



State of New Jersey  
State Health Benefits Program  
Local Government Employer Group  
Mid-Year Experience Analysis  
For Plan Year 2022

March 8, 2023

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## **Local Government Employer Group**

### ***Mid-Year Experience Analysis for Plan Year 2022***

## **Section 1: Executive Summary**

The purpose of this analysis is to review and update projected costs for Plan Years (calendar years) 2021, 2022, and 2023, using the Mid-Year experience of the Medical and Prescription Drug Program offered to Local Government Active Employees and Retirees by the New Jersey State Health Benefits Program (SHBP). The Mid-Year experience of the State Employer Group, the School Employees' Health Benefits Program, and the Dental Plans is addressed in separate analyses.

### **Financial Results**

For this Mid-Year Analysis, projections are based on medical claims and prescription drug claims paid through September 30, 2022, and monthly census data provided by the State through December 2022. The 2023 projections reflect January 2023 Open Enrollment data provided by the State. The 2023 open enrollment data was adjusted based on known employer entrants and terminations, which were provided by Horizon and the State. Due to COVID-19, the underlying 2021 medical claims used in the projections have been normalized for the estimated impacts of COVID-19. No Additional adjustments for COVID-19 have been made but might be advised in future projections.

#### Plan Year 2021

The updated data used in this Mid-Year Analysis impacted projected Plan Year 2021 costs by including additional actual 2021 run-out claim data. Total projected aggregate costs decreased 0.8% from the most recent projected costs provided in the Plan Year 2023 Rate Setting Analysis.

#### Plan Year 2022

Plan Year 2022 costs reflect additional actual 2022 claim data through September 2022 and actual enrollment data through December 2022. In total, the projected cost for Plan Year 2022 has decreased approximately 0.6% from the results shown in the Plan Year 2023 Rate Setting Analysis.

Plan Year 2023

Plan Year 2023 experience is projected using 12 months of updated medical and prescription drug claims experience through September 2022 and open enrollment reported by the State as of January 2023. Therefore, as with the Plan Year 2023 Rate Setting Analysis, all Plan Year 2023 results are projected. In total, the projected Plan Year 2023 cost has decreased 11.8% from the Plan Year 2023 Rate Setting Analysis. The decrease in expected total costs is driven by a 11.9% decrease in total Active costs and a 11.7% decrease in total Retiree costs and is a result of significant reductions in expected headcounts based on known employer terminations.

Additional detail regarding the gains and losses from the Plan Year 2023 Rate Setting Analysis are included in Sections 2 and 4 of this analysis.

The updated financial results have produced a total projected claim stabilization reserve as of December 31, 2023 equivalent to 0.5 months of plan costs (1.5 months for Actives and -1.5 months for Retirees). The claim stabilization reserve is projected to be less than the recommended level of 2.0 months of plan costs. The claim stabilization reserve as of December 31, 2021 is based on actual balances provided by the Division. The projected reserves as of December 31, 2022 and 2023 are based on the reserve balance as of June 30, 2022 provided by the Division. The claims stabilization reserve as of December 31, 2023 is estimated based off projected gains and losses in the active and retiree plans. The CSR balances below are intended to illustrate how the claims stabilization reserve may fluctuate due to gains and losses in the active and retiree plans. Actual balances as of December 31, 2023 may differ.

**SHBP Local Government Employer Projected Active and Retiree Stabilization Reserve**

(in \$ millions)

	Active	Retiree	Total
12/31/2021	\$292	(\$54)	\$238
12/31/2022	\$110	(\$84)	\$26
12/31/2023	\$146	(\$71)	\$74
Months of Plan Cost as of 12/31/2023	1.5	(1.5)	0.5

**COVID-19**

Aon's current guidance is to project 2021 medical claims data normalized for the impacts of COVID-19. For the Plan Year 2022 Mid-Year Report, 2021 claims used for projecting 2022 and 2023 are adjusted using a blend of actual vs. expected claims experience, Aon National COVID-19 medical claim factors, and Aon North East Regional COVID-19 medical claims factors. No adjustment was made to 2022 claims used in the projection

Plan Year 2022 and 2023 estimates are limited by unknown factors, including:

- Cost of regular testing for COVID-19 and multiple infection peaks
- Cost of new drugs or vaccines that are developed and requirements for employers to cover those costs, at any price
- Unforeseen impact of provider economic distress & healthcare system capacity limits
- Potential higher ongoing costs of patients who recovered from COVID-19 illness
- Increased severity of claims as a result of delayed treatment
- Impact of federal assistance
- Potential to create anti-selection among employee population (i.e. COBRA, covered dependents, opt-in rates)

The Plan Year 2023 projections do not include any additional margin for COVID-19.

## Benefit Plans Maintained by the SHBP

The State of New Jersey operates the SHBP as a multiple-option program for participating Local Government Employees and Retirees. All self-Insured medical plan options are administered by Horizon, all fully insured Medicare Advantage plans are administered by Aetna, and the prescription drug program is administered by Optum. The following medical plan options are offered for Plan Year 2023:

- Preferred Provider Organization (PPO) plans are administered solely by Horizon. In Plan Year 2023, Horizon will offer seven PPO plan options, including the PPO10, PPO15, PPO1525, PPO2030, PPO2035, NJDIRECT and NJDIRECT 2019. These plans are available to all Actives and Early Retirees, except for the NJDIRECT 2019 plan which is only offered to Actives.
- HMO plans are administered by Horizon. There is one HMO benefit option available to Actives, and three HMO benefit options available to Retirees. HMO plans offer no out-of-network coverage.
- Two High Deductible plans are administered by Horizon. Employees and Early Retirees may select either High Deductible option: HDHP4000 or HDHP1500. Neither option is available to Medicare-eligible Retirees.
- A Tiered Network plan option is administered by Horizon for Active Employees and Early Retirees only. This option offers no out-of-network coverage.
- All Medicare Advantage PPO and HMO plan options for Medicare-eligible members in Plan Year 2023 will be administered by Aetna: PPO10, PPO15, HMO10 and HMO1525.

- 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.
- Active Employees and Retirees are also enrolled in a Prescription Drug Plan, which is administered by Optum. The prescription drug card benefit options are linked to the medical plan selection.

Medical and prescription drug benefit designs are summarized in Exhibit 4.

## Additional Disclosures

The projections in this analysis are measured on an incurred basis and are consistent with the assumptions and methodology disclosed herein. Future projections may differ significantly from the current projections presented in this analysis due to (but not limited to) such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;
- Changes in actuarial methods or in economic or demographic assumptions;
- Changes in plan provisions or applicable law.

This analysis contains the primary actuarial assumptions and methods used to develop the cost projections but may not include a comprehensive list of these methodologies and assumptions. Aon provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience.

## Section 2: Historical Overview

The following benefit and plan adjustments have been incorporated into the 2022 Mid-Year Analysis. There have been no changes from the Plan Year 2023 Rate Setting Analysis other than those noted below.

### Plan Benefit and Other Changes

The following plan design changes were approved by the SHBP Plan Design Committee for Plan Year 2017 and were subsequently reaffirmed through 2023:

- Reimbursement Change for Out-of-Network (OON) Services: All PPO plans limit plan payments for out-of-network physical therapy, chiropractor, and acupuncture services. This change applies to both SHBP Actives and SHBP Early Retirees.
- Mandatory Generic: For all multi-source drugs (brand drugs with generic equivalents available), the SHBP plan pays for the cost of the generic equivalent. Members who choose to fill the prescription for the brand name drug are responsible for the generic copay, plus the difference in cost. This applies to Active and Early Retiree prescription drug plans only.
- Prescription Drug Formulary: All SHBP Active and Early Retiree prescription drug plans conform to Optum's Premium Formulary, which directs prescriptions to more cost-effective, clinically-equivalent medications.

Additional Plan Design Changes that have been approved and will be in effect for Plan Year 2023 are as follows:

- Implementation of Fair Health National Database Reimbursement Methodology: Effective March 1, 2020, Out-of-Network medical claims for plans that reimburse based on FAIR Health database will be reimbursed based on the National Database of associated charges, rather than based on charges grouped by three-digit zip code. Savings for this change are assumed to be in the underlying claims experience and will continue in Plan Year 2023. This change does not impact Medicare Retirees.
- HMS Data Integrity Vendor: In accordance with Public Law 2019, Chapter 143, the State recently conducted a bid solicitation awarding HMS the opportunity to provide Medical Claims Review and Data Warehouse services for self-insured Active, Early, and Medicare Retirees. This law requires the third party Medical Claims Reviewer to provide ongoing review and oversight of current medical claims processes. In addition, the Medical Claims Reviewer also must collect, store and maintain a secure archive of medical and prescription drug claims and other health services payment information, as well as document the cost and nature of claims

incurred, demographic information on the covered population, emerging utilization and demographic trends. Actual 2021 savings are assumed to be in the underlying claims experience. Actual 2021 fees as well as estimated 2022 and 2023 fees are provided by HMS. Estimated savings for this program are assumed to be in the underlying claims experience. This program is assumed to not impact Medicare Retirees.

- New Medicare Eligibility Vendor: The State implemented SSDC services to identify and conduct outreach to pre-65 retirees and spouses who are currently eligible or could become eligible for Medicare, in order to ensure enrollment in Medicare when appropriate. Estimated savings for this program are assumed to be in the underlying claims experience. This program does not impact Actives and Medicare Retirees.
- Navigation Advocacy: Effective January 1, 2020, Horizon was required to implement the Horizon Health Guide, an enhanced Navigation and Advocacy Model. Horizon's position is that the Navigation and Advocacy program was fully implemented. The State is disputing this. If the State is correct, the decrement for this program should have been more substantial and more in line with Horizon's projection. As this dispute is not yet resolved such that the resolution could be factored into this analysis, this analysis only includes the claims as actually experienced. Additionally, savings associated with Third-Party vendor solutions are assumed to be in the underlying 2021 claims experience. This program does not impact Medicare Retirees.
- Livongo Diabetes Management: Effective January 31, 2020, Livongo, a diabetes management program was launched for Actives and Early Retirees. The goal of the program is to help keep members living with diabetes in the safe zone of blood glucose levels by providing a cellular-enabled glucometer with testing strips and access to coaching and a 24/7 chat feature. Livongo identifies eligible participants through Medical and Rx claims data and sends targeted communications to members for enrollment. Livongo analyzes data to personalize the program for each member and provide real-time health insights. Estimated savings for this program are assumed to be in the underlying claims experience. This program does not impact Medicare Retirees.
- Livongo Whole Person: Beginning Plan Year 2021, Livongo is also implementing the Livongo "Whole Person", which provides a broader suite of services such as Livongo for Cardiovascular, Livongo for Weight Management, and Livongo for Behavioral Health in addition to the Livongo for Diabetes Management in effect since January 31, 2020. Estimated savings for this program are assumed to be in the underlying claims experience. 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. Estimated savings for this program are assumed to be in the underlying claims experience. 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. Estimated savings for this program are assumed to be in the underlying claims experience. This program is assumed to impact Medicare Advantage Retirees beginning Plan Year 2022. No additional savings will be included for purposes of projecting costs.
- Wondr Health (formerly Naturally Slim): Effective 2021, the State implemented Wondr Health, an online weight loss program that uses informative videos and learning tools to teach participants how to lose weight and improve their overall health. Estimated savings for this program are assumed to be in the underlying claims experience. This program does not impact 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. Estimated savings for this program are assumed to be reflected in the underlying claims experience. This program does not impact Medicare Retirees.
- Included Health (Formerly Grand Rounds): Effective April 1, 2021, the State implemented Grand Round's Expert Medical Second Opinion Solution. The program provides 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 additional savings will be included for purposes of projecting costs. This program does not impact Medicare Retirees.

## Vendor Changes

Medical Vendors: Effective January 1, 2020, all self-insured medical plans are administered solely by Horizon. Aon assumes no change in the self-insured medical and fully-insured Medicare Advantage vendors in Plan Year 2023. Effective January 1, 2023, the State negotiated a contract extension with Horizon through the end of Plan Year 2023. The negotiation resulted in a reduction in administrative fees for the remainder of the plan year beginning February 1, 2023.

Pharmacy Benefit Manager: Effective January 1, 2020, prescription drug benefits for Actives and Retirees are administered by Optum as a result of a 2019 Reverse Auction Bid Solicitation administered by Truveris, Inc. Optum is assumed to administer all of the prescription drug plans in Plan Year 2023.

## Federal Health Care Reform

In-Network Out-of-Pocket Maximum: Effective 1/1/2023, Federal Health Care Reform requires that in-network medical and prescription drug benefits have a combined out-of-pocket maximum no greater than \$9,100 single / \$18,200 family. This benefit change will not have a significant impact on projected costs. The chart below summarizes a history of these out-of-pocket maximums:

<b>Plan Year</b>	<b>Out-of-Pocket Maximum (Single/Family)</b>
2021	\$8,550 / \$17,100
2022	\$8,700 / \$17,400
2023	\$9,100 / \$18,200

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 SHBP due to the SHBP low employee contributions and rich benefit designs.

