

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

December 7, 2018

The Outlook for the State Employees' Health Insurance Trust Fund has been revised to reflect actual enrollment and cash flows through October 2018; preliminary Open Enrollment results for Plan Year 2019; finalized fully-insured HMO premium rates for Plan Year 2019; revised assumptions on projected cost avoidance due to the Dependent Eligibility Verification Audit; revised claims trends for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) pharmacy claims; revised claims trends for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) medical claims; new ASO fee rates for Preferred Provider Organization (PPO) starting January 1, 2019; and a revised estimate of the Federal Excise Tax on High Cost Employer-Sponsored Health Coverage, also known as the "Cadillac Tax." The fund is expected to remain solvent through FY 2019-20, with increases in ending cash balances for all years of the forecast when compared to the August 2018 Outlook.

For FY 2018-19, the ending cash balance increased from \$473.7 million to \$553.0 million; for FY 2019-20, the ending cash balance increased from \$175.2 million to \$361.9 million; and for FY 2020-21, the negative ending cash balance improved from -\$424.8 million to -\$59.6 million. The Outlook for subsequent years shows that expenses are expected to exceed revenues by an amount that generates a negative cash flow of -\$692.4 million in FY 2021-22, -\$995.4 million in FY 2022-23, and -\$1,457 million in FY 2023-24.

An analysis of the Trust Fund's medical claims trend over the past five fiscal years compared to other national medical trend rates, including the Centers for Medicare and Medicaid Services (CMS), the U.S. Bureau of Labor Statistics, and the IHS Markit Consumer Healthcare Index, revealed that the Trust Fund's medical claims trend has closely mirrored the trends reported by CMS for the same time periods. As such, the Estimating Conference Principals decided to use a blend of medical trend rates adopted in the Prior Outlook with forecasted medical trend rates from CMS's National Health Expenditure Report for the Trust Fund's medical claims projections for this Outlook and agreed to further review and analyze medical cost trends at the next conference. The new blended rates begin in FY 2019-20 and are lower compared to the August 2018 Conference in the out-years.

A complete Executive Summary outlining all of the changes since the August 2018 Conference can be found in the Report on the Financial Outlook Conference packet. The following are the **major** net changes in the forecast for the current and out-years (dollar values shown are the FY 2018-19 changes between the August 2018 and December 2018 Conferences):

- Revenues from Insurance Premiums (-\$10.3 million) – The net decrease in the forecast is due to an decrease in projected employer and enrollee HSA contributions and an decrease in premiums due to shifts in enrollment categories and lower projected enrollment.
- Revenues from PPO – PBM Rebates (+\$9.9 million) – The increase in the forecast is due to higher projected enrollment and rebates.

- Revenues from HMO – PBM Rebates (+\$9.1 million) – The net increase in the forecast is due to an increase in higher projected rebates, which outweighs the decrease due to lower projected enrollment.
- Expenses for PPO Plan Medical Claims (+\$12.2 million) – The increase in the forecast is due to higher projected claims experience and higher projected enrollment.
- Expenses for PPO Plan Prescription Drug Claims (-\$26.2 million) – The decrease in the forecast is due a decrease in the growth factor and lower projected claims experience.
- Expenses for HMO Plan Medical Claims (-\$5.9 million) – The net decrease in the forecast is due to lower projected enrollment, which outweighs higher projected claims experience.
- Expenses for HMO Plan Prescription Drug Claims (-\$18.7 million) – The decrease in the forecast is due to lower projected claims experience, lower projected enrollment, and a decrease in the growth factor.

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

	FY 2018-19			FY 2019-20		
	Aug-18	Dec-18	Difference	Aug-18	Dec-18	Difference
Beginning Cash Balance	\$586.4	\$586.4	\$0	\$473.7	\$553.0	\$79.3
Total Revenues	2,573.6	2,612.6	39.0	2,660.3	2,686.3	26.0
Total Expenses	2,686.2	2,645.9	(40.3)	2,958.8	2,877.4	(81.4)
Operating Gain/(Loss)	(112.6)	(33.3)	79.3	(298.5)	(191.1)	107.4
Ending Cash Balance	\$473.7	\$553.0	\$79.3	\$175.2	\$361.9	\$186.7

Special Notes

Reports on the Financial Outlook prepared from December 2010 through June 2012 included estimates of the impact of the Patient Protection and Affordable Care Act (PPACA) on the Trust Fund. Beginning with the August 2012 report, the impact of PPACA was addressed separately to mirror the treatment used by the Social Services Estimating Conference for Medicaid and KidCare, and were described in a separate report titled *Impact on the State Health Insurance Program of the Patient Protection and Affordable Care Act*. Beginning with the December 2013 forecast, the impacts of the provisions of PPACA have been incorporated into this single report rather than a separate report. For this reason, the reader is urged to note that direct comparisons of conference reports over the time frame referenced in this paragraph will need to be approached with this in mind.

State Employees' Group Health Self-Insurance Trust Fund

Report on Financial Outlook

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

**Adopted December 7, 2018, by the
Self-Insurance Estimating Conference**

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

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

EXECUTIVE SUMMARY

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

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

1. Actual enrollment and cash flows through October 2018.
2. Preliminary Open Enrollment results for Plan Year 2019.
3. Finalized fully-insured HMO premium rates for Plan Year 2019.
4. Revised assumptions on projected cost avoidance due to the Dependent Eligibility Verification Audit.
5. Revised claims trends for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) pharmacy claims.
6. Revised claims trends for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) medical claims.
7. New ASO fee rates for Preferred Provider Organization (PPO) starting January 1, 2019.
8. Revised estimate of the Federal Excise Tax on High Cost Employer-Sponsored Health Coverage, also known as the "Cadillac Tax."

This Outlook reflects increases in revenues for all years, and reductions in expenses for all years of the Outlook compared to the Prior Outlook. Increases in ending cash balances are reflected for FY 2018-19 and FY 2019-20. The deficits previously projected for FY 2020-21 through FY 2022-23 in the Prior Outlook have decreased. The projected ending cash balances for FY 2023-24 is also a deficit. The Outlook reflects that the Trust Fund is projected to remain solvent through FY 2019-20.

The ending cash balance for FY 2018-19 is adjusted from \$473.7 million to \$553.0 million, an increase of \$79.3 million and the estimated operating loss is decreased from \$112.6 million to \$33.3 million. For FY 2019-20, the forecasted ending cash balance is adjusted from \$175.2 million to \$361.9 million and the estimated operating loss is decreased from \$298.5 million to \$191.1 million. Ending cash balance deficits and operating losses are projected for FY 2020-21 through FY 2023-24.

