

# Kentucky Employees Health Plan Aon Projections Trust Fund Data through December 31, 2024

## Experience Data

Medical and Pharmacy incurred claims from Merative database, Anthem and Caremark through December 2024  
Employee/Retiree and dependent enrollments from Merative database and Anthem through December 2024  
Transaction and Trust Fund activity through December 2024 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 December 2024 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 Funds have been withdrawn from plan year 2012-2016.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 - 12% for 2025, 8.5% for 2026-2027  
Medical and Pharmacy claims adjusted for 2024 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 2024  
2016-2026 Operating Transfers/Expenses & Adjustments include health care reform expenses  
HRA expenses included in Plan Year credits are utilized - assume 95% and 73% of annual credits are utilized in HRA CDHP and HRA Waiver plan respectively in plan year 2024. 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 2027 Plan Year Expenses and Revenue  
Based on December 31, 2024 Trust Summary Report  
0% EE and 0% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			165,670
Premiums	\$0	\$2,161,425,583	\$2,161,425,583
CDHP HRA Premium	\$0	\$62,869,194	\$62,869,194
Remaining Premium	\$0	\$2,098,556,389	\$2,098,556,389
HRA Waiver Contribution	\$0	\$52,761,625	\$52,761,625
Interest Income	\$0	\$0	\$0
Drug Rebates	\$0	\$439,895,846	\$439,895,846
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$0	\$0	\$0
Total Revenue/Income	\$0	\$2,654,083,054	\$2,654,083,054
Incurred Medical Claims	\$0	(\$1,858,743,636)	(\$1,858,743,636)
Medical Admin	\$0	(\$71,534,296)	(\$71,534,296)
HRA CDHP Claims	\$0	(\$61,558,284)	(\$61,558,284)
HRA Waiver Claims	\$0	(\$39,465,696)	(\$39,465,696)
Incurred Pharmacy Claims	\$0	(\$1,127,938,068)	(\$1,127,938,068)
RX Admin (CVS)	\$0	(\$21,575,556)	(\$21,575,556)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	\$0	(\$12,245,844)	(\$12,245,844)
Total Expenses	\$0	(\$3,193,061,380)	(\$3,193,061,380)
<b>Net Gain/(Loss)</b>	<b>\$0</b>	<b>(\$538,978,325)</b>	<b>(\$538,978,325)</b>

\* Includes health care reform expenses.

\*\* Assume 0% EE and 0% ER contribution increase in 2027

February 21, 2025

**Kentucky Employees Health Plan  
Calendar Year 2026 Plan Year Expenses and Revenue  
Based on December 31, 2024 Trust Summary Report  
0% EE and 0% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			165,670
Premiums	\$0	\$2,161,617,493	\$2,161,617,493
CDHP HRA Premium	\$0	\$62,869,194	\$62,869,194
Remaining Premium	\$0	\$2,098,748,299	\$2,098,748,299
HRA Waiver Contribution	\$0	\$52,761,625	\$52,761,625
Interest Income	\$0	\$0	\$0
Drug Rebates	\$0	\$405,433,699	\$405,433,699
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$0	\$0	\$0
Total Revenue/Income	\$0	\$2,619,812,817	\$2,619,812,817
Incurring Medical Claims	\$0	(\$1,714,284,921)	(\$1,714,284,921)
Medical Admin	\$0	(\$69,450,773)	(\$69,450,773)
HRA CDHP Claims	\$0	(\$60,929,592)	(\$60,929,592)
HRA Waiver Claims	\$0	(\$39,201,887)	(\$39,201,887)
Incurring Pharmacy Claims	\$0	(\$1,039,573,587)	(\$1,039,573,587)
RX Admin (CVS)	\$0	(\$20,947,141)	(\$20,947,141)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	\$0	(\$11,444,714)	(\$11,444,714)
Total Expenses	\$0	(\$2,955,832,616)	(\$2,955,832,616)
<b>Net Gain/(Loss)</b>	<b>\$0</b>	<b>(\$336,019,799)</b>	<b>(\$336,019,799)</b>

\* Includes health care reform expenses.

