



# Health Plan

University of Colorado Health and Welfare Trust

## ***FY23 4<sup>th</sup> QUARTER FINANCIAL REPORTS***



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



Medicine

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# Financial Reports



**UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST**  
**FY23 - STATEMENT OF NET POSITION (unaudited)**

**As of June 30, 2023**

(Updated 10/10/2023)

	<i>Current Q4 <u>6/30/2023</u></i>	<i>Adjusted Balance <u>6/30/2022</u></i>
<b><u>Assets</u></b>		
Cash:		
Medical	\$ 1,497	\$ 1,289
Flexible Spending Account	1,279,225	834,522
Investments	70,272,359	59,562,646
Receivables:		
Premiums	32,948,586	28,499,792
Pharmacy Rebates	5,985,467	5,742,815
Premium Assessment Due from Member	30,000	404,076
Interest	207,814	30,356
Miscellaneous Receivables	-	377,402
Prepaid Expenses	164,491	146,871
IT Subscription	132,980	\$ 202,361
<b>Total Assets</b>	<b>\$ 111,022,419</b>	<b>\$ 95,802,130</b>
<b><u>Liabilities and Net Position</u></b>		
Accounts Payable - Medical	\$ 3,082,313	3,921,878
Contracts Payable	746,627	585,622
Benefit Claims Payable - Medical	947,615	390,223
Incurred But Not Reported Claims Estimate	36,641,192	37,836,506
Flexible Spending	885,614	443,907
Subscription Liability	125,574	193,217
<b>Total Liabilities</b>	<b>42,428,935</b>	<b>43,371,353</b>
Plan Net Position - Unrestricted	68,593,484	\$ 52,430,777
<b>Total Liabilities and Plan Net Position</b>	<b>\$ 111,022,419</b>	<b>\$ 95,802,130</b>

**UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST**  
**FY23 - STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PLAN NET POSITION (unaudited)**  
**For the year ended June 30, 2023**  
 (Updated 10/10/2023)

	<i>Current Q4 6/30/2023</i>	<i>Adjusted Balance 6/30/2022</i>
<b><u>Operating Revenues</u></b>		
Contributions	\$ 399,099,266	\$ 375,109,766
Flexible Spending Recapture	96,858	164,210
<b>Total Operating Revenues</b>	<u>399,196,124</u>	<u>375,273,976</u>
<b><u>Operating Expenses</u></b>		
Medical Claims	359,059,625	329,847,960
Medical Claims Administration	21,298,915	18,737,211
General and Administrative	3,512,739	3,188,653
Total Administrative	<u>24,811,654</u>	<u>21,925,864</u>
<b>Total Operating Expenses</b>	<u>383,871,279</u>	<u>351,773,824</u>
Operating Income	15,324,845	23,500,152
<b><u>Nonoperating Revenues (Expenses)</u></b>		
Investment Earnings (Loss)	2,333,811	(1,696,322)
Wellness Initiative	(1,495,949)	(1,466,799)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>837,862</u>	<u>(3,163,121)</u>
<b>Change in Plan Net Position</b>	16,162,707	20,337,031
Plan Net Position Beginning of Year	52,430,777	32,093,746
Plan Net Position End of Period	<u>\$ 68,593,484</u>	<u>\$ 52,430,777</u>

# Treasury



# Memo

To: Members of the University of Colorado Health and Welfare Trust Board  
From: Usha Sharma, Treasurer  
Date: October 10, 2023  
Re: Quarterly Report on Investments

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The Trust's cash equivalents and investments on June 30, 2023 totaled **\$70.3 million** compared to \$59.6 million on June 30, 2022. \$38.0 million was invested in a AAA-rated government money market fund and \$32.3 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 Allspring Government Money Market Fund (GVIXX) had current quarter-end yield of 1.25% and annual return of 3.88%. The annual investment return for the money market fund continued to increase from the previous quarter. These returns are comparable to other government money markets, which have also been increasing. About 54% of the fund has weekly liquidity.

