



Health Plan

University of Colorado Health and Welfare Trust

FY24 4th QUARTER FINANCIAL REPORTS

September 11th, 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 June 30, 2024

(Updated 09/04/2024)

<u>Assets</u>	<i>Current Q4 6/30/2024</i>	<i>Adjusted Balance 6/30/2023</i>
Cash:		
Medical	\$ 1,288	\$ 1,499
Flexible Spending Account	899,570	1,279,225
Investments	82,416,354	70,272,359
Receivables:		
Premiums	35,524,727	32,948,585
Pharmacy Rebates	18,310,082	5,985,467
Premium Assessment Due from Member	-	30,000
Interest	272,233	207,814
Miscellaneous Receivables	-	-
Prepaid Expenses	158,318	164,491
IT Subscription	63,599	132,980
Total Assets	\$ 137,646,171	\$ 111,022,420
<u>Liabilities and Net Position</u>		
Accounts Payable - Medical	\$ 2,985,677	\$ 3,082,313
Contracts Payable	1,273,570	746,627
Benefit Claims Payable - Medical	-	947,615
Incurred But Not Paid Claims Estimate	41,959,819	36,641,192
Flexible Spending	595,799	885,614
Subscription Liability	55,996	125,573
Total Liabilities	46,870,861	42,428,934
Plan Net Position - Unrestricted	90,775,310	68,593,486
Total Liabilities and Plan Net Position	\$ 137,646,171	\$ 111,022,420

UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST
FY24 - STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PLAN NET POSITION (unaudited)
For the year ended June 30, 2024
 (Updated 09/04/2024)

	<i>Current Q4 6/30/2024</i>	<i>Adjusted Balance 6/30/2023</i>
<u>Operating Revenues</u>		
Contributions	\$ 430,476,520	\$ 399,099,266
Flexible Spending Recapture	-	96,858
Total Operating Revenues	<u>430,476,520</u>	<u>399,196,124</u>
<u>Operating Expenses</u>		
Medical Claims	386,950,364	359,059,624
Medical Claims Administration	21,907,474	21,298,914
General and Administrative	3,074,338	3,512,738
Total Administrative	<u>24,981,812</u>	<u>24,811,652</u>
Total Operating Expenses	<u>411,932,176</u>	<u>383,871,276</u>
Operating Income	18,544,344	15,324,848
<u>Nonoperating Revenues (Expenses)</u>		
Investment Earnings	5,387,419	2,333,811
Wellness Initiative	(1,749,939)	(1,495,949)
Total Nonoperating Revenues (Expenses)	<u>3,637,480</u>	<u>837,862</u>
Change in Plan Net Position	22,181,824	16,162,710
Plan Net Position Beginning of Year	68,593,486	52,430,776
Plan Net Position End of Period	<u>\$ 90,775,310</u>	<u>\$ 68,593,486</u>

Treasury



Memo

To: Members of the University of Colorado Health and Welfare Trust Board
From: Usha Sharma, Treasurer
Date: September 3, 2024
Re: Quarterly Report on Investments

The Trust's cash equivalents and investments on June 30, 2024 totaled **\$82.4 million** compared to \$70.3 million on June 30, 2023. \$48.2 million was invested in a AAA-rated government money market fund and \$34.2 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 5.32% for the prior 12 months. The annual investment return for the money market fund increased slightly from the previous quarter. These returns are comparable to other government money markets, which also increased slightly during the quarter. About 58% of the fund has daily liquidity.

