

Posted: June 23, 2026 at 1:45 p.m.
MHTC Central Office
105 West Capitol
Jefferson City, Missouri 65101

Copies of this notice may be obtained by contacting:
Jennifer L. Jorgensen
Secretary to the Commission
(573) 751-3704

Missouri Highways and Transportation Commission Tentative Agenda

Benson Expo Center
Cummings Room
1004 East Sedalia Avenue
Clinton, MO

June 30, 2026

Open Meeting 12:00 p.m.

- | | <u>Est. Time</u> |
|--|------------------|
| 1. <u>Non-Action Item</u> – <u>Commission Workshop: Medical and Life Insurance Plan.</u> | 12:00 – 1:30 |
| <i>Brandon Denkler, Assistant to the Chief Administrative Officer, Medical Plan Board Chairman</i> | |

RECESS.

Closed Meeting 2:00 p.m.

VOTE TO CLOSE MEETING.

Competitive Bidding Specs, Sealed Bids, or Negotiated Contracts
Personnel administration regarding particular employees
Legal actions or attorney-client privileged communications

Section 610.021(11), (12) RSMo
Section 610.021(3), (13) RSMo
Section 610.021(1) RSMo



Workshop

MHTC WORKSHOP: MEDICAL AND LIFE INSURANCE PLAN (PLAN)

-- Presented by Brandon Denkler, Assistant to the Chief Administrative Officer, Medical Plan Board Chairman, 573-751-7463.

ISSUE: The Commission provides a self-insured medical and life insurance plan for employees, retirees, and vested annuitants of the Missouri Department of Transportation (MoDOT), the Missouri State Highway Patrol (MSHP), and the MoDOT and Patrol Employees' Retirement System (MPERS), and for the dependents of these groups. The Commission has established the MoDOT/MSHP Medical and Life Insurance Plan Board of Trustees (Board) to provide oversight of Plan administration and to provide recommendations to the Commission regarding Plan funding, benefit changes, and other issues that may significantly impact the Plan.

RECOMMEND that the Commission:

- No action is required. This information is provided to update the Commission regarding Plan history, details and the Calendar Year 2027 funding needs of the Plan.

DEPARTMENT VIEW:

- Comprehensive health care coverage is an extremely important benefit to active employees and retirees.

OTHER VIEWS:

- Employees and retirees have an interest in the ongoing cost of benefits and administration of the Plan. Both employees and retirees are represented on the Board. Below is a list of current Board members and their respective term expiration dates:
 - Brandon Denkler, active MoDOT employee, Board Chair, term expires April 2029.
 - Javal Burton, active MoDOT employee, term expires November 2025.
 - Amy Crawford, active MoDOT employee, term expires November 2026.
 - Ben Reeser, active MoDOT employee, term expires November 2028.
 - Mandy Kliethermes, active MSHP employee, term expires May 2028.
 - Lieutenant Stephen Burgun, active MSHP employee, term expires November 2028.
 - David Silvester, MoDOT retiree, term expires November 2031.
 - Greg Smith, MSHP retiree, term expires December 2026.

MHTC POLICY:

- Employees – Medical and Life Insurance – Medical and Life Insurance and Guidelines for Board of Trustees.

OTHER PERTINENT INFORMATION:

- Attachment 1 – Medical Plan Update
- Attachment 2 – History of Commission Provided Health and Life Insurance
- Attachment 3 – Plan Options Offered
- Attachment 4 – Employer & Subscriber Contributions by Calendar Year Graph
- Attachment 5 – Other Post-Employment Benefit (OPEB) Obligations

- Attachment 6 – Financial Statements

SOURCE OF FUNDING: Not applicable.



MoDOT/MSHP Medical Plan Workshop

Brandon Denkler

Assistant to the Chief Administrative Officer – HW

Plan History

- 1977 – Board of Trustees created.
- 1982 – Retiree medical insurance coverage legislatively passed
- 1985 – Began offering life insurance
- 2015 – Current funding strategy based on years of service implemented

Medical Plan

Scope

- Self Insured Health Plan
- 19,702 covered lives
- \$138.3 million in claims in 2025
 - \$107.3 million medical
 - \$31 million prescription
- Medicare Advantage Plan
 - 6,609
 - \$12.5 million in costs



Medical Plan

Plan Revenue

- Employer Contribution: \$113M
- Subscriber Contribution: \$29M
- Other Revenue: \$10.3M



Medical Board of Trustees



- 6 active employees
 - 4 MoDOT, 2 MSHP
- 2 retired employees
 - 1 per agency
- Overall plan management
- Administrator selection
- Funding recommendations

Plan Options

Benefit	Anthem PPO Plan	Anthem HDHP Plan
	In Network Provider	In Network Provider
Annual Deductible Individual Family	\$ 600 \$1,800 maximum	\$1,750** \$3,500
Coinsurance (applies after deductible) Up to out-of-pocket maximum	10%	30%
Annual Out-of-Pocket Maximum <i>Does not include cost above out-of-network rate.</i> Individual Family	Includes copayments, coinsurance, and deductible. \$1,950 \$5,850	Includes coinsurance and deductible. \$3,300** \$6,600
Office Visit	\$25 copayment for office visit only. Other services applied to deductible and coinsurance.	30% (up to out-of-pocket maximum)
Emergency Room Services	\$75 copayment then 10% coinsurance after deductible.	30% (up to out-of-pocket maximum)
Urgent Care	\$25 copayment for office visit only. Other services applied to deductible and coinsurance.	30% (up to out-of-pocket maximum)

Plan Comparison PPO

Benefit	MODOT/MSHP	Conservation	MCHCP	
	PPO	PPO	PPO 750	PPO 1250
Annual Deductible Individual Family	\$ 600 \$1,800 maximum	\$ 1,000 \$2,000	\$ 750 \$1,500 maximum	\$ 1,250 \$2,500
Coinsurance (applies after deductible) Up to out-of-pocket maximum	10%	10%	20%	20%
Annual Out-of-Pocket Maximum <i>Does not include cost above out-of-network rate.</i> Individual Family	Includes copayments, coinsurance, and deductible. \$1,950 \$5,850	Includes copayments, coinsurance, and deductible. \$3,000 \$6,000	Includes copayments, coinsurance, and deductible. \$2,250 \$4,500	Includes copayments, coinsurance, and deductible. \$3,750 \$7,500
Office Visit	\$25 copayment for office visit only. Other services applied to deductible and coinsurance.	Variable	20%	Variable
Emergency Room Services	\$75 copayment then 10% coinsurance after deductible.	\$150 copayment then 10% coinsurance after deductible.	\$250 copayment then 20% coinsurance after deductible.	\$250 copayment then 20% coinsurance after deductible.
Urgent Care	\$25 copayment for office visit only. Other services applied to deductible and coinsurance.	\$35 copayment for office visit only. Other services applied to deductible and coinsurance.	20%	\$50 copayment for office visit only. Other services applied to deductible and coinsurance.

Plan Comparison HDHP



Benefit	MODOT/MSHP	Conservation	MCHCP
	HDHP	HDHP	HDHP
Annual Deductible			
Individual	\$1,750	\$2,000	\$1,800
Family	\$3,500	\$4,000	\$3,600
Coinsurance (applies after deductible) Up to out-of-pocket maximum	30%	10%	20%
Annual Out-of-Pocket Maximum <i>Does not include cost above out-of-network rate.</i>	Includes coinsurance and deductible.	Includes copayments, coinsurance, and deductible.	Includes copayments, coinsurance, and deductible.
Individual	\$3,300**	\$2,500	\$5,400
Family	\$6,600	\$5,000	\$10,800
Office Visit	30%	10%	20%
Emergency Room Services	30%	10%	20%
Urgent Care	30%	10%	20%

Rate Comparison

Rates	MODOT	MCHCP 750	MCHCP 1250	CONSERVATION
Employee Only	\$ 94	\$ 101	\$ 69	\$ 147
Employee + Spouse	\$ 207	\$ 365	\$ 281	\$ 275
Employee + Child	\$ 132	\$ 145	\$ 99	\$ 243
Employee + Children	\$ 169	\$ 177	\$ 120	\$ 243
Employee + Family 1 Child	\$ 286	\$ 408	\$ 311	\$ 360
Employee + Family Multi Child	\$ 286	\$ 442	\$ 332	\$ 360

