



Health Plan

University of Colorado Health and Welfare Trust

FY24 3rd QUARTER FINANCIAL REPORTS

June 5th, 2024



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



Medicine

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Financial Reports



UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST
FY24 - STATEMENT OF NET POSITION (unaudited)

As of March 31, 2024

(Updated 05/26/2024)

	<i>Current Q3 <u>3/31/2024</u></i>	<i>Adjusted Balance <u>6/30/2023</u></i>
<u>Assets</u>		
Cash:		
Medical	\$ 1,201,292	\$ 1,499
Flexible Spending Account	827,122	1,279,225
Investments	89,265,745	70,272,359
Receivables:		
Premiums	35,841,926	32,948,585
Pharmacy Rebates	18,676,540	5,985,467
Premium Assessment Due from Member	-	30,000
Interest	325,525	207,814
Miscellaneous Receivables	-	-
Prepaid Expenses	234,900	164,491
IT Subscription	80,944	132,980
Total Assets	\$ 146,453,994	\$ 111,022,420
<u>Liabilities and Net Position</u>		
Accounts Payable - Medical	\$ 3,135,492	\$ 3,082,313
Contracts Payable	2,276,106	746,627
Benefit Claims Payable - Medical	-	947,615
Incurred But Not Paid Claims Estimate	38,483,704	36,641,192
Flexible Spending	500,304	885,614
Subscription Liability	74,614	125,573
Total Liabilities	44,470,220	42,428,934
Plan Net Position - Unrestricted	101,983,774	68,593,486
Total Liabilities and Plan Net Position	\$ 146,453,994	\$ 111,022,420

UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST
FY24 - STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PLAN NET POSITION (unaudited)
For the nine months ended March 31, 2024
 (Updated 05/26/2024)

	<i>Current Q3 3/31/2024</i>	<i>Adjusted Balance 6/30/2023</i>
<u>Operating Revenues</u>		
Contributions	\$ 322,130,710	\$ 399,099,266
Flexible Spending Recapture	-	96,858
Total Operating Revenues	322,130,710	399,196,124
<u>Operating Expenses</u>		
Medical Claims	273,111,783	359,059,624
Medical Claims Administration	16,180,943	21,298,914
General and Administrative	2,304,740	3,512,738
Total Administrative	18,485,683	24,811,652
Total Operating Expenses	291,597,466	383,871,276
Operating Income	30,533,244	15,324,848
<u>Nonoperating Revenues (Expenses)</u>		
Investment Earnings	4,153,717	2,333,811
Wellness Initiative	(1,296,673)	(1,495,949)
Total Nonoperating Revenues (Expenses)	2,857,044	837,862
Change in Plan Net Position	33,390,288	16,162,710
Plan Net Position Beginning of Year	68,593,486	52,430,776
Plan Net Position End of Period	\$ 101,983,774	\$ 68,593,486

Treasury



Memo

To: Members of the University of Colorado Health and Welfare Trust Board
From: Usha Sharma, Treasurer
Date: May 28, 2024
Re: Quarterly Report on Investments

The Trust's cash equivalents and investments on March 31, 2024 totaled **\$89.3 million** compared to \$70.8 million on March 31, 2023. \$55.4 million was invested in a AAA-rated government money market fund and \$33.9 million was invested in a high-quality, short-duration bond fund. Both 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 an annual return of 5.23% for the prior 12 months. 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 62% of the fund has daily liquidity.

