



State Health Plan Board of Trustees Meeting

August 15, 2025



Presentation Overview

- Executive Administrator Update
- Legislative Update
- Provider Engagement Update
- Communications Update
- 2026 Premiums
- Financial Update





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State Health Plan
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A Division of the Department of State Treasurer

Executive Administrator Update

Executive Administrator Overview

- Review Vision Statement
- Reminders:
 - How We Got Here
 - What Have We Done To Address
 - Where We Are Going
 - How Are We Going To Get There
 - How Do We Make Choices
- Strategic Investments to Achieve Success

Vision for State Health Plan After Reset

Use scale and market principles to be the most sustainable health plan and align incentives between members who receive the benefit, providers, and taxpayers.

What we understand we need to **AMPLIFY** and where we need to **FOCUS**.

MEMBERS

- Affordability
- Quality Care
- Make it Easy to Make Good Financial Choices
- Access

PROVIDERS

- Financial Sustainability
- Financial Predictability
- Ability to Focus on Care and Not Administration

STATE HEALTH PLAN

- Financial Sustainability: Short-term
- Improve, Maintain, and Sustain Member Health
- Invest in Member Health
- Operational Excellence

Key Successes to Highlight

| HAPPENING | IN PROGRESS | NEXT PHASE |
|--|---|--|
| Free Surgical Opportunities | Revised Preferred Provider Program (1/1/2026) | Enhance Lantern Steerage Model (Specialty Copay, Procedural Copay, any IP Copay) |
| Legislative Funding Approved | Broaden Behavioral Health Network (1/1/2026) | Service Line Specialty Copay Reduction |
| Salary Based Premiums | Hinge Health and Ventricle Health | Rural Health Access Model |
| Reduce Cost to Cover Children | Diabetes Prevention Program | |
| Free Complex Imaging for Breast Cancer Screening | Betr Health through Aetna | |
| Hello Heart Launched | | |
| 7 new hires | | |



How We Got Here

- Maintained a rich benefit **WITHOUT CHANGING** member premium and plan design **WHILE INCREASING** provider reimbursement through the Clear Pricing Project.
 - Plan options had gotten increasingly richer compared to alternatives.
- **ELIMINATION** of Population Health Management
 - 60% of members have at least one chronic condition.
 - Lack of focus in this area.
- **LACK OF** Provider Aligned Incentives
 - “Cartels” and “Cash Cows”



What We Have Done to Address

- End Clear Pricing Project
 - Focus on retaining enhanced rates for Behavioral Health and Independent Primary Care
- Benefit Changes
 - Increase overall cost sharing while creating with clear path to richer benefit for those who need surgical or procedural care.
 - Create differentiation between active and Non-Medicare benefit.
 - Split Medicare Advantage plans for separate medical and pharmacy plans; change in federal policy created over ~\$60M in savings
- Population Health Focus
 - Staff
 - Point Solutions to improve access
 - Diabetes Prevention Partnership
- Return to Data Driven Strategy and Culture
- Approve premium changes to close the gap (salary-based)



Where We Are Going

- Continue to accept there is no perfect solution but work toward the best solution for the most people that is most accessible
- Continue to differentiate cost sharing between preferred providers, high value services and the broader network
 - Prioritize positive incentives as long as we can
 - Reward providers who aligned incentives with Plan and Members
- Ensure rural access and accessibility through population health
- Build out mechanisms and approaches to engage



Next Steps

WHERE WE PLAN ON INVESTING OUR SAVINGS FROM BUNDLES

- Cancer and Infusion bundles and site of care incentives
 - Medical Rx represents the fastest growing Out Patient spend
- Rural Access
 - Specialty Medicine
 - Maternity Bundles
 - Centers of Excellence (for example, disease-based)
- Local Population Health
 - 60% of membership with at least one chronic conditions
- Site of Care Steerage – improve the patient experience
- Pharmacy Benefit Manager (PBM) Procurement and Strategy



How Are We Going To Get There

PBM RFP for 2028 Start Date

- Focus on transparency.
- Best value across North Carolina.
- Ability to implement innovative partners to save members money.
- Focus on health and outcomes.
- Next step away from the rebate race.

Reimagine How We Contract with Providers

- Alignment of current administration's vision and values around network and market principles.
- Better leverage and respond to value-based opportunities.
- Consider changes to banking requirements for a different model.
- Look at more novel solutions to support members.

Population Health and Provider Advisory Group

- Given limited space to add new initiatives and provide greater transparency, draw feedback from members, providers, and other stakeholders for recommendations on where / how the Plan makes population health investments.



How Do We Make Choices

QUALITY IS THE FRONT DOOR. If a solution doesn't improve health or high efficacy, we don't scale it; and we don't steer members to providers or platforms that don't lead with quality.

Access, Accessibility, and Site of Care

ACCESS: Care should be close to someone's home.

ACCESSIBILITY: Ability to get the care in a timely fashion.

SITE OF CARE: Lower cost at the acuity level that meets the need of the member.

Scalability

With 750,000 members across all 100 North Carolina counties and beyond, we need solutions that can be implemented in **MULTIPLE SETTINGS** that impact a **CRITICAL NUMBER** of members or spend.

Risk Tolerance and Savings Expectations

Historically, the Plan and our members have been at full risk in most of our contractual arrangements. We expect partners and partnerships that are **FOCUSED ON IMPROVING** the health of the Plan members **EQUALLY** to their own profit and margins goals.





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Strategic Investments to Achieve Success

Strategic Approach



STEERAGE AND SCALE:

REDUCE TOTAL SPENDING to Invest in Population Health

- Delta between cost of commodity services UP TO 5X in some areas.
- Surgical and procedural rates generally done at scale (by entity) NOT BY QUALITY and NOT CONTEMPLATING STEERAGE or picture beyond the transaction.



POPULATION HEALTH:

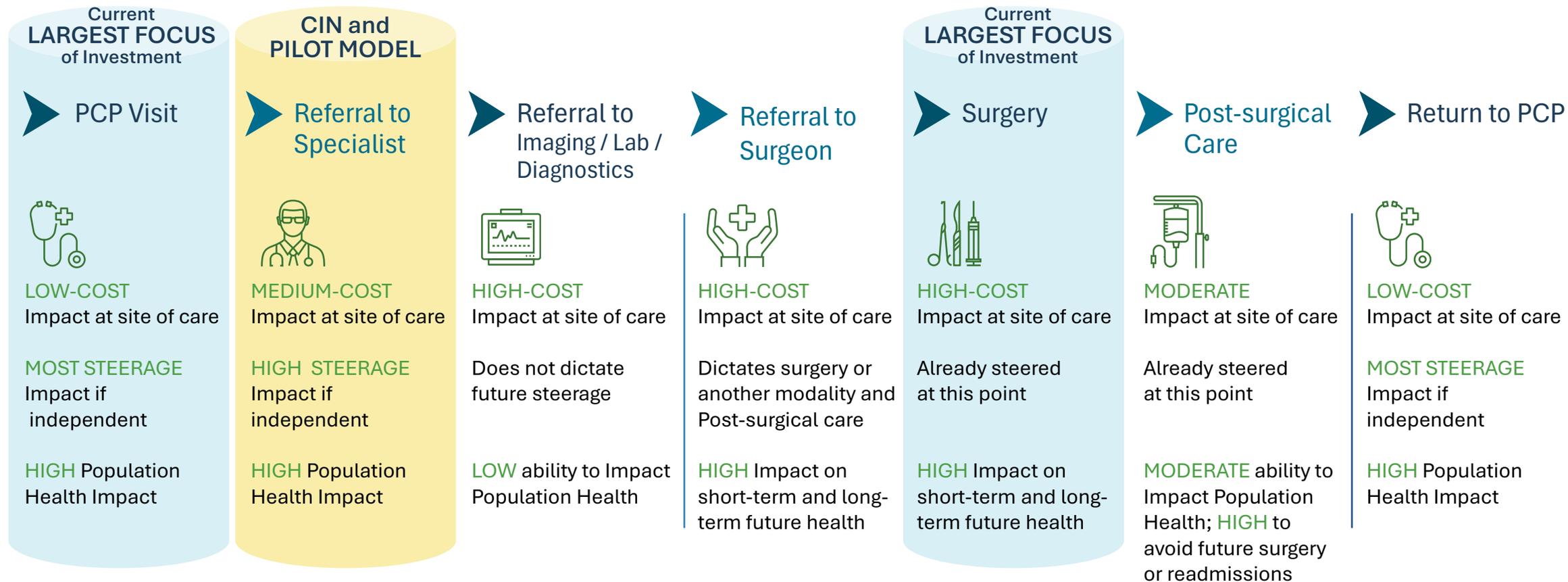
REDUCE NEED TO SPEND IN THE LONG-TERM

- The cheapest surgery is the one someone NEVER needs.
- We want to IMPROVE ACCESS to low acuity, less invasive care to reduce the future need for high acuity, more complex care.
- We need to strive to make HIGHER QUALITY OF LIFE accessible and easier as it will benefit Plan stakeholders; we need to build a model that also sustains those who deliver care.

