2023

ANNUAL REPORT

MISSOURI CONSOLIDATED HEALTH CARE PLAN

FISCAL YEAR ENDED JUNE 30, 2023

A COMPONENT UNIT OF THE STATE OF MISSOURI
2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

MCHCP
my health. my choice. myMCHCP

HERE FOR YOU

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.

2023
ANNUAL REPORT

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Missouri Consolidated Health Care Plan
A Component Unit of the State of Missouri
2023 Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

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Actuarial

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LETTER FROM THE EXECUTIVE DIRECTOR

MCHCP
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Missouri Consolidated Health Care Plan
832 Weathered Rock Court
PO Box 104355
Jefferson City, MO 65110
Phone: 800-701-8881
www.mchcp.org

Judith Muck, *Executive Director*

To the Board of Trustees and Members of MCHCP:

It is with great pleasure that I submit the Annual Comprehensive Financial Report (ACFR) of the Missouri Consolidated Health Care Plan (MCHCP) for the period ended June 30, 2023. 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 MCHCP management and sufficient internal accounting controls exist to provide a reasonable assurance regarding safekeeping of assets and fair presentation of the financial statements, supporting schedules and statistical tables. Systems and procedures are evaluated in conjunction with the Board of Trustees, MCHCP management and internal audit staff to assure internal controls exist and are functioning to promote objectives while minimizing risk. Reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived; the objective is to provide reasonable, rather than absolute assurance, and that the financial statements are free of material misstatements. The report is also designed to comply with the provisions of section 103.025 of the Revised Statutes of Missouri. Financial information can be found in the management discussion and analysis, financial statements, notes to the financial statements and statistical sections included in this report.

Although fiscal year (FY) 2023 provided opportunities and challenges for the Plan and our members in the post pandemic health landscape, the ability to provide affordable coverage to our members remained front and center, as the Board of Trustees approved keeping active state employees' share of premiums at the same level as they have done for the past ten out of eleven years. Along with affordable coverage, the ability to be "here for you" remains a core value of the service we provide to our members. During the fiscal year we assisted members with over 21,000 phone calls, responded to over 2,900 secure messages and delivered walk in assistance to over 1,400 members.

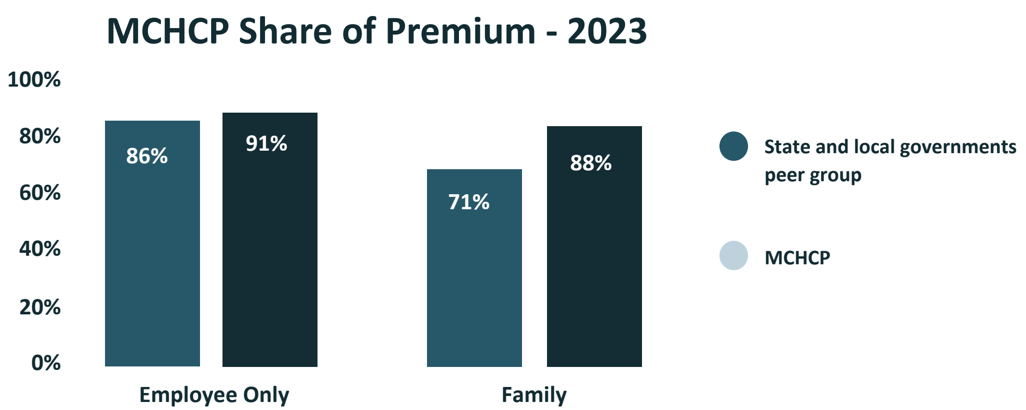
During FY 2023, the state of Missouri contributed more than $494 million (more than 66 percent of Plan revenues) in the form of employer-sponsored contributions. Member contributions for our state members exceeded $114 million while revenues for public enrollment was $10.2 million. While MCHCP saw an eight percent overall increase in medical claim expenditures, the largest contributor is found in increased pharmacy costs at more than seventeen percent over the previous fiscal period.

MCHCP's investment strategies employed best practices for safety of investment, liquidity and yield, and incorporated objectives of attaining return through budgetary and economic cycles while considering risk and the liquidity needs of the Plan. The portfolio faced the volatility of the global markets, but outpaced related benchmarking. Diversification and a mix of safe haven instruments remain the methodology to produce long term results. Additional investment information can be found in the investment section of this report. 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 for medical coverage were offered during FY 2023 and were comprised of the Health Savings Account Plan, two PPO Plans and a prescription drug plan. 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, even in challenging economic times, 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 2024, with the passage of House Bill No. 5, the General Assembly and Governor authorized $485.3 million in support of the approximately 86,000 state members of the Plan.

This report is a product of the combined efforts of MCHCP staff and the Board of Trustees. It is intended to provide reliable information as a basis for making management decisions, for determining compliance with legal provisions and for evaluating the condition of the fund. Armanino LLP conducted an independent audit of the basic financial statements in accordance with U.S. generally accepted auditing standards. MCHCP has received an unmodified opinion from our independent auditors whose report can be found beginning on page 24.



SOURCES:

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

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

For the twenty-eighth 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, 2022. 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, 2023, 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.

We look forward to the upcoming 2024 plan year with hope for the health of Missourians and to be “here for you.” I welcome your suggestions for the continued success and improvement of your health plan, MCHCP.

Yours in health,

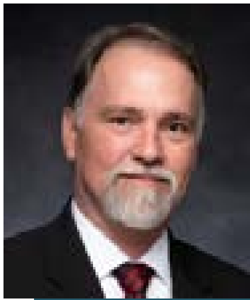
Judith Muck
Executive Director
December 14, 2023

MCHCP ORGANIZATION

JUDITH MUCK

EXECUTIVE DIRECTOR

- Human Resources
- Vendor Relations



BRADLEY P. KIFER

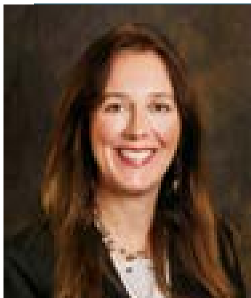
CHIEF INFORMATION OFFICER

- Information Technology

JENNIFER STILABOWER

GENERAL COUNSEL / DEPUTY DIRECTOR

- Legal
- Clinical Services
- Benefit Administration



STACIA G. FISCHER

CHIEF FINANCIAL OFFICER/ DEPUTY DIRECTOR

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

CERTIFICATE OF ACHIEVEMENT

Government Finance Officers Association

Certificate of
Achievement
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, 2022

Christopher P. Morrill

Executive Director/CEO

LETTER FROM THE CHAIRPERSON

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Judith Muck, *Executive Director*

CHLORA LINDLEY MYERS

CHAIRPERSON, BOARD OF TRUSTEES

It is my distinct pleasure to present to you, on behalf of the Board of Trustees, the Annual Comprehensive Financial Report for the Missouri Consolidated Health Care Plan (MCHCP) for the period ended June 30, 2023. With the support of the Governor and General Assembly, MCHCP received over $494 million in state appropriations to support the Plan's provision of affordable health care coverage. In addition to the financial support from the State, members contributed over $114 million toward their share of premium for the fiscal year ended June 30, 2023. The financial strength of the Plan remains strong and stable and is a testament to the stewardship of available resources, cost containment and the commitment to sound financial practices.

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

MCHCP expenditures for self-funded medical and pharmacy plans, a fully insured Group Medicare Advantage (PPO) plan and fully insured dental and vision plans during fiscal year 2023 were approximately $661 million. Our work remains focused on the health of our population, as during fiscal year 2023, 3.5 percent of the membership presented as a high-cost claimant, defined as those with expenses over $50,000. High-cost claimants account for almost 49 percent of total medical health care costs. In recognition of our members' varied and unique health challenges, we remain committed to investing in programs to support their health journeys.

During fiscal year 2023, the Board welcomed Senator Sandy Crawford and Representative Dave Griffith as members of the Board of Trustees. On behalf of the Board of Trustees, we value and appreciate the approximately 87,000 members and the dedicated MCHCP staff, advisors and vendors who have worked diligently in the administration of the Plan over this year. We are encouraged and commit to being "Here for You" for the continued health and well-being of our members and the Plan.

Respectfully,

Chlora Lindley-Myers

Chlora Lindley-Myers
Chairperson
Board of Trustees
December 14, 2023

PROFESSIONAL SERVICES

ACTUARIAL SERVICES & CONSULTING
Segal
Willis Towers Watson

AUDIT SERVICES
Armanino LLP
PBMares LLP

BANKING & INVESTMENT SERVICES
Central Bank

DECISION SUPPORT SYSTEM
Merative

DENTAL PROGRAM
MetLife

STRIVE EMPLOYEE LIFE & FAMILY PROGRAM
ComPsych

GROUP MEDICARE ADVANTAGE (PPO) PLAN
UnitedHealthcare

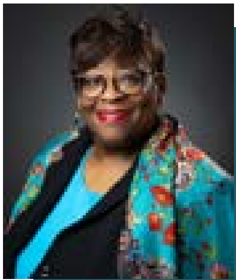
STRIVE FOR WELLNESS HEALTH CENTER
Marathon Health

MEDICAL THIRD PARTY ADMINISTRATOR
Anthem

PHARMACY BENEFIT MANAGER
Express Scripts, Inc.

VISION PROGRAM
National Vision Administrators

BOARD OF TRUSTEES



CHAIRPERSON
CHLORA LINDLEY-MYERS

Director
Department of Commerce
& Insurance
Jefferson City
Ex Officio Member

VICE CHAIRPERSON
DANIEL O'NEILL

Kirkwood
Governor-Appointed Member

ASHTON CHRISTOPHER

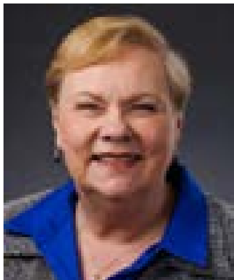
Chillicothe
Active Employee-Elected
Member

HONORABLE
DAVE GRIFFITH

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

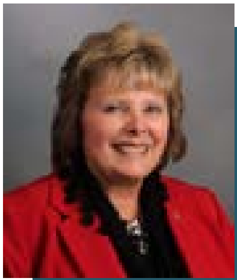
MARK A. LANGWORTHY

Columbia
Governor-Appointed Member



DIRECTOR
PAULA NICKELSON

Department of Health
and Senior Services
Jefferson City
Ex Officio Member

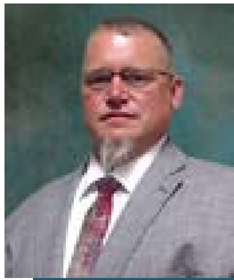


HONORABLE
SANDY CRAWFORD

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

MARTY DREWEL

Holts Summit
Retiree-Elected Member



CAMERON FAST

Hamilton
Active Employee-Elected
Member

HONORABLE
BARBARA WASHINGTON

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

COMMISSIONER
KENNETH J. ZELLERS

Office of Administration
Jefferson City
Ex Officio Member

One House of Representatives and one Governor-Appointed Member was open as of June 30, 2023.

SUMMARY OF PLAN PROVISIONS

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**

ADMINISTRATION

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

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

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

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

The Executive Director acts as advisor to the Board on all matters pertaining to MCHCP and, with the approval of the Board, contracts for professional services and employs the staff needed to operate the organization. Information regarding investment advisory services and fees can be found on page 85 of the Investment section.

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 and much more – 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.

MCHCP OFFERS

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 out-of-pocket maximum amount. Additional cleanings are provided for members who are pregnant, diabetic, have a suppressed immune system or have a history of periodontal therapy. The dental plan also covers fillings, extractions, root canals, bridges, dentures, crowns and other services with varying deductibles and coinsurance.

VISION PLAN

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

STRIVE EMPLOYEE LIFE & FAMILY PROGRAM (SELF)

The Strive Employee Life & Family (SELF) program is an Employee Assistance Program and 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 everyday support to assist with everyday issues such as child and elder care, moving and relocation, making major purchases, vacation planning and much more simply by calling or accessing expert help online.

STRIVE FOR WELLNESS® PROGRAM

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

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

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

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

STRIVE FOR WELLNESS® HEALTH CENTER

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

FINANCIAL

REPORT OF INDEPENDENT AUDITORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of each of the two major funds (Internal Service Fund and State Retiree Welfare Benefit Trust) of Missouri Consolidated Health Care Plan, which collectively comprise the statement of net position as of June 30, 2023, 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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Missouri Consolidated Health Care Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Missouri Consolidated Health Care Plan's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, presented on pages 26 - 37, and the schedule of claims development, pension and other post-employment benefits, presented on pages 70 - 79, 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 80, the investment information on pages 82 - 85, and the actuarial information on pages 88 - 121 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.

Introductory and Statistical Sections

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Armanino LLP

Armanino LLP
St. Louis, Missouri

December 11, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

Management's Discussion and Analysis provides an overview of the financial position and activities of the Missouri Consolidated Health Care Plan (MCHCP) for the fiscal years ended June 30, 2023, and 2022. The information presented here should be considered in conjunction with the financial statements and notes. MCHCP is a component unit of the State of Missouri and is included in the State's Annual Comprehensive Financial Report (ACFR).

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

FUND ACCOUNTING

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

FINANCIAL ANALYSIS

The following tables present summarized financial position and results for the fiscal years ending June 30, 2023, and 2022. Additional details are available in the accompanying basic financial statements.

Summary Comparative Statement of Net Position

Current assets for the ISF increased significantly for the year ended June 30, 2023, due to increases in cash and cash equivalents as a result of operating activities during the fiscal year. Capital asset activity primarily reflects purchases in technology and data protection necessary to continue high availability for off-site network storage and resiliency. GASB Statement No. 87, *Leases*, was adopted during fiscal year 2022 to reflect the right of use building lease, net balance of $852,594 and $1,084,846, respectively for the period ended June 30, 2023, and 2022. During fiscal year 2023, MCHCP adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) and recognized two subscriptions, with a net balance of $1,078,528. 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 $1,990,298 and $1,370,129, respectively for the periods ended June 30, 2023, and 2022.

Accrued medical claims and fees decreased for the ISF for the year ended June 30, 2023, over 2022. 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, 2023, and 2022 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, 2023, decreased over fiscal year 2022, due primarily to a decrease in the amount due to the SRWBT from the ISF and the State's contribution at June 30, 2023, 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, 2023, and 2022 reflect the Plan's net pension liability related to GASB 68, *Accounting and Financial Reporting for Pensions* and the noncurrent portions of the right to use building lease and subscription based information technology arrangements with GASB 87, *Leases*, and the adoption of GASB 96, *Subscription Based Information Technology Arrangements* for the period ended, June 30, 2023.

Net position represents the value of the ISF's assets after liabilities are deducted. The improvement in net position for the ISF at June 30, 2023, over 2022, is primarily the result of actual increases in medical and pharmacy expenses being less than actuarially projected for the period and their continued impact on plan assets and liabilities. The MCHCP Board of Trustees continues to assess the best and appropriate combination of benefit design with available funding from both the State and members. Ultimately, claims costs for state employees are backed by the state of Missouri should contributions not be sufficient to cover claims expenditures and operational costs of the Plan.

Summary Comparative Net Position

Internal Service Fund

	As of June 30, 2023	As of June 30, 2022	Amount of Change	Percentage Change
ASSETS				
Current Assets	**$353,409,439**	**$314,231,994**	**$39,177,445**	**12.47%**
Capital Assets	**348,015**	**409,543**	**(61,528)**	**(15.02)**
Right of Use Assets	**852,594**	**1,084,846**	**(232,252)**	**(0.21)**
Subscription based IT arrangements	**1,078,528**	**-**	**1,078,528**	**-**
Deferred Outflow of Resources	**1,990,298**	**1,370,129**	**620,169**	**45.26**
Total Assets and Deferred Outflow of Resources	**$357,678,874**	**$317,096,512**	**$40,582,362**	**12.80%**
LIABILITIES				
Accrued medical claims & fees	**$48,687,662**	**$64,228,572**	**($15,540,910)**	**(24.20%)**
Unearned premiums & other liabilities	**20,607,012**	**29,786,250**	**(9,179,238)**	**(30.82)**
Lease and subscription liability	**805,306**	**230,143**	**575,163**	**249.92**
Total current liabilities	**70,099,980**	**94,244,965**	**(24,144,985)**	**(25.62)**
Total noncurrent liabilities	**11,623,293**	**8,812,320**	**2,810,973**	**31.90**
Deferred Inflow of Resources	**$24,799**	**$1,598,241**	**($1,573,442)**	**(98.45)**
Total Liabilities and Deferred Inflow of Resources	**$81,748,072**	**$104,655,526**	**($22,907,454)**	**(21.89%)**
NET POSITION				
Unrestricted	**$273,651,665**	**$210,946,597**	**$62,705,068**	**29.73%**
Net investment in capital assets	**348,015**	**409,543**	**(61,528)**	**(15.02)**
Investment in right of use assets	**852,594**	**1,084,846**	**(232,252)**	**(21.41)**
Investment in subscription based IT arrangements	**1,078,528**	**-**	**1,078,528**	**-**
Total Net Position	**275,930,802**	**$212,440,986**	**63,489,816**	**29.89**
Total Liabilities and Net Position	**$357,678,874**	**$317,096,512**	**$40,582,362**	**12.80%**

Summary Comparative Statement of Fiduciary Net Position

Cash and cash equivalents at June 30, 2023, remained relatively unchanged from the prior year primarily to the timing of investment strategies and activity as approved by the Board of Trustees and performed by the Plan's investment manager. The decrease in amounts due from MCHCP at June 30, 2023, over 2022, reflects the transfer to the SRWBT of funds associated with the SRWBT activity housed in the single service operations account related to the operations of the SRWBT. Investments increased significantly during the year ended June 30, 2023, over 2022, primarily due to the fund transfer to the SRWBT from the ISF and its impact to investable assets of the SRWBT, and favorable returns on investment for the fiscal year ended, June 30, 2023, over 2022.

Prescription drug rebate receivables for the SRWBT decreased slightly during fiscal year 2023, 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, 2023, to approximately $199.8 million compared to $194.3 million at June 30, 2022.

