30 YEAR ANNIVERSARY

ANNUAL REPORT

MISSOURI CONSOLIDATED HEALTH CARE PLAN

FISCAL YEAR ENDED JUNE 30, 2024

MCHCP
my health. my choice. myMCHCP

A COMPONENT UNIT OF THE STATE OF MISSOURI 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT | 2024

Missouri Consolidated Health Care Plan
www.mchcp.org
800-701-8881

832 Weathered Rock Ct.
PO Box 104355
Jefferson City, MO 65110

Report prepared by the MCHCP Finance Department, with assistance from the staff of the Missouri Consolidated Health Care Plan.

2024
ANNUAL REPORT

my health. my choice. myMCHCP

Missouri Consolidated Health Care Plan
A Component Unit of the State of Missouri
2024 Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

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LETTER FROM THE EXECUTIVE DIRECTOR

To the Board of Trustees and Members of MCHCP:

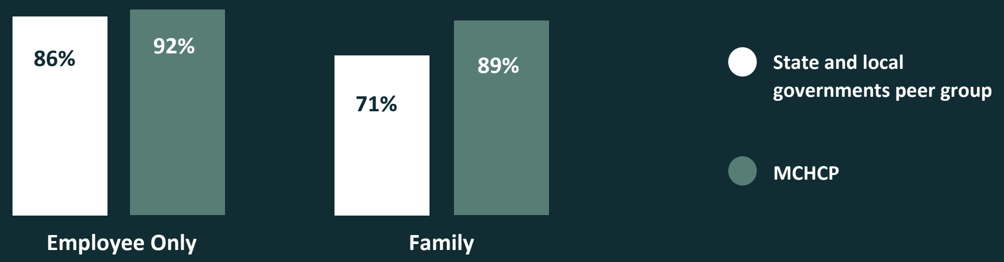
It is with great pleasure that I submit the Annual Comprehensive Financial Report (ACFR) of the Missouri Consolidated Health Care Plan (MCHCP) for the period ended June 30, 2024. MCHCP is a component unit of the state of Missouri for financial reporting purposes and, as such, the financial reports are also included in the state of Missouri's ACFR. The financial information presented in this report is the responsibility of management of MCHCP and sufficient internal accounting controls exist to provide a reasonable assurance regarding safekeeping of assets and fair presentation of the financial statements, supporting schedules and statistical tables. Systems and procedures are evaluated in conjunction with the Board of Trustees, MCHCP management and internal audit staff to assure internal controls exist and are functioning to promote objectives while minimizing risk. Reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived; the objective is to provide reasonable, rather than absolute assurance, and that the financial statements are free of material misstatements. The report is also designed to comply with the provisions of section 103.025 of the Revised Statutes of Missouri. Financial information can be found in the management discussion and analysis, financial statements, notes to the financial statements and statistical sections included in this report.

Fiscal year 2024 continued the Board of Trustees approval to keep active state employee premiums at the same level as they have done for the past eleven out of twelve years. With challenging statewide budgets for both the State and personally for our Plan members, the ability to provide affordable coverage remains a stalwart of the Board's commitment. Being present for our members either online or in person is paramount to serving our membership. During the fiscal year we assisted members with 361,945 visits to their secure myMCHCP account, 26,861 phone calls, responded to over 2,500 secure messages and delivered walk-in assistance to over 1,500 members. MCHCP attended 38 in person health education events throughout the state and hosted four flu shot clinics providing 346 flu vaccines in addition to the over 500 vaccines administered in the *Strive for Wellness* Health Center operating in the Truman State Office Building in Jefferson City, MO.

During the fiscal year ended June 30, 2024, the state of Missouri contributed more than $491 million (approximately 63 percent of Plan revenues) in the form of employer-sponsored contributions. Member contributions for our state members exceeded $119 million while revenues for public enrollment was $11.2 million. While MCHCP realized a seven percent overall increase in self-funded claim expenditures, the largest contributor is found in increased pharmacy costs at more than eleven percent over the previous fiscal period.

MCHCP's investment strategies employed best practices for the safety of investment, liquidity and yield and incorporated objectives of attaining return through budgetary and economic cycles while considering risk and the needs of the Plan. The portfolio outpaced the related benchmarking, returning 8.66%. Diversification and a mix of safe haven instruments remain the methodology to produce long term results. Additional investment information can be found in the investment section of this report.

MCHCP Share of Premium - 2024



SOURCES:

U.S. Bureau of Labor Statistics. (2023). **Employee Benefits in the United States, Table 3. Medical plans: Share of premiums paid by employer and employee for single coverage, March 2024.** National Compensation Survey. Retrieved September 25, 2024, from: https://www.bls.gov/news.release/ebs2.t03.htm.

U.S. Bureau of Labor Statistics. (2023). **Employee Benefits in the United States, Table 4. Medical plans: Share of premiums paid by employer and employee for family coverage, March 2024** National Compensation Survey. Retrieved September 25, 2024, from: https://www.bls.gov/news.release/ebs2.t04.htm.

The ability to maintain the financial strength of the Plan is incumbent on contributions from the State and members, strong vendor partnerships and improving the health risk profiles of our membership.

For our active employees and non-Medicare retirees, self-insured health plans were offered during FY 2024 and were comprised of the Health Savings Account Plan and two PPO Plans. In addition, for our Medicare retiree members, MCHCP offered a fully insured group Medicare Advantage (PPO) plan along with a self-insured Employer Group Waiver Medicare Prescription Drug plan. As the chart presents, MCHCP's share of premium remains higher than comparators from state and local government peer groups for both employee and family coverages.

Looking forward to FY 2025, with the passage of House Bill No. 2005, the General Assembly and Governor authorized $527.2 million in support of the approximately 88,000 state members of the Plan.

This report is a product of the combined efforts of MCHCP staff and the Board of Trustees. It is intended to provide reliable information as a basis for making management decisions, for determining compliance with legal provisions and for evaluating the condition of the fund. Armanino LLP conducted an independent audit of the basic financial statements in accordance with U.S. generally accepted auditing standards. MCHCP has received an unmodified opinion from our independent auditors whose report can be found beginning on page 22.

For the twenty-ninth year in a row, MCHCP is pleased to receive the Government Finance Officers Association (GFOA) of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To qualify, a government unit must publish a report conforming to all GFOA standards. MCHCP will continue to strive for such recognition with its submission of the annual report for the period ended June 30, 2024, for consideration to GFOA.

This annual report is provided to the Governor, the State Auditor, members of the General Assembly, all state agencies and all participating public entities and is viewable at www.mchcp.org. The cooperation and support of these individuals and agencies help contribute to our success. Also, for the Board of Trustees, I extend my gratitude to the staff who work diligently to provide the excellence you have come to expect from MCHCP.

It has been my profound privilege to lead the Plan for over fourteen years as the Executive Director. As I look forward to my retirement in the spring of 2025, I am confident in the continuation of the great work being done by the Board of Trustees and the dedicated staff of MCHCP to continue the success and improvements of your health plan, MCHCP.

Yours in health,

Judith Muck
Executive Director
December 12, 2024

MCHCP ORGANIZATION

JUDITH MUCK

EXECUTIVE DIRECTOR

- Human Resources
- Vendor Relations

BRADLEY P. KIFER

CHIEF INFORMATION OFFICER

- Information Technology

JENNIFER STILABOWER

GENERAL COUNSEL / DEPUTY DIRECTOR

- Legal
- Clinical Services
- Benefit Administration

STACIA G. FISCHER

CHIEF FINANCIAL OFFICER/ DEPUTY DIRECTOR

- Finance
- Research
- Internal Audit
- General Services
- Multimedia Communications

CERTIFICATE OF ACHIEVEMENT

Government Finance Officers Association

Certificate of
Achievement
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in Financial
Reporting

Presented to

Missouri Consolidated Health Care Plan

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

LETTER FROM THE CHAIRPERSON

CHLORA LINDLEY MYERS

CHAIRPERSON, BOARD OF TRUSTEES

It is my distinct pleasure to present to you, on behalf of the Board of Trustees, the Annual Comprehensive Financial Report for the Missouri Consolidated Health Care Plan (MCHCP) for the period ending June 30, 2024.

With the support of the Governor and General Assembly, MCHCP received over $491 million in state appropriations to support the Plan's ability to provide affordable health care coverage during fiscal year 2024. In addition to the financial support from the State, members contributed over $119 million toward their share of premium for the fiscal year ended June 30, 2024. The financial capacity of the Plan remains strong, and its vitality is a testament to the stewardship of sound financial practices, a dedication to improving the health of the Plan's membership and operational efficiencies within Plan management. Additional details are available in the accompanying basic financial statements included in this report.

The Board of Trustees, in concert with MCHCP's management, has designed and implemented internal and accounting controls in providing reasonable assurances of the financial records and safekeeping of Plan assets while incorporating financial transparency to those interested in the results of operations.

MCHCP expenditures for self-funded medical and pharmacy plans, a fully insured Group Medicare Advantage (PPO) plan and fully insured dental and vision plans during fiscal year 2024 were approximately $711 million. Our work remains focused on the health of our population, as during fiscal year 2024, 3.7 percent of the membership presented as a high-cost claimant, defined as those with expenses over $50,000. High-cost claimants account for almost 47 percent of total medical health care costs. In recognition of our members varied and unique health challenges, during fiscal year 2024, the Board invested in additional virtual care services including those addressing primary care, convenience care, digital joint and muscle care and diabetes prevention. We encourage our members to engage in these and other program offerings.

On behalf of the Board of Trustees, I would like to congratulate and welcome back Marty Drewel and Cameron Fast on their re-election to the Board. It is also my privilege to acknowledge and to thank Judith Muck, Executive Director, for her over 14 years of dedicated leadership and service to MCHCP and nearly 40 years of exemplary service to the State of Missouri. Judith has announced her forthcoming retirement to be effective in the spring of 2025.

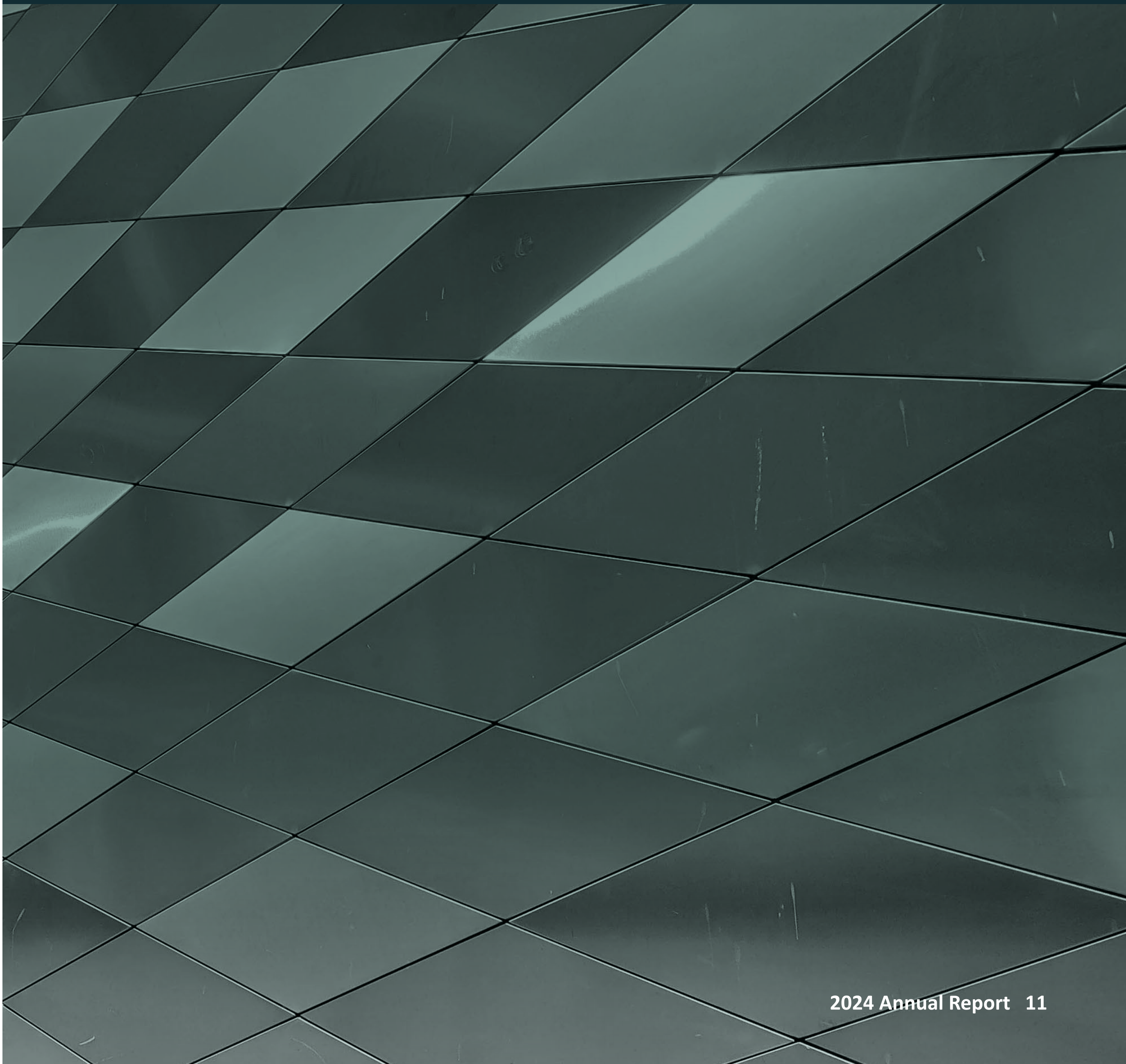
On behalf of the Board of Trustees, we value and appreciate the over 89,000 state and public members and the dedicated MCHCP staff, advisors, and vendors who have worked diligently in the administration of the Plan over the year. We remain dedicated and committed to the continued health and wellbeing of our members and Plan operations.

Respectfully,

Chlora Lindley-Myers

Chlora Lindley-Myers
Chairperson, Board of Trustees
December 12, 2024

The financial capacity of the Plan remains strong, and its vitality is a testament to the stewardship of sound financial practices, a dedication to improving the health of the Plan's membership and operational efficiencies within Plan management.



ACTUARIAL SERVICES & CONSULTING
Segal

AUDIT SERVICES
Armanino LLP

AUDIT SERVICES
Pillar Rx Consulting, LLC

PROFESSIONAL SERVICES

BANKING & INVESTMENT SERVICES
Central Bank

DECISION SUPPORT SYSTEM
Merative

DENTAL PROGRAM
MetLife
Delta Dental

STRIVE EMPLOYEE LIFE & FAMILY PROGRAM
ComPsych

GROUP MEDICARE ADVANTAGE (PPO) PLAN
UnitedHealthcare

STRIVE FOR WELLNESS HEALTH CENTER
Marathon Health

PROFESSIONAL SERVICES

MEDICAL THIRD PARTY ADMINISTRATOR
Anthem

PHARMACY BENEFIT MANAGER
Express Scripts, Inc.

VISION PROGRAM
National Vision Administrators

BOARD OF TRUSTEES

BOARD OF TRUSTEES

HONORABLE
SANDY CRAWFORD

Missouri Senate
District 028
Appointed by the President
Pro Tem of the Senate

MARTY DREWEL

Holts Summit
Retiree-Elected Member

CAMERON FAST

Hamilton
Active Employee-Elected
Member

DANIEL O'NEILL

Kirkwood
Governor-Appointed Member

HONORABLE
BARBARA WASHINGTON

Missouri Senate
District 009
Appointed by the President
Pro Tem of the Senate

One House of Representatives and one Governor-Appointed Member was open as of June 30, 2024.

SUMMARY OF PLAN PROVISIONS

ADMINISTRATION

MCHCP administers medical, dental and vision benefits and the Strive Employee Life & Family (SELF) program for most members of the Missouri State Employees' Retirement System, Judicial Retirement Plan, some members of the Public School Retirement System, legislators, statewide elected officials and eligible public entity members. In addition, dental and vision benefits are available to employees and retirees of the Departments of Conservation and Transportation, and the Missouri State Highway Patrol. SELF program benefits are available to active employees eligible for MCHCP medical coverage and members of their household.

Missouri statutes provide that the administration of MCHCP be vested in a 13-member Board of Trustees. The Board is composed of:

- The Director of the Department of Health and Senior Services, serving ex officio
- The Director of the Department of Commerce and Insurance, serving ex officio
- The Commissioner of the state Office of Administration, serving ex officio
- Two members of the Senate, appointed by the President Pro Tem of the Senate
- Two members of the House of Representatives, appointed by the Speaker of the House of Representatives
- Three members appointed by the Governor with the advice and consent of the Senate (All three members appointed by the Governor shall be citizens of the state of Missouri who are not members of the Plan, but who are familiar with medical issues.)
- Two members of the system who are current employees, elected by a plurality vote of members of the system who are also current employees
- One member of the system who is a retiree, elected by a plurality vote of retired members of the system.

The management of MCHCP is the responsibility of the Executive Director, who is appointed by the Board of Trustees and serves at its pleasure.

The Executive Director acts as advisor to the Board on all matters pertaining to MCHCP and, with the approval of the Board, contracts for professional services and employs the staff needed to operate the organization. Information regarding investment advisory services and fees can be found on page 83 of the Investment section.

VISION

To be recognized and valued by our members as their advocate in providing affordable, accessible, quality health care options.

PURPOSE

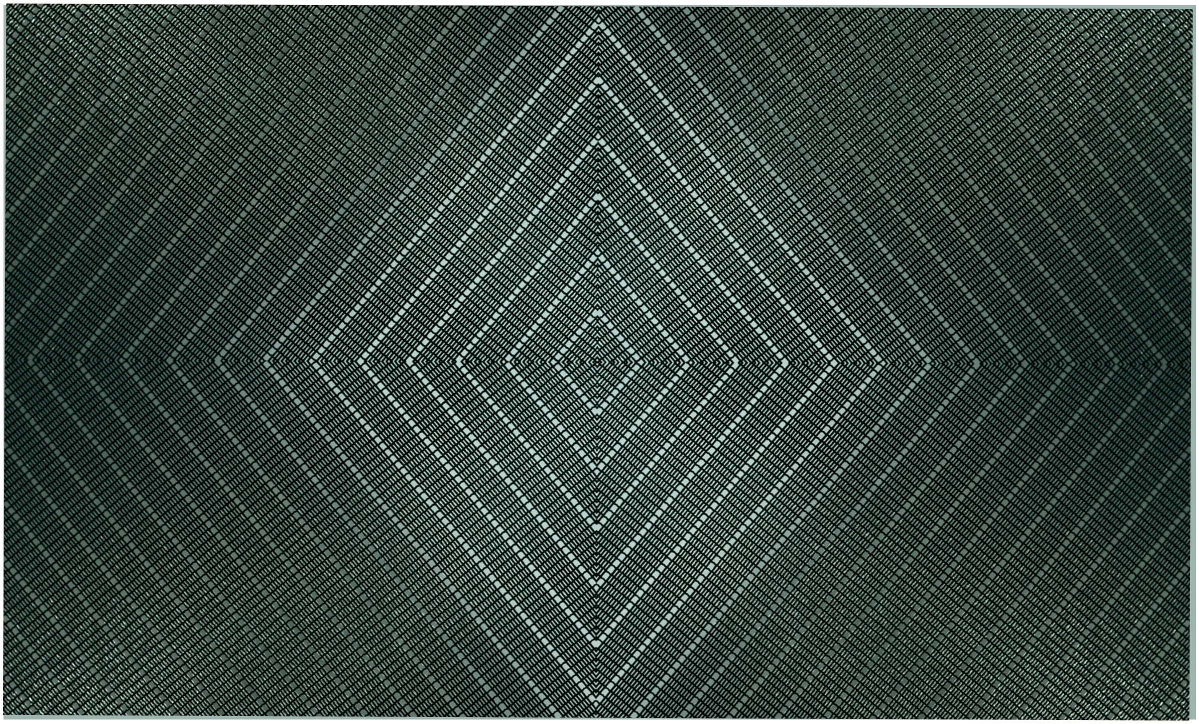
Established Jan. 1, 1994, the Missouri Consolidated Health Care Plan (MCHCP) or the Plan was created to provide health care benefits to most state employees, retirees and their dependents, and public entities within the state that join the Plan.

MISSION

To provide access to quality and affordable health insurance to state and local government employees. We will accomplish this by:

- **Consolidating purchasing power and administration to achieve benefits not available to individual employer members**
- **Creating collaborations to ensure the needs of individual members are understood and met**
- **Ensuring fiscal responsibility**
- **Developing innovative delivery options and incentives**
- **Identifying and contracting with high-value plans**
- **Maintaining a high-quality and knowledgeable work force**

MCHCP OFFERS



HEALTH PLANS
FOR MEDICAL COVERAGE

MCHCP offers three self-insured health plans for medical coverage - the Health Savings Account (HSA) Plan and two Preferred Provider Organization (PPO) plans - the PPO 1250 Plan and the PPO 750 Plan - to its active employee and non-Medicare retiree members. All three of the self-insured health plans offer the same benefits, such as:

- 100% coverage of preventive care – such as preventive exams, vaccinations, age-specific screenings – when using a network provider.
- Choice of health care providers, pharmacies and hospitals from a nationwide network, usually at a lower cost.

MCHCP offers a fully insured group Medicare Advantage (PPO) plan to its Medicare primary retiree members. This plan has all the benefits of Medicare Part A (hospital coverage) and Medicare Part B (doctor and outpatient care) plus extra programs that go beyond original Medicare. Benefits offered are substantially similar to MCHCP's self-insured health plans. Members of this health plan can see any provider (network or non-network) at the same cost share, as long as the provider accepts the plan and is a Medicare provider.

PRESCRIPTION DRUG PLANS

MCHCP members in a health plan for medical coverage are automatically enrolled in one of MCHCP's prescription drug plans (PDP). Active employee and non-Medicare retiree members are enrolled in MCHCP's self-insured PDP while Medicare primary retiree members are enrolled in a self-insured Employer Group Waiver Plan (EGWP) Medicare Part D PDP. Both non-Medicare and Medicare PDPs use a broad network of retail pharmacies and one specialty pharmacy. The drug formulary covers a wide array of drugs and promotes the use of generics as well as provides certain drugs at a lower cost or no cost in support of diabetic and preventive care.

DENTAL PLAN

The fully-insured dental plan offers benefits through a nationwide network of participating dental providers. Preventive care, such as examinations and cleanings, is covered at 100 percent and does not count toward the annual maximum benefit amount. Additional cleanings are provided for members who are pregnant, diabetic, have a suppressed immune system or have a history of periodontal therapy. The dental plan also covers fillings, extractions, root canals, bridges, dentures, crowns and other services with varying deductibles and coinsurance.

VISION PLAN

The fully-insured vision plan offers benefits through a nationwide network of participating vision providers. Basic and premium plans are offered with set copayments for services received from network providers and allowances for services obtained from non-network providers. The plan covers examinations, lenses, frames, contact lenses and corrective laser surgery and other services. Members can receive discounts on additional glasses and sunglasses from any provider accepting those discounts, within 12 months of an eye exam.

STRIVE EMPLOYEE LIFE & FAMILY PROGRAM (SELF)

The Strive Employee Life & Family (SELF) program offers confidential counseling and referral services to help employees and their families reduce stress, improve health and enhance life balance. SELF program services are available at no cost to state employees eligible for MCHCP medical coverage and members of their households.

The SELF program offers behavioral health counseling services, legal and financial services, and identity theft and fraud resolution services. The SELF program also offers support to assist with everyday issues such as child and elder care, moving and relocation, making major purchases, vacation planning and much more simply by calling or accessing expert help online.

STRIVE FOR WELLNESS® PROGRAM

The *Strive for Wellness*® program provides evidence-based initiatives and resources designed to help members better understand and manage their health.

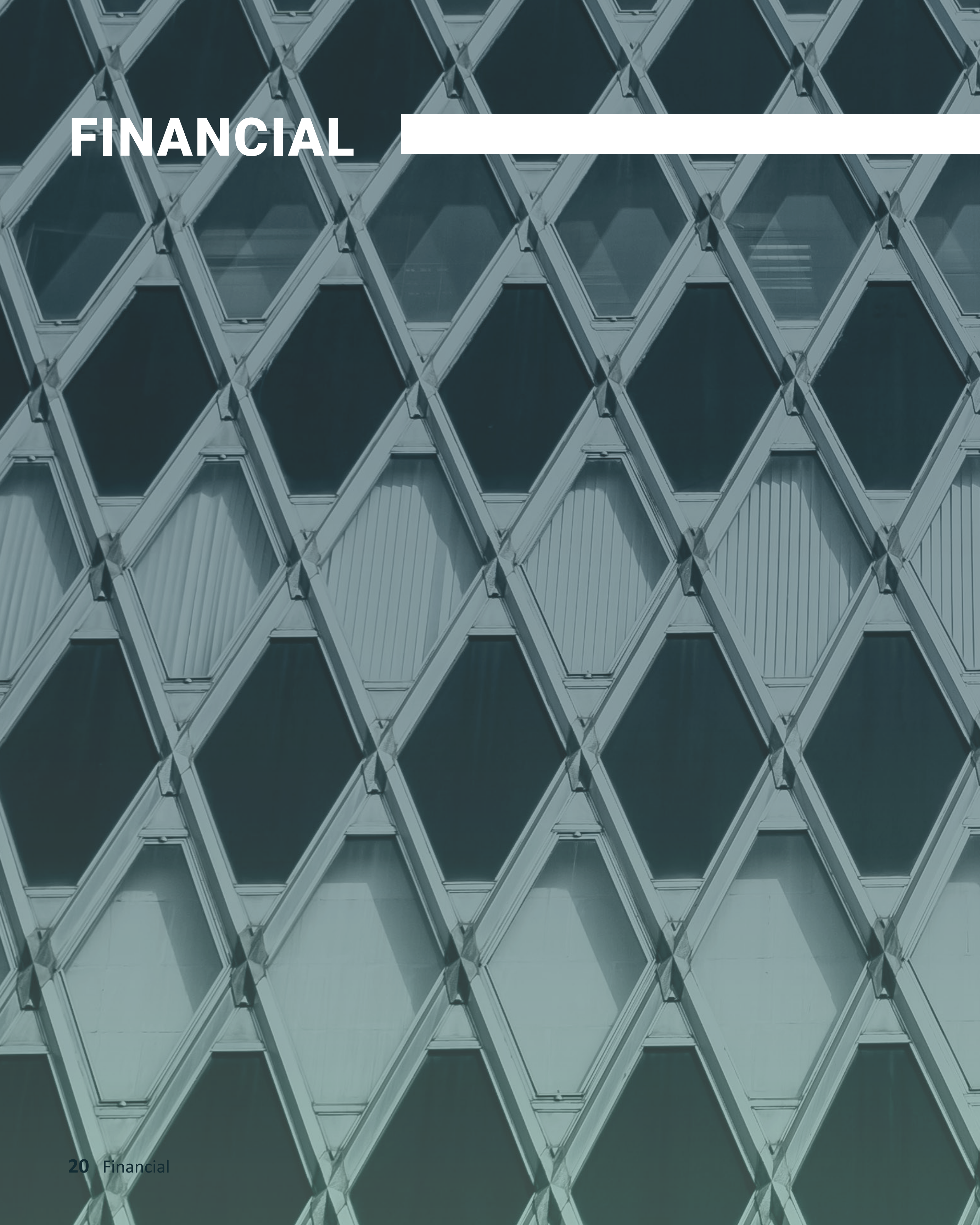
Major strategies focus on empowering members to proactively receive preventive health screenings, manage chronic conditions and to lead overall healthier lives. *Strive for Wellness*® offers premium reductions for eligible members who participate in the Partnership and Tobacco-Free Incentives.

