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School Employees' Health Benefits Program

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 Local Education Active Employees and Retirees by the New Jersey School Employees' Health Benefits Program (SEHBP). The Mid-Year experience of the State Group, Local Government Group, 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 data 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 projected Plan Year 2022 costs mainly through additional run-out claim data. 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 has increased 3.1% from the results 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 approximately 3.5% from the Plan Year 2024 Rate Setting Analysis. The rise in expected total costs is driven by a 4.2% increase in total Active costs and 2.5% increase in total Retiree costs. The Education Active increase includes a 0.7% in membership and a 3.5% increase in projected average costs. The Education Retiree increase includes a 0.6% increase in membership and a 1.9% increase in projected average costs.

Additional detail regarding the gains and losses from the Plan Year 2024 Rate Setting Analysis are included in Sections 2 and 4 of this analysis.

The updated financial results have produced a projected claim stabilization reserve at December 31, 2024 equivalent to 1.0 months of plan costs. This is below the recommended level of 2.0 months of plan costs and is a one month decline from the 2.0 months of total plan costs projected in the Plan Year 2024 Rate Setting Analysis. The claim stabilization reserve as of December 31, 2022 is based on actual balances provided by the Division. The projected reserves as of December 31, 2023 and 2024 are based on the reserve balance as of June 30, 2023 provided by the Division. The claims stabilization reserve as of December 31, 2024 is estimated based off projected gains and losses in the active and retiree plans, which reflect the 0.6% margin included in the final approved 2024 premiums. The CSR balances below are intended to illustrate how the claims stabilization reserve may fluctuate due to gains and losses in the active plans. Actual balances as of December 31, 2024 may differ.

SEHBP Local Education Employer Projected Active Stabilization Reserve
(in \$ millions)

	Reserve Balance
12/31/2022	\$240
12/31/2023	\$191
12/31/2024	\$144
Months of Plan Cost as of 12/31/2024	1.0

Benefit Plans Maintained by the SEHBP

For purposes of this analysis, it is assumed 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. Additionally, Aetna administers the Garden State Health Plan, effective July 1, 2022. Aon has not made any adjustments for recent procurement activity that may impact the plans offered in Plan Year 2024. The State of New Jersey operates the SEHBP as a multiple-option program for participating Local Education Employees and Retirees, with the following medical plan options assumed to be offered in Plan Year 2024:

- Preferred Provider Organization (PPO) plans (with the exception of the Garden State Health Plan) are administered by Horizon. In Plan Year 2024, Horizon will offer three options under their respective PPO plans. All three of these plans are available to Active Employees hired before July 1, 2020: PPO10, PPO15, and the NJEHP plan effective January 1, 2021. Only the NJEHP plan will be available to non-Medicare eligible retirees.
- Beginning July 1, 2022, a new Garden State Health Plan (GSHP) was implemented and administered by Aetna. All Local Education employees hired on or after July 1, 2020 will be enrolled in the NJEHP and will have the option to enroll in the GSHP beginning July 1, 2022.

- 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. HMO plans offer no out-of-network coverage.
- 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. HMO plans offer no out-of-network coverage.
- Active Employees may also be enrolled in a Prescription Drug Plan, which is administered by Optum. Local Education employers may select this plan, sign up for the prescription drug coverage under the medical plan (called MMRx), or purchase prescription drug coverage from an outside vendor. If an employer selects SEHBP prescription drug coverage, the prescription drug benefit option is linked to the medical plan selection. SEHBP Retirees also have Prescription Drug Plan options which are linked to the 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

Chapter 44: Approved through the SEHBP Plan Design Committee on July 10, 2020 and as enacted in P.L.2020, c.44 ("Chapter 44"), the State of New Jersey approved legislation that requires the SEHBP to offer to Local Education Actives three plans and Early Retirees only one plan, effective January 1, 2021, for medical and prescription benefits coverage which include the PPO10, PPO15, and New Jersey Educators Health Plan (NJEHP). In addition to the three plans offered on January 1, 2021, Chapter 44 requires an additional plan be offered to Actives and Early Retirees beginning July 1, 2021 (later extended to July 1, 2022) called the Garden State Health Plan. This law requires the elimination of all other benefit plans available to SEHBP Active and Early Retiree members. There is no impact to Medicare Retirees associated with this legislation.

Additional Plan Design Changes that have been made and are assumed to continue to be in effect for Plan Year 2024 are as follows:

- 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.
- New 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. 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 is assumed to 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 is assumed to 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, the report assumes all self-Insured medical plan options are administered by Horizon, and all fully insured Medicare Advantage plans are administered by Aetna. Additionally, Aetna administers the GSHP, first offered on July 1, 2022. 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

In-Network Out-of-Pocket Maximum: Effective 1/1/2023, 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. Aon did not include any specific additional administrative load for the Local Education Plans with private Rx cards, who may want to integrate the administration of their

medical and prescription drug out-of-pocket limits. This will not affect any plan designs available to Local Education Actives and Early Retirees due to the implementation of Chapter 44

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 SEHBP due to the SEHBP's 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 SEHBP 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

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

NJ COVID-19 Emergency Guidance: During the COVID-19 pandemic, the SEHBP is subject to emergency guidance eliminating member cost sharing on COVID-19 testing as well as telemedicine services.

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

Enrollment Changes

Exhibit 1A shows historical enrollment patterns among the SEHBP 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 2024 open enrollment results provided by the Division. Based on 2024 open enrollment, Local Education Active enrollment will increase by 0.8% in Plan Year 2024. Early Retiree enrollment is projected to decrease 2.5% in Plan Year 2024; and Medicare Retiree enrollment is projected to increase 0.9% in Plan Year 2024.

Exhibit 1B shows the projected distribution of enrollment among benefit options in Plan Year 2024. Approximately 58% of Local Education Actives are enrolled in the NJEHP and GSHP and 42% are to remain in the PPO10 and PPO15. Approximately 11% of Local Education Retirees are enrolled in the NJEHP plan, while 70% of the Local Education Retiree population is assumed to be enrolled in either the PPO10 or 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 experience data, expectations of future trends, Aon 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%

* Does not include anti-selection trend adjustments outlined below.

** 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 SEHBP experience adjusted for expected future changes:

- PPO Actives: The recommended PPO medical trend for Actives is 6.5%, no change from the Plan Year 2024 Rate Setting Analysis.
- PPO Early Retirees: The recommended PPO medical trend for Early Retirees is 6.5%, no change from the Plan Year 2024 Rate Setting Analysis.
- Self-Insured Medicare Retirees (PPOs and HMOs): The self-insured Medicare Retiree medical trend is recommended to be 5.5% in Plan Year 2024, unchanged 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 Actives, 13.50% for 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 Actives, 10.50% for 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.

Additional Trend Adjustments: Based on expected entrants and terminations of Local Education Active Employers from the SEHBP, the Active medical and prescription drug trends have been increased by 100 basis points for Plan Year 2023 and 75 basis points for Plan Year 2024. This adjustment reflects anti-selection risk (employers with good experience are terminating or those with poor experience are entering which will affect the SEHBP's overall loss ratio). This anti-selection adjustment is not applicable for the fully-insured Medicare Advantage premiums.

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.