Summary Comparative Fiduciary Net Position

State Retiree Welfare Benefit Trust

	As of June 30, 2023	As of June 30, 2022	Amount of Change	Percentage Change
ASSETS				
Cash & cash equivalents	**$2,850,339**	**$2,850,938**	**($599)**	**(0.02%)**
Due from MCHCP	**615,684**	**8,859,278**	**(8,243,594)**	**(93.05)**
Investments, at fair value	**182,342,044**	**165,785,279**	**16,556,765**	**9.99**
RECEIVABLES				
Prescription drug rebates	**$28,319,895**	**$30,251,942**	**($1,932,047)**	**(6.39%)**
Other receivables	**522,305**	**296,689**	**225,616**	**76.04**
Total receivables	**28,842,200**	**30,548,631**	**(1,706,431)**	**(5.59)**
Total Assets	**$214,650,267**	**$208,044,126**	**$6,606,141**	**3.18%**
LIABILITIES				
Accrued medical claims & capitation fees	**$8,252,660**	**$7,010,159**	**$1,242,501**	**17.72%**
Unearned revenue	**6,240,937**	**6,482,624**	**(241,687)**	**(3.73)**
Other liabilities	**374,411**	**267,627**	**106,784**	**39.90**
Total Liabilities	**$14,868,008**	**$13,760,410**	**$1,107,598**	**8.05%**
Net Position restricted for pensions	**$199,782,259**	**$194,283,716**	**$5,498,543**	**2.83%**

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

State/Employer contributions for fiscal years 2023 and 2022, for the ISF totaled $419,866,799 and $429,970,953, 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, 2023, and 2022, 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, 2023, increased by approximately $600,000 and are reflective of increases in enrollment of over two percent. Public entity contributions for the years ended June 30, 2023, and 2022, were $10,233,195 and $9,633,399, respectively.

Pharmacy rebates increased significantly at June 30, 2023, over 2022 and are primarily influenced by the Plan's prescription drug expenditures, active enrollment, and the related contractual rebate improvements.

Medical claims and capitation expense increased by over five percent during fiscal year 2023 over 2022, reflective of overall increases in medical claims costs and slight increases in plan enrollment.

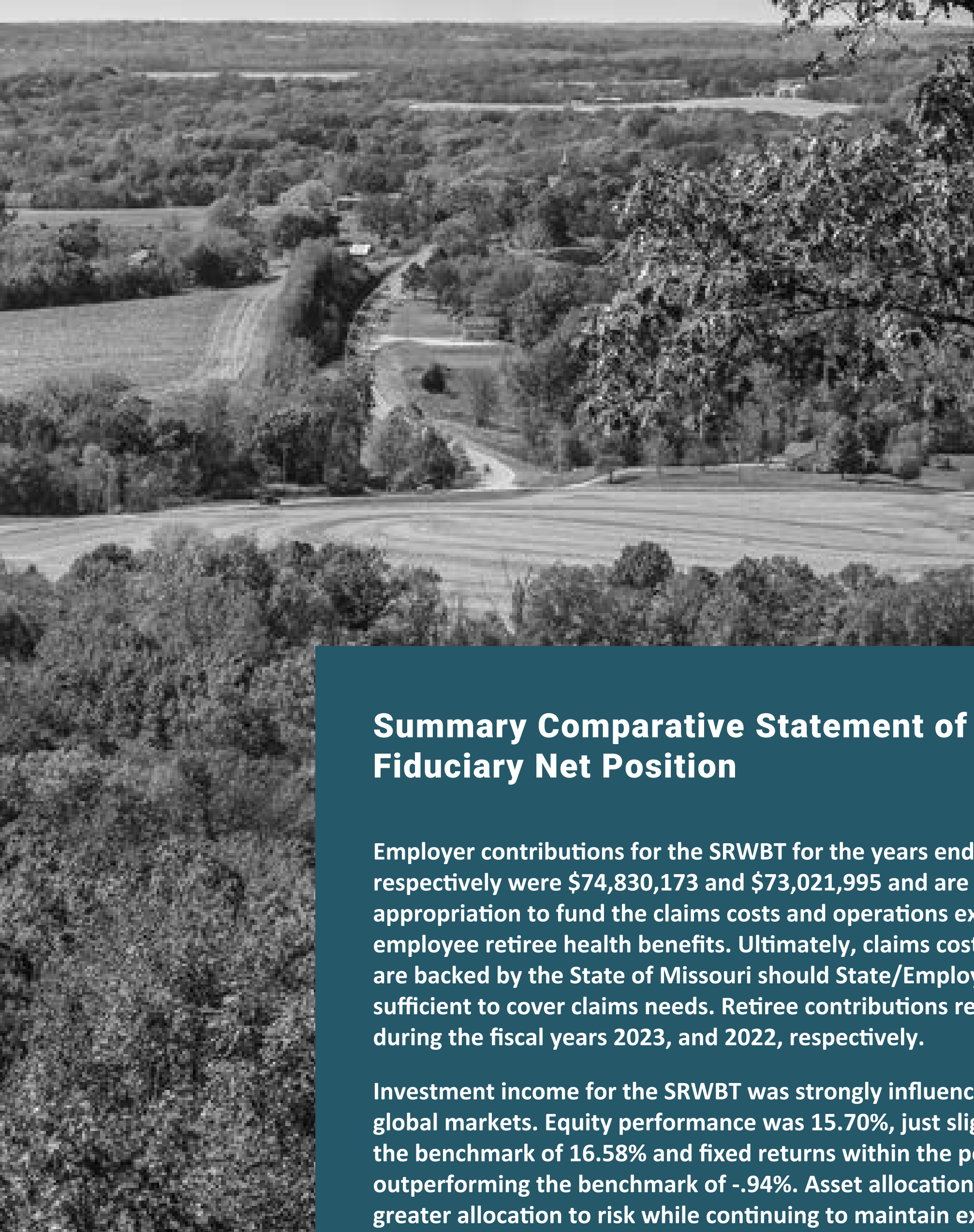
General and administrative expense increases are primarily reflective of increases in enrollment impacting third party administrative fees. The plan remains committed to operational and administrative efficiencies.

Investment income improved related to economic factors influencing global market returns during fiscal year 2023 for the ISF.

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

Internal Service Fund

	Year ended June 30, 2023	Year ended June 30, 2022	Amount of Change	Percentage Change
OPERATING REVENUES				
State/employer contributions	**$419,866,799**	**$429,970,953**	**($10,104,154)**	**(2.35%)**
State employee/member contributions	**72,409,193**	**70,503,325**	**1,905,868**	**2.70**
Public entity contributions	**10,233,195**	**9,633,399**	**599,796**	**6.23**
Subcontractor & other rebates	**53,973,889**	**42,840,523**	**11,133,366**	**25.99**
Total Operating Revenues	**$556,483,076**	**$552,948,200**	**$3,534,876**	**0.64%**
OPERATING EXPENSES				
Medical claims & capitation expense	**$486,414,305**	**$460,343,536**	**$26,070,769**	**5.66%**
General & administration expense	**16,068,943**	**14,977,815**	**1,091,128**	**7.28**
Total Operating Expenses	**$502,483,248**	**$475,321,351**	**$27,161,897**	**5.71**
Operating income/loss	**53,999,828**	**77,626,849**	**(23,627,021)**	**(30.44)**
Investment income & other changes	**9,489,988**	**(3,778,081)**	**13,268,069**	**(351.19)**
Excess of revenues over expenses	**63,489,816**	**73,848,768**	**(10,358,952)**	**(14.03)**
Net position, beginning of the year, adjusted	**212,440,986**	**138,592,218**	**73,848,768**	**53.28**
Net Position, end of year	**$275,930,802**	**$212,440,986**	**$63,489,816**	**29.89%**



Summary Comparative Statement of Changes in Fiduciary Net Position

Employer contributions for the SRWBT for the years ended June 30, 2023, and 2022, respectively were $74,830,173 and $73,021,995 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 2023, and 2022, respectively.

Investment income for the SRWBT was strongly influenced by the volatility impacting global markets. Equity performance was 15.70%, just slightly underperforming the benchmark of 16.58% and fixed returns within the portfolio were .33%, outperforming the benchmark of -.94%. Asset allocations for 2023 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. The program provides greater savings to the employer over the historical retiree drug subsidy (RDS). During fiscal years 2023, and 2022 the SRWBT received $74,831,920 and $67,663,080 for retiree drug subsidy and other rebates.

Medical claims and capitation expense increased for the SRWBT during the period ended June 30,2023, primarily due to an increase in retiree membership for the year ended June 30, 2023.

Summary Comparative Statement of Change in Fiduciary Net Position

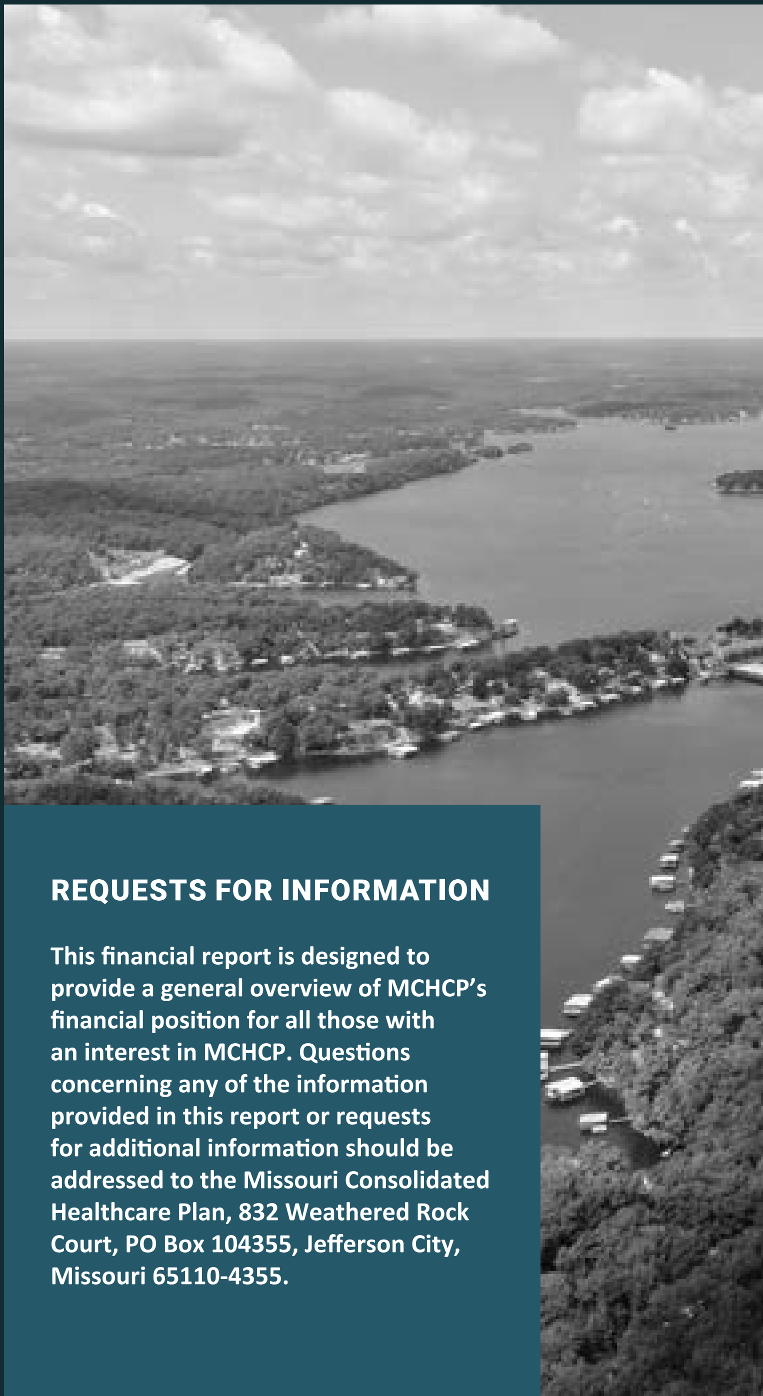
State Retiree Welfare Benefit Trust

	Year ended June 30, 2023	Year ended June 30, 2022	Amount of Change	Percentage Change
ADDITIONS				
Employer contributions	**$74,830,173**	**$73,021,995**	**$1,808,178**	**2.48%**
Retiree contributions	**42,271,958**	**43,527,194**	**(1,255,236)**	**(2.88)**
Investment income	**9,202,451**	**(12,883,097)**	**22,085,548**	**(171.43)**
Retiree drug subsidy & other rebates	**74,831,920**	**67,663,080**	**7,168,840**	**10.59**
Total Additions	**$201,136,502**	**$171,329,172**	**$29,807,330**	**17.40%**
DEDUCTIONS				
Medical claims & capitation expense	**$186,630,908**	**$161,799,507**	**$24,831,401**	**15.35%**
Claims administration services	**5,402,141**	**4,783,416**	**618,725**	**12.93**
Administration & other	**3,604,910**	**2,922,355**	**682,555**	**23.36**
Total Deductions	**$195,637,959**	**$169,505,278**	**$26,132,681**	**15.42%**
Net increase	**5,498,543**	**1,823,894**	**3,674,649**	**201.47**
Net position restricted for pensions				
Beginning of year	**$194,283,716**	**192,459,822**	**1,823,894**	**0.95**
End of year	**$199,782,259**	**$194,283,716**	**$5,498,543**	**2.83%**

SUMMARY

MCHCP remains committed to providing comprehensive and affordable health care to the members we serve, effectuating sound fiscal practices as stewards of Plan resources, and remaining diligent in our efforts in providing member education to facilitate member satisfaction and cost containment. Wellness and chronic condition management programs are incorporated in an effort to promote healthy member outcomes, engage members in their health, and to promote cost containment. Operating expenses and vendor costs remained relatively stable due to competitive procurement with investments in technology and automation in Plan operations. Medical and pharmacy costs reflect expected fluctuations due to increases in high-cost claimants, the emergence of specialty drug cost prevalence and anticipated medical claim trends. Self-funded expenditures are indicative of the attention to health risk profiles of the MCHCP population and management initiatives surrounding benefit design, care management and wellness. For over nine years, the Plan's Strive for Wellness Health Center has offered an additional opportunity to promote appropriate utilization, provide members with additional access to services, while continuing to pursue avenues for cost containment. The health center continues to report optimum member satisfaction results in excess of 99% while continuing to provide opportunities for members to pursue health management in a convenient setting.

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



REQUESTS FOR INFORMATION

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

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

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

Statement of Net Position

Internal Service Fund as of June 30, 2023

ASSETS	
Current Assets	
Cash & cash equivalents	$225,984,531
Investments, at fair value	99,400,329
Rebates & other receivables	27,771,225
Prepaid expenses	253,354
Total Current Assets	353,409,439
Noncurrent Assets	
Capital Assets	
Furniture, fixtures & equipment, net of accumulated depreciation of $1,427,042	348,015
Lease Assets	
Right to use asset, net of accumulated amortization of $459,344	852,594
Subscription based IT arrangements (SBITA) net of accumulated amortization of $534,195	1,078,528
Total Noncurrent Assets	2,279,137
Deferred Outflow of Resources	1,990,298
Total Assets and Deferred Outflow of Resources	$357,678,874
LIABILITIES	
Current Liabilities	
Accrued medical claims & capitation fee expense	$48,687,662
Accounts payable & accrued expenses	817,857
Due to SRWBT	615,684
Deferred premium revenue	19,173,471
Lease liability	805,306
Total Current Liabilities	70,099,980
Noncurrent Liabilities	
Net pension liability	10,488,603
Lease and subscription liability	1,134,690
Total Noncurrent Liabilities	11,623,293
Deferred Inflow of Resources	24,799
Total Liabilities and Deferred Inflow of Resources	$81,748,072
Net Position	
Unrestricted	$273,651,665
Net investment in capital, ROU assets, and SBITA	2,279,137
Total net position	275,930,802
Total Liabilities, Deferred Inflow of Resources and Net Position	$357,678,874

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, 2023

Operating Revenues	
State/employer contributions	**$419,866,799**
Member contributions	**72,409,193**
Public entity contributions	**10,233,195**
Pharmacy rebates	**53,973,889**
Total Operating Revenues	**$556,483,076**
Operating Expenses	
Medical claims & capitation expense	**$486,414,305**
Claims administration services	**10,155,070**
Payroll & related benefits	**3,739,818**
Health management	**(1,745)**
Administration	**955,353**
Professional services	**807,847**
Employee assistance program	**412,600**
Total Operating Expenses	**$502,483,248**
Operating revenues over (under) operating expenses	**53,999,828**
Non-Operating Revenues	
Investment & other income	**9,489,988**
Change in net position	**$63,489,816**
Net position, beginning of year	**212,440,986**
Net Position, End of Year	**$275,930,802**

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

Statement of Cash Flows

Internal Service Fund year ended June 30, 2023

Cash Flows from Operating Activities	
Cash received from State, employer, members & public entities	**$554,489,118**
Cash payments for medical claims & capitation fee payments	**($501,955,215)**
Cash payments to employees for services	**($3,399,409)**
Cash payments to other suppliers of goods & services	**($12,124,001)**
Net Cash Provided by Operating Activities	**37,010,493**
Cash Flows from Noncapital Financing Activities	
Changes in amounts due to SRWBT	**($8,243,594)**
Cash Flows from Capital & Related Financing Activities	
Purchase of furniture, fixtures & equipment and right of use assets	**($38,161)**
Cash Flows from Investing Activities	
Cash received from investment income; net of investment expenses	**$10,423,384**
Purchase of investments	**($9,751,074)**
Proceeds from investments	**$5,000,000**
Net cash provided by (used in) Investing Activities	**5,672,310**
Net increase (decrease) in Cash & Cash equivalents	**34,401,048**
Cash & Cash Equivalents, Beginning of Year	**$191,583,483**
Cash & Cash Equivalents, End of Year	**$225,984,531**
Reconciliation of Operating Revenues to Net Cash Provided by Operating Activities	
Operating revenues over operating expenses	**$53,999,827**
Adjustments	
Adjustments to net cash used by operating activities	
Depreciation	**$106,203**
Pension expense	**$1,230,026**
Changes in Assets & Liabilities	
Rebates & other receivables	**($901,967)**
Prepaid expenses	**($57,426)**
Accrued medical claims & capitation fees	**($15,540,910)**
Accounts payable & accrued expenses	**$156,348**
Unearned premium revenue	**($1,091,991)**
Deferred outflows - contributions after the measurement date	**($889,617)**
Total Adjustments	**($16,989,334)**
Net Cash Provided By Operating Activities	**$37,010,493**
Noncash investing, capital & financing activities	
Change in fair value of investments	**($519,398)**

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, 2023

ASSETS	
Cash & cash equivalents	**$2,850,339**
Due from MCHCP	**615,684**
Investments, at fair value	
U.S. Agencies	**41,160,957**
Exchange Traded Funds	**31,654,912**
U.S. Government guaranteed mortgages	**9,725,450**
Equities	**26,833,508**
Corporate	**17,570,774**
Collateralized mortgage obligations	**2,422,126**
U.S. Treasuries	**52,974,317**
Receivables	
Prescription drug rebates	**$28,319,895**
Other receivables	**522,305**
Total Assets	**$214,650,267**
LIABILITIES	
Accrued medical claims & capitation fees	**$8,252,660**
Unearned revenue	**6,240,937**
Other liabilities	**374,411**
Total Liabilities	**$14,868,008**
Net Position restricted for pensions	**$199,782,259**

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, 2023

Additions	
Employer contributions	**$74,830,173**
Retiree contributions	**42,271,958**
Investment income	**9,202,451**
Retiree drug subsidy & other rebates	**74,831,920**
Total Additions	**$201,136,502**
Deductions	
Medical claims & capitation expense	**$186,630,908**
Claims administration services	**5,402,141**
Administration & other	**3,604,910**
Total Deductions	**$195,637,959**
Net Increase	**5,498,543**
Net Position restricted for pensions	
Beginning of Year	**194,283,716**
End of Year	**$199,782,259**

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 86,000 active and retired State members and dependents, 1,239 public entity members and dependents, and over 87,000 covered lives, and is funded through both employer and employee contributions. Through December 31, 1994, all Plan members were State employees, retirees and their dependents. Beginning January 1, 1995, additional members included public entity employees, retirees and dependents.