How We Are Targeting The Patient Journey (Illustrative)

We are targeting areas with the **HIGHEST STEERAGE** and **COST IMPLICATIONS**.

We are focusing on Population Health through Primary Care and our Specialty Pilot



◀ **Management of Other Conditions - Behavioral Health Supports - Use of Point Solutions for In-between Care** ▶

All roads should lead back to primary care.



PRIMARY CARE

We need to take every opportunity we can to get people to **ENGAGE WITH** our Preferred Primary Care Providers.

- Most **FINANCIALLY ADVANTAGEOUS** to the Member and long-term the Plan.
- Can quarterback the entire continuum including lowest cost imaging and commodity services.
- Can **REDUCE** patient abrasion.
- Incented to provide **BETTER ACCESS**.
- Need to remove barriers or incentives to not start at primary care.

FUTURE STATE of Primary Care

SHARED SAVINGS with Providers to downside risk for not referring to high-quality, low-cost options.

INCREASED COPAY DIFFERENTIALS (e.g., \$5 to \$40 in the 80/20).



SURGICAL CARE

We need to **CREATE** as many **PATHWAYS** as possible to get people to Lantern surgical providers.

- \$0 member cost share
- Travel stipend
- Independent PCP steerage incentives

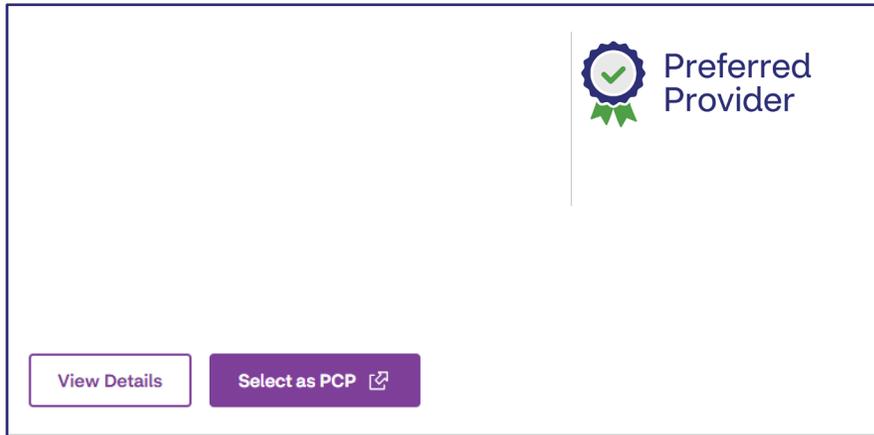
FUTURE STATE of Surgical Care

REDUCE SPECIALTY COPAYS for all services at the practice level (e.g., all cardiovascular copays at a system are \$40) to generate early steerage and reduce abrasion.

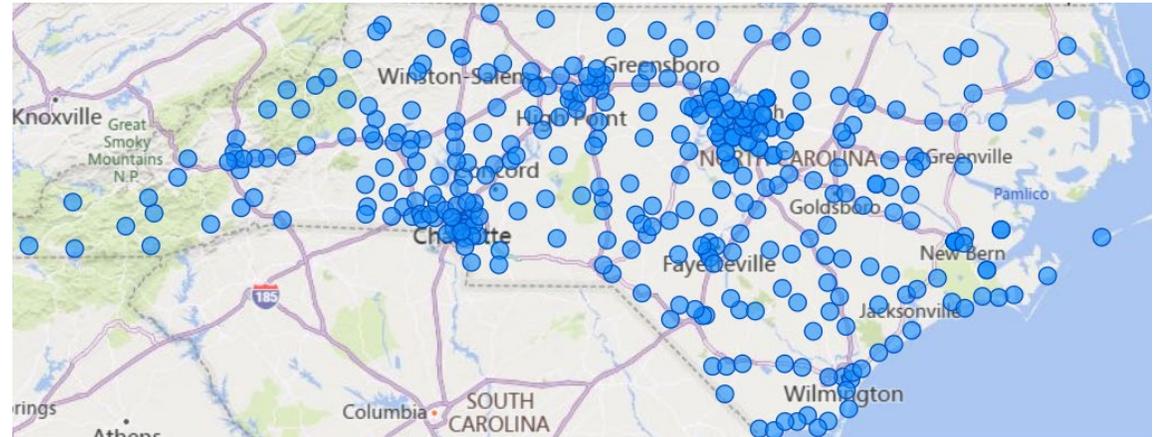
REDUCE IN-PATIENT COPAY for all service line related services to create more scale and more incentive (e.g., any Heart Discharge from a system is \$0 member cost sharing).

Preferred Providers

The State Health Plan continues its **COMMITMENT** to **PROVIDING MEMBERS** access to **HIGH QUALITY** and **AFFORDABLE** health care through **PREFERRED PROVIDERS**.



When members select and see a Preferred Provider, they will receive the **LOWEST COPAY**.



- Aledade
- Bethany
- CCPN
- Coastal Carolina
- Eagle
- EmergeOrtho
- OneHealth
- Piedmont
- Pinehurst
- Tryon
- UNC Alliance
- WakeMedKey
- Wilmington Health

Surgery is Phase One: Not the Destination

We are trying to build **LONG-TERM SUSTAINABLE PARTNERSHIPS** not just unit cost concessions.

OUR COMMITMENT TO CURRENT AND FUTURE LANTERN PARTNERS:

- In addition to Surgical/Procedural we have over \$2B in other commercial spend (Medical IP, HOPD, Professional, Medical Rx, and other)
 - We are committed to finding a mutually beneficial way to steer **ALL** our service line volume to you
 - This is a **SEVERAL YEAR COMMITMENT** – we are not rebidding won bundles annually
- What can this mean?
 - Reduce patient financial barriers to see you at all points of care; reminder 30-40% of members switched providers for
 - Preferred PCP partners will be incented through shared savings to refer **ALL SHP NON-MEDICARE PATIENTS (550K)** to your practices ~ 650 practices statewide
 - Reduce all specialty copays at the service line level to your practice locations to at least half of existing (current is \$94 and \$80 respectively)
 - Reduce cost sharing for all service line level services (Medical IP, imaging etc.)
 - Early Access and Negotiation for future bundles (cancer, infusions, etc.)
 - Help to build out a broader CoE model

What is the Max Upside for Future Partners

GEOGRAPHIC EXAMPLES

TRIANGLE AREA

~ 160,000 Members

~ \$1.0B in overall allowed
medical spend that could be
shifted (excludes PCP and BH)

- Data through FY24

RURAL HOSPITALS SMALLER SYSTEMS

SHP and Lantern can serve as
the backbone to building out
IP/OP Centers of Excellence

Over 70% of our IP surgical
volume goes to 6 systems

OP surgical volume has
migrated to urban areas

CHARLOTTE / FAYETTEVILLE

~118,000 Members

~\$900M in overall allowed
medical spend that could be
shifted (excludes PCP and BH)

- Data through FY24

Variability by Cost: Colonoscopy

In-Network Providers in the Triangle Area

| Servicing Provider Type | Avg. Cost /Visit | Portion of Services | Dollar Range of Cost/Visit – Top 20 Providers |
|-------------------------|------------------|---------------------|---|
| Outpatient Hospital | \$3,500 | 25% | \$4,000 -\$8,000 |
| Freestanding Center | \$1,000 | 75% | \$750 - \$2,200 |
| Total | \$1,600 | 100% | n/a |

STEERING COLONOSCOPY SERVICES AWAY FROM A HOSPITAL SETTING MAY SAVE MONEY FOR BOTH THE PLAN AND MEMBER.

