



# New Jersey State Health Benefits Program State Employee Group

## Mid-Year Experience Analysis For Plan Year 2023

As Presented on March 13, 2024

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# State Employee Group

## *Mid-Year Experience Analysis for Plan Year 2023*

### Section 1: Executive Summary

The purpose of this analysis is to review and update projected costs for Plan Years (calendar years) 2022, 2023, and 2024, using the Mid-Year experience of the Medical and Prescription Drug Program offered to State Active Employees and Retirees by the New Jersey State Health Benefits Program (SHBP). The Mid-Year experience of the Local Government Employer Group, the School Employees' Health Benefits Program, and the Dental Plans is addressed in separate analyses.

### Financial Results

For this Mid-Year Analysis, projections are based on medical claims and prescription drug claims paid through September 30, 2023, and monthly census reports provided by the State through October 2023. The 2024 projections reflect 2024 Open Enrollment data provided by the State.

#### Plan Year 2022

The updated data used in this Mid-Year Analysis impacted Plan Year 2022 costs mainly through additional run-out claims. Total projected aggregate costs decreased 0.1% from the most recent projected costs provided in the Plan Year 2024 Rate Setting Analysis.

#### Plan Year 2023

Plan Year 2023 costs reflect additional actual 2023 claim data through September 2023 and actual enrollment data through October 2023. In total, the projected cost for Plan Year 2023 increased 2.2% from the projected cost shown in the Plan Year 2024 Rate Setting Analysis.

#### Plan Year 2024

Plan Year 2024 experience is projected using 12 months of updated medical and prescription drug claims experience through September 2023 and open enrollment reported by the State. Therefore, as with the Plan Year 2024 Rate Setting Analysis, all Plan Year 2024 results are projected. In total, the projected Plan Year 2024 cost has increased 3.1% from the projected cost shown in the Plan Year 2024 Rate Setting Analysis. The increase in expected total costs is driven by an increase of 4.8% in total Active costs offset by a 1.7% decrease in total Retiree costs. The Active increase is driven by a 1.4% increase in projected membership and a 3.4% increase in the projected average plan costs. The Retiree decrease is driven by a 1.7% decrease in average plan cost with no change in average membership.

A more detailed description of the financial gains and losses is included in Sections 2 and 4 of this analysis.

## Benefit Plans Maintained by the SHBP

The State of New Jersey operates the SHBP as a multiple-option program for State Employees and Retirees. For purposes of this analysis, it is assumed that all self-Insured medical plan options are administered by Horizon, all fully insured Medicare Advantage plans are administered by Aetna, and the prescription drug program is administered by Optum. Aon has not made any adjustments for recent procurement activity that may impact the plans offered in Plan Year 2024. The following medical plan options are assumed to be offered in Plan Year 2024:

- Preferred Provider Organization (PPO) plans are administered solely by Horizon. In Plan Year 2024, Horizon will offer the CWA Unity, NJDIRECT, CWA Unity 2019 and NJDIRECT 2019 Active plans, and CWA Unity and NJDIRECT Early Retiree PPO plan options. Actives and Early Retirees are also offered PPO10 (Early Retirees only), PPO15, PPO1525, PPO2030, and PPO2035 (Actives only).
- HMO plans are administered by Horizon. There is one HMO benefit option which is available to Actives, and three HMO benefit options which are available to Retirees. HMO plans offer no out-of-network coverage.
- Two High Deductible plans are administered by Horizon. Employees and Early Retirees may select either High Deductible option: HDLow or HDHigh. Neither option is available to Medicare-eligible Retirees.
- A Tiered Network plan option is administered by Horizon for Active Employees and Early Retirees only. This option offers no out-of-network coverage.
- All Medicare Advantage PPO and HMO plan options for Medicare-eligible members in Plan Year 2024 will be administered by Aetna: PPO10, PPO15, HMO10 and HMO1525.
- Medicare-eligible members enrolled in Horizon's PPO or HMO plans are covered under Horizon's self-insured Medicare Supplement plans: HMO10, PPO1525, HMO1525, PPO2030 and HMO2030.
- Active Employees and Retirees are also enrolled in a Prescription Drug Plan, which is administered by Optum. The prescription drug card benefit options are linked to medical plan selection.

Medical and prescription drug benefit designs are summarized in Exhibit 4.

## Additional Disclosures

The projections in this analysis are measured on an incurred basis and are consistent with the assumptions and methodology disclosed herein. Future projections may differ significantly from the current projections presented in this analysis due to (but not limited to) such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;
- Changes in actuarial methods or in economic or demographic assumptions;
- Changes in plan provisions or applicable law.

This analysis contains the primary actuarial assumptions and methods used to develop the cost projections but may not include a comprehensive list of these methodologies and assumptions. Aon provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience.

## Section 2: Historical Overview

The following benefit and plan adjustments have been incorporated into the 2023 Mid-Year Analysis. There have been no changes from the Plan Year 2024 Rate Setting Analysis other than those noted below.

### Plan Benefit and Other Changes

The following plan design changes were approved by the SHBP Plan Design Committee for Plan Year 2017 and were subsequently reaffirmed for Plan Years 2018 through 2024:

- Reimbursement Change for Out-of-Network (OON) Services: All PPO plans limit plan payments for out-of-network physical therapy, chiropractor, and acupuncture services. This change applies to both SHBP Actives and SHBP Early Retirees.
- Mandatory Generic: For all multi-source drugs (brand drugs with generic equivalents available), the SHBP plan pays for the cost of the generic equivalent. Members who choose to fill the prescription for the brand name drug are responsible for the generic copay, plus the difference in cost. This applies to Active and Early Retiree prescription drug plans only.
- Prescription Drug Formulary: All SHBP Active and Early Retiree prescription drug plans conform to Optum's Premium Formulary, which directs prescriptions to more cost-effective, clinically-equivalent medications.
- Step Therapy Changes: State Active employees who were not previously impacted by Step Therapy are now subject to this program. Step Therapy requires members to try a more cost-effective, clinically-equivalent drug before certain drugs will be covered.

Additional Plan Design Changes that have been approved and will be in effect for Plan Year 2024 are as follows:

- Urgent Care Copay: On September 14, 2022, the SHBP Plan Design Committee approved resolution 2022-7 which increases the urgent care copay for State Active members enrolled in the CWA Unity, CWA Unity 2019, NJDIRECT, NJDIRECT2019, HMO, and Tiered Network plan options to \$30 higher compared to the current PCP copay, effective January 1, 2023. The impact of this change is partially captured in the underlying 2023 claims experience. Additional claim adjustments are based on prorated estimates provided by Horizon.

- Specialist Copay: On September 14, 2022, the SHBP Plan Design Committee approved resolution 2022-6 which increases the specialist copay for State Active members enrolled in the CWA Unity, CWA Unity 2019, NJDIRECT, NJDIRECT2019, HMO, and Tiered Network plan options to \$15 higher compared to the current PCP copay, effective January 1, 2023. This change applies to all services currently subject to the specialist copay with the exception of obstetrics and gynecology specialist visits. The impact of this change is partially captured in the underlying 2023 claims experience. Additional claim adjustments are based on Aon's Actuarial Value model.
- HMS Data Integrity Vendor: In accordance with Public Law 2019, Chapter 143, the State recently conducted a bid solicitation awarding HMS the opportunity to provide Medical Claims Review services for self-insured Active, Early, and Medicare Retirees. This law requires the third party Medical Claims Reviewer to provide ongoing review and oversight of current medical claims processes. In addition, the Medical Claims Reviewer also must collect, store and maintain a secure archive of medical and prescription drug claims and other health services payment information, as well as document the cost and nature of claims incurred, demographic information on the covered population, emerging utilization and demographic trends. Actual savings are assumed to be in the underlying claims experience. Actual 2022 fees as well as estimated 2023 and 2024 fees are provided by HMS. This program is assumed to not impact Medicare Retirees.
- Medicare Eligibility Vendor: The State implemented SSDC services to identify and conduct outreach to pre-65 retirees and spouses who are currently eligible or could become eligible for Medicare, in order to ensure enrollment in Medicare when appropriate. Estimated savings for this program are assumed to be in the underlying claims experience. Actual 2022 fees as well as estimated 2023 and 2024 fees are provided by SSDC services. This program does not impact Actives and Medicare Retirees.
- Navigation Advocacy: Effective January 1, 2020, Horizon was required to implement the Horizon Health Guide, an enhanced Navigation and Advocacy Model. As part of the 2023 contract extension with Horizon, beginning February 1, 2023 Horizon Part 2 Services fees were reduced from those shown in the Plan Year 2023 Rate Setting Analysis due to modifications to the scope of services provided under the Part 2 Navigation Advocacy services. As a result of the change in the contract, Horizon no longer provides its Horizon Health Guide. As such, this analysis includes the 2022 and 2023 claims as actually experienced, and no additional claim adjustment is reflected to account for the removal of this program. This program does not impact Medicare Retirees.
- Livongo Diabetes Management: Effective January 31, 2020, Livongo, a diabetes management program was launched for Actives and Early Retirees. The goal of the program is to help keep members living with diabetes in the safe zone of blood glucose levels by providing a cellular-enabled glucometer with testing strips and access to coaching and a 24/7 chat feature. Livongo identifies eligible participants through Medical and Rx claims data and sends targeted

communications to members for enrollment. Livongo analyzes data to personalize the program for each member and provide real-time health insights. Estimated savings for this program are assumed to be in the underlying claims experience. Actual 2022 fees as well as estimated 2023 and 2024 fees are provided by Livongo. This program does not impact Medicare Retirees. This program is assumed to be terminated effective July 1, 2024, which is assumed to have no claim impact.

- Livongo Whole Person: Beginning Plan Year 2021, Livongo is also implementing the Livongo “Whole Person”, which provides a broader suite of services such as Livongo for Cardiovascular, Livongo for Weight Management, and Livongo for Behavioral Health in addition to the Livongo for Diabetes Management in effect since January 31, 2020. Estimated savings for this program are assumed to be in the underlying claims experience. Actual 2022 fees as well as estimated 2023 and 2024 fees are provided by Livongo. This program does not impact Medicare Retirees. This program is assumed to be terminated effective July 1, 2024, which is assumed to have no claim impact.
- Hinge Health: Effective 2021, the State implemented Hinge Health, a coach-led, digital program using sensor guided exercise therapy for chronic back and joint pain. Estimated savings for this program and fees which flow through the claims wire are assumed to be in the underlying claims experience. This program does not impact Medicare Retirees. This program is assumed to be terminated effective July 1, 2024, which is assumed to have no claim impact.
- Amino: Effective 2021, the State implemented Amino, a provider directory promoting transparency that helps employees make smarter healthcare choices. The tool matches members with the highest quality, lowest cost in-network providers for their specific needs. Estimated savings for this program are assumed to be in the underlying claims experience. Actual 2022 fees as well as estimated 2023 and 2024 fees are provided by Amino. This program will be terminated effective February 1, 2024, which is assumed to have no claim impact.
- Wondr Health: Effective 2021, the State implemented Wondr Health, an online weight loss program that uses informative videos and learning tools to teach participants how to lose weight and improve their overall health. Estimated savings for this program and fees which flow through the claims wire are assumed to be in the underlying claims experience. This program does not impact Medicare Retirees. This program will be terminated effective July 1, 2024, which is assumed to have no claim impact.
- eviCore: Effective January 1, 2021, the State implemented eviCore’s Advanced Imaging Solution, which delivers cost savings and improved patient outcomes by guiding members to receive the appropriate test or treatment using prior authorizations and medical necessity reviews. Estimated savings for this program are assumed to be reflected in the underlying claims experience. The costs associated with eviCore are reflected in the underlying capitation data provided by Horizon. This program does not impact Medicare Retirees.



- Included Health: The State eliminated Included Health’s Expert Medical Second Opinion Solution in 2023. The program provided guidance for members to access expert second opinions for health conditions and cases to ensure the right diagnosis and treatment plan while reducing unnecessary procedures and costs. No adjustments to claims or fees are included to reflect the elimination of this program.

## Vendor Changes

Medical Vendors: For purposes of this analysis, it is assumed all self-Insured medical plan options are administered by Horizon and all fully insured Medicare Advantage plans are administered by Aetna. Aon has not made any adjustments for recent procurement activity that may impact the plans offered in Plan Year 2024.

Pharmacy Benefit Manager: Optum is assumed to administer all of the prescription drug plans in Plan Year 2024.

## Federal Health Care Reform

Resolutions 2023-11 and 2023-12: On August 23, 2023, the SHBP Plan Design Committee approved resolutions 2023-11 and 2023-12, which rename the NJDIRECT HD1500 and NJDIRECT HD4000 to the NJDIRECT HDLow and NJDIRECT HDHigh plan options, respectively. As part of these resolutions, the plans’ deductibles and out-of-pocket maximums will be indexed each year aligning with the IRS inflation-adjusted deductible increases and out-of-pocket maximums will be adjusted to maintain a consistent distribution between deductibles and out-of-pocket maximums. For Plan Year 2024, the HDLow and HDHigh in-network deductibles and OOP maximums will increase \$100/\$200 (Single/Family). The impact of these changes is based Aon’s Actuarial Value model.

