



Health Plan

University of Colorado Health and Welfare Trust

FY22 3rd QUARTER FINANCIAL REPORTS

June 21st, 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 March 31, 2022
 (Updated 06/10/2022)

<u>Assets</u>	<i>Current Q3 <u>3/31/2022</u></i>	<i>Current Q4 <u>6/30/2021</u></i>
Cash:		
Medical	\$ 1,710	\$ 1,493
Flexible Spending Account	271,210	1,160,645
Investments	63,621,298	58,416,464
Receivables:		
Premiums	28,860,821	75,222
Pharmacy Rebates	7,039,920	6,517,205
Premium Assessment Due from Member	628,428	983,718
Interest	1,837	42,205
Miscellaneous Receivables	3,318,864	50,546
Prepaid Expenses	241,573	228,081
Total Assets	\$ 103,985,661	\$ 67,475,579
<u>Liabilities and Net Position</u>		
Accounts Payable - Medical	\$ 4,487,024	\$ 3,189,088
Contracts Payable	620,366	910,796
Benefit Claims Payable - Medical	-	-
Incurred But Not Reported Claims Estimate	35,258,835	30,454,523
Flexible Spending	20,922	827,238
Total Liabilities	40,387,147	35,381,645
Plan Net Position - Unrestricted	63,598,514	32,093,934
Total Liabilities and Plan Net Position	\$ 103,985,661	\$ 67,475,579

UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST
FY22 - STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PLAN NET POSITION (unaudited)
For the nine months ended March 31, 2022
 (Updated 06/10/2022)

	Current Q3 <u>3/31/2022</u>	Current Q4 <u>6/30/2021</u>
<u>Operating Revenues</u>		
Contributions	\$ 288,192,246	\$ 284,639,002
Flexible Spending Recapture	-	-
Total Operating Revenues	<u>288,192,246</u>	<u>284,639,002</u>
<u>Operating Expenses</u>		
Medical Claims	238,538,532	287,911,554
Medical Claims Administration	13,397,724	19,472,929
General and Administrative	2,427,363	2,836,768
Total Administrative	<u>15,825,087</u>	<u>22,309,697</u>
Total Operating Expenses	<u>254,363,619</u>	<u>310,221,251</u>
Operating Income	33,828,627	(25,582,249)
<u>Nonoperating Revenues (Expenses)</u>		
Investment Earnings	(1,208,419)	296,638
Wellness Initiative	(1,115,628)	(1,562,674)
Total Nonoperating Revenues (Expenses)	<u>(2,324,047)</u>	<u>(1,266,036)</u>
Change in Plan Net Position	31,504,580	(26,848,285)
Plan Net Position Beginning of Year	32,093,934	58,942,219
Plan Net Position End of Period	<u>\$ 63,598,514</u>	<u>\$ 32,093,934</u>

