



The State of Delaware

Updated Rate Scenarios

State Employee Benefits Committee Meeting

March 7, 2025

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Long-term Projections

Long-term Projection – All GHIP Groups Combined (Excluding UD – Non-Smoothed)

	Rate Increase	27.0%	0.0%	7.3%	11.2%	8.3%
	FY24	FY25	FY26	FY27	FY28	FY29
GHIP Costs (\$ millions)	Actual	Projected	Projected	Projected	Projected	Projected
Average Enrolled Members	133,487	136,122	124,904	126,153	127,414	128,689
GHIP Revenues						
Total Premium Contributions	\$990.0	\$1,254.1	\$1,184.9	\$1,273.0	\$1,423.2	\$1,561.8
Transfer from OMB						
Payback of Transfer from OMB	\$0.0	(\$7.3)				
Other Revenues	\$223.2	\$274.6	\$279.4	\$304.8	\$326.5	\$350.2
Total Operating Revenues	\$1,220.5	\$1,521.4	\$1,464.3	\$1,577.8	\$1,749.7	\$1,911.9
GHIP Expenses						
Claims	\$1,230.7	\$1,390.5	\$1,406.4	\$1,545.1	\$1,690.9	\$1,850.5
Expenses	\$48.6	\$57.6	\$49.1	\$51.0	\$53.0	\$55.0
Total Operating Expenses	\$1,279.3	\$1,448.1	\$1,455.5	\$1,596.1	\$1,743.8	\$1,905.5
% Change Per Member						
Adjusted Net Income	(\$58.7)	\$73.3	\$8.8	(\$18.3)	\$5.9	\$6.5
Balance Forward	\$58.8	\$0.1	\$73.3	\$82.1	\$63.8	\$69.8
Ending Fund Cash Balance	\$0.1	\$73.3	\$82.1	\$63.8	\$69.8	\$76.2
- Less Claims Liability	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
- Less Minimum Reserve	\$27.8	\$31.9	\$58.2	\$63.8	\$69.8	\$76.2
GHIP Surplus (After Reserves/Deposits)	(\$27.8)	\$41.4	\$23.9	\$0.0	(\$0.0)	(\$0.0)

Assumptions:

- 8% medical trend, 5% Medicfill trend, see Appendix for graded pharmacy trend assumption
- Starting with actual July 2024, open enrollment results and 1% per annum growth in GHIP membership with consistent plan and tier elections thereafter
- Reflects added cost for legislation going into effect during FY25
- Reflects current market check improvements for FY25/FY26 pharmacy program
- Reflect changes to 2025 (and beyond) EGWP reimbursements due to the Inflation Reduction Act
- Reflects increased cost due to plan changes adopted for FY25 to be in compliance with MHPAEA
- Does not reflect added cost due to potential pending legislation

