



State Group Insurance Program Health Plan Trends and Wellness Offerings

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Plan Overview

Benefits Administration Mission

**Deliver comprehensive,
affordable, dependable
and sustainable benefits**

BA administers the state of Tennessee-sponsored insurance benefits for 299,000 state, higher education, local education and local government employees, dependents and retirees.



The State Group Insurance Program (SGIP) is Self-funded

SGIP annual plan expenses:

95% = claims for health care services

5% = administrative costs



- The State is the insurer, collecting premiums to pay providers
- Medical claims are paid as they occur vs a fixed premium to a third party

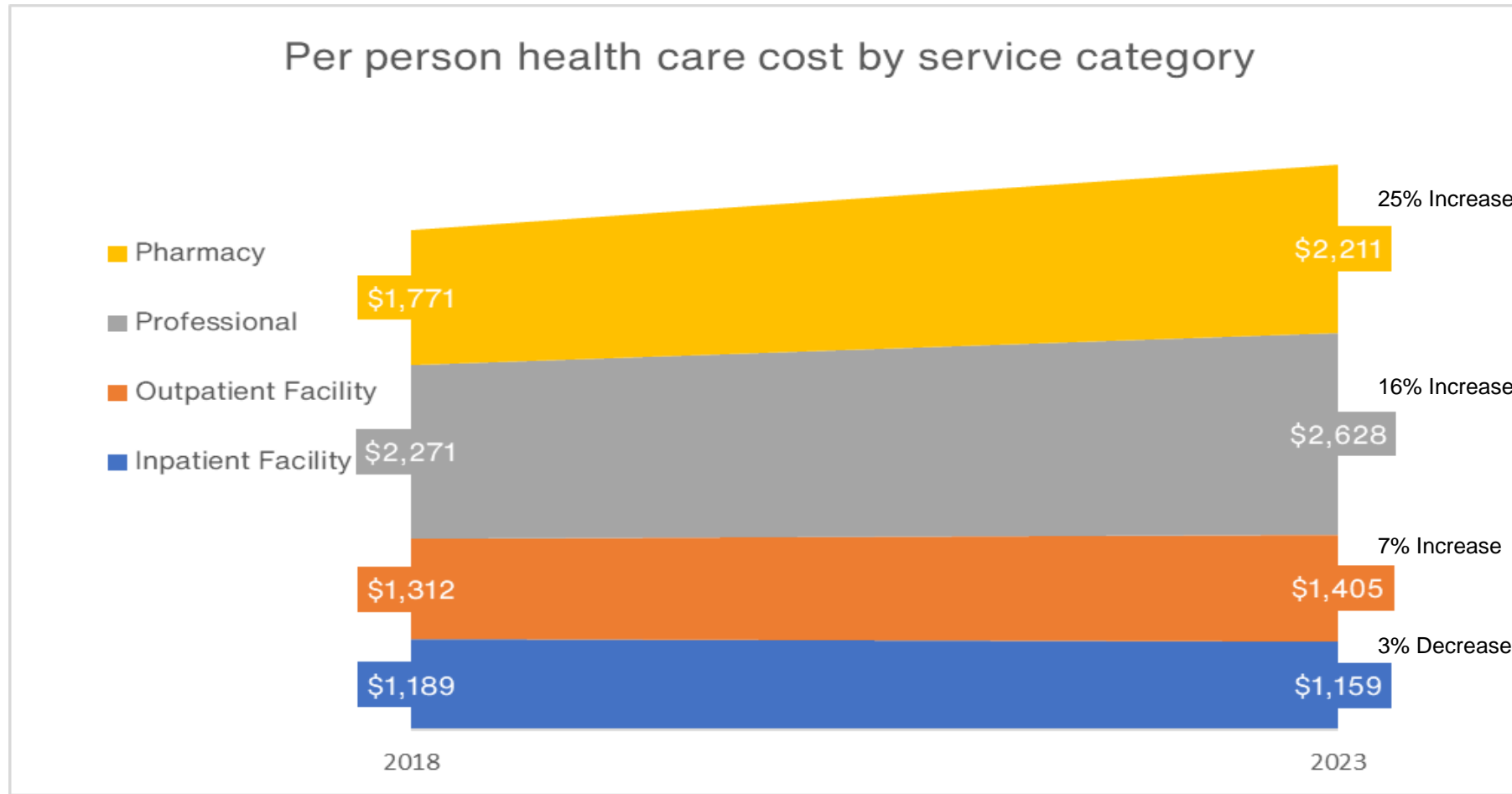


- Premiums stay in the state funds and are not paid to insurance companies
- If claims are less than forecasted, SGIP retains the surplus to reduce future premium increases