ACA 9010: Section 9010 of the ACA imposed a Health Insurer Fee (HIF) on each covered entity engaged in the business of providing health insurance for United States health risks. The HIF will help fund the federal subsidies given to lower-income families that may not have coverage. On January 22, 2018, Congress passed a spending bill which placed a moratorium on this tax in Plan Year 2019. As of December 20, 2019, the HIF is in place for Plan Year 2020, however this has been repealed beginning Plan Year 2021.

Further Consolidated Appropriations Act, 2020: On December 20, 2019, the President signed an omnibus bill that included a repeal of the excise tax on high-cost employer-sponsored health coverage, the medical device excise tax, and the health insurance providers fee (also known as the health insurance tax). Although the excise tax has been twice delayed, it was scheduled to go into effect in 2022. The medical device excise tax was scheduled to expire on December 31, 2019. The health insurance providers fee had a moratorium placed on it during 2019, will go back into effect in 2020, and will be eliminated permanently beginning in 2021.

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 SHBP because in general, the State offers coverage to all full-time employees.

Telehealth Expansion Act: Signed 12/21/2021, this bill extends for the next two years the requirement adopted at the outset of the COVID-19 pandemic that health benefits plans reimburse health care providers for telehealth and telemedicine services at the same rate as in-person services, with limited exceptions. The bill reimburses providers for all forms of healthcare, including behavioral health, delivered through telehealth at the same rate as in-person care, and it bans payers from placing restrictions on locations from where services are provided, and the technological platforms used. No additional cost impact is assumed since this program is already in place.

No Surprises Act: Effective 1/1/2022, medical carriers must provide a reasonable estimate of the expected cost of a service before the service is carried out on a patient. This law is designed to regulate the frequency of surprise billings.

United States Preventive Services Task Force on ACA Preventive Service recommendations: Effective 3/1/2022, the recommended age for select preventive cancer screenings is being lowered. This may increase utilization of preventive care but is deemed to have no significant impact on cost in this analysis.

## New Jersey State Mandates

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

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

SHBP Firefighter Cancer Screening Act: Effective 1/1/2023, this bill mandates access to cancer screenings for full-time paid firefighters in the State. The bill includes screenings for colon, lung, bladder, oral, thyroid, skin, blood, breast, cervical, testicular, and prostate cancers. The first screening will take place within the first three years of employment and a firefighter is then entitled to a screening every three years thereafter. This mandates access to cancer screenings for firefighters through health care benefits. Cost impact on cancer screenings is estimated to increase SHBP liability by ~\$7 per firefighter (FF) per month. The SHBP currently covers about 90% of cancer screening costs so the \$7 represents paying for 100% of the procedures.

These New Jersey State mandates are not expected to materially impact the projected Local Government Plan Costs and are not reflected in the projected Plan Year 2023.

## Enrollment Changes

Exhibit 1A shows historical enrollment patterns among the SHBP benefit offerings during Plan Years 2020 through 2022 and includes Aon's projection of Plan Year 2023 enrollment. The enrollment assumptions for Plan Years 2020 through 2022 are equal to monthly snapshot census data through December 2022 provided by the State. Projected Plan Year 2023 enrollment is equal to January 2023 open enrollment provided by the State and is adjusted based on known employer entrants and terminations provided by Horizon and the State. Based on January 2023 open enrollment, Local Government Active Employee enrollment has decreased 10.2%, Local Government Early Retirees have decreased by approximately 12.4%, and Local Government Medicare Retirees have decreased 7.5% compared to Plan Year 2022 enrollment. This significant decrease in Plan Year 2023 enrollment is driven by local employers leaving the State's Health Benefits Program.

Exhibit 1B reflects the distribution of projected Plan Year 2023 enrollment among benefit options. Approximately 63% of Local Government Actives are assumed to be enrolled in the PPO10 plan and 20% of Local Government Actives are assumed to be enrolled in the PPO15 plan. Based on the Plan Year 2023 open enrollment results, the HMO10 plan is projected to be approximately 3% of the total Active enrollment. Approximately 85% of Local Government Retirees are assumed to be enrolled in the PPO10 plan or the PPO15 plan. Projected enrollment noted above do not reflect any potential future impacts associated with COVID-19 (i.e. furloughs, layoffs, etc.) Projected enrollment does reflect local employers leaving the State's Health Benefits Program in Plan Year 2023.

Exhibit 1C shows the January 2023 enrollment distribution by benefit option and coverage tier.

## Section 3: Trend Analysis

Trend assumptions have been reviewed from the Plan Year 2023 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 2022		Plan Year 2023	
	Medical	Prescription Drugs	Medical	Prescription Drugs
PPO Actives	6.00%	7.50%	6.00%	7.50%
PPO Early Retirees	6.00%	7.50%	6.00%	7.50%
Self-Insured Medicare Retirees	5.50%	7.25%	5.50%	7.25%
HMO/Tiered Network Actives	6.50%	7.50%	6.50%	7.50%
HMO/Tiered Network Early Retirees	6.00%	7.50%	6.00%	7.50%

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

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

Medical Trends: The recommended trends are based on SHBP experience adjusted for expected future changes:

- The Active PPO trend assumption for Plan Year 2023 is 6.0%, which is consistent with the Plan Year 2023 Rate Setting Analysis.
- The PPO Early Retiree trend assumption is 6.0% for Plan Year 2023, no change from the Plan Year 2023 Rate Setting Analysis.
- The Plan Year 2023 self-insured PPO Medicare Retirees medical trend assumption is 5.50%, no change from the Plan Year 2023 Rate Setting Analysis.
- The medical trend assumption for Plan Year 2023 is 6.5% for HMO Actives and 6.0% HMO Retirees, which is no change from the 2023 Rate Setting Analysis.

Prescription Drug Trends: The Plan Year 2023 prescription drug trend recommendation is 7.5% for Actives and Early Retirees, no change from the Plan Year 2023 Rate Setting Analysis. The Plan Year 2023 prescription drug trend recommendation for Medicare Retirees is 7.25%, which is an increase from 6.0% from the Plan Year 2023 Rate Setting Analysis. This increase is based on updated information provided by Optum as well as increases in the emerging Medicare Retiree Rx trends.

Additional Trend Adjustments: Based on expected entrants and terminations of Local Government employers from the SHBP, the medical and prescription drug trends have been increased by 25 basis points for Plan Year 2022 and 100 basis points for Plan Year 2023. This adjustment reflects anti-selection risk (employers with good experience are terminating or those with poor experience are joining which will affect the SHBP'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 2022 and 2023 were provided by Aetna. Below is a table summarizing the fully insured Medicare Advantage per member per month rates for Plan Years 2022 and 2023. Aetna has projected that an \$11.04 PMPM gain-share premium credit may be available to reduce 2023 costs and the rates below reflect that reduction. Costs could be higher if the gain share does not apply.

Local Government	Aetna Medicare Advantage Rates		
	2022	2023	\$ Change
<b>PPO 10</b>	\$ 171.41	\$ 152.47	\$ (18.94)
<b>PPO 15</b>	\$ 154.06	\$ 135.12	\$ (18.94)
<b>HMO 10</b>	\$ 195.54	\$ 176.60	\$ (18.94)
<b>HMO 1525</b>	\$ 161.14	\$ 142.20	\$ (18.94)

\*MA Rates shown above do not include additional 2.0% margin. Final premium rates do reflect the additional 2.0% margin.

## Section 4: Financial Projections

### Aggregate Financial Projections

Using the key assumptions and the methodology described in Section 5 (Cost Projection Methodology), the updated estimated costs for Plan Years 2021, 2022 and 2023 are shown below.

#### SHBP Local Government Employer Projected Financial Results

(in \$ millions)

	PPO 10	PPO 15	Legacy HMOs	New Plans*	Total
<b>Plan Year 2021</b>					
Premium Rates x Enrollment	\$997.7	\$293.2	\$59.0	\$175.0	\$1,524.9
Incurred Claims	\$1,115.7	\$304.8	\$66.9	\$186.5	\$1,673.9
Administrative Charges	\$27.7	\$8.6	\$2.1	\$6.8	\$45.2
Net Gain (Loss)	(\$145.7)	(\$20.2)	(\$10.0)	(\$18.3)	(\$194.2)
<b>Plan Year 2022</b>					
Premium Rates x Enrollment	\$1,098.6	\$311.7	\$57.9	\$202.3	\$1,670.5
Incurred Claims	\$1,201.1	\$326.2	\$65.2	\$200.6	\$1,793.1
Administrative Charges	\$33.4	\$10.2	\$2.2	\$8.4	\$54.2
Net Gain (Loss)	(\$135.9)	(\$24.7)	(\$9.5)	(\$6.7)	(\$176.8)
<b>Plan Year 2023</b>					
Premium Rates x Enrollment	\$1,207.6	\$332.1	\$58.2	\$199.7	\$1,797.6
Incurred Claims	\$1,161.4	\$305.7	\$58.3	\$177.9	\$1,703.3
Administrative Charges	\$28.9	\$8.4	\$1.8	\$6.5	\$45.6
Net Gain (Loss)	\$17.3	\$18.0	(\$1.9)	\$15.3	\$48.7

\*The New Plans column includes the NJDIRECT PPO plans effective July 1, 2019 and the new Early Retiree plan options effective January 1, 2020.

Note: Totals may not add due to rounding.

Updated Plan Year 2021 cost decreased by \$13.7 million from the Plan Year 2023 Rate Setting Analysis. Plan Year 2022 cost has decreased approximately \$11.9 million from the projected cost shown in the 2023 Rate Setting Analysis. This decrease in actual cost vs. premium rates leads to a smaller projected loss for Plan Year 2022 of \$176.8 million.

The Plan Year 2023 Active and Retiree total premiums are projected to decrease by 11.2% with updated enrollment projections from those shown in the Plan Year 2023 Rate Setting Analysis while total plan costs reflecting updated claims experience are projected to be 11.8% lower. This significant decrease is driven by local employers leaving the State's Health Benefits Program. The combined overall projected net gain for Plan Year 2023 is \$48.7 million.

The updated financial results have produced a total projected claim stabilization reserve at December 31, 2023 equivalent to 0.5 months of plan costs (1.5 months for Actives and -1.5 months for Retirees). This is less than the recommended level of 2.0 months of plan costs.

More detailed aggregate projections are provided in Exhibit 3.

## Financial Gain /(Loss)

### Plan Year 2021

The total projected cost decreased by 0.8% from the Plan Year 2023 Rate Setting Analyses. Both active and retiree costs are projected to decrease 0.8% from the Plan Year 2023 Rate Setting Analysis, a result of additional Plan Year 2021 claims runout through September 2022.

### Plan Year 2022

For Plan Year 2022, there was a 1.5% decrease in total active plan costs from the results shown in Plan Year 2023 Rate Setting Analysis. This decrease in plan cost is primarily a result of the following:

- Total projected active cost decreased 1.8% due to updated medical claims experience through September 2022.
  - The aggregate projected 2022 medical claims are 2.1% lower compared to the Plan Year 2023 Rate Setting Analysis. This is driven by a 2.0% decrease in the projected PMPM medical claims amounts and a 0.1% decrease in average 2022 medical membership.
  - Rolling 12-month medical claims experience through September 2022 shows a 4.0% increase in PMPM PPO claims and an 11.5% increase in PMPM HMO claims. Combined, these medical trends are lower than the 6.25% estimated trend in the Plan Year 2023 Rate Setting Analysis.
    - Horizon reporting with rolling 12-month incurred claims through September 2022 shows the medical claims trend is driven by a 15% increase in outpatient facility services and a 5% increase in professional services.
    - This increase in trend is offset by a 14% decrease in inpatient services.
- Total projected active cost increased 0.6% due to updated prescription drug claims experience through September 2022.
  - The aggregate projected 2022 prescription drug claims are 3.9% higher compared to the Plan Year 2023 Rate Setting Analysis. This is driven by a 4.2% increase in the projected PMPM prescription drug claims amounts and a 0.3% decrease in average 2022 prescription drug membership.
  - Rolling 12-month prescription drug claims experience through September 2022 shows an 11.8% PMPM trend, higher than the 7.75% expected trend from the Plan Year 2023 Rate Setting Analysis.



- YTD September 2022 prescription drug reporting from Optum shows a 23% PMPM trend in Inflammatory conditions and a 18% PMPM trend in Diabetes.
- Utilization and cost contributed to a 10% increase in overall trend, compared to Optum's benchmark of 4%.
- Based on updated information from Optum, increases in prescription drug rebates decreased projected active costs by 0.3%.

Total estimated retiree cost is projected to increase 1.2% from the Plan Year 2023 Rate Setting Analysis.

