

# State of Delaware GHIP

August 2024 Fund Report and Financial Update

September 16, 2024



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## FY25 Executive Summary – August

|                       | August Budget        | August Actual        | Better / (Worse)    | Comment   |
|-----------------------|----------------------|----------------------|---------------------|---|
| Premium Contributions | \$ 103,934,000       | \$ 102,847,000       | \$ (1,087,000)      | Lower than expected State employee premiums   |
| Other Revenues        | \$ 47,781,000        | \$ 46,199,000        | \$ (1,582,000)      | Lower than expected Commercial Rebate   |
| Claims                | \$ (119,956,000)     | \$ (112,519,000)     | \$ 7,437,000        | One less invoice compared to expected. Total claims through August right at Budget. |
| Expenses              | \$ (3,926,000)       | \$ (5,225,000)       | \$ (1,299,000)      | Includes \$1.3M Shared Savings fee to Highmark                                      |
| <b>Total</b>          | <b>\$ 27,833,000</b> | <b>\$ 31,302,000</b> | <b>\$ 3,469,000</b> |   |

|                         | FY25 Budget          | FY25 Re-forecast     | Better / (Worse)      | Comment                         |
|-------------------------|----------------------|----------------------|-----------------------|---------------------------------|
| Premium Contributions   | \$ 1,259,489,000     | \$ 1,259,532,000     | \$ 43,000             | 0.0% Variance to Budget         |
| Other Revenues          | \$ 272,806,000       | \$ 272,977,000       | \$ 171,000            | 0.1% Variance to Budget         |
| Claims                  | \$ (1,407,732,000)   | \$ (1,407,797,000)   | \$ (65,000)           | 0.0% Variance to Budget         |
| Expenses                | \$ (50,880,000)      | \$ (52,574,000)      | \$ (1,694,000)        | 3.3% Variance to Budget         |
| Payback of OMB Transfer | \$ (7,300,000)       | \$ (7,300,000)       | \$ -                  |                                 |
| <b>Total</b>            | <b>\$ 66,383,000</b> | <b>\$ 64,838,000</b> | <b>\$ (1,545,000)</b> | <b>-2.3% Variance to Budget</b> |

\*All figures in the chart above have been rounded to the nearest \$1,000.

# FY25 Budget versus Forecast

| FY25 BUDGET                          | July           | August         | September      | October        | November      | December      | January        | February | March   | April         | May     | June          | Total     |
|--------------------------------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|----------|---------|---------------|---------|---------------|-----------|
| <b>Operating Revenues</b>            |                |                |                |                |               |               |                |          |         |               |         |               |           |
| Premium Contributions                | \$91.8         | \$103.9        | \$104.0        | \$104.1        | \$104.2       | \$104.3       | \$104.5        | \$108.3  | \$108.4 | \$108.5       | \$108.6 | \$108.7       | \$1,259.5 |
| Other Revenues                       | \$3.6          | \$47.8         | \$3.3          | \$10.8         | \$47.5        | \$12.4        | \$11.8         | \$51.3   | \$14.4  | \$5.1         | \$54.8  | \$10.0        | \$272.8   |
| Total Operating Revenues             | \$95.4         | \$151.7        | \$107.3        | \$115.0        | \$151.7       | \$116.7       | \$116.4        | \$159.6  | \$122.9 | \$113.7       | \$163.4 | \$118.7       | \$1,532.3 |
| <b>Operating Expenses</b>            |                |                |                |                |               |               |                |          |         |               |         |               |           |
| Claims                               | \$106.6        | \$120.0        | \$108.6        | \$122.6        | \$111.1       | \$112.3       | \$126.7        | \$114.8  | \$116.0 | \$117.2       | \$132.2 | \$119.8       | \$1,407.7 |
| Other Expenses                       | \$4.2          | \$3.9          | \$4.5          | \$4.6          | \$5.0         | \$3.2         | \$4.0          | \$4.5    | \$2.9   | \$4.5         | \$4.9   | \$4.7         | \$50.9    |
| Total Operating Expenses             | \$110.7        | \$123.9        | \$113.1        | \$127.2        | \$116.0       | \$115.5       | \$130.6        | \$119.3  | \$118.9 | \$121.8       | \$137.0 | \$124.5       | \$1,458.6 |
| <b>Net Monthly Income</b>            | <b>-\$15.4</b> | \$27.8         | <b>-\$5.8</b>  | <b>-\$12.3</b> | \$35.7        | \$1.2         | <b>-\$14.3</b> | \$40.4   | \$03.9  | <b>-\$8.1</b> | \$26.3  | <b>-\$5.9</b> | \$73.6    |
| Payback to OMB for FY24 Transfer     |                | <b>-\$7.3</b>  |                |                |               |               |                |          |         |               |         |               |           |
| <b>Ending Fund Equity Balance</b>    | <b>-\$15.3</b> | \$5.3          | <b>-\$5.5</b>  | <b>-\$12.8</b> | \$22.9        | \$24.1        | \$9.9          | \$50.2   | \$54.1  | \$46.0        | \$72.3  | \$66.4        | \$66.4    |
| <b>Reserves</b>                      |                |                |                |                |               |               |                |          |         |               |         |               |           |
| Claim Liability                      | \$0            | \$0            | \$0            | \$0            | \$0           | \$0           | \$0            | \$0      | \$0     | \$0           | \$0     | \$0           | \$0       |
| Minimum Reserve                      | \$32.3         | \$32.3         | \$32.3         | \$32.3         | \$32.3        | \$32.3        | \$32.3         | \$32.3   | \$32.3  | \$32.3        | \$32.3  | \$32.3        | \$32.3    |
| <b>GHIP Surplus (After Reserves)</b> | <b>-\$47.5</b> | <b>-\$27.0</b> | <b>-\$32.8</b> | <b>-\$45.0</b> | <b>-\$9.4</b> | <b>-\$8.2</b> | <b>-\$22.4</b> | \$17.9   | \$21.8  | \$13.7        | \$40.0  | \$34.2        | \$34.2    |

| FY25 RE-FORECAST                     | July           | August         | September      | October        | November       | December      | January        | February | March   | April         | May     | June          | Total     |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|---------------|----------------|----------|---------|---------------|---------|---------------|-----------|
| <b>Operating Revenues</b>            |                |                |                |                |                |               |                |          |         |               |         |               |           |
| Premium Contributions                | \$92.9         | \$102.8        | \$104.0        | \$104.1        | \$104.2        | \$104.3       | \$104.5        | \$108.3  | \$108.4 | \$108.5       | \$108.6 | \$108.7       | \$1,259.5 |
| Other Revenues                       | \$5.3          | \$46.2         | \$3.3          | \$10.8         | \$47.5         | \$12.4        | \$11.8         | \$51.3   | \$14.4  | \$5.1         | \$54.8  | \$10.0        | \$273.0   |
| Total Operating Revenues             | \$98.3         | \$149.0        | \$107.3        | \$115.0        | \$151.7        | \$116.7       | \$116.4        | \$159.6  | \$122.9 | \$113.7       | \$163.4 | \$118.7       | \$1,532.5 |
| <b>Operating Expenses</b>            |                |                |                |                |                |               |                |          |         |               |         |               |           |
| Claims                               | \$114.1        | \$112.5        | \$108.6        | \$122.6        | \$111.1        | \$112.3       | \$126.7        | \$114.8  | \$116.0 | \$117.2       | \$132.2 | \$119.8       | \$1,407.8 |
| Other Expenses                       | \$4.6          | \$5.2          | \$4.5          | \$4.6          | \$5.0          | \$3.2         | \$4.0          | \$4.5    | \$2.9   | \$4.5         | \$4.9   | \$4.7         | \$52.6    |
| Total Operating Expenses             | \$118.6        | \$117.7        | \$113.1        | \$127.2        | \$116.0        | \$115.5       | \$130.6        | \$119.3  | \$118.9 | \$121.8       | \$137.0 | \$124.5       | \$1,460.4 |
| <b>Net Monthly Income</b>            | <b>-\$20.4</b> | \$31.3         | <b>-\$5.8</b>  | <b>-\$12.3</b> | \$35.7         | \$1.2         | <b>-\$14.3</b> | \$40.4   | \$3.9   | <b>-\$8.1</b> | \$26.3  | <b>-\$5.9</b> | \$72.1    |
| Payback to OMB for FY24 Transfer     |                |                | <b>-\$7.3</b>  |                |                |               |                |          |         |               |         |               |           |
| <b>Ending Fund Equity Balance</b>    | <b>-\$20.3</b> | \$11.0         | <b>-\$2.0</b>  | <b>-\$14.3</b> | \$21.4         | \$22.6        | \$8.3          | \$48.7   | \$52.6  | \$44.5        | \$70.8  | \$64.9        | \$64.9    |
| <b>Reserves</b>                      |                |                |                |                |                |               |                |          |         |               |         |               |           |
| Claim Liability                      | \$0            | \$0            | \$0            | \$0            | \$0            | \$0           | \$0            | \$0      | \$0     | \$0           | \$0     | \$0           | \$0       |
| Minimum Reserve                      | \$32.3         | \$32.3         | \$32.3         | \$32.3         | \$32.3         | \$32.3        | \$32.3         | \$32.3   | \$32.3  | \$32.3        | \$32.3  | \$32.3        | \$32.3    |
| <b>GHIP Surplus (After Reserves)</b> | <b>-\$52.6</b> | <b>-\$21.2</b> | <b>-\$34.3</b> | <b>-\$46.6</b> | <b>-\$10.9</b> | <b>-\$9.7</b> | <b>-\$24.0</b> | \$16.4   | \$20.3  | \$12.2        | \$38.5  | \$32.7        | \$32.7    |