In addition, the *Strive for Wellness*® team – comprised of expert clinicians and health educators - teaches employees how to make healthy lifestyle choices. The team creates health education videos and leads health education events and related activities, such as blood pressure screenings and an annual state employee 5K Run/Walk.

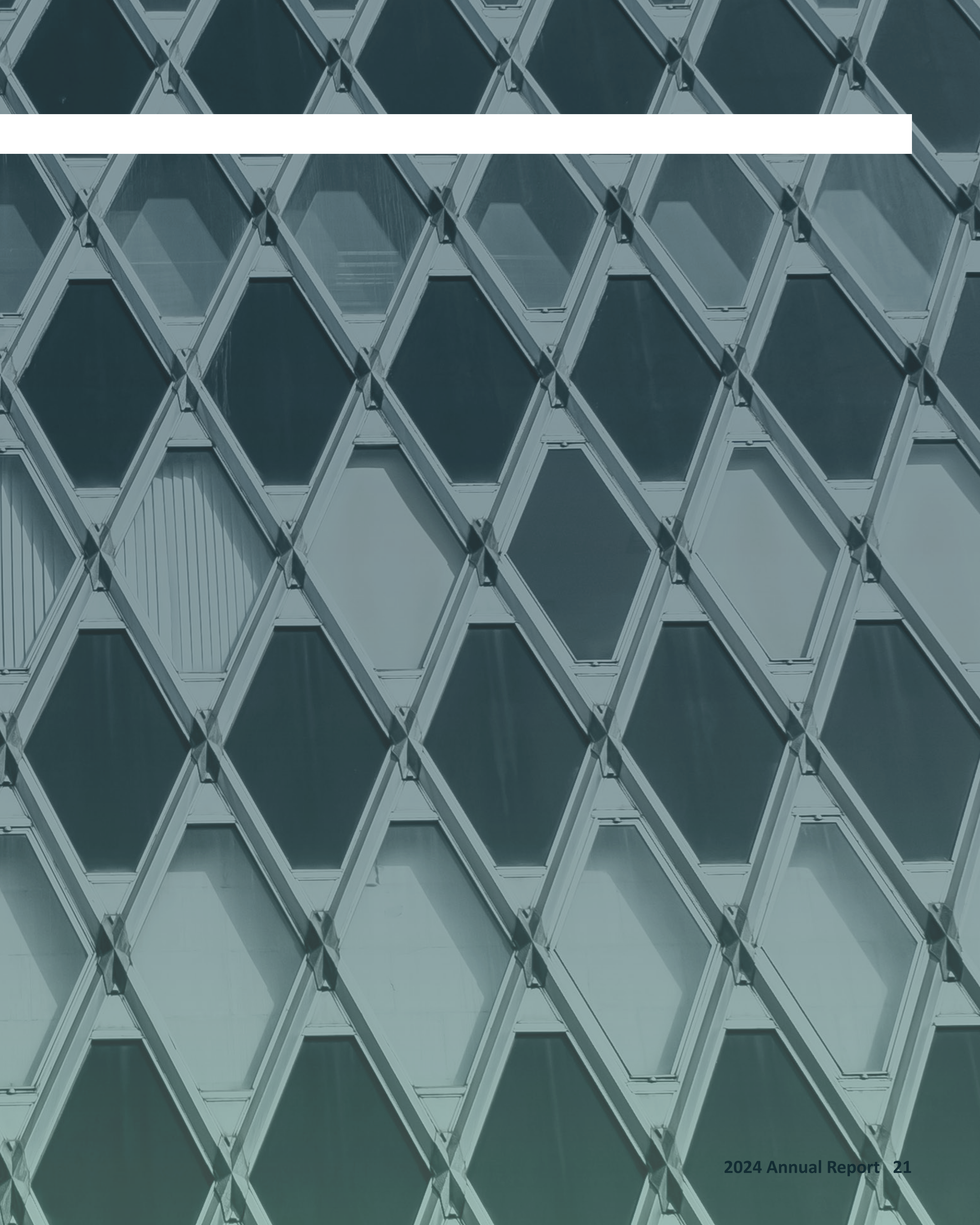
In an effort to broaden wellness opportunities to all state employees, particularly in regions located outside the capitol complex, ambassadors and building wellness teams were created. These individuals and groups help organize on-site activities and services, reaching more employees where they work.

STRIVE FOR WELLNESS® HEALTH CENTER

The *Strive for Wellness*® Health Center offers basic health care services to MCHCP members age 18 and older enrolled in an Anthem medical plan. The Center offers routine care for common illnesses, basic preventive care, and behavioral health counseling services, at hours designed to fit into a hectic workday. It is conveniently located in Jefferson City's Harry S Truman Building.



FINANCIAL



REPORT OF INDEPENDENT AUDITORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Missouri Consolidated Health Care Plan
Jefferson City, Missouri

Opinion

We have audited the accompanying financial statements of each of the two major funds (Internal Service Fund and State Retiree Welfare Benefit Trust) of Missouri Consolidated Health Care Plan, which collectively comprise the statement of net position as of June 30, 2024, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of each major fund of Missouri Consolidated Health Care Plan as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Missouri Consolidated Health Care Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Missouri Consolidated Health Care Plan's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Missouri Consolidated Health Care Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Missouri Consolidated Health Care Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, presented on pages 24 - 35, and the schedule of claims development, pension and other post-employment benefits, presented on pages 68 - 77, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plan's basic financial statements. The additional financial information on page 78, the investment information on pages 80 - 83, and the actuarial information on pages 86 - 122 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the additional financial information, investment information, and the actuarial information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Armanino LLP

Armanino LLP
St. Louis, Missouri

December 6, 2024

MANAGEMENT'S DISCUSSION & ANALYSIS

FUND ACCOUNTING

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MCHCP, like other discreetly presented component units of the State of Missouri (as defined by GASB Statement #14), uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories available for governmental accounting: governmental funds, proprietary funds, and fiduciary funds. The ISF is considered to be a proprietary fund while SRWBT is classified as a fiduciary fund. MCHCP does not have any governmental funds.

Proprietary funds. **Proprietary funds account for governmental operations that are designed to be self-supporting from fees charged to consumers for the provision of those goods and services or where the government has decided that the periodic determination of revenues, expenses, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The accounting and financial reporting practices of proprietary funds are similar to those used for business enterprises and focus on capital maintenance and the flow of economic resources through the use of accrual accounting. Of the two types of proprietary funds, MCHCP maintains one type: internal service fund. Internal service funds account for the financing of goods or services provided by one governmental department or agency to another and are expected to be self-supporting through charges to users. MCHCP's purpose is to provide medical insurance benefits to State of Missouri and other participating Missouri public entities employees, retirees, and their dependents.**

Fiduciary funds. **Fiduciary funds account for assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government's own programs. Fiduciary fund accounting is similar to that used for proprietary funds. The purpose of the SRWBT is to provide health and welfare benefits for the exclusive benefit of current and retired employees of the State and their dependents who meet eligibility requirements, except for those retired members covered by other post-employment benefit (OPEB) plans of the State.**

Management's Discussion and Analysis provides an overview of the financial position and activities of the Missouri Consolidated Health Care Plan (MCHCP) for the fiscal years ended June 30, 2024, and 2023. The information presented here should be considered in conjunction with the financial statements and notes. MCHCP is a component unit of the State of Missouri and is included in the State's Annual Comprehensive Financial Report (ACFR).

MCHCP's financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Plan's basic financial statements. Typically, governmental financial statements would be presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. However, because the Plan has only proprietary and fiduciary funds, government-wide financial statements are not presented. Proprietary funds present financial statement information in the same manner as government-wide financial statements only with more detail, and government-wide financial statements would be repetitive. In addition, fiduciary funds are not reflected in government-wide financial statements because the resources of that fund are not available to support MCHCP's own programs.

MCHCP presents the ISF and SRWBT on separate fund financial statements. For the ISF, the basic financial statements are comprised of the Statement of Net Position; the Statement of Revenues, Expenses and Change in Net Position; and the Statement of Cash Flows. For SRWBT, the basic financial statements are comprised of the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The Notes to the Financial Statements are also part of the basic financial statements and apply to both the ISF and SRWBT. The financial statements are prepared on the accrual basis in accordance with U.S. generally accepted accounting principles applicable to governmental benefit plans.

The Statement of Net Position and Statement of Fiduciary Net Position present MCHCP's financial position as of the end of the fiscal year for each fund. Information is displayed as assets and liabilities, with the difference between the two reported as net position or deficit. The net position of MCHCP reflects the resources available as of the end of the fiscal year to pay benefits to members when due. Over time, increases and decreases in net position measure whether MCHCP's financial position is improving or deteriorating.

The Statement of Revenues, Expenses and Change in Net Position and the Statement of Changes in Fiduciary Net Position present information detailing the revenues and expenses that resulted in the change in net position that occurred during the current fiscal year. All revenues and expenses are reported on an accrual basis. This means that the revenue or expense is recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods. For example, contributions due from a public entity, even though not yet paid by year end, will be reflected as revenue. Likewise, claims that occurred during the fiscal year under self-funded plans will be reflected as an expense, whether or not they have been paid as of the end of the fiscal year.

The Statement of Cash Flows presents the cash inflows and outflows of the ISF categorized by operating, capital and related financing, and investing activities. It reconciles the beginning and end of year cash balances contained in the Statement of Net Position. The effects of accrual accounting are adjusted out and noncash activities, such as depreciation, are removed to supplement the presentation in the Statement of Revenue, Expenses and Change in Net Position. A statement of cash flows is not required for the SRWBT.

The Notes to Financial Statements follow the above basic financial statements and provide additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS

The following tables present summarized financial position and results for the fiscal years ending June 30, 2024, and 2023. Additional details are available in the accompanying basic financial statements.

Summary Comparative Statement of Net Position

Current assets for the ISF increased significantly for the year ended June 30, 2024, due to increases in cash and cash equivalents as a result of operating activities during the fiscal year. Capital asset activity primarily reflects purchases in technology and data protection necessary to continue high availability for off-site network storage and resiliency. GASB Statement No. 87, *Leases*, was adopted during fiscal year 2022 to reflect the right of use building lease, net balance of $615,047 and $852,594, respectively for the periods ended June 30, 2024, and 2023. During fiscal year 2023, MCHCP adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) and recognized two subscriptions, with a net balance of $513,071 and $1,078,528, respectively for the periods ended June 30, 2024, and 2023. Additionally, in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the Plan has recognized deferred outflows of resources for pension contributions made and expensed of $2,841,425 and $1,990,298, respectively for the periods ended June 30, 2024, and 2023.

Accrued medical claims and fees increased by over 13 percent for the ISF for the years ended June 30, 2024, over 2023. Overall, claims costs and actuarially projected incurred but not reported claims costs are influenced by health risk profiles of plan participants for the period and estimates are reflective of the active enrollment, claims payment patterns, and medical trend projections during the year.

Unearned premiums and other liabilities for the periods ended June 30, 2024, and 2023 are primarily influenced by the State's contribution at June 30th for each of the years ended and the level of contribution applicable to each receipt. For the ISF unearned premiums and other liabilities at June 30, 2024, increased over fiscal year 2023, due primarily to the State's contribution at June 30, 2024, and the respective levels of appropriated funding from the State included with these receipts. Unearned premiums and other liabilities are most significantly influenced by amounts due from the ISF to the SRWBT and the state's payroll cycle and the amount, timing, and enrollment mix of receipt of premium payments to MCHCP prior to the effective date of coverage.

Noncurrent liabilities existing at June 30, 2024, and 2023 reflect the Plan's net pension liability related to GASB 68, *Accounting and Financial Reporting for Pensions* and the noncurrent portions of the right to use building lease and subscription based information technology arrangements with GASB 87, *Leases*, and the adoption of GASB 96, *Subscription Based Information Technology Arrangements* for the period ended, June 30, 2023.

Net position represents the value of the ISF's assets after liabilities are deducted. The improvement in net position for the ISF at June 30, 2024, over 2023, is primarily the result of actual increases in medical and pharmacy expenses being less than actuarially projected for the period and their continued impact on plan assets and liabilities. The MCHCP Board of Trustees continues to assess the best and appropriate combination of benefit design with available funding from both the State and members. Ultimately, claims costs for state employees are backed by the state of Missouri should contributions not be sufficient to cover claims expenditures and operational costs of the Plan.

Summary Comparative Net Position

Internal Service Fund

	As of June 30, 2024	As of June 30, 2023	Amount of Change	Percentage Change
ASSETS				
Current Assets	**$412,260,512**	**$353,409,439**	**$58,851,073**	**16.65%**
Capital Assets	**277,571**	**348,015**	**(70,444)**	**(20.24)**
Right of Use Assets	**615,047**	**852,594**	**(237,547)**	**(27.86)**
Subscription based IT arrangements	**513,071**	**1,078,528**	**(565,457)**	**(52.43)**
Deferred Outflow of Resources	**2,841,425**	**1,990,298**	**851,127**	**42.76**
Total Assets and Deferred Outflow of Resources	**$416,507,626**	**$357,678,874**	**$58,828,752**	**16.45%**
LIABILITIES				
Accrued medical claims & fees	**$55,146,401**	**$48,687,662**	**$6,458,739**	**13.27%**
Unearned premiums & other liabilities	**26,438,930**	**20,607,012**	**5,831,918**	**28.30**
Lease and subscription liability	**568,402**	**805,306**	**(236,904)**	**(29.42)**
Total current liabilities	**82,153,733**	**70,099,980**	**12,053,753**	**17.20**
Total noncurrent liabilities	**12,273,891**	**11,623,293**	**650,598**	**5.60**
Deferred Inflow of Resources	**$0**	**$24,799**	**($24,799)**	**(100.00)**
Total Liabilities and Deferred Inflow of Resources	**$94,427,624**	**$81,748,072**	**$12,679,552**	**15.51%**
NET POSITION				
Unrestricted	**$320,674,313**	**$273,651,665**	**$47,022,648**	**17.18%**
Net investment in capital assets	**277,571**	**348,015**	**(70,444)**	**(20.24)**
Investment in right of use assets	**615,047**	**852,594**	**(237,547)**	**(27.86)**
Investment in subscription based IT arrangements	**513,071**	**1,078,528**	**(565,457)**	**(52.43)**
Total Net Position	**322,080,002**	**275,930,802**	**46,149,200**	**16.72**
Total Liabilities and Net Position	**$416,507,626**	**$357,678,874**	**$58,828,752**	**16.45%**

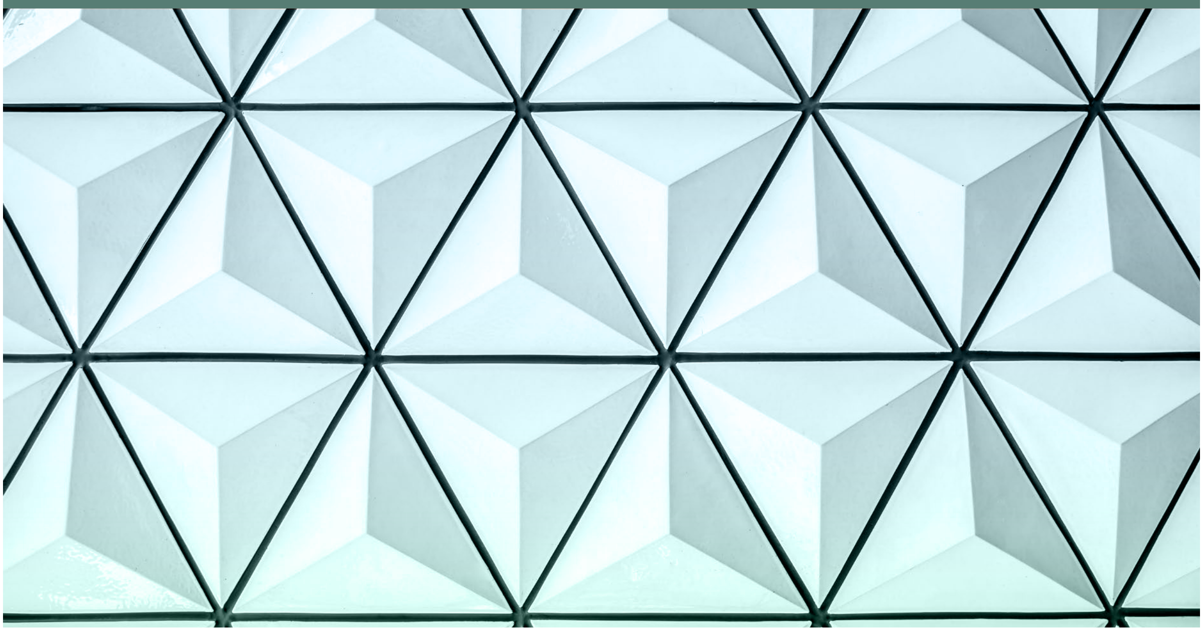
FINANCIAL ANALYSIS

Summary Comparative Statement of Fiduciary Net Position

Cash and cash equivalents at June 30, 2024, were influenced by the timing of investment strategies and activity as approved by the Board of Trustees and performed by the Plan's investment manager. The increase in amounts due from MCHCP at June 30, 2024, over 2023, reflects the transfer to the SRWBT of funds associated with the SRWBT activity housed in the single service operations account related to the operations of the SRWBT. Investments increased significantly during the year ended June 30, 2024, over 2023, primarily due to investable assets of the SRWBT, and favorable returns on investment for the fiscal year ended, June 30, 2024, over 2023 of 8.66% over 4.76%, respectively.

Prescription drug rebate receivables for the SRWBT increased during fiscal year 2024, as a result of the overall increase in pharmacy expenditures for the Plan and the timing of receipt of the related direct and coverage gap discounts associated with pharmacy claims costs.

The availability of investable assets and the return on investments was a large contributor to the increase in net position at June 30, 2024, to approximately $223.8 million compared to $199.8 million at June 30, 2023.



Summary Comparative Fiduciary Net Position

State Retiree Welfare Benefit Trust

	As of June 30, 2024	As of June 30, 2023	Amount of Change	Percentage Change
ASSETS				
Cash & cash equivalents	**$2,270,432**	**$2,850,339**	**($579,907)**	**(20.35%)**
Due from MCHCP	**5,904,172**	**615,684**	**5,288,488**	**858.96**
Investments, at fair value	**198,398,295**	**182,342,044**	**16,056,251**	**8.81**
RECEIVABLES				
Prescription drug rebates	**$29,904,177**	**$28,319,895**	**$1,584,282**	**5.59%**
Other receivables	**874,287**	**522,305**	**351,982**	**67.39**
Total receivables	**30,778,464**	**28,842,200**	**1,936,264**	**6.71**
Total Assets	**$237,351,363**	**$214,650,267**	**$22,701,096**	**10.58%**
LIABILITIES				
Accrued medical claims & capitation fees	**$6,353,624**	**$8,252,660**	**($1,899,036)**	**(23.01%)**
Unearned revenue	**6,878,705**	**6,240,937**	**637,768**	**10.22**
Other liabilities	**281,840**	**374,411**	**(92,571)**	**(24.72)**
Total Liabilities	**$13,514,169**	**$14,868,008**	**($1,353,839)**	**(9.11%)**
Net Position restricted for pensions	**$223,837,194**	**$199,782,259**	**$24,054,935**	**12.04%**

FINANCIAL ANALYSIS

Summary Comparative Statements of Revenue, Expenses & Changes in Net Position

State/Employer contributions for fiscal years 2024 and 2023, for the ISF totaled $417,458,045 and $419,866,799, respectively. Funding for the years represented are attributable to the State's appropriation to fund the claims costs and operations expense attributable to State employee health benefits. Ultimately, claims costs for state employees are backed by the State of Missouri should State/Employer contributions not be sufficient to cover claims expenditures and operational costs.

Member contributions for the ISF for the years ended June 30, 2024, and 2023, are influenced primarily by total enrollment, the mix of enrollment, the relative plan design for the respective years, and the State's commitment to providing a pathway for maintaining premium contributions through employer subsidy and employee participation in wellness initiatives.

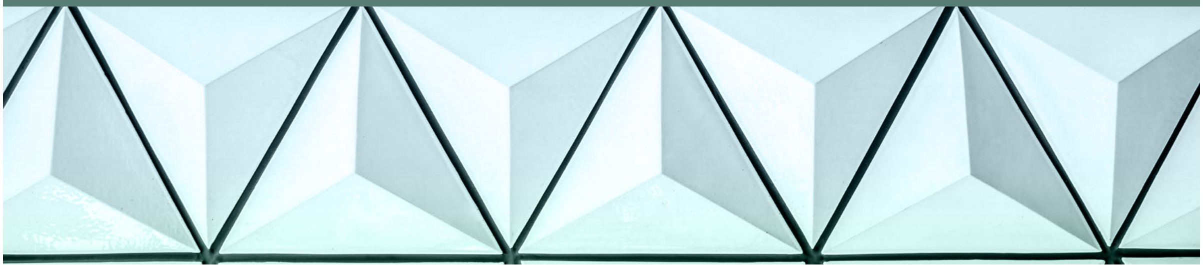
Public entity contributions at June 30, 2024, increased by over $900,000 and are reflective of increases in enrollment of over one percent. Public entity contributions for the years ended June 30, 2024, and 2023, were $11,155,149 and $10,233,195, respectively.

Pharmacy rebates increased significantly at June 30, 2024, over 2023 and are primarily influenced by the Plan's prescription drug expenditures, active enrollment, and the related contractual rebate improvements.

Medical claims and capitation expense increased by over ten percent during fiscal year 2024 over 2023, reflective of overall increases in medical claims costs and increases in plan enrollment of over two percent.

General and administrative expense increases are primarily reflective of increases in enrollment impacting third party administrative fees. The plan remains committed to operational and administrative efficiencies.

Investment income improved due to economic factors influencing global market returns during fiscal year 2024 for the ISF.



Summary Comparative Statement of Revenue, Expenses & Changes in Net Position

Internal Service Fund

	Year ended June 30, 2024	Year ended June 30, 2023	Amount of Change	Percentage Change
OPERATING REVENUES				
State/employer contributions	**$417,458,045**	**$419,866,799**	**($2,408,754)**	**(0.57%)**
State employee/member contributions	**76,354,804**	**72,409,193**	**3,945,611**	**5.45**
Public entity contributions	**11,155,149**	**10,233,195**	**921,954**	**9.01**
Subcontractor & other rebates	**77,116,752**	**53,973,889**	**23,142,863**	**42.88**
Total Operating Revenues	**$582,084,750**	**$556,483,076**	**$25,601,674**	**4.60%**
OPERATING EXPENSES				
Medical claims & capitation expense	**$537,044,846**	**$486,414,305**	**$50,630,541**	**10.41%**
General & administration expense	**17,107,018**	**16,068,943**	**1,038,075**	**6.46**
Total Operating Expenses	**$554,151,864**	**$502,483,248**	**$51,668,616**	**10.28**
Operating income/loss	**27,932,886**	**53,999,828**	**(26,066,942)**	**(48.27)**
Investment income & other changes	**18,216,314**	**9,489,988**	**8,726,326**	**91.95**
Excess of revenues over expenses	**46,149,200**	**63,489,816**	**(17,340,616)**	**(27.31)**
Net position, beginning of the year, adjusted	**275,930,802**	**212,440,986**	**63,489,816**	**29.89**
Net Position, end of year	**$322,080,002**	**$275,930,802**	**$46,149,200**	**16.72%**

FINANCIAL ANALYSIS

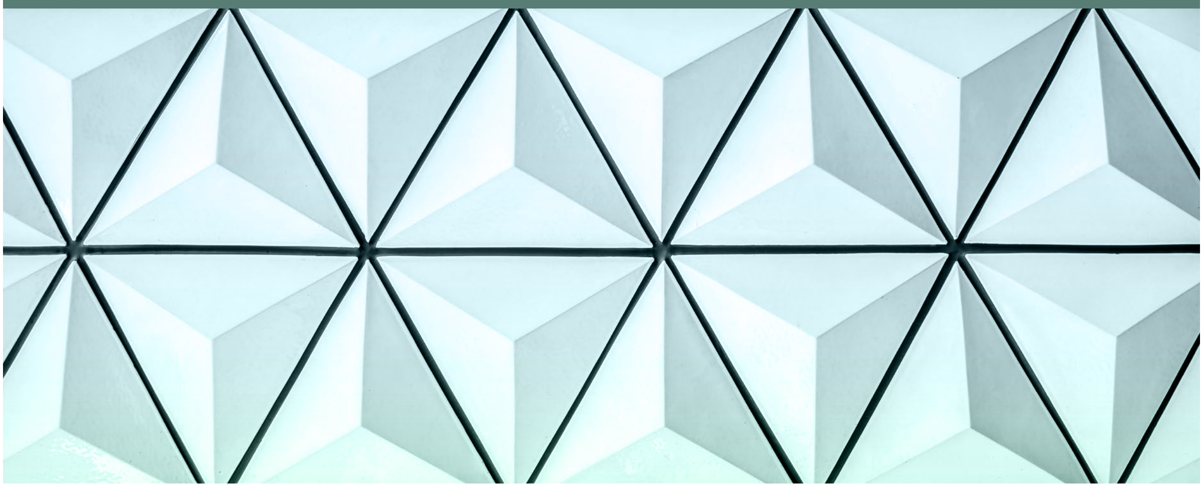
Summary Comparative Statement of Changes in Fiduciary Net Position

Employer contributions for the SRWBT for the years ended June 30, 2024, and 2023, respectively were $74,071,480 and $74,830,173 and are attributable to the State's appropriation to fund the claims costs and operations expense attributable to State employee retiree health benefits. Ultimately, claims costs for state employees are backed by the State of Missouri should State/Employer contributions not be sufficient to cover claims needs. Retiree contributions remained relatively unchanged during the fiscal years 2024, and 2023, respectively.

Investment income for the SRWBT was strongly influenced by factors influencing global market returns. Equity performance was 17%, just slightly overperforming the benchmark of 16.82% and fixed returns within the portfolio were 4.80%, outperforming the benchmark of 2.65%. Asset allocations for 2024 will deploy a greater allocation to risk while continuing to maintain exposure to diversified safe haven assets.

MCHCP participates in a Medicare Prescription Drug Plan to provide coverage to Medicare-primary retirees and dependents. During fiscal years 2024, and 2023 the SRWBT received $87,078,523 and $74,831,920 for retiree drug subsidy and other rebates.

Medical claims and capitation expense increased for the SRWBT during the period ended June 30,2024, primarily due to overall increases in medical claims and pharmacy costs for the year ended June 30, 2024.