- Contracted vendors provide administrative services for a per employee per month (PEPM) fee

Components of Healthcare (SGIP, Adjusted with Pharmacy Rebates)



SGIP 2023 Top Ten List

- The Top Ten list combined represents 60% of total plan expenses in 2023.
- LE medical, Rx, and BH claims in FY 2023 = \$617 million

Top Ten Medical and Pharmacy Plan Expenses		
Medical Procedure Groups	Clinical Conditions	Prescription Drugs
1. Office Visits	1. Gastrointestinal: other	1. OZEMPIC - diabetes
2. Musculoskeletal Surgery	2. Cancers: excl. Breast/ Gyn/ Blood	2. WEGOVY - weight management
3. Cardiovascular Surgery	3. Osteoarthritis (non-spine)	3. HUMIRA - rheumatoid arthritis
4. Laboratory	4. Routine and Preventive Care	4. STELARA - plaque psoriasis and psoriatic arthritis
5. Emergency Room	5. Coronary Artery Disease	5. MOUNJARO - diabetes
6. Physical Therapy	6. Maternity & Perinatal care (delivery and postpartum)	6. TRULICITY - diabetes
7. Anesthesia	7. Spinal Conditions	7. JARDIANCE - diabetes
8. Gastriontestinal Care	8. Benign tumors	8. ENBREL - rheumatoid arthritis
9. Non-Chemotherapy Drugs	9. Ear, Nose, and Throat Infections & Inflammations	9. FARXIGA - diabetes
10. Preventative Care	10. Anxiety, Depression, Bipolar Disorder	10. SKYRIZI - plaque psoriasis and psoriatic arthritis



SGIP Behavioral Health - 2023

Utilization



Member utilization of Behavioral Health services was **8.5%**. This is a 6.3% increase over 2022 utilization.

