




MEMORANDUM
Missouri Department of Transportation
Financial Services Division

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: February 26, 2024

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

The January 2024 financial statements for the Medical and Life Insurance Plan are attached. The plan's funded status is \$32.8 million with a calendar year to date net loss of \$1.7 million compared to the previous year's net income of \$ 82,000. The current month's net loss of \$1.7 million is mostly attributed to higher medical claims.

Operating revenues decreased \$300,000 from \$11.6 million in the previous calendar year to \$11.3 million. This decrease is the result of the net impact of higher premiums and the decline in Medicare Reimbursement due to changes related to the administration of Medicare benefits. In 2022, the MoDOT and MSHP Medical and Life Insurance Plan (Plan) had a direct contract with Medicare to offer a supplement to Medicare A and B. The Plan also provided a direct Part D option to retirees for prescriptions. Beginning in January 2023, these Medicare benefits are being administered by a new vendor. This change resulted in decreased Medical Premiums paid by retirees and discontinued revenue for both Medicare Reimbursement and Medicare Part D Coverage Gap. The Nonoperating revenues/(expenses) decreased \$255,000 compared to calendar year 2023. This decrease is primarily due to a decrease in the market value of investments compared to calendar year 2023. Market value is the amount securities can be sold in the market on any given day, and as interest rates increase, the market value of investments decreases.

Operating expenses are \$13.1 million compared to \$11.9 million in the previous calendar year. This \$1.2 million increase is due to increased medical claims compared to calendar year 2023.

The Incurred But Not Reported (IBNR) Claims are adjusted biannually, typically in February and June. Based on the current actuarial report issued in June, the IBNR liability is \$8.5 million compared to the previous year's \$10.9 million.

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

FINANCIAL STATEMENTS
January 31, 2024 and 2023

Prepared by:
Kim Carrender
Financial Services Division
February 23, 2024



Missouri Department of Transportation & Missouri State Highway Patrol



Medical And Life Insurance Plan

Statements of Net Position January 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 5,031,844	\$ 1,124,812
Certificate of Deposit	---	---
Investments	40,127,035	49,278,844
Medical Insurance Premiums Receivable		
MoDOT – Member	7,329	2,893
Highway Patrol – Member	2,325	2,200
MoDOT – State	1,591,595	2,858,130
Highway Patrol – State	627,498	552,661
Other Receivable	1,601,975	2,295,147
Investment Interest Receivable	<u>112,738</u>	<u>132,356</u>
TOTAL ASSETS	<u>49,102,339</u>	<u>56,247,043</u>
LIABILITIES		
Unearned Revenue		
MoDOT – Member	1,654,953	1,686,101
Highway Patrol – Member	802,969	733,997
MoDOT – State	3,338,927	3,514,718
Highway Patrol – State	1,911,479	1,790,394
Accounts payable		
Medical Claims	57,056	57,056
Prescription Drugs	---	---
Incurred But Not Reported Claims	<u>8,540,000</u>	<u>10,906,000</u>
TOTAL LIABILITIES	<u>16,305,384</u>	<u>18,688,266</u>
TOTAL NET POSITION	<u>\$32,796,955</u>	<u>\$37,558,777</u>



Missouri Department of Transportation & Missouri State Highway Patrol



Medical And Life Insurance Plan

Statements of Revenues, Expenses and Changes in Net Position One Month Ended January 31, 2024 and 2023

