

Self-Insurance Estimating Conference
State Employees' Group Health Self-Insurance Trust Fund
Executive Summary
January 8, 2020

The Outlook for the State Employees' Group Health Self-Insurance Trust Fund has been revised to reflect actual enrollment and cash flows through November 2019; revised enrollment projections, including Final Open Enrollment results for Plan Year 2020; revised Self-Insured HMO Refund projections; inclusion of new expenses for Medicare Advantage Prescription Drug Plans (MAPD) effective January 2020; revised trends for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) pharmacy claims; changes in projected Pharmacy Benefit Manager (PBM) Rebates as a result of the delay in implementation of formulary management; new projected Shared Savings Rewards; and the repeal of the Federal Excise Tax on High Cost Employer-Sponsored Health Coverage, also known as the "Cadillac Tax." The fund is now expected to remain solvent only through FY 2020-21, with decreases in the ending cash balance for FY 2019-20 through FY 2022-23 and an increase in FY 2023-24 when compared to the August 2019 Outlook.

For FY 2019-20, the ending cash balance decreased from \$554.8 million to \$504.1 million. The largest single difference was due to an audit-induced downward adjustment of \$54.2 million to the beginning cash balance. For FY 2020-21, the ending cash balance decreased from \$400.3 million to \$311.4 million; and for FY 2021-22, the ending cash balance decreased from positive \$17.0 million to negative \$103.2 million. The Outlook for subsequent years shows that expenses are expected to exceed revenues by amounts that generate negative cash balances of \$653.4 million in FY 2022-23, \$908.4 million in FY 2023-24, and \$1,237.7 million in FY 2024-25. The escalating negatives occur even though the Conference assumes that each year's deficit is cleared prior to the beginning of the next year.

A December 2018 analysis of the Trust Fund's medical claims trend over the past five fiscal years relative to other national medical trend rates revealed that the Trust Fund's medical claims trends have closely mirrored the trends reported by CMS for the same time periods. As a result, in each subsequent Outlook, the Estimating Conference principals decided to use a blend of medical trend rates, with forecasted medical trend rates from CMS's National Health Expenditure Report combined with the more traditional Conference approach, for the Trust Fund's medical claims projections. No change was made for this Outlook to the previously adopted medical trends.

The August 2019 Conference adopted projections for pharmacy trends that were calculated assuming implementation of formulary management. Since that conference, there has been a delay in its implementation. The Conference considered changes to these projections under two scenarios: with formulary management and without formulary management. The January 2020 Conference ultimately adopted trends that reflect the lack of formulary management throughout the forecast.

A complete Executive Summary outlining all of the changes since the August 2019 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 August 2019 and January 2020 forecasts.

Financial Outlook for FY 2019-20 and 2020-21
Changes to Conference Forecast – March 2019 Compared to January 2020
(In Millions)

	FY 2019-20			FY 2020-21		
	19-Aug	20-Jan	Difference	19-Aug	20-Jan	Difference
Beginning Cash Balance	\$554.90	\$500.70	(\$54.20)	\$554.80	\$504.10	(\$50.70)
Total Revenues	\$2,781.30	\$2,740.70	(\$40.60)	\$2,853.60	\$2,740.40	(\$113.20)
Total Expenses	\$2,781.40	\$2,737.30	(\$44.10)	\$3,008.10	\$2,933.10	(\$75.00)
Ending Cash Balance	\$554.80	\$504.10	(\$50.70)	\$400.30	\$311.40	(\$88.90)

Slight differences in results due to rounding.

State Employees' Group Health Self-Insurance Trust Fund

Report on Financial Outlook

For the Fiscal Years Ending June 30, 2020 through June 30, 2025

**Adopted on January 8, 2020, by the
Self-Insurance Estimating Conference**

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

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

EXECUTIVE SUMMARY

The Florida Division of State Group Insurance (the Division) prepared an Outlook for the State Employees' Group Health Self-Insurance Trust Fund (Trust Fund) for the fiscal years (FY) ending June 30, 2020, through June 30, 2025. The Outlook is prepared to assist in the State's planning and budgeting in accordance with section 216.136(9), Florida Statutes, and is prepared using cash basis methods and modeling based on the healthcare benefit and funding design currently in place.

The Outlook builds on the financial and enrollment data presented in the August 2019 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. Adjustment to FY 2019-20 beginning balance.
2. Actual enrollment and cash flows through November 2019.
3. Revised enrollment projections, including Final Open Enrollment results for Plan Year 2020.
4. Revised Self-Insured HMO Refund projections.
5. Inclusion of new expenses for Medicare Advantage Prescription Drug Plans (MAPD) effective January 2020.
6. Revised claims trends for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) pharmacy claims.
7. Change in projected Pharmacy Benefit Manager (PBM) Rebates as a result of a delay in implementation of formulary management.
8. New projected Shared Savings Rewards.
9. Repeal of the Federal Excise Tax on High Cost Employer-Sponsored Health Coverage, also known as the "Cadillac Tax."

In the Fall of 2019, Division staff discovered the model set up in 2011 to create cash flow statements was not properly capturing the medical claims expense side of entries made in Florida Accounting Information Subsystem (FLAIR), the State's accounting system, to account for monthly medical claims offsets and self-insured HMO refunds by two self-insured HMO vendors. After extensive research and reconciliation, the Division determined that self-insured HMO medical claims expenses had been underreported in prior Outlooks in the cumulative amount of \$52.6 million, for the period of January 2012 through June 2019. Staff also determined that there was a cumulative \$1.6 million variance in cash reporting balances due to rounding during the same time period. Therefore, this Outlook reflects an adjustment of \$54.2 million to the FY 2019-20 beginning cash balance.

Overall, there are decreases in revenues and expenses for all years of the Outlook compared to the Prior Outlook. Decreases in ending cash balances are reflected for FY 2019-20 and FY 2020-21. The ending cash balance for FY 2021-22 changes from a surplus to a deficit. The deficit previously projected for FY 2022-23 in the Prior Outlook has increased. Due to the repeal of the Cadillac Tax, the deficit for FY 2023-24 has decreased. Finally, the projected ending cash balance for the added FY 2024-25 is also a deficit. The Outlook reflects that the Trust Fund is projected to remain solvent through FY 2020-21.

The ending cash balance for FY 2019-20 is adjusted from \$554.8 million to \$504.1 million, a decrease of \$50.7 million. The estimated operating loss of \$0.1 million is now a gain of \$3.4 million. For FY 2020-21, the forecasted ending cash balance is adjusted from \$400.3 million to \$311.4 million, and the estimated operating loss has increased from \$154.5 million to \$192.7 million. The ending cash balance for FY 2021-22 is adjusted from \$17.0 million to a deficit of \$103.2 million, a decrease of \$120.2 million. The estimated operating loss of \$383.3 million is increased to \$414.6 million. Ending cash balance deficits and operating losses are projected for FY 2022-23 through FY 2024-25.

Below is a summary of the Outlook for the Trust Fund through FY 2024-25:

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
BEGINNING CASH BALANCE	\$ 500.7	\$ 504.1	\$ 311.4	\$ 0.0	\$ 0.0	\$ 0.0
TOTAL REVENUES	\$ 2,740.7	\$ 2,740.4	\$ 2,749.4	\$ 2,758.9	\$ 2,771.7	\$ 2,784.8
TOTAL EXPENSES	\$ 2,737.3	\$ 2,933.1	\$ 3,164.0	\$ 3,412.3	\$ 3,680.1	\$ 4,022.5
OPERATING GAIN/(LOSS)	\$ 3.4	\$ (192.7)	\$ (414.6)	\$ (653.4)	\$ (908.4)	\$ (1,237.7)
ENDING CASH BALANCE	\$ 504.1	\$ 311.4	\$ (103.2)	\$ (653.4)	\$ (908.4)	\$ (1,237.7)

Note: Assumes no carry forward of negative cash balance.

ENROLLMENT

During the 2020 Open Enrollment, approximately 156,373 Active (Non-OPS) employees were **offered** coverage, compared to 156,386 **offered** coverage during the 2019 Open Enrollment. An additional 18,743 employees paid from Other Personal Services (OPS) funds were offered coverage, compared to 18,828 offered covered coverage during the 2019 Open Enrollment.

