

2025 Annual Report



MISSOURI CONSOLIDATED HEALTH CARE PLAN



FISCAL YEAR ENDED JUNE 30, 2025

**A COMPONENT UNIT OF
THE STATE OF MISSOURI
2025 ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

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.*

2025 **Annual Report**

Missouri Consolidated Health Care Plan
A Component Unit of the State of Missouri
2025 Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025



Table of Contents

Introduction

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

Financial

Report of Independent Auditors	22-23
Management's Discussion & Analysis	24-35

Basic Financial Statements

Internal Service Fund

Statement of Net Position	36
Statement of Revenues, Expenses & Change in Net Position	37
Statement of Cash Flows	38

State Retiree Welfare Benefit Trust

Statement of Fiduciary Net Position	40
Statement of Change in Fiduciary Net Position	41
Notes to Financial Statements	42-64

Required Supplementary Information

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

Additional Financial Information

Schedule of Administrative Expenses	78
Schedule of Investment Expenses	78
Schedule of Professional Service Fees	78

Investments

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

Table of Contents (continued)

Actuarial

Actuary's Certification Letter	86
Purpose and Basis	87
Highlights of the Valuation	87-88

Section 1: Actuarial Valuation Summary

Summary of Key Results	89
Important Information About Actuarial Valuations	90-91
Actuarial Certification	92

Section 2: GASB 74 Information

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

<u>Appendix A: Summary of Participant Data</u>	101
<u>Appendix B: Age and Service Distribution of Actives</u>	102
<u>Appendix C: Statement of Actuarial Assumptions Methods and Models</u>	103-109
<u>Appendix D: Summary of Plan Provisions</u>	110-111
<u>Appendix E: Projection of Plan Fiduciary Net Position</u>	112-114
<u>Appendix F: Development of Blended Discount Rate</u>	115-116
<u>Appendix G: Definition of Terms</u>	117

Statistical

Overview	119
Historical Data: Revenues by Source, Expenses by Type	120
Distribution of Claim Payments	121
Healthcare Options by Year & Total Lives	122
Statement of Revenues, Expenses & Change in Net Position	124-125
Statement of Change in Fiduciary Net Position	126-127
Schedule of Net Position by Component, Full-Time Employees	128
Paid Claims Distribution by Individual	129
State Membership Enrolled in MCHCP	130
State Enrollment History, Enrollment Distribution	131
Public Entity Membership Enrolled in MCHCP	132
Public Entity Enrollment History, Enrollment Distribution	133
Plan Demographics, State & Public Entity	134-135
Principal Participating Employers	136
Average Benefit Payments	137

LETTER FROM THE EXECUTIVE DIRECTOR



To the Board of Trustees and Members of MCHCP:

It is with great pleasure that I submit the Annual Comprehensive Financial Report (ACFR) of the Missouri Consolidated Health Care Plan (MCHCP) for the period ended June 30, 2025. MCHCP is a component unit of the state of Missouri for financial reporting purposes and, as such, the financial reports are also included in the state of Missouri's ACFR. The financial information presented in this report is the responsibility of management of MCHCP and sufficient internal accounting controls exist to provide a reasonable assurance regarding safekeeping of assets and fair presentation of the financial statements, supporting schedules and statistical tables. Systems and procedures are evaluated in conjunction with the Board of Trustees, MCHCP management and internal audit staff to assure that internal controls exist and are functioning to promote objectives while minimizing risk.

Reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived; the objective is to provide reasonable, rather than absolute assurance, and that the financial statements are free of material misstatements. The report is also designed to comply with the provisions of section 103.025 of the Revised Statutes of Missouri. Financial information can be found in the management discussion and analysis, financial statements, notes to the financial statements and statistical sections included in this report.

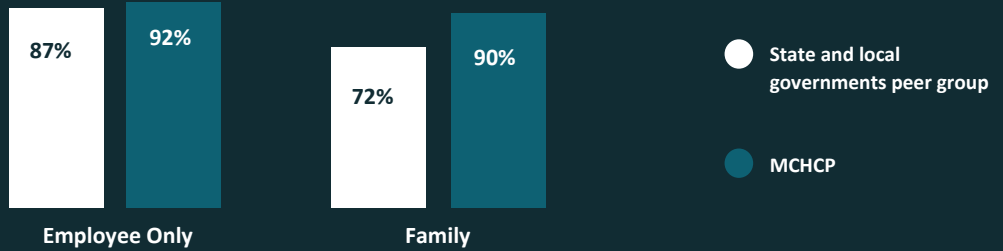
During the fiscal year ended June 30, 2025, the state of Missouri contributed more than \$531 million (approximately 62 percent of Plan revenues) in the form of employer-sponsored contributions. Member contributions for our state members reached approximately \$125 million while revenues for public enrollment were \$12.3 million. While MCHCP realized a six percent overall increase in self-funded claim expenditures, the largest contributor is found in increased pharmacy costs over the previous fiscal period.

MCHCP's investment strategies employed best practices for the safety of investment, liquidity and yield and incorporated objectives of attaining return through budgetary and economic cycles while considering risk and the needs of the Plan. The portfolio outpaced the related benchmarking, returning 9.33%. 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 were offered during FY 2025 and were comprised of the Health Savings Account Plan and two PPO Plans. In addition, for our Medicare retiree members, MCHCP offered a fully insured group Medicare Advantage (PPO) plan along with a self-insured Employer Group Waiver Medicare Prescription Drug plan. As the chart presents, MCHCP's share of premium remains higher than comparators from state and local government peer groups for both employee and family coverages.

MCHCP Share of Premium - 2025



SOURCES:

U.S. Bureau of Labor Statistics. (2025). **Employee Benefits in the United States, Table 3. Medical plans: Share of premiums paid by employer and employee for single coverage, March 2025.** National Compensation Survey. Retrieved November 12, 2025, from: <https://www.bls.gov/news.release/ebs2.t03.htm>

U.S. Bureau of Labor Statistics. (2025). **Employee Benefits in the United States, Table 4. Medical plans: Share of premiums paid by employer and employee for family coverage, March 2025** National Compensation Survey. Retrieved November 12, 2025, from: <https://www.bls.gov/news.release/ebs2.t04.htm#>

Looking forward to FY 2026, with the passage of House Bill No. 5, the General Assembly and Governor authorized \$554 million in support of approximately 89,000 state members of the Plan.

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

For the thirtieth 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, 2024. 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, 2025, for consideration to GFOA.

This annual report is provided to the Governor, the State Auditor, members of the General Assembly, all state agencies and all participating public entities and is viewable at www.mchcp.org. The cooperation and support of these individuals and agencies help contribute to our success.

Also, for the Board of Trustees, I extend my gratitude to the staff who work diligently to provide the excellence you have come to expect from MCHCP.

As I joined the MCHCP team in May, 2025 as the new Executive Director of the Plan, I am confident in the continuation of the great work being done by the Board of Trustees and the dedicated staff of MCHCP to continue the success and improvements of your health plan, MCHCP.

Sincerely,

John D. Wiemann
Executive Director
December 11, 2025

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, 2024

Christopher P. Morill

Executive Director/CEO

MCHCP ORGANIZATION



JOHN D. WIEMANN
EXECUTIVE DIRECTOR

- Human Resources
- Vendor Relations



JENNIFER STILABOWER
**GENERAL COUNSEL /
DEPUTY DIRECTOR**

- Legal
- Clinical Services
- Benefit Administration



BRADLEY P. KIFER
CHIEF INFORMATION OFFICER

- Information Technology



JULIE ENGELBRECHT
ACTING CHIEF FINANCIAL OFFICER

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



LETTER FROM THE CHAIRPERSON



KENNETH J. ZELLERS

CHAIRPERSON, BOARD OF TRUSTEES

It is my distinct pleasure to present to you, on behalf of the Board of Trustees, the Annual Comprehensive Financial Report for the Missouri Consolidated Health Care Plan (MCHCP) for the period ending June 30, 2025.

With the support of the Governor and General Assembly, MCHCP received over \$531 million in state appropriations to support the Plan's ability to provide affordable health care coverage during fiscal year 2025. In addition to the financial support from the State, members contributed approximately \$125 million toward their share of premium for the fiscal year ended June 30, 2025. The financial capacity of the Plan remains strong, and its vitality is a testament to the stewardship of sound financial practices, a dedication to improving the health of the Plan's membership and operational efficiencies within Plan management. Additional details are available in the accompanying basic financial statements included in this report.

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

MCHCP expenditures for self-funded medical and pharmacy plans, a fully insured Group Medicare Advantage (PPO) plan and fully insured dental and vision plans during fiscal year 2025 were approximately \$825 million. Our work remains focused on the health of our population, as during fiscal year 2025, 4 percent of the membership presented as a high-cost claimant, defined as those with expenses over \$50,000. High-cost claimants account for almost 48 percent of total medical health care costs. We remain committed to investing in programs to support our members' health journeys and to engage with them using virtual education through our website. We encourage our members to engage in these program offerings.

On behalf of the Board of Trustees, I would like to congratulate our new board members, Gregg Bush, Travis Fitzwater, Angela Nelson and Sarah Willson and welcome back Ashton Christopher on his re-election to the Board. It is also my privilege to acknowledge John D. Wiemann, who was appointed by the Board of Trustees as the new Executive Director of MCHCP in May 2025. John has more than two decades of leadership experience in policymaking, healthcare and insurance, higher education administration, and nonprofit organizations. A lifelong Missourian, he represented District 103 in the Missouri House of Representatives from 2015 to 2022, serving the last four years as Speaker Pro Tempore. With a strong foundation in strategic leadership and a deep commitment to public service, John will focus on guiding MCHCP in continuing to provide high-quality health care coverage for plan members.

On behalf of the Board of Trustees, we value and appreciate the over 90,000 state and public members and the dedicated MCHCP staff, advisors, and vendors who have worked diligently in the administration of the Plan over the year. We remain dedicated and committed to the continued health and well-being of our members and Plan operations.

Respectfully,

A handwritten signature in black ink that reads "Ken Zellers".

Kenneth J. Zellers
Chairperson, Board of Trustees
Commissioner, Office of Administration
December 11, 2025



ACTUARIAL SERVICES
& CONSULTING

Segal



AUDIT SERVICES
Armanino LLP



AUDIT SERVICES
Pillar Rx Consulting, LLC

PROFESSIONAL SERVICES



BANKING & INVESTMENT
SERVICES
Central Bank



DECISION
SUPPORT SYSTEM
Merative



DENTAL PROGRAM
Delta Dental



**STRIVE EMPLOYEE LIFE
& FAMILY PROGRAM**
ComPsych



**GROUP MEDICARE
ADVANTAGE (PPO) PLAN**
UnitedHealthcare



**STRIVE FOR WELLNESS
HEALTH CENTER**
Marathon Health

PROFESSIONAL SERVICES



**MEDICAL THIRD PARTY
ADMINISTRATOR**
Anthem



**PHARMACY BENEFIT
MANAGER**
Express Scripts
by Evernorth



VISION PROGRAM
National Vision Administrators

BOARD OF TRUSTEES



**CHAIRPERSON
KENNETH J. ZELLERS**

Commissioner
Office of Administration
Jefferson City
Ex Officio Member



ASHTON CHRISTOPHER

Chillicothe
Active Employee-Elected
Member



**VICE CHAIRPERSON
CAMERON FAST**

Hamilton
Active Employee-Elected
Member



MARTY DREWEL

Holts Summit
Retiree-Elected Member



**HONORABLE
GREGG BUSH**

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



**HONORABLE
TRAVIS FITZWATER**

Missouri Senate
District 010
Appointed by the President
Pro Tempore of the Senate

BOARD OF TRUSTEES



**HONORABLE
DAVE GRIFFITH**

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



DANIEL O'NEILL

Kirkwood
Governor-Appointed Member



MARK A. LANGWORTHY

Columbia
Governor-Appointed Member



**HONORABLE
BARBARA WASHINGTON**

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



**DIRECTOR
ANGELA NELSON**

Department of
Commerce & Insurance
Jefferson City
Ex Officio Member



**DIRECTOR
SARAH WILLSON**

Department of Health
and Senior Services
Jefferson City
Ex Officio Member

***One Governor-Appointed Member
was open as of June 30, 2025.***



SUMMARY OF PLAN PROVISIONS

ADMINISTRATION

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

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

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

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

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

VISION

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

PURPOSE

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

MISSION

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

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

MCHCP OFFERS



HEALTH PLANS FOR MEDICAL COVERAGE

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

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

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

PRESCRIPTION DRUG PLANS

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

DENTAL PLAN

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

VISION PLAN

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

STRIVE EMPLOYEE LIFE & FAMILY PROGRAM (SELF)

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

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



***STRIVE FOR WELLNESS*® PROGRAM**

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

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

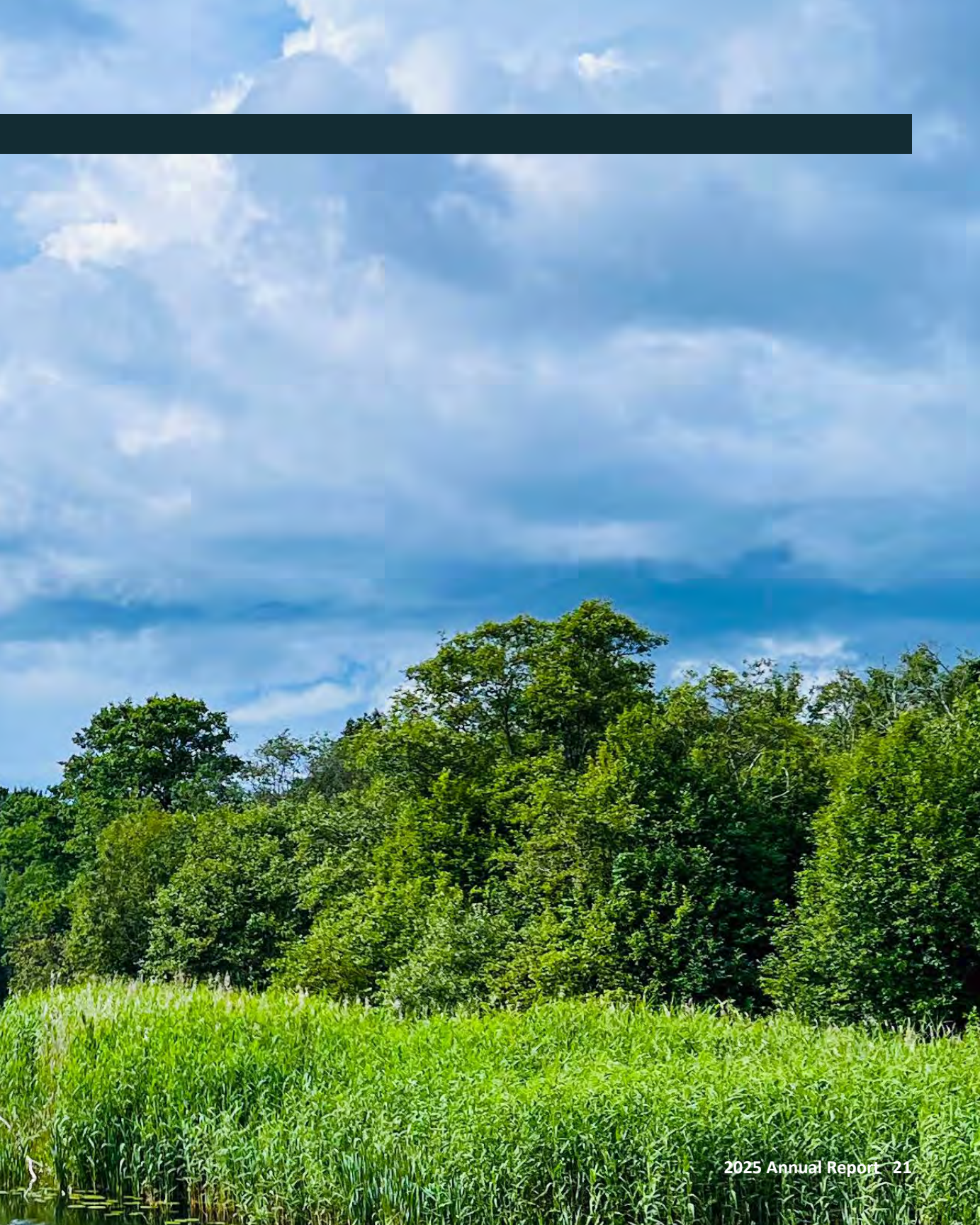
In addition, the *Strive for Wellness*® team – comprised of expert clinicians and health educators - teaches employees how to make healthy lifestyle choices. The team creates health education videos and leads health education events and related activities, such as blood pressure screenings and an annual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

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

***STRIVE FOR WELLNESS*® HEALTH CENTER**

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

FINANCIAL



REPORT OF INDEPENDENT AUDITORS



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Missouri Consolidated Health Care Plan

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, 2025, 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, 2025, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

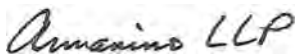
Supplementary Information

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

Other Information Included in the Annual Report

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

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



St. Louis, Missouri

December 8, 2025

MANAGEMENT'S DISCUSSION & ANALYSIS

FUND ACCOUNTING

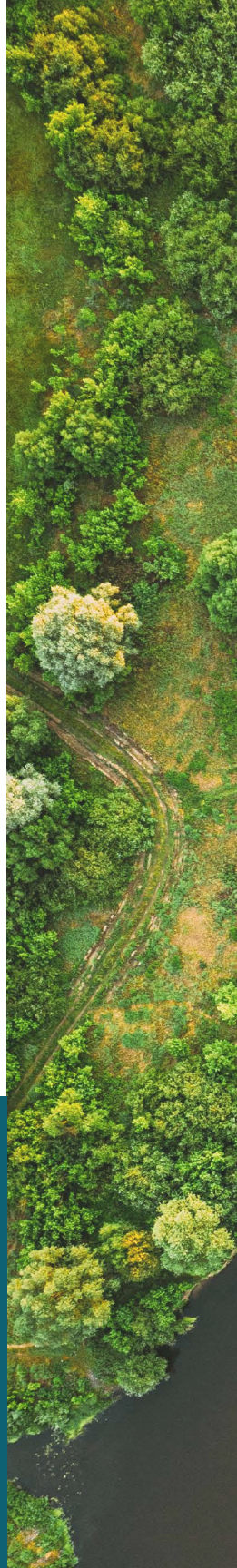
A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MCHCP, like other discretely presented component units of the State of Missouri (as defined by GASB Statement #14), uses fund accounting to ensure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

