The State of Delaware

FY27 GHIP Budget and Projections

State Employee Benefits Committee Meeting

July 27, 2026

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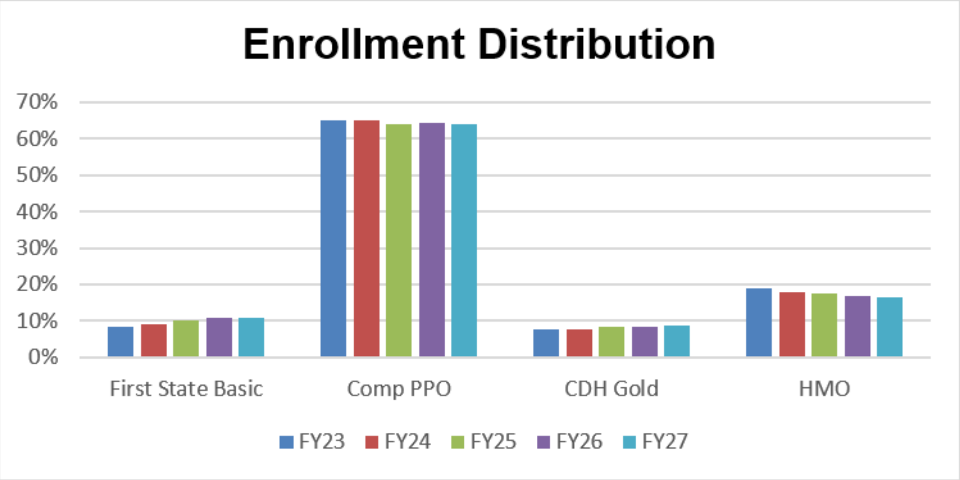
Enrollment

Enrollment

		FSB	Comp	CDH Gold	HMO	Medicfill	Total
	FY23 Avg	3,867	30,081	3,477	8,772	29,327	75,525
	FY24 Avg	4,347	30,857	3,664	8,497	29,871	77,236
FY26 ACTUAL	FY25 Avg	5,008	31,161	4,077	8,460	30,357	79,063
	July	4,574	28,708	3,605	7,445	30,578	74,910
	August	4,575	28,655	3,611	7,433	30,617	74,891
	September	4,680	28,730	3,652	7,462	30,660	75,184
	October	4,730	28,760	3,673	7,484	30,682	75,329
	November	4,746	28,742	3,688	7,484	30,718	75,378
	December	4,778	28,718	3,700	7,493	30,739	75,428
	January	4,829	28,709	3,710	7,484	29,007	73,739
	February	4,851	28,686	3,727	7,490	29,016	73,770
	March	4,851	28,697	3,740	7,483	28,984	73,755
	April	4,874	28,667	3,782	7,457	29,008	73,788
	May	4,897	28,637	3,824	7,431	29,032	73,821
	June	4,920	28,607	3,866	7,405	29,056	73,854
FY27 BUDGET	FY26 Avg	4,775	28,693	3,715	7,463	29,841	74,487
	July	4,910	28,834	3,880	7,366	29,080	74,070
	August	4,914	28,858	3,883	7,372	29,104	74,132
	September	4,918	28,882	3,886	7,378	29,129	74,193
	October	4,922	28,906	3,890	7,384	29,153	74,255
	November	4,926	28,930	3,893	7,390	29,177	74,316
	December	4,930	28,954	3,896	7,397	29,201	74,378
	January	4,934	28,978	3,899	7,403	29,225	74,440
	February	4,939	29,002	3,903	7,409	29,250	74,501
	March	4,943	29,026	3,906	7,415	29,274	74,563
	April	4,947	29,050	3,909	7,421	29,298	74,625
	May	4,951	29,074	3,912	7,427	29,322	74,687
	June	4,955	29,098	3,916	7,433	29,347	74,749
	Average	4,932	28,966	3,898	7,400	29,213	74,409



- FY26 enrollments down due to the loss of the University of Delaware
- FY27 open enrollment saw little growth over June, unlike prior few years
- Participants continue to shift out of the HMO and the Comprehensive PPO
- Enrollment projected to grow by 1% per annum post July, 2026 open enrollment elections

Premium Contributions

Premium Contributions

Group	What it Covers	Overview
State Employees	• State Share • Employee Share	• Received by the GHIP Fund on a bi-monthly basis, lagged one payroll cycle (e.g., 2nd half of June credited to Fund in July)
State Pensioners	• State Share • Pensioner Share	• Received by the GHIP Fund on a monthly basis • State Share lagged one month (All of June credited to Fund in July) • Pensioner Share not lagged (July credited to Fund in July)
Non-Payroll Groups	• Participating Groups (police, fire, cities, townships, etc.)	• Nearly all groups either pay current (June paid and credited in June) or in advance (July paid and credited in June)

