



State Health Plan Board of Trustees Meeting

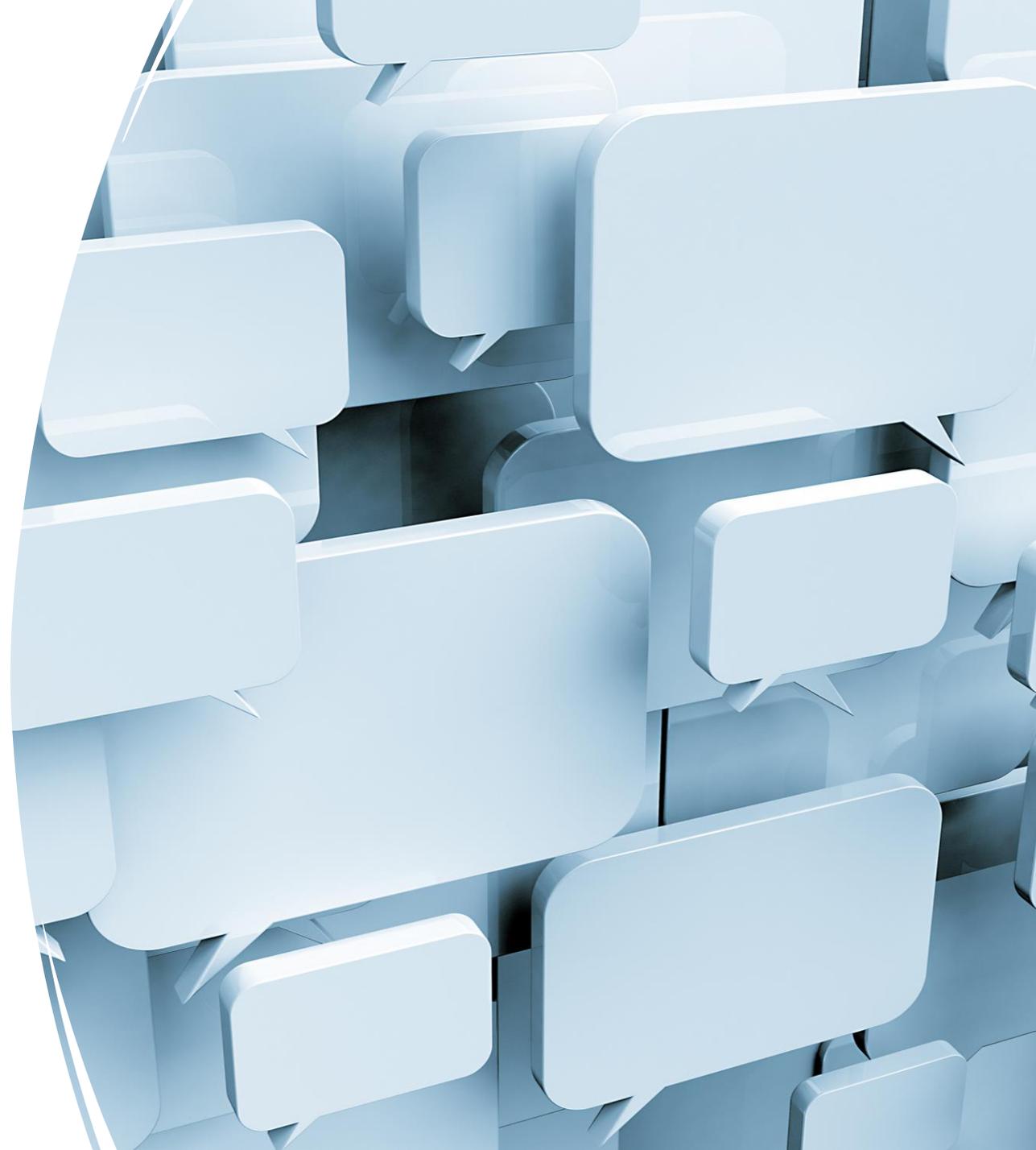
March 7, 2025

 *North Carolina*
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer



Presentation Overview

- EA Update
- Legislative Update
- Prior Authorization Discussion
- Benefit Comparison
- 2026 Benefit Discussion

