MCHCP

my health. my choice. myMCHCP

# ANNUAL REPORT 2026



*FISCAL YEAR ENDED JUNE 30, 2026*

*A COMPONENT UNIT OF THE STATE OF MISSOURI 2026 ANNUAL COMPREHENSIVE FINANCIAL REPORT*

## *MISSOURI CONSOLIDATED HEALTH CARE PLAN*



**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.***

# 2026 Annual Report



Missouri Consolidated Health Care Plan
A Component Unit of the State of Missouri
2026 Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2026

# TABLE OF **CONTENTS**


**Introduction**

Letter from the Executive Director ---------- 6–7
Letter from the Chairperson ---------- 8
MCHCP Organization ---------- 9
Certificate of Achievement ----------11
Professional Services ----------12-13
Board of Trustees ----------14-15
Summary of Plan Provisions ---------- 16-19

**Financial**

Report of Independent Auditors ----------22-23
Management's Discussion & Analysis ---------- 24-36

*Basic Financial Statements*
Internal Service Fund
Statement of Net Position ----------37
Statement of Revenues, Expenses & Change in Net Position ----------38
Statement of Cash Flows ----------39
State Retiree Welfare Benefit Trust
Statement of Fiduciary Net Position ----------40
Statement of Change in Fiduciary Net Position ----------41
*Notes to Financial Statements* ---------- 42-64

*Required Supplementary Information*
Schedule of Claims Development ---------- 68-69
Summary of Key Actuarial Methods & Assumptions ---------- 70-71
Schedule of Changes in the Net OPEB Liability and Related Ratios ----------72-73
Schedule of Funding Progress ----------74
Schedule of Employer Contributions ----------74
Schedule of Annual Time Weighted Rate of Return on Investments ---------- 75
Schedule of the Proportionate Share of the Net Pension Liability ---------- 76
Schedule of Contributions ---------- 77
Notes to Required Supplementary Information ---------- 77

*Additional Financial Information*
Schedule of Administrative Expenses ---------- 78
Schedule of Investment Expenses ---------- 78
Schedule of Professional Service Fees ---------- 78

**Investments**

Investment Advisor Statement ----------80
Schedule of Investment Results ----------81
Schedule of Asset Allocation ----------82
List of Largest Assets Held ----------83
Schedule of Investment Fees ----------83

# TABLE OF **CONTENTS**

## Actuarial


Actuary's Certification Letter ---- 86
Purpose and Basis ---- 87
Highlights of the Valuation ---- 87

Section 1: Actuarial Valuation Summary
Summary of Key Results ---- 88
Important Information About Actuarial Valuations ---- 89-90

Section 2: GASB 74 Information
General Information about the OPEB Plan ---- 91
Net OPEB Liability ---- 92
Determination of Discount and Investment Rates of Return ---- 93
Discount Rate and Trend Sensitivity ---- 94
Schedule of Changes in Net OPEB Liability ---- 95-96
Schedule of Employer Contributions ---- 97
Actuarially Determined Contribution ---- 98
Statement of Fiduciary Net Position ---- 99
Statement of Changes in Fiduciary Net Position ---- 100

Appendix A: Summary of Participant Data ---- 101
Appendix B: Age and Service Distribution of Actives ---- 102
Appendix C: Statement of Actuarial Assumptions Methods and Models ---- 103-109
Appendix D: Summary of Plan Provisions ---- 110-111
Appendix E: Projection of Plan Fiduciary Net Position ---- 112-114
Appendix F: Development of Blended Discount Rate ---- 115-117
Appendix G: Definition of Terms ---- 118


## Statistical


Overview ---- 121
Historical Data: Revenues by Source, Expenses by Type ---- 122
Distribution of Claim Payments ---- 123
Healthcare Options by Year & Total Lives ---- 124
Statement of Revenues, Expenses & Change in Net Position ---- 126-127
Statement of Change in Fiduciary Net Position ---- 128-129
Schedule of Net Position by Component, Full-Time Employees ---- 130
Paid Claims Distribution by Individual ---- 131
State Membership Enrolled in MCHCP ---- 132
State Enrollment History, Enrollment Distribution ---- 133
Public Entity Membership Enrolled in MCHCP ---- 134
Public Entity Enrollment History, Enrollment Distribution ---- 135
Plan Demographics, State & Public Entity ---- 136-137
Principal Participating Employers ---- 138
Average Benefit Payments ---- 139

# INTRODUCTION

**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, 2026. 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 that 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.

During the fiscal year ended June 30, 2026, the state of Missouri contributed more than $558 million (approximately 58 percent of Plan revenues) in the form of employer-sponsored contributions. Member contributions for our state members exceeded $130 million while revenues for public enrollment were $16.9 million. While MCHCP realized a ten percent overall increase in self-funded claim expenditures, the largest contributor is found in increased pharmacy costs over the previous fiscal period.

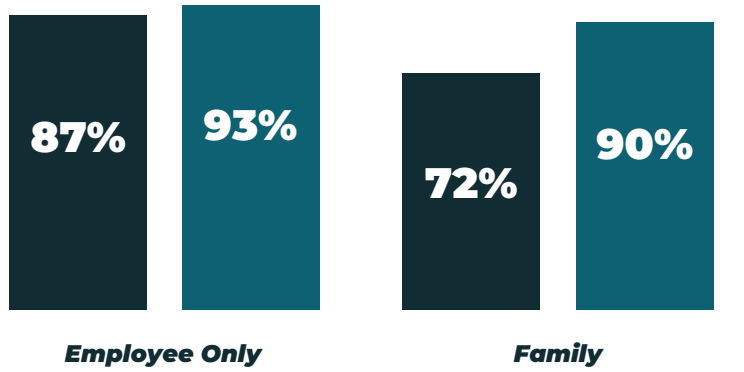
MCHCP's investment strategies employed best practices for the safety of investment, liquidity and yield and incorporated objectives of attaining return through budgetary and economic cycles while considering risk and the needs of the Plan. The portfolio outpaced the related benchmarking, returning to 12.44%. Diversification and a blend of capital-preservation investments remain the methodology to produce long term results. Additional investment information can be found in the investment section of this report.

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 2026 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 2027, with the passage of House Bill No. 5, the General Assembly and Governor authorized $625 million in support of approximately 89,000 state members of the Plan.

# MCHCP Share of Premium - 2026




SOURCES:

U.S. Bureau of Labor Statistics. (2026). **Employee Benefits in the United States, Table 3. Medical plans: Share of premiums paid by employer and employee for single coverage, March 2026.** National Compensation Survey. Retrieved September 25, 2026, from: https://www.bls.gov/news.release/ebs2.t03.htm

U.S. Bureau of Labor Statistics. (2026). **Employee Benefits in the United States, Table 4. Medical plans: Share of premiums paid by employer and employee for family coverage, March 2026** National Compensation Survey. Retrieved September 25, 2026, from: https://www.bls.gov/news.release/ebs2.t04.htm

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 thirty-first 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, 2025. 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, 2026, 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.

As the Executive Director of the Plan, 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.

Sincerely,

John D. Wiemann

John D. Wiemann
Executive Director
October 22, 2026

# LETTER FROM THE **CHAIRPERSON**



## CAMERON FAST

VICE 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, 2026.

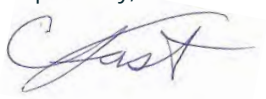
With the support of the Governor and General Assembly, MCHCP received over $558 million in state appropriations to support the Plan's ability to provide affordable health care coverage during fiscal year 2026. In addition to the financial support from the State, members contributed approximately $130 million toward their share of premium for the fiscal year ended June 30, 2026. 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 with 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 2026 were approximately $910 million. Our work remains focused on the health of our population, as during fiscal year 2026, 1.4 percent of the membership presented as a high-cost claimant, defined as those with expenses over $100,000. High-cost claimants account for almost 31.5 percent of total medical health care costs. We remain committed to investing in programs to support our members' health journeys and to engage with them using virtual education through our website. We encourage our members to engage in these program offerings.

On behalf of the Board of Trustees, we value and appreciate the over 90,000 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 well-being of our members and Plan operations.

Respectfully,



Vice Chairperson, Board of Trustees
Department of Corrections
October 22, 2026

# MCHCP ORGANIZATION



## JOHN D. WIEMANN

### EXECUTIVE DIRECTOR

- General Services
- Vendor Relations



## JENNIFER STILABOWER

### GENERAL COUNSEL / DEPUTY DIRECTOR

***DATE OF RETIREMENT: JULY 1, 2026***

- Legal
- Clinical Services
- Benefit Administration



## BRADLEY P. KIFER

### CHIEF INFORMATION OFFICER

- Information Technology



## JOCELYN OLIGSCHLAEGER

### CHIEF FINANCIAL OFFICER

- Finance
- Research
- Internal Audit
- Human Resources



# CERTIFICATE OF **ACHIEVEMENT**



Government Finance Officers Association

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Missouri Consolidated Health Care Plan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

*and issued to the public 164 days after the fiscal year end*

Christopher P. Morrill

Executive Director/CEO

# PROFESSIONAL SERVICES

**ACTUARIAL SERVICES & CONSULTING**
Segal

**AUDIT SERVICES**
Armanino LLP

**AUDIT SERVICES**
CTI Claims Technologies Inc.

**BANKING & INVESTMENT SERVICES**
Central Bank

**DECISION SUPPORT SYSTEM**
Merative

**DENTAL PROGRAM**
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
by Evernorth

**VISION PROGRAM**
National Vision Administrators

# BOARD OF **TRUSTEES**



CHAIRPERSON
**KENNETH J. ZELLERS**

Commissioner
Office of Administration
Jefferson City
Ex Officio Member
*Date of Retirement: Sept. 4, 2026*



**ASHTON CHRISTOPHER**

Chillicothe
Active Employee-Elected Member



VICE CHAIRPERSON
**CAMERON FAST**

Hamilton
Active Employee-Elected Member



**MARTY DREWEL**

Holts Summit
Retiree-Elected Member



HONORABLE
**GREGG BUSH**

Missouri House of Representatives
District 050
Appointed by the Speaker of the House of Representatives



HONORABLE
**DAVE GRIFFITH**

Missouri House of Representatives
District 060
Appointed by the Speaker of the House of Representatives



# BOARD OF **TRUSTEES**



**MARK A. LANGWORTHY**

Columbia
Governor-Appointed Member



HONORABLE
**BARBARA WASHINGTON**

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



DIRECTOR
**ANGELA NELSON**

Department of
Commerce & Insurance
Jefferson City
Ex Officio Member



DIRECTOR
**SARAH WILLSON**

Department of Health
and Senior Services
Jefferson City
Ex Officio Member



**DANIEL O'NEILL**

Kirkwood
Governor-Appointed Member

***One Senate Representative and one Governor-Appointed Member was open as of June 30, 2026.***



# 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, investment professionals, and related fees may be found in the Investment Section, including the Schedule of Investment Fees on page 83.

## 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, premium, and ultra 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.**

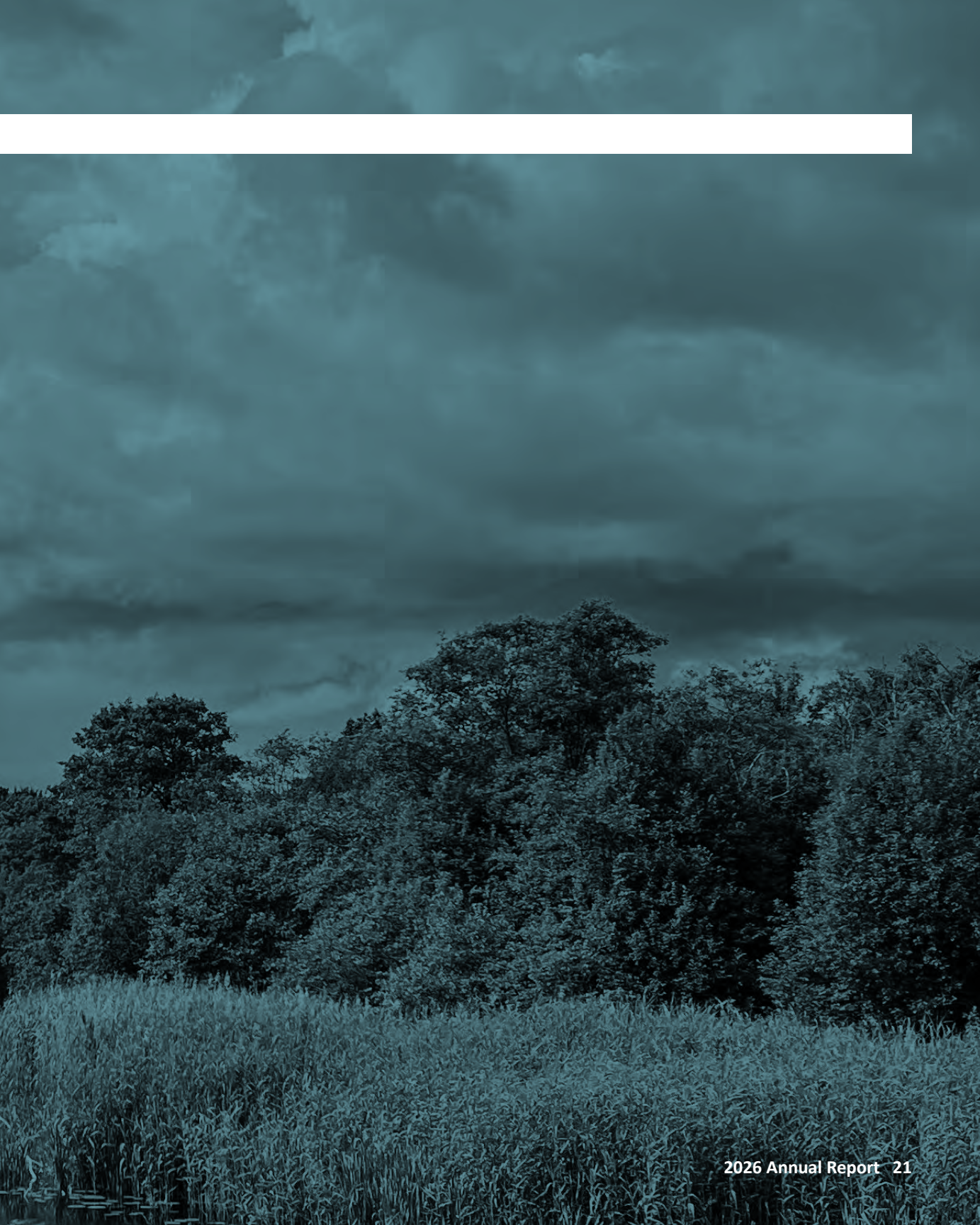
**In an effort to broaden wellness opportunities to all state employees, particularly in regions located outside the capitol complex, ambassadors and building wellness teams were created. These individuals and groups help organize on-site activities and services, reaching more employees where they work.**

## ***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

**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, 2026, 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, 2026, and the changes in its net position 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 23 - 36, 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.

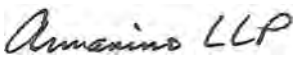
**Supplementary Information**

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 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.



St. Louis, Missouri

October 20, 2026

# MANAGEMENT'S **DISCUSSION & ANALYSIS**

## OVERVIEW OF THE FINANCIAL STATEMENTS

**MCHCP utilizes fund accounting to account for resources that are segregated for specific purposes. The Plan reports financial information through two major funds:**

- **Internal Service Fund (ISF)**
- **State Retiree Welfare Benefit Trust (SRWBT)**

**Because MCHCP reports only proprietary and fiduciary fund activities, government-wide financial statements are not presented.**

**The Internal Service Fund accounts for the administration and funding of health care benefits provided to active employees, retirees not covered through the SRWBT, and participating public entity members. The Internal Service Fund financial statements include:**

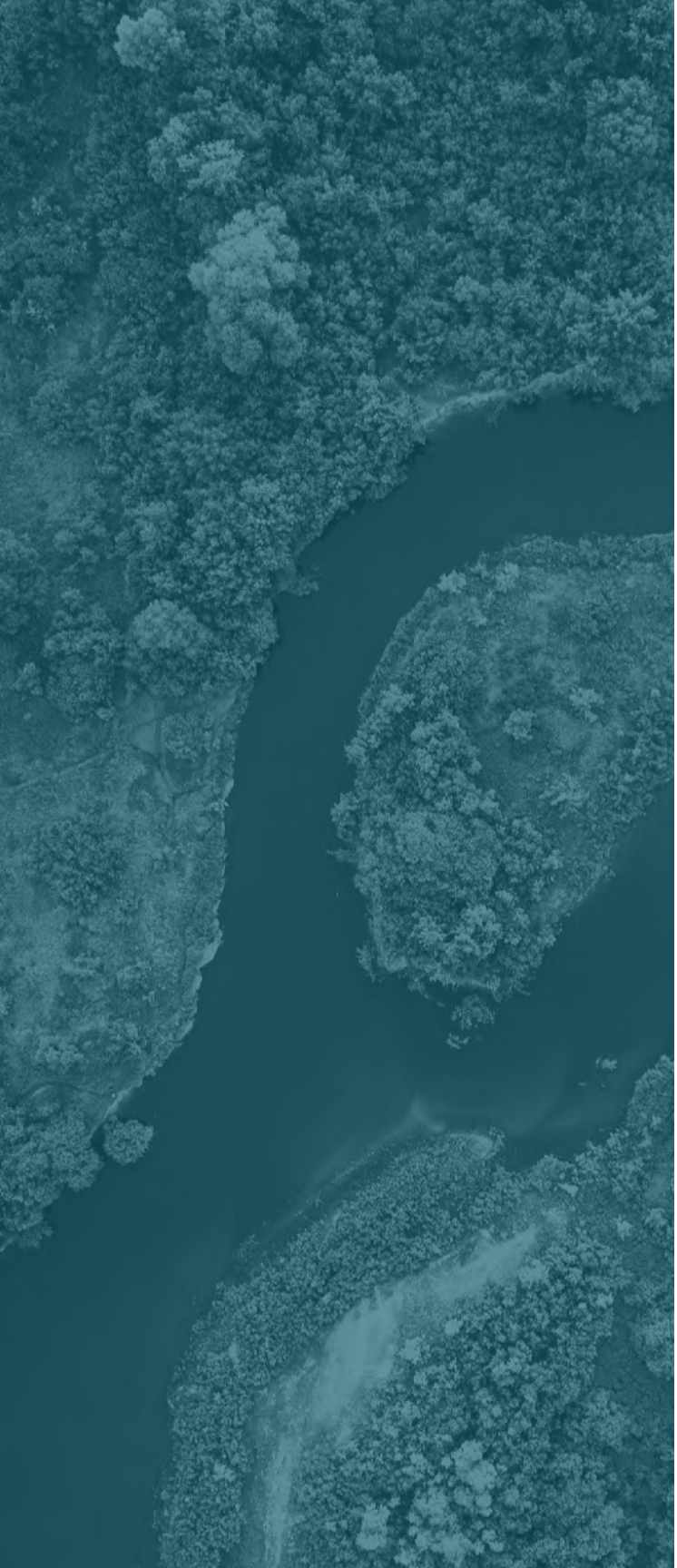
- **Statement of Net Position**
- **Statement of Revenues, Expenses and Changes in Net Position**
- **Statement of Cash Flows**

**The State Retiree Welfare Benefit Trust accounts for postemployment health benefits provided to eligible retirees and their dependents and is reported as a fiduciary fund. The trust financial statements include:**

- **Statement of Fiduciary Net Position**
- **Statement of Changes in Fiduciary Net Position**

**The accompanying Notes to the Financial Statements provide additional information essential to understanding the Plan's financial activities and financial position.**

**The following 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, 2026 and 2025. This discussion should be read in conjunction with the accompanying financial statements and notes to the financial statements. MCHCP is a component unit of the State of Missouri and is included in the State of Missouri Annual Comprehensive Financial Report.**



## FINANCIAL SUMMARY

**The financial position of MCHCP remained strong during fiscal year 2026 despite continued increases in medical and prescription drug expenditures.**

**Major financial highlights for fiscal year 2026 include:**

- **Internal Service Fund net position decreased $15.9 million from $326.1 million to $310.2 million.**
- **State Retiree Welfare Benefit Trust fiduciary net position increased $22.6 million from $241.8 million to $264.4 million.**
- **State and employer contributions increased 5.1 percent to $479.9 million.**
- **Public entity contributions increased 37.5 percent to $17.0 million.**
- **Pharmacy rebates and federal Medicare Part D subsidy revenues increased during fiscal year 2026. MCHCP received approximately $38.1 million in CMS EGWP Direct Subsidy funding and $87.1 million in pharmacy rebate revenue.**
- **Internal Service Fund medical claims increased 9.2 percent to $678.2 million.**
- **The State Retiree Welfare Benefit Trust earned an annual net investment return of 12.44 percent.**
- **The OPEB trust funded ratio increased from 12.24 percent to 14.67 percent.**