FY26 Rates – 0% rate increase

	FY 2025			FY 2026 with Increase			\$ Change Employee/ Pensioner Contribution		\$ Change State Subsidy		Enrolled
	Rate	Employee Contribution	State Subsidy	Rate	Employee Contribution	State Subsidy	Monthly	Annual	Monthly	Annual	
First State Basic											5,074
Employee	\$1,049.58	\$41.98	\$1,007.60	\$1,049.58	\$41.98	\$1,007.60	\$0.00	\$0.00	\$0.00	\$0.00	
Employee + Spouse	\$2,171.54	\$86.88	\$2,084.66	\$2,171.54	\$86.88	\$2,084.66	\$0.00	\$0.00	\$0.00	\$0.00	
Employee + Child	\$1,595.46	\$63.82	\$1,531.64	\$1,595.46	\$63.82	\$1,531.64	\$0.00	\$0.00	\$0.00	\$0.00	
Family	\$2,714.52	\$108.60	\$2,605.92	\$2,714.52	\$108.60	\$2,605.92	\$0.00	\$0.00	\$0.00	\$0.00	
CDH Gold											4,091
Employee	\$1,086.30	\$54.32	\$1,031.98	\$1,086.30	\$54.32	\$1,031.98	\$0.00	\$0.00	\$0.00	\$0.00	
Employee + Spouse	\$2,252.36	\$112.62	\$2,139.74	\$2,252.36	\$112.62	\$2,139.74	\$0.00	\$0.00	\$0.00	\$0.00	
Employee + Child	\$1,659.68	\$82.98	\$1,576.70	\$1,659.68	\$82.98	\$1,576.70	\$0.00	\$0.00	\$0.00	\$0.00	
Family	\$2,861.42	\$143.06	\$2,718.36	\$2,861.42	\$143.06	\$2,718.36	\$0.00	\$0.00	\$0.00	\$0.00	
Aetna HMO											8,460
Employee	\$1,095.74	\$71.24	\$1,024.50	\$1,095.74	\$71.24	\$1,024.50	\$0.00	\$0.00	\$0.00	\$0.00	
Employee + Spouse	\$2,310.26	\$150.18	\$2,160.08	\$2,310.26	\$150.18	\$2,160.08	\$0.00	\$0.00	\$0.00	\$0.00	
Employee + Child	\$1,676.20	\$108.96	\$1,567.24	\$1,676.20	\$108.96	\$1,567.24	\$0.00	\$0.00	\$0.00	\$0.00	
Family	\$2,882.68	\$187.38	\$2,695.30	\$2,882.68	\$187.38	\$2,695.30	\$0.00	\$0.00	\$0.00	\$0.00	
Comprehensive PPO											31,192
Employee	\$1,198.24	\$158.76	\$1,039.48	\$1,198.24	\$158.76	\$1,039.48	\$0.00	\$0.00	\$0.00	\$0.00	
Employee + Spouse	\$2,486.48	\$329.48	\$2,157.00	\$2,486.48	\$329.48	\$2,157.00	\$0.00	\$0.00	\$0.00	\$0.00	
Employee + Child	\$1,846.70	\$244.68	\$1,602.02	\$1,846.70	\$244.68	\$1,602.02	\$0.00	\$0.00	\$0.00	\$0.00	
Family	\$3,108.44	\$411.86	\$2,696.58	\$3,108.44	\$411.86	\$2,696.58	\$0.00	\$0.00	\$0.00	\$0.00	
Medicfill - Retired after 7/1/2012 (5% Pensioner share)											30,418
Medicfill with Rx	\$612.40	\$30.62	\$581.78	\$612.40	\$30.62	\$581.78	\$0.00	\$0.00	\$0.00	\$0.00	
Medicfill without Rx	\$347.20	\$17.36	\$329.84	\$347.20	\$17.36	\$329.84	\$0.00	\$0.00	\$0.00	\$0.00	

Long-term Projection – All GHIP Groups Combined (Excluding UD – Three-year Smoothing)

	Rate Increase	27.0%	4.2%	4.2%	4.2%	15.0%
	FY24	FY25	FY26	FY27	FY28	FY29
GHIP Costs (\$ millions)	Actual	Projected	Projected	Projected	Projected	Projected
Average Enrolled Members	133,487	136,122	124,904	126,153	127,414	128,689
GHIP Revenues						
Total Premium Contributions	\$990.0	\$1,254.1	\$1,228.2	\$1,292.6	\$1,360.3	\$1,561.8
Transfer from OMB						
Payback of Transfer from OMB	\$0.0	(\$7.3)				
Other Revenues	\$223.2	\$274.6	\$279.4	\$304.8	\$326.5	\$350.2
Total Operating Revenues	\$1,220.5	\$1,521.4	\$1,507.6	\$1,597.4	\$1,686.8	\$1,911.9
GHIP Expenses						
Claims	\$1,230.7	\$1,390.5	\$1,406.4	\$1,545.1	\$1,690.9	\$1,850.5
Expenses	\$48.6	\$57.6	\$49.1	\$51.0	\$53.0	\$55.0
Total Operating Expenses	\$1,279.3	\$1,448.1	\$1,455.5	\$1,596.1	\$1,743.8	\$1,905.5
% Change Per Member						
Adjusted Net Income	(\$58.7)	\$73.3	\$52.1	\$1.3	(\$57.0)	\$6.5
Balance Forward	\$58.8	\$0.1	\$73.3	\$125.4	\$126.7	\$69.8
Ending Fund Cash Balance	\$0.1	\$73.3	\$125.4	\$126.7	\$69.8	\$76.2
- Less Claims Liability	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
- Less Minimum Reserve	\$27.8	\$31.9	\$58.2	\$63.8	\$69.8	\$76.2
GHIP Surplus (After Reserves/Deposits)	(\$27.8)	\$41.4	\$67.2	\$62.9	\$0.0	(\$0.0)

