Summer 2026

State Health Plan Overview

Western Area School Systems

North Carolina
State Health Plan
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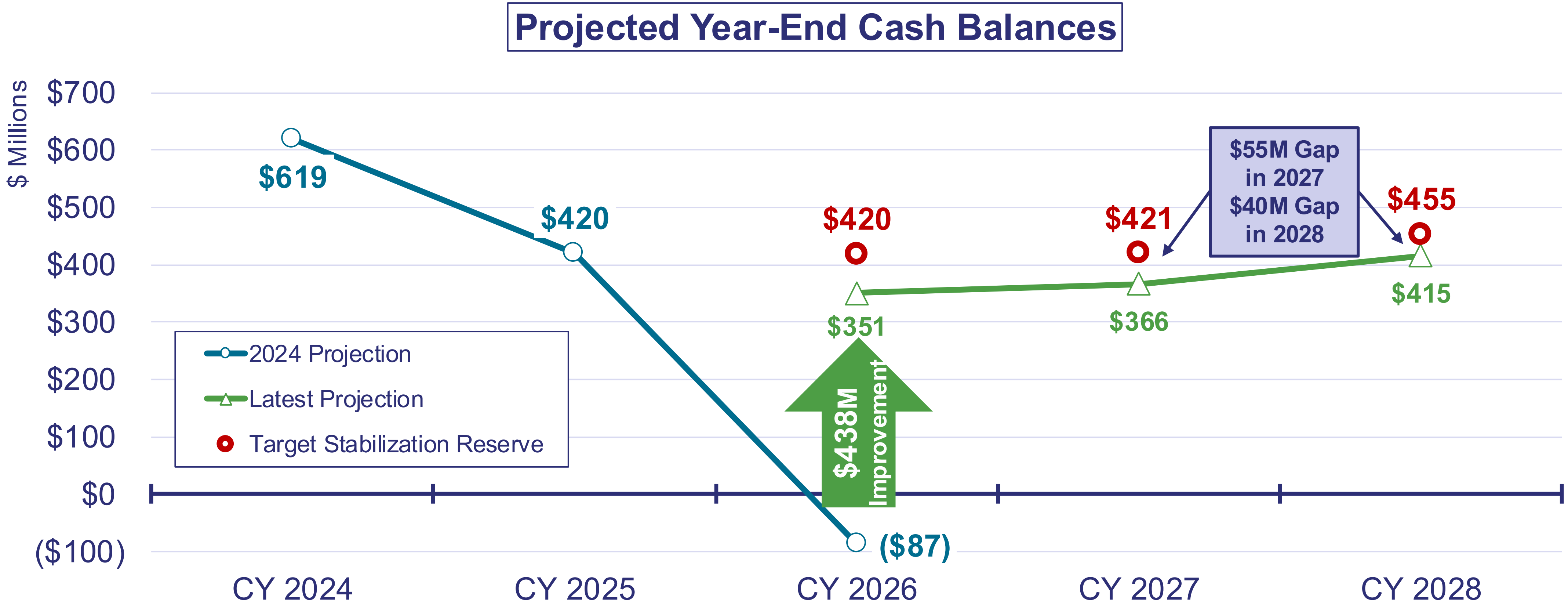
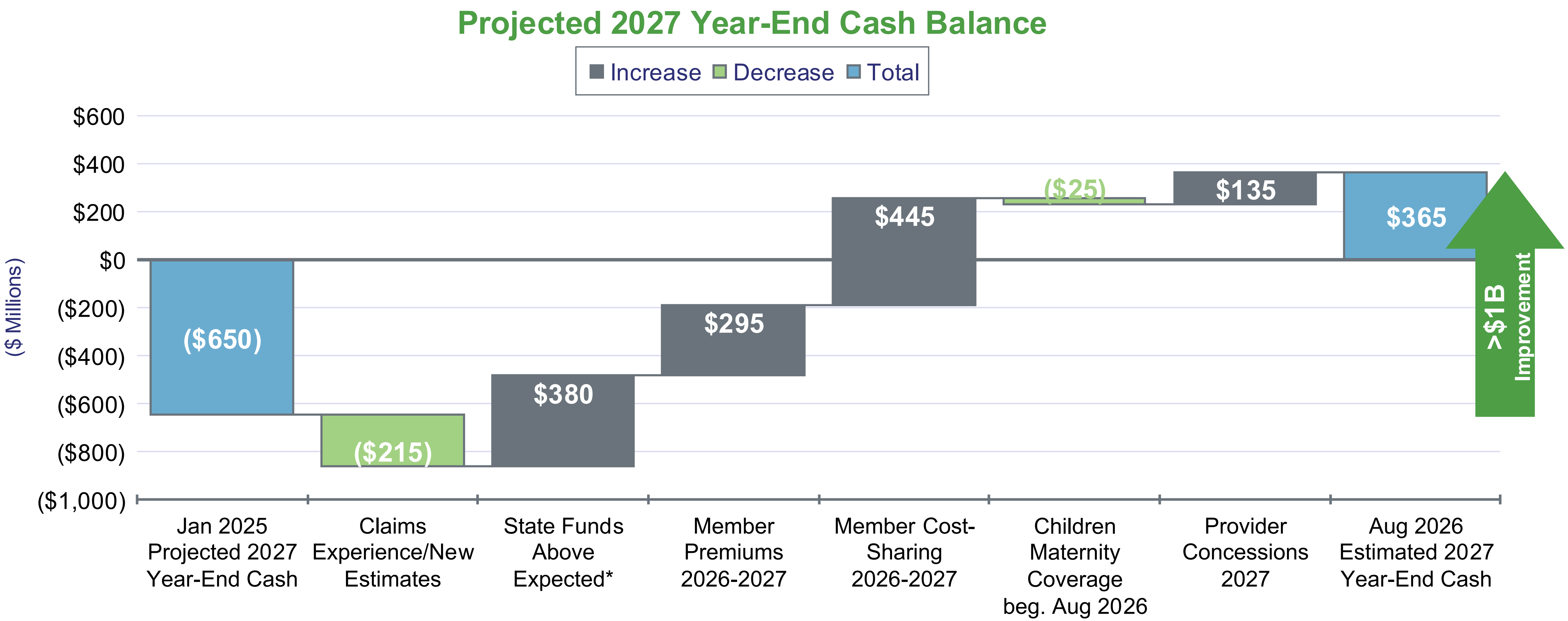
We Began with a Robust Deficit that Will Grow



- In 2024, the Plan was facing a shortfall relative to its target stabilization reserve of more than $500 million.
- The Treasurer and the SHP Board took action to maintain solvency, improving the outlook for 2026 through 2028.
- The most recent projections show the Plan on a more sustainable path for the next few years, but additional actions are needed to meet the Target Stabilization Reserve.

Resolving the State Health Plan Deficit



*The Jan 2025 projection assumed 4% annual increases in State funding; however, the State budgets for FY 2025-26 and FY 2026-27 provide 5% annual increases in employer contributions. The State also altered the funding structure for retirees by implementing a percent of salary funding model.

Because Costs Keep Rising

Medical cost trend is expected to hit 9%, highest in 17 years.

- PwC recently released their annual Behind the Numbers report, which estimates a 9% medical cost trend for the group market in 2027, the highest trend in over 15 years.
- Pointing to coding intensity (AI), inflation and provider consolidation, pharmacy costs, Behavioral Health use, and the No Surprises Act, many of which were inflators in 2026 and what the Plan is experiencing.

Behind the numbers 2027

Medical cost trend is expected to hit 9%, highest in 17 years.

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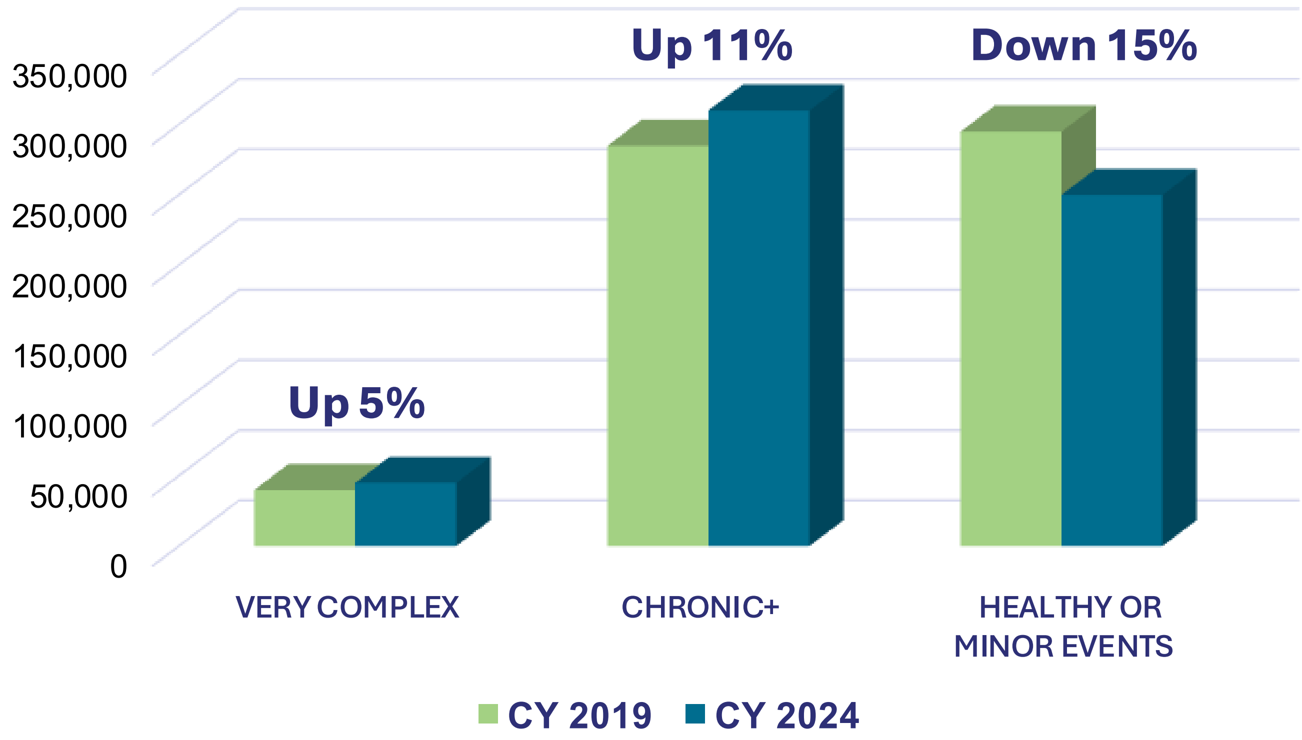
PwC= PricewaterhouseCoopers

Meanwhile We Are Paying More and Getting Less Healthy

The State Health Plan has not invested in your health and the status quo is getting us sicker.

