

# State of Delaware - FY24 Budget

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*It is probable that the COVID-19 pandemic will have an impact on health care costs. In performing this analysis to develop health care cost estimates for GHIP, we have not explicitly reflected adjustments due to the impact of COVID-19. Due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.*

August 2023

**Willis Towers Watson** 

Proprietary and Confidential

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State of Delaware  
 FY24 Budget<sup>1</sup>  
 August 2023

Estimated FY 2024 as of August 2023 <sup>1</sup>	
<b>Balance Forward<sup>2</sup></b>	\$ 58,840,987
<b>Operating Revenues</b>	
Premium Contributions	
Highmark	\$ 783,334,287 65.05%
Aetna	\$ 203,489,467 16.90%
Total Premium Contributions	\$ 986,823,754
Other Revenues	
Medicare Retiree Prescription Subsidy Program (EGWP) <sup>3</sup>	\$ 938,720 0.08%
Federal Reinsurance <sup>2</sup>	\$ 25,038,872 2.08%
Prescription Drug Rebates - Commercial <sup>4</sup>	\$ 79,783,719 6.63%
Prescription Drug Rebates - EGWP <sup>4</sup>	\$ 60,148,247 4.99%
Prescription True Up/Yr End Recon Pymts <sup>5</sup>	\$ 13,466,470 1.12%
Medicare Part D - Coverage Gap Discount <sup>3</sup>	\$ 30,765,967 2.55%
Participating Group Fees <sup>6</sup>	\$ 7,315,468 0.61%
Other Revenues	\$ - 0.00%
Total Other Revenues	\$ 217,457,462
<b>Total Operating Revenues</b>	<b>\$ 1,204,281,215</b>
<b>Operating Expenses</b>	
Claims <sup>7</sup>	
Highmark	\$ 621,835,307 49.34%
Aetna	\$ 185,517,442 14.72%
CVS (non-Plan D)	\$ 208,590,040 16.55%
CVS (Plan D)	\$ 197,712,114 15.69%
Total Claims	\$ 1,213,654,903
Other Expenses	
Program Fees and Costs (Vendor ASO Fees)	\$ 39,812,591 3.16%
Office Expenses	\$ 3,719,461 0.30%
Employee Assistance	\$ 479,742 0.04%
Data Warehouse	\$ 722,592 0.06%
Consultant Fees	\$ 1,500,000 0.12%
COBRA Fees	\$ 90,820 0.01%
ACA Fees	\$ 365,828 0.03%
Total Other Expenses	\$ 46,691,033
<b>Total Operating Expenses</b>	<b>\$ 1,260,345,935</b>
<b>Net Income</b>	<b>\$ (56,064,720)</b>
<b>Fund Equity Balance</b>	<b>\$ 2,776,267</b>
Claim Liability	\$ 72,400,000
Minimum Reserve	\$ 28,800,000
<b>GHIP Surplus (After Reserves)</b>	<b>\$ (98,423,733)</b>
<b>WTW Budget (SM)<sup>8</sup></b>	<b>\$ 1,041.0</b>
<b>Average Members</b>	<b>132,432</b>

<sup>1</sup> Based on claims experience for the period 7/1/2022 - 6/30/2023; headcounts reflect July 2023 open enrollment with 1% growth during FY24; 6% medical (3% Medicifill) and 9% Rx trend; EGWP revenues and prescription drug rebates based on the period revenues will be paid

<sup>2</sup> Balance Forward reflects actual balance as of June 2023 Fund Equity Report

<sup>3</sup> EGWP revenue reflects actual revenues received through June 2023; remaining revenues through CY23 and CY24 based on projected PMPM payments provided by CVS

<sup>4</sup> FY24 rebates based on when rebates will be received by GHIP; assumes 60 day lag on CVS rebate payments

<sup>5</sup> Reflects CY22 federal reinsurance true-up payment expected to be received in January 2024

<sup>6</sup> Participating Group Fees shown for FY24 are estimated based on FY23 fees and assumed FY24 headcounts and premiums

<sup>7</sup> FY24 projected claims reflect CVS market check contract improvements