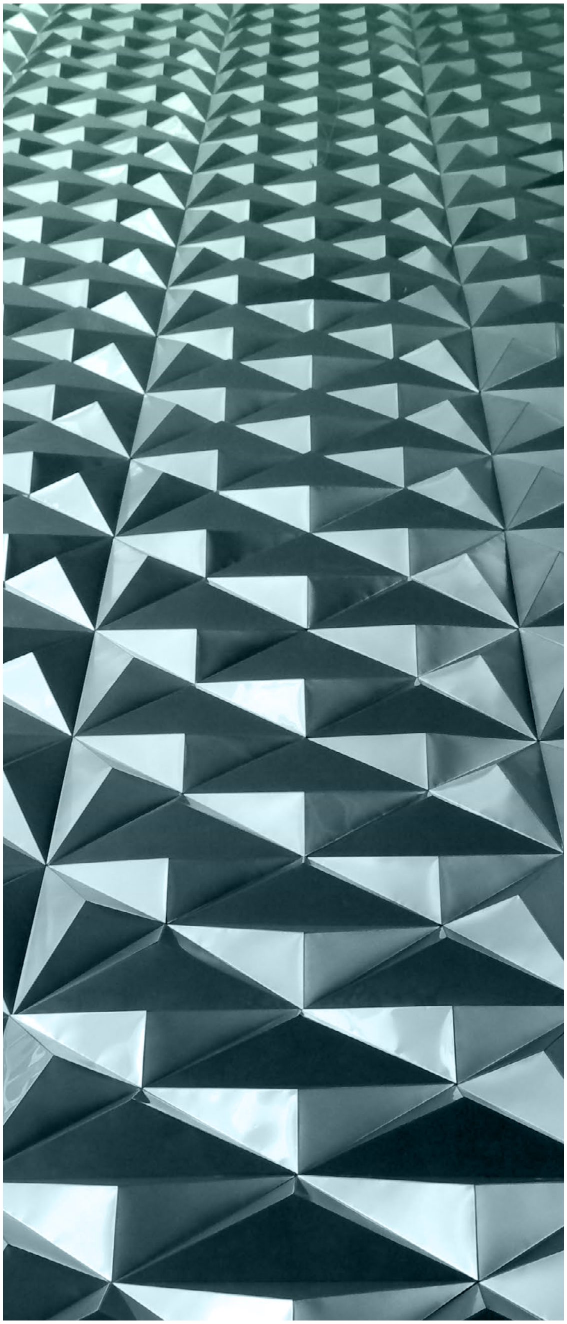


Summary Comparative Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust

	Year ended June 30, 2024	Year ended June 30, 2023	Amount of Change	Percentage Change
ADDITIONS				
Employer contributions	**$74,071,480**	**$74,830,173**	**($758,693)**	**(1.01%)**
Retiree contributions	**43,341,489**	**42,271,958**	**1,069,531**	**2.53**
Investment income	**16,394,498**	**9,202,451**	**7,192,047**	**78.15**
Retiree drug subsidy & other rebates	**87,078,523**	**74,831,920**	**12,246,603**	**16.37**
Total Additions	**$220,885,990**	**$201,136,502**	**$19,749,488**	**9.82%**
DEDUCTIONS				
Medical claims & capitation expense	**$187,128,595**	**$186,630,908**	**$497,687**	**0.27%**
Claims administration services	**5,865,274**	**5,402,141**	**463,133**	**8.57**
Administration & other	**3,837,186**	**3,604,910**	**232,276**	**6.44**
Total Deductions	**$196,831,055**	**$195,637,959**	**$1,193,096**	**0.61%**
Net increase	**24,054,935**	**5,498,543**	**18,556,392**	**337.48**
Net position restricted for pensions				
Beginning of year	**$199,782,259**	**$194,283,716**	**$5,498,543**	**2.83%**
End of year	**$223,837,194**	**$199,782,259**	**$24,054,935**	**12.04%**

SUMMARY



REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of MCHCP's financial position for all those with an interest in MCHCP. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Missouri Consolidated Health Care Plan, 832 Weathered Rock Court, PO Box 104355, Jefferson City, Missouri 65110-4355.

MCHCP remains committed to providing comprehensive and affordable health care to the members we serve, effectuating sound fiscal practices as stewards of Plan resources, and remaining diligent in our efforts in providing member education to facilitate member satisfaction and cost containment. Wellness and chronic condition management programs are incorporated in an effort to promote healthy member outcomes, engage members in their health, and to promote cost containment. Operating expenses and vendor costs remained relatively stable due to competitive procurement with investments in technology and automation in Plan operations. Medical and pharmacy costs reflect expected fluctuations due to increases in high-cost claimants, the emergence of specialty drug cost prevalence and anticipated medical claim trends. Self-funded expenditures are indicative of the attention to health risk profiles of the MCHCP population and management initiatives surrounding benefit design, care management and wellness. For over ten years, the Plan's Strive for Wellness Health Center has offered an additional opportunity to promote appropriate utilization, provide members with additional access to

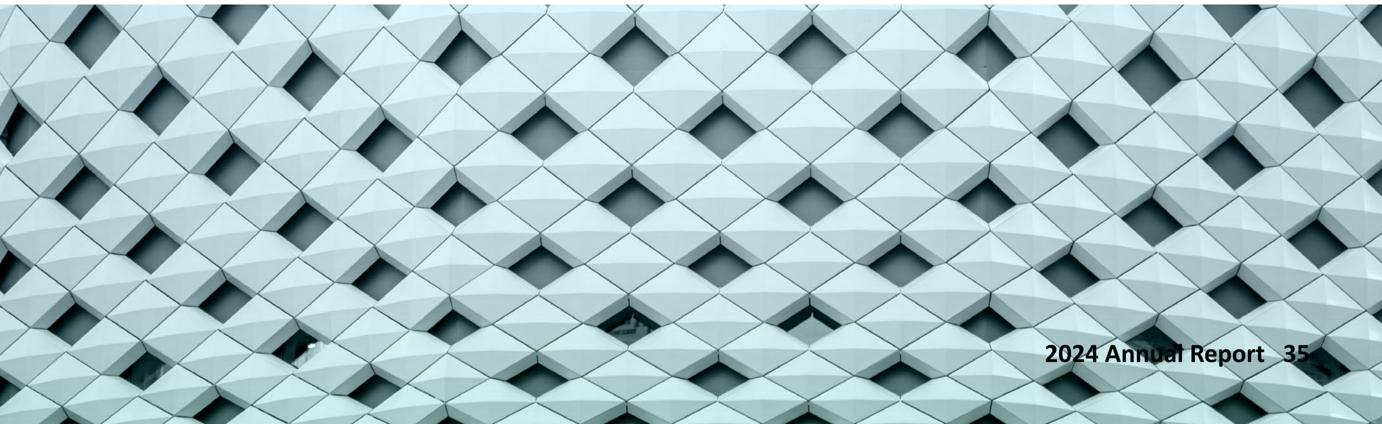
MCHCP remains committed to providing comprehensive and affordable health care to the members we serve.

services, while continuing to pursue avenues for cost containment. The health center continues to report optimum member satisfaction results in excess of 99% while continuing to provide opportunities for members to pursue health management in a convenient setting.

MCHCP's cash is invested conservatively to preserve principal and maintain liquidity. In addition, the Plan utilizes a master investment policy and instruments are predicated on an asset allocation model approved by the Board of Trustees. Investment income for the ISF and SRWBT consists of interest income, unrealized gains and losses in fair value, accretion of discounts, and amortization of premiums.

MCHCP's actuary reviews the financial assets of MCHCP in conjunction with obligations and the funding available as provided by the Missouri General Assembly. Due to the economic conditions facing the State, MCHCP, members of the General Assembly, and the State's Office of Budget and Planning meet regularly to discuss funding needs and projected claims expenditures in an effort to develop funding levels for the Plan. Ultimately, the funding of claims costs are backed by the State of Missouri should contributions be unable to meet claims obligations.

During the years presented, MCHCP faced a strong but tightened State budget, which compelled it to continue to pursue opportunities in cost containment, member engagement in healthy outcomes and changes to benefit offerings. Combined with expected continued escalation in health care costs, MCHCP faces significant challenges in an effort to provide affordable health care coverage to its members. As a result, MCHCP has explored a full range of viable options to accommodate the State budget while continuing to offer comprehensive and affordable coverage to its members. Wellness and care management programs that encourage member engagement are an instrument to continue to foster healthier outcomes and reduce claims expenditures. MCHCP's wellness incentives are designed to incorporate and promote best in class initiatives. The overall financial position of MCHCP is reliant upon state funding, cost containment and comprehensive benefits review of the self-funded programs to continue to generate a healthier membership in MCHCP.



Statement of Net Position Internal Service Fund as of June 30, 2024

ASSETS	
Current Assets	
Cash & cash equivalents	**$189,798,416**
Investments, at fair value	**183,100,404**
Rebates & other receivables	**38,978,867**
Prepaid expenses	**382,825**
Total Current Assets	**$412,260,512**
Noncurrent Assets	
Capital Assets	
Furniture, fixtures & equipment, net of accumulated depreciation of $1,497,720	**277,571**
Lease Assets	
Right to Use Asset, net of accumulated depreciation of $696,891	**615,047**
Subscription Based IT Arrangements, net of accumulated depreciation of $1,099,652	**513,071**
Total Noncurrent Assets	**$1,405,689**
Total Assets	**$413,666,201**
Deferred Outflow of Resources	**2,841,425**
Total Assets and Deferred Outflow of Resources	**$416,507,626**
LIABILITIES	
Current Liabilities	
Accrued medical claims & capitation fee expense	**$55,146,401**
Accounts payable & accrued expenses	**663,141**
Due to SRWBT	**5,904,172**
Deferred premium revenue	**19,871,617**
Lease liability	**568,402**
Total Current Liabilities	**$82,153,733**
Noncurrent Liabilities	
Net pension liability	**11,707,603**
Lease and subscription liability	**566,288**
Total Noncurrent Liabilities	**$12,273,891**
Total Liabilities	**$94,427,624**
Deferred Inflow of Resources	**0**
Total Liabilities and Deferred Inflow of Resources	**$94,427,624**
Net Position	
Unrestricted	**$320,674,313**
Net investment in capital assets	**1,405,689**
Total net position	**$322,080,002**
Total Liabilities, Deferred Inflow of Resources and Net Position	**$416,507,626**

The accompanying notes are an integral part of the financial statements.

Statement of Revenues, Expenses & Change in Net Position

Internal Service Fund for the year ended June 30, 2024

Operating Revenues	
State/employer contributions	**$417,458,045**
Member contributions	**76,354,804**
Public entity contributions	**11,155,149**
Pharmacy rebates	**77,116,752**
Total Operating Revenues	**$582,084,750**
Operating Expenses	
Medical claims & capitation expense	**$537,044,846**
Claims administration services	**11,032,376**
Payroll & related benefits	**3,998,525**
Health management	**(2,175)**
Administration	**1,050,936**
Professional services	**519,629**
Employee assistance program	**507,727**
Total Operating Expenses	**$554,151,864**
Operating revenues over (under) operating expenses	**27,932,886**
Non-Operating Revenues	
Investment & other income	**$18,216,314**
Change in net position	**46,149,200**
Net position, beginning of year	**275,930,802**
Net Position, End of Year	**$322,080,002**

The accompanying notes are an integral part of the financial statements.

Statement of Cash Flows

Internal Service Fund year ended June 30, 2024

Cash Flows from Operating Activities	
Cash received from State, employer, members & public entities	**$571,575,254**
Cash payments for medical claims & capitation fee payments	**(530,586,107)**
Cash payments to employees for services	**(3,655,450)**
Cash payments to other suppliers of goods & services	**(13,288,264)**
Net cash provided by Operating Activities	**$24,045,433**
Cash Flows from Noncapital Financing Activities	
Changes in amounts due to SRWBT	**$5,288,488**
Cash Flows from Capital & Related Financing Activities	
Purchase of furniture, fixtures & equipment and right of use assets	**($33,969)**
Cash Flows from Investing Activities	
Cash received from investment income; net of investment expenses	**14,554,408**
Purchase of investments	**(387,414,333)**
Proceeds from investments	**307,373,858**
Net cash provided by (used in) Investing Activities	**($65,486,067)**
Net increase (decrease) in Cash & Cash equivalents	**(36,186,115)**
Cash & Cash Equivalents, Beginning of Year	**225,984,531**
Cash & Cash Equivalents, End of Year	**$189,798,416**
Reconciliation of Operating Revenues to Net Cash Provided by Operating Activities	
Operating revenues over operating expenses	**$27,932,886**
Adjustments	
Adjustments to net cash used by operating activities	
Depreciation	**104,413**
Pension expense	**1,342,635**
Changes in Assets & Liabilities	
Rebates & other receivables	**(11,207,640)**
Prepaid expenses	**(129,470)**
Accrued medical claims & capitation fees	**6,458,739**
Accounts payable & accrued expenses	**(154,716)**
Unearned premium revenue	**698,146**
Deferred outflows - contributions after the measurement date	**(999,560)**
Total Adjustments	**(3,887,453)**
Net Cash Provided By Operating Activities	**$24,045,433**
Noncash investing, capital & financing activities	
Change in fair value of investments	**3,905,465**

The accompanying notes are an integral part of the financial statements.

Statement of Fiduciary Net Position

State Retiree Welfare Benefit Trust as of June 30, 2024

ASSETS	
Cash & cash equivalents	$2,270,432
Due from MCHCP	5,904,172
Investments, at fair value	
U.S. Agencies	75,062,047
Exchange Traded Funds	41,244,132
U.S. Government Guaranteed Mortgages	9,646,386
Equities	29,966,509
Corporate	21,170,937
Collateralized Mortgage Obligations	2,082,247
U.S. Treasuries	19,226,037
Receivables	
Prescription drug rebates	29,904,177
Other receivables	874,287
Total Assets	**$237,351,363**
LIABILITIES	
Accrued medical claims & capitation fees	$6,353,624
Unearned revenue	6,878,705
Other liabilities	281,840
Total Liabilities	**$13,514,169**
Net Position restricted for pensions	**$223,837,194**

The accompanying notes are an integral part of the financial statements.

Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust for the fiscal year ended June 30, 2024

Additions	
Employer contributions	**$74,071,480**
Retiree contributions	**43,341,489**
Investment income	**16,394,498**
Retiree drug subsidy & other rebates	**87,078,523**
Total Additions	**$220,885,990**
Deductions	
Medical claims & capitation expense	**$187,128,595**
Claims administration services	**5,865,274**
Administration & other	**3,837,186**
Total Deductions	**$196,831,055**
Net Increase	**24,054,935**
Net Position restricted for pensions	
Beginning of Year	**199,782,259**
End of Year	**$223,837,194**

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

01. GENERAL INFORMATION

The Missouri Consolidated Health Care Plan (the Plan) was statutorily created and organized on January 1, 1994, with the purpose of providing medical insurance benefits to the State of Missouri's (State) employees, retirees and their dependents as well as other Missouri public entity employees, retirees and their dependents. Prior to 1994, medical insurance benefits for the State's employees, retirees and their dependents were provided by Missouri State Employees' Retirement System (MOSERS) medical care plan. On January 1, 1994, through a transfer agreement between the Plan and MOSERS, all medical care plan assets and liabilities were transferred to the Plan.

The Plan currently has approximately 88,000 active and retired State members and dependents, 1,256 public entity members and dependents, and over 89,000 covered lives, and is funded through both employer and employee contributions. Through December 31, 1994, all Plan members were State employees, retirees and their dependents. Beginning January 1, 1995, additional members included public entity employees, retirees and dependents.

State contribution rates are based on the State's approved appropriation and the number of anticipated participants. State employee and public entity contribution rates are established by the Plan's Board of Trustees based on contractor bids for the plan year and budgeted employer contributions.

MCHCP is a risk pool and administers an "agent multiple employer plan" because each employer remains individually responsible for financing its own commitment to provide benefits to its participants, including any eligible retirees. As a result of the implementation of GASB Statement No. 43, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, MCHCP created a separate fiduciary trust fund (State Retiree Welfare Benefit Trust, or SRWBT) to handle the post-employment benefits for State employees. GASB Statement No. 43, was supplanted when in June 2015, GASB issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is to be instrumental in improving financial reporting by state and local governmental postemployment benefit plans other than pension plans. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was also issued in June 2015 adding the requirement of recognition for the Other Postemployment Benefits (OPEB) liability in its entirety and a more comprehensive measurement of OPEB expense effective for the fiscal year ended June 30, 2018.

SRWBT was established and organized on June 27, 2008, pursuant to the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178 to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements except for those retired members covered by other post-employment benefit (OPEB) plans of the State. The SRWBT is considered a cost-sharing multiple employer plan because it covers various State agencies and legally separate component units. It is administered by Plan staff under the direction of the Plan Board of Trustees. The SRWBT does not issue a separate audited financial report.

Since June 30, 2009, the net position and activity related to active participants are reported in the Internal Service Fund (ISF), and the net position and activity related to retired participants are reported in the SRWBT in the accompanying financial statements. In the following footnotes, the term "the Plan" refers to both the ISF and SRWBT. Disclosures that are specific to the ISF or SRWBT are separately noted.

Effective for fiscal year 2024, MCHCP reviewed GASB statement No. 100, *Accounting Changes and Error Corrections,* and there was no impact on the financial statements. During fiscal year 2023, MCHCP adopted the provisions of GASB Statement No.96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No 87, *Leases*, as amended. Additional information related to SBITAs is included in the Notes to the Financial Statements.

The Plan is considered a part of the State's financial reporting entity and is included in the State's financial report as a component unit. As the Plan is considered a political subunit of the State and provider of essential governmental services, it is not subject to federal income taxes, nor to the provisions of the Employee Retirement Income Security Act of 1974. The Plan is administered according to Missouri statutes. These statutes do not include a provision for the termination of the Plan.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

02. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements of the ISF are intended to present the financial position and the changes in cash flows of only that portion of the activities attributable to the transactions of the ISF. The ISF is accounted for as a proprietary fund.

The Plan's financial statements for the ISF were prepared using the accrual basis of accounting, in accordance with GAAP, as prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, establishes the GAAP hierarchy for proprietary funds. The financial statements of the SRWBT are intended to present the financial position and the changes in fiduciary net position of only that portion of the activities attributable to the transactions of the SRWBT.

Benefits and refunds of the SRWBT are recognized when due and payable in accordance with the terms of the plan. The SRWBT is accounted for as a fiduciary fund. Accordingly, the financial statements are prepared using the accrual basis of accounting in conformity with GAAP.

Subsequent Events

The Plan has evaluated subsequent events through December 12, 2024, the date the financial statements were available for issue.

B. Method Used to Value Investments

Investments are reported at fair value on a trade-date basis with changes in fair value recorded in investment income on the statement of revenues, expenses and change in net position. Investments are recorded at fair value as determined by quoted market price, when available, or estimated fair value when not available. Many factors are considered in arriving at that fair value. In general, however, bonds and mortgage backed securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Realized gains and losses are based on the specific identification basis. The calculation of realized gains and losses is independent of the calculation of the change in net unrealized gains and losses.

FINANCIAL ANALYSIS

C. Deposits & Investments

The Plan considers all highly liquid investments, readily convertible into cash with original maturities of three months or less, to be cash equivalents.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan would not be able to recover deposits or collateral securities in the possession of an outside party. In an effort to mitigate custodial credit risk, the Plan requires the bank to sweep the accounts each night into overnight repurchase agreements for which the underlying securities must be of the type approved by the State. All remaining cash balances are to be insured or appropriately collateralized.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, the Plan would not be able to recover the value of investments or collateral securities in the possession of an outside party. The Plan does not have a formal policy regarding custodial credit risk. However, the bank acting as the investment manager has been approved by the Plan's Board of Trustees.

Deposits

Cash balances represent operating bank account balances. To maximize investment income, the float caused by outstanding checks is invested in overnight repurchase agreements, thus causing a negative carrying value.

At June 30, 2024, cash held in the financial institution had a bank balance of $250 and a carrying value of ($13,685,531). Of the bank balance, $250,000 was covered by federal depository insurance. The remaining $205,754,379 of cash and cash equivalents are held in repurchase agreements and fully collateralized with securities held by a third-party financial institution in the Plan's name.

The Plan's contracted yield on its overnight repurchase agreements was 10 basis points under the prevailing 91-day U.S. Treasury Bill rate as of June 30, 2024.

Investments

The Plan's investment policy for the ISF is predicated on the primary objectives of safety, liquidity, and yield, in order of priority. Investments in bankers' acceptances and commercial paper are required to mature and become payable not more than 180 days from the date of purchase. All other investments are required to mature and become payable not more than five years from the date of purchase. The weighted average life should not exceed three years and should be consistent with the investment objectives.

The Board of Trustees adopted an asset allocation model for the SRWBT that implemented a moderate investment approach allocating between 20 to 50% in equities from global to large cap. This approach was approved to steadily increase the exposure of the SRWBT to higher return asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back-tested, and future assets are projected in all models. The Plan follows the "prudent person" rule for investment decisions. Essentially, the Plan operates as a prudent person acting in a like capacity and familiar with similar matters would act in the conduct of an enterprise of a like character and with like aims. Any person with fiduciary responsibilities with respect to the Plan is covered by this "prudent person" rule.
As of June 30, 2024 the Plan had the following investments as presented on the following page.

Investments

State Retiree Welfare Benefit Trust

Investments	
U.S. Agencies	**$75,062,047**
Exchange Traded Funds	**41,244,132**
U.S. Government Guaranteed Mortgages	**9,646,386**
Equities	**29,966,509**
Corporate	**21,170,937**
Collateralized Mortgage Obligations	**2,082,247**
U.S. Treasuries	**19,226,037**
Total Investments	**$198,398,295**

Investments

Internal Service Fund

Investments	
U.S. Agencies	**$8,286,877**
U.S. Treasuries	**174,813,527**
Total Investments	**$183,100,404**

FINANCIAL ANALYSIS

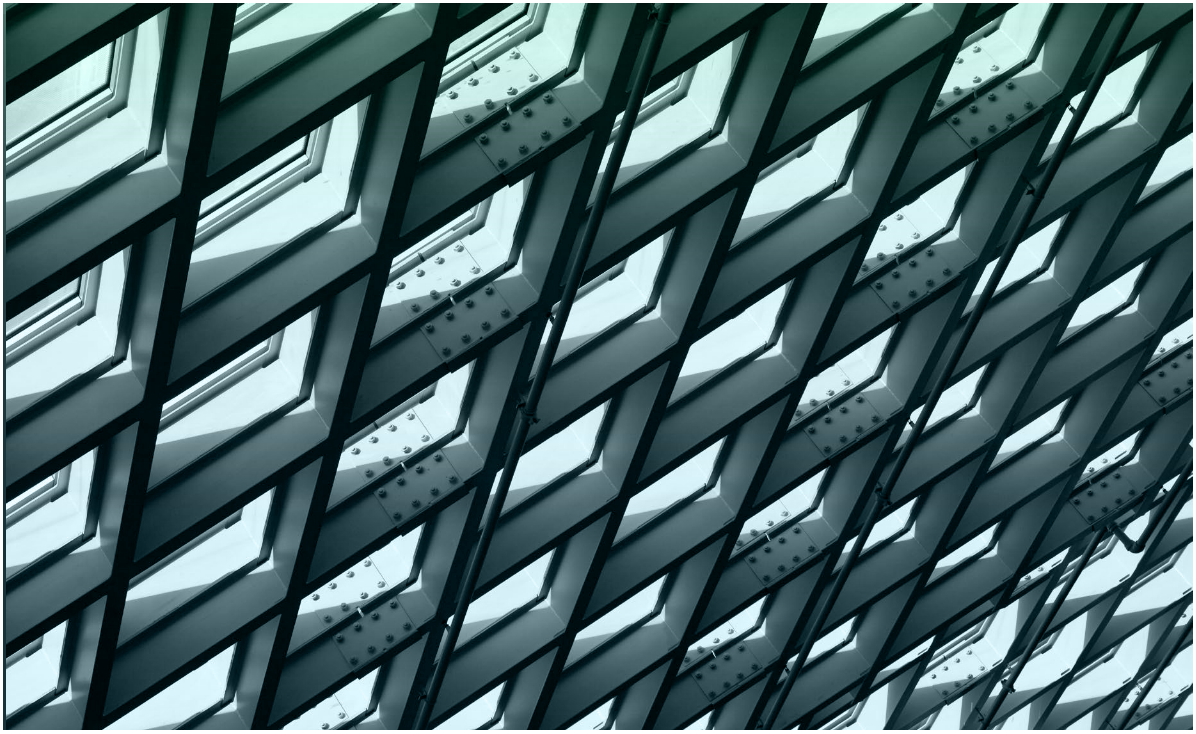
Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the ISF's investment in a single issue. To mitigate this risk, the ISF's investment policy provides general guidelines on diversification.

Investments in U.S. Treasuries and securities, collateralized time and demand deposits, and collateralized repurchase agreements can constitute up to 100 percent of the investment portfolio; U.S. government agencies, including mortgage-backed securities, cannot exceed 60 percent of the portfolio; and U.S. government agency callable securities, bankers' acceptances and commercial paper cannot exceed 30 percent of the portfolio. The SRWBT has implemented an investment approach allocating between 20 to 50% in equities from global to large cap.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Plan minimizes this risk by only authorizing investment types approved by the Treasurer of the State of Missouri, limiting investments to the safest types of securities, and diversifying the portfolio so potential losses on individual securities will be minimized. The Plan's investments by credit rating category as of June 30, 2024 are presented on the following page.



Credit Risk

State Retiree Welfare Benefit Trust

Investments		
U.S. Agencies	$75,062,047	AA+/AAA
Exchange Traded Funds	41,244,132	NR
U.S. Government Guaranteed Mortgages	9,646,386	NR
Equities	29,966,509	NR
Corporate	21,170,937	Baa1-Aa2
Collateralized Mortgage Obligations	2,082,247	NR
U.S. Treasuries	19,226,037	AAA
Total Investments	**$198,398,295**	

Credit Risk

Internal Service Fund

Investments		
U.S. Agencies	$8,286,877	AA+
U.S. Treasuries	174,813,527	AAA
Total Investments	**$183,100,404**	

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan minimizes this risk by structuring the portfolio so securities mature to meet cash requirements for ongoing operations, using cash flow modeling to moderate the interest rate risk by reducing any unanticipated security sales that could result in a loss of principal and, maintaining the operating funds primarily in repurchase agreements according to the banking contract.

For the interest rate risk measurement for the Plan, Central Bank employs the duration method. The maturities of the Plan's investments as of June 30, 2024 are presented below.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan has no investments subject to foreign currency risk.

Interest Rate Risk

State Retiree Welfare Benefit Trust (SRWBT)

Investments	2024 Fair Value	2024 Duration
U.S. Agencies	**$75,062,047**	**4.20**
Exchange Traded Funds	**41,244,132**	**N/A**
U.S. Government Guaranteed Mortgages	**9,646,386**	**6.45**
Equities	**29,966,509**	**N/A**
Corporate	**21,170,937**	**2.56**
Collateralized Mortgage Obligations	**2,082,247**	**11.61**
U.S. Treasuries	**19,226,037**	**1.35**
Total Investments	**$198,398,295**	

Interest Rate Risk

Internal Service Fund

Investments	2024 Fair Value	2024 Duration
U.S. Agencies	**$8,286,877**	**2.16**
U.S. Treasuries	**174,813,527**	**0.76**
Total Investments	**$183,100,404**	

Fair Value Measurement

MCHCP categorizes its fair value measurements with the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurements and Application*. The hierarchy for fair value is as follows:

Level 1 –

Inputs to the valuation methodology are unadjusted quoted prices for identical instruments in active markets available at the measurement date

Level 2 –

Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; and model derived valuations in which all significant inputs are corroborated by observable market data

Level 3 –

Valuations derived from valuation methodology in which significant inputs are unobservable

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. MCHCP's Level 1 investments include exchange traded funds and equities for the SRWBT. When quoted prices in active markets are not available, fair values are based on evaluated prices received from MCHCP's custodian of investments in conjunction with a third party pricing service and are reported within Level 2 of the fair value hierarchy. The inputs for Level 2 include, but are not limited to, pricing models such as benchmarking yields, reported trades, broker-dealer quotes, issuer spreads and benchmarking securities, among others. MCHCP's Level 2 investments consist of investments for the ISF of U.S. Government Agencies and U.S. Treasuries with fair values of $8,286,877 and $174,813,527, respectively. Fair values for the SRWBT are presented in the table below. MCHCP did not maintain any Level 3 investments.