- Over a five-year period, the overall health status of Plan members has declined 13%, with more members with chronic conditions.
- This is despite continually paying more for care and members out of pocket costs projected to increase 20% from 2022-2026.

Change In Member Health Status



Members are Traveling for Care

80% of Spend happens in 20 Counties; $500m has left the State in the last 18 months

- About 50% of spend happens in 5 counties; Wake, Mecklenburg, Durham, Orange, and Forsyth
- Removing members from those five counties; 60% of the spend goes to 10 counties or out of state
- We are focused on building a design that is responsive to patient behavior and keep or enhance key local services
  - Primary Care – multiple paths to preferred and no non-preferred
  - Behavioral Health – no change
  - Emergency Department – no non-preferred
  - Specialists – Most independents at access or preferred tier which lower copays from 2026

PwC= PricewaterhouseCoopers

Evolution of State Health Plan Tiering

2012-2017

- Reduced copay for selecting Primary Care Provider (PCP)
- Copay reduction for some inpatient and outpatient services based on quality

2018-2024

- Reduced copay for selecting PCP, deeper for Clear Pricing Project (CPP)
- Reduced copay for any CPP provider, across all specialties, no emphasis on quality or access but focused on transparency
- One value-based pilot
- **Key Learning: Members will utilize lower cost providers**

CURRENT

PHASE 1

- Reduced copay for selecting PCP, deeper in preferred tier
- Reduced specialty copay for Multi-Disciplinary Specialty Clinically Integrated Network (CIN) in shared risk model
- $0 for qualified surgery and procedures based on quality and access

PHASE 2

- Expand Preferred Provider model to three tiers to reflect differences in cost and access for high variance services
- Build out CIN with shared savings and reduced copays to drive down total cost of care and improve quality

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2027

- Cost Containment and Health Improvement through Direct Provider Relationship

2028

- New TPA
- New PBM
- Provider partnerships

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2027 Benefits

Preferred Providers **Tier Structure**

Aligning COST, ACCESS and movement toward VALUE across all provider tiers.

PREFERRED PROVIDERS

- Focuses on reducing total cost of care and improving health outcomes
- Not all providers can be included in a given geography
- Provides lowest copay for members

ACCESS PROVIDERS

- Maintains essential access points in rural areas and outside of NC with limited provider options
- Cost neutral for members or in some cases may be lower out-of-pocket costs

NON-PREFERRED PROVIDERS

- These providers elected or were not selected to participate in PPP
- Members will see a significant cost increase when seeing these providers

OUT-OF-NETWORK PROVIDERS

- There is little member impact as the Plan's TPA, Aetna, has a broad, national network

2026 Preferred Providers

- Primary Care Program – over 4,500 independent physicians
- Behavioral Health Access Program – focused on all NC based primary care providers
- Lantern – includes EmergeOrtho, OrthoCarolina, Pinehurst Surgical, Carolina ENT and Raleigh Neurosurgery Clinic
- Specialty Clinically Integrated Networks (CINs) – in place and features 6 independent specialty practices across North Carolina.
- Behavioral Health services are not changing are not subject to the tiered network.

Tiered Network Providers

Preferred Providers

- UNC Health
- Novant Health
- Iredell Health Systems

Non-Preferred Providers

- Atrium Health and partners (except Levine and Cleveland)
- **Some** Duke LifePoint Facilities
- Granville Health

EVERYONE ELSE is ACCESS

Duke Health
ECU
Cone
Mission
Cape Fear
FirstHealth

This impacts active members, Non-Medicare retirees and Medicare members enrolled in the 7/30 Plan. This does not apply to Humana Medicare Advantage members.

2027 Benefit Changes

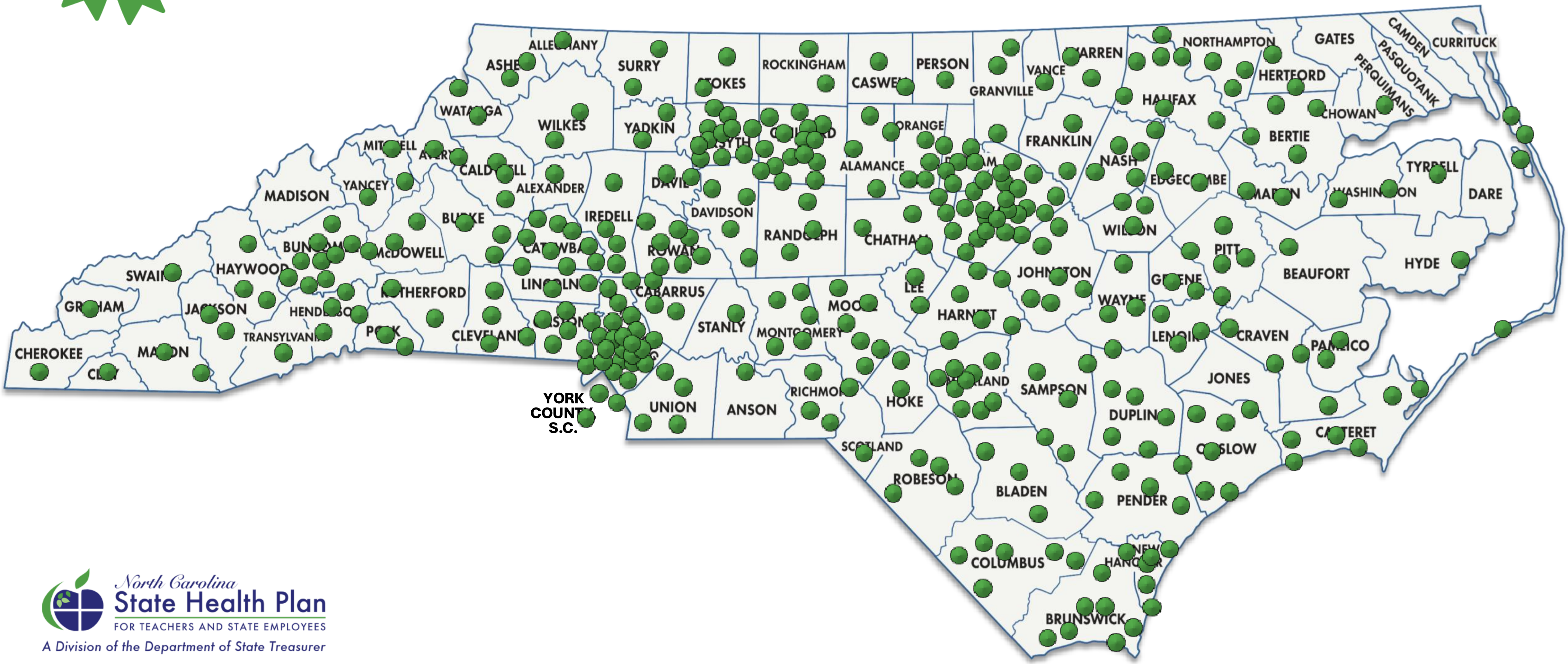
	STANDARD PPO Plan				PLUS PPO Plan			
	Preferred	Access	Non-Preferred	Out-of-Network	Preferred	Access	Non-Preferred	Out-of-Network
ANNUAL DEDUCTIBLE	$1,500 Ind $4,500 Fam	$3,000 Ind $9,000 Fam	$5,000 Ind $15,000 Fam	$15,000 Ind $45,000 Fam	$1,000 Ind $3,000 Fam	$1,500 Ind $4,500 Fam	$4,000 Ind $12,000 Fam	$12,000 Ind $36,000 Fam
OUT-OF-POCKET MAX (combined medical & pharmacy)	$4,000 Ind $12,000 Fam	$6,500 Ind $16,300 Fam	$12,000 Ind ACA LIMIT $24,000 Fam ACA LIMIT	$36,000 Ind $72,000 Fam	$3,000 Ind $9,000 Fam	$5,000 Ind $15,000 Fam	$10,000 Ind $20,000 Fam	$30,000 Ind $60,000 Fam
WALK-IN CLINIC	$40 other PCP on ID card $50 other PCP			50% after ded	$30 other PCP on ID card $40 other PCP			40% after ded
SPECIALISTS	$40	$65	30% after ded	50% after ded	$25	$50	20% after ded	40% after ded
HIGH-COST IMAGING	$400	30% after ded	$1,000, then 30% after ded	50% after ded	$250	20% after ded	$500, then 20% after ded	40% after ded
EMERGENCY ROOM	$600, then 30% after deductible				$500, then 20% after deductible			
INPATIENT HOSPITAL	$750	$600, then 30% after ded	$1,500, then 30% after ded	50% after ded	$500	$500, then 20% after ded	$1,000, then 20% after ded	40% after ded
OUTPATIENT SURGERY	$600	$350, then 30% after ded	$1,000, then 30% after ded	50% after ded	$300	$300, then 20% after ded	$500, then 20% after ded	40% after ded
AMBULATORY	$400	30% after ded	$1,000, then 30% after ded	50% after ded	$250	20% after ded	$500, then 20% after ded	40% after ded
LANTERN SURGICAL BENEFIT	Lantern Surgical Benefit $0 Member Cost				Lantern Surgical Benefit $0 Member Cost			

Preferred Provider **Access Provider** *Same as 2026* **Non-Preferred Provider**

PCP=Primary Care Provider
In-Network (deductible & OOP max cross-accumulates)

Preferred Providers

Primary Care PRACTICE LOCATIONS for those participating in the preferred provider program.