	January 2024	Calendar Year- to-Date 2024	Calendar Year- to-Date 2023
OPERATING REVENUES			
State Premiums			
Medical (Employee Plans)	\$ 6,217,345	\$ 6,217,345	\$ 5,324,193
Medical (Retiree Plans)	2,202,279	2,202,279	1,978,423
State Paid Life	19,280	19,280	34,033
Member Premiums			
Medical (Employee Plans)	1,116,728	1,116,728	1,047,989
Medical (Retiree Plans)	1,084,335	1,084,335	1,001,231
Optional Life (Employee Plans)	182,885	182,885	167,842
Optional Life (Retiree Plans)	456,744	456,744	434,713
Medicare Reimbursement	---	---	1,602,601
Medicare Part D Coverage Gap	---	---	---
Subrogation Refunds	76	76	8,442
Prescription Formulary Rebates	---	---	---
Other Income	---	---	---
TOTAL OPERATING REVENUES	<u>11,279,672</u>	<u>11,279,672</u>	<u>11,599,467</u>
OPERATING EXPENSES			
State Paid Life Insurance Premiums	19,091	19,091	33,910
Optional Life Insurance Premiums	637,034	637,034	604,180
Medical Claims	9,800,454	9,800,454	8,511,433
Medicare Prescription Drug Claims	---	---	8,222
Medicare Part D Coverage Gap	---	---	---
Prescription Drug Claims	1,826,762	1,826,762	1,773,198
Change in Incurred But Not Reported Claims	35,000	35,000	44,000
Administrative Services			
Allsup	---	---	---
Medical	766,811	766,811	781,712
Prescription Drugs	---	---	112,748
Professional Fees	29,776	29,776	66,496
Miscellaneous	---	---	---
TOTAL OPERATING EXPENSES	<u>13,114,928</u>	<u>13,114,928</u>	<u>11,935,899</u>
OPERATING INCOME (LOSS)	<u>(1,835,256)</u>	<u>(1,835,256)</u>	<u>(336,432)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	101,716	101,716	97,310
Market Value of Investments Adjustment	64,644	64,644	324,803
Investment Fees	(3,174)	(3,174)	(3,970)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>163,186</u>	<u>163,186</u>	<u>418,143</u>
NET INCOME (LOSS)	<u>\$(1,672,070)</u>	<u>(1,672,070)</u>	<u>81,711</u>
NET POSITION, January 1		<u>\$34,469,025</u>	<u>\$37,477,066</u>
NET POSITION, January 31		<u>\$32,796,955</u>	<u>\$ 37,558,777</u>

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

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

	<u>Jan-24</u>	<u>Dec-23</u>	<u>Nov-23</u>	<u>Oct-23</u>	<u>Sep-23</u>	<u>Aug-23</u>	<u>Jul-23</u>	<u>Jun-23</u>	<u>May-23</u>	<u>Apr-23</u>	<u>Mar-23</u>	<u>Feb-23</u>	<u>Jan-23</u>	<u>Average</u>
Assets														
Cash and Cash Equivalents	\$ 5,032	\$ 6,160	\$ 6,988	\$ 7,553	\$ 9,833	\$ 11,223	\$ 11,603	\$ 11,226	\$ 11,152	\$ 10,536	\$ 7,137	\$ 2,723	\$ 1,125	\$ 7,869
Investments	40,127	40,386	40,249	39,462	40,602	41,104	42,658	42,911	43,549	46,124	47,640	48,530	49,279	43,279
Medical Insurance Premiums Receivable														
MoDOT - Member	7	7	7	5	4	4	7	5	7	3	4	5	3	5
Highway Patrol - Member	2	2	2	2	2	2	2	2	2	2	2	2	2	2
MoDOT - State	1,592	1,601	1,439	1,444	1,436	1,434	1,443	1,426	1,449	1,439	1,446	1,447	2,858	1,573
Highway Patrol - State	627	624	560	561	561	563	568	560	562	557	558	556	553	570
Other Receivable	1,602	1,602	1,602	1,602	1,602	1,603	1,603	1,603	1,613	1,623	1,623	2,216	2,295	1,707
Investment Interest Receivable	113	104	93	82	76	71	117	109	98	91	99	90	132	98
Total Assets	49,102	50,486	50,940	50,711	54,116	56,004	58,001	57,842	58,432	60,375	58,509	55,569	56,247	56,068
Liabilities														
Unearned Revenue														
MoDOT - Member	1,655	1,490	1,443	1,508	1,572	1,569	1,576	1,614	1,633	1,649	1,646	1,646	1,686	1,591
Highway Patrol - Member	803	715	707	732	756	788	816	806	818	787	829	744	734	772
MoDOT - State	3,339	3,339	3,130	3,520	3,496	3,469	3,472	3,465	3,454	3,461	3,473	3,482	3,515	3,432
Highway Patrol - State	1,911	1,911	1,714	1,788	1,781	1,786	1,796	1,774	1,762	1,768	1,773	1,784	1,790	1,795
Accounts Payable														
Administrative Services	-	-	-	-	(514)	-	-	1	-	521	-	-	-	1
Anthem Claims	57	57	57	57	57	57	1,844	57	57	57	57	57	57	194
Life Premiums	-	-	-	-	-	-	-	-	-	642	-	-	-	49
Prescription Drugs	-	-	-	-	-	-	-	-	-	1,101	-	-	-	85
Professional Fees	-	-	-	-	-	-	-	-	-	21	-	-	-	2
Incurred But Not Reported Claims	8,540	8,505	8,470	8,436	8,402	8,368	8,334	8,300	12,451	12,400	12,350	12,300	10,906	9,828
Total Liabilities	16,305	16,017	15,521	16,041	15,550	16,037	17,838	16,017	20,175	22,407	20,128	20,013	18,688	17,749
Net Position	\$ 32,797	\$ 34,469	\$ 35,419	\$ 34,670	\$ 38,566	\$ 39,967	\$ 40,163	\$ 41,825	\$ 38,257	\$ 37,968	\$ 38,381	\$ 35,556	\$ 37,559	\$ 37,354