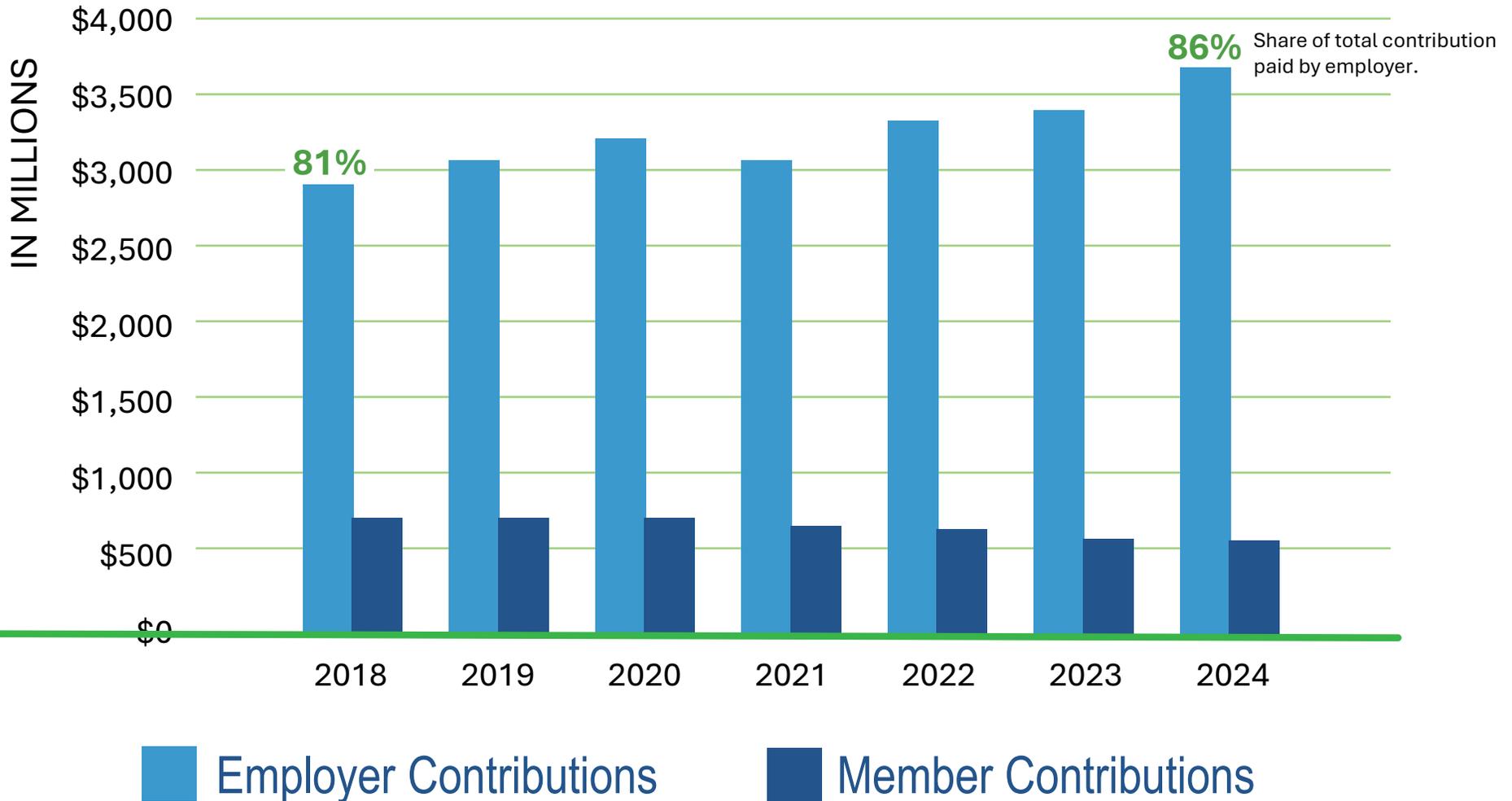
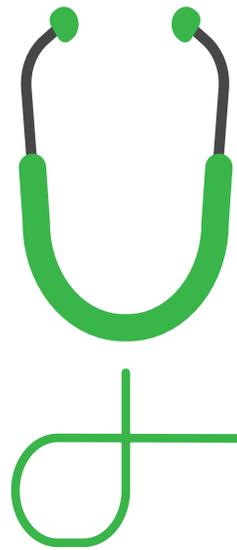




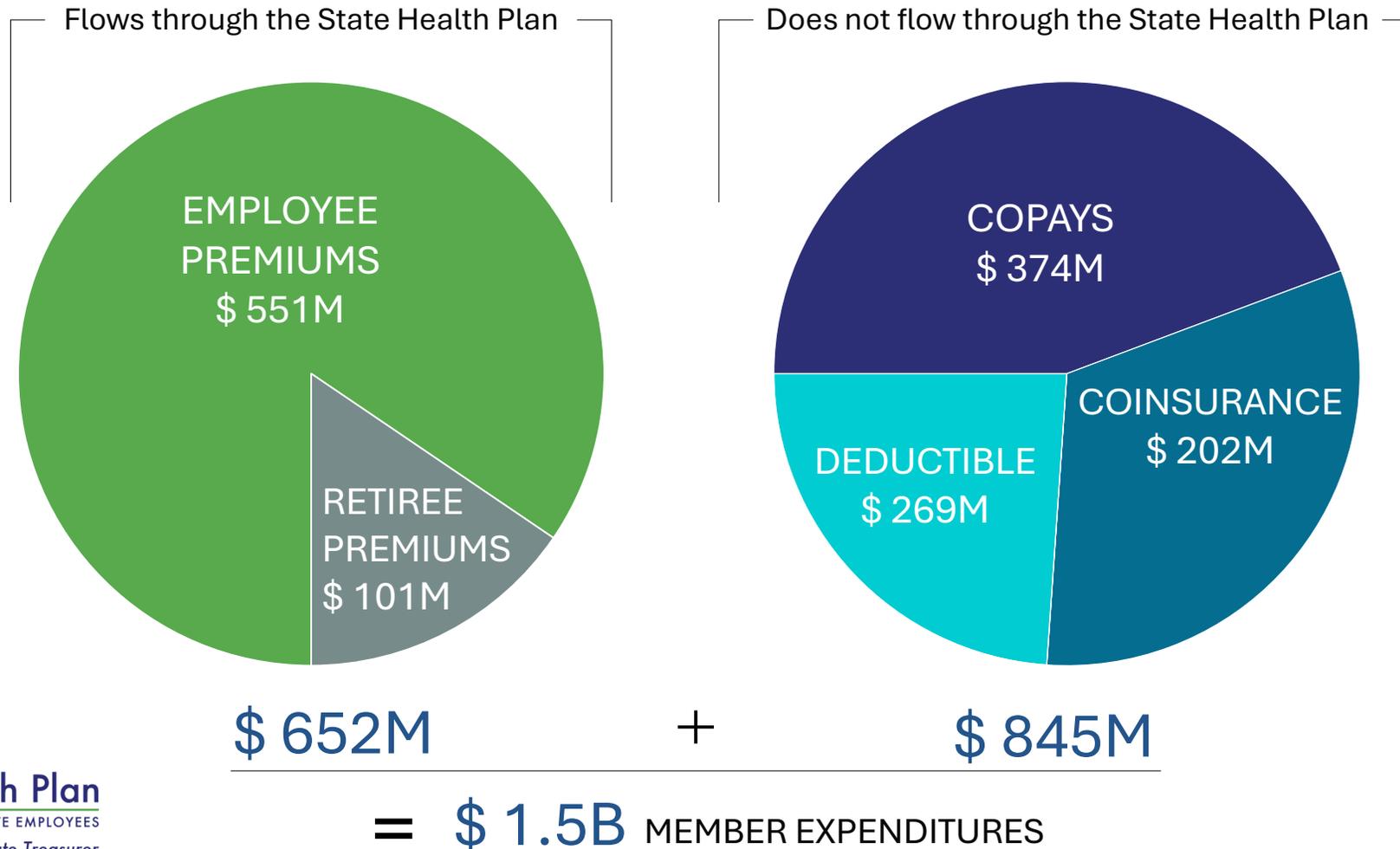
 *North Carolina*
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