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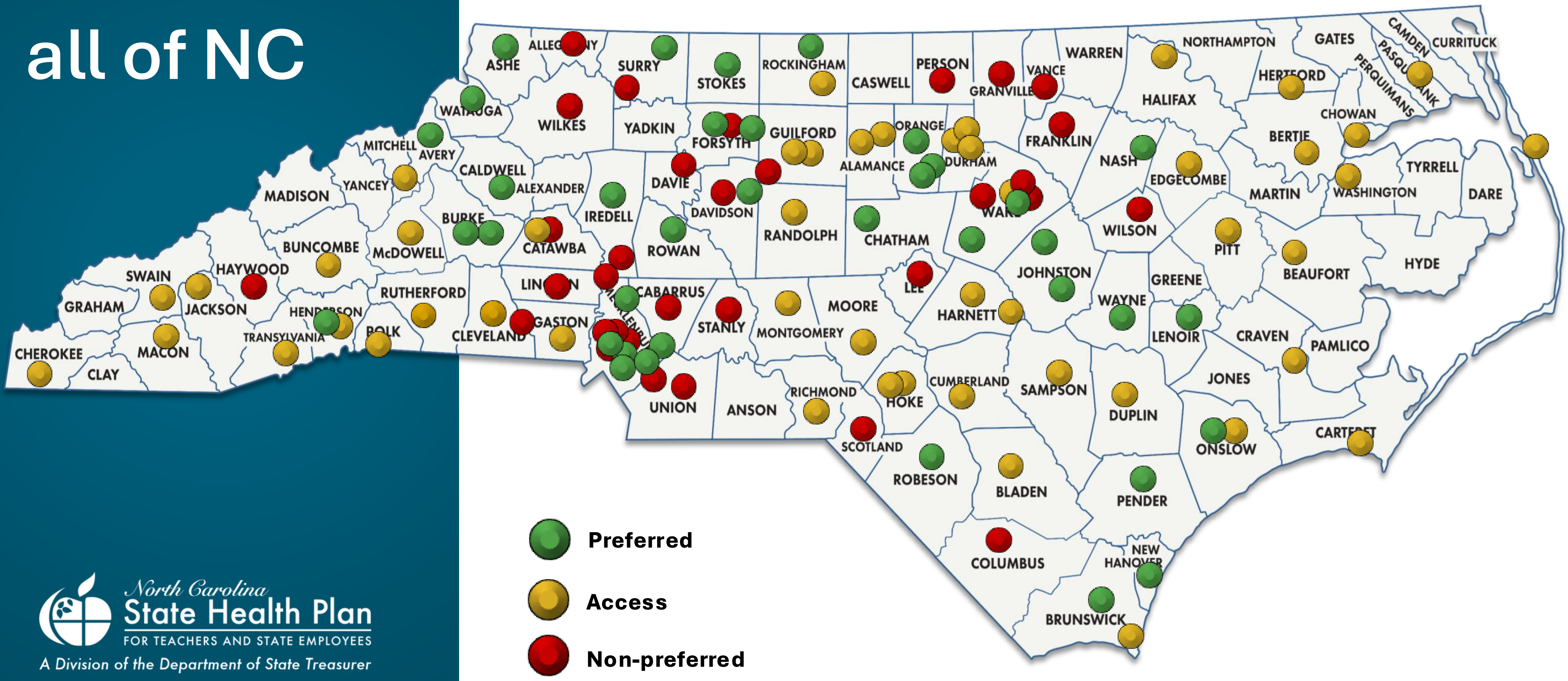
Hospitals | Across all of NC

HOSPITAL LOCATIONS and TIERS for those participating in the Preferred Provider Program.



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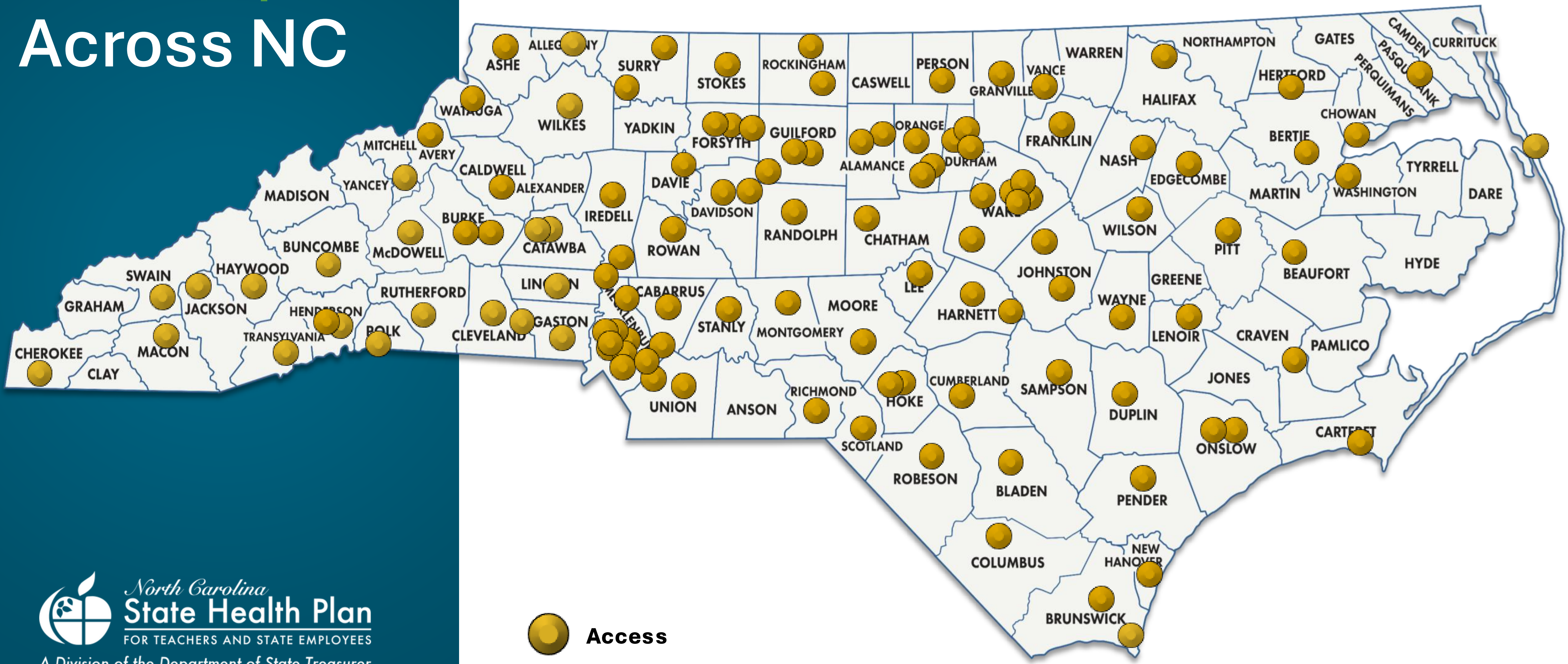
Emergency Rooms | Across NC



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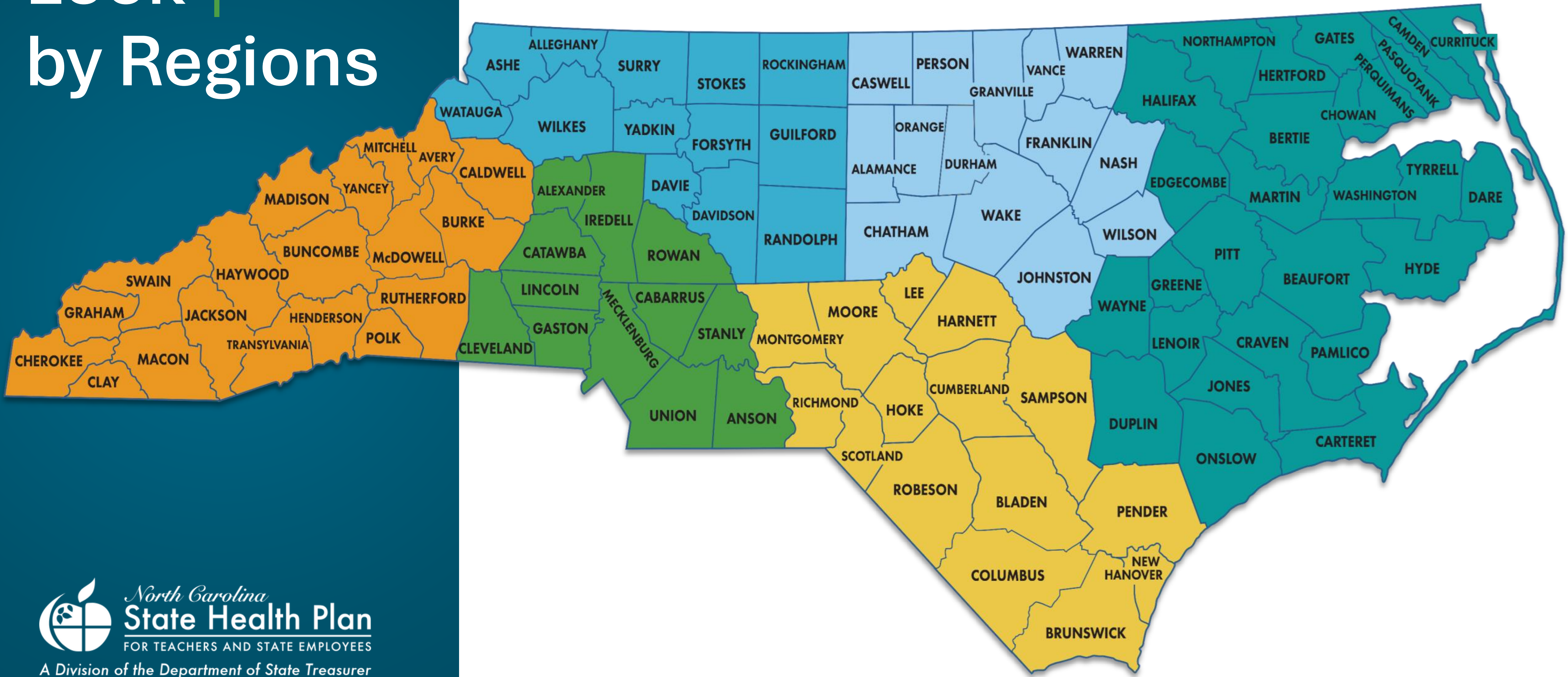
Closer Look | by Regions

Over the next few slides, we'll take a closer look at each Region, focusing on SPECIALTY PROVIDER COVERAGE unique to each.



