

The Florida Senate  
**COMMITTEE MEETING EXPANDED AGENDA**  
 GOVERNMENTAL OVERSIGHT AND ACCOUNTABILITY  
 Senator Brandes, Chair  
 Senator Gruters, Vice Chair

**MEETING DATE:** Wednesday, October 20, 2021  
**TIME:** 10:00 a.m.—12:00 noon  
**PLACE:** Mallory Horne Committee Room, 37 Senate Building

**MEMBERS:** Senator Brandes, Chair; Senator Gruters, Vice Chair; Senators Farmer, Mayfield, Stargel, and Torres

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Presentation by the Department of Management Services relating to the Division of State Group Insurance and the State Group Insurance Program		Presented
2	Presentation by the Reason Foundation regarding the Florida Retirement System Investment Plan		Presented
Other Related Meeting Documents			

# Overview of the State Group Insurance Program

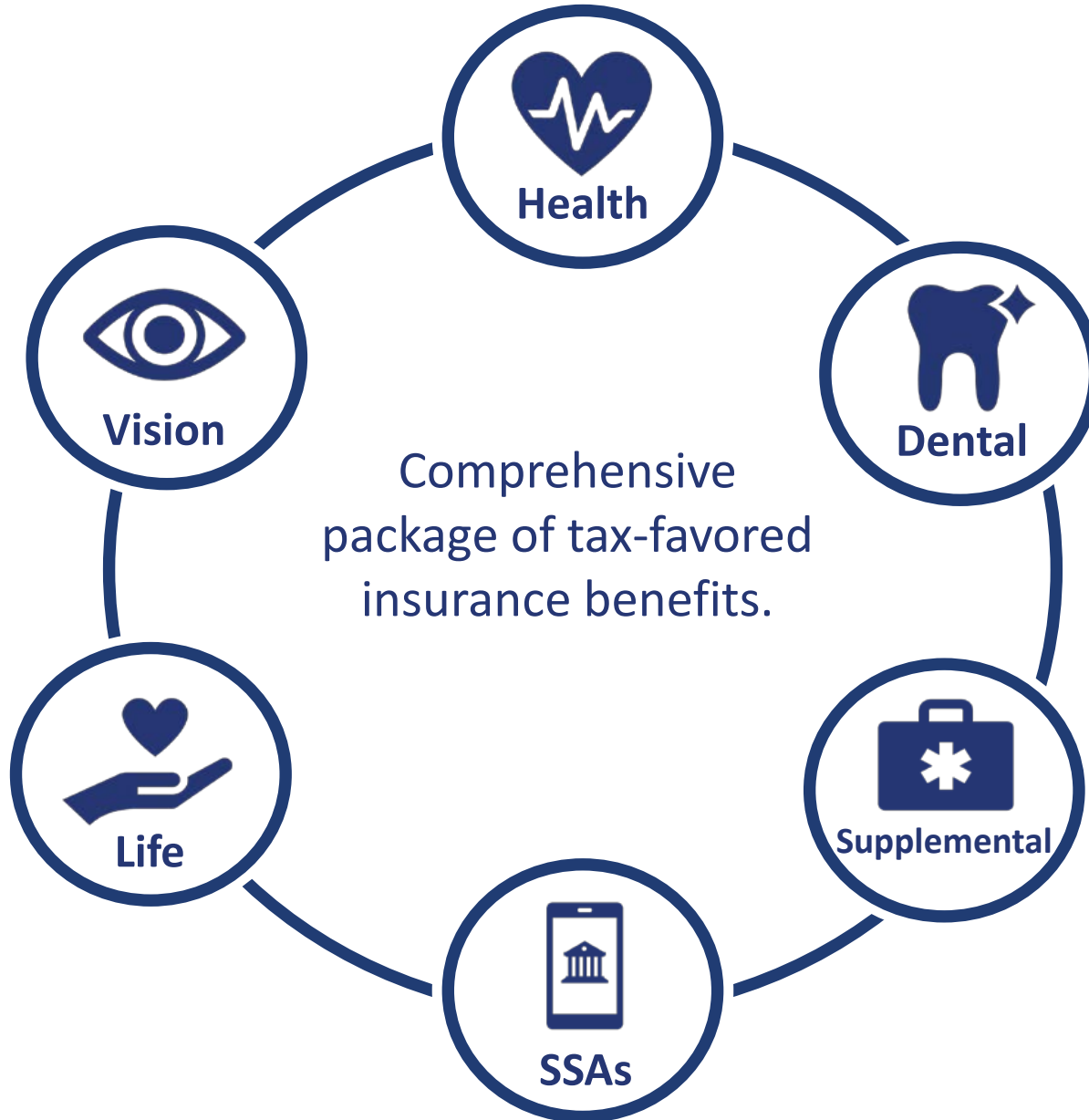
Senate Governmental Oversight and Accountability  
Committee

October 20, 2021



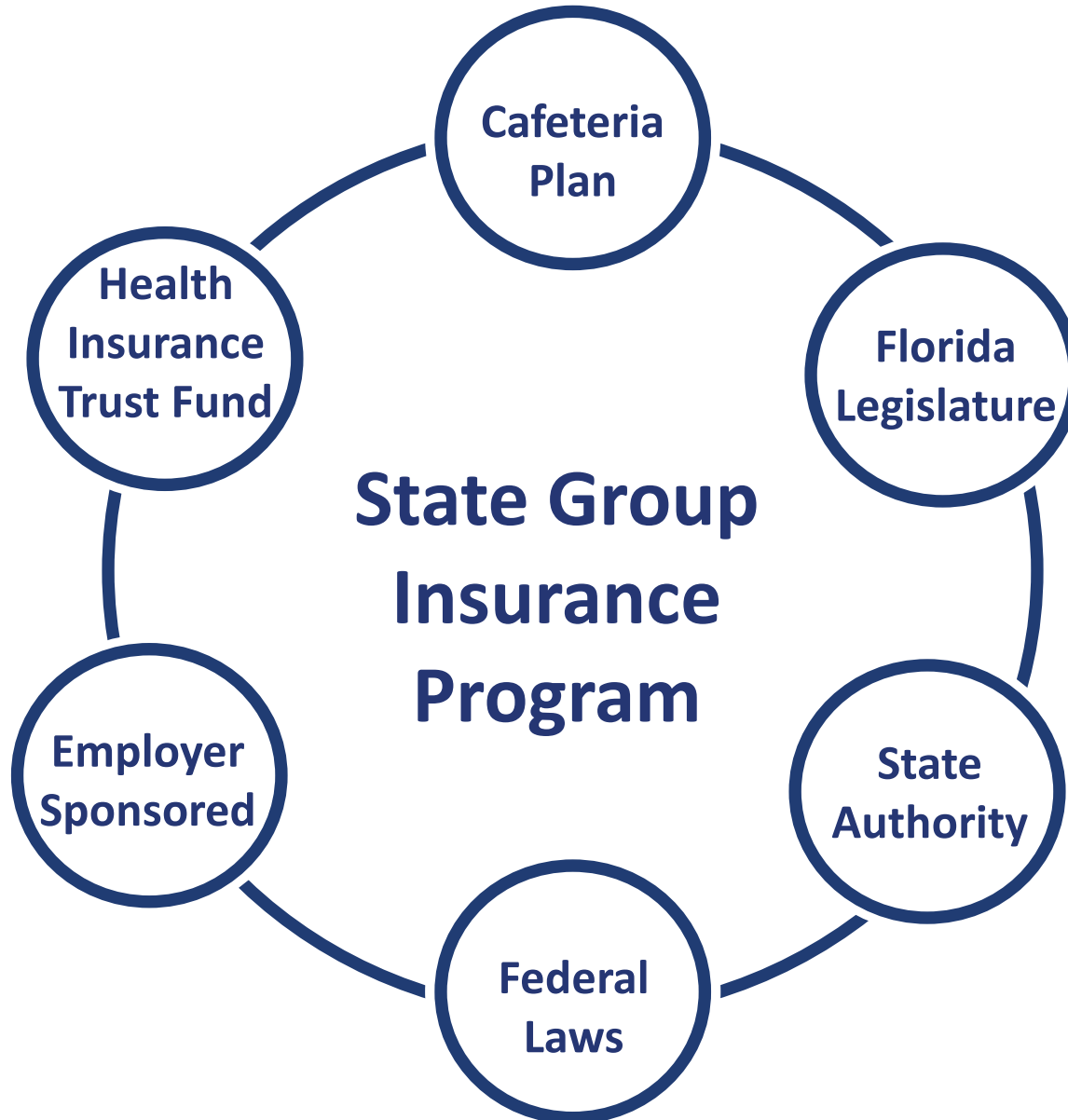


# Division of State Group Insurance





# Governance



## *Fiscal Year 2020-21*

### Actual Revenues: \$2.81 billion

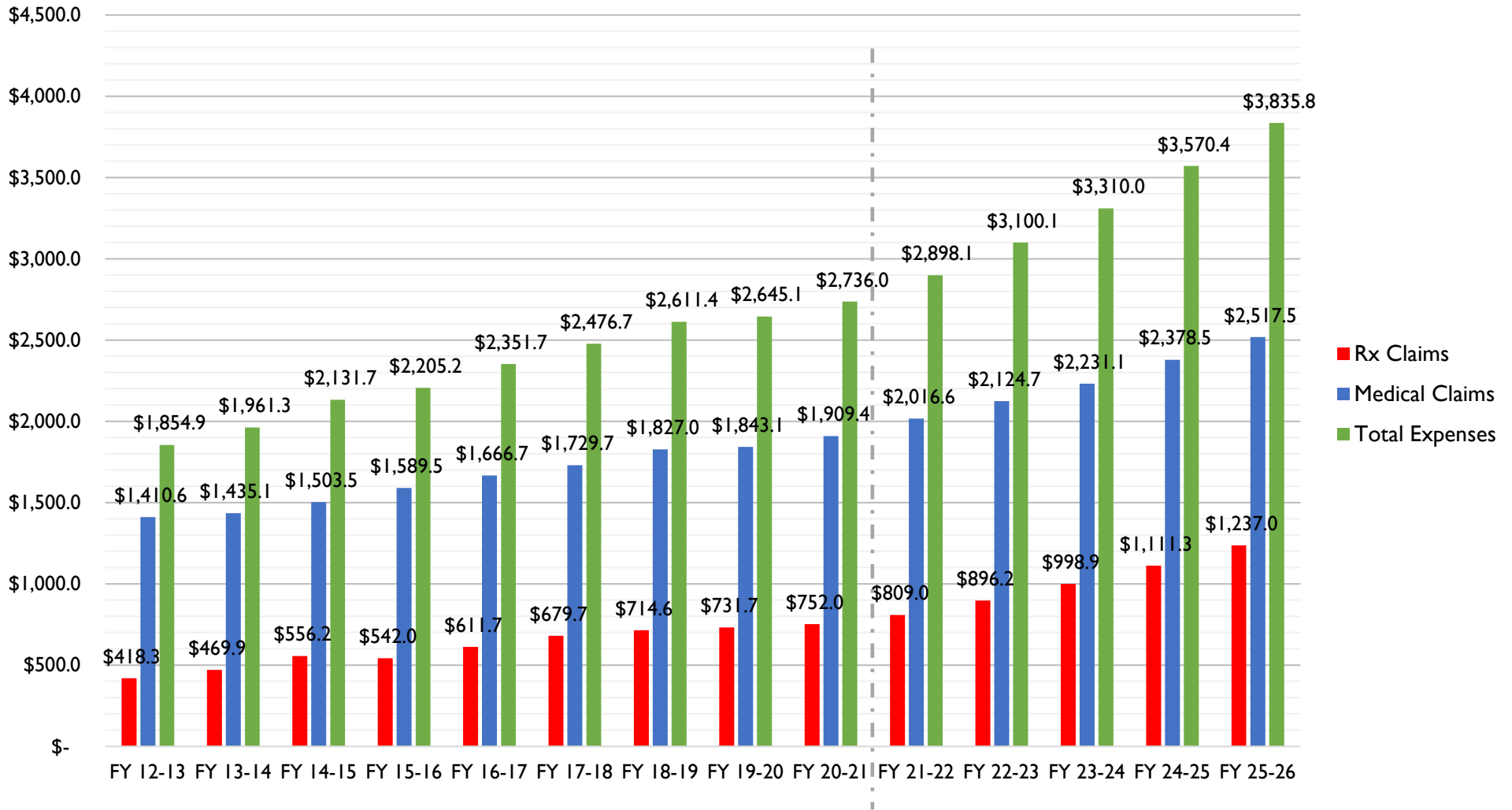
- Employer Contributions: \$2.15 billion (77%)
- Employee Contributions: \$180 million (6%)
- Retiree Contributions: \$225 million (8%)
- Other Revenues (rebates, refunds, and federal subsidies): \$255 million (9%)

### Actual health care and administrative spend: \$2.74 billion

- Medical Expense: \$1.91 billion (70%)
- Drug Expense: \$752.0 million (27%)
- Administration Expense: \$74.0 million (3%)



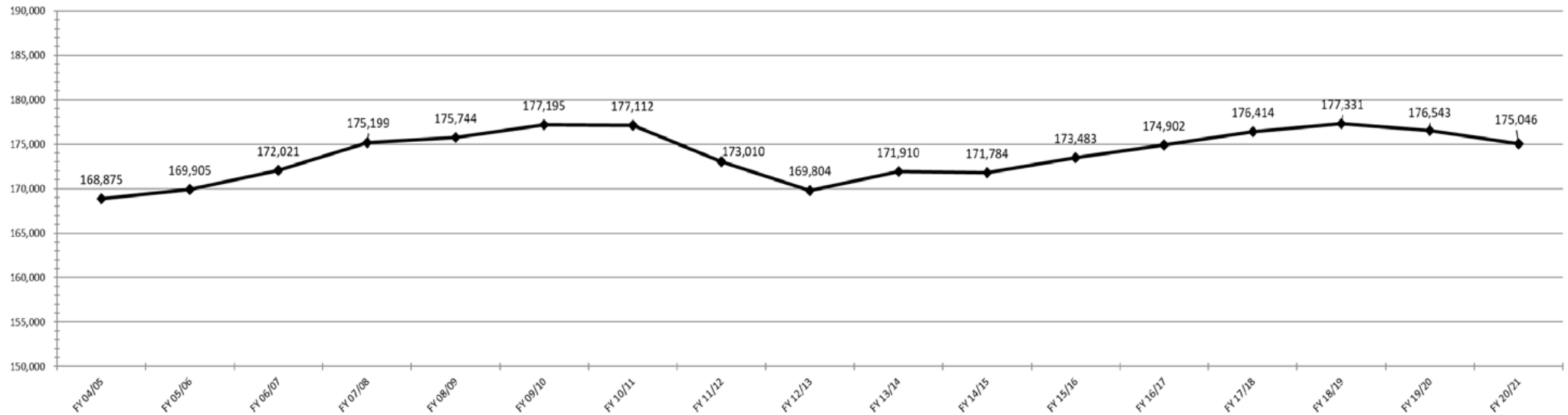
# Actual and Projected Health Program Spend



