



2027 Proposed Budget Presentation

Executive Committee Introduction
September 28, 2026
Eastlyn Golf Course

2027 Budget Overview

as of 8/18/2026

SouthernCoastal FUND

	2026 Annualized	2027 Proposed	% Change
Medical Claims	\$218,841,474	\$219,710,335	.40%
Prescription Claims ¹	\$18,748,813	\$25,404,487	35.50%
Dental Claims	\$99,545	\$55,941	-43.80%
MRHIF (introduced) ²	\$9,613,517	\$11,863,867	23.41%
Medicare Advantage ³	\$2,030,996	\$2,178,617	7.27%
Surplus Regeneration ⁴	\$2,870,000	\$2,870,000	0%
Trust Fund Contingency ⁵	\$0	\$6,000,000	-
Expenses	\$15,429,780	\$16,519,812	7.06%
Overall Budget	\$261,634,505	\$277,743,868	6.05%

Notes:

- 1) Prescription claims consider a reduction in rebates to be less budget-dependent.
- 2) MRHIF renewal is draft. Final assessment will be provided prior to adoption
- 3) Medicare Advantage rates based on bundled renewal.
- 4) Surplus Regeneration is optional and cannot be more than 2.5% of total budget
- 5) Trust Fund Account for Contingencies – regulated account for prior year deficits
- 6) Proposed introduction on Monday, September 28th and adoption on Monday, October 26th.
- 6a) Budget is preliminary and draft for introduction; may be altered prior to adoption

Assessments by Line of Coverage

Change by Line of Coverage	Rate Change
Medical	+4.8%
Prescription	+28%
Dental PPO	Flat
Dental DMO*	TBD
Aetna Medicare Advantage	+7%

- Individual Group Assessment and Billing Factors:
 - 1) Lines of Coverage in the Fund
 - 2) Loss ratio impact: groups with at least 36 months of experience over 110% will receive a +2.5%; groups with at least 36 months of experience under 75% will receive a -2.5%;
 - 3) Vineland BOE is rated on its own but running very similar to the rest of the Fund
 - 4) Bridgeton BOE will pay towards prescription utilization not previously being charged
 - 5) EHP/GSP – lower increase than legacy plans with a 4% spread

5-Year History

Southern Coastal Regional Employee Benefits Fund Budget Increase History	
Plan Year	Budget Renewal
2027 <i>Proposed</i>	6.05%
2026	17.26%
2025	8.51%
2024	7.90%
2023	7.84%
5-YR Average	9.51%



2027 Budget Development Claims Projection & Reinsurance

2027 Budget Development

- 2027 Budget Change: **6.05%**
- Claims Fund Development: **2.86%**
 - Medical, Prescription and Dental claims incurred 2024 through June 30, 2026, were sent to the Fund's Actuary for 2027 expected claims development.
 - Medical claims include additional administrative expenses not captured in the claims detail (NAP, claims review, etc.)
 - Medical and Rx claims additionally weighted for new members
 - MRHIF receivables removed from Coastal experience
 - Trend Considerations:
 - 25% Coastal Experience 75% Market
 - » Pending Certification from Fund Actuary:
 - Medical: 10.5%
 - Rx: 10.0%
 - Market Trend
 - » Medical: 8.5%
 - » RX: 13.5%
- Actuarial Observed Trends (Incurred and Paid Anytime):

<i>Coastal</i>	2024/2023	2025/2024	1H26/1H25
Medical - Aetna	6.1%	3.8%	5.0%
Medical - AHA	5.6%	14.7%	-2.9%
Prescription	10.3%	27.0%	23.2%

2027 Expenses

- **Total Expenses +7.06%**
 - Professionals
 - PERMA and Program Manager increasing 2%
 - Auditor, Attorney, Treasurer and Actuary per RFP response
 - Risk Managers / Brokers of Record
 - 2% annual increase included
 - Claims Administrators
 - Medical:
 - Medical TPA RFP to be released: a 5% increase is included for introduction
 - Dental:
 - No increase over 2026 as part of 5-year contract award.
 - Plan Documents
 - This line has not increased in many years while the Fund has grown

2027 Expenses

Wellness

- **Total Estimated 2027 Budget: \$1,404,882**
 - **Coaching Services – Fixed**
 - \$1,131,520
 - 8 full-time coaches at \$141,440 annually
 - **Vitality Platform Services – PEPM**
 - \$99,960 estimated annually (\$8,330/month)
 - Based on an eligible employee population of 8,500 (\$0.98/employee/month)
 - **Employee Status Rewards, including \$5 Wheel Spin**
 - \$169,150 projected annually (\$14,095.83/month)
 - Based on 8,500 eligible employees (\$1.66/employee/month)
 - **Spouse Status Rewards, including \$5 Wheel Spin**
 - \$4,252 projected annually (\$354.33/month)
 - Based on 4,500 eligible spouses (\$0.08/spouse/month)

Surplus Regeneration & Trust Account

The proposed budget includes two additional lines of margin to address surplus in prior and future years:

1. **Surplus Regeneration** – This line was included in last year’s budget. The regulation only allows for 2.5% of the total budget for this contingency line.
2. **Trust Account for Contingencies** - NJAC 11:15-3.13 (b) allows the Fund to appropriate up to 2.5% of the budget each year into a contingency trust fund account that can be used to offset a deficit in any fund year. Fund Commissioners may reclassify 2.5% of this year’s budget as well as appropriate 2.5% in next years and subsequent years’ budgets. This is the more flexible option because the contingency trust fund can be used to both resolve deficits and build a rainy-day fund.