# Premium Contributions

|              |           | Active Employees |                | Pensioners         |                        |                      |                          | COBRA        | Non-Payroll  |               |               | Total GHIP     |
|--------------|-----------|------------------|----------------|--------------------|------------------------|----------------------|--------------------------|--------------|--------------|---------------|---------------|----------------|
|              |           | State Share      | Employee Share | State Share Pre-65 | Pensioner Share Pre-65 | State Share Medicare | Pensioner Share Medicare |              | Medicare     | Pre-65        | Active        |                |
| FY 24        | July      | \$42.9           | \$5.1          | \$5.9              | \$0.9                  | \$11.8               | \$0.6                    | \$0.1        | \$1.1        | \$1.0         | \$9.0         | \$78.3         |
|              | August    | \$44.2           | \$5.3          | \$6.3              | \$1.0                  | \$11.8               | \$0.6                    | \$0.1        | \$1.1        | \$1.1         | \$9.9         | \$81.2         |
|              | September | \$43.8           | \$5.3          | \$6.9              | \$0.9                  | \$11.9               | \$0.6                    | \$0.1        | \$1.1        | \$1.2         | \$10.4        | \$82.1         |
|              | October   | \$44.1           | \$5.5          | \$6.6              | \$0.9                  | \$11.9               | \$0.6                    | \$0.1        | \$1.1        | \$1.0         | \$9.3         | \$81.0         |
|              | November  | \$44.1           | \$5.5          | \$6.5              | \$0.9                  | \$11.9               | \$0.6                    | \$0.1        | \$1.1        | \$1.1         | \$9.8         | \$81.5         |
|              | December  | \$44.6           | \$5.5          | \$6.5              | \$0.9                  | \$11.9               | \$0.6                    | \$0.1        | \$1.1        | \$1.2         | \$11.0        | \$83.2         |
|              | January   | \$45.3           | \$5.4          | \$6.4              | \$0.9                  | \$11.9               | \$0.6                    | \$0.1        | \$1.1        | \$1.0         | \$9.3         | \$81.9         |
|              | February  | \$45.7           | \$5.4          | \$6.4              | \$0.9                  | \$12.5               | \$0.6                    | \$0.1        | \$1.1        | \$1.1         | \$9.8         | \$83.6         |
|              | March     | \$45.8           | \$5.4          | \$6.6              | \$0.9                  | \$12.5               | \$0.6                    | \$0.1        | \$1.1        | \$1.0         | \$8.9         | \$82.8         |
|              | April     | \$45.9           | \$5.4          | \$6.5              | \$0.9                  | \$12.5               | \$0.6                    | \$0.1        | \$1.2        | \$1.3         | \$11.6        | \$85.8         |
|              | May       | \$46.1           | \$5.4          | \$6.4              | \$0.9                  | \$12.5               | \$0.6                    | \$0.1        | \$1.2        | \$1.1         | \$10.0        | \$84.3         |
|              | June      | \$46.1           | \$5.4          | \$6.4              | \$0.9                  | \$12.5               | \$0.6                    | \$0.0        | \$1.2        | \$1.1         | \$10.0        | \$84.3         |
|              |           | <b>Total</b>     | <b>\$538.5</b> | <b>\$64.6</b>      | <b>\$77.4</b>          | <b>\$10.7</b>        | <b>\$145.3</b>           | <b>\$7.3</b> | <b>\$0.7</b> | <b>\$13.4</b> | <b>\$13.2</b> | <b>\$118.9</b> |
| FY 25 Budget | July      | \$52.6           | \$6.2          | \$6.4              | \$1.1                  | \$12.5               | \$0.6                    | \$0.1        | \$1.2        | \$1.1         | \$10.0        | \$91.8         |
|              | August    | \$59.0           | \$7.0          | \$8.2              | \$1.1                  | \$12.5               | \$0.6                    | \$0.1        | \$1.2        | \$1.4         | \$12.8        | \$103.9        |
|              | September | \$59.1           | \$7.0          | \$8.2              | \$1.1                  | \$12.5               | \$0.6                    | \$0.1        | \$1.2        | \$1.4         | \$12.8        | \$104.0        |
|              | October   | \$59.1           | \$7.0          | \$8.2              | \$1.1                  | \$12.5               | \$0.6                    | \$0.1        | \$1.2        | \$1.4         | \$12.8        | \$104.1        |
|              | November  | \$59.2           | \$7.0          | \$8.2              | \$1.1                  | \$12.5               | \$0.6                    | \$0.1        | \$1.2        | \$1.4         | \$12.9        | \$104.2        |
|              | December  | \$59.2           | \$7.0          | \$8.2              | \$1.1                  | \$12.6               | \$0.6                    | \$0.1        | \$1.2        | \$1.4         | \$12.9        | \$104.3        |
|              | January   | \$59.3           | \$7.0          | \$8.2              | \$1.1                  | \$12.6               | \$0.8                    | \$0.1        | \$1.2        | \$1.4         | \$12.9        | \$104.5        |
|              | February  | \$59.3           | \$7.0          | \$8.2              | \$1.1                  | \$16.0               | \$0.8                    | \$0.1        | \$1.5        | \$1.4         | \$12.9        | \$108.3        |
|              | March     | \$59.4           | \$7.0          | \$8.2              | \$1.1                  | \$16.0               | \$0.8                    | \$0.1        | \$1.5        | \$1.4         | \$12.9        | \$108.4        |
|              | April     | \$59.4           | \$7.0          | \$8.3              | \$1.1                  | \$16.0               | \$0.8                    | \$0.1        | \$1.5        | \$1.4         | \$12.9        | \$108.5        |
|              | May       | \$59.5           | \$7.0          | \$8.3              | \$1.1                  | \$16.0               | \$0.8                    | \$0.1        | \$1.5        | \$1.4         | \$12.9        | \$108.6        |
|              | June      | \$59.5           | \$7.0          | \$8.3              | \$1.1                  | \$16.0               | \$0.8                    | \$0.1        | \$1.5        | \$1.4         | \$12.9        | \$108.7        |
|              |           | <b>Total</b>     | <b>\$704.7</b> | <b>\$83.1</b>      | <b>\$97.0</b>          | <b>\$13.5</b>        | <b>\$167.7</b>           | <b>\$8.7</b> | <b>\$0.7</b> | <b>\$15.7</b> | <b>\$16.8</b> | <b>\$151.6</b> |
| FY 25 Actual | July      | \$52.8           | \$6.2          | \$6.4              | \$1.1                  | \$12.5               | \$0.6                    | \$0.0        | \$1.2        | \$1.2         | \$11.0        | \$92.9         |
|              | August    | \$57.7           | \$6.7          | \$8.0              | \$1.2                  | \$12.6               | \$0.6                    | \$0.0        | \$1.2        | \$1.2         | \$13.7        | \$102.8        |
|              | September | \$59.1           | \$7.0          | \$8.2              | \$1.1                  | \$12.5               | \$0.6                    | \$0.1        | \$1.2        | \$1.4         | \$12.8        | \$104.0        |
|              | October   | \$59.1           | \$7.0          | \$8.2              | \$1.1                  | \$12.5               | \$0.6                    | \$0.1        | \$1.2        | \$1.4         | \$12.8        | \$104.1        |
|              | November  | \$59.2           | \$7.0          | \$8.2              | \$1.1                  | \$12.5               | \$0.6                    | \$0.1        | \$1.2        | \$1.4         | \$12.9        | \$104.2        |
|              | December  | \$59.2           | \$7.0          | \$8.2              | \$1.1                  | \$12.6               | \$0.6                    | \$0.1        | \$1.2        | \$1.4         | \$12.9        | \$104.3        |
|              | January   | \$59.3           | \$7.0          | \$8.2              | \$1.1                  | \$12.6               | \$0.8                    | \$0.1        | \$1.2        | \$1.4         | \$12.9        | \$104.5        |
|              | February  | \$59.3           | \$7.0          | \$8.2              | \$1.1                  | \$16.0               | \$0.8                    | \$0.1        | \$1.5        | \$1.4         | \$12.9        | \$108.3        |
|              | March     | \$59.4           | \$7.0          | \$8.2              | \$1.1                  | \$16.0               | \$0.8                    | \$0.1        | \$1.5        | \$1.4         | \$12.9        | \$108.4        |
|              | April     | \$59.4           | \$7.0          | \$8.3              | \$1.1                  | \$16.0               | \$0.8                    | \$0.1        | \$1.5        | \$1.4         | \$12.9        | \$108.5        |
|              | May       | \$59.5           | \$7.0          | \$8.3              | \$1.1                  | \$16.0               | \$0.8                    | \$0.1        | \$1.5        | \$1.4         | \$12.9        | \$108.6        |
|              | June      | \$59.5           | \$7.0          | \$8.3              | \$1.1                  | \$16.0               | \$0.8                    | \$0.1        | \$1.5        | \$1.4         | \$12.9        | \$108.7        |
|              |           | <b>Total</b>     | <b>\$703.5</b> | <b>\$82.9</b>      | <b>\$96.7</b>          | <b>\$13.5</b>        | <b>\$167.7</b>           | <b>\$8.8</b> | <b>\$0.7</b> | <b>\$15.7</b> | <b>\$16.7</b> | <b>\$153.4</b> |

# Other Revenues

|  | EGWP Direct Subsidy | Federal Reinsurance  | Commercial Rebates   | EGWP Rebates          | EGWP Year-end Reconciliation | Coverage Gap Discount | Participating Group Fees | Other Revenues      | Total               |
|--|---------------------|----------------------|----------------------|-----------------------|------------------------------|-----------------------|--------------------------|---------------------|---------------------|
| B<br>u<br>d<br>g<br>e<br>t<br><br>F<br>Y<br>2<br>5 | 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               | \$ 15,000           | \$ 3,301,000        |
|  | 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        |
|  | <b>Total</b>        | <b>\$ 24,743,000</b> | <b>\$ 18,349,000</b> | <b>\$ 112,137,000</b> | <b>\$ 72,296,000</b>         | <b>\$ 6,715,000</b>   | <b>\$ 30,700,000</b>     | <b>\$ 7,686,000</b> | <b>\$ 180,000</b>   |
| F<br>Y<br>2<br>5<br><br>A<br>c<br>t<br>u<br>a<br>l | 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           | \$ 511,000           | \$ 2,138,000         | \$ -                  | \$ -                         | \$ -                  | \$ 637,000               | \$ 15,000           | \$ 3,301,000        |
|  | 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        |
|  | <b>Total</b>        | <b>\$ 24,696,374</b> | <b>\$ 18,225,538</b> | <b>\$ 110,090,138</b> | <b>\$ 72,726,313</b>         | <b>\$ 6,715,000</b>   | <b>\$ 30,700,000</b>     | <b>\$ 7,900,494</b> | <b>\$ 1,922,922</b> |