Final 2020 Open Enrollment numbers reflect that 136,865 (87.5%) of the eligible Active (Non-OPS) employees **elected** coverage, of which 56,063 (41.0%) enrolled in Individual coverage, 75,325 (55.0%) enrolled in Family coverage, and 5,477 (4.0%) enrolled in Spouse coverage. Active (Non-OPS) enrollment in PPO plans was 41.0%, and 59.0% enrolled in HMO plans. A total of 5,945

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

(31.7%) of the eligible OPS employees elected coverage, of which 3,980 (66.9%) enrolled in Individual coverage; 1,895 (31.9%) enrolled in Family coverage, and 70 (1.2%) enrolled in Spouse coverage. OPS enrollment in PPO plans was 49.7%, and 50.3% enrolled in HMO plans.

Enrollment patterns for FY 2019-20 through FY 2024-25 reflect a slowing in enrollment growth in the Active coverage category with average annual growth of 0.03% annually, compared to 0.93% projected in the Prior Outlook. Early Retiree enrollment is projected to decrease an average of 2.00% annually, compared to a decrease of 0.25% projected in the Prior Outlook. Enrollment in the Medicare coverage categories, including the new Medicare Advantage Prescription Drug Plans (MAPD), is expected to increase by 0.12% annually, compared to the 0.28% increase projected in the Prior Outlook. Total enrollment is projected to decrease an average of 0.09% annually throughout the forecast period, rather than increase 0.78% annually, as projected in the Prior Outlook.

The impact of changes to the enrollment have resulted in decreased enrollment projections for all years of the forecast. For FY 2019-20 there is a decrease of 1,466 subscribers, 2,869 fewer subscribers for FY 2020-21, 4,214 fewer subscribers for FY 2021-22, 5,881 fewer subscribers for FY 2022-23, 7,332 fewer subscribers for FY 2023-24, compared to the Prior Outlook.

MAPD plans are available January 1, 2020, for Medicare eligible members. The initial enrollment for the MAPD plans is 716 subscribers. This enrollment level was utilized to develop this Outlook and is held constant in this Outlook. Open Enrollment for the MAPD plans will continue through March 31, 2020, and it is anticipated that enrollment in the MAPD plans will continue to increase. As of January 1, 2020, there are 946 subscribers in the MAPD plans.

As of November 2019, approximately 4,605 subscribers (4,489 active employees) were enrolled in a High Deductible Health Plan (2.62% of total enrollment). Active employees account for 97.48% of High Deductible Health Plan subscribers, of which 90.13% are participating in the integrated state-sponsored Health Savings Account offering, down from the 92.74% reported in the Prior Outlook.

The changes in enrollment between June 2019 and November 2019 reflect a net decrease of 1,036 contracts, or 0.58% of total subscribers. Membership in PPO plans decreased by 130 subscribers or 0.15%, and HMO plan membership decreased by 906 subscribers, or 0.98%. Active subscriber enrollment decreased by 981 subscribers, or 0.69% and the net change in non-active membership was a decrease of 55 subscribers, or 0.16%.

As of November 2019, a total of 29,174 eligible employees, or 16.74%, opted out of enrollment in the Program, with 43.31% of those employees in OPS positions. The Prior Outlook reflected that 15.49% of eligible employees opted out of coverage and 43.57% were in OPS positions.

REVENUE

Combined premium contribution revenues for FY 2019-20 through FY 2023-24 are \$373.1 million lower than projected in the Prior Outlook; \$333.1 million is due to updated actual and projected enrollment. Investment earnings increased \$4.0 million for FY 2019-20 and \$2.7 million in FY 2020-21 due to higher actual interest rates but decreased \$4.0 million in FY 2021-22 due to the lower projected cash balance. TPA Refunds reflect a decrease of \$21.0 million per year due to updated projected Self-Insured HMO Refunds. PBM Rebates decreased a combined total of \$168.1 million attributable to the delay in implementation of formulary management. Medicare Part D drug subsidy payments decreased by a combined total of \$2.3 million from the Prior Outlook. Other Revenues reflect \$21.0 million in FY 2019-20 in actual revenues to date, primarily from performance guarantees penalties. Overall, Total Revenue changes in this outlook reflect a combined decrease of \$624.7 million from the Prior Outlook.

SPEND

PPO expenses for FY 2019-20 through FY 2023-24 reflect a combined projected decrease of \$185.5 million. PPO medical claims projections overall are \$93.5 million lower, reflecting a \$23.2 million decrease due to lower projected enrollment and \$70.3 million decrease from lower claims experience. PPO Pharmacy expenses overall are \$91.2 million lower, reflecting a \$13.0 million decrease due to lower projected enrollment and a \$78.2 million decrease from lower projected claims. PPO ASO fees and PBM Administration fees reflect a combined decrease of \$0.8 million due to decreased enrollment projections.

The forecast of FY 2019-20 through FY 2023-24 reflects a combined decrease of \$365.6 million in fully insured and self-insured HMO expenses. Fully insured premium payments reflect a combined decrease across all years totaling \$75.1 million due to lower projected enrollment. HMO medical claims decreased \$184.4 million due to lower projected enrollment, medical trends, and claims experience. HMO pharmacy claims expenses reflect a combined decrease across all years of \$99.4 million, reflecting a \$105.1 million decrease due to lower projected enrollment and a \$5.7 million increase from higher projected claims. HMO ASO fees and PBM administration fees reflect a combined decrease of \$6.7 million due to lower projected enrollment and shifts between carriers.

Combined, PPO and HMO medical claims across all years of the forecast, compared to the Prior Outlook, reflect a \$277.9 million decrease. The net combined decrease in pharmacy claims costs across all years is \$190.6 million compared to the Prior Outlook.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

The forecast of the Shared Saving Programs reflects an overall increase of \$37.2 million for the Outlook. This increase corresponds with a \$74.0 million reduction in medical claims through PPO and HMO plans giving a net savings of \$36.8 million for the Outlook.

HSA Deposits reflect a combined decrease of \$0.6 million for FY 2019-20 through FY 2023-24 due to lower enrollment in the High Deductible Plans.

Other Expenses for FY 2019-20 reflect an increase of \$0.1 million due to a settlement with an HMO vendor. FY 2023-24 reflects a reduction due to the repeal of the Federal Excise Tax.

Overall, expenses across all years of the forecast reflect a combined decrease of \$614.1 million compared to the Prior Outlook.

Growth factors used to develop this Outlook are reflected below:

PPO MEDICAL							
Industry Range for CYs 2018-20: 3.8% - 7.7%							
	FY 19-20		FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2019 Conference	7.90%	n/a	6.85%	6.90%	6.85%	6.90%	n/a
January 2020 Conference	7.90%	6.92%	6.85%	6.90%	6.85%	6.90%	6.90%

HMO MEDICAL							
Industry Range for CYs 2018-20: 3.8% - 6.9%							
	FY 19-20		FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2019 Conference	6.88%	n/a	6.85%	6.90%	6.85%	6.90%	n/a
January 2020 Conference	6.88%	8.64%	6.85%	6.90%	6.85%	6.90%	6.90%

PPO PHARMACY							
Industry Range for CYs 2018-20: 3.3% - 12.0%							
	FY 19-20		FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2019 Conference - with formulary management	4.00%	n/a	9.80%	11.40%	11.30%	12.30%	n/a
January 2020 Conference - with formulary management	n/a	n/a	9.50%	11.80%	12.50%	13.50%	14.60%
January 2020 Conference - without formulary management	4.40%	-0.83%	10.90%	11.60%	12.30%	13.40%	14.40%

HMO PHARMACY							
Industry Range for CYs 2018-20: 3.3% - 12.0%							
	FY 19-20		FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2019 Conference - with formulary management	4.00%	n/a	9.60%	11.40%	10.70%	11.70%	n/a
January 2020 Conference - with formulary management	n/a	n/a	9.50%	11.50%	12.20%	12.90%	14.00%
January 2020 Conference - without formulary management	4.00%	2.57%	10.70%	11.40%	12.10%	12.80%	13.90%

