

Annual Report

2021

The 32nd and final year of providing coverage to Illinois Residents.

Illinois Comprehensive Health Insurance Plan



JB Pritzker, Governor
Kwame Raul, Attorney General
Dana Popish Severinghaus, Chairman of Board
Brodie Taylor, Interim Acting Executive Director

Recent Events

Illinois Public Act 102-0159 was signed by the Governor on July 23, 2021. With the implementation of this legislation, the Comprehensive Health Insurance Plan (CHIP) discontinued as the alternative market for health insurance for certain Illinois residents and discontinued as the alternative mechanism, as described in the federal Health Insurance Portability and Accountability Act of 1996, effective at 11:59 PM on December 31, 2021. All powers, duties, rights, and responsibilities of CHIP and the CHIP board was transferred to and vested in the Director of Insurance as rehabilitator to oversee the wind-down and dissolution of CHIP.

The History and Mission of CHIP

The Comprehensive Health Insurance Plan Act, 215 ILCS 105/1 *et seq.*, became law in 1987 with first coverage provided on May 1, 1989. Illinois was the fifteenth state to enact such a mechanism, known as a “high risk pool,” and the first to use state general revenue funds.

The CHIP program had a two-fold mission:

- To provide health coverage for Illinois residents who cannot obtain health insurance due to health reasons or have substantially similar coverage that costs more than the individual Traditional pool premium rate; and
- To provide coverage to Illinois residents who recently lost group coverage and have exhausted COBRA or other continuation coverage.

The original purpose of the CHIP program was to provide coverage to individuals who were “uninsurable”. This part of CHIP was known as the Traditional CHIP pool. There were two plans available under the Traditional pool. The Traditional Non-Medicare Plan was for individuals who were either unable to obtain private coverage because of a medical condition or able to find coverage but at a rate exceeding the applicable CHIP rate. The Traditional Medicare Plan was for individuals under age 65 who were covered by Medicare Parts A and B because of end-stage renal disease or other disability. In 2013 the Board made the decision to discontinue the Traditional Medicare Plan effective December 31, 2013. In 2013, the Board made the policy decision not to enroll or renew individuals into the Traditional pool after April 30, 2014 due to the availability of guaranteed issue under the Patient Protection and Affordable Care Act (ACA).

Following the passage of the federal Health Insurance Portability and Accountability Act (HIPAA) in 1996, CHIP also became responsible for providing health coverage to individuals who had, but subsequently lost, group insurance. On the state level, legislation was enacted creating the HIPAA-CHIP Pool, and coverage in it was first provided to eligible individuals on July 1, 1997. The pool was funded primarily by an assessment on health insurers and members’ premiums.

Additional responsibility came in 2003 with the designation of CHIP as a “qualified health plan” as established in the federal Trade Act of 2002. Qualified Illinois residents could use coverage in the HIPAA-CHIP pool to claim the Health Coverage Tax Credit (HCTC) if they were Trade Adjustment Act (TAA) certified or were receiving a pension from the Pension Benefit Guaranty Corporation (PBGC). Pursuant to federal law, the HCTC ended December 31, 2013.

In 2008 coverage changes were implemented in response to the Medicare Reform Act to provide High Deductible Health Plan (HDHP) options to CHIP members in either the Traditional or the HIPAA pool. HDHP plans can be used in conjunction with Health Savings Accounts to allow enrollees to take advantage of federal income tax provisions that allow payment for out-of-pocket medical expenses from pretax dollars. These plans were discontinued December 31, 2014.

On March 23, 2010 the President signed into law the ACA that in part prohibits health insurers from denying coverage due to pre-existing conditions. At its peak, CHIP was insuring over 21,000 Illinois residents. In 2014 the majority of CHIP members transitioned into the ACA marketplace resulting in a December 31, 2014 enrollment of 885 members. Enrollment continued to decline each year and for calendar year 2021 the average CHIP membership enrollment was 83.

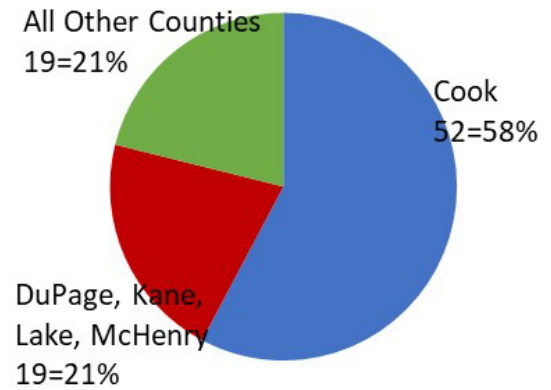
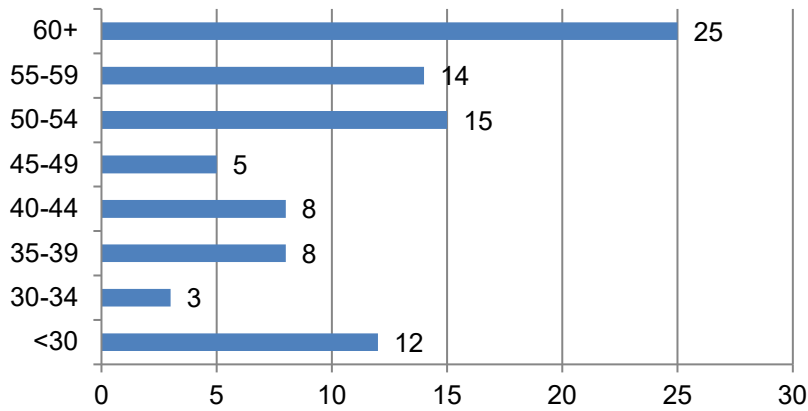
Member Profile for 2021

88 members January 1
 +2 members added during calendar year
 - 90 members terminated during calendar year
 0 members after December 31

