

**Self-Insurance Estimating Conference
State Employees' Group Health Self-Insurance Trust Fund
Executive Summary**

March 1, 2019

The Outlook for the State Employees' Health Insurance Trust Fund has been revised to reflect actual enrollment and cash flows through January 2019; revised trends for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) medical and pharmacy claims; new projected medical costs and savings for the Shared Savings Program; and new projected Shared Savings Rewards. The fund is now expected to remain solvent through FY 2020-21, with increases in ending cash balances for all years of the forecast when compared to the December 2018 Outlook.

For FY 2018-19, the ending cash balance increased from \$553.0 million to \$564.4 million; for FY 2019-20, the ending cash balance increased from \$361.9 million to \$404.8 million; and for FY 2020-21, the negative ending cash balance of -\$59.6 million improved to a positive balance of \$29.2 million. The Outlook for subsequent years shows that expenses are expected to exceed revenues by an amount that generates a negative cash flow of -\$594.5 million in FY 2021-22, -\$887.8 million in FY 2022-23, and -\$1,300.3 million in FY 2023-24.

A December 2018 analysis of the Trust Fund's medical claims trend over the past five fiscal years relative to other national medical trend rates revealed that the Trust Fund's medical claims trends have closely mirrored the trends reported by CMS for the same time periods. As a result, the Conference decided to use a blend of medical trend rates adopted at a previous Conference with forecasted medical trend rates from CMS's National Health Expenditure Report. With current year actuals now running moderately higher than expected, the trend rates for FY 2018-19 and 2019-20 have been adjusted slightly upwards from the previous projections. The blended rates beginning in FY 2020-21 remain the same.

A complete Executive Summary outlining all of the changes since the December 2018 Conference can be found in the Report on the Financial Outlook Conference packet. The following table shows the **major** net changes between the December 2018 and March 2019 forecasts.

**Financial Outlook for FY 2018-19 and 2019-20
Changes to Conference Forecast – March 2019 Compared to December 2018
(In Millions)**

| | FY 2018-19 | | | FY 2019-20 | | |
|----------------------------|----------------|----------------|---------------|----------------|----------------|---------------|
| | Dec-18 | Mar-19 | Difference | Dec-18 | Mar-19 | Difference |
| Beginning Cash Balance | \$586.4 | \$586.4 | \$0 | \$553.0 | \$564.4 | \$42.9 |
| Total Revenues | 2,612.6 | 2,608.7 | (3.9) | 2,686.3 | 2,676.9 | (9.4) |
| Total Expenses | 2,645.9 | 2,630.6 | (15.3) | 2,877.4 | 2,836.5 | (40.9) |
| Operating Gain/(Loss) | (33.3) | (21.9) | 11.4 | (191.1) | (159.6) | 31.5 |
| Ending Cash Balance | \$553.0 | \$564.4 | \$11.4 | \$361.9 | \$404.8 | \$42.9 |

State Employees' Group Health Self-Insurance Trust Fund

Report on Financial Outlook

For the Fiscal Years Ending June 30, 2019 through June 30, 2024

**Adopted March 1, 2019, by the
Self-Insurance Estimating Conference**

Prepared by: Florida Department of Management Services
Division of State Group Insurance

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

EXECUTIVE SUMMARY

The Florida Division of State Group Insurance (the Division) prepared an Outlook for the State Employees' Group Health Self-Insurance Trust Fund (Trust Fund) for the fiscal years (FY) ending June 30, 2019, through June 30, 2024. The Outlook is prepared to assist in the State's planning and budgeting in accordance with section 216.136(9), Florida Statutes. The Outlook is prepared using cash basis methods and modeling based on the healthcare benefit and funding design currently in place.

The Outlook builds on the financial and enrollment data presented in the December 2018 Report on the Financial Outlook, henceforth referred to as the Prior Outlook. With the Prior Outlook as the base, this Outlook has adjustments for the following:

1. Actual enrollment and cash flows through January 2019.
2. Revised claims trends for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) pharmacy claims.
3. Revised claims trends for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) medical claims.
4. New projected medical costs and savings for the Shared Savings Program.
5. New projected Shared Savings Rewards

This Outlook reflects decreases in revenues for all years, and reductions in expenses for all years of the Outlook compared to the Prior Outlook. Increases in ending cash balances are reflected for FY 2018-19 and FY 2019-20. For FY 2020-21, projections are now a positive ending cash balance compared to the deficit previously projected in the Prior Outlook. The deficits previously projected for FY 2021-22 through FY 2023-24 in the Prior Outlook have decreased. The Outlook reflects that the Trust Fund is projected to remain solvent through FY 2020-21.

The ending cash balance for FY 2018-19 is adjusted from \$553.0 million to \$564.4 million, an increase of \$11.4 million and the estimated operating loss is decreased from \$33.3 million to \$21.9 million. For FY 2019-20, the forecasted ending cash balance is adjusted from \$361.9 million to \$404.8 million and the estimated operating loss is decreased from \$191.1 million to \$159.6 million. For FY 2020-21, the forecasted ending cash balance is adjusted from a deficit of \$59.6 million to a positive cash balance of \$29.2 million. The estimated operating loss is decreased from \$421.5 million to \$375.6 million. Ending cash balance deficits and operating losses are projected for FY 2021-22 through FY 2023-24.

Below is a summary of the Outlook for the Trust Fund through FY 2023-24:

| | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>Actual</u> | <u>Estimate</u> | <u>Estimate</u> | <u>Estimate</u> | <u>Estimate</u> | <u>Estimate</u> |
| BEGINNING CASH BALANCE | \$ 586.4 | \$ 564.4 | \$ 404.8 | \$ 29.2 | \$ 0.0 | \$ 0.0 |
| TOTAL REVENUES | \$ 2,608.7 | \$ 2,676.9 | \$ 2,721.7 | \$ 2,761.9 | \$ 2,799.4 | \$ 2,835.0 |
| TOTAL EXPENSES | \$ 2,630.6 | \$ 2,836.5 | \$ 3,097.3 | \$ 3,385.6 | \$ 3,687.2 | \$ 4,135.3 |
| OPERATING GAIN/(LOSS) | \$ (21.9) | \$ (159.6) | \$ (375.6) | \$ (623.7) | \$ (887.8) | \$ (1,300.3) |
| ENDING CASH BALANCE | \$ 564.4 | \$ 404.8 | \$ 29.2 | \$ (594.5) | \$ (887.8) | \$ (1,300.3) |

Note: Assumes no carry forward of negative cash balance.

ENROLLMENT

Influencing all areas of the projections are changes to the enrollment forecast, due to updated enrollment activity through January 2019. Enrollment patterns for FY 2018-19 through FY 2023-24 continue to reflect positive enrollment trends in the Active coverage category with growth of 1.14% annually, compared to 1.68% projected in the Prior Outlook. Early Retiree enrollment is projected to decrease an average of 1.06% annually, compared to a decrease of 3.78% projected in the Prior Outlook. Enrollment in the Medicare coverage categories is expected to increase by 0.39% annually, compared to 0.14% projected in the Prior Outlook. Total enrollment is projected to increase an average of 0.96% annually throughout the forecast period, rather than 1.29% projected in the Prior Outlook.

The impact of changes to the enrollment have resulted in decreased enrollment projections for all years of the forecast. For FY 2018-19 there is a decrease of 702 subscribers, 1,464 fewer subscribers for FY 2019-20, 1,931 fewer subscribers for FY 2020-21, 2,457 fewer subscribers for FY 2021-22, 3,050 fewer subscribers for FY 2022-23, and 3,669 fewer subscribers for FY 2023-24, compared to the Prior Outlook.

Subscriber migration patterns indicate a slight steadying in the enrollment distribution between the PPO plans and the HMO plans. Overall enrollment projections across all years of the forecast reflect an average increase of 0.27% in PPO plans, compared to an increase of 0.41% in the last Outlook. The HMO plans reflect an average increase of 1.57% across all years, compared to an increase of 2.06% in the last Outlook.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

As of January 2019, approximately 4,313 subscribers (4,194 active employees) were enrolled in a High Deductible Health Plan (2.42% of total enrollment). Active employees account for 97.24% of High Deductible Health Plan subscribers, of which 92.89% are participating in the integrated state-sponsored Health Savings Account offering, up from the 83.89% reported in the Prior Outlook.

The changes in enrollment between October 2018 and January 2019 reflect a net increase of 1,515 contracts, or 0.86% of total subscribers. Membership in PPO plans decreased by 221 subscribers or 0.26%, and HMO plan membership increased by 1,736 subscribers, or 1.88%. Active subscriber enrollment increased by 1,877 subscribers, or 1.33% and the net change in non-active membership was a decrease of 362 subscribers, or 1.03%.

As of January 2019, 24,369, or 14.21%, of eligible employees opted out of enrollment in the Program and 40.49% of those were employees in OPS positions. The Prior Outlook reflected that 16.46% of eligible employees opted out of coverage and 43.89% were in OPS positions.

REVENUE

Combined premium contribution revenues for FY 2018-19 through FY 2023-24 are \$107.8 million lower than projected in the Prior Outlook. Investment earnings increased \$3.8 million for FY 2018-19 through FY 2020-21 due to higher projected cash balances. TPA Refunds reflect an increase of \$5.4 million per year due to actual experience to date in FY 2018-19. Pharmacy Benefit Manager (PBM) Rebates decreased a combined total of \$23.6 million (\$1.3 million PPO, \$22.3 million HMO) attributable to rebate projections from the pharmacy benefits manager. Medicare drug subsidy payments increased by a combined \$4.5 million across all years of the Outlook due to a higher projected per member subsidy. Overall, Total Revenue changes in this outlook reflect a combined decrease of \$90.7 million compared to the Prior Outlook.

