

**Commonwealth of Kentucky**

**Kentucky Employees' Health Plan**

**Actuarial Reserve Study  
December 31, 2022**

**Three Alliance Center  
3550 Lenox Road NE  
Suite 1700  
Atlanta, GA 30326**

**February 2023**

**Commonwealth of Kentucky**

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## EXECUTIVE SUMMARY

Aon has conducted an actuarial valuation of the incurred, but not paid, claims as of December 31, 2022, for the medical and prescription drug benefits provided by Kentucky Employees' Health Plan (KEHP) and administered through Humana and Express Scripts (ESI) prior to 2015. Beginning from 2015, medical and prescription drug benefits are administered through Anthem and Caremark.

The results show a projected total reserve of approximately \$163.6 million. This figure includes \$7.8 million as an explicit provision for adverse experience. Claims that have been processed and paid, and invoiced to KEHP but not yet paid are excluded from these actuarial estimates, though this may represent an additional liability outside the scope of this actuarial review. The estimates provided also exclude unallocated amounts, which are believed to be immaterial to the Plan.

The details of the Unpaid Claim Reserve are shown in separate exhibits for Medical, Pharmacy, CDHP Health Reimbursement Arrangement (HRA) and the Waiver Credit HRA.

The traditional actuarial loss developmental method and Bornhuetter-Ferguson method were the basis of our calculation. The loss development uses historical paid claims information by incurred date. This method is consistent with reserve calculations within the industry, and best reflects the impact on claim payment patterns and accounts for the cyclical nature of the Plan's claims.

In accordance with GASB 10, to the extent that future billed premiums for the 2022 plan year are not sufficient to cover future incurred claims and administrative fees for the 2022 plan year, a "premium deficiency reserve" (PDR) in the amount of the difference should be estimated. As the Commonwealth's plan year end is December 31, 2022, there are no longer any "future" claims, admin fees, or premiums relate to the 2022 plan year. Therefore, there is no estimated premium deficiency reserve as of December 31, 2022.

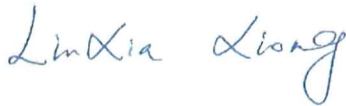
Also included in this report are the actual Rx rebates paid from January 1, 2019 to June 30, 2022 and the estimated Rx rebate from July 1, 2022 to December 31, 2022.

The results mentioned above are contingent upon future events. Consequently, actual results will differ from projected results. These deviations may be material. KEHP staff should monitor emerging experience and take appropriate actions as required.

**ACTUARIAL CERTIFICATION  
STATEMENT OF OPINION**

Aon has been retained by the Commonwealth of Kentucky to study the actuarial reserves for incurred but not paid claims as of December 31, 2022, for the medical and prescription drug benefits provided by Kentucky Employees' Health Plan. I am employed by Aon. I am a Member of the Society of Actuaries and am qualified by education and experience to make the statements of actuarial opinion contained herein.

In performing our reserve study, we have relied upon reports and information provided by Merative, the carriers and The Commonwealth of Kentucky. We have not audited this data beyond general tests for reasonableness. The results are our best estimate of incurred but unpaid claims with explicit margins for adverse deviation. The techniques and methodology used are reasonable and in accordance with generally accepted actuarial principles and practice.



\_\_\_\_\_  
LinXia Xiong, FSA, MAAA  
Vice President

February 28, 2023

Date



\_\_\_\_\_  
Colleen M. Huber, FSA, MAAA  
Senior Vice President

February 28, 2023

Date

## DATA AND ASSUMPTIONS

Commonwealth of Kentucky Medical and Pharmacy benefits are administered through Anthem and Caremark beginning from 2015. Below is all data source we have used:

- Monthly enrollment provided by Merative.
- Transactional and eligibility data was provided by KEHP.
- Medical and Pharmacy claims incurred and paid from January 1, 2020 to December 31, 2022 provided by Anthem and Caremark.

No adjustment for interest was used in this analysis. Anthem and Caremark don't charge administrative fees for processing run-out claims so no administrative fee reserve is required.

## METHODOLOGY

The unpaid claim liability (UCL), also called the incurred but not reported (IBNR) reserve, at a specified date is essentially the estimated claims incurred up to that date less the claims that have been (incurred and) paid to that date. Since the incurred and paid claims are known, the UCL is easily determined once the incurred claims have been estimated.

The traditional loss development method uses historical claim payment patterns to develop completion factors that are used to estimate incurred claims. The claims incurred in a given month and paid by the end of the experience period are divided by the completion factor to estimate the incurred claims for that month. The UCL for that month is subsequently determined by subtracting the known incurred and paid claims from the estimated incurred claims. The total UCL is merely the sum of all the appropriate monthly UCL estimates.

This method is relatively easy to understand and is effective when the historical claim payment patterns are deemed to be stable enough to estimate current/future claim payment patterns and when several months of claim payments (run-out) after the incurred month are available. When the run-out for any month is limited, this month is called immature and the associated completion factor is significantly less than one. The resulting incurred claim estimate is unstable. Consequently, a secondary method has traditionally been used to estimate the immature months.

The secondary method for health claims is often an average of historical incurred claims adjusted for claim trend and enrollment between the historical period and the time of interest. One of the shortcomings of this secondary method is that the available claim payment information for the month being estimated is not used. Another problem is that the line of demarcation between mature months and immature months is as much art as science.

The Bornhuetter-Ferguson Method (BFM) addresses both of these issues by blending the loss development method and the secondary method. The BFM uses the available incurred and paid data and the expected UCL developed from the secondary method to estimate incurred claims. This method generally provides a more stable estimate than the pure loss development method, a more responsive estimate than the secondary method, and a reasonable technique for blending the results of both methods.

Using the BFM with claims paid through December 31, 2022, the resulting UCL for December 31, 2022 was approximately \$155.8 million. In addition, an explicit margin for adverse deviation of 5.0% of claims unpaid at December 31, 2022 has been used.

**RESULTS**

The result of our reserve analysis shows the following components of our December 31, 2022 reserve for the Kentucky Employees' Health Plan.