Aetna Monthly Per Member Medicare Advantage Premium Rates

Local Education	Aetna Medicare Advantage Rates		
	2023	2024	\$ Change
PPO 10	\$ 114.44	\$ 110.16	\$ (4.28)
PPO 15	\$ 94.72	\$ 90.44	\$ (4.28)
HMO 10	\$ 141.96	\$ 137.68	\$ (4.28)
HMO 1525	\$ 106.53	\$ 102.25	\$ (4.28)

Section 4: Financial Projections

Aggregate Financial Projections

Using the key assumptions shown in Section 3 and the methodology described in Section 5 (Cost Projection Methodology), the updated estimated costs for Plan Years 2022, 2023 and 2024 are shown below. These updated projections assume that premiums are fully funded for all years:

SEHBP Projected Financial Results
(in \$ millions)

	NJEHP / GSHP	PPO 10	PPO 15	Legacy HMOs	Other Plans	Total
Plan Year 2022						
Premium Rates x Enrollment	\$831.9	\$921.3	\$288.7	\$28.3	\$124.1	\$2,194.3
Incurred Claims	\$824.3	\$1,064.2	\$344.3	\$28.1	\$120.6	\$2,381.5
Administrative Charges	\$25.5	\$28.2	\$8.6	\$1.0	\$10.0	\$73.3
Net Gain (Loss)	(\$17.9)	(\$171.1)	(\$64.2)	(\$0.8)	(\$6.5)	(\$260.5)
Plan Year 2023						
Premium Rates x Enrollment	\$1,137.2	\$964.0	\$276.0	\$26.7	\$131.5	\$2,535.4
Incurred Claims	\$1,017.3	\$1,045.9	\$293.7	\$26.9	\$132.9	\$2,516.7
Administrative Charges	\$29.1	\$27.0	\$6.9	\$0.9	\$9.0	\$72.9
Net Gain (Loss)	\$90.8	(\$108.9)	(\$24.6)	(\$1.1)	(\$10.4)	(\$54.2)
Plan Year 2024						
Premium Rates x Enrollment	\$1,233.6	\$1,015.0	\$276.8	\$27.7	\$142.5	\$2,695.6
Incurred Claims	\$1,166.2	\$1,072.9	\$288.9	\$27.1	\$142.8	\$2,697.9
Administrative Charges	\$29.3	\$23.8	\$5.8	\$0.8	\$8.8	\$68.5
Net Gain (Loss)	\$38.1	(\$81.7)	(\$17.9)	(\$0.2)	(\$9.1)	(\$70.8)

Notes:

- Other Plans include the 15/25 PPO, 15/25 HMO, 20/30 PPO, and 20/30 HMO options
- Plan Year 2024 active premium rates include margin of 0.6%
- Incurred claims includes medical claims, Rx Claims, MA premiums, capitation, and rebates
- Totals may not add due to rounding.

Updated Plan Year 2022 cost decreased by \$2.6 million from the Plan Year 2024 Rate Setting Analysis. Plan Year 2023 cost has increased approximately \$77.8 million from the projected cost shown in the 2024 Rate Setting Analysis.

The Plan Year 2024 Active and Retiree total premiums are projected to increase by 0.5% with updated enrollment projections from those shown in the Plan Year 2024 Rate Setting Analysis while total plan costs reflecting updated claims experience are projected to be 3.5% higher. The combined overall projected net loss for Plan Year 2024 is \$70.8 million. The Plan Year 2024 Rate Setting Analysis showed a combined overall projected net gain of \$9.7 million, reflecting the 0.6% margin added to address the below-target Claims Stabilization Reserve balance.

The updated financial results have produced a total projected claim stabilization reserve at December 31, 2024 equal to 1.0 months of plan costs, below the recommended 2.0 months.

The Plan Year 2024 Rate Setting Analysis showed a projected claims stabilization reserve balance at December 31, 2024 equivalent to 2.0 months of plan costs.

More detailed aggregate projections are provided in Exhibit 3.

Financial Gain /(Loss)

Plan Year 2022

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

Plan Year 2023

Actives:

Projected active costs increased 1.6% from the Plan Year 2024 Rate Setting Analysis. This increase in plan cost is primarily a result of the following:

- Total active cost increased 1.0% due to updated medical claims experience through September 2023.
 - Aggregate medical claims increased 1.2% compared to the Plan Year 2024 Rate Setting Analysis, driven by a 1.9% increase in projected PMPM medical claims.
 - Horizon reporting with rolling 12-month incurred claims through September 2023 shows the medical claims trend is driven by a 12% increase in the average outpatient service PMPM cost, primarily due to increased outpatient surgery and ambulatory outpatient services.
 - Professional and inpatient facility PMPM trends increased 2% and 1%, respectively.
- Total active cost increased 1.8% due to updated prescription drug claims experience through September 2023.
 - Aggregate prescription drug claims are 10.7% higher compared to the Plan Year 2024 Rate Setting Analysis. This increase is driven by a 11.5% increase in the prescription drug claims PMPM.
 - Optum YTD September 2023 reporting shows an overall trend of 19% with drug mix contributing a 10% increase. Utilization and cost trend are 3% and 5% respectively, higher than Optum's benchmark of -3% and 2%.
 - Optum reporting shows a 23% PMPM trend in Inflammatory Conditions, a 30% PMPM trend in Diabetes, and a 190% PMPM trend in weight loss.
- Based on updated information provided by Optum, an increase in expected prescription drug rebates is projected to reduce total active cost by 1.2%.

Retirees:

Retiree cost is projected to increase 5.3% from the Plan Year 2024 Rate Setting Analysis.

- Updated medical claims experience resulted in a 2.4% increase in total retiree cost.
 - Aggregate medical claims experience is 4.5% higher compared to the Plan Year 2024 Rate Setting analysis. This is a result of a 3.5% increase in the projected PMPM medical and MA premium costs and a 0.9% increase in average medical membership.
 - Horizon reporting with rolling 12-month incurred claims through September 2023 shows SEHBP Early Retiree claims trend is driven by a 10% increase in cost due to outpatient services, and a 6% increase in cost on professional services.
 - Inpatient visits have decreased 16%, offset by cost per inpatient visit increasing 19%.
- Updated retiree prescription drug experience increased total retiree plan costs by approximately 5.9%.
 - Aggregate projected prescription drug claims increased 5.5% compared to the Plan Year 2024 Rate Setting analysis. This is driven by a 4.6% increase in the projected PMPM prescription drug claims and a 0.9% increase in prescription drug membership.
 - Optum Early Retiree reporting shows overall PMPM trend of 12%, with cost contributing 4%, higher than Optum's benchmark of 2%.
 - YTD September 2023 Early Retiree reporting from Optum shows an 18% PMPM trend in inflammatory conditions, a 21% PMPM trend in diabetes, a 19% PMPM trend in oncology, and a 154% PMPM trend in weight loss.
- Based on updated information provided by Optum, prescription drug rebates are higher than expected, resulting in a 2.9% decrease in projected retiree costs.
- There is a 0.1% decrease in total retiree cost due to updated administrative fees, investment income, overhead, and education surcharge.

Plan Year 2024

Actives:

For Plan Year 2024, active medical and prescription drug costs are projected to increase 4.2% compared to the results shown in the Plan Year 2024 Rate Setting Analysis.

- Updated enrollment is increasing projected total active cost 1.5% partially due to a greater portion of enrollment in the higher cost PPO10 and PPO15 plans than expected.

- Total active cost is expected to increase 3.9% due to updated medical and prescription drug claims experience.
- Based on updated reporting from Optum, active prescription drug rebates are projected to increase, resulting in a 1.3% decrease in total active cost.
- The Plan Year 2024 Rate Setting Analysis reflected a prescription drug trend of 9.75%. The updated analysis reflects a prescription drug trend of 11.25%. This update is expected to result in a 0.2% increase to total projected active costs.
- The State terminated a number of Third-Party Vendor Solutions in 2024, resulting in a 0.1% decrease in total active costs as a result of reduced administrative fees.

Retirees:

For retirees, there is approximately a 2.5% increase in total retiree costs from what was projected in the Plan Year 2024 Rate Setting Analysis.

- Total retiree costs are projected to increase 7.5% due to updated medical and prescription drug experience (6.6%) and updated enrollment (0.9%).
- Based on updated information provided by Optum, increases in expected prescription drug rebates and EGWP credits is projected to result in a 6.2% reduction in total retiree costs.
- 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. Prescription drug trend assumptions are higher compared to the 2024 Rate Setting Analysis, resulting in an increase to projected total retiree costs of 1.5%.
- The State terminated a number of Third-Party Vendor Solutions in 2024, resulting in a 0.3% decrease in total retiree costs as a result of reduced administrative fees.

Self-Insured Vendor Administrative Fees and Claim Charges

The sections below show 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
Actives and Early Retirees		
Part 1 Services	\$24.59	N/A
Part 2 Services	\$4.46	N/A
Medical Management	\$1.22	N/A
Disease Management	\$0.44	N/A
HSA Banking Fee (Per Account Per Month)	N/A	N/A
NJWELL*	\$20.95	N/A
Medicare Retirees		
Part 1 Services	\$25.25	\$25.25
Part 2 Services	\$3.76	\$3.76

* 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

Garden State Health Plan: Administrative fees charged by Aetna for the Garden State Health Plan for Plan Year 2024 are \$34.95 PEPM for Active and Early Retirees.

