2022

ANNUAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

MCHCP

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A COMPONENT UNIT OF THE STATE OF MISSOURI 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Missouri Consolidated Health Care Plan

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

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

Report prepared by the staff of the
Missouri Consolidated Health Care Plan.

2022
ANNUAL REPORT

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Missouri Consolidated Health Care Plan
A Component Unit of the State of Missouri
2022 Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022

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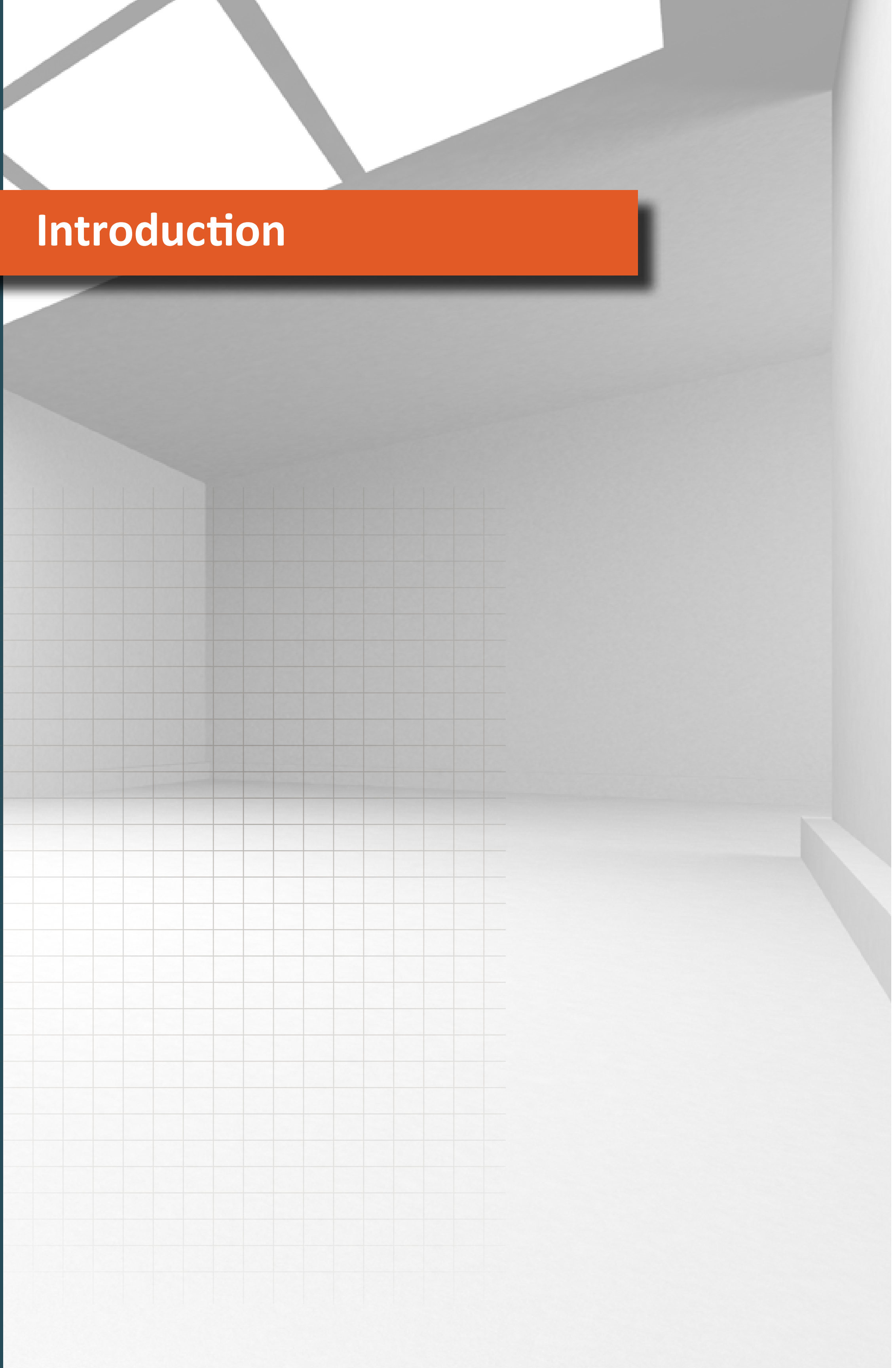
Introduction



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PO Box 104355
Jefferson City, MO 65110
Phone: 800-701-8881
www.mchcp.org

Judith Muck, *Executive Director*

Letter from the Executive Director

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, 2022. 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 staffs to assure internal controls exist and are functioning to promote objectives while minimizing risk. Reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived; the objective is to provide reasonable, rather than absolute assurance, and that the financial statements are free of material misstatements. The report is also designed to comply with the provisions of section 103.025 of the Revised Statutes of Missouri. Financial information can be found in the management discussion and analysis, financial statements, notes to the financial statements and statistical sections included in this report.

Fiscal year (FY) 2022 provided numerous opportunities and unique challenges as we navigated in these challenging financial times. Maintaining affordable coverage is of vital importance to our membership. Contracting, plan coverage, and collaborations with our state partners were all a part of the success of the Plan. We awarded a new pharmacy contract, projected to result in aggregate gross savings of over $30 million during calendar year 2022 including a market check, that reviews our contract against the marketplace, resulting in additional savings of over $2 million for the upcoming fiscal year 2023. Improved plan design for the Medicare Advantage Plan, a new Medicare maximization contract and a new pharmacy transparency contract were all a part of the year's contracting cycle all focused on reducing member's out-of-pocket costs. We were excited to expand coverage at our *Strive for Wellness®* Health Center to members aged 18 and older who are enrolled in Anthem. Keeping coverage affordable to our members was also front and center during fiscal year 2022, as the Board of Trustees approved keeping active state employee premiums at the same level as they have done for the past nine out of ten years. We also collaborated with the Department of Corrections to provide them influenza and other vaccines at no cost for MCHCP enrolled corrections officers and staff. While MCHCP saw a four percent overall increase in medical claim expenditures, the largest contributor is found in increased pharmacy costs at more than five and a half percent over the previous fiscal period.

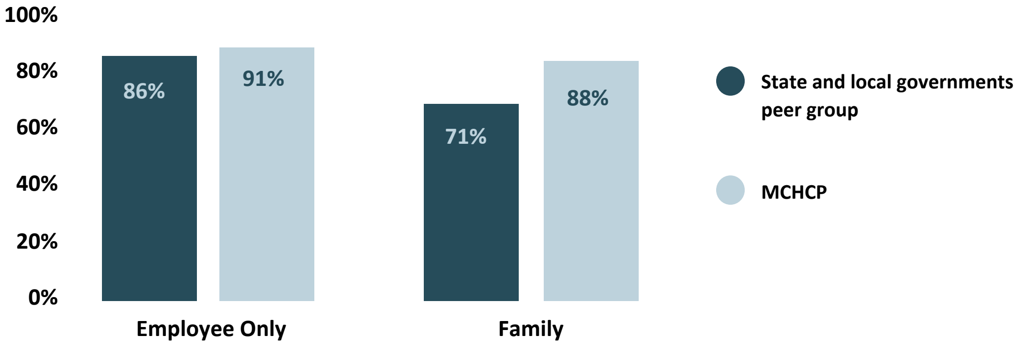
During the fiscal year ended June 30, 2022, the state of Missouri contributed more than $502 million (more than 68 percent of Plan revenues) in the form of employer-sponsored contributions which included over fifteen million in funding for COVID-19 related claims costs. Member contributions for our state members exceeded $114 million while revenues for public enrollment was $9.6 million. MCHCP's investment strategies employed best practices for safety of investment, liquidity and yield, and incorporated objectives of attaining return through budgetary and economic cycles while considering risk and the liquidity needs of the Plan. The portfolio faced the volatility of the global markets, but outpaced related benchmarking. Diversification and a mix of safe haven instruments remain the methodology to produce long term results. Additional investment information can be found in the investment section of this report. The ability to maintain the financial strength of the Plan is incumbent on contributions from the State and members, strong vendor partnerships and improving the health risk profiles of our membership

For our active employees and non-Medicare retirees, self-insured health plans were offered during FY 2022 and were comprised of the Health Savings Account Plan, two PPO Plans and a prescription drug plan. In addition, for our Medicare retiree members, MCHCP offered a fully-insured group Medicare Advantage (PPO) plan along with a self-insured Employer Group Waiver Medicare Prescription Drug plan. As the chart presents, even in challenging economic times, MCHCP's share of premium remains higher than comparators from state and local government peer groups for both employee and family coverages.

Looking forward to FY 2023, with the passage of House Bill No. 3005, the General Assembly and Governor authorized $489 million that fully funded the Board of Trustee's appropriation request.

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

MCHCP Share of Premium - 2022



SOURCES:

U.S. Bureau of Labor Statistics. (2022). **Employee Benefits in the United States, Table 3. Medical plans: Share of premiums paid by employer and employee for single coverage, March 2022.** National Compensation Survey. Retrieved November 18, 2022, from: https://www.bls.gov/news.release/ebs2.t03.htm.

U.S. Bureau of Labor Statistics. (2022). **Employee Benefits in the United States, Table 4. Medical plans: Share of premiums paid by employer and employee for family coverage, March 2022.** National Compensation Survey. Retrieved November 18, 2022, from: https://www.bls.gov/news.release/ebs2.t04.htm.

For the twenty-seventh 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, 2021. 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, 2022 for consideration to GFOA.

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

We look forward to the upcoming 2023 plan year with hope for the health of the world and for our members. I welcome your suggestions for the continued success and improvement of your health plan, MCHCP.

Yours in health,

Judith Muck
Executive Director
December 6, 2022

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, 2021

Christopher P. Morrill

Executive Director/CEO

MCHCP Organization

Judith Muck
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

Stacia G. Fischer
Chief Financial Officer/
Deputy Director

Finance

Research

Internal Audit

Facility Operations

Multimedia Communications

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Judith Muck, *Executive Director*

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Letter from the Chairperson

It is my distinct pleasure to present to you, on behalf of the Board of Trustees, the Annual Comprehensive Financial Report for the Missouri Consolidated Health Care Plan (MCHCP) for the period ended June 30, 2022.

Fiscal year 2022 brought both MCHCP and our great State of Missouri continued challenges and opportunities as we joined together to provide affordable health care to our membership. With the support of the Governor and General Assembly, MCHCP received over $502 million in funding, in recognition of the Board of Trustee's appropriation request while providing for additional funding to recognize COVID-19 claim costs. In addition to the financial support from the State, members contributed over $114 million toward their share of premium.

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

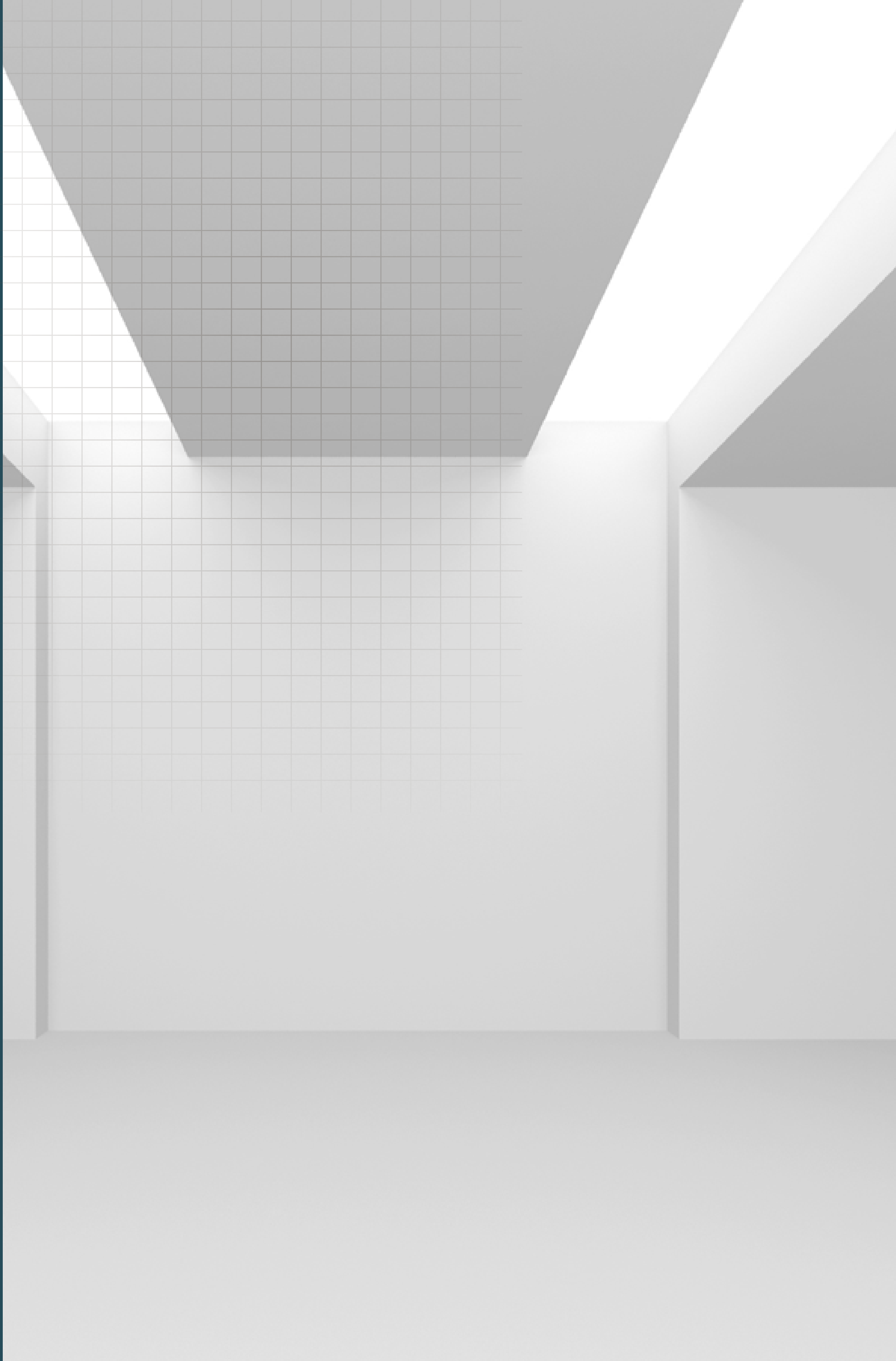
MCHCP expenditures for self-funded medical and pharmacy benefits, a fully insured Group Medicare Advantage (PPO) plan and fully insured dental and vision benefits during fiscal year 2022 were approximately $613 million. Our work remains focused on the health of our population, as during fiscal year 2022, 3.2 percent of our membership presented as a high-cost claimant, defined as those with expenses over $50,000, accounting 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. For fiscal year 2022, unique visitors to our website increased over 70 percent over the previous fiscal period.

On behalf of the Board of Trustees, we value and appreciate the approximately 85,000 state and public members we serve and the dedicated MCHCP staff, advisors and vendors who have worked diligently in the administration of the Plan over this year.

We are encouraged and passionate about the new year and look forward to working together for the continued health and well-being of our members and the Plan.

Respectfully,

Chlora Lindley-Myers
Chairperson
Board of Trustees
December 6, 2022



Professional Services

ACTUARIAL SERVICES & CONSULTING
Willis Towers Watson

AUDIT SERVICES
Armanino LLP
Pillar Rx
PBMares LLP

BANKING - HEALTH SAVINGS ACCOUNT (HSA)
Central Bank

DECISION SUPPORT SYSTEM
IBM Watson Health

DENTAL PROGRAM
MetLife

ELECTRONIC - BASED WEIGHT MANAGEMENT SOLUTION
Naturally Slim

EMPLOYEE ASSISTANCE PROGRAM
ComPsych

GROUP MEDICARE ADVANTAGE (PPO) PLAN
UnitedHealthcare

HEALTH CENTER
Cerner

MEDICAL THIRD PARTY ADMINISTRATOR
Anthem

PHARMACY BENEFIT MANAGER
Express Scripts, Inc.

VISION PROGRAM
National Vision Administrators

Board of Trustees

Ashton Christopher
Chillicothe
Active Employee-Elected Member

Marty Drewel
Holts Summit
Retiree-Elected Member

Cameron Fast
Hamilton
Active Employee-Elected Member

Honorable Barbara Washington
Missouri Senate
District 009
Appointed by the President Pro Tem of the Senate

Kenneth J. Zellers
Commissioner
Office of Administration
Jefferson City
Ex Officio Member

One House of Representatives and one Governor-Appointed Member was open as of June 30, 2022.

Summary of Plan Provisions

VISION

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

PURPOSE

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

MISSION

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

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

ADMINISTRATION

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

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

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

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

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

HEALTH PLANS FOR MEDICAL COVERAGE

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

• 100% coverage of preventive care – such as preventive exams, vaccinations, age-specific screenings and much more – when using a network provider.

• Choice of health care providers, pharmacies and hospitals from a nationwide network, usually at a lower cost.

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

MCHCP OFFERS

PRESCRIPTION DRUG PLANS

MCHCP members in a health plan for medical coverage are automatically enrolled in one of MCHCP's prescription drug plans (PDP). Active employee and non-Medicare retiree members are enrolled in MCHCP's self-insured PDP while Medicare primary retiree members are enrolled in a self-insured Employer Group Medicare Plan (EGWP) 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 provide certain drugs at a lower cost or no cost in support of diabetic and preventive care.

DENTAL PLAN

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

VISION PLAN

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

STRIVE EMPLOYEE LIFE & FAMILY PROGRAM (SELF)

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

The SELF program offers behavioral health counseling services, legal and financial services, and identity theft and fraud resolution services. The SELF program also offers everyday support to assist with every day 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.

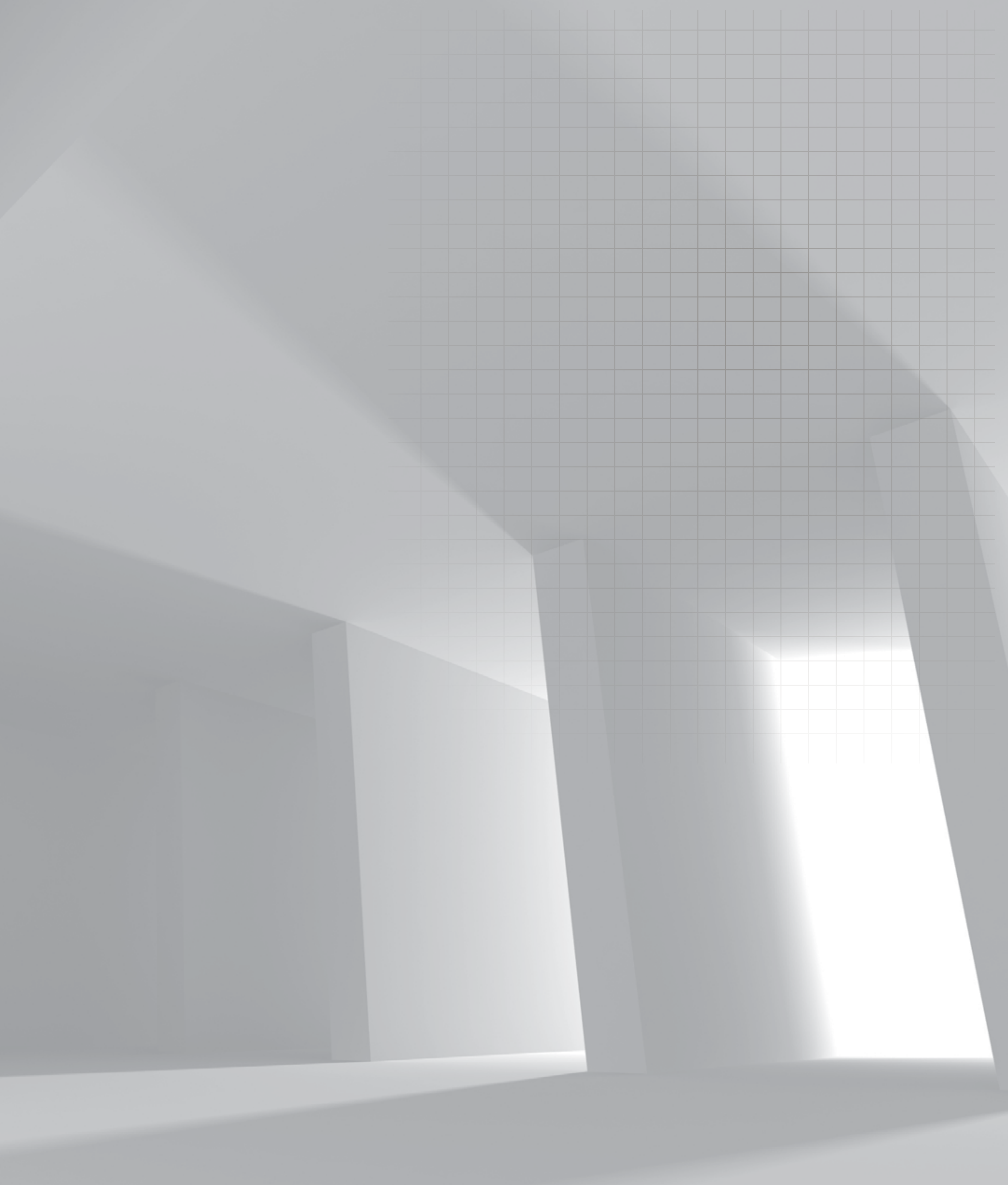
In addition, the *Strive for Wellness®* team – comprised of expert clinicians and health educators - teaches employees how to make healthy lifestyle choices. The team creates health education videos and leads health education events and related activities, such as blood pressure screenings and an annual 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 Non-Medicare Primary MCHCP plan members aged 18 and older enrolled in a MCHCP health plan offered through Anthem. 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

armanino

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of each of the two major funds (Internal Service Fund and State Retiree Welfare Benefit Trust) of Missouri Consolidated Health Care Plan (the "Plan"), which collectively comprise the statement of net position as of June 30, 2022, 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, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

MOORE

An independent firm associated with Moore Global Network Limited

Report of Independent Auditors

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, presented on pages 26 - 36, and the schedule of claims development, pension and other post-employment benefits, presented on pages 70 - 79, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plan's basic financial statements. The additional financial information on page 80, the investment information on pages 82 - 85, and the actuarial information on pages 88 - 123 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the additional financial information, investment information, and the actuarial information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Introductory and Statistical Sections

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

Armanino LLP

Armanino LLP
St. Louis, Missouri

December 6, 2022

Management's Discussion & Analysis

Management's Discussion and Analysis provides an overview of the financial position and activities of the Missouri Consolidated Health Care Plan (MCHCP) for the fiscal years ended June 30, 2022, and 2021. The information presented here should be considered in conjunction with the financial statements and notes. MCHCP is a component unit of the State of Missouri and is included in the State's Annual Comprehensive Financial Report (ACFR).