SPEND

The forecast of PPO expenses for FY 2018-19 through FY 2023-24 reflect a combined projected decrease of \$160.3 million. PPO medical claims projections overall are \$5.9 million lower, reflecting a \$28.5 million decrease due to lower projected enrollment, a \$6.7 million decrease due to Shared Savings from Bundled Services, and a \$29.3 million increase in actual and projected claims experience. PPO Pharmacy expenses are \$153.8 million lower, due to lower actual and projected claims expenses to date, and lower trend rates. PPO Administrative Services Only (ASO) fees and PBM Administration fees reflect a combined decrease of \$0.6 million due to decreased enrollment projections.

The forecast of FY 2018-19 through FY 2023-24 reflects a combined decrease of \$363.9 million in fully-insured and self-insured HMO expenses. Fully-insured premium payments reflect a combined decrease across all years totaling \$25.4 million due to lower projected enrollment. HMO medical claims projections overall are \$70.5 million lower, reflecting a \$134.3 million decrease due to lower projected enrollment, an \$8.9 million decrease due to Shared Savings from Bundled Services, and a \$72.6 million increase in actual and projected claims experience. HMO pharmacy expenses reflect a combined decrease across all years of \$264.3 million due to lower projected enrollment, claims experience, and lower trend rates. HMO ASO fees and PBM administration fees reflect a combined decrease of \$3.7 million due to lower projected enrollment and shifts between carriers.

Combined, PPO and HMO medical claims across all years of the forecast, compared to the Prior Outlook, reflect a \$76.4 million decrease. The net combined decrease in pharmacy claims costs across all years is \$418.1 million compared to the Prior Outlook.

An analysis by the Division of the Trust Fund's medical claims trend over the past five fiscal years compared to other national medical trend rates, including the Centers for Medicare and Medicaid Services (CMS), the U.S. Bureau of Labor Statistics, and the IHS Markit Consumer Healthcare Index, revealed that the Trust Fund's medical claims trend has closely mirrored the trends reported by CMS for the same time periods. As such, the Estimating Conference Principals decided to use a blend of medical trend rates adopted in the Prior Outlook, with forecasted medical trend rates from CMS's National Health Expenditure Report, for the Trust Fund's medical claims projections for the Prior Outlook. For this Outlook, based on actual experience through January 2019, medical trends increased from 6.40% to 7.20% for PPO, and from 6.80% to 7.99% for HMO, for the remaining months of FY 2018-19. Medical trends increased from 6.65% to 6.88% for FY 2019-20. Trends were unchanged from the Prior Outlook for FY 2020-21 through FY 2023-24.

The Florida Legislature passed Senate Bill 7022 (2017-88, Laws of Florida), which directed the Department of Management Services to implement additional benefit offerings to members. Section 110.12303, Florida Statutes, requires the Department to provide comprehensive pricing and inclusive services for surgery and other medical procedures, online information on the cost and quality of health care services and providers, and rewards to the enrollee by sharing savings generated by the enrollee's choice of lower cost services or providers. Shared savings payable to an enrollee may be credited to the enrollee's flexible spending account, health savings account, health reimbursement account, or paid as additional health plan reimbursements not exceeding the enrollee's out-of-pocket medical expenses. Administrative expenses for the implementation of these services are included in the forecast and are \$3.2 million for FY 2018-19, and \$3.4 million each year for FY 2019-20 through FY 2023-24.

The projected medical costs across all years of the forecast from the shared savings program is \$8.2 million, which saves a combined \$15.7 million in PPO and HMO medical costs.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

HSA Deposits reflect an increase of \$2.6 million across all years of the forecast due to higher enrollment in the High Deductible Plans.

Overall, expenses across all years of the forecast reflect a combined decrease of \$512.8 million compared to the Prior Outlook.

Growth factors used to develop this Outlook are reflected below:

| PPO MEDICAL | | | | | | | | |
|---------------------------------------------|---------|------------------------|---------|----------|----------|----------|----------|----------|
| Industry Range for CYs 2018-19: 4.0% - 7.7% | | FY 18-19 | | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 |
| | Applied | Actual YTD + Projected | Applied | Applied | Applied | Applied | Applied | Applied |
| December 2018 Conference | 6.40% | 6.62% | 6.65% | 6.85% | 6.90% | 6.85% | 6.90% | 6.90% |
| March 2019 Conference | 7.20% | 7.02% | 6.88% | 6.85% | 6.90% | 6.85% | 6.90% | 6.90% |

| HMO MEDICAL | | | | | | | | |
|---------------------------------------------|---------|------------------------|---------|----------|----------|----------|----------|----------|
| Industry Range for CYs 2017-19: 4.0% - 6.9% | | FY 18-19 | | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 |
| | Applied | Actual YTD + Projected | Applied | Applied | Applied | Applied | Applied | Applied |
| December 2018 Conference | 6.80% | 5.60% | 6.65% | 6.85% | 6.90% | 6.85% | 6.90% | 6.90% |
| March 2019 Conference | 7.99% | 6.73% | 6.88% | 6.85% | 6.90% | 6.85% | 6.90% | 6.90% |

| PPO PHARMACY | | | | | | | | |
|----------------------------------------------|---------|------------------------|---------|----------|----------|----------|----------|----------|
| Industry Range for CYs 2017-19: 6.0% - 13.9% | | FY 18-19 | | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 |
| | Applied | Actual YTD + Projected | Applied | Applied | Applied | Applied | Applied | Applied |
| December 2018 Conference | 9.00% | 5.17% | 10.60% | 12.70% | 13.60% | 14.30% | 15.10% | 15.10% |
| March 2019 Conference | 7.20% | 3.74% | 9.20% | 12.70% | 12.30% | 12.50% | 13.30% | 13.30% |

| HMO PHARMACY | | | | | | | | |
|----------------------------------------------|---------|------------------------|---------|----------|----------|----------|----------|----------|
| Industry Range for CYs 2017-19: 6.0% - 13.9% | | FY 18-19 | | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 |
| | Applied | Actual YTD + Projected | Applied | Applied | Applied | Applied | Applied | Applied |
| December 2018 Conference | 11.40% | 6.66% | 11.50% | 13.00% | 13.60% | 14.40% | 15.20% | 15.20% |
| March 2019 Conference | 7.90% | 3.17% | 9.10% | 12.80% | 12.20% | 12.50% | 13.30% | 13.30% |

| FULLY INSURED HMO PREMIUM PAYMENTS | | | | | | | | |
|---------------------------------------------|--|---------|---------|---------|---------|---------|---------|---------|
| Industry Range for CYs 2017-19: 3.5% - 8.0% | | CY 2018 | CY 2019 | CY 2020 | CY 2021 | CY 2022 | CY 2023 | CY 2024 |
| December 2018 Conference | | 3.84%* | 4.30%* | 4.90% | 5.20% | 5.30% | 5.30% | 5.30% |
| March 2019 Conference | | 3.84%* | 4.30%* | 4.90% | 5.20% | 5.30% | 5.30% | 5.30% |

*Actual trend rates

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit I

Financial Outlook by Fiscal Year ⁽¹⁾
 Changes to Conference Forecast - March 2019 Compared to December 2018
 (In Millions)