<sup>8</sup> WTW Budget represents the FY24 projected expenses based on assumptions approved by the SEBC, updated with claims data through June 2023 and July open enrollment; WTW Budget equals total operating expenses, less ACA and consultant fees, less total other revenues

**Note: It is evident that the COVID-19 pandemic will have an impact on health care costs. We have used available information and reasonable estimation techniques to develop health care cost estimates for the GHIP that reflect the impact of COVID-19. However due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.**

State of Delaware  
FY24 Budget<sup>1</sup>  
August 2023

	4	5	6	7	8	9	10	11	12				
Operating Revenues	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
<b>Premium Contributions</b>													
Highmark	\$ 62,475,578	\$ 65,266,165	\$ 65,266,165	\$ 65,428,722	\$ 65,428,722	\$ 65,428,722	\$ 65,591,684	\$ 65,591,684	\$ 65,591,684	\$ 65,755,052	\$ 65,755,052	\$ 65,755,052	\$ 783,334,287
Aetna	\$ 16,214,018	\$ 16,955,820	\$ 16,955,820	\$ 16,998,051	\$ 16,998,051	\$ 16,998,051	\$ 17,040,388	\$ 17,040,388	\$ 17,040,388	\$ 17,082,830	\$ 17,082,830	\$ 17,082,830	\$ 203,489,467
Total Premium Contributions	\$ 78,689,596	\$ 82,221,985	\$ 82,221,985	\$ 82,426,774	\$ 82,426,774	\$ 82,426,774	\$ 82,632,073	\$ 82,632,073	\$ 82,632,073	\$ 82,837,883	\$ 82,837,883	\$ 82,837,883	\$ 986,823,754
<b>Other Revenues</b>													
Medicare Retiree Prescription Subsidy Program (EGWP) <sup>2</sup>	\$ 4,835	\$ (95,393)	\$ (95,393)	\$ (143,446)	\$ (143,446)	\$ (143,446)	\$ 258,846	\$ 258,846	\$ 258,846	\$ 259,490	\$ 259,490	\$ 259,490	\$ 938,720
Federal Reinsurance <sup>2</sup>	\$ 1,933,426	\$ 1,933,426	\$ 1,933,426	\$ 1,938,241	\$ 1,938,241	\$ 1,938,241	\$ 2,234,529	\$ 2,234,529	\$ 2,234,529	\$ 2,240,095	\$ 2,240,095	\$ 2,240,095	\$ 25,038,872
Prescription Drug Rebates - Commercial <sup>3</sup>	\$ -	\$ 18,905,075	\$ -	\$ -	\$ 19,946,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,697,953	\$ -	\$ 79,783,819
Prescription Drug Rebates - EGWP <sup>3</sup>	\$ -	\$ 15,013,124	\$ -	\$ -	\$ 14,806,609	\$ -	\$ -	\$ -	\$ 14,931,948	\$ -	\$ -	\$ 15,396,565	\$ 60,148,247
Prescription True Up / Yr End Recon Pymts <sup>4</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,466,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,466,470