# Claims

| FY25 Budget  | Active         |                |               |              |                |                | Pre-65 Retirees |               |                |                | Medicare Retirees |                |                | Total GHIP       |
|--------------|----------------|----------------|---------------|--------------|----------------|----------------|-----------------|---------------|----------------|----------------|-------------------|----------------|----------------|------------------|
|              | Highmark       | Aetna          | Surgery Plus  | Hinge Health | CVS Commercial | Total          | Highmark        | Aetna         | CVS Commercial | Total          | Medicfill         | EGWP           | Total          |                  |
| July         | \$38.2         | \$13.5         | \$1.2         | \$0.1        | \$18.9         | \$72.0         | \$5.9           | \$2.6         | \$3.5          | \$11.9         | \$5.5             | \$17.2         | \$22.7         | \$106.6          |
| August       | \$48.3         | \$13.3         | \$1.2         | \$0.1        | \$19.2         | \$82.1         | \$7.4           | \$2.5         | \$3.5          | \$13.5         | \$6.9             | \$17.5         | \$24.4         | \$120.0          |
| September    | \$39.0         | \$13.3         | \$1.2         | \$0.1        | \$19.5         | \$73.1         | \$6.0           | \$2.5         | \$3.6          | \$12.1         | \$5.6             | \$17.8         | \$23.3         | \$108.6          |
| October      | \$49.2         | \$13.4         | \$1.2         | \$0.1        | \$19.8         | \$83.8         | \$7.6           | \$2.6         | \$3.6          | \$13.7         | \$7.1             | \$18.0         | \$25.1         | \$122.6          |
| November     | \$39.8         | \$13.5         | \$1.2         | \$0.1        | \$20.1         | \$74.7         | \$6.1           | \$2.6         | \$3.7          | \$12.4         | \$5.7             | \$18.3         | \$24.0         | \$111.1          |
| December     | \$40.1         | \$13.6         | \$1.2         | \$0.1        | \$20.4         | \$75.5         | \$6.2           | \$2.6         | \$3.7          | \$12.5         | \$5.7             | \$18.5         | \$24.3         | \$112.3          |
| January      | \$50.6         | \$13.7         | \$1.2         | \$0.1        | \$20.7         | \$86.4         | \$7.8           | \$2.6         | \$3.8          | \$14.2         | \$7.3             | \$18.8         | \$26.1         | \$126.7          |
| February     | \$40.9         | \$13.8         | \$1.2         | \$0.1        | \$20.9         | \$77.1         | \$6.3           | \$2.6         | \$3.8          | \$12.8         | \$5.9             | \$19.1         | \$24.9         | \$114.8          |
| March        | \$41.3         | \$13.9         | \$1.3         | \$0.2        | \$21.2         | \$77.9         | \$6.3           | \$2.7         | \$3.9          | \$12.9         | \$5.9             | \$19.3         | \$25.3         | \$116.0          |
| April        | \$41.6         | \$14.1         | \$1.3         | \$0.2        | \$21.5         | \$78.6         | \$6.4           | \$2.7         | \$3.9          | \$13.0         | \$6.0             | \$19.6         | \$25.6         | \$117.2          |
| May          | \$52.6         | \$14.2         | \$1.3         | \$0.2        | \$21.8         | \$90.0         | \$8.1           | \$2.7         | \$4.0          | \$14.8         | \$7.5             | \$19.9         | \$27.4         | \$132.2          |
| June         | \$42.5         | \$14.3         | \$1.3         | \$0.2        | \$22.1         | \$80.3         | \$6.5           | \$2.7         | \$4.1          | \$13.3         | \$6.1             | \$20.1         | \$26.2         | \$119.8          |
| <b>Total</b> | <b>\$524.1</b> | <b>\$164.6</b> | <b>\$14.8</b> | <b>\$1.8</b> | <b>\$246.1</b> | <b>\$951.4</b> | <b>\$80.6</b>   | <b>\$31.3</b> | <b>\$45.1</b>  | <b>\$157.0</b> | <b>\$75.1</b>     | <b>\$224.2</b> | <b>\$299.2</b> | <b>\$1,407.7</b> |
| <b>YoY</b>   | <b>10.8%</b>   | <b>10.3%</b>   | <b>14.5%</b>  | <b>4.5%</b>  | <b>30.1%</b>   | <b>15.1%</b>   | <b>9.8%</b>     | <b>9.7%</b>   | <b>29.6%</b>   | <b>14.8%</b>   | <b>6.1%</b>       | <b>11.6%</b>   | <b>10.2%</b>   | <b>14.0%</b>     |
| FY25 Actual  | Active         |                |               |              |                |                | Pre-65 Retirees |               |                |                | Medicare Retirees |                |                | Total GHIP       |
|              | Highmark       | Aetna          | Surgery Plus  | Hinge Health | CVS Commercial | Total          | Highmark        | Aetna         | CVS Commercial | Total          | Medicfill         | EGWP           | Total          |                  |
| July         | \$48.7         | \$11.7         | \$1.7         | \$0.0        | \$15.9         | \$78.1         | \$6.9           | \$2.1         | \$2.8          | \$11.8         | \$6.9             | \$17.2         | \$24.2         | \$114.1          |
| August       | \$39.8         | \$15.5         | \$1.0         | \$0.1        | \$19.4         | \$75.9         | \$5.9           | \$3.2         | \$3.2          | \$12.3         | \$5.4             | \$19.0         | \$24.4         | \$112.5          |
| September    | \$39.0         | \$13.3         | \$1.2         | \$0.1        | \$19.5         | \$73.1         | \$6.0           | \$2.5         | \$3.6          | \$12.1         | \$5.6             | \$17.8         | \$23.3         | \$108.6          |
| October      | \$49.2         | \$13.4         | \$1.2         | \$0.1        | \$19.8         | \$83.8         | \$7.6           | \$2.6         | \$3.6          | \$13.7         | \$7.1             | \$18.0         | \$25.1         | \$122.6          |
| November     | \$39.8         | \$13.5         | \$1.2         | \$0.1        | \$20.1         | \$74.7         | \$6.1           | \$2.6         | \$3.7          | \$12.4         | \$5.7             | \$18.3         | \$24.0         | \$111.1          |
| December     | \$40.1         | \$13.6         | \$1.2         | \$0.1        | \$20.4         | \$75.5         | \$6.2           | \$2.6         | \$3.7          | \$12.5         | \$5.7             | \$18.5         | \$24.3         | \$112.3          |
| January      | \$50.6         | \$13.7         | \$1.2         | \$0.1        | \$20.7         | \$86.4         | \$7.8           | \$2.6         | \$3.8          | \$14.2         | \$7.3             | \$18.8         | \$26.1         | \$126.7          |
| February     | \$40.9         | \$13.8         | \$1.2         | \$0.1        | \$20.9         | \$77.1         | \$6.3           | \$2.6         | \$3.8          | \$12.8         | \$5.9             | \$19.1         | \$24.9         | \$114.8          |
| March        | \$41.3         | \$13.9         | \$1.3         | \$0.2        | \$21.2         | \$77.9         | \$6.3           | \$2.7         | \$3.9          | \$12.9         | \$5.9             | \$19.3         | \$25.3         | \$116.0          |
| April        | \$41.6         | \$14.1         | \$1.3         | \$0.2        | \$21.5         | \$78.6         | \$6.4           | \$2.7         | \$3.9          | \$13.0         | \$6.0             | \$19.6         | \$25.6         | \$117.2          |
| May          | \$52.6         | \$14.2         | \$1.3         | \$0.2        | \$21.8         | \$90.0         | \$8.1           | \$2.7         | \$4.0          | \$14.8         | \$7.5             | \$19.9         | \$27.4         | \$132.2          |
| June         | \$42.5         | \$14.3         | \$1.3         | \$0.2        | \$22.1         | \$80.3         | \$6.5           | \$2.7         | \$4.1          | \$13.3         | \$6.1             | \$20.1         | \$26.2         | \$119.8          |
| <b>Total</b> | <b>\$526.2</b> | <b>\$165.2</b> | <b>\$15.1</b> | <b>\$1.6</b> | <b>\$243.3</b> | <b>\$951.4</b> | <b>\$80.1</b>   | <b>\$31.5</b> | <b>\$44.1</b>  | <b>\$155.8</b> | <b>\$75.0</b>     | <b>\$225.7</b> | <b>\$300.7</b> | <b>\$1,407.8</b> |

# Expenses

| FY25 Budget  | Program & ASO Fees   | Office Expenses     | Employee Assistance | Data Warehouse    | Consulting Fees     | COBRA Fees       | ACA Fees          | Total                |
|--------------|----------------------|---------------------|---------------------|-------------------|---------------------|------------------|-------------------|----------------------|
| July         | \$ 3,440,000         | \$ 222,000          | \$ 37,000           | \$ 40,000         | \$ 42,000           | \$ 5,000         | \$ 370,000        | \$ 4,156,000         |
| August       | \$ 3,411,000         | \$ 214,000          | \$ 37,000           | \$ 41,000         | \$ 217,000          | \$ 6,000         | \$ -              | \$ 3,926,000         |
| September    | \$ 4,160,000         | \$ 249,000          | \$ 55,000           | \$ 27,000         | \$ 5,000            | \$ 9,000         | \$ -              | \$ 4,505,000         |
| October      | \$ 4,155,000         | \$ 231,000          | \$ 55,000           | \$ 41,000         | \$ 125,000          | \$ 17,000        | \$ -              | \$ 4,624,000         |
| November     | \$ 4,064,000         | \$ 442,000          | \$ 37,000           | \$ 41,000         | \$ 388,000          | \$ 8,000         | \$ -              | \$ 4,980,000         |
| December     | \$ 2,686,000         | \$ 303,000          | \$ 37,000           | \$ 41,000         | \$ 125,000          | \$ 8,000         | \$ -              | \$ 3,200,000         |
| January      | \$ 3,681,000         | \$ 219,000          | \$ 37,000           | \$ 41,000         | \$ 3,000            | \$ 6,000         | \$ -              | \$ 3,987,000         |
| February     | \$ 3,749,000         | \$ 494,000          | \$ 38,000           | \$ 41,000         | \$ 136,000          | \$ 8,000         | \$ -              | \$ 4,466,000         |
| March        | \$ 2,170,000         | \$ 401,000          | \$ 38,000           | \$ 41,000         | \$ 273,000          | \$ 6,000         | \$ -              | \$ 2,929,000         |
| April        | \$ 4,071,000         | \$ 257,000          | \$ 38,000           | \$ 133,000        | \$ 30,000           | \$ 7,000         | \$ -              | \$ 4,536,000         |
| May          | \$ 3,847,000         | \$ 664,000          | \$ 57,000           | \$ 135,000        | \$ 167,000          | \$ 8,000         | \$ -              | \$ 4,878,000         |
| June         | \$ 3,818,000         | \$ 474,000          | \$ 38,000           | \$ 41,000         | \$ 315,000          | \$ 7,000         | \$ -              | \$ 4,693,000         |
| <b>Total</b> | <b>\$ 43,252,000</b> | <b>\$ 4,170,000</b> | <b>\$ 504,000</b>   | <b>\$ 663,000</b> | <b>\$ 1,826,000</b> | <b>\$ 95,000</b> | <b>\$ 370,000</b> | <b>\$ 50,880,000</b> |
| FY25 Actual  | Program & ASO Fees   | Office Expenses     | Employee Assistance | Data Warehouse    | Consulting Fees     | COBRA Fees       | ACA Fees          | Total                |
| July         | \$ 3,661,554         | \$ 262,107          | \$ 35,979           | \$ 39,633         | \$ 154,948          | \$ 4,532         | \$ 392,889        | \$ 4,551,642         |
| August       | \$ 4,863,803         | \$ 246,519          | \$ 54,028           | \$ 39,825         | \$ 15,000           | \$ 5,530         | \$ -              | \$ 5,224,705         |
| September    | \$ 4,160,000         | \$ 249,000          | \$ 55,000           | \$ 27,000         | \$ 5,000            | \$ 9,000         | \$ -              | \$ 4,505,000         |
| October      | \$ 4,155,000         | \$ 231,000          | \$ 55,000           | \$ 41,000         | \$ 125,000          | \$ 17,000        | \$ -              | \$ 4,624,000         |
| November     | \$ 4,064,000         | \$ 442,000          | \$ 37,000           | \$ 41,000         | \$ 388,000          | \$ 8,000         | \$ -              | \$ 4,980,000         |
| December     | \$ 2,686,000         | \$ 303,000          | \$ 37,000           | \$ 41,000         | \$ 125,000          | \$ 8,000         | \$ -              | \$ 3,200,000         |
| January      | \$ 3,681,000         | \$ 219,000          | \$ 37,000           | \$ 41,000         | \$ 3,000            | \$ 6,000         | \$ -              | \$ 3,987,000         |
| February     | \$ 3,749,000         | \$ 494,000          | \$ 38,000           | \$ 41,000         | \$ 136,000          | \$ 8,000         | \$ -              | \$ 4,466,000         |
| March        | \$ 2,170,000         | \$ 401,000          | \$ 38,000           | \$ 41,000         | \$ 273,000          | \$ 6,000         | \$ -              | \$ 2,929,000         |
| April        | \$ 4,071,000         | \$ 257,000          | \$ 38,000           | \$ 133,000        | \$ 30,000           | \$ 7,000         | \$ -              | \$ 4,536,000         |
| May          | \$ 3,847,000         | \$ 664,000          | \$ 57,000           | \$ 135,000        | \$ 167,000          | \$ 8,000         | \$ -              | \$ 4,878,000         |
| June         | \$ 3,818,000         | \$ 474,000          | \$ 38,000           | \$ 41,000         | \$ 315,000          | \$ 7,000         | \$ -              | \$ 4,693,000         |
| <b>Total</b> | <b>\$ 44,926,356</b> | <b>\$ 4,242,626</b> | <b>\$ 520,007</b>   | <b>\$ 661,458</b> | <b>\$ 1,736,948</b> | <b>\$ 94,062</b> | <b>\$ 392,889</b> | <b>\$ 52,574,346</b> |