Investments

State Retiree Welfare Benefit Trust

		Fair value measurement at report date using		
Investments	Fair Value June 30, 2024	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Government Agencies (AGCY)	**$75,062,047**	**$-**	**$75,062,047**	**$-**
Exchange Traded Funds (ETF)	**41,244,132**	**41,244,132**	**-**	**-**
Mortgage Backed Securities (MBS)	**9,646,386**	**-**	**9,646,386**	**-**
Equities	**29,966,509**	**29,966,509**	**-**	**-**
Corporate	**21,170,937**	**-**	**21,170,937**	**-**
Collateralized Mortgage Obligations (CMO)	**2,082,247**	**-**	**2,082,247**	**-**
U.S. Treasuries	**19,226,037**	**-**	**19,226,037**	**-**
Total	**$198,398,295**	**$71,210,641**	**$127,187,654**	**$ -**

D. Interfund Activity & Balances

As disclosed above, the ISF provides all administrative responsibilities related to SRWBT, which has no separate facilities or staff. Expenses directly attributable to SRWBT are charged to SRWBT. Other operating expenses, including personnel, are allocated between the ISF and the SRWBT based on participant counts for retired and active participants.

The balance of the inter fund receivable/payable represents the excess of SRWBT contributions collected by the ISF Plan over expenses paid by the ISF Plan for SRWBT.

E. Receivables

Beginning January 1, 2014, the Plan began offering an Employer Group Waiver Plan (EGWP), a Medicare Part D prescription drug plan (PDP) to Medicare eligible retirees and covered Medicare eligible dependents. Estimated revenue is recognized as the SRWBT incurs Medicare eligible retiree prescription drug expenditures. In addition, the Plan receives rebates from its pharmacy benefit manager related to manufacturers' rebates and other guaranteed rebates for non-Medicare Part D prescriptions. For the year ended June 30, 2024, these rebates are allocated between the ISF and the SRWBT based upon their respective claims activity. Estimated revenue is recognized for rebates based on prescription claims counts, historical average rebate per claim, and actual receipts.

Other receivables include interest income and member premium amounts.

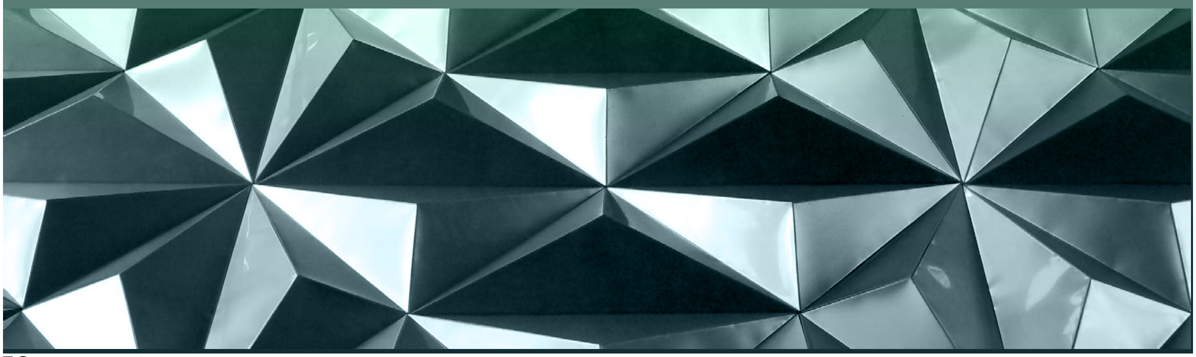
F. Capital Assets including Right of Use Assets (Leases) and SBITAs

Furniture, fixtures and equipment are capitalized at cost when acquired. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Furniture and fixtures are depreciated over a 10-year useful life. Data processing equipment is depreciated over a five-year useful life. The threshold for the capitalizing of fixed assets is $1,000.

Maintenance and repairs are charged to expense as incurred. The cost and related accumulated depreciation of assets sold or retired are removed from the related accounts, and the resulting gains or losses are reflected as non-operating gains or losses in the statement of revenues, expenses and change in net position. The changes in Capital Assets for the year ended June 30, 2024 are as presented in the chart on page 51.

MCHCP's right of use assets consist of its leased office building under an agreement recorded as a right of use (ROU) lease. MCHCP utilized a borrowing rate of 2.25%.

Subscription based information technology arrangements, pursuant to the implementation of GASB 96 consist of a data warehouse and contract software utilizing a borrowing rate of 5.75% and an applicability threshold of $100,000.



Capital Assets

Additions	2024
Balance, beginning of year	**$1,775,057**
Additions	**33,969**
Deletions	**(33,735)**
Balance, End of Year	**$1,775,291**
Accumulated Depreciation	
Balance, beginning of year	**$1,427,042**
Depreciation expense	**104,413**
Deletions	**(33,735)**
Balance, End of Year	**$1,497,720**

Right of Use Assets

Additions	2024
Balance, beginning of year	**$1,311,938**
Additions	-
Deletions	-
Lease Asset Balance, End of Year	**$1,311,938**
Accumulated Amortization	
Balance, beginning of year	**$459,344**
Amortization expense	**237,547**
Deletions	-
Right of Use Assets Accumulated Amortization, End of Year	**$696,891**
Right of Use Asset Balance, End of Year (Net)	**$615,047**

Subscription Based Information Technology Arrangements (SBITA)

Additions	2024
Balance, beginning of year	**$1,612,723**
Additions	-
Deletions	-
SBITA Balance, End of Year	**$1,612,723**
Accumulated Amortization	
Balance, beginning of year	**$534,195**
Amortization expense	**565,457**
Deletions	-
SBITA Accumulated Amortization, End of Year	**$1,099,652**
SBITA Balance, End of Year (Net)	**$513,071**

ROU Lease Obligation

	Principal	Interest
2025	**$243,121**	**$11,413**
2026	**248,648**	**5,886**
2027	**124,965**	**830**

SBITA Obligation

	Principal	Interest
2025	**$324,765**	**$14,798**
2026	**51,344**	**8,656**
2027	**54,339**	**5,661**
2028	**57,508**	**2,492**
2029	**30,000**	-

G. Plan Funding

State Appropriations/Contributions

Funds are appropriated to the Plan by the Missouri State General Assembly. Premiums are received one-half prior to the month of coverage and one-half during the month of coverage. Funds are received by the Plan every two weeks and coincide with the State's payroll cycle. The State's monthly per-member active contribution for fiscal year 2024, averaged $1,041 per month. The State's contribution per member to fund the current fiscal year cost of retiree plan benefits for the year ended June 30, 2024 averaged 3.59 percent of active employee covered payroll.

The State did not provide additional funding towards future OPEB benefits for the period ended June 30, 2024. All state appropriations are available to pay benefits for both active and retired participants except for the amounts contributed to fund the OPEB reserve.

Member Premiums

Monthly member premiums for State employees are established annually by the Plan's Board of Trustees. These premiums are deducted from employee payroll checks in advance. Additionally, the Plan bills members who are not receiving payroll checks two weeks in advance.

Public Entity Premiums

Monthly public entity premiums are established annually by the Plan's Board of Trustees. The Plan bills the public entities two weeks in advance.

Deferred Premium Revenue

Deferred premium revenue includes premium revenue from the members, public entities, and the State received in advance of the month coverage is provided.

Operating/Non-operating Revenues

Operating revenues and expenses reflect items directly related to providing health benefits to members. Non-operating revenues and expenses represent investment income and other items not directly related to providing health benefits to members.

H. Other Post-Employment Benefits

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2024, there were 23,020 retirees and their dependents who met these eligibility requirements.

For the year ended June 30, 2024, expenditures (net of retiree contributions) of $158.9 million were recognized for post-retirement medical insurance coverage under the self-funded PPO.

Projections include a broad array of complex social and economic events, such as the emergence of new and expensive medical procedures and prescription drug options, changes in investment rates of return, and other uncertainties. As such, the estimate of post-retirement program costs contains considerable uncertainty and variability, and actual experience may vary significantly from the current estimated obligation. Additional information as of the latest actuarial valuation is presented below.

Summary of Key Actuarial Methods & Assumptions

State Retiree Welfare Benefit Trust

Valuation Year
July 1, 2023 - June 30, 2024

Actuarial cost method	**Entry age normal, level percentage of payroll**
Amortization method	**30 years, open, level percent of pay**
Asset Valuation method	**Fair value**

Actuarial Assumptions

Discount Rate:	**5.5%**
Projected payroll growth rate	**4.0%**
Inflation Rate	**3.0%**

Health care cost trend rate (Medical & prescription drugs combined)

Non-Medicare, Medical and Prescription Drug: 6.34%, 6.78%, 6.56%, 6.34%, 6.12%, 5.90%, 5.77%, 5.72%, 5.62%, 5.46%, 5.30%, 5.13%, 4.95%, 4.77%, 4.59%, 4.50% (ultimate)

Medicare, Medical and Prescription Drug: 7.75%[1], 9.39%, 12.87%, 12.73%, 9.56%, 9.14%, 8.34%, 7.67%, 7.35%, 6.92%, 6.49%, 6.05%, 5.61%, 5.16%, 4.72%, 4.50% (ultimate)

[1] Reflects estimated impact of the Inflation Reducation Act of 2022 on Medicare Part D

Employer Disclosures

Participating employers, upon their implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, are required to disclose additional information with regard to funding policy, the employer's annual OPEB costs and contributions made, the funded status and funding progress of the employer's individual plan, and actuarial methods and assumptions used. Employer disclosures for MCHCP can be found in footnote M.

I. Medical Claims & Capitation

As of June 30, 2024, the Plan insured approximately 64 percent of its members through PPO contracts, 19 percent in a fully insured group Medicare Advantage (PPO) plan, and 17 percent in a High Deductible Health Plan. Third-party administrators are paid a contracted administrative fee per subscriber for the self-insured contracts, with the Plan bearing all administrative and medical claims costs of providing coverage to the members.

The liability for estimated accrued claims and processing costs is based on an actuarial estimate of the ultimate cost of settling such claims due and payable as of the balance sheet date (including claims reported and in process of settlement, claims reported but not yet processed for settlement, and claims incurred for services provided but not yet reported or processed for settlement). The estimated actuarial liability reflects certain assumptions, which include such factors as enrollment and utilization. Adjustments to the estimated actuarial liability for the final settlement of claims will be reflected in the year that actual results of the settlement of the claims are made and are known.

As of June 30, 2024, $3,898,753 is included in accrued medical claims and capitation fee expenses for accrued PPO capitation expenses. Additionally, $57,601,272 at June 30, 2024, is included in estimated accrued medical costs for claims incurred but not yet paid under the Plan's self-funded products. Although management believes these estimates are adequate, the ultimate liability may be more or less than the amounts recorded.

The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in current operations. Contingent liabilities exist with respect to claims covered under the Plan in the event a contracted provider or carrier is unable to meet its obligations to the Plan. Changes in estimated accrued claims for fiscal year 2024 is presented below.

Summary of Changes in Estimated Accrued Claims

Internal Service Fund

Balances	2024
Balance at beginning of year	$45,633,772
Current year claims & changes in estimates	537,044,846
Claim payments	(530,924,564)
Balance at End of Year	**$51,754,054**

Summary of Changes in Estimated Accrued Claims

State Retiree Welfare Benefit Trust

Balances	2024
Balance at beginning of year	$7,801,345
Current year claims & changes in estimates	187,128,595
Claim payments	(189,082,721)
Balance at End of Year	**$5,847,219**

J. Retirement Plan

General Information About the Pension Plan

Plan description

Benefit eligible employees of MCHCP are provided with pensions through the Missouri State Employees' Retirement System (MOSERS) – a cost-sharing multiple-employer defined benefit pension plan. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined plan for eligible state and other related agency employees. MOSERS issues an Annual Comprehensive Financial Report (ACFR), a publicly available report that can be obtained at *www.mosers.org*.

Benefits provided

MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' ACFR beginning on page 26.

Contributions

Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board of Trustees. Employees in the MSEP2011 Plan are required to contribute 4.0 percent of their annual pay. MCHCP's required contribution rate for the year ended June 30, 2024, was 27.26 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from MCHCP were $999,560 for the year ended June 30, 2024.

Net Pension Liability

At June 30, 2024, MCHCP reported a liability of $11,707,603, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was offset by the fiduciary net position obtained from MOSERS ACFR as of June 30, 2023 to determine the net pension liability.

MCHCP's proportion of the net pension liability was based on MCHCP's actual share of the contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2023. At the June 30, 2023 measurement date, MCHCP's proportion was 0.15338 percent, an increase from its proportion measured using 0.14648 percent as of the June 30, 2022, measurement date.

There were no changes in benefit terms and assumptions during the MOSERS plan year ended June 30, 2023, that affected the measurement of total pension liability.

Assumptions.

The total pension liability in the June 30, 2023 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.75% to 10.00% (MSEP) 3.00% (Judicial Plan)
Wage Inflation	2.25%
Investment rate of return	6.95%

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study performed in 2021. In addition, based upon this study, subsequent changes in the unfunded actuarial liability due to actuarial gains/losses or assumption changes are now amortized over a closed 25-year period, instead of 30 years.

Mortality.

Pre-retirement mortality rates were based on the Pub-2010 General Members Median Employee mortality table. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020. Additional mortality assumptions for post-retirement retirees and for beneficiaries is available from MOSERS.

Long Term Expected Rate of Return.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adjusting for expected inflation, volatility and correlations. Best estimates of the real rates of return expected are summarized in the table displayed on page 57.

Asset Class Allocation

Asset Class	Policy Allocation	Long-term Expected Nominal Return*	Long-Term Expected Real Return	Weighted Average Long-Term Expected Nominal Return
Global public equities	30.0%	7.7%	5.8%	2.3%
Global private equities	15.0	9.3	7.4	1.4
Long treasuries	25.0	3.5	1.6	0.9
Core bonds	10.0	3.1	1.2	0.3
Commodities	5.0	5.5	3.6	0.3
TIPS	25.0	2.7	0.8	0.7
Private real assets	5.0	7.1	5.2	0.3
Public real assets	5.0	7.7	5.8	0.4
Hedge funds	5.0	4.8	2.9	0.2
Alternative beta	10.0	5.3	3.4	0.5
Private credit	5.0	9.5	7.6	0.5
Cash and cash equivalents**	(40.0)	-	-	-
	100.0%			-
Correlation/Volatility Adjustment				(0.6)
Long-Term Expected Net Nominal Return				7.2%
Less: Investment Inflation Assumption				(1.9)%
Long-Term Expected Geometric Net Real Return				5.3%

**Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.*

***Cash and cash equivalents policy allocation amounts are negative due to the use of leverage.*

Discount rate

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, MOSERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate.

The following presents MCHCP's proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what MCHCP's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
MCHCP's proportionate share of the net pension liability	**$14,594,104**	**$11,707,603**	**$9,296,359**

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS financial report.

Pension Expense

For the year ended June 30, 2024, MCHCP recognized pension expense of $1,342,635.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2024, MCHCP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows/Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	**$548,547**	**$0**
Changes of assumptions	**0**	**0**
Net difference between projected and actual earnings on pension plan investments	**963,301**	**0**
Changes in proportion and differences between MCHCP contributions and proportionate share of contributions	**330,017**	**0**
MCHCP contributions subsequent to the measurement date of 6-30-23	**999,560**	**0**
Total	**$2,841,425**	**$0**

MCHCP amounts reported as deferred outflows of resources related to pensions resulting from MCHCP contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024, of MCHCP's financial statements. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in MCHCP's fiscal year following MOSERS' fiscal year as follows:

Projected Recognition of Deferred Outflows/(Inflows)

Plan Year ending June 30:	
2024	**$785,443**
2025	**362,271**
2026	**571,394**
2027	**122,757**
Thereafter	**-**

Payables to the pension plan. As of June 30, 2024, MCHCP did not report any payables to MOSERS.

K. Deferred Compensation Plan

The State of Missouri Deferred Compensation Plan is a voluntary defined contribution plan offered in compliance with IRS Code Sections 457 and 401(a). The Plan is administered by MOSERS in accordance with Sections 105.900 to 105.927 of the Revised Statutes of Missouri. MOSERS has retained MissionSquare Retirement as an external provider for record keeping for the plans. The Plan offers all state employees the opportunity to save for retirement with before and after tax (Roth) money. New permanent full-time and part-time employees are automatically enrolled in the plan at a 1% contribution per pay period made via payroll deduction.

Audited financial statements for the State of Missouri Deferred Compensation Plan can be viewed online at *www.modeferredcomp.org*.

L. Employee Assistance Program

The Strive Employee Life and Family (SELF) program, previously called the employee assistance program, is offered to all State employees eligible for MCHCP medical coverage and members of their household. Employees can continue to use the program for 18 months following retirement. The program, serviced through ComPsych, offers services including ten behavioral health counseling sessions per problem, per year, access to financial and legal experts, identity theft and fraud resolution services, support for family and life issues through FamilySource® and an online library of helpful tools. Services are at no cost to the employee and can be accessed 24 hours a day online or by telephone.

M. Post-Employment Retiree Health Care

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2024, there were 23,020 retirees and their dependents who met these eligibility requirements. For the year ended June 30, 2024, expenditures (net of retiree contributions) of $158.9 million were recognized for post-retirement medical insurance coverage under the self-funded PPO Plan. In addition to the pension benefits described in Note J, the Plan operates a cost sharing multiple employer, defined benefit OPEB plan, the State Retiree Welfare Benefit Trust (SRWBT). Employees may participate at retirement if eligible to receive a monthly retirement benefit from either the Missouri Employees' Retirement System (MOSERS) or another retirement system whose members are grandfathered for coverage under the plan by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178.

Plan Membership

At June 30, 2024, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits - **17,104**

Inactive plan members entitled to but not yet receiving benefits* - **0**

Active plan members - **33,664**

Active/Inactive plan members who may become eligible to receive benefits - **4,177**

*Once an inactive member (retiree, survivor, disabled, or vested) member terminates his/her coverage, he/she is not eligible to re-enroll at a later date.

Basis of Accounting

The SRWBT Plan's financial statements are prepared using the accrual basis of accounting, in accordance with GASB Statement No. 74. The assets of the SRWBT are irrevocable and legally protected from creditors and dedicated to providing postemployment benefits in accordance with terms of the plan. The SRWBT does not issue a separate financial report.

Contributions

Contributions are established and may be amended by the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178. The Plan contributes 2.5% of the Plan's PPO 1250 plan premium for each year of the employee's service capped at a maximum contribution of 65%. For the year ended June 30, 2024, participants contributed $43.3 million toward their required contributions.

Investments

The Board of Trustees adopted an asset allocation model for the SRWBT that implemented a moderate investment approach to steadily increase the exposure of the SRWBT to higher return asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back-tested, and future assets are projected in all models. No significant changes in the SRWBT investment strategy occurred during the reporting period. The following was the asset allocation at June 30, 2024:

Asset Class	Target Allocation	Long-Term Nominal Rate of Return
Domestic LC Equity	**20%**	**7.5%**
Domestic MC Equity	**5%**	**8.4%**
Domestic SC Equity	**5%**	**9.3%**
Global Equity	**6%**	**7.9%**
Domestic Fixed Income	**64%**	**4.4%**
Cash Equivalents	**0%**	**-%**
	100%	

Rate of Return

For the year ended June 30, 2024, the annual time weighted rate of return on investments, net of investment expense, was 8.66 percent.

The time weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Actuarial valuations are developed based upon economic assumptions that are appropriate for the purpose of the measurements, take into account relevant historical and current data, reflect estimates of future experience are free of bias, and include demographic actuarial assumptions that are considered to be reasonable and within a best projection range as described by the Actuarial Standards of Practice. Future actuarial measurements may differ from the current measurements presented in this report due to many factors, including plan experience differing from that anticipated by the economic or demographic assumptions and changes in plan provisions or applicable law.

Projections include a broad array of complex social and economic events, such as the emergence of new and expensive medical procedures and prescription drug options, changes in investment rates of return, and other uncertainties. As such, the estimate of post-retirement program costs contains considerable uncertainty and variability, and actual experience may vary significantly from the current estimated obligation. Additional information as of the latest actuarial valuation is presented below.

Actuarial Methods and Assumptions

The actuarial calculations utilize methodologies and assumptions designed to reduce short-term volatility. The cost method utilized for the valuation year June 30, 2024, was the entry age normal, level percent of pay. The UAAL is amortized as a level percent of pay on an open basis, over a 30 year period. A summary of actuarial methods and assumptions is presented below.

OPEB Liability Assumptions

General Inflation Rate	3.00%
Discount Rate	5.50%
Expected Return on Assets	5.50%
Municipal Bond Rate	N/A
Compensation/Salary Increases	4.00%
Health Care Cost Trend Rate (Med and RX)	Non-Medicare, Medical and Prescription Drug: 6.34%, 6.78%, 6.56%, 6.34%, 6.12%, 5.90%, 5.77%, 5.72%, 5.62%, 5.46%, 5.30%, 5.13%, 4.95%, 4.77%, 4.59%, 4.50% (ultimate) Medicare, Medical and Prescription Drug: 7.75%[1], 9.39%, 12.87%, 12.73%, 9.56%, 9.14%, 8.34%, 7.67%, 7.35%, 6.92%, 6.49%, 6.05%, 5.61%, 5.16%, 4.72%, 4.50% (ultimate)
Administration expense	Administrative Expenses: 0.00%, 3.00% (ultimate)
Mortality	Pre-Retirement: Pri-2012 Employee Amount-weighted Mortality Table projected generationally using MP-2021 Annuitant. Pri-2012 Retiree Amount-weighted Mortality Table projected generationally using MP-2021

[1] Reflects estimated impact of the Inflation Reducation Act of 2022 on Medicare Part D

Net OPEB Liability
(in thousands)

	2024
Net OPEB Liability Components:	
Total OPEB Liability	**$1,804,010**
Plan Fiduciary Net Position	**223,837**
Net OPEB Liability	**1,580,173**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	**12.41%**

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates *(in thousands)*

	1% Decrease in Discount Rate (4.50%)	Current Discount Rate (5.50%)	1% Increase in Discount Rate (6.50%)
Net OPEB Liability	**$1,863,720**	**$1,580,173**	**$1,351,917**
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	**$1,341,237**	**$1,580,173**	**$1,880,063**

Net OPEB Liability.

The net OPEB liability under GASB 74 was calculated utilizing census data at 7/01/2024. Net OPEB liability as of June 30, 2024, was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by the actuarial valuation as of June 30, 2024, and is presented above:

Development of Discount Rate.

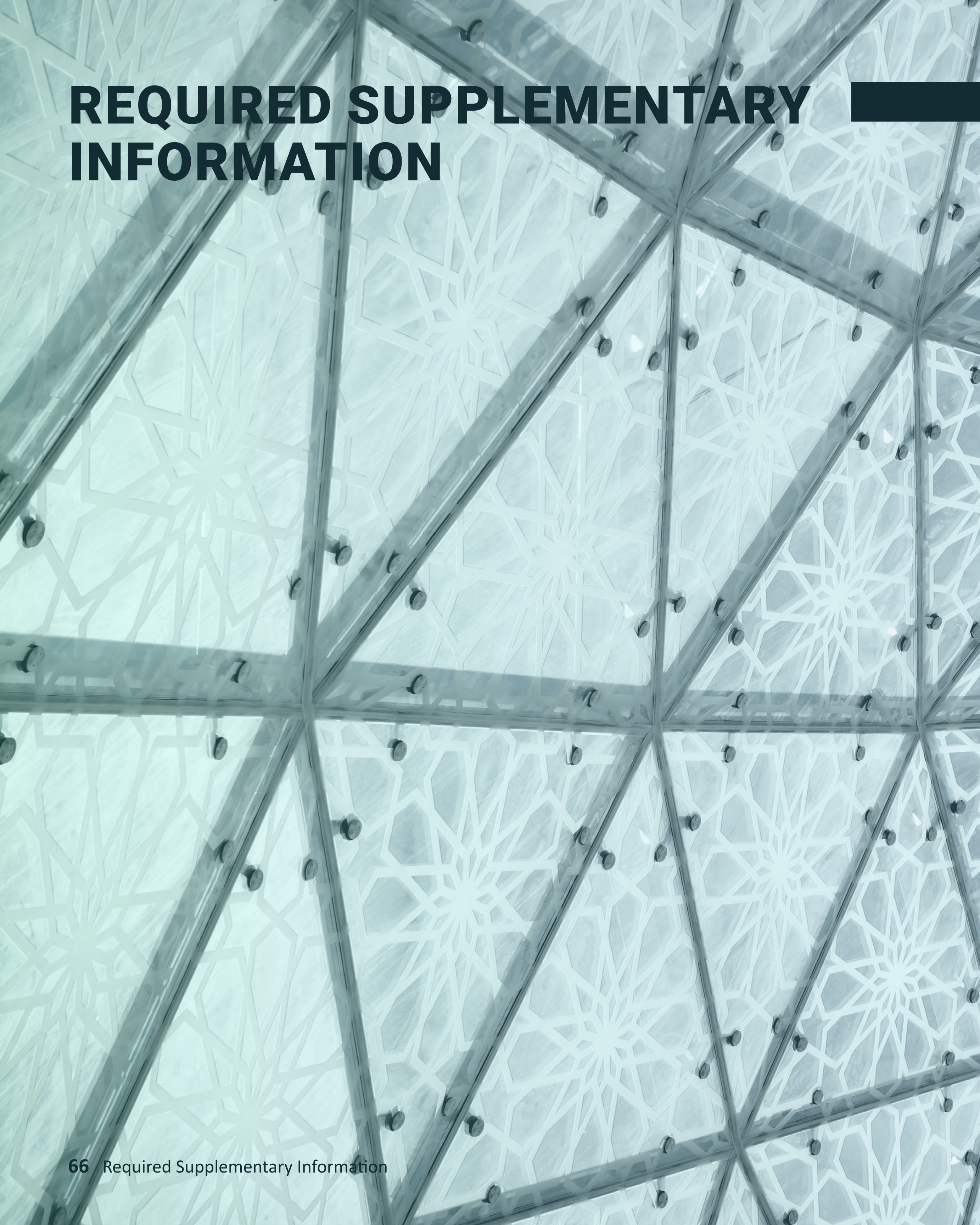
The discount rate used to measure the total OPEB liability was 5.50% as of June 30, 2024. The OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the total OPEB liability.

MCHCP as an entity is funded through the administrative expense charged to other component units through the contribution rate in accordance with GASB Statement No. 75, A*ccounting and Financial Reporting for Post-employment Benefits Other Than Pensions.* All state agencies and component units are included in the state's post employment retiree health care calculations.

For fiscal year 2024, MCHCP contributed $132,355 for its employees in accordance with the state's funding policy for post-employment retiree health care. These financial statements include the OPEB Plan in which MCHCP participates.