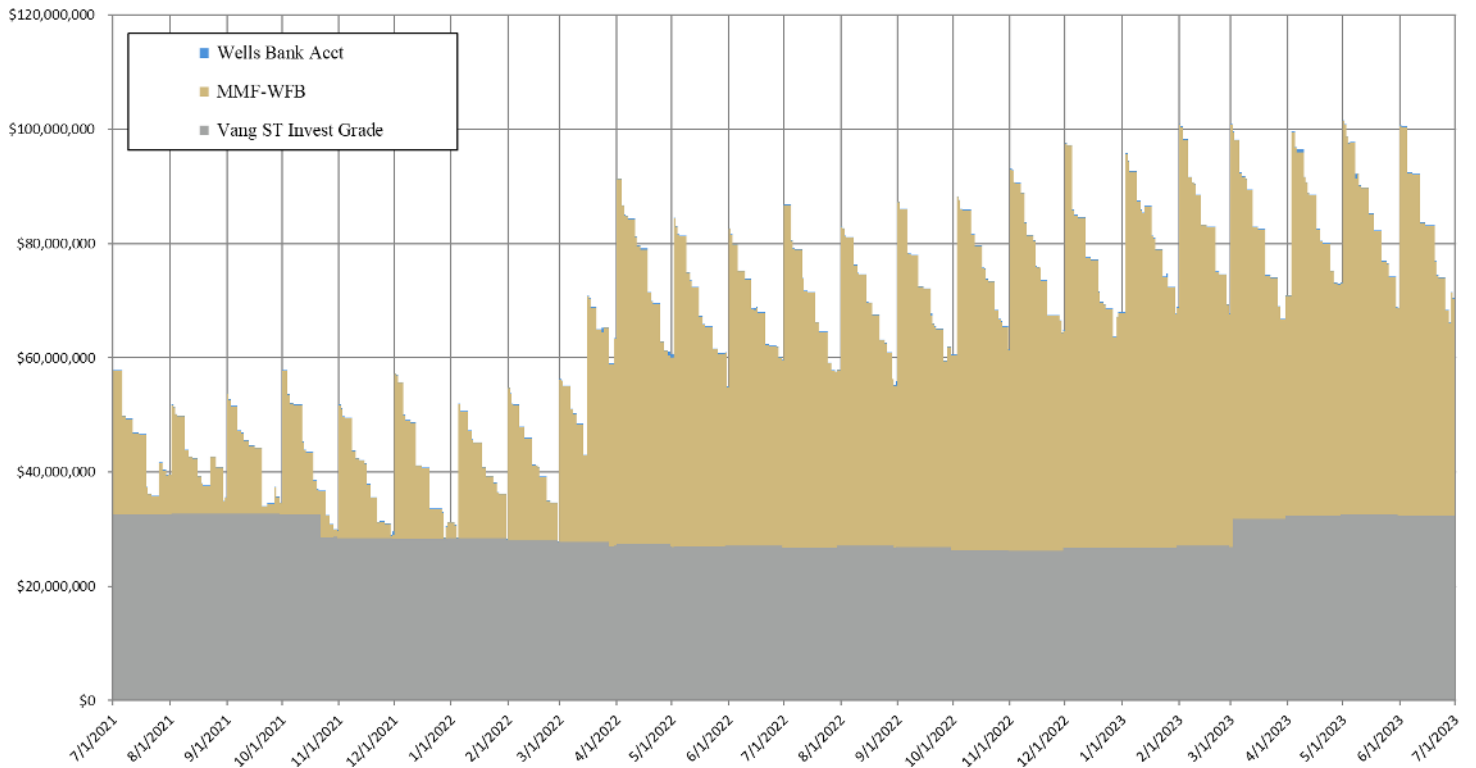
Short duration bond funds have less liquidity but higher return expectations when the feds are not raising rates in an accelerated manner. The Vanguard Short-Term Investment Grade Fund Admiral Shares (VFSUX) quarterly return was -0.12% and the annual return was 1.58%, higher than the annual return of benchmark Bloomberg US 1-5 Year Credit Bond Index of 1.41%.

Maximum resources during the fourth quarter of FY23 remained consistent from the previous quarter and ended higher than any prior Q4. Minimum resources remained consistent and higher than any prior Q4. The bank balance for the fourth quarter of FY23 remained consistent.

Total investment earnings for the fourth quarter of FY23 including unrealized gains/(losses) total **\$588,418.45**. FYTD investment interest earnings including unrealized gains/(losses) total **\$2,333,811.31**.