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

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

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

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

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 GASB Statement No 87, *Leases*, as amended. Additional information related to SBITAs is included in the Notes to the Financial Statements.

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

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

02. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

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

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

Subsequent Events

The Plan has evaluated subsequent events through December 14, 2023, 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 mortgages 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.

C. Deposits & Investments

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

Custodial Credit Risk

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

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

Deposits

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

At June 30, 2023, cash held in the financial institution had a bank balance of $1,012,855 and a carrying value of $474,861. Of the bank balance, $250,000 was covered by federal depository insurance. The remaining $228,360,009 of cash and cash equivalents are held in repurchase agreements and fully collateralized with securities held by a third-party financial institution in the Plan's name.

The Plan's contracted yield on its overnight repurchase agreements was 17 basis points above the prevailing 91-day U.S. Treasury Bill rate as of June 30, 2023.

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 33 percent to equities. 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, 2023, the Plan had the following investments as presented on the following page.

Investments

State Retiree Welfare Benefit Trust

Investments	
U.S. Agencies	**$41,160,957**
Exchange Traded Funds	**31,654,912**
U.S. Government Guaranteed Mortgages	**9,725,450**
Equities	**26,833,508**
Corporate	**17,570,774**
Collateralized Mortgage Obligations	**2,422,126**
U.S. Treasury	**52,974,317**
Total Investments	**$182,342,044**

Investments

Internal Service Fund

Investments	
U.S. Agencies	**$7,952,620**
U.S. Treasury	**91,447,709**
Total Investments	**$99,400,329**

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 33 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, 2023 are presented on the following page.

Credit Risk

State Retiree Welfare Benefit Trust

Investments	2023 Fair Value	2023 Ratings
U.S. Agencies	**$41,160,957**	**Aaa**
Exchange Traded Funds	**31,654,912**	**4 - Star**
U.S. Government Guaranteed Mortgages	**9,725,450**	**Aaa**
Equities	**26,833,508**	**N/A**
Corporate	**17,570,774**	**A**
Collateralized Mortgage Obligations	**2,422,126**	**Aaa**
U.S. Treasury	**52,974,317**	**Aaa**
Total Investments	**$182,342,044**	

Credit Risk

Internal Service Fund

Investments		
U.S. Agencies	**$7,952,620**	**Aaa**
U.S. Treasury	**91,447,709**	**Aaa**
Total Investments	**$99,400,329**	

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, 2023 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	2023 Fair Value	2023 Duration
U.S. Agencies	$41,160,957	2.90
Exchange Traded Funds	31,654,912	N/A
U.S. Government Guaranteed Mortgages	9,725,450	6.90
Equities	26,833,508	N/A
Corporate	17,570,774	2.80
Collateralized Mortgage Obligations	2,422,126	12.00
U.S. Treasury	52,974,317	0.70
Total Investments	**$182,342,044**	

Interest Rate Risk

Internal Service Fund

Investments	2023 Fair Value	2023 Duration
U.S. Agencies	$7,952,620	3.12
U.S. Treasury	91,447,709	1.48
Total Investments	**$99,400,329**	

Fair Value Measurement

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

Level 1 –

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

Level 2 –

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

Level 3 –

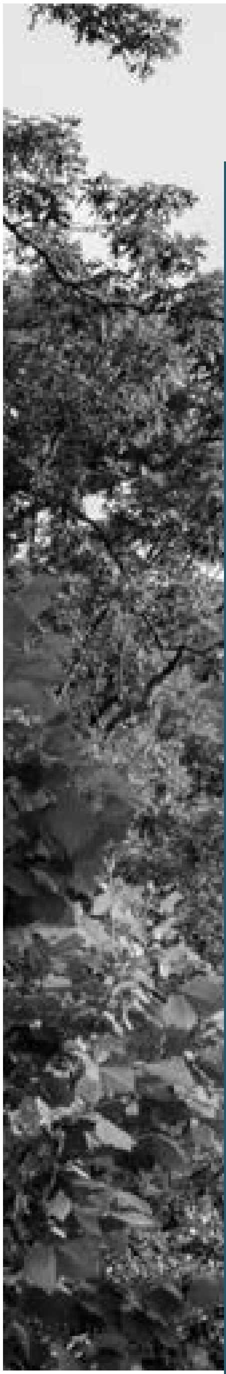
Valuations derived from valuation methodology in which significant inputs are unobservable.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. MCHCP's Level 1 investments include exchange traded funds and equities for the SRWBT. When quoted prices in active markets are not available, fair values are based on evaluated prices received from MCHCP's custodian of investments in conjunction with a third party pricing service and are reported within Level 2 of the fair value hierarchy. The inputs for Level 2 include, but are not limited to, pricing models such as benchmarking yields, reported trades, broker-dealer quotes, issuer spreads and benchmarking securities, among others. MCHCP's Level 2 investments consist of investments for the ISF of U.S. Government Agencies and U.S. Treasuries with fair values of $7,952,620 and $91,447,709, respectively. Fair values for the SRWBT are presented in the table below. MCHCP did not maintain any Level 3 investments.

Investments

State Retiree Welfare Benefit Trust

		Fair value measurement at report date using		
Investments	Fair Value June 30, 2023	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Government Agencies (AGCY)	**$41,160,957**	**$-**	**$41,160,957**	**$-**
Exchange Traded Funds (ETF)	**31,654,912**	**31,654,912**	-	-
Mortgage Backed Securities (MBS)	**9,725,450**	-	**9,725,450**	-
Equity	**26,833,508**	**26,833,508**	-	-
Corporate	**17,570,774**	-	**17,570,774**	-
Collateralized Mortgage Obligations (CMO)	**2,422,126**	-	**2,422,126**	-
U.S. Treasury	**52,974,317**	-	**52,974,317**	-
Total	**$182,342,044**	**$58,488,420**	**$123,853,624**	**$ -**



D. Interfund Activity & Balances

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

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

E. Receivables

Beginning January 1, 2014, the Plan began offering an Employer Group Waiver Plan (EGWP), a Medicare Part D prescription drug plan (PDP) to Medicare eligible retirees and covered Medicare eligible dependents. Estimated revenue is recognized as the SRWBT incurs Medicare eligible retiree prescription drug expenditures. In addition, the Plan receives rebates from its pharmacy benefit manager related to manufacturers' rebates and other guaranteed rebates for non-Medicare Part D prescriptions. For the year ended June 30, 2023, these rebates are allocated between the ISF and the SRWBT based upon their respective claims activity. Estimated revenue is recognized for rebates based on prescription claims counts, historical average rebate per claim, and actual receipts.

Other receivables include interest income and member premium amounts.

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

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

Maintenance and repairs are charged to expense as incurred. The cost and related accumulated depreciation of assets sold or retired are removed from the related accounts, and the resulting gains or losses are reflected as non-operating gains or losses in the statement of revenues, expenses and change in net position. The changes in Capital Assets for the year ended June 30, 2023 are as presented in the chart on page 53.

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

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

Capital Assets

Additions	2023
Balance, beginning of year	$1,841,093
Additions	44,675
Deletions	(110,711)
Balance, End of Year	**$1,775,057**
Accumulated Depreciation	
Balance, beginning of year	$1,431,550
Depreciation expense	106,203
Deletions	(110,711)
Balance, End of Year	**$1,427,042**

Right of Use Assets

Additions	2023
Balance, beginning of year	$1,311,938
Additions	-
Deletions	-
Lease Asset Balance, End of Year	**$1,311,938**
Accumulated Amortization	
Balance, beginning of year	$227,092
Amortization expense	232,252
Deletions	-
Right of Use Assets Accumulated Amortization, End of Year	**$459,344**
Right of Use Asset Balance, End of Year (Net)	**$852,594**

Subscription Based Information Technology Arrangements (SBITA)

Additions	2023
Balance, beginning of year	$-
Additions	1,612,723
Deletions	-
SBITA Balance, End of Year	**$1,612,723**
Accumulated Amortization	
Balance, beginning of year	$-
Amortization expense	534,195
Deletions	-
SBITA Accumulated Amortization, End of Year	**$534,195**
SBITA Balance, End of Year (Net)	**$1,078,528**

ROU Lease Obligation

	Principal	Interest
2024	237,717	16,817
2025	243,121	11,413
2026	248,648	5,886
2027	125,468	830

SBITA Obligation

	Principal	Interest
2024	567,085	43,897
2025	324,765	14,798
2026	51,344	8,656
2027	54,339	5,661
2028	57,508	2,492
2029	30,000	-

G. Plan Funding

State Appropriations/Contributions

Funds are appropriated to the Plan by the Missouri State General Assembly. Premiums are received one-half prior to the month of coverage and one-half during the month of coverage. Funds are received by the Plan every two weeks and coincide with the State's payroll cycle. The State's monthly per-member active contribution for fiscal year 2023, averaged $1,091 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, 2023 averaged 4.05 percent of active employee covered payroll.

The State did not provide additional funding towards future OPEB benefits for the period ended June 30, 2023. All state appropriations are available to pay benefits for both active and retired participants except for the amounts contributed to fund the OPEB reserve.

Member Premiums

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

Public Entity Premiums

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

Deferred Premium Revenue

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

Operating/Non-operating Revenues

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

H. Other Post-Employment Benefits

H. OTHER POST-EMPLOYMENT BENEFITS

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2023, there were 23,139 retirees and their dependents who met these eligibility requirements.

For the year ended June 30, 2023, expenditures (net of retiree contributions) of $155.6 million were recognized for post-retirement medical insurance coverage under the self-funded PPO.

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

Summary of Key Actuarial Methods & Assumptions

State Retiree Welfare Benefit Trust

Valuation Year	
July 1, 2022 - June 30, 2023	
Actuarial cost method	**Entry age normal, level percentage of payroll**
Amortization method	**30 years, open, level percent of pay**
Asset Valuation method	**Fair value**
Actuarial Assumptions	
Discount Rate:	**5.5%**
Projected payroll growth rate	**4.0%**
Inflation Rate	**3.0%**

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

Non-Medicare, Medical and Prescription Drug: 6.68%, 6.59%, 6.29%, 5.99%, 5.69%, 5.38%, 5.16%, 5.02%, 4.88%, 4.73%, 4.58%, 4.50% (ultimate)

Medicare, Medical and Prescription Drug*: 11.79%, 12.54%, 11.38%, 9.06%, 7.19%, 6.75%, 6.33%, 5.93%, 5.52%, 5.11%, 4.70%, 4.50% (ultimate)

** The Medicare trend reflects the current drug plan, together with the extension of the $0 medical premium guarantee through the end of calendar year 2024, and estimated Medicare Advantage premiums thereafter.*

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, 2023, the Plan insured approximately 65 percent of its members through PPO contracts, 19 percent in a fully insured group Medicare Advantage (PPO) plan, and 16 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, 2023, $53,435,117 for claims incurred but not yet paid and $3,505,205 for accrued PPO capitation expense is included in accrued medical claims and capitation fee expense. 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 2023 is presented below.

Summary of Changes in Estimated Accrued Claims

Internal Service Fund

Balances	2023
Balance at beginning of year	$51,903,000
Current year claims & changes in estimates	486,414,307
Claim payments	(492,683,535)
Balance at End of Year	**$45,633,772**

Summary of Changes in Estimated Accrued Claims

State Retiree Welfare Benefit Trust

Balances	2023
Balance at beginning of year	$6,584,000
Current year claims & changes in estimates	186,630,908
Claim payments	(185,413,563)
Balance at End of Year	**$7,801,345**

J. Retirement Plan

General Information About the Pension Plan

Plan description

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

Benefits provided

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

Contributions

Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board of Trustees. Employees in the MSEP2011 Plan are required to contribute 4.0 percent of their annual pay. MCHCP's required contribution rate for the year ended June 30, 2023, was 26.33percent 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 $889,617 for the year ended June 30, 2023.

Net Pension Liability

At June 30, 2023, MCHCP reported a liability of $10,488,603, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022 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, 2022. At the June 30, 2022 measurement date, MCHCP's proportion was 0.14648 percent, an increase from its proportion measured using 0.14228 percent as of the June 30, 2021, measurement date.

There were no changes in benefit terms and assumptions during the MOSERS plan year ended June 30, 2022, that affected the measurement of total pension liability.

Assumptions.

The total pension liability in the June 30, 2022 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study performed in 2021. In addition, based upon this study, subsequent changes in the unfunded actuarial liability due to actuarial gains/losses or assumption changes are now amortized over a closed 25 year period, instead of 30 years.

Mortality.

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

Long Term Expected Rate of Return.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adjusting for expected inflation, volatility and correlations. Best estimates of the real rates of return expected are summarized in the table displayed on page 59.

Asset Class Allocation

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

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

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

Discount rate

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

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

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

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

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
MCHCP's proportionate share of the net pension liability	**$13,119,729**	**$10,488,603**	**$8,290,501**

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, 2023, MCHCP recognized pension expense of $1,230,029.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023, 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	**$133,644**	**$2,808**
Changes of assumptions	**$248,832**	**$0**
Net difference between projected and actual earnings on pension plan investments	**$558,151**	**$0**
Changes in proportion and differences between MCHCP contributions and proportionate share of contributions	**$160,055**	**$21,991**
MCHCP contributions subsequent to the measurement date of 6-30-22	**$889,617**	-
Total	**$1,990,299**	**$24,799**

MCHCP amounts reported as deferred outflows of resources related to pensions resulting from MCHCP contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023, of MCHCP's financial statements. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in MCHCP's fiscal year following MOSERS' fiscal year as follows:

Projected Recognition of Deferred Outflows/(Inflows)

Plan Year ending June 30:	
2023	**$535,037**
2024	**$122,709**
2025	**($10,306)**
2026	**$428,443**
Thereafter	**-**

Payables to the pension plan. As of June 30, 2023, MCHCP did not report any payables to MOSERS.

K. Deferred Compensation Plan

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

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

L. Employee Assistance Program

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

M. Post-Employment Retiree Health Care

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2023, there were 23,139 retirees and their dependents who met these eligibility requirements. For the year ended June 30, 2023, expenditures (net of retiree contributions) of $155.6 million were recognized for post-retirement medical insurance coverage under the self-funded PPO Plan. In addition to the pension benefits described in Note J, the Plan operates a cost sharing multiple employer, defined benefit OPEB plan, the State Retiree Welfare Benefit Trust (SRWBT). Employees may participate at retirement if eligible to receive a monthly retirement benefit from either the Missouri Employees' Retirement System (MOSERS) or another retirement system whose members are grandfathered for coverage under the plan by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178.

Plan Membership

At June 30, 2023, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits - **17,109**

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

Active plan members - **32,327**

Active/Inactive plan members who may become eligible to receive benefits - **3,874**

*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, 2023, participants contributed $42.3 million toward their required contributions.

Investments

The Board of Trustees adopted an asset allocation model for the SRWBT that implemented a moderate investment approach to steadily increase the exposure of the SRWBT to higher return asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back-tested, and future assets are projected in all models. No significant changes in the SRWBT investment strategy occurred during the reporting period. The following was the asset allocation at June 30, 2023:

Asset Class	Target Allocation	Long-Term Nominal Rate of Return
Domestic LC Equity	**17%**	**5.9%**
Domestic MC Equity	**4%**	**5.9%**
Domestic SC Equity	**6%**	**5.6%**
Global Equity	**5%**	**9.4%**
Domestic Fixed Income	**67%**	**4.2%**
Cash Equivalents	**1%**	**3.5%**
	100%	

Rate of Return

For the year ended June 30, 2023, the annual time weighted rate of return on investments, net of investment expense, was 4.76 percent.