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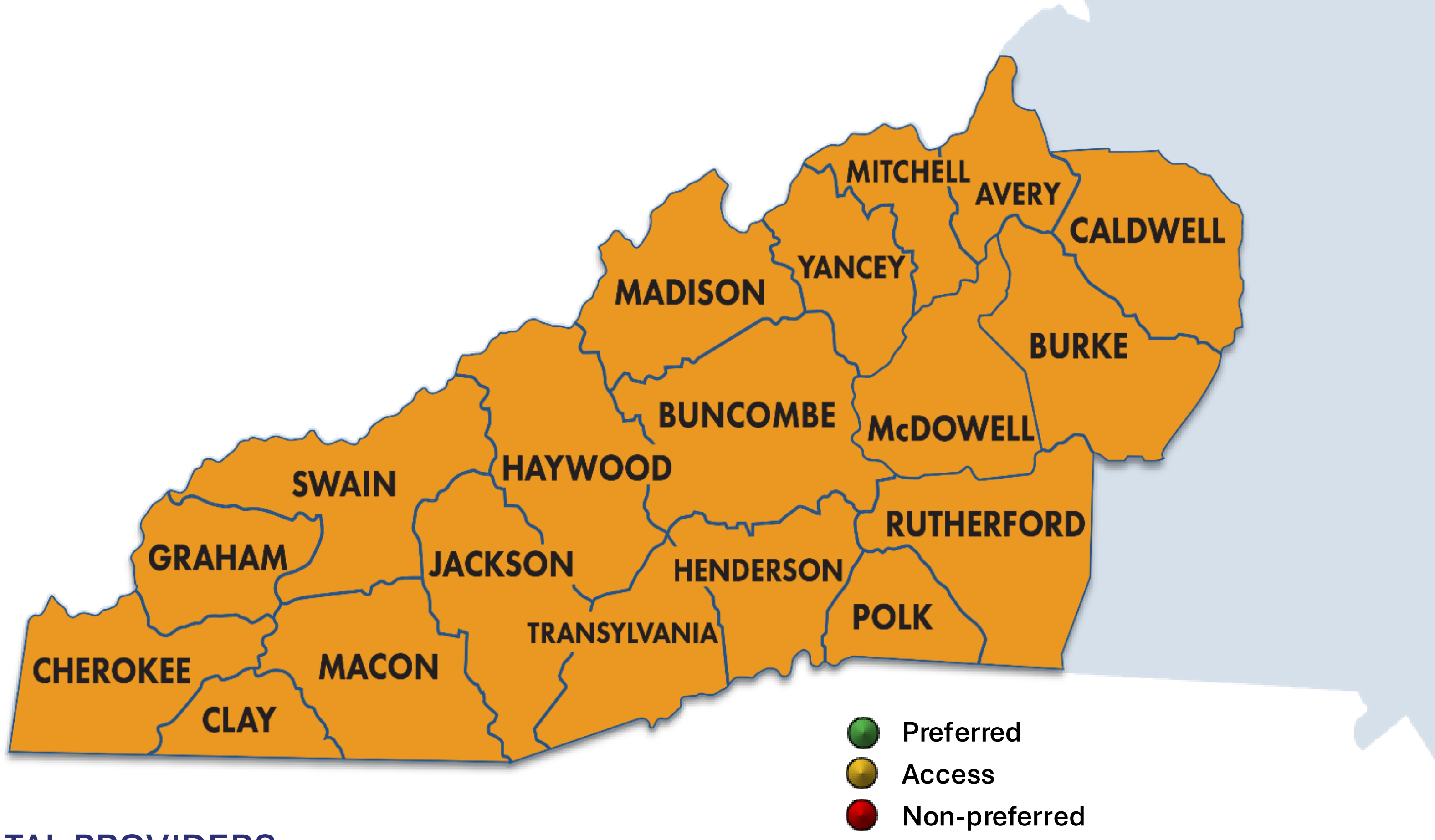
Region 1

Providers in **Access** or **Preferred** Tiers

TOP SPECIALITIES	TOTAL	%
Obstetrics / Gynecology	124	97%
Orthopedics	97	100%
Cardiology	79	100%
Hematology / Oncology	32	100%
Other Medical Specialties*	218	96%

*OTHER MEDICAL SPECIALTIES:

- Neurology
- Urology
- Gastroenterology
- Pulmonary / Critical Care
- Otolaryngology
- Endocrinology
- Allergy / Immunology
- Nephrology
- Rheumatology



HOSPITAL PROVIDERS

Advent Health
Angel Medical Center
Advent Health Hendersonville
Blue Ridge Regional Hospital
Caldwell UNC Health Care
Cannon Memorial
Erlanger Western Carolina Hospital
Harris Regional Hospital
Haywood Regional Medical Center
Mission Hospital Buncombe
Mission Hospital McDowell
Pardee UNC Health Care
Rutherford Regional Health System
Transylvania Regional Hospital
Swain Community Hospital
UNC Health Blue Ridge – Morganton
UNC Health Blue Ridge – Valdese

Member Impact | Region 1 Western

51,384

ACTIVE & NON-MEDICARE MEMBERS

PCP Elections

Preferred	Access	Non-Preferred	No PCP	TOTAL	% Non-Preferred
5,751	33,234	3,893	8,506	51,384	8%

Members with Multiple Specialist Visits

Preferred	Access	Non-Preferred	TOTAL	% Non-Preferred
4,654	1,669	2,436	8,759	28%

Chronic & Complex Members

	Preferred	Access	Non-Preferred	TOTAL
Heart Disease	2,823	10,537	1,740	15,100
Diabetes	779	3,153	329	4,261
Cancer	302	1,595	236	2,133
Transplant	22	64	25	111

High Utilizing Members*

1,016

Members in the region utilized **OVER $50K** in services of these

207 or (17%)

utilized non-Preferred Providers

*Members utilizing $50k or more of annual services in 2025.

Member impact based on 2025 data.

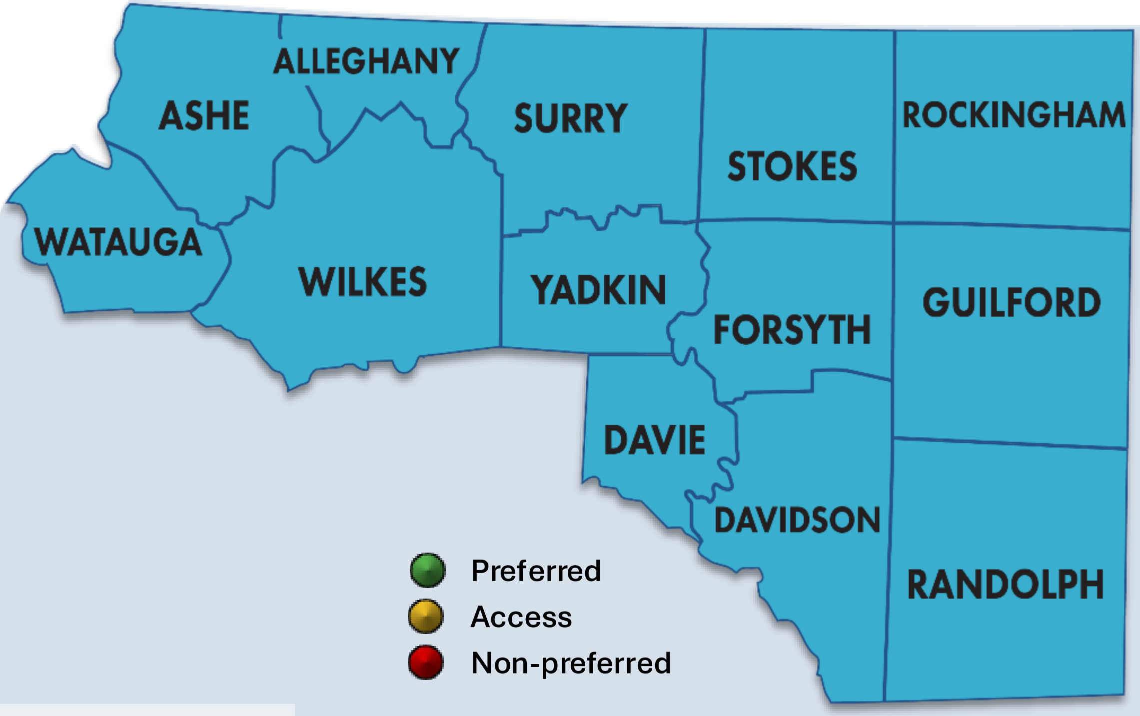
Region 2

Providers in **Access** or **Preferred** Tiers

TOP SPECIALITIES	TOTAL	%
Obstetrics / Gynecology	221	74%
Orthopedics	199	72%
Cardiology	210	80%
Hematology / Oncology	94	54%
Other Medical Specialties*	568	63%

*OTHER MEDICAL SPECIALTIES:

- Neurology
- Urology
- Gastroenterology
- Pulmonary / Critical Care
- Otolaryngology
- Endocrinology
- Allergy / Immunology
- Nephrology
- Rheumatology



HOSPITAL PROVIDERS

Alleghany Health
Annie Penn
Ashe Memorial
Davie Medical Center
High Point Medical Center
Hugh Chatham
Lexington Medical Center
LifeBrite Hospital of Stokes
Moses Cone Hospital
Northern Regional Hospital
Novant Health Forsyth Medical Center
Novant Health Kernersville Medical Center
Novant Health Thomasville Medical Center
Randolph Health
UNC Rockingham Health Care
Wake Forest Baptist Medical Center
Watauga Medical Center
Wesley Long Hospital
Wilkes Medical Center

Member Impact | Region 2 Piedmont Triad

79,107
ACTIVE & NON-MEDICARE MEMBERS

PCP Elections

Preferred	Access	Non-Preferred	No PCP	TOTAL	% Non-Preferred
24,231	30,766	11,967	12,143	79,107	15%

Members with Multiple Specialist Visits

Preferred	Access	Non-Preferred	TOTAL	% Non-Preferred
7,415	320	4,555	12,290	37%

Chronic & Complex Members

	Preferred	Access	Non-Preferred	TOTAL
Heart Disease	6,767	11,333	4,396	22,496
Diabetes	1,846	3,796	1,375	7,017
Cancer	739	2,044	634	3,417
Transplant	21	118	52	191

High Utilizing Members*

1,194

Members in the region utilized **OVER $50K** in services of these

485 or (29%)

utilized non-Preferred Providers

*Members utilizing $50k or more of annual services in 2025.

