



The State of Delaware

FY24 Q1 Long Term Projections

SEBC Meeting

November 20, 2023

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November 2023 long-term projections

GHIP long term health care cost projections

November 2023 update

For every 1% increase in FY25 rates, premium contributions will increase **\$9.1M**

- The GHIP long-term projections have been updated based on experience through October 2023
- The table below reconciles the current projected deficits relative to the projections presented to the Financial Subcommittee in August:

Component (\$M)	Description	FY24 Budget	FY24 Update Nov 2023	Better / (Worse)
Premium Contributions	Reflects change in premium contribution due to change in projected headcount	\$986.8	\$985.1	(\$1.7)
Other Revenues	Includes revised EGWP payments, pharmacy rebates and participating group fees through October	\$217.5	\$218.6	\$1.1
Claims/Expenses	Updated claims experience through October 2023 + updated forecast of Obesity Medication	(\$1,260.3)	(\$1,277.7)	(\$17.4)
Ending Fund Equity Balance		\$2.8	(\$15.2)	(\$17.9)
Claim Liability	Updated claims experience through October 2023	(\$72.4)	(\$73.4)	(\$1.0)
Minimum Reserve	Updated claims experience through October 2023	(\$28.8)	(\$29.2)	(\$0.4)
Total Deficit after Reserves	FY24 Projected Surplus/(Deficit)	(\$98.4)	(\$117.8)	(\$19.3)

Component (\$M)	Description	FY25 Door Opener	Update Nov 2023	Better / (Worse)
Premium Contributions	Reflects change in premium contribution due to change in projected headcount	\$1,004.4	\$1,002.7	(\$1.7)
Other Revenues	Includes revised EGWP payments, pharmacy rebates and participating group fees through October	\$223.0	\$226.5	\$3.5
Claims/Expenses	Updated claims experience through October 2023 + updated forecast of Obesity Medication	(\$1,337.5)	(\$1,355.5)	(\$18.0)
Ending Fund Equity Balance		(\$107.3)	(\$141.5)	(\$34.2)
Claim Liability	Updated claims experience through October 2023	(\$76.8)	(\$77.9)	(\$1.1)
Minimum Reserve	Updated claims experience through October 2023	(\$30.6)	(\$31.0)	(\$0.4)
Total Deficit after Reserves	FY25 Projected Surplus/(Deficit)	(\$214.7)	(\$250.4)	(\$35.7)

GHIP long term health care cost projections – Updated trend

November 2023 update – hold rates flat

GHIP Costs (\$ millions)	FY23	FY24	FY25	FY26	FY27	FY28
	Actual	Projected	Projected	Projected	Projected	Projected
Average Enrolled Members	130,659	132,721	134,048	135,388	136,741	138,108
GHIP Revenues						
Premium Contributions	\$901.8	\$985.1	\$1,002.7	\$1,012.6	\$1,022.8	\$1,033.0
<i>Additional contributions</i>						
Other Revenues	\$189.5	\$218.6	\$226.5	\$243.6	\$265.1	\$283.1
Total Operating Revenues	\$1,091.3	\$1,203.7	\$1,229.2	\$1,256.2	\$1,287.9	\$1,316.1
GHIP Expenses						
Operating Expenses	\$1,189.7	\$1,277.7	\$1,355.5	\$1,456.8	\$1,571.2	\$1,695.0
<i>% Change Per Member</i>	14.7%	5.7%	5.0%	6.4%	6.8%	6.8%
Adjusted Net Income	(\$98.4)	(\$74.0)	(\$126.3)	(\$200.6)	(\$283.3)	(\$378.9)
Balance Forward	\$157.2	\$58.8	(\$15.2)	(\$141.5)	(\$342.1)	(\$625.4)
Ending Balance	\$58.8	(\$15.2)	(\$141.5)	(\$342.1)	(\$625.4)	(\$1,004.3)
- Less Claims Liability	\$68.3	\$73.4	\$77.9	\$83.7	\$90.3	\$97.4
- Less Minimum Reserve	\$27.2	\$29.2	\$31.0	\$33.3	\$35.9	\$38.7
GHIP Surplus (After Reserves/Deposits)	(\$36.7)	(\$117.8)	(\$250.4)	(\$459.1)	(\$751.6)	(\$1,140.4)
General Fund Surplus/(Deficit)	(\$24.6)	(\$78.9)	(\$167.8)	(\$307.6)	(\$503.6)	(\$764.1)
Non-General Fund Surplus/(Deficit)	(\$12.1)	(\$38.9)	(\$82.6)	(\$151.5)	(\$248.0)	(\$376.3)