**Exhibit 1**

<b>Kentucky Employees' Health Plan Terminal Liability Calculation as of December 31, 2022</b>				
	Unpaid Claims Liability as of December 31, 2022	Margin (5%)	Administrative Fees for Processing Runout Claims	Total IBNR Reserve (Rounded to Nearest \$1,000)
<b>Medical</b>	\$153,575,804	\$7,678,790	\$0	\$161,255,000
<b>Pharmacy</b>	\$53,212	\$2,661	\$0	\$56,000
<b>CDHP HRA</b>	\$1,248,057	\$62,403	\$0	\$1,310,000
<b>Waiver HRA</b>	\$970,471	\$48,524	\$0	\$1,019,000
<b>Grand Total</b>	<b>\$155,847,544</b>	<b>\$7,792,377</b>	<b>\$0</b>	<b>\$163,640,000</b>

\*Claims that have been processed and paid, and invoiced to KEHP but not yet paid are excluded from these actuarial estimates, though this may represent an additional liability outside the scope of this actuarial review. The estimates provided also exclude unallocated amounts, which are believed to be immaterial to the Plan.

\*\*No administrative fees are required from Anthem or Caremark for processing runout claims.



## Exhibit 2a

### Kentucky Employees' Health Plan Medical and Pharmacy Terminal Liability Calculation as of December 31, 2022

Month	Enrollment	Estimated Incurred Claims	Completion Factor	Actual Paid	Total Unpaid Claim Reserve
Jan-20	143,270	\$114,575,569	1.000	\$114,575,569	\$0
Feb-20	143,013	\$118,805,188	1.000	\$118,805,188	\$0
Mar-20	143,011	\$118,507,095	1.000	\$118,507,095	\$0
Apr-20	143,150	\$96,018,589	1.000	\$96,018,589	\$0
May-20	143,032	\$116,490,443	1.000	\$116,490,443	\$0
Jun-20	142,742	\$140,172,082	1.000	\$140,172,082	\$0
Jul-20	141,962	\$144,813,230	1.000	\$144,813,230	\$0
Aug-20	140,842	\$141,695,651	1.000	\$141,695,651	\$0
Sep-20	140,163	\$145,681,123	1.000	\$145,681,123	\$0
Oct-20	141,430	\$149,907,985	1.000	\$149,907,985	\$0
Nov-20	141,248	\$142,914,380	1.000	\$142,914,380	\$0
Dec-20	140,996	\$165,632,338	1.000	\$165,632,338	\$0
Jan-21	140,547	\$122,920,646	1.000	\$122,920,646	\$0
Feb-21	140,166	\$118,010,924	1.000	\$118,007,398	\$3,526
Mar-21	140,054	\$139,365,480	1.000	\$139,356,389	\$9,091
Apr-21	139,665	\$139,036,878	1.000	\$139,041,199	(\$4,321)
May-21	139,369	\$137,270,033	1.000	\$137,256,635	\$13,398
Jun-21	139,022	\$155,547,827	1.000	\$155,496,713	\$51,114
Jul-21	138,284	\$152,640,535	1.000	\$152,578,700	\$61,834
Aug-21	137,179	\$156,811,388	0.999	\$156,729,759	\$81,629
Sep-21	136,596	\$151,134,888	0.999	\$150,934,943	\$199,945
Oct-21	138,675	\$157,793,524	0.998	\$157,537,885	\$255,639
Nov-21	138,498	\$164,120,188	0.998	\$163,802,779	\$317,409
Dec-21	138,422	\$182,474,996	0.997	\$181,948,297	\$526,698
Jan-22	139,271	\$118,634,303	0.997	\$118,224,871	\$409,432
Feb-22	138,919	\$119,051,944	0.995	\$118,463,250	\$588,694
Mar-22	138,935	\$145,304,325	0.994	\$144,366,644	\$937,681
Apr-22	138,732	\$138,275,782	0.991	\$137,065,315	\$1,210,467
May-22	138,533	\$145,981,364	0.988	\$144,289,021	\$1,692,343
Jun-22	138,120	\$157,497,122	0.981	\$154,572,698	\$2,924,424
Jul-22	137,350	\$150,627,676	0.973	\$146,555,174	\$4,072,502
Aug-22	136,362	\$158,738,915	0.960	\$152,339,457	\$6,399,458
Sep-22	135,557	\$156,643,829	0.934	\$146,362,538	\$10,281,291
Oct-22	137,962	\$165,425,572	0.898	\$148,603,502	\$16,822,070
Nov-22	138,038	\$170,793,452	0.851	\$145,361,752	\$25,431,700
Dec-22	138,200	\$192,480,162	0.577	\$111,137,170	\$81,342,991
<b>Total</b>		<b>\$5,191,795,427</b>		<b>\$5,038,166,411</b>	<b>\$153,629,016</b>

**Exhibit 2b**  
**Kentucky Employees' Health Plan**  
**Medical**  
**Terminal Liability Calculation as of December 31, 2022**

Month	Enrollment	Estimated Incurred Claims	Completion Factor	Actual Paid	Total Unpaid Claim Reserve
Jan-20	143,270	\$75,931,364	1.000	\$75,931,364	\$0
Feb-20	143,013	\$80,541,876	1.000	\$80,541,876	\$0
Mar-20	143,011	\$71,955,425	1.000	\$71,955,425	\$0
Apr-20	143,150	\$52,957,937	1.000	\$52,957,937	\$0
May-20	143,032	\$75,109,441	1.000	\$75,109,441	\$0
Jun-20	142,742	\$94,320,630	1.000	\$94,320,630	\$0
Jul-20	141,962	\$99,856,681	1.000	\$99,856,681	\$0
Aug-20	140,842	\$97,647,224	1.000	\$97,647,224	\$0
Sep-20	140,163	\$100,256,731	1.000	\$100,256,731	\$0
Oct-20	141,430	\$103,215,713	1.000	\$103,215,713	\$0
Nov-20	141,248	\$97,038,626	1.000	\$97,038,626	\$0
Dec-20	140,996	\$115,414,562	1.000	\$115,414,562	\$0
Jan-21	140,547	\$84,530,363	1.000	\$84,530,363	\$0
Feb-21	140,166	\$80,135,697	1.000	\$80,132,260	\$3,437
Mar-21	140,054	\$92,962,862	1.000	\$92,954,079	\$8,784
Apr-21	139,665	\$93,016,237	1.000	\$93,020,956	(\$4,720)
May-21	139,369	\$92,649,354	1.000	\$92,635,955	\$13,398
Jun-21	139,022	\$107,850,837	1.000	\$107,799,815	\$51,023
Jul-21	138,284	\$106,615,628	0.999	\$106,554,055	\$61,572
Aug-21	137,179	\$109,630,986	0.999	\$109,549,859	\$81,127
Sep-21	136,596	\$104,323,472	0.998	\$104,124,213	\$199,259
Oct-21	138,675	\$109,988,763	0.998	\$109,734,261	\$254,502
Nov-21	138,498	\$114,065,479	0.997	\$113,749,649	\$315,831
Dec-21	138,422	\$127,870,990	0.996	\$127,345,890	\$525,101
Jan-22	139,271	\$78,405,645	0.995	\$77,997,344	\$408,301
Feb-22	138,919	\$79,621,584	0.993	\$79,033,658	\$587,926
Mar-22	138,935	\$98,140,988	0.990	\$97,203,560	\$937,427
Apr-22	138,732	\$94,000,555	0.987	\$92,790,181	\$1,210,374
May-22	138,533	\$99,233,332	0.983	\$97,543,578	\$1,689,754
Jun-22	138,120	\$108,825,691	0.973	\$105,904,966	\$2,920,724
Jul-22	137,350	\$103,978,893	0.961	\$99,910,356	\$4,068,537
Aug-22	136,362	\$108,418,222	0.941	\$102,024,356	\$6,393,866
Sep-22	135,557	\$107,550,981	0.904	\$97,274,054	\$10,276,927
Oct-22	137,962	\$116,388,681	0.856	\$99,579,053	\$16,809,628
Nov-22	138,038	\$120,647,918	0.789	\$95,227,886	\$25,420,032
Dec-22	138,200	\$137,761,656	0.410	\$56,418,665	\$81,342,991
<b>Total</b>		<b>\$4,673,655,887</b>		<b>\$4,520,080,083</b>	<b>\$153,575,804</b>

