

**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	(\$247.1)	\$224.2	\$471.3	(\$770.8)	(\$421.9)	\$348.9

*Slight differences in results due to rounding.*

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit I

Enrollment Outlook by Fiscal Year

Changes to Conference Forecast - July 2024 Compared to December 2023

DSGI Current Agencies		FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29		
		Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.
Average Enrollment by Plan	PPO Standard	77,373	77,791	418	78,265	79,169	904	78,279	79,335	1,056	78,388	79,452	1,064	79,173	80,240	1,067	79,379	80,438	1,059
	PPO HDHP	4,234	4,284	50	4,241	4,426	185	4,245	4,477	232	4,251	4,485	234	4,294	4,529	235	4,305	4,544	239
	HMO Standard	84,626	84,839	213	85,187	85,673	486	84,988	85,535	547	85,095	85,667	572	84,915	85,491	576	85,608	86,207	599
	HMO HDHP	1,453	1,487	34	1,448	1,561	113	1,454	1,554	100	1,465	1,564	99	1,471	1,567	96	1,491	1,584	93
	MA-PD	2,617	2,608	(9)	3,095	3,047	(48)	3,590	3,551	(39)	4,020	3,981	(39)	4,450	4,411	(39)	4,880	4,841	(39)
Total		170,303	171,009	706	172,236	173,876	1,640	172,556	174,453	1,897	173,219	175,149	1,930	174,303	176,239	1,936	175,663	177,614	1,951
Average Enrollment by Coverage Type	Active (Non-OPS) Standard	127,639	128,668	1,029	128,943	130,939	1,996	128,772	130,941	2,169	128,932	131,123	2,191	129,327	131,525	2,198	130,063	132,265	2,202
	Active (Non-OPS) HDHP	5,080	5,188	108	5,073	5,391	318	5,079	5,434	355	5,093	5,450	357	5,135	5,492	357	5,163	5,519	356
	OPS Standard	5,410	5,315	(95)	5,612	5,436	(176)	5,608	5,441	(167)	5,618	5,454	(164)	5,639	5,477	(162)	5,669	5,510	(159)
	OPS HDHP	495	473	(22)	502	480	(22)	506	486	(20)	509	488	(21)	516	493	(23)	519	497	(22)
	COBRA	296	286	(10)	280	243	(37)	280	241	(39)	280	242	(38)	282	243	(39)	283	245	(38)
	Early Retiree	2,882	2,854	(28)	2,796	2,685	(111)	2,798	2,693	(105)	2,804	2,700	(104)	2,815	2,713	(102)	2,832	2,730	(102)
	Medicare	25,884	25,617	(267)	25,935	25,657	(278)	25,923	25,666	(257)	25,963	25,712	(251)	26,139	25,883	(256)	26,254	26,008	(246)
	MA-PD	2,617	2,608	(9)	3,095	3,047	(48)	3,590	3,551	(39)	4,020	3,981	(39)	4,450	4,411	(39)	4,880	4,841	(39)
Total		170,303	171,009	706	172,236	173,877	1,641	172,556	174,453	1,897	173,219	175,149	1,930	174,303	176,239	1,936	175,663	177,614	1,951
Florida College System		FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29		
		Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.
Average Enrollment by Plan	PPO Standard	-	-	-	-	5,386	5,386	-	10,761	10,761	-	10,771	10,771	-	10,834	10,834	-	10,892	10,892
	PPO HDHP	-	-	-	-	240	240	-	492	492	-	491	491	-	494	494	-	492	492
	HMO Standard	-	-	-	-	3,865	3,865	-	7,725	7,725	-	7,721	7,721	-	7,702	7,702	-	7,664	7,664
	HMO HDHP	-	-	-	-	86	86	-	171	171	-	171	171	-	171	171	-	171	171
	MA-PD	-	-	-	-	1	1	-	2	2	-	2	2	-	2	2	-	2	2
Total		-	-	-	-	9,578	9,578	-	19,150	19,150	-	19,156	19,156	-	19,202	19,202	-	19,221	19,221
Average Enrollment by Coverage Type	Active (Non-OPS) Standard	-	-	-	-	7,801	7,801	-	15,205	15,205	-	15,218	15,218	-	15,253	15,253	-	15,279	15,279
	Active (Non-OPS) HDHP	-	-	-	-	297	297	-	597	597	-	596	596	-	598	598	-	597	597
	OPS Standard	-	-	-	-	299	299	-	597	597	-	597	597	-	597	597	-	596	596
	OPS HDHP	-	-	-	-	26	26	-	53	53	-	53	53	-	54	54	-	54	54
	COBRA	-	-	-	-	13	13	-	27	27	-	26	26	-	27	27	-	26	26
	Early Retiree	-	-	-	-	148	148	-	296	296	-	295	295	-	296	296	-	295	295
	Medicare	-	-	-	-	991	991	-	2,373	2,373	-	2,368	2,368	-	2,377	2,377	-	2,371	2,371
	MA-PD	-	-	-	-	1	1	-	2	2	-	2	2	-	2	2	-	2	2
Total		-	-	-	-	9,577	9,577	-	19,150	19,150	-	19,156	19,156	-	19,202	19,202	-	19,221	19,221
Combined Total		FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29		
		Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.
Average Enrollment by Plan	PPO Standard	77,373	77,791	418	78,265	84,555	6,290	78,279	90,096	11,817	78,388	90,223	11,835	79,173	91,074	11,901	79,379	91,330	11,951
	PPO HDHP	4,234	4,284	50	4,241	4,666	425	4,245	4,969	724	4,251	4,976	725	4,294	5,023	729	4,305	5,036	731
	HMO Standard	84,626	84,839	213	85,187	89,538	4,351	84,988	93,260	8,272	85,095	93,388	8,293	84,915	93,193	8,278	85,608	93,871	8,263
	HMO HDHP	1,453	1,487	34	1,448	1,647	199	1,454	1,725	271	1,465	1,735	270	1,471	1,738	267	1,491	1,755	264
	MA-PD	2,617	2,608	(9)	3,095	3,048	(47)	3,590	3,553	(37)	4,020	3,983	(37)	4,450	4,413	(37)	4,880	4,843	(37)
Total		170,303	171,009	706	172,236	183,454	11,218	172,556	193,603	21,047	173,219	194,305	21,086	174,303	195,441	21,138	175,663	196,835	21,172
Average Enrollment by Coverage Type	Active (Non-OPS) Standard	127,639	128,668	1,029	128,943	138,740	9,797	128,772	146,146	17,374	128,932	146,341	17,409	129,327	146,778	17,451	130,063	147,544	17,481
	Active (Non-OPS) HDHP	5,080	5,188	108	5,073	5,688	615	5,079	6,031	952	5,093	6,046	953	5,135	6,090	955	5,163	6,116	953
	OPS Standard	5,410	5,315	(95)	5,612	5,735	123	5,608	6,038	430	5,618	6,051	433	5,639	6,074	435	5,669	6,106	437
	OPS HDHP	495	473	(22)	502	506	4	506	539	33	509	541	32	516	547	31	519	551	32
	COBRA	296	286	(10)	280	256	(24)	280	268	(12)	280	268	(12)	282	270	(12)	283	271	(12)
	Early Retiree	2,882	2,854	(28)	2,796	2,833	37	2,798	2,989	191	2,804	2,995	191	2,815	3,009	194	2,832	3,025	193
	Medicare	25,884	25,617	(267)	25,935	26,648	713	25,923	28,039	2,116	25,963	28,080	2,117	26,139	28,260	2,121	26,254	28,379	2,125
	MA-PD	2,617	2,608	(9)	3,095	3,048	(47)	3,590	3,553	(37)	4,020	3,983	(37)	4,450	4,413	(37)	4,880	4,843	(37)
Total		170,303	171,009	706	172,236	183,454	11,218	172,556	193,603	21,047	173,219	194,305	21,086	174,303	195,441	21,138	175,663	196,835	21,172



Division of State Group Insurance  
4050 Esplanade Way  
Tallahassee, FL 32399-0950

**Ron DeSantis, Governor**  
Pedro Allende, Secretary

December 1, 2023

Chris Spencer, Director  
Office of Policy and Budget  
Executive Office of the Governor  
1702 Capitol  
Tallahassee, FL 32399-0001

The Honorable Doug Broxson, Chairman  
Senate Appropriations Committee  
201 The Capitol  
404 South Monroe Street  
Tallahassee, FL 32399-1100

The Honorable Tom Leek, Chairman  
House Appropriations Committee  
221 The Capitol  
402 South Monroe Street  
Tallahassee, FL 32399-1300

Dear Mr. Spencer, Chair Broxson, and Chair Leek:

In accordance with Chapter 2023-239, Laws of Florida, please see the Comprehensive Fiscal Analysis of Adding Florida College System to State Group Insurance.

If you have any questions concerning the contents of this report, please contact the Department's Legislative Affairs Office at (850) 488-6285.

Sincerely,

Greg Mauldin  
Interim Director, State Group Insurance  
Department of Management Services

# Florida Department of Management Services

## Comprehensive Fiscal Analysis of Adding Florida College System to State Group Insurance

December 1, 2023



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## Executive Summary

During the 2023 Legislative Session, the Department of Management Services was directed to contract for the following:

"...Department of Management Services a comprehensive analysis to determine the fiscal impact of inclusion of employees of the Florida College System in the State Group Insurance Program ("Program"). The department shall coordinate with the Florida College System ("FCS") to obtain all required information for the analysis. Additionally, the department shall provide a report on the feasibility, including the need for budget resources, of inclusion of employees of the Florida College System in the State Group Insurance Program for the plan year beginning January 2025. The fiscal analysis and feasibility report must be submitted to the Governor's Office of Policy and Budget, the chair of the Senate Appropriations Committee, and the chair of the House Appropriations Committee by December 1, 2023."

Aon has conducted a comprehensive analysis to determine the fiscal impact of inclusion of employees of the Florida College System ("FCS") in the State Group Insurance Program ("Program"). The FCS schools encompass 28 institutions, 23 of which currently receive their benefits from the Florida College System Risk Management Consortium (FCSRMC). The remaining 5 schools offer benefits independently. As part of this analysis, we are providing the feasibility of enrolling those employees into the Program effective 1/1/2025, including the need for additional resources required to effectively communicate and implement the enrollment connectivity with People First, the State's Human Resources Information System (HRIS).

The FCSRMC population represents 11,134 employees and \$139.5 million in total gross costs, which include employee and employer contributions. The employers contribute 81% of that cost on behalf of their employees. The 5 schools that are not a part of the consortium represent 7,318 employees and \$93 million in total gross costs. The employer contributions at those schools range from 67% to 88%.

Adding the FCS population to the Program is a significant benefit for those institutions and their employees, provided each institution receives the required appropriation to cover premium costs. The total fiscal 2025 impact of their inclusion on recurring Program health benefits and administration is \$372.4 million. This figure is a combination of two areas of additional cost further outlined in this Executive Summary and completely detailed in the analysis body:

1. FCS employees and retirees total Program cost: \$367.9 million
2. People First Administration cost: \$4.5 million (\$2.5 million first year plus \$2.0 million recurring)
  - Other Post-Employment Benefits (OPEB) liability of \$890 million is addressed separately.

### **Comprehensive fiscal impact of inclusion of employees of the FCS in the Program**

Aon combined census, enrollment and claims data adjusted for FCS plans with the Program data to project the combined plan cost and determine enrollment migration from FCS to the Program. With new rates, projected enrollment, and plan change valuation, the resulting cost impact of the new combined population was calculated, and contribution was broken out by tier and status.

- The total FCS impact on the Program's total cost (Amount required to pay Gross Medical + Pharmacy Claims, Administrative fees and HSA seeding) of including 28 FCS institutions in DSGI plans for January 1, 2025, is \$367.9 million. This figure is derived by the following:
  - FCS addition to the Program presents a gross total cost increase of \$273.1 million



- \$94.7 million is added to the above figure as more affordable family coverage will cause increased dependent enrollment (15,686 additional dependents) and 703 additional employees that are currently waiving coverage (medium projection). The total gross cost increases to \$367.9 million.
  - Using the 2024 GAA rates, contributions, and projected FCS dependent migration enrollment, the Program Total Premium would be \$323.5 million (\$294.3M employer, \$29.2M employee)  
*This does not represent total cost as claims and administrative expenses could exceed premium.*
  - The \$367.9 million above is the projected 2025 total FCS health impact and represents funding required to pay claims and administrative costs without an employee/retiree rate increase. *Full details of the migration analysis can be found on page 15 of the report.*
- \$367.9 million (2025 annual total health impact) minus estimated employee and employer contributions of \$323.5 million (\$294.3M employer/FCS institutions, \$29.2M employee/retiree) results in an annual estimated DSGI budget deficit of \$44.5 million.
- Full appropriation of \$372.4 million (inclusive of People First cost of \$4.5 million) beginning in 2025, subject to enrollment fluctuation, is the minimum amount required and represents an increasing, ongoing obligation as outlined in the 10-year projections.

### **Estimated future fiscal impact**

- Includes annual projections for the first five years and a 10-year projection beginning on January 1, 2025.
- Actuarial review of the anticipated claims impact to the Program as well as an estimated/anticipated average cost per FCS employee per year.
- Projected 2025-2034 fiscal impact to the Program of adding FCS to the Program is \$3.95 billion
- FCS gross cost on a Per Employee Per Year (PEPY) basis is \$14,851 vs. DSGI gross cost of \$18,888 PEPY, providing a positive annual net revenue impact to the health fund.

All premiums were trended to the plan year beginning January 1, 2025. Trend rates are a blend of the 2023 DSGI premiums inclusive of single (standard and high deductible), family (standard and high deductible), and retiree options. Medical and pharmacy trends are based on Aon's annual trend survey and fixed costs are assumed to increase appropriately as applicable.

### **Comparison of existing insurance plans offered to active employees and retirees.**

Aon determined the Actuarial Value (AV) of each FCS plan, as well as the Program plans. AV measures the relative generosity of benefits covered by a health insurance plan. A plan's AV indicates the average share of medical spending that is paid by the plan through an estimation of the out-of-pocket cost to the employee in addition to the employee contributions for a more complete picture.

- FCSRMC offers 9 Florida Blue plans with actuarial values (AV) ranging from 74.0% to 88.4%
- 5 non-consortium schools AVs range from 77.4% to 91.7%
- Combined FCS average AV is 86.1% compared to 93.7% average AV of Program plans.
- The Program also provides more affordable dependent coverage which will likely increase FCS dependent enrollment.

Aon has created a side-by-side grid of each medical plan highlighting the major benefits (Deductible, Out-of-pocket Maximum, Coinsurance, PCP/Specialist Copays, etc.).

### **A calculation of the Other Post-Employment Benefits liability**

Under the current benefits at the FCS colleges, Medicare retirees often pay the full cost of coverage and have very low participation in the college plans. Under the Program, the Medicare retirees have subsidized

coverage. This results in significantly larger liability for those retirees enrolled, and an assumed increase in future retirees enrolling under the Program plan.

Aon used summarized census data from the 28 colleges valuation reports, estimated migration patterns, and streamlined valuation methodology to estimate the liability for these participants on the FCS benefits. Our estimates represent an “order of magnitude” indication of the impact of these changes.

- Current DSGI GASB 75 Liability as of 7/1/2022 was \$7.9B
- Additional FCS GASB Liability is \$0.9B at a 4.09% discount rate.

A deeper dive into the difference between valuation assumptions utilized for this analysis and FCS colleges claims experience and a review of expected participation in Medicare Advantage plans by the colleges could yield significantly different results from this analysis.

### **Analysis of operational/administrative fiscal impact to the Program and People First**

The amount of time required to implement the necessary connectivity to People First for each school by Open Enrollment in the fall of 2024 is problematic. The vendor contracted with the State to provide the HRIS as well as the enterprise suite of human resources services, NorthgateArinso, LLC (NGA) has allotted approximately 378 hours per FCS institution for the completion of this project. This does not account for the time needed by the People First team to assist in the implementation. This project requires a significant amount of time for the People First team in a short execution window to launch by annual enrollment in Fall 2024.

Aon leveraged its benefits administration practice to outline the internal resources required and financial impact of the addition of FCS employees to the Program. This includes, but is not limited to PEPM fees, implementation of EDI connections with each college and related fees, and increased communication costs.

First year fiscal impact of implementing 28 FCS schools into the People First platform is \$4,492,735

Recurring expenses will be as follows:

- Expense for licenses and call center services, estimated at \$1,250,000
- Talent for DSGI & People First estimated at \$215,800 including annual site visits
- Open Enrollment communication estimated at \$185,250
- Service Fees on Spending Accounts estimated at \$365,625

Total estimated recurring expenses impact to DSGI and People First for adding FCS schools of \$2,016,675.

### **Assumptions and Data Limitations**

Through the course of our analysis, Aon requested various data reports from each of the FCS institutions including census information, premium rates, contributions, claims, plan designs, enrollment, retiree information, and current benefit administration details. Although we were unable to receive all data from each college, our analysis includes various assumptions to replace the missing data.

These assumptions are actuarially sound and do not affect the creditability of the fiscal impact analysis. Below is an overview of the missing data. The assumptions included in our analysis are outlined within the details of this report.

Missing Data:

- Monthly Enrollment data (5 colleges)
- Retiree Monthly Enrollment data (2 colleges)
- Incomplete census data – missing gender (1 college)





## Current cost of providing health insurance to FCS actives and retirees

- a. Total cost to FCS institutions (including premiums and administration costs);
  - b. Employee contributions for individual coverage (broken out by full-time or part-time); and
  - c. Employee contributions for dependent coverage (active employees only).
- 

Aon analyzed the FCS census, premium rates, contributions, claims, plan designs and plan enrollment and determined the current cost of providing health insurance to active FCS employees and retirees through institution-based programs for 2024. First, Aon evaluated the cost of each entity and then consolidated those results for an overall financial picture as the plans and enrollment exists today.

During this process, Aon calculated actuarial values of all the currently offered FCS plan designs. We then compared them to the current plan designs that the State of Florida offers. More information on plan design comparisons can be found in the following sections.

The exhibits below show current costs of employee contributions, employer subsidy, and total gross costs for the FCSRMC colleges and the five additional colleges.

	FCSRMC Total	Broward College	Hillsborough Community College	Miami Dade College	Tallahassee Community College	Valencia College
	2024 Budget	2024 Budget	2024 Budget	2024 Budget	2024 Budget	2024 Budget
	Current FCS Basis	Current FCS Basis	Current FCS Basis	Current FCS Basis	Current FCS Basis	Current FCS Basis
Headcount	11,134	1,327	950	2,516	745	1,780
Total Gross Costs	\$139.5M	\$19.3M	\$11M	\$33.4M	\$10M	\$19.5M
Employee Contributions	\$26.1M	\$4M	\$1.5M	\$4.9M	\$3.4M	\$2.4M
Net Employer Subsidy	\$113.5M	\$15.3M	\$9.6M	\$28.5M	\$6.7M	\$17.1M
Net Employer Subsidy %	81%	79%	87%	85%	67%	88%



## Estimated future fiscal impact - Actives & Retirees

- a. Annual projections for the first five years beginning on January 1, 2025
  - b. A 10-year projection
  - c. Actuarial review of the anticipated claims impact to the Program
  - d. Estimated/anticipated average cost per FCS employee per year.
- 

To review estimated future cost impact, Aon provided projections of cost and claims of all 28 current FCS enrollees moving to the State Group Health Insurance Program ("Program"). This cost was analyzed by trending the claims annually and assuming FCS members enroll in the Program plans based on migration assumptions.

A thorough migration and total enrollment analysis was considered by testing various scenarios of how the enrollees will migrate into the Program plans and the financial impact of those migrations. The Baseline scenario does not consider the financial impact if additional eligible FCS employees not currently enrolled will enroll into the Program plan offerings. In the Dependents/Waivers Adjustment Scenarios section of the report, assumptions are made to account for potential new enrollment from current FCS waivers, as this information was not provided by the FCS institutions.

Aon provided a financial impact regarding not only total cost but also the breakout of the change in the employee contribution portion as well as the institution/DSGI portion of the costs. This process was completed by the Aon Health Analytics team consisting of actuaries and financial consultants who have extensive experience in such actuarial work, particularly within the public sector environment in Florida.

We utilized the administrative fees of the Program, adjusted for the increased headcount, combined with the projected claims to calculate total cost impact. Results of the analysis are provided in tables with both annual aggregate cost and per capita for Total Cost, Employee Cost and Net Plan Cost.

Historical medical and pharmacy claims experience was trended to the plan year beginning January 1, 2025, using Aon's internal trend guidance and fixed costs are assumed to increase appropriately as applicable.

Migration was determined based on participants current plan elections, actuarial value comparisons of their current and Program plans, as well as the cost to the employee. An algorithm was developed for a consistent assumption on current FCS enrollment in the Program Plans.

Census data was used to determine the impact of costs from demographic and geographic data. This provided an indication if a certain population will have a relatively higher or lower cost based on age, gender location, and family size. Total cost was estimated, and results provided as described above. Aon has included results for plan years beginning:

- January 1, 2025
- January 1, 2026
- January 1, 2027
- January 1, 2028
- January 1, 2029

## Baseline Scenario

Below is an exhibit that summarizes the projected 2025 plan year financial impact of including 28 FCS institutions in the Program. The exhibit outlines the projected cost for DSGI Pre-Merger, FCS population projected on a DSGI plan basis, combined DSGI+FCS post-merger scenario, as well as the financial impact to the Program.

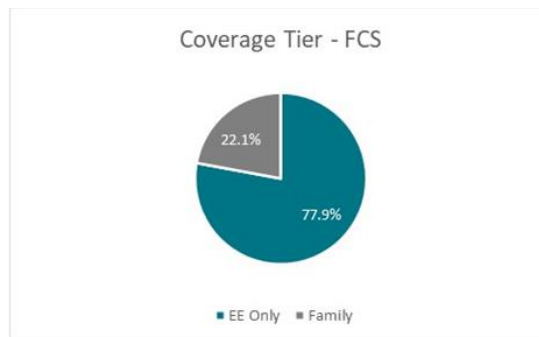
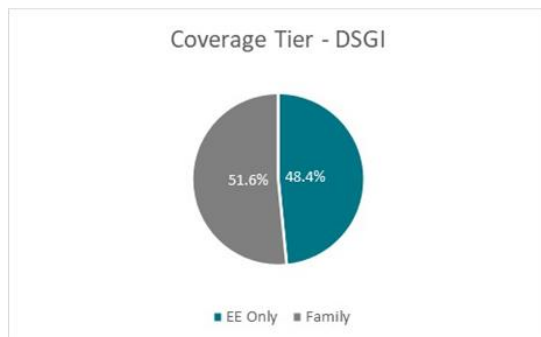
Baseline Scenario		DSGI - Projected 2025							
		DSGI		FCS		DSGI + FCS		Impact to the Program	
		Pre-Merger		DSGI Plan Basis		Post-Merger			
<b>Enrollment</b>									
	PPO	80,832		10,839		91,671		10,839	
	HMO	85,527		7,613		93,140		7,613	
	<b>Total</b>	<b>166,359</b>		<b>18,452</b>		<b>184,811</b>		<b>18,452</b>	
<b>Gross Cost (Medical + Pharmacy Claims, Admin Fees, HSA)</b>		<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>
	PPO	\$1,442.1	\$17,841	\$154.6	\$14,260	\$1,596.7	\$17,417	\$154.6	(\$423)
	HMO	\$1,700.1	\$19,878	\$119.5	\$15,693	\$1,818.7	\$19,527	\$118.6	(\$352)
	<b>Total</b>	<b>\$3,142.2</b>	<b>\$18,888</b>	<b>\$274.0</b>	<b>\$14,851</b>	<b>\$3,415.4</b>	<b>\$18,480</b>	<b>\$273.1</b>	<b>(\$408)</b>
<b>Employee/Retiree Contributions</b>									
	PPO	\$230.2	\$2,848	\$10.5	\$965	\$240.7	\$2,625	\$10.5	(\$223)
	HMO	\$170.6	\$1,995	\$8.5	\$1,114	\$179.1	\$1,923	\$8.5	(\$72)
	<b>Total</b>	<b>\$400.8</b>	<b>\$2,409</b>	<b>\$18.9</b>	<b>\$1,026</b>	<b>\$419.8</b>	<b>\$2,271</b>	<b>\$18.9</b>	<b>(\$138)</b>
<b>Net Employer Cost</b>									
	PPO	\$1,211.9	\$14,993	\$144.1	\$13,295	\$1,356.0	\$14,792	\$144.1	(\$201)
	HMO	\$1,529.5	\$17,883	\$111.0	\$14,579	\$1,639.6	\$17,604	\$110.1	(\$280)
	<b>Total</b>	<b>\$2,741.4</b>	<b>\$16,479</b>	<b>\$255.1</b>	<b>\$13,825</b>	<b>\$2,995.6</b>	<b>\$16,209</b>	<b>\$254.2</b>	<b>(\$270)</b>

- The impact on total gross cost (Claims (including pharmacy), Administrative fees and HSA seeding) of including 28 FCS institutions in DSGI plans is \$273.1 million, with PPO and HMO plans combined. Out of the \$273.1 million gross cost:
  - \$18.9 million represents active employee and retiree contributions
  - Resulting Net Cost to the Program is \$254.2 million (This figure does not include People First impact outlined separately)
- DSGI Pre-Merger reflects DSGI's current state projecting current DSGI population's claims experience to 2025.
- FCS DSGI Plan Basis represents a projection of the FCS population's historical claims experience to 2025 on a DSGI plan basis. When projecting FCS claims under DSGI plans basis, we've built in migration assumptions from current FCS plans to DSGI plans by comparing the plan designs, the premium and contribution rates between the two. We then split the FCS population by plan, based on PPO and HMO, using the Program's current population as a proxy. FCS claims are then adjusted to DSGI plan basis to appropriately project costs for FCS population enrolling in DSGI plans. Detailed migration assumptions can be found in the Methodology section of the report.
- DSGI+FCS Post-Merger represents a 2025 cost projection of combining DSGI and FCS population together after the merger. For this post-merger scenario, we've incorporated the reduced Administrative (ASO) fees post-merger due to increased headcounts.
  - PPO ASO fees will remain the same since enrollment pre-Merger is already beyond the highest subscriber band.
  - HMO ASO fees will have a small decrease of \$0.80 Per Employee Per Month (PEPM) on a combined basis.