FULLY INSURED HMO PREMIUM PAYMENTS							
Industry Range for CYs 2018-20: 3.5% - 8.0%							
	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025
August 2019 Conference	4.30%*	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%
January 2020 Conference	4.00%*	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

*Actual trend rates

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit I

**Financial Outlook by Fiscal Year ⁽¹⁾
Changes to Conference Forecast - January 2020 Compared to August 2019
(In Millions)**

	FY 2019-20			FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24			FY 2024-25
	Aug '19	Jan '20	Diff.	Aug '19	Jan '20	Diff.	Aug '19	Jan '20	Diff.	Aug '19	Jan '20	Diff.	Aug '19	Jan '20	Diff.	Jan '20
BEGINNING CASH BALANCE	\$ 554.9	\$ 554.9	\$ -	\$ 554.8	\$ 504.1	\$ (50.7)	\$ 400.3	\$ 311.4	\$ (88.9)	\$ 17.0	\$ 0.0 ⁽²⁾	\$ (17.0)	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾	\$ -	\$ 0.0 ⁽²⁾
ADJUSTMENT TO BEGINNING CASH ⁽¹²⁾		\$ (54.2)														
REVENUES:																
Insurance Premiums ⁽³⁾	\$ 2,479.1	\$ 2,449.9	\$ (29.2)	\$ 2,543.9	\$ 2,490.2	\$ (53.7)	\$ 2,568.8	\$ 2,494.6	\$ (74.2)	\$ 2,593.6	\$ 2,495.3	\$ (98.3)	\$ 2,616.3	\$ 2,498.6	\$ (117.7)	\$ 2,501.4
Investment Earnings	10.5	14.6	4.1	9.1	11.8	2.7	4.0	-	(4.0)	-	-	-	-	-	-	-
TPA & Self-Insured HMO Refunds	43.8	22.8	(21.0)	43.8	22.8	(21.0)	43.8	22.8	(21.0)	43.8	22.8	(21.0)	43.8	22.8	(21.0)	22.8
PBM Rebates	175.8	161.4	(14.4)	215.3	174.4	(40.9)	229.4	190.8	(38.6)	237.3	199.6	(37.7)	245.6	209.1	(36.5)	219.3
Prior Year Rebate Collection	29.2	29.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pretax Trust Fund Transfer	23.2	23.2	-	23.2	23.2	-	23.2	23.2	-	23.2	23.2	-	23.2	23.2	-	23.2
Medicare Part D Subsidy	19.7	18.6	(1.1)	18.3	18.0	(0.3)	18.3	18.0	(0.3)	18.3	18.0	(0.3)	18.3	18.0	(0.3)	18.1
Other Revenues	-	21.0	21.0	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 2,781.3	\$ 2,740.7	\$ (40.6)	\$ 2,853.6	\$ 2,740.4	\$ (113.2)	\$ 2,887.5	\$ 2,749.4	\$ (138.1)	\$ 2,916.2	\$ 2,758.9	\$ (157.3)	\$ 2,947.2	\$ 2,771.7	\$ (175.5)	\$ 2,784.8
TOTAL CASH AVAILABLE	\$ 3,336.2	\$ 3,241.4	\$ (94.8)	\$ 3,408.4	\$ 3,244.5	\$ (163.9)	\$ 3,287.8	\$ 3,060.8	\$ (227.0)	\$ 2,933.2	\$ 2,758.9	\$ (174.3)	\$ 2,947.2	\$ 2,771.7	\$ (175.5)	\$ 2,784.8
EXPENSES:																
PPO Plan	\$ 1,206.6	\$ 1,168.8	\$ (37.8)	\$ 1,297.7	\$ 1,256.0	\$ (41.7)	\$ 1,403.5	\$ 1,364.4	\$ (39.1)	\$ 1,517.6	\$ 1,480.4	\$ (37.2)	\$ 1,647.7	\$ 1,618.0	\$ (29.7)	\$ 1,775.7
Medical Claims	775.1	759.4	(15.7)	826.5	805.5	(21.0)	881.8	862.9	(18.9)	940.4	920.6	(19.8)	1,003.3	985.2	(18.1)	1,054.0
ASO Fee	18.1	18.0	(0.1)	18.3	18.2	(0.1)	18.5	18.4	(0.1)	18.4	18.3	(0.1)	18.4	18.4	-	18.4
Prescription Drug Claims	411.2	389.2	(22.0)	450.7	430.2	(20.5)	501.0	481.0	(20.0)	556.6	539.4	(17.2)	623.8	612.3	(11.5)	701.1
PBM Claims Administration	2.2	2.2	-	2.2	2.1	(0.1)	2.2	2.1	(0.1)	2.2	2.1	(0.1)	2.2	2.1	(0.1)	2.2
HMO Plan	\$ 1,548.4	\$ 1,534.3	\$ (14.1)	\$ 1,684.8	\$ 1,642.6	\$ (42.2)	\$ 1,840.3	\$ 1,763.3	\$ (77.0)	\$ 1,990.8	\$ 1,895.0	\$ (95.8)	\$ 2,161.0	\$ 2,024.5	\$ (136.5)	\$ 2,208.5
Premium Payments	330.6	324.7	(5.9)	351.4	337.8	(13.6)	373.3	352.6	(20.7)	380.0	367.0	(13.0)	386.9	365.0	(21.9)	399.8
Medical Claims	853.8	854.5	0.7	929.7	913.9	(15.8)	1,012.5	978.2	(34.3)	1,101.8	1,046.3	(55.5)	1,199.0	1,119.5	(79.5)	1,197.8
ASO Fee	28.0	27.7	(0.3)	28.6	27.9	(0.7)	29.1	27.9	(1.2)	29.6	27.9	(1.7)	30.2	28.0	(2.2)	28.0
Prescription Drug Claims	334.0	325.4	(8.6)	373.0	361.0	(12.0)	423.3	402.6	(20.7)	477.2	451.8	(25.4)	542.7	510.0	(32.7)	580.9
PBM Claims Administration	2.0	2.0	-	2.1	2.0	(0.1)	2.1	2.0	(0.1)	2.2	2.0	(0.2)	2.2	2.0	(0.2)	2.0
MA-PD Plan	\$ -	\$ 1.1	\$ 1.1	\$ -	\$ 2.1	\$ 2.1	\$ -	\$ 2.1	\$ 2.1	\$ -	\$ 2.1	\$ 2.1	\$ -	\$ 2.1	\$ 2.1	\$ 2.1
Shared Savings Program	\$ 7.9	\$ 14.3	\$ 6.4	\$ 8.0	\$ 15.0	\$ 7.0	\$ 9.4	\$ 16.8	\$ 7.4	\$ 9.5	\$ 17.4	\$ 7.9	\$ 9.6	\$ 18.1	\$ 8.5	\$ 18.7
Medical Claims	1.4	7.6	6.2	1.5	8.2	6.7	1.6	8.7	7.1	1.7	9.3	7.6	1.8	10.0	8.2	10.6
Administrative Fees ⁽⁴⁾	6.4	6.4	-	6.4	6.4	-	7.7	7.7	-	7.7	7.7	-	7.7	7.7	-	7.7
Shared Savings to Employees	0.1	0.3	0.2	0.1	0.4	0.3	0.1	0.4	0.3	0.1	0.4	0.3	0.1	0.4	0.3	0.4
HSA Deposits ⁽³⁾	6.5	6.7	0.2	6.5	6.3	(0.2)	6.5	6.3	(0.2)	6.5	6.3	(0.2)	6.5	6.3	(0.2)	6.4
Operating Costs & Admin Assessment	3.9	3.9	-	3.9	3.9	-	3.9	3.9	-	3.9	3.9	-	3.9	3.9	-	3.9
Premium Refunds	7.2	7.2	-	7.2	7.2	-	7.2	7.2	-	7.2	7.2	-	7.2	7.2	-	7.2
Other Expenses ⁽⁵⁾	0.9	1.0	0.1	-	-	-	-	-	-	-	-	-	109.2	-	(109.2)	-
TOTAL EXPENSES	\$ 2,781.4	\$ 2,737.3	\$ (44.1)	\$ 3,008.1	\$ 2,933.1	\$ (75.0)	\$ 3,270.8	\$ 3,164.0	\$ (106.8)	\$ 3,535.5	\$ 3,412.3	\$ (123.2)	\$ 3,945.1	\$ 3,680.1	\$ (265.0)	\$ 4,022.5
EXCESS OF REV. OVER EXP.	\$ (0.1)	\$ 3.4	\$ 3.5	\$ (154.5)	\$ (192.7)	\$ (38.2)	\$ (383.3)	\$ (414.6)	\$ (31.3)	\$ (619.3)	\$ (653.4)	\$ (34.1)	\$ (997.9)	\$ (908.4)	\$ 89.5	\$ (1,237.7)
ENDING CASH BALANCE ⁽⁶⁾	\$ 554.8	\$ 504.1	\$ (50.7)	\$ 400.3	\$ 311.4	\$ (88.9)	\$ 17.0	\$ (103.2)	\$ (120.2)	\$ (602.3)	\$ (653.4)	\$ (51.1)	\$ (997.9)	\$ (908.4)	\$ 89.5	\$ (1,237.7)
ADDITIONAL INFORMATION																
Shared Savings Credits ⁽⁷⁾	\$ 1.0	\$ 6.2	\$ 5.2	\$ 1.2	\$ 7.4	\$ 6.2	\$ 1.3	\$ 8.0	\$ 6.7	\$ 1.3	\$ 8.0	\$ 6.7	\$ 1.3	\$ 8.0	\$ 6.7	\$ 8.0
Unreported PPO Plan Claims Liability ⁽⁸⁾	\$ 71.7	60.9	(10.8)	\$ 76.3	64.6	(11.7)	\$ 81.3	69.2	(12.1)	\$ 86.6	73.8	(12.8)	\$ 92.2	79.0	(13.2)	84.6
Unreported HMO Plan Claims Liability ⁽⁹⁾	102.6	110.6	8.0	111.7	118.2	6.5	121.6	126.5	4.9	132.3	135.4	3.1	144.0	144.8	0.8	155.0
Unreported PBM Claims Liability ⁽¹⁰⁾	7.4	7.2	(0.2)	8.2	7.9	(0.3)	9.2	8.8	(0.4)	10.4	9.9	(0.5)	11.6	11.2	(0.4)	12.8
Total Unreported Claims Liability	\$ 182.7	\$ 184.9	\$ 2.2	\$ 197.4	\$ 198.1	\$ 0.7	\$ 213.4	\$ 212.5	\$ (0.9)	\$ 230.6	\$ 227.1	\$ (3.5)	\$ 249.1	\$ 243.0	\$ (6.1)	\$ 260.4

