNT</b>	<b>2Q FY22 % BUDGET TO ACTUALS</b>	<b>2Q FY21 % BUDGET TO ACTUALS</b>
<b>REVENUES/INFLOWS</b>						
SELF-FUNDED CLAIMS & RESERVES	\$ 344,680,605					
ANTHEM AND CVS		\$ 276,478,363	\$ 140,033,560	\$ 136,444,803	50.65%	50.29%
KAISER		46,824,582	22,199,411	24,625,171	47.41%	46.58%
VISION		1,702,700	881,905	820,795	51.79%	52.27%
DENTAL		19,674,960	9,891,864	9,783,096	50.28%	50.33%
HEALTH CARE FLEX SPENDING PLANS *	4,196,000	4,196,000	1,494,557	2,701,443	35.62%	45.21%
INVESTMENT INCOME	269,000	269,000	(131,882)	400,882	-49.03%	25.83%
<b>TOTAL REVENUE/INFLOWS</b>	<b>349,145,605</b>	<b>349,145,605</b>	<b>174,369,415</b>	<b>174,776,190</b>	<b>49.94%</b>	<b>49.58%</b>
<b>EXPENSES/OUTFLOWS</b>						
INCURRED SELF-FUNDED CLAIMS	318,084,479					
ANTHEM AND CVS		260,003,114	135,711,454	124,291,660	52.20%	50.20%
KAISER		37,488,528	17,376,416	20,112,112	46.35%	45.02%
VISION		1,543,413	753,721	789,692	48.83%	41.92%
DENTAL		19,049,424	8,889,846	10,159,578	46.67%	45.31%
ADMINISTRATIVE FEES, MISC CHARGES						
ASO FEES	22,065,126					
ANTHEM AND CVS		11,235,963	5,308,983	5,926,980	47.25%	47.64%
KAISER		10,031,916	4,597,662	5,434,254	45.83%	43.42%
VISION		159,075	79,143	79,932	49.75%	51.50%
DENTAL		638,172	319,718	318,454	50.10%	41.88%
BANK CHARGES	5,000	5,000	1,969	3,031	39.38%	55.15%
FSA CLAIMS ADMINISTRATION	96,000	96,000	43,620	52,380	45.44%	46.53%
HEALTH SAVINGS ACCOUNT ADMINISTRATION	51,000	51,000	27,141	23,859	53.22%	51.18%
FLEX SPENDING CLAIMS PAYMENTS *	4,196,000	4,196,000	2,230,899	1,965,101	53.17%	56.83%
WELLNESS	1,783,000					
BE COLORADO - MOVE		1,264,000	598,639	665,361	47.36%	50.39%
NUTRITION		117,000	55,515	61,485	47.45%	51.96%
MARKETING		10,000	2,100	7,900	21.00%	8.63%
MENTAL HEALTH		167,000	38,595	128,405	23.11%	19.24%
PREGNANCY EDUCATION		225,000	69,960	155,040	31.09%	44.44%
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	165,992	186,008	47.16%	50.00%
TRUST FEES						
CONSULTING	425,000					
ACTUARY		180,000	49,998	130,002	27.78%	87.24%
LEGAL		20,000	1,375	18,625	6.88%	8.19%
MANAGEMENT		75,000	138,608	(63,608)	184.81%	0.00%
AUDIT		150,000	104,680	45,320	69.79%	22.30%
INSURANCE	143,000					
FIDUCIARY LIABILITY		59,000	28,847	30,153	48.89%	48.74%
ERRORS AND OMISSIONS		82,000	44,236	37,764	53.95%	44.79%
CRIME		2,000	1,061	939	53.05%	47.55%
CU HEALTH PLAN ADMINISTRATION	1,895,000	1,895,000	1,008,300	886,700	53.21%	53.53%
<b>TOTAL EXPENSES/OUTFLOWS</b>	<b>349,145,605</b>	<b>349,145,605</b>	<b>177,648,478</b>	<b>171,497,127</b>	<b>50.88%</b>	<b>48.96%</b>
	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (3,279,063)</b>	<b>\$ 3,279,063</b>		

# Plan Performance





February 22, 2022

As of December 31, 2021, the projected FY2022 loss ratio is 103.7% representing a loss of \$12.9M. Table 1 contains the results for the full fiscal year 2021, fiscal year 2022 through December, and projected fiscal year 2022 (in millions).