**Exhibit 2c**  
**Kentucky Employees' Health Plan**  
**Pharmacy**  
**Terminal Liability Calculation as of December 31, 2022**

Month	Enrollment	Estimated Incurred Claims	Completion Factor	Actual Paid	Total Unpaid Claim Reserve
Jan-20	143,270	\$38,644,205	1.000	\$38,644,205	\$0
Feb-20	143,013	\$38,263,313	1.000	\$38,263,313	\$0
Mar-20	143,011	\$46,551,670	1.000	\$46,551,670	\$0
Apr-20	143,150	\$43,060,652	1.000	\$43,060,652	\$0
May-20	143,032	\$41,381,002	1.000	\$41,381,002	\$0
Jun-20	142,742	\$45,851,453	1.000	\$45,851,453	\$0
Jul-20	141,962	\$44,956,549	1.000	\$44,956,549	\$0
Aug-20	140,842	\$44,048,426	1.000	\$44,048,426	\$0
Sep-20	140,163	\$45,424,393	1.000	\$45,424,393	\$0
Oct-20	141,430	\$46,692,272	1.000	\$46,692,272	\$0
Nov-20	141,248	\$45,875,755	1.000	\$45,875,755	\$0
Dec-20	140,996	\$50,217,776	1.000	\$50,217,776	\$0
Jan-21	140,547	\$38,390,283	1.000	\$38,390,283	\$0
Feb-21	140,166	\$37,875,227	1.000	\$37,875,138	\$89
Mar-21	140,054	\$46,402,618	1.000	\$46,402,311	\$308
Apr-21	139,665	\$46,020,641	1.000	\$46,020,243	\$398
May-21	139,369	\$44,620,679	1.000	\$44,620,679	\$0
Jun-21	139,022	\$47,696,989	1.000	\$47,696,898	\$91
Jul-21	138,284	\$46,024,907	1.000	\$46,024,645	\$262
Aug-21	137,179	\$47,180,402	1.000	\$47,179,901	\$501
Sep-21	136,596	\$46,811,416	1.000	\$46,810,730	\$686
Oct-21	138,675	\$47,804,761	1.000	\$47,803,625	\$1,137
Nov-21	138,498	\$50,054,709	1.000	\$50,053,131	\$1,578
Dec-21	138,422	\$54,604,005	1.000	\$54,602,408	\$1,598
Jan-22	139,271	\$40,228,658	1.000	\$40,227,527	\$1,131
Feb-22	138,919	\$39,430,360	1.000	\$39,429,592	\$768
Mar-22	138,935	\$47,163,337	1.000	\$47,163,083	\$254
Apr-22	138,732	\$44,275,227	1.000	\$44,275,134	\$93
May-22	138,533	\$46,748,031	1.000	\$46,745,443	\$2,588
Jun-22	138,120	\$48,671,431	1.000	\$48,667,732	\$3,700
Jul-22	137,350	\$46,648,783	1.000	\$46,644,819	\$3,964
Aug-22	136,362	\$50,320,693	1.000	\$50,315,101	\$5,592
Sep-22	135,557	\$49,092,848	1.000	\$49,088,484	\$4,364
Oct-22	137,962	\$49,036,892	1.000	\$49,024,450	\$12,442
Nov-22	138,038	\$50,145,534	1.000	\$50,133,866	\$11,668
Dec-22	138,200	\$54,718,505	1.000	\$54,718,505	\$0
<b>Total</b>		<b>\$2,140,424,853</b>		<b>\$2,140,371,641</b>	<b>\$53,212</b>

### Exhibit 3

## Kentucky Employees' Health Plan Terminal Liability Calculation as of December 31, 2022

### Health Reimbursement Arrangements

CDHP HRA				
Period	Paid To Date	Completion Factor	Total Incurred	Unpaid Claim Reserve
Jan-Mar 2019	\$18,476,066	100.0%	\$18,476,066	\$0
Apr-Jun 2019	\$15,896,367	100.0%	\$15,896,367	\$0
Jul-Sep 2019	\$11,499,152	100.0%	\$11,499,152	\$0
Oct-Dec 2019	\$10,242,916	100.0%	\$10,242,916	\$0
Jan-Mar 2020	\$18,210,040	100.0%	\$18,210,040	\$0
Apr-Jun 2020	\$13,051,017	100.0%	\$13,051,017	\$0
Jul-Sep 2020	\$11,580,753	100.0%	\$11,580,753	\$0
Oct-Dec 2020	\$11,005,145	100.0%	\$11,005,145	\$0
Jan-Mar 2021	\$16,399,706	99.9%	\$16,410,184	\$10,479
Apr-Jun 2021	\$15,464,655	99.9%	\$15,474,536	\$9,881
Jul-Sep 2021	\$12,038,819	99.9%	\$12,046,530	\$7,711
Oct-Dec 2021	\$11,004,910	99.9%	\$11,017,156	\$12,246
Jan-Mar 2022	\$17,406,403	99.8%	\$17,449,629	\$43,226
Apr-Jun 2022	\$15,809,406	99.3%	\$15,917,599	\$108,193
Jul-Sep 2022	\$11,455,203	98.4%	\$11,637,621	\$182,418
Oct-Dec 2022	\$9,970,301	91.9%	\$10,844,203	\$873,901
<b>Total</b>	<b>\$219,510,857</b>		<b>\$220,758,913</b>	<b>\$1,248,057</b>