Norm: 11.0%

SE Norm: 9.7%

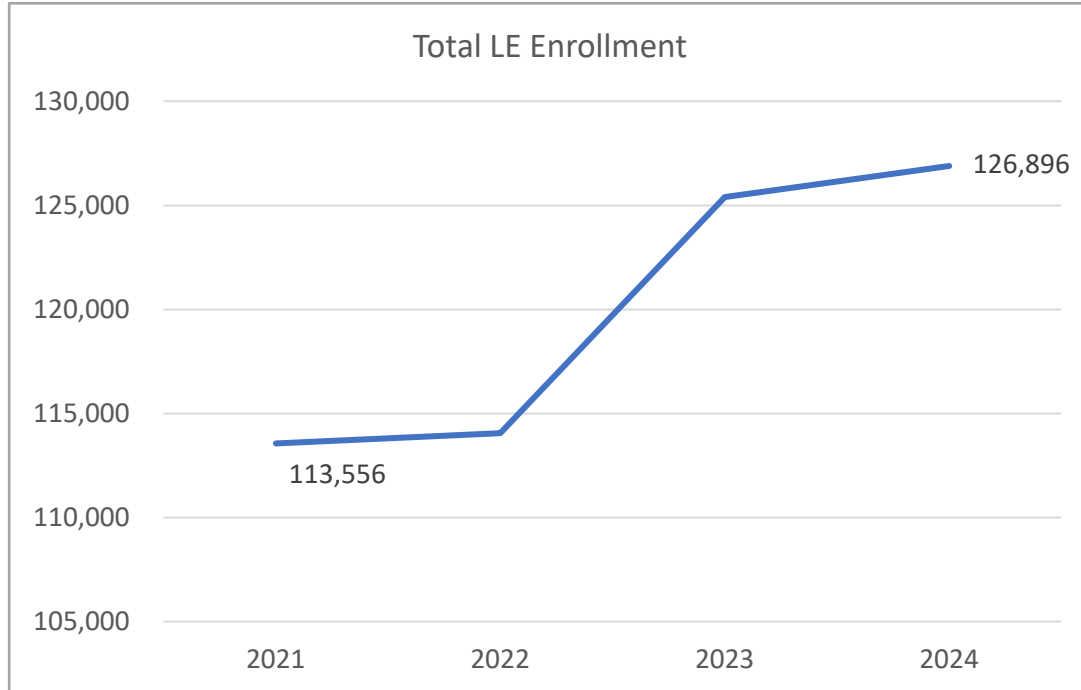
Key Diagnoses



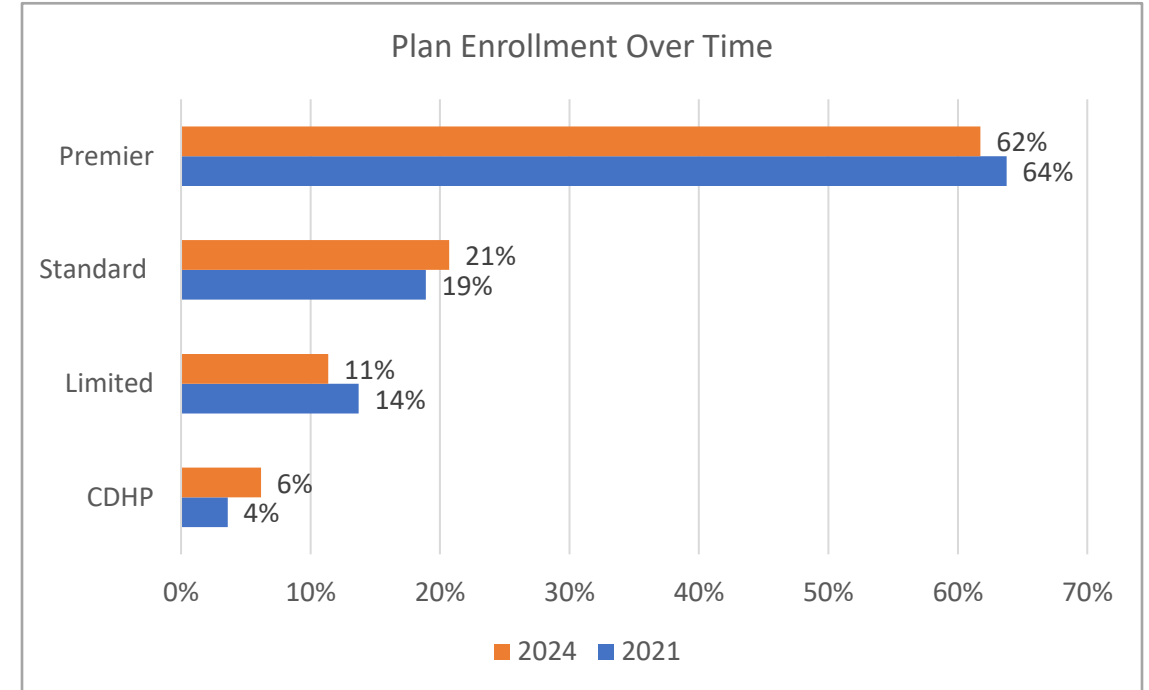
Anxiety, depression, and trauma/stress continue to be the top three diagnostic categories by claimant count.

The categories have not changed since 2020, but **anxiety has surpassed depression** in the number of claimants per 1,000 for the first time.

LE Plan Enrollment



12% increase in enrollment
over the past 3 years



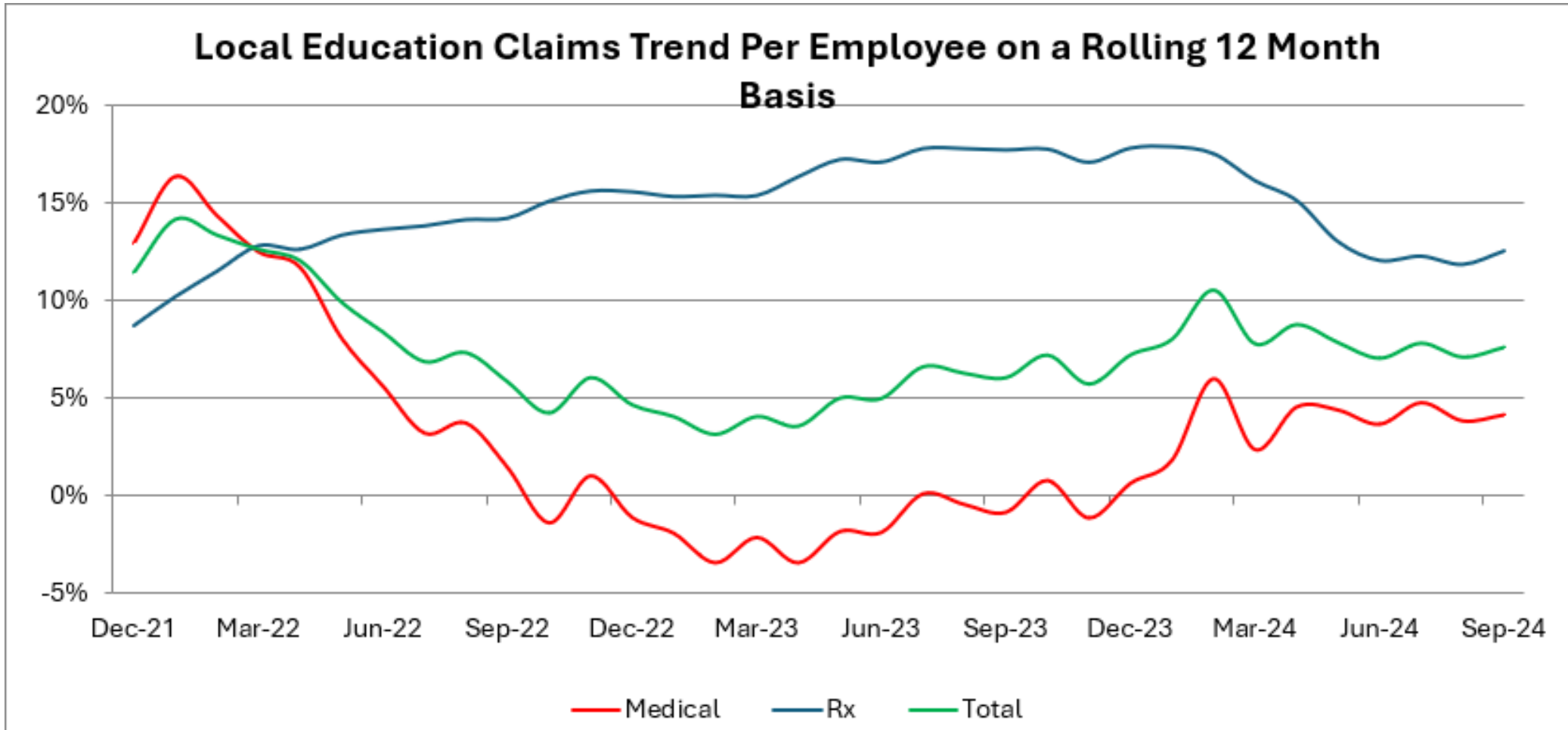
Over time, CDHP and Standard plan enrollment increased
while Limited and Premier enrollment declined