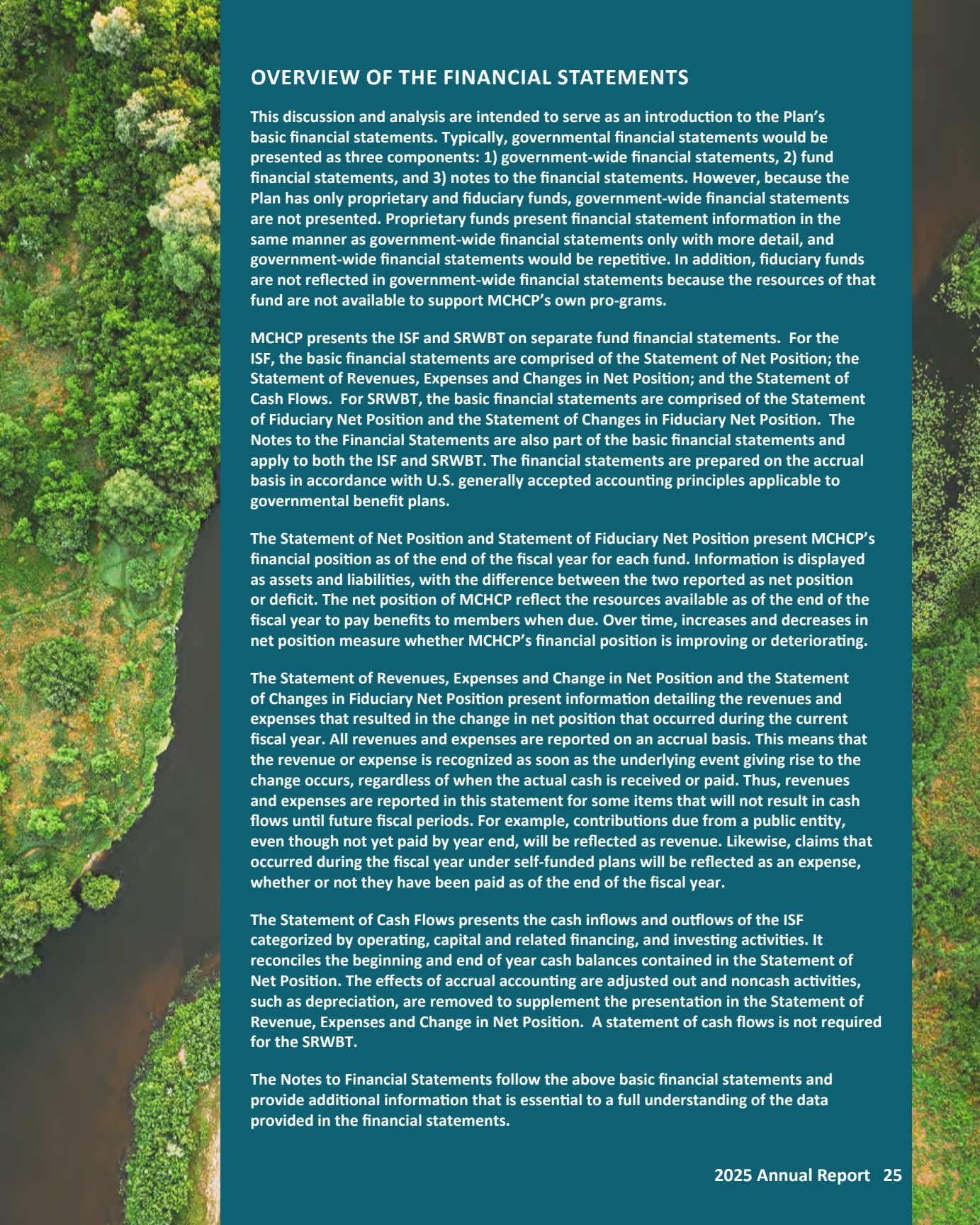
Proprietary funds. Proprietary funds account for governmental operations that are designed to be self-supporting from fees charged to consumers for the provision of those goods and services or where the government has decided that the periodic determination of revenues, expenses, and net income is appropriate 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 the State of Missouri's and other participating Missouri public entities' employees, retirees, and their dependents.

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

Management's Discussion and Analysis provide an overview of the financial position and activities of the Missouri Consolidated Health Care Plan (MCHCP) for the fiscal years ended June 30, 2025, and 2024. The information presented here should be considered in conjunction with the financial statements and notes. MCHCP is a component unit of the State of Missouri and is included in the State's Annual Comprehensive Financial Report (ACFR).

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





OVERVIEW OF THE FINANCIAL STATEMENTS

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

MCHCP presents the ISF and SRWBT on separate fund financial statements. For the ISF, the basic financial statements are comprised of the Statement of Net Position; the Statement of Revenues, Expenses and 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 reflect 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, 2025 and 2024. 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, 2025, due to increases in investment income during the fiscal year. Capital asset activity reflects primarily purchases in technology and data protection necessary to continue high availability for offsite network storage and resiliency. GASB Statement No. 87, *Leases*, was adopted during fiscal year 2022 to reflect the right of use building lease, net of depreciation of \$372,084 and \$615,047, respectively for the period ended June 30, 2025, and 2024. MCHCP adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) during fiscal year 2024, and recognized two subscriptions, net of depreciation of \$1,396,721 and \$513,071, respectively for the period ended June 30, 2025, and 2024. Additionally, in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the Plan has recognized deferred outflows of resources for pension contributions made and expensed of \$2,572,607 and \$2,841,425, respectively for the periods ended June 30, 2025, and 2024.

Accrued medical claims and fees increased by approximately three percent for the ISF for the year ended June 30, 2025, over 2024. 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, 2025, and 2024 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, 2025 decreased over fiscal year 2024, due primarily to the State's contribution at June 30, 2025, 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, 2025, and 2024 reflect the Plan's net pension liability related to GASB 68, *Accounting and Financial Reporting for Pensions* and the noncurrent portions of the right of 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, 2024.

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, 2025, over 2024, 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, 2025	As of June 30, 2024	Amount of Change	Percentage Change
ASSETS				
Current Assets	\$416,104,067	\$412,260,512	\$3,843,555	0.93%
Capital Assets	354,274	277,571	76,703	27.63
Right of Use Assets	372,084	615,047	(242,963)	(39.50)
Subscription based IT arrangements	1,396,721	513,071	883,650	172.23
Deferred Outflow of Resources	2,572,607	2,841,425	(268,818)	(9.46)
Total Assets and Deferred Outflow of Resources	\$420,799,753	\$416,507,626	\$4,292,127	1.03%
LIABILITIES				
Accrued medical claims & fees	\$57,255,322	\$55,146,401	\$2,108,921	3.82%
Deferred premiums & other liabilities	23,387,633	26,438,930	(3,051,297)	(11.54)
Lease and subscription liability	761,327	568,402	192,925	33.94
Total current liabilities	81,404,282	82,153,733	(749,451)	(.91)
Total noncurrent liabilities	13,135,584	12,273,891	861,693	7.02
Deferred Inflow of Resources	\$155,143	\$0	\$155,143	100.00
Total Liabilities and Deferred Inflow of Resources	\$94,695,009	\$94,427,624	\$267,385	0.28%
NET POSITION				
Unrestricted	\$323,981,665	\$320,674,313	\$3,307,352	1.03%
Net investment in capital assets	354,274	277,571	76,703	27.63
Investment in right of use assets	372,084	615,047	(242,963)	(39.50)
Investment in subscription based IT arrangements	1,396,721	513,071	883,650	172.23
Total Net Position	326,104,744	322,080,002	4,024,742	1.25
Total Liabilities and Net Position	\$420,799,753	\$416,507,626	\$4,292,127	1.03%

FINANCIAL ANALYSIS

Summary Comparative Statement of Fiduciary Net Position

Cash and cash equivalents at June 30, 2025, are influenced from the prior year primarily due to the timing of investment strategies and activity as approved by the Board of Trustees and performed by the Plan's investment manager. The decrease in amounts due from MCHCP at June 30, 2025, over 2024, 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, 2025, over 2024, primarily due to investable assets of the SRWBT, and favorable returns on investment for the fiscal year ended, June 30, 2025, over 2024, of 9.33% over 8.66%, respectively.

Prescription drug rebate receivables for SRWBT decreased during fiscal year 2025, as a result of the timing of receipt of the related direct 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, 2025, to approximately \$241.8 million compared to \$223.8 million at June 30, 2024.



Summary Comparative Fiduciary Net Position

State Retiree Welfare Benefit Trust

	As of June 30, 2025	As of June 30, 2024	Amount of Change	Percentage Change
ASSETS				
Cash & cash equivalents	\$2,155,343	\$2,270,432	(\$115,089)	(5.07%)
Due from MCHCP	4,222,310	5,904,172	(1,681,862)	(28.49)
Investments, at fair value	221,679,678	198,398,295	23,281,383	11.73
RECEIVABLES				
Prescription drug rebates	\$26,595,785	\$29,904,177	(\$3,308,392)	(11.06%)
Other receivables	1,185,232	874,287	310,945	35.57
Total receivables	27,781,017	30,778,464	(2,997,447)	(9.74)
Total Assets	\$255,838,348	\$237,351,363	\$18,486,985	7.79%
LIABILITIES				
Accrued medical claims	\$6,971,263	\$6,353,624	\$617,639	9.72%
Unearned revenue	6,907,420	6,878,705	28,715	0.42
Other liabilities	176,638	281,840	(105,202)	(37.33)
Total Liabilities	\$14,055,321	\$13,514,169	\$541,153	4.00%
Net Position restricted for pensions	\$241,783,027	\$223,837,194	\$17,945,833	8.02%

FINANCIAL ANALYSIS

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

State/Employer contributions for fiscal years 2025 and 2024, for the ISF totaled \$456,496,135 and \$417,458,045, 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, 2025, and 2024, 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.

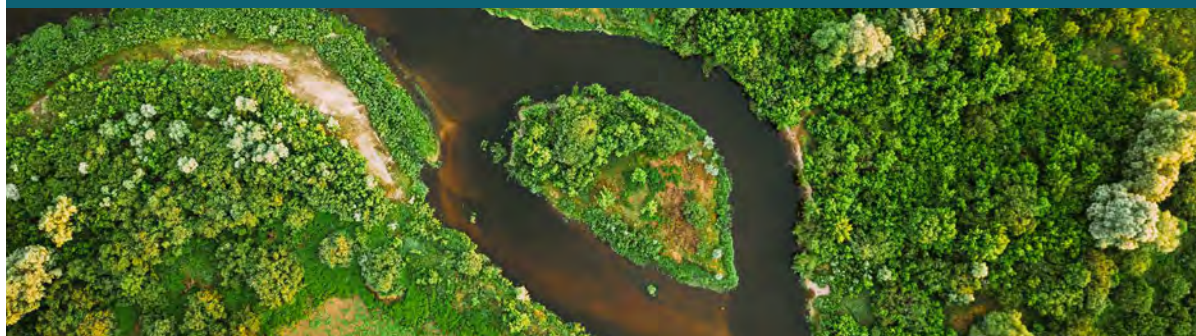
Public entity contributions at June 30, 2025, increased by over \$1,180,000 reflective of the increase in premium trends and overall increases in medical claims costs.

Public entity contributions for the years ended June 30, 2025, and 2024, were \$12,336,364 and \$11,155,149, respectively.

Pharmacy rebates increased significantly at June 30, 2025, over 2024 and are primarily influenced by the Plan's prescription drug expenditures, active enrollment, and the related contractual rebate improvements.

Medical claims increased, by over fifteen percent, during fiscal year 2025 over 2024, 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 2025 for the ISF.



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

Internal Service Fund

	Year ended June 30, 2025	Year ended June 30, 2024	Amount of Change	Percentage Change
OPERATING REVENUES				
State/employer contributions	\$456,496,135	\$417,458,045	\$39,038,090	9.35%
State employee/member contributions	79,790,010	76,354,804	3,435,206	4.50
Public entity contributions	12,336,364	11,155,149	1,181,215	10.59
Subcontractor & other rebates	76,578,725	77,116,752	-538,027	(0.70)
Total Operating Revenues	\$625,201,234	\$582,084,750	\$43,116,484	7.41%
OPERATING EXPENSES				
Medical claims	\$620,878,034	\$537,044,846	\$83,833,188	15.61%
General & administration expense	18,386,550	17,107,018	1,279,532	7.48
Total Operating Expenses	\$639,264,584	\$554,151,864	\$85,112,720	15.36
Operating income/loss	(14,063,350)	27,932,886	(41,996,236)	(150.35)
Investment income & other changes	18,088,092	18,216,314	(128,222)	(0.70)
Excess of revenues over expenses	4,024,742	46,149,200	(42,124,458)	(91.28)
Net position, beginning of the year, adjusted	322,080,002	275,930,802	46,149,200	16.72
Net Position, end of year	\$326,104,744	\$322,080,002	\$4,024,742	1.25%

FINANCIAL ANALYSIS

Summary Comparative Statement of Changes in Fiduciary Net Position

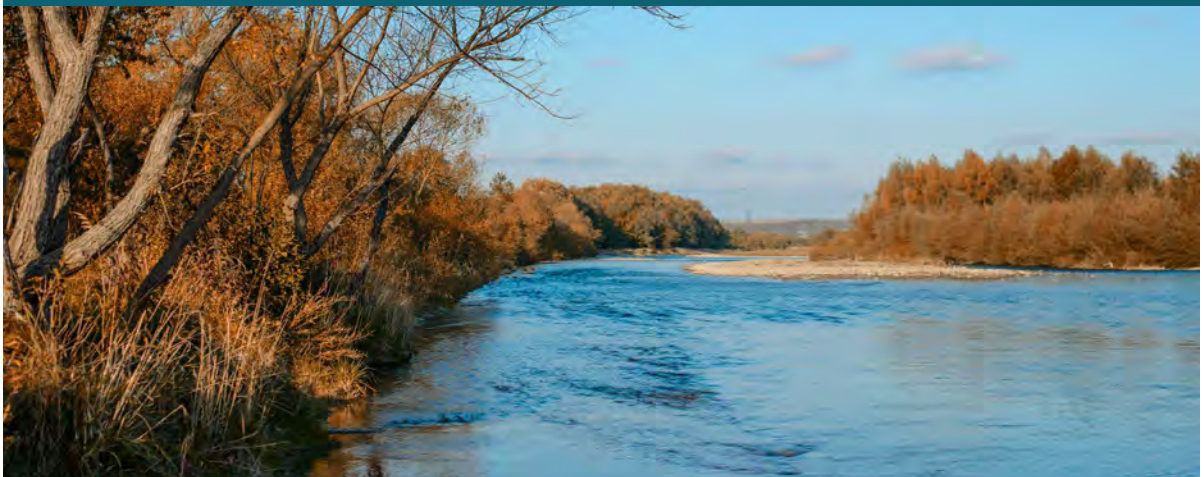
Employer contributions for the SRWBT for the years ended June 30, 2025, and 2024, respectively were \$74,580,209 and \$74,071,480 and are attributable to the State's appropriation to fund the claims costs and operations expense attributable to State employee retiree health benefits. Ultimately, claims 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 2025, and 2024, respectively.

Investment income for the SRWBT was strongly influenced by factors influencing global market returns. Equity performance was 14.72%, just slightly overperforming the

benchmark of 13.44% and fixed returns within the portfolio were 5.83%, outperforming the benchmark of 6.09%. Asset allocations for 2025 will deploy a greater allocation to risk while continuing to maintain exposure to diversified safe haven assets.

MCHCP participates in a Medicare Prescription Drug Plan to provide coverage to Medicare primary retirees and dependents. During fiscal years 2025, and 2024 the SRWBT received \$108,273,196 and \$87,078,523 for retiree drug subsidy and other rebates.

Medical claims increased for the SRWBT during the period ended June 30, 2025, primarily due to overall increases in medical claims and pharmacy costs for the year ended June 30, 2025.