Waiver HRA				
	Paid To Date	Completion	Total Incurred	Unpaid Claim
2019	\$37,849,614	100.0%	\$37,849,614	\$0
2020	\$36,235,299	100.0%	\$36,235,299	\$0
2021	\$35,923,141	100.0%	\$35,933,642	\$10,501
2022	\$33,610,887	97.2%	\$34,570,857	\$959,970
<b>Total</b>	<b>\$143,618,941</b>		<b>\$144,589,413</b>	<b>\$970,471</b>

**Exhibit 4**  
**Kentucky Employees' Health Plan**  
**Rx Rebates as of December 31, 2022**

Plan Year	Rebate Amount		
	Accounting	Incurred	
Q1 2019	\$33,676,388	\$35,249,476	Actual/Actual
Q2 2019	\$34,082,416	\$38,006,978	Actual/Actual
Q3 2019	\$35,397,343	\$39,364,455	Actual/Actual
Q4 2019	\$50,055,386	\$41,030,164	Actual/Actual
Q1 2020	\$35,062,495	\$44,523,950	Actual/Estimate
Q2 2020	\$41,193,980	\$45,603,124	Actual/Estimate
Q3 2020	\$38,937,487	\$46,364,808	Actual/Estimate
Q4 2020	\$58,298,006	\$47,863,727	Actual/Estimate
Q1 2021	\$43,236,360	\$42,565,161	Actual/Estimate
Q2 2021	\$43,485,834	\$46,179,368	Actual/Estimate
Q3 2021	\$46,018,808	\$46,439,517	Actual/Estimate
Q4 2021	\$54,046,212	\$49,329,696	Actual/Estimate
Q1 2022	\$46,693,187	\$52,986,891	Actual/Estimate
Q2 2022	\$52,280,271	\$55,956,336	Actual/Estimate
Q3 2022	\$42,404,208	\$58,771,133	Estimate/Estimate
Q4 2022	\$49,801,089	\$59,206,506	Estimate/Estimate

**Exhibit 5**  
**Kentucky Employees' Health Plan**  
**Premium Deficiency Reserve as of December 31, 2022**

<b>Calculation of the Premium Deficiency Reserve</b>	
(figures in \$millions)	
<b>Revenue</b>	
Medical and Pharmacy Premiums	\$1,704.4
HRA Waiver Premiums	\$48.6
Interest Income	\$6.1
Pharmacy Rebates	\$191.2
<b>Total Revenue (a)</b>	<b>\$1,950.3</b>
<b>Expenses</b>	
Medical and Pharmacy Claims	\$1,836.0
Administrative Fees (Medical & Pharmacy)	\$82.1
Operating Expenses/ERRP	\$8.0
HRA (waiver & select) Claims	\$93.8
<b>Total Expenses (b)</b>	<b>\$2,019.9</b>
<b>Net Gain/(Loss) (a) - (b)</b>	<b>(\$69.6)</b>

\* As of December 31, 2022, there are no longer any "future" claims, admin fees, or premiums relate to the 2022 plan year. Therefore, there is no estimated premium deficiency reserve as of December 31, 2022. Above is the revenue and expenses experience of plan year 2022.



# Anthem clinical update

## Integrated Health Model (IHM)

### Kentucky Employees' Health Plan (KEHP) Report for: January 1, 2022 – December 31, 2022

This report provides an overview of the KEHP's key demographic data elements, IHM participant engagement, Utilization Management, and MyHealth Advantage activity during the reporting period.

Demographics	Current
Average number of members	259,047
Average population age	37

Clinical programs	Total identified	Engaged	% Engaged
IHM	63,095	8,946	14.2% <sup>1</sup>
Behavioral Health	805	279	34.7%
Future Moms	83	51	61.4%

<sup>1</sup> Members identified for outreach/engaged.

	During period
Why Weight KY	358

	Enrollments
Diabetes Prevention Program (DPP)	2,167

Utilization Management	Authorization requests	Approval rate
Inpatient	10,659	92.76%
Outpatient	70,223	90.59%
Total	80,882	90.88%

MyHealth Advantage	Total eligible	Notes generated	Total alerts	Gaps in care alerts	Preventive alerts
Total	259,348	73,048	299,440	193,324	106,116

- Anthem Blue Cross and Blue Shield (Anthem) works with the KEHP to integrate health by innovation. This holistic model offers care which focuses on improving health and promoting physical, emotional, mental, and financial well-being for the KEHP membership.
- Behavioral Health Clinical Care Management programs: Provide outreach, support, and guidance for members with complex behavioral health conditions. The Behavioral team may also collaborate with Personal Health Consultants to ensure continuity of medical and mental health needs.
- Diabetes Prevention Program (DPP): DPP is a lifestyle change program available to members and their dependents identified with pre-diabetes or with a high risk of developing diabetes.
- Future Moms: Program which helps expectant women to maintain healthy pregnancies by offering early-risk assessment, providing obstetrical nursing support, and following the pregnancy from the first trimester through delivery.
- IHM: Better health, better outcomes promoted by identifying, engaging members, and creating cases with Registered Nurses, referred to as Personal Health Consultants. Through innovative, smart triggers, the program finds members at risk for serious and costly medical conditions and directs them to specialized programs.
- MyHealth Advantage: An early risk management program that is designed to help improve members' compliance with evidence-based care recommendations. The program provides personalized information via MyHealth Note which empowers members to take greater control of their health and healthcare decision-making.
- Utilization Management: Preauthorization is required for nonemergency hospital admissions, inpatient services, and select outpatient services. This chart shows the requested authorizations and percentage approved.
- Why Weight KY: The weight management program is designed to help members improve their health and achieve safe weight-loss goals through support and guidance from a Personal Health Consultant.