Medicare Part D - Coverage Gap Discount <sup>4</sup>	\$ -	\$ -	\$ -	\$ 7,548,906	\$ -	\$ 9,213,030	\$ -	\$ -	\$ 9,446,543	\$ -	\$ -	\$ 4,557,489	\$ 30,765,967
Participating Group Fees <sup>5</sup>	\$ 607,349	\$ 607,349	\$ 607,349	\$ 608,862	\$ 608,862	\$ 608,862	\$ 610,379	\$ 610,379	\$ 610,379	\$ 611,899	\$ 611,899	\$ 611,899	\$ 7,315,468
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Revenues	\$ 2,545,610	\$ 36,363,582	\$ 2,445,382	\$ 9,952,563	\$ 37,156,706	\$ 11,616,687	\$ 16,570,223	\$ 38,269,952	\$ 12,550,297	\$ 3,111,484	\$ 39,206,002	\$ 7,668,973	\$ 217,457,462
<b>Total Operating Revenues</b>	<b>\$ 81,235,207</b>	<b>\$ 118,585,567</b>	<b>\$ 84,667,367</b>	<b>\$ 92,379,337</b>	<b>\$ 119,583,480</b>	<b>\$ 94,043,461</b>	<b>\$ 99,202,296</b>	<b>\$ 120,902,024</b>	<b>\$ 95,182,369</b>	<b>\$ 85,949,366</b>	<b>\$ 122,043,885</b>	<b>\$ 90,506,855</b>	<b>\$ 1,204,281,215</b>
<b>Operating Expenses</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>TOTAL</b>
<b>Claims<sup>6</sup></b>													
Highmark	\$ 45,878,756	\$ 57,348,445	\$ 45,878,756	\$ 54,555,334	\$ 43,644,267	\$ 43,644,267	\$ 63,351,845	\$ 50,681,556	\$ 50,681,556	\$ 63,911,701	\$ 51,129,361	\$ 51,129,361	\$ 621,835,307
Aetna	\$ 13,687,401	\$ 13,687,401	\$ 17,109,252	\$ 13,020,767	\$ 13,020,767	\$ 16,275,959	\$ 15,120,262	\$ 15,120,262	\$ 19,900,327	\$ 15,253,859	\$ 19,067,324	\$ 15,253,859	\$ 185,517,442
CVS (non-Plan D)	\$ 16,171,545	\$ 16,171,545	\$ 16,171,545	\$ 16,762,156	\$ 16,762,156	\$ 16,762,156	\$ 17,519,704	\$ 17,519,704	\$ 17,519,704	\$ 19,076,609	\$ 19,076,609	\$ 19,076,609	\$ 208,590,040
CVS (Plan D)	\$ 15,320,283	\$ 15,320,283	\$ 15,320,283	\$ 15,786,441	\$ 15,786,441	\$ 15,786,441	\$ 16,632,145	\$ 16,632,145	\$ 16,632,145	\$ 18,165,169	\$ 18,165,169	\$ 18,165,169	\$ 197,712,114
Total Claims	\$ 91,057,985	\$ 102,527,673	\$ 94,479,835	\$ 100,124,698	\$ 89,213,631	\$ 92,468,823	\$ 112,624,055	\$ 99,953,666	\$ 103,733,732	\$ 116,407,339	\$ 107,438,464	\$ 103,624,999	\$ 1,213,654,903
<b>Other Expenses</b>													
Program Fees and Costs (Vendor ASO Fees)	\$ 3,307,357	\$ 3,307,357	\$ 3,307,357	\$ 3,314,252	\$ 3,314,252	\$ 3,314,252	\$ 3,321,163	\$ 3,321,163	\$ 3,321,163	\$ 3,328,092	\$ 3,328,092	\$ 3,328,092	\$ 39,812,591