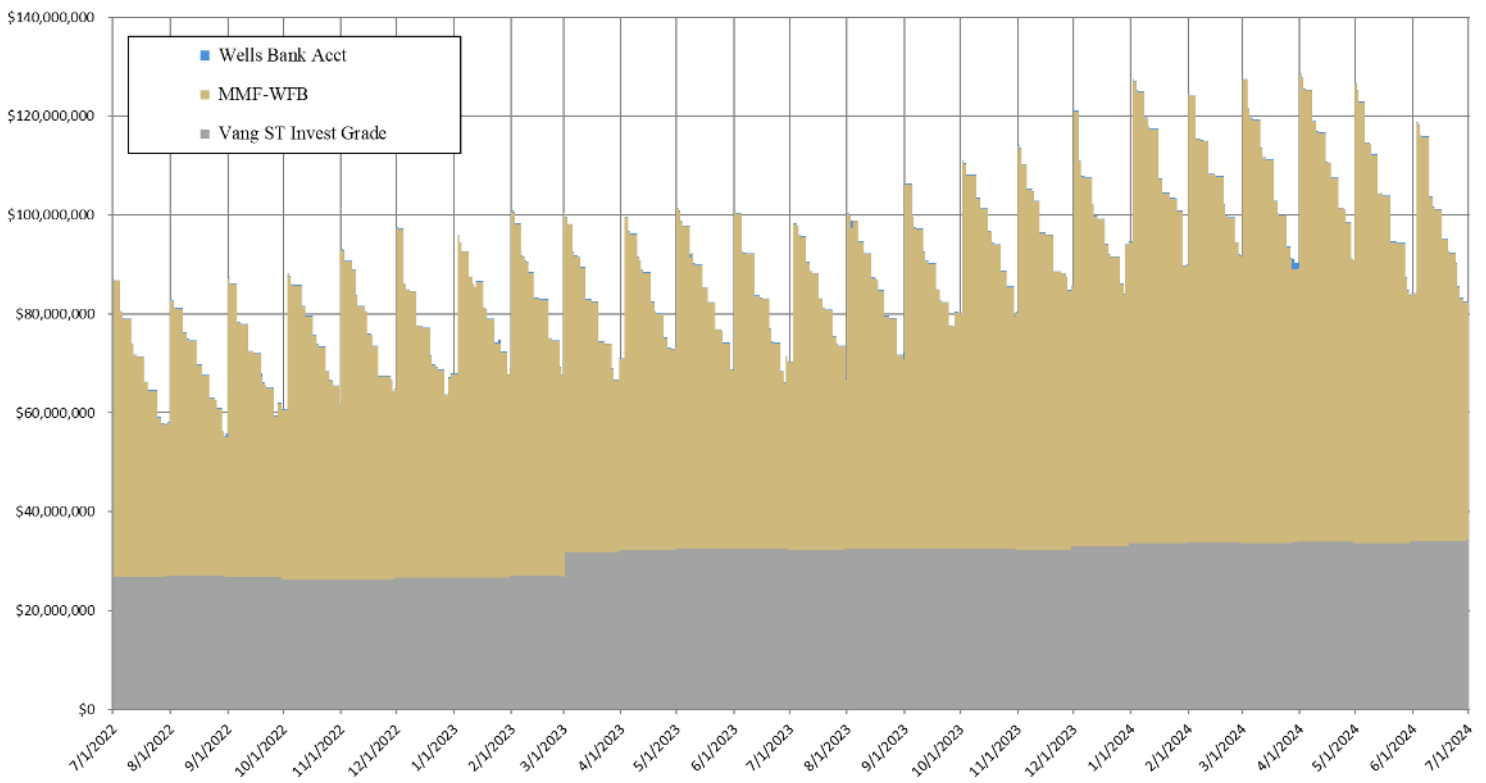
Short duration bond funds have less liquidity but higher return expectations when the feds are not raising rates in an accelerated manner. The Vanguard Short-Term Investment Grade Fund Admiral Shares (VFSUX) quarterly return was 0.95% and the annual return was 6.02%, which was higher than the annual return of benchmark Bloomberg US 1-5 Year Credit Bond Index of 5.74%.

Maximum resources, or the single largest total daily balance of the Trust, dropped slightly but remained higher than any prior Q4. Minimum resources, or the single lowest total daily balance of the Trust, dropped slightly as well but remained higher than any prior Q4. The bank balance for the fourth quarter of FY24 remained consistent between \$1,000-\$2,000.

Total investment earnings for the fourth quarter of FY24 including unrealized gains/(losses) total **\$1,233,701**. This is comprised of earned/accrued income of \$1,265,693 and an unrealized loss of (\$31,991). Total investment earnings for FY24 including unrealized gains/(losses) total **\$5,387,419**. This is comprised of earned/accrued income of \$4,697,829 and unrealized gains of \$689,590.