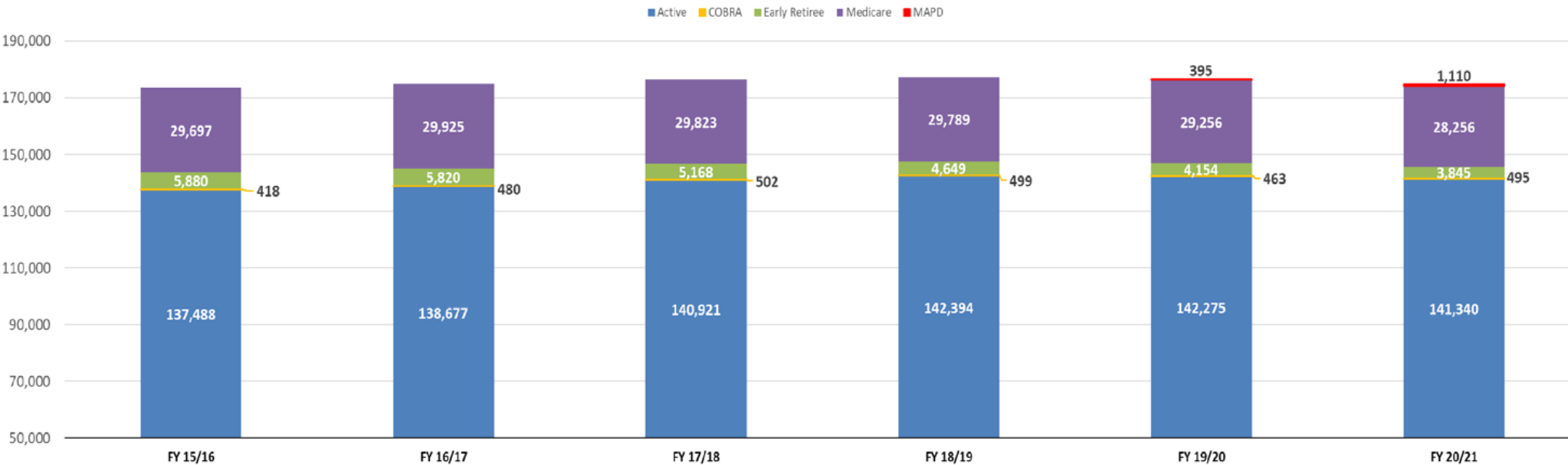
Source: August 2021 Self-Insurance Estimating Conference

# Plan Enrollment

**TOTAL ENROLLMENT**



**Enrollment Coverage Type**





# Participants

Universities

26.6%



Agencies  
53.6%



Former  
Employees  
19.5%



Statutorily Defined Agencies

0.3%

**Policyholders: 171,920**  
**Covered Lives: 356,152**





# Monthly Premiums & Contributions

Subscriber Category	Coverage Type	PPO & HMO Standard			PPO & HMO High Deductible		
		Employer	Enrollee	Total	Employer <sup>1</sup>	Enrollee	Total
Career Service <sup>2</sup> & OPS	Single	763.46	50.00	813.46	763.46	15.00	778.46
	Family	1,651.08	180.00	1,831.08	1,651.08	64.30	1,715.38
	Spouse	1,801.08	30.00	1,831.08	1,685.40	30.00	1,715.40
SES & SMS	Single	805.12	8.34	813.46	770.12	8.34	778.46
	Family	1,801.08	30.00	1,831.08	1,685.38	30.00	1,715.38
Pre-Medicare Retiree	Single	0.00	813.46	813.46	0.00	736.80	736.80
	Family	0.00	1,831.08	1,831.08	0.00	1,632.05	1,632.05
Over-age Dependent	Single	0.00	813.46	813.46	0.00	736.80	736.80

<sup>1</sup> Includes employer tax-free Health Savings Account (HSA) contribution - \$41.66 and \$83.33 per month for single and family coverage, respectively.

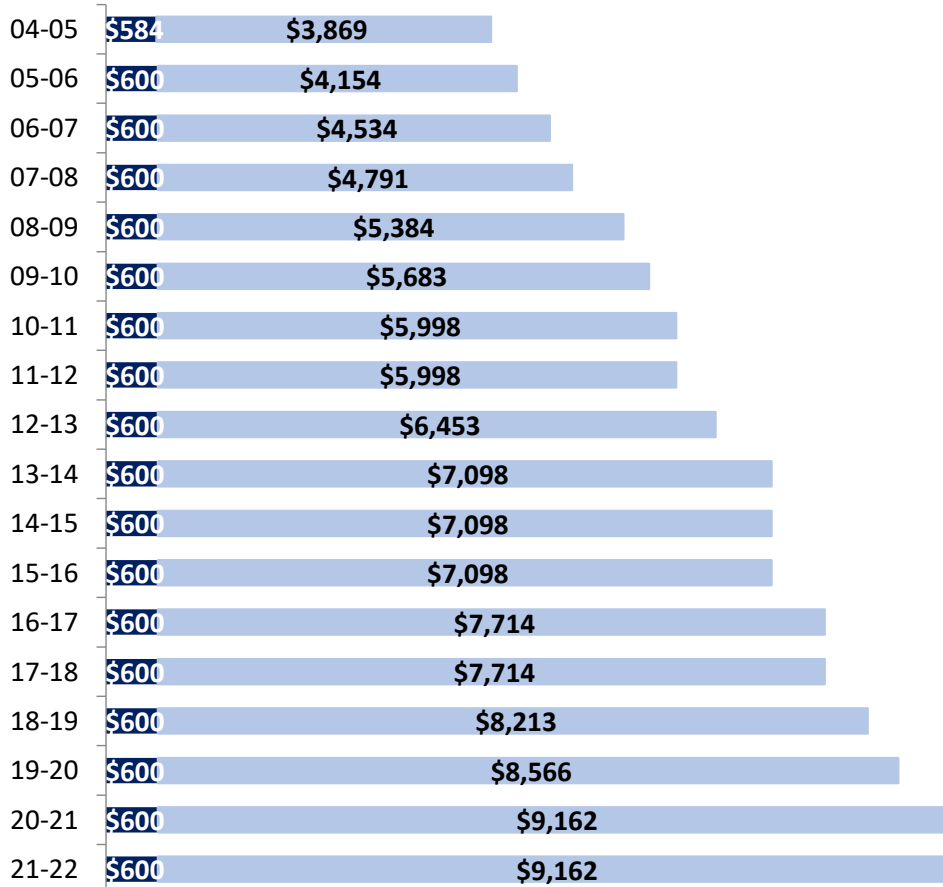
<sup>2</sup> COBRA participants pay the full single or family premium plus a 2 percent administrative fee.



# Change in Premiums

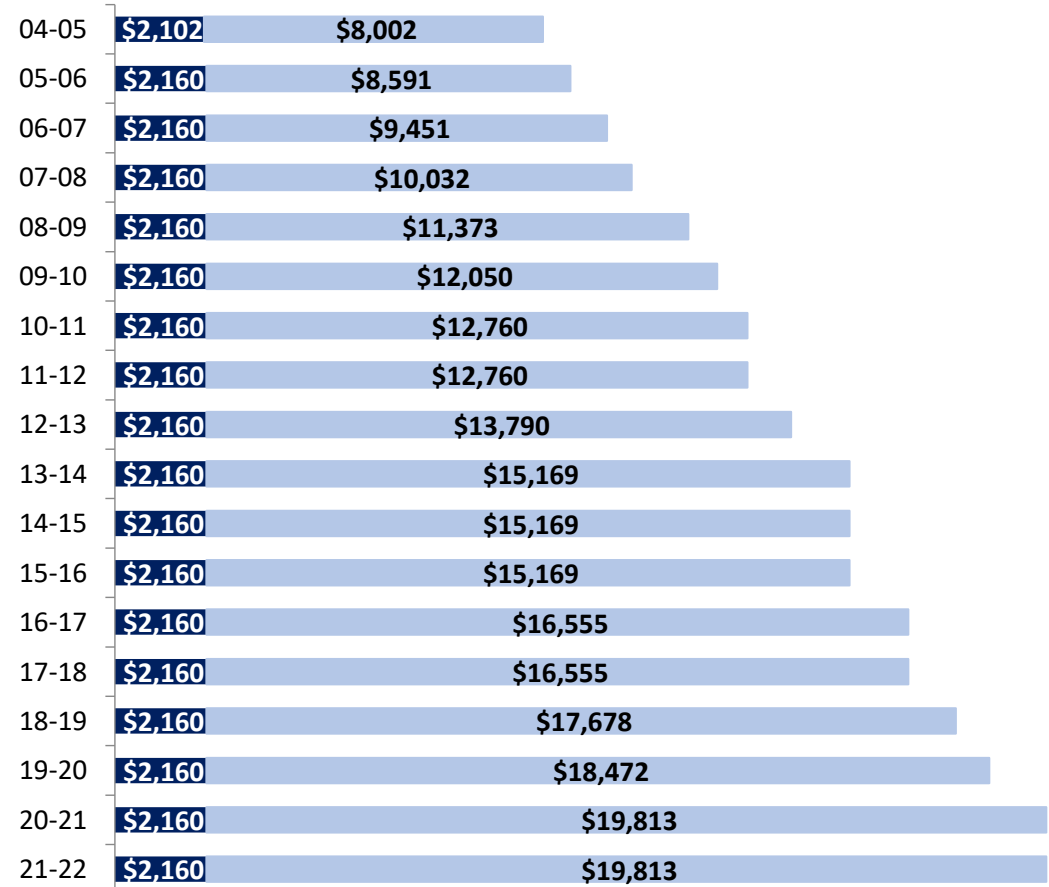
## Single Coverage Annual Premium

■ Employee ■ State



## Family Coverage Annual Premium

■ Employee ■ State





# Standard Health Plan Options

## PPO

- Deductible, copayments, and coinsurance.
- Nationwide network.
- In- and out- of-network benefits.
- No referrals for specialists.

**Enrollment: 77,280**

**89%** actuarial value

### Same for Both:

- Monthly contribution.
- Copay for Rx.
- Free preventive care services.
- Annual out-of-pocket maximum for medical and Rx combined.
- Copay for urgent care and emergency room visit.

## HMO

- Copayments.
- Service area networks.
- Network only benefits.
- Referrals for specialists.

**Enrollment: 88,252**

**93%** actuarial value

Actuarial Value is the percentage of total average costs for covered benefits that will be paid by a health insurance plan.



# High Deductible Health Plan Options

## PPO

- Nationwide network.
- In- and out-of-network benefits.
- No referrals for specialists.
- \$1,000 out-of-network admission deductible.
- \$4,400 individual and \$8,800 family out-of-pocket limit.
- Out Of Network services billed at deductible plus 20% - 40% above allowance.

**Enrollment: 3,669**

**77%** actuarial value

### Same for Both:

- Monthly premium.
- Network deductible.
- Health Savings Account (HSA)
- Free preventive care services.
- 20% coinsurance after deductible for network services.
- Prescription drug benefits.

## HMO

- Service area.
- Network only benefits.
- Referrals for some specialists.
- \$3,000 Individual and \$6,000 family out-of-pocket limit.

**Enrollment: 1,315**

**77%** actuarial value

**With HSA Benefit, actuarial value of plan increases to 83%**

Actuarial Value is the percentage of total average costs for covered benefits that will be paid by a health insurance plan.



# Cost Sharing

	Standard Health Plan			High Deductible Health Plan		
	Network Only (HMO)	Network (PPO)	Out-of-Network (PPO)	Network Only (HMO)	Network (PPO)	Out-of-Network (PPO)
Deductible	None	\$250   \$500 Single   Family	\$750   \$1,500 Single   Family	\$1,400   \$2,800 Single   Family	\$1,400   \$2,800 Single   Family	\$2,500   \$5,000 Single   Family
Primary Care	\$20 copayment	\$15 copayment	40% of out-of-network allowance plus the amount between the charge and the allowance	After meeting deductible, 20% of network allowed amount	Deductible plus 20% Coinsurance up to \$3,000 Per Person/\$6,000 Family (medical/Rx coinsurance)	After meeting deductible, 40% of out-of-network allowance plus the amount between the charge and the allowance
Specialist	\$40 copayment	\$25 copayment				
Generic   Preferred   Non-Preferred	\$7   \$30   \$50 Retail	\$7   \$30   \$50 Retail	Pay in full - file claim for reimbursement	After meeting deductible 30%   30%   50% Retail and Mail Order	Deductible plus 30%   30%   50% Retail and Mail Order	Pay in full - file claim for reimbursement
Out-of-Pocket Maximum	\$1,500   \$3,000 Single   Family (medical copays)	\$2,500   \$5,000 Single   Family (medical coinsurance)		\$3,000   \$6,000 Single   Family (medical/Rx coinsurance)	\$4,400 Per Person/\$8,800 Family (medical/Rx coinsurance)	\$7,500   \$15,000 Single   Family (medical/Rx coinsurance)



# Initiatives

- Shared Savings Program.
- Weight Management Pilot.
- Telehealth.
- Diabetes Management Pilot.
- Social Security Disability Income.



# Thank You

**Ryan Stokes, Director**  
**Division of State Group Insurance**  
**Florida Department of Management Services**

**[Ryan.Stokes@dms.fl.gov](mailto:Ryan.Stokes@dms.fl.gov)**

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

## **Report on Financial Outlook**

**For the Fiscal Years Ending June 30, 2021 through June 30, 2026**

**Adopted August 9, 2021, by the  
Self-Insurance Estimating Conference**

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

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# STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

## EXECUTIVE SUMMARY

The Florida Division of State Group Insurance (the Division) prepared an Outlook for the State Employees' Group Health Self-Insurance Trust Fund (Trust Fund) for the fiscal years (FY) ending June 30, 2021, through June 30, 2026. 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 March 2021 Report on the Financial Outlook, henceforth referred to as the Prior Outlook. With the Prior Outlook as the base, this Outlook has adjustments for the following:

1. Actual enrollment and cash flows through June 2021.
2. Revised Investment Earnings rates
3. Revised claims trends for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) pharmacy claims.
4. Revised growth factors for PPO medical claims for FY 2021-22.
5. Revised projections for the Shared Savings Program.

This Outlook reflects decreases in revenues for all years, and reductions in expenses for all years of the Outlook compared to the Prior Outlook. The deficits previously projected for FY 2024-25 through FY 2025-26 in the Prior Outlook have decreased. The Outlook reflects that the Trust Fund is projected to remain solvent through FY 2023-24.

The ending cash balance for FY 2020-21 is \$720.8 million, a decrease of \$25.8 million from the \$746.6 million projected in the Prior Outlook. The operating gain is \$70.8 million, a decrease of \$26.5 million from the \$97.3 million projected in the Prior Outlook. For FY 2021-22, the forecasted ending cash balance is adjusted from \$718.6 million to \$724.0 million and the estimated operating loss of \$28.0 is now an operating gain of \$3.2 million. For FY 2022-23, the forecasted ending cash balance is adjusted from \$490.4 million to \$515.1 million and the estimated operating loss is decreased from \$228.2 million to \$208.9 million. For FY 2023-24, the forecasted ending cash balance is adjusted from \$55.4 million to \$101.6 million and the estimated operating loss is decreased from \$435.0 million to \$413.5 million. Ending cash balance deficits and operating losses are projected for FY 2024-25 through FY 2025-26.

Below is a summary of the Outlook for the Trust Fund through FY 2025-26:

	<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>FY 2025-26</u>
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
<b>BEGINNING CASH BALANCE</b>	\$ 650.0	\$ 720.8	\$ 724.0	\$ 515.1	\$ 101.6	\$ 0.0
<b>TOTAL REVENUES</b>	\$ 2,806.8	\$ 2,901.3	\$ 2,891.2	\$ 2,896.5	\$ 2,903.2	\$ 2,902.4
<b>TOTAL EXPENSES</b>	\$ 2,736.0	\$ 2,898.1	\$ 3,100.1	\$ 3,310.0	\$ 3,570.4	\$ 3,835.8
<b>OPERATING GAIN/(LOSS)</b>	\$ 70.8	\$ 3.2	\$ (208.9)	\$ (413.5)	\$ (667.2)	\$ (933.4)
<b>ENDING CASH BALANCE</b>	\$ 720.8	\$ 724.0	\$ 515.1	\$ 101.6	\$ (565.6)	\$ (933.4)

Note: Assumes no carry forward of negative cash balance.