In-Network Out-of-Pocket Maximum: Effective 1/1/2024, Federal Health Care Reform requires that in-network medical and prescription drug benefits have a combined out-of-pocket maximum no greater than \$9,450 single / \$18,900 family. This benefit change will not have a significant impact on projected costs. The chart below summarizes a history of these out-of-pocket maximums:

Plan Year	Out-of-Pocket Maximum (Single/Family)
2022	\$8,700 / \$17,400
2023	\$9,100 / \$18,200
2024	\$9,450 / \$18,900

Health Insurance Exchanges: The public health insurance exchanges that are mandated by Federal Health Care Reform (which began in 2014), and the State's marketplace (effective for coverage in 2021 and later), are assumed to have minimal impact on enrollment or cost levels within the SHBP due to the SHBP low employee contributions and rich benefit designs.

Full-Time Employee Definition: The Patient Protection and Affordable Care Act defines full-time employees as employees who work 30 or more hours per week. The employer mandate, which is applicable to full-time employees, was essentially first effective 1/1/2015. This requirement is not projected to have a cost impact on the SHBP because in general, the State offers coverage to all full-time employees.

No Surprises Act: Effective 1/1/2022, medical carriers must provide a reasonable estimate of the expected cost of a service before the service is carried out on a patient. This law is designed to regulate the frequency of surprise billings.

United States Preventive Services Task Force on ACA Preventive Service recommendations: Effective 3/1/2022, the recommended age for select preventive cancer screenings is being lowered. This may increase utilization of preventive care but is deemed to have no significant impact on cost in this analysis.

Inflation Reduction Act of 2022: In August 2022, the Inflation Reduction Act of 2022 (IRA) was signed into law. This law significantly restructures the Standard Medicare Part D prescription drug benefit and is expected to impact EGWP credits beginning in 2024. In addition, CMS is changing the treatment of Direct and Indirect Remuneration (DIR), effectively eliminating these payments between pharmacies and pharmacy benefit managers effective January 2024, which is expected to further impact the EGWP credits. Plan Year 2024 EGWP credits reflecting these changes are based on estimates provided by Optum.

## New Jersey State Mandates

NJ COVID-19 Emergency Guidance: During the COVID-19 pandemic, the SHBP is subject to emergency guidance eliminating member cost sharing on COVID-19 testing as well as telemedicine services. The federal Public Health Emergency declaration ended May 11, 2023.

New Jersey Reproductive Freedom of Choice Act: Effective 1/13/2022, this legislation codifies the constitutional right to freedom of reproductive choice.

SHBP Firefighter Cancer Screening Act: Effective 1/1/2023, this bill mandates access to cancer screenings for full-time paid firefighters in the State. The bill includes screenings for colon, lung, bladder, oral, thyroid, skin, blood, breast, cervical, testicular, and prostate cancers. The first screening will take place within the first three years of employment and a firefighter is then entitled to a screening every three years thereafter. This mandates access to cancer screenings for firefighters through health care benefits.

These New Jersey State mandates are not expected to materially impact the projected State Plan Costs and are not reflected in the projected Plan Year 2024 costs.

## Enrollment Changes

Exhibit 1A shows historical enrollment patterns among the SHBP benefit offerings during Plan Years 2021 through 2023 and includes Aon's projection of Plan Year 2024 enrollment. The enrollment assumptions for Plan Years 2021 through 2023 are equal to monthly snapshot census data through October 2023 provided by the State. Projected Plan Year 2024 enrollment is equal to open enrollment provided by the State. Based on 2024 open enrollment data, State Active Employee enrollment has increased 0.5%, State Early Retirees have decreased by 3.8%, and State Medicare Retirees have increased 1.8% compared to Plan Year 2023 enrollment.

Exhibit 1B reflects the distribution of projected Plan Year 2024 enrollment among benefit options. Approximately 16% of State Actives are assumed to be enrolled in the PPO15 plan and 65% of State Actives are assumed to be enrolled in the CWA Unity/NJDIRECT plans. Enrollment in the Tiered Network plans is projected to be approximately 11% of the total Active enrollment. Approximately, 74% of State Retirees are assumed to be enrolled in the PPO10 plan or the PPO15 plan.

Exhibit 1C shows the 2024 enrollment distribution by benefit option and coverage tier.

## Section 3: Trend Analysis

Trend assumptions have been reviewed from the Plan Year 2024 Rate Setting Analysis based on a combination of updated experience data; expectations of future trends, Aon national trend guidance, and Horizon and Optum trend rate recommendations. The following table shows the current trend assumptions:

	Plan Year 2023		Plan Year 2024	
	Medical	Prescription Drugs	Medical	Prescription Drugs
PPO Actives	6.50%	13.50%	6.50%	10.50%
PPO Early Retirees	6.50%	13.50%	6.50%	10.50%
Self-Insured Medicare Retirees	5.50%	12.25%	5.50%	9.25%
HMO/Tiered Network Actives	6.50%	13.50%	6.50%	10.50%
HMO/Tiered Network Early Retirees	6.50%	13.50%	6.50%	10.50%

\*The trend rates shown above reflect the trend to get from the prior year to the Plan Year specified above. For example, Plan Year 2023 trend corresponds to the trend increase from Plan Year 2022 to Plan Year 2023.

The Medicare Retiree medical trend assumptions do not apply to the fully insured Medicare Advantage plans as these premium rates are provided by Aetna.

Medical Trends: The recommended trends are based on SHBP experience adjusted for expected future changes:

- The Plan Year 2024 trend assumption for PPO Actives is 6.5%, no change from the Plan Year 2024 Rate Setting Analysis.
- The Plan Year 2024 PPO Early Retiree trend assumption is 6.5%, no change from the Plan Year 2024 Rate Setting Analysis.
- The self-insured PPO Medicare Retirees medical trend assumption is 5.5% in Plan Year 2024, consistent with the Plan Year 2024 Rate Setting Analysis.
- The medical trend for HMO Actives is 6.5% and for HMO Early Retirees is 6.5% in Plan Year 2024, no change from the Plan Year 2024 Rate Setting Analysis.

Prescription Drug Trends: The recommended Plan Year 2023 prescription drug trend has increased to 13.50% for State Actives, 13.50% for State Early Retirees, and 12.25% for Self-Insured Medicare Retirees. The Plan Year 2024 Rate Setting Analysis reflected assumed Plan Year 2023 trends of 9.00% for Actives, 9.00% for Early Retirees, and 7.75% for Self-Insured Medicare Retirees. Plan Year 2024 recommended prescription drug trend has also increased to 10.50% for State Actives, 10.50% for State Early Retirees, and 9.25% for Self-Insured Medicare Retirees compared to 9.00% trend for Actives and Early Retirees and 7.75% for Self-Insured Medicare Retirees in the Plan Year 2024 Rate Setting Analysis. The increased trends are driven by emerging high utilization of GLP-1 medications for diabetes and weight loss that is expected to continue in Plan Year 2024.

Medicare Advantage: The Medicare Advantage rates in Plan Years 2023 and 2024 were provided by Aetna. Below is a table summarizing the fully insured Medicare Advantage per member per month rates for Plan Years 2023 and 2024.

State	Aetna Medicare Advantage Rates		
	2023	2024	\$ Change
<b>PPO 10</b>	\$ 113.53	\$ 109.25	\$ (4.28)
<b>PPO 15</b>	\$ 95.39	\$ 91.11	\$ (4.28)
<b>HMO 10</b>	\$ 176.28	\$ 172.00	\$ (4.28)
<b>HMO 1525</b>	\$ 140.85	\$ 136.57	\$ (4.28)

## Section 4: Financial Projections

### Aggregate Financial Projections

Using the key assumptions and the methodology described in Section 5 (Cost Projection Methodology), the updated estimated costs for Plan Years 2022, 2023 and 2024 are shown below.

#### SHBP State Projected Financial Results

(\$ millions)

	<b>CWA Unity/ NJ DIRECT</b>	<b>PPO 10</b>	<b>PPO 15</b>	<b>Legacy HMOs</b>	<b>Other Plans</b>	<b>Total</b>
<b>Plan Year 2022</b>						
Premium Rates x Enrollment	\$1,148.4	\$61.3	\$696.2	\$181.6	\$164.6	\$2,252.1
Incurred Claims	\$1,254.7	\$58.2	\$735.5	\$185.6	\$149.5	\$2,383.5
Administrative Charges	\$46.6	\$2.1	\$25.2	\$8.2	\$11.3	\$93.4
Net Gain (Loss)	(\$152.9)	\$1.0	(\$64.5)	(\$12.2)	\$3.8	(\$224.8)
<b>Plan Year 2023</b>						
Premium Rates x Enrollment	\$1,395.5	\$57.2	\$722.4	\$190.0	\$217.2	\$2,582.3
Incurred Claims	\$1,367.9	\$56.6	\$727.5	\$168.5	\$178.1	\$2,498.6
Administrative Charges	\$47.9	\$2.0	\$23.4	\$7.6	\$12.8	\$93.7
Net Gain (Loss)	(\$20.3)	(\$1.4)	(\$28.5)	\$13.9	\$26.3	(\$10.0)
<b>Plan Year 2024</b>						
Premium Rates x Enrollment	\$1,467.5	\$57.3	\$729.9	\$183.2	\$244.3	\$2,682.2
Incurred Claims	\$1,490.4	\$56.1	\$749.9	\$165.8	\$216.8	\$2,679.0
Administrative Charges	\$45.7	\$1.8	\$21.4	\$6.7	\$14.0	\$89.6
Net Gain (Loss)	(\$68.6)	(\$0.6)	(\$41.4)	\$10.7	\$13.5	(\$86.4)

Notes:

- Other Plans include the 15/25 PPO, 15/25 HMO, 20/30 PPO, 20/30 HMO, 20/35 PPO, 20/35 HMO, HD1500/HDLow, HD4000/HDHigh, and Tiered Network plan options.
- Incurred Claims includes medical claims, Rx claims, MA premiums, capitation, and Rx rebates.
- Totals may not add due to rounding.

Updated Plan Year 2022 cost decreased by \$1.7 million from the Plan Year 2024 Rate Setting Analysis. Plan Year 2023 costs have increased approximately \$56.3 million from the projected cost shown in the 2024 Rate Setting Analysis. This increase in actual cost vs. premium rates leads to a projected loss for Plan Year 2023 of \$10.0 million.

The Plan Year 2024 Active and Retiree total premiums are projected to decrease by 0.1% with updated enrollment projections from those originally shown in the Plan Year 2024 Rate Setting Analysis while total plan costs reflecting updated claims experience are projected to be 3.1% higher. The combined overall projected net loss for Plan Year 2024 is approximately \$86.4 million.

More detailed aggregate projections are provided in Exhibit 3.

## Financial Gain/(Loss)

### Plan Year 2022

The total projected cost decreased approximately 0.1% from the Plan Year 2024 Rate Setting Analysis. For actives, the projected cost decreased 0.2% from the Plan Year 2024 Rate Setting Analysis, a result of additional Plan Year 2022 claims runout through September 2023. Projected retiree costs increased 0.3% from the Plan year 2024 Rate Setting Analysis.

### Plan Year 2023

#### Actives:

For Plan Year 2023, aggregate active medical and prescription drug costs are projected to increase 2.6% compared to the results shown in the Plan Year 2024 Rate Setting Analysis.

- There is a 1.6% increase in total active cost as a result of updated actual medical claims experience through September 2023.
  - Aggregate 2023 medical claims are 2.0% higher compared to the Plan Year 2024 Rate Setting Analysis. This is driven by a 2.1% increase in projected 2023 PMPM medical claims.
    - Horizon reporting with rolling 12-month incurred claims through September 2023 shows the medical experience trends is driven by a 9% increase in outpatient PMPM trends which includes a 26% increase in outpatient surgery and a 9% increase in emergency room.
    - This increase in trend is offset by a 3% decrease in overall inpatient service PMPM trends.
- There is a 3.0% increase in projected 2023 active cost due to updated prescription drug claims experience through September 2023.
  - Aggregate Rx claims are 12.2% higher compared to the Plan Year 2024 Rate Setting Analysis, driven by a 12.3% increase in projected PMPM Rx claims. Based on YTD September 2023 Optum reporting:
    - Overall drug trend was approximately 22%
    - The major cost drivers by disease states were inflammatory conditions (28% trend), diabetes (28% trend), oncology (29% trend), and weight loss (172% trend).
    - Drug mix contributed 15% towards the overall trend, which is much higher than Optum's benchmark of 9%.
- Prescription drug rebates are projected to increase based on updated reporting provided by Optum, resulting in a 1.9% decrease in total 2023 projected active cost.

- Projected active costs are expected to decrease by 0.1% as a result of updated actual administrative fees.

Retirees:

Total projected costs for retirees increased approximately 1.0% from the Plan Year 2024 Rate Setting Analysis.

- There is a 0.1% decrease in total retiree cost as a result of updated actual medical claims experience through September 2023.
  - Projected aggregate 2023 medical claims and MA premiums have decreased 0.1% compared to the Plan Year 2024 Rate Setting Analysis. This is driven by a 0.6% decrease in projected PMPM medical claims offset by a 0.5% increase in Plan Year 2023 average membership.
    - Horizon reporting with rolling 12-month incurred claims through September 2023 shows the Early Retiree medical experience trends is driven by a 9% increase in outpatient PMPM trends such as outpatient surgery (28%) and emergency room (8%).
    - This increase in trend is offset by a 5% decrease in overall inpatient service PMPM trends.
- There is a 3.8% increase in projected 2023 retiree cost due to updated prescription drug claims experience through September 2023.
  - Aggregate Rx claims are 4.8% higher compared to the Plan Year 2024 Rate Setting Analysis, driven by a 4.3% increase in projected PMPM Rx claims. Based on YTD September 2023 Optum reporting:
    - Early Retiree and Medicare Retiree drug trends were 19% and 11%, respectively.
    - Specialty drug trend was approximately 21% for Early Retirees and 17% for Medicare Retirees.
    - For Early Retirees, the major cost drivers by disease states were inflammatory conditions (27% trend), diabetes (28% trend), oncology (7% trend), and weight loss (141%).
    - For Medicare Retirees, the major cost drivers by disease states were diabetes (16%), oncology (10%), and inflammatory conditions (21%).
- Based on updated information provided by Optum, there is a 2.6% reduction in projected retiree cost due to increases in prescription drug rebates.
- Projected retiree costs are expected to decrease by 0.1% as a result of updated actual administrative fees.