| | FY 2018-19 | | | FY 2019-20 | | | FY 2020-21 | | | FY 2021-22 | | | FY 2022-23 | | | FY 2023-24 | | |
|-----------------------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-----------------------|-----------------------|-------------------|-----------------------|-----------------------|-------------------|
| | Dec '18 | Mar '19 | Diff. | Dec '18 | Mar '19 | Diff. | Dec '18 | Mar '19 | Diff. | Dec '18 | Mar '19 | Diff. | Dec '18 | Mar '19 | Diff. | Dec '18 | Mar '19 | Diff. |
| BEGINNING CASH BALANCE | \$ 586.4 | \$ 586.4 | \$ - | \$ 553.0 | \$ 564.4 | \$ 11.4 | \$ 361.9 | \$ 404.8 | \$ 42.9 | \$ 0.0 | \$ 29.2 | \$ 29.2 | \$ 0.0 ⁽²⁾ | \$ 0.0 ⁽²⁾ | \$ - | \$ 0.0 ⁽²⁾ | \$ 0.0 ⁽²⁾ | \$ - |
| REVENUES: | | | | | | | | | | | | | | | | | | |
| Insurance Premiums ⁽³⁾ | \$ 2,365.1 | \$ 2,357.4 | \$ (7.7) | \$ 2,446.9 | \$ 2,432.9 | \$ (14.0) | \$ 2,478.3 | \$ 2,462.2 | \$ (16.1) | \$ 2,510.7 | \$ 2,491.5 | \$ (19.2) | \$ 2,544.7 | \$ 2,521.0 | \$ (23.7) | \$ 2,575.4 | \$ 2,548.3 | \$ (27.1) |
| Investment Earnings | 8.5 | 8.6 | 0.1 | 6.9 | 7.3 | 0.4 | - | 3.3 | 3.3 | - | - | - | - | - | - | - | - | - |
| TPA & Self-Insured HMO Refunds | 32.4 | 37.8 | 5.4 | 32.4 | 37.8 | 5.4 | 32.4 | 37.8 | 5.4 | 32.4 | 37.8 | 5.4 | 32.4 | 37.8 | 5.4 | 32.4 | 37.8 | 5.4 |
| PBM Rebates | 148.5 | 147.7 | (0.8) | 158.3 | 155.8 | (2.5) | 178.7 | 175.3 | (3.4) | 193.8 | 189.4 | (4.4) | 202.9 | 197.3 | (5.6) | 212.5 | 205.6 | (6.9) |
| Pretax Trust Fund Transfer | 24.6 | 24.6 | - | 24.6 | 24.6 | - | 24.6 | 24.6 | - | 24.6 | 24.6 | - | 24.6 | 24.6 | - | 24.6 | 24.6 | - |
| Medicare Part D Subsidy | 17.6 | 16.7 | (0.9) | 17.2 | 18.5 | 1.3 | 17.6 | 18.5 | 0.9 | 17.6 | 18.6 | 1.0 | 17.6 | 18.7 | 1.1 | 17.6 | 18.7 | 1.1 |
| Other Revenues | 15.9 | 15.9 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL REVENUES | \$ 2,612.6 | \$ 2,608.7 | \$ (3.9) | \$ 2,686.3 | \$ 2,676.9 | \$ (9.4) | \$ 2,731.6 | \$ 2,721.7 | \$ (9.9) | \$ 2,779.1 | \$ 2,761.9 | \$ (17.2) | \$ 2,822.2 | \$ 2,799.4 | \$ (22.8) | \$ 2,862.5 | \$ 2,835.0 | \$ (27.5) |
| TOTAL CASH AVAILABLE | \$ 3,199.0 | \$ 3,195.1 | \$ (3.9) | \$ 3,239.3 | \$ 3,241.3 | \$ 2.0 | \$ 3,093.5 | \$ 3,126.5 | \$ 33.0 | \$ 2,779.1 | \$ 2,791.1 | \$ 12.0 | \$ 2,822.2 | \$ 2,799.4 | \$ (22.8) | \$ 2,862.5 | \$ 2,835.0 | \$ (27.5) |
| EXPENSES: | | | | | | | | | | | | | | | | | | |
| PPO Plan | \$ 1,147.6 | \$ 1,141.1 | \$ (6.5) | \$ 1,242.5 | \$ 1,229.9 | \$ (12.6) | \$ 1,354.8 | \$ 1,339.3 | \$ (15.5) | \$ 1,484.8 | \$ 1,459.6 | \$ (25.2) | \$ 1,632.7 | \$ 1,592.2 | \$ (40.5) | \$ 1,803.5 | \$ 1,743.5 | \$ (60.0) |
| Medical Claims | 728.0 | 728.2 | 0.2 | 778.9 | 779.5 | 0.6 | 834.7 | 834.6 | (0.1) | 894.9 | 894.0 | (0.9) | 959.3 | 957.2 | (2.1) | 1,029.0 | 1,025.4 | (3.6) |
| ASO Fee | 17.8 | 17.8 | - | 18.2 | 18.1 | (0.1) | 18.5 | 18.4 | (0.1) | 18.7 | 18.6 | (0.1) | 18.7 | 18.6 | (0.1) | 18.8 | 18.6 | (0.2) |
| Prescription Drug Claims | 399.6 | 392.9 | (6.7) | 443.2 | 430.1 | (13.1) | 499.4 | 484.1 | (15.3) | 569.0 | 544.8 | (24.2) | 652.5 | 614.2 | (38.3) | 753.5 | 697.3 | (56.2) |
| PBM Claims Administration | 2.2 | 2.2 | - | 2.2 | 2.2 | - | 2.2 | 2.2 | - | 2.2 | 2.2 | - | 2.2 | 2.2 | - | 2.2 | 2.2 | - |
| HMO Plan | \$ 1,475.3 | \$ 1,465.6 | \$ (9.7) | \$ 1,614.0 | \$ 1,583.7 | \$ (30.3) | \$ 1,778.1 | \$ 1,735.8 | \$ (42.3) | \$ 1,966.5 | \$ 1,903.7 | \$ (62.8) | \$ 2,164.6 | \$ 2,072.6 | \$ (92.0) | \$ 2,386.8 | \$ 2,260.0 | \$ (126.8) |
| Premium Payments | 316.2 | 314.7 | (1.5) | 336.1 | 332.4 | (3.7) | 359.7 | 355.8 | (3.9) | 385.7 | 381.4 | (4.3) | 397.7 | 391.9 | (5.8) | 405.2 | 399.0 | (6.2) |
| Medical Claims | 802.1 | 806.3 | 4.2 | 874.3 | 872.7 | (1.6) | 957.0 | 950.1 | (6.9) | 1,048.1 | 1,034.5 | (13.6) | 1,147.3 | 1,125.6 | (21.7) | 1,255.7 | 1,224.8 | (30.9) |
| ASO Fee | 25.6 | 25.5 | (0.1) | 26.2 | 25.8 | (0.4) | 26.8 | 26.3 | (0.5) | 27.4 | 26.8 | (0.6) | 28.1 | 27.3 | (0.8) | 28.8 | 27.8 | (1.0) |
| Prescription Drug Claims | 329.4 | 317.1 | (12.3) | 375.3 | 350.8 | (24.5) | 432.5 | 401.5 | (31.0) | 503.1 | 458.9 | (44.2) | 589.3 | 525.6 | (63.7) | 694.8 | 606.2 | (88.6) |
| PBM Claims Administration | 2.0 | 2.0 | - | 2.1 | 2.0 | (0.1) | 2.1 | 2.1 | - | 2.2 | 2.1 | (0.1) | 2.2 | 2.2 | - | 2.3 | 2.2 | (0.1) |
| Shared Savings Program | \$ 3.2 | \$ 3.5 | \$ 0.3 | \$ 3.4 | \$ 4.9 | \$ 1.5 | \$ 3.4 | \$ 5.0 | \$ 1.6 | \$ 3.4 | \$ 5.1 | \$ 1.7 | \$ 3.4 | \$ 5.2 | \$ 1.8 | \$ 3.4 | \$ 5.3 | \$ 1.9 |
| Medical Claims | - | 0.3 | 0.3 | - | 1.4 | 1.4 | - | 1.5 | 1.5 | - | 1.6 | 1.6 | - | 1.7 | 1.7 | - | 1.8 | 1.8 |
| Administrative Fees ⁽⁴⁾ | 3.2 | 3.2 | - | 3.4 | 3.4 | - | 3.4 | 3.4 | - | 3.4 | 3.4 | - | 3.4 | 3.4 | - | 3.4 | 3.4 | - |
| Shared Savings to Employees | - | - | - | - | 0.1 | 0.1 | - | 0.1 | 0.1 | - | 0.1 | 0.1 | - | 0.1 | 0.1 | - | 0.1 | 0.1 |
| HSA Deposits ⁽⁵⁾ | 5.5 | 6.1 | 0.6 | 5.9 | 6.4 | 0.5 | 6.0 | 6.4 | 0.4 | 6.0 | 6.4 | 0.4 | 6.1 | 6.4 | 0.3 | 6.1 | 6.5 | 0.4 |
| Operating Costs & Admin Assessment | 4.9 | 4.9 | - | 4.9 | 4.9 | - | 4.9 | 4.9 | - | 4.9 | 4.9 | - | 4.9 | 4.9 | - | 4.9 | 4.9 | - |
| Premium Refunds | 5.9 | 5.9 | - | 5.9 | 5.9 | - | 5.9 | 5.9 | - | 5.9 | 5.9 | - | 5.9 | 5.9 | - | 5.9 | 5.9 | - |
| Other Expenses ⁽⁵⁾ | 3.6 | 3.6 | - | 0.9 | 0.9 | - | - | - | - | - | - | - | - | - | - | 109.2 | 109.2 | - |
| TOTAL EXPENSES | \$ 2,645.9 | \$ 2,630.6 | \$ (15.3) | \$ 2,877.4 | \$ 2,836.5 | \$ (40.9) | \$ 3,153.1 | \$ 3,097.3 | \$ (55.8) | \$ 3,471.5 | \$ 3,385.6 | \$ (85.9) | \$ 3,817.6 | \$ 3,687.2 | \$ (130.4) | \$ 4,319.8 | \$ 4,135.3 | \$ (184.5) |
| EXCESS OF REV. OVER EXP. | \$ (33.3) | \$ (21.9) | \$ 11.4 | \$ (191.1) | \$ (159.6) | \$ 31.5 | \$ (421.5) | \$ (375.6) | \$ 45.9 | \$ (692.4) | \$ (623.7) | \$ 68.7 | \$ (995.4) | \$ (887.8) | \$ 107.6 | \$ (1,457.3) | \$ (1,300.3) | \$ 157.0 |
| ENDING CASH BALANCE ⁽⁶⁾ | \$ 553.0 | \$ 564.4 | \$ 11.4 | \$ 361.9 | \$ 404.8 | \$ 42.9 | \$ (59.6) | \$ 29.2 | \$ 88.8 | \$ (692.4) | \$ (594.5) | \$ 97.9 | \$ (995.4) | \$ (887.8) | \$ 107.6 | \$ (1,457.3) | \$ (1,300.3) | \$ 157.0 |
| ADDITIONAL INFORMATION | | | | | | | | | | | | | | | | | | |
| Shared Savings Credits ⁽⁷⁾ | \$ 4.3 | \$ 0.1 | \$ (4.2) | \$ 4.3 | \$ 1.0 | \$ (3.3) | \$ 4.3 | \$ 1.2 | \$ (3.1) | \$ 4.3 | \$ 1.3 | \$ (3.0) | \$ 4.3 | \$ 1.3 | \$ (3.0) | \$ 4.3 | \$ 1.3 | \$ (3.0) |
| Unreported PPO Plan Claims Liability ⁽⁸⁾ | \$ 60.2 | 74.7 | 14.5 | \$ 64.2 | 72.0 | 7.8 | \$ 68.7 | 77.0 | 8.3 | \$ 73.5 | 82.5 | 9.0 | \$ 78.7 | 88.3 | 9.6 | \$ 84.2 | 94.5 | 10.3 |
| Unreported HMO Plan Claims Liability ⁽⁹⁾ | 96.4 | 96.9 | 0.5 | 105.0 | 104.6 | (0.4) | 114.9 | 113.9 | (1.0) | 125.9 | 124.0 | (1.9) | 137.8 | 134.9 | (2.9) | 150.8 | 146.8 | (4.0) |
| Unreported PBM Claims Liability ⁽¹⁰⁾ | 7.3 | 7.1 | (0.2) | 8.2 | 7.8 | (0.4) | 9.3 | 8.8 | (0.5) | 10.7 | 10.0 | (0.7) | 12.4 | 11.4 | (1.0) | 14.4 | 13.1 | (1.3) |
| Total Unreported Claims Liability | \$ 168.2 | \$ 178.8 | \$ 10.6 | \$ 181.7 | \$ 185.4 | \$ 3.7 | \$ 197.2 | \$ 200.9 | \$ 3.7 | \$ 214.4 | \$ 217.8 | \$ 3.4 | \$ 233.2 | \$ 235.9 | \$ 2.7 | \$ 253.7 | \$ 255.7 | \$ 2.0 |