Aon
Health Solutions

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 and HMO plan and vendor. Costs were projected separately for Active Employees, early Retirees, and Medicare Retirees; and 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, Aetna, 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 to arrive at projected 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.
 - a. The Projected Plan Year 2024 Education Active PPO10, PPO15, and NJEHP costs were adjusted for the change in plan distribution between Plan Year 2023 and Plan Year 2024. The change in enrollment distribution is assumed to be representative of the migration from the PPO10 and PPO15 plan options to the NJEHP option in Plan Year 2024. No additional migration is assumed in this analysis. The projected Plan Year 2024 PPO10 and PPO15 costs reflect a 1% selection adjustment to account for higher average costs of those remaining in the plan compared to the pre-migration average cost.
 - b. Due to small enrollment and claims data, projected Plan Year 2024 plan costs do not include GSHP experience. The Projected Plan Year 2024 GSHP cost is based on the projected NJEHP 2024 cost adjusted for the relative difference in plan design and network value.

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 actual and expected CMS per capita payments were provided by Optum. The Plan Year 2024 CMS per capita payment is assumed to be a reduction of \$19.07 Per Member Per Month (PMPM).
 - b. Coverage Gap Discount: Plan Years 2022, 2023, and 2024 actual and expected coverage gap payments were provided by Optum. The Plan Year 2024 credits are assumed to be \$97.24 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 \$123.74 PMPM.
 - d. Low Income Cost Sharing (LICS): 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 \$0.93 PMPM.
10. The Plan Year 2024 projected Education Surcharge is approximately \$41.7 million, and this is used as a credit against projected Early Retiree costs.

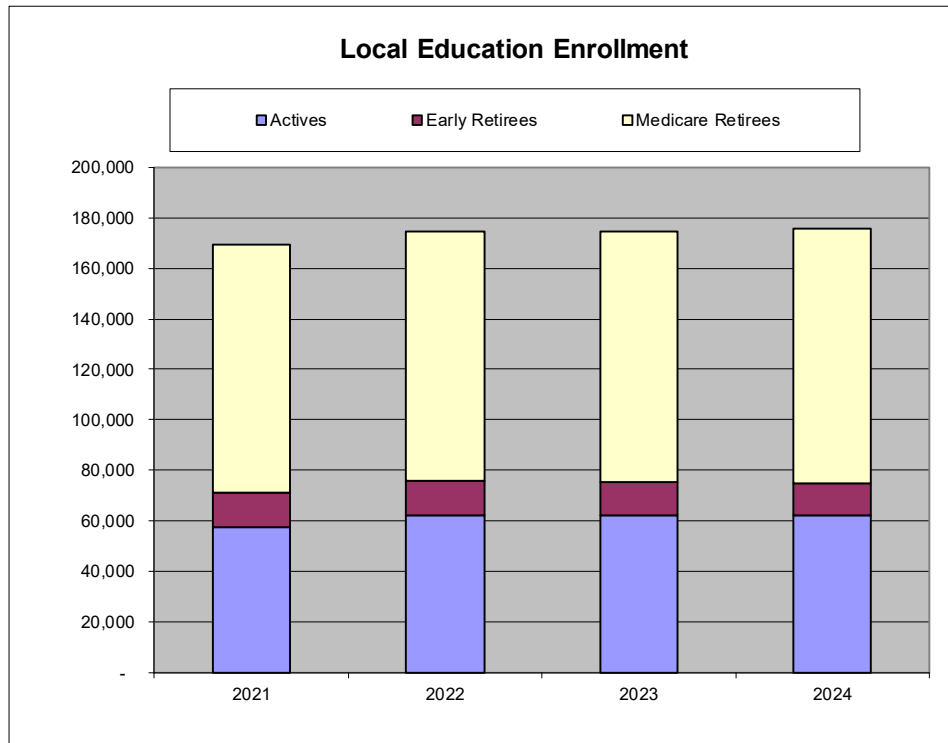
11. Total SEHBP projected Plan Year 2024 claim costs are the sum of projected medical and prescription drug claims, capitation charges, payments from CMS related to EGWP Plus Wrap, and prescription drug rebates.
12. Base administrative fees per subscriber per month or per member per month are multiplied by the projected average enrollment for the applicable projection Plan Year. Plan Year 2024 administrative fees per employee per month and per member per month were provided by Horizon, Aetna, and Optum.
13. Overhead charges, which are internal State of New Jersey administrative costs charged against the plans, are projected at \$11.3 million for Plan Year 2024.
14. Other fees and claim charges reported by the vendors have been reflected in the projections.
15. Projected investment income of \$8.6 million was used to reduce projected administrative costs for Plan Year 2024.
16. Based on participation in NJWELL, employers are eligible for a 1% discount on their premium rates in the following plan year. Plan Year 2022 participation showed 3 Local Education employers (a total of 166 Employees) were eligible for this discount. The Plan Year 2023 costs have been adjusted to reflect the total number of Employees who will receive the 1% premium discount in Plan Year 2023. 0.5% of employers are expected to be eligible for this discount in Plan Year 2024.

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.

Section 6: Exhibits

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

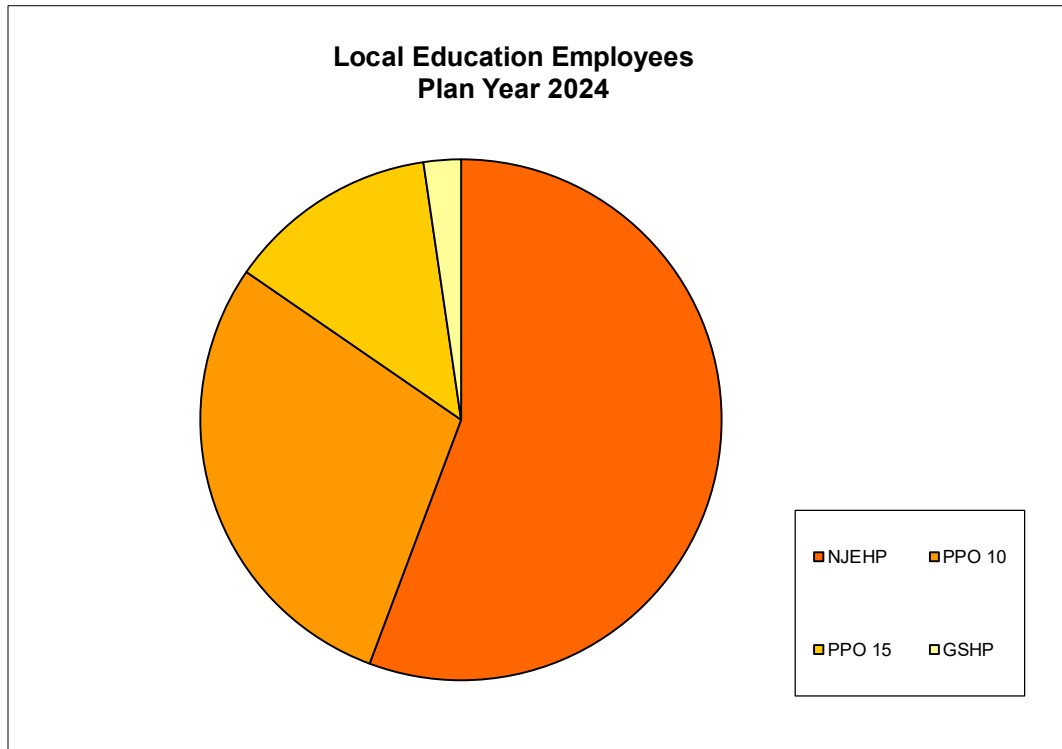


Annual Change in Enrollment

	<u>Actual</u> <u>2021 to 2022</u>	<u>Actual</u> <u>2022 to 2023</u>	<u>Actual*</u> <u>2023 to 2024</u>
Actives	8.3%	(1.5%)	0.8%
Early Retirees	(1.8%)	0.0%	(2.5%)
Medicare Retirees	1.1%	0.9%	0.9%

*Actual 2024 enrollment for Active Employees and Retirees is based on open enrollment results