### Bank and Investment Balances by Day

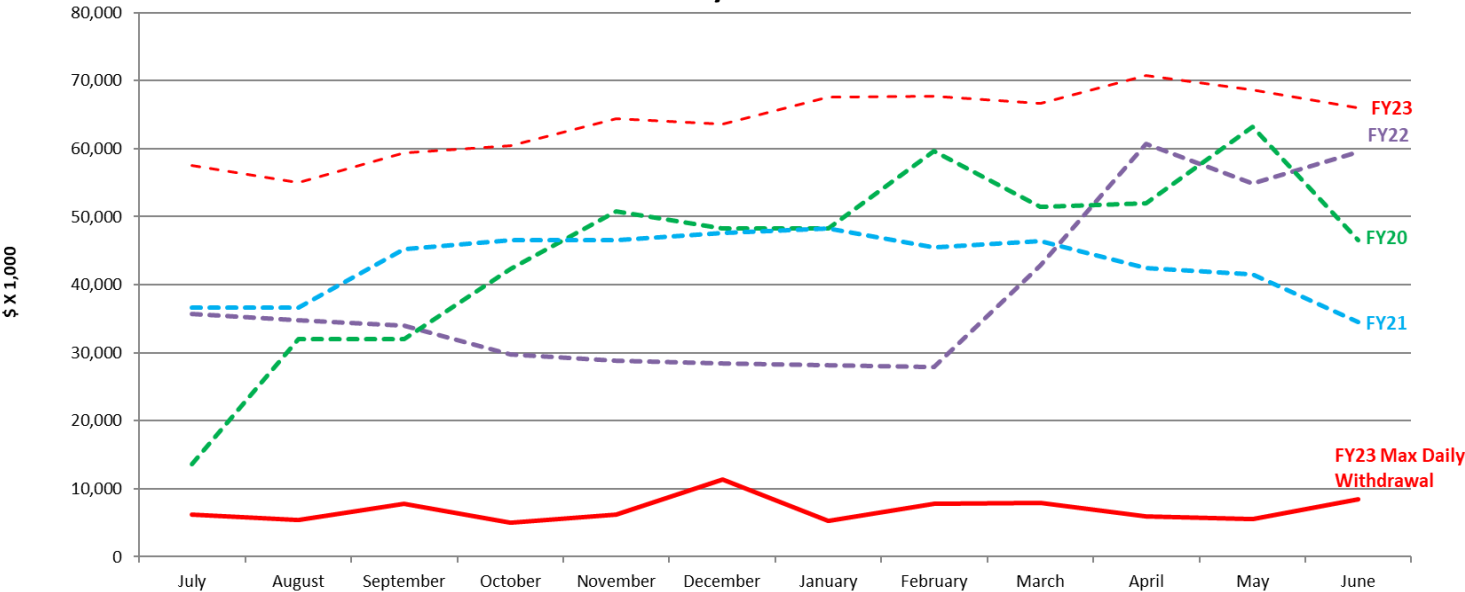
Wells Fargo Bank, JPM Short Duration Fund, and Money Market Fund - FY22 - FY23 to date