Includes \$1.3M shared savings fee from Highmark



# Enrollment

|          |           | First State Basic | Comp PPO | CDH Gold | HMO    | Medicfill | Total  |        |        |
|----------|-----------|-------------------|----------|----------|--------|-----------|--------|--------|--------|
| FY 24    | 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 |        |        |
| ACTUAL   | 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 |        |        |
|          | July      | 4,688             | 31,092   | 4,008    | 8,477  | 30,114    | 78,379 | FY 25  | 78,379 |
|          | August    | 4,744             | 31,088   | 4,023    | 8,474  | 30,159    | 78,488 |        | 78,444 |
|          | September | 4,748             | 31,114   | 4,026    | 8,481  | 30,184    | 78,553 |        | 78,509 |
|          | October   | 4,752             | 31,140   | 4,030    | 8,488  | 30,209    | 78,618 |        | 78,574 |
|          | November  | 4,756             | 31,165   | 4,033    | 8,495  | 30,234    | 78,684 |        | 78,639 |
|          | December  | 4,760             | 31,191   | 4,036    | 8,502  | 30,259    | 78,749 |        | 78,705 |
|          | January   | 4,764             | 31,217   | 4,040    | 8,509  | 30,284    | 78,814 | BUDGET | 78,770 |
| February | 4,768     | 31,243            | 4,043    | 8,516    | 30,309 | 78,880    |        | 78,835 |        |
| March    | 4,772     | 31,269            | 4,046    | 8,523    | 30,335 | 78,945    |        | 78,901 |        |
| April    | 4,776     | 31,295            | 4,050    | 8,531    | 30,360 | 79,011    |        | 78,966 |        |
| May      | 4,780     | 31,321            | 4,053    | 8,538    | 30,385 | 79,076    |        | 79,032 |        |
| June     | 4,784     | 31,347            | 4,056    | 8,545    | 30,410 | 79,142    |        | 79,097 |        |
| Average  | 4,757     | 31,207            | 4,037    | 8,507    | 30,270 | 78,778    |        | 78,738 |        |

# State of Delaware Health Fund

## Monthly Statement

### August 2024

| OPERATING REVENUES                              | August                |               | August Budget         |               | Variance              |                | YTD Actual            |               | YTD Budget            |               | Variance              |                |
|---|-----------------------|---------------|-----------------------|---------------|-----------------------|----------------|-----------------------|---------------|-----------------------|---------------|-----------------------|----------------|
|   | \$                    | %             | \$                    | %             | \$                    | %              | \$                    | %             | \$                    | %             | \$                    | %              |
| <b>Premium Contributions</b>                    |                       |               |                       |               |                       |                |                       |               |                       |               |                       |                |
| Highmark  | \$ 81,101,015         | 54.43%        | \$ -                  | 0.00%         | \$ -                  | #DIV/0!        | \$ 154,953,773        | 62.67%        | \$ -                  | 0.00%         | \$ -                  | #DIV/0!        |
| Aetna   | \$ 21,704,718         | 14.57%        | \$ -                  | 0.00%         | \$ -                  | #DIV/0!        | \$ 40,800,219         | 16.50%        | \$ -                  | 0.00%         | \$ -                  | #DIV/0!        |
| <b>Total Premium Contributions</b>              | <b>\$ 102,805,734</b> | <b>69.00%</b> | <b>\$ 103,935,000</b> | <b>68.51%</b> | <b>\$ (1,129,266)</b> | <b>-1.09%</b>  | <b>\$ 195,753,992</b> | <b>79.17%</b> | <b>\$ 195,753,000</b> | <b>79.22%</b> | <b>\$ 992</b>         | <b>0.00%</b>   |
| <b>Other Revenues</b>                           |                       |               |                       |               |                       |                |                       |               |                       |               |                       |                |
| Medicare Retiree RX Prog. (EGWP) Direct Subsidy | \$ 480,222            | 0.32%         | \$ 511,000            | 0.34%         | \$ (30,778)           | -6.02%         | \$ 1,243,374          | 0.50%         | \$ 1,290,000          | 0.52%         | \$ (46,626)           | -3.61%         |
| Federal Reinsurance                             | \$ 2,075,899          | 1.39%         | \$ 2,136,000          | 1.41%         | \$ (60,101)           | -2.81%         | \$ 4,146,538          | 1.68%         | \$ 4,270,000          | 2%            | \$ (123,462)          | -2.89%         |
| Prescription Drug Rebates (Commercial)          | \$ 25,559,138         | 17.15%        | \$ 27,606,000         | 18.20%        | \$ (2,046,862)        | -7.41%         | \$ 25,559,138         | 10.34%        | \$ 27,606,000         | 11.17%        | \$ (2,046,862)        | -7.41%         |
| Prescription Drug Rebates (EGWP)                | \$ 17,153,685         | 11.51%        | \$ 16,877,000         | 11.12%        | \$ 276,685            | 1.64%          | \$ 153,706            | 0.06%         | \$ 16,877,000         | 6.83%         | \$ (16,723,294)       | -99.09%        |
| Prescription True Up/Yr End Recon Pymts         | \$ -                  | 0.00%         | \$ -                  | 0.00%         | \$ -                  | 0.00%          | \$ -                  | 0.00%         | \$ -                  | 0.00%         | \$ -                  | 0.00%          |
| Medicare Part D Coverage Gap Discount           | \$ -                  | 0.00%         | \$ -                  | 0.00%         | \$ -                  | 0.00%          | \$ 17,153,608         | 6.94%         | \$ -                  | 0.00%         | \$ 17,153,608         | 0.00%          |
| Participating Group Fees                        | \$ 810,308            | 0.54%         | \$ 636,000            | 0.42%         | \$ 174,308            | 27.41%         | \$ 1,485,494          | 0.60%         | \$ 1,271,000          | 0.51%         | \$ 214,494            | 16.88%         |
| Other Revenues                                  | \$ 119,421            | 0.08%         | \$ 15,000             | 0.01%         | \$ 104,421            | 696.14%        | \$ 1,772,922          | 0.72%         | \$ 30,000             | 0.00%         | \$ 1,742,922          | 0.00%          |
| <b>Total Other Revenues</b>                     | <b>\$ 46,198,673</b>  | <b>31.00%</b> | <b>\$ 47,781,000</b>  | <b>31.49%</b> | <b>\$ (1,582,327)</b> | <b>-3.31%</b>  | <b>\$ 51,514,780</b>  | <b>20.83%</b> | <b>\$ 51,344,000</b>  | <b>20.78%</b> | <b>\$ 170,780</b>     | <b>0.33%</b>   |
| <b>Total Operating Revenues</b>                 | <b>\$ 149,004,407</b> |               | <b>\$ 151,716,000</b> |               | <b>\$ (2,711,593)</b> | <b>-1.79%</b>  | <b>\$ 247,268,772</b> |               | <b>\$ 247,097,000</b> |               | <b>\$ 171,772</b>     | <b>0.07%</b>   |
| <b>OPERATING EXPENSES</b>                       |                       |               |                       |               |                       |                |                       |               |                       |               |                       |                |
| <b>Claims</b>                                   |                       |               |                       |               |                       |                |                       |               |                       |               |                       |                |
| Highmark  | \$ 51,100,417         | 43.40%        | \$ 62,605,000         | 50.54%        | \$ (11,504,583)       | -18.38%        | \$ 113,700,361        | 48.10%        | \$ 112,199,000        | 47.82%        | \$ 1,501,361          | 1.34%          |
| Aetna   | \$ 18,720,174         | 15.90%        | \$ 15,802,000         | 12.76%        | \$ 2,918,174          | 18.47%         | \$ 32,561,229         | 13.78%        | \$ 31,828,000         | 13.57%        | \$ 733,229            | 2.30%          |
| Express Scripts/CVS (non-Plan D)                | \$ 22,634,166         | 19.22%        | \$ 22,723,000         | 18.34%        | \$ (88,834)           | -0.39%         | \$ 41,271,098         | 17.46%        | \$ 45,103,000         | 19.22%        | \$ (3,831,902)        | -8.50%         |
| Express Scripts/CVS (Plan D)                    | \$ 19,003,691         | 16.14%        | \$ 17,490,000         | 14.12%        | \$ 1,513,691          | 8.65%          | \$ 36,231,896         | 15.33%        | \$ 34,716,000         | 14.80%        | \$ 1,515,896          | 4.37%          |
| Surgery Plus                                    | \$ 1,060,514          | 0.90%         | \$ 1,336,000          | 1.08%         | \$ (275,486)          | -20.63%        | \$ 2,835,719          | 1.20%         | \$ 2,691,000          | 1.15%         | \$ 144,719            | 5.39%          |
| <b>Total Claims</b>                             | <b>\$ 112,518,962</b> | <b>95.56%</b> | <b>\$ 119,956,000</b> | <b>96.83%</b> | <b>\$ (7,437,038)</b> | <b>-6.20%</b>  | <b>\$ 226,600,302</b> | <b>95.86%</b> | <b>\$ 226,537,000</b> | <b>96.56%</b> | <b>\$ 63,302</b>      | <b>0.03%</b>   |
| <b>Other Expenses</b>                           |                       |               |                       |               |                       |                |                       |               |                       |               |                       |                |
| Program Fees and Costs (Vendor ASO Fees)        | \$ 4,863,803          | 4.13%         | \$ 3,411,000          | 2.75%         | \$ 1,452,803          | 42.59%         | \$ 8,525,356          | 3.61%         | \$ 6,851,000          | 2.92%         | \$ 1,674,356          | 24.44%         |
| Office Expenses                                 | \$ 246,519            | 0.21%         | \$ 214,000            | 0.17%         | \$ 32,519             | 15.20%         | \$ 508,626            | 0.22%         | \$ 436,000            | 0.19%         | \$ 72,626             | 16.66%         |
| Employee Assistance                             | \$ 54,028             | 0.05%         | \$ 37,000             | 0.03%         | \$ 17,028             | 46.02%         | \$ 90,007             | 0.04%         | \$ 74,000             | 0.03%         | \$ 16,007             | 21.63%         |
| Data Warehouse                                  | \$ 39,825             | 0.03%         | \$ 41,000             | 0.03%         | \$ (1,175)            | -2.87%         | \$ 79,458             | 0.03%         | \$ 81,000             | 0.03%         | \$ (1,542)            | -1.90%         |
| Consultant Fees                                 | \$ 15,000             | 0.01%         | \$ 217,000            | 0.18%         | \$ (202,000)          | -93.09%        | \$ 169,948            | 0.07%         | \$ 259,000            | 0.11%         | \$ (89,052)           | -34.38%        |
| COBRA Fees                                      | \$ 5,530              | 0.00%         | \$ 6,000              | 0.00%         | \$ (470)              | -7.83%         | \$ 10,062             | 0.00%         | \$ 11,000             | 0.00%         | \$ (938)              | -8.53%         |
| ACA Fees  | \$ -                  | 0.00%         | \$ -                  | 0.00%         | \$ -                  | 0.00%          | \$ 392,889            | 0.17%         | \$ 370,000            | 0.16%         | \$ 22,889             | 6.19%          |
| <b>Total Other Expenses</b>                     | <b>\$ 5,224,705</b>   | <b>4.44%</b>  | <b>\$ 3,926,000</b>   | <b>3.17%</b>  | <b>\$ 1,298,705</b>   | <b>33.08%</b>  | <b>\$ 9,776,346</b>   | <b>4.14%</b>  | <b>\$ 8,082,000</b>   | <b>3.44%</b>  | <b>\$ 1,694,346</b>   | <b>20.96%</b>  |
| <b>Total Operating Expenses</b>                 | <b>\$ 117,743,667</b> |               | <b>\$ 123,882,000</b> |               | <b>\$ (6,138,333)</b> | <b>-4.95%</b>  | <b>\$ 236,376,648</b> |               | <b>\$ 234,619,000</b> |               | <b>\$ 1,757,648</b>   | <b>0.75%</b>   |
| <b>Net Income</b>                               | <b>\$ 31,260,740</b>  |               | <b>\$ 27,834,000</b>  |               | <b>\$ 3,426,740</b>   |                | <b>\$ 10,892,123</b>  |               | <b>\$ 12,478,000</b>  |               | <b>\$ (1,585,877)</b> |                |
| Balance Forward                                 | \$ (20,276,076)       |               | \$ (15,263,459)       |               |                       |                | \$ 92,541             |               | \$ 92,541             |               |                       |                |
| <b>Fund Equity Balance</b>                      | <b>\$ 10,984,664</b>  |               | <b>\$ 12,570,541</b>  |               | <b>\$ (1,585,877)</b> | <b>-12.62%</b> | <b>\$ 10,984,664</b>  |               | <b>\$ 12,570,541</b>  |               | <b>\$ (1,585,877)</b> | <b>-12.62%</b> |