Summary Comparative Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust

	Year ended June 30, 2025	Year ended June 30, 2024	Amount of Change	Percentage Change
ADDITIONS				
Employer contributions	\$74,580,209	\$74,071,480	\$508,729	0.69%
Retiree contributions	45,188,620	43,341,489	1,847,131	4.26
Investment income	18,594,746	16,394,498	2,200,248	13.42
Retiree drug subsidy & other rebates	108,273,196	87,078,523	21,194,673	24.34
Total Additions	\$246,636,771	\$220,885,990	\$25,750,781	11.66%
DEDUCTIONS				
Medical claims	\$218,599,848	\$187,128,595	\$31,471,253	16.82%
Claims administration services	5,820,198	5,865,274	(45,076)	(0.77)
Administration & other	4,270,892	3,837,186	433,706	11.30
Total Deductions	\$228,690,938	\$196,831,055	\$31,859,883	16.19%
Net increase	17,945,833	24,054,935	(6,109,102)	(25.40)
Net position restricted for pensions				
Beginning of year	\$223,837,194	\$199,782,259	\$24,054,935	12.04
End of year	\$241,783,027	\$223,837,194	\$17,945,833	8.02%

SUMMARY



REQUESTS FOR INFORMATION

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

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

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

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

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

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

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



Statement of Net Position Internal Service Fund as of June 30, 2025

ASSETS

Current Assets

Cash & cash equivalents	\$97,024,905
Investments, at fair value	303,795,827
Rebates & other receivables	14,980,290
Prepaid expenses	303,045
Total Current Assets	\$416,104,067

Noncurrent Assets

Capital Assets	
Furniture, fixtures & equipment, net of accumulated depreciation of \$1,563,241	354,274
Lease Assets	
Right of Use Asset, net of accumulated depreciation of \$939,854	372,084
Subscription Based IT Arrangements, net of accumulated depreciation of \$358,348	1,396,721
Total Noncurrent Assets	\$2,123,079
Total Assets	\$418,227,146

Deferred Outflow of Resources \$2,572,607

Total Assets and Deferred Outflow of Resources \$420,799,753

LIABILITIES

Current Liabilities

Accrued medical claims expense	\$57,255,322
Accounts payable & accrued expenses	342,889
Due to SRWBT	4,222,310
Deferred premium revenue	18,822,434
Lease liability	761,327
Total Current Liabilities	\$81,404,282

Noncurrent Liabilities

Net pension liability	12,127,094
Lease and subscription liability	1,008,490
Total Noncurrent Liabilities	13,135,584

Deferred Inflow of Resources \$155,143

Total Liabilities and Deferred Inflow of Resources \$94,695,009

Net Position

Unrestricted	\$323,981,665
Net investment in capital assets	2,123,079
Total net position	326,104,744

Total Liabilities, Deferred Inflow of Resources and Net Position \$420,799,753

Statement of Revenues, Expenses & Change in Net Position

Internal Service Fund for the year ended June 30, 2025

Operating Revenues

State/employer contributions	\$456,496,135
Member contributions	79,790,010
Public entity contributions	12,336,364
Pharmacy rebates	76,578,725
Total Operating Revenues	\$625,201,234

Operating Expenses

Medical claims	\$620,878,032
Claims administration services	11,298,031
Payroll & related benefits	4,574,234
Health management	1,623
Administration	1,269,285
Professional services	718,758
Employee assistance program	524,619
Total Operating Expenses	\$639,264,582
Operating revenues over (under) operating expenses	(14,063,348)

Non-Operating Revenues

Investment & other income	18,088,092
Change in net position	\$4,024,742
Net position, beginning of year	322,080,002

Net Position, End of Year	\$326,104,744
----------------------------------	----------------------

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

Statement of Cash Flows

Internal Service Fund year ended June 30, 2025

Cash Flows from Operating Activities

Cash received from State, employer, members & public entities	\$648,150,628
Cash payments for medical claims	(618,769,111)
Cash payments to employees for services	(3,730,781)
Cash payments to other suppliers of goods & services	(13,942,858)
Net cash provided by Operating Activities	\$11,707,878

Cash Flows from Noncapital Financing Activities

Changes in amounts due to SRWBT	(\$1,681,862)
---------------------------------	---------------

Cash Flows from Capital & Related Financing Activities

Purchase of furniture, fixtures & equipment and right of use assets	(\$186,634)
---	-------------

Cash Flows from Investing Activities

Cash received from investment income; net of investment expenses	10,641,355
Purchase of investments	(2,014,456,650)
Proceeds from investments	1,901,202,402
Net cash provided by (used in) Investing Activities	(\$102,612,893)
Net increase (decrease) in Cash & Cash equivalents	(92,773,511)
Cash & Cash Equivalents, Beginning of Year	189,798,416

Cash & Cash Equivalents, End of Year	\$97,024,905
---	---------------------

Reconciliation of Operating Revenues to Net Cash Provided by Operating Activities

Operating revenues over operating expenses	(\$14,063,348)
--	----------------

Adjustments

Adjustments to net cash provided by operating activities	
Depreciation	109,932
Pension expense	1,923,992
Changes in Assets & Liabilities	
Rebates & other receivables	23,998,577
Prepaid expenses	\$79,779
Accrued medical claims	2,108,921
Accounts payable & accrued expenses	(320,253)
Unearned premium revenue	(1,049,183)
Deferred outflows - contributions after the measurement date	(1,080,539)
Total Adjustments	\$25,771,226

Net Cash Provided By Operating Activities	\$11,707,878
--	---------------------

Noncash investing, capital & financing activities

Change in fair value of investments	\$7,631,205
-------------------------------------	-------------

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, 2025

ASSETS

Cash & cash equivalents	\$2,155,343
Due from MCHCP	4,222,310
Investments, at fair value	
U.S. Agencies	96,365,686
Exchange Traded Funds	52,689,707
U.S. Government Guaranteed Mortgages	6,806,728
Equities	34,595,463
Corporate	15,926,117
Collateralized Mortgage Obligations	3,109,759
U.S. Treasuries	12,186,218
Receivables	
Prescription drug rebates	26,595,785
Other receivables	1,185,232
Total Assets	\$255,838,348

LIABILITIES

Accrued medical claims	\$6,971,263
Unearned revenue	6,907,420
Other liabilities	176,638
Total Liabilities	\$14,055,321

Net Position restricted for pensions	\$241,783,027
---	----------------------

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, 2025

Additions

Employer contributions	\$74,580,209
Retiree contributions	45,188,620
Investment income	18,594,746
Retiree drug subsidy & other rebates	108,273,196
Total Additions	<u>\$246,636,771</u>

Deductions

Medical claims	\$218,599,848
Claims administration services	5,820,198
Administration & other	4,270,892
Total Deductions	<u>\$228,690,938</u>

Net Increase

17,945,833

Net Position restricted for pensions

Beginning of Year 223,837,194

End of Year

\$241,783,027

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

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

NOTES TO FINANCIAL STATEMENTS

01. GENERAL INFORMATION

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

The Plan currently has approximately 89,000 active and retired State members and dependents, 1,255 public entity members and dependents, and over 90,000 covered lives, and is funded through both employer and employee contributions. Through December 31, 1994, all Plan members were State employees, retirees and their dependents. Beginning January 1, 1995, additional members included public entity employees, retirees and dependents.

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

MCHCP is a risk pool and administers an "agent multiple employer plan" because each employer remains individually responsible for financing its own commitment to provide benefits to its participants, including any eligible retirees. As a result of the implementation of GASB Statement No. 43, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, MCHCP created a separate fiduciary trust fund (State Retiree Welfare Benefit Trust, or SRWBT) to handle the post-employment benefits for State employees. GASB Statement No. 43, was supplanted when in June 2015, GASB issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans*

Other Than Pension Plans, which is to be instrumental in improving financial reporting by state and local governmental postemployment benefit plans other than pension plans. *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was also issued in June 2015 adding the requirement of recognition for the Other Postemployment Benefits (OPEB) liability in its entirety and a more comprehensive measurement of OPEB expense effective for the fiscal year ended June 30, 2018. MCHCP reviewed and adopted the provisions of GASB Statement No.96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Additional information related to SBITAs is included in the Notes to the Financial Statements.

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

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

02. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Effective for fiscal year 2025, MCHCP has reviewed GASB statement No. 101, *Compensated Absences*. MCHCP records a liability for all annual leave, and sick leave is converted to a pension benefit upon retirement. There was no material impact on the financial statements. During fiscal year 2025, MCHCP adopted the provisions of GASB statement No. 102, *Certain Risk Disclosures*, which provides essential details and discloses timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur which result in a substantial impact. Implementation of this statement did not have an impact on 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.

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 11, 2025, the date the financial statements were available for issue.

B. Method Used to Value Investments

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

FINANCIAL ANALYSIS

C. Deposits & Investments

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan would not be able to recover deposits or collateral securities in the possession of an outside party. In an effort to mitigate custodial credit risk, the Plan's balances are in interest bearing checking accounts which receive collateral as public fund deposit accounts and in accordance with Missouri statutes. All remaining cash balances are to be insured or appropriately collateralized.

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

Deposits

Cash balances represent operating bank account balances. To maximize investment income, the float caused by outstanding checks is invested.

At June 30, 2025, cash held in the financial institution had a bank balance of \$188 and a carrying value of \$99,180,248. Of the bank balance, \$250,000 was covered by federal depository insurance, which applies to both ISF and SRWBT, for a total of \$500,000 coverage on the \$99.2 million. The balance was fully collateralized with securities held by a third-party financial institution in the Plan's name.

Investments

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

The Board of Trustees adopted an asset allocation model for the SRWBT that implemented a moderate investment approach allocating 39 percent to equities, as of fiscal year end. This approach was approved to steadily increase the exposure of the SRWBT to higher return asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back-tested, and future assets are projected in all models. The Plan follows the "prudent person" rule for investment decisions. Essentially, the Plan operates as a prudent person acting in a like capacity and familiar with similar matters would act in the conduct of an enterprise of a like character and with like aims. Any person with fiduciary responsibilities with respect to the Plan is covered by this "prudent person" rule. As of June 30, 2025, the Plan had the following investments as presented on the following page.

Investments

State Retiree Welfare Benefit Trust

Investments

U.S. Agencies	\$96,365,686
Exchange Traded Funds	52,689,707
U.S. Government Guaranteed Mortgages	6,806,728
Small Business Administration Loans	-
Equities	34,595,463
Corporate	15,926,117
Collateralized Mortgage Obligations	3,109,759
U.S. Treasuries	12,186,218

Total Investments	\$221,679,678
--------------------------	----------------------

Investments

Internal Service Fund

Investments

U.S. Agencies	\$23,664,382
Small Business Administration Loans	2,961,581
Collateralized Mortgage Obligations	28,977,170
U.S. Treasuries	248,192,694

Total Investments	\$303,795,827
--------------------------	----------------------

FINANCIAL ANALYSIS

Concentration of Credit Risk

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

Investments in U.S. Treasuries and securities, collateralized time and demand deposits, and collateralized repurchase agreements can constitute up to 100 percent of the investment portfolio; U.S. government agencies, including mortgage-backed securities, cannot exceed 60 percent of the portfolio; and U.S. government agency callable securities, bankers' acceptances and commercial paper cannot exceed 30 percent of the portfolio. The SRWBT has implemented an investment approach allocating 39 percent to equities.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Plan minimizes this risk by only authorizing investment types approved by the Treasurer of the State of Missouri, limiting investments to the safest types of securities, and diversifying the portfolio so potential losses on individual securities will be minimized. The Plan's investments by credit rating category as of June 30, 2025 are presented on the following page.



Credit Risk

State Retiree Welfare Benefit Trust

Investments

U.S. Agencies	\$96,365,686	AA+/AAA
Exchange Traded Funds	52,689,707	4.04 stars
U.S. Government Guaranteed Mortgages	6,806,728	AA+/AAA
Small Business Administration Loans	-	NR
Equities	34,595,463	NR
Corporate	15,926,117	A-
Collateralized Mortgage Obligations	3,109,759	AA+/AAA
U.S. Treasuries	12,186,218	AA+/AAA

Total Investments	\$221,679,678	
--------------------------	----------------------	--

Credit Risk

Internal Service Fund

Investments

U.S. Agencies	\$23,664,382	AA+/AAA
Small Business Administration Loans	2,961,581	NR
Collateralized Mortgage Obligations	28,977,170	AA+/AAA
U.S. Treasuries	248,192,694	AA+/AAA

Total Investments	\$303,795,827	
--------------------------	----------------------	--

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, 2025, 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)

	2025 Fair Value	2025 Duration
Investments		
U.S. Agencies	\$96,365,686	4.55
Exchange Traded Funds	52,689,707	NR
U.S. Government Guaranteed Mortgages	6,806,728	6.06
Small Business Administration Loans	-	NR
Equities	34,595,463	NR
Corporate	15,926,117	2.72
Collateralized Mortgage Obligations	3,109,759	9.53
U.S. Treasuries	12,186,218	3.84
Total Investments	\$221,679,678	

Interest Rate Risk

Internal Service Fund

	2025 Fair Value	2025 Duration
Investments		
U.S. Agencies	\$23,664,382	2.54
Small Business Administration Loans	2,961,581	0.25
Collateralized Mortgage Obligations	28,977,170	0.71
U.S. Treasuries	248,192,694	0.32/.10
Total Investments	\$303,795,827	

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 within a third party pricing service and are reported within Level 2 of the fair value hierarchy. The inputs for Level 2 include, but are not limited to, pricing models such as benchmarking yields, reported trades, broker-dealer quotes, issuer spreads and benchmarking securities, among others. MCHCP's Level 2 investments consist of investments for the ISF of U.S. Government Agencies, Small Business Administration Loans, Collateralized Mortgage Obligations and U.S. Treasuries with fair values of \$23,664,382, \$2,961,581, \$28,977,170 and \$248,192,694, 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

	Fair Value June 30, 2025	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments				
U.S. Government Agencies (AGCY)	\$96,365,686	\$-	\$96,365,686	\$-
Exchange Traded Funds (ETF)	52,689,707	52,689,707	-	-
Mortgage Backed Securities (MBS)	6,806,728	-	6,806,728	-
Equities	34,595,463	34,595,463	-	-
Corporate	15,926,117	-	15,926,117	-
Collateralized Mortgage Obligations (CMO)	3,109,759	-	3,109,759	-
U.S. Treasuries	12,186,218	-	12,186,218	-
Total	\$221,679,678	\$87,285,170	\$134,394,508	\$ -

D. Interfund Activity & Balances

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

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

E. Receivables

Beginning January 1, 2014, the Plan began offering an Employer Group Waiver Plan (EGWP), a Medicare Part D prescription drug plan (PDP) to Medicare eligible retirees and covered Medicare eligible dependents. Estimated revenue is recognized as the SRWBT incurs Medicare eligible retiree prescription drug expenditures. In addition, 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, 2025, 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 Furniture, Fixtures and Equipment for the year ended June 30, 2025 are as presented on the following page.

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

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



Capital Assets

Additions	2025
Balance, beginning of year	\$1,775,291
Additions	186,634
Deletions	(44,411)

Balance, End of Year	\$1,917,514
-----------------------------	--------------------

Accumulated Depreciation

Balance, beginning of year	\$1,497,720
Depreciation expense	109,932
Deletions	(44,411)

Balance, End of Year	\$1,563,241
-----------------------------	--------------------

Right of Use Assets

Additions	2025
Balance, beginning of year	\$1,311,938
Additions	-
Deletions	-

Lease Asset Balance, End of Year	\$1,311,938
---	--------------------

Accumulated Amortization

Balance, beginning of year	\$696,891
Amortization expense	242,963
Deletions	-

Right of Use Assets Accumulated Amortization, End of Year	\$939,854
--	------------------

Right of Use Asset Balance, End of Year (Net)	\$372,084
--	------------------

Subscription Based Information Technology Arrangements (SBITA)

Additions	2025
Balance, beginning of year	\$1,612,723
Additions	1,424,208
Deletions	(1,281,862)

SBITA Balance, End of Year	\$1,755,069
-----------------------------------	--------------------

Accumulated Amortization

Balance, beginning of year	\$1,099,652
Amortization expense	540,558
Deletions	(1,281,862)

SBITA Accumulated Amortization, End of Year	\$358,348
--	------------------

SBITA Balance, End of Year (Net)	\$1,396,721
---	--------------------

ROU Lease Obligation

	Principal	Interest
2026	249,175	5,358
2027	122,909	563

SBITA Obligation

	Principal	Interest
2026	512,152	63,370
2027	542,353	33,169
2028	312,216	5,546
2029	30,000	-

G. Plan Funding

State Appropriations/Contributions

Funds are appropriated to the Plan by the Missouri State General Assembly. Premiums are received one-half prior to the month of coverage and one-half during the month of coverage. Funds are received by the Plan every two weeks and coincide with the State's payroll cycle. The State's monthly per-member active contribution for fiscal year 2025, averaged \$1,115 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, 2025 averaged 3.39 percent of active employee covered payroll.

The State did not provide additional funding towards future OPEB benefits for the period ended June 30, 2025. All state appropriations are available to pay benefits for both active and retired participants except for the amounts contributed to fund the OPEB reserve.

Member Premiums

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

Public Entity Premiums

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

Deferred Premium Revenue

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

Operating/Non-operating Revenues

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

H. Other Post-Employment Benefits

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2025, there were 23,240 retirees and their dependents who met these eligibility requirements.

For the year ended June 30, 2025, expenditures (net of retiree contributions) of \$186.9 million were recognized for post-retirement medical insurance coverage under the self-funded PPO.

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

Summary of Key Actuarial Methods & Assumptions

State Retiree Welfare Benefit Trust

Valuation Year

July 1, 2024 - June 30, 2025

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

6.86%, 6.64%, 6.43%, 6.21%, 5.99%, 5.86%, 5.80%, 5.69%, 5.53%, 5.35%, 5.17%, 4.98%, 4.79%, 4.60%, 4.50% (ultimate)

Medicare Medical and Prescription Drug

9.39%, 12.87%¹, 12.74%¹, 9.56%, 9.14%, 8.34%, 7.67%, 7.35%, 6.92%, 6.49%, 6.05%, 5.61%, 5.16%, 4.72%, 4.50% (ultimate)

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

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, 2025, the Plan insured approximately 64 percent of its members through PPO contracts, 19 percent in a fully insured group Medicare Advantage (PPO) plan, and 17 percent in a High Deductible Health Plan. Third-party administrators are paid a contracted administrative fee per subscriber for the self-insured contracts, with the Plan bearing all administrative and medical claims costs of providing coverage to the members.

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

As of June 30, 2025, \$3,959,130 is included in accrued medical claims expenses for accrued PPO. Additionally, \$60,267,456 at June 30, 2025, is included in estimated accrued medical costs for claims incurred but not yet paid under the Plan’s self-funded products. Although management believes these estimates are adequate, the ultimate liability may be more or less than the amounts recorded.

The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in current operations. Contingent liabilities exist with respect to claims covered under the Plan in the event a contracted provider or carrier is unable to meet its obligations to the Plan. Changes in estimated accrued claims for fiscal year 2025 is presented below.

Summary of Changes in Estimated Accrued Claims

Internal Service Fund

Balances	2025
Balance at beginning of year	\$51,754,054
Current year claims & changes in estimates	620,878,032
Claim payments	(618,802,618)
Balance at End of Year	\$53,829,468

Summary of Changes in Estimated Accrued Claims

State Retiree Welfare Benefit Trust

Balances	2025
Balance at beginning of year	\$5,847,219
Current year claims & changes in estimates	218,599,848
Claim payments	(218,009,079)
Balance at End of Year	\$6,437,988

J. Retirement Plan

General Information About the Pension Plan

Plan description

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

Benefits provided

MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' ACFR beginning on page 31.

Contributions

Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board of Trustees. Employees in the MSEP2011 Plan are required to contribute 4.0 percent of their annual pay. MCHCP's required contribution rate for the year ended June 30, 2025, was 28.75 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from MCHCP were \$1,080,539 for the year ended June 30, 2025.

Net Pension Liability

At June 30, 2025, MCHCP reported a liability of \$12,127,094, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024 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, 2024. At the June 30, 2024 measurement date, MCHCP's proportion was 0.14942 percent, an increase from its proportion measured using 0.15338 percent as of the June 30, 2023, measurement date.

There were no changes in benefit terms and assumptions during the MOSERS plan year ended June 30, 2024, that affected the measurement of total pension liability.

Assumptions.

The total pension liability in the June 30, 2024 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, 2024 valuation were based on the results of an actuarial experience study performed in 2021. In addition, based upon this study, subsequent changes in the unfunded actuarial liability due to actuarial gains/losses or assumption changes are now amortized over a closed 25-year period, instead of 30 years.