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

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
BEGINNING CASH BALANCE	\$ 586.4	\$ 553.0	\$ 361.9	\$ 0.0	\$ 0.0	\$ 0.0
TOTAL REVENUES	\$ 2,612.6	\$ 2,686.3	\$ 2,731.6	\$ 2,779.1	\$ 2,822.2	\$ 2,862.5
TOTAL EXPENSES	\$ 2,645.9	\$ 2,877.4	\$ 3,153.1	\$ 3,471.5	\$ 3,817.6	\$ 4,319.8
OPERATING GAIN/(LOSS)	\$ (33.3)	\$ (191.1)	\$ (421.5)	\$ (692.4)	\$ (995.4)	\$ (1,457.3)
ENDING CASH BALANCE	\$ 553.0	\$ 361.9	\$ (59.6)	\$ (692.4)	\$ (995.4)	\$ (1,457.3)

Note: Assumes no carry forward of negative cash balance.

ENROLLMENT

Open Enrollment activity provides the starting point for these projections. During the 2019 Open Enrollment, approximately 156,386 Active (Non-OPS) employees were offered coverage, compared to 155,966 offered coverage during the 2018 Open Enrollment. An additional 18,828 employees paid from Other Personal Services (OPS) funds were offered coverage, compared to 14,992 offered covered coverage during the 2018 Open Enrollment.

Preliminary 2019 Open Enrollment numbers reflect that 136,699 (87.4%) of the eligible Active (Non-OPS) employees elected coverage, of which 56,101 (41.0%) enrolled in Individual coverage, 75,213 (55.0%) enrolled in Family coverage, and 5,385 (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 6,144 (32.6%) of the eligible OPS employees elected coverage, of which 4,065 (66.2%) enrolled in Individual coverage; 2,023 (32.9%) enrolled in Family coverage, and 56 (0.9%) enrolled in Spouse coverage. OPS enrollment in PPO plans was 49.4%, and 50.6% enrolled in HMO plans.

Results from the past four open enrollments show that active subscriber membership in the PPO plans annually increased an average of 153 subscribers and HMO membership annually increased an average of 2,800 subscribers. The annual net change was an average increase of 2,953 (2.2%) new active subscribers. Subscriber migration patterns indicate continuing change in the enrollment distribution between the PPO plans and the HMO plans.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

The preliminary Open Enrollment results for the 2019 plan year, combined with updated enrollment activity through October 2018, reflect a projected increase in Active enrollment of 1.7% annually, compared to 1.6% in the Prior Outlook. Early retiree enrollment is projected to decrease 4.1% annually, compared to a 2.7% decrease in the Prior Outlook. Medicare enrollment continues to have an annual average increase of 0.1%, as was reported in the Prior Outlook. PPO plans reflect an average annual increase of 0.4% year over year as compared to a decrease of 0.3% in the Prior Outlook, and HMO plans reflect an average annual increase of 2.0% compared to 2.6% reported in the Prior Outlook.

The changes in enrollment between June and October 2018 reflect a net decrease of 726 contracts, or 0.4% of total subscribers. Membership in PPO plans increased by 148 subscribers or 0.2%, and HMO plan membership decreased by 874 subscribers, or 0.9%. Active subscriber enrollment decreased by 787 subscribers, or 0.6% and the net change in non-active membership was an increase of 61 subscribers, or 0.2%.

As of October 2018, approximately 4,317 subscribers (4,203 active employees) were enrolled in a High Deductible Health Plan (2.4% of total enrollment). Active employees account for 97.4% of High Deductible Health Plan subscribers, of which 83.9% are participating in the integrated state-sponsored Health Savings Account offering, down slightly from the 84.7% reported in the Prior Outlook.

As of October 2018, 28,662, or 16.5%, of eligible employees opted out of enrollment in the Program and 43.9% of those were employees in OPS positions. The Prior Outlook reflected that 15.7% of eligible employees opted out of coverage and 44.5% were in OPS positions.

REVENUE

Combined premium contribution revenues for FY 2018-19 through FY 2022-23 are \$17.1 million lower than projected in the Prior Outlook; \$8.5 million is due to updated actual enrollment and changes attributable to Preliminary Open Enrollment for 2019. Investment earnings increased \$1.4 million for FY 2018-19 and \$2.5 million in FY 2019-20 due to higher projected cash balances and a higher projected interest rate from 1.35% to 1.5%. TPA Refunds reflect an increase of \$12.6 million per year due to actual experience to date in FY 2018-19. PBM Rebates increased a combined total of \$138.9 million (\$64.5 million PPO, \$74.4 million HMO) attributable to rebate projections from the pharmacy benefits manager. PPO Medicare drug subsidy payments increased by \$0.4 million in FY 2018-19, but then decreased by \$0.4 million in FY 2019-20, with no change for the remaining out years. Other Revenues reflect \$15.9 million FY 2018-19 in actual revenues to date, primarily from performance guarantees penalties. Overall, Total Revenue changes in this outlook reflect a combined increase of \$204.6 million over the Prior Outlook.

SPEND

The forecast of PPO expenses for FY 2018-19 through FY 2022-23 reflect a combined projected decrease of \$221.4 million. PPO medical claims projections overall are \$34.0 million higher, reflecting a \$95.3 million increase due to higher projected enrollment, but a \$61.3 million decrease from lower medical trends and claims experience. PPO Pharmacy expenses are \$260.2 million lower, due to lower actual and projected claims expenses to date for FY 2018-19 and lower trend rates. PPO ASO fees and PBM Administration fees reflect a combined increase of \$4.8 million due to increased enrollment projections and higher ASO fee rates.

The forecast of FY 2018-19 through FY 2022-23 reflects a combined decrease of \$524.4 million in fully-insured and self-insured HMO expenses. Fully-insured premium payments reflect a combined decrease across all years totaling \$41.6 million due to lower projected enrollment. HMO medical claims decreased \$223.1 million due to lower projected enrollment, medical trends, and claims experience. HMO pharmacy expenses reflect a combined decrease across all years of \$256.2 million due to lower projected enrollment, claims experience, and lower trend rates. HMO ASO fees and PBM administration fees reflect a combined decrease of \$3.5 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 \$189.1 million decrease. The net combined decrease in pharmacy claims costs across all years is \$516.4 million compared to the Prior Outlook.

An analysis by the Division of the Trust Fund's medical claims trend over the past five fiscal years compared to other national medical trend rates, including the Centers for Medicare and Medicaid Services (CMS), the U.S. Bureau of Labor Statistics, and the IHS Markit Consumer Healthcare Index, revealed that the Trust Fund's medical claims trend has closely mirrored the trends reported by CMS for the same time periods. As such, the Estimating Conference Principals decided to use a blend of medical trend rates adopted in the Prior Outlook, with forecasted medical trend rates from CMS's National Health Expenditure Report, for the Trust Fund's medical claims projections for this Outlook and agreed to further review and analyze medical cost trends at the next conference.

Trend rates for PPO and HMO plan pharmacy claims are provided by the pharmacy benefits manager.

During the 2017 Legislative Session, the Florida Legislature appropriated funding and amended Section 110.12301, Florida Statutes, requiring the Division to conduct a statewide Dependent Eligibility Verification Audit. The final numbers have resulted in a \$20.5 million cost avoidance to the Trust Fund, which is higher than both the \$19.3 million projected in the Prior Outlook and the \$14.0 million originally projected.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

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

HSA Deposits reflect an increase of \$0.1 million each year for FY 2019-20 through FY 2022-23 due to higher enrollment in the High Deductible Plans.