## Plan Year 2024

### Actives:

For Plan Year 2024, aggregate active medical and prescription drug costs are projected to increase 4.8% compared to the results shown in the Plan Year 2024 Rate Setting Analysis.

- There is a 2.2% increase in total medical cost as a result of updated historical medical claims and an additional 3.4% increase due to updated historical prescription drug claims.
- Total active costs are projected to increase 1.1% due to updated enrollment based on open enrollment data provided by the State.
- Prescription drug rebates are projected to increase based on updated reporting provided by Optum, resulting in a 1.9% decrease in total 2024 projected total active cost.
- The Plan Year 2024 Rate Setting Analysis reflected a prescription drug trend of 9.0%. The updated analysis reflects a prescription drug trend of 10.5%. This update is expected to increase projected total active costs by 0.3%.
- The State terminated a number of Third-Party Vendor Solutions in 2024, resulting in a 0.3% decrease in projected total active cost due to reduced administrative fees.

### Retirees:

Total projected costs for retirees decreased approximately 1.7% from the Plan Year 2024 Rate Setting Analysis.

- Total medical and prescription drug costs are projected to increase 2.8% due to updated claims experience.
- Total retiree costs are projected to decrease 2.0% due to updated early retiree enrollment, offset by a 0.8% increase due to updated Medicare retiree enrollment.
- The Plan Year 2024 Rate Setting Analysis reflected prescription drug trends of 9.00% for Early Retirees and 7.75% for Medicare Retirees. The updated analysis reflects prescription drug trends of 10.50% for Early Retirees and 9.25% for Medicare Retirees. This update is anticipated to increase projected total retiree costs by 1.2%.
- Based on updated information provided by Optum, there is a 1.7% reduction in projected retiree cost due to increases in prescription drug rebates and an additional 2.5% reduction in projected total retiree cost due to increase in projected EGWP credits.
- The State terminated a number of Third-Party Vendor Solutions in 2024, resulting in a 0.3% decrease in projected total retiree cost due to reduced administrative fees.

## Self-Insured Vendor Administrative Fees and Claim Charges

Below are Plan Year 2024 administrative fees and other claim charges, as applicable, separately by each of the medical and prescription drug vendors. The fees are reported by the vendors in different categories and may appear aggregated within different rows in Exhibit 3, including incurred medical and prescription drug claims, capitation, and administrative fees.

### **Horizon Medical PEPM Fees/Charges**

	2024 PEPM Fees			
	PPO	HMO	HDHP	Tiered
<b>Actives and Early Retirees</b>				
Part 1 Services	\$24.59	\$36.28	\$24.30	\$41.24
Part 2 Services	\$4.46	\$4.46	\$4.46	\$4.46
Medical Management	\$1.22	\$1.22	\$1.22	\$1.22
Disease Management	\$0.44	\$0.44	\$0.44	\$0.44
HSA Banking Fee (Per Account Per Month)	N/A	N/A	\$2.61	N/A
NJWELL*	\$20.95	\$20.95	\$20.95	\$20.95
<b>Medicare Retirees</b>				
Part 1 Services	\$25.25	\$25.25	N/A	N/A
Part 2 Services	\$3.76	\$3.76	N/A	N/A

\* Plan Year 2024 fees are per attributed NJWELL employee and paid on a Per Enrolled Per Month basis. An attributed member is defined as an employee that is engaged in the wellness platform through completion of one or more of the point-achieving activities including, but not limited to, Health Assessment, Biometric Screening, Flu Shots, Telemedicine Wellness/Disease Management Coaching, Online Activities, etc. The NJWELL program includes access to WebMD wellness resources, custom rewards lobby, online tracking tools, monthly webinars, and a comprehensive Health Management portal to track all activities.

Other fees/claim charges that may be included within the incurred medical and prescription drug claims, capitation and administrative fees within Exhibit 3 include but are not limited to:

- NJWELL and Retiree Wellness Program fees (physician attestation forms, gift cards, etc.)
- DPCMH and PCMH administrative fees and capitation amounts
- Horizon bFit fitness incentive program
- Claim recovery services
- Third Party Vendor Program Fees

### **Prescription Drug Fees**

Administrative fees charged by Optum for the prescription drug program for Plan Year 2024 are \$5.25 PEPM for Commercial and \$8.00 PMPM for EGWP.

## Section 5: Cost Projection Methodology

Exhibit 3 shows the aggregate projected costs and premiums for Plan Years 2022, 2023, and 2024, separately for each PPO, Tiered Network, HMO, and High Deductible plan. Costs were projected separately for each benefit plan, with the CWA Unity and NJDIRECT plans considered as one plan for legacy employees and separately for post-2019 hires. Costs are also projected separately for Actives, Early Retirees, and Medicare Retirees, and separately for medical claims, prescription drug claims, and administrative costs.

### Medical and Prescription Drug Claim Projections

1. Using 12 months of claims data paid through September 2023 provided by Horizon and Optum, incurred claims were completed and projected for Plan Year 2023, separately for each benefit plan, for medical versus prescription drugs, and for Actives, Early Retirees, and Medicare Retirees.
2. Capitation and other similar fixed claim charges were added to the incurred claims.
3. Estimated incurred claims in Plan Year 2023 were divided by average covered members to get average claims per member per year. Covered members were based on historical monthly snapshot census data and adjusted with assumptions for the number of members per coverage tier.
4. Claims per member were projected from the mid-point of the experience period to the mid-point of Plan Year 2024 using the annual trend rates listed in the Trend Analysis section of this document.
5. Aggregate claims for Plan Year 2024 are the product of projected enrollment and the projected claims per member.
6. Plan Year 2024 projected Medicare Advantage fully insured premiums are based on rates provided by Aetna.
7. Prescription drug rebates for Plan Year 2022 are based on actual rebate payment data received from the State. Plan Year 2023 actual rebates and Plan Year 2024 projected rebates are based on data provided by Optum.
8. Prescription drug rebates paid through the medical plan for Plan Year 2022 are based on actual rebate payment data provided by Horizon. Prescription Drug Rebates estimated to be paid through the medical plan for Plan Years 2023 and 2024 are incorporated in the medical claim projections and are based on the actual Plan Year 2022 data provided by Horizon.

9. EGWP projections include monthly CMS capitation payments per Medicare-eligible Retiree for prescription drug coverage, prescription drug manufacturers' coverage gap reimbursement payments, an annual CMS payment for reinsurance on catastrophic claims, and CMS Low Income Cost Sharing (LICS) payments. These amounts are equal to recommendations from Optum for Plan Years 2022, 2023, and 2024.
  - a. CMS per capita payments: Plan Years 2022, 2023, and 2024 expected CMS per capita payments were provided by Optum. The Plan Year 2024 CMS per capita payment is assumed to be \$22.43 Per Member Per Month (PMPM).
  - b. Coverage Gap Discount: Plan Years 2022, 2023, and 2024 expected coverage gap payments were provided by Optum. The Plan Year 2024 credits are assumed to be \$106.42 PMPM.
  - c. Catastrophic Reinsurance: This payment has a very long lag, and the Plan Year 2022 credit is not expected to be fully paid until the beginning of Plan Year 2024. Plan Years 2022, 2023, and 2024 expected catastrophic reinsurance payments were provided by Optum. The Plan Year 2024 credits are assumed to be \$122.56 PMPM.
  - d. Low Income Cost Sharing Payments: Plan Years 2022 and 2023 actual and expected LICS payments were provided by Optum. For Plan Year 2024, the subsidy payment is assumed to be \$1.65 PMPM.
10. Total SHBP projected Plan Year 2024 claim costs are the sum of projected medical and prescription drug claims, capitation charges, payments from CMS related to EGWP Plus Wrap, and prescription drug rebates.
11. Tiered Network Active projected costs in Plan Year 2024 reflects 80% of actual medical and prescription drug claim experience. The actual experience is blended with PPO15 claims experience adjusted for the difference in plan design.
12. Due to small enrollment and claims data, projected claims for some plans are based on PPO15 claims experience adjusted for the expected relative plan cost differences. These include:
  - a. Early Retirees: PPO2035, HDHigh, HDLow, Tiered Network, and CWA Unity/NJDIRECT plan options
13. Base administrative fees per subscriber per month or per member per month are multiplied by the projected average enrollment for the applicable projection Plan Year. Plan Year 2024 prescription drug administrative fees were provided by Horizon and Optum.

14. Overhead charges, which are internal State of New Jersey administrative costs charged against the plans, are projected to be equal to \$10.6 million for Plan Year 2024. Actual Plan Year 2022 overhead charges were provided by the State and were used to project charges for Plan Year 2024.
15. Additional fees and claim charges reported by the vendors have been reflected in the projections.

## Projected Gains/Losses

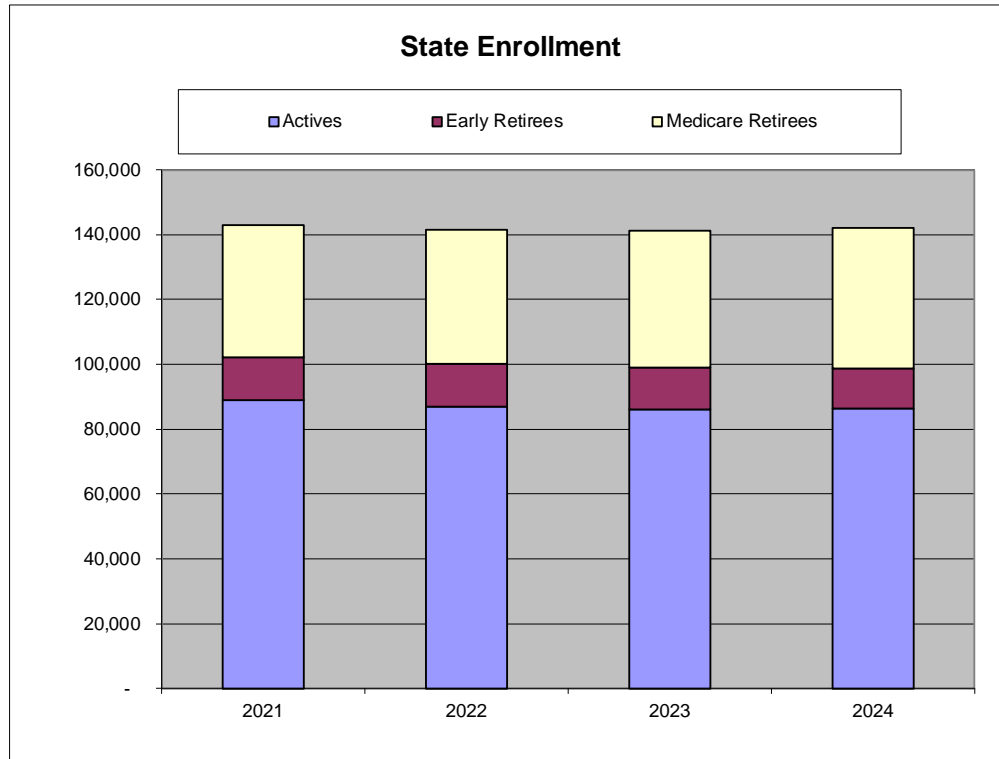
For each year, the projected gain or loss is equal to projected aggregate premiums (projected premium rates times projected enrollment) minus projected total aggregate costs.

## Data Assumptions

1. Claims: For medical and prescription drug claims, Aon is using claim files from each of the vendors which have claims incurred and paid through September 30, 2023 for all groups.
2. Enrollment: Plan Year 2023 enrollment projected enrollment is based on actual census data provided by the State through October 2023. Plan Year 2024 projected enrollment is based on open enrollment results provided by the State. Actual monthly census data from the Division is used for the exposure units in the cost analysis.