## ENROLLMENT

Final enrollment for FY 2020-21 reflects 175,046 subscribers and 187,244 dependents, totaling 362,290 covered lives. Approximately 47.1% of subscribers are enrolled in PPO plans, 52.3% are enrolled in HMO plans, and 0.6% are enrolled in a MAPD plan. Subscriber enrollment in individual coverage was 47.8%, and 52.2% were enrolled in family coverage, which had an average size of 3.05 members. Enrollment for FY 2020-21 through FY 2025-26 continues to reflect negative enrollment trends in the Active coverage category with growth remaining at -0.6% annually. The Early Retiree coverage category is projected to decrease an average of -1.9% annually, compared to -1.6% projected in the Prior Outlook. Enrollment for the Medicare coverage remains at 0.4%. Total enrollment is projected to decrease an average of -0.4% year over year throughout the forecast period.

Overall enrollment projections across all years of the forecast reflect an average annual decrease of -0.4% in PPO plans, an average decrease of -1.0% in HMO plans and average increase of 21.5% for the MAPD plan.

As of June 2021, approximately 5,023 subscribers (4,901 active employees) were enrolled in a High Deductible Health Plan (2.9% of total enrollment). Active employees account for 97.6% of these subscribers, of which 90.8% are participating in the integrated state-sponsored Health Savings Account (HSA) offering.

As of June 2021, a total of 26,092 eligible employees, or 15.4%, opted out of enrollment in the Program, with 46.5% of those employees in OPS positions.

# STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

## REVENUE

Actual premium revenue received during FY 2020-21 was \$2.55 billion, \$55.7 million less than the Prior Outlook due to actual experience. Investment earnings received during FY 2020-21 were \$9.7 million, \$11.2 million lower than the Prior Outlook, based on lower actual investment earnings. Refunds received for medical claims overpayments were \$1.5 million more than the Prior Outlook, with actual receipts of \$17.1 million. Pharmacy Benefit Manager (PBM) rebates received during FY 2020-21 totaled \$173.9 million, \$6.7 million lower than the Prior Outlook based on actual rebates received. This forecast also reflects the year-end pretax transfer of \$20.6 million, required by Section 110.161(8), Florida Statutes. Medicare Part D drug subsidy payments received during FY 2020-21 were \$18.2 million, up \$2.0 million due to higher than projected subsidy collections. Other revenue received during the period increased \$1.1 million due primarily to the collection of Performance Guarantee Penalties and PBM audit adjustments. Total revenues received during FY 2020-21 were \$2.81 billion, reflecting a decrease of \$70.1 million from the Prior Outlook.

Changes in insurance premiums in this forecast are primarily driven by changes in enrollment and shifts in plan coverage. Combined premium contribution revenues for FY 2021-22 through FY 2025-26 are \$154.2 million lower than projected in the Prior Outlook. Investment earnings decreased \$31.8 million for FY 2021-22 through FY 2023-24 due to lower projected interest rates and cash balances. Third Party Administrator (TPA) refunds reflect an increase of \$0.6 million per year due to actual experience in FY 2020-21. PBM Rebates are projected to decrease by a combined total of \$16.7 million. Medicare Part D drug subsidy payments for FY 2021-22 through FY 2025-26 increased by a combined \$2.1 million across based on higher actual experience. Overall, Total Revenue changes in this outlook reflect a combined decrease of \$273.2 million compared to the Prior Outlook.

## SPEND

Total expenses paid in FY 2020-21 for self-insured PPO and HMO medical claims were \$1.57 billion, which was \$6.0 million lower than the Prior Outlook due to lower than expected claims experience. ASO fee expenses paid during the fiscal year were \$43.1 million. Total pharmacy claim expenses were \$752.0 million, down \$34.4 million from the Prior Outlook due to lower than expected pharmacy claims. FY 2020-21 fully-insured premium expenses came in \$1.5 million lower than expected, at \$332.9 million. Medicare Advantage prescription drug (MAPD) plan premium cost was \$3.1 million for FY 2020-21. The Shared Savings Program expenses were \$10.7 million, \$0.1 million more than the Prior Outlook due to shared saving payments to employees. Health savings account expenses were \$7.4 million. Operating costs were \$3.5 million, \$1.1 million lower than the Prior Outlook. Premium refunds for the period were \$4.7 million, reflecting a decrease of \$0.6 million due to lower actuals than previously forecasted. Other expenses for FY 2020-21 totaled \$1.0 million, same as the Prior Outlook.

The forecast of PPO expenses for FY 2021-22 through FY 2025-26 reflect a combined projected decrease of \$183.6 million. PPO medical claims projections overall are \$28.2 million lower, reflecting a \$7.1 million decrease due to lower projected enrollment, a \$2.2 million increase due to higher growth trend used in FY2021-22, and \$23.3 million in lower projected claims experience. PPO Pharmacy expenses projections are \$155.4 million lower, due to lower projected enrollment, claims experience, and lower trend rates. PPO Administrative Services Only (ASO) fees and PBM Administration fees remain the same as the Prior Outlook.

The forecast of FY 2021-22 through FY 2025-26 reflects a combined decrease of \$165.7 million in fully-insured and self-insured HMO expenses. Fully-insured premium payments reflect a projected combined decrease totaling \$0.9 million due to lower projected enrollment. HMO medical claims projections overall are \$55.8 million lower, reflecting a \$27.6 million decrease due to lower projected enrollment and a \$28.2 million decrease in projected claims experience. HMO pharmacy expenses projections reflect a combined decrease of \$107.1 million, reflecting a \$4.7 million decrease due to lower projected enrollment, a \$4.7 million increase due to higher growth trends used, and \$107.1 million in lower projected claims experience. HMO ASO fees and PBM administration fees reflect a combined decrease of \$1.9 million due to shifts between carriers.

Combined, PPO and HMO medical claims across all years of the forecast (including FY 2020-21), compared to the Prior Outlook, reflect a \$90.0 million decrease. The net combined decrease in pharmacy claims costs across all years is \$296.9 million compared to the Prior Outlook.

The same medical trends are presented for this Outlook, except for FY 2021-22. For FY 2021-22, the PPO medical trend used is the per-member rolling 12-month trend of 7.2% provided by the PPO Plan. The HMO medical trend remains 6.9% and is the blended projected trend provided by the HMO vendors. All remaining out years used the same medical trends adopted for the Prior Outlook.

The forecast of FY 2021-22 through FY 2025-26 for the Shared Savings Program increased \$4.3 million based on actual utilization of Shared Saving payments to employees.

HSA Deposits reflect an increase of \$1.4 million across all years of the forecast due to higher enrollment in the High Deductible Plans.

Operating Costs and Administrative Assessment reflect a decrease of \$1.6 million across all years of the forecast based on the FY 2021-22 budget adopted during the 2021 legislative session.

Premium Refunds reflect a decrease of \$3.6 million across all years of the forecast based on decreased refund activity.

Overall, expenses across all years of the forecast reflect a combined decrease of \$391.1 million compared to the Prior Outlook.

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

Growth factors used to develop this Outlook are reflected below:

PPO MEDICAL							
Industry Range for CYs 2019-21: 3.8% - 7.7%							
	FY 20-21		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
March 2021 Conference	7.50%	7.10%	6.90%	6.85%	6.90%	6.90%	6.90%
August 2021 Conference	n/a	6.31%	7.20%	6.85%	6.90%	6.90%	6.90%

HMO MEDICAL							
Industry Range for CYs 2019-21: 3.8% - 6.6%							
	FY 20-21		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
March 2021 Conference	6.20%	4.35%	6.90%	6.85%	6.90%	6.90%	6.90%
August 2021 Conference	n/a	3.75%	6.90%	6.85%	6.90%	6.90%	6.90%

PPO PHARMACY							
Industry Range for CYs 2019-21: 4.6% - 7.5%							
	FY 20-21		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
March 2021 Conference	8.40%	9.06%	10.30%	10.50%	11.00%	12.00%	11.80%
August 2021 Conference	n/a	4.59%	8.30%	10.90%	12.00%	11.50%	11.70%

HMO PHARMACY							
Industry Range for CYs 2019-21: 4.6% - 7.5%							
	FY 20-21		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
March 2021 Conference	9.80%	8.25%	10.50%	10.90%	10.40%	12.10%	11.80%
August 2021 Conference	n/a	3.62%	8.60%	11.90%	12.00%	12.10%	12.00%

FULLY INSURED HMO PREMIUM PAYMENTS						
Industry Range for CYs 2019-21: 4.0% - 6.0%						
	*CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026
March 2021 Conference	5.27%	4.00%	4.00%	4.00%	4.00%	4.00%
August 2021 Conference	5.27%	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 <sup>(1)</sup>  
Changes to Conference Forecast - August 2021 Compared to March 2021  
(In Millions)**

	FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24			FY 2024-25			FY 2025-26		
	Mar '21	Aug '21	Diff.	Mar '21	Aug '21	Diff.	Mar '21	Aug '21	Diff.	Mar '21	Aug '21	Diff.	Mar '21	Aug '21	Diff.	Mar '21	Aug '21	Diff.
<b>BEGINNING CASH BALANCE</b>	\$ 649.3	\$ 650.0	\$ 0.7	\$ 746.6	\$ 720.8	\$ (25.8)	\$ 718.6	\$ 724.0	\$ 5.4	\$ 490.4	\$ 515.1	\$ 24.7	\$ 55.4	\$ 101.6	\$ 46.2	\$ 0.0 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>	\$ -
<b>REVENUES:</b>																		
Insurance Premiums <sup>(3)</sup>	\$ 2,607.1	\$ 2,551.4	\$ (55.7)	\$ 2,657.4	\$ 2,621.4	\$ (36.0)	\$ 2,643.6	\$ 2,608.2	\$ (35.4)	\$ 2,632.0	\$ 2,596.8	\$ (35.2)	\$ 2,619.6	\$ 2,584.7	\$ (34.9)	\$ 2,607.1	\$ 2,572.2	\$ (34.9)
Prior Year Premium Collection <sup>(11)</sup>	\$ -	\$ -	\$ -	\$ -	\$ 22.2	\$ 22.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	20.9	9.7	(11.2)	22.0	7.2	(14.8)	18.1	6.2	(11.9)	8.2	3.1	(5.1)	-	-	-	-	-	
TPA & Self-Insured HMO Refunds	15.6	17.1	1.5	15.6	16.2	0.6	15.6	16.2	0.6	15.6	16.2	0.6	15.6	16.2	0.6	15.6	16.2	0.6
PBM Rebates	180.6	173.9	(6.7)	204.8	197.0	(7.8)	225.5	223.2	(2.3)	245.0	243.0	(2.0)	267.2	264.9	(2.3)	278.9	276.6	(2.3)
Pretax Trust Fund Transfer	21.7	20.6	(1.1)	21.7	20.6	(1.1)	21.7	20.6	(1.1)	21.7	20.6	(1.1)	21.7	20.6	(1.1)	21.7	20.6	(1.1)
Medicare Part D Subsidy	16.2	18.2	2.0	16.4	16.7	0.3	16.4	16.8	0.4	16.4	16.8	0.4	16.3	16.8	0.5	16.3	16.8	0.5
Other Revenues	14.8	15.9	1.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 2,876.9</b>	<b>\$ 2,806.8</b>	<b>\$ (70.1)</b>	<b>\$ 2,937.9</b>	<b>\$ 2,901.3</b>	<b>\$ (36.6)</b>	<b>\$ 2,940.9</b>	<b>\$ 2,891.2</b>	<b>\$ (49.7)</b>	<b>\$ 2,938.9</b>	<b>\$ 2,896.5</b>	<b>\$ (42.4)</b>	<b>\$ 2,940.4</b>	<b>\$ 2,903.2</b>	<b>\$ (37.2)</b>	<b>\$ 2,939.6</b>	<b>\$ 2,902.4</b>	<b>\$ (37.2)</b>
<b>TOTAL CASH AVAILABLE</b>	<b>\$ 3,526.2</b>	<b>\$ 3,456.8</b>	<b>\$ (69.4)</b>	<b>\$ 3,684.5</b>	<b>\$ 3,622.1</b>	<b>\$ (62.4)</b>	<b>\$ 3,659.5</b>	<b>\$ 3,615.2</b>	<b>\$ (44.3)</b>	<b>\$ 3,429.3</b>	<b>\$ 3,411.6</b>	<b>\$ (17.7)</b>	<b>\$ 2,995.8</b>	<b>\$ 3,004.8</b>	<b>\$ 9.0</b>	<b>\$ 2,939.6</b>	<b>\$ 2,902.4</b>	<b>\$ (37.2)</b>
<b>EXPENSES:</b>																		
<b>PPO Plan</b>	<b>\$ 1,200.3</b>	<b>\$ 1,179.2</b>	<b>\$ (21.1)</b>	<b>\$ 1,290.2</b>	<b>\$ 1,257.5</b>	<b>\$ (32.7)</b>	<b>\$ 1,392.0</b>	<b>\$ 1,357.6</b>	<b>\$ (34.4)</b>	<b>\$ 1,505.6</b>	<b>\$ 1,472.5</b>	<b>\$ (33.1)</b>	<b>\$ 1,634.9</b>	<b>\$ 1,595.5</b>	<b>\$ (39.4)</b>	<b>\$ 1,775.1</b>	<b>\$ 1,731.1</b>	<b>\$ (44.0)</b>
Medical Claims	755.2	752.1	(3.1)	803.5	798.7	(4.8)	857.1	851.8	(5.3)	914.9	909.2	(5.7)	976.7	970.6	(6.1)	1,042.6	1,036.3	(6.3)
ASO Fee	17.9	17.9	-	17.9	17.9	-	17.9	17.9	-	17.9	17.9	-	17.8	17.8	-	17.8	17.8	-
Prescription Drug Claims	425.1	407.1	(18.0)	466.7	438.8	(27.9)	514.9	485.8	(29.1)	570.7	543.3	(27.4)	638.3	605.0	(33.3)	712.6	674.9	(37.7)
PBM Claims Administration	2.1	2.1	-	2.1	2.1	-	2.1	2.1	-	2.1	2.1	-	2.1	2.1	-	2.1	2.1	-
<b>HMO Plan</b>	<b>\$ 1,547.6</b>	<b>\$ 1,526.4</b>	<b>\$ (21.2)</b>	<b>\$ 1,640.8</b>	<b>\$ 1,605.3</b>	<b>\$ (35.5)</b>	<b>\$ 1,741.0</b>	<b>\$ 1,706.0</b>	<b>\$ (35.0)</b>	<b>\$ 1,830.9</b>	<b>\$ 1,799.7</b>	<b>\$ (31.2)</b>	<b>\$ 1,965.9</b>	<b>\$ 1,935.9</b>	<b>\$ (30.0)</b>	<b>\$ 2,098.4</b>	<b>\$ 2,064.4</b>	<b>\$ (34.0)</b>
Premium Payments	334.4	332.9	(1.5)	344.4	344.3	(0.1)	354.8	354.6	(0.2)	349.1	348.9	(0.2)	376.9	376.7	(0.2)	388.5	388.3	(0.2)
Medical Claims	824.3	821.4	(2.9)	873.3	863.4	(9.9)	924.4	913.8	(10.6)	979.4	968.2	(11.2)	1,037.8	1,026.1	(11.7)	1,099.9	1,087.5	(12.4)
ASO Fee	25.6	25.2	(0.4)	25.9	25.4	(0.5)	25.7	25.2	(0.5)	25.4	25.0	(0.4)	25.2	24.8	(0.4)	25.0	24.6	(0.4)
Prescription Drug Claims	361.3	344.9	(16.4)	395.2	370.2	(25.0)	434.2	410.4	(23.8)	475.1	455.6	(19.5)	524.1	506.3	(17.8)	583.1	562.1	(21.0)
PBM Claims Administration	2.0	2.0	-	2.0	2.0	-	1.9	2.0	0.1	1.9	2.0	0.1	1.9	2.0	0.1	1.9	1.9	-
<b>MA-PD Plan</b>	<b>\$ 3.2</b>	<b>\$ 3.1</b>	<b>\$ (0.1)</b>	<b>\$ 4.4</b>	<b>\$ 4.4</b>	<b>\$ -</b>	<b>\$ 5.3</b>	<b>\$ 5.3</b>	<b>\$ -</b>	<b>\$ 6.3</b>	<b>\$ 6.3</b>	<b>\$ -</b>	<b>\$ 7.2</b>	<b>\$ 7.2</b>	<b>\$ -</b>	<b>\$ 8.2</b>	<b>\$ 8.2</b>	<b>\$ -</b>
<b>Shared Savings Program</b>	<b>\$ 10.6</b>	<b>\$ 10.7</b>	<b>\$ 0.1</b>	<b>\$ 12.1</b>	<b>\$ 13.0</b>	<b>\$ 0.9</b>	<b>\$ 12.4</b>	<b>\$ 13.3</b>	<b>\$ 0.9</b>	<b>\$ 12.7</b>	<b>\$ 13.6</b>	<b>\$ 0.9</b>	<b>\$ 13.1</b>	<b>\$ 13.9</b>	<b>\$ 0.8</b>	<b>\$ 13.4</b>	<b>\$ 14.2</b>	<b>\$ 0.8</b>
Medical Claims	4.0	3.0	(1.0)	4.2	4.2	-	4.5	4.5	-	4.8	4.8	-	5.2	5.1	(0.1)	5.5	5.4	(0.1)
Administrative Fees <sup>(4)</sup>	6.4	6.6	0.2	7.7	7.7	-	7.7	7.7	-	7.7	7.7	-	7.7	7.7	-	7.7	7.7	-
Shared Savings to Employees	0.2	1.1	0.9	0.2	1.1	0.9	0.2	1.1	0.9	0.2	1.1	0.9	0.2	1.1	0.9	0.2	1.1	0.9
HSA Deposits <sup>(3)</sup>	7.0	7.4	0.4	7.6	7.8	0.2	7.6	7.8	0.2	7.6	7.8	0.2	7.6	7.8	0.2	7.6	7.8	0.2
Operating Costs & Admin Assessment	4.6	3.5	(1.1)	4.6	4.5	(0.1)	4.6	4.5	(0.1)	4.6	4.5	(0.1)	4.6	4.5	(0.1)	4.6	4.5	(0.1)
Premium Refunds	5.3	4.7	(0.6)	5.3	4.7	(0.6)	5.3	4.7	(0.6)	5.3	4.7	(0.6)	5.3	4.7	(0.6)	5.3	4.7	(0.6)
Other Expenses <sup>(5)</sup>	1.0	1.0	-	0.9	0.9	-	0.9	0.9	-	0.9	0.9	-	0.9	0.9	-	0.9	0.9	-
<b>TOTAL EXPENSES</b>	<b>\$ 2,779.6</b>	<b>\$ 2,736.0</b>	<b>\$ (43.6)</b>	<b>\$ 2,965.9</b>	<b>\$ 2,898.1</b>	<b>\$ (67.8)</b>	<b>\$ 3,169.1</b>	<b>\$ 3,100.1</b>	<b>\$ (69.0)</b>	<b>\$ 3,373.9</b>	<b>\$ 3,310.0</b>	<b>\$ (63.9)</b>	<b>\$ 3,639.5</b>	<b>\$ 3,570.4</b>	<b>\$ (69.1)</b>	<b>\$ 3,913.5</b>	<b>\$ 3,835.8</b>	<b>\$ (77.7)</b>
<b>EXCESS OF REV. OVER EXP.</b>	<b>\$ 97.3</b>	<b>\$ 70.8</b>	<b>\$ (26.5)</b>	<b>\$ (28.0)</b>	<b>\$ 3.2</b>	<b>\$ 31.2</b>	<b>\$ (228.2)</b>	<b>\$ (208.9)</b>	<b>\$ 19.3</b>	<b>\$ (435.0)</b>	<b>\$ (413.5)</b>	<b>\$ 21.5</b>	<b>\$ (699.1)</b>	<b>\$ (667.2)</b>	<b>\$ 31.9</b>	<b>\$ (973.9)</b>	<b>\$ (933.4)</b>	<b>\$ 40.5</b>
<b>ENDING CASH BALANCE <sup>(6)</sup></b>	<b>\$ 746.6</b>	<b>\$ 720.8</b>	<b>\$ (25.8)</b>	<b>\$ 718.6</b>	<b>\$ 724.0</b>	<b>\$ 5.4</b>	<b>\$ 490.4</b>	<b>\$ 515.1</b>	<b>\$ 24.7</b>	<b>\$ 55.4</b>	<b>\$ 101.6</b>	<b>\$ 46.2</b>	<b>\$ (643.7)</b>	<b>\$ (565.6)</b>	<b>\$ 78.1</b>	<b>\$ (973.9)</b>	<b>\$ (933.4)</b>	<b>\$ 40.5</b>
<b>ADDITIONAL INFORMATION</b>																		
Shared Savings Credits <sup>(7)</sup>	\$ 3.5	\$ 3.5	\$ -	\$ 3.8	\$ 3.8	\$ -	\$ 3.8	\$ 3.8	\$ -	\$ 3.8	\$ 3.8	\$ -	\$ 3.8	\$ 3.8	\$ -	\$ 3.8	\$ 3.8	\$ -
Unreported PPO Plan Claims Liability <sup>(8)</sup>	\$ 68.0	67.7	(0.3)	\$ 72.3	71.9	(0.4)	\$ 77.1	76.7	(0.4)	\$ 82.3	81.8	(0.5)	\$ 87.9	87.4	(0.5)	\$ 93.8	93.3	(0.5)
Unreported HMO Plan Claims Liability <sup>(9)</sup>	115.4	106.8	(8.6)	122.3	112.2	(10.1)	129.4	118.8	(10.6)	137.1	125.9	(11.2)	145.3	133.4	(11.9)	154.0	141.4	(12.6)
Unreported PBM Claims Liability <sup>(10)</sup>	7.9	7.5	(0.4)	8.7	8.1	(0.6)	9.4	9.0	(0.4)	10.5	10.0	(0.5)	11.6	11.2	(0.4)	12.9	12.3	(0.6)
<b>Total Unreported Claims Liability</b>	<b>\$ 194.8</b>	<b>\$ 185.5</b>	<b>\$ (9.3)</b>	<b>\$ 207.1</b>	<b>\$ 196.0</b>	<b>\$ (11.1)</b>	<b>\$ 219.7</b>	<b>\$ 208.3</b>	<b>\$ (11.4)</b>	<b>\$ 233.7</b>	<b>\$ 221.5</b>	<b>\$ (12.2)</b>	<b>\$ 248.6</b>	<b>\$ 235.8</b>	<b>\$ (12.8)</b>	<b>\$ 264.5</b>	<b>\$ 250.8</b>	<b>\$ (13.7)</b>