Other Expenses for FY 2018-19 reflect an increase of \$2.7 million due to a settlement with an HMO vendor. FY 2023-24 reflects \$109.2 million due to the implementation of the Federal Excise Tax by the United States Congress.

Overall, expenses across all years of the forecast reflect a combined decrease of \$743.7 million compared to the Prior Outlook.

Growth factors used to develop this Outlook are reflected below:

PPO MEDICAL							
Industry Range for CYs 2018-19: 4.0% - 7.7%							
	FY 18-19		FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2018 Conference	6.4%	n/a	7.8%	8.2%	8.3%	8.3%	n/a
December 2018 Conference	6.4%	6.6%	6.65%	6.85%	6.9%	6.85%	6.9%

HMO MEDICAL							
Industry Range for CYs 2017-19: 4.0% - 6.9%							
	FY 18-19		FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2018 Conference	6.8%	n/a	7.8%	8.2%	8.3%	8.3%	n/a
December 2018 Conference	6.8%	5.6%	6.65%	6.85%	6.9%	6.85%	6.9%

PPO PHARMACY							
Industry Range for CYs 2017-19: 6.0% - 13.9%							
	FY 18-19		FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2018 Conference	13.0%	n/a	13.3%	15.8%	15.8%	15.8%	n/a
December 2018 Conference	9.0%	5.2%	10.6%	12.7%	13.6%	14.3%	15.1%

HMO PHARMACY							
Industry Range for CYs 2017-19: 6.0% - 13.9%							
	FY 18-19		FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2018 Conference	11.7%	n/a	12.9%	16.0%	16.0%	16.0%	n/a
December 2018 Conference	11.4%	6.7%	11.5%	13.0%	13.6%	14.4%	15.2%

FULLY INSURED HMO PREMIUM PAYMENTS							
Industry Range for CYs 2017-19: 3.5% - 8.0%							
	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
August 2018 Conference	3.8%*	4.3%	4.9%	5.2%	5.3%	5.3%	5.3%
December 2018 Conference	3.8%*	4.3%*	4.9%	5.2%	5.3%	5.3%	5.3%

*Actual trend rates

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit I

Financial Outlook by Fiscal Year ⁽¹⁾

Changes to Conference Forecast - December 2018 Compared to August 2018

(In Millions)