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

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

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

Actuarial Methods and Assumptions

The actuarial calculations utilize methodologies and assumptions designed to reduce short-term volatility. The cost method utilized for the valuation year June 30, 2023, was the entry age normal, level percent of pay. The UAAL is amortized as a level percent of pay on an open basis, over a 30 year period. A summary of actuarial methods and assumptions is presented below.

OPEB Liability Assumptions

General Inflation Rate	3.00%
Discount Rate	5.50%
Expected Return on Assets	5.50%
Municipal Bond Rate	N/A
Compensation/Salary Increases	4.00%
Health Care Cost Trend Rate (Med and RX)	Non-Medicare, Medical and Prescription Drug: 6.68%, 6.59%, 6.29%, 5.99%, 5.69%, 5.38%, 5.16%, 5.02%, 4.88%, 4.73%, 4.58%, 4.50% (ultimate) Medicare, Medical and Prescription Drug*: 11.79%, 12.54%, 11.38%, 9.06%, 7.19%, 6.75%, 6.33%, 5.93%, 5.52%, 5.11%, 4.70%, 4.50% (ultimate) ** The Medicare trend reflects the current drug plan, together with the extension of the $0 medical premium guarantee through the end of calendar year 2023, and estimated Medicare Advantage premiums thereafter.*
Administration expense	Administrative Expenses: 5.50%, 3.00% (ultimate)
Mortality	Pre-Retirement: Pri-2012 Employee Amount-weighted Mortality Table projected generationally using MP-2021 Annuitant. Pri-2012 Retiree Amount-weighted Mortality Table projected generationally using MP-2021

Net OPEB Liability. The net OPEB liability under GASB 74 was calculated utilizing census data at 7/01/2023. Net OPEB liability as of June 30, 2023, was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by the actuarial valuation as of June 30, 2023, and is presented below:

Net OPEB Liability
(in thousands)

	2023
Net OPEB Liability Components:	
Total OPEB Liability	**$1,640,875**
Plan Fiduciary Net Position	**199,782**
Net OPEB Liability	**$1,441,093**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	**12.18%**

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	**$1,690,389**	**$1,441,093**	**$1,239,829**
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	**$1,229,732**	**$1,441,093**	**$1,705,752**

Development of Discount Rate. The discount rate used to measure the total OPEB liability was 5.50% as of June 30, 2023. The OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

For fiscal year 2023, MCHCP contributed $135,958 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

	2023 Total	2023 Active	2023 Retiree
Fiscal Year	July 1, 2022-June 30, 2023	July 1, 2022-June 30, 2023	July 1, 2022-June 30, 2023
Required contribution & investment income	**$756,876,371**	**$555,739,869**	**$201,136,502**
Administrative and third-party expenses	**$25,075,994**	**$16,068,943**	**$9,007,051**
Estimated Incurred Claims & Expenses End of Policy Year	**$731,800,377**	**$539,670,926**	**$192,129,451**
Paid Claims Summary			
Paid (cumulative) as of	July 1, 2022-June 30, 2023	July 1, 2022-June 30, 2023	July 1, 2022-June 30, 2023
End of Policy Year	**$465,767,000**	**$371,006,000**	**$94,761,000**
One year later	-	-	-
Two years later	-	-	-
Incurred Claims Summary			
Re-estimated incurred claims & expenses	July 1, 2022-June 30, 2023	July 1, 2022-June 30, 2023	July 1, 2022-June 30, 2023
End of policy year	**507,821,000**	**407,070,000**	**100,751,000**
One year later	**-**	**-**	**-**
Two years later	**-**	**-**	**-**
Increase (Decrease) in Estimated Incurred Claims & Expenses from End of Policy Year	**$223,979,377**	**$132,600,926**	**$91,378,451**

2022	2022	2022	2021	2020
Total	**Active**	**Retiree**	**Total**	**Total**
July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022	July 1, 2020- June 30, 2021	July 1, 2019- June 30, 2020
$710,865,892	**$539,536,720**	**$171,329,172**	**$733,876,694**	**$675,597,775**
$22,680,552	**$14,974,781**	**$7,705,771**	**23,874,458**	**22,942,949**
$688,185,340	**$524,561,939**	**$163,623,401**	**$710,002,236**	**$652,654,826**
July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022	July 1, 2020- June 30, 2021	July 1, 2019- June 30, 2020
$426,555,000	**$342,156,000**	**$84,399,000**	**$435,011,000**	**$437,657,000**
$472,659,000	**381,467,000**	**91,192,000**	**479,042,000**	**468,849,000**
-	-	-	**479,998,000**	**472,239,000**
July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022	July 1, 2020- June 30, 2021	July 1, 2019- June 30, 2020
472,693,000	**383,167,000**	**89,526,000**	**478,099,000**	**$473,100,000**
472,413,000	**382,917,000**	**89,496,000**	**479,778,000**	**471,493,000**
-	-	-	**479,998,000**	**472,239,000**
$215,492,340	**$141,394,939**	**$74,097,401**	**$231,903,236**	**$179,554,826**

Summary of Key Actuarial Methods and Assumptions

State Retiree Welfare Benefit Trust

Fiscal Year	2023	2022	2021
Valuation Year	July 1, 2022- June 30, 2023	July 1, 2021- June 30, 2022	July 1, 2020- June 30, 2021
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 30,2022 5.50% June 30,2023 5.50%**	**June 30,2021 4.50% June 30,2022 5.50%**	**June 30,2020 4.38% June 30,2021 4.50%**
Projected payroll growth rate	**4.0%**	**4.0%**	**4.0%**
Health care cost trend rate (Medical & prescription drugs combined)	**Non-Medicare, Medical and Prescription Drug: 6.68%, 6.59%, 6.29%, 5.99%, 5.69%, 5.38%, 5.16%, 5.02%, 4.88%, 4.73%, 4.58%, 4.50% (ultimate)** **Medicare, Medical and Prescription Drug*: 11.79%, 12.54%, 11.38%, 9.06%, 7.19%, 6.75%, 6.33%, 5.93%, 5.52%, 5.11%, 4.70%, 4.50% (ultimate)** ** The Medicare trend reflects the current drug plan, together with the extension of the $0 medical premium guarantee through the end of calendar year 2024, and estimated Medicare Advantage premiums thereafter.*	**The trend rate for non-Medicare benefits is assumed to be 6.50% in fiscal 2023 through 2025, then decreasing by 0.25% per year to an ultimate rate of 5.0% in fiscal 2031.** **For Medicare benefits, the trend rate is assumed to be 14.50% in fiscal 2023, 15.00% in fiscal 2024, 11.50% in fiscal 2025, 10.50% in fiscal 2026, 9.75% in fiscal 2027, 9.00% in fiscal 2028, 8.25% in fiscal 2029, 7.50% in fiscal 2030, 6.75% in fiscal 2031, 6.00% in fiscal 2032, 5.25% in fiscal 2033, then 5.00% in fiscal 2034 and after. The Medicare trend reflects the current drug plan, together with the extension of the $0 medical premium guarantee through the end of calendar year 2023, and estimated Medicare Advantage premiums thereafter.**	**Non-Medicare 6.50% in fiscal year 2022, then decreasing by 0.25% per year until an ultimate of 5.00% in fiscal 2028.** **Medicare 9.00% in fiscal year 2022,13.50% in 2023, 12.50% in fiscal 2024, 11.50% in fiscal 2025, 10.50% in fiscal 2026, 9.75% in fiscal 2027, 9.00% in fiscal 2028, 8.25% in fiscal 2029, 7.50% in fiscal 2030, 6.75% in fiscal 2031, 6.00% in fiscal 2032, 5.25% in fiscal 2033, then 5.00% in fiscal 2034 and after.**

2020	2019	2018	2017
July 1, 2019- June 30, 2020	July 1, 2018- June 30, 2019	July 1, 2017- June 30, 2018	July 1, 2016- June 30, 2017
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 30,2019 5.24% June 30,2020 4.38	**5.24%**	**5.9%**	**5.71%**
4.0%	**4.0%**	**4.0%**	**4.0%**
Non-Medicare 5.75% in fiscal year 2020, then decreasing by 0.25% per year until an ultimate of 5.00% in fiscal 2023 and after. Medicare 10.00% in fiscal year 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00% in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027 decreasing by 1.0% per year until an ultimate rate of 5.00% in fiscal year 2030 and after.	**Non-Medicare 6.00% in fiscal year 2019; decreasing by 0.25% per year until an ultimate of 5.00% in 2023. Medicare 10.0% in fiscal year 2019 and 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00 % in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027 decreasing by 1.0% per year until an ultimate of 5.00% in fiscal year 2030 and after**	**Non-Medicare 6.25% in fiscal year 2018; decreasing by 0.25% per year until an ultimate of 5.00% in 2023. Medicare 7.25% in fiscal year 2018; decreasing by 0.25% per year until an ultimate of 5.00% in fiscal year 2027 and after.**	**Non-Medicare is 6.5% for fiscal year 2017; the rate decreases by 0.25% per year to an ultimate rate of 5% in fiscal year 2023 and later. Medicare is 7.5% for fiscal year 2017; the rate decreases by 0.25% per year until reaching the ultimate rate of 5.0% in fiscal year 2027 and after.**

Schedule of Changes in the Net OPEB Liability and Related Ratios

(in thousands)

Fiscal Year Ending

	2023	2022	2021	2020
Total OPEB liability				
Service cost	**$33,899**	**$39,165**	**$42,308**	**$36,901**
Interest	**87,907**	**85,882**	**85,571**	**100,513**
Changes in benefit terms	**-**	**-**	**-**	**-**
Differences between expected and actual experience	**23,993**	**-**		**23,400**
Demographic (gains)/losses	**-**	**994**	**3,649**	**-**
Changes of assumptions	**(29,541)**	**(362,738)**	**(114,410)**	**(73,307)**
Benefit payments	**(78,534)**	**(58,315)**	**(60,021)**	**(54,752)**
Net change in total OPEB liability	**37,724**	**(295,012)**	**(42,903)**	**32,755**
Total OPEB liability - beginning	**1,603,151**	**1,898,163**	**1,941,066**	**1,908,311**
Total OPEB liability - ending (a)	**1,640,875**	**1,603,151**	**1,898,163**	**1,941,066**
Plan fiduciary net position				
Contributions - employer	**74,831**	**73,022**	**74,330**	**72,339**
Contributions - employee	**42,272**	**43,527**	**43,275**	**43,318**
Net investment income	**9,202**	**(12,883)**	**18,259**	**2,755**
Benefit payments, including refunds of employee contributions	**(186,632)**	**(161,800)**	**(149,072)**	**(138,934)**
Retiree drug subsidy and other rebates	**74,832**	**67,664**	**53,624**	**48,172**
Other	**(9,007)**	**(7,706)**	**(7,848)**	**(7,308)**
Net change in fiduciary net position	**5,498**	**1,824**	**32,568**	**20,342**
Plan fiduciary net position - beginning	**194,284**	**192,460**	**159,892**	**139,550**
Plan fiduciary net position - ending (b)	**199,782**	**194,284**	**192,460**	**159,892**
Net OPEB liability - ending (a) - (b)	**1,441,093**	**1,408,867**	**1,705,703**	**1,781,174**
Plan's fiduciary net position as a percentage of the total OPEB liability	**12.18%**	**12.12%**	**10.14%**	**8.24%**
Covered payroll	**1,731,677**	**1,602,564**	**1,724,445**	**1,601,067**
Net OPEB liability as a percentage of covered payroll	**83.22%**	**87.91%**	**98.91%**	**111.25%**

2019	2018	2017	2016	2015	2014
$30,949	$31,360	$29,158			
112,057	107,769	104,472			
(67,962)	-	-			
43,317	(12,071)	-			
-	-	(2,619)			
(38,191)	(52,758)	-	(Historical information prior to implementation of GASB 74/75 is not required)		
(79,212)	(69,090)	(66,780)			
958	5,210	64,231			
1,907,353	1,902,143	1,837,912			
1,908,311	1,907,353	1,902,143			
82,620	68,902	67,399			
51,242	53,157	52,170			
6,208	4,679	7,839			
(165,127)	(150,607)	(142,154)			
41,545	35,502	30,514	(Historical information prior to implementation of GASB 74/75 is not required)		
(6,872)	(7,142)	(7,311)			
9,616	4,491	8,457			
129,934	125,443	116,985			
139,550	129,934	125,443			
1,768,761	1,777,419	1,776,700			
7.31%	6.81%	6.59%	(Historical information prior to implementation of GASB 74/75 is not required)		
1,611,972	1,604,410	1,609,515			
109.73%	110.78%	110.39%			

Schedule of Funding Progress *(in millions)*

State Retiree Welfare Benefit Trust

Fiscal Year Ending	2023	2022	2021	2020
Actuarial Value of Assets (a)	**$194.3**	**$194.3**	**$192.5**	**$159.9**
Actuarial Accrued Liability (AAL)[1] (b)	**$1,603.2**	**$1,898.2**	**$1,941.1**	**$1,908.3**
Unfunded/(Overfunded) AAL (UAAL) (b) - (a)	**$1,408.9**	**$1,703.9**	**$1,748.6**	**$1,748.4**
Funded Ratio (a) / (b)	**12.1%**	**10.2%**	**9.9%**	**8.4%**
Covered Payroll (c)	**$1,731.7**	**$1,602.6**	**$1,724.4**	**$1,601.1**
UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]	**81.4%**	**106.3%**	**101.4%**	**109.2%**

[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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	**$96.3**	**$104.6**	**$109.5**	**$112.1**	**$113.4**	**$113.2**	**$106.8**	**$96.6**	**$103.7**	**$100.1**
Annual Contribution	**74.8**	**73.0**	**74.3**	**72.3**	**82.6**	**68.9**	**67.4**	**66.2**	**62.6**	**56.3**
Contribution deficiency (excess)	**21.5**	**31.6**	**35.2**	**39.8**	**30.8**	**44.3**	**39.4**	**30.4**	**41.1**	**43.8**
Covered payroll	**1,731.7**	**1,602.6**	**1,724.4**	**1,601.1**	**1,612.01**	**1,604.4**	**1,609.5**	**1,586.5**	**1,583.7**	**1,566.7**
Percentage of (ADC) Contributed	**77.7%**	**69.8%**	**67.9%**	**64.5%**	**72.8%**	**60.9%**	**63.1%**	**68.5%**	**60.4%**	**56.2%**
Contributions as a percentage of covered payroll	**4.3%**	**4.6%**	**4.3%**	**4.5%**	**5.1%**	**4.3%**	**4.2%**	**4.2%**	**4.0%**	**3.6%**

The state provided benefit payments and administrative costs of $74.8M in fiscal year 2023.
The Statement of Changes in Fiduciary Net Position provides more details concerning these amounts.

2019	2018	2017	2016	2015	2014
$139.6	**$129.9**	**$125.4**	**$117.0**	**$106.9**	**$102.3**
$1,907.4	**$1,902.1**	**$1,837.9**	**$1,730.7**	**$1,813.5**	**$1,649.5**
$1,767.8	**$1,772.2**	**$1,712.5**	**$1,613.7**	**$1,706.6**	**$1,547.2**
7.3%	**6.8%**	**6.8%**	**6.8%**	**5.9%**	**6.2%**
$1,612.0	**$1,604.4**	**$1,609.5**	**$1,586.5**	**$1,583.7**	**$1,566.7**
109.7%	**110.5%**	**106.4%**	**101.7%**	**107.8%**	**98.8%**

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

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

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

Schedule of the Proportionate Share of the Net Pension Liability

Missouri Consolidated Health Care Plan

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

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

Schedule of Contributions

Missouri Consolidated Health Care Plan

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

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

Notes to Required Supplementary Information for the Year Ended June 30, 2023

Changes of benefit terms or assumptions - Pension Plan

There were no changes in benefit terms or assumptions during the fiscal year ended June 30, 2022.

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, 2023

State Retiree Welfare Benefit Trust

Third Party Claims Administration Services	**$5,402,142**
Payroll and related Benefits	**$2,013,748**
Professional Services	**$855,512**
General Administration	**$513,481**
Employee Assistance Program	**$222,169**
Total	**$9,007,052**

Schedule of Investment Expenses for the Year Ended June 30, 2023

State Retiree Welfare Benefit Trust

Central Registered Investment Advisors	**$420,517**

Schedule of Professional Service Fees for the Year Ended June 30, 2023

State Retiree Welfare Benefit Trust

Actuarial Services	
Willis Towers Watson, LLC	**$73,592**
Segal, Inc.	**$127,221**
Investment Advisory Services	
Central Bank	**$420,517**
Auditing Services	
Armanino LLP	**$16,831**
Software Consulting	
McCarthy and Company	**$907**
General Services	
Info Tech Research Group	**$12,792**
Optavise	**$23,100**
SHI	**$8,111**
Consulting Services	
Merative	**$158,253**
Legal Services	
Stinson, LLP	**$14,188**
Total	**$855,512**

INVESTMENTS

INVESTMENT ADVISOR STATEMENT

Central Bank

November 14, 2023

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, 2023.

The Plan's State Retiree Welfare Benefit Trust (SRWBT) investment portfolio generated a return of 4.76% for fiscal year 2023 and Portfolio assets ended the year at slightly greater than $182 million. The fiscal year began with significant and widespread uncertainty for global markets as central banks continued to raise key rates to tame inflation while avoiding an overreaction that would have a material negative impact on the economy. Global equities generated double digit positive returns and the rapid rise in interest rates caused losses in the intermediate and longer-term bonds.

Fiscal Year 2023 equity performance was 15.70% which underperformed its benchmark of 16.58% and the fixed income portfolio return was .33% beating its benchmark return of -.94%. Over the past three years, the overall portfolio returned 3.47%, which beat its benchmark of 3.31%, and for the past five years earned 3.54%. Investment results for the portfolio are measured using the Modified Dietz methodology, which is a time-weighted analysis of portfolio return.

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

Looking forward to Fiscal Year 2024 our model anticipates:

- Interest rates will remain higher for longer.
- Equity valuations continue to be above long- term historic norms and we believe there could be continued volatility in the equity markets due to slowing global growth.