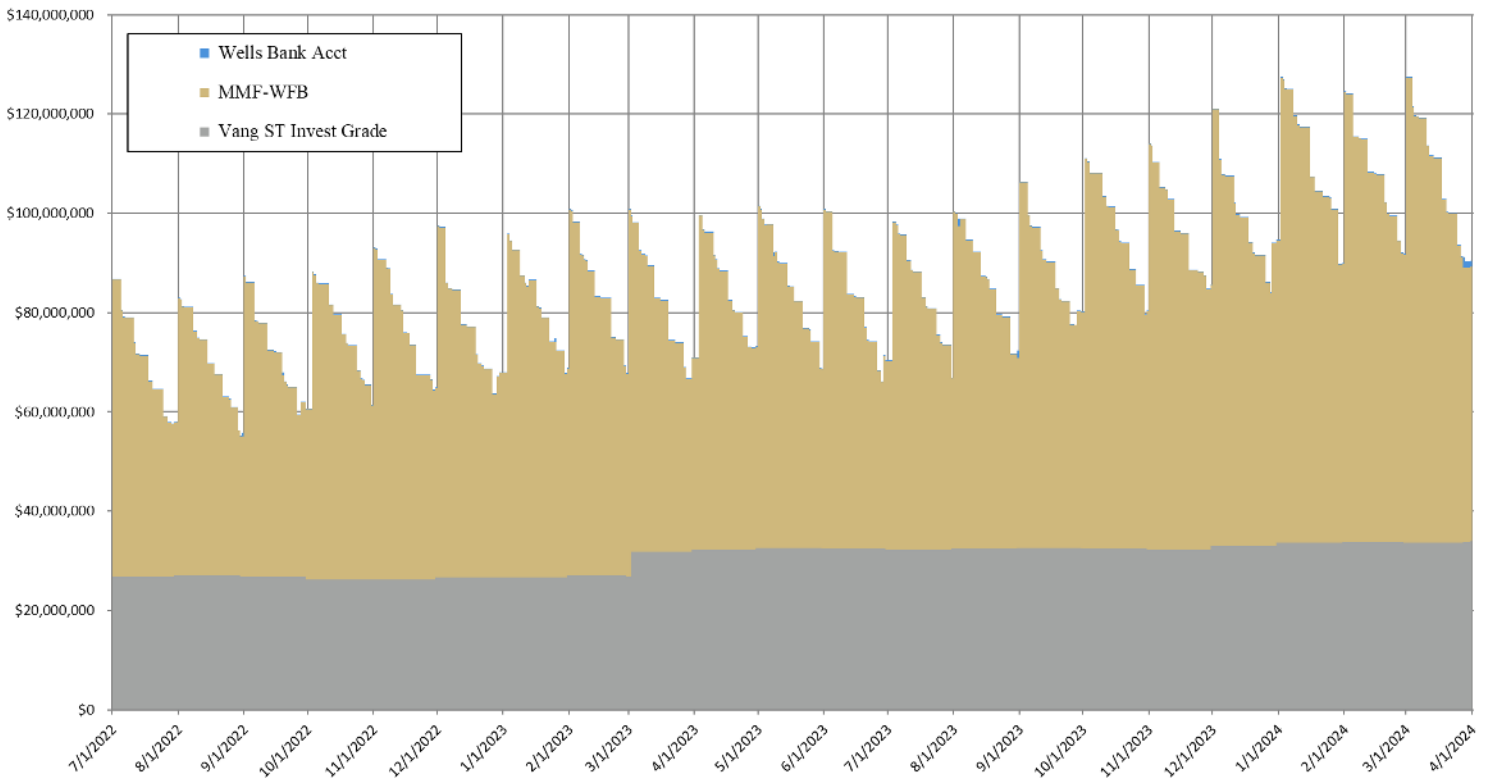
Short duration bond funds have less liquidity but higher return expectations when the feds are not raising rates in an accelerated manner. The Vanguard Short-Term Investment Grade Fund Admiral Shares (VFSUX) quarterly return was 0.67% and the annual return was 4.90%, which was higher than the annual return of benchmark Bloomberg US 1-5 Year Credit Bond Index of 4.67%.