Highlights of Changes to Forecast

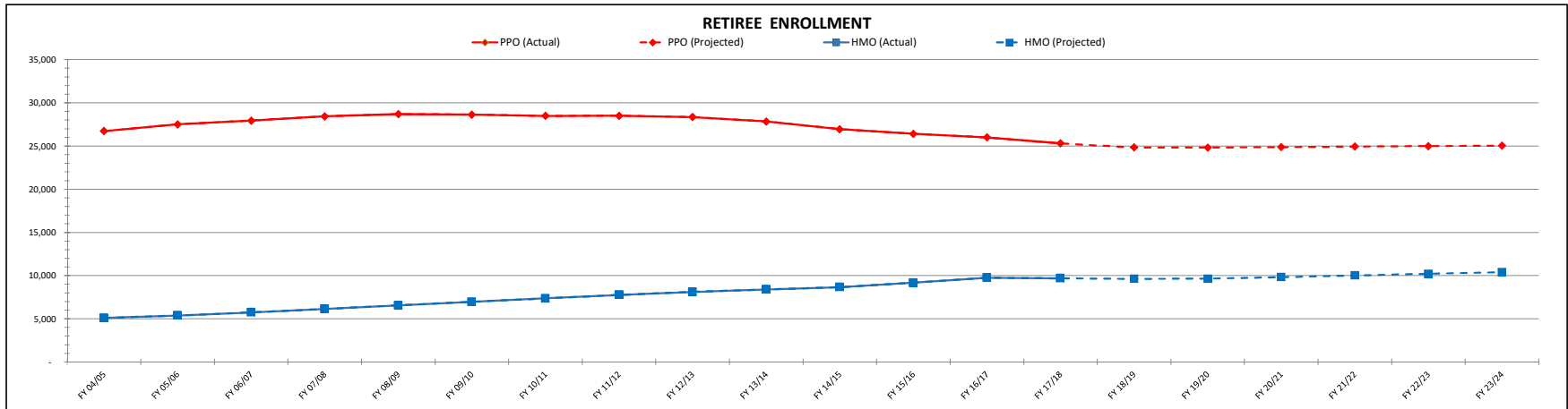
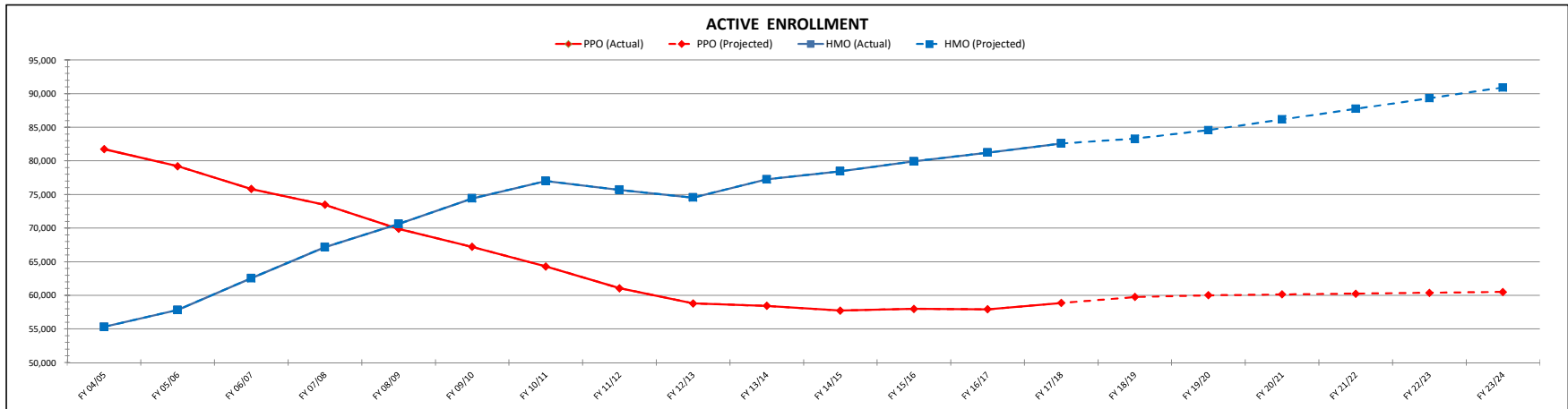
- A) Inclusion of actual enrollment and cash flows through January 2019
- B) Revised growth factors for PPO pharmacy claims and HMO pharmacy claims
- C) Revised growth factors for PPO medical claims and HMO medical claims
- D) New projected medical costs and savings for the Shared Savings Program
- E) New projected Shared Savings Program rewards

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit II

Enrollment Outlook by Fiscal Year
Changes to Conference Forecast - March 2019 Compared to December 2018

| | FY 2018-19 | | | FY 2019-20 | | | FY 2020-21 | | | FY 2021-22 | | | FY 2022-23 | | | FY 2023-24 | | |
|--------------------------------------------|----------------|----------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Dec '18 | Mar '19 | Diff. | Dec '18 | Mar '19 | Diff. | Dec '18 | Mar '19 | Diff. | Dec '18 | Mar '19 | Diff. | Dec '18 | Mar '19 | Diff. | Dec '18 | Mar '19 | Diff. |
| Average Enrollment by Plan | | | | | | | | | | | | | | | | | | |
| PPO Standard | 81,756 | 81,512 | (244) | 81,924 | 81,697 | (227) | 82,102 | 81,869 | (233) | 82,294 | 82,039 | (255) | 82,512 | 82,208 | (304) | 82,740 | 82,380 | (360) |
| PPO HDHP | 3,111 | 3,089 | (22) | 3,219 | 3,125 | (94) | 3,288 | 3,130 | (158) | 3,346 | 3,134 | (212) | 3,408 | 3,139 | (269) | 3,473 | 3,145 | (328) |
| HMO Standard | 92,117 | 91,693 | (424) | 94,118 | 92,991 | (1,127) | 96,290 | 94,739 | (1,551) | 98,521 | 96,486 | (2,035) | 100,791 | 98,237 | (2,554) | 103,071 | 99,986 | (3,085) |
| HMO HDHP | 1,222 | 1,210 | (12) | 1,227 | 1,211 | (16) | 1,227 | 1,238 | 11 | 1,220 | 1,265 | 45 | 1,215 | 1,292 | 77 | 1,215 | 1,319 | 104 |
| Total | 178,206 | 177,504 | (702) | 180,488 | 179,024 | (1,464) | 182,907 | 180,976 | (1,931) | 185,381 | 182,924 | (2,457) | 187,926 | 184,876 | (3,050) | 190,499 | 186,830 | (3,669) |
| Average Enrollment by Coverage Type | | | | | | | | | | | | | | | | | | |
| Active (Non-OPS) Standard | 133,254 | 132,965 | (289) | 134,956 | 134,314 | (642) | 136,868 | 135,921 | (947) | 138,850 | 137,527 | (1,323) | 140,870 | 139,134 | (1,736) | 142,907 | 140,742 | (2,165) |
| Active (Non-OPS) HDHP | 3,781 | 3,766 | (15) | 3,837 | 3,795 | (42) | 3,860 | 3,825 | (35) | 3,868 | 3,854 | (14) | 3,879 | 3,884 | 5 | 3,892 | 3,915 | 23 |
| OPS Standard | 5,588 | 5,380 | (208) | 6,156 | 5,511 | (645) | 6,704 | 5,578 | (1,126) | 7,244 | 5,643 | (1,601) | 7,783 | 5,710 | (2,073) | 8,322 | 5,777 | (2,545) |
| OPS HDHP | 435 | 415 | (20) | 486 | 422 | (64) | 527 | 424 | (103) | 569 | 426 | (143) | 609 | 428 | (181) | 651 | 430 | (221) |
| COBRA | 538 | 517 | (21) | 554 | 523 | (31) | 554 | 528 | (26) | 554 | 533 | (21) | 554 | 538 | (16) | 554 | 543 | (11) |
| Early Retiree | 4,733 | 4,677 | (56) | 4,558 | 4,600 | 42 | 4,421 | 4,656 | 235 | 4,295 | 4,712 | 417 | 4,192 | 4,768 | 576 | 4,094 | 4,824 | 730 |
| Medicare | 29,877 | 29,784 | (93) | 29,941 | 29,859 | (82) | 29,973 | 30,044 | 71 | 30,001 | 30,229 | 228 | 30,039 | 30,414 | 375 | 30,079 | 30,599 | 520 |
| Total | 178,206 | 177,504 | (702) | 180,488 | 179,024 | (1,464) | 182,907 | 180,976 | (1,931) | 185,381 | 182,924 | (2,457) | 187,926 | 184,876 | (3,050) | 190,499 | 186,830 | (3,669) |



STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit III

Financial Outlook by Fiscal Year ⁽¹⁾

(In Millions)

| | <u>FY 2018-19</u> | <u>FY 2019-20</u> | <u>FY 2020-21</u> | <u>FY 2021-22</u> | <u>FY 2022-23</u> | <u>FY 2023-24</u> |
|-------------------------------------------|-------------------|-------------------|-------------------|------------------------|-----------------------|-----------------------|
| | <u>Estimate</u> | <u>Estimate</u> | <u>Estimate</u> | <u>Estimate</u> | <u>Estimate</u> | <u>Estimate</u> |
| BEGINNING CASH BALANCE | \$ 586.4 | \$ 564.4 | \$ 404.8 | \$ 29.2 ⁽²⁾ | \$ 0.0 ⁽²⁾ | \$ 0.0 ⁽²⁾ |
| REVENUES: | | | | | | |
| Insurance Premiums: | | | | | | |
| Employer | \$ 1,946.3 | \$ 2,017.7 | \$ 2,041.8 | \$ 2,065.9 | \$ 2,090.0 | \$ 2,112.1 |
| Employee | 171.9 | 173.6 | 175.6 | 177.7 | 179.7 | 181.6 |
| HSA Contributions ⁽³⁾ | 6.1 | 6.4 | 6.4 | 6.4 | 6.4 | 6.5 |
| COBRA | 6.6 | 6.8 | 6.9 | 6.9 | 7.0 | 7.1 |
| Early Retiree | 50.1 | 50.9 | 51.6 | 52.2 | 52.8 | 53.3 |
| Medicare | 176.4 | 177.5 | 179.9 | 182.4 | 185.1 | 187.7 |
| Investment Earnings | 8.6 | 7.3 | 3.3 | 0.0 | 0.0 | 0.0 |
| PPO - TPA Refunds | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 | 7.8 |
| PPO - PBM Rebates | 80.5 | 82.7 | 92.0 | 98.3 | 101.2 | 104.3 |
| HMO - Self-Insured Refunds | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| HMO - PBM Rebates | 67.2 | 73.1 | 83.3 | 91.1 | 96.1 | 101.3 |
| Pretax Trust Fund Transfer | 24.6 | 24.6 | 24.6 | 24.6 | 24.6 | 24.6 |
| PPO - Medicare Part D Subsidy | 15.5 | 17.1 | 17.1 | 17.2 | 17.3 | 17.3 |
| HMO - Medicare Part D Subsidy | 1.2 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| Other Revenues | 15.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL REVENUES | \$ 2,608.7 | \$ 2,676.9 | \$ 2,721.7 | \$ 2,761.9 | \$ 2,799.4 | \$ 2,835.0 |
| TOTAL CASH AVAILABLE | \$ 3,195.1 | \$ 3,241.3 | \$ 3,126.5 | \$ 2,791.1 | \$ 2,799.4 | \$ 2,835.0 |
| EXPENSES: | | | | | | |
| State PPO Plan: | | | | | | |
| Medical Claims | \$ 728.2 | \$ 779.5 | \$ 834.6 | \$ 894.0 | \$ 957.2 | \$ 1,025.4 |
| ASO Fee | 17.8 | 18.1 | 18.4 | 18.6 | 18.6 | 18.6 |
| Prescription Drug Claims | 392.9 | 430.1 | 484.1 | 544.8 | 614.2 | 697.3 |
| PBM Claims Administration | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| HMO Plan: | | | | | | |
| Premium Payments | 314.7 | 332.4 | 355.8 | 381.4 | 391.9 | 399.0 |
| Medical Claims | 806.3 | 872.7 | 950.1 | 1,034.5 | 1,125.6 | 1,224.8 |
| ASO Fee | 25.5 | 25.8 | 26.3 | 26.8 | 27.3 | 27.8 |
| Prescription Drug Claims | 317.1 | 350.8 | 401.5 | 458.9 | 525.6 | 606.2 |
| PBM Claims Administration | 2.0 | 2.0 | 2.1 | 2.1 | 2.2 | 2.2 |
| Shared Savings Program: | | | | | | |
| Medical Claims | 0.3 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 |
| Administrative Fees ⁽⁴⁾ | 3.2 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| Shared Savings to Employees | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| HSA Deposits ⁽³⁾ | 6.1 | 6.4 | 6.4 | 6.4 | 6.4 | 6.5 |
| Operating Costs & Admin Assessment | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 |
| Premium Refunds | 5.9 | 5.9 | 5.9 | 5.9 | 5.9 | 5.9 |
| Other Expenses ⁽⁵⁾ | 3.6 | 0.9 | 0.0 | 0.0 | 0.0 | 109.2 |
| TOTAL EXPENSES | \$ 2,630.6 | \$ 2,836.5 | \$ 3,097.3 | \$ 3,385.6 | \$ 3,687.2 | \$ 4,135.3 |
| EXCESS OF REVENUES OVER EXPENSES | \$ (21.9) | \$ (159.6) | \$ (375.6) | \$ (623.7) | \$ (887.8) | \$ (1,300.3) |
| ENDING CASH BALANCE ⁽⁶⁾ | \$ 564.4 | \$ 404.8 | \$ 29.2 | \$ (594.5) | \$ (887.8) | \$ (1,300.3) |

ADDITIONAL INFORMATION

| | | | | | | |
|----------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Unreported Claims Liability ⁽¹¹⁾ | \$ 178.8 | \$ 185.4 | \$ 200.9 | \$ 217.8 | \$ 235.9 | \$ 255.7 |
| Average Enrollment by Plan | | | | | | |
| PPO Standard | 81,512 | 81,697 | 81,869 | 82,039 | 82,208 | 82,380 |
| PPO HDHP | 3,089 | 3,125 | 3,130 | 3,134 | 3,139 | 3,145 |
| HMO Standard | 91,693 | 92,991 | 94,739 | 96,486 | 98,237 | 99,986 |
| HMO HDHP | 1,210 | 1,211 | 1,238 | 1,265 | 1,292 | 1,319 |
| Total | 177,504 | 179,024 | 180,976 | 182,924 | 184,876 | 186,830 |
| Average Enrollment by Coverage Type | | | | | | |
| Active (Non-OPS) Standard | 132,965 | 134,314 | 135,921 | 137,527 | 139,134 | 140,742 |
| Active (Non-OPS) HDHP | 3,766 | 3,795 | 3,825 | 3,854 | 3,884 | 3,915 |
| OPS Standard | 5,380 | 5,511 | 5,578 | 5,643 | 5,710 | 5,777 |
| OPS HDHP | 415 | 422 | 424 | 426 | 428 | 430 |
| COBRA | 517 | 523 | 528 | 533 | 538 | 543 |
| Early Retiree | 4,677 | 4,600 | 4,656 | 4,712 | 4,768 | 4,824 |
| Medicare | 29,784 | 29,859 | 30,044 | 30,229 | 30,414 | 30,599 |
| Total | 177,504 | 179,024 | 180,976 | 182,924 | 184,876 | 186,830 |

Exhibit IV
Notes to the Financial Outlook

- 1) Actual results may differ from projected values with increasing likelihood of variance in future periods.
- 2) Assumes no carry forward of a negative ending cash balance from prior year.
- 3) Includes HSA contributions which approximate a split between employer and employee of 47% and 53%, respectively.
- 4) Administrative expenses for HRA account administration, transparency services entity, and comprehensive surgical and medical procedures entity.
- 5) Other Expenses include the estimated impact of Patient-Centered Outcomes Research Institute (PCORI) fees, and the Affordable Care Act's Excise Tax provision. The ACA's Excise Tax is effective for calendar year 2022.
- 6) Includes funds held in accounts outside of the Trust Fund at the Department of Financial Services, Division of Treasury, for the purpose of paying medical claims.
- 7) Includes funds designated for employee HRA accounts as a result of shared savings and employer funds designated for, but not yet transferred to the Pre-Tax Trust Fund, for employee FSA accounts as a result of shared savings. Projected amounts of bundled service medical claims and shared savings to employees is unknown and expenditures have not been included at this time.
- 8) Includes estimated PPO Incurred but not Reported (IBNR) medical claims and outstanding drafts.
- 9) Includes estimated HMO IBNR medical claims and outstanding drafts.
- 10) Includes estimated PPO and HMO IBNR Rx claims.
- 11) Includes estimated PPO Plan and Self-Insured HMO Plans Incurred but not Reported (IBNR) claims and outstanding drafts, HRA account balances, and shared savings designated for FSA accounts not yet transferred to the Pre-Tax Trust Fund.

