



Health Plan

University of Colorado Health and Welfare Trust

FY25 1st QUARTER FINANCIAL REPORTS

January 15th, 2025



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



Medicine

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Financial Reports



UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST
FY25 - STATEMENT OF NET POSITION (unaudited)

As of September 30, 2024

(Updated 12/02/2024)

<u>Assets</u>	<i>Current</i> Q1 <u>9/30/2024</u>	<i>Current</i> Q4 <u>6/30/2024</u>
Cash:		
Medical	\$ 1,420	\$ 1,292
Flexible Spending Account	415,924	899,570
Investments	92,508,222	82,416,354
Receivables:		
Premiums	37,234,229	35,524,726
Pharmacy Rebates	9,215,605	18,310,082
Interest	279,860	272,233
Prepaid Expenses	241,492	158,318
IT Subscription	46,254	63,599
Total Assets	\$ 139,943,006	\$ 137,646,174
<u>Liabilities and Net Position</u>		
Accounts Payable - Medical	\$ 4,070,878	\$ 2,450,681
Contracts Payable	1,545,599	1,808,566
Incurred But Not Paid Claims Estimate	37,864,372	41,959,819
Flexible Spending	133,616	595,799
Subscription Liability	37,355	55,996
Total Liabilities	43,651,820	46,870,861
Plan Net Position - Unrestricted	96,291,186	90,775,313
Total Liabilities and Plan Net Position	\$ 139,943,006	\$ 137,646,174

UNIVERSITY OF COLORADO HEALTH AND WELFARE TRUST
FY25 - STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PLAN NET POSITION (unaudited)
For the three months ended September 30, 2024
 (Updated 12/02/2024)

	<i>Current</i> Q1 9/30/2024	<i>Current</i> Q4 6/30/2024
<u>Operating Revenues</u>		
Contributions	\$ 114,000,480	\$ 430,476,520
Total Operating Revenues	<u>114,000,480</u>	<u>430,476,520</u>
<u>Operating Expenses</u>		
Medical Claims	103,659,009	386,950,364
Medical Claims Administration	5,641,525	21,907,473
General and Administrative	925,935	3,074,337
Total Administrative	<u>6,567,460</u>	<u>24,981,810</u>
Total Operating Expenses	<u>110,226,469</u>	<u>411,932,174</u>
Operating Income	3,774,011	18,544,346
<u>Nonoperating Revenues (Expenses)</u>		
Investment Earnings	2,196,523	5,387,419
Wellness Initiative	(454,661)	(1,749,938)
Total Nonoperating Revenues (Expenses)	<u>1,741,862</u>	<u>3,637,481</u>
Change in Plan Net Position	5,515,873	22,181,827
Plan Net Position Beginning of Year	90,775,313	68,593,486
Plan Net Position End of Period	<u>\$ 96,291,186</u>	<u>\$ 90,775,313</u>

Treasury



Memo

To: Members of the University of Colorado Health and Welfare Trust Board
From: Usha Sharma, Treasurer
Date: December 2, 2024
Re: Quarterly Report on Investments

The Trust's cash equivalents and investments on September 30, 2024 totaled **\$92.5 million** compared to \$80.1 million on September 30, 2023. \$57 million was invested in a AAA-rated government money market fund and \$35.5 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 a current quarter-end yield of 1.30% and an annual return of 5.31% for the prior 12 months. The investment return for the money market fund remained flat from the previous quarter. These returns are comparable to other government money markets. About 62% of the fund has daily liquidity.