Health Risk of Local Education Members

	Health Risk Category	Population %	% of 2023 Total Cost	% Change from 2022	Health Risk Comparisons
Local Education	Healthy	31%	3.5%	0.5%	<u>Healthy and Stable</u> members are 55% of the population. 12.5% of the cost is attributable to them.
	Stable	24%	9%	1%	
	At Risk	24%	20%	1%	<u>Struggling and In Crisis</u> members are 21% of the population. 67.5% of the cost is attributable to them.
	Struggling	18%	38.5%	-0.5%	
	In Crisis	3%	29%	-2%	
	Healthy	Very healthy, minimum use of health care services. Interventions should focus on preventive care.			
	Stable	Fairly healthy, low use of health care services. Monitor health to mitigate risk.			
	At Risk	Primarily acute conditions, moderate use of health care services. Health influences day to day life but is still manageable. Lack of management may result in high-cost care and increased severity.			
	Struggling	Higher disease severity, heavy use of health care services. Costs well above average; poor health adversely influences day to day life. Lack of management may result in extreme high cost and overall decline in health.			
	In Crisis	Highest severity of illness, significant use of health care services. Highest costs, poor health negatively impacts quality of life. Aggressive care management needed.			



Claims Health Care Trend—Local Education Plan



Cost Drivers in Local Education Plan

- On average, the LE Plan paid \$.86 of every dollar spent on medical and pharmacy costs in 2023; members paid the balance.
- From 2022 to 2023, LE had the following cost drivers:

	Medical Trend	Rx Trend
Patients classified as overweight or obese		✓
Patients diagnosed with diabetes		✓
Patients diagnosed with gastrointestinal disease	✓	
Patients with maternity related claims	✓	

11.7% increase in prescription drug spend PMPY from \$2,325 in 2022 to \$2,598 in 2023

The Headlines

Weight loss drugs fuel large employers' healthcare cost concerns for 2025, survey finds

More than half of employers in the Business Group on Health's annual survey said GLP-1 drugs were impacting costs to a "very great" or "great" extent.



Boom in weight-loss drugs to drive up US employers' medical costs in 2024 - Mercer

Ozempic Is Raising Your Health Premiums Even If You're Not Taking It

Health insurance cost increases driven by inflation, weight-loss drugs, expensive treatments

Annual Family Premiums for Employer Coverage Rise 7% to Average \$25,572 in 2024, Benchmark Survey Finds, After Also Rising 7% Last Year

Pharmacy Trend - SGIP

- GLP-1 Medications Are Driving Brand Trend
- Spend on GLP-1 drugs increased significantly in 2023
 - 2022 to 2023 oGLP-1s up **180%**
 - 2022 to 2023 dGLP-1s up **44%**
 - 2022 to 2023 entire GLP-1 class up **75%**
- In 2023, **7.0% of members** filled a GLP-1 script — an increase from 4.3% in 2022
- Average GLP-1 gross PMPM spend moved from **\$20 in 2021 to \$33 in 2022 to \$57 in 2023**
- Average GLP-1 percentage of gross drug spend moved from **9.8% in 2021 to 13.8% in 2022 to 20.5% in 2023**