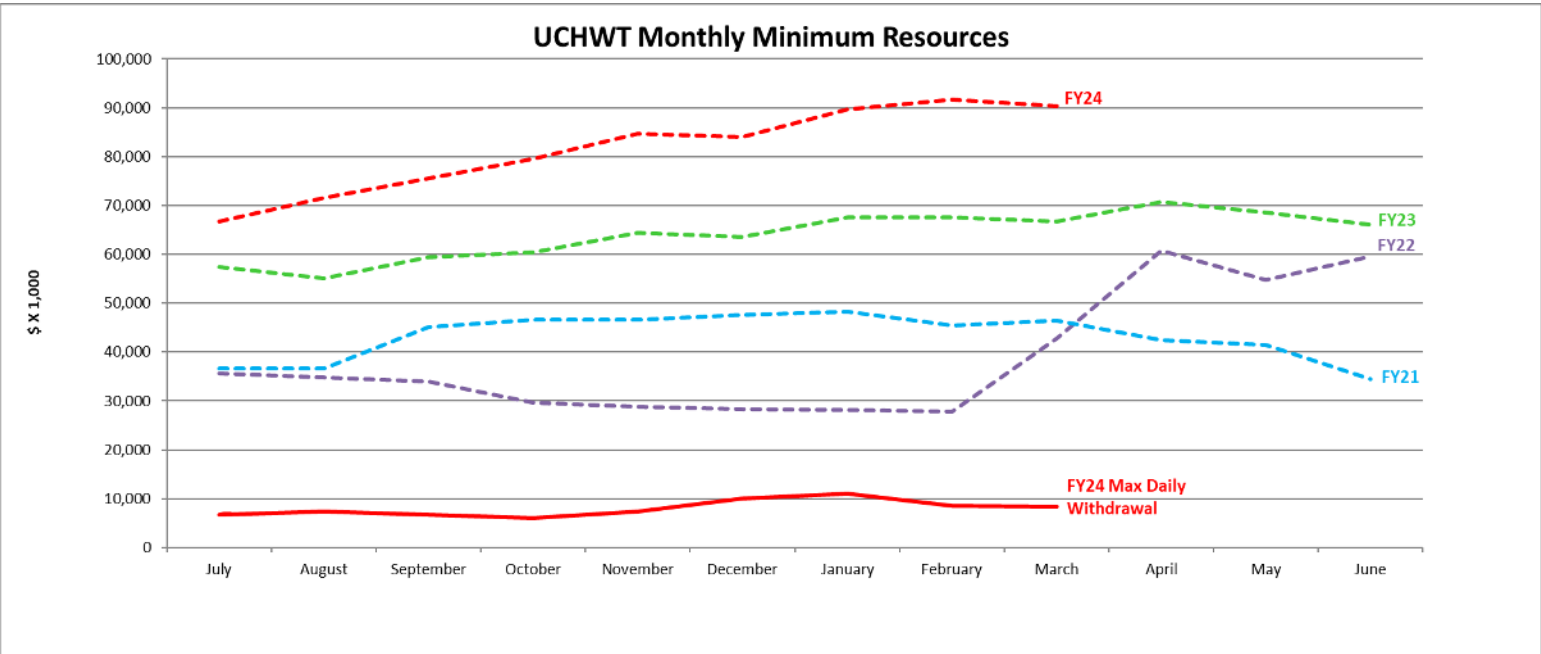
Maximum resources, or the single largest total daily balance of the Trust, increased from the previous quarter and ended higher than any prior Q3. Minimum resources, or the single lowest total daily balance of the Trust, remained consistent and higher than any prior Q3. The bank balance for the third quarter of FY24 remained consistent between \$1,000-\$2,000 except for a large spike at quarter end due to the timing of Good Friday (stock market holiday).

Total investment earnings for the third quarter of FY24 including unrealized gains/(losses) total **\$1,194,084**. This is comprised of earned/accrued income of \$1,292,831 and an unrealized loss of (\$98,747). Total investment earnings fiscal year to date including unrealized gains/(losses) total **\$4,153,717**. This is comprised of earned/accrued income of \$3,432,136 and unrealized gains of \$721,581.

