

**AON**

# Table of Contents

Executive Summary .....	1
Trend Analysis.....	4
Financial Projections .....	5
Rate Development and Assumptions.....	6
Plan Year 2025 Premium Rates.....	9
Exhibits	
Exhibit 1 – Recommended Rate Increases .....	10
Exhibit 2A – State Active Enrollment Projections .....	11
Exhibit 2B – Local Active Enrollment Projections .....	12
Exhibit 2C – Retiree Enrollment Projections .....	13
Exhibit 2D – April 2024 SHBP & SEHBP Active Enrollment.....	14
Exhibit 2E – April 2024 SHBP & SEHBP Retiree Enrollment .....	15
Exhibit 3 – Trend Analysis .....	16
Exhibit 4 – Dental Financial Projections .....	17
Exhibit 5A – Plan Year 2025 Employee Monthly Premiums .....	18
Exhibit 5B – Plan Year 2025 Retiree Monthly Premiums .....	19
Addendum – Updated Rates.....	20
About Aon.....	24

# Executive Summary

The purpose of this analysis is to review the experience of the Dental Plans offered through the State Health Benefits Program (SHBP) and School Employees' Health Benefits Program (SEHBP) to State Employees and Retirees, as well as Employees and Retirees of participating Local Employers, and recommend premium levels to support the Dental Plans for Plan Year 2025.

## Benefits Maintained by the SHBP & SEHBP

The SHBP Dental Program currently includes the following options:

- The self-insured Employee Dental Expense Plan (DEP), administered by Aetna, which covers State Active Employees and Active Employees of participating Local Employers;
- The self-insured Retiree Dental Expense Plan (DEP), administered by Aetna, which covers State Retirees and Retirees of participating Local Employers;
- The four fully-insured Employee Dental Plan Organizations (DPOs), which cover State Active Employees and Active Employees of participating Local Employers, and
- The four fully-insured Retiree Dental Plan Organizations (DPOs), which cover State Retirees and Retirees of participating Local Employers.

The rate change recommendations for Plan Year 2025 are provided in Exhibit 1 and are summarized in the chart below. Aon's Plan Year 2025 Dental Rate Setting Analysis does not include the impact of any pending or future federal or state legislation.

	Actives	Retirees
<b>Dental Expense Plan</b>		
SHBP DEP	8.1%	6.8%
SEHBP DEP	8.1%	16.9%
SEHBP DEP Plus*	N/A	33.9%
<b>DPO Plans</b>		
Aetna	0.0%	0.0%
Cigna	5.0%	5.0%
Horizon	0.0%	0.0%
MetLife	0.0%	0.0%

\*Relative to current 2024 SEHBP DEP Premium

## Benefit and Network Changes

The following plan design changes were approved by SEHBP Plan Design Committee for Plan Year 2025:

Resolution 2023-1: On November 20, 2023, the SEHBP Plan Design committee approved resolution 2023-1, which adds implant coverage under major restorative services to the current SEHBP Retiree Dental plan without an Alternative Benefit Provision on January 1, 2025. Under this resolution, the annual maximum is \$3,000 for in-network and \$2,000 for out-of-network on an integrated basis. Claims impacts are based on estimates provided by Aetna.

Resolution 2023-2: On November 20, 2023, the SEHBP Plan Design committee approved resolution 2023-2 which creates a new Retiree DEP plan available to SEHBP Retirees beginning on January 1, 2025. This new plan provides coverage for Orthodontia services under age 19 and includes an additional 4th Tier. In addition, consistent with Resolution 2023-1, this plan has implant coverage under major restorative services without an Alternative Benefit Provision and the annual maximum is \$3,000 for in-network and \$2,000 for out-of-network on an integrated basis. Claims impacts are based on estimates provided by Aetna. It is assumed that 5% of SEHBP DEP Retirees will migrate to this new plan. For purposes of this analysis, this plan is referred to as the SEHBP DEP Plus plan.

## Federal Mandates

There are currently no new federal mandates that are projected to impact the 2025 dental plans.

## Enrollment Changes

Exhibit 2 shows historical enrollment patterns among the SHBP and SEHBP Dental Plan offerings for Plan Years 2022 through 2024 and includes Aon's projection of Plan Year 2025 enrollment.

Plan Year 2024 enrollment is based on actual census data provided by the State through April 2024 and includes a projection of enrollment through December 2025. This projection assumes that State, Local Education, and Local Government Active enrollment is projected to remain flat in 2025. State Retiree enrollment is projected to increase 1.0% in Plan Year 2025, Local Education Retiree enrollment is projected to increase 0.5%, and Local Government Retiree enrollment is projected to remain flat. These increases are based on projected changes in the medical enrollment for Plan Year 2025.

The following are the Plan Year 2025 Dental Program's enrollment projections:

	State	Local	Total
Actives			
Dental Expense Plan	54,228	4,438	58,666
DPOs	31,068	1,275	32,342
Total Active Dental	85,296	5,712	91,008
Retirees			
Dental Expense Plan	37,339	76,724	114,063
DPOs	5,515	8,535	14,050
Total Retiree Dental	42,854	85,259	128,113

Exhibits 2D and 2E show the April 2024 DEP and DPO enrollment for Actives and Retirees, respectively.

