



State of Nevada –
Public Employees' Benefit Program

Trend Presentation

March 19, 2026



Agenda

Results of 2026 Segal Health Plan Cost Trend Survey

Historical PEBP Cost Trends

PY2027 Pricing Methodology and Assumptions

Questions

| Segal Health Plan Cost Trend Survey

About the Segal Health Plan Cost Trend Survey

- The 2026 Segal Health Plan Cost Trend **Survey** is our 29th annual survey.
 - Approximately **70** national and regional insurance carriers (HMOs, EPOs, HDHP, PPOs), administrators (TPAs) and pharmacy benefit managers (PBMs) participate.
 - Represents more than 80% of the commercially insured and self-insured market.
- Respondents reported 2024 actual and 2026 forecasted allowed trends.



PPO/POS Plans



HMO/EPO Plans



HDHPs

What's Behind the Numbers

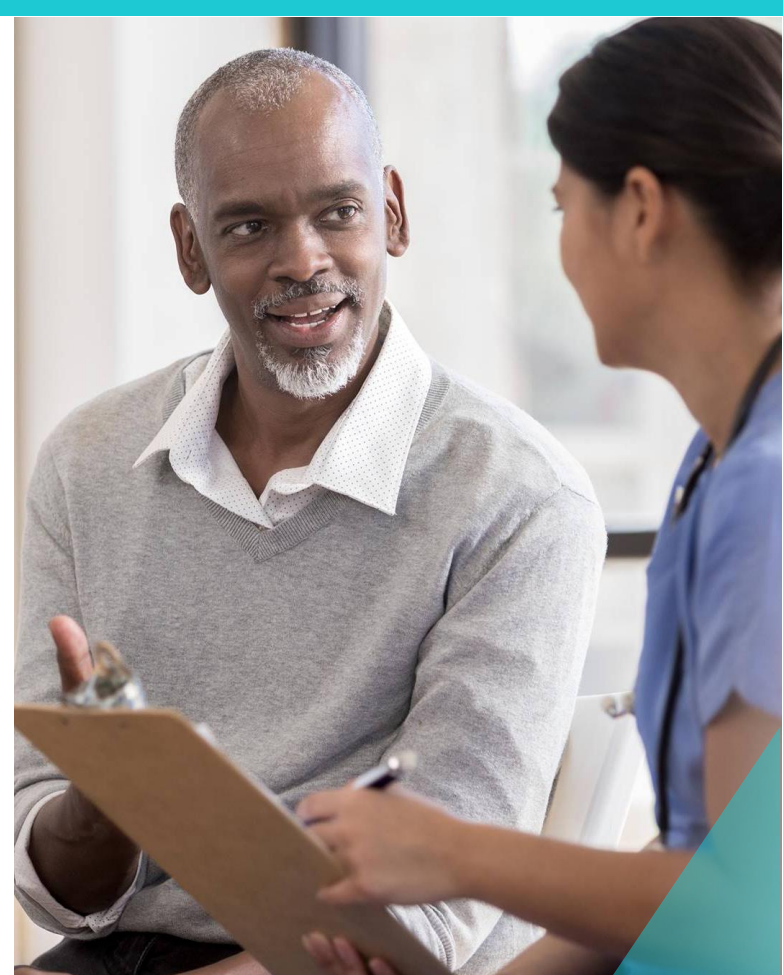
- Price inflation is the primary component of health plan cost increases, driven by:
 - Rising labor costs due to increased demand and limited supply
 - Regulatory changes
 - Ongoing workforce shortages
- Specialty drug trend remains high, driven by:
 - Utilization of high-cost new specialty drugs, replacing current drug therapies that have lower prices
 - High list price increases



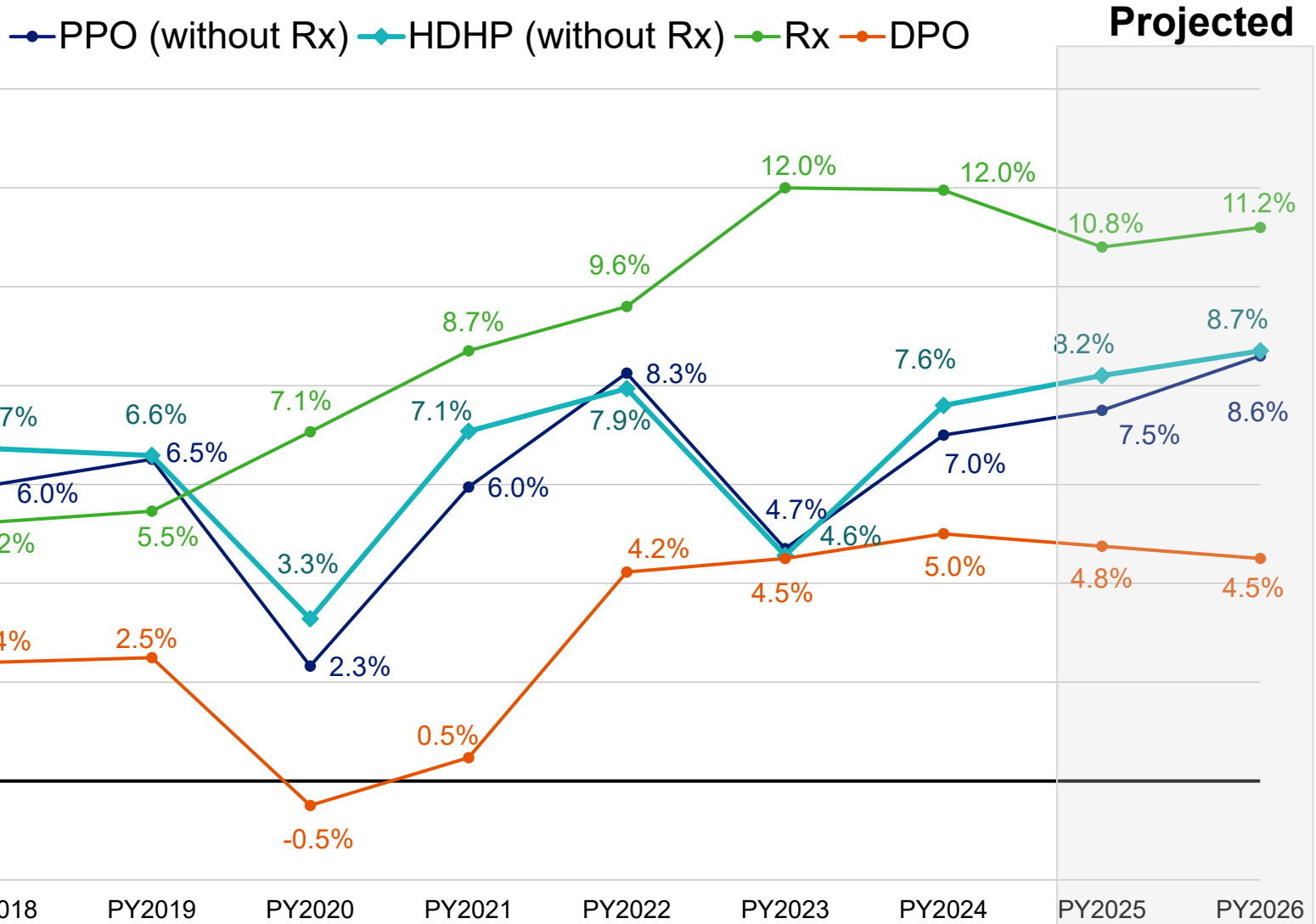
What Drives Trend?

- New treatments, therapies and technology
- Greater emphasis on detection and diagnostics
- Medical inflation, impacting the cost of care delivery
- Social and economic factors, which can influence utilization or care decisions
- Provider consolidation
- Implications of new laws
- Increased treatment burden due to the aging population and rise in chronic conditions
- Provider cost shifting
- Erosion effect of fixed deductibles and copayments¹

¹ This is a driver of net paid claim cost trends, not gross per capita claims cost increases.



Ten-Year Summary of Selected Medical, Prescription Drug Carve-Out and Dental Trends: 2017–2024 Actual and 2025 and 2026 Projected¹



Source: 2026 Segal Health Plan Cost Trend Survey

¹ All trends are illustrated for actives and retirees under age 65, except for MA HMOs.

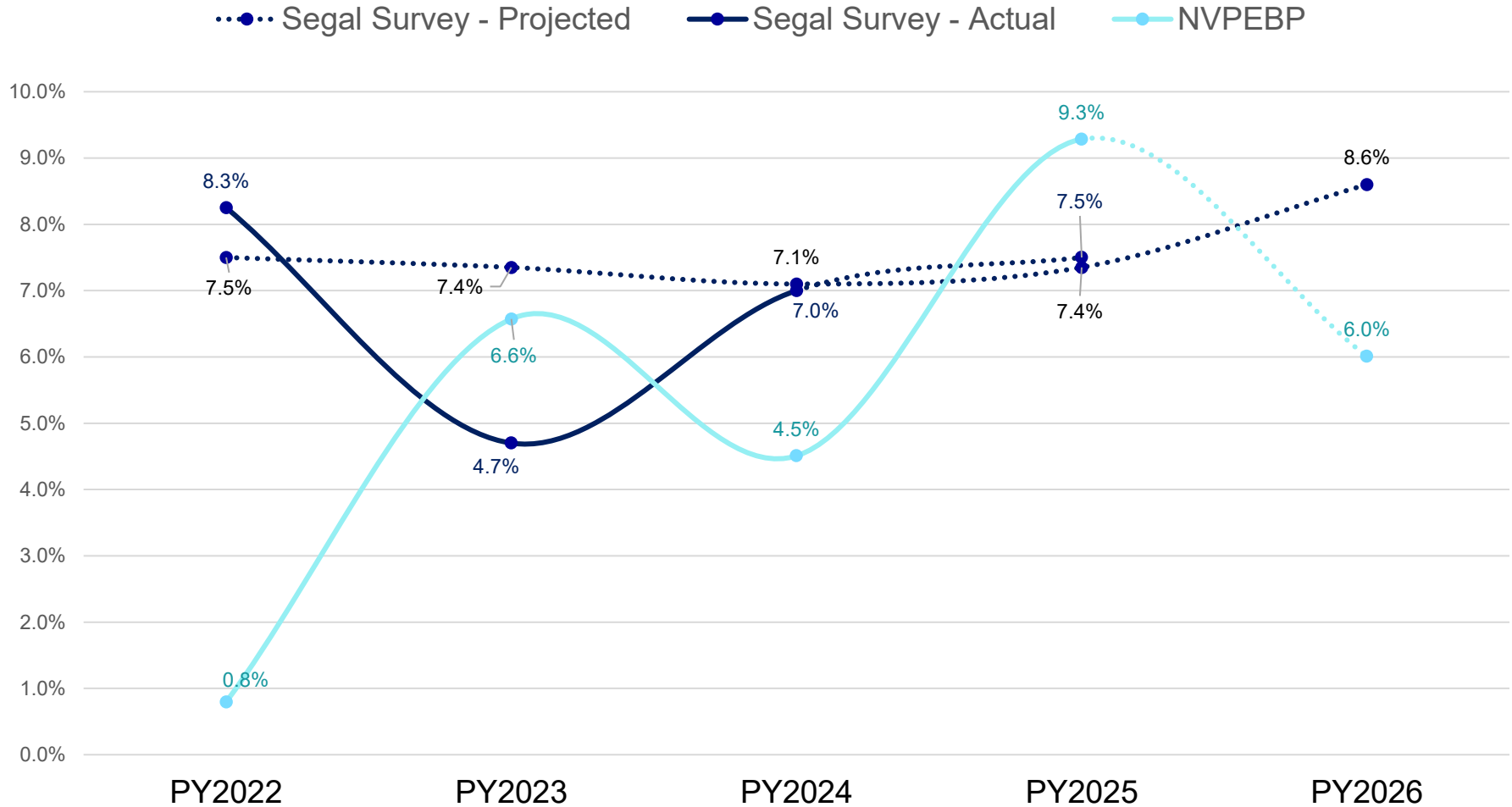
² Prescription drug trend is combined for retail and mail order delivery channels.

The Segal Trend Survey data is reported on a calendar year basis and has been converted to a plan year basis to align with PEBP's fiscal year.

PEBP Historical Plan Trends

Five-Year Summary of Selected Medical Trends

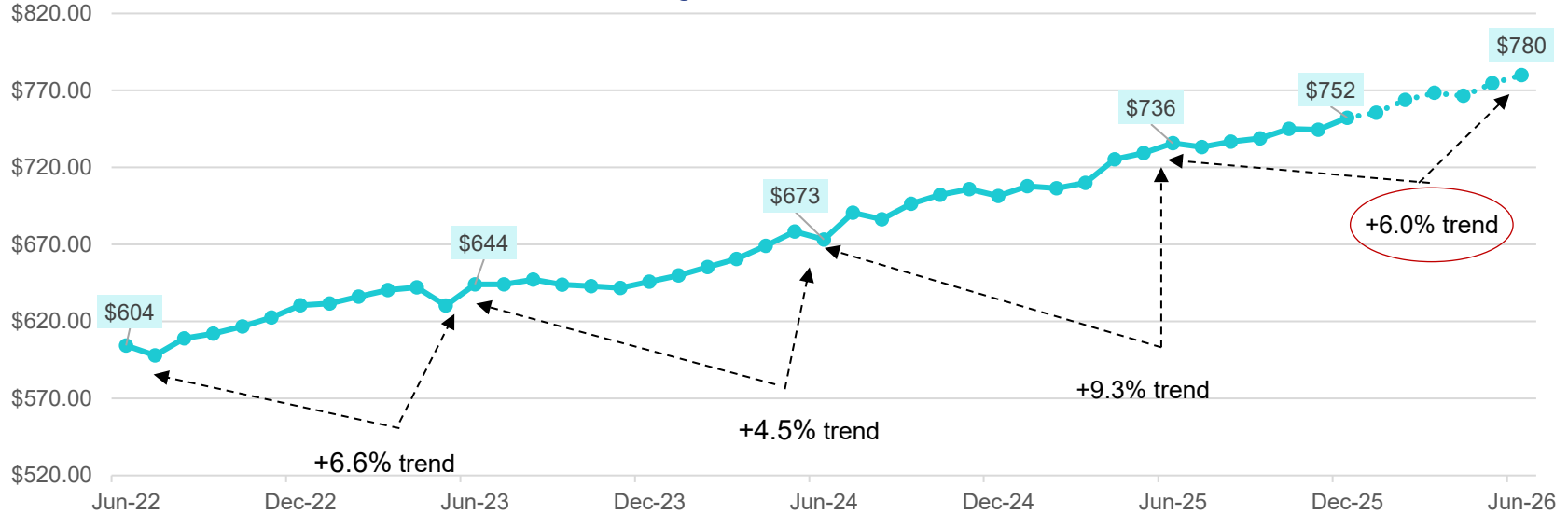
Plan Year 2022–2024 Actual and 2025 and 2026 Projected



Source: 2026 Segal Health Plan Cost Trend Survey All trends are illustrated for actives and retirees under age 65, except for MA HMOs, in the Segal Survey. The Segal Trend Survey data is reported on a calendar year basis and has been converted to a plan year basis to align with PEBP's fiscal year. The PY2025 Segal Survey Actual figure includes a projected component.