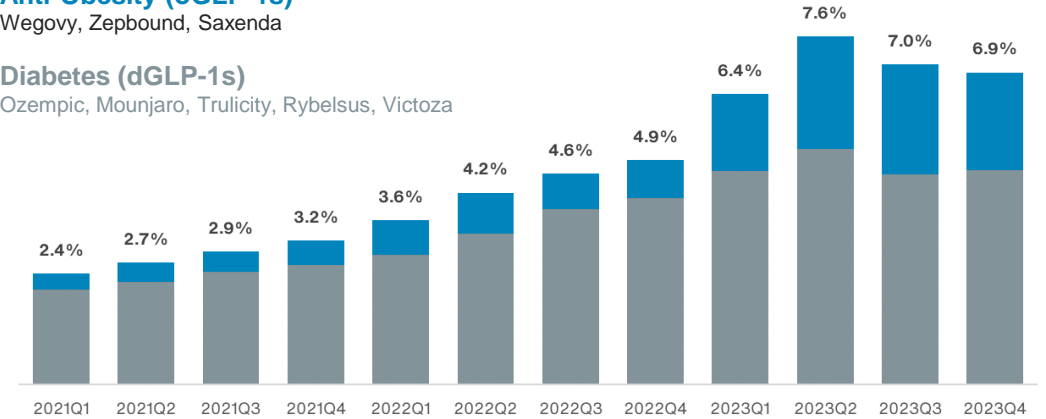
Percentage of Members with a Prescription Fill

Anti-Obesity (oGLP-1s)

Wegovy, Zepbound, Saxenda

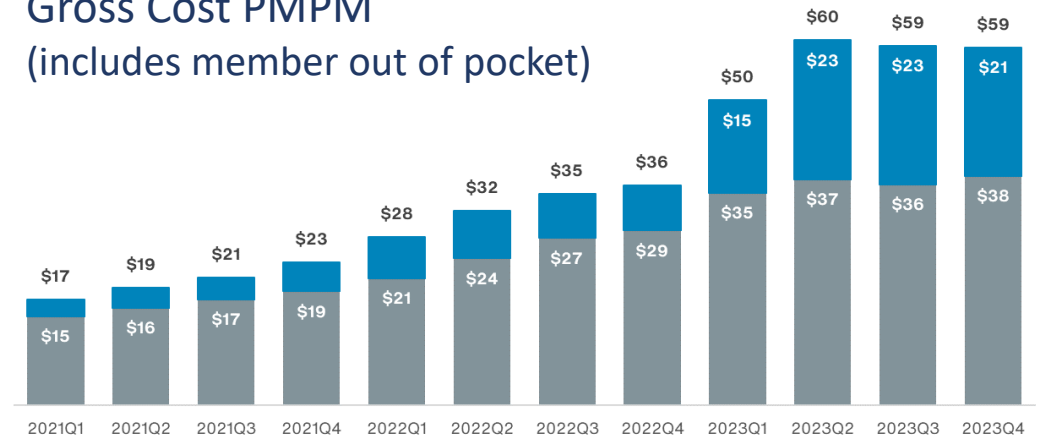
Diabetes (dGLP-1s)