Exhibit V
Comparison of Financial Outlooks
Fiscal Year 2018-19
(In Millions)

\$ 553.0 - Previous Ending Cash Balance Forecast ⁽ⁱ⁾

(3.9) - Decrease in Revenue Forecast

(7.7) - Net Decrease in Insurance Premiums

(9.4) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 178,206 to 177,504

0.6 - Increase in projected employer and enrollee HSA contributions

1.1 - Increase in Insurance Premiums due to shifts in enrollment categories

0.1 - Increase in Investment Earnings due to higher projected cash balance

(0.6) - Decrease in PPO - TPA Refunds due to lower projected activity

0.2 - Increase in PPO - PBM Rebates

(0.3) - Decrease due to lower projected enrollment from 84,867 to 84,601

0.5 - Increase due to higher actual and projected rebates

6.0 - Increase in HMO - Self-Insured Refunds

(0.1) - Decrease due to lower projected enrollment from 61,505 to 61,216

6.1 - Increase due to higher projected activity

(1.0) - Decrease in HMO - PBM Rebates

(0.3) - Decrease due to lower projected enrollment from 87,839 to 87,399

(0.7) - Decrease due to lower projected rebates

(0.9) - Decrease in PPO - Medicare Part D Subsidy

(0.1) - Decrease due to lower projected Medicare enrollment from 22,528 to 22,450

(0.8) - Decrease due to lower projected per member subsidy

(15.3) - Decrease in Expense Forecast

(6.5) - Decrease in State PPO Plan

0.2 - Increase in Medical Claims

(2.3) - Decrease due to lower projected enrollment from 84,867 to 84,601

(0.2) - Decrease due to Shared Savings Program

5.4 - Increase due to higher growth factor from 6.40% to 7.20%

(2.7) - Decrease due to lower projected claims experience

(6.7) - Decrease in Prescription Drug Claims

(1.3) - Decrease due to lower projected enrollment from 84,867 to 84,601

(6.8) - Decrease due to lower growth factor from 9.00% to 7.20%

1.4 - Increase due to higher projected claims experience

(9.7) - Decrease in HMO Plan

(1.5) - Decrease in Premiums due to lower projected enrollment from 31,831 to 31,683

4.2 - Increase in Medical Claims

(3.8) - Decrease due to lower projected enrollment from 61,505 to 61,216

(0.3) - Decrease due to Shared Savings Program

9.0 - Increase due to higher growth factor from 6.80% to 7.99%

(0.7) - Decrease due to lower projected claims experience

(0.1) - Decrease in ASO Fees due to lower projected enrollment from 61,505 to 61,216

(12.3) - Decrease in Prescription Drug Claims

(1.6) - Decrease due to lower projected enrollment from 87,839 to 87,399

(10.7) - Decrease due to lower growth factor from 11.40% to 7.90%

0.3 - Increase in Shared Savings Program

0.3 - Increase in Medical Claims based on initial Bundled Service projection

0.6 - Increase in Other Expense Categories

0.6 - Increase due to Higher projected employer and enrollee HSA Deposits

564.4 - Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in December 2018.

Exhibit VI
Comparison of Financial Outlooks
Fiscal Year 2019-20
(In Millions)

\$ 361.9 - Previous Ending Cash Balance Forecast ⁽ⁱ⁾

- 11.4 - Increase in Beginning Cash Balance Forecast
- (9.4) - Decrease in Revenue Forecast
 - (14.0) - Net Decrease in Insurance Premiums
 - (21.6) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 180,488 to 179,024
 - 0.5 - Increase in projected employer and enrollee HSA contributions
 - 7.1 - Increase in Insurance Premiums due to shifts in enrollment categories
 - 0.4 - Increase in Investment Earnings due to an increase in projected cash balance
 - (0.6) - Decrease in PPO - TPA Refunds due to lower projected activity
 - (0.6) - Decrease in PPO - PBM Rebates
 - (0.3) - Decrease due to lower projected enrollment from 85,143 to 84,822
 - (0.3) - Decrease due to lower projected activity
 - 6.0 - Increase in HMO - Self-Insured Refunds
 - (0.4) - Decrease due to lower projected enrollment from 62,919 to 62,133
 - 6.4 - Increase due to higher projected activity
 - (1.9) - Decrease in HMO - PBM Rebates
 - (0.9) - Decrease due to lower projected enrollment from 89,785 to 88,647
 - (1.0) - Decrease due to lower projected activity
 - 1.1 - Increase in PPO - Medicare Part D Subsidy due to higher projected per member subsidy
 - 0.2 - Increase in HMO - Medicare Part D Subsidy due to higher projected per member subsidy
- (40.9) - Decrease in Expense Forecast
 - (12.6) - Decrease in State PPO Plan
 - 0.6 - Decrease in Medical Claims
 - (2.9) - Decrease due to lower projected enrollment from 85,143 to 84,822
 - (1.1) - Decrease due to Shared Savings Program
 - 1.7 - Decrease due to lower growth factor from 6.65% to 6.88%
 - 2.9 - Increase due to higher projected claims experience
 - (0.1) - Decrease in ASO Fees due to lower projected enrollment from 85,143 to 84,822
 - (13.1) - Decrease in Prescription Drug Claims
 - (1.7) - Decrease due to lower projected enrollment from 85,143 to 84,822
 - (5.5) - Decrease due to lower growth factor from 10.60% to 9.20%
 - (5.9) - Decrease due to lower projected claims experience
- (30.3) - Decrease in HMO Plan
 - (3.7) - Decrease in Premium Payments
 - (3.6) - Decrease due to lower projected enrollment from 32,422 to 32,067
 - (0.1) - Decrease due to shifts in enrollment categories
 - (1.6) - Decrease in Medical Claims
 - (10.9) - Decrease due to lower projected enrollment from 62,919 to 62,133
 - (1.5) - Decrease due to Shared Savings Program
 - 1.9 - Decrease due to lower growth factor from 6.65% to 6.88%
 - 8.9 - Increase due to higher projected claims experience
 - (0.4) - Decrease in ASO Fees
 - (0.3) - Decrease due to lower projected enrollment from 62,919 to 62,133
 - (0.1) - Decrease due to shifts in enrollment categories
 - (24.5) - Decrease in Prescription Drug Claims
 - (4.7) - Decrease due to lower projected enrollment from 89,785 to 88,647
 - (7.7) - Decrease due to lower growth factor from 11.50% to 9.10%
 - (12.1) - Decrease due to lower projected claims experience
 - (0.1) - Decrease in PBM Claims Administration due to lower projected enrollment from 89,785 to 88,647
- 1.5 - Increase in Shared Savings Program
 - 1.4 - Increase in Medical Claims based on initial Bundled Service projection
 - 0.1 - Increase in Shared Savings to Employees
- 0.5 - Increase in Other Expense Categories
 - 0.5 - Increase due to higher projected employer and enrollee HSA Deposits

404.8 - Ending Cash Balance ⁽¹⁾⁽ⁱ⁾ Self Insurance Estimating Conference held in December 2018.

Exhibit VII
Comparison of Financial Outlooks
Fiscal Year 2020-21
(In Millions)

\$ (59.6) - Previous Ending Cash Balance Forecast ⁽ⁱ⁾

- 42.9 - Increase in Beginning Cash Balance Forecast
- (9.9) - Decrease in Revenue Forecast
 - (16.1) - Net Decrease in Insurance Premiums
 - (30.8) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 182,907 to 180,976
 - 0.4 - Increase in projected employer and enrollee HSA contributions
 - 14.3 - Increase in Insurance Premiums due to shifts in enrollment categories
 - 3.3 - Increase in Investment Earnings due to an increase in projected cash balance
 - (0.6) - Decrease in PPO - TPA Refunds due to lower projected activity
 - (0.4) - Decrease in PPO - PBM Rebates due to lower projected enrollment from 85,390 to 84,999
 - 6.0 - Increase in HMO - Self-Insured Refunds
 - (0.5) - Decrease due to lower projected enrollment from 64,456 to 63,307
 - 6.5 - Increase due to higher projected activity
 - (3.0) - Decrease in HMO - PBM Rebates
 - (1.5) - Decrease due to lower projected enrollment from 91,926 to 90,323
 - (1.5) - Decrease due to lower projected activity
 - 0.7 - Increase in PPO - Medicare Part D Subsidy due to higher projected per member subsidy
 - 0.2 - Increase in HMO - Medicare Part D Subsidy due to higher projected per member subsidy
- (55.8) - Decrease in Expense Forecast
 - (15.5) - Decrease in State PPO Plan
 - (0.1) - Decrease in Medical Claims
 - (3.8) - Decrease due to lower projected enrollment from 85,390 to 84,999
 - (1.2) - Decrease due to Shared Savings Program
 - 4.9 - Increase due to higher projected claims experience
 - (0.1) - Decrease in ASO Fees due to lower projected enrollment from 85,390 to 84,999
 - (15.3) - Decrease in Prescription Drug Claims
 - (2.3) - Decrease due to lower projected enrollment from 85,390 to 84,999
 - (13.0) - Decrease due to lower projected claims experience
- (42.3) - Decrease in HMO Plan
 - (3.9) - Decrease in Premium Payments
 - (4.2) - Decrease due to lower projected enrollment from 33,060 to 32,668
 - 0.3 - Increase due to shifts in enrollment categories
 - (6.9) - Decrease in Medical Claims
 - (17.1) - Decrease due to lower projected enrollment from 64,456 to 63,307
 - (1.6) - Decrease due to Shared Savings Program
 - 11.8 - Increase due to higher projected claims experience
 - (0.5) - Decrease in ASO Fees due to lower projected enrollment from 64,456 to 63,307
 - (31.0) - Decrease in Prescription Drug Claims
 - (7.5) - Decrease due to lower projected enrollment from 91,926 to 90,323
 - (0.7) - Decrease due to lower growth factor from 13.00% to 12.80%
 - (22.8) - Decrease due to lower projected claims experience
- 1.6 - Increase in Shared Savings Program
 - 1.5 - Increase in Medical Claims based on initial Bundled Service projection
 - 0.1 - Increase in Shared Savings to Employees
- 0.4 - Increase in Other Expense Categories
 - 0.4 - Increase due to higher projected employer and enrollee HSA Deposits

29.2 - Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in December 2018.

