

As Presented on March 17, 2025

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School Employees' Health Benefits Program

Mid-Year Experience Analysis for Plan Year 2024

Section 1: Executive Summary

The purpose of this analysis is to review and update projected costs for Plan Years (calendar years) 2023, 2024, and 2025, 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). For this Mid-Year Analysis, projections are based on medical claims and prescription drug claims paid through September 30, 2024, and monthly census data provided by the State through October 2024. The 2025 projections reflect January 2025 census data data provided by the State.

The Mid-Year experience of the State Group, Local Government Group, and the Dental Plans is addressed in separate analyses.

Financial Results

Plan Year 2025

The experience of Local Education Actives Employees and Retirees has continued to deteriorate since the Plan Year 2025 Rate Setting Analysis which was based on experience incurred through December 31, 2023. Projected 2025 Active and Retiree per member costs are now projected to be 3.8% and 3.2% higher, respectively, compared to the prior analysis.

With these changes, the 2.0% margin built into the 2025 Local Education Active Premium Rates to fund the Claims Stabilization Reserve (CSR) is now projected to produce a loss of 2.6%. As a result, the projected CSR accrued balance as of 12/31/2025 has dropped from \$185M to \$80M, equivalent to 0.6 months of plan costs.

On a gross cost basis, a decline in enrollment has driven a 4.7% decrease in combined Active and Retiree projected costs, offset by a 1.9% increase due to emerging experience.

Plan Year 2024

Plan Year 2024 costs reflect additional actual 2024 claim data through September 2024 and actual enrollment data through October 2024. In total, the projected cost for Plan Year 2024 has increased 1.5% from the results shown in the Plan Year 2025 Rate Setting Analysis.

Plan Year 2023

The updated data used in this Mid-Year Analysis impacted projected Plan Year 2023 costs mainly through additional run-out claim data and updated Rebate and EGWP amounts. Total projected aggregate costs decreased 1.0% from the most recent projected costs provided in the Plan Year 2025 Rate Setting Analysis.

Claim Stabilization Reserve

The updated financial results have produced a projected claim stabilization reserve at December 31, 2025 below the recommended level of 2.0 months of plan costs and a one month decline from the 1.3 months of total plan costs projected in the Plan Year 2025 Rate Setting Analysis. The claim stabilization reserve as of December 31, 2023 is based on balances as of June 30, 2023 provided by the Division. The projected reserves as of December 31, 2024 and 2025 are based on the reserve balance as of June 30, 2024 provided by the Division. The claims stabilization reserve as of December 31, 2025 is estimated based off projected gains and losses in the active and retiree plans, which reflect the 2.0% margin included in the final approved 2025 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 and December 31, 2025 may differ.

SEHBP Local Education Employer Projected Active Stabilization Reserve

(in \$ millions)

	Reserve Balance
12/31/2023	\$198
12/31/2024	\$121
12/31/2025	\$80
Months of Plan Cost as of 12/31/2025	0.6

Additional detail regarding the gains and losses from the Plan Year 2025 Rate Setting Analysis are included in Sections 2 and 4 of this analysis.

Benefit Plans Maintained by the SEHBP

For purposes of this analysis, it is assumed self-insured medical plan options are administered by Horizon and Aetna, 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. 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 2025:

Plan Type	Horizon	Aetna
NJEHP	Horizon NJEHP	Aetna NJEHP
GSHP	N/A	Aetna GSHP
PPO10	NJDIRECT10	Freedom 10
PPO15	NJDIRECT15	Freedom 15
PPO1525 (Retiree Only)	NJDIRECT1525	Freedom 1525
PPO2030 (Retiree Only)	NJDIRECT2030	Freedom 2030
HMO10 (Retiree Only)	Horizon HMO10	Aetna HMO10
HMO1525 (Retiree Only)	Horizon HMO1525	Aetna HMO1525
HMO2030 (Retiree Only)	Horizon HMO2030	Aetna HMO2030

- All Medicare Advantage PPO and HMO plan options for Medicare-eligible members in Plan Year 2025 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.

Change Healthcare Cyber Attack

On February 21, 2024, Change Healthcare became aware of a data breach, which resulted in a shutdown of their systems. Change provides a service whereby providers and facilities may submit claims for adjudication and payment collection. As a result of the data breach, there could be additional delays on claims reporting and payments. For purposes of this analysis, it is assumed that claim reporting delays associated with the Change Healthcare cyber attack have been resolved and no adjustment is necessary for Active, Early Retiree, or Medicare Retiree medical claims.

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 2024 Mid-Year Analysis. There have been no changes from the Plan Year 2025 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 and Early Retirees three plans, effective January 1, 2021, for medical and prescription benefits coverage which include the PPO10, PPO15, and New Jersey Educators Health Plan (NJEHP). Local Education Early Retirees are not permitted to enroll in the PPO10 and PPO15 plans. 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 (GSHP). 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 2025, except as noted below, are as follows:

- HMS Data Integrity Vendor: In accordance with Public Law 2019, Chapter 143, the State conducted a bid solicitation awarding HMS the opportunity to provide Medical Claims Review and Data management 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. Savings for this change are assumed to be in the underlying claims experience and will continue in Plan Year 2025. Estimated fees are based on amounts provided by the State and are assumed to increase 2.5% each year. 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. Estimated fees are based on amounts provided by the State and are assumed to increase 2.5% each year. This program does not impact Actives and Medicare Retirees.

- 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. This program was retroactively terminated effective January 1, 2024. Updated 2024 capitation amounts excluding eviCore were provided by Horizon. Due to the mid-year timing of the termination of this program, the claim expenses in place of eviCore through August 2024 were not included in Horizon claim feeds through August 2024. Horizon provided separate claim experience data for this, which was annualized and added to the underlying claims included in these projections. For Plan Year 2024, these amounts are estimated to be \$30.4M for Education Actives and \$9.7M for Education Early 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. This program is assumed to be terminated effective July 1, 2024 which is assumed to have no claim impact. Estimated fees for this program have been removed from 2025 projections. This program does not impact Medicare Retirees.
- Livongo Whole Person: Beginning Plan Year 2021, Livongo also implemented 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. This program is assumed to be terminated effective July 1, 2024 which is assumed to have no claim impact. Estimated fees for this program have been removed from 2025 projections. This program does not impact Medicare Retirees.
- 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. This program is assumed to be terminated effective July 1, 2024 which is assumed to have no claim impact. Estimated fees for this program, which previously flowed through the claims wire, are assumed to be immaterial so no adjustment has been made. This program does not impact Medicare Retirees.
- 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. This program is assumed to be terminated effective March 1, 2024 which is assumed to have no claim impact. Estimated fees for this program have been removed from 2025 projections.

- 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. This program is assumed to be terminated effective July 1, 2024 which is assumed to have no claim impact. Estimated fees are paid through Horizon and are assumed to be immaterial so no adjustment has been made. This program does not impact Medicare Retirees.
- Included Health (Formerly Grand Rounds): 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 for purposes of the rate setting projection.
- Humira replacement with Biosimilar: Effective 2025, Optum Rx will prefer FDA-approved interchangeable adalimumab biosimilars on its commercial formularies with \$0 copays for patients who utilize the available manufacturer copay assistance program. After a rigorous evaluation of this maturing adalimumab category, Optum Rx will prefer the biosimilar Amjevita. This change does not impact current members utilizing Humira who will be able to continue therapy with no change in medication. As a result, no adjustment has been made to projected prescription drug costs for this change.

For all instances where Aon assumes no claim impact for the removal of vendor programs and services, Aon has not completed ROI analysis and is not representing an opinion whether the program independently provided claim savings.

Vendor Changes

Medical Vendors: Effective July 1, 2024, Actives and Early Retirees will have a choice of enrolling in self-insured medical plan options with either Horizon or Aetna. Both vendors will offer identical versions of each plan option, except the Self-Insured Medicare plan options which will continue to only be offered by Horizon and the GSHP which will continue to only be offered by Aetna. All fully insured Medicare Advantage plans are assumed to continue to be administered by Aetna.

Pharmacy Benefit Manager: Optum is assumed to administer all of the prescription drug plans in Plan Year 2025.

Federal Health Care Reform

In-Network Out-of-Pocket Maximum: Effective January 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 \$9,200 single / \$18,400 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)
2023	\$9,100 / \$18,200
2024	\$9,450 / \$18,900
2025	\$9,200 / \$18,400

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 (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.