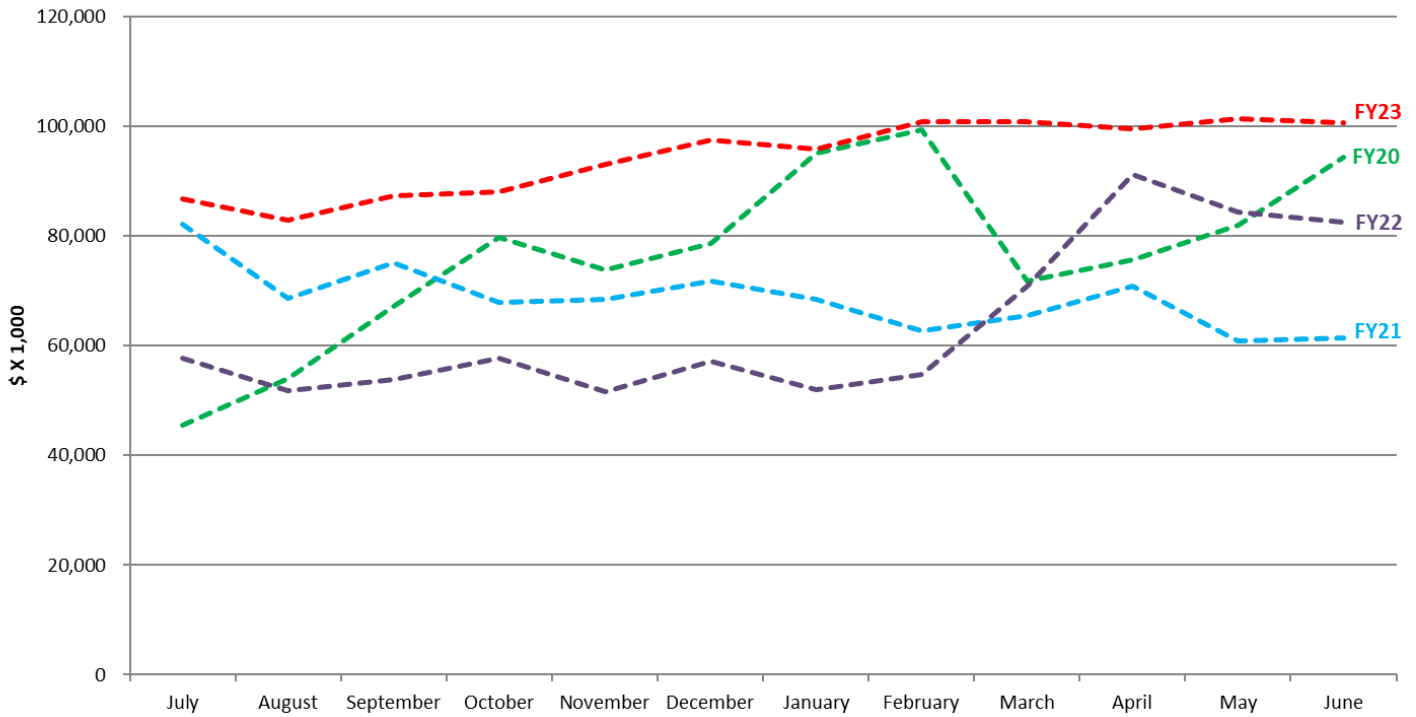




### UCHWT Monthly Minimum Resources



### UCHWT Monthly Maximum Resources



# Budget Performance



**FY23 – BUDGET TO ACTUAL REPORT AS OF: 6/30/2023**

	<b>FY23 TOTAL BUDGET</b>	<b>FY23 BUDGET DETAIL</b>	<b>FY23 ACTUALS AS OF 6/30/2023</b>	<b>FY23 AVAILABLE AMOUNT</b>	<b>4Q FY23 % BUDGET TO ACTUALS</b>	<b>4Q FY22 % BUDGET TO ACTUALS</b>
<b>REVENUES/INFLOWS</b>						
SELF-FUNDED CLAIMS & RESERVES	\$ 388,641,000					
ANTHEM AND CVS		\$ 317,163,000	\$ 328,903,589	\$ (11,740,589)	103.70%	112.03%
KAISER		49,684,000	47,639,642	2,044,358	95.89%	93.72%
VISION		1,793,000	1,906,545	(113,545)	106.33%	104.07%
DENTAL		20,001,000	20,649,492	(648,492)	103.24%	101.04%
HEALTH CARE FLEX SPENDING PLANS *	4,028,000	4,028,000	4,439,095	(411,095)	110.21%	79.85%
INVESTMENT INCOME	-	-	2,333,811	(2,333,811)	N/A	-630.60%
<b>TOTAL REVENUE/INFLOWS</b>	<b>392,669,000</b>	<b>392,669,000</b>	<b>405,872,174</b>	<b>(13,203,174)</b>	<b>103.36%</b>	<b>107.96%</b>
<b>EXPENSES/OUTFLOWS</b>						
INCURRED SELF-FUNDED CLAIMS	362,911,000					
ANTHEM AND CVS		301,755,000	295,172,945	6,582,055	97.82%	105.66%
KAISER		40,157,000	43,009,919	(2,852,919)	107.10%	95.67%
VISION		1,660,000	1,476,492	183,508	88.95%	94.28%
DENTAL		19,339,000	19,400,821	(61,821)	100.32%	93.54%
ADMINISTRATIVE FEES, MISC CHARGES						
ASO FEES	20,303,000					
ANTHEM AND CVS		10,260,000	11,773,263	(1,513,263)	114.75%	91.17%
KAISER		9,217,000	8,614,457	602,543	93.46%	77.02%
VISION		164,000	170,906	(6,906)	104.21%	100.15%
DENTAL		662,000	740,288	(78,288)	111.83%	95.14%
BANK CHARGES	4,000	4,000	4,708	(708)	117.70%	89.10%
FSA CLAIMS ADMINISTRATION	92,000	92,000	94,859	(2,859)	103.11%	94.96%
HEALTH SAVINGS ACCOUNT ADMINISTRATION	57,000	57,000	65,833	(8,833)	115.50%	109.54%
FLEX SPENDING CLAIMS PAYMENTS *	4,028,000	4,028,000	3,803,672	224,328	94.43%	85.07%
WELLNESS	1,700,000					
BE COLORADO - MOVE		1,221,000	1,274,627	(53,627)	104.39%	93.91%
NUTRITION		-	-	-	N/A	55.36%
MARKETING		10,000	4,479	5,521	44.79%	42.00%
MENTAL HEALTH		167,000	64,371	102,629	38.55%	42.42%
PREGNANCY EDUCATION		302,000	151,920	150,080	50.30%	62.19%
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	332,000	332,000	313,512	18,488	94.43%	91.46%
TRUST FEES						
CONSULTING	669,000					
ACTUARY		99,000	257,036	(158,036)	259.63%	40.10%
LEGAL		20,000	3,157	16,843	15.79%	27.29%
MANAGEMENT		400,000	336,000	64,000	84.00%	408.81%
AUDIT		150,000	90,450	59,550	60.30%	83.95%
INSURANCE	153,000					
FIDUCIARY LIABILITY		59,000	54,228	4,772	91.91%	96.05%
ERRORS AND OMISSIONS		92,000	95,264	(3,264)	103.55%	109.56%
CRIME		2,000	2,186	(186)	109.30%	106.70%
CU HEALTH PLAN ADMINISTRATION	2,370,000	2,370,000	2,195,506	174,494	92.64%	108.41%
<b>TOTAL EXPENSES/OUTFLOWS</b>	<b>392,669,000</b>	<b>392,669,000</b>	<b>389,170,899</b>	<b>3,498,101</b>	<b>99.11%</b>	<b>102.19%</b>
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,701,275</b>	<b>\$ (16,701,275)</b>		
<b>NET ACTIVITY FOR PERIOD</b>						