Highlights of Changes to Forecast

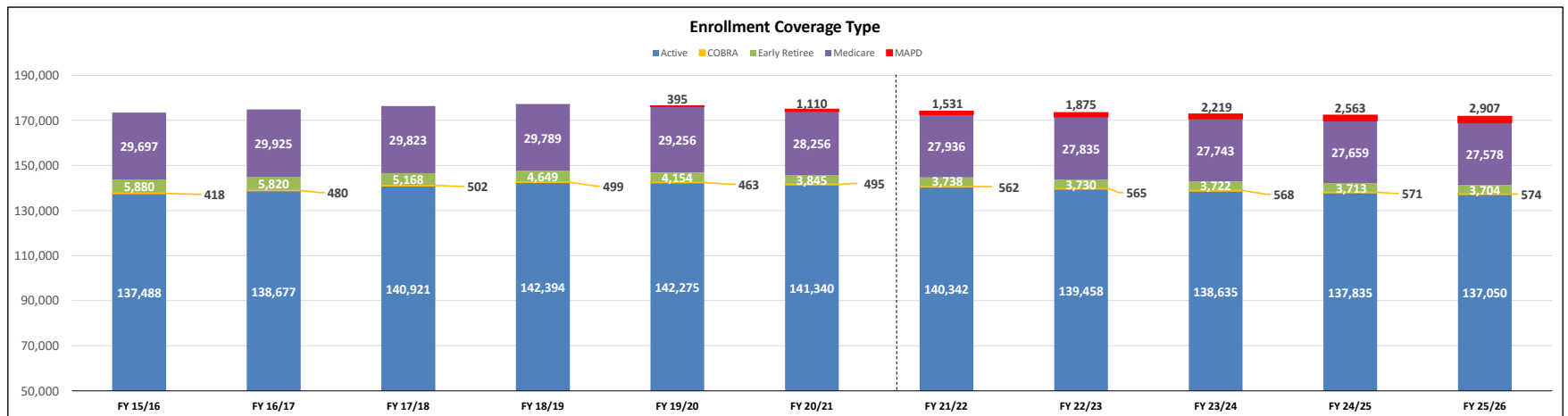
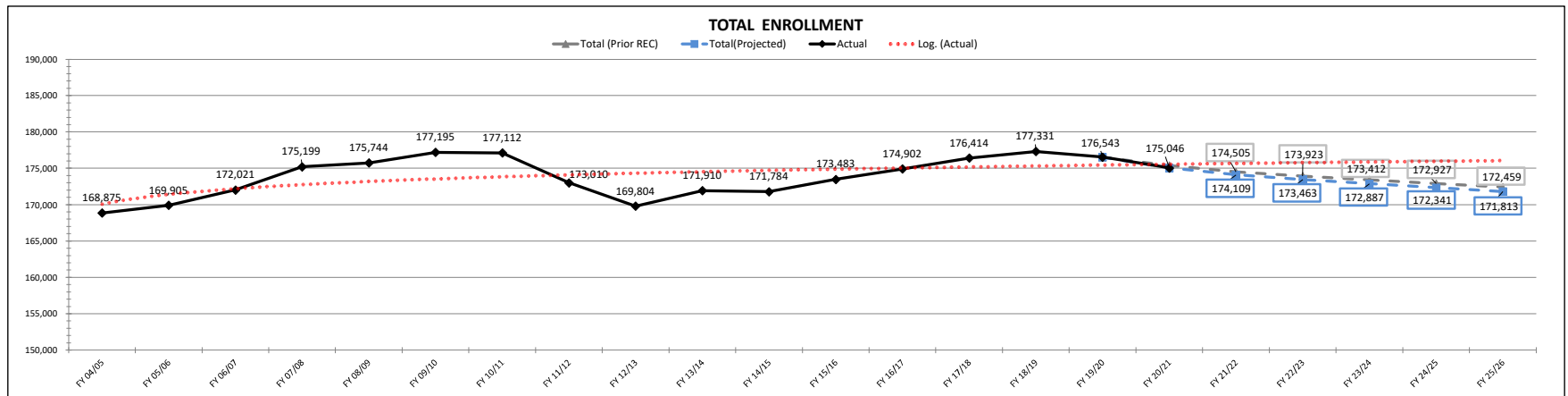
- A) Inclusion of actual enrollment and cash flows through June 2021
- B) Revised growth factors for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) pharmacy claims.
- C) Revised growth factors for PPO medical claims for FY 2021-22
- D) Revised projections for the Shared Savings program

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit II

Enrollment Outlook by Fiscal Year  
Changes to Conference Forecast - August 2021 Compared to March 2021

	FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24			FY 2024-25			FY 2025-26		
	Mar '21	Aug '21	Diff.	Mar '21	Aug '21	Diff.	Mar '21	Aug '21	Diff.	Mar '21	Aug '21	Diff.	Mar '21	Aug '21	Diff.	Mar '21	Aug '21	Diff.
<b>Average Enrollment by Plan</b>																		
PPO Standard	78,958	78,809	(149)	78,519	78,277	(242)	78,381	78,137	(244)	78,265	78,021	(244)	78,155	77,912	(243)	78,050	77,808	(242)
PPO HDHP	3,540	3,566	26	3,594	3,715	121	3,592	3,710	118	3,588	3,706	118	3,584	3,702	118	3,580	3,698	118
HMO Standard	90,511	90,269	(242)	89,546	89,256	(290)	88,700	88,412	(288)	87,897	87,610	(287)	87,113	86,830	(283)	86,340	86,062	(278)
HMO HDHP	1,282	1,292	10	1,290	1,330	40	1,291	1,329	38	1,294	1,331	37	1,297	1,334	37	1,301	1,338	37
MAPD	1,114	1,110	(4)	1,556	1,531	(26)	1,959	1,875	(85)	2,368	2,219	(150)	2,778	2,563	(216)	3,188	2,907	(282)
<b>Total</b>	<b>175,405</b>	<b>175,046</b>	<b>(359)</b>	<b>174,505</b>	<b>174,109</b>	<b>(397)</b>	<b>173,923</b>	<b>173,463</b>	<b>(461)</b>	<b>173,412</b>	<b>172,887</b>	<b>(526)</b>	<b>172,927</b>	<b>172,341</b>	<b>(587)</b>	<b>172,459</b>	<b>171,813</b>	<b>(647)</b>
<b>Average Enrollment by Coverage Type</b>																		
Active (Non-OPS) Standard	131,002	130,562	(440)	129,776	128,920	(856)	128,940	128,087	(853)	128,150	127,305	(845)	127,379	126,544	(835)	126,623	125,794	(829)
Active (Non-OPS) HDHP	4,205	4,227	22	4,227	4,330	103	4,222	4,322	100	4,220	4,319	99	4,218	4,317	99	4,217	4,316	99
OPS Standard	5,980	6,034	54	6,319	6,498	179	6,276	6,454	178	6,237	6,415	178	6,201	6,377	176	6,166	6,342	176
OPS HDHP	502	517	15	540	594	54	541	595	54	542	596	54	543	597	54	544	598	54
COBRA	490	495	5	508	562	54	510	565	55	512	568	56	514	571	57	516	574	58
Early Retiree	3,860	3,845	(15)	3,787	3,738	(49)	3,780	3,730	(50)	3,772	3,722	(50)	3,763	3,713	(50)	3,754	3,704	(50)
Medicare	28,252	28,256	4	27,792	27,936	144	27,695	27,835	140	27,611	27,743	132	27,531	27,659	128	27,451	27,578	127
MAPD	1,114	1,110	(4)	1,556	1,531	(26)	1,959	1,875	(85)	2,368	2,219	(150)	2,778	2,563	(216)	3,188	2,907	(282)
<b>Total</b>	<b>175,405</b>	<b>175,046</b>	<b>(359)</b>	<b>174,505</b>	<b>174,109</b>	<b>(397)</b>	<b>173,923</b>	<b>173,463</b>	<b>(461)</b>	<b>173,412</b>	<b>172,887</b>	<b>(526)</b>	<b>172,927</b>	<b>172,341</b>	<b>(587)</b>	<b>172,459</b>	<b>171,813</b>	<b>(647)</b>



STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit III

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

(In Millions)