Executive Administrator Update

Employer/Member Contributions



Member Expenditures on Premiums and Cost Shares





 *North Carolina*
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

Legislative Update



 *North Carolina*
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

Prior Authorizations

Prior Authorizations

Prior Authorizations serve more purposes than cost containment. They:

- Manage utilization of low-cost prescription drugs that have high potential for abuse, addiction, and serious patient harm.
- Help reduce rates of unnecessary care.
- Encourage the appropriate utilization of high-cost procedures and drugs.
- Ensure the use of treatments and medications that adhere to the Plan's benefit design.

Prior Authorizations will likely remain an integral part of managed care. The goals are to:

- Reduce the burden of obtaining Prior Authorizations.
- Create a better experience for providers and members.
- Preserve the value that Prior Authorizations bring.
- Consider eliminating Prior Authorizations that no longer serve a useful purpose.

Prior Authorizations (PA)



REFORM OPTIONS

- 1 Immediate Suspension of PA for Procedures
- 2 Suspension of PA of Off-Campus Surgical Procedures
- 3 Suspension of PA for Medications
- 4 Require PA Reviews by Qualified Physicians
- 5 Rapid Action PA Appeals & Adverse Outcome Reporting
- 6 Transparency in PA Information Requests
- 7 PA Denial & Reversal Tracking for Aetna

Prior Authorizations Request Overview

	 REFORM OPTION	UTILIZATION IMPACT	MEMBER / PROVIDER IMPACT	ADMINISTRATIVE COST IMPACT	RANGE OF OVERALL (SAVINGS) AND COSTS
1	SUSPEND PA: Medical <\$1,000	Minimal Impact	Positive - faster access	Moderate Savings	(\$50K) to +\$325K
2	SUSPEND PA: Off-campus Surgery Procedures <\$5,000	Moderate Impact	Positive - fewer delays, cost-efficient care	High Savings	(\$155K) to +\$135K
3	SUSPEND PA: Rx <\$ 500/month	High Impact	Positive - better adherence	Low Savings	+\$11M to +\$13M
4	Require PA Reviews by Qualified Physicians	Minimal Impact	Positive - more accurate decisions, provider trust	High-cost increase	(\$700K) to +\$875K
5	Rapid Action PA Appeals & Adverse Outcome Reporting	Minimal Impact	Positive - faster issue resolution	Moderate cost increase	(\$100K) to +\$500K
6	Transparency in PA Information Requests	N/A	Neutral	Moderate cost increase	(\$50K) to +\$290K
7	PA Denial & Reversal Tracking for Aetna	N/A	Positive - increase accountability	No or Low-cost increase	\$0 to +\$100K

Prior Authorizations Summary

Plan staff will:

- Continue to consult and work with the P&T Committee on the Prior Authorizations for prescription drugs.
 - *The P&T Committee was not in favor of removing PAs for drugs.*
- Evaluate the Plan's experience with Aetna and timeline to decouple.
- Re-evaluate how the Plan manages medical procedure care through PAs based upon the information learned through the PA denial and reversal tracking data obtained via reporting and through the experiences of providers with Aetna.
- Track relevant legislation.
- Consider the mechanism for the Removal of Prior Authorization if recommended.





 *North Carolina*
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

Benefits Comparison

Criteria for Comparing Peer Plans

- We found information on comparable health plans from some of the largest employers in North Carolina, all of which employ over 1,000 people in the State.
- We looked at individual and family coverage copay plans with broad PPO networks, choosing the most generous option whenever multiple plans were offered.
- We only considered plans available to employees in North Carolina.



How Do We Compare to Peer Plans (Individual Coverage)



Comparables from some of the largest North Carolina employers with self-funded employee health plans.

*all employ 1,000+ people**

1. Walmart
2. WakeMed
3. Pitt County Memorial Hospital (ECU Health)
4. Charlotte Mecklenburg Hospital Authority (Atrium Health)
5. American Airlines
6. Truist Bank
7. Duke University
8. Lowes Home Centers
9. Wake Forest University
10. Bank of America
11. Wells Fargo
12. Cardinal Gibbons School

*Cardinal Gibbons is one of the largest private schools in NC.