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

FUND ACCOUNTING

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MCHCP, like other 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 mem-bers covered by other post-employment benefit (OPEB) plans of the State.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Statement of Net Position and Statement of Fiduciary Net Position present MCHCP's financial position as of the end of the fiscal year for each fund. Information is displayed as assets and liabilities, with the difference between the two reported as net position or deficit. The net position of MCHCP 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, 2022, and 2021. 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, 2022, due to increases in cash and cash equivalents as a result of the economic impact of the global pandemic on health care operations 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 $1,084,846. Since the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the Plan has recognized deferred outflows of resources for pension contributions made and expensed of $1,370,128 and $1,382,439, respectively for the periods ended June 30, 2022, and 2021.

Accrued medical claims and fees increased for the ISF for the year ended June 30, 2022, over 2021. 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, 2022, and 2021 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, 2022, decreased over fiscal year 2021, due primarily to a decrease in the amount due to the SRWBT from the ISF and the State's contribution at June 30, 2022 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, 2022 and 2021 reflect the Plan's net pension liability related to GASB 68, *Accounting and Financial Reporting for Pensions* and the noncurrent portion of the right of use building lease with the adoption of GASB 87, *Leases*.

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, 2022 over 2021, 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 due to the global pandemic. 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, 2022	As of June 30, 2021	Amount of Change	Percentage Change
ASSETS				
Current Assets	**$314,231,994**	**$262,200,585**	**$52,031,409**	**19.84%**
Capital Assets	**409,543**	**378,160**	**31,383**	**8.30**
Right of Use Assets	**1,084,846**	**0**	**1,084,846**	**-**
Deferred Outflow of Resources	**1,370,129**	**1,382,439**	**(12,310)**	**(0.89)**
Total Assets and Deferred Outflow of Resources	**$317,096,512**	**$263,961,184**	**$53,135,328**	**20.13%**
LIABILITIES				
Accrued medical claims & fees	**$64,228,572**	**$54,994,061**	**$9,234,511**	**16.79%**
Unearned premiums & other liabilities	**29,786,250**	**60,968,153**	**(31,181,903)**	**(51.14)**
Lease liability	**230,143**	**0**	**230,143**	**-**
Total current liabilities	**94,244,965**	**115,962,214**	**(21,717,249)**	**(18.73)**
Total noncurrent liabilities	**8,812,320**	**9,081,290**	**(268,970)**	**(2.96)**
Deferred Inflow of Resources	**$1,598,241**	**$325,462**	**$1,272,779**	**391.07%**
Total Liabilities and Deferred Inflow of Resources	**$104,655,526**	**$125,368,966**	**($20,713,440)**	**(16.52%)**
NET POSITION				
Unrestricted	**$210,946,597**	**$138,214,058**	**$72,732,539**	**52.62%**
Net investment in capital assets	**409,543**	**378,160**	**31,383**	**8.30**
Investment in right of use assets	**1,084,846**	**0**	**1,084,846**	**-**
Total Net Position	**$212,440,986**	**$138,592,218**	**$73,848,768**	**53.28**
Total Liabilities and Net Position	**$317,096,512**	**$263,961,184**	**$53,135,328**	**20.13%**

Summary Comparative Statement of Fiduciary Net Position

Cash and cash equivalents decreased primarily to the timing of investment strategies and activity as approved by the Board of Trustees and performed by the Plan's investment manager. The decrease in amounts due from MCHCP at June 30, 2022, over 2021, reflect 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, 2022, over 2021, primarily due to the fund transfer to the SRWBT from the ISF and its impact to investable assets of the SRWBT.

Prescription drug rebates for the SRWBT increased during fiscal year 2022, as a result of the Plan's increases in pharmacy and specialty drug expenditures and the related direct and coverage gap discounts associated with those payments. Contractual improvements associated with pharmacy market check provisions increased per script returns while bolstering rebate revenues.

Contractual market check provisions associated with retail brand scripts increased prescription drug rebates for the SRWBT and was also a contributor to the increase in net position at June 30, 2022, to approximately $194.3 million compared to $192.5 million at June 30, 2021.

Summary Comparative Fiduciary Net Position

State Retiree Welfare Benefit Trust

	As of June 30, 2022	As of June 30, 2021	Amount of Change	Percentage Change
ASSETS				
Cash and cash equivalents	**$2,850,938**	**$3,701,083**	**($850,145)**	**(22.97%)**
Due from MCHCP	**8,859,278**	**40,225,425**	**(31,366,147)**	**(77.98)**
Investments, at fair value	**165,785,279**	**138,207,575**	**27,577,704**	**19.95**
RECEIVABLES				
Prescription drug rebates	**$30,251,942**	**$23,227,589**	**$7,024,353**	**30.24%**
Other receivables	**296,689**	**292,720**	**3,969**	**1.36**
Total receivables	**30,548,631**	**23,520,309**	**7,028,322**	**29.88**
Total Assets	**$208,044,126**	**$205,654,392**	**$2,389,734**	**1.16%**
LIABILITIES				
Accrued medical claims & capitation fees	**$7,010,159**	**$6,785,908**	**$224,251**	**3.30%**
Unearned revenue	**6,482,624**	**6,171,488**	**311,136**	**5.04**
Other liabilities	**267,627**	**237,174**	**30,453**	**12.84**
Total Liabilities	**$13,760,410**	**$13,194,570**	**$565,840**	**4.29%**
Net Position restricted for pensions	**$194,283,716**	**$192,459,822**	**$1,823,894**	**0.95%**

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

State/Employer contributions for fiscal years 2022 and 2021, for the ISF totaled $429,970,954 and $437,336,186, 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, including during the fiscal year ended, June 30, 2022, over $13.8 million for the impact to the ISF of the global pandemic. 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, 2022, and 2021, 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, 2022, increased by approximately $1.5 million reflective of increases in enrollment of approximately four percent. Public entity contributions for the years ended June 30, 2022, and 2021, were $9,633,398 and $8,150,024, respectively.

Pharmacy rebates increased significantly at June 30, 2022, over 2021 and are primarily influenced by the Plan’s prescription drug expenditures, active enrollment, and the related contractual rebate improvements.

Medical claims and capitation expense increased slightly, by over two percent, during fiscal year 2022 over 2021, and although reflects increased costs, actual costs remain less than actuarially projected as medical claims continue to be somewhat influenced by the impact of the global pandemic.

General and administrative expense decreases are primarily reflective of decreases in enrollment impacting third party administrative fees and the Plan’s commitment to operational administrative efficiencies.

Investment income was significantly impacted by economic factors influencing global market returns during fiscal year 2022 for the ISF.

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

Internal Service Fund

	Year ended June 30, 2022	Year ended June 30, 2021	Amount of Change	Percentage Change
OPERATING REVENUES				
State/employer contributions	**$429,970,953**	**$437,336,186**	**($7,365,233)**	**(1.68%)**
State employee/member contributions	**70,503,325**	**74,012,245**	**(3,508,920)**	**(4.74)**
Public entity contributions	**9,633,399**	**8,150,024**	**1,483,375**	**18.20**
Subcontractor & other rebates	**42,840,523**	**32,607,229**	**10,233,294**	**31.38**
Total Operating Revenues	**$552,948,200**	**$552,105,684**	**$842,516**	**0.15%**
OPERATING EXPENSES				
Medical claims & capitation expense	**$460,343,536**	**$450,588,923**	**$9,754,613**	**2.16%**
General & administration expense	**14,977,815**	**16,026,341**	**(1,048,526)**	**(6.54)**
Total Operating Expenses	**$475,321,351**	**$466,615,264**	**$8,706,087**	**1.87%**
Operating gain/loss	**77,626,849**	**85,490,420**	**(7,863,571)**	**(9.20)**
Investment income & other changes	**(3,778,081)**	**433,362**	**(4,211,443)**	**(971.81)**
Excess of revenues over ex-penses	**73,848,768**	**85,923,782**	**(12,075,014)**	**(14.05)**
Net position, beginning of the year, adjusted	**138,592,218**	**52,668,436**	**85,923,782**	**163.14**
Net Position, end of year	**$212,440,986**	**$138,592,218**	**$73,848,768**	**53.28%**

Summary Comparative Statement of Changes in Fiduciary Net Position

Employer contributions for the SRWBT for the years ended June 30, 2022, and 2021, respectively were $73,021,995 and $74,330,294 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 2022, and 2021, respectively.

Investment income for the SRWBT was strongly influenced by the volatility impacting global markets. Equity performance was -13.81% but outperformed the benchmark of -15.87% and fixed returns within the portfolio were -6.54%, outperforming the benchmark of -7.77%. Asset allocations for 2023 will deploy a greater allocation to risk while continuing to maintain exposure to diversified safe haven assets.

MCHCP participates in a Medicare Prescription Drug Plan to provide coverage to Medicare-primary retirees and dependents. The program provides greater savings to the employer over the historical retiree drug subsidy (RDS). During fiscal years 2022, and 2021 the SRWBT received $67,663,080 and $53,623,533 for retiree drug subsidy and other rebates.

Medical claims and capitation expense increased for the SRWBT during the period ended June 30,2022, primarily due to an increase of over three percent in retiree membership for the year ended June 30, 2022.

Summary Comparative Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust

	Year ended June 30, 2022	Year ended June 30, 2021	Amount of Change	Percentage Change
ADDITIONS				
Employer contributions	**$73,021,995**	**$74,330,294**	**($1,308,299)**	**(1.76%)**
Retiree contributions	**43,527,194**	**43,275,109**	**252,085**	**0.58**
Investment income	**(12,883,097)**	**18,258,737**	**(31,141,834)**	**(170.56)**
Retiree drug subsidy & other rebates	**67,663,080**	**53,623,533**	**14,039,547**	**26.18**
Total Additions	**$171,329,172**	**$189,487,673**	**($18,158,501)**	**(9.58%)**
DEDUCTIONS				
Medical claims & capitation expense	**$161,799,507**	**$149,071,751**	**$12,727,756**	**8.54%**
Claims administration services	**4,783,416**	**4,926,263**	**(142,847)**	**(2.90)**
Administration & other	**2,922,355**	**2,921,853**	**502**	**0.02**
Total Deductions	**$169,505,278**	**$156,919,867**	**$12,585,411**	**8.02%**
Net increase	**1,823,894**	**32,567,806**	**(30,743,912)**	**(94.40)**
Net position restricted for pensions				
Beginning of year	**192,459,822**	**159,892,016**	**32,567,806**	**20.37**
End of year	**$194,283,716**	**$192,459,822**	**$1,823,894**	**0.95%**

SUMMARY

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

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

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

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.

Statement of Net Position

Internal Service Fund as of June 30, 2022

ASSETS	
Current Assets	
Cash & cash equivalents	**$191,583,483**
Investments, at fair value	**95,583,326**
Rebates & other receivables	**26,869,258**
Prepaid expenses	**195,927**
Total Current Assets	**$314,231,994**
Noncurrent Assets	
Capital Assets	
Furniture, fixtures & equipment, net of accumulated depreciation of $1,431,550	**409,543**
Leased Assets	
Right to Use Asset, net of accumulated depreciation of $227,052	**1,084,846**
Total Noncurrent Assets	**1,494,389**
Deferred Outflow of Resources	**1,370,129**
Total Assets and Deferred Outflow of Resources	**$317,096,512**
LIABILITIES	
Current Liabilities	
Accrued medical claims & capitation fee expense	**$64,228,572**
Accounts payable & accrued expenses	**661,510**
Due to SRWBT	**8,859,278**
Deferred premium revenue	**20,265,462**
Lease Liability	**230,143**
Total Current Liabilities	**94,244,965**
Noncurrent Liabilities	
Net pension liability	**7,954,583**
Lease Liability	**857,737**
Total Noncurrent Liabilities	**8,812,320**
Deferred Inflow of Resources	**1,598,241**
Total Liabilities and Deferred Inflow of Resources	**$104,655,526**
Net Position	
Unrestricted	**$210,946,597**
Net investment in capital and right of use assets	**1,494,389**
Total net position	**212,440,986**
Total Liabilities, Deferred Inflow of Resources and Net Position	**$317,096,512**

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

Statement of Revenues, Expenses & Change in Net Position

Internal Service Fund for the year ended June 30, 2022

Operating Revenues	
State/employer contributions	**$429,970,953**
Member contributions	**70,503,325**
Public entity contributions	**9,633,399**
Pharmacy rebates	**42,840,523**
Total Operating Revenues	**$552,948,200**
Operating Expenses	
Medical claims & capitation expense	**$460,343,536**
Claims administration services	**9,831,737**
Payroll & related benefits	**3,185,235**
Health management	**5,265**
Administration	**980,820**
Professional services	**602,902**
Employee assistance program	**371,856**
Total Operating Expenses	**$475,321,351**
Operating revenues over (under) operating expenses	**77,626,849**
Non-Operating Revenues	
Investment & other income	**(3,778,081)**
Change in net position	**73,848,768**
Net position, beginning of year	**138,592,218**
Net Position, End of Year	**$212,440,986**

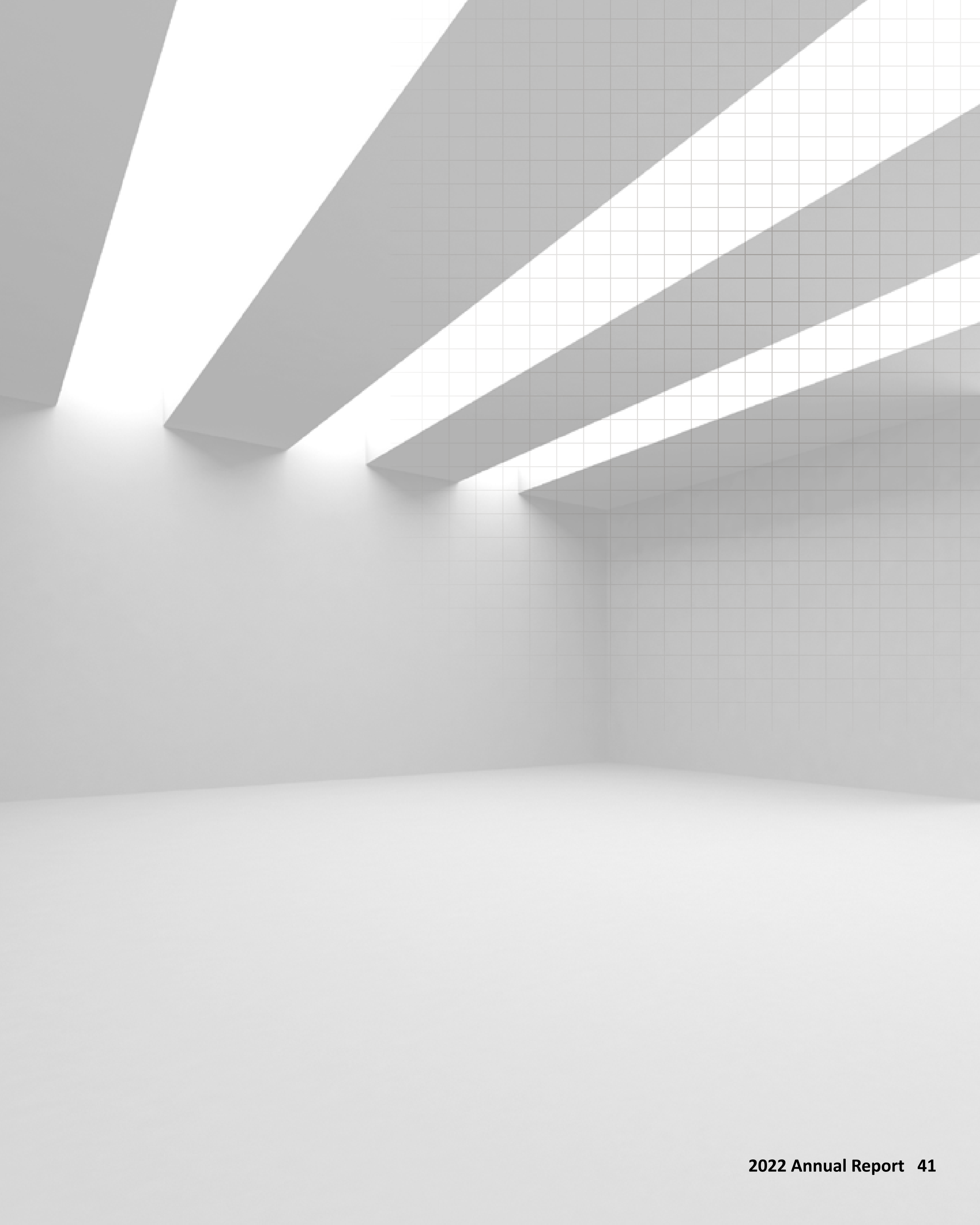
The accompanying notes are an integral part of the financial statements.

Statement of Cash Flows

Internal Service Fund year ended June 30, 2022

Cash Flows from Operating Activities	
Cash received from State, employer, members & public entities	**$542,716,772**
Cash payments for medical claims & capitation fee payments	**(451,109,025)**
Cash payments to employees for services	**(3,026,853)**
Cash payments to other suppliers of goods & services	**(11,631,385)**
Net Cash Provided by Operating Activities	**$76,949,509**
Cash Flows from Noncapital Financing Activities	
Changes in amounts due to SRWBT	**(31,366,147)**
Cash Flows from Capital & Related Financing Activities	
Purchase of furniture, fixtures & equipment and right of use assets	**(118,748)**
Cash Flows from Investing Activities	
Cash received from investment income; net of investment expenses	**1,910,537**
Purchase of investments	**(101,271,738)**
Proceeds from investments	-
Net cash provided by Investing Activities	**(99,361,201)**
Net increase in Cash & Cash equivalents	**(53,896,587)**
Cash & Cash Equivalents, Beginning of Year	**$245,480,070**
Cash & Cash Equivalents, End of Year	**$191,583,483**
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating revenues under operating expenses	**$77,626,849**
Adjustments	
Adjustments to net cash used by operating activities	
Depreciation	**90,194**
Pension expense	**845,329**
Changes in Assets & Liabilities	
Rebates & other receivables	**(10,401,490)**
Prepaid expenses	**56,820**
Accrued medical claims & capitation fees	**9,234,511**
Accounts payable & accrued expenses	**14,181**
Unearned premium revenue	**170,062**
Deferred outflows - contributions after the measurement date	**(686,947)**
Total Adjustments	**(677,340)**
Net Cash Provided By Operating Activities	**$76,949,509**
Noncash investing, capital & financing activities	
Change in fair value of investments	-

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, 2022

ASSETS	
Cash & cash equivalents	**$2,850,938**
Due from MCHCP	**8,859,278**
Investments, at fair value	
U.S. Agencies	**38,600,413**
Exchanged Traded Funds	**22,299,513**
U.S. Government guaranteed mortgages	**11,571,888**
Equity	**23,655,662**
Corporate	**19,539,707**
Collateralized mortgage obligations	**2,801,351**
U.S. Treasury	**47,316,745**
Receivables	
Prescription drug rebates	**30,251,942**
Other receivables	**296,689**
Total Assets	**$208,044,126**
LIABILITIES	
Accrued medical claims & capitation fees	**$7,010,159**
Unearned revenue	**6,482,624**
Other liabilities	**267,627**
Total Liabilities	**$13,760,410**
Net Position restricted for pensions	**$194,283,716**

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, 2022

Additions	
Employer contributions	**$73,021,995**
Retiree contributions	**43,527,194**
Investment income	**(12,883,097)**
Retiree drug subsidy & other rebates	**67,663,080**
Total Additions	**$171,329,172**
Deductions	
Medical claims & capitation expense	**$161,799,507**
Claims administration services	**4,783,416**
Administration & other	**2,922,355**
Total Deductions	**$169,505,278**
Net Increase	**1,823,894**
Net Position restricted for pensions	
Beginning of Year	**192,459,822**
End of Year	**$194,283,716**

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

Notes to Financial Statements

1. GENERAL INFORMATION

The Missouri Consolidated Health Care Plan (MCHCP) 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 84,000 active and retired State members and dependents, 1,209 public entity members and dependents, and over 85,000 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 43, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, MCHCP created a separate fiduciary trust fund (State Retiree Welfare Benefit Trust, or SWRBT) 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. 87, *Leases*, which requires a single leasing model for accounting and reporting purposes. Additional information related to MCHCP's right of use assets and liabilities is included in the Notes to 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

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

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

Subsequent Events

The Plan has evaluated subsequent events through December 6, 2022, the date the financial statements were available for issue.

B. Method Used to Value Investments

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

C. Deposits & Investments

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

Custodial Credit Risk

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

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

Deposits

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

At June 30, 2022, cash held in the financial institution had a bank balance of $250,258 and a carrying value of ($195,640). Of the bank balance, $250,000 was covered by federal depository insurance. The remaining $194,630,060 of cash and cash equivalents are held in repurchase agreements and fully collateralized with securities held by a third-party financial institution in the Plan's name.

