

Kentucky Employees Health Plan Aon Projections Trust Fund Data through June 30, 2023

Experience Data

Medical and Pharmacy incurred claims from Merative database, Anthem and Caremark through June 2023
Employee/Retiree and dependent enrollments from Merative database and Anthem through June 2023
Transaction and Trust Fund activity through June 2023 provided by KEHP
Includes payment of \$4,393,795.17 and \$17,035,904.83 for Coronavirus Relief Fund Reimbursements applied to Plan Year 2020 and 2021, respectively. An additional payment was made for Plan Year 2021 of \$22,021,746.
Additional eligibility data for June 2023 provided by KEHP
Per House Bill 303, \$500 million was transferred from the Public Employee Health Insurance Trust Fund's surplus to the General Fund. Funds have been withdrawn from plan year 2012-2016.
Per House Bill 200, transfer funds from the KEHP trust fund to the General Fund to partially support employer retirement contributions in the amount of \$135,140,500 in FY18-19 and \$175,364,400 in FY19-20.
Per House Bill 352, excess funds from plan year 2016, 2017, 2018, 2019, and 2020 are authorized to be used to satisfy claims or expenses in plan year 2021 and 2022.

Assumptions and Methodology

Total incurred claims developed utilizing Bornhuetter-Ferguson methodology (industry standard)
Medical claims annual trend - 8.5%
Pharmacy claims annual trend - 8.5%
Medical and Pharmacy claims adjusted for 2015 - 2023 plan designs
Medical and Pharmacy claims paid by Standard CDHP/LivingWell CDHP HRA funds have been excluded from the Merative database as Plan paid expenses. Therefore, adding the HRA medical and pharmacy claims to those in the database provides total medical and pharmacy claims.
Enrollment growth trend - 0.0%
Investment return - 0.0%
Premiums are based on EE/ER premium rates and projected enrollments
Administrative fees reflect the contract rates effective in 2023
2016-2022 Operating Transfers/Expenses & Adjustments include health care reform expenses
HRA expenses included in Plan Year credits are utilized - assume 93% and 73% of annual credits are utilized in HRA CDHP and HRA Waiver plan respectively in plan year 2022. These percentages increase in future plan years due to claims inflation.
Unused HRA balances are carried forward each year with cap on waiver HRA; thus, claims are expected to draw from these balances
Members are allowed to rollover up to \$550 unused FSA balance each year; thus, claims are expected to draw from these balances

**Kentucky Employees Health Plan
Calendar Year 2026 Plan Year Expenses and Revenue
Based on June 30, 2023 Trust Summary Report
0% EE and 0% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			161,681
Premiums	\$0	\$2,097,696,996	\$2,097,696,996
CDHP HRA Premium	\$0	\$62,114,404	\$62,114,404
Remaining Premium	\$0	\$2,035,582,592	\$2,035,582,592
HRA Waiver Contribution	\$0	\$49,883,400	\$49,883,400
Interest Income	\$0	\$0	\$0
Drug Rebates	\$0	\$311,720,213	\$311,720,213
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$0	\$0	\$0
Total Revenue/Income	\$0	\$2,459,300,610	\$2,459,300,610
Incurred Medical Claims	\$0	(\$1,743,507,343)	(\$1,743,507,343)
Medical Admin	\$0	(\$78,259,382)	(\$78,259,382)
HRA CDHP Claims	\$0	(\$60,273,614)	(\$60,273,614)
HRA Waiver Claims	\$0	(\$37,291,469)	(\$37,291,469)
Incurred Pharmacy Claims	\$0	(\$849,629,166)	(\$849,629,166)
RX Admin (CVS)	\$0	(\$17,226,749)	(\$17,226,749)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	\$0	(\$10,518,414)	(\$10,518,414)
Total Expenses	\$0	(\$2,796,706,137)	(\$2,796,706,137)
Net Gain/(Loss)	\$0	(\$337,405,527)	(\$337,405,527)

* Includes health care reform expenses.