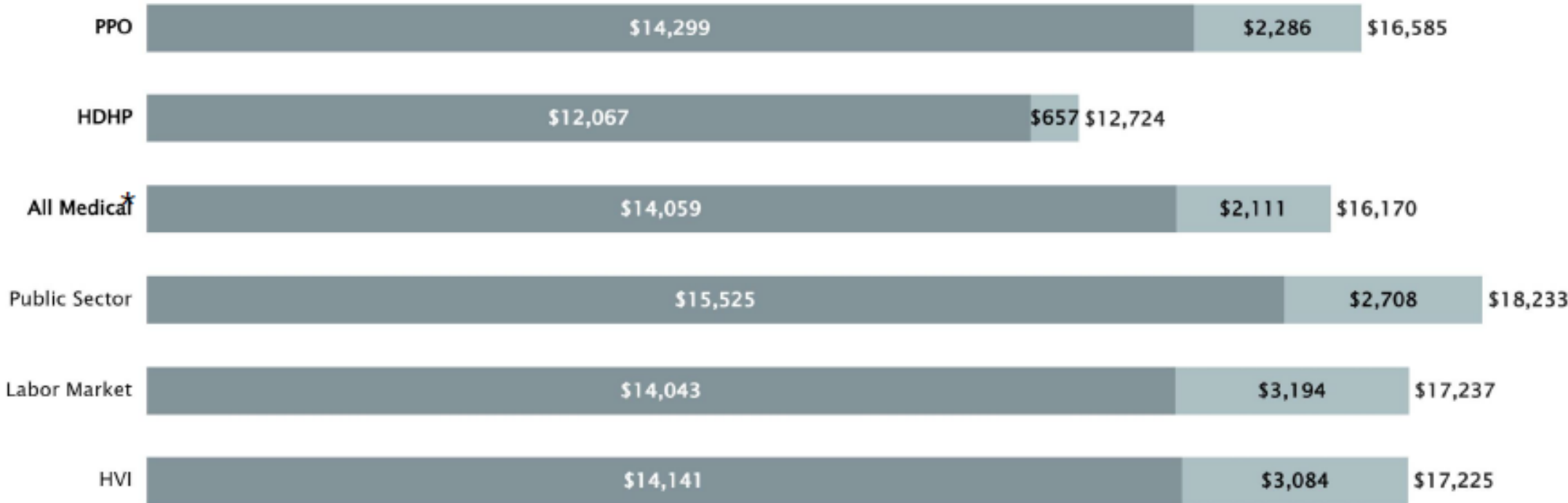
Employee Value Index



Premium Summary

■ Employer Cost ■ Employee Contributions

Per Employee Per Year



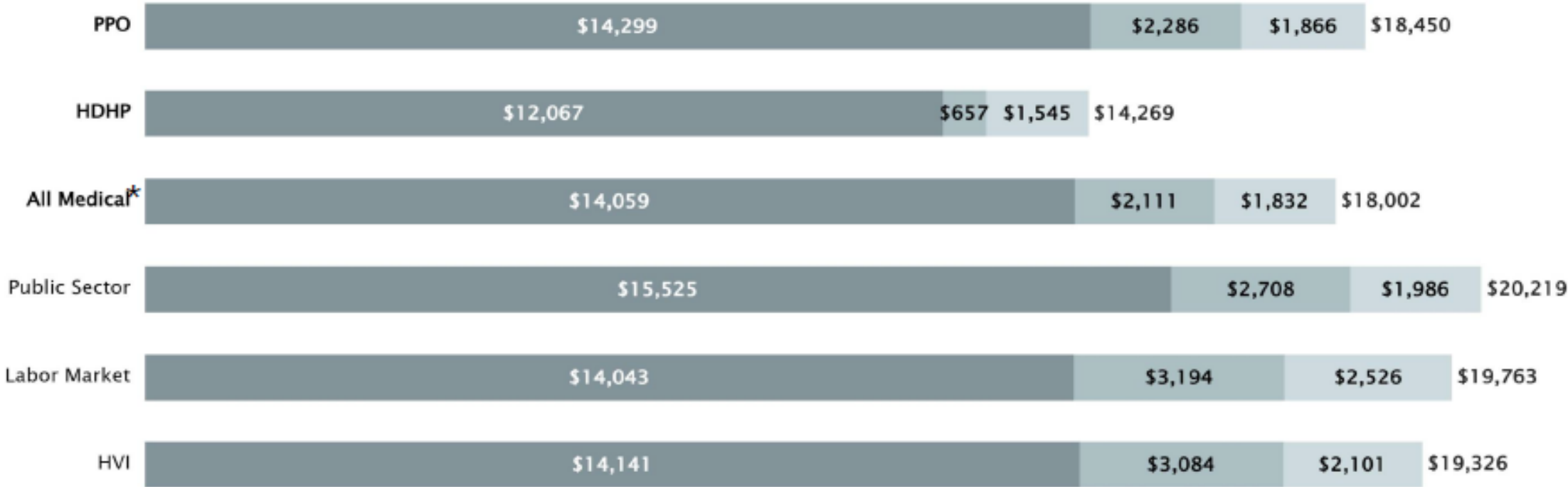
Employee Value Index



Total Cost Summary

■ Employer Cost ■ Employee Contributions ■ Out-of-Pocket Costs

Per Employee Per Year



Employee Value Index

Financial Index and Employee Value remove the cost differences caused by demographics, plan design, and geographic location.

Financial Index - Measure of how efficiently you are delivering healthcare to your employees

If Financial Efficiency > 100%, the plan is running better than the average financial efficiency

What can financial efficiency measure?

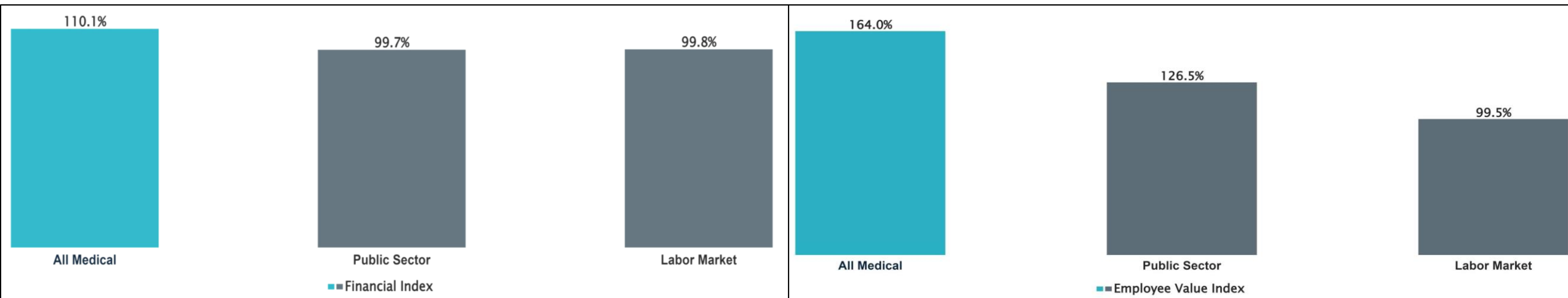
- Employer “bang for your buck”
- Provider Discounts
- Care management
- Utilization Patterns
- Health Risks/Lifestyle habits

Employee Value - Measure of what employees get from their contributions

If employee value > 100%, it reflects a better than average value per employee per contribution dollar spent

What can employee value measure?

Employee “bang for your buck”
Value employees get from their contribution



HSA Utilization

- **115 New enrollments**
- **18% increase**
- **Balances increased \$708,000 since 1/1.**

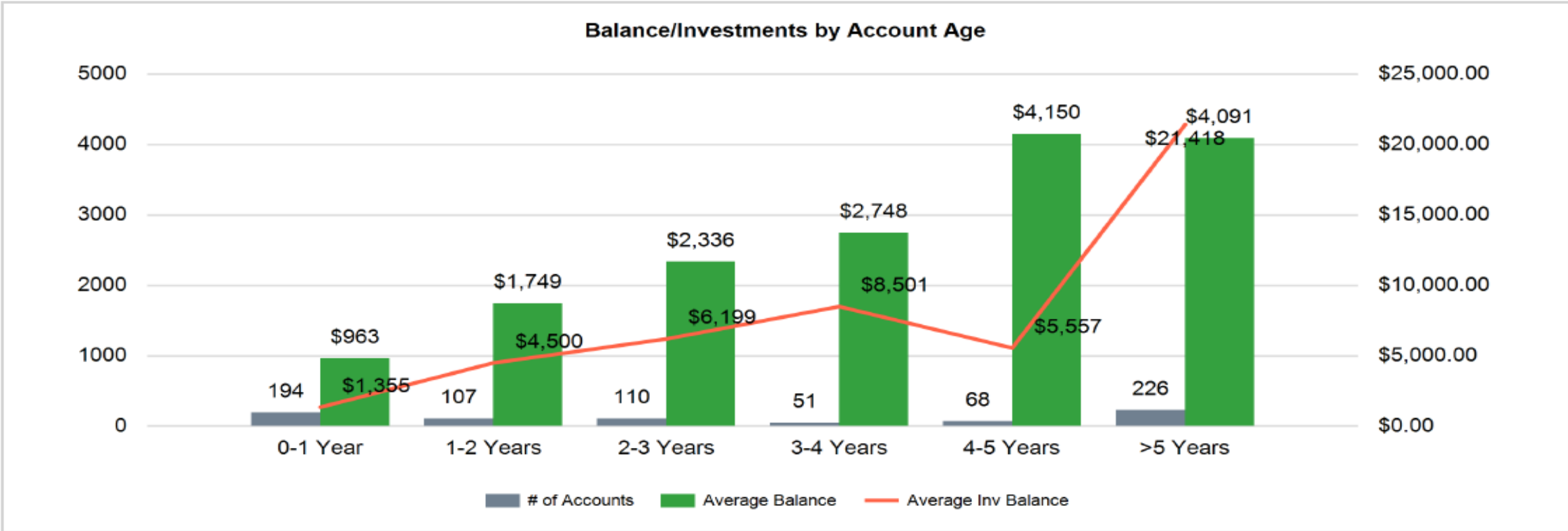
Cash Balance Summary

Account balance	Total Accounts	Opening Balance	Closing Balance
HSA Balance	756	\$1,587,749.52	\$1,977,834.84
Investment Balance	89	\$894,459.97	\$1,212,446.55
Total		\$2,482,209.49	\$3,190,281.39

HSA Utilization

Balance/Investments by Accountholder Age

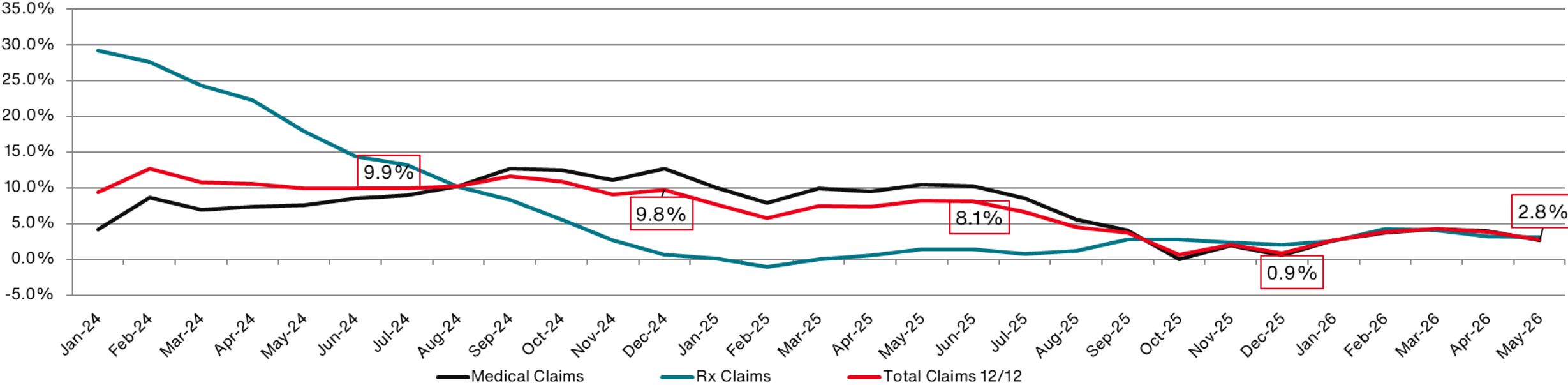
Age	Avg HSA Balance	Avg Inv Balance	# of Accounts	# of Inv Accounts
25 and under	\$1,543.51	\$0.00	74	N/A
25-34	\$2,374.90	\$6,771.08	295	28
35-44	\$2,491.11	\$20,742.39	166	18
45-54	\$3,035.95	\$14,257.83	133	26
55-64	\$3,972.29	\$19,277.05	85	14
65+	\$0.00	\$0.00	N/A	N/A



