



New Jersey
State Health Benefits Program
State Employee Group

Mid-Year Experience Analysis
For Plan Year 2022

March 8, 2023

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State Employee 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 State Active Employees and Retirees by the New Jersey State Health Benefits Program (SHBP). The Mid-Year experience of the Local Government 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 reports provided by the State through December 2022. The 2023 projections reflect January 2023 Open Enrollment data provided by 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 Plan Year 2021 costs mainly through additional run-out claims. Total projected aggregate costs decreased 0.6% 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 increased 0.1% from the projected cost 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 2.4% from the projected cost shown in the Plan Year 2023 Rate Setting Analysis. The decrease in expected total costs is driven by a 1.4% decrease in total Retiree costs and a decrease of 2.7% in total Active costs.

A more detailed description of the financial gains and losses is included in Sections 2 and 4 of this analysis.

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 has been made to the 2022 claims data reflected in the projections.

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 State 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 in Plan Year 2023:

- Preferred Provider Organization (PPO) plans are administered solely by Horizon. In Plan Year 2023, Horizon will offer the CWA Unity and NJDIRECT Active plans, CWA Unity 2019 and NJDIRECT 2019 plans, and CWA Unity and NJDIRECT Early Retiree PPO plan options. Actives and Early Retirees are also offered PPO10 (Early Retirees only), PPO15, PPO1525, PPO2030, and PPO2035.
- HMO plans are administered by Horizon. There is one HMO benefit option which is available to Actives, and three HMO benefit options which are 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: HDHP1500 and HDHP4000. 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 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 for Plan Years 2018 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.
- Step Therapy Changes: State Active employees who were not previously impacted by Step Therapy are now subject to this program. Step Therapy requires members to try a more cost-effective, clinically-equivalent drug before certain drugs will be covered.

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

- Urgent Care Copay: On September 14, 2022, the SHBP Plan Design Committee approved resolution 2022-7 which increases the urgent care copay for State Active members enrolled in the CWA Unity, CWA Unity 2019, NJDIRECT, NJDIRECT2019, HMO, and Tiered Network plan options to \$30 higher compared to the current PCP copay. The impact of this change is based on prorated estimates provided by Horizon.

- Specialist Copay: On September 14, 2022, the SHBP Plan Design Committee approved resolution 2022-6 which increases the specialist copay for State Active members enrolled in the CWA Unity, CWA Unity 2019, NJDIRECT, NJDIRECT2019, HMO, and Tiered Network plan options to \$15 higher compared to the current PCP copay. This change applies to all services currently subject to the specialist copay with the exception of obstetrics and gynecology specialist visits. The impact of this change is based on Aon's Actuarial Value model.
- 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 are 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:

Plan Year	Out-of-Pocket Maximum (Single/Family)
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 State Plan Costs and are not reflected in the projected Plan Year 2023 costs.

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. Based on January 2023 open enrollment, State Active Employee enrollment has decreased 2.5%, State Early Retirees have decreased by approximately 1.7%, and State Medicare Retirees have increased 1.9% compared to Plan Year 2022 enrollment.

Exhibit 1B reflects the distribution of projected Plan Year 2023 enrollment among benefit options. Approximately 17% of State Actives are assumed to be enrolled in the PPO15 plan and 65% of State Actives are assumed to be enrolled in the CWA Unity/NJDIRECT plans. Enrollment in the Tiered Network plans is projected to be approximately 8% of the total Active enrollment. Approximately, 75% of State 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.)

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 a combination of updated experience data; expectations of future trends; Aon national 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%	7.75%	6.00%	7.75%
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%	7.75%	6.50%	7.75%
HMO/Tiered Network Early Retirees	6.00%	7.50%	6.00%	7.50%

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 Plan Year 2022 trend assumption for PPO Actives is 6.0%, no change from the Plan Year 2023 Rate Setting Analysis. The trend assumption is also 6.0% in Plan Year 2023, no change from the Plan Year 2023 Rate Setting Analysis.
- The Plan Year 2023 PPO Early Retiree trend assumption is 6.0%, no change from the Plan Year 2023 Rate Setting Analysis.
- The self-insured PPO Medicare Retirees medical trend assumption is 5.5% in Plan Year 2023, consistent with the Plan Year 2023 Rate Setting Analysis.
- The medical trends for HMO Actives is 6.5% and for HMO Early Retirees is 6.0% in Plan Year 2023, no change from the Plan Year 2023 Rate Setting Analysis.

Prescription Drug Trends: The Plan Year 2022 and Plan Year 2023 prescription drug trend recommendation is 7.75% for Actives and 7.5% for Early Retirees, no change from the Plan Year 2023 Rate Setting Analysis. The Plan Year 2022 and 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.

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 2022 costs and the rates below reflect that reduction. Costs could be higher if the gain share does not apply.

State	Aetna Medicare Advantage Rates		
	2022	2023	\$ Change
PPO 10	\$ 132.47	\$ 113.53	\$ (18.94)
PPO 15	\$ 114.33	\$ 95.39	\$ (18.94)
HMO 10	\$ 195.22	\$ 176.28	\$ (18.94)
HMO 1525	\$ 159.79	\$ 140.85	\$ (18.94)

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 State Projected Financial Results

(\$ millions)

	CWA Unity/ NJ DIRECT	PPO 10	PPO 15	Legacy HMOs	New Plans*	Total
Plan Year 2021						
Premium Rates x Enrollment	\$976.3	\$62.8	\$860.4	\$198.1	\$154.6	\$2,252.2
Incurred Claims	\$1,092.2	\$58.2	\$875.9	\$198.7	\$128.4	\$2,353.4
Administrative Charges	\$33.3	\$1.7	\$24.8	\$7.1	\$8.0	\$74.9
Net Gain (Loss)	(\$149.2)	\$2.9	(\$40.3)	(\$7.7)	\$18.2	(\$176.1)
Plan Year 2022						
Premium Rates x Enrollment	\$1,148.4	\$61.3	\$696.2	\$181.6	\$164.5	\$2,252.0
Incurred Claims	\$1,302.3	\$61.0	\$751.8	\$191.5	\$150.7	\$2,457.3
Administrative Charges	\$44.1	\$1.9	\$23.5	\$7.7	\$10.1	\$87.3
Net Gain (Loss)	(\$198.0)	(\$1.6)	(\$79.1)	(\$17.6)	\$3.7	(\$292.6)
Plan Year 2023						
Premium Rates x Enrollment	\$1,380.1	\$58.6	\$735.7	\$192.7	\$202.0	\$2,569.1
Incurred Claims	\$1,364.2	\$55.2	\$721.2	\$182.9	\$170.0	\$2,493.5
Administrative Charges	\$40.9	\$1.9	\$21.2	\$6.8	\$10.8	\$81.6
Net Gain (Loss)	(\$25.0)	\$1.5	(\$6.7)	\$3.0	\$21.2	(\$6.0)

*New plans include the 15/25 PPO, 15/25 HMO, 20/30 PPO, 20/30 HMO, 20/35 PPO, 20/35 HMO, HD1500, HD4000, and Tiered Network plan options.

Note: Totals may not add due to rounding.

Updated Plan Year 2021 cost decreased by \$15.2 million from the Plan Year 2023 Rate Setting Analysis. Plan Year 2022 costs have increased approximately \$1.6 million from the projected cost shown in the 2023 Rate Setting Analysis. This increase in actual cost vs. premium rates leads to a projected loss for Plan Year 2022 of \$292.6 million.

The Plan Year 2023 Active and Retiree total premiums are projected to decrease by 2.6% with updated enrollment projections from those originally shown in the Plan Year 2023 Rate Setting Analysis while total plan costs reflecting updated claims experience are projected to be 2.4% lower. The combined overall projected net loss for Plan Year 2023 is approximately \$6.0 million.

More detailed aggregate projections are provided in Exhibit 3.

Financial Gain/(Loss)

Plan Year 2021

The total projected cost decreased approximately 0.6% from the Plan Year 2023 Rate Setting Analysis. For actives, the projected cost decreased 0.7% from the Plan Year 2023 Rate Setting Analysis, a result of additional Plan Year 2021 claims runout through September 2022. Projected retiree costs decreased 0.3% from the Plan Year 2023 Rate Setting Analysis.

Plan Year 2022

For Plan Year 2022, there was a 0.4% 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:

- There is a 0.6% decrease in projected 2022 active cost due to updated actual medical claims experience through September 2022.
 - Aggregate 2022 medical claims are 0.8% lower compared to the Plan Year 2023 Rate Setting Analysis. This is driven by a decrease in membership of 0.7%.
 - Projected 2022 PMPM medical claims are 0.1% below the Plan Year 2023 Rate Setting projections. Rolling 12-month medical claims experience through September 2022 shows a 6.1% increase in PPO claims, a 6.4% increase in HMO claims, and a 0.8% increase in Tiered Network claims. The Plan Year 2023 Rate Setting Analysis assumed a 6.0% PPO Medical trend and a 6.5% HMO and Tiered Network Trend.
 - Horizon reporting with Rolling 12-month incurred claims through September 2022 shows the medical experience trends is driven by a 14% increase in outpatient PMPM trends such as emergency room (23%) and outpatient surgery (12%).
 - This increase in trend is offset by a 5% decrease in overall inpatient service PMPM trends.
- There is a 0.9% increase in projected 2022 active cost due to updated prescription drug claims experience through September 2022.
 - Aggregate Rx claims are 4.3% higher compared to the Plan Year 2023 Rate Setting Analysis, as a result of a 5.1% increase to projected PMPM Rx claims. This increase was partially offset by a 0.7% decrease in membership.
 - Rolling 12-month prescription drug claims experience through September 2022 shows a 12.8% PMPM trend, higher than the 7.75% prescription drug trend assumed in the Plan Year 2023 Rate Setting Analysis. Based on YTD September 2022 Optum reporting:

- Specialty drug trend was approximately 19%
 - The major cost drivers by disease states were inflammatory conditions (29% trend), diabetes (15% trend), and oncology (8% trend) disease states.
 - Drug mix contributed 4% towards the overall trend, which is much lower than Optum's benchmark of 6%.
- Based on updated information from Optum, Plan Year 2022 active prescription drug rebates increased from the Plan Year 2023 Rate Setting Analysis, decreasing overall active cost by 0.7%.