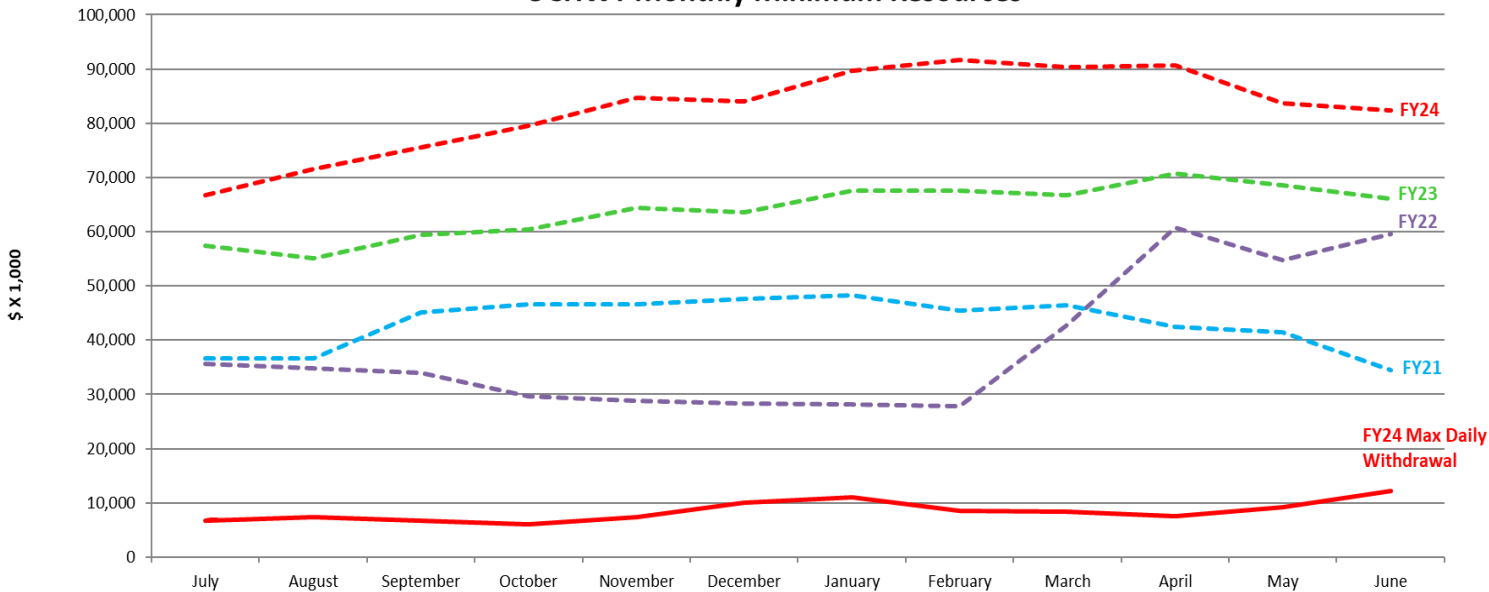
Bank and Investment Balances by Day

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

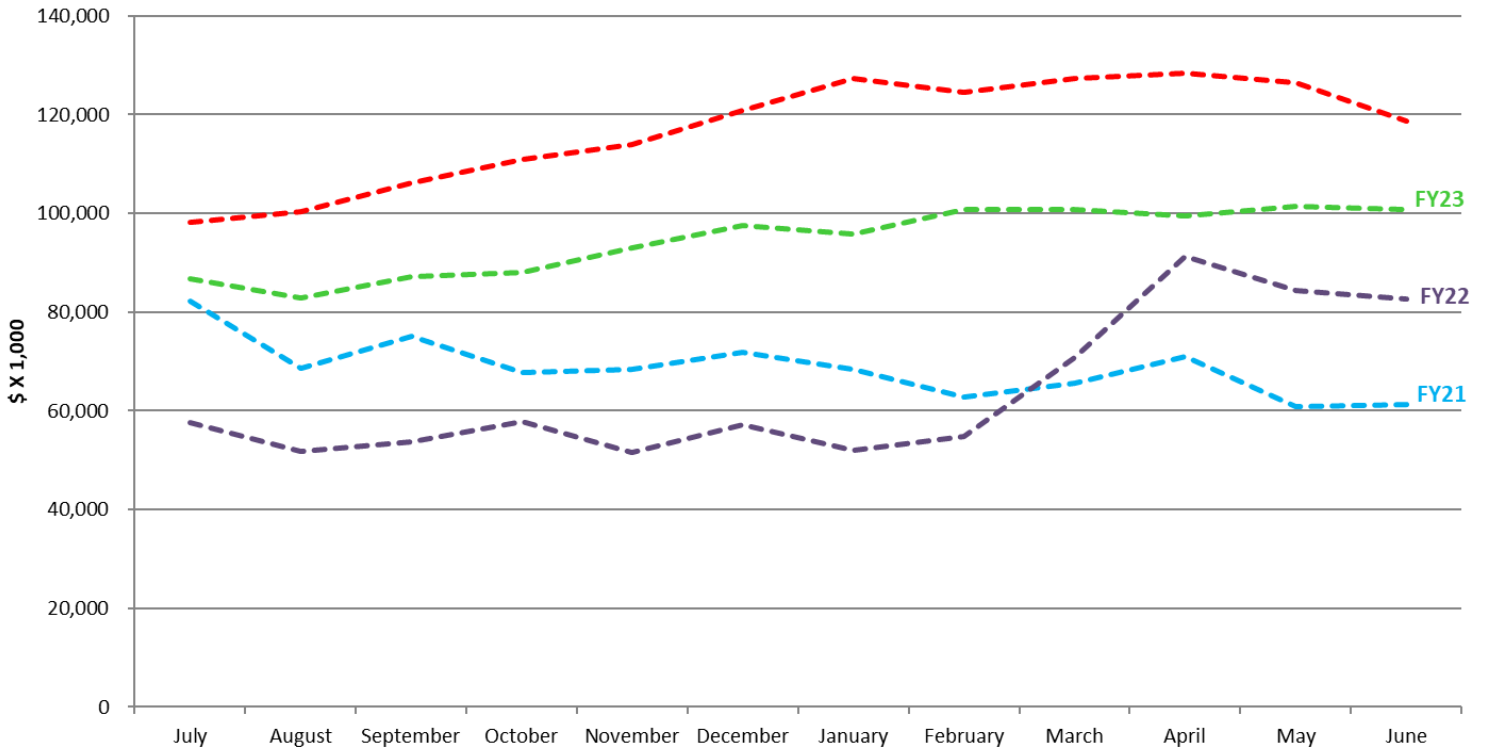




UCHWT Monthly Minimum Resources



UCHWT Monthly Maximum Resources



Budget Performance



FY24 – BUDGET TO ACTUAL REPORT AS OF: 6/30/2024

	FY24 TOTAL BUDGET	FY24 BUDGET DETAIL	FY24 ACTUALS AS OF 6/30/2024	FY24 AVAILABLE AMOUNT	4Q FY24 % BUDGET TO ACTUALS	4Q FY23 % BUDGET TO ACTUALS
REVENUES/INFLOWS						
SELF-FUNDED CLAIMS & RESERVES	\$414,746,000					
ANTHEM AND CVS		\$337,358,000	\$ 358,771,306	\$ (21,413,306)	106.35%	103.70%
KAISER		54,390,000	48,101,980	6,288,020	88.44%	95.89%
VISION		1,910,000	2,036,861	(126,861)	106.64%	106.33%
DENTAL		21,088,000	21,566,374	(478,374)	102.27%	103.24%
HEALTH CARE FLEX SPENDING PLANS *	4,347,000	4,347,000	3,760,464	586,536	86.51%	110.21%
INVESTMENT INCOME	-	-	5,387,419	-	N/A	N/A
TOTAL REVENUE/INFLOWS	419,093,000	419,093,000	439,624,404	(20,531,404)	104.90%	103.36%
EXPENSES/OUTFLOWS						
INCURRED SELF-FUNDED CLAIMS	387,753,000					
ANTHEM AND CVS		321,438,000	322,786,515	(1,348,515)	100.42%	97.82%
KAISER		44,244,000	41,322,052	2,921,948	93.40%	107.10%
VISION		1,732,000	2,018,069	(286,069)	116.52%	88.95%
DENTAL		20,339,000	20,823,728	(484,728)	102.38%	100.32%
ADMINISTRATIVE FEES, MISC CHARGES						
ASO FEES	21,559,000					
ANTHEM AND CVS		11,060,000	12,085,483	(1,025,483)	109.27%	114.75%
