

**Self-Insurance Estimating Conference**  
**State Employees' Group Health Self-Insurance Trust Fund**  
**Executive Summary**  
**July 24, 2024 and August 7, 2024**

The Self-Insurance Estimating Conference has adopted a new Outlook for the State Employees' Group Health Self-Insurance Trust Fund. The fund is now expected to remain solvent through FY 2024-25. Even though the expected ending cash balance shows a surplus of \$224.2 million in the current year, the Conference has projected operating losses in all years of the Outlook. These continuing losses ultimately cause negative ending cash balances throughout the remaining years of the forecast: \$-421.9 million in FY 2025-26, \$-901.6 million in FY 2026-27, \$-1,219.6 million in FY 2027-28 and \$-1,551.5 million in FY 2028-29. These escalating negatives occur even though the Conference assumes that each year's deficit is cleared prior to the beginning of the following year.

Several material adjustments are embedded in the new forecast. Most importantly, estimated enrollment is significantly higher than projected in January 2024. This increase is a direct effect of adding the Florida College System (FCS) to the State Group Insurance Program as directed in Chapter 2024-230, Laws of Florida. While the adopted number of potential FCS enrollees is just over 19,000 on an annualized basis, the Conference noted that there is considerable uncertainty regarding the actual number of new enrollees and its potential to grow over the forecast horizon. This poses a risk to the forecast. Underlying traditional enrollment is also higher than previously expected. Generally, changes in enrollment affect both expenses and revenues, with opposite effects on the bottom line.

In addition to increased program enrollment, prescription drug claims in FY 2023-24 came in significantly over the January estimates. Combined PPO and HMO costs were \$83.4 million or 8.4 percent higher than expected for the year. This prompted the Conference to adjust the growth factors for pharmacy costs upward in all years, representing a material part of the increased expenses.

A complete Executive Summary outlining all of the changes since the January 2024 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 FY 2024-25 and FY 2025-26**  
**Changes to Conference Forecast – January 2024 Compared to August 2024**  
**(In Millions)**

	FY 2024-25			FY 2025-26		
	8-Jan	7-Aug	Difference	8-Jan	7-Aug	Difference
Beginning Cash Balance	\$323.7	\$652.7	\$329.0	\$0.0	\$224.2	\$0.0
Total Revenues	\$3,024.2	\$3,475.5	\$451.3	\$3,065.4	\$3,863.0	\$797.6
Total Expenses	\$3,595.0	\$3,904.0	\$309.0	\$3,836.2	\$4,509.1	\$672.9
Ending Cash Balance	<b>(\$247.1)</b>	\$224.2	\$471.3	<b>(\$770.8)</b>	<b>(\$421.9)</b>	\$348.9

*Slight differences in results due to rounding.*