




MEMORANDUM
Financial Services Division
Missouri Department of Transportation

TO: Medical Board of Trustees

CC: Brenda Morris, CPA
Chief Financial Officer

Lester Woods, Jr.
Chief Administrative Officer

FROM: Todd Grosvenor 
Financial Services Director

DATE: April 17, 2024

SUBJECT: Missouri Department of Transportation and Missouri State Highway Patrol
Medical and Life Insurance Plan
March 2024 Calendar Year Financial Statements

The March 2024 financial statements for the Medical and Life Insurance Plan are attached. The plan's funded status is \$37.0 million with a calendar year-to-date net income of \$2.5 million compared to the previous year's net income of \$904,000. The current month's net income of \$1.6 million can be attributed to higher premiums.

Operating revenues increased \$2.2 million from \$33.6 million in the previous calendar year to \$35.8 million. This increase is the result of higher premiums. The Nonoperating revenues/(expenses) decreased \$364,000 compared to calendar year 2023 primarily due to a decrease in the market value of investments.

Operating expenses are \$33.7 million compared to \$33.5 million in the previous calendar year. This \$283,000 increase is the net effect of decreased Incurred But Not Reported (IBNR) claims as well as increased medical and prescription drug claims compared to calendar year 2023.

The IBNR Claims are adjusted biannually, typically in February and June. Based on the current actuarial report issued in February, the IBNR liability is \$8.7 million compared to the previous year's \$12.4 million. The current \$8.7 million liability is for the active and pre-65 population as the post-65 Medicare population is no longer accounted for in this liability.

**MISSOURI DEPARTMENT OF TRANSPORTATION
& MISSOURI STATE HIGHWAY PATROL
MEDICAL & LIFE INSURANCE PLAN**

FINANCIAL STATEMENTS
Mar 31, 2024 and 2023

Prepared by:
Kim Carrender
Financial Services Division
April 16, 2024



Missouri Department of Transportation & Missouri State Highway Patrol



Medical And Life Insurance Plan

Statements of Net Position March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$12,052,733	\$ 7,137,204
Investments	37,497,086	47,640,079
Medical Insurance Premiums Receivable		
MoDOT – Member	10,748	3,584
Highway Patrol – Member	4,889	2,486
MoDOT – State	1,626,450	1,446,125
Highway Patrol – State	639,870	557,644
Other Receivable	1,601,975	1,623,178
Investment Interest Receivable	<u>68,490</u>	<u>99,046</u>
TOTAL ASSETS	<u>53,502,241</u>	<u>58,509,346</u>
LIABILITIES		
Unearned Revenue		
MoDOT – Member	1,689,726	1,646,011
Highway Patrol – Member	827,348	829,271
MoDOT – State	3,338,927	3,473,307
Highway Patrol – State	1,911,479	1,773,053
Accounts payable		
Medical Claims	57,056	57,056
Incurred But Not Reported Claims	<u>8,724,000</u>	<u>12,350,000</u>
TOTAL LIABILITIES	<u>16,548,536</u>	<u>20,128,698</u>
TOTAL NET POSITION	<u>\$36,953,705</u>	<u>\$38,380,648</u>



Missouri Department of Transportation & Missouri State Highway Patrol



Medical And Life Insurance Plan

Statements of Revenues, Expenses and Changes in Net Position Three Months Ended March 31, 2024 and 2023