- Total projected retiree cost decreased 0.7% as a result of updated medical claims experience through September 2022.
  - Aggregate medical claims decreased 1.0% compared to the Plan Year 2023 Rate Setting analysis. The projected medical claims and MA premiums PMPM decreased 1.9% as a result of favorable medical claims trends. This reduction was offset by a 0.9% in medical membership.
  - Rolling 12-month medical claims experience through September 2022 shows a 5.7% increase in Early Retiree PMPM PPO claims and a 1.0% decrease in Early Retiree PMPM HMO claims. These medical trends are lower than the 6.25% trend reflected in the 2023 Rate Setting Analysis.
    - Horizon reporting with rolling 12-month incurred claims through September 2022 shows the Early Retiree medical claims trend is driven by an increase in outpatient and professional trends of 12% and 4%, respectively.
    - The Outpatient and Professional costs per visit have increased 26% and 6%, respectively.
    - This increase is offset by a 7% decrease in inpatient services, driven by reduced utilization.
- There is a 2.2% increase in total retiree cost due to updated prescription drug claims experience
  - Aggregate prescription drug claims experience has increased 4.6% compared to the Plan Year 2023 Rate Setting analysis. This is driven by a 3.6% increase in the projected PMPM prescription drug claims and a 0.9% increase in average prescription drug membership.

- Based on data through September 2022, the rolling 12-month Early Retiree prescription drug trend is 12.4%, higher than the 7.75% assumed trend in the Plan Year 2023 Rate Setting Analysis, contributing to the increase in retiree cost. Additionally, the Medicare Retiree prescription drug trend of 8.3% is higher than the 6.25% assumed in the 2023 Rate Setting Analysis.
  - Based on YTD September reporting provided by Optum, the Specialty drug trends were 24% and 20% for Early and Medicare Retirees, respectively.
  - The Early Retiree drug mix contributed to an 8% increase in overall trend, higher than Optum's benchmark of 6%.
  - YTD September 2022 Early Retiree prescription drug reporting from Optum shows a 24% PMPM trend in inflammatory conditions, and a 40% trend in oncology.
- Based on updated information from Optum, increases in retiree prescription drug rebates decreased projected retiree costs by 0.3%.

### **Plan Year 2023**

For Plan Year 2023, total active plan cost is projected to decrease 11.9% from the results shown in Plan Year 2023 Rate Setting Analysis. This decrease in total plan cost is primarily a result of the following:

- There is a 11.4% decrease in total projected active cost due to updated enrollment. The updated enrollment is based on open enrollment data provided by the State and is adjusted for known employer entrants and terminations. Based on this data, there is expected to be a significant decrease in Local Government enrollment in Plan Year 2023.
- Total projected active cost is projected to decrease 1.7% due to updated medical claims experience, offset by a 0.8% increase due to updated prescription drug experience.
- Based on updated information from Optum, increases in active prescription drug rebates are projected to decrease projected active costs by approximately 0.3%.
- Projected active costs are expected to decrease by 0.1% as a result of reduced Horizon administrative fees effective February 1, 2023.
- There is a 0.8% increase due to the increase in the 2023 anti-selection assumption.

For Retirees, total projected cost decreased 11.7% from the results shown in the Plan Year 2023 Rate Setting Analysis. This decrease in retiree plan costs is primarily a result of the following:

- There is a 12.6% reduction in retiree cost due to lower-than-expected enrollment. The updated enrollment is based on open enrollment data provided by the State and is adjusted for known employer entrants and terminations. Based on this data, there is expected to be a significant decrease in Local Government enrollment in Plan Year 2023.
- Updated claims experience resulted in a 0.5% increase in total Retiree costs, consisting of a 0.9% decrease due to updated medical claims experience offset by a 1.4% increase due to updated prescription drug claims experience.
- Based on information from Optum, updated retiree EGWP credits is projected to decrease total retiree cost by 0.7%.
- Updated trend and anti-selection assumptions is projected to increase total retiree costs by 1.1%.

## Self-Insured Vendor Administrative Fees and Claim Charges

The sections below show Plan Year 2023 administrative fees and other claim charges, as applicable, separately by each of the medical and prescription drug vendors. The fees are reported by the vendors in different categories and may appear aggregated within different rows in Exhibit 3, including incurred medical and prescription drug claims, capitation, and administrative fees. Effective January 1, 2023, the State negotiated a contract extension with Horizon through the end of Plan Year 2023. The negotiation resulted in a reduction in administrative fees for the remainder of the plan year beginning February 1, 2023.

### Horizon Medical PEPM Fees/Charges

	PEPM Fees 1/1/23 - 1/31/23			
	PPO	HMO	HDHP	Tiered
<b>Actives and Early Retirees</b>				
Part 1 Services	\$23.52	\$34.65	\$23.24	\$39.38
Part 2 Services	\$9.45	\$9.45	\$9.45	\$9.45
Medical Management	\$1.16	\$1.16	\$1.16	\$1.16
Disease Management	\$0.42	\$0.42	\$0.42	\$0.42
HSA Banking Fee (Per Account Per Month)	N/A	N/A	\$2.49	N/A
NJWELL*	\$19.95	\$19.95	\$19.95	\$19.95
<b>Medicare Retirees</b>				
Part 1 Services	\$24.15	\$24.15	N/A	N/A
Part 2 Services	\$7.88	\$7.88	N/A	N/A

	PEPM Fees 2/1/23 - 12/31/23			
	PPO	HMO	HDHP	Tiered
<b>Actives and Early Retirees</b>				
Part 1 Services	\$23.42	\$34.55	\$23.14	\$39.28
Part 2 Services	\$4.25	\$4.25	\$4.25	\$4.25
Medical Management	\$1.16	\$1.16	\$1.16	\$1.16
Disease Management	\$0.42	\$0.42	\$0.42	\$0.42
HSA Banking Fee (Per Account Per Month)	N/A	N/A	\$2.49	N/A
NJWELL*	\$19.95	\$19.95	\$19.95	\$19.95
<b>Medicare Retirees</b>				
Part 1 Services	\$24.05	\$24.05	N/A	N/A
Part 2 Services	\$3.58	\$3.58	N/A	N/A

\* Plan Year 2023 fees are per attributed NJWELL employee and paid on a Per Enrolled Per Month basis. An attributed member is defined as an employee that is engaged in the wellness platform through completion of one or more of the point-achieving activities including, but not limited to, Health Assessment, Biometric Screening, Flu Shots, Telemedicine Wellness/Disease Management Coaching, Online Activities, etc. The NJWELL program includes access to WebMd wellness resources, custom rewards lobby, online tracking tools, monthly webinars, and a comprehensive Health Management portal to track all activities.

Other fees/claim charges that may be included within the incurred medical and prescription drug claims, capitation and administrative fees within Exhibit 3 include but are not limited to:

- NJWELL and Retiree Wellness Program fees (physician attestation forms, gift cards, etc.)
- DPCMH and PCMH administrative fees and capitation amounts
- Claim recovery services

**Prescription Drug Fees**

Administrative fees charged by Optum for the prescription drug program for Plan Year 2023 are \$5.20 PEPM for Commercial and \$8.00 PMPM for EGWP.

## Section 5: Cost Projection Methodology

### Rating Methodology

Exhibit 3 shows the aggregate projected costs and premiums for Plan Years 2021, 2022, and 2023, separately for each benefit plan and vendor. Costs were projected separately for Active Employees, Early Retirees, and Medicare Retirees; and for medical claims, prescription drug claims, administrative costs, and premiums.

### Medical and Prescription Drug Claim Projections

1. Using 12 months of claims data paid through September 2022 provided by Horizon, Aetna, and Optum, Aon estimated completed incurred claims through Plan Year 2022, separately for each benefit plan, for medical versus prescription drugs, and for Actives, Early Retirees, and Medicare Retirees.
2. Capitation and other similar fixed claim charges were added to the incurred claims to arrive at projected incurred claims.
3. Estimated incurred claims in Plan Year 2022 were divided by average covered members to get average claims per member per year. Covered members were based on historical monthly census file data by coverage tier provided by the State and adjusted with assumptions for the number of members per coverage tier.
  - a. Aon's current guidance is to project medical claims using 2021 claims data normalized for the impacts of COVID-19. Estimated 2021 incurred claims used for projecting 2022 and 2023 are adjusted using a blend of actual vs. expected claims experience, Aon National COVID-19 medical claim factors, and Aon Northeast Regional COVID-19 medical claims factors. No adjustment was made to 2022 claims used in the projection.
4. Claims per member were projected from the mid-point of the experience period to the mid-point of Plan Year 2023 using the annual trend rates listed in the Trend Analysis section of this document.
5. Aggregate claims for Plan Year 2023 are the product of projected enrollment and the projected claims per member.
6. Plan Year 2023 projected Medicare Advantage fully insured premiums are based on rates provided by Aetna.

7. Prescription drug rebates for Plan Year 2021 are based on actual rebate payment data received from the State. Projected rebates for Plan Year 2022 are based on actual and projected rebate data provided by Optum. Projected rebates for Plan Year 2023 are based on projected data provided by Optum.
8. Prescription drug rebates paid through the medical plan for Plan Year 2021 are based on actual rebate payment data provided by Horizon. Prescription Drug Rebates estimated to be paid through the medical plan for Plan Years 2022 and 2023 are incorporated in the medical claim projections and are based on the actual Plan Year 2021 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 2021, 2022, and 2023.
  - a. CMS per capita payments: Plan Years 2021, 2022, and 2023 actual and expected CMS per capita payments were provided by Optum. The Plan Year 2023 CMS per capita payment is assumed to be -\$1.99 Per Member Per Month (PMPM).
  - b. Coverage Gap Discount: Plan Years 2021, 2022, and 2023 actual and expected coverage gap payments were provided by Optum. The Plan Year 2023 credits are assumed to be \$101.39 PMPM.
  - c. Catastrophic Reinsurance: This payment has a very long lag, and the Plan Year 2021 credit is not expected to be fully paid until the beginning of Plan Year 2023. Plan Years 2021, 2022, and 2023 expected catastrophic reinsurance payments were provided by Optum. The Plan Year 2023 credits are assumed to be \$109.89 PMPM.
  - d. Low Income Cost Sharing Payments: Plan Years 2021 and 2022 actual and expected LICS payments were provided by Optum. For Plan Year 2023, the subsidy payment is assumed to be \$1.93 PMPM.
10. Total SHBP projected Plan Year 2023 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.

## Administrative Cost Projection

The administrative cost projection includes administrative charges, as well as some miscellaneous cost items:

1. 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 2023 administrative fees were provided by Horizon and Optum.
2. Overhead charges, which are internal State of New Jersey administrative costs charged against the plans, are projected at \$4.0 million for Plan Year 2023.
3. Other fees and claim charges reported by the vendors have been reflected in the projections.
4. Projected investment income of \$0.3 million was used to reduce projected administrative costs for Plan Year 2023.
5. Based on participation in NJWELL, employers are eligible for a 1% discount on their premium rates in the following plan year. Plan Year 2021 participation showed 23 Local Government employers (a total of 482 Employees) were eligible for this discount. The Plan Year 2022 costs have been adjusted to reflect the total number of Employees who will receive the 1% premium discount in Plan Year 2021. 1% of Employees are assumed to be eligible for this discount in Plan Year 2023.