The Plan's contracted yield on its overnight repurchase agreements was 17 basis points above the prevailing 91-day U.S. Treasury Bill rate as of June 30, 2022.

Investments

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

The Board of Trustees adopted an asset allocation model for the SRWBT that implemented a moderate investment approach allocating 33 percent to equities. This approach was approved to steadily increase the exposure of the SRWBT to higher return asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back-tested, and future assets are projected in all models. The Plan follows the "prudent person" rule for investment decisions. Essentially, the Plan operates as a prudent person acting in a like capacity and familiar with similar matters would act in the conduct of an enterprise of a like character and with like aims. Any person with fiduciary responsibilities with respect to the Plan is covered by this "prudent person" rule. As of June 30, 2022, the Plan had the following investments as presented on the next page.

Investments

State Retiree Welfare Benefit Trust

Investments	2022 Fair Value
U.S. Agencies	**$38,600,413**
Exchange Traded Funds	**22,299,513**
U.S. Government Guaranteed Mortgages	**11,571,888**
Equities	**23,655,662**
Corporate	**19,539,707**
Collateralized Mortgage Obligations	**2,801,351**
U.S. Treasury	**47,316,745**
Total Investments	**$165,785,279**

Investments

Internal Service Fund

Investments	2022 Fair Value
U.S. Agencies	**$8,286,046**
U.S. Treasury	**87,297,280**
Total Investments	**$95,583,326**

Concentration of Credit Risk

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

Investments in U.S. Treasuries and securities, collateralized time and demand deposits, and collateralized repurchase agreements can constitute up to 100 percent of the investment portfolio; U.S. government agencies, including mortgage-backed securities, cannot exceed 60 percent of the portfolio; and U.S. government agency callable securities, bankers' acceptances and commercial paper cannot exceed 30 percent of the portfolio. The SRWBT has implemented an investment approach allocating 33 percent to equities.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Plan minimizes this risk by only authorizing investment types approved by the Treasurer of the State of Missouri, limiting investments to the safest types of securities, and diversifying the portfolio so potential losses on individual securities will be minimized. The Plan's investments by credit rating category as of June 30, 2022 are presented below.

Credit Risk

State Retiree Welfare Benefit Trust

Investments	2022 Fair Value	2022 Ratings
U.S. Agencies	**$38,600,413**	**Aaa**
Exchange Traded Funds	**22,299,513**	**4 - Star**
U.S. Government Guaranteed Mortgages	**11,571,888**	**Aaa**
Equities	**23,655,662**	**N/A**
Corporate	**19,539,707**	**A**
Collateralized Mortgage Obligations	**2,801,351**	**Aaa**
U.S. Treasury	**47,316,745**	**Aaa**
Total Investments	**$165,785,279**	

Credit Risk

Internal Service Fund

Investments	2022 Fair Value	2022 Ratings
U.S. Agencies	**$8,286,046**	**Aaa**
U.S. Treasury	**87,297,280**	**Aaa**
Total Investments	**$95,583,326**	

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, 2022 are presented below.

Interest Rate Risk

State Retiree Welfare Benefit Trust

Investments	2022 Fair Value	2022 Duration
U.S. Agencies	**$38,600,413**	**4.15**
Exchange Traded Funds	**22,299,513**	**N/A**
U.S. Government Guaranteed Mortgages	**11,571,888**	**3.62**
Equities	**23,655,662**	**N/A**
Corporate	**19,539,707**	**3.08**
Collateralized Mortgage Obligations	**2,801,351**	**5.17**
U.S. Treasury	**47,316,745**	**0.22**
Total Investments	**$165,785,279**	

Interest Rate Risk

Internal Service Fund

Investments	2022 Fair Value	2022 Duration
U.S. Agencies	**$8,286,046**	**4.09**
U.S. Treasury	**87,297,280**	**2.57**
Total Investments	**$95,583,326**	

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.

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 with Level 1 of the fair value hierarchy. MCHCP's Level 1 investments include exchange traded funds and equities for the SRWBT. When quoted prices in active markets are not available, fair values are based on evaluated prices received from MCHCP's custodian of investments in conjunction with a third party pricing service and are reported with 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 both the ISF and SRWBT of U.S Government Agencies and U.S. Treasuries and additionally for the SRWBT of Mortgage Backed Securities, Corporate, and Collateralized Mortgage Obligations. MCHCP did not maintain any Level 3 investments.

Investments

State Retiree Welfare Benefit Trust

Investments	Fair Value June 30, 2022	Fair value measurement at report date using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Government Agencies (AGCY)	**$38,600,413**	-	**$38,600,413**	**$-**
Exchange Traded Funds (ETF)	**22,299,513**	**22,299,513**	-	-
U.S. Government Guaranteed Mortgages	**11,571,888**	-	**11,571,888**	-
Equities	**23,655,662**	**23,655,662**	-	-
Corporate	**19,539,707**	-	**19,539,707**	-
Collateralized Mortgage Obligations (CMO)	**2,801,351**	-	**2,801,351**	-
U.S. Treasury	**47,316,745**	-	**47,316,745**	-
Total	**$165,785,279**	**$45,955,175**	**$119,830,104**	**$ -**

D. Interfund Activity & Balances

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

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

E. Receivables

Beginning January 1, 2014, the Plan began offering an Employer Group Waiver Plan (EGWP), a Medicare Part D prescription drug plan (PDP) to Medicare eligible retirees and covered Medicare eligible dependents. Estimated revenue is recognized as the SRWBT incurs Medicare eligible retiree prescription drug expenditures. In addition, the Plan receives rebates from its pharmacy benefit manager related to manufacturers' rebates and other guaranteed rebates for non-Medicare Part D prescriptions. For the year ended June 30, 2022, 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. Furniture, Fixtures & Equipment and Right of Use Assets (Leases)

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, 2022 are as presented in the chart below.

MCHCP's right of use assets consist of its leased office building under an agreeement recorded as a right of use (ROU) lease. MCHCP utilized a borrowing rate of 2.25%, reflecting its contractual borrowing rate of federal funds rate plus 50 basis points to calculate the present value and applicable interest.

Furniture, Fixtures & Equipment

Missouri Consolidated Health Care Plan	2022
Additions	
Balance, beginning of year	**$1,904,886**
Additions	**121,782**
Deletions	**(185,575)**
Balance, End of Year	**$1,841,093**
Accumulated Depreciation	
Balance, beginning of year	**$1,526,726**
Depreciation expense	**90,194**
Deletions	**(185,370)**
Balance, End of Year	**$1,431,550**

Right of Use Assets

Missouri Consolidated Health Care Plan	2022
Additions	
Balance, beginning of year	**$0**
Additions	**1,311,938**
Deletions	**0**
Lease Asset Balance, End of Year	**$1,311,938**
Accumulated Depreciation	
Balance, beginning of year	**$0**
Depreciation expense	**227,092**
Deletions	**0**
Right of Use Assets Accumulated Depreciation, End of Year	**$227,092**
Right of Use Asset Balance, End of Year (Net)	**$1,084,846**

Right of Use (ROU) Lease Obligation

	Principal	Interest
2023	**232,433**	**22,101**
2024	**237,717**	**16,817**
2025	**243,121**	**11,413**
2026	**248,648**	**5,886**
2027	**125,961**	**831**

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 2022, averaged $1,084 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, 2022 averaged 4.32 percent of active employee covered payroll.

The State did not provide additional funding towards future OPEB benefits for the period ended June 30, 2022. 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, 2022, there were 22,949 retirees and their dependents who met these eligibility requirements.

For the year ended June 30, 2022, expenditures (net of retiree contributions) of $130.9 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 opposite page.

Summary of Key Actuarial Methods & Assumptions

State Retiree Welfare Benefit Trust

Valuation Year
July 1, 2021 - June 30, 2022

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

The trend rate for non-Medicare benefits is assumed to be 6.50% in fiscal 2023 through 2025, then decreasing by 0.25% per year to an ultimate rate of 5.0% in fiscal 2031. For Medicare benefits, the trend rate is assumed to be 14.50% in fiscal 2023, 15.00% in fiscal 2024, 11.50% in fiscal 2025, 10.50% in fiscal 2026, 9.75% in fiscal 2027, 9.00% in fiscal 2028, 8.25% in fiscal 2029, 7.50% in fiscal 2030, 6.75% in fiscal 2031, 6.00% in fiscal 2032, 5.25% in fiscal 2033, then 5.00% in fiscal 2034 and after. The Medicare trend reflects the current drug plan, together with the extension of the $0 medical premium guarantee through the end of calendar year 2023, and estimated Medicare Advantage premiums thereafter.

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, 2022, the Plan insured approximately 66 percent of its members through PPO contracts, 19 percent in a fully insured group Medicare Advantage (PPO) plan, and 15 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, 2022, $12,751,731 is included in accrued medical claims and capitation fee expenses for accrued PPO capitation expenses. Additionally, $58,487,000 at June 30, 2022, 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 2022 is presented below.

Summary of Changes in Estimated Accrued Claims

Internal Service Fund

Balances	2022
Balance at beginning of year	**$42,748,000**
Current year claims & changes in estimates	**460,343,536**
Claim payments	**(451,188,536)**
Balance at End of Year	**$51,903,000**

Summary of Changes in Estimated Accrued Claims

State Retiree Welfare Benefit Trust

Balances	2022
Balance at beginning of year	**$6,579,000**
Current year claims & changes in estimates	**161,799,507**
Claim payments	**(161,794,507)**
Balance at End of Year	**$6,584,000**

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 Financial Report (AFR), 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' AFR beginning on page 26.

Contributions. Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board of Trustees. Employees in the MSEP2011 Plan are required to contribute 4.0 percent of their annual pay. MCHCP's required contribution rate for the year ended June 30, 2022, was 23.51 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 $686,947 for the year ended June 30, 2022.

Net Pension Liability. At June 30, 2022, MCHCP reported a liability of $7,954,583, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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 AFR as of June 30, 2021 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, 2021. At the June 30, 2021 measurement date, MCHCP's proportion was 0.14228 percent, a decrease from its proportion measured using 0.14307 percent as of the June 30, 2020, measurement date.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2021, that affected the measurement of total pension liability.

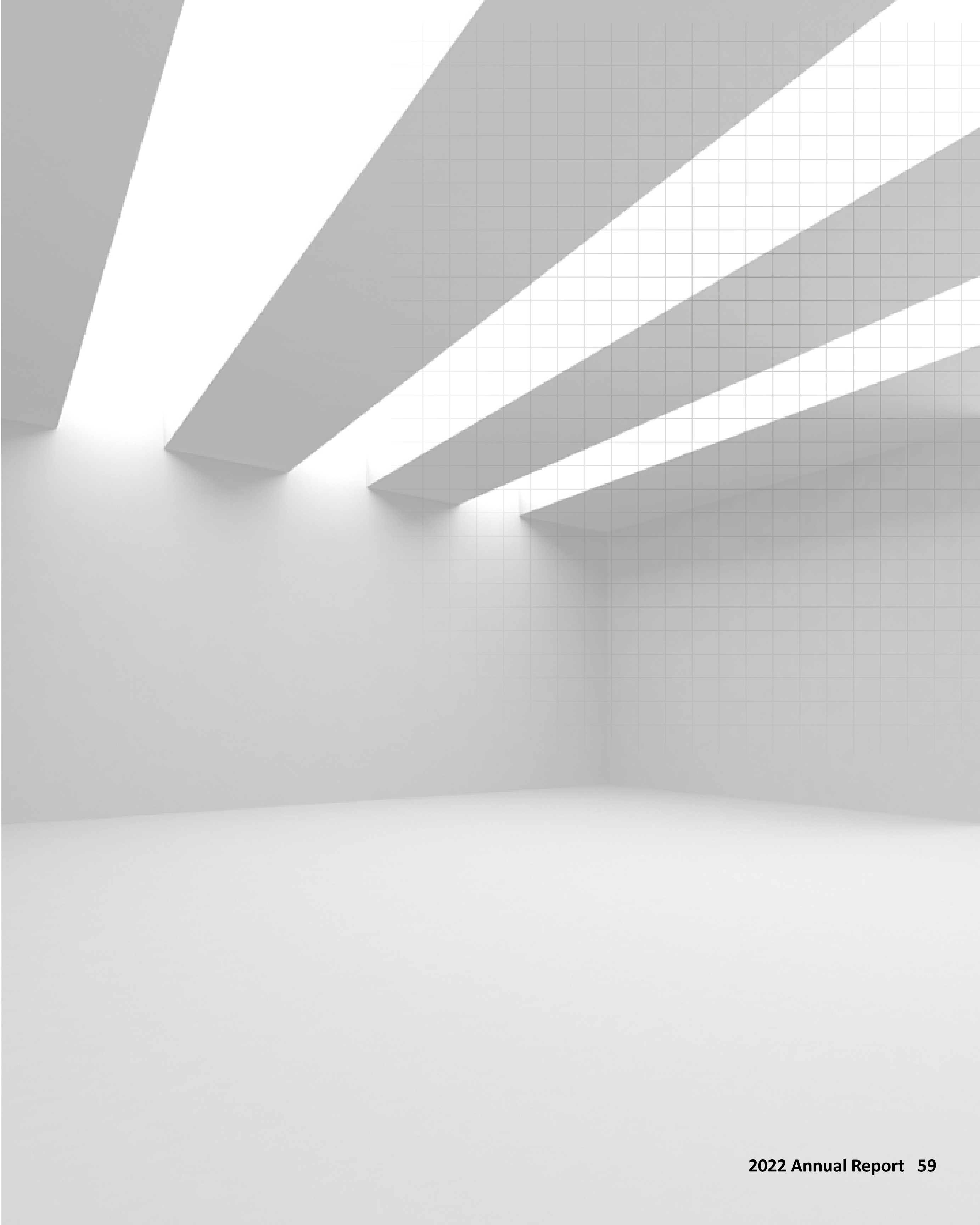
Assumptions. The total pension liability in the June 30, 2021 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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, 2021 valuation were based on the results of an actuarial experience study preformed 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 following table:



Asset Class Allocation

Asset Class	Policy Allocation	Long-term Expected-Nominal Return*	Long-Term Expect-ed 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, the pension plan's 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	**$10,484,529**	**$7,954,583**	**$5,842,397**

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, 2022, MCHCP recognized pension expense of $845,329.

Deferred Outflows of Resources and Deferred Inflows of Resources. At June 30, 2022, 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	**$126,837**	**$35,194**
Changes of assumptions	**$556,345**	**$0**
Net difference between projected and actual earnings on pension plan investments	**$0**	**$1,434,126**
Changes in proportion and differences between MCHCP contributions and proportionate share of contributions	**$0**	**$128,921**
MCHCP contributions subsequent to the measurement date of 6-30-21	**$686,947**	-
Total	**$1,370,129**	**$1,598,241**

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

Projected Recognition of Deferred Outflows/(Inflows)

Plan Year ending June 30:

2022	**($70,997)**
2023	**($33,642)**
2024	**($384,235)**
2025	**($426,183)**
Thereafter	**-**

Payables to the pension plan. As of June 30, 2022, 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 ICMA-RC for participant account record keeping and processing services since November 2011. The Plan offers all state employees the opportunity to save for retirement with before and after tax (Roth) money. New permanent full-time and part-time employees are automatically enrolled in the plan at a 1% contribution per pay period made via payroll deduction.

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

L. Employee Assistance Program

An employee assistance benefit program is offered to all State employees and their immediate families. The program, serviced through ComPsych, offers 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, 2022, there were 22,949 retirees and their dependents who met these eligibility requirements. For the year ended June 30, 2022, expenditures (net of retiree contributions) of $130.9 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, 2022, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits - 16,975

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

Active plan members - 31,432

Active/Inactive plan members who may become eligible to receive benefits - 3,230

*Once an inactive member (retiree, survivor, disabled, or vested) terminates his/her coverage, he/she is not eligible to re-enroll at 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, 2022, participants contributed $43.5 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, 2022:

Asset Class	Target Allocation	Long-Term Nominal Rate of Return
Domestic LC Equity	**19%**	**7.7%**
Domestic MC Equity	**6%**	**7.7%**
Domestic SC Equity	**9%**	**5.9%**
Global Equity	**5%**	**10.1%**
Domestic Fixed Income	**59%**	**3.3%**
Cash Equivalents	**2%**	**2.9%**
	100%	

Rate of Return. For the year ended June 30, 2022, the annual time weighted rate of return on investments, net of investment expense, was -8.76%. The time weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

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

Actuarial Methods and Assumptions. The actuarial calculations utilize methodologies and assumptions designed to reduce short-term volatility. The cost method utilized for the valuation year June 30, 2022, was the entry age normal, level percent of pay. Actuarial assumptions include a discount rate of 5.50%, a trend rate for non-Medicare benefits of 6.50% in fiscal year 2023 through 2025, then decreasing by 0.25% per year until achieving an ultimate rate of 5.0% in fiscal year 2031. The UAAL is amortized as a level percent of pay on an open basis, over a 30 year period.

OPEB Liability Assumptions

General Inflation Rate	3.00%
Discount Rate	5.50%
Expected Return on Assets	5.50%
Municipal Bond Rate	N/A
Compensation/Salary Increases	4.00%
Health Care Cost Trend Rate (Med and RX)	Non-Medicare 6.50% in fiscal 2023 through 2025, then decreasing by 0.25% per year until an ultimate of 5.0% in 2031 and after. Medicare 14.50% in fiscal year 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 year 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 through the end of calendar year 2023, and estimated Medicare Advantage premiums thereafter.
Administration expense	$307 per person (apply only to non-Medicare)

Net OPEB Liability. The net OPEB liability under GASB 74 was calculated utilizing census data at 7/01/2022. Net OPEB liability as of June 30, 2022, was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by the actuarial valuation as of June 30, 2022, and is presented below:

Net OPEB Liability
(in thousands)

	2022
Net OPEB Liability Components:	
Total OPEB Liability	**$1,603,151**
Plan Fiduciary Net Position	**194,284**
Net OPEB Liability	**1,408,867**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	**12.12%**

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

	1% Decrease in Discount Rate (4.50%)	Current Discount Rate (5.50%)	1% Increase in Discount Rate (6.50%)
Net OPEB Liability	**$1,660,751**	**1,408,867**	**1,206,595**
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	**$1,203,855**	**1,408,867**	**1,663,887**

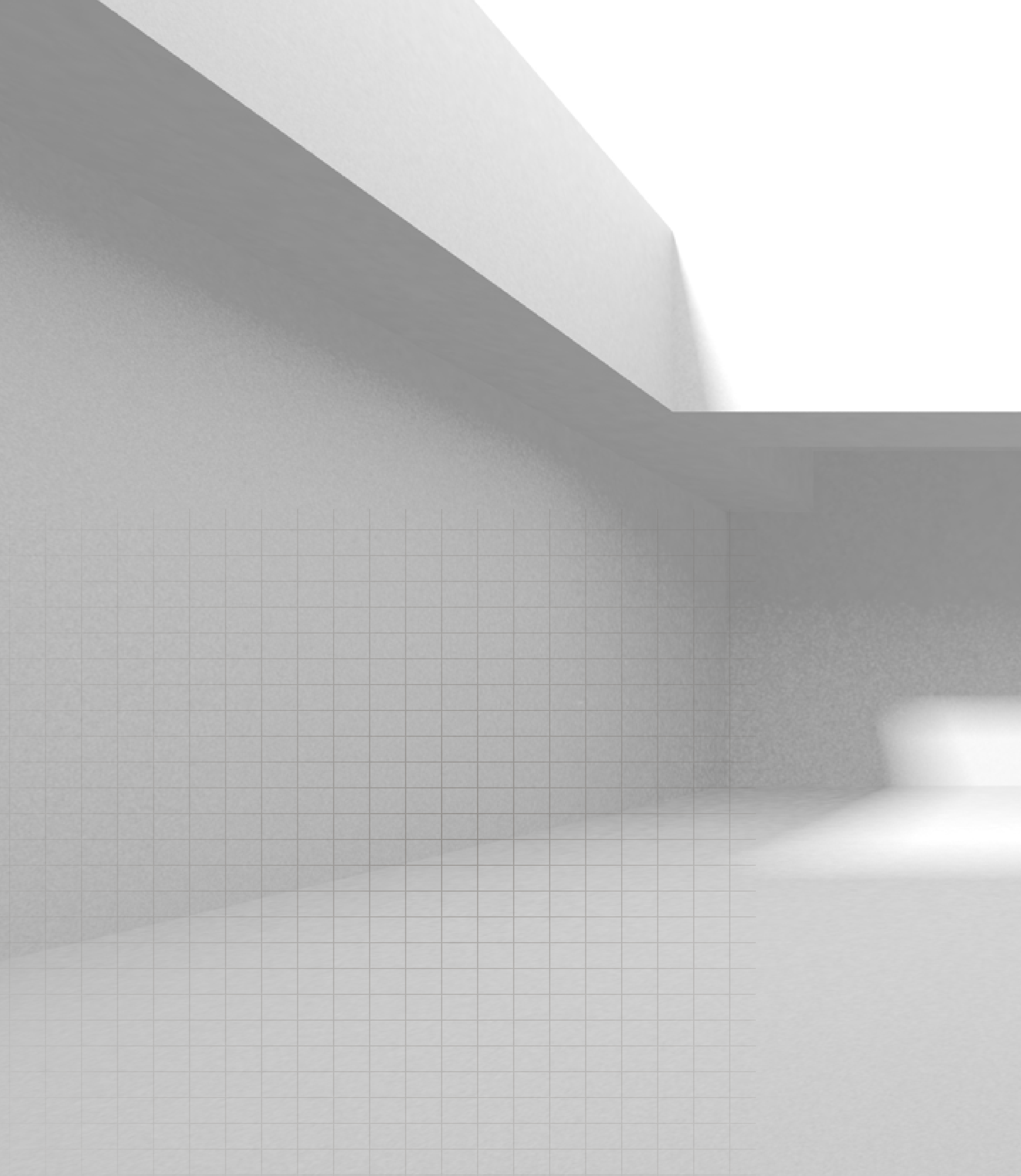
Development of Discount Rate. The discount rate was determined as a blend of the best estimate of the expected return on plan assets and, the 20 year high quality municipal bond rate as of the measurement date. For years where expected benefit payments can be covered by projected trust assets, expected 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, A*ccounting and Financial Reporting for Postemployment 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 2022, MCHCP contributed $126,657 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.