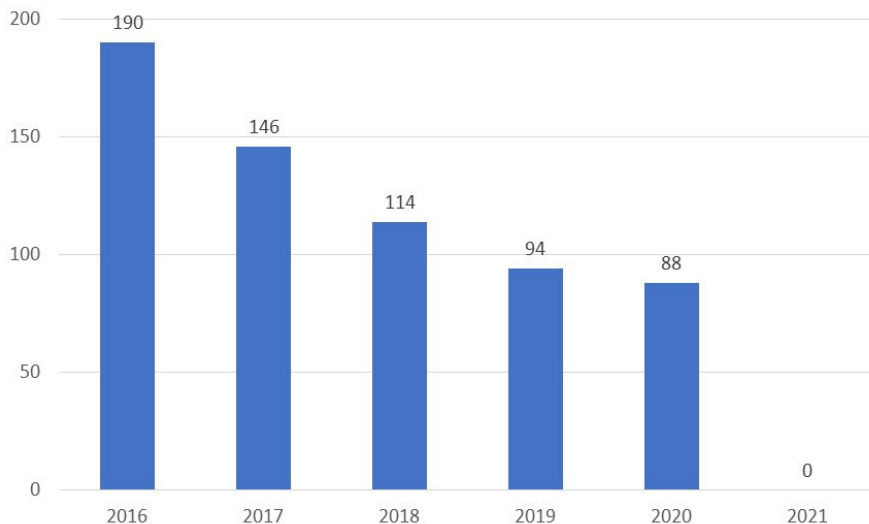
Reason the coverage terminated for the 90 members:

<u>Reason</u>	<u>Members</u>
Plan terminated at end of year	77
Enrolled in other coverage	4
Reached age 65	3
Death	2
Member requested termination	1
Enrolled in Medicare coverage	1
No longer an Illinois resident	1
Nonpayment of premium	1

Age and County distribution for the 90 members – age based on 12/31/2021



Number of Members at December 31



Financial Highlights

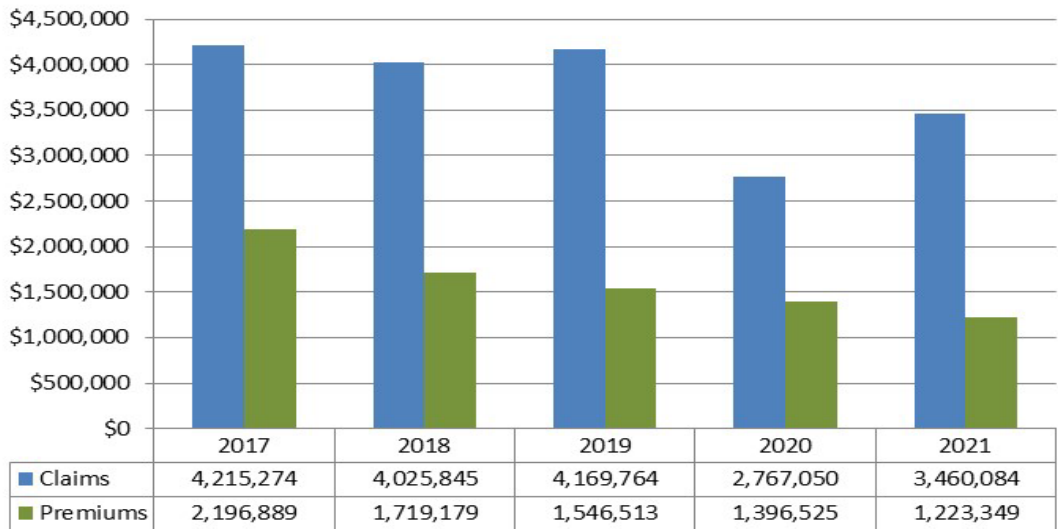
The following is a summary of the Plan's income and expenses for calendar years 2021 and 2020. Net Earned Premiums decreased \$173,176 or 12.4%, from the prior year. This decrease is the result of an 14.4% decrease in average enrollment, offset slightly by an increase in the premium rates charged. Net Incurred Losses increased \$799,500 or 30.7%. This increase is primarily due to a \$531,740 increase in inpatient claims and a \$125,068 increase in prescription drug claims in 2021. Larger Pension and Other Post-Employment Benefits reversals were made in 2021 than in calendar year 2020 due to reversing all remaining accrued assets and liabilities related to those expenses in 2021 as a result of the dissolution of CHIP effective December 31, 2021. Earned assessments decreased \$588,600 or 38.7%, because no assessment was approved for the last half of calendar year 2021 due to the prior year's funds surplus and the dissolution of CHIP. The change in net position decreased \$15,862 in 2021 from the prior year.

Illinois Comprehensive Health Insurance Plan
Financial Summary Data (unaudited)
Total Plan
Year Ended December 31