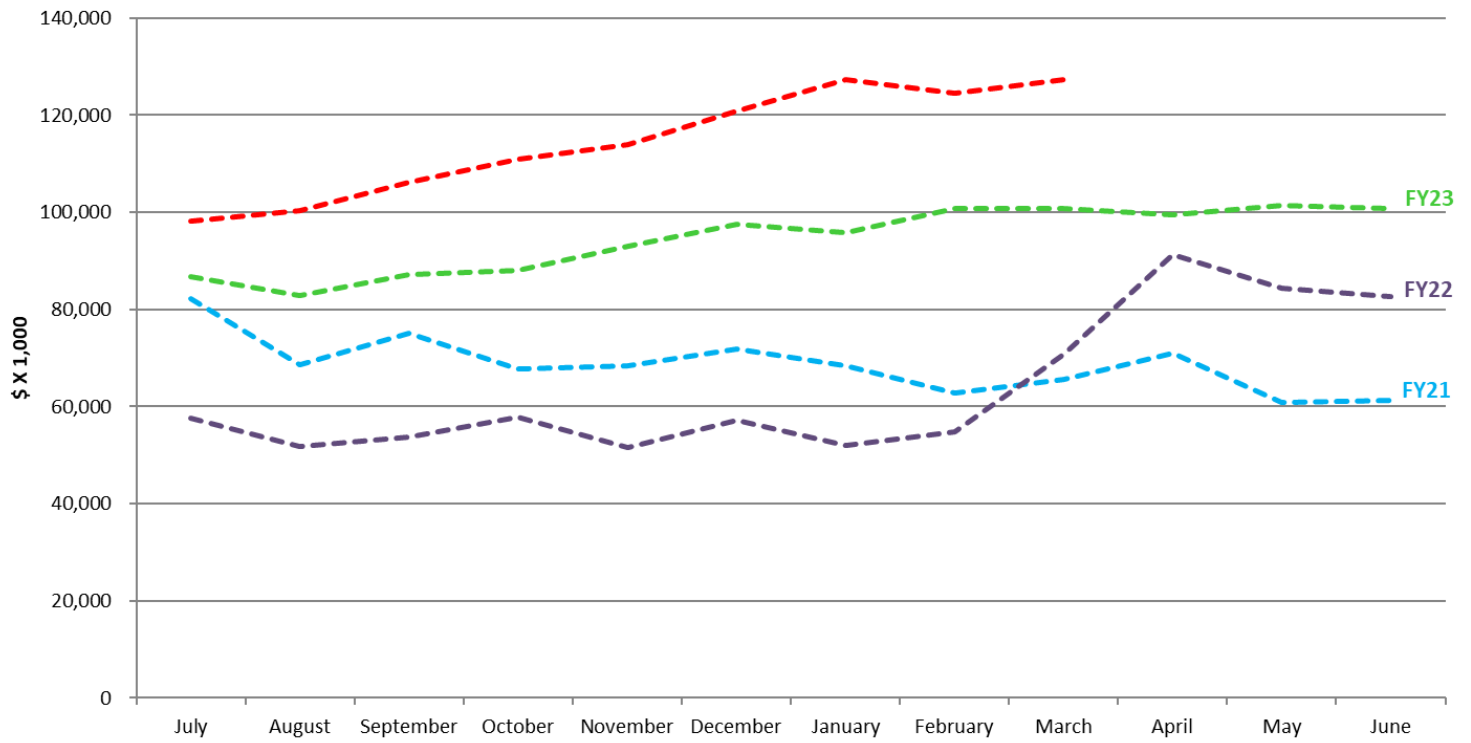
Bank and Investment Balances by Day

Wells Fargo Bank, JPM Short Duration Fund, and Money Market Fund - FY23 - FY24 to date





UCHWT Monthly Maximum Resources



Budget Performance



FY24 – BUDGET TO ACTUAL REPORT AS OF: 3/31/2024

	FY24 TOTAL BUDGET	FY24 BUDGET DETAIL	FY24 ACTUALS AS OF 3/31/2024	FY24 AVAILABLE AMOUNT	3Q FY24 % BUDGET TO ACTUALS	3Q FY23 % BUDGET TO ACTUALS
REVENUES/INFLOWS						
SELF-FUNDED CLAIMS & RESERVES	\$414,746,000					
ANTHEM AND CVS		\$337,358,000	\$ 268,306,769	\$ 69,051,231	79.53%	77.54%
KAISER		54,390,000	36,190,100	18,199,900	66.54%	72.20%
VISION		1,910,000	1,521,967	388,033	79.68%	79.44%
DENTAL		21,088,000	16,111,874	4,976,126	76.40%	77.19%
HEALTH CARE FLEX SPENDING PLANS *	4,347,000	4,347,000	3,022,038	1,324,962	69.52%	73.18%
INVESTMENT INCOME	-	-	4,153,717	-	N/A	N/A
TOTAL REVENUE/INFLOWS	419,093,000	419,093,000	329,306,465	89,786,535	78.58%	77.26%
EXPENSES/OUTFLOWS						
INCURRED SELF-FUNDED CLAIMS	387,753,000					
ANTHEM AND CVS		321,438,000	225,652,842	95,785,158	70.20%	71.20%
KAISER		44,244,000	30,351,540	13,892,460	68.60%	81.51%
VISION		1,732,000	1,561,241	170,759	90.14%	67.72%
DENTAL		20,339,000	15,546,160	4,792,840	76.44%	74.26%
ADMINISTRATIVE FEES, MISC CHARGES						
ASO FEES	21,559,000					
ANTHEM AND CVS		11,060,000	8,580,374	2,479,626	77.58%	86.80%
KAISER		9,573,000	6,885,187	2,687,813	71.92%	67.58%
VISION		177,000	136,624	40,376	77.19%	77.81%
DENTAL		749,000	578,759	170,241	77.27%	83.42%
BANK CHARGES	5,000	5,000	3,945	1,055	78.90%	87.43%
FSA CLAIMS ADMINISTRATION	96,000	96,000	66,085	29,915	68.84%	76.16%
HEALTH SAVINGS ACCOUNT ADMINISTRATION	67,000	67,000	58,440	8,560	87.22%	85.99%
FLEX SPENDING CLAIMS PAYMENTS *	4,347,000	4,347,000	3,407,349	939,651	78.38%	78.59%
WELLNESS	1,612,000			-		
BE COLORADO - MOVE		1,274,000	1,125,932	148,068	88.38%	75.95%
MARKETING		10,000	3,100	6,900	31.00%	39.81%
MENTAL HEALTH		167,000	48,263	118,737	28.90%	28.89%
PREGNANCY/PARENTING		161,000	119,378	41,622	74.15%	38.72%
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	245,301	86,699	73.89%	70.66%
TRUST FEES						
CONSULTING	745,000					
ACTUARY		175,000	55,291	119,709	31.59%	164.70%
LEGAL		20,000	8,084	11,916	40.42%	2.31%
MANAGEMENT		400,000	56,000	344,000	14.00%	63.00%
AUDIT		150,000	49,875	100,125	33.25%	83.63%
INSURANCE	157,000					
FIDUCIARY LIABILITY		56,000	40,728	15,272	72.73%	69.56%
ERRORS AND OMISSIONS		99,000	75,939	23,061	76.71%	78.02%
CRIME		2,000	1,650	350	82.50%	82.45%
CU HEALTH PLAN ADMINISTRATION	2,370,000	2,370,000	1,643,402	726,598	69.34%	67.09%
TOTAL EXPENSES/OUTFLOWS	419,093,000	419,093,000	296,301,489	122,791,511	70.70%	72.77%
NET ACTIVITY FOR PERIOD	\$ -	\$ -	\$ 33,004,976	\$ (33,004,976)		