**Table 1: Financial Summary**

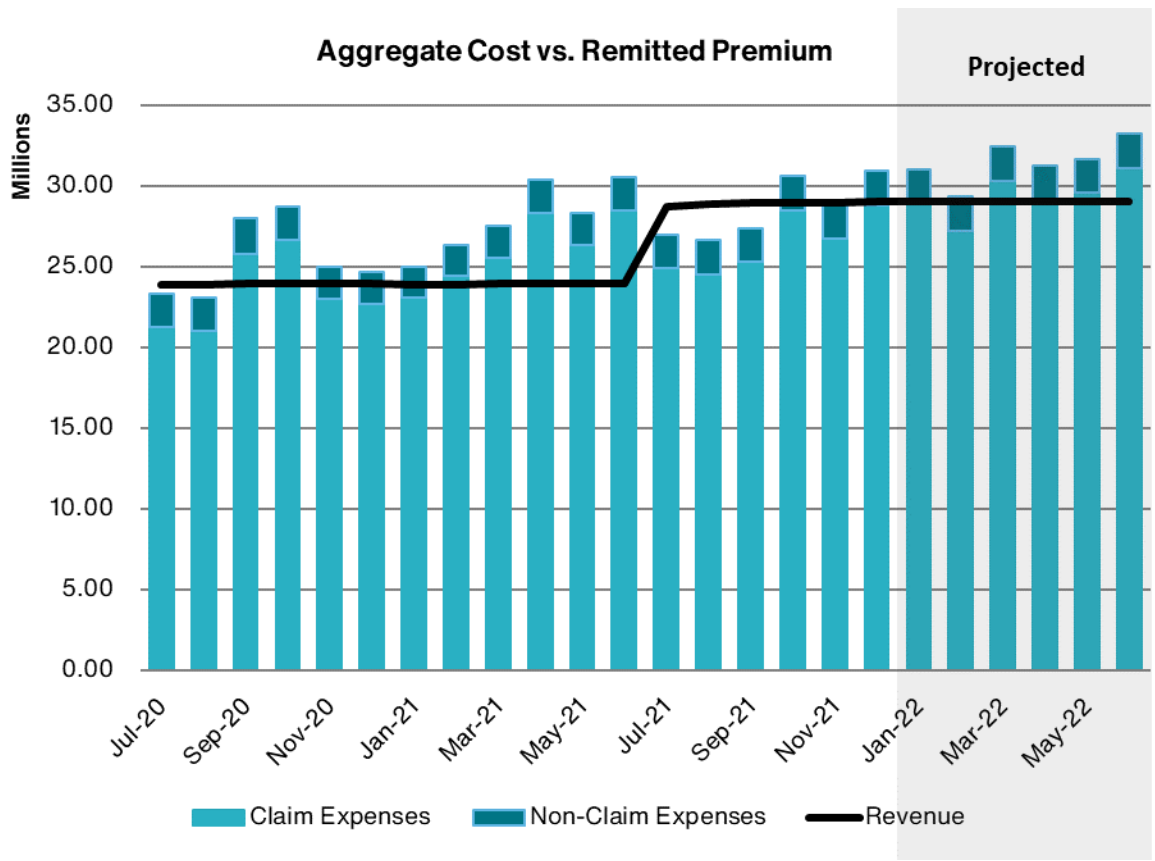
(\$000,000)s	FY2021	FY2022 YTD	FY2022 Proj.
<b>Premium</b>			
Funding	301.9	173.6	347.7
Discount	(14.5)	-	-
<b>Invoiced Premium</b>	<b>287.3</b>	<b>173.6</b>	<b>347.7</b>
<b>Expense</b>			
Claims	296.9	158.9	335.3
Admin	24.1	12.6	25.3
<b>Total Expense</b>	<b>321.0</b>	<b>171.6</b>	<b>360.6</b>
Gain/Loss	(33.7)	2.0	(12.9)
Loss Ratio	111.7%	98.8%	103.7%

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. Enrollment for the periods above are found in Table 2 below.