	<u>March 2024</u>	<u>Calendar Year- to-Date 2024</u>	<u>Calendar Year- to-Date 2023</u>
OPERATING REVENUES			
State Premiums			
Medical (Employee Plans)	\$ 6,229,629	\$18,707,706	\$15,916,365
Medical (Retiree Plans)	2,205,351	6,613,299	5,941,832
State Paid Life	19,142	57,588	101,464
Member Premiums			
Medical (Employee Plans)	1,333,696	3,695,809	3,574,381
Medical (Retiree Plans)	1,082,833	3,248,999	3,007,337
Optional Life (Employee Plans)	182,673	548,519	501,987
Optional Life (Retiree Plans)	444,491	1,357,569	1,298,986
Medicare Reimbursement	---	---	1,602,601
Subrogation Refunds	11,545	13,491	11,637
Prescription Formulary Rebates	<u>458</u>	<u>1,594,397</u>	<u>1,653,208</u>
TOTAL OPERATING REVENUES	<u>11,509,818</u>	<u>35,837,377</u>	<u>33,609,798</u>
OPERATING EXPENSES			
State Paid Life Insurance Premiums	19,036	57,232	101,286
Optional Life Insurance Premiums	638,906	1,914,307	1,816,910
Medical Claims	6,419,772	22,999,466	21,659,817
Medicare Prescription Drug Claims	---	---	(26,830)
Prescription Drug Claims	2,233,971	6,149,760	5,665,261
Change in Incurred But Not Reported Claims	42,000	219,000	1,488,000
Administrative Services			
Allsup	---	---	900
Medical	771,732	2,324,602	2,348,593
Prescription Drugs	---	---	200,422
Professional Fees	19,827	75,416	202,566
Miscellaneous	<u>---</u>	<u>---</u>	<u>267</u>
TOTAL OPERATING EXPENSES	<u>10,145,244</u>	<u>33,739,783</u>	<u>33,457,192</u>
OPERATING INCOME (LOSS)	<u>1,364,574</u>	<u>2,097,594</u>	<u>152,606</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	101,237	289,029	278,548
Market Value of Investments Adjustment	138,805	107,537	484,199
Investment Fees	<u>(3,129)</u>	<u>(9,480)</u>	<u>(11,771)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>236,913</u>	<u>387,086</u>	<u>750,976</u>
NET INCOME (LOSS)	<u>\$ 1,601,487</u>	2,484,680	903,582
NET POSITION, January 1		<u>\$34,469,025</u>	<u>\$37,477,066</u>
NET POSITION, March 31		<u>\$36,953,705</u>	<u>\$38,380,648</u>

**MISSOURI DEPARTMENT OF TRANSPORTATION
& MISSOURI STATE HIGHWAY PATROL
MEDICAL & LIFE INSURANCE PLAN**

STATEMENTS OF NET POSITION - ROLLING 13 MONTHS
(in thousands)

	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Average
Assets														
Cash and Cash Equivalents	\$ 12,053	\$ 10,283	\$ 5,032	\$ 6,160	\$ 6,988	\$ 7,553	\$ 9,833	\$ 11,223	\$ 11,603	\$ 11,226	\$ 11,152	\$ 10,536	\$ 7,137	\$ 9,291
Investments	\$ 37,497	37,680	40,127	40,386	40,249	39,482	40,602	41,104	42,658	42,911	43,549	46,124	47,940	41,538
Medical Insurance Premiums Receivable														
MoDOT - Member	11	11	7	7	7	5	4	4	7	5	7	3	4	6
Highway Patrol - Member	5	4	2	2	2	2	2	2	2	2	2	2	2	2
MoDOT - State	1,626	1,621	1,592	1,601	1,439	1,444	1,436	1,434	1,443	1,426	1,449	1,439	1,446	1,492
Highway Patrol - State	640	640	627	624	560	561	563	563	568	560	562	557	558	583
Other Receivable	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,603	1,603	1,603	1,613	1,623	1,623	1,606
Investment Interest Receivable	68	67	113	104	93	82	76	71	117	109	98	91	99	91
Total Assets	53,502	51,908	49,102	50,486	50,940	50,711	54,116	56,004	58,001	57,842	58,432	60,375	58,509	54,610
Liabilities														
Unearned Revenue														
MoDOT - Member	1,690	1,674	1,655	1,490	1,443	1,508	1,572	1,569	1,576	1,614	1,633	1,649	1,646	1,594
Highway Patrol - Member	827	892	803	715	707	732	756	788	816	806	818	787	829	790
MoDOT - State	3,339	3,339	3,339	3,339	3,130	3,520	3,496	3,469	3,472	3,465	3,454	3,461	3,473	3,407
Highway Patrol - State	1,911	1,912	1,911	1,911	1,714	1,788	1,781	1,786	1,796	1,774	1,762	1,768	1,773	1,814
Accounts Payable														
Administrative Services							(514)			1		521		1
Anthem Claims	57	57	57	57	57	57	57	57	1,844	57	57	57	57	194
Life Premiums												642		54
Prescription Drugs												1,101		92
Professional Fees												21		2
Incurred But Not Reported Claims	8,724	8,682	8,540	8,505	8,470	8,436	8,402	8,368	8,334	8,300	12,451	12,400	12,350	9,382
Total Liabilities	16,548	16,556	16,305	16,017	15,521	16,041	15,550	16,037	17,838	16,017	20,175	22,407	20,128	17,318
Net Position	\$ 36,954	\$ 35,352	\$ 32,797	\$ 34,469	\$ 35,419	\$ 34,670	\$ 38,566	\$ 39,967	\$ 40,163	\$ 41,825	\$ 38,257	\$ 37,968	\$ 38,381	\$ 37,291