Financial Analysis

Healthcare claims trend

Active and Pre-65 Healthcare Claims Trend

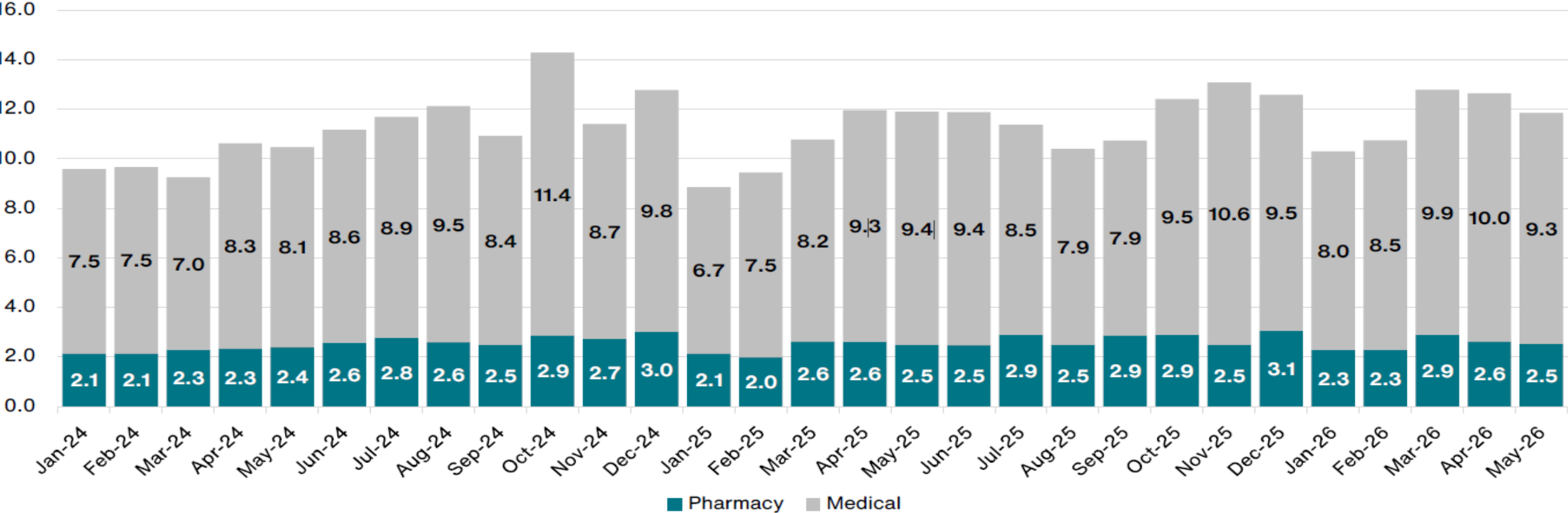


Financial Analysis

Claims by month

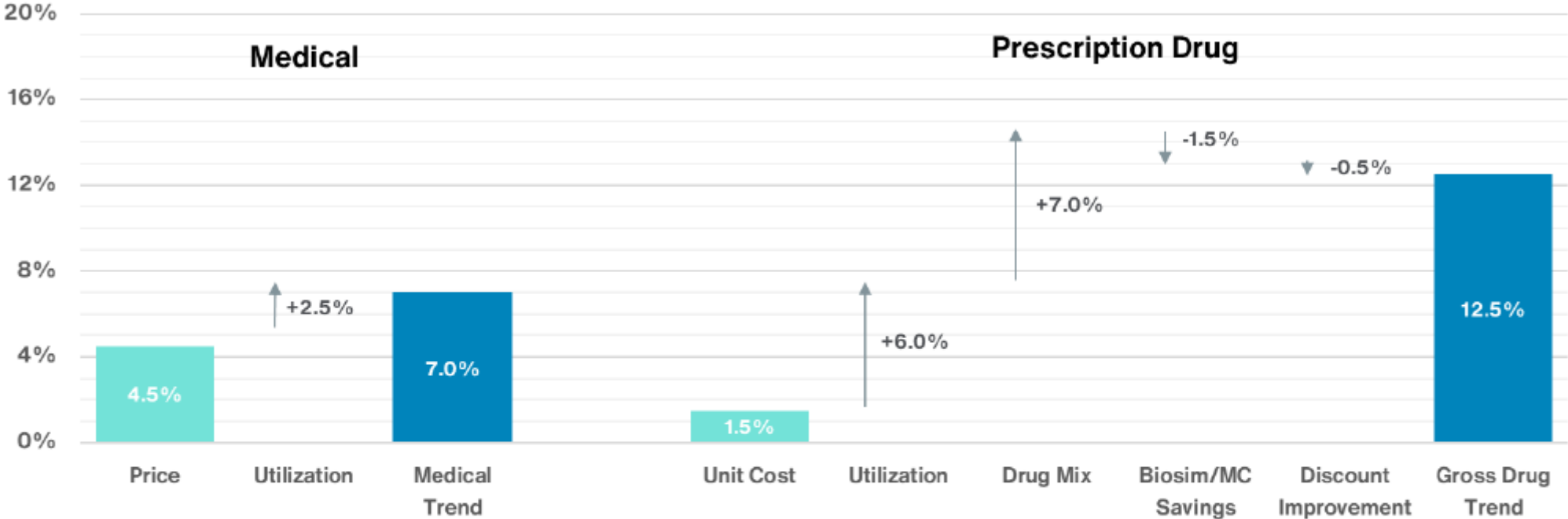


Incurred Claims by Month



Financial Analysis

2026 - 2027 Trend by Component



	Active/Pre-65 Allowed Trends Before Leveraging and Before Rx Rebate Improvement					
	Updated Guidance			Prior Guidance		
	Medical	Rx	Combined	Medical	Rx	Combined
2025 to 2026	7.5%	12.5%	9.0%	7.5%	12.5%	9.0%
2026 to 2027	7.0%	12.5%	8.5%	7.0%	12.5%	8.5%
2027 to 2028	6.5%	12.5%	8.0%			

Cost Projection & Rate Development

(CY2026 Recast)

Projected Medical Claims	\$1,168
Projected Rx Claims	\$330
2026 Total Projected Medical/Rx Claims PEPM	\$1,498

2026 Fees, Refunds, Rebates, and Other PEPM	
Medical Administration	\$31
Rx Administration	\$2
Change in Reserve	\$10
Other Expenses and Subrogation Refunds	\$2
HSA Seed	\$5
Rx Formulary Rebates	(\$120)
Total	(\$71)

Summary	
Enrolled Subscribers	8,499
Projected Monthly Cost	\$1,427
Investment Income	\$11
Current Contribution	\$1,396
Projected Net Gain (Loss)	(\$19)

- The table does not include Post 65 data and only includes actives and Pre65 population
- 7.5% Medical trend
- 12.5% Rx Trend
- 12 months of claims and enrollment data through May 2026
- May 2026 enrollment is assumed for the remainder of the year
- Projecting \$19 PEPM loss for 2026 for a loss of \$2.0 million in CY 2026

Cost Projection & Rate Development

(CY2027)

Projected Medical Claims	\$1,250
Projected Rx Claims	\$371
2027 Total Projected Medical/Rx Claims PEPM	\$1,629

2027 Fees, Refunds, Rebates, and Other PEPM	
Medical Administration	\$31
Rx Administration	\$2
Change in Reserve	\$10
Other Expenses and Subrogation Refunds	\$2
HSA Seed	\$5
Rx Formulary Rebates	(\$127)
Total	(\$77)

Summary	
Enrolled Subscribers	8,496
Projected Monthly Cost	\$1,552
Investment Income	\$11
Current Contribution	\$1,396
Projected Net Gain (Loss)	(\$144)

- The table does not include Post 65 data and only includes actives and Pre65 population
- Medical trend:
 - 7.5% for 2025-2026
 - 7.0% for 2026-2027
- Rx Trend
 - 12.5% for 2025-2026 and 2026-2027
- 12 months of claims and enrollment data through May 2026
- Assumes same enrollment as current (May 2026)
- Projecting a loss of \$144 PEPM before any increase to premiums

Five-Year Projection Scenario 1

	2027	2028	2029	2030	2031
Estimated Income ^{1, 2}	\$176,413,000	\$193,264,000	\$211,784,000	\$232,142,000	\$254,519,000
Estimated Total Expense	\$177,433,000	\$190,315,000	\$204,202,000	\$219,178,000	\$235,330,000
Estimated Income Less Expenses	(\$1,020,000)	\$2,949,000	\$7,582,000	\$12,964,000	\$19,189,000
Beginning Retained Earnings	\$21,751,000	\$20,731,000	\$23,680,000	\$31,262,000	\$44,226,000
Ending Retained Earnings	\$20,731,000	\$23,680,000	\$31,262,000	\$44,226,000	\$63,415,000
Proposed Premium Increase	8.0%	10.0%	10.0%	10.0%	10.0%
Retained Earnings as a % of Total Expense	11.7%	12.4%	15.3%	20.2%	26.9%

Assumptions:

- 7% annual medical claims trend 10% annual Rx claims trend
- 1.4% investment trend
- 10% rebate trend
- 2.5% annual trend for other expenses
- No change in reserve

Five-Year Projection Scenario 2

	2027	2028	2029	2030	2031
Estimated Income ^{1, 2}	\$174,990,000	\$191,699,000	\$210,063,000	\$230,249,000	\$252,437,000
Estimated Total Expense	\$177,433,000	\$190,315,000	\$204,202,000	\$219,178,000	\$235,330,000
Estimated Income Less Expenses	(\$2,443,000)	\$1,384,000	\$5,861,000	\$11,071,000	\$17,107,000
Beginning Retained Earnings	\$21,751,000	\$19,308,000	\$20,692,000	\$26,553,000	\$37,624,000
Ending Retained Earnings	\$19,308,000	\$20,692,000	\$26,553,000	\$37,624,000	\$54,731,000
Proposed Premium Increase	7.0%	10.0%	10.0%	10.0%	10.0%
Retained Earnings as a % of Total Expense	10.9%	10.9%	13.0%	17.2%	23.3%

Assumptions:

- 7% annual medical claims trend 10% annual Rx claims trend
- 1.4% investment trend
- 10% rebate trend
- 2.5% annual trend for other expenses
- No change in reserve

THANK YOU

Medical Plan Update

Medical plan financial update – key statistics

- The net position decreased from a surplus of \$27.4 million at the beginning of calendar year 2025 to a surplus of \$23.7 million at the end of December 2024, a decrease of \$3.7 million.
- The Plan’s actuary prepares semi-annual reports which are reviewed by the Board and provided to MoDOT and Patrol leadership to determine appropriate funding levels.
- The actuary recommends an annual adjustment to the estimated liability for incurred but not reported (IBNR) claims. The 2026 IBNR is \$14.0 million, which is a 2.5% increase from the calendar year 2025 IBNR calculation.
- As of April 30, 2026, plan assets decreased from \$50.9 million in April 2025 to \$49.1 million. Liabilities totaled \$22.8 million, \$4.6 million less than the previous April. The net position as of April 30, 2026 was \$26.3 million compared to \$32.7 million at the same time last year.

Comparing medical claims

- The number of medical claims decreased 0.35 percent (506,663 in calendar year 2025 compared to 508,445 in calendar year 2024).
- For that same time period, the cost of medical claims increased 0.7 percent (\$107.3 million in medical claims compared to \$106.5 million).
- In 2026 thus far, there has been a 21.1 percent increase in the amount paid for medical claims through the first four months as compared to the same time period last year.

Comparing prescription drug claims

- The number of prescription drug claims count decreased 7.7 percent (196,448 prescription drug claims in calendar year 2025 compared to 212,891 prescription drug claims in calendar year 2024).
- Corresponding claim expenses increased 2.8 percent (\$30.3 million in 2025 compared to \$29.5 million in 2024).
- In 2025, specialty drug claims represented 1.92 percent of the number of prescription claims, but accounted for 55.8 percent (\$17.2 million) of the Plan’s total drug spend.
- The surge in specialty drug cost is a serious issue for health insurance plans nationwide with no apparent strategy to combat the trend in the foreseeable future. Specialty drugs are prescriptions that generally have unique uses, may require special dosing or administration, and are used to treat diagnoses such as cancer, rheumatoid arthritis, multiple sclerosis, and hepatitis C.

Timing of Plan/Premium Changes

- The actuary met with the Board on June 24, 2026 and provided the semi-annual report and recommendation for calendar year 2027 funding.

- Once the Commission approves the Board's funding recommendation in August, staff will begin communication to subscribers, and continue through the remainder of the calendar year.
- Calendar year 2026 is not an Open Enrollment year. Per the Summary Plan Document, Open Enrollment is offered every October in odd numbered years with coverage to be effective January 1 of even numbered years.

History of Commission Provided Health and Life Insurance

Health Insurance

- On March 13, 1928, the Commission authorized employees to form groups or associations to obtain insurance at group rates with no financial participation by the Commission.
- On October 15, 1975, the Commission authorized a study of hospital and life insurance programs to develop a program offering optimum benefits at minimum costs.
- The Commission approved participation in the cost of employee health care premiums in 1977 for each employee who was a member of the MoDOT and Missouri State Highway Patrol (MSHP) retirement system.
- The Commission established a Board of Trustees on November 9, 1977 and provided guidelines for the Trustees to use in administering the new medical and life self-insurance plan.
- The plan, as well as Commission contributions for health care became effective February 1, 1978. A plan that covered most other state employees originated at about this time. That plan is now known as the Missouri Consolidated Health Care Plan (MCHCP).
- The University of Missouri system and the Missouri Department of Conservation operate their own independent plans.
- Legislation enacted in 1982 allowed state participation in the cost of medical insurance for retirees. Subsequent Commission action and/or legislation extended the subsidy to dependents (August 3, 1990), surviving spouses and dependents of employees who lost their lives as a result of a traumatic injury incurred on the job (September 8, 1993), work-related disability recipients (legislation - 1995), long-term disability recipients (September 5, 1997), survivors of employees/retirees (September 7, 2001), and spouses of members who have Medicare as their primary coverage (September 7, 2001).