Historical Trend - Medical

Medical PEPM Cost History Rolling 12-month Incurred Basis



Plan Year	Legislative Approved Trend ¹	Pricing Trend	Actual ²
2023	3.52%	5.4%	6.6%
2024	3.91%	4.0%	4.5%
2025	3.91%	3.0%	9.3%
2026 ³	5.00%	5.0%	6.0%
2027	5.00%	6.0%	TBD

PEBP top Medical trend drivers through December 2025

- High-Cost Claimants - Account for \$2M increase between FY24/FY25
- Cancer prevalence is 7.9% of members
- Diabetes prevalence is 6.4% of members
- MSK prevalence is 18.9% of members

In years where legislative approved are less than actual, PEBP needs to pick up difference

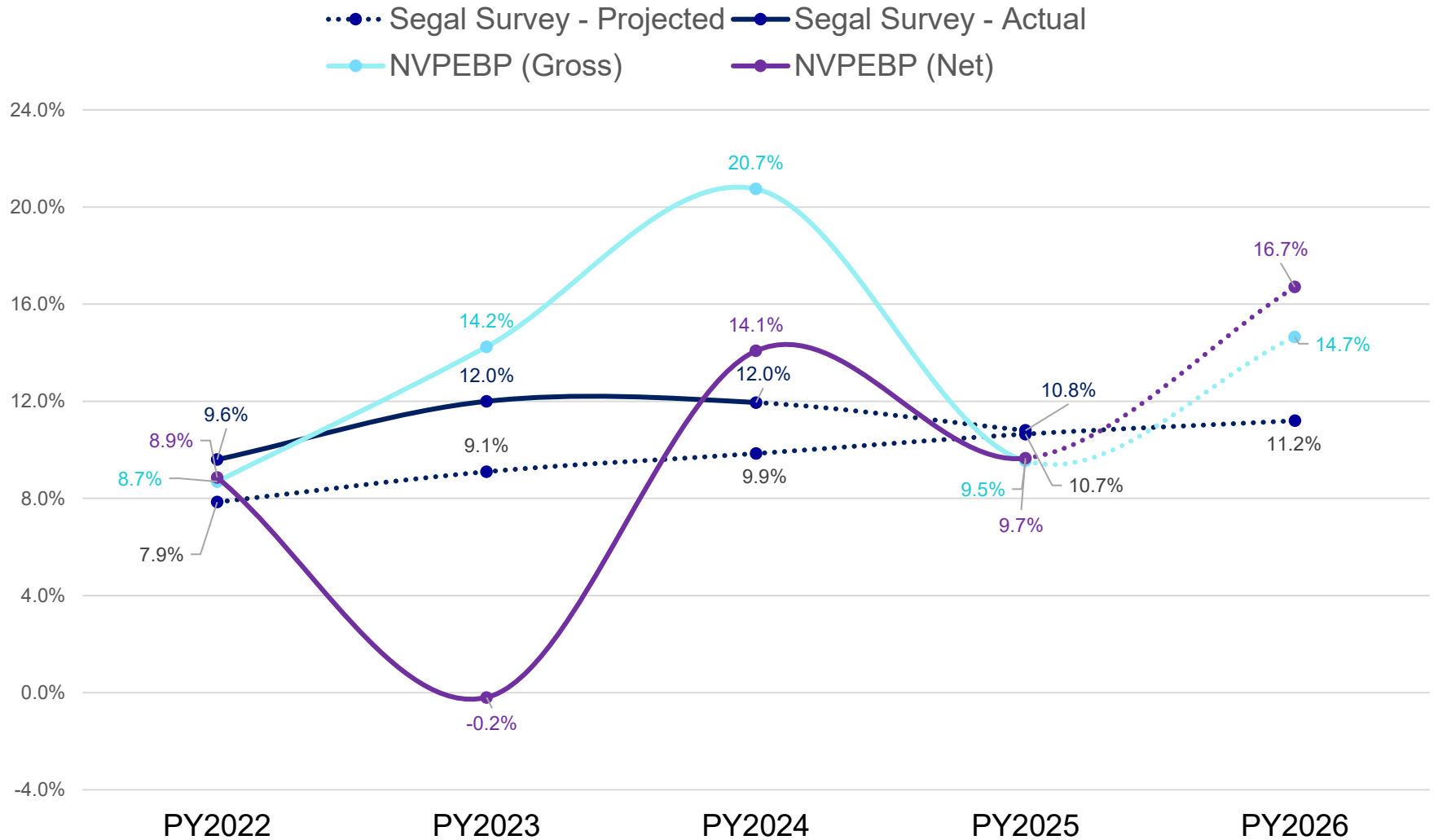
¹ Per PEBP.

² Actual trends are based on incurred claims data as reported by UMR with runout paid through December 31, 2025.

³ The actual trend shown for PY2026 is estimated based on actual claims incurred year-to-date with a projection of expected claim cost. Therefore, actual PY2026 trends may change as experience develops.

Five-Year Summary of Selected Prescription Drug Carve-Out Trends

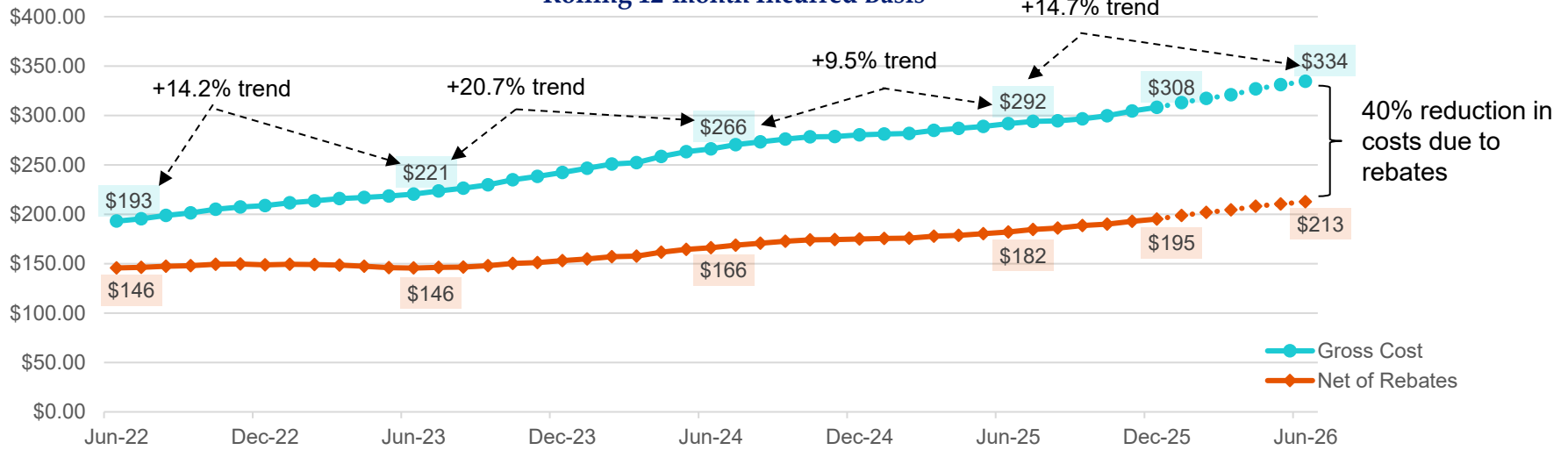
Plan Year 2022–2024 Actual and 2025 and 2026 Projected



Source: 2026 Segal Health Plan Cost Trend Survey. All trends are illustrated for actives and retirees under age 65, except for MA HMOs, in the Segal Survey. The Segal Trend Survey data is reported on a calendar year basis and has been converted to a plan year basis to align with PEBP's fiscal year. The PY2024 Segal Survey Actual figure includes a projected component.

Historical Trend – Rx

Prescription Drug PEPM Cost History
Rolling 12-month Incurred Basis



Plan Year	Legislative Approved Trend ¹	Pricing Trend ²	Actual ³ (Gross)	Actual ² (Net)
2023	4.00%	6.7%	14.2%	-0.2%
2024	3.67%	8.0%	20.7%	14.1%
2025	3.67%	10.0%	9.5%	9.7%
2026 ³	15.00%	15.0%	14.7%	16.7%
2027	15.00%	11.0%	TBD	TBD

PEBP top Rx trend drivers

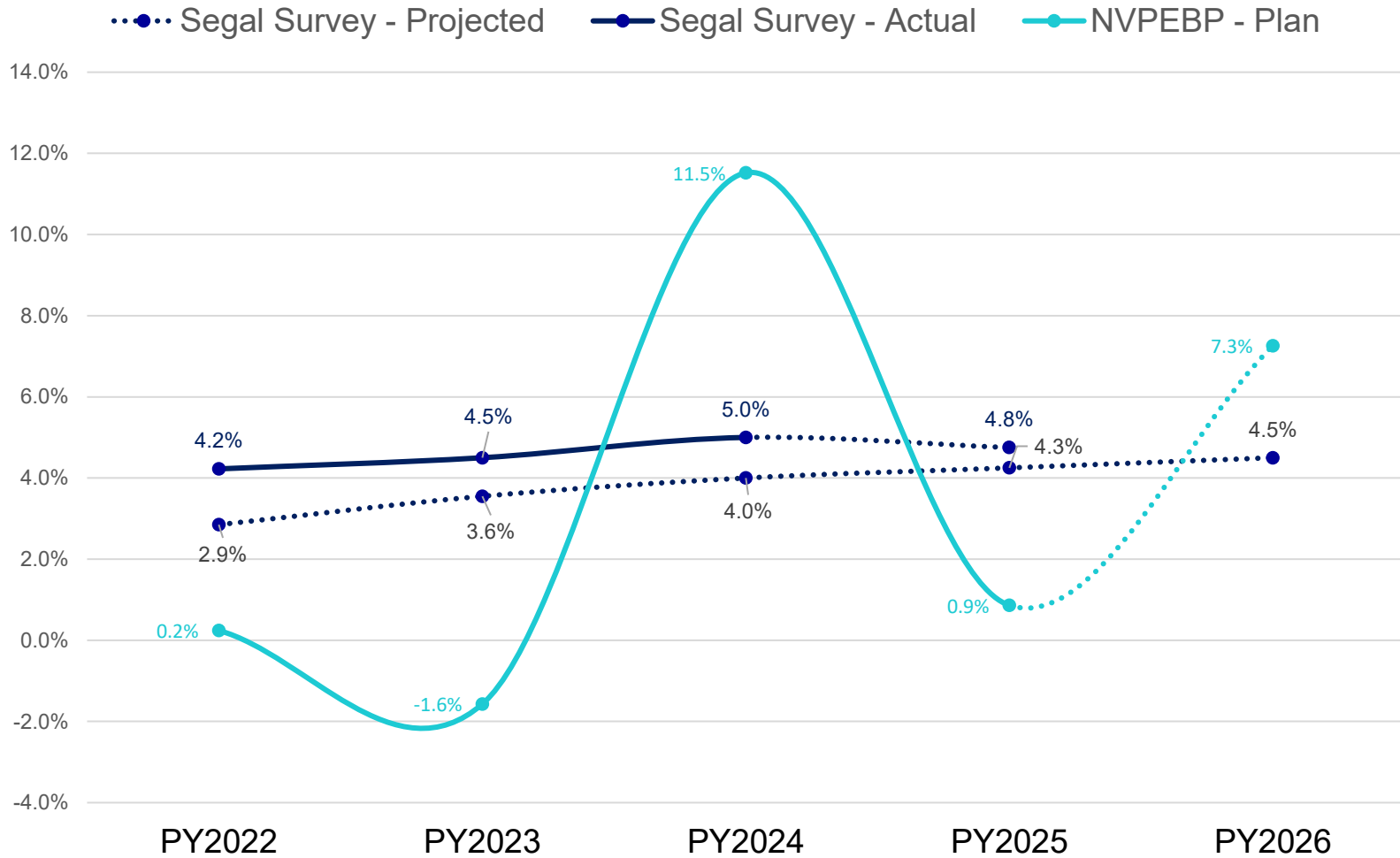
- The number of patients utilizing Mounjaro and Ozempic continues to rise (2-3x that of prior period)
- Specialty patients increasing by 15-20% in FY25
- Rebate trend lagging claims trend in FY25

In years where legislative approved are less than actual, PEBP needs to pick up difference

¹ Per PEBP.
² Actual trends are based on incurred claims data and rebates as reported by ESI with runout paid through December 31, 2025.
³ The actual trend shown for PY2026 is estimated based on actual claims incurred year-to-date with a projection of expected claim cost. Therefore, actual PY2026 trends may change as experience develops.
 Pharmacy trends are shown on both a gross and net plan cost basis (i.e., before and after the application of manufacturer rebates).

Five-Year Summary of Selected Dental Trends

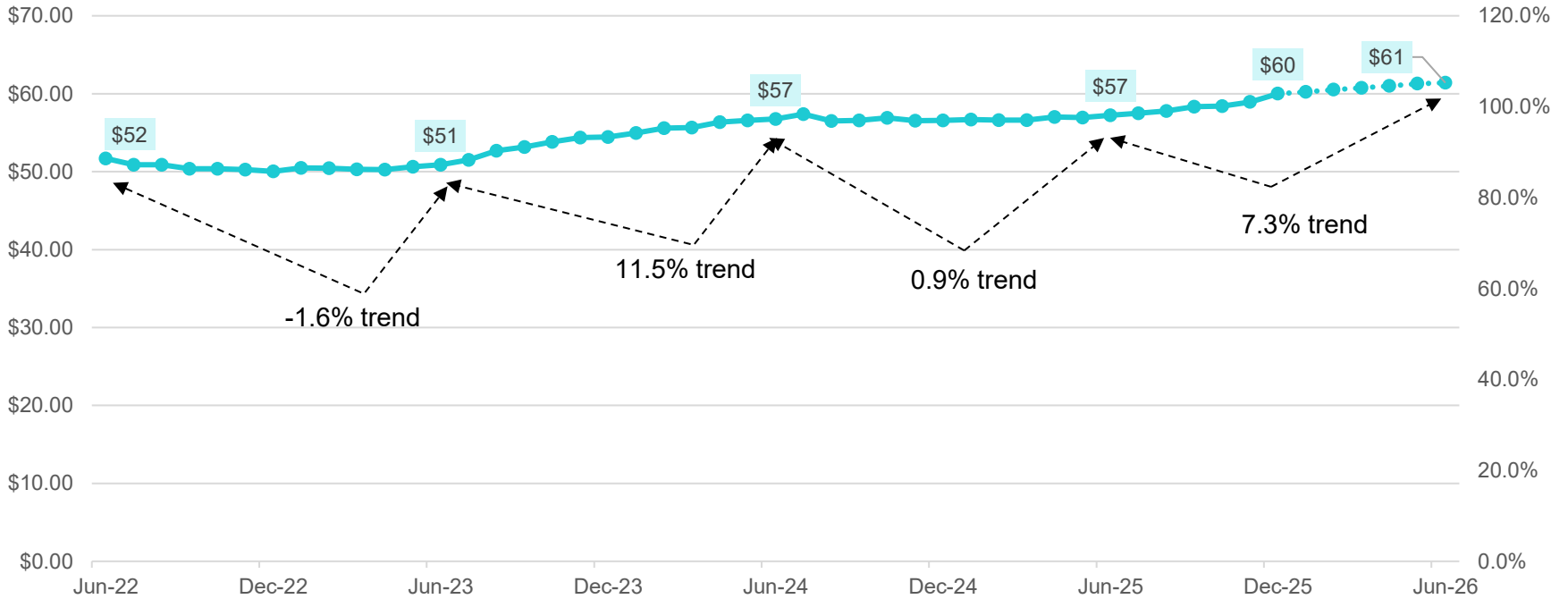
Plan Year 2022–2024 Actual and 2025 and 2026 Projected



Source: 2026 Segal Health Plan Cost Trend Survey All trends are illustrated for actives and retirees under age 65, except for MA HMOs, in the Segal Survey. The Segal Trend Survey data is reported on a calendar year basis and has been converted to a plan year basis to align with PEBP's fiscal year. The PY2024 Segal Survey Actual figure includes a projected component.

Historical Trend - Dental

Dental PEPM Cost History
Rolling 12-month Incurred Basis



Plan Year	Legislative Approved Trend ¹	Pricing Trend ²	Actual ³
2023	1.75%	3.0%	-1.6%
2024	2.00%	1.0%	11.5%
2025	2.00%	2.0%	0.9%
2026 ⁴	3.00%	3.0%	7.3%
2027	3.00%	3.5%	TBD

¹ Per PEBP.

² Expected trends are based on the pricing trend assumed when setting each Plan Year's rates.

³ Actual trends are based on incurred claims data as reported by UMR with runout paid through December 31, 2025.

⁴ The actual trend shown for PY2026 is estimated based on actual claims incurred year-to-date with a projection of expected claim cost. Therefore, actual PY2026 trends may change as experience develops.