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



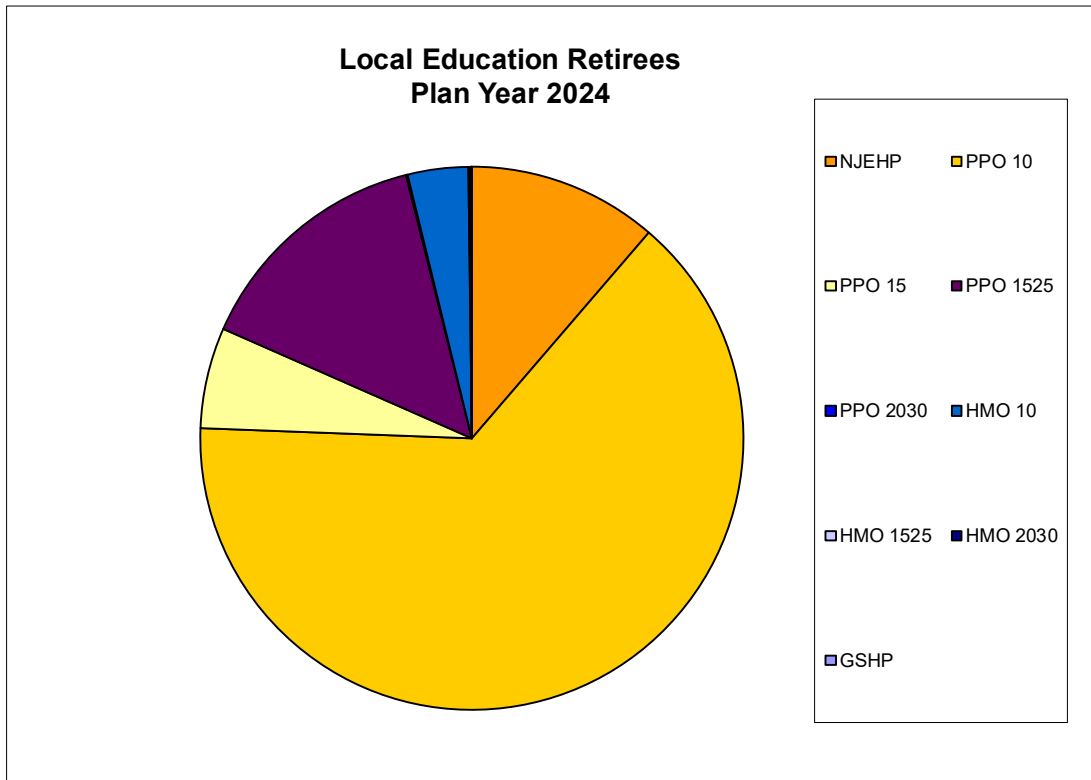
Assumes approximately 56% of Employees enroll in the NJEHP and 2% enroll in the Garden State Health Plan.

Assumes approximately 29% of Employees will remain in the \$10 copay plan.

Actives	Aetna	Horizon	Total
NJEHP	0.0%	55.7%	55.7%
PPO 10	0.0%	28.9%	28.9%
PPO 15	0.0%	13.1%	13.1%
GSHP	2.3%	0.0%	2.3%
Total	2.3%	97.7%	100.0%

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

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



Assumes approximately 68% of Retirees will remain in the \$10 copay plans.

Assumes approximately 11% of Retirees enroll in the NJEHP and less than 1% of Retirees enroll in the Garden State Health Plan.

Assumes approximately 74% of Retirees will enroll in the PPO 10, PPO 15, and HMO 10 plans.

Retirees	Horizon	Aetna	Total
NJEHP	11.3%	0.0%	11.3%
PPO 10	0.0%	64.3%	64.3%
PPO 15	0.0%	6.0%	6.0%
PPO 1525	14.5%	0.0%	14.5%
PPO 2030	0.1%	0.0%	0.1%
HMO 10	0.2%	3.4%	3.6%
HMO 1525	0.1%	0.0%	0.1%
HMO 2030	0.0%	0.0%	0.0%
GSHP	0.0%	0.1%	0.1%
Total	26.2%	73.8%	100.0%

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

SEHBP 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
Medical Plans	EDUCATION - ACTIVE & COBRA				
NJEHP	12,934	4,047	13,626	3,897	34,504
NJ DIRECT10	5,155	3,387	7,429	1,884	17,855
NJ DIRECT15	2,420	1,462	3,455	774	8,111
GSHP	862	123	289	140	1,414
Total	21,371	9,019	24,799	6,695	61,884

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

**SEHBP 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
EDUCATION RETIREES					
Medical Plans					
NJEHP	3,999	4,974	3,065	832	12,870
NJ DIRECT1525	9,501	6,660	236	123	16,520
NJ DIRECT2030	86	45	3	2	136
Horizon Legacy HMO (10)	104	65	6	2	177
Horizon 1525 HMO	49	30	1	1	81
Horizon 2030 HMO	6	5	0	0	11
Horizon Total	13,745	11,779	3,311	960	29,795
MA PPO 10	41,250	29,928	1,321	626	73,125
MA PPO 15	4,222	2,448	87	53	6,810
MA HMO (10)	2,419	1,405	38	30	3,892
MA 1525 HMO	35	7	0	1	43
GSHP	71	49	35	15	170
Aetna Total	47,997	33,837	1,481	725	84,040
Total	61,742	45,616	4,792	1,685	113,835

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

SEHBP Plan Year 2023 Mid-Year Analysis
Exhibit 2A – Medical 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
<u>PPO Active</u>			
12 Months through 09/2022 vs 09/2021	3.3%	(0.8%)	4.1%
12 Months through 09/2023 vs 09/2022	6.3%	0.0%	6.3%
<u>PPO Early Retiree</u>			
12 Months through 09/2022 vs 09/2021	(1.9%)	(1.0%)	(0.9%)
12 Months through 09/2023 vs 09/2022	7.9%	0.0%	7.9%

Normalizing Adjustments

1/1/2021: EviCore

1/1/2021: HMS

SEHBP Plan Year 2023 Mid-Year 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
Active Rx			
12 Months through 09/2022 vs 09/2021	11.9%	0.0%	11.9%
12 Months through 09/2023 vs 09/2022	17.2%	0.0%	17.2%
Early Retiree Rx			
12 Months through 09/2022 vs 09/2021	11.0%	0.0%	11.0%
12 Months through 09/2023 vs 09/2022	13.7%	0.0%	13.7%
EGWP Retiree Rx			
12 Months through 09/2022 vs 09/2021	8.6%	0.0%	8.6%
12 Months through 09/2023 vs 09/2022	13.1%	0.0%	13.1%

Normalizing Adjustments:

None

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

	Legacy Plans							
	Total	NJEHP	GSHP	Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO
Employees and Retirees								
Average Medical Members	328,113	98,850	508	100,559	9,475	58,460	31,417	5,687
Incurred Medical Claims	\$1,760,605,000	\$708,901,000	\$2,014,000	\$160,950,000	\$12,923,000	\$548,440,000	\$261,411,000	\$10,980,000
Capitation	\$52,352,000	\$27,190,000	\$0	\$0	\$0	\$16,171,000	\$8,629,000	\$0
Incurred Prescription Drug Claims	\$1,245,480,000	\$183,068,000	\$414,000	\$645,211,000	\$60,240,000	\$108,326,000	\$54,766,000	\$38,333,000
Prescription Drug Rebates	(\$339,853,000)	(\$61,362,000)	(\$138,000)	(\$161,000,000)	(\$15,032,000)	(\$35,899,000)	(\$18,149,000)	(\$9,565,000)
EGWP Credits	(\$301,194,000)	\$0	\$0	(\$218,089,000)	(\$20,549,000)	\$0	\$0	(\$12,333,000)
Education Surcharge	(\$35,881,000)	(\$35,811,000)	(\$70,000)	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$73,286,000	\$25,323,000	\$176,000	\$15,241,000	\$1,472,000	\$12,965,000	\$7,112,000	\$868,000
Total Cost	\$2,454,795,000	\$847,309,000	\$2,396,000	\$442,313,000	\$39,054,000	\$650,003,000	\$313,769,000	\$28,283,000
Total Premium	\$2,194,258,000	\$827,819,000	\$4,034,000	\$435,614,000	\$38,803,000	\$485,649,000	\$249,867,000	\$26,723,000
Gain (Loss)	(\$260,537,000)	(\$19,490,000)	\$1,638,000	(\$6,699,000)	(\$251,000)	(\$164,354,000)	(\$63,902,000)	(\$1,560,000)
Employees								
Average Medical Members	156,661	66,340	444	N/A	N/A	58,460	31,417	N/A
Incurred Medical Claims	\$1,216,584,000	\$405,144,000	\$1,589,000	N/A	N/A	\$548,440,000	\$261,411,000	N/A
Capitation	\$43,004,000	\$18,204,000	\$0	N/A	N/A	\$16,171,000	\$8,629,000	N/A
Incurred Prescription Drug Claims	\$232,990,000	\$69,644,000	\$254,000	N/A	N/A	\$108,326,000	\$54,766,000	N/A
Prescription Drug Rebates	(\$77,212,000)	(\$23,080,000)	(\$84,000)	N/A	N/A	(\$35,899,000)	(\$18,149,000)	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$37,421,000	\$17,197,000	\$147,000	N/A	N/A	\$12,965,000	\$7,112,000	N/A
Total Cost	\$1,452,787,000	\$487,109,000	\$1,906,000	N/A	N/A	\$650,003,000	\$313,769,000	N/A
Total Premium	\$1,232,020,000	\$493,066,000	\$3,438,000	N/A	N/A	\$485,649,000	\$249,867,000	N/A
Gain (Loss)	(\$220,767,000)	\$5,957,000	\$1,532,000	N/A	N/A	(\$164,354,000)	(\$63,902,000)	N/A
Early Retirees								
Average Medical Members	32,574	32,510	64	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$304,182,000	\$303,757,000	\$425,000	N/A	N/A	N/A	N/A	N/A
Capitation	\$8,986,000	\$8,986,000	\$0	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$113,584,000	\$113,424,000	\$160,000	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$38,336,000)	(\$38,282,000)	(\$54,000)	N/A	N/A	N/A	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	(\$35,881,000)	(\$35,811,000)	(\$70,000)	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$8,155,000	\$8,126,000	\$29,000	N/A	N/A	N/A	N/A	N/A
Total Cost	\$360,690,000	\$360,200,000	\$490,000	N/A	N/A	N/A	N/A	N/A
Total Premium	\$335,349,000	\$334,753,000	\$596,000	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	(\$25,341,000)	(\$25,447,000)	\$106,000	N/A	N/A	N/A	N/A	N/A
Medicare Retirees								
Average Medical Members	138,878	N/A	N/A	100,559	9,475	N/A	N/A	5,687
Incurred Medical Claims	\$239,839,000	N/A	N/A	\$160,950,000	\$12,923,000	N/A	N/A	\$10,980,000
Capitation	\$362,000	N/A	N/A	\$0	\$0	N/A	N/A	\$0
Incurred Prescription Drug Claims	\$898,906,000	N/A	N/A	\$645,211,000	\$60,240,000	N/A	N/A	\$38,333,000
Prescription Drug Rebates	(\$224,305,000)	N/A	N/A	(\$161,000,000)	(\$15,032,000)	N/A	N/A	(\$9,565,000)
EGWP Credits	(\$301,194,000)	N/A	N/A	(\$218,089,000)	(\$20,549,000)	N/A	N/A	(\$12,333,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$27,710,000	N/A	N/A	\$15,241,000	\$1,472,000	N/A	N/A	\$868,000
Total Cost	\$641,318,000	N/A	N/A	\$442,313,000	\$39,054,000	N/A	N/A	\$28,283,000
Total Premium	\$626,889,000	N/A	N/A	\$435,614,000	\$38,803,000	N/A	N/A	\$26,723,000
Gain (Loss)	(\$14,429,000)	N/A	N/A	(\$6,699,000)	(\$251,000)	N/A	N/A	(\$1,560,000)

Some plans may show \$0 in certain cost categories. These plans may have costs which are under \$500 and are rounded to \$0. The Incurred Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

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

	1525			2030	
	NJ DIRECT	Aetna HMO	Horizon HMO	NJ DIRECT	Horizon HMO
Employees and Retirees					
Average Medical Members	22,625	44	86	152	10
Incurred Medical Claims	\$53,807,000	\$66,000	\$259,000	\$315,000	\$28,000
Capitation	\$343,000	\$0	\$2,000	\$2,000	\$1,000
Incurred Prescription Drug Claims	\$152,753,000	\$298,000	\$485,000	\$642,000	\$48,000
Prescription Drug Rebates	(\$38,117,000)	(\$74,000)	(\$121,000)	(\$160,000)	(\$12,000)
EGWP Credits	(\$49,069,000)	(\$95,000)	(\$186,000)	(\$330,000)	(\$22,000)
Education Surcharge	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$9,920,000	\$7,000	\$33,000	\$71,000	\$4,000
Total Cost	\$129,637,000	\$202,000	\$472,000	\$540,000	\$47,000
Total Premium	\$122,666,000	\$188,000	\$492,000	\$803,000	\$58,000
Gain (Loss)	(\$6,971,000)	(\$14,000)	\$20,000	\$263,000	\$11,000
Employees					
Average Medical Members	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	N/A	N/A	N/A	N/A	N/A
Capitation	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	N/A	N/A	N/A	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	N/A	N/A	N/A	N/A	N/A
Total Cost	N/A	N/A	N/A	N/A	N/A
Total Premium	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	N/A	N/A	N/A	N/A	N/A
Early Retirees					
Average Medical Members	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	N/A	N/A	N/A	N/A	N/A
Capitation	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	N/A	N/A	N/A	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	N/A	N/A	N/A	N/A	N/A
Total Cost	N/A	N/A	N/A	N/A	N/A
Total Premium	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	N/A	N/A	N/A	N/A	N/A
Medicare Retirees					
Average Medical Members	22,625	44	86	152	10
Incurred Medical Claims	\$53,807,000	\$66,000	\$259,000	\$315,000	\$28,000
Capitation	\$343,000	\$0	\$2,000	\$2,000	\$1,000
Incurred Prescription Drug Claims	\$152,753,000	\$298,000	\$485,000	\$642,000	\$48,000
Prescription Drug Rebates	(\$38,117,000)	(\$74,000)	(\$121,000)	(\$160,000)	(\$12,000)
EGWP Credits	(\$49,069,000)	(\$95,000)	(\$186,000)	(\$330,000)	(\$22,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$9,920,000	\$7,000	\$33,000	\$71,000	\$4,000
Total Cost	\$129,637,000	\$202,000	\$472,000	\$540,000	\$47,000
Total Premium	\$122,666,000	\$188,000	\$492,000	\$803,000	\$58,000
Gain (Loss)	(\$6,971,000)	(\$14,000)	\$20,000	\$263,000	\$11,000

Some plans may show \$0 in certain cost categories. These plans may have costs which are under \$500 and are rounded to \$0. The Incurred Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