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## Q4 2022: KEHP LivingWell Promise Program Update

### Key Program Metrics

Total Eligible	138,996
Online Health Assessment Completions <i>All actives</i>	Total HA completions: 98,663 (71%)
Biometric Screening Completions	37,246 (37%)
LivingWell Promise Completions <i>Active medically enrolled only</i>	121,340 (87%)
Total Portal Registrations <i>All actives</i>	107,886 (78%)
Coaching Participants	84,687 eligible and 19,029 engaged
WAYS App downloads	10,435 (8%)

### Health Coaching Risk Change Findings

- Preliminary data comparing year over year health risk prevalence show favorable improvements in health status.
- Overall, average number of risks\* improved 3.7% (from 4.00 to 3.85) for the cohort of individuals who completed an assessment in 2021 and again in 2022. This is higher than the WebMD book of business.
- For individuals who engaged in health coaching, average number of risks\* improved 7.5% from 4.54 to 4.20.

### Dedicated Wellbeing Staff

- Promoted the LivingWell Program and LivingWell Promise at more than 380 events reaching more than 24,000 participants
- Offered LivingWell Promise support to ICs and HRGs – Emails with resources and outreach for consultative support reached over 500 ICs and HRGs
- Grew the LivingWell Champion network to 310 Champions (21% increase in 2022)
- Provided Biometric Screening support across the state
- Hosted 402 program planning meetings

## Communications

- Encourage the completion of the LivingWell Promise by the July 1 deadline via multiple communication channels.
- Promote the overall KEHP Program with timely and relevant reward reminders tied to National Health Observances.
- Promote and keep participants in the health challenges which included several emails, champion toolkit, monitor ads, flyer, social media images and a signature banner.
- Support the DWS team with champion toolkits and print material.



# The Commonwealth of Kentucky (KEHP)

Contract Period: 1/1/2022 - 12/31/2022

	Quarterly Contract Results																
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD				
<b>Claim Timeliness 14 Days</b>																	
Performance	99.66%	98.43%	98.07%	97.96%	97.05%	92.96%	91.25%	91.07%	97.48%	98.14%	96.94%	96.30%	98.59%	95.93%	93.08%	97.11%	96.03%
Goal Var.	9.66%	8.43%	8.07%	7.96%	7.05%	2.96%	1.25%	1.07%	7.48%	8.14%	6.94%	6.30%	8.59%	5.93%	3.08%	7.11%	6.03%
PG Status													Met	Met	Met	Met	Met
<b>Claim Timeliness 30 Days</b>																	
Performance	100.00%	99.59%	98.84%	98.26%	97.88%	95.89%	93.04%	94.88%	99.26%	99.53%	99.78%	99.75%	99.39%	97.31%	95.59%	99.69%	97.92%
Goal Var.	2.00%	1.59%	0.84%	0.26%	-0.12%	-2.11%	-4.96%	-3.12%	1.26%	1.53%	1.78%	1.75%	1.39%	-0.69%	-2.41%	1.69%	-0.08%
PG Status					Missed	Missed	Missed	Missed					Met	Missed	Missed	Met	Missed
<b>Claim Adjustment Inventory 30 Days</b>																	
Performance	0.00%	0.70%	3.46%	12.29%	10.58%	12.62%	11.88%	1.15%	7.15%	2.69%	7.18%	12.79%	2.43%	11.84%	4.11%	7.48%	6.94%
Goal Var.	-5.00%	-4.30%	-1.54%	7.29%	5.58%	7.62%	6.88%	-3.85%	2.15%	-2.31%	2.18%	7.79%	-2.57%	6.84%	-0.89%	2.48%	1.94%
PG Status				Missed	Missed	Missed	Missed		Missed		Missed	Missed	Met	Missed	Met	Missed	Missed
<b>Claim Financial Accuracy</b>																	
Performance	99.97%	99.97%	99.55%	99.91%	97.92%	99.07%	99.95%	98.58%	99.97%	98.56%	100.00%	99.98%	99.84%	99.02%	99.51%	99.51%	99.49%
Goal Var.	0.97%	0.97%	0.55%	0.91%	-1.08%	0.07%	0.95%	-0.42%	0.97%	-0.44%	1.00%	0.98%	0.84%	0.02%	0.51%	0.51%	0.49%
PG Status					Missed			Missed		Missed			Met	Met	Met	Met	Met
<b>Claim Payment Accuracy</b>																	
Performance	97.52%	97.58%	97.52%	97.60%	96.80%	93.60%	97.62%	95.97%	97.56%	97.62%	99.19%	98.39%	97.54%	96.00%	97.05%	98.40%	97.24%
Goal Var.	0.52%	0.58%	0.52%	0.60%	-0.20%	-3.40%	0.62%	-1.03%	0.56%	0.62%	2.19%	1.39%	0.54%	-1.00%	0.05%	1.40%	0.24%
PG Status					Missed	Missed		Missed					Met	Missed	Met	Met	Met
<b>First Call Resolution</b>																	
Performance	96.57%	95.43%	96.39%	97.03%	96.79%	95.86%	93.60%	95.39%	96.12%	96.55%	96.07%	96.99%	96.18%	96.55%	94.99%	96.54%	96.08%
Goal Var.	11.57%	10.43%	11.39%	12.03%	11.79%	10.86%	8.60%	10.39%	11.12%	11.55%	11.07%	11.99%	11.18%	11.55%	9.99%	11.54%	11.08%
PG Status													Met	Met	Met	Met	Met

Kentucky Employees' Health Plan – Status Report  
 4th Quarter, 2022  
 Attachment F – Anthem Performance Guarantees  
 Page F-2