Inflation Reduction Act of 2022: In August 2022, the Inflation Reduction Act of 2022 (IRA) was signed into law. This law restructures the Standard Medicare Part D prescription drug benefit and revenue payments to plans beginning in 2023, with the most significant changes taking place in 2025. On July 29th, 2024, the Centers for Medicare and Medicaid Services (CMS) released the national average of individual market bids for 2025 and the national average bid (NAB) amount came in higher than most estimates. The NAB is the key driver of the Direct Subsidy component of revenue paid to plans, including the SHBP EGWP. In addition, CMS announced a voluntary premium stabilization demonstration program which provides plans with participating carriers an additional \$15 PMPM (before adjustment for sequestration) of Direct Subsidy revenue in 2025. Optum elected to participate in this program, so the plan will receive this additional revenue. The 2025 EGWP plan costs reflect IRA cost impacts provided by Optum. Given these additional revenues from the July announcement, the projected changes in costs and revenue from the IRA mostly offset.

New Jersey State Mandates

S1614: Effective January 2024, this bill requires health insurance carriers to provide coverage for epinephrine auto-injector devices and asthma inhalers. The bill limits cost sharing for health insurance coverage of insulin. There is no expected cost associated with mandate.

A5235: Effective July 2024, this act revises health insurance coverage for the treatment of infertility. Based on information from Horizon, this change is projected to increase Active claims 0.35%. This is assumed to have no impact on Early and Medicare Retirees.

S2535: Effective April 2024, this bill requires health benefits coverage of hearing aids and cochlear implants for covered members. Based on information from Horizon, this change is projected to increase Active claims 0.44%. This is assumed to have no impact on Early and Medicare Retirees.

A1255: Effective April 2024, this act updates requirement and standards for authorization and prior authorization of health care services. There is no expected cost associated with this mandate.

Enrollment Changes

Exhibit 1A shows historical enrollment patterns among the SEHBP benefit offerings during Plan Years 2022 through 2024 and includes Aon's projection of Plan Year 2025 enrollment. The enrollment assumptions for Plan Years 2022 through 2024 are equal to monthly snapshot census data through October 2024 provided by the State. Projected Plan Year 2025 enrollment is equal to January 2025 census data provided by the Division. Based on the 2025 census, Local Education Active enrollment will decrease by 7.3% in Plan Year 2025. Early Retiree enrollment is projected to increase 1.0% in Plan Year 2025; and Medicare Retiree enrollment is projected to increase 0.3% in Plan Year 2025.

Exhibit 1B shows the projected distribution of enrollment among benefit options in Plan Year 2025. Approximately 67% of Local Education Actives are enrolled in the NJEHP and GSHP and 33% are to remain in the PPO10 and PPO15. Approximately 12% of Local Education Retirees are enrolled in the NJEHP and GSHP 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 2025 enrollment distribution by benefit option and coverage tier.

Dependents per Subscriber reflect ratios using monthly provided dependent and census data through January 2025 provided by the Division.

Aetna Enrollment

Effective July 1, 2024, all Actives and Early Retirees will have a choice of enrolling in self-insured medical plan options with either Horizon or Aetna. For this analysis, enrollment through October 2024 is based on monthly snapshot census data. Plan Year 2025 enrollment is based on January 2025 census data provided by the State. No additional carrier migration is assumed.

Section 3: Trend Analysis

Trend assumptions have been reviewed from the Plan Year 2025 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 2024		Plan Year 2025	
	Medical	Prescription Drugs	Medical	Prescription Drugs
PPO Actives*	7.00%	12.50%	7.50%	11.50%
PPO Early Retirees	7.00%	12.50%	7.50%	12.00%
Self-Insured Medicare Retirees	5.50%	13.50%	5.50%	13.00%

*The trend rates shown above reflect the trend to get from the prior year to the Plan Year specified above. For example, Plan Year 2024 trend corresponds to the trend increase from Plan Year 2023 to Plan Year 2024.

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

The recommended trends are developed using vendor recommended trends, national Aon trend guidance (which reflects vendor surveys, Pharmacy Benefit Manager national surveys and other external sources), as well as actual SHBP plan experience adjusted for expected future trends.

For purposes of this analysis, the recommended medical and Rx trends are consistent with the Final Plan Year 2025 Rate Setting Analysis.

The Medicare Advantage rates in Plan Years 2024 and 2025 were provided by Aetna. Below is a table summarizing the fully insured Medicare Advantage per member per month rates for Plan Years 2024 and 2025.

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 2024 and 75 basis points for Plan Year 2025. 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 2024 and 2025 were provided by Aetna. Below is a table summarizing the fully insured Medicare Advantage per member per month rates for Plan Years 2024 and 2025.

Aetna Monthly Per Member Medicare Advantage Premium Rates

Local Education	Aetna Medicare Advantage Rates			
	2024	2025	\$ Change	
PPO 10	\$ 110.16	\$ 120.16	\$ 10.00	
PPO 15	\$ 90.44	\$ 100.44	\$ 10.00	
HMO 10	\$ 137.68	\$ 147.68	\$ 10.00	
HMO 1525	\$ 102.25	\$ 112.25	\$ 10.00	

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 2023, 2024 and 2025 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 2023						
Premium Rates x Enrollment	\$1,137.4	\$963.5	\$275.7	\$26.6	\$131.4	\$2,534.6
Incurred Claims	\$1,006.3	\$1,041.2	\$286.4	\$26.5	\$129.3	\$2,489.7
Administrative Charges	\$24.1	\$27.4	\$6.7	\$1.0	\$8.7	\$67.9
Net Gain (Loss)	\$107.0	(\$105.1)	(\$17.4)	(\$0.9)	(\$6.6)	(\$23.0)
Plan Year 2024						
Premium Rates x Enrollment	\$1,215.4	\$972.0	\$243.6	\$27.0	\$148.3	\$2,606.3
Incurred Claims	\$1,200.8	\$1,006.5	\$259.0	\$23.8	\$138.7	\$2,628.8
Administrative Charges	\$35.4	\$25.0	\$6.1	\$0.8	\$9.3	\$76.6
Net Gain (Loss)	(\$20.8)	(\$59.5)	(\$21.5)	\$2.4	\$0.3	(\$99.1)
Plan Year 2025						
Premium Rates x Enrollment	\$1,397.3	\$944.4	\$215.6	\$27.5	\$164.1	\$2,748.9
Incurred Claims	\$1,411.5	\$936.4	\$208.3	\$25.3	\$157.1	\$2,738.6
Administrative Charges	\$35.7	\$22.5	\$4.6	\$0.8	\$9.5	\$73.1
Net Gain (Loss)	(\$49.9)	(\$14.5)	\$2.7	\$1.4	(\$2.5)	(\$62.8)

Notes:

- Other Plans include Medicare Medical MA and Medicare Supplement plans
- Incurred claims includes medical claims, prescription drug claims, capitation, MA premiums, rebates, education surcharges, and EGWP credits
- Plan Year 2024 active premium rates include margin of 0.6%
- Plan Year 2025 active premium rates include margin of 2.0%

Updated Plan Year 2023 cost decreased by \$25.7 million from the Plan Year 2025 Rate Setting Analysis. Plan Year 2024 cost has increased \$39.3 million from the projected cost shown in the 2025 Rate Setting Analysis.

The Plan Year 2025 Active and Retiree total premiums are projected to decrease by 6.2% with updated enrollment projections from those shown in the Plan Year 2025 Rate Setting Analysis while total plan costs reflecting updated claims experience are projected to be 2.9% lower. The combined overall projected net loss for Plan Year 2025 is \$62.8 million. The Plan Year 2025 Rate Setting Analysis showed a combined overall projected net gain of \$35.1 million, reflecting the 2.0% 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, 2025 equal to 0.6 months of plan costs, below the recommended 2.0 months. The Plan Year 2025 Rate Setting Analysis showed a projected claims stabilization reserve balance at December 31, 2025 equivalent to 1.3 months of plan costs.

More detailed aggregate projections are provided in Exhibit 3.

Cost Driver Analysis

The premium rates outlined in the Plan Year 2025 Rate Setting Analysis were developed using 2023 incurred claims projected to 2024 and 2025. The updated projections outlined in this analysis reflect updated claims experience through September 2024 and updated assumptions. Differences between the projected 2024 claims experience in the Plan Year 2025 Rate Setting Analysis and the actual experience as well as updated assumptions contribute to Plan Year 2025 gains and losses.