Highlights of Changes to Forecast

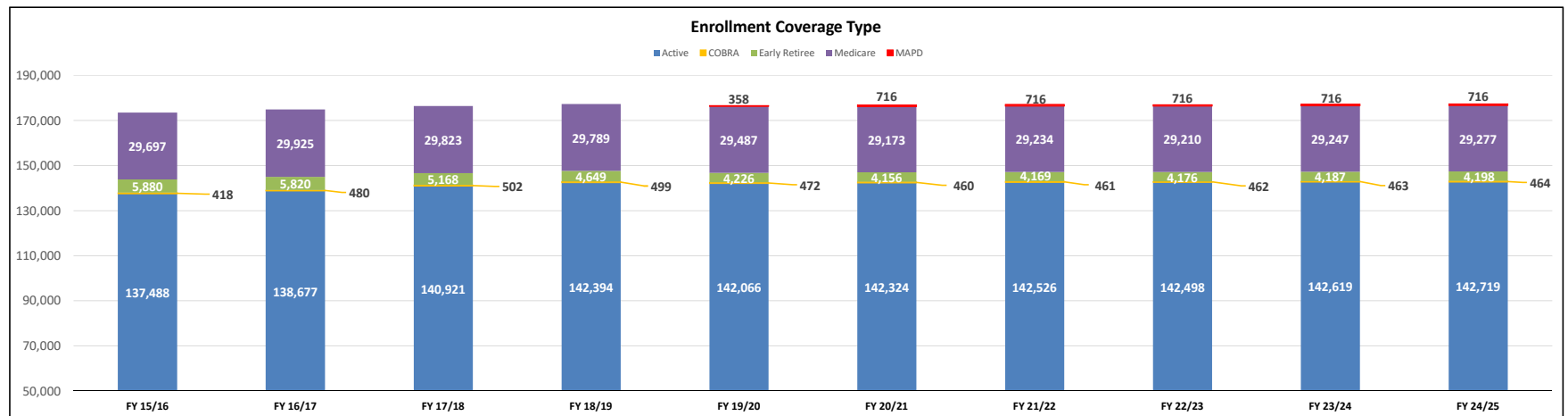
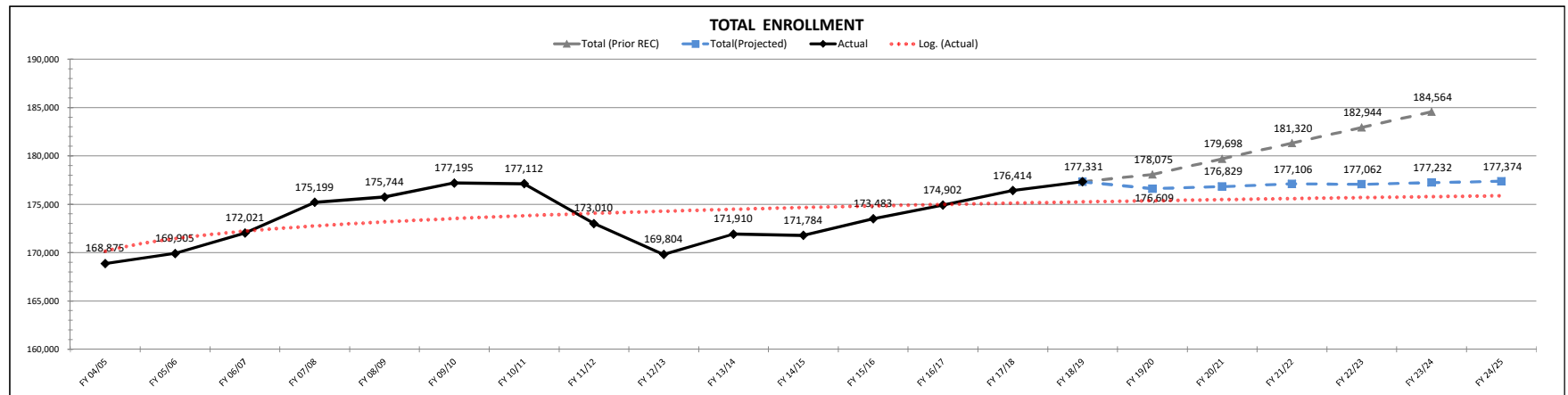
- A) Adjustment to FY 2019-20 beginning balance due to audit reconciliation
- B) Inclusion of actual enrollment and cash flows through November 2019
- C) Revised Self-Insured HMO Refund projections
- D) Revised enrollment projections, including Final Open Enrollment results for Plan Year 2020
- E) Revised growth factors for PPO pharmacy claims and HMO pharmacy claims
- F) Inclusion of new expenses for Medicare Advantage Prescription Drug Plans effective January 2020

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit II

Enrollment Outlook by Fiscal Year
Changes to Conference Forecast - January 2020 Compared to August 2019