MISSOURI DEPARTMENT OF TRANSPORTATION
& MISSOURI STATE HIGHWAY PATROL
MEDICAL & LIFE INSURANCE PLAN

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - ROLLING 13 MONTHS
(in thousands)

	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Average
Operating Revenues														
State Premiums - Medical (employee plans)	\$ 6,230	\$ 6,281	\$ 6,217	\$ 5,784	\$ 5,796	\$ 5,295	\$ 5,262	\$ 5,260	\$ 5,265	\$ 5,208	\$ 5,251	\$ 5,246	\$ 5,272	\$ 5,565
State Premiums - Medical (retiree plans)	2,205	2,206	2,202	2,184	1,976	1,980	1,982	1,982	1,982	1,978	1,982	1,983	1,983	2,048
State Premiums - State Paid Life	19	19	19	48	34	34	34	34	34	34	33	34	34	32
Member Premiums - Medical (employee plans)	1,334	1,245	1,117	1,123	1,224	1,266	1,228	1,227	1,243	1,252	1,227	1,279	1,212	1,229
Member Premiums - Medical (retiree plans)	1,083	1,062	1,064	1,077	1,006	985	992	990	982	991	1,000	982	1,004	1,021
Member Premiums - Optional Life (employee plans)	183	183	183	168	168	166	166	168	167	166	166	166	167	171
Member Premiums - Optional Life (retiree plans)	444	456	457	455	453	447	447	451	446	447	445	443	436	448
Medicare Reimbursement	-	-	-	-	-	-	-	-	-	69	-	-	-	5
Subrogation Refunds	12	2	1	45	-	1	2	31	41	-	12	55	-	16
Prescription Formulary Rebates	-	1,594	-	-	1,556	-	-	1,507	123	-	1,792	-	1,653	633
Total Operating Revenues	11,510	13,048	11,280	10,884	12,213	10,174	10,113	11,650	10,293	10,151	11,908	10,188	11,761	11,167
Operating Expenses														
State Paid Life Insurance Premiums	19	19	19	38	34	34	34	34	34	33	33	34	34	31
Optional Life Insurance Premiums	639	638	637	636	619	617	617	617	614	612	610	608	606	621
Medical Claims	6,420	6,780	9,801	6,907	8,365	10,057	7,598	7,971	7,279	6,772	7,811	7,189	5,962	7,609
Medicare Prescription Drugs Claims	-	-	-	519	-	-	-	-	-	-	-	(9)	(36)	37
Medicare Part D Coverage Gap	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prescription Drugs Claims	2,234	2,089	1,827	3,917	2,617	2,804	2,362	2,373	3,390	2,355	2,213	2,136	2,022	2,472
Change in Incurred But Not Reported Claims	42	142	35	35	34	34	34	34	34	(4,151)	51	50	50	(275)
Administrative Service - Allsup	-	-	-	3	3	2	1	3	-	1	2	-	-	1
Administrative Service - Medical	771	786	766	288	273	787	797	782	769	786	779	789	786	706
Administrative Service - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Service - Prescription Drugs	-	-	-	45	51	49	1	44	52	36	43	42	42	31
Professional Fees	20	26	30	-	1	20	76	179	41	34	(44)	21	72	37
Miscellaneous	-	-	-	-	-	-	-	6	-	-	-	-	-	-
Total Operating Expenses	10,145	10,480	13,115	12,388	11,994	14,204	11,520	12,043	12,233	6,478	11,498	10,860	9,539	11,269
Operating Income (Loss)	1,365	2,568	(1,835)	(1,504)	219	(4,030)	(1,407)	(393)	(1,940)	3,673	410	(672)	2,222	(102)
Nonoperating Revenues (Expenses)														
Interest Income	101	86	101	92	87	112	114	110	114	114	117	104	99	104
Market Value of Investments Adjustment	139	(96)	65	465	446	25	(105)	90	166	(216)	(234)	159	508	109
Investment Fee	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(3)	(4)	(4)	(4)	(3)
Total Nonoperating Revenues (Expenses)	237	(13)	163	554	530	134	6	197	278	(105)	(121)	259	603	209
Change in Net Position	1,502	2,555	(1,672)	(950)	749	(3,896)	(1,401)	(196)	(1,662)	3,568	289	(413)	2,825	108
Net Position, Beginning of Period	35,352	32,797	34,469	35,419	34,670	38,566	39,967	40,163	41,865	38,257	37,968	38,381	35,556	37,184
Net Position, End of Period	\$ 36,954	\$ 35,352	\$ 32,797	\$ 34,469	\$ 35,419	\$ 34,670	\$ 38,566	\$ 39,967	\$ 40,163	\$ 41,865	\$ 38,257	\$ 37,968	\$ 38,381	\$ 37,291