*FSA Activity is excluded from financial reports on page 5

Plan Performance





May 26, 2024

As of March 31, 2024 the projected FY2024 loss ratio is 94.6% representing a gain of \$23.2M. Table 1 contains the results for the full fiscal year 2023 and fiscal year 2024 (in millions).

Table 1: Financial Summary

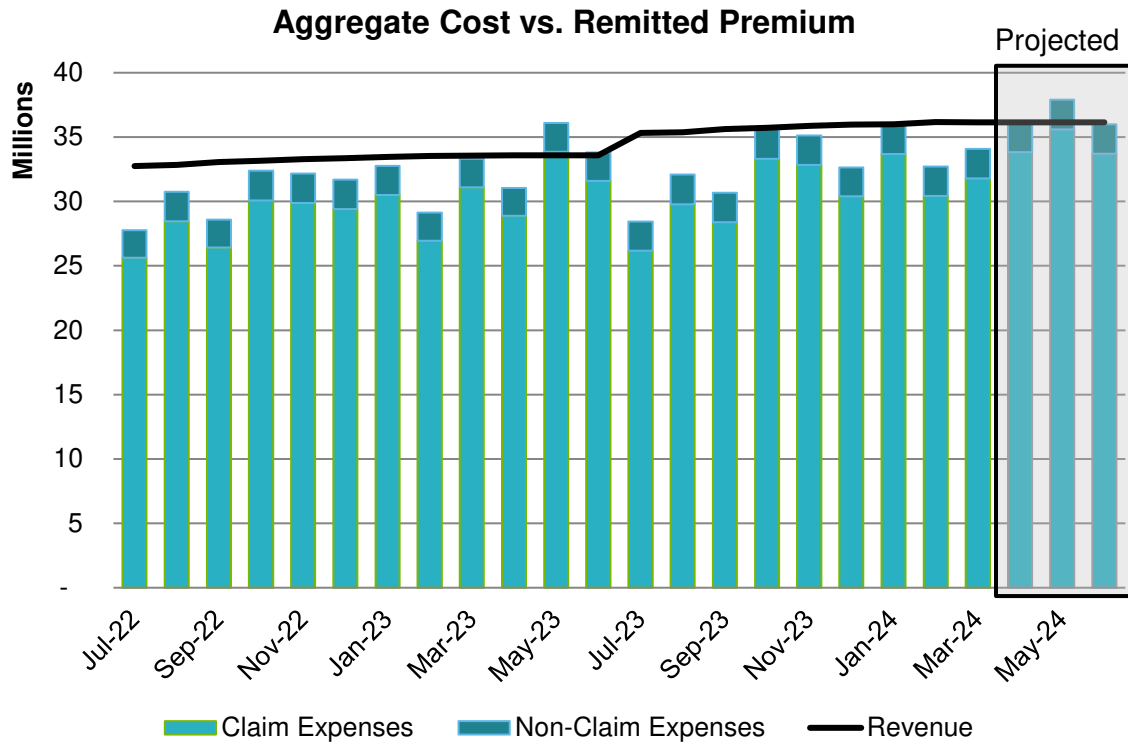
(\$000,000)s	FY2023	FY2024 YTD	FY2024 Proj.
Premium			
Funding	399.7	322.2	430.7
Invoiced Premium	399.7	322.2	430.7
Expense			
Claims	353.8	276.8	380.0
Admin	26.7	20.6	27.5
Total Expense	379.5	297.4	407.5
Gain/Loss	20.2	24.8	23.2
Loss Ratio	94.9%	92.3%	94.6%