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

Sincerely,

Joanne Scheperle, CFP®
Vice President

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

Schedule of Investment Results (Net of Management Fees)

State Retiree Welfare Benefit Trust

FY Ended June 30, 2023

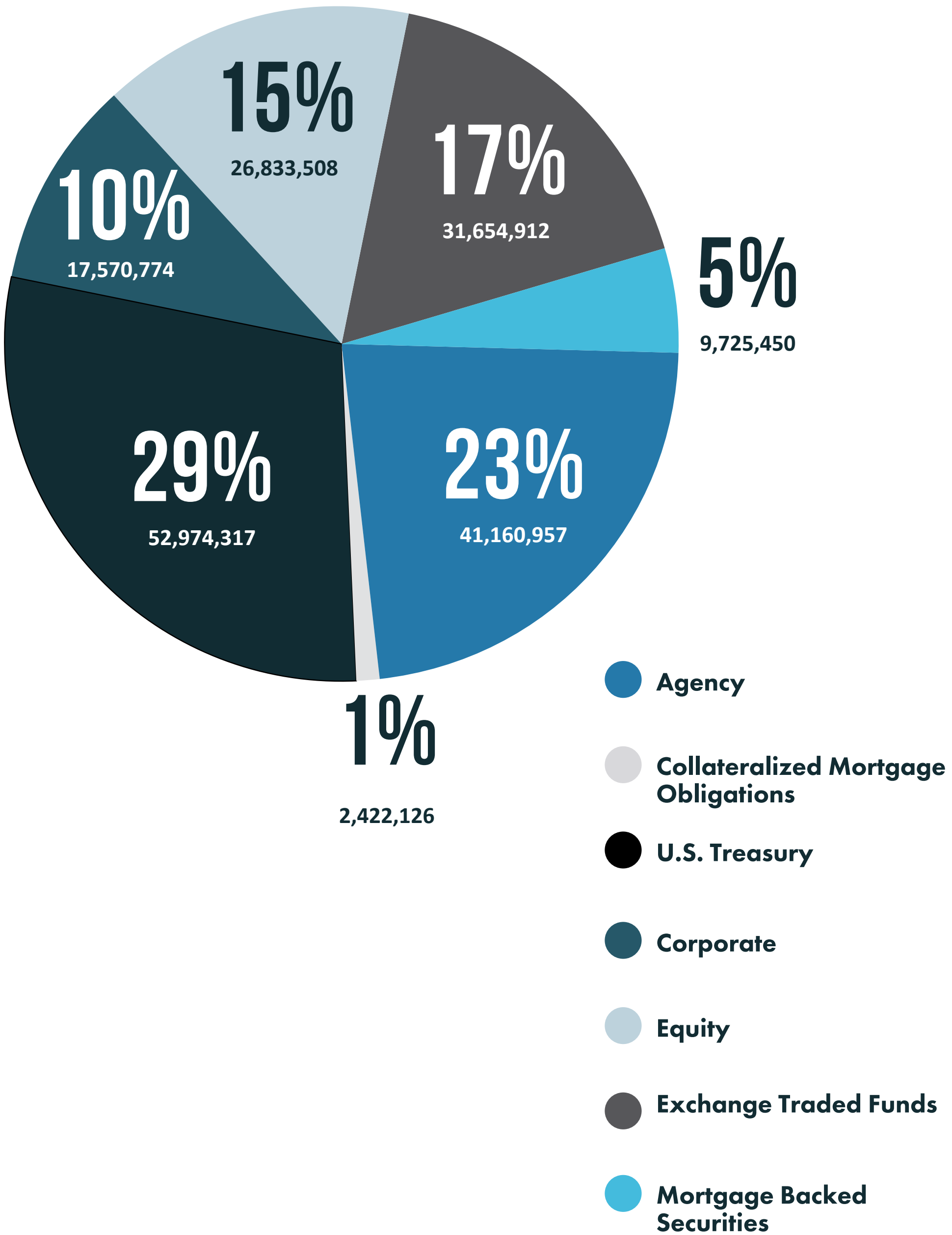
	1 Year	3 Years	5 Years
Total Fund:	**4.76%**	**3.47%**	**3.54%**
Policy Benchmark:	**4.47%**	**3.31%**	**3.67%**
US TSY/AGY/MBS/CMO/Corporate Portfolio	**0.33%**	**-2.15%**	**0.71%**
Bloomberg US Aggregate Bond Index*	**-0.94%**	**-2.91%**	**0.81%**
Large Cap Equities/Exchange Traded Products Portfolio	**15.70%**	**15.52%**	**9.81%**
Equity Composite (LC 50%/MC 15%/SC 20%/GLBL 15%)	**16.58%**	**15.24%**	**9.18%**

Rate of Return. For the year ended June 30, 2023, the annual time weighted rate of return on investments, net of investment expense, was 4.76 percent. The time weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. Investment results for the portfolio are measured using the Modified Dietz methodology, which is a time weighted analysis of portfolio return.

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

Schedule of Asset Allocation

MCHCP Retiree Welfare Benefit Trust, Fiscal Year 2023



List of Largest Assets Held

State Retiree Welfare Benefit Trust

Top Ten Holdings at June 30, 2023

Par Value/# Shares	Description	Fair Value
6,600,000	United States Treasury Bill DTD 3/16/ 2023 09/14/ 2023	**$ 6,530,964**
83,410	Ishares Core Msci Eafe ETF	**$ 5,630,175**
26,735	Vanguard Small Cap ETF	**$ 5,317,324**
35,700	Ishares Russell 2000 Value Fd ETF	**$ 5,026,560**
5,000,000	United States Treasury Notes DTD 08/ 15/ 2013 2.5% 08/ 15/ 2023	**$ 4,983,450**
67,590	Ishares Russell Mid Cap ETF	**$ 4,936,098**
5,000,000	United States Treasury Bill DTD 10/ 06/ 2022 10/ 05/ 2023	**$ 4,932,350**
12,100	Vanguard S&P 500 ETF	**$ 4,928,088**
4,000,000	United States Treasury Bill DTD 01/26/ 2023 01/25/ 2024	**$ 3,885,080**
3,500,000	United States Treasury Notes DTD 11/15/ 2013 2.75% 11/15/ 2023	**$ 3,467,730**
		$ 49,637,819

NOTE: For a complete list of holdings contact MCHCP.

Schedule of Investment Fees

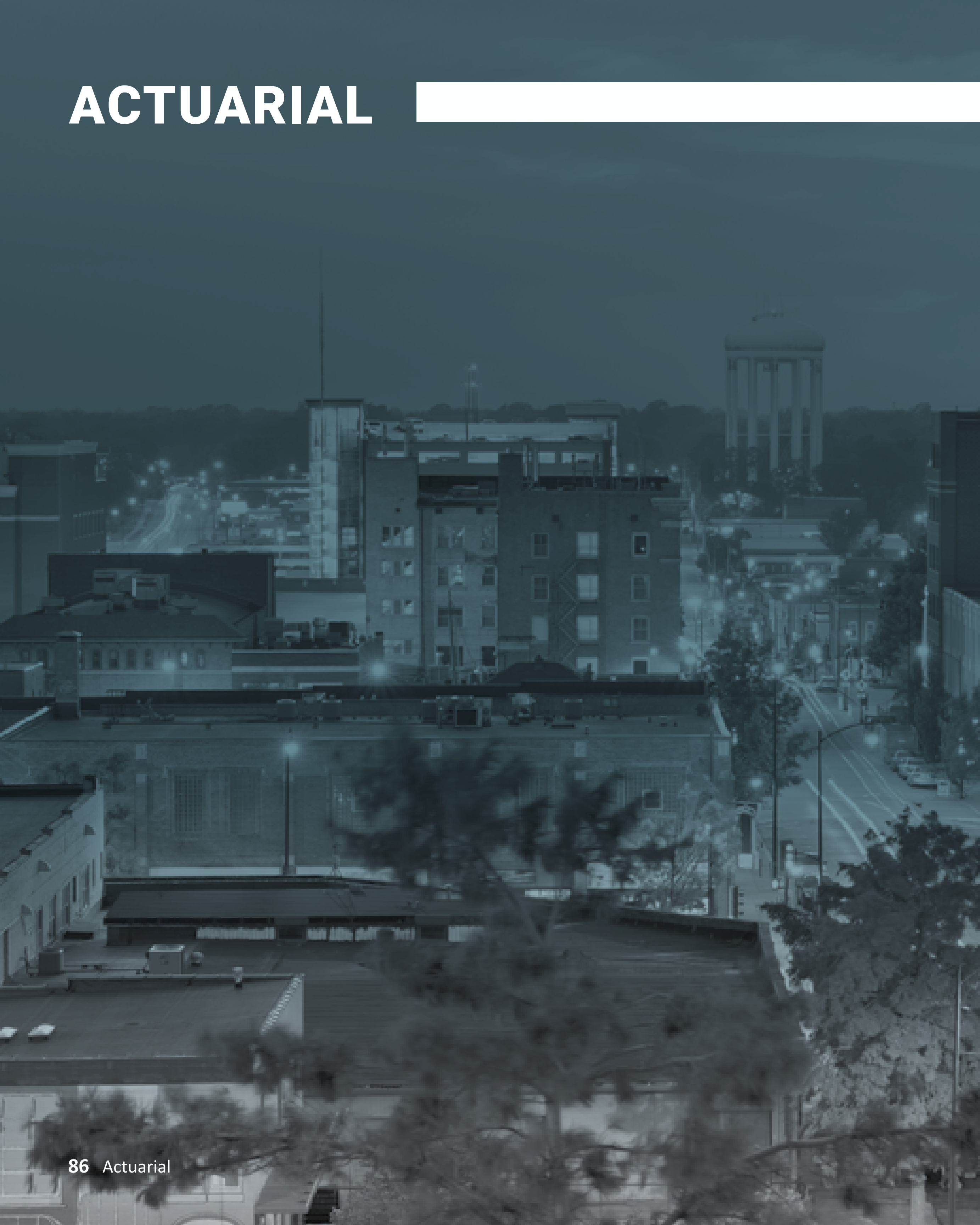
State Retiree Welfare Benefit Trust

FY Ended June 30, 2023

	Assets Under Management	Fees
U.S. Equities:		
Actively Managed:	**$31,761,596**	**$70,998**
Passively Managed:	**18,314,164**	**42,841**
International Equities:		
Passively Managed:	**8,412,661**	**18,799**
Fixed Income:		
Passively Managed:	**123,853,623**	**287,879**
Total	**$182,342,044**	**$420,517**

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

ACTUARIAL



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December 5, 2023

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

Dear Ms. Fischer:

We are pleased to submit this Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) as of June 30, 2023 under Governmental Accounting Standards Board Statement No. 74. The report summarizes the actuarial data used in the valuation, discloses the Net OPEB Liability (NOL), and analyzes the preceding year's experience. In addition, we have calculated the Actuarially Determined Contribution based on the results of the GASB74 actuarial valuation of the Missouri Consolidated Healthcare Plan (Plan) as of June 30, 2022, completed by Willis Towers Watson US LLC, dated November 28, 2022 (the 2022 GASB74 report), rolled forward one year. This report was based on the census data and financial information provided by the Plan and the terms of the Plan. The actuarial calculations were completed under the supervision of Daniel J. Rhodes, FSA, MAAA, Senior Vice President and Consulting Actuary and Matthew Kersting, FSA, FCA, MAAA, Vice President and Senior Health Consultant.

The actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions used in this valuation and described in Section 3, Exhibit II are reasonably related to the experience of and the expectations for the Plan. The actuarial projections are based on these assumptions and the plan of benefits as summarized in Section 3, Exhibit III.

Sincerely,

Segal

Daniel J. Rhodes, FSA, MAAA
Senior Vice President and Consulting Actuary

Actuarial Valuation Summary

Purpose and basis

This report presents the results of our actuarial valuation of the Missouri Consolidated Healthcare Plan (the "Plan") OPEB plan as of June 30, 2023, required by Governmental Accounting Standards Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans. The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. This valuation is based on:

- The benefit provisions of the Plan, as administered by the State of Missouri;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of July 1, 2023, provided by the Plan;
- The assets of the Plan as of June 30, 2023, provided by the Plan;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Plan; for the June 30, 2023 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Highlights of the valuation

1. The Net OPEB Liability (NOL) as of June 30, 2023 is $1,441,092,636, an increase of $32,225,508, from the prior valuation NOL of $1,408,867,128. Net unfunded plan obligations had been expected to increase to $1,445,259,271 due to normal plan operations. The difference between actual and prior unfunded actuarial accrued liabilities was the net effect of several factors:
    a. An investment experience loss increased the NOL by $1,381,296. This was the result of a loss due to fund investment performance (returns lower than expected).
    b. An actuarial experience loss increased the NOL by $23,992,597. This was the net result of gains and losses due to demographic changes.
    c. Valuation assumption changes decreased the NOL by $29,540,528. This was a net result of a decrease in obligations due to updating the valuation-year per capita health costs and future trend on such costs.
2. As of June 30, 2023, the ratio of assets to the Total OPEB Liability (the funded ratio) is 12.18%, an increase from 12.12% in the prior year.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Measurement Date	June 30, 2023	June 30, 2022
Disclosure elements for fiscal year ending June 30:		
Total OPEB Liability	$1,640,874,895	$1,603,150,844
Plan Fiduciary Net Position (Assets)	199,782,259	194,283,716
Net OPEB Liability	1,441,092,636	1,408,867,128
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	12.18%	12.12%
Service Cost at Beginning of Year	33,899,097	39,165,455
Total Payroll	1,731,676,631	1,602,564,323
Schedule of contributions for fiscal year ending June 30:		
Actuarially determined contributions	$96,276,402	$104,587,179
Actual contributions	74,830,173	73,021,995
Contribution deficiency / (excess)	21,446,229	31,565,184
Benefit Payments	78,534,081	58,315,004

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

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

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

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

Section 1: Actuarial Valuation Summary

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

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

As Segal has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Section 1: Actuarial Valuation Summary

Actuarial Certification December 5, 2023

This is to certify that Segal has conducted an actuarial valuation of certain benefit obligations of Missouri Consolidated Healthcare Plan's other postemployment benefit programs as of June 30, 2023, in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statement 74 for the determination of the liability for postemployment benefits other than pensions.

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

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

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

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

Daniel J. Rhodes, FSA, MAAA
Senior Vice President and Consulting Actuary

Matthew Kersting, FSA, FCA, MAAA
Vice President and Senior Health Consultant

GASB 74 Information

General information about the OPEB plan

Plan Description

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

Plan membership. At July 1, 2023, the Plan membership consisted of the following:

	July 1, 2023
Retired members or beneficiaries currently receiving benefits	22,097
Disabled members currently receiving benefits	58
Vested terminated members entitled to but not yet receiving benefits*	77
Active members	36,778
Total	59,010

* Counts do not include spouses of terminated vested employees. At July 1, 2023, there were 30 spouses.

Section 2: GASB 74 Information

Net OPEB liability

Components of the Net OPEB Liability	June 30, 2023	June 30, 2022
Total OPEB Liability	$1,640,874,895	$1,603,150,844
Plan Fiduciary Net Position	199,782,259	194,283,716
Net OPEB Liability	1,441,092,636	1,408,867,128
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	12.18%	12.12%

The Net OPEB Liability was measured as of June 30, 2023 and 2022. 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, 2023 and 2022, respectively. Actuarial assumptions. The Total OPEB Liability was measured by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Assumption	Description
Inflation	3.00%
Salary increases	4.00%
Discount rate	5.50% as of June 30, 2023, and 5.50% as of June 30, 2022
Healthcare cost trend rates	Non-Medicare Medical and Prescription Drug: 6.68%, 6.59%, 6.29%, 5.99%, 5.69% 5.38%, 5.16%, 5.02%, 4.88%, 4.73%, 4.58%, 4.50% (ultimate) Medicare Medical and Prescription Drug*: 11.79%, 12.54%, 11.38%, 9.06%, 7.19%, 6.75%, 6.33%, 5.93%, 5.52%, 5.11%, 4.70%, 4.50% (ultimate) Administrative Expenses: 5.50%, 3.00% (ultimate)
Mortality	Pre-Retirement: Pri-2012 Employee Amount-weighted Mortality Table projected generationally using MP-2021 Annuitant: Pri-2012 Retiree Amount-weighted Mortality Table projected generationally using MP-2021

The actuarial assumptions used in the June 30, 2023 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 Section 3, Exhibit II.

* 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.

Determination of discount rate and investment rates of return

Development of long-term rate

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 nominal rates of return for each major asset class before investment expenses, used in the derivation of the long-term expected investment rate of return assumption were provided by the Plan and are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Domestic Large Cap Equity	17.0%	5.9%
Domestic MidCap Equity	4.0%	5.9%
Domestic SmallCap Equity	6.0%	5.6%
Global Equity	5.0%	9.4%
Domestic Fixed Income	67.0%	4.2%
Cash Equivalents	1.0%	3.5%
Total	100.0%	

Development of blended discount rate

The discount rate used to measure the total OPEB liability was 5.50% as of June 30, 2023. The OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the total OPEB liability.