## Member Contributions

State Retirees in the dental plans pay 100% of the projected costs of the program. State Active Employees pay 50% of the projected costs. For Local Employees, actual contributions vary by Local Employer. No changes in member contributions are assumed for Plan Year 2025.

## 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.

## Trend Analysis

Exhibit 3 presents the trend recommendations for Plan Year 2025 for the Active and Retiree DEP. This exhibit compares the actual increase in SHBP DEP average claims with industry benchmarks (based on Aon's Trend Survey) for the same period, separately for Employees and Retirees.

SHBP Active DEP claim trends were approximately 2.9% in Plan Year 2022 and 6.6% in Plan Year 2023. SHBP Retiree DEP claim trends were approximately 2.9% in Plan Year 2022 and 5.7% in Plan Year 2023. Aon is recommending 4.0% trend to project DEP claims for Actives and Retirees to Plan Year 2025, which is based on Aon internal trend guidance and trend recommendations provided by the DEP and DPO vendors.

# Financial Projections

**Active DEP** – For Plan Year 2023, unfavorable experience for the DEP resulted in a 2.0% premium loss of \$1.2M, compared to a projected \$0.4M gain in the Plan Year 2024 Rate Setting Analysis. Preliminary projections for Plan Year 2024 show a loss of 4.1% of Total Active DEP cost. The increase in the Plan Year 2023 and 2024 loss is due to higher than expected dental claims trends.

An 8.1% increase in premium rates for Plan Year 2025 is projected to result in no projected gain or loss for the Active Dental Expense Plan (i.e., plan costs equal to projected premiums).

**Retiree DEP** – For Plan Year 2023, unfavorable experience for the DEP resulted in 1.1% premium loss of \$0.9M, compared to a projected \$0.3M gain in the Plan Year 2024 Rate Setting Analysis. Preliminary projections for Plan Year 2024 show a loss of 2.5% of total Retiree DEP cost. The increase in the Plan Year 2023 and 2024 loss is due mainly to higher than expected dental claim trends.

A 6.8% increase in the SHBP premium rates and 16.9% increase in the SEHBP premium rates for Plan Year 2025 is projected to result in no projected gain or loss for the Retiree Dental Expense Plan (i.e., plan costs equal to projected premiums).

**Active and Retiree DPOs** – The DPOs are fully-insured, so the premiums represent a no-loss, no-gain basis for the State.

The table below summarizes the projected gains/(losses) in millions for Plan Years 2023, 2024 and 2025. These results assume that premiums are fully funded each year:

## Projected Gain / (Loss) \$ in Millions

	PY 2023	PY 2024	PY 2025
Employee Dental Expense	(\$1.2)	(\$2.3)	\$0.0
% Gain / (Loss)	(2.0%)	(4.1%)	0.0%
Retiree Dental Expense	(\$0.9)	(\$2.1)	\$0.0
% Gain / (Loss)	(1.1%)	(2.5%)	0.0%
Total	(\$2.1)	(\$4.4)	\$0.0
% Gain / (Loss)	(1.5%)	(3.1%)	0.0%

# Rate Development and Assumptions

Exhibit 5 contains the premium tables for the Plan Year 2025 Dental Plan Rate Setting Analysis.

## Dental Expense Plan Rating Methodology

Exhibit 4 shows the aggregate costs for Plan Years 2023, 2024 and 2025, separately for Active and Retired participants. Costs were projected separately for dental claims, administrative costs, investment income and aggregate premiums.

## Dental Claim Projection

1. Using incurred Plan Year 2023 claim data paid through March 2024 supplied by Aetna, completed incurred claims were estimated for Plan Year 2023.
2. Aggregate dental claims for each Plan Year were divided by the average subscribers for that Plan Year to get claims per subscriber.
3. Claims per subscriber were projected to Plan Years 2024 and 2025 using the projection trend listed in Exhibit 3.
4. Aggregate Plan Year 2025 premiums are the product of the projected Plan Year 2025 enrollment and the projected Plan Year 2025 premium rates.
5. Plan Year 2025 DEP premiums include projected costs for the following administrative expenses:
  - Aetna ASO fees, and
  - Investment income credit.



## Administrative Cost Projection

Plan Year 2025 administrative fees for the DEP plan will remain unchanged from Plan Year 2024. The Administrative Costs shown in Exhibit 4 are the contractual Aetna ASO fees multiplied by the projected enrollment for each year:

	<u>DEP ASO Fees PEPM</u>	
	<u>Actives</u>	<u>Retirees</u>
Plan Year 2023	\$1.74	\$1.74
Plan Year 2024	\$1.74	\$1.74
Plan Year 2025	\$1.74	\$1.74

## Investment Income

Investment Income for Plan Year 2023 reflects actual amounts (as provided by the State) credited to the Dental Plan. Investment Income for Plan Years 2024 and 2025 assumes no change from Plan Year 2023. Investment Income amounts are stated in Exhibit 4.