KAISER		9,573,000	8,863,873	709,127	92.59%	93.46%
VISION		177,000	182,894	(5,894)	103.33%	104.21%
DENTAL		749,000	775,225	(26,225)	103.50%	111.83%
BANK CHARGES	5,000	5,000	5,329	(329)	106.58%	117.70%
FSA CLAIMS ADMINISTRATION	96,000	96,000	89,244	6,756	92.96%	103.11%
HEALTH SAVINGS ACCOUNT ADMINISTRATION	67,000	67,000	77,649	(10,649)	115.89%	115.50%
FLEX SPENDING CLAIMS PAYMENTS *	4,347,000	4,347,000	4,050,280	296,720	93.17%	94.43%
WELLNESS	1,612,000					
BE COLORADO - MOVE		1,274,000	1,524,496	(250,496)	119.66%	104.39%
MARKETING		10,000	3,100	6,900	31.00%	44.79%
MENTAL HEALTH		167,000	64,328	102,672	38.52%	38.55%
PREGNANCY/PARENTING		161,000	158,015	2,985	98.15%	50.30%
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	325,963	6,037	98.18%	94.43%
TRUST FEES						
CONSULTING	745,000					
ACTUARY		175,000	89,144	85,856	50.94%	259.63%
LEGAL		20,000	10,731	9,269	53.66%	15.79%
MANAGEMENT		400,000	56,000	344,000	14.00%	84.00%
AUDIT		150,000	49,875	100,125	33.25%	60.30%
INSURANCE	157,000					
FIDUCIARY LIABILITY		56,000	53,915	2,085	96.28%	91.91%
ERRORS AND OMISSIONS		99,000	100,703	(1,703)	101.72%	103.55%
CRIME		2,000	2,186	(186)	109.30%	109.30%
CU HEALTH PLAN ADMINISTRATION	2,370,000	2,370,000	2,213,599	156,401	93.40%	92.64%
TOTAL EXPENSES/OUTFLOWS	419,093,000	419,093,000	417,732,396	1,360,604	99.68%	99.11%
NET ACTIVITY FOR PERIOD	\$ -	\$ -	\$ 21,892,008	\$ (21,892,008)		