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

	NJEHP		GSHP		Legacy Plans				
	Total	Horizon PPO	Aetna PPO	Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO
Employees and Retirees									
Average Medical Members	327,814	111,342	2,110	102,163	9,321	50,252	23,771	5,394	241
Incurred Medical Claims	\$1,838,670,000	\$863,257,000	\$13,352,000	\$140,298,000	\$10,595,000	\$519,589,000	\$220,212,000	\$9,188,000	\$607,000
Capitation	\$52,644,000	\$31,234,000	\$0	\$0	\$0	\$14,141,000	\$6,907,000	\$0	\$9,000
Incurred Prescription Drug Claims	\$1,438,192,000	\$238,424,000	\$2,415,000	\$745,688,000	\$65,851,000	\$120,345,000	\$49,431,000	\$40,963,000	\$960,000
Prescription Drug Rebates	(\$425,441,000)	(\$92,014,000)	(\$932,000)	(\$193,707,000)	(\$17,106,000)	(\$46,474,000)	(\$19,089,000)	(\$10,641,000)	(\$249,000)
EGWP Credits	(\$348,897,000)	N/A	N/A	(\$253,989,000)	(\$23,174,000)	N/A	N/A	(\$13,409,000)	(\$600,000)
Education Surcharge	(\$38,351,000)	(\$38,049,000)	(\$302,000)	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$72,850,000	\$28,307,000	\$766,000	\$15,766,000	\$1,476,000	\$11,252,000	\$5,443,000	\$841,000	\$85,000
Total Cost	\$2,589,667,000	\$1,031,159,000	\$15,299,000	\$454,056,000	\$37,642,000	\$618,853,000	\$262,904,000	\$26,942,000	\$812,000
Total Premium	\$2,535,427,000	\$1,120,246,000	\$16,993,000	\$436,467,000	\$37,617,000	\$527,574,000	\$238,357,000	\$25,036,000	\$1,619,000
Gain (Loss)	(\$54,240,000)	\$89,087,000	\$1,694,000	(\$17,589,000)	(\$25,000)	(\$91,279,000)	(\$24,547,000)	(\$1,906,000)	\$807,000
Employees									
Average Medical Members	154,661	78,787	1,851	N/A	N/A	50,252	23,771	N/A	N/A
Incurred Medical Claims	\$1,281,282,000	\$531,319,000	\$10,162,000	N/A	N/A	\$519,589,000	\$220,212,000	N/A	N/A
Capitation	\$43,037,000	\$21,989,000	\$0	N/A	N/A	\$14,141,000	\$6,907,000	N/A	N/A
Incurred Prescription Drug Claims	\$281,778,000	\$110,641,000	\$1,361,000	N/A	N/A	\$120,345,000	\$49,431,000	N/A	N/A
Prescription Drug Rebates	(\$108,816,000)	(\$42,727,000)	(\$526,000)	N/A	N/A	(\$46,474,000)	(\$19,089,000)	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$37,528,000	\$20,197,000	\$636,000	N/A	N/A	\$11,252,000	\$5,443,000	N/A	N/A
Total Cost	\$1,534,809,000	\$641,419,000	\$11,633,000	N/A	N/A	\$618,853,000	\$262,904,000	N/A	N/A
Total Premium	\$1,511,411,000	\$730,993,000	\$14,487,000	N/A	N/A	\$527,574,000	\$238,357,000	N/A	N/A
Gain (Loss)	(\$23,398,000)	\$89,574,000	\$2,854,000	N/A	N/A	(\$91,279,000)	(\$24,547,000)	N/A	N/A
Early Retirees									
Average Medical Members	32,814	32,555	259	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$335,128,000	\$331,938,000	\$3,190,000	N/A	N/A	N/A	N/A	N/A	N/A
Capitation	\$9,245,000	\$9,245,000	\$0	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$128,837,000	\$127,783,000	\$1,054,000	N/A	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$49,693,000)	(\$49,287,000)	(\$406,000)	N/A	N/A	N/A	N/A	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	(\$38,351,000)	(\$38,049,000)	(\$302,000)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$8,240,000	\$8,110,000	\$130,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Cost	\$393,406,000	\$389,740,000	\$3,666,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Premium	\$391,759,000	\$389,253,000	\$2,506,000	N/A	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	(\$1,647,000)	(\$487,000)	(\$1,160,000)	N/A	N/A	N/A	N/A	N/A	N/A
Medicare Retirees									
Average Medical Members	140,339	N/A	N/A	102,163	9,321	N/A	N/A	5,394	241
Incurred Medical Claims	\$222,260,000	N/A	N/A	\$140,298,000	\$10,595,000	N/A	N/A	\$9,188,000	\$607,000
Capitation	\$362,000	N/A	N/A	\$0	\$0	N/A	N/A	\$0	\$9,000
Incurred Prescription Drug Claims	\$1,027,577,000	N/A	N/A	\$745,688,000	\$65,851,000	N/A	N/A	\$40,963,000	\$960,000
Prescription Drug Rebates	(\$266,932,000)	N/A	N/A	(\$193,707,000)	(\$17,106,000)	N/A	N/A	(\$10,641,000)	(\$249,000)
EGWP Credits	(\$348,897,000)	N/A	N/A	(\$253,989,000)	(\$23,174,000)	N/A	N/A	(\$13,409,000)	(\$600,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$27,082,000	N/A	N/A	\$15,766,000	\$1,476,000	N/A	N/A	\$841,000	\$85,000
Total Cost	\$661,452,000	N/A	N/A	\$454,056,000	\$37,642,000	N/A	N/A	\$26,942,000	\$812,000
Total Premium	\$632,257,000	N/A	N/A	\$436,467,000	\$37,617,000	N/A	N/A	\$25,036,000	\$1,619,000
Gain (Loss)	(\$29,195,000)	N/A	N/A	(\$17,589,000)	(\$25,000)	N/A	N/A	(\$1,906,000)	\$807,000

Some plans may show \$0 in certain cost categories. These plans may have costs which are under \$500 and are rounded to \$0. The Incurred Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

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

	1525			2030	
	NJ DIRECT	Aetna HMO	Horizon HMO	NJ DIRECT	Horizon HMO
Employees and Retirees					
Average Medical Members	22,901	45	98	163	13
Incurred Medical Claims	\$60,903,000	\$58,000	\$266,000	\$332,000	\$13,000
Capitation	\$348,000	\$0	\$3,000	\$2,000	\$0
Incurred Prescription Drug Claims	\$171,847,000	\$377,000	\$676,000	\$1,170,000	\$45,000
Prescription Drug Rebates	(\$44,640,000)	(\$98,000)	(\$175,000)	(\$304,000)	(\$12,000)
EGWP Credits	(\$56,934,000)	(\$112,000)	(\$244,000)	(\$404,000)	(\$31,000)
Education Surcharge	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$8,799,000	\$8,000	\$35,000	\$68,000	\$4,000
Total Cost	\$140,323,000	\$233,000	\$561,000	\$864,000	\$19,000
Total Premium	\$129,916,000	\$190,000	\$440,000	\$898,000	\$74,000
Gain (Loss)	(\$10,407,000)	(\$43,000)	(\$121,000)	\$34,000	\$55,000
Employees					
Average Medical Members	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	N/A	N/A	N/A	N/A	N/A
Capitation	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	N/A	N/A	N/A	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	N/A	N/A	N/A	N/A	N/A
Total Cost	N/A	N/A	N/A	N/A	N/A
Total Premium	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	N/A	N/A	N/A	N/A	N/A
Early Retirees					
Average Medical Members	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	N/A	N/A	N/A	N/A	N/A
Capitation	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	N/A	N/A	N/A	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	N/A	N/A	N/A	N/A	N/A
Total Cost	N/A	N/A	N/A	N/A	N/A
Total Premium	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	N/A	N/A	N/A	N/A	N/A
Medicare Retirees					
Average Medical Members	22,901	45	98	163	13
Incurred Medical Claims	\$60,903,000	\$58,000	\$266,000	\$332,000	\$13,000
Capitation	\$348,000	\$0	\$3,000	\$2,000	\$0
Incurred Prescription Drug Claims	\$171,847,000	\$377,000	\$676,000	\$1,170,000	\$45,000
Prescription Drug Rebates	(\$44,640,000)	(\$98,000)	(\$175,000)	(\$304,000)	(\$12,000)
EGWP Credits	(\$56,934,000)	(\$112,000)	(\$244,000)	(\$404,000)	(\$31,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$8,799,000	\$8,000	\$35,000	\$68,000	\$4,000
Total Cost	\$140,323,000	\$233,000	\$561,000	\$864,000	\$19,000
Total Premium	\$129,916,000	\$190,000	\$440,000	\$898,000	\$74,000
Gain (Loss)	(\$10,407,000)	(\$43,000)	(\$121,000)	\$34,000	\$55,000

Some plans may show \$0 in certain cost categories. These plans may have costs which are under \$500 and are rounded to \$0. The Incurred Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

SEHBP Plan Year 2023 Mid-Year Experience Analysis
Exhibit 3C – Plan Year 2024 Aggregate Costs, Page 1 of 2