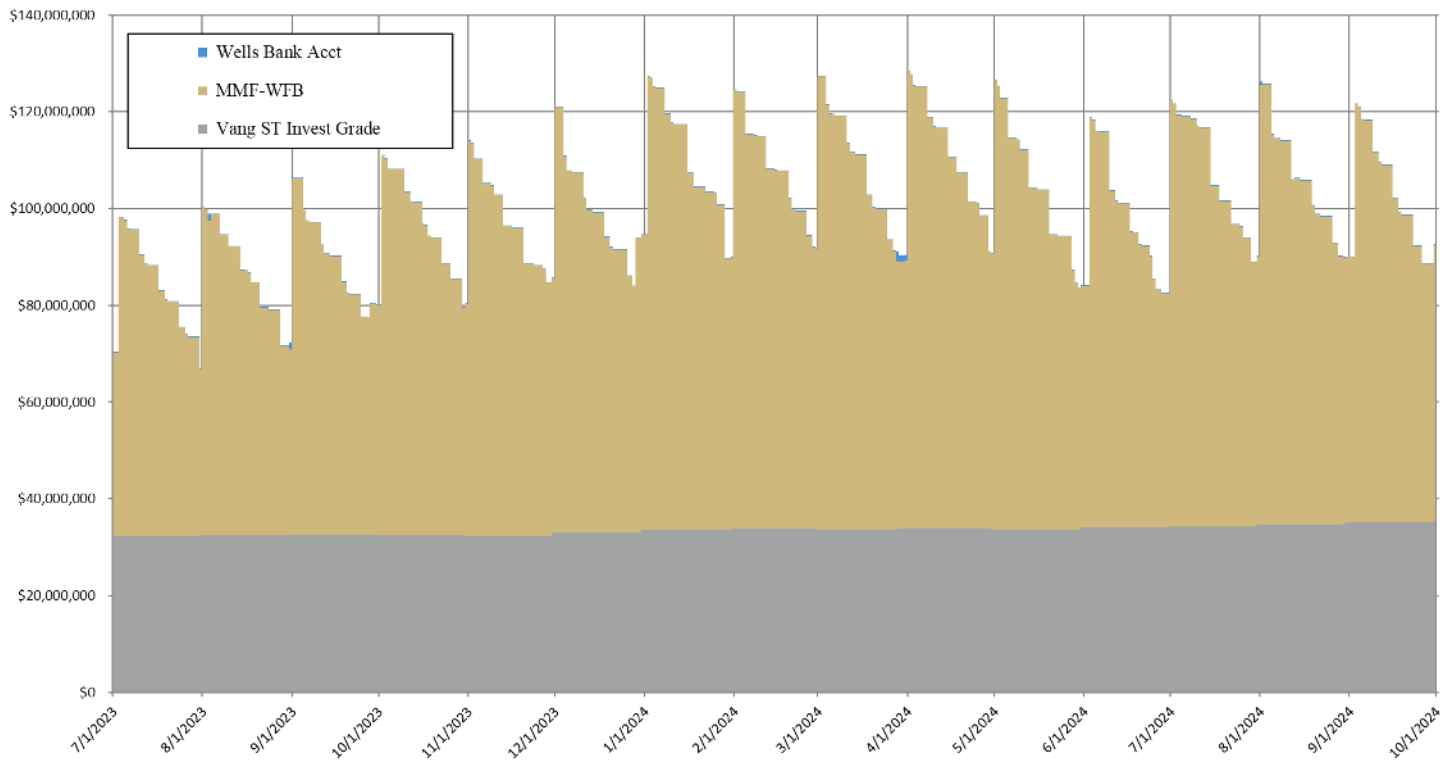
Short duration bond funds have less liquidity but higher return expectations. The Vanguard Short-Term Investment Grade Fund Admiral Shares (VFSUX) had a quarterly return of 3.76% and an annual return of 9.61%, which was higher than the annual return of benchmark Bloomberg US 1-5 Year Credit Bond Index of 9.39%.

Maximum resources, or the single largest total daily balance of the Trust, remained stable and higher than any prior Q1. Minimum resources, or the single lowest total daily balance of the Trust, remained stable as well and higher than any prior Q1. The bank balance for the first quarter of FY25 remained consistent between \$1,000-\$2,000.

Total investment earnings for the first quarter of FY25 including unrealized gains/(losses) total **\$2,196,523**. This is comprised of earned/accrued income of \$1,287,126 and an unrealized gain of \$909,397.