Office Expenses	\$ 309,955	\$ 309,955	\$ 309,955	\$ 309,955	\$ 309,955	\$ 309,955	\$ 309,955	\$ 309,955	\$ 309,955	\$ 309,955	\$ 309,955	\$ 309,955	\$ 3,719,461
Employee Assistance	\$ 39,979	\$ 39,979	\$ 39,979	\$ 39,979	\$ 39,979	\$ 39,979	\$ 39,979	\$ 39,979	\$ 39,979	\$ 39,979	\$ 39,979	\$ 39,979	\$ 479,742
Data Warehouse	\$ 60,216	\$ 60,216	\$ 60,216	\$ 60,216	\$ 60,216	\$ 60,216	\$ 60,216	\$ 60,216	\$ 60,216	\$ 60,216	\$ 60,216	\$ 60,216	\$ 722,592
Consultant Fees	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 1,500,000
COBRA Fees	\$ 7,568	\$ 7,568	\$ 7,568	\$ 7,568	\$ 7,568	\$ 7,568	\$ 7,568	\$ 7,568	\$ 7,568	\$ 7,568	\$ 7,568	\$ 7,568	\$ 90,820
ACA Fees	\$ 365,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,828
Total Other Expenses	\$ 4,215,902	\$ 3,850,075	\$ 3,850,075	\$ 3,856,969	\$ 3,856,969	\$ 3,856,969	\$ 3,863,881	\$ 3,863,881	\$ 3,863,881	\$ 3,870,810	\$ 3,870,810	\$ 3,870,810	\$ 46,691,033
<b>Total Operating Expenses</b>	<b>\$ 95,273,887</b>	<b>\$ 106,377,749</b>	<b>\$ 98,329,910</b>	<b>\$ 103,981,668</b>	<b>\$ 93,070,601</b>	<b>\$ 96,325,793</b>	<b>\$ 116,487,936</b>	<b>\$ 103,817,547</b>	<b>\$ 107,597,613</b>	<b>\$ 120,278,149</b>	<b>\$ 111,309,274</b>	<b>\$ 107,495,809</b>	<b>\$ 1,260,345,935</b>
<b>Net Income</b>	<b>(\$14,038,681)</b>	<b>\$12,207,818</b>	<b>(\$13,662,543)</b>	<b>(\$11,602,331)</b>	<b>\$26,512,879</b>	<b>(\$2,282,332)</b>	<b>(\$17,285,641)</b>	<b>\$17,084,477</b>	<b>(\$12,415,244)</b>	<b>(\$34,328,783)</b>	<b>\$10,734,611</b>	<b>(\$16,988,953)</b>	<b>(\$56,064,720)</b>
Amount Carried Forward <sup>7</sup>	\$ 58,840,987	\$ 44,802,306	\$ 57,010,125	\$ 43,347,582	\$ 31,745,251	\$ 58,258,131	\$ 55,975,799	\$ 38,690,158	\$ 55,774,635	\$ 43,359,392	\$ 9,030,609	\$ 19,765,220	\$ 58,840,987
<b>Fund Equity Balance</b>	<b>\$ 44,802,306</b>	<b>\$ 57,010,125</b>	<b>\$ 43,347,582</b>	<b>\$ 31,745,251</b>	<b>\$ 58,258,131</b>	<b>\$ 55,975,799</b>	<b>\$ 38,690,158</b>	<b>\$ 55,774,635</b>	<b>\$ 43,359,392</b>	<b>\$ 9,030,609</b>	<b>\$ 19,765,220</b>	<b>\$ 2,776,267</b>	<b>\$ 2,776,267</b>
<b>GHIP Surplus (After Reserves)</b>	<b>(\$56,397,694)</b>	<b>(\$44,189,875)</b>	<b>(\$57,852,418)</b>	<b>(\$69,454,749)</b>	<b>(\$42,941,869)</b>	<b>(\$45,224,201)</b>	<b>(\$62,509,842)</b>	<b>(\$45,425,365)</b>	<b>(\$57,840,608)</b>	<b>(\$92,169,391)</b>	<b>(\$81,434,780)</b>	<b>(\$98,423,733)</b>	<b>(\$98,423,733)</b>