	NJHP		GSHP		Legacy Plans				
	Total	Horizon PPO	Aetna PPO	Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO
Employees and Retirees									
Average Medical Members	330,256	117,564	2,970	103,609	9,227	46,672	21,230	5,256	240
Incurred Medical Claims	\$1,951,847,000	\$974,699,000	\$19,798,000	\$136,963,000	\$10,014,000	\$522,120,000	\$213,248,000	\$8,684,000	\$635,000
Capitation	\$56,391,000	\$35,295,000	\$0	\$0	\$0	\$14,090,000	\$6,620,000	\$0	\$9,000
Incurred Prescription Drug Claims	\$1,593,111,000	\$276,820,000	\$5,847,000	\$826,198,000	\$71,215,000	\$124,579,000	\$51,394,000	\$43,613,000	\$1,041,000
Prescription Drug Rebates	(\$451,708,000)	(\$102,443,000)	(\$2,175,000)	(\$204,881,000)	(\$17,660,000)	(\$46,557,000)	(\$19,207,000)	(\$10,815,000)	(\$258,000)
EGWP Credits	(\$410,105,000)	\$0	\$0	(\$299,609,000)	(\$26,682,000)	N/A	N/A	(\$15,200,000)	(\$693,000)
Education Surcharge	(\$41,701,000)	(\$41,267,000)	(\$434,000)	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$68,549,000	\$28,213,000	\$1,103,000	\$14,202,000	\$1,294,000	\$9,548,000	\$4,458,000	\$725,000	\$94,000
Total Cost	\$2,766,384,000	\$1,171,317,000	\$24,139,000	\$472,873,000	\$38,181,000	\$623,780,000	\$256,513,000	\$27,007,000	\$828,000
Total Premium	\$2,695,610,000	\$1,206,386,000	\$27,201,000	\$472,828,000	\$39,925,000	\$542,148,000	\$236,906,000	\$25,955,000	\$1,714,000
Gain (Loss)	(\$70,774,000)	\$35,069,000	\$3,062,000	(\$45,000)	\$1,744,000	(\$81,632,000)	(\$19,607,000)	(\$1,052,000)	\$886,000
Employees									
Average Medical Members	156,467	85,928	2,637	N/A	N/A	46,672	21,230	N/A	N/A
Incurred Medical Claims	\$1,383,217,000	\$631,164,000	\$16,685,000	N/A	N/A	\$522,120,000	\$213,248,000	N/A	N/A
Capitation	\$46,437,000	\$25,727,000	\$0	N/A	N/A	\$14,090,000	\$6,620,000	N/A	N/A
Incurred Prescription Drug Claims	\$319,982,000	\$139,605,000	\$4,404,000	N/A	N/A	\$124,579,000	\$51,394,000	N/A	N/A
Prescription Drug Rebates	(\$119,583,000)	(\$52,173,000)	(\$1,646,000)	N/A	N/A	(\$46,557,000)	(\$19,207,000)	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$35,161,000	\$20,206,000	\$949,000	N/A	N/A	\$9,548,000	\$4,458,000	N/A	N/A
Total Cost	\$1,665,214,000	\$764,529,000	\$20,392,000	N/A	N/A	\$623,780,000	\$256,513,000	N/A	N/A
Total Premium	\$1,618,764,000	\$816,258,000	\$23,452,000	N/A	N/A	\$542,148,000	\$236,906,000	N/A	N/A
Gain (Loss)	(\$46,450,000)	\$51,729,000	\$3,060,000	N/A	N/A	(\$81,632,000)	(\$19,607,000)	N/A	N/A
Early Retirees									
Average Medical Members	31,969	31,636	333	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$346,648,000	\$343,535,000	\$3,113,000	N/A	N/A	N/A	N/A	N/A	N/A
Capitation	\$9,568,000	\$9,568,000	\$0	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$138,658,000	\$137,215,000	\$1,443,000	N/A	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$50,799,000)	(\$50,270,000)	(\$529,000)	N/A	N/A	N/A	N/A	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	(\$41,701,000)	(\$41,267,000)	(\$434,000)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$8,161,000	\$8,007,000	\$154,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Cost	\$410,535,000	\$406,788,000	\$3,747,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Premium	\$393,877,000	\$390,128,000	\$3,749,000	N/A	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	(\$16,658,000)	(\$16,660,000)	\$2,000	N/A	N/A	N/A	N/A	N/A	N/A
Medicare Retirees									
Average Medical Members	141,820	N/A	N/A	103,609	9,227	N/A	N/A	5,256	240
Incurred Medical Claims	\$221,982,000	N/A	N/A	\$136,963,000	\$10,014,000	N/A	N/A	\$8,684,000	\$635,000
Capitation	\$386,000	N/A	N/A	\$0	\$0	N/A	N/A	\$0	\$9,000
Incurred Prescription Drug Claims	\$1,134,471,000	N/A	N/A	\$826,198,000	\$71,215,000	N/A	N/A	\$43,613,000	\$1,041,000
Prescription Drug Rebates	(\$281,326,000)	N/A	N/A	(\$204,881,000)	(\$17,660,000)	N/A	N/A	(\$10,815,000)	(\$258,000)
EGWP Credits	(\$410,105,000)	N/A	N/A	(\$299,609,000)	(\$26,682,000)	N/A	N/A	(\$15,200,000)	(\$693,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$25,227,000	N/A	N/A	\$14,202,000	\$1,294,000	N/A	N/A	\$725,000	\$94,000
Total Cost	\$690,635,000	N/A	N/A	\$472,873,000	\$38,181,000	N/A	N/A	\$27,007,000	\$828,000
Total Premium	\$682,969,000	N/A	N/A	\$472,828,000	\$39,925,000	N/A	N/A	\$25,955,000	\$1,714,000
Gain (Loss)	(\$7,666,000)	N/A	N/A	(\$45,000)	\$1,744,000	N/A	N/A	(\$1,052,000)	\$886,000

Some plans may show \$0 in certain cost categories. These plans may have costs which are under \$500 and are rounded to \$0. The Incurred Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

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

	1525			2030	
	NJ DIRECT	Aetna HMO	Horizon HMO	NJ DIRECT	Horizon HMO
Employees and Retirees					
Average Medical Members	23,138	50	109	175	16
Incurred Medical Claims	\$64,917,000	\$62,000	\$312,000	\$378,000	\$17,000
Capitation	\$371,000	\$0	\$3,000	\$2,000	\$1,000
Incurred Prescription Drug Claims	\$189,685,000	\$461,000	\$818,000	\$1,378,000	\$62,000
Prescription Drug Rebates	(\$47,038,000)	(\$114,000)	(\$203,000)	(\$342,000)	(\$15,000)
EGWP Credits	(\$66,908,000)	(\$146,000)	(\$314,000)	(\$507,000)	(\$46,000)
Education Surcharge	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$8,784,000	\$7,000	\$43,000	\$72,000	\$6,000
Total Cost	\$149,811,000	\$270,000	\$659,000	\$981,000	\$25,000
Total Premium	\$140,650,000	\$227,000	\$530,000	\$1,040,000	\$100,000
Gain (Loss)	(\$9,161,000)	(\$43,000)	(\$129,000)	\$59,000	\$75,000
Employees					
Average Medical Members	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	N/A	N/A	N/A	N/A	N/A
Capitation	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	N/A	N/A	N/A	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	N/A	N/A	N/A	N/A	N/A
Total Cost	N/A	N/A	N/A	N/A	N/A
Total Premium	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	N/A	N/A	N/A	N/A	N/A
Early Retirees					
Average Medical Members	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	N/A	N/A	N/A	N/A	N/A
Capitation	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	N/A	N/A	N/A	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	N/A	N/A	N/A	N/A	N/A
Total Cost	N/A	N/A	N/A	N/A	N/A
Total Premium	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	N/A	N/A	N/A	N/A	N/A
Medicare Retirees					
Average Medical Members	23,138	50	109	175	16
Incurred Medical Claims	\$64,917,000	\$62,000	\$312,000	\$378,000	\$17,000
Capitation	\$371,000	\$0	\$3,000	\$2,000	\$1,000
Incurred Prescription Drug Claims	\$189,685,000	\$461,000	\$818,000	\$1,378,000	\$62,000
Prescription Drug Rebates	(\$47,038,000)	(\$114,000)	(\$203,000)	(\$342,000)	(\$15,000)
EGWP Credits	(\$66,908,000)	(\$146,000)	(\$314,000)	(\$507,000)	(\$46,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$8,784,000	\$7,000	\$43,000	\$72,000	\$6,000
Total Cost	\$149,811,000	\$270,000	\$659,000	\$981,000	\$25,000
Total Premium	\$140,650,000	\$227,000	\$530,000	\$1,040,000	\$100,000
Gain (Loss)	(\$9,161,000)	(\$43,000)	(\$129,000)	\$59,000	\$75,000