****Both accounts are optional and at the discretion of the Executive Committee***

2027 MRHIF Renewal

- MRHIF introduced budget on September 9th.
 - Coastal estimated increase 23.41%
 - No increase to SIR assumed: \$500,000
 - Fund's experience is trending down, although 2024 and 2025 Fund Years are immature

Plan Year	2021	2022	2023	2024	2025	5-YR Composite
Coastal MRHIF Loss Ratio	199%	102%	279%	80%	53%	153%

High-Cost Claimants

as of July 2026

Coastal High Claimants 2025								
Aetna Med, AHA Med + ESI RX Claims Incurred in 2025								
COASTAL spec lim	\$500,000							
50%	\$250,000							
US Fire	\$1,000,000							
	Count of members >50% but Under spec	Total Net Paid (Med+RX)	% Increase in Net Paid from Previous Month	Total members Exceeding Spec	Total Net Paid (Med+RX)	Reimbursement Amount	Total Net Paid After Reimbursement	% Increase in Net Paid (Net Reimbursement) from Previous Month
Jan-25	0	\$0.00		0	\$0.00	\$0.00	\$0.00	
Feb-25	0	\$0.00		0	\$0.00	\$0.00	\$0.00	
Mar-25	0	\$0.00		0	\$0.00	\$0.00	\$0.00	
Apr-25	1	\$408,694.00	--	0	\$0.00	\$0.00	\$0.00	
May-25	2	\$680,061.48	66%	2	\$1,680,344.18	\$680,344.18	\$1,000,000.00	--
Jun-25	2	\$750,451.99	10%	3	\$2,307,903.98	\$807,903.98	\$1,500,000.00	50%
Jul-25	5	\$1,766,784.17	135%	3	\$2,380,721.55	\$880,721.55	\$1,500,000.00	0%
Aug-25	6	\$2,280,857.16	29%	5	\$4,122,087.20	\$1,622,087.20	\$2,500,000.00	67%
Sep-25	9	\$3,049,899.97	34%	6	\$4,881,376.70	\$1,881,376.70	\$3,000,000.00	20%
Oct-25	19	\$6,063,101.24	99%	7	\$5,630,926.17	\$2,130,926.17	\$3,500,000.00	17%
Nov-25	20	\$6,967,888.30	15%	7	\$5,832,062.59	\$2,332,062.59	\$3,500,000.00	0%
Dec-25	20	\$7,013,625.60	1%	9	\$7,220,528.56	\$2,720,528.56	\$4,500,000.00	29%
Jan-26	22	\$7,655,859.97	9%	10	\$8,023,993.68	\$3,023,993.68	\$5,000,000.00	11%
Feb-26	26	\$8,844,320.76	16%	10	\$8,064,180.49	\$3,064,180.49	\$5,000,000.00	0%
Mar-26	27	\$9,359,764.21	6%	10	\$8,144,583.61	\$3,144,583.61	\$5,000,000.00	0%
Apr-26	27	\$9,427,879.58	1%	11	\$8,841,053.82	\$3,341,053.82	\$5,500,000.00	10%
May-26	27	\$9,162,454.06	-3%	12	\$9,407,959.70	\$3,407,959.70	\$6,000,000.00	9%
Jun-26	26	\$9,056,535.89	-1%	13	\$9,917,319.93	\$3,417,319.93	\$6,500,000.00	8%
Jul-26	27	\$9,321,966.58	3%	13	\$9,954,917.73	\$3,454,917.73	\$6,500,000.00	0%

High-Cost Claimants

as of July 2026

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Jan-26	0	\$0.00		0	\$0.00	\$0.00	\$0.00	
Feb-26	1	\$321,669.75		0	\$0.00	\$0.00	\$0.00	
Mar-26	1	\$322,271.28	0%	2	\$1,030,782.66	\$30,782.66	\$1,000,000.00	
Apr-26	4	\$1,225,128.36	280%	3	\$1,639,360.68	\$139,360.68	\$1,500,000.00	50%
May-26	5	\$1,592,909.03	30%	3	\$1,678,382.92	\$178,382.92	\$1,500,000.00	0%
Jun-26	7	\$2,447,667.85	54%	5	\$3,242,730.17	\$742,730.17	\$2,500,000.00	67%
Jul-26	13	\$4,307,131.13	76%	7	\$4,982,091.07	\$1,482,091.07	\$3,500,000.00	40%