

# Appendix M. HBT Baseline Funding Needs

# Baseline Assumptions

Element	Description	Assumption	
Hours	Number of hours expected each year.	4.5% annual growth	Hours Trends and State Data
Enrollment Growth	Enrollment in health plan	4.5% annual growth	Match to enrollment Historical trend
Medical & Cost Trends	Increases to medical, prescription, stoploss and other costs borne by the trust.	5.3% Medical Trend 3.0% Administrative Increase	Price Waterhouse Cooper, Segal, Buck, Current HBT Carriers
FMLA/PFML Rate	Coverage extension to participants during qualified FMLA/PFML leave. Employer responsibility.	1.6%	Current utilization Federal utilization
Dependent dental	Additional benefit for child dependents of enrolled caregivers beginning 8/1/2022.	9600 dependents	Trustee approved plan design HBT survey data
<b>Reserve</b>	<b>Taft Hartley Trusts must maintain reserve of assets to cover obligations for health claims &amp; risks.</b>	<b>Remain within reserve threshold</b>	<b>Trustee evaluation of risk Milliman white paper</b>

# Baseline Funding Need

Element	Assumption
Hours	4.5% annual growth
Medical & Cost Trends	5.3% Medical Trend 3.0% Administrative Increase
Enrollment Growth	4.5% annual growth
FMLA/PFML Rate	1.6% utilization
Dependent dental	9,600 dependents 1,317 new caregivers
Reserve	Remain within reserve threshold

Baseline Funding	FY24	FY25
Baseline Funding	\$0.25	\$0.46
Reserve Use	(\$0.25)	(\$0.17)
<b>CPH need</b>	<b>\$0.00</b>	<b>\$0.29</b>

Baseline HBT Rate	\$3.98	\$4.27
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# HBT Dependent Coverage Model

Element	Description	Assumption	
Baseline need	All elements from baseline model	All assumptions from baseline model	Data/benchmarks from baseline model
<b>Dependent Medical Benefit</b>	<b>Child medical coverage cost based on assumed take-up rate. Assumed implementation of August 2023.</b>	<b>19% of Enrolled Caregivers 12% of Eligible but not Enrolled Caregivers</b>	<b>HBT research</b>
Reserve Maintenance	Any impacts to HBT reserve needs based on increased plan obligations related to dependent dental	Remain within reserve threshold	Trustee evaluation of risk Milliman white paper

# Baseline + Dependent Medical Funding Need

Element	Assumption
Baseline Need	All elements from baseline model.
Dependent Medical	19% of Enrolled Caregivers 12% of Eligible but not Enrolled Caregivers
Reserve	Remain within reserve threshold.

Baseline + Dependent Medical Funding	FY24	FY25
Baseline Medical	\$0.25	\$0.46
<b>Dependent Medical</b>	<b>\$0.68</b>	<b>\$1.14</b>
Subtotal	\$0.93	\$1.60
Reserve Use	(\$0.14)	\$0.00
<b>Additional CPH Need</b>	<b>\$0.79</b>	<b>\$1.60</b>

<b>Total HBT Rate</b>	<b>\$4.77</b>	<b>\$5.58</b>
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Total Impact	Number
Caregivers Enrolling	1901
Dependents Enrolling	12,830