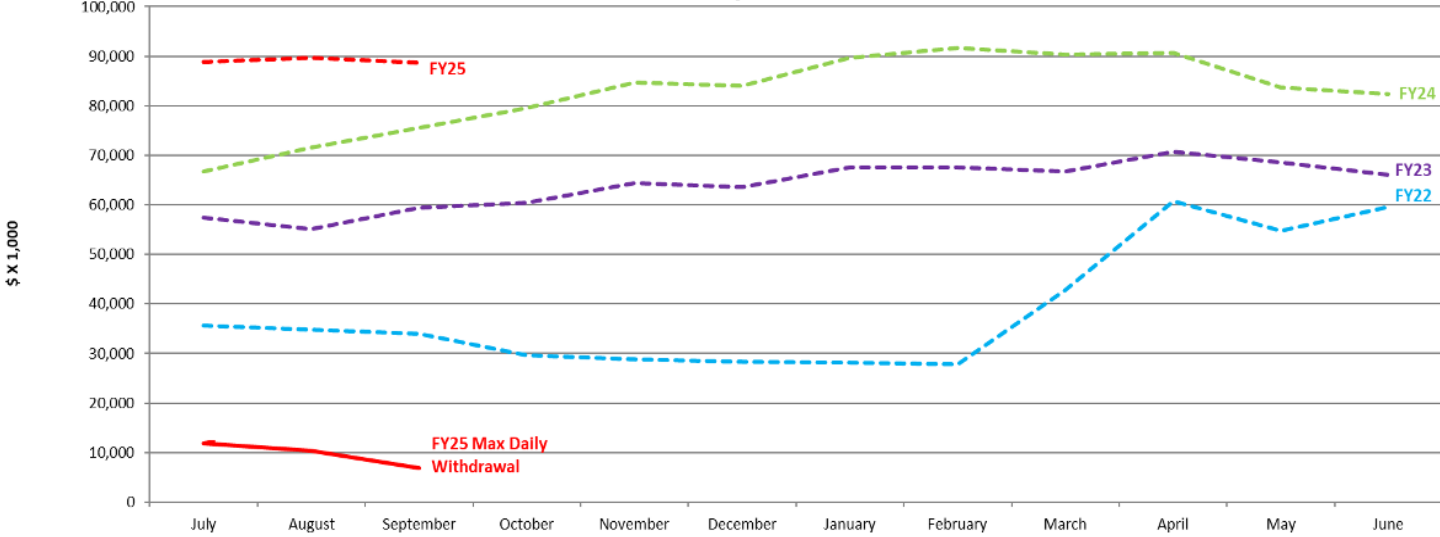
Bank and Investment Balances by Day

Wells Fargo Bank, JPM Short Duration Fund, and Money Market Fund - FY24 - FY25 to date