**MISSOURI DEPARTMENT OF TRANSPORTATION
& MISSOURI STATE HIGHWAY PATROL
MEDICAL & LIFE INSURANCE PLAN**

STATEMENTS OF NET POSITION - 10 YEAR HISTORY
(in thousands)

	<u>CY24</u>	<u>10-YR Average</u>	<u>CY23</u>	<u>CY22</u>	<u>CY21</u>	<u>CY20</u>	<u>CY19</u>	<u>CY18</u>	<u>CY17</u>	<u>CY16</u>	<u>CY15</u>	<u>CY14</u>
Assets												
Cash and Cash Equivalents	\$ 12,053	\$ 8,853	\$ 6,160	\$ 3,363	\$ 8,220	\$ 16,206	\$ 17,245	\$ 9,284	\$ 7,210	\$ 7,092	\$ 8,808	\$ 4,945
Certificate of Deposit	-	90	-	100	100	100	100	100	100	100	100	100
Investments	37,497	38,947	40,386	50,137	59,435	51,720	43,155	32,098	25,532	21,320	29,986	35,699
Medical Insurance Premiums Receivable												
MoDOT - Member	11	2	7	3	1	1	3	(1)	3	2	2	3
Highway Patrol - Member	5	1	2	2	2	1	1	-	1	-	-	2
MoDOT - State	1,626	1,563	1,601	1,433	1,428	1,447	1,452	2,931	1,490	1,386	1,282	1,183
Highway Patrol - State	640	582	624	552	519	512	505	998	496	850	402	365
Other Receivable	1,602	823	1,602	693	720	655	591	627	623	676	776	1,264
Investment Interest Receivable	68	90	104	120	85	82	121	112	70	47	63	96
Total Assets	53,502	50,952	50,486	56,403	70,510	70,724	63,173	46,149	35,525	31,473	41,419	43,657
Liabilities												
Deferred Revenue												
MoDOT - Member	1,690	2,076	1,490	1,414	2,214	2,263	2,305	2,325	2,374	2,267	2,114	1,998
Highway Patrol - Member	827	839	715	661	916	913	919	897	930	880	815	744
MoDOT - State	3,339	3,669	3,339	3,528	3,788	3,926	4,021	3,967	4,043	3,633	3,338	3,105
Highway Patrol - State	1,911	1,795	1,911	1,789	1,839	1,862	1,888	1,883	1,943	1,737	1,624	1,472
Medicare Part D	-	12	-	-	122	-	-	-	-	-	-	-
Payables												
Administrative Services	-	1	-	-	-	-	-	-	-	-	4	5
Aetna Claims	-	(55)	-	-	-	(555)	(551)	631	(79)	-	-	-
Anthem Claims	57	302	57	57	57	57	1,156	57	184	622	367	403
Life Premiums	-	234	-	-	-	-	591	-	-	580	595	572
Prescription Drugs	-	545	-	615	-	274	226	361	-	750	956	2,265
Incurred But Not Reported Claims	8,724	10,938	8,505	10,862	12,193	10,759	9,837	12,809	12,604	10,114	11,351	10,345
Total Liabilities	16,548	20,355	16,017	18,926	21,129	19,499	20,392	22,930	21,999	20,583	21,164	20,909
Total Net Position	\$ 36,954	\$ 30,597	\$ 34,469	\$ 37,477	\$ 49,381	\$ 51,225	\$ 42,781	\$ 23,219	\$ 13,526	\$ 10,890	\$ 20,255	\$ 22,748