For Retirees, there was a 1.5% increase in total retiree plan costs from the results shown in the Plan Year 2023 Rate Setting Analysis. This is a result of the following:

- There is a 0.7% decrease in projected 2022 retiree plan cost due to updated medical claims experience through September 2022.
 - Projected aggregate medical claims and MA premiums have decreased 1.1% compared to the Plan Year 2023 Rate Setting Analysis. This is driven by favorable medical claims experience, as the projected PMPM medical claims have decreased 1.8% compared to the Plan Year 2023 Rate Setting Analysis. This was partially offset by a 0.7% increase in Plan Year 2022 average membership.
 - Rolling 12-month with Rolling 12-month incurred claims through September 2022 shows an Early Retiree claims trend of 1.3% for the PPO plans and 4.6% for the HMO plans. These medical trends are lower than the estimated 2023 Rate Setting trend of 6.0%.
 - Horizon reporting shows the increase in medical experience trend is driven by an 11% increase in outpatient services, including an emergency room trend of 15% and outpatient surgery trend of 12%.
 - The increase in trend is offset by a 13% decrease in inpatient facility services
- There is a 2.5% increase in projected 2022 retiree plan cost due to updated prescription drug claims experience through September 2022.
 - Aggregate prescription drug claims have increased 3.7% compared to the Plan Year rate setting analysis. This is driven by a 3.0% increase in 2022 projected PMPM claims and a 0.7% increase in average membership.
 - Rolling 12-month Early Retiree prescription drug claims experience through September 2022 shows an 11.8% prescription drug trend, higher than the 7.5% prescription drug trend assumed in the Plan Year 2023 Rate Setting Analysis.

Additionally, the Medicare Retiree prescription drug trend is 8.0%, higher than the 6.0% assumption in the Plan Year 2023 Rate Setting Analysis.

- YTD September 2022 prescription drug reporting from Optum shows that State Early Retiree and Medicare Retiree Specialty Drug trend was 24% and 16%, respectively.
 - The Optum reporting also shows that shows the top State Early Retiree disease states driving trends are inflammatory conditions (29% trend) and Oncology (21% trend).
- Based on updated information from Optum, increases in retiree prescription drug rebates are projected to reduce projected retiree costs by 0.3%.

Plan Year 2023

For Plan Year 2023, active medical and prescription drug costs are projected to decrease 2.7% compared to the results shown in the Plan Year 2023 Rate Setting Analysis.

- There is a 0.7% increase in total cost as a result of updated historical claims.
- Aggregate medical and prescription drug costs are estimated to decrease 2.7% from the results shown in the Plan Year 2023 Rate Setting Analysis due to an overall reduction in projected State Active enrollment.
- Prescription drug rebates are projected to increase based on updated reporting provided by Optum, resulting in a 0.4% decrease in total 2023 projected active cost.
- Projected active costs are expected to decrease by 0.3% as a result of reduced Horizon administrative fees effective February 1, 2023.

Total projected costs for retirees decreased approximately 1.4% from the Plan Year 2023 Rate Setting Analysis.

- Total medical and prescription drug costs are projected to increase 0.5% due to updated claims experience.
- Total retiree costs are projected to increase 0.5% due to differences in actual and expected enrollment.
- Based on updated information provided by Optum, there is a 3.1% reduction in projected retiree cost due to increases in prescription drug rebates and EGWP credits.
- Updated Medicare retiree prescription drug trend assumptions are anticipated to increase projected retiree prescription drug costs by 0.7%.

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
Actives and Early Retirees				
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
Medicare Retirees				
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
Actives and Early Retirees				
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
Medicare Retirees				
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

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 North East Regional COVID-19 medical claims factors. No adjustment was made to the 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 expected CMS per capita payments were provided by Optum. The Plan Year 2023 CMS per capita payment is assumed to be -\$2.17 Per Member Per Month (PMPM).
 - b. Coverage Gap Discount: Plan Years 2021, 2022, and 2023 expected coverage gap payments were provided by Optum. The Plan Year 2023 credits are assumed to be \$99.80 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 \$111.32 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 \$1.75 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.
11. For credibility purposes, Active Tiered Network projected costs in Plan Year 2023 reflects 80% of actual Plan Year 2022 medical and prescription drug claim experience blended with 20% of PPO15 experience and adjusted for the relative difference.

Administrative Cost Projection

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

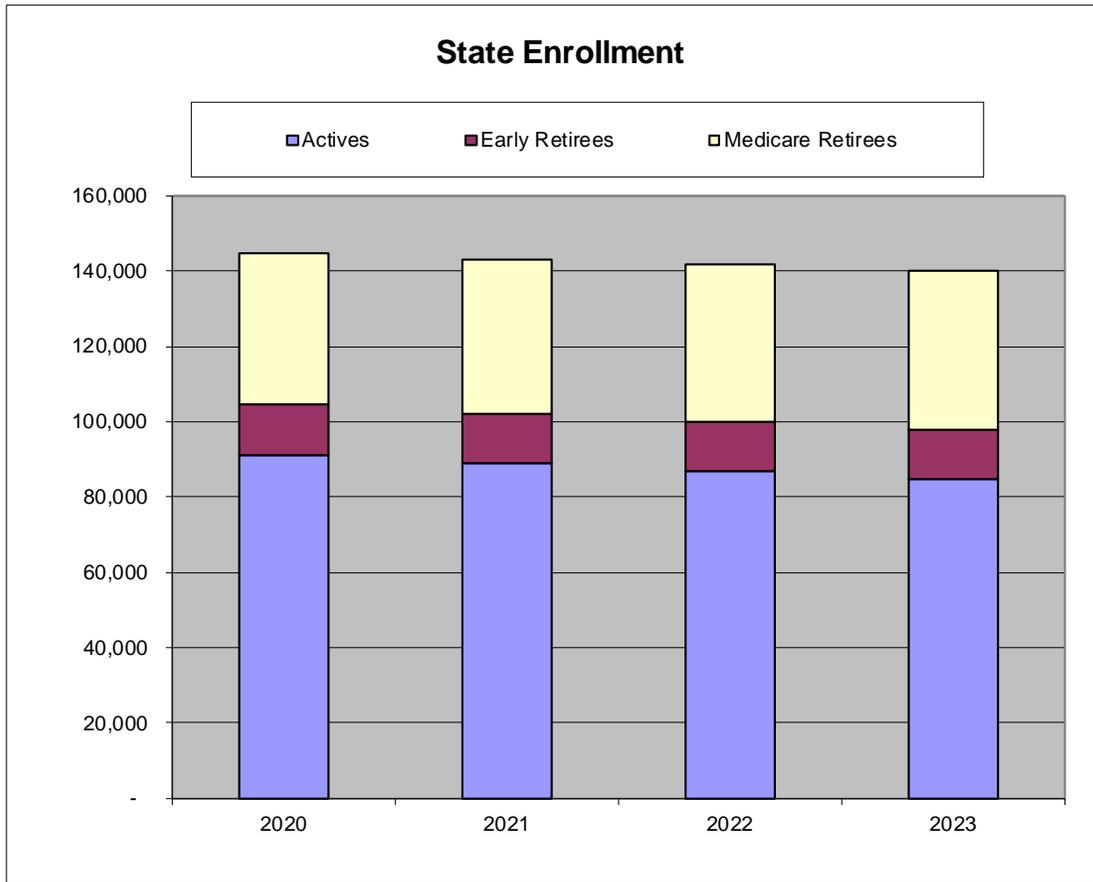
1. Base administrative fees per subscriber per month or per member per month are multiplied by the projected average enrollment for the applicable projection Plan Year. Plan Year 2023 administrative fees per employee per month and per member per month were provided by Horizon and Optum.
2. Overhead charges, which are internal State of New Jersey administrative costs charged against the plans, are projected at \$6.2 million for Plan Year 2023.
3. Other fees and claim charges reported by the vendors have been reflected in the projections.