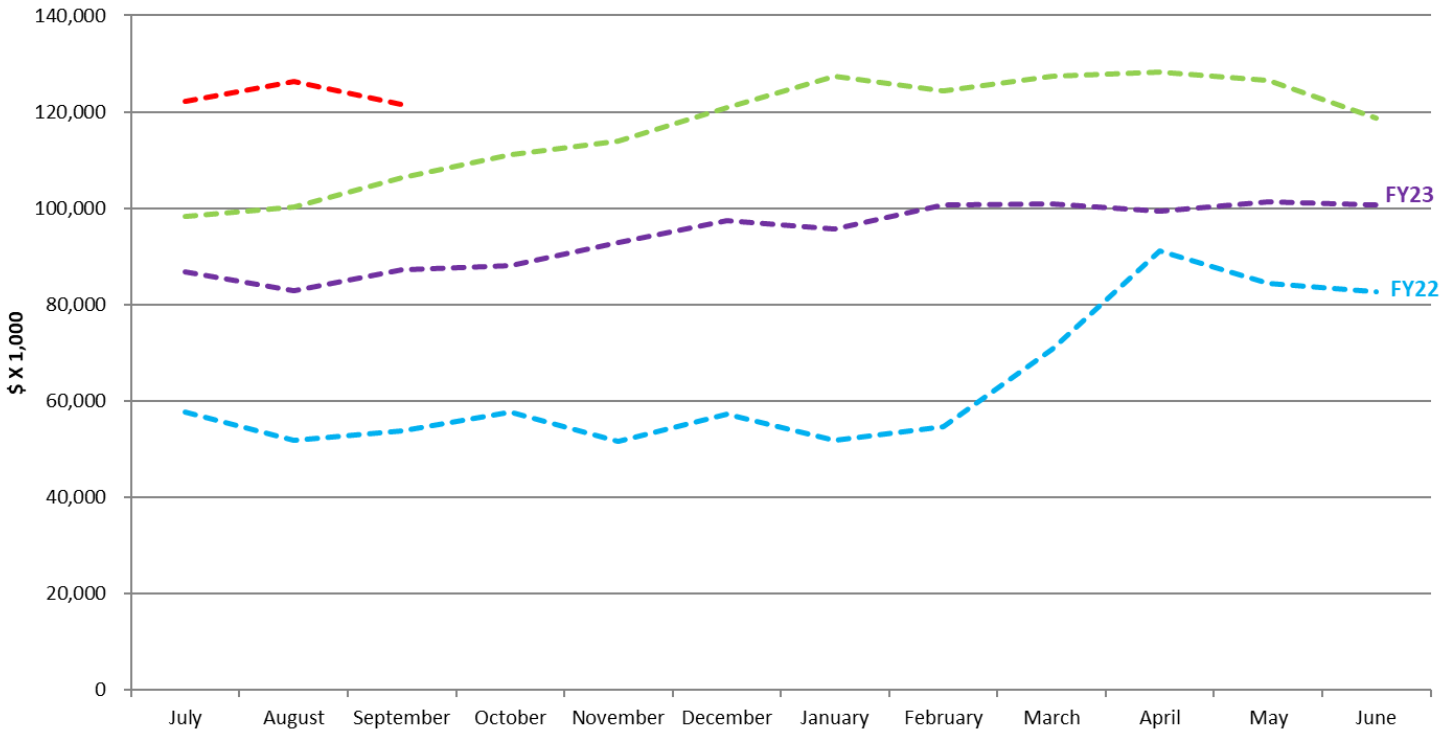




UCHWT Monthly Minimum Resources



UCHWT Monthly Maximum Resources



Budget Performance



FY24 – BUDGET TO ACTUAL REPORT AS OF: 9/30/2024

	FY25 TOTAL BUDGET	FY25 BUDGET DETAIL	FY25 ACTUALS AS OF 9/30/2024	FY25 AVAILABLE AMOUNT	1Q FY25 % BUDGET TO ACTUALS	1Q FY24 % BUDGET TO ACTUALS
REVENUES/INFLOWS						
SELF-FUNDED CLAIMS & RESERVES	\$ 451,894,000					
ANTHEM AND CVS		\$ 371,627,000	\$ 96,326,317	\$ 275,300,683	25.92%	26.10%
KAISER		55,864,000	11,422,003	44,441,997	20.45%	22.38%
VISION		2,320,000	591,509	1,728,491	25.50%	26.12%
DENTAL		22,083,000	5,660,652	16,422,348	25.63%	25.08%
HEALTH CARE FLEX SPENDING PLANS *	4,150,000	4,150,000	1,047,428	3,102,572	25.24%	15.47%
INVESTMENT INCOME	-	-	2,196,523	(2,196,523)	N/A	N/A
TOTAL REVENUE/INFLOWS	456,044,000	456,044,000	117,244,432	338,799,568	25.71%	25.65%
EXPENSES/OUTFLOWS						
INCURRED SELF-FUNDED CLAIMS	423,664,000					
ANTHEM AND CVS		354,923,000	85,842,199	269,080,801	24.19%	21.16%
KAISER		45,308,000	10,901,243	34,406,757	24.06%	21.04%
VISION		2,130,000	680,021	1,449,979	31.93%	33.03%
DENTAL		21,303,000	6,235,546	15,067,454	29.27%	26.62%
ADMINISTRATIVE FEES, MISC CHARGES						
ASO FEES	22,557,000					
ANTHEM AND CVS		11,582,000	3,166,543	8,415,457	27.34%	26.74%
KAISER		10,006,000	2,230,836	7,775,164	22.29%	21.12%
VISION		190,000	47,211	142,789	24.85%	25.27%
DENTAL		779,000	196,936	582,064	25.28%	25.21%
BANK CHARGES	5,000	5,000	2,725	2,275	54.50%	24.34%
FSA CLAIMS ADMINISTRATION	91,000	91,000	20,630	70,370	22.67%	14.55%
HEALTH SAVINGS ACCOUNT ADMINISTRATION	80,000	80,000	21,497	58,503	26.87%	27.76%
FLEX SPENDING CLAIMS PAYMENTS *	4,150,000	4,150,000	1,509,611	2,640,389	36.38%	33.96%
WELLNESS	1,887,000					
BE COLORADO - MOVE		1,546,000	405,323	1,140,677	26.22%	29.62%
MARKETING		10,000	-	10,000	0.00%	10.50%
MENTAL HEALTH		167,000	10,701	156,299	6.41%	9.63%
PREGNANCY/PARENTING		164,000	38,637	125,363	23.56%	21.73%
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	81,178	250,822	24.45%	24.23%
TRUST FEES						
CONSULTING	745,000					
ACTUARY		175,000	30,959	144,041	17.69%	15.99%
LEGAL		20,000	769	19,231	3.85%	12.88%
MANAGEMENT		400,000	20,000	380,000	5.00%	14.00%
AUDIT		150,000	144,945	5,055	96.63%	24.67%
INSURANCE	162,000					
FIDUCIARY LIABILITY		56,000	14,230	41,770	25.41%	25.64%
ERRORS AND OMISSIONS		104,000	27,588	76,412	26.53%	26.68%
CRIME		2,000	579	1,421	28.95%	28.90%
CU HEALTH PLAN ADMINISTRATION	2,321,000	2,321,000	560,835	1,760,165	24.16%	22.79%
TOTAL EXPENSES/OUTFLOWS	456,044,000	456,044,000	112,190,742	343,853,258	24.60%	21.77%
NET ACTIVITY FOR PERIOD	\$ -	\$ -	\$ 5,053,690	\$ (5,053,690)		