See Appendix for detailed footnotes

- Projections assumes no additional program or legislative changes impacting GHIP spend including the potential impact of adopting the Primary Care law; projections reflect 6% medical, 9% Rx, and 3% Medicfill trend assumptions
- FY24 forecast includes actual experience through October, \$5.2M and \$4.0M in additional costs due to higher-than-expected utilizations of obesity medications and Surgery Plus respectively.

GHIP long term health care cost projections – Updated trend

November 2023 update – 27.1% rate increase for FY25

GHIP Costs (\$ millions)	FY23	FY24	FY25	FY26	FY27	FY28
	Actual	Projected	Projected	Projected	Projected	Projected
Average Enrolled Members	130,659	132,721	134,048	135,388	136,741	138,108
GHIP Revenues						
Premium Contributions	\$901.8	\$985.1	\$1,002.7	\$1,012.6	\$1,022.8	\$1,033.0
<i>Increase rates 27.1% in FY25</i>			\$250.4	\$279.1	\$281.9	\$284.8
Other Revenues	\$189.5	\$218.6	\$226.5	\$243.6	\$265.1	\$283.1
Total Operating Revenues	\$1,091.3	\$1,203.7	\$1,479.6	\$1,535.3	\$1,569.8	\$1,600.9
GHIP Expenses						
Operating Expenses	\$1,189.7	\$1,277.7	\$1,355.5	\$1,456.8	\$1,571.2	\$1,695.0
<i>% Change Per Member</i>	14.7%	5.7%	5.0%	6.4%	6.8%	6.8%
Adjusted Net Income	(\$98.4)	(\$74.0)	\$124.1	\$78.5	(\$1.4)	(\$94.1)
Balance Forward	\$157.2	\$58.8	(\$15.2)	\$108.9	\$187.4	\$186.0
Ending Balance	\$58.8	(\$15.2)	\$108.9	\$187.4	\$186.0	\$91.9
- Less Claims Liability	\$68.3	\$73.4	\$77.9	\$83.7	\$90.3	\$97.4
- Less Minimum Reserve	\$27.2	\$29.2	\$31.0	\$33.3	\$35.9	\$38.7
GHIP Surplus (After Reserves/Deposits)	(\$36.7)	(\$117.8)	(\$0.0)	\$70.4	\$59.8	(\$44.2)
General Fund Surplus/(Deficit)	(\$24.6)	(\$78.9)	(\$0.0)	\$47.2	\$40.1	(\$29.6)
Non-General Fund Surplus/(Deficit)	(\$12.1)	(\$38.9)	(\$0.0)	\$23.2	\$19.7	(\$14.6)

See Appendix for detailed footnotes

- 27.1% rate increases required (all populations) for FY25 to solve for FY25 deficit
- Projections assumes no additional program or legislative changes impacting GHIP spend including the potential impact of adopting the Primary Care law; projections reflect 6% medical, 9% Rx, and 3% Medicfill trend assumptions