\*FSA Activity is excluded from financial reports on page 5

# Plan Performance





August 24, 2023

As of June 30, 2023, the FY2023 loss ratio is 96.3% representing a gain of \$14.7M. Table 1 contains the results for the full fiscal year 2022 and fiscal year 2023 (in millions).

Table 1: Financial Summary

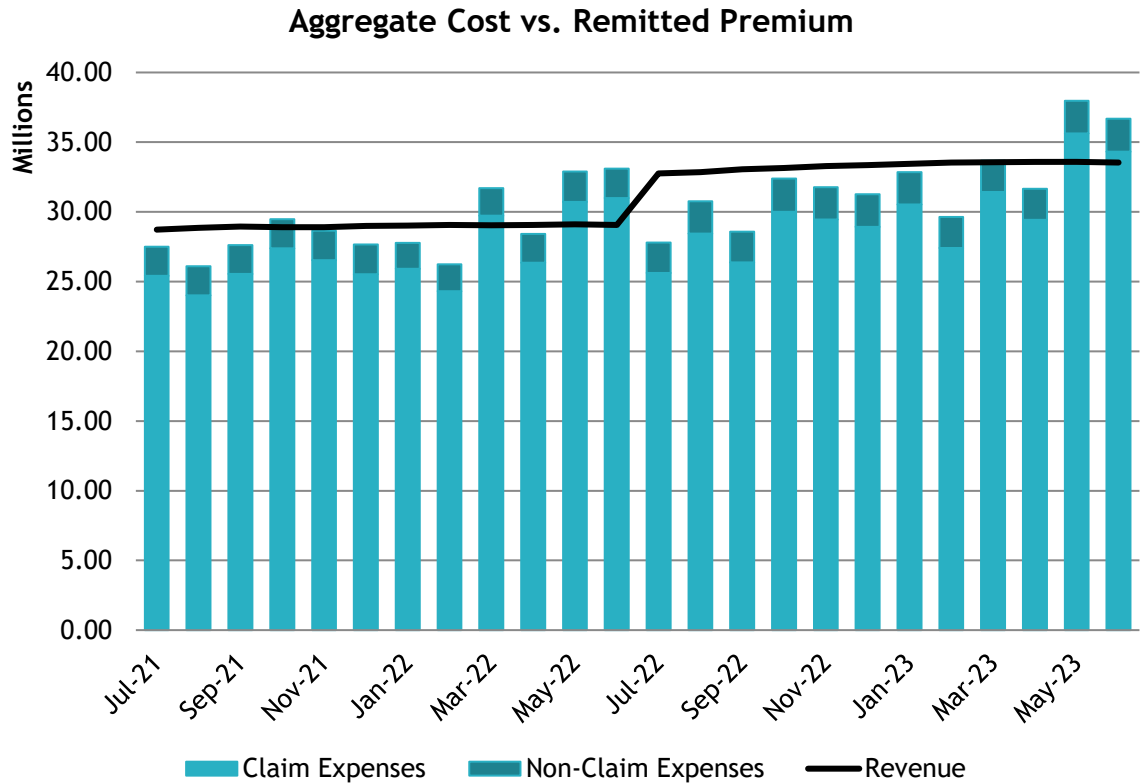
(\$000,000)s	FY2022	FY2023
<b>Premium</b>		
Funding	347.7	399.7
<b>Invoiced Premium</b>	<b>347.7</b>	<b>399.7</b>
<b>Expense</b>		
Claims	322.5	357.6
Admin	24.7	27.4
<b>Total Expense</b>	<b>347.2</b>	<b>385.1</b>
Gain/Loss	0.6	14.7
Loss Ratio	99.8%	96.3%