N. Risk and Uncertainties.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. While this matter is expected to produce global impact, the related financial impact cannot be reasonably estimated at this time.



Required Supplementary Information

Schedule of Claims Development

State Actives & Retirees

	2022 **Total**	2022 **Active**	2022 **Retiree**
Fiscal Year	July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022
Required contribution & investment income	**$710,865,892**	**$539,536,720**	**$171,329,172**
Administrative and third-party expenses	**$22,680,552**	**$14,974,781**	**$7,705,771**
Estimated Incurred Claims & Expenses End of Policy Year	**$688,185,340**	**$524,561,939**	**$163,623,401**
Paid Claims Summary			
Paid (cumulative) as of	July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022
End of Policy Year	**$426,555,000**	**$342,156,000**	**$84,399,000**
One year later	-	-	-
Two years later	-	-	-
Incurred Claims Summary			
Re-estimated incurred claims & expenses	July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022	July 1, 2021- June 30, 2022
End of policy year	**472,693,000**	**383,167,000**	**89,526,000**
One year later	**-**	**-**	**-**
Two years later	**-**	**-**	**-**
Increase (Decrease) in Estimated Incurred Claims & Expenses from End of Policy Year	**$215,492,340**	**$141,394,939**	**$74,097,401**

2021 **Total**	2021 **Active**	2021 **Retiree**	2020 **Total**	2019 **Total**
July 1, 2020- June 30, 2021	July 1, 2020- June 30, 2021	July 1, 2020- June 30, 2021	July 1, 2019- June 30, 2020	July 1, 2018- June 30, 2019
$733,876,694	**$544,389,021**	**$189,487,673**	**$675,597,775**	**$690,093,316**
23,874,458	**16,026,341**	**7,848,117**	**22,942,949**	**22,034,498**
$710,002,236	**$528,362,680**	**$181,639,556**	**$652,654,826**	**$668,058,818**
July 1, 2020- June 30, 2021	July 1, 2020- June 30, 2021	July 1, 2020- June 30, 2021	July 1, 2019- June 30, 2020	July 1, 2018- June 30, 2019
$435,011,000	**$332,943,000**	**$102,068,000**	**$437,657,000**	**$501,411,000**
479,042,000	**372,343,000**	**106,699,000**	**468,849,000**	**533,905,000**
-	-	-	**472,239,000**	**534,058,000**
July 1, 2020- June 30, 2021	July 1, 2020- June 30, 2021	July 1, 2020- June 30, 2021	July 1, 2019- June 30, 2020	July 1, 2018- June 30, 2019
$478,099,000	**$370,567,000**	**$107,532,000**	**$473,100,000**	**$544,543,000**
479,778,000	**372,944,000**	**106,834,000**	**471,493,000**	**534,194,000**
-	-	-	**472,239,000**	**534,058,000**
$231,903,236	**$157,795,680**	**$74,107,556**	**$179,554,826**	**$123,515,818**

Summary of Key Actuarial Methods and Assumptions

State Retiree Welfare Benefit Trust

Fiscal Year	2022	2021	2020
Valuation Year	July 1, 2021- June 30, 2022	July 1, 2020- June 30, 2021	July 1, 2019- June 30, 2020
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	**Market Value**	**Market Value**	**Market Value**
Actuarial Assumptions			
Discount Rate	**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**
Projected payroll growth rate	**4.0%**	**4.0%**	**4.0%**
Health care cost trend rate (Medical & prescription drugs combined)	**The trend rate for non-Medicare benefits is assumed to be 6.50% in fiscal 2023 through 2025, thendecreasing by 0.25% per year to an ultimate rate of 5.0% in fiscal 2031.** **For Medicare benefits, the trend rate is assumed to be 14.50% in fiscal 2023, 15.00% in fiscal 2024, 11.50% in fiscal 2025, 10.50% in fiscal 2026, 9.75% in fiscal 2027, 9.00% in fiscal 2028, 8.25% in fiscal 2029, 7.50% in fiscal 2030, 6.75% in fiscal 2031, 6.00% in fiscal 2032, 5.25% in fiscal 2033, then 5.00% in fiscal 2034 and after. The Medicare trend reflects the current drug plan, together with the extension of the $0 medical premium guarantee through the end of calendar year 2023, and estimated Medicare Advantage premiums thereafter.**	**Non-Medicare 6.50% in fiscal year 2022, then decreasing by 0.25% per year until an ultimate of 5.00% in fiscal 2028.** **Medicare 9.00% in fiscal year 2022,13.50% in 2023, 12.50% in fiscal 2024, 11.50% in fiscal 2025, 10.50% in fiscal 2026, 9.75% in fiscal 2027, 9.00% in fiscal 2028, 8.25% in fiscal 2029, 7.50% in fiscal 2030, 6.75% in fiscal 2031, 6.00% in fiscal 2032, 5.25% in fiscal 2033, then 5.00% in fiscal 2034 and after.**	**Non-Medicare 5.75% in fiscal year 2020, then decreasing by 0.25% per year until an ultimate of 5.00% in fiscal 2023 and after.** **Medicare 10.00% in fiscal year 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00% in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027 decreasing by 1.0% per year until an ultimate rate of 5.00% in fiscal year 2030 and after.**

2019	2018	2017	2016
July 1, 2018 June 30, 2019	July 1, 2017 June 30, 2018	July 1, 2016- June 30, 2017	July 1, 2015- June 30, 2016
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**
Market Value	**Market Value**	**Market Value**	**Market Value**
5.24%	**5.9%**	**5.71%**	**6.0%**
4.0%	**4.0%**	**4.0%**	**4.0%**
Non Medicare 6.00% in fiscal year 2019; decreasing by 0.25% per year until an ultimate of 5.00% in 2023. **Medicare 10.0% in fiscal year 2019 and 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00 % in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027 decreasing by 1.0% per year until an ultimate of 5.00% in fiscal year 2030 and after**	**Non Medicare 6.25% in fiscal year 2018; decreasing by 0.25% per year until an ultimate of 5.00% in 2023.** **Medicare 7.25% in fiscal year 2018; decreasing by 0.25% per year until an ultimate of 5.00% in fiscal year 2027 and after.**	**Non Medicare is 6.5% for fiscal year 2017; the rate decreases by 0.25% per year to an ultimate rate of 5% in fiscal year 2023 and later.** **Medicare is 7.5% for fiscal year 2017; the rate decreases by 0.25% per year until reaching the ultimate rate of 5.0% in fiscal year 2027 and after.**	**Non Medicare is 6.5% for fiscal year 2016; the rate decreases by 0.3% per year to an ultimate rate of 5% in fiscal year 2021 and later.** **Medicare is 6.6% for fiscal year 2016; the rate decreases by 0.4% per year through fiscal year 2019, then by 0.2% per year until reaching the ultimate rate of 5% in fiscal 2021 and later.**

Schedule of Changes in the Net OPEB Liability and Related Ratios

(in thousands)

Fiscal Year Ending

	2022	2021	2020	2019
Total OPEB liability				
Service cost	**$39,165**	**$42,308**	**$36,901**	**$30,949**
Interest	**85,882**	**85,571**	**100,513**	**112,057**
Changes in benefit terms	-	-	-	**(67,962)**
Differences between expected and actual experience	-		**23,400**	**43,317**
Demographic (gains)/losses	**994**	**3,649**	-	-
Changes of assumptions	**(362,738)**	**(114,410)**	**(73,307)**	**(38,191)**
Benefit payments	**(58,315)**	**(60,021)**	**(54,752)**	**(79,212)**
Net change in total OPEB liability	**(295,012)**	**(42,903)**	**32,755**	**958**
Total OPEB liability - beginning	**1,898,163**	**1,941,066**	**1,908,311**	**1,907,353**
Total OPEB liability - ending (a)	**1,603,151**	**1,898,163**	**1,941,066**	**1,908,311**
Plan fiduciary net position				
Contributions - employer	**73,022**	**74,330**	**72,339**	**82,620**
Contributions - employee	**43,527**	**43,275**	**43,318**	**51,242**
Net investment income	**(12,883)**	**18,259**	**2,755**	**6,208**
Benefit payments, including refunds of employee contributions	**(161,800)**	**(149,072)**	**(138,934)**	**(165,127)**
Retiree drug subsidy and other rebates	**67,664**	**53,624**	**48,172**	**41,545**
Other	**(7,706)**	**(7,848)**	**(7,308)**	**(6,872)**
Net change in fiduciary net position	**1,824**	**32,568**	**20,342**	**9,616**
Plan fiduciary net position - beginning	**192,460**	**159,892**	**139,550**	**129,934**
Plan fiduciary net position - ending (b)	**194,284**	**192,460**	**159,892**	**139,550**
Net OPEB liability - ending (a) - (b)	**1,408,867**	**1,705,703**	**1,781,174**	**1,768,761**
Plan's fiduciary net position as a percentage of the total OPEB liability	**12.12%**	**10.14%**	**8.24%**	**7.31%**
Covered payroll	**1,602,564**	**1,724,445**	**1,601,067**	**1,611,972**
Net OPEB liability as a percentage of covered payroll	**87.91%**	**98.91%**	**111.25%**	**109.73%**

2018	2017	2016	2015	2014	2013
$31,360	$29,158				
107,769	104,472				
-	-				
(12,071)	-				
-	(2,619)				
(52,758)	-	(Historical information prior to implementation of GASB 74/75 is not required)			
(69,090)	(66,780)				
5,210	64,231				
1,902,143	1,837,912				
1,907,353	1,902,143				

2018	2017	2016	2015	2014	2013
68,902	67,399				
53,157	52,170				
4,679	7,839				
(150,607)	(142,154)				
35,502	30,514	(Historical information prior to implementation of GASB 74/75 is not required)			
(7,142)	(7,311)				
4,491	8,457				
125,443	116,985				
129,934	125,443				
1,777,419	1,776,700				
6.81%	6.59%	(Historical information prior to implementation of GASB 74/75 is not required)			
1,604,410	1,609,515				
110.78%	110.39%				

Schedule of Funding Progress *(in millions)*

State Retiree Welfare Benefit Trust

Fiscal Year Ending	2022	2021	2020	2019
Actuarial Value of Assets (a)	**$194.3**	**$192.5**	**$159.9**	**$139.6**
Actuarial Accrued Liability (AAL)[1] (b)	**$1,898.2**	**$1,941.1**	**$1,908.3**	**$1,907.4**
Unfunded/(Overfunded) AAL (UAAL) (b) - (a)	**$1,703.9**	**$1,748.6**	**$1,748.4**	**$1,767.8**
Funded Ratio (a) / (b)	**10.2%**	**9.9%**	**8.4%**	**7.3%**
Covered Payroll (c)	**$1,602.6**	**$1,724.4**	**$1,601.1**	**$1,612.0**
UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]	**106.3%**	**101.4%**	**109.2%**	**109.7%**

[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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially Determined Contribution (ADC)	**$104.6**	**$109.5**	**$112.1**	**$113.4**	**$113.2**	**$106.8**	**$96.6**	**$103.7**	**$100.1**	**$93.4**	**$100.8**
Annual Contribution	**73.0**	**74.3**	**72.3**	**82.6**	**68.9**	**67.4**	**66.2**	**62.6**	**56.3**	**54.0**	**57.1**
Contribution deficiency (excess)	**31.6**	**35.2**	**39.8**	**30.8**	**44.3**	**39.4**	**30.4**	**41.1**	**43.8**	**39.4**	**43.7**
Covered payroll	**1,602.6**	**1,724.4**	**1,601.1**	**1,612.01**	**1,604.4**	**1,609.5**	**1,586.5**	**1,583.7**	**1,566.7**	**1,552.7**	**1,534.2**
Percentage of (ADC) Contributed	**69.8%**	**67.9%**	**64.5%**	**72.8%**	**60.9%**	**63.1%**	**68.5%**	**60.4%**	**56.2%**	**57.8%**	**56.6%**
Contributions as a percentage of covered payroll	**4.6%**	**4.3%**	**4.5%**	**5.1%**	**4.3%**	**4.2%**	**4.2%**	**4.0%**	**3.6%**	**3.5%**	**3.7%**

The state provided benefit payments and administrative costs of $73.0M in fiscal year 2022. The Statement of Changes in Fiduciary Net Position provides more details.

2018	2017	2016	2015	2014	2013	2012
$129.9	$125.4	$117.0	$106.9	$102.3	$89.5	$83.6
$1,902.1	$1,837.9	$1,730.7	$1,813.5	$1,649.5	$1,485.6	$1,594.5
$1,772.2	$1,712.5	$1,613.7	$1,706.6	$1,547.2	$1,396.1	$1,510.9
6.8%	6.8%	6.8%	5.9%	6.2%	6.0%	5.2%
$1,604.4	$1,609.5	$1,586.5	$1,583.7	$1,566.7	$1,552.7	$1,534.2
110.5%	106.4%	101.7%	107.8%	98.8%	89.9%	98.5%

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

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

Schedule of Contributions

Missouri Consolidated Health Care Plan

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

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

Notes to Required Supplementary Information for the Year Ended June 30, 2022

Changes of benefit terms or assumptions - Pension Plan

Changes of assumptions. *Changes in the UAAL due to actuarial gains/losses or assumption changes are amortized as a level percentage of payroll, over closed 25 year periods. Changes also were included in the merit component of the salary increase, mortality assumption was changed to reflect the PUB-2010 General Members Below Median Mortality Table. Retirement assumptions were changed to have separate tables for MSEP, MSEP 2000 and MSEP 2011. The termination assumption was changed from select and ultimate tables to a single table based on service. Rates are now unisex. The disability assumption was adjusted to reflect observed experience. The percentage of members assumed to be married was decreased. Military service purchase assumption was reduced to 3 months for MSEP and MSEP 2000 members. Minor adjustments were made to the loads used to estimate the cost of the immediate unreduced survivor annuity. For a complete list of assumptions, including those to Judicial assumptions, see www.mosers.org.*

Changes of benefit terms or assumptions - OPEB Plan

Changes of assumptions. *The discount rate was changed from 4.50% to 5.50%. The expected return on assets was changes from 4.50% to 5.50%. Per capita claims costs, administrative expenses and retiree contributions were updated based on analysis of 2023 rates. Trend rates were updated based on anticipated future experience.*

Schedule of Administrative Expenses for the Year Ended June 30, 2022

State Retiree Welfare Benefit Trust

Third Party Claims Administration Services	**$4,783,416**
Payroll and related Benefits	**1,568,847**
Professional Services	**484,190**
General Administration	**686,166**
Employee Assistance Program	**183,152**
	$7,705,771

Schedule of Investment Expenses for the Year Ended June 30, 2022

State Retiree Welfare Benefit Trust

Central Registered Investment Advisors	**$389,214**

Schedule of Professional Service Fees for the Year Ended June 30, 2022

State Retiree Welfare Benefit Trust

Investment Advisory Services	
Central Bank	**$389,214**
Consulting Services	
IBM Watson Health	**142,600**
Actuarial Services	
Willis Towers Watson, LLC	**104,773**
General Services	
Direct Path	**20,790**
Huber and Associates	**1,644**
Software Consulting	
McCarthy and Company	**2,763**
Auditing Services	
Armanino LLP	**15,333**
Legal Services	
Stinson, LLP	**9,049**
	$686,166

Investments

Investment Advisor Statement

Central Bank

November 28, 2022

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, 2022.

The Plan's State Retiree Welfare Benefit Trust (SRWBT) investment portfolio generated a return of -8.76% for fiscal year 2022 and Portfolio assets ended the year at slightly greater than $165 million. This past year has been challenging to say the least. Global interest rate hikes, volatile global markets, geopolitical instability and inflation have had a negative impact on market returns as both stocks and bonds have had double digit losses. The correlation of stocks to bonds is the highest in over 20 years which means that typically declines in stocks are partially offset by gains in bonds. This year both stocks and bonds declined in tandem. Investment fundamentals were thrown aside, and traditional diversification strategies did not help as both equity and fixed income markets fell impacting the return of the portfolio.

FY2022 equity performance was -13.81% which beat its benchmark of -15.87% and the fixed income portfolio return was -6.54% beating its benchmark return of -7.77%. Over the past three years, the overall portfolio returned 2.96%, which slightly beat its' benchmark of 2.88%, and for the past five years earned 3.36%. Investment results for the portfolio are measured using the Modified Dietz methodology, which is a time-weighted analysis of portfolio return.

The Board adopted a new asset allocation for SRWBT this year. While the transition has been slow due to current economic factors, it will begin to be implemented in 2023. The new allocation provides a greater allocation to risk assets but will continue to maintain meaningful exposure to diversifying safe haven assets. SRWBT will continue to be managed 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 market value risk and diversity of assets to avoid overconcentration. The newly approved strategy continues to deploy a conservative to moderate amount of risk in investing.

Looking forward to FY 2023 our model anticipates:

- Interest rates will likely move higher into 2023
- Equity market valuations are lower, but we believe there could be continued volatility in the equity markets due to slowing global growth

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

Sincerely,

Joanne Scheperle, CFP®
Vice President

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

Schedule of Investment Results (Net of Management Fees)

State Retiree Welfare Benefit Trust

FY Ended June 30, 2022

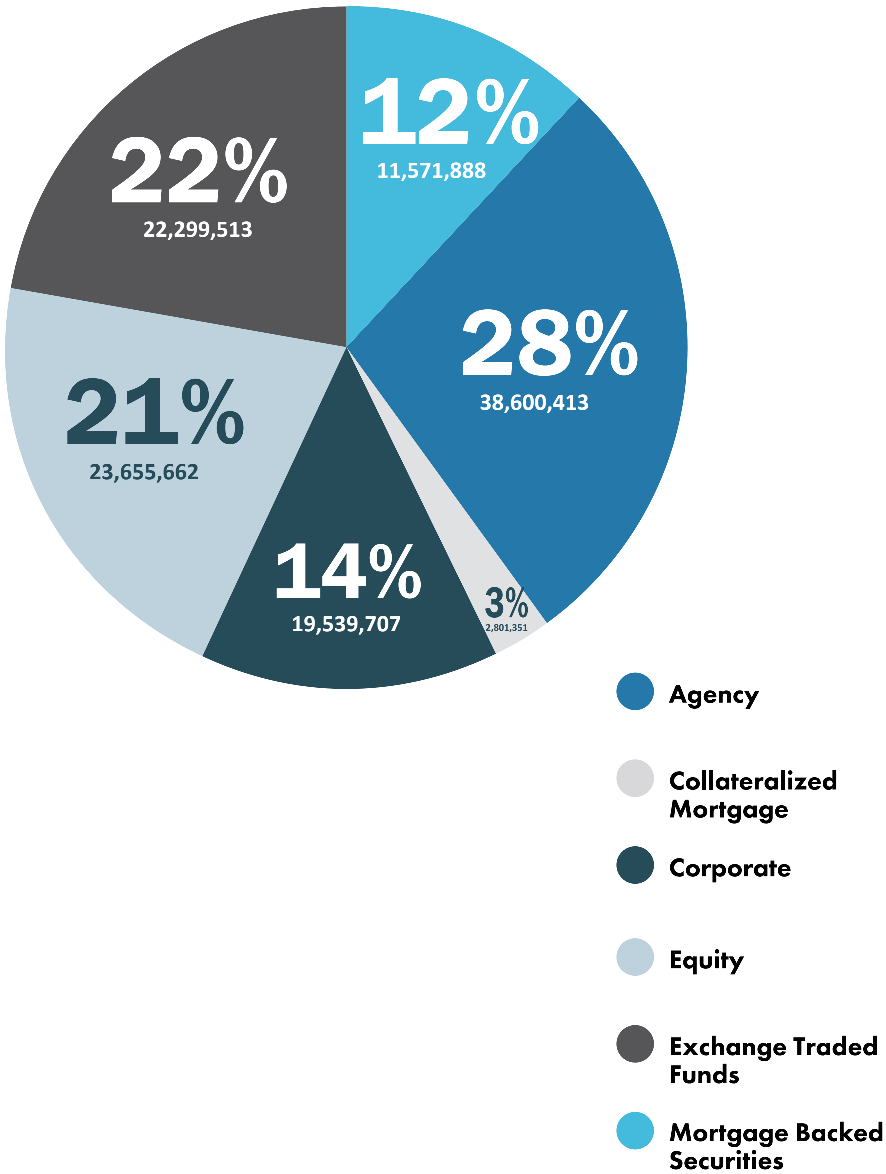
	1 Year	3 Years	5 Years
Total Fund:	**-8.76%**	**2.96%**	**3.36%**
Policy Benchmark:	**-9.60%**	**2.88%**	**3.61%**
US TSY/AGY/MBS/CMO/Corporate Portfolio	**-6.54**	**-0.30%**	**0.45%**
*ICE BofA Year US Corporate, Govern-ment & Mortgage	**-7.77%**	**-0.46%**	**0.72%**
Large Cap Equities/Exchange Traded Products Portfolio	**-13.81%**	**9.46%**	**8.91%**
Equity Composite (LC 50%/MC 15%/SC 20%/GLBL 15%)	**-15.87%**	**8.84%**	**8.89%**

Rate of Return. For the year ended June 30, 2022, the annual time weighted rate of return on investments, net of investment expense, was -8.76 percent. The time weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. Investment results for the portfolio are measures using the Modified Dietz methodology, which is a time-weighted analysis of portfolio return.