	<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>FY 2025-26</u>
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
<b>BEGINNING CASH BALANCE</b>	\$ 650.0	\$ 720.8	\$ 724.0	\$ 515.1	\$ 101.6	\$ 0.0 <sup>(2)</sup>
<b>REVENUES:</b>						
Insurance Premiums:						
Employer	\$ 2,142.9	\$ 2,206.0	\$ 2,192.0	\$ 2,180.0	\$ 2,167.3	\$ 2,154.8
Employee	169.3	169.3	168.2	167.3	166.3	165.3
HSA Contributions <sup>(3)</sup>	7.4	7.8	7.8	7.8	7.8	7.8
COBRA	6.5	7.6	7.7	7.7	7.7	7.7
Early Retiree	45.5	46.1	46.1	46.1	46.1	46.0
Medicare	179.8	184.6	186.4	187.9	189.5	190.6
Prior Year Premium Collection	0.0	22.2	0.0	0.0	0.0	0.0
Investment Earnings	9.7	7.2	6.2	3.1	0.0	0.0
PPO - TPA Refunds	9.6	9.0	9.0	9.0	9.0	9.0
PPO - PBM Rebates	93.9	104.7	119.7	130.9	142.7	151.8
HMO - Self-Insured Refunds	7.5	7.2	7.2	7.2	7.2	7.2
HMO - PBM Rebates	80.0	92.3	103.5	112.1	122.2	124.8
Pretax Trust Fund Transfer	20.6	20.6	20.6	20.6	20.6	20.6
PPO - Medicare Part D Subsidy	16.8	15.4	15.4	15.4	15.4	15.4
HMO - Medicare Part D Subsidy	1.4	1.3	1.4	1.4	1.4	1.4
Other Revenues	15.9	0.0	0.0	0.0	0.0	0.0
<b>TOTAL REVENUES</b>	\$ 2,806.8	\$ 2,901.3	\$ 2,891.2	\$ 2,896.5	\$ 2,903.2	\$ 2,902.4
<b>TOTAL CASH AVAILABLE</b>	\$ 3,456.8	\$ 3,622.1	\$ 3,615.2	\$ 3,411.6	\$ 3,004.8	\$ 2,902.4
<b>EXPENSES:</b>						
State PPO Plan:						
Medical Claims	\$ 752.1	\$ 798.7	\$ 851.8	\$ 909.2	\$ 970.6	\$ 1,036.3
ASO Fee	17.9	17.9	17.9	17.9	17.8	17.8
Prescription Drug Claims	407.1	438.8	485.8	543.3	605.0	674.9
PBM Claims Administration	2.1	2.1	2.1	2.1	2.1	2.1
HMO Plan:						
Premium Payments	332.9	344.3	354.6	348.9	376.7	388.3
Medical Claims	821.4	863.4	913.8	968.2	1,026.1	1,087.5
ASO Fee	25.2	25.4	25.2	25.0	24.8	24.6
Prescription Drug Claims	344.9	370.2	410.4	455.6	506.3	562.1
PBM Claims Administration	2.0	2.0	2.0	2.0	2.0	1.9
Medicare Advantage Prescription Drug Plan	3.1	4.4	5.3	6.3	7.2	8.2
Shared Savings Program:						
Medical Claims	3.0	4.2	4.5	4.8	5.1	5.4
Administrative Fees <sup>(4)</sup>	6.6	7.7	7.7	7.7	7.7	7.7
Shared Savings to Employees	1.1	1.1	1.1	1.1	1.1	1.1
HSA Deposits <sup>(3)</sup>	7.4	7.8	7.8	7.8	7.8	7.8
Operating Costs & Admin Assessment	3.5	4.5	4.5	4.5	4.5	4.5
Premium Refunds	4.7	4.7	4.7	4.7	4.7	4.7
Other Expenses <sup>(5)</sup>	1.0	0.9	0.9	0.9	0.9	0.9
<b>TOTAL EXPENSES</b>	\$ 2,736.0	\$ 2,898.1	\$ 3,100.1	\$ 3,310.0	\$ 3,570.4	\$ 3,835.8
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 70.8	\$ 3.2	\$ (208.9)	\$ (413.5)	\$ (667.2)	\$ (933.4)
<b>ENDING CASH BALANCE <sup>(6)</sup></b>	\$ 720.8	\$ 724.0	\$ 515.1	\$ 101.6	\$ (565.6)	\$ (933.4)
<b>ADDITIONAL INFORMATION</b>						
<b>Total Unreported Claims Liability</b>	\$ 185.5	\$ 196.0	\$ 208.3	\$ 221.5	\$ 235.8	\$ 250.8
<b>Average Enrollment by Plan</b>						
PPO Standard	78,809	78,277	78,137	78,021	77,912	77,808
PPO HDHP	3,566	3,715	3,710	3,706	3,702	3,698
HMO Standard	90,269	89,256	88,412	87,610	86,830	86,062
HMO HDHP	1,292	1,330	1,329	1,331	1,334	1,338
MAPD	1,110	1,531	1,875	2,219	2,563	2,907
<b>Total</b>	<b>175,046</b>	<b>174,109</b>	<b>173,463</b>	<b>172,887</b>	<b>172,341</b>	<b>171,813</b>
<b>Average Enrollment by Coverage Type</b>						
Active (Non-OPS) Standard	130,562	128,920	128,087	127,305	126,544	125,794
Active (Non-OPS) HDHP	4,227	4,330	4,322	4,319	4,317	4,316
OPS Standard	6,034	6,498	6,454	6,415	6,377	6,342
OPS HDHP	517	594	595	596	597	598
COBRA	495	562	565	568	571	574
Early Retiree	3,845	3,738	3,730	3,722	3,713	3,704
Medicare	28,256	27,936	27,835	27,743	27,659	27,578
MAPD	1,110	1,531	1,875	2,219	2,563	2,907
<b>Total</b>	<b>175,046</b>	<b>174,109</b>	<b>173,463</b>	<b>172,887</b>	<b>172,341</b>	<b>171,813</b>

**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 43% and 57%, respectively.
- 4) Administrative expenses for Health Reimbursement Arrangement (HRA) account administration, transparency services entity, and comprehensive surgical and medical procedures entity.
- 5) Other Expenses include the estimated impact of Patient-Centered Outcomes Research Institute (PCORI) fees.
- 6) Includes funds held in accounts outside of the Trust Fund at the Department of Financial Services, Division of Treasury, for the purpose of paying medical claims.
- 7) Includes funds designated for employee HRA accounts as a result of shared savings and employer funds designated for, but not yet transferred to the Pre-Tax Trust Fund, for employee Flexible Spending Account (FSA) accounts as a result of shared savings. Projected amounts of bundled service medical claims and shared savings to employees is unknown and expenditures have not been included at this time.
- 8) Includes estimated 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) DSGI received \$22,198,825.76 in premium revenue receipts for June 2021 but was received after the fiscal year cutoff and was processed in July.

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

**\$ 746.6 - Previous Ending Cash Balance Forecast <sup>(i)</sup>**

- 0.7 Increase in Beginning Cash Balance Forecast due to accounting adjustments made after the close of of FY 2019-20
- (70.1) - Decrease in Revenue Forecast
  - (55.7) - Net Decrease in Insurance Premiums
    - (5.9) - Decrease in employer and enrollee Insurance Premiums due to lower actual enrollment from 175,405 to 175,046
    - 0.4 - Increase in employer and enrollee HSA contributions
  - (50.2) - Decrease in Insurance Premiums due to shifts in enrollment categories
  - (11.2) - Decrease in Investment Earnings due to lower actual cash balance
    - 1.8 - Increase in PPO - TPA Refunds due to higher actual than projected activity
  - (3.6) - Decrease in PPO - PBM Rebates
    - (0.1) - Decrease due to lower actual enrollment from 82,496 to 82,375
    - (3.5) - Decrease due to lower actual activity
  - (0.3) - Decrease in HMO - Self-Insured Refunds due to lower actual than projected activity
  - (3.1) - Decrease in HMO - PBM Rebates
    - (0.2) - Decrease due to lower actual enrollment from 86,170 to 85,916
    - (2.9) - Decrease due to lower actual activity
  - (1.1) - Decrease in Pretax Trust Fund Transfer due to lower actual than projected FY 2020-21
  - 1.9 - Increase in PPO - Medicare Part D Subsidy due to higher actual per member subsidy
  - 0.1 - Increase in HMO - Medicare Part D Subsidy due to higher actual per member subsidy
  - 1.1 - Increase in Other Revenues
    - 0.8 - Increase due to Performance Guarantee Penalties
    - 0.3 - Increase due to PBM Audits Adjustments
- (43.6) - Decrease in Expense Forecast
  - (21.1) - Decrease in State PPO Plan
    - (3.1) - Decrease in Medical Claims
      - (1.1) - Decrease due to lower actual enrollment from 82,496 to 82,375
      - (2.0) - Decrease due to lower claims experience
    - (18.0) - Decrease in Prescription Drug Claims
      - (0.6) - Decrease due to lower actual enrollment from 82,496 to 82,375
      - (17.4) - Decrease due to lower claims experience
  - (21.2) - Decrease in HMO Plan
    - (1.5) - Decrease in Premium Payments
      - (0.5) - Decrease due to lower actual enrollment from 30,914 to 30,870
      - (1.0) - Decrease due to shifts in enrollment categories
    - (2.9) - Decrease in Medical Claims
      - (2.6) - Decrease due to lower actual enrollment from 60,877 to 60,689
      - (0.3) - Decrease due to lower actual claims experience
    - (0.4) - Decrease in ASO Fees
      - (0.1) - Decrease due to lower actual enrollment from 60,877 to 60,689
      - (0.3) - Decrease due to shifts in enrollment between HMO vendors
    - (16.4) - Decrease in Prescription Drug Claims
      - (1.1) - Decrease due to lower projected enrollment from 86,170 to 85,916
      - (15.3) - Decrease due to lower claims experience
  - (0.1) - Decrease in MAPD Premium Payments due to lower actual enrollment from 1,114 to 1,110
  - 0.1 - Increase in Shared Savings Program due to higher actual Bundled Surgical Service claims
    - (1.0) - Decrease due to lower actual Bundled Surgical Service claims
    - 0.2 - Increase in Administrative Fees for HRA plan administrator
    - 0.9 - Increase in Shared Savings to Employees
  - (1.3) - Decrease in Other Expense Categories
    - 0.4 - Increase due to higher actual employer and enrollee HSA Deposits
    - (1.1) - Decrease in Operating Costs and Administrative Assessments based on actual cost.
    - (0.6) - Decrease in Premium Refunds due to lower actual activity

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

<sup>(i)</sup> Self Insurance Estimating Conference held in March 2021.



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

**\$ 718.6 - Previous Ending Cash Balance Forecast<sup>(1)</sup>**

- (25.8) - Decrease in Beginning Cash Balance Forecast
- (36.6) - Decrease in Revenue Forecast
  - (36.0) - Net Decrease in Insurance Premiums
    - (8.0) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 174,505 to 174,109
    - 0.2 - Increase in projected employer and enrollee HSA contributions
    - (28.2) - Decrease in Insurance Premiums due to shifts in enrollment categories
  - 22.2 - Prior Year Premium Collection
  - (14.8) - Decrease in Investment Earnings
    - (3.6) - Decrease due to lower projected interest rates from 1.5% to 1.0%
    - (11.2) - Decrease due to lower projected cash balance
  - 1.2 - Increase in PPO - TPA Refunds
    - (0.1) - Decrease due to lower projected enrollment from 82,113 to 81,992
    - 1.3 - Increase due to higher projected activity
  - (5.5) - Decrease in PPO - PBM Rebates
    - (0.2) - Decrease due to lower projected enrollment from 82,113 to 81,992
    - (5.3) - Decrease due to lower projected activity
  - (0.6) - Decrease in HMO - Self-Insured Refunds
    - (0.1) - Decrease due to lower projected enrollment from 60,333 to 59,996
    - (0.5) - Decrease due to lower projected activity
  - (2.3) - Decrease in HMO - PBM Rebates
    - (0.4) - Decrease due to lower projected enrollment from 85,289 to 84,916
    - (1.9) - Decrease due to lower projected activity
  - (1.1) - Decrease in Pretax Trust Fund Transfer due to lower actual than projected FY 2020-21
  - 0.3 - Increase in PPO - Medicare Part D Subsidy
    - (0.1) - Decrease due to a lower projected enrollment from 20,506 to 20,484
    - 0.4 - Increase due to higher projected per member subsidy
- (67.8) - Decrease in Expense Forecast
  - (32.7) - Decrease in State PPO Plan
    - (4.8) - Decrease in Medical Claims
      - (1.2) - Decrease due to lower projected enrollment from 82,113 to 81,992
      - 0.1 - Increase due to lower projected Shared Savings
      - 2.2 - Increase due to higher growth factor from 6.85% to 7.20%
      - (5.9) - Decrease due to lower claims experience
    - (27.9) - Decrease in Prescription Drug Claims
      - (0.7) - Decrease due to lower projected enrollment from 82,113 to 81,992
      - (8.1) - Decrease due to lower growth factor from 10.30% to 8.30%
      - (19.1) - Decrease due to lower claims experience
  - (35.5) - Decrease in HMO Plan
    - (0.1) - Decrease in Premium Payments
      - 1.0 - Increase due to higher projected enrollment from 30,502 to 30,588
      - (1.1) - Decrease due to shifts in enrollment categories
    - (9.9) - Decrease in Medical Claims
      - (4.9) - Decrease due to lower projected enrollment from 60,333 to 59,996
      - 0.1 - Increase due to lower projected Shared Savings
      - (5.1) - Decrease due to lower projected claims experience
    - (0.5) - Decrease in ASO Fees
      - (0.1) - Decrease due to lower projected enrollment from 60,333 to 59,996
      - (0.4) - Decrease due to shifts in between HMO plans
    - (25.0) - Decrease in Prescription Drug Claims
      - (1.7) - Decrease due to lower projected enrollment from 85,289 to 84,916
      - (6.5) - Decrease due to lower growth factor from 10.50% to 8.60%
      - (16.8) - Decrease due to lower claims experience
    - 0.9 - Increase in Shared Savings Program due to higher projected shared savings rewards to employees
    - (0.5) - Decrease in Other Expense Categories and enrollee HSA Deposits
      - 0.2 - Increase due to higher projected employer and enrollee HSA Deposits
      - (0.1) - Decrease in Operating Costs and Administrative Assessments based on FY 2021-22 budget
      - (0.6) - Decrease in Premium Refunds due to lower projected activity

**724.0 - Ending Cash Balance<sup>(1)</sup>**<sup>(1)</sup> Self Insurance Estimating Conference held in March 2021.

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

- \$ 490.4 - Previous Ending Cash Balance Forecast <sup>(i)</sup>**
  - 5.4 - Increase in Beginning Cash Balance Forecast
  - (49.7) - Decrease in Revenue Forecast
    - (35.4) - Net Decrease in Insurance Premiums
      - (8.4) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 173,923 to 173,463
      - 0.2 - Increase in projected employer and enrollee HSA contributions
      - (27.2) - Decrease in Insurance Premiums due to shifts in enrollment categories
    - (11.9) - Decrease in Investment Earnings
      - (3.1) - Decrease due to lower projected interest rates from 1.5% to 1.0%
      - (8.8) - Decrease due to lower projected cash balance
    - 1.2 - Increase in PPO - TPA Refunds
      - (0.1) - Decrease due to lower projected enrollment from 81,974 to 81,848
      - 1.3 - Increase due to higher projected activity
    - (1.8) - Decrease in PPO - PBM Rebates
      - (0.2) - Decrease due to lower projected enrollment from 81,974 to 81,848
      - (1.6) - Decrease due to lower projected activity
    - (0.6) - Decrease in HMO - Self-Insured Refunds
      - (0.1) - Decrease due to lower projected enrollment from 59,775 to 59,439
      - (0.5) - Decrease due to lower projected activity
    - (0.5) - Decrease in HMO -PBM Rebates due to lower projected enrollment from 84,500 to 84,127
    - (1.1) - Decrease in Pretax Trust Fund Transfer due to lower actual than projected FY 2020-21
    - 0.3 - Increase in PPO - Medicare Part D Subsidy
      - (0.1) - Decrease due to a lower projected enrollment from 20,472 to 20,449
      - 0.4 - Increase due to higher projected per member subsidy
    - 0.1 - Increase in HMO - Medicare Part D Subsidy due to higher projected Medicare enrollment from 1,727 to 1,770
  - (69.0) - Decrease in Expense Forecast
    - (34.4) - Decrease in State PPO Plan
      - (5.3) - Decrease in Medical Claims
        - (1.3) - Decrease due to lower projected enrollment from 81,974 to 81,848
        - (4.0) - Decrease due to lower claims experience
      - (29.1) - Decrease in Prescription Drug Claims
        - (0.8) - Decrease due to lower projected enrollment from 81,974 to 81,848
        - 1.8 - Increase due to higher growth factor from 10.50% to 10.90%
        - (30.1) - Decrease due to lower claims experience
    - (35.0) - Decrease in HMO Plan
      - (0.2) - Decrease in Premium Payments
        - 1.0 - Increase due to higher projected enrollment from 30,215 to 30,300
        - (1.2) - Decrease due to shifts in enrollment categories
      - (10.6) - Decrease in Medical Claims
        - (5.2) - Decrease due to lower projected enrollment from 59,775 to 59,439
        - 0.1 - Increase due to lower Shared Savings
        - (5.5) - Decrease due to lower projected claims experience
      - (0.5) - Decrease in ASO Fees
        - (0.1) - Decrease due to lower projected enrollment from 59,775 to 59,439
        - (0.4) - Decrease due to shifts between HMO plans
      - (23.8) - Decrease in Prescription Drug Claims
        - (1.9) - Decrease due to lower projected enrollment from 84,500 to 84,127
        - 3.7 - Increase due to higher growth factor from 10.90% to 11.90%
        - (25.6) - Decrease due to lower claims experience
      - 0.1 - Increase in PBM Claims Administration due to shifts in enrollment categories
    - 0.9 - Increase in Shared Savings Program due to higher projected shared savings rewards to employees
    - (0.5) - Decrease in Other Expense Categories
      - 0.2 - Increase due to higher projected employer and enrollee HSA Deposits
      - (0.1) - Decrease in Operating Costs and Administrative Assessments
      - (0.6) - Decrease in Premium Refunds due to lower projected activity

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

<sup>(i)</sup> Self Insurance Estimating Conference held in March 2021.