- For the employee contributions, we've assumed that 2025 DSGI contributions will remain flat from 2024 and FCS institutions' employees will pay the same contributions as DSGI Career Service/OPS, however, the total projected contributions will be highly dependent on actual enrollment results. For this scenario, we have assumed the FCS population will have no changes to their coverage tier and no new enrollment beyond current population.
- Looking at gross cost on a Per Employee Per Year (PEPY) basis, FCS population appears to be less costly than DSGI's population (\$18,888 for DSGI vs \$14,851 for FCS). This is mainly driven by a few key factors:
  - FCS population's demographic risk factor is similar to DSGI while geographic risk factor is slightly lower than DSGI's population. The below table summarizes the demographic elements between the two populations. The FCS population is slightly younger and on average lives in less geographically expensive areas than the DSGI population.

	Population Comparison	
	DSGI	FCS
<b>Subscriber Counts</b>	166,359	18,452
<b>Average Age</b>	49.8	49.5
<b>Member to Subscriber Ratio</b>	2.1	1.4
<b>Average Demographic Factor</b>	2.4	2.4
<b>Average Geographic Factor</b>	1.02	1.00
<b>Average Plan Actuarial Value</b>	93.7%	86.1%

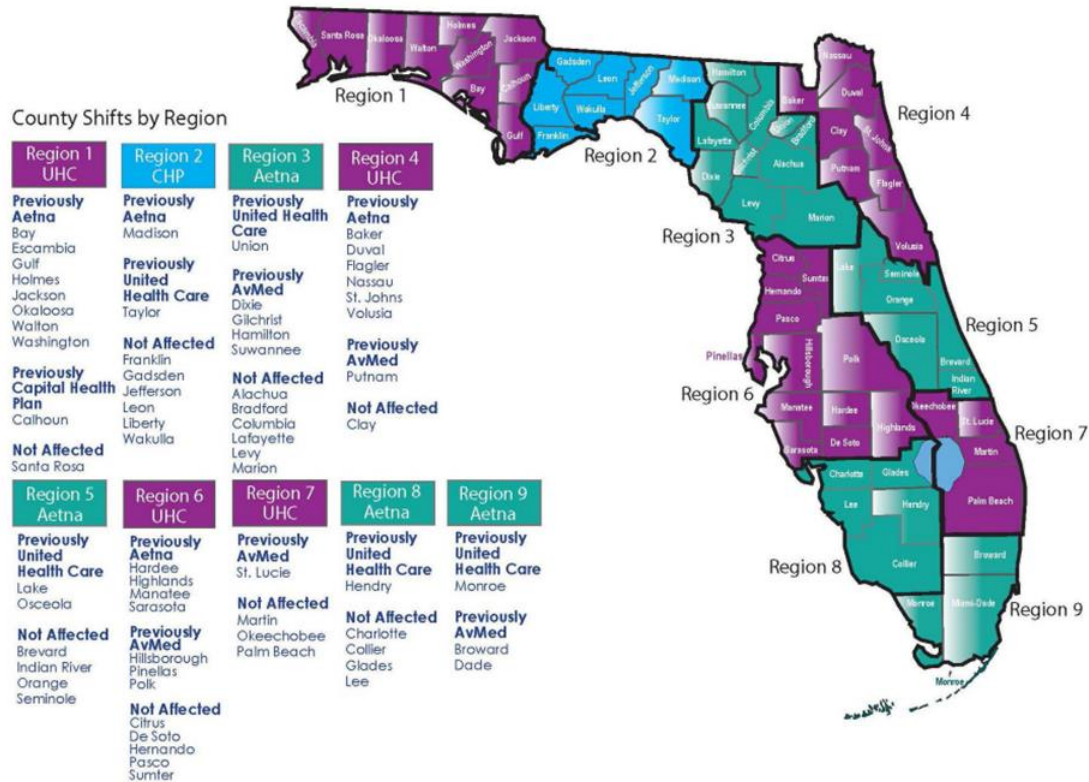
- DSGI subscribers cover significantly more dependents than FCS subscribers.
- The below charts shows that only 22.1% of the FCS subscribers currently enroll dependents while 51.6% of the DSGI subscribers elect family coverage. When comparing premium rates and employee contributions information, we've found that the majority of FCS entities fully subsidize employee only premiums while dependent tier premiums can range from \$400-\$800+ monthly. As a result of this subsidy strategy, FCS has fewer dependents on their plans and majority of their enrollment is in the employee (single) only tier.
- DSGI offers a generous subsidy to dependent tiers and hence more than half of the population enrolls dependents in the plans.
- The estimated member to subscriber ratio is 2.1 for DSGI and 1.4 for FCS, which means on average, DSGI has 0.7 more members per subscriber enrolled in the plan than FCS.



As DSGI has re-defined regions and switched carriers in 2024 for the HMO plans, we split the HMO financial impact into the 9 new regions to help compare costs on a regional basis. Below is the summary exhibit:

Baseline Scenario		DSGI - Projected 2025 HMO By Region							
		DSGI		FCS		DSGI + FCS		Impact to the Program	
		Pre-Merger		DSGI Plan Basis		Post-Merger			
Enrollment									
	Region 1	2,888		293		3,181		293	
	Region 2	29,732		744		30,476		744	
	Region 3	9,898		504		10,402		504	
	Region 4	6,680		979		7,659		979	
	Region 5	7,845		1,574		9,419		1,574	
	Region 6	12,078		1,484		13,562		1,484	
	Region 7	2,681		513		3,194		513	
	Region 8	1,881		202		2,083		202	
	Region 9	11,844		1,320		13,164		1,320	
	<b>Total HMO</b>	<b>85,527</b>		<b>7,613</b>		<b>93,140</b>		<b>7,613</b>	
Gross Cost (Medical + Pharmacy Claims, Admin Fees, HSA)		Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY
	Region 1	\$67.9	\$23,506	\$4.0	\$13,620	\$71.8	\$22,586	\$4.0	(\$921)
	Region 2	\$516.0	\$17,356	\$10.9	\$14,667	\$526.6	\$17,281	\$10.6	(\$75)
	Region 3	\$214.3	\$21,653	\$6.3	\$12,469	\$220.5	\$21,199	\$6.2	(\$455)
	Region 4	\$157.9	\$23,639	\$16.5	\$16,847	\$174.3	\$22,761	\$16.4	(\$878)
	Region 5	\$173.1	\$22,067	\$24.0	\$15,216	\$197.0	\$20,912	\$23.9	(\$1,155)
	Region 6	\$273.5	\$22,641	\$25.7	\$17,320	\$299.0	\$22,049	\$25.6	(\$592)
	Region 7	\$48.7	\$18,166	\$7.0	\$13,709	\$55.7	\$17,441	\$7.0	(\$725)
	Region 8	\$38.7	\$20,556	\$3.1	\$15,207	\$41.7	\$20,028	\$3.0	(\$528)
	Region 9	\$210.1	\$17,735	\$22.0	\$16,689	\$232.0	\$17,621	\$21.9	(\$114)
	<b>Total HMO</b>	<b>\$1,700.1</b>	<b>\$19,878</b>	<b>\$119.5</b>	<b>\$15,693</b>	<b>\$1,818.7</b>	<b>\$19,527</b>	<b>\$118.6</b>	<b>(\$352)</b>
Employee/Retiree Contributions									
	Region 1	\$6.6	\$2,277	\$0.4	\$1,309	\$7.0	\$2,188	\$0.4	(\$89)
	Region 2	\$67.9	\$2,285	\$1.6	\$2,125	\$69.5	\$2,281	\$1.6	(\$4)
	Region 3	\$18.4	\$1,863	\$0.6	\$1,166	\$19.0	\$1,830	\$0.6	(\$34)
	Region 4	\$13.6	\$2,041	\$1.3	\$1,309	\$14.9	\$1,947	\$1.3	(\$94)
	Region 5	\$14.6	\$1,859	\$1.5	\$972	\$16.1	\$1,711	\$1.5	(\$148)
	Region 6	\$22.9	\$1,894	\$1.5	\$1,015	\$24.4	\$1,798	\$1.5	(\$96)
	Region 7	\$4.5	\$1,690	\$0.6	\$1,131	\$5.1	\$1,600	\$0.6	(\$90)
	Region 8	\$3.3	\$1,781	\$0.2	\$1,059	\$3.6	\$1,711	\$0.2	(\$70)
	Region 9	\$18.7	\$1,580	\$0.8	\$617	\$19.5	\$1,483	\$0.8	(\$97)
	<b>Total HMO</b>	<b>\$170.6</b>	<b>\$1,995</b>	<b>\$8.5</b>	<b>\$1,114</b>	<b>\$179.1</b>	<b>\$1,923</b>	<b>\$8.5</b>	<b>(\$72)</b>
Cumulative PEPY Cost									
	Region 1	\$61.3	\$21,230	\$3.6	\$12,312	\$64.9	\$20,398	\$3.6	(\$831)
	Region 2	\$448.1	\$15,071	\$9.3	\$12,541	\$457.1	\$15,000	\$9.0	(\$71)
	Region 3	\$195.9	\$19,790	\$5.7	\$11,303	\$201.5	\$19,369	\$5.6	(\$421)
	Region 4	\$144.3	\$21,598	\$15.2	\$15,538	\$159.4	\$20,814	\$15.1	(\$784)
	Region 5	\$158.5	\$20,207	\$22.4	\$14,245	\$180.9	\$19,201	\$22.3	(\$1,006)
	Region 6	\$250.6	\$20,748	\$24.2	\$16,304	\$274.6	\$20,252	\$24.1	(\$496)
	Region 7	\$44.2	\$16,477	\$6.5	\$12,578	\$50.6	\$15,841	\$6.4	(\$636)
	Region 8	\$35.3	\$18,775	\$2.9	\$14,147	\$38.2	\$18,317	\$2.8	(\$458)
	Region 9	\$191.3	\$16,155	\$21.2	\$16,072	\$212.4	\$16,137	\$21.1	(\$18)
	<b>Total HMO</b>	<b>\$1,529.5</b>	<b>\$17,883</b>	<b>\$111.0</b>	<b>\$14,579</b>	<b>\$1,639.6</b>	<b>\$17,604</b>	<b>\$110.1</b>	<b>(\$280)</b>

- To develop regional costs for HMO, we split the projected DSGI and FCS HMO population based on the 2024 regional mapping defined in the map below. Then, each region's underlying population's costs were adjusted based on its demographic, geographic, tier ratio, plan actuarial value as well as actual claims experience.



- FCS population has the most HMO enrollment in regions 4, 5, 6, and 9. Enrollment in these 4 regions (5,357) accounts for 70% of the total FCS enrollment (7,613) and accounts for 74% of the cost increase to the Program for the HMO plans (\$87.8 million).
  - As a result of the enrollment increase in these regions, Aetna ASO fees will move up to the 35,000+ subscriber band and therefore, see a reduction of about \$2.30 PEPM post-merger.
  - UHC ASO fees will not be impacted due to the projected enrollment still falling in the same subscriber band.
- Looking at PEPM gross cost by region,
  - Regions 4, 6 and 9 are the most expensive regions for FCS population, while regions 1 and 3 are the least expensive. For DSGI, regions 1 and 4 are the most expensive regions while regions 2 and 9 are the least expensive.

FCS population on a per subscriber basis appears to be less costly than DSGI subscribers for all regions due to the similar demographic and contract size factors discussed in the prior section.



## 2025 Projected Net Employer Cost by College

Below is an exhibit that summarizes the projected 2025 plan year net employer cost for the 28 FCS institutions assuming all benefits stay the same as current, all 28 FCS institutions under the assumption that they roll under the DSGI plans, and the cost impact to their annual net employer cost.

- The total impact on net employer cost of all 28 FCS institutions in DSGI plans is \$38 million compared to 2025 projected with current benefits. Majority of the FCS institutions would see an increase in employer cost due to the significantly higher employer subsidy structure under the DSGI plans; Four out of the 28 will see a decrease in cost. While the exhibits suggest a significant cost increase to FCS employers in aggregate, it is assumed that they will adopt the State University System approach to employer contributions.
  - FCSRMC colleges will see a total employer cost increase of \$30.3 million.
  - Broward College will see an employer cost increase of \$0.9 million.
  - Hillsborough Community College will see an employer cost decrease of \$0.8 million.
  - Miami Dade College will see an employer cost increase of \$2.9 million.
  - Tallahassee Community College will see an employer cost increase of \$1.9 million.
  - Valencia College will see an employer cost increase of \$2.9 million.

	Chipola College	College of Central Florida	Daytona State College	Eastern Florida State College
	2025 Budget	2025 Budget	2025 Budget	2025 Budget
Headcount	257	388	420	597
Net Employer Subsidy (Current)	\$2.1M	\$3.5M	\$4.7M	\$6.2M
Net Employer Subsidy (DSGI Basis)	\$3.3M	\$5.4M	\$5.7M	\$8.3M
Change (DSGI Basis - FCS Current Basis)	\$1.3M	\$1.9M	\$1.1M	\$2.2M

	Florida Gateway College	Florida Southwestern State College	Florida State College at Jacksonville	Gulf Coast State College
	2025 Budget	2025 Budget	2025 Budget	2025 Budget
Headcount	182	586	1,145	297
Net Employer Subsidy (Current)	\$1.6M	\$6.8M	\$14.9M	\$2.8M
Net Employer Subsidy (DSGI Basis)	\$2.6M	\$8M	\$15.7M	\$4M
Change (DSGI Basis - FCS Current Basis)	\$0.9M	\$1.2M	\$0.9M	\$1.2M

	Indian River State College	Lake-Sumter State College	North Florida College	Northwest Florida State College
	2025 Budget	2025 Budget	2025 Budget	2025 Budget
Headcount	732	249	98	228
Net Employer Subsidy (Current)	\$6M	\$2.9M	\$0.9M	\$1.8M
Net Employer Subsidy (DSGI Basis)	\$10.1M	\$3.5M	\$1.4M	\$3.1M
Change (DSGI Basis - FCS Current Basis)	\$4.1M	\$0.6M	\$0.5M	\$1.3M

	Palm Beach State College	Pasco-Hernando State College	Pensacola State College	Polk State College
	2025 Budget	2025 Budget	2025 Budget	2025 Budget
Headcount	1,032	430	478	484
Net Employer Subsidy (Current)	\$10.4M	\$4.8M	\$4.5M	\$8M
Net Employer Subsidy (DSGI Basis)	\$14.1M	\$6M	\$6.5M	\$6.7M
Change (DSGI Basis - FCS Current Basis)	\$3.7M	\$1.3M	\$2M	\$-1.2M

	Santa Fe College	SCF Manatee-Sarasota College	Seminole State College of Florida	South Florida State College
	2025 Budget	2025 Budget	2025 Budget	2025 Budget
Headcount	755	446	624	253
Net Employer Subsidy (Current)	\$6.8M	\$4.4M	\$7.9M	\$3.9M
Net Employer Subsidy (DSGI Basis)	\$10.4M	\$6.2M	\$8.7M	\$3.5M
Change (DSGI Basis - FCS Current Basis)	\$3.6M	\$1.8M	\$0.9M	\$-0.4M

	St. Johns River State College	St. Petersburg College	The College of the Florida Keys	FCSRMC Total
	2025 Budget	2025 Budget	2025 Budget	2025 Budget
Headcount	474	899	80	11,134
Net Employer Subsidy (Current)	\$6.3M	\$10.4M	\$1.5M	\$123M
Net Employer Subsidy (DSGI Basis)	\$6.5M	\$12.2M	\$1.1M	\$153.3M
Change (DSGI Basis - FCS Current Basis)	\$0.2M	\$1.8M	\$-0.3M	\$30.3M

	Broward College	Hillsborough Community College	Miami Dade College	Tallahassee Community College	Valencia College
	2025 Budget	2025 Budget	2025 Budget	2025 Budget	2025 Budget
Headcount	1,327	950	2,516	745	1,780
Net Employer Subsidy (Current)	\$17.8M	\$14.1M	\$33.1M	\$7.4M	\$21.9M
Net Employer Subsidy (DSGI Basis)	\$18.6M	\$13.2M	\$36M	\$9.3M	\$24.8M
Change (DSGI Basis - FCS Current Basis)	\$0.9M	\$-0.8M	\$2.9M	\$1.9M	\$2.9M

## Additional Considerations:

- More dependent coverage for FCS:
  - The lower family tier employee contributions under DSGI may incentivize those who are currently in a single only (EE Only) tier under FCS plans to add dependents to the plan post-merger. Therefore, we expect to see an uptick in dependent coverage from FCS after the merger.
- New enrollment from FCS:
  - DSGI plans are on average richer than FCS plans while employee contributions are also significantly lower than FCS offerings, especially for the dependent tiers. DSGI also allows Part-Time employees to enroll in the health plans and offer subsidy based on full-time employees (FTE) %, while Part-Time employees, for a lot of the FCS institutions, are not eligible to enroll in medical plans. As a result, there could be current FCS waivers or ineligibles that opt-in DSGI plans when offered.
- With the considerations above, additional cost scenarios are modeled in the “Dependents/Waivers Adjustment Scenarios” section to account for more dependent coverage and new enrollment from FCS.

## Dependents/Waivers Adjustment Scenarios:

A range of Low/Medium/High scenarios have been modeled to account for more dependent coverage and new enrollment from FCS.

### Low Scenario – Lower dependent cost impact than DSGI + 10% waivers Opt-in

Dependent/Waiver Scenario - Low		DSGI - Projected 2025							
		DSGI		FCS		DSGI + FCS		Impact to the Program	
		Pre-Merger		DSGI Plan Basis		Post-Merger			
<b>Enrollment</b>									
	PPO	80,832		11,045		91,877		11,045	
	HMO	85,527		7,758		93,285		7,758	
	<b>Total</b>	<b>166,359</b>		<b>18,804</b>		<b>185,163</b>		<b>18,804</b>	
<b>Gross Cost (Medical + Pharmacy Claims, Admin Fees, HSA)</b>		<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>
	PPO	\$1,442.1	\$17,841	\$194.2	\$17,578	\$1,636.3	\$17,809	\$194.2	(\$32)
	HMO	\$1,700.1	\$19,878	\$156.4	\$20,157	\$1,855.6	\$19,892	\$155.5	\$14
	<b>Total</b>	<b>\$3,142.2</b>	<b>\$18,888</b>	<b>\$350.5</b>	<b>\$18,642</b>	<b>\$3,491.9</b>	<b>\$18,858</b>	<b>\$349.6</b>	<b>(\$30)</b>
<b>Employee/Retiree Contributions</b>									
	PPO	\$230.2	\$2,848	\$15.1	\$1,363	\$245.3	\$2,669	\$15.1	(\$178)
	HMO	\$170.6	\$1,995	\$12.2	\$1,573	\$182.8	\$1,960	\$12.2	(\$35)
	<b>Total</b>	<b>\$400.8</b>	<b>\$2,409</b>	<b>\$27.3</b>	<b>\$1,450</b>	<b>\$428.1</b>	<b>\$2,312</b>	<b>\$27.3</b>	<b>(\$97)</b>
<b>Net Employer Cost</b>									
	PPO	\$1,211.9	\$14,993	\$179.1	\$16,215	\$1,391.0	\$15,140	\$179.1	\$147
	HMO	\$1,529.5	\$17,883	\$144.2	\$18,584	\$1,672.8	\$17,932	\$143.3	\$49
	<b>Total</b>	<b>\$2,741.4</b>	<b>\$16,479</b>	<b>\$323.3</b>	<b>\$17,192</b>	<b>\$3,063.8</b>	<b>\$16,547</b>	<b>\$322.4</b>	<b>\$68</b>

- In this scenario, it's assumed that the Per Employee Per Year (PEPY) cost increase, due to more dependent coverage, is approximately 90% of the cost increase in the Medium scenario (which assumes FCS population will have the same tier election distributions as the current DSGI population). The lower dependent cost impact could either be due to FCS having fewer dependents per subscriber than DSGI or lower dependents population risk than DSGI.
- In addition, we assumed 10% of those who currently waive coverage under the FCS plans will enroll in DSGI plans post-merger.
- Due to data limitations, we did not build in any financial impact of any current FCS ineligible (such as Part-Time) under FCS plans that could potentially become eligible and enroll in DSGI plans post-merger.
- The impact on total gross cost (Claims, Administrative fees and HSA seeding) of including 28 FCS institutions in DSGI plans in this scenario is \$349.6 million, with PPO and HMO plans combined. Out of the \$349.6 million gross cost:
  - \$27.3 million represents active employee and retiree contributions
  - Resulting Net Cost to the Program is \$322.4 million
- Net Cost to the Program of \$322.4 million in this scenario, compared to the Net Cost to the Program in the baseline scenario (\$254.2 million) is an increase of \$68.2 million. This is primarily driven by:
  - FCS gross cost on a Per Employee Per Year (PEPY) basis has increased from \$14,851 to \$18,642 due to additional dependents enrolled.
    - In this scenario, FCS population on a PEPY basis (\$18,642) is 1.3% less costly than DSGI's population (\$18,888).

- FCS subscriber census suggests that FCS population's demographic/geographic risk factors are similar/slightly lower than DSGI's population. However, dependents are generally more expensive than subscribers. Since the demographics of potential new dependents are unknown, actual financial impact of more dependent enrollment can vary significantly.
  - There are 352 more employees in this scenario compared to the Baseline scenario due to current waivers opt-in.
  - Employee contributions have increased from \$18.9 million to \$27.3 million, which is driven by more employees enrolled and higher contributions from the family tier due to more dependent enrollment.

### Medium Scenario – Same dependent election distribution as DSGI + 20% waivers Opt-in

Dependent/Waiver Scenario - Medium		DSGI - Projected 2025							
		DSGI		FCS		DSGI + FCS		Impact to the Program	
		Pre-Merger		DSGI Plan Basis		Post-Merger			
Enrollment									
	PPO	80,832		11,251		92,083		11,251	
	HMO	85,527		7,904		93,431		7,904	
	<b>Total</b>	<b>166,359</b>		<b>19,155</b>		<b>185,514</b>		<b>19,155</b>	
Gross Cost (Medical + Pharmacy Claims, Admin Fees, HSA)		Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY
	PPO	\$1,442.1	\$17,841	\$203.7	\$18,108	\$1,645.8	\$17,873	\$203.7	\$33
	HMO	\$1,700.1	\$19,878	\$165.0	\$20,877	\$1,864.3	\$19,953	\$164.1	\$75
	<b>Total</b>	<b>\$3,142.2</b>	<b>\$18,888</b>	<b>\$368.7</b>	<b>\$19,251</b>	<b>\$3,510.1</b>	<b>\$18,921</b>	<b>\$367.9</b>	<b>\$33</b>
Employee/Retiree Contributions									
	PPO	\$230.2	\$2,848	\$16.1	\$1,432	\$246.3	\$2,675	\$16.1	(\$173)
	HMO	\$170.6	\$1,995	\$13.1	\$1,653	\$183.7	\$1,966	\$13.1	(\$29)
	<b>Total</b>	<b>\$400.8</b>	<b>\$2,409</b>	<b>\$29.2</b>	<b>\$1,523</b>	<b>\$430.0</b>	<b>\$2,318</b>	<b>\$29.2</b>	<b>(\$92)</b>
Net Employer Cost									
	PPO	\$1,211.9	\$14,993	\$187.6	\$16,676	\$1,399.5	\$15,198	\$187.6	\$206
	HMO	\$1,529.5	\$17,883	\$151.9	\$19,225	\$1,680.6	\$17,987	\$151.0	\$104
	<b>Total</b>	<b>\$2,741.4</b>	<b>\$16,479</b>	<b>\$339.6</b>	<b>\$17,728</b>	<b>\$3,080.1</b>	<b>\$16,603</b>	<b>\$338.7</b>	<b>\$124</b>

In this scenario, it's assumed that FCS population will have the same tier election distributions as the current DSGI population.

- In addition, we assumed 20% of those who currently waive coverage under the FCS plans will enroll in DSGI plans post-merger.
- Due to data limitations, we did not build in any financial impact of any current FCS ineligible (such as Part-Time) under FCS plans that could potentially become eligible and enroll in DSGI plans post-merger.
- The impact on total gross cost (Claims, Administrative fees and HSA seeding) of including 28 FCS institutions in DSGI plans in this scenario is \$367.9 million, with PPO and HMO plans combined. Out of the \$367.9 million gross cost:
  - \$29.2 million represents active employee and retiree contributions
  - Resulting Net Cost to the Program is \$338.7 million
- Net Cost to Program of \$338.7 million in this scenario, compared to the Net Cost to the Program in the baseline scenario (\$254.2 million) is an increase of \$84.5 million. This is primarily driven by:
  - FCS gross cost on a Per Employee Per Year (PEPY) basis has increased from \$14,851 to \$19,251 due to additional dependents enrolled.
    - In this scenario, FCS population on a PEPY basis (\$19,251) is 1.9% more costly than DSGI's population (\$18,888).

