

**Self-Insurance Estimating Conference**  
**State Employees' Group Health Self-Insurance Trust Fund**  
**Executive Summary**  
**December 20, 2023 and January 10, 2024**

The Self-Insurance Estimating Conference has adopted a new Outlook for the State Employees' Group Health Self-Insurance Trust Fund. The fund is expected to remain solvent only through FY 2023-24. Even though the projected ending cash balance shows a projected surplus of \$323.7 million in the current year, the forecast for all subsequent years shows expenses that exceed revenues by amounts that generate negative cash balances of \$247.1 million in FY 2024-25, \$770.8 million in FY 2025-26, \$1,009.7 million in FY 2026-27, \$1,255.0 million in FY 2027-28 and \$1,522.9 million in FY 2028-29. The escalating negatives occur even though the Conference assumes that each year's deficit is cleared prior to the beginning of the following year.

While the Conference is continuing to project annual deficits that begin in FY 2024-25, the negative ending cash balances have been reduced relative to previous estimates by the net positive effect of multiple changes. Compared to the last several conferences, enrollment has stabilized and is beginning to show growth in line with past expectations. In this regard, enrollment in FY 2023-24 is 1,344 higher than expected in August. This increase continues throughout the forecast, with FY 2027-28 expected to be 2,270 higher than projected in August. Generally, changes in enrollment affect both expenses and revenues, with opposite effects on the bottom line. In this particular case, the medical expense impact of the upward enrollment adjustments was more than offset by a significant reduction in the growth of pharmacy claims and their average costs across the entire program.

A complete Executive Summary outlining all of the changes since the August 2023 Conference can be found at the beginning of the *Report on Financial Outlook* used as the conference packet. The following table shows the **major** net changes between the January 2024 and August 2023 forecasts.

**Financial Outlook for FY2023-24 and FY 2024-25**  
**Changes to Conference Forecast – August 2023 Compared to January 2024**  
**(In Millions)**

	FY 2023-24			FY 2024-25		
	Aug 2023	Jan 2024	Difference	Aug 2023	Jan 2024	Difference
Beginning Cash Balance	\$574.1	\$574.1	\$0.0	\$313.0	\$323.7	\$10.7
Total Revenues	\$3,035.8	\$3,085.1	\$49.3	\$2,914.5	\$3,024.2	\$109.7
Total Expenses	\$3,269.9	\$3,335.5	\$38.6	\$3,576.0	\$3,595.0	\$19.0
Ending Cash Balance	\$313.0	\$323.7	\$10.7	(\$348.5)	(\$247.1)	\$101.4

*Slight differences in results due to rounding.*