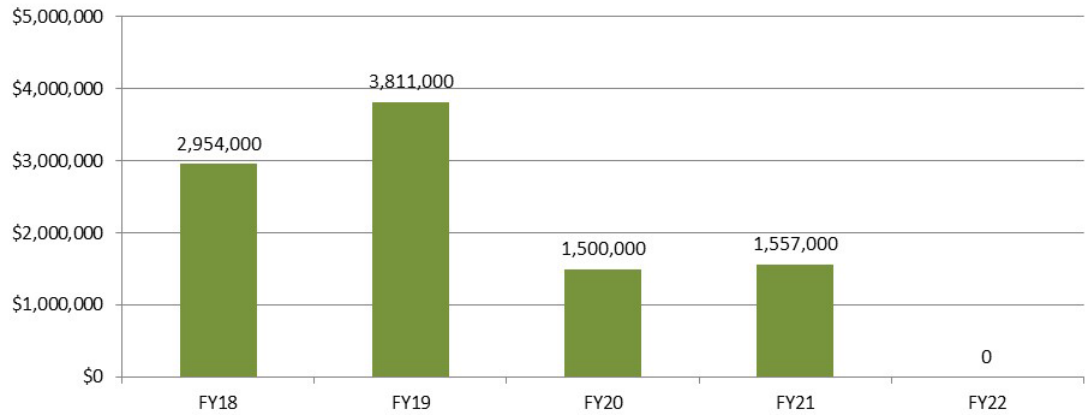
Plan Income	2021	2020
Net Written Premiums	\$ 1,098,505	\$ 1,392,797
Change in Unearned Premiums	124,844	3,728
Net Earned Premiums	<u>\$ 1,223,349</u>	<u>\$ 1,396,525</u>
Investment Income	4,384	79,521
Total Plan Income	<u>\$ 1,227,733</u>	<u>\$ 1,476,046</u>
Plan Expenses		
Net Paid Losses	\$ 3,443,310	\$ 2,747,810
Change in Incurred But Not Reported Losses	(37,000)	(141,000)
Net Incurred Losses	<u>\$ 3,406,310</u>	<u>\$ 2,606,810</u>
Administrator Fees	37,814	43,956
CHIP Board Office Expenses	577,084	532,317
Pension & Other Post Employment Benefits	<u>(4,273,713)</u>	<u>(2,614,536)</u>
Total Plan Expenses	<u>\$ (252,505)</u>	<u>\$ 568,547</u>
Plan Surplus (Deficit)	\$ 1,480,238	\$ 907,499
Nonoperating Revenues		
Earned Appropriations	\$ -	\$ -
Earned Assessments	934,200	1,522,800
Other Revenue	-	-
Total Nonoperating Revenues	<u>\$ 934,200</u>	<u>\$ 1,522,800</u>
Change in Net Position	<u>\$ 2,414,438</u>	<u>\$ 2,430,299</u>

Financial Profile

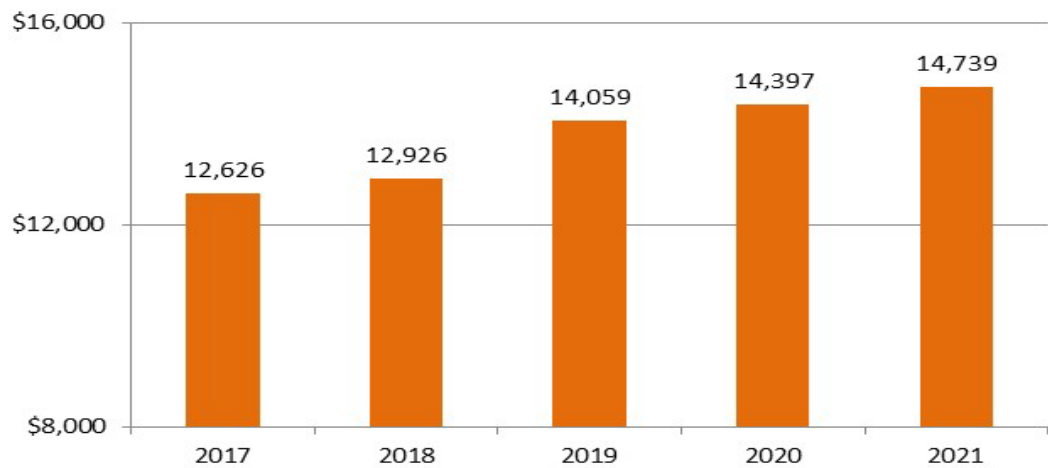
Total Claims Paid and Premiums Earned



Assessment to the Health Insurance Industry by Fiscal Year



Average Annual Premium



Claim Analysis for those Paid during calendar year 2021

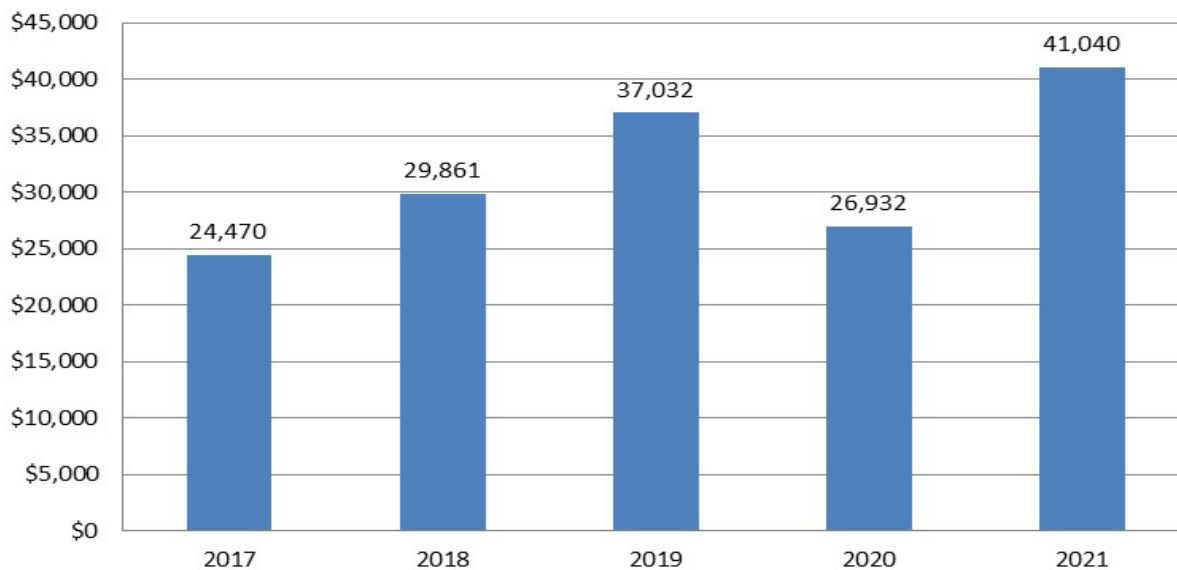
Description	2021			2020
	Traditional Total	HIPAA Total	Grand Total	Grand Total
Inpatient	\$ -	\$ 807,034	\$ 807,034	\$ 275,294
Outpatient		\$ 478,151	\$ 478,151	\$ 605,373
ECF/SNF	\$ -	\$ 52,325	\$ 52,325	\$ 29,712
Coordinated Home Care	\$ -	\$ 14,055	\$ 14,055	\$ 17,266
Medicare Deductible	\$ -		\$ -	\$ -
Physician Services		\$ 838,842	\$ 838,842	\$ 763,378
Major Medical	\$ -	\$ 84	\$ 84	\$ 1,014
Subtotal	\$ -	\$ 2,190,490	\$ 2,190,490	\$ 1,692,038
Adjustments*		\$ (27,332)	\$ (27,332)	\$ (96,844)
Total Blue Cross Medical		\$ 2,163,159	\$ 2,163,159	\$ 1,595,193
Total Prescriptions		\$ 1,296,925	\$ 1,296,925	\$ 1,171,857
Total Paid Claims	\$ -	\$ 3,460,084	\$ 3,460,084	\$ 2,767,050
Prescription Rebates	\$ -	\$ (16,768)	\$ (16,768)	\$ (19,240)
Prescription Claim Refunds		\$ (6)	\$ (6)	\$ -
Medical Claim Refunds			\$ -	\$ -
Change in Claim Reserves		\$ (37,000)	\$ (37,000)	\$ (141,000)
Net Incurred Losses	\$ -	\$ 3,406,310	\$ 3,406,310	\$ 2,606,810