** Assume 0% EE and 0% ER contribution increase in 2026

August 4, 2023

**Kentucky Employees Health Plan
Calendar Year 2025 Plan Year Expenses and Revenue
Based on June 30, 2023 Trust Summary Report
0% EE and 0% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			161,126
Premiums	\$0	\$2,097,696,996	\$2,097,696,996
CDHP HRA Premium	\$0	\$62,114,404	\$62,114,404
Remaining Premium	\$0	\$2,035,582,592	\$2,035,582,592
HRA Waiver Contribution	\$0	\$49,883,400	\$49,883,400
Interest Income	\$0	\$0	\$0
Drug Rebates	\$0	\$287,299,736	\$287,299,736
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$0	\$0	\$0
Total Revenue/Income	\$0	\$2,434,880,132	\$2,434,880,132
Incurred Medical Claims	\$0	(\$1,608,065,334)	(\$1,608,065,334)
Medical Admin	\$0	(\$75,979,982)	(\$75,979,982)
HRA CDHP Claims	\$0	(\$59,652,470)	(\$59,652,470)
HRA Waiver Claims	\$0	(\$37,042,052)	(\$37,042,052)
Incurred Pharmacy Claims	\$0	(\$783,068,356)	(\$783,068,356)
RX Admin (CVS)	\$0	(\$16,724,999)	(\$16,724,999)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	\$0	(\$9,830,294)	(\$9,830,294)
Total Expenses	\$0	(\$2,590,363,487)	(\$2,590,363,487)
Net Gain/(Loss)	\$0	(\$155,483,355)	(\$155,483,355)

* Includes health care reform expenses.

** Assume 0% EE and 0% ER contribution increase in 2025

August 4, 2023

**Kentucky Employees Health Plan
Calendar Year 2024 Plan Year Expenses and Revenue
Based on June 30, 2023 Trust Summary Report
0% EE and 16.5% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			161,681
Premiums	\$0	\$2,097,696,996	\$2,097,696,996
CDHP HRA Premium	\$0	\$62,114,404	\$62,114,404
Remaining Premium	\$0	\$2,035,582,592	\$2,035,582,592
HRA Waiver Contribution	\$0	\$49,883,400	\$49,883,400
Interest Income	\$0	\$0	\$0
Drug Rebates	\$0	\$264,792,383	\$264,792,383
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$0	\$0	\$0
Total Revenue/Income	\$0	\$2,412,372,779	\$2,412,372,779
Incurred Medical Claims	\$0	(\$1,483,233,990)	(\$1,483,233,990)
Medical Admin	\$0	(\$73,766,973)	(\$73,766,973)
HRA CDHP Claims	\$0	(\$59,031,326)	(\$59,031,326)
HRA Waiver Claims	\$0	(\$36,792,635)	(\$36,792,635)
Incurred Pharmacy Claims	\$0	(\$721,721,987)	(\$721,721,987)
RX Admin (CVS)	\$0	(\$16,237,864)	(\$16,237,864)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	\$0	(\$9,187,191)	(\$9,187,191)
Total Expenses	\$0	(\$2,399,971,965)	(\$2,399,971,965)
Net Gain/(Loss)	\$0	\$12,400,815	\$12,400,815

* Includes health care reform expenses.