**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)

	<u>Jan-24</u>	<u>Dec-23</u>	<u>Nov-23</u>	<u>Oct-23</u>	<u>Sep-23</u>	<u>Aug-23</u>	<u>Jul-23</u>	<u>Jun-23</u>	<u>May-23</u>	<u>Apr-23</u>	<u>Mar-23</u>	<u>Feb-23</u>	<u>Jan-23</u>	<u>Average</u>
Operating Revenues														
State Premiums - Medical (employee plans)	\$ 6,217	\$ 5,784	\$ 5,796	\$ 5,295	\$ 5,262	\$ 5,260	\$ 5,265	\$ 5,208	\$ 5,251	\$ 5,246	\$ 5,272	\$ 5,320	\$ 5,324	\$ 5,423
State Premiums - Medical (retiree plans)	2,202	2,184	1,976	1,980	1,982	1,982	1,982	1,978	1,982	1,983	1,983	1,980	1,978	2,013
State Premiums - State Paid Life	19	48	34	34	34	34	34	34	33	34	34	34	34	34
Member Premiums - Medical (employee plans)	1,117	1,123	1,224	1,266	1,228	1,227	1,243	1,252	1,227	1,279	1,212	1,315	1,048	1,212
Member Premiums - Medical (retiree plans)	1,084	1,077	1,006	985	992	990	992	991	1,000	982	1,004	1,002	1,001	1,008
Member Premiums - Optional Life (employee plans)	183	168	168	166	166	168	167	166	166	166	167	167	168	168
Member Premiums - Optional Life (retiree plans)	457	455	453	447	447	451	446	447	445	443	436	428	435	445
Medicare Reimbursement	-	-	-	-	-	-	-	69	-	-	-	-	1,603	129
Medicare Part D Gap Coverage	-	-	-	-	-	-	-	6	-	-	-	-	-	-
Subrogation Refunds	1	45	-	1	2	31	41	-	12	55	-	3	8	15
Prescription Formulary Rebates	-	-	1,556	-	-	1,507	123	-	1,792	-	1,653	-	-	510
Total Operating Revenues	11,280	10,884	12,213	10,174	10,113	11,650	10,293	10,151	11,908	10,188	11,761	10,249	11,599	10,958
Operating Expenses														
State Paid Life Insurance Premiums	19	38	34	34	34	34	34	33	33	34	34	34	34	33
Optional Life Insurance Premiums	637	636	619	617	617	617	614	612	610	608	606	606	604	616
Medical Claims	9,801	6,907	8,365	10,057	7,598	7,971	7,279	6,772	7,811	7,189	5,962	7,186	8,511	7,801
Medicare Prescription Drugs Claims	-	519	-	-	-	-	-	-	-	(9)	(35)	-	8	37
Prescription Drugs Claims	1,827	3,917	2,617	2,604	2,362	2,373	3,390	2,355	2,213	2,136	2,022	1,870	1,773	2,420
Change in Incurred But Not Reported Claims	35	35	34	34	34	34	34	(4,151)	51	50	50	1,394	44	(179)
Administrative Service - Allsup	-	3	-	2	1	3	-	1	2	-	-	-	-	1
Administrative Service - Medical	766	288	273	787	797	782	789	786	779	789	786	781	782	707
Administrative Service - Prescription Drugs	-	45	51	49	1	44	52	36	43	42	42	46	113	43
Professional Fees	30	-	1	20	76	179	41	34	(44)	21	72	64	66	43
Miscellaneous	-	-	-	-	-	6	-	-	-	-	-	-	-	-
Total Operating Expenses	13,115	12,388	11,994	14,204	11,520	12,043	12,233	6,478	11,498	10,860	9,539	11,981	11,935	11,522
Operating Income (Loss)	(1,835)	(1,504)	219	(4,030)	(1,407)	(393)	(1,940)	3,673	410	(672)	2,222	(1,732)	(336)	(563)
Nonoperating Revenues (Expenses)														
Interest Income	101	92	87	112	114	110	114	114	117	104	99	82	97	103
Market Value of Investments Adjustment	65	465	446	25	(105)	90	168	(216)	(234)	159	508	(349)	325	104
Investment Fee	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(3)	(4)	(4)	(4)	(4)	(4)	(3)
Total Nonoperating Revenues (Expenses)	163	554	530	134	6	197	278	(105)	(121)	259	603	(271)	418	203
Change in Net Position	(1,672)	(950)	749	(3,896)	(1,401)	(196)	(1,662)	3,568	289	(413)	2,825	(2,003)	82	(360)
Net Position, Beginning of Period	34,469	35,419	34,670	38,566	39,967	40,163	41,825	38,257	37,968	38,381	35,556	37,559	37,477	38,217
Net Position, End of Period	\$ 32,797	\$ 34,469	\$ 35,419	\$ 34,670	\$ 38,566	\$ 39,967	\$ 40,163	\$ 41,825	\$ 38,257	\$ 37,968	\$ 38,381	\$ 35,556	\$ 37,559	\$ 38,030