Exhibit VIII
Comparison of Financial Outlooks
Fiscal Year 2021-22
(In Millions)

\$ (692.4) - Previous Ending Cash Balance Forecast ⁽ⁱ⁾

- 29.2 - Increase in Beginning Cash Balance Forecast
- (17.2) - Decrease in Revenue Forecast
 - (19.2) - Net Decrease in Insurance Premiums
 - (40.8) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 185,381 to 182,924
 - 0.4 - Increase in projected employer and enrollee HSA contributions
 - 21.2 - Increase in Insurance Premiums due to shifts in enrollment categories
 - (0.6) - Decrease in PPO - TPA Refunds due to lower projected activity
 - (0.2) - Decrease in PPO - PBM Rebates
 - (0.5) - Decrease due to lower projected enrollment from 85,639 to 85,174
 - 0.3 - Increase due to higher projected rebates
 - 6.0 - Increase in HMO - Self-Insured Refunds
 - (0.7) - Decrease due to lower projected enrollment from 66,037 to 64,480
 - 6.7 - Increase due to higher projected activity
 - (4.2) - Decrease in HMO - PBM Rebates
 - (2.1) - Decrease due to lower projected enrollment from 94,127 to 91,997
 - (2.1) - Decrease due to lower projected activity
 - 0.8 - Increase in PPO - Medicare Part D Subsidy
 - 0.1 - Increase due to higher projected Medicare enrollment from 22,485 to 22,561
 - 0.7 - Increase due to higher projected per member subsidy
 - 0.2 - Increase in HMO - Medicare Part D Subsidy due to higher projected per member subsidy
 - (85.9) - Decrease in Expense Forecast
 - (25.2) - Decrease in State PPO Plan
 - (0.9) - Decrease in Medical Claims
 - (4.9) - Decrease due to lower projected enrollment from 85,639 to 85,174
 - (1.3) - Decrease due to Shared Savings Program
 - 5.3 - Increase due to higher projected claims experience
 - (0.1) - Decrease in ASO Fees due to lower projected enrollment from 85,639 to 85,174
 - (24.2) - Decrease in Prescription Drug Claims
 - (3.1) - Decrease due to lower projected enrollment from 85,639 to 85,174
 - (6.3) - Decrease due to lower growth factor from 13.60% to 12.30%
 - (14.8) - Decrease due to lower projected claims experience
 - (62.8) - Decrease in HMO Plan
 - (4.3) - Decrease in Premium Payments
 - (4.9) - Decrease due to lower projected enrollment from 33,703 to 33,269
 - 0.6 - Increase due to shifts in enrollment categories
 - (13.6) - Decrease in Medical Claims
 - (24.7) - Decrease due to lower projected enrollment from 66,037 to 64,480
 - (1.7) - Decrease due to Shared Savings Program
 - 12.8 - Increase due to higher projected claims experience
 - (0.6) - Decrease in ASO Fees due to lower projected enrollment from 66,037 to 84,480
 - (44.2) - Decrease in Prescription Drug Claims
 - (11.4) - Decrease due to lower projected enrollment from 94,127 to 91,997
 - (5.7) - Decrease due to lower growth factor from 13.60% to 12.20%
 - (27.1) - Decrease due to lower projected claims experience
 - (0.1) - Decrease in PBM Claims Administration due to lower projected enrollment from 94,127 to 91,997
- 1.7 - Increase in Shared Savings Program
 - 1.6 - Increase in Medical Claims based on initial Bundled Service projection
 - 0.1 - Increase in Shared Savings to Employees
- 0.4 - Increase in Other Expense Categories
 - 0.4 - Increase due to higher projected employer and enrollee HSA Deposits

(594.5) - Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in December 2018.

Exhibit IX
Comparison of Financial Outlooks
Fiscal Year 2022-23
(In Millions)

\$ (995.4) - Previous Ending Cash Balance Forecast ⁽ⁱ⁾

- 0.0 - No Change in Beginning Cash Balance Forecast
- (22.8) - Decrease in Revenue Forecast
 - (23.7) - Net Decrease in Insurance Premium revenue
 - (51.6) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 187,926 to 184,876
 - 0.3 - Increase in projected employer and enrollee HSA contributions
 - 27.6 - Increase in Insurance Premiums due to shifts in enrollment categories
 - (0.6) - Decrease in PPO - TPA Refunds
 - (0.1) - Decrease due to lower projected enrollment from 85,919 to 85,348
 - (0.5) - Decrease due to lower projected activity
 - (0.2) - Decrease in PPO - PBM Rebates
 - (0.7) - Decrease due to lower projected enrollment from 85,919 to 85,348
 - 0.5 - Increase due to higher projected rebates
 - 6.0 - Increase in HMO - Self-Insured Refunds
 - (0.9) - Decrease due to lower projected enrollment from 67,647 to 65,656
 - 6.9 - Increase due to higher projected activity
 - (5.4) - Decrease in HMO - PBM Rebates
 - (2.7) - Decrease due to lower projected enrollment from 96,372 to 93,674
 - (2.7) - Decrease due to lower projected activity
 - 0.9 - Increase in PPO - Medicare Part D Subsidy
 - 0.1 - Increase due to higher projected Medicare enrollment from 22,488 to 22,608
 - 0.8 - Increase due to higher projected per member subsidy
 - 0.2 - Increase in HMO-Medicare Part D Subsidy due to higher projected subsidies
- (130.4) - Decrease in Expense Forecast
 - (40.5) - Decrease in State PPO Plan
 - (2.1) - Decrease in Medical Claims
 - (6.4) - Decrease due to lower projected enrollment from 85,919 to 85,348
 - (1.4) - Decrease due to Shared Savings Program
 - 5.7 - Increase due to higher projected claims experience
 - (0.1) - Decrease in ASO Fees due to lower projected enrollment from 85,919 to 85,348
 - (38.3) - Decrease in Prescription Drug Claims
 - (4.3) - Decrease due to lower projected enrollment from 85,919 to 85,348
 - (9.8) - Decrease due to lower growth factor from 14.30% to 12.50%
 - (24.2) - Decrease due to lower projected claims experience
- (92.0) - Decrease in HMO Plan
 - (5.8) - Decrease in Premium Payments
 - (5.6) - Decrease due to lower projected enrollment from 34,359 to 33,870
 - (0.2) - Decrease due to shifts in enrollment categories
 - (21.7) - Decrease in Medical Claims
 - (33.8) - Decrease due to lower projected enrollment from 67,647 to 65,656
 - (1.8) - Decrease due to Shared Savings Program
 - 13.9 - Increase due to higher projected claims experience
 - (0.8) - Decrease in ASO Fees due to lower projected enrollment from 67,647 to 65,656
 - (63.7) - Decrease in Prescription Drug Claims
 - (16.5) - Decrease due to lower projected enrollment from 96,372 to 93,674
 - (8.9) - Decrease due to lower growth factor from 14.40% to 12.50%
 - (38.3) - Decrease due to lower projected claims experience
- 1.8 - Increase in Shared Savings Program
 - 1.7 - Increase in Medical Claims based on initial Bundled Service projection
 - 0.1 - Increase in Shared Savings to Employees
- 0.3 - Increase in Other Expense Categories
 - 0.3 - Increase in projected employer and enrollee HSA Deposits

(887.8) - Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in December 2018.

Exhibit X
Comparison of Financial Outlooks
Fiscal Year 2023-24
(In Millions)