Assumptions:

- 8% medical trend, 5% Medicfill trend, see Appendix for graded pharmacy trend assumption
- Starting with actual July 2024, open enrollment results and 1% per annum growth in GHIP membership with consistent plan and tier elections thereafter
- Reflects added cost for legislation going into effect during FY25
- Reflects current market check improvements for FY25/FY26 pharmacy program
- Reflect changes to 2025 (and beyond) EGWP reimbursements due to the Inflation Reduction Act
- Reflects increased cost due to plan changes adopted for FY25 to be in compliance with MHPAEA
- Does not reflect added cost due to potential pending legislation

FY26 Rates – 4.2% rate increase

	FY 2025			FY 2026 with Increase			\$ Change Employee/ Pensioner Contribution		\$ Change State Subsidy		Enrolled
	Rate	Employee Contribution	State Subsidy	Rate	Employee Contribution	State Subsidy	Monthly	Annual	Monthly	Annual	
First State Basic											5,074
Employee	\$1,049.58	\$41.98	\$1,007.60	\$1,093.66	\$43.74	\$1,049.92	\$1.76	\$21.12	\$42.32	\$507.84	
Employee + Spouse	\$2,171.54	\$86.88	\$2,084.66	\$2,262.74	\$90.50	\$2,172.24	\$3.62	\$43.44	\$87.58	\$1,050.96	
Employee + Child	\$1,595.46	\$63.82	\$1,531.64	\$1,662.46	\$66.50	\$1,595.96	\$2.68	\$32.16	\$64.32	\$771.84	
Family	\$2,714.52	\$108.60	\$2,605.92	\$2,828.52	\$113.14	\$2,715.38	\$4.54	\$54.48	\$109.46	\$1,313.52	
CDH Gold											4,091
Employee	\$1,086.30	\$54.32	\$1,031.98	\$1,131.92	\$56.60	\$1,075.32	\$2.28	\$27.36	\$43.34	\$520.08	
Employee + Spouse	\$2,252.36	\$112.62	\$2,139.74	\$2,346.96	\$117.34	\$2,229.62	\$4.72	\$56.64	\$89.88	\$1,078.56	
Employee + Child	\$1,659.68	\$82.98	\$1,576.70	\$1,729.38	\$86.46	\$1,642.92	\$3.48	\$41.76	\$66.22	\$794.64	
Family	\$2,861.42	\$143.06	\$2,718.36	\$2,981.60	\$149.08	\$2,832.52	\$6.02	\$72.24	\$114.16	\$1,369.92	
Aetna HMO											8,460
Employee	\$1,095.74	\$71.24	\$1,024.50	\$1,141.76	\$74.22	\$1,067.54	\$2.98	\$35.76	\$43.04	\$516.48	
Employee + Spouse	\$2,310.26	\$150.18	\$2,160.08	\$2,407.30	\$156.48	\$2,250.82	\$6.30	\$75.60	\$90.74	\$1,088.88	
Employee + Child	\$1,676.20	\$108.96	\$1,567.24	\$1,746.60	\$113.52	\$1,633.08	\$4.56	\$54.72	\$65.84	\$790.08	
Family	\$2,882.68	\$187.38	\$2,695.30	\$3,003.76	\$195.24	\$2,808.52	\$7.86	\$94.32	\$113.22	\$1,358.64	
Comprehensive PPO											31,192
Employee	\$1,198.24	\$158.76	\$1,039.48	\$1,248.56	\$165.44	\$1,083.12	\$6.68	\$80.16	\$43.64	\$523.68	
Employee + Spouse	\$2,486.48	\$329.48	\$2,157.00	\$2,590.92	\$343.30	\$2,247.62	\$13.82	\$165.84	\$90.62	\$1,087.44	
Employee + Child	\$1,846.70	\$244.68	\$1,602.02	\$1,924.26	\$254.96	\$1,669.30	\$10.28	\$123.36	\$67.28	\$807.36	
Family	\$3,108.44	\$411.86	\$2,696.58	\$3,239.00	\$429.16	\$2,809.84	\$17.30	\$207.60	\$113.26	\$1,359.12	
Medicfill - Retired after 7/1/2012 (5% Pensioner share)											30,418
Medicfill with Rx	\$612.40	\$30.62	\$581.78	\$638.12	\$31.90	\$606.22	\$1.28	\$15.36	\$24.44	\$293.28	
Medicfill without Rx	\$347.20	\$17.36	\$329.84	\$361.78	\$18.08	\$343.70	\$0.72	\$8.64	\$13.86	\$166.32	

