

THE LOCAL CHOICE 2022 ANNUAL REPORT



July 2021 – June 2022

THE LOCAL CHOICE - 2022 Annual Report

Statewide Self-Insured Product

Introduction

The Local Choice (TLC) 2022 Annual Report is based on paid medical claims data from July 2021 through June 2022 and reflects paid claims during this period. The normative values represent Anthem's combined product average for the period ending June 2022.

- Where health care dollars were spent
- How our experience compared to other similar groups and the average of all groups covered by Anthem Blue Cross and Blue Shield (Anthem)



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Introduction (continued)

- The savings achieved through Anthem programs and
- General observations concerning what type of health care utilization we are likely to see in the next few years based on our employee demographics and current benefit structure

The annual report claims, enrollment and membership information is based on the entire TLC program including both Key Advantage plans and the HDHP.



Enrollment Results

TLC group membership continues to grow, and TLC remains a very attractive option for the Counties and Schools of Virginia. In FY'22 we added 5 groups. Year over year 99% of groups renew, and approximately 6,000 new members have been added over the last 5 years. The program has over 360 groups. 55.2% of the membership comes from the Government groups, and 44.8% comes from the Schools in the program. Our average membership decreased 4.4% from the prior year, with ending membership at 62,600. The current period's enrollment shows approximately 35% of our membership enrolled in an employee only contract. 20% were enrolled in dual coverage, and 45% in family coverage. The average age of employees was 46.3, which is a year older than Anthem's Par/PPO average age of 45.0.



Preventable Disease Cost Drivers

Preventive medicine is the branch of medicine concerned with preventing the occurrence of both mental and physical illness and disease. For TLC, coronary artery disease ranked highest of all medical conditions manageable through preventive medicine. Joint degeneration, breast cancer, obesity, and gallbladder disease ranked second through fifth in order of expense. Claims attributed to lifestyle conditions make-up 21.2% of total medical dollars spent.



Top Five Conditions Driving Cost

As with most groups, the top 5 medical conditions driving the cost are malignant neoplasms, musculoskeletal, circulatory, health status, and digestive system conditions. The TLC population runs higher than the benchmark in all areas, except health status and injuries; where they are marginally lower (3 and 11% respectively).



Inpatient Facility Expenses

Inpatient facility expense for our group's population increased by approximately 12% over prior period to \$93 million, mostly related to circulatory conditions and cancer care. In the area of inpatient facility utilization, our group's admission rate increased 1% to 51.6 per 1000. The overall mix of inpatient care resulted in a 10% increase in the average length of stay, registering at 5.56 days. This is slightly higher than our Anthem norm of 5.23.



Outpatient Experience

Outpatient facility expense decreased to \$118 million. The case rate decreased by 4.2% to 1,458 per 1000. The number of total outpatient facility cases registered at 91,595 in the current year down from 100,012 in the prior year, back on par with the year before that. The expense per case was up 2% at \$1,287 and is 5% above the Anthem norm. The PMPM outpatient facility expense rate was 2% lower than prior year, but 6% higher than the Anthem norm.



TLC Medical Expense Year to Year Summary

Period	Current	Prior	% Change
Inpatient Facility	\$92,906,802	\$86,670,960	7.1%
Outpatient Facility	\$117,858,246	\$126,130,731	-6.6%
Total Professional	\$109,215,580	\$111,539,582	-2.0%
Total Medical Expense	\$320,325,386	\$324,617,762	-1.3%