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

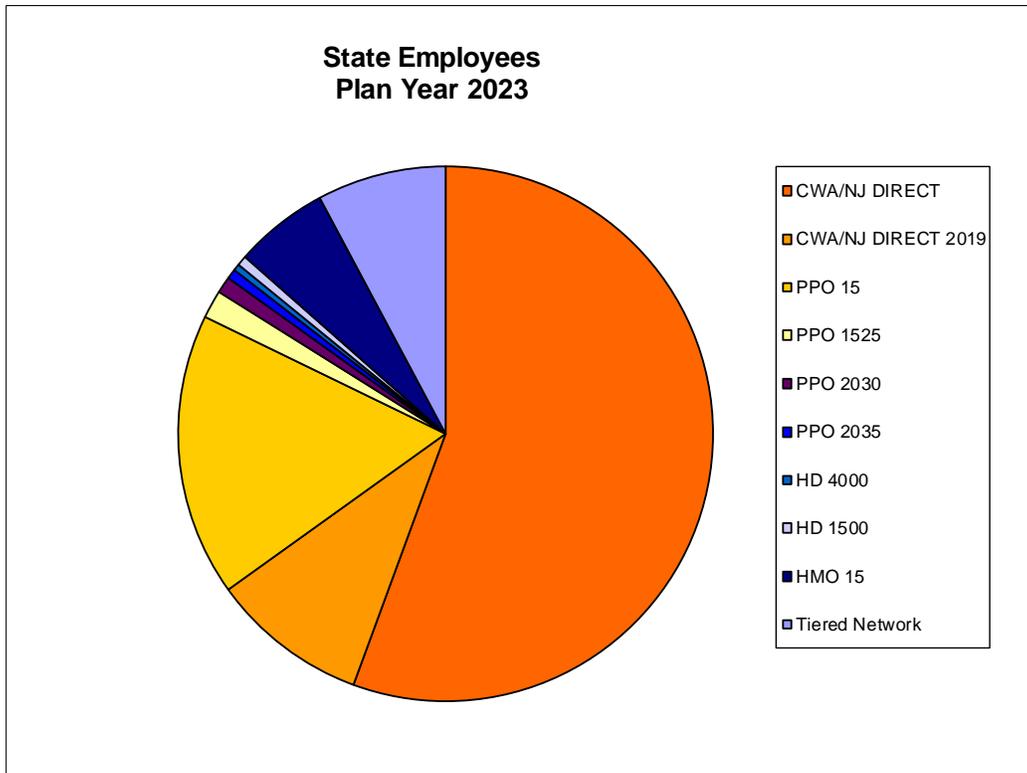


Annual Change in Enrollment

	<u>Actual</u> 2020 to 2021	<u>Actual</u> 2021 to 2022	<u>Actual*</u> 2022 to 2023
Actives	(2.4%)	(2.4%)	(2.5%)
Early Retirees	(2.2%)	(0.0%)	(1.7%)
Medicare Retirees	2.0%	2.2%	1.9%

*Actual 2023 enrollment for Active Employees and Retirees was assumed to be consistent with January 2023 open enrollment data provided by the State.

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



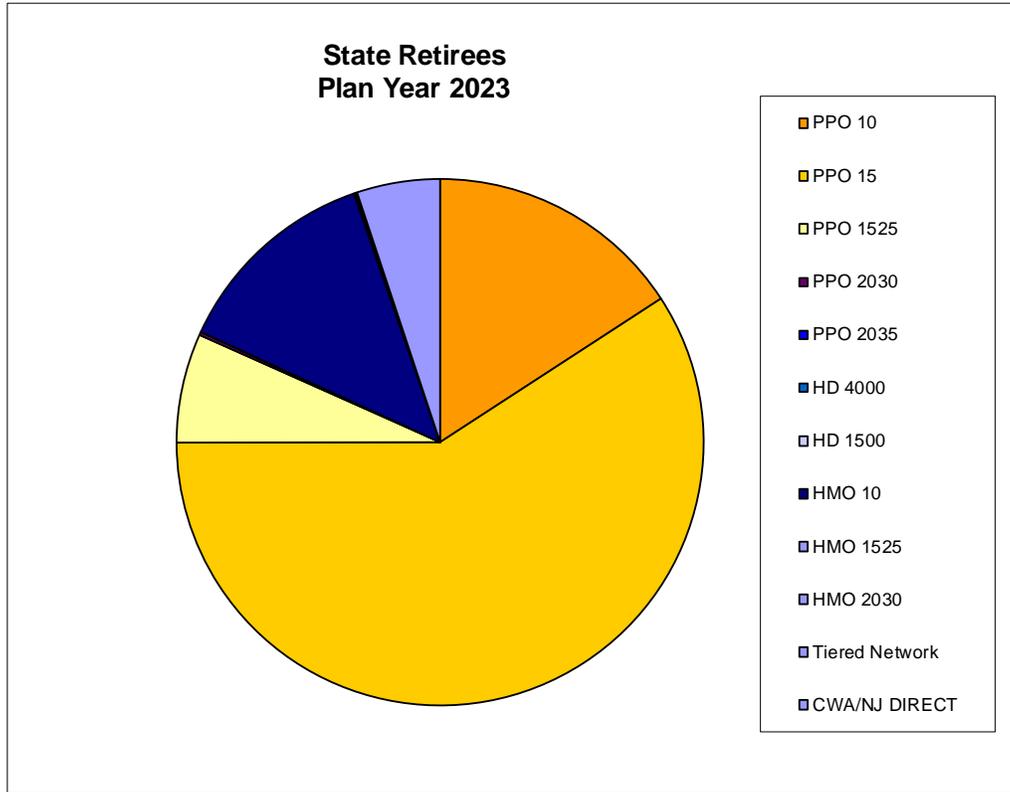
Assumes approximately 86% of Employees will enroll in the PPO plans, 6% in the HMO plan, 8% in the Tiered Network plan, and less than 1% in the High Deductible plans.

Assumes approximately 65% of Employees will enroll in the CWA plans, 23% in the PPO 15 and HMO 15, and approximately 12% in other benefit options.

Actives	Horizon
CWA/NJ DIRECT	55.6%
CWA/NJ DIRECT 2019	9.5%
PPO 15	17.1%
PPO 1525	1.7%
PPO 2030	1.0%
PPO 2035	0.6%
HD 4000	0.4%
HD 1500	0.6%
HMO 15	5.7%
Tiered Network	<u>7.8%</u>
Total	100.0%

*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 88% of Retirees will remain in the \$10 and \$15 copay plans.

Assumes approximately 87% of Retirees will enroll in the PPO plans, 13% in the HMO plans, and less than 1% in the High Deductible and Tiered Network plan.

Assumes approximately 88% of Retirees will enroll in the PPO 10, PPO 15, and HMO 10 plans, and approximately 12% in the other benefit options.

Retirees	Horizon	Aetna*	Total
PPO 10	0.2%	15.6%	15.8%
PPO 15	14.4%	44.8%	59.2%
PPO 1525	6.7%	0.0%	6.7%
PPO 2030	0.2%	0.0%	0.2%
PPO 2035	0.0%	0.0%	0.0%
HD 4000	0.0%	0.0%	0.0%
HD 1500	0.0%	0.0%	0.0%
HMO 10	3.7%	9.1%	12.8%
HMO 1525	0.1%	0.0%	0.1%
HMO 2030	0.0%	0.0%	0.0%
Tiered Network	0.1%	0.0%	0.1%
CWA/NJ DIRECT	5.1%	0.0%	5.1%
Total	30.5%	69.5%	100.0%

*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
STATE - ACTIVE & COBRA					
Medical Plans					
NJ DIRECT15	5,307	2,612	4,755	1,794	14,468
NJ DIRECT1525	699	194	382	145	1,419
NJ DIRECT2030	459	106	249	75	889
NJ DIRECT2035	338	52	76	29	496
NJ DIRECT HD4000	233	26	60	22	340
NJ DIRECT HD1500	296	54	93	55	497
Horizon Legacy HMO (15)	2,106	585	1,222	895	4,807
Horizon OMNIA	3,760	642	1,457	782	6,641
CWA / NJDIRECT	14,542	7,096	17,761	7,844	47,243
CWA / NJDIRECT 2019	4,431	877	1,843	891	8,042
Horizon Total	32,171	12,242	27,899	12,530	84,842

*January 2023 total plan enrollments and tier distributions 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
STATE RETIREES					
Medical Plans					
NJ DIRECT10	40	43	32	11	126
NJ DIRECT15	2,414	2,434	2,274	759	7,881
NJ DIRECT1525	1,971	1,442	174	94	3,681
NJ DIRECT2030	66	27	10	3	106
NJ DIRECT2035	0	0	0	0	0
NJ DIRECT HD4000	17	5	0	1	23
NJ DIRECT HD1500	2	0	0	4	6
Horizon Legacy HMO (10)	767	570	475	231	2,042
Horizon HMO 1525	22	10	7	3	42
Horizon HMO 2030	5	2	2	0	9
Horizon OMNIA	28	21	21	8	77
CWA / NJDIRECT	909	715	869	341	2,835
Horizon Total	6,242	5,268	3,863	1,454	16,828
MA PPO 10	5,460	3,007	91	64	8,622
MA PPO 15	13,446	9,713	982	565	24,706
MA HMO (10)	2,940	1,795	193	124	5,051
MA 1525 HMO	12	7	1	1	21
Aetna Total	21,858	14,522	1,267	754	38,400
Total	28,100	19,790	5,130	2,208	55,228

*January 2023 total plan enrollments are based on open enrollment results. Tier distributions are based on historical 2022 data provided by the State.