Life Insurance

- As allowed by Missouri statutes passed in 1985, the Commission elected to provide its employees with \$15,000 of life insurance at no cost to the employee and to establish an optional life insurance program offering additional life insurance to the employee at the employee's expense.
- Effective January 1, 2001, the statutes allowed an increase in coverage from \$15,000 to the amount of the employee's annual base pay (maximum of \$250,000) at no cost to the employee.
- The optional life insurance program allows an employee to purchase the following coverage: (1) up to six times the amount of the employee's annual salary (maximum of \$800,000); and coverage for spouse and dependents.

Board of Trustees

- The Plan Board of Trustees is composed of four active MoDOT employees, two active Patrol employees, and one retiree from each agency. These Board members are recommended by either the MoDOT Director or the MSHP Superintendent, respectively, and require approval by the Commission. MoDOT's Assistant to the Chief Administrative Officer serves as the Chairman of the Plan Board of Trustees.
- The Board's responsibilities are administrative in nature and consist primarily of determining eligibility, covered services, and administrative procedures. Significant changes are recommended by the Board to the Commission for approval.
- The Board is also responsible for reviewing potential administrators and consultants needed for plan administration.
- The vast majority of administrative services necessary to provide the plan benefits to members are outsourced.

Plan Funding

- The Board makes overall Plan funding recommendations to the Commission with assistance and input from an actuarial consultant.
- The Commission establishes the contribution strategy, which determines how much of the total necessary Plan premium is paid by the employer and how much is paid by the subscriber.
- The funding recommendation process occurs in late June or early July with the Board reviewing the recommendations from the actuary and making a recommendation to the Commission. The recommendation to the Commission occurs in August or September to provide ample time to communicate any benefit and rate changes to Plan members well in advance of the January 1 effective date, as well as, prior to the biennial October open enrollment.
- For calendar year 2000 through calendar year 2007, the employers absorbed all necessary increases in plan funding with none shared by subscribers. This practice was primarily due to no or very limited increases in pay for employees. During that time, employer contributions grew from \$35 million to \$66 million.
- Beginning in 2008, necessary funding increases were shared with employees at the cost-sharing percentages for each rate category in effect at the time. In addition, active employees who were enrolled in coverage for themselves only (no spouse or dependent coverage) were required to pay a small premium. For a number of years, the employers paid the entire health care premiums for active employees in the employee only coverage category. Attachment 3 provides a history of recent contributions.
- In 2009, the Commission directed staff to develop recommendations to maintain sufficient, affordable, sustainable health care and retirement benefits. This direction is utilized to make funding recommendations to the Commission. Attachment 5 provides additional information regarding plan funding.
- In 2018, 2025, and 2026, the employers absorbed all necessary increases in plan funding for active employees, while sharing the increase with retirees.

Size and Scope of the Medical Care Plan

As of June 1, 2026, the Plan provides health care to 26,311 individuals. The enrollment is as follows:

Active Employees and Work-Related Disability Recipients (not eligible for Medicare)

6,681 Subscribers

3,337 Spouses

6,764 Dependent Children

Pre-65 Retirees, Long-Term Disability Recipients, and Survivors

1,433 Subscribers

672 Spouses

357 Dependent Children

Medicare-Eligible Retirees, Work-Related and Long-Term Disability Recipients, and Survivors

4,930 Subscribers

2,069 Spouse

68 Dependent Children

Calendar Year 2025 plan revenues from employer contributions: \$112.9 million

Calendar Year 2025 plan revenues from subscriber contributions: \$28.9 million

Calendar Year 2025 plan costs for medical claims and prescription drugs: \$137.6 million

Plan Options Offered

Preferred Provider Organization (PPO)

Our basic coverage for active employees and retirees is the PPO option. This coverage requires meeting a calendar year deductible of \$600 for most medical services and \$100 for prescription drugs.

After meeting the deductible(s), subscribers have a coinsurance of 10 percent for covered services received from participating in-network providers, and 20 percent for out-of-network providers.

As of June 1, 2026 there are 7,486 subscribers in the PPO option.

High Deductible Health Plan

Beginning January 1, 2016, a high deductible health plan (HDHP) has been offered in conjunction with a health savings account (HSA) option.

Obtaining medical services under a HDHP operates in much the same way as a PPO. There is a provider network that plan participants utilize for medical care. Obtaining services from an in-network provider generally costs less than out-of-network services. The difference is in how costs are shared.

The calendar year deductible in the HDHP is \$1,700 when utilizing in-network providers, and \$3,500 for out-of-network providers. This includes prescription drugs.

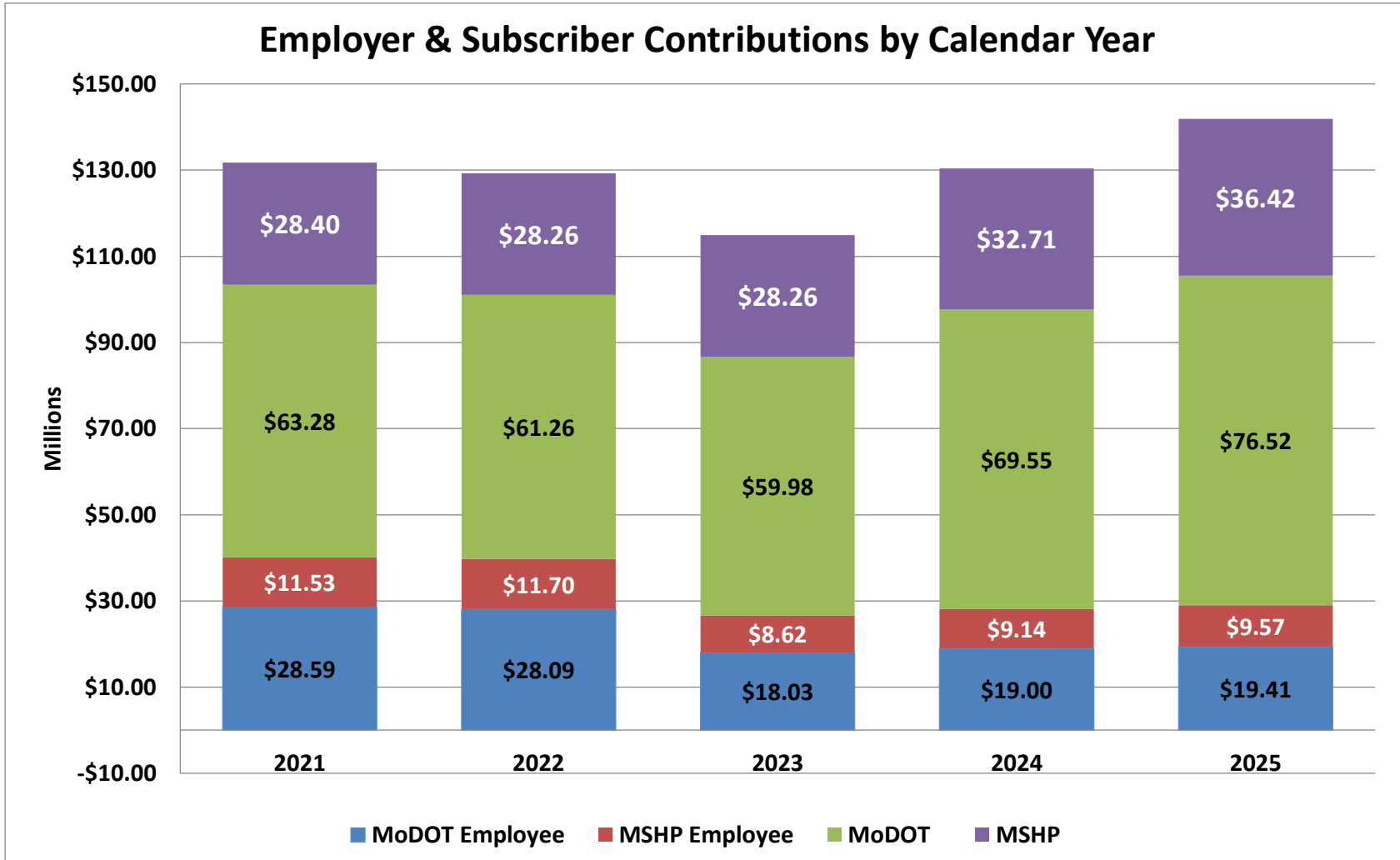
After meeting the deductible, subscribers have a coinsurance of 30 percent for in-network services and 50 percent for out-of-network services.

The premium costs are lower in the HDHP plan because the costs borne by the plan are lower.

Active employees receive up to a \$1,000 (\$500 for individual coverage) annual employer contribution to their HSA.

Each plan subscriber has the choice of enrolling in this plan or remaining in the traditional PPO plan each calendar year.

As of June 1, 2026 there are 768 subscribers in the HDHP option.



Other Post-Employment Benefit (OPEB) Obligations

Since 2007, pronouncements from the Governmental Accounting Standards Board (GASB) have required governmental entities to report other post-employment benefit (OPEB) obligations in their financial statements. For the Commission, this has meant including the liability associated with the employer's share of retiree health care costs. Starting in fiscal year 2018, the reporting standards changed from GASB 45 to GASB 75. The change in reporting standards calls for more comprehensive disclosure in which the full liability is recognized on Statement of Net Position.

In 2009, the Commission directed staff to develop strategies to ensure the sustainability and long-term affordability of health care benefits for retirees of MoDOT and the Missouri State Highway Patrol (MSHP).

Staff discussions, consultant services, employee surveys, and committees consisting of employees and retirees of MoDOT and the Patrol were all used to develop a strategy to address retiree health care costs. In 2012, a Special Committee was led by then-Chairman Rudy Farber to review the sustainability, affordability, and sufficiency of our medical plan. The Special Committee met on several occasions and was not able to agree on a specific recommendation for funding retiree health care. The Special Committee did agree on some overall strategies that have since guided our health care funding decisions:

- Contributions for active employee rate categories should be 80 percent employer/20 percent employee.
- Each rate group (active, non-Medicare retirees, Medicare retirees) should be self-sustaining and not subsidized by other rate groups.
- Employer contributions to retiree health care premiums should be based on years of service while an active employee.

Note that when the Commission established the High Deductible Health Plan in 2016 and set the employer/employee premium share, it was priced to be actuarially neutral.

In 2014, the Commission approved policy that establishes the employer contribution to retiree health care at 2 percent per year of employee service, capped at 50 percent of the premium of the rate category in which the retiree is enrolled. This applies to those retiring on or after January 1, 2015. Employer contributions for those retiring prior to January 1, 2015 remain at the percentage in effect for each rate category for the 2014 plan year.

OPEB Trust

One other strategy that was considered by the Commission and endorsed by the Special Committee was the establishment of an OPEB Trust. Establishing an OPEB Trust was not included in the plan change recommendation approved by the Commission in 2014.

An OPEB Trust helps ensure future OPEB liabilities are met. The existence of a Trust would reduce the liability by using not only contributions but also investment earnings to pay for future

retiree health care costs. The actuary estimates that to have a significant actuarial impact, contributions of \$10 million annually for at least five years would be necessary.

Fully funding or funding a Trust at a level that would significantly reduce the OPEB liability would mean further reducing services to the public.

The Missouri Consolidated Health Care Plan (MCHCP), that provides health insurance benefits to most other state employees and retirees, has a Trust, but they have statutory authority for the Trust. There are political and audit risks when a state agency places a large amount of money into a fund outside of the state treasury for employee benefits.

According to the Plan actuary, as of July 2026 the Plan's unfunded OPEB liability is \$809 million. The liability is distributed as follows:

- MoDOT - \$532 million
- MSHP - \$276 million
- MPERS - \$1 million

Unlike the retirement system, there are no assets set aside to fund this liability.