**These results reflect continued increases in health care and pharmacy costs, partially offset by increased state appropriations, member contributions, pharmacy rebates, and strong investment performance.**

# **FINANCIAL** ANALYSIS

***The following tables present summarized financial position and results for the fiscal years ending June 30, 2026 and 2025. Additional details are available in the accompanying basic financial statements.***

## Summary Comparative Statement of Net Position

**Current assets for the ISF decreased slightly for the year ended June 30, 2026, due to decreases in investments during the fiscal year. Capital asset activity reflects primarily purchases in technology and data protection necessary to continue high availability for offsite network storage and resiliency. GASB Statement No. 87, *Leases*, was adopted during fiscal year 2022 to reflect the right of use building lease, net of depreciation of $123,583 and $372,084, respectively for the period ended June 30, 2026, and 2025. MCHCP adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) during fiscal year 2024, and recognized two subscriptions, net of depreciation of $884,569 and $1,396,721, respectively for the period ended June 30, 2026, and 2025. 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 $1,230,531 and $1,080,539, respectively for the periods ended June 30, 2026, and 2025.**

**Accrued medical claims and fees decreased by over seven percent for the ISF for the year ended June 30, 2026, over 2025. 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, 2026, and 2025 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, 2026 decreased over fiscal year 2025, due primarily to the State's contribution at June 30, 2026, 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, 2026, and 2025 reflect the Plan's net pension liability, noncurrent portions of the right to use building lease and obligations arising from subscription based information technology arrangements.**

**Net position represents the value of the ISF's assets after liabilities are deducted. The changes in net position for the ISF at June 30, 2026, over 2025, is primarily the result of continued decreases in capital assets and deferred outflows of resources. 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, 2026 | As of June 30, 2025 | Amount of Change | Percentage Change |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current Assets | $391,827,786 | $416,104,067 | ($24,276,281) | (5.83%) |
| Capital Assets | 279,013 | 354,274 | (75,261) | (21.24) |
| Right of Use Assets | 123,583 | 372,084 | (248,501) | (66.79) |
| Subscription based IT arrangements | 884,569 | 1,396,721 | (512,152) | (36.67) |
| **Deferred Outflow of Resources** | 1,951,637 | 2,572,607 | (620,970) | (24.14) |
| **Total Assets and Deferred Outflow of Resources** | $395,066,588 | $420,799,753 | ($25,733,165) | (6.12%) |
| **LIABILITIES** | | | | |
| Accrued medical claims & fees | $52,411,532 | $57,255,322 | ($4,843,790) | (8.46%) |
| Deferred premiums & other liabilities | 19,573,188 | 23,387,633 | (3,814,445) | (16.31) |
| Lease and subscription liability | 669,057 | 761,327 | (92,270) | (12.12) |
| Total current liabilities | 72,653,777 | 81,404,282 | (8,750,505) | (10.75) |
| Total noncurrent liabilities | 11,936,466 | 13,135,584 | (1,199,118) | (9.13) |
| **Deferred Inflow of Resources** | 265,038 | 155,143 | 109,895 | 70.83 |
| **Total Liabilities and Deferred Inflow of Resources** | $84,855,281 | $94,695,009 | ($9,839,728) | (10.39%) |
| **NET POSITION** | | | | |
| Unrestricted | $308,924,142 | $323,981,665 | ($15,057,523) | (4.65%) |
| Net investment in capital assets | 279,013 | 354,274 | (75,261) | (21.24) |
| Investment in right of use assets | 123,583 | 372,084 | (248,501) | (66.79) |
| Investment in subscription based IT arrangements | 884,569 | 1,396,721 | (512,152) | (36.67) |
| **Total Net Position** | 310,211,307 | 326,104,744 | (15,893,437) | (4.87) |
| **Total Liabilities and Net Position** | $395,066,588 | $420,799,753 | ($25,733,165) | (6.12%) |

# **FINANCIAL** ANALYSIS

## Summary Comparative Statement of Fiduciary Net Position

**Cash and cash equivalents at June 30, 2026, are influenced from the prior year primarily due to 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, 2026, over 2025, reflects the increase in activity housed in the single service operations account related to the operations of each of the funds. Investments increased significantly during the year ended June 30, 2026, over 2025, primarily due to investable assets of the SRWBT, and favorable returns on investment for the fiscal year ended, June 30, 2026, over 2025, of 12.44% over 9.33%, respectively.**

**Prescription drug rebate receivables for the SRWBT decreased during fiscal year 2026, as a result of 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, 2026, to approximately $264.4 million compared to $241.8 million at June 30, 2025.**



## Summary Comparative Fiduciary Net Position

### State Retiree Welfare Benefit Trust

| | As of June 30, 2026 | As of June 30, 2025 | Amount of Change | Percentage Change |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash & cash equivalents | **$5,350,476** | **$2,155,343** | **$3,195,133** | **148.24%** |
| Due from MCHCP | **5,500,162** | **4,222,310** | **1,277,852** | **30.26** |
| Investments, at fair value | **245,327,550** | **221,679,678** | **23,647,872** | **10.67** |
| **RECEIVABLES** | | | | |
| Prescription drug rebates | **$22,850,587** | **$26,595,785** | **($3,745,198)** | **(14.08%)** |
| Other receivables | **1,084,711** | **1,185,232** | **(100,521)** | **(8.48)** |
| Total receivables | **23,935,298** | **27,781,017** | **(3,845,719)** | **(13.84)** |
| **Total Assets** | **$280,113,486** | **$255,838,348** | **$24,275,138** | **9.49%** |
| **LIABILITIES** | | | | |
| Accrued medical claims | **$8,121,265** | **$6,971,263** | **$1,150,002** | **16.50%** |
| Unearned revenue | **7,450,780** | **6,907,420** | **543,360** | **7.87** |
| Other liabilities | **175,795** | **176,638** | **(843)** | **(0.48)** |
| **Total Liabilities** | **$15,747,840** | **$14,055,321** | **$1,692,519** | **12.04%** |
| **Net Position restricted for OPEB** | **$264,365,646** | **$241,783,027** | **$22,582,619** | **9.34%** |

# **FINANCIAL** ANALYSIS

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

**State/Employer contributions for fiscal years 2026 and 2025, for the ISF totaled $479,884,056 and $456,496,135 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, 2026, and 2025, 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, 2026, increased by over $4,628,629 reflective of the increase in premium trends and overall increases in medical claims costs.**

**Public entity contributions for the years ended June 30, 2026, and 2025, were $16,964,993 and $12,336,364, respectively.**

**Pharmacy rebates increased significantly at June 30, 2026, over 2025 and are primarily influenced by the Plan's prescription drug expenditures, active enrollment, and the related contractual rebate improvements.**

**Medical claims increased, by over nine percent, during fiscal year 2026 over 2025, reflective of overall increases in medical claims costs and slight increases in plan enrollment.**

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

**Investment income declined due to economic factors influencing global market returns during fiscal year 2026 for the ISF.**



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

Internal Service Fund

| | Year ended June 30, 2026 | Year ended June 30, 2025 | Amount of Change | Percentage Change |
|---|---|---|---|---|
| **OPERATING REVENUES** | | | | |
| State/employer contributions | **$479,884,056** | **$456,496,135** | **$23,387,921** | **5.12%** |
| State employee/member contributions | **83,327,033** | **79,790,010** | **3,537,023** | **4.43** |
| Public entity contributions | **16,964,993** | **12,336,364** | **4,628,629** | **37.52** |
| Subcontractor & other rebates | **87,089,266** | **76,578,725** | **10,510,541** | **13.73** |
| **Total Operating Revenues** | **$667,265,348** | **$625,201,234** | **$42,064,114** | **6.73%** |
| **OPERATING EXPENSES** | | | | |
| Medical claims | **$678,204,862** | **$620,878,034** | **$57,326,828** | **9.23%** |
| General & administration expense | **18,412,767** | **18,386,550** | **26,217** | **0.14** |
| **Total Operating Expenses** | **$696,617,629** | **$639,264,584** | **$57,353,045** | **8.97%** |
| Operating income/loss | **(29,352,281)** | **(14,063,350)** | **(15,288,931)** | **108.71** |
| Investment income & other changes | **13,458,844** | **18,088,092** | **(4,629,248)** | **(25.59)** |
| Excess of revenues over expenses | **(15,893,437)** | **4,024,742** | **(19,918,179)** | **(494.89)** |
| Net position, beginning of the year, adjusted | **326,104,744** | **322,080,002** | **4,024,742** | **1.25** |
| **Net Position, end of year** | **$310,211,307** | **$326,104,744** | **($15,893,437)** | **(4.87%)** |

# **FINANCIAL** ANALYSIS

## Summary Comparative Statement of Changes in Fiduciary Net Position

**Employer contributions for the SRWBT for the years ended June 30, 2026, and 2025, respectively were $78,535,063 and $74,580,209 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 2026, and 2025, respectively.**

**Investment income for the SRWBT was strongly influenced by factors influencing global market returns. Equity performance was 23.12%, just slightly underperforming the benchmark of 26.20% and fixed returns within the portfolio were 3.63%, underperforming the benchmark of 3.79%. Asset allocations for 2026 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 year 2026, the SRWBT received retiree drug program revenues consisting of pharmacy rebates and Medicare Part D EGWP subsidy revenue. Retiree drug rebates totaled $74.5 million and EGWP Direct Subsidy revenue totaled approximately $38.1 million.**

**Medical claims increased for the SRWBT during the period ended June 30, 2026, primarily due to overall increases in medical claims and pharmacy costs for the year ended June 30, 2026.**



# Summary Comparative Statement of Change in Fiduciary Net Position

## State Retiree Welfare Benefit Trust

| | Year ended June 30, 2026 | Year ended June 30, 2025 | Amount of Change | Percentage Change |
|---|---|---|---|---|
| **ADDITIONS** | | | | |
| Employer contributions | **$78,535,063** | **$74,580,209** | **$3,954,854** | **5.30%** |
| Retiree contributions | **46,806,846** | **45,188,620** | **1,618,226** | **3.58** |
| Investment income | **27,438,834** | **18,594,746** | **8,844,088** | **47.56** |
| Medicare Part D EGWP Direct Subsidy | **38,099,673** | **24,332,466** | **13,767,207** | **56.58** |
| Retiree drug rebates | **74,495,765** | **83,940,730** | **(9,444,965)** | **(11.25)** |
| **Total Additions** | **$265,376,181** | **$246,636,771** | **$18,739,410** | **7.60%** |
| **DEDUCTIONS** | | | | |
| Medical claims | **$232,725,843** | **$218,599,848** | **$14,125,995** | **6.46%** |
| Claims administration services | **5,799,607** | **5,820,198** | **(20,591)** | **(0.35)** |
| Administration & other | **4,268,112** | **4,270,892** | **(2,780)** | **(0.07)** |
| **Total Deductions** | **$242,793,562** | **$228,690,938** | **$14,102,624** | **6.17%** |
| Net increase | **22,582,619** | **17,945,833** | **4,636,786** | **25.84** |
| Net position restricted for OPEB | | | | |
| **Beginning of year** | **$241,783,027** | **$223,837,194** | **$17,945,833** | **8.02%** |
| **End of year** | **$264,365,646** | **$241,783,027** | **$22,582,619** | **9.34%** |



# DETAILED ANALYSIS

## INTERNAL SERVICE FUND
### NET POSITION

**The Internal Service Fund reported net position of $310.2 million at June 30, 2026, compared to $326.1 million at June 30, 2025.**

**Current assets decreased $24.3 million primarily due to use of investment assets to fund current-year medical and pharmacy claims costs that exceeded operating revenues. Investments declined while cash balances increased because of the timing of investment transactions and premium collections at year-end.**

**Accrued medical claims and fees decreased $4.8 million compared to the prior year. Changes in accrued claims are influenced by utilization patterns, enrollment levels, claim payment timing, actuarial estimates of incurred but not reported claims, and medical trend assumptions.**

**Deferred premium revenue and other liabilities decreased due primarily to the timing and level of state appropriations received before fiscal year-end and changes in amounts due to the State Retiree Welfare Benefit Trust.**

## INTERNAL SERVICE FUND
### OPERATING RESULTS

**Operating revenues increased $42.1 million, or 6.7 percent, during fiscal year 2026.**

**The increase was primarily attributable to:**
**Increased appropriations and employer funding by the State of Missouri.**
**Continued growth in pharmacy rebates.**
**Premium increases associated with higher expected claim costs.**
**Increased public entity enrollment and premium rates.**

**Operating expenses increased $57.4 million, or 9.0 percent.**
**Medical claims increased $57.3 million due primarily to:**
**Higher pharmacy expenditures, particularly specialty drug utilization.**
**Increased medical utilization.**
**General health care inflation.**
**Slight enrollment growth.**

**Administrative expenses remained relatively stable, reflecting continued efforts to manage operating costs and maintain administrative efficiencies.**

**The Internal Service Fund reported an operating loss of $29.4 million compared to an operating loss of $14.1 million in fiscal year 2025. Investment income of $13.5 million partially offset these losses, resulting in a decrease in net position of $15.9 million.**

## STATE RETIREE WELFARE BENEFIT TRUST

**The fiduciary net position of the Trust increased by $22.6 million during fiscal year 2026.**

**Trust assets increased primarily because of:**
**Strong investment performance.**
**Increased employer contributions.**
**Increased Medicare Part D Employer Group Waiver Plan (EGWP) subsidy revenue.**

**Investments increased approximately $23.6 million while annual investment returns improved from 9.33 percent to 12.44 percent.**

**Employer contributions increased 5.3 percent while retiree contributions increased 3.6 percent.**

**Medical claim costs increased 6.5 percent due primarily to increased health care utilization and prescription drug costs.**

**During fiscal year 2026, the Trust received $38.1 million of Medicare Part D EGWP Direct Subsidy revenue compared to $24.3 million in fiscal year 2025, an increase of $13.8 million, or 56.6 percent. In addition, retiree drug rebate revenue totaled $74.5 million compared to $83.9 million in fiscal year 2025, a decrease of $9.4 million, or 11.3 percent. The increase in EGWP Direct Subsidy revenue was primarily attributable to federal Medicare Part D funding received through the EGWP program, while fluctuations in rebate revenue were driven by drug utilization patterns, formulary mix, manufacturer rebate arrangements, and Medicare retiree prescription drug activity.**

**Total retiree drug program revenues, consisting of EGWP Direct Subsidies and retiree drug rebates, increased $4.3 million, or 4.0 percent, during fiscal year 2026. Retiree pharmacy expenditures increased during the year, resulting in corresponding increases in federal subsidy and other prescription drug program revenues associated with Medicare retiree coverage.**

**At June 30, 2026, the Trust reported fiduciary net position of $264.4 million compared to $241.8 million at June 30, 2025.**

**The Plan's net OPEB liability decreased from $1.73 billion to $1.54 billion. The funded ratio improved from 12.24 percent to 14.67 percent.**

## SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

**MCHCP maintains capital assets necessary to support the administration and operation of its health benefit programs, including information technology infrastructure, office equipment, leased facilities, and subscription-based information technology arrangements.**

### CAPITAL ASSETS

**Net capital assets totaled $279,013 at June 30, 2026, compared to $354,274 at June 30, 2025. During fiscal year 2026, MCHCP acquired approximately $50 thousand of new equipment and technology assets to support operations and cybersecurity resiliency.**

### LEASES

**The Plan continues to report a right-to-use asset associated with its office facility lease in accordance with GASB Statement No. 87. Net lease assets decreased from $372 thousand to $124 thousand due to annual amortization of leased assets.**

### SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

**MCHCP continues to utilize subscription-based information technology arrangements associated with data warehouse and software applications. Net SBITA assets decreased from approximately $1.4 million to $885 thousand during fiscal year 2026 as scheduled amortization was recognized.**

### PENSION LIABILITY

**MCHCP participates in the Missouri State Employees' Retirement System (MOSERS). The Plan's proportionate share of the net pension liability was $11.6 million at June 30, 2026, compared to $12.1 million at June 30, 2025. This decrease reflects improvements in the funded status of the pension plan and changes in actuarially determined pension amounts allocated to participating employers by MOSERS.**

**No new debt was issued during the fiscal year.**



## CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

**Several known factors are expected to influence MCHCP's financial position and operations in fiscal year 2027 and beyond.**

**The Missouri General Assembly and Governor approved approximately $625 million in appropriations to support health care coverage for approximately 89,000 state members during fiscal year 2027.**

**Health care and pharmacy cost inflation continue to be significant challenges. In particular, specialty medications and high-cost claimants continue to exert pressure on overall health plan expenditures.**

**Effective January 1, 2027, additional retiree plan options will be available through MCHCP. These additional plan offerings are expected to provide members with greater flexibility while maintaining actuarially sound benefit structures.**

**MCHCP continues to focus on:**

- **Cost containment initiatives;**
- **Pharmacy management strategies;**
- **Health and wellness programs;**
- **Care management programs;**
- **Technology modernization; and**
- **Long-term sustainability of retiree health benefits.**

**The financial condition of the Plan remains dependent upon continued support from state appropriations, member contributions, effective vendor partnerships, prudent investment management, and efforts to improve the overall health of the membership population.**

# Statement of Net Position Internal Service Fund as of June 30, 2026

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash & cash equivalents | $114,016,374 |
| Investments, at fair value | 260,138,696 |
| Rebates & other receivables | 17,372,041 |
| Prepaid expenses | 300,675 |
| **Total Current Assets** | $391,827,786 |
| **Noncurrent Assets** | |
| Capital Assets | |
| Furniture, fixtures & equipment, net of accumulated depreciation of $1,562,260 | 279,013 |
| Lease Assets | |
| Right of Use Asset, net of accumulated depreciation of $1,188,355 | 123,583 |
| Subscription Based IT Arrangements, net of accumulated depreciation of $870,500 | 884,569 |
| **Total Noncurrent Assets** | $1,287,165 |
| **Total Assets** | $393,779,423 |
| **Deferred Outflow of Resources** | 1,951,637 |
| **Total Assets and Deferred Outflow of Resources** | $395,066,588 |
| **LIABILITIES** | |
| **Current Liabilities** | |
| Accrued medical claims expense | $52,411,532 |
| Accounts payable & accrued expenses | 562,826 |
| Due to SRWBT | 5,500,162 |
| Deferred premium revenue | 13,510,200 |
| Lease liability | 669,057 |
| **Total Current Liabilities** | $72,653,777 |
| **Noncurrent Liabilities** | |
| Net pension liability | 11,597,033 |
| Lease and subscription liability | 339,433 |
| **Total Noncurrent Liabilities** | $11,936,466 |
| **Deferred Inflow of Resources** | 265,038 |
| **Total Liabilities and Deferred Inflow of Resources** | $84,855,281 |
| **Net Position** | |
| Unrestricted | $308,924,142 |
| Net investment in capital assets | 1,287,165 |
| **Total net position** | $310,211,307 |
| **Total Liabilities, Deferred Inflow of Resources and Net Position** | $395,066,588 |

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, 2026

| | |
|---|---|
| **Operating Revenues** | |
| State/employer contributions | **$479,884,056** |
| Member contributions | **83,327,033** |
| Public entity contributions | **16,964,993** |
| Pharmacy rebates | **87,089,266** |
| **Total Operating Revenues** | **$667,265,348** |
| **Operating Expenses** | |
| Medical claims | **$678,204,862** |
| Claims administration services | **11,479,636** |
| Payroll & related benefits | **4,480,723** |
| Health management | **15,113** |
| Administration | **995,083** |
| Professional services | **917,192** |
| Employee assistance program | **525,020** |
| **Total Operating Expenses** | **$696,617,629** |
| **Operating revenues over (under) operating expenses** | **(29,352,281)** |
| **Non-Operating Revenues** | |
| Investment & other income | **13,458,844** |
| Change in net position | **($15,893,437)** |
| **Net position, beginning of year** | **326,104,744** |
| **Net Position, End of Year** | **$310,211,307** |