Mortality.

Pre-retirement mortality rates were based on the Pub-2010 General Members Below Median Employee mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020 for the MSEP. Additional mortality assumptions for post-retirement retirees and for beneficiaries is available from MOSERS.

Long Term Expected Rate of Return.

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

Asset Class Allocation

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

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

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

Discount rate

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

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

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

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

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
MCHCP's proportionate share of the net pension liability	\$15,055,975	\$12,127,094	\$9,680,693



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, 2025, MCHCP recognized pension expense of \$1,923,992.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2025, 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	\$589,088	\$0
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	817,912	0
Changes in proportion and differences between MCHCP contributions and proportionate share of contributions	85,068	155,143
MCHCP contributions subsequent to the measurement date of 6-30-24	1,080,539	0
Total	\$2,572,607	\$155,143

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, 2025, 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:

2025	\$554,159
2026	\$646,863
2027	\$127,742
2028	\$8,160
Thereafter	-

Payables to the pension plan. As of June 30, 2025, 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.modeferrredcomp.org.

L. Employee Assistance Program

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

M. Post-Employment Retiree Health Care

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2025, there were 23,240 retirees and their dependents who met these eligibility requirements. For the year ended June 30, 2025, expenditures (net of retiree contributions) of \$186.9 million were recognized for post-retirement medical insurance coverage under the self-funded PPO Plan. In addition to the pension benefits described in Note J, the Plan operates a cost sharing multiple employer, defined benefit OPEB plan, the State Retiree Welfare Benefit Trust (SRWBT).

Employees may participate at retirement if eligible to receive a monthly retirement benefit from either the Missouri Employees' Retirement System (MOSERS) or another retirement system whose members are grandfathered for coverage under the plan by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178.

Plan Membership

At June 30, 2025, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits - **17,251**

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

Active plan members - **33,896**

Active/Inactive plan members who may become eligible to receive benefits - **4,242**

*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, 2025, participants contributed \$45.2 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, 2025:

Asset Class	Target Allocation	Long-Term Nominal Rate of Return
Domestic LC Equity	23%	7.7%
Domestic MC Equity	6%	8.6%
Domestic SC Equity	6%	9.4%
Global Equity	6%	7.6%
Domestic Fixed Income	59%	5.1%
Cash Equivalents	0%	-%
	100%	

Rate of Return

For the year ended June 30, 2025, the annual time weighted rate of return on investments, net of investment expense, was 9.33 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.

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 6.86%, 6.64%, 6.43%, 6.21% 5.99%, 5.86%, 5.80%, 5.69%, 5.53%, 5.35%, 5.17%, 4.98%, 4.79%, 4.60%, 4.50% (ultimate) Medicare Medical and Prescription Drug 9.39%, 12.87% ¹ , 12.74% ¹ , 9.56%, 9.14%, 8.34%, 7.67%, 7.35%, 6.92%, 6.49%, 6.05%, 5.61%, 5.16%, 4.72%, 4.50% (ultimate)
--	---

Administration expense	3.00% (ultimate)
Mortality	Pre-Retirement: Pri-2012 Employee Amount-weighted Mortality Table projected generationally using MP-2021 Annuitant: Pri-2012 Retiree Amount-weighted Mortality Table projected generationally using MP-2021

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

Net OPEB Liability

(in thousands)

2025

Net OPEB Liability Components:

Total OPEB Liability	\$1,976,052
Plan Fiduciary Net Position	241,783
Net OPEB Liability	1,734,269
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	12.24%

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	\$2,041,912	\$1,734,269	\$1,486,557
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$1,474,831	\$1,734,269	\$2,060,006

Net OPEB Liability.

The net OPEB liability under GASB 74 was calculated utilizing census data at 7/01/2025. Net OPEB liability as of June 30, 2025, was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by the actuarial valuation as of June 30, 2025, and is presented below:

Development of Discount Rate.

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

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

For fiscal year 2025, MCHCP contributed \$128,426 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

	2025 Total	2025 Active	2025 Retiree
Fiscal Year	July 1, 2024- June 30, 2025	July 1, 2024- June 30, 2025	July 1, 2024- June 30, 2025
Required contribution & investment income	\$877,589,733	\$630,952,962	\$246,636,771
Administrative and third-party expenses	28,477,640	18,386,550	10,091,090
Estimated Incurred Claims & Expenses End of Policy Year	\$849,112,093	\$612,566,412	\$236,545,681
Paid Claims Summary			
Paid (cumulative) as of	July 1, 2024- June 30, 2025	July 1, 2024- June 30, 2025	July 1, 2024- June 30, 2025
End of Policy Year	\$558,574,000	\$457,246,000	\$101,328,000
One year later	-	-	-
Two years later	-	-	-
Incurred Claims Summary			
Re-estimated incurred claims & expenses	July 1, 2024- June 30, 2025	July 1, 2024- June 30, 2025	July 1, 2024- June 30, 2025
End of policy year	606,089,000	499,350,000	106,739,000
One year later	-	-	-
Two years later	-	-	-
Increase (Decrease) in Estimated Incurred Claims & Expenses from End of Policy Year	\$243,023,093	\$113,216,412	\$129,806,681

2024 Total	2024 Active	2024 Retiree	2023 Total	2022 Total
July 1, 2023- June 30, 2024	July 1, 2023- June 30, 2024	July 1, 2023- June 30, 2024	July 1, 2022- June 30, 2023	July 1, 2021- June 30, 2022
\$810,031,905	\$589,145,915	\$220,885,990	\$756,876,371	\$710,865,892
26,809,475	17,107,015	9,702,460	25,075,994	22,680,552
\$783,222,430	\$572,038,900	\$211,183,530	\$731,800,377	\$688,185,340

July 1, 2023- June 30, 2024	July 1, 2023- June 30, 2024	July 1, 2023- June 30, 2024	July 1, 2022- June 30, 2023	July 1, 2021- June 30, 2022
\$472,160,000	\$385,267,000	\$86,893,000	\$465,767,000	\$426,555,000
516,072,000	423,540,000	92,532,000	507,970,000	\$472,659,000
-	-	-	509,131,000	473,171,000
July 1, 2023- June 30, 2024	July 1, 2023- June 30, 2024	July 1, 2023- June 30, 2024	July 1, 2022- June 30, 2023	July 1, 2021- June 30, 2022
511,193,000	421,558,000	89,635,000	507,821,000	472,693,000
515,502,000	423,902,000	91,600,000	507,806,000	472,413,000
-	-	-	509,131,000	473,171,000
\$272,029,430	\$150,480,900	\$121,548,530	\$223,979,377	\$215,492,340

Summary of Key Actuarial Methods and Assumptions

State Retiree Welfare Benefit Trust

Fiscal Year	2025	2024	2023
Valuation Year	July 1, 2024- June 30, 2025	July 1, 2023- June 30, 2024	July 1, 2022- June 30, 2023
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 30,2024 5.50% June 30,2025 5.50%	June 30,2023 5.50% June 30,2024 5.50%	June 30,2022 5.50% June 30,2023 5.50%
Projected payroll growth rate	4.0%	4.0%	4.0%
Health care cost trend rate (Medical & prescription drugs combined)	Non-Medicare Medical and Prescription Drug 6.86%, 6.64%, 6.43%, 6.21% 5.99%, 5.86%, 5.80%, 5.69%, 5.53%, 5.35%, 5.17%, 4.98%, 4.79%, 4.60%, 4.50% (ultimate) Medicare Medical and Prescription Drug 9.39%, 12.87% ¹ , 12.74% ¹ , 9.56%, 9.14%, 8.34%, 7.67%, 7.35%, 6.92%, 6.49%, 6.05%, 5.61%, 5.16%, 4.72%, 4.50% (ultimate) ¹ Reflects expiration of zero premium guarantee for Medicare Advantage medical.	Non-Medicare, Medical and Prescription Drug: 6.34%, 6.78%, 6.56%, 6.34%, 6.12%, 5.90%, 5.77%, 5.72%, 5.62%, 5.46%, 5.30%, 5.13%, 4.95%, 4.77%, 4.59%, 4.50% (ultimate) Medicare, Medical and Prescription Drug: 7.75% ¹ , 9.39%, 12.87%, 12.73%, 9.56%, 9.14%, 8.34%, 7.67%, 7.35%, 6.92%, 6.49%, 6.05%, 5.61%, 5.16%, 4.72%, 4.50% (ultimate) ¹ Reflects estimated impact of the Inflation Reduction Act of 2022 on Medicare Part D.	Non-Medicare, Medical and Prescription Drug: 6.68%, 6.59%, 6.29%, 5.99%, 5.69%, 5.38%, 5.16%, 5.02%, 4.88%, 4.73%, 4.58%, 4.50% (ultimate) Medicare, Medical and Prescription Drug*: 11.79%, 12.54%, 11.38%, 9.06%, 7.19%, 6.75%, 6.33%, 5.93%, 5.52%, 5.11%, 4.70%, 4.50% (ultimate) * The Medicare trend reflects the current drug plan, together with the extension of the \$0 medical premium guarantee through the end of calendar year 2024, and estimated Medicare Advantage premiums thereafter.

2022	2021	2020	2019
July 1, 2021- June 30, 2022	July 1, 2020- June 30, 2021	July 1, 2019- June 30, 2020	July 1, 2018- June 30, 2019
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 30,2021 4.50% June 30,2022 5.50%	June 30,2020 4.38% June 30,2021 4.50%	June 30,2019 5.24% June 30,2020 4.38	5.24%
4.0%	4.0%	4.0%	4.0%
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.	Non-Medicare 6.50% in fiscal year 2022, then decreasing by 0.25% per year until an ultimate of 5.00% in fiscal 2028.	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.	Non-Medicare 6.00% in fiscal year 2019; decreasing by 0.25% per year until an ultimate of 5.00% in 2023.
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.	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.	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.	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.

Schedule of Changes in the Net OPEB Liability and Related Ratios

(in thousands)

Fiscal Year Ending

	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$38,155	\$32,408	\$33,899	\$39,165
Interest	99,278	90,229	87,907	85,882
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	24,159	2,283	23,993	-
Demographic (gains)/losses	-	-	-	994
Changes of assumptions	85,679	104,626	(29,541)	(362,738)
Benefit payments	(75,229)	(66,411)	(78,534)	(58,315)
Net change in total OPEB liability	172,042	163,135	37,724	(295,012)
Total OPEB liability - beginning	1,804,010	1,640,875	1,603,151	1,898,163
Total OPEB liability - ending (a)	\$1,976,052	\$1,804,010	\$1,640,875	\$1,603,151
Plan fiduciary net position				
Contributions - employer	74,580	74,071	74,831	73,022
Contributions - employee	45,189	43,341	42,272	43,527
Net investment income	18,595	16,395	9,202	(12,883)
Benefit payments, including refunds of employee contributions	(218,600)	(187,129)	(186,632)	(161,800)
Retiree drug subsidy and other rebates	108,273	87,079	74,832	67,664
Other	(10,091)	(9,702)	(9,007)	(7,706)
Net change in fiduciary net position	17,946	24,055	5,498	1,824
Plan fiduciary net position - beginning	223,837	199,782	194,284	192,460
Plan fiduciary net position - ending (b)	241,783	223,837	199,782	194,284
Net OPEB liability - ending (a) - (b)	1,734,269	1,580,173	1,441,093	1,408,867
Plan's fiduciary net position as a percentage of the total OPEB liability	12.24%	12.41%	12.18%	12.12%
Covered payroll	1,946,029	1,738,133	1,731,677	1,602,564
Net OPEB liability as a percentage of covered payroll	89.12%	90.91%	83.22%	87.91%

2021	2020	2019	2018	2017	2016
\$42,308	\$36,901	\$30,949	\$31,360	\$29,158	
85,571	100,513	112,057	107,769	104,472	
-	-	(67,962)	-	-	
	23,400	43,317	(12,071)	-	(Historical information prior to implementation of GASB 74/75 is not required)
3,649	-	-	-	(2,619)	
(114,410)	(73,307)	(38,191)	(52,758)	-	
(60,021)	(54,752)	(79,212)	(69,090)	(66,780)	
(42,903)	32,755	958	5,210	64,231	(Historical information prior to implementation of GASB 74/75 is not required)
1,941,066	1,908,311	1,907,353	1,902,143	1,837,912	
\$1,898,163	\$1,941,066	\$1,908,311	\$1,907,353	\$1,902,143	
74,330	72,339	82,620	68,902	67,399	
43,275	43,318	51,242	53,157	52,170	(Historical information prior to implementation of GASB 74/75 is not required)
18,259	2,755	6,208	4,679	7,839	
(149,072)	(138,934)	(165,127)	(150,607)	(142,154)	
53,624	48,172	41,545	35,502	30,514	
(7,848)	(7,308)	(6,872)	(7,142)	(7,311)	
32,568	20,342	9,616	4,491	8,457	
159,892	139,550	129,934	125,443	116,985	
192,460	159,892	139,550	129,934	125,443	(Historical information prior to implementation of GASB 74/75 is not required)
1,705,703	1,781,174	1,768,761	1,777,419	1,776,700	
10.14%	8.24%	7.31%	6.81%	6.59%	
1,724,445	1,601,067	1,611,972	1,604,410	1,609,515	
98.91%	111.25%	109.73%	110.78%	110.39%	

Schedule of Funding Progress *(in millions)*

State Retiree Welfare Benefit Trust

Fiscal Year Ending	2025	2024	2023	2022
Actuarial Value of Assets (a)	\$223.8	\$199.8	\$194.3	\$194.3
Actuarial Accrued Liability (AAL) ¹ (b)	\$1,804.0	1640.9	1,603.2	1,898.2
Unfunded/(Overfunded) AAL (UAAL) (b) - (a)	\$1,580.2	1,441.1	1,408.9	1,703.9
Funded Ratio (a) / (b)	12.4%	12.2%	12.1%	10.2%
Covered Payroll (c)	\$1,946.0	1738.1	1,731.7	1,602.6
UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]	81.2%	82.9%	81.4%	106.3%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution (ADC)	\$108.1	\$96.1	\$96.3	\$104.6	\$109.5	\$112.1	\$113.4	\$113.2	\$106.8	\$96.6
Annual Contribution	74.6	74.1	74.8	73.0	74.3	72.3	82.6	68.9	67.4	66.2
Contribution deficiency (excess)	33.5	22.0	21.5	31.6	35.2	39.8	30.8	44.3	39.4	30.4
Covered payroll	1,946	1,738.1	1,731.7	1,602.6	1,724.4	1,601.1	1,612.01	1,604.4	1,609.5	1,586.5
Percentage of (ADC) Contributed	69.0%	77.1%	77.7%	69.8%	67.9%	64.5%	72.8%	60.9%	63.1%	68.5%
Contributions as a percentage of covered payroll	3.8%	4.3%	4.3%	4.6%	4.3%	4.5%	5.1%	4.3%	4.2%	4.2%

The state provided benefit payments and administrative costs of \$74.6M in fiscal year 2025. The Statement of Changes in Fiduciary Net Position provides more details concerning these amounts.

2021	2020	2019	2018	2017	2016
\$192.5	\$159.9	\$139.6	\$129.9	\$125.4	\$117.0
1,941.1	1,908.3	1,907.4	1,902.1	1,837.9	1,730.7
1,748.6	1,748.4	1,767.8	1,772.2	1,712.5	1,613.7
9.9%	8.4%	7.3%	6.8%	6.8%	6.8%
1,724.4	1,601.1	1,612.0	1,604.4	1,609.5	1,586.5
101.4%	109.2%	109.7%	110.5%	106.4%	101.7%

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

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, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
MCHCP's Proportion Of The Net Pension Liability (Asset)	0.14942%	0.15338%	0.14648%	0.14228%	0.14307%	0.14785%	0.1499%	0.1532%	0.1565%	0.1600%
MCHCP's Proportionate Share Of The Net Pension Liability (Asset)	\$12,127,094	\$11,707,603	\$10,488,603	\$7,954,583	\$9,081,290	\$8,931,796	\$8,362,210	\$7,979,229	\$7,265,764	\$5,133,995
MCHCP's Covered Payroll	3,758,397	3,666,769	3,378,717	2,921,934	2,867,872	2,858,662	2,913,724	3,016,171	3,031,348	3,095,028
MCHCP's Proportionate Share Of The Net Pension Liability (Asset) As A Percentage Of Its Covered Payroll	322.67%	319.29%	310.43%	272.24%	316.66%	312.44%	286.99%	264.55%	239.69%	165.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.02%	52.86%	53.53%	63.00%	55.48%	56.72%	59.02%	60.41%	63.60%	72.62%

***Comes from MOSERS GASB 68 Report & Schedule of Agency Contributions from MOSERS**

Schedule of Contributions

Missouri Consolidated Health Care Plan

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Required contribution	\$1,080,539	\$999,562	\$889,617	\$686,947	\$656,169	\$622,331	\$580,484	\$566,720	\$514,420	\$525,227
Contribution in relation to the required contribution	\$1,080,539	999,562	889,617	686,947	656,169	622,331	580,484	566,720	514,420	525,227
Contribution deficiency (excess)	0	0	0	0	0	0	0	0	0	0
MCHCP's covered payroll	\$3,758,397	3,666,769	3,378,717	2,921,934	2,867,872	2,858,662	2,872,260	2,913,724	3,031,348	3,095,028
Contributions as a percentage of covered payroll	28.75%	27.26%	26.33%	23.51%	22.88%	21.77%	20.21%	19.45%	16.97%	16.93%

*Comes from Schedule of Agency Contributions from MOSERS

Notes to Required Supplementary Information for the Year Ended June 30, 2025

Changes of benefit terms or assumptions - Pension Plan

There were no changes in benefit terms or assumptions during the fiscal year ended June 30, 2024, that impacted the valuation.