*** Same benchmark as in the past, name change.**

Schedule of Asset Allocation

MCHCP Retiree Welfare Benefit Trust, Fiscal Year 2022



List of Largest Assets Held

State Retiree Welfare Benefit Trust

Top Ten Holdings at June 30, 2022

Par Value/#	Description	Fair Value
10,000,000	US Treasury Bill due 8/9/22	9,986,300
10,000,000	US Treasury Bill due 9/13/22	9,966,460
10,000,000	US Treasury Bill due 10/4/22	9,952,560
10,000,000	US Treasury Bill due 10/20/22	9,938,680
83,410	Ishares TR Core MSCI EAFE	4,908,679
35,700	Ishares Trust Russell 2000 SC Value Exchange Traded Fund	4,860,555
25,760	Vanguard Small Cap ETF	4,536,594
67,590	Ishares TR Russell Mid Cap ETF	4,370,370
33,400	Ishares Trust Russell Mid Cap Growth Exchange Traded Funds	2,645,947
2,000,000	US Treasury Bill due 7/7/22	1,999,694
		63,165,839

NOTE: For a complete list of holdings contact MCHCP.

Schedule of Investment Fees

State Retiree Welfare Benefit Trust

FY Ended June 30, 2022

	Assets Under Management	Fees
U.S. Equities:		
Actively Managed:	$23,655,662	$76,974
Passively Managed:	16,413,466	56,226
International Equities:		
Passively Managed:	5,885,896	19,730
Fixed Income:		
Passively Managed:	119,830,255	236,284
Total	$165,785,279	$389,214

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

Actuarial

WillisTowersWatson

November 28, 2022

Missouri Consolidated Health Care Plan
832 Weathered Rock Ct.
PO Box 104355
Jefferson City, MO 65110

Dear Board Members:

Missouri Consolidated Healthcare engaged Willis Towers Watson US, LLC ("Willis Towers Watson"), to value the Company's other postretirement benefit plan.

As requested by Missouri Consolidated Healthcare (MCHCP), the attached report documents the results of an actuarial valuation of the Missouri Consolidated Healthcare Plan (the Plan). The primary purpose of this valuation is to determine the Net OPEB Liability and the Actuarially Determined Contribution under GASB 74 for the fiscal year ended June 30, 2022. An actuarial valuation for this Plan is performed annually, and as such, the previous valuation report was for the fiscal year ended June 30, 2021.

The attached report is provided subject to the terms set out herein in our contract and the accompanying General Terms and Conditions of Business. The attached report is provided solely for MCHCP's use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

Except where we expressly agree in writing, the attached report should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by us for any consequences arising from any third party relying on the attached report or any advice relating to its contents.

MCHCP may make a copy of the attached report available to its auditors, but we make no representation as to the suitability of the attached report for any purpose other than that for which it was originally provided and accept no responsibility or liability to MCHCP's auditors in this regard. MCHCP should draw the provisions of this paragraph to the attention of its auditors when passing the attached report to them.

7733 Forsyth Boulevard, Suite 1350
St. Louis, Missouri 63105

T +1 314 719 5900
W wtwco.com

Willis Towers Watson US LLC

In preparing these results, we have relied upon information and data provided to us orally and in writing by MCHCP and other persons or organizations designated by MCHCP. We have relied on all the data and information provided, including Plan provisions, membership data and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for consistency.

The attached report does not determine liabilities on a plan termination basis, for which separate extensive analyses would be required.

The results summarized in the attached report involve actuarial calculations that require assumptions about future events. We believe that the assumptions used in the attached report are within the range of possible assumptions that are reasonable for the purposes for which they have been used. The assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice.

Effects of COVID-19 on the financial markets, regulations, and experience are uncertain and still evolving. The results in this report make no allowances for the effects of COVID-19. There may be significant effects on plan experience and/or assumptions, both demographic and economic, as well as the possibility of related changes in certain plan provisions, used for future measurements.

The results shown in the attached report have been developed based on economic assumptions that are appropriate for the purpose of the measurements, take into account relevant historical and current data, reflect estimates of future experience and have no significant bias, as well as demographic actuarial assumptions that are considered to be reasonable and within the "best-estimate range" and meet the guidelines set by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in the attached report could have been developed by selecting different, but still reasonable, assumptions. 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.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs or contribution requirements reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in the attached 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. It is beyond the scope of this valuation to analyze the potential range of future Group Retiree Medical contributions, but we can do so upon request.

In our opinion, all calculations are in accordance with requirements of applicable governmental accounting standards, including GASB 74, and the procedures followed and the results presented are in conformity with applicable actuarial standards of practice. This valuation reflects our understanding of the relative provisions of GASB 74.

Willis Towers Watson

The undersigned are members of the Society of Actuaries and/or collectively meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to other postretirement benefit plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US, LLC.

Jason R. Benbow, EA
Valuation Actuary
Willis Towers Watson

Joy C, Silvus, ASA, EA, MAAA
Valuation Actuary
Willis Towers Watson

John F. Stahl, FSA
Pricing Specialist
Willis Towers Watson

The Pricing Specialist is responsible for developing and/or determining the reasonableness of retiree welfare plan trend and participation assumptions as well as assumed per capita claims costs (including the aging/morbidity assumption if applicable). The Valuation Actuary is responsible for other aspects of the valuation (e.g., developing and/or reviewing the reasonableness of other valuation assumptions and methods, ensuring that the valuation model reasonably reflects the substantive plan and actual plan operation, preparing demographic data, performing the valuation, implementing the appropriate accounting or funding calculations, etc.).

Please note we have provided the information used by staff to prepare the following items in the report: Net OPEB Liability, Sensitivity of the Net OPEB Liability to Changes in Discount Rates and Healthcare Cost Trend Rates, Schedule of Changes in the Net OPEB Liability and Related Ratios, Schedule of Funding Progress, and Schedule of Employer Contributions.

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Purpose and Actuarial Statement

Missouri Consolidated Healthcare (the Company) engaged Willis Towers Watson US, LLC ("Willis Towers Watson"), to value the Company's other postretirement benefit plan.

As requested by Missouri Consolidated Healthcare (MCHCP), this report documents the results of an actuarial valuation of the Missouri Consolidated Healthcare Plan (the Plan). The primary purpose of this valuation is to determine the Net OPEB Liability and the Actuarially Determined Contribution under GASB 74 for the fiscal year ended June 30, 2022. An actuarial valuation for this Plan is performed annually, and as such, the previous valuation report was for the fiscal year ended June 30, 2021.

This report is provided subject to the terms set out herein in our contract and the accompanying General Terms and Conditions of Business. This report is provided solely for MCHCP's use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

Except where we expressly agree in writing, this report should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by us for any consequences arising from any third party relying on this report or any advice relating to its contents.

MCHCP may make a copy of this report available to its auditors, but we make no representation as to the suitability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability to MCHCP's auditors in this regard. MCHCP should draw the provisions of this paragraph to the attention of its auditors when passing this report to them.

In preparing these results, we have relied upon information and data provided to us orally and in writing by MCHCP and other persons or organizations designated by MCHCP. We have relied on all the data and information provided, including Plan provisions, membership data and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for consistency.

This report does not determine liabilities on a plan termination basis, for which separate extensive analyses would be required.

The results summarized in this report involve actuarial calculations that require assumptions about future events. We believe that the assumptions used in this report are within the range of possible assumptions that are reasonable for the purposes for which they have been used. The assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice.

Effects of COVID-19 on the financial markets, regulations, and experience are uncertain and still evolving. The results in this report make no allowances for the effects of COVID-19. There may be significant effects on plan experience and/or assumptions, both demographic and economic, as well as the possibility of related changes in certain plan provisions, used for future measurements.

The results shown in this report have been developed based on economic assumptions that are appropriate for the purpose of the measurements, take into account relevant historical and current data, reflect estimates of future experience and have no significant bias, as well as demographic actuarial assumptions that are considered to be reasonable and within the "best-estimate range" and meet the guidelines set by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different, but still reasonable, assumptions. 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.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs or contribution requirements reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly 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. It is beyond the scope of this valuation to analyze the potential range of future Group Retiree Medical contributions, but we can do so upon request.

In our opinion, all calculations are in accordance with requirements of applicable governmental accounting standards, including GASB 74, and the procedures followed and the results presented are in conformity with applicable actuarial standards of practice. This valuation reflects our understanding of the relative provisions of GASB 74.

The undersigned are members of the Society of Actuaries and/or collectively meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to other postretirement benefit plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC.

Jason R. Benbow, EA Valuation Actuary Willis Towers Watson	Joy C, Silvus, ASA, EA, MAAA Valuation Actuary Willis Towers Watson	John F. Stahl, FSA Pricing Specialist Willis Towers Watson

The Pricing Specialist is responsible for developing and/or determining the reasonableness of retiree welfare plan trend and participation assumptions as well as assumed per capita claims costs (including the aging/morbidity assumption if applicable). The Valuation Actuary is responsible for other aspects of the valuation (e.g., developing and/or reviewing the reasonableness of other valuation assumptions and methods, ensuring that the valuation model reasonably reflects the substantive plan, preparing demographic data, performing the valuation, implementing the appropriate accounting or funding calculations, etc.).

Section 1: Summary of Key Results

Annual Required Contribution, Assets & Obligations

All monetary amounts shown in US Dollars

Fiscal Year Ending		06/30/2022
Annual Costs	Actuarially Determined Contribution (ADC)	104,587,179

Measurement Date		06/30/2022
Plan Assets	Fiduciary Net Position (FNP)	194,283,716
	Return on Fiduciary Net Position during Prior Year	(12,883,097)
Benefit Obligations	Actuarial Present Value (APV)	1,805,946,807
	Total OPEB Liability (TOL)	1,603,150,844
Funded Ratios	Fiduciary Net Position to TOL	12.12%
Assumptions[1]	Discount Rate	5.50%
	Rate of Compensation/Salary Increase	4.00%
	Current Health Care Cost Trend Rate	
	Non-Medicare	6.50%
	Medicare	14.50%
	Ultimate Health Care Cost Trend Rate	5.00%
	Year of Ultimate Trend Rate	
	Non-Medicare	2031
	Medicare	2034
	Amortization Period (years)	30
Key Dates		
Census Date:		07/01/2022
Measurement Date:		06/30/2022

Comments on Results

Appendix A outlines the assumptions, methods, data sources and models used in the valuation. Appendix B outlines our understanding of the principal provisions of the plan being valued.

The trend rate for non-Medicare benefits is assumed to be 6.50% in fiscal 2023 through 2025, then decreasing by 0.25% per year to an ultimate rate of 5.0% in fiscal 2031. For Medicare benefits, the trend rate is assumed to be 14.50% in fiscal 2023, 15.00% in fiscal 2024, 11.50% in fiscal 2025, 10.50% in fiscal 2026, 9.75% in fiscal 2027, 9.00% in fiscal 2028, 8.25% in fiscal 2029, 7.50% in fiscal 2030, 6.75% in fiscal 2031, 6.00% in fiscal 2032, 5.25% in fiscal 2033, then 5.00% in fiscal 2034 and after. The Medicare trend reflects the current drug plan, together with the extension of the $0 medical premium guarantee through the end of calendar year 2023, and estimated Medicare Advantage premiums thereafter.

The claims development is based on incurred claims experience through December 31, 2021. Costs were developed from the calendar 2023 premium setting process, adjusted to the measurement date using plan trend.

The Total OPEB Liability (TOL) decreased from $1,898.2M at June 30, 2021 to $1,603.2M at June 30, 2022. The key influencing factors and their impact on the TOL are:

- An increase of $66.7 million due to the passage of time; the TOL is expected to increase as employees accrue another year of service and as the time value of money is reflected in the liability, but decrease as benefits are paid throughout the year.
- An increase of $1.0 million due to changes in the demographic data.
- A decrease of $251.9 million due to the change in discount rate from 4.50% to 5.50%.
- A decrease of $164.6 million due to changes in claims assumptions.
- An increase of $53.8 million due to changes in trend assumptions.

Participant Information

Participant data used in the actuarial valuation are summarized below by the plan sponsor.

Measurement Date Census Date	06/30/2022 07/01/2022
Active Employees	
1 Total	35,140
2 Average age	45.5
Participants and Spouses in Payment Status	
1 Total	21,943
2 Average age (participants only)	71.0
Participants with a Deferred Benefit	
1 Total	78
2 Average age	54.2
Disabled Participants	
1 Total	66
2 Average age	54.1

Note: Counts do not include spouses of disabled participants. At July 1, 2022 there were 5 spouses.

Counts do not include spouses of terminated vested employees. At July 1, 2022 there were 26 spouses.

Section 2: Accounting Exhibits

2.1 Actuarially Determined Contribution

All monetary amounts shown in US Dollars

Valuation Date		7/1/2021
A	**Actuarial Present Value (APV)**	
	1 Inactives – Retiree & Spouse	953,634,210
	2 Actives with Medical Coverage	1,215,992,944
	3 Other Actives	28,045,372
	4 Total APV, (1)+(2)+(3)	2,197,672,526
B	**Total OPEB Liability (TOL)**	
	1 Inactives – Retiree & Spouse	953,634,210
	2 Actives with Medical Coverage	926,774,930
	3 Other Actives	17,753,848
	4 Total TOL (1)+(2)+(3)	1,898,162,988
C	**Actuarially Determined Contribution (ADC)**	
	1 Normal Cost	39,165,455
	2 Amortization Payment	60,917,970
	3 Interest on (1) and (2)	4,503,754
	4 Actuarially Determined Contribution (1)+(2)+(3)	104,587,179
D	**Assumptions**	
	1 Discount Rate	4.50%
	2 Current Health Care Cost Trend Rate	
	Non-Medicare	6.50%
	Medicare	9.00%
	3 Ultimate Health Care Cost Trend Rate	5.00%
	4 Year of Ultimate Trend Rate	
	Non-Medicare	2028
	Medicare	2034
	5 Amortization Period (years)	30
	6 Census Date	07/01/2021

2.2 Supplemental Information Prepared by the Actuary

Schedule of Employer Contributions (in millions)

Fiscal Year Ended	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Percentage of ADC Contributed	Contribution as Percentage of Covered Payroll	Discount Rate (BOY)
June 30, 2013	$ 93.4	$54.0	$39.4	57.8%	3.5%	6.50%
June 30, 2014	$100.1	$56.3	$43.8	56.2%	3.6%	6.00%
June 30, 2015	$103.7	$62.6	$41.1	60.4%	4.0%	6.00%
June 30, 2016	$ 96.6	$66.2	$30.4	68.6%	4.2%	6.00%
June 30, 2017	$106.8	$67.4	$39.4	63.1%	4.2%	5.71%
June 30, 2018	$113.2	$68.9	$44.3	60.8%	4.3%	5.71%
June 30, 2019	$113.4	$82.6	$30.8	72.8%	5.1%	5.90%
June 30, 2020	$112.1	$72.3	$39.8	64.5%	4.5%	5.24%
June 30, 2021	$109.5	$74.3	$35.2	67.9%	4.3%	4.38%
June 30, 2022	$104.6	$73.0	$31.6	69.8%	4.6%	4.50%

The State provided benefit payments and administrative costs of $73.0M in fiscal 2022. The Statement of Changes in Net Fiduciary Position provides more details concerning these amounts.

Schedule of Funding Progress

The schedule of funding progress presents multi-year trend information comparing the actuarial value of plan assets to the actuarial accrued liability (in millions).

Fiscal Year Ended	Actuarial Value of Assets (a)	Total OPEB Liability (TOL)[1] (b)	Unfunded TOL (UTOL) (b) – (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UTOL as a Percentage of Covered Payroll [(b) – (a)] / (c)	Discount Rate (BOY)
June 30, 2013	$ 89.5	$1,485.6	$1,396.1	6.0%	$1,552.7	89.9%	6.50%
June 30, 2014	$102.3	$1,649.5	$1,547.2	6.2%	$1,566.7	98.8%	6.00%
June 30, 2015	$106.9	$1,813.5	$1,706.6	5.9%	$1,583.7	107.8%	6.00%
June 30, 2016	$117.0	$1,730.7	$1,613.7	6.8%	$1,586.5	101.7%	6.00%
June 30, 2017	$125.4	$1,837.9	$1,712.5	6.8%	$1,609.5	106.4%	5.71%
June 30, 2018	$129.9	$1,902.1	$1,772.2	6.8%	$1,604.4	110.5%	5.71%
June 30, 2019	$139.6	$1,907.4	$1,767.8	7.3%	$1,612.0	109.7%	5.90%
June 30, 2020	$159.9	$1,908.3	$1,748.4	8.4%	$1,601.1	109.2%	5.24%
June 30, 2021	$192.5	$1,941.1	$1,748.6	9.9%	$1,724.4	101.4%	4.38%
June 30, 2022	$194.3	$1,898.2	$1,703.9	10.2%	$1,602.6	106.3%	4.50%

[1] Total OPEB Liability (TOL) was measured as of the beginning of the Fiscal Year.

2.3 Statement of Plan Fiduciary Net Position

All monetary amounts shown in US Dollars

Measurement Date			06/30/2022
A	**Assets**		
	1	Cash and cash equivalents	2,850,938
	2	Due from MCHCP	8,859,278
	3	Investments	165,785,279
B	**Receivables**		
	1	Prescription drug rebates	30,251,942
	2	Retiree drug subsidy	0
	3	Other receivables	296,689
	4	Total receivables	30,548,631
	5	Total assets	208,044,126
C	**Liabilities**		
	1	Claims payable - IBNR	7,010,159
	2	Deferred revenue	6,482,624
	3	Other liabilities	267,627
	4	Total liabilities	13,760,410
	5	Net position, held in trust for other post-employment benefits	194,283,716

2.4 Statement of Changes in Plan Fiduciary Net Position

All monetary amounts shown in US Dollars

Fiscal Year			2022
A	**Additions**		
	1	Employer contributions	73,021,995
	2	Employee contributions	43,527,194
	3	Interest income	(12,883,097)
	4	Retiree Drug Subsidy and other rebates	67,663,080
	5	Total Additions	171,329,172
B	**Deductions**		
	1	Medical claims and capitation expense	161,799,507
	2	Claims administration services	4,783,416
	3	Administration and other	2,922,355
	4	Total deductions	169,505,278
C	**Net Increase**		
	1	Net assets held in trust for other post-employment benefits:	
		a Beginning of year	192,459,822
		b End of year	194,283,716
		c Increase (b) - (a)	1,823,894
		d Rate of return[1]	-6.44%

2.5 Summary of Assumptions and Methods

Required Supplementary Information – Summary of Key Actuarial Assumptions and Methods

Valuation Year
July 1, 2021 – June 30, 2022

Actuarial Cost Method
Entry age normal, level percent of pay

Amortization Method for Unfunded TOL
30 years, open, level percent of pay

Asset Valuation Method
Market value

Actuarial Assumptions:
Discount Rate:

June 30, 2021	4.50%
June 30, 2022	5.50%

Projected payroll growth rate: 4.00%

Health care cost trend rate (Medical and Prescription Drugs combined)

Fiscal Year	Medical and Rx Combined Rate (Non-Medicare)	Medical and Rx Combined Rate (Medicare)
2023	6.50	14.50
2024	6.50	15.00
2025	6.50	11.50
2026	6.25	10.50
2027	6.00	9.75
2028	5.75	9.00
2029	5.50	8.25
2030	5.25	7.50
2031	5.00	6.75
2032	5.00	6.00
2033	5.00	5.25
2034+	5.00	5.00

2.6 Valuation Liabilities by Employee Group (in millions)[1]

	Active in Health Plan	Actives Not Covered	Retirees & Dependents	Disabled	Term Vested	Total
Present Value of Future Benefits	$1,216.0	$28.1	$942.8	$8.9	$1.9	$2,197.7
Total OPEB Liability (TOL)	926.8	17.8	942.8	8.9	1.9	1,898.2
Expected Net Benefit Payments	1.8	0.0	57.4	0.4	0.0	59.6
Normal Cost	37.8	1.4	0.0	0.0	0.0	39.2
Amortization of Unfunded TOL[2]	29.7	0.6	30.2	0.3	0.1	60.9
Interest	3.0	0.1	1.4	0.0	0.0	4.5
Actuarially Determined Contribution (ADC)	70.5	2.1	31.6	0.3	0.1	104.6

[1] Total OPEB Liability calculated at July 1, 2021 on the same basis as Section 2.1.
[2] Allocation by Total OPEB Liability.

2.7 Cashflow Projections

Based on benefit costs, retiree contributions, and assumptions shown in Appendix A, the State's expected cash costs (based on enrollments as of July 1, 2022) are projected below.

Fiscal Year	$ in thousands Cash Cost Net Cost to State
2023	60,903
2024	65,475
2025	70,711
2026	75,594
2027	80,377
2028	85,518
2029	90,025
2030	94,527
2031	99,237
2032	103,425
2042	129,455
2052	131,464
2062	101,764
2072	65,237
2082	30,801
2092	8,544
2102	884

2.8 Change in Net OPEB Liability

Fiscal Year Ending Measurement Date	06/30/2022 06/30/2022
1. Total OPEB Liability – Beginning of Measurement Period:	$ 1,898,162,988
a. Service Cost	39,165,455
b. Interest	85,882,130
c. Plan amendments	0
d. Demographic (gains) / losses	993,586
e. Assumption changes	(362,738,311)
f. Net Benefit payments	(58,315,004)
g. Net change in TOL	$ (295,012,144)
h. Total OPEB Liability – End of Measurement Period:	$ 1,603,150,844
2. Fiduciary Net Position – Beginning of Measurement Period:	$ 192,459,822
a. Employer contributions	73,021,995
b. Employee contributions	43,527,194
c. Retiree drug subsidy and other drug rebates	67,663,080
d. Net investment income	(12,883,097)
e. Benefit payments	(161,799,507)
f. Administrative expense	(7,705,771)
g. Net change in FNP	$ 1,823,894
h. Fiduciary Net Position – End of Measurement Period:	$ 194,283,716
3. Net OPEB Liability:	$ 1,408,867,128
4. Funded Ratio: (2)(h) / (1)(h)	12.12%
5. Covered employees' payroll	$ 1,602,564,323
6. Net OPEB Liability as a percentage of covered payroll: (3)/(5)	87.91%
7. NOL at Measurement Date - Sensitivities:	
a. 1% increase in Discount Rate	$ 1,206,594,674
b. 1% decrease in Discount Rate	$ 1,660,750,853
c. 1% increase in Trend Rates	$ 1,663,886,893
d. 1% decrease in Trend Rates	$ 1,203,854,722

Section 3: Participant Data

3.1 Summary of Participant Data

Participant data used in the actuarial valuation are summarized below by the plan sponsor.