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Claims Development

State Actives & Retirees

	2024 Total	2024 Active	2024 Retiree
Fiscal Year	July 1, 2023-June 30, 2024	July 1, 2023-June 30, 2024	July 1, 2023-June 30, 2024
Required contribution & investment income	**$810,031,905**	**$589,145,915**	**$220,885,990**
Administrative and third-party expenses	**26,809,475**	**17,107,015**	**9,702,460**
Estimated Incurred Claims & Expenses End of Policy Year	**$783,222,430**	**$572,038,900**	**$211,183,530**
Paid Claims Summary			
Paid (cumulative) as of	July 1, 2023-June 30, 2024	July 1, 2023-June 30, 2024	July 1, 2023-June 30, 2024
End of Policy Year	**$472,160,000**	**$385,267,000**	**$86,893,000**
One year later	-	-	-
Two years later	-	-	-
Incurred Claims Summary			
Re-estimated incurred claims & expenses	July 1, 2023-June 30, 2024	July 1, 2023-June 30, 2024	July 1, 2023-June 30, 2024
End of policy year	**511,193,000**	**421,558,000**	**89,635,000**
One year later	**-**	**-**	**-**
Two years later	**-**	**-**	**-**
Increase (Decrease) in Estimated Incurred Claims & Expenses from End of Policy Year	**$272,029,430**	**$150,480,900**	**$121,548,530**

2023 **Total**	2023 **Active**	2023 **Retiree**	2022 **Total**	2021 **Total**
July 1, 2022- June 30, 2023	July 1, 2022- June 30, 2023	July 1, 2022- June 30, 2023	July 1, 2021- June 30, 2022	July 1, 2020- June 30, 2021
$756,876,371	**$555,739,869**	**$201,136,502**	**$710,865,892**	**$733,876,694**
25,075,994	**16,068,943**	**9,007,051**	**22,680,552**	**23,874,458**
$731,800,377	**$539,670,926**	**$192,129,451**	**$688,185,340**	**$710,002,236**
July 1, 2022- June 30, 2023	July 1, 2022- June 30, 2023	July 1, 2022- June 30, 2023	July 1, 2021- June 30, 2022	July 1, 2020- June 30, 2021
$465,767,000	**$371,006,000**	**$94,761,000**	**$426,555,000**	**$435,011,000**
507,970,000	406,892,000	101,078,000	**$472,659,000**	**479,042,000**
-	-	-	473,171,000	**479,998,000**
July 1, 2022- June 30, 2023	July 1, 2022- June 30, 2023	July 1, 2022- June 30, 2023	July 1, 2021- June 30, 2022	July 1, 2020- June 30, 2021
507,821,000	**407,070,000**	**100,751,000**	**472,693,000**	**478,099,000**
507,806,000	403,009,000	104,797,000	472,413,000	479,778,000
-	-	-	473,171,000	479,998,000
$223,979,377	**$132,600,926**	**$91,378,451**	**$215,492,340**	**$231,903,236**

Summary of Key Actuarial Methods and Assumptions

State Retiree Welfare Benefit Trust

Fiscal Year	2024	2023	2022
Valuation Year	July 1, 2023- June 30, 2024	July 1, 2022- June 30, 2023	July 1, 2021- June 30, 2022
Actuarial cost method	**Entry age normal, level percent of pay**	**Entry age normal, level percent of pay**	**Entry age normal, level percent of pay**
Amortization method	**30 years, open, level percent of pay**	**30 years, open, level percent of pay**	**30 years, open, level percent of pay**
Asset valuation method	**Fair Value**	**Fair Value**	**Fair Value**
Actuarial Assumptions			
Discount Rate	**June 30,2023 5.50% June 30,2024 5.50%**	**June 30,2022 5.50% June 30,2023 5.50%**	**June 30,2021 4.50% June 30,2022 5.50%**
Projected payroll growth rate	**4.0%**	**4.0%**	**4.0%**
Health care cost trend rate (Medical & prescription drugs combined)	**Non-Medicare, Medical and Prescription Drug: 6.34%, 6.78%, 6.56%, 6.34%, 6.12%, 5.90%, 5.77%, 5.72%, 5.62%, 5.46%, 5.30%, 5.13%, 4.95%, 4.77%, 4.59%, 4.50% (ultimate)** **Medicare, Medical and Prescription Drug: 7.75%[1], 9.39%, 12.87%, 12.73%, 9.56%, 9.14%, 8.34%, 7.67%, 7.35%, 6.92%, 6.49%, 6.05%, 5.61%, 5.16%, 4.72%, 4.50% (ultimate)** **[1] Reflects estimated impact of the Inflation Reducation Act of 2022 on Medicare Part D**	**Non-Medicare, Medical and Prescription Drug: 6.68%, 6.59%, 6.29%, 5.99%, 5.69%, 5.38%, 5.16%, 5.02%, 4.88%, 4.73%, 4.58%, 4.50% (ultimate)** **Medicare, Medical and Prescription Drug*: 11.79%, 12.54%, 11.38%, 9.06%, 7.19%, 6.75%, 6.33%, 5.93%, 5.52%, 5.11%, 4.70%, 4.50% (ultimate)** *** The Medicare trend reflects the current drug plan, together with the extension of the $0 medical premium guarantee through the end of calendar year 2024, and estimated Medicare Advantage premiums thereafter.**	**The trend rate for non-Medicare benefits is assumed to be 6.50% in fiscal 2023 through 2025, then decreasing by 0.25% per year to an ultimate rate of 5.0% in fiscal 2031.** **For Medicare benefits, the trend rate is assumed to be 14.50% in fiscal 2023, 15.00% in fiscal 2024, 11.50% in fiscal 2025, 10.50% in fiscal 2026, 9.75% in fiscal 2027, 9.00% in fiscal 2028, 8.25% in fiscal 2029, 7.50% in fiscal 2030, 6.75% in fiscal 2031, 6.00% in fiscal 2032, 5.25% in fiscal 2033, then 5.00% in fiscal 2034 and after. The Medicare trend reflects the current drug plan, together with the extension of the $0 medical premium guarantee through the end of calendar year 2023, and estimated Medicare Advantage premiums thereafter.**

2021	2020	2019	2018
July 1, 2020- June 30, 2021	July 1, 2019- June 30, 2020	July 1, 2018- June 30, 2019	July 1, 2017- June 30, 2018
Entry age normal, level percent of pay	**Entry age normal, level percent of pay**	**Entry age normal, level percent of pay**	**Entry age normal, level percent of pay**
30 years, open, level percent of pay	**30 years, open, level percent of pay**	**30 years, open, level percent of pay**	**30 years, open, level percent of pay**
Fair Value	**Fair Value**	**Fair Value**	**Fair Value**
June 30,2020 4.38% June 30,2021 4.50%	**June 30,2019 5.24% June 30,2020 4.38**	**5.24%**	**5.9%**
4.0%	**4.0%**	**4.0%**	**4.0%**
Non-Medicare 6.50% in fiscal year 2022, then decreasing by 0.25% per year until an ultimate of 5.00% in fiscal 2028. **Medicare 9.00% in fiscal year 2022,13.50% in 2023, 12.50% in fiscal 2024, 11.50% in fiscal 2025, 10.50% in fiscal 2026, 9.75% in fiscal 2027, 9.00% in fiscal 2028, 8.25% in fiscal 2029, 7.50% in fiscal 2030, 6.75% in fiscal 2031, 6.00% in fiscal 2032, 5.25% in fiscal 2033, then 5.00% in fiscal 2034 and after.**	**Non-Medicare 5.75% in fiscal year 2020, then decreasing by 0.25% per year until an ultimate of 5.00% in fiscal 2023 and after.** **Medicare 10.00% in fiscal year 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00% in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027 decreasing by 1.0% per year until an ultimate rate of 5.00% in fiscal year 2030 and after.**	**Non-Medicare 6.00% in fiscal year 2019; decreasing by 0.25% per year until an ultimate of 5.00% in 2023.** **Medicare 10.0% in fiscal year 2019 and 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00 % in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027 decreasing by 1.0% per year until an ultimate of 5.00% in fiscal year 2030 and after**	**Non-Medicare 6.25% in fiscal year 2018; decreasing by 0.25% per year until an ultimate of 5.00% in 2023.** **Medicare 7.25% in fiscal year 2018; decreasing by 0.25% per year until an ultimate of 5.00% in fiscal year 2027 and after.**

Schedule of Changes in the Net OPEB Liability and Related Ratios

(in thousands)

Fiscal Year Ending

	2024	2023	2022	2021
Total OPEB liability				
Service cost	**$32,408**	**$33,899**	**$39,165**	**$42,308**
Interest	**90,229**	**87,907**	**85,882**	**85,571**
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	**2,283**	**23,993**	-	
Demographic (gains)/losses	-	-	**994**	**3,649**
Changes of assumptions	**104,626**	**(29,541)**	**(362,738)**	**(114,410)**
Benefit payments	**(66,411)**	**(78,534)**	**(58,315)**	**(60,021)**
Net change in total OPEB liability	**163,135**	**37,724**	**(295,012)**	**(42,903)**
Total OPEB liability - beginning	**1,640,875**	**1,603,151**	**1,898,163**	**1,941,066**
Total OPEB liability - ending (a)	**1,804,010**	**$1,640,875**	**$1,603,151**	**$1,898,163**
Plan fiduciary net position				
Contributions - employer	**74,071**	**74,831**	**73,022**	**74,330**
Contributions - employee	**43,341**	**42,272**	**43,527**	**43,275**
Net investment income	**16,395**	**9,202**	**(12,883)**	**18,259**
Benefit payments, including refunds of employee contributions	**(187,129)**	**(186,632)**	**(161,800)**	**(149,072)**
Retiree drug subsidy and other rebates	**87,079**	**74,832**	**67,664**	**53,624**
Other	**(9,702)**	**(9,007)**	**(7,706)**	**(7,848)**
Net change in fiduciary net position	**24,055**	**5,498**	**1,824**	**32,568**
Plan fiduciary net position - beginning	**199,782**	**194,284**	**192,460**	**159,892**
Plan fiduciary net position - ending (b)	**223,837**	**199,782**	**194,284**	**192,460**
Net OPEB liability - ending (a) - (b)	**1,580,173**	**1,441,093**	**1,408,867**	**1,705,703**
Plan's fiduciary net position as a percentage of the total OPEB liability	**12.41%**	**12.18%**	**12.12%**	**10.14%**
Covered payroll	**1,738,133**	**1,731,677**	**1,602,564**	**1,724,445**
Net OPEB liability as a percentage of covered payroll	**90.91%**	**83.22%**	**87.91%**	**98.91%**

2020	2019	2018	2017	2016	2015
$36,901	$30,949	$31,360	$29,158		
100,513	112,057	107,769	104,472		
-	(67,962)	-	-		
23,400	43,317	(12,071)	-	(Historical information prior to implementation of GASB 74/75 is not required)	
-	-	-	(2,619)		
(73,307)	(38,191)	(52,758)	-		
(54,752)	(79,212)	(69,090)	(66,780)		
32,755	958	5,210	64,231		
1,908,311	1,907,353	1,902,143	1,837,912	(Historical information prior to implementation of GASB 74/75 is not required)	
$1,941,066	$1,908,311	$1,907,353	$1,902,143		
72,339	82,620	68,902	67,399		
43,318	51,242	53,157	52,170		
2,755	6,208	4,679	7,839	(Historical information prior to implementation of GASB 74/75 is not required)	
(138,934)	(165,127)	(150,607)	(142,154)		
48,172	41,545	35,502	30,514		
(7,308)	(6,872)	(7,142)	(7,311)		
20,342	9,616	4,491	8,457		
139,550	129,934	125,443	116,985		
159,892	139,550	129,934	125,443		
1,781,174	1,768,761	1,777,419	1,776,700	(Historical information prior to implementation of GASB 74/75 is not required)	
8.24%	7.31%	6.81%	6.59%		
1,601,067	1,611,972	1,604,410	1,609,515		
111.25%	109.73%	110.78%	110.39%		

Schedule of Funding Progress *(in millions)*

State Retiree Welfare Benefit Trust

Fiscal Year Ending	2024	2023	2022	2021
Actuarial Value of Assets (a)	**$199.8**	**$194.3**	**$194.3**	**$192.5**
Actuarial Accrued Liability (AAL)[1] (b)	**1640.9**	**1,603.2**	**1,898.2**	**1,941.1**
Unfunded/(Overfunded) AAL (UAAL) (b) - (a)	**1,441.1**	**1,408.9**	**1,703.9**	**1,748.6**
Funded Ratio (a) / (b)	**12.2%**	**12.1%**	**10.2%**	**9.9%**
Covered Payroll (c)	**1738.1**	**1,731.7**	**1,602.6**	**1,724.4**
UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]	**82.9%**	**81.4%**	**106.3%**	**101.4%**

[1] **Total Actuarial Accrued Liability (AAL) was measured as of the beginning of the fiscal year.**

Schedule of Employer Contributions *(in millions)*

State Retiree Welfare Benefit Trust

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	**$96.1**	**$96.3**	**$104.6**	**$109.5**	**$112.1**	**$113.4**	**$113.2**	**$106.8**	**$96.6**	**$103.7**
Annual Contribution	**74.1**	**74.8**	**73.0**	**74.3**	**72.3**	**82.6**	**68.9**	**67.4**	**66.2**	**62.6**
Contribution deficiency (excess)	**22.0**	**21.5**	**31.6**	**35.2**	**39.8**	**30.8**	**44.3**	**39.4**	**30.4**	**41.1**
Covered payroll	**1738.1**	**1,731.7**	**1,602.6**	**1,724.4**	**1,601.1**	**1,612.01**	**1,604.4**	**1,609.5**	**1,586.5**	**1,583.7**
Percentage of (ADC) Contributed	**77.1%**	**77.7%**	**69.8%**	**67.9%**	**64.5%**	**72.8%**	**60.9%**	**63.1%**	**68.5%**	**60.4%**
Contributions as a percentage of covered payroll	**4.3%**	**4.3%**	**4.6%**	**4.3%**	**4.5%**	**5.1%**	**4.3%**	**4.2%**	**4.2%**	**4.0%**

The state provided benefit payments and administrative costs of $74.1M in fiscal year 2024. The Statement of Changes in Fiduciary Net Position provides more details concerning these amounts.

2020	2019	2018	2017	2016	2015
$159.9	**$139.6**	**$129.9**	**$125.4**	**$117.0**	**$106.9**
1,908.3	**1,907.4**	**1,902.1**	**1,837.9**	**1,730.7**	**1,813.5**
1,748.4	**1,767.8**	**1,772.2**	**1,712.5**	**1,613.7**	**1,706.6**
8.4%	**7.3%**	**6.8%**	**6.8%**	**6.8%**	**5.9%**
1,601.1	**1,612.0**	**1,604.4**	**1,609.5**	**1,586.5**	**1,583.7**
109.2%	**109.7%**	**110.5%**	**106.4%**	**101.7%**	**107.8%**

Schedule of Annual Time-Weighted Rate of Return on Investments - OPEB Plan

Year Ended June 30	Annual Time-Weighted Rate of Return - Net of Investment Expense
2024	**8.66%**
2023	**4.76%**
2022	**-8.76%**
2021	**14.40**
2020	**3.01**
2019	**4.30**
2018	**3.83**
2017	**7.14**

NOTE: This schedule will ultimately contain 10 years of data.

Schedule of the Proportionate Share of the Net Pension Liability

Missouri Consolidated Health Care Plan

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
MCHCP's Proportion Of The Net Pension Liability (Asset)	**0.15338%**	**0.14648%**	**0.14228%**	**0.14307%**	**0.14785%**	**0.1499%**	**0.1532%**	**0.1565%**	**0.1600%**	**0.1577%**
MCHCP's Proportionate Share Of The Net Pension Liability (Asset)	**$11,707,603**	**$10,488,603**	**$7,954,583**	**$9,081,290**	**$8,931,796**	**$8,362,210**	**$7,979,229**	**$7,265,764**	**$5,133,995**	**$3,718,668**
MCHCP's Covered Payroll	**3,666,769**	**3,378,717**	**2,921,934**	**2,867,872**	**2,858,662**	**2,913,724**	**3,016,171**	**3,031,348**	**3,095,028**	**3,144,017**
MCHCP's Proportionate Share Of The Net Pension Liability (Asset) As A Percentage Of Its Covered Payroll	**319.29%**	**310.43%**	**272.24%**	**316.66%**	**312.44%**	**286.99%**	**264.55%**	**239.69%**	**165.88%**	**118.28%**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**52.86%**	**53.53%**	**63.00%**	**55.48%**	**56.72%**	**59.02%**	**60.41%**	**63.60%**	**72.62%**	**79.49%**

***Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.**
NOTE: This schedule will ultimately contain 10 years of data.

Schedule of Contributions

Missouri Consolidated Health Care Plan

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Required contribution	**$999,562**	**$889,617**	**$686,947**	**$656,169**	**$622,331**	**$580,484**	**$566,720**	**$514,420**	**$525,227**	**$514,746**
Contribution in relation to the required contribution	**999,562**	**889,617**	**686,947**	**656,169**	**622,331**	**580,484**	**566,720**	**514,420**	**525,227**	**514,746**
Contribution deficiency (excess)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
MCHCP's covered payroll	**3,666,769**	**3,378,717**	**2,921,934**	**2,867,872**	**2,858,662**	**2,872,260**	**2,913,724**	**3,031,348**	**3,095,028**	**3,144,017**
Contributions as a percentage of covered payroll	**27.26%**	**26.33%**	**23.51%**	**22.88%**	**21.77%**	**20.21%**	**19.45%**	**16.97%**	**16.93%**	**16.37%**

***Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.**
NOTE: This schedule will ultimately contain 10 years of data.

Notes to Required Supplementary Information for the Year Ended June 30, 2024

Changes of benefit terms or assumptions - Pension Plan

There were no changes in benefit terms or assumptions during the fiscal year ended June 30, 2023, that impacted the valuation.

Changes of benefit terms or assumptions - OPEB Plan

Changes of assumptions. The per capita health costs, administrative expenses and retiree contributions were updated to reflect current experience. The trend rates were revised to reflect future expectations.

Schedule of Administrative Expenses for the Year Ended June 30, 2024

State Retiree Welfare Benefit Trust

Third Party Claims Administration Services	**$5,865,274**
Payroll and related Benefits	**2,153,052**
Professional Services	**846,026**
General Administration	**564,716**
Employee Assistance Program	**273,392**
Total	**$9,702,460**

Schedule of Investment Expenses for the Year Ended June 30, 2024

State Retiree Welfare Benefit Trust

Central Registered Investment Advisors	**$566,226**

Schedule of Professional Service Fees for the Year Ended June 30, 2024

State Retiree Welfare Benefit Trust

Actuarial Services	
Willis Towers Watson, LLC	**($928)**
Segal, Inc.	**75,104**
Investment Advisory Services	
Central Bank	**566,226**
Auditing Services	
Armanino LLP	**26,474**
Pillar Rx	**13,431**
Software Consulting	
McCarthy and Company	**7,077**
General Services	
Optavise	**22,871**
SHI	**2,090**
Brilliancy Path, LLC	**973**
Avenue Insights and Analytics	**147**
Global Interpreting	**5**
Consulting Services	
Merative	**127,990**
Legal Services	
Stinson, LLP	**4,566**
Total	**$846,026**

INVESTMENTS

INVESTMENT ADVISOR STATEMENT

Central Bank

September 24, 2024

Dear Board Members,

Central Bank is honored to provide investment services to the Plan and present the Investment Advisor statement for the Missouri Consolidated Health Care Plan (MCHCP) for the fiscal year ended June 30, 2024.

The Plan's State Retiree Welfare Benefit Trust (SRWBT) investment portfolio generated a return of 8.66% for fiscal year 2024 and Portfolio assets ended the year at slightly greater than $198.3 million. The fiscal year once again began with significant and widespread uncertainty for global markets as central banks continued to raise key rates to tame inflation while avoiding an overreaction that would have a material negative impact on the economy. Global equities generated double digit positive returns exceeding those of the previous fiscal year and the yield remained inverted, hurting longer term bond returns.

Fiscal Year 2024 equity performance was 17.00% which outperformed its benchmark of 16.82% and the fixed income portfolio return was 4.80% beating its benchmark return of 2.65%. Over the past three years, the overall portfolio returned 1.55%, which beat its benchmark of .74%, and for the past five years earned 4.41%. Investment results for the portfolio are measured using the Modified Dietz methodology, which is a time-weighted analysis of portfolio return.

Bonds currently offer a somewhat less attractive prospect for the coming fiscal year. The portfolio still has a slight tilt to fixed income with its duration significantly less than its benchmark. We had begun to extend fixed income duration to lock in historically high yields of the past year. As we continue to opportunistically do this, we will continue to manage the SRWBT portfolio in line with the stated objectives of the investment policy while taking into account and managing for the associated risks of credit risk, liquidity risk, interest rate or fair value risk and diversity of assets to avoid overconcentration.

Looking forward to Fiscal Year 2025 our model anticipates:

- Interest rates will begin dropping as evidenced by the FED rate cut in September 2024.
- Equity valuations continue to be above long- term historic norms and we believe there could be continued volatility in the equity markets due to slowing global growth.

On behalf of Central Bank, we want to express our continued appreciation to the Board of Trustees and the staff of MCHCP for your partnership and support.

Sincerely,

Bruce A Ring Jr

Bruce A Ring Jr CFA, CTP
Senior Vice President

PO Box 779, 238 Madison Street
Jefferson City, MO 65101

Schedule of Investment Results (Net of Management Fees)

State Retiree Welfare Benefit Trust

FY Ended June 30, 2024

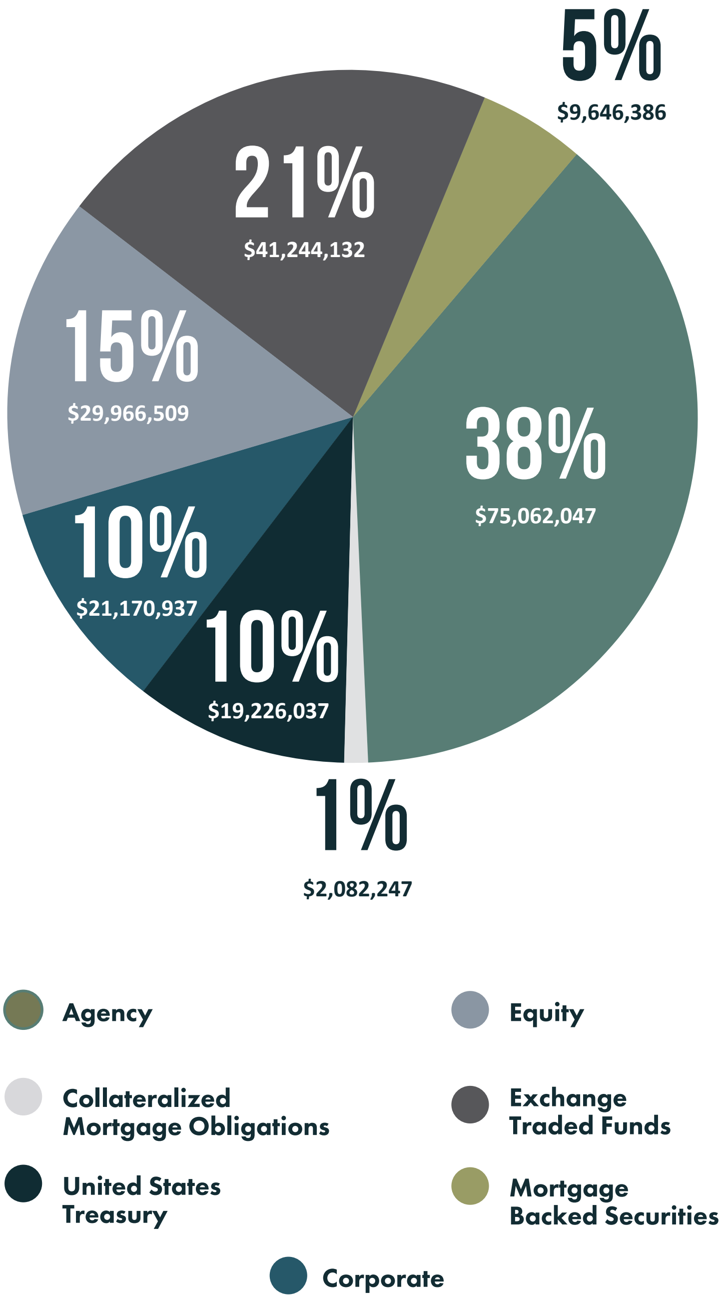
	1 Year	3 Years	5 Years
Total Fund:	**8.66%**	**1.55%**	**4.41%**
Policy Benchmark:	**7.36%**	**0.74%**	**4.14%**
US TSY/AGY/MBS/CMO/Corporate Portfolio	**4.80%**	**-0.47%**	**0.85%**
Bloomberg US Aggregate Bond Index*	**2.65%**	**-2.02%**	**0.07%**
Large Cap Equities/Exchange Traded Products Portfolio	**17.00%**	**6.30%**	**12.21%**
Equity Composite (LC 50%/MC 15%/SC 20%/GLBL 15%)	**16.82%**	**5.84%**	**11.98%**

Rate of Return. For the year ended June 30, 2024, the annual time weighted rate of return on investments, net of investment expense, was 8.66 percent. The time weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. Investment results for the portfolio are measured using the Modified Dietz methodology, which is a time weighted analysis of portfolio return.

***Benchmark changed to Bloomberg US Aggregate in 2022**

Schedule of Asset Allocation

MCHCP Retiree Welfare Benefit Trust, Fiscal Year 2024



List of Largest Assets Held

State Retiree Welfare Benefit Trust

Top Ten Holdings at June 30, 2024

Par Value/# Shares	Description	Fair Value
14,420.00	Vanguard S&P 500 ETF	**$ 7,211,874.60**
97,410.00	iShares Core MSCI EAFE ETF	**7,075,862.40**
6,000,000.00	US TREASURY BILL 07/18/24	**5,985,120.00**
26,735.00	Vanguard Small-Cap ETF	**5,829,299.40**
67,590.00	iShares Russell Mid-Cap ETF	**5,480,197.20**
5,500,000.00	Federal Farm 3.130 01/19/33	**4,930,255.00**
4,000,000.00	Federal Farm 6.050 12/12/33 24	**4,000,000.00**
31,400.00	iShares Russell Mid-Cap Growth ETF	**3,464,990.00**
3,000,000.00	FHLBANKS 6.100 11/17/38 25	**3,008,880.00**
17,700.00	iShares Russell 2000 Value ETF	**2,695,710.00**
		$ 49,682,188.60

NOTE: For a complete list of holdings contact MCHCP.