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

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

	CY24	10-YR Average	CY23	CY22	CY21	CY20	CY19	CY18	CY17	CY16	CY15	CY14
Assets												
Cash and Cash Equivalents	\$ 5,032	\$ 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	40,127	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	7	2	7	3	1	1	3	(1)	3	2	2	3
Highway Patrol - Member	2	1	2	2	2	1	1	-	1	-	-	2
MoDOT - State	1,592	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	627	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	113	90	104	120	85	82	121	112	70	47	63	96
Total Assets	49,102	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	1,655	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	803	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	8,540	10,938	8,505	10,862	12,193	10,759	9,837	12,809	12,604	10,114	11,351	10,345
Total Liabilities	16,305	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	\$ 32,797	\$ 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)	\$ 6,217	\$ 64,232	\$ 64,283	\$ 65,925	\$ 68,251	\$ 69,862	\$ 69,651	\$ 70,571	\$ 64,064	\$ 59,838	\$ 54,928	\$ 54,951
State Premiums - Medical (retiree plans)	2,202	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)	1,117	15,485	14,644	16,486	15,963	16,008	16,129	16,344	16,263	15,249	14,135	13,627
Member Premiums - Medical (retiree plans)	1,084	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)	457	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	1	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	1	-	-	-	-	127	16	411	44	798
Total Operating Revenues	11,280	140,713	131,184	152,522	152,040	153,537	150,775	152,588	144,580	130,077	121,627	118,195
Operating Expenses												
State Paid Life Insurance Premiums	19	506	409	367	379	405	343	560	563	693	675	666
Optional Life Insurance Premiums	637	3,356	7,367	7,045	6,965	7,340	6,052	6,779	6,620	6,580	6,298	6,069
Medical Claims	9,801	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	15,464	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	1,827	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	35	(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	766	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	30	971	654	1,004	1,025	1,004	1,034	1,081	1,017	993	948	947
Miscellaneous	-	32	28	42	33	32	31	27	31	51	18	23
Total Operating Expenses	13,115	134,767	136,676	161,490	153,492	146,404	132,895	143,565	142,249	139,918	124,535	125,433
Operating Income (Loss)	(1,835)	5,946	(5,492)	(8,968)	(1,452)	7,133	17,880	9,023	2,331	(9,841)	(2,908)	(7,238)
Nonoperating Revenues (Expenses)												
Interest Income	101	843	1,244	956	731	994	1,207	781	550	557	641	772
Market Value of Investments Adjustment	65	(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)	163	482	2,484	(2,936)	(392)	1,311	1,682	670	305	476	415	802
Change in Net Position	(1,672)	529	(3,008)	(11,904)	(1,844)	8,444	19,562	9,693	2,636	(9,365)	(2,493)	(6,436)
Net Position, Beginning of Period	34,469	30,069	37,477	49,381	51,225	42,781	23,219	13,526	10,890	20,255	22,748	29,184
Net Position, End of Period	\$ 32,797	\$ 30,597	\$ 34,469	\$ 37,477	\$ 49,381	\$ 51,225	\$ 42,781	\$ 23,219	\$ 13,526	\$ 10,890	\$ 20,255	\$ 22,748