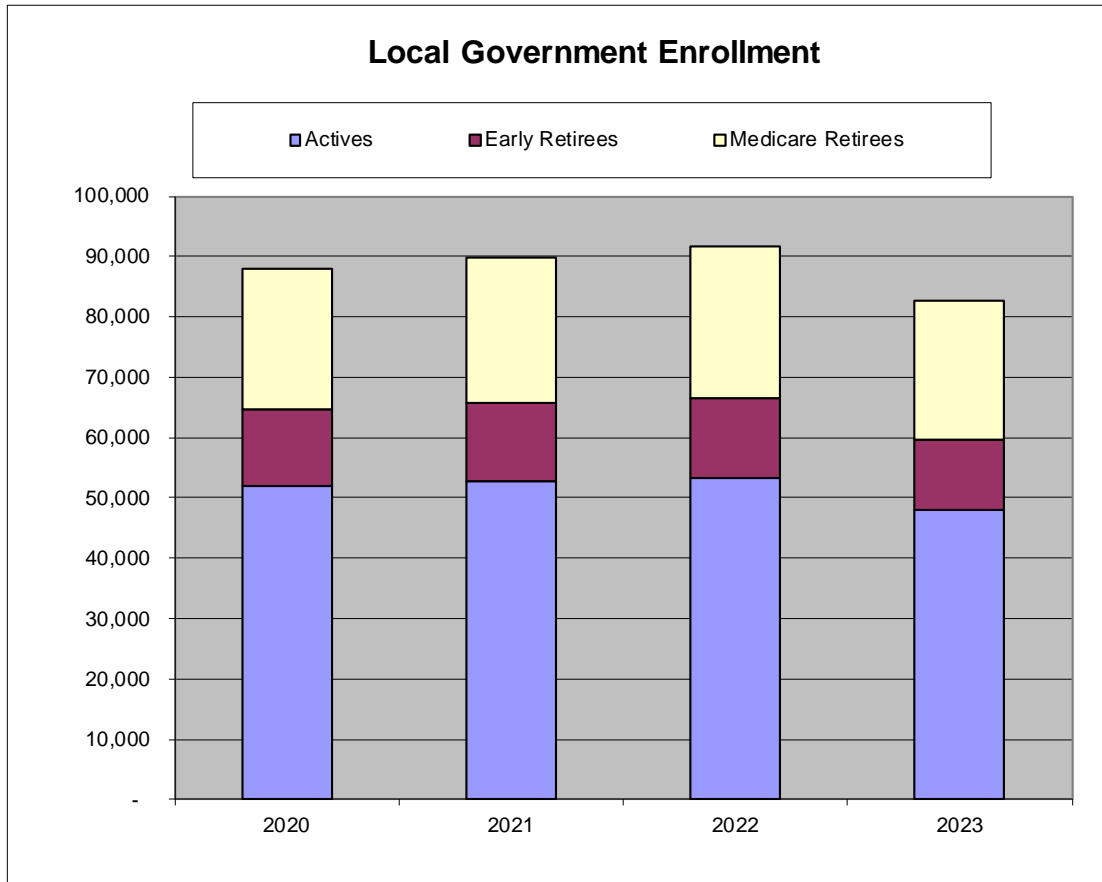
## Projected Gains/Losses

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

### SHBP Plan Year 2022 Mid-Year Experience Analysis Exhibit 1A – Enrollment Projections

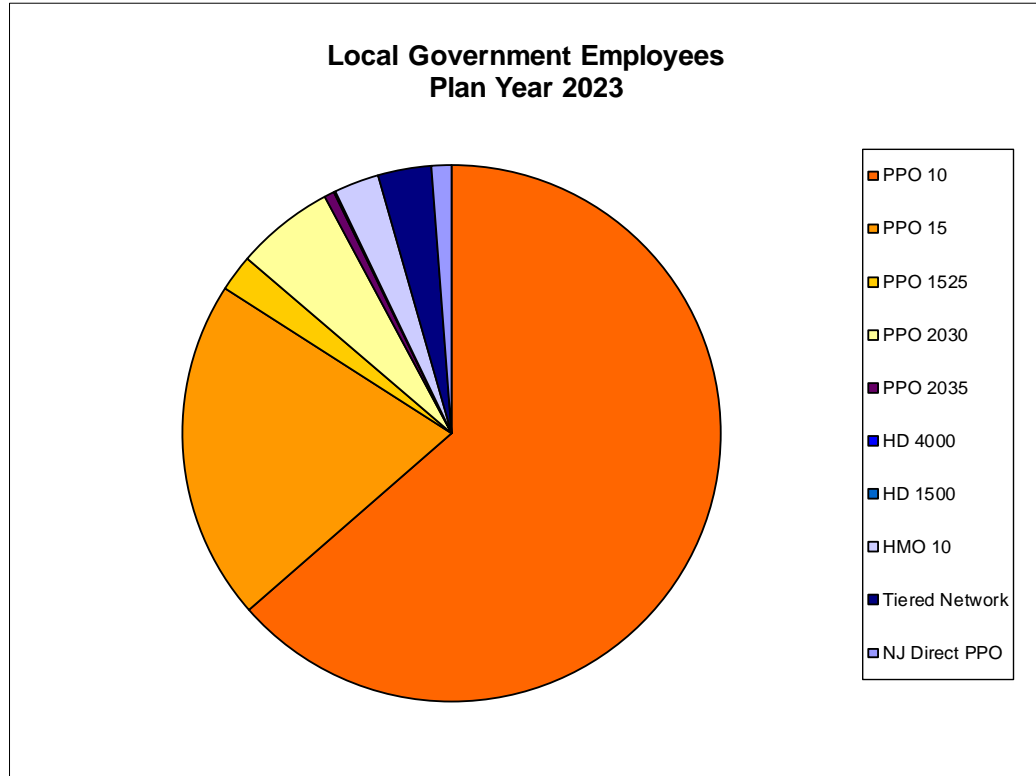


#### Annual Change in Enrollment

	Actual <u>2020 to 2021</u>	Actual <u>2021 to 2022</u>	Actual* <u>2022 to 2023</u>
Actives	1.3%	1.1%	(10.2%)
Early Retirees	3.8%	2.2%	(12.4%)
Medicare Retirees	3.7%	3.5%	(7.5%)

\*Actual 2023 enrollment for Active Employees and Retirees is based on open enrollment results and is adjusted for known employer entrants and terminations provided by Horizon and the State.

## SHBP Plan Year 2022 Mid-Year Experience Analysis Exhibit 1B – Active Employee Enrollment Distribution



Assumes approximately 66% of Employees will remain in the \$10 copay plans.

Assumes approximately 94% of Employees will enroll in the PPO plans, 3% in the HMO plans, 3% in the Tiered Network plans, and less than 1% in the High Deductible plans.

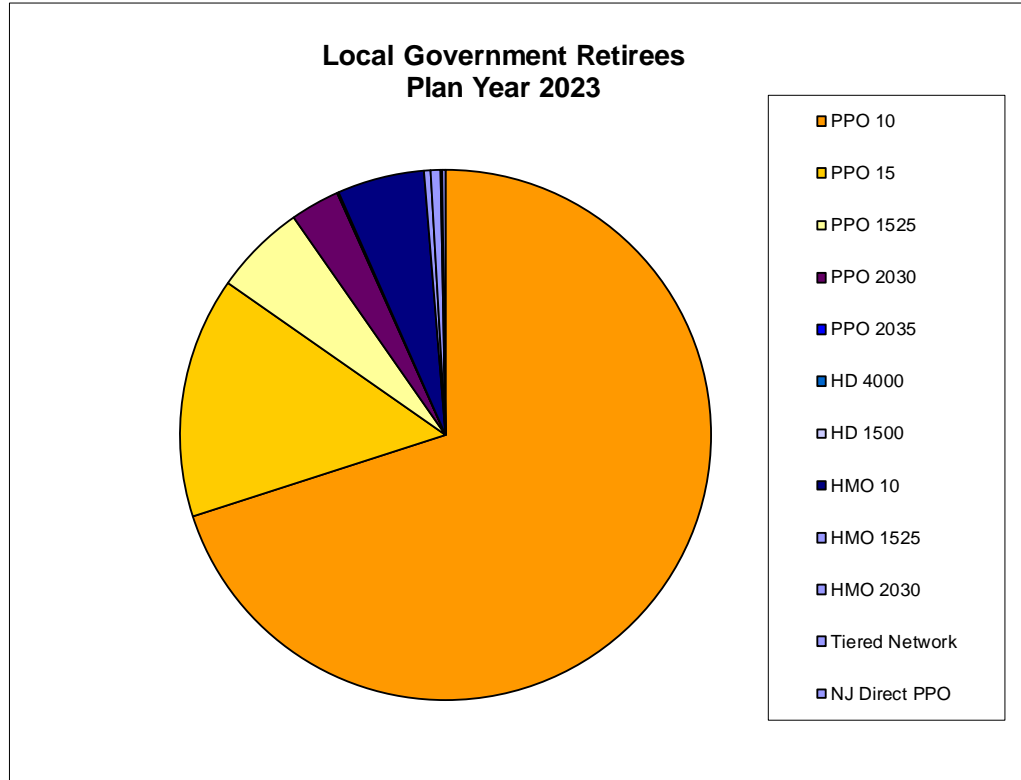
Assumes approximately 87% of Employees will enroll in the PPO 10, PPO 15, and HMO 10 plans and approximately 13% in the other benefit options.

<b>Actives</b>	<b>Horizon</b>
PPO 10	63.6%
PPO 15	20.5%
PPO 1525	2.2%
PPO 2030	5.9%
PPO 2035	0.6%
HD 4000	0.1%
HD 1500	0.0%
HMO 10	2.7%
Tiered Network	3.2%
NJ Direct PPO	<u>1.2%</u>
<b>Total</b>	<b>100.0%</b>

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

## SHBP Plan Year 2022 Mid-Year Experience Analysis

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



Assumes approximately 75% of Retirees will remain in the \$10 copay plans.

Assumes approximately 94% of Retirees will enroll in the PPO plans, 6% in the HMO plans, and less than 1% in the High Deductible plan.

Assumes approximately 90% of Retirees will enroll in the PPO 10, PPO15, and HMO 10 plans and approximately 10% in the other benefit options.

Retirees	Horizon	Aetna*	Total
PPO 10	22.3%	47.7%	70.0%
PPO 15	5.3%	9.4%	14.7%
PPO 1525	5.6%	0.0%	5.6%
PPO 2030	3.0%	0.0%	3.0%
PPO 2035	0.0%	0.0%	0.0%
HD 4000	0.1%	0.0%	0.1%
HD 1500	0.0%	0.0%	0.0%
HMO 10	1.6%	3.7%	5.3%
HMO 1525	0.2%	0.2%	0.4%
HMO 2030	0.6%	0.0%	0.6%
Tiered Network	0.0%	0.1%	0.1%
NJ Direct PPO	0.2%	0.0%	0.2%
<b>Total</b>	<b>38.9%</b>	<b>61.1%</b>	<b>100.0%</b>

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

**SHBP Plan Year 2022 Mid-Year Experience Analysis  
Exhibit 1C – Active Employee Enrollment Distribution**

	Number of Contracts as of January 2023				
	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
<b>Medical Plans</b>	<b>LOCAL GOVERNMENT - ACTIVE &amp; COBRA</b>				
NJ DIRECT10	11,110	4,496	10,642	4,179	30,427
NJ DIRECT15	3,684	1,473	3,414	1,241	9,812
NJ DIRECT1525	412	178	334	138	1,062
NJ DIRECT2030	1,079	366	1,030	369	2,844
NJ DIRECT2035	172	39	70	21	302
NJ DIRECT HD4000	36	3	14	5	58
NJ DIRECT HD1500	10	1	6	2	19
Horizon Legacy HMO (10)	492	181	380	235	1,287
OMNIA Health	787	167	404	159	1,517
NJDIRECT	76	53	121	45	295
NJDIRECT 2019	188	27	51	36	302
<b>Horizon Total</b>	<b>18,046</b>	<b>6,984</b>	<b>16,465</b>	<b>6,429</b>	<b>47,925</b>

\* January 2023 enrollment data is based on open enrollment results and is adjusted for known employer entrants and terminations provided by Horizon and the State. January 2023 tier ratios are based on open enrollment results provided by the State.

**SHBP Plan Year 2022 Mid-Year Experience Analysis  
Exhibit 1C (Cont'd) – Retiree Enrollment Distribution**

	Number of Contracts as of January 2023				
	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
<b>LOCAL GOVERNMENT RETIREES</b>					
<b>Medical Plans</b>					
NJ DIRECT10	1,786	1,970	3,127	873	7,755
NJ DIRECT15	478	455	732	194	1,858
NJ DIRECT1525	961	745	195	62	1,964
NJ DIRECT2030	188	350	443	69	1,050
NJ DIRECT2035	0	0	0	0	0
NJ DIRECT HD4000	12	15	2	2	31
NJ DIRECT HD1500	0	0	0	0	0
Horizon Legacy HMO (10)	176	148	178	59	562
Horizon 1525 HMO	18	13	18	4	53
Horizon 2030 HMO	34	61	94	17	206
OMNIA Health	8	9	9	3	30
NJDIRECT	25	13	14	10	63
<b>Horizon Total</b>	<b>3,686</b>	<b>3,779</b>	<b>4,813</b>	<b>1,294</b>	<b>13,572</b>
MA PPO 10	8,575	6,991	752	272	16,590
MA PPO 15	1,672	1,402	130	48	3,252
MA HMO (10)	710	495	54	32	1,290
MA 1525 HMO	18	30	12	0	60
<b>Aetna Total</b>	<b>10,974</b>	<b>8,917</b>	<b>948</b>	<b>352</b>	<b>21,192</b>
<b>Total</b>	<b>14,661</b>	<b>12,696</b>	<b>5,761</b>	<b>1,646</b>	<b>34,764</b>

\* January 2023 enrollment data is based on open enrollment results and is adjusted for known employer entrants and terminations provided by Horizon and the State. January 2023 tier ratios are estimated using historical 2022 tier distributions.