Employee contributions increase in FY26 by a range of \$2 to \$17 per month

State share contributions increase in FY26 by a range of \$42 to \$114 per month per enrollee

Long-term Projection – All GHIP Groups Combined (Excluding UD – Alternative Three-year Smoothing)

	Rate Increase	27.0%	0.0%	8.8%	8.8%	8.8%
	FY24	FY25	FY26	FY27	FY28	FY29
GHIP Costs (\$ millions)	Actual	Projected	Projected	Projected	Projected	Projected
Average Enrolled Members	133,487	136,122	124,904	126,153	127,414	128,689
GHIP Revenues						
Total Premium Contributions	\$990.0	\$1,254.1	\$1,184.9	\$1,288.1	\$1,415.1	\$1,554.7
Transfer from OMB						
Payback of Transfer from OMB	\$0.0	(\$7.3)				
Other Revenues	\$223.2	\$274.6	\$279.4	\$304.8	\$326.5	\$350.2
Total Operating Revenues	\$1,220.5	\$1,521.4	\$1,464.3	\$1,593.0	\$1,741.7	\$1,904.8
GHIP Expenses						
Claims	\$1,230.7	\$1,390.5	\$1,406.4	\$1,545.1	\$1,690.9	\$1,850.5
Expenses	\$48.6	\$57.6	\$49.1	\$51.0	\$53.0	\$55.0
Total Operating Expenses	\$1,279.3	\$1,448.1	\$1,455.5	\$1,596.1	\$1,743.8	\$1,905.5
% Change Per Member						
Adjusted Net Income	(\$58.7)	\$73.3	\$8.8	(\$3.1)	(\$2.2)	(\$0.6)
Balance Forward	\$58.8	\$0.1	\$73.3	\$82.1	\$79.0	\$76.8
Ending Fund Cash Balance	\$0.1	\$73.3	\$82.1	\$79.0	\$76.8	\$76.2
- Less Claims Liability	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
- Less Minimum Reserve	\$27.8	\$31.9	\$58.2	\$63.8	\$69.8	\$76.2
GHIP Surplus (After Reserves/Deposits)	(\$27.8)	\$41.4	\$23.9	\$15.2	\$7.1	(\$0.0)

Assumptions:

- 8% medical trend, 5% Medicfill trend, see Appendix for graded pharmacy trend assumption
- Starting with actual July 2024, open enrollment results and 1% per annum growth in GHIP membership with consistent plan and tier elections thereafter
- Reflects added cost for legislation going into effect during FY25
- Reflects current market check improvements for FY25/FY26 pharmacy program
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GHIP Enrollment