Statements of Net Position
April 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
ASSETS		
Cash and Cash Equivalents	\$ 10,144,628	\$ 9,853,197
Investments	35,574,425	38,572,901
Medical Insurance Premiums Receivable		
MoDOT – Member	1,020	6,235
Highway Patrol – Member	1,454	1,902
MoDOT – State	1,887,678	1,760,334
Highway Patrol – State	767,828	694,392
Other Receivable	665,194	---
Investment Interest Receivable	<u>97,415</u>	<u>33,768</u>
TOTAL ASSETS	<u>49,139,642</u>	<u>50,922,729</u>
LIABILITIES		
Unearned Revenue		
MoDOT – Member	2,134,068	1,811,538
Highway Patrol – Member	1,047,854	884,281
MoDOT – State	3,338,927	3,338,927
Highway Patrol – State	1,892,767	1,892,767
Accounts payable		
Medical Claims	4,183	3,698
Incurred But Not Reported Claims	<u>14,364,000</u>	<u>10,260,000</u>
TOTAL LIABILITIES	<u>22,781,799</u>	<u>18,191,211</u>
TOTAL NET POSITION	<u>\$ 26,357,843</u>	<u>\$ 32,731,518</u>

**Statements of Revenues, Expenses and Changes in Net Position
Four Months Ended April 30, 2026 and 2025**

	<u>Calendar Year- to-Date 2026</u>	<u>Calendar Year- to-Date 2025</u>
OPERATING REVENUES		
State Premiums		
Medical (Employee Plans)	\$ 31,338,863	\$ 27,665,312
Medical (Retiree Plans)	10,521,111	9,667,159
State Paid Life	84,506	80,580
Member Premiums		
Medical (Employee Plans)	4,848,634	4,982,348
Medical (Retiree Plans)	5,920,935	4,686,050
Optional Life (Employee Plans)	799,439	750,811
Optional Life (Retiree Plans)	1,939,635	1,895,234
Subrogation Refunds	7,641	56,618
Prescription Formulary Rebates	<u>6,340,571</u>	<u>3,576,025</u>
TOTAL OPERATING REVENUES	<u>61,801,335</u>	<u>53,360,137</u>
OPERATING EXPENSES		
State Paid Life Insurance Premiums	85,157	80,206
Optional Life Insurance Premiums	2,730,641	2,640,012
Medical Claims	38,847,674	32,071,570
Medicare Prescription Drug Claims	---	5,000
Prescription Drug Claims	7,442,198	8,745,884
Change in Incurred But Not Reported Claims	2,414,000	180,000
Administrative Services		
Medical	7,957,005	5,078,624
Admin Fees Other	290	---
Prescription Drugs	40,201	37,334
Professional Fees	<u>88,637</u>	<u>108,374</u>
TOTAL OPERATING EXPENSES	<u>59,605,803</u>	<u>48,947,004</u>
OPERATING INCOME (LOSS)	<u>2,195,532</u>	<u>4,413,133</u>
NONCAPITAL SUBSIDIES		
Transfers in	---	---
Transfers out	---	---
TOTAL NONCAPITAL SUBSIDIES	<u>---</u>	<u>---</u>
OPERATING INCOME AND NONCAPITAL SUBSIDIES	<u>2,195,532</u>	<u>4,413,133</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Income	253,655	268,796
Fair Value of Investments Adjustment	190,755	583,138
Investment Fees	(13,830)	(11,368)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>430,580</u>	<u>840,566</u>
CHANGES IN NET POSITION	2,626,112	5,253,699
NET POSITION, January 1	<u>23,731,731</u>	<u>27,477,819</u>
NET POSITION, April 30	<u>\$ 26,357,843</u>	<u>\$ 32,731,518</u>

AON

Medical Plan Annual Report for Fiscal Year Ending June 30, 2026

Missouri Department of
Transportation

June 24th, 2026



Agenda

- **Executive Summary**

- **Liability for Incurred But Not Reported (IBNR)**

- IBNR Claim Liability and Incurred Claim Experience
- Healthcare Claims Trends

- **Market Trends**

- Projected Healthcare Trends
- Healthcare Industry

- **Review of Plan Year-to-Date 2026: Data through May 2026**

- Claims vs Retained Earnings
- Fund History
- Retained Earnings and Premiums Changes
- Contributions and Benefits by Category
- HDHP Performance
- 2026 Recast
- Costs vs Contributions

- **Projections: 2027 Through 2031**

- 2026 Projection
- Five Year Projected Income and Expense Scenarios
- Premiums

Preparation of This Actuarial Report

This report has been prepared to present our analysis of the Medical Plan Annual Report for Fiscal Year 2026 for Missouri Department of Transportation (MoDOT). The purpose of this analysis is to review the plan performance and project future expenses to maintain a healthy retained earnings balance. The use of this report for purposes other than those expressed herein may not be appropriate.

In conducting this analysis, we relied on data provided by Anthem, Brown & Brown (formerly Pillar Rx), and MoDOT. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonability. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results.

This analysis has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. I, Colleen Huber, am an Actuary for Aon. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

Executive Summary

Executive Summary

Key Findings for the Calendar Year Ending June 30, 2026

- The recommended liability estimate for IBNR claims is \$12.4 million, which is a 2.4% decrease from the FY2025 IBNR calculation
- The current IBNR liability is estimated at 9.5% of paid claims
- For the active and pre-65 retirees, the ultimate incurred claim liability for FY2026 is estimated to be \$140.8 million; this is a 2.3% increase over FY2025 on a per employee per month basis
 - For the most recent 12 months through May 2026:
 - Incurred prescription drug (Rx) claims trend on a per employee per month (PEPM) basis was 3.2%. This was partially due to the new PBM contract effective January 1, 2025
 - Incurred medical claims trend on a PEPM basis was 2.6%
 - Incurred claims on a PEPM basis increased 2.8%
- Retained earnings increased from a surplus of \$23.7 million at December 2025 to a surplus of \$26.6 million at the end of May 2026, an increase of \$2.9M
- Total contributions (based upon established contribution levels) as a percentage of total cost is 105% for CY2026 through May, up from the CY2025 95%

Liability for Incurred But Not Reported (IBNR)

Liability for Incurred but Not Reported Claims

A claim becomes the potential liability of the Plan at the time an illness or injury occurs and treatment is sought, but various reasons may cause the payment to be made at a later date; therefore, at the end of an accounting period it becomes necessary to formally estimate the amount of future payments for those claims already incurred but not reported (i.e., IBNR claims)

To estimate the IBNR liability for FY2026, the following steps were performed:

- Lag triangle reports were obtained from Anthem that showed medical claims payment information for the period 01/01/2022 through 05/31/2026; these reports summarize the claims payment pattern by month incurred and month paid
- To estimate the Rx liability for IBNR claims, a factor representing approximately four days of one month's paid Rx claims was used and included in the IBNR estimate
- The total estimated liability for IBNR claims as of 6/30/2026 is estimated at \$12,400,000; the liability was allocated between categories of participants based on claims paid during the above period and is shown below; the liability includes a 5% administrative fee in order to pay terminal fees

Category	Percentage of Total	IBNR Claim Liability
Active	76%	\$9,500,000
Pre-65 Retiree	24%	\$2,900,000
Total	100%	\$12,400,000

IBNR Claim Liability and Incurred Claim Experience

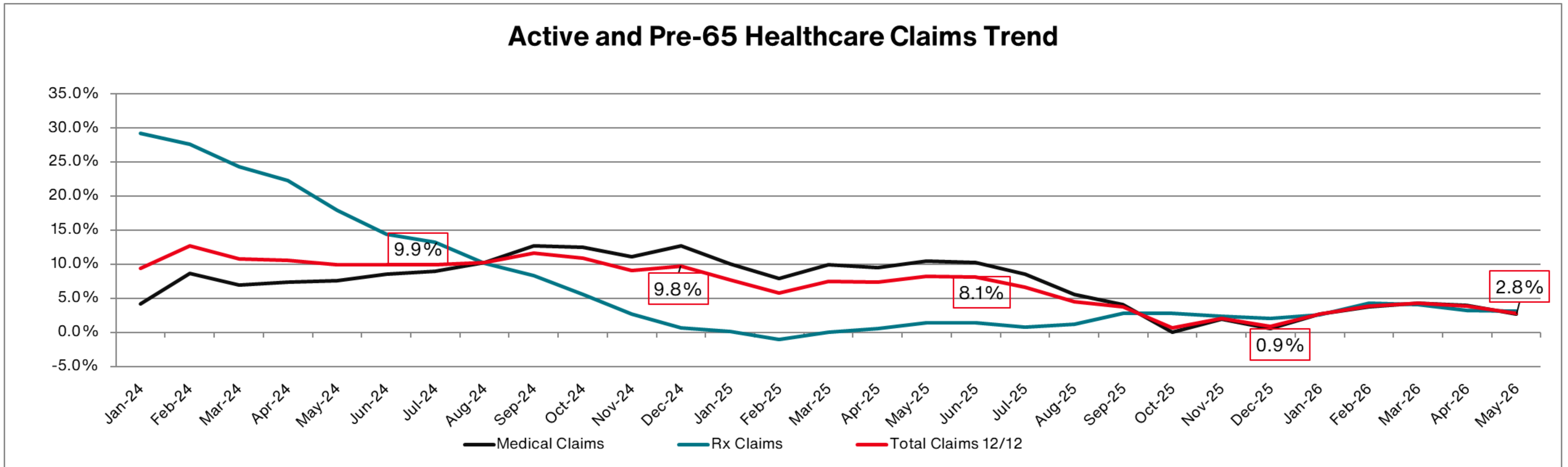
12 Month Period Ending	Paid Claims	Projected IBNR	Actual IBNR	% Actual IBNR to Projected	Incurred Claims	IBNR as % Paid	Average # Enrolled Employees	12 Month PEPM	12 Month PEPM Increase
12/31/2023	\$119,500,000	\$8,600,000	\$10,100,000	117.4%	\$120,000,000	8.5%	8,320	\$1,202	
12/31/2024	\$131,400,000	\$10,000,000	\$12,500,000	125.0%	\$134,000,000	9.5%	8,463	\$1,319	9.8%
6/30/2025	\$134,500,000	\$11,500,000	\$12,700,000	110.4%	\$138,000,000	9.4%	8,499	\$1,353	8.2%
12/31/2025	\$135,900,000	\$14,000,000	\$12,000,000	85.7%	\$135,400,000	8.8%	8,476	\$1,331	0.9%
6/30/2026	\$129,900,000	\$12,400,000	\$12,400,000	100.0%	\$140,800,000	9.5%	8,477	\$1,384	2.3%

FY2026	Projected Liability
July	\$12,480,000
August	\$12,560,000
September	\$12,641,000
October	\$12,722,000
November	\$12,804,000
December	\$12,886,000
January	\$12,969,000
February	\$13,052,000
March	\$13,136,000
April	\$13,221,000
May	\$13,306,000
June	\$13,392,000

- Rx paid claims from Pillar Rx reports; medical paid claims from lag triangles provided by Anthem
- Enrollment provided by MoDOT
- Included a 5% administrative fee
- Actual IBNR amounts for CY2024 and prior; FY 2025, CY 2025, and FY 2026 are still subject to change