Treasury



On next quarter's reports



Budget Performance



FY22 – BUDGET TO ACTUAL REPORT AS OF: 3/31/2022

	FY22 TOTAL BUDGET	FY22 BUDGET DETAIL	FY22 ACTUALS AS OF 3/31/2022	FY22 AVAILABLE AMOUNT	3Q FY22 % BUDGET TO ACTUALS	3Q FY21 % BUDGET TO ACTUALS
REVENUES/INFLOWS						
SELF-FUNDED CLAIMS & RESERVES	\$ 344,680,605					
ANTHEM AND CVS		\$ 276,478,363	\$ 238,942,492	\$ 37,535,871	86.42%	75.61%
KAISER		46,824,582	33,045,482	13,779,100	70.57%	69.43%
VISION		1,702,700	1,326,798	375,902	77.92%	78.43%
DENTAL		19,674,960	14,877,474	4,797,486	75.62%	75.35%
HEALTH CARE FLEX SPENDING PLANS *	4,196,000	4,196,000	2,126,705	2,069,295	50.68%	68.57%
INVESTMENT INCOME	269,000	269,000	(1,208,419)	1,477,419	-449.23%	19.61%
TOTAL REVENUE/INFLOWS	349,145,605	349,145,605	289,110,532	60,035,073	82.81%	74.38%
EXPENSES/OUTFLOWS						
INCURRED SELF-FUNDED CLAIMS	318,084,479					
ANTHEM AND CVS		260,003,114	198,519,247	61,483,867	76.35%	78.68%
KAISER		37,488,528	25,762,222	11,726,306	68.72%	68.43%
VISION		1,543,413	1,064,614	478,799	68.98%	64.67%
DENTAL		19,049,424	13,192,449	5,856,975	69.25%	65.64%
ADMINISTRATIVE FEES, MISC CHARGES						
ASO FEES	22,065,126					
ANTHEM AND CVS		11,235,963	7,486,538	3,749,425	66.63%	67.92%
KAISER		10,031,916	5,314,040	4,717,876	52.97%	65.57%
VISION		159,075	119,171	39,904	74.92%	77.25%
DENTAL		638,172	477,974	160,198	74.90%	66.82%
BANK CHARGES	5,000	5,000	2,998	2,002	59.96%	83.13%
FSA CLAIMS ADMINISTRATION	96,000	96,000	67,158	28,842	69.96%	70.34%
HEALTH SAVINGS ACCOUNT ADMINISTRATION	51,000	51,000	41,452	9,548	81.28%	77.08%
FLEX SPENDING CLAIMS PAYMENTS *	4,196,000	4,196,000	2,933,021	1,262,979	69.90%	75.14%
WELLNESS	1,783,000					
BE COLORADO - MOVE		1,264,000	889,105	374,895	70.34%	75.72%
NUTRITION		117,000	64,768	52,232	55.36%	76.97%
MARKETING		10,000	2,100	7,900	21.00%	33.13%
MENTAL HEALTH		167,000	54,715	112,285	32.76%	28.90%
PREGNANCY EDUCATION		225,000	104,940	120,060	46.64%	66.22%
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	241,488	110,512	68.60%	75.93%
TRUST FEES						
CONSULTING	425,000					
ACTUARY		180,000	72,187	107,813	40.10%	153.73%
LEGAL		20,000	2,211	17,789	11.06%	18.17%
MANAGEMENT		75,000	222,608	(147,608)	296.81%	0.00%
AUDIT		150,000	125,930	24,070	83.95%	91.22%
INSURANCE	143,000					
FIDUCIARY LIABILITY		59,000	42,759	16,241	72.47%	72.32%
ERRORS AND OMISSIONS		82,000	67,040	14,960	81.76%	64.61%
CRIME		2,000	1,597	403	79.85%	70.55%
CU HEALTH PLAN ADMINISTRATION	1,895,000	1,895,000	1,539,935	355,065	81.26%	81.56%
TOTAL EXPENSES/OUTFLOWS	349,145,605	349,145,605	258,412,267	90,733,338	74.01%	75.62%
	\$ 0	\$ 0	\$ 30,698,265	\$ (30,698,265)		

Plan Performance





June 10, 2022

As of March 31, 2022, the projected FY2022 loss ratio is 98.6% representing a gain of \$4.8M. Table 1 contains the results for the full fiscal year 2021, fiscal year 2022 through March, and projected fiscal year 2022 (in millions).

Table 1: Financial Summary

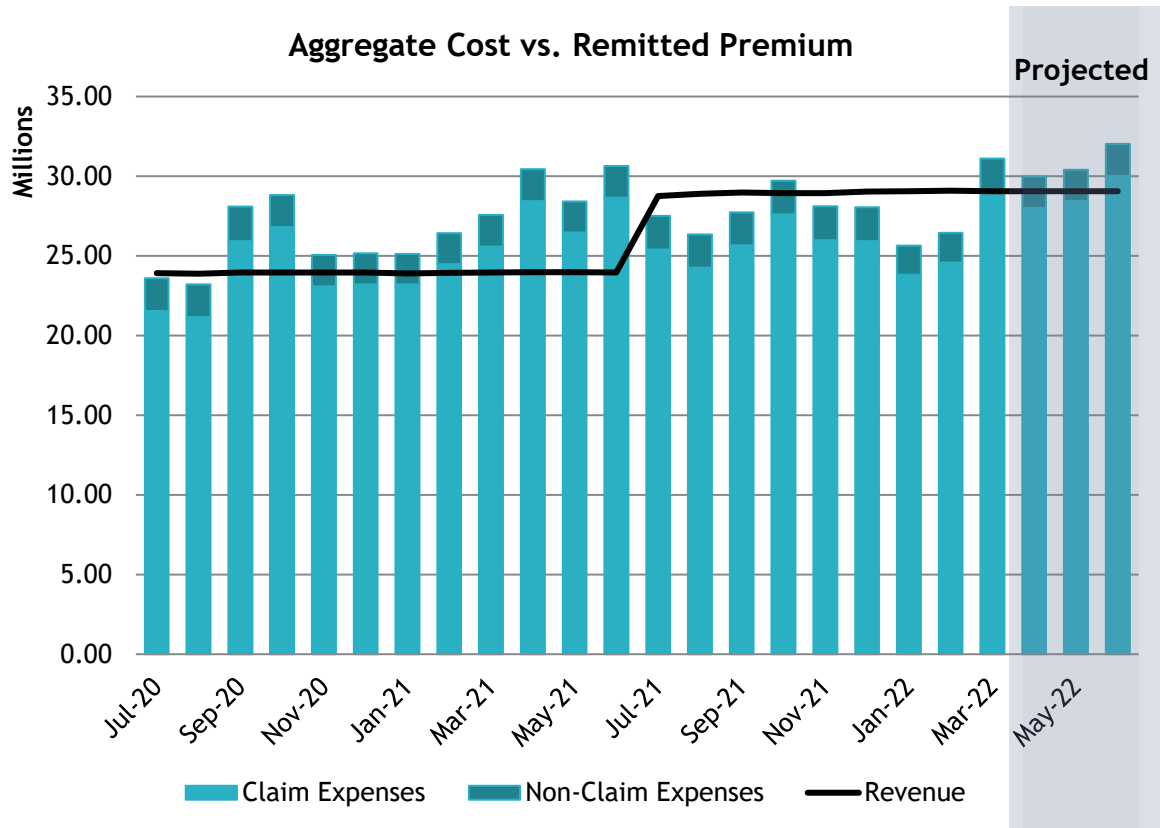
(\$000,000)s	FY2021	FY2022 March YTD	FY2022 Proj.
Premium			
Funding	301.9	260.8	347.9
Discount	(14.5)	-	-
Invoiced Premium	287.3	260.8	347.9
Expense			
Claims	298.6	232.4	318.9
Admin	24.0	18.3	24.2
Total Expense	322.6	250.7	343.1
Gain/Loss	(35.2)	10.1	4.8
Loss Ratio	112.3%	96.1%	98.6%