	FY 2018-19			FY 2019-20			FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24
	Aug '18	Dec '18	Diff.	Aug '18	Dec '18	Diff.	Aug '18	Dec '18	Diff.	Aug '18	Dec '18	Diff.	Aug '18	Dec '18	Diff.	Dec '18
BEGINNING CASH BALANCE	\$ 586.4	\$ 586.4	\$ -	\$ 473.7	\$ 553.0	\$ 79.3	\$ 175.2	\$ 361.9	\$ 186.7	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾	\$ -	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾	\$ -	\$ 0.0 ⁽²⁾
REVENUES:																
Insurance Premiums ⁽³⁾	\$ 2,375.4	\$ 2,365.1	\$ (10.3)	\$ 2,455.1	\$ 2,446.9	\$ (8.2)	\$ 2,482.4	\$ 2,478.3	\$ (4.1)	\$ 2,510.4	\$ 2,510.7	\$ 0.3	\$ 2,539.5	\$ 2,544.7	\$ 5.2	\$ 2,575.4
Investment Earnings	7.1	8.5	1.4	4.4	6.9	2.5	-	-	-	-	-	-	-	-	-	-
TPA & Self-Insured HMO Refunds	19.8	32.4	12.6	19.8	32.4	12.6	19.8	32.4	12.6	19.8	32.4	12.6	19.8	32.4	12.6	32.4
PBM Rebates	129.5	148.5	19.0	138.8	158.3	19.5	148.4	178.7	30.3	158.2	193.8	35.6	168.4	202.9	34.5	212.5
Pretax Trust Fund Transfer	24.6	24.6	-	24.6	24.6	-	24.6	24.6	-	24.6	24.6	-	24.6	24.6	-	24.6
Medicare Part D Subsidy	17.2	17.6	0.4	17.6	17.2	(0.4)	17.6	17.6	-	17.6	17.6	-	17.6	17.6	-	17.6
Other Revenues	-	15.9	15.9	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 2,573.6	\$ 2,612.6	\$ 39.0	\$ 2,660.3	\$ 2,686.3	\$ 26.0	\$ 2,692.8	\$ 2,731.6	\$ 38.8	\$ 2,730.6	\$ 2,779.1	\$ 48.5	\$ 2,769.9	\$ 2,822.2	\$ 52.3	\$ 2,862.5
TOTAL CASH AVAILABLE	\$ 3,160.0	\$ 3,199.0	\$ 39.0	\$ 3,134.0	\$ 3,239.3	\$ 105.3	\$ 2,868.0	\$ 3,093.5	\$ 225.5	\$ 2,730.6	\$ 2,779.1	\$ 48.5	\$ 2,769.9	\$ 2,822.2	\$ 52.3	\$ 2,862.5
EXPENSES:																
PPO Plan	\$ 1,161.5	\$ 1,147.6	\$ (13.9)	\$ 1,267.4	\$ 1,242.5	\$ (24.9)	\$ 1,397.6	\$ 1,354.8	\$ (42.8)	\$ 1,545.5	\$ 1,484.8	\$ (60.7)	\$ 1,711.8	\$ 1,632.7	\$ (79.1)	\$ 1,803.5
Medical Claims	715.8	728.0	12.2	767.9	778.9	11.0	826.8	834.7	7.9	890.9	894.9	4.0	960.4	959.3	(1.1)	1,029.0
ASO Fee	17.7	17.8	0.1	17.6	18.2	0.6	17.5	18.5	1.0	17.4	18.7	1.3	17.3	18.7	1.4	18.8
Prescription Drug Claims	425.8	399.6	(26.2)	479.8	443.2	(36.6)	551.2	499.4	(51.8)	635.1	569.0	(66.1)	732.0	652.5	(79.5)	753.5
PBM Claims Administration	2.2	2.2	-	2.1	2.2	0.1	2.1	2.2	0.1	2.1	2.2	0.1	2.1	2.2	0.1	2.2
HMO Plan	\$ 1,504.1	\$ 1,475.3	\$ (28.8)	\$ 1,670.6	\$ 1,614.0	\$ (56.6)	\$ 1,875.1	\$ 1,778.1	\$ (97.0)	\$ 2,110.7	\$ 1,966.5	\$ (144.2)	\$ 2,362.4	\$ 2,164.6	\$ (197.8)	\$ 2,386.8
Premium Payments	320.2	316.2	(4.0)	342.6	336.1	(6.5)	368.2	359.7	(8.5)	396.3	385.7	(10.6)	409.7	397.7	(12.0)	405.2
Medical Claims	808.0	802.1	(5.9)	895.8	874.3	(21.5)	997.6	957.0	(40.6)	1,111.8	1,048.1	(63.7)	1,238.7	1,147.3	(91.4)	1,255.7
ASO Fee	25.8	25.6	(0.2)	26.6	26.2	(0.4)	27.4	26.8	(0.6)	28.2	27.4	(0.8)	29.4	28.1	(1.3)	28.8
Prescription Drug Claims	348.1	329.4	(18.7)	403.5	375.3	(28.2)	479.7	432.5	(47.2)	572.2	503.1	(69.1)	682.3	589.3	(93.0)	694.8
PBM Claims Administration	2.0	2.0	-	2.1	2.1	-	2.2	2.1	(0.1)	2.2	2.2	-	2.3	2.2	(0.1)	2.3
Shared Savings Program	\$ 3.2	\$ 3.2	\$ -	\$ 3.4	\$ 3.4	\$ -	\$ 3.4	\$ 3.4	\$ -	\$ 3.4	\$ 3.4	\$ -	\$ 3.4	\$ 3.4	\$ -	\$ 3.4
Medical Claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Fees ⁽⁴⁾	3.2	3.2	-	3.4	3.4	-	3.4	3.4	-	3.4	3.4	-	3.4	3.4	-	3.4
Shared Savings to Employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HSA Deposits ⁽³⁾	5.8	5.5	(0.3)	5.8	5.9	0.1	5.9	6.0	0.1	5.9	6.0	0.1	6.0	6.1	0.1	6.1
Operating Costs & Admin Assessment	4.9	4.9	-	4.9	4.9	-	4.9	4.9	-	4.9	4.9	-	4.9	4.9	-	4.9
Premium Refunds	5.9	5.9	-	5.9	5.9	-	5.9	5.9	-	5.9	5.9	-	5.9	5.9	-	5.9
Other Expenses ⁽⁵⁾	0.9	3.6	2.7	0.9	0.9	-	-	-	-	-	-	-	-	-	-	109.2
TOTAL EXPENSES	\$ 2,686.2	\$ 2,645.9	\$ (40.3)	\$ 2,958.8	\$ 2,877.4	\$ (81.4)	\$ 3,292.8	\$ 3,153.1	\$ (139.7)	\$ 3,676.3	\$ 3,471.5	\$ (204.8)	\$ 4,094.4	\$ 3,817.6	\$ (276.8)	\$ 4,319.8
EXCESS OF REV. OVER EXP.	\$ (112.6)	\$ (33.3)	\$ 79.3	\$ (298.5)	\$ (191.1)	\$ 107.4	\$ (600.0)	\$ (421.5)	\$ 178.5	\$ (945.7)	\$ (692.4)	\$ 253.3	\$ (1,324.5)	\$ (995.4)	\$ 329.1	\$ (1,457.3)
ENDING CASH BALANCE ⁽⁶⁾	\$ 473.7	\$ 553.0	\$ 79.3	\$ 175.2	\$ 361.9	\$ 186.7	\$ (424.8)	\$ (59.6)	\$ 365.2	\$ (945.7)	\$ (692.4)	\$ 253.3	\$ (1,324.5)	\$ (995.4)	\$ 329.1	\$ (1,457.3)
ADDITIONAL INFORMATION																
Shared Savings Credits ⁽⁷⁾	\$ 4.3	\$ 4.3	\$ -	\$ 4.3	\$ 4.3	\$ -	\$ 4.3	\$ 4.3	\$ -	\$ 4.3	\$ 4.3	\$ -	\$ 4.3	\$ 4.3	\$ -	\$ 4.3
Unreported PPO Plan Claims Liability ⁽⁸⁾	\$ 66.3	\$ 60.2	\$ (6.1)	\$ 71.0	\$ 64.2	\$ (6.8)	\$ 76.3	\$ 68.7	\$ (7.6)	\$ 82.1	\$ 73.5	\$ (8.6)	\$ 88.4	\$ 78.7	\$ (9.7)	\$ 84.2
Unreported HMO Plan Claims Liability ⁽⁹⁾	97.1	96.4	(0.7)	107.6	105.0	(2.6)	119.8	114.9	(4.9)	133.5	125.9	(7.6)	148.7	137.8	(10.9)	150.8
Unreported PBM Claims Liability ⁽¹⁰⁾	7.8	7.3	(0.5)	8.8	8.2	(0.6)	10.3	9.3	(1.0)	12.1	10.7	(1.4)	14.1	12.4	(1.7)	14.4
Total Unreported Claims Liability	\$ 175.5	\$ 168.2	\$ (7.3)	\$ 191.7	\$ 181.7	\$ (10.0)	\$ 210.7	\$ 197.2	\$ (13.5)	\$ 232.0	\$ 214.4	\$ (17.6)	\$ 255.5	\$ 233.2	\$ (22.3)	\$ 253.7

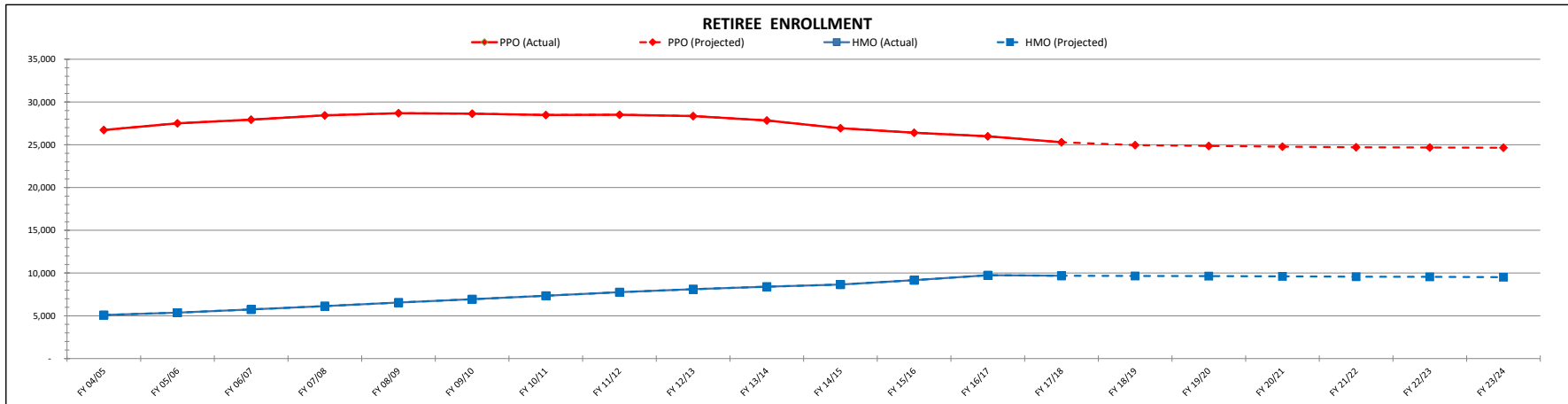
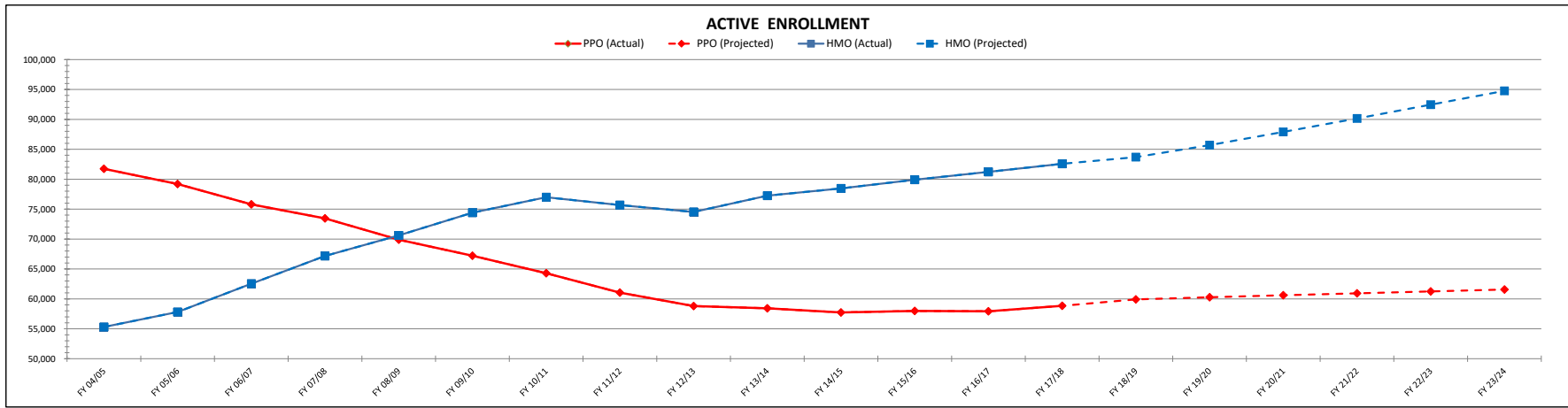
Highlights of Changes to Forecast