Changes of benefit terms or assumptions - OPEB Plan

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

Schedule of Administrative Expenses for the Year Ended June 30, 2025

State Retiree Welfare Benefit Trust	
Third Party Claims Administration Services	\$5,820,198
Payroll and related Benefits	2,356,424
Professional Services	989,500
General Administration	654,710
Employee Assistance Program	270,258

Total	\$10,091,090
--------------	---------------------

Schedule of Investment Expenses for the Year Ended June 30, 2025

State Retiree Welfare Benefit Trust

Central Registered Investment Advisors	\$619,230
---	------------------

Schedule of Professional Service Fees for the Year Ended June 30, 2025

State Retiree Welfare Benefit Trust

Actuarial Services

Segal, Inc.	\$106,628
-------------	-----------

Investment Advisory Services

Central Bank	619,230
--------------	---------

Auditing Services

Armanino LLP	25,671
Pillar Rx	45,795

Software Consulting

McCarthy and Company	37,303
----------------------	--------

Consulting Services

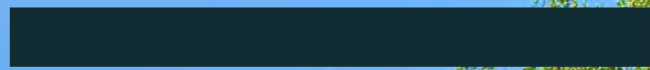
Merative	154,486
----------	---------

Legal Services

Stinson, LLP	387
--------------	-----

Total	\$989,500
--------------	------------------

INVESTMENTS



INVESTMENT ADVISOR STATEMENT



September 30, 2025

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, 2025.

The Plan's State Retiree Welfare Benefit Trust (SRWBT) investment portfolio generated a return of 9.59% for fiscal year 2025 and Portfolio assets ended the year at slightly greater than \$221.675 million. The fiscal year once again began with significant and widespread uncertainty for global markets as central banks continued to raise key rates to tame inflation while avoiding an overreaction that would have a material negative impact on the economy. Global equities generated double digit positive returns exceeding those of the previous fiscal year and the yield remained inverted, hurting longer term bond returns.

Fiscal Year 2025 equity performance was 14.72% which outperformed its benchmark of 13.44% and the fixed income portfolio return was 5.83% missing its benchmark return of 6.09%. Over the past three years, the overall portfolio returned 7.58%, which beat its benchmark of 7.41%, and for the past five years earned 5.61% compared to its benchmark of 5.38%. Investment results for the portfolio are measured using the Modified Dietz methodology, which is a time-weighted analysis of portfolio return.

Bonds currently offer a somewhat less attractive prospect for the coming fiscal year. The portfolio still has a slight tilt to fixed income with its duration significantly less than its benchmark. As we continue to opportunistically invest in additional equity positions as well as fixed income opportunities, we will continue to manage the SRWBT portfolio in line with the stated objectives of the investment policy while taking into account and managing for the associated risks of credit risk, liquidity risk, interest rate or fair value risk and diversity of assets to avoid overconcentration.

Looking forward to Fiscal Year 2025 our model anticipates:

- Interest rates will begin dropping as evidenced by the FED rate cut in September 2025.
- Equity valuations continue to be above long- term historic norms and we believe there could be continued volatility in the equity markets due to accelerating global growth in some economies.

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

Sincerely,

A handwritten signature in blue ink that reads 'Bruce A. Ring Jr.'

Bruce A. Ring Jr. CFA, CTP
Senior Vice President

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

Schedule of Investment Results (Net of Management Fees)

State Retiree Welfare Benefit Trust

FY Ended June 30, 2025

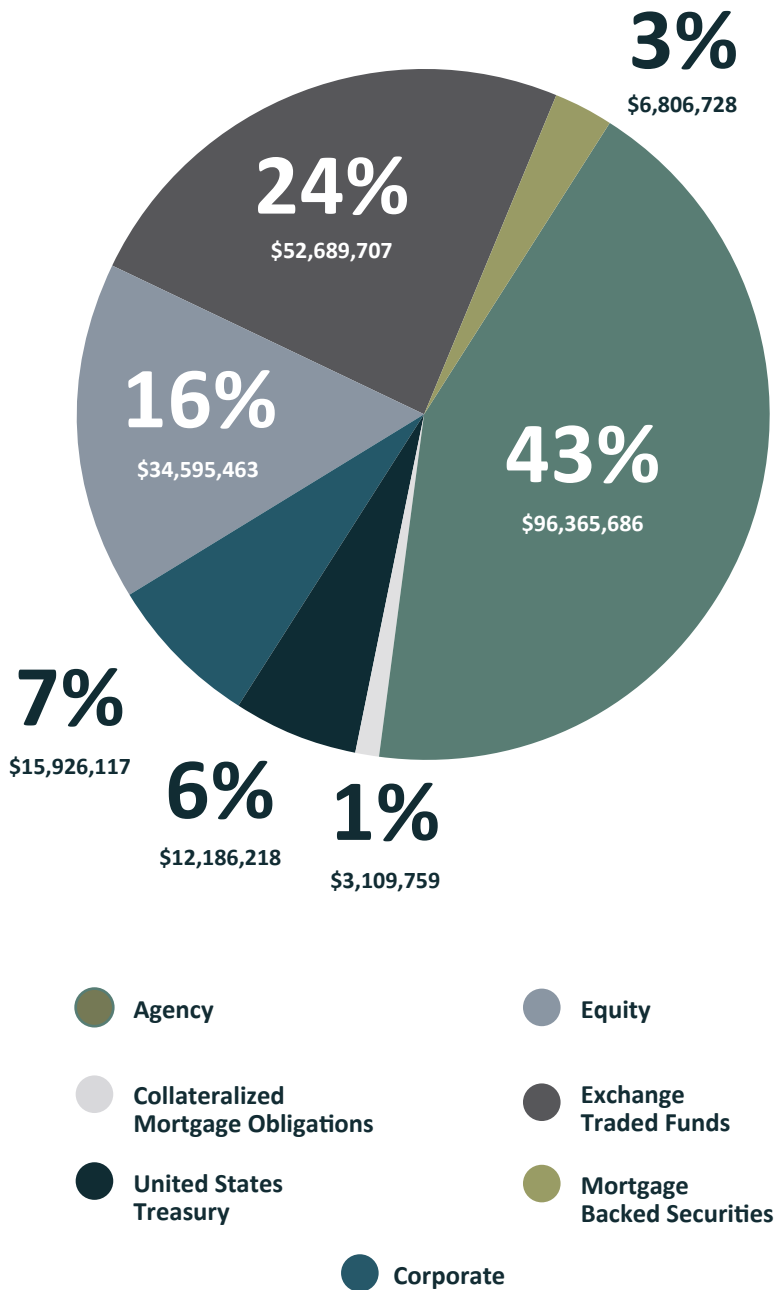
	1 Year	3 Years	5 Years
Total Fund:	9.33%	7.58%	5.68%
Policy Benchmark:	9.59%	7.14%	5.38%
US TSY/AGY/MBS/CMO/Corporate Portfolio	5.83%	3.65%	0.84%
Bloomberg US Aggregate Bond Index*	6.09%	2.60%	0.00%
Large Cap Equities/Exchange Traded Fund Portfolio	14.72%	15.81%	15.65%
Equity Composite (LC 50%/MC 15%/SC 20%/GLBL 15%)	13.44%	15.61%	15.19%

Rate of Return. For the year ended June 30, 2025, the annual time weighted rate of return on investments, net of investment expense, was 9.33 percent. The time weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

*Benchmark changed to Bloomberg US Aggregate in 2022

Schedule of Asset Allocation

MCHCP Retiree Welfare Benefit Trust, Fiscal Year 2025



List of Largest Assets Held

State Retiree Welfare Benefit Trust

Top Ten Holdings at June 30, 2025

Par Value/# Shares	Description	Fair Value
16,320.00	Vanguard S&P 500 ETF	\$9,270,249.60
97,410.00	iShares Core MSCI EAFE ETF	8,131,786.80
26,735.00	Vanguard Small-Cap ETF	6,335,660.30
67,590.00	iShares Russell Mid-Cap ETF	6,216,252.30
5,500,000.00	Federal Farm 3.130 01/19/33	5,072,210.00
11,042.00	Vanguard Growth ETF	4,840,812.80
31,400.00	iShares Russell Mid-Cap Growth ETF	4,354,552.00
3,000,000.00	FHLBANKS 6.100 11/17/38 25	3,006,660.00
3,000,000.00	FHLBANKS 4.550 08/18/27 26	2,997,180.00
17,700.00	iShares Russell 2000 Value ETF	2,792,352.00
		<u>\$53,017,715.80</u>

NOTE: For a complete list of holdings contact MCHCP.

Schedule of Investment Fees

State Retiree Welfare Benefit Trust

FY Ended June 30, 2025

	Assets Under Management	Fees
U.S. Equities:		
Actively Managed	\$48,706,526	\$128,348
Passively Managed	25,956,610	71,690
International Equities:		
Passively Managed	12,622,034	34,625
Fixed Income:		
Passively Managed	134,390,625	383,567
Cash	3,883	-
	<u>\$221,679,678</u>	<u>\$618,230</u>

Note: All Investment fees are paid to Central Registered Investment Advisors

Note: All custodial fees are included in the management fees





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

November 18, 2025

Ms. Julie Engelbrecht
Acting Chief Financial Officer
Missouri Consolidated Healthcare Plan
832 Weathered Rock Ct.
PO Box 104355
Jefferson City, MO 65110

Dear Ms. Engelbrecht:

We are pleased to submit this Governmental Accounting Standards Board Statement No. 74 (GASB 74) Actuarial Valuation of Other Postemployment Benefits (OPEB) Measured as of June 30, 2025 for the Missouri Consolidated Healthcare Plan. The report summarizes the actuarial data used in the valuation, discloses the Net OPEB Liability (NOL), and analyzes the preceding year's experience. In addition, we have calculated the Actuarially Determined Contribution based on the results of the GASB 74 Actuarial Valuation and Review of the Other Postemployment Benefits of the Missouri Consolidated Healthcare Plan (Plan) as of June 30, 2024, completed by Segal, dated December 4, 2024 (the 2024 GASB 74 report), rolled forward one year.

The actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Plan. The actuarial valuation is based on the plan of benefits verified by the Employer and reliance on participant, premium, claims and expense data provided by the Employer or from vendors employed by the Employer. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

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

Further, in our opinion, the assumptions used in this valuation and described in Appendix C are reasonably related to the experience of and the expectations for the Plan. The actuarial projections are based on these assumptions and the plan of benefits as summarized in Appendix D.

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

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

Sincerely,

Segal


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


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

Section 1: Actuarial Valuation

Summary

Purpose and basis

This report presents the results of our actuarial valuation of the Missouri (the "State", the "Employer") Consolidated Healthcare OPEB plan as of June 30, 2025, 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, 2025, provided by the Plan;
- The assets of the Plan as of June 30, 2025, provided by the Plan;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Plan for the June 30, 2025 valuation;
- Health care assumptions regarding per capita costs, trend rates and participation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Highlights of the valuation

Accounting and financial reporting

- The Net OPEB Liability (NOL) as of June 30, 2025 is \$1,734,268,648, an increase of \$154,096,058, from the prior valuation NOL of \$1,580,172,590. Net plan obligations had been expected to increase to \$1,630,732,014 due to normal plan operations. The difference between actual and expected actuarial accrued liabilities was the net effect of several factors:
 - An investment experience gain decreased the NOL by \$6,301,545. This was the result of a gain due to fund investment performance (returns higher than expected).
 - An actuarial experience loss increased the NOL by \$24,159,055. This was the net result of demographic changes.
 - Valuation assumption changes increased the NOL by \$85,679,124. This was the result of updating the valuation-year starting per capita health costs and retiree contributions, and updating the future trend on such costs and contributions.
- As of June 30, 2025, the ratio of assets to the Total OPEB Liability (the funded ratio) is 12.24%, a decrease from 12.41% in the prior year. This is based on the fair value of assets at this point in time.

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Section 1: Actuarial Valuation Summary

Summary of key valuation results

Valuation Result	Current	Prior
Measurement date and Reporting date for the Plan under GASB 74	June 30, 2025	June 30, 2024
Disclosure elements:		
• Total OPEB Liability	\$1,976,051,675	\$1,804,009,784
• Plan Fiduciary Net Position (Assets)	241,783,027	223,837,194
• Net OPEB Liability	1,734,268,648	1,580,172,590
• Plan Fiduciary Net Position as a percentage of Total OPEB Liability	12.24%	12.41%
• Service cost at beginning of year	\$38,154,888	\$32,407,928
• Total payroll	1,946,028,997	1,738,132,564
Schedule of contributions:		
• Actuarially Determined Contributions	\$108,124,075	\$96,087,350
• Actual contributions	74,580,209	74,071,480
• Contribution deficiency / (excess)	33,543,866	22,015,870
• Benefit payments	75,229,122	66,411,043

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

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

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

Input Item	Description
Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinates with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the State to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the 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.

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



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

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Section 2: GASB Information

General information about the OPEB plan

Plan administration. The State of Missouri administers the OPEB plan, a cost-sharing multiple employer OPEB plan that is used to provide postemployment benefits other than pensions. The terms and conditions governing postemployment benefits, are vested with the Missouri Consolidated 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, 2025, Plan membership consisted of the following:

Membership	July 1, 2025
Retired members or beneficiaries currently receiving benefits	22,224
Disabled members currently receiving benefits	45
Vested terminated members entitled to but not yet receiving benefits ¹	86
Active members	38,038
Total	60,393

¹ Counts do not include spouses of terminated vested employees. At July 1, 2025, there were 29 spouses for terminated vested employees.

Section 2: GASB Information

Exhibit A: Net OPEB Liability

Components of the Net OPEB Liability	Current	Prior
Measurement date and Reporting date for the Plan under GASB 74	June 30, 2025	June 30, 2024
Total OPEB Liability	\$1,976,051,675	\$1,804,009,784
Plan Fiduciary Net Position	241,783,027	223,837,194
Net OPEB Liability	1,734,268,648	1,580,172,590
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	12.24%	12.41%

The Net OPEB Liability was measured as of June 30, 2025 and 2024. 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, 2025 and 2024, respectively.

Actuarial assumptions. The Total OPEB Liability was measured by an actuarial valuation as of June 30, 2025 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Assumption Type	Assumption
Inflation	3.00%
Salary increases	4.00%
Discount rate	5.50% as of June 30, 2025, and 5.50% as of June 30, 2024
Health care cost trend rates	
• Non-Medicare Medical and Prescription Drug	6.86%, 6.64%, 6.43%, 6.21% 5.99%, 5.86%, 5.80%, 5.69%, 5.53%, 5.35%, 5.17%, 4.98%, 4.79%, 4.60%, 4.50% (ultimate)
• Medicare Medical and Prescription Drug	9.39%, 12.87% ¹ , 12.74% ¹ , 9.56%, 9.14%, 8.34%, 7.67%, 7.35%, 6.92%, 6.49%, 6.05%, 5.61%, 5.16%, 4.72%, 4.50% (ultimate)
• Administrative Expense	3.00% (ultimate)
Mortality rates	Pre-Retirement: Pri-2012 Employee Amount-weighted Mortality Table projected generationally using MP-2021 Annuitant: Pri-2012 Retiree Amount-weighted Mortality Table projected generationally using MP-2021

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of the 2020 Experience Study completed by Willis Towers Watson.

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

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

Section 2: GASB Information

Exhibit B: Determination of discount rate and investment rates of return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Cap Equity	23.00%	7.70%
Domestic MidCap Equity	6.00%	8.60%
Domestic SmallCap Equity	6.00%	9.40%
Global Equity	6.00%	7.60%
Domestic Fixed Income	59.00%	5.10%
Total	100.00%	

Discount rate. The discount rates used to measure the Total OPEB Liability (TOL) were 5.50% and 5.50% as of June 30, 2025 and June 30, 2024, respectively. The Plan Fiduciary Net Position (FNP) was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL as of both June 30, 2025 and June 30, 2024.

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Section 2: GASB Information

Exhibit C: Discount rate and trend sensitivity

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

Item	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net OPEB Liability (Asset)	\$2,041,911,876	\$1,734,268,648	\$1,486,557,048

Item	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Net OPEB Liability (Asset)	\$1,474,830,920	\$1,734,268,648	\$2,060,005,753

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial
Valuation Report



Section 2: GASB Information

Exhibit D: Schedule of changes in Net OPEB Liability

Components of the Net OPEB Liability	Current	Prior
Measurement date and Reporting date for the Plan under GASB 74	June 30, 2025	June 30, 2024
Total OPEB Liability		
Service cost	\$38,154,888	\$32,407,928
Interest	99,277,946	90,228,696
Change of benefit terms	0	0
Differences between expected and actual experience	24,159,055	2,283,316
Changes of assumptions	85,679,124	104,625,992
Benefit payments, including refunds of member contributions	-75,229,122	-66,411,043
Net change in Total OPEB Liability	\$172,041,891	\$163,134,889
Total OPEB Liability – beginning	1,804,009,784	1,640,874,895
Total OPEB Liability – ending	\$1,976,051,675	\$1,804,009,784
Plan Fiduciary Net Position		
Contributions – employer	\$74,580,209	\$74,071,480
Contributions – employee	45,188,620	43,341,489
Net investment income	18,594,746	16,394,498
Benefit payments, including refunds of member contributions	-218,599,848	-187,128,595
Administrative expense	-10,091,090	-9,702,460
Other	108,273,196	87,078,523
Net change in Plan Fiduciary Net Position	\$17,945,833	\$24,054,935
Plan Fiduciary Net Position – beginning	223,837,194	199,782,259
Plan Fiduciary Net Position – ending	\$241,783,027	\$223,837,194
Net OPEB Liability		
Net OPEB Liability – ending	\$1,734,268,648	\$1,580,172,590
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	12.24%	12.41%
Covered payroll	\$1,946,028,997	\$1,738,132,564
Plan Net OPEB Liability as percentage of covered payroll	89.12%	90.91%

Section 2: GASB Information

Notes to Schedule:

- **Benefit changes:**

- Changes as of June 30, 2025:
 - None.
- Changes as of June 30, 2024:
 - None.

- **Changes of assumptions:**

- Changes as of June 30, 2025:
 - The starting per capita health costs, administrative expenses and retiree contributions were updated to reflect current experience.
 - The trend assumptions were revised to reflect future expectations.
- Changes as of June 30, 2024:
 - The starting per capita health costs, administrative expenses and retiree contributions were updated to reflect current experience.
 - The trend assumptions were revised to reflect future expectations based on the rates guaranteed for the Medicare Advantage medical plan and the estimated impact of the Inflation Reduction Act of 2022 (IRA) on Medicare Prescription Drug plans.