Premium Contributions

FY26 Actual	Actives		Pensioners				COBRA	Non-Payroll			Total GHIP
Month	State Share	Employee Share	State Share Pre-65	Pensioner Share Pre-65	State Share Medicare	Pensioner Share Medicare		Medicare	Pre-65	Active	
July	$61.3	$7.1	$7.9	$1.1	$16.0	$0.8	$0.1	$1.5	$0.4	$4.8	$101.1
August	$61.4	$7.2	$8.1	$1.2	$16.1	$0.8	$0.0	$1.5	$0.4	$4.8	$101.6
September	$61.7	$7.2	$8.7	$1.2	$16.1	$0.8	$0.0	$1.6	$0.4	$3.8	$101.4
October	$62.6	$7.3	$8.5	$0.0	$16.1	$0.0	$0.0	$1.5	$0.4	$5.7	$102.1
November	$62.7	$7.3	$8.4	$2.3	$16.1	$1.7	$0.0	$1.6	$0.4	$4.6	$105.1
December	$62.7	$7.3	$8.4	$1.1	$16.1	$0.9	$0.0	$1.6	$0.4	$6.0	$104.4
January	$62.7	$7.3	$8.4	$1.1	$16.2	$0.9	$0.0	$0.5	$0.3	$3.8	$101.2
February	$62.7	$7.3	$8.3	$1.1	$16.8	$0.9	$0.0	$0.5	$0.3	$5.1	$103.1
March	$62.8	$7.3	$8.5	$1.1	$16.9	$0.9	$0.0	$0.5	$0.3	$4.4	$102.8
April	$62.8	$7.3	$8.4	$1.1	$16.9	$0.9	$0.0	$0.5	$0.3	$4.9	$103.1
May	$62.9	$7.3	$8.3	$1.1	$16.9	$0.9	$0.0	$0.5	$0.3	$4.4	$102.7
June	$63.1	$7.3	$8.3	$1.1	$16.9	$0.9	$0.0	$0.5	$0.3	$5.2	$103.7
Total	**$749.6**	**$86.9**	**$100.2**	**$13.7**	**$197.0**	**$10.5**	**$0.5**	**$12.1**	**$4.2**	**$57.5**	**$1,232.3**
FY27 Budget	**Actives**		**Pensioners**				**COBRA**	**Non-Payroll**			**Total GHIP**
Month	**State Share**	**Employee Share**	**State Share Pre-65**	**Pensioner Share Pre-65**	**State Share Medicare**	**Pensioner Share Medicare**		**Medicare**	**Pre-65**	**Active**	
July	$63.9	$7.4	$8.3	$1.2	$16.9	$0.9	$0.0	$0.5	$0.4	$4.9	$104.3
August	$64.6	$7.5	$8.5	$1.2	$16.9	$0.9	$0.0	$0.5	$0.4	$4.9	$105.4
September	$64.7	$7.5	$8.5	$1.2	$16.9	$0.9	$0.0	$0.5	$0.4	$4.9	$105.5
October	$64.7	$7.5	$8.5	$1.2	$16.9	$0.9	$0.0	$0.5	$0.4	$4.9	$105.6
November	$64.8	$7.5	$8.5	$1.2	$16.9	$0.9	$0.0	$0.5	$0.4	$4.9	$105.6
December	$64.9	$7.5	$8.5	$1.2	$17.0	$0.9	$0.0	$0.5	$0.4	$4.9	$105.7
January	$64.9	$7.5	$8.6	$1.2	$17.0	$0.9	$0.0	$0.5	$0.4	$4.9	$105.8
February	$65.0	$7.5	$8.6	$1.2	$17.4	$0.9	$0.0	$0.5	$0.4	$4.9	$106.3
March	$65.0	$7.5	$8.6	$1.2	$17.4	$0.9	$0.0	$0.5	$0.4	$5.0	$106.4
April	$65.1	$7.5	$8.6	$1.2	$17.4	$0.9	$0.0	$0.5	$0.4	$5.0	$106.5
May	$65.1	$7.5	$8.6	$1.2	$17.4	$0.9	$0.0	$0.5	$0.4	$5.0	$106.6
June	$65.2	$7.5	$8.6	$1.2	$17.4	$0.9	$0.0	$0.5	$0.4	$5.0	$106.7
Total	**$777.9**	**$90.0**	**$102.4**	**$13.9**	**$205.4**	**$11.0**	**$0.4**	**$5.7**	**$4.3**	**$59.3**	**$1,270.4**

Other Revenues

EGWP Part D Payment Streams Overview

Acronym	Name	What it Covers	How the Plan Gets Paid	Notes for EGWPs
DS	Direct Subsidy	Expected Part D drug costs based on CMS-approved bids and member risk scores	Paid monthly by CMS, with annual reconciliation	Primary source of federal Part D funding; increased materially under the IRA beginning in 2025
MDP	Manufacturer Discount Program	Required manufacturer discounts on eligible brand drugs in the Initial Coverage and Catastrophic phases	Manufacturer discounts flow through the plan and are typically received quarterly	Replaced the Coverage Gap Discount Program in 2025
SDS	Selected Drug Subsidy	Federal subsidy for MFP-selected drugs, replacing manufacturer discounts for those drugs	CMS reimburses the plan through annual reconciliation; assumed to be paid with a significant lag	Began in 2026 for drugs subject to the Medicare Drug Price Negotiation Program
Reinsurance	Federal Reinsurance	Portion of Part D drug costs above the annual catastrophic threshold	CMS provides prospective payments, followed by year-end reconciliation	IRA redesign reduced federal reinsurance and increased plan liability beginning in 2025