Ozempic, Mounjaro, Trulicity, Rybelsus, Victoza

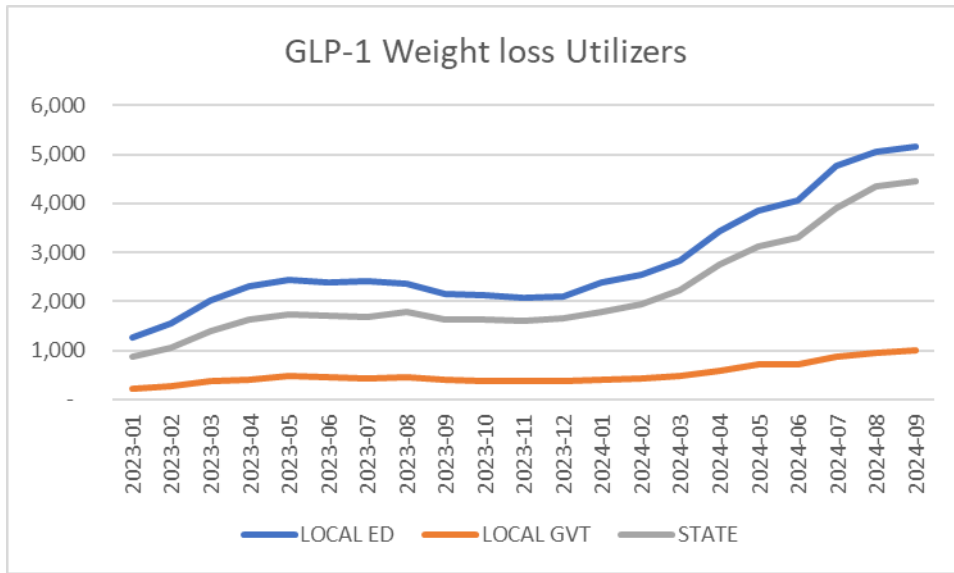


Gross Cost PMPM

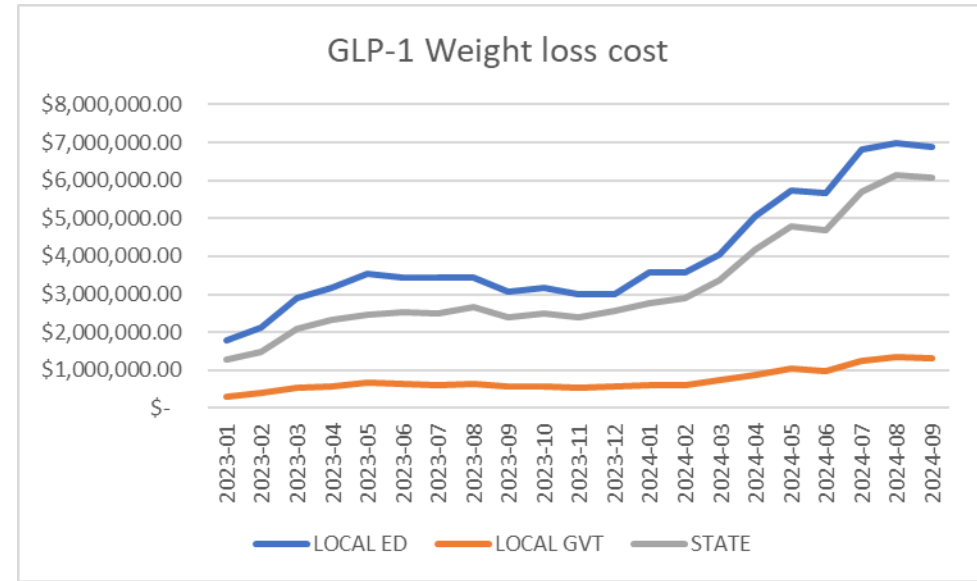
(includes member out of pocket)



GLP-1s for Weight Loss



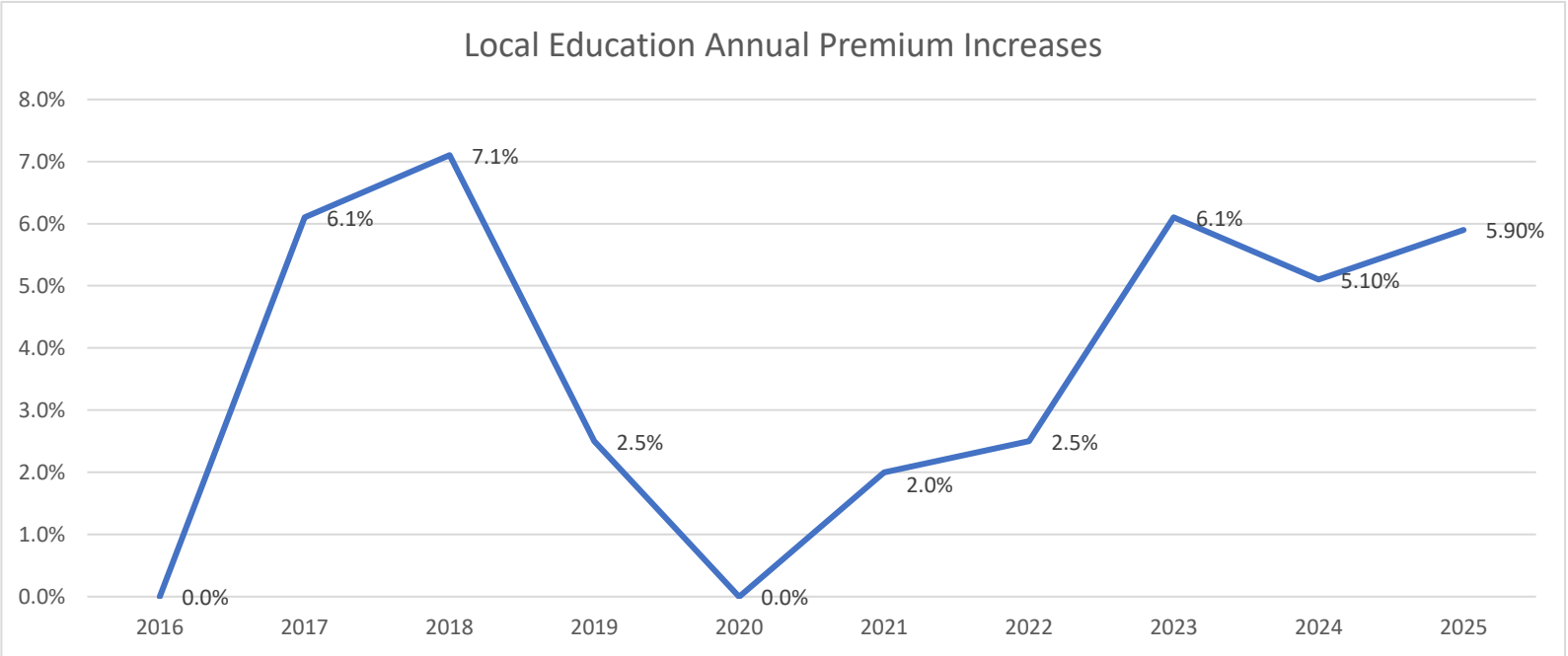
Monthly LE utilizers of GLP-1s for weight loss increased **311%** from January 2023 to September 2024