Enrollment

		First State Basic	Comp PPO	CDH Gold	HMO	Medicfill	Total
F Y 2 3	July	3,654	30,143	3,449	8,848	29,054	75,148
	June	4,099	30,183	3,498	8,729	29,530	76,039
	Average	3,867	30,081	3,477	8,772	29,327	75,525
F Y 2 4	July	4,048	30,645	3,623	8,473	29,651	76,440
	August	4,065	30,651	3,614	8,461	29,716	76,507
	September	4,054	30,488	3,596	8,410	29,819	76,367
	October	4,117	30,491	3,600	8,379	29,834	76,421
	November	4,164	30,484	3,611	8,389	29,847	76,495
	December	4,295	30,764	3,640	8,478	29,874	77,051
	January	4,488	31,095	3,706	8,580	29,905	77,774
	February	4,544	31,115	3,715	8,585	29,915	77,874
	March	4,579	31,129	3,713	8,578	29,929	77,928
	April	4,602	31,151	3,715	8,552	29,982	78,002
	May	4,599	31,153	3,725	8,542	29,974	77,993
	June	4,614	31,112	3,711	8,535	30,006	77,978
	Average	4,347	30,857	3,664	8,497	29,871	77,236
F Y 2 5 B U D G E T	July	4,688	31,092	4,008	8,477	30,114	78,379
	August	4,692	31,118	4,011	8,484	30,139	78,444
	September	4,696	31,144	4,015	8,491	30,164	78,509
	October	4,700	31,169	4,018	8,498	30,189	78,574
	November	4,704	31,195	4,021	8,505	30,214	78,639
	December	4,707	31,221	4,025	8,512	30,239	78,705
	January	4,711	31,247	4,028	8,519	30,264	78,770
	February	4,715	31,273	4,031	8,526	30,289	78,835
	March	4,719	31,299	4,035	8,533	30,314	78,901
	April	4,723	31,325	4,038	8,540	30,340	78,966
	May	4,727	31,351	4,041	8,548	30,365	79,032
	June	4,731	31,377	4,045	8,555	30,390	79,097
	Average	4,709	31,234	4,026	8,516	30,252	78,738

- Total Subscribers up more than 4% over the past two years (post 7/1/24 open enrollment)
 - FSB +29%
 - CDH Gold +16%
 - Medicfill +4%
 - Comprehensive PPO +3%
 - HMO -4%
- Enrollment projected to grow by 1% per annum post July, 2024 open enrollment elections

Enrollment

		First State Basic	Comp PPO	CDH Gold	HMO	Medicfill	Total		
FY 25 ACTUAL	July	4,688	31,092	4,008	8,477	30,114	78,379	FY 25 BUDGET	78,379
	August	4,744	31,088	4,023	8,476	30,159	78,490		78,444
	September	4,855	31,158	4,048	8,477	30,273	78,811		78,509
	October	4,942	31,272	4,061	8,477	30,313	79,065		78,574
	November	5,005	31,293	4,078	8,450	30,368	79,194		78,639
	December	5,025	31,220	4,078	8,450	30,374	79,147		78,705
	January	5,074	31,192	4,091	8,460	30,418	79,235		78,770
	February	5,078	31,218	4,094	8,467	30,443	79,301		78,835
	March	5,082	31,244	4,098	8,474	30,468	79,367		78,901
	April	5,087	31,270	4,101	8,481	30,494	79,432		78,966
	May	5,091	31,296	4,105	8,488	30,519	79,498		79,032
	June	5,095	31,322	4,108	8,495	30,544	79,564		79,097
	Average	4,981	31,222	4,074	8,473	30,374	79,124		78,738

- FY25 Actual enrollments very close to Budget through January 2025

Other Revenues

Other Revenues - Definitions

Pharmacy Rebates (Commercial and EGWP)	Drug manufacturers offer rebates (i.e., discounts) to PBMs for including their drugs on the PBM's formulary or for encouraging doctors and patients to choose their products. These rebates are often based on the volume of sales or the formulary placement of specific medications.
Participating Group Fees	Fees charged to non-State employee groups who participate in the GHIP (e.g., Delaware Transit Corp.) Includes both an Administrative Expense Fee and a Risk Fee. The Risk Fee represents a 5% load to GHIP premium equivalent rates for the GHIP taking on the risk of covering the risk of the claims experience of the Participating Group.
“Other”	Catch-all generally covering: <ul style="list-style-type: none">• EGWP Low Income Premium subsidies (LIPs)• Vendor missed Performance Guarantees• Litigation settlements• Miscellaneous credits and refunds
EGWP Revenues <ul style="list-style-type: none">• Direct Subsidy• Federal Reinsurance• Coverage Gap Discount• Year-end Reconciliation	<ul style="list-style-type: none">• See details on Slides 9 through 11