- A) Inclusion of actual enrollment and cash flows through October 2018
- B) Finalized Employer Insurance Premium Contribution rates - effective December 2018 for January 2019 coverage
- C) Revised assumption on projected cost avoidance due to the Dependent Eligibility Verification Audit
- D) Revised pharmacy claims utilization to account for the second year of the Weight Management Pilot
- E) Revised the growth factors from PPO Pharmacy claims and HMO Pharmacy claims
- F) New ASO fee rates for Preferred Provider Organization (PPO) starting January 1, 2019
- G) Revised the growth factors from Medical claims starting FY 2019-20

G) Revised

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND
Exhibit II
Enrollment Outlook by Fiscal Year
Changes to Conference Forecast - December 2018 Compared to August 2018

	FY 2018-19			FY 2019-20			FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24		
	Aug '18	Dec '18	Diff.	Aug '18	Dec '18	Diff.	Aug '18	Dec '18	Diff.	Aug '18	Dec '18	Diff.	Aug '18	Dec '18	Diff.	Aug '18	Dec '18	Diff.
Average Enrollment by Plan																		
PPO Standard	81,409	81,756	347	80,907	81,924	1,017	80,414	82,102	1,688	79,935	82,294	2,359	79,482	82,512	3,030	-	82,740	82,740
PPO HDHP	2,993	3,111	118	3,092	3,219	127	3,171	3,288	117	3,226	3,346	120	3,297	3,408	111	-	3,473	3,473
HMO Standard	93,017	92,117	(900)	95,581	94,118	(1,463)	98,216	96,290	(1,926)	100,906	98,521	(2,385)	103,634	100,791	(2,843)	-	103,071	103,071
HMO HDHP	1,215	1,222	7	1,229	1,227	(2)	1,244	1,227	(17)	1,252	1,220	(32)	1,259	1,215	(44)	-	1,215	1,215
Total	178,634	178,206	(428)	180,809	180,488	(321)	183,045	182,907	(138)	185,319	185,381	62	187,672	187,926	254	-	190,499	190,499
Average Enrollment by Coverage Type																		
Active (Non-OPS) Standard	133,988	133,254	(734)	135,816	134,956	(860)	137,719	136,868	(851)	139,690	138,850	(840)	141,698	140,870	(828)	-	142,907	142,907
Active (Non-OPS) HDHP	3,667	3,781	114	3,728	3,837	109	3,775	3,860	85	3,807	3,868	61	3,838	3,879	41	-	3,892	3,892
OPS Standard	5,443	5,588	145	5,751	6,156	405	6,046	6,704	658	6,333	7,244	911	6,619	7,783	1,164	-	8,322	8,322
OPS HDHP	426	435	9	463	486	23	494	527	33	525	569	44	556	609	53	-	651	651
COBRA	462	538	76	462	554	92	462	554	92	462	554	92	462	554	92	-	554	554
Early Retiree	4,877	4,733	(144)	4,755	4,558	(197)	4,657	4,421	(236)	4,563	4,295	(268)	4,496	4,192	(304)	-	4,094	4,094
Medicare	29,771	29,877	106	29,834	29,941	107	29,892	29,973	81	29,939	30,001	62	30,003	30,039	36	-	30,079	30,079
Total	178,634	178,206	(428)	180,809	180,488	(321)	183,045	182,907	(138)	185,319	185,381	62	187,672	187,926	254	-	190,499	190,499



STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit III

Financial Outlook by Fiscal Year ⁽¹⁾

(In Millions)