Member impact based on 2025 data.

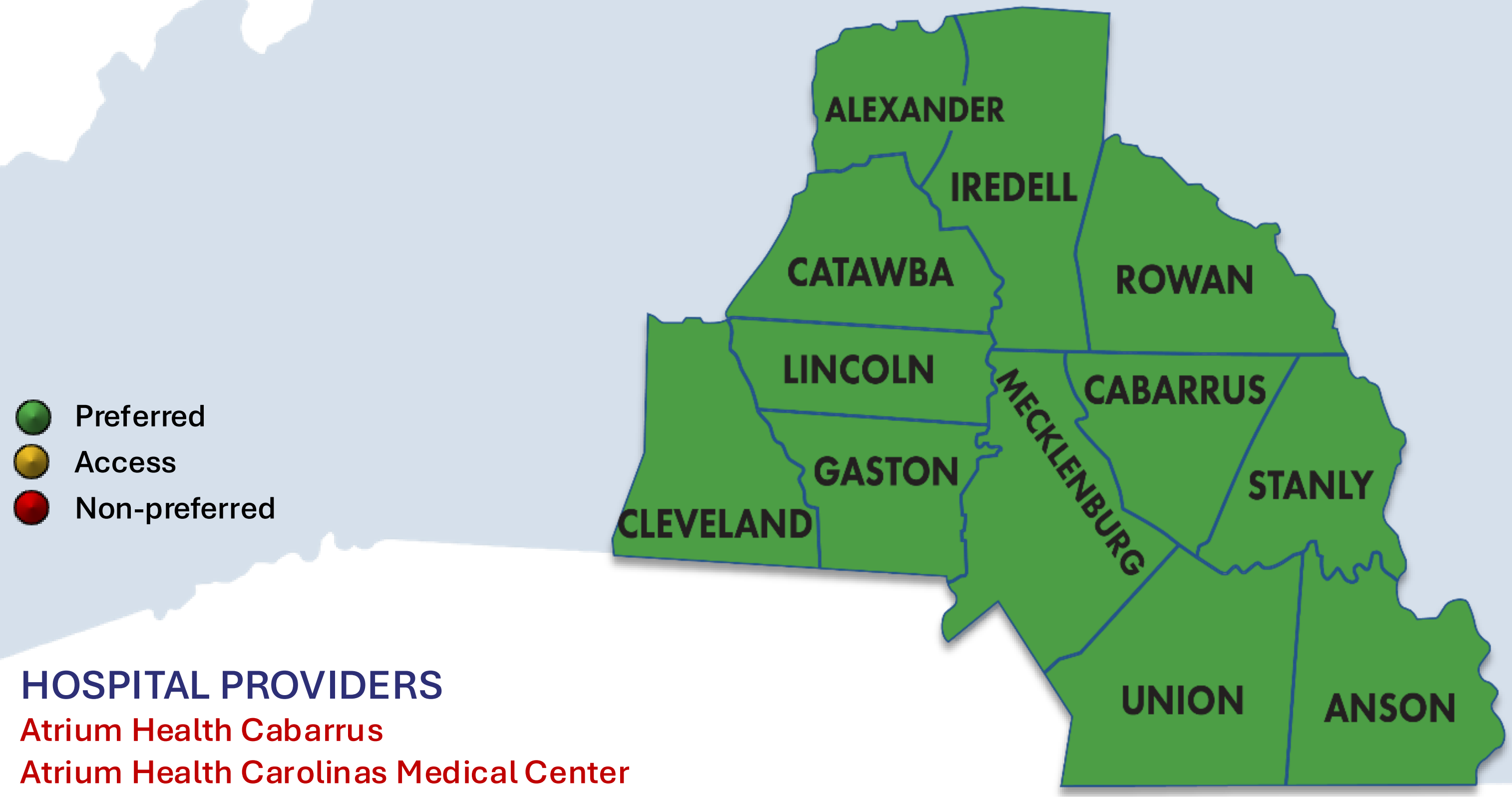
Region 3

Providers in **Access** or **Preferred** Tiers

TOP SPECIALITIES	TOTAL	%
Obstetrics / Gynecology	526	47%
Orthopedics	221	71%
Cardiology	229	57%
Hematology / Oncology	170	38%
Other Medical Specialties*	840	63%

*OTHER MEDICAL SPECIALTIES:

- Neurology
- Urology
- Gastroenterology
- Pulmonary / Critical Care
- Otolaryngology
- Endocrinology
- Allergy / Immunology
- Nephrology
- Rheumatology



HOSPITAL PROVIDERS

Atrium Health Cabarrus
Atrium Health Carolinas Medical Center
Atrium Health Cleveland
Atrium Health Kings Mountain
Atrium Health Lake Norman
Atrium Health Lincoln
Atrium Health Mercy
Atrium Health Pineville
Atrium Health Stanly
Atrium Health Union
Atrium Health Union West
Atrium Health University City
CaroMont Regional Medical Center
Catawba Valley Medical Center
Frye Regional Medical Center
Iredell Memorial Hospital
Lake Norman Regional Medical Center
Novant Health Ballantyne Medical Center
Novant Health Charlotte Orthopedic Hospital
Novant Health Huntersville Medical Center
Novant Health Matthews Medical Center
Novant Health Mint Hill Medical Center
Novant Health Presbyterian Medical Center
Novant Health Rowan Medical Center

Member Impact | Region 3 Metrolina (Charlotte)

92,235
ACTIVE & NON-MEDICARE MEMBERS

PCP Elections

Preferred	Access	Non-Preferred	No PCP	TOTAL	% Non-Preferred
24,854	25,579	27,259	14,543	92,235	30%

Members with Multiple Specialist Visits

Preferred	Access	Non-Preferred	TOTAL	% Non-Preferred
9,330	266	8,415	18,011	47%

Chronic & Complex Members

	Preferred	Access	Non-Preferred	TOTAL
Heart Disease	5,908	9,774	7,566	23,248
Diabetes	1,668	3,307	1,942	6,917
Cancer	626	2,043	940	3,609
Transplant	19	119	73	211

High Utilizing Members*

1,078
Members in the region utilized **OVER $50K** in services of these
1,223 or (53%)
utilized non-Preferred Providers

*Members utilizing $50k or more of annual services in 2025.

Member impact based on 2025 data.

Region 4

Providers in **Access** or **Preferred** Tiers (highest impact scenario)

TOP SPECIALITIES	TOTAL	%
Obstetrics / Gynecology	534	89%
Orthopedics	281	91%
Cardiology	279	85%
Hematology / Oncology	230	95%
Other Medical Specialties*	1,099	94%

*OTHER MEDICAL SPECIALTIES:

- Neurology
- Urology
- Gastroenterology
- Pulmonary / Critical Care
- Otolaryngology
- Endocrinology
- Allergy / Immunology
- Nephrology
- Rheumatology

HOSPITAL PROVIDERS

Alamance Regional Medical Center
Cone Health MedCenter Mebane
Duke Raleigh Hospital
Duke Regional Hospital
Duke University Hospital
Granville Health System
Johnston Health Clayton
Johnston Health Smithfield
Maria Parham Health
North Carolina Specialty Hospital
North Carolina Surgical Hospital
Person Memorial
UNC Health Chatham Hospital
UNC Health Franklin
UNC Health Nash
UNC Hillsborough Hospital
UNC Holly Springs
UNC Medical Center
UNC Rex Hospital
WakeMed Cary Hospital
WakeMed North
WakeMed Raleigh Campus
Wilson Medical Center

- Preferred
- Access
- Non-preferred

Member Impact | Region 4 Triangle

165,763
ACTIVE & NON-MEDICARE MEMBERS

PCP Elections

Preferred	Access	Non-Preferred	No PCP	TOTAL	% Non-Preferred
32,824	100,560	7,230	25,149	165,763	4%

Members with Multiple Specialist Visits

Preferred	Access	Non-Preferred	TOTAL	% Non-Preferred
10,761	4,677	8,893	24,331	37%

Chronic & Complex Members

	Preferred	Access	Non-Preferred	TOTAL
Heart Disease	12,965	31,318	6,233	50,516
Diabetes	3,018	10,394	1,170	14,582
Cancer	2,082	4,872	458	7,412
Transplant	100	291	12	403

High Utilizing Members*

2,842

Members in the region utilized **OVER $50K** in services

of these

419 or (13%)

utilized non-Preferred Providers

*Members utilizing $50k or more of annual services in 2025.

Member impact based on 2025 data.