## DEP Rate Change Recommendation

1. Plan Year 2025 aggregate costs were calculated by summing projected costs for dental claims and administrative charges, reduced by investment income. Projected State, Local Government, and Local Education experience aggregate costs were combined for purposes of determining the recommended premium rate changes.
2. Plan Year 2025 Active aggregate projected costs are 8.1% greater than Plan Year 2024 Active premiums multiplied by Plan Year 2025 projected enrollment. Therefore, Aon is recommending an 8.1% premium rate increase for the Active Dental Expense Plan.
3. Plan Year 2025 Retiree aggregate projected costs are 13.1% greater than Plan Year 2025 Retiree premiums multiplied by Plan Year 2025 projected enrollment. Therefore, Aon is recommending a premium rate increase for the Retiree Dental Expense Plans including 6.8% increase for the SHBP Retiree DEP plan and a 16.9% increase for the SEHBP Retiree DEP plan. Additionally, the new SEHBP Retiree DEP Plus plan premium is 33.9% higher compared to the Plan Year 2024 SEHBP Retiree DEP plan premium.

## DPO Premiums

The Plan Year 2025 DPO premium increases are provided in the table below and in Exhibit 1.

DPO Plans	Actives	Retirees
Aetna	0.0%	0.0%
Cigna	5.0%	5.0%
Horizon	0.0%	0.0%
MetLife	0.0%	0.0%

## Incurred Basis

Plan Year 2025 projections are based on expected incurred claims and expenses for Plan Year 2025.

## Margin

DPO Plans: DPO rates have no additional margin since these plans are insured by the vendors.

Employee DEP: Active Employees pay half the projected cost of the Dental Plan with no deficit recovery. No margin is included in the projected rates.

Retiree DEP: Retirees pay 100% of the premium with no deficit recovery. No margin is included in the projected rates.

## Trend Rates

Trend recommendations were developed by comparing the SHBP historical dental trend with industry expectations. The trend recommendation for Plan Year 2025 is 4.0% for Employees and Retirees.

## Data Assumptions

Claims: Aon received claims files from Aetna with claims paid through March 2024 and used this information in the rate setting analysis.

Enrollment: Aon used actual census enrollment data provided by the State through April 2024 and projected census enrollment through December 2024 for the exposure units in the rate setting calculations. It is assumed that the changes in Plan Year 2025 State and Local enrollment in the dental plans is consistent with the enrollment changes projected for the medical plans.

## Plan Year 2025 Premium Rates

The DEP premiums were calculated by applying the percentage changes in Exhibit 1 to the Plan Year 2024 premium tables. The DPO premiums are those offered by the four DPOs.

The Plan Year 2025 DPO premiums are proportionate to the DEP premiums as shown below:

	DPO Premium / DEP Premium			
	Actives	SHBP Retirees	SEHBP Retirees DEP	SEHBP Retirees DEP Plus
Aetna	44.6%	47.6%	43.4%	37.9%
Cigna	47.3%	53.1%	48.5%	42.3%
Horizon	37.8%	39.9%	36.4%	31.8%
MetLife	30.0%	30.7%	28.1%	24.5%

The Plan Year 2025 DPO premiums range from 24.5% to 53.1% of the DEP cost. When Active members enroll in a DPO, the reduced cost is shared by the employee and the employer, since Actives contribute 50% of the monthly premium. Retirees receive 100% of the cost savings since they contribute 100% of the cost of the Retiree dental program for both DEP and DPO.

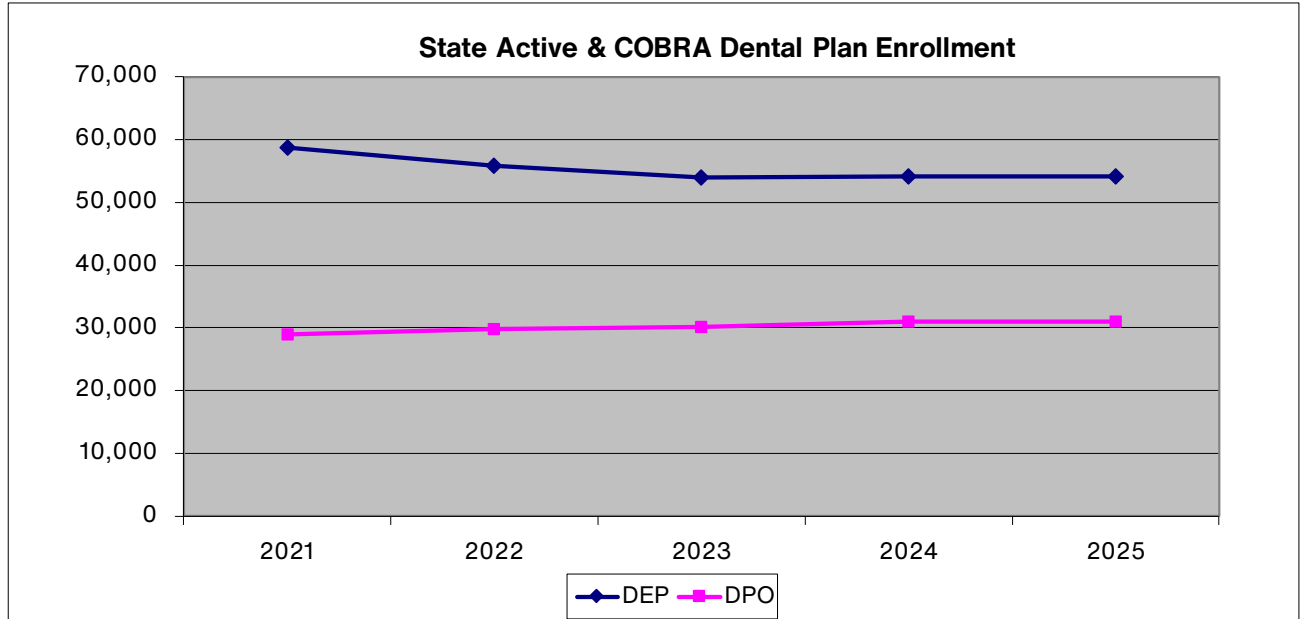
## Exhibit 1 – Recommended Rate Increases