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
PPO Active			
12 Months through 09/2021 vs 09/2020	15.6%	(4.9%)	20.5%
12 Months through 09/2022 vs 09/2021	6.1%	(0.9%)	7.0%
PPO Early Retiree			
12 Months through 09/2021 vs 09/2020	15.0%	(5.2%)	20.2%
12 Months through 09/2022 vs 09/2021	1.3%	(0.9%)	2.2%
HMO Active			
12 Months through 09/2021 vs 09/2020	23.1%	(5.1%)	28.2%
12 Months through 09/2022 vs 09/2021	6.4%	(0.9%)	7.3%
HMO Early Retiree			
12 Months through 09/2021 vs 09/2020	9.7%	(4.7%)	14.4%
12 Months through 09/2022 vs 09/2021	4.6%	(1.1%)	5.7%
Tiered Network			
12 Months through 09/2021 vs 09/2020	25.7%	(4.5%)	30.2%
12 Months through 09/2022 vs 09/2021	0.8%	(1.0%)	1.8%

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
Active Rx			
12 Months through 09/2021 vs 09/2020	4.8%	(0.5%)	5.3%
12 Months through 09/2022 vs 09/2021	12.8%	0.0%	12.8%
Early Retiree Rx			
12 Months through 09/2021 vs 09/2020	3.2%	(0.4%)	3.6%
12 Months through 09/2022 vs 09/2021	11.8%	0.0%	11.8%
EGWP Retiree Rx			
12 Months through 09/2021 vs 09/2020	1.7%	(0.6%)	2.3%
12 Months through 09/2022 vs 09/2021	8.0%	0.0%	8.0%

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

	CWA Unity/NJ DIRECT			Legacy Plans					
	Total	Horizon CWA/NJ DIRECT	Horizon CWA/NJ DIRECT 2019	Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO
Employees and Retirees									
Average Medical Members	299,138	116,147	9,079	12,633	31,028	883	81,185	7,168	18,574
Incurred Medical Claims	\$1,831,300,000	\$846,212,000	\$49,749,000	\$19,072,000	\$40,089,000	\$9,102,000	\$622,824,000	\$15,769,000	\$130,143,000
Capitation	\$67,733,000	\$32,581,000	\$2,252,000	\$0	\$0	\$218,000	\$22,143,000	\$0	\$5,482,000
Incurred Prescription Drug Claims	\$830,213,000	\$228,880,000	\$11,212,000	\$76,956,000	\$195,747,000	\$2,283,000	\$175,295,000	\$50,169,000	\$40,165,000
Prescription Drug Rebates	(\$244,367,000)	(\$75,006,000)	(\$3,664,000)	(\$18,634,000)	(\$47,399,000)	(\$819,000)	(\$59,330,000)	(\$12,148,000)	(\$13,463,000)
EGWP Credits	(\$131,506,000)	N/A	N/A	(\$29,922,000)	(\$73,492,000)	\$0	\$0	(\$16,978,000)	(\$573,000)
Administrative Fees	\$74,916,000	\$30,295,000	\$3,040,000	\$1,611,000	\$3,922,000	\$115,000	\$20,898,000	\$913,000	\$6,232,000
Total Cost	\$2,428,289,000	\$1,062,962,000	\$62,589,000	\$49,083,000	\$118,867,000	\$10,899,000	\$781,830,000	\$37,725,000	\$167,986,000
Total Premium	\$2,252,203,000	\$902,797,000	\$73,519,000	\$54,157,000	\$126,261,000	\$8,692,000	\$734,153,000	\$38,704,000	\$159,346,000
Gain (Loss)	(\$176,086,000)	(\$160,165,000)	\$10,930,000	\$5,074,000	\$7,394,000	(\$2,207,000)	(\$47,677,000)	\$979,000	(\$8,640,000)
Employees									
Average Medical Members	210,158	114,167	9,079	N/A	N/A	N/A	57,173	N/A	12,774
Incurred Medical Claims	\$1,441,665,000	\$827,221,000	\$49,749,000	N/A	N/A	N/A	\$399,652,000	N/A	\$85,717,000
Capitation	\$58,572,000	\$32,053,000	\$2,252,000	N/A	N/A	N/A	\$15,809,000	N/A	\$3,781,000
Incurred Prescription Drug Claims	\$388,304,000	\$222,455,000	\$11,212,000	N/A	N/A	N/A	\$111,084,000	N/A	\$24,725,000
Prescription Drug Rebates	(\$126,904,000)	(\$72,702,000)	(\$3,664,000)	N/A	N/A	N/A	(\$36,304,000)	N/A	(\$8,080,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$58,463,000	\$29,708,000	\$3,040,000	N/A	N/A	N/A	\$15,075,000	N/A	\$4,490,000
Total Cost	\$1,820,100,000	\$1,038,735,000	\$62,589,000	N/A	N/A	N/A	\$505,316,000	N/A	\$110,633,000
Total Premium	\$1,662,356,000	\$884,140,000	\$73,519,000	N/A	N/A	N/A	\$479,333,000	N/A	\$104,262,000
Gain (Loss)	(\$157,744,000)	(\$154,595,000)	\$10,930,000	N/A	N/A	N/A	(\$25,983,000)	N/A	(\$6,371,000)
Early Retirees									
Average Medical Members	33,458	1,980	N/A	N/A	N/A	883	24,012	N/A	5,558
Incurred Medical Claims	\$303,551,000	\$18,991,000	N/A	N/A	N/A	\$9,102,000	\$223,172,000	N/A	\$43,927,000
Capitation	\$9,068,000	\$528,000	N/A	N/A	N/A	\$218,000	\$6,334,000	N/A	\$1,682,000
Incurred Prescription Drug Claims	\$89,800,000	\$6,425,000	N/A	N/A	N/A	\$2,283,000	\$64,211,000	N/A	\$14,123,000
Prescription Drug Rebates	(\$32,203,000)	(\$2,304,000)	N/A	N/A	N/A	(\$819,000)	(\$23,026,000)	N/A	(\$5,064,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$8,354,000	\$587,000	N/A	N/A	N/A	\$115,000	\$5,823,000	N/A	\$1,645,000
Total Cost	\$378,570,000	\$24,227,000	N/A	N/A	N/A	\$10,899,000	\$276,514,000	N/A	\$56,313,000
Total Premium	\$343,654,000	\$18,657,000	N/A	N/A	N/A	\$8,692,000	\$254,820,000	N/A	\$53,271,000
Gain (Loss)	(\$34,916,000)	(\$5,570,000)	N/A	N/A	N/A	(\$2,207,000)	(\$21,694,000)	N/A	(\$3,042,000)
Medicare Retirees									
Average Medical Members	55,522	N/A	N/A	12,633	31,028	N/A	N/A	7,168	242
Incurred Medical Claims	\$86,084,000	N/A	N/A	\$19,072,000	\$40,089,000	N/A	N/A	\$15,769,000	\$499,000
Capitation	\$93,000	N/A	N/A	\$0	\$0	N/A	N/A	\$0	\$19,000
Incurred Prescription Drug Claims	\$352,109,000	N/A	N/A	\$76,956,000	\$195,747,000	N/A	N/A	\$50,169,000	\$1,317,000
Prescription Drug Rebates	(\$85,260,000)	N/A	N/A	(\$18,634,000)	(\$47,399,000)	N/A	N/A	(\$12,148,000)	(\$319,000)
EGWP Credits	(\$131,506,000)	N/A	N/A	(\$29,922,000)	(\$73,492,000)	N/A	N/A	(\$16,978,000)	(\$573,000)
Administrative Fees	\$8,099,000	N/A	N/A	\$1,611,000	\$3,922,000	N/A	N/A	\$913,000	\$97,000
Total Cost	\$229,619,000	N/A	N/A	\$49,083,000	\$118,867,000	N/A	N/A	\$37,725,000	\$1,040,000
Total Premium	\$246,193,000	N/A	N/A	\$54,157,000	\$126,261,000	N/A	N/A	\$38,704,000	\$1,813,000
Gain (Loss)	\$16,574,000	N/A	N/A	\$5,074,000	\$7,394,000	N/A	N/A	\$979,000	\$773,000

Numbers may not add due to rounding. 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