EGWP Revenues - Direct Subsidy

	DIRECT SUBSIDY								
	CALENDAR 2025			CALENDAR 2026			CALENDAR 2027		
	Members	PEPM	Actual / Expected	Members	PEPM	Actual / Expected	Members	PEPM	Actual / Expected
Jan	29,454	$94	$2,773,000	28,012	$141	$3,951,000	28,272	$167	$4,721,000
Feb	29,454	$94	$2,768,000	28,027	$141	$3,958,000	28,295	$167	$4,725,000
Mar	29,450	$138	$4,051,000	28,042	$170	$4,765,000	28,319	$167	$4,729,000
Apr	29,474	$107	$3,143,000	28,051	$149	$4,190,000	28,342	$167	$4,733,000
May	29,509	$106	$3,139,000	28,085	$149	$4,174,000	28,366	$167	$4,737,000
Jun	29,538	$107	$3,169,000	28,108	$151	$4,249,000	28,389	$167	$4,741,000
Jul	29,624	$147	$4,349,000	28,132	$151	$4,248,000	28,413	$167	$4,745,000
Aug	29,658	$111	$3,279,000	28,155	$151	$4,251,000	28,437	$167	$4,749,000
Sep	29,686	$110	$3,255,000	28,178	$151	$4,255,000	28,460	$167	$4,753,000
Oct	29,731	$110	$3,275,000	28,202	$151	$4,258,000	28,484	$167	$4,757,000
Nov	29,772	$109	$3,236,000	28,225	$151	$4,262,000	28,507	$167	$4,761,000
Dec	29,796	$109	$3,243,000	28,248	$151	$4,266,000	28,531	$167	$4,765,000
	355,146	$112	$39,680,000	337,465	$151	$50,827,000	340,815	$167	$56,916,000

- Base federal funding provided to Part D plans and EGWPs
- Increased materially under the IRA beginning in 2025
- Continues at elevated levels through 2027, helping offset higher plan liability under the redesigned Part D benefit

EGWP Revenues – MDP / SDS

	MANUFACTURER DISCOUNT PROGRAM (MDP) / SELECTED DRUG SUBSIDY (SDS)								
	CALENDAR 2025			CALENDAR 2026			CALENDAR 2027		
MDP	Members	PEPM	Received	Members	PEPM	CVS Expected	Members	PEPM	CVS Expected
Q1	88,358		$6,082,000	84,081		$5,277,000	84,886		$4,048,000
Q2	88,521		$7,784,000	84,244		$6,756,000	85,098		$5,687,000
Q3	88,968		$9,684,000	84,465		$8,106,000	85,310		$6,823,000
Q4	89,299		$7,932,000	84,675		$6,656,000	85,522		$5,602,000
	355,146	$89	$31,482,000	337,465	$79	$26,795,000	340,815	$65	$22,160,000
SDS	355,146	$0	$0	337,465	$ 6.00	$2,025,000	340,815	$ 10.00	$3,408,000
Total			$31,482,000			$28,820,000			$25,568,000

- The Manufacturer Discount Program (MDP) replaced the Coverage Gap Discount Program beginning in 2025 and remains in effect for 2026 and 2027.
- Manufacturers provide discounts on eligible brand drugs in both the Initial Coverage and Catastrophic phases of the Part D benefit.
- Beginning in 2026, for drugs subject to a Maximum Fair Price (MFP) under the Medicare Drug Price Negotiation Program, plans receive a federal Selected Drug Subsidy (SDS) instead of a manufacturer discount.
- MDP payments are received quarterly and are lagged 90 days – e.g., Q1 is typically received in June.
- SDS payments are reconciled annually. Each Calendar Year SDS is assumed to be received in July of the following year – e.g., CY2026 SDS will be received in July, 2027.

EGWP Revenues – Federal Reinsurance

	FEDERAL REINSURANCE														
	CALENDAR 2025					CALENDAR 2026					CALENDAR 2027				
	Members	Estimated PMPM	Expected	Prospective	Prospective Factor	Members	Estimated PMPM	Expected	Prospective	Prospective Factor	Members	Estimated PMPM	Expected	Prospective	Prospective Factor
Jan	29,454	$74	$2,194,000	$893,000	0.408	28,012	$67	$1,877,000	$1,339,000	0.713	28,272	$68	$1,922,000	$1,375,000	0.715
Feb	29,454	$74	$2,194,000	$895,000	0.408	28,027	$67	$1,878,000	$1,343,000	0.715	28,295	$68	$1,924,000	$1,376,000	0.715
Mar	29,450	$74	$2,193,000	$895,000	0.408	28,042	$67	$1,879,000	$1,343,000	0.715	28,319	$68	$1,926,000	$1,377,000	0.715
Apr	29,474	$74	$2,195,000	$895,000	0.408	28,051	$67	$1,879,000	$1,339,000	0.713	28,342	$68	$1,927,000	$1,378,000	0.715
May	29,509	$74	$2,198,000	$896,000	0.408	28,085	$67	$1,882,000	$1,344,000	0.714	28,366	$68	$1,929,000	$1,380,000	0.715
Jun	29,538	$74	$2,200,000	$897,000	0.408	28,108	$67	$1,883,000	$1,346,000	0.715	28,389	$68	$1,930,000	$1,381,000	0.716
Jul	29,624	$74	$2,206,000	$899,000	0.408	28,132	$67	$1,885,000	$1,348,000	0.714	28,413	$68	$1,932,000	$1,382,000	0.715
Aug	29,658	$74	$2,209,000	$900,000	0.408	28,155	$67	$1,886,000	$1,349,000	0.714	28,437	$68	$1,934,000	$1,383,000	0.715
Sep	29,686	$74	$2,211,000	$902,000	0.408	28,178	$67	$1,888,000	$1,350,000	0.714	28,460	$68	$1,935,000	$1,384,000	0.715
Oct	29,731	$74	$2,214,000	$903,000	0.408	28,202	$67	$1,890,000	$1,351,000	0.714	28,484	$68	$1,937,000	$1,385,000	0.715
Nov	29,772	$74	$2,217,000	$903,000	0.408	28,225	$67	$1,891,000	$1,353,000	0.714	28,507	$68	$1,938,000	$1,386,000	0.715
Dec	29,796	$74	$2,219,000	$906,000	0.408	28,248	$67	$1,893,000	$1,354,000	0.714	28,531	$68	$1,940,000	$1,388,000	0.715
	355,146		$26,450,000	$10,784,000		337,465		$22,611,000	$16,159,000		340,815		$23,174,000	$16,575,000	
			Year-end Reconciliation	$15,666,000				Year-end Reconciliation	$6,452,000				Year-end Reconciliation	$6,599,000	