## Exhibit VIII

## Comparison of Financial Outlooks

Fiscal Year 2023-24

(In Millions)

\$	<b>55.4 - Previous Ending Cash Balance Forecast<sup>(1)</sup></b>
	24.7 - Increase in Beginning Cash Balance Forecast
	(42.4) - Decrease in Revenue Forecast
	(35.2) - Net Decrease in Insurance Premiums
	(8.8) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 173,412 to 172,887
	0.2 - Increase in projected employer and enrollee HSA contributions
	(26.6) - Decrease in Insurance Premiums due to shifts in enrollment categories
	(5.1) - Decrease in Investment Earnings
	(1.5) - Decrease due to lower projected interest rates from 1.5% to 1.0%
	(3.6) - Decrease due to lower projected cash balance
	1.2 - Increase in PPO - TPA Refunds
	(0.1) - Decrease due to lower projected enrollment from 81,853 to 81,727
	1.3 - Increase due to higher projected activity
	(1.1) - Decrease in PPO - PBM Rebates
	(0.2) - Decrease due to lower projected enrollment from 81,853 to 81,727
	(0.9) - Decrease due to lower projected activity
	(0.6) - Decrease in HMO - Self-Insured Refunds
	(0.1) - Decrease due to lower projected enrollment from 59,247 to 58,912
	(0.5) - Decrease due to lower projected activity
	(0.9) - Decrease in HMO - PBM Rebates
	(0.5) - Decrease due to lower projected enrollment from 83,750 to 83,380
	(0.4) - Decrease due to lower projected activity
	(1.1) - Decrease in Pretax Trust Fund Transfer due to lower actual than projected FY 2020-21
	0.3 - Increase in PPO - Medicare Part D Subsidy
	(0.1) - Decrease due to lower projected Medicare enrollment from 20,442 to 20,419
	0.4 - Increase due to higher projected per member subsidy
	0.1 - Increase in HMO - Medicare Part D Subsidy due to higher projected per member subsidy
	(63.9) - Decrease in Expense Forecast
	(33.1) - Decrease in State PPO Plan
	(5.7) - Decrease in Medical Claims
	(1.4) - Decrease due to lower projected enrollment from 81,853 to 81,727
	(4.3) - Decrease due to lower claims experience
	(27.4) - Decrease in Prescription Drug Claims
	(0.9) - Decrease due to lower projected enrollment from 81,853 to 81,727
	4.9 - Increase due to higher growth factor from 11.00% to 12.00%
	(31.4) - Decrease due to lower claims experience
	(31.2) - Decrease in HMO Plan
	(0.2) - Decrease in Premium Payments
	1.0 - Increase due to higher projected enrollment from 29,942 to 30,027
	(1.2) - Decrease due to shifts in enrollment categories
	(11.2) - Decrease in Medical Claims
	(5.6) - Decrease due to lower projected enrollment from 59,247 to 58,912
	0.1 - Increase due to lower projected Shared Savings
	(5.7) - Decrease due to lower projected claims experience
	(0.4) - Decrease in ASO Fees
	(0.1) - Decrease due to lower projected enrollment from 59,247 to 58,912
	(0.3) - Decrease due to shifts between HMO plans
	(19.5) - Decrease in Prescription Drug Claims
	(2.1) - Decrease due to lower projected enrollment from 83,750 to 83,380
	6.5 - Increase due to higher growth factor from 10.40% to 12.00%
	(23.9) - Decrease due to lower claims experience
	0.1 - Increase in PBM Claims Administration due to shifts in enrollment categories
	0.9 - Increase in Shared Savings Program due to higher projected shared savings rewards to employees
	(0.5) - Decrease in Other Expense Categories
	0.2 - Increase due to higher projected employer and enrollee HSA Deposits
	(0.1) - Decrease in Operating Costs and Administrative Assessments
	(0.6) - Decrease in Premium Refunds due to lower projected activity
	<b>101.6 - Ending Cash Balance<sup>(1)</sup></b>

<sup>(1)</sup> Self Insurance Estimating Conference held in March 2021.

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

**\$ (643.7) - Previous Ending Cash Balance Forecast<sup>(1)</sup>**

- 46.2 - Increase in Beginning Cash Balance Forecast
- (37.2) - Decrease in Revenue Forecast
  - (34.9) - Net Decrease in Insurance Premiums
    - (9.0) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 172,927 to 172,341
    - 0.2 - Increase in projected employer and enrollee HSA contributions
    - (26.1) - Decrease in Insurance Premiums due to shifts in enrollment categories
  - 1.2 - Increase in PPO - TPA Refunds
    - (0.1) - Decrease due to lower projected enrollment from 81,746 to 81,614
    - 1.3 - Increase due to higher projected activity
  - (0.9) - Decrease in PPO - PBM Rebates
    - (0.2) - Decrease due to lower projected enrollment from 81,746 to 79,614
    - (0.7) - Decrease due to lower projected activity
  - (0.6) - Decrease in HMO - Self-Insured Refunds
    - (0.1) - Decrease due to lower projected enrollment from 58,734 to 58,406
    - (0.5) - Decrease due to lower projected activity
  - (1.4) - Decrease in HMO - PBM Rebates
    - 0.4 - Increase due to higher projected enrollment from 82,414 to 82,658
    - (1.8) - Decrease due to lower projected activity
  - (1.1) - Decrease in Pretax Trust Fund Transfer due to lower actual than projected FY 2020-21
  - 0.4 - Increase in PPO - Medicare Part D Subsidy
    - (0.1) - Decrease due to lower projected Medicare enrollment from 20,414 to 20,392
    - 0.5 - Increase due to higher projected per member subsidy
  - 0.1 - Increase in HMO - Medicare Part D Subsidy due to higher projected per member subsidy
- (69.1) - Decrease in Expense Forecast
  - (39.4) - Decrease in State PPO Plan
    - (6.1) - Decrease in Medical Claims
      - (1.6) - Decrease due to lower projected enrollment from 81,746 to 81,614
      - (4.5) - Decrease due to lower claims experience
    - (33.3) - Decrease in Prescription Drug Claims
      - (1.0) - Decrease due to lower projected enrollment from 81,746 to 81,614
      - (2.7) - Decrease due to lower growth factor from 12.00% to 11.50%
      - (29.6) - Decrease due to lower claims experience
  - (30.0) - Decrease in HMO Plan
    - (0.2) - Decrease in Premium Payments
      - 1.1 - Increase due to higher projected enrollment from 29,675 to 29,759
      - (1.3) - Decrease due to shifts in enrollment categories
    - (11.7) - Decrease in Medical Claims
      - (5.8) - Decrease due to lower projected enrollment from 58,734 to 58,406
      - 0.1 - Increase due to lower projected Shared Savings
      - (6.0) - Decrease due to lower projected claims experience
    - (0.4) - Decrease in ASO Fees
      - (0.1) - Decrease due to lower projected enrollment from 58,734 to 58,406
      - (0.3) - Decrease due to shifts between HMO plans
    - (17.8) - Decrease in Prescription Drug Claims
      - 1.6 - Increase due to higher projected enrollment from 82,414 to 82,658
      - (19.4) - Decrease due to lower claims experience
    - 0.1 - Increase in PBM Claims Administration due to higher enrollment from 82,414 to 82,658
  - 0.8 - Increase in Shared Savings Program
    - (0.1) - Decrease in Bundled Service claims based on lower projected utilization
    - 0.9 - Increase in Shared Savings to Employees due to higher utilization
  - (0.5) - Decrease in Other Expense Categories
    - 0.2 - Increase due to higher projected employer and enrollee HSA Deposits
    - (0.1) - Decrease in Operating Costs and Administrative Assessments
    - (0.6) - Decrease in Premium Refunds due to lower projected activity

**(565.6) - Ending Cash Balance<sup>(1)</sup>**<sup>(1)</sup> Self Insurance Estimating Conference held in March 2021.

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

**\$ (973.9) - Previous Ending Cash Balance Forecast<sup>(1)</sup>**

- (37.2) - Decrease in Revenue Forecast
  - (34.9) - Net Decrease in Insurance Premiums
    - (9.3) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 172,459 to 171,813
    - 0.2 - Increase in projected employer and enrollee HSA contributions
    - (25.8) - Decrease in Insurance Premiums due to shifts in enrollment categories
  - 1.2 - Increase in PPO - TPA Refunds
    - (0.1) - Decrease due to lower projected enrollment from 81,631 to 81,507
    - 1.3 - Increase due to higher projected activity
  - (0.7) - Decrease in PPO - PBM Rebates
    - (0.2) - Decrease due to lower projected enrollment from 81,631 to 81,507
    - (0.5) - Decrease due to lower projected activity
  - (0.6) - Decrease in HMO - Self-Insured Refunds
    - (0.1) - Decrease due to lower projected enrollment from 58,229 to 57,907
    - (0.5) - Decrease due to lower projected activity
  - (1.6) - Decrease in HMO - PBM Rebates
    - (0.1) - Decrease due to lower projected enrollment from 82,010 to 81,943
    - (1.5) - Decrease due to lower projected activity
  - (1.1) - Decrease in Pretax Trust Fund Transfer due to lower actual than projected FY 2020-21
  - 0.4 - Increase in PPO - Medicare Part D Subsidy
    - (0.1) - Decrease due to lower projected Medicare enrollment from 20,387 to 20,366
    - 0.5 - Increase due to higher projected per member subsidy
  - 0.1 - Increase in HMO - Medicare Part D Subsidy due to higher projected per member subsidy
- (77.7) - Decrease in Expense Forecast
  - (44.0) - Decrease in State PPO Plan
    - (6.3) - Decrease in Medical Claims
      - (1.6) - Decrease due to lower projected enrollment from 81,631 to 81,507
      - 0.1 - Increase due to lower projected Shared Savings
      - (4.8) - Decrease due to lower claims experience
    - (37.7) - Decrease in Prescription Drug Claims
      - (1.1) - Decrease due to lower projected enrollment from 81,631 to 81,507
      - (0.6) - Decrease due to lower growth factor from 11.80% to 11.70%
      - (36.0) - Decrease due to lower claims experience
  - (34.0) - Decrease in HMO Plan
    - (0.2) - Decrease in Premium Payments
      - 1.1 - Increase due to higher projected enrollment from 29,412 to 29,492
      - (1.3) - Decrease due to shifts in enrollment categories
    - (12.4) - Decrease in Medical Claims
      - (6.1) - Decrease due to lower projected enrollment from 58,229 to 57,907
      - 0.1 - Increase due to lower projected Shared Savings
      - (6.4) - Decrease due to lower projected claims experience
    - (0.4) - Decrease in ASO Fees
      - (0.1) - Decrease due to lower projected enrollment from 58,229 to 57,907
      - (0.3) - Decrease due to shifts between HMO plans
    - (21.0) - Decrease in Prescription Drug Claims
      - (0.5) - Decrease due to lower projected enrollment from 82,010 to 81,943
      - 1.0 - Increase due to higher growth factor from 11.80% to 12.00%
      - (21.5) - Decrease due to lower claims experience
  - 0.8 - Increase in Shared Savings Program
    - (0.1) - Decrease in Bundled Service claims based on lower projected utilization
    - 0.9 - Increase in Shared Savings to Employees due to higher utilization
  - (0.5) - Decrease in Other Expense Categories
    - 0.2 - Increase in projected employer and enrollee HSA Deposits
    - (0.1) - Decrease in Operating Costs and Administrative Assessments based on
    - (0.6) - Decrease in Premium Refunds due to lower projected activity

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

<sup>(1)</sup> Self Insurance Estimating Conference held in March 2021.

**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 <sup>(4)</sup>	Enrollee	Total
Career Service / OPS	Monthly Full -Time Employees <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1,2)</sup>	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 <sup>(1,2)</sup>	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 <sup>(3)</sup>	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 <sup>(5)</sup>	Medicare II One Under/Over <sup>(6)</sup>	Medicare III Both Eligible <sup>(7)</sup>
Self-Insured PPO/HMO	Standard	403.92	1,167.71	807.83
	HDHP	304.47	991.61	608.94
Capital Health Plan <sup>(8)</sup>	Standard	282.62	1,000.47	565.24
	HDHP	257.23	902.17	514.46
COBRA Self-Insured PPO/HMO <sup>(3)</sup>	Standard	412.00	1,191.06	823.99
	HDHP	310.56	1,011.44	621.12
COBRA Capital Health Plan <sup>(3,8)</sup>	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.

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

**Premium Rate Table**

**Effective December 2020 for January 2021 Coverage**

(Premium rate change for all participants)

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

Medicare Monthly Premium Rates				
Plan Name	Plan Type	Medicare I One Eligible <sup>(5)</sup>	Medicare II One Under/Over <sup>(6)</sup>	Medicare III Both Eligible <sup>(7)</sup>
Self-Insured PPO/HMO	Standard	430.18	1,243.63	860.35
	HDHP	324.26	1,061.06	648.52
Capital Health Plan <sup>(8)</sup>	Standard	282.62	1,038.30	565.24
	HDHP	257.23	936.15	514.46
COBRA Self-Insured PPO/HMO <sup>(3)</sup>	Standard	438.78	1,268.50	877.56
	HDHP	330.75	1,082.28	661.49
COBRA Capital Health Plan <sup>(3,8)</sup>	Standard	288.27	1,059.07	576.54
	HDHP	262.37	954.87	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 2020 for January 2021 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	33.86	34.54
UnitedHealthcare - MA-PD	MA-PD	209.97	214.17

**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.

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# State Employees' Group Health Self-Insurance Trust Fund

## Premium RATE TABLE



Premium rate change for all participants effective December 2020 for January 2021 coverage.