Active Medical

For Plan Year 2024, actual and projected Active per member per month (PMPM) medical claims experience was 1.9% higher than expected. Based on rolling-12 month reporting through September 2024 provided by Horizon, which reflects 96.5% of active enrollment, medical claim experience was driven by the following:

- Medical claims for outpatient services increased, with a total annual trend of 17%, including an 8% increase in the cost per visit and a 8% increase in utilization.
- Among outpatient services, utilization increased for services that are higher cost, including ambulatory (+10% utilization) outpatient medical pharmacy (+10% utilization), Outpatient Surgery (+4% utilization), and radiology (+18% utilization)
- Inpatient visits decreased 7%, offset by a 5% increase in the cost per visit. Professional visits increased 3%, including a 3% increase in specialist visits. There was also an increase in the overall professional cost per visit (+4%).

Overall, the 2025 Medical claims are projected to be 2.5% higher than what was projected in the Plan Year 2025 Rate Setting Analysis.

Active Rx

For Plan Year 2024, actual Active PMPM prescription drug claims experience was 4.4% higher than expected. Based on YTD September 2024 Optum reporting, Rx claim increases were driven by the following:

- Drugs for inflammatory conditions rank number one in terms of spend by disease state, and PMPM claims spend for inflammatory conditions increased 9.7% in 2024. The top drugs in this category were Humira Pen, Stelara, and Dupixent.
- PMPM Drug Spend for weight loss drugs (such as high cost GLP-1 medications) increased 122.6%. Among all drugs, Wegovy and Zepbound, both anti-obesity GLP-1 drugs, ranked first and seventh in terms of individual drug spend, respectively.

- Similarly, PMPM Drug Spend for diabetes drugs (including GLP-1 medications) increased 9.7%. Among all drugs, Ozempic and Mounjaro, both anti-diabetic GLP-1 drugs, ranked fourth and sixth in terms of individual drug spend, respectively.
- Overall specialty drug claims PMPM increased 14.5%, which was driven by inflammatory conditions (noted above), oncology, and growth hormone deficiency.

For plan year 2025, Rx claims net of rebates are 5.2% higher in 2025 than compared to the Plan Year 2025 rate setting analysis.

Early Retiree Medical

For Plan Year 2024, actual and projected Early Retiree PMPM medical claims experience is 7.5% higher than expected. Based on data provided by Horizon, which reflects 94.2% of Early Retiree enrollment, medical claim experience was driven by the following:

- Medical claims for outpatient services increased, with a total annual trend of 16%, including a 7% increase in the cost per visit and an 8% increase in utilization. Outpatient Surgery utilization increased 6% and the cost per visit increased 9% for a total increase of 15% year-over-year.
- Inpatient utilization increased 15% contributing to an overall inpatient trend of 18%. Additionally, professional visits increased 4% and the cost per visit increased 6%.

Overall, the 2025 Medical claims are projected to be 9.7% higher than what was projected in the Plan Year 2025 Rate Setting Analysis.

Early Retiree Rx

For Plan Year 2024, actual and projected Early Retiree PMPM medical claims experience is 0.6% higher than expected. Based on YTD September 2024 reporting provided by Optum, Rx claim increases were driven by the following:

- Drugs for inflammatory conditions rank number one in terms of spend by disease state, and PMPM claims spend for inflammatory conditions increased 14.1% in 2024. The top drugs in this category were Humira Pen, Dupixent, and Skyrizi Pen.
- PMPM Drug Spend for weight loss drugs (such as high cost GLP-1 medications) increased 137.0%. Among all drugs, Wegovy, an anti-obesity GLP-1 drugs, ranked first in terms of individual drug spend.
- Similarly, PMPM Drug Spend for diabetes drugs (including GLP-1 medications) increased 12.5%. Among all drugs, Ozempic and Mounjaro, both anti-diabetic GLP-1 drugs, ranked second and fourth in terms of individual drug spend, respectively.

- Overall specialty drug claims PMPM increased 10.6%, which was driven by inflammatory conditions (noted above) and oncology.

Plan Year 2025 Rx claims net of rebates are 1.9% higher compared to Plan Year 2025 Rate Setting Projections.

Medicare Retiree Medical

82% of Medicare Retiree Members are enrolled in Medicare Advantage plans, and the majority of the medical plan cost is equal to the Medicare Advantage Premium multiplied by membership.

Medicare Retiree Rx

For Plan Year 2024, actual Medicare Retiree PMPM prescription drug claims experience was 1.0% lower than expected. Based on data provided by Optum, Rx claim increases were driven by the following:

- Drugs for oncology and diabetes rank number one and two in terms of spend by disease state, and PMPM claims spend increased 9.1% and 9.6% in 2024, respectively.
- Specialty drug claims PMPM increased 14.7%, driven by increases in spend for oncology (noted above), inflammatory conditions, cardiovascular and immune globulin drugs.

In addition to updated claims experience, projected 2025 EGWP credits provided by Optum are estimated to be 0.9% higher than expected. Overall, 2025 claims net of rebates and EGWP credits are projected to be 3.1% lower than expected.

Self-Insured Vendor Administrative Fees and Claim Charges

Below are Plan Year 2025 administrative fees and other claim charges, as applicable, separately by each of the medical and prescription drug vendors. Plan Year 2025 Horizon and Aetna ASO fees vary by the number of self-insured Medical subscribers enrolled with each vendor. Fees shown below are based on projected 2025 subscriber enrollment as outlined in this analysis. 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 & Aetna Medical PEPM Fees/Charges

	PEPM Fees	
	PPO	Medicare Retirees
Horizon		
Total ASO Fee	\$33.72	\$28.91
NJWELL Program - Base Fee	\$20.90	n/a
Healthy Lifestyle Coaching - Telephonic	\$1.58	n/a
Aetna		
Total ASO Fee	\$44.77	n/a
NJWELL Program - Base Fee	\$3.05	n/a
Healthy Lifestyle Coaching - Telephonic	\$1.47	n/a

* Wellness 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:

- Episodes of care, out based payments, and care coordination
- DPCMH and PCMH administrative fees and capitation amounts
- Horizon bFit fitness incentive program
- Claim recovery services and Third Party Vendor Program Fees

Due to limited data, certain Aetna passthrough fees are assumed to be equal to Horizon for projection purposes.

Garden State Health Plan: Administrative fees charged by Aetna for the Garden for Plan Year 2025 is \$36.17 PEPM for Active and Early Retirees.

Prescription Drug Fees: Optum's administrative fees for the prescription drug program for Plan Year 2025 are assumed to be \$5.25 PEPM for Commercial and \$8.00 PMPM for EGWP. EGWP projections also include projected fees for the new Medicare Prescription Payment Plan (known as M3P) that was introduced under the Inflation Reduction Act of 2022 for Plan Year 2025.

Section 5: Cost Projection Methodology

Exhibit 3 shows the aggregate projected costs and premiums for Plan Years 2023, 2024, and 2025, 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 2024 provided by Horizon, Aetna, and Optum, incurred claims were completed and projected for Plan Year 2024, 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 2024 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 2025 using the annual trend rates listed in the Trend Analysis section of this document and incorporate the impact of any plan design changes. Projected Aetna average Active and Early Retiree self-insured medical claims are based on projected Horizon amounts with adjustments for network differences. Projected Aetna Active and Early Retiree Rx claims are assumed to be equal to Horizon amounts.
 - a. The projected Plan Year 2025 Education Active PPO10, PPO15, and NJEHP costs were adjusted for the change in plan distribution between Plan Year 2024 and Plan Year 2025. The change in enrollment distribution is assumed be representative of the migration from the PPO10 and PPO15 plan options to the NJEHP option in Plan Year 2025. No additional migration is assumed in this analysis. Projected Plan Year 2025 PPO10 and PPO15 costs reflect a 1% selection adjustment to account for higher average costs of those remaining in the plan compared to pre-migration average cost.
 - b. Due to small enrollment and claims data, projected Plan Year 2025 claims for the Active GSHP are based on 50% of actual claims and 50% of NJEHP experience adjusted for the expected relative plan cost differences. Projected claims for the Early Retiree GSHP are based entirely on NJEHP claims adjusted for the expected relative plan cost differences.