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

# Statement of Cash Flows

Internal Service Fund year ended June 30, 2026

| | |
|---|---|
| **Cash Flows from Operating Activities** | |
| Cash received from State, employer, members & public entities | **$659,695,342** |
| Cash payments for medical claims | **($683,048,651)** |
| Cash payments to employees for services | **($4,279,920)** |
| Cash payments to other suppliers of goods & services | **($13,584,353)** |
| **Net cash provided by Operating Activities** | **(41,217,582)** |
| **Cash Flows from Noncapital Financing Activities** | |
| Changes in amounts due to SRWBT | **$1,277,852** |
| **Cash Flows from Capital & Related Financing Activities** | |
| Purchase of furniture, fixtures & equipment and right of use assets | **($50,124)** |
| **Cash Flows from Investing Activities** | |
| Cash received from investment income; net of investment expenses | **$11,098,602** |
| Purchase of investments | **($1,901,018,006)** |
| Proceeds from investments | **$1,946,900,727** |
| **Net cash provided by (used in) Investing Activities** | **56,981,323** |
| **Net increase (decrease) in Cash & Cash equivalents** | **16,991,469** |
| **Cash & Cash Equivalents, Beginning of Year** | **$97,024,905** |
| **Cash & Cash Equivalents, End of Year** | **$114,016,374** |
| **Reconciliation of Operating Revenues to Net Cash Provided by Operating Activities** | |
| Operating revenues over operating expenses | **($29,352,281)** |
| **Adjustments** | |
| Adjustments to net cash provided by operating activities | |
| Depreciation | **125,384** |
| Pension expense | **1,431,334** |
| Changes in Assets & Liabilities | |
| Rebates & other receivables | **($2,257,772)** |
| Prepaid expenses | **$2,370** |
| Accrued medical claims | **($4,843,789)** |
| Accounts payable & accrued expenses | **$219,938** |
| Unearned premium revenue | **($5,312,234)** |
| Deferred outflows - contributions after the measurement date | **($1,230,531)** |
| **Total Adjustments** | **($11,865,300)** |
| **Net Cash Provided By Operating Activities** | **($41,217,582)** |
| Noncash investing, capital & financing activities | |
| Change in fair value of investments | **$2,451,770** |

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, 2026

| ASSETS | |
|---|---|
| Cash & cash equivalents | $5,350,476 |
| Due from MCHCP | 5,500,162 |
| **Investments, at fair value** | |
| U.S. Agencies | 86,818,031 |
| Exchange Traded Funds | 90,377,440 |
| U.S. Government Guaranteed Mortgages | 5,420,366 |
| Equities | 35,328,647 |
| Corporate | 14,734,312 |
| Collateralized Mortgage Obligations | 3,263,830 |
| U.S. Treasuries | 9,384,924 |
| **Receivables** | |
| Prescription drug rebates | $22,850,587 |
| Other receivables | 1,084,711 |
| **Total Assets** | $280,113,486 |

| LIABILITIES | |
|---|---|
| Accrued medical claims | $8,121,265 |
| Unearned revenue | 7,450,780 |
| Other liabilities | 175,795 |
| **Total Liabilities** | $15,747,840 |
| **Net Position restricted for OPEB** | $264,365,646 |

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, 2026

| | |
|---|---|
| **Additions** | |
| Employer contributions | **$78,535,063** |
| Retiree contributions | **46,806,846** |
| Investment income | **27,438,834** |
| Medicare Part D EGWP Direct Subsidy | **38,099,673** |
| Retiree drug rebates | **74,495,765** |
| Total Additions | **$265,376,181** |
| **Deductions** | |
| Medical claims | **$232,725,843** |
| Claims administration services | **5,799,607** |
| Administration & other | **4,268,112** |
| **Total Deductions** | **$242,793,562** |
| **Net Increase** | **22,582,619** |
| Net Position restricted for OPEB Beginning of Year | **241,783,027** |
| **End of Year** | **$264,365,646** |

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

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 89,000 active and retired State members and dependents, 1,693 public entity members and dependents, and over 90,000 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. MCHCP reviewed and 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 Statement No. 87, *Leases*, as amended. Additional information related to SBITAs is included in the Notes to the Financial Statements.

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 2026, the Missouri Consolidated Health Care Plan implemented GASB Statement No. 103, *Financial Reporting Model Improvements*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. GASB Statement No. 103 enhances the effectiveness of the governmental financial reporting model through revisions to required presentation and disclosure requirements, while GASB Statement No. 104 requires additional disclosures related to certain capital assets. Implementation of these Statements resulted in revisions to certain financial statement presentation and disclosure requirements.

As required by GASB Statement No. 103, Management's Discussion and Analysis has been reorganized to present: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. In addition, management evaluated revenue received through the Medicare Part D Employer Group Waiver Plan (EGWP) and separately presents Medicare Part D EGWP Direct Subsidy revenue from retiree drug rebate revenue within the State Retiree Welfare Benefit Trust. Adoption of GASB Statements No. 103 and No. 104 did not have a material impact on the Plan's financial position, changes in net position, fiduciary net position, or results of operations.

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.

The implementation of GASB Statement No. 103 resulted in the reclassification of the Medicare Part D Employer Group Waiver Plan (EGWP) Direct Subsidy from operating revenue to noncapital subsidy revenue within the Statements of Revenues, Expenses, and Changes in Net Position. This presentation change increased reported nonoperating revenues and reduced the operating loss reported by the Plan; however, it did not affect total revenues, change in net position, ending net position, or cash flows.

# 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.

The Plan has evaluated subsequent events through October 20, 2026, 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 market 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's balances are in interest bearing checking accounts which receive collateral as public fund deposit accounts and in accordance with Missouri statutes. 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. At June 30, 2026, cash held in the financial institution had a bank balance of $363 and a carrying value of $119,366,850. Of the bank balance, $250,000 was covered by federal depository insurance, which applies to both ISF and SRWBT, for a total of $500,000 coverage on the $119.4 million. The balance was fully collateralized with securities held by a third-party financial institution in the Plan's name.**

**The Plan's contracted yield on its bank account balance was 10 basis points under the prevailing 91-day U.S. Treasury Bill rate as of June 30, 2026.**

### *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 39 percent to equities, as of fiscal year end. 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, 2026, the Plan had the following investments as presented on the following page.**

## Investments

State Retiree Welfare Benefit Trust

**Investments**

| | |
|---|---|
| U.S. Government Agencies (AGCY) | **$86,818,031** |
| Exchange Traded Funds | **90,377,440** |
| Mortgage Backed Securities (MBS) | **5,420,366** |
| Equity | **35,328,647** |
| Corporate | **14,734,312** |
| Collateralized Mortgage Obligations (CMO) | **3,263,830** |
| U.S. Treasury | **9,384,924** |
| **Total Investments** | **$245,327,550** |

## Investments

Internal Service Fund

**Investments**

| | |
|---|---|
| U.S. Government Agencies (AGCY) | **$90,139,515** |
| Small Business Administration Loans (SBA) | **5,441,100** |
| Collateralized Mortgage Obligations | **35,133,403** |
| Commercial Paper | **19,821,955** |
| U.S. Treasury | **109,602,723** |
| **Total Investments** | **$260,138,696** |

# **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 39 percent to equities.**

## 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, 2026 are presented on the following page.**



## Credit Risk

State Retiree Welfare Benefit Trust

**Investments**

| | | |
|---|---|---|
| U.S. Government Agencies (AGCY) | **$86,818,031** | **AAA** |
| Exchange Traded Funds | **90,377,440** | **3.5 stars** |
| Mortgage Backed Securities (MBS) | **5,420,366** | **AAA** |
| Equity | **35,328,647** | **N/A** |
| Corporate | **14,734,312** | **A** |
| Collateralized Mortgage Obligations (CMO) | **3,263,830** | **AAA** |
| U.S. Treasury | **9,384,924** | **AAA** |
| **Total Investments** | **$245,327,550** | **AAA** |

## Credit Risk

Internal Service Fund

**Investments**

| | | |
|---|---|---|
| U.S. Government Agencies (AGCY) | **$90,139,515** | **AAA** |
| Small Business Administration Loans (SBA) | **5,441,100** | **AAA** |
| Collateralized Mortgage Obligations | **35,133,403** | **AAA** |
| Commercial Paper | **19,821,955** | **A-1$^{+}$, P-1** |
| U.S. Treasury | **109,602,723** | **AAA** |
| **Total Investments** | **$260,138,696** | |

## 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, 2026, 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 | 2026 Fair Value | 2026 Duration |
|---|---|---|
| U.S. Government Agencies (AGCY) | **$86,818,031** | **4.33** |
| Exchange Traded Funds | **90,377,440** | **N/A** |
| Mortgage Backed Securities (MBS) | **5,420,366** | **5.67** |
| Equity | **35,328,647** | **N/A** |
| Corporate | **14,734,312** | **2.55** |
| Collateralized Mortgage Obligations (CMO) | **3,263,830** | **17.50** |
| U.S. Treasury | **9,384,924** | **4.35** |
| **Total Investments** | **$245,327,550** | |

## Interest Rate Risk

Internal Service Fund

| | 2026 Fair Value | 2026 Duration |
|---|---|---|
| U.S. Government Agencies (AGCY) | **$90,139,515** | **2.44** |
| Small Business Administration Loans (SBA) | **5,441,100** | **0.25** |
| Collateralized Mortgage Obligations | **35,133,403** | **0.50** |
| Commercial Paper | **19,821,955** | **0.21** |
| U.S. Treasury | **109,602,723** | **1.45/.03** |
| **Total Investments** | **$260,138,696** | |

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 within 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, Small Business Administration Loans, Collateralized Mortgage Obligations, Commercial Paper and U.S. Treasuries with fair values of $90,139,515, $5,441,100, $35,133,403, $19,821,955 and $109,602,723, respectively. Fair values for the SRWBT are presented in the table below. MCHCP did not maintain any Level 3 investments.

## 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.**

## Investments

State Retiree Welfare Benefit Trust

| | | Fair value measurement at report date using | | |
|---|---|---|---|---|
| **Investments** | Fair Value June 30, 2026 | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| US Government Agencies (AGCY) | **$86,818,031** | **$ -** | **$86,818,031** | **$ -** |
| Exchange Traded Funds | **90,377,440** | **90,377,440** | **-** | **-** |
| Mortgage Backed Securities (MBS) | **5,420,366** | **-** | **5,420,366** | **-** |
| Equity | **35,328,647** | **35,328,647** | **-** | **-** |
| Corporate | **14,734,312** | **-** | **14,734,312** | **-** |
| Collateralized Mortgage Obligations (CMO) | **3,263,830** | **-** | **3,263,830** | **-** |
| U.S. Treasury | **9,384,924** | **-** | **9,384,924** | **-** |
| **Total** | **$245,327,550** | **$125,706,087** | **$119,621,463** | **$ -** |

## D. Interfund Activity & Balances

As previously disclosed, 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 to pharmacy manufacturer rebates, the Plan receives federal funding through the Medicare Part D Employer Group Waiver Plan (EGWP), including CMS Direct Subsidy payments, Coverage Gap Discount Program funding, low-income subsidy funding, and catastrophic reinsurance payments. For the year ended June 30, 2026, these rebates are allocated between the ISF and the SRWBT based upon their respective claims activity. Estimated revenue is recognized for Medicare Part D funding streams and manufacturer rebates based on prescription claim activity 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 Furniture, Fixtures and Equipment for the year ended June 30, 2026 are as presented on the following page.

MCHCP's right of use assets consists 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 | 2026 |
|---|---|
| Balance, beginning of year | $1,917,514 |
| Additions | 50,124 |
| Deletions | (126,005) |
| **Balance, End of Year** | **$1,841,633** |
| **Accumulated Depreciation** | |
| Balance, beginning of year | $1,563,241 |
| Depreciation expense | 125,384 |
| Deletions | (126,005) |
| **Balance, End of Year** | **$1,562,260** |

## Right of Use Assets

| Additions | 2026 |
|---|---|
| Balance, beginning of year | $1,311,938 |
| Additions | - |
| Deletions | - |
| **Lease Asset Balance, End of Year** | **$1,311,938** |
| **Accumulated Amortization** | |
| Balance, beginning of year | $939,854 |
| Amortization expense | 248,501 |
| Deletions | - |
| **Right of Use Assets Accumulated Amortization, End of Year** | **$1,188,355** |
| **Right of Use Asset Balance, End of Year (Net)** | **$123,583** |

## Subscription Based Information Technology Arrangements (SBITA)

| Additions | 2026 |
|---|---|
| Balance, beginning of year | $1,755,069 |
| Additions | - |
| Deletions | - |
| **SBITA Balance, End of Year** | **$1,755,069** |
| **Accumulated Amortization** | |
| Balance, beginning of year | $358,348 |
| Amortization expense | 512,152 |
| Deletions | - |
| **SBITA Accumulated Amortization, End of Year** | **$870,500** |
| **SBITA Balance, End of Year (Net)** | **$884,569** |

## ROU Lease Obligation

| | Principal | Interest |
|---|---|---|
| 2027 | $123,583 | $563 |

## SBITA Obligation

| | Principal | Interest |
|---|---|---|
| 2027 | $542,353 | $33,169 |
| 2028 | 312,216 | 5,546 |
| 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 2026, averaged $1,136 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, 2026 averaged 3.58 percent of active employee covered payroll.

The State did not provide additional funding towards future OPEB benefits for the period ended June 30, 2026. 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 and administering the Plan's health care programs. Operating revenues primarily consist of member and employer contributions, while operating expenses include health care claims, premiums, administrative expenses, and other costs incurred in providing benefits to members.

Nonoperating revenues and expenses represent investment income, subsidies, and other items not directly related to providing health benefits to members. The Plan evaluates the nature of each transaction to determine whether it arises from the principal operations of providing health care benefits and reports revenues and expenses accordingly.

### Subsidies

The Plan evaluates revenues received from external parties to determine whether such revenues meet the definition of a subsidy. Subsidies are resources received to support the provision of benefits or other Plan activities and are reported separately from operating revenues. Subsidies associated with the acquisition, construction, or financing of capital assets are reported as capital subsidies, while subsidies not associated with capital assets are reported as noncapital subsidies. The Medicare Part D Employer Group Waiver Plan (EGWP) Direct Subsidy is reported as a noncapital subsidy because it is received to support the provision of prescription drug benefits and is not associated with capital asset activities.

## H. Other Post-Employment Benefits

**Employees may participate in state and public entity sponsored medical coverage in retirement based on Plan criteria. At June 30, 2026, there were 23,355 retirees and their dependents who met these eligibility requirements.**

**For the year ended June 30, 2026, expenditures (net of retiree contributions) of $198.8 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 on the next page.**

## Summary of Key Actuarial Methods & Assumptions

State Retiree Welfare Benefit Trust

| Valuation Year: July 1, 2025 - June 30, 2026 | |
|---|---|
| Actuarial cost method | **Entry age normal** |
| Amortization method | **30 years, open, level percentage of payroll** |
| 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**
**9.28%, 8.52%, 8.22%, 7.91%, 7.60%, 7.28%, 6.96%, 6.63%, 6.30%, 5.96%, 5.62%, 5.28%, 5.01%, 4.81%, 4.60%, 4.50% (ultimate)**

**Medicare Medical and Prescription Drug**
**20.06%[2], 16.53%[2], 11.60%, 10.87%, 9.71%, 8.74%, 8.29%, 7.84%, 7.39%, 6.93%, 6.47%, 6.01%, 5.57%, 5.14%, 4.71%, 4.50% (ultimate)**

**Administrative Expense**
**0.00%, 3.00% (ultimate**

**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**

*[2] Reflects Medicare Advantage premiums of $0.*

### 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, 2026, the Plan insured approximately 63 percent of its members through PPO contracts, 19 percent in a fully insured group Medicare Advantage (PPO) plan, and 18 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, 2026, $2,626,945 is included in accrued medical claims expenses for accrued PPO capitation expenses. Additionally, $57,905,853 at June 30, 2026, 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 2026 is presented below.**

## Summary of Changes in Estimated Accrued Claims

Internal Service Fund

| Balances | 2026 |
|---|---|
| Balance at beginning of year | $53,829,468 |
| Current year claims & changes in estimates | 678,387,044 |
| Claim payments | (681,856,799) |
| **Balance at End of Year** | **$50,359,713** |

## Summary of Changes in Estimated Accrued Claims

State Retiree Welfare Benefit Trust

| Balances | 2026 |
|---|---|
| Balance at beginning of year | $6,437,988 |
| Current year claims & changes in estimates | 232,543,661 |
| Claim payments | (231,435,509) |
| **Balance at End of Year** | **$7,546,140** |

# 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 31.

### 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, 2026, was 30.25 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 $1,230,531 for the year ended June 30, 2026.

### Net Pension Liability

At June 30, 2026, MCHCP reported a liability of $11,597,033, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, 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, 2025 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, 2025. At the June 30, 2025 measurement date, MCHCP's proportion was 0.14425 percent, an decrease from its proportion measured using 0.14942 percent as of the June 30, 2024, measurement date.

There were no changes in benefit terms and assumptions during the MOSERS plan year ended June 30, 2025, that affected the measurement of total pension liability.

## Assumptions.

The total pension liability in the June 30, 2025 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** | **2.5% to 10.00% (MSEP)**<br>**3.00% (Judicial Plan)** |
| **Wage Inflation** | **2.25%** |
| **Investment rate of return** | **6.95%** |

The actuarial assumptions used in the June 30, 2025 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 Below Median Employee mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020 for the MSEP. 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 the following page.

## 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 | 40.0% | 8.2% | 5.7% | 3.3% |
| Global private equities | 15.0 | 10.9 | 8.4 | 1.6 |
| U.S. treasuries | 20.0 | 4.8 | 2.3 | 1.0 |
| Private real estate | 5.0 | 7.5 | 5.0 | 0.4 |
| Public real assets | 5.0 | 9.7 | 7.2 | 0.5 |
| Alternative beta | 15.0 | 5.6 | 3.1 | 0.8 |
| Private credit | 10.0 | 8.4 | 5.9 | 0.8 |
| Cash and cash equivalents** | (10.0) | 4.1 | 1.6 | (0.4) |
| | 100.0% | | | 8.0% |
| Correlation/Volatility Adjustment | | | | (0.6%) |
| Long-Term Expected Net Nominal Return | | | | 7.4% |
| Less: Investment Inflation Assumption | | | | (2.5)% |
| Long-Term Expected Geometric Net Real Return | | | | 4.9% |

**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 | **$14,491,592** | **$11,597,033** | **$9,179,368** |



### 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, 2026, MCHCP recognized pension expense of $1,431,334.

### Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2026, 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 | **$314,156** | - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | **406,950** | - |
| Changes in proportion and differences between MCHCP contributions and proportionate share of contributions | - | **$265,038** |
| MCHCP contributions subsequent to the June 30, 2025 measurement date. | **1,230,531** | - |
| **Total** | **$1,951,637** | **$265,038** |

MCHCP amounts reported as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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: | |
|---|---|
| 2026 | **$535,677** |
| 2027 | **47,275** |
| 2028 | **(59,503)** |
| 2029 | **(67,381)** |
| Thereafter | - |

Payables to the pension plan. As of June 30, 2026, 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 Voya 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

An employee assistance benefit program is offered to all State employees and their immediate families. The program, serviced through ComPsych, offers ten free mental health counseling sessions per problem, per year and can be accessed 24 hours a day through a toll-free number.

## M. Post-Employment Retiree Health Care

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2026, there were 23,355 retirees and their dependents who met these eligibility requirements. For the year ended June 30, 2026, expenditures (net of retiree contributions) of $198.8 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.

During fiscal year 2026, the State Retiree Welfare Benefit Trust received Medicare Part D Employer Group Waiver Plan (EGWP) direct subsidy payments from the Centers for Medicare & Medicaid Services (CMS) totaling $38.1 million. Management evaluated the nature of these payments and concluded they represent federal subsidy revenue. The payments are received from CMS under the Medicare Part D EGWP program and are contractually identified as CMS Direct Subsidies separate from manufacturer rebate arrangements.

### Plan Membership

At June 30, 2026, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits - **22,322**

Inactive plan members entitled to but not yet receiving benefits* - **82**

Active plan members - **38,238**

Disabled members currently receiving benefits - **42**

*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, 2026, participants contributed $46.8 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, 2026:

| Asset Class | Target Allocation | Long-Term Nominal Rate of Return |
|---|---|---|
| Domestic LC Equity | **26%** | **7.8%** |
| Domestic MC Equity | **7%** | **8.8%** |
| Domestic SC Equity | **7%** | **9.7%** |
| Global Equity | **11%** | **8.0%** |
| Domestic Fixed Income | **49%** | **4.7%** |
| | **100%** | |

## Rate of Return

For the year ended June 30, 2026, the annual time weighted rate of return on investments, net of investment expense, was 12.44 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

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, 2026, was the entry age normal, level percent of pay. Actuarial assumptions include a discount rate of 5.50%, The assumed trend for Non-Medicare Medical and Prescription Drug costs reflects a consistent annual decline from 9.28 percent to an ultimate trend rate of 4.50 percent, indicating a gradual reduction in expected health care cost inflation over the projection period. The UAAL is amortized as a level percent of pay on an open basis, over a 30 year period.