How Do We Compare to Peer Plans

(Individual Coverage with Broad Benefit Structure)

BROADEST NETWORK

EMPLOYER	MONTHLY EMPLOYEE PREMIUM	PCP COPAY	SPECIALIST COPAY	DEDUCTIBLE	OOP MAX	COINSURANCE
Walmart	\$78	\$35	\$75	\$2,750	\$6,850	25%
WakeMed	\$108	\$65	\$125	\$2,500	\$5,000	50%
ECU Health	\$118	\$10	\$50	\$1,250*	\$7,000	25%
Atrium Health <i>(lowest/highest income)</i>	\$124 / \$145	\$30	\$50	\$800	\$5,000	30%
American Airlines	\$169	\$25	\$45	\$1,650	\$4,200	20%
Truist Bank <i>(lowest/highest income)</i>	\$222 / \$300	\$30	\$40	\$500	\$1,500	10%
Duke University	\$233	\$20	\$55	\$130	\$3,000	10%
Lowes Home Centers	\$238	\$20	\$40	\$800	\$6,000	30%
Wake Forest University	\$271	\$30	\$50	\$750	\$3,000	10%
Bank of America	salary-based**	\$10	\$25	\$500	\$2,000	20%
Wells Fargo	salary-based**	\$40	\$80	\$1,600	\$4,500	20%
Cardinal Gibbons School	\$114	\$30	\$50	\$1,000	\$4,000	20%
PEER PLAN AVERAGE***	\$177	\$29	\$57	\$1,186	\$4,338	23%
SHP 80/20	\$50	\$10	\$80	\$1,250	\$4,890	20%

*Medical only deductible **Premiums not found ***Peer Plan Average does not include SHP
 BASED ON PUBLIC INFORMATION FOUND ONLINE, FROM MULTIPLE SOURCES.

How Do We Compare to Peer Plans (Individual Coverage)

- Narrowing some portion of their benefit has been a strategy some employers have used to maintain more favorable cost-sharing and/or lower premiums. Health systems and other signal geography plans have been particularly effective at utilizing this approach.

**NARROWEST
NETWORK**

EMPLOYER	MONTHLY EMPLOYEE PREMIUM	PCP COPAY	SPECIALIST COPAY	DEDUCTIBLE	OOP MAX	COINSURANCE
SHP 80/20	\$50	\$0	\$40	\$1,250	\$4,890	20%
WakeMed	\$108	\$15	\$25	\$1,500	\$3,000	10%
Duke Select HMO ^{1,2}	\$112	\$20	\$55	\$0	\$3,000	10%
ECU Health	\$118	\$10	\$15	\$850*	\$5,800	15%
Atrium Health (lowest/highest income)	\$124 / \$145	\$20	\$40	\$800	\$5,000	15%
Wake Forest University	\$271	\$15	\$20	\$500	\$1,450	5%
Wells Fargo	salary-based**	\$20	\$40	\$800	\$2,750	10%

- Duke Select HMO included here because the PPO plans, Duke Options and Duke USA, are primarily for employees living out of state or outside the Duke HMO service areas.
- Duke Select HMO coinsurance does not apply to inpatient or outpatient hospital care. Inpatient hospital stays have a copay of \$600, and outpatient stays have a copay of \$250.

*Medical only deductible **Premiums not found
 BASED ON PUBLIC INFORMATION FOUND ONLINE, FROM MULTIPLE SOURCES.

How Do We Compare to Peer Plans

(Family Coverage with Broad Benefit Structure)

BROADEST NETWORK

EMPLOYER	MONTHLY FAMILY PREMIUM	PCP COPAY	SPECIALIST COPAY	DEDUCTIBLE	OOP MAX	COINSURANCE
Walmart	\$464	\$35	\$75	\$5,500	\$13,700	25%
WakeMed	\$661	\$65	\$125	\$10,000	\$15,000	50%
ECU Health	\$645	\$10	\$50	\$2,500*	\$14,000	25%
Atrium Health <i>(lowest/highest income)</i>	\$587 / \$610	\$30	\$50	\$1,600	\$10,000	30%
American Airlines	\$591	\$25	\$45	\$2,550	\$7,550	20%
Truist Bank <i>(lowest/highest income)</i>	\$530 / \$717	\$30	\$40	\$1,000	\$3,000	10%
Duke University	\$1,068	\$20	\$55	\$390	\$6,000	10%
Lowes Home Centers	\$843	\$20	\$40	\$2,400	\$12,000	30%
Wake Forest University	\$919	\$30	\$50	\$1,875	\$7,500	10%
Bank of America	salary-based**	\$10	\$25	\$1,000	\$4,000	20%
Wells Fargo	salary-based**	\$40	\$80	\$3,000	\$8,750	20%
Cardinal Gibbons School	\$938	\$30	\$50	\$3,000	\$8,000	20%
PEER PLAN AVERAGE***	\$715	\$29	\$57	\$2,900	\$9,125	23%
SHP 80/20	\$720	\$10	\$80	\$3,750	\$14,760	20%

*Medical only deductible **Premiums not found ***Peer Plan Average does not include SHP
 BASED ON PUBLIC INFORMATION FOUND ONLINE, FROM MULTIPLE SOURCES.

How Do We Compare to Peer Plans (Family Coverage)

- Narrowing some portion of their benefit has been a strategy some employers have used to maintain more favorable cost-sharing and/or lower premiums. Health systems and other signal geography plans have been particularly effective at utilizing this approach.

**NARROWEST
NETWORK**

EMPLOYER	MONTHLY FAMILY PREMIUM	PCP COPAY	SPECIALIST COPAY	DEDUCTIBLE	OOP MAX	COINSURANCE
SHP 80/20	\$720	\$0	\$40	\$3,750	\$14,670	20%
WakeMed	\$661	\$15	\$25	\$3,000	\$6,000	10%
Duke Select HMO ^{1,2}	\$662	\$20	\$55	\$0	\$6,000	10%
ECU Health	\$645	\$10	\$15	\$1,700*	\$11,600	15%
Atrium Health (lowest/highest income)	\$587 / \$610	\$20	\$40	\$1,600	\$10,000	15%
Wake Forest University	\$919	\$15	\$20	\$1,250	\$3,625	5%
Wells Fargo	salary-based**	\$20	\$40	\$1,500	\$5,250	10%

- Duke Select HMO included here because the PPO plans, Duke Options and Duke USA, are primarily for employees living out of state or outside the Duke HMO service areas.
- Duke Select HMO coinsurance does not apply to inpatient or outpatient hospital care. Inpatient hospital stays have a copay of \$600, and outpatient stays have a copay of \$250.