Executive Summary

- For PY2023-2025, PEBP’s medical and pharmacy trends ran above, while dental trend ran below industry.
- For PY2026 and in comparison to PY2023-2025, Segal is projecting lower medical claims trend, similar pharmacy and a higher dental claims trend.
- Historical gross pharmacy trend exceeded 10% since PY22 but has returned to lower levels beginning May 2025 and through December 2025
 - Segal is utilizing an 11% trend for PY2027 projections
 - Net Rx trend for PY2026 is expected to be 16.7% after rebates are applied
- Dental claims trend has been volatile since COVID

Plan Years 2023-2025 Actual ¹		
	PEBP	Industry ²
Medical	6.8%	6.4%
Pharmacy ³	14.8%	11.6%
Dental	3.5%	4.7%

Plan Year 2026 Projected		
	PEBP	Industry ²
Medical	6.0%	8.6%
Pharmacy ³	14.7%	11.2%
Dental	7.3%	4.5%

Plan Year 2027 Projected		
	PEBP	Industry
Medical	6.0%	9.3%
Pharmacy ³	11.0%	11.0%
Dental	3.5%	4.5%

¹ Average annualized trend comparing PY2025 to PY2023 costs.
² Industry trend come from the 2026 Segal Trend Survey, PY2025 and PY2026 use a projected component.
³Pharmacy trends is based on allowed claims prior to rebates.

| PY2027 Pricing Methodology and Assumptions

Pricing Methodology Overview

1 | **Historical Claims and Enrollment**
Medical, pharmacy and dental claims + shared savings fees + capitation fees, less pharmacy rebates

2 | **Project to Experience Period**
Pricing trend assumptions, plan design changes, demographic and seasonality adjustments

3 | **Administrative Fees**
Medical, pharmacy, dental ASO fees and other applicable fees or credits

4 | **Rates & Contributions**
Develop budget rates by coverage tier as the basis for setting employee and retiree contributions

Pricing Methodology and Assumptions

1 | Historical Claims and Enrollment¹

- Claims and enrollment from January 2024 through December 2025 used as the basis of the projection.
- Data was provided by: UMR, ESI, and TELUS Health.

2 | Project to Experience Period

- Claims costs are projected on an incurred basis with 60% weighting to the most recent 12-month experience period.
- Trend assumptions applied to projection period.
- Adjustments made to projected costs to account for program changes, migration, mix of services and plan design changes.
- Pharmacy rebates are modeled based on the anticipated minimum guarantees for PY2027 in the proposed ESI contract renewal.

Medical	6.0%
Rx	11.0%
Dental	3.5%

¹ In conducting our analysis, we have relied on data provided by NV PEBP's vendors. We have accepted the data without audit and relied upon the sources for the accuracy of the data.

Pricing Methodology and Assumptions (cont'd)

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Administrative Fees

- Administrative Fees
 - Medical ASO
 - Rx ASO
 - Dental ASO
 - General Administration fees
 - Life premiums
- Fully Insured HMO premiums for PY2027, which included a 9% increase over current rates, were provided by UHC.

4

Rates & Contributions

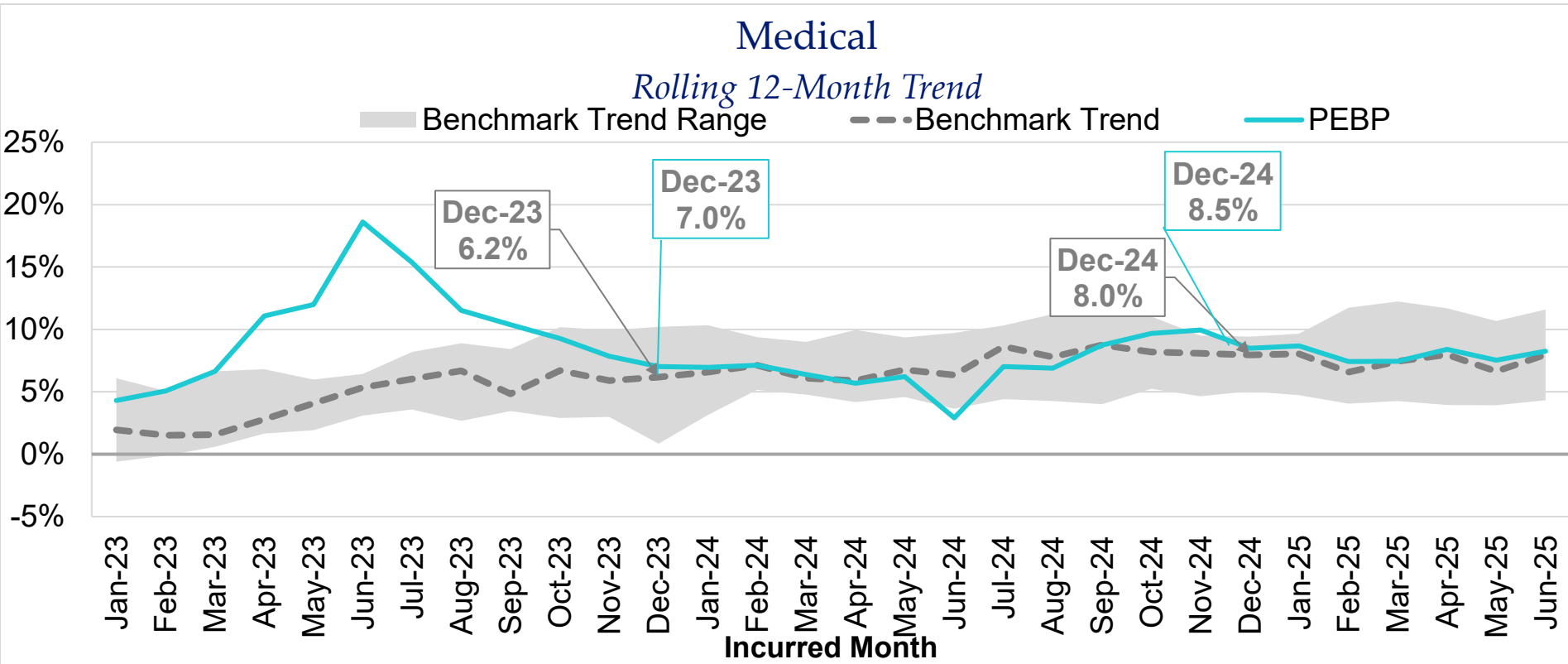
- AEGIS (\$943) and REGI (\$700) amounts for PY 2027, per the Final State Budget.

Thank
You

| Appendix

Medical Trend Summary

% Change in Allowed PMPM



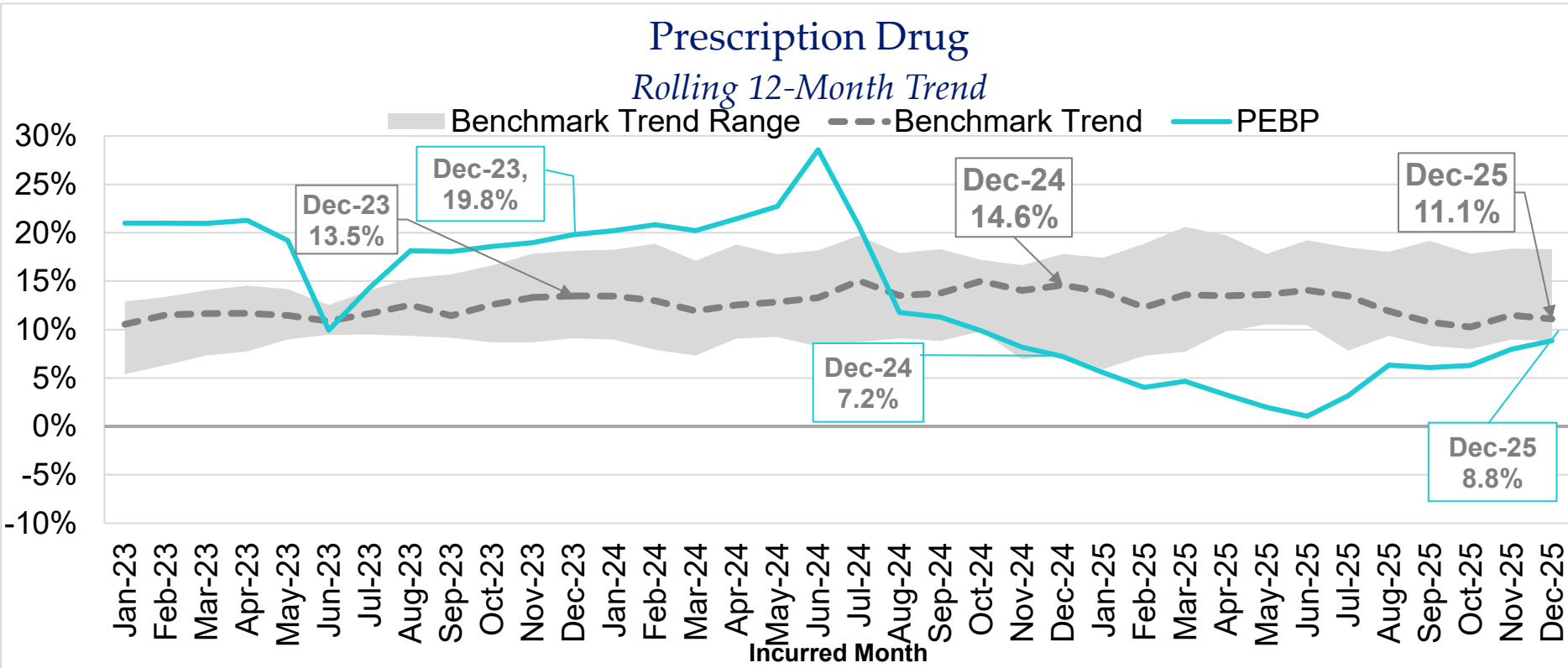
- These Allowed Cost trends are higher than the Plan Paid trends shown on p4, due in part to PEBP maintaining consistent deductibles, OOP Maxes and copays year-to-year
- Year-over-year medical for Nevada PEBP in 2024 was 8.5% which is slightly above the benchmark rate of 8.0%.
- Year-to-date 2025 trends are showing PEBP's medical trend is in line with the benchmark data.

Source: SHAPE Data Warehouse

* The Trend Range represents the 25th – 75th percentile across Segal's SHAPE public sector book-of-business

Prescription Drug Trend Summary

% Change in Allowed PMPM



- These Allowed Cost trends are higher than the Plan Paid trends shown on p4, due in part to PEBP maintaining consistent deductibles, OOP Maxes and copays year-to-year
- Year-over-year medical for Nevada PEBP in 2025 was 8.8% which below the benchmark trend of 11.1% and lower than over 75% of Segal’s SHAPE book of business.

Source: SHAPE Data Warehouse

- The Trend Range represents the 25th – 75th percentile across Segal’s SHAPE public sector book-of-business
- Data does not consider drug manufacturer rebates or the impact of variable copay/coupon programs



Nevada Public Employee's Benefits Program

PY2027 Rates and Benefits

March 19, 2026



Agenda

Current state and background

Review cost and trend information

PY2027 premium scenarios

Background

- The Board approved changes in deductibles and Out-of-Pocket Maximum's (OOPMax) for all plans for PY2027 at the December 2025 Board meeting
 - Annual savings are estimated to be about \$5M (1%), pending any migration
- Enrollment has migrated towards the LDPPO consistently on an annual basis since it was introduced in PY2022
 - Migration has been primarily from the CDHP, but some from the EPO/HMO too
- For PY2026, premium increases were 13% in aggregate, while State funding increased 30%
 - Active CDHP premiums remained at PY2025 levels
- Trend increases have largely been absorbed by the plan
 - Member cost share (includes premiums and copays/deductibles/etc) has declined from 33.3% in PY2022 to 31.5% in PY2025
 - EPO/HMO has highest total OOP (including premiums)
- 1% of the membership is responsible for 31% of total plan costs
 - Average annual cost for these members is \$217,000
 - Average annual cost per member for the lowest 85% is \$3,400
- 8% of employees/families reached the annual OOPMax in PY2025
 - CDHP, at 10.7%, had the highest rate

PY2027 Plan Designs

In-Network benefits

- In December, Board approved plan changes expected to result in **\$5M (~1%)** in annual savings

	CDHP	LDPPO	EPO	HMO
Actuarial Value	77.8%	83.1%	89.1%	91.4%
Service Area	Global	Global	Northern Nevada	Southern Nevada
HSA/HRA Contribution	\$700 PEPY +\$200 per dep (max 3)	N/A	N/A	N/A
Annual Deductible	\$1,700 Individual \$3,400 Family \$3,400 Individual Family Member Deductible	\$300 Individual \$600 Family	\$100 Individual \$200 Family \$100 Individual Family Member Deductible	N/A With exception of Tier 4 prescription drug coverage
Medical Coinsurance	20% after deductible	20% after deductible	20% after deductible	N/A
Out-of-Pocket Maximum	\$5,000 Individual \$10,000 Family	\$5,000 Individual \$10,000 Family	\$4,000 Individual \$8,000 Family	\$5,000 Individual \$10,000 Family \$25/ \$40 (\$25 with referral) copay per visit
Primary Care/ Specialist Office Visit	20% after deductible	\$30/ \$50 copay per visit	\$20/ \$40 copay per visit	\$50 copay per visit
Urgent Care Visit	20% after deductible	\$80 copay per visit	\$50 copay per visit	\$600 copay per visit
Emergency Room Visit	20% after deductible	\$750 copay per visit	\$600 copay per visit	\$600 copay per visit
In-Patient Hospital	20% after deductible	20% after deductible	\$600 copay per visit	\$600 copay per visit
Outpatient Surgery	20% after deductible	\$500 copay per visit	\$350 copay per visit	Ambulatory Facility \$50 copay Hospital \$350 copay
PY2026 Employee Only Premium	\$55.26	\$91.79	\$219.91	\$219.91

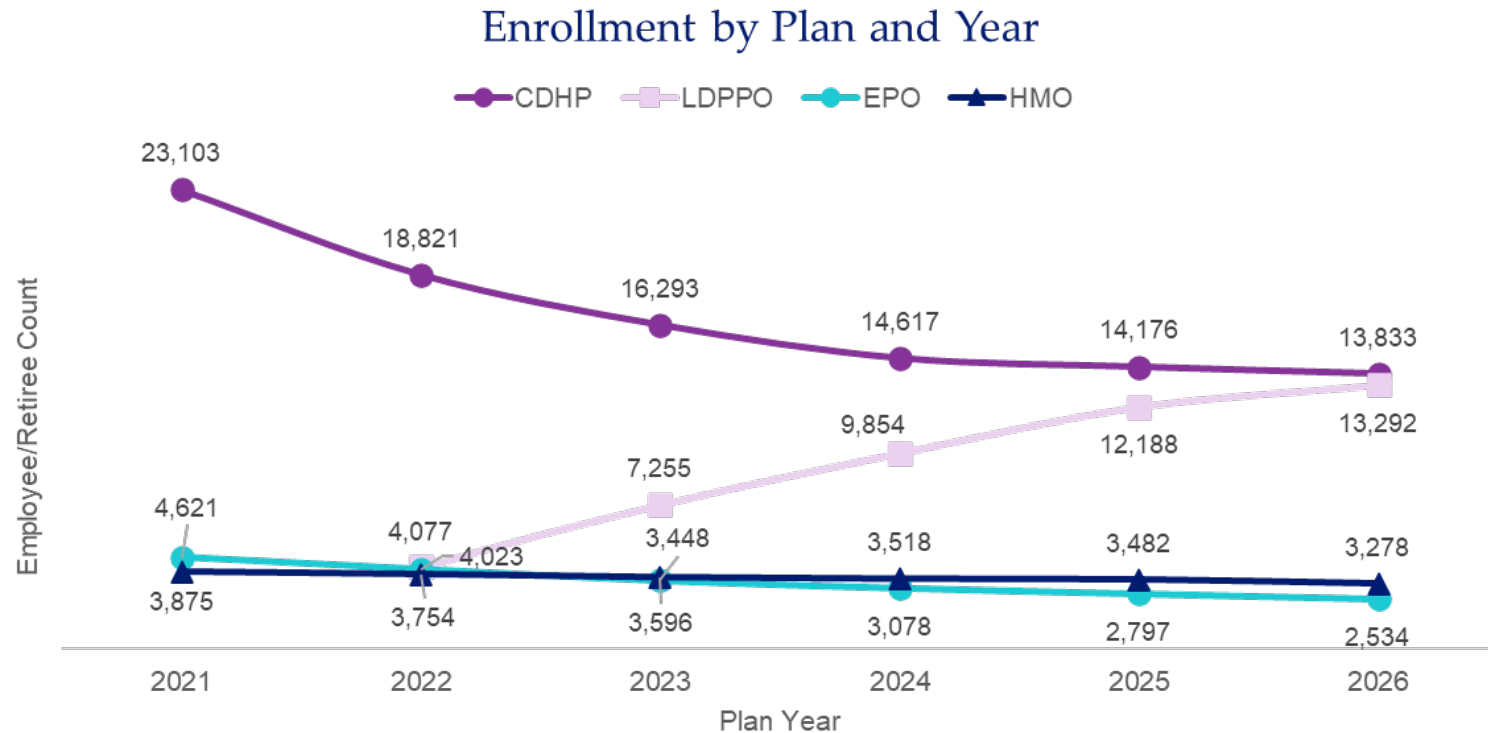
PY2027 Plan Changes

- PY2027 plan changes approved at the December 2025 Board meeting
- Savings reduce premiums since PY2027 AEGIS/REGI are fixed

Option	Description	PY27 Cost/(Savings)
UMR Rx Coupon Program	Variable Coupon Program for medical Rx, similar to SaveOnSP for outpatient Rx	Net PEBP: (\$840,000) Members: (\$400,000)
Prior Authorizations	Remove PAs for biopsies, MRIs and Dialysis	\$0
Out-of-Network Lab	Pay first OON lab annually at network benefit and educate member on network access and savings	\$2,000
Diagnostic colonoscopies and breast imaging	Cover at 100% (deducible applies in CDHP for colonoscopies)	\$350,000
Modify Current Plans	Adjust deductibles/OPMaxes	(\$4.5M)
Total Net Impact		(\$5.0M)

Migration to the LDPPO

- AEGIS/REGI are fixed on a per employee basis
- Depending on the premium differences between plans, migration from the CDHP to the LDPPO may increase net costs



Members are migrating to the LDPPO from both the EPO/HMO and the CDHP

Plan Year 2025 to Plan Year 2026

State Actives and Retirees

Between PY2025 to PY2026, State funding increased by 30% and employee/retiree premiums increased 13% on average.