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 healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net OPEB Liability (Asset)	$1,690,389,272	$1,441,092,636	$1,239,828,677
	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)	$1,229,732,337	$1,441,092,636	$1,705,751,701

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

Measurement Date	June 30, 2023	June 30, 2022
Total OPEB Liability		
Service cost	$33,899,097	$39,165,455
Interest	87,906,966	85,882,130
Changes of benefit terms	0	0
Differences between expected and actual experience	23,992,597	993,586
Changes of assumptions	-29,540,528	-362,738,311
Benefit payments, including refunds of member contributions	-78,534,081	-58,315,004
Net change in Total OPEB Liability	$37,724,051	-$295,012,144
Total OPEB Liability – beginning	1,603,150,844	1,898,162,988
Total OPEB Liability – ending	$1,640,874,895	$1,603,150,844
Plan Fiduciary Net Position		
Contributions – employer	$74,830,173	$73,021,995
Contributions – employee	42,271,958	43,527,194
Net investment income	9,202,451	-12,883,097
Benefit payments, including refunds of member contributions	-186,630,908	-161,799,507
Administrative expenses	-9,007,051	-7,705,771
Retiree drug subsidy and other drug rebates	74,831,920	67,663,080
Net change in Plan Fiduciary Net Position	$5,498,543	$1,823,894
Plan Fiduciary Net Position – beginning	194,283,716	192,459,822
Plan Fiduciary Net Position – ending	$199,782,259	$194,283,716
Net OPEB Liability – ending	1,441,092,636	1,408,867,128
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	12.18%	12.12%
Covered employee payroll	$1,731,676,631	$1,602,564,323
Plan Net OPEB Liability as percentage of covered employee payroll	83.22%	87.91%

Section 2: GASB 74 Information

Notes to schedule:

Changes in Actuarial Assumptions:	Description
As of June 30, 2022	The discount rate was updated from 4.50% as of June 30, 2021 to 5.50% as of June 30, 2022. The per capita health costs, administrative expenses and retiree contributions were updated to reflect current experience. The trend assumptions were revised to reflect future expectations.
As of June 30, 2023	The per capita health costs, administrative expenses and retiree contributions were updated to reflect current experience. The trend assumptions were revised to reflect future expectations.

Changes in Plan Provisions:	Description
As of June 30, 2022	None
As of June 30, 2023	None

Schedule of contributions – Last ten fiscal years

Year Ended June 30	Contributions as a Percentage of Covered Payroll[1]	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll
2014	$100.1	$56.3	$43.8	$1,566.7	3.6%
2015	103.7	62.6	41.1	1,586.7	4.0%
2016	96.6	66.2	30.4	1,586.5	4.2%
2017	106.8	67.4	39.4	1,609.5	4.2%
2018	113.2	68.9	44.3	1,604.4	4.3%
2019	113.2	82.6	30.6	1,612.0	5.1%
2020	113.4	72.3	41.1	1,601.1	4.5%
2021	109.5	74.3	35.2	1,724.4	4.3%
2022	104.6	73.0	31.6	1,602.6	4.6%
2023	96.3	74.8	21.4	1,731.7	4.3%

Note:
Dollar amounts in millions

See accompanying notes to this schedule below.

Notes to Schedule:

Methods and assumptions used to establish "actuarially determined contribution" for fiscal year ended June 30, 2023:

Methods and assumptions	Description
Valuation date	Actuarially determined contribution was determined based on the results of the GASB74 actuarial valuation of the Missouri Consolidated Healthcare Plan as of June 30, 2022, completed by Willis Towers Watson US LLC, dated November 28, 2022 (the 2022 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, 2022
Asset valuation method	Fair value
Investment rate of return	5.50%
Salary increases	4.00%

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

Section 2: GASB 74 Information

Actuarially Determined Contribution

		June 30, 2023 5.50% Discount Rate	June 30, 2022 4.50% Discount Rate
1.	Actuarial Accrued Liability	$1,603,150,844	$1,898,162,988
2.	Assets	194,283,716	$192,459,822
3.	Unfunded Actuarial Accrued Liability **(1) - (2)**	$1,408,867,128	$1,705,703,166
4.	Normal Cost	$33,899,097	$39,165,455
5.	Amortization payment (30-year increasing 4.0% per year)	57,358,156	60,917,970
6.	Interest on **(4)** and **(5)**	5,019,149	4,503,754
7.	Total Actuarially Determined Contribution (ADC) **(4) + (5) + (6)**	$96,276,402	$104,587,179
8.	Total Payroll	1,731,676,631	1,602,564,323

The Actuarially Determined Contribution for fiscal 2023 is based on the results of the GASB74 actuarial valuation of the Missouri Consolidated Healthcare Plan as of June 30, 2022, completed by Willis Towers Watson US LLC, dated November 28, 2022 (the 2022 GASB74 report), rolled forward one year using standard actuarial techniques.

Statement of Fiduciary Net Position

	June 30, 2023
Assets	
Cash & cash equivalents	$2,850,339
Due from MCHCP	615,684
Total assets	$3,466,023
Receivables	
Prescription drug rebates	$28,319,895
Other receivables	522,305
Total receivables	$28,842,200
Investments	
U.S. Agencies	$41,160,957
Exchange Traded Funds	31,654,912
U.S. Government Guaranteed Mortgages	9,725,450
Equities	26,833,508
Corporate	17,570,774
Collateralized Mortgage Obligations	2,422,126
U.S. Treasuries	52,974,317
Total investments	$182,342,044
Total Assets	$214,650,267
Liabilities	
Payables	
Accrued medical claims & capitation fees	$8,252,660
Unearned revenue & Other liabilities	6,240,937
Other liabilities	374,411
Total liabilities	$14,868,008
Net position restricted for OPEB	**$199,782,259**

Statement of Changes in Fiduciary Net Position

	June 30, 2023
Additions	
Employer contributions	$74,830,173
Employee contributions	42,271,958
Interest income	9,202,451
Retiree Drug Subsidy and other rebates	74,831,920
Total additions	$201,136,502
Deductions	
Medical claims & capitation expense	$186,630,908
Claims administration services	5,402,141
Administration & other	3,604,910
Total Deductions	$195,637,959
Net Increase	$5,498,543
Beginning of Year	194,283,716
Net position restricted for OPEB	**$199,782,259**
Rate of return	4.78%

Supporting Information

Exhibit I-a: Summary of Participant Data

	As of July 1, 2023
Number of retirees	16,098
Average age of retirees	70.97
Number of spouses	5,060
Average age of spouses	70.25
Number of surviving spouses	997
Average age	77.90
Number of inactive vested*	77
Average age	53.70
Number of actives	36,778
Average age	44.87
Average service	9.83

* Counts do not include spouses of terminated vested employees. At July 1, 2023, there were 30 spouses.

Exhibit I-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	1,017	925	305	116	59	30	0	0	0	0	0	0	0	2,452
25 - 29	558	931	556	329	324	596	10	0	0	0	0	0	0	3,304
30 - 34	448	686	407	237	328	1,267	339	22	0	0	0	0	0	3,734
35 - 39	306	519	342	212	248	1,076	768	392	15	0	0	0	0	3,878
40 - 44	281	497	302	168	216	901	689	907	427	36	0	0	0	4,424
45 - 49	250	381	230	161	183	783	610	745	880	458	11	0	0	4,692
50 - 54	222	412	228	149	209	745	592	686	790	974	242	13	0	5,262
55 - 59	154	319	211	139	194	698	606	619	643	478	291	102	6	4,460
60 - 64	71	177	139	108	166	631	484	494	384	305	126	104	37	3,226
65 - 69	29	55	37	31	42	210	170	151	107	73	44	34	25	1,008
70 & over	11	16	9	6	18	67	50	60	34	23	15	14	15	338
Total	3,347	4,918	2,766	1,656	1,987	7,004	4,318	4,076	3,280	2,347	729	267	83	36,778

Exhibit II: Actuarial Assumptions and Actuarial Cost Method

Valuation date

June 30, 2023

Data

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

Actuarial cost method

Entry age normal - Level percentage of payroll.

Expected Return on Assets

5.50%

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

Discount rate

5.50%

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

Funding Policy

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

Asset valuation method

Fair value

Salary Increases

4.00%

Mortality rates

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

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

Section 3: Supporting Information

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

Disability rates

None assumed.

Retirement rates

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

Participation and coverage election

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

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

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

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

Dependents

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

Per capita cost development (self-funded)

Non-Medicare medical retiree per capita costs were based on actual retiree paid claim experience furnished by Anthem for the period January 1, 2020 through December 31, 2022. 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, 2020 through December 31, 2022. 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.

Months impacted by the COVID-19 pandemic were adjusted consistent with the budget and working rate development. Total claims were then divided by the number of adult members to yield a per capita claims cost.

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

Per capita cost development (fully insured)

Medicare retiree per capita costs were based on the Medicare Advantage Premium rate of $0 effective January 1, 2023 through December 31, 2024. Medicare retiree per capita costs for January 1, 2025 through December 31, 2027 were based on monthly Medicare Advantage Premiums of $10/$20/$30 for each year respectively. Beginning January 1, 2028 the Medicare retiree per capita costs were based on a projection of claims costs, CMS revenue, and administrative expenses. Actuarial factors were applied to the projected cost to estimate individual retiree and spouses costs by age and by gender.

Per capita health costs

Fiscal year 2024 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.

Section 3: Supporting Information

Age	Male	Female
45	$8,350	$10,475
50	9,910	11,288
55	11,769	12,151
60	13,977	13,097
65	2,492	2,118
70	2,888	2,283
75	3,113	2,457
80	3,352	2,649

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 2024:

Non-Medicare: $12,442

Medicare: $2,694

Health care cost trend rates

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

Fiscal Year	Medical and Rx Combined Rate (%) (Non-Medicare)	Medical and Rx Combined Rate (%) (Medicare)
2024	6.68	11.79
2025	6.59	12.54
2026	6.29	11.38
2027	5.99	9.06
2028	5.69	7.19
2029	5.38	6.75
2030	5.16	6.33
2031	5.02	5.93
2032	4.88	5.52
2033	4.73	5.11
2034	4.58	4.70
2035 and later	4.50	4.50

2024 trends include Prescription Drug rebates improvements.

Medicare medical trend reflects the Medicare Advantage rate guarantees through 2024.

The trend rate assumptions were developed using Segal's internal guidelines, which are established each year using data sources such as the 2023 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 2024, the administrative expenses used are $352 per person (apply only for non-Medicare). Future increases will be assumed at the general inflation rate of 5.5% for one year then 3.0% thereafter.

Plan design

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

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 reflect the potential impact of any future changes due to prior or pending legislation such as the Inflation Reduction Act.

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 used in the 2022 Actuarial Report, completed by Willis Towers Watson, dated November, 28, 2022. Assumptions were 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.

Actuarial models

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

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

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

Justification for assumption changes since prior valuation

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

- The 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 III: Summary of Plan

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

Eligibility

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

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

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

Benefit types

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

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

Duration of coverage

Lifetime.

State Contributions

The contribution amount for a retiree is calculated using the number of full years of service as reported to MCHCP by MOSERS or PSRS times 2.5%, capped at 65% with the actual amount determined by State appropriations. Prior to January 1, 2005, the maximum is 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.

Section 3: Supporting Information

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.*

Plan changes since the prior valuation

None.

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

Appendix A: Projection of OPEB Plan's Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2023

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)
2023	$199,782,259	$79,632,131	$70,462,266	$0	$13,456,014	$222,408,138
2024	222,408,138	78,128,996	74,102,669	0	14,518,994	240,953,459
2025	240,953,459	78,143,874	78,548,219	0	15,419,189	255,968,302
2026	255,968,302	78,417,580	82,781,022	0	16,145,215	267,750,075
2027	267,750,075	78,921,804	87,011,298	0	16,706,169	276,366,750
2028	276,366,750	79,672,893	90,211,942	0	17,134,556	282,962,257
2029	282,962,257	80,605,288	93,680,977	0	17,454,469	287,341,037
2030	287,341,037	81,712,781	98,075,669	0	17,636,978	288,615,127
2031	288,615,127	82,980,748	102,209,431	0	17,664,634	287,051,077
2032	287,051,077	84,393,489	106,072,357	0	17,551,503	282,923,713
2033	282,923,713	85,959,103	110,039,470	0	17,302,972	276,146,318
2034	276,146,318	87,662,870	113,419,305	0	16,932,221	267,322,104
2035	267,322,104	89,529,267	116,351,343	0	16,469,989	256,970,017
2036	256,970,017	91,555,328	118,797,520	0	15,945,688	245,673,513
2037	245,673,513	93,741,207	121,673,741	0	15,366,566	233,107,545
2038	233,107,545	96,107,351	124,470,481	0	14,729,695	219,474,110
2039	219,474,110	98,661,996	126,570,381	0	14,063,387	205,629,113
2040	205,629,113	101,397,983	128,734,098	0	13,393,686	191,686,684
2041	191,686,684	104,321,880	130,696,175	0	12,734,432	178,046,820
2042	178,046,820	107,430,594	131,872,276	0	12,123,308	165,728,446
2043	165,728,446	110,721,010	133,127,129	0	11,592,724	154,915,051
2044	154,915,051	114,197,740	134,459,541	0	11,153,057	145,806,307
2045	145,806,307	117,877,758	134,991,031	0	10,840,056	139,533,090
2046	139,533,090	121,753,695	135,521,139	0	10,693,823	136,459,469
2047	136,459,469	125,848,482	136,243,389	0	10,730,391	136,794,954
2048	136,794,954	130,163,059	136,707,384	0	10,973,556	141,224,185
2049	141,224,185	134,708,104	137,050,655	0	11,457,827	150,339,461
2050	150,339,461	139,491,217	136,840,400	0	12,227,943	165,218,221
2051	165,218,221	144,517,663	136,757,428	0	13,324,981	186,303,437
2052	186,303,437	149,794,697	136,696,015	0	14,776,571	214,178,690
2053	214,178,690	155,335,261	135,907,929	0	16,635,823	250,241,845
2054	250,241,845	161,145,257	134,703,639	0	18,971,521	295,654,983

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)
2055	295,654,983	167,233,318	133,420,421	0	21,838,903	351,306,784
2056	351,306,784	173,612,243	131,801,234	0	25,294,525	418,412,317
2057	418,412,317	180,293,442	129,661,286	0	29,410,856	498,455,329
2058	498,455,329	187,280,642	127,300,254	0	34,261,577	592,697,294
2059	592,697,294	194,585,709	124,579,578	0	39,920,481	702,623,906
2060	702,623,906	202,214,803	121,470,841	0	46,470,391	829,838,258
2061	829,838,258	210,178,594	118,162,031	0	53,994,963	975,849,784
2062	975,849,784	218,485,251	114,694,270	0	62,576,550	1,142,217,315
2063	1,142,217,315	227,144,745	111,094,615	0	72,300,702	1,330,568,146
2064	1,330,568,146	236,167,939	107,364,422	0	83,257,481	1,542,629,145
2065	1,542,629,145	245,566,902	103,636,285	0	95,538,930	1,780,098,692
2066	1,780,098,692	255,353,562	99,866,199	0	109,240,311	2,044,826,366
2067	2,044,826,366	265,540,871	96,100,627	0	124,462,803	2,338,729,413
2068	2,338,729,413	276,143,343	92,399,498	0	141,311,025	2,663,784,283
2069	2,663,784,283	287,175,353	88,602,175	0	159,898,832	3,022,256,293
2070	3,022,256,293	298,652,441	84,531,394	0	180,356,481	3,416,733,821
2071	3,416,733,821	310,591,802	80,720,332	0	202,812,811	3,849,418,102
2072	3,849,418,102	323,011,048	76,862,123	0	227,398,186	4,322,965,212
2073	4,322,965,212	335,928,732	72,960,146	0	254,259,617	4,840,193,416
2074	4,840,193,416	349,364,146	69,020,135	0	283,553,017	5,404,090,444
2075	5,404,090,444	363,337,727	65,052,968	0	315,443,537	6,017,818,740
2076	6,017,818,740	377,870,675	61,092,030	0	350,105,373	6,684,702,757
2077	6,684,702,757	392,985,231	57,147,720	0	387,722,311	7,408,262,580
2078	7,408,262,580	408,704,518	53,242,675	0	428,488,614	8,192,213,037
2079	8,192,213,037	425,052,660	49,385,023	0	472,609,702	9,040,490,376
2080	9,040,490,376	442,054,761	45,610,103	0	520,302,492	9,957,237,527
2081	9,957,237,527	459,736,951	41,932,635	0	571,795,883	10,946,837,726
2082	10,946,837,726	478,126,429	38,364,594	0	627,332,123	12,013,931,684
2083	12,013,931,684	497,251,486	34,887,698	0	687,168,504	13,163,463,976
2084	13,163,463,976	517,141,546	31,571,623	0	751,576,705	14,400,610,604
2085	14,400,610,604	537,827,208	28,372,942	0	820,844,267	15,730,909,137
2086	15,730,909,137	559,340,296	25,363,653	0	895,275,554	17,160,161,334
2087	17,160,161,334	581,713,908	22,522,981	0	975,192,046	18,694,544,308
2088	18,694,544,308	604,982,464	19,856,537	0	1,060,935,226	20,340,605,461
2089	20,340,605,461	629,181,763	17,381,793	0	1,152,866,696	22,105,272,126
2090	22,105,272,126	654,349,033	15,045,039	0	1,251,370,963	23,995,947,083

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)
2091	23,995,947,083	680,522,994	12,973,469	0	1,356,853,859	26,020,350,467
2092	26,020,350,467	707,743,915	11,063,956	0	1,469,745,005	28,186,775,431
2093	28,186,775,431	736,053,671	9,397,581	0	1,590,500,626	30,503,932,147