- FCS subscriber census suggests that FCS population's demographic/geographic risk factors are similar/slightly lower than DSGI's population. However, dependents are generally more expensive than subscribers. Since the demographics of potential new dependents are unknown, actual financial impact of more dependent enrollment can vary significantly.
- There are 703 more employees in this scenario compared to the Baseline scenario due to current waivers opt-in.
- Employee contribution has increased from \$18.9 million to \$29.2 million, which is driven by more employees enrolled and higher contributions from the family tier due to more dependent enrollment.
- The chart below represents the total projected premium, employee/retiree contributions, and net employer cost under this scenario, using the 2024 GAA rates and contributions, compared to the projected 2025 claims and administrative costs. The difference between the net employer cost is \$45.2 million which represents additional funding required to pay claims without an employee/retiree rate increase.

Medium Dependent and Waiver Scenario													
		Projected Enrollment			2024 Total Premium Rate			2024 Employee/Retiree Contribution			2024 Employer Cost		
		HDHP	Standard	CHP	HDHP	Standard	CHP Standard	HDHP	Standard	CHP Standard	HDHP	Standard	CHP Standard
Active	Individual	1,992	4,572	195	\$778	\$813	\$813	\$15	\$50	\$50	\$763	\$763	\$763
	Family	3,457	7,936	339	\$1,715	\$1,831	\$1,831	\$64	\$180	\$180	\$1,651	\$1,651	\$1,651
COBRA	Individual	1	2	1	\$794	\$830	\$830	\$794	\$830	\$830	\$0	\$0	\$0
	Family	2	-	-	\$1,750	\$1,868	\$1,868	\$1,750	\$1,868	\$1,868	\$0	\$0	\$0
Early Retiree	Individual	89	152	17	\$737	\$813	\$813	\$737	\$813	\$813	\$0	\$0	\$0
	Family	13	32	1	\$1,632	\$1,831	\$1,831	\$1,632	\$1,831	\$1,831	\$0	\$0	\$0
Medicare	Medicare I	24	154	87	\$324	\$430	\$269	\$324	\$430	\$269	\$0	\$0	\$0
	Medicare III	19	40	30	\$649	\$860	\$539	\$649	\$860	\$539	\$0	\$0	\$0

2024 Projected Total Premium \$323.5M  
2025 Projected Total Claims/Admin Cost \$368.7M

2024 Total Employee/Retiree Premium \$29.2M  
2025 Total Employee/Retiree Premium \$29.2M

2024 Total Net Employer Cost \$294.4M  
2025 Total Net Employer Cost \$339.6M

### High Scenario - Higher dependent cost impact than DSGI + 30% waivers Opt-in

Dependent/Waiver Scenario - High		DSGI - Projected 2025							
		DSGI Pre-Merger		FCS DSGI Plan Basis		DSGI + FCS Post-Merger		Impact to the Program	
Enrollment									
	PPO	80,832		11,457		92,289		11,457	
	HMO	85,527		8,049		93,576		8,049	
	Total	166,359		19,507		185,866		19,507	
Gross Cost (Medical + Pharmacy Claims, Admin Fees, HSA)		Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY
	PPO	\$1,442.1	\$17,841	\$214.3	\$18,702	\$1,656.4	\$17,948	\$214.3	\$107
	HMO	\$1,700.1	\$19,878	\$174.6	\$21,690	\$1,873.8	\$20,025	\$173.7	\$146
	Total	\$3,142.2	\$18,888	\$388.9	\$19,935	\$3,530.2	\$18,993	\$388.0	\$105
Employee/Retiree Contributions									
	PPO	\$230.2	\$2,848	\$17.3	\$1,512	\$247.5	\$2,682	\$17.3	(\$166)
	HMO	\$170.6	\$1,995	\$14.0	\$1,745	\$184.7	\$1,973	\$14.0	(\$22)
	Total	\$400.8	\$2,409	\$31.4	\$1,608	\$432.2	\$2,325	\$31.4	(\$84)
Net Employer Cost									
	PPO	\$1,211.9	\$14,993	\$197.0	\$17,190	\$1,408.8	\$15,266	\$197.0	\$273
	HMO	\$1,529.5	\$17,883	\$160.5	\$19,945	\$1,689.2	\$18,051	\$159.6	\$168
	Total	\$2,741.4	\$16,479	\$357.5	\$18,327	\$3,098.0	\$16,668	\$356.6	\$189

- In this scenario, it is assumed that the Per Employee Per Year (PEPY) cost increase, due to more dependent coverage, is approximately 110% of the cost increase in the Medium scenario (which assumes FCS population will have the same tier election distributions as the current DSGI population). The higher dependent cost impact could either be due to FCS having more dependents per subscriber than DSGI or higher dependents population risk than DSGI.
  - In addition, we have assumed 30% of those who currently waive coverage under the FCS plans will enroll in DSGI plans post-merger.
  - Due to data limitations, we did not build in any financial impact of any current FCS ineligible (such as Part-Time) under FCS plans that could potentially become eligible and enroll in DSGI plans post-merger.
  - The impact on total gross cost (Claims, Administrative fees and HSA seeding) of including 28 FCS institutions in DSGI plans in this scenario is \$388.0M, with PPO and HMO plans combined. Out of the \$388.0 million gross cost:
    - \$31.4 million represents active employee and retiree contributions
    - Resulting Net Cost to the Program is \$356.6 million
- Net Cost to the Program of \$356.6 million in this scenario, compared to the Net Cost to the Program in the baseline scenario (\$254.2 million) is an increase of \$102.4 million. This is primarily driven by:
  - FCS gross cost on a Per Employee Per Year (PEPY) basis has increased from \$14,851 to \$19,935 due to additional dependents enrolled.
    - In this scenario, FCS population on a PEPY basis (\$19,935) is 5.5% more costly than DSGI's population (\$18,888).
    - FCS subscriber census suggests that FCS population's demographic/geographic risk factors are similar/slightly lower than DSGI's population. However, dependents are generally more expensive than subscribers. Since the demographics of potential new dependents are unknown, actual financial impact of more dependent enrollment can vary significantly.
  - There are 1,055 more employees in this scenario compared to the Baseline scenario due to current waivers opt-in.
  - Employee contribution has increased from \$18.9 million to \$31.4 million, which is driven by more employees enrolled and higher contributions from the family tier due to more dependent enrollment.



## Annual Projection from 2026-2029 and a 10-year projection through 2035 (Baseline Scenario):

- For future year projections, we started with the 2025 baseline projection and projected each component using the following assumptions:
  - For enrollment, we incorporated the enrollment projection provided by DSGI through 2028 and assumed the population remains constant from 2029+
  - For gross cost, we trended each cost component with the trend assumptions in the table below.
  - For employee contributions, we assumed employee contributions will continue to remain flat, as outlined in the table below.
  - 5% pharmacy cost reduction was built to account for rebate improvements year over year, as documented in the table below.

10-Year Trend Assumptions					
Year	Medical	Pharmacy	Admin	EE Contributions	Rebate Improvement
2025-2026	8.0%	11.0%	3.0%	0%	5.0%
2026-2027	8.5%	11.0%	3.0%	0%	5.0%
2027-2028	9.0%	11.5%	3.0%	0%	5.0%
2028-2029	9.0%	11.5%	3.0%	0%	5.0%
2029-2030	9.0%	11.5%	3.0%	0%	5.0%
2030-2031	9.0%	11.5%	3.0%	0%	5.0%
2031-2032	9.0%	11.5%	3.0%	0%	5.0%
2032-2033	9.0%	11.5%	3.0%	0%	5.0%
2033-2034	9.0%	11.5%	3.0%	0%	5.0%

Below are the 5-year annual projection exhibits for 2026-2029, along with a 10-year projection for plan years 2025-2034.

Baseline Scenario		DSGI - Projected 2026							
		DSGI Pre-Merger		FCS DSGI Plan Basis		DSGI + FCS Post-Merger		Impact to the Program	
<b>Enrollment</b>									
	PPO	80,858		10,843		91,701		10,843	
	HMO	85,354		7,597		92,951		7,597	
	<b>Total</b>	<b>166,212</b>		<b>18,440</b>		<b>184,652</b>		<b>18,440</b>	
<b>Gross Cost (Medical + Pharmacy Claims, Admin Fees, HSA)</b>		<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>
	PPO	\$1,547.6	\$19,139	\$165.9	\$15,298	\$1,713.4	\$18,685	\$165.9	(\$454)
	HMO	\$1,820.2	\$21,325	\$127.9	\$16,835	\$1,947.1	\$20,948	\$126.9	(\$377)
	<b>Total</b>	<b>\$3,367.8</b>	<b>\$20,244</b>	<b>\$293.8</b>	<b>\$15,921</b>	<b>\$3,660.6</b>	<b>\$19,807</b>	<b>\$292.8</b>	<b>(\$437)</b>
<b>Employee/Retiree Contributions</b>									
	PPO	\$230.3	\$2,848	\$10.5	\$965	\$240.7	\$2,626	\$10.5	(\$222)
	HMO	\$170.3	\$1,995	\$8.5	\$1,114	\$178.7	\$1,919	\$8.5	(\$76)
	<b>Total</b>	<b>\$400.6</b>	<b>\$2,408</b>	<b>\$18.9</b>	<b>\$1,026</b>	<b>\$419.5</b>	<b>\$2,270</b>	<b>\$18.9</b>	<b>(\$138)</b>
<b>Net Employer Cost</b>									
	PPO	\$1,317.3	\$16,297	\$155.4	\$14,338	\$1,472.7	\$16,065	\$155.4	(\$232)
	HMO	\$1,649.9	\$19,291	\$119.4	\$15,689	\$1,768.4	\$18,986	\$118.5	(\$305)
	<b>Total</b>	<b>\$2,967.2</b>	<b>\$17,836</b>	<b>\$274.8</b>	<b>\$14,895</b>	<b>\$3,241.1</b>	<b>\$17,537</b>	<b>\$273.9</b>	<b>(\$299)</b>

Baseline Scenario		DSGI - Projected 2027							
		DSGI Pre-Merger		FCS DSGI Plan Basis		DSGI + FCS Post-Merger		Impact to the Program	
<b>Enrollment</b>									
	PPO	80,982		10,859		91,841		10,859	
	HMO	85,485		7,609		93,094		7,609	
	<b>Total</b>	<b>166,467</b>		<b>18,468</b>		<b>184,936</b>		<b>18,468</b>	
<b>Gross Cost (Medical + Pharmacy Claims, Admin Fees, HSA)</b>		<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>	<b>Total (\$M)</b>	<b>PEPY</b>
	PPO	\$1,668.4	\$20,602	\$178.8	\$16,468	\$1,847.2	\$20,113	\$178.8	(\$489)
	HMO	\$1,962.3	\$22,955	\$137.9	\$18,122	\$2,099.2	\$22,549	\$136.9	(\$406)
	<b>Total</b>	<b>\$3,630.8</b>	<b>\$21,825</b>	<b>\$316.7</b>	<b>\$17,164</b>	<b>\$3,946.4</b>	<b>\$21,354</b>	<b>\$315.7</b>	<b>(\$471)</b>
<b>Employee/Retiree Contributions</b>									
	PPO	\$230.6	\$2,848	\$10.5	\$965	\$241.1	\$2,630	\$10.5	(\$218)
	HMO	\$170.5	\$1,995	\$8.5	\$1,114	\$179.0	\$1,922	\$8.5	(\$73)
	<b>Total</b>	<b>\$401.2</b>	<b>\$2,411</b>	<b>\$19.0</b>	<b>\$1,027</b>	<b>\$420.1</b>	<b>\$2,273</b>	<b>\$19.0</b>	<b>(\$138)</b>
<b>Net Employer Cost</b>									
	PPO	\$1,437.8	\$17,787	\$168.3	\$15,531	\$1,606.1	\$17,520	\$168.3	(\$267)
	HMO	\$1,791.8	\$20,950	\$129.4	\$17,000	\$1,920.2	\$20,616	\$128.4	(\$334)
	<b>Total</b>	<b>\$3,229.6</b>	<b>\$19,413</b>	<b>\$297.8</b>	<b>\$16,137</b>	<b>\$3,526.3</b>	<b>\$19,081</b>	<b>\$296.7</b>	<b>(\$333)</b>

Baseline Scenario		DSGI - Projected 2028							
		DSGI		FCS		DSGI + FCS		Impact to the Program	
		Pre-Merger		DSGI Plan Basis		Post-Merger			
Enrollment									
	PPO	81,797		10,969		92,765		10,969	
	HMO	84,786		7,547		92,333		7,547	
	<b>Total</b>	<b>166,583</b>		<b>18,515</b>		<b>185,098</b>		<b>18,515</b>	
Gross Cost (Medical + Pharmacy Claims, Admin Fees, HSA)		Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY
	PPO	\$1,822.2	\$22,277	\$195.3	\$17,806	\$2,017.5	\$21,748	\$195.3	(\$529)
	HMO	\$2,104.5	\$24,821	\$147.9	\$19,594	\$2,251.2	\$24,382	\$146.8	(\$439)
	<b>Total</b>	<b>\$3,926.6</b>	<b>\$23,603</b>	<b>\$343.2</b>	<b>\$18,599</b>	<b>\$4,268.7</b>	<b>\$23,098</b>	<b>\$342.1</b>	<b>(\$506)</b>
Employee/Retiree Contributions									
	PPO	\$233.0	\$2,848	\$10.6	\$965	\$243.5	\$2,657	\$10.6	(\$191)
	HMO	\$169.1	\$1,995	\$8.4	\$1,114	\$177.6	\$1,906	\$8.4	(\$89)
	<b>Total</b>	<b>\$402.1</b>	<b>\$2,417</b>	<b>\$19.0</b>	<b>\$1,029</b>	<b>\$421.1</b>	<b>\$2,278</b>	<b>\$19.0</b>	<b>(\$139)</b>
Net Employer Cost									
	PPO	\$1,589.2	\$19,661	\$184.7	\$17,042	\$1,773.9	\$19,351	\$184.7	(\$310)
	HMO	\$1,935.3	\$22,628	\$139.5	\$18,321	\$2,073.7	\$22,264	\$138.4	(\$364)
	<b>Total</b>	<b>\$3,524.5</b>	<b>\$21,186</b>	<b>\$324.2</b>	<b>\$17,569</b>	<b>\$3,847.6</b>	<b>\$20,819</b>	<b>\$323.1</b>	<b>(\$367)</b>

Baseline Scenario		DSGI - Projected 2029							
		DSGI		FCS		DSGI + FCS		Impact to the Program	
		Pre-Merger		DSGI Plan Basis		Post-Merger			
Enrollment									
	PPO	81,797		10,969		92,765		10,969	
	HMO	84,786		7,547		92,333		7,547	
	<b>Total</b>	<b>166,583</b>		<b>18,515</b>		<b>185,098</b>		<b>18,515</b>	
Gross Cost (Medical + Pharmacy Claims, Admin Fees, HSA)		Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY
	PPO	\$1,970.3	\$24,087	\$211.2	\$19,253	\$2,181.4	\$23,516	\$211.2	(\$572)
	HMO	\$2,275.5	\$26,838	\$159.9	\$21,187	\$2,434.2	\$26,363	\$158.7	(\$475)
	<b>Total</b>	<b>\$4,245.8</b>	<b>\$25,522</b>	<b>\$371.1</b>	<b>\$20,110</b>	<b>\$4,615.6</b>	<b>\$24,975</b>	<b>\$369.9</b>	<b>(\$547)</b>
Employee/Retiree Contributions									
	PPO	\$233.0	\$2,848	\$10.6	\$965	\$243.5	\$2,657	\$10.6	(\$191)
	HMO	\$169.1	\$1,995	\$8.4	\$1,114	\$177.6	\$1,906	\$8.4	(\$89)
	<b>Total</b>	<b>\$402.1</b>	<b>\$2,417</b>	<b>\$19.0</b>	<b>\$1,029</b>	<b>\$421.1</b>	<b>\$2,278</b>	<b>\$19.0</b>	<b>(\$139)</b>
Net Employer Cost									
	PPO	\$1,737.3	\$21,493	\$200.6	\$18,506	\$1,937.9	\$21,140	\$200.6	(\$353)
	HMO	\$2,106.4	\$24,628	\$151.5	\$19,899	\$2,256.7	\$24,229	\$150.3	(\$399)
	<b>Total</b>	<b>\$3,843.7</b>	<b>\$23,105</b>	<b>\$352.1</b>	<b>\$19,081</b>	<b>\$4,194.6</b>	<b>\$22,696</b>	<b>\$350.9</b>	<b>(\$408)</b>

Baseline Scenario		DSGI - Projected 2025-2034							
		DSGI		FCS		DSGI + FCS		Impact to the Program	
		Pre-Merger		DSGI Plan Basis		Post-Merger			
Enrollment									
	PPO	81,525		10,932		92,457		10,932	
	HMO	84,987		7,565		92,552		7,565	
	<b>Total</b>	<b>166,512</b>		<b>18,497</b>		<b>185,009</b>		<b>18,497</b>	
Gross Cost (Medical + Pharmacy Claims, Admin Fees, HSA)		Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY	Total (\$M)	PEPY
	PPO	\$20,980.4	\$25,735	\$2,248.8	\$20,570	\$23,229.2	\$25,124	\$2,248.8	(\$611)
	HMO	\$24,333.9	\$28,633	\$1,709.9	\$22,603	\$26,031.0	\$28,126	\$1,697.1	(\$507)
	<b>Total</b>	<b>\$45,314.3</b>	<b>\$27,214</b>	<b>\$3,958.6</b>	<b>\$21,402</b>	<b>\$49,260.2</b>	<b>\$26,626</b>	<b>\$3,945.8</b>	<b>(\$588)</b>
Employee/Retiree Contributions									
	PPO	\$2,321.8	\$2,848	\$105.5	\$965	\$2,427.3	\$2,625	\$105.5	(\$223)
	HMO	\$1,695.5	\$1,995	\$84.2	\$1,114	\$1,779.7	\$1,923	\$84.2	(\$72)
	<b>Total</b>	<b>\$4,017.2</b>	<b>\$2,413</b>	<b>\$189.7</b>	<b>\$1,026</b>	<b>\$4,207.0</b>	<b>\$2,274</b>	<b>\$189.7</b>	<b>(\$139)</b>
Net Employer Cost									
	PPO	\$18,658.6	\$22,887	\$2,143.3	\$19,605	\$20,801.9	\$22,499	\$2,143.3	(\$388)
	HMO	\$22,638.5	\$26,638	\$1,625.6	\$21,490	\$24,251.3	\$26,203	\$1,612.8	(\$435)
	<b>Total</b>	<b>\$41,297.1</b>	<b>\$24,801</b>	<b>\$3,768.9</b>	<b>\$20,376</b>	<b>\$45,053.2</b>	<b>\$24,352</b>	<b>\$3,756.1</b>	<b>(\$449)</b>

## Data & Assumptions

### **For the purposes of the analysis, Aon received the following information for DSGI:**

1. 24 months of detailed claims experience by member and enrollment by tier.
2. High-cost claimant information for calendar years 2021, 2022, and 2023 YTD
3. Census information as of August 2023 for actives and retirees
4. Historical rebate information for calendar years 2021, 2022, and 2023 YTD
5. Plan design summaries and premium rates for plan years 2022, 2023, and 2024
  - a. Employee contributions and employer cost was also provided for plan years above.
6. Projected 2024 - 2026 administrative costs and rebate information

### **Aon received the following information for FCS:**

1. Majority of the 28 colleges provided 24 months of detailed claims experience by member and enrollment by tier. Assumptions for missing data are documented in the “Missing Data and Limitations” section.
2. High-cost claimant information for calendar year 2021, 2022, and 2023 YTD
3. Census information as of August 2023 for actives and retirees
4. Historical stop loss information for calendar year 2021, 2022, and 2023, if applicable
5. Historical rebate information for calendar year 2021, 2022, and 2023 YTD, if applicable
6. Plan design summaries and premium rates for plan year 2021, 2022, and 2023
7. 2023 and projected 2024 administrative costs, if applicable

### **Missing Data and Limitations:**

- FCS claims experience was not adjusted for discount differential between the current carriers and DSGI's current vendor partners.

We did not receive monthly enrollment data from the following colleges. We used the counts from their census to assume the same enrollment across historical months.

- Palm Beach State College
- Pasco-Hernando State College
- Santa Fe College
- Seminole State College of Florida
- Tallahassee Community College
- There is no gender field in the census provided by Hillsborough Community College. We assumed all Female given majority of the FCS population are Female.
- DSGI data has some participants' zip codes not in an HMO region, however their plan elections suggest they are in an HMO plan. We assumed these individuals would enroll in the national PPO plan and rolled their claims into the PPO projection.
- We did not receive retiree monthly enrollment from Florida Southwestern College and Polk State College, and we used active enrollment as the total counts.

We did not receive census from FCS institutions that includes Part-time population that is currently ineligible for medical benefits under FCS plans. Actual financial impact may vary significantly from the estimates given data limitations.

# Methodology

## DSGI Pre-Merger Projections:

For DSGI's 2025 baseline claims projection, we used 24 months of historical paid claims and enrollment information starting July 2021 through June 2023.

- The most recent 12 months through June 2023 were given 70% credibility while the prior period was given 30%
- Enrollment was lagged 1 month for medical and 0 months for pharmacy in order to convert the experience to an incurred basis.
- The claims were converted to a Per Employee Per Month (PEPM) basis and trended forward from the mid-point of the experience periods to the mid-point of the projection year. Aon utilized internal healthcare trends developed by Aon's Trend Team. Aon's trend guidance represents a consensus expectation by the Aon Health Solutions Analytics & Actuarial practice for medical and prescription drug (Rx) cost increases. Medical and Rx trends are developed through an examination of medical and Rx cost information from internal and external sources, including:
  - Governmental and academic resources.
  - Industry participants (including providers, carriers, and consultants).
  - Internal data (measurements of Aon's client trends).

### Allowed Trends

Year	Medical	Rx	Combined
2022 - 2023	6.5%	8.5%	7.0%
2023 - 2024	7.0%	9.0%	7.5%
2024 - 2025	7.5%	10.5%	8.0%

- Trends reflect 0.5% leveraging for Medical and 1% leveraging for Rx.
- Rebates were estimated as a % of total pharmacy claims and reflect 36%, based on the proposed pricing and terms from Optum through the ITN
- 2025 administrative costs provided by DSGI are reflected in the baseline projection.
  - Florida Blue PPO: \$17.60 PEPM
  - Aetna: \$22.34 PEPM
  - UHC: \$35.18 PEPM
- 2025 DSGI HSA annual funding of \$500/Single and \$1,000/Family for the HDHP plan is reflected in the projection.
- 2025 projected enrollment is based off August 2023 census information.
- 2025 Status Quo projections were completed separately for PPO and HMO, with HMO further split by the 9 new regions defined in the ITN.
  - To develop regional costs for HMO, we split the current HMO population based on the regional mapping developed through the ITN.



- Each region's underlying population's costs were adjusted based on its demographic, geographic, tier ratio, plan actuarial value as well as actual claim experience.
  - Different credibility was assigned to claims experience for different regions, depending on the size of each region. The larger the group size, the higher credibility was assigned to the claims experience. All regions have enrollment >500 and therefore, >87.5% of the credibility was assigned to the claims experience, which provides a stable and reasonable expectation of future costs.
  - Final projected costs on a PEPM basis were adjusted by the discount differential developed through the most recent Medical and Rx ITN in 2023.
  - Capital Health Plan costs in Region 2 reflect fully insured premiums proposed in the Medical and Rx ITN in 2023.

### FCS Projections on a DSGI Plan Basis:

For FCS' 2025 baseline claims projection, we used 24 months of historical paid claims and enrollment information starting July 2021 through June 2023.

- The most recent 12 months through June 2023 were given 70% credibility while the prior period was given 30%
- Enrollment was lagged 1 month for medical and 0 months for pharmacy in order to convert the experience to an incurred basis.
- The claims were converted to a Per Employee Per Month (PEPM) basis and trended forward from the mid-point of the experience periods to the mid-point of the projection year.

#### Allowed Trends

Year	Medical	Rx	Combined
2022 – 2023	6.5%	8.5%	7.0%
2023 – 2024	7.0%	9.0%	7.5%
2024 – 2025	7.5%	10.5%	8.0%

- Trends reflect 0.5% leveraging for Medical and 1% leveraging for Rx.
- Rebates reflect 36% of total pharmacy claims on a DSGI basis, adjusted based on the proposed pricing and terms from Optum through the DSGI ITN, assuming all colleges move to the Program plans.
- Plan designs were adjusted to be on a DSGI basis, assuming all colleges move to the Program plans.
- 2025 administrative costs are based on DSGI fixed expenses provided by DSGI:
  - Florida Blue PPO: \$17.60 PEPM
  - Aetna: \$22.34 PEPM
  - UHC: \$35.18 PEPM
- 2025 DSGI HSA annual funding of \$500/Single and \$1,000/Family for the HDHP plan is reflected in the projection, assuming colleges participants will receive the same funding moving to the Program plans.
- 2025 projected enrollment is based off August 2023 census information.
- 2025 projections were completed separately for PPO and HMO, based on the following migration assumptions:

- Current FCS plans were mapped to DSGI plans (Standard vs HDHP) based on actuarial value and premium differentials. Further, enrollment migration was assumed to follow the same enrollment split between HMO and PPO for Standard and HDHP plans on a regional basis as DSGI currently. The below table documents the migration assumptions to PPO and HMO by plan and by Region. Please note that the PPO by region column is only for illustrative purposes as DSGI's PPO plan is national.