## SHBP Plan Year 2022 Mid-Year Experience Analysis

### Exhibit 2A – Medical Claim and Capitation 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, 2022. 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
<b><u>PPO Active</u></b>			
12 Months through 09/2021 vs 09/2020	18.4%	(5.5%)	23.9%
12 Months through 09/2022 vs 09/2021	4.0%	(0.9%)	4.9%
<b><u>PPO Early Retiree</u></b>			
12 Months through 09/2021 vs 09/2020	14.0%	(5.7%)	19.7%
12 Months through 09/2022 vs 09/2021	5.7%	(0.9%)	6.6%
<b><u>HMO Active</u></b>			
12 Months through 09/2021 vs 09/2020	29.3%	(5.0%)	34.3%
12 Months through 09/2022 vs 09/2021	11.5%	(0.9%)	12.4%
<b><u>HMO Early Retiree</u></b>			
12 Months through 09/2021 vs 09/2020	8.3%	(4.4%)	12.7%
12 Months through 09/2022 vs 09/2021	(1.0%)	(0.9%)	(0.1%)

**Normalizing Adjustments**

- 1/1/2020: Hospital Discount
- 1/1/2020: DEVA Audit Results
- 1/1/2020: Medicare Eligibility Vendor
- 3/1/2020: Fair Health National
- 1/1/2021: EviCore
- 1/1/2021: HMS

## SHBP Plan Year 2022 Mid-Year Experience 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, 2022. 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
<b>Active Rx</b>			
12 Months through 09/2021 vs 09/2020	2.9%	(0.7%)	3.6%
12 Months through 09/2022 vs 09/2021	11.8%	0.0%	11.8%
<b>Early Retiree Rx</b>			
12 Months through 09/2021 vs 09/2020	0.0%	(0.4%)	0.4%
12 Months through 09/2022 vs 09/2021	12.4%	0.0%	12.4%
<b>EGWP Rx</b>			
12 Months through 09/2021 vs 09/2020	1.8%	(0.5%)	2.3%
12 Months through 09/2022 vs 09/2021	8.3%	0.0%	8.3%

Normalizing Adjustments:

1/1/2020: Rx RFP Results

1/1/2020: DEVA Audit Results

## SHBP Plan Year 2022 Mid-Year Experience Analysis

### Exhibit 3A – Plan Year 2021 Aggregate Costs, page 1 of 2

	Legacy Plans							1525		
	Total	Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	NJ DIRECT	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>										
Average Medical Members	198,302	24,408	4,729	103,226	32,869	2,013	6,103	11,910	80	174
Incurred Medical Claims	\$1,371,670,000	\$47,271,000	\$8,175,000	\$862,314,000	\$241,722,000	\$4,435,000	\$47,568,000	\$79,350,000	\$142,000	\$1,007,000
Capitation	\$44,832,000	\$0	\$0	\$27,940,000	\$8,951,000	\$0	\$1,835,000	\$2,682,000	\$0	\$48,000
Incurred Prescription Drug Claims	\$477,789,000	\$142,623,000	\$28,782,000	\$191,266,000	\$52,633,000	\$13,591,000	\$11,585,000	\$18,342,000	\$364,000	\$326,000
Prescription Drug Rebates	(\$141,170,000)	(\$35,654,000)	(\$7,195,000)	(\$62,875,000)	(\$17,213,000)	(\$3,398,000)	(\$3,811,000)	(\$4,964,000)	(\$91,000)	(\$99,000)
EGWP Credits	(\$79,194,000)	(\$57,116,000)	(\$11,067,000)	\$0	\$0	(\$4,710,000)	(\$198,000)	(\$5,141,000)	(\$186,000)	(\$57,000)
Administrative Fees	\$45,197,000	\$3,129,000	\$606,000	\$24,590,000	\$8,039,000	\$259,000	\$1,829,000	\$3,167,000	\$10,000	\$39,000
Total Cost	\$1,719,124,000	\$100,253,000	\$19,301,000	\$1,043,235,000	\$294,132,000	\$10,177,000	\$58,808,000	\$93,436,000	\$239,000	\$1,264,000
Total Premium	\$1,524,949,000	\$105,349,000	\$19,428,000	\$892,391,000	\$273,785,000	\$9,949,000	\$49,078,000	\$81,635,000	\$326,000	\$1,050,000
Gain (Loss)	(\$194,175,000)	\$5,096,000	\$127,000	(\$150,844,000)	(\$20,347,000)	(\$228,000)	(\$9,730,000)	(\$11,801,000)	\$87,000	(\$214,000)
<b>Employees</b>										
Average Medical Members	127,406	N/A	N/A	77,673	27,479	N/A	4,119	8,343	N/A	N/A
Incurred Medical Claims	\$978,636,000	N/A	N/A	\$631,118,000	\$196,482,000	N/A	\$31,043,000	\$60,093,000	N/A	N/A
Capitation	\$34,870,000	N/A	N/A	\$21,198,000	\$7,516,000	N/A	\$1,255,000	\$2,266,000	N/A	N/A
Incurred Prescription Drug Claims	\$189,968,000	N/A	N/A	\$129,887,000	\$39,896,000	N/A	\$6,404,000	\$2,290,000	N/A	N/A
Prescription Drug Rebates	(\$61,139,000)	N/A	N/A	(\$41,803,000)	(\$12,840,000)	N/A	(\$2,061,000)	(\$737,000)	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
Administrative Fees	\$32,346,000	N/A	N/A	\$19,216,000	\$6,872,000	N/A	\$1,288,000	\$2,130,000	N/A	N/A
Total Cost	\$1,174,681,000	N/A	N/A	\$759,616,000	\$237,926,000	N/A	\$37,929,000	\$66,042,000	N/A	N/A
Total Premium	\$1,084,601,000	N/A	N/A	\$684,980,000	\$231,586,000	N/A	\$34,349,000	\$61,794,000	N/A	N/A
Gain (Loss)	(\$90,080,000)	N/A	N/A	(\$74,636,000)	(\$6,340,000)	N/A	(\$3,580,000)	(\$4,248,000)	N/A	N/A
<b>Early Retirees</b>										
Average Medical Members	37,053	N/A	N/A	25,553	5,390	N/A	1,899	1,370	N/A	150
Incurred Medical Claims	\$327,172,000	N/A	N/A	\$231,196,000	\$45,240,000	N/A	\$16,378,000	\$14,197,000	N/A	\$976,000
Capitation	\$9,881,000	N/A	N/A	\$6,742,000	\$1,435,000	N/A	\$557,000	\$374,000	N/A	\$46,000
Incurred Prescription Drug Claims	\$86,560,000	N/A	N/A	\$61,379,000	\$12,737,000	N/A	\$4,873,000	\$2,305,000	N/A	\$192,000
Prescription Drug Rebates	(\$29,719,000)	N/A	N/A	(\$21,072,000)	(\$4,373,000)	N/A	(\$1,673,000)	(\$791,000)	N/A	(\$66,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$7,923,000	N/A	N/A	\$5,374,000	\$1,167,000	N/A	\$506,000	\$260,000	N/A	\$28,000
Total Cost	\$401,817,000	N/A	N/A	\$283,619,000	\$56,206,000	N/A	\$20,641,000	\$16,345,000	N/A	\$1,176,000
Total Premium	\$293,160,000	N/A	N/A	\$207,411,000	\$42,199,000	N/A	\$14,245,000	\$9,712,000	N/A	\$921,000
Gain (Loss)	(\$108,657,000)	N/A	N/A	(\$76,208,000)	(\$14,007,000)	N/A	(\$6,396,000)	(\$6,633,000)	N/A	(\$255,000)
<b>Medicare Retirees</b>										
Average Medical Members	33,843	24,408	4,729	N/A	N/A	2,013	85	2,197	80	24
Incurred Medical Claims	\$65,862,000	\$47,271,000	\$8,175,000	N/A	N/A	\$4,435,000	\$147,000	\$5,060,000	\$142,000	\$31,000
Capitation	\$81,000	\$0	\$0	N/A	N/A	\$0	\$23,000	\$42,000	\$0	\$2,000
Incurred Prescription Drug Claims	\$201,261,000	\$142,623,000	\$28,782,000	N/A	N/A	\$13,591,000	\$308,000	\$13,747,000	\$364,000	\$134,000
Prescription Drug Rebates	(\$50,312,000)	(\$35,654,000)	(\$7,195,000)	N/A	N/A	(\$3,398,000)	(\$77,000)	(\$3,436,000)	(\$91,000)	(\$33,000)
EGWP Credits	(\$79,194,000)	(\$57,116,000)	(\$11,067,000)	N/A	N/A	(\$4,710,000)	(\$198,000)	(\$5,141,000)	(\$186,000)	(\$57,000)
Administrative Fees	\$4,928,000	\$3,129,000	\$606,000	N/A	N/A	\$259,000	\$35,000	\$777,000	\$10,000	\$11,000
Total Cost	\$142,626,000	\$100,253,000	\$19,301,000	N/A	N/A	\$10,177,000	\$238,000	\$11,049,000	\$239,000	\$88,000
Total Premium	\$147,188,000	\$105,349,000	\$19,428,000	N/A	N/A	\$9,949,000	\$484,000	\$10,129,000	\$326,000	\$129,000
Gain (Loss)	\$4,562,000	\$5,096,000	\$127,000	N/A	N/A	(\$228,000)	\$246,000	(\$920,000)	\$87,000	\$41,000

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



### SHBP Plan Year 2022 Mid-Year Experience Analysis Exhibit 3A – Plan Year 2021 Aggregate Costs, page 2 of 2

	2030		2035	HD 4000	HD 1500	Tiered Network	NJ DIRECT	
	NJ DIRECT	Horizon HMO	NJ DIRECT	NJ DIRECT	NJ DIRECT	Horizon OMNIA	Horizon NJ DIRECT	Horizon NJ DIRECT 2019
<b>Employees and Retirees</b>								
Average Medical Members	7,893	586	414	147	18	2,695	682	355
Incurred Medical Claims	\$55,720,000	\$3,510,000	\$2,169,000	\$501,000	\$37,000	\$12,484,000	\$3,900,000	\$1,365,000
Capitation	\$2,078,000	\$175,000	\$67,000	\$37,000	\$5,000	\$748,000	\$179,000	\$87,000
Incurred Prescription Drug Claims	\$11,357,000	\$1,447,000	\$479,000	\$98,000	\$22,000	\$3,193,000	\$1,470,000	\$211,000
Prescription Drug Rebates	(\$3,632,000)	(\$461,000)	(\$154,000)	(\$33,000)	(\$7,000)	(\$1,029,000)	(\$486,000)	(\$68,000)
EGWP Credits	(\$662,000)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$1,893,000	\$154,000	\$142,000	\$45,000	\$5,000	\$1,008,000	\$158,000	\$124,000
Total Cost	\$66,754,000	\$4,768,000	\$2,703,000	\$648,000	\$62,000	\$16,404,000	\$5,221,000	\$1,719,000
Total Premium	\$57,958,000	\$3,858,000	\$2,983,000	\$717,000	\$122,000	\$17,906,000	\$5,407,000	\$3,007,000
Gain (Loss)	(\$8,796,000)	(\$910,000)	\$280,000	\$69,000	\$60,000	\$1,502,000	\$186,000	\$1,288,000
<b>Employees</b>								
Average Medical Members	5,627	N/A	414	100	18	2,655	623	355
Incurred Medical Claims	\$40,807,000	N/A	\$2,169,000	\$239,000	\$37,000	\$12,333,000	\$2,950,000	\$1,365,000
Capitation	\$1,537,000	N/A	\$67,000	\$26,000	\$5,000	\$737,000	\$176,000	\$87,000
Incurred Prescription Drug Claims	\$6,696,000	N/A	\$479,000	\$58,000	\$22,000	\$3,139,000	\$886,000	\$211,000
Prescription Drug Rebates	(\$2,155,000)	N/A	(\$154,000)	(\$19,000)	(\$7,000)	(\$1,010,000)	(\$285,000)	(\$68,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$1,401,000	N/A	\$142,000	\$30,000	\$5,000	\$995,000	\$143,000	\$124,000
Total Cost	\$48,286,000	N/A	\$2,703,000	\$334,000	\$62,000	\$16,194,000	\$3,870,000	\$1,719,000
Total Premium	\$42,699,000	N/A	\$2,983,000	\$473,000	\$122,000	\$17,633,000	\$4,975,000	\$3,007,000
Gain (Loss)	(\$5,587,000)	N/A	\$280,000	\$139,000	\$60,000	\$1,439,000	\$1,105,000	\$1,288,000
<b>Early Retirees</b>								
Average Medical Members	1,983	562	N/A	47	N/A	40	59	N/A
Incurred Medical Claims	\$14,422,000	\$3,400,000	N/A	\$262,000	N/A	\$151,000	\$950,000	N/A
Capitation	\$534,000	\$168,000	N/A	\$11,000	N/A	\$11,000	\$3,000	N/A
Incurred Prescription Drug Claims	\$3,334,000	\$1,062,000	N/A	\$40,000	N/A	\$54,000	\$584,000	N/A
Prescription Drug Rebates	(\$1,145,000)	(\$365,000)	N/A	(\$14,000)	N/A	(\$19,000)	(\$201,000)	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	\$0	N/A
Administrative Fees	\$403,000	\$142,000	N/A	\$15,000	N/A	\$13,000	\$15,000	N/A
Total Cost	\$17,548,000	\$4,407,000	N/A	\$314,000	N/A	\$210,000	\$1,351,000	N/A
Total Premium	\$13,990,000	\$3,733,000	N/A	\$244,000	N/A	\$273,000	\$432,000	N/A
Gain (Loss)	(\$3,558,000)	(\$674,000)	N/A	(\$70,000)	N/A	\$63,000	(\$919,000)	N/A
<b>Medicare Retirees</b>								
Average Medical Members	283	24	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$491,000	\$110,000	N/A	N/A	N/A	N/A	N/A	N/A
Capitation	\$7,000	\$7,000	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$1,327,000	\$385,000	N/A	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$332,000)	(\$96,000)	N/A	N/A	N/A	N/A	N/A	N/A
EGWP Credits	(\$662,000)	(\$57,000)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$89,000	\$12,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Cost	\$920,000	\$361,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Premium	\$1,269,000	\$125,000	N/A	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	\$349,000	(\$236,000)	N/A	N/A	N/A	N/A	N/A	N/A