* includes Subrogation Reimbursements, Claim Recoveries and Discount Offsets

Average HIPAA Plan Claim Cost Per Member

Enrollment	83
Prescription Cost	\$ 15,424
Non-Prescription Cost	\$ 25,616
Total Plan Claim Cost	<u>\$ 41,040</u>

Average Annual HIPAA Plan Claim Cost Per Member



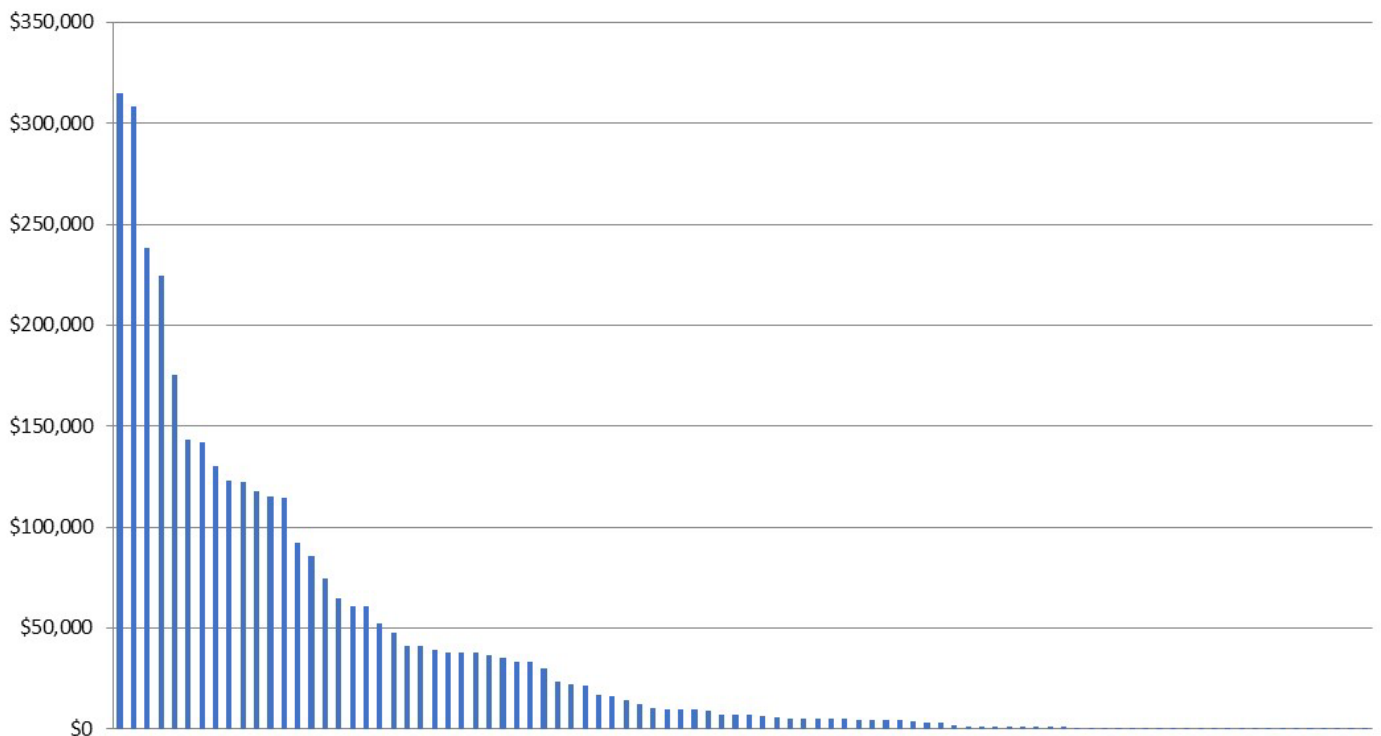
Claim Analysis for those Paid during calendar year 2021

Claims Paid by Month:

	Medical	Drug	Total
January	\$177,397	\$148,991	\$326,388
February	\$93,549	\$71,411	\$164,960
March	\$96,980	\$87,879	\$184,859
April	\$227,957	\$143,141	\$371,098
May	\$135,762	\$109,148	\$244,910
June	\$93,856	\$89,431	\$183,287
July	\$148,870	\$118,018	\$266,888
August	\$140,810	\$111,445	\$252,255
September	\$369,617	\$96,050	\$465,667
October	\$160,771	\$128,267	\$289,038
November	\$173,539	\$99,154	\$272,693
December	\$344,051	\$93,990	\$438,041
Total	\$2,163,159	\$1,296,925	\$3,460,084

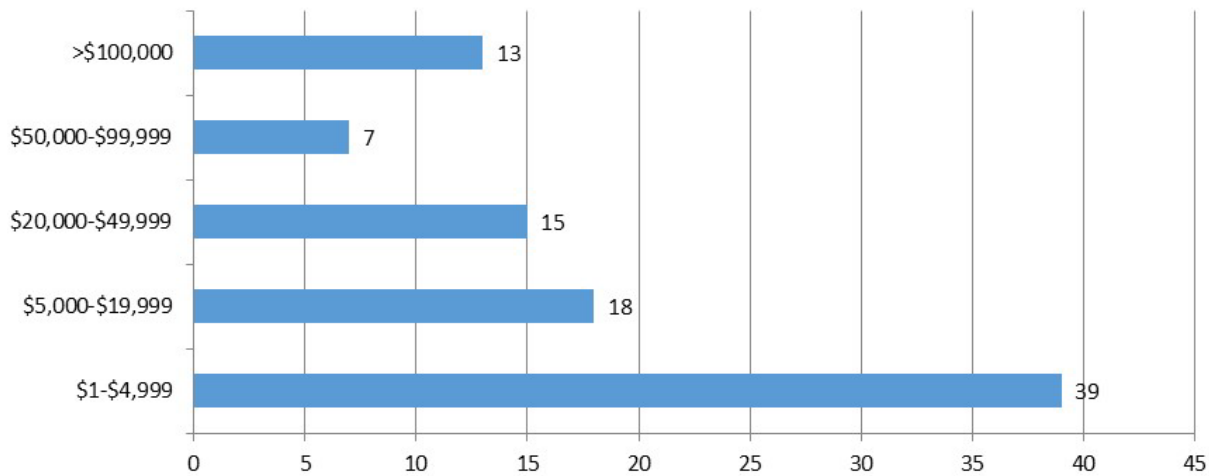
During 2021 claims were paid for 96 current and prior years Members.

Below is a bar chart that provides total amount paid for each Member from highest to lowest.