Migration Assumptions by Plan and Region				
	HDHP		Standard	
	HMO	PPO	HMO	PPO
Region 1	22%	78%	24%	76%
Region 2	41%	59%	74%	26%
Region 3	21%	79%	43%	57%
Region 4	22%	78%	49%	51%
Region 5	30%	70%	52%	48%
Region 6	22%	78%	47%	53%
Region 7	16%	84%	32%	68%
Region 8	25%	75%	37%	63%
Region 9	32%	68%	62%	38%

- Each region's assumed underlying population's costs were adjusted based on its demographic, geographic, tier ratio, plan actuarial value as well as actual claim experience.
- Credibility was assigned based on the size of each regional population with majority of the weight being given to actual claims experience where the population was large enough.
- Tallahassee Community College currently offers Capital Health Plan (CHP) and Florida Blue Cross Blue Shield plans with the majority of enrollment in CHP plans, which we assumed will remain in CHP when migrating onto DSGI plans. We converted their costs onto DSGI basis by applying the fully-insured CHP premiums proposed in the DSGI ITN conducted.

## FCS Projections on a Current Plan Basis:

For FCS' 2025 baseline claims projection assuming benefits remain the same as current, we used 24 months of historical paid claims and enrollment information starting July 2021 through June 2023.

- The most recent 12 months through June 2023 were given 70% credibility while the prior period was given 30%
- Enrollment was lagged 1 month for medical and 0 months for pharmacy in order to convert the experience to an incurred basis.

The claims were converted to a Per Employee Per Month (PEPM) basis and trended forward from the mid-point of the experience periods to the mid-point of the projection year.

### *Allowed Trends*

Year	Medical	Rx	Combined
2022 - 2023	6.5%	8.5%	7.0%
2023 - 2024	7.0%	9.0%	7.5%
2024 - 2025	7.5%	10.5%	8.0%

- Trends reflect 0.5% leveraging for Medical and 1% leveraging for Rx.
- Rebates reflect 32% of total pharmacy claims for all FCSRMC colleges based on actual historical rebates.
  - Broward College - Rebates reflect 17% of total pharmacy claims based on actual historical rebates.
  - Hillsborough Community College - Rebates reflect 27.5% of total pharmacy claims based on actual historical rebates.
  - Miami Dade College is currently fully insured and rebate information is not available; high level assumption of 25% of total pharmacy claims was made.
  - Tallahassee Community College – rebate information was not available for either the fully-insured Capital Health plan or the self-insured FL Blue Cross Blue Shield plan, thus, a high-level assumption of 25% of total pharmacy claims was made.
  - Valencia College - Rebates reflect 39.1% of total pharmacy claims based on actual historical rebates.
- Projections were adjusted for stop-loss reimbursements.
- Plan designs were assumed to remain the same as current.
- 2025 administrative costs are based on actual administrative (ASO) fees for 2024 trended at 3% for 2025; stop-loss premiums are also based on actual premiums assumed to increase by 15% for 2025.
  - FCSRMC colleges – HSA seeding, Wellness funds, Health Equity, Consulting fees, Audit fees, FMBC fees, and Consortium Admin budget has been reflected in the fixed costs.
- No adjustments were made for tier ratio and plan design changes due to data limitations.



## Plan Design Comparison

Aon created side-by-side medical plan grids to compare the Program benefits against the current benefits for each FCS college. Since 23 of the 28 colleges are in a consortium, the chart below includes the consortium plan design along with the remaining five colleges not in the consortium. A breakout of each FCS college that participates in the consortium is included in the Appendix of this report.

In most cases, the Program benefits are more favorable to employees and offer greater coverage from a plan design perspective, meaning employees enrolled in the Program benefits will likely see less out-of-pocket spend.

In addition to plan design details, Aon determined the Actuarial Value (AV) of each FCS plan, as well as the Program plans. AV measures the relative generosity of benefits covered by a health insurance plan. A plan's AV indicates the average share of medical spending that is paid by the plan. As an example, an Actuarial Value of 90% means that 90% of the medical spending is paid by the plan, and 10% is paid by the member as an out-of-pocket expense. AV is a good measure to understand the overall value of plans when comparing different plan designs.

For plans with employer provided funding in the HSA account, the funding is not included as part of the AVs.

Plan Name	Florida College System Risk Management Consortium (FCSRMC) - FL Blue									DSGI Plans			
	HMO Gold 47	HDHP Gold 03160/1	PPO Gold 03359	HDHP Silver 05194/5	PPO Silver 05774	PPO Bronze 05909	PPO Bronze 05905	Health Care TS3	Health Care TS4	HMO Standard	HMO HDHP	PPO Standard	PPO HDHP
<b>Deductible</b>													
Individual Deductible	\$600	\$2,000	\$1,200	\$2,800	\$4,000	\$6,000	\$7,000	\$750	\$3,000	\$0	\$1,600	\$250	\$1,600
Family Deductible	\$1,200	\$4,000	\$2,400	\$5,600	\$8,000	\$12,000	\$14,000	\$1,500	\$9,000	\$0	\$3,200	\$500	\$3,200
Deductible/OOPM Type <sup>1</sup>	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded
<b>Out-of-Pocket Maximums</b>													
Individual Out-of-Pocket Maximum	\$5,000	\$5,400	\$6,000	\$7,050	\$7,000	\$8,700	\$7,350	\$5,000	\$6,350	\$9,450	\$3,000	\$9,450	\$4,600
Family Out-of-Pocket Maximum	\$10,000	\$7,050	\$12,000	\$14,100	\$14,000	\$17,400	\$14,700	\$10,000	\$12,700	\$18,900	\$6,000	\$18,900	\$9,200
<b>Coinsurance / Copay</b>													
Member Coinsurance	20%	20%	20%	30%	30%	40%	30%	20%	20%	0%	20%	20%	20%
PCP Office Visit	\$45	Ded + Co-Ins	\$50	Ded + Co-Ins	\$70	\$60	\$50	\$30	\$40	\$20	Ded + Co-Ins	\$15	Ded + Co-Ins
Specialist Office Visit	\$65	Ded + Co-Ins	\$70	Ded + Co-Ins	\$100	\$0	\$75	\$50	\$65	\$40	Ded + Co-Ins	\$25	Ded + Co-Ins
Emergency Room	\$250	Ded + Co-Ins	\$250	Ded + Co-Ins	\$450	Ded + 40% Co-Ins	Ded + 30% Co-Ins	\$250	\$400	\$100	Ded + Co-Ins	\$100	Ded + Co-Ins
Urgent Care	\$65	Ded + Co-Ins	\$70	Ded + Co-Ins	\$100	Ded + 40% Co-Ins	Ded + 30% Co-Ins	\$65	\$100	\$25	Ded + Co-Ins	\$25	Ded + Co-Ins
Inpatient Hospital	\$300	Ded + Co-Ins	\$300	Ded + Co-Ins	\$0	\$0	\$0	\$300	\$0	\$250	Ded + Co-Ins	\$250 Ded, 20% co-ins	Ded + Co-Ins
Outpatient Surgery	\$0	Ded + Co-Ins	\$0	Ded + Co-Ins	\$200	\$0	\$0	\$0	\$0	\$0	Ded + Co-Ins	Ded + Co-Ins	Ded + Co-Ins
<b>Pharmacy</b>													
Retail Generic	\$15	\$0	\$15	\$0	\$15	\$15	\$10	\$3	\$3	\$7	30%	\$7	30%
Retail Brand Formulary	\$45	\$0	\$60	\$0	\$70	\$0	\$60	\$30	\$30	\$30	30%	\$30	30%
Retail Non-Formulary	\$65	\$0	\$100	\$0	\$110	\$0	\$100	\$55	\$55	\$50	50%	\$50	50%
<b>Employer Funding / Seed</b>													
Employer Fund Type	None	None	None	None	None	None	None	None	None	None	HSA	None	HSA
Individual Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$0	\$500
Family Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$1,000
<b>Actuarial Value<sup>2</sup></b>													
2024 AV %	87.8%	84.6%	84.8%	78.7%	79.2%	74.0%	77.4%	88.4%	82.3%	97.0%	86.1%	90.1%	83.2%
Currently Enrolled	2224	880	7649	244	734	28	0	3	0	84,109	1,418	76,671	4,161

<sup>1</sup> An embedded plan means that after each eligible family member meets his or her individual deductible and individual out of pocket maximum, covered expenses for that family member will be paid based on the coinsurance level specified by the plan. Or, after the family deductible has been met, covered expenses for each eligible family member will be paid based on the coinsurance level specified by the plan. A non-embedded plan means that all eligible family members contribute towards the family plan deductible and out of pocket maximum. The family deductible and family out of pocket maximum must be met before the plan will pay each eligible family member's covered expenses based on the coinsurance level specified by the plan.

<sup>2</sup> Actuarial value (AV) measures the relative generosity of benefits covered by a health insurance plan. A plan's AV indicates the average share of medical spending that is paid by the plan. As an example, an Actuarial Value of 90% means that 90% of the medical spending is paid by the plan, and 10% is paid by the member as an out-of-pocket expense.

Broward College			DSGI Plans			
Plan Name	Cigna OAP	Cigna OAP IN w/HRA	HMO Standard	HMO HDHP	PPO Standard	PPO HDHP
<b>Deductible</b>						
Individual Deductible	\$750	\$1,600	\$0	\$1,600	\$250	\$1,600
Family Deductible	\$1,500	\$4,500	\$0	\$3,200	\$500	\$3,200
Deductible/OOPM Type <sup>1</sup>	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded
<b>Out-of-Pocket Maximums</b>						
Individual Out-of-Pocket Maximum	\$3,750	\$3,000	\$9,450	\$3,000	\$9,450	\$4,600
Family Out-of-Pocket Maximum	\$7,500	\$6,000	\$18,900	\$6,000	\$18,900	\$9,200
<b>Coinsurance / Copay</b>						
Member Coinsurance	25%	25%	0%	20%	20%	20%
PCP Office Visit	\$30	\$30	\$20	Ded + Co-Ins	\$15	Ded + Co-Ins
Specialist Office Visit	\$60	\$60	\$40	Ded + Co-Ins	\$25	Ded + Co-Ins
Emergency Room	\$250	25% after ded	\$100	Ded + Co-Ins	\$100	Ded + Co-Ins
Urgent Care	\$100	25% after ded	\$25	Ded + Co-Ins	\$25	Ded + Co-Ins
Inpatient Hospital	20% Co-Ins after ded	25% after ded	\$250	Ded + Co-Ins	\$250 Ded, 20% Co-Ins	Ded + Co-Ins
Outpatient Surgery	20% Co-Ins after ded	25% after ded	\$0	Ded + Co-Ins	Ded + Co-Ins	Ded + Co-Ins
<b>Pharmacy</b>						
Retail Generic	\$20	\$20	\$7	30%	\$7	30%
Retail Brand Formulary	\$50	\$50	\$30	30%	\$30	30%
Retail Non-Formulary	\$75	\$75	\$50	50%	\$50	50%
<b>Employer Funding / Seed</b>						
Employer Fund Type	None	HRA	None	HSA	None	HSA
Individual Funding	\$0	\$750	\$0	\$500	\$0	\$500
Family Funding	\$0	\$1,500	\$0	\$1,000	\$0	\$1,000
<b>Actuarial Value<sup>2</sup></b>						
2024 AV %	87.6%	91.7%	97.0%	86.1%	90.1%	83.2%
Currently Enrolled	130	1,197	84,109	1,418	76,671	4,161

Hillsborough Community College				DSGI Plans			
Plan Name	Humana Buy-up	Humana HDHP	Humana NPOS	HMO Standard	HMO HDHP	PPO Standard	PPO HDHP
<b>Deductible</b>							
Individual Deductible	\$1,000	\$3,000	\$2,000	\$0	\$1,600	\$250	\$1,600
Family Deductible	\$2,000	\$6,000	\$4,000	\$0	\$3,200	\$500	\$3,200
Deductible/OOPM Type <sup>1</sup>	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded
<b>Out-of-Pocket Maximums</b>							
Individual Out-of-Pocket Maximum	\$3,000	\$3,000	\$6,000	\$9,450	\$3,000	\$9,450	\$4,600
Family Out-of-Pocket Maximum	\$6,000	\$6,000	\$12,000	\$18,900	\$6,000	\$18,900	\$9,200
<b>Coinsurance / Copay</b>							
Member Coinsurance	20%	0%	20%	0%	20%	20%	20%
PCP Office Visit	\$30	Deductible applies	\$25	\$20	Ded + Co-Ins	\$15	Ded + Co-Ins
Specialist Office Visit	\$45	Deductible applies	\$50	\$40	Ded + Co-Ins	\$25	Ded + Co-Ins
Emergency Room	\$250	Deductible applies	\$500	\$100	Ded + Co-Ins	\$100	Ded + Co-Ins
Urgent Care	\$35	Deductible applies	\$50	\$25	Ded + Co-Ins	\$25	Ded + Co-Ins
Inpatient Hospital	Ded + 20%	Deductible applies	Ded + 20%	\$250	Ded + Co-Ins	\$250 Ded, 20% Co-Ins	Ded + Co-Ins
Outpatient Surgery	Ded + 20%	Deductible applies	Ded + 20%	\$0	Ded + Co-Ins	Ded + Co-Ins	Ded + Co-Ins
<b>Pharmacy</b>							
Retail Generic	\$15	Ded then Covered 100%	\$15	\$7	30%	\$7	30%
Retail Brand Formulary	\$30	Ded then covered 100 %	\$30	\$30	30%	\$30	30%
Retail Non-Formulary	\$50	Ded then covered 100 %	\$50	\$50	50%	\$50	50%
<b>Employer Funding / Seed</b>							
Employer Fund Type	None	None	None	None	HSA	None	HSA
Individual Funding	\$0	\$0	\$0	\$0	\$500	\$0	\$500
Family Funding	\$0	\$0	\$0	\$0	\$1,000	\$0	\$1,000
<b>Actuarial Value<sup>2</sup></b>							
2024 AV %	89.3%	85.7%	83.8%	97.0%	86.1%	90.1%	83.2%
Currently Enrolled	135	355	460	84,109	1,418	76,671	4,161

\*Plans are 7/1 effective date



	Miami Dade College		DSGI Plans			
Plan Name	Aetna CDHP w/HRA	Aetna POS	HMO Standard	HMO HDHP	PPO Standard	PPO HDHP
<b>Deductible</b>						
Individual Deductible	\$2,500	\$1,000	\$0	\$1,600	\$250	\$1,600
Family Deductible	\$5,000	\$2,000	\$0	\$3,200	\$500	\$3,200
Deductible/OOPM Type <sup>1</sup>	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded
<b>Out-of-Pocket Maximums</b>						
Individual Out-of-Pocket Maximum	\$4,000	\$3,000	\$9,450	\$3,000	\$9,450	\$4,600
Family Out-of-Pocket Maximum	\$8,000	\$5,000	\$18,900	\$6,000	\$18,900	\$9,200
<b>Coinsurance / Copay</b>						
Member Coinsurance	0%	30%	0%	20%	20%	20%
PCP Office Visit	\$30	\$30	\$20	Ded + Co-Ins	\$15	Ded + Co-Ins
Specialist Office Visit	\$60	\$50	\$40	Ded + Co-Ins	\$25	Ded + Co-Ins
Emergency Room	\$350	\$350	\$100	Ded + Co-Ins	\$100	Ded + Co-Ins
Urgent Care	\$75	\$75	\$25	Ded + Co-Ins	\$25	Ded + Co-Ins
Inpatient Hospital	\$300	30% Co-Ins	\$250	Ded + Co-Ins	\$250 Ded, 20% Co-Ins	Ded + Co-Ins
Outpatient Surgery	\$0	30% Co-Ins	\$0	Ded + Co-Ins	Ded + Co-Ins	Ded + Co-Ins
<b>Pharmacy</b>						
Retail Generic	\$20	\$20	\$7	30%	\$7	30%
Retail Brand Formulary	\$70	\$60	\$30	30%	\$30	30%
Retail Non-Formulary	\$85	\$85	\$50	50%	\$50	50%
<b>Employer Funding / Seed</b>						
Employer Fund Type	HRA	None	None	HSA	None	HSA
Individual Funding	\$750	\$0	\$0	\$500	\$0	\$500
Family Funding	\$1,500	\$0	\$0	\$1,000	\$0	\$1,000
<b>Actuarial Value<sup>2</sup></b>						
2024 AV %	90.1%	89.0%	97.0%	86.1%	90.1%	83.2%
Currently Enrolled	2,452	64	84,109	1,418	76,671	4,161

	Tallahassee Community College			DSGI Plans			
Plan Name	CHP HMO	Blue PPO Gold 03359	Blue PPO Bronze 05905	HMO Standard	HMO HDHP	PPO Standard	PPO HDHP
<b>Deductible</b>							
Individual Deductible	\$0	\$1,200	\$7,000	\$0	\$1,600	\$250	\$1,600
Family Deductible	\$0	\$2,400	\$14,000	\$0	\$3,200	\$500	\$3,200
Deductible/OOPM Type <sup>1</sup>	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded
<b>Out-of-Pocket Maximums</b>							
Individual Out-of-Pocket Maximum	\$2,000	\$6,000	\$7,350	\$9,450	\$3,000	\$9,450	\$4,600
Family Out-of-Pocket Maximum	\$4,500	\$12,000	\$14,700	\$18,900	\$6,000	\$18,900	\$9,200
<b>Coinsurance / Copay</b>							
Member Coinsurance	0%	20%	30%	0%	20%	20%	20%
PCP Office Visit	\$15	\$50	\$50	\$20	Ded + Co-Ins	\$15	Ded + Co-Ins
Specialist Office Visit	\$40	\$70	\$75	\$40	Ded + Co-Ins	\$25	Ded + Co-Ins
Emergency Room	\$300	\$250	\$0	\$100	Ded + Co-Ins	\$100	Ded + Co-Ins
Urgent Care	\$25	\$70	\$0	\$25	Ded + Co-Ins	\$25	Ded + Co-Ins
Inpatient Hospital	\$250	\$300	\$0	\$250	Ded + Co-Ins	\$250 Ded, 20% Co-Ins	Ded + Co-Ins
Outpatient Surgery	\$0	\$0	\$0	\$0	Ded + Co-Ins	Ded + Co-Ins	Ded + Co-Ins
<b>Pharmacy</b>							
Retail Generic	N B \$15	\$15	\$10	\$7	30%	\$7	30%
Retail Brand Formulary	N B \$30	\$60	\$60	\$30	30%	\$30	30%
Retail Non-Formulary	N B \$50	\$100	\$100	\$50	50%	\$50	50%
<b>Employer Funding / Seed</b>							
Employer Fund Type	None	None	None	None	HSA	None	HSA
Individual Funding	\$0	\$0	\$0	\$0	\$500	\$0	\$500
Family Funding	\$0	\$0	\$0	\$0	\$1,000	\$0	\$1,000
<b>Actuarial Value<sup>2</sup></b>							
2024 AV %	96.2%	84.8%	77.4%	97.0%	86.1%	90.1%	83.2%
Currently Enrolled	646	67	32	84,109	1,418	76,671	4,161





	Valencia College		DSGI Plans			
Plan Name	UHC Choice Plus	UHC Choice Plus Premium	HMO Standard	HMO HDHP	PPO Standard	PPO HDHP
<b>Deductible</b>						
Individual Deductible	\$2,000	\$1,000	\$0	\$1,600	\$250	\$1,600
Family Deductible	\$6,000	\$3,000	\$0	\$3,200	\$500	\$3,200
Deductible/OOPM Type¹	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded
<b>Out-of-Pocket Maximums</b>						
Individual Out-of-Pocket Maximum	\$7,000	\$5,975	\$9,450	\$3,000	\$9,450	\$4,600
Family Out-of-Pocket Maximum	\$14,000	\$11,950	\$18,900	\$6,000	\$18,900	\$9,200
<b>Coinsurance / Copay</b>						
Member Coinsurance	25%	20%	0%	20%	20%	20%
PCP Office Visit	\$30	\$30	\$20	Ded + Co-Ins	\$15	Ded + Co-Ins
Specialist Office Visit	\$85	\$85	\$40	Ded + Co-Ins	\$25	Ded + Co-Ins
Emergency Room	\$500	\$500	\$100	Ded + Co-Ins	\$100	Ded + Co-Ins
Urgent Care	\$75	\$75	\$25	Ded + Co-Ins	\$25	Ded + Co-Ins
Inpatient Hospital	Ded + 25% Co-Ins	Ded + 20% Co-Ins	\$250	Ded + Co-Ins	\$250 Ded, 20% Co-Ins	Ded + Co-Ins
Outpatient Surgery	Ded + 25% Co-Ins	Ded + 20% Co-Ins	\$0	Ded + Co-Ins	Ded + Co-Ins	Ded + Co-Ins
<b>Pharmacy</b>						
Retail Generic	\$10	\$10	\$7	30%	\$7	30%
Retail Brand Formulary	\$55	\$50	\$30	30%	\$30	30%
Retail Non-Formulary	\$100	\$75	\$50	50%	\$50	50%
<b>Employer Funding / Seed</b>						
Employer Fund Type	None	None	None	HSA	None	HSA
Individual Funding	\$0	\$0	\$0	\$500	\$0	\$500
Family Funding	\$0	\$0	\$0	\$1,000	\$0	\$1,000
<b>Actuarial Value²</b>						
2024 AV %	81.6%	85.1%	97.0%	86.1%	90.1%	83.2%
Currently Enrolled	202	1,578	84,109	1,418	76,671	4,161

*\*UHC Plans were revised by Valencia College in 2024, hence enrollment numbers are an estimate of how individuals would've migrated based on assumptions since 2024 data is not available.*

## Other Post-Employment Benefits Liability

Calculation of the OPEB liability associated with including all FCS institutions' employees in the Program.

Aon used summarized census data from the 28 colleges' fiscal year 2023 valuation reports, estimated migration patterns, and streamlined valuation methodology to estimate the liability for these participants on the FCS benefits. Our estimates represent an "order of magnitude" indication of the impact of these changes.

### Findings

The following table shows the July 1, 2022 DSGI OPEB liability, used for the June 30, 2023 fiscal year-end, as well as the estimated FCS liability under the DSGI plan.

	As of July 1, 2022			
	DSGI Pre-Merger	FCS DSGI Plan Basis	DSGI + FCS Post-Merger	Impact to Program
Active Headcount	150,038	19,899	169,937	19,899
Inactive Headcount	43,959	1,357	45,316	1,357
<b>GASB 75 Liability (\$M)</b>	<b>\$ 7,851</b>	<b>\$ 890</b>	<b>\$ 8,741</b>	<b>\$ 890</b>

The pre-merger liability shown above for DSGI represents the actual liability as shown in the actuarial valuation report. Summary census information for the colleges in their respective 2023 actuarial valuation reports was utilized for the FCS headcounts. Actual FCS employee and retiree census data was not used in this analysis.

There are many significant assumptions built into the GASB 75 Liability figures shown. A difference in any one, or multiple, of these assumptions may have a significant impact on the numbers shown and conclusions that may be developed based on these numbers. The significant assumptions include:

- The discount rate
- Annual claims costs, which are significantly different between the colleges and DSGI
- Healthcare trend rates
- Retiree contributions
- Participation of future retirees
- Plan election, including participation in fully insured Medicare or Medicare Advantage plans, which are fully paid for by retirees
- The existing participants at the colleges are the only potential participants in the merged plan

Under the current benefits at the FCS colleges, Medicare retirees often pay the full cost of coverage and have very low participation in the college plans. Under the Program benefits, the Medicare retirees have subsidized coverage. This results in significantly larger liability for those retirees enrolled, and an assumed increase in future retirees enrolling under the Program plan. In the table below, the GASB 75 liability for each FCS college under its current plans is shown. The liability is several times larger under the Program plan due to a combination of factors, including subsidized Medicare coverage. This liability means the expected cash payouts would increase dramatically over time under the Program plan.

Note that the analysis assumes that only retirees currently enrolled in medical coverage at the FCS colleges would transition over to the Program plan, and none will enroll in Medicare Advantage plans. If enrollment were open to other FCS retirees who aren't currently enrolled in medical coverage, the additional costs could be significant. The Program could consider limiting the enrollment to only those retirees currently enrolled in order to limit the potential cost.

Additionally, enrollment of current and future FCS retirees into Medicare Advantage plans will lower the future costs and liability, as those costs are fully paid for by the retirees. None have been assumed to enroll in Medicare Advantage in this analysis.

## Methodology and Assumptions

The liability calculations are based on streamlined plan provisions and assumptions as described in the State of Florida Division of State Group Insurance (DSGI) Other Postemployment Benefits Program GASB 75 Disclosure Information actuarial report for the fiscal year ending June 30, 2023.

We developed the health care claims cost assumptions to estimate the expected experience for the FCS colleges based on the claims information provided and described in the Estimated Future Fiscal Impact section, utilizing the retiree claims experience only. The expected claims were based on two years of actual retiree claim history of the FCS colleges, 50% weighting was given to each year of experience. The average claim costs were then trended to the valuation date and age adjusted. We also adjusted the assumed enrollment pattern between HMOs and PPOs using the migration assumptions in the previous section, which result in an overall assumption of 40% of participants in the HMO and 60% in the PPO. We assumed 40% male and 60% female employee/retiree participants based on the most recent census data for the colleges.

The only fully insured plan is in the Tallahassee area. Based on information provided by Foster & Foster, 41% of HMO enrollees in Region 2 colleges, Tallahassee Community College and North Florida College, are assumed to participate in fully insured HMO. No participation in fully insured plans or Medicare Advantage plans is assumed in any other region.