## Section 6: Exhibits

### SHBP Plan Year 2023 Mid-Year Experience Analysis Exhibit 1A – Enrollment Projections

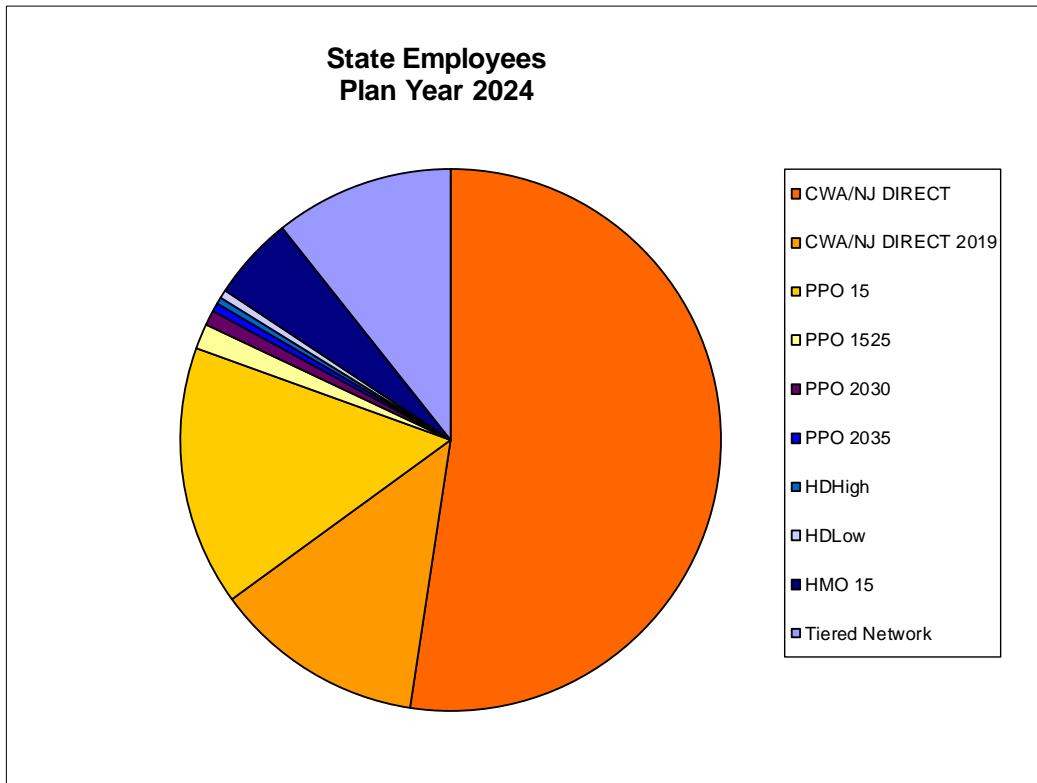


Annual Change in Enrollment

	<u>Actual 2021 to 2022</u>	<u>Actual 2022 to 2023</u>	<u>Actual* 2023 to 2024</u>
Actives	(2.4%)	(1.2%)	0.5%
Early Retirees	(0.0%)	(1.8%)	(3.8%)
Medicare Retirees	2.2%	2.2%	1.8%

\*Actual 2024 enrollment for Active Employees and Retirees was assumed to be consistent with January 2024 open enrollment data provided by the State.

**SHBP Plan Year 2023 Mid-Year Experience Analysis**  
**Exhibit 1B – Active Employee Enrollment Distribution**



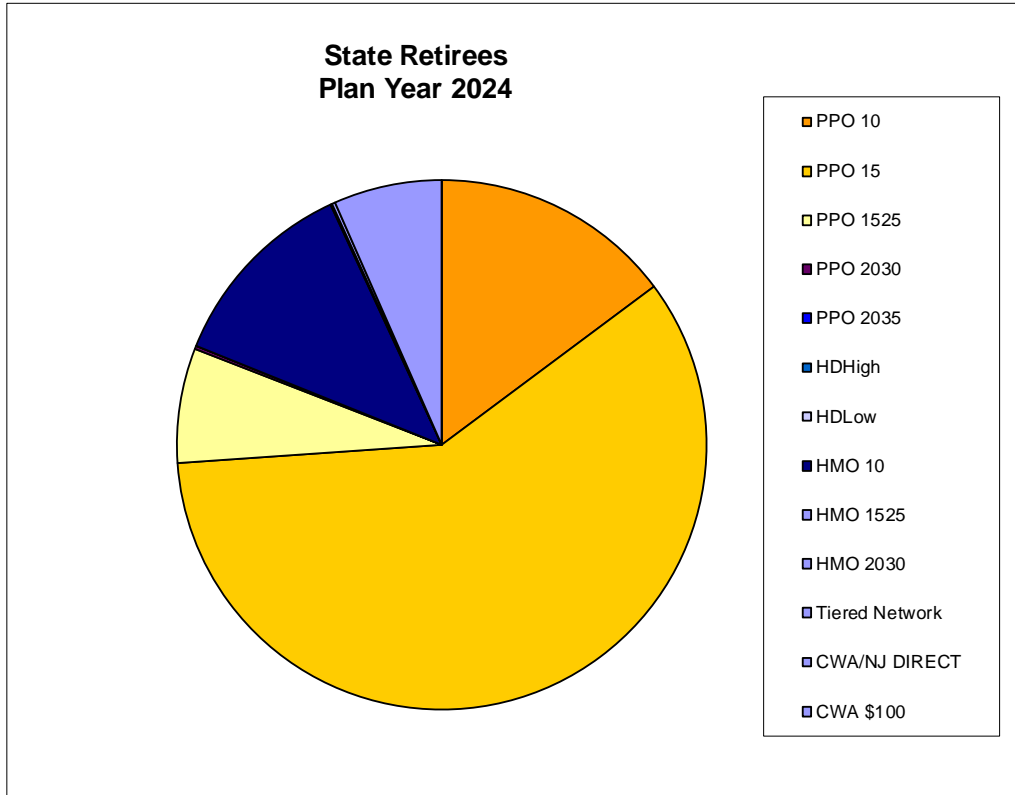
Assumes approximately 83% of Employees will enroll in the PPO plans, 5% in the HMO plan, 11% in the Tiered Network plan, and less than 1% in the High Deductible plans.

Assumes approximately 65% of Employees will enroll in the CWA plans, 21% in the PPO 15 and HMO 15, and approximately 15% in other benefit options.

<b>Actives</b>	<b>Horizon</b>
CWA/NJ DIRECT	52.4%
CWA/NJ DIRECT 2019	12.6%
PPO 15	15.5%
PPO 1525	1.5%
PPO 2030	0.9%
PPO 2035	0.5%
HDHigh	0.4%
HDLow	0.5%
HMO 15	5.0%
Tiered Network	10.7%
<b>Total</b>	<b>100.0%</b>

\*Some plans may show 0.0% enrollment. These plans may include low enrollment which rounds to 0.0%.

**SHBP Plan Year 2023 Mid-Year Experience Analysis**  
**Exhibit 1B (Cont'd) – Retiree Enrollment Distribution**



Assumes approximately 88% of Retirees will enroll in the PPO plans, 12% in the HMO plans, and less than 1% in the High Deductible and Tiered Network plan.

Retirees	Horizon	Aetna*	Total
PPO 10	0.2%	14.6%	14.8%
PPO 15	12.5%	46.6%	59.1%
PPO 1525	7.0%	0.0%	7.0%
PPO 2030	0.2%	0.0%	0.2%
PPO 2035	0.0%	0.0%	0.0%
HDHigh	0.0%	0.0%	0.0%
HDLow	0.0%	0.0%	0.0%
HMO 10	3.3%	8.7%	12.0%
HMO 1525	0.1%	0.0%	0.1%
HMO 2030	0.0%	0.0%	0.0%
Tiered Network	0.2%	0.0%	0.2%
CWA/NJ DIRECT	6.6%	0.0%	6.6%
CWA \$100	0.0%	0.0%	0.0%
<b>Total</b>	<b>30.1%</b>	<b>69.9%</b>	<b>100.0%</b>

\*Some plans may show 0.0% enrollment. These plans may include low enrollment



**SHBP Plan Year 2023 Mid-Year Experience Analysis  
Exhibit 1C – Active Employee Enrollment Distribution**

	Number of Contracts as of January 2024				
	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
<b>STATE - ACTIVE &amp; COBRA</b>					
<b>Medical Plans</b>					
NJ DIRECT15	4,792	2,511	4,411	1,688	13,402
NJ DIRECT1525	595	184	370	150	1,299
NJ DIRECT2030	403	88	244	75	810
NJ DIRECT2035	261	31	79	27	398
NJ DIRECT HDHigh	232	25	64	29	350
NJ DIRECT HDLow	269	55	102	45	471
Horizon Legacy HMO (15)	1,931	553	1,059	793	4,336
Horizon OMNIA	5,477	873	1,840	1,070	9,260
CWA / NJDIRECT	13,686	6,940	17,136	7,484	45,246
CWA / NJDIRECT 2019	5,916	1,223	2,481	1,242	10,862
<b>Horizon Total</b>	<b>33,562</b>	<b>12,483</b>	<b>27,786</b>	<b>12,603</b>	<b>86,434</b>

\*January 2024 total plan enrollments and tier distributions are based on open enrollment results.

**SHBP Plan Year 2023 Mid-Year Experience Analysis  
Exhibit 1C (Cont'd) – Retiree Enrollment Distribution**

	Number of Contracts as of January 2024				
	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
<b>STATE RETIREES</b>					
<b>Medical Plans</b>					
NJ DIRECT10	33	34	27	10	104
NJ DIRECT15	2,172	2,363	1,814	563	6,912
NJ DIRECT1525	2,064	1,605	151	87	3,907
NJ DIRECT2030	70	30	7	2	109
NJ DIRECT2035	0	0	0	0	0
NJ DIRECT HDHigh	13	3	0	1	17
NJ DIRECT HDLow	1	2	3	2	8
Horizon Legacy HMO (10)	717	555	402	183	1,857
Horizon HMO 1525	23	14	9	4	50
Horizon HMO 2030	5	4	1	0	10
Horizon OMNIA	33	21	29	8	91
CWA / NJDIRECT	1,090	1,028	1,176	389	3,683
<b>Horizon Total</b>	<b>6,221</b>	<b>5,659</b>	<b>3,619</b>	<b>1,249</b>	<b>16,748</b>
MA PPO 10	5,190	2,826	66	60	8,142
MA PPO 15	14,140	10,316	909	513	25,878
MA HMO (10)	2,844	1,734	141	97	4,816
MA 1525 HMO	16	7	1	1	25
<b>Aetna Total</b>	<b>22,190</b>	<b>14,883</b>	<b>1,117</b>	<b>671</b>	<b>38,861</b>
<b>Total</b>	<b>28,411</b>	<b>20,542</b>	<b>4,736</b>	<b>1,920</b>	<b>55,609</b>

\*January 2024 total plan enrollments and tier distributions are based on open enrollment results.

**SHBP Plan Year 2023 Mid-Year Experience Analysis**  
**Exhibit 2A – Medical Claim and Capitation Trend**

The chart below shows the rolling 12-month medical claims experience trends for the Active and Early Retiree populations. The exhibit reflects estimated completed incurred claims through September 30, 2023. Column (A) shows the overall Per Member Per Month (PMPM) claims increase. Column (B) shows the estimated impact of plan design and vendor changes that occurred during the claim periods. These impacts are listed below in the "Normalizing Adjustments" section. Column (C) shows the estimated gross trend attributable to claims experience and capitation which is based on the overall PMPM increase grossed up for the plan changes.

	(A) Increase in Claims	(B) Plan Changes	(C) = (A) - (B) Claim Trend
<b>PPO Active</b>			
12 Months through 09/2022 vs 09/2021	4.0%	(0.8%)	4.8%
12 Months through 09/2023 vs 09/2022	4.7%	(0.7%)	5.4%
<b>PPO Early Retiree</b>			
12 Months through 09/2022 vs 09/2021	0.2%	(1.0%)	1.2%
12 Months through 09/2023 vs 09/2022	3.5%	0.0%	3.5%
<b>HMO Active</b>			
12 Months through 09/2022 vs 09/2021	7.0%	(1.0%)	8.0%
12 Months through 09/2023 vs 09/2022	(12.0%)	(0.8%)	(11.2%)
<b>HMO Early Retiree</b>			
12 Months through 09/2022 vs 09/2021	1.4%	(1.1%)	2.5%
12 Months through 09/2023 vs 09/2022	4.2%	0.0%	4.2%
<b>Tiered Network</b>			
12 Months through 09/2022 vs 09/2021	2.0%	(0.9%)	2.9%
12 Months through 09/2023 vs 09/2022	1.2%	(0.4%)	1.6%

Normalizing Adjustments

1/1/2021: EviCore

1/1/2021: HMS

1/1/2023: State Active Urgent Care and Specialist Copay Change

**SHBP Plan Year 2023 Mid-Year Experience Analysis**  
**Exhibit 2B – Prescription Drug Trend**

The chart below shows the rolling 12-month prescription drug claims experience trends for the Active, Early Retiree, and EGWP Retiree populations. The exhibit reflects estimated completed incurred claims through September 30, 2023. Column (A) shows the overall Per Member Per Month (PMPM) claims increase. Column (B) shows the estimated impact of plan design and vendor changes that occurred during the claim periods. These impacts are listed below in the "Normalizing Adjustments" section. Column (C) shows the estimated gross trend attributable to claims experience and capitation which is based on the overall PMPM increase grossed up for the plan changes.