5. Aggregate claims for Plan Year 2025 are the product of projected enrollment and the projected claims per member.
6. Plan Year 2025 projected Medicare Advantage fully insured premiums are based on rates provided by Aetna.
7. Prescription drug rebates for Plan Year 2023 are based on actual rebate payment data received from the State. Plan Year 2024 actual rebates and Plan Year 2025 projected rebates are based on data provided by Optum.
8. Prescription drug rebates paid through the medical plan for Plan Year 2023 and 2024 are based on actual rebate payment data provided by Horizon. Prescription Drug Rebates estimated to be paid through the medical plan for Plan Year 2025 are incorporated in the medical claim projections and are based on the actual Plan Year 2024 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 2023, 2024, and 2025.
 - a. CMS per capita payments: Plan Years 2023, 2024, and 2025 actual and expected CMS per capita payments were provided by Optum. The Plan Year 2025 CMS per capita payment is assumed to be a reduction of \$109.69 Per Member Per Month (PMPM).
 - b. Coverage Gap Discount: Plan Years 2023, 2024, and 2025 actual and expected coverage gap payments were provided by Optum. The Plan Year 2025 credits are assumed to be \$116.52 PMPM.
 - c. Catastrophic Reinsurance: This payment has a very long lag, and the Plan Year 2023 credit is not expected to be fully paid until the beginning of Plan Year 2025. Plan Years 2023, 2024, and 2025 expected catastrophic reinsurance payments were provided by Optum. The Plan Year 2025 credits are assumed to be \$89.57 PMPM.
 - d. Low Income Cost Sharing (LICS): Plan Years 2023, 2024, and 2025 actual and expected LICS payments were provided by Optum. For Plan Year 2025, the subsidy payment is assumed to be \$0.11 PMPM.
10. The Plan Year 2025 projected Education Surcharge is approximately \$38.2 million, and this is used as a credit against projected Early Retiree costs.

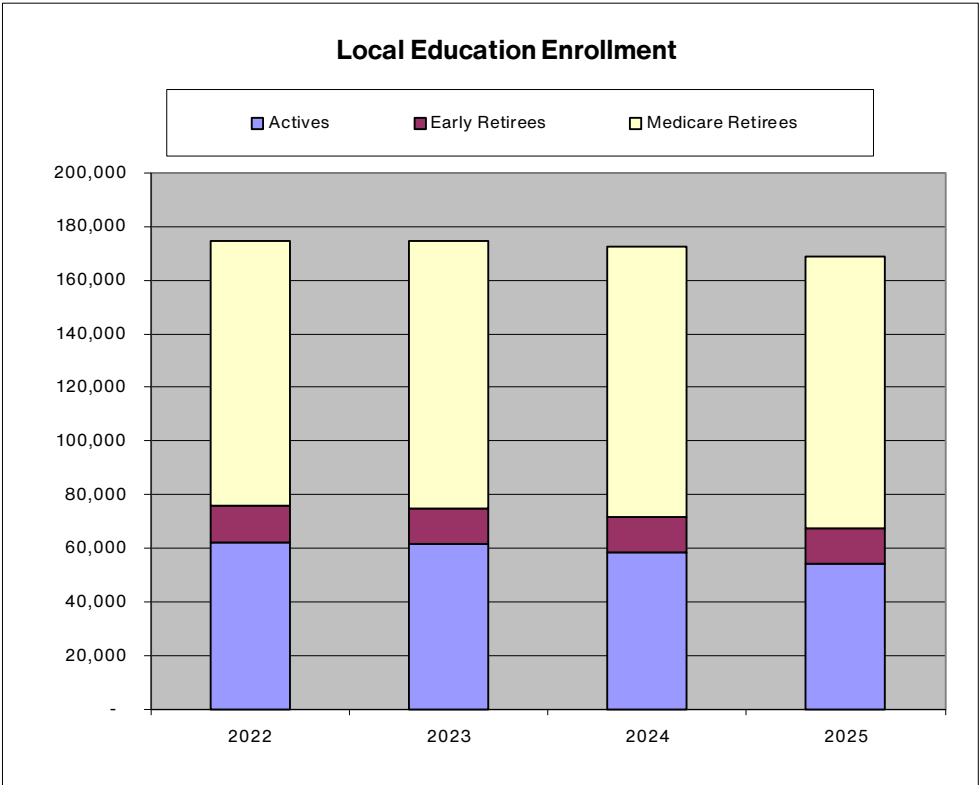
11. Total SEHBP projected Plan Year 2025 claim costs are the sum of projected medical and prescription drug claims, capitation charges, payments from CMS related to EGWP Plus Wrap, and prescription drug rebates.
12. Base administrative fees per subscriber per month or per member per month are multiplied by the projected average enrollment for the applicable projection Plan Year. Plan Year 2025 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 \$13.0 million for Plan Year 2025.
14. Other fees and claim charges reported by the vendors have been reflected in the projections.
15. Projected investment income of \$20.1 million was used to reduce projected administrative costs for Plan Year 2025.
16. Based on participation in NJWELL, employers are eligible for a 1% discount on their premium rates in the following plan year. Plan Year 2023 participation showed 7 Local Education employers (a total of 303 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 2024. 0.5% of employees are expected to be eligible for this discount in Plan Year 2025.

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 2024 Mid-Year Experience Analysis
Exhibit 1A – Enrollment Projections

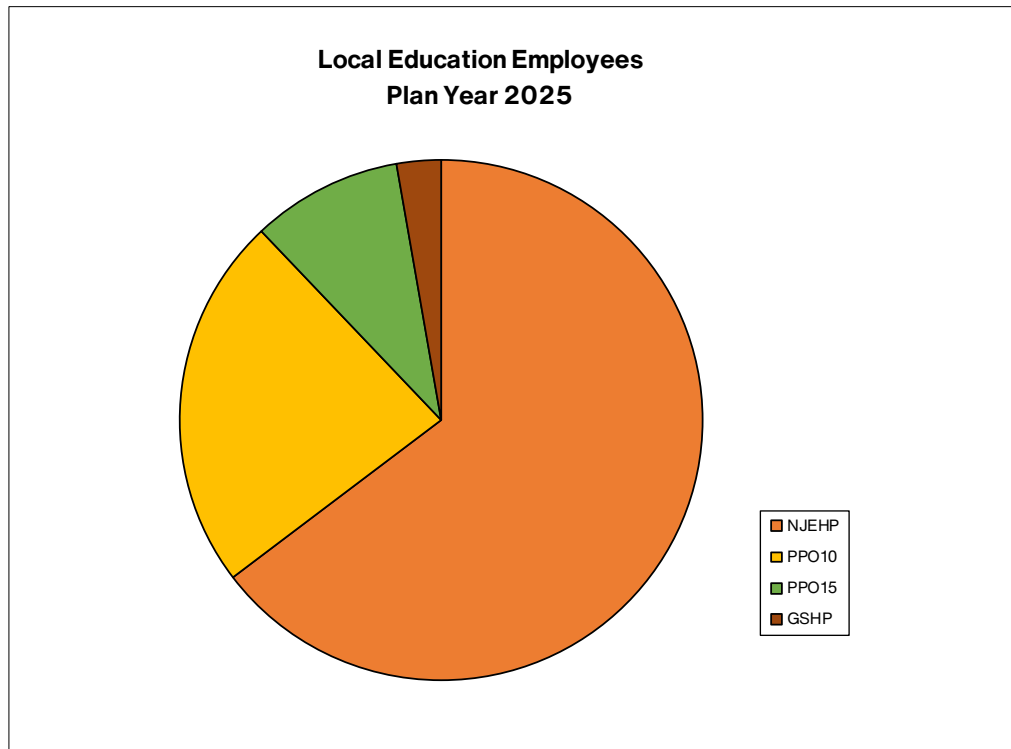


	Annual Change in Enrollment		
	Actual	Actual	Actual
	2022 to 2023	2023 to 2024	2024 to 2025
Actives	(1.5%)	(5.1%)	(7.3%)
Early Retirees	(0.2%)	0.5%	1.0%
Medicare Retirees	0.9%	0.7%	0.3%

Actual 2025 enrollment for Active Employees and Retirees is based on actual census data provided by the Division as of January 2025

SEHBP Plan Year 2024 Mid-Year Experience Analysis

Exhibit 1B – Active Employee Enrollment Distribution



Assumes approximately 65% of Employees enroll in the NJEHP and 3% enroll in the Garden State Health Plan.