The active per-employee costs are estimated to be lower for the FCS colleges than DSGI, as shown in the Estimated Future Fiscal Impact section. Much of this difference is due to the difference in dependent coverage. The retiree-only experience was utilized for this OPEB calculation, so the dependent coverage difference does not impact the OPEB calculation. However, after adjusting the FCS retiree costs to be on the same plan basis as the DSGI claims, the resulting costs are still lower than the DSGI costs. DSGI also contains participants that are in a much broader range of job functions than the FCS group, which could account for some of the discrepancy.

Select retiree claims utilized for this analysis, as described above, are shown in the table below. These represent claims for the year beginning July 1, 2022.

FCS - DSGI Plan Basis			
Age	Annual Claims		Annual Claims
	HMO		PPO
50	\$	11,550	\$ 10,698
55		14,228	13,179
60		17,636	16,335
64		20,561	19,044
65		8,297	7,685
70		9,735	9,017
75		10,832	10,033
80		11,596	10,740
85		12,402	11,487

Retiree contributions for the FCS colleges are assumed to match the contributions for DSGI as described in that report and increase at the retiree premium trend rates noted in that report.

All other assumptions match assumptions as documented in the DSGI OPEB report, including the following key assumptions:

- Discount rate of 4.09%
- Health care trend rates ranging from 10.31% down to 4.04%
- Retiree premium trend rates ranging from 8.9% down to 4.0%
- Termination, retirement, and disability rates – We utilized the termination and retirement rates for Regular Class participants not eligible for the DROP and non-duty, non-Special Risk disability rates.

Given the long-term nature of retiree medical benefits, many assumptions can have a very significant impact on the actual long-term cost of benefits. The following table shows the impact of a +/- 1% change in the discount rate. Discount rates may change by more than 1% from one year to the next. Other key assumptions that could significantly impact the liability include the health care claims costs and trend rates, participation in Medicare Advantage or other fully insured programs that are fully retiree-paid, retiree contribution amounts, participation rates of future retirees and spouses in the program, and retirement ages.

	As of July 1, 2022		
	1% Discount Rate Sensitivity		
	3.09%	4.09%	5.09%
(\$ Millions)			
<b>Consortium Colleges</b>	\$ 679	\$ 558	\$ 460
College of Central Florida	25	21	18
Chipola College	14	12	10
Daytona State College	46	38	31
Eastern Florida State College	37	31	25
Florida Gateway College	11	9	7
College of the Florida Keys	4	3	3
Florida State College of Jacksonville	65	53	43
Florida Southwestern State College	30	24	20
Gulf Coast State College	23	19	16
Indian River State Collge	51	42	35
Lake-Sumter State College	11	9	7
North Florida College	4	3	3
Northwest Florida State College	12	10	8
Palm Beach State College	59	49	40
Pasco-Hernando State College	28	23	19
Pensacola State College	32	26	22
Polk State College	23	19	15
Santa Fe College	44	36	29
State College of Florida, Manatee Sarasota	26	21	18
Seminole State College of Florida	41	34	28
South Florida State College	17	14	12
St. Johns River State College	18	15	12
St. Petersburg College	58	47	39
<b>Broward College</b>	64	52	42
<b>Hillsborough Community College</b>	54	43	35
<b>Miami Dade College</b>	168	135	110
<b>Tallahassee Community College</b>	45	37	32
<b>Valencia College</b>	82	65	52
<b>Total Colleges</b>	\$ 1,092	\$ 890	\$ 731

## Further Description of Modeling Techniques

This analysis is intended to assist the legislature of the State of Florida with its review of various pieces of legislation, and its use may not be appropriate for other purposes. The main purpose of these results is to illustrate the expected “order-of-magnitude” changes in liabilities under the plan design alternatives outlined.

These calculations were prepared using streamlined calculation techniques. As such, they only provide an approximate indication of the impact of the changes contemplated in this analysis. The results of more refined calculations may yield a result and conclusions different than those that are suggested by this streamlined methodology.

A valuation model was used to develop the projected liabilities. The valuation model relies on ProVal software, which was developed by Winklevoss Technologies, LLC. Experts within Aon selected this software and determined it is appropriate for performing valuations. We coded and reviewed the software for the provisions, assumptions, methods, and data of the FCS colleges and DSGI. We relied on the DSGI plan actuarial report for all assumptions and plan provisions and the colleges’ plan actuarial reports for demographic information. Aon does not make any judgment as to the appropriateness or reasonability of the assumptions as that was beyond the scope of the request.

# Operational/Administrative Impact

- a. Costs to People First to increase enrollment with the addition of the FCS;
- b. Implementation, onboarding, and ongoing costs assumed by DSGI and People First
- c. Workforce, system updates, educational platform, and vendor support

Below is an exhibit that summarizes the projected one-time expenses and any additional recurring financial impact for the inclusion of the 28 FCS institutions on to the State of Florida's People First System. The People First System is a self-service, secure, interactive, web-based Human Resource Information System (HRIS) comprised of multiple modules that support various human resource and benefits administration functions. The current system is highly customized and exchanges hundreds of interfaces data files monthly between the People First System and external systems utilized by the state, such as, internal departments, carriers and aligned vendors to support the administration needs of the state and its employees.

Expected financial expenses in the first year of the project are estimated at \$4,492,735. This is inclusive of all recurring expenses and the estimated costs provided by NGA/SAP for the licenses and additional call center support to manage the additional headcount of 19,500 eligible lives onto the People First System, estimated at \$1,250,000 annually. Anticipated hours needed by NGA is 378 hours per college is driving approximately 40% of the spend if current logic for state university employees is followed. If additional system logic is required such as new position classifications, benefit eligibility, rates, etc. will be included, then additional cost will be required. Workforce costs for the DSGI & People First team to support the additional 28 FCS Institutions at 5% of the overall costs. We anticipate approximately 12 hours of training for each FCS Institution on the People First platform.

PeopleFirst FCS Impact						
Projected FCS Additional Benefit Enrollees:		19,500				
Estimate of Annual and 1x Fees for PeopleFirst FSC Project	Fee/Count	Headcount	Hours	Cost	Recurring or 1x Fee	NOTES
<b>Implementation of 28 Colleges</b>						
NGA / IT Development Hourly Rate (378 hours per college)	\$170.00		10,598	\$1,800,000	1x Fee	Pricing subject to change based on final scope of project
3rd Party Vendor (Supplemental Support)				\$550,000	1x Fee	Projects: data aggregation and supplemental implementation support
End User Implementation Fee	\$5.00	19500	-	\$97,500	1x Fee	
Learning Development Hourly Rate (12 hours per college)	\$85.00		336	\$28,560	1x Fee	
<b>DSGI &amp; People First Talent Impact - Recurring</b>						
		Salary		Cost		
People First - Project Manager FTE	1	\$105,000.00		\$105,000	recurring	(excludes OT, Benefits, Incentives)
DSGI - Benefits Specialist	2	\$50,000.00		\$100,000	recurring	
Site Visit Travel (1 week) \$1,800 per visit	6			\$10,800	site visit annually	\$1,800 per visit (5 benefit fairs)
<b>Administration Services for PeopleFirst</b>						
				Cost		
NGA / SAP Licenses Fee w/Call Center Additional Eligible Lives				\$1,250,000	recurring	
<b>Service Fee Schedule - Administration of Consumer Accounts</b>						
	Fee	Headcount	Hours	Cost	Recurring or 1x Fee	
Spending Accounts (FSA & Limited Purpose FSA)	\$3.50	4875	-	\$204,750	recurring	25% of population enrolls
Health Savings Account Administration	\$2.75	4875		\$160,875	recurring	25% of population enrolls
<b>Annual Enrollment Communications</b>						
	Fee	Headcount		Cost	Recurring or 1x Fee	
Creation of post card to newly eligible population	\$3.00		19,500	\$58,500	recurring	
Fulfillment & Postage	\$1.25		19,500	\$24,375	recurring	
Compliance/Employee Notices (Printing, Fulfillment & Postage)	\$5.25		19,500	\$102,375	recurring	
<b>Total Impact - migration of 28 college's to PeopleFirst</b>				<b>\$4,492,735</b>		



Illustrated on the chart above, we've considered the services supported by NGA as part of this project along with Benefit Communications pieces that will be needed to support the education of the additional 19,500. We anticipate that the FCS institutions will continue to educate and promote annual enrollment through general communications. In an effort to "go green" we would encourage the use of a postcard to promote a QR code for eligible employees to enroll.

The potential impact from DMS/People First's existing projects along with legislature timing on the approval of this project will create a compressed window to activate by Fall 2024. Aon recommends retaining a 3rd party vendor to support the data collection from the disparate 28 FCS institutions to support a clean census/eligibility file entering the NGA/People First system. Pricing for this vendor is included as part of the financial impact.

College Data (22 of 28 completed survey)	Eligible Headcount	Payroll Vendor	HCM/HRIS	COBRA Administration	ACA Administration	BenAdministration/Enrollment
Broward	1,383	missing	missing	missing	missing	missing
Chipola College	163	Internal	Jenzabar	Internal	internal	FBMC
College of Central Florida	397	Jenzabar	Jenzabar	Payflex	FBMC	FBMC
The College of the Florida Keys	100	Banner	Banner	CFK	FBMC	FBMC
Daytona State College (PPO)	821	Peoplesoft	PeopleSoft	Payflex	FBMC	PayFlex
Eastern Florida State College	658	missing	missing	missing	missing	missing
Florida Gateway College	190	Internal	Banner	Payflex	Internal	FBMC
Florida Southwestern State College	644	Internal	Banner/Ellucian	Payflex	FBMC	FBMC
Florida State College at Jax	1,159	missing	missing	missing	missing	missing
Gulf Coast State College	304	missing	missing	missing	missing	missing
Hillsborough	1,050	Workday (1/1/2024)	Workday	TBD/In process	TBD/In process	TBD/In process - RFP
Indian River State College	761	ADP	Workday	Payflex	FBMC	FBMC
Lake-Sumter State College	223	Banner/Ellucian	Banner/Ellucian	Payflex	FBMC	FBMC
Miami Dade	2,660	Peoplesoft	PeopleSoft	Ameriflex	Internally/Peoplesoft	PeopleSoft
North Florida College	103	Internal	Banner/Ellucian	Payflex	FBMC	FBMC
Northwest Florida State College	311	Internal	Banner/Ellucian	Payflex	FBMC	FBMC
Palm Beach State College	998	missing	missing	missing	missing	missing
Pasco-Hernando State College	558	Anthology	Anthology & FBMC	FBMC	Anthology	Anthology
Pensacola State College	490	missing	missing	missing	missing	missing
Polk State College	533	Internal	College Specific?	PayFlex	FBMC	FBMC
Santa Fe College	764	Internal	Internal ERP	PayFlex	FBMC	FBMC
Seminole State College	691	Inhouse/Peoplesoft	PeopleSoft	Internal	Internal	SCC for non-Cortium Vendors / FBMC manages other
South Florida State College	298	Internal	Banner/Ellucian	Payflex	FBMC	FBMC
St. Johns River State College	350	Banner/Ellucian	Banner/Ellucian	PayFlex	FBMC	FBMC
St. Pete State College*	1,412	Internal	PeopleSoft	PayFlex	FBMC	FBMC
State College of Florida Manatee-Sarasota	487	Internal	Banner/Ellucian	Payflex	FBMC	FBMC
Tallahassee	729 (PT 804)	Workday	Workday	Internal	Internal/Workday	Internal/Workday
Valencia	1,958	Internal	Banner	Chard Snyder	Equifax	Benefitfocus
<b>Total Estimated Headcount</b>	<b>19,466</b>					

The chart above provides a summary of the current HR Tech and vendors supporting payroll, HRIS, COBRA, Affordable Care Act (ACA) and Benefits Administration (if applicable) You'll see the majority of the 28 FCS Institutions use FBMC for enrollment services, COBRA and ACA. A portion of the FCS institutions perform functions from payroll to COBRA and ACA in house.

Aon has created a full summary of the data collected from the colleges that responded (22) out of the 28 completed the survey/questionnaire. Due to the size of this exhibit, we have provided this document as a supplemental attachment to this report (Attachment A).

## Data & Analysis based on information provided:

For the purposes of the analysis, Aon received the following information:

- Aon Questionnaire: 22 of the 28-colleges completed Aon's Benefits Administration questionnaire.
- Summary Impact report from People First team
- NGA File Layout report
- NGA Call Center metrics from 2022 thru 2023
- State of Florida NGA Contract & Amendments

**Assumptions:**

- All 28 colleges will be offered only the Program plans, transitioning Medical, Dental, and Vision out of their current carriers to the Program offering.
- State of Florida benefit programs will provide a similar or better program (plan design and contributions) for the majority of 28 FCS Institutions
- Additional benefits that the 28 colleges (might offer) will be maintained and will require the 28 colleges to manage their current enrollment practices for non-Program offerings. No cost analysis is provided for that impact.
- Colleges will maintain their disparate HRIS/HCM's and/or Payroll systems in place today. DSGI will need to send (1) payroll deduction files to each college.
- Workforce/Talent: Full Time Employees (FTEs) additional Staff: 1 program manager and 4 technology support individuals to support the data migration, file management, training, and recurring management of additional 28 colleges into the system. Pay/Salary range assumptions based on Program public website plus 5% salary adjustment escalator for 2024.
  - Approximately 4 interface files per college entity (3 incoming files & 1 outbound file per college) total is 112 new interface files (disparate payroll systems)
- NGA Call Center supports year-round employee questions within the current arrangement.
- Open Enrollment call volumes in Q4 are significantly higher over non- OE months.
- NGA's contractual hourly rate is \$170 for IT support.
- Learning/development hours per college will be 12 hours (learning/training on PF platform will occur throughout the implementation process)
- NGA provides 1,750 hours per quarter to the DMS (per the contract). These hours have already been allocated to other projects in 2024.
- Spending Account Administration fees are illustrated. Assumed enrollment in the FSA/Limited FSA is 25% of the FCS eligible population. Health Savings Account enrollment assumed 25% of the FCS eligible population. These are typical enrollment averages.

## Headwinds impacting feasibility of Fall 2024 People First System Rollout (effective 1/1/2025):

- Legislature timing for approval; Jan-March 2024 Session for an effective date of July 1, 2024,
  - Project would have 3 to 4 months to implement all colleges, based on Annual Enrollment timing beginning October/November 2024
- Talent / Onboarding timing; hiring additional staff to support project.
  - New Hire onboarding will need 2 months for talent acquisitions.
  - New Hires will need 2 months of training on system to be able to support the project upon kickoff.
- Timing/Rollout to Colleges: Timing on decision making for each individual college to join the State of Florida Insurance programs.
  - The majority of the 28 FCS Institutions will find the State of Florida benefit program to be similar or better than their current benefit program.
    - Consideration of the increased financial impact to the colleges due to higher employer contributions will need to be addressed to gain acceptance of the project.
- Workload demands for 28 simultaneous implementations onto NGA/People First
  - Data Collection from 28 Colleges and disparate technology platforms that may not capture all elements of NGA Interface File Specs
    - Consider hiring an 3<sup>rd</sup> party data aggregator to support collection of disparate data to help support People First team with 28 implementations.
- DMS/People First Projects under way: Internal People First Projects impacting timeline:
  - Next Generation People First project due to current contract expiration in 2026 and current People First platform end of life in 2027
  - Florida PALM Remediation and Integration project currently underway with expected go-live date of Jan. 2026
  - Other project initiative including Classification and Compensation system modernization

## Additional Considerations

### Implementation Timeline

The initial work on this project will require attention to the following items, prior to the actual implementation work within the People First system.

- DSGI team connecting with each of the FSC institutions to gain acceptance of the overall project.
- Hiring additional talent within the Program and People First team to support the overall project (28 implementations) for go live during the Fall 2024 annual enrollment season.
- Procure 3<sup>rd</sup> party data aggregator to support the project plan.
- Connect with carriers: new (additional) account structures will need to be built for each FSC entity applies to all core Program benefits.
- Carrier/vendors may require amendments to your current contracts to add the additional FCS headcount.
- Determine how COBRA and ACA administration will be managed for each FCS institution.
- Determine how any new employees hired after the Annual Enrollment window closes will access benefits on People First for coverage effective 1/1/2025.
- Understand how FBMC will continue to support FCS colleges and data file integrations that will need to be built or retained within FCS institutions.

Aon has included a standard implementation timeline below, however, given the complexities of benefit administration, Aon anticipates a significant amount of additional time for these implementations.

Aon assumes all communications will not be customized and each college will be provided with the same communication materials State employees are provided. However, if there is a request for custom communications by the colleges, additional time will be needed for the vendor to create the custom communication.

People First System – 28 FCS Migration Project Plan	
<b>Week 1 - 4</b>	Connect with all 28 FCS Institutions with insights into the project plan
	Meet individually with FCS to explain the benefits of People First Migration
<b>Week 5 - 8</b>	Determine stakeholders at FCS that will support census/eligibility file layout and payroll files
	Provide list of FCS schools migrating for Fall 2024 to NGA (NGA to build requirements for signoff)
	Provide a list of FCS contacts to 3 <sup>rd</sup> Party Data Aggregator vendor
	Payroll File Discussions (Interface & Build) with each participating FCS
<b>Week 9 - 11</b>	Load initial eligibility/census file (based on data aggregator file)
	Work with carriers on building out new account structure files for additional FCS eligibility/enrollment
<b>Week 12 - 15</b>	Spending Account Administration Implementation for FCS
	Determine Banking / Funding for Spending Accounts (FSA/H.S.A.)
<b>Week 14 - 15</b>	Determine if “default” coverage will be applied (no migration of current elections)
	Final signoff on Census File/Eligibility for each FCS Institutions file data
	Begin testing of NGA/People First site for new FCS Institutions
<b>Week 16 – 20</b>	FCS Education on People First System
	Finalize Communication Plan for new FSC eligible employees
	Finalize Open Enrollment window rollout for each FSC institution
	Send out COBRA notifications to existing enrollees of FCS – now have a new system to elect new benefits
<b>Week 20 - 24</b>	Open Enrollment (2 to 4 weeks depending on FCS approach)
	- Determine new hires transition plan (New hires after OE window but before 1/1/1025)
	- Send Payroll HRIS File to FSC Institutions (Work errors)
<b>Early January 2025</b>	Ensure Deductions Files load without errors & actual payroll deductions taken

## Benefits Website

Aon recommends that DSGI ensures all plan documents are uploaded and correct on the Benefits Website to ensure accurate information is shared with current State employees and future enrollees from the FCS colleges. The State could consider adding a section on the Eligibility and Enrollment page to identify there is an eligible population that isn't employed directly by the State but still able to enroll in State-provided benefits. Additionally, People First could consider hiring a technical consultant to address any concerns with increased website traffic or issues with linking out plan documents.

# Appendix

## FCS Consortium Colleges:

The following FCS colleges are part of the FCSRMC Consortium:

1. Chipola College
2. College of Central Florida
3. Daytona State College
4. Eastern Florida State College
5. Florida Gateway College
6. Florida Southwestern State College
7. Florida State College at Jacksonville
8. Gulf Coast State College
9. Indian River State College
10. Lake-Sumter State College
11. North Florida College
12. Northwestern Florida State College
13. Palm Beach State College
14. Pasco-Hernando State College
15. Pensacola State College
16. Polk State College
17. Santa Fe College
18. State College of Florida, Manatee-Sarasota
19. Seminole State College of Florida
20. South Florida State College
21. St. Johns River State College
22. St. Petersburg College
23. The College of the Florida Keys

## FCS Colleges Regional Mapping for purposes of HMO plan eligibility:

Region	College
Region 1	Chipola College Gulf Coast State College Northwest Florida State College Pensacola State
Region 2	North Florida College Tallahassee Community College
Region 3	College of Central Florida Florida Gateway College Santa Fe College
Region 4	Daytona State College Florida State College at Jacksonville* St. Johns River State College
Region 5	Eastern Florida State College Lake-Sumter State College Seminole State College of Florida Valencia College
Region 6	Hillsborough Community College Pasco-Hernando State College Polk State College State College of Florida, Manatee-Sarasota South Florida State College St. Petersburg College
Region 7	Indian River State College Palm Beach State College
Region 8	Florida Southwestern State College
Region 9	Broward College Miami Dade College The College of the Florida Keys

*\*Florida State College of Jacksonville also showed population in Region 8*





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# **State Employees' Group Health Self-Insurance Trust Fund**

## **Report on Financial Outlook**

**For the Fiscal Years Ending June 30, 2024 through June 30, 2029**

**August 7, 2024, by the  
Self-Insurance Estimating Conference**

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

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# 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, 2024, through June 30, 2029. The Financial Outlook includes projected enrollment, cashflow, and cost trends to assist in the State's planning and budgeting process in accordance with section 216.136(9), Florida Statutes.

The Outlook builds on the financial and enrollment data presented in the January 2024 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 June 2024.
2. Revised claims trends for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) pharmacy claims and rebates.
3. Inclusion of new Medicare Advantage Prescription Drug (MA-PD) Plan rates, effective December 2024 for January 2025 for United Healthcare; Humana and Capital Health Plan are still pending carrier renewals.
4. Revised growth factors for PPO and HMO medical claims for FY 2023-24 reflecting actuals.
5. Revised projections for the Shared Savings program.
6. Inclusion of new Administrative Health Insurance Assessment (AHIA), per Ch. 2024-231 (HB5001) – Section 8 (3)(b).
7. Reverted Funds, per Ch. 2024-231 (HB5001) – Section 280 for FY 2024-25 – are not included in the estimate.
8. Inclusion of General Revenue Fund to the State Employees' Health Insurance Trust Fund, per Ch. 2024-231 (HB5001) – Section 290. The Chief Financial Officer shall transfer \$350,000,000 from the General Revenue Fund to the State Employees' Health Insurance Trust Fund for Fiscal Year 2024-2025.

This Outlook reflects an increase in revenues for FY 2023-24 and increases for all other years compared to the Prior Outlook. Actual expenses for FY 2023-24 were higher compared to the Prior Outlook. Projected expenses have increased for all other years compared to the Prior Outlook. FY 2024-25 is expected to have a positive ending cash balance compared to the deficit previously projected in the Prior Outlook. The deficits previously projected for FY 2025-26, FY 2026-27, and FY 2027-28 have decreased and the deficit from FY 2028-29 in the Prior Outlook has increased. The Outlook reflects that the Trust Fund remains solvent through FY 2024-25.

The ending cash balance for FY 2023-24 is \$302.7 million, a decrease of \$21.0 million from the Prior Outlook. The prior estimated operating loss of \$250.4 million was realized to be a loss of \$271.4 million. For FY 2023-24, the beginning cash balance is adjusted up to \$574.1 million due to \$200.0 million being appropriated in the 2023 legislative session. Additionally, for FY 2024-25, the beginning cash balance is adjusted up to \$652.7 million due to \$350 million being appropriated via Section 290 in the FY 2024-25 GAA. Ending cash balance deficits and operating losses are projected for FY 2025-26 through FY 2028-29.

Below is a summary of the Outlook for the Trust Fund through FY 2028-29:

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
	Actuals	Estimate	Estimate	Estimate	Estimate	Estimate
<b>BEGINNING CASH BALANCE</b>	\$ 574.1	\$ 652.7	\$ 224.2	\$ 0.0	\$ 0.0	\$ 0.0
<b>TOTAL REVENUES</b>	\$ 3,135.5	\$ 3,475.5	\$ 3,863.0	\$ 3,950.1	\$ 4,042.6	\$ 4,156.1
<b>TOTAL EXPENSES</b>	\$ 3,406.9	\$ 3,904.0	\$ 4,509.1	\$ 4,851.7	\$ 5,262.2	\$ 5,707.6
<b>OPERATING GAIN/(LOSS)</b>	\$ (271.4)	\$ (428.5)	\$ (646.1)	\$ (901.6)	\$ (1,219.6)	\$ (1,551.5)
<b>ENDING CASH BALANCE</b>	\$ 302.7	\$ 224.2	\$ (421.9)	\$ (901.6)	\$ (1,219.6)	\$ (1,551.5)

Note: Assumes no carry forward of negative cash balance.

\*Per Ch. 2024-231 (HB5001) – Section 290: \$350 million added to beginning balance in FY 2024-25.

## ENROLLMENT

Final average enrollment for FY 2023-24 reflects 171,009 subscribers and 179,516 dependents, totaling 350,525 covered lives. Approximately 48.0% of subscribers were enrolled in PPO plans, 50.5% were enrolled in HMO plans, and 1.5% were enrolled in a MAPD plan. Subscriber enrollment in individual coverage was 48.9%, and 51.1% were enrolled in family coverage, which had an average size of 3.05 members.

Since January, monthly enrollment has increased by 397 subscribers from January to June 2024. This is a significant increase in comparison to the same period last year when enrollment was a relatively flat increase of 92 subscribers. The significance is further highlighted when comparing January through June 2024 with 2021 and 2022 with reductions in enrollment of 2,133 and 2,626, respectively. The enrollment increases in Plan Year 2024 to date supports the end of the three-year reduction in enrollment and aligns with the enrollment growth assumptions adopted at the Prior Outlook.