## 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<br>9.28%, 8.52%, 8.22%, 7.91%, 7.60%, 7.28%, 6.96%, 6.63%, 6.30%, 5.96%, 5.62%, 5.28%, 5.01%, 4.81%, 4.60%, 4.50% (ultimate)<br><br>Medicare Medical and Prescription Drug<br>20.06%[2], 16.53%[2], 11.60%, 10.87%, 9.71%, 8.74%, 8.29%, 7.84%, 7.39%, 6.93%, 6.47%, 6.01%, 5.57%, 5.14%, 4.71%, 4.50% (ultimate) |
| **Administration expense** | 0.00%, 3.00% (ultimate) |
| **Mortality** | Pre-Retirement: Pri-2012 Employee Amount-weighted Mortality Table projected generationally using MP-2021<br>Annuitant: Pri-2012 Retiree Amount-weighted Mortality Table projected generationally using MP-2021 |

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

## Net OPEB Liability
***(in thousands)***

| | 2026 |
|---|---|
| Net OPEB Liability Components: | |
| Total OPEB Liability | **$1,801,906** |
| Plan Fiduciary Net Position | **264,365,646** |
| Net OPEB Liability | **1,537,540,314** |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | **14.67%** |

## 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 | **$1,801,065** | **$1,537,540** | **$1,323,400** |
| | 1% Decrease in Trend Rates | Current Trend Rates | 1% Increase in Trend Rates |
| Net OPEB Liability | **$1,313,265** | **$1,537,540** | **$1,816,417** |

**Net OPEB Liability.**

The net OPEB liability under GASB 74 was calculated utilizing census data at 7/01/2026. Net OPEB liability as of June 30, 2026, was measured as of June 30, 2026 and the total OPEB liability used to calculate the net OPEB liability was determined by the actuarial valuation as of June 30, 2026, and is presented above:

**Development of Discount Rate.**

The discount rate was determined as a blend of the best estimate of the expected return on plan assets and, the 20 year high quality municipal bond rate as of the measurement date. For years where expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal bond rate is utilized.

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, Accounting 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 2026, MCHCP contributed $142,329 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

| | 2026 Total | 2026 Active | 2026 Retiree |
|---|---|---|---|
| **Fiscal Year** | **July 1, 2025 - June 30, 2026** | **July 1, 2025 - June 30, 2026** | **July 1, 2025 - June 30, 2026** |
| Required contribution & investment income | **$929,135,381** | **$663,759,199** | **$265,376,182** |
| Administrative and third-party expenses | **28,480,486** | **18,412,767** | **10,067,719** |
| **Estimated Incurred Claims & Expenses End of Policy Year** | **$900,654,895** | **$645,346,432** | **$255,308,463** |
| **Paid Claims Summary** | | | |
| Paid (cumulative) as of | **July 1, 2025 - June 30, 2026** | **July 1, 2025 - June 30, 2026** | **July 1, 2025 - June 30, 2026** |
| **End of Policy Year** | **$585,506,000** | **$491,100,000** | **$94,406,000** |
| One year later | - | - | - |
| Two years later | - | - | - |
| **Incurred Claims Summary** | | | |
| Re-estimated incurred claims & expenses | **July 1, 2025 - June 30, 2026** | **July 1, 2025 - June 30, 2026** | **July 1, 2025 - June 30, 2026** |
| End of policy year | **$ 626,919,000** | **$526,957,000** | **$99,962,000** |
| One year later | - | - | - |
| Two years later | - | - | - |
| **Increase (Decrease) in Estimated Incurred Claims & Expenses from End of Policy Year** | **$273,735,895** | **$118,389,432** | **$155,346,463** |

| 2025 Total | 2025 Active | 2025 Retiree | 2024 Total | 2023 Total |
|---|---|---|---|---|
| July 1, 2024 - June 30, 2025 | July 1, 2024 - June 30, 2025 | July 1, 2024 - June 30, 2025 | July 1, 2023 - June 30, 2024 | July 1, 2022 - June 30, 2023 |
| $877,589,733 | $630,952,962 | $246,636,771 | $810,031,905 | $756,876,371 |
| 28,477,640 | 18,386,550 | 10,091,090 | 26,809,475 | 25,075,994 |
| $849,112,093 | $612,566,412 | $236,545,681 | $783,222,430 | $731,800,377 |

| | | | | |
|---|---|---|---|---|
| July 1, 2024 - June 30, 2025 | July 1, 2024 - June 30, 2025 | July 1, 2024 - June 30, 2025 | July 1, 2023 - June 30, 2024 | July 1, 2022 - June 30, 2023 |
| $558,574,000 | $457,246,000 | $101,328,000 | $472,160,000 | $465,767,000 |
| 608,001,000 | 500,197,000 | 107,804,000 | 516,072,000 | 507,970,000 |
| - | - | - | 516,176,000 | 509,131,000 |

| | | | | |
|---|---|---|---|---|
| July 1, 2024 - June 30, 2025 | July 1, 2024 - June 30, 2025 | July 1, 2024 - June 30, 2025 | July 1, 2023 - June 30, 2024 | July 1, 2022 - June 30, 2023 |
| $606,089,000 | $499,350,000 | $106,739,000 | $511,193,000 | $507,821,000 |
| 608,541,000 | 498,963,000 | 109,578,000 | 515,502,000 | 507,806,000 |
| - | - | - | 516,176,000 | 509,131,000 |
| $243,023,093 | $113,216,412 | $129,806,681 | $272,029,430 | $223,979,377 |

## Summary of Key Actuarial Methods and Assumptions

State Retiree Welfare Benefit Trust

| **Fiscal Year** | 2026 | 2025 | 2024 |
|---|---|---|---|
| Valuation Year | July 1, 2025-<br>June 30, 2026 | July 1, 2024-<br>June 30, 2025 | July 1, 2023-<br>June 30, 2024 |
| 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 30,2025 5.50%<br>June 30,2026 5.50%** | **June 30,2024 5.50%<br>June 30,2025 5.50%** | **June 30,2023 5.50%<br>June 30,2024 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 9.28%, 8.52%, 8.22%, 7.91%, 7.60%, 7.28%, 6.96%, 6.63%, 6.30%, 5.96%, 5.62%, 5.28%, 5.01%, 4.81%, 4.60%, 4.50% (ultimate)**<br><br>**Medicare Medical and Prescription Drug 20.06%[2], 16.53%[2], 11.60%, 10.87%, 9.71%, 8.74%, 8.29%, 7.84%, 7.39%, 6.93%, 6.47%, 6.01%, 5.57%, 5.14%, 4.71%, 4.50% (ultimate)** | **Non-Medicare Medical and Prescription Drug 6.86%, 6.64%, 6.43%, 6.21% 5.99%, 5.86%, 5.80%, 5.69%, 5.53%, 5.35%, 5.17%, 4.98%, 4.79%, 4.60%, 4.50% (ultimate)**<br><br>**Medicare Medical and Prescription Drug 9.39%, 12.87%[1], 12.74%[1], 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)** | **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)**<br><br>**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)** |

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

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

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

| 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|
| July 1, 2022-<br>June 30, 2023 | July 1, 2021-<br>June 30, 2022 | July 1, 2020-<br>June 30, 2021 | July 1, 2019-<br>June 30, 2020 |
| **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 30,2022 5.50%<br>June 30,2023 5.50%** | **June 30,2021 4.50%<br>June 30,2022 5.50%** | **June 30,2020 4.38%<br>June 30,2021 4.50%** | **June 30,2019 5.24%<br>June 30,2020 4.38** |
| **4.0%** | **4.0%** | **4.0%** | **4.0%** |
| **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)**<br><br>**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)**<br><br>*** 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.**<br><br>**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.** | **Non-Medicare 6.50% in fiscal year 2022, then decreasing by 0.25% per year until an ultimate of 5.00% in fiscal 2028.**<br><br>**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.**<br><br>**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.** |

# Schedule of Changes in the Net OPEB Liability and Related Ratios

***(in thousands)***

Fiscal Year Ending

| | 2026 | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| **Total OPEB liability** | | | | |
| Service cost | **$42,967** | **$38,155** | **$32,408** | **$33,899** |
| Interest | **108,783** | **99,278** | **90,229** | **87,907** |
| Changes in benefit terms | **-** | **-** | **-** | **-** |
| Differences between expected and actual experience | **40,310** | **24,159** | **2,283** | **23,993** |
| Demographic (gains)/losses | **-** | **-** | **-** | **-** |
| Changes of assumptions | **(282,815)** | **85,679** | **104,626** | **(29,541)** |
| Benefit payments | **(83,391)** | **(75,229)** | **(66,411)** | **(78,534)** |
| Net change in total OPEB liability | **(174,146)** | **172,042** | **163,135** | **37,724** |
| Total OPEB liability - beginning | **1,976,052** | **1,804,010** | **1,640,875** | **1,603,151** |
| **Total OPEB liability - ending (a)** | **1,801,906** | **$1,976,052** | **$1,804,010** | **$1,640,875** |
| Plan fiduciary net position | | | | |
| Contributions - employer | **78,535** | **74,580** | **74,071** | **74,831** |
| Contributions - employee | **46,807** | **45,189** | **43,341** | **42,272** |
| Net investment income | **27,439** | **18,595** | **16,395** | **9,202** |
| Benefit payments, including refunds of employee contributions | **(232,725)** | **(218,600)** | **(187,129)** | **(186,632)** |
| Other | **112,595** | **108,273** | **87,079** | **74,832** |
| Administrative expense | **(10,068)** | **(10,091)** | **(9,702)** | **(9,007)** |
| Net change in fiduciary net position | **22,583** | **17,946** | **24,055** | **5,498** |
| Plan fiduciary net position - beginning | **241,783** | **223,837** | **199,782** | **194,284** |
| Plan fiduciary net position - ending (b) | **264,366** | **241,783** | **223,837** | **199,782** |
| **Net OPEB liability - ending (a) - (b)** | **1,537,540** | **1,734,269** | **1,580,173** | **1,441,093** |
| Plan's fiduciary net position as a percentage of the total OPEB liability | **14.67%** | **12.24%** | **12.41%** | **12.18%** |
| Covered payroll | **2,045,116** | **1,946,029** | **1,738,133** | **1,731,677** |
| Net OPEB liability as a percentage of covered payroll | **75.18%** | **89.12%** | **90.91%** | **83.22%** |

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| $39,165 | $42,308 | $36,901 | $30,949 | $31,360 | $29,158 |
| 85,882 | 85,571 | 100,513 | 112,057 | 107,769 | 104,472 |
| - | - | - | (67,962) | - | - |
| - | | 23,400 | 43,317 | (12,071) | - |
| 994 | 3,649 | - | - | - | (2,619) |
| (362,738) | (114,410) | (73,307) | (38,191) | (52,758) | - |
| (58,315) | (60,021) | (54,752) | (79,212) | (69,090) | (66,780) |
| (295,012) | (42,903) | 32,755 | 958 | 5,210 | 64,231 |
| 1,898,163 | 1,941,066 | 1,908,311 | 1,907,353 | 1,902,143 | 1,837,912 |
| $1,603,151 | $1,898,163 | $1,941,066 | $1,908,311 | $1,907,353 | $1,902,143 |
| | | | | | |
| 73,022 | 74,330 | 72,339 | 82,620 | 68,902 | 67,399 |
| 43,527 | 43,275 | 43,318 | 51,242 | 53,157 | 52,170 |
| (12,883) | 18,259 | 2,755 | 6,208 | 4,679 | 7,839 |
| (161,800) | (149,072) | (138,934) | (165,127) | (150,607) | (142,154) |
| 67,664 | 53,624 | 48,172 | 41,545 | 35,502 | 30,514 |
| (7,706) | (7,848) | (7,308) | (6,872) | (7,142) | (7,311) |
| 1,824 | 32,568 | 20,342 | 9,616 | 4,491 | 8,457 |
| 192,460 | 159,892 | 139,550 | 129,934 | 125,443 | 116,985 |
| 194,284 | 192,460 | 159,892 | 139,550 | 129,934 | 125,443 |
| 1,408,867 | 1,705,703 | 1,781,174 | 1,768,761 | 1,777,419 | 1,776,700 |
| 12.12% | 10.14% | 8.24% | 7.31% | 6.81% | 6.59% |
| 1,602,564 | 1,724,445 | 1,601,067 | 1,611,972 | 1,604,410 | 1,609,515 |
| 87.91% | 98.91% | 111.25% | 109.73% | 110.78% | 110.39% |

## Schedule of Funding Progress *(in millions)*

State Retiree Welfare Benefit Trust

| **Fiscal Year Ending** | 2026 | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| Actuarial Value of Assets (a) | **$264.4** | **$223.8** | **$199.8** | **$194.3** |
| Actuarial Accrued Liability (AAL)[1] (b) | **1,976.1** | **1,804.0** | **1,640.9** | **1,603.2** |
| Unfunded/(Overfunded) AAL (UAAL) (b) - (a) | **1,537.5** | **1,580.2** | **1,441.1** | **1,408.9** |
| Funded Ratio (a) / (b) | **14.7%** | **12.4%** | **12.2%** | **12.1%** |
| Covered Payroll (c) | **2,045.1** | **1,946.0** | **1,738.1** | **1,731.7** |
| UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)] | **75.2%** | **81.2%** | **82.9%** | **81.4%** |

[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

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially Determined Contribution (ADC) | **$119.8** | **$108.1** | **$96.1** | **$96.3** | **$104.6** | **$109.5** | **$112.1** | **$113.4** | **$113.2** | **$106.8** |
| Annual Contribution | **78.5** | **74.6** | **74.1** | **74.8** | **73.0** | **74.3** | **72.3** | **82.6** | **68.9** | **67.4** |
| Contribution deficiency (excess) | **41.3** | **33.5** | **22.0** | **21.5** | **31.6** | **35.2** | **39.8** | **30.8** | **44.3** | **39.4** |
| Covered payroll | **2,045.1** | **1,946** | **1,738.1** | **1,731.7** | **1,602.6** | **1,724.4** | **1,601.1** | **1,612.01** | **1,604.4** | **1,609.5** |
| Percentage of (ADC) Contributed | **65.5%** | **69.0%** | **77.1%** | **77.7%** | **69.8%** | **67.9%** | **64.5%** | **72.8%** | **60.9%** | **63.1%** |
| Contributions as a percentage of covered payroll | **3.8%** | **3.8%** | **4.3%** | **4.3%** | **4.6%** | **4.3%** | **4.5%** | **5.1%** | **4.3%** | **4.2%** |

**The state provided benefit payments and administrative costs of $78.5M in fiscal year 2026. The Statement of Changes in Fiduciary Net Position provides more details concerning these amounts.**

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **$194.3** | **$192.5** | **$159.9** | **$139.6** | **$129.9** | **$125.4** |
| **1,898.2** | **1,941.1** | **1,908.3** | **1,907.4** | **1,902.1** | **1,837.9** |
| **1,703.9** | **1,748.6** | **1,748.4** | **1,767.8** | **1,772.2** | **1,712.5** |
| **10.2%** | **9.9%** | **8.4%** | **7.3%** | **6.8%** | **6.8%** |
| **1,602.6** | **1,724.4** | **1,601.1** | **1,612.0** | **1,604.4** | **1,609.5** |
| **106.3%** | **101.4%** | **109.2%** | **109.7%** | **110.5%** | **106.4%** |

## 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 |
|---|---|
| **2026** | **12.44%** |
| **2025** | **9.33%** |
| **2024** | **8.66%** |
| **2023** | **4.76%** |
| **2022** | **-8.76%** |
| **2021** | **14.40** |
| **2020** | **3.01** |
| **2019** | **4.30** |
| **2018** | **3.83** |
| **2017** | **7.14** |

# Schedule of the Proportionate Share of the Net Pension Liability

## Missouri Consolidated Health Care Plan

| | June 30, 2026 | June 30, 2025 | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| MCHCP's Proportion Of The Net Pension Liability (Asset) | **0.14425%** | **0.14942%** | **0.15338%** | **0.14648%** | **0.14228%** | **0.14307%** | **0.14785%** | **0.1499%** | **0.1532%** | **0.1565%** |
| MCHCP's Proportionate Share Of The Net Pension Liability (Asset) | **$11,597,033** | **$12,127,094** | **$11,707,603** | **$10,488,603** | **$7,954,583** | **$9,081,290** | **$8,931,796** | **$8,362,210** | **$7,979,229** | **$7,265,764** |
| MCHCP's Covered Payroll | **4,067,868** | **3,758,397** | **3,666,769** | **3,378,717** | **2,921,934** | **2,867,872** | **2,858,662** | **2,913,724** | **3,016,171** | **3,031,348** |
| MCHCP's Proportionate Share Of The Net Pension Liability (Asset) As A Percentage Of Its Covered Payroll | **285.09%** | **322.67%** | **319.29%** | **310.43%** | **272.24%** | **316.66%** | **312.44%** | **286.99%** | **264.55%** | **239.69%** |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | **53.78%** | **52.02%** | **52.86%** | **53.53%** | **63.00%** | **55.48%** | **56.72%** | **59.02%** | **60.41%** | **63.60%** |

***Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.**

## Schedule of Contributions

Missouri Consolidated Health Care Plan

| | June 30, 2026 | June 30, 2025 | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Required contribution | **$1,230,531** | **$1,080,539** | **$999,562** | **$889,617** | **$686,947** | **$656,169** | **$622,331** | **$580,484** | **$566,720** | **$514,420** |
| Contribution in relation to the required contribution | **1,230,531** | **1,080,539** | **999,562** | **889,617** | **686,947** | **656,169** | **622,331** | **580,484** | **566,720** | **514,420** |
| Contribution deficiency (excess) | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| MCHCP's covered payroll | **4,067,868** | **3,758,397** | **3,666,769** | **3,378,717** | **2,921,934** | **2,867,872** | **2,858,662** | **2,872,260** | **2,913,724** | **3,031,348** |
| Contributions as a percentage of covered payroll | **30.25%** | **28.75%** | **27.26%** | **26.33%** | **23.51%** | **22.88%** | **21.77%** | **20.21%** | **19.45%** | **16.97%** |

***Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.**

# Notes to Required Supplementary Information for the Year Ended June 30, 2026

## Changes of benefit terms or assumptions - Pension Plan

**There were no changes in benefit terms or assumptions during the fiscal year ended June 30, 2025, 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, 2026

State Retiree Welfare Benefit Trust

| | |
|---|---|
| Third Party Claims Administration Services | $5,799,607 |
| Payroll and related Benefits | 2,308,251 |
| Professional Services | 520,404 |
| General Administration | 1,168,992 |
| Employee Assistance Program | 270,465 |
| **Total** | **$10,067,719** |

## Schedule of Investment Expenses for the Year Ended June 30, 2026

State Retiree Welfare Benefit Trust

| | |
|---|---|
| Central Registered Investment Advisors | $696,499 |

## Schedule of Professional Service Fees for the Year Ended June 30, 2026

State Retiree Welfare Benefit Trust

| | |
|---|---|
| *Actuarial Services* | |
| Segal, Inc. | $207,380 |
| *Investment Advisory Services* | |
| Central Bank | 696,499 |
| *Auditing Services* | |
| Armanino LLP | 38,447 |
| *Software Consulting* | |
| McCarthy and Company | 33,875 |
| *Consulting Services* | |
| Merative | 184,399 |
| *Legal Services* | |
| Stinson, LLP | 8,392 |
| **Total** | **$1,168,992** |

# INVESTMENTS



# INVESTMENT ADVISOR STATEMENT

Central Bank

July 30, 2026

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, 2026.

The Plan's State Retiree Welfare Benefit Trust (SRWBT) investment portfolio generated a return of 12.44% for fiscal year 2026 and Portfolio assets ended the year at slightly greater than $245.327 million. The fiscal year began with significant volatility which was worsened toward the end of the year by the unrest in Mid-East. Global equities generated double digit positive returns exceeding those of the previous fiscal year and the yield curve remained inverted, albeit less than the year before, hurting longer term bond returns.