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 March YTD	FY2022 Proj.
Medical	267,226	214,231	286,183
Vol. Vision	159,517	131,882	176,159
Dental	269,899	213,778	285,772

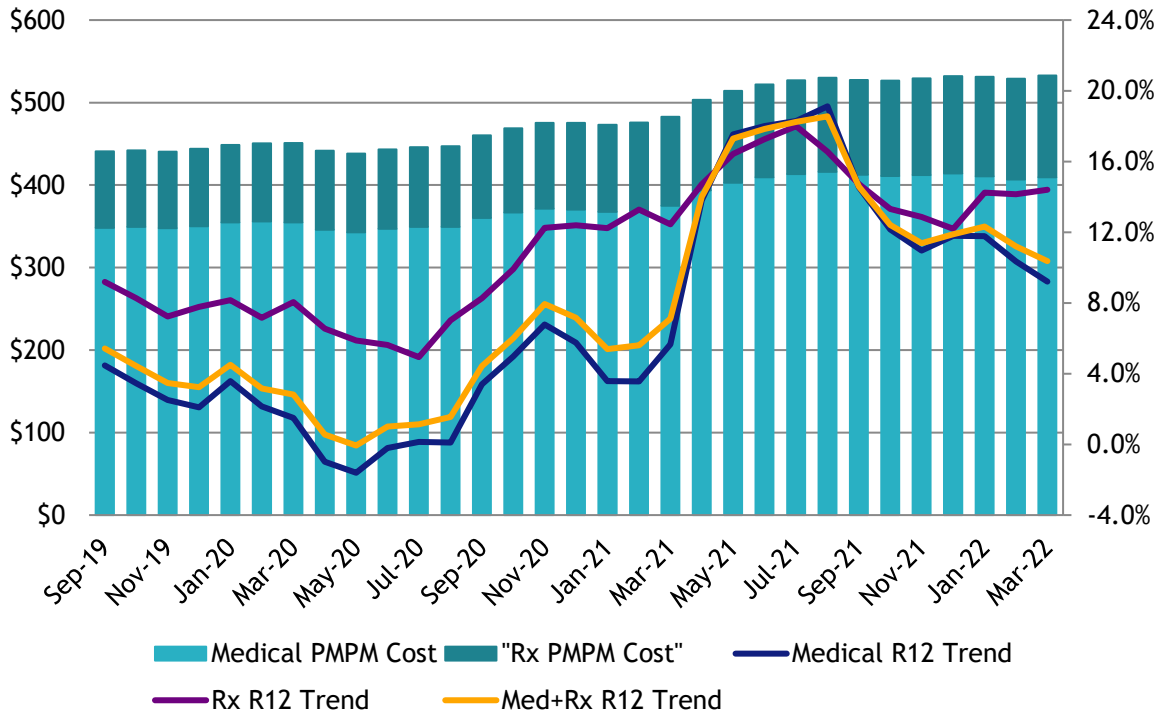
The chart below shows a comparison of total cost (split between claim and non-claim costs) vs. remitted premiums for the prior fiscal year (FY2021) as well as the current fiscal year (FY2022). Current premiums are about \$29M per month and total monthly costs for FY2022 are between \$25 million and \$32 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 March 31, 2022 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 March 31, 2022
- Excludes: ASO fees, Trust Expenses, VICM, Rx Rebates