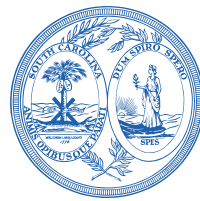


Spring 2020

State Health Plan benchmarks



PEBASM
SC Retirement Systems
and State Health Plan

State Health Plan enrollment¹

As of March 2020

| Participants | | |
|----------------------------|---------|----------------|
| Subscribers | | 291,232 |
| Actives | 197,139 | |
| Retirees | 90,782 | |
| Others | 3,311 | |
| Spouses | | 85,725 |
| Children | | 138,533 |
| Total covered lives | | 515,490 |

¹Represents enrollment in the State Health Plan, the MUSC Health Plan and TRICARE.

| Active subscribers | |
|---------------------------------|----------------|
| State agencies | 35,404 |
| Higher education | 26,422 |
| School districts | 86,627 |
| Optional employers | 36,207 |
| Other | 12,479 |
| Total active subscribers | 197,139 |

| Retirees | |
|-----------------------|---------------|
| Medicare | 71,432 |
| Non-Medicare | 19,350 |
| Total retirees | 90,782 |

State Health Plan participating employers

As of March 2020

| Employers | |
|---------------------------|------------|
| State agencies | 86 |
| Higher education | 27 |
| School districts | 90 |
| Optional employers | 563 |
| Total employers | 766 |

State Health Plan versus national trends

Target is to maintain net expenditure growth at least two points below benchmark.

| | Benchmark | State Health Plan |
|-----------------------------------|-----------|-------------------|
| 2015 | 7.2% | 7.9% |
| 2016 | 6.9% | 0.2% |
| 2017 | 6.6% | 2.4% |
| 2018 | 6.6% | 3.4% |
| 2019 | 6.6% | 2.5% ¹ |
| 5-year average (2015-2019) | 6.8% | 3.3% |

¹Incurred in 12 months; paid in 12 months

The benchmark is a blended number derived from annual health care cost trend surveys produced by national consulting firms including Aon, Buck, PriceWaterhouseCoopers and Segal.

State Health Plan contribution rate increases versus CPI growth for medical care

Target is to control annual contribution increase to no more than CPI for medical care plus 3 percentage points. Two-year lag in CPI data used for measure because of timing of the State Health Plan rate setting process.

| | State Health Plan total rate increase | | Medical care CPI increase |
|-----------------------------------|---------------------------------------|-----------------------------------|---------------------------|
| 2016 | 3.4% | 2014 | 3.0% |
| 2017 | 0.6% | 2015 | 2.6% |
| 2018 | 2.5% | 2016 | 4.1% |
| 2019 | 5.7% | 2017 | 1.8% |
| 2020 | 0.0% | 2018 | 2.0% |
| 5-year average (2016-2020) | 2.4% | 5-year average (2014-2018) | 2.7% |

2019 Average monthly total premiums¹

Totals include employee and employer contributions

| | Single | Family |
|--|--------|---------|
| State Health Plan | \$500 | \$1,305 |
| Large public and private sector employers² | \$640 | \$1,807 |
| Public and private sector in South³ | \$620 | \$1,758 |
| Public employers | \$711 | \$1,880 |
| Private - manufacturing | \$592 | \$1,725 |
| Private - financial services | \$651 | \$1,884 |

¹Average monthly total premiums in PPO (Preferred Provider Organization) plans

²Large public and private sector employers: ≥ 200 employees in public and private sector

³Public and private sector employers in South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia

Data from the Kaiser Family Foundation Employer Health Benefits 2019 Annual Survey

2019 Average annual deductible¹

| | Amount |
|--|---------|
| State Health Plan | \$490 |
| Large public and private sector employers² | \$986 |
| All employers | \$1,206 |

¹Average annual deductible in PPO (Preferred Provider Organization) plans

²Large public and private sector employers: ≥ 200 employees in public and private sectors

Data from the Kaiser Family Foundation Employer Health Benefits 2019 Annual Survey

2020 Composite monthly premiums¹

| | Employer | Employee | Total |
|--------------------------|----------|----------|------------|
| State Health Plan | \$573.36 | \$159.64 | \$733.00 |
| South² | \$757.86 | \$185.70 | \$943.56 |
| United States | \$931.91 | \$164.18 | \$1,096.08 |

Survey uses most prevalent plan among state employee options for analysis.

¹Composite monthly premiums: Weighted average of all PEBA health subscribers enrolled in each coverage level

²South includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia

Data from the 2020 PEBA 50-State Survey of State Employee Health Plans

2018 Average annual gross plan cost per active employee¹

| | Amount ² |
|-------------------------------------|---------------------|
| State Health Plan | \$10,528 |
| Public employers | \$12,387 |
| Private – manufacturing | \$13,751 |
| Private – financial services | \$13,607 |
| All employers | \$12,486 |
| Employers – 500+ | \$13,178 |
| Employers – 20k+ | \$12,245 |
| South³ | \$11,257 |

¹Average cost in PPO (Preferred Provider Organization) and POS (Point of Service) plans

²Average annual gross plan cost per employee (medical and pharmacy only for active employees and their dependents) = (Claims cost for employee and dependents + administrative costs + employee contributions)/number of active employees

³South includes Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia

Data from 2018 Mercer National Survey of Employer-sponsored Health Plans

Historical State Health Plan increases and funding

| Plan year | Employee increase | Employer increase | Overall increase | Plan design changes |
|-------------|-------------------|-------------------|------------------|--|
| 2009 | 0.0% | 0.0% | 0.0% | |
| 2010 | 0.0% | 0.0% | 0.0% | |
| 2011 | 0.0% | 10.3% | 7.2% | |
| 2012 | 4.5% | 4.5% | 4.5% | |
| 2013 | 0.0% | 6.37% | 4.7% | |
| 2014 | 0.0% | 6.8% | 5.1% | Increased deductible and coinsurance maximum |
| 2015 | 0.0% | 3.9% | 2.9% | Increased deductible and coinsurance maximum |
| 2016 | 0.0% | 4.5% | 3.4% | |
| 2017 | 0.0% | 0.8% | 0.6% | |
| 2018 | 0.0% | 3.3% | 2.5% | |
| 2019 | 0.0% | 7.4% | 5.7% | Increased copayments, deductible and coinsurance maximum |
| 2020 | 0.0% | 0.0% | 0.0% | |



PEBASM

SC Retirement Systems
and State Health Plan

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