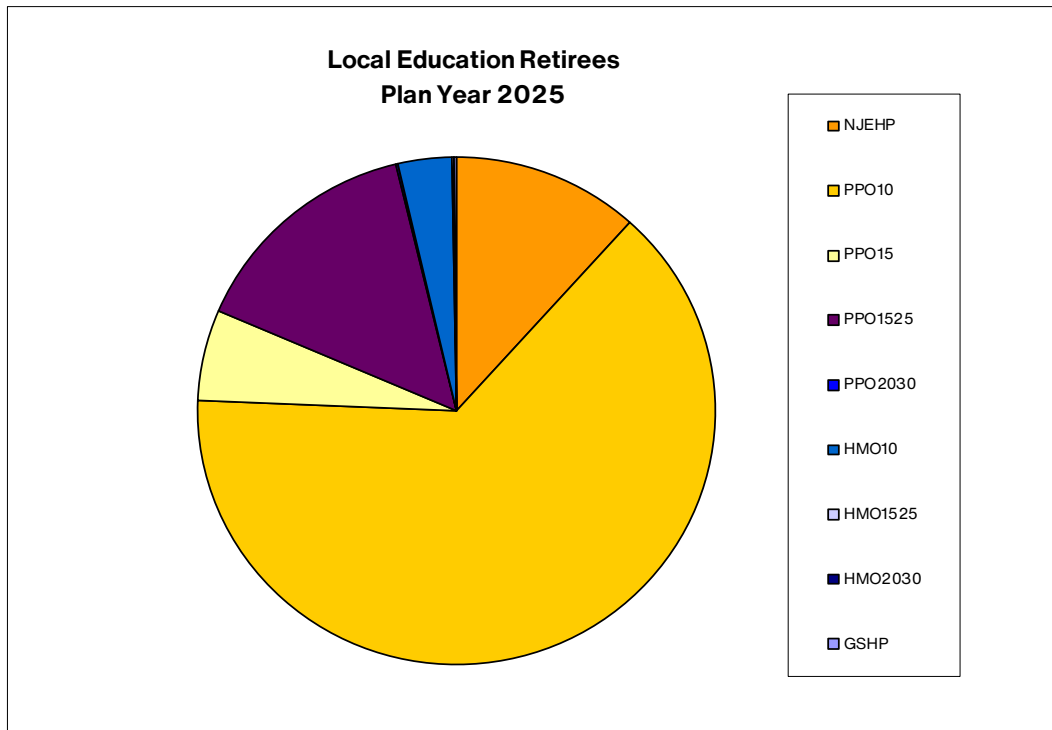
Assumes approximately 23% of Employees will remain in the \$10 copay plan.

Actives	Aetna	Horizon	Total
NJEHP	2.6%	62.1%	64.7%
PPO10	0.3%	23.0%	23.3%
PPO15	0.1%	9.3%	9.3%
GSHP	2.7%	0.0%	2.7%
Total	5.7%	94.3%	100.0%

*Numbers may not add due to rounding

SEHBP Plan Year 2024 Mid-Year Experience Analysis

Exhibit 1B (Cont'd) – Retiree Enrollment Distribution



Assumes approximately 12% of Retirees enroll in the NJEHP and less than 1% of Retirees enroll in the Garden State Health Plan.

Assumes approximately 73% of Retirees will enroll in the PPO 10, PPO 15, and HMO 10 plans.

Retirees	Horizon	Aetna	Total
NJEHP	10.5%	1.2%	11.7%
PPO10	0.0%	64.0%	64.0%
PPO15	0.0%	5.8%	5.8%
PPO1525	14.8%	0.0%	14.8%
PPO2030	0.1%	0.0%	0.1%
HMO10	0.2%	3.2%	3.4%
HMO1525	0.1%	0.0%	0.1%
HMO2030	0.0%	0.0%	0.0%
GSHP	0.0%	0.2%	0.2%
Total	25.7%	74.3%	100.0%

*Some plans may show 0.0% enrollment. These plans may include low enrollment which rounds to 0.0%. Numbers may not add due to rounding

SEHBP Plan Year 2024 Mid-Year Experience Analysis
Exhibit 1C – Active Employee Enrollment Distribution

	2025 Estimated Average Number of Contracts				
	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
EDUCATION - ACTIVE & COBRA					
<u>Medical Plans</u>					
Horizon NJEHP	11,944	4,262	13,582	3,751	33,539
Horizon PPO10	3,894	2,589	4,696	1,250	12,429
Horizon PPO15	1,599	1,044	1,891	478	5,012
Horizon Total	17,437	7,895	20,169	5,479	50,980
Aetna NJEHP	572	114	537	182	1,405
Aetna PPO10	32	31	58	22	143
Aetna PPO15	6	10	17	1	34
Aetna GSHP	878	137	315	151	1,481
Aetna Total	1,488	292	927	356	3,063
Total	18,925	8,187	21,096	5,835	54,043

* 2025 total plan enrollments are based on January 2025 census data.

SEHBP Plan Year 2024 Mid-Year Experience Analysis
Exhibit 1C (Cont'd) – Retiree Enrollment Distribution

	2025 Estimated Average Number of Contracts				
	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
EDUCATION RETIREES					
<u>Medical Plans</u>					
Horizon NJEHP	3,808	4,510	2,877	837	12,032
Horizon PPO1525	9,696	6,790	313	135	16,934
Horizon PPO2030	92	49	3	3	147
Horizon Legacy HMO (10)	101	64	4	2	171
Horizon HMO1525	52	35	0	0	87
Horizon HMO2030	7	4	1	0	12
Horizon Total	13,756	11,452	3,198	977	29,383
MA PPO10	41,511	29,955	1,219	592	73,277
MA PPO15	4,137	2,371	77	50	6,635
MA HMO (10)	2,315	1,300	39	24	3,678
MA HMO1525	38	7	0	0	45
Aetna NJEHP	268	660	347	61	1,336
GSHP	75	44	43	15	177
Aetna Total	48,344	34,337	1,725	742	85,148
Total	62,100	45,789	4,923	1,719	114,531

* 2025 total plan enrollments are based on January 2025 census data.

SEHBP Plan Year 2024 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, 2024. 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 09/2023 vs 09/2022	4.1%	0.0%	4.1%
12 Months through 09/2024 vs 09/2023	9.1%	0.3%	8.8%
Recommended 2025 Trend Assumption			7.5%

<u>PPO Early Retiree</u>			
12 Months through 09/2023 vs 09/2022	6.9%	0.0%	6.9%
12 Months through 09/2024 vs 09/2023	11.2%	0.0%	11.2%
Recommended 2025 Trend Assumption			7.5%

Normalizing Adjustments

4/1/2024: NJ State Mandate S2535

7/1/2024: NJ State Mandate A5235

SEHBP Plan Year 2024 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, 2024. 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 09/2023 vs 09/2022	17.1%	0.0%	17.1%
12 Months through 09/2024 vs 09/2023	19.2%	0.0%	19.2%
Recommended 2025 Trend Assumption			11.5%

Early Retiree Rx			
12 Months through 09/2023 vs 09/2022	12.7%	0.0%	12.7%
12 Months through 09/2024 vs 09/2023	13.4%	0.0%	13.4%
Recommended 2025 Trend Assumption			12.0%

EGWP Retiree Rx			
12 Months through 09/2023 vs 09/2022	13.1%	0.0%	13.1%
12 Months through 09/2024 vs 09/2023	13.5%	0.0%	13.5%
Recommended 2025 Trend Assumption			13.0%

Normalizing Adjustments:

None

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

	Total	NJHP	GSHP	Legacy Plans					
				Aetna PPO10	Aetna PPO15	Horizon PPO10	Horizon PPO15	Aetna HMO	Horizon HMO
Employees and Retirees									
Average Medical Members	327,817	111,388	2,121	102,180	9,316	50,213	23,745	5,390	242
Incurred Medical Claims	\$1,822,175,000	\$852,188,000	\$12,434,000	\$140,321,000	\$10,589,000	\$521,797,000	\$214,512,000	\$9,182,000	\$905,000
Capitation	\$51,604,000	\$30,623,000	\$0	\$0	\$0	\$13,883,000	\$6,740,000	\$0	\$9,000
Incurred Prescription Drug Claims	\$1,448,389,000	\$240,476,000	\$2,321,000	\$752,320,000	\$66,107,000	\$121,658,000	\$49,074,000	\$41,060,000	\$989,000
Prescription Drug Rebates	(\$429,196,000)	(\$94,135,000)	(\$909,000)	(\$194,343,000)	(\$17,077,000)	(\$47,615,000)	(\$19,207,000)	(\$10,607,000)	(\$255,000)
EGWP Credits	(\$366,546,000)	\$0	\$0	(\$266,861,000)	(\$24,330,000)	\$0	\$0	(\$14,077,000)	(\$631,000)
Education Surcharge	(\$36,686,000)	(\$36,397,000)	(\$289,000)	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$67,880,000	\$12,182,000	\$11,916,000	\$17,391,000	\$1,646,000	\$9,959,000	\$5,045,000	\$921,000	\$80,000
Total Cost	\$2,557,620,000	\$1,004,937,000	\$25,473,000	\$448,828,000	\$36,935,000	\$619,682,000	\$256,164,000	\$26,479,000	\$1,097,000
Total Premium	\$2,534,615,000	\$1,120,281,000	\$17,094,000	\$436,333,000	\$37,577,000	\$527,121,000	\$238,092,000	\$25,008,000	\$1,620,000
Gain (Loss)	(\$23,005,000)	\$115,344,000	(\$8,379,000)	(\$12,495,000)	\$642,000	(\$92,561,000)	(\$18,072,000)	(\$1,471,000)	\$523,000
Employees									
Average Medical Members	154,703	78,882	1,863	N/A	N/A	50,213	23,745	N/A	N/A
Incurred Medical Claims	\$1,269,777,000	\$523,799,000	\$9,669,000	N/A	N/A	\$521,797,000	\$214,512,000	N/A	N/A
Capitation	\$42,219,000	\$21,596,000	\$0	N/A	N/A	\$13,883,000	\$6,740,000	N/A	N/A
Incurred Prescription Drug Claims	\$284,401,000	\$112,312,000	\$1,357,000	N/A	N/A	\$121,658,000	\$49,074,000	N/A	N/A
Prescription Drug Rebates	(\$111,310,000)	(\$43,957,000)	(\$531,000)	N/A	N/A	(\$47,615,000)	(\$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	\$35,466,000	\$8,699,000	\$11,763,000	N/A	N/A	\$9,959,000	\$5,045,000	N/A	N/A
Total Cost	\$1,520,553,000	\$622,449,000	\$22,258,000	N/A	N/A	\$619,682,000	\$256,164,000	N/A	N/A
Total Premium	\$1,511,651,000	\$731,844,000	\$14,594,000	N/A	N/A	\$527,121,000	\$238,092,000	N/A	N/A
Gain (Loss)	(\$8,902,000)	\$109,395,000	(\$7,664,000)	N/A	N/A	(\$92,561,000)	(\$18,072,000)	N/A	N/A
Early Retirees									
Average Medical Members	32,764	32,506	258	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$331,154,000	\$328,389,000	\$2,765,000	N/A	N/A	N/A	N/A	N/A	N/A
Capitation	\$9,027,000	\$9,027,000	\$0	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$129,128,000	\$128,164,000	\$964,000	N/A	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$50,556,000)	(\$50,178,000)	(\$378,000)	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	(\$36,686,000)	(\$36,397,000)	(\$289,000)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$3,636,000	\$3,483,000	\$153,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Cost	\$385,703,000	\$382,488,000	\$3,215,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Premium	\$390,937,000	\$388,437,000	\$2,500,000	N/A	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	\$5,234,000	\$5,949,000	(\$715,000)	N/A	N/A	N/A	N/A	N/A	N/A
Medicare Retirees									
Average Medical Members	140,350	N/A	N/A	102,180	9,316	N/A	N/A	5,390	242
Incurred Medical Claims	\$221,244,000	N/A	N/A	\$140,321,000	\$10,589,000	N/A	N/A	\$9,182,000	\$905,000
Capitation	\$358,000	N/A	N/A	\$0	\$0	N/A	N/A	\$0	\$9,000
Incurred Prescription Drug Claims	\$1,034,860,000	N/A	N/A	\$752,320,000	\$66,107,000	N/A	N/A	\$41,060,000	\$989,000
Prescription Drug Rebates	(\$267,330,000)	N/A	N/A	(\$194,343,000)	(\$17,077,000)	N/A	N/A	(\$10,607,000)	(\$255,000)
EGWP Credits	(\$366,546,000)	N/A	N/A	(\$266,861,000)	(\$24,330,000)	N/A	N/A	(\$14,077,000)	(\$631,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$28,778,000	N/A	N/A	\$17,391,000	\$1,646,000	N/A	N/A	\$921,000	\$80,000
Total Cost	\$651,364,000	N/A	N/A	\$448,828,000	\$36,935,000	N/A	N/A	\$26,479,000	\$1,097,000
Total Premium	\$632,027,000	N/A	N/A	\$436,333,000	\$37,577,000	N/A	N/A	\$25,008,000	\$1,620,000
Gain (Loss)	(\$19,337,000)	N/A	N/A	(\$12,495,000)	\$642,000	N/A	N/A	(\$1,471,000)	\$523,000

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

	1525			2030	
	Horizon PPO	Aetna HMO	Horizon HMO	Horizon PPO	Horizon HMO
Employees and Retirees					
Average Medical Members	22,903	45	98	163	13
Incurred Medical Claims	\$59,593,000	\$58,000	\$281,000	\$304,000	\$11,000
Capitation	\$344,000	\$0	\$3,000	\$2,000	\$0
Incurred Prescription Drug Claims	\$172,035,000	\$371,000	\$677,000	\$1,259,000	\$42,000
Prescription Drug Rebates	(\$44,441,000)	(\$96,000)	(\$175,000)	(\$325,000)	(\$11,000)
EGWP Credits	(\$59,814,000)	(\$118,000)	(\$256,000)	(\$426,000)	(\$33,000)
Education Surcharge	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$8,625,000	\$9,000	\$34,000	\$68,000	\$4,000
Total Cost	\$136,342,000	\$224,000	\$564,000	\$882,000	\$13,000
Total Premium	\$129,882,000	\$191,000	\$440,000	\$902,000	\$74,000
Gain (Loss)	(\$6,460,000)	(\$33,000)	(\$124,000)	\$20,000	\$61,000
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	22,903	45	98	163	13
Incurred Medical Claims	\$59,593,000	\$58,000	\$281,000	\$304,000	\$11,000
Capitation	\$344,000	\$0	\$3,000	\$2,000	\$0
Incurred Prescription Drug Claims	\$172,035,000	\$371,000	\$677,000	\$1,259,000	\$42,000
Prescription Drug Rebates	(\$44,441,000)	(\$96,000)	(\$175,000)	(\$325,000)	(\$11,000)
EGWP Credits	(\$59,814,000)	(\$118,000)	(\$256,000)	(\$426,000)	(\$33,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$8,625,000	\$9,000	\$34,000	\$68,000	\$4,000
Total Cost	\$136,342,000	\$224,000	\$564,000	\$882,000	\$13,000
Total Premium	\$129,882,000	\$191,000	\$440,000	\$902,000	\$74,000
Gain (Loss)	(\$6,460,000)	(\$33,000)	(\$124,000)	\$20,000	\$61,000

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 2024 Mid-Year Experience Analysis
Exhibit 3B – Plan Year 2024 Aggregate Costs, page 1 of 2