** Assume 0% EE and 16.5% ER contribution increase in 2024

August 4, 2023

**Kentucky Employees Health Plan
Calendar Year 2023 Plan Year Expenses and Revenue
Based on June 30, 2023 Trust Summary Report
0% EE and 10% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			161,681
Premiums	\$910,299,890	\$929,875,222	\$1,840,175,112
CDHP HRA Premium	\$31,057,202	\$31,057,202	\$62,114,404
Remaining Premium	\$879,242,688	\$898,818,020	\$1,778,060,708
HRA Waiver Contribution	\$25,553,336	\$24,330,064	\$49,883,400
Interest Income	\$7,062,962	\$0	\$7,062,962
Drug Rebates	\$0	\$244,048,280	\$244,048,280
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$0	\$0	\$0
Total Revenue/Income	\$942,916,188	\$1,198,253,565	\$2,141,169,753
Incurred Medical Claims	(\$449,348,123)	(\$918,833,936)	(\$1,368,182,059)
Medical Admin	(\$29,220,581)	(\$43,354,112)	(\$72,574,692)
HRA CDHP Claims	(\$33,367,049)	(\$25,043,133)	(\$58,410,182)
HRA Waiver Claims	(\$15,772,859)	(\$20,770,359)	(\$36,543,218)
Incurred Pharmacy Claims	(\$321,666,182)	(\$343,515,373)	(\$665,181,555)
RX Admin (CVS)	(\$7,341,025)	(\$8,423,891)	(\$15,764,916)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	(\$5,170,552)	(\$3,415,608)	(\$8,586,159)
Total Expenses	(\$861,886,370)	(\$1,363,356,410)	(\$2,225,242,780)
Net Gain/(Loss)	\$81,029,818	(\$165,102,845)	(\$84,073,027)

* Includes health care reform expenses.

** Assume 0% EE and 10% ER contribution increase in 2023

August 4, 2023

**Kentucky Employees Health Plan
Calendar Year 2022 Plan Year Expenses and Revenue
Based on June 30, 2023 Trust Summary Report
3% EE and 3% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			161,126
Premiums	\$1,692,653,610	\$0	\$1,692,653,610
CDHP HRA Premium	\$61,183,338	\$0	\$61,183,338
Remaining Premium	\$1,631,470,272	\$0	\$1,631,470,272
HRA Waiver Contribution	\$48,900,472	\$0	\$48,567,225
Interest Income	\$7,523,424	\$0	\$7,523,424
Drug Rebates	\$212,860,881	\$0	\$212,860,881
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$0	\$0	\$0
Total Revenue/Income	\$1,961,938,388	\$0	\$1,961,605,140
Incurred Medical Claims	(\$1,228,469,886)	(\$12,460,333)	(\$1,240,930,218)
Medical Admin	(\$63,125,038)	\$0	(\$63,125,038)
HRA CDHP Claims	(\$56,668,326)	(\$102,270)	(\$56,770,596)
HRA Waiver Claims	(\$35,212,007)	(\$124,181)	(\$35,336,188)
Incurred Pharmacy Claims	(\$579,007,778)	(\$1,168,948)	(\$580,176,726)
RX Admin (CVS)	(\$15,305,744)	\$0	(\$15,305,744)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	(\$8,024,448)	\$0	(\$8,024,448)
Total Expenses	(\$1,985,813,226)	(\$13,855,732)	(\$1,999,668,959)
Net Gain/(Loss)	(\$23,874,838)	(\$13,855,732)	(\$38,063,818)

* Includes health care reform expenses

** Based on 2022 Plan design & premium changes -

1. overall 3% EE and 3% ER contribution increase in 2022
2. 5%/10% (in/out of network) coinsurance increase to LW PPO and LW CDHP, \$5/\$10 (30 day/90 day supply)
generic tier Rx copay increase to LW PPO plan
3. Implemented PrudentRx, eSGM (Enhanced SGM), and Rx Market Check