Schedule of Investment Fees

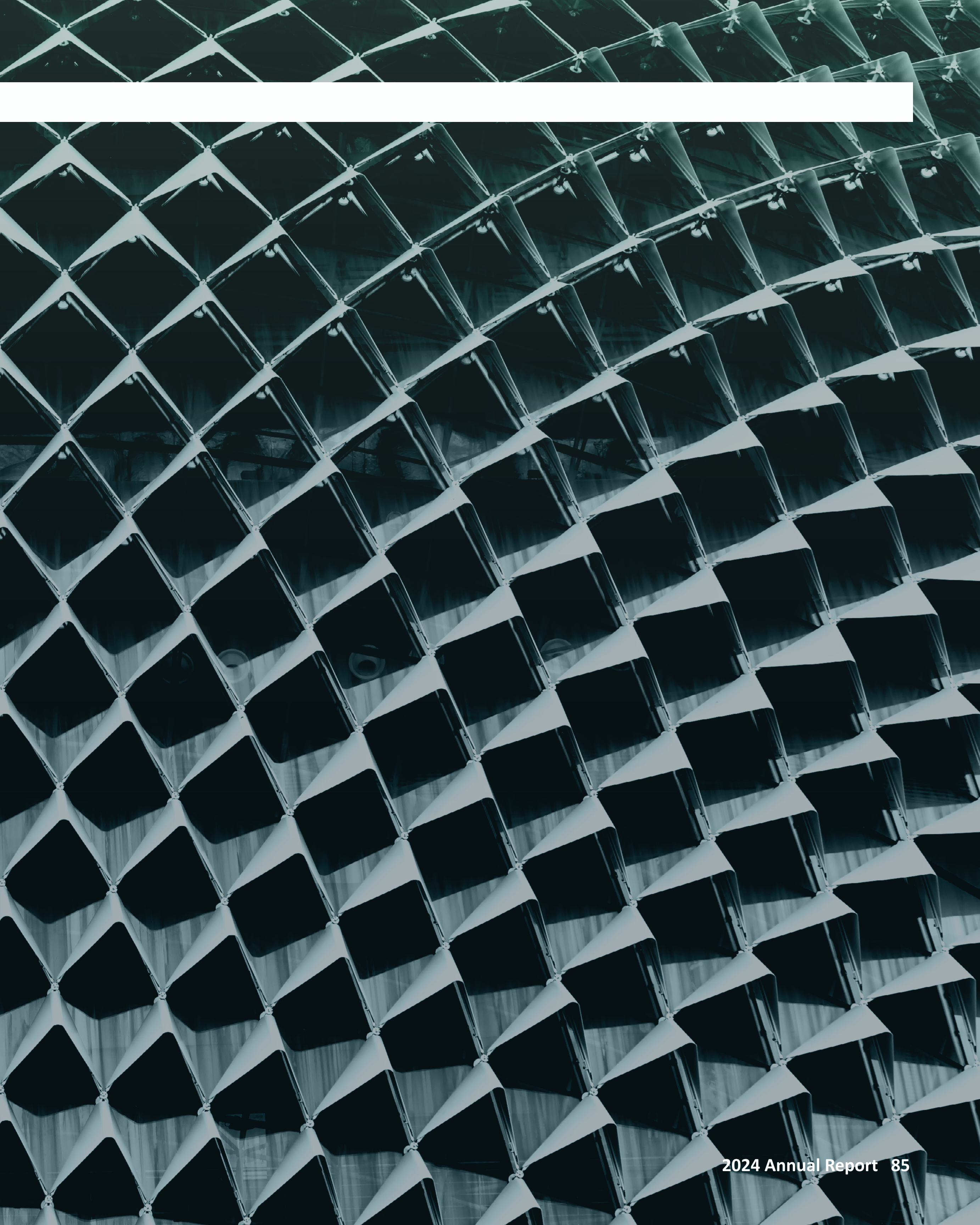
State Retiree Welfare Benefit Trust

FY Ended June 30, 2024

	Assets Under Management	Fees
U.S. Equities:		
Actively Managed	**$38,884,841**	**$105,019**
Passively Managed	**21,281,160**	**57,947**
International Equities:		
Passively Managed	**11,052,344**	**28,993**
Fixed Income:		
Passively Managed	**127,179,950**	**374,267**
Total	**$198,398,295**	**$566,226**

NOTE: All investment fees are paid to Central Registered Investment Advisors. All custodial fees are included in the management fees, no commissions are incurred.

ACTUARIAL



30 Waterside Drive
Suite 300
Farmington, CT 06032-3069
segalco.com

December 4, 2024

Ms. Stacia G. Fischer
Chief Financial Officer/Deputy Director
Missouri Consolidated Healthcare Plan
832 Weathered Rock Ct.
PO Box 104355
Jefferson City, MO 65110

Dear Ms. Fischer:

We are pleased to submit this Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) measured as of June 30, 2024, under Governmental Accounting Standards Board Statement No. 74. The report summarizes the actuarial data used in the valuation, discloses the Net OPEB Liability (NOL), and analyzes the preceding year's experience. In addition, we have calculated the Actuarially Determined Contribution based on the results of the GASB 74 Actuarial Valuation and Review of the Other Postemployment Benefits of the Missouri Consolidated Healthcare Plan (Plan) as of June 30, 2023, completed by Segal, dated December 5, 2023 (the 2023 GASB 74 report), rolled forward one year. The actuarial calculations were completed under the supervision of Robert Burrell, ASA, FCA, MAAA, EA, Vice President, and Consulting Actuary; and Matthew Kersting, FSA, FCA, MAAA, Vice President and Senior Health Consultant.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board, based upon information provided by the staff of the Plan and the Plan's other service providers. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions used in this valuation and described in Section 3, Exhibit B are reasonably related to the experience of and the expectations for the Plan. The actuarial projections are based on these assumptions and the plan of benefits as summarized in Section 3, Exhibit C.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

Sincerely,

Segal

Robert Burrell, ASA, FCA, MAAA, EA
Vice President and Consulting Actuary

Section 1: Actuarial Valuation Summary

Purpose and basis

This report presents the results of our actuarial valuation of the Missouri Consolidated Healthcare Plan (the "Plan") OPEB plan as of June 30, 2024, required by Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans.* The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. This valuation is based on:

- The benefit provisions of the Plan, as administered by the State of Missouri;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of July 1, 2024, provided by the Plan;
- The assets of the Plan as of June 30, 2024, provided by the Plan;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Plan for the June 30, 2024, valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Highlights of the valuation

Accounting and financial reporting

- The Net OPEB Liability (NOL) as of June 30, 2024, is $1,580,172,590, an increase of $139,079,954, from the prior valuation NOL of $1,441,092,636. Net unfunded plan obligations had been expected to increase to $1,478,459,094 due to normal plan operations. The difference between actual and expected actuarial accrued liabilities was the net effect of several factors:
  - An investment experience gain decreased the NOL by $5,195,812. This was the result of a gain due to fund investment performance (returns higher than expected).
  - An actuarial experience loss increased the NOL by $2,283,316. This was the net result of gains and losses due to demographic changes.
  - Valuation assumption changes increased the NOL by $104,625,992. This was a net result of an increase in obligations due to updating the valuation-year starting per capita health costs and retiree contributions, and updating the future trend on such costs, based on the rates guaranteed for the Medicare Advantage medical plan and the estimated impact of the Inflation Reduction Act of 2022 (IRA) on Medicare Prescription Drug plans. The IRA includes material benefit cost-sharing changes for 2025, most notably implementing a $2,000-member out-of-pocket maximum, as well as various funding changes that will lower Medicare's share of prescription drug costs. Both changes are expected to significantly

increase the premiums charged for Medicare prescription drug coverage. Our projections include an estimated impact of the IRA on the plan offering in calendar year 2025 based on preliminary information.

- As of June 30, 2024, the ratio of assets to the Total OPEB Liability (the funded ratio) is 12.41%, an increase from 12.18% in the prior year. This is based on the market value of assets at this point in time.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Valuation Result	Current	Prior
Reporting date for employer under GASB 74	June 30, 2024	June 30, 2023
Measurement date	June 30, 2024	June 30, 2023
Disclosure elements for fiscal year ending June 30:		
• Total OPEB Liability	$1,804,009,784	$1,640,874,895
• Plan Fiduciary Net Position (Assets)	223,837,194	199,782,259
• Net OPEB Liability	1,580,172,590	1,441,092,636
• Plan Fiduciary Net Position as a percentage of Total OPEB Liability	12.41%	12.18%
• Service cost at beginning of year	32,407,928	33,899,097
• Total payroll	1,738,132,564	1,731,676,631
Schedule of contributions for fiscal year ending June 30:		
• Actuarially Determined Contributions	$96,087,350	$96,276,402
• Actual contributions	74,071,480	74,830,173
• Contribution deficiency / (excess)	22,015,870	21,446,229
• Benefit payments	66,411,043	78,534,081

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to defining future uncertain obligations of a postretirement health plan. As such, it will never forecast the precise future stream of benefit payments. It is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinates with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the Plan to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the market value of assets as of the valuation date, as provided by the Plan.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. To determine the future costs of benefits, Segal collects claims, premiums, and enrollment data in order to establish a baseline cost for the valuation measurement, and then develops short- and long-term health care cost trend rates to project increases in costs in future years. This forecast also requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets or, if there are no assets, a rate of return based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model necessarily uses approximations and estimates that may lead to significant changes in our results but will have no impact on the actual cost of the plan. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared for use by the Plan Finance Department. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- If the Plan is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- Sections of this report include actuarial results that are not rounded, but that does not imply precision.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, health care trend, and investment losses, not just the current valuation results.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Plan should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Plan upon delivery and review. The Plan should notify Segal immediately of any questions or concerns about the final content.

December 4, 2024

Actuarial Certification

This is to certify that Segal has conducted an actuarial valuation of certain benefit obligations of Missouri Consolidated Healthcare Plan's other postemployment benefit programs as of June 30, 2024, in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statement 74 for the determination of the liability for postemployment benefits other than pensions.

The actuarial valuation is based on the plan of benefits verified by the Plan and reliance on participant, premium, claims and expense data provided by the Plan or from vendors employed by the Plan. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security at termination of the plan or determining short-term cash flow requirements.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience or rates of return on assets differing from that anticipated by the assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. The scope of the assignment did not include performing an analysis of the potential change of such future measurements except where noted.

To the best of our knowledge, this report is complete and accurate and, in our opinion, presents the information necessary to comply with GASB Statement 74 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries, and other professional actuarial organizations and collectively meet the "General Qualification Standards for Statements of Actuarial Opinions" to render the actuarial opinion contained herein.

Robert Burrell, ASA, FCA, MAAA, EA
Vice President and Consulting Actuary
Certifying Liability Calculations

Matthew Kersting, FSA, FCA, MAAA
Vice President and Senior Health Consultant
Certifying Claims and Medical Trend Calculations

Section 2: GASB 74 Information

General information about the OPEB plan

Plan administration. The State of Missouri administers the OPEB plan, a cost-sharing multiple employer OPEB plan that is used to provide postemployment benefits other than pensions. The terms and conditions governing postemployment benefits, are vested with the Missouri Consolidated Healthcare Plan's Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178

Plan membership. At July 1, 2024, the Plan membership consisted of the following:

Membership	July 1, 2024
Retired members or beneficiaries currently receiving benefits	22,068
Disabled members currently receiving benefits	43
Vested terminated members entitled to but not yet receiving benefits[1]	79
Active members	38,066
Total	**60,256**

Section 2: GASB 74 Information

Net OPEB Liability

Components of the Net OPEB Liability	Current	Prior
Reporting date for employer under GASB 74	June 30, 2024	June 30, 2023
Measurement date	June 30, 2024	June 30, 2023
Total OPEB Liability	$1,804,009,784	$1,640,874,895
Plan Fiduciary Net Position	223,837,194	199,782,259
Net OPEB Liability	1,580,172,590	1,441,092,636
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	12.41%	12.18%

The Net OPEB Liability was measured as of June 30, 2024, and 2023. Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates and the Total OPEB Liability was determined from actuarial valuations using data as of July 1, 2024, and 2023, respectively.

Actuarial assumptions. The Total OPEB Liability was measured by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Assumption	Description
Inflation	3.00%
Salary increases	4.00%
Discount rate	5.50% as of June 30, 2024, and 5.50% as of June 30, 2023
Healthcare cost trend rates	Non-Medicare Medical and Prescription Drug: 6.34%, 6.78%, 6.56%, 6.34%, 6.12% 5.90%, 5.77%, 5.72%, 5.62%, 5.46%, 5.30%, 5.13%, 4.95%, 4.77%, 4.59%, 4.50% (ultimate) Medicare Medical and Prescription Drug: 7.75%[1], 9.39%, 12.87%[2], 12.73%[2], 9.56%, 9.14%, 8.34%, 7.67%, 7.35%, 6.92%, 6.49%, 6.05%, 5.61%, 5.16%, 4.72%, 4.50% (ultimate) Administrative Expenses: 0.00%, 3.00% (ultimate)
Mortality	Pre-Retirement: Pri-2012 Employee Amount-weighted Mortality Table projected generationally using MP-2021 Annuitant: Pri-2012 Retiree Amount-weighted Mortality Table projected generationally using MP-2021

The actuarial assumptions used in the June 30, 2024, valuation was based on the results of the 2020 Experience Study completed by Willis Towers Watson.

Detailed information regarding all actuarial assumptions can be found in Section 3, Exhibit B.

[1] Reflects estimated impact of the Inflation Reduction Act of 2022 on Medicare Part D.
[2] Reflects expiration of zero premium guarantee for Medicare Advantage medical.

Determination of discount rate and investment rates of return

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Domestic Large Cap Equity	20.0%	7.5%
Domestic MidCap Equity	5.0%	8.4%
Domestic SmallCap Equity	5.0%	9.3%
Global Equity	6.0%	7.9%
Domestic Fixed Income	64.0%	4.4%
Total	**100.0%**	

Discount rate. The discount rate used to measure the Total OPEB Liability (TOL) was 5.50% as of June 30, 2024. The Plan Fiduciary Net Position (FNP) was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL.

Sensitivity

The following presents the NOL of the Plan as well as what the Plan's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (4.50%) or 1-percentage-point higher (6.50%) than the current rate. Also, shown is the NOL as if it were calculated using health care cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current health care trend rates.

Item	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net OPEB Liability (Asset)	$1,863,720,388	$1,580,172,590	$1,351,917,283

Item	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Net OPEB Liability (Asset)	$1,341,237,464	$1,580,172,590	$1,880,062,855

Schedule of changes in Net OPEB Liability – Last two fiscal years

Components of the Net OPEB Liability	Current	Prior
Reporting and measurement dates		
Reporting date for employer under GASB 74	June 30, 2024	June 30, 2023
Measurement date	June 30, 2024	June 30, 2023
Total OPEB Liability		
Service cost	$32,407,928	$33,899,097
Interest	90,228,696	87,906,966
Change of benefit terms	—	—
Differences between expected and actual experience	2,283,316	23,992,597
Changes of assumptions	104,625,992	-29,540,528
Benefit payments, including refunds of member contributions	-66,411,043	-78,534,081
Net change in Total OPEB Liability	**$163,134,889**	**$37,724,051**
Total OPEB Liability – beginning	1,640,874,895	1,603,150,844
Total OPEB Liability – ending	**$1,804,009,784**	**$1,640,874,895**
Plan Fiduciary Net Position		
Contributions – employer	$74,071,480	$74,830,173
Contributions – employee	43,341,489	42,271,958
Net investment income	16,394,498	9,202,451
Benefit payments, including refunds of member contributions	-187,128,595	-186,630,908
Administrative expense	-9,702,460	-9,007,051
Other	87,078,523	74,831,920
Net change in Plan Fiduciary Net Position	**$24,054,935**	**$5,498,543**
Plan Fiduciary Net Position – beginning	199,782,259	194,283,716
Plan Fiduciary Net Position – ending	**$223,837,194**	**$199,782,259**
Net OPEB Liability		
Net OPEB Liability – ending	$1,580,172,590	$1,441,092,636
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	12.41%	12.18%
Covered payroll	$1,738,132,564	$1,731,676,631
Plan Net OPEB Liability as percentage of covered payroll	90.91%	83.22%

Section 2: GASB 74 Information

Notes to Schedule:

- **Changes in Actuarial Assumptions:**
  - Changes as of June 30, 2023:
    - The per capita health costs, administrative expenses and retiree contributions were updated to reflect current experience.
    - The trend assumptions were revised to reflect future expectations.
  - Changes as of June 30, 2024:
    - The starting per capita health costs, administrative expenses and retiree contributions were updated to reflect current experience.
    - The trend assumptions were revised to reflect future expectations based on the rates guaranteed for the Medicare Advantage medical plan and the estimated impact of the Inflation Reduction Act of 2022 (IRA) on Medicare Prescription Drug plans.
- **Changes in Plan Provisions:**
  - Changes as of June 30, 2023:
    - None
  - Changes as of June 30, 2024:
    - None

Schedule of employer contributions – last ten fiscal years

Year Ended June 30	Actuarially Determined Contributions[1]	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$103.7	$62.6	$41.1	$1,586.7	4.0%
2016	96.6	66.2	30.4	1,586.5	4.2%
2017	106.8	67.4	39.4	1,609.5	4.2%
2018	113.2	68.9	44.3	1,604.4	4.3%
2019	113.2	82.6	30.6	1,612.0	5.1%
2020	113.4	72.3	41.1	1,601.1	4.5%
2021	109.5	74.3	35.2	1,724.4	4.3%
2022	104.6	73.0	31.6	1,602.6	4.6%
2023	96.3	74.8	21.4	1,731.7	4.3%
2024	96.1	74.1	22.0	1,738.1	4.3%

Note:
Dollar amounts in millions

Notes to Schedule:

Methods and assumptions used to establish “actuarially determined contribution” rates:

Method or Assumption	Description
Valuation date	Actuarially determined contribution was determined based on the results of the GASB74 actuarial valuation of the Missouri Consolidated Healthcare Plan as of June 30, 2023, completed by Segal, dated December 5, 2023 (the 2023 GASB74 report), rolled forward one year using standard actuarial techniques.
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	30 years from June 30, 2023
Asset valuation method	Fair value
Investment rate of return	5.50%
Salary increases	4.00%

[1] All “Actuarially Determined Contributions” through June 30, 2017 were determined as the “Annual Required Contribution” under GASB 43 and 45.

Actuarially Determined Contribution

Item	June 30, 2024 5.50% Discount Rate	June 30, 2023 5.50% Discount Rate
Actuarial Accrued Liability		
Actuarial accrued liability	$1,640,874,895	$1,603,150,844
Assets	199,782,259	194,283,716
Unfunded actuarial accrued liability	**$1,441,092,636**	**$1,408,867,128**
Actuarially Determined Contribution		
Normal cost	$32,407,928	$33,899,097
Amortization of unfunded actuarial accrued liability[1]	58,670,129	57,358,156
Interest[2]	5,009,293	5,019,149
Total Actuarially Determined Contribution	**$96,087,350**	**$96,276,402**
Total payroll	$1,738,132,564	$1,731,676,631

The Actuarially Determined Contribution for fiscal 2023 is based on the results of the GASB 74 actuarial valuation of the Missouri Consolidated Healthcare Plan as of June 30, 2022, completed by Willis Towers Watson US LLC, dated November 28, 2022 (the 2022 GASB 74 report), rolled forward one year using standard actuarial techniques.

The Actuarially Determined Contribution for fiscal 2024 is based on the results of the GASB 74 Actuarial Valuation and Review of Other Postemployment Benefits of the Missouri Consolidated Healthcare Plan (Plan) as of June 30, 2023, completed by Segal, dated December 5, 2023 (the 2023 GASB 74 report), rolled forward one year using standard actuarial techniques.

[1] 30-year increasing 4.0% per year amortization payment of the unfunded actuarial accrued liability
[2] Total interest on Normal Cost and on Amortization payment

Statement of fiduciary net position

Item	Amounts as of June 30, 2024
Assets	
Other assets	
• Cash & cash equivalents	$2,270,432
• Due from MCHCP	5,904,172
• **Total other assets**	**$8,174,604**
Receivables	
• Prescription drug rebates	$29,904,177
• Other receivables	874,287
• **Total receivables**	**$30,778,464**
Investments	
• U.S. Agencies	$75,062,047
• Exchange Traded Funds	41,244,132
• U.S. Government Guaranteed Mortgages	9,646,386
• Equities	29,966,509
• Corporate	21,170,937
• Collateralized Mortgage Obligations	2,082,247
• U.S. Treasuries	19,226,037
• **Total investments**	**$198,398,295**
Total assets	**$237,351,363**
Liabilities	
Payables	
• Accrued medical claims & capitation fees	$6,353,624
• Unearned revenue & Other liabilities	6,878,705
• Other liabilities	281,840
• **Total Payables**	**$13,514,169**
Total liabilities	**$13,514,169**
Net position restricted for OPEB	**$223,837,194**

Statement of changes in fiduciary net position

Item	Amounts as of June 30, 2024
Additions	
• Employer contributions	$74,071,480
• Employee contributions	43,341,489
• Interest income	16,394,498
• Retiree Drug Subsidy and other rebates	87,078,523
• **Total additions**	**$220,885,990**
Deductions	
• Medical claims & capitation expense	$187,128,595
• Claims administration services	5,865,274
• Administration & other	3,837,186
• **Total Deductions**	**$196,831,055**
Net Increase	**$24,054,935**
Beginning of Year	199,782,259
Net position restricted for OPEB	**$223,837,194**
Rate of return	8.05%

Section 3: Supporting Information

Exhibit A-1: Summary of participant data

As of June 30, 2024

Statistic	Amount
Number of retirees	16,086
Average age of retirees	71.28
Number of spouses	5,014
Average age of spouses	70.62
Number of surviving spouses	1,011
Average age	78.30
Number inactive vested[1]	79
Average age	52.89
Number of actives	38,066
Average age	44.51
Average service	9.43

Exhibit A-2: Age and Service Distribution of Actives

Years of Credited Service

Age	0	1	2	3	4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over	Total
Under 25	1,020	1,071	433	147	52	26	0	0	0	0	0	0	0	2,749
25 - 29	584	996	749	460	270	599	11	0	0	0	0	0	0	3,669
30 - 34	467	705	529	364	221	1,274	364	7	0	0	0	0	0	3,931
35 - 39	302	566	438	308	181	1,069	858	353	9	0	0	0	0	4,084
40 - 44	293	482	411	260	161	920	735	810	395	39	0	0	0	4,506
45 - 49	199	433	311	238	137	779	658	691	835	467	24	0	0	4,772
50 - 54	198	383	331	218	141	754	610	627	762	931	229	19	0	5,203
55 - 59	168	287	262	212	128	730	573	568	589	455	298	100	7	4,377
60 - 64	103	154	174	140	106	687	527	480	387	295	141	108	42	3,344
65 - 69	20	45	46	42	36	241	183	147	97	88	48	34	25	1,052
70 & over	15	27	16	13	6	79	55	48	41	24	20	14	21	379
Total	3,369	5,149	3,700	2,402	1,439	7,158	4,574	3,731	3,115	2,299	760	275	95	38,066

Exhibit B: Actuarial assumptions and actuarial cost method

Valuation date

June 30, 2024

Data

Detailed census data, claims information, premium rates and summary plan descriptions for postemployment welfare benefits were provided by the Missouri Consolidated Health Care Plan.

Actuarial cost method

Entry age normal - Level percentage of payroll.

Expected Return on Assets

5.50%

Long-term rate of return on investments expected to be used to finance the benefits. The expected return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce a long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Discount rate

5.50%

The discount rate is equal to the expected return on assets.

Funding Policy

Contributions to the plan are determined by the appropriations of the Missouri State Legislature. MCHCP requests funding each year equal to the actuarial determined contribution developed based on fully funding the plan’s benefit liability in 30 years. For projection purposes, we have assumed approvals by appropriations are equal to the average of the prior five fiscal years, adjusted to the current and future plan years using the plan’s assumption for salary inflation.

Asset valuation method

Fair value

Salary Increases

4.00%

Mortality rates

Pre-Retirement: Pri-2012 Employee Amount-weighted Mortality Table projected generationally using MP-2021

Annuitant: Pri-2012 Retiree Amount-weighted Mortality Table projected generationally using MP-2021

The underlying tables with generational projection to the ages of participants as of the measurement date reasonably reflect the mortality experience of the plan as of the measurement date. The mortality tables were then adjusted to future years using generational projection to reflect future mortality improvement between the measurement date and those years.

Termination rates before retirement

First Five Years of Service

Service	Rate
0-1	50.0%
1-2	15.0%
2-3	12.0%
3-4	12.0%
4-5	12.0%

After Five Years of Service

Age	Rate
20	19.0%
25	16.9%
30	13.1%
35	9.4%
40	6.8%
45	5.1%
50	4.5%
55	3.9%
60	3.2%
65	3.0%

Disability rates

None assumed.

Retirement rates

Age	Rate
48-54	15.0%
55-61	10.0%
62	20.0%
63	16.0%
64	17.0%
65-66	30.0%
67-69	25.0%
70	30.0%
71-74	25.0%
75	100.0%

Participation and coverage election

60% of employees currently enrolled in the program are assumed to elect postretirement health insurance coverage upon retirement.

20% of employees not currently enrolled in the program are assumed to elect postretirement health insurance coverage upon retirement.

Terminated vested employees are assumed to participate at age 60 as follows:

- 5% of those currently under age 40;
- 15% of those currently between ages 40 and 49
- 60% of those currently age 50 and over

Dependents

Demographic data was available for spouses of current retirees. For future retirees, husbands are assumed to be three years older than their wives. For future retirees who elect to continue their health coverage at retirement, 50% of future participating male retirees and 35% of future participating female retirees are assumed to have an eligible spouse who also opts for health coverage at that time.

Per capita cost development (self-funded)

Non-Medicare medical retiree per capita costs were based on actual retiree paid claim experience furnished by Anthem for the period January 1, 2021, through December 31, 2023. Claims were separated by year and adjusted for plan changes during the experience period.

Prescription drug per capita costs were based on actual retiree experience furnished ESI for the period January 1, 2021, through December 31, 2023. Claims were separated by year and plan (Non-Medicare vs. Medicare), offset by prescription drug rebate and Employer Group Waiver Plan (EGWP) revenues, and adjusted for plan changes and changes in financial terms during the experience period.

Per capita claims for each plan year were then combined by taking a weighted average. The weights used in this average account for a number of factors including each plan year's volatility of claims experience and distance to the valuation year. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Per capita cost development (fully insured)

Medicare retiree per capita costs were based on the Medicare Advantage Premium rate of $0 effective January 1, 2024, through December 31, 2024. Medicare retiree per capita costs for January 1, 2025, through December 31, 2027, were based on monthly Medicare Advantage Premiums of $0 for each year respectively. Beginning January 1, 2028, the Medicare retiree per capita costs were based on a projection of claims costs, CMS revenue, and administrative expenses. Actuarial factors were applied to the projected cost to estimate individual retiree and spouses costs by age and by gender.

Per capita health costs

Fiscal year 2025 medical and prescription drug claims costs are shown in the table below for retirees and for spouses at selected ages. These costs are net of rebates, deductibles and other benefit plan cost sharing provisions.

Age	Male	Female
45	$9,565	$10,499
50	10,794	11,397
55	12,180	12,372
60	14,023	13,412
65	2,567	2,132
70	2,883	2,385
75	3,185	2,508
80	3,335	2,677

Section 3: Supporting Information

Weighted average annual retiree contribution amount

The State pays a percentage of the premium for a designated plan and subtracts the total state subsidy from the premium cost for the plan chosen by the retiree to determine the retiree contribution amount. This percentage is 2.5% per year of service, up to a maximum of 65%. The retiree pays the remainder of the premium. Following are the weighted average premium rates for fiscal 2025:

Non-Medicare: $13,196

Medicare: $2,845

Health care cost trend rates

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are “net” and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that is applied to that year’s cost to yield the next year’s projected cost.

Fiscal Year	Medical and Rx Combined Rate (Non-Medicare)	Medical and Rx Combined Rate (Medicare)
2025	6.34%	7.75%[1]
2026	6.78%	9.39%
2027	6.56%	12.87%[2]
2028	6.34%	12.73%[2]
2029	6.12%	9.56%
2030	5.90%	9.14%
2031	5.77%	8.34%
2032	5.72%	7.67%
2033	5.62%	7.35%
2034	5.46%	6.92%
2035	5.30%	6.49%
2036	5.13%	6.05%
2037	4.95%	5.61%
2038	4.77%	5.16%
2039	4.59%	4.72%
2040 and later	4.50%	4.50%

The trend rate assumptions were developed using Segal’s internal guidelines, which are established each year using data sources such as the 2024 Segal Health Trend Survey, internal client results, trends from other published surveys prepared by the S&P Dow Jones Indices, consulting firms and brokers, and CPI statistics published by the Bureau of Labor Statistics.

[1] Reflects estimated impact of the Inflation Reduction Act of 2022 on Medicare Part D.

[2] Reflects expiration of zero premium guarantee for Medicare Advantage medical.

Retiree contribution increase rate

Retiree contributions for medical and prescription drug coverage are expected to increase with medical trend.

Administrative expenses

For fiscal 2025, the administrative expenses used are $351 per person (apply only for non-Medicare). Future increases will be assumed at the general inflation rate of 0.0% for one year then 3.0% thereafter.

Plan design

Development of plan liabilities was based on the substantive plan of benefits in effect as described in Exhibit C.

Missing participant data

A missing census item for a given participant was assumed to equal the average value of that item over all other participants of the same status for whom the item is known.

Health Care Reform assumption

The valuation does not include the potential impact of any other future changes due to other prior or pending legislation except for the Inflation Reduction Act of 2022 (IRA).

