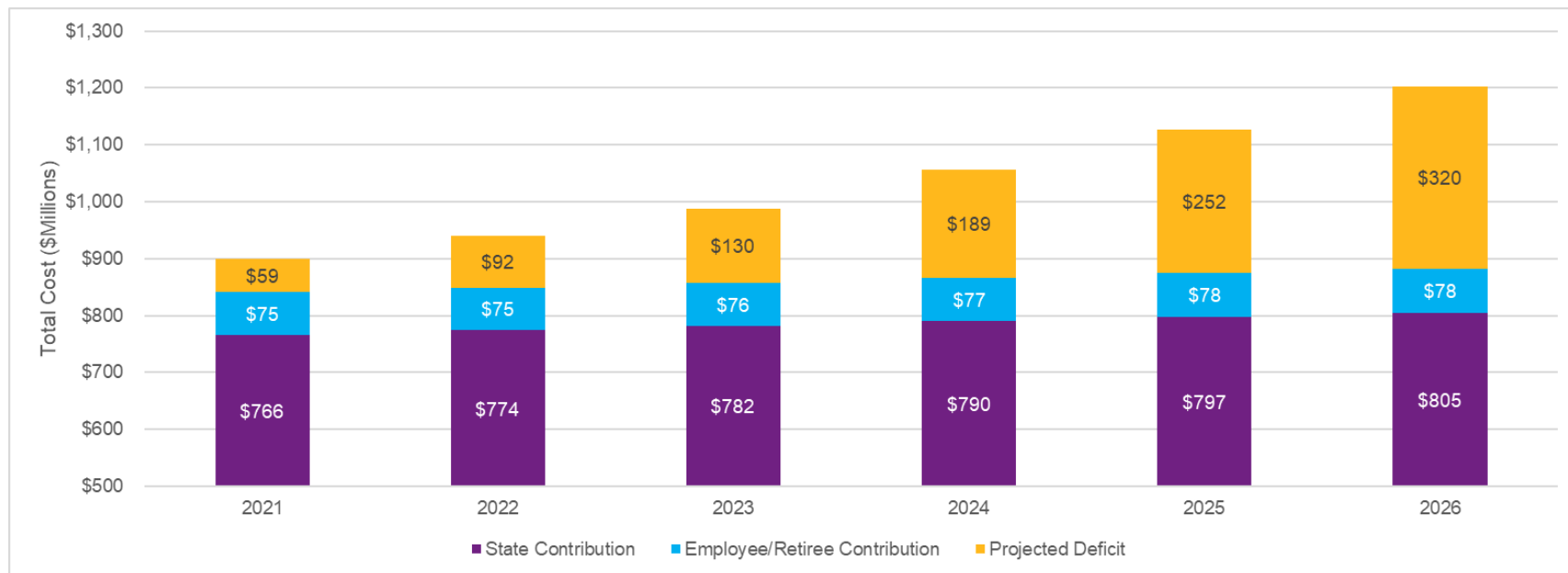


State Group Health Projections

Long-term cost projections of the GHIP (including impact of COVID-19)



Every 1% of GHIP budget growth (trend) in FY21 increases the FY22 projected budget by an additional \$9.0M. This would require an additional \$8.2M in State Contributions (\$5.5M from the General Fund), and an additional \$0.8M in employee/pensioner contributions.

FY21 Budget and FY22 Projected Expenses reflect estimated financial impact of COVID-19 using available information and reasonable estimation techniques. However due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.

- FY21 and beyond projected based on experience through and enrollment as of FY21 Q3 and reflects the following assumptions: includes approved design changes effective 7/1/2019 including implementation of SurgeryPlus COE (\$0.5m annual savings), site-of-care steerage (\$6.9m), Highmark infusion therapy program (\$2.0m) and implementation of Livongo (\$0.7m); includes State and employee/pensioner premium contributions; assumes 1% annual enrollment growth for FY21-FY26; includes Rx rebates and EGWP payments; includes estimated improvements in Rx rebates and reduction in pharmacy claims based on best and final ESI FY20 renewal proposal, provided 1/29/2019; includes fees for participating non-State groups (assumed to increase proportionally with membership growth and health care trend); FY21 reflects implementation of Highmark radiation therapy authorization program (\$633k annual savings per Highmark); assumes no other program changes in FY21 and beyond; projections based on 5% medical, 8% pharmacy trend; reflects FY21 plan savings based on ESI year 5 traditional pharmacy BAFO renewal; FY22 and beyond includes estimated reduction in pharmacy claims as a result of PBM award to CVS Health