- Preventive services provided by in-network providers are available at no charge to the member.
- Diagnostic services provided by an in-network outpatient hospital are subject to coinsurance after deductible, which varies by plan.
- Diagnostic services provided by a freestanding center are subject to coinsurance after deductible, which varies by plan.

Variability by Cost: MRI

In-Network Providers in Mecklenburg and Gaston Counties

| Servicing Provider Type | Avg. Cost/Visit | Portion of Services | Dollar Range of Cost/Visit - Top 10 Providers | Avg. Plan Paid/ Visit | Avg. Member Share/ Visit |
|------------------------------|-----------------|---------------------|---|-----------------------|--------------------------|
| Outpatient Hospital | \$1,252 | 54% | \$900-\$2,700 | \$624 | \$619 |
| Standalone Radiology Centers | \$872 | 46% | \$500-\$1,400 | \$344 | \$524 |
| Total | \$1,078 | 100% | n/a | \$496 | \$576 |

STEERING MAGNETIC RESONANCE IMAGING (MRI) SERVICES AWAY FROM A HOSPITAL SETTING MAY SAVE MONEY FOR BOTH THE PLAN AND MEMBER.

Emerging Challenges

- Claims costs increasing (Medical and Pharmacy)
- The Pharmacy pipeline is expensive
- Provider negotiations on rates with Aetna
 - Implications of a Broad Network with the most access points vs. a narrower network where there are savings opportunities
- Given federal changes, ensuring that rural healthcare can sustainably serve State Health Plan members and building economies of scale where possible

Gene-based, cellular and other innovative therapies (GCIT[®]) Network Report



These therapies replace faulty or missing genes within a cell to correct the effects of a disease-causing mutation. These therapies treat, or even cure, previously untreatable, often fatal, conditions.



The GCIT Network Report identifies members who are **potentially eligible** for gene therapies in the GCIT Network based on **diagnosis code and demographics only**.



Other factors such as lab tests, conditions, etc. are not considered. Members may need clinical review to determine true likelihood of being treated with gene therapies.



Our GCIT Network rates may save up to 50% when compared to standard billed charges.

| Diagnosis | Demographic Criteria | Gene Therapy Name | Frequency of Administration | Estimated Therapy Cost (AWP) |
|--|---|---------------------|--|--|
| Aromatic L-amino decarboxylase (AADC) deficiency | None | Kebilidi | One dose | \$4.0M |
| Advanced Melanoma | Minimum age 18 | Amtagvi | One dose | \$618k |
| ALS | Minimum age 18 | Qalsody | Multi-dose | \$240k |
| Beta Thalassemia | Minimum age 4 (Zynteglo); Minimum age 12 (Casgevy) | Zynteglo, Casgevy | One dose | \$3.4M (Zynteglo); \$2.6M (Casgevy) |
| Cerebral Adrenoleukodystrophy | Male, ages 4-17 | Skysona | One dose | \$3.6M |
| Duchenne Muscular Dystrophy | Minimum age 4 | Elevidys | One dose | \$3.8M |
| Hemophilia A | Minimum age 18 | Roctavian | One dose | \$3.5M |
| Hemophilia B | Minimum age 18 | Hemgenix | One dose | \$4.2M (Hemgenix) |
| Hereditary Retinal Dystrophy | Ages 1-65 | Luxturna | One dose | \$1.0M |
| Metachromatic Leukodystrophy | Max age of 7 | Lenmeldy | One dose | \$5.1M |
| Sarcoma | Minimum age 18 | Tecelra | One dose | \$872k |
| Sickle Cell | Minimum age 12 | Casgevy, Lyfgenia | One dose | \$2.6M (Casgevy); \$3.7M (Lyfgenia) |
| Spinal Muscular Atrophy | Max age of 25 (Spinraza); Max age of 2 (Zolgensma) | Spinraza, Zolgensma | Multi-dose (Spinraza); One dose (Zolgensma) | \$480k (Spinraza); \$2.7M (Zolgensma) |

- **519 members identified** as having a diagnosis but haven't met the criteria for GCIT treatment. An additional 52 members may age into eligibility.
- The count of members identified through claims does not consider genetic testing, symptoms, lab results/ imaging anomalies, drug step therapy, and other clinical considerations.
- For diagnoses with SHP members identified, portion of members to take therapy based on national prevalence rates is 0.0002% - 0.0275%.
- **3 members had treatment** through mid-year (an additional 6 have prior authorizations for treatment but haven't had treatment).

Diagnosis code and demographic criteria based on current CPBs accessed 1/10/25.

Cost for course of treatment is based on the one-time list price for single-administration cell and gene therapies and the annual cost for a course of treatment for other therapies, based on average wholesale price. These figures do not include ancillary medical benefit spend. Please consider ancillary medical benefit spend especially for treatments such as CAR-T cell therapy and ex vivo gene therapy.



Legislative Update

House Bill 125, Mini Budget

Certainty for the Upcoming Plan Year

- The State Health Plan was fortunate to be one of a few funding needs addressed by GA.
 - Appropriated employer contributions for FY 2025-2026
 - Funding rates set by GA cover over 80% of the Plan's total revenues.
 - Plan requested a 5% increase over FY 2024-2025, representing ~ \$150M in additional funding .
 - Additional 5% increase for FY 2026-2027 is expected when a final budget is adopted.
 - Senate and House versions of the budget agree on the amounts.

Realignment of Active and Retiree Funding

- Aligns Percent of Salary Contributions with Active and Retiree Funding Needs.
 - Funds retiree health benefits on a pay as you go basis.
 - Provides a direct funding source for actives from the percent-of-salary contributions.

Accelerated Funding for Active Employees

- Salary contributions are available on a fiscal year basis, providing immediate funding for actives compared to calendar year timing of retiree premium changes.

ACA Preventive Services

MAGNETIC RESONANCE IMAGING (MRIs)

- The Plan currently covers ACA Preventive Services including mammograms.
- Recently the ACA included MRIs for breast cancer screenings.
- While Aetna covers all breast cancer screenings, only mammograms are covered at 100% under their preventive benefit.
- The Plan now covers all breast cancer screenings, including mammograms, ultrasounds and MRIs, at 100%.
- Therefore, as of Aug. 1, 2025, the preventive benefit for breast cancer screenings will be updated to include MRIs, ultrasounds, and similar breast cancer screening services in addition to the already covered Mammograms.

2026 Legislative Priorities

ACCOUNTABILITY for EMPLOYING UNITS

Under the Plan’s statutes, the Employing Unit (“EU”) administers the Plan’s benefits to the EU’s employees through the EU’s Health Benefit Representative (“HBR”). The HBR is an employee solely of the EU, not the Plan. The Plan has no control over HBRs. This presents a problem when a HBR or EU harms a member; the Plan has no mechanism to ensure that the HBR and EU fix the problem and improve service in the future. On top of this, the Plan is often pulled into litigation for the sole acts of HBRs and EUs.

DEPENDENT PREGNANCY CARE

As a pre-ACA remnant, N.C.G.S. § 135-48.43(d) prohibits the Plan from providing maternity coverage to a subscriber’s adult dependent children. Post ACA, the prohibition has impacted more members, since dependent children may stay on a subscriber’s plan until 26.

EXCEPTION from FINAL PAYEE REQUIREMENT

Under OSC’s Statewide Cash Management Plan (N.C.G.S. § 147-86.11(f)(1)), the Plan must follow the ultimate payee requirement (“UPR”). According to the UPR, when the Plan has an obligation to pay a provider or facility, the Plan must directly pay that provider or facility. The Plan may not pay that obligation to a middleman who in turn pays the provider. The intent of this law is to prevent payments to a non-State account for further disbursement, thereby resulting in potential losses of interest earnings. However, this requirement is limiting the ability to the Plan to utilize necessary modern health financing mechanisms.