- Due to the IRA of 2022, Medicare lowered 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 jumped 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. For 2026, that amount is $47.92. For 2027, it is expected that the prospective PMPM will be approximately the same proportion of total as seen in 2026.

- Due to annual increases in TrOOP, total Federal Reinsurance payments are assumed to remain relatively flat for 2028 and beyond.

Other Revenues

FY26 Actual									
Month	EGWP Direct Subsidy	Federal Reinsurance	Commercial Rebates	EGWP Rebates	EGWP Year-end Reconciliation	MDP / SDS	Participating Group Fees	Other Revenues	Total GHIP
July	$ 4,348,635	$ 898,585	$ 12,032	$ -	$ -	$ -	$ 339,388	$ 554,596	$ 6,153,236
August	$ 3,279,216	$ 900,318	$ 28,308,261	$ 21,533,447	$ -	$ -	$ 344,778	$ 9,395	$ 54,375,417
September	$ 3,254,817	$ 902,113	$ -	$ -	$ -	$ -	$ 287,566	$ 65,994	$ 4,510,490
October	$ 3,274,939	$ 903,116	$ -	$ -	$ -	$ 7,783,604	$ 389,542	$ 9,903	$ 12,361,103
November	$ 3,236,335	$ 903,329	$ 29,911,066	$ 21,758,892	$ 8,980,047	$ -	$ 326,765	$ 17,062	$ 65,133,496
December	$ 3,242,791	$ 906,248	$ 6,406,348	$ -	$ -	$ 9,684,121	$ 406,138	$ 10,030	$ 20,655,677
January	$ 3,951,022	$ 1,338,693	$ -	$ -	$ -	$ -	$ 233,630	$ 147,086	$ 5,670,431
February	$ 3,957,652	$ 1,342,718	$ 32,295,030	$ 22,588,725	$ -	$ -	$ 299,871	$ 12,663	$ 60,496,660
March	$ 4,764,836	$ 1,342,862	$ -	$ -	$ -	$ 7,931,855	$ 267,528	$ 11,961	$ 14,319,042
April	$ 4,189,871	$ 1,339,220	$ -	$ -	$ -	$ -	$ 290,384	$ 11,674	$ 5,831,149
May	$ 4,174,121	$ 1,343,629	$ 31,315,413	$ 14,094,722	$ -	$ -	$ 282,668	$ 14,917	$ 51,225,470
June	$ 4,249,325	$ 1,346,169	$ -	$ (9,181)	$ -	$ 5,277,324	$ 323,709	$ 12,006	$ 11,199,353
Total	**$ 45,923,559**	**$ 13,467,001**	**$128,248,151**	**$ 79,966,606**	**$ 8,980,047**	**$ 30,676,905**	**$ 3,791,967**	**$ 877,286**	**$ 311,931,522**

FY27 Budget									
Month	EGWP Direct Subsidy	Federal Reinsurance	Commercial Rebates	EGWP Rebates	EGWP Year-end Reconciliation	MDP / SDS	Participating Group Fees	Other Revenues	Total GHIP
July	$ 4,248,000	$ 1,348,000	$ -	$ -	$ -	$ -	$ 318,000	$ 15,000	$ 5,929,000
August	$ 4,251,000	$ 1,349,000	$ 30,424,000	$ 14,963,000	$ -	$ -	$ 318,000	$ 15,000	$ 51,320,000
September	$ 4,255,000	$ 1,350,000	$ -	$ -	$ -	$ 6,756,000	$ 318,000	$ 15,000	$ 12,694,000
October	$ 4,258,000	$ 1,351,000	$ -	$ -	$ -	$ -	$ 318,000	$ 15,000	$ 5,942,000
November	$ 4,262,000	$ 1,353,000	$ 36,619,000	$ 15,809,000	$ -	$ -	$ 319,000	$ 15,000	$ 58,377,000
December	$ 4,266,000	$ 1,354,000	$ -	$ -	$ -	$ 8,106,000	$ 319,000	$ 15,000	$ 14,060,000
January	$ 4,721,000	$ 1,375,000	$ -	$ -	$ 15,666,000	$ -	$ 319,000	$ 15,000	$ 22,096,000
February	$ 4,725,000	$ 1,376,000	$ 39,079,000	$ 16,318,000	$ -	$ -	$ 319,000	$ 15,000	$ 61,832,000
March	$ 4,729,000	$ 1,377,000	$ -	$ -	$ -	$ 6,656,000	$ 320,000	$ 15,000	$ 13,097,000
April	$ 4,733,000	$ 1,378,000	$ -	$ -	$ -	$ -	$ 320,000	$ 15,000	$ 6,446,000
May	$ 4,737,000	$ 1,380,000	$ 41,572,000	$ 11,494,000	$ -	$ -	$ 320,000	$ 15,000	$ 59,518,000
June	$ 4,741,000	$ 1,381,000	$ -	$ -	$ -	$ 4,048,000	$ 320,000	$ 15,000	$ 10,505,000
Total	**$ 53,926,000**	**$ 16,372,000**	**$147,694,000**	**$ 58,584,000**	**$ 15,666,000**	**$ 25,566,000**	**$ 3,828,000**	**$ 180,000**	**$ 321,816,000**