		FY 2019-20			FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24			FY 2024-25		
		Aug '19	Jan '20	Diff.	Aug '19	Jan '20	Diff.	Aug '19	Jan '20	Diff.	Aug '19	Jan '20	Diff.	Aug '19	Jan '20	Diff.	Aug '19	Jan '20	Diff.
Average Enrollment by Plan	PPO Standard	81,017	80,360	(657)	80,857	80,103	(754)	80,697	80,272	(425)	80,538	80,143	(395)	80,378	80,234	(144)	-	80,299	80,299
	PPO HDHP	3,222	3,251	29	3,218	3,223	5	3,214	3,227	13	3,209	3,225	16	3,204	3,228	24	-	3,231	3,231
	HMO Standard	92,600	91,414	(1,186)	94,358	91,594	(2,764)	96,115	91,687	(4,428)	97,873	91,763	(6,110)	99,630	91,829	(7,801)	-	91,893	91,893
	HMO HDHP	1,236	1,226	(10)	1,265	1,193	(72)	1,294	1,204	(90)	1,323	1,215	(108)	1,352	1,225	(127)	-	1,235	1,235
	MAPD ⁽¹⁾	-	358	358	-	716	716	-	716	716	-	716	716	-	716	716	-	716	716
Total	178,075	176,609	(1,466)	179,698	176,829	(2,869)	181,320	177,106	(4,214)	182,943	177,062	(5,881)	184,564	177,232	(7,332)	-	177,374	177,374	
Average Enrollment by Coverage Type	Active (Non-OPS) Standard	133,647	132,314	(1,333)	135,041	132,490	(2,551)	136,435	132,667	(3,768)	137,830	132,627	(5,203)	139,224	132,725	(6,499)	-	132,802	132,802
	Active (Non-OPS) HDHP	3,934	3,955	21	3,956	3,896	(60)	3,978	3,910	(68)	4,000	3,918	(82)	4,022	3,930	(92)	-	3,942	3,942
	OPS Standard	5,385	5,386	1	5,436	5,524	88	5,487	5,534	47	5,538	5,537	(1)	5,589	5,547	(42)	-	5,557	5,557
	OPS HDHP	410	411	1	413	414	1	416	415	(1)	418	416	(2)	420	417	(3)	-	418	418
	COBRA	478	472	(6)	483	460	(23)	488	461	(27)	493	462	(31)	498	463	(35)	-	464	464
	Early Retiree	4,440	4,226	(214)	4,483	4,156	(327)	4,526	4,169	(357)	4,569	4,176	(393)	4,612	4,187	(425)	-	4,198	4,198
	Medicare	29,781	29,487	(294)	29,886	29,173	(713)	29,990	29,234	(756)	30,095	29,210	(885)	30,199	29,247	(952)	-	29,277	29,277
	MAPD ⁽¹⁾	-	358	358	-	716	716	-	716	716	-	716	716	-	716	716	-	716	716
	Total	178,075	176,609	(1,466)	179,698	176,829	(2,869)	181,320	177,106	(4,214)	182,943	177,062	(5,881)	184,564	177,232	(7,332)	-	177,374	177,374



STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit III

Financial Outlook by Fiscal Year ⁽¹⁾

(In Millions)

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
BEGINNING CASH BALANCE	\$ 554.9	\$ 504.1	\$ 311.4	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾
ADJUSTMENT TO BEGINNING CASH ⁽¹²⁾	(54.2)					
REVENUES:						
Insurance Premiums:						
Employer	\$ 2,040.0	\$ 2,077.7	\$ 2,080.3	\$ 2,079.9	\$ 2,081.7	\$ 2,083.0
Employee	170.7	170.6	170.8	170.8	170.9	171.0
HSA Contributions ⁽³⁾	6.7	6.3	6.3	6.3	6.3	6.4
COBRA	6.0	5.9	5.9	5.9	5.9	5.9
Early Retiree	48.0	48.4	48.6	48.7	48.8	49.0
Medicare	178.5	181.3	182.7	183.7	185.0	186.1
Investment Earnings	14.6	11.8	0.0	0.0	0.0	0.0
PPO - TPA Refunds	9.0	9.0	9.0	9.0	9.0	9.0
PPO - PBM Rebates	87.2	92.9	100.5	104.0	107.7	111.7
HMO - Self-Insured Refunds	13.8	13.8	13.8	13.8	13.8	13.8
HMO - PBM Rebates	74.2	81.5	90.3	95.6	101.4	107.6
Prior Year Rebate Collection	29.2	0.0	0.0	0.0	0.0	0.0
Pretax Trust Fund Transfer	23.2	23.2	23.2	23.2	23.2	23.2
PPO - Medicare Part D Subsidy	17.2	16.7	16.7	16.7	16.7	16.8
HMO - Medicare Part D Subsidy	1.4	1.3	1.3	1.3	1.3	1.3
Other Revenues	21.0	0.0	0.0	0.0	0.0	0.0
TOTAL REVENUES	\$ 2,740.7	\$ 2,740.4	\$ 2,749.4	\$ 2,758.9	\$ 2,771.7	\$ 2,784.8
TOTAL CASH AVAILABLE	\$ 3,241.4	\$ 3,244.5	\$ 3,060.8	\$ 2,758.9	\$ 2,771.7	\$ 2,784.8
EXPENSES:						
State PPO Plan:						
Medical Claims	\$ 759.4	\$ 805.5	\$ 862.9	\$ 920.6	\$ 985.2	\$ 1,054.0
ASO Fee	18.0	18.2	18.4	18.3	18.4	18.4
Prescription Drug Claims	389.2	430.2	481.0	539.4	612.3	701.1
PBM Claims Administration	2.2	2.1	2.1	2.1	2.1	2.2
HMO Plan:						
Premium Payments	324.7	337.8	352.6	367.0	365.0	399.8
Medical Claims	854.5	913.9	978.2	1,046.3	1,119.5	1,197.8
ASO Fee	27.7	27.9	27.9	27.9	28.0	28.0
Prescription Drug Claims	325.4	361.0	402.6	451.8	510.0	580.9
PBM Claims Administration	2.0	2.0	2.0	2.0	2.0	2.0
Medicare Advantage Prescription Drug Plan	1.1	2.1	2.1	2.1	2.1	2.1
Shared Savings Program:						
Medical Claims	7.6	8.2	8.7	9.3	10.0	10.6
Administrative Fees ⁽⁴⁾	6.4	6.4	7.7	7.7	7.7	7.7
Shared Savings to Employees	0.3	0.4	0.4	0.4	0.4	0.4
HSA Deposits ⁽³⁾	6.7	6.3	6.3	6.3	6.3	6.4
Operating Costs & Admin Assessment	3.9	3.9	3.9	3.9	3.9	3.9
Premium Refunds	7.2	7.2	7.2	7.2	7.2	7.2
Other Expenses ⁽⁵⁾	1.0	0.0	0.0	0.0	0.0	0.0
TOTAL EXPENSES	\$ 2,737.3	\$ 2,933.1	\$ 3,164.0	\$ 3,412.3	\$ 3,680.1	\$ 4,022.5
EXCESS OF REVENUES OVER EXPENSES	\$ 3.4	\$ (192.7)	\$ (414.6)	\$ (653.4)	\$ (908.4)	\$ (1,237.7)
ENDING CASH BALANCE ⁽⁶⁾	\$ 504.1	\$ 311.4	\$ (103.2)	\$ (653.4)	\$ (908.4)	\$ (1,237.7)

ADDITIONAL INFORMATION

Total Unreported Claims Liability ⁽¹¹⁾	\$ 184.9	\$ 198.1	\$ 212.5	\$ 227.1	\$ 243.0	\$ 260.4
Average Enrollment by Plan						
PPO Standard	80,360	80,103	80,272	80,143	80,234	80,299
PPO HDHP	3,251	3,223	3,227	3,225	3,228	3,231
HMO Standard	91,414	91,594	91,687	91,763	91,829	91,893
HMO HDHP	1,226	1,193	1,204	1,215	1,225	1,235
MAPD	358	716	716	716	716	716
Total	176,251	176,113	176,390	176,346	176,516	176,658
Average Enrollment by Coverage Type						
Active (Non-OPS) Standard	132,314	132,490	132,667	132,627	132,725	132,802
Active (Non-OPS) HDHP	3,955	3,896	3,910	3,918	3,930	3,942
OPS Standard	5,386	5,524	5,534	5,537	5,547	5,557
OPS HDHP	411	414	415	416	417	418
COBRA	472	460	461	462	463	464
Early Retiree	4,226	4,156	4,169	4,176	4,187	4,198
Medicare	29,487	29,173	29,234	29,210	29,247	29,277
MAPD	358	716	716	716	716	716
Total	176,251	176,113	176,390	176,346	176,516	176,658