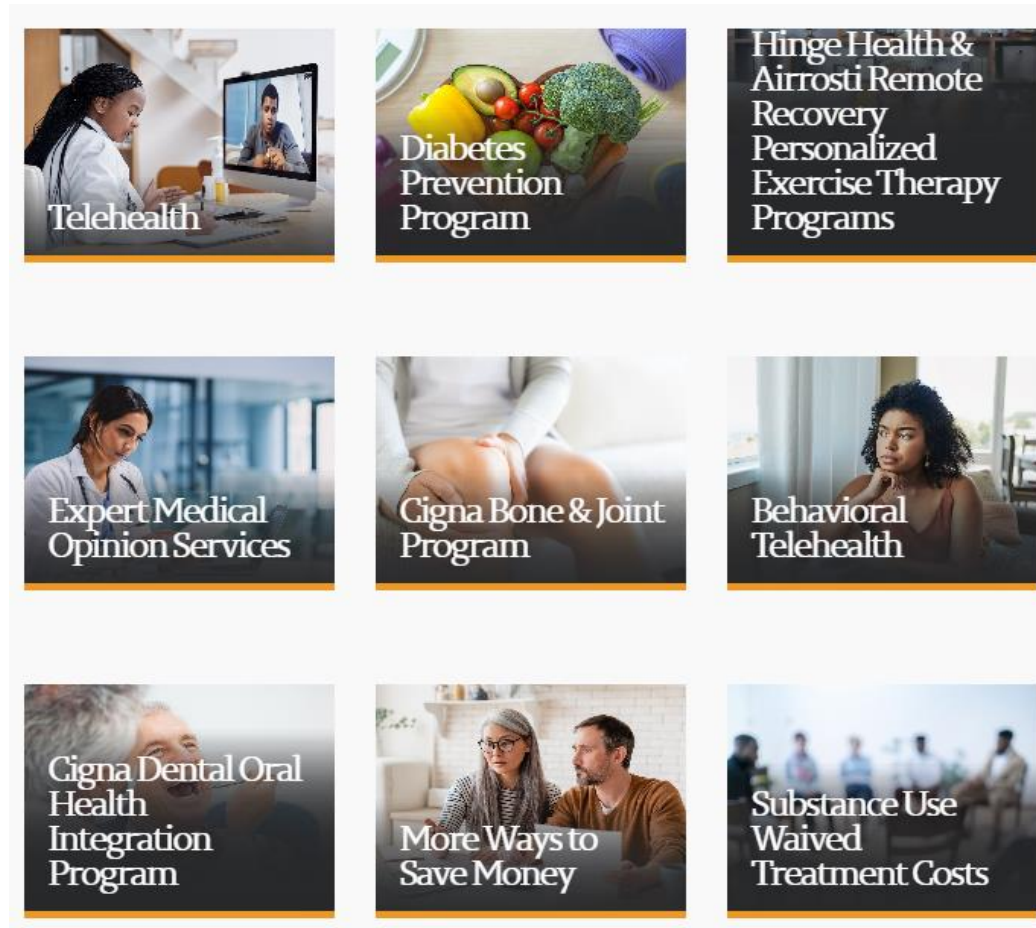
Monthly LE plan cost for weight loss GLP-1s increased **288%** from January 2023 to September 2024

Local Education Plan Premiums

- 5.9% - Aggregate Local Education Plan 2025 premium increase
- 3.7% - Local Education Plan premium increase average over the last ten years



Reminder – Extra Benefits & Ways to Save!