GHIP long term health care cost projections – Updated trend

November 2023 update – 17.1% rate increase for FY25 and 12.0% in FY26

GHIP Costs (\$ millions)	FY23	FY24	FY25	FY26	FY27	FY28
	Actual	Projected	Projected	Projected	Projected	Projected
Average Enrolled Members	130,659	132,721	134,048	135,388	136,741	138,108
GHIP Revenues						
Premium Contributions (at FY24 Rates)	\$901.8	\$985.1	\$1,002.7	\$1,012.6	\$1,022.8	\$1,033.0
<i>Increase Rates 17.1% for FY25 and 12.0% for FY26</i>			\$156.5	\$302.6	\$317.9	\$321.2
Other Revenues	\$189.5	\$218.6	\$226.5	\$243.6	\$265.1	\$283.1
Total Operating Revenues	\$1,091.3	\$1,203.7	\$1,385.7	\$1,558.8	\$1,605.8	\$1,637.3
GHIP Expenses						
Operating Expenses	\$1,189.7	\$1,277.7	\$1,355.5	\$1,456.8	\$1,571.2	\$1,695.0
<i>% Change Per Member</i>	14.7%	5.7%	5.0%	6.4%	6.8%	6.8%
Adjusted Net Income	(\$98.4)	(\$74.0)	\$30.2	\$102.0	\$34.6	(\$57.7)
Balance Forward	\$157.2	\$58.8	(\$15.2)	\$15.0	\$117.0	\$151.6
Ending Balance	\$58.8	(\$15.2)	\$15.0	\$117.0	\$151.6	\$93.9
- Less Claims Liability	\$68.3	\$73.4	\$77.9	\$83.7	\$90.3	\$97.4
- Less Minimum Reserve	\$27.2	\$29.2	\$31.0	\$33.3	\$35.9	\$38.7
GHIP Surplus (After Reserves/Deposits)	(\$36.7)	(\$117.8)	(\$93.9)	\$0.0	\$25.4	(\$42.2)
General Fund Surplus/(Deficit)	(\$24.6)	(\$78.9)	(\$62.9)	\$0.0	\$17.0	(\$28.3)
Non-General Fund Surplus/(Deficit)	(\$16.5)	(\$52.9)	(\$42.2)	\$0.0	\$11.4	(\$18.9)

See Appendix for detailed footnotes

- 17.1 % rate increases required (all populations) for FY25 and 12.0% for FY26 to solve for FY26 deficit
- Projections assumes no additional program or legislative changes impacting GHIP spend including the potential impact of adopting the Primary Care law; projections reflect 6% medical, 9% Rx, and 3% Medicfill trend assumptions

FY25 monthly rates and employee/retiree contributions

Illustrative 27.1% increase effective 7/1/2024

- FY25 reflects employee contribution increases of \$8.94 - \$87.76 per employee per month (\$107.28 - \$1,053.12 per year) and State subsidy increases of \$214.70 - \$579.24 per employee per month (\$2,576.40 - \$6,950.88 per year) effective 7/1/2024

	FY 2024			FY 2025 with Increase			\$ Change Employee/ Pensioner Contribution		\$ Change State Subsidy	
	Rate	Employee Contribution	State Subsidy	Rate	Employee Contribution	State Subsidy	Monthly	Annual	Monthly	Annual
First State Basic										
Employee	\$826.68	\$33.06	\$793.62	\$1,050.32	\$42.00	\$1,008.32	\$8.94	\$107.28	\$214.70	\$2,576.40
Employee + Spouse	\$1,710.38	\$68.42	\$1,641.96	\$2,173.10	\$86.94	\$2,086.16	\$18.52	\$222.24	\$444.20	\$5,330.40
Employee + Child	\$1,256.64	\$50.26	\$1,206.38	\$1,596.60	\$63.86	\$1,532.74	\$13.60	\$163.20	\$326.36	\$3,916.32
Family	\$2,138.06	\$85.54	\$2,052.52	\$2,716.48	\$108.68	\$2,607.80	\$23.14	\$277.68	\$555.28	\$6,663.36
CDH Gold										
Employee	\$855.60	\$42.78	\$812.82	\$1,087.08	\$54.36	\$1,032.72	\$11.58	\$138.96	\$219.90	\$2,638.80
Employee + Spouse	\$1,774.04	\$88.70	\$1,685.34	\$2,253.98	\$112.70	\$2,141.28	\$24.00	\$288.00	\$455.94	\$5,471.28
Employee + Child	\$1,307.22	\$65.36	\$1,241.86	\$1,660.88	\$83.04	\$1,577.84	\$17.68	\$212.16	\$335.98	\$4,031.76
Family	\$2,253.76	\$112.68	\$2,141.08	\$2,863.48	\$143.16	\$2,720.32	\$30.48	\$365.76	\$579.24	\$6,950.88
Aetna HMO										
Employee	\$863.04	\$56.10	\$806.94	\$1,096.52	\$71.28	\$1,025.24	\$15.18	\$182.16	\$218.30	\$2,619.60
Employee + Spouse	\$1,819.64	\$118.28	\$1,701.36	\$2,311.92	\$150.28	\$2,161.64	\$32.00	\$384.00	\$460.28	\$5,523.36
Employee + Child	\$1,320.24	\$85.82	\$1,234.42	\$1,677.42	\$109.04	\$1,568.38	\$23.22	\$278.64	\$333.96	\$4,007.52
Family	\$2,270.50	\$147.58	\$2,122.92	\$2,884.76	\$187.52	\$2,697.24	\$39.94	\$479.28	\$574.32	\$6,891.84
Comprehensive PPO										
Employee	\$943.78	\$125.04	\$818.74	\$1,199.10	\$158.88	\$1,040.22	\$33.84	\$406.08	\$221.48	\$2,657.76
Employee + Spouse	\$1,958.44	\$259.50	\$1,698.94	\$2,488.26	\$329.70	\$2,158.56	\$70.20	\$842.40	\$459.62	\$5,515.44
Employee + Child	\$1,454.52	\$192.72	\$1,261.80	\$1,848.02	\$244.86	\$1,603.16	\$52.14	\$625.68	\$341.36	\$4,096.32
Family	\$2,448.32	\$324.40	\$2,123.92	\$3,110.68	\$412.16	\$2,698.52	\$87.76	\$1,053.12	\$574.60	\$6,895.20