	Quarterly Contract Results												YTD				
	Jan	Feb	Qtr 1	Mar	Apr	Qtr 2	May	Jun	Jul	Aug	Qtr 3	Sep		Oct	Nov	Qtr 4	Dec
<b>ASA</b>	<b>Goal: 30.00</b>																
Performance	2.64	10.04	15.93	7.65	3.72	21.92	25.11	29.87	32.42	28.43	17.26	3.18	9.33	11.38	28.98	17.06	16.12
Goal Var.	-27.36	-19.96	-14.07	-22.35	-26.28	-8.08	-4.89	-0.13	2.42	-1.57	-12.74	-26.82	-20.67	-18.62	-1.02	-12.94	-13.88
PG Status									Missed				Met	Met	Met	Met	Met
<b>Call Abandonment Rate</b>	<b>Goal: 2.00%</b>																
Performance	0.04%	0.61%	0.75%	0.21%	0.13%	0.85%	0.92%	1.36%	1.55%	1.69%	0.75%	0.11%	0.45%	0.41%	1.26%	0.91%	0.73%
Goal Var.	-1.96%	-1.39%	-1.25%	-1.79%	-1.87%	-1.15%	-1.08%	-0.64%	-0.45%	-0.31%	-1.25%	-1.89%	-1.55%	-1.59%	-0.74%	-1.09%	-1.27%
PG Status													Met	Met	Met	Met	Met
<b>ID Card Issuance 10 Bus Days</b>	<b>Goal: 99.00%</b>																
Performance	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Goal Var.	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
PG Status													Met	Met	Met	Met	Met
<b>Eligibility Updates 5 Bus Days</b>	<b>Goal: 100.00%</b>																
Performance	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Goal Var.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PG Status													Met	Met	Met	Met	Met
<b>Member Satisfaction - Net Promoter Score</b>	<b>Goal: 40.00</b>																
Performance	61.64	66.56	63.33	71.50	73.29	75.96	78.04	74.91	76.56	74.70	77.48	79.93	63.53	73.78	76.53	77.29	73.61
Goal Var.	21.64	26.56	23.33	31.50	33.29	35.96	38.04	34.91	36.56	34.70	37.48	39.93	23.53	33.78	36.53	37.29	33.61
PG Status													Met	Met	Met	Met	Met

Kentucky Employees' Health Plan – Status Report  
 4th Quarter, 2022  
 Attachment G – CVS Performance Guarantees  
 Page G-1



**Performance Guarantees Tracking & Reporting**

Commonwealth of Kentucky

For period ending: 12/31/2022

Guarantees	Target	Thrsh	Q1: Jan - Mar	Q2: Apr - Jun	Q3: Jul - Sep	Q4: Oct - Dec	Year	Penalty Unit	Actual Penalty
01 . Retail Network Pharmacy Access - Nationwide	Greater Than or Equal To 5.0 Mile(s)	95 Thr	F1	F1	F1	F1	99	15,000. Dollar Per PG	
02 . Paper Claims Turnaround Time - Clean	Less than or Equal To 5 Business Day(s)	95 Tgt	3	2	2	1	F2	11,250. Dollar Per PG	
03 . Mail Turnaround Time - Clean	Greater Than or Equal To 2 Business Day(s)	95 Thr	99	99	99	98	F2	11,250. Dollar Per PG	
04 . Mail TAT							F2	11,250. Dollar Per PG	
04a . Mail Turnaround Time - Non Clean	Greater Than or Equal To 5 Business Day(s)	97 Thr	99	99	99	99	F2	Dollar Per PG	
04b . Mail Turnaround Time - Non Clean - 2	Less than or Equal To 5 Business Day(s)	100 Tgt	1	1	1	1	F2	Dollar Per PG	
05 . Mail Service Accuracy - Non Std	Greater Than or Equal To 99.99 %		100	100	100	100	F2	11,250. Dollar Per PG	
06 . Electronic Claims Processing Accuracy (PBM)	Greater Than or Equal To 99.95 %		100	100	100	100	F2	11,250. Dollar Per PG	
07 . Telephone Speed of Answer							F2	37,500. Dollar Per PG	
07a . Telephone Average Live Voice Answer	Less than or Equal To 25 Sec(s)		1	2	1	1	F2	Dollar Per PG	
07b . Telephone Speed of Answer - TSF	Greater Than or Equal To 30 Sec(s)	85 Thr	99	99	99	99	F2	Dollar Per PG	
08 . Telephone Abandonment Rate - Live Voice	Less than or Equal To 3 %	15 Tgt	0	0	0	0	F2	18,750. Dollar Per PG	
09 . First Call Resolution	Greater Than or Equal To 95 %		99	98	98	99	F2	37,500. Dollar Per PG	
10a . Written Inquiry - 1	Greater Than or Equal To 5 Business Day(s)	97 Thr	100	100	100	99	F2	5,625. Dollar Per PG	



## Performance Guarantees Tracking & Reporting

Commonwealth of Kentucky

For period ending: 12/31/2022

Guarantees	Target	Thrsh	Q1: Jan - Mar	Q2: Apr - Jun	Q3: Jul - Sep	Q4: Oct - Dec	Year	Penalty - Actual Penalty Unit
10b . Written Inquiry - 2 c	Equal to 10 Business Day(s)	100 Thr	100	100	100	100	F2	5,625. Dollar Per PG
11 . Customer Satisfaction c	Greater Than or Equal To 93 %	Tgt	F1	F1	F1	F1	95	150,000. Dollar Per PG
12 . Plan Design Update c	Equal to 100 %	Tgt	F1	F1	F1	F1	Met	75,000. Dollar Per PG
13 . Annual Reviews c	Equal to 100 %	Tgt	F1	F1	F1	F1	Met	45,000. Dollar Per PG
14 . Account Management Satisfaction c	Greater Than or Equal To 4 Rating	Tgt	F1	F1	F1	F1	4	150,000. Dollar Per PG
15 . Standard Reporting c	Less than or Equal to 30 Day(s)	Tgt	Met	Met	Met	Met	F2	11,350. Dollar Per PG
16 . Eligibility Load Accuracy c	Greater Than or Equal To 98 %	Tgt	Met	Met	Met	Met	F2	37,500. Dollar Per PG
17 . Eligibility Updates c	Equal to 2 Business Day(s)	100 Thr	100	N/A	N/A	N/A	F2	15,000. Dollar Per PG
18 . Account Management - Meetings c	Equal to 100 %	Tgt	Met	Met	Met	Met	F2	18,750. Dollar Per PG
19 . ID Cards- Ongoing c	Greater Than or Equal To 4 Business Day(s)	98 Thr	100	100	100	100	F2	11,350. Dollar Per PG



## Performance Guarantees Tracking & Reporting

Commonwealth of Kentucky

For period ending: 12/31/2022

Guarantees	Target	Thrsh	Q1: Jan - Mar	Q2: Apr - Jun	Q3: Jul - Sep	Q4: Oct - Dec	Year	Penalty Unit	Actual Penalty
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Penalty Sum:  
 Paid Sum:  
 Net Due:

**Footnotes:**

- F1: Quarterly stat not applicable to specific guarantee
- F2: Annual stat not applicable to specific guarantee
- F3: Stat not applicable to contract years 2 and beyond
- c = Client Specific Guarantee
- cl= Coalition Specific Guarantee (also indicates TPA or healthplan specific guarantee)
- L = Guarantee covers all lines of business
- t = Tiered Penalty      w = Weighted Average
- Measurement Basis: Tgt = Target    Thr = Threshold
- NOTE: Met = Performance Guarantee Achieved
- NOTE: N/A = Results are reported as N/A when no activity occurred for that particular PG
- NOTE: Payment due by Thirty (30) days after End of Cnt Yr Rpt Crd Sub
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 Monthly, Quarterly and Semi-annual data are unaudited statistics and are subject to change at year end.