	Total	NJEHP		GSHP	Legacy Plans					
		Aetna PPO	Horizon PPO	Aetna PPO	Aetna PPO10	Aetna PPO15	Horizon PPO10	Horizon PPO15	Aetna HMO	Horizon HMO
Employees and Retirees										
Average Medical Members	321,345	5,181	109,894	3,228	102,794	9,169	42,983	18,286	5,124	235
Incurred Medical Claims	\$1,964,897,000	\$49,259,000	\$970,734,000	\$22,452,000	\$137,516,000	\$10,237,000	\$499,695,000	\$195,166,000	\$8,466,000	\$1,086,000
Capitation	\$15,439,000	\$0	\$9,533,000	\$0	\$0	\$0	\$3,872,000	\$1,654,000	\$0	\$10,000
Incurred Prescription Drug Claims	\$1,646,561,000	\$18,618,000	\$278,387,000	\$4,129,000	\$853,391,000	\$74,374,000	\$126,800,000	\$44,453,000	\$42,217,000	\$1,337,000
Prescription Drug Rebates	(\$507,147,000)	(\$7,060,000)	(\$105,788,000)	(\$1,570,000)	(\$238,031,000)	(\$20,752,000)	(\$48,296,000)	(\$16,931,000)	(\$11,774,000)	(\$373,000)
EGWP Credits	(\$453,093,000)	N/A	N/A	N/A	(\$328,448,000)	(\$29,235,000)	N/A	N/A	(\$16,401,000)	(\$751,000)
Education Surcharge	(\$37,895,000)	(\$4,541,000)	(\$32,938,000)	(\$416,000)	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$76,617,000	\$341,000	\$34,104,000	\$967,000	\$13,999,000	\$1,288,000	\$10,998,000	\$4,845,000	\$692,000	\$88,000
Total Cost	\$2,705,379,000	\$56,617,000	\$1,154,032,000	\$25,562,000	\$438,427,000	\$35,912,000	\$593,069,000	\$229,187,000	\$23,200,000	\$1,397,000
Total Premium	\$2,606,270,000	\$56,836,000	\$1,129,140,000	\$29,414,000	\$469,960,000	\$39,869,000	\$502,012,000	\$203,735,000	\$25,291,000	\$1,679,000
Gain (Loss)	(\$99,109,000)	\$219,000	(\$24,892,000)	\$3,852,000	\$31,533,000	\$3,957,000	(\$91,057,000)	(\$25,452,000)	\$2,091,000	\$282,000
Employees										
Average Medical Members	146,684	1,215	81,126	2,865	174	35	42,983	18,286	N/A	N/A
Incurred Medical Claims	\$1,353,917,000	\$8,832,000	\$630,126,000	\$17,913,000	\$1,861,000	\$324,000	\$499,695,000	\$195,166,000	N/A	N/A
Capitation	\$12,454,000	\$0	\$6,928,000	\$0	\$0	\$0	\$3,872,000	\$1,654,000	N/A	N/A
Incurred Prescription Drug Claims	\$325,041,000	\$2,135,000	\$148,325,000	\$2,905,000	\$325,000	\$98,000	\$126,800,000	\$44,453,000	N/A	N/A
Prescription Drug Rebates	(\$123,801,000)	(\$813,000)	(\$56,494,000)	(\$1,106,000)	(\$124,000)	(\$37,000)	(\$48,296,000)	(\$16,931,000)	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$42,425,000	\$251,000	\$25,419,000	\$881,000	\$26,000	\$5,000	\$10,998,000	\$4,845,000	N/A	N/A
Total Cost	\$1,610,036,000	\$10,405,000	\$754,304,000	\$20,593,000	\$2,088,000	\$390,000	\$593,069,000	\$229,187,000	N/A	N/A
Total Premium	\$1,518,236,000	\$11,275,000	\$773,551,000	\$25,424,000	\$1,873,000	\$366,000	\$502,012,000	\$203,735,000	N/A	N/A
Gain (Loss)	(\$91,800,000)	\$870,000	\$19,247,000	\$4,831,000	(\$215,000)	(\$24,000)	(\$91,057,000)	(\$25,452,000)	N/A	N/A
Early Retirees										
Average Medical Members	33,097	3,966	28,768	363	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$385,574,000	\$40,427,000	\$340,608,000	\$4,539,000	N/A	N/A	N/A	N/A	N/A	N/A
Capitation	\$2,605,000	\$0	\$2,605,000	\$0	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$147,769,000	\$16,483,000	\$130,062,000	\$1,224,000	N/A	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$56,005,000)	(\$6,247,000)	(\$49,294,000)	(\$464,000)	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	N/A
Education Surcharge	(\$37,895,000)	(\$4,541,000)	(\$32,938,000)	(\$416,000)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$8,861,000	\$90,000	\$8,685,000	\$86,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Cost	\$450,909,000	\$46,212,000	\$399,728,000	\$4,969,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Premium	\$405,140,000	\$45,561,000	\$355,589,000	\$3,990,000	N/A	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	(\$45,769,000)	(\$651,000)	(\$44,139,000)	(\$979,000)	N/A	N/A	N/A	N/A	N/A	N/A
Medicare Retirees										
Average Medical Members	141,564	N/A	N/A	N/A	102,620	9,134	N/A	N/A	5,124	235
Incurred Medical Claims	\$225,406,000	N/A	N/A	N/A	\$135,655,000	\$9,913,000	N/A	N/A	\$8,466,000	\$1,086,000
Capitation	\$380,000	N/A	N/A	N/A	\$0	\$0	N/A	N/A	\$0	\$10,000
Incurred Prescription Drug Claims	\$1,173,751,000	N/A	N/A	N/A	\$853,066,000	\$74,276,000	N/A	N/A	\$42,217,000	\$1,337,000
Prescription Drug Rebates	(\$327,341,000)	N/A	N/A	N/A	(\$237,907,000)	(\$20,715,000)	N/A	N/A	(\$11,774,000)	(\$373,000)
EGWP Credits	(\$453,093,000)	N/A	N/A	N/A	(\$328,448,000)	(\$29,235,000)	N/A	N/A	(\$16,401,000)	(\$751,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$25,331,000	N/A	N/A	N/A	\$13,973,000	\$1,283,000	N/A	N/A	\$692,000	\$88,000
Total Cost	\$644,434,000	N/A	N/A	N/A	\$436,339,000	\$35,522,000	N/A	N/A	\$23,200,000	\$1,397,000
Total Premium	\$682,894,000	N/A	N/A	N/A	\$468,087,000	\$39,503,000	N/A	N/A	\$25,291,000	\$1,679,000
Gain (Loss)	\$38,460,000	N/A	N/A	N/A	\$31,748,000	\$3,981,000	N/A	N/A	\$2,091,000	\$282,000

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

	1525			2030	
	Horizon PPO	Aetna HMO	Horizon HMO	Horizon PPO	Horizon HMO
Employees and Retirees					
Average Medical Members	24,084	53	115	183	16
Incurred Medical Claims	\$69,448,000	\$66,000	\$365,000	\$395,000	\$12,000
Capitation	\$363,000	\$0	\$3,000	\$3,000	\$1,000
Incurred Prescription Drug Claims	\$199,930,000	\$464,000	\$845,000	\$1,557,000	\$59,000
Prescription Drug Rebates	(\$55,757,000)	(\$129,000)	(\$236,000)	(\$434,000)	(\$16,000)
EGWP Credits	(\$77,083,000)	(\$171,000)	(\$368,000)	(\$585,000)	(\$51,000)
Education Surcharge	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$9,158,000	\$8,000	\$45,000	\$78,000	\$6,000
Total Cost	\$146,059,000	\$238,000	\$654,000	\$1,014,000	\$11,000
Total Premium	\$146,347,000	\$241,000	\$561,000	\$1,084,000	\$101,000
Gain (Loss)	\$288,000	\$3,000	(\$93,000)	\$70,000	\$90,000
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	24,084	53	115	183	16
Incurred Medical Claims	\$69,448,000	\$66,000	\$365,000	\$395,000	\$12,000
Capitation	\$363,000	\$0	\$3,000	\$3,000	\$1,000
Incurred Prescription Drug Claims	\$199,930,000	\$464,000	\$845,000	\$1,557,000	\$59,000
Prescription Drug Rebates	(\$55,757,000)	(\$129,000)	(\$236,000)	(\$434,000)	(\$16,000)
EGWP Credits	(\$77,083,000)	(\$171,000)	(\$368,000)	(\$585,000)	(\$51,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$9,158,000	\$8,000	\$45,000	\$78,000	\$6,000
Total Cost	\$146,059,000	\$238,000	\$654,000	\$1,014,000	\$11,000
Total Premium	\$146,347,000	\$241,000	\$561,000	\$1,084,000	\$101,000
Gain (Loss)	\$288,000	\$3,000	(\$93,000)	\$70,000	\$90,000

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 2024 Mid-Year Experience Analysis
Exhibit 3C – Plan Year 2025 Aggregate Costs, Page 1 of 2