As directed in Chapter 2024-230 (HB 5101), enrollment for FY 2024-25 may significantly increase starting in January 2025 due to the addition of the Florida Colleges System (FCS) to the State Group Insurance Program which comprises 28 state colleges throughout Florida. The impact of adding the FCS is projected to increase enrolment by 19,155 subscribers. This is based on page 14 of the "Comprehensive Fiscal Analysis of Adding Florida College System to State Group Insurance" report, published December 1, 2023. New

## STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

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information from the Florida Department of Education appears to show FCS school staffing levels are not as far along ending the three-year staffing reduction as the rest of the current DSGI members. FCS staffing level trends may just be starting to flatten out this year, indicating accelerated growth could start next year if it follows the trend of other state entities. This uncertainty poses a risk of underestimating enrollment for this Outlook. More factual information on FCS enrollment and participation will be available in November 2024, after the first Open Enrollment period available for FCS is completed.

Compared to the Prior Outlook, FY 2023-24 actual enrollment increased by 706 subscribers. FY 2024-25 final average enrollment is projected to increase by 11,218 subscribers. This is due to the FCS inclusion for the last six months compared to the Prior Outlook. FY 2025-26 average enrollment is projected to increase 21,047 subscribers compared to the Prior Outlook. This is due to the FCS inclusion for the entire fiscal year.

Enrollment patterns for FY 2025-26 through FY 2028-29 reflect an average annual increase of 521 subscribers for Active coverage, compared to an increase of 272 subscribers in the Prior Outlook. Early retiree enrollment is projected to increase by an average of 12 subscribers annually, compared to an increase of 6 subscribers projected in the Prior Outlook. Enrollment in the Medicare coverage categories, including the MAPD Plans, is expected to increase by an average of 544 subscribers annually, compared to an increase of 375 subscribers projected in the Prior Outlook. Total enrollment is projected to increase by an average of 1,078 subscribers annually from FY 2025-26 through FY 2028-29, compared to an increase of 653 subscribers annually, as projected in the Prior Outlook.

As of June 2024, approximately 5,910 subscribers (5,800 active employees) were enrolled in a High Deductible Health Plan (3.4% of total enrollment). Active employees account for 98.1% of these subscribers, of which 93.7% are participating in the integrated state-sponsored Health Savings Account (HSA) offering. A total of 29,103 eligible employees, or 16.7%, opted out of enrollment in the Program compared to 18.3% in the Prior Outlook.

### **REVENUE**

Actual premium revenue received during FY 2023-24 was \$2.54 billion, \$35.4 million more than the Prior Outlook due to higher actual enrollment and experience. Investment earnings received during FY 2023-24 were \$10.3 million, \$3.0 million higher than the Prior Outlook. The actual Administrative Health Insurance Assessment revenue received for FY 2023-24 was \$66.1 million which was consistent with the Prior Outlook. Refunds received for medical claims overpayments were \$4.2 million more than the Prior Outlook, with actual receipts of \$20.4 million. Pharmacy Benefit Manager (PBM) rebates received during FY 2023-24 totaled \$324.0 million, \$15.4 million higher than the Prior Outlook based on an increase in actual enrollment, higher claims experience, and new contracted PBM rebate guarantees. This forecast also reflects the year-end pretax transfer of \$20.0 million, required by Section 110.161(8), Florida Statutes. Medicare Part D drug subsidy payments received during FY 2023-24 were \$12.0 million, down \$4.2 million due to lower actual per member subsidy and lower enrollment. Other revenue received during the period was \$13.2 million, an increase of \$1.7 million due primarily to the collection of Performance Guarantee Penalties. Total revenues received during FY 2023-24 were \$3.14 billion, reflecting an increase of \$50.4 million from the Prior Outlook.

Combined premium contribution revenues for FY 2024-25 through FY 2028-29 are \$2.7 billion higher than projected in the Prior Outlook. The combined effect of the Administrative Health Insurance Assessment (AHIA) and annual reverted funds collected reflects an increase in revenues of \$78.1 million for FY 2024-25, with a total increase of \$391.2 million across all years of the forecast. Third Party Administrator (TPA) refunds reflect an increase of \$4.5 million due to actual experience for FY 2023-24. PBM Rebates are projected to increase by a combined total of \$1.1 billion for FY 2024-25 through FY 2028-29. Medicare Part D drug subsidy payments for FY 2024-25 through FY 2028-29 are projected to remain flat from Prior Outlook. Overall, total projected revenue changes in this outlook reflect a combined increase of \$3.9 billion compared to the Prior Outlook.

### **EXPENSES**

Total expenses paid in FY 2023-24 for self-insured PPO and HMO medical claims were \$1.87 billion, which was \$29.1 million lower than the Prior Outlook due to lower than expected claims experience. Administrative Services Only (ASO) fee expenses paid during the fiscal year were \$40.9 million. Total pharmacy claim expenses were \$1.07 billion, up \$83.4 million from the Prior Outlook. FY 2023-24 fully-insured premium expenses came in at \$368.0 million, \$17.9 million higher than the Prior Outlook. Medicare Advantage Prescription Drug (MAPD) plan premium cost was \$7.1 million for FY 2023-24. The Shared Savings Program expenses were \$19.2 million. Health savings account expenses were \$9.7 million. Operating costs were \$7.8 million. Premium refunds for the period were \$5.8 million, reflecting a decrease of \$0.4 million due to lower actuals than previously forecasted. Other expenses for FY 2023-24 totaled \$0.2 million, \$0.9 million lower than the Prior Outlook.

The forecast of PPO expenses for FY 2024-25 through FY 2028-29 reflects a combined projected increase of \$1.97 billion. PPO medical claims projections overall are \$860.4 million higher, reflecting an \$885.8 million increase due to higher projected enrollment and a \$25.4 million decrease in lower projected claims experience. PPO Pharmacy expenses projections are \$1.1 billion higher, reflecting a \$472 million increase due to higher projected enrollment, a \$341 million increase due to higher growth factors, and a \$280 million increase due to higher projected claims experience. PPO Administrative fees and PBM Administration fees are \$14 million higher than the Prior Outlook.

The forecast of HMO expenses for FY 2024-25 through FY 2028-29 reflects a combined increase of \$1.46 billion in fully-insured and self-insured HMO expenses. Fully-insured premium payments reflect a projected combined increase totaling \$71.0 million due to higher projected enrollment. HMO medical claims projections overall are \$446 million higher, reflecting a \$696 million increase due to higher projected enrollment, a \$96.4 million decrease due to HMO network adjustment, and \$153 million decrease due to lower projected claims

## **STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND**

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experience. HMO pharmacy expenses projections reflect a combined increase of \$928 million, reflecting a \$333.5 million increase due to higher projected enrollment, a \$297.4 million increase due to high growth factors used, and \$297.1 million in higher projected claims experience. HMO ASO fees and PBM administration fees reflect a combined increase of \$10 million due to higher projected enrollment.

Combined, PPO and HMO medical claims across the projected years of the forecast, compared to the Prior Outlook, reflect a \$1.3 billion increase. The net combined increase in pharmacy claims costs across the projected years is \$2 billion higher compared to the Prior Outlook. Medical trends used for this Outlook are the same as the trends used for the Prior Outlook. MAPD premiums reflect an increase of \$24.8 million across all years of the forecast based on increased projected enrollment and projected premium increases.

The forecast of FY 2024-25 through FY 2028-29 for the Shared Savings Program increased \$39.6 million based on the projection of the Shared Saving program.

HSA Deposits reflect an increase of \$1.6 million across the projected years of the forecast due to higher enrollment in the High Deductible Plans.

Operating Costs and Administrative Assessment is \$7.8 million a year for the forecast based on the actual FY 2023-24 experience.

Premium Refunds reflect a decrease of \$2.2 million across the projected years of the forecast based on decreased refund activity.

Overall, expenses across the projected years of the forecast reflect a combined increase of \$3.5 billion compared to the Prior Outlook.

# STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Growth factors used to develop this Outlook are reflected below:

PPO Medical							
Industry Range for CYs 2022-2024: 4.2% - 8.3%							
	FY 2023-24		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
	Applied	Actual*	Applied	Applied	Applied	Applied	Applied
January 2024 Conference	6.90%	n/a	6.90%	6.90%	6.90%	6.90%	6.90%
August 2024 Conference	n/a	5.18%	6.90%	6.90%	6.90%	6.90%	6.90%

HMO Medical							
Industry Range for CYs 2022-2024: 4.2% - 8.3%							
	FY 2023-24		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
	Applied	Actual*	Applied	Applied	Applied	Applied	Applied
January 2024 Conference	6.90%	n/a	6.90%	6.90%	6.90%	6.90%	6.90%
August 2024 Conference	n/a	5.11%	6.90%	6.90%	6.90%	6.90%	6.90%

PPO Pharmacy							
Industry Range for CYs 2022-2024: 4.2% - 8.3%							
	FY 2023-24		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
	Applied	Actual*	Applied	Applied	Applied	Applied	Applied
January 2024 Conference	5.40%	n/a	5.80%	6.90%	8.20%	6.50%	6.50%
August 2024 Conference	n/a	14.26%	10.1%	10.0%	10.6%	10.0%	9.3%

HMO Pharmacy							
Industry Range for CYs 2022-2024: 4.2% - 8.3%							
	FY 2023-24		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
	Applied	Actual*	Applied	Applied	Applied	Applied	Applied
January 2024 Conference	6.90%	n/a	7.00%	8.20%	10.30%	10.00%	10.00%
August 2024 Conference	n/a	17.63%	12.1%	11.7%	12.3%	11.8%	11.5%

FULLY INSURED HMO PREMIUM PAYMENTS						
Industry Range for CYs 2022-2024: 4.2% - 8.3%						
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029
January 2024 Conference	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
August 2024 Conference	n/a	5.35%	5.35%	5.35%	5.35%	5.35%

\*Actual data through June 2024

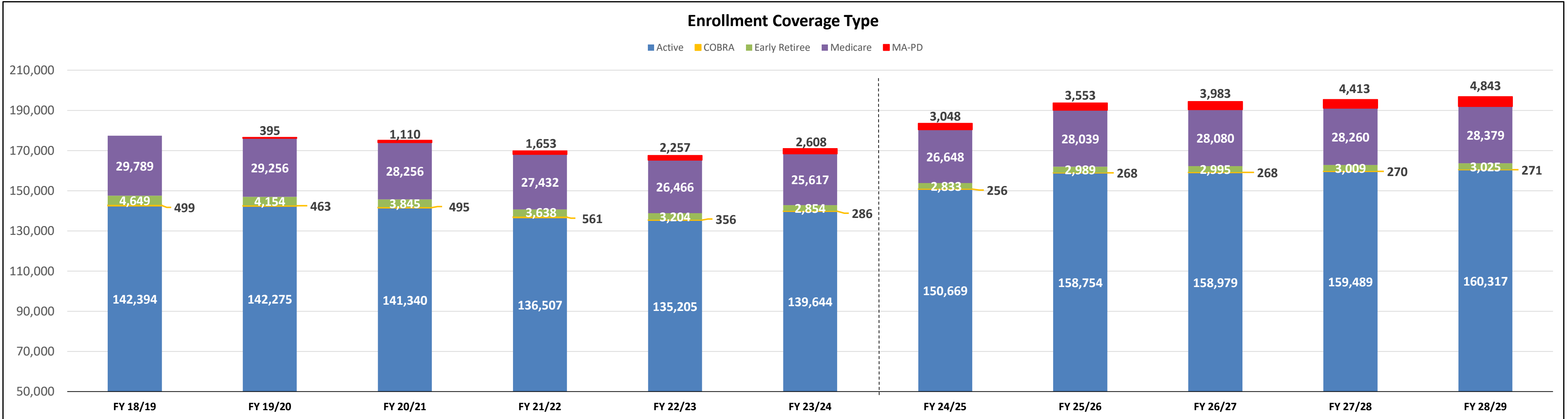
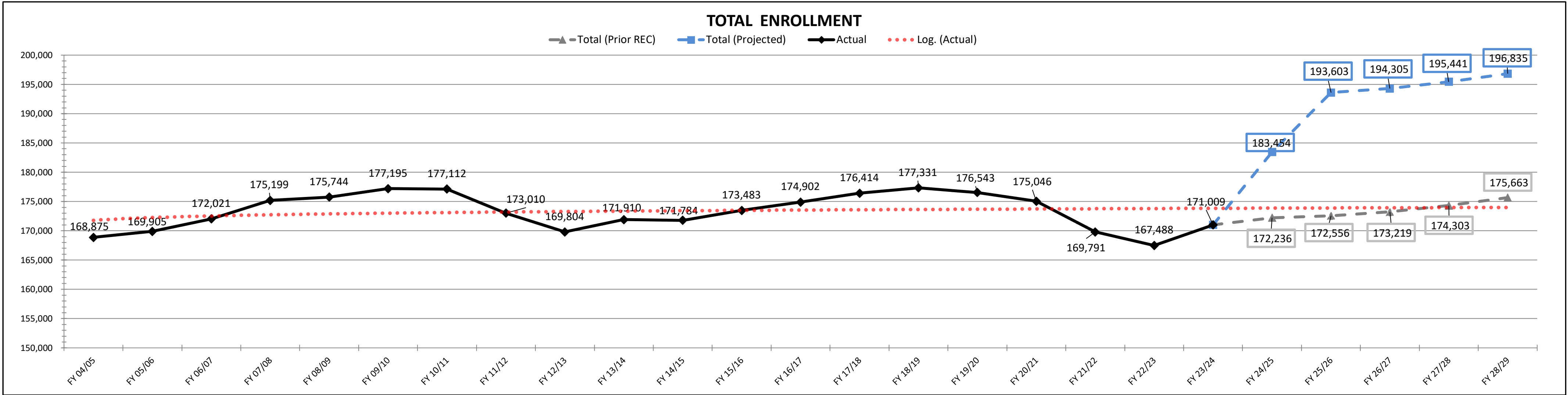
STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit I

Enrollment Outlook by Fiscal Year

Changes to Conference Forecast - July 2024 Compared to January 2024

		FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29		
		Jan '24	July '24	Diff.	Jan '24	July '24	Diff.	Jan '24	July '24	Diff.	Jan '24	July '24	Diff.	Jan '24	July '24	Diff.	Jan '24	July '24	Diff.
Average Enrollment by Plan	PPO Standard	77,373	77,791	418	78,265	84,555	6,290	78,279	90,096	11,817	78,388	90,223	11,835	79,173	91,074	11,901	79,379	91,330	11,951
	PPO HDHP	4,234	4,284	50	4,241	4,666	425	4,245	4,969	724	4,251	4,976	725	4,294	5,023	729	4,305	5,036	731
	HMO Standard	84,626	84,839	213	85,187	89,538	4,351	84,988	93,260	8,272	85,095	93,388	8,293	84,915	93,193	8,278	85,608	93,871	8,263
	HMO HDHP	1,453	1,487	34	1,448	1,647	199	1,454	1,725	271	1,465	1,735	270	1,471	1,738	267	1,491	1,755	264
	MA-PD	2,617	2,608	(9)	3,095	3,048	(47)	3,590	3,553	(37)	4,020	3,983	(37)	4,450	4,413	(37)	4,880	4,843	(37)
	Total	170,303	171,009	706	172,236	183,454	11,218	172,556	193,603	21,047	173,219	194,305	21,086	174,303	195,441	21,138	175,663	196,835	21,172
Average Enrollment by Coverage Type	Active (Non-OPS) Standard	127,639	128,668	1,029	128,943	138,740	9,797	128,772	146,146	17,374	128,932	146,341	17,409	129,327	146,778	17,451	130,063	147,544	17,481
	Active (Non-OPS) HDHP	5,080	5,188	108	5,073	5,688	615	5,079	6,031	952	5,093	6,046	953	5,135	6,090	955	5,163	6,116	953
	OPS Standard	5,410	5,315	(95)	5,612	5,735	123	5,608	6,038	430	5,618	6,051	433	5,639	6,074	435	5,669	6,106	437
	OPS HDHP	495	473	(22)	502	506	4	506	539	33	509	541	32	516	547	31	519	551	32
	COBRA	296	286	(10)	280	256	(24)	280	268	(12)	280	268	(12)	282	270	(12)	283	271	(12)
	Early Retiree	2,882	2,854	(28)	2,796	2,833	37	2,798	2,989	191	2,804	2,995	191	2,815	3,009	194	2,832	3,025	193
	Medicare	25,884	25,617	(267)	25,935	26,648	713	25,923	28,039	2,116	25,963	28,080	2,117	26,139	28,260	2,121	26,254	28,379	2,125
	MA-PD	2,617	2,608	(9)	3,095	3,048	(47)	3,590	3,553	(37)	4,020	3,983	(37)	4,450	4,413	(37)	4,880	4,843	(37)
Total		170,303	171,009	706	172,236	183,454	11,218	172,556	193,603	21,047	173,219	194,305	21,086	174,303	195,441	21,138	175,663	196,835	21,172





**STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND**  
**Enrollment Outlook by Fiscal Year**  
**FCS and Traditional Population Breakout**  
**Changes to Conference Forecast - July 2024 Compared to December 2023**

DSGI Current Agencies		FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29		
		Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.
Average Enrollment by Plan	PPO Standard	77,373	77,791	418	78,265	79,169	904	78,279	79,335	1,056	78,388	79,452	1,064	79,173	80,240	1,067	79,379	80,438	1,059
	PPO HDHP	4,234	4,284	50	4,241	4,426	185	4,245	4,477	232	4,251	4,485	234	4,294	4,529	235	4,305	4,544	239
	HMO Standard	84,626	84,839	213	85,187	85,673	486	84,988	85,535	547	85,095	85,667	572	84,915	85,491	576	85,608	86,207	599
	HMO HDHP	1,453	1,487	34	1,448	1,561	113	1,454	1,554	100	1,465	1,564	99	1,471	1,567	96	1,491	1,584	93
	MA-PD	2,617	2,608	(9)	3,095	3,047	(48)	3,590	3,551	(39)	4,020	3,981	(39)	4,450	4,411	(39)	4,880	4,841	(39)
	Total	170,303	171,009	706	172,236	173,876	1,640	172,556	174,453	1,897	173,219	175,149	1,930	174,303	176,239	1,936	175,663	177,614	1,951
Average Enrollment by Coverage Type	Active (Non-OPS) Standard	127,639	128,668	1,029	128,943	130,939	1,996	128,772	130,941	2,169	128,932	131,123	2,191	129,327	131,525	2,198	130,063	132,265	2,202
	Active (Non-OPS) HDHP	5,080	5,188	108	5,073	5,391	318	5,079	5,434	355	5,093	5,450	357	5,135	5,492	357	5,163	5,519	356
	OPS Standard	5,410	5,315	(95)	5,612	5,436	(176)	5,608	5,441	(167)	5,618	5,454	(164)	5,639	5,477	(162)	5,669	5,510	(159)
	OPS HDHP	495	473	(22)	502	480	(22)	506	486	(20)	509	488	(21)	516	493	(23)	519	497	(22)
	COBRA	296	286	(10)	280	243	(37)	280	241	(39)	280	242	(38)	282	243	(39)	283	245	(38)
	Early Retiree	2,882	2,854	(28)	2,796	2,685	(111)	2,798	2,693	(105)	2,804	2,700	(104)	2,815	2,713	(102)	2,832	2,730	(102)
	Medicare	25,884	25,617	(267)	25,935	25,657	(278)	25,923	25,666	(257)	25,963	25,712	(251)	26,139	25,883	(256)	26,254	26,008	(246)
	MA-PD	2,617	2,608	(9)	3,095	3,047	(48)	3,590	3,551	(39)	4,020	3,981	(39)	4,450	4,411	(39)	4,880	4,841	(39)
Total		170,303	171,009	706	172,236	173,877	1,641	172,556	174,453	1,897	173,219	175,149	1,930	174,303	176,239	1,936	175,663	177,614	1,951

Florida College System		FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29		
		Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.
Average Enrollment by Plan	PPO Standard	-	-	-	-	5,386	5,386	-	10,761	10,761	-	10,771	10,771	-	10,834	10,834	-	10,892	10,892
	PPO HDHP	-	-	-	-	240	240	-	492	492	-	491	491	-	494	494	-	492	492
	HMO Standard	-	-	-	-	3,865	3,865	-	7,725	7,725	-	7,721	7,721	-	7,702	7,702	-	7,664	7,664
	HMO HDHP	-	-	-	-	86	86	-	171	171	-	171	171	-	171	171	-	171	171
	MA-PD	-	-	-	-	1	1	-	2	2	-	2	2	-	2	2	-	2	2
	Total	-	-	-	-	9,578	9,578	-	19,150	19,150	-	19,156	19,156	-	19,202	19,202	-	19,221	19,221
Average Enrollment by Coverage Type	Active (Non-OPS) Standard	-	-	-	-	7,801	7,801	-	15,205	15,205	-	15,218	15,218	-	15,253	15,253	-	15,279	15,279
	Active (Non-OPS) HDHP	-	-	-	-	297	297	-	597	597	-	596	596	-	598	598	-	597	597
	OPS Standard	-	-	-	-	299	299	-	597	597	-	597	597	-	597	597	-	596	596
	OPS HDHP	-	-	-	-	26	26	-	53	53	-	53	53	-	54	54	-	54	54
	COBRA	-	-	-	-	13	13	-	27	27	-	26	26	-	27	27	-	26	26
	Early Retiree	-	-	-	-	148	148	-	296	296	-	295	295	-	296	296	-	295	295
	Medicare	-	-	-	-	991	991	-	2,373	2,373	-	2,368	2,368	-	2,377	2,377	-	2,371	2,371
	MA-PD	-	-	-	-	1	1	-	2	2	-	2	2	-	2	2	-	2	2
Total		-	-	-	-	9,577	9,577	-	19,150	19,150	-	19,156	19,156	-	19,202	19,202	-	19,221	19,221

Combined Total		FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29		
		Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.	Dec '23	July '24	Diff.
Average Enrollment by Plan	PPO Standard	77,373	77,791	418	78,265	84,555	6,290	78,279	90,096	11,817	78,388	90,223	11,835	79,173	91,074	11,901	79,379	91,330	11,951
	PPO HDHP	4,234	4,284	50	4,241	4,666	425	4,245	4,969	724	4,251	4,976	725	4,294	5,023	729	4,305	5,036	731
	HMO Standard	84,626	84,839	213	85,187	89,538	4,351	84,988	93,260	8,272	85,095	93,388	8,293	84,915	93,193	8,278	85,608	93,871	8,263
	HMO HDHP	1,453	1,487	34	1,448	1,647	199	1,454	1,725	271	1,465	1,735	270	1,471	1,738	267	1,491	1,755	264
	MA-PD	2,617	2,608	(9)	3,095	3,048	(47)	3,590	3,553	(37)	4,020	3,983	(37)	4,450	4,413	(37)	4,880	4,843	(37)
	Total	170,303	171,009	706	172,236	183,454	11,218	172,556	193,603	21,047	173,219	194,305	21,086	174,303	195,441	21,138	175,663	196,835	21,172
Average Enrollment by Coverage Type	Active (Non-OPS) Standard	127,639	128,668	1,029	128,943	138,740	9,797	128,772	146,146	17,374	128,932	146,341	17,409	129,327	146,778	17,451	130,063	147,544	17,481
	Active (Non-OPS) HDHP	5,080	5,188	108	5,073	5,688	615	5,079	6,031	952	5,093	6,046	953	5,135	6,090	955	5,163	6,116	953
	OPS Standard	5,410	5,315	(95)	5,612	5,735	123	5,608	6,038	430	5,618	6,051	433	5,639	6,074	435	5,669	6,106	437
	OPS HDHP	495	473	(22)	502	506	4	506	539	33	509	541	32	516	547	31	519	551	32
	COBRA	296	286	(10)	280	256	(24)	280	268	(12)	280	268	(12)	282	270	(12)	283	271	(12)
	Early Retiree	2,882	2,854	(28)	2,796	2,833	37	2,798	2,989	191	2,804	2,995	191	2,815	3,009	194	2,832	3,025	193
	Medicare	25,884	25,617	(267)	25,935	26,648	713	25,923	28,039	2,116	25,963	28,080	2,117	26,139	28,260	2,121	26,254	28,379	2,125
	MA-PD	2,617	2,608	(9)	3,095	3,048	(47)	3,590	3,553	(37)	4,020	3,983	(37)	4,450	4,413	(37)	4,880	4,843	(37)
Total		170,303	171,009	706	172,236	183,454	11,218	172,556	193,603	21,047	173,219	194,305	21,086	174,303	195,441	21,138	175,663	196,835	21,172

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit II

Financial Outlook by Fiscal Year <sup>(1)</sup>

Changes to Conference Forecast - August 2024 Compared to January 2024  
(In Millions)