BANKING for VENDORS

The Daily Deposit and Reporting Requirement (N.C.G.S. §§ 147-77, 147-86.11(e)(2)) requires the State Health Plan to deposit and report all funds on a daily basis (i.e. within 24-hours of receipt) any receipts or funds that may be received by the Plan. It is noncompliant to delay deposit or reporting such receipts or funds—not depositing and reporting the deposit the same day the deposit is made.



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Communications Update

Outreach Efforts

- NCREA Spring and Fall Conference
- SEANC Fall Convention
- NC School Business Officers
- NC Pediatrician Association
- Medical Group Management Association
- NC Healthcare Association
- NC Medical Society
- NC Association of School Administrators
- Southeastern States: Long-term Pharmacy Strategy
- HR Directors Roundtable
- Stakeholder Roundtable



Chronic Conditions

Member Count

| Chronic Condition ¹ | CY 2020 | | CY 2021 | | CY 2022 | | CY 2023 | | Norm ² | % Change | |
|---------------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|-------------------|--------------|-------------------------|
| | Members | % of Total | | YoY | Historical ³ |
| Diabetes ⁴ | 50,086 | 9.1% | 51,330 | 9.4% | 57,291 | 10.5% | 61,997 | 11.4% | 8.1% | 8.2% | 6.0% |
| Coronary Artery Disease | 12,126 | 2.2% | 11,947 | 2.2% | 13,141 | 2.4% | 14,233 | 2.6% | 2.6% | 8.3% | 3.2% |
| Asthma | 13,906 | 2.5% | 13,312 | 2.4% | 14,686 | 2.7% | 15,783 | 2.9% | 2.9% | 7.5% | 2.1% |
| Chronic Obstructive Pulmonary Disease | 3,540 | 0.6% | 3,045 | 0.6% | 2,933 | 0.5% | 3,230 | 0.6% | 0.6% | 10.2% | -3.7% |
| Hypertension | 137,122 | 24.8% | 135,194 | 24.7% | 138,663 | 25.3% | 140,578 | 25.8% | 21.8% | 1.4% | 0.9% |
| Mental Health | 189,286 | 34.3% | 201,844 | 36.8% | 215,018 | 39.3% | 228,411 | 41.9% | 34.4% | 6.2% | 6.7% |
| Substance Use Disorder ⁵ | 20,686 | 3.7% | 20,162 | 3.7% | 19,399 | 3.5% | 20,535 | 3.8% | 2.5% | 5.9% | 1.8% |
| Congestive Heart Failure | 2,267 | 0.4% | 2,301 | 0.4% | 2,491 | 0.5% | 2,632 | 0.5% | 0.4% | 5.7% | 3.5% |
| Total (Unique) | 282,386 | 51.2% | 288,732 | 52.7% | 301,439 | 55.1% | 311,928 | 57.2% | | 3.5% | 3.5% |
| All Members (Non-Medicare) | 552,030 | | 547,787 | | 547,010 | | 545,409 | | | -0.3% | -0.2% |

Targeted Point Solutions

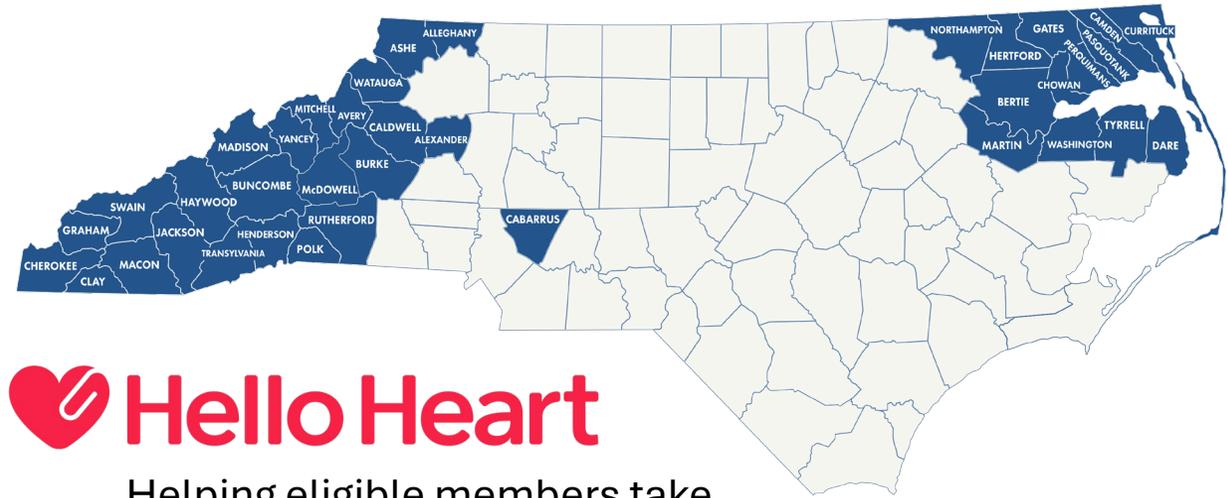
Ventricle health

National, value-based cardiology provider network that increases access to care, improves outcomes, and reduces cost for people with heart failure and other cardiac conditions.



Offers qualified members virtual physical therapy solutions that can reduce joint and muscle aches, pain, and tension at home.

CDC-recognized diabetes prevention program is an online 12-month lifestyle change program, proven to prevent or delay the development of type 2 diabetes.



Helping eligible members take control of their heart health using technology and behavioral science.



Open Enrollment Communications Strategy

Each year the Plan utilizes a **MULTIFACETED COMMUNICATION APPROACH** to educate members regarding Open Enrollment.

Prior to and during Open Enrollment Plan staff will be conducting:

- 8 HBR Open Enrollment Trainings
- 16 Active/Non-Medicare Webinars
- 10 Medicare Webinars
- 15 Medicare in-person meetings across the state
- 6 Telephone Town Halls



Stay Connected with State Health Plan News

KEEPING MEMBERS ENGAGED so they can be in the know prior to and during Open Enrollment!

SUBSCRIBE to the Plan's monthly e-newsletter by visiting www.shpnc.gov.

FOLLOW the State Health Plan on  @SHPNC and  @nchealthplan.

Open Enrollment Decision Guides will arrive in mailboxes prior to Open Enrollment.

WE'VE MOVED TO A **.GOV** WEBSITE

The State Health Plan's website has moved from www.shpnc.org to www.shpnc.gov.





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2026 Premiums

How Do We Compare to Peer Plans

BROADEST NETWORK

| EMPLOYER | MONTHLY EMPLOYEE PREMIUM |
|---|--------------------------|
| Walmart | \$78 |
| WakeMed | \$117 |
| ECU Health | \$117 |
| Atrium Health <i>(lowest/highest income)</i> | \$124 / \$145 |
| American Airlines | \$169 |
| Truist Bank <i>(lowest/highest income)</i> | \$222 / \$300 |
| Duke University | \$233 |
| Lowe's Home Centers | \$238 |
| Wake Forest University | \$271 |
| Bank of America | salary-based** |
| Wells Fargo | salary-based** |
| Cardinal Gibbons School | \$114 |
| PEER PLAN AVERAGE*** | \$177 |
| SHP 70/30 | \$25 |
| SHP 80/20 | \$50 |

| EMPLOYER | MONTHLY EMPLOYEE + CHILD(ren) PREMIUM |
|---|---------------------------------------|
| Walmart | \$125 |
| WakeMed | \$368 |
| ECU Health | \$389 |
| Atrium Health <i>(lowest/highest income)</i> | \$332 / \$355 |
| American Airlines | \$304 |
| Truist Bank <i>(lowest/highest income)</i> | \$519 / \$702 |
| Duke University (child / children) | \$458 / \$612 |
| Lowe's Home Centers | \$490 |
| Wake Forest University (child / children) | \$476 / \$634 |
| Bank of America | salary-based** |
| Wells Fargo | salary-based** |
| Cardinal Gibbons School | \$379 |
| PEER PLAN AVERAGE*** | \$410 |
| SHP 70/30 | \$218 |
| SHP 80/20 | \$305 |

| EMPLOYER | MONTHLY EMPLOYEE+ FAMILY PREMIUM |
|---|----------------------------------|
| Walmart | \$464 |
| WakeMed | \$661 |
| ECU Health | \$645 |
| Atrium Health <i>(lowest/highest income)</i> | \$587 / \$610 |
| American Airlines | \$591 |
| Truist Bank <i>(lowest/highest income)</i> | \$1,061 / \$1,435 |
| Duke University | \$1,068 |
| Lowe's Home Centers | \$843 |
| Wake Forest University | \$919 |
| Bank of America | salary-based** |
| Wells Fargo | salary-based** |
| Cardinal Gibbons School | \$938 |
| PEER PLAN AVERAGE*** | \$799 |
| SHP 70/30 | \$598 |
| SHP 80/20 | \$720 |