**Exhibit IV
Notes to the Financial Outlook**

- 1) Actual results may differ from projected values with increasing likelihood of variance in future periods.
- 2) Assumes no carry forward of a negative ending cash balance from prior year.
- 3) Includes HSA contributions which approximate a split between employer and employee of 47% and 53%, respectively.
- 4) Administrative expenses for HRA account administration, transparency services entity, and comprehensive surgical and medical procedures entity.
- 5) Other Expenses include the estimated impact of Patient-Centered Outcomes Research Institute (PCORI) fees, and the Affordable Care Act's Excise Tax provision. The ACA's Excise Tax is effective for calendar year 2022.
- 6) Includes funds held in accounts outside of the Trust Fund at the Department of Financial Services, Division of Treasury, for the purpose of paying medical claims.
- 7) Includes funds designated for employee HRA accounts as a result of shared savings and employer funds designated for, but not yet transferred to the Pre-Tax Trust Fund, for employee FSA accounts as a result of shared savings. Projected amounts of bundled service medical claims and shared savings to employees is unknown and expenditures have not been included at this time.
- 8) Includes estimated 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) Medicare Advantage Prescription Drug Plans (MAPD) became available to Medicare eligible members on January 1, 2020. The initial MAPD enrollment is 716 members and is held flat for the Outlook. For FY 2019-20, the average annual enrollment is reported as 358 subscribers as the program was only active for 6 months of the year.
- 12) Decrease in Beginning Cash Balance Forecast due to audit reconciliation. In the Fall of 2019, Division staff discovered that the model that had been set up in 2011 to create cash flow statements was not properly capturing the medical claims expense side of entries made in FLAIR to account for monthly medical claims offsets and self-insured HMO refunds by two self-insured HMO vendors. After extensive research, the Division determined that self-insured HMO medical claims expenses had been underreported in prior Outlooks in the cumulative amount of \$52.6 million, for the period of January 2012 through June 2019. Staff also determined that there was a cumulative \$1.6 million variance in cash reporting balances due to rounding. Therefore, this Outlook reflects an adjustment of \$54.2 million to the FY 2019-20 beginning cash balance. Below is a summary of the \$52.6 million in self-insured HMO medical claim adjustments made by fiscal year.

ADJUSTMENT BY FISCAL YEAR	
FY 12-13	\$ 500,274.27
FY 13-14	\$ 916,355.33
FY 14-15	\$ 1,098,668.49
FY 15-16	\$ 2,721,847.64
FY 16-17	\$ 5,643,869.37
FY 17-18	\$ 9,225,225.85
FY 18-19	\$ 32,454,705.56
Total	\$ 52,560,946.51

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

\$ 554.8 - Previous Ending Cash Balance Forecast ⁽ⁱ⁾

- (54.2) Decrease in Beginning Cash Balance Forecast due to audit reconciliation
- (40.6) - Decrease in Revenue Forecast
 - (29.2) - Net Decrease in Insurance Premiums
 - (22.6) - Decrease in employer and enrollee Insurance Premiums due to lower actual enrollment from 178,075 to 176,609
 - 0.2 - Increase in projected employer and enrollee HSA contributions
 - (6.8) - Decrease in Insurance Premiums due to shifts in enrollment categories
 - 4.1 - Increase in Investment Earnings due to high interest rates from 1.9% to 2.9%
 - 1.2 - Increase in PPO - TPA Refunds
 - (0.1) - Decrease due to lower projected enrollment from 84,239 to 83,611
 - 1.3 - Increase due to higher projected activity
 - (5.5) - Decrease in PPO - PBM Rebates
 - (0.7) - Decrease due to lower actual enrollment from 84,239 to 83,611
 - (4.8) - Decrease due to lower projected activity
 - (22.2) - Decrease in HMO - Self-Insured Refunds
 - (0.1) - Decrease due to lower projected enrollment from 61,887 to 61,240
 - (22.1) - Decrease due to lower projected activity
 - (8.9) - Decrease in HMO - PBM Rebates
 - (1.0) - Decrease due to lower actual enrollment from 88,165 to 87,025
 - (7.9) - Decrease due to lower projected activity
 - (1.1) - Decrease in PPO - Medicare Part D Subsidy
 - (0.2) - Decrease due to lower projected Medicare enrollment from 22,215 to 21,985
 - (0.9) - Decrease due to lower projected per member subsidy
 - 21.0 - Increase in Other Revenues due to Performance Guarantee Penalty
- (44.1) - Decrease in Expense Forecast
 - (37.8) - Decrease in State PPO Plan
 - (15.7) - Decrease in Medical Claims
 - (5.8) - Decrease due to lower projected enrollment from 84,239 to 83,611
 - (4.0) - Decrease due to Shared Savings Program
 - (5.9) - Decrease due to lower actual claims experience
 - (0.1) - Decrease in ASO Fee Expense due to a decrease in projected enrollment from 84,239 to 83,611
 - (22.0) - Decrease in Prescription Drug Claims
 - (3.1) - Decrease due to lower projected enrollment from 84,239 to 83,611
 - 1.6 - Increase due to higher growth factor from 4.00% to 4.40%
 - (20.5) - Decrease due to lower actual claims experience
 - (14.1) - Decrease in HMO Plan
 - (5.9) - Decrease in Premium Payments
 - (5.6) - Decrease due to lower actual enrollment from 31,948 to 31,398
 - (0.3) - Decrease due to shifts in enrollment categories
 - 0.7 - Increase in Medical Claims
 - (8.9) - Decrease due to lower actual enrollment from 61,887 to 61,240
 - 9.6 - Increase due to higher actual claims experience
 - (0.3) - Decrease in ASO Fees due to lower actual enrollment from 61,887 to 61,240
 - (8.6) - Decrease in Prescription Drug Claims
 - (4.1) - Decrease due to lower actual enrollment from 88,165 to 87,025
 - (4.5) - Decrease due to lower actual claims experience
 - 6.4 - Increase in Shared Savings Program
 - 6.2 - Increase in Medical Claims based on projected Bundled Service claims
 - 0.2 - Increase in Shared Savings to Employees
 - 0.3 - Increase in Other Expense Categories
 - 0.2 - Increase due to higher projected employer and enrollee HSA Deposits
 - 0.1 - Increase in Other Expenses due to higher actual experience

504.1 - Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in August 2019.