**MISSOURI DEPARTMENT OF TRANSPORTATION
& MISSOURI STATE HIGHWAY PATROL
MEDICAL & LIFE INSURANCE PLAN**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - 10 YEAR HISTORY
(in thousands)

	CY24	10-YR Average	CY23	CY22	CY21	CY20	CY19	CY18	CY17	CY16	CY15	CY14
Operating Revenues												
State Premiums - Medical (employee plans)	6,230	\$ 64,232	\$ 64,283	\$ 65,925	\$ 68,251	\$ 69,862	\$ 69,851	\$ 70,571	\$ 64,064	\$ 59,838	\$ 54,928	\$ 54,951
State Premiums - Medical (retiree plans)	2,205	22,153	23,985	23,624	23,468	23,976	23,566	23,778	22,054	20,340	18,889	17,850
State Premiums - State Paid Life	19	504	406	364	379	372	373	558	562	690	671	662
Member Premiums - Medical (employee plans)	1,334	15,485	14,644	16,486	15,963	16,008	16,129	16,344	16,283	15,249	14,135	13,627
Member Premiums - Medical (retiree plans)	1,083	21,784	12,023	23,318	24,177	24,635	24,493	24,964	23,217	21,591	20,198	19,221
Member Premiums - Optional Life (employee plans)	183	2,154	2,003	1,862	1,917	1,861	1,846	2,194	2,172	2,629	2,536	2,521
Member Premiums - Optional Life (retiree plans)	444	4,556	5,332	5,161	5,045	4,943	4,764	4,587	4,413	3,976	3,790	3,553
Medicare Reimbursement	-	4,667	1,603	6,878	3,683	6,711	5,363	5,440	8,510	1,832	3,479	3,172
Medicare Part D Gap Coverage	-	1,528	68	2,159	2,098	2,017	1,616	1,479	1,397	1,473	1,467	1,508
Subrogation Refunds	12	161	204	107	44	36	232	222	262	384	123	-
Prescription Formulary Rebates	-	3,348	6,632	6,638	7,015	3,116	2,742	2,324	1,650	1,664	1,367	332
Other Income	-	140	-	-	-	-	-	127	16	411	44	798
Total Operating Revenues	<u>11,510</u>	<u>140,713</u>	<u>131,184</u>	<u>152,522</u>	<u>152,040</u>	<u>153,537</u>	<u>150,775</u>	<u>152,588</u>	<u>144,580</u>	<u>130,077</u>	<u>121,627</u>	<u>118,195</u>
Operating Expenses												
State Paid Life Insurance Premiums	19	506	409	367	379	405	343	560	563	693	675	666
Optional Life Insurance Premiums	639	3,356	7,367	7,045	6,965	7,340	6,062	6,779	6,620	6,580	6,298	6,069
Medical Claims	6,420	94,871	91,609	105,204	99,745	93,699	88,628	97,902	96,081	100,528	85,906	89,404
Medicare Prescription Drugs	-	12,442	484	16,927	13,962	15,484	16,184	14,538	14,821	11,763	9,809	10,470
Medicare Part D Coverage Gap	-	1,502	-	2,160	2,098	2,022	1,417	1,480	1,397	1,473	1,467	1,508