	PY2025 Premiums			Current PY2026 Premiums*		
State Actives	CDHP	LDPPO	EPO/HMO	CDHP	LDPPO	EPO/HMO
Participant	\$55.26	\$85.26	\$181.24	\$55.26	\$91.79	\$219.91
Participant + Spouse	\$271.27	\$331.28	\$523.25	\$313.94	\$386.99	\$643.23
Participant + Children	\$136.26	\$177.52	\$309.50	\$152.27	\$202.48	\$378.65
Participant + Family	\$352.28	\$423.54	\$651.51	\$410.94	\$497.68	\$801.97
State Retirees	CDHP	LDPPO	EPO/HMO	CDHP	LDPPO	EPO/HMO
Participant	\$263.82	\$293.82	\$389.80	\$278.06	\$314.58	\$442.70
Participant + Spouse	\$635.73	\$695.72	\$887.69	\$702.81	\$775.85	\$1,032.09
Participant + Children	\$403.27	\$444.52	\$576.52	\$437.34	\$487.56	\$663.73
Participant + Family	\$775.19	\$846.44	\$1,074.41	\$862.09	\$948.83	\$1,253.12

	PY2025	PY2026	% Change
EE/Ret Average Premiums¹	\$201.96	\$227.30	13%
AEGIS	\$759.00	\$991.00	31%
REGI	\$545.00	\$650.00	19%
AEGIS/REGI Average¹	\$733.13	\$951.13	30%

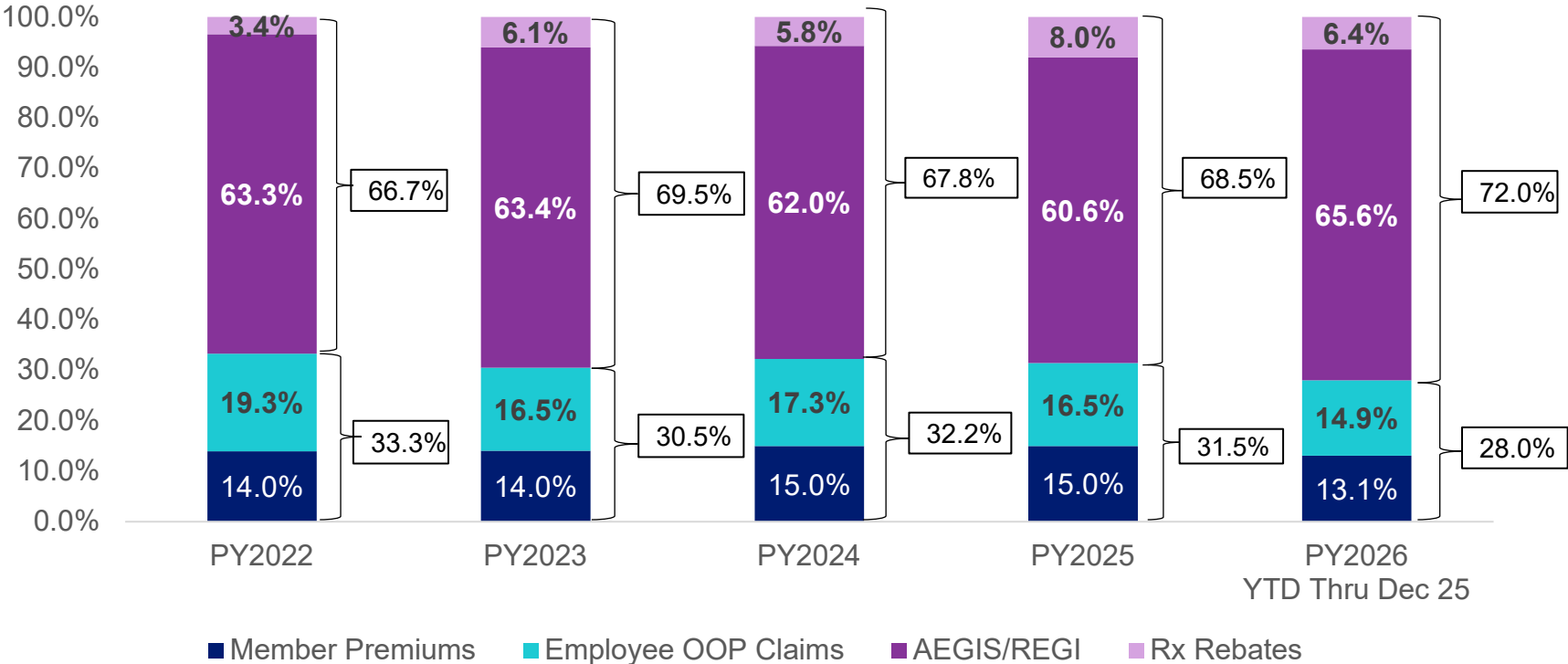
10% premium, 3% migration

¹ Amounts shown are based on weighted average enrollment in each plan year as of January 2026. Figures do not reflect amounts for reserve building or spend-down

Historic Cost Share

- Stable plan provisions and premiums leveraged cost increases to PEBP
 - Member share of total costs has declined from 33% in PY22 to 28% in PY26, **a 5% cost shift to PEBP.**
 - Based on PY26 projected costs, this translates into approx. **\$30M in costs shifting to PEBP.**

Distribution of Revenue Sources



Historical member OOP + Premiums PEPM

Actives/Retirees, State/Non-State Enrollees Combined

	PY2022	PY2023	PY2024	PY2025	PY2026 YTD (as of 12/31/2025)	
CDHP	Annual Premium Contributions	\$133.73	\$129.16	\$134.71	\$144.28	\$137.94
	Member OOP Costs	\$205.33	\$206.13	\$219.43	\$227.16	\$227.48
	Total Member Costs	\$339.06	\$335.29	\$354.14	\$371.43	\$365.42

	PY2022	PY2023	PY2024	PY2025	PY2026 YTD (as of 12/31/2025)	
LDPPO	Annual Premium Contributions	\$165.97	\$172.73	\$183.33	\$205.13	\$206.61
	Member OOP Costs	\$177.32	\$145.89	\$156.66	\$164.68	\$162.35
	Total Member Costs	\$343.30	\$318.62	\$340.00	\$369.81	\$368.96

	PY2022	PY2023	PY2024	PY2025	PY2026 YTD (as of 12/31/2025)	
EPO/HMO	Annual Premium Contributions	\$241.55	\$265.52	\$284.50	\$311.55	\$335.75
	Member OOP Costs	\$100.40	\$95.87	\$100.93	\$111.46	\$134.84
	Total Member Costs	\$341.95	\$361.39	\$385.43	\$423.00	\$470.59

* Actual annual premium contributions are allocated across plans based on expected contributions

** Member cost share reflects medical/rx benefits only and does not directly include HSA, HRA or FSA funding.

Historical member OOP + Premiums

Actives/Retirees, State/Non-State Enrollees Combined

		PY2022	PY2023	PY2024	PY2025	PY2026 YTD (as of 12/31/2025)
CDHP	Annual Premium Contributions	\$30,203,134	\$25,252,645	\$23,628,557	\$24,542,868	\$11,440,766
	<u>Member OOP Costs</u>	<u>\$46,372,282</u>	<u>\$40,301,978</u>	<u>\$38,489,619</u>	<u>\$38,641,528</u>	<u>\$18,867,720</u>
	Total Member Costs	\$76,575,417	\$65,554,623	\$62,118,176	\$63,184,396	\$30,308,486

		PY2022	PY2023	PY2024	PY2025	PY2026 YTD (as of 12/31/2025)
LDPPD	Annual Premium Contributions	\$8,119,476	\$15,037,908	\$21,679,796	\$30,001,719	\$16,579,537
	<u>Member OOP Costs</u>	<u>\$8,674,876</u>	<u>\$12,701,658</u>	<u>\$18,525,817</u>	<u>\$24,086,641</u>	<u>\$13,027,793</u>
	Total Member Costs	\$16,794,352	\$27,739,567	\$40,205,613	\$54,088,360	\$29,607,330

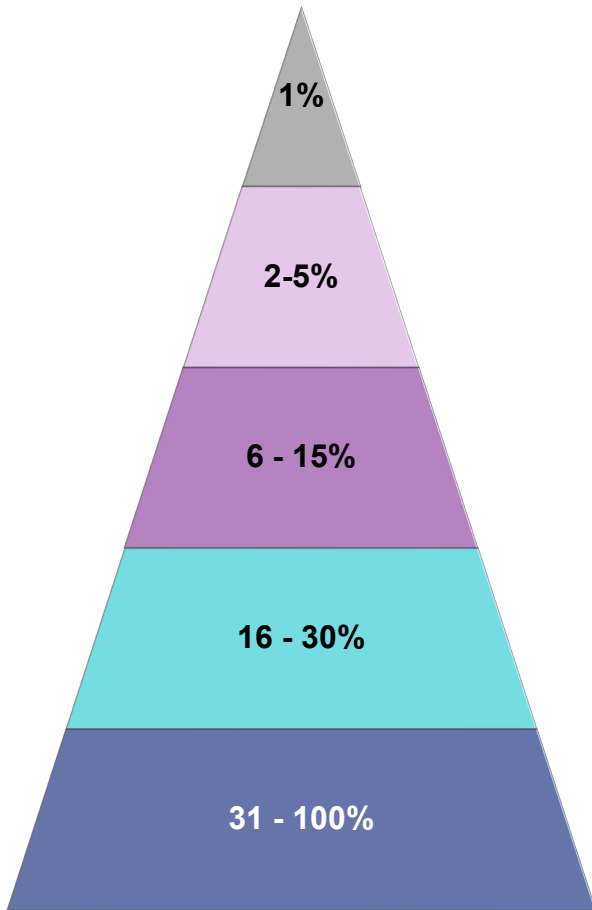
		PY2022	PY2023	PY2024	PY2025	PY2026 YTD (as of 12/31/2025)
EPO/HMO	Annual Premium Contributions	\$22,543,095	\$22,444,474	\$22,517,357	\$23,473,048	\$11,553,095
	<u>Member OOP Costs</u>	<u>\$9,370,138</u>	<u>\$8,104,237</u>	<u>\$7,988,092</u>	<u>\$8,397,559</u>	<u>\$4,639,866</u>
	Total Member Costs	\$31,913,233	\$30,548,711	\$30,505,449	\$31,870,607	\$16,192,961

* Actual annual premium contributions are allocated across plans based on expected contributions

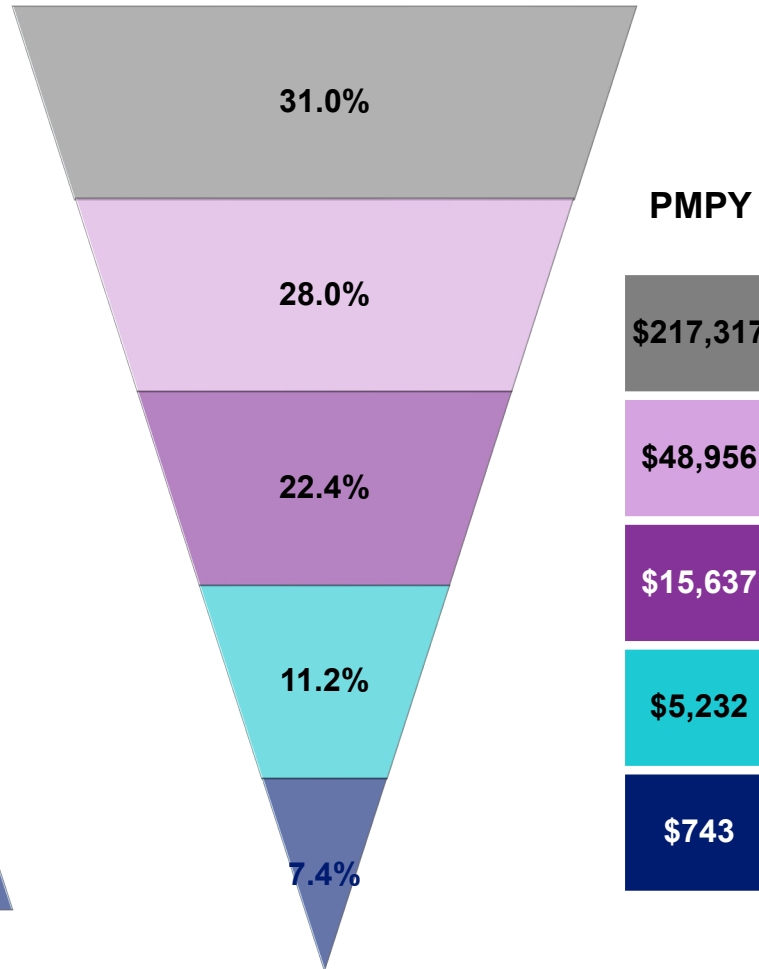
** Member cost share reflects medical/rx benefits only and does not directly include HSA, HRA or FSA funding.

PY2025 Claim Pyramids

% of Membership



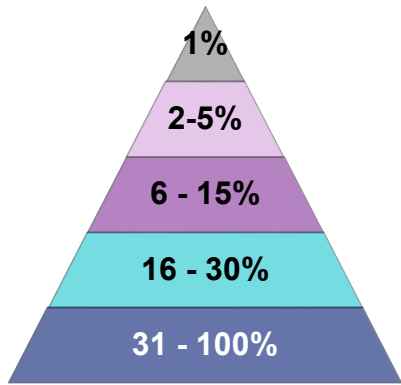
All Plans Combined



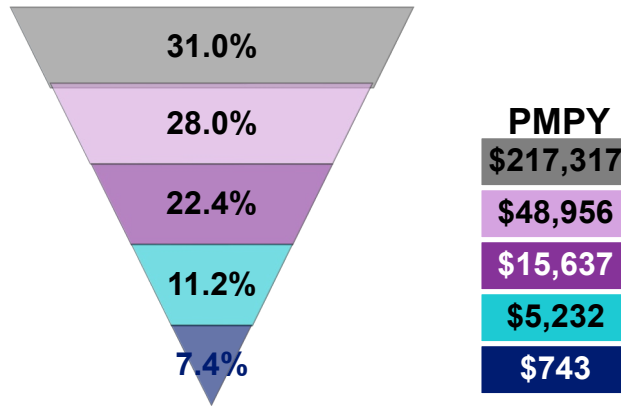
- Top 1% of membership account for 31% of total costs (\$217,317 PMPY in PY2025)
- Bottom 85% of membership account for 18.6% of total costs (\$3,400 PMPY)

PY2025 Claim Pyramids by Plan

% of Membership



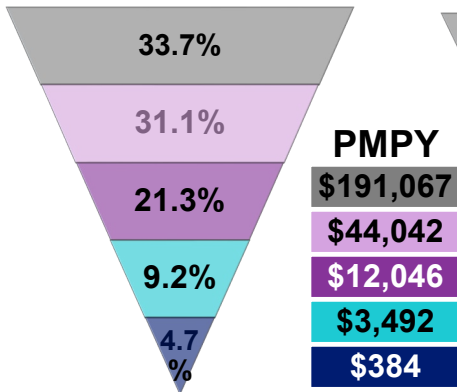
All Plans Combined



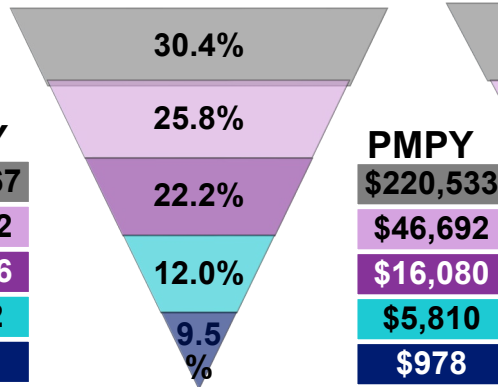
- Top 1% of all members account for 31% of total costs (\$217,317 PMPY in PY2025).
- Bottom 85% of all members account for 18.6% of total costs (\$3,400 PMPY).