Measurement Date Census Date	6/30/2022 7/1/2022
Active Employees	
1 Total	35,140
2 Average age	45.5
Participants and Spouses in Payment Status	
1 Total	21,943
2 Average age (participants only)	71.0
Participants with a Deferred Benefit	
1 Total	78
2 Average age	54.2
Disabled Participants	
1 Total	66
2 Average age	54.1

Note: Counts do not include spouses of disabled participants. At July 1, 2022 there were 5 spouses.

Counts do not include spouses of terminated vested employees. At July 1, 2022 there were 26 spouses.

3.2 Age and Service Distribution of Participating Employees

Attained Age						Attained Years of Credited Service and Number								
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	1,168	411	168	90	35	9								1,881
25-29	944	468	412	382	267	476	5							2,954
30-34	674	337	326	348	266	1,261	259	10						3,481
35-39	539	260	256	265	237	1,096	807	328	9					3,797
40-44	463	216	217	213	211	940	780	828	407	16				4,291
45-49	396	223	183	210	186	725	617	698	985	368	8			4,599
50-54	361	194	198	197	131	777	635	656	946	881	167	16		5,159
55-59	323	168	184	195	176	733	622	685	707	439	280	76	3	4,591
60-64	146	113	131	149	138	581	489	459	414	276	120	80	30	3,126
65-69	45	31	23	45	36	186	176	139	118	62	36	31	28	956
70 & over	20	6	8	22	18	39	45	56	33	16	14	14	14	305
Total	5,079	2,427	2,106	2,116	1,701	6,823	4,435	3,859	3,619	2,058	625	217	75	35,140

Average: Age 45.5

Number of Participants: Males 12,625; Females 22,515

Census data as of July 1, 2022

Appendix A: Statement of Actuarial Assumptions, Methods and Data Sources

Plan Sponsor

State of Missouri

Statement of Assumptions

The assumptions disclosed in this document are for the June 30, 2022 measurement date. These assumptions are used for liabilities disclosed under GASB 74.

Economic Assumptions

General Inflation Rate

The underlying general inflation assumption behind the discount rate assumption and the health care trend rate assumption is 3.00% per annum. This underlying rate is assumed to apply to all future years in the valuation projections.

Discount Rate

5.50% per annum, a detailed development of the discount rate is shown in Appendix C

Expected Return on Assets

5.50% per annum

Municipal Bond Rate

Not applicable

Compensation/Salary Increases

4.00% per annum

Demographic and Other Assumptions

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant

New or Rehired Employees

It was assumed there will be no new or rehired employees

Retiree Contributions

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.

FY 2023	
Pre-65	Post-65
$ 10,909	$ 2,404

The above premiums are developed from the premium rates for the designated plan for the 2023 calendar year, adjusted to the measurement date using plan trend. Future premiums (and thus State and retiree contributions) are assumed to increase with the healthcare cost trend rates.

Participation Assumptions for Plan

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

Dependent Coverage

50% of future participating male retirees and 35% of future participating female retirees are assumed to have spouses that elect to be covered under the MCHCP plan.

Demographic Assumptions

Mortality

Healthy Mortality Rates

Base Mortality Table: Male Table used for males; Female table used for females.

1) Base table: Pri-2012

2) Base mortality table year: 2012

3) Table type: No Collar

4) Healthy or Disabled: Healthy

5) Table weighting: Benefit

6) Blending of annuitants and non-annuitants: Separate rates for annuitants and non-annuitants (based on Employees table)

7) Blending of retirees and contingent annuitants: Combined non-disabled annuitant mortality

Mortality Improvement Scale: Male Table used for males; Female table used for females.

1) Base scale: MP-2021

2) Projection Type: Generational

Retirement Probabilities

It is assumed that participants will retire according to the following schedule:

Age	Percent assumed to retire within one year
48-54	15.0% at each age
55-61	10.0% at each age
62	20.0%
63	16.0%
64	17.0%
65-66	30.0% at each age
67-69	25.0% at each age
70	30.0%
71-74	25.0% at each age
75	100.0%

Disability Rates

None assumed.

Representative Termination Rates (not due to disability, retirement, or mortality)

During the first five years of service, employees are assumed to terminate according to the following schedule:

Percent assumed to terminate within one year	
Service	Male/Female
0-1	50.0%
1-2	15.0%
2-3	12.0%
3-4	12.0%
4-5	12.0%

After five years of service, we assume withdrawal rates that vary by attained age, as presented below:

Percent assumed to terminate within one year	
Age	**Male/Female**
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%

Spouse Age Difference

Husbands are assumed to be three years older than wives for future retirees who are married.

Trend Rates

Health care trend rates are the annual rates of increase expected for benefits payable from the Plan; these rates include Health Care Cost Trend plus the leveraging effect of Plan design.

Fiscal Year	Medical and Rx Combined Rate (Non-Medicare)	Medical and Rx Combined Rate (Medicare)
2023	6.50	14.50
2024	6.50	15.00
2025	6.50	11.50
2026	6.25	10.50
2027	6.00	9.75
2028	5.75	9.00
2029	5.50	8.25
2030	5.25	7.50
2031	5.00	6.75
2032	5.00	6.00
2033	5.00	5.25
2034+	5.00	5.00

Per Capita Claims Costs

Per capita costs for fiscal 2023 are listed below. The per capita costs are net of plan deductibles, coinsurance, and co-payments but are not reduced for retiree contributions. These costs were developed from the calendar 2023 premium setting process, adjusted to the measurement date using plan trend.

Per Capita Cost (excludes administrative expenses)	
Age	**FY 2023 Cost**
55	$ 9,069
60	10,742
65	2,212
70	2,353
75	2,537
80	2,561
85	2,259

Additional Assumptions

Administrative Expenses

For fiscal 2023, we will use a starting value developed from the calendar 2023 premium setting process, adjusted to the measurement date using the general inflation assumption of 3%. Future increases will also be assumed at the general inflation rate of 3%.

For fiscal 2023, the admin expenses used are $307 per person (apply only for non-Medicare).

Decrement Timing

The assumptions used are collectively called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of the year during which eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements, the age is generally the participant's rounded age at the middle of the year. Retiree medical claims costs are based on the nearest age at the beginning of the year, to align with how claims costs tables are typically developed.

Timing of Benefit Payments

Benefit payments are assumed to be made uniformly throughout the year and, on average, at mid-year.

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.

Methods

Census Date/Measurement Date

The measurement date is June 30, 2022. The liability valuation date is July 1, 2022. For purposes of determining benefit obligations as of the measurement date, participant data as of the census date, July 1, 2022 are used.

Actuarial Cost Method

Entry age normal with level percentage of payroll spread.

Asset Method

Equal to fair market value of assets.

Benefits Not Included in Valuation

All benefits described in the Plan Provisions section of this report were valued.

Sources of Data and Other Information

Employee data was supplied by the Missouri Consolidated Healthcare as of July 1, 2022.

Assumptions Rationale - Significant Economic Assumptions

Discount rate

As required by GASB 74, the discount rate was determined as a blend of the plan sponsor's best estimate of the expected return on plan assets and, as required by GASB 74, 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 used.

Expected Return on Assets

The plan sponsor selected this assumption by considering expected returns on the target asset allocation.

The target allocation and expected return by asset class are shown below:

Asset Class	Allocation	Expected Return
Large cap stocks	19.0%	8.5%
Mid cap stocks	6.0%	8.8%
Small cap stocks	9.0%	8.8%
International stocks	5.0%	9.0%
BarCap Aggregate bonds	59.0%	3.9%
Cash equivalents	2.0%	2.8%

Willis Towers Watson's determination that this assumption does not significantly conflict with what would be reasonable is informed by Willis Towers Watson's Expected Return Estimator model.

Rates of increase in plan administrative expenses

Administrative expenses are projected using general inflation.

We believe that this assumption does not significantly conflict with what would be reasonable.

Claims cost trend rates

Assumed increases were chosen by the plan sponsor and, as required by GASB 74, they represent an estimate of future experience, informed by an analysis of recent plan experience, leading to select and ultimate assumed trend rates. In setting near term trend rates, other pertinent statistics were considered, including surveys on general medical cost increases. In setting the ultimate trend rate, considerations included assumed GDP growth consistent with the assumed future economic conditions inherent in other economic assumptions chosen by the client at the measurement date.

After examining historical variability in trend rates, we believe that the selected assumptions do not significantly conflict with what would be reasonable based on a combination of market conditions at the measurement date and future expectations consistent with other economic assumptions used, other than the discount rate.

In addition, 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.
Participant contribution trend rates	In accordance with the substantive plan communicated to participants, participant contributions are intended to remain a fixed percentage of total plan costs, and thus the trend rates, and the description of the derivation of the trend rates, are the same as for claims costs as shown above.
Per capita claims costs	Per capita claims costs were chosen by the plan sponsor to be the best estimate of the plan's per capita claims costs including expenses in the plan year beginning on the measurement date (with any expected changes in future years reflected in the trend rate assumption). Per capita claims cost assumptions were developed using historical claims, and enrolment information. Raw per capitas were developed and adjusted for completion (i.e., conversion from a paid to an incurred basis), plan changes, and trend. We believe the per capita claims cost assumptions do not significantly conflict with what would be reasonable.
EGWP Savings	EGWP savings projections were chosen by the plan sponsor to reflect anticipated EGWP savings based on projections provided by EGWP administrator. Anticipated subsidies are included in the claims cost assumptions. We believe the EGWP Savings assumptions do not significantly conflict with what would be reasonable.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions were selected by the plan sponsor and, as required by GASB74, represents a best estimate of future experience. We believe the assumptions do not significantly conflict with what would be reasonable because they reflect recent experience and are adjusted to reflect expectations regarding future mortality improvement.
Termination	Termination rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. Assumed termination rates differ by age and service because of observed differences in termination rates by service. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.
Retirement	Retirement rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

	For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.
Participation:	
■ Participants	Assumed participation rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.
■ Covered spouses	Assumed coverage rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.
Marital Assumptions:	
■ Percent married	The assumed percentage married is based on a blending of the marital status of recent retirees and of the current active population. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.
■ Spouse age	The assumed age difference for spouses is based on historical experience as well as expectations of similar future age differences. For the reasons discussed above, we believe the assumptions selected do not significantly conflict with what would be reasonable.

Source of Prescribed Methods

Actuarial Cost Method	The methods used for GASB purposes as described in Appendix A, including the actuarial cost method, are “prescribed methods set by another party”, as defined in the actuarial standards of practice (ASOPs).

Changes in Assumptions, Methods and Estimation Techniques

Change in assumptions since prior valuation	The discount rate was changed from 4.50% to 5.50%. The expected return on assets was changed from 4.50% to 5.50%. Per capita claims costs, administrative expenses and retiree contributions were updated based on analysis of 2023 rates. Trend rates were updated based on anticipated future experience.

Change in methods since prior valuation	None.
Model Descriptions and Disclosures in accordance with ASOP No. 56	
Quantify	Quantify is the Willis Towers Watson centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans. Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports. Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations. Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected. Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence. Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.
Expected Return Estimator	The Expected Return Estimator is used to help inform the choice of an expected return assumption (e.g., as one data point to consider) for returns on the assets of the trust. The tool depends on the capital market assumptions chosen at the starting date of the simulation. These assumptions reflect currently prevailing capital market conditions, assumed future conditions ("normative conditions"), and the transition from the current conditions to the normative ones. The assumed normative conditions incorporate a blend of historical capital market data and future expectations. The sources consulted in the determination of normative levels include practitioners in our global actuarial and investment consulting practices, plan sponsors, investment managers, economists, and academics.
PUT	The Pricing and Underwriting Tool (PUT) develops projected premium equivalent rates, employee contributions, and COBRA rates for self-insured employer health plans (medical, prescription drugs, dental, and vision). The tool develops rates by plan or in

aggregate leveraging historic claims, enrollment, and plan design and administrative fee data for an employer. The model allows flexibility to incorporate plan design changes, seasonality, and multiple methods of estimating incurred claims amounts from paid claims data.

Appendix B: Summary of Principal Other Postretirement Plan Provisions

Plan Sponsor

State of Missouri

Plan

Missouri Consolidated Healthcare Plan

Plan Type

Cost-Sharing Multiple Employer Plan

Plan Year

The twelve-month period ending June 30, 2022.

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.

Plans Available to Retirees

PPO 750
PPO 1,250
HDHP (HSA)

For 2014 and future years, the prescription drug coverage under these plans for post-Medicare retirees will be provided through an Employer Group Waiver Plan (EGWP).

For 2019 and future years, the medical coverage under these plans for post-Medicare retirees will be provided through a Medicare Advantage Plan.

State Contributions

The contribution amount for a retiree is calculated using the number of full years of service as reported to MCHCP by MOSERS or PSRS times 2.5%, capped at 65% with the actual amount determined by State appropriations. Prior to January 1, 2005, the maximum is 60%.

The percentage paid by the State remains the same at Medicare eligibility.

The State pays a percentage of a designated plan and subtracts the total premium from the plan chosen by the retiree.

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

Retiree Contributions

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

Change in Plan Provisions

None.

Appendix C: Discount Rate Development

Missouri Consolidated Healthcare Plan

Expected Return on Assets	5.50%		Present Value using EROA and Muni Rate	1,805,946,807
Municipal Bond Rate	N/A		Present Value using Weighted Interest Rate	1,805,946,807
Initial Year Contribution	80,400,000		Weighted Interest Rate	5.50%

Year	Trust Fund Beginning of Year	OPEB Cash Flows (PVB)	Administrative Expenses	Expected Co. Contributions to Trust	Net Investment Earnings	Trust Fund End of Year	Percent Funded	Discount Rate Applied to Year	Discounted Cash Flows	Weighted Interest Rate	Discounted Cash Flows
0.5	194,283,716	(60,903,196)		80,400,000	11,214,590	224,995,111	100.00%	5.50%	59,426,849	5.50%	59,426,849
1.5	224,995,111	(65,475,176)		78,839,217	12,737,323	251,096,475	100.00%	5.50%	60,557,346	5.50%	60,557,346
2.5	251,096,475	(70,710,806)		78,622,001	14,024,952	273,032,622	100.00%	5.50%	61,990,265	5.50%	61,990,265
3.5	273,032,622	(75,594,288)		78,681,307	15,100,551	291,220,192	100.00%	5.50%	62,816,571	5.50%	62,816,571
4.5	291,220,192	(80,376,521)		78,955,922	15,978,567	305,778,161	100.00%	5.50%	63,308,495	5.50%	63,308,495
5.5	305,778,161	(85,518,433)		79,443,387	16,652,971	316,356,086	100.00%	5.50%	63,846,935	5.50%	63,846,935
6.5	316,356,086	(90,024,907)		80,136,422	17,131,291	323,598,893	100.00%	5.50%	63,707,498	5.50%	63,707,498
7.5	323,598,893	(94,527,318)		81,004,402	17,431,036	327,507,013	100.00%	5.50%	63,406,348	5.50%	63,406,348
8.5	327,507,013	(99,237,260)		82,051,583	17,546,605	327,867,941	100.00%	5.50%	63,095,402	5.50%	63,095,402
9.5	327,867,941	(103,424,504)		83,277,346	17,486,106	325,206,889	100.00%	5.50%	62,329,541	5.50%	62,329,541
10.5	325,206,889	(107,115,159)		84,659,398	17,277,111	320,028,239	100.00%	5.50%	61,188,381	5.50%	61,188,381
11.5	320,028,239	(110,304,211)		86,208,691	16,947,795	312,880,514	100.00%	5.50%	59,725,207	5.50%	59,725,207
12.5	312,880,514	(113,167,660)		87,920,751	16,523,431	304,157,035	100.00%	5.50%	58,081,182	5.50%	58,081,182
13.5	304,157,035	(115,843,724)		89,791,259	16,021,783	294,126,354	100.00%	5.50%	56,355,091	5.50%	56,355,091
14.5	294,126,354	(118,126,871)		91,831,014	15,463,492	283,293,989	100.00%	5.50%	54,469,939	5.50%	54,469,939
15.5	283,293,989	(120,570,158)		94,033,376	14,861,175	271,618,383	100.00%	5.50%	52,698,173	5.50%	52,698,173
16.5	271,618,383	(123,232,475)		96,415,799	14,211,423	259,013,129	100.00%	5.50%	51,053,843	5.50%	51,053,843
17.5	259,013,129	(125,474,801)		98,974,555	13,526,719	246,039,603	100.00%	5.50%	49,272,809	5.50%	49,272,809
18.5	246,039,603	(127,535,514)		101,710,900	12,831,507	233,046,496	100.00%	5.50%	47,471,121	5.50%	47,471,121
19.5	233,046,496	(129,454,861)		104,625,640	12,143,893	220,361,167	100.00%	5.50%	45,673,496	5.50%	45,673,496
20.5	220,361,167	(130,917,589)		107,724,144	11,490,581	208,658,303	100.00%	5.50%	43,781,580	5.50%	43,781,580
21.5	208,658,303	(132,147,205)		111,011,776	10,902,762	198,425,635	100.00%	5.50%	41,888,900	5.50%	41,888,900
22.5	198,425,635	(133,292,754)		114,495,956	10,403,417	190,032,254	100.00%	5.50%	40,049,311	5.50%	40,049,311
23.5	190,032,254	(133,853,030)		118,181,803	10,026,583	184,387,609	100.00%	5.50%	38,120,998	5.50%	38,120,998
24.5	184,387,609	(134,104,566)		122,078,594	9,815,031	182,176,668	100.00%	5.50%	36,201,549	5.50%	36,201,549
25.5	182,176,668	(134,345,274)		126,195,308	9,798,592	183,825,294	100.00%	5.50%	34,375,856	5.50%	34,375,856
26.5	183,825,294	(134,145,625)		130,543,267	10,012,652	190,235,589	100.00%	5.50%	32,535,328	5.50%	32,535,328
27.5	190,235,589	(133,658,532)		135,127,870	10,502,823	202,207,750	100.00%	5.50%	30,727,194	5.50%	30,727,194
28.5	202,207,750	(132,681,235)		139,958,074	11,318,861	220,803,450	100.00%	5.50%	28,912,341	5.50%	28,912,341
29.5	220,803,450	(131,464,446)		145,046,404	12,512,695	246,898,103	100.00%	5.50%	27,153,737	5.50%	27,153,737
30.5	246,898,103	(129,890,895)		150,400,612	14,135,864	281,543,684	100.00%	5.50%	25,430,069	5.50%	25,430,069
31.5	281,543,684	(127,791,005)		156,026,747	16,250,993	326,030,418	100.00%	5.50%	23,714,647	5.50%	23,714,647
32.5	326,030,418	(125,286,827)		161,930,321	18,925,882	381,599,793	100.00%	5.50%	22,037,855	5.50%	22,037,855
33.5	381,599,793	(122,514,783)		168,115,558	22,225,226	449,425,794	100.00%	5.50%	20,426,782	5.50%	20,426,782
34.5	449,425,794	(119,468,577)		174,589,986	26,213,969	530,761,172	100.00%	5.50%	18,880,465	5.50%	18,880,465

Missouri Consolidated Healthcare Plan

Expected Return on Assets	5.50%		Present Value using EROA and Muni Rate	1,805,946,807
Municipal Bond Rate	N/A		Present Value using Weighted Interest Rate	1,805,946,807
Initial Year Contribution	80,400,000		Weighted Interest Rate	5.50%