Claims

Claims (reflecting recommended FY27 trend assumptions)

FY26 Actual	Actives						Pre-65 Retirees				Medicare Retirees			Total GHIP
Month	Highmark	Aetna	Surgery Plus	Hinge Health	CVS Commercial	Total	Highmark	Aetna	CVS Commercial	Total	Medicfill	EGWP	Total	
July	$48.6	$15.2	$1.4	$0.1	$20.9	$86.2	$7.9	$1.7	$3.4	$13.0	$7.1	$19.4	$26.5	$125.7
August	$42.7	$15.9	$0.9	$0.2	$21.2	$80.9	$6.5	$3.6	$3.7	$13.8	$5.7	$20.0	$25.8	$120.5
September	$48.3	$12.4	$1.1	$0.0	$20.3	$82.2	$7.4	$3.2	$3.3	$13.9	$7.2	$20.0	$27.2	$123.4
October	$37.2	$14.1	$0.8	$0.4	$21.8	$74.3	$6.1	$3.1	$3.9	$13.1	$5.8	$20.8	$26.6	$114.0
November	$38.8	$8.8	$0.9	$0.0	$22.3	$70.8	$6.7	$1.6	$3.9	$12.2	$5.6	$21.1	$26.7	$109.7
December	$44.8	$15.5	$0.5	$0.1	$21.3	$82.3	$8.0	$2.8	$3.9	$14.8	$7.7	$21.3	$29.0	$126.0
January	$40.2	$11.9	$0.9	$0.1	$22.3	$75.4	$6.2	$2.0	$3.9	$12.0	$5.3	$19.6	$24.9	$112.2
February	$38.4	$11.1	$1.1	$0.1	$22.3	$73.0	$7.0	$1.9	$3.8	$12.7	$8.8	$16.5	$25.3	$111.1
March	$56.1	$12.4	$1.0	$0.0	$21.0	$90.5	$14.1	$1.9	$3.7	$19.7	$9.1	$16.0	$25.1	$135.3
April	$38.4	$14.7	$0.8	$0.1	$25.3	$79.3	$6.7	$2.5	$4.2	$13.4	$6.3	$18.5	$24.8	$117.5
May	$39.0	$18.4	$1.7	$0.4	$24.1	$83.6	$7.9	$3.2	$4.2	$15.3	$6.6	$18.1	$24.8	$123.7
June	$51.4	$11.6	$0.8	$0.0	$24.1	$87.9	$7.6	$2.3	$4.1	$14.0	$7.8	$18.3	$26.1	$127.9
Total	**$524.1**	**$162.0**	**$11.8**	**$1.5**	**$267.1**	**$966.4**	**$92.2**	**$29.9**	**$45.8**	**$168.0**	**$83.1**	**$229.6**	**$312.7**	**$1,447.1**

FY27 Budget	Actives						Pre-65 Retirees				Medicare Retirees			Total GHIP
Month	Highmark	Aetna	Surgery Plus	Hinge Health	CVS Commercial	Total	Highmark	Aetna	CVS Commercial	Total	Medicfill	EGWP	Total	
July	$41.9	$14.9	$1.0	$0.1	$24.1	$82.0	$7.4	$2.7	$4.1	$14.2	$6.3	$17.8	$24.1	$120.3
August	$43.0	$16.3	$1.3	$0.1	$24.4	$85.1	$7.6	$3.0	$4.2	$14.8	$6.0	$18.5	$24.5	$124.4
September	$52.8	$14.7	$1.2	$0.1	$24.8	$93.6	$9.3	$2.7	$4.3	$16.3	$7.5	$18.6	$26.1	$136.0
October	$40.6	$14.0	$0.9	$0.1	$25.9	$81.5	$7.1	$2.6	$4.5	$14.2	$6.2	$19.0	$25.2	$120.9
November	$41.2	$13.0	$1.0	$0.1	$26.1	$81.4	$7.2	$2.4	$4.5	$14.1	$6.1	$19.2	$25.3	$120.8
December	$51.9	$14.4	$1.2	$0.1	$25.7	$93.3	$9.1	$2.6	$4.4	$16.1	$7.9	$18.5	$26.4	$135.8
January	$40.2	$13.7	$1.0	$0.1	$26.3	$81.3	$7.1	$2.5	$4.5	$14.1	$6.0	$16.7	$22.7	$118.1
February	$45.1	$13.4	$1.1	$0.1	$26.0	$85.7	$7.9	$2.5	$4.5	$14.9	$9.4	$16.3	$25.7	$126.3
March	$58.8	$14.1	$1.4	$0.1	$26.1	$100.5	$10.3	$2.6	$4.5	$17.4	$10.3	$15.9	$26.2	$144.1
April	$45.9	$16.0	$1.0	$0.1	$27.9	$90.9	$8.1	$3.0	$4.8	$15.9	$7.3	$16.4	$23.7	$130.5
May	$44.2	$17.4	$1.0	$0.1	$28.2	$90.9	$7.8	$3.2	$4.8	$15.8	$7.2	$16.7	$23.9	$130.6
June	$55.1	$14.8	$1.1	$0.1	$27.0	$98.1	$9.7	$2.7	$4.6	$17.0	$8.6	$16.8	$25.4	$140.5
Total	**$560.7**	**$176.7**	**$13.2**	**$1.6**	**$312.5**	**$1,064.7**	**$98.6**	**$32.5**	**$53.7**	**$184.8**	**$88.8**	**$210.4**	**$299.2**	**$1,548.7**