Other Revenues

		EGWP Direct Subsidy	Federal Reinsurance	Commercial Rebates	EGWP Rebates	EGWP Year-end Reconciliation	Coverage Gap Discount	Participating Group Fees	Other Revenues	Total
FY 2025 Budget	July	\$ 779,000	\$ 2,134,000	\$ -	\$ -	\$ -	\$ -	\$ 635,000	\$ 15,000	\$ 3,563,000
	August	\$ 511,000	\$ 2,136,000	\$ 27,606,000	\$ 16,877,000	\$ -	\$ -	\$ 636,000	\$ 15,000	\$ 47,781,000
	September	\$ 511,000	\$ 2,138,000	\$ -	\$ -	\$ -	\$ -	\$ 637,000	\$ (7,285,000)	\$ (3,999,000)
	October	\$ 512,000	\$ 2,140,000	\$ -	\$ -	\$ -	\$ 7,540,000	\$ 638,000	\$ 15,000	\$ 10,845,000
	November	\$ 512,000	\$ 2,141,000	\$ 27,114,000	\$ 17,085,000	\$ -	\$ -	\$ 639,000	\$ 15,000	\$ 47,506,000
	December	\$ 513,000	\$ 2,143,000	\$ -	\$ -	\$ -	\$ 9,080,000	\$ 640,000	\$ 15,000	\$ 12,391,000
	January	\$ 3,560,000	\$ 918,000	\$ -	\$ -	\$ 6,715,000	\$ -	\$ 641,000	\$ 15,000	\$ 11,849,000
	February	\$ 3,563,000	\$ 918,000	\$ 28,177,000	\$ 17,977,000	\$ -	\$ -	\$ 642,000	\$ 15,000	\$ 51,292,000
	March	\$ 3,566,000	\$ 919,000	\$ -	\$ -	\$ -	\$ 9,280,000	\$ 643,000	\$ 15,000	\$ 14,423,000
	April	\$ 3,569,000	\$ 920,000	\$ -	\$ -	\$ -	\$ -	\$ 644,000	\$ 15,000	\$ 5,148,000
	May	\$ 3,572,000	\$ 921,000	\$ 29,240,000	\$ 20,357,000	\$ -	\$ -	\$ 645,000	\$ 15,000	\$ 54,750,000
	June	\$ 3,575,000	\$ 921,000	\$ -	\$ -	\$ -	\$ 4,800,000	\$ 646,000	\$ 15,000	\$ 9,957,000
	Total	\$ 24,743,000	\$ 18,349,000	\$ 112,137,000	\$ 72,296,000	\$ 6,715,000	\$ 30,700,000	\$ 7,686,000	\$ (7,120,000)	\$ 265,506,000
FY 2025 Actual	July	\$ 763,152	\$ 2,070,638	\$ -	\$ 153,629	\$ -	\$ -	\$ 675,186	\$ 1,653,501	\$ 5,316,107
	August	\$ 480,222	\$ 2,075,899	\$ 25,559,138	\$ 17,153,685	\$ -	\$ -	\$ 810,308	\$ 119,421	\$ 46,198,673
	September	\$ 469,325	\$ 2,080,022	\$ -	\$ 9	\$ -	\$ -	\$ 642,690	\$ (7,300,651)	\$ (4,108,605)
	October	\$ 474,553	\$ 2,087,345	\$ -	\$ -	\$ -	\$ 7,864,125	\$ 777,152	\$ 17,702	\$ 11,220,877
	November	\$ 498,926	\$ 2,088,909	\$ 26,281,210	\$ 18,352,621	\$ -	\$ -	\$ 812,539	\$ 17,125	\$ 48,051,330
	December	\$ 463,762	\$ 2,092,179	\$ -	\$ -	\$ 6,638,693	\$ 10,228,247	\$ 757,813	\$ 19,771	\$ 20,200,465
	January	\$ 2,772,546	\$ 893,294	\$ -	\$ -	\$ -	\$ -	\$ 760,514	\$ 392,293	\$ 4,818,646
	February	\$ 3,563,000	\$ 918,000	\$ 28,177,000	\$ 17,977,000	\$ -	\$ -	\$ 642,000	\$ 15,000	\$ 51,292,000
	March	\$ 3,566,000	\$ 919,000	\$ -	\$ -	\$ -	\$ 9,280,000	\$ 643,000	\$ 15,000	\$ 14,423,000
	April	\$ 3,569,000	\$ 920,000	\$ -	\$ -	\$ -	\$ -	\$ 644,000	\$ 15,000	\$ 5,148,000
	May	\$ 3,572,000	\$ 921,000	\$ 29,240,000	\$ 20,357,000	\$ -	\$ -	\$ 645,000	\$ 15,000	\$ 54,750,000
	June	\$ 3,575,000	\$ 921,000	\$ -	\$ -	\$ -	\$ 4,800,000	\$ 646,000	\$ 15,000	\$ 9,957,000
	Total	\$ 23,767,486	\$ 17,987,285	\$ 109,257,349	\$ 73,993,943	\$ 6,638,693	\$ 32,172,372	\$ 8,456,203	\$ (5,005,838)	\$ 267,267,493