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

## SHBP Plan Year 2022 Mid-Year Experience Analysis

### Exhibit 3B – Plan Year 2022 Aggregate Costs, page 1 of 2

	Total	Legacy Plans						1525		
		Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	NJ DIRECT	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>										
Average Medical Members	200,765	25,373	4,865	104,113	32,517	1,891	5,366	11,920	83	161
Incurred Medical Claims	\$1,449,592,000	\$52,191,000	\$8,993,000	\$912,061,000	\$256,215,000	\$4,436,000	\$44,866,000	\$80,396,000	\$160,000	\$958,000
Capitation	\$44,742,000	\$0	\$0	\$27,879,000	\$8,801,000	\$0	\$1,585,000	\$2,649,000	\$0	\$43,000
Incurred Prescription Drug Claims	\$540,675,000	\$164,038,000	\$32,154,000	\$216,535,000	\$59,134,000	\$14,446,000	\$11,970,000	\$20,903,000	\$367,000	\$298,000
Prescription Drug Rebates	(\$159,461,000)	(\$37,361,000)	(\$7,323,000)	(\$74,529,000)	(\$20,328,000)	(\$3,290,000)	(\$4,084,000)	(\$5,432,000)	(\$84,000)	(\$89,000)
EGWP Credits	(\$82,494,000)	(\$59,756,000)	(\$11,457,000)	N/A	N/A	(\$4,453,000)	(\$222,000)	(\$5,479,000)	(\$195,000)	(\$57,000)
Administrative Fees	\$54,218,000	\$3,761,000	\$720,000	\$29,676,000	\$9,489,000	\$283,000	\$1,878,000	\$3,678,000	\$12,000	\$40,000
Total Cost	\$1,847,272,000	\$122,873,000	\$23,087,000	\$1,111,622,000	\$313,311,000	\$11,422,000	\$55,993,000	\$96,715,000	\$260,000	\$1,193,000
Total Premium	\$1,670,450,000	\$116,035,000	\$21,234,000	\$982,590,000	\$290,424,000	\$9,914,000	\$47,996,000	\$87,744,000	\$363,000	\$1,209,000
Gain (Loss)	(\$176,822,000)	(\$6,838,000)	(\$1,853,000)	(\$129,032,000)	(\$22,887,000)	(\$1,508,000)	(\$7,997,000)	(\$8,971,000)	\$103,000	\$16,000
<b>Employees</b>										
Average Medical Members	127,753	N/A	N/A	78,081	26,908	N/A	3,539	8,119	N/A	N/A
Incurred Medical Claims	\$1,026,497,000	N/A	N/A	\$661,090,000	\$207,628,000	N/A	\$28,906,000	\$61,826,000	N/A	N/A
Capitation	\$34,688,000	N/A	N/A	\$21,160,000	\$7,339,000	N/A	\$1,064,000	\$2,169,000	N/A	N/A
Incurred Prescription Drug Claims	\$213,461,000	N/A	N/A	\$147,164,000	\$43,434,000	N/A	\$6,637,000	\$3,192,000	N/A	N/A
Prescription Drug Rebates	(\$72,938,000)	N/A	N/A	(\$50,284,000)	(\$14,841,000)	N/A	(\$2,268,000)	(\$1,091,000)	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
Administrative Fees	\$38,808,000	N/A	N/A	\$23,170,000	\$8,033,000	N/A	\$1,308,000	\$2,525,000	N/A	N/A
Total Cost	\$1,240,516,000	N/A	N/A	\$802,300,000	\$251,593,000	N/A	\$35,647,000	\$68,621,000	N/A	N/A
Total Premium	\$1,114,340,000	N/A	N/A	\$706,404,000	\$232,922,000	N/A	\$30,271,000	\$61,421,000	N/A	N/A
Gain (Loss)	(\$126,176,000)	N/A	N/A	(\$95,896,000)	(\$18,671,000)	N/A	(\$5,376,000)	(\$7,200,000)	N/A	N/A
<b>Early Retirees</b>										
Average Medical Members	37,983	N/A	N/A	26,032	5,609	N/A	1,733	1,474	N/A	137
Incurred Medical Claims	\$350,176,000	N/A	N/A	\$250,971,000	\$48,587,000	N/A	\$15,781,000	\$12,527,000	N/A	\$893,000
Capitation	\$9,986,000	N/A	N/A	\$6,719,000	\$1,462,000	N/A	\$514,000	\$434,000	N/A	\$41,000
Incurred Prescription Drug Claims	\$98,557,000	N/A	N/A	\$69,371,000	\$15,700,000	N/A	\$4,940,000	\$2,525,000	N/A	\$171,000
Prescription Drug Rebates	(\$34,444,000)	N/A	N/A	(\$24,245,000)	(\$5,487,000)	N/A	(\$1,726,000)	(\$882,000)	N/A	(\$60,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$9,645,000	N/A	N/A	\$6,506,000	\$1,456,000	N/A	\$533,000	\$334,000	N/A	\$29,000
Total Cost	\$433,920,000	N/A	N/A	\$309,322,000	\$61,718,000	N/A	\$20,042,000	\$14,938,000	N/A	\$1,074,000
Total Premium	\$393,232,000	N/A	N/A	\$276,186,000	\$57,502,000	N/A	\$17,088,000	\$13,707,000	N/A	\$1,104,000
Gain (Loss)	(\$40,688,000)	N/A	N/A	(\$33,136,000)	(\$4,216,000)	N/A	(\$2,954,000)	(\$1,231,000)	N/A	\$30,000
<b>Medicare Retirees</b>										
Average Medical Members	35,028	25,373	4,865	N/A	N/A	1,891	94	2,327	83	24
Incurred Medical Claims	\$72,919,000	\$52,191,000	\$8,993,000	N/A	N/A	\$4,436,000	\$179,000	\$6,043,000	\$160,000	\$65,000
Capitation	\$68,000	\$0	\$0	N/A	N/A	\$0	\$7,000	\$46,000	\$0	\$2,000
Incurred Prescription Drug Claims	\$228,657,000	\$164,038,000	\$32,154,000	N/A	N/A	\$14,446,000	\$393,000	\$15,186,000	\$367,000	\$127,000
Prescription Drug Rebates	(\$52,079,000)	(\$37,361,000)	(\$7,323,000)	N/A	N/A	(\$3,290,000)	(\$90,000)	(\$3,459,000)	(\$84,000)	(\$29,000)
EGWP Credits	(\$82,494,000)	(\$59,756,000)	(\$11,457,000)	N/A	N/A	(\$4,453,000)	(\$222,000)	(\$5,479,000)	(\$195,000)	(\$57,000)
Administrative Fees	\$5,765,000	\$3,761,000	\$720,000	N/A	N/A	\$283,000	\$37,000	\$819,000	\$12,000	\$11,000
Total Cost	\$172,836,000	\$122,873,000	\$23,087,000	N/A	N/A	\$11,422,000	\$304,000	\$13,156,000	\$260,000	\$119,000
Total Premium	\$162,878,000	\$116,035,000	\$21,234,000	N/A	N/A	\$9,914,000	\$637,000	\$12,616,000	\$363,000	\$105,000
Gain (Loss)	(\$9,958,000)	(\$6,838,000)	(\$1,853,000)	N/A	N/A	(\$1,508,000)	\$333,000	(\$540,000)	\$103,000	(\$14,000)

Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0. The Incurred Medical Claims cost category

reflects the Medicare Advantage plan premiums for the Fully Insured Medicare Retiree medical plan options.

### SHBP Plan Year 2022 Mid-Year Experience Analysis

#### Exhibit 3B – Plan Year 2022 Aggregate Costs, page 2 of 2

	2030		2035	HD 4000	HD 1500	Tiered Network	NJ DIRECT	
	NJ DIRECT	Horizon HMO	NJ DIRECT	NJ DIRECT	NJ DIRECT	Horizon OMNIA	Horizon NJ DIRECT	Horizon NJ DIRECT 2019
<b>Employees and Retirees</b>								
Average Medical Members	9,016	558	381	151	33	2,968	852	517
Incurred Medical Claims	\$62,070,000	\$3,497,000	\$1,645,000	\$384,000	\$218,000	\$13,767,000	\$6,314,000	\$1,421,000
Capitation	\$2,354,000	\$164,000	\$55,000	\$39,000	\$10,000	\$811,000	\$328,000	\$24,000
Incurred Prescription Drug Claims	\$13,457,000	\$1,408,000	\$417,000	\$63,000	\$78,000	\$3,695,000	\$1,427,000	\$285,000
Prescription Drug Rebates	(\$4,441,000)	(\$458,000)	(\$143,000)	(\$22,000)	(\$27,000)	(\$1,262,000)	(\$490,000)	(\$98,000)
EGWP Credits	(\$819,000)	(\$56,000)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$2,577,000	\$169,000	\$153,000	\$57,000	\$11,000	\$1,259,000	\$241,000	\$214,000
<b>Total Cost</b>	<b>\$75,198,000</b>	<b>\$4,724,000</b>	<b>\$2,127,000</b>	<b>\$521,000</b>	<b>\$290,000</b>	<b>\$18,270,000</b>	<b>\$7,820,000</b>	<b>\$1,846,000</b>
Total Premium	\$72,441,000	\$4,853,000	\$2,821,000	\$845,000	\$225,000	\$20,218,000	\$7,046,000	\$4,492,000
Gain (Loss)	(\$2,757,000)	\$129,000	\$694,000	\$324,000	(\$65,000)	\$1,948,000	(\$774,000)	\$2,646,000
<b>Employees</b>								
Average Medical Members	6,424	N/A	381	101	33	2,903	747	517
Incurred Medical Claims	\$44,734,000	N/A	\$1,645,000	\$295,000	\$218,000	\$13,477,000	\$5,257,000	\$1,421,000
Capitation	\$1,740,000	N/A	\$55,000	\$27,000	\$10,000	\$795,000	\$305,000	\$24,000
Incurred Prescription Drug Claims	\$7,626,000	N/A	\$417,000	\$27,000	\$78,000	\$3,616,000	\$985,000	\$285,000
Prescription Drug Rebates	(\$2,606,000)	N/A	(\$143,000)	(\$9,000)	(\$27,000)	(\$1,235,000)	(\$336,000)	(\$98,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$1,918,000	N/A	\$153,000	\$36,000	\$11,000	\$1,234,000	\$206,000	\$214,000
<b>Total Cost</b>	<b>\$53,412,000</b>	<b>N/A</b>	<b>\$2,127,000</b>	<b>\$376,000</b>	<b>\$290,000</b>	<b>\$17,887,000</b>	<b>\$6,417,000</b>	<b>\$1,846,000</b>
Total Premium	\$49,656,000	N/A	\$2,821,000	\$482,000	\$225,000	\$19,650,000	\$5,996,000	\$4,492,000
Gain (Loss)	(\$3,756,000)	N/A	\$694,000	\$106,000	(\$65,000)	\$1,763,000	(\$421,000)	\$2,646,000
<b>Early Retirees</b>								
Average Medical Members	2,244	534	N/A	50	N/A	65	105	N/A
Incurred Medical Claims	\$16,587,000	\$3,394,000	N/A	\$89,000	N/A	\$290,000	\$1,057,000	N/A
Capitation	\$603,000	\$162,000	N/A	\$12,000	N/A	\$16,000	\$23,000	N/A
Incurred Prescription Drug Claims	\$4,166,000	\$1,127,000	N/A	\$36,000	N/A	\$79,000	\$442,000	N/A
Prescription Drug Rebates	(\$1,456,000)	(\$394,000)	N/A	(\$13,000)	N/A	(\$27,000)	(\$154,000)	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$548,000	\$158,000	N/A	\$21,000	N/A	\$25,000	\$35,000	N/A
<b>Total Cost</b>	<b>\$20,448,000</b>	<b>\$4,447,000</b>	<b>N/A</b>	<b>\$145,000</b>	<b>N/A</b>	<b>\$383,000</b>	<b>\$1,403,000</b>	<b>N/A</b>
Total Premium	\$20,956,000	\$4,708,000	N/A	\$363,000	N/A	\$568,000	\$1,050,000	N/A
Gain (Loss)	\$508,000	\$261,000	N/A	\$218,000	N/A	\$185,000	(\$353,000)	N/A
<b>Medicare Retirees</b>								
Average Medical Members	348	24	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$749,000	\$103,000	N/A	N/A	N/A	N/A	N/A	N/A
Capitation	\$11,000	\$2,000	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$1,665,000	\$281,000	N/A	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$379,000)	(\$64,000)	N/A	N/A	N/A	N/A	N/A	N/A
EGWP Credits	(\$819,000)	(\$56,000)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$111,000	\$11,000	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Cost</b>	<b>\$1,338,000</b>	<b>\$277,000</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Total Premium	\$1,829,000	\$145,000	N/A	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	\$491,000	(\$132,000)	N/A	N/A	N/A	N/A	N/A	N/A