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
BEGINNING CASH BALANCE	\$ 586.4	\$ 553.0	\$ 361.9	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾
REVENUES:						
Insurance Premiums:						
Employer	\$ 1,952.6	\$ 2,030.8	\$ 2,059.7	\$ 2,089.3	\$ 2,119.4	\$ 2,147.3
Employee	172.3	174.9	177.6	180.3	183.1	185.7
HSA Contributions ⁽³⁾	5.5	5.9	6.0	6.0	6.1	6.1
COBRA	7.0	7.3	7.3	7.3	7.3	7.3
Early Retiree	50.6	50.1	48.6	47.3	46.2	45.2
Medicare	177.1	177.9	179.1	180.5	182.6	183.8
Investment Earnings	8.5	6.9	0.0	0.0	0.0	0.0
PPO - TPA Refunds	8.4	8.4	8.4	8.4	8.4	8.4
PPO - PBM Rebates	80.3	83.3	92.4	98.5	101.4	104.4
HMO - Self-Insured Refunds	24.0	24.0	24.0	24.0	24.0	24.0
HMO - PBM Rebates	68.2	75.0	86.3	95.3	101.5	108.1
Pretax Trust Fund Transfer	24.6	24.6	24.6	24.6	24.6	24.6
PPO - Medicare Part D Subsidy	16.4	16.0	16.4	16.4	16.4	16.4
HMO - Medicare Part D Subsidy	1.2	1.2	1.2	1.2	1.2	1.2
Other Revenues	15.9	0.0	0.0	0.0	0.0	0.0
TOTAL REVENUES	\$ 2,612.6	\$ 2,686.3	\$ 2,731.6	\$ 2,779.1	\$ 2,822.2	\$ 2,862.5
TOTAL CASH AVAILABLE	\$ 3,199.0	\$ 3,239.3	\$ 3,093.5	\$ 2,779.1	\$ 2,822.2	\$ 2,862.5
EXPENSES:						
State PPO Plan:						
Medical Claims	\$ 728.0	\$ 778.9	\$ 834.7	\$ 894.9	\$ 959.3	\$ 1,029.0
ASO Fee	17.8	18.2	18.5	18.7	18.7	18.8
Prescription Drug Claims	399.6	443.2	499.4	569.0	652.5	753.5
PBM Claims Administration	2.2	2.2	2.2	2.2	2.2	2.2
HMO Plan:						
Premium Payments	316.2	336.1	359.7	385.7	397.7	405.2
Medical Claims	802.1	874.3	957.0	1,048.1	1,147.3	1,255.7
ASO Fee	25.6	26.2	26.8	27.4	28.1	28.8
Prescription Drug Claims	329.4	375.3	432.5	503.1	589.3	694.8
PBM Claims Administration	2.0	2.1	2.1	2.2	2.2	2.3
Shared Savings Program:						
Medical Claims	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Fees ⁽⁴⁾	3.2	3.4	3.4	3.4	3.4	3.4
Shared Savings to Employees	0.0	0.0	0.0	0.0	0.0	0.0
HSA Deposits ⁽³⁾	5.5	5.9	6.0	6.0	6.1	6.1
Operating Costs & Admin Assessment	4.9	4.9	4.9	4.9	4.9	4.9
Premium Refunds	5.9	5.9	5.9	5.9	5.9	5.9
Other Expenses ⁽⁵⁾	3.6	0.9	0.0	0.0	0.0	109.2
TOTAL EXPENSES	\$ 2,645.9	\$ 2,877.4	\$ 3,153.1	\$ 3,471.5	\$ 3,817.6	\$ 4,319.8
EXCESS OF REVENUES OVER EXPENSES	\$ (33.3)	\$ (191.1)	\$ (421.5)	\$ (692.4)	\$ (995.4)	\$ (1,457.3)
ENDING CASH BALANCE ⁽⁶⁾	\$ 553.0	\$ 361.9	\$ (59.6)	\$ (692.4)	\$ (995.4)	\$ (1,457.3)

ADDITIONAL INFORMATION

Total Unreported Claims Liability ⁽¹¹⁾	\$ 168.2	\$ 181.7	\$ 197.2	\$ 214.4	\$ 233.2	\$ 253.7
Average Enrollment by Plan						
PPO Standard	81,756	81,924	82,102	82,294	82,512	82,740
PPO HDHP	3,111	3,219	3,288	3,346	3,408	3,473
HMO Standard	92,117	94,118	96,290	98,521	100,791	103,071
HMO HDHP	1,222	1,227	1,227	1,220	1,215	1,215
Total	178,206	180,488	182,907	185,381	187,926	190,499
Average Enrollment by Coverage Type						
Active (Non-OPS) Standard	133,254	134,956	136,868	138,850	140,870	142,907
Active (Non-OPS) HDHP	3,781	3,837	3,860	3,868	3,879	3,892
OPS Standard	5,588	6,156	6,704	7,244	7,783	8,322
OPS HDHP	435	486	527	569	609	651
COBRA	538	554	554	554	554	554
Early Retiree	4,733	4,558	4,421	4,295	4,192	4,094
Medicare	29,877	29,941	29,973	30,001	30,039	30,079
Total	178,206	180,488	182,907	185,381	187,926	190,499

Exhibit IV
Notes to the Financial Outlook

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

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

\$ 473.7	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
0.0	Increase in Beginning Cash Balance Forecast
39.0	Increase in Revenue Forecast
	(10.3) - Net Decrease in Insurance Premiums
	(6.9) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 178,634 to 178,206
	(0.3) - Decrease in projected employer and enrollee HSA contributions
	(3.1) - Decrease in Insurance Premiums due to shifts in enrollment categories
1.4	- Increase in Investment Earnings due to higher projected cash balance and net earnings rate
0.6	- Increase in PPO - TPA Refunds due to higher projected activity
9.9	- Increase in PPO - PBM Rebates
	0.4 - Increase due to higher projected enrollment from 84,402 to 84,867
	9.5 - Increase due to higher actual and projected rebates
12.0	- Increase in HMO - Self-Insured Refunds
	(0.2) - Decrease due to lower projected enrollment from 62,143 to 61,505
	12.2 - Increase due to higher projected activity
9.1	- Increase in HMO - PBM Rebates
	(0.8) - Decrease due to lower projected enrollment from 88,819 to 87,839
	9.9 - Increase due to higher projected rebates
0.4	- Increase in PPO - Medicare Part D Subsidy due to higher projected per member subsidy
15.9	- Increase in Other Revenues due to Performance Guarantee Penalty
(40.3)	Decrease in Expense Forecast
	(13.9) Decrease in State PPO Plan
	12.2 - Increase in Medical Claims
	3.9 - Increase due to higher projected enrollment from 84,402 to 84,867
	8.3 - Increase due to lower projected claims experience
	0.1 - Increase in ASO Fee Expense due to an increase in projected enrollment from 84,402 to 84,867
	(26.2) - Decrease in Prescription Drug Claims
	2.3 - Increase due to higher projected enrollment from 84,402 to 84,867
	(15.1) - Decrease due to lower growth factor from 13.0% to 9.0%
	(13.4) - Decrease due to lower projected claims experience
(28.8)	Decrease in HMO Plan
	(4.0) - Decrease in Premium Payments
	(2.5) - Decrease due to lower projected enrollment from 32,084 to 31,831
	(1.5) - Decrease due to shifts in enrollment categories
	(5.9) - Decrease in Medical Claims
	(8.3) - Decrease due to lower projected enrollment from 62,143 to 61,505
	2.4 - Increase due to higher projected claims experience
	(0.2) - Decrease in ASO Fees
	(0.3) - Decrease due to lower projected enrollment from 62,143 to 61,505
	0.1 - Increase due to shifts in enrollment between HMO vendors
	(18.7) - Decrease in Prescription Drug Claims
	(3.8) - Decrease due to lower projected enrollment from 89,819 to 87,839
	(0.9) - Decrease due to lower growth factor from 11.7% to 11.4%
	(14.0) - Decrease due to lower projected claims experience
2.4	Increase in Other Expense Categories
	(0.3) - Decrease due to lower projected employer and enrollee HSA Deposits
	2.7 - Increase in Other Expenses due to settlement with an HMO vendor
553.0	Ending Cash Balance⁽¹⁾