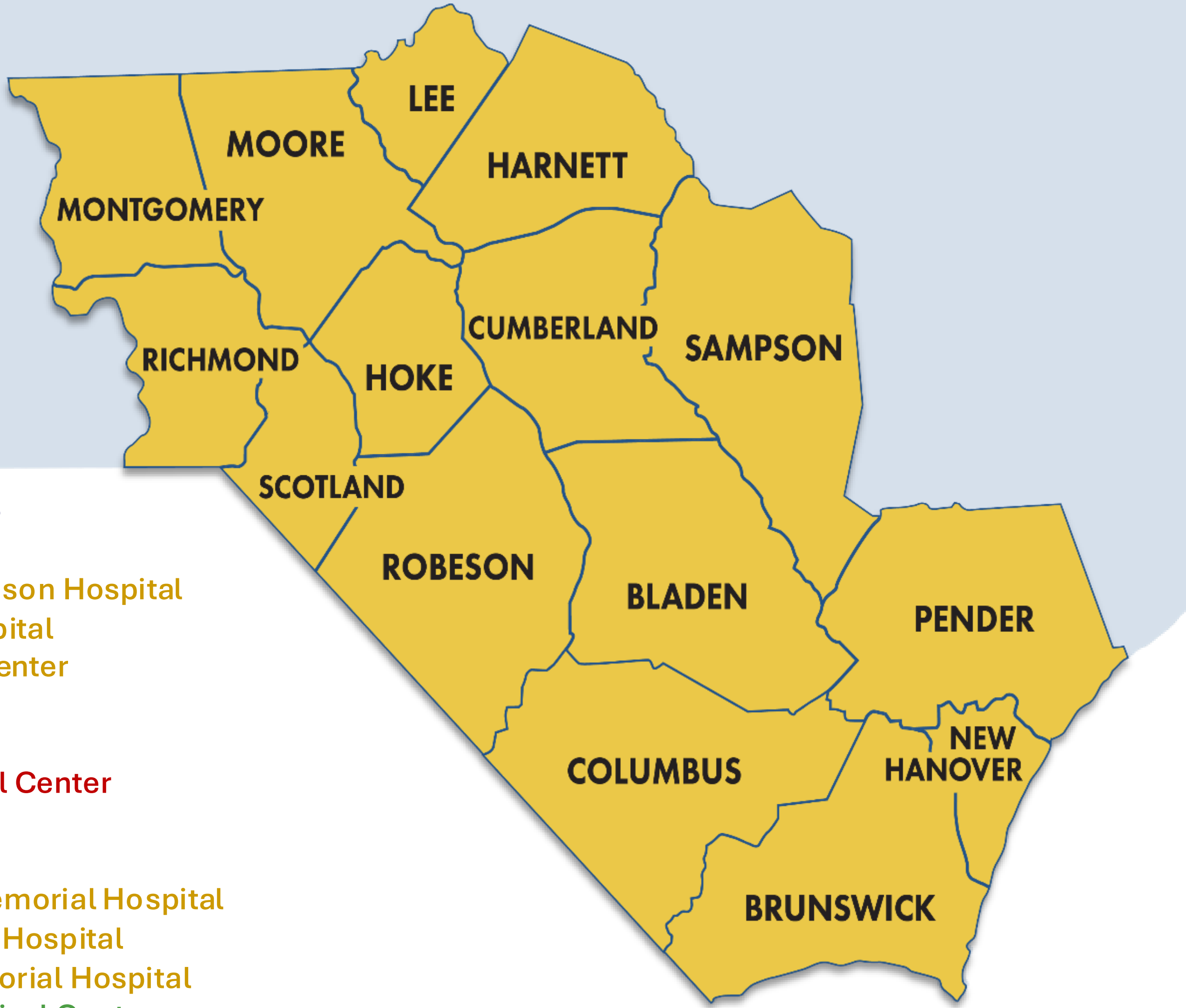
Region 5

Providers in **Access** or **Preferred** Tiers

TOP SPECIALITIES	TOTAL	%
Obstetrics / Gynecology	214	94%
Orthopedics	126	94%
Cardiology	143	93%
Hematology / Oncology	44	95%
Other Medical Specialties*	396	95%

*OTHER MEDICAL SPECIALTIES:

- Neurology
- Urology
- Gastroenterology
- Pulmonary / Critical Care
- Otolaryngology
- Endocrinology
- Allergy / Immunology
- Nephrology
- Rheumatology



HOSPITAL PROVIDERS

Bladen County Hospital
Cape Fear Valley Betsy Johnson Hospital
Cape Fear Valley Hoke Hospital
Cape Fear Valley Medical Center
Central Carolina Hospital
Central Harnett Hospital
Columbus Regional Medical Center
Dosher
FirstHealth Hoke Campus
FirstHealth Montgomery Memorial Hospital
FirstHealth Moore Regional Hospital
FirstHealth Richmond Memorial Hospital
New Hanover Regional Medical Center
Novant Health Brunswick Medical Center
Pender Memorial Hospital
Sampson Regional Medical Center
Scotland Health Care System
UNC Health Southeastern

- Preferred
- Access
- Non-preferred

Member Impact | Region 5 Cape Fear

71,993
ACTIVE & NON-MEDICARE MEMBERS

PCP Elections

Preferred	Access	Non-Preferred	No PCP	TOTAL	% Non-Preferred
16,339	39,003	3,617	13,034	71,993	5%

Members with Multiple Specialist Visits

Preferred	Access	Non-Preferred	TOTAL	% Non-Preferred
6,188	256	1,890	8,334	23%

Chronic & Complex Members

	Preferred	Access	Non-Preferred	TOTAL
Heart Disease	7,391	16,110	2,008	25,509
Diabetes	2,027	5,413	463	7,903
Cancer	1,023	2,354	174	3,551
Transplant	36	97	9	142

High Utilizing Members*

1,244

Members in the region utilized **OVER $50K** in services of these

225 or (15%)

utilized non-Preferred Providers

*Members utilizing $50k or more of annual services in 2025.

Member impact based on 2025 data.

Region 6

Providers in **Access** or **Preferred** Tiers

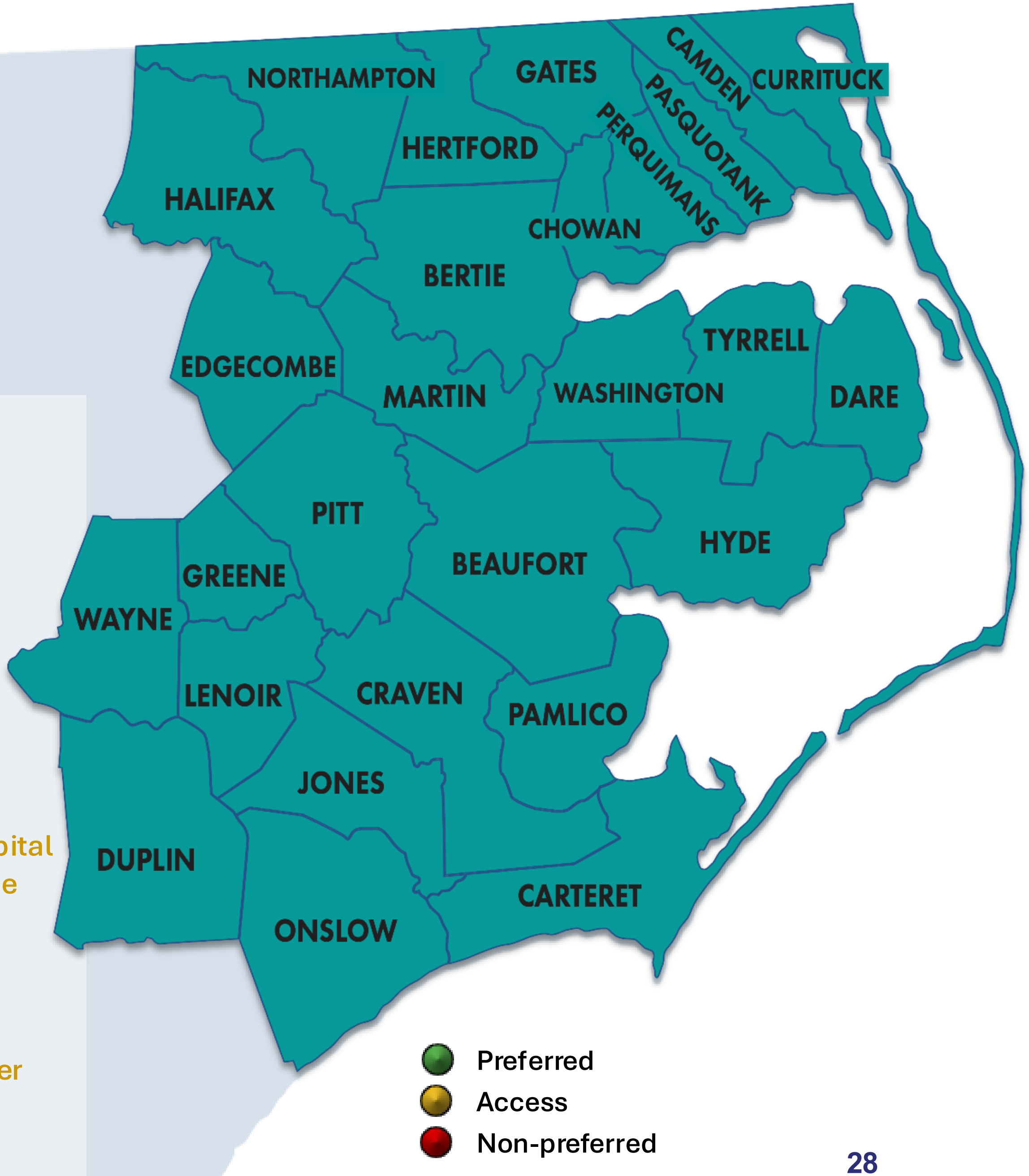
TOP SPECIALITIES	TOTAL	%
Obstetrics / Gynecology	159	97%
Orthopedics	73	99%
Cardiology	128	98%
Hematology / Oncology	37	97%
Other Medical Specialties*	291	99%

*OTHER MEDICAL SPECIALTIES:

- Neurology
- Urology
- Gastroenterology
- Pulmonary / Critical Care
- Otolaryngology
- Endocrinology
- Allergy / Immunology
- Nephrology
- Rheumatology

HOSPITAL PROVIDERS

CarolinaEast Medical Center
Carteret Health Care
ECU Chowan
ECU Health Albemarle Hospital
ECU Health Beaufort Hospital
ECU Health Bertie Hospital
ECU Health Duplin Hospital
ECU Health Edgecombe Hospital
ECU Health Medical Center
ECU Health North Hospital
ECU Health Roanoke-Chowan Hospital
Naval Medical Center Camp Lejeune
Onslow Memorial Hospital
The Outer Banks Hospital
UNC Health Lenoir
UNC Health Wayne
Washington Regional Medical Center



Member Impact | Region 6 Eastern NC

71,087
ACTIVE & NON-MEDICARE MEMBERS

PCP Elections

Preferred	Access	Non-Preferred	No PCP	TOTAL	% Non-Preferred
13,498	44,325	235	13,029	71,087	<1%

Members with Multiple Specialist Visits

Preferred	Access	Non-Preferred	TOTAL	% Non-Preferred
4,107	299	436	4,842	9%

Chronic & Complex Members

	Preferred	Access	Non-Preferred	TOTAL
Heart Disease	7,163	17,037	238	24,438
Diabetes	1,908	5,438	44	7,390
Cancer	781	2,390	16	3,187
Transplant	32	133	4	169

High Utilizing Members*

1,662
Members in the region utilized **OVER $50K** in services
of these
30 or (2%)
utilized non-Preferred Providers

*Members utilizing $50k or more of annual services in 2025.

Member impact based on 2025 data.

Member Scenarios

Member Scenario 1

Harry's Experience:

Coverage: Individual

Income: Low

Harry is generally healthy.

Illustrative Example ONLY.

STANDARD PPO Plan	#	2026	2027		
			Preferred	Access	Non-Preferred
Premiums Annual Total		$420	$441		
Annual Well Visit	1	$0	$0	$0	$0
Other Primary Care Visit	1	$15	$15	$15	$15
Specialist Visit	1	$94	$40	$65	$200
Urgent Care	1	$100	$100	$100	$100
Pharmacy – Tier 1	4	$100	$100	$100	$100
Pharmacy - Tier 2	2	$150	$150	$150	$150
Out-of-Pocket Cost		$459	$405	$430	$565
Total Member Cost		**$879**	**$846**	**$871**	**$1,006**

PLUS PPO Plan	#	2026	2027		
			Preferred	Access	Non-Preferred
Premiums Annual Total		$792	$832		
Annual Well Visit	1	$0	$0	$0	$0
Other Primary Care Visit	1	$10	$10	$10	$10
Specialist Visit	1	$80	$25	$50	$200
Urgent Care	1	$70	$70	$70	$70
Pharmacy – Tier 1	4	$60	$60	$60	$60
Pharmacy - Tier 2	2	$110	$110	$110	$110
Out-of-Pocket Cost		$330	$275	$300	$450
Total Member Cost		**$1,122**	**$1,107**	**$1,132**	**$1,282**

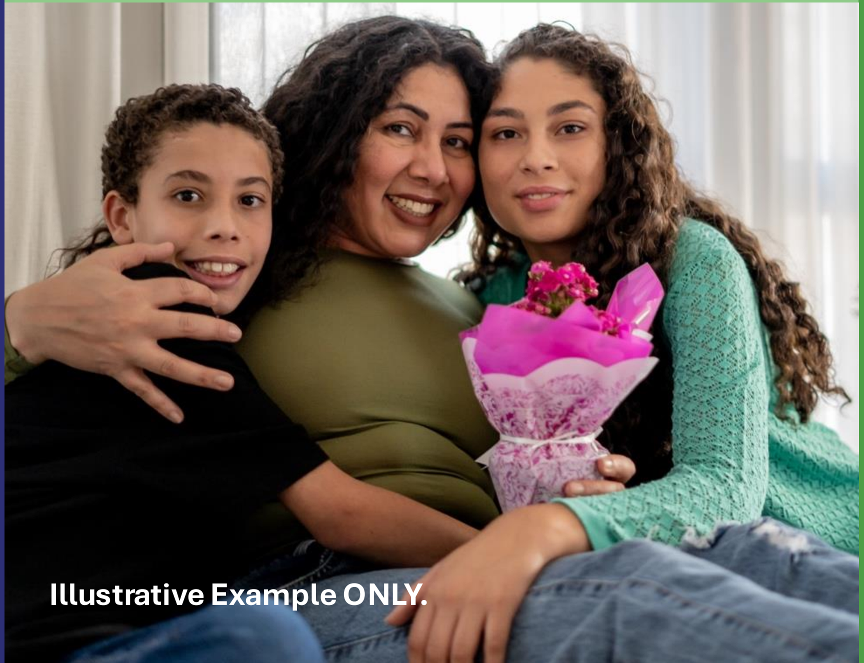
Member Scenario 2

Molly's Experience:

Coverage: Mom + Children

Income: Med-Low

Molly needs OP surgery.



Illustrative Example ONLY.

STANDARD PPO Plan	#	2026	2027 Preferred	2027 Access	2027 Non-Preferred
Premiums Annual Total		$2,400	$2,520		
Annual Well Visit	3	$0	$0	$0	$0
Other Primary Care Visit	5	$75	$75	$75	$75
Specialist Visit	4	$376	$160	$260	$800
Urgent Care	2	$200	$200	$200	$200
Outpatient Knee Surgery	1	$5,045	$600	$5,045	$6,900
Pharmacy – Tier 1	15	$375	$375	$375	$375
Pharmacy - Tier 2	12	$900	$900	$900	$900
Out-of-Pocket Cost		$6,971	$2,310	$6,855	$9,250
Total Member Cost		**$9,371**	**$4,830**	**$9,375**	**$11,770**
Total Member Cost if Lantern Utilized		**$4,326**	**$4,230**	**$4,330**	**$4,870**

PLUS PPO Plan	#	2026	2027 Preferred	2027 Access	2027 Non-Preferred
Premiums Annual Total		$3,648	$3,831		
Annual Well Visit	3	$0	$0	$0	$0
Other Primary Care Visit	5	$50	$50	$50	$50
Specialist Visit	4	$320	$100	$200	$800
Urgent Care	2	$140	$140	$140	$140
Outpatient Knee Surgery	1	$3,240	$300	$3,240	$5,420
Pharmacy – Tier 1	15	$225	$225	$225	$225
Pharmacy - Tier 2	12	$660	$660	$660	$660
Out-of-Pocket Cost		$4,635	$1,475	$4,515	$7,295
Total Member Cost		**$8,283**	**$5,305**	**$8,345**	**$11,126**
Total Member Cost if Lantern Utilized		**$5,043**	**$5,005**	**$5,105**	**$5,706**

Member Scenario 3

Jack's Experience:

Coverage: Indv + Spouse

Income: Med-High

Both members have a chronic condition, anticipate hospitalizations.

Illustrative Example ONLY.

STANDARD PPO Plan	#	2026	2027		
			Preferred	Access	Non-Preferred
Premiums Annual Total		$7,260	$7,623		
Annual Well Visit	2	$0	$0	$0	$0
Other Primary Care Visit	6	$30	$90	$60	$90
Specialist Visit	8	$376	$320	$160	$1,040
Urgent Care	2	$200	$200	$200	$200
Inpatient Stay (3 days/stay)	2	$10,944	$1,500	$11,040	$14,540
Pharmacy – Tier 1	28	$250	$700	$300	$700
Pharmacy - Tier 2	24	$600	$1,800	$640	$1,800
Pharmacy - Tier 4	4	$800	$800	$800	$800
Out-of-Pocket Cost		$13,200	$5,410	$13,200	$19,170
Total Member Cost		**$20,260**	**$13,033**	**$20,623**	**$26,793**

PLUS PPO Plan	#	2026	2027		
			Preferred	Access	Non-Preferred
Premiums Annual Total		$9,624	$10,105		
Annual Well Visit	2	$0	$0	$0	$0
Other Primary Care Visit	6	$60	$60	$60	$60
Specialist Visit	8	$630	$200	$400	$960
Urgent Care	2	$140	$140	$140	$140
Inpatient Stay (3 days/stay)	2	$7,200	$1,000	$7,200	$11,360
Pharmacy – Tier 1	28	$360	$420	$420	$420
Pharmacy - Tier 2	24	$1,210	$1,320	$1,320	$1,320
Pharmacy - Tier 4	4	$400	$400	$400	$400
Out-of-Pocket Cost		$10,000	$3,540	$9,940	$14,660
Total Member Cost		**$19,624**	**$13,645**	**$20,045**	**$24,765**

NOTE: Costs for the couple's care assume a specific ordering of services before they reach their out-of-pocket maximums in some scenarios.

Member Scenario 4

June's Experience:

Coverage: Family
Income: High
Relatively healthy, mom is pregnant.

Illustrative Example ONLY.

STANDARD PPO Plan	#	2026	2027		
			Preferred	Access	Non-Preferred
Premiums Annual Total		$7,440	$7,812		
Annual Well Visit	5	$0	$0	$0	$0
Other Primary Care Visit	12	$75	$180	$75	$180
Specialist Visit	6	$376	$240	$260	$920
Urgent Care	4	$400	$400	$400	$400
Inpatient Maternity/Childbirth	1	$6,192	$750	$6,250	$8,770
Pharmacy – Tier 1	24	$600	$600	$600	$600
Pharmacy - Tier 2	15	$1,050	$1,125	$1,125	$1,125
Out-of-Pocket Cost		$8,693	$3,295	$8,635	$11,995
Total Member Cost		**$16,133**	**$11,107**	**$16,447**	**$19,807**

PLUS PPO Plan	#	2026	2027		
			Preferred	Access	Non-Preferred
Premiums Annual Total		$10,080	$10,584		
Annual Well Visit	5	$0	$0	$0	$0
Other Primary Care Visit	12	$70	$120	$110	$120
Specialist Visit	6	$400	$150	$300	$880
Urgent Care	4	$280	$280	$280	$280
Inpatient Maternity/Childbirth	1	$4,600	$500	$4,600	$6,680
Pharmacy – Tier 1	24	$360	$360	$360	$360
Pharmacy - Tier 2	15	$825	$825	$825	$825
Out-of-Pocket Cost		$6,535	$2,235	$6,475	$9,145
Total Member Cost		**$16,615**	**$12,819**	**$17,059**	**$19,729**

NOTE: Costs for June's care reflect a specific ordering of services before she reaches her out-of-pocket maximum in some scenarios.