- Top 1% of CDHP members account for a larger portion of the costs as compared to other plans (33.7% vs. 30.4% and 26.1%).
- CDHP costs are lowest for all bands.
- Top 1% of members is lowest for EPO at 26.1%.
- EPO costs are highest for all bands.

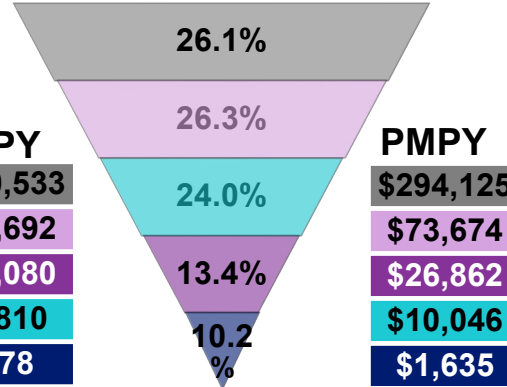
CDHP



LDPPO



EPO



Looking Back – Historical Performance

Incurred basis with runout paid through December 31, 2025 plus an estimate of remaining runout

		PY2023	PY2024	PY2025	PY2026 Actual & Proj
CDHP	Employee/Retiree Count	15,922	14,292	13,880	13,533
	Revenue ¹	\$167,431,977	\$143,510,401	\$153,502,687	\$178,290,950
	<u>Expenses²</u>	<u>\$150,943,357</u>	<u>\$139,753,378</u>	<u>\$139,784,992</u>	<u>\$150,094,043</u>
	Net Revenue	\$16,488,620	\$3,757,023	\$13,717,695	\$28,196,907
LDPPO/Copay	Employee/Retiree Count	7,228	9,825	12,161	13,353
	Revenue ¹	\$83,686,734	\$111,289,717	\$153,601,632	\$197,092,767
	<u>Expenses²</u>	<u>\$83,156,406</u>	<u>\$126,454,606</u>	<u>\$175,866,921</u>	<u>\$209,981,899</u>
	Net Revenue	\$530,327	(\$15,164,890)	(\$22,265,290)	(\$12,889,132)
EPO/HMO	Employee/Retiree Count	6,831	6,406	6,110	5,561
	Revenue ¹	\$84,274,498	\$79,102,500	\$83,839,444	\$89,605,955
	<u>Expenses²</u>	<u>\$109,360,353</u>	<u>\$105,038,022</u>	<u>\$108,300,490</u>	<u>\$103,038,972</u>
	Net Revenue	(\$25,085,855)	(\$25,935,523)	(\$24,461,047)	(\$13,433,017)
Total	Employee/Retiree Count	29,981	30,523	32,152	32,448
	Revenue ¹	\$335,393,209	\$333,902,617	\$390,943,762	\$464,989,673
	<u>Expenses²</u>	<u>\$343,460,116</u>	<u>\$371,246,007</u>	<u>\$423,952,403</u>	<u>\$463,114,915</u>
	Net Revenue	(\$8,066,908)	(\$37,343,390)	(\$33,008,641)	\$1,874,758

¹ Revenue is based on budget rates and monthly enrollment by plan and coverage tier. PY25 and PY26 include adjustments to State revenue provided by PEBP.

² Expenses include self-insured medical, Rx and dental claims costs; ASO fees, HSA funding and HRA claims (excluding PEBP supplemental in PY24; excluding legislative supplemental in PY24-PY25); fully insured HMO and Life insurance premiums, net of pharmacy rebates

PY2027 Considerations

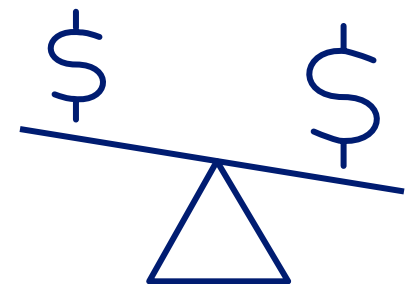
- The CDHP has been subsidizing the LDPPO and EPO/HMO for several years, at least to PY2022
- Transitioning to a rate structure where each plan stands on its own will substantially increase the LDPPO and EPO/HMO member premiums for PY2027
- **After a 30% increase for PY2026, AEGIS and REGI will be lower in PY2027, adding pressure to maintain benefits and premiums**

	PY2025	PY2026	PY2027
AEGIS	\$759	\$991	\$943
REGI	\$545	\$650	\$700

PY 2027 Considerations – Remove Subsidies between plans

- Larger increases for LDPPO and EPO
 - The CDHP will remain flat for Actives and see modest increases for Retirees
 - It is anticipated to result in substantial migration between plans
- Table shows PY2026 published rates (used for premiums) and PY2027 experience-based costs by plan (for plan changes approved in Dec)
- With a uniform AEGIS/REGI subsidy across all three plans, larger increases in these rates correspond to larger premium increases

	PY2026 (PEPM) Published	PY2027 (PEPM) Experience	Change
CDHP	\$1,076	\$1,056	-1.8%
LDPPO	\$1,206	\$1,439	19.3%
EPO/HMO	\$1,313	\$1,697	29.3%
Total	\$1,170	\$1,251	7.0%



¹ PY2026 average cost is based on Published premium weighted by current enrollment

² PY2027 average cost is based on projected published rates, December 2025 Board-approved plan design changes and migration assumptions

Rate Development Assumptions

- Plan-specific rates without cross-subsidies
 - With this approach, CDHP budget rates will be lower in PY2027 (no subsidies between plans) compared to the published PY2026 rates (with subsidies between plans). However, premiums are recommended to be held at PY2026 levels, which should provide some surplus in PY2027 (\$964K - \$1.6M)
- Full application of AEGIS/REGI
- Rates set to cover projected expenses in PY2027
- Rates consider migration/selection
 - 30% from the EPO/HMO to the LDPPO
 - 30% from the LDPPO to the CDHP
 - 10% from the EPO/HMO to the CDHP
 - This associated shift in risk between plans will also increase rates
 - For example, the lower cost members in the EPO/HMO currently will move to the LDPPO but assumed likely to be higher cost than the current LDPPO members, even when considering differences in plan design between the two plans. This dynamic also applies to the LDPPO/CDHP
- With the anticipated degree of migration, it is very difficult to project how risk will truly shift and estimate the exact costs for each plan. It will be necessary to re-evaluate the migration of risk and costs and potentially recalibrate each plan's projected costs

Trend Assumptions

Medical:	6.0%
Rx:	11.0% (with 36% rebate offset)
Dental:	3.5%

Primary Decisions for PY2027 Premiums

Plan Design

- 1.Changes approved in Dec
- 2.Reset CDHP OOPMax to PY26
- 3.Reset all OOPMaxes to PY26

Premiums

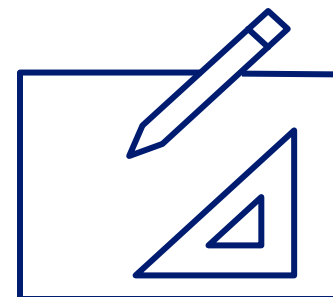
- 1.Immediate application
- 2.Two-year phase in
- 3.Three-year phase in

Rate and Premium Scenarios

PLAN DESIGN

At the February 24, 2026 meeting, the Board requested the following scenarios:

- Scenario 1:
 - PY2027 benefits approved at the December 12, 2025 Board meeting
- Scenario 2:
 - PY2027 benefits approved at the December 12, 2025 Board meeting, except
 - CDHP OOPMax reset to PY2026 levels (\$2.2M cost increase to premiums)
- Scenario 3:
 - PY2027 benefits approved at the December 12, 2025 Board meeting, except
 - OOPMax reset to PY2026 levels for all plans (\$3.2M cost increase to premiums)



Plan Year 2027 Premium Scenarios

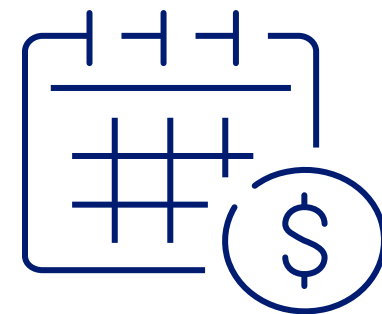
Premium Implementation

Options for 2- and 3-year phase-in will result in less migration and member impact, but will NOT be cost neutral for PY2027

- 2-year phase-in costs = \$26.4M – \$28.6M in PY2027
- 3-year phase-in costs = \$35.1M – \$37.7M in PY2027

Phase-in options shown for PY2027 move premiums 50% or 33% towards what they would be in PY2027 with immediate implementation.

- Re-evaluate for PY2028 to consider
 - Migration
 - Cost Trends
 - State funding in FY2028-29 biennium



PY2027 Summary

- Premiums are set to expect a (close to) break-even year* in PY2027 for Scenarios 1a, 2a and 3a
- Premiums are higher in Scenarios 2a and 3a due to the benefit enhancements
- Phasing-in the premium changes will increase costs to PEBP since AEGIS and REGI are fixed

Additional Costs to PEBP

	A No Phase-In	B 2-Yr Phase-In	C 3-Year Phase-In
Scenario 1 December 2025 Board-approved plan design changes	Cover costs with \$2.4M surplus	+\$26.4M	+\$35.1M
Scenario 2 December 2025 Board-approved plan design changes, CDHP MaxOOP remains at PY26 level	Cover costs with \$1.0M surplus	+\$28.1M	+\$37.1M
Scenario 3 December 2025 Board-approved plan design changes, MaxOOP for all plans remain at PY2026 level	Cover costs with \$1.1M surplus	+\$28.6M	+\$37.7M

* Holding CDHP premiums at PY2026 levels provides about \$1M in surplus

Scenario 1A: Plan-Specific Rates

December 2025 Approved Plan Design – State Actives

State Actives	Current PY2026 Rates				Proposed PY2027 Rates				PY27 vs. PY26
	Published Rates	+ Reserve Replenishment	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	Premium Difference
CDHP									
Participant	\$849.22	(\$12.28)	\$806.24	\$55.26	\$819.54	(\$2.56)	\$766.84	\$55.26	\$0.00
Participant + Spouse	\$1,683.52	(\$21.18)	\$1,390.76	\$313.94	\$1,624.28	(\$12.46)	\$1,322.80	\$313.94	\$0.00
Participant + Children	\$1,162.09	(\$15.62)	\$1,025.44	\$152.27	\$1,121.32	(\$6.28)	\$975.32	\$152.28	\$0.01
Participant + Family	\$1,996.38	(\$24.52)	\$1,609.96	\$410.94	\$1,926.06	(\$16.16)	\$1,531.28	\$410.94	\$0.00
LDPP/Copay									
Participant	\$885.75	(\$12.28)	\$806.24	\$91.79	\$1,063.80	\$0.00	\$766.84	\$296.96	\$205.17
Participant + Spouse	\$1,756.57	(\$21.18)	\$1,390.76	\$386.99	\$2,112.78	\$0.00	\$1,322.80	\$789.98	\$402.99
Participant + Children	\$1,212.30	(\$15.62)	\$1,025.44	\$202.48	\$1,457.16	\$0.00	\$975.32	\$481.84	\$279.36
Participant + Family	\$2,083.12	(\$24.52)	\$1,609.96	\$497.68	\$2,506.16	\$0.00	\$1,531.28	\$974.88	\$477.20
EPO/HMO									
Participant	\$1,013.87	(\$12.28)	\$806.24	\$219.91	\$1,309.40	\$0.00	\$766.84	\$542.56	\$322.65
Participant + Spouse	\$2,012.81	(\$21.18)	\$1,390.76	\$643.23	\$2,603.98	\$0.00	\$1,322.80	\$1,281.18	\$637.95
Participant + Children	\$1,388.47	(\$15.62)	\$1,025.44	\$378.65	\$1,794.86	\$0.00	\$975.32	\$819.54	\$440.89
Participant + Family	\$2,387.41	(\$24.52)	\$1,609.96	\$801.97	\$3,089.44	\$0.00	\$1,531.28	\$1,558.16	\$756.19

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- Projected to cover PY2027 expenses with \$2.4M surplus

PY27 premium changes range \$0 in CDHP to \$756.19 for EPO/HMO family from PY26

Scenario 1A: Plan-Specific Rates

December 2025 Approved Plan Design – State Retirees

State Retirees	Current PY2026 Rates			Proposed PY2027 Rates				PY27 vs. PY26
	Published Rates	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	Premium Difference
CDHP								
Participant	\$842.96	\$564.90	\$278.06	\$813.26	(\$33.50)	\$568.70	\$278.06	\$0.00
Participant + Spouse	\$1,677.26	\$974.45	\$702.81	\$1,617.98	(\$65.86)	\$981.02	\$702.82	\$0.01
Participant + Children	\$1,155.82	\$718.48	\$437.34	\$1,115.02	(\$45.64)	\$723.32	\$437.34	\$0.00
Participant + Family	\$1,990.12	\$1,128.03	\$862.09	\$1,919.76	(\$77.96)	\$1,135.62	\$862.10	\$0.01
LDPPO/Copay								
Participant	\$879.48	\$564.90	\$314.58	\$1,057.50	\$0.00	\$568.70	\$488.80	\$174.22
Participant + Spouse	\$1,750.30	\$974.45	\$775.85	\$2,106.50	\$0.00	\$981.02	\$1,125.48	\$349.63
Participant + Children	\$1,206.04	\$718.48	\$487.56	\$1,450.88	\$0.00	\$723.32	\$727.56	\$240.00
Participant + Family	\$2,076.86	\$1,128.03	\$948.83	\$2,499.86	\$0.00	\$1,135.62	\$1,364.24	\$415.41
EPO/HMO								
Participant	\$1,007.60	\$564.90	\$442.70	\$1,303.10	\$0.00	\$568.70	\$734.40	\$291.70
Participant + Spouse	\$2,006.54	\$974.45	\$1,032.09	\$2,597.70	\$0.00	\$981.02	\$1,616.68	\$584.59
Participant + Children	\$1,382.21	\$718.48	\$663.73	\$1,788.58	\$0.00	\$723.32	\$1,065.26	\$401.53
Participant + Family	\$2,381.15	\$1,128.03	\$1,253.12	\$3,083.16	\$0.00	\$1,135.62	\$1,947.54	\$694.42

- For Plan Year 2027:**
- Experience-based rates by plan (no cross-subsidies)
 - Full application of AEGIS/REGI
 - Projected to cover PY2027 expenses with **\$2.4M surplus**

PY276 premium changes range \$0 in CDHP to \$694.42 for EPO/HMO family from PY26

Scenario 1B: Plan-Specific Rates with 2-YR Phase-In

December 2025 Approved Plan Design – State Actives

State Actives	Current PY2026 Rates				Proposed PY2027 Rates				PY27 vs. PY26
	Published Rates	+ Reserve Replenishment	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	Premium Difference
CDHP									
Participant	\$849.22	(\$12.28)	\$806.24	\$55.26	\$819.54	(\$2.56)	\$766.84	\$55.26	\$0.00
Participant + Spouse	\$1,683.52	(\$21.18)	\$1,390.76	\$313.94	\$1,624.28	(\$12.46)	\$1,322.80	\$313.94	\$0.00
Participant + Children	\$1,162.09	(\$15.62)	\$1,025.44	\$152.27	\$1,121.32	(\$6.28)	\$975.32	\$152.28	\$0.01
Participant + Family	\$1,996.38	(\$24.52)	\$1,609.96	\$410.94	\$1,926.06	(\$16.16)	\$1,531.28	\$410.94	\$0.00
LDPPO/Copay									
Participant	\$885.75	(\$12.28)	\$806.24	\$91.79	\$1,063.80	\$102.58	\$766.84	\$194.38	\$102.59
Participant + Spouse	\$1,756.57	(\$21.18)	\$1,390.76	\$386.99	\$2,112.78	\$201.48	\$1,322.80	\$588.50	\$201.51
Participant + Children	\$1,212.30	(\$15.62)	\$1,025.44	\$202.48	\$1,457.16	\$139.68	\$975.32	\$342.16	\$139.68
Participant + Family	\$2,083.12	(\$24.52)	\$1,609.96	\$497.68	\$2,506.16	\$238.60	\$1,531.28	\$736.28	\$238.60
EPO/HMO									
Participant	\$1,013.87	(\$12.28)	\$806.24	\$219.91	\$1,309.40	\$161.32	\$766.84	\$381.24	\$161.33
Participant + Spouse	\$2,012.81	(\$21.18)	\$1,390.76	\$643.23	\$2,603.98	\$318.98	\$1,322.80	\$962.20	\$318.97
Participant + Children	\$1,388.47	(\$15.62)	\$1,025.44	\$378.65	\$1,794.86	\$220.44	\$975.32	\$599.10	\$220.45
Participant + Family	\$2,387.41	(\$24.52)	\$1,609.96	\$801.97	\$3,089.44	\$378.08	\$1,531.28	\$1,180.08	\$378.11