Expenses

Expenses - Detail

Category	What it Covers	FY26 Amounts	FY27 through FY30
Program & ASO Fees	• Refunds / Overpayments • Aetna Admin Fees • Highmark Admin Fees • CVS Admin Fees	• $254,000 • $6.2M – PEPM Admin Fees + PMPM DHIN Membership Fee • $25.9M – PEPM Admin Fees + CCMU + Well360 Rewards • $7.5M – Per script fee + EGWP PMPM fee + Prior Auth + PrudentRx	• Refunds assumed flat • Fees known for FY27, similar growth thereafter
Office Expenses	• Personnel Expenses • Travel • Legal, Postage, Printing • Supplies	• $4.1M • $2,000 • $476,000 • $6,000	• Assumed to grow by inflation
EAP	• Health Advocate	• $384,000 – PMPM Admin fee charged by Health Advocate	• Assumes flat PMPM
Data Warehouse	• IBM/Merative	• $668,000 – Monthly fee plus twice per year Benefits Mentor Fee	
Consulting Fees	• Claim Technologies • WTW • Vanguard Direct	• $1.7M	• Assumed to grow by inflation
COBRA Administration	• ASI Admin Fees	• $70,000 – Qualifying Event fee / General Rights fee / flat PEPM fee	• Assumed flat over projection period
ACA	• PCORI Fees	• $429,000	• 5% average increase per year

Expenses

FY26 Actual								
Month	Program & ASO Fees	Office Expenses	Employee Assistance	Data Warehouse	Consulting Fees	COBRA Fees	ACA Fees	Total GHIP
July	$ 3,560,978	$ 298,236	$ 36,632	$ 39,825	$ 364,146	$ 5,849	$ 429,469	$ 4,735,135
August	$ 3,337,604	$ 237,835	$ 62,722	$ 40,583	$ 116,948	$ 5,917	$ -	$ 3,801,610
September	$ 3,310,114	$ 295,712	$ -	$ 40,583	$ -	$ 5,964	$ -	$ 3,652,373
October	$ 3,390,633	$ 356,151	$ 31,462	$ 40,583	$ 201,646	$ 12,981	$ -	$ 4,033,455
November	$ 3,351,250	$ 245,556	$ 31,411	$ 40,583	$ 144,865	$ 4,605	$ -	$ 3,818,271
December	$ 3,324,851	$ 265,178	$ 31,653	$ 40,583	$ 124,115	$ 5,078	$ -	$ 3,791,458
January	$ 2,926,520	$ 493,497	$ 31,672	$ 40,583	$ 135,698	$ 4,909	$ -	$ 3,632,878
February	$ 3,126,875	$ 308,124	$ 31,718	$ 40,583	$ 20,864	$ 4,513	$ -	$ 3,532,678
March	$ 3,447,584	$ 540,451	$ 31,735	$ 40,583	$ 125,544	$ 4,901	$ -	$ 4,190,798
April	$ 3,394,091	$ 431,710	$ 31,743	$ 131,683	$ 186,281	$ 5,877	$ -	$ 4,181,385
May	$ 3,413,183	$ 584,196	$ 32,275	$ 131,683	$ 196,281	$ 3,948	$ -	$ 4,361,567
June	$ 3,298,595	$ 537,389	$ 31,780	$ 40,583	$ 127,198	$ 5,750	$ -	$ 4,041,295
Total	**$ 39,882,278**	**$ 4,594,034**	**$ 384,803**	**$ 668,442**	**$ 1,743,586**	**$ 70,290**	**$ 429,469**	**$ 47,772,903**

FY27 Budget								
Month	Program & ASO Fees	Office Expenses	Employee Assistance	Data Warehouse	Consulting Fees	COBRA Fees	ACA Fees	Total GHIP
July	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ 451,000	$ 4,517,000
August	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ -	$ 4,066,000
September	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ -	$ 4,066,000
October	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ -	$ 4,066,000
November	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ -	$ 4,066,000
December	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ -	$ 4,066,000
January	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ -	$ 4,066,000
February	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ -	$ 4,066,000
March	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ -	$ 4,066,000
April	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ -	$ 4,066,000
May	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ -	$ 4,066,000
June	$ 3,428,000	$ 394,000	$ 32,000	$ 56,000	$ 150,000	$ 6,000	$ -	$ 4,066,000
Total	**$ 41,136,000**	**$ 4,728,000**	**$ 384,000**	**$ 672,000**	**$ 1,800,000**	**$ 72,000**	**$ 451,000**	**$ 49,243,000**