EGWP Revenues - Direct Subsidy

	DIRECT SUBSIDY							
	CALENDAR 2024					CALENDAR 2025		
	Members	PMPM	Expected	Actual	Actual / Expected	Members	PEPM	Expected
Jan	29,905	\$17	\$508,385	\$458,344	0.902	30,173	\$118	\$3,560,472
Feb	29,915	\$17	\$508,555	\$459,150	0.903	30,199	\$118	\$3,563,426
Mar	29,929	\$17	\$508,793	\$447,173	0.879	30,224	\$118	\$3,566,382
Apr	29,982	\$17	\$509,694	\$443,386	0.870	30,249	\$118	\$3,569,340
May	29,974	\$17	\$509,558	\$448,618	0.880	30,274	\$118	\$3,572,301
Jun	29,999	\$17	\$509,981	\$454,626	0.891	30,299	\$118	\$3,575,265
Jul	30,024	\$17	\$510,404	\$779,100	1.526	30,324	\$118	\$3,578,230
Aug	30,049	\$17	\$510,827	\$510,827	1.000	30,349	\$118	\$3,581,199
Sep	30,074	\$17	\$511,251	\$511,251	1.000	30,374	\$118	\$3,584,170
Oct	30,099	\$17	\$511,675	\$511,675	1.000	30,400	\$118	\$3,587,143
Nov	30,123	\$17	\$512,099	\$512,099	1.000	30,425	\$118	\$3,590,118
Dec	30,148	\$17	\$512,524	\$512,524	1.000	30,450	\$118	\$3,593,097
	360,220		\$6,123,746	\$6,048,774		363,739		\$42,921,143

- The Direct Subsidy represents the base portion of Part D (and EGWPs) financed by the government.
- Due to the Inflation Reduction Act (IRA) of 2022, Medicare has updated its calculation of the Direct Subsidy which will lead to significantly higher payments in 2025 and thereafter.

EGWP Revenues - Federal Reinsurance

	FEDERAL REINSURANCE									
	CALENDAR 2024					CALENDAR 2025				
	Members	PMPM	Expected	Prospective	Actual / Expected	Members	PMPM	Expected	Prospective	Actual / Expected
Jan	29,905	\$91	\$2,721,355	\$2,056,492	0.756	30,173	\$62	\$1,870,757	\$917,576	0.490
Feb	29,915	\$91	\$2,722,265	\$2,063,245	0.758	30,199	\$62	\$1,872,309	\$918,337	0.490
Mar	29,929	\$91	\$2,723,539	\$2,061,255	0.757	30,224	\$62	\$1,873,862	\$919,099	0.490
Apr	29,982	\$91	\$2,728,362	\$2,063,814	0.756	30,249	\$62	\$1,875,416	\$919,861	0.490
May	29,974	\$91	\$2,727,634	\$2,066,444	0.758	30,274	\$62	\$1,876,972	\$920,624	0.490
Jun	29,999	\$91	\$2,729,897	\$2,067,724	0.757	30,299	\$62	\$1,878,529	\$921,388	0.490
Jul	30,024	\$91	\$2,732,161	\$2,134,388	0.757	30,324	\$62	\$1,880,087	\$922,152	0.490
Aug	30,049	\$91	\$2,734,428	\$2,136,159	0.757	30,349	\$62	\$1,881,647	\$922,917	0.490
Sep	30,074	\$91	\$2,736,696	\$2,137,931	0.757	30,374	\$62	\$1,883,208	\$923,683	0.490
Oct	30,099	\$91	\$2,738,966	\$2,139,704	0.757	30,400	\$62	\$1,884,770	\$924,449	0.490
Nov	30,123	\$91	\$2,741,238	\$2,141,479	0.757	30,425	\$62	\$1,886,333	\$925,216	0.490
Dec	30,148	\$91	\$2,743,512	\$2,143,256	0.757	30,450	\$62	\$1,887,898	\$925,984	0.490
	360,220		\$32,780,053	\$25,211,891		363,739		\$22,551,787	\$11,061,288	
		Year-end Reconciliation		\$7,568,162					\$11,490,499	