# Long-term Projections

# Long-term Projection – All GHIP Groups Combined

| GHIP Costs (\$ millions)                      | Rate Increase    | 27.0%            | 4.4%             | 4.4%             | 4.4%             |
|---|------------------|------------------|------------------|------------------|------------------|
|   | FY24             | FY25             | FY26             | FY27             | FY28             |
|   | Projected        | Projected        | Projected        | Projected        | Projected        |
| Average Enrolled Members                      | 133,487          | 136,122          | 137,484          | 138,858          | 140,247          |
| <b>GHIP Revenues</b>                          |                  |                  |                  |                  |                  |
| Premium Contributions - Non-Medicare          | \$824.0          | \$1,067.4        | \$1,136.8        | \$1,199.2        | \$1,264.9        |
| Premium Contributions - Medicare              | \$166.0          | \$192.1          | \$225.3          | \$237.7          | \$250.7          |
| Total Premium Contributions                   | \$990.0          | \$1,259.5        | \$1,362.1        | \$1,436.8        | \$1,515.6        |
| Transfer from OMB                             | \$7.3            |                  |                  |                  |                  |
| Payback of Transfer from OMB                  |                  | (\$7.3)          |                  |                  |                  |
| Other Revenues                                | \$223.2          | \$273.0          | \$311.0          | \$339.3          | \$363.4          |
| <b>Total Operating Revenues</b>               | <b>\$1,220.5</b> | <b>\$1,525.2</b> | <b>\$1,673.1</b> | <b>\$1,776.1</b> | <b>\$1,879.0</b> |
| <b>GHIP Expenses</b>                          |                  |                  |                  |                  |                  |
| Claims  | \$1,230.7        | \$1,407.8        | \$1,560.6        | \$1,714.4        | \$1,875.9        |
| Expenses                                      | \$48.6           | \$52.6           | \$52.9           | \$54.9           | \$57.1           |
| <b>Total Operating Expenses</b>               | <b>\$1,279.3</b> | <b>\$1,460.4</b> | <b>\$1,613.5</b> | <b>\$1,769.3</b> | <b>\$1,933.0</b> |
| % Change Per Member                           | 5.4%             | 12.2%            | 9.8%             | 8.8%             | 8.3%             |
| <b>Adjusted Net Income</b>                    | <b>(\$58.7)</b>  | <b>\$64.8</b>    | <b>\$59.6</b>    | <b>\$6.8</b>     | <b>(\$54.0)</b>  |
| Balance Forward                               | \$58.8           | \$0.1            | \$64.9           | \$124.5          | \$131.3          |
| <b>Ending Fund Cash Balance</b>               | <b>\$0.1</b>     | <b>\$64.9</b>    | <b>\$124.5</b>   | <b>\$131.3</b>   | <b>\$77.3</b>    |
| - Less Claims Liability                       | \$0.0            | \$0.0            | \$0.0            | \$0.0            | \$0.0            |
| - Less Minimum Reserve                        | \$28.2           | \$32.3           | \$64.5           | \$70.8           | \$77.3           |
| <b>GHIP Surplus (After Reserves/Deposits)</b> | <b>(\$28.1)</b>  | <b>\$32.6</b>    | <b>\$60.0</b>    | <b>\$60.5</b>    | <b>(\$0.0)</b>   |

## 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

## Long-term Projection – Active Employees Only

|   | Rate Increase   | 27.0%            | 5.0%             | 5.0%             | 5.0%             |
|---|-----------------|------------------|------------------|------------------|------------------|
| GHIP Costs (\$ millions)                      | FY24            | FY25             | FY26             | FY27             | FY28             |
|   | Projected       | Projected        | Projected        | Projected        | Projected        |
| <b>GHIP Revenues</b>                          |                 |                  |                  |                  |                  |
| Premium Contributions                         | \$722.7         | \$940.5          | \$1,005.9        | \$1,066.8        | \$1,131.4        |
| <b>Transfer from OMB</b>                      | \$5.8           |                  |                  |                  |                  |
| <b>Payback of Transfer from OMB</b>           |                 | (\$5.8)          |                  |                  |                  |
| Other Revenues                                | \$82.8          | \$101.4          | \$119.2          | \$131.9          | \$144.4          |
| <b>Total Operating Revenues</b>               | <b>\$811.3</b>  | <b>\$1,036.1</b> | <b>\$1,125.2</b> | <b>\$1,198.8</b> | <b>\$1,275.8</b> |
| <b>GHIP Expenses</b>                          |                 |                  |                  |                  |                  |
| Claims  | \$823.6         | \$951.4          | \$1,056.5        | \$1,161.1        | \$1,270.9        |
| Expenses                                      | \$32.0          | \$34.8           | \$34.9           | \$36.3           | \$37.7           |
| <b>Total Operating Expenses</b>               | <b>\$855.6</b>  | <b>\$986.2</b>   | <b>\$1,091.4</b> | <b>\$1,197.3</b> | <b>\$1,308.6</b> |
| <i>% Change Per Member</i>                    |                 |                  |                  |                  |                  |
| <b>Adjusted Net Income</b>                    | <b>(\$44.3)</b> | <b>\$49.9</b>    | <b>\$33.8</b>    | <b>\$1.4</b>     | <b>(\$32.8)</b>  |
| Balance Forward                               | \$58.8          | \$0.0            | \$49.9           | \$83.7           | \$85.1           |
| <b>Ending Fund Cash Balance</b>               | <b>\$0.0</b>    | <b>\$49.9</b>    | <b>\$83.7</b>    | <b>\$85.1</b>    | <b>\$52.3</b>    |
| - Less Claims Liability                       | \$0.0           | \$0.0            | \$0.0            | \$0.0            | \$0.0            |
| - Less Minimum Reserve                        | \$19.0          | \$21.8           | \$43.7           | \$47.9           | \$52.3           |
| <b>GHIP Surplus (After Reserves/Deposits)</b> | <b>(\$19.0)</b> | <b>\$28.1</b>    | <b>\$40.0</b>    | <b>\$37.2</b>    | <b>(\$0.0)</b>   |

### 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

## Long-term Projection – Pre-65 Retirees Only

|   | Rate Increase   | 27.0%           | 17.9%           | 17.9%           | 17.9%          |
|---|-----------------|-----------------|-----------------|-----------------|----------------|
| GHIP Costs (\$ millions)                      | FY24            | FY25            | FY26            | FY27            | FY28           |
|   | Projected       | Projected       | Projected       | Projected       | Projected      |
| <b>GHIP Revenues</b>                          |                 |                 |                 |                 |                |
| Premium Contributions                         | \$101.4         | \$126.9         | \$152.6         | \$181.7         | \$216.3        |
| Transfer from OMB                             | \$1.5           |                 |                 |                 |                |
| Payback of Transfer from OMB                  |                 | (\$1.5)         |                 |                 |                |
| Other Revenues                                | \$15.1          | \$18.5          | \$20.4          | \$22.8          | \$25.0         |
| <b>Total Operating Revenues</b>               | <b>\$117.9</b>  | <b>\$143.9</b>  | <b>\$173.0</b>  | <b>\$204.4</b>  | <b>\$241.3</b> |
| <b>GHIP Expenses</b>                          |                 |                 |                 |                 |                |
| Claims  | \$135.5         | \$155.8         | \$173.3         | \$190.6         | \$208.7        |
| Expenses                                      | \$5.7           | \$6.1           | \$6.3           | \$6.5           | \$6.8          |
| <b>Total Operating Expenses</b>               | <b>\$141.1</b>  | <b>\$161.9</b>  | <b>\$179.6</b>  | <b>\$197.1</b>  | <b>\$215.5</b> |
| % Change Per Member                           |                 |                 |                 |                 |                |
| <b>Adjusted Net Income</b>                    | <b>(\$23.2)</b> | <b>(\$18.0)</b> | <b>(\$6.6)</b>  | <b>\$7.3</b>    | <b>\$25.8</b>  |
| Balance Forward                               | \$0.0           | \$0.0           | (\$18.0)        | (\$24.5)        | (\$17.2)       |
| <b>Ending Fund Cash Balance</b>               | <b>\$0.0</b>    | <b>(\$18.0)</b> | <b>(\$24.5)</b> | <b>(\$17.2)</b> | <b>\$8.6</b>   |
| - Less Claims Liability                       | \$0.0           | \$0.0           | \$0.0           | \$0.0           | \$0.0          |
| - Less Minimum Reserve                        | \$3.1           | \$3.6           | \$7.2           | \$7.9           | \$8.6          |
| <b>GHIP Surplus (After Reserves/Deposits)</b> | <b>(\$3.1)</b>  | <b>(\$21.6)</b> | <b>(\$31.7)</b> | <b>(\$25.1)</b> | <b>(\$0.0)</b> |