The following table provides the Plan Year 2025 premium rate increases or decreases:

	Actives	Retirees
<b>Dental Expense Plan</b>		
SHBP DEP	8.1%	6.8%
SEHBP DEP	8.1%	16.9%
SEHBP DEP Plus*	N/A	33.9%
<b>DPO Plans</b>		
Aetna	0.0%	0.0%
Cigna	5.0%	5.0%
Horizon	0.0%	0.0%
MetLife	0.0%	0.0%

\*Relative to current 2024 SEHBP DEP Premium

## Exhibit 2A – State Active Enrollment Projections



### Observations:

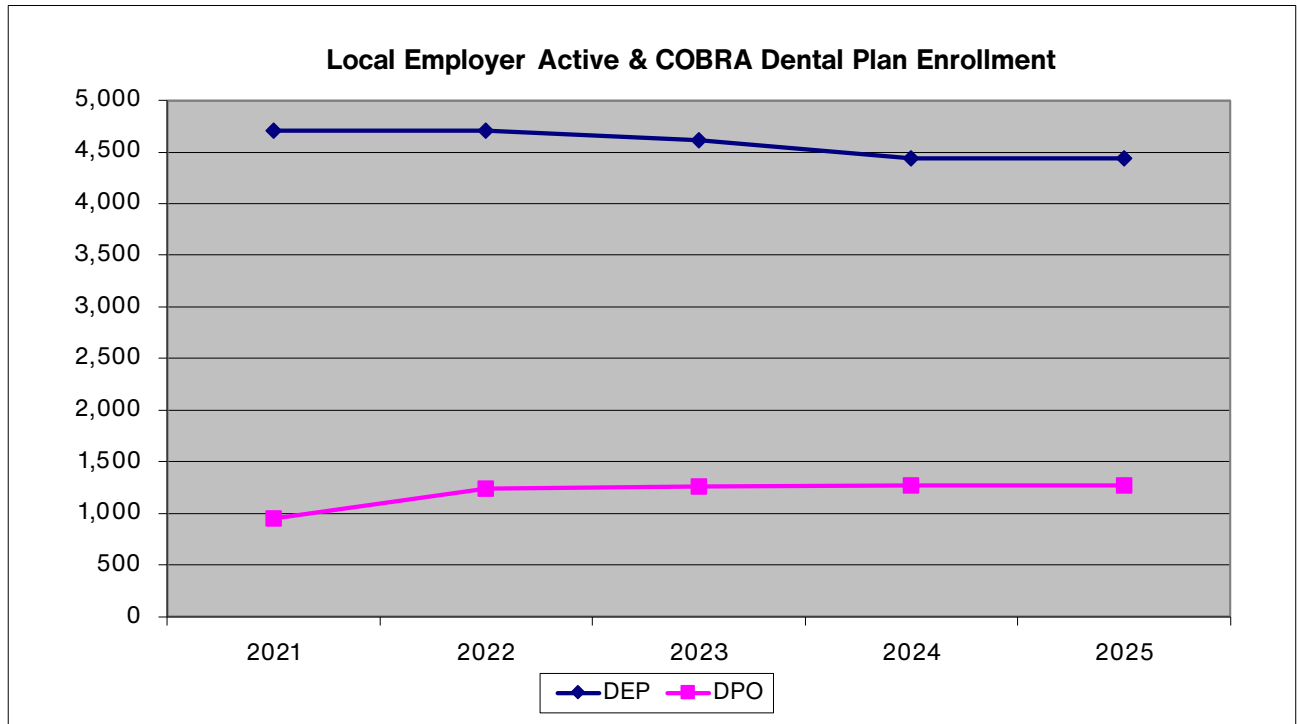
Total State Active Dental Plan Year 2023 is based on monthly State census data through Dec 2023, and 2024 enrollment is based on monthly State census data through April 2024.

Dental Expense Plan Active enrollment decreased from 64.2% of total Dental enrollment in Plan Year 2023 to 63.6% in Plan Year 2024. Plan Year 2025 Active Dental Expense Plan enrollment is estimated to be 63.6% of total Dental enrollment.

Projected Plan Year 2025 Dental enrollment is 98% of projected Medical enrollment, unchanged from Plan Year 2024.