Prescription Drugs Claims	2,234	17,472	29,632	23,820	21,713	18,930	15,661	14,961	13,113	13,350	12,276	11,265
Change in Incurred But Not Reported Claims	42	(195)	(2,357)	(1,331)	1,434	922	(2,972)	205	2,490	(1,237)	1,006	(112)
Administrative Services - Allsup	-	11	15	11	15	14	9	10	10	8	6	10
Administrative Services - Medical	771	2,541	8,415	4,861	4,811	5,263	5,178	4,536	4,580	4,360	4,452	4,368
Administrative Services - Other	-	2	-	-	-	-	8	22	9	-	-	-
Administrative Services - Prescription Drugs	-	1,257	420	1,380	1,312	1,309	1,322	1,464	1,517	1,356	1,674	815
Professional Fees	-	971	654	1,004	1,025	1,004	1,034	1,081	1,017	993	948	947
Miscellaneous	20	32	28	42	33	32	31	27	31	51	18	23
Total Operating Expenses	<u>10,145</u>	<u>134,767</u>	<u>136,676</u>	<u>161,490</u>	<u>153,492</u>	<u>146,404</u>	<u>132,895</u>	<u>143,565</u>	<u>142,249</u>	<u>139,916</u>	<u>124,535</u>	<u>125,433</u>
Operating Income (Loss)	<u>1,365</u>	<u>5,946</u>	<u>(5,492)</u>	<u>(8,968)</u>	<u>(1,452)</u>	<u>7,133</u>	<u>17,880</u>	<u>9,023</u>	<u>2,331</u>	<u>(9,841)</u>	<u>(2,909)</u>	<u>(7,238)</u>
Nonoperating Revenues (Expenses)												
Interest Income	101	843	1,244	956	731	994	1,207	781	550	557	641	772
Market Value of Investments Adjustment	139	(323)	1,282	(3,839)	(1,072)	362	511	(83)	(216)	(53)	(194)	71
Investment Fee	(3)	(39)	(42)	(53)	(51)	(45)	(36)	(28)	(29)	(28)	(32)	(41)
Total Nonoperating Revenues (Expenses)	<u>237</u>	<u>482</u>	<u>2,484</u>	<u>(2,936)</u>	<u>(392)</u>	<u>1,311</u>	<u>1,682</u>	<u>670</u>	<u>305</u>	<u>476</u>	<u>415</u>	<u>802</u>
Change in Net Position	<u>2,485</u>	<u>529</u>	<u>(3,008)</u>	<u>(11,904)</u>	<u>(1,844)</u>	<u>8,444</u>	<u>19,562</u>	<u>9,993</u>	<u>2,636</u>	<u>(9,365)</u>	<u>(2,493)</u>	<u>(6,436)</u>
Net Position, Beginning of Period	<u>34,469</u>	<u>30,069</u>	<u>37,477</u>	<u>49,381</u>	<u>51,225</u>	<u>42,781</u>	<u>23,219</u>	<u>13,526</u>	<u>10,890</u>	<u>20,255</u>	<u>22,748</u>	<u>29,184</u>
Net Position, End of Period	<u>\$ 36,954</u>	<u>\$ 30,597</u>	<u>\$ 34,469</u>	<u>\$ 37,477</u>	<u>\$ 49,381</u>	<u>\$ 51,225</u>	<u>\$ 42,781</u>	<u>\$ 23,219</u>	<u>\$ 13,526</u>	<u>\$ 10,890</u>	<u>\$ 20,255</u>	<u>\$ 22,748</u>