<https://www.tn.gov/partnersforhealth/health-options/included-benefits-extras.html>



2025 Partners for Health Wellness Program



Health Coaching & Support



Weight Management



Intensive Diabetes Management



Stress and Anxiety Management

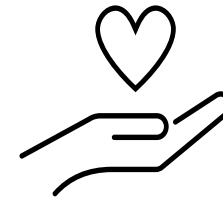


Wellness Challenges

Biometric Screenings

Four Convenient Screening Options

1. Partners for Health sponsored onsite events
 2. At your doctor's office using a Physicians Results Form
 3. Quest Diagnostic Patient Service Center
 4. Home Test Kits
- Easy access to the Quest website with single sign on from the Sharecare platform
 - Results available in health profile



Coaching Programs



Lifestyle Management

- Healthy Eating
- Exercise
- Stress Management
- Hypertension
- Tobacco Cessation

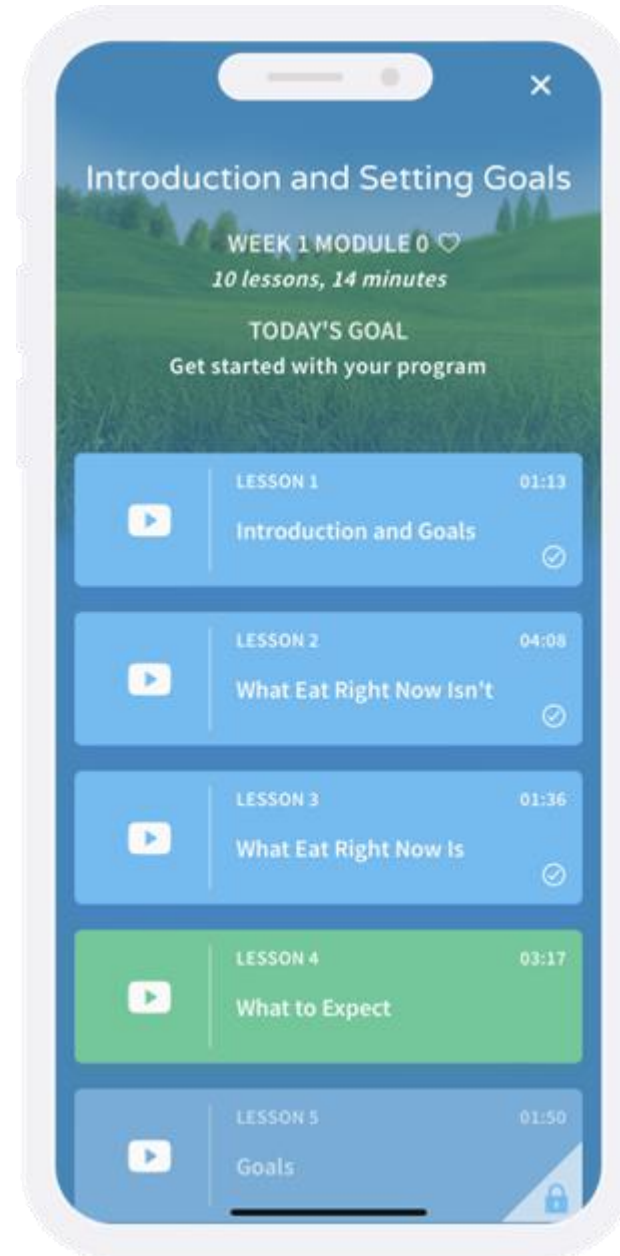
Chronic Condition Management

- Asthma
- Coronary Artery Disease
- Chronic Pulmonary Obstructive Disease
- Diabetes
- Congestive Heart Failure
- Chronic Kidney Disease (specific to members with Diabetes and/or Hypertension)

Eat Right Now Weight Management Program

Combines neuroscience and mindfulness to change your relationship with food and make lifestyle changes that last.

- Short daily video lessons
- Text-based coaching with qualified health experts
- Scale and activity tracker that connect with the program
- Weekly expert calls that address habit change
- 24/7 peer support within a friendly community moderated by experts



Onduo Intensive Diabetes Management Program

Onduo is a virtual care management program, providing personalized support for type 2 diabetes.

- Learn how food, exercise and medications affect your blood glucose
- Connected blood glucose monitor with unlimited supplies and test strips (some may receive a continuous glucose monitor)
- Connection between the app and blood glucose monitoring device to easily track your levels and progress
- A1c test kits mailed to home every 90 days
- Telemedicine access to endocrinologists
- Medication adjustment and optimization
- Optional support for members managing co-morbid high blood pressure



Questions?





THANK YOU!

Questions? benefits.administration@tn.gov