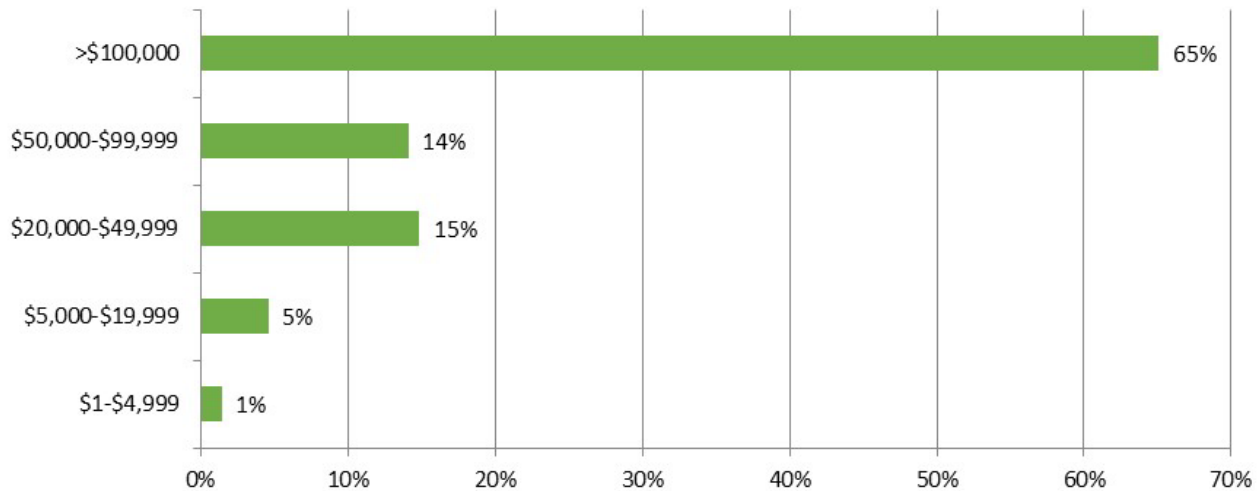


Claim Analysis for those Paid during calendar year 2021

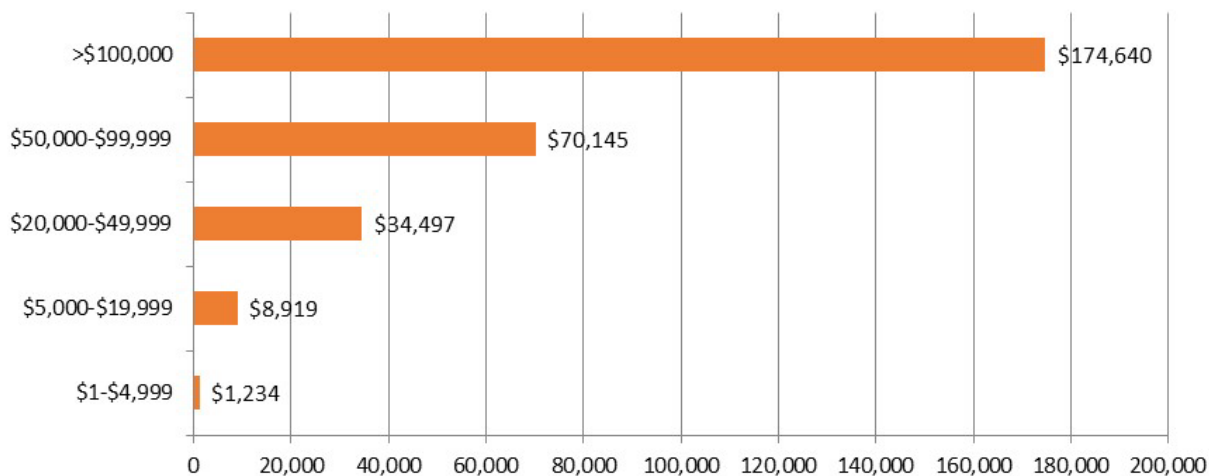
Number of Members in each Range



Percent of Total 2021 Claims in each Range