**Kentucky Employees Health Plan
Calendar Year 2021 Plan Year Expenses and Revenue
Based on June 30, 2023 Trust Summary Report
3% EE and 3% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			161,143
Premiums	\$1,663,134,644	\$0	\$1,663,134,644
CDHP HRA Premium	\$61,657,650	\$0	\$61,657,650
Remaining Premium	\$1,601,476,994	\$0	\$1,601,476,994
HRA Waiver Contribution	\$46,974,103	\$0	\$46,974,103
Interest Income	(\$163,307)	\$0	(\$163,307)
Drug Rebates	\$186,170,924	\$0	\$186,170,924
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$39,057,650	\$0	\$39,057,650
Total Revenue/Income	\$1,935,174,013	\$0	\$1,935,174,013
Incurring Medical Claims	(\$1,253,009,772)	(\$307,628)	(\$1,253,317,400)
Medical Admin	(\$62,218,041)	\$0	(\$62,218,041)
HRA CDHP Claims	(\$54,897,784)	\$0	(\$54,897,784)
HRA Waiver Claims	(\$35,913,665)	\$0	(\$35,913,665)
Incurring Pharmacy Claims	(\$554,125,102)	(\$96,582)	(\$554,221,684)
RX Admin (CVS)	(\$8,580,430)	\$0	(\$8,580,430)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	(\$7,364,166)	\$0	(\$7,364,166)
Total Expenses	(\$1,976,108,959)	(\$404,210)	(\$1,976,513,168)
Net Gain/(Loss)	(\$40,934,946)	(\$404,210)	(\$41,339,155)

* Includes health care reform expenses.
for plan year 2021.

** Based on 2021 Plan design & premium changes -

1. 3% ER premium increase, 3% EE Premium increase
2. Added value formulary to LW CDHP and LW PPO plans, increase Rx copay and specialist copay to LW PPO plan

August 4, 2023

**Kentucky Employees Health Plan
Calendar Year 2020 Plan Year Expenses and Revenue
Based on June 30, 2023 Trust Summary Report
3% EE and 0% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			165,256
Premiums	\$1,641,898,440	\$0	\$1,641,898,440
CDHP HRA Premium	\$62,528,566	\$0	\$62,528,566
Remaining Premium	\$1,579,369,874	\$0	\$1,579,369,874
HRA Waiver Contribution	\$48,355,454	\$0	\$48,355,454
Interest Income	\$1,801,907	\$0	\$1,801,907
Drug Rebates	\$174,630,230	\$0	\$174,630,230
Transfer from Other Plan Years	\$299,932,011	\$0	\$299,932,011
Coronavirus Relief Fund Reimbursement	\$4,393,795	\$0	\$4,393,795
Total Revenue/Income	\$2,171,011,838	\$0	\$2,171,011,838
Incurring Medical Claims	(\$1,079,112,927)	\$0	(\$1,079,112,927)
Medical Admin	(\$65,369,401)	\$0	(\$65,369,401)
HRA CDHP Claims	(\$53,842,425)	\$0	(\$53,842,425)
HRA Waiver Claims	(\$36,228,454)	\$0	(\$36,228,454)
Incurring Pharmacy Claims	(\$530,645,509)	\$0	(\$530,645,509)
RX Admin (CVS)	(\$8,794,281)	\$0	(\$8,794,281)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	(\$9,374,051)	\$0	(\$9,374,051)
Total Expenses	(\$1,783,367,048)	\$0	(\$1,783,367,048)
Net Gain/(Loss)	\$387,644,790	\$0	\$387,644,790

* Includes health care reform expenses and COVID Relief Fund Reimbursement

** Based on 2020 Plan design & premium changes -

1. 0% ER premium increase, 3% EE Premium increase
2. \$250 increase to deductibles and out of pocket maximums across all plans