FY25 monthly rates and employee/retiree contributions

Illustrative 17.1% increase effective 7/1/2024

- FY25 reflects employee contribution increases of \$5.66 - \$55.44 per employee per month (\$67.92 - \$665.28 per year) and State subsidy increases of \$135.60 - \$365.82 per employee per month (\$1,627.20 - \$4,389.84 per year) effective 7/1/2024

	FY 2024			FY 2025 with Increase			\$ Change Employee/ Pensioner Contribution		\$ Change State Subsidy	
	Rate	Employee Contribution	State Subsidy	Rate	Employee Contribution	State Subsidy	Monthly	Annual	Monthly	Annual
First State Basic										
Employee	\$826.68	\$33.06	\$793.62	\$967.94	\$38.72	\$929.22	\$5.66	\$67.92	\$135.60	\$1,627.20
Employee + Spouse	\$1,710.38	\$68.42	\$1,641.96	\$2,002.62	\$80.12	\$1,922.50	\$11.70	\$140.40	\$280.54	\$3,366.48
Employee + Child	\$1,256.64	\$50.26	\$1,206.38	\$1,471.36	\$58.86	\$1,412.50	\$8.60	\$103.20	\$206.12	\$2,473.44
Family	\$2,138.06	\$85.54	\$2,052.52	\$2,503.38	\$100.16	\$2,403.22	\$14.62	\$175.44	\$350.70	\$4,208.40
CDH Gold										
Employee	\$855.60	\$42.78	\$812.82	\$1,001.80	\$50.10	\$951.70	\$7.32	\$87.84	\$138.88	\$1,666.56
Employee + Spouse	\$1,774.04	\$88.70	\$1,685.34	\$2,077.16	\$103.86	\$1,973.30	\$15.16	\$181.92	\$287.96	\$3,455.52
Employee + Child	\$1,307.22	\$65.36	\$1,241.86	\$1,530.58	\$76.54	\$1,454.04	\$11.18	\$134.16	\$212.18	\$2,546.16
Family	\$2,253.76	\$112.68	\$2,141.08	\$2,638.84	\$131.94	\$2,506.90	\$19.26	\$231.12	\$365.82	\$4,389.84
Aetna HMO										
Employee	\$863.04	\$56.10	\$806.94	\$1,010.50	\$65.70	\$944.80	\$9.60	\$115.20	\$137.86	\$1,654.32
Employee + Spouse	\$1,819.64	\$118.28	\$1,701.36	\$2,130.56	\$138.50	\$1,992.06	\$20.22	\$242.64	\$290.70	\$3,488.40
Employee + Child	\$1,320.24	\$85.82	\$1,234.42	\$1,545.82	\$100.48	\$1,445.34	\$14.66	\$175.92	\$210.92	\$2,531.04
Family	\$2,270.50	\$147.58	\$2,122.92	\$2,658.44	\$172.80	\$2,485.64	\$25.22	\$302.64	\$362.72	\$4,352.64
Comprehensive PPO										
Employee	\$943.78	\$125.04	\$818.74	\$1,105.04	\$146.40	\$958.64	\$21.36	\$256.32	\$139.90	\$1,678.80
Employee + Spouse	\$1,958.44	\$259.50	\$1,698.94	\$2,293.06	\$303.84	\$1,989.22	\$44.34	\$532.08	\$290.28	\$3,483.36
Employee + Child	\$1,454.52	\$192.72	\$1,261.80	\$1,703.04	\$225.66	\$1,477.38	\$32.94	\$395.28	\$215.58	\$2,586.96
Family	\$2,448.32	\$324.40	\$2,123.92	\$2,866.66	\$379.84	\$2,486.82	\$55.44	\$665.28	\$362.90	\$4,354.80