### 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

# Long-term Projection – Medicare Retirees Only

|   | Rate Increase  | 27.0%          | 0.0%           | 0.0%           | 0.0%           |
|---|----------------|----------------|----------------|----------------|----------------|
| GHIP Costs (\$ millions)                      | FY24           | FY25           | FY26           | FY27           | FY28           |
|   | Projected      | Projected      | Projected      | Projected      | Projected      |
| <b>GHIP Revenues</b>                          |                |                |                |                |                |
| Premium Contributions                         | \$166.0        | \$192.1        | \$221.2        | \$223.4        | \$225.6        |
| <b>Transfer from OMB</b>                      |                |                |                |                |                |
| <b>Payback of Transfer from OMB</b>           |                |                |                |                |                |
| Other Revenues                                | \$125.3        | \$153.1        | \$171.3        | \$184.6        | \$194.0        |
| <b>Total Operating Revenues</b>               | <b>\$291.3</b> | <b>\$345.2</b> | <b>\$392.5</b> | <b>\$408.0</b> | <b>\$419.6</b> |
| <b>GHIP Expenses</b>                          |                |                |                |                |                |
| Claims  | \$271.7        | \$300.7        | \$330.8        | \$362.7        | \$396.3        |
| Expenses                                      | \$10.9         | \$11.6         | \$11.7         | \$12.2         | \$12.6         |
| <b>Total Operating Expenses</b>               | <b>\$282.5</b> | <b>\$312.3</b> | <b>\$342.5</b> | <b>\$374.9</b> | <b>\$408.9</b> |
| <i>% Change Per Member</i>                    |                |                |                |                |                |
| <b>Adjusted Net Income</b>                    | <b>\$8.8</b>   | <b>\$32.9</b>  | <b>\$50.0</b>  | <b>\$33.1</b>  | <b>\$10.7</b>  |
| Balance Forward                               | \$0.0          | \$0.1          | \$33.0         | \$83.0         | \$116.1        |
| <b>Ending Fund Cash Balance</b>               | <b>\$0.1</b>   | <b>\$33.0</b>  | <b>\$83.0</b>  | <b>\$116.1</b> | <b>\$126.8</b> |
| - Less Claims Liability                       | \$0.0          | \$0.0          | \$0.0          | \$0.0          | \$0.0          |
| - Less Minimum Reserve                        | \$6.0          | \$6.8          | \$13.7         | \$15.0         | \$16.4         |
| <b>GHIP Surplus (After Reserves/Deposits)</b> | <b>(\$5.9)</b> | <b>\$26.2</b>  | <b>\$69.3</b>  | <b>\$101.1</b> | <b>\$110.4</b> |

### 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
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# Long-term Projection – All Retirees Combined

|   | Rate Increase   | 27.0%          | 2.5%           | 2.5%           | 2.5%            |
|---|-----------------|----------------|----------------|----------------|-----------------|
| GHIP Costs (\$ millions)                      | FY24            | FY25           | FY26           | FY27           | FY28            |
|   | Projected       | Projected      | Projected      | Projected      | Projected       |
| <b>GHIP Revenues</b>                          |                 |                |                |                |                 |
| Premium Contributions                         | \$267.4         | \$319.1        | \$357.3        | \$369.9        | \$383.0         |
| Transfer from OMB                             | \$1.5           |                |                |                |                 |
| Payback of Transfer from OMB                  |                 | (\$1.5)        |                |                |                 |
| Other Revenues                                | \$140.4         | \$171.5        | \$191.7        | \$207.4        | \$219.0         |
| <b>Total Operating Revenues</b>               | <b>\$409.2</b>  | <b>\$489.1</b> | <b>\$549.0</b> | <b>\$577.3</b> | <b>\$602.1</b>  |
| <b>GHIP Expenses</b>                          |                 |                |                |                |                 |
| Claims  | \$407.1         | \$456.4        | \$504.1        | \$553.3        | \$605.0         |
| Expenses                                      | \$16.5          | \$17.8         | \$18.0         | \$18.7         | \$19.4          |
| <b>Total Operating Expenses</b>               | <b>\$423.6</b>  | <b>\$474.2</b> | <b>\$522.1</b> | <b>\$572.0</b> | <b>\$624.4</b>  |
| % Change Per Member                           |                 |                |                |                |                 |
| <b>Adjusted Net Income</b>                    | <b>(\$14.4)</b> | <b>\$14.9</b>  | <b>\$26.9</b>  | <b>\$5.3</b>   | <b>(\$22.3)</b> |
| Balance Forward                               | \$0.0           | \$0.1          | \$15.0         | \$42.0         | \$47.3          |
| <b>Ending Fund Cash Balance</b>               | <b>\$0.1</b>    | <b>\$15.0</b>  | <b>\$42.0</b>  | <b>\$47.3</b>  | <b>\$25.0</b>   |
| - Less Claims Liability                       | \$0.0           | \$0.0          | \$0.0          | \$0.0          | \$0.0           |
| - Less Minimum Reserve                        | \$9.1           | \$10.4         | \$20.9         | \$22.9         | \$25.0          |
| <b>GHIP Surplus (After Reserves/Deposits)</b> | <b>(\$9.0)</b>  | <b>\$4.6</b>   | <b>\$21.1</b>  | <b>\$24.4</b>  | <b>(\$0.0)</b>  |

## Assumptions:

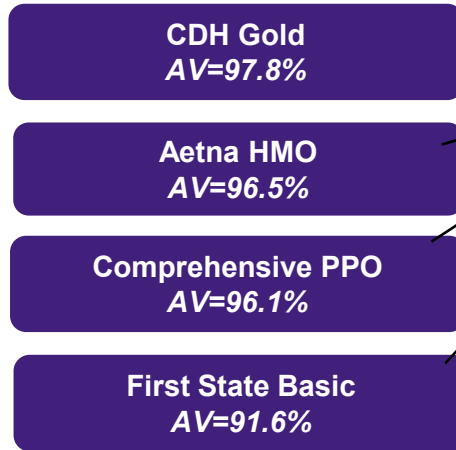
- 8% medical trend, 5% Medicfill trend, see Appendix for graded pharmacy trend assumption
- Starting with actual July, 2024 open enrollment results and 1% per annum growth in GHIP membership with consistent plan and tier elections thereafter
- Reflects added cost for legislation going into effect during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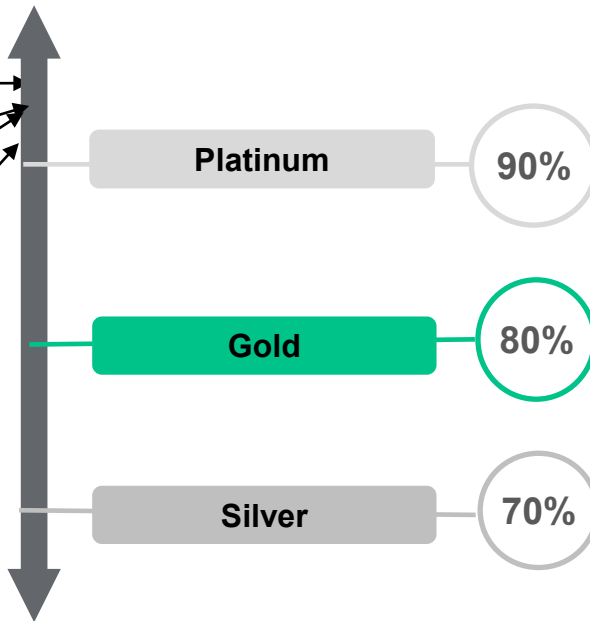
# Plan Values and Employee Contributions

# Plan Values

## Current State (Plan Design Value)



## Actuarial Value Medallion Level



**Actuarial Value (AV)**  
Measures the percentage of medical claims cost that insurance is expected to cover after employees pay cost sharing (e.g. deductible and coinsurance)

**Observations**

- Plans are all extremely rich
- CDH Gold and HMO richer than PPO but employees pay significantly less for those two options

- Given the mis-alignment between plan design values and premium equivalent rates for the non-Medicare plans, the State should be aware of the impact of aligning plan values with those rates, as well as the impact of creating more meaningful differentiation between these plan options
- The following slides illustrate the impact of these changes for the SEBC's consideration

