

PIMA COUNTY HEALTH CARE BENEFITS TRUST ANNUAL REPORT

Plan Year Summary: July 1, 2020 – June 30, 2021

- Fund status: Active
- Fund Value: \$16,916,477. ([Annual Financial Report](#) Financial Report, 2021, p. 3)
- Operating Results: The Fund's value decreased by \$2,716,001. ([Annual Financial Report](#), 2021, p. 4)
- Health Plan Claims Experience:
 - Costs were less than expected as shown by the 89% Medical/Prescription Loss Ratio Actual Claims vs. Expected Claims. ([CBIZ Medical and Pharmacy Experience](#), thru June 2021, p. 2)
 - However, cost per employee increased as demonstrated by the Per Employee Per Month cost of \$881 a 9% increase over prior plan year¹. ([CBIZ Medical and Pharmacy Experience](#), thru June 2021, p. 3 and 5). The nationwide trend of medical and pharmaceutical cost increase continued in 2020-21 with medical costs trending at a 7.4% increase and pharmaceuticals at a 7.4% increase.
- Total Benefits Claims Spending: \$64,450,243. ([Annual Financial Report](#), 2021, p. 4)
- Investment Income decreased to: \$177,610. ([Annual Financial Report](#), 2021, p. 4)
- Trends in benefits use:
 - The top 1% of members with the highest claims cost account for 49.5% of Total Claims Cost compared to the Cotiviti's Norm² of 33.3%. ([Cotiviti³ Medical Intelligence](#), thru June 2021, p. 10)
 - The cost of medical services decreased by 16%, which is lower than the national trend. Costs decreased primarily because high cost claims were not as high as the previous plan year. Additionally, per unit costs decreased. Utilization of medical services stayed flat with no significant increase this plan year. ([Cotiviti Medical Intelligence](#), thru June 2021, p. 16)
 - The number of prescriptions filled per employee decreased by 10%, the Per Employee Per Month costs decreased by 2% while cost per prescription increased by 8%. ([Cotiviti Medical Intelligence](#), thru June 2021, p. 28)

¹ The claims increase does appear to be related to the COVID-19 pandemic, as COVID-19 costs account for 9% of the total overall claims expense.

² Cotiviti's Norm: based on Cotiviti's normative database of health plan claims which compares population performance compared to a large, aggregated commercial norm.

³ Cotiviti: National claims database representative across the entire United States that contains 31.2 million member lives across all ages, gender, industries, and region; consisting of multi-diagnosis, multi-procedure, and multi-revenue codes.

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- The cost of Specialty Medications continues to outpace both medical and overall pharmacy cost increases. As such Pima County saw all Top 20 medications filled on the plan identified as Specialty Medications which drove much of the cost increase year-over-year. Specialty Medications are high-cost prescription medications used to treat complex, chronic conditions like rheumatoid arthritis and Type II Diabetes, and oncology conditions.
- Paid COVID-19 claims for the period totaled \$2,921,233, or 9% of the total claims for the period. By comparison, CBIZ's book of business COVID claims averaged 5% or less.

References

[Annual Financial Report](#) (2021)

[CBIZ Medical and Pharmacy Experience](#) (thru June 2021)

[Cotiviti Medical Intelligence](#) (thru June 2021)