Fiscal Year 2026 equity performance was 23.12% which underperformed its benchmark of 26.20%, and the fixed income return was 3.63% missing its benchmark return of 3.79%. Over the past three years, the overall portfolio returned 10.14%, which approximately matched its benchmark of 10.18%, and for the past five years earned 5.29% compared to its benchmark of 5.08%.

Bonds currently offer a somewhat higher yield than in past years and our expectations for the coming fiscal year are a mix of rate cuts and raises depending on inflation. The portfolio still has a slight tilt to fixed income with its duration significantly less than its benchmark. As we continue to opportunistically invest in additional equity positions as well as fixed income opportunities, 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 2027 we anticipate:

- Interest rates will remain elevated for a time but eventually begin dropping once there is some more clarity in the mid-east and inflation is better controlled.
- Equity valuations continue to be above long- term historic norms and we believe there could be continued volatility in the equity markets due to accelerating global growth in some economies.

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 CFA
Senior Vice President/Senior Portfolio Manager

*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, 2026

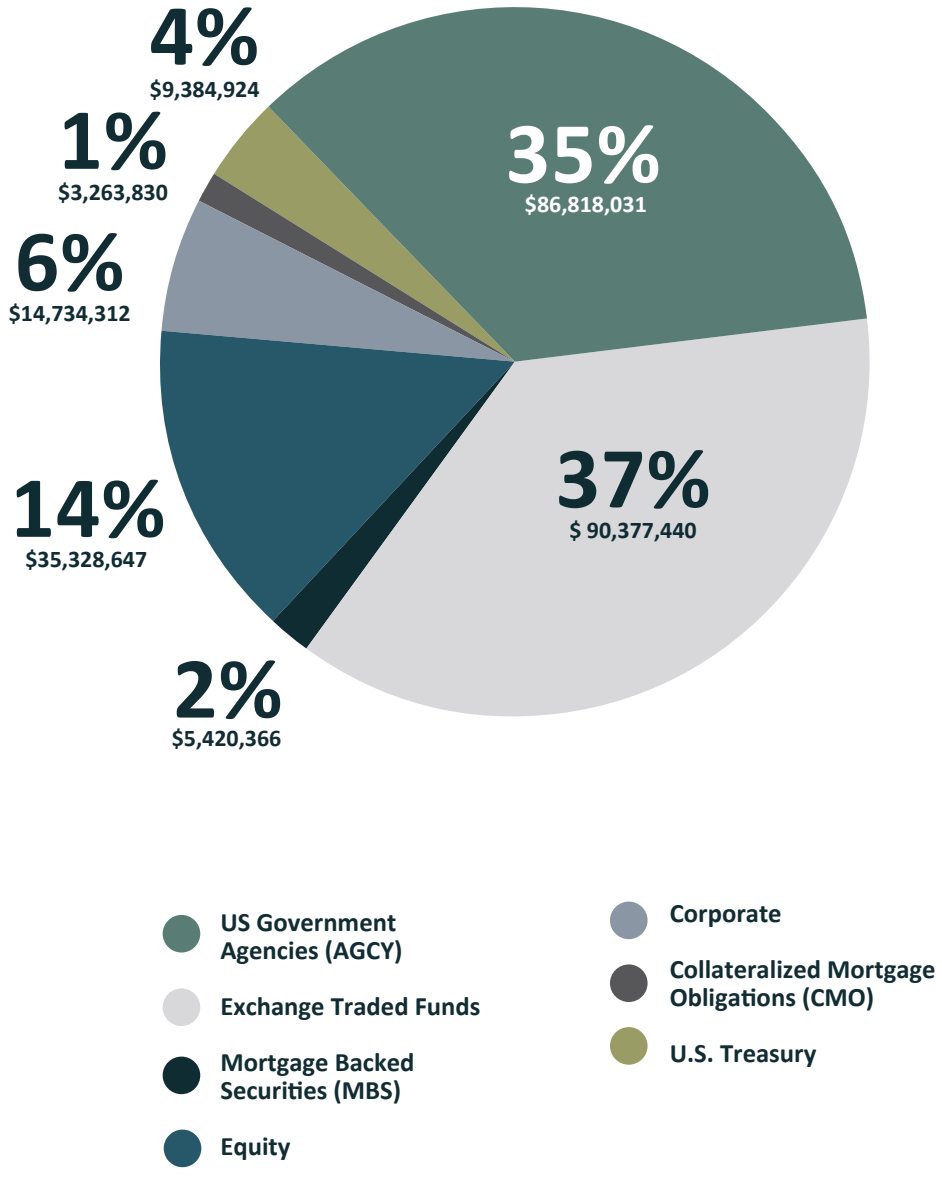
| | 1 Year | 3 Years | 5 Years |
|---|---|---|---|
| Total Fund: | **12.44%** | **10.14%** | **5.29%** |
| Policy Benchmark: | **13.59%** | **10.18%** | **5.08%** |
| US TSY/AGY/MBS/CMO/Corporate Portfolio | **3.63%** | **4.75%** | **1.61%** |
| Bloomberg US Aggregate Bond Index* | **3.79%** | **4.18%** | **0.76%** |
| Large Cap Equities/Exchange Traded Fund Portfolio | **23.12%** | **18.28%** | **11.35%** |
| Equity Composite (LC 50%/MC 15%/SC 20%/GLBL 15%) | **26.20%** | **18.82%** | **11.43%** |

**Rate of Return. For the year ended June 30, 2026, the annual time weighted rate of return on investments, net of investment expense, was 12.44 percent. The time weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.**

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

## Schedule of Asset Allocation

MCHCP Retiree Welfare Benefit Trust, Fiscal Year 2026



## List of Largest Assets Held

State Retiree Welfare Benefit Trust

**Top Ten Holdings at June 30, 2026**

| Fair Value | Description | Fair Value |
|---|---|---|
| **16,320.00** | Vanguard S&P 500 ETF | **$11,208,739.20** |
| **38,737.64** | Fidelity 500 Index | **10,119,432.65** |
| **97,410.00** | iShares Core MSCI EAFE ETF | **9,407,857.80** |
| **26,735.00** | Vanguard Small-Cap ETF | **8,103,913.20** |
| **73,900.00** | iShares MSCI Emerging Markets ex China ETF | **7,559,970.00** |
| **67,590.00** | iShares Russell Mid-Cap ETF | **7,456,528.80** |
| **66,252.00** | Vanguard Growth ETF | **5,706,947.28** |
| **5,500,000.00** | Federal Farm 3.130 01/19/33 | **5,070,890.00** |
| **31,400.00** | iShares Russell Mid-Cap Growth ETF | **4,597,274.00** |
| **63,150.00** | Vanguard FTSE Developed Markets ETF | **4,499,437.50** |
| | | **$73,730,990.43** |

NOTE: For a complete list of holdings contact MCHCP.

## Schedule of Investment Fees

State Retiree Welfare Benefit Trust

**FY Ended June 30, 2026**

| | Assets Under Management | Fees |
|---|---|---|
| **U.S. Equities:** | | |
| Actively Managed | **$64,427,966** | **$164,647** |
| Passively Managed | **33,325,702** | **86,085** |
| **International Equities:** | | |
| Passively Managed | **27,952,419** | **57,928** |
| **Fixed Income:** | | |
| Passively Managed | **119,621,463** | **386,091** |
| | **$245,327,550** | **$694,751** |

**Note: All Investment fees are paid to Central Registered Investment Advisors**
**Note: All custodial fees are included in the management fees**

# ACTUARIAL





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

October 19, 2026

Ms. Jocelyn Oligschlaeger
Chief Financial Officer
Missouri Consolidated Health Care Plan
832 Weathered Rock Ct.
PO Box 104355
Jefferson City, MO 65110

Dear Ms. Oligschlaeger:

We are pleased to submit this revised report under Governmental Accounting Standards Board Statement No. 74 (GASB 74) Actuarial Valuation of Other Postemployment Benefits (OPEB) Measured as of June 30, 2026, for the Missouri Consolidated Health Care Plan. This revised report supersedes the report issued October 1, 2026, and reflects an updated Statement of Fiduciary Net Position and associated results. 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 Health Care Plan (Plan) as of June 30, 2025, completed by Segal, dated November 19, 2025 (the 2025 GASB 74 report), rolled forward one year.

The actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Plan. The actuarial valuation is based on the plan of benefits verified by the State and reliance on participant, premium, claims, and expense data provided by the State or from vendors employed by the State. 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 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: 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 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.

Further, in our opinion, the assumptions used in this valuation and described in Appendix C 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 Appendix D.

The liability calculations were completed under the supervision of Robert Burrell, ASA, FCA, MAAA, EA, Vice President and Consulting Actuary. The claims and medical trend calculations were completed under the supervision of Matthew Kersting, FSA, FCA, MAAA, Vice President and Senior Health Consultant. We are members of the American Academy of Actuaries and collectively meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the State based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of the Missouri Consolidated Health Care Plan and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

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 State is encouraged to discuss any issues raised in this report with the State's legal, tax and other advisors before taking, or refraining from taking, any action.

Sincerely,

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 1: Actuarial Valuation Summary

## Purpose and basis

This report presents the results of our actuarial valuation of the Missouri (the "State", the "Employer") Consolidated Health Care OPEB plan as of June 30, 2026, 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, retired members and beneficiaries as of July 1, 2026, provided by the Plan;
- The assets of the Plan as of June 30, 2026, provided by the Plan;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Plan for the June 30, 2026, valuation;
- Health care assumptions regarding per capita costs, trend rates and participation; 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, 2026, is $1,537,540,314, a decrease of $196,728,334, from the prior valuation NOL of $1,734,268,648. Net plan obligations had been expected to increase to $1,794,319,822 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 $14,274,313. This was the result of a gain due to fund investment performance (returns higher than expected).
  - An actuarial experience loss increased the NOL by $40,309,507. This was the net result of demographic changes.
  - Valuation assumption changes decreased the NOL by $282,814,702. This was the result of updating the valuation-year starting per capita health costs and retiree contributions and updating the future trend on such costs and contributions.
- As of June 30, 2026, the ratio of assets to the Total OPEB Liability (the funded ratio) is 14.67%, an increase from 12.24% 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 |
|---|---|---|
| Measurement date and Reporting date for the Plan under GASB 74 | June 30, 2026 | June 30, 2025 |
| **Disclosure elements:** | | |
| • Total OPEB Liability | $1,801,905,960 | $1,976,051,675 |
| • Plan Fiduciary Net Position (Assets) | 264,365,646 | 241,783,027 |
| • Net OPEB Liability | 1,537,540,314 | 1,734,268,648 |
| • Plan Fiduciary Net Position as a percentage of Total OPEB Liability | 14.67% | 12.24% |
| • Service cost at beginning of year | $42,967,282 | $38,154,888 |
| • Total payroll | 2,045,116,300 | 1,946,028,997 |
| **Schedule of contributions:** | | |
| • Actuarially Determined Contributions | $119,819,797 | $108,124,075 |
| • Actual contributions | 78,535,063 | 74,580,209 |
| • Contribution deficiency / (excess) | 41,284,734 | 33,543,866 |
| • Benefit payments | 83,391,278 | 75,229,122 |

## Important information about actuarial valuations

An actuarial valuation is a tool to measure 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 State 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. |

| Input Item | Description |
|---|---|
| | 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. |

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 State's 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.
- 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 may include actuarial results that are shown to the nearest dollar, 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 State should look to their other advisors for expertise in these areas.
- If the State 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.
- 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 State upon delivery and review. The State should notify Segal immediately of any questions or concerns about the final content.

# Section 2: GASB 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 Health Care 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, 2026, Plan membership consisted of the following:

| Membership | July 1, 2026 |
|---|---|
| Retired members or beneficiaries currently receiving benefits | 22,322 |
| Disabled members currently receiving benefits | 42 |
| Vested terminated members entitled to but not yet receiving benefits[1] | 82 |
| Active members | 38,238 |
| **Total** | **60,684** |

[1] Counts do not include spouses of terminated vested employees. At July 1, 2026, there were 28 spouses for terminated vested employees.

## Exhibit A: Net OPEB Liability

| Components of the Net OPEB Liability | Current | Prior |
|---|---|---|
| Measurement date and reporting date for the Plan under GASB 74 | June 30, 2026 | June 30, 2025 |
| Total OPEB Liability | $1,801,905,960 | $1,976,051,675 |
| Plan Fiduciary Net Position | 264,365,646 | 241,783,027 |
| Net OPEB Liability | 1,537,540,314 | 1,734,268,648 |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability | 14.67% | 12.24% |

The Net OPEB Liability was measured as of June 30, 2026, and 2025. 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, 2026, and 2025, respectively.

**Actuarial assumptions.** The Total OPEB Liability was measured by an actuarial valuation as of June 30, 2026, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| Assumption Type | Assumption |
|---|---|
| Inflation | 3.00% |
| Salary increases | 4.00% |
| Discount rate | 5.50% as of June 30, 2026, and 5.50% as of June 30, 2025 |
| Health care cost trend rates | |
| • Non-Medicare Medical and Prescription Drug | 9.28%, 8.52%, 8.22%, 7.91%, 7.60%, 7.28%, 6.96%, 6.63%, 6.30%, 5.96%, 5.62%, 5.28%, 5.01%, 4.81%, 4.60%, 4.50% (ultimate) |
| • Medicare Medical and Prescription Drug | 20.06%[2], 16.53%[2], 11.60%, 10.87%, 9.71%, 8.74%, 8.29%, 7.84%, 7.39%, 6.93%, 6.47%, 6.01%, 5.57%, 5.14%, 4.71%, 4.50% (ultimate) |
| • Administrative Expense | 0.00%, 3.00% (ultimate) |
| Mortality rates | Pre-Retirement: Pri-2012 Employee Amount-weighted Mortality Table projected generationally using MP-2021<br>Annuitant: Pri-2012 Retiree Amount-weighted Mortality Table projected generationally using MP-2021 |

The actuarial assumptions used in the June 30, 2026, valuation were based on the results of the 2020 Experience Study completed by Willis Towers Watson.

Detailed information regarding all actuarial assumptions can be found in Appendix C.

[2] Reflects Medicare Advantage Premiums of $0.

## Exhibit B: 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 Real Rate of Return |
|---|---|---|
| Domestic Large Cap Equity | 26.00% | 5.55% |
| Domestic MidCap Equity | 7.00% | 6.55% |
| Domestic SmallCap Equity | 7.00% | 7.45% |
| Global Equity | 11.00% | 5.75% |
| Domestic Fixed Income | 49.00% | 2.45% |
| **Total** | **100.00%** | |

**Discount rate.** The discount rates used to measure the Total OPEB Liability (TOL) were 5.50% and 5.50% as of June 30, 2026, and June 30, 2025, respectively. 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 as of both June 30, 2026, and June 30, 2025.

## Exhibit C: Discount rate and trend 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) | $1,801,064,836 | $1,537,540,314 | $1,323,398,647 |

| 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) | $1,313,265,143 | $1,537,540,314 | $1,816,417,146 |

## Exhibit D: Schedule of changes in Net OPEB Liability

| Components of the Net OPEB Liability | Current | Prior |
|---|---|---|
| Measurement date and Reporting date for the Plan under GASB 74 | June 30, 2026 | June 30, 2025 |
| **Total OPEB Liability** | | |
| Service cost | $42,967,282 | $38,154,888 |
| Interest | 108,783,476 | 99,277,946 |
| Change of benefit terms | 0 | 0 |
| Differences between expected and actual experience | 40,309,507 | 24,159,055 |
| Changes of assumptions | (282,814,702) | 85,679,124 |
| Benefit payments, including refunds of member contributions | (83,391,278) | (75,229,122) |
| **Net change in Total OPEB Liability** | **($174,145,715)** | **$172,041,891** |
| Total OPEB Liability – beginning | 1,976,051,675 | 1,804,009,784 |
| **Total OPEB Liability – ending** | **$1,801,905,960** | **$1,976,051,675** |
| **Plan Fiduciary Net Position** | | |
| Contributions – employer | $78,535,063 | $74,580,209 |
| Contributions – employee | 46,806,846 | 45,188,620 |
| Net investment income | 27,438,834 | 18,594,746 |
| Benefit payments, including refunds of member contributions | (232,725,843) | (218,599,848) |
| Administrative expense | (10,067,719) | (10,091,090) |
| Other | 112,595,438 | 108,273,196 |
| **Net change in Plan Fiduciary Net Position** | **$22,582,619** | **$17,945,833** |
| Plan Fiduciary Net Position – beginning | 241,783,027 | 223,837,194 |
| **Plan Fiduciary Net Position – ending** | **$264,365,646** | **$241,783,027** |
| **Net OPEB Liability** | | |
| Net OPEB Liability – ending | $1,537,540,314 | $1,734,268,648 |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability | 14.67% | 12.24% |
| Covered payroll | $2,045,116,300 | $1,946,028,997 |
| Plan Net OPEB Liability as percentage of covered payroll | 75.18% | 89.12% |

**Notes to Schedule:**

- **Benefit changes:**
  - Changes as of June 30, 2026:
    - Effective January 1, 2027, Non-Medicare retirees will have the option to choose from less expensive plan offerings, PPO 2500, PPO 5000, HSA 3500, HSA 5500, and HSA 6500.

Due to these plans being priced on an Actuarial Value basis, and the state contribution remaining a flat amount, the cost impact to the State is expected to be immaterial.

- Changes as of June 30, 2025:
  - None.

- **Changes of assumptions:**
  - Changes as of June 30, 2026:
    - 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.
  - Changes as of June 30, 2025:
    - 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.

## Exhibit E: Schedule of employer contributions

| Year Ended June 30 | Actuarially Determined Contributions[3] | Contributions in Relation to the Actuarially Determined Contributions | Contribution Deficiency / (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 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% |
| 2025 | 108.1 | 74.6 | 33.5 | 1,946.0 | 3.8% |
| 2026 | 119.8 | 78.5 | 41.3 | 2,045.1 | 3.8% |

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 Health Care Plan as of June 30, 2025, completed by Segal, dated November 19, 2025 (the 2025 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, 2025 |
| **Asset valuation method** | Fair value |
| **Salary increases** | 4.00% |
| **Investment rate of return** | 5.50% |

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

## Exhibit H: Actuarially Determined Contribution

| Item | June 30, 2026 5.50% Discount Rate | June 30, 2025 5.50% Discount Rate |
|---|---|---|
| **Actuarial Accrued Liability** | | |
| Actuarial accrued liability | $1,976,051,675 | $1,804,009,784 |
| Assets | 241,783,027 | 223,837,194 |
| **Unfunded actuarial accrued liability** | **$1,734,268,648** | **$1,580,172,590** |
| **Actuarially Determined Contribution** | | |
| Normal cost | $42,967,282 | $38,154,888 |
| Amortization of unfunded actuarial accrued liability[4] | 70,605,985 | 64,332,387 |
| Interest[5] | 6,246,530 | 5,636,800 |
| **Total Actuarially Determined Contribution** | **$119,819,797** | **$108,124,075** |
| Total payroll | 2,045,116,300 | 1,946,028,997 |

The Actuarially Determined Contribution for fiscal 2026 is based on the results of the GASB 74 Actuarial Valuation and Review of Other Postemployment Benefits of the Missouri Consolidated Health Care Plan (Plan) as of June 30, 2025, completed by Segal, dated November 19, 2025 (the 2025 GASB 74 report), rolled forward one year using standard actuarial techniques.

The Actuarially Determined Contribution for fiscal 2025 is based on the results of the GASB 74 Actuarial Valuation and Review of Other Postemployment Benefits of the Missouri Consolidated Health Care Plan (Plan) as of June 30, 2024, completed by Segal, dated December 4, 2024 (the 2024 GASB 74 report), rolled forward one year using standard actuarial techniques.