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

\$ 400.3 - Previous Ending Cash Balance Forecast ⁽¹⁾

- (50.7) - Decrease in Beginning Cash Balance Forecast
- (113.2) - Decrease in Revenue Forecast
 - (53.7) - Net Decrease in Insurance Premiums
 - (43.9) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 179,698 to 176,829
 - (0.2) - Decrease in projected employer and enrollee HSA contributions
 - (9.6) - Decrease in Insurance Premiums due to shifts in enrollment categories
 - 2.7 - Increase in Investment Earnings due to high interest rates from 1.9% to 2.9%
 - 1.2 - Increase in PPO - TPA Refunds
 - (0.1) - Decrease due to lower projected enrollment from 84,075 to 83,326
 - 1.3 - Increase due to higher projected activity
 - (19.1) - Decrease in PPO - PBM Rebates
 - (0.8) - Decrease due to lower projected enrollment from 84,075 to 83,326
 - (18.3) - Decrease due to lower projected activity
 - (22.2) - Decrease in HMO - Self-Insured Refunds
 - (0.3) - Decrease due to lower projected enrollment from 63,068 to 61,501
 - (21.9) - Decrease due to lower projected activity
 - (21.8) - Decrease in HMO - PBM Rebates
 - (2.3) - Decrease due to lower projected enrollment from 89,846 to 87,285
 - (19.5) - Decrease due to lower projected activity
 - (0.3) - Decrease in PPO - Medicare Part D Subsidy due to a lower projected enrollment from 22,173 to 21,830
- (75.0) - Decrease in Expense Forecast
 - (41.7) - Decrease in State PPO Plan
 - (21.0) - Decrease in Medical Claims
 - (7.4) - Decrease due to lower projected enrollment from 84,075 to 83,326
 - (7.4) - Decrease due to Shared Savings Program
 - (6.2) - Decrease due to lower projected claims experience
 - (0.1) - Decrease in ASO Fees
 - (0.2) - Decrease due to lower projected enrollment from 84,075 to 83,326
 - 0.1 - Increase due to higher ASO fee rate
 - (20.5) - Decrease in Prescription Drug Claims
 - (4.0) - Decrease due to lower projected enrollment from 84,075 to 83,326
 - 4.3 - Increase due to higher growth factor from 9.80% to 10.90%
 - (20.8) - Decrease due to lower actual claims experience
 - (0.1) - Decrease in PBM Claims Administration due to shifts in enrollment categories from 84,075 to 83,326
 - (42.2) - Decrease in HMO Plan
 - (13.6) - Decrease in Premium Payments
 - (13.2) - Decrease due to lower projected enrollment from 32,553 to 31,286
 - (0.4) - Decrease due to shifts in enrollment categories
 - (15.8) - Decrease in Medical Claims
 - (23.1) - Decrease due to lower projected enrollment from 63,068 to 61,501
 - 7.3 - Increase due to higher projected claims experience
 - (0.7) - Decrease in ASO Fees due to lower actual enrollment from 63,068 to 61,501
 - (12.0) - Decrease in Prescription Drug Claims
 - (10.6) - Decrease due to lower projected enrollment from 89,846 to 87,285
 - 3.6 - Increase due to higher growth factor from 9.60% to 10.70%
 - (5.0) - Decrease due to lower projected claims experience
 - (0.1) - Decrease in PBM Claims Administration due to lower projected enrollment from 89,846 to 87,285
 - 7.0 - Increase in Shared Savings Program
 - 6.7 - Increase in Medical Claims based on projected Bundled Service claims
 - 0.3 - Increase in Shared Savings to Employees
 - (0.2) - Decrease in Other Expense Categories
 - (0.2) - Decrease due to lower projected employer and enrollee HSA Deposits

311.4 - Ending Cash Balance⁽¹⁾

⁽¹⁾ Self Insurance Estimating Conference held in August 2019.

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

\$ 17.0 - Previous Ending Cash Balance Forecast ⁽ⁱ⁾

- (88.9) - Decrease in Beginning Cash Balance Forecast
- (138.1) - Decrease in Revenue Forecast
 - (74.2) - Net Decrease in Insurance Premiums
 - (64.8) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 181,320 to 177,106
 - (0.2) - Decrease in projected employer and enrollee HSA contributions
 - (9.2) - Decrease in Insurance Premiums due to shifts in enrollment categories
 - (4.0) - Decrease in Investment Earnings due to lower projected cash balance
 - 1.2 - Increase in PPO - TPA Refunds due to higher projected activity
 - (17.8) - Decrease in PPO - PBM Rebates
 - (0.5) - Decrease due to lower projected enrollment from 83,911 to 83,499
 - (17.3) - Decrease due to lower projected activity
 - (22.2) - Decrease in HMO - Self-Insured Refunds
 - (0.6) - Decrease due to lower projected enrollment from 64,249 to 61,577
 - (21.6) - Decrease due to lower projected activity
 - (20.8) - Decrease in HMO - PBM Rebates
 - (4.1) - Decrease due to lower projected enrollment from 91,527 to 87,384
 - (16.7) - Decrease due to lower projected activity
 - (0.3) - Decrease in PPO - Medicare Part D Subsidy
 - (0.2) - Decrease due to a lower projected enrollment from 22,131 to 22,877
 - (0.1) - Decrease due to lower projected per member subsidy
- (106.8) - Decrease in Expense Forecast
 - (39.1) - Decrease in State PPO Plan
 - (18.9) - Decrease in Medical Claims
 - (4.3) - Decrease due to lower projected enrollment from 83,911 to 83,499
 - (7.9) - Decrease due to Shared Savings Program
 - (6.7) - Decrease due to lower projected claims experience
 - (0.1) - Decrease in ASO Fee Expense due to a decrease in projected enrollment from 83,911 to 83,499
 - (20.0) - Decrease in Prescription Drug Claims
 - (2.5) - Decrease due to lower projected enrollment from 83,911 to 83,499
 - 0.9 - Increase due to higher growth factor from 11.40% to 11.60%
 - (18.4) - Decrease due to lower projected claims experience
 - (0.1) - Decrease in PBM Claims Administration due to shifts in enrollment categories from 83,911 to 83,499
- (77.0) - Decrease in HMO Plan
 - (20.7) - Decrease in Premium Payments
 - (19.6) - Decrease due to lower projected enrollment from 33,158 to 31,312
 - (1.1) - Decrease due to shifts in enrollment categories
 - (34.3) - Decrease in Medical Claims
 - (42.2) - Decrease due to lower projected enrollment from 64,249 to 61,577
 - 7.9 - Increase due to higher projected claims experience
 - (1.2) - Decrease in ASO Fees due to lower actual enrollment from 64,249 to 61,577
 - (20.7) - Decrease in Prescription Drug Claims
 - (19.2) - Decrease due to lower projected enrollment from 91,527 to 87,384
 - (1.5) - Decrease due to lower projected claims experience
 - (0.1) - Decrease in PBM Claims Administration due to lower projected enrollment from 91,527 to 87,384
- 7.4 - Increase in Shared Savings Program
 - 7.1 - Increase in Medical Claims based on projected Bundled Service claims
 - 0.3 - Increase in Shared Savings to Employees
- (0.2) - Decrease in Other Expense Categories
 - (0.2) - Decrease due to lower projected employer and enrollee HSA Deposits

(103.2) - Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in August 2019.

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

\$ (602.3) - Previous Ending Cash Balance Forecast ⁽ⁱ⁾

- (17.0) - Decrease in Beginning Cash Balance Forecast
- (157.3) - Decrease in Revenue Forecast
 - (98.3) - Net Decrease in Insurance Premiums
 - (89.8) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 182,943 to 177,062
 - (0.2) - Decrease in projected employer and enrollee HSA contributions
 - (8.3) - Decrease in Insurance Premiums due to shifts in enrollment categories
 - 1.2 - Increase in PPO - TPA Refunds due to higher projected activity
 - (17.2) - Decrease in PPO - PBM Rebates
 - (0.5) - Decrease due to lower projected enrollment from 83,748 to 83,369
 - (16.7) - Decrease due to lower projected activity
 - (22.2) - Decrease in HMO - Self-Insured Refunds
 - (0.8) - Decrease due to lower projected enrollment from 64,430 to 61,640
 - (21.4) - Decrease due to lower projected activity
 - (20.5) - Decrease in HMO - PBM Rebates
 - (5.9) - Decrease due to lower projected enrollment from 93,208 to 87,468
 - (14.6) - Decrease due to lower projected activity
 - (0.3) - Decrease in PPO - Medicare Part D Subsidy
 - (0.2) - Decrease due to lower projected Medicare enrollment from 22,089 to 21,842
 - (0.1) - Decrease due to lower projected per member subsidy
- (123.2) - Decrease in Expense Forecast
 - (37.2) - Decrease in State PPO Plan
 - (19.8) - Decrease in Medical Claims
 - (4.3) - Decrease due to lower projected enrollment from 83,748 to 83,369
 - (8.4) - Decrease due to Shared Savings Program
 - (7.1) - Decrease due to lower projected claims experience
 - (0.1) - Decrease in ASO Fee Expense due to a decrease in projected enrollment from 83,748 to 83,369
 - (17.2) - Decrease in Prescription Drug Claims
 - (2.5) - Decrease due to lower projected enrollment from 83,748 to 83,369
 - 4.8 - Increase due to higher growth factor from 11.30% to 12.30%
 - (19.5) - Decrease due to lower projected claims experience
 - (0.1) - Decrease in PBM Claims Administration due to shifts in enrollment categories from 83,748 to 83,369
 - (95.8) - Decrease in HMO Plan
 - (13.0) - Decrease in Premium Payments due to lower projected enrollment from 33,764 to 31,335
 - (55.5) - Decrease in Medical Claims
 - (63.9) - Decrease due to lower projected enrollment from 65,430 to 61,640
 - 8.4 - Increase due to higher projected claims experience
 - (1.7) - Decrease in ASO Fees
 - (1.6) - Decrease due to lower projected enrollment from 65,430 to 61,640
 - (0.1) - Decrease due to shifts in enrollment categories
 - (25.4) - Decrease in Prescription Drug Claims
 - (29.4) - Decrease due to lower projected enrollment from 93,208 to 87,468
 - 5.6 - Increase due to higher growth factor from 10.70% to 12.10%
 - (1.6) - Decrease due to lower projected claims experience
 - (0.2) - Decrease in PBM Claims Administration due to lower projected enrollment from 93,208 to 87,468
 - 7.9 - Increase in Shared Savings Program
 - 7.6 - Increase in Medical Claims based on projected Bundled Service claims
 - 0.3 - Increase in Shared Savings to Employees
 - (0.2) - Decrease in Other Expense Categories
 - (0.2) - Decrease due to lower projected employer and enrollee HSA Deposits

(653.4) - Ending Cash Balance ⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in August 2019.