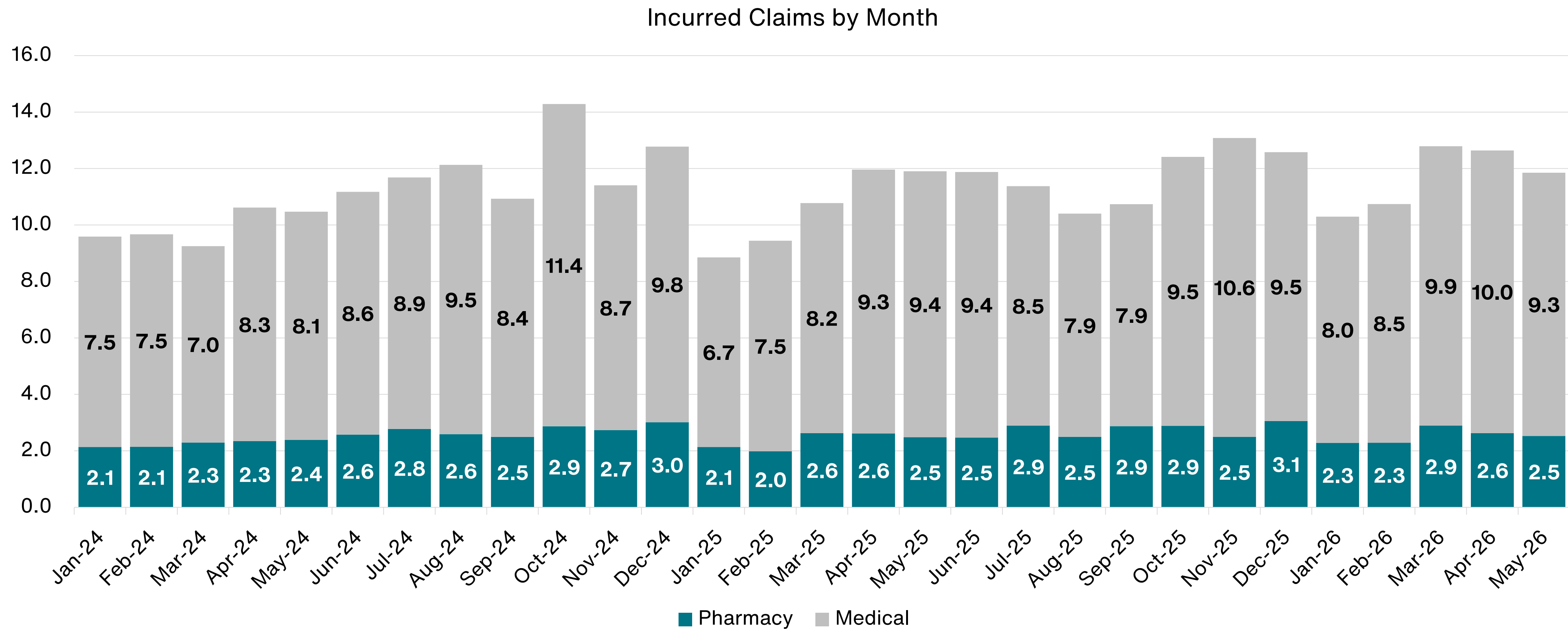
Healthcare Claims Trend (Active and Pre-65 Retirees)

- Pharmacy claims trends have come down from their peak in 2023
 - Rx rebates are not included in the trend calculations below
- Medical claims trend has decreased over the last 12 months



Incurred Claims by Month

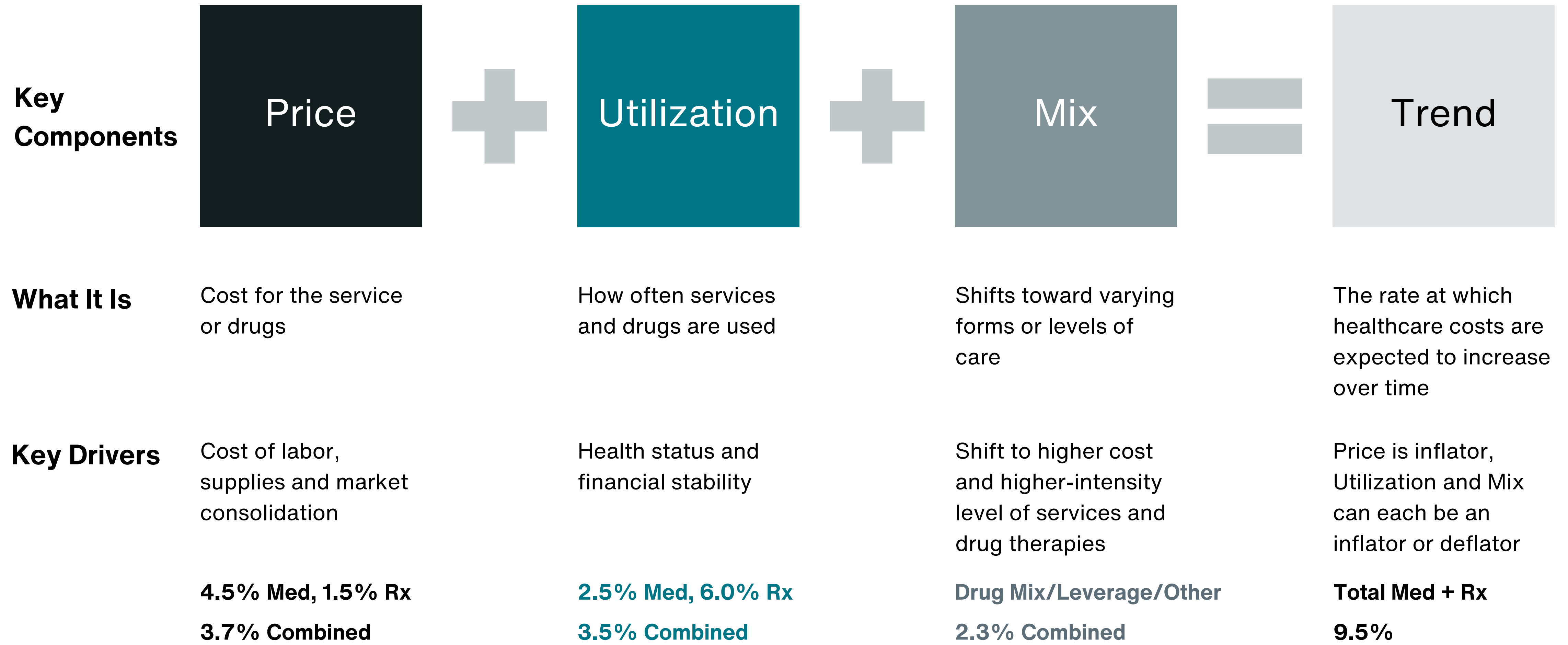
- Typically, retained earnings increase the first couple months of the plan year and then decrease in the last half
 - This is due to members meeting their deductibles and out-of-pocket maximums as well as seasonality of claims
- Claims fluctuate by month so it is more appropriate to compare claims on a quarterly basis



Market Trends

U.S. Employer Healthcare Trend

What Elements Make Up Trend?



Projected Healthcare Trends

Allowed/Gross Cost Basis

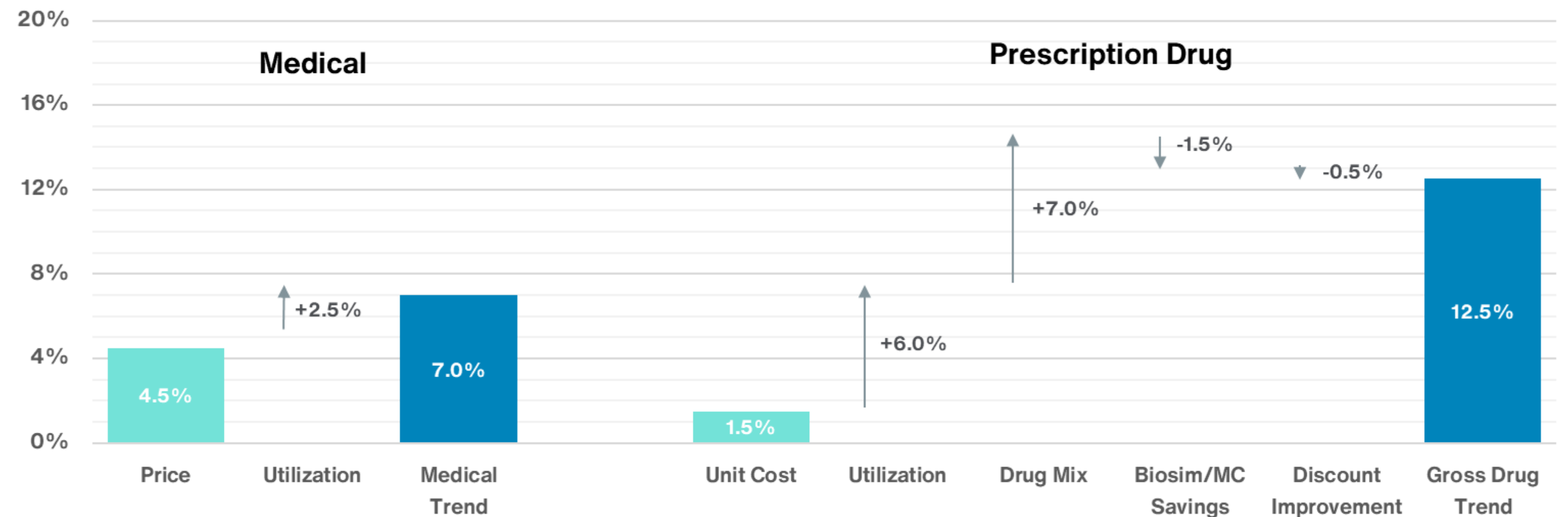
Medical

- Price increase continues driving trend, with utilization contributing 2.5%
- For paid claim trend, adjust for fixed-dollar cost leveraging

Prescription Drug

- Shifts to higher-cost brand and specialty drugs and growing utilization is driving increase
- Biosimilar and Medicare-negotiation/AMP cap savings reduce trend; however, much of this will be offset by lower rebates

2026 – 2027 Trend by Component



	Active/Pre-65 Allowed Trends					
	Before Leveraging and Before Rx Rebate Improvement					
	Updated Guidance			Prior Guidance		
	Medical	Rx	Combined	Medical	Rx	Combined
2025 to 2026	7.5%	12.5%	9.0%	7.5%	12.5%	9.0%
2026 to 2027	7.0%	12.5%	8.5%	7.0%	12.5%	8.5%
2027 to 2028	6.5%	12.5%	8.0%			