**Table 2: Enrollment by Plan**

Employee Months	FY2021	FY2022 YTD	FY2022 Proj.
Medical	267,225	142,353	285,453
Vol. Vision	159,513	87,584	175,772
Dental	269,893	143,255	287,159

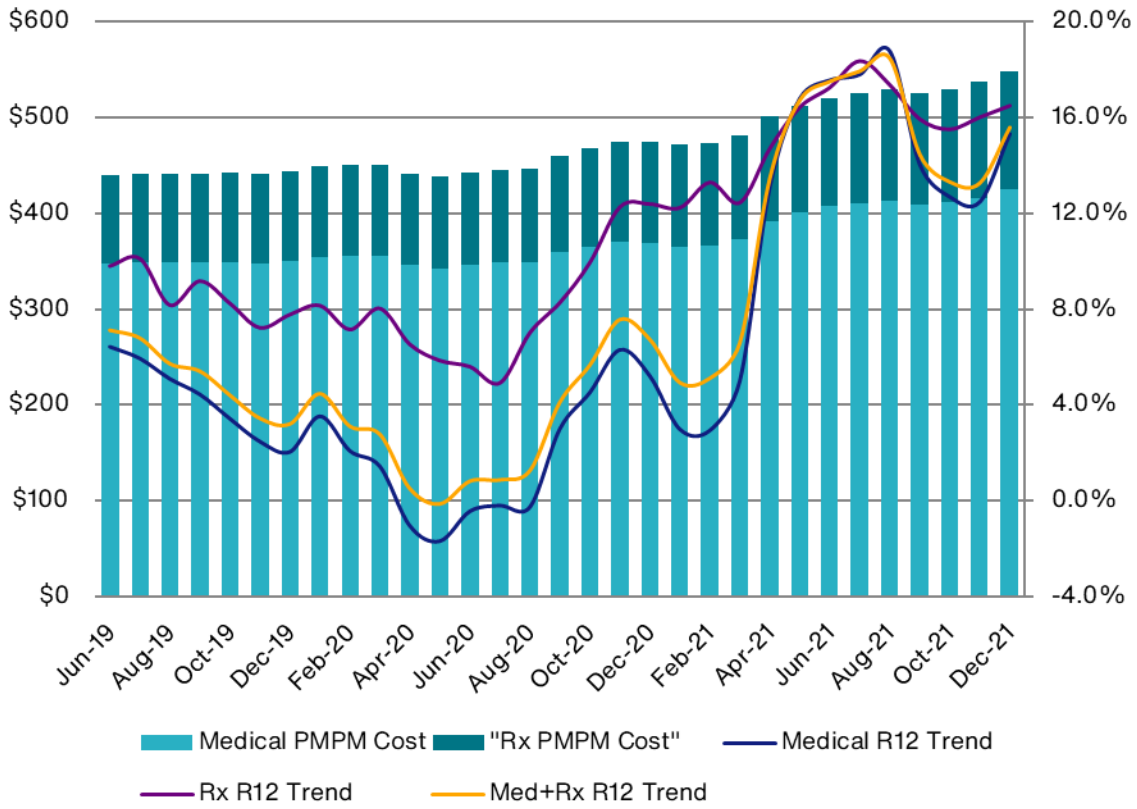
The chart below shows a comparison of total cost (split between claim and non-claim costs) vs. remitted premiums for the prior fiscal year (FY2021) as well as the current fiscal year (FY2022). Current premiums are about \$29M per month and total monthly costs for FY2022 are between \$25 million and \$31 million. This chart demonstrates the monthly volatility experienced by the plan as well as the seasonal pattern of costs throughout the fiscal year.



- Claim Expenses: Medical claims, Rx claims, Rx rebates, Dental, Vision, Exclusive Vision claims, Away from Home claims, Global Capitation fees, EPHC fees, OMS
- Non-Claim Expenses: ASO fees, Trust Expenses, VICM, Remitted Premium
- All claims are on an incurred basis using data paid through December 31, 2021 and therefore include an estimate of incurred but not paid claims.

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 (Anthem & Kaiser).

### Aggregate Medical & Pharmacy Claims Trend



- Combined Anthem & Kaiser Medical & Pharmacy Trend
- Claims include: Incurred Medical, Rx, Exclusive Vision paid through December 2021
- Excludes: ASO fees, Trust Expenses, VICM, Rx Rebates