*FSA Activity is excluded from financial reports on page 5

Plan Performance





September 3, 2024

As of July 31, 2024, the FY2024 loss ratio is 97.3% representing a gain of \$11.6M. Table 1 contains the results for the full fiscal year 2023 and fiscal year 2024 (in millions).

Table 1: Financial Summary

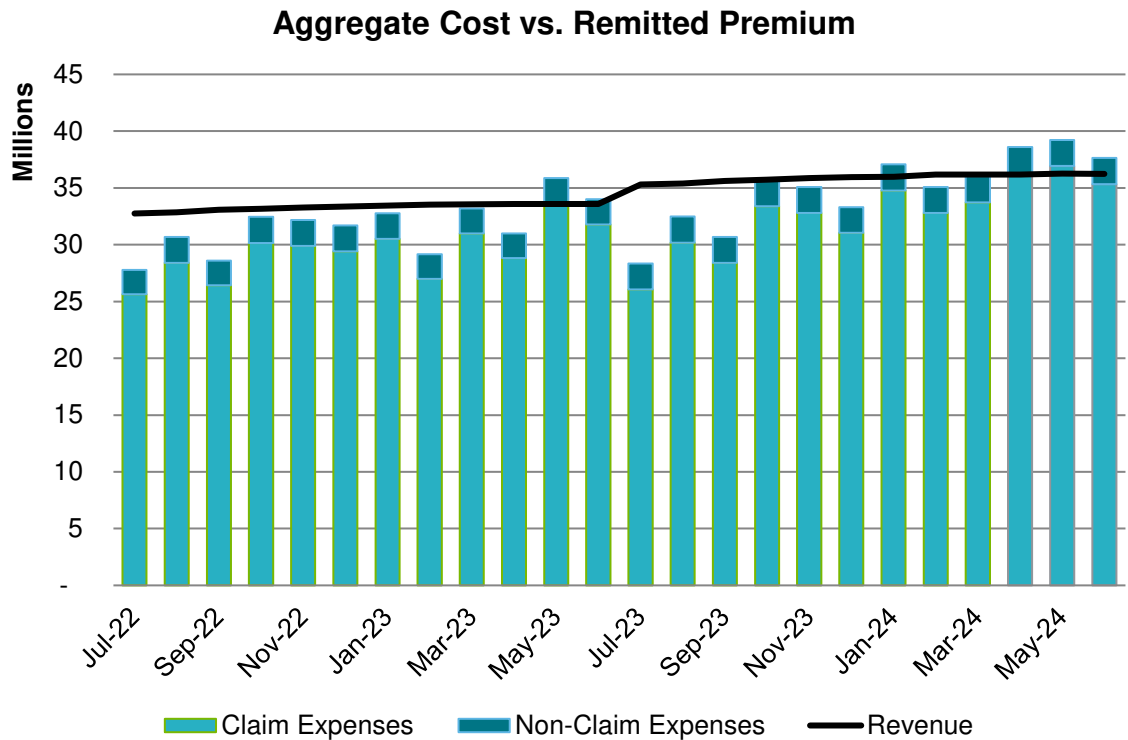
(\$000,000)s	FY2023	FY2024
Premium		
Funding	399.7	430.9
Invoiced Premium	399.7	322.2
Expense		
Claims	353.8	391.7
Admin	26.7	27.5
Total Expense	379.5	419.3
Gain/Loss	20.2	11.6
Loss Ratio	94.9%	97.3%