<sup>1</sup> Based on claims experience for the period 7/1/2022 - 6/30/2023; headcounts reflect July 2023 open enrollment with 1% growth during FY24; 6% medical (3% Medicaid) and 9% Rx trend; EGWP revenues and prescription drug rebates based on the period revenues will be paid

<sup>2</sup> EGWP revenue reflects actual revenues received through June 2023; remaining revenues through CY23 and CY24 based on projected PMPM payments provided by CVS

<sup>3</sup> FY24 rebates based on when rebates will be received by GHIP; assumes 60 day lag on CVS rebate payments

<sup>4</sup> Reflects CY22 federal reinsurance true-up payment expected to be received in January 2024

<sup>5</sup> Participating Group Fees shown for FY24 are estimated based on FY23 fees and assumed FY24 headcounts and premiums

<sup>6</sup> FY24 projected claims reflect CVS market check contract improvements

<sup>7</sup> Balance Forward reflects actual balance as of June 2023 Fund Equity Report

Note: It is evident that the COVID-19 pandemic will have an impact on health care costs. We have used available information and reasonable estimation techniques to develop health care cost estimates for the GHIP that reflect the impact of COVID-19. However due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.

State of Delaware  
 FY24 Budget<sup>1</sup>  
 August 2023

	1	2	3	4	5	6	7	8	9	10	11	12	
Operating Revenues	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
<b>Premium Contributions</b>													
Highmark	\$ 62,475,578	\$ 127,741,744	\$ 193,007,909	\$ 258,436,632	\$ 323,865,354	\$ 389,294,076	\$ 454,885,761	\$ 520,477,445	\$ 596,069,130	\$ 651,824,182	\$ 717,579,234	\$ 783,334,287	\$ 783,334,287
Aetna	\$ 16,214,018	\$ 33,169,838	\$ 50,125,858	\$ 67,123,709	\$ 84,121,761	\$ 101,119,812	\$ 118,160,200	\$ 135,200,588	\$ 152,240,976	\$ 169,323,806	\$ 186,406,637	\$ 203,489,467	\$ 203,489,467
Total Premium Contributions	\$ 78,689,596	\$ 160,911,582	\$ 243,133,567	\$ 325,560,341	\$ 407,987,115	\$ 490,413,889	\$ 573,045,961	\$ 655,678,034	\$ 738,310,106	\$ 821,147,989	\$ 903,985,871	\$ 986,823,754	\$ 986,823,754
<b>Other Revenues</b>													
Medicare Retiree Prescription Subsidy Program (EGWP) <sup>2</sup>	\$ 4,835	\$ (90,558)	\$ (185,951)	\$ (329,397)	\$ (472,843)	\$ (616,289)	\$ (357,443)	\$ (98,597)	\$ 160,249	\$ 419,739	\$ 679,229	\$ 938,720	\$ 938,720
Federal Reinsurance <sup>2</sup>	\$ 1,933,426	\$ 3,866,851	\$ 5,800,277	\$ 7,738,518	\$ 9,676,760	\$ 11,615,001	\$ 13,849,530	\$ 16,084,059	\$ 18,318,588	\$ 20,558,683	\$ 22,798,777	\$ 25,038,872	\$ 25,038,872
Prescription Drug Rebates - Commercial <sup>3</sup>	\$ -	\$ 18,905,075	\$ 18,905,075	\$ 18,905,075	\$ 38,851,515	\$ 38,851,515	\$ 38,851,515	\$ 59,085,766	\$ 59,085,766	\$ 59,085,766	\$ 79,783,719	\$ 79,783,719	\$ 79,783,719
Prescription Drug Rebates - EGWP <sup>3</sup>	\$ -	\$ 15,013,124	\$ 15,013,124	\$ 15,013,124	\$ 29,819,734	\$ 29,819,734	\$ 29,819,734	\$ 44,751,682	\$ 44,751,682	\$ 60,148,247	\$ 60,148,247	\$ 60,148,247	\$ 60,148,247
Prescription True Up / Yr End Recon Pymts <sup>4</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,466,470	\$ 13,466,470	\$ 13,466,470	\$ 13,466,470	\$ 13,466,470	\$ 13,466,470	\$ 13,466,470