Review of Plan Year-to-Date 2026

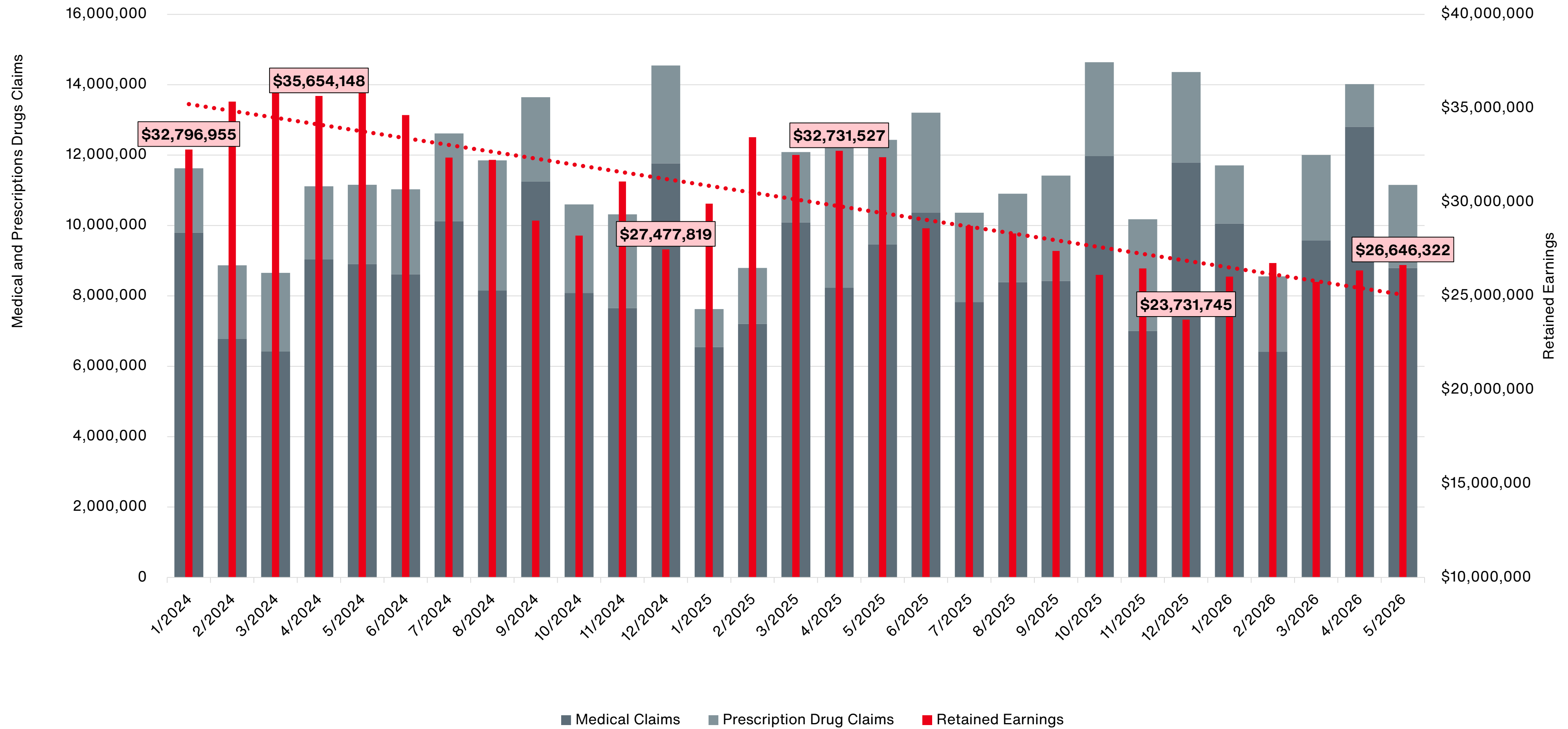
Year-to-Date Experience and 2026 Recast

Highlights of Year-to-Date 2026 Experience

For this report, Aon has examined the experience for CY2026 with data through May and has recast the cost of CY2026

- Through May, CY2026 expenses are less than income by \$2,920,000
 - As a comparison in CY2025, expenses were \$4.9 million less than income through May but then ended with a \$3.7 million loss for the year given the seasonality of claims
- The average monthly medical contribution (state and member) per eligible employee/retiree in CY2026 through May is \$995.16 compared to \$910.96 in CY2025; this increase is due to the 9.5% premium increase in 2026 for Active employees and Pre-65 retirees
- The number of enrolled active employees remained flat between CY2025 to CY2026 (through May) from 6,613 to 6,674
- The retiree group enrollment has increased in the same period, from 6,374 to 6,584
- The Plan's surplus of \$23.7 million at the end of CY2025 has increased to a surplus of \$26.7 million as of 5/31/2026

Medical and Prescription Drug Claims by Month vs Retained Earnings



- Data from Financial Statements provided by MoDOT

Fund History (YTD 2026)

	CY2024	CY2025	YTD2026
Average Number Erolled			
Active (includes COBRA and vested)	6,538	6,613	6,674
Pre-65 Retiree (includes survivors and disabled)	1,925	1,864	1,828
Post-65 Retiree	4,392	4,510	4,756
Retiree (includes survivors and disabled)	6,317	6,374	6,584
Total	12,855	12,987	13,258
Average Monthly Contribution Per Enrollee	\$845.32	\$910.96	\$995.16
Total Income	\$148,250,000	\$160,540,000	\$76,390,000
Total Expense	\$155,250,000	\$164,300,000	\$73,480,000
Retained Earnings	\$27,480,000	\$23,730,000	\$26,650,000

Notes: Income, expenses, and retained earnings as reported in the Plan's financial statements; includes actual data through May 2026

Retained Earnings and Premium Changes

This exhibit compares the ending retained earnings by calendar year and the associated premium change by active, pre-Medicare, and Medicare

- Retained earnings have increased by \$2.9M through May 2026 compared to year end 2025
- Historically if there was an increase in retained earnings, adopted premium changes were flat or lower than needed in order to draw down the retained earnings balance
- The overall premium increases have been close to 3.8% for active employees and while slightly higher at 5.4% for pre-Medicare retirees to adjust for a historical subsidy

Adopted Premium Change				
	Active	Pre-Medicare	Medicare	Retained Earnings
CY2009	5.0%	5.0%	5.0%	\$12,000,000
CY2010	4.0%	4.0%	4.0%	\$21,220,000
CY2011	3.9%	6.0%	4.0%	\$28,440,000
CY2012	0.0%	3.0%	0.0%	\$30,380,000
CY2013	0.0%	3.0%	-5.5%	\$29,180,000
CY2014	0.0%	6.0%	0.0%	\$22,750,000
CY 2015	2.0%	7.0%	1.9%	\$20,250,000
CY 2016	7.5%	10.5%	7.5%	\$10,890,000
CY 2017	7.5%	10.5%	7.5%	\$13,530,000
CY 2018	8.5%	11.5%	8.5%	\$23,220,000
CY 2019	0.0%	0.0%	0.0%	\$42,780,000
CY 2020	0.0%	0.0%	0.0%	\$51,230,000
CY2021	0.0%	0.0%	0.0%	\$49,380,000
CY2022	0.0%	0.0%	0.0%	\$37,480,000
CY2023	0.0%	0.0%	N/A	\$34,470,000
CY2024	12.0%	12.0%	N/A	\$27,480,000
CY2025	9.0%	9.0%	N/A	\$23,730,000
CY2026 (May)	9.5%	9.5%	N/A	\$26,646,000
Average Increase	3.8%	5.4%	2.4%	

Contributions and Benefits by Category (CY 2026)¹

	CY2024	CY2025	CY2026 YTD	CY2026 YTD Subscribers
Contributions as Percentage of Claims Paid²				
Active (includes COBRA and vested)	86%	93%	100%	6,674
Pre-65 Retiree (includes survivors and disabled)	88%	95%	94%	1,828
Total	87%	93%	100%	8,502
Contributions as Percentage of Total Costs²				
Active (includes COBRA and vested)	87%	95%	102%	
Pre-65 Retiree (includes survivors and disabled)	90%	98%	94%	
Total	88%	95%	105%	

¹ Percentages greater than 100% indicate that there were excess contributions.

² Contributions calculated based upon pre-determined contribution rates and enrollment provided by MoDOT.

Does not include Post65 population and excess contributions

Includes data through May 2026

HDHP Performance

- The loss ratio for the HDHP continues to be low
- Increases in enrollment has continued steadily over time

	Subscribers	Loss Ratio
Dec-18	359	44%
Dec-19	382	48%
Dec-20	408	55%
Dec-21	457	81%
Dec-22	454	75%
Dec-23	529	73%
Dec-24	614	89%
Dec-25	731	80%
May-26	755	68%

- Starting in plan year 2021, the HSA funds increased to \$500/\$1,000
- 2026 plan year YTD loss ratio is low due to members still meeting their deductibles and out-of-pocket maximums.
- Increasing the HSA funding to \$1,000/\$2,000 would be estimated additional cost of \$560,000 based on current enrollment (this would increase as more employees enroll in the HSA plan)

Development of Monthly Medical Costs vs. Contributions

(CY2026 Recast)

Projected Medical Claims	\$1,168
Projected Rx Claims	\$330
2026 Total Projected Medical/Rx Claims PEPM	\$1,498

2026 Fees, Refunds, Rebates, and Other PEPM	
Medical Administration	\$31
Rx Administration	\$2
Change in Reserve	\$10
Other Expenses and Subrogation Refunds	\$2
HSA Seed	\$5
Rx Formulary Rebates	(\$120)
Total	(\$71)

Summary	
Enrolled Subscribers	8,499
Projected Monthly Cost	\$1,427
Investment Income	\$11
Current Contribution	\$1,396
Projected Net Gain (Loss)	(\$19)

- The table does not include Post 65 data and only includes actives and Pre65 population
- 7.5% Medical trend
- 12.5% Rx Trend
- 12 months of claims and enrollment data through May 2026
- May 2026 enrollment is assumed for the remainder of the year
- Projecting \$19 PEPM loss for 2026 for a loss of \$2.0 million in CY 2026

Historical Monthly Medical Costs vs. Contributions

Excess of Contribution Over Monthly Cost (PEPM)	Active (includes COBRA and vested)	Pre-65 (includes survivors)	Post-65 (includes survivors)	Total
CY2017 Actual	\$18	(\$100)	\$80	\$20
CY2018 Actual	\$68	\$28	\$51	\$45
CY2019 Actual	\$154	\$206	\$74	\$135
CY2020 Actual	\$34	\$149	\$86	\$69
CY2021 Actual	(\$38)	\$33	\$54	\$4
CY2022 Actual	(\$121)	(\$17)	\$41	(\$49)
CY2023 Actual	(\$70)	(\$129)	\$117	(\$16)
CY2024 Actual	(\$164)	(\$136)	\$144	(\$55)
CY2025 Actual	(\$71)	(\$21)	\$62	(\$18)
CY2026 Projected				
▪Monthly Cost (PEPM)	\$1,378	\$1,542	\$366	\$1,038
▪Contribution (PEPM)	\$1,359	\$1,521	\$366	\$1,025
▪Excess of Contribution Over Monthly Cost (PEPM)	(\$19)	(\$21)	\$0	(\$12)

Projections: 2027 Through 2031

Projected Income and Expense

To assist the Board in the planning process, an estimate of the Plan's financial position over the next five years is shown on slide 26, the five-year period begins on 01/01/2027, and is based upon the following assumptions:

- 2027 detail is shown on slide 25
- Contributions increasing by 8% in 2027 followed by a 10% increase in 2028– 2031.
- The only change to the benefit plan designs in 2027 is the to increase the HSA individual in-network deductible to \$1,750 to be compliant with IRS guidelines
- The Medicare population move to MAPD with UnitedHealthcare has been taken into account. Given the increase for 2027, we are assuming that there will be no excess contributions.
- The number of eligible active and pre-65 plan participants is assumed to be the same as current, May 2026
- Administration fees are expected to stay flat
- Life insurance contributions are assumed to be equal to expense and increase at a 2.0% annualized rate;
- Medical plan benefit costs for CY2028 through CY2031 are assumed to increase at a 7.0% annualized rate
- Rx benefit costs for CY2028 through CY2031 are assumed to increase at a 10.0% annualized rate

Development of Monthly Medical Costs vs. Contributions (CY2027)

Projected Medical Claims	\$1,250
Projected Rx Claims	\$371
2027 Total Projected Medical/Rx Claims PEPM	\$1,629

2027 Fees, Refunds, Rebates, and Other PEPM	
Medical Administration	\$31
Rx Administration	\$2
Change in Reserve	\$10
Other Expenses and Subrogation Refunds	\$2
HSA Seed	\$5
Rx Formulary Rebates	(\$127)
Total	(\$77)

Summary	
Enrolled Subscribers	8,496
Projected Monthly Cost	\$1,552
Investment Income	\$11
Current Contribution	\$1,396
Projected Net Gain (Loss)	(\$144)

- The table does not include Post 65 data and only includes actives and Pre65 population
- Medical trend:
 - 7.5% for 2025-2026
 - 7.0% for 2026-2027
- Rx Trend
 - 12.5% for 2025-2026 and 2026-2027
- 12 months of claims and enrollment data through May 2026
- Assumes same enrollment as current (May 2026)
- Projecting a loss of \$144 PEPM before any increase to premiums