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

Table 2: Enrollment by Plan

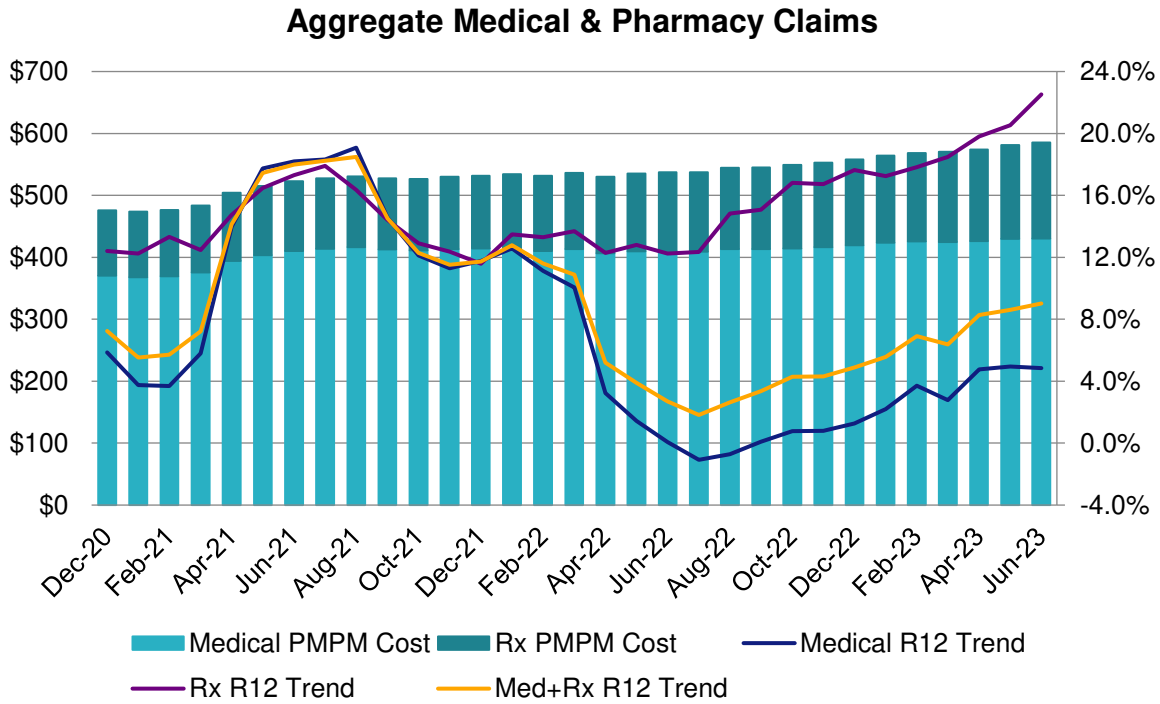
Employee Months	FY2022	FY2023
Medical	286,539	298,238
Vol. Vision	176,332	188,621
Dental	285,867	298,530

The chart below shows a comparison of total cost (split between claim and non-claim costs) vs. remitted premiums for the prior fiscal year (FY2022) as well as the current fiscal year (FY2023). Current premiums are about \$34M per month and total monthly costs for FY2023 are between \$28 million and \$38 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, and OMS
- Non-Claim Expenses: ASO fees, Trust Expenses, ICM, and Remitted Premium
- All claims are on an incurred basis using data paid through June 30, 2023 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).



- Combined Anthem & Kaiser Medical & Pharmacy Trend
- Claims include: Incurred Medical, Rx, and Exclusive Vision paid through June 30, 2023
- Excludes: ASO fees, Trust Expenses, ICM, and Rx Rebates