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

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

\$ 175.2	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
79.3	Increase in Beginning Cash Balance Forecast
26.0	Increase in Revenue Forecast
	(8.2) - Net Decrease in Insurance Premiums
	(5.3) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 180,809 to 180,488
	0.1 - Increase in projected employer and enrollee HSA contributions
	(3.0) - Decrease in Insurance Premiums due to shifts in enrollment categories
	2.5 - Increase in Investment Earnings due to an increase in projected cash balance and net earnings rate
	0.6 - Increase in PPO - TPA Refunds
	0.1 - Increase due to an increase in projected enrollment from 83,999 to 85,143
	0.5 - Increase due to higher projected activity
	9.0 - Increase in PPO - PBM Rebates
	1.1 - Increase due to higher projected enrollment from 83,999 to 85,143
	7.9 - Increase due to higher projected activity
	12.0 - Increase in HMO - Self-Insured Refunds
	(0.4) - Decrease due to lower projected enrollment from 63,968 to 62,919
	12.4 - Increase due to higher projected activity
	10.5 - Increase in HMO - PBM Rebates
	(1.3) - Decrease due to lower projected enrollment from 91,340 to 89,785
	11.8 - Increase due to higher projected rebates
	(0.4) - Decrease in PPO - Medicare Part D Subsidy due to lower projected per member subsidy
(81.4)	Decrease in Expense Forecast
	(24.9) Decrease in State PPO Plan
	11.0 - Increase in Medical Claims
	10.5 - Increase due to higher projected enrollment from 83,999 to 85,143
	(8.4) - Decrease due to lower growth factor from 7.8% to 6.65%
	8.9 - Increase due to higher projected claims experience
	0.6 - Increase in ASO Fee Expense
	0.2 - Increase due to higher projected enrollment from 83,999 to 85,143
	0.4 - Increase due to higher ASO fee rate
	(36.6) - Decrease in Prescription Drug Claims
	6.5 - Increase due to higher projected enrollment from 83,999 to 85,143
	(10.8) - Decrease due to lower growth factor from 13.3% to 10.6%
	(32.3) - Decrease due to lower projected claims experience
	0.1 - Increase in PBM Claims Administration due to shifts in enrollment categories
(56.6)	Decrease in HMO Plan
	(6.5) - Decrease in Premium Payments
	(4.3) - Decrease due to lower projected enrollment from 32,839 to 32,422
	(2.2) - Decrease due to shifts in enrollment categories
	(21.5) - Decrease in Medical Claims
	(14.7) - Decrease due to lower projected enrollment from 63,968 to 62,919
	(9.4) - Decrease due to lower growth factor from 7.8% to 6.65%
	2.6 - Increase due to higher projected claims experience
	(0.4) - Decrease in ASO Fees due to lower projected enrollment from 63,968 to 62,919
	(28.2) - Decrease in Prescription Drug Claims
	(6.8) - Decrease due to lower projected enrollment from 91,340 to 89,785
	(4.7) - Decrease due to lower growth factor from 12.9% to 11.5.%
	(16.7) - Decrease due to lower projected claims experience
	0.1 Increase in Other Expense Categories
	0.1 - Increase due to higher projected employer and enrollee HSA Deposits
361.9	Ending Cash Balance ⁽¹⁾

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

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

\$ (424.8) Previous Ending Cash Balance Forecast ⁽ⁱ⁾

186.7	Increase in Beginning Cash Balance Forecast
38.8	Increase in Revenue Forecast
	(4.1) - Net Decrease in Insurance Premiums
	(2.0) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 183,045 to 182,907
	0.1 - Increase in projected employer and enrollee HSA contributions
	(2.2) - Decrease in Insurance Premiums due to shifts in enrollment categories
0.6	- Increase in PPO - TPA Refunds
	0.2 - Increase due to higher projected enrollment from 83,585 to 85,390
	0.4 - Increase due to higher projected activity
14.1	- Increase in PPO - PBM Rebates
	2.0 - Increase due to higher projected enrollment from 83,585 to 85,390
	12.1 - Increase due to higher projected rebates
12.0	- Increase in HMO - Self-Insured Refunds
	(0.5) - Decrease due to lower projected enrollment from 65,842 to 64,456
	12.5 - Increase due to higher projected activity
16.2	- Increase in HMO - PBM Rebates
	(1.9) - Decrease due to lower projected enrollment from 93,941 to 91,926
	18.1 - Increase due to higher projected rebates
(139.7)	Decrease in Expense Forecast
	(42.8) Decrease in State PPO Plan
	7.9 - Increase in Medical Claims
	17.9 - Increase due to higher projected enrollment from 83,585 to 85,390
	(10.5) - Decrease due to lower growth factor from 8.2% to 6.85%
	0.5 - Increase due to higher projected claims experience
	1.0 - Increase in ASO Fee Expense
	0.4 - Increase due to higher projected enrollment from 83,585 to 85,390
	0.6 - Increase due to higher ASO fee rate
	(51.8) - Decrease in Prescription Drug Claims
	11.9 - Increase due to higher projected enrollment from 83,585 to 85,390
	(13.7) - Decrease due to lower growth factor from 15.8% to 12.7%
	(50.0) - Decrease due to lower projected claims experience
	0.1 - Increase in PBM Claims Administration due to shifts in enrollment categories
(97.0)	Decrease in HMO Plan
	(8.5) - Decrease in Premium Payments
	(5.9) - Decrease due to lower projected enrollment from 33,614 to 33,060
	(2.6) - Decrease due to shifts in enrollment categories
	(40.6) - Decrease in Medical Claims
	(21.0) - Decrease due to lower projected enrollment from 65,842 to 64,456
	(12.1) - Decrease due to lower growth factor from 8.2% to 6.85%
	(7.5) - Decrease due to lower projected claims experience
	(0.6) - Decrease in ASO Fees due to lower projected enrollment from 65,842 to 64,456
	(47.2) - Decrease in Prescription Drug Claims
	(10.3) - Decrease due to lower projected enrollment from 93,941 to 91,926
	(11.5) - Decrease due to lower growth factor from 16.0% to 13.0.%
	(25.4) - Decrease due to lower projected claims experience
	(0.1) - Decrease in PBM Claims Administration due to shifts in enrollment categories
0.1	Increase in Other Expense Categories
	0.1 - Increase due to higher projected employer and enrollee HSA Deposits

(59.6) Ending Cash Balance⁽¹⁾⁽ⁱ⁾ Self Insurance Estimating Conference held in August 2018.