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

2026 Premiums

Employer Contributions:

- The State Budget Appropriations Legislation (SL 2025-125) specifies the **maximum** Employer contribution for the 2025-26 Fiscal Year of \$8,500.
- The Fiscal Year maximum is translated to monthly contribution amounts the Plan is authorized to collect for each employee.
- The 5.0% increase in Fiscal Year basis, the CY 2026 premiums can increase by 10.0%.

Plan Staff Recommendation:

- **Increase** Employer Premium for **Standard PPO and Plus PPO Plans** from **\$674.62 to \$742.04/month** for each employee.
- **Increase** Employer Premium for **HDHP Plan** (ACA Minimum coverage ~400 employees) by same 10.0% from **\$184.36 to \$202.80/month** for each eligible employee.

2026 Premiums

Retiree Health Benefit Fund Contributions:

- The State Budget Appropriations Legislation (SL 2025-125) does not specify a maximum rate for Retiree.
- SL 2025-125 Reduces % of Salary to RHBT Fund to 4.93%, so Premium should decrease, but sufficiently cover cost of Retirees.
 - Due to % of Salary reduction beginning July 2025, CY 2026 Rates are adjusted for overdrawing from RHBT 1st half of FY (Jul – Dec 2025).
 - 50% and 100% Contributory Retirees will pay a different Retiree Premium during CY 2026 as if the higher FY Payments weren't in place.
 - 2.40% of Salary is paid to the Public Employee Health Benefit Fund (PEHBF)

Plan Staff Recommendation:

- **Decrease** the RHBT Premium from \$452.08 and \$534.00/month to being **\$300.00/month** per Retiree.

Active Employee Premiums: Salary Bands

| Salary Band | Count | % |
|------------------------|----------------|-------------|
| Under \$50,000 | 60,500 | 20.4% |
| \$50,001 - \$65,000 | 94,900 | 32.1% |
| \$65,001 - \$90,000 | 93,200 | 31.5% |
| Over \$90,001 | 47,200 | 16.0% |
| Total Employees | 295,800 | 100% |

2026 Active Employee Premiums

| Salary Band | <u>Standard PPO</u> Premium | Premium as Share of Salary | <u>Plus PPO</u> Premium | Premium as Share of Salary |
|---------------------|--------------------------------|-------------------------------|----------------------------|-------------------------------|
| Under \$50,000 | \$35 | 1.20% | \$66 | 2.25% |
| \$50,001 - \$65,000 | \$50 | 1.20% | \$94 | 2.25% |
| \$65,001 - \$90,000 | \$65 | 1.20% | \$122 | 2.25% |
| Over \$90,001 | \$80 | 1.07% | \$160 | 2.13% |

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.

** Non-Medicare Retirees will also pay \$66 for Plus PPO Plan.

2026 Dependent Premiums

EE + Children:

- Premiums for children only tier were reduced to be in line with coverage changes.

| Dep. Rate/Mth | Standard PPO Plan | Plus PPO Plan |
|---------------|-------------------|---------------|
| 2025 EE + CH | \$193 | \$255 |
| 2026 EE + CH | \$150 | \$210 |

EE + Spouse & EE + Family:

- Premiums for EE + Spouse and EE + Family were combined to be in line with experience.

| Dep. Rate/Mth | Standard PPO Plan | Plus PPO Plan |
|----------------|-------------------|---------------|
| 2025 EE + Sp | \$565 | \$650 |
| 2025 EE + Fam | \$573 | \$670 |
| 2026 SP or Fam | \$540 | \$680 |

*** Same amounts applicable for Non-Med. Retirees and Medicare 70/30 Retirees.*

2026 Premiums

STANDARD PPO & PLUS PPO PLAN for Active Subscribers



| Monthly Premium Rates January, 2026 to December 31, 2026 | STANDARD PPO PLAN | | | | PLUS PPO PLAN | | | |
|--|-------------------|---------------------|---------------------|-----------------|----------------|---------------------|---------------------|-----------------|
| | Salary Band | | | | Salary Band | | | |
| | UNDER \$50,000 | \$50,001 - \$65,000 | \$65,001 - \$90,000 | \$90,001 + OVER | UNDER \$50,000 | \$50,001 - \$65,000 | \$65,001 - \$90,000 | \$90,001 + OVER |
| ACTIVE SUBSCRIBERS | | | | | | | | |
| Subscriber Only | \$35 | \$50 | \$65 | \$80 | \$66 | \$94 | \$122 | \$160 |
| Subscriber + Child(ren) | \$185 | \$200 | \$215 | \$230 | \$276 | \$304 | \$332 | \$370 |
| Subscriber + Spouse | \$575 | \$590 | \$605 | \$620 | \$746 | \$774 | \$802 | \$840 |
| Subscriber + Family | \$575 | \$590 | \$605 | \$620 | \$746 | \$774 | \$802 | \$840 |

2026 Premiums

STANDARD PPO & PLUS PPO PLAN

for Non-Medicare Primary Subscribers in the Retirement Systems



| Monthly Premium Rates January, 2026 to December 31, 2026 | STANDARD PPO PLAN | PLUS PPO PLAN |
|--|-------------------|---------------|
| SUBSCRIBER and all DEPENDENTS are NON-MEDICARE | | |
| Subscriber Only | \$0 | \$66 |
| Subscriber + Child(ren) | \$185 | \$276 |
| Subscriber + Spouse | \$575 | \$746 |
| Subscriber + Family | \$575 | \$746 |
| MEDICARE PRIMARY DEPENDENT(S) on MEDICARE ADVANTAGE BASE PLAN | | |
| Subscriber + Child(ren) | \$68 | \$134 |
| Subscriber + Spouse | \$68 | \$134 |
| Subscriber + Family | \$136 | \$202 |
| MEDICARE PRIMARY DEPENDENT(S) on MEDICARE ADVANTAGE ENHANCED PLAN | | |
| Subscriber + Child(ren) | \$145 | \$211 |
| Subscriber + Spouse | \$145 | \$211 |
| Subscriber + Family | \$290 | \$356 |
| MEDICARE PRIMARY DEPENDENT(S) on STANDARD PPO PLAN | | |
| Subscriber + Child(ren) | \$185 | \$251 |
| Subscriber + Spouse | \$575 | \$641 |
| Subscriber + Family | \$575 | \$641 |

2026 Premiums

MEDICARE PRIMARY PLANS for Medicare Subscribers in Retirement Systems



| Monthly Premium Rates January, 2026 to December 31, 2026 | MEDICARE ADVANTAGE | | MEDICARE 70/30 PLAN |
|---|--------------------|---------------|------------------------|
| | BASE PLAN | ENHANCED PLAN | |
| MEDICARE PRIMARY SUBSCRIBERS & DEPENDENTS | | | |
| Subscriber Only | \$0 | \$81 | \$0 |
| Subscriber + Child(ren) | \$68 | \$226 | \$185 |
| Subscriber + Spouse | \$68 | \$226 | \$575 |
| Subscriber + Family | \$136 | \$371 | \$575 |
| NON-MEDICARE PRIMARY for DEPENDENT(S) on PLUS PPO PLAN | | | |
| Subscriber + Child(ren) | \$210 | \$291 | \$210 |
| Subscriber + Spouse | \$680 | \$761 | \$680 |
| Subscriber + Family | \$680 | \$761 | \$680 |
| NON-MEDICARE PRIMARY for DEPENDENT(S) on STANDARD PPO PLAN | | | |
| Subscriber + Child(ren) | \$185 | \$266 | \$185 |
| Subscriber + Spouse | \$575 | \$656 | \$575 |
| Subscriber + Family | \$575 | \$656 | \$575 |