*FSA Activity is excluded from financial reports on page 5

Plan Performance





December 9, 2024

As of September 30, 2024, the FY2025 loss ratio is 94.2% representing a gain of \$6.6M. Table 1 contains the results for the full fiscal year 2024 and fiscal year 2025 (in millions).

Table 1: Financial Summary

(\$000,000)s	FY2024	FY2025 YTD	FY2025 Projected
Premium			
Funding	430.9	114.3	458.5
Invoiced Premium	430.9	114.3	458.5
Expense			
Claims	392.0	100.9	445.5
Admin	27.5	6.9	27.5
Total Expense	419.5	107.7	473.0
Gain/Loss	11.4	6.6	(14.5)
Loss Ratio	97.4%	94.2%	103.2%

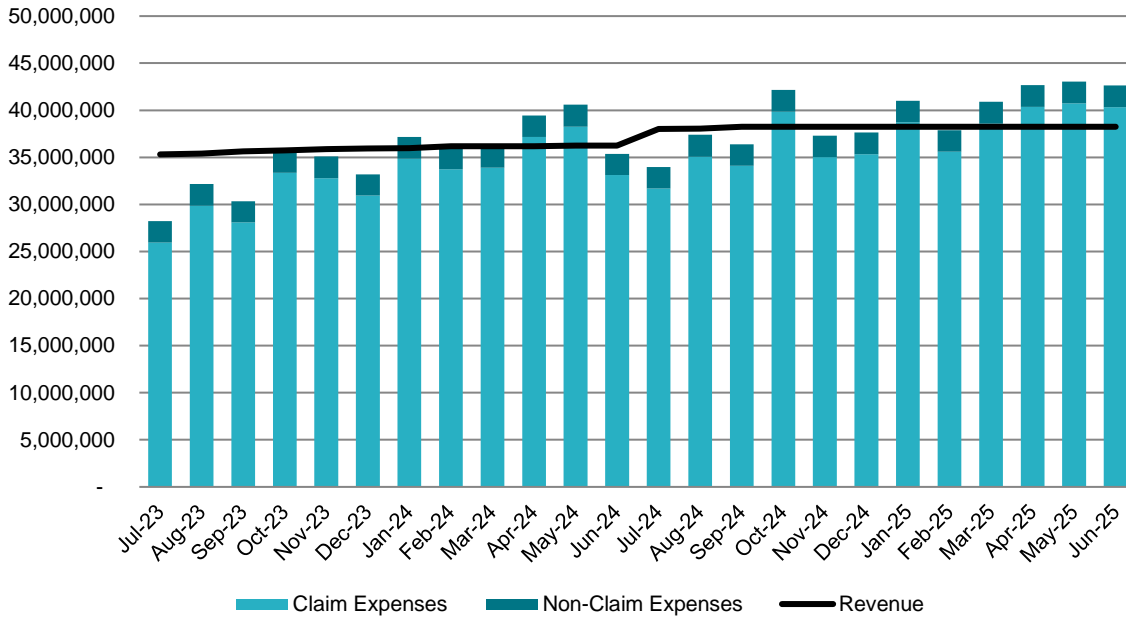
The projected medical, pharmacy and dental incurred claim estimates included in this report are based on historical claims adjusted for trend and plan seasonality consistent with historical projection methodology. Enrollment for the periods above are found in Table 2 below.