	Annual Change in Enrollment			Projected Enrollment
	Actual 2022 to 2023	Actual 2023 to 2024	Projected 2024 to 2025	Plan Year 2025
Dental Expense Plan	(3.2%)	0.4%	0.0%	54,228
DPOs	1.2%	3.0%	0.0%	31,068
Total	(1.7%)	1.3%	0.0%	85,296

## Exhibit 2B – Local Active Enrollment Projections



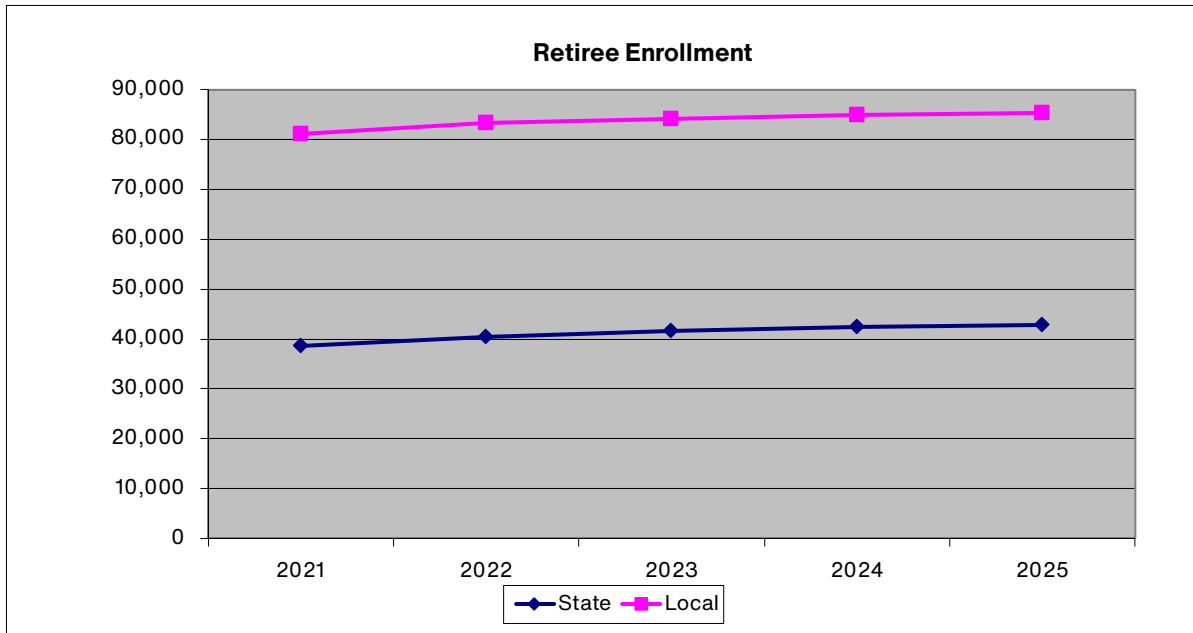
### Observations:

Total Local Active Dental Plan Year 2023 is based on monthly State census data through Dec 2023, and 2024 enrollment is based on monthly State census data through April 2024.

Local Active Dental enrollment is projected to remain unchanged in Plan Year 2025.

	Annual Change in Enrollment			Projected Enrollment
	Actual 2022 to 2023	Actual 2023 to 2024	Projected 2024 to 2025	Plan Year 2025
Dental Expense Plan	(2.0%)	(3.8%)	0.0%	4,438
DPOs	2.0%	0.7%	0.0%	1,275
Total	(1.1%)	(2.9%)	0.0%	5,712

## Exhibit 2C – Retiree Enrollment Projections



### Observations:

Total Retiree Dental Plan Year 2023 is based on monthly State census data through Dec 2023, and 2024 enrollment is based on monthly State census data through April 2024.

Plan Year 2025 enrollment is projected to increase 0.6%.

It is assumed that 5% of SEHBP DEP Retirees will migrate to the new DEP plan in Plan Year 2025.

Plan Year 2025 Retiree Dental enrollment is projected to be 76% of State Retiree Medical enrollment and 59% of Local Employer Retiree Medical enrollment.

### Projected Plan Year 2025 Retiree Enrollment

	DEP	DPO	Total
State	37,339	5,515	42,854
Local Employer	76,724	8,535	85,259
Total Dental	114,063	14,050	128,113

	Annual Change in Enrollment			Projected Enrollment
	Actual 2022 to 2023	Actual 2023 to 2024	Projected 2024 to 2025	Plan Year 2025
Dental Expense Plan	1.3%	0.8%	0.6%	114,063
DPOs	3.8%	4.9%	0.6%	14,050
Total	1.6%	1.2%	0.6%	128,113

## Exhibit 2D – April 2024 SHBP & SEHBP Active Enrollment

	Number of Contracts				
	Single	Member&Spouse /Partner	Family	Parent + Child(ren)	Total
<b>Dental Expense #399</b>	<b>STATE ACTIVES</b>				
	<b>18,138</b>	<b>9,415</b>	<b>19,079</b>	<b>7,542</b>	<b>54,174</b>
<b><u>DPO Plans</u></b>					
Aetna #319	4,253	1,232	2,554	1,801	9,840
Cigna #305	3,153	816	1,832	993	6,794
Horizon #317	6,608	1,352	2,584	1,915	12,459
MetLife #320	1,233	221	403	197	2,054
<b>Total DPOs</b>	<b>15,247</b>	<b>3,621</b>	<b>7,373</b>	<b>4,906</b>	<b>31,147</b>
<b>Total</b>	<b>33,385</b>	<b>13,036</b>	<b>26,452</b>	<b>12,448</b>	<b>85,321</b>