	(A) Increase in Claims	(B) Plan Changes	(C) = (A) - (B) Claim Trend
<b>Active Rx</b>			
12 Months through 09/2022 vs 09/2021	12.4%	0.0%	12.4%
12 Months through 09/2023 vs 09/2022	20.2%	0.0%	20.2%
<b>Early Retiree Rx</b>			
12 Months through 09/2022 vs 09/2021	10.9%	0.0%	10.9%
12 Months through 09/2023 vs 09/2022	18.7%	0.0%	18.7%
<b>EGWP Retiree Rx</b>			
12 Months through 09/2022 vs 09/2021	7.8%	0.0%	7.8%
12 Months through 09/2023 vs 09/2022	9.8%	0.0%	9.8%

Normalizing Adjustments

None

**SHBP Plan Year 2023 Mid-Year Experience Analysis**  
**Exhibit 3A – Plan Year 2022 Aggregate Costs, page 1 of 2**

	Total	CWA Unity/NJ DIRECT		Legacy Plans					
		Horizon CWA/NJ DIRECT	Horizon CWA/NJ DIRECT 2019	Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>									
Average Medical Members	295,455	126,845	13,572	11,940	33,065	750	60,706	6,829	16,876
Incurred Medical Claims	\$1,823,286,000	\$943,673,000	\$77,303,000	\$18,980,000	\$45,363,000	\$7,979,000	\$484,066,000	\$15,999,000	\$116,082,000
Capitation	\$66,226,000	\$38,242,000	\$736,000	\$0	\$0	\$178,000	\$16,492,000	\$0	\$4,938,000
Incurred Prescription Drug Claims	\$925,006,000	\$283,886,000	\$19,483,000	\$78,854,000	\$226,036,000	\$2,377,000	\$160,069,000	\$52,993,000	\$41,398,000
Prescription Drug Rebates	(\$295,862,000)	(\$101,663,000)	(\$6,966,000)	(\$20,934,000)	(\$60,008,000)	(\$875,000)	(\$57,944,000)	(\$14,069,000)	(\$14,813,000)
EGWP Credits	(\$135,140,000)	N/A	N/A	(\$28,367,000)	(\$78,554,000)	\$0	\$0	(\$16,225,000)	(\$684,000)
Administrative Fees	\$93,383,000	\$41,049,000	\$5,570,000	\$2,023,000	\$5,507,000	\$113,000	\$19,738,000	\$1,156,000	\$7,020,000
Total Cost	\$2,476,899,000	\$1,205,187,000	\$96,126,000	\$50,556,000	\$138,344,000	\$9,772,000	\$622,421,000	\$39,854,000	\$153,941,000
Total Premium	\$2,252,089,000	\$1,034,052,000	\$114,395,000	\$53,853,000	\$141,936,000	\$7,441,000	\$554,291,000	\$38,978,000	\$142,629,000
Gain (Loss)	(\$224,810,000)	(\$171,135,000)	\$18,269,000	\$3,297,000	\$3,592,000	(\$2,331,000)	(\$68,130,000)	(\$876,000)	(\$11,312,000)
<b>Employees</b>									
Average Medical Members	204,866	122,492	13,572	N/A	N/A	N/A	38,242	N/A	11,574
Incurred Medical Claims	\$1,423,050,000	\$902,482,000	\$77,303,000	N/A	N/A	N/A	\$275,846,000	N/A	\$74,739,000
Capitation	\$57,162,000	\$37,130,000	\$736,000	N/A	N/A	N/A	\$10,694,000	N/A	\$3,427,000
Incurred Prescription Drug Claims	\$431,258,000	\$268,739,000	\$19,483,000	N/A	N/A	N/A	\$92,324,000	N/A	\$25,004,000
Prescription Drug Rebates	(\$154,195,000)	(\$96,088,000)	(\$6,966,000)	N/A	N/A	N/A	(\$33,010,000)	N/A	(\$8,940,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$71,853,000	\$39,504,000	\$5,570,000	N/A	N/A	N/A	\$13,016,000	N/A	\$5,019,000
Total Cost	\$1,829,128,000	\$1,151,767,000	\$96,126,000	N/A	N/A	N/A	\$358,870,000	N/A	\$99,249,000
Total Premium	\$1,630,118,000	\$989,378,000	\$114,395,000	N/A	N/A	N/A	\$308,162,000	N/A	\$90,278,000
Gain (Loss)	(\$199,010,000)	(\$162,389,000)	\$18,269,000	N/A	N/A	N/A	(\$50,708,000)	N/A	(\$8,971,000)
<b>Early Retirees</b>									
Average Medical Members	33,706	4,353	N/A	N/A	N/A	750	22,464	N/A	5,014
Incurred Medical Claims	\$307,315,000	\$41,191,000	N/A	N/A	N/A	\$7,979,000	\$208,220,000	N/A	\$40,714,000
Capitation	\$8,967,000	\$1,112,000	N/A	N/A	N/A	\$178,000	\$5,798,000	N/A	\$1,494,000
Incurred Prescription Drug Claims	\$103,200,000	\$15,147,000	N/A	N/A	N/A	\$2,377,000	\$67,745,000	N/A	\$14,827,000
Prescription Drug Rebates	(\$37,984,000)	(\$5,575,000)	N/A	N/A	N/A	(\$875,000)	(\$24,934,000)	N/A	(\$5,457,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$10,503,000	\$1,545,000	N/A	N/A	N/A	\$113,000	\$6,722,000	N/A	\$1,859,000
Total Cost	\$392,001,000	\$53,420,000	N/A	N/A	N/A	\$9,772,000	\$263,551,000	N/A	\$53,437,000
Total Premium	\$357,760,000	\$44,674,000	N/A	N/A	N/A	\$7,441,000	\$246,129,000	N/A	\$50,182,000
Gain (Loss)	(\$34,241,000)	(\$8,746,000)	N/A	N/A	N/A	(\$2,331,000)	(\$17,422,000)	N/A	(\$3,255,000)
<b>Medicare Retirees</b>									
Average Medical Members	56,883	N/A	N/A	11,940	33,065	N/A	N/A	6,829	288
Incurred Medical Claims	\$92,921,000	N/A	N/A	\$18,980,000	\$45,363,000	N/A	N/A	\$15,999,000	\$629,000
Capitation	\$97,000	N/A	N/A	\$0	\$0	N/A	N/A	\$0	\$17,000
Incurred Prescription Drug Claims	\$390,548,000	N/A	N/A	\$78,854,000	\$226,036,000	N/A	N/A	\$52,993,000	\$1,567,000
Prescription Drug Rebates	(\$103,683,000)	N/A	N/A	(\$20,934,000)	(\$60,008,000)	N/A	N/A	(\$14,069,000)	(\$416,000)
EGWP Credits	(\$135,140,000)	N/A	N/A	(\$28,367,000)	(\$78,554,000)	N/A	N/A	(\$16,225,000)	(\$684,000)
Administrative Fees	\$11,027,000	N/A	N/A	\$2,023,000	\$5,507,000	N/A	N/A	\$1,156,000	\$142,000
Total Cost	\$255,770,000	N/A	N/A	\$50,556,000	\$138,344,000	N/A	N/A	\$39,854,000	\$1,255,000
Total Premium	\$264,211,000	N/A	N/A	\$53,853,000	\$141,936,000	N/A	N/A	\$38,978,000	\$2,169,000
Gain (Loss)	\$8,441,000	N/A	N/A	\$3,297,000	\$3,592,000	N/A	N/A	(\$876,000)	\$914,000

Numbers may not add due to rounding. Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0. The Incurred Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

**SHBP Plan Year 2023 Mid-Year Experience Analysis**  
**Exhibit 3A – Plan Year 2022 Aggregate Costs, page 2 of 2**

	1525			2030		2035	HD 4000	HD 1500	Tiered Network
	NJ DIRECT	Aetna HMO	Horizon HMO	NJ DIRECT	Horizon HMO	NJ DIRECT	NJ DIRECT	NJ DIRECT	Horizon OMNIA
<b>Employees and Retirees</b>									
Average Medical Members	8,714	27	73	2,187	17	943	567	887	11,457
Incurred Medical Claims	\$38,727,000	\$51,000	\$486,000	\$10,828,000	\$39,000	\$3,341,000	\$1,286,000	\$3,578,000	\$55,505,000
Capitation	\$1,259,000	\$0	\$13,000	\$569,000	\$4,000	\$249,000	\$140,000	\$213,000	\$3,193,000
Incurred Prescription Drug Claims	\$37,738,000	\$211,000	\$203,000	\$3,299,000	\$8,000	\$1,038,000	\$313,000	\$972,000	\$16,128,000
Prescription Drug Rebates	(\$10,744,000)	(\$56,000)	(\$60,000)	(\$1,125,000)	(\$3,000)	(\$371,000)	(\$112,000)	(\$348,000)	(\$5,771,000)
EGWP Credits	(\$10,969,000)	(\$63,000)	(\$74,000)	(\$204,000)	\$0	\$0	N/A	N/A	N/A
Administrative Fees	\$3,527,000	\$5,000	\$32,000	\$844,000	\$8,000	\$454,000	\$263,000	\$371,000	\$5,703,000
Total Cost	\$59,538,000	\$148,000	\$600,000	\$14,211,000	\$56,000	\$4,711,000	\$1,890,000	\$4,786,000	\$74,758,000
Total Premium	\$58,914,000	\$130,000	\$573,000	\$16,422,000	\$174,000	\$6,499,000	\$2,615,000	\$5,765,000	\$73,422,000
Gain (Loss)	(\$624,000)	(\$18,000)	(\$27,000)	\$2,211,000	\$118,000	\$1,788,000	\$725,000	\$979,000	(\$1,336,000)
<b>Employees</b>									
Average Medical Members	3,253	N/A	N/A	2,029	N/A	943	535	879	11,347
Incurred Medical Claims	\$19,340,000	N/A	N/A	\$10,058,000	N/A	\$3,341,000	\$1,262,000	\$3,576,000	\$55,103,000
Capitation	\$871,000	N/A	N/A	\$547,000	N/A	\$249,000	\$132,000	\$211,000	\$3,165,000
Incurred Prescription Drug Claims	\$5,139,000	N/A	N/A	\$2,624,000	N/A	\$1,038,000	\$293,000	\$968,000	\$15,646,000
Prescription Drug Rebates	(\$1,837,000)	N/A	N/A	(\$938,000)	N/A	(\$371,000)	(\$105,000)	(\$346,000)	(\$5,594,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$1,248,000	N/A	N/A	\$778,000	N/A	\$454,000	\$243,000	\$368,000	\$5,653,000
Total Cost	\$24,761,000	N/A	N/A	\$13,069,000	N/A	\$4,711,000	\$1,825,000	\$4,777,000	\$73,973,000
Total Premium	\$25,703,000	N/A	N/A	\$15,215,000	N/A	\$6,499,000	\$2,373,000	\$5,702,000	\$72,413,000
Gain (Loss)	\$942,000	N/A	N/A	\$2,146,000	N/A	\$1,788,000	\$548,000	\$925,000	(\$1,560,000)
<b>Early Retirees</b>									
Average Medical Members	844	N/A	42	72	17	N/A	32	8	110
Incurred Medical Claims	\$7,789,000	N/A	\$417,000	\$538,000	\$39,000	N/A	\$24,000	\$2,000	\$402,000
Capitation	\$311,000	N/A	\$12,000	\$20,000	\$4,000	N/A	\$8,000	\$2,000	\$28,000
Incurred Prescription Drug Claims	\$2,455,000	N/A	\$62,000	\$73,000	\$8,000	N/A	\$20,000	\$4,000	\$482,000
Prescription Drug Rebates	(\$904,000)	N/A	(\$23,000)	(\$27,000)	(\$3,000)	N/A	(\$7,000)	(\$2,000)	(\$177,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$146,000	N/A	\$14,000	\$23,000	\$8,000	N/A	\$20,000	\$3,000	\$50,000
Total Cost	\$9,797,000	N/A	\$482,000	\$627,000	\$56,000	N/A	\$65,000	\$9,000	\$785,000
Total Premium	\$6,765,000	N/A	\$353,000	\$728,000	\$174,000	N/A	\$242,000	\$63,000	\$1,009,000
Gain (Loss)	(\$3,032,000)	N/A	(\$129,000)	\$101,000	\$118,000	N/A	\$177,000	\$54,000	\$224,000
<b>Medicare Retirees</b>									
Average Medical Members	4,617	27	31	86	-	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$11,598,000	\$51,000	\$69,000	\$232,000	\$0	N/A	N/A	N/A	N/A
Capitation	\$77,000	\$0	\$1,000	\$2,000	\$0	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$30,144,000	\$211,000	\$141,000	\$602,000	\$0	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$8,003,000)	(\$56,000)	(\$37,000)	(\$160,000)	\$0	N/A	N/A	N/A	N/A
EGWP Credits	(\$10,969,000)	(\$63,000)	(\$74,000)	(\$204,000)	\$0	N/A	N/A	N/A	N/A
Administrative Fees	\$2,133,000	\$5,000	\$18,000	\$43,000	\$0	N/A	N/A	N/A	N/A
Total Cost	\$24,980,000	\$148,000	\$118,000	\$515,000	\$0	N/A	N/A	N/A	N/A
Total Premium	\$26,446,000	\$130,000	\$220,000	\$479,000	\$0	N/A	N/A	N/A	N/A
Gain (Loss)	\$1,466,000	(\$18,000)	\$102,000	(\$36,000)	\$0	N/A	N/A	N/A	N/A

Numbers may not add due to rounding. Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0. The Incurred

Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

**SHBP Plan Year 2023 Mid-Year Experience Analysis**  
**Exhibit 3B – Plan Year 2023 Aggregate Costs, page 1 of 2**

	CWA Unity/NJ DIRECT			Legacy Plans					
	Total	Horizon CWA/NJ DIRECT	Horizon CWA/NJ DIRECT 2019	Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>									
Average Medical Members	292,473	124,145	18,314	11,292	34,979	622	53,153	6,545	15,236
Incurred Medical Claims	\$1,885,681,000	\$981,824,000	\$118,732,000	\$15,383,000	\$40,040,000	\$7,512,000	\$471,648,000	\$13,845,000	\$102,808,000
Capitation	\$66,748,000	\$39,423,000	\$1,356,000	\$0	\$0	\$151,000	\$14,601,000	\$0	\$4,398,000
Incurred Prescription Drug Claims	\$1,077,767,000	\$344,507,000	\$35,542,000	\$85,560,000	\$265,144,000	\$1,804,000	\$170,371,000	\$55,235,000	\$42,471,000
Prescription Drug Rebates	(\$377,986,000)	(\$139,160,000)	(\$14,314,000)	(\$23,291,000)	(\$72,177,000)	(\$756,000)	(\$69,795,000)	(\$15,036,000)	(\$17,075,000)
EGWP Credits	(\$153,657,000)	N/A	N/A	(\$29,780,000)	(\$92,252,000)	N/A	N/A	(\$17,261,000)	(\$830,000)
Administrative Fees	\$93,720,000	\$40,302,000	\$7,568,000	\$1,938,000	\$5,887,000	\$95,000	\$17,479,000	\$1,121,000	\$6,483,000
Total Cost	\$2,592,267,000	\$1,266,896,000	\$148,884,000	\$49,810,000	\$146,642,000	\$8,806,000	\$604,304,000	\$37,904,000	\$138,255,000
Total Premium	\$2,582,241,000	\$1,210,942,000	\$184,552,000	\$48,947,000	\$144,014,000	\$8,285,000	\$578,435,000	\$36,256,000	\$153,753,000
Gain (Loss)	(\$10,026,000)	(\$55,954,000)	\$35,668,000	(\$863,000)	(\$2,628,000)	(\$521,000)	(\$25,869,000)	(\$1,648,000)	\$15,498,000
<b>Employees</b>									
Average Medical Members	201,045	117,543	18,314	N/A	N/A	N/A	32,898	N/A	10,436
Incurred Medical Claims	\$1,487,066,000	\$921,306,000	\$118,732,000	N/A	N/A	N/A	\$272,321,000	N/A	\$64,154,000
Capitation	\$57,804,000	\$37,719,000	\$1,356,000	N/A	N/A	N/A	\$9,360,000	N/A	\$3,098,000
Incurred Prescription Drug Claims	\$513,749,000	\$318,750,000	\$35,542,000	N/A	N/A	N/A	\$97,713,000	N/A	\$25,704,000
Prescription Drug Rebates	(\$206,900,000)	(\$128,368,000)	(\$14,314,000)	N/A	N/A	N/A	(\$39,351,000)	N/A	(\$10,352,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$72,145,000	\$38,028,000	\$7,568,000	N/A	N/A	N/A	\$11,436,000	N/A	\$4,634,000
Total Cost	\$1,923,864,000	\$1,187,435,000	\$148,884,000	N/A	N/A	N/A	\$351,479,000	N/A	\$87,238,000
Total Premium	\$1,902,769,000	\$1,133,725,000	\$184,552,000	N/A	N/A	N/A	\$315,262,000	N/A	\$96,601,000
Gain (Loss)	(\$21,095,000)	(\$53,710,000)	\$35,668,000	N/A	N/A	N/A	(\$36,217,000)	N/A	\$9,363,000
<b>Early Retirees</b>									
Average Medical Members	33,163	6,602	N/A	N/A	N/A	622	20,255	N/A	4,485
Incurred Medical Claims	\$315,062,000	\$60,518,000	N/A	N/A	N/A	\$7,512,000	\$199,327,000	N/A	\$37,773,000
Capitation	\$8,842,000	\$1,704,000	N/A	N/A	N/A	\$151,000	\$5,241,000	N/A	\$1,284,000
Incurred Prescription Drug Claims	\$119,571,000	\$25,757,000	N/A	N/A	N/A	\$1,804,000	\$72,658,000	N/A	\$14,712,000
Prescription Drug Rebates	(\$50,099,000)	(\$10,792,000)	N/A	N/A	N/A	(\$756,000)	(\$30,444,000)	N/A	(\$6,164,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$10,423,000	\$2,274,000	N/A	N/A	N/A	\$95,000	\$6,043,000	N/A	\$1,721,000
Total Cost	\$403,799,000	\$79,461,000	N/A	N/A	N/A	\$8,806,000	\$252,825,000	N/A	\$49,326,000
Total Premium	\$417,117,000	\$77,217,000	N/A	N/A	N/A	\$8,285,000	\$263,173,000	N/A	\$54,673,000
Gain (Loss)	\$13,318,000	(\$2,244,000)	N/A	N/A	N/A	(\$521,000)	\$10,348,000	N/A	\$5,347,000
<b>Medicare Retirees</b>									
Average Medical Members	58,265	N/A	N/A	11,292	34,979	N/A	N/A	6,545	315
Incurred Medical Claims	\$83,553,000	N/A	N/A	\$15,383,000	\$40,040,000	N/A	N/A	\$13,845,000	\$881,000
Capitation	\$102,000	N/A	N/A	\$0	\$0	N/A	N/A	\$0	\$16,000
Incurred Prescription Drug Claims	\$444,447,000	N/A	N/A	\$85,560,000	\$265,144,000	N/A	N/A	\$55,235,000	\$2,055,000
Prescription Drug Rebates	(\$120,987,000)	N/A	N/A	(\$23,291,000)	(\$72,177,000)	N/A	N/A	(\$15,036,000)	(\$559,000)
EGWP Credits	(\$153,663,000)	N/A	N/A	(\$29,780,000)	(\$92,252,000)	N/A	N/A	(\$17,261,000)	(\$830,000)
Administrative Fees	\$11,152,000	N/A	N/A	\$1,938,000	\$5,887,000	N/A	N/A	\$1,121,000	\$128,000
Total Cost	\$264,604,000	N/A	N/A	\$49,810,000	\$146,642,000	N/A	N/A	\$37,904,000	\$1,691,000
Total Premium	\$262,355,000	N/A	N/A	\$48,947,000	\$144,014,000	N/A	N/A	\$36,256,000	\$2,479,000
Gain (Loss)	(\$2,249,000)	N/A	N/A	(\$863,000)	(\$2,628,000)	N/A	N/A	(\$1,648,000)	\$788,000

Numbers may not add due to rounding. Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0. The Incurred

Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

**SHBP Plan Year 2023 Mid-Year Experience Analysis**  
**Exhibit 3B – Plan Year 2023 Aggregate Costs, page 2 of 2**

	1525			2030		2035	HD 4000	HD 1500	Tiered Network
	NJ DIRECT	Aetna HMO	Horizon HMO	NJ DIRECT	Horizon HMO	NJ DIRECT	NJ DIRECT	NJ DIRECT	Horizon OMNIA
<b>Employees and Retirees</b>									
Average Medical Members	8,766	29	93	2,002	20	782	625	1,066	14,804
Incurred Medical Claims	\$39,708,000	\$48,000	\$409,000	\$10,731,000	\$40,000	\$3,345,000	\$730,000	\$6,048,000	\$72,830,000
Capitation	\$1,272,000	\$0	\$14,000	\$534,000	\$5,000	\$217,000	\$161,000	\$270,000	\$4,346,000
Incurred Prescription Drug Claims	\$45,467,000	\$231,000	\$270,000	\$3,582,000	\$9,000	\$928,000	\$387,000	\$1,500,000	\$24,759,000
Prescription Drug Rebates	(\$13,733,000)	(\$63,000)	(\$87,000)	(\$1,377,000)	(\$4,000)	(\$374,000)	(\$156,000)	(\$604,000)	(\$9,984,000)
EGWP Credits	(\$13,095,000)	(\$76,000)	(\$112,000)	(\$251,000)	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$3,283,000	\$5,000	\$35,000	\$765,000	\$9,000	\$376,000	\$305,000	\$463,000	\$7,606,000
Total Cost	\$62,902,000	\$145,000	\$529,000	\$13,984,000	\$53,000	\$4,492,000	\$1,427,000	\$7,677,000	\$99,557,000
Total Premium	\$67,407,000	\$136,000	\$798,000	\$17,618,000	\$214,000	\$6,342,000	\$3,398,000	\$8,239,000	\$112,921,000
Gain (Loss)	\$4,505,000	(\$9,000)	\$269,000	\$3,634,000	\$161,000	\$1,850,000	\$1,971,000	\$562,000	\$13,364,000
<b>Employees</b>									
Average Medical Members	2,956	N/A	N/A	1,838	N/A	782	599	1,049	14,630
Incurred Medical Claims	\$18,828,000	N/A	N/A	\$10,091,000	N/A	\$3,345,000	\$670,000	\$5,581,000	\$72,038,000
Capitation	\$821,000	N/A	N/A	\$512,000	N/A	\$217,000	\$155,000	\$266,000	\$4,300,000
Incurred Prescription Drug Claims	\$6,309,000	N/A	N/A	\$2,980,000	N/A	\$928,000	\$379,000	\$1,482,000	\$23,962,000
Prescription Drug Rebates	(\$2,541,000)	N/A	N/A	(\$1,200,000)	N/A	(\$374,000)	(\$153,000)	(\$597,000)	(\$9,650,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$1,130,000	N/A	N/A	\$700,000	N/A	\$376,000	\$288,000	\$457,000	\$7,528,000
Total Cost	\$24,547,000	N/A	N/A	\$13,083,000	N/A	\$4,492,000	\$1,339,000	\$7,189,000	\$98,178,000
Total Premium	\$27,602,000	N/A	N/A	\$16,239,000	N/A	\$6,342,000	\$3,178,000	\$8,085,000	\$111,183,000
Gain (Loss)	\$3,055,000	N/A	N/A	\$3,156,000	N/A	\$1,850,000	\$1,839,000	\$896,000	\$13,005,000
<b>Early Retirees</b>									
Average Medical Members	845	N/A	50	69	18	N/A	26	17	174
Incurred Medical Claims	\$7,960,000	N/A	\$252,000	\$361,000	\$40,000	N/A	\$60,000	\$467,000	\$792,000
Capitation	\$368,000	N/A	\$13,000	\$20,000	\$5,000	N/A	\$6,000	\$4,000	\$46,000
Incurred Prescription Drug Claims	\$3,630,000	N/A	\$91,000	\$89,000	\$7,000	N/A	\$8,000	\$18,000	\$797,000
Prescription Drug Rebates	(\$1,521,000)	N/A	(\$38,000)	(\$37,000)	(\$3,000)	N/A	(\$3,000)	(\$7,000)	(\$334,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$148,000	N/A	\$12,000	\$21,000	\$8,000	N/A	\$17,000	\$6,000	\$78,000
Total Cost	\$10,585,000	N/A	\$330,000	\$454,000	\$57,000	N/A	\$88,000	\$488,000	\$1,379,000
Total Premium	\$10,148,000	N/A	\$484,000	\$827,000	\$198,000	N/A	\$220,000	\$154,000	\$1,738,000
Gain (Loss)	(\$437,000)	N/A	\$154,000	\$373,000	\$141,000	N/A	\$132,000	(\$334,000)	\$359,000
<b>Medicare Retirees</b>									
Average Medical Members	4,965	29	43	95	2	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$12,920,000	\$48,000	\$157,000	\$279,000	\$0	N/A	N/A	N/A	N/A
Capitation	\$83,000	\$0	\$1,000	\$2,000	\$0	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$35,528,000	\$231,000	\$179,000	\$513,000	\$2,000	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$9,671,000)	(\$63,000)	(\$49,000)	(\$140,000)	(\$1,000)	N/A	N/A	N/A	N/A
EGWP Credits	(\$13,095,000)	(\$76,000)	(\$112,000)	(\$251,000)	(\$6,000)	N/A	N/A	N/A	N/A
Administrative Fees	\$2,005,000	\$5,000	\$23,000	\$44,000	\$1,000	N/A	N/A	N/A	N/A
Total Cost	\$27,770,000	\$145,000	\$199,000	\$447,000	(\$4,000)	N/A	N/A	N/A	N/A
Total Premium	\$29,657,000	\$136,000	\$314,000	\$552,000	\$16,000	N/A	N/A	N/A	N/A
Gain (Loss)	\$1,887,000	(\$9,000)	\$115,000	\$105,000	\$20,000	N/A	N/A	N/A	N/A

Numbers may not add due to rounding. Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0. The Incurred Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.