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Section 2: GASB Information

Exhibit E: Schedule of employer contributions

Year Ended June 30	Actuarially Determined Contributions ¹	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$96.6	\$66.2	\$30.4	\$1,586.5	4.2%
2017	106.8	67.4	39.4	1,609.5	4.2%
2018	113.2	68.9	44.3	1,604.4	4.3%
2019	113.2	82.6	30.6	1,612.0	5.1%
2020	113.4	72.3	41.1	1,601.1	4.5%
2021	109.5	74.3	35.2	1,724.4	4.3%
2022	104.6	73.0	31.6	1,602.6	4.6%
2023	96.3	74.8	21.4	1,731.7	4.3%
2024	96.1	74.1	22.0	1,738.1	4.3%
2025	108.1	74.6	33.5	1,946.0	3.8%

Note: Dollar amounts in millions

Notes to Schedule:

Methods and assumptions used to establish "actuarially determined contribution" rates:

Method or Assumption	Description
Valuation date	Actuarially determined contribution was determined based on the results of the GASB74 actuarial valuation of the Missouri Consolidated Healthcare Plan as of June 30, 2024, completed by Segal, dated December 4, 2024 (the 2024 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, 2024
Asset valuation method	Fair value
Salary increases	4.00%
Investment rate of return	5.50%

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

Section 2: GASB Information

Exhibit H: Actuarially Determined Contribution

Item	June 30, 2025 5.50% Discount Rate	June 30, 2024 5.50% Discount Rate
Actuarial Accrued Liability		
Actuarial accrued liability	\$1,804,009,784	\$1,640,874,895
Assets	223,837,194	199,782,259
Unfunded actuarial accrued liability	\$1,580,172,590	\$1,441,092,636
Actuarially Determined Contribution		
Normal cost	\$38,154,888	\$32,407,928
Amortization of unfunded actuarial accrued liability ¹	64,332,387	58,670,129
Interest ²	5,636,800	5,009,293
Total Actuarially Determined Contribution	\$108,124,075	\$96,087,350
Total payroll	1,946,028,997	1,738,132,564

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

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

¹ 30-year increasing 4.0% per year amortization payment of the unfunded actuarial accrued liability

² Total interest on Normal Cost and on Amortization payment

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Section 2: GASB Information

Exhibit I: Statement of Plan Fiduciary Net Position

Item	Amounts as of June 30, 2025
Assets	
Other assets	
• Cash & cash equivalents	\$2,155,343
• Due from MCHCP	4,222,310
• Total other assets	\$6,377,653
Receivables	
• Prescription drug rebates	\$26,595,785
• Other receivables	1,185,232
• Total receivables	\$27,781,017
Investments	
• U.S. Agencies	\$96,365,686
• Exchange Traded Funds	52,689,707
• U.S. Government Guaranteed Mortgages	6,806,728
• Equities	34,595,463
• Corporate	15,926,117
• Collateralized Mortgage Obligations	3,109,759
• U.S. Treasuries	12,186,218
• Total investments	\$221,679,678
Total Assets	\$255,838,348
Liabilities	
Payables	
• Accrued medical claims & capitation fees	\$6,971,263
• Unearned revenue	6,907,420
• Other liabilities	176,638
• Total payables	\$14,055,321
Total liabilities	\$14,055,321
Net position restricted for OPEB	\$241,783,027

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Section 2: GASB Information

Exhibit J: Statement of Plan Fiduciary Net Position

Item	Amounts as of June 30, 2025
Additions	
• Employer contributions	\$74,580,209
• Retiree contributions	45,188,620
• Interest income	18,594,746
• Retiree Drug Subsidy and other rebates	108,273,196
Total additions	\$246,636,771
Deductions	
• Medical claims & capitation expense	\$218,599,848
• Claims administration services	5,820,198
• Administration & other	4,270,892
Total Deductions	\$228,690,938
Net Increase	\$17,945,833
Beginning of Year	223,837,194
Net position restricted for OPEB	\$241,783,027
Rate of return	8.32%

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial
Valuation Report



Appendices

Appendix A: Summary of participant data

As of July 1, 2025

Statistic	Amount
Number of retirees	16,210
Average age of retirees	71.51
Number of spouses	5,042
Average age of spouses	70.86
Number of surviving spouses	1,017
Average age	78.66
Number inactive vested ⁶	86
Average age	54.25
Number of actives	38,038
Average age	44.30
Average service	9.27

⁶ Counts do not include spouses of terminated vested employees. At July 1, 2025, there were 29 spouses for terminated vested employees.

Appendix B: Age and Service Distribution of Actives

Years of Credited Service

Age	0	1	2	3	4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over	Total
Under 25	901	1,125	518	219	74	24	0	0	0	0	0	0	0	2,861
25 - 29	586	899	729	591	376	571	8	0	0	0	0	0	0	3,760
30 - 34	433	658	535	451	319	1,135	415	4	0	0	0	0	0	3,950
35 - 39	310	501	425	366	276	974	910	281	11	0	0	0	0	4,054
40 - 44	297	459	373	360	239	886	792	787	333	29	0	0	0	4,555
45 - 49	246	354	328	281	191	738	689	673	770	479	25	0	0	4,774
50 - 54	209	341	300	286	187	698	620	607	646	887	230	4	0	5,015
55 - 59	159	290	231	243	188	671	592	564	515	467	324	86	11	4,341
60 - 64	83	158	142	193	145	624	553	451	345	284	150	115	33	3,276
65 - 69	21	52	37	55	40	216	206	138	101	84	57	28	36	1,071
70 & over	12	18	23	18	17	61	60	56	35	27	21	12	21	381
Total	3,257	4,855	3,641	3,063	2,052	6,598	4,845	3,561	2,756	2,257	807	245	101	38,038

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Appendix C: Statement of actuarial assumptions, methods and models

Data

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

Actuarial cost method

Entry age normal - Level percentage of payroll

Asset valuation method

Fair value

Amortization of unfunded

30 years with payments increasing 4.00% per year

Valuation date

June 30, 2025

Discount rate

5.50%

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

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.

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



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.

Demographic and salary increase assumptions

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

Salary increases

4.00%

Mortality rates

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

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

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

Termination rates before retirement

First Five Years of Service

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

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



After Five Years of Service

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

Disability rates

None assumed.

Retirement rates

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

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Participation and coverage election

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

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

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

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

Dependents

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

Per capita cost development (self-funded)

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

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

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

Per capita cost development (fully insured)

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

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Per capita health costs

Fiscal year 2026 medical and prescription drug claims costs are shown in the table below for retirees and for spouses at selected ages. These costs are net of rebates, deductibles and other benefit plan cost sharing provisions.

Age	Male	Female
45	\$10,431	\$11,449
50	11,771	12,429
55	13,282	13,492
60	15,293	14,626
65	2,765	2,297
70	3,106	2,569
75	3,431	2,701
80	3,592	2,883

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 2026:

Non-Medicare: \$14,059

Medicare: \$2,872

Health care cost trend rates

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

Year Ending June 30	Medical and Prescription Drug Combined Rate (Non-Medicare)	Medical and Prescription Drug Combined Rate (Non-Medicare)
2026	6.86%	9.39%
2027	6.64%	12.87% ⁷
2028	6.43%	12.74% ¹
2029	6.21%	9.56%
2030	5.99%	9.14%
2031	5.86%	8.34%
2032	5.80%	7.67%
2033	5.69%	7.35%
2034	5.53%	6.92%
2035	5.35%	6.49%
2036	5.17%	6.05%
2037	4.98%	5.61%
2038	4.79%	5.16%
2039	4.60%	4.72%
2040 and later	4.50%	4.50%

The trend rate assumptions were developed using Segal’s internal guidelines, which are established each year using data sources such as the 2025 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 2026, the administrative expenses used are \$356 per person (apply only for non-Medicare). Future increases will be assumed at the general inflation rate of 3.0% per year.

⁷ Reflects expiration of zero premium guarantee for Medicare Advantage medical.

Plan design

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

Missing participant data

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

Health Care Reform assumption

The valuation does not include the potential impact of any other future changes due to other prior or pending legislation

Models

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

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

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

Assumption changes

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

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

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Appendix D: Summary of plan provisions

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

Eligibility

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

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

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

Benefit types

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

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

Duration of coverage

Lifetime.

State Contributions

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

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

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



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.⁸

Plan changes

Since prior valuation: None

⁸ <https://www.sos.mo.gov/CMSimages/AdRules/csr/current/22csr/22c10-2.pdf>

Appendix E: Projection of Plan Fiduciary Net Position for use in the calculation of discount rate as of June 30, 2025

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)
2025	\$241,783,027	\$78,207,404	\$81,059,355	\$0	\$15,400,177	\$254,331,253
2026	254,331,253	81,335,700	84,307,682	0	16,174,252	267,533,523
2027	267,533,523	84,589,128	89,264,440	0	16,944,829	279,803,040
2028	279,803,040	87,972,693	94,211,387	0	17,671,529	291,235,875
2029	291,235,875	91,491,601	98,948,601	0	18,365,345	302,144,219
2030	302,144,219	95,151,265	104,692,331	0	19,010,747	311,613,900
2031	311,613,900	98,957,315	110,351,488	0	19,587,368	319,807,095
2032	319,807,095	102,915,608	115,911,190	0	20,104,854	326,916,368
2033	326,916,368	107,032,232	122,046,574	0	20,555,814	332,457,840
2034	332,457,840	111,313,522	127,751,506	0	20,941,280	336,961,135
2035	336,961,135	115,766,062	133,034,853	0	21,290,504	340,982,849
2036	340,982,849	120,396,705	137,746,303	0	21,638,552	345,271,803
2037	345,271,803	125,212,573	142,523,784	0	22,009,695	349,970,288
2038	349,970,288	130,221,076	147,233,682	0	22,415,791	355,373,473
2039	355,373,473	135,429,919	150,577,637	0	22,908,725	363,134,480
2040	363,134,480	140,847,116	153,477,567	0	23,554,845	374,058,874
2041	374,058,874	146,481,000	156,490,003	0	24,383,817	388,433,689
2042	388,433,689	152,340,240	158,588,785	0	25,439,746	407,624,890
2043	407,624,890	158,433,850	160,611,849	0	26,775,521	432,222,413
2044	432,222,413	164,771,204	162,763,384	0	28,418,564	462,648,797
2045	462,648,797	171,362,052	164,383,166	0	30,410,564	500,038,248
2046	500,038,248	178,216,534	165,692,390	0	32,808,459	545,370,851
2047	545,370,851	185,345,196	167,489,818	0	35,645,061	598,871,290
2048	598,871,290	192,759,004	169,153,284	0	38,950,211	661,427,220
2049	661,427,220	200,469,364	170,461,059	0	42,779,375	734,214,900
2050	734,214,900	208,488,138	171,032,011	0	47,208,239	818,879,266
2051	818,879,266	216,827,664	172,176,797	0	52,292,392	915,822,525
2052	915,822,525	225,500,770	173,112,658	0	58,075,901	1,026,286,538
2053	1,026,286,538	234,520,801	173,271,807	0	64,643,205	1,152,178,738
2054	1,152,178,738	243,901,633	173,102,597	0	72,087,813	1,295,065,587
2055	1,295,065,587	253,657,699	172,663,934	0	80,495,075	1,456,554,427
2056	1,456,554,427	263,804,006	171,856,602	0	89,956,913	1,638,458,744
2057	1,638,458,744	274,356,167	170,772,373	0	100,571,436	1,842,613,974
2058	1,842,613,974	285,330,413	169,291,067	0	112,443,748	2,071,097,068

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



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)
2059	2,071,097,068	0	167,230,997	0	109,373,039	2,013,239,110
2060	2,013,239,110	0	164,642,084	0	106,261,094	1,954,858,120
2061	1,954,858,120	0	161,763,085	0	103,128,252	1,896,223,287
2062	1,896,223,287	0	158,199,952	0	100,000,011	1,838,023,346
2063	1,838,023,346	0	154,197,961	0	96,907,596	1,780,732,981
2064	1,780,732,981	0	149,935,579	0	93,872,272	1,724,669,674
2065	1,724,669,674	0	145,466,144	0	90,910,055	1,670,113,585
2066	1,670,113,585	0	140,952,042	0	88,031,946	1,617,193,490
2067	1,617,193,490	0	136,307,121	0	85,247,367	1,566,133,736
2068	1,566,133,736	0	131,893,172	0	82,558,839	1,516,799,403
2069	1,516,799,403	0	127,300,425	0	79,970,061	1,469,469,039
2070	1,469,469,039	0	122,655,816	0	77,492,908	1,424,306,131
2071	1,424,306,131	0	117,980,708	0	75,135,793	1,381,461,216
2072	1,381,461,216	0	113,022,250	0	72,913,855	1,341,352,821
2073	1,341,352,821	0	108,328,063	0	70,835,256	1,303,860,014
2074	1,303,860,014	0	103,529,640	0	68,903,342	1,269,233,716
2075	1,269,233,716	0	98,661,232	0	67,130,985	1,237,703,469
2076	1,237,703,469	0	93,708,012	0	65,531,212	1,209,526,668
2077	1,209,526,668	0	88,695,769	0	64,117,479	1,184,948,379
2078	1,184,948,379	0	83,647,695	0	62,902,638	1,164,203,321
2079	1,164,203,321	0	78,590,923	0	61,898,859	1,147,511,258
2080	1,147,511,258	0	73,540,644	0	61,117,820	1,135,088,433
2081	1,135,088,433	0	68,535,658	0	60,570,359	1,127,123,135
2082	1,127,123,135	0	63,598,383	0	60,266,226	1,123,790,977
2083	1,123,790,977	0	58,734,941	0	60,214,911	1,125,270,948
2084	1,125,270,948	0	53,976,308	0	60,425,421	1,131,720,060
2085	1,131,720,060	0	49,355,411	0	60,905,496	1,143,270,145
2086	1,143,270,145	0	44,871,993	0	61,662,394	1,160,060,546
2087	1,160,060,546	0	40,547,836	0	62,703,189	1,182,215,899
2088	1,182,215,899	0	36,408,508	0	64,034,041	1,209,841,433
2089	1,209,841,433	0	32,525,755	0	65,658,792	1,242,974,470
2090	1,242,974,470	0	28,820,460	0	67,581,641	1,281,735,651
2091	1,281,735,651	0	25,406,671	0	69,806,129	1,326,135,109
2092	1,326,135,109	0	22,187,387	0	72,335,444	1,376,283,167
2093	1,376,283,167	0	19,218,965	0	75,174,127	1,432,238,328
2094	1,432,238,328	0	16,512,648	0	78,325,088	1,494,050,768
2095	1,494,050,768	0	14,077,269	0	81,790,849	1,561,764,348

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial
Valuation Report



Notes

- Amounts may not total exactly due to rounding.
- Column (b): Projected total contributions include the service cost applied to closed group (based on covered active members as of June 30, 2025) plus employer contributions to the unfunded actuarial liability. Contributions are assumed to occur halfway through the year on average.
- Column (c): Projected benefit payments have been determined in accordance with paragraphs 43-47 of GASB Statement No. 74 and are based on the closed group of active, retired members and beneficiaries as of June 30, 2025.
- Column (e): Projected investment earnings are based on the assumed investment rate of return of 5.5% per annum and reflect the assumed timing of benefit payments made at the beginning of each month.

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



Appendix F: Development of blended discount rate as of June 30, 2025

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
2025	\$241,783,027	\$81,059,355	\$0	\$78,918,153	\$0	\$78,918,153
2026	254,331,253	84,307,682	0	77,801,588	0	77,801,588
2027	267,533,523	89,264,440	0	78,081,354	0	78,081,354
2028	279,803,040	94,211,387	0	78,112,365	0	78,112,365
2029	291,235,875	98,948,601	0	77,763,104	0	77,763,104
2030	302,144,219	104,692,331	0	77,987,741	0	77,987,741
2031	311,613,900	110,351,488	0	77,917,894	0	77,917,894
2032	319,807,095	115,911,190	0	77,576,810	0	77,576,810
2033	326,916,368	122,046,574	0	77,424,728	0	77,424,728
2034	332,457,840	127,751,506	0	76,818,825	0	76,818,825
2035	336,961,135	133,034,853	0	75,825,382	0	75,825,382
2036	340,982,849	137,746,303	0	74,417,772	0	74,417,772
2037	345,271,803	142,523,784	0	72,984,662	0	72,984,662
2038	349,970,288	147,233,682	0	71,465,917	0	71,465,917
2039	355,373,473	150,577,637	0	69,278,713	0	69,278,713
2040	363,134,480	153,477,567	0	66,931,689	0	66,931,689
2041	374,058,874	156,490,003	0	64,687,596	0	64,687,596
2042	388,433,689	158,588,785	0	62,137,593	0	62,137,593
2043	407,624,890	160,611,849	0	59,649,537	0	59,649,537
2044	432,222,413	162,763,384	0	57,297,246	0	57,297,246
2045	462,648,797	164,383,166	0	54,850,668	0	54,850,668
2046	500,038,248	165,692,390	0	52,405,236	0	52,405,236
2047	545,370,851	167,489,818	0	50,212,063	0	50,212,063
2048	598,871,290	169,153,284	0	48,067,068	0	48,067,068
2049	661,427,220	170,461,059	0	45,913,449	0	45,913,449
2050	734,214,900	171,032,011	0	43,665,625	0	43,665,625
2051	818,879,266	172,176,797	0	41,666,253	0	41,666,253
2052	915,822,525	173,112,658	0	39,708,747	0	39,708,747
2053	1,026,286,538	173,271,807	0	37,673,225	0	37,673,225
2054	1,152,178,738	173,102,597	0	35,674,346	0	35,674,346
2055	1,295,065,587	172,663,934	0	33,728,856	0	33,728,856
2056	1,456,554,427	171,856,602	0	31,820,994	0	31,820,994
2057	1,638,458,744	170,772,373	0	29,971,790	0	29,971,790
2058	1,842,613,974	169,291,067	0	28,162,853	0	28,162,853
2059	2,071,097,068	167,230,997	0	26,369,805	0	26,369,805

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial Valuation Report



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
2060	2,013,239,110	164,642,084	0	24,608,126	0	24,608,126
2061	1,954,858,120	161,763,085	0	22,917,363	0	22,917,363
2062	1,896,223,287	158,199,952	0	21,244,138	0	21,244,138
2063	1,838,023,346	154,197,961	0	19,627,227	0	19,627,227
2064	1,780,732,981	149,935,579	0	18,089,749	0	18,089,749
2065	1,724,669,674	145,466,144	0	16,635,556	0	16,635,556
2066	1,670,113,585	140,952,042	0	15,278,978	0	15,278,978
2067	1,617,193,490	136,307,121	0	14,005,190	0	14,005,190
2068	1,566,133,736	131,893,172	0	12,845,184	0	12,845,184
2069	1,516,799,403	127,300,425	0	11,751,557	0	11,751,557
2070	1,469,469,039	122,655,816	0	10,732,508	0	10,732,508
2071	1,424,306,131	117,980,708	0	9,785,243	0	9,785,243
2072	1,381,461,216	113,022,250	0	8,885,300	0	8,885,300
2073	1,341,352,821	108,328,063	0	8,072,289	0	8,072,289
2074	1,303,860,014	103,529,640	0	7,312,535	0	7,312,535
2075	1,269,233,716	98,661,232	0	6,605,373	0	6,605,373
2076	1,237,703,469	93,708,012	0	5,946,687	0	5,946,687
2077	1,209,526,668	88,695,769	0	5,335,176	0	5,335,176
2078	1,184,948,379	83,647,695	0	4,769,220	0	4,769,220
2079	1,164,203,321	78,590,923	0	4,247,304	0	4,247,304
2080	1,147,511,258	73,540,644	0	3,767,176	0	3,767,176
2081	1,135,088,433	68,535,658	0	3,327,765	0	3,327,765
2082	1,127,123,135	63,598,383	0	2,927,047	0	2,927,047
2083	1,123,790,977	58,734,941	0	2,562,286	0	2,562,286
2084	1,125,270,948	53,976,308	0	2,231,936	0	2,231,936
2085	1,131,720,060	49,355,411	0	1,934,465	0	1,934,465
2086	1,143,270,145	44,871,993	0	1,667,052	0	1,667,052
2087	1,160,060,546	40,547,836	0	1,427,871	0	1,427,871
2088	1,182,215,899	36,408,508	0	1,215,267	0	1,215,267
2089	1,209,841,433	32,525,755	0	1,029,067	0	1,029,067
2090	1,242,974,470	28,820,460	0	864,301	0	864,301
2091	1,281,735,651	25,406,671	0	722,203	0	722,203
2092	1,326,135,109	22,187,387	0	597,813	0	597,813
2093	1,376,283,167	19,218,965	0	490,836	0	490,836
2094	1,432,238,328	16,512,648	0	399,734	0	399,734
2095	1,494,050,768	14,077,269	0	323,013	0	323,013

#10218567v5/00278.003

Missouri Consolidated Healthcare Plan - June 30, 2025 GASB Statement No. 74 Actuarial
Valuation Report



Appendix G: Definition of terms

Definitions of certain terms as they are used in Statement No. 75. The terms may have different meanings in other contexts.