*Medical only deductible **Premiums not found
 BASED ON PUBLIC INFORMATION FOUND ONLINE, FROM MULTIPLE SOURCES.

How Do We Compare to Peer Plans

- Comparisons are complicated and benefits have a significant nuance.
- Our premiums are generally very competitive for individual coverage with other local large employers and would remain the case after premium changes.
- Compared to plans with narrow provider networks, our cost sharing is less favorable, with higher specialist copays, deductibles, and OOP max amounts overall, likely due to the breadth of our network.
- Changes to hospital, provider, or pharmacy network structures may generate meaningful savings. However, as a statewide entity, this must be weighed against the significant disruption these changes may cause.



 *North Carolina*
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

2026 Benefit Design

Clear Pricing Project (CPP)

Phasing out CPP in its current form to end 12.31.25, while looking ahead to 2026.

BEHAVIORAL HEALTH FOCUS

- Plan staff have been working with Aetna to determine a strategy that remains focused on behavioral health in terms of access and member cost-share.
 - Reimbursement Rate differential
 - Low-cost share for members (approx. \$5/\$10)
- More details on what that will look like will be presented in May.
- Savings generated \$100M.



PREMIUM
ONLY OPTION

ACTIVE
MEMBERS



Subscriber Premiums Increase for All Members



Would need \$400M savings after CPP phase out / \$110 increase in monthly premium

If no other benefit changes are made, this would be an alternative.

Options Summary

All scenarios achieve the ~\$500M savings target. Highlights one Medicare strategy prior to announced Medicare Advantage rates (April target).

OPTION 1

- Premium focused approach that most maintains existing cost-sharing.

OPTION 2

- Balances plan design changes with premium increases.

OPTION 3

- Maintains a lower cost plan option for individual and retirees through robust plan design changes.



OPTION 1

ACTIVE MEMBERS

SERVICES 	PRODUCT A	CURRENT 70/30 BASE	PRODUCT B	CURRENT 80/20 ENHANCED
	 \$75 Average Subscriber Premium*	\$25 Average Subscriber Premium	 \$115 Average Subscriber Premium*	\$50 Average Subscriber Premium
Deductible	\$2,500/\$7,500	\$1,500/\$4,500	\$1,250/\$3,750	\$1,250/\$3,750
Coinsurance	70%	70%	80%	80%
Out-of-Pocket Max	\$6,500/\$18,400	\$5,900/\$16,300	\$4,890/\$14,670	\$4,890/\$14,670
In-Patient/ER Copay	\$500+ ded/coins	\$337+ ded/coins	\$300+ ded/coins	\$300+ ded/coins
Primary Care	\$35/\$50	\$0/\$30/\$45	\$10/\$25	\$0/\$10/\$25
Specialists	\$94	\$47/\$94	\$40/\$80	\$40/\$80
Behavioral Health	\$10/\$45	\$0/\$45	\$5/\$25	\$0/\$25
Rx-Tier 1/Tier2	\$20/\$65	\$16/\$47	\$5/\$30	\$5/\$30
Rx-Tier3/Tier 6	Ded/Coinsurance	Ded/Coinsurance	Ded/Coinsurance	Ded/Coinsurance
Rx-Tier 4/Tier 5	Ded/Coinsurance	\$200/\$350	\$100/\$250	\$100/\$250
ACTUARIAL VALUE	74.9%	78.8%	83.5%	84.2%

*Before salary-based adjustment.



OPTION 2

ACTIVE MEMBERS

		PRODUCT A	CURRENT 70/30 BASE	PRODUCT B	CURRENT 80/20 ENHANCED
SERVICES		\$60 Average Subscriber Premium*	\$25 Average Subscriber Premium	\$90 Average Subscriber Premium*	\$50 Average Subscriber Premium
Deductible		\$2,500/\$7,500	\$1,500/\$4,500	\$2,000/\$6,000	\$1,250/\$3,750
Coinsurance		70%	70%	80%	80%
Out-of-Pocket Max		\$6,500/\$18,400	\$5,900/\$16,300	\$5,500/\$16,500	\$4,890/\$14,670
In-Patient/ER Copay		\$500+ ded/coins	\$337+ ded/coins	\$450+ ded/coins	\$300+ ded/coins
Primary Care		\$35/\$50	\$0/\$30/\$45	\$20/\$35	\$0/\$10/\$25
Specialists		\$94	\$47/\$94	\$80	\$40/\$80
Behavioral Health		\$10/\$45	\$0/\$45	\$5/\$25	\$0/\$25
Rx-Tier 1/Tier2		\$20/\$65	\$16/\$47	\$10/\$55	\$5/\$30
Rx-Tier3/Tier 6		Ded/Coinsurance	Ded/Coinsurance	Ded/Coinsurance	Ded/Coinsurance
Rx-Tier 4/Tier 5		Ded/Coinsurance	\$200/\$350	Ded/Coinsurance	\$100/\$250
	ACTUARIAL VALUE	74.9%	78.8%	80.5%	84.2%

*Before salary-based adjustment.