[4] 30-year increasing 4.0% per year amortization payment of the unfunded actuarial accrued liability
[5] Total interest on Normal Cost and on Amortization payment

## Exhibit I: Statement of Plan Fiduciary Net Position

| Item | Amounts as of June 30, 2026 |
|---|---|
| **Assets** | |
| **Other assets** | |
| • Cash & cash equivalents | $5,350,476 |
| • Due from MCHCP | 5,500,162 |
| • **Total other assets** | **$10,850,638** |
| **Receivables** | |
| • Prescription drug rebates | $22,850,587 |
| • Other receivables | 1,084,711 |
| • **Total receivables** | **$23,935,298** |
| **Investments** | |
| • U.S. Agencies | $86,818,031 |
| • Exchange Traded Funds | 90,377,440 |
| • U.S. Government Guaranteed Mortgages | 5,420,366 |
| • Equities | 35,328,647 |
| • Corporate | 14,734,312 |
| • Collateralized Mortgage Obligations | 3,263,830 |
| • U.S. Treasuries | 9,384,924 |
| • **Total investments** | **$245,327,550** |
| **Total Assets** | **$280,113,486** |
| **Liabilities** | |
| **Payables** | |
| • Accrued medical claims & capitation fees | $8,121,265 |
| • Unearned revenue | 7,450,780 |
| • Other liabilities | 175,795 |
| • **Total payables** | **$15,747,840** |
| **Total liabilities** | **$15,747,840** |
| **Net position restricted for OPEB** | **$264,365,646** |

## Exhibit J: Statement of Plan Fiduciary Net Position

| Item | Amounts as of June 30, 2026 |
|---|---|
| **Additions** | |
| • Employer contributions | $78,535,063 |
| • Retiree contributions | 46,806,846 |
| • Interest income | 27,438,834 |
| • Retiree Drug Subsidy and other rebates | 74,495,765 |
| • Medicare Part D EGWP Direct Subsidy | 38,099,673 |
| **Total additions** | **$265,376,181** |
| **Deductions** | |
| • Medical claims & capitation expense | $232,725,843 |
| • Claims administration services | 5,799,607 |
| • Administration & other | 4,268,112 |
| **Total Deductions** | **$242,793,562** |
| **Net Increase** | **$22,582,619** |
| Beginning of Year | 241,783,027 |
| **Net position restricted for OPEB** | **$264,365,646** |
| Rate of return | **11.46%** |

# Appendices

## Appendix A: Summary of participant data

As of July 1, 2026

| Statistic | Amount |
|---|---|
| Number of retirees | 16,280 |
| Average age of retirees | 71.80 |
| Number of spouses | 5,075 |
| Average age of spouses | 71.06 |
| Number of surviving spouses | 1,009 |
| Average age | 78.91 |
| Number inactive vested[6] | 82 |
| Average age | 54.71 |
| Number of actives | 38,238 |
| Average age | 44.06 |
| Average service | 9.13 |

[6] Counts do not include spouses of terminated vested employees. At July 1, 2026, there were 28 spouses for terminated vested employees.

# Appendix B: 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 | 1,080 | 1,060 | 561 | 238 | 111 | 38 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,088 |
| 25 - 29 | 566 | 881 | 664 | 627 | 469 | 641 | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 3,863 |
| 30 - 34 | 448 | 615 | 456 | 417 | 389 | 1,147 | 418 | 6 | 0 | 0 | 0 | 0 | 0 | 3,896 |
| 35 - 39 | 363 | 503 | 393 | 361 | 334 | 1,009 | 903 | 261 | 11 | 0 | 0 | 0 | 0 | 4,138 |
| 40 - 44 | 297 | 420 | 339 | 329 | 307 | 891 | 821 | 719 | 322 | 23 | 0 | 0 | 0 | 4,468 |
| 45 - 49 | 245 | 392 | 298 | 294 | 277 | 776 | 722 | 653 | 756 | 464 | 25 | 0 | 0 | 4,902 |
| 50 - 54 | 222 | 278 | 261 | 259 | 245 | 716 | 596 | 590 | 623 | 814 | 223 | 3 | 0 | 4,830 |
| 55 - 59 | 171 | 262 | 220 | 222 | 243 | 709 | 590 | 519 | 519 | 506 | 325 | 63 | 14 | 4,363 |
| 60 - 64 | 91 | 136 | 148 | 150 | 184 | 627 | 512 | 410 | 358 | 237 | 159 | 117 | 34 | 3,163 |
| 65 - 69 | 28 | 35 | 52 | 37 | 57 | 224 | 197 | 160 | 104 | 85 | 68 | 38 | 30 | 1,115 |
| 70 & over | 13 | 11 | 20 | 25 | 24 | 80 | 62 | 54 | 36 | 30 | 20 | 9 | 28 | 412 |
| Total | 3,524 | 4,593 | 3,412 | 2,959 | 2,640 | 6,858 | 4,836 | 3,372 | 2,729 | 2,159 | 820 | 230 | 106 | 38,238 |

# Appendix C: Statement of actuarial assumptions, methods and models

## 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

## Asset valuation method

Market value

## Amortization of unfunded

30 years with payments increasing 4.00% per year

## Valuation date

June 30, 2026

## Discount rate

5.50%

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

## Inflation

3.00%

## Expected Return on Assets

5.50%

Long-term rate of return on investments is 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.

# Appendices

## Funding Policy

Contributions to the plan are determined by the appropriations of the Missouri State Legislature. MCHCP requests funding each year equal to the actuarially 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.

## 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.

## 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% |

# Appendices

## 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, 2023, through December 31, 2025. 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, 2023, through December 31, 2025. 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 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.

# Appendices

## Per capita health costs

Fiscal year 2027 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 | $12,251 | $13,447 |
| 50 | 13,825 | 14,598 |
| 55 | 15,600 | 15,846 |
| 60 | 17,961 | 17,178 |
| 65 | 2,151 | 1,787 |
| 70 | 2,416 | 1,999 |
| 75 | 2,669 | 2,101 |
| 80 | 2,794 | 2,243 |

## 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 2027:

- Non-Medicare: $15,534
- Medicare: $2,872

## 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.

| Year Ending June 30 | Medical and Prescription Drug Combined Rate (Non-Medicare) | Medical and Prescription Drug Combined Rate (Non-Medicare) |
|---|---|---|
| 2027 | 9.28% | 20.06% |
| 2028 | 8.52% | 16.53% |
| 2029 | 8.22% | 11.60% |
| 2030 | 7.91% | 10.87% |
| 2031 | 7.60% | 9.71% |
| 2032 | 7.28% | 8.74% |
| 2033 | 6.96% | 8.29% |
| 2034 | 6.63% | 7.84% |
| 2035 | 6.30% | 7.39% |
| 2036 | 5.96% | 6.93% |
| 2037 | 5.62% | 6.47% |
| 2038 | 5.28% | 6.01% |
| 2039 | 5.01% | 5.57% |
| 2040 | 4.81% | 5.14% |
| 2041 | 4.60% | 4.71% |
| 2042 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 2026 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.

## Retiree contribution increase rate

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

## Administrative expenses

For fiscal 2027, the administrative expenses used are $372 per person (apply only for non-Medicare). Future increases will be assumed to be 0% for the first year, then assumed to increase at the general inflation rate of 3.0% per year.

## Plan design

Development of plan liabilities was based on the substantive plan of benefits in effect as described in Appendix D.

# Appendices

## 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

## 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 OPEB 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.

## 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 future expectations.

# Appendix D: Summary of plan provisions

This appendix 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 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: The following plan options are available for medical coverage, and are administered by Anthem: PPO 750, PPO 1250, PPO 2500, PPO 5000, HSA 1800, HSA 3500, HSA 5500 and HSA 6500. 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.[7]

## Plan changes

Effective January 1, 2027, Non-Medicare retirees will have the option to choose from less expensive plan offerings, PPO 2500, PPO 5000, HSA 3500, HSA 5500, and HSA 6500. Due to these plans being priced on an Actuarial Value basis, and the state contribution remaining a flat amount, the cost impact to the State is expected to be immaterial.

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

## Appendix E: Projection of Plan Fiduciary Net Position for use in the calculation of discount rate as of June 30, 2026

| 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 Beginning Plan Fiduciary Net Position (f) = (a) + (b) – (c) – (d) + (e) |
|---|---|---|---|---|---|---|
| 2026 | $264,365,646 | $79,018,742 | $73,208,574 | $0 | $16,899,852 | $287,075,666 |
| 2027 | 287,075,666 | 82,179,492 | 80,435,530 | 0 | 18,126,663 | 306,946,291 |
| 2028 | 306,946,291 | 85,466,672 | 86,820,998 | 0 | 19,227,092 | 324,819,056 |
| 2029 | 324,819,056 | 88,885,339 | 92,289,900 | 0 | 20,249,739 | 341,664,234 |
| 2030 | 341,664,234 | 92,440,752 | 98,395,271 | 0 | 21,206,121 | 356,915,836 |
| 2031 | 356,915,836 | 96,138,382 | 104,151,709 | 0 | 22,092,145 | 370,994,654 |
| 2032 | 370,994,654 | 99,983,918 | 109,545,212 | 0 | 22,931,649 | 384,365,008 |
| 2033 | 384,365,008 | 103,983,274 | 115,225,941 | 0 | 23,732,853 | 396,855,195 |
| 2034 | 396,855,195 | 108,142,605 | 120,045,524 | 0 | 24,517,812 | 409,470,089 |
| 2035 | 409,470,089 | 112,468,310 | 124,717,098 | 0 | 25,322,796 | 422,544,096 |
| 2036 | 422,544,096 | 116,967,042 | 128,773,692 | 0 | 26,179,234 | 436,916,680 |
| 2037 | 436,916,680 | 121,645,724 | 132,864,518 | 0 | 27,116,062 | 452,813,947 |
| 2038 | 452,813,947 | 126,511,552 | 136,862,203 | 0 | 28,149,567 | 470,612,864 |
| 2039 | 470,612,864 | 131,572,015 | 139,754,096 | 0 | 29,328,370 | 491,759,152 |
| 2040 | 491,759,152 | 136,834,895 | 142,067,945 | 0 | 30,718,095 | 517,244,198 |
| 2041 | 517,244,198 | 142,308,291 | 144,149,888 | 0 | 32,364,322 | 547,766,923 |
| 2042 | 547,766,923 | 148,000,623 | 144,512,592 | 0 | 34,346,310 | 585,601,263 |
| 2043 | 585,601,263 | 153,920,648 | 144,962,336 | 0 | 36,740,597 | 631,300,172 |
| 2044 | 631,300,172 | 160,077,473 | 145,608,373 | 0 | 39,575,134 | 685,344,407 |
| 2045 | 685,344,407 | 166,480,572 | 145,633,878 | 0 | 42,899,046 | 749,090,147 |
| 2046 | 749,090,147 | 173,139,795 | 145,367,308 | 0 | 46,778,551 | 823,641,186 |
| 2047 | 823,641,186 | 180,065,387 | 146,148,990 | 0 | 51,238,557 | 908,796,140 |
| 2048 | 908,796,140 | 187,268,003 | 146,912,078 | 0 | 56,297,520 | 1,005,449,585 |
| 2049 | 1,005,449,585 | 194,758,723 | 147,373,257 | 0 | 62,012,936 | 1,114,847,986 |
| 2050 | 1,114,847,986 | 202,549,072 | 147,060,234 | 0 | 68,466,810 | 1,238,803,634 |
| 2051 | 1,238,803,634 | 210,651,034 | 147,505,452 | 0 | 75,717,899 | 1,377,667,116 |
| 2052 | 1,377,667,116 | 219,077,076 | 148,000,041 | 0 | 83,805,404 | 1,532,549,555 |
| 2053 | 1,532,549,555 | 227,840,159 | 147,237,306 | 0 | 92,826,602 | 1,705,979,010 |

| 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 Beginning Plan Fiduciary Net Position (f) = (a) + (b) – (c) – (d) + (e) |
|---|---|---|---|---|---|---|
| 2054 | 1,705,979,010 | 236,953,765 | 146,417,716 | 0 | 102,888,708 | 1,899,403,766 |
| 2055 | 1,899,403,766 | 246,431,916 | 145,660,546 | 0 | 114,068,911 | 2,114,244,047 |
| 2056 | 2,114,244,047 | 256,289,192 | 144,254,265 | 0 | 126,465,432 | 2,352,744,406 |
| 2057 | 2,352,744,406 | 266,540,760 | 142,908,477 | 0 | 140,183,301 | 2,616,559,991 |
| 2058 | 2,616,559,991 | 277,202,391 | 141,843,867 | 0 | 155,308,433 | 2,907,226,948 |
| 2059 | 2,907,226,948 | 288,290,486 | 139,913,576 | 0 | 171,957,334 | 3,227,561,191 |
| 2060 | 3,227,561,191 | 0 | 137,308,640 | 0 | 173,790,417 | 3,264,042,969 |
| 2061 | 3,264,042,969 | 0 | 134,822,749 | 0 | 175,864,362 | 3,305,084,581 |
| 2062 | 3,305,084,581 | 0 | 131,264,684 | 0 | 178,218,188 | 3,352,038,085 |
| 2063 | 3,352,038,085 | 0 | 127,113,711 | 0 | 180,913,254 | 3,405,837,629 |
| 2064 | 3,405,837,629 | 0 | 122,861,558 | 0 | 183,987,598 | 3,466,963,669 |
| 2065 | 3,466,963,669 | 0 | 118,355,995 | 0 | 187,471,775 | 3,536,079,450 |
| 2066 | 3,536,079,450 | 0 | 113,839,485 | 0 | 191,395,685 | 3,613,635,650 |
| 2067 | 3,613,635,650 | 0 | 109,428,043 | 0 | 195,780,967 | 3,699,988,573 |
| 2068 | 3,699,988,573 | 0 | 105,415,785 | 0 | 200,639,238 | 3,795,212,026 |
| 2069 | 3,795,212,026 | 0 | 101,268,189 | 0 | 205,989,060 | 3,899,932,897 |
| 2070 | 3,899,932,897 | 0 | 97,173,665 | 0 | 211,859,800 | 4,014,619,033 |
| 2071 | 4,014,619,033 | 0 | 93,153,855 | 0 | 218,276,603 | 4,139,741,781 |
| 2072 | 4,139,741,781 | 0 | 89,585,981 | 0 | 225,255,157 | 4,275,410,957 |
| 2073 | 4,275,410,957 | 0 | 85,560,414 | 0 | 232,826,184 | 4,422,676,727 |
| 2074 | 4,422,676,727 | 0 | 82,017,863 | 0 | 241,021,917 | 4,581,680,781 |
| 2075 | 4,581,680,781 | 0 | 78,461,117 | 0 | 249,863,641 | 4,753,083,305 |
| 2076 | 4,753,083,305 | 0 | 74,878,996 | 0 | 259,387,970 | 4,937,592,280 |
| 2077 | 4,937,592,280 | 0 | 71,148,287 | 0 | 269,637,185 | 5,136,081,178 |
| 2078 | 5,136,081,178 | 0 | 67,415,997 | 0 | 280,655,339 | 5,349,320,519 |
| 2079 | 5,349,320,519 | 0 | 63,640,703 | 0 | 292,485,934 | 5,578,165,750 |
| 2080 | 5,578,165,750 | 0 | 59,838,669 | 0 | 305,175,578 | 5,823,502,659 |
| 2081 | 5,823,502,659 | 0 | 56,033,518 | 0 | 318,772,349 | 6,086,241,489 |
| 2082 | 6,086,241,489 | 0 | 52,247,089 | 0 | 333,325,718 | 6,367,320,118 |
| 2083 | 6,367,320,118 | 0 | 48,496,952 | 0 | 348,886,791 | 6,667,709,957 |
| 2084 | 6,667,709,957 | 0 | 44,794,011 | 0 | 365,508,700 | 6,988,424,645 |
| 2085 | 6,988,424,645 | 0 | 41,164,401 | 0 | 383,246,486 | 7,330,506,730 |

# Appendices

| 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 Beginning Plan Fiduciary Net Position (f) = (a) + (b) – (c) – (d) + (e) |
|---|---|---|---|---|---|---|
| 2086 | 7,330,506,730 | 0 | 37,622,974 | 0 | 402,157,086 | 7,695,040,842 |
| 2087 | 7,695,040,842 | 0 | 34,197,892 | 0 | 422,299,392 | 8,083,142,342 |
| 2088 | 8,083,142,342 | 0 | 30,890,538 | 0 | 443,734,709 | 8,495,986,513 |
| 2089 | 8,495,986,513 | 0 | 27,741,992 | 0 | 466,526,564 | 8,934,771,085 |
| 2090 | 8,934,771,085 | 0 | 24,732,420 | 0 | 490,741,371 | 9,400,780,037 |
| 2091 | 9,400,780,037 | 0 | 21,923,615 | 0 | 516,448,072 | 9,895,304,494 |
| 2092 | 9,895,304,494 | 0 | 19,296,808 | 0 | 543,718,188 | 10,419,725,873 |
| 2093 | 10,419,725,873 | 0 | 16,844,458 | 0 | 572,627,900 | 10,975,509,316 |
| 2094 | 10,975,509,316 | 0 | 14,572,224 | 0 | 603,257,640 | 11,564,194,731 |
| 2095 | 11,564,194,731 | 0 | 12,528,960 | 0 | 635,690,775 | 12,187,356,547 |
| 2096 | 12,187,356,547 | 0 | 10,620,784 | 0 | 670,016,448 | 12,846,752,211 |

**Notes**

- Amounts may not total exactly due to rounding.
- Column (b): Projected total contributions include the service cost applied to closed group (based on covered active members as of June 30, 2026) plus employer contributions to the unfunded actuarial liability. Contributions are assumed to occur halfway through the year on average.
- 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, 2026.
- Column (e): Projected investment earnings are based on the assumed investment rate of return of 5.5% per annum and reflect the assumed timing of benefit payments made at the beginning of each month.

## Appendix F: Development of blended discount rate as of June 30, 2026

| 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 |
|---|---|---|---|---|---|---|
| 2026 | $264,365,646 | $73,208,574 | $0 | $71,274,752 | $0 | $71,274,752 |
| 2027 | 287,075,666 | 80,435,530 | 0 | 74,228,253 | 0 | 74,228,253 |
| 2028 | 306,946,291 | 86,820,998 | 0 | 75,944,027 | 0 | 75,944,027 |
| 2029 | 324,819,056 | 92,289,900 | 0 | 76,519,226 | 0 | 76,519,226 |
| 2030 | 341,664,234 | 98,395,271 | 0 | 77,328,246 | 0 | 77,328,246 |
| 2031 | 356,915,836 | 104,151,709 | 0 | 77,585,019 | 0 | 77,585,019 |
| 2032 | 370,994,654 | 109,545,212 | 0 | 77,348,592 | 0 | 77,348,592 |
| 2033 | 384,365,008 | 115,225,941 | 0 | 77,118,188 | 0 | 77,118,188 |
| 2034 | 396,855,195 | 120,045,524 | 0 | 76,155,288 | 0 | 76,155,288 |
| 2035 | 409,470,089 | 124,717,098 | 0 | 74,994,192 | 0 | 74,994,192 |
| 2036 | 422,544,096 | 128,773,692 | 0 | 73,396,664 | 0 | 73,396,664 |
| 2037 | 436,916,680 | 132,864,518 | 0 | 71,780,376 | 0 | 71,780,376 |
| 2038 | 452,813,947 | 136,862,203 | 0 | 70,085,436 | 0 | 70,085,436 |
| 2039 | 470,612,864 | 139,754,096 | 0 | 67,835,392 | 0 | 67,835,392 |
| 2040 | 491,759,152 | 142,067,945 | 0 | 65,363,520 | 0 | 65,363,520 |
| 2041 | 517,244,198 | 144,149,888 | 0 | 62,863,880 | 0 | 62,863,880 |
| 2042 | 547,766,923 | 144,512,592 | 0 | 59,736,546 | 0 | 59,736,546 |
| 2043 | 585,601,263 | 144,962,336 | 0 | 56,798,535 | 0 | 56,798,535 |
| 2044 | 631,300,172 | 145,608,373 | 0 | 54,077,405 | 0 | 54,077,405 |
| 2045 | 685,344,407 | 145,633,878 | 0 | 51,267,183 | 0 | 51,267,183 |
| 2046 | 749,090,147 | 145,367,308 | 0 | 48,505,538 | 0 | 48,505,538 |
| 2047 | 823,641,186 | 146,148,990 | 0 | 46,224,044 | 0 | 46,224,044 |
| 2048 | 908,796,140 | 146,912,078 | 0 | 44,043,027 | 0 | 44,043,027 |
| 2049 | 1,005,449,585 | 147,373,257 | 0 | 41,877,995 | 0 | 41,877,995 |
| 2050 | 1,114,847,986 | 147,060,234 | 0 | 39,610,470 | 0 | 39,610,470 |
| 2051 | 1,238,803,634 | 147,505,452 | 0 | 37,659,136 | 0 | 37,659,136 |
| 2052 | 1,377,667,116 | 148,000,041 | 0 | 35,815,553 | 0 | 35,815,553 |
| 2053 | 1,532,549,555 | 147,237,306 | 0 | 33,773,434 | 0 | 33,773,434 |
| 2054 | 1,705,979,010 | 146,417,716 | 0 | 31,834,536 | 0 | 31,834,536 |