Subscriber Category/Contribution Cycle		Coverage Types	PPO/HMO Standard			PPO/HMO HDHP		
			Employer	Enrollee	Total	Employer (4)	Enrollee	Total
Career Service/OPS	Monthly Full-Time Employees (1)	Single	763.46	50.00	813.46	763.46	15.00	778.46
		Family	1,651.08	180.00	1,831.08	1,651.08	64.30	1,715.38
		Spouse	1,801.08	30.00	1,831.08	1,685.40	30.00	1,715.40
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		Family	900.54	15.00	915.54	842.69	15.00	857.69
COBRA (Non-Medicare)	Monthly (3)	Single	0.00	829.73	829.73	0.00	751.54	751.54
		Family	0.00	1,867.70	1,867.70	0.00	1,664.69	1,664.69
Early Retirees	Monthly	Single	0.00	813.46	813.46	0.00	736.80	736.80
		Family	0.00	1,831.08	1,831.08	0.00	1,632.05	1,632.05
Over-age Dependents		Single	0.00	813.46	813.46	0.00	736.80	736.80

Medicare Monthly Premium Rates					
Plan Name	Plan Type	Medicare I One Eligible (5)	Medicare II One Under/Over (6)	Medicare III Both Eligible (7)	MA-PD Plan
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Capital Health Plan (8)	Standard	282.62	1,038.30	565.24	
	HDHP	257.23	936.15	514.46	
	MA-PD (9)				165.00
Humana	MA-PD (9)				33.86
UnitedHealthcare	MA-PD (9)				209.97
COBRA Self-Insured PPO/HMO (3)	Standard	438.78	1,268.50	877.56	
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### Notes

- (1) Premium contribution for Part-Time Employees (FTE < 0.75) is to be calculated as follows:  
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- (9) 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 an MA-PD plan. The premiums listed above are per member. Multiply the premium by the number of members covered under your plan to calculate total cost. Premiums do not include Medicare Part B. COBRA premiums include an additional 2% for administrative costs as permitted by federal regulations. The People First Service Center must have your Medicare information on file. If your Medicare enrollment cannot be verified, you will be moved to the PPO plan through Florida Blue. To confirm your Medicare information is on file, contact the People First Service Center.

10/20/21

Meeting Date

# The Florida Senate APPEARANCE RECORD

State Group Ins. Program  
Bill Number or Topic

Deliver both copies of this form to  
Senate professional staff conducting the meeting

Senate Governmental  
Committee Oversight & Accountability

Amendment Barcode (if applicable)

Name Ryan Stokes Phone 850-597-3677

Address 4050 Esplanade Way Email Ryan.stokes@dms.fl.gov  
Street

Tallahassee FL 32399  
City State Zip

Speaking:  For  Against  Information **OR** Waive Speaking:  In Support  Against

### PLEASE CHECK ONE OF THE FOLLOWING:

- I am appearing without compensation or sponsorship.
- I am a registered lobbyist, representing:
- I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

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This form is part of the public record for this meeting.

FLORIDA RETIREMENT SYSTEM (FRS)

# FRS INVESTMENT PLAN

## ASSESSMENT AND RECOMMENDED IMPROVEMENTS

---

Prepared by:

**Pension Integrity Project at Reason Foundation**

October 20, 2021





# About the Pension Integrity Project

We offer pro-bono technical assistance to public officials to help them design and implement pension reforms that improve plan solvency and promote retirement security, including:

- *Customized analysis* of pension system design, trends
- *Independent actuarial modeling* of reform scenarios
- Consultation and modeling around *custom policy designs*
- Latest pension reform *research and case studies*
- *Peer-to-peer mentoring* from state and local officials who have successfully enacted pension reforms
- Assistance with *stakeholder outreach*, engagement and relationship management
- Design and execution of *public education programs* and media campaigns



# Policy Objectives

- **Keeping Promises:** Ensure the ability to pay 100% of the benefits earned and accrued by active workers and retirees
- **Retirement Security:** Provide retirement security for all current and future employees
- **Predictability:** Stabilize contribution rates for the long-term
- **Risk Reduction:** Reduce pension system exposure to financial risk and market volatility
- **Affordability:** Reduce long-term costs for employers/taxpayers and employees
- **Attractive Benefits:** Ensure the ability to recruit 21st Century employees
- **Good Governance:** Adopt best practices for board organization, investment management, and financial reporting



# Major Reforms to FRS

## 2000 – House Bill 2393

- Provided a defined, participant-directed contribution (DC) plan option to FRS members.
- One-year vesting for the portability of employer contributions.
- Based retirement benefits on market returns rather than a fixed benefit guarantee.
- Existing members given the option to switch future FRS participation into the DC plan without losing their already earned pension benefits.

## 2011 – Senate Bill 2100

- Created a Tier II with different eligibility requirements for all new members post July 1, 2011.
- Renamed the FRS defined benefit plan the Florida Retirement System “Pension Plan”.
- Renamed the FRS defined contribution plan from the Public Employee Optional Retirement Program to the Florida Retirement System “Investment Plan.”
- Eliminated post-retirement increases on pension benefits earned after July 2011.
- Decreased both employer and employee contribution rates effective July 2012.
- Led to unfunded accrued liabilities decreasing from \$16.7 billion to \$15.6 billion.

## 2017 – Senate Bill 7022

- Defaults new Regular Class employees hired after January 2018 into the FRS Investment Plan (DC plan) if no election taken after eight months of employment.

# Choice-based Public Retirement

Florida is a leader in expanding options to public workers



Upon being hired, Florida's public employees have a choice between:

**FRS Investment Plan**  
(defined contribution)

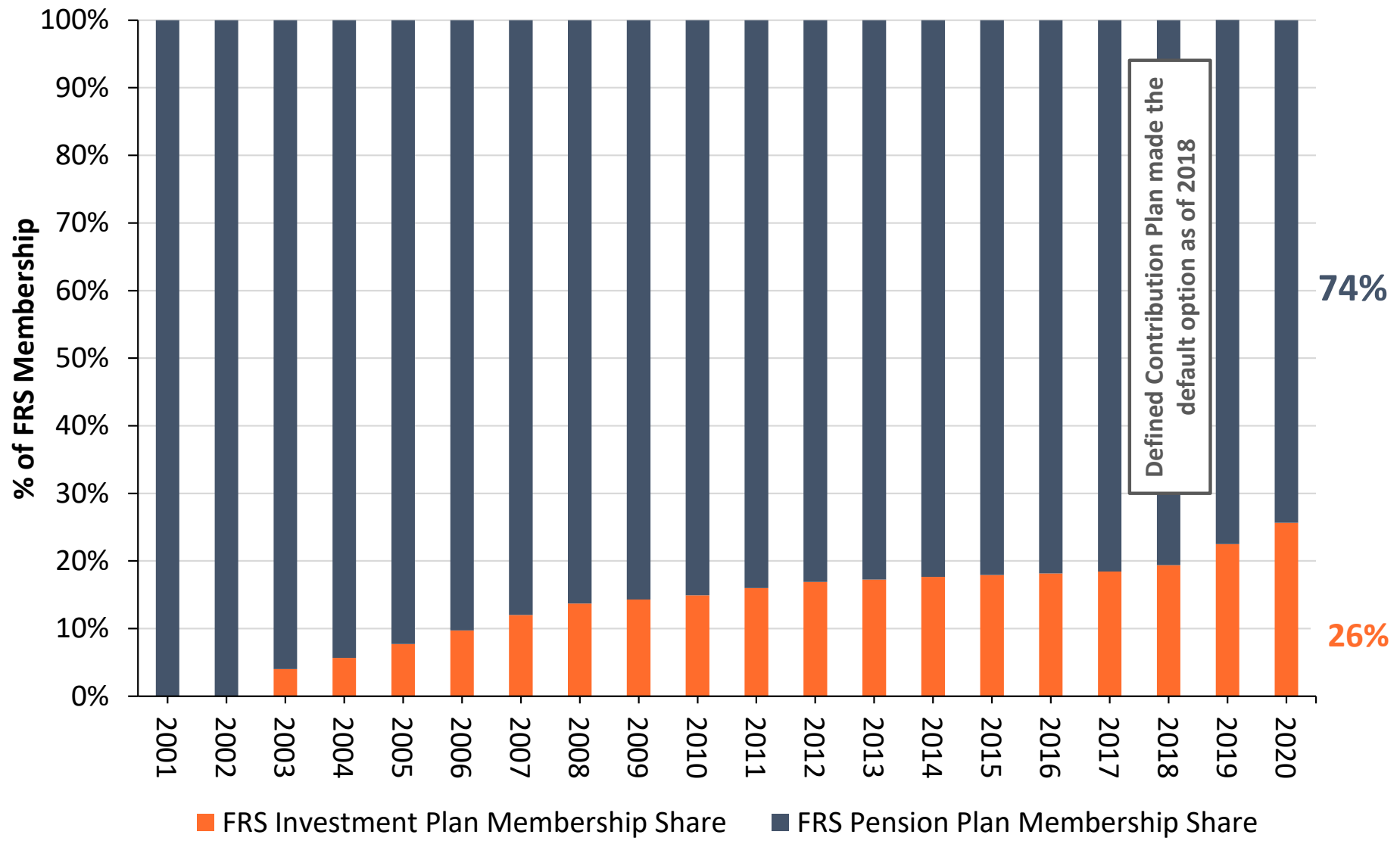
**FRS Pension Plan**  
(defined benefit)

There is no one-size-fits-all retirement plan. Choice-based plan design helps FRS serve a wider group of public workers.





# FRS Membership Allocation: DB+DC Plans



Source: Pension Integrity Project analysis of FRS CAFR reports



# FRS Investment Plan Successes

Florida's Investment Plan has several strong foundational features

- **Defaults** that optimize the selection to the majority of new members
- Affordable and flexible **investment options**
- **Reduces** the growth of unfunded pension liabilities by lowering financial risk
- Does not hinder much-needed **contributions** from the state to pay off long-standing pension debt



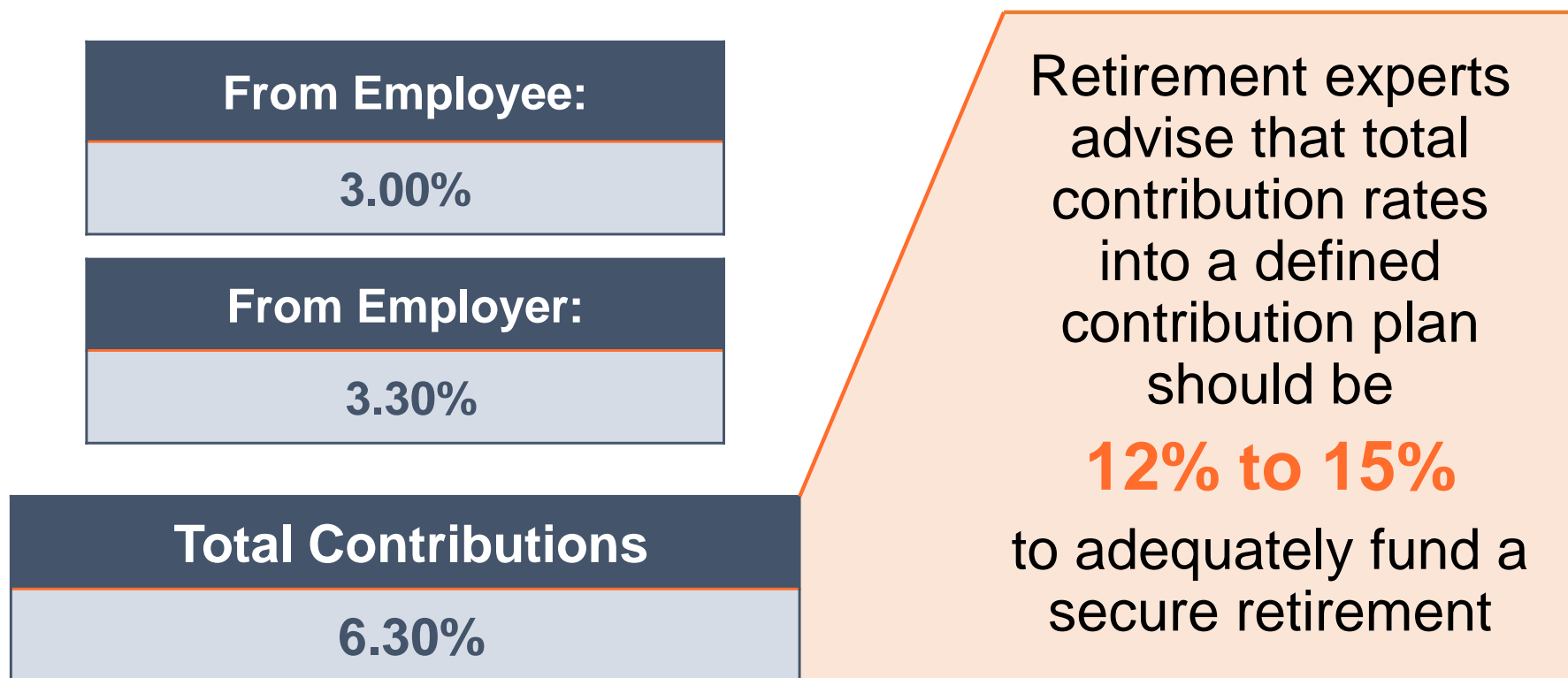
# OPPORTUNITIES FOR IMPROVEMENT

---



# I. FRS Investment Plan Contributions

Current FRS Investment Plan contribution breakdown  
(Regular Class only):



The state also makes a **3.44%** contribution to pay down legacy unfunded FRS Pension Plan liabilities for EVERY new hire, regardless of plan choice.

# Contribution Comparison

## Rates Used by States with Primary DC Plans



State	Plan	Employee Contribution	Employer Contribution	Total Contribution
OH	STRS	14.00%	9.53%	<b>23.53%</b>
CO	PERA	10.50%	10.50%	<b>21.00%</b>
AZ	PSPRS	9.00%	9.00%	<b>18.00%</b>
OH	PERS	10.00%	7.50%	<b>17.50%</b>
MT	PERA	7.90%	8.63%	<b>16.53%</b>
ND	PERS	7.00%	7.12%	<b>14.12%</b>
SC	SCRS	9.00%	5.00%	<b>14.00%</b>
AK	PERS	8.00%	5.00%	<b>13.00%</b>
PA	PSERS	7.50%	3.50%	<b>11.00%</b>
PA	SERS	7.50%	3.50%	<b>11.00%</b>
OK	PERS	4.50%	6.00%	<b>10.50%</b>
MI	PSERS	3.00%	7.00%	<b>10.00%</b>
MI	SERS	3.00%	7.00%	<b>10.00%</b>
UT	URS	0.00%	10.00%	<b>10.00%</b>
FL	FRS (Regular)	3.00%	3.30%	<b>6.30%</b>



## 2. Establish Objectives for the Investment Plan

- FRS has stated objectives for all plans combined
- Framing explicit language delineating the specific objectives of the Investment Plan could help communicate the goals of the plan to new and existing public workers
- Lifetime income and retirement security should be a key focus



### 3. Expand Target Date Fund Options

- The Investment Plan offers target-date portfolios to simplify long-term saving strategies based on a target retirement year
- Other unique factors should also be recognized in retirement planning (i.e. health, family, etc.)
- More options in target-date portfolios can increase flexibility for plan participants

### 4. Expand Lifetime Income Options

- The Investment Plan offers annuitization at retirement, which allow retirees to use their accrued retirement funds to buy a stream of guaranteed lifetime income
- Policymakers can further improve on this option by allowing deferred annuities, which reduce the risk on the employee



# FRS Investment Plan - Gold Standard Score

Objective	Gold Standard	FRS Investment Plan
<b>Defined Plan Objectives</b>	Defines objectives in writing as part of a comprehensive "benefits policy statement" or at least within a "retirement plan policy statement."	There is little reference in the FRS Investment Plan material that specifically speaks to plan objectives. The "Summary Plan Description" states, "Each FRS plan is designed to provide you with a good foundation for financial security when considered along with Social Security, other retirement programs, and your own personal savings (including savings accounts, IRAs, and deferred compensation programs offered through your employer, among other resources)." This statement falls short of stating plan objectives as it is too general and without supporting detail.
<b>Communication and Education</b>	Educated members on the available choices and relevant information needed to make competent retirement decisions.	The plan sponsor offers various tools for communicating with and educating employees about the different retirement plans available. Once a choice is made by the employee to join the FRS Investment Plan, a good amount of material is available including investment education. The plan also offers robo-advice to participants at no additional charge.
<b>Auto Enrollment</b>	Defaults members into a defined contribution retirement option if no other option is selected upon hire.	New hires are enrolled into the FRS Investment Plan by the end of their eighth month of employment when no other option is selected, providing the member with maximum asset mobility by default.
<b>Adequate Contributions</b>	Replace approximately 80% of a worker's final salary.	A major challenge facing the FRS Investment Plan is the inadequacy of the combined 6.3% FRS Investment Plan contribution rate (3% Employee /3.3% Employer) to fund lifetime financial security, even in combination with social security and reasonable personal savings. Retirement experts agree that a total contribution rate of between 12% and 15% is necessary over a career to adequately fund retirement when combined with social security and personal savings.
<b>Retirement Specific Portfolio Design</b>	Offer "one-touch" investment options for employees who are not sophisticated investors and do not want to avail themselves of in-plan investment advice.	The FRS Investment Plan offers a solid mix of proprietary investment funds with acceptable fees and a series of reasonably priced target-date funds for participants preferring a "one-choice" option. However, it would be preferable to see some guaranteed investments included in the target-date portfolio constructions, and not offering deferred annuities limit a member's financial flexibility.
<b>Benefit Portability</b>	Safeguard the ability to recruit highly mobile 21st Century employees.	Accumulations attributable to employer contributions into the FRS Investment Plan are vested in the employee after one year of service. Accumulations attributable to employee contributions are, of course, immediately vested. While much shorter than the FRS pension plan, the one-year vest is somewhat longer than ideal. Full and immediate vesting would be preferred.
<b>Offer Distribution Options</b>	Provide members with a variety of asset distribution methods while limiting borrowing.	The standard distribution method offered under the FRS Investment Plan is a lump-sum withdrawal upon separation of service. The employee can roll this distribution over to an IRA or take periodic distributions. Despite a lifetime annuity option being available to members, generally the distribution choices offered by the FRS Investment Plan limit its attractiveness as a true, core retirement option.
<b>Disability Coverage</b>	Offer a separate disability insurance benefit from a quality insurer.	The FRS Investment Plan's disability coverage is the same as the FRS Pension Plan. In fact, FRS Investment Plan assets are transferred to the FRS Pension Plan upon a member becoming disabled to help fund the benefit. While the consistency between plans is ideal, the FRS disability benefit is not available until an employee has eight years of creditable service.