	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29		
	Jan '24	Aug '24	Diff.	Jan '24	Aug '24	Diff.	Jan '24	Aug '24	Diff.	Jan '24	Aug '24	Diff.	Jan '24	Aug '24	Diff.	Jan '24	Aug '24	Diff.
BEGINNING CASH BALANCE	\$ 374.1	\$ 374.1	\$ -	\$ 323.7	\$ 302.7	\$ (21.0)	\$ 0.0 <sup>(2)</sup>	\$ 224.2	\$ 224.2	\$ 0.0 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>	\$ -	\$ 0.0 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>	\$ -	\$ 0.0 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>	\$ -
GAA Fund Transfer <sup>(11) (14)</sup>	\$ 200.0	\$ 200.0	\$ -	\$ 0.0	\$ 350.0	\$ 350.0												
REVENUES:																		
Insurance Premiums <sup>(3)</sup>	\$ 2,511.6	\$ 2,547.0	\$ 35.4	\$ 2,533.5	\$ 2,860.4	\$ 326.9	\$ 2,534.4	\$ 3,136.5	\$ 602.1	\$ 2,540.3	\$ 3,141.1	\$ 600.8	\$ 2,550.3	\$ 3,151.5	\$ 601.2	\$ 2,567.1	\$ 3,167.9	\$ 600.8
Investment Earnings	7.3	10.3	3.0	-	9.9	9.9	-	-	-	-	-	-	-	-	-	-	-	-
Health Assessment <sup>(12)</sup>	66.1	66.1	(0.0)	78.6	78.1	(0.5)	78.7	78.6	(0.1)	78.6	78.5	(0.1)	78.3	78.2	(0.1)	77.9	77.8	(0.1)
Reverted Funds <sup>(13)</sup>	122.6	122.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TPA & Self-Insured HMO Refunds	16.2	20.4	4.2	16.2	23.2	7.0	16.2	27.2	11.0	16.2	28.7	12.5	16.2	30.8	14.6	16.2	33.1	16.9
PBM Rebates	308.6	324.0	15.4	354.9	467.9	113.0	395.1	584.7	189.6	438.1	665.6	227.5	486.7	745.8	259.1	540.4	841.0	300.6
Pretax Trust Fund Transfer	25.0	20.0	(5.0)	25.0	20.0	(5.0)	25.0	20.0	(5.0)	25.0	20.0	(5.0)	25.0	20.0	(5.0)	25.0	20.0	(5.0)
Medicare Part D Subsidy	16.2	12.0	(4.2)	16.0	16.0	-	16.0	16.0	-	16.1	16.1	-	16.2	16.2	-	16.3	16.3	-
Other Revenues	11.5	13.2	1.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 3,085.1	\$ 3,135.5	\$ 50.4	\$ 3,024.2	\$ 3,475.5	\$ 451.3	\$ 3,065.4	\$ 3,863.0	\$ 797.6	\$ 3,114.3	\$ 3,950.1	\$ 835.8	\$ 3,172.7	\$ 4,042.6	\$ 869.9	\$ 3,242.9	\$ 4,156.1	\$ 913.2
	\$ 3,659.2	\$ 3,709.6	\$ 50.4	\$ 3,347.9	\$ 4,128.2	\$ 780.3	\$ 3,065.4	\$ 4,087.2	\$ 1,021.8	\$ 3,114.3	\$ 3,950.1	\$ 835.8	\$ 3,172.7	\$ 4,042.6	\$ 869.9	\$ 3,242.9	\$ 4,156.1	\$ 913.2
EXPENSES:																		
PPO Plan	\$ 1,476.6	\$ 1,513.8	\$ 37.2	\$ 1,588.9	\$ 1,773.1	\$ 184.2	\$ 1,697.3	\$ 2,075.5	\$ 378.2	\$ 1,823.7	\$ 2,231.0	\$ 407.3	\$ 1,965.3	\$ 2,433.9	\$ 468.6	\$ 2,102.3	\$ 2,630.8	\$ 528.5
Medical Claims	933.3	929.2	(4.1)	1,008.8	1,075.9	67.1	1,078.6	1,270.1	191.5	1,154.7	1,341.0	186.3	1,246.7	1,447.1	200.4	1,336.2	1,551.3	215.1
ASO Fee	17.8	17.8	0.0	17.8	19.1	1.3	17.5	20.1	2.6	17.8	20.4	2.6	18.3	21.1	2.8	18.4	21.5	3.1
Prescription Drug Claims	523.3	564.9	41.6	559.8	675.6	115.8	598.6	782.6	184.0	648.5	866.6	218.1	697.6	962.6	265.0	744.9	1,054.8	309.9
PBM Claims Administration	2.2	1.9	(0.3)	2.5	2.5	0.0	2.6	2.8	0.2	2.7	2.9	0.2	2.7	3.1	0.4	2.8	3.2	0.4
HMO Plan	\$ 1,809.1	\$ 1,843.3	\$ 34.2	\$ 1,954.7	\$ 2,075.8	\$ 121.1	\$ 2,085.6	\$ 2,370.8	\$ 285.2	\$ 2,245.1	\$ 2,552.8	\$ 307.7	\$ 2,405.4	\$ 2,754.6	\$ 349.2	\$ 2,604.5	\$ 2,996.7	\$ 392.2
Premium Payments	350.1	368.0	17.9	389.4	397.5	8.1	410.6	424.8	14.2	434.2	449.7	15.5	456.6	472.9	16.3	484.9	501.9	17.0
Medical Claims	969.8	944.9	(24.9)	1,041.5	1,054.1	12.6	1,111.0	1,221.1	110.1	1,189.8	1,290.6	100.8	1,268.9	1,376.9	108.0	1,367.7	1,482.6	114.9
ASO Fee	23.2	23.1	(0.1)	21.7	22.2	0.5	22.1	23.5	1.4	22.7	24.2	1.5	23.1	25.0	1.9	23.3	26.0	2.7
Prescription Drug Claims	463.9	505.7	41.8	499.8	599.5	99.7	539.5	698.6	159.1	595.9	785.4	189.5	654.2	876.9	222.7	726.0	983.1	257.1
PBM Claims Administration	2.1	1.7	(0.4)	2.3	2.5	0.2	2.4	2.8	0.4	2.5	2.9	0.4	2.6	3.0	0.4	2.6	3.1	0.5
MA-PD Plan	\$ 7.2	\$ 7.1	\$ (0.1)	\$ 8.5	\$ 8.7	\$ 0.2	\$ 9.9	\$ 13.2	\$ 3.3	\$ 11.1	\$ 16.1	\$ 5.0	\$ 12.3	\$ 19.3	\$ 7.0	\$ 13.5	\$ 22.9	\$ 9.4
Shared Savings Program	\$ 18.6	\$ 19.2	\$ 0.6	\$ 19.1	\$ 22.7	\$ 3.6	\$ 19.6	\$ 25.9	\$ 6.3	\$ 20.2	\$ 28.1	\$ 7.9	\$ 20.8	\$ 30.7	\$ 9.9	\$ 21.6	\$ 33.5	\$ 11.9
Medical Claims	9.8	10.9	1.1	10.1	13.4	3.3	10.5	15.5	5.0	10.9	17.1	6.2	11.3	18.9	7.6	11.8	20.9	9.1
Administrative Fees <sup>(4)</sup>	6.4	6.1	(0.3)	6.4	6.6	0.2	6.4	7.4	1.0	6.4	7.9	1.5	6.4	8.5	2.1	6.4	9.2	2.8
Shared Savings to Employees	2.4	2.2	(0.2)	2.6	2.7	0.1	2.7	3.0	0.3	2.9	3.1	0.2	3.1	3.2	0.1	3.4	3.4	(0.0)
HSA Deposits <sup>(3)</sup>	9.8	9.7	(0.1)	9.6	9.9	0.3	9.6	10.0	0.4	9.7	10.0	0.3	9.7	10.0	0.3	9.7	10.0	0.3
Operating Costs & Admin Assessment	6.9	7.8	0.9	6.9	7.8	0.9	6.9	7.8	0.9	6.9	7.8	0.9	6.9	7.8	0.9	6.9	7.8	0.9
Premium Refunds	6.2	5.8	(0.4)	6.2	5.8	(0.4)	6.2	5.8	(0.4)	6.2	5.8	(0.4)	6.2	5.8	(0.4)	6.2	5.8	(0.4)
Other Expenses <sup>(5)</sup>	1.1	0.2	(0.9)	1.1	0.2	(0.9)	1.1	0.2	(0.9)	1.1	0.2	(0.9)	1.1	0.2	(0.9)	1.1	0.2	(0.9)
TOTAL EXPENSES	\$ 3,335.5	\$ 3,406.9	\$ 71.4	\$ 3,595.0	\$ 3,904.0	\$ 309.0	\$ 3,836.2	\$ 4,509.1	\$ 672.9	\$ 4,124.0	\$ 4,851.7	\$ 727.7	\$ 4,427.7	\$ 5,262.2	\$ 834.5	\$ 4,765.8	\$ 5,707.6	\$ 941.8
EXCESS OF REV. OVER EXP.	\$ (250.4)	\$ (271.4)	\$ (21.0)	\$ (570.8)	\$ (428.5)	\$ 142.3	\$ (770.8)	\$ (646.1)	\$ 124.7	\$ (1,009.7)	\$ (901.6)	\$ 108.1	\$ (1,255.0)	\$ (1,219.6)	\$ 35.4	\$ (1,522.9)	\$ (1,551.5)	\$ (28.6)
ENDING CASH BALANCE <sup>(6)</sup>	\$ 323.7	\$ 302.7	\$ (21.0)	\$ (247.1)	\$ 224.2	\$ 471.3	\$ (770.8)	\$ (421.9)	\$ 348.9	\$ (1,009.7)	\$ (901.6)	\$ 108.1	\$ (1,255.0)	\$ (1,219.6)	\$ 35.4	\$ (1,522.9)	\$ (1,551.5)	\$ (28.6)
ADDITIONAL INFORMATION																		
Shared Savings Credits <sup>(7)</sup>	\$ 0.9	\$ 0.9	\$ -	\$ 0.9	\$ 0.9	\$ -	\$ 1.0	\$ 1.0	\$ -	\$ 1.0	\$ 1.0	\$ -	\$ 1.1	\$ 1.1	\$ -	\$ 1.2	\$ 1.2	\$ -
Unreported PPO Plan Claims Liability <sup>(8)</sup>	\$ 78.6	103.3	24.6	\$ 83.7	121.1	37.5	\$ 89.5	140.8	51.3	\$ 95.8	154.1	58.3	\$ 103.4	170.0	66.6	\$ 111.0	186.4	75.4
Unreported HMO Plan Claims Liability <sup>(8)</sup>	147.1	123.8	(23.3)	136.9	163.0	26.1	146.1	178.4	32.3	156.4	190.6	34.2	166.8	204.1	37.3	179.8	219.0	39.2
Unreported PBM Claims Liability <sup>(9)</sup>	9.8	10.7	0.9	10.6	12.8	2.2	11.4	14.8	3.4	12.5	40.1	27.6	13.5	18.4	4.9	14.7	20.3	5.6
Total Unreported Claims Liability <sup>(10)</sup>	\$ 236.4	\$ 238.7	\$ 2.3	\$ 232.1	\$ 297.9	\$ 65.8	\$ 247.9	\$ 335.0	\$ 87.0	\$ 265.7	\$ 385.8	\$ 120.1	\$ 284.8	\$ 393.6	\$ 108.8	\$ 306.7	\$ 426.9	\$ 120.2

Highlights of Changes to Forecast

- A) Inclusion of actual enrollment and cash flows through June 2024.  
B) Revised Investment Earnings rates.  
C) Revised growth factors for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) pharmacy claims and rebates.  
D) Reflected FCS population coming in effective 1/1/2025.  
E) Inclusion of new ASO rates for medical and Pharmacy services based on new vendor contracts effective January 2024.  
F) Revised growth factors for PPO and HMO medical claims.  
G) Revised projections for the Shared Savings program.  
H) Revised projected Administrative Health Insurance Assessment (AHIA) collections, per Ch. 2024-231 (HB5001) – Section 8 (3)(b). The out-year assessments are for 12 months but have been adjusted for changes in active coverage enrollment.

## STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

## Exhibit III

Financial Outlook by Fiscal Year <sup>(1)</sup>

(In Millions)

	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
<b>BEGINNING CASH BALANCE</b>	\$ 374.1	\$ 302.7	\$ 224.2	\$ 0.0 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>
<b>GAA Fund Transfer</b> <sup>(11) (14)</sup>	200.0 <sup>(11)</sup>	350.0 <sup>(14)</sup>				
<b>REVENUES:</b>						
Insurance Premiums:						
Employer	\$ 2,154.1	\$ 2,444.5	\$ 2,694.4	\$ 2,695.3	\$ 2,700.5	\$ 2,711.2
Employee	169.7	186.1	200.4	203.5	207.3	211.8
HSA Contributions <sup>(3)</sup>	9.7	9.9	10.0	10.0	10.0	10.0
COBRA	3.9	3.6	4.0	4.0	4.1	4.1
Early Retiree	35.6	35.3	37.3	37.4	37.7	37.9
Medicare	174.1	180.9	190.5	190.8	192.0	192.9
Investment Earnings	10.3	9.9	0.0	0.0	0.0	0.0
Health Assessment <sup>(12)</sup>	66.1	78.1	78.6	78.5	78.2	77.8
Reverted Funds <sup>(13)</sup>	122.6	0.0	0.0	0.0	0.0	0.0
PPO - TPA Refunds	11.1	12.9	15.2	16.0	17.3	18.5
PPO - PBM Rebates	163.8	242.2	305.0	338.1	364.0	389.7
HMO - Self-Insured Refunds	9.3	10.4	12.0	12.7	13.5	14.6
HMO - PBM Rebates	160.2	225.6	279.7	327.6	381.8	451.3
Pretax Trust Fund Transfer	20.0	20.0	20.0	20.0	20.0	20.0
PPO - Medicare Part D Subsidy	10.9	14.7	14.6	14.7	14.8	14.9
HMO - Medicare Part D Subsidy	1.0	1.3	1.4	1.4	1.4	1.4
Other Revenues	13.2	0.0	0.0	0.0	0.0	0.0
<b>TOTAL REVENUES</b>	\$ 3,135.5	\$ 3,475.5	\$ 3,863.0	\$ 3,950.1	\$ 4,042.6	\$ 4,156.1
<b>TOTAL CASH AVAILABLE</b>	\$ 3,709.6	\$ 4,128.2	\$ 4,087.2	\$ 3,950.1	\$ 4,042.6	\$ 4,156.1
<b>EXPENSES:</b>						
State PPO Plan:						
Medical Claims	\$ 929.2	\$ 1,075.9	\$ 1,270.1	\$ 1,341.0	\$ 1,447.1	\$ 1,551.3
ASO Fee	17.8	19.1	20.1	20.4	21.1	21.5
Prescription Drug Claims	564.9	675.6	782.6	866.6	962.6	1,054.8
PBM Claims Administration	1.9	2.5	2.8	2.9	3.1	3.2
HMO Plan:						
Premium Payments	368.0	397.5	424.8	449.7	472.9	501.9
Medical Claims	944.9	1,054.1	1,221.1	1,290.6	1,376.9	1,482.6
ASO Fee	23.1	22.2	23.5	24.2	25.0	26.0
Prescription Drug Claims	505.7	599.5	698.6	785.4	876.9	983.1
PBM Claims Administration	1.7	2.5	2.8	2.9	3.0	3.1
Medicare Advantage Prescription Drug Plan	7.1	8.7	13.2	16.1	19.3	22.9
Shared Savings Program:						
Medical Claims	10.9	13.4	15.5	17.1	18.9	20.9
Administrative Fees <sup>(4)</sup>	6.1	6.6	7.4	7.9	8.5	9.2
Shared Savings to Employees	2.2	2.7	3.0	3.1	3.2	3.4
HSA Deposits <sup>(3)</sup>	9.7	9.9	10.0	10.0	10.0	10.0
Operating Costs & Admin Assessment	7.8	7.8	7.8	7.8	7.8	7.8
Premium Refunds	5.8	5.8	5.8	5.8	5.8	5.8
Other Expenses <sup>(5)</sup>	0.2	0.2	0.2	0.2	0.2	0.2
<b>TOTAL EXPENSES</b>	\$ 3,406.9	\$ 3,904.0	\$ 4,509.1	\$ 4,851.7	\$ 5,262.2	\$ 5,707.6
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ (271.4)	\$ (428.5)	\$ (646.1)	\$ (901.6)	\$ (1,219.6)	\$ (1,551.5)
<b>ENDING CASH BALANCE</b> <sup>(6)</sup>	\$ 302.7	\$ 224.2	\$ (421.9)	\$ (901.6)	\$ (1,219.6)	\$ (1,551.5)
<b>ADDITIONAL INFORMATION</b> <sup>(7) (8) (9) (10)</sup>						
<b>Total Unreported Claims Liability</b>	\$ 238.7	\$ 297.9	\$ 335.0	\$ 385.8	\$ 393.6	\$ 426.9
<b>Average Enrollment by Plan</b>	PPO Standard	77,791	84,555	90,096	91,074	91,330
	PPO HDHP	4,284	4,666	4,969	5,023	5,036
	HMO Standard	84,839	89,538	93,260	93,388	93,871
	HMO HDHP	1,487	1,647	1,725	1,735	1,755
	MAPD	2,608	3,048	3,553	3,983	4,843
	Total	171,009	183,454	193,603	194,305	196,835
<b>Average Enrollment by Coverage Type</b>	Active (Non-OPS) Standard	128,668	138,740	146,146	146,341	147,544
	Active (Non-OPS) HDHP	5,188	5,688	6,031	6,046	6,116
	OPS Standard	5,315	5,735	6,038	6,051	6,106
	OPS HDHP	473	506	539	541	551
	COBRA	286	256	268	268	271
	Early Retiree	2,854	2,833	2,989	2,995	3,025
	Medicare	25,617	26,648	28,039	28,080	28,379
	MAPD	2,608	3,048	3,553	3,983	4,843
	Total	171,009	183,454	193,603	194,305	196,835

**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 40% and 60%, respectively.
- 4) Administrative expenses for Health Reimbursement Arrangement (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.
- 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 Flexible Spending Account (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 and HMO IBNR medical claims and outstanding drafts.
- 9) Includes estimated PPO and HMO IBNR Rx claims.
- 10) 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.
- 11) Ch. 2023-239 (SB 2500) - General Appropriations Act: SECTION 242. The Chief Financial Officer shall transfer \$200,000,000 from the General Revenue Fund to the State Employees' Health Insurance Trust Fund for Fiscal Year 2023-2024.
- 12) Ch. 2024-231 (HB5001) - General Appropriations Act: SECTION 8 (3)(b). State Health Insurance Administrative Health Insurance Assessment Funds are provided in each agency's budget to pay an administrative health insurance assessment equal to the employer's cost of single employee health care coverage for each vacant position eligible for coverage through the Division of State Group Insurance. FY 2023-24 assumes only 10 payments collected due to the timing of the billing. The out-year assessments are for 12 months but have been adjusted for changes in active coverage enrollment.
- 13) Ch. 2024-231 (HB5001) Section 280 - The unexpended balance from the General Revenue Fund provided in the appropriation category "Salaries and Benefits" in chapter 2023-239, Laws of Florida, that is reverted pursuant to section 216.301, Florida Statutes, shall be transferred by the Chief Financial Officer to the State Employees' Health Insurance Trust Fund in the Department of Management Services no later than October 15, 2024.
- 14) Ch. 2024-231 (HB5001) Section 290 - The Chief Financial Officer shall transfer \$350,000,000 from the General Revenue Fund to the State Employees' Health Insurance Trust Fund for Fiscal Year 2024-2025.

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

<b>\$ 323.7</b>	<b>- Previous Ending Cash Balance Forecast <sup>(i)</sup></b>
50.4	- Increase in Revenue Forecast
35.4	- Net Increase in Insurance Premiums
10.4	- Increase in employer and enrollee Insurance Premiums due to higher actual enrollment from 170,303 to 171,003
(0.1)	- Decrease in employer and enrollee HSA contributions
25.1	- Increase in Insurance Premiums due to shifts in enrollment categories
3.0	- Increase in Investment Earnings
3.0	- Increase due to higher than projected interest rates (2.0% to 2.9%)
(0.0)	- Administrative Health Insurance Assessment consistent with the prior budget estimate.
-	- Reverted Funds remained consistent with the prior budget estimate.
2.7	- Increase in PPO - TPA Refunds.
0.05	- Increase due to higher actual enrollment from 81,607 to 82,074
2.7	- Increase due to higher than projected activity.
1.8	- Increase in PPO - PBM Rebates
0.9	- Increase due to higher actual enrollment from 81,607 to 82,074
0.9	- Increase due to new contracted PBM Rebate guarantees
1.5	- Increase in HMO - Self-Insured Refunds due to higher actual than projected activity.
13.6	- Increase in HMO - PBM Rebates
0.4	- Increase due to higher projected enrollment from 86,079 to 86,321
13.2	- Increase due to new contracted PBM Rebate guarantees
(5.0)	- Decrease in Pretax Trust Fund Transfer due to lower actual than projected FY 2023-24.
(3.9)	- Decrease in PPO - Medicare Part D Subsidy
(0.2)	- Decrease due to a lower projected enrollment from 18,335 to 18,149.
(3.7)	- Decrease due to lower actual per member subsidy.
(0.4)	- Decrease in HMO - Medicare Part D Subsidy due to lower actual per member subsidy.
1.7	- Increase in Other Revenues
71.4	- Increase in Expense Forecast
37.2	- Increase in State PPO Plan
(4.1)	- Decrease in Medical Claims
5.3	- Increase due to higher actual enrollment from 81,607 to 82,074
(9.5)	- Decrease due to lower claims experience.
0.0	- No change in ASO Fee Expense
41.6	- Increase in Prescription Drug Claims
3.0	- Increase due to higher actual enrollment from 81,607 to 82,074
38.6	- Increase due to higher claims experience.
(0.3)	- Decrease in PBM Claims Administration
(0.3)	- Decrease due to new contract rates effective January 2024
0.01	- Increase due to higher actual enrollment from 81,607 to 82,074
34.2	- Increase in HMO Plan
17.9	- Increase in Premium Payments
1.0	- Increase due to higher actual enrollment from 29,918 to 30,003
16.9	- Increase due to shifts in enrollment categories
(24.9)	- Decrease in Medical Claims
2.7	- Increase due to higher actual enrollment from 56,162 to 56,318
(27.6)	- Decrease due to lower claims experience.
(0.1)	- Decrease in ASO Fee Expense
0.1	- Increase due to higher actual enrollment from 56,162 to 56,318
(0.2)	- Decrease due to new contract rates effective January 2024
41.8	- Increase in Prescription Drug Claims
1.3	- Increase due to higher actual enrollment from 86,079 to 86,321
40.5	- Increase due to higher claims experience.
(0.1)	- Decrease in MA-PD Premium Payments due to lower projected enrollment from 2,617 to 2,608
0.6	- Increase in Shared Savings Program
1.1	- Increase due to higher actual Bundled Surgical Service claims.
(0.3)	- Decrease in Administrative Fees for Bundled Services.
(0.2)	- Decrease in Shared Savings rewards to Employees
(0.6)	- Decrease in Other Expense Categories and Enrollee HSA Deposits and enrollee HSA Deposits
(0.1)	- Decrease due to lower employer and enrollee HSA Deposits.
(0.9)	- Decrease in Other Expenses due to lower actual experience.
<b>302.7</b>	<b>- Ending Cash Balance <sup>(1)</sup></b>

<sup>(i)</sup> Self-Insurance Estimating Conference held in January 2024.

**Exhibit VI**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2024-25**  
(In Millions)

**\$ (247.1) - Previous Ending Cash Balance Forecast <sup>(i)</sup>**

- (21.0) - Decrease in beginning cash balance
  - 350.0 - Adjustment to Beginning Cash due to Section 290
  - 451.3 - Increase in Revenue Forecast
    - 326.9 - Net Increase in Insurance Premiums
      - 166.2 - Increase in employer and enrollee Insurance Premiums due to higher projected enrollment from 172,236 to 183,454
      - 0.3 - Increase in projected employer and enrollee HSA contributions
      - 132.5 - Increase in Insurance Premiums due to rate increase in plan year 2025
      - 27.9 - Increase in Insurance Premiums due to shifts in enrollment categories
    - 9.9 - Increase in Investment Earnings due to higher projected cash balance
    - (0.5) - Decrease in Administrative Health Insurance Assessment due to lower projected experience
    - 4.5 - Increase in PPO - TPA Refunds.
      - 0.7 - Increase due to higher projected enrollment from 82,506 to 89,221
      - 3.8 - Increase due to higher than projected activity.
    - 50.2 - Increase in PPO - PBM Rebates
      - 15.6 - Increase due to higher projected enrollment from 82,506 to 89,221
      - 34.6 - Increase due to new contracted PBM Rebate guarantees
    - 2.6 - Increase in HMO - Self-Insured Refunds
      - 0.4 - Increase due to higher projected enrollment from 56,426 to 60,350
      - 2.2 - Increase due to higher projected activity
    - 62.7 - Increase in HMO - PBM Rebates
      - 8.6 - Increase due to higher projected enrollment from 86,635 to 91,185
      - 54.2 - Increase due to new contracted PBM Rebate guarantees
      - Increase in PBM Rebates due to delayed processing of Prior Year collections.
    - (5.0) - Decrease in Pretax Trust Fund Transfer due to lower actual than projected
      - - No change in PPO - Medicare Part D Subsidy
      - - No change in HMO - Medicare Part D Subsidy
  - 309.0 - Increase in Expense Forecast
    - 184.2 - Increase in State PPO Plan
      - 67.1 - Increase in Medical Claims
        - 88.9 - Increase due to higher projected enrollment from 82,506 to 89,221
        - (17.4) - Decrease due to accounting for payment lag of FCS medical claims
        - (4.4) - Decrease due to lower claims experience trended to FY24-25
      - 1.3 - Increase in ASO Fee Expense due to higher projected enrollment from 82,506 to 89,221
    - 115.8 - Increase in Prescription Drug Claims
      - 45.6 - Increase due to higher projected enrollment from 82,506 to 89,221
      - 24.5 - Increase due to higher growth factor from 5.80% to 10.1%
      - 45.8 - Increase due to higher claims experience trended to FY24-25
    - 0.0 - No change in PBM Claims Administration
      - (0.2) - Decrease due to new contract rates effective January 2024
      - 0.2 - Increase due to higher projected enrollment from 82,506 to 89,221
  - 121.1 - Increase in HMO Plan
    - 8.1 - Increase in Premium Payments
      - 8.0 - Increase due to higher projected enrollment from 30,210 to 30,834
      - 0.1 - Increase due to shifts in enrollment categories
    - 12.6 - Increase in Medical Claims
      - 70.6 - Increase due to higher projected enrollment from 56,426 to 60,350
      - (15.5) - Decrease due to accounting for payment lag of FCS medical claims
      - (15.8) - Decrease due to HMO network adjustment
      - (26.7) - Decrease due to lower claims experience trended to FY24-25
    - 0.5 - Increase in ASO Fee Expense due to higher projected enrollment from 56,426 to 60,350
  - 99.7 - Increase in Prescription Drug Claims
    - 26.2 - Increase due to higher projected enrollment from 86,635 to 91,185
    - 26.5 - Increase due to higher growth factor from 7% to 12.1%
    - 46.9 - Increase due to higher claims experience trended to FY24-25
  - 0.2 - Increase in PBM Claims Administration due to higher projected enrollment from 86,635 to 91,185
- 0.2 - Increase in MA-PD Premium Payments
  - (0.1) - Decrease due to lower projected enrollment from 3,095 to 3,048
  - 0.3 - Increase due to new contract rates effective January 2025
- 3.6 - Increase in Shared Savings Program
  - 3.3 - Increase due to higher actual Bundled Surgical Service claims
  - 0.2 - Increase in Administrative Fees for Bundled Services
  - 0.1 - Increase in Shared Savings rewards to Employees
- (0.1) - Decrease in Other Expense Categories

**224.2 - Ending Cash Balance<sup>(1)</sup>**

<sup>(i)</sup> Self-Insurance Estimating Conference held in January 2024.