# Appendices

| 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 | 1,899,403,766 | 145,660,546 | 0 | 30,018,872 | 0 | 30,018,872 |
| 2056 | 2,114,244,047 | 144,254,265 | 0 | 28,179,199 | 0 | 28,179,199 |
| 2057 | 2,352,744,406 | 142,908,477 | 0 | 26,460,955 | 0 | 26,460,955 |
| 2058 | 2,616,559,991 | 141,843,867 | 0 | 24,894,627 | 0 | 24,894,627 |
| 2059 | 2,907,226,948 | 139,913,576 | 0 | 23,275,684 | 0 | 23,275,684 |
| 2060 | 3,227,561,191 | 137,308,640 | 0 | 21,651,501 | 0 | 21,651,501 |
| 2061 | 3,264,042,969 | 134,822,749 | 0 | 20,151,198 | 0 | 20,151,198 |
| 2062 | 3,305,084,581 | 131,264,684 | 0 | 18,596,582 | 0 | 18,596,582 |
| 2063 | 3,352,038,085 | 127,113,711 | 0 | 17,069,671 | 0 | 17,069,671 |
| 2064 | 3,405,837,629 | 122,861,558 | 0 | 15,638,544 | 0 | 15,638,544 |
| 2065 | 3,466,963,669 | 118,355,995 | 0 | 14,279,668 | 0 | 14,279,668 |
| 2066 | 3,536,079,450 | 113,839,485 | 0 | 13,018,721 | 0 | 13,018,721 |
| 2067 | 3,613,635,650 | 109,428,043 | 0 | 11,861,826 | 0 | 11,861,826 |
| 2068 | 3,699,988,573 | 105,415,785 | 0 | 10,831,188 | 0 | 10,831,188 |
| 2069 | 3,795,212,026 | 101,268,189 | 0 | 9,862,592 | 0 | 9,862,592 |
| 2070 | 3,899,932,897 | 97,173,665 | 0 | 8,970,448 | 0 | 8,970,448 |
| 2071 | 4,014,619,033 | 93,153,855 | 0 | 8,151,057 | 0 | 8,151,057 |
| 2072 | 4,139,741,781 | 89,585,981 | 0 | 7,430,203 | 0 | 7,430,203 |
| 2073 | 4,275,410,957 | 85,560,414 | 0 | 6,726,375 | 0 | 6,726,375 |
| 2074 | 4,422,676,727 | 82,017,863 | 0 | 6,111,730 | 0 | 6,111,730 |
| 2075 | 4,581,680,781 | 78,461,117 | 0 | 5,541,888 | 0 | 5,541,888 |
| 2076 | 4,753,083,305 | 74,878,996 | 0 | 5,013,151 | 0 | 5,013,151 |
| 2077 | 4,937,592,280 | 71,148,287 | 0 | 4,515,052 | 0 | 4,515,052 |
| 2078 | 5,136,081,178 | 67,415,997 | 0 | 4,055,168 | 0 | 4,055,168 |
| 2079 | 5,349,320,519 | 63,640,703 | 0 | 3,628,510 | 0 | 3,628,510 |
| 2080 | 5,578,165,750 | 59,838,669 | 0 | 3,233,872 | 0 | 3,233,872 |
| 2081 | 5,823,502,659 | 56,033,518 | 0 | 2,870,360 | 0 | 2,870,360 |
| 2082 | 6,086,241,489 | 52,247,089 | 0 | 2,536,870 | 0 | 2,536,870 |
| 2083 | 6,367,320,118 | 48,496,952 | 0 | 2,232,020 | 0 | 2,232,020 |
| 2084 | 6,667,709,957 | 44,794,011 | 0 | 1,954,119 | 0 | 1,954,119 |
| 2085 | 6,988,424,645 | 41,164,401 | 0 | 1,702,160 | 0 | 1,702,160 |
| 2086 | 7,330,506,730 | 37,622,974 | 0 | 1,474,617 | 0 | 1,474,617 |

# Appendices

| 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 |
|---|---|---|---|---|---|---|
| 2087 | 7,695,040,842 | 34,197,892 | 0 | 1,270,495 | 0 | 1,270,495 |
| 2088 | 8,083,142,342 | 30,890,538 | 0 | 1,087,794 | 0 | 1,087,794 |
| 2089 | 8,495,986,513 | 27,741,992 | 0 | 925,990 | 0 | 925,990 |
| 2090 | 8,934,771,085 | 24,732,420 | 0 | 782,498 | 0 | 782,498 |
| 2091 | 9,400,780,037 | 21,923,615 | 0 | 657,470 | 0 | 657,470 |
| 2092 | 9,895,304,494 | 19,296,808 | 0 | 548,526 | 0 | 548,526 |
| 2093 | 10,419,725,873 | 16,844,458 | 0 | 453,854 | 0 | 453,854 |
| 2094 | 10,975,509,316 | 14,572,224 | 0 | 372,162 | 0 | 372,162 |
| 2095 | 11,564,194,731 | 12,528,960 | 0 | 303,298 | 0 | 303,298 |
| 2096 | 12,187,356,547 | 10,620,784 | 0 | 243,701 | 0 | 243,701 |

## Appendix G: Definition of terms

Definitions of certain terms as they are used in Statement No. 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:<br>a. Investment return — the rate of investment yield that the Plan will earn over the long-term future;<br>b. Mortality rates — the death rates of employees and retirees; life expectancy is based on these rates;<br>c. Retirement rates — the rate or probability of retirement at a given age;<br>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:<br>a. the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return, and<br>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:** | Fair 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 |



# 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 Claim Payments – Provides by percentage and type of claim payment for state membership for fiscal year 2026.**

**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 2026.**

**State Membership Enrolled in MCHCP – Depicts state membership subscriber and dependent enrollment by age, gender and type of enrollment for fiscal year 2026.**

**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 2026.**

**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 2026 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, 2026

| Fiscal Year | State/Employer Contributions | Member Contributions | Public Entity Income | Pharmacy Rebates | Total Operating Revenues | Investment & Other Income |
|---|---|---|---|---|---|---|
| 2026 | **$479,884,056** | **$83,327,033** | **$16,964,993** | **$87,089,266** | **$667,265,348** | **$13,458,844** |
| 2025 | **456,496,135** | **79,790,010** | **12,336,364** | **76,578,725** | **625,201,234** | **18,088,092** |
| 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** |

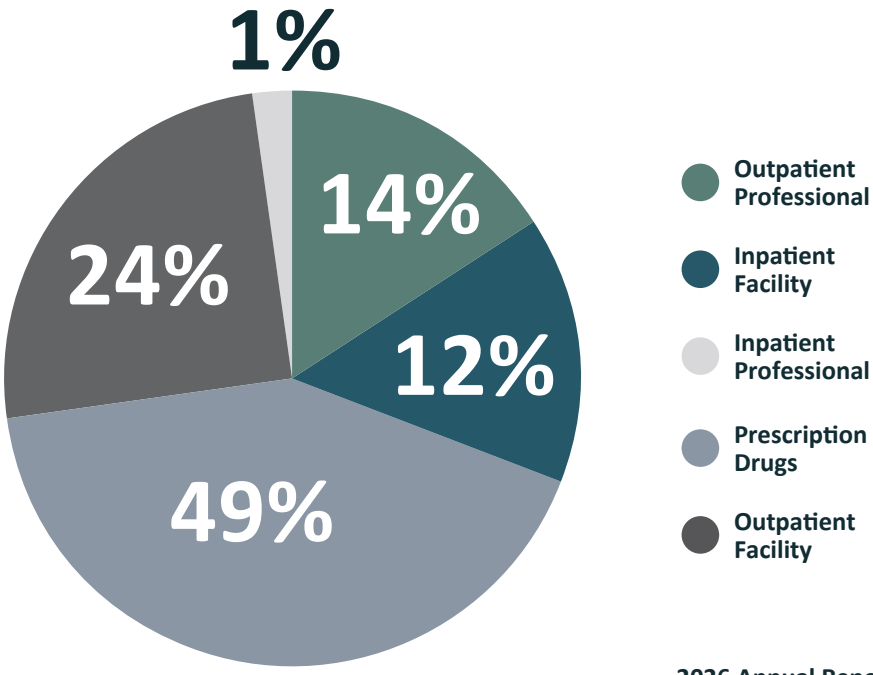
## Historical Data: Expenses by Type

Internal Service Fund, ten years ended June 30, 2026

| Fiscal Year | Medical Claims & Health Administrative Services | Administration & Payroll | Other | Total Operating Expenses & Fees |
|---|---|---|---|---|
| 2026 | **$678,204,862** | **$5,393,054** | **$13,019,714** | **$696,617,630** |
| 2025 | **620,878,034** | **5,770,964** | **12,615,586** | **639,264,584** |
| 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** |

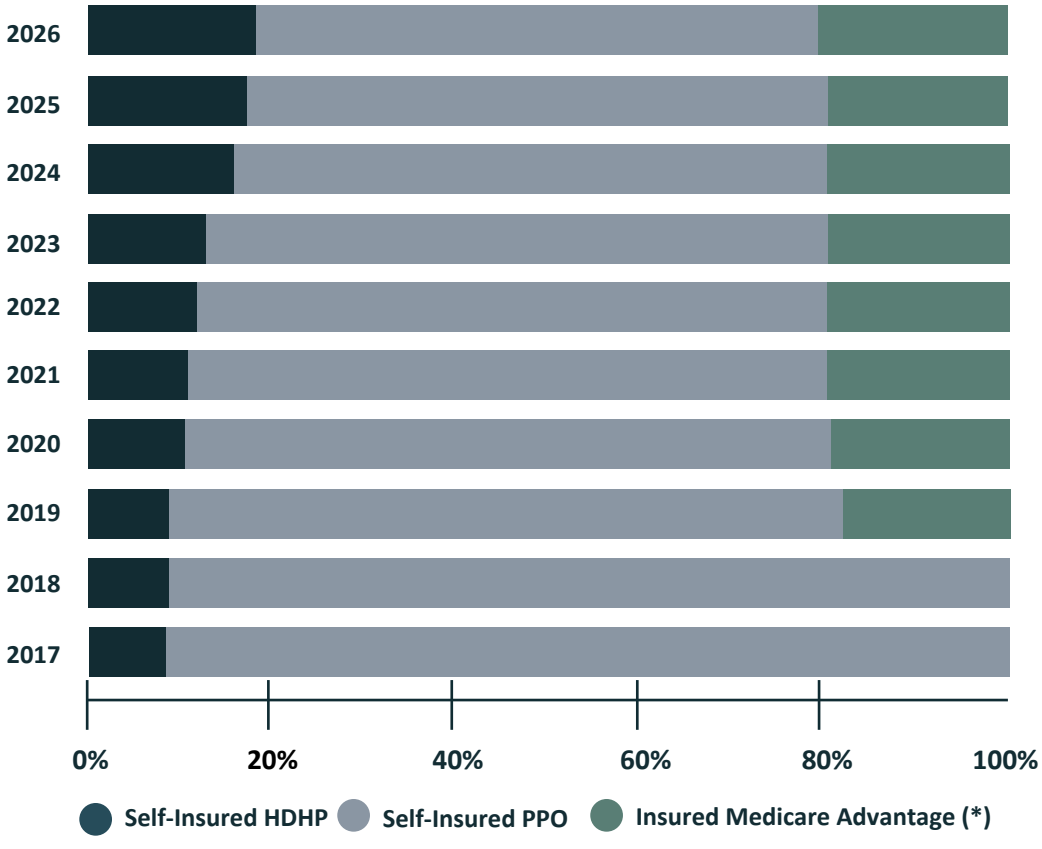
## Distribution of Claim Payments

State Membership, Fiscal Year 2026



## Healthcare Options by Year & Total Lives

State Membership, ten years ended June 30, 2026




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



## Statement of Revenues, Expenses & Changes in Net Position

Internal Service Fund, ten years ended June 30, 2026

| Fiscal Year Ending | 2026 | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| **Operating Revenues** | | | | |
| State/employer contributions | **$479,884,056** | **$456,496,135** | **$417,458,045** | **$419,866,799** |
| Member contributions | **83,327,033** | **79,790,010** | **76,354,804** | **72,409,193** |
| Public entity contributions | **16,964,993** | **12,336,364** | **11,155,149** | **10,233,195** |
| Pharmacy rebates | **87,089,266** | **76,578,725** | **77,116,752** | **53,973,889** |
| **Total Operating Revenues** | **$667,265,348** | **$625,201,234** | **$582,084,750** | **$556,483,076** |
| **Operating Expenses** | | | | |
| Medical claims | **$678,204,862** | **$620,878,034** | **$537,044,846** | **$486,414,305** |
| Claims administration services | **11,479,636** | **11,298,031** | **11,032,376** | **10,155,070** |
| Payroll and related benefits | **4,480,723** | **4,574,234** | **3,998,525** | **3,739,818** |
| Health management | **15,113** | **1,623** | **(2,175)** | **(1,745)** |
| Administration | **995,083** | **1,269,285** | **1,050,936** | **955,353** |
| Professional services | **917,192** | **718,758** | **519,629** | **807,847** |
| Employee Assistance Program | **525,020** | **524,619** | **507,727** | **412,600** |
| Depreciation | | | | |
| **Total Operating Expenses** | **$696,617,629** | **$639,264,584** | **$554,151,864** | **$502,483,248** |
| Operating revenues over (under) operating expenses | **($29,352,281)** | **($14,063,350)** | **$27,932,886** | **$53,999,828** |
| **Nonoperating Revenues** | | | | |
| Investment and other income | **13,458,844** | **18,088,092** | **18,216,314** | **9,489,988** |
| **Net Position** | | | | |
| Change in net position | **(15,893,437)** | **4,024,742** | **46,149,200** | **63,489,816** |
| Net position, beginning of year, adjusted | **326,104,744** | **322,080,002** | **275,930,802** | **212,440,986** |
| **Net Position, End of Year** | **$310,211,307** | **$326,104,744** | **$322,080,002** | **$275,930,802** |

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| $429,970,953 | $437,336,186 | $401,388,126 | $400,006,661 | $334,208,126 | $327,233,709 |
| 70,503,325 | 74,012,245 | 74,873,802 | 76,138,619 | 80,156,169 | 80,960,318 |
| 9,633,399 | 8,150,024 | 7,423,514 | 7,870,921 | 7,559,037 | 7,468,778 |
| 42,840,523 | 32,607,229 | 31,653,218 | 31,161,964 | 24,832,110 | 17,365,478 |
| $552,948,200 | $552,105,684 | $515,338,660 | $515,178,165 | $446,755,442 | $433,028,283 |
| $460,343,536 | $450,588,922 | $439,515,651 | $489,424,668 | $514,367,757 | $462,217,654 |
| 9,831,737 | 10,589,411 | 9,937,642 | 9,655,047 | 10,768,757 | 11,445,426 |
| 3,185,235 | 3,436,317 | 3,837,791 | 3,682,752 | 3,620,926 | 3,580,771 |
| 5,265 | (44,522) | 3,838 | (9,440) | 5,703 | 790,536 |
| 980,820 | 931,138 | 893,416 | 648,192 | 775,553 | 736,944 |
| 602,902 | 700,784 | 520,595 | 653,477 | 733,700 | 862,896 |
| 371,856 | 413,214 | 441,011 | 455,356 | 472,445 | 536,566 |
| | | | 76,776 | 64,247 | 88,847 |
| $475,321,351 | $466,615,264 | $455,149,944 | $504,586,828 | $530,809,088 | $480,259,640 |
| $77,626,849 | $85,490,420 | $60,188,716 | $10,591,337 | ($84,053,646) | ($47,231,357) |
| (3,778,081) | 433,361 | 1,103,352 | 1,171,090 | 1,222,021 | 893,977 |
| 73,848,768 | 85,923,781 | 61,292,068 | 11,762,427 | (82,831,625) | (46,337,380) |
| 138,592,217 | 52,668,436 | (8,623,632) | (20,386,059) | 62,445,566 | 108,782,946 |
| $212,440,985 | $138,592,217 | $52,668,436 | ($8,623,632) | ($20,386,059) | $62,445,566 |

## Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust, for the ten fiscal years ended June 30, 2026

| **Additions** | 2026 | 2025 | 2024 | 2023 |
|---|---|---|---|---|
| Employer contributions | **$78,535,063** | **$74,580,209** | **$74,071,480** | **$74,830,173** |
| Retiree contributions | **46,806,846** | **45,188,620** | **43,341,489** | **42,271,958** |
| Investment income | **27,438,834** | **18,594,746** | **16,394,498** | **9,202,451** |
| Medicare Part D EGWP Direct Subsidy | **38,099,673** | **24,332,466** | **-** | **-** |
| Retiree drug rebates | **74,495,765** | **83,940,730** | **87,078,523** | **74,831,920** |
| **Total Additions** | **$265,376,181** | **$246,636,771** | **$220,885,990** | **$201,136,502** |
| **Deductions** | | | | |
| Medical claims | **$232,725,843** | **$218,599,848** | **$187,128,595** | **$186,630,908** |
| Claims administration services | **$5,799,607** | **5,820,198** | **5,865,274** | **5,402,141** |
| Administration & other | **$4,268,112** | **4,270,892** | **3,837,186** | **3,604,910** |
| **Total Deductions** | **$242,793,562** | **$228,690,938** | **$196,831,055** | **$195,637,959** |
| **Net Increase** | **22,582,619** | **17,945,833** | **24,054,935** | **5,498,543** |
| **Net Position Restricted for OPEB** | | | | |
| Beginning of Year | **$241,783,027** | **223,837,194** | **199,782,259** | **194,283,716** |
| **End of Year** | **$264,365,646** | **$241,783,027** | **$223,837,194** | **$199,782,259** |

***Beginning in fiscal year 2026, Medicare Part D Employer Group Waiver Plan (EGWP) Direct Subsidy revenue is presented separately from retiree drug rebate revenue. Comparative fiscal year 2025 information has been restated to conform to the current year presentation. Earlier years continue to be presented on a combined basis because historical subsidy amounts were not separately available.**

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| $73,021,995 | $74,330,294 | $72,338,734 | $82,619,621 | $68,901,880 | $67,398,726 |
| 43,527,194 | 43,275,109 | 43,318,278 | 51,242,143 | 53,157,242 | 52,169,890 |
| (12,883,097) | 18,258,737 | 2,754,934 | 6,208,661 | 4,679,311 | 7,838,782 |
| - | - | - | - | - | - |
| 67,663,080 | 53,623,533 | 48,172,196 | 41,544,557 | 35,501,734 | 30,514,297 |
| $171,329,172 | $189,487,673 | $166,584,142 | $181,614,982 | $162,240,167 | $157,921,695 |
| | | | | | |
| $161,799,507 | $149,071,751 | $138,933,653 | $165,126,632 | $150,606,550 | $142,154,216 |
| 4,783,416 | 4,926,263 | 4,412,024 | 4,128,891 | 4,389,802 | 4,325,639 |
| 2,922,355 | 2,921,853 | 2,896,632 | 2,743,447 | 2,752,187 | 2,984,613 |
| $169,505,278 | $156,919,867 | $146,242,309 | $171,998,970 | $157,748,539 | $149,464,468 |
| 1,823,894 | 32,567,806 | 20,341,833 | 9,616,012 | 4,491,628 | 8,457,227 |
| | | | | | |
| 192,459,822 | 159,892,016 | 139,550,183 | 129,934,171 | 125,442,543 | 116,985,316 |
| $194,283,716 | $192,459,822 | $159,892,016 | $139,550,183 | $129,934,171 | $125,442,543 |

## Schedule of Net Position by Component

Internal Service Fund, ten years ended June 30, 2026

| Net Position | Net investments in capital assets | Unrestricted | Total net position |
|---|---|---|---|
| 2026 | **$1,287,165** | **$308,924,142** | **$310,211,307** |
| 2025 | **2,123,079** | **323,981,665** | **326,104,744** |
| 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** |