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

An aerial photograph of a river winding through a dense forest. The trees are in various stages of autumn, with some showing bright yellow and orange foliage, while others remain green. The river is dark and reflects the surrounding trees. A white horizontal bar is positioned across the middle of the image, partially obscuring the river and the word 'STATISTICAL'.

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 2025.

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 2025.

State Membership Enrolled in MCHCP – Depicts state membership subscriber and dependent enrollment by age, gender and type of enrollment for fiscal year 2025.

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 2025.

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 2025 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, 2025

Fiscal Year	State/Employer	Member	Public Entity	Pharmacy	Total Operating Revenues	Investment & Other Income
	Contributions	Contributions	Income	Rebates & Subsidy		
2025	\$456,496,135	\$79,790,010	\$12,336,364	\$76,578,725	\$625,201,234	\$18,088,092
2024	417,458,045	76,354,804	11,155,149	77,116,752	582,084,750	18,216,314
2023	419,866,799	72,409,193	10,233,195	53,973,889	556,483,076	9,489,988
2022	429,970,953	70,503,325	9,633,399	42,840,523	552,948,200	(3,778,081)
2021	437,336,186	74,012,245	8,150,024	32,607,229	552,105,684	433,361
2020	401,388,126	74,873,802	7,423,514	31,653,218	515,338,660	1,103,352
2019	400,006,662	76,138,619	7,870,921	31,161,964	515,178,166	1,171,090
2018	334,208,126	80,156,169	7,559,037	24,832,110	446,755,442	1,222,021
2017	328,917,283	80,960,318	7,468,778	17,365,478	434,711,857	893,977
2016	324,857,578	83,815,598	7,904,470	13,500,867	430,078,513	1,173,043

Historical Data: Expenses by Type

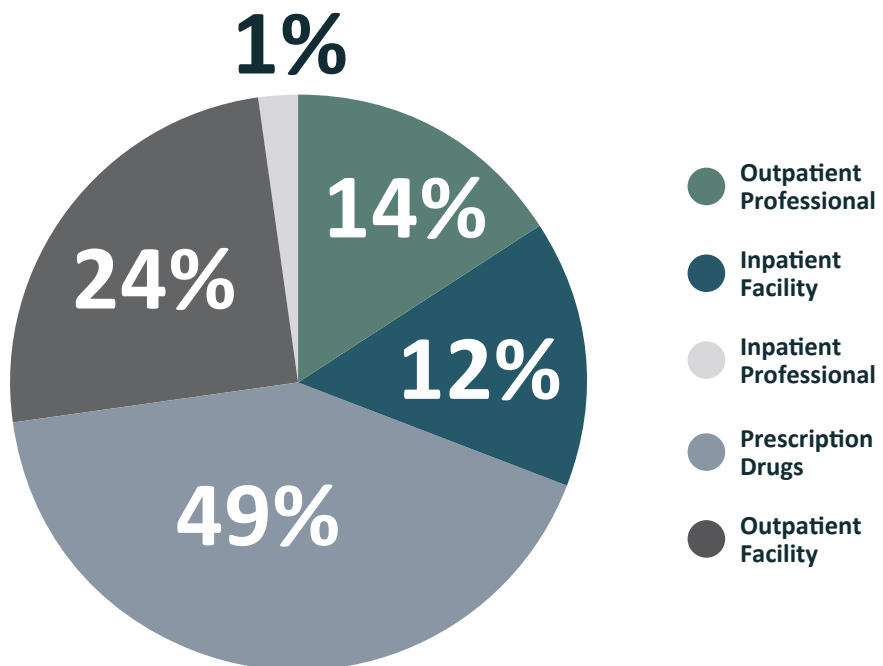
Internal Service Fund, ten years ended June 30, 2025

Fiscal Year	Medical Claims & Health			Total Operating Expenses & Fees
	Administrative Services	Administration & Payroll	Other	
2025	\$620,878,034	\$5,770,964	\$12,615,586	\$639,264,584
2024	537,044,846	4,981,594	12,125,422	554,151,862
2023	486,414,305	4,626,139	11,442,804	502,483,248
2022	460,343,536	4,105,625	10,872,190	475,321,351
2021	450,588,922	4,666,054	11,360,288	466,615,264
2020	439,515,651	4,731,207	10,903,086	455,149,944
2019	499,070,275	4,330,944	1,185,609	504,586,828
2018	525,142,217	4,460,726	1,206,145	530,809,088
2017	474,453,616	4,317,715	1,488,309	480,259,640
2016	452,409,305	3,846,601	1,644,070	457,899,976



Distribution of Claim Payments

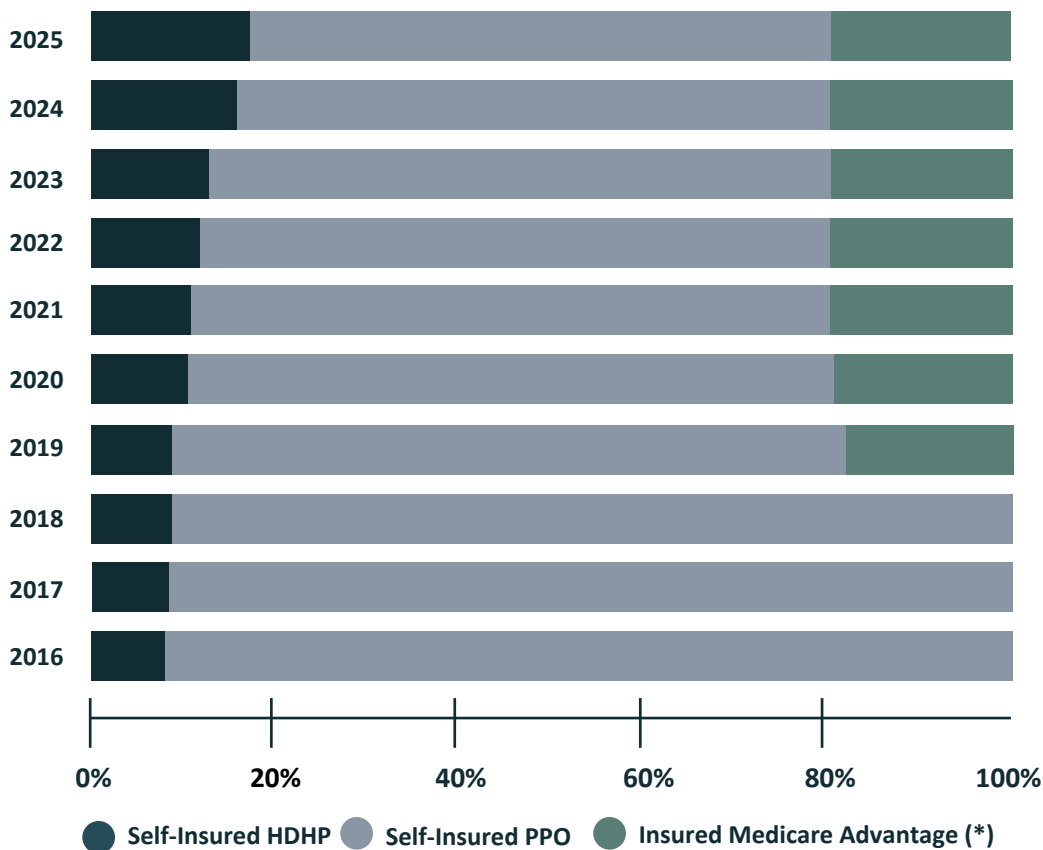
State Membership, Fiscal Year 2025





Healthcare Options by Year & Total Lives

State Membership, ten years ended June 30, 2025



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



Statement of Revenues, Expenses & Changes in Net Position

Internal Service Fund, ten years ended June 30, 2025

Fiscal Year Ending	2025	2024	2023	2022
Operating Revenues				
State/employer contributions	\$456,496,135	\$417,458,045	\$419,866,799	\$429,970,953
Member contributions	79,790,010	76,354,804	72,409,193	70,503,325
Public entity contributions	12,336,364	11,155,149	10,233,195	9,633,399
Pharmacy rebates	76,578,725	77,116,752	53,973,889	42,840,523
Total Operating Revenues	\$625,201,234	\$582,084,750	\$556,483,076	\$552,948,200
Operating Expenses				
Medical claims	\$620,878,034	\$537,044,846	\$486,414,305	\$460,343,536
Claims administration services	11,298,031	11,032,376	10,155,070	9,831,737
Payroll and related benefits	4,574,234	3,998,525	3,739,818	3,185,235
Health management	1,623	(2,175)	(1,745)	5,265
Administration	\$1,269,285	1,050,936	955,353	980,820
Professional services	718,758	519,629	807,847	602,902
Employee Assistance Program	524,619	507,727	412,600	371,856
Depreciation				
Total Operating Expenses	\$639,264,584	\$554,151,864	\$502,483,248	\$475,321,351
Operating revenues over (under) operating expenses	-\$14,063,350	\$27,932,886	\$53,999,828	\$77,626,849
Nonoperating Revenues				
Investment and other income	18,088,092	18,216,314	9,489,988	(3,778,081)
Net Position				
Change in net position	\$4,024,742	46,149,200	63,489,816	73,848,768
Net position, beginning of year, adjusted	\$322,080,002	275,930,802	212,440,986	138,592,217
Net Position, End of Year	\$326,104,744	\$322,080,002	\$275,930,802	\$212,440,985

Operating income					
2021	2020	2019	2018	2017	2016
\$437,336,186	\$401,388,126	\$400,006,661	\$334,208,126	\$327,233,709	\$324,857,578
74,012,245	74,873,802	76,138,619	80,156,169	80,960,318	83,815,598
8,150,024	7,423,514	7,870,921	7,559,037	7,468,778	7,904,470
32,607,229	31,653,218	31,161,964	24,832,110	17,365,478	13,500,867
\$552,105,684	\$515,338,660	\$515,178,165	\$446,755,442	\$433,028,283	\$430,078,513
Operating expenses					
\$450,588,922	\$439,515,651	\$489,424,668	\$514,367,757	\$462,217,654	\$437,471,527
10,589,411	9,937,642	9,655,047	10,768,757	11,445,426	13,218,054
3,436,317	3,837,791	3,682,752	3,620,926	3,580,771	3,192,904
(44,522)	3,838	(9,440)	5,703	790,536	1,719,724
931,138	893,416	648,192	775,553	736,944	740,609
700,784	520,595	653,477	733,700	862,896	962,817
413,214	441,011	455,356	472,445	536,566	594,341
		76,776	64,247	88,847	
\$466,615,264	\$455,149,944	\$504,586,828	\$530,809,088	\$480,259,640	\$457,899,976
Other income (expense)					
\$85,490,420	\$60,188,716	\$10,591,337	(\$84,053,646)	(\$47,231,357)	(\$27,821,463)
433,361	1,103,352	1,171,090	1,222,021	893,977	1,173,043
85,923,781	61,292,068	11,762,427	(82,831,625)	(46,337,380)	(26,648,420)
52,668,436	(8,623,632)	(20,386,059)	62,445,566	108,782,946	135,431,366
\$138,592,217	\$52,668,436	(\$8,623,632)	(\$20,386,059)	\$62,445,566	\$108,782,946
Income before income taxes					
\$213,982,420	\$112,857,132	\$100,692,337	\$96,666,354	\$84,998,939	\$72,969,483
10,589,411	9,937,642	9,655,047	10,768,757	11,445,426	13,218,054
3,436,317	3,837,791	3,682,752	3,620,926	3,580,771	3,192,904
(44,522)	3,838	(9,440)	5,703	790,536	1,719,724
931,138	893,416	648,192	775,553	736,944	740,609
700,784	520,595	653,477	733,700	862,896	962,817
413,214	441,011	455,356	472,445	536,566	594,341
		76,776	64,247	88,847	
\$229,639,256	\$137,597,465	\$124,887,019	\$122,077,932	\$114,901,449	\$105,477,928
Income tax expense					
\$10,589,411	\$9,937,642	\$9,655,047	\$10,768,757	\$11,445,426	\$13,218,054
3,436,317	3,837,791	3,682,752	3,620,926	3,580,771	3,192,904
(44,522)	3,838	(9,440)	5,703	790,536	1,719,724
931,138	893,416	648,192	775,553	736,944	740,609
700,784	520,595	653,477	733,700	862,896	962,817
413,214	441,011	455,356	472,445	536,566	594,341
		76,776	64,247	88,847	
\$15,650,886	\$14,623,293	\$13,870,764	\$15,367,688	\$16,902,176	\$19,433,545
Net income					
\$219,088,370	\$122,974,172	\$111,016,255	\$106,710,244	\$97,999,273	\$86,044,383
Earnings per share					
Basic					
\$1.85	\$1.00	\$0.93	\$0.89	\$0.82	\$0.72
Diluted					
\$1.81	\$0.97	\$0.87	\$0.84	\$0.77	\$0.67

Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust, for the ten fiscal years ended June 30, 2025

Additions	2025	2024	2023	2022
Employer contributions	\$74,580,209	\$74,071,480	\$74,830,173	\$73,021,995
Retiree contributions	45,188,620	43,341,489	42,271,958	43,527,194
Investment income	18,594,746	16,394,498	9,202,451	(12,883,097)
Retiree drug subsidy & other rebates	108,273,196	87,078,523	74,831,920	67,663,080
Total Additions	\$246,636,771	\$220,885,990	\$201,136,502	\$171,329,172
Deductions				
Medical claims	\$218,599,848	\$187,128,595	\$186,630,908	\$161,799,507
Claims administration services	5,820,198	5,865,274	5,402,141	4,783,416
Administration & other	4,270,892	3,837,186	3,604,910	2,922,355
Total Deductions	\$228,690,938	\$196,831,055	\$195,637,959	\$169,505,278
Net Increase	17,945,833	24,054,935	5,498,543	1,823,894
Net Position Restricted for Pensions				
Beginning of Year	223,837,194	199,782,259	194,283,716	192,459,822
End of Year	\$241,783,027	\$223,837,194	\$199,782,259	\$194,283,716

Operating Expenses					
2021	2020	2019	2018	2017	2016
\$74,330,294	\$72,338,734	\$82,619,621	\$68,901,880	\$67,398,726	\$66,199,740
43,275,109	43,318,278	51,242,143	53,157,242	52,169,890	51,446,647
18,258,737	2,754,934	6,208,661	4,679,311	7,838,782	2,275,792
53,623,533	48,172,196	41,544,557	35,501,734	30,514,297	29,696,367
\$189,487,673	\$166,584,142	\$181,614,982	\$162,240,167	\$157,921,695	\$149,618,546
Non-Operating Expenses					
\$149,071,751	\$138,933,653	\$165,126,632	\$150,606,550	\$142,154,216	\$131,451,967
4,926,263	4,412,024	4,128,891	4,389,802	4,325,639	4,892,410
2,921,853	2,896,632	2,743,447	2,752,187	2,984,613	3,193,562
\$156,919,867	\$146,242,309	\$171,998,970	\$157,748,539	\$149,464,468	\$139,537,939
32,567,806	20,341,833	9,616,012	4,491,628	8,457,227	10,080,607
159,892,016	139,550,183	129,934,171	125,442,543	116,985,316	106,904,709
\$192,459,822	\$159,892,016	\$139,550,183	\$129,934,171	\$125,442,543	\$116,985,316

Schedule of Net Position by Component

Internal Service Fund, ten years ended June 30, 2025

Net Position	Net investments in capital assets	Unrestricted	Total net position
2025	\$2,343,758	\$323,760,986	\$326,104,744
2024	1,405,689	320,674,313	322,080,002
2023	2,279,137	273,651,665	275,930,802
2022	1,494,389	210,946,597	212,440,986
2021	378,160	138,214,058	138,592,218
2020	177,984	52,490,453	52,668,437
2019	220,086	(8,843,718)	(8,623,632)
2018	287,155	(20,673,214)	(20,386,059)
2017	283,032	62,162,534	62,445,566
2016	221,396	108,561,550	108,782,946