We Have TWO Paths

Premium Increases

(21% premium increases for active employees)

Benefit Reductions

+$800/+$2400 individual/family deductibles,
+$500/+$1500 on individual/family OOP maxes,
+$100 to copays for OP surgery and IP hospital

OR

Members Utilize Tiered Network Strategy

OUR COMMITMENT

The State Health Plan is committed to a multi-year journey to make this benefit better and more affordable. It will take work from our members to be more informed consumers of health care to make this work.

OOP= Out-of-Pocket Max
OP= Outpatient
IP= In Patient


North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

Appendix

2027 Active & Non-Medicare Retiree Premiums

Member Premiums: Monthly/Annual Change

	Individual Coverage		Non-Medicare Family Coverage		Medicare Primary Family Coverage	
	LOWEST	HIGHEST	LOWEST	HIGHEST	LOWEST	HIGHEST
Change in Monthly Premium Cost						
Active Employee	$1.76	$8.04	$28.76	$42.04	$26.00*	$32.28*
Non-Medicare Retiree	0.00	3.32	28.76	60.44	(32.76)	7.32
Medicare Primary Retiree	0.00	2.00	28.76	38.20	(32.76)	6.00
Change in Annual Premium Cost						
Active Employee	$21.12	$96.48	$345.12	$504.48	$312.00*	$387.36*
Non-Medicare Retiree	0.00	39.84	345.12	725.28	(393.12)	87.84
Medicare Primary Retiree	0.00	24.00	345.12	458.40	(393.12)	72.00

*There are limited situations in which the dependents of an active employee would qualify as Medicare primary.

2027 Active Employee Premiums

SALARY BAND	2026 STANDARD PPO **Premiums**	2027 STANDARD PPO **Premiums**	2026 PLUS PPO **Premiums**	2027 PLUS PPO **Premiums**
$50,000 + UNDER	$35.00	$36.76	$66.00	$69.32
$50,001 - $65,000	$50.00	$52.52	$94.00	$98.72
$65,001 - $90,000	$65.00	$68.28	$122.00	$128.12
$90,001 + OVER	$80.00	$84.00	$160.00	$168.04

** Non-Medicare Retirees will also pay **$69.32** for **2027 PLUS PPO** Plan.

2027 Active Employee Premiums

STANDARD PPO & PLUS PPO PLAN
for Active Subscribers

North Carolina State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

Monthly Premium Rates January 1, 2027 to December 31, 2027	STANDARD PPO Plan				PLUS PPO Plan			
	Salary Band				Salary Band			
	$50,000 + UNDER	$50,001 - $65,000	$65,001 - $90,000	$90,001 + OVER	$50,000 + UNDER	$50,001 - $65,000	$65,001 - $90,000	$90,001 + OVER
ACTIVE SUBSCRIBERS								
Subscriber Only	$36.76	$52.52	$68.28	$84.00	$69.32	$98.72	$128.12	$168.04
Subscriber + Child(ren)	$194.28	$210.04	$225.80	$241.52	$289.84	$319.24	$348.64	$388.56
Subscriber + Spouse	$603.76	$619.52	$635.28	$651.00	$783.32	$812.72	$842.12	$882.04
Subscriber + Family	$603.76	$619.52	$635.28	$651.00	$783.32	$812.72	$842.12	$882.04

2027 Non-Medicare Premiums

STANDARD PPO & PLUS PPO PLAN
for Non-Medicare Primary Subscribers in the Retirement Systems

North Carolina State Health Plan FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

Monthly Premium Rates January 1, 2027 to December 31, 2027	STANDARD PPO Plan	PLUS PPO Plan
SUBSCRIBER and all DEPENDENTS are NON-MEDICARE		
Subscriber Only	$0.00	$69.32
Subscriber + Child(ren)	$194.24	$315.56
Subscriber + Spouse	$603.76	$806.44
Subscriber + Family	$603.76	$806.44
MEDICARE PRIMARY DEPENDENT(S) on MEDICARE ADVANTAGE BASE PLAN		
Subscriber + Child(ren)	$64.00	$133.32
Subscriber + Spouse	$64.00	$133.32
Subscriber + Family	$128.00	$197.32
MEDICARE PRIMARY DEPENDENT(S) on MEDICARE ADVANTAGE ENHANCED PLAN		
Subscriber + Child(ren)	$147.00	$216.32
Subscriber + Spouse	$147.00	$216.32
Subscriber + Family	$294.00	$363.32
MEDICARE PRIMARY DEPENDENT(S) on 70/30 PPO PLAN		
Subscriber + Child(ren)	$167.00	$236.32
Subscriber + Spouse	$542.24	$611.56
Subscriber + Family	$542.24	$611.56

2027 Medicare Advantage Changes

Plan Options for Medicare Primary Members

Once Medicare primary, you have three (3) options, which consist of two Humana and one Aetna administered plans. ALL options are under the State Health Plan umbrella and include prescription drug coverage, so a separate Medicare Drug Plan (Part D) is not necessary.

Humana Medicare Advantage PPO & Prescription Drug Base Plan	Humana Medicare Advantage PPO & Prescription Drug Enhanced Plan	70/30 PPO Plan Administered by Aetna
Premium free for Medicare-eligible qualified retiree.	Monthly premium of **$81** for Medicare-eligible qualified retiree.	Premium free for Medicare-eligible qualified retiree.

State Health Plan
contracts with Humana to offer options for Medicare primary members and eligible dependents, including payment of claims.

Humana
a Medicare Advantage Organization (MAO) that contracts with CMS to administer Medicare Parts A and B benefits.

Centers for Medicare and Medicaid Services (CMS)
oversees Medicare Parts A and B, partnering with MAOs like Humana.

2027 Open Enrollment Action (Medicare Members)

- For the 2027 benefit year, all members in the Humana Medicare Advantage PPO & Prescription Drug Base (or Enhanced) Plan will remain in that plan **UNLESS** you enroll in a different plan during Open Enrollment. Members will need to TAKE ACTION if they would like to enroll in a different plan.
- Medicare Primary members enrolled in the 70/30 Plan will be moved to the Humana Medicare Advantage PPO & Prescription Drug Base Plan effective Jan. 1, 2027, unless they take action during Open Enrollment.
- All NON-MEDICARE members, including NON-MEDICARE spouse/dependents will be moved to the Standard PPO Plan effective Jan. 1, 2027. They will need to TAKE ACTION if they want to be enrolled in the Plus PPO Plan.

ALL MEMBERS will receive a new ID card prior to Jan. 1, 2027.

2027 Medicare Advantage Cost-Sharing Changes

Benefit Copays	BASE PLAN 2026 Benefits	BASE PLAN 2027 Benefits	ENHANCED PLAN 2026 Benefits	ENHANCED PLAN 2027 Benefits
MEDICAL BENEFIT				
Medical Out-of-Pocket Maximum	$4,000	$4,500	$3,300	$3,700
Inpatient Acute Hospital Admit Copay *(per day, days 1-10)*	$160	$200	$125	$150
Specialist Visit Copay	$40	$50	$35	$45
Advanced Imaging Copay	$100	$175	$100	$150
Radiology Copay	$40	$75	$40	$50
Therapies Copay – physical, occupational, speech, etc.	$20	$30	$20	No change
Part B Drugs Copay	$0	$50	$0	$50
PHARMACY BENEFIT				
Tier 1 Drugs	$10	$15	$10	No change
Tier 2 Drugs	$40	$50	$40	No change
Tier 3 Drugs	$64	$70	$50	No change
Tier 4 Drugs	25% to $100	25% to $150	25% to $100	No change

2027 Medicare Member Premiums

MEDICARE PRIMARY PLANS
for Medicare Subscribers in Retirement Systems

North Carolina State Health Plan FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

Monthly Premium Rates January 1, 2027 to December 31, 2027	MEDICARE ADVANTAGE BASE Plan	MEDICARE ADVANTAGE ENHANCED Plan	70/30 Plan
MEDICARE PRIMARY SUBSCRIBERS & DEPENDENTS			
Subscriber Only	$0.00	$83.00	$0.00
Subscriber + Child(ren)	$64.00	$230.00	$167.00
Subscriber + Spouse	$64.00	$230.00	$542.24
Subscriber + Family	$128.00	$377.00	$542.24
NON-MEDICARE PRIMARY for DEPENDENT(S) on PLUS PPO PLAN			
Subscriber + Child(ren)	$271.96	$354.96	$271.96
Subscriber + Spouse	$760.20	$843.20	$760.20
Subscriber + Family	$760.20	$843.20	$760.20
NON-MEDICARE PRIMARY for DEPENDENT(S) on STANDARD PPO PLAN			
Subscriber + Child(ren)	$194.24	$277.24	$194.24
Subscriber + Spouse	$603.76	$686.76	$603.76
Subscriber + Family	$603.76	$686.76	$603.76

Stay Connected with State Health Plan News

It's important to STAY ENGAGED so members can be in the know on what you need to do prior to and during Open Enrollment!

- SUBSCRIBE to the Plan's monthly e-newsletter MEMBER FOCUS by visiting www.shpnc.gov.
- FOLLOW the State Health Plan on @SHPNC and @nchealthplan.
- LOOK FOR your Open Enrollment Decision Guide, which will arrive in mailboxes prior to Open Enrollment.
- REMIND Retirees to make sure ORBIT also has their current information.