Appendix B: Development of Blended Discount Rate as of June 30, 2023

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
2023	$199,782,259	$70,462,266	$0	$68,600,989	$0	$68,600,989
2024	222,408,138	74,102,669	0	68,384,104	0	68,384,104
2025	240,953,459	78,548,219	0	68,707,666	0	68,707,666
2026	255,968,302	82,781,022	0	68,635,243	0	68,635,243
2027	267,750,075	87,011,298	0	68,381,651	0	68,381,650
2028	276,366,750	90,211,942	0	67,200,964	0	67,200,964
2029	282,962,257	93,680,977	0	66,147,041	0	66,147,041
2030	287,341,037	98,075,669	0	65,639,888	0	65,639,888
2031	288,615,127	102,209,431	0	64,840,307	0	64,840,307
2032	287,051,077	106,072,357	0	63,782,840	0	63,782,840
2033	282,923,713	110,039,470	0	62,718,789	0	62,718,789
2034	276,146,318	113,419,305	0	61,275,053	0	61,275,053
2035	267,322,104	116,351,343	0	59,582,079	0	59,582,079
2036	256,970,017	118,797,520	0	57,663,257	0	57,663,257
2037	245,673,513	121,673,741	0	55,980,426	0	55,980,426
2038	233,107,545	124,470,481	0	54,281,675	0	54,281,675
2039	219,474,110	126,570,381	0	52,319,852	0	52,319,852
2040	205,629,113	128,734,098	0	50,440,055	0	50,440,055
2041	191,686,684	130,696,175	0	48,539,173	0	48,539,173
2042	178,046,820	131,872,276	0	46,422,715	0	46,422,715
2043	165,728,446	133,127,129	0	44,421,288	0	44,421,288
2044	154,915,051	134,459,541	0	42,526,902	0	42,526,902
2045	145,806,307	134,991,031	0	40,469,196	0	40,469,196
2046	139,533,090	135,521,139	0	38,510,064	0	38,510,064
2047	136,459,469	136,243,389	0	36,696,967	0	36,696,967
2048	136,794,954	136,707,384	0	34,902,316	0	34,902,316
2049	141,224,185	137,050,655	0	33,165,835	0	33,165,835
2050	150,339,461	136,840,400	0	31,388,582	0	31,388,582
2051	165,218,221	136,757,428	0	29,734,170	0	29,734,170
2052	186,303,437	136,696,015	0	28,171,391	0	28,171,391
2053	214,178,690	135,907,929	0	26,548,793	0	26,548,793
2054	250,241,845	134,703,639	0	24,941,746	0	24,941,746
2055	295,654,983	133,420,421	0	23,416,251	0	23,416,251
2056	351,306,784	131,801,234	0	21,926,135	0	21,926,135
2057	418,412,317	129,661,286	0	20,445,629	0	20,445,629

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
2058	498,455,329	127,300,254	0	19,026,853	0	19,026,853
2059	592,697,294	124,579,578	0	17,649,487	0	17,649,487
2060	702,623,906	121,470,841	0	16,311,909	0	16,311,909
2061	829,838,258	118,162,031	0	15,040,361	0	15,040,361
2062	975,849,784	114,694,270	0	13,837,880	0	13,837,880
2063	1,142,217,315	111,094,615	0	12,704,816	0	12,704,816
2064	1,330,568,146	107,364,422	0	11,638,133	0	11,638,133
2065	1,542,629,145	103,636,285	0	10,648,350	0	10,648,350
2066	1,780,098,692	99,866,199	0	9,726,051	0	9,726,051
2067	2,044,826,366	96,100,627	0	8,871,392	0	8,871,392
2068	2,338,729,413	92,399,498	0	8,085,050	0	8,085,050
2069	2,663,784,283	88,602,175	0	7,348,607	0	7,348,607
2070	3,022,256,293	84,531,394	0	6,645,478	0	6,645,478
2071	3,416,733,821	80,720,332	0	6,015,042	0	6,015,042
2072	3,849,418,102	76,862,123	0	5,428,947	0	5,428,947
2073	4,322,965,212	72,960,146	0	4,884,684	0	4,884,684
2074	4,840,193,416	69,020,135	0	4,380,000	0	4,380,000
2075	5,404,090,444	65,052,968	0	3,913,028	0	3,913,028
2076	6,017,818,740	61,092,030	0	3,483,196	0	3,483,196
2077	6,684,702,757	57,147,720	0	3,088,445	0	3,088,445
2078	7,408,262,580	53,242,675	0	2,727,397	0	2,727,397
2079	8,192,213,037	49,385,023	0	2,397,901	0	2,397,901
2080	9,040,490,376	45,610,103	0	2,099,156	0	2,099,156
2081	9,957,237,527	41,932,635	0	1,829,293	0	1,829,293
2082	10,946,837,726	38,364,594	0	1,586,387	0	1,586,387
2083	12,013,931,684	34,887,698	0	1,367,409	0	1,367,409
2084	13,163,463,976	31,571,623	0	1,172,926	0	1,172,926
2085	14,400,610,604	28,372,942	0	999,138	0	999,138
2086	15,730,909,137	25,363,653	0	846,605	0	846,605
2087	17,160,161,334	22,522,981	0	712,594	0	712,594
2088	18,694,544,308	19,856,537	0	595,480	0	595,480
2089	20,340,605,461	17,381,793	0	494,090	0	494,090
2090	22,105,272,126	15,045,039	0	405,371	0	405,371
2091	23,995,947,083	12,973,469	0	331,331	0	331,331
2092	26,020,350,467	11,063,956	0	267,833	0	267,833
2093	28,186,775,431	9,397,581	0	215,634	0	215,634

Appendix C: Definition of Terms

Definitions of certain terms as they are used in Statement 74. The terms may have different meanings in other contexts.

Actuarially Determined Contribution (ADC)

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:

1. Investment return — the rate of investment yield that the Plan will earn over the long-term future;
2. Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;
3. Retirement rates — the rate or probability of retirement at a given age;
4. Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Covered Employee 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:

1. the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return, and
2. the actuarial present value of projected benefit payments that are not included in (1) 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

Healthcare 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

Section 3: Supporting Information

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

Present value of all future benefit payments for current retirees and active employees taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.

Valuation Date

The date at which the actuarial valuation is performed

Appendix D: Accounting Requirements

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

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

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

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

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

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

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

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

STATISTICAL

OVERVIEW

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

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

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

Distribution of Claims Payments – Provides by percentage and type of claim payment for state membership for fiscal year 2023.

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 2023.

State Membership Enrolled in MCHCP – Depicts state membership subscriber and dependent enrollment by age, gender and type of enrollment for fiscal year 2023.

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 2023.

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 2023 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, 2023

Fiscal Year	State/Employer Contributions	Member Contributions	Public Entity Income	Pharmacy Rebates & Subsidy	Total Operating Revenues	Investment & Other Income
2023	**$419,866,799**	**$72,409,193**	**$10,233,195**	**$53,973,889**	**$556,483,076**	**$9,489,988**
2022	**$429,970,953**	**$70,503,325**	**$9,633,399**	**$42,840,523**	**$552,948,200**	**($3,778,081)**
2021	**$437,336,186**	**$74,012,245**	**$8,150,024**	**$32,607,229**	**$552,105,684**	**$433,361**
2020	**$401,388,126**	**$74,873,802**	**$7,423,514**	**$31,653,218**	**$515,338,660**	**$1,103,352**
2019	**400,006,662**	**76,138,619**	**7,870,921**	**31,161,964**	**515,178,166**	**1,171,090**
2018	**334,208,126**	**80,156,169**	**7,559,037**	**24,832,110**	**446,755,442**	**1,222,021**
2017	**328,917,283**	**80,960,318**	**7,468,778**	**17,365,478**	**434,711,857**	**893,977**
2016	**324,857,578**	**83,815,598**	**7,904,470**	**13,500,867**	**430,078,513**	**1,173,043**
2015	**324,630,770**	**83,734,256**	**8,063,991**	**5,689,731**	**422,118,748**	**735,595**
2014	**314,696,927**	**87,402,560**	**8,234,207**	**7,684,071**	**418,017,765**	**877,940**

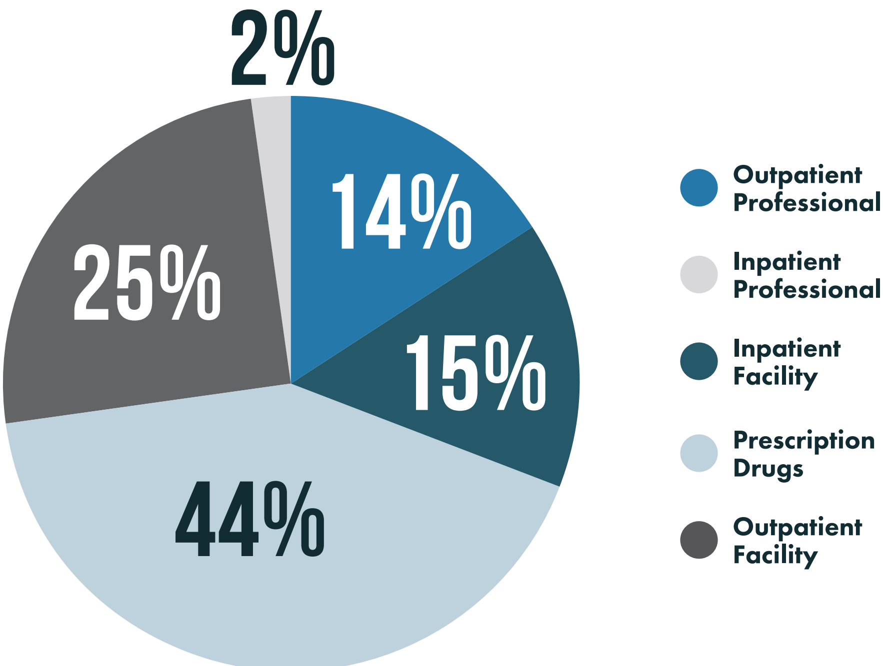
Historical Data: Expenses by Type

Internal Service Fund, ten years ended June 30, 2023

Fiscal Year	Medical Claims/Capitation & Health Administrative Services	Administration & Payroll	Other	Total Operating Expenses & Fees
2023	**$486,414,305**	**$4,626,139**	**$11,442,804**	**$502,483,248**
2022	**$460,343,536**	**$4,105,625**	**$10,872,190**	**$475,321,351**
2021	**$450,588,922**	**$4,666,054**	**$11,360,288**	**$466,615,264**
2020	**$439,515,651**	**$4,731,207**	**$10,903,086**	**$455,149,944**
2019	**499,070,275**	**4,330,944**	**1,185,609**	**504,586,828**
2018	**525,142,217**	**4,460,726**	**1,206,145**	**530,809,088**
2017	**474,453,616**	**4,317,715**	**1,488,309**	**480,259,640**
2016	**452,409,305**	**3,846,601**	**1,644,070**	**457,899,976**
2015	**420,740,454**	**3,998,457**	**1,846,818**	**426,585,729**
2014	**399,793,666**	**3,966,917**	**1,961,783**	**405,722,366**

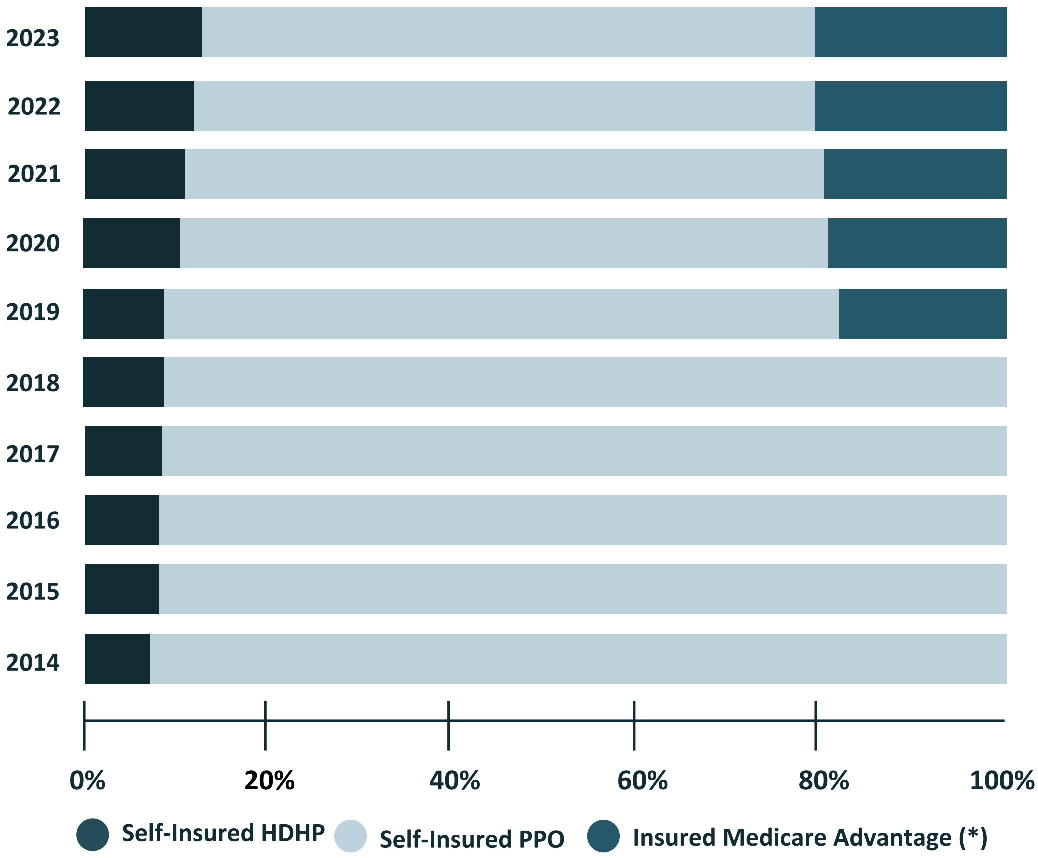
Distribution of Claim Payments

State Membership, Fiscal Year 2023



Healthcare Options by Year & Total Lives

State Membership, ten years ended June 30, 2023



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

Statement of Revenues, Expenses & Changes in Net Position

Internal Service Fund, ten years ended June 30, 2023

Fiscal Year Ending	2023	2022	2021	2020
Operating Revenues				
State/employer contributions	$419,866,799	$429,970,953	$437,336,186	$401,388,126
Member contributions	$72,409,193	70,503,325	74,012,245	74,873,802
Public entity contributions	$10,233,195	9,633,399	8,150,024	7,423,514
Pharmacy rebates	$53,973,889	42,840,523	32,607,229	31,653,218
Total Operating Revenues	**$556,483,076**	**$552,948,200**	**$552,105,684**	**$515,338,660**
Operating Expenses				
Medical claims & capitation expense	$486,414,305	$460,343,536	$450,588,922	$439,515,651
Claims administration services	$10,155,070	9,831,737	10,589,411	9,937,642
Payroll and related benefits	$3,739,818	3,185,235	3,436,317	3,837,791
Health management	($1,745)	5,265	(44,522)	3,838
Administration	$955,353	980,820	931,138	893,416
Professional services	$807,847	602,902	700,784	520,595
Employee Assistance Program	$412,600	371,856	413,214	441,011
Depreciation				
Total Operating Expenses	**$502,483,248**	**$475,321,351**	**$466,615,264**	**$455,149,944**
Operating revenues over (under) operating expenses	$53,999,828	77,626,849	85,490,420	60,188,716
Nonoperating Revenues				
Investment and other income	$9,489,988	($3,778,081)	$433,361	$1,103,352
Net Position				
Change in net position	$63,489,816	$73,848,768	$85,923,781	$61,292,068
Net position, beginning of year, adjusted	$212,440,986	138,592,217	52,668,436	(8,623,632)
Net Position, End of Year	**$275,930,802**	**$212,440,985**	**$138,592,217**	**$52,668,436**

2019	2018	2017	2016	2015	2014
$400,006,661	$334,208,126	$327,233,709	$324,857,578	$324,630,770	$314,696,927
76,138,619	80,156,169	80,960,318	83,815,598	83,734,256	87,402,560
7,870,921	7,559,037	7,468,778	7,904,470	8,063,991	8,234,207
31,161,964	24,832,110	17,365,478	13,500,867	5,689,731	7,684,071
$515,178,165	**$446,755,442**	**$433,028,283**	**$430,078,513**	**$422,118,748**	**$418,017,765**
$489,424,668	$514,367,757	$462,217,654	$437,471,527	$403,830,055	$384,618,997
9,655,047	10,768,757	11,445,426	13,218,054	15,639,455	13,852,877
3,682,752	3,620,926	3,580,771	3,192,904	3,171,205	3,256,596
(9,440)	5,703	790,536	1,719,724	1,270,944	1,321,792
648,192	775,553	736,944	740,609	827,252	710,321
653,477	733,700	862,896	962,817	1,132,123	1,239,582
455,356	472,445	536,566	594,341	598,961	578,534
76,776	64,247	88,847		115,734	143,667
$504,586,828	**$530,809,088**	**$480,259,640**	**$457,899,976**	**$426,585,729**	**$405,722,366**
10,591,337	(84,053,646)	(47,231,357)	(27,821,463)	(4,466,981)	12,295,399
$1,171,090	$1,222,021	$893,977	$1,173,043	$735,595	$877,940
$11,762,427	($82,831,625)	($46,337,380)	($26,648,420)	($3,731,386)	$13,173,339
(20,386,059)	62,445,566	108,782,946	135,431,366	139,162,752	130,428,285
($8,623,632)	**($20,386,059)**	**$62,445,566**	**$108,782,946**	**$135,431,366**	**$143,601,624**

Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust, for the ten fiscal years ended June 30, 2023

Additions	2023	2022	2021	2020
Employer contributions	$74,830,173	$73,021,995	$74,330,294	$72,338,734
Retiree contributions	42,271,958	43,527,194	43,275,109	43,318,278
Investment income	9,202,451	(12,883,097)	18,258,737	2,754,934
Retiree drug subsidy & other rebates	74,831,920	67,663,080	53,623,533	48,172,196
Total Additions	**$201,136,502**	**$171,329,172**	**$189,487,673**	**$166,584,142**
Deductions				
Medical claims & capitation expense	$186,630,908	$161,799,507	$149,071,751	$138,933,653
Claims administration services	5,402,141	4,783,416	4,926,263	4,412,024
Administration & other	3,604,910	2,922,355	2,921,853	2,896,632
Total Deductions	**$195,637,959**	**$169,505,278**	**$156,919,867**	**$146,242,309**
Net Increase	5,498,543	1,823,894	32,567,806	20,341,833
Net Position Restricted for Pensions				
Beginning of Year	194,283,716	192,459,822	159,892,016	139,550,183
End of Year	**$199,782,259**	**$194,283,716**	**$192,459,822**	**$159,892,016**