**Exhibit VII**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2025-26**  
(In Millions)

**\$ (770.8) - Previous Ending Cash Balance Forecast <sup>(i)</sup>**

224.2	- Increase in Beginning Cash Balance Forecast
797.6	- Increase in Revenue Forecast
602.1	- Net Increase in Insurance Premiums
311.2	- Increase in employer and enrollee Insurance Premiums due to higher projected enrollment from 172,556 to 193,603
0.4	- Increase in projected employer and enrollee HSA contributions
264.0	- Increase in Insurance Premiums due to rate increase projected in 2025 and beyond
26.6	- Increase in Insurance Premiums due to shifts in enrollment categories
(0.1)	- Decrease in Administrative Health Insurance Assessment due to lower projected experience
6.8	- Increase in PPO - TPA Refunds.
1.3	- Increase due to higher projected enrollment from 82,524 to 95,065
5.5	- Increase due to higher than projected activity.
92.1	- Increase in PPO - PBM Rebates
32.4	- Increase due to higher projected enrollment from 82,524 to 95,065
59.7	- Increase due to new contracted PBM Rebate guarantees
4.2	- Increase in HMO - Self-Insured Refunds due to higher actual than projected activity.
1.0	- Increase due to higher actual enrollment from 56,397 to 63,807
3.2	- Increase due to higher projected activity
97.5	- Increase in HMO - PBM Rebates
18.0	- Increase due to higher projected enrollment from 82,524 to 95,065
79.5	- Increase due to new contracted PBM Rebate guarantees
(5.0)	- Decrease in Pretax Trust Fund Transfer due to lower actual than projected
-	- Decrease in PPO - Medicare Part D Subsidy from 19,034 to 18,625
-	- No Change to PPO Medicare Part D subsidy
-	- No Change to HMO Medicare Part D subsidy
672.9	- Increase in Expense Forecast
378.2	- Increase in State PPO Plan
191.5	- Increase in Medical Claims
178.8	- Increase due to higher projected enrollment from 82,524 to 95,065
17.4	- Increase due to accounting for payment lag of FCS medical claims
(4.7)	- Decrease due to lower projected claims experience trended to FY25-26
2.6	- Increase in ASO Fee Expense due to higher projected enrollment from 82,524 to 95,065
184.0	- Increase in Prescription Drug Claims
91.0	- Increase due to higher projected enrollment from 82,524 to 95,065
42.6	- Increase due to higher growth factor from 6.90% to 10.0%
50.4	- Increase due to higher claims experience trended to FY25-26
0.2	- Increase in PBM Claims Administration
(0.2)	- Decrease due to new contract rates effective January 2024
0.4	- Increase due to higher projected enrollment from 82,524 to 95,065
285.2	- Increase in HMO Plan
14.2	- Increase in Premium Payments
15.5	- Increase due to higher projected enrollment from 30,045 to 31,178
(1.2)	- Decrease due to shifts in enrollment categories
110.1	- Increase in Medical Claims
141.4	- Increase due to higher projected enrollment from 56,397 to 63,807
15.5	- Increase due to accounting for payment lag of FCS medical claims
(18.3)	- Decrease due to HMO network adjustment
(28.5)	- Decrease due to lower projected claims experience trended to FY25-26
1.4	- Increase in ASO Fee Expense due to higher projected enrollment from 56,397 to 63,807
159.1	- Increase in Prescription Drug Claims
53.3	- Increase due to higher projected enrollment from 86,442 to 94,985
53.4	- Increase due to higher growth factor from 8.20% to 11.7%
52.4	- Increase due to higher claims experience trended to FY25-26
0.4	- Increase in PBM Claims Administration due to higher projected enrollment from 86,442 to 94,985
3.3	- Increase in MA-PD Premium Payments due to higher renewal premium
(0.1)	- Decrease due to lower projected enrollment from 3,590 to 3,553
3.4	- Increase due to renewal rates effective January 2025
6.3	- Increase in Shared Savings Program
5.0	- Increase due to higher actual Bundled Surgical Service claims
1.0	- Increase in Administrative Fees for Bundled Services
0.3	- Increase in Shared Savings rewards to Employees
(0.1)	- Decrease in Other Expense Categories and Enrollee HSA Deposits and enrollee HSA Deposits

**(421.9) - Ending Cash Balance<sup>(1)</sup>**

<sup>(i)</sup> Self-Insurance Estimating Conference held in January 2024.



**Exhibit VIII**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2026-27**  
(In Millions)

**\$ (1,009.7) - Previous Ending Cash Balance Forecast <sup>(i)</sup>**

835.8	- Increase in Revenue Forecast
600.8	- Net Increase in Insurance Premiums
311.1	- Increase in employer and enrollee Insurance Premiums due to higher projected enrollment from 173,219 to 194,305
0.3	- Increase in projected employer and enrollee HSA contributions
264.4	- Increase in Insurance Premiums due to rate increase projected in 2025 and beyond
25.0	- Increase in Insurance Premiums due to shifts in enrollment categories
(0.1)	- Decrease in Administrative Health Insurance Assessment due to lower projected experience
7.6	- Increase in PPO - TPA Refunds.
1.3	- Increase due to higher projected enrollment from 82,639 to 95,199
6.4	- Increase due to higher than projected activity.
102.8	- Increase in PPO - PBM Rebates
36.1	- Increase due to higher projected enrollment from 82,639 to 95,199
66.6	- Increase due to new contracted PBM Rebate guarantees
4.9	- Increase in HMO - Self-Insured Refunds
1.0	- Increase due to higher actual enrollment from 56,409 to 63,899
3.9	- Increase due to higher projected activity
124.8	- Increase in HMO - PBM Rebates
20.1	- Increase due to higher projected enrollment from 86,560 to 95,123
104.7	- Increase due to new contracted PBM Rebate guarantees
(5.0)	- Decrease in Pretax Trust Fund Transfer due to lower actual than projected
-	- No change in PPO - Medicare Part D Subsidy
-	- No change in HMO - Medicare Part D Subsidy
727.7	- Increase in Expense Forecast
407.3	- Increase in State PPO Plan
186.3	- Increase in Medical Claims
191.4	- Increase due to higher projected enrollment from 82,639 to 95,199
(5.1)	- Decrease due to lower claims experience trended to FY26-27
2.6	- Increase in ASO Fee Expense due to higher projected enrollment from 82,639 to 95,199
218.1	- Increase in Prescription Drug Claims
98.6	- Increase due to higher projected enrollment from 82,639 to 95,199
63.8	- Increase due to higher growth factor from 8.20% to 10.6%
55.7	- Increase due to higher claims experience trended to FY26-27
0.2	- Increase in PBM Claims Administration
(0.2)	- Decrease due to new contract rates effective January 2024
0.4	- Increase due to higher projected enrollment from 82,639 to 95,199
307.7	- Increase in HMO Plan
15.5	- Increase in Premium Payments
15.1	- Increase due to higher enrollment from 30,174 to 31,221
0.4	- Increase due to shifts in enrollment categories
100.8	- Increase in Medical Claims
150.7	- Increase due to higher actual enrollment from 56,409 to 63,899
(19.4)	- Decrease due to HMO network adjustment
(30.5)	- Decrease due to lower claims experience trended to FY26-27
1.5	- Increase in ASO Fee Expense due to higher projected enrollment from 56,409 to 63,899
189.5	- Increase in Prescription Drug Claims
58.9	- Increase due to higher projected enrollment from 86,560 to 95,123
71.7	- Increase due to higher growth factor from 10.30% to 12.3%
58.8	- Increase due to higher claims experience trended to FY26-27
0.4	- Increase in PBM Claims Administration due to higher projected enrollment from 86,560 to 95,123
5.0	- Increase in MA-PD Premium Payments
(0.1)	- Decrease due to lower projected enrollment from 4,020 to 3,983
5.1	- Increase due to new contract rates effective January 2025 and projected future year increase
7.9	- Increase in Shared Savings Program
6.2	- Increase in Bundled Service claims based on higher utilization
1.5	- Increase in Administrative Fees due to actual experience
0.2	- Increase in Shared Savings rewards to Employees
(0.2)	- Decrease in Other Expense Categories

**(901.6) - Ending Cash Balance <sup>(1)</sup>**

<sup>(i)</sup> Self-Insurance Estimating Conference held in January 2024.

**Exhibit IX**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2027-28**  
(In Millions)

**\$ (1,255.0) - Previous Ending Cash Balance Forecast <sup>(i)</sup>**

869.9	- Increase in Revenue Forecast
601.2	- Net Increase in Insurance Premiums
312.7	- Increase in employer and enrollee Insurance Premiums due to higher projected enrollment from 174,303 to 195,437
0.3	- Increase in projected employer and enrollee HSA contributions
265.2	- Increase in Insurance Premiums due to rate increase projected in 2025 and beyond
23.0	- Increase in Insurance Premiums due to shifts in enrollment categories
(0.1)	- Decrease in Administrative Health Insurance Assessment due to lower projected experience
8.9	- Increase in PPO - TPA Refunds
1.3	- Increase due to higher projected enrollment from 83,465 to 96,094
7.6	- Increase due to higher than projected activity.
103.6	- Increase in PPO - PBM Rebates
39.4	- Increase due to higher projected enrollment from 83,465 to 96,097
64.2	- Increase due to new contracted PBM Rebate guarantees
5.7	- Increase in HMO - Self-Insured Refunds
1.0	- Increase due to higher actual enrollment from 56,271 to 63,769
4.7	- Increase due to higher projected activity
155.5	- Increase in HMO - PBM Rebates
37.7	- Increase due to higher projected enrollment from 80,567 to 93,989
117.8	- Increase due to new contracted PBM Rebate guarantees
(5.0)	- Decrease in Pretax Trust Fund Transfer due to lower actual than projected
-	- No change in PPO - Medicare Part D Subsidy
-	- No change in HMO - Medicare Part D Subsidy
834.5	- Increase in Expense Forecast
468.6	- Increase in State PPO Plan
200.4	- Increase in Medical Claims
205.8	- Increase due to higher projected enrollment from 83,465 to 96,094
(5.4)	- Decrease due to lower claims experience trended to FY27-28
2.8	- Increase in ASO Fee Expense due to higher projected enrollment from 83,465 to 96,094
265.0	- Increase in Prescription Drug Claims
105.6	- Increase due to higher projected enrollment from 83,465 to 96,094
98.2	- Increase due to higher growth factor from 6.50% to 10.0%
61.3	- Increase due to higher claims experience trended to FY27-28
0.4	- Increase in PBM Claims Administration
(0.1)	- Decrease due to new contract rates effective January 2027 and January 2028
0.4	- Increase due to higher projected enrollment from 83,465 to 96,094
349.2	- Increase in HMO Plan
16.3	- Increase in Premium Payments
15.9	- Increase due to higher projected enrollment from 30,112 to 31,160
0.4	- Increase due to shifts in enrollment categories
108.0	- Increase in Medical Claims
161.2	- Increase due to higher actual enrollment from 56,271 to 63,769
(20.7)	- Decrease due to HMO network adjustment
(32.6)	- Decrease due to lower claims experience trended to FY27-28
1.9	- Increase in ASO Fee Expense due to higher actual enrollment from 56,271 to 63,769
222.7	- Increase in Prescription Drug Claims
116.6	- Increase due to higher projected enrollment from 80,567 to 94,929
40.3	- Increase due to higher growth factor from 10.0% to 11.8%
65.7	- Increase due to higher claims experience trended to FY27-28
0.4	- Increase in PBM Claims Administration due to higher projected enrollment from 80,567 to 93,989
7.0	- Increase in MA-PD Premium Payments
(0.1)	- Decrease due to lower projected enrollment from 4,450 to 4,413
7.1	- Increase due to new contract rates effective January 2025 and projected future year increase
9.9	- Increase in Shared Savings Program
7.6	- Increase due to higher expected Bundled Surgical Service claims
2.1	- Increase in Administrative Fees for Bundled Services
0.1	- Increase in Shared Savings rewards to Employees
(0.1)	- Decrease in Other Expense Categories

**(1,219.6) - Ending Cash Balance<sup>(1)</sup>**

<sup>(i)</sup> Self-Insurance Estimating Conference held in January 2024.

**Exhibit X**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2028-29**  
(In Millions)

**\$ (1,522.9) - Previous Ending Cash Balance Forecast <sup>(i)</sup>**

913.2	- Increase in Revenue Forecast
600.8	- Net Increase in Insurance Premiums
370.1	- Increase in employer and enrollee Insurance Premiums due to higher projected enrollment from 172,033 to 196,835
0.3	- Increase in projected employer and enrollee HSA contributions
266.6	- Increase in Insurance Premiums due to rate increase projected in 2025 and beyond
(36.2)	- Decrease in Insurance Premiums due to shifts in enrollment categories
(0.1)	- Decrease in Administrative Health Insurance Assessment due to lower projected experience
10.1	- Increase in PPO - TPA Refunds
1.5	- Increase due to higher projected enrollment from 81,908 to 96,366
8.7	- Increase due to higher projected activity
101.6	- Increase in PPO - PBM Rebates
50.9	- Increase due to higher projected enrollment from 81,908 to 96,366
50.7	- Increase due to new contracted PBM Rebate guarantees
6.8	- Increase in HMO - Self-Insured Refunds
1.1	- Increase due to higher projected enrollment from 56,041 to 64,235
5.6	- Increase due to higher projected activity
199.0	- Increase in HMO - PBM Rebates
24.0	- Increase due to higher projected enrollment from 85,594 to 84,500
175.1	- Increase due to new contracted PBM Rebate guarantees
(5.0)	- Decrease in Pretax Trust Fund Transfer due to lower actual than projected
-	- No change in PPO - Medicare Part D Subsidy
-	- No change in HMO - Medicare Part D Subsidy
941.8	- Increase in Expense Forecast
528.5	- Increase in State PPO Plan
215.1	- Increase in Medical Claims
220.9	- Increase due to higher projected enrollment from 81,908 to 96,366
(5.8)	- Decrease due to lower claims experience trended to FY28-29
3.1	- Increase in ASO Fee Expense due to higher projected enrollment from 81,908 to 96,366
309.9	- Increase in Prescription Drug Claims
131.5	- Increase due to higher projected enrollment from 81,908 to 96,366
111.5	- Increase due to higher growth factor from 6.50% to 9.3%
67.0	- Increase due to higher claims experience trended to FY28-29
0.4	- Increase in PBM Claims Administration
(0.1)	- Decrease due to new contract rates effective January 2028 and January 2029
0.5	- Increase due to higher projected enrollment from 81,908 to 96,366
392.2	- Increase in HMO Plan
17.0	- Increase in Premium Payments
18.0	- Increase due to higher projected enrollment from 30,264 to 31,389
(1.1)	- Decrease due to shifts in enrollment categories
114.9	- Decrease in Medical Claims
172.0	- Increase due to higher projected enrollment from 56,041 to 64,235
(22.2)	- Decrease due to HMO network adjustment
(34.8)	- Decrease due to lower projected claims experience trended to FY28-29
2.7	- Increase in ASO Fees due to higher projected enrollment from 56,041 to 64,235
257.1	- Increase in Prescription Drug Claims
78.4	- Increase due to higher projected enrollment from 86,305 to 95,625
105.4	- Increase due to higher growth factor from 10.0% to 11.5%
73.3	- Increase due to higher claims experience trended to FY28-29
0.5	- Increase in PBM Claims Administration due to higher projected enrollment from 85,594 to 84,500
9.4	- Increase in MA-PD Premium Payments
0.9	- Increase due to higher projected enrollment from 4,532 to 4,843
8.4	- Increase due to new contract rates effective January 2025 and projected future year increase
11.9	- Increase in Shared Savings Program
9.1	- Increase in Bundled Service claims based on higher utilization
2.8	- Increase in Administrative Fees due to actual experience
(0.03)	- Decrease in Shared Savings rewards to Employees
(0.1)	- Decrease in Other Expense Categories

**(1,551.5) - Ending Cash Balance<sup>(1)</sup>**

<sup>(i)</sup> Self-Insurance Estimating Conference held in January 2024.

# State Employees' Group Health Self-Insurance Trust Fund

## Premium Rate Table

Premium rate change for all participants effective December 2023 for January 2024 coverage.

Subscriber Category/Contribution Cycle		Coverage Types	PPO/HMO Standard			PPO/HMO HDHP		
			Employer	Enrollee	Total	Employer (4)	Enrollee	Total
Career Service/OPS	Monthly Full-Time Employees (1)	Single	763.46	50.00	813.46	763.46	15.00	778.46
		Family	1,651.08	180.00	1,831.08	1,651.08	64.30	1,715.38
		Spouse	1,801.08	30.00	1,831.08	1,685.40	30.00	1,715.40
	Bi-Weekly Full-Time Employees (1)	Single	381.73	25.00	406.73	381.73	7.50	389.23
		Family	825.54	90.00	915.54	825.54	32.15	857.69
		Spouse	900.54	15.00	915.54	842.70	15.00	857.70
SES/SMS	Monthly Full-Time Employees (1,2)	Single	805.12	8.34	813.46	770.12	8.34	778.46
		Family	1,801.08	30.00	1,831.08	1,685.38	30.00	1,715.38
	Bi-Weekly Full-Time Employees (1,2)	Single	402.56	4.17	406.73	385.06	4.17	389.23
		Family	900.54	15.00	915.54	842.69	15.00	857.69
COBRA (Non-Medicare)	Monthly (3)	Single	0.00	829.73	829.73	0.00	751.54	751.54
		Family	0.00	1,867.70	1,867.70	0.00	1,664.69	1,664.69
Early Retirees/ Eligible Former Employees	Monthly	Single	0.00	813.46	813.46	0.00	736.80	736.80
		Family	0.00	1,831.08	1,831.08	0.00	1,632.05	1,632.05
Over-age Dependents		Single	0.00	813.46	813.46	0.00	736.80	736.80

Medicare Monthly Premium Rates					
Plan Name	Plan Type	Medicare I One Eligible <sup>(5)</sup>	Medicare II One Under/Over <sup>(6)</sup>	Medicare III Both Eligible <sup>(7)</sup>	MA-PD Plan
Self-Insured PPO/HMO	Standard	430.18	1,243.63	860.35	
	HDHP	324.26	1,061.06	648.52	
Capital Health Plan <sup>(8)</sup>	Standard (Retiree Advantage)	269.38	1,150.11	538.76	
	HDHP (Retiree Advantage)	245.18	1,028.54	490.36	
	MA-PD <sup>(9)</sup> (Classic)				165.00
Humana	MA-PD <sup>(9)</sup>				47.85
UnitedHealthcare	MA-PD <sup>(9)</sup>				195.00
COBRA Self-Insured PPO/HMO <sup>(3)</sup>	Standard	438.78	1,268.50	877.56	
	HDHP	330.75	1,082.28	661.49	
COBRA Capital Health Plan <sup>(3,8)</sup>	Standard	288.27	1,140.49	576.54	
	HDHP	262.37	1,028.03	524.75	

### Notes

- 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
- SES/SMS – Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.
- Includes an additional 2% for administrative costs as permitted by federal regulations.
- 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.
- Single coverage for participant eligible for Medicare Parts A and B. Does not include monthly Medicare Part B premium.
- 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.
- Family coverage for two participants and both are eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- Must be enrolled in Medicare and must complete the HMO's Retiree Advantage application process to be eligible for this coverage.
- You must be enrolled in Medicare Parts A and B to be eligible for an MA-PD plan. If you are enrolled in family coverage, all covered family members must be enrolled in Medicare Parts A and B to be eligible for an MA-PD plan. The premiums listed above are per member. Multiply the premium by the number of members covered under your plan to calculate total cost. Premiums do not include Medicare Part B. COBRA premiums include an additional 2% for administrative costs as permitted by federal regulations. The People First Service Center must have your Medicare information on file. If your Medicare enrollment cannot be verified, you will be moved to the PPO plan through Florida Blue. To confirm your Medicare information is on file, contact the People First Service Center.

# State Employees' Group Health Self-Insurance Trust Fund

## Premium Rate Table

Premium rate change for all participants effective December 2024 for January 2025 coverage.

Subscriber Category/Contribution Cycle		Coverage Types	PPO/HMO Standard			PPO/HMO HDHP		
			Employer	Enrollee	Total	Employer (4)	Enrollee	Total
Career Service/OPS	Monthly Full-Time Employees <sup>(1)</sup>	Single	844.82	50.00	894.82	844.82	15.00	859.82
		Family	1,834.20	180.00	2,014.20	1,834.20	64.30	1,898.50
		Spouse	1,984.20	30.00	2,014.20	1,868.52	30.00	1,898.52
	Bi-Weekly Full-Time Employees <sup>(1)</sup>	Single	422.41	25.00	447.41	422.41	7.50	429.91
		Family	917.10	90.00	1,007.10	917.10	32.15	949.25
		Spouse	992.10	15.00	1,007.10	934.26	15.00	949.26
SES/SMS	Monthly Full-Time Employees <sup>(1,2)</sup>	Single	886.48	8.34	894.82	851.48	8.34	859.82
		Family	1,984.20	30.00	2,014.20	1,868.50	30.00	1,898.50
	Bi-Weekly Full-Time Employees <sup>(1,2)</sup>	Single	443.24	4.17	447.41	425.74	4.17	429.91
		Family	992.10	15.00	1,007.10	934.25	15.00	949.25
COBRA (Non-Medicare)	Monthly <sup>(3)</sup>	Single	0.00	912.72	912.72	0.00	834.52	834.52
		Family	0.00	2,054.48	2,054.48	0.00	1,851.47	1,851.47
Eligible Former Employees	Monthly	Single	0.00	813.46	813.46	0.00	736.80	736.80
		Family	0.00	1,831.08	1,831.08	0.00	1,632.05	1,632.05
Early Retirees	Monthly	Single	0.00	813.46	813.46	0.00	736.80	736.80
		Family	0.00	1,831.08	1,831.08	0.00	1,632.05	1,632.05
Over-age Dependents		Single	0.00	813.46	813.46	0.00	736.80	736.80

Medicare Monthly Premium Rates					
Plan Name	Plan Type	Medicare I One Eligible <sup>(5)</sup>	Medicare II One Under/Over <sup>(6)</sup>	Medicare III Both Eligible <sup>(7)</sup>	MA-PD Plan
Self-Insured PPO/HMO	Standard	430.18	1,243.63	860.35	
	HDHP	324.26	1,061.06	648.52	
Capital Health Plan <sup>(8)</sup>	Standard (Retiree Advantage)	273.42	1,204.28	546.84	
	HDHP (Retiree Advantage)	248.86	1,076.81	497.72	
	MA-PD <sup>(9)</sup> (Classic)				165.00
Humana	MA-PD <sup>(9)</sup>				47.85
UnitedHealthcare	MA-PD <sup>(9)</sup>				195.00
COBRA Self-Insured PPO/HMO <sup>(3)</sup>	Standard	438.78	1,268.50	877.56	
	HDHP	330.75	1,082.28	661.49	
COBRA Capital Health Plan <sup>(3,8)</sup>	Standard	278.89	1,228.37	557.78	
	HDHP	253.84	1,098.35	507.67	

### Notes

- 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
- SES/SMS – Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.
- Includes an additional 2% for administrative costs as permitted by federal regulations.
- 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.
- Single coverage for participant eligible for Medicare Parts A and B. Does not include monthly Medicare Part B premium.
- 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.
- Family coverage for two participants and both are eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- Must be enrolled in Medicare and must complete the HMO's Retiree Advantage application process to be eligible for this coverage.
- You must be enrolled in Medicare Parts A and B to be eligible for an MA-PD plan. If you are enrolled in family coverage, all covered family members must be enrolled in Medicare Parts A and B to be eligible for an MA-PD plan. The premiums listed above are per member. Multiply the premium by the number of members covered under your plan to calculate total cost. Premiums do not include Medicare Part B. COBRA premiums include an additional 2% for administrative costs as permitted by federal regulations. The People First Service Center must have your Medicare information on file. If your Medicare enrollment cannot be verified, you will be moved to the PPO plan through Florida Blue. To confirm your Medicare information is on file, contact the People First Service Center.