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

February 21, 2025

**Kentucky Employees Health Plan  
Calendar Year 2025 Plan Year Expenses and Revenue  
Based on December 31, 2024 Trust Summary Report  
0% EE and 0% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			165,670
Premiums	\$0	\$2,161,425,583	\$2,161,425,583
CDHP HRA Premium	\$0	\$62,869,194	\$62,869,194
Remaining Premium	\$0	\$2,098,556,389	\$2,098,556,389
HRA Waiver Contribution	\$0	\$52,761,625	\$52,761,625
Interest Income	\$0	\$0	\$0
Drug Rebates	\$0	\$373,671,351	\$373,671,351
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$0	\$0	\$0
Total Revenue/Income	\$0	\$2,587,858,559	\$2,587,858,559
Incurring Medical Claims	\$0	(\$1,581,143,248)	(\$1,581,143,248)
Medical Admin	\$0	(\$67,427,935)	(\$67,427,935)
HRA CDHP Claims	\$0	(\$60,300,901)	(\$60,300,901)
HRA Waiver Claims	\$0	(\$38,938,079)	(\$38,938,079)
Incurring Pharmacy Claims	\$0	(\$958,131,669)	(\$958,131,669)
RX Admin (CVS)	\$0	(\$20,337,030)	(\$20,337,030)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	\$0	(\$10,695,995)	(\$10,695,995)
Total Expenses	\$0	(\$2,736,974,857)	(\$2,736,974,857)
<b>Net Gain/(Loss)</b>	<b>\$0</b>	<b>(\$149,116,298)</b>	<b>(\$149,116,298)</b>

\* Includes health care reform expenses.

\*\* 0% EE and 0% ER contribution increase in 2025; Added HDHP plan in 2025

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(\$2,324,365,426)

**Kentucky Employees Health Plan  
Calendar Year 2024 Plan Year Expenses and Revenue  
Based on December 31, 2024 Trust Summary Report  
0% EE and 16.5% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			165,670
Premiums	\$2,112,335,858	\$17,098,890	\$2,129,434,748
CDHP HRA Premium	\$62,851,253	\$0	\$62,851,253
Remaining Premium	\$2,049,484,605	\$17,098,890	\$2,066,583,495
HRA Waiver Contribution	\$52,533,082	\$0	\$52,533,082
Interest Income	\$20,112,139	\$0	\$20,112,139
Drug Rebates	\$228,706,140	\$98,973,435	\$327,679,574
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$0	\$0	\$0
Total Revenue/Income	\$2,413,687,219	\$116,072,325	\$2,529,759,544
Incurred Medical Claims	(\$1,243,171,091)	(\$191,312,297)	(\$1,434,483,388)
Medical Admin	(\$62,190,814)	(\$3,273,201)	(\$65,464,014)
HRA CDHP Claims	(\$62,148,860)	\$2,493,679	(\$59,655,180)
HRA Waiver Claims	(\$35,641,632)	(\$3,032,639)	(\$38,674,271)
Incurred Pharmacy Claims	(\$818,688,551)	(\$21,515,486)	(\$840,204,037)
RX Admin (CVS)	(\$19,751,448)	\$6,758	(\$19,744,690)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	(\$9,248,880)	(\$747,376)	(\$9,996,257)
Total Expenses	(\$2,250,841,275)	(\$217,380,562)	(\$2,468,221,838)
<b>Net Gain/(Loss)</b>	<b>\$162,845,944</b>	<b>(\$101,308,238)</b>	<b>\$61,537,706</b>

\* Includes health care reform expenses.

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

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(\$191,312,297)

**Kentucky Employees Health Plan  
Calendar Year 2023 Plan Year Expenses and Revenue  
Based on December 31, 2024 Trust Summary Report  
0% EE and 10% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			162,501
Premiums	\$1,836,983,680	\$0	\$1,836,983,680
CDHP HRA Premium	\$62,117,304	\$0	\$62,117,304
Remaining Premium	\$1,774,866,376	\$0	\$1,774,866,376
HRA Waiver Contribution	\$50,892,414	\$0	\$50,892,414
Interest Income	\$16,804,655	\$0	\$16,804,655
Drug Rebates	\$272,307,081	\$10,335,127	\$282,642,208
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$0	\$0	\$0
Total Revenue/Income	\$2,176,987,830	\$10,335,127	\$2,187,322,957
Incurred Medical Claims	(\$1,303,342,357)	(\$1,156,323)	(\$1,304,498,680)
Medical Admin	(\$62,476,586)	\$0	(\$62,476,586)
HRA CDHP Claims	(\$58,329,914)	(\$7,466)	(\$58,337,380)
HRA Waiver Claims	(\$36,394,948)	(\$7,672)	(\$36,402,620)
Incurred Pharmacy Claims	(\$724,553,400)	(\$170,210)	(\$724,723,611)
RX Admin (CVS)	(\$18,922,639)	\$0	(\$18,922,639)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	(\$9,342,296)	\$0	(\$9,342,296)
Total Expenses	(\$2,213,362,140)	(\$1,341,672)	(\$2,214,703,812)
<b>Net Gain/(Loss)</b>	<b>(\$36,374,310)</b>	<b>\$8,993,455</b>	<b>(\$27,380,855)</b>

\* Includes health care reform expenses.