FY27 Total Budget & Long-term Projection

FY27 Budget by Month

FY27 BUDGET	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Total
Operating Revenues													
Premium Contributions	$104.3	$105.4	$105.5	$105.6	$105.6	$105.7	$105.8	$106.3	$106.4	$106.5	$106.6	$106.7	$1,270.4
Other Revenues	$5.9	$51.3	$12.7	$5.9	$58.4	$14.1	$22.1	$61.8	$13.1	$6.4	$59.5	$10.5	$321.8
Total Operating Revenues	$110.3	$156.7	$118.2	$111.5	$164.0	$119.8	$127.9	$168.1	$119.5	$112.9	$166.1	$117.2	$1,592.2
Operating Expenses													
Claims	$120.3	$124.4	$136.0	$120.9	$120.8	$135.8	$118.1	$126.3	$144.1	$130.5	$130.6	$140.5	$1,548.7
Other Expenses	$4.5	$4.1	$4.1	$4.1	$4.1	$4.1	$4.1	$4.1	$4.1	$4.1	$4.1	$4.1	$49.2
Total Operating Expenses	$124.8	$128.5	$140.1	$125.0	$124.9	$139.9	$122.2	$130.4	$148.2	$134.6	$134.7	$144.6	$1,597.9
Net Monthly Income	**-$14.6**	$28.2	**-$21.9**	**-$13.5**	$39.1	**-$20.1**	$05.7	$37.7	**-$28.7**	**-$21.7**	$31.4	**-$27.4**	**-$05.7**
Ending Fund Equity Balance	$131.2	$159.4	$137.5	$124.0	$163.1	$143.0	$148.8	$186.5	$157.8	$136.1	$167.5	$140.1	$140.1
Reserves													
Claim Liability	$.0	$.0	$.0	$.0	$.0	$.0	$.0	$.0	$.0	$.0	$.0	$.0	$.0
Minimum Reserve	$50.6	$50.6	$50.6	$50.6	$50.6	$50.6	$50.6	$50.6	$50.6	$50.6	$50.6	$50.6	$50.6
GHIP Surplus (After Reserves)	$80.6	$108.8	$86.9	$73.4	$112.5	$92.4	$98.1	$135.9	$107.2	$85.5	$116.9	$89.5	$89.5

Long-term Projections

GHIP Costs ($ millions)	FY25	FY26	FY27	FY28	FY29	FY30
	27.0%	4.2%	2.2%	4.2%	15.2%	8.3%
	Actual	Actual	Projected	Projected	Projected	Projected
Average Members	135,945	126,221	126,421	127,686	128,963	130,252
GHIP Revenues						
Premium Contributions	$1,261.3	$1,232.3	$1,270.4	$1,333.2	$1,535.6	$1,694.0
Transfer from OMB						
Payback of Transfer from OMB	*($7.3)*					
Other Revenues	$288.1	$311.9	$321.8	$331.4	$350.8	$380.2
Total Operating Revenues	**$1,542.1**	**$1,544.3**	**$1,592.2**	**$1,664.6**	**$1,886.5**	**$2,074.2**
GHIP Expenses						
Claims	$1,387.7	$1,447.1	$1,548.7	$1,687.4	$1,839.9	$2,015.1
Expenses	$58.1	$47.8	$49.2	$50.8	$52.5	$54.3
Total Operating Expenses	**$1,445.8**	**$1,494.8**	**$1,597.9**	**$1,738.2**	**$1,892.4**	**$2,069.4**
% Change Per Member		*12.3%*	*6.9%*	*7.9%*	*8.0%*	*8.4%*
Adjusted Net Income	**$96.3**	**$49.4**	**($5.7)**	**($73.7)**	**($6.0)**	**$4.8**
Balance Forward	$0.1	$96.4	$145.8	$140.1	$66.4	$60.5
Ending Fund Cash Balance	$96.4	$145.8	$140.1	$66.4	$60.5	$65.3
- Less Claims Liability	*$0.0*	*$0.0*	*$0.0*	*$0.0*	*$0.0*	*$0.0*
- Less Minimum Reserve	*$32.3*	*$43.4*	*$50.6*	*$55.2*	*$60.5*	*$65.3*
GHIP Surplus (After Reserves/Deposits)	**$64.1**	**$102.4**	**$89.5**	**$11.2**	**($0.0)**	**($0.0)**

Assumptions:
- 8% medical trend, 8% Medicfill trend, see Appendix for pharmacy trend assumption
- Starting with actual July 2026 open enrollment results and 1% per annum growth in GHIP membership with consistent plan and tier elections thereafter
- Reflect changes to 2026 (and beyond) EGWP reimbursements due to the Inflation Reduction Act
- Reflects increased GLP-1 for weight loss copay to $200
- Does not reflect added cost due to potential pending legislation