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 2-YR phase-in cost **\$26.4M in PY2027 only**

PY27 premium changes range from \$0 in CDHP to \$378.11 for EPO/HMO family from PY26

Scenario 1B: Plan-Specific Rates with 2-YR Phase-In

December 2025 Approved Plan Design – State Retirees

State Retirees	Current PY2026 Rates			Proposed PY2027 Rates				PY27 vs. PY26 Premium Difference
	Published Rates	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	
CDHP								
Participant	\$842.96	\$564.90	\$278.06	\$813.26	(\$33.50)	\$568.70	\$278.06	\$0.00
Participant + Spouse	\$1,677.26	\$974.45	\$702.81	\$1,617.98	(\$65.86)	\$981.02	\$702.82	\$0.01
Participant + Children	\$1,155.82	\$718.48	\$437.34	\$1,115.02	(\$45.64)	\$723.32	\$437.34	\$0.00
Participant + Family	\$1,990.12	\$1,128.03	\$862.09	\$1,919.76	(\$77.96)	\$1,135.62	\$862.10	\$0.01
LDPPO/Copay								
Participant	\$879.48	\$564.90	\$314.58	\$1,057.50	\$87.10	\$568.70	\$401.70	\$87.12
Participant + Spouse	\$1,750.30	\$974.45	\$775.85	\$2,106.50	\$174.80	\$981.02	\$950.68	\$174.83
Participant + Children	\$1,206.04	\$718.48	\$487.56	\$1,450.88	\$120.00	\$723.32	\$607.56	\$120.00
Participant + Family	\$2,076.86	\$1,128.03	\$948.83	\$2,499.86	\$207.70	\$1,135.62	\$1,156.54	\$207.71
EPO/HMO								
Participant	\$1,007.60	\$564.90	\$442.70	\$1,303.10	\$145.84	\$568.70	\$588.56	\$145.86
Participant + Spouse	\$2,006.54	\$974.45	\$1,032.09	\$2,597.70	\$292.30	\$981.02	\$1,324.38	\$292.29
Participant + Children	\$1,382.21	\$718.48	\$663.73	\$1,788.58	\$200.76	\$723.32	\$864.50	\$200.77
Participant + Family	\$2,381.15	\$1,128.03	\$1,253.12	\$3,083.16	\$347.20	\$1,135.62	\$1,600.34	\$347.22

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 2-YR phase-in cost: **\$26.4M in PY2027 only**

PY27 premium changes range \$0 in CDHP to \$347.22 for EPO/HMO family from PY26

Scenario 1C: Plan-Specific Rates with 3-YR Phase-In

December 2025 Approved Plan Design – State Actives

State Actives	Current PY2026 Rates				Proposed PY2027 Rates				PY27 vs. PY26 Premium Difference
	Published Rates	+ Reserve Replenishment	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	
CDHP									
Participant	\$849.22	(\$12.28)	\$806.24	\$55.26	\$819.54	(\$2.56)	\$766.84	\$55.26	\$0.00
Participant + Spouse	\$1,683.52	(\$21.18)	\$1,390.76	\$313.94	\$1,624.28	(\$12.46)	\$1,322.80	\$313.94	\$0.00
Participant + Children	\$1,162.09	(\$15.62)	\$1,025.44	\$152.27	\$1,121.32	(\$6.28)	\$975.32	\$152.28	\$0.01
Participant + Family	\$1,996.38	(\$24.52)	\$1,609.96	\$410.94	\$1,926.06	(\$16.16)	\$1,531.28	\$410.94	\$0.00
LDPPO/Copay									
Participant	\$885.75	(\$12.28)	\$806.24	\$91.79	\$1,063.80	\$136.78	\$766.84	\$160.18	\$68.39
Participant + Spouse	\$1,756.57	(\$21.18)	\$1,390.76	\$386.99	\$2,112.78	\$268.66	\$1,322.80	\$521.32	\$134.33
Participant + Children	\$1,212.30	(\$15.62)	\$1,025.44	\$202.48	\$1,457.16	\$186.24	\$975.32	\$295.60	\$93.12
Participant + Family	\$2,083.12	(\$24.52)	\$1,609.96	\$497.68	\$2,506.16	\$318.14	\$1,531.28	\$656.74	\$159.06
EPO/HMO									
Participant	\$1,013.87	(\$12.28)	\$806.24	\$219.91	\$1,309.40	\$215.10	\$766.84	\$327.46	\$107.55
Participant + Spouse	\$2,012.81	(\$21.18)	\$1,390.76	\$643.23	\$2,603.98	\$425.30	\$1,322.80	\$855.88	\$212.65
Participant + Children	\$1,388.47	(\$15.62)	\$1,025.44	\$378.65	\$1,794.86	\$293.92	\$975.32	\$525.62	\$146.97
Participant + Family	\$2,387.41	(\$24.52)	\$1,609.96	\$801.97	\$3,089.44	\$504.12	\$1,531.28	\$1,054.04	\$252.07

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 3-YR phase-in cost **\$35.1M in PY2027 only**

PY27 premium changes range from \$0 in CDHP to \$252.07 for EPO/HMO family from PY26

Scenario 1C: Plan-Specific Rates with 3-YR Phase-In

December 2025 Approved Plan Design – State Retirees

State Retirees	Current PY2026 Rates				Proposed PY2027 Rates				PY27 vs. PY26	
	Published Rates	-	Base Subsidy	= Participant Premium	Budget Rates	+	Rate Adjustment	- Base Subsidy	= Participant Premium	Premium Difference
CDHP										
Participant	\$842.96		\$564.90	\$278.06	\$813.26		(\$33.50)	\$568.70	\$278.06	\$0.00
Participant + Spouse	\$1,677.26		\$974.45	\$702.81	\$1,617.98		(\$65.86)	\$981.02	\$702.82	\$0.01
Participant + Children	\$1,155.82		\$718.48	\$437.34	\$1,115.02		(\$45.64)	\$723.32	\$437.34	\$0.00
Participant + Family	\$1,990.12		\$1,128.03	\$862.09	\$1,919.76		(\$77.96)	\$1,135.62	\$862.10	\$0.01
LDPPO/Copay										
Participant	\$879.48		\$564.90	\$314.58	\$1,057.50		\$116.14	\$568.70	\$372.66	\$58.08
Participant + Spouse	\$1,750.30		\$974.45	\$775.85	\$2,106.50		\$233.08	\$981.02	\$892.40	\$116.55
Participant + Children	\$1,206.04		\$718.48	\$487.56	\$1,450.88		\$160.00	\$723.32	\$567.56	\$80.00
Participant + Family	\$2,076.86		\$1,128.03	\$948.83	\$2,499.86		\$276.94	\$1,135.62	\$1,087.30	\$138.47
EPO/HMO										
Participant	\$1,007.60		\$564.90	\$442.70	\$1,303.10		\$194.46	\$568.70	\$539.94	\$97.24
Participant + Spouse	\$2,006.54		\$974.45	\$1,032.09	\$2,597.70		\$389.72	\$981.02	\$1,226.96	\$194.87
Participant + Children	\$1,382.21		\$718.48	\$663.73	\$1,788.58		\$267.68	\$723.32	\$797.58	\$133.85
Participant + Family	\$2,381.15		\$1,128.03	\$1,253.12	\$3,083.16		\$462.94	\$1,135.62	\$1,484.60	\$231.48

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 3-YR phase-in cost **\$35.1M in PY2027 only**

PY27 premium changes range \$0 in CDHP to \$231.48 for EPO/HMO family from PY26

Scenario 2A: Plan-Specific Rates

December 2025 Approved Plan Design, CDHP MaxOOP remains at PY26 level – State Actives

State Actives	Current PY2026 Rates				Proposed PY2027 Rates				PY27 vs. PY26
	Published Rates	+ Reserve Replenishment	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	Premium Difference
CDHP									
Participant	\$849.22	(\$12.28)	\$806.24	\$55.26	\$827.40	\$0.00	\$766.84	\$60.56	\$5.30
Participant + Spouse	\$1,683.52	(\$21.18)	\$1,390.76	\$313.94	\$1,640.02	\$0.00	\$1,322.80	\$317.22	\$3.28
Participant + Children	\$1,162.09	(\$15.62)	\$1,025.44	\$152.27	\$1,132.14	\$0.00	\$975.32	\$156.82	\$4.55
Participant + Family	\$1,996.38	(\$24.52)	\$1,609.96	\$410.94	\$1,944.74	\$0.00	\$1,531.28	\$413.46	\$2.52
LDPPO/Copay									
Participant	\$885.75	(\$12.28)	\$806.24	\$91.79	\$1,063.80	\$0.00	\$766.84	\$296.96	\$205.17
Participant + Spouse	\$1,756.57	(\$21.18)	\$1,390.76	\$386.99	\$2,112.78	\$0.00	\$1,322.80	\$789.98	\$402.99
Participant + Children	\$1,212.30	(\$15.62)	\$1,025.44	\$202.48	\$1,457.16	\$0.00	\$975.32	\$481.84	\$279.36
Participant + Family	\$2,083.12	(\$24.52)	\$1,609.96	\$497.68	\$2,506.16	\$0.00	\$1,531.28	\$974.88	\$477.20
EPO/HMO									
Participant	\$1,013.87	(\$12.28)	\$806.24	\$219.91	\$1,309.40	\$0.00	\$766.84	\$542.56	\$322.65
Participant + Spouse	\$2,012.81	(\$21.18)	\$1,390.76	\$643.23	\$2,603.98	\$0.00	\$1,322.80	\$1,281.18	\$637.95
Participant + Children	\$1,388.47	(\$15.62)	\$1,025.44	\$378.65	\$1,794.86	\$0.00	\$975.32	\$819.54	\$440.89
Participant + Family	\$2,387.41	(\$24.52)	\$1,609.96	\$801.97	\$3,089.44	\$0.00	\$1,531.28	\$1,558.16	\$756.19

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- Projected to cover PY2027 expenses with **\$1.0M surplus**

PY27 premium changes range \$2.52 in CDHP to \$756.19 for EPO/HMO family from PY26

Scenario 2A: Plan-Specific Rates

December 2025 Approved Plan Design, CDHP MaxOOP remains at PY26 level – State Retirees

State Retirees	Current PY2026 Rates			Proposed PY2027 Rates				PY27 vs. PY26 Premium Difference
	Published Rates	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	
CDHP								
Participant	\$842.96	\$564.90	\$278.06	\$821.12	(\$25.64)	\$568.70	\$278.06	\$0.00
Participant + Spouse	\$1,677.26	\$974.45	\$702.81	\$1,633.72	(\$50.12)	\$981.02	\$702.82	\$0.01
Participant + Children	\$1,155.82	\$718.48	\$437.34	\$1,125.84	(\$34.82)	\$723.32	\$437.34	\$0.00
Participant + Family	\$1,990.12	\$1,128.03	\$862.09	\$1,938.44	(\$59.28)	\$1,135.62	\$862.10	\$0.01
LDPPO/Copay								
Participant	\$879.48	\$564.90	\$314.58	\$1,057.50	\$0.00	\$568.70	\$488.80	\$174.22
Participant + Spouse	\$1,750.30	\$974.45	\$775.85	\$2,106.50	\$0.00	\$981.02	\$1,125.48	\$349.63
Participant + Children	\$1,206.04	\$718.48	\$487.56	\$1,450.88	\$0.00	\$723.32	\$727.56	\$240.00
Participant + Family	\$2,076.86	\$1,128.03	\$948.83	\$2,499.86	\$0.00	\$1,135.62	\$1,364.24	\$415.41
EPO/HMO								
Participant	\$1,007.60	\$564.90	\$442.70	\$1,303.10	\$0.00	\$568.70	\$734.40	\$291.70
Participant + Spouse	\$2,006.54	\$974.45	\$1,032.09	\$2,597.70	\$0.00	\$981.02	\$1,616.68	\$584.59
Participant + Children	\$1,382.21	\$718.48	\$663.73	\$1,788.58	\$0.00	\$723.32	\$1,065.26	\$401.53
Participant + Family	\$2,381.15	\$1,128.03	\$1,253.12	\$3,083.16	\$0.00	\$1,135.62	\$1,947.54	\$694.42

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- Projected to cover PY2027 expenses with **\$1.0M surplus**

PY27 premium changes range \$0 in CDHP to \$694.42 for EPO/HMO family from PY26

Scenario 2B: Plan-Specific Rates with 2-YR Phase-In

December 2025 Approved Plan Design, CDHP MaxOOP remains at PY26 level – State Actives

State Actives	Current PY2026 Rates				Proposed PY2027 Rates				PY27 vs. PY26
	Published Rates	+ Reserve Replenishment	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	Premium Difference
CDHP									
Participant	\$849.22	(\$12.28)	\$806.24	\$55.26	\$827.40	\$2.64	\$766.84	\$57.92	\$2.66
Participant + Spouse	\$1,683.52	(\$21.18)	\$1,390.76	\$313.94	\$1,640.02	\$1.64	\$1,322.80	\$315.58	\$1.64
Participant + Children	\$1,162.09	(\$15.62)	\$1,025.44	\$152.27	\$1,132.14	\$2.28	\$975.32	\$154.54	\$2.27
Participant + Family	\$1,996.38	(\$24.52)	\$1,609.96	\$410.94	\$1,944.74	\$1.26	\$1,531.28	\$412.20	\$1.26
LDPPO/Copay									
Participant	\$885.75	(\$12.28)	\$806.24	\$91.79	\$1,063.80	\$102.58	\$766.84	\$194.38	\$102.59
Participant + Spouse	\$1,756.57	(\$21.18)	\$1,390.76	\$386.99	\$2,112.78	\$201.48	\$1,322.80	\$588.50	\$201.51
Participant + Children	\$1,212.30	(\$15.62)	\$1,025.44	\$202.48	\$1,457.16	\$139.68	\$975.32	\$342.16	\$139.68
Participant + Family	\$2,083.12	(\$24.52)	\$1,609.96	\$497.68	\$2,506.16	\$238.60	\$1,531.28	\$736.28	\$238.60
EPO/HMO									
Participant	\$1,013.87	(\$12.28)	\$806.24	\$219.91	\$1,309.40	\$161.32	\$766.84	\$381.24	\$161.33
Participant + Spouse	\$2,012.81	(\$21.18)	\$1,390.76	\$643.23	\$2,603.98	\$318.98	\$1,322.80	\$962.20	\$318.97
Participant + Children	\$1,388.47	(\$15.62)	\$1,025.44	\$378.65	\$1,794.86	\$220.44	\$975.32	\$599.10	\$220.45
Participant + Family	\$2,387.41	(\$24.52)	\$1,609.96	\$801.97	\$3,089.44	\$378.08	\$1,531.28	\$1,180.08	\$378.11

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 2-YR phase-in cost: \$28.1M in PY2027 only

PY27 premium changes range \$1.26 in CDHP to \$378.11 for EPO/HMO family from PY26

Scenario 2B: Plan-Specific Rates with 2-YR Phase-In

December 2025 Approved Plan Design, CDHP MaxOOP remains at PY26 level – State Retirees