**SHBP Plan Year 2023 Mid-Year Experience Analysis**  
**Exhibit 3C – Plan Year 2024 Aggregate Costs, page 1 of 2**

	Total	CWA Unity/NJ DIRECT		Legacy Plans					
		Horizon CWA/NJ DIRECT	Horizon CWA/NJ DIRECT 2019	Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>									
Average Medical Members	293,727	123,272	21,501	10,886	36,397	542	50,269	6,392	13,757
Incurred Medical Claims	\$1,994,351,000	\$1,037,664,000	\$148,456,000	\$14,271,000	\$39,794,000	\$6,975,000	\$473,906,000	\$13,194,000	\$98,782,000
Capitation	\$70,373,000	\$41,603,000	\$1,696,000	\$0	\$0	\$140,000	\$14,724,000	\$0	\$4,216,000
Incurred Prescription Drug Claims	\$1,192,399,000	\$378,401,000	\$46,108,000	\$90,113,000	\$301,412,000	\$1,738,000	\$177,577,000	\$58,939,000	\$42,585,000
Prescription Drug Rebates	(\$397,819,000)	(\$145,817,000)	(\$17,750,000)	(\$23,431,000)	(\$78,374,000)	(\$677,000)	(\$68,685,000)	(\$15,326,000)	(\$16,166,000)
EGWP Credits	(\$180,315,000)	N/A	N/A	(\$33,058,000)	(\$110,531,000)	N/A	N/A	(\$19,412,000)	(\$1,001,000)
Administrative Fees	\$89,622,000	\$37,337,000	\$8,382,000	\$1,671,000	\$5,485,000	\$117,000	\$15,949,000	\$979,000	\$5,678,000
Total Cost	\$2,768,611,000	\$1,349,188,000	\$186,892,000	\$49,566,000	\$157,786,000	\$8,293,000	\$613,471,000	\$38,374,000	\$134,094,000
Total Premium	\$2,682,162,000	\$1,242,981,000	\$224,518,000	\$49,957,000	\$159,113,000	\$7,344,000	\$570,756,000	\$37,337,000	\$145,844,000
Gain (Loss)	(\$86,449,000)	(\$106,207,000)	\$37,626,000	\$391,000	\$1,327,000	(\$949,000)	(\$42,715,000)	(\$1,037,000)	\$11,750,000
<b>Employees</b>									
Average Medical Members	202,225	115,424	21,501	N/A	N/A	N/A	31,799	N/A	9,340
Incurred Medical Claims	\$1,589,127,000	\$963,499,000	\$148,456,000	N/A	N/A	N/A	\$280,333,000	N/A	\$61,154,000
Capitation	\$61,141,000	\$39,446,000	\$1,696,000	N/A	N/A	N/A	\$9,635,000	N/A	\$2,953,000
Incurred Prescription Drug Claims	\$570,671,000	\$345,868,000	\$46,108,000	N/A	N/A	N/A	\$104,366,000	N/A	\$25,422,000
Prescription Drug Rebates	(\$219,692,000)	(\$133,149,000)	(\$17,750,000)	N/A	N/A	N/A	(\$40,178,000)	N/A	(\$9,787,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$69,109,000	\$34,854,000	\$8,382,000	N/A	N/A	N/A	\$10,325,000	N/A	\$3,954,000
Total Cost	\$2,070,356,000	\$1,250,518,000	\$186,892,000	N/A	N/A	N/A	\$364,481,000	N/A	\$83,696,000
Total Premium	\$1,982,638,000	\$1,148,623,000	\$224,518,000	N/A	N/A	N/A	\$321,287,000	N/A	\$91,441,000
Gain (Loss)	(\$87,718,000)	(\$101,895,000)	\$37,626,000	N/A	N/A	N/A	(\$43,194,000)	N/A	\$7,745,000
<b>Early Retirees</b>									
Average Medical Members	32,125	7,848	N/A	N/A	N/A	542	18,470	N/A	4,087
Incurred Medical Claims	\$322,196,000	\$74,165,000	N/A	N/A	N/A	\$6,975,000	\$193,573,000	N/A	\$36,655,000
Capitation	\$9,118,000	\$2,157,000	N/A	N/A	N/A	\$140,000	\$5,089,000	N/A	\$1,246,000
Incurred Prescription Drug Claims	\$127,272,000	\$32,533,000	N/A	N/A	N/A	\$1,738,000	\$73,211,000	N/A	\$14,813,000
Prescription Drug Rebates	(\$49,558,000)	(\$12,668,000)	N/A	N/A	N/A	(\$677,000)	(\$28,507,000)	N/A	(\$5,768,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$10,110,000	\$2,483,000	N/A	N/A	N/A	\$117,000	\$5,624,000	N/A	\$1,612,000
Total Cost	\$419,138,000	\$98,670,000	N/A	N/A	N/A	\$8,293,000	\$248,990,000	N/A	\$48,558,000
Total Premium	\$416,957,000	\$94,358,000	N/A	N/A	N/A	\$7,344,000	\$249,469,000	N/A	\$51,714,000
Gain (Loss)	(\$2,181,000)	(\$4,312,000)	N/A	N/A	N/A	(\$949,000)	\$479,000	N/A	\$3,156,000
<b>Medicare Retirees</b>									
Average Medical Members	59,377	N/A	N/A	10,886	36,397	N/A	N/A	6,392	330
Incurred Medical Claims	\$83,028,000	N/A	N/A	\$14,271,000	\$39,794,000	N/A	N/A	\$13,194,000	\$973,000
Capitation	\$114,000	N/A	N/A	\$0	\$0	N/A	N/A	\$0	\$17,000
Incurred Prescription Drug Claims	\$494,456,000	N/A	N/A	\$90,113,000	\$301,412,000	N/A	N/A	\$58,939,000	\$2,350,000
Prescription Drug Rebates	(\$128,569,000)	N/A	N/A	(\$23,431,000)	(\$78,374,000)	N/A	N/A	(\$15,326,000)	(\$611,000)
EGWP Credits	(\$180,315,000)	N/A	N/A	(\$33,058,000)	(\$110,531,000)	N/A	N/A	(\$19,412,000)	(\$1,001,000)
Administrative Fees	\$10,403,000	N/A	N/A	\$1,671,000	\$5,485,000	N/A	N/A	\$979,000	\$112,000
Total Cost	\$279,117,000	N/A	N/A	\$49,566,000	\$157,786,000	N/A	N/A	\$38,374,000	\$1,840,000
Total Premium	\$282,567,000	N/A	N/A	\$49,957,000	\$159,113,000	N/A	N/A	\$37,337,000	\$2,689,000
Gain (Loss)	\$3,450,000	N/A	N/A	\$391,000	\$1,327,000	N/A	N/A	(\$1,037,000)	\$849,000

Numbers may not add due to rounding. Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0. The Incurred Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

**SHBP Plan Year 2023 Mid-Year Experience Analysis  
Exhibit 3C – Plan Year 2024 Aggregate Costs, page 2 of 2**

	1525			2030		2035	HDHigh	HDLow	Tiered Network
	NJ DIRECT	Aetna HMO	Horizon HMO	NJ DIRECT	Horizon HMO	NJ DIRECT	NJ DIRECT	NJ DIRECT	Horizon OMNIA
<b>Employees and Retirees</b>									
Average Medical Members	8,829	29	101	1,908	17	708	634	924	17,561
Incurred Medical Claims	\$41,567,000	\$48,000	\$465,000	\$10,862,000	\$30,000	\$3,225,000	\$911,000	\$5,294,000	\$98,907,000
Capitation	\$1,305,000	\$0	\$15,000	\$540,000	\$3,000	\$209,000	\$175,000	\$250,000	\$5,497,000
Incurred Prescription Drug Claims	\$51,089,000	\$255,000	\$331,000	\$3,802,000	\$9,000	\$929,000	\$503,000	\$1,483,000	\$37,125,000
Prescription Drug Rebates	(\$14,615,000)	(\$66,000)	(\$99,000)	(\$1,392,000)	(\$3,000)	(\$358,000)	(\$193,000)	(\$571,000)	(\$14,296,000)
EGWP Credits	(\$15,761,000)	(\$88,000)	(\$151,000)	(\$301,000)	(\$12,000)	N/A	N/A	N/A	N/A
Administrative Fees	\$3,217,000	\$5,000	\$33,000	\$689,000	\$8,000	\$308,000	\$294,000	\$383,000	\$9,087,000
Total Cost	\$66,802,000	\$154,000	\$594,000	\$14,200,000	\$35,000	\$4,313,000	\$1,690,000	\$6,839,000	\$136,320,000
Total Premium	\$70,242,000	\$145,000	\$889,000	\$17,728,000	\$199,000	\$5,974,000	\$3,614,000	\$7,595,000	\$137,926,000
Gain (Loss)	\$3,440,000	(\$9,000)	\$295,000	\$3,528,000	\$164,000	\$1,661,000	\$1,924,000	\$756,000	\$1,606,000
<b>Employees</b>									
Average Medical Members	2,829	N/A	N/A	1,747	N/A	708	613	903	17,361
Incurred Medical Claims	\$19,194,000	N/A	N/A	\$10,211,000	N/A	\$3,225,000	\$728,000	\$5,092,000	\$97,235,000
Capitation	\$837,000	N/A	N/A	\$518,000	N/A	\$209,000	\$169,000	\$244,000	\$5,434,000
Incurred Prescription Drug Claims	\$6,674,000	N/A	N/A	\$3,129,000	N/A	\$929,000	\$427,000	\$1,403,000	\$36,345,000
Prescription Drug Rebates	(\$2,569,000)	N/A	N/A	(\$1,205,000)	N/A	(\$358,000)	(\$164,000)	(\$540,000)	(\$13,992,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$1,002,000	N/A	N/A	\$625,000	N/A	\$308,000	\$281,000	\$377,000	\$9,001,000
Total Cost	\$25,138,000	N/A	N/A	\$13,278,000	N/A	\$4,313,000	\$1,441,000	\$6,576,000	\$134,023,000
Total Premium	\$27,782,000	N/A	N/A	\$16,293,000	N/A	\$5,974,000	\$3,429,000	\$7,393,000	\$135,898,000
Gain (Loss)	\$2,644,000	N/A	N/A	\$3,015,000	N/A	\$1,661,000	\$1,988,000	\$817,000	\$1,875,000
<b>Early Retirees</b>									
Average Medical Members	810	N/A	51	62	13	N/A	21	21	200
Incurred Medical Claims	\$8,125,000	N/A	\$271,000	\$345,000	\$30,000	N/A	\$183,000	\$202,000	\$1,672,000
Capitation	\$376,000	N/A	\$13,000	\$19,000	\$3,000	N/A	\$6,000	\$6,000	\$63,000
Incurred Prescription Drug Claims	\$3,845,000	N/A	\$102,000	\$89,000	\$5,000	N/A	\$76,000	\$80,000	\$780,000
Prescription Drug Rebates	(\$1,497,000)	N/A	(\$40,000)	(\$35,000)	(\$2,000)	N/A	(\$29,000)	(\$31,000)	(\$304,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$132,000	N/A	\$12,000	\$18,000	\$7,000	N/A	\$13,000	\$6,000	\$86,000
Total Cost	\$10,981,000	N/A	\$358,000	\$436,000	\$43,000	N/A	\$249,000	\$263,000	\$2,297,000
Total Premium	\$10,144,000	N/A	\$510,000	\$834,000	\$169,000	N/A	\$185,000	\$202,000	\$2,028,000
Gain (Loss)	(\$837,000)	N/A	\$152,000	\$398,000	\$126,000	N/A	(\$64,000)	(\$61,000)	(\$269,000)
<b>Medicare Retirees</b>									
Average Medical Members	5,190	29	50	99	4	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$14,248,000	\$48,000	\$194,000	\$306,000	\$0	N/A	N/A	N/A	N/A
Capitation	\$92,000	\$0	\$2,000	\$3,000	\$0	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$40,570,000	\$255,000	\$229,000	\$584,000	\$4,000	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$10,549,000)	(\$66,000)	(\$59,000)	(\$152,000)	(\$1,000)	N/A	N/A	N/A	N/A
EGWP Credits	(\$15,761,000)	(\$88,000)	(\$151,000)	(\$301,000)	(\$12,000)	N/A	N/A	N/A	N/A
Administrative Fees	\$2,083,000	\$5,000	\$21,000	\$46,000	\$1,000	N/A	N/A	N/A	N/A
Total Cost	\$30,683,000	\$154,000	\$236,000	\$486,000	(\$8,000)	N/A	N/A	N/A	N/A
Total Premium	\$32,316,000	\$145,000	\$379,000	\$601,000	\$30,000	N/A	N/A	N/A	N/A
Gain (Loss)	\$1,633,000	(\$9,000)	\$143,000	\$115,000	\$38,000	N/A	N/A	N/A	N/A

Numbers may not add due to rounding. Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0. The Incurred Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