	1525			2030		2035	HD 4000	HD 1500	Tiered Network
	NJ DIRECT	Aetna HMO	Horizon HMO	NJ DIRECT	Horizon HMO	NJ DIRECT	NJ DIRECT	NJ DIRECT	Horizon OMNIA
Employees and Retirees									
Average Medical Members	8,896	21	68	2,521	16	1,158	465	638	8,658
Incurred Medical Claims	\$37,797,000	\$37,000	\$423,000	\$13,142,000	\$43,000	\$4,114,000	\$1,097,000	\$2,408,000	\$39,279,000
Capitation	\$1,322,000	\$0	\$13,000	\$657,000	\$4,000	\$307,000	\$118,000	\$162,000	\$2,474,000
Incurred Prescription Drug Claims	\$34,102,000	\$137,000	\$179,000	\$2,533,000	\$6,000	\$825,000	\$241,000	\$832,000	\$10,651,000
Prescription Drug Rebates	(\$8,896,000)	(\$33,000)	(\$51,000)	(\$810,000)	(\$2,000)	(\$270,000)	(\$81,000)	(\$273,000)	(\$3,488,000)
EGWP Credits	(\$10,260,000)	(\$49,000)	(\$64,000)	(\$168,000)	\$0	\$0	N/A	N/A	N/A
Administrative Fees	\$2,770,000	\$3,000	\$25,000	\$793,000	\$6,000	\$448,000	\$167,000	\$210,000	\$3,468,000
Total Cost	\$56,835,000	\$95,000	\$525,000	\$16,147,000	\$57,000	\$5,424,000	\$1,542,000	\$3,339,000	\$52,384,000
Total Premium	\$62,041,000	\$96,000	\$530,000	\$19,993,000	\$148,000	\$8,402,000	\$2,257,000	\$4,343,000	\$56,764,000
Gain (Loss)	\$5,206,000	\$1,000	\$5,000	\$3,846,000	\$91,000	\$2,978,000	\$715,000	\$1,004,000	\$4,380,000
Employees									
Average Medical Members	3,745	N/A	N/A	2,381	N/A	1,158	434	634	8,613
Incurred Medical Claims	\$20,207,000	N/A	N/A	\$12,595,000	N/A	\$4,114,000	\$926,000	\$2,401,000	\$39,083,000
Capitation	\$1,000,000	N/A	N/A	\$637,000	N/A	\$307,000	\$110,000	\$161,000	\$2,462,000
Incurred Prescription Drug Claims	\$4,328,000	N/A	N/A	\$2,216,000	N/A	\$825,000	\$192,000	\$822,000	\$10,445,000
Prescription Drug Rebates	(\$1,414,000)	N/A	N/A	(\$724,000)	N/A	(\$270,000)	(\$63,000)	(\$269,000)	(\$3,414,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$1,144,000	N/A	N/A	\$746,000	N/A	\$448,000	\$153,000	\$209,000	\$3,450,000
Total Cost	\$25,265,000	N/A	N/A	\$15,470,000	N/A	\$5,424,000	\$1,318,000	\$3,324,000	\$52,026,000
Total Premium	\$31,077,000	N/A	N/A	\$18,935,000	N/A	\$8,402,000	\$2,040,000	\$4,310,000	\$56,338,000
Gain (Loss)	\$5,812,000	N/A	N/A	\$3,465,000	N/A	\$2,978,000	\$722,000	\$986,000	\$4,312,000
Early Retirees									
Average Medical Members	819	N/A	41	69	16	N/A	31	4	45
Incurred Medical Claims	\$7,191,000	N/A	\$386,000	\$365,000	\$43,000	N/A	\$171,000	\$7,000	\$196,000
Capitation	\$250,000	N/A	\$12,000	\$19,000	\$4,000	N/A	\$8,000	\$1,000	\$12,000
Incurred Prescription Drug Claims	\$2,342,000	N/A	\$67,000	\$78,000	\$6,000	N/A	\$49,000	\$10,000	\$206,000
Prescription Drug Rebates	(\$840,000)	N/A	(\$24,000)	(\$28,000)	(\$2,000)	N/A	(\$18,000)	(\$4,000)	(\$74,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$114,000	N/A	\$12,000	\$19,000	\$6,000	N/A	\$14,000	\$1,000	\$18,000
Total Cost	\$9,057,000	N/A	\$453,000	\$453,000	\$57,000	N/A	\$224,000	\$15,000	\$358,000
Total Premium	\$6,384,000	N/A	\$340,000	\$666,000	\$148,000	N/A	\$217,000	\$33,000	\$426,000
Gain (Loss)	(\$2,673,000)	N/A	(\$113,000)	\$213,000	\$91,000	N/A	(\$7,000)	\$18,000	\$68,000
Medicare Retirees									
Average Medical Members	4,332	21	27	71	-	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$10,399,000	\$37,000	\$37,000	\$182,000	\$0	N/A	N/A	N/A	N/A
Capitation	\$72,000	\$0	\$1,000	\$1,000	\$0	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$27,432,000	\$137,000	\$112,000	\$239,000	\$0	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$6,642,000)	(\$33,000)	(\$27,000)	(\$58,000)	\$0	N/A	N/A	N/A	N/A
EGWP Credits	(\$10,260,000)	(\$49,000)	(\$64,000)	(\$168,000)	\$0	N/A	N/A	N/A	N/A
Administrative Fees	\$1,512,000	\$3,000	\$13,000	\$28,000	\$0	N/A	N/A	N/A	N/A
Total Cost	\$22,513,000	\$95,000	\$72,000	\$224,000	\$0	N/A	N/A	N/A	N/A
Total Premium	\$24,580,000	\$96,000	\$190,000	\$392,000	\$0	N/A	N/A	N/A	N/A
Gain (Loss)	\$2,067,000	\$1,000	\$118,000	\$168,000	\$0	N/A	N/A	N/A	N/A

Numbers may not add due to rounding. 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

	CWA Unity/NJ DIRECT			Legacy Plans					
	Total	Horizon CWA/NJ DIRECT	Horizon CWA/NJ DIRECT 2019	Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO
Employees and Retirees									
Average Medical Members	295,455	126,845	13,572	11,940	33,065	750	60,706	6,829	16,876
Incurred Medical Claims	\$1,879,512,000	\$981,597,000	\$84,591,000	\$18,980,000	\$45,363,000	\$8,279,000	\$491,553,000	\$15,999,000	\$119,934,000
Capitation	\$66,507,000	\$38,227,000	\$808,000	\$0	\$0	\$178,000	\$16,579,000	\$0	\$4,956,000
Incurred Prescription Drug Claims	\$921,223,000	\$283,349,000	\$19,222,000	\$78,575,000	\$226,369,000	\$2,285,000	\$157,468,000	\$53,212,000	\$40,501,000
Prescription Drug Rebates	(\$274,739,000)	(\$98,679,000)	(\$6,694,000)	(\$18,103,000)	(\$52,153,000)	(\$797,000)	(\$54,875,000)	(\$12,259,000)	(\$13,927,000)
EGWP Credits	(\$135,140,000)	N/A	N/A	(\$28,367,000)	(\$78,554,000)	N/A	N/A	(\$16,225,000)	(\$684,000)
Administrative Fees	\$87,262,000	\$38,795,000	\$5,261,000	\$1,771,000	\$4,838,000	\$108,000	\$18,694,000	\$1,013,000	\$6,655,000
Total Cost	\$2,544,624,000	\$1,243,289,000	\$103,188,000	\$52,856,000	\$145,863,000	\$10,053,000	\$629,419,000	\$41,740,000	\$157,435,000
Total Premium	\$2,252,049,000	\$1,034,052,000	\$114,395,000	\$53,845,000	\$141,912,000	\$7,441,000	\$554,291,000	\$38,973,000	\$142,629,000
Gain (Loss)	(\$292,575,000)	(\$209,237,000)	\$11,207,000	\$989,000	(\$3,951,000)	(\$2,612,000)	(\$75,128,000)	(\$2,767,000)	(\$14,806,000)
Employees									
Average Medical Members	204,866	122,492	13,572	N/A	N/A	N/A	38,242	N/A	11,574
Incurred Medical Claims	\$1,470,466,000	\$938,063,000	\$84,591,000	N/A	N/A	N/A	\$278,497,000	N/A	\$77,534,000
Capitation	\$57,495,000	\$37,148,000	\$808,000	N/A	N/A	N/A	\$10,815,000	N/A	\$3,440,000
Incurred Prescription Drug Claims	\$428,556,000	\$268,250,000	\$19,222,000	N/A	N/A	N/A	\$90,866,000	N/A	\$24,532,000
Prescription Drug Rebates	(\$149,235,000)	(\$93,412,000)	(\$6,694,000)	N/A	N/A	N/A	(\$31,642,000)	N/A	(\$8,543,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$67,909,000	\$37,326,000	\$5,261,000	N/A	N/A	N/A	\$12,299,000	N/A	\$4,771,000
Total Cost	\$1,875,191,000	\$1,187,375,000	\$103,188,000	N/A	N/A	N/A	\$360,835,000	N/A	\$101,734,000
Total Premium	\$1,630,118,000	\$989,378,000	\$114,395,000	N/A	N/A	N/A	\$308,162,000	N/A	\$90,278,000
Gain (Loss)	(\$245,073,000)	(\$197,997,000)	\$11,207,000	N/A	N/A	N/A	(\$52,673,000)	N/A	(\$11,456,000)
Early Retirees									
Average Medical Members	33,706	4,353	N/A	N/A	N/A	750	22,464	N/A	5,014
Incurred Medical Claims	\$315,922,000	\$43,534,000	N/A	N/A	N/A	\$8,279,000	\$213,056,000	N/A	\$41,748,000
Capitation	\$8,909,000	\$1,079,000	N/A	N/A	N/A	\$178,000	\$5,764,000	N/A	\$1,497,000
Incurred Prescription Drug Claims	\$101,312,000	\$15,099,000	N/A	N/A	N/A	\$2,285,000	\$66,602,000	N/A	\$14,396,000
Prescription Drug Rebates	(\$35,341,000)	(\$5,267,000)	N/A	N/A	N/A	(\$797,000)	(\$23,233,000)	N/A	(\$5,022,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$9,999,000	\$1,469,000	N/A	N/A	N/A	\$108,000	\$6,395,000	N/A	\$1,776,000
Total Cost	\$400,801,000	\$55,914,000	N/A	N/A	N/A	\$10,053,000	\$268,584,000	N/A	\$54,395,000
Total Premium	\$357,760,000	\$44,674,000	N/A	N/A	N/A	\$7,441,000	\$246,129,000	N/A	\$50,182,000
Gain (Loss)	(\$43,041,000)	(\$11,240,000)	N/A	N/A	N/A	(\$2,612,000)	(\$22,455,000)	N/A	(\$4,213,000)
Medicare Retirees									
Average Medical Members	56,883	N/A	N/A	11,940	33,065	N/A	N/A	6,829	288
Incurred Medical Claims	\$93,124,000	N/A	N/A	\$18,980,000	\$45,363,000	N/A	N/A	\$15,999,000	\$652,000
Capitation	\$103,000	N/A	N/A	\$0	\$0	N/A	N/A	\$0	\$19,000
Incurred Prescription Drug Claims	\$391,355,000	N/A	N/A	\$78,575,000	\$226,369,000	N/A	N/A	\$53,212,000	\$1,573,000
Prescription Drug Rebates	(\$90,163,000)	N/A	N/A	(\$18,103,000)	(\$52,153,000)	N/A	N/A	(\$12,259,000)	(\$362,000)
EGWP Credits	(\$135,141,000)	N/A	N/A	(\$28,367,000)	(\$78,554,000)	N/A	N/A	(\$16,225,000)	(\$684,000)
Administrative Fees	\$9,354,000	N/A	N/A	\$1,771,000	\$4,838,000	N/A	N/A	\$1,013,000	\$108,000
Total Cost	\$268,632,000	N/A	N/A	\$52,856,000	\$145,863,000	N/A	N/A	\$41,740,000	\$1,306,000
Total Premium	\$264,171,000	N/A	N/A	\$53,845,000	\$141,912,000	N/A	N/A	\$38,973,000	\$2,169,000
Gain (Loss)	(\$4,461,000)	N/A	N/A	\$989,000	(\$3,951,000)	N/A	N/A	(\$2,767,000)	\$863,000

umbers may not add due to rounding. 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