The IRA includes material benefit cost-sharing changes for 2025, most notably implementing a $2,000 member out-of-pocket maximum, as well as various funding changes that will lower Medicare's share of prescription drug costs. Both changes are expected to significantly increase the premiums charged for Medicare prescription drug coverage. Our projections include an estimated impact of the IRA on the plan offering in calendar year 2025 based on preliminary information.

Demographic and salary increase assumptions

The demographic assumptions used in this valuation (including mortality, disability, turnover, retirement, percent married, relative ages of spouses and enrollment elections) and the salary increase assumptions are the same as the assumptions selected by the plan sponsor and supported by an experience study conducted by Willis Towers Watson dated July 2020. A review of these demographic assumptions is beyond the scope of this assignment; however, we have no reason to doubt the reasonableness of these assumptions.

Section 3: Supporting Information

Actuarial models

Segal accounting results are based on proprietary actuarial modeling software. The accounting valuation models generate a comprehensive set of liability and cost calculations that are presented to meet accounting standards and client requirements. Our Actuarial Technology and Systems unit, comprising both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility, and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

The blended discount rate used for calculating total pension liability is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the paid claims, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.

Justification for assumption changes since prior valuation

Based on past experience and future expectations, the following actuarial assumptions were changed:

- The starting per capita health costs, administrative expenses and retiree contributions were updated to reflect current experience.
- The trend assumptions were revised to reflect the estimated impact of the Inflation Reduction Act of 2022, the rates guaranteed for the Medicare Advantage premium, and future expectations.

Exhibit C: Summary of plan

This exhibit summarizes the major benefit provisions as included in the valuation. To the best of our knowledge, the summary represents the substantive plans as of the measurement date. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions.

Eligibility

A participant is eligible for coverage if, at the time of termination of State employment, the participant is eligible to receive a monthly retirement benefit from either the Missouri State Employees' Retirement System (MOSERS) or from the Public School Retirement System (PSRS) for State employment, and has met one of the following requirements:

- has had coverage through MCHCP since the effective date of the last Open Enrollment period; or
- has had other health insurance for the six months immediately prior to termination of State employment (proof of insurance required); or
- has had coverage since first eligible.

A participant who terminates employment before being eligible to receive post-retirement coverage will still be eligible upon reaching retirement age if he/she remains enrolled through MCHCP through retirement age. For valuation purposes, it is assumed that they will begin receiving benefits at their earliest eligibility date.

Benefit types

Non-Medicare Retirees: Three plan options are available for medical coverage, administered by Anthem: PPO 750, PPO 1250, HSA. Prescription drug coverage is administered by Express Scripts (ESI).

Medicare Retirees: Medicare coverage is provided by a Group Medicare Advantage PPO plan, administered by UnitedHealthcare. Prescription drug coverage is provided by an Employer Group Waiver Plan, administered by ESI.

Duration of coverage

Lifetime.

State Contributions

The contribution amount for a retiree is calculated using the number of full years of service as reported to MCHCP by MOSERS or PSRS times 2.5%, capped at 65% with the actual amount determined by State appropriations. Prior to January 1, 2005, the maximum was 60%. The percentage paid by the State remains the same at Medicare eligibility. The State pays a percentage of a designated plan and subtracts the total premium from the plan chosen by the retiree.

For retirements prior to January 1, 2002, the contribution will be the greater of the contribution based on the years of service and the amount being paid at that date. This is re-determined each year for January coverage.

Retiree contributions

Retirees pay the portion of the premium not covered by the State.

Benefit descriptions

Benefits are pursuant to Section 103 of the Revised Statutes of MO and Chapter 22 of Missouri State Regulations.[1]

Plan changes since the prior valuation

None.

[1] https://www.sos.mo.gov/CMSImages/AdRules/csr/current/22csr/22c10-2.pdf

Section 3: Supporting Information

Appendix A: Projection of OPEB Plan's Fiduciary Net Position for use in the calculation of discount rate as of June 30, 2024

Year Beginning July 1	Projected Beginning Plan Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan Fiduciary Net Position (f) = (a) + (b) – (c) – (d) + (e)
2024	$223,837,194	$77,714,069	$72,994,870	$0	$14,604,828	$243,161,221
2025	243,161,221	80,822,632	75,370,636	0	15,774,161	264,387,378
2026	264,387,378	84,055,537	78,361,514	0	17,038,261	287,119,662
2027	287,119,662	87,417,759	83,263,407	0	18,340,461	309,614,475
2028	309,614,475	90,914,469	88,106,872	0	19,638,583	332,060,655
2029	332,060,655	94,551,048	92,693,900	0	20,948,679	354,866,482
2030	354,866,482	98,333,090	98,517,609	0	22,253,004	376,934,966
2031	376,934,966	102,266,413	104,174,892	0	23,529,610	398,556,098
2032	398,556,098	106,357,070	109,580,198	0	24,797,102	420,130,071
2033	420,130,071	110,611,353	115,462,413	0	26,058,060	441,337,071
2034	441,337,071	115,035,807	120,878,953	0	27,320,829	462,814,754
2035	462,814,754	119,637,239	125,991,542	0	28,616,466	485,076,917
2036	485,076,917	124,422,729	130,448,260	0	29,983,168	509,034,553
2037	509,034,553	129,399,638	134,966,261	0	31,451,985	534,919,915
2038	534,919,915	134,575,623	139,243,694	0	33,044,305	563,296,149
2039	563,296,149	139,958,648	142,061,365	0	34,824,615	596,018,047
2040	596,018,047	145,556,994	144,730,974	0	36,859,797	633,703,864
2041	633,703,864	151,379,274	147,291,722	0	39,183,264	676,974,679
2042	676,974,679	157,434,445	148,915,292	0	41,852,143	727,345,975
2043	727,345,975	163,731,822	150,688,131	0	44,920,819	785,310,485
2044	785,310,485	170,281,095	152,526,907	0	48,419,188	851,483,862
2045	851,483,862	177,092,339	153,716,958	0	52,401,053	927,260,296
2046	927,260,296	184,176,033	154,844,384	0	56,927,771	1,013,519,716
2047	1,013,519,716	191,543,074	156,119,184	0	62,042,639	1,110,986,245
2048	1,110,986,245	199,204,797	157,306,643	0	67,792,475	1,220,676,874
2049	1,220,676,874	207,172,989	158,211,463	0	74,239,160	1,343,877,560
2050	1,343,877,560	215,459,908	158,376,343	0	81,466,505	1,482,427,630
2051	1,482,427,630	224,078,305	158,929,711	0	89,545,757	1,637,121,981
2052	1,637,121,981	233,041,437	159,467,103	0	98,532,338	1,809,228,653
2053	1,809,228,653	242,363,095	159,143,809	0	108,519,668	2,000,967,606

Year Beginning July 1	Projected Beginning Plan Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan Fiduciary Net Position (f) = (a) + (b) – (c) – (d) + (e)
2054	2,000,967,606	252,057,618	158,369,552	0	119,619,516	2,214,275,188
2055	2,214,275,188	0	157,507,246	0	117,511,660	2,174,279,602
2056	2,174,279,602	0	156,255,981	0	115,345,852	2,133,369,473
2057	2,133,369,473	0	154,576,400	0	113,141,365	2,091,934,438
2058	2,091,934,438	0	152,644,985	0	110,914,841	2,050,204,294
2059	2,050,204,294	0	150,017,727	0	108,690,966	2,008,877,533
2060	2,008,877,533	0	147,114,573	0	106,496,762	1,968,259,722
2061	1,968,259,722	0	143,939,516	0	104,348,928	1,928,669,134
2062	1,928,669,134	0	140,187,562	0	102,273,243	1,890,754,815
2063	1,890,754,815	0	136,256,326	0	100,294,618	1,854,793,107
2064	1,854,793,107	0	132,219,951	0	98,426,239	1,820,999,395
2065	1,820,999,395	0	127,885,001	0	96,685,200	1,789,799,594
2066	1,789,799,594	0	123,642,387	0	95,084,321	1,761,241,528
2067	1,761,241,528	0	119,346,025	0	93,630,196	1,735,525,699
2068	1,735,525,699	0	115,224,000	0	92,327,664	1,712,629,363
2069	1,712,629,363	0	110,886,206	0	91,186,058	1,692,929,215
2070	1,692,929,215	0	106,559,378	0	90,219,945	1,676,589,783
2071	1,676,589,783	0	101,927,021	0	89,446,961	1,664,109,723
2072	1,664,109,723	0	97,556,594	0	88,879,136	1,655,432,265
2073	1,655,432,265	0	93,134,229	0	88,521,863	1,650,819,899
2074	1,650,819,899	0	88,634,560	0	88,390,268	1,650,575,607
2075	1,650,575,607	0	84,066,403	0	88,500,775	1,655,009,979
2076	1,655,009,979	0	79,452,149	0	88,869,859	1,664,427,689
2077	1,664,427,689	0	74,816,756	0	89,513,600	1,679,124,533
2078	1,679,124,533	0	70,180,821	0	90,447,708	1,699,391,420
2079	1,699,391,420	0	65,567,217	0	91,687,563	1,725,511,766
2080	1,725,511,766	0	60,990,075	0	93,248,369	1,757,770,060
2081	1,757,770,060	0	56,485,876	0	95,144,782	1,796,428,966
2082	1,796,428,966	0	52,074,151	0	97,390,721	1,841,745,536
2083	1,841,745,536	0	47,755,277	0	100,000,312	1,893,990,571
2084	1,893,990,571	0	43,567,986	0	102,987,398	1,953,409,983
2085	1,953,409,983	0	39,522,829	0	106,365,218	2,020,252,372
2086	2,020,252,372	0	35,635,198	0	110,147,029	2,094,764,203
2087	2,094,764,203	0	31,920,868	0	114,345,956	2,177,189,292
2088	2,177,189,292	0	28,416,933	0	118,974,405	2,267,746,763

Section 3: Supporting Information

Year Beginning July 1	Projected Beginning Plan Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan Fiduciary Net Position (f) = (a) + (b) – (c) – (d) + (e)
2089	2,267,746,763	0	25,159,184	0	124,043,455	2,366,631,034
2090	2,366,631,034	0	22,059,637	0	129,566,186	2,474,137,583
2091	2,474,137,583	0	19,226,357	0	135,555,919	2,590,467,145
2092	2,590,467,145	0	16,598,441	0	142,025,345	2,715,894,050
2093	2,715,894,050	0	14,250,740	0	148,987,523	2,850,630,832
2094	2,850,630,832	0	12,119,423	0	156,455,872	2,994,967,282

Notes

- Amounts may not total exactly due to rounding.
- Column (b): Projected Total Contributions are based on projected appropriation increasing 4.0% per year assumed to be allocated to current members as of June 30, 2024.
- Column (c): Projected benefit payments have been determined in accordance with paragraphs 43-47 of GASB Statement No. 74 and are based on the closed group of active, retired members and beneficiaries as of June 30, 2024.
- Column (e): Projected investment earnings are based on the assumed investment rate of return of 5.5% per annum.

Appendix B: Development of blended discount rate as of June 30, 2024

Year Beginning July 1:	Projected Beginning Plan Fiduciary Net Position	Funded Benefit Payments	Unfunded Benefit Payments	Discounted Funded Benefit Payments	Discounted Unfunded Benefit Payments	Discounted at Blended Rate
2024	$223,837,194	$72,994,870	$0	$71,066,694	$0	$71,066,694
2025	243,161,221	75,370,636	0	69,554,221	0	69,554,221
2026	264,387,378	78,361,514	0	68,544,351	0	68,544,351
2027	287,119,662	83,263,407	0	69,035,197	0	69,035,197
2028	309,614,475	88,106,872	0	69,242,655	0	69,242,655
2029	332,060,655	92,693,900	0	69,049,832	0	69,049,832
2030	354,866,482	98,517,609	0	69,562,131	0	69,562,131
2031	376,934,966	104,174,892	0	69,721,964	0	69,721,964
2032	398,556,098	109,580,198	0	69,516,224	0	69,516,224
2033	420,130,071	115,462,413	0	69,429,216	0	69,429,216
2034	441,337,071	120,878,953	0	68,896,929	0	68,896,929
2035	462,814,754	125,991,542	0	68,067,234	0	68,067,234
2036	485,076,917	130,448,260	0	66,800,936	0	66,800,936
2037	509,034,553	134,966,261	0	65,511,420	0	65,511,420
2038	534,919,915	139,243,694	0	64,064,121	0	64,064,121
2039	563,296,149	142,061,365	0	61,953,074	0	61,953,074
2040	596,018,047	144,730,974	0	59,826,817	0	59,826,817
2041	633,703,864	147,291,722	0	57,711,225	0	57,711,225
2042	676,974,679	148,915,292	0	55,305,560	0	55,305,560
2043	727,345,975	150,688,131	0	53,046,420	0	53,046,420
2044	785,310,485	152,526,907	0	50,894,522	0	50,894,522
2045	851,483,862	153,716,958	0	48,617,643	0	48,617,643
2046	927,260,296	154,844,384	0	46,421,067	0	46,421,067
2047	1,013,519,716	156,119,184	0	44,363,262	0	44,363,262
2048	1,110,986,245	157,306,643	0	42,370,326	0	42,370,326
2049	1,220,676,874	158,211,463	0	40,392,453	0	40,392,453
2050	1,343,877,560	158,376,343	0	38,326,586	0	38,326,586
2051	1,482,427,630	158,929,711	0	36,455,449	0	36,455,449
2052	1,637,121,981	159,467,103	0	34,671,769	0	34,671,769
2053	1,809,228,653	159,143,809	0	32,797,609	0	32,797,609
2054	2,000,967,606	158,369,552	0	30,936,535	0	30,936,535

Year Beginning July 1:	Projected Beginning Plan Fiduciary Net Position	Funded Benefit Payments	Unfunded Benefit Payments	Discounted Funded Benefit Payments	Discounted Unfunded Benefit Payments	Discounted at Blended Rate
2055	2,214,275,188	157,507,246	0	29,164,065	0	29,164,065
2056	2,174,279,602	156,255,981	0	27,424,058	0	27,424,058
2057	2,133,369,473	154,576,400	0	25,714,956	0	25,714,956
2058	2,091,934,438	152,644,985	0	24,069,811	0	24,069,811
2059	2,050,204,294	150,017,727	0	22,422,305	0	22,422,305
2060	2,008,877,533	147,114,573	0	20,842,073	0	20,842,073
2061	1,968,259,722	143,939,516	0	19,329,152	0	19,329,152
2062	1,928,669,134	140,187,562	0	17,843,900	0	17,843,900
2063	1,890,754,815	136,256,326	0	16,439,345	0	16,439,345
2064	1,854,793,107	132,219,951	0	15,120,717	0	15,120,717
2065	1,820,999,395	127,885,001	0	13,862,531	0	13,862,531
2066	1,789,799,594	123,642,387	0	12,703,923	0	12,703,923
2067	1,761,241,528	119,346,025	0	11,623,207	0	11,623,207
2068	1,735,525,699	115,224,000	0	10,636,739	0	10,636,739
2069	1,712,629,363	110,886,206	0	9,702,655	0	9,702,655
2070	1,692,929,215	106,559,378	0	8,837,966	0	8,837,966
2071	1,676,589,783	101,927,021	0	8,013,043	0	8,013,043
2072	1,664,109,723	97,556,594	0	7,269,630	0	7,269,631
2073	1,655,432,265	93,134,229	0	6,578,283	0	6,578,283
2074	1,650,819,899	88,634,560	0	5,934,087	0	5,934,087
2075	1,650,575,607	84,066,403	0	5,334,833	0	5,334,833
2076	1,655,009,979	79,452,149	0	4,779,159	0	4,779,159
2077	1,664,427,689	74,816,756	0	4,265,719	0	4,265,719
2078	1,679,124,533	70,180,821	0	3,792,795	0	3,792,795
2079	1,699,391,420	65,567,217	0	3,358,731	0	3,358,731
2080	1,725,511,766	60,990,075	0	2,961,387	0	2,961,387
2081	1,757,770,060	56,485,876	0	2,599,701	0	2,599,701
2082	1,796,428,966	52,074,151	0	2,271,712	0	2,271,712
2083	1,841,745,536	47,755,277	0	1,974,695	0	1,974,695
2084	1,893,990,571	43,567,986	0	1,707,630	0	1,707,630
2085	1,953,409,983	39,522,829	0	1,468,324	0	1,468,324
2086	2,020,252,372	35,635,198	0	1,254,875	0	1,254,875
2087	2,094,764,203	31,920,868	0	1,065,476	0	1,065,476
2088	2,177,189,292	28,416,933	0	899,070	0	899,070
2089	2,267,746,763	25,159,184	0	754,502	0	754,502

Section 3: Supporting Information

Year Beginning July 1:	Projected Beginning Plan Fiduciary Net Position	Funded Benefit Payments	Unfunded Benefit Payments	Discounted Funded Benefit Payments	Discounted Unfunded Benefit Payments	Discounted at Blended Rate
2090	2,366,631,034	22,059,637	0	627,061	0	627,061
2091	2,474,137,583	19,226,357	0	518,031	0	518,031
2092	2,590,467,145	16,598,441	0	423,910	0	423,910
2093	2,715,894,050	14,250,740	0	344,978	0	344,978
2094	2,850,630,832	12,119,423	0	278,089	0	278,089

Appendix C: Definition of terms

Definitions of certain terms as they are used in Statement 75. The terms may have different meanings in other contexts.

Term	Definition
Actuarially Determined Contribution:	A target or recommended contribution to an OPEB plan for the reporting period based on the most recent measurement available.
Assumptions or actuarial assumptions:	The estimates on which the cost of the Plan is calculated including: a. Investment return — the rate of investment yield that the Plan will earn over the long-term future; b. Mortality rates — the death rates of employees and retirees; life expectancy is based on these rates; c. Retirement rates — the rate or probability of retirement at a given age; d. Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.
Covered payroll:	The payroll of the employees that are provided OPEB benefits
Discount rate:	The single rate of return, that when applied to all projected benefit payments results in an actuarial present value that is the sum of the following: a. the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return, and b. the actuarial present value of projected benefit payments that are not included in (a) using a yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher
Entry age actuarial cost method:	An actuarial cost method where the present value of the projected benefits for an individual is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age
Health care cost trend rates:	The rate of change in per capita health costs over time
Net OPEB Liability:	The Total OPEB Liability less the Plan Fiduciary Net Position
Plan Fiduciary Net Position:	Market Value of Assets
Real rate of return:	The rate of return on an investment after removing inflation
Service cost:	The amount of contributions required to fund the benefit allocated to the current year of service.
Total OPEB Liability:	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement No. 75.
Valuation date:	The date at which the actuarial valuation is performed

Appendix D: Accounting requirements

The Governmental Accounting Standards Board (GASB) issued Statement Number 74 – Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and Statement Number 75 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Under these statements, all state and local government entities that provide other post-employment benefits are required to report the cost of these benefits on their financial statements. The accounting standards supplement cash accounting, under which the expense for postemployment benefits is equal to benefit and administrative costs paid on behalf of retirees and their dependents (i.e., a pay-as-you-go basis).

The statements cover postemployment benefits of medical, prescription drugs, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are *not* offered as part of a pension plan; and long-term disability insurance for employees. The benefits valued in this report are limited to those described in Exhibit C of Section 3, which are based on those provided under the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits is not limited by legal or contractual limits on funding the plan unless those limits clearly translate into benefit limits on the substantive plan being valued.

The new standards prescribe an accrual-basis accounting requirement, thereby recognizing the employer cost of postemployment benefits over an employee's career. The standards also prescribe a consistent accounting requirement for both pension and non-pension benefits.

The total cost of providing postemployment benefits is projected, taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions. These assumptions are summarized in Exhibit B of Section 3. This amount is then discounted to determine the Total OPEB Liability. The Net OPEB Liability (NOL) is the difference between the Total OPEB Liability and market value of assets in the Plan, called the Plan Fiduciary Net Position.

Once the NOL is determined, the annual OPEB expense is determined as the change in NOL from the prior year with deferred recognition of certain elements. In addition, Required Supplementary Information (RSI) must be reported, including historical information about the Net OPEB Liability and the contributions made to the Plan. Appendix C of Section 3 contains a definition of terms.

The calculation of an accounting obligation does not, in and of itself, imply that there is any legal liability to provide the benefits valued, nor is there any implication that the Employer is required to implement a funding policy to satisfy the projected expense.

Actuarial calculations reflect a long-term perspective, and the methods and assumptions use techniques designed to reduce short-term volatility in accrued liabilities and the actuarial value of assets, if any.

Section 3: Supporting Information

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

STATISTICAL

OVERVIEW

The statistical section presents detailed information as a complement to the financial statements, notes to the financial statements, and required supplementary information regarding MCHCP’s financial health and results.

Historical Data: Revenues by Source – Depicts by revenue category MCHCP's internal service fund revenues for the most recent 10 fiscal years.

Historical Data: Expenses by Type – Depicts by expense category MCHCP's internal service fund expenses for the most recent 10 fiscal years.

Distribution of Claims Payments – Provides by percentage and type of claim payment for state membership for fiscal year 2024.

Healthcare Options by Year & Total Lives – Graphs state membership by type of healthcare option for the most recent 10 fiscal years.

Statement of Revenues, Expenses & Changes in Net Position – Schedules financial information for the Internal Service fund for the most recent 10 fiscal years.

Statement of Change in Fiduciary Net Position – Schedules financial information for the SRWBT for the most recent 10 fiscal years.

Schedule of Net Position by Component – Depicts the net position of the Internal Service fund by type for the most recent 10 fiscal years.

Full-Time Employees – Charts the full-time employees of MCHCP by department for the most recent 10 fiscal years.

Paid Claims Distribution by Individual – Graphs claims expenditures for state members by net pay by percent of membership for fiscal year 2024.

State Membership Enrolled in MCHCP – Depicts state membership subscriber and dependent enrollment by age, gender and type of enrollment for fiscal year 2024.

Enrollment History – Presents state membership enrollment by type and total for the most recent 10 fiscal years.

Enrollment Distribution – Presents state membership as split between active/cobra versus those in retiree status for the most recent 10 fiscal years.

Public Entity Membership Enrolled in MCHCP – Depicts public entity subscriber and dependent enrollment by age, gender and type of enrollment for fiscal year 2024.

Enrollment History - Presents public entity membership enrollment by type and total for the most recent 10 fiscal years.

Enrollment Distribution – Presents public entity membership as split between active/cobra versus those in retiree status for the most recent 10 fiscal years.

Plan Demographics – Graphically presents State and Public Entity Membership for fiscal year 2024 by total lives, average age, and percentage of gender.

Principal Participating Employers – Illustrates employer rank by percentage of covered employees within MCHCP for the SRWBT.

Average Benefit Payment – Depicts benefit payment information by average participant and the corresponding amount per participant for the SRWBT.

Historical Data: Revenues by Source

Internal Service Fund, ten years ended June 30, 2024

Fiscal Year	State/Employer Contributions	Member Contributions	Public Entity Income	Pharmacy Rebates & Subsidy	Total Operating Revenues	Investment & Other Income
2024	$417,458,045	$76,354,804	$11,155,149	$77,116,752	$582,084,750	$18,216,314
2023	419,866,799	72,409,193	10,233,195	53,973,889	556,483,076	9,489,988
2022	429,970,953	70,503,325	9,633,399	42,840,523	552,948,200	(3,778,081)
2021	437,336,186	74,012,245	8,150,024	32,607,229	552,105,684	433,361
2020	401,388,126	74,873,802	7,423,514	31,653,218	515,338,660	1,103,352
2019	400,006,662	76,138,619	7,870,921	31,161,964	515,178,166	1,171,090
2018	334,208,126	80,156,169	7,559,037	24,832,110	446,755,442	1,222,021
2017	328,917,283	80,960,318	7,468,778	17,365,478	434,711,857	893,977
2016	324,857,578	83,815,598	7,904,470	13,500,867	430,078,513	1,173,043
2015	324,630,770	83,734,256	8,063,991	5,689,731	422,118,748	735,595

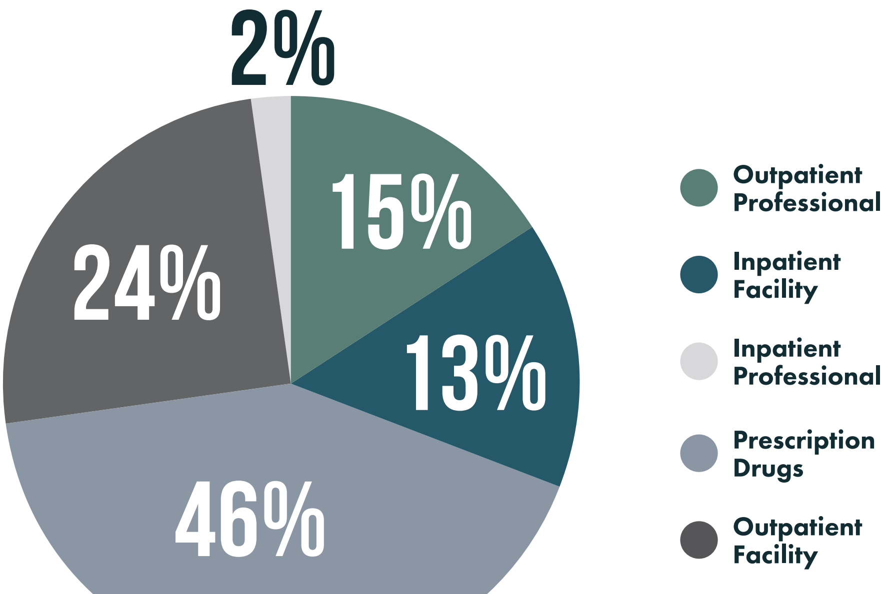
Historical Data: Expenses by Type

Internal Service Fund, ten years ended June 30, 2024

Fiscal Year	Medical Claims/Capitation & Health Administrative Services	Administration & Payroll	Other	Total Operating Expenses & Fees
2024	$537,044,846	$4,981,594	$12,125,422	$554,151,862
2023	486,414,305	4,626,139	11,442,804	502,483,248
2022	460,343,536	4,105,625	10,872,190	475,321,351
2021	450,588,922	4,666,054	11,360,288	466,615,264
2020	439,515,651	4,731,207	10,903,086	455,149,944
2019	499,070,275	4,330,944	1,185,609	504,586,828
2018	525,142,217	4,460,726	1,206,145	530,809,088
2017	474,453,616	4,317,715	1,488,309	480,259,640
2016	452,409,305	3,846,601	1,644,070	457,899,976
2015	420,740,454	3,998,457	1,846,818	426,585,729