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

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**Kentucky Employees Health Plan  
Calendar Year 2022 Plan Year Expenses and Revenue  
Based on December 31, 2024 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	\$220,529,464	\$0	\$220,529,464
Transfer from Other Plan Years	\$0	\$0	\$0
Coronavirus Relief Fund Reimbursement	\$0	\$0	\$0
Total Revenue/Income	\$1,969,606,971	\$0	\$1,969,273,723
Incurring Medical Claims	(\$1,235,097,930)	\$0	(\$1,235,097,930)
Medical Admin	(\$63,114,279)	\$0	(\$63,114,279)
HRA CDHP Claims	(\$56,651,941)	\$0	(\$56,651,941)
HRA Waiver Claims	(\$35,207,269)	\$0	(\$35,207,269)
Incurring Pharmacy Claims	(\$579,421,950)	\$0	(\$579,421,950)
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	(\$1,992,823,562)	\$0	(\$1,992,823,562)
<b>Net Gain/(Loss)</b>	<b>(\$23,216,591)</b>	<b>\$0</b>	<b>(\$23,549,838)</b>

\* 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 December 31, 2024 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	\$188,349,855	\$0	\$188,349,855
Transfer from Other Plan Years	\$390,677,785	\$0	\$390,677,785
Coronavirus Relief Fund Reimbursement	\$39,057,650	\$0	\$39,057,650
Total Revenue/Income	\$2,328,030,729	\$0	\$2,328,030,729
Incurring Medical Claims	(\$1,246,272,059)	\$0	(\$1,246,272,059)
Medical Admin	(\$62,218,251)	\$0	(\$62,218,251)
HRA CDHP Claims	(\$54,909,370)	\$0	(\$54,909,370)
HRA Waiver Claims	(\$35,910,682)	\$0	(\$35,910,682)
Incurring Pharmacy Claims	(\$554,846,584)	\$0	(\$554,846,584)
RX Admin (CVS)	(\$8,580,430)	\$0	(\$8,580,430)
Transfers to other Plan Years	\$0	\$0	\$0
Operating Transfers/Expenses & Adjustments*	(\$7,346,049)	\$0	(\$7,346,049)
Total Expenses	(\$1,970,083,424)	\$0	(\$1,970,083,424)
<b>Net Gain/(Loss)</b>	<b>\$357,947,305</b>	<b>\$0</b>	<b>\$357,947,305</b>

\* 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

February 21, 2025

**Kentucky Employees Health Plan  
Calendar Year 2020 Plan Year Expenses and Revenue  
Based on December 31, 2024 Trust Summary Report  
3% EE and 0% ER Contribution Increase**

	Paid To Date	Additional Projected	Total Projected**
Employee Enrollment			165,256
Premiums	\$1,641,902,386	\$0	\$1,641,902,386
CDHP HRA Premium	\$62,528,566	\$0	\$62,528,566
Remaining Premium	\$1,579,373,820	\$0	\$1,579,373,820
HRA Waiver Contribution	\$48,355,454	\$0	\$48,355,454
Interest Income	\$1,801,907	\$0	\$1,801,907
Drug Rebates	\$176,643,085	\$0	\$176,643,085
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	\$2,173,028,639	\$0	\$2,173,028,639
Incurring Medical Claims	(\$1,078,087,548)	\$0	(\$1,078,087,548)
Medical Admin	(\$65,369,401)	\$0	(\$65,369,401)
HRA CDHP Claims	(\$53,849,708)	\$0	(\$53,849,708)
HRA Waiver Claims	(\$36,229,501)	\$0	(\$36,229,501)
Incurring Pharmacy Claims	(\$530,646,368)	\$0	(\$530,646,368)
RX Admin (CVS)	(\$8,794,281)	\$0	(\$8,794,281)
Transfers to other Plan Years	(\$390,677,785)	\$0	(\$390,677,785)
Operating Transfers/Expenses & Adjustments*	(\$9,374,046)	\$0	(\$9,374,046)
Total Expenses	(\$2,173,028,639)	\$0	(\$2,173,028,639)
<b>Net Gain/(Loss)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* 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

February 21, 2025