Appendix

GHIP historical health care fund information

FY17 – FY23 actual

GHIP Costs (\$ millions) ¹	FY17	FY18	FY19	FY20	FY21	FY22	FY23
	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Average Enrolled Members	123,132	125,488	126,360	128,531	129,768	129,689	130,659
GHIP Revenues							
Premium Contributions ²	\$799.0	\$810.9	\$817.4	\$830.8	\$839.4	\$839.7	\$901.8
<i>Hold premium rates flat FY23+</i>	-	-	-	-	-	-	-
Other Revenues ³	\$81.6	\$92.1	\$98.5	\$122.8	\$128.9	\$194.7	\$189.5
Total Operating Revenues	\$880.6	\$903.0	\$915.9	\$953.7	\$968.3	\$1,034.4	\$1,091.3
GHIP Expenses							
Operating Expenses ⁴	\$816.8	\$853.9	\$904.0	\$927.7	\$1,005.7	\$1,029.6	\$1,189.7
<i>% Change Per Member</i>		2.6%	5.1%	0.9%	7.4%	2.4%	14.7%
Adjusted Net Income	\$63.8	\$49.1	\$11.9	\$26.0	(\$37.4)	\$4.8	(\$98.4)
Balance Forward	\$38.9	\$102.7	\$151.8	\$163.8	\$189.8	\$152.3	\$157.2
Ending Balance	\$102.7	\$151.8	\$163.8	\$189.8	\$152.3	\$157.2	\$58.8
- Less Claims Liability ⁵	\$54.0	\$58.9	\$58.8	\$57.5	\$57.5	\$61.0	\$68.3
- Less Minimum Reserve ⁵	\$24.0	\$24.0	\$24.3	\$24.3	\$24.3	\$24.3	\$27.2
GHIP Surplus (After Reserves/Deposits)	\$24.7	\$68.9	\$80.7	\$108.0	\$70.5	\$71.9	(\$36.7)
Budgeted: Operating Revenues	\$850.6	\$895.4	\$908.7	\$943.0	\$971.1	\$1,031.8	\$1,087.3
Budgeted: Operating Expenses	\$813.6	\$881.5	\$932.1	\$949.3	\$1,018.7	\$1,089.6	\$1,151.8
Budgeted: Adjusted Net Income	\$37.0	\$13.9	(\$23.4)	(\$6.3)	(\$47.5)	(\$57.8)	(\$64.5)