Year	Trust Fund Beginning of Year	OPEB Cash Flows (PVB)	Administrative Expenses	Expected Co. Contributions to Trust	Net Investment Earnings	Trust Fund End of Year	Percent Funded	Discount Rate Applied to Year	Discounted Cash Flows	Weighted Interest Rate	Discounted Cash Flows
35.5	530,761,172	(116,251,469)		181,360,764	30,958,405	626,828,873	100.00%	5.50%	17,414,258	5.50%	17,414,258
36.5	626,828,873	(112,915,623)		188,435,717	36,524,594	738,873,561	100.00%	5.50%	16,032,753	5.50%	16,032,753
37.5	738,873,561	(109,251,035)		195,823,241	42,986,917	868,432,683	100.00%	5.50%	14,703,718	5.50%	14,703,718
38.5	868,432,683	(105,516,072)		203,531,530	50,423,146	1,016,871,287	100.00%	5.50%	13,460,704	5.50%	13,460,704
39.5	1,016,871,287	(101,763,779)		211,571,139	58,907,206	1,185,585,854	100.00%	5.50%	12,305,235	5.50%	12,305,235
40.5	1,185,585,854	(98,017,654)		219,952,031	68,515,537	1,376,035,767	100.00%	5.50%	11,234,365	5.50%	11,234,365
41.5	1,376,035,767	(94,240,511)		228,684,811	79,329,700	1,589,809,767	100.00%	5.50%	10,238,337	5.50%	10,238,337
42.5	1,589,809,767	(90,501,077)		237,780,932	91,435,524	1,828,525,146	100.00%	5.50%	9,319,510	5.50%	9,319,510
43.5	1,828,525,146	(86,846,265)		247,252,493	104,921,013	2,093,852,387	100.00%	5.50%	8,476,918	5.50%	8,476,918
44.5	2,093,852,387	(83,247,034)		257,112,817	119,879,195	2,387,597,365	100.00%	5.50%	7,701,994	5.50%	7,701,994
45.5	2,387,597,365	(79,653,891)		267,375,335	136,411,100	2,711,729,908	100.00%	5.50%	6,985,362	5.50%	6,985,362
46.5	2,711,729,908	(76,064,888)		278,054,412	154,625,510	3,068,344,943	100.00%	5.50%	6,322,862	5.50%	6,322,862
47.5	3,068,344,943	(72,468,894)		289,165,097	174,638,358	3,459,679,504	100.00%	5.50%	5,709,902	5.50%	5,709,902
48.5	3,459,679,504	(68,856,875)		300,723,569	196,573,363	3,888,119,561	100.00%	5.50%	5,142,471	5.50%	5,142,471
49.5	3,888,119,561	(65,237,079)		312,746,940	220,561,996	4,356,191,418	100.00%	5.50%	4,618,135	5.50%	4,618,135
50.5	4,356,191,418	(61,599,157)		325,252,987	246,743,965	4,866,589,213	100.00%	5.50%	4,133,276	5.50%	4,133,276
51.5	4,866,589,213	(57,955,055)		338,260,596	275,267,637	5,422,162,391	100.00%	5.50%	3,686,027	5.50%	3,686,027
52.5	5,422,162,391	(54,325,362)		351,789,493	306,289,707	6,025,916,229	100.00%	5.50%	3,275,046	5.50%	3,275,046
53.5	6,025,916,229	(50,732,036)		365,860,230	339,975,428	6,681,019,852	100.00%	5.50%	2,898,976	5.50%	2,898,976
54.5	6,681,019,852	(47,192,528)		380,494,203	376,499,209	7,390,820,736	100.00%	5.50%	2,556,131	5.50%	2,556,131
55.5	7,390,820,736	(43,718,705)		395,713,761	416,045,445	8,158,861,237	100.00%	5.50%	2,244,526	5.50%	2,244,526
56.5	8,158,861,237	(40,326,753)		411,542,233	458,809,160	8,988,885,878	100.00%	5.50%	1,962,448	5.50%	1,962,448
57.5	8,988,885,878	(37,030,055)		428,003,905	504,996,598	9,884,856,326	100.00%	5.50%	1,708,074	5.50%	1,708,074
58.5	9,884,856,326	(33,851,751)		445,124,061	554,825,709	10,850,954,345	100.00%	5.50%	1,480,066	5.50%	1,480,066
59.5	10,850,954,345	(30,800,806)		462,929,024	608,526,961	11,891,609,524	100.00%	5.50%	1,276,467	5.50%	1,276,467
60.5	11,891,609,524	(27,885,100)		481,446,185	666,344,511	13,011,515,119	100.00%	5.50%	1,095,386	5.50%	1,095,386
61.5	13,011,515,119	(25,112,930)		500,704,032	728,537,036	14,215,643,257	100.00%	5.50%	935,061	5.50%	935,061
62.5	14,215,643,257	(22,492,688)		520,732,193	795,378,578	15,509,261,340	100.00%	5.50%	793,837	5.50%	793,837
63.5	15,509,261,340	(20,026,947)		541,561,481	867,159,612	16,897,955,486	100.00%	5.50%	669,965	5.50%	669,965
64.5	16,897,955,486	(17,716,539)		563,223,940	944,188,220	18,387,651,107	100.00%	5.50%	561,777	5.50%	561,777
65.5	18,387,651,107	(15,562,840)		585,752,898	1,026,791,167	19,984,632,331	100.00%	5.50%	467,758	5.50%	467,758
66.5	19,984,632,331	(13,568,332)		609,183,014	1,115,314,954	21,695,561,967	100.00%	5.50%	386,551	5.50%	386,551
67.5	21,695,561,967	(11,733,554)		633,550,334	1,210,126,997	23,527,505,744	100.00%	5.50%	316,853	5.50%	316,853
68.5	23,527,505,744	(10,058,816)		658,892,348	1,311,616,921	25,487,956,197	100.00%	5.50%	257,467	5.50%	257,467
69.5	25,487,956,197	(8,543,566)		685,248,042	1,420,197,889	27,584,858,561	100.00%	5.50%	207,282	5.50%	207,282
70.5	27,584,858,561	(7,185,467)		712,657,963	1,536,308,051	29,826,639,108	100.00%	5.50%	165,244	5.50%	165,244
71.5	29,826,639,108	(5,980,692)		741,164,282	1,660,412,100	32,222,234,798	100.00%	5.50%	130,368	5.50%	130,368
72.5	32,222,234,798	(4,923,648)		770,810,853	1,793,002,911	34,781,124,915	100.00%	5.50%	101,731	5.50%	101,731
73.5	34,781,124,915	(4,007,022)		801,643,287	1,934,603,281	37,513,364,461	100.00%	5.50%	78,476	5.50%	78,476
74.5	37,513,364,461	(3,221,877)		833,709,019	2,085,767,764	40,429,619,366	100.00%	5.50%	59,809	5.50%	59,809
75.5	40,429,619,366	(2,557,940)		867,057,379	2,247,084,603	43,541,203,408	100.00%	5.50%	45,009	5.50%	45,009
76.5	43,541,203,408	(2,004,007)		901,739,675	2,419,177,752	46,860,116,827	100.00%	5.50%	33,424	5.50%	33,424
77.5	46,860,116,827	(1,548,317)		937,809,262	2,602,708,991	50,399,086,763	100.00%	5.50%	24,477	5.50%	24,477
78.5	50,399,086,763	(1,178,924)		975,321,632	2,798,380,143	54,171,609,614	100.00%	5.50%	17,666	5.50%	17,666

Appendix D: Glossary

Actuarial Present Value

The value, as of the valuation date, of amounts payable or receivable thereafter, with each amount adjusted to reflect (a) the time value of money (through discounts for interest) and (b) the probability of payment (to reflect death, disability or termination of employment) between the valuation date and the expected date of payment.

Actuarially Determined Contribution (ADC)

The plan's normal cost plus an amortization of its unfunded actuarial accrued liability.

Discount Rate

The rate used to reflect the time value of money. The discount rate is used in determining the present value as of the valuation date of future cash flows currently expected to be required to satisfy the post-employment benefit obligation.

Gain or Loss

A change in the value of either the actuarial accrued liability or plan assets resulting from experience different from that assumed or from a change in an actuarial assumption.

Health Care Cost Trend Rates

An assumption about the annual rate(s) of change in the cost of health care benefits currently provided by the post-employment benefit plan, due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the valuation date until the end of the period in which benefits are expected to be paid. The health care cost trend rates implicitly consider estimates of health care inflation, changes in health care utilization or delivery patterns, technological advances, and changes in the health status of the plan participants. Differing types of services, such as hospital care and dental care, may have different trend rates.

Net OPEB Liability

The difference between the Total OPEB Liability and the Net Fiduciary Position.

Normal Cost/Service Cost

The portion of the expected post-employment benefit obligation attributed to employee service during the year immediately following the valuation date.

Total OPEB Liability

The actuarial present value of benefits attributed to employee service rendered prior to the valuation date.

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Statistical

OVERVIEW

The statistical section presents detailed information as a compliment 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 2022.

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 2022.

State Membership Enrolled in MCHCP – Depicts state membership subscriber and dependent enrollment by age, gender and type of enrollment for fiscal year 2022.

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 2022.

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 2022 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, 2022

Fiscal Year	State/Employer Contributions	Member Contributions	Public Entity Income	Pharmacy Rebates & Subsidy	Total Operating Revenues	Investment & Other Income
2022	**$429,970,953**	**$70,503,325**	**$9,633,399**	**$42,840,523**	**$552,948,200**	**($3,778,081)**
2021	**$437,336,186**	**$74,012,245**	**$8,150,024**	**$32,607,229**	**$552,105,684**	**$433,361**
2020	**$401,388,126**	**$74,873,802**	**$7,423,514**	**$31,653,218**	**$515,338,660**	**$1,103,352**
2019	**400,006,662**	**76,138,619**	**7,870,921**	**31,161,964**	**515,178,166**	**1,171,090**
2018	**334,208,126**	**80,156,169**	**7,559,037**	**24,832,110**	**446,755,442**	**1,222,021**
2017	**328,917,283**	**80,960,318**	**7,468,778**	**17,365,478**	**434,711,857**	**893,977**
2016	**324,857,578**	**83,815,598**	**7,904,470**	**13,500,867**	**430,078,513**	**1,173,043**
2015	**324,630,770**	**83,734,256**	**8,063,991**	**5,689,731**	**422,118,748**	**735,595**
2014	**314,696,927**	**87,402,560**	**8,234,207**	**7,684,071**	**418,017,765**	**877,940**
2013	**316,307,501**	**90,793,617**	**8,215,776**	**4,256,453**	**419,573,347**	**436,909**
2012	**319,804,444**	**89,797,753**	**8,492,621**	**5,375,360**	**423,470,178**	**853,463**

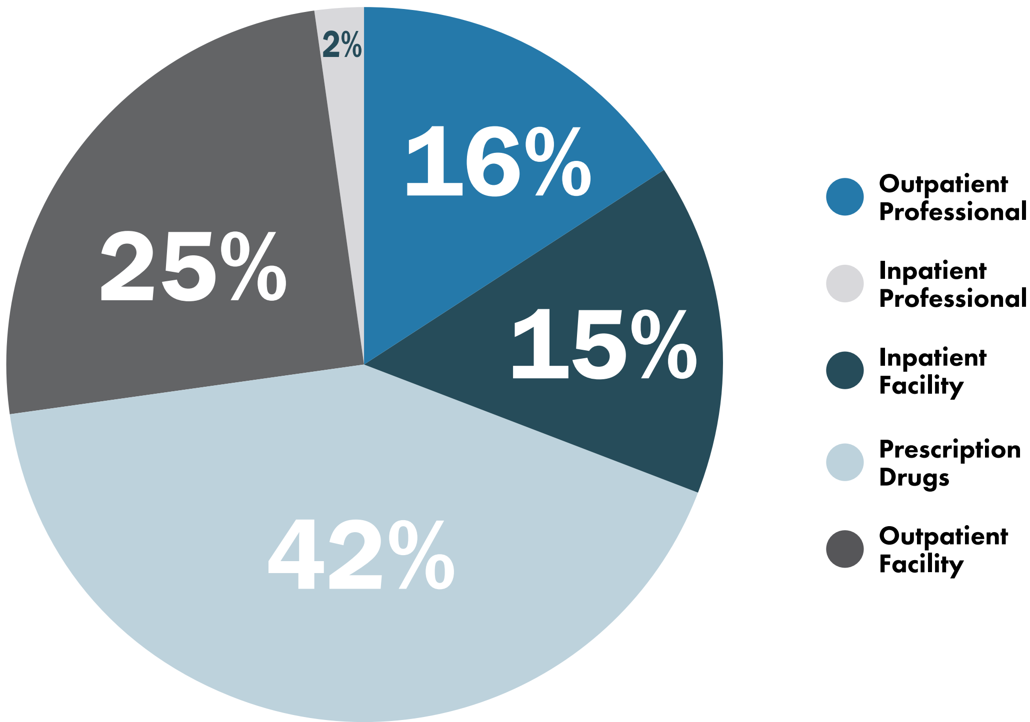
Historical Data: Expenses by Type

Internal Service Fund, ten years ended June 30, 2022

Fiscal Year	Medical Claims/Capitation & Health Administrative Services	Administration & Payroll	Other	Total Operating Expenses & Fees
2022	**$460,343,536**	**$4,105,625**	**$10,872,190**	**$475,321,351**
2021	**$450,588,922**	**$4,666,054**	**$11,360,288**	**$466,615,264**
2020	**$439,515,651**	**$4,731,207**	**$10,903,086**	**$455,149,944**
2019	**499,070,275**	**4,330,944**	**1,185,609**	**504,586,828**
2018	**525,142,217**	**4,460,726**	**1,206,145**	**530,809,088**
2017	**474,453,616**	**4,317,715**	**1,488,309**	**480,259,640**
2016	**452,409,305**	**3,846,601**	**1,644,070**	**457,899,976**
2015	**420,740,454**	**3,998,457**	**1,846,818**	**426,585,729**
2014	**399,793,666**	**3,966,917**	**1,961,783**	**405,722,366**
2013	**384,588,353**	**3,983,962**	**1,805,563**	**390,377,878**
2012	**381,291,864**	**3,885,557**	**2,097,573**	**387,274,994**

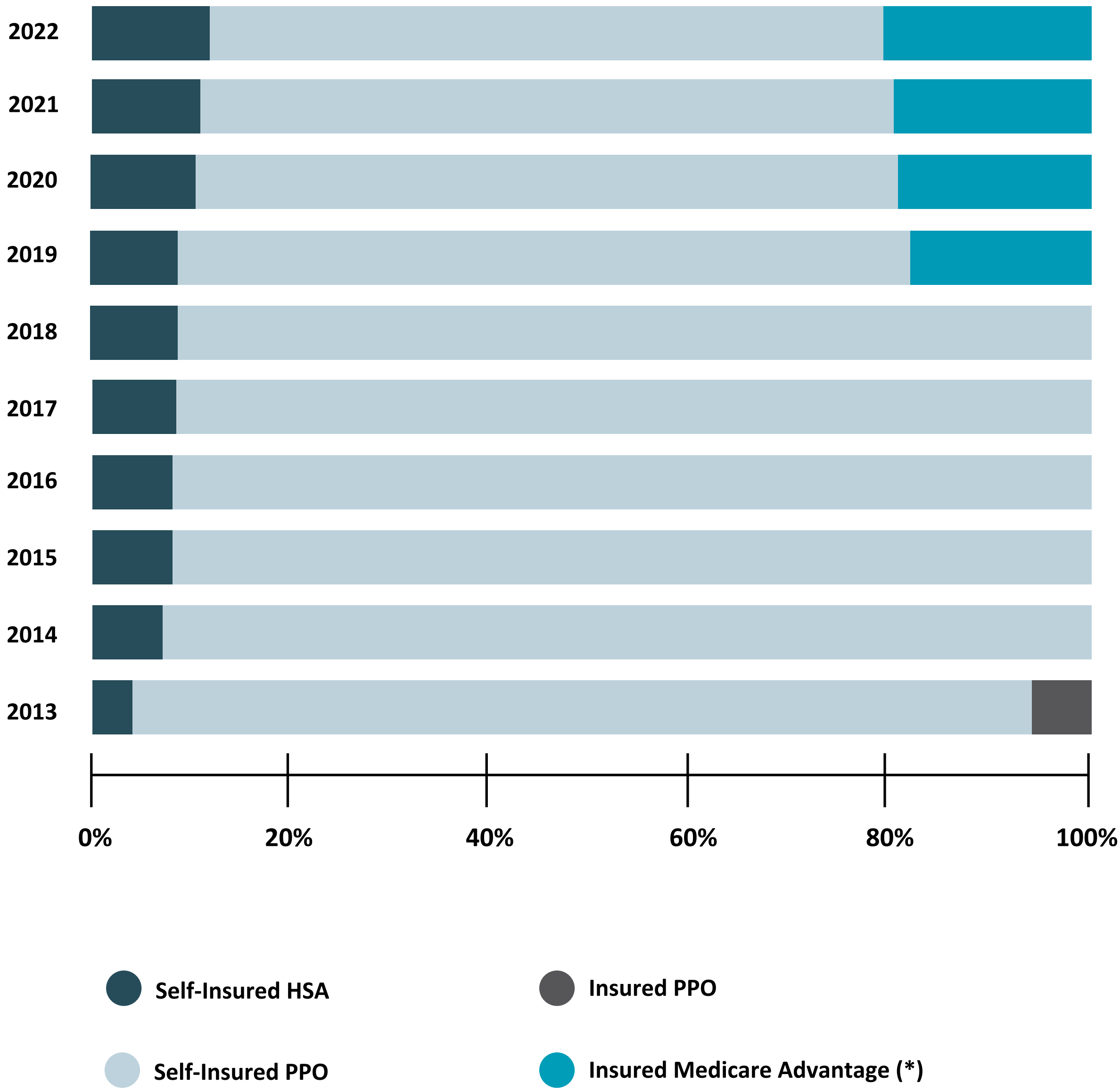
Distribution of Claim Payments

State Membership, Fiscal Year 2022

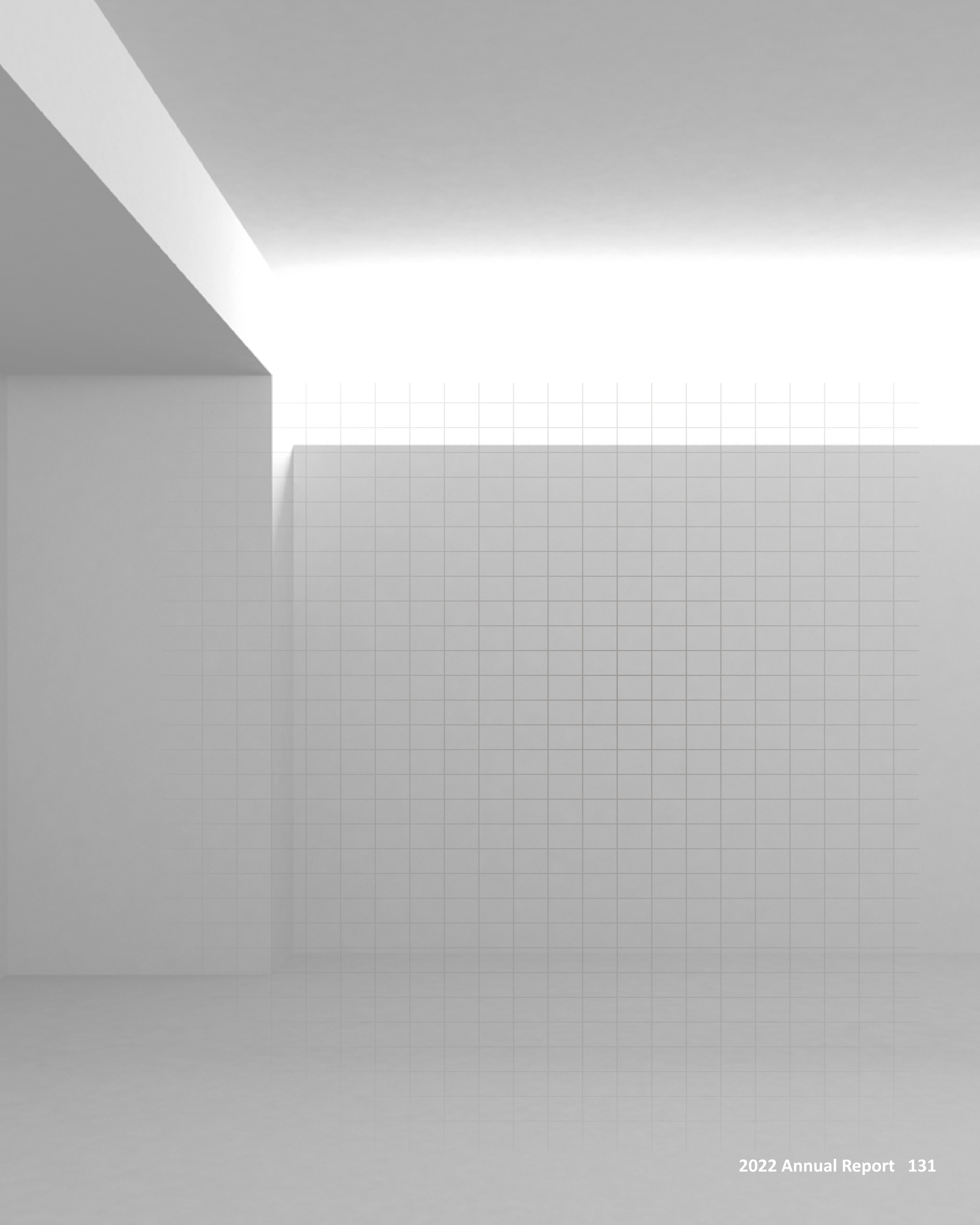


Healthcare Options by Year & Total Lives

State Membership, ten years ended June 30, 2022



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



Statement of Revenues, Expenses & Changes in Net Position

Internal Service Fund, ten years ended June 30, 2022

Fiscal Year Ending	2022	2021	2020	2019
Operating Revenues				
State/employer contributions	$429,970,953	$437,336,186	$401,388,126	$400,006,661
Member contributions	70,503,325	74,012,245	74,873,802	76,138,619
Public entity contributions	9,633,399	8,150,024	7,423,514	7,870,921
Pharmacy rebates	42,840,523	32,607,229	31,653,218	31,161,964
Total Operating Revenues	**$552,948,200**	**$552,105,684**	**$515,338,660**	**$515,178,165**
Operating Expenses				
Medical claims & capitation expense	$460,343,536	$450,588,922	$439,515,651	$489,424,668
Claims administration services	9,831,737	10,589,411	9,937,642	9,655,047
Payroll and related benefits	3,185,235	3,436,317	3,837,791	3,682,752
Health management	5,265	(44,522)	3,838	(9,440)
Administration	980,820	931,138	893,416	648,192
Professional services	602,902	700,784	520,595	653,477
Employee Assistance Program	371,856	413,214	441,011	455,356
Depreciation				76,776
Total Operating Expenses	**$475,321,351**	**$466,615,264**	**$455,149,944**	**$504,586,828**
Operating revenues over (under) operating expenses	77,626,849	85,490,420	60,188,716	10,591,337
Nonoperating Revenues				
Investment and other income	($3,778,081)	$433,361	$1,103,352	$1,171,090
Net Position				
Change in net position	$73,848,768	$85,923,781	$61,292,068	$11,762,427
Net position, beginning of year, adjusted	138,592,217	52,668,436	(8,623,632)	(20,386,059)
Net Position, End of Year	**$212,440,985**	**$138,592,217**	**$52,668,436**	**($8,623,632)**