## SHBP Plan Year 2023 Mid-Year Experience Analysis Exhibit 4A: Employee Plan Year 2024 Options Summary

State Actives												
	CWA Unity PPO Plan	CWA Unity 2019 PPO Plan <sup>2</sup>	NJDIRECT PPO Plan	NJDIRECT 2019 PPO Plan <sup>2</sup>	\$15 PPO	\$15 HMO	1525PPO	2030PPO	2035PPO	HD High	HD Low	Tiered Network
<b>In-Network</b>												
Deductible (Single/Family) <sup>1</sup>	None	\$100	None	\$100	None	None	None	None	\$200/\$500 for non-copayment services	\$4,100/\$8,200	\$1,600/\$3,200	Tier 1: \$0 Tier 2: \$1,500/\$3,000
Coinsurance OOP Maximum (Single/Family)	\$800/\$2,000	\$800/\$2,000	\$800/\$2,000	\$800/\$2,000	\$400/\$1,000	None	\$400/\$1,000	\$800/\$2,000	\$2,000/\$5,000	None	None	None
Total In-Network OOP Maximum (Single/Family) <sup>1</sup>	\$7,560/\$15,120	\$7,560/\$15,120	\$7,560/\$15,120	\$7,560/\$15,120	\$7,560/\$15,120	\$7,560/\$15,120	\$7,560/\$15,120	\$7,560/\$15,120	\$7,560/\$15,120	\$5,100/\$10,200	\$2,600/\$5,200	Tier 1: \$2,500/\$5,000 Tier 2: \$4,500/\$9,000
Overall Coinsurance	10% <sup>3</sup>	10% <sup>3</sup>	10% <sup>3</sup>	10% <sup>3</sup>	10% <sup>3</sup>	10% <sup>3</sup>	10% <sup>3</sup>	10% <sup>3</sup>	20%	20%	20%	Tier 1: None Tier 2: 20%
PCP	\$15 copay	\$15 copay	\$15 copay	\$15 copay	\$15 copay	\$15 copay	\$15 copay	\$20 copay	\$20 copay	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$5 copay Tier 2: \$20 copay
Specialist	\$30 copay <sup>4</sup>	\$30 copay <sup>4</sup>	\$30 copay <sup>4</sup>	\$30 copay <sup>4</sup>	\$15 copay	\$30 copay <sup>4</sup>	\$25 copay	\$30 copay / \$20 copay (child)	\$35 copay	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$20 copay <sup>4</sup> Tier 2: \$35 copay <sup>4</sup>
Urgent Care	\$45 copay	\$45 copay	\$45 copay	\$45 copay	\$15 copay	\$45 copay	\$25 copay	\$30 copay / \$20 copay (child)	\$35 copay	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$35 copay <sup>4</sup> Tier 2: \$50 copay <sup>4</sup>
Emergency Room	\$150 copay	\$150 copay	\$150 copay	\$150 copay	\$100 copay	\$100 copay	\$100 copay	\$125 copay	\$300 copay	20% coinsurance after deductible	20% coinsurance after deductible	\$100 copay
Inpatient Hospital	No charge	No charge	No charge	No charge	No charge	No charge	No charge	No charge	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$150 copay Tier 2: 20% coinsurance after deductible
<b>Out-of-Network</b>												
Deductible (Single/Family)	\$400/\$1000	\$400/\$1000	\$400/\$1000	\$400/\$1000	\$100/\$250	Not covered	\$100/\$250	\$200/\$500	\$800/\$2,000	Combined with In-Network Deductible	Combined with In-Network Deductible	Not covered
Total Out-of-Network OOP Maximum (Single/Family)	\$2,000/\$5,000	\$2,000/\$5,000	\$2,000/\$5,000	\$2,000/\$5,000	\$2,000/\$5,000	Not covered	\$2,000/\$5,000	\$5,000/\$12,500	\$6,500/\$13,000	\$6,000/\$12,000	\$3,500/\$7,000	Not covered
Overall Coinsurance	30% (175% CMS)	30% (175% CMS)	30% (175% CMS)	30% (175% CMS)	30%	Not covered	30%	30%	40%	40%	40%	Not covered
MH/SA Coinsurance	30% (195% CMS)	30% (195% CMS)	30% (195% CMS)	30% (195% CMS)	30%	Not covered	30%	30%	40%	40%	40%	Not covered
Inpatient Hospital Deductible	\$500/Stay	\$500/Stay	\$500/Stay	\$500/Stay	None	Not covered	None	None	None	None	None	Not covered
Routine Lab Services	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not covered	Not covered	Not covered	Not covered	Not Covered	Not Covered	Not covered
<b>Prescription Drug</b>												
OOP Maximum (Single/Family)	\$1,890/\$3,780	\$1,890/\$3,780	\$1,890/\$3,780	\$1,890/\$3,780	\$1,890/\$3,780	\$1,890/\$3,780	\$1,890/\$3,780	\$1,890/\$3,780	\$1,890/\$3,780	\$1,890/\$3,780		\$1,890/\$3,780
Retail - Generic	\$7	\$7	\$7	\$7	\$3	\$3	\$7	\$7	\$3	\$7		\$7
Retail - Brand	\$16	\$16	\$16	\$16	\$10	\$10	\$16	\$16	\$18	\$21		\$16
Retail - Brand w/ Generic Available	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference
Mail - Generic	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Mail - Brand	\$40	\$40	\$40	\$40	\$15	\$15	\$40	\$40	\$36	\$52		\$40
Mail - Brand w/ Generic Available	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference		Member Pays the Difference

<sup>1</sup> For all HDHP plans the in-network and out-of-network OOP Maximum and the in-network Deductible for Medical and Prescription Drug are integrated.

<sup>2</sup> Actives that are hired on or after 7/1/2019 are automatically enrolled in the CWA Unity 2019 Plan or NJ DIRECT 2019 Plan based on the Group they belong to.

<sup>3</sup> On Select Services

<sup>4</sup> 2024 Copay increase does not apply to OB/GYN

The plan options shown above are provided for reference purposes and reflect potential options available to a member. The plan options shown above are not available for all members and can be dependent on multiple factors such as union designation, years of service, etc.

## SHBP Plan Year 2023 Mid-Year Experience Analysis

### Exhibit 4B: Early Retiree Plan Year 2024 Options Summary

State Early Retirees													
	CWA Unity Early Retiree PPO Plan	INDIRECT PPO Early Retiree Plan	\$10 PPO	\$15 PPO	\$10 HMO	1525PPO	1525HMO	2030PPO	2030HMO	HD High	HDHP Low	Tiered Network	
<b>In-Network</b>													
Deductible (Single/Family) <sup>1</sup>	\$0	\$0	None	None	None	None	None	None	None	\$4,100/\$8,200	\$1,600/\$3,200	Tier 1: \$0 Tier 2: \$1,500/\$3,000	
Coinsurance OOP Maximum (Single/Family)	\$800/\$2,000	\$800/\$2,000	None	\$400/\$1,000	None	\$400/\$1,000	None	\$800/\$2,000	None	None	None	None	
Total In-Network OOP Maximum (Single/Family) <sup>1</sup>	\$8,099/\$16,198	\$8,099/\$16,198	\$400/\$1,000	\$8,099/\$16,198	\$8,099/\$16,198	\$8,099/\$16,198	\$8,099/\$16,198	\$8,099/\$16,198	\$8,099/\$16,198	\$5,100/\$10,200	\$2,600/\$5,200	Tier 1: \$2,500/\$5,000 Tier 2: \$4,500/\$9,000	
Overall Coinsurance	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	20%	20%	Tier 1: None Tier 2: 20%	
PCP	\$15 copay	\$15 copay	\$10 copay	\$15 copay	\$10 copay	\$15 copay	\$15 copay	\$20 copay	\$20 copay	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$5 copay Tier 2: \$20 copay	
Specialist	\$15 copay	\$15 copay	\$10 copay	\$15 copay	\$10 copay	\$25 copay	\$25 copay	\$30 copay/ \$20 copay (child)	\$30 copay/ \$20 copay (child)	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$15 copay Tier 2: \$30 copay	
Urgent Care	\$15 copay	\$15 copay	\$10 copay	\$15 copay	\$10 copay	\$25 copay	\$25 copay	\$30 copay/ \$20 copay (child)	\$30 copay/ \$20 copay (child)	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$15 copay Tier 2: \$30 copay	
Emergency Room	\$150 copay	\$150 copay	\$75 copay	\$100 copay	\$85 copay	\$100 copay	\$100 copay	\$125 copay	\$125 copay	20% coinsurance after deductible	20% coinsurance after deductible	\$100 copay	
Inpatient Hospital	No charge	No charge	No charge	No charge	No charge	No charge	No charge	No charge	No charge	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$150 copay Tier 2: 20% coinsurance after deductible	
<b>Out-of-Network</b>													
Deductible (Single/Family)	\$400/\$1000	\$400/\$1000	\$100/\$250	\$100/\$250	Not covered	\$100/\$250	Not covered	\$200/\$500	Not covered	Combined with In-Network Deductible	Combined with In-Network Deductible	Not covered	
Total Out-of-Network OOP Maximum (Single/Family)	\$2,000/\$5,000	\$2,000/\$5,000	\$2,000/\$5,000	\$2,000/\$5,000	Not covered	\$2,000/\$5,000	Not covered	\$5,000/\$12,500	Not covered	\$6,000/\$12,000	\$3,500/\$7,000	Not covered	
Overall Coinsurance	30% (175% CMS)	30% (175% CMS)	20%	30%	Not covered	30%	Not covered	30%	Not covered	40%	40%	Not covered	
MH/SA Coinsurance	30% (195% CMS)	30% (195% CMS)	20%	30%	Not Covered	30%	Not Covered	30%	Not Covered	40%	40%	Not covered	
Inpatient Hospital Deductible	\$500/Stay	\$500/Stay	\$200/Stay	\$200/Stay	Not Covered	\$200/Stay	Not Covered	\$500/Stay	Not Covered	None	None	Not covered	
Routine Lab Services	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not covered	Not Covered	Not Covered	Not covered	
<b>Prescription Drug</b>													
OOP Maximum (Single/Family)	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702		\$1,351/\$2,702	
Retail - Generic	\$7	\$7	\$10	\$10	\$6	\$7	\$7	\$3	\$3	Subject to Deductible and Coinsurance	Subject to Deductible and Coinsurance	\$7	
Retail - Preferred Brand	\$16	\$16	\$22	\$22	\$12	\$16	\$16	\$18	\$18			\$16	
Retail - Non-Preferred Brand	\$35	\$35	\$44	\$44	\$24	\$35	\$35	\$46	\$46			\$35	
Retail - Brand w/ Generic available	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference			Member Pays the Difference	Member Pays the Difference
Mail - Generic	\$18	\$18	\$5	\$5	\$5	\$5	\$5	\$5	\$5			\$18	
Mail - Preferred Brand	\$40	\$40	\$28	\$28	\$18	\$40	\$40	\$36	\$36			\$40	
Mail - Non-Preferred Brand	\$88	\$88	\$55	\$55	\$30	\$88	\$88	\$92	\$92			\$88	
Mail - Brand w/ Generic available	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference			Member Pays the Difference	

<sup>1</sup> For all HDHP plans the in-network and out-of-network OOP Maximum and the in-network Deductible for Medical and Prescription Drug are integrated.

<sup>2</sup> On Select Services

The plan options shown above are provided for reference purposes and reflect potential options available to a member. The plan options shown above are not available for all members and can be dependent on multiple factors such as union designation, years of service, etc.

## SHBP Plan Year 2023 Mid-Year Experience Analysis

### Exhibit 4C: Medicare Retiree Plan Year 2024 Options Summary

	State Medicare Advantage <sup>2</sup>				State Medicare Supplement				
	\$10 PPO	\$15 PPO	\$10 HMO	1525HMO	\$10 HMO	1525PPO	1525HMO	2030PPO	2030HMO
<b>In-Network</b>									
Deductible (Single/Family)	None	None	None	None	None	None	None	None	None
Coinsurance OOP Maximum (Single/Family) <sup>1</sup>	None	None	None	None	None	\$400/\$1,000	None	\$800/\$2,000	None
Total In-Network OOP Maximum (Single/Family)	\$400 per person	\$1,000 per person	\$2,500 per person	\$2,500 per person	\$8,099/\$16,198	\$8,099/\$16,198	\$8,099/\$16,198	\$8,099/\$16,198	\$8,099/\$16,198
Overall Coinsurance	None	None	None	None	10% <sup>5</sup>	10% <sup>5</sup>	10% <sup>5</sup>	10% <sup>5</sup>	10% <sup>5</sup>
PCP	\$10 copay	\$15 copay	\$10 copay	\$15 copay	\$10 copay	\$15 copay	\$15 copay	\$20 copay	\$20 copay
Specialist	\$10 copay	\$15 copay	\$10 copay	\$25 copay	\$10 copay	\$25 copay	\$25 copay	\$30 copay / \$20 copay (child)	\$30 copay / \$20 copay (child)
Urgent Care	\$10 copay	\$15 copay	\$10 copay	\$25 copay	\$10 copay	\$25 copay	\$25 copay	\$30 copay / \$20 copay (child)	\$30 copay / \$20 copay (child)
Emergency Room	\$75 copay	\$75 copay	\$75 copay	\$75 copay	\$85 copay	\$100 copay	\$100 copay	\$125 copay	\$125 copay
Inpatient Hospital	No charge	No charge	No charge	No charge	No charge	No charge	No charge	No charge	No charge
<b>Out-of-Network</b>									
Deductible (Single/Family)	None	None	Not Covered	Not Covered	Not covered	\$100/\$250	Not covered	\$200/\$500	Not covered
Coinsurance OOP Maximum (Single/Family) <sup>1</sup>	None	None	Not Covered	Not Covered	Not covered	None	Not covered	None	Not covered
Total Out-of-Network OOP Maximum (Single/Family)	\$400 per person; Combined with IN OOP	\$1,000 per person; Combined with IN OOP	Not Covered	Not Covered	Not covered	\$2,000/\$5,000	Not covered	\$5,000/\$12,500	Not covered
Overall Coinsurance	None	None	Not Covered	Not Covered	Not covered	30%	Not covered	30%	Not covered
<b>Prescription Drug<sup>4</sup></b>									
OOP Maximum (Single/Family)	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702
Retail - Generic	\$10	\$10	\$6	\$7	\$6	\$7	\$7	\$3	\$3
Retail - Preferred Brand	\$22	\$22	\$12	\$16	\$12	\$16	\$16	\$18	\$18
Retail - Non-Preferred Brand	\$44	\$44	\$24	\$35	\$24	\$35	\$35	\$46	\$46
Mail - Generic <sup>3</sup>	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Mail - Preferred Brand <sup>3</sup>	\$28	\$28	\$18	\$40	\$18	\$40	\$40	\$36	\$36
Mail - Non-Preferred Brand <sup>3</sup>	\$55	\$55	\$30	\$88	\$30	\$88	\$88	\$92	\$92

<sup>1</sup> Coinsurance OOP Maximum applies on the applicable Horizon plans for IN outpatient private duty nursing, IN or OON ambulance, DME and some prosthetic and orthotic services

<sup>2</sup> Medicare Advantage plans do not have In-Network and Out-of-Network differentiation. Medicare Advantage plans provide coverage at the same benefit level regardless of network status for visits to any provider that accepts Medicare.

<sup>3</sup> Mail Copay amounts shown above are for 30 day prescriptions. Copays for 90-day prescriptions may differ.

<sup>4</sup> 30-day copays for Specialty Pharmacy in the Employer Group Waiver Plan (EGWP) range from \$1 for generic, \$6-\$13 for preferred brand, and \$10-\$30 for non-preferred brand depending on retiree plan option.

<sup>5</sup> On Select Services

The plan options shown above are provided for reference purposes and reflect potential options available to a member. The plan options shown above are not available for all members and can be dependent on multiple factors such as union designation, years of service, etc.

## About Aon

Aon plc (NYSE: AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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