## Full-Time Employees

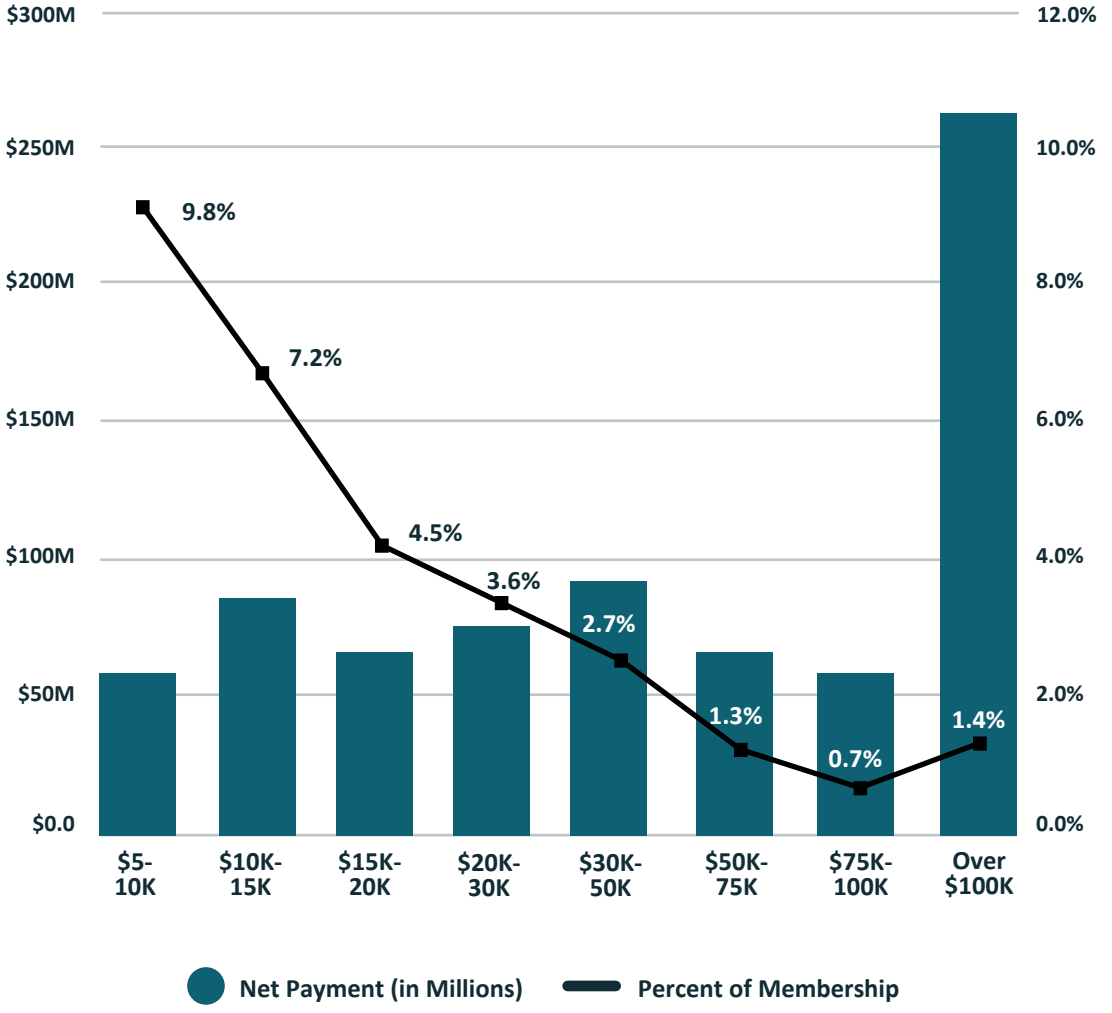
Missouri Consolidated Health Care Plan, ten years ended June 30, 2026

| Department | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Executive & Administration | **1.00** | **2.00** | **2.00** | **2.00** | **2.00** | **2.00** | **2.00** | **2.00** | **2.00** | **2.00** |
| Operations | **43.45** | **43.45** | **43.60** | **43.24** | **43.40** | **45.54** | **41.8** | **44.11** | **44.75** | **46.58** |
| General Counsel | **1.00** | **1.00** | **1.00** | **1.00** | **1.00** | **1.00** | **2.00** | **1.00** | **1.00** | **1.00** |
| Internal Audit | **1.00** | **1.00** | **.83** | **.62** | **0.00** | **0.00** | **3.66** | **3.00** | **3.00** | **3.00** |
| Human Resources | **1.00** | **1.00** | **1.00** | **1.00** | **0.00** | **.83** | **0.42** | **1.00** | **1.00** | **1.00** |
| Finance | **2.25** | **2.00** | **2.00** | **2.00** | **2.33** | **3.00** | **4.00** | **4.00** | **4.91** | **5.92** |
| **Totals** | **49.70** | **50.45** | **50.43** | **49.86** | **48.73** | **52.37** | **53.88** | **55.11** | **56.66** | **59.5** |

**Source: Missouri Consolidated Health Care Budget Documents**

## Paid Claims Distribution by Individual

State Members Fiscal Year 2026




**68.7% of membership accumulated $0-$5K in claims and accounted for $62.2M in cost.**

## State Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2026

| | Active | | COBRA | | Disabled | | Retirees | | Survivors | | Vested | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Age** | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | **Total** |
| < 1 | 283 | 338 | 0 | 0 | 0 | 0 | 7 | 1 | 0 | 0 | 2 | 0 | 631 |
| 1 - 10 | 3,579 | 3,864 | 4 | 3 | 0 | 1 | 8 | 15 | 0 | 1 | 4 | 7 | 7,486 |
| 11 - 19 | 4,927 | 5,104 | 8 | 9 | 1 | 1 | 102 | 105 | 7 | 12 | 8 | 15 | 10,299 |
| 20 - 24 | 3,421 | 3,435 | 5 | 1 | 1 | 2 | 229 | 214 | 14 | 13 | 7 | 4 | 7,346 |
| 25 - 29 | 2,610 | 1,990 | 4 | 7 | 0 | 1 | 42 | 45 | 5 | 3 | 1 | 1 | 4,709 |
| 30 - 34 | 2,457 | 1,679 | 2 | 1 | 1 | 1 | 6 | 11 | 1 | 0 | 3 | 2 | 4,164 |
| 35 - 39 | 2,729 | 1,812 | 1 | 1 | 1 | 0 | 5 | 10 | 0 | 1 | 2 | 1 | 4,563 |
| 40 - 44 | 3,058 | 1,997 | 3 | 0 | 0 | 2 | 10 | 11 | 1 | 2 | 4 | 5 | 5,093 |
| 45 - 49 | 3,515 | 2,118 | 2 | 1 | 6 | 4 | 17 | 14 | 1 | 2 | 9 | 7 | 5,696 |
| 50 - 54 | 3,425 | 2,206 | 1 | 1 | 2 | 7 | 272 | 125 | 4 | 2 | 11 | 10 | 6,066 |
| 55 - 59 | 3,130 | 2,091 | 7 | 1 | 6 | 4 | 1,025 | 504 | 12 | 4 | 16 | 12 | 6,812 |
| 60 - 64 | 2,305 | 1,681 | 4 | 8 | 5 | 3 | 1,973 | 1,080 | 20 | 11 | 10 | 6 | 7,106 |
| 65 - 69 | 749 | 688 | 1 | 0 | 2 | 1 | 2,573 | 1,538 | 36 | 22 | 1 | 3 | 5,614 |
| 70 - 74 | 161 | 198 | 0 | 0 | 0 | 0 | 2,891 | 1,833 | 118 | 45 | 1 | 2 | 5,249 |
| 75 - 79 | 42 | 52 | 0 | 0 | 0 | 0 | 2,388 | 1,554 | 171 | 51 | 0 | 0 | 4,258 |
| 80 + | 5 | 10 | 0 | 0 | 0 | 0 | 2,156 | 1,288 | 384 | 117 | 1 | 0 | 3,961 |
| **Total** | 36,396 | 29,263 | 42 | 33 | 25 | 27 | 13,704 | 8,348 | 774 | 286 | 80 | 75 | 89,053 |

| Total Active | Total COBRA | Total Disabled | Total Retirees | Total Survivors | Total Vested |
|---|---|---|---|---|---|
| 65,659 | 75 | 52 | 22,052 | 1,060 | 155 |

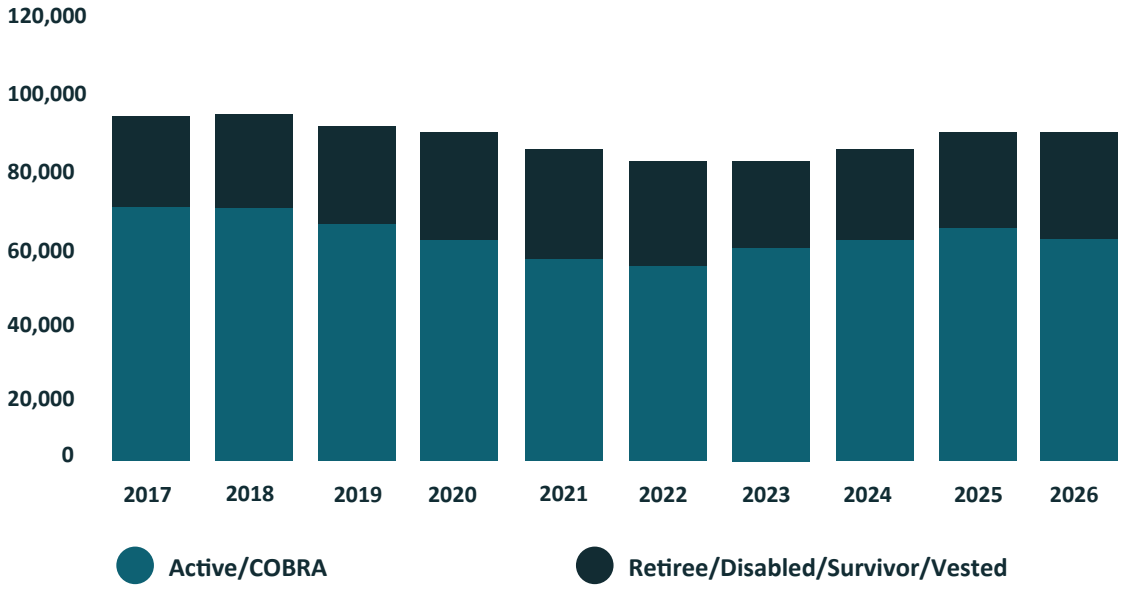
## Enrollment History

State Membership, ten years ended June 30, 2026

| Year | Active | Retiree | COBRA | Disabled | Survivors | Vested | Total |
|---|---|---|---|---|---|---|---|
| 2017 | 74,094 | 19,534 | 81 | 121 | 909 | 141 | 94,880 |
| 2018 | 73,536 | 20,077 | 85 | 90 | 927 | 128 | 94,843 |
| 2019 | 71,059 | 20,492 | 91 | 98 | 941 | 130 | 92,811 |
| 2020 | 69,658 | 20,859 | 62 | 75 | 964 | 146 | 91,764 |
| 2021 | 65,328 | 21,067 | 95 | 73 | 986 | 128 | 87,677 |
| 2022 | 61,583 | 21,691 | 64 | 77 | 1,035 | 146 | 84,596 |
| 2023 | 62,593 | 21,865 | 57 | 63 | 1,047 | 164 | 85,789 |
| 2024 | 65,177 | 21,744 | 41 | 47 | 1,063 | 166 | 88,238 |
| 2025 | 65,715 | 21,958 | 50 | 47 | 1,072 | 163 | 89,005 |
| 2026 | 65,659 | 22,052 | 75 | 52 | 1,060 | 155 | 89,053 |

## Enrollment Distribution

State Membership, ten years ended June 30, 2026



## Public Entity Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2026

| | Active | | COBRA | | Retirees | | |
|---|---|---|---|---|---|---|---|
| **Age** | Female | Male | Female | Male | Female | Male | **Total** |
| <1 | 5 | 7 | 0 | 0 | 0 | 0 | 12 |
| 1-10 | 69 | 65 | 0 | 0 | 1 | 3 | 138 |
| 11-19 | 82 | 80 | 0 | 0 | 4 | 5 | 171 |
| 20-24 | 73 | 68 | 0 | 0 | 2 | 2 | 145 |
| 25-29 | 66 | 65 | 0 | 0 | 0 | 0 | 131 |
| 30-34 | 66 | 72 | 0 | 0 | 0 | 0 | 138 |
| 35-39 | 77 | 58 | 0 | 0 | 1 | 0 | 136 |
| 40-44 | 70 | 77 | 0 | 0 | 0 | 2 | 149 |
| 45-49 | 88 | 61 | 1 | 0 | 1 | 2 | 153 |
| 50-54 | 93 | 54 | 0 | 0 | 0 | 3 | 150 |
| 55-59 | 111 | 52 | 0 | 0 | 0 | 2 | 165 |
| 60-64 | 92 | 41 | 1 | 0 | 4 | 3 | 141 |
| 65-69 | 32 | 16 | 0 | 0 | 0 | 0 | 48 |
| 70-74 | 4 | 4 | 0 | 0 | 0 | 1 | 9 |
| 75-79 | 3 | 2 | 0 | 0 | 0 | 0 | 5 |
| 80+ | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **Total** | 933 | 722 | 2 | 0 | 13 | 23 | 1,693 |
| | **Total Active 1,655** | | **Total COBRA 2** | | **Total Retirees 36** | | |

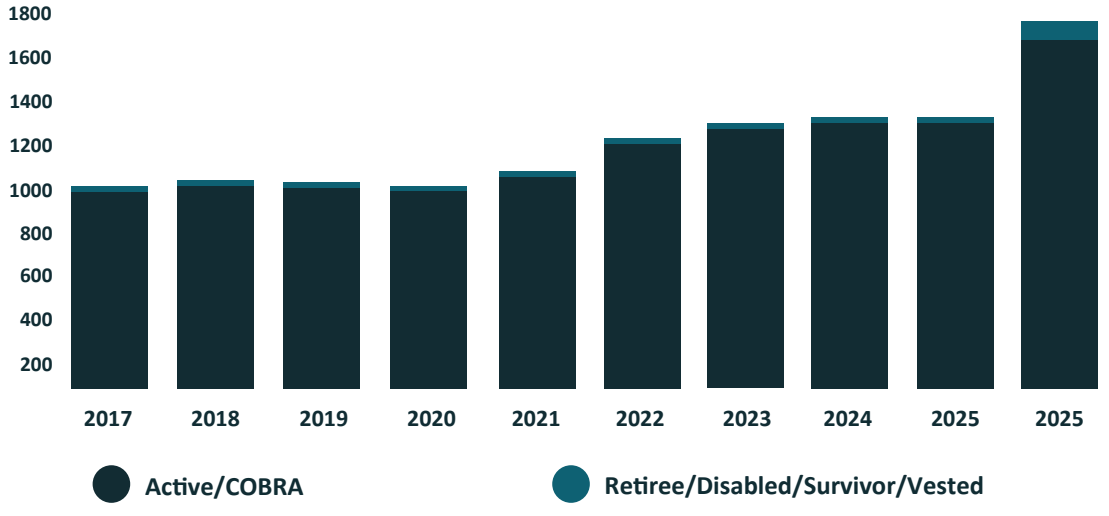
## Enrollment History

Public Entity Membership, ten years ended June 30, 2026

| Year | Active | Retiree | COBRA | Total |
|---|---|---|---|---|
| 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 |
| 2025 | 1,253 | 2 | 0 | 1,255 |
| 2026 | 1,655 | 36 | 2 | 1,693 |

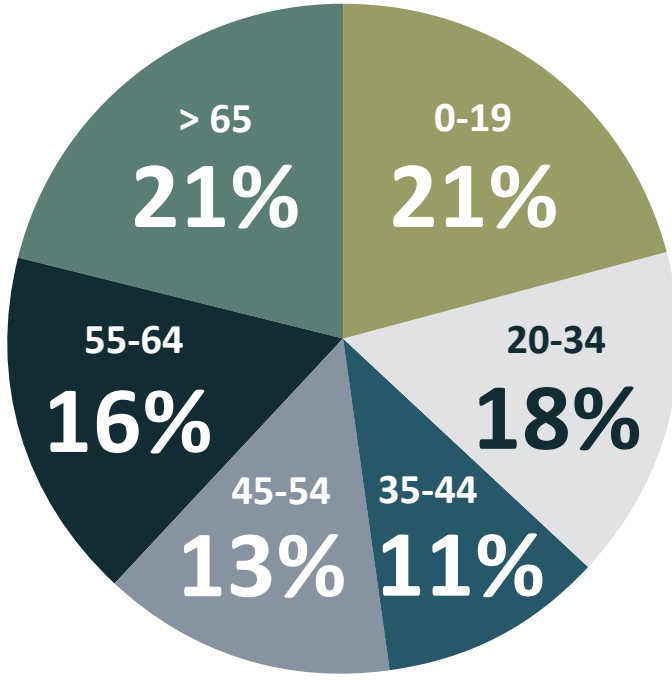
## Enrollment Distribution

Public Entity Membership, ten years ended June 30, 2026



## Plan Demographics

State Membership, Fiscal Year 2026

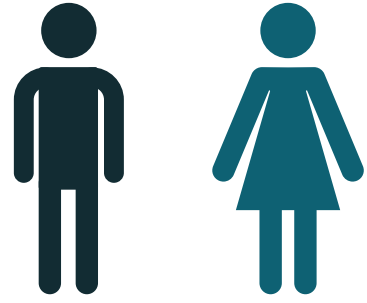



**Total Lives**

**89,053**

**Average Age**

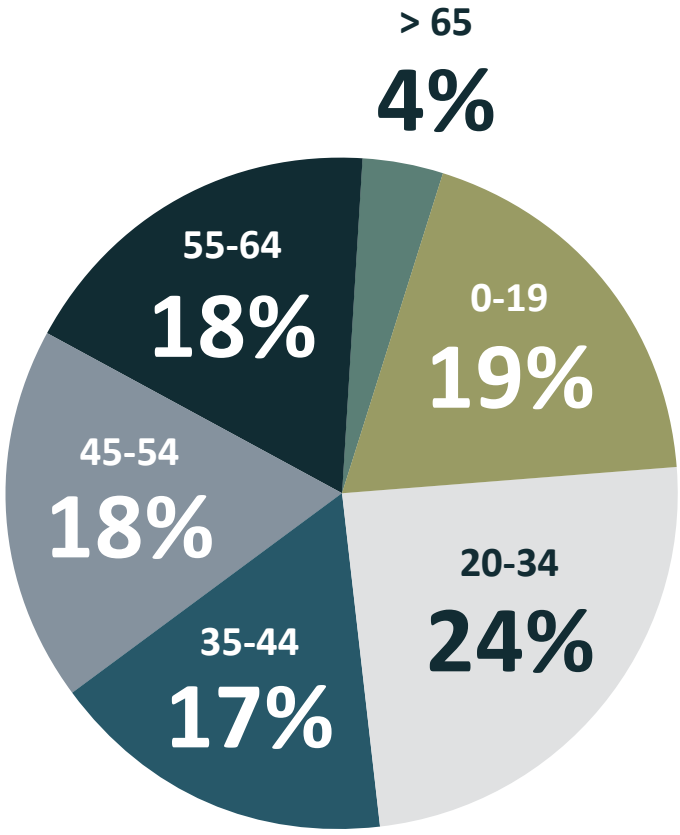
**43 years**



**43%** **57%**

## Plan Demographics

Public Entity Membership, Fiscal Year 2026

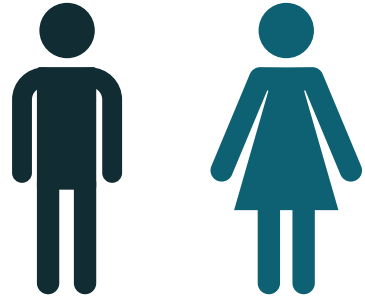



**Total Lives**

**1,693**

**Average Age**

**37 years**



**44%** **56%**

# Principal Participating Employers

State Retiree Welfare Benefit Trust

| 2026<br>Employers by Participating Employer Ranking | Covered Employees | Rank | Percentage of Total System |
|---|---|---|---|
| State | 17,301 | 1 | 99.9% |
| All Other Groups [1] | 16 | 2 | 0.1% |
| **Total** | **17,317** | | **100.0%** |

| 2025<br>Employers by Participating Employer Ranking | Covered Employees | Rank | Percentage of Total System |
|---|---|---|---|
| State | 17,254 | 1 | 100.0% |
| All Other Groups [1] | 2 | 2 | 0.0% |
| **Total** | **17,256** | | **100.0%** |

| 2024<br>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<br>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<br>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<br>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 *Average Benefit Payment table represents available data from 2018-2026.*

| | |
|---|---|
| **2026** | |
| Average Benefit Per Participant | **$28,410** |
| Benefit Payments | **$491,403,567** |
| Average Participants | **17,297** |
| Average final salary* | **$4,196** |
| **2025** | |
| Average Benefit Per Participant | **$26,022** |
| Benefit Payments | **$446,641,873** |
| Average Participants | **17,164** |
| Average final salary* | **$4,079** |
| **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** |

*** 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.**

MCHCP

my health. my choice. myMCHCP