	LOCAL EMPLOYER ACTIVES				
	Single	Member&Spouse /Partner	Family	Parent + Child(ren)	Total
<b>Dental Expense #399</b>	<b>1,467</b>	<b>786</b>	<b>1,677</b>	<b>502</b>	<b>4,432</b>
<b><u>DPO Plans</u></b>					
Aetna #319	164	50	91	35	340
Cigna #305	95	35	83	36	249
Horizon #317	315	71	138	86	610
MetLife #320	45	12	17	12	86
<b>Total DPOs</b>	<b>619</b>	<b>168</b>	<b>329</b>	<b>169</b>	<b>1,285</b>
<b>Total</b>	<b>2,086</b>	<b>954</b>	<b>2,006</b>	<b>671</b>	<b>5,717</b>



## Exhibit 2E – April 2024 SHBP & SEHBP Retiree Enrollment

	Number of Contracts				
	Single	Member&Spouse /Partner	Family	Parent + Child(ren)	Total
<b>Dental Expense #399</b>	<b>STATE RETIREES</b>				
	<b>17,757</b>	<b>14,435</b>	<b>3,432</b>	<b>1,358</b>	<b>36,982</b>
<b><u>DPO Plans</u></b>					
Aetna #319	1,323	984	362	201	2,870
Cigna #305	413	350	118	57	938
Horizon #317	653	469	164	102	1,388
MetLife #320	98	126	30	18	272
<b>Total DPOs</b>	<b>2,487</b>	<b>1,929</b>	<b>674</b>	<b>378</b>	<b>5,468</b>
<b>Total</b>	<b>20,244</b>	<b>16,364</b>	<b>4,106</b>	<b>1,736</b>	<b>42,450</b>

<b>Dental Expense #399</b>	<b>LOCAL EMPLOYER RETIREES</b>				
	<b>38,121</b>	<b>32,555</b>	<b>4,276</b>	<b>1,442</b>	<b>76,394</b>
<b><u>DPO Plans</u></b>					
Aetna #319	1,387	1,150	238	119	2,894
Cigna #305	537	575	173	62	1,347
Horizon #317	1,565	1,242	450	196	3,453
MetLife #320	338	339	105	45	827
<b>Total DPOs</b>	<b>3,827</b>	<b>3,306</b>	<b>966</b>	<b>422</b>	<b>8,521</b>
<b>Total</b>	<b>41,948</b>	<b>35,861</b>	<b>5,242</b>	<b>1,864</b>	<b>84,915</b>

### Exhibit 3 – Trend Analysis

	Actual		Aon Industry*	Difference between Actual and Aon Industry Trends	
	SHBP Employee Claim Increases	SHBP Retiree Claim Increases	PPO	SHBP Employee	SHBP Retiree
2021 to 2022 actual	2.9%	2.9%	3.0%	(0.1%)	(0.1%)
2022 to 2023 actual	6.6%	5.7%	3.0%	3.6%	2.7%
2023 to 2024 preliminary	4.0%	4.0%	4.0%	0.0%	0.0%
Projection Trend	4.0%	4.0%	4.0%	0.0%	0.0%