	1525			2030		2035	HD 4000	HD 1500	Tiered Network
	NJ DIRECT	Aetna HMO	Horizon HMO	NJ DIRECT	Horizon HMO	NJ DIRECT	NJ DIRECT	NJ DIRECT	Horizon OMNIA
Employees and Retirees									
Average Medical Members	8,714	27	73	2,187	17	943	567	887	11,457
Incurred Medical Claims	\$39,734,000	\$51,000	\$478,000	\$11,037,000	\$56,000	\$3,057,000	\$1,527,000	\$3,669,000	\$53,607,000
Capitation	\$1,278,000	\$0	\$12,000	\$573,000	\$4,000	\$251,000	\$144,000	\$219,000	\$3,278,000
Incurred Prescription Drug Claims	\$38,007,000	\$202,000	\$211,000	\$3,319,000	\$8,000	\$1,032,000	\$271,000	\$970,000	\$16,222,000
Prescription Drug Rebates	(\$9,629,000)	(\$47,000)	(\$55,000)	(\$1,078,000)	(\$3,000)	(\$359,000)	(\$95,000)	(\$337,000)	(\$5,649,000)
EGWP Credits	(\$10,969,000)	(\$63,000)	(\$74,000)	(\$204,000)	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$2,892,000	\$4,000	\$27,000	\$789,000	\$8,000	\$429,000	\$248,000	\$350,000	\$5,380,000
Total Cost	\$61,313,000	\$147,000	\$599,000	\$14,436,000	\$73,000	\$4,410,000	\$2,095,000	\$4,871,000	\$72,838,000
Total Premium	\$58,911,000	\$130,000	\$573,000	\$16,422,000	\$174,000	\$6,499,000	\$2,615,000	\$5,765,000	\$73,422,000
Gain (Loss)	(\$2,402,000)	(\$17,000)	(\$26,000)	\$1,986,000	\$101,000	\$2,089,000	\$520,000	\$894,000	\$584,000
Employees									
Average Medical Members	3,253	N/A	N/A	2,029	N/A	943	535	879	11,347
Incurred Medical Claims	\$19,956,000	N/A	N/A	\$10,358,000	N/A	\$3,057,000	\$1,494,000	\$3,663,000	\$53,253,000
Capitation	\$878,000	N/A	N/A	\$552,000	N/A	\$251,000	\$136,000	\$217,000	\$3,250,000
Incurred Prescription Drug Claims	\$5,111,000	N/A	N/A	\$2,597,000	N/A	\$1,032,000	\$261,000	\$963,000	\$15,722,000
Prescription Drug Rebates	(\$1,780,000)	N/A	N/A	(\$904,000)	N/A	(\$359,000)	(\$91,000)	(\$335,000)	(\$5,475,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$1,179,000	N/A	N/A	\$735,000	N/A	\$429,000	\$229,000	\$347,000	\$5,333,000
Total Cost	\$25,344,000	N/A	N/A	\$13,338,000	N/A	\$4,410,000	\$2,029,000	\$4,855,000	\$72,083,000
Total Premium	\$25,703,000	N/A	N/A	\$15,215,000	N/A	\$6,499,000	\$2,373,000	\$5,702,000	\$72,413,000
Gain (Loss)	\$359,000	N/A	N/A	\$1,877,000	N/A	\$2,089,000	\$344,000	\$847,000	\$330,000
Early Retirees									
Average Medical Members	844	N/A	42	72	17	N/A	32	8	110
Incurred Medical Claims	\$7,930,000	N/A	\$431,000	\$495,000	\$56,000	N/A	\$33,000	\$6,000	\$354,000
Capitation	\$319,000	N/A	\$11,000	\$19,000	\$4,000	N/A	\$8,000	\$2,000	\$28,000
Incurred Prescription Drug Claims	\$2,281,000	N/A	\$58,000	\$66,000	\$8,000	N/A	\$10,000	\$7,000	\$500,000
Prescription Drug Rebates	(\$796,000)	N/A	(\$20,000)	(\$23,000)	(\$3,000)	N/A	(\$4,000)	(\$2,000)	(\$174,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$139,000	N/A	\$13,000	\$22,000	\$8,000	N/A	\$19,000	\$3,000	\$47,000
Total Cost	\$9,873,000	N/A	\$493,000	\$579,000	\$73,000	N/A	\$66,000	\$16,000	\$755,000
Total Premium	\$6,765,000	N/A	\$353,000	\$728,000	\$174,000	N/A	\$242,000	\$63,000	\$1,009,000
Gain (Loss)	(\$3,108,000)	N/A	(\$140,000)	\$149,000	\$101,000	N/A	\$176,000	\$47,000	\$254,000
Medicare Retirees									
Average Medical Members	4,617	27	31	86	-	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$11,848,000	\$51,000	\$47,000	\$184,000	\$0	N/A	N/A	N/A	N/A
Capitation	\$81,000	\$0	\$1,000	\$2,000	\$0	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$30,615,000	\$202,000	\$153,000	\$656,000	\$0	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$7,053,000)	(\$47,000)	(\$35,000)	(\$151,000)	\$0	N/A	N/A	N/A	N/A
EGWP Credits	(\$10,969,000)	(\$63,000)	(\$74,000)	(\$204,000)	\$0	N/A	N/A	N/A	N/A
Administrative Fees	\$1,574,000	\$4,000	\$14,000	\$32,000	\$0	N/A	N/A	N/A	N/A
Total Cost	\$26,096,000	\$147,000	\$106,000	\$519,000	\$0	N/A	N/A	N/A	N/A
Total Premium	\$26,443,000	\$130,000	\$220,000	\$479,000	\$0	N/A	N/A	N/A	N/A
Gain (Loss)	\$347,000	(\$17,000)	\$114,000	(\$40,000)	\$0	N/A	N/A	N/A	N/A

Numbers may not add due to rounding. 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**