State Retirees	Current PY2026 Rates				Proposed PY2027 Rates				PY27 vs. PY26 Premium Difference
	Published Rates	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium		
CDHP									
Participant	\$842.96		\$564.90	\$278.06	\$821.12	(\$25.64)	\$568.70	\$278.06	\$0.00
Participant + Spouse	\$1,677.26		\$974.45	\$702.81	\$1,633.72	(\$50.12)	\$981.02	\$702.82	\$0.01
Participant + Children	\$1,155.82		\$718.48	\$437.34	\$1,125.84	(\$34.82)	\$723.32	\$437.34	\$0.00
Participant + Family	\$1,990.12		\$1,128.03	\$862.09	\$1,938.44	(\$59.28)	\$1,135.62	\$862.10	\$0.01
LDPPO/Copay									
Participant	\$879.48		\$564.90	\$314.58	\$1,057.50	\$87.10	\$568.70	\$401.70	\$87.12
Participant + Spouse	\$1,750.30		\$974.45	\$775.85	\$2,106.50	\$174.80	\$981.02	\$950.68	\$174.83
Participant + Children	\$1,206.04		\$718.48	\$487.56	\$1,450.88	\$120.00	\$723.32	\$607.56	\$120.00
Participant + Family	\$2,076.86		\$1,128.03	\$948.83	\$2,499.86	\$207.70	\$1,135.62	\$1,156.54	\$207.71
EPO/HMO									
Participant	\$1,007.60		\$564.90	\$442.70	\$1,303.10	\$145.84	\$568.70	\$588.56	\$145.86
Participant + Spouse	\$2,006.54		\$974.45	\$1,032.09	\$2,597.70	\$292.30	\$981.02	\$1,324.38	\$292.29
Participant + Children	\$1,382.21		\$718.48	\$663.73	\$1,788.58	\$200.76	\$723.32	\$864.50	\$200.77
Participant + Family	\$2,381.15		\$1,128.03	\$1,253.12	\$3,083.16	\$347.20	\$1,135.62	\$1,600.34	\$347.22

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 2-YR phase-in cost: \$28.1M in PY2027 only

PY27 premium changes range \$0 in CDHP to \$347.22 for EPO/HMO family from PY26

Scenario 2C: Plan-Specific Rates with 3-YR Phase-In

December 2025 Approved Plan Design, CDHP MaxOOP remains at PY26 level – State Actives

State Actives	Current PY2026 Rates				Proposed PY2027 Rates				PY27 vs. PY26 Premium Difference
	Published Rates	+ Reserve Replenishment	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	
CDHP									
Participant	\$849.22	(\$12.28)	\$806.24	\$55.26	\$827.40	\$3.52	\$766.84	\$57.04	\$1.78
Participant + Spouse	\$1,683.52	(\$21.18)	\$1,390.76	\$313.94	\$1,640.02	\$2.18	\$1,322.80	\$315.04	\$1.10
Participant + Children	\$1,162.09	(\$15.62)	\$1,025.44	\$152.27	\$1,132.14	\$3.04	\$975.32	\$153.78	\$1.51
Participant + Family	\$1,996.38	(\$24.52)	\$1,609.96	\$410.94	\$1,944.74	\$1.68	\$1,531.28	\$411.78	\$0.84
LDPPO/Copay									
Participant	\$885.75	(\$12.28)	\$806.24	\$91.79	\$1,063.80	\$136.78	\$766.84	\$160.18	\$68.39
Participant + Spouse	\$1,756.57	(\$21.18)	\$1,390.76	\$386.99	\$2,112.78	\$268.66	\$1,322.80	\$521.32	\$134.33
Participant + Children	\$1,212.30	(\$15.62)	\$1,025.44	\$202.48	\$1,457.16	\$186.24	\$975.32	\$295.60	\$93.12
Participant + Family	\$2,083.12	(\$24.52)	\$1,609.96	\$497.68	\$2,506.16	\$318.14	\$1,531.28	\$656.74	\$159.06
EPO/HMO									
Participant	\$1,013.87	(\$12.28)	\$806.24	\$219.91	\$1,309.40	\$215.10	\$766.84	\$327.46	\$107.55
Participant + Spouse	\$2,012.81	(\$21.18)	\$1,390.76	\$643.23	\$2,603.98	\$425.30	\$1,322.80	\$855.88	\$212.65
Participant + Children	\$1,388.47	(\$15.62)	\$1,025.44	\$378.65	\$1,794.86	\$293.92	\$975.32	\$525.62	\$146.97
Participant + Family	\$2,387.41	(\$24.52)	\$1,609.96	\$801.97	\$3,089.44	\$504.12	\$1,531.28	\$1,054.04	\$252.07

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 3-YR phase-in cost: \$37.1M in PY2027 only

PY27 premium changes range \$0.84 in CDHP to \$252.07 for EPO/HMO family from PY26

Scenario 2C: Plan-Specific Rates with 3-YR Phase-In

December 2025 Approved Plan Design, CDHP MaxOOP remains at PY26 level – State Retirees

State Retirees	Current PY2026 Rates			Proposed PY2027 Rates				PY27 vs. PY26 Premium Difference
	Published Rates	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	
CDHP								
Participant	\$842.96	\$564.90	\$278.06	\$821.12	(\$25.64)	\$568.70	\$278.06	\$0.00
Participant + Spouse	\$1,677.26	\$974.45	\$702.81	\$1,633.72	(\$50.12)	\$981.02	\$702.82	\$0.01
Participant + Children	\$1,155.82	\$718.48	\$437.34	\$1,125.84	(\$34.82)	\$723.32	\$437.34	\$0.00
Participant + Family	\$1,990.12	\$1,128.03	\$862.09	\$1,938.44	(\$59.28)	\$1,135.62	\$862.10	\$0.01
LDPPO/Copay								
Participant	\$879.48	\$564.90	\$314.58	\$1,057.50	\$116.14	\$568.70	\$372.66	\$58.08
Participant + Spouse	\$1,750.30	\$974.45	\$775.85	\$2,106.50	\$233.08	\$981.02	\$892.40	\$116.55
Participant + Children	\$1,206.04	\$718.48	\$487.56	\$1,450.88	\$160.00	\$723.32	\$567.56	\$80.00
Participant + Family	\$2,076.86	\$1,128.03	\$948.83	\$2,499.86	\$276.94	\$1,135.62	\$1,087.30	\$138.47
EPO/HMO								
Participant	\$1,007.60	\$564.90	\$442.70	\$1,303.10	\$194.46	\$568.70	\$539.94	\$97.24
Participant + Spouse	\$2,006.54	\$974.45	\$1,032.09	\$2,597.70	\$389.72	\$981.02	\$1,226.96	\$194.87
Participant + Children	\$1,382.21	\$718.48	\$663.73	\$1,788.58	\$267.68	\$723.32	\$797.58	\$133.85
Participant + Family	\$2,381.15	\$1,128.03	\$1,253.12	\$3,083.16	\$462.94	\$1,135.62	\$1,484.60	\$231.48

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 3-YR phase-in cost: \$37.1M in PY2027 only

PY27 premium changes range \$0 in CDHP to \$231.48 for EPO/HMO family from PY26

Scenario 3A: Plan-Specific Rates

December 2025 Approved Plan Design, MaxOOP for all plans remain at PY26 level – State Actives

State Actives	Current PY2026 Rates				Proposed PY2027 Rates				PY27 vs. PY26 Premium Difference
	Published Rates	+ Reserve Replenishment	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	
CDHP									
Participant	\$849.22	(\$12.28)	\$806.24	\$55.26	\$827.22	\$0.00	\$766.84	\$60.38	\$5.12
Participant + Spouse	\$1,683.52	(\$21.18)	\$1,390.76	\$313.94	\$1,639.64	\$0.00	\$1,322.80	\$316.84	\$2.90
Participant + Children	\$1,162.09	(\$15.62)	\$1,025.44	\$152.27	\$1,131.88	\$0.00	\$975.32	\$156.56	\$4.29
Participant + Family	\$1,996.38	(\$24.52)	\$1,609.96	\$410.94	\$1,944.30	\$0.00	\$1,531.28	\$413.02	\$2.08
LDPPO/Copay									
Participant	\$885.75	(\$12.28)	\$806.24	\$91.79	\$1,070.08	\$0.00	\$766.84	\$303.24	\$211.45
Participant + Spouse	\$1,756.57	(\$21.18)	\$1,390.76	\$386.99	\$2,125.36	\$0.00	\$1,322.80	\$802.56	\$415.57
Participant + Children	\$1,212.30	(\$15.62)	\$1,025.44	\$202.48	\$1,465.82	\$0.00	\$975.32	\$490.50	\$288.02
Participant + Family	\$2,083.12	(\$24.52)	\$1,609.96	\$497.68	\$2,521.10	\$0.00	\$1,531.28	\$989.82	\$492.14
EPO/HMO									
Participant	\$1,013.87	(\$12.28)	\$806.24	\$219.91	\$1,307.08	\$0.00	\$766.84	\$540.24	\$320.33
Participant + Spouse	\$2,012.81	(\$21.18)	\$1,390.76	\$643.23	\$2,599.36	\$0.00	\$1,322.80	\$1,276.56	\$633.33
Participant + Children	\$1,388.47	(\$15.62)	\$1,025.44	\$378.65	\$1,791.68	\$0.00	\$975.32	\$816.36	\$437.71
Participant + Family	\$2,387.41	(\$24.52)	\$1,609.96	\$801.97	\$3,083.96	\$0.00	\$1,531.28	\$1,552.68	\$750.71

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- Projected to cover PY2027 expenses with **\$1.1M surplus**

PY27 premium changes range \$2.08 in CDHP to \$750.71 for EPO/HMO family from PY26

Scenario 3A: Plan-Specific Rates

December 2025 Approved Plan Design, MaxOOP for all plans remain at PY26 level – State Retirees

State Retirees	Current PY2026 Rates			Proposed PY2027 Rates				PY27 vs. PY26 Premium Difference
	Published Rates	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	
CDHP								
Participant	\$842.96	\$564.90	\$278.06	\$820.94	(\$25.82)	\$568.70	\$278.06	\$0.00
Participant + Spouse	\$1,677.26	\$974.45	\$702.81	\$1,633.36	(\$50.48)	\$981.02	\$702.82	\$0.01
Participant + Children	\$1,155.82	\$718.48	\$437.34	\$1,125.60	(\$35.06)	\$723.32	\$437.34	\$0.00
Participant + Family	\$1,990.12	\$1,128.03	\$862.09	\$1,938.00	(\$59.72)	\$1,135.62	\$862.10	\$0.01
LDPPO/Copay								
Participant	\$879.48	\$564.90	\$314.58	\$1,063.80	\$0.00	\$568.70	\$495.10	\$180.52
Participant + Spouse	\$1,750.30	\$974.45	\$775.85	\$2,119.08	\$0.00	\$981.02	\$1,138.06	\$362.21
Participant + Children	\$1,206.04	\$718.48	\$487.56	\$1,459.52	\$0.00	\$723.32	\$736.20	\$248.64
Participant + Family	\$2,076.86	\$1,128.03	\$948.83	\$2,514.80	\$0.00	\$1,135.62	\$1,379.18	\$430.35
EPO/HMO								
Participant	\$1,007.60	\$564.90	\$442.70	\$1,300.80	\$0.00	\$568.70	\$732.10	\$289.40
Participant + Spouse	\$2,006.54	\$974.45	\$1,032.09	\$2,593.08	\$0.00	\$981.02	\$1,612.06	\$579.97
Participant + Children	\$1,382.21	\$718.48	\$663.73	\$1,785.40	\$0.00	\$723.32	\$1,062.08	\$398.35
Participant + Family	\$2,381.15	\$1,128.03	\$1,253.12	\$3,077.68	\$0.00	\$1,135.62	\$1,942.06	\$688.94

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- Projected to cover PY2027 expenses with **\$1.1M surplus**

PY27 premium changes range \$0 in CDHP to \$688.94 for EPO/HMO family from PY26

Scenario 3B: Plan-Specific Rates with 2-YR Phase-In

December 2025 Approved Plan Design, MaxOOP for all plans remain at PY26 level – State Actives

State Actives	Current PY2026 Rates				Proposed PY2027 Rates				PY27 vs. PY26 Premium Difference
	Published Rates	+ Reserve Replenishment	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	
CDHP									
Participant	\$849.22	(\$12.28)	\$806.24	\$55.26	\$827.22	\$2.56	\$766.84	\$57.82	\$2.56
Participant + Spouse	\$1,683.52	(\$21.18)	\$1,390.76	\$313.94	\$1,639.64	\$1.44	\$1,322.80	\$315.40	\$1.46
Participant + Children	\$1,162.09	(\$15.62)	\$1,025.44	\$152.27	\$1,131.88	\$2.14	\$975.32	\$154.42	\$2.15
Participant + Family	\$1,996.38	(\$24.52)	\$1,609.96	\$410.94	\$1,944.30	\$1.04	\$1,531.28	\$411.98	\$1.04
LDPPO/Copay									
Participant	\$885.75	(\$12.28)	\$806.24	\$91.79	\$1,070.08	\$105.72	\$766.84	\$197.52	\$105.73
Participant + Spouse	\$1,756.57	(\$21.18)	\$1,390.76	\$386.99	\$2,125.36	\$207.78	\$1,322.80	\$594.78	\$207.79
Participant + Children	\$1,212.30	(\$15.62)	\$1,025.44	\$202.48	\$1,465.82	\$144.00	\$975.32	\$346.50	\$144.02
Participant + Family	\$2,083.12	(\$24.52)	\$1,609.96	\$497.68	\$2,521.10	\$246.06	\$1,531.28	\$743.76	\$246.08
EPO/HMO									
Participant	\$1,013.87	(\$12.28)	\$806.24	\$219.91	\$1,307.08	\$160.16	\$766.84	\$380.08	\$160.17
Participant + Spouse	\$2,012.81	(\$21.18)	\$1,390.76	\$643.23	\$2,599.36	\$316.66	\$1,322.80	\$959.90	\$316.67
Participant + Children	\$1,388.47	(\$15.62)	\$1,025.44	\$378.65	\$1,791.68	\$218.84	\$975.32	\$597.52	\$218.87
Participant + Family	\$2,387.41	(\$24.52)	\$1,609.96	\$801.97	\$3,083.96	\$375.34	\$1,531.28	\$1,177.34	\$375.37

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 2-YR phase-in cost **\$28.6M in PY2027 only**

PY27 premium changes range \$1.04 in CDHP to \$375.37 for EPO/HMO family from PY26

Scenario 3B: Plan-Specific Rates with 2-YR Phase-In

December 2025 Approved Plan Design, MaxOOP for all plans remain at PY26 level – State Retirees

State Retirees	Current PY2026 Rates			Proposed PY2027 Rates				PY27 vs. PY26 Premium Difference
	Published Rates	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	
CDHP								
Participant	\$842.96	\$564.90	\$278.06	\$820.94	(\$25.82)	\$568.70	\$278.06	\$0.00
Participant + Spouse	\$1,677.26	\$974.45	\$702.81	\$1,633.36	(\$50.48)	\$981.02	\$702.82	\$0.01
Participant + Children	\$1,155.82	\$718.48	\$437.34	\$1,125.60	(\$35.06)	\$723.32	\$437.34	\$0.00
Participant + Family	\$1,990.12	\$1,128.03	\$862.09	\$1,938.00	(\$59.72)	\$1,135.62	\$862.10	\$0.01
LDPPO/Copay								
Participant	\$879.48	\$564.90	\$314.58	\$1,063.80	\$90.26	\$568.70	\$404.84	\$90.26
Participant + Spouse	\$1,750.30	\$974.45	\$775.85	\$2,119.08	\$181.10	\$981.02	\$956.96	\$181.11
Participant + Children	\$1,206.04	\$718.48	\$487.56	\$1,459.52	\$124.32	\$723.32	\$611.88	\$124.32
Participant + Family	\$2,076.86	\$1,128.03	\$948.83	\$2,514.80	\$215.16	\$1,135.62	\$1,164.02	\$215.19
EPO/HMO								
Participant	\$1,007.60	\$564.90	\$442.70	\$1,300.80	\$144.70	\$568.70	\$587.40	\$144.70
Participant + Spouse	\$2,006.54	\$974.45	\$1,032.09	\$2,593.08	\$289.98	\$981.02	\$1,322.08	\$289.99
Participant + Children	\$1,382.21	\$718.48	\$663.73	\$1,785.40	\$199.18	\$723.32	\$862.90	\$199.17
Participant + Family	\$2,381.15	\$1,128.03	\$1,253.12	\$3,077.68	\$344.46	\$1,135.62	\$1,597.60	\$344.48

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 2-YR phase-in cost: \$28.6M in PY2027 only