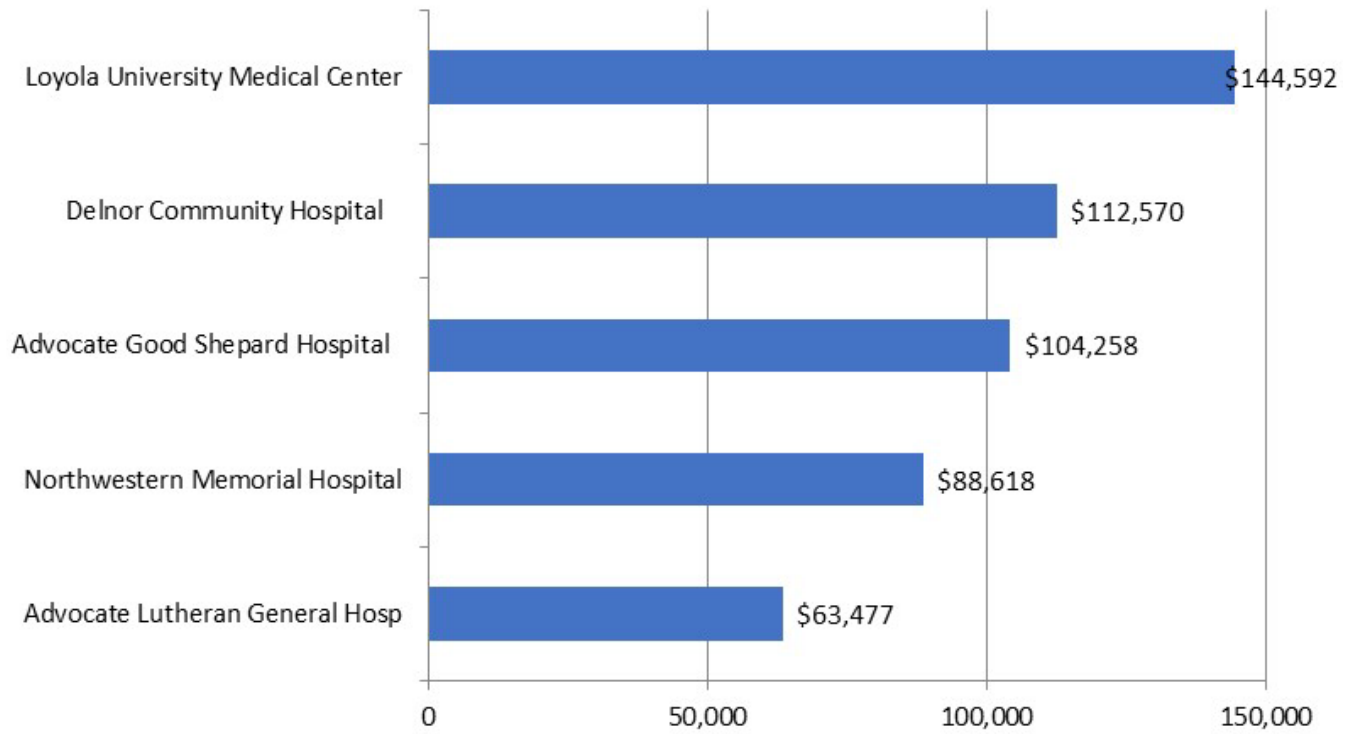
Average Total Per Member in each Range



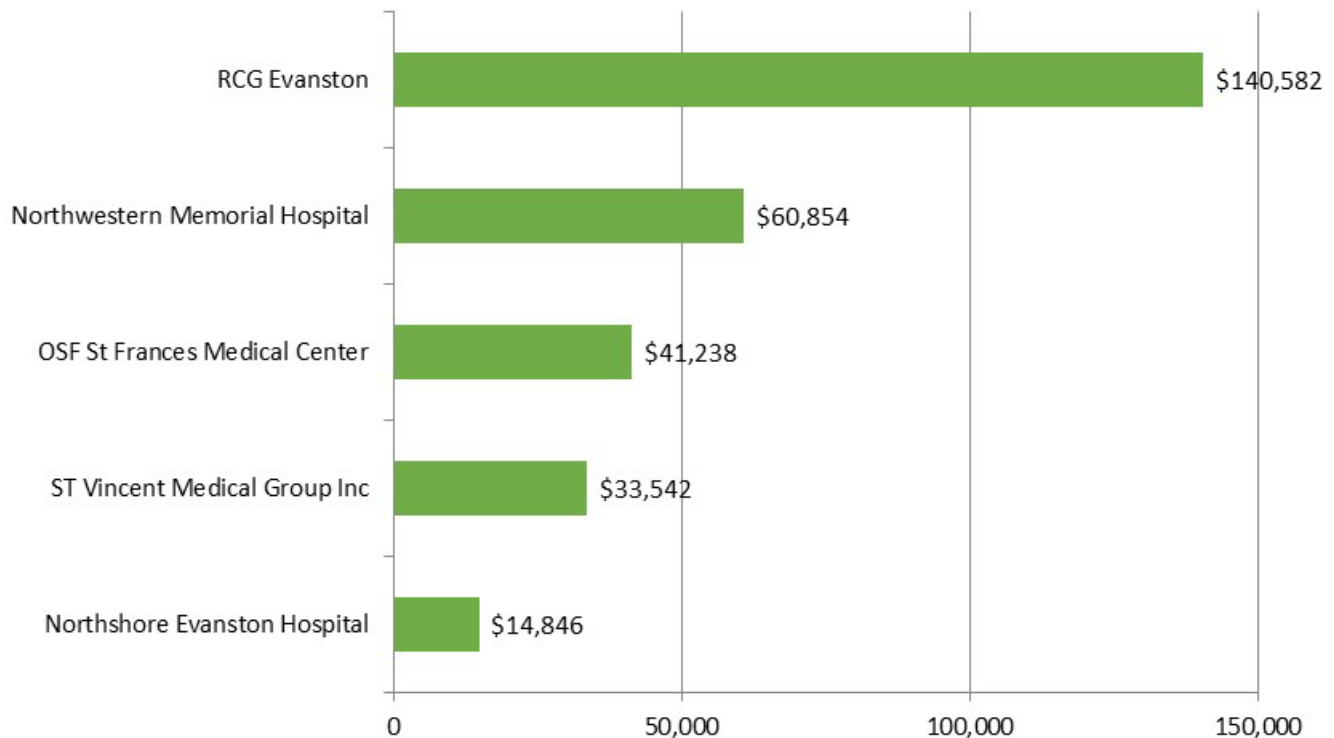
During 2021 there were 4 Members that had only adjustment claims with a total dollar amount of -49.