2026 Premiums

HIGH DEDUCTIBLE HEALTH PLAN



| NON-MEDICARE PRIMARY for SUBSCRIBER and DEPENDENT(S) MONTHLY PREMIUM RATES January 1, 2026 - December 31, 2026 | | | |
|---|----------------------------|---------------------------|----------------------------------|
| COVERAGE TYPE | SUBSCRIBER MONTHLY PREMIUM | DEPENDENT MONTHLY PREMIUM | TOTAL SUBSCRIBER MONTHLY PREMIUM |
| Subscriber Only | \$101 | \$0 | \$101 |
| Subscriber + Child(ren) | \$101 | \$140 | \$241 |
| Subscriber + Spouse | \$101 | \$495 | \$596 |
| Subscriber + Family | \$101 | \$495 | \$596 |

2026 Contributory Members

- **100% Contributory Subscribers, COBRA, & LOA:**
 - Participant will pay: Employee Premium (dependent on coverage tier) + Employer Premium
- **50% Contributory Subscribers:**
 - Participant will pay: Employee Premium (dependent on coverage tier) + Employer Premium x 50%
- **100% Contributory Retirees:**
 - Self Insured Retiree will pay: Retiree Premium (dependent on coverage tier) + \$360
- **50% Contributory Subscribers:**
 - Self Insured Retiree will pay: Retiree Premium (dependent on coverage tier) + \$180
- **Fully Insured Retirees will pay Humana Premium + Admin Fee**
 - National Guard, Firefighters, and Emergency Personnel will have an additional 20% as allowed by law.
 - Contributory Members will default to the “Under \$50,000” band.

Premium Vote

- Plan staff recommends the approval of the Employer and Retiree Health Trust Premium rates on slides 36 & 37 for Plan year 2026.
- Plan staff recommends the approval of the Employee and Retiree Premiums on slides 41 - 44 for Plan year 2026.
- Plan staff recommends the approval of the methodology to calculate the Partial and Fully Contributory members on slide 45 for Plan year 2026.



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

Financial Update

Projection vs. Budget: Calendar Year 2025

| <i>(\$s in millions)</i> | CY 2025 Projection | CY 2025 Adj. Budget | Difference |
|-----------------------------|-----------------------|------------------------|----------------|
| Premiums & Subsidies | \$4,760.9 | \$4,757.0 | \$3.9 |
| Investment Earnings | \$40.5 | \$20.1 | \$20.4 |
| Total Revenue | \$4,801.3 | \$4,777.1 | \$24.2 |
| Net Medical Claims | \$3,526.7 | \$3,377.5 | \$149.2 |
| Net Pharmacy Claims | \$861.8 | \$1,009.5 | (\$147.7) |
| Medicare Advantage Payments | \$85.5 | \$91.0 | (\$5.5) |
| Administrative Expenses | \$206.7 | \$207.1 | (\$0.4) |
| Total Expenses | \$4,680.6 | \$4,685.0 | (\$4.4) |
| Plan Income/(Loss) | \$120.7 | \$92.1 | \$28.6 |
| Ending Cash Balance | \$808.8 | \$683.0 | \$125.8 |

Budget has been adjusted for S.L. 2025-89 and increased administrative expenses under new TPA and new programs.



Appendix

2026 Premiums

STANDARD PPO & PLUS PPO PLAN for Active Employees, Eligible Part-Time, Job Share and Leave of Absence Subscribers



| Monthly Premium Rates January, 2026 to December 31, 2026 | STANDARD PPO PLAN | | | | PLUS PPO PLAN | | | |
|--|-------------------|---------------------|---------------------|-----------------|----------------|---------------------|---------------------|-----------------|
| | Salary Band | | | | Salary Band | | | |
| | UNDER \$50,000 | \$50,001 - \$65,000 | \$65,001 - \$90,000 | \$90,001 + OVER | UNDER \$50,000 | \$50,001 - \$65,000 | \$65,001 - \$90,000 | \$90,001 + OVER |
| SUBSCRIBER and all DEPENDENT(S) are NON-MEDICARE | | | | | | | | |
| Subscriber Only | \$35 | \$50 | \$65 | \$80 | \$66 | \$94 | \$122 | \$160 |
| Subscriber + Child(ren) | \$185 | \$200 | \$215 | \$230 | \$276 | \$304 | \$332 | \$370 |
| Subscriber + Spouse | \$575 | \$590 | \$605 | \$620 | \$746 | \$774 | \$802 | \$840 |
| Subscriber + Family | \$575 | \$590 | \$605 | \$620 | \$746 | \$774 | \$802 | \$840 |
| JOB SHARE EMPLOYEES (50% CONTRIBUTORY) | | | | | | | | |
| Subscriber Only | | \$406.02 | | | | \$437.02 | | |
| Subscriber + Child(ren) | | \$556.02 | | | | \$647.02 | | |
| Subscriber + Spouse | | \$946.02 | | | | \$1,117.02 | | |
| Subscriber + Family | | \$946.02 | | | | \$1,117.02 | | |
| LOA FULLY PAID & PART-TIME (100% CONTRIBUTORY) | | | | | | | | |
| Subscriber Only | | \$777.04 | | | | \$808.04 | | |
| Subscriber + Child(ren) | | \$927.04 | | | | \$1,018.04 | | |
| Subscriber + Spouse | | \$1,317.04 | | | | \$1,488.04 | | |
| Subscriber + Family | | \$1,317.04 | | | | \$1,488.04 | | |

2026 Premiums

STANDARD PPO & PLUS PPO PLAN for 12-Month RIF Subscribers



| Monthly Premium Rates January, 2026 to December 31, 2026 | STANDARD PPO PLAN | PLUS PPO PLAN |
|--|-------------------|---------------|
| NON-MEDICARE & MEDICARE PRIMARY SUBSCRIBERS | | |
| Subscriber Only | \$35 | \$66 |
| Subscriber + Child(ren) | \$185 | \$276 |
| Subscriber + Spouse | \$575 | \$746 |
| Subscriber + Family | \$575 | \$746 |
| MEDICARE PRIMARY for DEPENDENTS ONLY | | |
| Subscriber + Child(ren) | \$220 | \$251 |
| Subscriber + Spouse | \$610 | \$641 |
| Subscriber + Family | \$610 | \$641 |
| MEDICARE PRIMARY for SUBSCRIBER and DEPENDENT(S) | | |
| Subscriber + Child(ren) | \$220 | \$251 |
| Subscriber + Spouse | \$610 | \$641 |
| Subscriber + Family | \$610 | \$641 |