Full-Time Employees

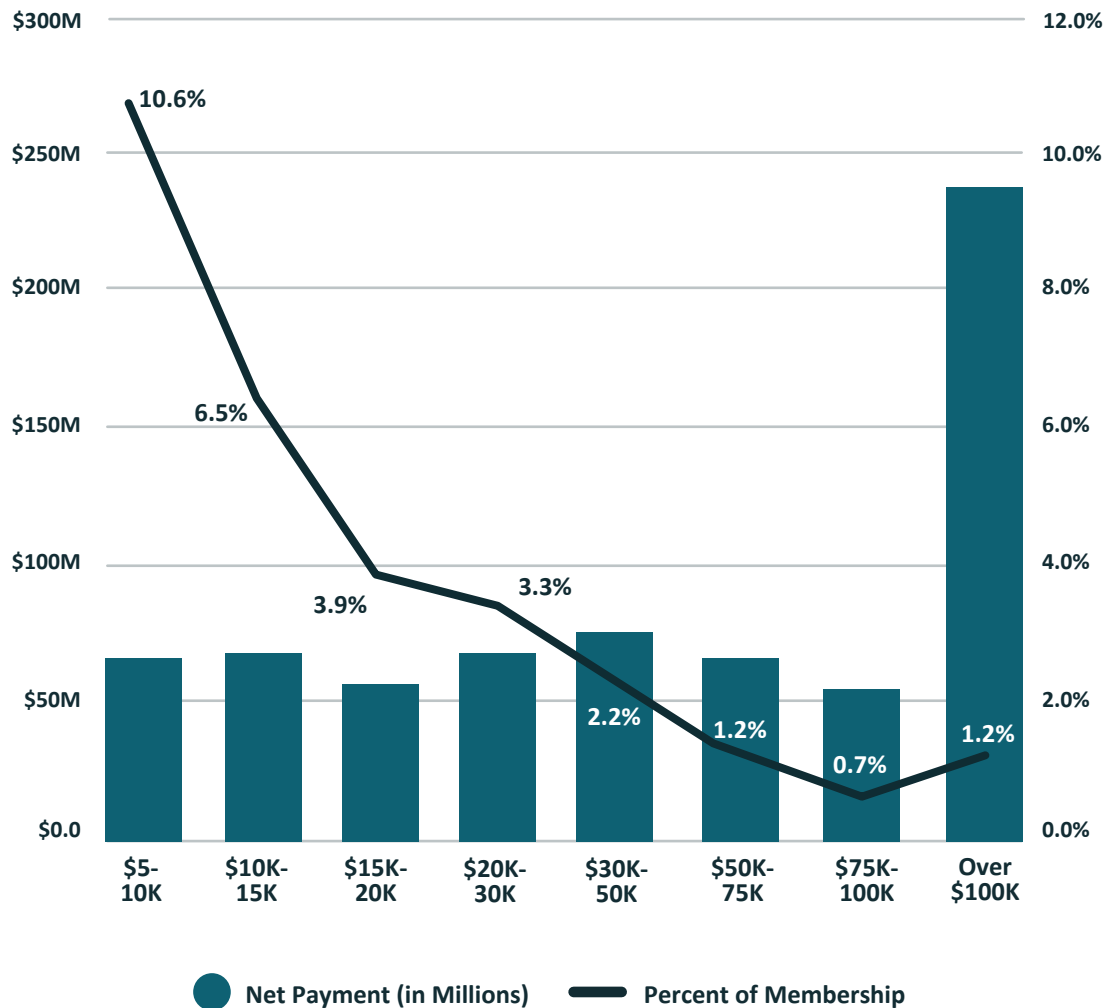
Missouri Consolidated Health Care Plan, ten years ended June 30, 2025

Department	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Executive & Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	43.45	43.60	43.24	43.40	45.54	41.8	44.11	44.75	46.58	48.54
General Counsel	1.00	1.00	1.00	1.00	1.00	2.00	1.00	1.00	1.00	1.20
Internal Audit	1.00	.83	.62	0.00	0.00	3.66	3.00	3.00	3.00	3.00
Human Resources	1.00	1.00	1.00	0.00	.83	0.42	1.00	1.00	1.00	1.00
Finance	2.00	2.00	2.00	2.33	3.00	4.00	4.00	4.91	5.92	6.00
Totals	50.45	50.43	49.86	48.73	52.37	53.88	55.11	56.66	59.5	61.74

Source: Missouri Consolidated Health Care Budget Documents

Paid Claims Distribution by Individual

State Members Fiscal Year 2025



70.4% of membership accumulated \$0-\$5K in claims and accounted for \$61.4M in cost.

State Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2025

Age	Active		COBRA		Disabled		Retirees		Survivors		Vested		Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
< 1	278	311	0	0	0	0	2	0	0	0	0	0	591
1 - 10	3,733	3,916	1	3	0	1	10	14	2	1	5	6	7,692
11 - 19	4,906	5,161	3	2	0	1	98	108	8	17	7	14	10,325
20 - 24	3,418	3,411	2	1	1	1	220	205	17	11	7	2	7,296
25 - 29	2,549	1,876	3	6	0	0	58	50	3	3	1	3	4,552
30 - 34	2,508	1,714	2	0	1	0	7	7	1	0	3	2	4,245
35 - 39	2,694	1,810	0	1	1	0	3	9	0	2	2	2	4,524
40 - 44	3,191	1,937	1	1	1	2	7	9	1	2	7	4	5,163
45 - 49	3,351	2,134	2	0	5	4	18	15	2	1	12	9	5,553
50 - 54	3,537	2,252	3	2	2	4	296	112	3	3	13	14	6,241
55 - 59	3,101	2,033	6	4	6	6	1,022	525	10	6	15	6	6,740
60 - 64	2,329	1,778	4	3	7	2	2,082	1,101	25	11	12	9	7,363
65 - 69	722	635	0	0	1	1	2,656	1,595	46	26	2	4	5,688
70 - 74	154	177	0	0	0	0	2,862	1,848	124	35	0	1	5,201
75 - 79	41	42	0	0	0	0	2,233	1,488	161	45	0	0	4,010
80 +	4	12	0	0	0	0	2,076	1,222	392	114	1	0	3,821
Total	36,516	29,199	27	23	25	22	13,650	8,308	795	277	87	76	89,005
	Total Active 65,715		Total COBRA 50		Total Disabled 47		Total Retirees 21,958		Total Survivors 1,072		Total Vested 163		

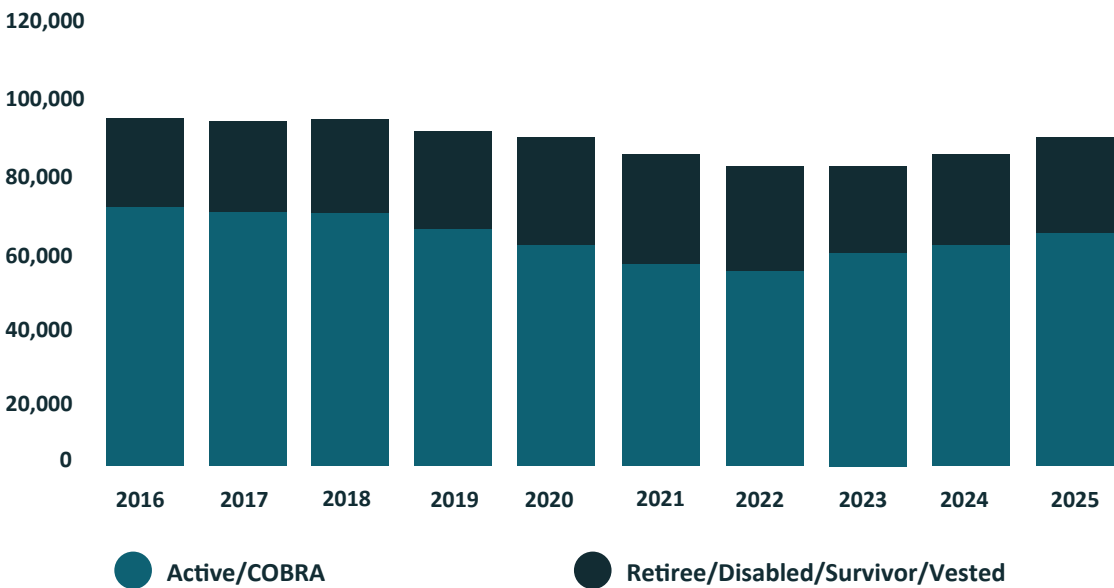
Enrollment History

State Membership, ten years ended June 30, 2025

Year	Active	Retiree	COBRA	Disabled	Survivors	Vested	Total
2016	74,761	19,100	49	133	893	142	95,078
2017	74,094	19,534	81	121	909	141	94,880
2018	73,536	20,077	85	90	927	128	94,843
2019	71,059	20,492	91	98	941	130	92,811
2020	69,658	20,859	62	75	964	146	91,764
2021	65,328	21,067	95	73	986	128	87,677
2022	61,583	21,691	64	77	1,035	146	84,596
2023	62,593	21,865	57	63	1,047	164	85,789
2024	65,177	21,744	41	47	1,063	166	88,238
2025	65,715	21,958	50	47	1,072	163	89,005

Enrollment Distribution

State Membership, ten years ended June 30, 2025



Public Entity Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2025

Age	Active		COBRA		Retirees		Total
	Female	Male	Female	Male	Female	Male	
<1	2	3	0	0	0	0	5
1-10	36	29	0	0	0	0	65
11-19	50	42	0	0	0	0	92
20-24	65	44	0	0	0	0	109
25-29	51	47	0	0	0	0	98
30-34	56	45	0	0	0	0	101
35-39	62	43	0	0	0	0	105
40-44	63	45	0	0	0	0	108
45-49	74	44	0	0	0	0	118
50-54	87	39	0	0	0	0	126
55-59	98	43	0	0	0	0	141
60-64	99	38	0	0	1	0	138
65-69	24	11	0	0	0	0	35
70-74	6	2	0	0	0	1	9
75-79	2	2	0	0	0	0	4
80+	1	0	0	0	0	0	1
Total	776	477	0	0	1	1	1,255
	Total Active 1,253		Total COBRA 0		Total Retirees 2		

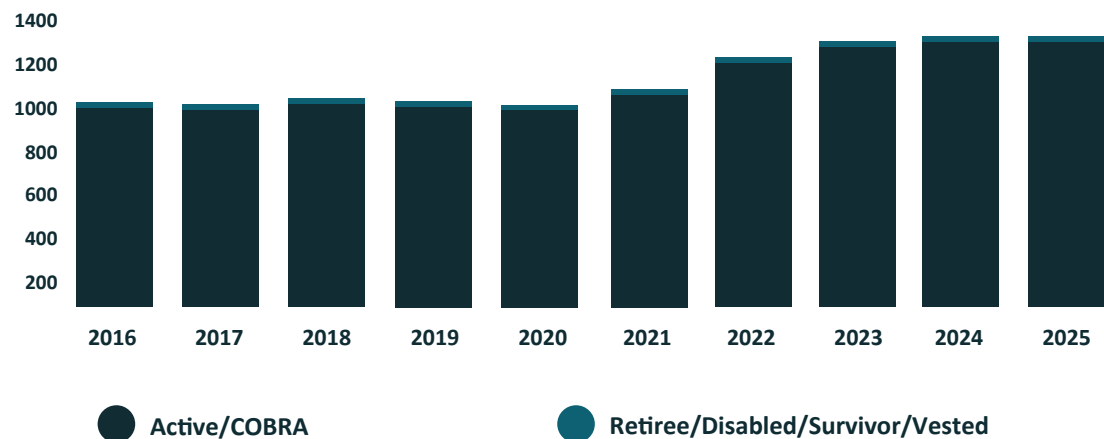
Enrollment History

Public Entity Membership, ten years ended June 30, 2025

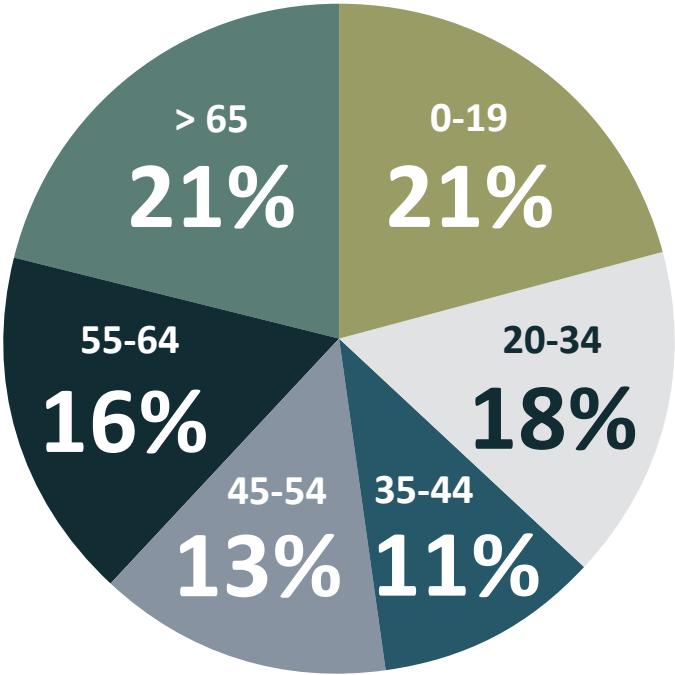
Year	Active	Retiree	COBRA	Total
2016	1,056	14	8	1,078
2017	1,003	5	8	1,016
2018	1,038	4	5	1,047
2019	1,019	4	5	1,028
2020	963	3	7	973
2021	1,154	2	7	1,163
2022	1,205	2	2	1,209
2023	1,234	2	3	1,239
2024	1,253	2	1	1,256
2025	1,253	2	0	1,255

Enrollment Distribution

Public Entity Membership, ten years ended June 30, 2025



Plan Demographics
State Membership, Fiscal Year 2025



Total Lives

89,005

Average Age

43
years



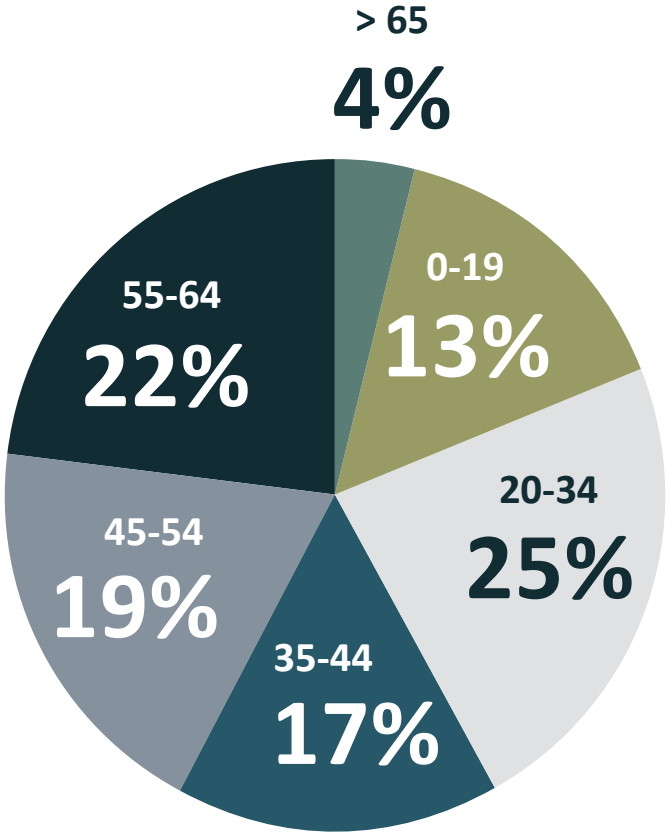
43%



57%

Plan Demographics

Public Entity Membership, Fiscal Year 2025



Total Lives

1,255

Average Age

41
years



38%



62%

Principal Participating Employers

State Retiree Welfare Benefit Trust

2025

Employers by Participating Employer Ranking

	Covered Employees	Rank	Percentage of Total System
State	17,254	1	100.0%
All Other Groups ⁽¹⁾	2	2	0.0%
Total	17,256		100.0%

2024

Employers by Participating Employer Ranking

	Covered Employees	Rank	Percentage of Total System
State	17,105	1	100.0%
All Other Groups ⁽¹⁾	2	2	0.0%
Total	17,107		100.0%

2023

Employers by Participating Employer Ranking

	Covered Employees	Rank	Percentage of Total System
State	17,117	1	100.0%
All Other Groups ⁽¹⁾	2	2	0.0%
Total	17,119		100.0%

2022

Employers by Participating Employer Ranking

	Covered Employees	Rank	Percentage of Total System
State	16,974	1	100.0%
All Other Groups ⁽¹⁾	2	2	0.0%
Total	16,976		100.0%

2021

Employers by Participating Employer Ranking

	Covered Employees	Rank	Percentage of Total System
State	16,719	1	100.0%
All Other Groups ⁽¹⁾	1	2	0.0%
Total	16,720		100.0%

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

Average Benefit Payment

State Retiree Welfare Benefit Trust

2025

Average Benefit Per Participant	\$26,022
Benefit Payments	446,641,873
Average Participants	17,164
Average final salary*	\$4,079

2024

Average Benefit Per Participant	\$22,881
Benefit Payments	391,620,088
Average Participants	17,116
Average final salary*	\$3,446

2023

Average Benefit Per Participant	\$22,167
Benefit Payments	378,564,960
Average Participants	17,078
Average final salary*	\$3,679

2022

Average Benefit Per Participant	\$20,480
Benefit Payments	346,011,777
Average Participants	16,895
Average final salary*	\$3,583

2021

Average Benefit Per Participant	\$19,324
Benefit Payments	302,300,687
Average Participants	16,575
Average final salary*	\$3,560

2020

Average Benefit Per Participant	\$18,404
Benefit Payments	302,762,860
Average Participants	16,451
Average final salary*	\$3,381

2019

Average Benefit Per Participant	\$20,933
Benefit Payments	340,532,953
Average Participants	16,268
Average final salary*	\$3,390

2018

Average Benefit Per Participant	\$19,295
Benefit Payments	308,167,406
Average Participants	15,971
Average final salary*	\$3,477

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

Average Benefit Payment table represents available data from 2018-2025.