Table 2: Enrollment by Plan

Employee Months	FY2024	FY2025 YTD	FY2025 Projected
Medical	309,646	79,026	316,995
Vol. Vision	201,846	52,256	209,603
Dental	311,143	79,462	319,213

The chart below shows a comparison of total cost (split between claim and non-claim costs) vs. remitted premiums for the prior fiscal year (FY2024) as well as the current fiscal year (FY2025). Current premiums are about \$36M per month and total monthly costs for FY2025 YTD are between \$33 million and \$37 million. This chart demonstrates the monthly volatility experienced by the plan as well as the seasonal pattern of costs throughout the fiscal year.

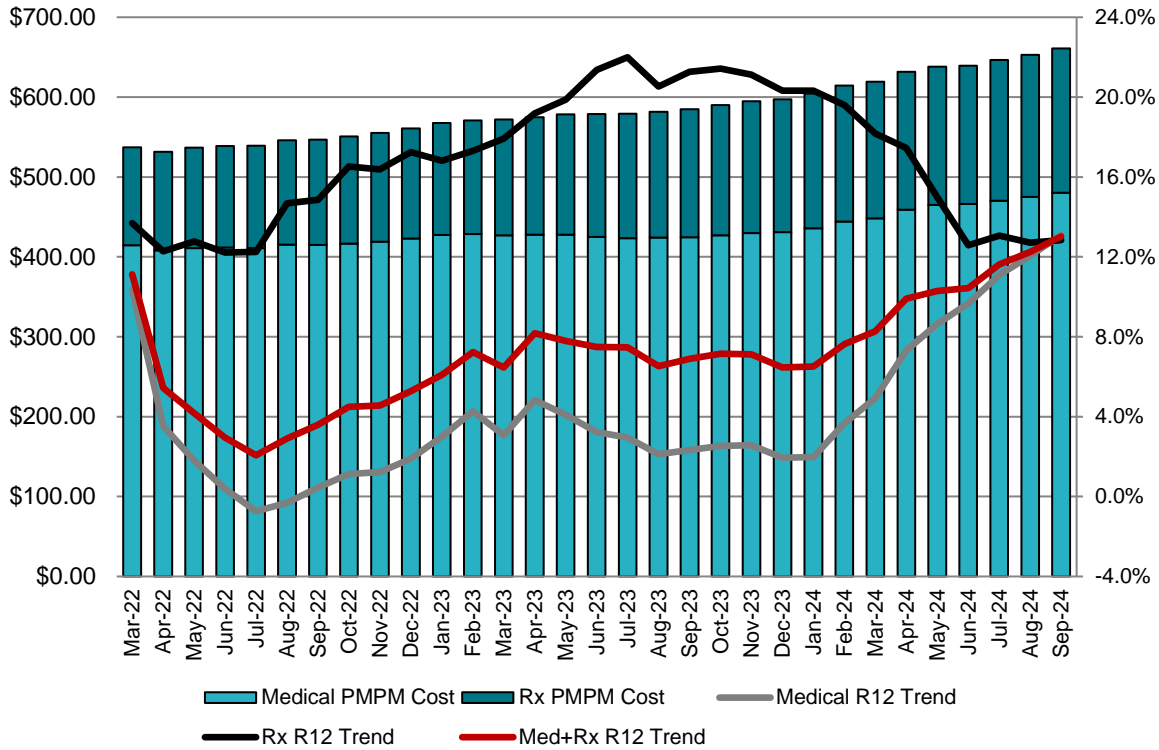
Aggregate Cost vs. Remitted Premium



- 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 September 30, 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 September 30, 2024
- Excludes: ASO fees, Trust Expenses, ICM, and Rx Rebates