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	FY2023	FY2024 YTD	FY2024 Proj.
Medical	298,258	231,439	309,493
Vol. Vision	185,960	150,736	201,679
Dental	298,524	232,495	311,041

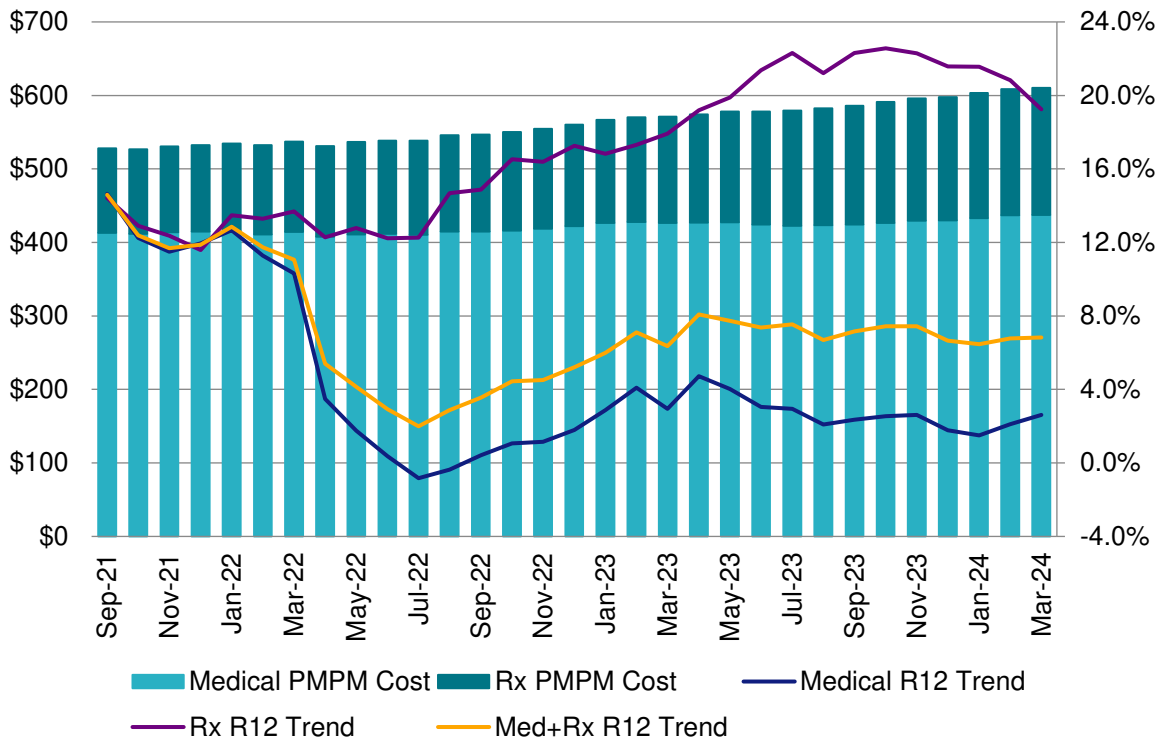
The chart below shows a comparison of total cost (split between claim and non-claim costs) vs. remitted premiums for the prior fiscal year (FY2023) as well as the current fiscal year (FY2024). Current premiums are about \$36M per month and total monthly costs for FY2024 are between \$28 million and \$38 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 March 31, 2024 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).

Anthem + Kaiser CU+CU Med



- Combined Anthem & Kaiser Medical & Pharmacy Trend
- Claims include: Incurred Medical, Rx, and Exclusive Vision paid through March 31, 2024
- Excludes: ASO fees, Trust Expenses, ICM, and Rx Rebates