PY27 premium changes range \$0 in CDHP to \$344.48 for EPO/HMO family from PY26

Scenario 3C: Plan-Specific Rates with 3-YR Phase-In

December 2025 Approved Plan Design, MaxOOP for all plans remain at PY26 level – State Actives

State Actives	Current PY2026 Rates				Proposed PY2027 Rates				PY27 vs. PY26
	Published Rates	+ Reserve Replenishment	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	Premium Difference
CDHP									
Participant	\$849.22	(\$12.28)	\$806.24	\$55.26	\$827.22	\$3.40	\$766.84	\$56.98	\$1.72
Participant + Spouse	\$1,683.52	(\$21.18)	\$1,390.76	\$313.94	\$1,639.64	\$1.92	\$1,322.80	\$314.92	\$0.98
Participant + Children	\$1,162.09	(\$15.62)	\$1,025.44	\$152.27	\$1,131.88	\$2.86	\$975.32	\$153.70	\$1.43
Participant + Family	\$1,996.38	(\$24.52)	\$1,609.96	\$410.94	\$1,944.30	\$1.38	\$1,531.28	\$411.64	\$0.70
LDPPO/Copay									
Participant	\$885.75	(\$12.28)	\$806.24	\$91.79	\$1,070.08	\$140.96	\$766.84	\$162.28	\$70.49
Participant + Spouse	\$1,756.57	(\$21.18)	\$1,390.76	\$386.99	\$2,125.36	\$277.04	\$1,322.80	\$525.52	\$138.53
Participant + Children	\$1,212.30	(\$15.62)	\$1,025.44	\$202.48	\$1,465.82	\$192.02	\$975.32	\$298.48	\$96.00
Participant + Family	\$2,083.12	(\$24.52)	\$1,609.96	\$497.68	\$2,521.10	\$328.10	\$1,531.28	\$661.72	\$164.04
EPO/HMO									
Participant	\$1,013.87	(\$12.28)	\$806.24	\$219.91	\$1,307.08	\$213.54	\$766.84	\$326.70	\$106.79
Participant + Spouse	\$2,012.81	(\$21.18)	\$1,390.76	\$643.23	\$2,599.36	\$422.22	\$1,322.80	\$854.34	\$211.11
Participant + Children	\$1,388.47	(\$15.62)	\$1,025.44	\$378.65	\$1,791.68	\$291.80	\$975.32	\$524.56	\$145.91
Participant + Family	\$2,387.41	(\$24.52)	\$1,609.96	\$801.97	\$3,083.96	\$500.46	\$1,531.28	\$1,052.22	\$250.25

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 3-YR phase-in cost **\$37.7M in PY2027 only**

PY27 premium changes range \$0.70 in CDHP to \$250.25 for EPO/HMO family from PY26

Scenario 3C: Plan-Specific Rates with 3-YR Phase-In

December 2025 Approved Plan Design, MaxOOP for all plans remain at PY26 level – State Retirees

State Retirees	Current PY2026 Rates			Proposed PY2027 Rates				PY27 vs. PY26
	Published Rates	- Base Subsidy	= Participant Premium	Budget Rates	+ Rate Adjustment	- Base Subsidy	= Participant Premium	Premium Difference
CDHP								
Participant	\$842.96	\$564.90	\$278.06	\$820.94	(\$25.82)	\$568.70	\$278.06	\$0.00
Participant + Spouse	\$1,677.26	\$974.45	\$702.81	\$1,633.36	(\$50.48)	\$981.02	\$702.82	\$0.01
Participant + Children	\$1,155.82	\$718.48	\$437.34	\$1,125.60	(\$35.06)	\$723.32	\$437.34	\$0.00
Participant + Family	\$1,990.12	\$1,128.03	\$862.09	\$1,938.00	(\$59.72)	\$1,135.62	\$862.10	\$0.01
LDPPO/Copay								
Participant	\$879.48	\$564.90	\$314.58	\$1,063.80	\$120.34	\$568.70	\$374.76	\$60.18
Participant + Spouse	\$1,750.30	\$974.45	\$775.85	\$2,119.08	\$241.46	\$981.02	\$896.60	\$120.75
Participant + Children	\$1,206.04	\$718.48	\$487.56	\$1,459.52	\$165.76	\$723.32	\$570.44	\$82.88
Participant + Family	\$2,076.86	\$1,128.03	\$948.83	\$2,514.80	\$286.90	\$1,135.62	\$1,092.28	\$143.45
EPO/HMO								
Participant	\$1,007.60	\$564.90	\$442.70	\$1,300.80	\$192.94	\$568.70	\$539.16	\$96.46
Participant + Spouse	\$2,006.54	\$974.45	\$1,032.09	\$2,593.08	\$386.64	\$981.02	\$1,225.42	\$193.33
Participant + Children	\$1,382.21	\$718.48	\$663.73	\$1,785.40	\$265.56	\$723.32	\$796.52	\$132.79
Participant + Family	\$2,381.15	\$1,128.03	\$1,253.12	\$3,077.68	\$459.30	\$1,135.62	\$1,482.76	\$229.64

For Plan Year 2027:

- Experience-based rates by plan (no cross-subsidies)
- Full application of AEGIS/REGI
- 3-YR phase-in cost **\$37.7M in PY2027 only**

PY27 premium changes range \$0 in CDHP to \$229.64 for EPO/HMO family from PY26

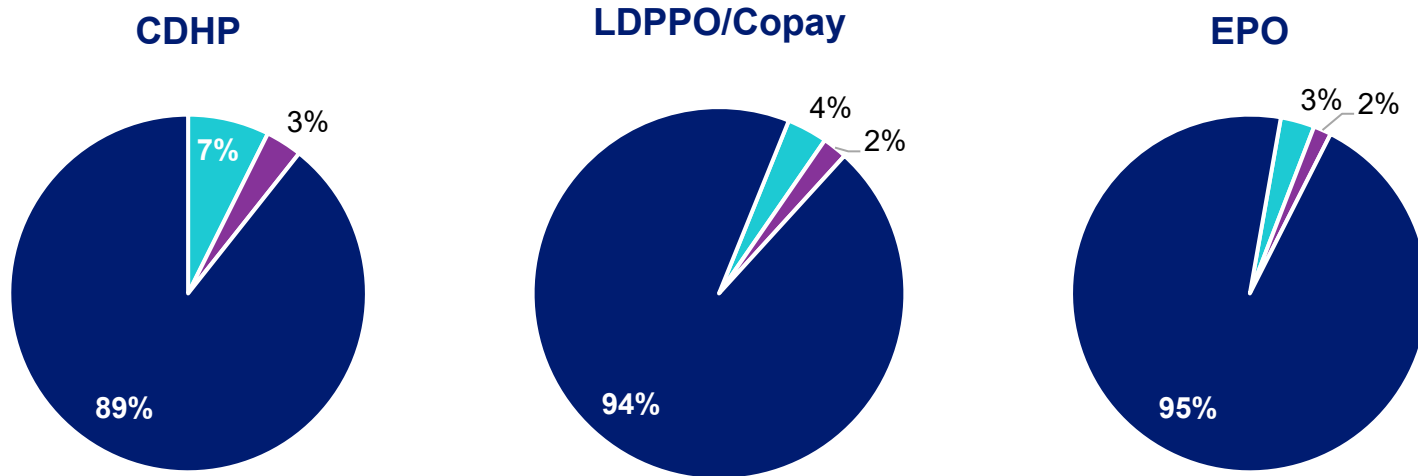
Summary

- Removing subsidies between plans will impact budget rates
 - Reduce CDHP
 - Increases for LDPPO and EPO/HMO
- Coupled with reduction in State funding (PY2027 vs. PY2026), the impact on premiums:
 - No change for CDHP
 - Increases for LDPPO and EPO/HMO
- Substantial migration is anticipated
 - from EPO/HMO to LDPPO
 - from LDPPO to CDHP
- Plan design options being considered will increase premium costs (\$2.2M - \$3.2M)
- Multi-year premium phase-in will increase PEBP costs by \$26.4M – \$37.7M
- Re-evaluate for PY2028 to consider
 - impact of migration
 - Cost trends
 - State funding for FY2028-29 biennium



Appendix

Members Reaching OOP Max – PY2025

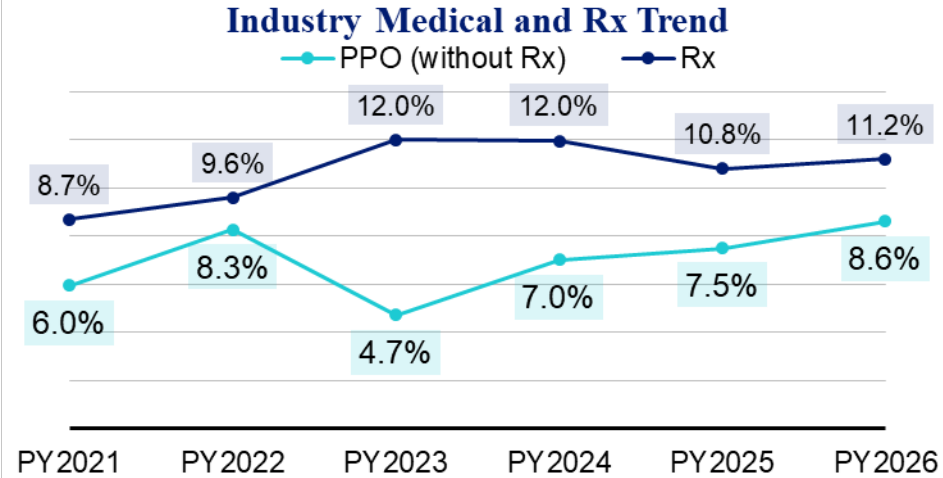


■ EE Only Coverage Meeting OOP Max ■ EE+Deps Coverage Meeting OOP Max ■ EEs Not Meeting OOP Max

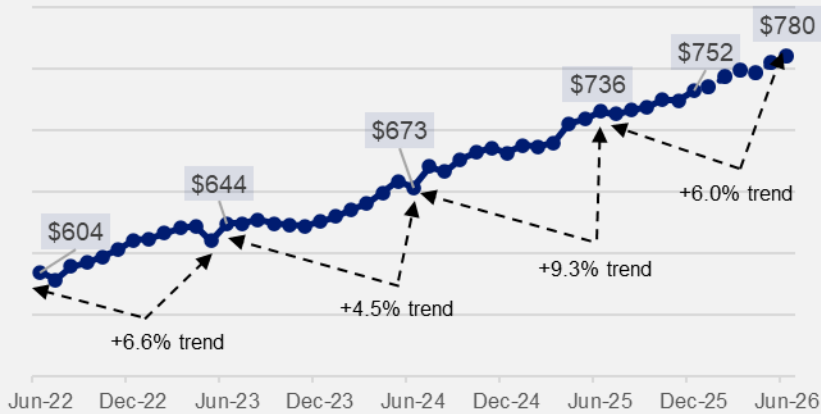
Plan	Unique Employee/Retiree Count	EE Only Coverage meeting OOPMax	EE+Deps Coverage meeting OOPMax	Total Meeting OOPMax	Total % Meeting OOPMax
CDHP	12,197	1,044	468	1,512	10.7%
LDPPO	12,454	428	261	689	5.7%
EPO	2,696	86	45	131	4.7%
Total	27,347	1,558	774	2,332	8.0%

Medical/Rx Cost Trends

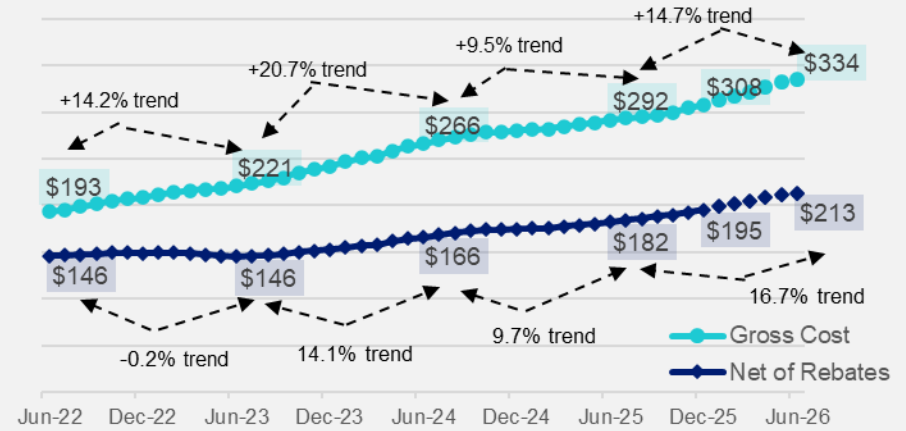
- **PEBP Rx trend drivers¹**
 - The number of patients utilizing Mounjaro and Ozempic continues to rise (2-3x that of prior period)
 - Specialty patients increasing by 15-20% in FY25
 - Rebate trend lagging claims trend in FY25
- **PEBP Medical trend drivers²**
 - HCCs account for \$2M increase between FY24/FY25
 - Cancer prevalence is 7.9% of members
 - Diabetes prevalence is 6.4% of members
 - MSK prevalence is 18.9% of members



PEBP Medical (PEPM)



PEBP Prescription Drug (PEPM)



¹ Based on ESI reporting through December 31, 2025

² Based on UMR reporting through December 31, 2025

Summary of Network Plan Designs and Premiums

PPO Comparison

	LDPPO	Benchmarking Data		
		Richest	Leanest	Average
Actuarial Value	83.1%	92.6%	73.5%	81.3%
Annual Deductible (Med)	\$300 / \$600	\$0 / \$0	\$4,000 / \$8,000	\$733 / \$1,612
Annual Deductible (Rx)	N/A	\$0 / \$0	\$250 / \$750	\$20 / \$60
Coinsurance	20%	0%	30%	18%
Out-of-Pocket Maximum (Med)	\$5,000 / \$10,000	\$1,750 / \$3,500	\$7,350 / \$14,700	\$3,431 / \$7,240
Out-of-Pocket Maximum (Rx)	N/A	\$0 / \$0	\$4,350 / \$8,700	\$1,745 / \$3,252
PCP / Specialist	\$30 / \$50	\$10 / \$35	\$50 / \$75	\$29 / \$48
Urgent Care Visit	\$80	\$20	\$80	\$62
Emergency Room Visit	\$750	\$250	\$1,000	\$525
Prescription Drug	\$10 / \$40 / \$75 / 30%	\$5 / \$20 / \$50 / \$60	\$25 / \$75 / \$60 / \$200	\$10 / \$31 / \$54 / \$105
2026 Employee Only Premium	\$92	\$535	\$0	\$120
2026 Family Premium	\$498	\$1,658	\$0	\$399

Coinsurances and mixed copay/coinsurances were excluded from minimum, maximum, and average calculations.

Each plan element in the comparison data is shown independently. Multiple plans may be represented across the richest and leanest comparison columns.

Benchmark plan designs and contributions effective on January 1, 2026.

Summary of Current Plan Designs and Premiums

CDHP Comparison

	CDHP	Benchmarking Data		
		Richest	Leanest	Average
Actuarial Value	77.8%	84.4%	64.0%	75.3%
Annual Deductible	\$1,700 / \$3,400	\$1,650 / \$3,300	\$3,000 / \$6,000	\$1,988 / \$4,175
Base HSA/HRA	\$700 / \$1,300	\$0 / \$0	\$1,935 / \$3,987	\$795 / \$1,496
Coinsurance	20%	10%	30%	21%
Out-of-Pocket Maximum	\$5,000 / \$10,000	\$3,000 / \$7,000	\$7,400 / \$14,800	\$4,731 / \$9,588
PCP / Specialist	20% / 20%	10% / 10%	30% / 30%	21% / 21%
Urgent Care Visit	20%	10%	30%	21%
Emergency Room Visit	20%	10%	30%	21%
Prescription Drug*	20% / 20% / 100% / 30%	\$10 / \$35 / \$60	\$15 / \$40 / \$60	\$12 / \$38 / \$60
2026 Employee Only Premium	\$55	\$80	\$0	\$31
2026 Family Premium	\$410	\$289	\$52	\$127

*Only generic / preferred brand / non-preferred brand are shown due to lack of specialty copay only tiers in benchmark data.

Coinsurances and mixed copay/coinsurances were excluded from minimum, maximum, and average calculations.

Each plan element in the comparison data is shown independently. Multiple plans may be represented across the richest and leanest comparison columns.

Benchmark plan designs and contributions effective on January 1, 2026.

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