OPTION 3

ACTIVE MEMBERS

SERVICES 	PRODUCT A	CURRENT 70/30 BASE	PRODUCT B	CURRENT 80/20 ENHANCED
	 \$50 Average Subscriber Premium*	\$25 Average Subscriber Premium	 \$90 Average Subscriber Premium*	\$50 Average Subscriber Premium
Deductible	\$3,000/\$9,000	\$1,500/\$4,500	\$2,000/\$6,000	\$1,250/\$3,750
Coinsurance	70%	70%	80%	80%
Out-of-Pocket Max	\$7,500/\$18,400	\$5,900/\$16,300	\$4,890/\$14,670	\$4,890/\$14,670
In-Patient/ER Copay	\$550+ ded/coins	\$337+ ded/coins	\$350+ ded/coins	\$300+ ded/coins
Primary Care	\$45/\$60	\$0/\$30/\$45	\$20/\$35	\$0/\$10/\$25
Specialists	\$94	\$47/\$94	\$80	\$40/\$80
Behavioral Health	\$10/\$45	\$0/\$45	\$5/\$25	\$0/\$25
Rx-Tier 1/Tier2	\$30/\$85	\$16/\$47	\$5/\$35	\$5/\$30
Rx-Tier3/Tier 6	Ded/Coinsurance	Ded/Coinsurance	Ded/Coinsurance	Ded/Coinsurance
Rx-Tier 4/Tier 5	Ded/Coinsurance	\$200/\$350	Ded/Coinsurance	\$100/\$250
ACTUARIAL VALUE	72.9%	78.8%	81.5%	84.2%

*Before salary-based adjustment.

Summary of Options (Active Members)

All scenarios maintain a maximum premium increase of \$20 for lowest paid tier; impact across tiers will be determined by final tier structure.

INDIVIDUAL COMPARISON	CURRENT	OPTION 1	OPTION 2	OPTION 3
Average Premium*		Avg / Range**	Avg / Range**	Avg / Range**
80/20	\$50	\$115 / \$70 - \$175	\$90 / \$70 - \$120	\$90 / \$70 - \$115
70/30	\$25	\$75 / \$35 - \$140	\$60 / \$40 - \$90	\$50 / \$30 - \$75
Deductible (Ind/Fam)				
80/20	\$1,250 / \$3,750	\$1,250 / \$3,750	\$2,000 / \$6,000	\$2,000 / \$6,000
70/30	\$1,500 / \$4,500	\$2,500 / \$7,500	\$2,500 / \$7,500	\$3,000 / \$9,000
OOP Max (Ind/Fam)				
80/20	\$4,890 / \$14,670	\$4,890 / \$14,670	\$5,500 / \$16,500	\$4,890 / \$14,670
70/30	\$5,900 / \$16,300	\$6,500 / \$18,400	\$6,500 / \$18,400	\$7,500 / \$18,400

*Before salary-based adjustment. **Hypothetical/examples. Actual ranges could be wider or narrower.

Active Members Most Impacted



OPTION 1

 **Lowest cost plan**

**Low salary/
Low utilizer
of health care**

OPTION 2

 **Equivalent plan**

**Highest users
of health care**

OPTION 3

 **Lowest
premium change**

**Lowest users
of health care**



MEDICARE MEMBERS

70/30 BASE

SERVICES 	NEW PRODUCT	CURRENT
Deductible	\$2,500/\$7,500	\$1,500/\$4,500
Coinsurance	70%	70%
Out-of-Pocket Max	\$6,500/\$18,400	\$5,900/\$16,300
In-Patient/ER Copay	\$500+ ded/coins	\$337+ ded/coins
Primary Care	\$35/\$50	\$0/\$30/\$45
Specialists	\$94	\$47/\$94
Behavioral Health	\$10/\$45	\$0/\$45
Rx-Tier 1/Tier2	\$20/\$65	\$16/\$47
Rx-Tier3/Tier 6	Ded/Coinsurance	Ded/Coinsurance
Rx-Tier 4/Tier 5	\$200/\$350	\$200/\$350
Adv. Imaging – OP	Ded/Coinsurance	Ded/Coinsurance
Radiology – OP	Ded/Coinsurance	Ded/Coinsurance
Therapies (PT, OT, ST, AT)	\$72	\$36/\$72
Private Duty Nursing	Ded/Coinsurance	Ded/Coinsurance

MEDICARE ADVANTAGE BASE

SERVICES 	NEW PRODUCT	CURRENT
Deductible	\$300 Pharmacy only	None
Out-of-Pocket Max	\$4,500 / Medical \$2,000 / Pharmacy	\$4,000 / Medical \$2,000 / Pharmacy
Primary Care	\$20	\$20
Specialists	\$50	\$40
Behavioral Health	\$20	\$20
Adv. Imaging – OP	\$175	\$100
Radiology – OP	\$75	\$40
Therapies (PT, OT, ST, AT)	\$30	\$20
Private Duty Nursing	Not Covered	Covered

- The 70/30 plan in this scenario mirrors Option 1 for Actives, except there has been no change to the Rx-Tier 4/Tier 5.

Options to Consider for 2026 and Beyond

- Imaging and Laboratory Steerage Opportunity
- Tiering the network – incenting use of lower cost providers
- Narrowing the formulary – less choice but steeper discounts
- Weight Management program around GLP-1



 *North Carolina*
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

Discussion

Discussion Questions

All scenarios are materially different from the status quo, and all can be refined but a **MAY 2025 VOTE** on final design is **CRUCIAL** for a successful implementation, to that end:

- Which option or vision is the most palatable?
 - Distributed changes
 - Focus on premium increases to mitigate the impact on high users
 - Maintaining the lowest premium option we can afford?

Think **Beyond 2026** do we need to evaluate to mitigate further premium increases and cost-sharing changes:

- Restrict some systems/groups entirely to drive the deepest rate reductions
- Tier our network to drive rate reductions
- Restrict our formulary to focus on cost savings

2026 Benefits Decision Timeline

CY 2026 PLAN DEADLINES

February 2025	Finalize Enrollment Strategy for 2026 (Vote on Salary Band Option)
March 2025	Stakeholder Feedback and Deep Dive Scenarios Based on Discussion Today
May 2025	Finalize Benefit Designs for 2026
August 2025	Finalize Premiums for 2026
October 2025	Open Enrollment for 2026



March 7, 2025

Thank You.