Kentucky Employees' Health Plan – Status Report  
 2nd Quarter, 2022  
 Attachment H – HealthEquity Performance Guarantees  
 Page H-1

PG #	FSA/HRA/COBRA	Administrative Fees or Dollars at Risk	Total Administrative Fees or Dollars at Risk	PG/SUA Type	Population Measured	Category	Benchmark	Guarantee	1st 3Q22 Met?	2nd 3Q22 Met?	Notes
1	FSA/HRA	1.50%	FSA: 16% HRA: 14.5%	Custom	Client-Specific	Service Center Performance	Abandonment	53%	Met	Met	Q2 & Q4 Client Relationship Survey
2	FSA/HRA	2.00%	FSA: 16% HRA: 14.5%	LWW Standard	Book of Business	Claims Management	Claims Accuracy - Financial	99% payment (financial) accuracy	99.6%	Met	Card Package is mailed with actual card.
3	FSA/HRA	1.50%	16.00%	Custom	Client-Specific	File Management	File Report	Contribution File: Producing a contribution file report	Met	Met	WageWorks sends an email notifying the Plan that a file has been processed and that it contains errors. The email provides a link to the WageWorks Employer website for the Plan to view the actual errors within 24 hours of the file posting.
4	FSA/HRA	1.50%	FSA: 16% HRA: 14.5%	Custom	Book of Business - Custom	Card Fulfillment	Card Fulfillment	100% of cards mailed within ten (10) business days of receipt of a clean enrollment file from Client. <i>(15 during OLE)</i>	100%	Met	WageWorks provides on-demand contribution reports that can be downloaded via the WageWorks Employer website.
5	FSA/HRA	1.50%	FSA: 16% HRA: 14.5%	Custom	Client-Specific	File Management	File Processing	Eligibility File: Load 99% of eligibility files within two business days.	Met	Met	
6	FSA/HRA	1.50%	FSA: 16% HRA: 14.5%	Custom	Client-Specific	File Management	Error Report	Eligibility Report: Send an email with error information on eligibility files or updates within two business days.	Met	Met	
7	FSA/HRA	1.50%	16.00%	Custom	Client-Specific	Reporting	Data Reporting	Reporting: Producing standard quarterly reports with thirty days of the end of the quarter	Met	Met	
8	FSA/HRA	1.50%	FSA: 16% HRA: 14.5%	Custom	Client-Specific	Service Center Performance	Call Response Time	Average Speed to Answer: Answering calls to customer service line with an average time of 30 seconds or less	11	Met	
9	FSA/HRA	1.50%	FSA: 16% HRA: 14.5%	Custom	Client-Specific	Relationship Management	Repayment File	Producing a repayment report at 45 days of quarter close showing current status of monies owed to KEHP by members due to enrollment and/or funding error	Met	Met	
10	FSA/HRA	2.00%	16.00%	Custom	Client-Specific	Relationship Management	Client Satisfaction - Custom	FSA Account Management: Measuring satisfaction using a mutually agreeable scorecard.	N/A	N/A	
11	FSA/HRA	2.00%	14.50%	Custom	Client-Specific	Relationship Management	Client Satisfaction - Custom	HRA Account Management: Measuring satisfaction using a mutually agreeable scorecard.	N/A	N/A	
12	FSA/HRA	1.50%	FSA: 16% HRA: 14.5%	Custom	Client-Specific	Reporting	Data Reporting	Reporting: Producing standard quarterly reports with thirty days of the end of the quarter	Met	Met	Q2 & Q4 Client Relationship Survey
20	COBRA	2.00%	14.50%	Standard	Book of Business	Client Services	Client Satisfaction	COBRA Account Management: Measuring satisfaction using a mutually agreeable scorecard.	N/A	N/A	Card Package is mailed with actual card.
21	COBRA	3.00%	14.50%	Standard	Book of Business	Program Administration	Timely notification within regulatory requirements	Sending 98% of all applications and notices within seven business days.	Met	Met	
22	COBRA	2.00%	14.50%	Custom	Book of Business	Program Administration	Billing Turnaround	Billing Turnaround: Posting 90% of payments within seven business days	100%	Met	
23	COBRA	1.50%	14.50%	Custom	Book of Business	Program Administration	Collection	Collection: Providing accurate premium distribution and reporting by the fifteenth of each month.	100%	Met	
24	COBRA	1.50%	14.50%	Standard	Client-Specific	Technology	File Processing (Eligibility)	Eligibility File: Load 99% of qualifying event files within two business days.	100%	Met	
25	COBRA	1.50%	14.50%	Custom	Client-Specific	Technology	Error Report (Eligibility)	Eligibility Report: Produce an error report on eligibility files or updates within two business days.	Met	Met	
26	COBRA	1.50%	14.50%	Standard	Book of Business	COBRA Operations	Election Packages	Mailing all COBRA election packages within seven business days.	Met	Met	
27	COBRA	1.50%	14.50%	Custom	Client-Specific	Reporting	Reporting	Reporting: Producing standard monthly reports within thirty days after the end of the month or quarter.	Met	Met	

Kentucky Employees' Health Plan – Status Report  
 4th Quarter, 2022  
 Attachment I – WebMD Performance Guarantees  
 Page I-1