	CWA Unity/NJ DIRECT			Legacy Plans					
	Total	Horizon CWA/NJ DIRECT	Horizon CWA/NJ DIRECT 2019	Aetna Freedom 10	Aetna Freedom 15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO
Employees and Retirees									
Average Medical Members	291,656	125,601	15,818	11,542	34,544	655	55,135	6,658	15,527
Incurred Medical Claims	\$1,919,859,000	\$1,019,837,000	\$103,265,000	\$15,725,000	\$39,542,000	\$7,666,000	\$474,812,000	\$14,085,000	\$116,364,000
Capitation	\$68,440,000	\$40,024,000	\$998,000	\$0	\$0	\$164,000	\$15,942,000	\$0	\$4,839,000
Incurred Prescription Drug Claims	\$985,599,000	\$303,117,000	\$24,139,000	\$81,464,000	\$253,646,000	\$2,145,000	\$154,439,000	\$55,641,000	\$40,378,000
Prescription Drug Rebates	(\$333,653,000)	(\$117,822,000)	(\$9,330,000)	(\$21,824,000)	(\$67,952,000)	(\$898,000)	(\$61,846,000)	(\$14,906,000)	(\$15,863,000)
EGWP Credits	(\$146,712,000)	N/A	N/A	(\$29,184,000)	(\$87,344,000)	N/A	N/A	(\$16,836,000)	(\$777,000)
Administrative Fees	\$81,550,000	\$35,183,000	\$5,690,000	\$1,727,000	\$5,091,000	\$132,000	\$16,124,000	\$996,000	\$5,843,000
Total Cost	\$2,575,083,000	\$1,280,339,000	\$124,762,000	\$47,908,000	\$142,983,000	\$9,209,000	\$599,471,000	\$38,980,000	\$150,784,000
Total Premium	\$2,569,115,000	\$1,220,520,000	\$159,628,000	\$50,024,000	\$142,196,000	\$8,605,000	\$593,513,000	\$36,880,000	\$155,840,000
Gain (Loss)	(\$5,968,000)	(\$59,819,000)	\$34,866,000	\$2,116,000	(\$787,000)	(\$604,000)	(\$5,958,000)	(\$2,100,000)	\$5,056,000
Employees									
Average Medical Members	199,939	119,600	15,818	N/A	N/A	N/A	34,053	N/A	10,461
Incurred Medical Claims	\$1,504,154,000	\$959,389,000	\$103,265,000	N/A	N/A	N/A	\$262,869,000	N/A	\$73,631,000
Capitation	\$58,902,000	\$38,447,000	\$998,000	N/A	N/A	N/A	\$10,208,000	N/A	\$3,311,000
Incurred Prescription Drug Claims	\$449,177,000	\$282,215,000	\$24,139,000	N/A	N/A	N/A	\$87,183,000	N/A	\$23,890,000
Prescription Drug Rebates	(\$173,605,000)	(\$109,074,000)	(\$9,330,000)	N/A	N/A	N/A	(\$33,696,000)	N/A	(\$9,233,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$61,878,000	\$33,360,000	\$5,690,000	N/A	N/A	N/A	\$10,222,000	N/A	\$4,041,000
Total Cost	\$1,900,506,000	\$1,204,337,000	\$124,762,000	N/A	N/A	N/A	\$336,786,000	N/A	\$95,640,000
Total Premium	\$1,891,073,000	\$1,150,859,000	\$159,628,000	N/A	N/A	N/A	\$325,597,000	N/A	\$96,376,000
Gain (Loss)	(\$9,433,000)	(\$53,478,000)	\$34,866,000	N/A	N/A	N/A	(\$11,189,000)	N/A	\$736,000
Early Retirees									
Average Medical Members	33,694	6,001	N/A	N/A	N/A	655	21,082	N/A	4,759
Incurred Medical Claims	\$332,274,000	\$60,448,000	N/A	N/A	N/A	\$7,666,000	\$211,943,000	N/A	\$41,998,000
Capitation	\$9,422,000	\$1,577,000	N/A	N/A	N/A	\$164,000	\$5,734,000	N/A	\$1,506,000
Incurred Prescription Drug Claims	\$108,467,000	\$20,902,000	N/A	N/A	N/A	\$2,145,000	\$67,256,000	N/A	\$14,687,000
Prescription Drug Rebates	(\$45,398,000)	(\$8,748,000)	N/A	N/A	N/A	(\$898,000)	(\$28,150,000)	N/A	(\$6,147,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$9,804,000	\$1,823,000	N/A	N/A	N/A	\$132,000	\$5,902,000	N/A	\$1,700,000
Total Cost	\$414,569,000	\$76,002,000	N/A	N/A	N/A	\$9,209,000	\$262,685,000	N/A	\$53,744,000
Total Premium	\$416,828,000	\$69,661,000	N/A	N/A	N/A	\$8,605,000	\$267,916,000	N/A	\$57,044,000
Gain (Loss)	\$2,259,000	(\$6,341,000)	N/A	N/A	N/A	(\$604,000)	\$5,231,000	N/A	\$3,300,000
Medicare Retirees									
Average Medical Members	58,023	N/A	N/A	11,542	34,544	N/A	N/A	6,658	307
Incurred Medical Claims	\$83,431,000	N/A	N/A	\$15,725,000	\$39,542,000	N/A	N/A	\$14,085,000	\$735,000
Capitation	\$116,000	N/A	N/A	\$0	\$0	N/A	N/A	\$0	\$22,000
Incurred Prescription Drug Claims	\$427,955,000	N/A	N/A	\$81,464,000	\$253,646,000	N/A	N/A	\$55,641,000	\$1,801,000
Prescription Drug Rebates	(\$114,650,000)	N/A	N/A	(\$21,824,000)	(\$67,952,000)	N/A	N/A	(\$14,906,000)	(\$483,000)
EGWP Credits	(\$146,712,000)	N/A	N/A	(\$29,184,000)	(\$87,344,000)	N/A	N/A	(\$16,836,000)	(\$777,000)
Administrative Fees	\$9,868,000	N/A	N/A	\$1,727,000	\$5,091,000	N/A	N/A	\$996,000	\$102,000
Total Cost	\$260,008,000	N/A	N/A	\$47,908,000	\$142,983,000	N/A	N/A	\$38,980,000	\$1,400,000
Total Premium	\$261,214,000	N/A	N/A	\$50,024,000	\$142,196,000	N/A	N/A	\$36,880,000	\$2,420,000
Gain (Loss)	\$1,206,000	N/A	N/A	\$2,116,000	(\$787,000)	N/A	N/A	(\$2,100,000)	\$1,020,000

Numbers may not add due to rounding. 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

	1525			2030		2035	HD 4000	HD 1500	Tiered Network
	NJ DIRECT	Aetna HMO	Horizon HMO	NJ DIRECT	Horizon HMO	NJ DIRECT	NJ DIRECT	NJ DIRECT	Horizon OMNIA
Employees and Retirees									
Average Medical Members	8,652	27	79	2,018	17	822	607	926	13,028
Incurred Medical Claims	\$40,983,000	\$45,000	\$496,000	\$10,760,000	\$56,000	\$2,825,000	\$1,739,000	\$4,051,000	\$67,608,000
Capitation	\$1,288,000	\$0	\$13,000	\$556,000	\$4,000	\$232,000	\$163,000	\$243,000	\$3,974,000
Incurred Prescription Drug Claims	\$41,761,000	\$219,000	\$264,000	\$3,393,000	\$8,000	\$969,000	\$313,000	\$1,091,000	\$22,612,000
Prescription Drug Rebates	(\$12,164,000)	(\$59,000)	(\$80,000)	(\$1,223,000)	(\$3,000)	(\$375,000)	(\$121,000)	(\$422,000)	(\$8,765,000)
EGWP Credits	(\$12,164,000)	(\$68,000)	(\$99,000)	(\$237,000)	(\$3,000)	N/A	N/A	N/A	N/A
Administrative Fees	\$3,017,000	\$4,000	\$26,000	\$689,000	\$8,000	\$352,000	\$266,000	\$369,000	\$6,033,000
Total Cost	\$62,721,000	\$141,000	\$620,000	\$13,938,000	\$70,000	\$4,003,000	\$2,360,000	\$5,332,000	\$91,462,000
Total Premium	\$66,848,000	\$127,000	\$673,000	\$17,918,000	\$186,000	\$6,720,000	\$3,317,000	\$7,188,000	\$98,932,000
Gain (Loss)	\$4,127,000	(\$14,000)	\$53,000	\$3,980,000	\$116,000	\$2,717,000	\$957,000	\$1,856,000	\$7,470,000
Employees									
Average Medical Members	2,976	N/A	N/A	1,853	N/A	822	578	915	12,863
Incurred Medical Claims	\$19,350,000	N/A	N/A	\$10,030,000	N/A	\$2,825,000	\$1,709,000	\$4,042,000	\$67,044,000
Capitation	\$852,000	N/A	N/A	\$534,000	N/A	\$232,000	\$156,000	\$240,000	\$3,924,000
Incurred Prescription Drug Claims	\$5,037,000	N/A	N/A	\$2,556,000	N/A	\$969,000	\$303,000	\$1,081,000	\$21,804,000
Prescription Drug Rebates	(\$1,947,000)	N/A	N/A	(\$988,000)	N/A	(\$375,000)	(\$117,000)	(\$418,000)	(\$8,427,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$1,004,000	N/A	N/A	\$629,000	N/A	\$352,000	\$250,000	\$365,000	\$5,965,000
Total Cost	\$24,296,000	N/A	N/A	\$12,761,000	N/A	\$4,003,000	\$2,301,000	\$5,310,000	\$90,310,000
Total Premium	\$27,924,000	N/A	N/A	\$16,524,000	N/A	\$6,720,000	\$3,075,000	\$7,095,000	\$97,275,000
Gain (Loss)	\$3,628,000	N/A	N/A	\$3,763,000	N/A	\$2,717,000	\$774,000	\$1,785,000	\$6,965,000
Early Retirees									
Average Medical Members	865	N/A	40	71	16	N/A	29	11	165
Incurred Medical Claims	\$8,608,000	N/A	\$434,000	\$518,000	\$56,000	N/A	\$30,000	\$9,000	\$564,000
Capitation	\$346,000	N/A	\$11,000	\$20,000	\$4,000	N/A	\$7,000	\$3,000	\$50,000
Incurred Prescription Drug Claims	\$2,511,000	N/A	\$59,000	\$71,000	\$8,000	N/A	\$10,000	\$10,000	\$808,000
Prescription Drug Rebates	(\$1,051,000)	N/A	(\$25,000)	(\$30,000)	(\$3,000)	N/A	(\$4,000)	(\$4,000)	(\$338,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$123,000	N/A	\$10,000	\$19,000	\$7,000	N/A	\$16,000	\$4,000	\$68,000
Total Cost	\$10,537,000	N/A	\$489,000	\$598,000	\$72,000	N/A	\$59,000	\$22,000	\$1,152,000
Total Premium	\$10,195,000	N/A	\$385,000	\$851,000	\$179,000	N/A	\$242,000	\$93,000	\$1,657,000
Gain (Loss)	(\$342,000)	N/A	(\$104,000)	\$253,000	\$107,000	N/A	\$183,000	\$71,000	\$505,000
Medicare Retirees									
Average Medical Members	4,811	27	39	94	1	N/A	N/A	N/A	N/A
Incurred Medical Claims	\$13,025,000	\$45,000	\$62,000	\$212,000	\$0	N/A	N/A	N/A	N/A
Capitation	\$90,000	\$0	\$2,000	\$2,000	\$0	N/A	N/A	N/A	N/A
Incurred Prescription Drug Claims	\$34,213,000	\$219,000	\$205,000	\$766,000	\$0	N/A	N/A	N/A	N/A
Prescription Drug Rebates	(\$9,166,000)	(\$59,000)	(\$55,000)	(\$205,000)	\$0	N/A	N/A	N/A	N/A
EGWP Credits	(\$12,164,000)	(\$68,000)	(\$99,000)	(\$237,000)	(\$3,000)	N/A	N/A	N/A	N/A
Administrative Fees	\$1,890,000	\$4,000	\$16,000	\$41,000	\$1,000	N/A	N/A	N/A	N/A
Total Cost	\$27,888,000	\$141,000	\$131,000	\$579,000	(\$2,000)	N/A	N/A	N/A	N/A
Total Premium	\$28,729,000	\$127,000	\$288,000	\$543,000	\$7,000	N/A	N/A	N/A	N/A
Gain (Loss)	\$841,000	(\$14,000)	\$157,000	(\$36,000)	\$9,000	N/A	N/A	N/A	N/A