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

## SHBP Plan Year 2022 Mid-Year Experience Analysis Exhibit 3C – Plan Year 2023 Aggregate Costs, page 1 of 2

	Legacy Plans							1525		
	Total	Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	NJ DIRECT	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>										
Average Medical Members	181,163	23,049	4,556	96,687	28,805	1,712	4,564	5,808	86	160
Incurred Medical Claims	\$1,389,732,000	\$42,172,000	\$7,388,000	\$904,788,000	\$243,547,000	\$3,627,000	\$41,027,000	\$36,645,000	\$147,000	\$1,016,000
Capitation	\$43,017,000	\$0	\$0	\$27,720,000	\$8,339,000	\$0	\$1,445,000	\$1,095,000	\$0	\$46,000
Incurred Prescription Drug Claims	\$543,223,000	\$161,309,000	\$32,601,000	\$216,395,000	\$57,769,000	\$14,156,000	\$11,036,000	\$21,467,000	\$412,000	\$319,000
Prescription Drug Rebates	(\$191,148,000)	(\$44,682,000)	(\$9,030,000)	(\$87,788,000)	(\$23,433,000)	(\$3,921,000)	(\$4,429,000)	(\$6,669,000)	(\$114,000)	(\$112,000)
EGWP Credits	(\$81,510,000)	(\$58,421,000)	(\$11,549,000)	N/A	N/A	(\$4,338,000)	(\$218,000)	(\$5,689,000)	(\$218,000)	(\$60,000)
Administrative Fees	\$45,626,000	\$3,458,000	\$682,000	\$25,426,000	\$7,742,000	\$260,000	\$1,503,000	\$1,778,000	\$13,000	\$42,000
<b>Total Cost</b>	<b>\$1,748,940,000</b>	<b>\$103,836,000</b>	<b>\$20,092,000</b>	<b>\$1,086,541,000</b>	<b>\$293,964,000</b>	<b>\$9,784,000</b>	<b>\$50,364,000</b>	<b>\$48,627,000</b>	<b>\$240,000</b>	<b>\$1,251,000</b>
Total Premium	\$1,797,623,000	\$105,543,000	\$19,896,000	\$1,102,105,000	\$312,182,000	\$9,046,000	\$49,177,000	\$50,037,000	\$376,000	\$1,479,000
Gain (Loss)	\$48,683,000	\$1,707,000	(\$196,000)	\$15,564,000	\$18,218,000	(\$738,000)	(\$1,187,000)	\$1,410,000	\$136,000	\$228,000
<b>Employees</b>										
Average Medical Members	114,870	N/A	N/A	73,716	23,567	N/A	2,993	2,468	N/A	N/A
Incurred Medical Claims	\$993,549,000	N/A	N/A	\$667,819,000	\$194,991,000	N/A	\$26,389,000	\$20,476,000	N/A	N/A
Capitation	\$33,351,000	N/A	N/A	\$21,376,000	\$6,878,000	N/A	\$967,000	\$703,000	N/A	N/A
Incurred Prescription Drug Claims	\$220,176,000	N/A	N/A	\$149,976,000	\$41,831,000	N/A	\$6,056,000	\$3,573,000	N/A	N/A
Prescription Drug Rebates	(\$89,221,000)	N/A	N/A	(\$60,774,000)	(\$16,951,000)	N/A	(\$2,454,000)	(\$1,448,000)	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
Administrative Fees	\$31,937,000	N/A	N/A	\$19,973,000	\$6,451,000	N/A	\$1,021,000	\$681,000	N/A	N/A
<b>Total Cost</b>	<b>\$1,189,792,000</b>	<b>N/A</b>	<b>N/A</b>	<b>\$798,370,000</b>	<b>\$233,200,000</b>	<b>N/A</b>	<b>\$31,979,000</b>	<b>\$23,985,000</b>	<b>N/A</b>	<b>N/A</b>
Total Premium	\$1,225,866,000	N/A	N/A	\$810,031,000	\$248,666,000	N/A	\$30,944,000	\$24,578,000	N/A	N/A
Gain (Loss)	\$36,074,000	N/A	N/A	\$11,661,000	\$15,466,000	N/A	(\$1,035,000)	\$593,000	N/A	N/A
<b>Early Retirees</b>										
Average Medical Members	34,133	N/A	N/A	22,971	5,238	N/A	1,485	1,095	N/A	136
Incurred Medical Claims	\$335,423,000	N/A	N/A	\$236,969,000	\$48,556,000	N/A	\$14,464,000	\$9,960,000	N/A	\$948,000
Capitation	\$9,596,000	N/A	N/A	\$6,344,000	\$1,461,000	N/A	\$471,000	\$345,000	N/A	\$44,000
Incurred Prescription Drug Claims	\$95,931,000	N/A	N/A	\$66,419,000	\$15,938,000	N/A	\$4,591,000	\$2,035,000	N/A	\$184,000
Prescription Drug Rebates	(\$39,017,000)	N/A	N/A	(\$27,014,000)	(\$6,482,000)	N/A	(\$1,867,000)	(\$828,000)	N/A	(\$75,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$8,193,000	N/A	N/A	\$5,453,000	\$1,291,000	N/A	\$452,000	\$201,000	N/A	\$32,000
<b>Total Cost</b>	<b>\$410,126,000</b>	<b>N/A</b>	<b>N/A</b>	<b>\$288,171,000</b>	<b>\$60,764,000</b>	<b>N/A</b>	<b>\$18,111,000</b>	<b>\$11,713,000</b>	<b>N/A</b>	<b>\$1,133,000</b>
Total Premium	\$421,157,000	N/A	N/A	\$292,074,000	\$63,516,000	N/A	\$17,622,000	\$12,680,000	N/A	\$1,370,000
Gain (Loss)	\$11,031,000	N/A	N/A	\$3,903,000	\$2,752,000	N/A	(\$489,000)	\$967,000	N/A	\$237,000
<b>Medicare Retirees</b>										
Average Medical Members	32,160	23,049	4,556	N/A	N/A	1,712	86	2,245	86	24
Incurred Medical Claims	\$60,760,000	\$42,172,000	\$7,388,000	N/A	N/A	\$3,627,000	\$174,000	\$6,209,000	\$147,000	\$68,000
Capitation	\$70,000	\$0	\$0	N/A	N/A	\$0	\$7,000	\$47,000	\$0	\$2,000
Incurred Prescription Drug Claims	\$227,116,000	\$161,309,000	\$32,601,000	N/A	N/A	\$14,156,000	\$389,000	\$15,859,000	\$412,000	\$135,000
Prescription Drug Rebates	(\$62,910,000)	(\$44,682,000)	(\$9,030,000)	N/A	N/A	(\$3,921,000)	(\$108,000)	(\$4,393,000)	(\$114,000)	(\$37,000)
EGWP Credits	(\$81,510,000)	(\$58,421,000)	(\$11,549,000)	N/A	N/A	(\$4,338,000)	(\$218,000)	(\$5,689,000)	(\$218,000)	(\$60,000)
Administrative Fees	\$5,496,000	\$3,458,000	\$682,000	N/A	N/A	\$260,000	\$30,000	\$896,000	\$13,000	\$10,000
<b>Total Cost</b>	<b>\$149,022,000</b>	<b>\$103,836,000</b>	<b>\$20,092,000</b>	<b>N/A</b>	<b>N/A</b>	<b>\$9,784,000</b>	<b>\$274,000</b>	<b>\$12,929,000</b>	<b>\$240,000</b>	<b>\$118,000</b>
Total Premium	\$150,600,000	\$105,543,000	\$19,896,000	N/A	N/A	\$9,046,000	\$611,000	\$12,779,000	\$376,000	\$109,000
Gain (Loss)	\$1,578,000	\$1,707,000	(\$196,000)	N/A	N/A	(\$738,000)	\$337,000	(\$150,000)	\$136,000	(\$9,000)

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

## SHBP Plan Year 2022 Mid-Year Experience Analysis

### Exhibit 3C – Plan Year 2023 Aggregate Costs, page 2 of 2

	2030		2035	HD 4000	HD 1500	Tiered Network	NJ DIRECT	
	NJ DIRECT	Horizon HMO	NJ DIRECT	NJ DIRECT	NJ DIRECT	Horizon OMNIA	Horizon NJ DIRECT	Horizon NJ DIRECT 2019
<b>Employees and Retirees</b>								
Average Medical Members	9,694	567	585	165	41	3,227	915	542
Incurred Medical Claims	\$71,425,000	\$3,805,000	\$2,749,000	\$430,000	\$296,000	\$19,830,000	\$6,851,000	\$3,989,000
Capitation	\$2,708,000	\$178,000	\$70,000	\$45,000	\$13,000	\$949,000	\$382,000	\$27,000
Incurred Prescription Drug Claims	\$16,910,000	\$1,537,000	\$710,000	\$72,000	\$108,000	\$5,405,000	\$1,950,000	\$1,067,000
Prescription Drug Rebates	(\$6,608,000)	(\$588,000)	(\$288,000)	(\$29,000)	(\$44,000)	(\$2,190,000)	(\$791,000)	(\$432,000)
EGWP Credits	(\$960,000)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$2,529,000	\$159,000	\$202,000	\$62,000	\$13,000	\$1,318,000	\$237,000	\$202,000
Total Cost	\$86,004,000	\$5,034,000	\$3,443,000	\$580,000	\$386,000	\$25,312,000	\$8,629,000	\$4,853,000
Total Premium	\$93,721,000	\$5,570,000	\$5,217,000	\$1,081,000	\$345,000	\$26,979,000	\$9,143,000	\$5,726,000
Gain (Loss)	\$7,717,000	\$536,000	\$1,774,000	\$501,000	(\$41,000)	\$1,667,000	\$514,000	\$873,000
<b>Employees</b>								
Average Medical Members	6,905	N/A	585	111	41	3,157	785	542
Incurred Medical Claims	\$51,493,000	N/A	\$2,749,000	\$329,000	\$296,000	\$19,310,000	\$5,708,000	\$3,989,000
Capitation	\$2,003,000	N/A	\$70,000	\$32,000	\$13,000	\$930,000	\$352,000	\$27,000
Incurred Prescription Drug Claims	\$10,091,000	N/A	\$710,000	\$30,000	\$108,000	\$5,185,000	\$1,549,000	\$1,067,000
Prescription Drug Rebates	(\$4,089,000)	N/A	(\$288,000)	(\$12,000)	(\$44,000)	(\$2,101,000)	(\$628,000)	(\$432,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$1,863,000	N/A	\$202,000	\$41,000	\$13,000	\$1,293,000	\$197,000	\$202,000
Total Cost	\$61,361,000	N/A	\$3,443,000	\$420,000	\$386,000	\$24,617,000	\$7,178,000	\$4,853,000
Total Premium	\$65,743,000	N/A	\$5,217,000	\$650,000	\$345,000	\$26,293,000	\$6,673,000	\$5,726,000
Gain (Loss)	\$4,382,000	N/A	\$1,774,000	\$230,000	(\$41,000)	\$1,676,000	\$495,000	\$873,000
<b>Early Retirees</b>								
Average Medical Members	2,410	544	N/A	54	N/A	70	130	N/A
Incurred Medical Claims	\$19,063,000	\$3,699,000	N/A	\$101,000	N/A	\$520,000	\$1,143,000	N/A
Capitation	\$693,000	\$176,000	N/A	\$13,000	N/A	\$19,000	\$30,000	N/A
Incurred Prescription Drug Claims	\$4,855,000	\$1,246,000	N/A	\$42,000	N/A	\$220,000	\$401,000	N/A
Prescription Drug Rebates	(\$1,975,000)	(\$507,000)	N/A	(\$17,000)	N/A	(\$89,000)	(\$163,000)	N/A
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$528,000	\$150,000	N/A	\$21,000	N/A	\$25,000	\$40,000	N/A
Total Cost	\$23,164,000	\$4,764,000	N/A	\$160,000	N/A	\$695,000	\$1,451,000	N/A
Total Premium	\$25,884,000	\$5,424,000	N/A	\$431,000	N/A	\$686,000	\$1,470,000	N/A
Gain (Loss)	\$2,720,000	\$660,000	N/A	\$271,000	N/A	(\$9,000)	\$19,000	N/A
<b>Medicare Retirees</b>								
Average Medical Members	379	23	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$869,000	\$106,000	N/A	N/A	N/A	N/A	N/A	N/A
Capitation	\$12,000	\$2,000	N/A	N/A	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$1,964,000	\$291,000	N/A	N/A	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$544,000)	(\$81,000)	N/A	N/A	N/A	N/A	N/A	N/A
EGWP Credits	(\$960,000)	(\$57,000)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$138,000	\$9,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Cost	\$1,479,000	\$270,000	N/A	N/A	N/A	N/A	N/A	N/A
Total Premium	\$2,094,000	\$146,000	N/A	N/A	N/A	N/A	N/A	N/A
Gain (Loss)	\$615,000	(\$124,000)	N/A	N/A	N/A	N/A	N/A	N/A