This presentation is for general information purposes only. If it conflicts with federal or state law, State Health Plan policy or your benefits booklet, those sources will control. Please be advised that while we make every effort to ensure that the information we provide is up to date, it may not be updated in time to reflect a recent change in law or policy.

To ensure the accuracy of, and to prevent the undue reliance on, this information, we advise that the content of this material, in its entirety, or any portion thereof, should not be reproduced or broadcast without the express written permission of the State Health Plan.





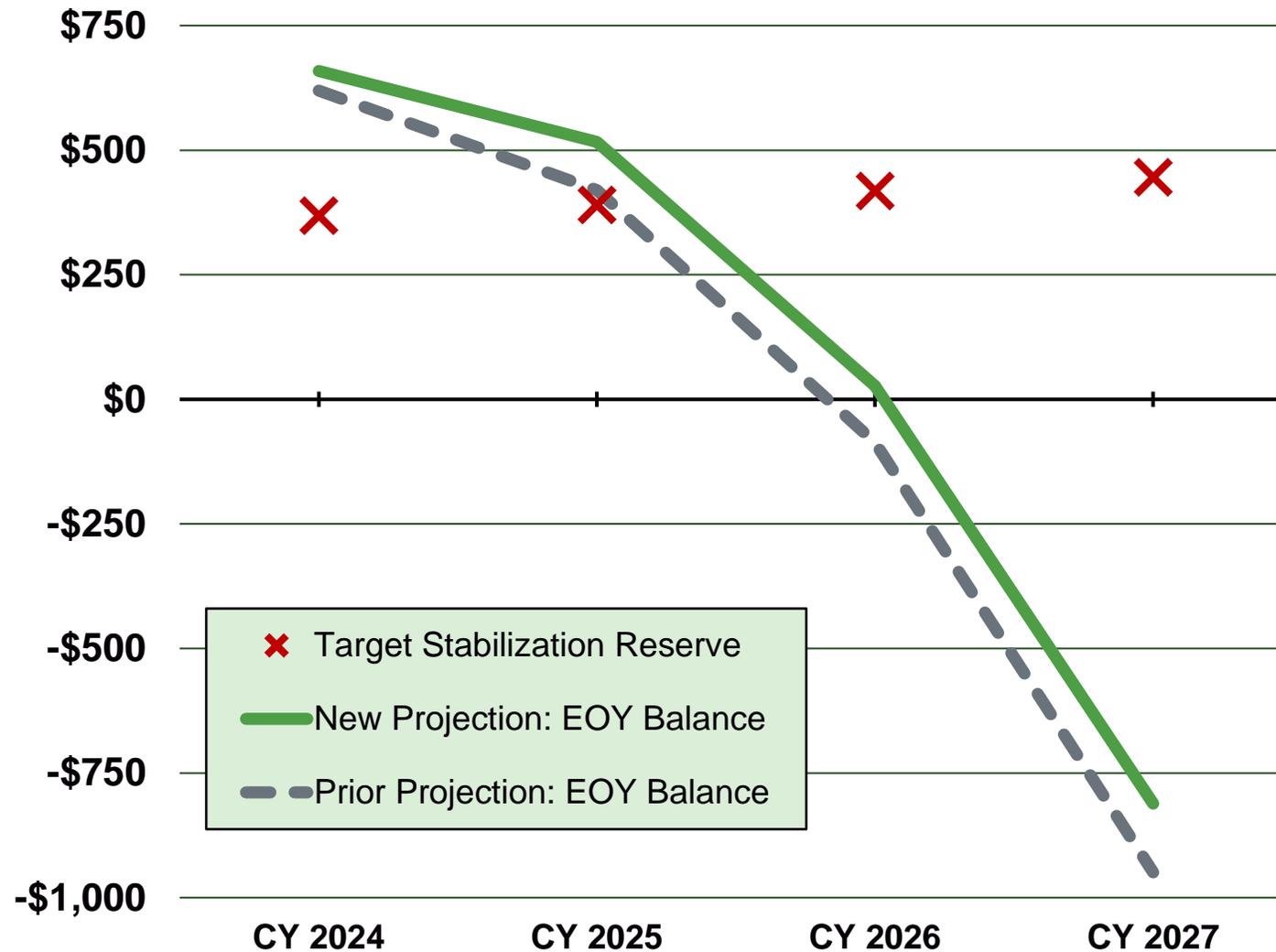
 *North Carolina*
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