## Exhibit 4 – Dental Financial Projections

	Actives			Retirees			Total		
	DEP	DPO	Total	DEP	DPO	Total	DEP	DPO	Total
<b>Plan Year 2023</b>									
Average Dental Subscribers	58,625	31,427	90,052	112,443	13,311	125,754	171,068	44,738	215,806
Incurred Claims	\$ 56,644,000	N/A	N/A	\$ 83,818,000	N/A	N/A	\$ 140,462,000	N/A	N/A
Administrative Fees	\$ 1,224,000	N/A	N/A	\$ 2,348,000	N/A	N/A	\$ 3,572,000	N/A	N/A
Investment Income	\$ (52,000)	N/A	N/A	\$ (820,000)	N/A	N/A	\$ (872,000)	N/A	N/A
Total Cost	\$ 57,816,000	N/A	N/A	\$ 85,346,000	N/A	N/A	\$ 143,162,000	N/A	N/A
Premium	\$ 56,657,000	\$ 12,456,000	\$ 69,113,000	\$ 84,420,000	\$ 5,076,000	\$ 89,496,000	\$ 141,077,000	\$ 17,532,000	\$ 158,609,000
Gain (Loss)	\$ (1,159,000)	N/A	N/A	\$ (926,000)	N/A	N/A	\$ (2,085,000)	N/A	N/A
<b>Plan Year 2024</b>									
Average Dental Subscribers	58,666	32,342	91,008	113,361	13,964	127,325	172,027	46,306	218,333
Incurred Claims	\$ 58,968,000	N/A	N/A	\$ 87,631,000	N/A	N/A	\$ 146,599,000	N/A	N/A
Administrative Fees	\$ 1,225,000	N/A	N/A	\$ 2,367,000	N/A	N/A	\$ 3,592,000	N/A	N/A
Investment Income	\$ (52,000)	N/A	N/A	\$ (820,000)	N/A	N/A	\$ (872,000)	N/A	N/A
Total Cost	\$ 60,141,000	N/A	N/A	\$ 89,178,000	N/A	N/A	\$ 149,319,000	N/A	N/A
Premium	\$ 57,796,000	\$ 12,470,000	\$ 70,266,000	\$ 87,033,000	\$ 5,267,000	\$ 92,300,000	\$ 144,829,000	\$ 17,737,000	\$ 162,566,000
Gain (Loss)	\$ (2,345,000)	N/A	N/A	\$ (2,145,000)	N/A	N/A	\$ (4,490,000)	N/A	N/A
<b>Plan Year 2025</b>									
Average Dental Subscribers	58,666	32,342	91,008	114,063	14,050	128,113	172,729	46,392	219,121
Incurred Claims	\$ 61,327,000	N/A	N/A	\$ 97,459,000	N/A	N/A	\$ 158,786,000	N/A	N/A
Administrative Fees	\$ 1,225,000	N/A	N/A	\$ 2,382,000	N/A	N/A	\$ 3,607,000	N/A	N/A
Investment Income	\$ (52,000)	N/A	N/A	\$ (820,000)	N/A	N/A	\$ (872,000)	N/A	N/A
Total Cost	\$ 62,500,000	N/A	N/A	\$ 99,021,000	N/A	N/A	\$ 161,521,000	N/A	N/A
Premium	\$ 62,500,000	\$ 12,622,000	\$ 75,122,000	\$ 99,021,000	\$ 5,355,000	\$ 104,376,000	\$ 161,521,000	\$ 17,977,000	\$ 179,498,000
Gain (Loss)	\$ -	N/A	N/A	\$ -	N/A	N/A	\$ -	N/A	N/A

## Exhibit 5A – Plan Year 2025 Employee Monthly Premiums

<b><u>DENTAL PROVIDER ORGANIZATIONS (DPOs)</u></b>	<b><u>Premiums</u></b>	<b><u>Employee Contributions*</u></b>
<b>CIGNA (DPO #305)</b>		
SINGLE	\$21.75	\$10.88
Member & Spouse/Partner	\$37.83	\$18.92
FAMILY	\$61.85	\$30.93
PARENT & CHILD	\$45.85	\$22.93
<b>HORIZON DENTAL CHOICE (DPO #317)</b>		
SINGLE	\$17.36	\$8.68
Member & Spouse/Partner	\$30.19	\$15.10
FAMILY	\$49.38	\$24.69
PARENT & CHILD	\$36.58	\$18.29
<b>AETNA (DPO #319)</b>		
SINGLE	\$20.50	\$10.25
Member & Spouse/Partner	\$35.69	\$17.84
FAMILY	\$58.37	\$29.19
PARENT & CHILD	\$43.25	\$21.63
<b>METLIFE (DPO #320)</b>		
SINGLE	\$13.79	\$6.90
Member & Spouse/Partner	\$23.38	\$11.69
FAMILY	\$37.73	\$18.87
PARENT & CHILD	\$28.15	\$14.08
<b><u>EMPLOYEE DENTAL EXPENSE PLAN - SHBP</u></b>		
SINGLE	\$45.95	\$22.97
Member & Spouse/Partner	\$79.85	\$39.93
FAMILY	\$130.61	\$65.31
PARENT & CHILD	\$96.75	\$48.38
<b><u>EMPLOYEE DENTAL EXPENSE PLAN - SEHBP</u></b>		
SINGLE	\$45.95	\$22.97
Member & Spouse/Partner	\$79.85	\$39.93
FAMILY	\$130.61	\$65.31
PARENT & CHILD	\$96.75	\$48.38

\* Based on 50% of each DPO's premium rate

## Exhibit 5B – Plan Year 2025 Retiree Monthly Premiums

<b><u>DENTAL PROVIDER ORGANIZATIONS (DPOs)</u></b>	<b><u>Premiums</u></b>	<b><u>Retiree Contributions</u></b>
<b>CIGNA (DPO #305)</b>		
SINGLE	\$23.84	\$23.84
Member & Spouse/Partner	\$45.50	\$45.50
FAMILY	\$81.68	\$81.68
PARENT & CHILD	\$72.46	\$72.46
<b>HORIZON DENTAL CHOICE (DPO #317)</b>		
SINGLE	\$17.89	\$17.89
Member & Spouse/Partner	\$31.09	\$31.09
FAMILY	\$50.88	\$50.88
PARENT & CHILD	\$37.67	\$37.67
<b>AETNA (DPO #319)</b>		
SINGLE	\$21.35	\$21.35
Member & Spouse/Partner	\$37.17	\$37.17
FAMILY	\$60.80	\$60.80
PARENT & CHILD	\$45.05	\$45.05
<b>METLIFE (DPO #320)</b>		
SINGLE	\$13.79	\$13.79
Member & Spouse/Partner	\$23.38	\$23.38
FAMILY	\$37.73	\$37.73
PARENT & CHILD	\$28.15	\$28.15
<b><u>RETIREE DENTAL EXPENSE PLAN - SHBP</u></b>		
SINGLE	\$44.89	\$44.89
Member & Spouse/Partner	\$88.55	\$88.55
FAMILY	\$115.40	\$115.40
PARENT & CHILD	\$66.74	\$66.74
<b><u>RETIREE DENTAL EXPENSE PLAN - SEHBP</u></b>		
SINGLE	\$49.16	\$49.16
Member & Spouse/Partner	\$96.98	\$96.98
FAMILY	\$126.39	\$126.39
PARENT & CHILD	\$73.10	\$73.10
<b><u>RETIREE DENTAL EXPENSE PLAN - SEHBP PLUS</u></b>		
SINGLE	\$56.30	\$56.30
Member & Spouse/Partner	\$111.06	\$111.06
FAMILY	\$144.74	\$144.74
PARENT & CHILD	\$83.71	\$83.71

