

PUBLIC EDUCATION EMPLOYEES' HEALTH INSURANCE FUND
Required Supplementary Information
For the Fiscal Year Ended September 30, 2023

Recent Plan Changes

Effective January 1, 2017, Medicare eligible medical and prescription drug benefits were provided through a Medicare Advantage Plan with Prescription Drug Coverage Plan (MAPDP).

Effective January 1, 2020, the MAPDP plan moved from self-insured to fully insured.

Beginning in plan year 2021, the MAPDP plan premium rates exclude the ACA Health Insurer Fee which was repealed on December 20, 2019.

Changes in Actuarial Assumptions

In 2022, rates of participation were adjusted to reflect actual and anticipated experience more closely.

In 2021, rates of withdrawal, retirement, disability, and mortality were adjusted to reflect actual experience more closely. In 2021, economic assumptions and the assumed rates of salary increases were adjusted to reflect actual and anticipated experience more closely.

In 2019, assumed rates of tobacco use, spouse participation and the payment of the spousal surcharge were adjusted to more closely reflect actual and anticipated experience.

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of September 30, 2020, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the recent contribution rate reported in that schedule.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay, open
Remaining Amortization Period	30 years
Asset Valuation Method	Market value of assets
Inflation	2.75%
Healthcare Cost Trend Rate	
Pre-Medicare Eligible	6.50%
Medicare Eligible	*
Ultimate Trend Rate	
Pre-Medicare Eligible	4.75% in 2027
Medicare Eligible	4.75% in 2024
Dental Trend Rate	4.50%
Investment Rate of Return	7.50%, including inflation

* Initial Medicare claims are based on scheduled increase through plan year 2022.