August 4, 2023

**Kentucky Employees Health Plan
Calendar Year 2019 Plan Year Expenses and Revenue
Based on June 30, 2023 Trust Summary Report**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			165,924
Premiums	\$1,636,992,249	\$0	\$1,636,992,249
CDHP HRA Premium	\$61,334,102	\$0	\$61,334,102
Remaining Premium	\$1,575,658,147	\$0	\$1,575,658,147
HRA Waiver Contribution	\$47,887,232	\$0	\$47,887,232
Interest Income	\$12,628,315	\$0	\$12,628,315
Drug Rebates	\$153,211,533	\$0	\$153,211,533
Transfer from Other Plan Years	\$0	\$0	\$0
Total Revenue/Income	\$1,850,719,330	\$0	\$1,850,719,330
Incurring Medical Claims	(\$1,149,300,321)	\$0	(\$1,149,300,321)
Medical Admin	(\$74,974,347)	\$0	(\$74,974,346.55)
HRA CDHP Claims	(\$56,114,501)	\$0	(\$56,114,501)
HRA Waiver Claims	(\$37,849,614)	\$0	(\$37,849,614)
Incurring Pharmacy Claims	(\$489,260,543)	\$0	(\$489,260,543)
RX Admin (CVS)	(\$8,094,122)	\$0	(\$8,094,122.18)
Transfers to other Plan Years	(\$26,330,859)	\$0	(\$26,330,859)
Operating Transfers/Expenses & Adjustments*	(\$8,795,024)	\$0	(\$8,795,023.76)
Total Expenses	(\$1,850,719,330)	\$0	(\$1,850,719,330)
Net Gain/(Loss)	(\$0)	\$0	(\$0)

* Includes health care reform expenses.

** Based on 2019 Plan design & premium changes -

1. 0% ER premium increase, \$8 and \$10 EE premium increase for LW CDHP Couple and Family tiers and 0% EE premium increase for all other tiers.
2. Replace Standard PPO with LW Limited CDHP
3. Added asthma/COPD value based benefit design to all plans and Value Formulary to the current Standard plans

August 4, 2023

**Kentucky Employees Health Plan
Calendar Year 2018 Plan Year Expenses and Revenue
Based on June 30, 2023 Trust Summary Report
3% EE and 1% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			167,272
Premiums	\$1,646,284,065	\$0	\$1,646,284,065
CDHP HRA Premium	\$54,384,097	\$0	\$54,384,097
Remaining Premium	\$1,591,899,968	\$0	\$1,591,899,968
HRA Waiver Contribution	\$46,574,333	\$0	\$46,574,333
Interest Income	\$2,071,729	\$0	\$2,071,729
Drug Rebates	\$123,260,186	\$0	\$123,260,186
Transfer from Other Plan Years	\$0	\$0	\$0
Total Revenue/Income	\$1,818,190,313	\$0	\$1,818,190,313
Incurring Medical Claims	(\$1,053,614,535)	\$0	(\$1,053,614,535)
Medical Admin	(\$66,903,294)	\$0	(\$66,903,294.18)
HRA CDHP Claims	(\$52,592,943)	\$0	(\$52,592,943)
HRA Waiver Claims	(\$38,652,855)	\$0	(\$38,652,855)
Incurring Pharmacy Claims	(\$438,141,253)	\$0	(\$438,141,253)
RX Admin (CVS)	(\$7,691,022)	\$0	(\$7,691,021.97)
Transfers to other Plan Years	(\$151,464,211)	\$0	(\$151,464,211)
Operating Transfers/Expenses & Adjustments*	(\$9,130,200)	\$0	(\$9,130,199.97)
Total Expenses	(\$1,818,190,313)	\$0	(\$1,818,190,313)
Net Gain/(Loss)	\$0	\$0	\$0

* Includes health care reform expenses.

** Based on 2018 Plan design & premium changes -

1. 3% EE and 1% ER contribution increases
3. Adopt CVS Advanced Control Formulary
4. Implement additional Dispense As Written Level (DAW1)

August 4, 2023

**Kentucky Employees Health Plan
Calendar Year 2017 Plan Year Expenses and Revenue
Based on June 30, 2023 Trust Summary Report**