	Total	NJEHP		GSHP	Legacy Plans					
		Aetna PPO	Horizon PPO	Aetna PPO	Aetna PPO10	Aetna PPO15	Horizon PPO10	Horizon PPO15	Aetna HMO	Horizon HMO
Employees and Retirees										
Average Medical Members	309,722	11,126	109,217	3,174	102,746	9,132	31,083	12,483	4,960	232
Incurred Medical Claims	\$2,004,407,000	\$124,945,000	\$1,060,242,000	\$24,382,000	\$152,242,000	\$11,981,000	\$397,099,000	\$146,051,000	\$8,790,000	\$1,133,000
Capitation	\$16,002,000	\$1,066,000	\$10,218,000	\$0	\$37,000	\$9,000	\$3,031,000	\$1,222,000	\$0	\$11,000
Incurred Prescription Drug Claims	\$1,858,416,000	\$46,355,000	\$318,160,000	\$6,745,000	\$972,137,000	\$84,101,000	\$104,806,000	\$35,825,000	\$46,643,000	\$1,508,000
Prescription Drug Rebates	(\$563,072,000)	(\$17,816,000)	(\$121,932,000)	(\$2,583,000)	(\$264,953,000)	(\$22,939,000)	(\$40,065,000)	(\$13,695,000)	(\$12,708,000)	(\$411,000)
EGWP Credits	(\$538,882,000)	\$0	\$0	\$0	(\$388,025,000)	(\$34,253,000)	N/A	N/A	(\$18,802,000)	(\$879,000)
Education Surcharge	(\$38,253,000)	(\$8,986,000)	(\$28,838,000)	(\$429,000)	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$73,085,000	\$1,075,000	\$33,677,000	\$960,000	\$14,804,000	\$1,355,000	\$7,745,000	\$3,271,000	\$707,000	\$87,000
Total Cost	\$2,811,703,000	\$146,639,000	\$1,271,527,000	\$29,075,000	\$486,242,000	\$40,254,000	\$472,616,000	\$172,674,000	\$24,630,000	\$1,449,000
Total Premium	\$2,748,888,000	\$136,797,000	\$1,228,774,000	\$31,722,000	\$495,590,000	\$42,522,000	\$448,784,000	\$173,096,000	\$25,698,000	\$1,762,000
Gain (Loss)	(\$62,815,000)	(\$9,842,000)	(\$42,753,000)	\$2,647,000	\$9,348,000	\$2,268,000	(\$23,832,000)	\$422,000	\$1,068,000	\$313,000
Employees										
Average Medical Members	134,758	3,420	84,487	2,806	383	96	31,083	12,483	N/A	N/A
Incurred Medical Claims	\$1,343,557,000	\$28,852,000	\$745,486,000	\$20,336,000	\$4,643,000	\$1,090,000	\$397,099,000	\$146,051,000	N/A	N/A
Capitation	\$12,426,000	\$316,000	\$7,811,000	\$0	\$37,000	\$9,000	\$3,031,000	\$1,222,000	N/A	N/A
Incurred Prescription Drug Claims	\$346,862,000	\$7,336,000	\$192,938,000	\$4,881,000	\$845,000	\$231,000	\$104,806,000	\$35,825,000	N/A	N/A
Prescription Drug Rebates	(\$132,596,000)	(\$2,804,000)	(\$73,755,000)	(\$1,866,000)	(\$323,000)	(\$88,000)	(\$40,065,000)	(\$13,695,000)	N/A	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$37,194,000	\$861,000	\$24,349,000	\$868,000	\$79,000	\$21,000	\$7,745,000	\$3,271,000	N/A	N/A
Total Cost	\$1,607,443,000	\$34,561,000	\$896,829,000	\$24,219,000	\$5,281,000	\$1,263,000	\$472,616,000	\$172,674,000	N/A	N/A
Total Premium	\$1,566,628,000	\$35,087,000	\$875,961,000	\$27,212,000	\$5,192,000	\$1,296,000	\$448,784,000	\$173,096,000	N/A	N/A
Gain (Loss)	(\$40,815,000)	\$526,000	(\$20,868,000)	\$2,993,000	(\$89,000)	\$33,000	(\$23,832,000)	\$422,000	N/A	N/A
Early Retirees										
Average Medical Members	32,804	7,706	24,730	368	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$414,895,000	\$96,093,000	\$314,756,000	\$4,046,000	N/A	N/A	N/A	N/A	N/A	N/A
Capitation	\$3,157,000	\$750,000	\$2,407,000	\$0	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$166,105,000	\$39,019,000	\$125,222,000	\$1,864,000	N/A	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$63,906,000)	(\$15,012,000)	(\$48,177,000)	(\$717,000)	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	N/A
Education Surcharge	(\$38,253,000)	(\$8,986,000)	(\$28,838,000)	(\$429,000)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$9,634,000	\$214,000	\$9,328,000	\$92,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Cost	\$491,632,000	\$112,078,000	\$374,698,000	\$4,856,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Premium	\$459,033,000	\$101,710,000	\$352,813,000	\$4,510,000	N/A	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	(\$32,599,000)	(\$10,368,000)	(\$21,885,000)	(\$346,000)	N/A	N/A	N/A	N/A	N/A	N/A
Medicare Retirees										
Average Medical Members	142,160	N/A	N/A	N/A	102,363	9,036	N/A	N/A	4,960	232
Incurred Medical Claims	\$245,955,000	N/A	N/A	N/A	\$147,599,000	\$10,891,000	N/A	N/A	\$8,790,000	\$1,133,000
Capitation	\$419,000	N/A	N/A	N/A	\$0	\$0	N/A	N/A	\$0	\$11,000
Incurred Prescription Drug Claims	\$1,345,449,000	N/A	N/A	N/A	\$971,292,000	\$83,870,000	N/A	N/A	\$46,643,000	\$1,508,000
Prescription Drug Rebates	(\$366,570,000)	N/A	N/A	N/A	(\$264,630,000)	(\$22,851,000)	N/A	N/A	(\$12,708,000)	(\$411,000)
EGWP Credits	(\$538,882,000)	N/A	N/A	N/A	(\$388,025,000)	(\$34,253,000)	N/A	N/A	(\$18,802,000)	(\$879,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$26,257,000	N/A	N/A	N/A	\$14,725,000	\$1,334,000	N/A	N/A	\$707,000	\$87,000
Total Cost	\$712,628,000	N/A	N/A	N/A	\$480,961,000	\$38,991,000	N/A	N/A	\$24,630,000	\$1,449,000
Total Premium	\$723,227,000	N/A	N/A	N/A	\$490,398,000	\$41,226,000	N/A	N/A	\$25,698,000	\$1,762,000
Gain (Loss)	\$10,599,000	N/A	N/A	N/A	\$9,437,000	\$2,235,000	N/A	N/A	\$1,068,000	\$313,000

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 2024 Mid-Year Experience Analysis
Exhibit 3C – Plan Year 2025 Aggregate Costs, page 2 of 2

	1525			2030	
	Horizon PPO	Aetna HMO	Horizon HMO	Horizon PPO	Horizon HMO
Employees and Retirees					
Average Medical Members	25,185	56	119	192	17
Incurred Medical Claims	\$76,618,000	\$75,000	\$398,000	\$437,000	\$14,000
Capitation	\$400,000	\$0	\$4,000	\$3,000	\$1,000
Incurred Prescription Drug Claims	\$238,645,000	\$555,000	\$998,000	\$1,867,000	\$71,000
Prescription Drug Rebates	(\$65,019,000)	(\$151,000)	(\$272,000)	(\$509,000)	(\$19,000)
EGWP Credits	(\$95,468,000)	(\$212,000)	(\$451,000)	(\$728,000)	(\$64,000)
Education Surcharge	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$9,263,000	\$8,000	\$46,000	\$80,000	\$7,000
Total Cost	\$164,439,000	\$275,000	\$723,000	\$1,150,000	\$10,000
Total Premium	\$161,945,000	\$267,000	\$619,000	\$1,201,000	\$111,000
Gain (Loss)	(\$2,494,000)	(\$8,000)	(\$104,000)	\$51,000	\$101,000
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	25,185	56	119	192	17
Incurred Medical Claims	\$76,618,000	\$75,000	\$398,000	\$437,000	\$14,000
Capitation	\$400,000	\$0	\$4,000	\$3,000	\$1,000
Incurred Prescription Drug Claims	\$238,645,000	\$555,000	\$998,000	\$1,867,000	\$71,000
Prescription Drug Rebates	(\$65,019,000)	(\$151,000)	(\$272,000)	(\$509,000)	(\$19,000)
EGWP Credits	(\$95,468,000)	(\$212,000)	(\$451,000)	(\$728,000)	(\$64,000)
Education Surcharge	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$9,263,000	\$8,000	\$46,000	\$80,000	\$7,000
Total Cost	\$164,439,000	\$275,000	\$723,000	\$1,150,000	\$10,000
Total Premium	\$161,945,000	\$267,000	\$619,000	\$1,201,000	\$111,000
Gain (Loss)	(\$2,494,000)	(\$8,000)	(\$104,000)	\$51,000	\$101,000

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 2024 Mid-Year Experience Analysis

Exhibit 4A – Employee Plan Year 2025 Option Summary

	Education Actives			
	PPO10	PPO15	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	\$7,360/\$14,720	\$500/\$1,000	\$500/\$1,000
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)	\$1,840/\$3,680	\$1,840/\$3,680	\$1,600/\$3,200	\$1,600/\$3,200
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 PPO10 and PPO15.

Note: 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 2024 Mid-Year Experience Analysis
Exhibit 4B – Early Retiree Plan Year 2025 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/\$1,000	\$500/\$1,000
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

¹ 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.

SEHBP Plan Year 2024 Mid-Year Experience Analysis
Exhibit 4C – Medicare Retiree Plan Year 2025 Option Summary

	Education Medicare Advantage ³				Education Medicare Supplement				
	PPO10	PPO15	HMO10	HMO1525	HMO10	PPO1525	HMO1525	PPO2030	HMO2030
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	\$7,789/\$15,578	\$7,789/\$15,578	\$7,789/\$15,578	\$7,789/\$15,578	\$7,789/\$15,578
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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