GHIP long term health care cost projections – Updated trend

November 2023 update – 11.9% rate increase for each of FY25 through FY27

GHIP Costs (\$ millions)	FY23	FY24	FY25	FY26	FY27	FY28
	Actual	Projected	Projected	Projected	Projected	Projected
Average Enrolled Members	130,659	132,721	134,048	135,388	136,741	138,108
GHIP Revenues						
Premium Contributions (at FY24 Rates)	\$901.8	\$985.1	\$1,002.7	\$1,012.6	\$1,022.8	\$1,033.0
<i>Increase Rates 11.9% for each FY25-FY27</i>			\$109.2	\$244.3	\$398.1	\$415.4
Other Revenues	\$189.5	\$218.6	\$226.5	\$243.6	\$265.1	\$283.1
Total Operating Revenues	\$1,091.3	\$1,203.7	\$1,338.4	\$1,500.5	\$1,686.0	\$1,731.5
GHIP Expenses						
Operating Expenses	\$1,189.7	\$1,277.7	\$1,355.5	\$1,456.8	\$1,571.2	\$1,695.0
<i>% Change Per Member</i>	14.7%	5.7%	5.0%	6.4%	6.8%	6.8%
Adjusted Net Income	(\$98.4)	(\$74.0)	(\$17.1)	\$43.7	\$114.8	\$36.5
Balance Forward	\$157.2	\$58.8	(\$15.2)	(\$32.3)	\$11.4	\$126.2
Ending Balance	\$58.8	(\$15.2)	(\$32.3)	\$11.4	\$126.2	\$162.7
- Less Claims Liability	\$68.3	\$73.4	\$77.9	\$83.7	\$90.3	\$97.4
- Less Minimum Reserve	\$27.2	\$29.2	\$31.0	\$33.3	\$35.9	\$38.7
GHIP Surplus (After Reserves/Deposits)	(\$36.7)	(\$117.8)	(\$141.2)	(\$105.6)	\$0.0	\$26.6
General Fund Surplus/(Deficit)	(\$24.6)	(\$78.9)	(\$94.6)	(\$70.8)	\$0.0	\$17.8
Non-General Fund Surplus/(Deficit)	(\$16.5)	(\$52.9)	(\$63.4)	(\$47.4)	\$0.0	\$11.9

See Appendix for detailed footnotes

- 11.9% rate increases required (all populations) for each of FY25 through FY27 to solve for deficit by end of FY27
- Projections assumes no additional program or legislative changes impacting GHIP spend including the potential impact of adopting the Primary Care law; projections reflect 6% medical, 9% Rx, and 3% Medicfill trend assumptions

FY25 monthly rates and employee/retiree contributions

Illustrative 11.9% increase effective 7/1/2024

- FY25 reflects employee contribution increases of \$3.94 - \$38.70 per employee per month (\$47.28 - \$464.40 per year) and State subsidy increases of \$94.64 - \$255.34 per employee per month (\$1,135.68 - \$3,064.08 per year) effective 7/1/2024

	FY 2024			FY 2025 with Increase			\$ Change Employee/ Pensioner Contribution		\$ Change State Subsidy	
	Rate	Employee Contribution	State Subsidy	Rate	Employee Contribution	State Subsidy	Monthly	Annual	Monthly	Annual
First State Basic										
Employee	\$826.68	\$33.06	\$793.62	\$925.26	\$37.00	\$888.26	\$3.94	\$47.28	\$94.64	\$1,135.68
Employee + Spouse	\$1,710.38	\$68.42	\$1,641.96	\$1,914.36	\$76.58	\$1,837.78	\$8.16	\$97.92	\$195.82	\$2,349.84
Employee + Child	\$1,256.64	\$50.26	\$1,206.38	\$1,406.50	\$56.26	\$1,350.24	\$6.00	\$72.00	\$143.86	\$1,726.32
Family	\$2,138.06	\$85.54	\$2,052.52	\$2,393.04	\$95.74	\$2,297.30	\$10.20	\$122.40	\$244.78	\$2,937.36
CDH Gold										
Employee	\$855.60	\$42.78	\$812.82	\$957.64	\$47.88	\$909.76	\$5.10	\$61.20	\$96.94	\$1,163.28
Employee + Spouse	\$1,774.04	\$88.70	\$1,685.34	\$1,985.60	\$99.28	\$1,886.32	\$10.58	\$126.96	\$200.98	\$2,411.76
Employee + Child	\$1,307.22	\$65.36	\$1,241.86	\$1,463.12	\$73.16	\$1,389.96	\$7.80	\$93.60	\$148.10	\$1,777.20
Family	\$2,253.76	\$112.68	\$2,141.08	\$2,522.54	\$126.12	\$2,396.42	\$13.44	\$161.28	\$255.34	\$3,064.08
Aetna HMO										
Employee	\$863.04	\$56.10	\$806.94	\$965.96	\$62.80	\$903.16	\$6.70	\$80.40	\$96.22	\$1,154.64
Employee + Spouse	\$1,819.64	\$118.28	\$1,701.36	\$2,036.64	\$132.40	\$1,904.24	\$14.12	\$169.44	\$202.88	\$2,434.56
Employee + Child	\$1,320.24	\$85.82	\$1,234.42	\$1,477.68	\$96.06	\$1,381.62	\$10.24	\$122.88	\$147.20	\$1,766.40
Family	\$2,270.50	\$147.58	\$2,122.92	\$2,541.28	\$165.18	\$2,376.10	\$17.60	\$211.20	\$253.18	\$3,038.16
Comprehensive PPO										
Employee	\$943.78	\$125.04	\$818.74	\$1,056.34	\$139.96	\$916.38	\$14.92	\$179.04	\$97.64	\$1,171.68
Employee + Spouse	\$1,958.44	\$259.50	\$1,698.94	\$2,192.00	\$290.46	\$1,901.54	\$30.96	\$371.52	\$202.60	\$2,431.20
Employee + Child	\$1,454.52	\$192.72	\$1,261.80	\$1,627.98	\$215.70	\$1,412.28	\$22.98	\$275.76	\$150.48	\$1,805.76
Family	\$2,448.32	\$324.40	\$2,123.92	\$2,740.30	\$363.10	\$2,377.20	\$38.70	\$464.40	\$253.28	\$3,039.36