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

## SHBP Plan Year 2022 Mid-Year Experience Analysis Exhibit 4A – Employee Plan Year 2023 Option Summary

	Government Actives										
	NJDIRECT PPO Plan	NJDIRECT 2019 PPO Plan	\$10 PPO	\$15 PPO	\$10 HMO	1525PPO	2030PPO	2035PPO	HDHP 4000	HDHP 1500	Tiered Network
<b>In-Network</b>											
Deductible (Single/Family) <sup>1</sup>	None	\$100	None	None	None	None	None	\$200/\$500 for non-copayment services	\$4,000/\$8,000	\$1,500/\$3,000	Tier 1: \$0 Tier 2: \$1,500/\$3,000
Coinsurance OOP Maximum (Single/ Family)	\$800/\$2,000	\$800/\$2,000	None	\$400/\$1,000	None	\$400/\$1,000	\$800/\$2,000	\$2,000/\$5,000	None	None	None
Total In-Network OOP Maximum (Single/Family) <sup>1</sup>	\$7,280/\$14,560	\$7,280/\$14,560	\$400/\$1,000	\$7,280/\$14,560	\$7,280/\$14,560	\$7,280/\$14,560	\$7,280/\$14,560	\$7,280/\$14,560	\$5,000/\$10,000	\$2,500/\$5,000	Tier 1: \$2,500/\$5,000 Tier 2: \$4,500/\$9,000
Overall Coinsurance	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	20%	20%	20%	Tier 1: No Charge Tier 2: 20%
PCP	\$15 copay	\$15 copay	\$10 copay	\$15 copay	\$10 copay	\$15 copay	\$20 copay	\$20 copay	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$5 copay Tier 2: \$20 copay
Specialist	\$15 copay	\$15 copay	\$10 copay	\$15 copay	\$10 copay	\$25 copay	\$30 copay/ \$20 copay (child)	\$35 copay	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$15 copay Tier 2: \$30 copay
Urgent Care	\$15 copay	\$15 Copay	\$10 Copay	\$15 copay	\$10 copay	\$25 copay	\$30 copay/ \$20 copay (child)	\$35 copay	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$15 copay Tier 2: \$30 copay
Emergency Room	\$150 copay	\$150 copay	\$75 copay	\$100 copay	\$85 copay	\$100 copay	\$125 copay	\$300 copay	20% coinsurance after deductible	20% coinsurance after deductible	\$100 copay
Inpatient Hospital	No charge	No charge	No charge	No charge	No charge	No charge	No charge	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$150 copay Tier 2: 20% coinsurance after deductible
<b>Out-of-Network</b>											
Deductible (Single/Family)	\$400/\$1000	\$400/\$1000	\$100/\$250	\$100/\$250	Not covered	\$100/\$250	\$200/\$500	\$800/\$2,000	Combined with In-Network Deductible	Combined with In-Network Deductible	Not covered
Total Out-of-Network OOP Maximum (Single/Family)	\$2,000/\$5,000	\$2,000/\$5,000	\$2,000/\$5,000	\$2,000/\$5,000	Not covered	\$2,000/\$5,000	\$5,000/\$12,500	\$6,500/\$13,000	\$6,000/\$12,000	\$3,500/\$7,000	Not covered
Overall Coinsurance	30%	30%	20%	30%	Not covered	30%	30%	40%	40%	40%	Not covered
<b>Prescription Drug</b>											
OOP Maximum (Single/Family)	\$1,820/\$3,640	\$1,820/\$3,640	\$1,820/\$3,640	\$1,820/\$3,640	\$1,820/\$3,640	\$1,820/\$3,640	\$1,820/\$3,640	\$1,820/\$3,640	\$1,820/\$3,640		\$1,820/\$3,640
Retail - Generic	\$7	\$7	\$3	\$3	\$3	\$7	\$3	\$7			\$7
Retail - Preferred Brand	\$16	\$16	\$10	\$10	\$10	\$16	\$18	\$21			\$16
Retail - Non-Preferred Brand	Member Pays the Difference	Member Pays the Difference	\$10	\$10	\$10	\$35	\$46	Member Pays the Difference			\$35
Retail - Brand w/ Generic available	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Subject to Deductible and Coinsurance	Subject to Deductible and Coinsurance	Member Pays the Difference
Mail - Generic	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0
Mail - Preferred Brand	\$40	\$40	\$15	\$15	\$15	\$40	\$36	\$52			\$40
Mail - Non-Preferred Brand	Member Pays the Difference	Member Pays the Difference	\$15	\$15	\$15	\$88	\$92	Member Pays the Difference			\$88
Mail - Brand w/ Generic available	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference			Member Pays the Difference

<sup>1</sup> For all HDHP plans the in-network and out-of-network OOP Maximum and the in-network Deductible for Medical and Prescription Drug are integrated.

Note: Local government employers can select from the SHBP's Prescription Drug Plans, purchase their own prescription drug coverage plan, or receive prescription drug coverage through the SHBP medical plan. Copayments shown apply to the plans when coverage is through the SHBP's Prescription Drug Plans. If prescription drug coverage is through the medical plan: Coinsurance is 10% for NJ DIRECT10 and NJ DIRECT15; Coinsurance is 15% for NJ DIRECT1525 and NJ DIRECT2030; Coinsurance is 20% for NJ DIRECT2035. Copayments for Aetna Freedom10, Aetna Freedom15, Aetna HMO, and Horizon HMO are \$5, \$10, \$20 (Retail 30-day supply) and \$5, \$15, \$25 (Mail Order 90-day supply); Copayments for Aetna Freedom1525, Aetna Freedom2030, Aetna Freedom2035, Aetna Liberty, and Horizon OMNIA are shown in chart above. For High Deductible Health Plans, prescription drug coverage must be through the SHBP medical plan and are subject to the plan's deductible and coinsurance amounts.

<sup>2</sup>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.

## SHBP Plan Year 2022 Mid-Year Experience Analysis Exhibit 4B – Early Retiree Plan Year 2023 Option Summary

	Government Early Retirees													
	NJDIRECT PPO Early Retiree Plan	\$10 PPO	\$15 PPO	\$10 HMO	1525PPO	1525HMO	2030PPO	2030HMO	2035PPO	HDHP 4000	HDHP 1500	Tiered Network		
<b>In-Network</b>														
Deductible (Single/Family) <sup>1</sup>	\$0	None	None	None	None	None	None	None	None	\$200/\$500 for non-copayment services	\$4,000/\$8,000	\$1,500/\$3,000	Tier 1: \$0 Tier 2: \$1,500/\$3,000	
Coinsurance OOP Maximum (Single/ Family)	\$800/\$2,000	None	\$400/\$1,000	None	\$400/\$1,000	None	\$800/\$2,000	None	\$2,000/\$5,000	None	None	None	None	
Total In-Network OOP Maximum (Single/Family) <sup>1</sup>	\$7,749/\$15,498	\$400/\$1,000	\$7,749/\$15,498	\$7,749/\$15,498	\$7,749/\$15,498	\$7,749/\$15,498	\$7,749/\$15,498	\$7,749/\$15,498	\$7,749/\$15,498	\$7,749/\$15,498	\$5,000/\$10,000	\$2,500/\$5,000	Tier 1: \$2,500/\$5,000 Tier 2: \$4,500/\$9,000	
Overall Coinsurance	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	10% <sup>2</sup>	20%	20%	20%	20%	Tier 1: No Charge Tier 2: 20%	
PCP	\$15 copay	\$10 copay	\$15 copay	\$10 copay	\$15 copay	\$15 copay	\$20 copay	\$20 copay	\$20 copay	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$5 copay Tier 2: \$20 copay	
Specialist	\$15 copay	\$10 copay	\$15 copay	\$10 copay	\$25 copay	\$25 copay	\$30 copay/ \$20 copay (child)	\$30 copay/ \$20 copay (child)	\$35 copay	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$15 copay Tier 2: \$30 copay	
Urgent Care	\$15 copay	\$10 copay	\$15 copay	\$10 copay	\$25 copay	\$25 copay	\$30 copay/ \$20 copay (child)	\$30 copay/ \$20 copay (child)	\$35 copay	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$15 copay Tier 2: \$30 copay	
Emergency Room	\$150 copay	\$75 copay	\$100 copay	\$85 copay	\$100 copay	\$100 copay	\$125 copay	\$125 copay	\$300 copay	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	\$100 copay	
Inpatient Hospital	No charge	No charge	No charge	No charge	No charge	No charge	No charge	No charge	No charge	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$150 copay Tier 2: 20% coinsurance after deductible	
<b>Out-of-Network</b>														
Deductible (Single/Family)	\$400/\$1000	\$100/\$250	\$100/\$250	Not covered	\$100/\$250	Not covered	\$200/\$500	Not covered	\$800/\$2,000	Combined with In-Network Deductible	Combined with In-Network Deductible	Not covered	Not covered	
Total Out-of-Network OOP Maximum (Single/Family)	\$2,000/\$5,000	\$2,000/\$5,000	\$2,000/\$5,000	Not covered	\$2,000/\$5,000	Not covered	\$5,000/\$12,500	Not covered	\$6,500/\$13,000	\$6,000/\$12,000	\$3,500/\$7,000	Not covered	Not covered	
Overall Coinsurance	30% (175% CMS)	20%	30%	Not covered	30%	Not covered	30%	Not covered	40%	40%	40%	40%	Not covered	
<b>Prescription Drug</b>														
OOP Maximum (Single/Family)	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702			\$1,351/\$2,702	
Retail - Generic	\$7	\$10	\$10	\$6	\$7	\$7	\$3	\$3	\$7				\$7	
Retail - Preferred Brand	\$16	\$22	\$22	\$12	\$16	\$16	\$18	\$18	\$21				\$16	
Retail - Non-Preferred Brand	\$35	\$44	\$44	\$24	\$35	\$35	\$46	\$46	Member Pays the Difference				\$35	
Retail - Brand w/ Generic available	Member Pays the Difference	Member pays the difference	Member pays the difference	Member pays the difference	Member pays the difference	Member pays the difference	Member pays the difference	Member pays the difference	Member Pays the Difference	Subject to Deductible and Coinsurance	Subject to Deductible and Coinsurance		Member Pays the Difference	
Mail - Generic	\$18	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5					\$18
Mail - Preferred Brand	\$40	\$28	\$28	\$18	\$40	\$40	\$36	\$36	\$52					\$40
Mail - Non-Preferred Brand	\$88	\$55	\$55	\$30	\$88	\$88	\$92	\$92	Member Pays the Difference					\$88
Mail - Brand w/ Generic available	Member Pays the Difference	Member pays the difference	Member pays the difference	Member pays the difference	Member pays the difference	Member pays the difference	Member pays the difference	Member pays the difference	Member Pays the Difference					Member Pays the Difference

<sup>1</sup> For all HDHP plans the in-network and out-of-network OOP Maximum and the in-network Deductible for Medical and Prescription Drug are integrated.

<sup>2</sup> 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.

## SHBP Plan Year 2022 Mid-Year Experience Analysis Exhibit 4C – Medicare Retiree Plan Year 2023 Option Summary

	Government Medicare Advantage <sup>2</sup>				Government Medicare Supplement				
	\$10 PPO	\$15 PPO	\$10 HMO	1525HMO	\$10 HMO	1525PPO	1525HMO	2030PPO	2030HMO
<b>In-Network</b>									
Deductible (Single/Family)	None	None	None	None	None	None	None	None	None
Coinsurance OOP Maximum (Single/Family) <sup>1</sup>	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	\$7,349/\$14,698	\$7,349/\$14,698	\$7,349/\$14,698	\$7,349/\$14,698	\$7,349/\$14,698
Overall Coinsurance	None	None	None	None	10% <sup>5</sup>	10% <sup>5</sup>	10% <sup>5</sup>	10% <sup>5</sup>	10% <sup>5</sup>
PCP	\$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	\$75 copay	\$75 copay	\$75 copay	\$75 copay	\$85 copay	\$100 copay	\$100 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
<b>Out-of-Network</b>									
Deductible (Single/Family)	None	None	Not Covered	Not Covered	Not covered	\$100/\$250	Not covered	\$200/\$500	Not covered
Coinsurance OOP Maximum (Single/Family) <sup>1</sup>	None	None	Not Covered	Not Covered	Not covered	None	Not covered	None	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
<b>Prescription Drug<sup>4</sup></b>									
OOP Maximum (Single/Family)	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702	\$1,351/\$2,702
Retail - Generic	\$10	\$10	\$6	\$7	\$6	\$7	\$7	\$3	\$3
Retail - Preferred Brand	\$22	\$22	\$12	\$16	\$12	\$16	\$16	\$18	\$18
Retail - Non-Preferred Brand	\$44	\$44	\$24	\$35	\$24	\$35	\$35	\$46	\$46
Mail - Generic <sup>3</sup>	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Mail - Preferred Brand <sup>3</sup>	\$28	\$28	\$18	\$40	\$18	\$40	\$40	\$36	\$36
Mail - Non-Preferred Brand <sup>3</sup>	\$55	\$55	\$30	\$88	\$30	\$88	\$88	\$92	\$92

<sup>1</sup> 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

<sup>2</sup> Medicare 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.

<sup>3</sup> Mail Copay amounts shown above are for 30 day prescriptions. Copays for 90-day prescriptions may differ.

<sup>4</sup> 30-day copays for Specialty Pharmacy in the Employer Group Waiver Plan (EGWP) range from \$1 for generic, \$6-\$13 for preferred brand, and \$10-\$30 for non-preferred brand depending on retiree plan option.

<sup>5</sup> 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.



## 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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