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

\$ (997.9) - Previous Ending Cash Balance Forecast ⁽ⁱ⁾

- 0.0 - No Change in Beginning Cash Balance Forecast
- (175.5) - Decrease in Revenue Forecast
 - (117.7) - Net Decrease in Insurance Premiums
 - (112.0) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 184,564 to 177,232
 - (0.2) - Decrease in projected employer and enrollee HSA contributions
 - (5.5) - Decrease in Insurance Premiums due to shifts in enrollment categories
 - 1.2 - Increase in PPO - TPA Refunds due to higher projected activity
 - (16.6) - Decrease in PPO - PBM Rebates
 - (0.2) - Decrease due to lower projected enrollment from 83,583 to 83,462
 - (16.4) - Decrease due to lower projected activity
 - (22.2) - Decrease in HMO - Self-Insured Refunds
 - (1.0) - Decrease due to lower projected enrollment from 66,612 to 61,699
 - (21.2) - Decrease due to lower projected activity
 - (19.9) - Decrease in HMO - PBM Rebates
 - (7.9) - Decrease due to lower projected enrollment from 94,890 to 87,543
 - (12.0) - Decrease due to lower projected activity
 - (0.3) - Decrease in PPO - Medicare Part D Subsidy
 - (0.1) - Decrease due to lower projected Medicare enrollment from 22,047 to 22,867
 - (0.2) - Decrease due to lower projected per member subsidy
- (265.0) - Decrease in Expense Forecast
 - (29.7) - Decrease in State PPO Plan
 - (18.1) - Decrease in Medical Claims
 - (1.5) - Decrease due to lower projected enrollment from 83,583 to 83,462
 - (9.0) - Decrease due to Shared Savings Program
 - (7.6) - Decrease due to lower projected claims experience
 - (11.5) - Decrease in Prescription Drug Claims
 - (0.9) - Decrease due to lower projected enrollment from 83,583 to 83,462
 - 5.9 - Increase due to higher growth factor from 12.30% to 13.40%
 - (16.5) - Decrease due to lower projected claims experience
 - (0.1) - Decrease in PBM Claims Administration due to shifts in enrollment categories from 83,583 to 83,462
 - (136.5) - Decrease in HMO Plan
 - (21.9) - Decrease in Premium Payments to lower projected enrollment from 34,368 to 31,353
 - (79.5) - Decrease in Medical Claims
 - (88.6) - Decrease due to lower projected enrollment from 66,612 to 61,699
 - 9.1 - Increase due to higher projected claims experience
 - (2.2) - Decrease in ASO Fees
 - (2.1) - Decrease due to lower projected enrollment from 66,612 to 61,699
 - (0.1) - Decrease due to shifts in enrollment categories
 - (32.7) - Decrease in Prescription Drug Claims
 - (42.0) - Decrease due to lower projected enrollment from 94,890 to 87,543
 - 5.0 - Increase due to higher growth factor from 11.70% to 12.80%
 - 4.3 - Decrease due to lower projected claims experience
 - (0.2) - Decrease in PBM Claims Administration due to lower projected enrollment from 94,890 to 87,543
 - 8.5 - Increase in Shared Savings Program
 - 8.2 - Increase in Medical Claims based on projected Bundled Service claims
 - 0.3 - Increase in Shared Savings to Employees
- (109.4) - Decrease in Other Expense Categories
 - (0.2) - Decrease due to lower projected employer and enrollee HSA Deposits
 - (109.2) - Decrease in Other Expenses due to repeal of the Federal Excise Tax

(908.4) - Ending Cash Balance ⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in August 2019.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective December 2018 for January 2019 Coverage

(Premium rate change for CHP participants ONLY)

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

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

Notes:

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

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective December 2019 for January 2020 Coverage

(Premium rate change for all participants)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HDHP		
			Employer	Enrollee	Total	Employer ⁽⁴⁾	Enrollee	Total
Career Service / OPS	Monthly Full -Time Employees ⁽¹⁾	Single	713.80	50.00	763.80	713.80	15.00	728.80
		Family	1,539.32	180.00	1,719.32	1,539.32	64.30	1,603.62
		Spouse	1,689.32	30.00	1,719.32	1,573.64	30.00	1,603.64
	Bi-Weekly Full -Time Employees ⁽¹⁾	Single	356.90	25.00	381.90	356.90	7.50	364.40
		Family	769.66	90.00	859.66	769.66	32.15	801.81
		Spouse	844.66	15.00	859.66	786.82	15.00	801.82
SES / SMS	Monthly Full -Time Employees ^(1,2)	Single	755.46	8.34	763.80	720.46	8.34	728.80
		Family	1,689.32	30.00	1,719.32	1,573.62	30.00	1,603.62
	Bi-Weekly Full -Time Employees ^(1,2)	Single	377.73	4.17	381.90	360.23	4.17	364.40
		Family	844.66	15.00	859.66	786.81	15.00	801.81
COBRA (Non-Medicare)	Monthly ⁽³⁾	Single	0.00	779.08	779.08	0.00	700.88	700.88
		Family	0.00	1,753.71	1,753.71	0.00	1,550.70	1,550.70
Early Retirees	Monthly	Single	0.00	763.80	763.80	0.00	687.14	687.14
		Family	0.00	1,719.32	1,719.32	0.00	1,520.29	1,520.29
Overage Dependents		Single	0.00	763.80	763.80	0.00	687.14	687.14

Medicare Monthly Premium Rates				
Plan Name	Plan Type	Medicare I One Eligible ⁽⁵⁾	Medicare II One Under/Over ⁽⁶⁾	Medicare III Both Eligible ⁽⁷⁾
Self-Insured PPO/HMO	Standard	403.92	1,167.71	807.83
	HDHP	304.47	991.61	608.94
Capital Health Plan ⁽⁸⁾	Standard	282.62	1,000.47	565.24
	HDHP	257.23	902.17	514.46
COBRA Self-Insured PPO/HMO ⁽³⁾	Standard	412.00	1,191.06	823.99
	HDHP	310.56	1,011.44	621.12
COBRA Capital Health Plan ^(3,8)	Standard	288.27	1,020.48	576.54
	HDHP	262.37	920.21	524.75

Notes:

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

**Medicare Advantage and Prescription Drug (MA-PD) Plans
Premium Rate Table
Effective December 2019 for January 2020 Coverage**

MA-PD Plan Premium Rates			
Plan Name	Plan Type	Monthly Cost Per Member	Monthly Cost Per Member through COBRA
Capital Health Plan - MA-PD	MA-PD	165.00	168.30
Humana - MA-PD	MA-PD	40.47	41.28
UnitedHealthcare - MA-PD	MA-PD	219.97	224.37

Important Information:

You must be **enrolled** in Medicare Parts A&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&B to be eligible for one of these MA-PD plans. The premiums listed above are per member. If you have yourself and a dependent under your family plan, multiply the premium by 2, etc.

Premiums **do not** include your Medicare Part B premium.

COBRA premiums include an additional 2% for administrative costs as permitted by federal regulations.

The People First Service Center **must** have your Medicare information. If your Medicare enrollment cannot be verified, you will be moved to the PPO plan through Florida Blue. Call the People First Service Center to confirm your Medicare information is on file if you have not done so.