Numbers may not add due to rounding. 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 Options Summary

	State Actives												
	CWA Unity PPO Plan	CWA Unity 2019 PPO Plan ²	NJDIRECT PPO Plan	NJDIRECT 2019 PPO Plan ²	\$15 PPO	\$15 HMO	1525PPO	2030PPO	2035PPO	HDHP 4000	HDHP 1500	Tiered Network	
In-Network													
Deductible (Single/Family) ¹	None	\$100	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	\$800/\$2,000	\$800/\$2,000	\$400/\$1,000	None	\$400/\$1,000	\$800/\$2,000	\$2,000/\$5,000	None	None	None	None
Total In-Network OOP Maximum (Single/Family) ¹	\$7,280/\$14,560	\$7,280/\$14,560	\$7,280/\$14,560	\$7,280/\$14,560	\$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	\$2,500/\$5,000	Tier 1: \$2,500/\$5,000 Tier 2: \$4,500/\$9,000
Overall Coinsurance	10% ³	10% ³	10% ³	10% ³	10% ³	10% ³	10% ³	10% ³	20%	20%	20%	20%	Tier 1: None Tier 2: 20%
PCP	\$15 copay	\$15 copay	\$15 copay	\$15 copay	\$15 copay	\$15 copay	\$15 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	\$30 copay ⁴	\$30 copay ⁴	\$30 copay ⁴	\$30 copay ⁴	\$15 copay	\$30 copay ⁴	\$25 copay	\$30 copay / \$20 copay (child)	\$35 copay	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$20 copay ⁴ Tier 2: \$35 copay ⁴
Urgent Care	\$45 copay	\$45 copay	\$45 copay	\$45 copay	\$15 copay	\$45 copay	\$25 copay	\$30 copay / \$20 copay (child)	\$35 copay	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$35 copay ⁴ Tier 2: \$50 copay ⁴
Emergency Room	\$150 copay	\$150 copay	\$150 copay	\$150 copay	\$100 copay	\$100 copay	\$100 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	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	Tier 1: \$150 copay Tier 2: 20% coinsurance after deductible
Out-of-Network													
Deductible (Single/Family)	\$400/\$1000	\$400/\$1000	\$400/\$1000	\$400/\$1000	\$100/\$250	Not covered	\$100/\$250	\$200/\$500	\$800/\$2,000	Combined with In-Network Deductible	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	\$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	\$3,500/\$7,000	Not covered
Overall Coinsurance	30% (175% CMS)	30% (175% CMS)	30% (175% CMS)	30% (175% CMS)	30%	Not covered	30%	30%	40%	40%	40%	40%	Not covered
MH/SA Coinsurance	30% (195% CMS)	30% (195% CMS)	30% (195% CMS)	30% (195% CMS)	30%	Not covered	30%	30%	40%	40%	40%	40%	Not covered
Inpatient Hospital Deductible	\$500/Stay	\$500/Stay	\$500/Stay	\$500/Stay	None	Not covered	None	None	None	None	None	None	Not covered
Routine Lab Services	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not covered	Not covered	Not covered	Not covered	Not Covered	Not Covered	Not Covered	Not covered
Prescription Drug													
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	\$1,820/\$3,640	\$1,820/\$3,640	\$1,820/\$3,640
Retail - Generic	\$7	\$7	\$7	\$7	\$3	\$3	\$3	\$7	\$3	\$7	\$7	\$7	\$7
Retail - Brand	\$16	\$16	\$16	\$16	\$10	\$10	\$10	\$18	\$18	\$21	\$21	\$21	\$16
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	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference
Mail - Generic	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mail - Brand	\$40	\$40	\$40	\$40	\$15	\$15	\$15	\$40	\$36	\$52	\$52	\$52	\$40
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	Member Pays the Difference	Member Pays the Difference	Member Pays the Difference

¹ 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.

² Actives that are hired on or after 7/1/2019 are automatically enrolled in the CWA Unity 2019 Plan or NJ DIRECT 2019 Plan based on the Group they belong to.

³ On Select Services

⁴ 2023 Copay increase does not apply to OB/GYN

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 Options Summary

State Early Retirees															
	CWA Unity Early Retiree PPO Plan	NDIRECT PPO Early Retiree Plan	\$10 PPO	\$15 PPO	\$10 HMO	1525PPO	1525HMO	2030PPO	2030HMO	2035PPO	HDHP 4000	HDHP 1500	Tiered Network		
In-Network															
Deductible (Single/Family) ¹	\$0	\$0	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	\$800/\$2,000	None	\$400/\$1,000	None	\$400/\$1,000	None	\$800/\$2,000	None	\$2,000/\$5,000	None	None	None		
Total In-Network OOP Maximum (Single/Family) ¹	\$7,749/\$15,498	\$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	\$5,000/\$10,000	\$2,500/\$5,000	Tier 1: \$2,500/\$5,000 Tier 2: \$4,500/\$9,000		
Overall Coinsurance	10% ²	10% ²	10% ²	10% ²	10% ²	10% ²	10% ²	10% ²	10% ²	20%	20%	20%	Tier 1: None Tier 2: 20%		
PCP	\$15 copay	\$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	Tier 1: \$5 copay Tier 2: 20%		
Specialist	\$15 copay	\$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	Tier 1: \$15 copay Tier 2: \$30 copay		
Urgent Care	\$15 copay	\$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	Tier 1: \$15 copay Tier 2: \$30 copay		
Emergency Room	\$150 copay	\$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	\$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		
Out-of-Network															
Deductible (Single/Family)	\$400/\$1000	\$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		
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	Not covered	\$5,000/\$12,500	Not covered	\$6,500/\$13,000	\$6,000/\$12,000	\$3,500/\$7,000	Not covered		
Overall Coinsurance	30% (175% CMS)	30% (175% CMS)	20%	30%	Not covered	30%	Not covered	30%	Not covered	40%	40%	40%	Not covered		
MH/SA Coinsurance	30% (195% CMS)	30% (195% CMS)	20%	30%	Not Covered	30%	Not Covered	30%	Not Covered	40%	40%	40%	Not covered		
Inpatient Hospital Deductible	\$500/Stay	\$500/Stay	\$200/Stay	\$200/Stay	Not Covered	\$200/Stay	Not Covered	\$500/Stay	Not Covered	None	None	None	Not covered		
Routine Lab Services	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not covered	Not covered	Not Covered	Not Covered	Not covered		
Prescription Drug															
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	\$1,351/\$2,702	\$1,351/\$2,702		
Retail - Generic	\$7	\$7	\$10	\$10	\$6	\$7	\$7	\$3	\$3	\$7	Subject to Deductible and Coinsurance	Subject to Deductible and Coinsurance	\$7		
Retail - Preferred Brand	\$16	\$16	\$22	\$22	\$12	\$16	\$16	\$18	\$18	\$21			\$16		
Retail - Non-Preferred Brand	\$35	\$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	Member Pays the Difference			Member Pays the Difference	Member Pays the Difference	Member Pays the Difference
Mail - Generic	\$18	\$18	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5			\$18		
Mail - Preferred Brand	\$40	\$40	\$28	\$28	\$18	\$40	\$40	\$36	\$36	\$52			\$40		
Mail - Non-Preferred Brand	\$88	\$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			Member Pays the Difference	Member Pays the Difference	Member Pays the Difference

¹ 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.

² 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 Options Summary

	State Medicare Advantage ²				State Medicare Supplement				
	\$10 PPO	\$15 PPO	\$10 HMO	1525HMO	\$10 HMO	1525PPO	1525HMO	2030PPO	2030HMO
In-Network									
Deductible (Single/Family)	None	None	None	None	None	None	None	None	None
Coinsurance OOP Maximum (Single/Family) ¹	None	None	None	None	None	\$400/\$1,000	None	\$800/\$2,000	None
Total In-Network OOP Maximum (Single/Family)	\$400 per person	\$1,000 per person	\$2,500 per person	\$2,500 per person	\$7,749/\$15,498	\$7,749/\$15,498	\$7,749/\$15,498	\$7,749/\$15,498	\$7,749/\$15,498
Overall Coinsurance	None	None	None	None	10% ⁵	10% ⁵	10% ⁵	10% ⁵	10% ⁵
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
Out-of-Network									
Deductible (Single/Family)	None	None	Not Covered	Not Covered	Not covered	\$100/\$250	Not covered	\$200/\$500	Not covered
Coinsurance OOP Maximum (Single/Family) ¹	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
Prescription Drug⁴									
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 ³	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Mail - Preferred Brand ³	\$28	\$28	\$18	\$40	\$18	\$40	\$40	\$36	\$36
Mail - Non-Preferred Brand ³	\$55	\$55	\$30	\$88	\$30	\$88	\$88	\$92	\$92

¹ Coinsurance OOP Maximum applies on the applicable Horizon plans for IN outpatient private duty nursing, IN or OON ambulance, DME and some prosthetic and orthotic services

² 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.

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

⁴ 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.

⁵ 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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