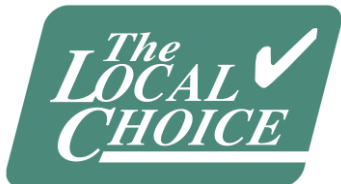


# THE LOCAL CHOICE 2021 ANNUAL REPORT



July 2020 – June 2021

# THE LOCAL CHOICE - 2021 Annual Report

## Statewide Self-Insured Product

### Introduction

The Local Choice (TLC) 2021 Annual Report is based on paid medical claims data from July 2020 through June 2021 and reflects paid claims during this period. The normative values represent Anthem's combined product average for the period ending June 2021.

- 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)



# THE LOCAL CHOICE - 2021 Annual Report

## Statewide Self-Insured Product

### 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'21 we added 1 group. Year over year 99% of groups renew, and approximately 8,000 new members have been added over the last 5 years. The program has over 350 groups. 56.1% of the membership comes from the Government groups, and 43.9% comes from the Schools in the program. Our average membership decreased 3.4% from the prior year, with ending membership at 63,017. 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 46.4 which is a year older than Anthem's Par/PPO average age of 45.4.



# 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, chronic kidney disease, and obesity ranked second through fifth in order of expense. Claims attributed to lifestyle conditions make-up 22.7% of total medical dollars spent.



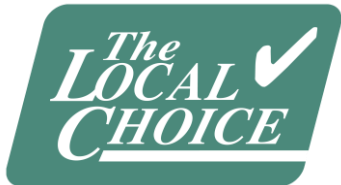
# Top Five Conditions Driving Cost

As with most groups, the top 5 medical conditions driving the cost are malignant neoplasms, musculoskeletal, health status, circulatory, and digestive. The TLC population runs higher than the benchmark in all 5 areas.



# Inpatient Facility Expenses

Inpatient facility expense for our group's population increased by approximately 19% over prior period to \$87 million, mostly related to delayed care secondary to COVID during the prior year. In the area of inpatient facility utilization, our group's admission rate increased to 15% to 53.7 per 1000. The overall mix of inpatient care resulted in a 9% increase in the average length of stay, registering at 5.25 days. This is slightly higher than our Anthem norm of 4.84.



# Outpatient Experience

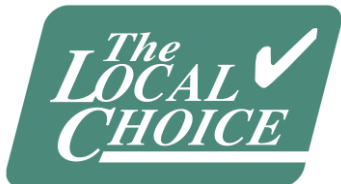
Outpatient facility expense increased to \$126 million. The case rate increased by 13.1% to 1,522. The number of total outpatient facility cases registered at 100,022 in the current year up from 91,513 in the prior year, back on par with the year before that. The expense per case was 6.2% higher at \$1,261 and is 0.9% lower than the Anthem norm. The PMPM outpatient facility expense rate is 18% higher than the Anthem norm.





# TLC Medical Expense Year to Year Summary

Period	Current	Prior	% Change
Inpatient Facility	\$86,688,396	\$75,195,246	15.2%
Outpatient Facility	\$126,130,731	\$108,607,271	16.1%
Total Professional	\$111,539,582	\$97,499,428	14.3%
Total Medical Expense	\$324,617,762	\$281,630,515	14.8%



## Kaiser Permanente – Regional Fully Insured Product

- In addition to the Statewide Self Insured Products, a Regional Fully Insured Product is offered through Kaiser Permanente.
- Any TLC group located in Kaiser Permanente's service area, which includes Northern Virginia, may select to offer this product.
- The product is a fully insured HMO and Kaiser Permanente is the plan administrator.
- The plan includes dental, vision and EAP benefits.
- As of June 30, 2021, nine (9) TLC groups selected to offer this product with a total enrollment of 474 contracts.



## Optima Health – Regional Fully Insured Product

- In addition to the Statewide Self Insured Products, a Regional Fully Insured Product is offered through Optima Health.
- Any TLC group located in Optima Health’s service area, which includes Greater Hampton Roads, may select to offer this product.
- The product is a fully insured HMO and Optima Health is the plan administrator.
- The plan includes dental, vision and EAP benefits.
- As of June 30, 2021, six (6) TLC groups selected to offer this product with a total enrollment of 228 contracts.