	2019	2018	2017	2016	2015	2014
	$82,619,621	$68,901,880	$67,398,726	$66,199,740	$62,585,666	$56,314,655
	51,242,143	53,157,242	52,169,890	51,446,647	50,343,105	50,921,465
	6,208,661	4,679,311	7,838,782	2,275,792	4,003,656	11,790,754
	41,544,557	35,501,734	30,514,297	29,696,367	14,865,605	6,849,482
	$181,614,982	**$162,240,167**	**$157,921,695**	**$149,618,546**	**$131,798,032**	**$125,876,356**
	$165,126,632	$150,606,550	$142,154,216	$131,451,967	$118,668,233	$105,340,449
	4,128,891	4,389,802	4,325,639	4,892,410	5,865,488	5,110,073
	2,743,447	2,752,187	2,984,613	3,193,562	2,632,026	2,681,689
	$171,998,970	**$157,748,539**	**$149,464,468**	**$139,537,939**	**$127,165,747**	**$113,132,211**
	9,616,012	4,491,628	8,457,227	10,080,607	4,632,285	12,744,145
	129,934,171	125,442,543	116,985,316	106,904,709	102,272,424	89,528,279
	$139,550,183	**$129,934,171**	**$125,442,543**	**$116,985,316**	**$106,904,709**	**$102,272,424**

Schedule of Net Position by Component

Internal Service Fund, ten years ended June 30, 2023

Net Position	Net investments in capital assets	Unrestricted	Total net position
2023	**$2,279,137**	**$273,651,665**	**$275,930,802**
2022	**$1,494,389**	**$210,946,597**	**$212,440,986**
2021	**$378,160**	**$138,214,058**	**$138,592,218**
2020	**$177,984**	**$52,490,453**	**$52,668,437**
2019	**220,086**	**(8,843,718)**	**(8,623,632)**
2018	**287,155**	**(20,673,214)**	**(20,386,059)**
2017	**283,032**	**62,162,534**	**62,445,566**
2016	**221,396**	**108,561,550**	**108,782,946**
2015	**304,082**	**135,127,283**	**135,431,365**
2014	**250,090**	**143,351,534**	**143,601,624**

Full-Time Employees

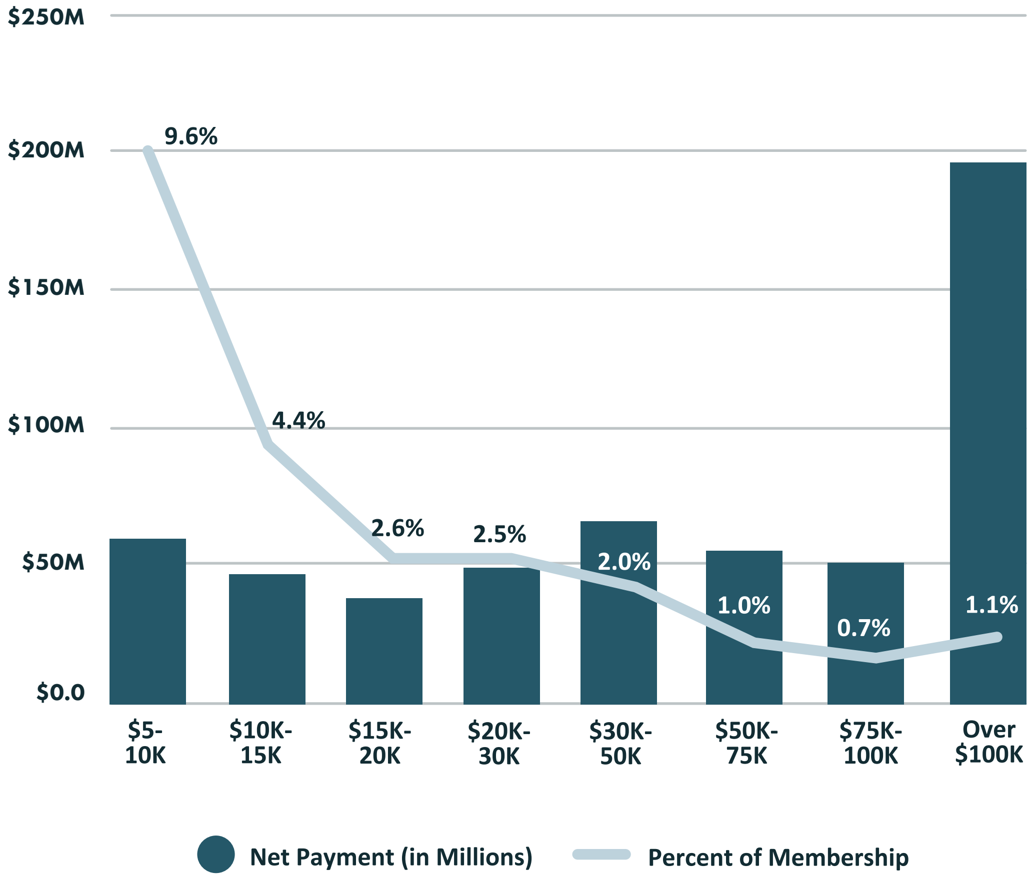
Missouri Consolidated Health Care Plan, ten years ended June 30, 2023

Department	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Executive & Administration	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
Operations	**43.24**	**43.40**	**45.54**	**41.8**	**44.11**	**44.75**	**46.58**	**48.54**	**50.00**	**50.97**
General Counsel	**1.00**	**1.00**	**1.00**	**2.00**	**1.00**	**1.00**	**1.00**	**1.20**	**2.00**	**2.50**
Internal Audit	**.62**	**0.00**	**0.00**	**3.66**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**4.00**
Human Resources	**1.00**	**0.00**	**.83**	**0.42**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
Finance	**2.00**	**2.33**	**3.00**	**4.00**	**4.00**	**4.91**	**5.92**	**6.00**	**6.00**	**6.00**
Totals	**49.86**	**48.73**	**52.37**	**53.88**	**55.11**	**56.66**	**59.5**	**61.74**	**64.00**	**66.47**

Source: Missouri Consolidated Health Care Budget Documents

Paid Claims Distribution by Individual

State Members Fiscal Year 2023



76.2% of membership accumulated $0-$5K in claims and accounted for $62.0M in cost.

State Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2023

	Active		COBRA		Disabled		Retirees		Survivors		Vested		
Age	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Total
< 1	250	337	0	0	0	0	1	1	0	0	0	0	589
1 - 10	3,513	3,657	4	4	0	1	5	12	2	1	7	12	7,218
11 - 19	4,663	4,974	6	1	1	3	109	114	11	17	11	10	9,920
20 - 24	3,245	3,069	2	1	1	0	233	190	15	8	8	7	6,779
25 - 29	2,244	1,627	9	1	0	1	55	57	6	0	2	0	4,002
30 - 34	2,356	1,531	2	1	1	0	6	5	1	1	1	0	3,905
35 - 39	2,544	1,636	0	4	0	0	4	13	0	1	4	5	4,211
40 - 44	3,066	1,827	3	1	3	2	7	9	2	2	7	3	4,932
45 - 49	3,257	2,011	0	1	2	4	21	14	1	2	7	9	5,329
50 - 54	3,666	2,285	2	4	9	5	302	129	5	1	15	10	6,433
55 - 59	3,126	2,092	4	2	10	7	1,076	576	10	6	17	10	6,936
60 - 64	2,278	1,710	2	3	5	4	2,247	1,159	25	10	6	8	7,457
65 - 69	650	607	0	0	2	1	2,820	1,727	55	25	1	2	5,890
70 - 74	140	153	0	0	1	0	2,818	1,815	142	35	0	1	5,105
75 - 79	23	40	0	0	0	0	1,916	1,366	151	35	0	0	3,531
80 +	4	12	0	0	0	0	1,952	1,106	379	98	1	0	3,552
Total	35,025	27,568	34	23	35	28	13,572	8,293	805	242	87	77	85,789
	Total Active 62,593		Total COBRA 57		Total Disabled 63		Total Retirees 21,865		Total Survivors 1,047		Total Vested 164		

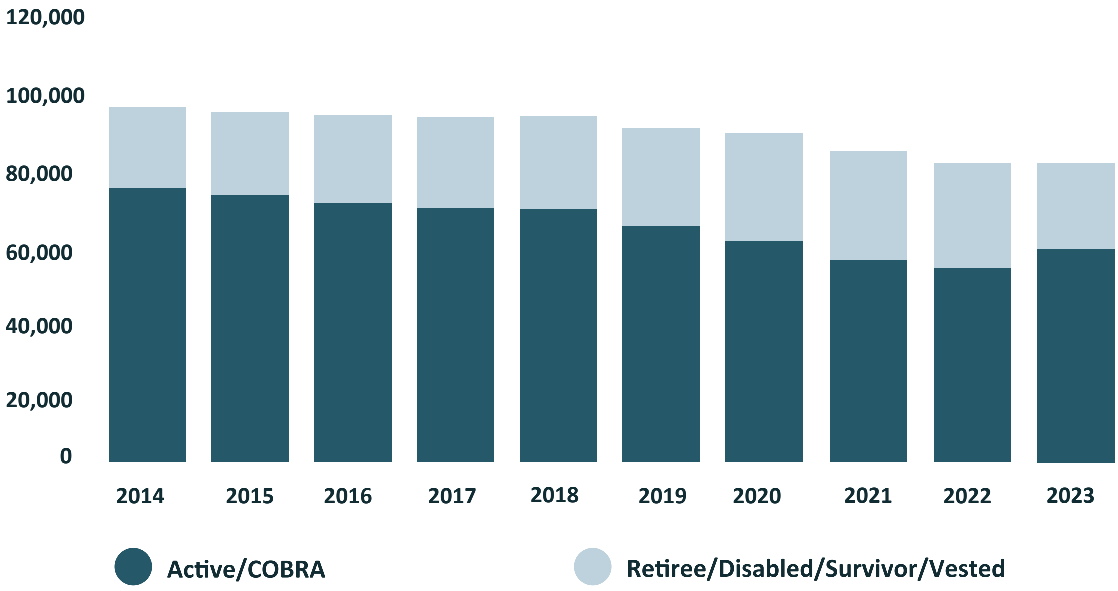
Enrollment History

State Membership, ten years ended June 30, 2023

Year	Active	Retiree	COBRA	Disabled	Survivors	Vested
2014	76,713	18,361	65	167	847	171
2015	75,808	18,630	59	136	855	159
2016	74,761	19,100	49	133	893	142
2017	74,094	19,534	81	121	909	141
2018	73,536	20,077	85	90	927	128
2019	71,059	20,492	91	98	941	130
2020	69,658	20,859	62	75	964	146
2021	65,328	21,067	95	73	986	128
2022	61,583	21,691	64	77	1,035	146
2023	62,593	21,865	57	63	1,047	164

Enrollment Distribution

State Membership, ten years ended June 30, 2023



Public Entity Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2023

	Active		COBRA		Retirees		
Age	Female	Male	Female	Male	Female	Male	**Total**
<1	2	5	0	0	0	0	7
1-10	35	35	0	0	0	0	70
11-19	49	41	0	0	0	0	90
20-24	53	42	0	0	0	0	95
25-29	53	54	0	0	0	0	107
30-34	57	31	0	0	0	0	88
35-39	54	52	0	0	0	0	106
40-44	60	40	0	0	0	0	100
45-49	72	42	0	0	0	0	114
50-54	86	44	0	0	0	0	130
55-59	100	48	0	0	0	0	148
60-64	86	44	1	1	1	0	133
65-69	20	15	1	0	0	0	36
70-74	7	3	0	0	0	1	11
75-79	2	2	0	0	0	0	4
80+	0	0	0	0	0	0	0
Total	**736**	**498**	**2**	**1**	**1**	**1**	**1,239**
	Total Active 1,234		**Total COBRA 3**		**Total Retirees 2**		

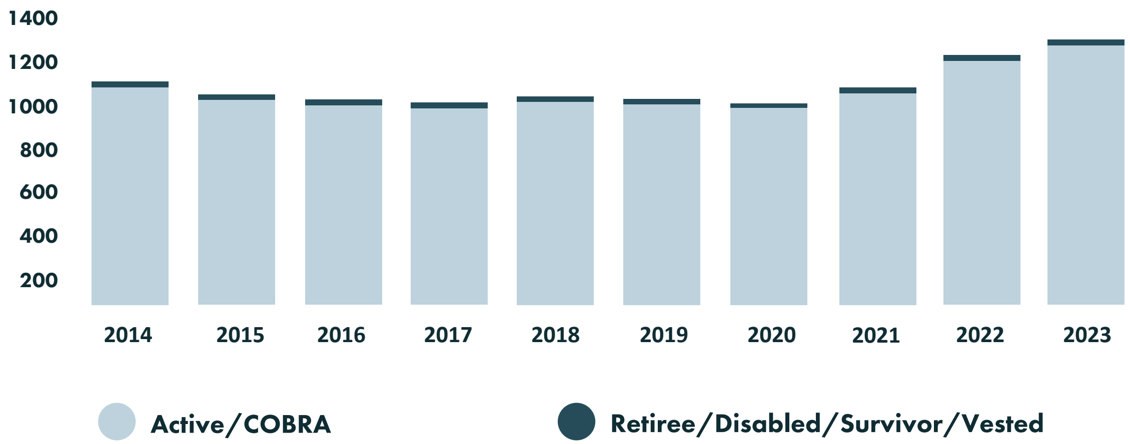
Enrollment History

Public Entity Membership, ten years ended June 30, 2023

Year	Active	Retiree	COBRA	Total
2014	1,197	14	2	1,213
2015	1,115	12	4	1,131
2016	1,056	14	8	1,078
2017	1,003	5	8	1,016
2018	1,038	4	5	1,047
2019	1,019	4	5	1,028
2020	963	3	7	973
2021	1,154	2	7	1,163
2022	1,205	2	2	1,209
2023	1,234	2	3	1,239

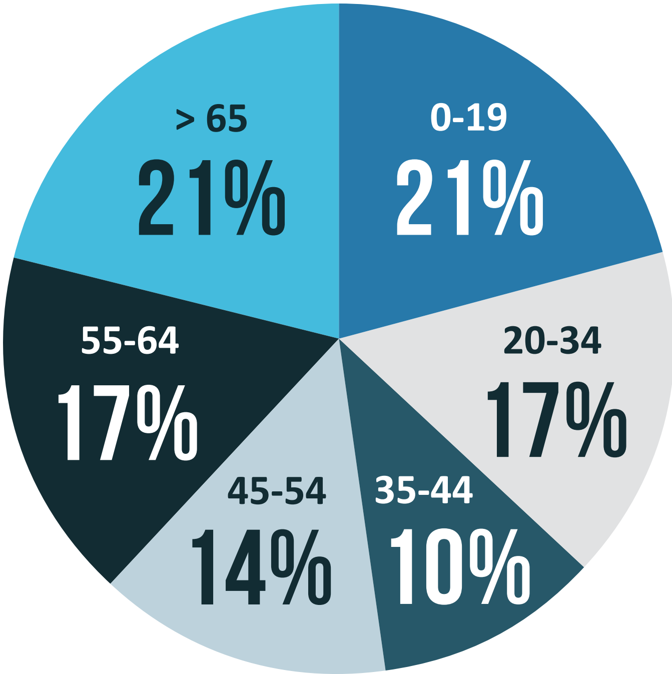
Enrollment Distribution

Public Entity Membership, ten years ended June 30, 2023



Plan Demographics

State Membership, Fiscal Year 2023

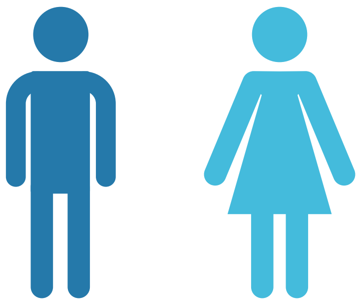


Total Lives

85,789

Average Age

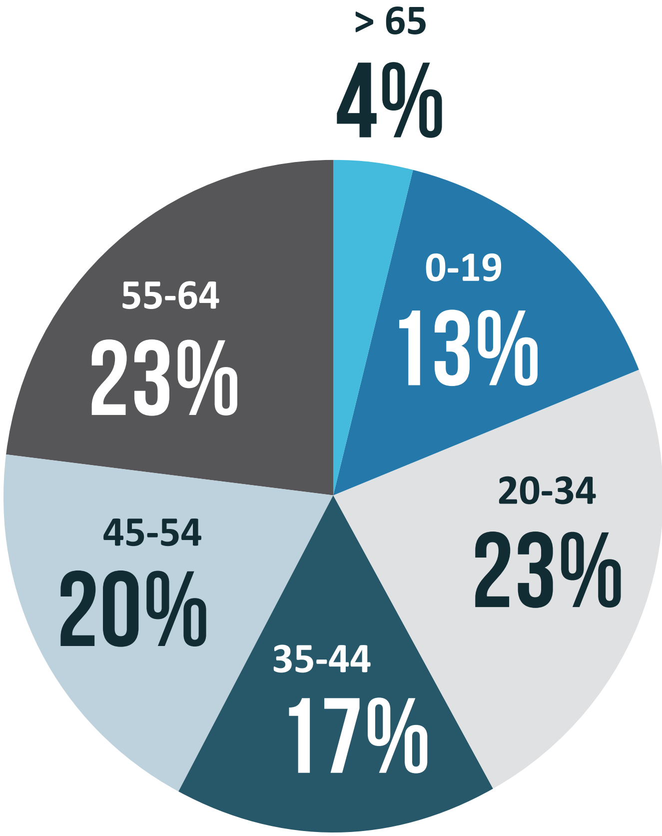
43 years



42% 58%

Plan Demographics

Public Entity Membership, Fiscal Year 2023

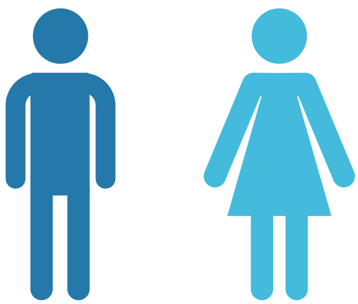


Total Lives

1,239

Average Age

40 years



40% **60%**

Principal Participating Employers

State Retiree Welfare Benefit Trust

2023

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

2022

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

2021

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

(1) All Other Groups include Public Entities that have elected to join MCHCP. Chart will eventually include current year and nine years ago.

Average Benefit Payment

State Retiree Welfare Benefit Trust

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

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

Average Benefit Payment table represents available data from 2017-2023.