Category	SLA	Description	Fees at Risk	Target	Result
Availability	Availability Test	The Availability Test is designed to measure performance-adjusted availability. Overall response time is not considered during this test, unless the availability threshold is exceeded.	2% of the monthly Portal Fees as liquidated damages for each incremental 0.50% reduction in monthly Availability, as set forth below: • 99.00 - 99.49: 2% • 98.50 - 98.99: 4% • 98.00 - 98.49: 6% • 97.50 - 97.99: 8% • Below 97.50%: 10%	99.50%	Met, 100%
Response Time	Average Response Time Test	The Average Response Time test is designed to ensure that the site provided by WebMD is, on average, delivered to the Commonwealth in a timely manner. This test is measured from within the WebMD hosting sites and is calculated as being from when a webpage is requested until the first byte is returned.	1% of monthly Portal Fees as liquidated damages for each incremental second increase in monthly Average Response Time, as set forth below: • 5-6 seconds: 1% • 6-7 seconds: 2% • 7-8 seconds: 3% • 8-9 seconds: 4% • >9 seconds: 5%	5 seconds	Met, less than 1 second
Satisfaction - End User	Participant Satisfaction	The Performance Guarantee will be met if ninety percent (90%) or more of the responses across all questions and respondents equal a 4 (Agree) or a 5 (Strongly Agree). Participant satisfaction will be measured annually by the administration of the survey questions outlined in the Participant Satisfaction Evaluation attached hereto as Attachment A. The survey will be presented after an Eligible Employee has been registered for a minimum of one (1) month.	0.5% of annual Portal Fees payable as liquidated damages	90% or more of the responses across all respondents equal a 4 (Agree) or a 5 (Strongly Agree).	Met, result 90%

**Kentucky Employees' Health Plan – Status Report**  
**4th Quarter, 2022**  
**Attachment I – WebMD Performance Guarantees**  
 Page I-2

Category	SLA	Description	Fees at Risk	Target	Result
Satisfaction - Client	Customer Satisfaction	<p>The Performance Guarantee will be met if ninety percent (90%) or more of the total responses across all questions are "Strongly Agree" (5) or "Agree" (4).</p> <p>Commonwealth's satisfaction will be measured annually by the administration of the survey questions outlined in the Commonwealth Satisfaction Evaluation attached hereto as Attachment B.</p> <p>The survey will be administered within four (4) weeks after the end of the program year via an online survey tool. A minimum of five (5) participants who interacted directly with the WebMD Account Team (collectively the Strategic Account Executive and the Client Success Manager) on a regular basis. The participants must identify themselves on the survey.</p> <p>Scoring will be measured by the number of respondents who select a rating of Strongly Agree (5) or Agree (4). Responses of "Not Applicable" and responses left blank will not be included in the Performance Guarantee calculation.</p>	0.5% of annual Portal Fees payable as liquidated damages	90% or more of the responses across all questions and respondents equal a 4 (Agree) or a 5 (Strongly Agree).	Met
Reporting	On-Time Delivery of Reports	WebMD will make available the monthly, quarterly, annually CoreInsights reports available to the Commonwealth by the tenth (10th) day after such CoreInsights report is due.	1% of the monthly, quarterly, or annual Portal Fees payable as liquidated damages, as applicable, if the period in which the CoreInsights reports are available to the Commonwealth is greater than ten (10) days after the applicable period.	By the 10th day after report is due to client.	Met
Call Center	Speed to Answer	The Performance Guarantee will be met if eighty percent (80%) of total calls annually are answered within the first thirty (30) seconds.	1% of the annual Portal Fees payable as liquidated damages if the total calls annually are not answered within the first thirty (30) seconds.	80%	Met, 96.7%
Call Center	Abandonment Rate	The Performance Guarantee will be met if less than five percent (5%) of total inbound calls annually are abandoned before the phone is answered by the Customer Service Representative.	1% of the annual Portal Fees payable as liquidated damages if more than five percent (5) of the total inbound calls annually are abandoned before the phone is answered by the Customer Service Representative.	Less than 5%	Met, 0.19%



Kentucky Employees' Health Plan – Status Report  
4th Quarter, 2022

Attachment I – WebMD Performance Guarantees

Page I-3

Category	SLA	Description	Fees at Risk	Target	Result
Eligibility File	Eligibility file processing	Upon receipt of a clean enrollment file from the Commonwealth, WebMD will process enrollment within 48 hours.	0.5% of the annual Portal Fees payable as liquidated damages if the enrollment file is processed within 48 hours.	Within 48 hours.	Met
Incentives Management	Incentives Fulfillment	Incentives and rewards provided to participants in the wellbeing program will be 100% accurate.	0.5% of the annual Portal Fees payable as liquidated damages.	100%	Did not meet
Incentives Management	Self-Reported Activities	99% of self-reported incentivized activity will be captured and awarded within 24 hours of the participant's online submission of the activity.	0.5% of the annual Portal Fees payable as liquidated damages.	99%	Met
Incentives Management	HA and Biometrics Incentives	99% of HRQs and biometric screenings will be captured and incentivized accurately.	0.5% of the annual Portal Fees payable as liquidated damages.	99%	Met
Portal Participation	Activity Completion	30% employee participants on WebMD will complete at least two activities in each Program Year. Portal Participation will be measured annually within ninety (90) days after the end of the Program Year. WebMD ONE Portal Participation shall be defined as a registered Employee who has completed two Activities on the WebMD ONE Portal.	In the event WebMD does not meet the percentage set for each Program Year, WebMD will provide a credit of the annual Portal Fees as liquidated damages for the year in which the percentage is not achieved.  <ul style="list-style-type: none"> <li>• If greater than or equal to 30% = 0.00% of annual Portal Fees as liquidated damages;</li> <li>• If less than 30% = 2.0% of annual Portal Fees as liquidated damages.</li> </ul>	30%	Did not meet, result 22%
HA Cohort Risk Change	Risk Change	Achieve a 1% net reduction in the average number of health risks in WebMD's twelve (12) standard modifiable risk factors set forth below as measured by comparing all HA completers in each Program Year. The twelve (12) standard modifiable risk factors are: (i) alcohol, (ii) blood pressure, (iii) blood sugar, (iv) cholesterol, (v) emotional health, (vi) exercise, (vii) tobacco use, (viii) weight, (ix) nutrition, (x) stress, (xi) sleep, and (xii) preventative screening.  Calculation of the Performance Guarantee ((follow-up # risks - baseline # risks)/ baseline # risks)*100 = -x.x%	One percent (1%) of the annual Portal Fees payable as liquidated damages if the percentage of net reduction has not been achieved.  If greater than or equal to 1.0% = 0.00% of annual Portal Fees payable as liquidated damages  If less than 1.0% = 1.0% of annual Portal Fees payable as liquidated damages	1% Net Reduction	Calculated at the end of March 2023