Long-term Projections – FY28-FY30 three-year Smoothing

	27.0%	4.2%	2.2%	8.5%	8.5%	8.5%
GHIP Costs ($ millions)	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**
	Actual	**Actual**	**Projected**	**Projected**	**Projected**	**Projected**
Average Members	135,945	126,221	126,421	127,686	128,963	130,252
GHIP Revenues						
Premium Contributions	$1,261.3	$1,232.3	$1,270.4	$1,382.5	$1,516.6	$1,663.7
Transfer from OMB						
Payback of Transfer from OMB	*($7.3)*					
Other Revenues	$288.1	$311.9	$321.8	$331.4	$350.8	$380.2
Total Operating Revenues	**$1,542.1**	**$1,544.3**	**$1,592.2**	**$1,713.9**	**$1,867.4**	**$2,043.9**
GHIP Expenses						
Claims	$1,387.7	$1,447.1	$1,548.7	$1,687.4	$1,839.9	$2,015.1
Expenses	$58.1	$47.8	$49.2	$50.8	$52.5	$54.3
Total Operating Expenses	**$1,445.8**	**$1,494.8**	**$1,597.9**	**$1,738.2**	**$1,892.4**	**$2,069.4**
% Change Per Member		*12.3%*	*6.9%*	*7.9%*	*8.0%*	*8.4%*
Adjusted Net Income	**$96.3**	**$49.4**	**($5.7)**	**($24.4)**	**($25.0)**	**($25.5)**
Balance Forward	$0.1	$96.4	$145.8	$140.1	$115.7	$90.8
Ending Fund Cash Balance	$96.4	$145.8	$140.1	$115.7	$90.8	$65.3
- Less Claims Liability	*$0.0*	*$0.0*	*$0.0*	*$0.0*	*$0.0*	*$0.0*
- Less Minimum Reserve	*$32.3*	*$43.4*	*$50.6*	*$55.2*	*$60.5*	*$65.3*
GHIP Surplus (After Reserves/Deposits)	**$64.1**	**$102.4**	**$89.5**	**$60.5**	**$30.3**	**($0.0)**

Assumptions:
- 8% medical trend, 8% Medicfill trend, see Appendix for pharmacy trend assumption
- Starting with actual July 2026 open enrollment results and 1% per annum growth in GHIP membership with consistent plan and tier elections thereafter
- Reflect changes to 2026 (and beyond) EGWP reimbursements due to the Inflation Reduction Act
- Reflects increased GLP-1 for weight loss copay to $200
- Does not reflect added cost due to potential pending legislation

Appendix

Pharmacy Trend - By Component - Commercial

COMMERCIAL – Per Member	FY24	Incr	FY25	Incr	FY26	Incr	FY27	Incr	FY28	Incr	FY29	Incr	FY30	Incr
Gross Spend before GLP-1's & PrudentRx	$159	6%	$162	2%	$175	8%	$191	9%	$208	9%	$227	9%	$248	9%
GLP-1 - Weight Loss	$11		$42	273%	$73	71%	$110	52%	$138	25%	$159	15%	$183	15%
GLP-1 – Weight Loss – Higher Copays							($16)		($20)	24%	($23)	14%	($26)	14%
GLP-1 – Diabetes	$20	43%	$24	23%	$28	16%	$33	18%	$37	12%	$41	10%	$45	10%
PrudentRx Savings	($13)		($8)	-39%	($6)	-27%	($5)	-15%	($4)	-10%	($4)	-10%	($4)	-10%
Total Gross Spend before Rebates	$178	8%	$222	25%	$271	22%	$314	16%	$359	14%	$400	11%	$446	11%
Rebates	($72)	24%	($87)	19%	($111)	28%	($127)	14%	($148)	17%	($165)	12%	($184)	12%
Net Spend after Rebates	$105	0%	$135	28%	$160	18%	$187	17%	$211	13%	$235	11%	$261	11%

Pharmacy Trend - EGWP

EGWP - Per Member per Month	CY26[1]	CY27[1]	Incr	CY28	Incr	CY29	Incr	CY30	Incr	CY31
Gross Drug Cost[2]	$661	$629	-5%	$630	0%	$658	4%	$704	7%	$762
Member Share[3]	($25)	($25)	0%	($26)	4%	($27)	4%	($28)	4%	($29)
Net Paid Claims	$636	$604	-5%	$604	0%	$631	4%	$676	7%	$733
Rebates[2]	($183)	($142)	-22%	($109)	-23%	($93)	-15%	($86)	-7%	($85)
Manufacturer Discount Program (MDP)[4]	($78)	($65)	-17%	($59)	-9%	($58)	-2%	($60)	3%	($63)
Select Drug Subsidy (SDS)[4]	($6)	($10)	67%	($13)	30%	($15)	15%	($17)	13%	($20)
CMS Catastrophic Reinsurance[5]	($67)	($68)	1%	($68)	0%	($68)	0%	($68)	0%	($68)
Direct Subsidy	($151)	($167)	11%	($184)	10%	($202)	10%	($222)	10%	($245)
Projected Net Cost	**$151**	**$152**	1%	**$171**	13%	**$195**	14%	**$223**	14%	**$253**

1. Provided by CVS.
2. The inflation Reduction Act phases in Medicare negotiated maximum fair prices (MFPs) for select drugs beginning in 2026. As additional drugs become eligible over time, EGWP costs may be affected based on plan-specific utilization.
3. The annual Medicare Part D out-of-pocket (TrOOP) threshold is $2,000 in 2025, $2,100 in 2026, and $2,400 in 2027. Thresholds for subsequent years are assumed to increase annually in accordance with CMS guidance and the statutory indexing methodology under the Inflation Reduction Act.
4. Beginning in 2025, drug manufacturers provide discounts on many Medicare Part D drugs through the Manufacturer Discount Program. For drugs subject to a Maximum Fair Price (MFP) under the Medicare Drug Price Negotiation Program, plans receive a federal Selected Drug Subsidy (SDS) instead of a manufacturer discount. These projections reflect both programs.
5. Under Medicare Part D, the federal government reimburses plans for a portion of prescription drug costs once members exceed the annual out-of-pocket threshold. Projected costs reflect expected federal reinsurance payments under current law.