# State of New Jersey

State Health Benefits Program &

School Employees' Health Benefits Program

Addendum

## Plan Year 2025 Dental RFP Results

On September 23, 2024, Aon was notified that the dental contract was awarded via NJSTART. As a result of the RFP award, the following changes will be effective January 1, 2025.

Dental Expense Plan (DEP): Effective January 1, 2025, the SHBP & SEHBP Dental Expense Plan options will be administered by both Horizon and Aetna. This includes the Active DEP, the Retiree DEP, and the Retiree DEP Plus (SEHBP only) plan options.

Dental Plan Organization (DPO): Effective January 1, 2025, the SHBP & SEHBP Active and Retiree DPO plans will be administered solely by Aetna.

## Updated Plan Year 2025 DEP Premium Rates

The exhibit below outlines the updated DEP and DPO premium rates due to the results of the RFP. The updated DEP premium rates are based on the analysis outlined in the main body of this document and adjusted for an increase in the Aetna administrative fees. For 2025, the Aetna administrative fee will be \$1.99 PEPM. There are no changes to projected enrollment, claims, and investment income amounts.

Horizon plan premium rates are assumed to be equal to the Aetna premium rates. Given unknown migration to Horizon and low historical migration of this population when new plans are introduced, the premium update is based on prior historical claim experience and the administrative costs in Aetna's proposal. The Horizon ASO fee is \$1.49 PEPM. If there is significant migration to Horizon, the impact to projected costs is expected to be small.

The exhibit below outlines the updated premium rates and employee contributions for 2025, which were approved by the SHBC and SEHBC on October 8, 2025:

## Plan Year 2025 Employee Monthly Premiums

<b><u>DENTAL PROVIDER ORGANIZATIONS (DPOs)</u></b>	<b><u>Premiums</u></b>	<b><u>Employee Contributions*</u></b>
<b>AETNA (DPO #319)</b>		
SINGLE	\$19.69	\$9.85
Member & Spouse/Partner	\$34.27	\$17.14
FAMILY	\$56.05	\$28.03
PARENT & CHILD	\$41.54	\$20.77
<hr/>		
<b><u>AETNA / HORIZON EMPLOYEE DENTAL EXPENSE PLAN - SHBP</u></b>		
SINGLE	\$46.08	\$23.04
Member & Spouse/Partner	\$80.08	\$40.04
FAMILY	\$130.98	\$65.49
PARENT & CHILD	\$97.03	\$48.52
<hr/>		
<b><u>AETNA / HORIZON EMPLOYEE DENTAL EXPENSE PLAN - SEHBP</u></b>		
SINGLE	\$46.08	\$23.04
Member & Spouse/Partner	\$80.08	\$40.04
FAMILY	\$130.98	\$65.49
PARENT & CHILD	\$97.03	\$48.52

\* Based on 50% of each plan's premium rate



## Plan Year 2025 Retiree Monthly Premiums

<b><u>DENTAL PROVIDER ORGANIZATIONS (DPOs)</u></b>	<b><u>Premiums</u></b>	<b><u>Retiree Contributions</u></b>
<b><u>AETNA (DPO #319)</u></b>		
SINGLE	\$20.50	\$20.50
Member & Spouse/Partner	\$35.69	\$35.69
FAMILY	\$58.39	\$58.39
PARENT & CHILD	\$43.26	\$43.26
<hr/>		
<b><u>AETNA / HORIZON RETIREE DENTAL EXPENSE PLAN - SHBP</u></b>		
SINGLE	\$45.04	\$45.04
Member & Spouse/Partner	\$88.85	\$88.85
FAMILY	\$115.80	\$115.80
PARENT & CHILD	\$66.97	\$66.97
<hr/>		
<b><u>AETNA / HORIZON RETIREE DENTAL EXPENSE PLAN - SEHBP</u></b>		
SINGLE	\$49.33	\$49.33
Member & Spouse/Partner	\$97.31	\$97.31
FAMILY	\$126.83	\$126.83
PARENT & CHILD	\$73.35	\$73.35
<hr/>		
<b><u>AETNA / HORIZON RETIREE DENTAL EXPENSE PLAN PLUS - SEHBP</u></b>		
SINGLE	\$56.49	\$56.49
Member & Spouse/Partner	\$111.44	\$111.44
FAMILY	\$145.24	\$145.24
PARENT & CHILD	\$84.00	\$84.00
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## 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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