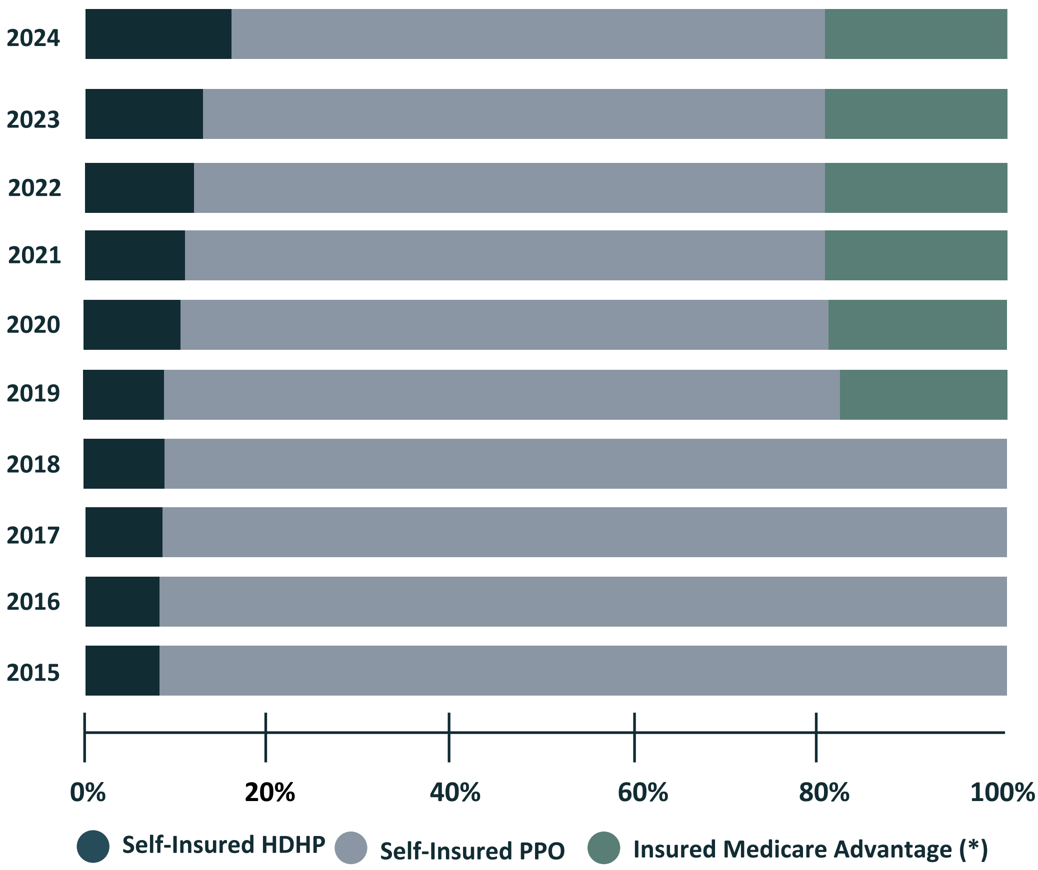
Distribution of Claim Payments

State Membership, Fiscal Year 2024



Healthcare Options by Year & Total Lives

State Membership, ten years ended June 30, 2024



(*) Rx for Medicare Advantage Members is self-insured

Statement of Revenues, Expenses & Changes in Net Position

Internal Service Fund, ten years ended June 30, 2024

Fiscal Year Ending	2024	2023	2022	2021
Operating Revenues				
State/employer contributions	**$417,458,045**	**$419,866,799**	**$429,970,953**	**$437,336,186**
Member contributions	**76,354,804**	**72,409,193**	**70,503,325**	**74,012,245**
Public entity contributions	**11,155,149**	**10,233,195**	**9,633,399**	**8,150,024**
Pharmacy rebates	**77,116,752**	**53,973,889**	**42,840,523**	**32,607,229**
Total Operating Revenues	**$582,084,750**	**$556,483,076**	**$552,948,200**	**$552,105,684**
Operating Expenses				
Medical claims & capitation expense	**$537,044,846**	**$486,414,305**	**$460,343,536**	**$450,588,922**
Claims administration services	**11,032,376**	**10,155,070**	**9,831,737**	**10,589,411**
Payroll and related benefits	**3,998,525**	**3,739,818**	**3,185,235**	**3,436,317**
Health management	**(2,175)**	**(1,745)**	**5,265**	**(44,522)**
Administration	**1,050,936**	**955,353**	**980,820**	**931,138**
Professional services	**519,629**	**807,847**	**602,902**	**700,784**
Employee Assistance Program	**507,727**	**412,600**	**371,856**	**413,214**
Depreciation				
Total Operating Expenses	**$554,151,864**	**$502,483,248**	**$475,321,351**	**$466,615,264**
Operating revenues over (under) operating expenses	**$27,932,886**	**$53,999,828**	**$77,626,849**	**$85,490,420**
Nonoperating Revenues				
Investment and other income	**18,216,314**	**9,489,988**	**(3,778,081)**	**433,361**
Net Position				
Change in net position	**46,149,200**	**63,489,816**	**73,848,768**	**85,923,781**
Net position, beginning of year, adjusted	**275,930,802**	**212,440,986**	**138,592,217**	**52,668,436**
Net Position, End of Year	**$322,080,002**	**$275,930,802**	**$212,440,985**	**$138,592,217**

2020	2019	2018	2017	2016	2015
$401,388,126	$400,006,661	$334,208,126	$327,233,709	$324,857,578	$324,630,770
74,873,802	76,138,619	80,156,169	80,960,318	83,815,598	83,734,256
7,423,514	7,870,921	7,559,037	7,468,778	7,904,470	8,063,991
31,653,218	31,161,964	24,832,110	17,365,478	13,500,867	5,689,731
$515,338,660	$515,178,165	$446,755,442	$433,028,283	$430,078,513	$422,118,748
$439,515,651	$489,424,668	$514,367,757	$462,217,654	$437,471,527	$403,830,055
9,937,642	9,655,047	10,768,757	11,445,426	13,218,054	15,639,455
3,837,791	3,682,752	3,620,926	3,580,771	3,192,904	3,171,205
3,838	(9,440)	5,703	790,536	1,719,724	1,270,944
893,416	648,192	775,553	736,944	740,609	827,252
520,595	653,477	733,700	862,896	962,817	1,132,123
441,011	455,356	472,445	536,566	594,341	598,961
	76,776	64,247	88,847		115,734
$455,149,944	$504,586,828	$530,809,088	$480,259,640	$457,899,976	$426,585,729
$60,188,716	$10,591,337	($84,053,646)	($47,231,357)	($27,821,463)	($4,466,981)
1,103,352	1,171,090	1,222,021	893,977	1,173,043	735,595
61,292,068	11,762,427	(82,831,625)	(46,337,380)	(26,648,420)	(3,731,386)
(8,623,632)	(20,386,059)	62,445,566	108,782,946	135,431,366	139,162,752
$52,668,436	($8,623,632)	($20,386,059)	$62,445,566	$108,782,946	$135,431,366

Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust, for the ten fiscal years ended June 30, 2024

Additions	2024	2023	2022	2021
Employer contributions	**$74,071,480**	**$74,830,173**	**$73,021,995**	**$74,330,294**
Retiree contributions	**43,341,489**	**42,271,958**	**43,527,194**	**43,275,109**
Investment income	**16,394,498**	**9,202,451**	**(12,883,097)**	**18,258,737**
Retiree drug subsidy & other rebates	**87,078,523**	**74,831,920**	**67,663,080**	**53,623,533**
Total Additions	**$220,885,990**	**$201,136,502**	**$171,329,172**	**$189,487,673**
Deductions				
Medical claims & capitation expense	**$187,128,595**	**$186,630,908**	**$161,799,507**	**$149,071,751**
Claims administration services	**5,865,274**	**5,402,141**	**4,783,416**	**4,926,263**
Administration & other	**3,837,186**	**3,604,910**	**2,922,355**	**2,921,853**
Total Deductions	**$196,831,055**	**$195,637,959**	**$169,505,278**	**$156,919,867**
Net Increase	**24,054,935**	**5,498,543**	**1,823,894**	**32,567,806**
Net Position Restricted for Pensions				
Beginning of Year	**199,782,259**	**194,283,716**	**192,459,822**	**159,892,016**
End of Year	**$223,837,194**	**$199,782,259**	**$194,283,716**	**$192,459,822**

	2020	2019	2018	2017	2016	2015
	$72,338,734	$82,619,621	$68,901,880	$67,398,726	$66,199,740	$62,585,666
	43,318,278	51,242,143	53,157,242	52,169,890	51,446,647	50,343,105
	2,754,934	6,208,661	4,679,311	7,838,782	2,275,792	4,003,656
	48,172,196	41,544,557	35,501,734	30,514,297	29,696,367	14,865,605
	$166,584,142	$181,614,982	$162,240,167	$157,921,695	$149,618,546	$131,798,032
	$138,933,653	$165,126,632	$150,606,550	$142,154,216	$131,451,967	$118,668,233
	4,412,024	4,128,891	4,389,802	4,325,639	4,892,410	5,865,488
	2,896,632	2,743,447	2,752,187	2,984,613	3,193,562	2,632,026
	$146,242,309	$171,998,970	$157,748,539	$149,464,468	$139,537,939	$127,165,747
	20,341,833	9,616,012	4,491,628	8,457,227	10,080,607	4,632,285
	139,550,183	129,934,171	125,442,543	116,985,316	106,904,709	102,272,424
	$159,892,016	$139,550,183	$129,934,171	$125,442,543	$116,985,316	$106,904,709

Schedule of Net Position by Component

Internal Service Fund, ten years ended June 30, 2024

Net Position	Net investments in capital assets	Unrestricted	Total net position
2024	$1,405,689	$320,674,313	$322,080,002
2023	2,279,137	273,651,665	275,930,802
2022	1,494,389	210,946,597	212,440,986
2021	378,160	138,214,058	138,592,218
2020	177,984	52,490,453	52,668,437
2019	220,086	(8,843,718)	(8,623,632)
2018	287,155	(20,673,214)	(20,386,059)
2017	283,032	62,162,534	62,445,566
2016	221,396	108,561,550	108,782,946
2015	304,082	135,127,283	135,431,365

Full-Time Employees

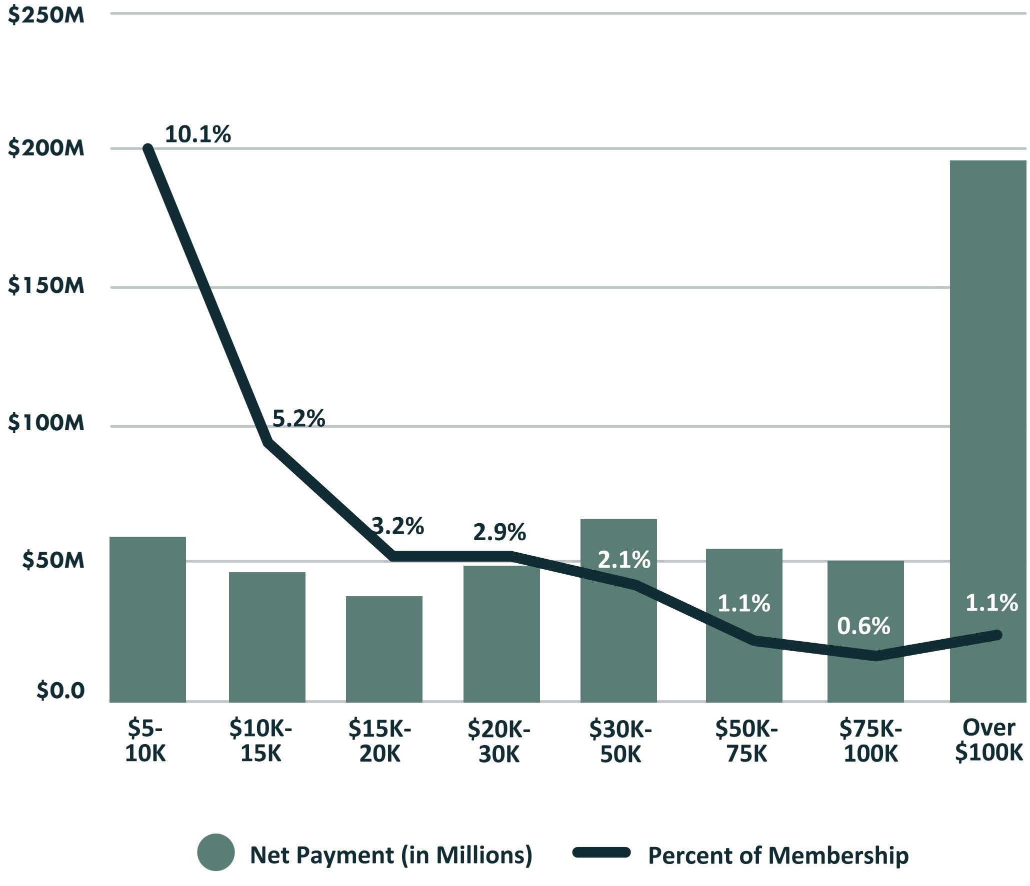
Missouri Consolidated Health Care Plan, ten years ended June 30, 2024

Department	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Executive & Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	43.60	43.24	43.40	45.54	41.8	44.11	44.75	46.58	48.54	50.00
General Counsel	1.00	1.00	1.00	1.00	2.00	1.00	1.00	1.00	1.20	2.00
Internal Audit	.83	.62	0.00	0.00	3.66	3.00	3.00	3.00	3.00	3.00
Human Resources	1.00	1.00	0.00	.83	0.42	1.00	1.00	1.00	1.00	1.00
Finance	2.00	2.00	2.33	3.00	4.00	4.00	4.91	5.92	6.00	6.00
Totals	50.43	49.86	48.73	52.37	53.88	55.11	56.66	59.5	61.74	64.00

Source: Missouri Consolidated Health Care Budget Documents

Paid Claims Distribution by Individual

State Members Fiscal Year 2024



73.5% of membership accumulated $0-$5K in claims and accounted for $62.0M in cost.

State Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2024

	Active		COBRA		Disabled		Retirees		Survivors		Vested		
Age	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	**Total**
< 1	288	352	0	0	0	0	0	0	0	0	1	1	642
1 - 10	3,701	3,850	1	5	0	1	7	12	2	1	8	16	7,604
11 - 19	4,899	5,150	2	1	0	4	101	100	10	23	9	10	10,309
20 - 24	3,354	3,221	2	0	2	0	208	173	17	9	10	5	7,001
25 - 29	2,437	1,800	3	5	0	0	48	56	2	1	0	0	4,352
30 - 34	2,456	1,680	5	1	2	0	6	6	1	1	2	1	4,161
35 - 39	2,694	1,726	0	0	0	0	4	10	0	0	3	3	4,440
40 - 44	3,160	1,875	1	1	1	2	6	11	1	2	9	6	5,075
45 - 49	3,330	2,107	0	0	3	3	18	12	2	1	11	8	5,495
50 - 54	3,686	2,279	1	0	5	2	271	130	3	2	14	10	6,403
55 - 59	3,144	2,086	5	1	8	5	998	527	11	7	13	9	6,814
60 - 64	2,372	1,787	4	3	6	3	2,137	1,120	25	11	7	6	7,481
65 - 69	708	626	0	0	0	0	2,753	1,665	54	25	1	1	5,833
70 - 74	149	169	0	0	0	0	2,858	1,834	132	34	0	1	5,177
75 - 79	32	40	0	0	0	0	2,069	1,430	153	37	0	0	3,761
80 +	4	15	0	0	0	0	2,016	1,158	389	107	1	0	3,690
Total	36,414	28,763	24	17	27	20	13,500	8,244	802	261	89	77	88,238
	Total Active 65,177		Total COBRA 41		Total Disabled 47		Total Retirees 21,744		Total Survivors 1,063		Total Vested 166		

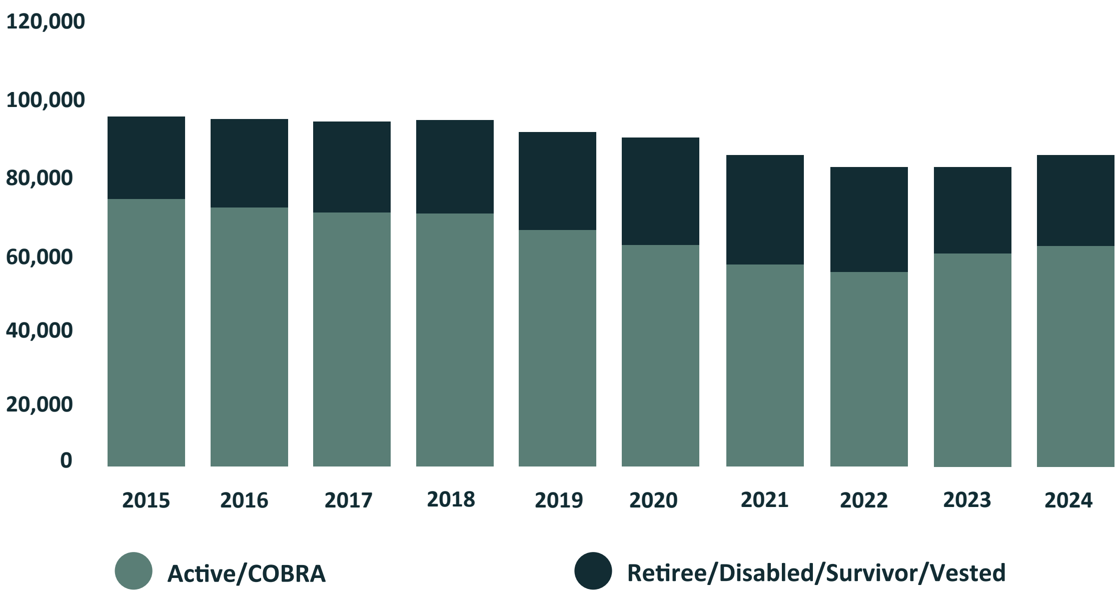
Enrollment History

State Membership, ten years ended June 30, 2024

Year	Active	Retiree	COBRA	Disabled	Survivors	Vested
2015	**75,808**	**18,630**	**59**	**136**	**855**	**159**
2016	**74,761**	**19,100**	**49**	**133**	**893**	**142**
2017	**74,094**	**19,534**	**81**	**121**	**909**	**141**
2018	**73,536**	**20,077**	**85**	**90**	**927**	**128**
2019	**71,059**	**20,492**	**91**	**98**	**941**	**130**
2020	**69,658**	**20,859**	**62**	**75**	**964**	**146**
2021	**65,328**	**21,067**	**95**	**73**	**986**	**128**
2022	**61,583**	**21,691**	**64**	**77**	**1,035**	**146**
2023	**62,593**	**21,865**	**57**	**63**	**1,047**	**164**
2024	**65,177**	**21,744**	**41**	**47**	**1,063**	**166**

Enrollment Distribution

State Membership, ten years ended June 30, 2024



Public Entity Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2024

Age	Active		COBRA		Retirees		Total
	Female	Male	Female	Male	Female	Male	
<1	5	5	0	0	0	0	10
1-10	39	31	0	0	0	0	70
11-19	48	45	0	1	0	0	94
20-24	64	39	0	0	0	0	103
25-29	55	51	0	0	0	0	106
30-34	60	42	0	0	0	0	102
35-39	57	43	0	0	0	0	100
40-44	64	47	0	0	0	0	111
45-49	70	35	0	0	0	0	105
50-54	85	45	0	0	0	0	130
55-59	96	42	0	0	0	0	138
60-64	97	41	0	0	1	0	139
65-69	18	14	0	0	0	0	32
70-74	7	2	0	0	0	1	10
75-79	3	3	0	0	0	0	6
80+	0	0	0	0	0	0	0
Total	**768**	**485**	**0**	**1**	**1**	**1**	**1,256**
	Total Active 1,253		**Total COBRA 1**		**Total Retirees 2**		

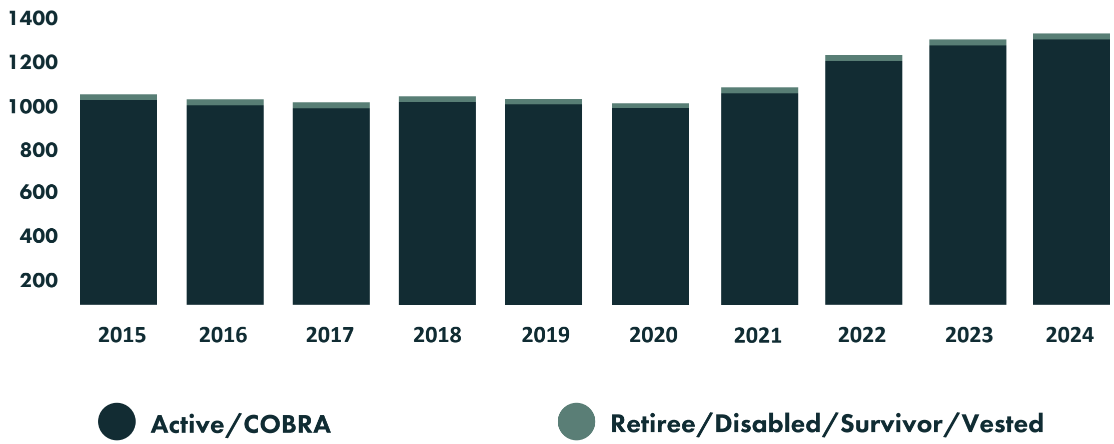
Enrollment History

Public Entity Membership, ten years ended June 30, 2024

Year	Active	Retiree	COBRA	Total
2015	1,115	12	4	1,131
2016	1,056	14	8	1,078
2017	1,003	5	8	1,016
2018	1,038	4	5	1,047
2019	1,019	4	5	1,028
2020	963	3	7	973
2021	1,154	2	7	1,163
2022	1,205	2	2	1,209
2023	1,234	2	3	1,239
2024	1,253	2	1	1,256

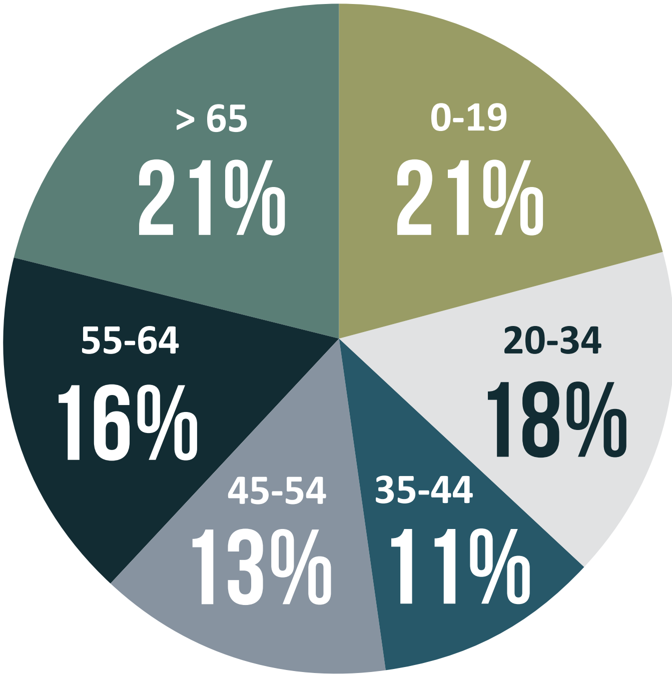
Enrollment Distribution

Public Entity Membership, ten years ended June 30, 2024



Plan Demographics

State Membership, Fiscal Year 2024

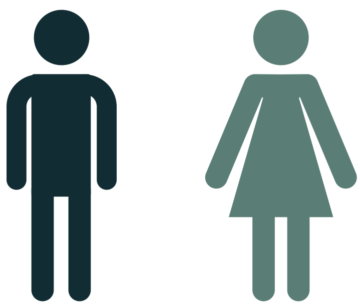


Total Lives

88,238

Average Age

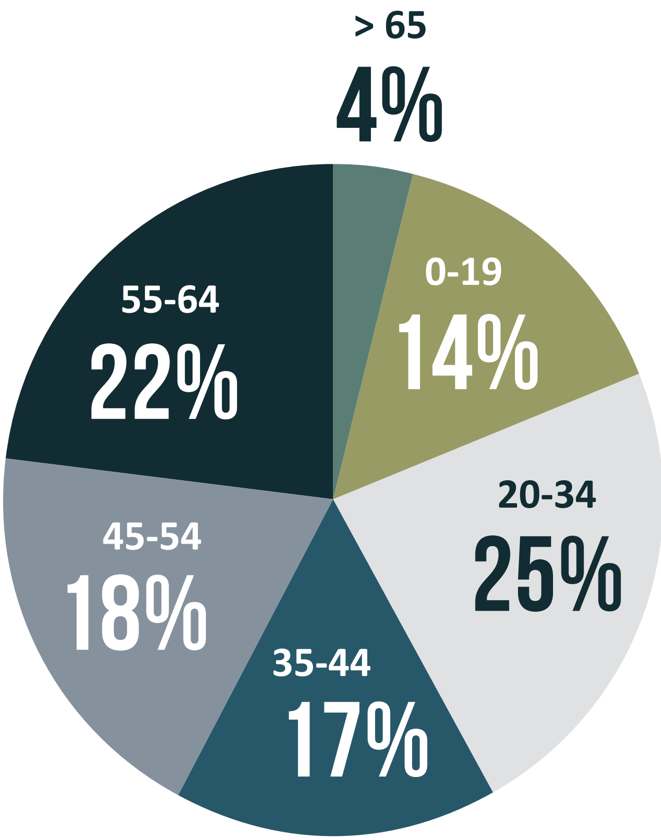
43 years



42% **58%**

Plan Demographics

Public Entity Membership, Fiscal Year 2024

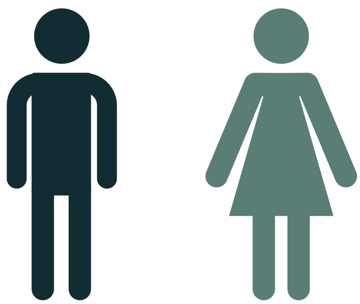


Total Lives

1,256

Average Age

40 years



39% **61%**

Principal Participating Employers

State Retiree Welfare Benefit Trust

2024

Employers by Participating Employer Ranking	Covered Employees	Rank	Percentage of Total System
State	17,105	1	100.0%
All Other Groups [1]	2	2	0.0%
Total	**17,107**		**100.0%**

2023

Employers by Participating Employer Ranking	Covered Employees	Rank	Percentage of Total System
State	17,117	1	100.0%
All Other Groups [1]	2	2	0.0%
Total	**17,119**		**100.0%**

2022

Employers by Participating Employer Ranking	Covered Employees	Rank	Percentage of Total System
State	16,974	1	100.0%
All Other Groups [1]	2	2	0.0%
Total	**16,976**		**100.0%**

2021

Employers by Participating Employer Ranking	Covered Employees	Rank	Percentage of Total System
State	16,719	1	100.0%
All Other Groups [1]	1	2	0.0%
Total	**16,720**		**100.0%**

(1) All Other Groups include Public Entities that have elected to join MCHCP. Chart will eventually include 10 years of data.

Average Benefit Payment

State Retiree Welfare Benefit Trust

2024	
Average Benefit Per Participant	**$22,881**
Benefit Payments	**391,620,088**
Average Participants	**17,116**
Average final salary*	**$3,446**
2023	
Average Benefit Per Participant	**$22,167**
Benefit Payments	**378,564,960**
Average Participants	**17,078**
Average final salary*	**$3,679**
2022	
Average Benefit Per Participant	**$20,480**
Benefit Payments	**346,011,777**
Average Participants	**16,895**
Average final salary*	**$3,583**
2021	
Average Benefit Per Participant	**$19,324**
Benefit Payments	**302,300,687**
Average Participants	**16,575**
Average final salary*	**$3,560**
2020	
Average Benefit Per Participant	**$18,404**
Benefit Payments	**302,762,860**
Average Participants	**16,451**
Average final salary*	**$3,381**
2019	
Average Benefit Per Participant	**$20,933**
Benefit Payments	**340,532,953**
Average Participants	**16,268**
Average final salary*	**$3,390**
2018	
Average Benefit Per Participant	**$19,295**
Benefit Payments	**308,167,406**
Average Participants	**15,971**
Average final salary*	**$3,477**
2017	
Average Benefit Per Participant	**$18,658**
Benefit Payments	**292,237,129**
Average Participants	**15,663**
Average final salary*	**$3,395**

*** Average final salary information obtained from MOSERS Annual Comprehensive Financial Report, Statistical Section, *Average Monthly Benefit Amounts*, and covers all MOSERS MSEP retirees, not just MCHCP participants.**

Average Benefit Payment table represents available data from 2017-2024.