# FY26 Rates – Rates re-aligned based on Actuarial Value (AV)

|                          |          |                 |                | FY 2025    |                       |               | FY 2026 with 5% Rate Increase and Re-distribution on Actuarial Values |                       |         |          |               |
|--------------------------|----------|-----------------|----------------|------------|-----------------------|---------------|---|-----------------------|---------|----------|---------------|
|                          | Enrolled | Actuarial Value | Employee Share | Rate       | Employee Contribution | State Subsidy | Rate  | Employee Contribution |         | Increase | State Subsidy |
| <b>First State Basic</b> |          | <b>91.6%</b>    | <b>4.0%</b>    |            |                       |               |   |                       |         |          |               |
| Employee                 | 2,822    |                 |                | \$1,049.58 | \$41.98               | \$1,007.60    | \$1,164.45  | \$46.58               | \$5.00  | 11%      | \$1,117.87    |
| Employee + Spouse        | 431      |                 |                | \$2,171.54 | \$86.88               | \$2,084.66    | \$2,416.36  | \$96.65               | \$10.00 | 11%      | \$2,319.71    |
| Employee + Child         | 906      |                 |                | \$1,595.46 | \$63.82               | \$1,531.64    | \$1,794.62  | \$71.78               | \$8.00  | 12%      | \$1,722.84    |
| Family                   | 599      |                 |                | \$2,714.52 | \$108.60              | \$2,605.92    | \$3,020.78  | \$120.83              | \$12.00 | 11%      | \$2,899.95    |
| <b>CDH Gold</b>          |          | <b>97.8%</b>    | <b>5.0%</b>    |            |                       |               |   |                       |         |          |               |
| Employee                 | 1,750    |                 |                | \$1,086.30 | \$54.32               | \$1,031.98    | \$1,238.83  | \$61.94               | \$8.00  | 14%      | \$1,176.89    |
| Employee + Spouse        | 446      |                 |                | \$2,252.36 | \$112.62              | \$2,139.74    | \$2,570.71  | \$128.54              | \$16.00 | 14%      | \$2,442.17    |
| Employee + Child         | 1,088    |                 |                | \$1,659.68 | \$82.98               | \$1,576.70    | \$1,909.26  | \$95.46               | \$12.00 | 15%      | \$1,813.79    |
| Family                   | 754      |                 |                | \$2,861.42 | \$143.06              | \$2,718.36    | \$3,213.74  | \$160.69              | \$18.00 | 12%      | \$3,053.05    |
| <b>Aetna HMO</b>         |          | <b>96.5%</b>    | <b>6.5%</b>    |            |                       |               |   |                       |         |          |               |
| Employee                 | 3,431    |                 |                | \$1,095.74 | \$71.24               | \$1,024.50    | \$1,223.41  | \$79.52               | \$8.00  | 12%      | \$1,143.89    |
| Employee + Spouse        | 1,006    |                 |                | \$2,310.26 | \$150.18              | \$2,160.08    | \$2,538.71  | \$165.02              | \$15.00 | 10%      | \$2,373.70    |
| Employee + Child         | 2,078    |                 |                | \$1,676.20 | \$108.96              | \$1,567.24    | \$1,885.49  | \$122.56              | \$14.00 | 12%      | \$1,762.94    |
| Family                   | 1,992    |                 |                | \$2,882.68 | \$187.38              | \$2,695.30    | \$3,173.74  | \$206.29              | \$19.00 | 10%      | \$2,967.45    |
| <b>Comprehensive PPO</b> |          | <b>96.1%</b>    | <b>13.3%</b>   |            |                       |               |   |                       |         |          |               |
| Employee                 | 12,922   |                 |                | \$1,198.24 | \$158.76              | \$1,039.48    | \$1,218.89  | \$161.50              | \$3.00  | 2%       | \$1,057.39    |
| Employee + Spouse        | 3,871    |                 |                | \$2,486.48 | \$329.48              | \$2,157.00    | \$2,529.34  | \$335.14              | \$6.00  | 2%       | \$2,194.20    |
| Employee + Child         | 7,974    |                 |                | \$1,846.70 | \$244.68              | \$1,602.02    | \$1,878.53  | \$248.91              | \$4.00  | 2%       | \$1,629.63    |
| Family                   | 6,440    |                 |                | \$3,108.44 | \$411.86              | \$2,696.58    | \$3,162.02  | \$418.97              | \$7.00  | 2%       | \$2,743.05    |

## Key Assumptions:

- Assumes a 5% needed increase in gross aggregate Premiums
- Gross Premium Equivalents re-aligned based on relative actuarial values
- Leads to varied rate actions by Plan Option
- However, State Subsidy varies by Plan Option due to mandated employee contribution percentages
- Employee contributions increase from \$3 to \$19 per month
- However, individuals in the PPO Plan have the option to move to another plan with little to no change in Plan Value AND have lower Premium Contributions

Employee contributions increase in FY26 by a range of \$3 to \$19 per month

State share of costs would increase by an additional \$2M compared to current rate structure

# FY26 Rates – Rates re-aligned on AVs and State Subsidy Equalized

|                          |          |                | FY 2026 with 5% Rate Increase and Re-distribution on Actuarial Values |                       |          |               | FY26 with Equal State Subsidy regardless of Plan Option |                       |               |               |
|--------------------------|----------|----------------|---|-----------------------|----------|---------------|---|-----------------------|---------------|---------------|
|                          | Enrolled | Employee Share | Rate  | Employee Contribution | Increase | State Subsidy | Rate  | Employee Contribution | Percent Share | State Subsidy |
| <b>First State Basic</b> |          | <b>4.0%</b>    |   |                       |          |               |   |                       |               |               |
| Employee                 | 2,822    |                | \$1,164.45  | \$46.58               | 11%      | \$1,117.87    | \$1,164.45  | \$78.34               | 6.7%          | \$1,086.11    |
| Employee + Spouse        | 431      |                | \$2,416.36  | \$96.65               | 11%      | \$2,319.71    | \$2,416.36  | \$162.57              | 6.7%          | \$2,253.79    |
| Employee + Child         | 906      |                | \$1,794.62  | \$71.78               | 12%      | \$1,722.84    | \$1,794.62  | \$120.74              | 6.7%          | \$1,673.88    |
| Family                   | 599      |                | \$3,020.78  | \$120.83              | 11%      | \$2,899.95    | \$3,020.78  | \$203.23              | 6.7%          | \$2,817.55    |
| <b>CDH Gold</b>          |          | <b>5.0%</b>    |   |                       |          |               |   |                       |               |               |
| Employee                 | 1,750    |                | \$1,238.83  | \$61.94               | 14%      | \$1,176.89    | \$1,238.83  | \$152.72              | 12.3%         | \$1,086.11    |
| Employee + Spouse        | 446      |                | \$2,570.71  | \$128.54              | 14%      | \$2,442.17    | \$2,570.71  | \$316.92              | 12.3%         | \$2,253.79    |
| Employee + Child         | 1,088    |                | \$1,909.26  | \$95.46               | 15%      | \$1,813.79    | \$1,909.26  | \$235.37              | 12.3%         | \$1,673.88    |
| Family                   | 754      |                | \$3,213.74  | \$160.69              | 12%      | \$3,053.05    | \$3,213.74  | \$396.19              | 12.3%         | \$2,817.55    |
| <b>Aetna HMO</b>         |          | <b>6.5%</b>    |   |                       |          |               |   |                       |               |               |
| Employee                 | 3,431    |                | \$1,223.41  | \$79.52               | 12%      | \$1,143.89    | \$1,223.41  | \$137.30              | 11.2%         | \$1,086.11    |
| Employee + Spouse        | 1,006    |                | \$2,538.71  | \$165.02              | 10%      | \$2,373.70    | \$2,538.71  | \$284.92              | 11.2%         | \$2,253.79    |
| Employee + Child         | 2,078    |                | \$1,885.49  | \$122.56              | 12%      | \$1,762.94    | \$1,885.49  | \$211.61              | 11.2%         | \$1,673.88    |
| Family                   | 1,992    |                | \$3,173.74  | \$206.29              | 10%      | \$2,967.45    | \$3,173.74  | \$356.19              | 11.2%         | \$2,817.55    |
| <b>Comprehensive PPO</b> |          | <b>13.3%</b>   |   |                       |          |               |   |                       |               |               |
| Employee                 | 12,922   |                | \$1,218.89  | \$161.50              | 2%       | \$1,057.39    | \$1,218.89  | \$132.79              | 10.9%         | \$1,086.11    |
| Employee + Spouse        | 3,871    |                | \$2,529.34  | \$335.14              | 2%       | \$2,194.20    | \$2,529.34  | \$275.54              | 10.9%         | \$2,253.79    |
| Employee + Child         | 7,974    |                | \$1,878.53  | \$248.91              | 2%       | \$1,629.63    | \$1,878.53  | \$204.65              | 10.9%         | \$1,673.88    |
| Family                   | 6,440    |                | \$3,162.02  | \$418.97              | 2%       | \$2,743.05    | \$3,162.02  | \$344.47              | 10.9%         | \$2,817.55    |

## Key Assumptions:

- Change Employee Share percentages such that State Subsidy is the same regardless of which Plan Option the employee chooses
- Would require legislative action to modify the current shares from 4%, 5%, 6.5% and 13.25%, respectively

Employee contributions would change in FY26 from a decrease of \$67 to an increase \$254 per month

Aggregate Employee contributions and State Share would remain unchanged from the current overall share

# FY26 Rates – Employee Shares Unchanged and Plan Values Adjusted to Equalize State Share

|                          | FY26 with Equal State Subsidy regardless of Plan Option |            |                       |               |               | New AV       | Keep Legislated Shares the Same but Modify Plan Values |                       |               |               |
|--------------------------|---|------------|-----------------------|---------------|---------------|--------------|--|-----------------------|---------------|---------------|
|                          | Enrolled  | Rate       | Employee Contribution | Percent Share | State Subsidy |              | Rate   | Employee Contribution | Percent Share | State Subsidy |
| <b>First State Basic</b> |   |            |                       |               |               | <b>91.6%</b> |  |                       |               |               |
| Employee                 | 2,822   | \$1,164.45 | \$78.34               | 6.7%          | \$1,086.11    | 89.0%        | \$1,131.36   | \$45.25               | 4.00%         | \$1,086.11    |
| Employee + Spouse        | 431   | \$2,416.36 | \$162.57              | 6.7%          | \$2,253.79    | 89.0%        | \$2,347.70   | \$93.91               | 4.00%         | \$2,253.79    |
| Employee + Child         | 906   | \$1,794.62 | \$120.74              | 6.7%          | \$1,673.88    | 89.0%        | \$1,743.63   | \$69.75               | 4.00%         | \$1,673.88    |
| Family                   | 599   | \$3,020.78 | \$203.23              | 6.7%          | \$2,817.55    | 89.0%        | \$2,934.95   | \$117.40              | 4.00%         | \$2,817.55    |
| <b>CDH Gold</b>          |   |            |                       |               |               | <b>97.8%</b> |  |                       |               |               |
| Employee                 | 1,750   | \$1,238.83 | \$152.72              | 12.3%         | \$1,086.11    | 90.2%        | \$1,143.27   | \$57.16               | 5.00%         | \$1,086.11    |
| Employee + Spouse        | 446   | \$2,570.71 | \$316.92              | 12.3%         | \$2,253.79    | 90.2%        | \$2,372.41   | \$118.62              | 5.00%         | \$2,253.79    |
| Employee + Child         | 1,088   | \$1,909.26 | \$235.37              | 12.3%         | \$1,673.88    | 90.2%        | \$1,761.98   | \$88.10               | 5.00%         | \$1,673.88    |
| Family                   | 754   | \$3,213.74 | \$396.19              | 12.3%         | \$2,817.55    | 90.2%        | \$2,965.84   | \$148.29              | 5.00%         | \$2,817.55    |
| <b>Aetna HMO</b>         |   |            |                       |               |               | <b>96.5%</b> |  |                       |               |               |
| Employee                 | 3,431   | \$1,223.41 | \$137.30              | 11.2%         | \$1,086.11    | 91.6%        | \$1,161.61   | \$75.50               | 6.50%         | \$1,086.11    |
| Employee + Spouse        | 1,006   | \$2,538.71 | \$284.92              | 11.2%         | \$2,253.79    | 91.6%        | \$2,410.47   | \$156.68              | 6.50%         | \$2,253.79    |
| Employee + Child         | 2,078   | \$1,885.49 | \$211.61              | 11.2%         | \$1,673.88    | 91.6%        | \$1,790.25   | \$116.37              | 6.50%         | \$1,673.88    |
| Family                   | 1,992   | \$3,173.74 | \$356.19              | 11.2%         | \$2,817.55    | 91.6%        | \$3,013.42   | \$195.87              | 6.50%         | \$2,817.55    |
| <b>Comprehensive PPO</b> |   |            |                       |               |               | <b>96.1%</b> |  |                       |               |               |
| Employee                 | 12,922  | \$1,218.89 | \$132.79              | 10.9%         | \$1,086.11    | 98.7%        | \$1,252.00   | \$165.89              | 13.25%        | \$1,086.11    |
| Employee + Spouse        | 3,871   | \$2,529.34 | \$275.54              | 10.9%         | \$2,253.79    | 98.7%        | \$2,598.03   | \$344.24              | 13.25%        | \$2,253.79    |
| Employee + Child         | 7,974   | \$1,878.53 | \$204.65              | 10.9%         | \$1,673.88    | 98.7%        | \$1,929.55   | \$255.67              | 13.25%        | \$1,673.88    |
| Family                   | 6,440   | \$3,162.02 | \$344.47              | 10.9%         | \$2,817.55    | 98.7%        | \$3,247.90   | \$430.35              | 13.25%        | \$2,817.55    |

## Key Assumptions:

- Keep existing Employee Shares – 4%, 5%, 6.5% and 13.25%, respectively
- Modify Plan Values to keep State Subsidy (in dollars) the same regardless of Plan Option chosen
- Does NOT require legislative action

Employee contributions increase in FY26 by a range of \$3 to \$18 per month

Overall, aggregate plan value and employee contributions would decrease by approximately \$300k.