2018	2017	2016	2015	2014	2013
$334,208,126	$327,233,709	$324,857,578	$324,630,770	$314,696,927	$316,307,501
80,156,169	80,960,318	83,815,598	83,734,256	87,402,560	90,793,617
7,559,037	7,468,778	7,904,470	8,063,991	8,234,207	8,215,776
24,832,110	17,365,478	13,500,867	5,689,731	7,684,071	4,256,453
$446,755,442	$433,028,283	$430,078,513	$422,118,748	$418,017,765	$419,573,347
$514,367,757	$462,217,654	$437,471,527	$403,830,055	$384,618,997	$372,475,046
10,768,757	11,445,426	13,218,054	15,639,455	13,852,877	10,806,319
3,620,926	3,580,771	3,192,904	3,171,205	3,256,596	2,956,116
5,703	790,536	1,719,724	1,270,944	1,321,792	1,306,988
775,553	736,944	740,609	827,252	710,321	893,425
733,700	862,896	962,817	1,132,123	1,239,582	1,219,526
472,445	536,566	594,341	598,961	578,534	586,037
64,247	88,847		115,734	143,667	134,421
$530,809,088	$480,259,640	$457,899,976	$426,585,729	$405,722,366	$390,377,878
(84,053,646)	(47,231,357)	(27,821,463)	(4,466,981)	12,295,399	29,195,469
$1,222,021	$893,977	$1,173,043	$735,595	$877,940	$436,909
($82,831,625)	($46,337,380)	($26,648,420)	($3,731,386)	$13,173,339	$29,632,378
62,445,566	108,782,946	135,431,366	139,162,752	130,428,285	100,795,907
($20,386,059)	$62,445,566	$108,782,946	$135,431,366	$143,601,624	$130,428,285

Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust, for the ten fiscal years ended June 30, 2022

Additions	2022	2021	2020	2019
Employer contributions	**$73,021,995**	**$74,330,294**	**$72,338,734**	**$82,619,621**
Retiree contributions	**43,527,194**	**43,275,109**	**43,318,278**	**51,242,143**
Investment income	**(12,883,097)**	**18,258,737**	**2,754,934**	**6,208,661**
Retiree drug subsidy & other rebates	**67,663,080**	**53,623,533**	**48,172,196**	**41,544,557**
Total Additons	**$171,329,172**	**$189,487,673**	**$166,584,142**	**$181,614,982**
Deductions				
Medical claims & capitation expense	**$161,799,507**	**$149,071,751**	**$138,933,653**	**$165,126,632**
Claims administration services	**4,783,416**	**4,926,263**	**4,412,024**	**4,128,891**
Administration & other	**2,922,355**	**2,921,853**	**2,896,632**	**2,743,447**
Total Deductions	**$169,505,278**	**$156,919,867**	**$146,242,309**	**$171,998,970**
Net Increase	**1,823,894**	**32,567,806**	**20,341,833**	**9,616,012**
Net Position Restricted for Pensions				
Beginning of Year	**192,459,822**	**159,892,016**	**139,550,183**	**129,934,171**
End of Year	**$194,283,716**	**$192,459,822**	**$159,892,016**	**$139,550,183**

	2018	2017	2016	2015	2014	2013
	$68,901,880	$67,398,726	$66,199,740	$62,585,666	$56,314,655	$54,005,719
	53,157,242	52,169,890	51,446,647	50,343,105	50,921,465	51,217,932
	4,679,311	7,838,782	2,275,792	4,003,656	11,790,754	6,882,517
	35,501,734	30,514,297	29,696,367	14,865,605	6,849,482	7,083,186
	$162,240,167	$157,921,695	$149,618,546	$131,798,032	$125,876,356	$119,189,354
	$150,606,550	$142,154,216	$131,451,967	$118,668,233	$105,340,449	$106,638,547
	4,389,802	4,325,639	4,892,410	5,865,488	5,110,073	3,996,858
	2,752,187	2,984,613	3,193,562	2,632,026	2,681,689	2,624,738
	$157,748,539	$149,464,468	$139,537,939	$127,165,747	$113,132,211	$113,260,143
	4,491,628	8,457,227	10,080,607	4,632,285	12,744,145	5,929,211
	125,442,543	116,985,316	106,904,709	102,272,424	89,528,279	83,599,068
	$129,934,171	$125,442,543	$116,985,316	$106,904,709	$102,272,424	$89,528,279

Schedule of Net Position by Component

Internal Service Fund, ten years ended June 30, 2022

Net Position	Net investments in capital and right of use assets	Unrestricted	Total net position
2022	$1,494,389	$210,946,597	$212,440,986
2021	$378,160	$138,214,058	$138,592,218
2020	$177,984	$52,490,453	$52,668,437
2019	220,086	(8,843,718)	(8,623,632)
2018	287,155	(20,673,214)	(20,386,059)
2017	283,032	62,162,534	62,445,566
2016	221,396	108,561,550	108,782,946
2015	304,082	135,127,283	135,431,365
2014	250,090	143,351,534	143,601,624
2013	262,720	130,165,565	130,428,285
2012	256,281	100,539,626	100,795,907

Full-Time Employees

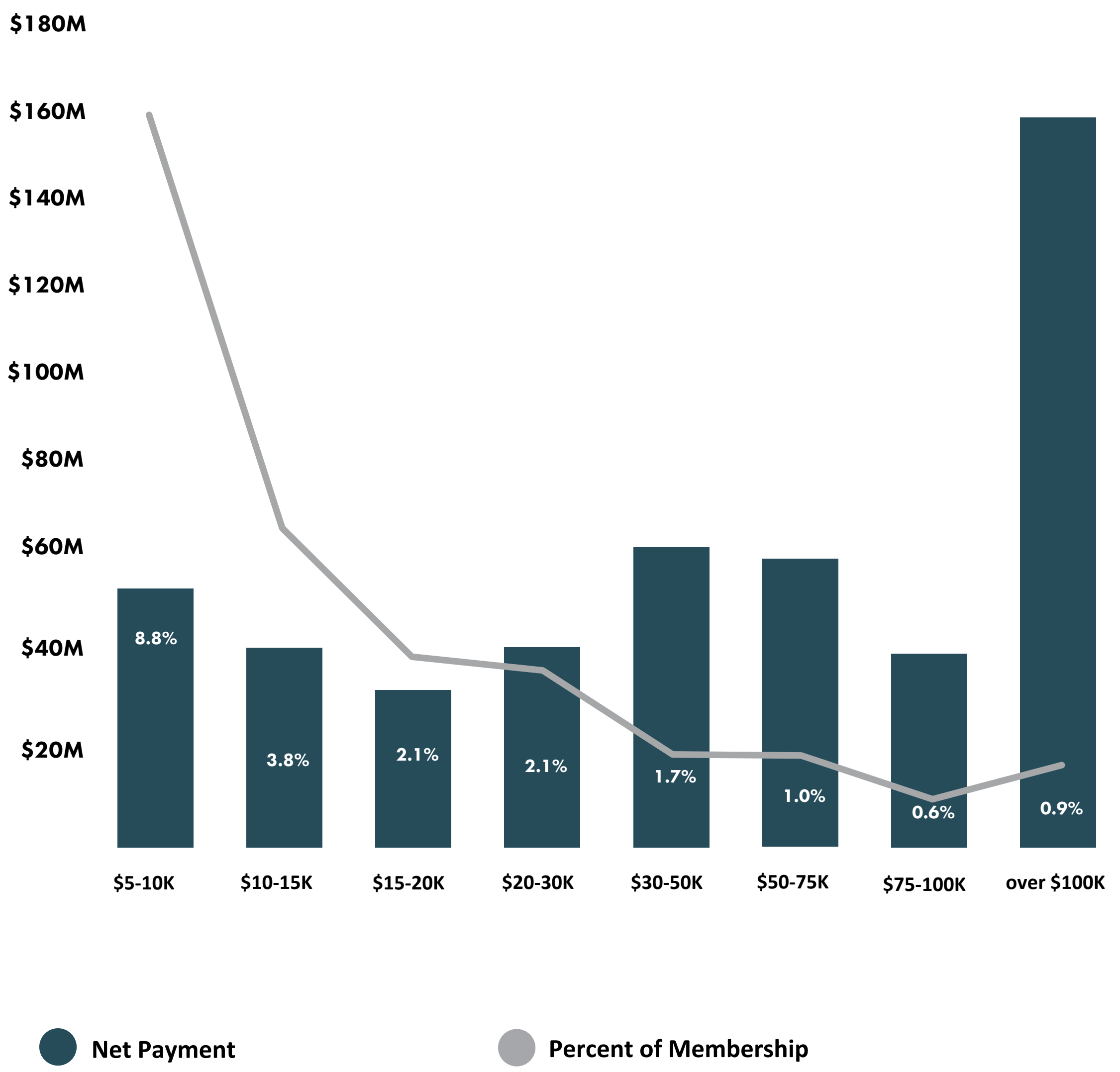
Missouri Consolidated Health Care Plan, ten years ended June 30, 2022

Department	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Executive & Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations	43.40	45.54	41.8	44.11	44.75	46.58	48.54	50.00	50.97	48.10
General Counsel	1.00	1.00	2.00	1.00	1.00	1.00	1.20	2.00	2.50	1.50
Internal Audit	0.00	0.00	3.66	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Human Resources	0.00	.83	0.42	1.00	1.00	1.00	1.00	1.00	1.00	0.53
Finance	2.33	3.00	4.00	4.00	4.91	5.92	6.00	6.00	6.00	6.00
Totals	48.73	52.37	53.88	55.11	56.66	59.5	61.74	64.00	66.47	62.13

Source: Missouri Consolidated Health Care Budget Documents

Paid Claims Distribution by Individual

State Members Fiscal Year 2022



78.9% of membership accumulated $0-$5K in claims and accounted for $65.9 million in cost

State Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2022

	Active		Retiree		COBRA		Disabled		Survivors		Vested		
Age	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	**Total**
< 1	278	321	2	2	0	1	0	0	0	0	0	0	604
1 - 10	3,518	3,676	7	14	3	2	0	1	2	2	5	6	7,236
11 - 19	4,632	4,952	129	112	3	2	2	1	11	15	8	7	9,874
20 - 24	3,223	2,925	203	202	2	3	1	1	18	8	10	6	6,602
25 - 29	2,078	1,509	57	57	5	4	0	1	1	2	1	0	3,715
30 - 34	2,265	1,453	5	6	2	1	1	0	1	1	2	0	3,737
35 - 39	2,486	1,638	5	14	0	2	0	1	2	1	3	4	4,156
40 - 44	2,997	1,801	4	8	2	2	5	0	1	3	6	3	4,832
45 - 49	3,207	1,953	19	14	0	2	4	6	1	1	5	4	5,216
50 - 54	3,594	2,234	305	124	4	5	14	5	6	1	16	11	6,319
55 - 59	3,213	2,126	1,112	602	6	5	10	9	9	4	17	10	7,123
60 - 64	2,234	1,682	2,283	1,189	4	4	8	1	28	15	6	8	7,462
65 - 69	625	611	2,910	1,775	0	0	4	1	67	19	2	2	6,016
70 - 74	131	155	2,778	1,829	0	0	1	0	128	35	0	2	5,059
75 - 79	20	38	1,756	1,235	0	0	0	0	148	35	0	0	3,232
80 +	2	6	1,886	1,047	0	0	0	0	367	103	1	1	3,413
Total	34,503	27,080	13,461	8,230	31	33	50	27	790	245	82	64	84,596
	Total Active 61,583		Total Retirees 21,691		Total COBRA 64		Total Disabled 77		Total Survivors 1,035		Total Vested 146		

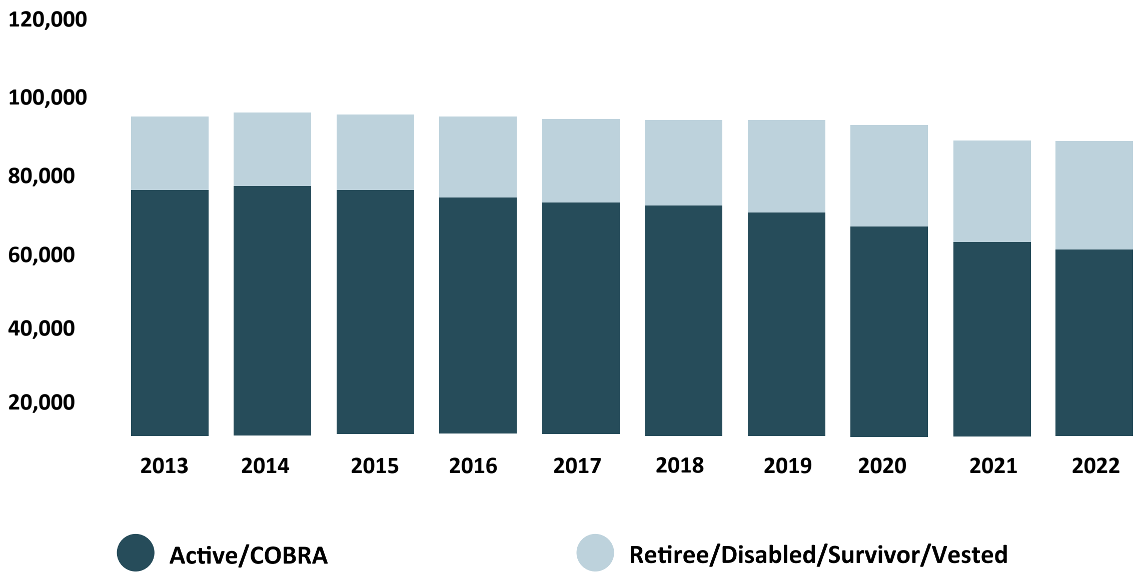
Enrollment History

State Membership, ten years ended June 30, 2022

Year	Active	Retiree	COBRA	Disabled	Survivors	Vested	Total
2013	76,288	17,937	111	205	867	169	95,577
2014	76,713	18,361	65	167	847	171	96,324
2015	75,808	18,630	59	136	855	159	95,647
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

Enrollment Distribution

State Membership, ten years ended June 30, 2022



Public Entity Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2022

Age	Active Female	Active Male	Retiree Female	Retiree Male	COBRA Female	COBRA Male	Total
<1	5	5	0	0	0	0	10
1-10	35	35	0	0	0	0	70
11-19	48	50	0	0	0	0	98
20-24	56	39	0	0	0	0	95
25-29	39	56	0	0	0	0	95
30-34	53	41	0	0	0	0	94
35-39	59	51	0	0	0	0	110
40-44	54	31	0	0	0	0	85
45-49	70	35	0	0	0	0	105
50-54	78	42	0	0	0	0	120
55-59	99	47	0	0	0	0	146
60-64	88	47	1	0	2	0	138
65-69	13	12	0	0	0	0	25
70-74	9	3	0	1	0	0	13
75-79	2	3	0	0	0	0	5
80+	0	0	0	0	0	0	0
Total	**708**	**497**	**1**	**1**	**2**	**0**	**1,209**
	Total Active 1,205		Total Retirees 2		Total COBRA 2		

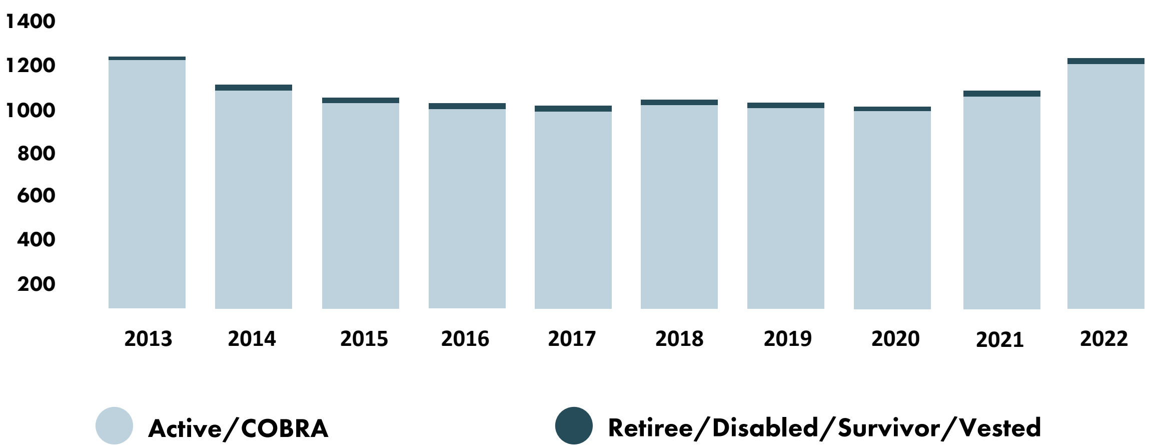
Enrollment History

Public Entity Membership, ten years ended June 30, 2022

Year	Active	Retiree	COBRA	Total
2013	1,244	9	9	1,262
2014	1,197	14	2	1,213
2015	1,115	12	4	1,131
2016	1,056	14	8	1,078
2017	1,003	5	8	1,016
2018	1,038	4	5	1,047
2019	1,019	4	5	1,028
2020	963	3	7	973
2021	1,154	2	7	1,163
2022	1,205	2	2	1,209

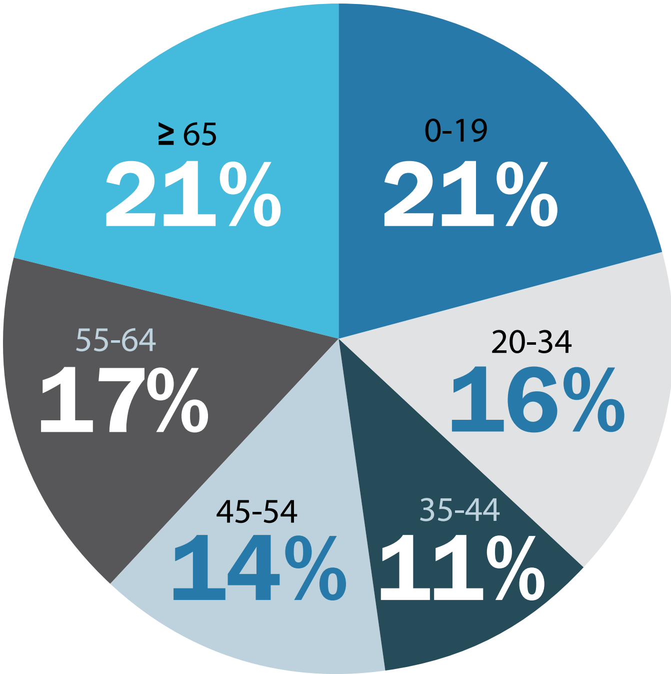
Enrollment Distribution

Public Entity Membership, ten years ended June 30, 2022



Plan Demographics

State Membership, Fiscal Year 2022

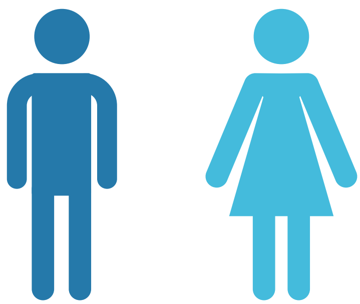


Total Lives

84,596

Average Age

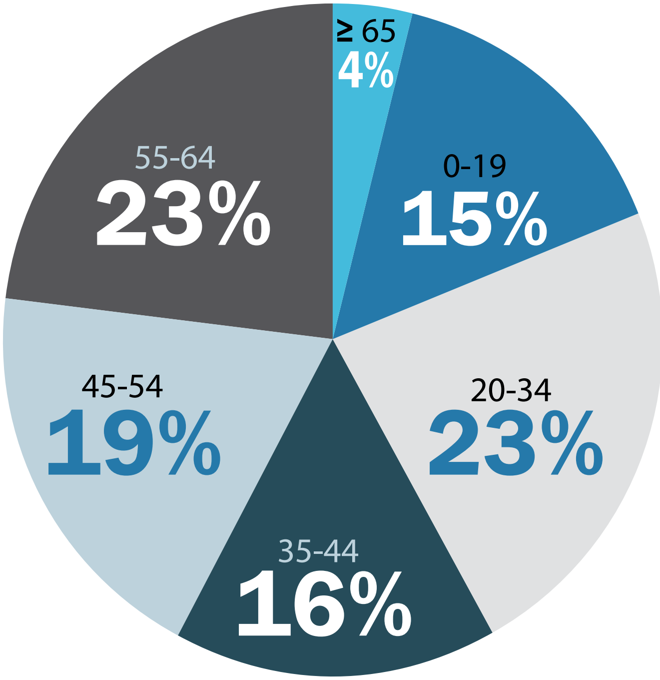
43 years



42% **58%**

Plan Demographics

Public Entity Membership, Fiscal Year 2022

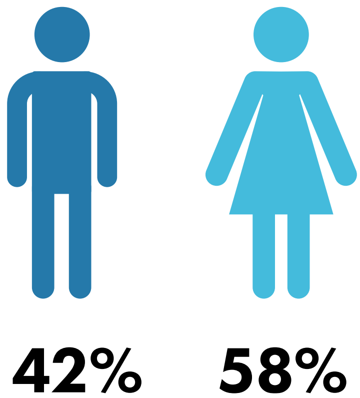


Total Lives

1,209

Average Age

40 years



Principal Participating Employers

State Retiree Welfare Benefit Trust

2022

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

2021

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

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

Average Benefit Payment

State Retiree Welfare Benefit Trust

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

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

Average Benefit Payment table represents available data from 2017-2022.