GHIP long term health care cost projection footnotes

Note: FY17-FY23 actuals based on final June Fund Equity reports for respective fiscal year; FY24+ projected operating expenses and enrollment based on experience through October 2023; assumed 1% annual enrollment growth; numbers in table may not add up due to rounding

1. FY24 – FY28 projections based on 6% medical, 9% pharmacy baseline trend; assumes 1% annual growth in GHIP membership; Includes State and employee/pensioner premium contributions; assumes 1% annual enrollment growth for FY24 – FY27
2. Includes Rx rebates, EGWP payments, other revenues based on when revenues will be received; FY24 and beyond includes estimated improvements in Rx rebates based on result of PBM award to CVS Health; rebates assumed to be paid 60 days after the quarter adjudicated; includes fees for participating non-State groups (assumed to increase proportionally with membership and premium growth)
3. FY24 and beyond includes estimated reduction in pharmacy claims as a result of PBM award to CVS Health; reflects FY24 savings initiatives voted on by SEBC as of most recent SEBC meeting, including Hinge Health (\$4M savings), bariatric surgery carve-out to SurgeryPlus (\$1M savings), CVS Transform Diabetes Care and Drug Savings Review (\$1.5M savings), Prudent Rx (\$6.6M savings), increases in hospital outpatient surgery, hospital based high-tech imaging and Rx copays (\$0.8M cumulative savings); reflects cost increases associated with House Bill 303 (\$2.4M annual cost effective 1/1/24) and weight loss medication coverage with utilization management (\$1.8M annual cost effective FY24); excludes impact of the Primary Care law (unknown if it will impact GHIP); Reflects CVS Market Check for FY24 (\$9.4M cost decrease), FY25 (\$20.4M cost decrease), and FY26 (\$4.8M cost decrease)
4. Minimum Reserve and Claim Liability updated for FY24; reserves in future years assumed to increase with overall GHIP claims growth

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.

Medicare Supplement – Special Medicfill Plan

Rates effective January 1, 2024 – June 30, 2024

	Total Monthly Rate	State Share	Pensioner Pays
Highmark Delaware Medicare Supplement for Pensioners Retired On or Prior to July 1, 2012			
Special Medicfill with Prescription	\$482.34	\$482.34	\$0.00
Special Medicfill without Prescription	\$273.46	\$273.46	\$0.00
Highmark Delaware Medicare Supplement for Pensioners Retired After July 1, 2012			
Special Medicfill with Prescription	\$482.34	\$458.24	\$24.10
Special Medicfill without Prescription	\$273.46	\$259.80	\$13.66

- If you have less than 20 years of service and were first hired on or after July 1, 1991, the State does not pay the full state share but will pay a percentage of the state share of the cost of your coverage as explained in the charts below.