# FY26 Rates – Meaningful Spread from Low to High

|                          | FY26 with Equal State Subsidy regardless of Plan Option |            |                       |               |               | Meaningful Spread between Low and High Plan Options |            |                       |               |               |
|--------------------------|---|------------|-----------------------|---------------|---------------|---|------------|-----------------------|---------------|---------------|
|                          | Enrolled  | Rate       | Employee Contribution | Percent Share | State Subsidy | New AV  | Rate       | Employee Contribution | Percent Share | State Subsidy |
| <b>First State Basic</b> |   |            |                       |               |               | <b>91.6%</b>  |            |                       |               |               |
| Employee                 | 2,822   | \$1,164.45 | \$78.34               | 6.7%          | \$1,086.11    | 80.0%   | \$1,024.30 | \$40.97               | 4.00%         | \$983.33      |
| Employee + Spouse        | 431   | \$2,416.36 | \$162.57              | 6.7%          | \$2,253.79    | 80.0%   | \$2,125.54 | \$85.02               | 4.00%         | \$2,040.52    |
| Employee + Child         | 906   | \$1,794.62 | \$120.74              | 6.7%          | \$1,673.88    | 80.0%   | \$1,578.63 | \$63.15               | 4.00%         | \$1,515.49    |
| Family                   | 599   | \$3,020.78 | \$203.23              | 6.7%          | \$2,817.55    | 80.0%   | \$2,657.22 | \$106.29              | 4.00%         | \$2,550.93    |
| <b>CDH Gold</b>          |   |            |                       |               |               | <b>97.8%</b>  |            |                       |               |               |
| Employee                 | 1,750   | \$1,238.83 | \$152.72              | 12.3%         | \$1,086.11    | 85.0%   | \$1,085.01 | \$54.25               | 5.00%         | \$1,030.76    |
| Employee + Spouse        | 446   | \$2,570.71 | \$316.92              | 12.3%         | \$2,253.79    | 85.0%   | \$2,251.51 | \$112.58              | 5.00%         | \$2,138.94    |
| Employee + Child         | 1,088   | \$1,909.26 | \$235.37              | 12.3%         | \$1,673.88    | 85.0%   | \$1,672.19 | \$83.61               | 5.00%         | \$1,588.58    |
| Family                   | 754   | \$3,213.74 | \$396.19              | 12.3%         | \$2,817.55    | 85.0%   | \$2,814.70 | \$140.73              | 5.00%         | \$2,673.96    |
| <b>Aetna HMO</b>         |   |            |                       |               |               | <b>96.5%</b>  |            |                       |               |               |
| Employee                 | 3,431   | \$1,223.41 | \$137.30              | 11.2%         | \$1,086.11    | 90.0%   | \$1,145.13 | \$74.43               | 6.50%         | \$1,070.69    |
| Employee + Spouse        | 1,006   | \$2,538.71 | \$284.92              | 11.2%         | \$2,253.79    | 90.0%   | \$2,376.26 | \$154.46              | 6.50%         | \$2,221.80    |
| Employee + Child         | 2,078   | \$1,885.49 | \$211.61              | 11.2%         | \$1,673.88    | 90.0%   | \$1,764.84 | \$114.71              | 6.50%         | \$1,650.13    |
| Family                   | 1,992   | \$3,173.74 | \$356.19              | 11.2%         | \$2,817.55    | 90.0%   | \$2,970.65 | \$193.09              | 6.50%         | \$2,777.56    |
| <b>Comprehensive PPO</b> |   |            |                       |               |               | <b>96.1%</b>  |            |                       |               |               |
| Employee                 | 12,922  | \$1,218.89 | \$132.79              | 10.9%         | \$1,086.11    | 95.0%   | \$1,205.34 | \$159.71              | 13.25%        | \$1,045.63    |
| Employee + Spouse        | 3,871   | \$2,529.34 | \$275.54              | 10.9%         | \$2,253.79    | 95.0%   | \$2,501.22 | \$331.41              | 13.25%        | \$2,169.81    |
| Employee + Child         | 7,974   | \$1,878.53 | \$204.65              | 10.9%         | \$1,673.88    | 95.0%   | \$1,857.64 | \$246.14              | 13.25%        | \$1,611.51    |
| Family                   | 6,440   | \$3,162.02 | \$344.47              | 10.9%         | \$2,817.55    | 95.0%   | \$3,126.86 | \$414.31              | 13.25%        | \$2,712.55    |

## Key Assumptions:

- Plan Values spread from low of 80% to high of 95% to provide employees with meaningful choice of options
- Employee share percentages unchanged
- Creates un-even State Subsidy depending upon Plan Option chosen

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

Aggregate overall average value of GHIP would decrease by approximately \$45M, or nearly 4%, while employee contributions would decrease by approximately \$5M

# FY26 Rates – Meaningful Spread from Low to High and State Subsidy Equalized

|                          | Enrolled | New AV       | Meaningful Spread between Low and High Plan Options |                       |               |               | Meaningful Spread between Low and High Plan Options and Fixed State Subsidy |                       |               |               |  |
|--------------------------|----------|--------------|---|-----------------------|---------------|---------------|---|-----------------------|---------------|---------------|--|
|                          |          |              | Rate  | Employee Contribution | Percent Share | State Subsidy | Rate  | Employee Contribution | Percent Share | State Subsidy |  |
| <b>First State Basic</b> |          | <b>91.6%</b> |   |                       |               |               |   |                       |               |               |  |
| Employee                 | 2,822    | 80.0%        | \$1,024.30  | \$40.97               | 4.00%         | \$983.33      | \$1,024.30  | \$0.00                | 0.00%         | \$1,024.30    |  |
| Employee + Spouse        | 431      | 80.0%        | \$2,125.54  | \$85.02               | 4.00%         | \$2,040.52    | \$2,125.54  | \$0.00                | 0.00%         | \$2,125.54    |  |
| Employee + Child         | 906      | 80.0%        | \$1,578.63  | \$63.15               | 4.00%         | \$1,515.49    | \$1,578.63  | \$0.00                | 0.00%         | \$1,578.63    |  |
| Family                   | 599      | 80.0%        | \$2,657.22  | \$106.29              | 4.00%         | \$2,550.93    | \$2,657.22  | \$0.00                | 0.00%         | \$2,657.22    |  |
| <b>CDH Gold</b>          |          | <b>97.8%</b> |   |                       |               |               |   |                       |               |               |  |
| Employee                 | 1,750    | 85.0%        | \$1,085.01  | \$54.25               | 5.00%         | \$1,030.76    | \$1,085.01  | \$39.64               | 3.65%         | \$1,045.36    |  |
| Employee + Spouse        | 446      | 85.0%        | \$2,251.51  | \$112.58              | 5.00%         | \$2,138.94    | \$2,251.51  | \$82.27               | 3.65%         | \$2,169.25    |  |
| Employee + Child         | 1,088    | 85.0%        | \$1,672.19  | \$83.61               | 5.00%         | \$1,588.58    | \$1,672.19  | \$61.10               | 3.65%         | \$1,611.09    |  |
| Family                   | 754      | 85.0%        | \$2,814.70  | \$140.73              | 5.00%         | \$2,673.96    | \$2,814.70  | \$102.85              | 3.65%         | \$2,711.85    |  |
| <b>Aetna HMO</b>         |          | <b>96.5%</b> |   |                       |               |               |   |                       |               |               |  |
| Employee                 | 3,431    | 90.0%        | \$1,145.13  | \$74.43               | 6.50%         | \$1,070.69    | \$1,145.13  | \$99.76               | 8.71%         | \$1,045.36    |  |
| Employee + Spouse        | 1,006    | 90.0%        | \$2,376.26  | \$154.46              | 6.50%         | \$2,221.80    | \$2,376.26  | \$207.02              | 8.71%         | \$2,169.25    |  |
| Employee + Child         | 2,078    | 90.0%        | \$1,764.84  | \$114.71              | 6.50%         | \$1,650.13    | \$1,764.84  | \$153.75              | 8.71%         | \$1,611.09    |  |
| Family                   | 1,992    | 90.0%        | \$2,970.65  | \$193.09              | 6.50%         | \$2,777.56    | \$2,970.65  | \$258.80              | 8.71%         | \$2,711.85    |  |
| <b>Comprehensive PPO</b> |          | <b>96.1%</b> |   |                       |               |               |   |                       |               |               |  |
| Employee                 | 12,922   | 95.0%        | \$1,205.34  | \$159.71              | 13.25%        | \$1,045.63    | \$1,205.34  | \$159.98              | 13.27%        | \$1,045.36    |  |
| Employee + Spouse        | 3,871    | 95.0%        | \$2,501.22  | \$331.41              | 13.25%        | \$2,169.81    | \$2,501.22  | \$331.97              | 13.27%        | \$2,169.25    |  |
| Employee + Child         | 7,974    | 95.0%        | \$1,857.64  | \$246.14              | 13.25%        | \$1,611.51    | \$1,857.64  | \$246.55              | 13.27%        | \$1,611.09    |  |
| Family                   | 6,440    | 95.0%        | \$3,126.86  | \$414.31              | 13.25%        | \$2,712.55    | \$3,126.86  | \$415.01              | 13.27%        | \$2,711.85    |  |

## Key Assumptions:

- Plan Values spread from low of 80% to high of 95% to provide employees with meaningful choice of options
- Employee Share percentages changed to create consistent State Subsidy regardless of Plan Option chosen
- Requires legislative action
- Offers a zero-dollar premium option for employees

Employee contributions increase in FY25 by a range of (\$109) to \$71 per month

Aggregate overall average value of GHIP would decrease by approximately \$45M, or nearly 4%, while employee contributions would decrease by approximately \$5M

# Appendix



## Pharmacy Trend - 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%   |