Five-Year Projected Income and Expense Scenario 1

Beginning 01/01/2027

	2027	2028	2029	2030	2031
Estimated Income ^{1, 2}	\$176,413,000	\$193,264,000	\$211,784,000	\$232,142,000	\$254,519,000
Estimated Total Expense	\$177,433,000	\$190,315,000	\$204,202,000	\$219,178,000	\$235,330,000
Estimated Income Less Expenses	(\$1,020,000)	\$2,949,000	\$7,582,000	\$12,964,000	\$19,189,000
Beginning Retained Earnings	\$21,751,000	\$20,731,000	\$23,680,000	\$31,262,000	\$44,226,000
Ending Retained Earnings	\$20,731,000	\$23,680,000	\$31,262,000	\$44,226,000	\$63,415,000
Proposed Premium Increase	8.0%	10.0%	10.0%	10.0%	10.0%
Retained Earnings as a % of Total Expense	11.7%	12.4%	15.3%	20.2%	26.9%

Assumptions:

- 7% annual medical claims trend 10% annual Rx claims trend
- 1.4% investment trend
- 10% rebate trend
- 2.5% annual trend for other expenses
- No change in reserve

¹ Assumes May 2026 enrollment numbers from MoDOT for 2027-2031, assumes no changes to enrollment

² Assumes no Medicare excess contributions

Five-Year Projected Income and Expense Scenario 2

Beginning 01/01/2027

	2027	2028	2029	2030	2031
Estimated Income ^{1, 2}	\$174,990,000	\$191,699,000	\$210,063,000	\$230,249,000	\$252,437,000
Estimated Total Expense	\$177,433,000	\$190,315,000	\$204,202,000	\$219,178,000	\$235,330,000
Estimated Income Less Expenses	(\$2,443,000)	\$1,384,000	\$5,861,000	\$11,071,000	\$17,107,000
Beginning Retained Earnings	\$21,751,000	\$19,308,000	\$20,692,000	\$26,553,000	\$37,624,000
Ending Retained Earnings	\$19,308,000	\$20,692,000	\$26,553,000	\$37,624,000	\$54,731,000
Proposed Premium Increase	7.0%	10.0%	10.0%	10.0%	10.0%
Retained Earnings as a % of Total Expense	10.9%	10.9%	13.0%	17.2%	23.3%

Assumptions:

- 7% annual medical claims trend 10% annual Rx claims trend
- 1.4% investment trend
- 10% rebate trend
- 2.5% annual trend for other expenses
- No change in reserve

¹ Assumes May 2026 enrollment numbers from MoDOT for 2027-2031, assumes no changes to enrollment

² Assumes no Medicare excess contributions

Medical Premiums – Assume 8% Increase for 2027

The following table summarizes active contribution levels for CY2016 through CY2027; other plan category details may be found in the following pages

Plan	Total Contribution – Health Plan 2016 Through 2027						
	CY2016	CY2017	CY2018 - 2023	CY2024	CY2025	CY2026	CY2027
	PPO	PPO	PPO	PPO	PPO	PPO	PPO
Subscriber Only	\$438	\$471	\$511	\$572	\$623	\$682	\$737
Subscriber/Family	\$1,331	\$1,431	\$1,553	\$1,739	\$1,896	\$2,076	\$2,242
Subscriber/Spouse	\$963	\$1,035	\$1,123	\$1,258	\$1,371	\$1,501	\$1,621
Subscriber/Child	\$613	\$659	\$715	\$801	\$873	\$956	\$1,032
Subscriber/2 Children	\$787	\$846	\$918	\$1,028	\$1,121	\$1,227	\$1,325
	HDHP	HDHP	HDHP	HDHP	HDHP	HDHP	HDHP
Subscriber Only	\$398	\$428	\$464	\$520	\$567	\$621	\$671
Subscriber/Family	\$1,209	\$1,299	\$1,411	\$1,580	\$1,722	\$1,886	\$2,037
Subscriber/Spouse	\$874	\$940	\$1,020	\$1,142	\$1,245	\$1,363	\$1,472
Subscriber/Child	\$557	\$598	\$650	\$728	\$794	\$869	\$939
Subscriber/2 Children	\$715	\$768	\$834	\$934	\$1,018	\$1,115	\$1,204

2027 Rates and Contributions (PPO) – Assuming +8%

Rate Category	Anthem Plan (Available Statewide)			2027 vs 2026		
	Premium	Employer Share	Subscriber Cost	Premium	Employer Share	Subscriber Cost
Active Employee						
Subscriber Only	\$737	\$635	\$102	\$55	\$47	\$8
Subscriber/Family	\$2,242	\$1,933	\$309	\$166	\$143	\$23
Subscriber/Spouse	\$1,621	\$1,397	\$224	\$120	\$103	\$17
Subscriber/Child	\$1,032	\$889	\$143	\$76	\$65	\$11
Subscriber/2 Children	\$1,325	\$1,142	\$183	\$98	\$84	\$14
Non-Medicare Retiree						
Retiree – Subscriber Only	\$962	\$548	\$414	\$71	\$40	\$31
Retiree – Subscriber/Family	\$2,926	\$1,288	\$1,638	\$217	\$96	\$121
Retiree – Subscriber/Spouse	\$1,926	\$770	\$1,156	\$143	\$57	\$86
Retiree – Subscriber/Child	\$1,926	\$848	\$1,078	\$143	\$63	\$80
Retiree – Subscriber/2 Children	\$2,191	\$877	\$1,314	\$162	\$65	\$97
COBRA						
COBRA – Subscriber Only	\$737	\$0	\$737	\$55	\$0	\$55
COBRA – Subscriber/Family	\$2,242	\$0	\$2,242	\$166	\$0	\$166
COBRA – Subscriber/Spouse	\$1,621	\$0	\$1,621	\$120	\$0	\$120
COBRA – Subscriber/Child	\$1,032	\$0	\$1,032	\$76	\$0	\$76
COBRA – Subscriber/2 Children	\$1,325	\$0	\$1,325	\$98	\$0	\$98
Work-Related Disability (WRD) – Non-Medicare						
WRD – Subscriber Only	\$737	\$635	\$102	\$55	\$47	\$8
WRD – Subscriber/Family	\$2,242	\$1,933	\$309	\$166	\$143	\$23
WRD – Subscriber/Spouse	\$1,621	\$1,397	\$224	\$120	\$103	\$17
WRD – Subscriber/Child	\$1,032	\$889	\$143	\$76	\$65	\$11
WRD – Subscriber/2 Children	\$1,325	\$1,142	\$183	\$98	\$84	\$14
LTD – Non-Medicare						
LTD – Subscriber Only	\$962	\$548	\$414	\$71	\$40	\$31
LTD – Subscriber/Family	\$2,926	\$1,288	\$1,638	\$217	\$96	\$121
LTD – Subscriber/Spouse	\$1,926	\$770	\$1,156	\$143	\$57	\$86
LTD – Subscriber/Child	\$1,926	\$848	\$1,078	\$143	\$63	\$80
LTD – Subscriber/2 Children	\$2,191	\$877	\$1,314	\$162	\$65	\$97
Survivor – Non-Medicare						
Survivor – Subscriber Only	\$962	\$548	\$414	\$71	\$40	\$31
Survivor – Subscriber/Family	\$2,926	\$1,288	\$1,638	\$217	\$96	\$121
Survivor – Subscriber/Child	\$1,926	\$848	\$1,078	\$143	\$63	\$80
Survivor – Subscriber/2 Children	\$2,191	\$877	\$1,314	\$162	\$65	\$97
Vested – Non-Medicare						
Vested – Subscriber Only	\$737	\$0	\$737	\$55	\$0	\$55
Vested – Subscriber/Family	\$2,242	\$0	\$2,242	\$166	\$0	\$166
Vested – Subscriber /Spouse	\$1,621	\$0	\$1,621	\$120	\$0	\$120
Vested – Subscriber/Child	\$1,032	\$0	\$1,032	\$76	\$0	\$76
Vested – Subscriber/2 Children	\$1,325	\$0	\$1,325	\$98	\$0	\$98

2027 Rates and Contributions (HDHP) – Assuming +8%

Rate Category	Anthem Plan (Available Statewide)			2027 vs 2026		
	Premium	Employer Share	Subscriber Cost	Premium	Employer Share	Subscriber Cost
Active Employee						
Subscriber Only	\$671	\$635	\$36	\$50	\$47	\$3
Subscriber/Family	\$2,037	\$1,933	\$104	\$151	\$143	\$8
Subscriber/Spouse	\$1,472	\$1,397	\$75	\$109	\$103	\$6
Subscriber/Child	\$939	\$889	\$50	\$70	\$65	\$5
Subscriber/2 Children	\$1,204	\$1,142	\$62	\$89	\$84	\$5
Non-Medicare Retiree						
Retiree – Subscriber Only	\$874	\$548	\$326	\$65	\$40	\$25
Retiree – Subscriber/Family	\$2,659	\$1,288	\$1,371	\$197	\$96	\$101
Retiree – Subscriber/Spouse	\$1,747	\$770	\$977	\$129	\$57	\$72
Retiree – Subscriber/Child	\$1,747	\$848	\$899	\$129	\$63	\$66
Retiree – Subscriber/2 Children	\$1,990	\$877	\$1,113	\$147	\$65	\$82
COBRA						
COBRA – Subscriber Only	\$671	\$0	\$671	\$50	\$0	\$50
COBRA – Subscriber/Family	\$2,037	\$0	\$2,037	\$151	\$0	\$151
COBRA – Subscriber/Spouse	\$1,472	\$0	\$1,472	\$109	\$0	\$109
COBRA – Subscriber/Child	\$939	\$0	\$939	\$70	\$0	\$70
COBRA – Subscriber/2 Children	\$1,204	\$0	\$1,204	\$89	\$0	\$89
Work-Related Disability (WRD) – Non-Medicare						
WRD – Subscriber Only	\$671	\$635	\$36	\$50	\$47	\$3
WRD – Subscriber/Family	\$2,037	\$1,933	\$104	\$151	\$143	\$8
WRD – Subscriber/Spouse	\$1,472	\$1,397	\$75	\$109	\$103	\$6
WRD – Subscriber/Child	\$939	\$889	\$50	\$70	\$65	\$5
WRD – Subscriber/2 Children	\$1,204	\$1,142	\$62	\$89	\$84	\$5
LTD – Non-Medicare						
LTD – Subscriber Only	\$874	\$548	\$326	\$65	\$40	\$25
LTD – Subscriber/Family	\$2,659	\$1,288	\$1,371	\$197	\$96	\$101
LTD – Subscriber/Spouse	\$1,747	\$770	\$977	\$129	\$57	\$72
LTD – Subscriber/Child	\$1,747	\$848	\$899	\$129	\$63	\$66
LTD – Subscriber/2 Children	\$1,990	\$877	\$1,113	\$147	\$65	\$82
Survivor – Non-Medicare						
Survivor – Subscriber Only	\$874	\$548	\$326	\$65	\$40	\$25
Survivor – Subscriber/Family	\$2,659	\$1,288	\$1,371	\$197	\$96	\$101
Survivor – Subscriber/Child	\$1,747	\$848	\$899	\$129	\$63	\$66
Survivor – Subscriber/2 Children	\$1,990	\$877	\$1,113	\$147	\$65	\$82
Vested – Non-Medicare						
Vested – Subscriber Only	\$671	\$0	\$671	\$50	\$0	\$50
Vested – Subscriber/Family	\$2,037	\$0	\$2,037	\$151	\$0	\$151
Vested – Subscriber /Spouse	\$1,472	\$0	\$1,472	\$109	\$0	\$109
Vested – Subscriber/Child	\$939	\$0	\$939	\$70	\$0	\$70
Vested – Subscriber/2 Children	\$1,204	\$0	\$1,204	\$89	\$0	\$89

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