# Questions?

## **Pension Integrity Project at Reason Foundation**

**Zachary Christensen, Managing Director**

[Zachary.christensen@reason.org](mailto:Zachary.christensen@reason.org)

**Steven Gassenberger, Policy Analyst**

[steven.gassenberger@reason.org](mailto:steven.gassenberger@reason.org)

**Len Gilroy, Senior Managing Director**

[leonard.gilroy@reason.org](mailto:leonard.gilroy@reason.org)

The Florida Senate

**APPEARANCE RECORD**

Deliver both copies of this form to  
Senate professional staff conducting the meeting

10/20/21  
Meeting Date

FRS Investment Plan  
Bill Number or Topic

S. Committee on Gov't Oversight  
Committee

Amendment Barcode (if applicable)

Name Zachary Christensen Phone 801, 494, 4356

Address 1747 Connecticut Ave NW Email zachary.christensen@reason.org  
Street

Washington DC 20009  
City State Zip

Speaking:  For  Against  Information **OR** Waive Speaking:  In Support  Against

**PLEASE CHECK ONE OF THE FOLLOWING:**

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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The Florida Senate

**APPEARANCE RECORD**

Deliver both copies of this form to  
Senate professional staff conducting the meeting

FR5

Bill Number or Topic

10/20/21

Meeting Date

Amendment Barcode (if applicable)

Gov. Oversight

Committee

Name Dr. Rich Templin

Phone 850-224-6926

Address 135 S. Monroe

Email

Street

Tallahassee

State

FL

Zip

City

Speaking:  For  Against  Information **OR** Waive Speaking:  In Support  Against

**PLEASE CHECK ONE OF THE FOLLOWING:**

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Florida AFL-CIO

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

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5-001 (08/10/2021)

October 20, 2021

Meeting Date

Governmental Oversight

Committee

Name Daniel Beard

Address 1801 Hermitage Blvd.

Street

Tallahassee

City

FL

State

32308

Zip

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to Senate professional staff conducting the meeting

Florida Retirement System

Bill Number or Topic

Amendment Barcode (if applicable)

Phone (850) 413-1495

Email Dan.Beard@sbafla.com

Speaking:  For  Against  Information OR Waive Speaking:  In Support  Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

State Board of Administration

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

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S-001 (08/10/2021)



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

### COMMITTEES:

Education, *Chair*  
Governmental Oversight and Accountability, *Vice Chair*  
Appropriations Subcommittee on Education  
Banking and Insurance  
Commerce and Tourism  
Regulated Industries  
Rules

### JOINT COMMITTEE:

Joint Select Committee on Collective Bargaining

### SENATOR JOE GRUTERS

23rd District

October 20, 2021

The Honorable Jeff Brandes, Chair  
Committee on Governmental Oversight and Accountability  
330 Knott Building  
404 South Monroe Street  
Tallahassee, FL 32399-1100

Dear Chair Brandes:

I am writing to request an excused absence from the Governmental Oversight and Accountability Committee meeting on 10/20/2021.

Please do not hesitate to reach out to me if you have any questions.

Thank you,

A handwritten signature in black ink that reads "Joe Gruters". The signature is written in a cursive, flowing style.

Joe Gruters

cc: Joe McVaney, Staff Director  
Virginia Ponder, Deputy Staff Director  
Tamra Redig, Committee Administrative Assistant

#### REPLY TO:

- 381 Interstate Boulevard, Sarasota, Florida 34240 (941) 378-6309
- 316 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5023

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**WILTON SIMPSON**  
President of the Senate

**AARON BEAN**  
President Pro Tempore



# THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

## COMMITTEES:

Appropriations  
Appropriations Subcommittee on Agriculture,  
Environment, and General Government  
Appropriations Subcommittee on Transportation,  
Tourism, and Economic Development  
Governmental Oversight and Accountability  
Judiciary  
Rules

## JOINT COMMITTEES:

Joint Legislative Budget Commission

## SENATOR DEBBIE MAYFIELD

17th District

October 20, 2021

Chair Jeff Brandes  
414 Senate Building  
404 South Monroe Street  
Tallahassee, FL 32399-1100

Re: Committee Absence

Chair Brandes,

Please excuse my absence from the October 20<sup>th</sup> Senate Committee on Government Oversight and Accountability.

Sincerely,

A handwritten signature in blue ink that reads "Debbie Mayfield".

Debbie Mayfield  
State Senator, District 17

## REPLY TO:

- 900 East Strawbridge Avenue, Melbourne, Florida 32901 (321) 409-2025 FAX: (888) 263-3815
- 1801 27th Street, Vero Beach, Florida 32960 (772) 226-1970
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Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**WILTON SIMPSON**  
President of the Senate

**AARON BEAN**  
President Pro Tempore

# CourtSmart Tag Report

Room: SB 37

Case No.:

Type:

Caption: Senate Governmental Oversight and Accountability Committee

Judge:

Started: 10/20/2021 10:08:17 AM

Ends: 10/20/2021 11:48:35 AM Length: 01:40:19

10:08:16 AM Meeting called to order, roll call  
10:08:43 AM Chair Brandes opening comments  
10:09:13 AM Tab 1 - Presentation by the DMS relating to the Division of State Group Insurance and the State Group Insurance Program  
10:09:22 AM Mr. Ryan Stokes presenting  
10:09:30 AM Governance  
10:12:27 AM Financial View  
10:13:27 AM Actual and Projected Health Program Spend  
10:13:59 AM Chair Brandes question  
10:14:04 AM Ryan Stokes response  
10:14:16 AM Plan Enrollment  
10:15:06 AM Participants  
10:16:02 AM Chair Brandes question  
10:16:05 AM Ryan Stokes response  
10:16:27 AM Chair Brandes question  
10:16:30 AM Ryan Stokes response  
10:16:47 AM Senator Torres question  
10:16:59 AM Ryan Stokes response  
10:17:04 AM Senator Torres question  
10:17:12 AM Ryan Stokes response  
10:17:42 AM Senator Torres question  
10:17:46 AM Chair Brandes comments  
10:18:06 AM Senator Torres question and comment  
10:18:45 AM Chair Brandes comments  
10:19:01 AM Ryan Stokes response  
10:19:07 AM Chair Brandes comments  
10:19:14 AM Presentation continued  
10:19:31 AM Monthly Premiums and Contributions  
10:20:14 AM Change in Premiums  
10:20:43 AM Chair Brandes question  
10:20:49 AM Ryan Stokes response  
10:21:11 AM Standard Health Plan Options  
10:21:56 AM High Deductible Health Plan Options  
10:22:24 AM Chair Brandes question  
10:22:30 AM Ryan Stokes response  
10:22:37 AM Chair Brandes question  
10:22:43 AM Ryan Stokes response  
10:22:55 AM Cost Sharing  
10:23:43 AM Initiatives  
10:26:13 AM Presentation conclusion  
10:26:21 AM Questions  
10:26:24 AM Chair Brandes question  
10:26:30 AM Ryan Stokes response  
10:26:35 AM Chair Brandes question  
10:26:42 AM Ryan Stokes response  
10:26:57 AM Chair Brandes question  
10:27:01 AM Ryan Stokes response  
10:27:13 AM Chair Brandes question  
10:27:18 AM Ryan Stokes response  
10:27:24 AM Chair Brandes wants to go to Costs slide  
10:27:51 AM Chair Brandes question  
10:27:56 AM Ryan Stokes response

10:28:02 AM Chair Brandes question  
10:28:16 AM Ryan Stokes response  
10:28:18 AM Chair Brandes question  
10:28:19 AM Ryan Stokes response  
10:28:38 AM Chair Brandes question  
10:28:41 AM Ryan Stokes response  
10:28:58 AM Chair Brandes question  
10:29:20 AM Ryan Stokes response  
10:29:38 AM Senator Farmer question  
10:30:09 AM Ryan Stokes response  
10:30:18 AM Senator Farmer question  
10:30:27 AM Ryan Stokes response  
10:30:59 AM Chair Brandes question  
10:31:11 AM Ryan Stokes response  
10:31:22 AM Chair Brandes question  
10:31:31 AM Ryan Stokes response  
10:32:14 AM Senator Stargel question  
10:32:27 AM Ryan Stokes response  
10:32:52 AM Senator Stargel question  
10:32:59 AM Ryan Stokes response  
10:33:10 AM Chair Brandes comments  
10:33:49 AM Chair Brandes question  
10:34:49 AM Ryan Stokes response  
10:34:53 AM Chair Brandes question  
10:35:09 AM Ryan Stokes response  
10:35:17 AM Senator Stargel question  
10:35:23 AM Ryan Stokes response  
10:35:28 AM Senator Stargel question  
10:35:34 AM Ryan Stokes response  
10:35:44 AM Senator Stargel question  
10:35:49 AM Ryan Stokes response  
10:35:53 AM Senator Farmer question  
10:36:04 AM Ryan Stokes response  
10:36:23 AM Chair Brandes comments  
10:36:56 AM Tab 2 - Presentation by the Reason Foundation regarding the FRS Investment Plan  
10:37:32 AM Mr. Zachary Christensen presenting  
10:38:34 AM About the Pension Integrity Project  
10:39:06 AM Policy Objectives  
10:40:27 AM Major Reforms to FRS  
10:41:28 AM Choice-based Public Retirement  
10:42:49 AM FRS Membership Allocation: DB + DC Plans  
10:44:41 AM FRS Investment Plan Successes  
10:46:34 AM Opportunities for Improvement  
10:46:50 AM 1- FRS Investment Plan Contributions  
10:47:56 AM Contribution Comparison  
10:50:25 AM 2 - Establish Objectives for the Investment Plan  
10:52:23 AM 3 - Expand Target Date Fund Options  
10:53:16 AM 4 - Expand Lifetime Income Options  
10:55:01 AM FRS Investment Plan - Gold Standard Score  
10:55:58 AM Presentation conclusion  
10:56:23 AM Questions  
10:56:34 AM Chair Brandes question  
10:56:38 AM Zachary Christensen response  
10:57:01 AM Chair Brandes question  
10:57:26 AM Zachary Christensen response  
10:57:44 AM Chair Brandes question  
10:58:05 AM Zachary Christensen response  
10:58:19 AM Chair Brandes question  
10:58:44 AM Zachary Christensen response  
10:59:03 AM Chair Brandes question  
10:59:32 AM Zachary Christensen response  
10:59:46 AM Chair Brandes question



11:00:37 AM Zachary Christensen response  
11:00:59 AM Chair Brandes question  
11:01:23 AM Zachary Christensen response  
11:02:16 AM Chair Brandes question  
11:03:17 AM Zachary Christensen response  
11:03:27 AM Chair Brandes question  
11:04:18 AM Zachary Christensen response  
11:04:33 AM Chair Brandes question  
11:05:16 AM Zachary Christensen response  
11:05:29 AM Chair Torres question  
11:06:07 AM Zachary Christensen response  
11:06:40 AM Senator Torres question  
11:06:45 AM Zachary Christensen response  
11:07:07 AM Senator Torres question  
11:08:09 AM Zachary Christensen response  
11:08:25 AM Senator Torres question  
11:08:34 AM Zachary Christensen response  
11:08:56 AM Senator Torres question  
11:09:24 AM Zachary Christensen response  
11:10:08 AM Senator Torres question  
11:11:15 AM Zachary Christensen response  
11:11:24 AM Senator Torres makes a request to Chair Brandes  
11:12:13 AM Senator Farmer question  
11:12:18 AM Zachary Christensen response  
11:13:12 AM Senator Farmer question  
11:14:06 AM Zachary Christensen response  
11:14:26 AM Senator Farmer question  
11:15:05 AM Zachary Christensen response  
11:15:29 AM Senator Farmer question  
11:15:51 AM Zachary Christensen response  
11:16:22 AM Senator Farmer restates question  
11:16:31 AM Zachary Christensen response  
11:16:45 AM Chair Brandes comments and asks a question  
11:18:13 AM Zachary Christensen response  
11:18:49 AM Senator Farmer question  
11:19:21 AM Zachary Christensen response  
11:20:12 AM Senator Farmer question  
11:20:33 AM Zachary Christensen response  
11:20:35 AM Senator Farmer question  
11:20:39 AM Zachary Christensen response  
11:20:45 AM Senator Farmer question  
11:21:52 AM Zachary Christensen response  
11:21:58 AM Senator Farmer question  
11:22:46 AM Zachary Christensen response  
11:23:37 AM Senator Farmer question  
11:23:56 AM Zachary Christensen response  
11:24:05 AM Senator Farmer question  
11:24:21 AM Zachary Christensen response  
11:24:36 AM Senator Farmer question  
11:25:24 AM Zachary Christensen response  
11:25:39 AM Senator Farmer question  
11:25:46 AM Zachary Christensen response  
11:26:08 AM Senator Farmer question  
11:27:08 AM Zachary Christensen response  
11:27:32 AM Senator Farmer question  
11:27:43 AM Zachary Christensen response  
11:28:19 AM Senator Farmer question  
11:28:33 AM Chair Brandes comments  
11:29:51 AM Senator Farmer comments  
11:30:52 AM Senator Farmer question  
11:31:20 AM Zachary Christensen response  
11:31:57 AM Senator Farmer question

**11:32:28 AM** Zachary Christensen response  
**11:33:02 AM** Senator Farmer question  
**11:33:56 AM** Zachary Christensen response  
**11:34:57 AM** Senator Farmer question  
**11:36:28 AM** Zachary Christensen response  
**11:37:30 AM** Chair Brandes question  
**11:38:09 AM** Zachary Christensen response  
**11:38:26 AM** Chair Brandes comments  
**11:39:42 AM** Daniel Beard, State Board of Administration  
**11:39:56 AM** Speaker Dr. Rich Templin, Florida AFL-CIO  
**11:44:12 AM** Chair Brandes comments  
**11:47:29 AM** Senator Farmer moves to rise, meeting adjourned