Claim Analysis for those Paid during calendar year 2021

Top 5 Inpatient Providers – total paid for all Inpatient = \$807,034

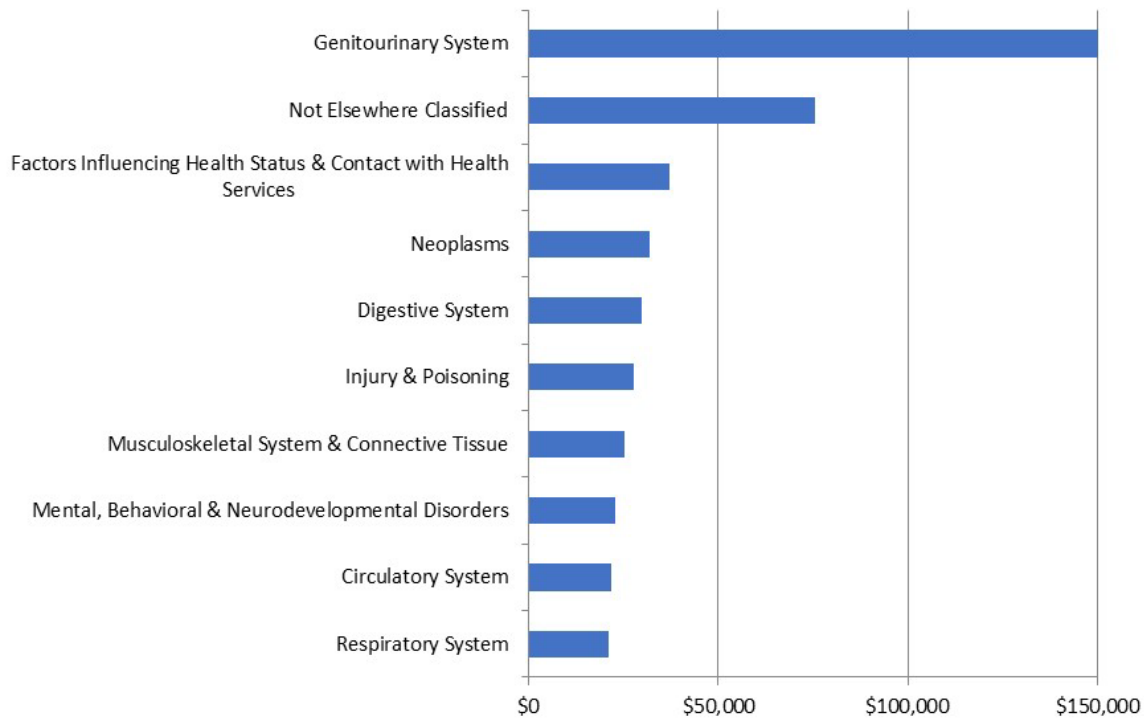


Top 5 Outpatient Providers – total paid for all Outpatient = \$478,151

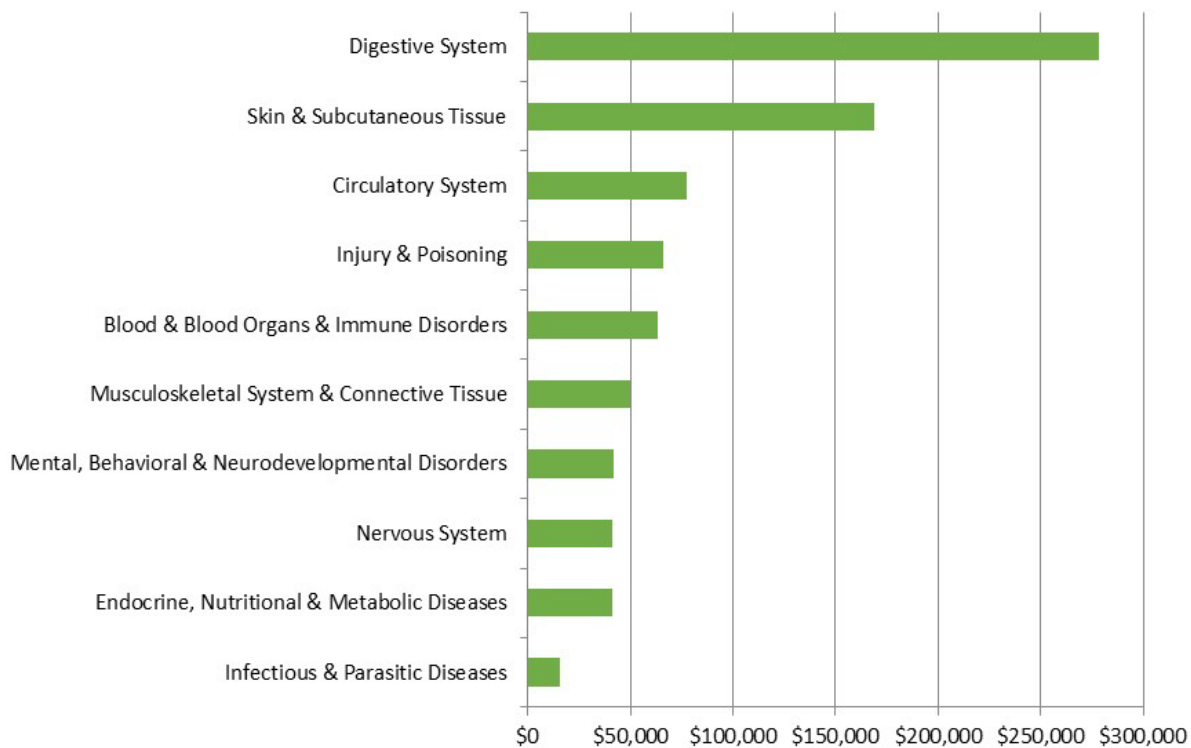


Claim Analysis for those Paid during calendar year 2021

Top 10 Medical Outpatient Claims by Diagnosis

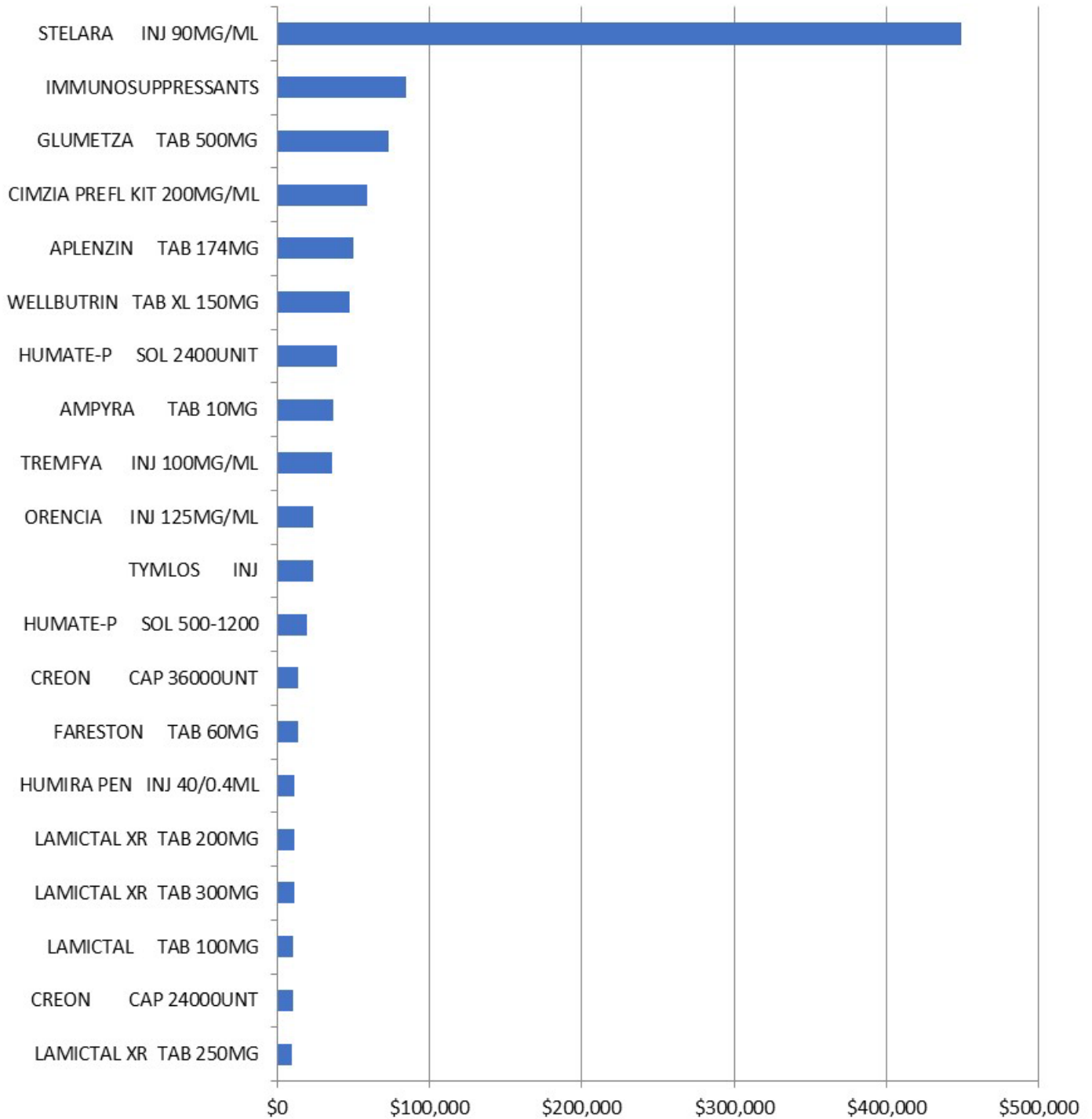


Top 10 Medical Inpatient Claims by Diagnosis



Claim Analysis for those Paid during calendar year 2021

Top 20 Prescription Drugs



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Dave Syverson, Rockford, IL – State Senator 35th District

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Prime Therapeutics, Pharmacy Benefits Manager

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