Medicare Part D - Coverage Gap Discount <sup>5</sup>	\$ -	\$ -	\$ -	\$ 7,548,906	\$ 7,548,906	\$ 16,761,935	\$ 16,761,935	\$ 16,761,935	\$ 26,208,478	\$ 26,208,478	\$ 26,208,478	\$ 30,765,967	\$ 30,765,967
Participating Group Fees <sup>6</sup>	\$ 607,349	\$ 1,214,699	\$ 1,822,048	\$ 2,430,911	\$ 3,039,773	\$ 3,648,635	\$ 4,259,014	\$ 4,869,392	\$ 5,479,771	\$ 6,091,670	\$ 6,703,569	\$ 7,315,468	\$ 7,315,468
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Revenues	\$ 2,545,610	\$ 38,909,192	\$ 41,354,574	\$ 51,307,138	\$ 88,463,844	\$ 100,080,531	\$ 116,650,754	\$ 154,920,706	\$ 167,471,002	\$ 170,582,486	\$ 209,788,489	\$ 217,457,462	\$ 217,457,462
<b>Total Operating Revenues</b>	<b>\$ 81,235,207</b>	<b>\$ 199,820,774</b>	<b>\$ 284,488,141</b>	<b>\$ 376,867,478</b>	<b>\$ 496,450,959</b>	<b>\$ 590,494,420</b>	<b>\$ 689,696,715</b>	<b>\$ 810,598,739</b>	<b>\$ 905,781,109</b>	<b>\$ 991,730,475</b>	<b>\$ 1,113,774,360</b>	<b>\$ 1,204,281,215</b>	<b>\$ 1,204,281,215</b>
<b>Operating Expenses</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>TOTAL</b>
<b>Claims<sup>8</sup></b>													
Highmark	\$ 45,878,756	\$ 103,227,202	\$ 149,105,958	\$ 203,661,292	\$ 247,305,559	\$ 290,949,827	\$ 354,301,772	\$ 404,983,328	\$ 455,664,884	\$ 519,576,585	\$ 570,705,946	\$ 621,835,307	\$ 621,835,307
Aetna	\$ 13,687,401	\$ 27,374,803	\$ 44,484,055	\$ 57,504,822	\$ 70,525,589	\$ 86,801,549	\$ 101,921,810	\$ 117,042,072	\$ 135,942,399	\$ 151,196,259	\$ 170,263,583	\$ 185,517,442	\$ 185,517,442
CVS (non-Plan D)	\$ 16,171,545	\$ 32,343,089	\$ 48,514,634	\$ 65,276,789	\$ 82,038,945	\$ 98,801,101	\$ 116,320,805	\$ 133,840,508	\$ 151,360,212	\$ 170,436,822	\$ 189,513,431	\$ 208,590,040	\$ 208,590,040
CVS (Plan D)	\$ 15,320,283	\$ 30,640,565	\$ 45,960,848	\$ 61,747,289	\$ 77,533,730	\$ 93,320,172	\$ 109,952,316	\$ 126,584,461	\$ 143,216,605	\$ 161,381,775	\$ 179,546,944	\$ 197,712,114	\$ 197,712,114
Total Claims	\$ 91,057,985	\$ 193,585,659	\$ 288,065,494	\$ 388,190,193	\$ 477,403,824	\$ 569,872,647	\$ 682,496,703	\$ 782,450,369	\$ 886,184,101	\$ 1,002,591,440	\$ 1,110,029,904	\$ 1,213,654,903	\$ 1,213,654,903
<b>Other Expenses</b>													
Program Fees and Costs (Vendor ASO Fees)	\$ 3,307,357	\$ 6,614,714	\$ 9,922,071	\$ 13,236,323	\$ 16,550,574	\$ 19,864,826	\$ 23,185,989	\$ 26,507,152	\$ 29,828,315	\$ 33,156,407	\$ 36,484,499	\$ 39,812,591	\$ 39,812,591
Office Expenses	\$ 309,955	\$ 619,910	\$ 929,865	\$ 1,239,820	\$ 1,549,775	\$ 1,859,730	\$ 2,169,685	\$ 2,479,641	\$ 2,789,596	\$ 3,099,551	\$ 3,409,506	\$ 3,719,461	\$ 3,719,461
Employee Assistance	\$ 39,979	\$ 79,957	\$ 119,936	\$ 159,914	\$ 199,893	\$ 239,871	\$ 279,850	\$ 319,828	\$ 359,807	\$ 399,785	\$ 439,764	\$ 479,742	\$ 479,742
Data Warehouse	\$ 60,216	\$ 120,432	\$ 180,648	\$ 240,864	\$ 301,080	\$ 361,296	\$ 421,512	\$ 481,728	\$ 541,944	\$ 602,160	\$ 662,376	\$ 722,592	\$ 722,592
Consultant Fees	\$ 125,000	\$ 250,000	\$ 375,000	\$ 500,000	\$ 625,000	\$ 750,000	\$ 875,000	\$ 1,000,000	\$ 1,125,000	\$ 1,250,000	\$ 1,375,000	\$ 1,500,000	\$ 1,500,000
COBRA Fees	\$ 7,568	\$ 15,137	\$ 22,705	\$ 30,273	\$ 37,841	\$ 45,410	\$ 52,978	\$ 60,546	\$ 68,115	\$ 75,683	\$ 83,251	\$ 90,820	\$ 90,820