Some plans may show \$0 in certain cost categories. These plans may have costs which are under \$500 and are rounded to \$0. The Incurred Medical Claims cost category reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

SEHBP Plan Year 2023 Mid-Year Experience Analysis Exhibit 4A – Employee Plan Year 2024 Option Summary

	Education Actives			
	\$10 PPO	\$15 PPO	NJ Educators Health Plan	NJ Garden State Health Plan
In-Network				
Deductible (Single/Family)	None	None	None	None
Coinsurance OOP Maximum (Single/ Family)	None	\$400/\$1,000	None	None
Total In-Network OOP Maximum (Single/Family)	\$400/\$1,000	\$7,280/\$14,560	\$500/\$1000	\$500/\$1000
Overall Coinsurance	10% ¹	10% ¹	10% ¹	10% ¹
PCP	\$10 copay	\$15 copay	\$10 copay	\$10 copay
Specialist	\$10 copay	\$15 copay	\$15 copay	\$15 copay
Urgent Care	\$10 copay	\$15 copay	\$15 copay	\$15 copay
Emergency Room	\$25 copay	\$50 copay	\$125 copay	\$125 copay
Inpatient Hospital	No charge	No charge	No charge	No charge
Out-of-Network				
Deductible (Single/Family)	\$100/\$250	\$100/\$250	\$350/\$700	\$350/\$700
Total Out-of-Network OOP Maximum (Single/Family)	\$2,000/\$5,000	\$2,000/\$5,000	\$2,000/\$5,000	\$2,000/\$5,000
Overall Coinsurance	20%	30%	30% (200% CMS)	30% (200% CMS)
Out-of-Network Chiropractic Services	Lesser of \$35/visit or 75% of In-Network cost/visit	Lesser of \$35/visit or 75% of In-Network cost/visit	Lesser of \$35/visit or 75% of In-Network cost/visit	Lesser of \$35/visit or 75% of In-Network cost/visit
Out-of-Network Acupuncture Services	Lesser of \$60/visit or 75% of In-Network cost/visit	Lesser of \$60/visit or 75% of In-Network cost/visit	Lesser of \$60/visit or 75% of In-Network cost/visit	Lesser of \$60/visit or 75% of In-Network cost/visit
Out-of-Network Physical Therapy Services	75% of In-Network cost/visit	75% of In-Network cost/visit	75% of In-Network cost/visit	75% of In-Network cost/visit
Prescription Drug				
OOP Maximum (Single/Family)	\$1,820/\$3,640	\$1,820/\$3,640	\$1600/\$3200	\$1600/\$3200
Retail - Generic	\$3	\$3	\$5	\$5
Retail - Preferred Brand	\$10	\$10	\$10	\$10
Retail - Non-Preferred Brand	\$10	\$10	Member Pays the Difference between generic and brand plus brand copayment	Member Pays the Difference between generic and brand plus brand copayment
Mail - Generic	\$5	\$5	\$10	\$10
Mail - Preferred Brand	\$15	\$15	\$20	\$20
Mail - Non-Preferred Brand	\$15	\$15	Member Pays the Difference between generic and brand plus brand copayment	Member Pays the Difference between generic and brand plus brand copayment

¹ On Select Services

Note: Local education employers can select from the SEHBP's Prescription Drug Plans, purchase their own prescription drug coverage plan, or receive prescription drug coverage through the SEHBP medical plan. Copayments shown apply to the plans when coverage is through the SEHBP's Prescription Drug Plans. If prescription drug coverage is through the medical plan: Coinsurance is 10% for NJ DIRECT10 and NJ DIRECT15.

Note: Beginning 1/1/2022 a new Garden State Health Plan is to be implemented. Plan Design details for the Garden State Health Plan are yet to be determined.

All employees hired on or after 7/1/20 will be enrolled in the NJ Educators Health plan and will have the option to enroll in the Garden State Plan after 1/1/22.

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.

**SEHBP Plan Year 2023 Mid-Year Experience Analysis
Exhibit 4B – Early Retiree Plan Year 2024 Option Summary**

	Education Early Retirees	
	NJ Educators Health Plan	NJ Garden State Health Plan
In-Network		
Deductible (Single/Family)	None	None
Coinsurance OOP Maximum (Single/ Family)	None	None
Total In-Network OOP Maximum (Single/Family)	\$500/\$1000	\$500/\$1000
Overall Coinsurance	10% ¹	10% ¹
PCP	\$10 copay	\$10 copay
Specialist	\$15 copay	\$15 copay
Urgent Care	\$15 copay	\$15 copay
Emergency Room	\$125 copay	\$125 copay
Inpatient Hospital	No charge	No charge
Out-of-Network		
Deductible (Single/Family)	\$350/\$700	\$350/\$700
Total Out-of-Network OOP Maximum (Single/Family)	\$2,000/\$5,000	\$2,000/\$5,000
Overall Coinsurance	30% (200% of CMS)	30% (200% of CMS)
Out-of-Network Chiropractic Services	Lesser of \$35/visit or 75% of In-Network cost/visit	Lesser of \$35/visit or 75% of In-Network cost/visit
Out-of-Network Acupuncture Services	Lesser of \$60/visit or 75% of In-Network cost/visit	Lesser of \$60/visit or 75% of In-Network cost/visit
Out-of-Network Physical Therapy Services	75% of In-Network cost/visit	75% of In-Network cost/visit
Prescription Drug		
OOP Maximum (Single/Family)	\$1,600/\$3,200	\$1,600/\$3,200
Retail - Generic	\$5	\$5
Retail - Preferred Brand	\$10	\$10
Retail - Non-Preferred Brand	Member Pays the Difference between generic and brand plus brand copayment	Member Pays the Difference between generic and brand plus brand copayment
Mail - Generic	\$10	\$10
Mail - Preferred Brand	\$20	\$20
Mail - Non-Preferred Brand	Member Pays the Difference between generic and brand plus brand copayment	Member Pays the Difference between generic and brand plus brand copayment

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.

**SEHBP Plan Year 2023 Mid-Year Experience Analysis
Exhibit 4C – Medicare Retiree Plan Year 2024 Option Summary**

	Education Medicare Advantage ³				Education Medicare Supplement				
	\$10 PPO	\$15 PPO	\$10 HMO	1525HMO	\$10 HMO	1525PPO	1525HMO	2030PPO	2030HMO
In-Network									
Deductible (Single/Family)	None	None	None	None	None	None	None	None	None
Coinsurance OOP Maximum (Single/ Family) ¹	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	\$7,689/\$15,378	\$7,689/\$15,378	\$7,689/\$15,378	\$7,689/\$15,378	\$7,689/\$15,378
Overall Coinsurance	None	None	None	None	10% ⁴	10% ⁴	10% ⁴	10% ⁴	10% ⁴
PCP ²	\$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	\$25 copay	\$50 copay	\$35 copay	\$65 copay	\$35 copay	\$75 copay	\$75 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
Out-of-Network									
Deductible (Single/Family)	None	None	Not Covered	Not Covered	Not covered	\$100/\$250	Not covered	\$200/\$500	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
Prescription Drug									
OOP Maximum (Single/Family)	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822
Retail - Generic	\$10	\$10	\$6	\$7	\$6	\$7	\$7	\$3	\$3
Retail - Preferred Brand	\$21	\$21	\$13	\$17	\$13	\$17	\$17	\$19	\$19
Retail - Non-Preferred Brand	\$42	\$42	\$26	\$36	\$26	\$36	\$36	\$48	\$48
Mail - Generic	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Mail - Preferred Brand	\$31	\$31	\$19	\$41	\$19	\$41	\$41	\$37	\$37
Mail - Non-Preferred Brand	\$52	\$52	\$31	\$91	\$31	\$91	\$91	\$95	\$95

¹ 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

²Physician visits for Medicare Advantage Plan Options will be reimbursed up to \$250 each visit

³Medicare 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.

⁴On 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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