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

\$ (945.7)	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
0.0	No Change in Beginning Cash Balance Forecast
48.5	Increase in Revenue Forecast
0.3	- Net Increase in Insurance Premiums
1.2	- Increase in employer and enrollee Insurance Premiums due to higher projected enrollment from 185,319 to 185,381
0.1	- Increase in projected employer and enrollee HSA contributions
(1.0)	- Decrease in Insurance Premiums due to shifts in enrollment categories
0.6	- Increase in PPO - TPA Refunds
0.3	- Increase due to higher projected enrollment from 83,160 to 85,639
0.3	- Increase due to higher projected activity
16.3	- Increase in PPO - PBM Rebates
2.9	- Increase due to higher projected enrollment from 83,160 to 85,639
13.4	- Increase due to higher projected rebates
12.0	- Increase in HMO - Self-Insured Refunds
(0.6)	- Decrease due to lower projected enrollment from 67,756 to 66,037
12.6	- Increase due to higher projected activity
19.3	- Increase in HMO - PBM Rebates
(2.4)	- Decrease due to lower projected enrollment from 96,602 to 94,127
21.7	- Increase due to higher projected rebates
(204.8)	Decrease in Expense Forecast
(60.7)	Decrease in State PPO Plan
4.0	- Increase in Medical Claims
26.6	- Increase due to higher projected enrollment from 83,160 to 85,639
(11.7)	- Decrease due to lower growth factor from 8.3% to 6.9%
(10.9)	- Decrease due to lower projected claims experience
1.3	- Increase in ASO Fee Expense
0.6	- Increase due to higher projected enrollment from 83,160 to 85,639
0.7	- Increase due to higher ASO fee rate
(66.1)	- Decrease in Prescription Drug Claims
18.9	- Increase due to higher projected enrollment from 83,160 to 85,639
(11.0)	- Decrease due to lower growth factor from 15.8% to 13.6%
(74.0)	- Decrease due to lower projected claims experience
0.1	- Increase in PBM Claims Administration due to higher projected enrollment from 83,160 to 85,639
(144.2)	Decrease in HMO Plan
(10.6)	- Decrease in Premium Payments
(7.8)	- Decrease due to lower projected enrollment from 34,397 to 33,703
(2.8)	- Decrease due to shifts in enrollment categories
(63.7)	- Decrease in Medical Claims
(28.2)	- Decrease due to lower projected enrollment from 67,756 to 66,037
(13.7)	- Decrease due to lower growth factor from 8.3% to 6.9%
(21.8)	- Decrease due to lower projected claims experience
(0.8)	- Decrease in ASO Fees
(0.7)	- Decrease due to lower projected enrollment from 67,756 to 66,037
(0.1)	- Decrease due to shifts in enrollment categories
(69.1)	- Decrease in Prescription Drug Claims
(14.7)	- Decrease due to lower projected enrollment from 96,602 to 94,127
(10.6)	- Decrease due to lower growth factor from 16.0% to 13.6%
(43.8)	- Decrease due to lower projected claims experience
0.1	Increase in Other Expense Categories
0.1	- Increase due to higher projected employer and enrollee HSA Deposits
(692.4)	Ending Cash Balance⁽¹⁾

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

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

\$ (1,324.5)	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
0.0	No Change in Beginning Cash Balance Forecast
52.3	Increase in Revenue Forecast
5.2	- Net Increase in Insurance Premium revenue
4.5	- Increase in employer and enrollee Insurance Premiums due to higher projected enrollment from 187,672 to 187,926
0.1	- Increase in projected employer and enrollee HSA contributions
0.6	- Increase in Insurance Premiums due to shifts in enrollment categories
0.6	- Increase in PPO - TPA Refunds
0.3	- Increase due to higher projected enrollment from 82,778 to 85,919
0.3	- Increase due to higher projected activity
15.2	- Increase in PPO - PBM Rebates
3.8	- Increase due to higher projected enrollment from 82,778 to 85,919
11.4	- Increase due to higher projected rebates
12.0	- Increase in HMO - Self-Insured Refunds
(0.7)	- Decrease due to lower projected enrollment from 69,700 to 67,647
12.7	- Increase due to higher projected activity
19.3	- Increase in HMO - PBM Rebates
(3.0)	- Decrease due to lower projected enrollment from 99,304 to 96,372
22.3	- Increase due to higher projected rebates
(276.8)	Decrease in Expense Forecast
(79.1)	Decrease in State PPO Plan
(1.1)	- Decrease in Medical Claims
36.4	- Increase due to higher projected enrollment from 82,778 to 85,919
(13.0)	- Decrease due to lower growth factor from 8.3% to 6.85%
(24.5)	- Decrease due to lower projected claims experience
1.4	- Increase in ASO Fee Expense
0.7	- Increase due to higher projected enrollment from 82,778 to 85,919
0.7	- Increase due to higher ASO fee rate
(79.5)	- Decrease in Prescription Drug Claims
27.8	- Increase due to higher projected enrollment from 82,778 to 85,919
(8.6)	- Decrease due to lower growth factor from 15.8% to 14.3%
(98.7)	- Decrease due to lower projected claims experience
0.1	- Increase in PBM Claims Administration due to higher projected enrollment from 82,778 to 85,919
(197.8)	Decrease in HMO Plan
(12.0)	- Decrease in Premium Payments
(9.4)	- Decrease due to lower projected enrollment from 35,190 to 34,359
(2.6)	- Decrease due to shifts in enrollment categories
(91.4)	- Decrease in Medical Claims
(36.5)	- Decrease due to lower projected enrollment from 69,700 to 67,647
(15.6)	- Decrease due to lower growth factor from 8.3% to 6.85%
(39.3)	- Decrease due to lower projected claims experience
(1.3)	- Decrease in ASO Fees
(0.8)	- Decrease due to lower projected enrollment from 69,700 to 67,647
(0.5)	- Decrease due to shifts in enrollment categories
(93.0)	- Decrease in Prescription Drug Claims
(20.1)	- Decrease due to lower projected enrollment from 99,304 to 96,372
(8.2)	- Decrease due to lower growth factor from 16.0% to 14.4%
(64.7)	- Decrease due to lower projected claims experience
(0.1)	- Decrease in PBM Claims Administration due to lower projected enrollment from 99,304 to 96,372
0.1	Increase in Other Expense Categories
0.1	- Increase in projected employer and enrollee HSA Deposits
(995.4)	Ending Cash Balance ⁽¹⁾

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

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective January 2017 for February 2017 Coverage

(Premium rate change for CHP participants ONLY)

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

Medicare Monthly Premium Rates

Plan Name	Plan Type	Medicare I	Medicare II	Medicare III
		One Eligible ⁽⁵⁾	One Under/Over ⁽⁶⁾	Both Eligible ⁽⁷⁾
Self-Insured PPO / HMO	Standard	388.38	1,119.85	776.76
	HIHP	292.76	917.13	585.51
Capital Health Plan ⁽⁸⁾	Standard	282.62	915.37	565.24
	HIHP	257.23	834.26	514.46
Florida Health Care Plan ⁽⁸⁾	Standard	49.00	679.41	98.00
	HIHP	49.00	568.95	98.00

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 2017 for January 2018 Coverage

(Premium rate change for CHP and FHCP participants only)

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

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

Notes:

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

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective December 2018 for January 2019 Coverage

(Premium rate change for CHP participants ONLY)

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

Medicare Monthly Premium Rates				
Plan Name	Plan Type	Medicare I	Medicare II	Medicare III
		One Eligible ⁽⁵⁾	One Under/Over ⁽⁶⁾	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.