Eligible Pensioners Hired By The State On Or After July 1, 1991 Through December 31, 2006 <i>(The following portion of the State Share will be paid by the State)</i> (Except those receiving a disability pension or receiving an LTD benefit)		
Less than 10 years service	0%	state share paid by state
10 years - less than 15 years service	50%	state share paid by state
15 years - less than 20 years service	75%	state share paid by state
20 years or more service	100%	state share paid by state
Eligible Pensioners Hired By The State On Or After January 1, 2007 <i>(The following portion of the State Share will be paid by the State)</i> (Except those receiving a disability pension or receiving an LTD benefit)		
Less than 15 years service	0%	state share paid by state
15 years - less than 17.5 years service	50%	state share paid by state
17.5 years - less than 20 years service	75%	state share paid by state
20 years or more service	100%	state share paid by state

FY25 potential changes – Not factored into the long term projections

Potential Change	Description	Fiscal Year Cost (Savings)
Voluntary compliance with Primary Care law	<ul style="list-style-type: none"> • Law promotes sustainability of primary care in Delaware • GHIP is not required to comply; however, SEBC has previously discussed opportunity to do so voluntarily 	TBD – Cost analysis underway with Highmark and Aetna
MHPAEA analysis	<ul style="list-style-type: none"> • Medical plan design changes prompted by MHPAEA analysis 	TBD – Cost analysis underway with Highmark and Aetna
DEI benefits review	<ul style="list-style-type: none"> • Medical plan design enhancements prompted by DEI benefits review 	TBD – Cost analysis underway with Highmark and Aetna. See next slide for preliminary estimates.
Additional COE carve-outs	<ul style="list-style-type: none"> • SurgeryPlus has previously shared opportunity analysis related to carving out other procedures such as spine surgery and joint replacements • Further evaluation is pending the outcome of FY25 contract negotiations between the State and SurgeryPlus (Employer Direct Healthcare) 	TBD
Extension of COVID-19 PHE benefit enhancements	<ul style="list-style-type: none"> • In March 2023, the SEBC opted to keep benefit enhancements in place through FY24 • Decision-point for SEBC on whether to continue benefit enhancements through FY25: <ul style="list-style-type: none"> • No member cost share for inpatient and outpatient visits related to treatment of COVID-19 or associated complications • No member cost share for any telehealth visits • Extend EAP to all employees 	\$1.4M if enhancements extended through FY25

FY25 potential changes – details

DEI benefits review

Plan Design / Coverage Change	Description	Preliminary Annual Cost Estimate (assuming 7/1/24 effective date)
Family forming benefits		
Remove the demonstration of infertility requirements for opposite sex, same sex and transgender couples, and single parent by choice	<ul style="list-style-type: none"> About 54% of employers cover fertility services beyond diagnosis of infertility¹ Expands access to this benefit to any covered member regardless of sexual orientation or marital status 	Initial estimate ranges \$1.5m - \$3.0m, depending on utilization
Evaluate holistic family forming programs available through medical carrier partnerships	<ul style="list-style-type: none"> Offers support for accessing fertility treatments through high quality providers and in coordination with the member's medical provider network CVS Health/Aetna offers partnership with Progyny Highmark offers partnership with WINFertility 	Varies based on utilization and vendor(s) selected. Further details could be provided in December if Subcommittee members are interested.
Women's health		
Enhance coverage for wigs for any treatment, illness or injury resulting in hair loss and align benefit maximum across Aetna and Highmark (e.g., \$1,000)	<ul style="list-style-type: none"> Typically covered as an allowance (e.g., up to \$1,000) provided annually 	Initial estimate: \$25,000 - \$50,000
Add coverage allowance for cooling caps (scalp hypothermia) which reduces hair loss due to chemotherapy, typically used for breast cancer patients	<ul style="list-style-type: none"> Typically covered as an allowance (e.g., up to \$1,000) provided annually Often aligned with wig allowance (same amount provided for both) 	Initial estimate: \$25,000 - \$50,000
Alignment of coverage of mastectomy bra across medical carriers	<ul style="list-style-type: none"> Covered under both medical carriers today, though coverage parameters vary 	Under development with the medical carriers.
Broad wellbeing		
Expand hearing aid benefit to adults over age 23 (Highmark) / 24 (Aetna)	<ul style="list-style-type: none"> Proposed enhancement would remove age limit Consider administering with a dollar limit (e.g., up to \$3,000 max, every 3 years) 	Coverage with no age limit, no dollar maximum: up to \$750,000
Expand coverage for alternative medicine to include acupuncture	<ul style="list-style-type: none"> Proposed enhancement would remove coverage limitations 	Under development with the medical carriers.

1. Source: 2022 WTW Emerging Trends in Healthcare Survey.