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

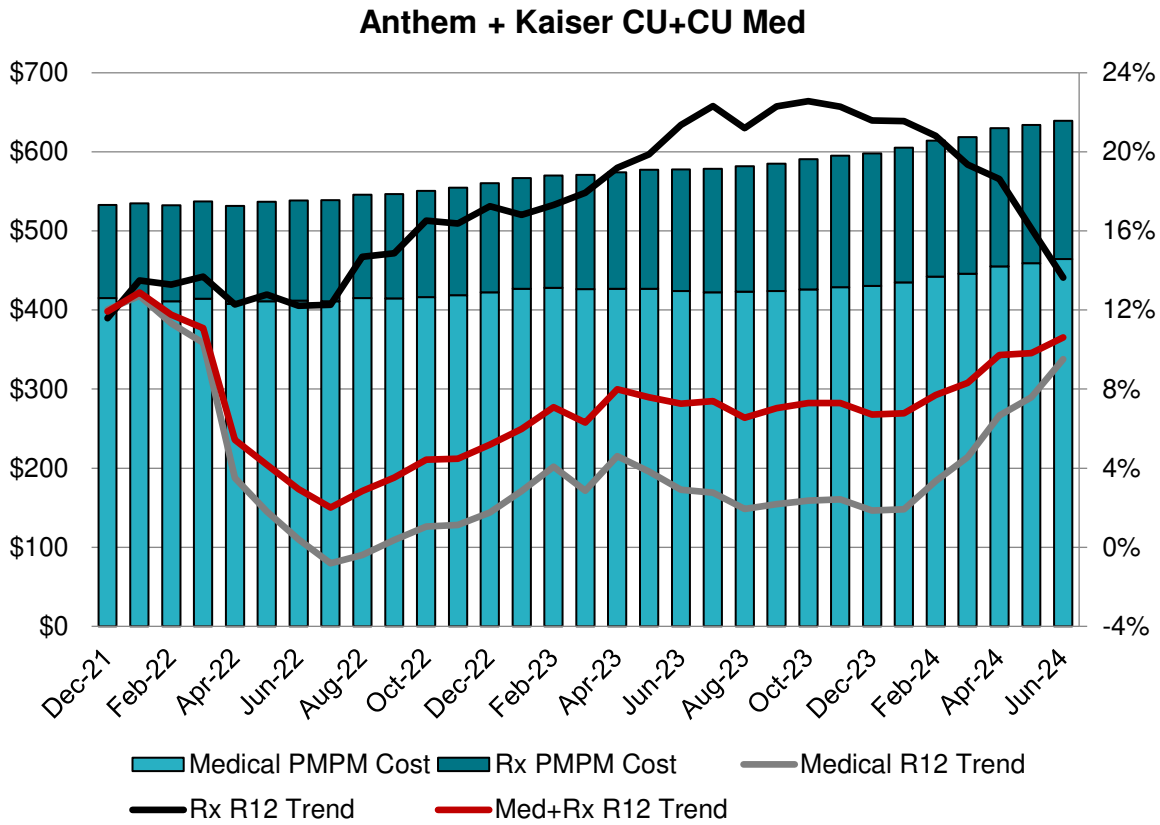
Employee Months	FY2023	FY2024
Medical	298,258	309,310
Vol. Vision	185,960	201,825
Dental	298,524	311,122

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 \$39 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 July 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).



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