- Due to the IRA of 2022, Medicare has updated the catastrophic reinsurance payment for 2025. Previously, EGWPs were responsible for 20% of claims in the final Medicare Part D phase, the catastrophic zone. In 2025, that number is jumping up to 60% responsibility and therefore we will see less reinsurance prospectively and during the true up.
- The reinsurance program is paid in two pieces – an upfront Prospective payment and then a settlement provided within 12-15 months after year end. For 2025, CMS lowered the monthly prospective payment from \$71.09 in 2024 to \$30.41 in 2025.

EGWP Revenues

	COVERAGE GAP DISCOUNT PROGRAM (Lagged 90 - 120 Days)					
	CALENDAR 2024			CALENDAR 2025		
	Members	PEPM	CVS Expected	Members	PEPM	CVS Expected
Q1	89,749		\$5,283,875	90,596		\$4,800,000
Q2	89,955		\$7,540,000	90,821		\$7,220,000
Q3	90,146		\$9,080,000	91,047		\$8,690,000
Q4	90,371		\$9,280,000	91,274		\$8,880,000
	360,220	\$89	\$31,183,875	363,739	\$85	\$29,590,000

- Due to the IRA of 2022, Medicare has removed the Coverage Gap Discount Program for 2025 and is replacing it with a similar program called the Standard Coverage Phase, where money will still be passed back to EGWPs. There are slight changes to the calculation of what is passed back in this phase, but it is projected to be about ~96% of what was earned in 2024. Coverage Gap.

Appendix

Pharmacy Trend

COMMERCIAL	FY23	FY24	Incr	FY25	Incr	FY26	Incr	FY27	Incr	FY28	Incr
Gross Spend before GLP-1's & PrudentRx	\$183.6	\$198.3	8%	\$216.1	9%	\$235.5	9%	\$256.7	9%	\$279.8	9%
GLP-1 - Weight Loss		\$14.2		\$52.8	272%	\$69.2	31%	\$79.6	15%	\$87.6	10%
GLP-1 - Diabetes	\$17.0	\$24.7	45%	\$33.2	34%	\$43.6	31%	\$50.1	15%	\$55.2	10%
PrudentRx Savings		(\$16.0)		(\$17.8)	11%	(\$19.8)	11%	(\$21.8)	10%	(\$23.8)	9%
Total Gross Spend before Rebates	\$200.6	\$221.2	10%	\$284.3	29%	\$328.5	16%	\$364.6	11%	\$398.8	9%
Rebates	(\$71.6)	(\$90.1)	26%	(\$112.1)	24%	(\$131.9)	18%	(\$146.8)	11%	(\$161.5)	10%
Net Spend after Rebates	\$129.0	\$131.1	2%	\$172.2	31%	\$196.6	14%	\$217.8	11%	\$237.3	9%

EGWP	FY23	FY24	Incr	FY25	Incr	FY26	Incr	FY27	Incr	FY28	Incr
Gross Spend before GLP-1's & PrudentRx	\$165.5	\$181.5	10%	\$197.8	9%	\$215.6	9%	\$235.0	9%	\$256.2	9%
GLP-1 - Weight Loss											
GLP-1 - Diabetes	\$14.9	\$19.3	30%	\$24.1	25%	\$28.9	20%	\$33.2	15%	\$36.5	10%
PrudentRx Savings											
Total Gross Spend before Rebates	\$180.4	\$200.8	11%	\$221.9	11%	\$244.5	10%	\$268.2	10%	\$292.7	9%
Rebates	(\$51.5)	(\$62.8)	22%	(\$72.3)	15%	(\$80.0)	11%	(\$88.0)	10%	(\$95.9)	9%
Net Spend after Rebates	\$128.9	\$138.0	7%	\$149.6	8%	\$164.5	10%	\$180.2	10%	\$196.8	9%