	Paid To Date	Additional Projected	Total Projected
Employee Enrollment			167,710
Premiums	\$1,627,272,472	\$0	\$1,627,272,472
CDHP HRA Premium	\$52,225,468	\$0	\$52,225,468
Remaining Premium	\$1,575,047,004	\$0	\$1,575,047,004
HRA Waiver Contribution	\$47,283,372	\$0	\$47,283,372
Interest Income	\$5,171,265	\$0	\$5,171,265
Drug Rebates	\$96,199,336	\$0	\$96,199,336
Transfer from Other Plan Years	\$0	\$0	\$0
Total Revenue/Income	\$1,775,926,445	\$0	\$1,775,926,445
Incurring Medical Claims	(\$993,328,279)	\$0	(\$993,328,279)
Medical Admin	(\$66,883,261)	\$0	(\$66,883,261)
HRA CDHP Claims	(\$47,475,269)	\$0	(\$47,475,269)
HRA Waiver Claims	(\$40,356,523)	\$0	(\$40,356,523)
Incurring Pharmacy Claims	(\$399,419,439)	\$0	(\$399,419,439)
RX Admin (CVS)	(\$8,803,545)	\$0	(\$8,803,545)
Transfers to other Plan Years	(\$120,907,291)	\$0	(\$120,907,291)
Operating Transfers/Expenses & Adjustments*	(\$98,752,838)	\$0	(\$98,752,838)
Total Expenses	(\$1,775,926,445)	\$0	(\$1,775,926,445)
Net Gain/(Loss)	(\$0)	\$0	(\$0)

* Includes health care reform expenses.

2017 Plan Design Change Summary -

1. Increase LivingWell PPO In network Single/Family deductible to \$750/\$1,500, out of network Single/Family deductible to \$1,500/\$3,000
2. Increase LivingWell CDHP and LivingWell PPO Out of Pocket Maximum to \$2,750/\$5,500 in network and \$5,500/\$11,000 out of network
3. Increase Standard CDHP and Standard PPO Out of Pocket Maximum to \$3,750/\$7,500 in network and \$7,500/\$11,000 out of network
4. Set HRA balance cap at \$7,500. Communicate the cap to members in 2017 and implement in 2018
5. Set Standard PPO plan as the default plan instead of Standard CDHP
6. 0% and 1% EE contribution increase for LivingWell plans and Standard plans respectively in 2017
7. 0% ER contribution increase in 2017

August 4, 2023

**Kentucky Employees Health Plan
Calendar Year 2016 Plan Year Expenses and Revenue
Based on June 30, 2023 Trust Summary Report**

	Paid To Date	Additional Projected	Total Projected
Employee Enrollment			169,378
Premiums	\$1,632,967,051	\$0	\$1,632,967,051
CDHP HRA Premium	\$48,720,045	\$0	\$48,720,045
Remaining Premium	\$1,584,247,006	\$0	\$1,584,247,006
HRA Waiver Contribution	\$47,516,224	\$0	\$47,516,224
Interest Income	\$7,627,758	\$0	\$7,627,758
Drug Rebates	\$72,152,363	\$0	\$72,152,363
Transfer from Other Plan Years	\$13,478	\$0	\$13,478
Total Revenue/Income	\$1,760,276,874	\$0	\$1,760,276,874
Incurring Medical Claims	(\$963,632,036)	\$0	(\$963,632,036)
Medical Admin	(\$65,532,904)	\$0	(\$65,532,904)
HRA CDHP Claims	(\$43,353,006)	\$0	(\$43,353,006)
HRA Waiver Claims	(\$40,097,910)	\$0	(\$40,097,910)
Incurring Pharmacy Claims	(\$362,581,483)	\$0	(\$362,581,483)
RX Admin (CVS)	(\$9,340,301)	\$0	(\$9,340,301)
Transfers to other Plan Years	(\$1,229,650)	\$0	(\$1,229,650)
Operating Transfers/Expenses & Adjustments*	(\$274,509,586)	\$0	(\$274,509,586)
Total Expenses	(\$1,760,276,874)	\$0	(\$1,760,276,874)
Net Gain/(Loss)	\$0	\$0	\$0

* Includes health care reform expenses.

August 4, 2023