2026 Premiums

STANDARD PPO & PLUS PPO PLAN for Active Subscribers who are Medicare Primary due to Upcoming Retirement



| Monthly Premium Rates January, 2026 to December 31, 2026 | STANDARD PPO PLAN | | | | PLUS PPO PLAN | | | |
|---|-------------------|---------------------|---------------------|-----------------|----------------|---------------------|---------------------|-----------------|
| | Salary Band | | | | Salary Band | | | |
| | UNDER \$50,000 | \$50,001 - \$65,000 | \$65,001 - \$90,000 | \$90,001 + OVER | UNDER \$50,000 | \$50,001 - \$65,000 | \$65,001 - \$90,000 | \$90,001 + OVER |
| MEDICARE PRIMARY for ACTIVE EMPLOYEE ONLY | | | | | | | | |
| Subscriber Only | \$35 | \$50 | \$65 | \$80 | \$66 | \$94 | \$122 | \$160 |
| Subscriber + Child(ren) | \$185 | \$200 | \$215 | \$230 | \$276 | \$304 | \$332 | \$370 |
| Subscriber + Spouse | \$575 | \$590 | \$605 | \$620 | \$746 | \$774 | \$802 | \$840 |
| Subscriber + Family | \$575 | \$590 | \$605 | \$620 | \$746 | \$774 | \$802 | \$840 |
| MEDICARE PRIMARY for DEPENDENT(S) ONLY | | | | | | | | |
| Subscriber + Child(ren) | \$220 | \$235 | \$250 | \$265 | \$251 | \$279 | \$307 | \$345 |
| Subscriber + Spouse | \$610 | \$625 | \$640 | \$655 | \$641 | \$669 | \$697 | \$735 |
| Subscriber + Family | \$610 | \$625 | \$640 | \$655 | \$641 | \$669 | \$697 | \$735 |
| MEDICARE PRIMARY for ACTIVE EMPLOYEE and DEPENDENT(S) ONLY | | | | | | | | |
| Subscriber + Child(ren) | \$220 | \$235 | \$250 | \$265 | \$251 | \$279 | \$307 | \$345 |
| Subscriber + Spouse | \$610 | \$625 | \$640 | \$655 | \$641 | \$669 | \$697 | \$735 |
| Subscriber + Family | \$610 | \$625 | \$640 | \$655 | \$641 | \$669 | \$697 | \$735 |

2026 Premiums

STANDARD PPO & PLUS PPO PLAN for 50% Contributory Non-Medicare Primary Subscribers in the Retirement Systems



| Monthly Premium Rates January, 2026 to December 31, 2026 | STANDARD PPO PLAN | PLUS PPO PLAN |
|---|-------------------|---------------|
| SUBSCRIBER and all DEPENDENTS are NON-MEDICARE | | |
| Subscriber Only | \$180 | \$246 |
| Subscriber + Child(ren) | \$365 | \$456 |
| Subscriber + Spouse | \$755 | \$926 |
| Subscriber + Family | \$755 | \$926 |
| MEDICARE PRIMARY DEPENDENT(S) on MEDICARE ADVANTAGE BASE PLAN | | |
| Subscriber + Child(ren) | \$248 | \$314 |
| Subscriber + Spouse | \$248 | \$314 |
| Subscriber + Family | \$316 | \$382 |
| MEDICARE PRIMARY DEPENDENT(S) on MEDICARE ADVANTAGE ENHANCED PLAN | | |
| Subscriber + Child(ren) | \$325 | \$391 |
| Subscriber + Spouse | \$325 | \$391 |
| Subscriber + Family | \$470 | \$536 |
| MEDICARE PRIMARY DEPENDENT(S) on STANDARD PPO PLAN | | |
| Subscriber + Child(ren) | \$365 | \$431 |
| Subscriber + Spouse | \$755 | \$821 |
| Subscriber + Family | \$755 | \$821 |

2026 Premiums

STANDARD PPO & PLUS PPO PLAN for 100% Contributory Non-Medicare Primary Subscribers in the Retirement Systems



| Monthly Premium Rates January, 2026 to December 31, 2026 | STANDARD PPO PLAN | PLUS PPO PLAN |
|--|-------------------|---------------|
| SUBSCRIBER and all DEPENDENTS are NON-MEDICARE | | |
| Subscriber Only | \$360 | \$426 |
| Subscriber + Child(ren) | \$545 | \$636 |
| Subscriber + Spouse | \$935 | \$1,106 |
| Subscriber + Family | \$935 | \$1,106 |
| MEDICARE PRIMARY DEPENDENT(S) on MEDICARE ADVANTAGE BASE PLAN | | |
| Subscriber + Child(ren) | \$428 | \$494 |
| Subscriber + Spouse | \$428 | \$494 |
| Subscriber + Family | \$496 | \$562 |
| MEDICARE PRIMARY DEPENDENT(S) on MEDICARE ADVANTAGE ENHANCED PLAN | | |
| Subscriber + Child(ren) | \$505 | \$571 |
| Subscriber + Spouse | \$505 | \$571 |
| Subscriber + Family | \$650 | \$716 |
| MEDICARE PRIMARY DEPENDENT(S) on STANDARD PPO PLAN | | |
| Subscriber + Child(ren) | \$545 | \$611 |
| Subscriber + Spouse | \$935 | \$1,001 |
| Subscriber + Family | \$935 | \$1,001 |

2026 Premiums

STANDARD PPO & PLUS PPO PLAN for Non-Medicare Primary Subscribers COBRA, Direct Bill & Sponsored Dependent Groups)



| Monthly Premium Rates January, 2026 to December 31, 2026 | STANDARD PPO PLAN | PLUS PPO PLAN |
|--|-------------------|---------------|
| SUBSCRIBER and all DEPENDENTS are NON-MEDICARE | | |
| Subscriber Only | \$777.04 | \$808.04 |
| Subscriber + Child(ren) | \$927.04 | \$1,018.04 |
| Subscriber + Spouse | \$1,317.04 | \$1,488.04 |
| Subscriber + Family | \$1,317.04 | \$1,488.04 |
| MEDICARE PRIMARY DEPENDENT(S) on MEDICARE ADVANTAGE BASE PLAN | | |
| Subscriber + Child(ren) | \$845 | \$876.04 |
| Subscriber + Spouse | \$845 | \$876.04 |
| Subscriber + Family | \$913.04 | \$944.04 |
| MEDICARE PRIMARY DEPENDENT(S) on MEDICARE ADVANTAGE ENHANCED PLAN | | |
| Subscriber + Child(ren) | \$922.04 | \$953.04 |
| Subscriber + Spouse | \$922.04 | \$953.04 |
| Subscriber + Family | \$1,067.04 | \$1,098.04 |
| MEDICARE PRIMARY DEPENDENT(S) on STANDARD PPO PLAN | | |
| Subscriber + Child(ren) | \$962.04 | \$993.04 |
| Subscriber + Spouse | \$1,352.04 | \$1,383.04 |
| Subscriber + Family | \$1,352.04 | \$1,383.04 |

2026 Premiums

MEDICARE PRIMARY PLANS for Medicare Subscribers, 50% Contributory in the Retirement Systems



| Monthly Premium Rates January, 2026 to December 31, 2026 | MEDICARE ADVANTAGE | | MEDICARE 70/30 PLAN |
|---|--------------------|---------------|------------------------|
| | BASE PLAN | ENHANCED PLAN | |
| MEDICARE PRIMARY SUBSCRIBERS & DEPENDENTS | | | |
| Subscriber Only | \$68 | \$145 | \$180 |
| Subscriber + Child(ren) | \$136 | \$290 | \$365 |
| Subscriber + Spouse | \$136 | \$290 | \$755 |
| Subscriber + Family | \$204 | \$435 | \$755 |
| NON-MEDICARE PRIMARY for DEPENDENT(S) on PLUS PPO PLAN | | | |
| Subscriber + Child(ren) | \$278 | \$355 | \$390 |
| Subscriber + Spouse | \$748 | \$825 | \$860 |
| Subscriber + Family | \$748 | \$825 | \$860 |
| NON-MEDICARE PRIMARY for DEPENDENT(S) on STANDARD PPO PLAN | | | |
| Subscriber + Child(ren) | \$253 | \$330 | \$365 |
| Subscriber + Spouse | \$643 | \$720 | \$755 |
| Subscriber + Family | \$643 | \$720 | \$755 |

2026 Premiums

MEDICARE PRIMARY PLANS for Medicare Subscribers, 100% Contributory in the Retirement Systems



| Monthly Premium Rates January, 2026 to December 31, 2026 | MEDICARE ADVANTAGE | | MEDICARE 70/30 PLAN |
|---|--------------------|---------------|------------------------|
| | BASE PLAN | ENHANCED PLAN | |
| MEDICARE PRIMARY SUBSCRIBERS & DEPENDENTS | | | |
| Subscriber Only | \$68 | \$145 | \$360 |
| Subscriber + Child(ren) | \$136 | \$290 | \$545 |
| Subscriber + Spouse | \$136 | \$290 | \$935 |
| Subscriber + Family | \$204 | \$435 | \$935 |
| NON-MEDICARE PRIMARY for DEPENDENT(S) on PLUS PPO PLAN | | | |
| Subscriber + Child(ren) | \$278 | \$355 | \$570 |
| Subscriber + Spouse | \$748 | \$825 | \$1,040 |
| Subscriber + Family | \$748 | \$825 | \$1,040 |
| NON-MEDICARE PRIMARY for DEPENDENT(S) on STANDARD PPO PLAN | | | |
| Subscriber + Child(ren) | \$253 | \$330 | \$545 |
| Subscriber + Spouse | \$643 | \$720 | \$935 |
| Subscriber + Family | \$643 | \$720 | \$935 |