\$ (1,457.3) - Previous Ending Cash Balance Forecast ⁽ⁱ⁾

- 0.0 - No Change in Beginning Cash Balance Forecast
- (27.5) - Decrease in Revenue Forecast
 - (27.1) - Net Decrease in Insurance Premium revenue
 - (62.4) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 190,499 to 186,830
 - 0.4 - Increase in projected employer and enrollee HSA contributions
 - 34.9 - Increase in Insurance Premiums due to shifts in enrollment categories
 - (0.6) - Decrease in PPO - TPA Refunds
 - (0.1) - Decrease due to lower projected enrollment from 86,212 to 85,526
 - (0.5) - Decrease due to lower projected activity
 - (0.1) - Decrease in PPO - PBM Rebates
 - (0.8) - Decrease due to lower projected enrollment from 86,212 to 85,526
 - 0.7 - Increase due to higher projected rebates
 - 6.0 - Increase in HMO - Self-Insured Refunds
 - (1.1) - Decrease due to lower projected enrollment from 69,261 to 66,832
 - 7.1 - Increase due to higher projected activity
 - (6.8) - Decrease in HMO - PBM Rebates
 - (3.4) - Decrease due to lower projected enrollment from 98,631 to 95,351
 - (3.4) - Decrease due to lower projected activity
 - 0.9 - Increase in PPO - Medicare Part D Subsidy
 - 0.1 - Increase due to higher projected Medicare enrollment from 22,500 to 22,655
 - 0.8 - Increase due to higher projected per member subsidy
 - 0.2 - Increase in HMO-Medicare Part D Subsidy due to higher projected subsidies
 - (184.5) - Decrease in Expense Forecast
 - (60.0) - Decrease in State PPO Plan
 - (3.6) - Decrease in Medical Claims
 - (8.2) - Decrease due to lower projected enrollment from 86,212 to 85,526
 - (1.5) - Decrease due to Shared Savings Program
 - 6.1 - Increase due to higher projected claims experience
 - (0.2) - Decrease in ASO Fees due to lower projected enrollment from 86,212 to 85,526
 - (56.2) - Decrease in Prescription Drug Claims
 - (6.0) - Decrease due to lower projected enrollment from 86,212 to 85,526
 - (11.1) - Decrease due to lower growth factor from 15.10% to 13.30%
 - (39.1) - Decrease due to lower projected claims experience
 - (126.8) - Decrease in HMO Plan
 - (6.2) - Decrease in Premium Payments
 - (6.3) - Decrease due to lower projected enrollment from 35,025 to 34,471
 - 0.1 - Increase due to shifts in enrollment categories
 - (30.9) - Decrease in Medical Claims
 - (44.0) - Decrease due to lower projected enrollment from 69,261 to 66,832
 - (2.0) - Decrease due to Shared Savings Program
 - 15.1 - Increase due to higher projected claims experience
 - (1.0) - Decrease in ASO Fees due to lower projected enrollment from 69,261 to 66,832
 - (88.6) - Decrease in Prescription Drug Claims
 - (23.1) - Decrease due to lower projected enrollment from 98,631 to 99,351
 - (10.2) - Decrease due to lower growth factor from 15.20% to 13.30%
 - (55.3) - Decrease due to lower projected claims experience
 - (0.1) - Decrease in PBM Claims Administration due to lower projected enrollment from 98,631 to 95,351
 - 1.9 - Increase in Shared Savings Program
 - 1.8 - Increase in Medical Claims based on initial Bundled Service projection
 - 0.1 - Increase in Shared Savings to Employees
 - 0.4 - Decrease in Other Expense Categories
 - 0.4 - Increase in projected employer and enrollee HSA Deposits

(1,300.3) - Ending Cash Balance ⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in December 2018.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective December 2017 for January 2018 Coverage

(Premium rate change for CHP and FHCP participants only)

| Subscriber Category / Contribution Cycle | | Coverage Type | PPO/HMO Standard | | | PPO/HMO HIHP | | |
|------------------------------------------|-------------------------------------------------|---------------|------------------|----------|----------|-------------------------|----------|----------|
| | | | Employer | Enrollee | Total | Employer ⁽⁴⁾ | Enrollee | Total |
| Career Service / OPS | Monthly Full -Time Employees ⁽¹⁾ | Single | 642.84 | 50.00 | 692.84 | 642.84 | 15.00 | 657.84 |
| | | Family | 1,379.60 | 180.00 | 1,559.60 | 1,379.60 | 64.30 | 1,443.90 |
| | | Spouse | 1,529.60 | 30.00 | 1,559.60 | 1,413.92 | 30.00 | 1,443.92 |
| | Bi-Weekly Full -Time Employees ⁽¹⁾ | Single | 321.42 | 25.00 | 346.42 | 321.42 | 7.50 | 328.92 |
| | | Family | 689.80 | 90.00 | 779.80 | 689.80 | 32.15 | 721.95 |
| | | Spouse | 764.80 | 15.00 | 779.80 | 706.96 | 15.00 | 721.96 |
| SES / SMS | Monthly Full -Time Employees ^(1,2) | Single | 684.50 | 8.34 | 692.84 | 649.50 | 8.34 | 657.84 |
| | | Family | 1,529.60 | 30.00 | 1,559.60 | 1,413.90 | 30.00 | 1,443.90 |
| | Bi-Weekly Full -Time Employees ^(1,2) | Single | 342.25 | 4.17 | 346.42 | 324.75 | 4.17 | 328.92 |
| | | Family | 764.80 | 15.00 | 779.80 | 706.95 | 15.00 | 721.95 |
| COBRA | Monthly ⁽³⁾ | Single | 0.00 | 706.70 | 706.70 | 0.00 | 628.50 | 628.50 |
| | | Family | 0.00 | 1,590.79 | 1,590.79 | 0.00 | 1,387.78 | 1,387.78 |
| Early Retirees | Monthly | Single | 0.00 | 692.84 | 692.84 | 0.00 | 616.18 | 616.18 |
| | | Family | 0.00 | 1,559.60 | 1,559.60 | 0.00 | 1,360.57 | 1,360.57 |
| Overage Dependents | | Single | 0.00 | 692.84 | 692.84 | 0.00 | 616.18 | 616.18 |

| Medicare Monthly Premium Rates | | | | |
|------------------------------------|-----------|----------------------------------------|-------------------------------------------|-------------------------------------------|
| Plan Name | Plan Type | Medicare I One Eligible ⁽⁵⁾ | Medicare II One Under/Over ⁽⁶⁾ | Medicare III Both Eligible ⁽⁷⁾ |
| Self-Insured PPO / HMO | Standard | 388.38 | 1,119.85 | 776.76 |
| | HIHP | 292.76 | 917.13 | 585.51 |
| Capital Health Plan ⁽⁸⁾ | Standard | 282.62 | 945.62 | 565.24 |
| | HIHP | 257.23 | 852.80 | 514.46 |

Notes:

- (1) Premium contribution for Part-Time Employees (FTE < 0.75) is to be calculated as follows:
 Step 1. State Contribution x FTE% = Calculated State Contribution
 Step 2. Total Contribution - Calculated State Contribution = Employee Contribution
- (2) SES/SMS - Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.
- (3) Includes an additional 2% for administrative costs as permitted by federal regulations.
- (4) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.
- (5) Single coverage for participant eligible for Medicare Parts A and B. Does not include monthly Medicare Part B premium.
- (6) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- (7) Family coverage for two participants and both are eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- (8) Medicare eligible retirees must complete the HMO's Medicare Advantage Plan application process to be eligible for this coverage.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective December 2018 for January 2019 Coverage

(Premium rate change for CHP participants ONLY)

| Subscriber Category / Contribution Cycle | | Coverage Type | PPO/HMO Standard | | | PPO/HMO HDHP | | |
|------------------------------------------|-------------------------------------------------|---------------|------------------|----------|----------|-------------------------|----------|----------|
| | | | Employer | Enrollee | Total | Employer ⁽⁴⁾ | Enrollee | Total |
| Career Service / OPS | Monthly Full -Time Employees ⁽¹⁾ | Single | 684.42 | 50.00 | 734.42 | 684.42 | 15.00 | 699.42 |
| | | Family | 1,473.18 | 180.00 | 1,653.18 | 1,473.18 | 64.30 | 1,537.48 |
| | | Spouse | 1,623.20 | 30.00 | 1,653.20 | 1,507.48 | 30.00 | 1,537.48 |
| | Bi-Weekly Full -Time Employees ⁽¹⁾ | Single | 342.21 | 25.00 | 367.21 | 342.21 | 7.50 | 349.71 |
| | | Family | 736.59 | 90.00 | 826.59 | 736.59 | 32.15 | 768.74 |
| | | Spouse | 811.60 | 15.00 | 826.60 | 753.74 | 15.00 | 768.74 |
| SES / SMS | Monthly Full -Time Employees ^(1,2) | Single | 726.08 | 8.34 | 734.42 | 691.08 | 8.34 | 699.42 |
| | | Family | 1,623.20 | 30.00 | 1,653.20 | 1,507.48 | 30.00 | 1,537.48 |
| | Bi-Weekly Full -Time Employees ^(1,2) | Single | 363.04 | 4.17 | 367.21 | 345.54 | 4.17 | 349.71 |
| | | Family | 811.60 | 15.00 | 826.60 | 753.74 | 15.00 | 768.74 |
| COBRA (Non-Medicare) | Monthly ⁽³⁾ | Single | 0.00 | 749.11 | 749.11 | 0.00 | 670.92 | 670.92 |
| | | Family | 0.00 | 1,686.24 | 1,686.24 | 0.00 | 1,483.23 | 1,483.23 |
| Early Retirees | Monthly | Single | 0.00 | 734.42 | 734.42 | 0.00 | 657.76 | 657.76 |
| | | Family | 0.00 | 1,653.18 | 1,653.18 | 0.00 | 1,454.15 | 1,454.15 |
| Overage Dependents | | Single | 0.00 | 734.42 | 734.42 | 0.00 | 657.76 | 657.76 |

| Medicare Monthly Premium Rates | | | | |
|------------------------------------|-----------|----------------------------------------|-------------------------------------------|-------------------------------------------|
| Plan Name | Plan Type | Medicare I One Eligible ⁽⁵⁾ | Medicare II One Under/Over ⁽⁶⁾ | Medicare III Both Eligible ⁽⁷⁾ |
| Self-Insured PPO / HMO | Standard | 388.38 | 1,119.85 | 776.76 |
| | HDHP | 292.76 | 917.13 | 585.51 |
| Capital Health Plan ⁽⁸⁾ | Standard | 282.62 | 945.62 | 565.24 |
| | HDHP | 257.23 | 852.80 | 514.46 |

Notes:

- (1) Premium contribution for Part-Time Employees (FTE < 0.75) is to be calculated as follows:
 Step 1. State Contribution x FTE% = Calculated State Contribution
 Step 2. Total Contribution - Calculated State Contribution = Employee Contribution
- (2) SES/SMS - Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.
- (3) Includes an additional 2% for administrative costs as permitted by federal regulations.
- (4) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.
- (5) Single coverage for participant eligible for Medicare Parts A and B. Does not include monthly Medicare Part B premium.
- (6) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- (7) Family coverage for two participants and both are eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- (8) Medicare eligible retirees must complete the HMO's Medicare Advantage Plan application process to be eligible for this coverage.