Appendix

Aetna's Prior Authorization Programs

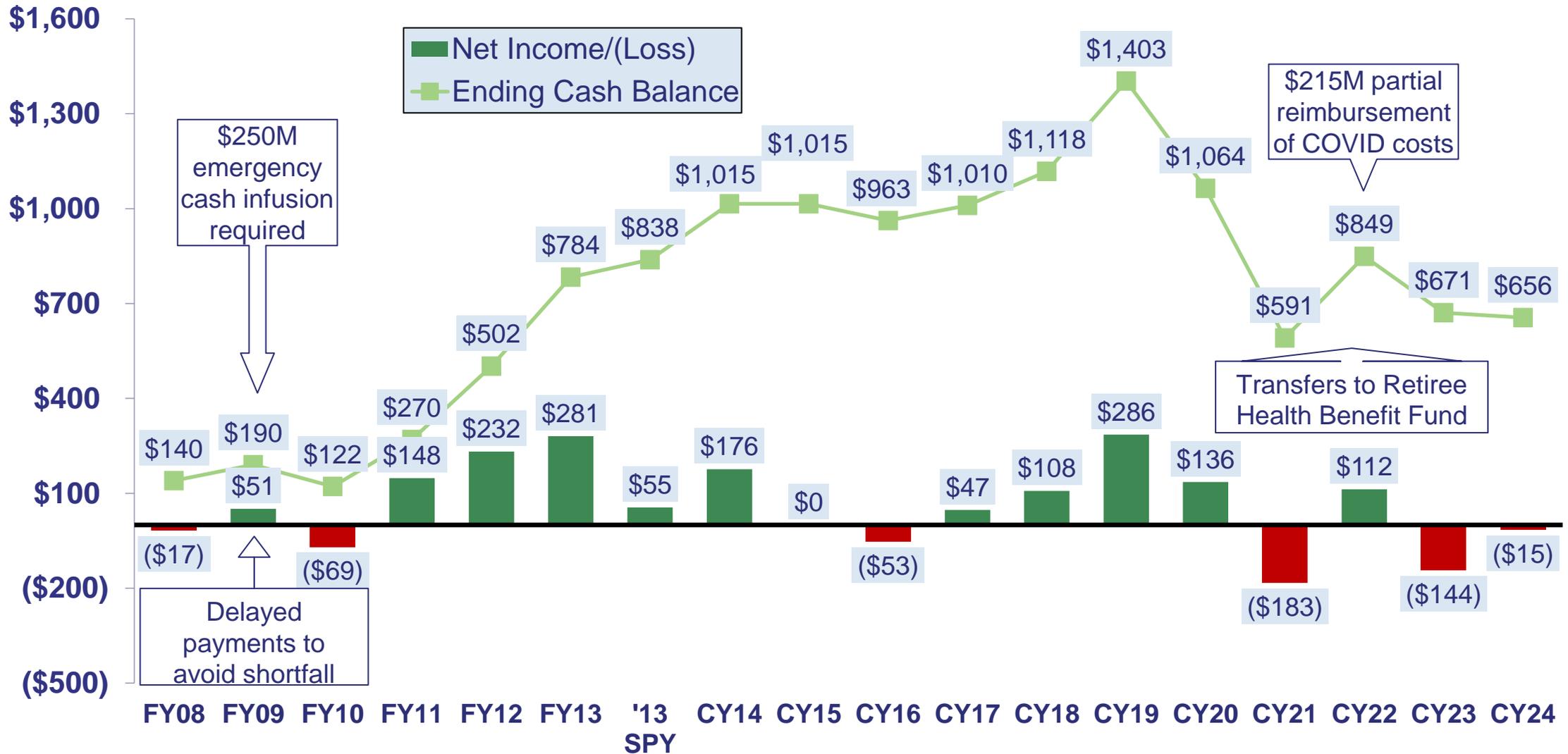
 REFORM OPTION	AETNA STATEMENT
1 SUSPEND PA: Medical <\$1,000	<p>The National Precertification List (NPL) Committee uses the following factors to determine appropriateness of items to add/remove. The committee analyzes factors, such as those listed below, to determine appropriate procedures, medical services, and durable medical equipment or drugs/medical injectables on the NPL.</p> <ul style="list-style-type: none"> ▪ Medical costs and return on investment of 3:1 ▪ Incidence of occurrence ▪ Potential for overutilization ▪ Aetna policy positions (i.e., Clinical Policy Bulletins) for the purposes of making coverage decisions under Aetna administered health benefit plans, when there is a need to determine the experimental/investigational or cosmetic nature of a service; or appropriate use of any established, new, emerging/changing technology. ▪ End-to-end staff and system support for efficient management of precertification requests and claim management to minimize member and provider impact <p>Due to the ROI factor, most services will exceed these dollar thresholds.</p>
2 SUSPEND PA: Off-campus Surgery Procedures <\$5,000	See Above
3 SUSPEND PA: Rx <\$ 500/month	See Above Note , the NPL only applies to medical injectables that are not self-administered.
4 Require PA Reviews by Qualified Physicians	All second level reviews are performed by a Medical Director and the specialty expertise needed for the review of the case.
5 Rapid Action PA Appeals & Adverse Outcome Reporting	Rapid Action PA Reviews: <ul style="list-style-type: none"> ▪ Pre-service member Appeals given it is Prior Authorization. Our turn-around time on these is 15 days. ▪ For NC we are trending at ~150 preservice appeals / month. We could move all these to Expedited Appeals with a 36-hour turn-around time. ▪ Would need to ensure intake is through our telephonic line, not PO Box. That would require changing letter language at least, likely some other changes. ▪ We would need incremental staffing to manage this. Initial guess is 2 additional RNs and 4 additional non-clinical.
6 Transparency in PA Information Requests	Clinical Policy Bulletins are posted on Aetna's website and spell out the criteria and required information needed for decision making.
7 PA Denial & Reversal Tracking for Aetna	Customized plan sponsor reporting is available based on the customers needs.

Financial Projection Update



- Projection improved due to:
 - Larger than expected rebate payment in Q3
 - Reduction in expected medical and net pharmacy claims
- Cash balance now expected to exceed TSR by \$125 million at end of 2025.
- Changes are required to prevent cash balance from falling below TSR in mid-2026.

Historical Financial Results Plan Year



SPY=Short Plan Year Due to Conversion to Calendar Year Basis to Fiscal Year Basis

Active Employee Premiums: Salary Bands

Salary Band	Estimated Count	%
Under \$40,000	47,000	16%
\$40,000 - \$65,000	112,000	37%
\$65,000 - \$100,000	107,000	36%
Over \$100,000	24,000	11%
Total Employees	300,000	100%

For illustrative purposes only.

Active Employee Premiums: Example

Salary Band	Premium	Highest Premium as Share of Salary
Under \$40,000	\$45/\$70	1.8%
\$40,000 - \$65,000	\$50/\$75	1.7%
\$65,000 - \$100,000	\$60/\$85	1.3%
Over \$100,000	\$75/\$100	0.8%

State employees in the South pay an average of **2.31%** of their **annual salary** for the **most expensive health plan** offered by their State.

For illustrative purposes only.