2026 Premiums

MEDICARE PRIMARY PLANS for 100% Contributory Medicare Primary Subscribers (COBRA, Direct Bill & Sponsored Dependent Groups)



| Monthly Premium Rates January, 2026 to December 31, 2026 | MEDICARE ADVANTAGE | | MEDICARE 70/30 PLAN |
|---|--------------------|---------------|------------------------|
| | BASE PLAN | ENHANCED PLAN | |
| MEDICARE PRIMARY for RETIREE and DEPENDENTS | | | |
| Subscriber Only | \$68 | \$145 | \$360 |
| Subscriber + Child(ren) | \$136 | \$290 | \$545 |
| Subscriber + Spouse | \$136 | \$290 | \$935 |
| Subscriber + Family | \$204 | \$435 | \$935 |
| NON-MEDICARE PRIMARY for DEPENDENT(S) on PLUS PPO PLAN | | | |
| Subscriber + Child(ren) | \$278 | \$355 | \$570 |
| Subscriber + Spouse | \$748 | \$825 | \$1,040 |
| Subscriber + Family | \$748 | \$825 | \$1,040 |
| NON-MEDICARE PRIMARY for DEPENDENT(S) on STANDARD PPO PLAN | | | |
| Subscriber + Child(ren) | \$253 | \$330 | \$545 |
| Subscriber + Spouse | \$643 | \$720 | \$935 |
| Subscriber + Family | \$643 | \$720 | \$935 |

Lantern

Member Counts by Medicare Region

North Carolina State Health Plan

| Region 1 | Counts | Region 2 | Counts | Region 3 | Counts | Region 4 | Counts | Region 5 | Counts | Region 6 | Counts |
|--------------|---------------|--------------|---------------|--------------|---------------|--------------|----------------|--------------|---------------|--------------|---------------|
| Avery | 1,396 | Alleghany | 773 | Alexander | 1,998 | Alamance | 12,027 | Bladen | 2,263 | Beaufort | 3,392 |
| Buncombe | 10,504 | Ashe | 2,236 | Anson | 1,615 | Caswell | 753 | Brunswick | 5,580 | Bertie | 1,235 |
| Burke | 7,331 | Davidson | 6,026 | Cabarrus | 10,120 | Chatham | 4,490 | Columbus | 3,933 | Camden | 622 |
| Caldwell | 4,766 | Davie | 1,949 | Catawba | 7,290 | Durham | 19,052 | Cumberland | 11,406 | Carteret | 3,624 |
| Cherokee | 1,278 | Forsyth | 15,353 | Cleveland | 5,336 | Franklin | 4,267 | Harnett | 5,752 | Chowan | 1,032 |
| Clay | 514 | Guilford | 24,404 | Gaston | 7,860 | Granville | 3,692 | Hoke | 1,532 | Craven | 4,303 |
| Graham | 517 | Randolph | 6,473 | Iredell | 7,170 | Johnston | 13,207 | Lee | 3,871 | Currituck | 934 |
| Haywood | 3,262 | Rockingham | 3,378 | Lincoln | 3,905 | Nash | 6,113 | Montgomery | 1,696 | Dare | 2,075 |
| Henderson | 4,708 | Stokes | 2,108 | Mecklenburg | 29,089 | Orange | 18,765 | Moore | 4,163 | Duplin | 2,578 |
| Jackson | 3,178 | Surry | 5,663 | Rowan | 5,540 | Person | 2,246 | New Hanover | 11,701 | Edgecombe | 2,166 |
| Macon | 1,456 | Watauga | 5,396 | Stanly | 3,905 | Vance | 2,548 | Pender | 3,269 | Gates | 558 |
| Madison | 1,164 | Wilkes | 3,653 | Union | 9,448 | Wake | 74,359 | Richmond | 2,495 | Greene | 1,217 |
| McDowell | 2,850 | Yadkin | 1,948 | Total | 93,276 | Warren | 813 | Robeson | 7,715 | Halifax | 2,512 |
| Mitchell | 1,231 | Total | 79,360 | | | Wilson | 4,338 | Sampson | 3,764 | Hertford | 968 |
| Polk | 879 | | | | | Total | 166,670 | Scotland | 1,609 | Hyde | 427 |
| Rutherford | 4,312 | | | | | | | Total | 70,749 | Jones | 657 |
| Swain | 600 | | | | | | | | | Lenoir | 4,562 |
| Transylvania | 1,188 | | | | | | | | | Martin | 1,902 |
| Yancey | 1,329 | | | | | | | | | Northampton | 765 |
| Total | 52,463 | | | | | | | | | Onslow | 6,269 |
| | | | | | | | | | | Pamlico | 605 |
| | | | | | | | | | | Pasquotank | 2,830 |
| | | | | | | | | | | Perquimans | 891 |
| | | | | | | | | | | Pitt | 16,693 |
| | | | | | | | | | | Tyrrell | 420 |
| | | | | | | | | | | Washington | 837 |
| | | | | | | | | | | Wayne | 7,975 |
| | | | | | | | | | | Total | 72,049 |



Hello Heart

Initial Phase Enrollment Update

NC State Health Plan
August 15, 2025



Hello Heart is a member of the American Heart Association's Innovators' Network

Enthusiasm for Hello Heart is high!



In this initial phase, members in 37 rural counties are eligible for Hello Heart

Heart health is an SHP priority because:

#1
medical
condition
among SHP
members*

Nearly **2x**
SHP medical
spend for
hypertensive
members*

80%+
rural NC
counties with
poor health
care access

Hello Heart is a simple, digital hub to improve heart health – it drives behavior change to reduce risk and cost



SHP members are already taking action**

2,305 users in just 14 days since launch

165 users enrolling each day

77% enrolled due to high blood pressure

6k+ blood pressure readings taken so far

*Source: NC State Health Plan Population Risk Report - CY 2023 (Segal)

** Enrollment began July 18, 2025, Data through July 31, 2025, Users enrolling each day is an average over the initial enrollment period

With Hello Heart, eligible at-risk members can manage their heart health, even at home



Hello Heart is a simple, digital hub to improve heart health – it drives behavior change to reduce risk and cost through:

- ✓ **Tracking** blood pressure, cholesterol, medication, activity, and weight
- ✓ **Detecting** irregularities in blood pressure and pulse readings
- ✓ **Digital coaching** with personalized insights
- ✓ **Reporting** shareable with physicians and care managers



37 counties are initially eligible for Hello Heart





In Dec. 2024,
The Segal Group
independently analyzed
medical and pharmacy
claims to assess the
impact of Hello Heart
on a mutual labor client

Our impact on 746 members of electrical workers' union



20%

lower medical costs
for Hello Heart
users vs. non-users



\$1,434

lower medical &
pharmacy costs PMPY for
Hello Heart users vs. non-
users



2:1 ROI

for paid medical &
pharmacy costs,
censoring costs
>\$100K*, associated
with:

↓ heart disease-related
hospitalizations

↓ ER visits

↑ office visits

*Return on investment was calculated using paid healthcare costs, i.e. only those paid by the plan. This excludes costs covered by members.

Source: The Segal Group, Inc. "Hello Heart Program Evaluation." Published Dec. 2024. Accessed Jan. 23, 2025.



AON

In March 2025, Aon's Cost Efficiency Measurement team published a claims analysis on the impact of Hello Heart

Impact on 1,669 members across 3 clients over 1 year



26%

lower medical spending for Hello Heart users



\$1,434

reduction in medical costs per participant per year



>2x ROI

associated with:

↓ hospital admits/days

↓ ER visits

↑ office/preventive visits