ACA Fees	\$ 365,828	\$ 365,828	\$ 365,828	\$ 365,828	\$ 365,828	\$ 365,828	\$ 365,828	\$ 365,828	\$ 365,828	\$ 365,828	\$ 365,828	\$ 365,828	\$ 365,828
Total Other Expenses	\$ 4,215,902	\$ 8,065,977	\$ 11,916,052	\$ 15,773,022	\$ 19,629,991	\$ 23,486,960	\$ 27,350,841	\$ 31,214,722	\$ 35,078,603	\$ 38,949,413	\$ 42,820,223	\$ 46,691,033	\$ 46,691,033
<b>Total Operating Expenses</b>	<b>\$ 95,273,887</b>	<b>\$ 201,651,636</b>	<b>\$ 299,981,547</b>	<b>\$ 403,963,214</b>	<b>\$ 497,033,815</b>	<b>\$ 593,359,608</b>	<b>\$ 709,847,544</b>	<b>\$ 813,665,091</b>	<b>\$ 921,262,704</b>	<b>\$ 1,041,540,853</b>	<b>\$ 1,162,850,127</b>	<b>\$ 1,260,345,935</b>	<b>\$ 1,260,345,935</b>
<b>Net Income</b>	<b>\$ (14,038,681)</b>	<b>\$ (1,830,862)</b>	<b>\$ (15,493,405)</b>	<b>\$ (27,095,736)</b>	<b>\$ (582,856)</b>	<b>\$ (2,865,188)</b>	<b>\$ (20,150,829)</b>	<b>\$ (3,066,352)</b>	<b>\$ (15,481,595)</b>	<b>\$ (49,810,378)</b>	<b>\$ (39,075,767)</b>	<b>\$ (56,064,720)</b>	<b>\$ (56,064,720)</b>
Amount Carried Forward <sup>7</sup>	\$ 58,840,987	\$ 58,840,987	\$ 58,840,987	\$ 58,840,987	\$ 58,840,987	\$ 58,840,987	\$ 58,840,987	\$ 58,840,987	\$ 58,840,987	\$ 58,840,987	\$ 58,840,987	\$ 58,840,987	\$ 58,840,987
<b>Fund Equity Balance</b>	<b>\$ 44,802,306</b>	<b>\$ 57,010,125</b>	<b>\$ 43,347,582</b>	<b>\$ 31,745,251</b>	<b>\$ 58,258,131</b>	<b>\$ 55,975,799</b>	<b>\$ 38,690,158</b>	<b>\$ 55,774,635</b>	<b>\$ 43,359,392</b>	<b>\$ 9,030,609</b>	<b>\$ 19,765,220</b>	<b>\$ 2,776,267</b>	<b>\$ 2,776,267</b>
<b>GHIP Surplus (After Reserves)</b>	<b>(\$56,397,694)</b>	<b>(\$44,189,875)</b>	<b>(\$57,852,418)</b>	<b>(\$69,454,749)</b>	<b>(\$42,941,869)</b>	<b>(\$45,224,201)</b>	<b>(\$62,509,842)</b>	<b>(\$45,425,365)</b>	<b>(\$57,840,608)</b>	<b>(\$92,169,391)</b>	<b>(\$81,434,780)</b>	<b>(\$98,423,733)</b>	<b>(\$98,423,733)</b>

<sup>1</sup> Based on claims experience for the period 7/1/2022 - 6/30/2023; headcounts reflect July 2023 open enrollment with 1% growth during FY24; 6% medical (3% Medicfill) and 9% Rx trend; EGWP revenues and prescription drug rebates based on the period revenues will be paid

<sup>2</sup> EGWP revenue reflects actual revenues received through June 2023; remaining revenues through CY23 and CY24 based on projected PMPM payments provided by CVS

<sup>3</sup> FY24 rebates based on when rebates will be received by GHIP; assumes 60 day lag on CVS rebate payments

<sup>4</sup> Reflects CY22 federal reinsurance true-up payment expected to be received in January 2024

<sup>5</sup> Participating Group Fees shown for FY24 are estimated based on FY23 fees and assumed FY24 headcounts and premiums

<sup>6</sup> FY24 projected claims reflect CVS market check contract improvements

<sup>7</sup> Balance Forward reflects actual balance as of June 2023 Fund Equity Report

**Note: It is evident that the COVID-19 pandemic will have an impact on health care costs. We have used available information and reasonable estimation techniques to develop health care cost estimates for the GHIP that reflect the impact of COVID-19. However due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.**