



## **STATE EMPLOYEES' HEALTH INSURANCE PLAN**

**REPORT PREPARED IN ACCORDANCE WITH ACT 2004-646,  
2004-647, 2004-648, 2004-649 AND 2004-650**

**September 30, 2024**



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# REPORT





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## INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors  
State Employees' Insurance Board  
Montgomery, Alabama

We have reviewed the State Employees' Health Insurance Board's (the Board) special purpose report prepared in accordance with Act 2004-646, 2004-647, 2004-648, 2004-649 and 2004-650 (the Report) for the year ended September 30, 2024. The Board is responsible for the Report in accordance with Code of Alabama Section 36-29-19.1 (the criteria), set forth in Note 1. Our responsibility is to express a conclusion on the Report based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Report in order for it to be in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Report is in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to the Report of the Board for the year ended September 30, 2024 in order for it to be in accordance with the criteria set forth in Note 1.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than the specified parties.

*Carr, Riggs & Ingram, L.L.C.*

Montgomery, Alabama

February 19, 2025

**State Employees' Health Insurance Plan**  
**Report in Accordance with Act 2004-646, 2004-647,**  
**2004-648, 2004-649 and 2004-650**

	Fiscal Year 2023-2024 Actual	Fiscal Year 2024-2025 Estimate
<b>Premiums</b>		
Premiums paid by state agencies	\$ 370,934,429	\$ 381,100,000
Premiums paid by active and retired members	101,980,020	105,600,000
Employer rate per active employee	977	1,005
	Calendar Year 2024 Actual	Calendar Year 2025 Estimate
<b>Rates paid by member for coverage:</b>		
Active - Employee	145	145
Active - Family	335	335
Active - Family with Spouse	500	500
Retiree <65	389	389
Retiree <65 - Family <65 without spouse	651	651
Retiree <65 - Family <65 with spouse <65	816	816
Retiree <65 - Medicare dependent	520	520
Retiree <65 - Medicare spouse	635	635
Medicare retiree	80	80
Medicare retiree - Family <65 without spouse	342	342
Medicare retiree - Family <65 with spouse <65	507	507
Medical retiree - Medicare dependent	201	201
Medical retiree - Medicare spouse	316	316
Wellness participation discount	(50)	(50)
Non-tobacco usage discount	(65)	(65)
Spousal surcharge waiver	(25)	(25)
<b>State cost for calculating retiree sliding scale:</b>		
Retiree <65	555	555
Medicare Retiree	350	350

*(Continued)*

*See independent accountant's report and accompanying notes to the report.*

**State Employees' Health Insurance Plan**  
**Report in Accordance with Act 2004-646, 2004-647,**  
**2004-648, 2004-649 and 2004-650**

**Savings (Costs) from 2004 Special Session of Legislature**

**Fiscal Year 2023-2024**

<b>Act Number:</b>	<b>Code Section:</b>	<b>Change:</b>	<b>Savings (Costs):</b>
2004-647	36-29-3	Other cost containment measures (wellness participation discounts forfeited)	\$ 6,174,100
		(spousal surcharges)	4,635,525
2004-647	36-29-8	Opt not to have coverage	9,414,372
2004-647, 648	36-29-19.2 and 8	Supplemental coverage for employees and retirees eligible for other coverage (1)	28,080,343
2004-647	36-29-19.2	Health Reimbursement Account	4,056,875
2004-647	36-29-19.3	Non-tobacco usage discounts forfeited	5,066,395
2004-647	36-29-19.4a	Federal poverty level assistance	(902,177)
2004-647	36-29-19.5	Pre-tax employee contributions	2,612,692
2004-648	36-29-19.7	Retiree contributions based on years of service and reduction in growth of retiree population	83,860,175
<b>Estimated Total Savings</b>			<b>\$ 142,998,300</b>

(1) Adjusted for savings attributable to employees enrolled in the Public Education Employees' Health Insurance Plan.

*See independent accountant's report and accompanying notes to the report.*

**State Employees' Health Insurance Plan  
Notes to the Report in Accordance with Act 2004-646,  
2004-647, 2004-648, 2004-649 and 2004-650**

**Note 1: DESCRIPTION OF THE BOARD**

The State Employees' Insurance Board (the Board) is responsible for the establishment of the State of Alabama's (the State) Health Insurance Plan (the Plan) and its general administration, including the determination of participant premiums, and operations. The Board is a body incorporated for the purpose of management of health insurance benefits. The Board operates the Plan providing health care benefits to all State employees.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The State Employees' Health Insurance Plan has prepared the accompanying special purpose report (the Report) in accordance with Code of Alabama Section 36-29-19.1, Act 2004-647, Act 2004-648, Act 2004-649 and Act 2004-650 (the criteria), which represent a basis of accounting other than accounting principles generally accepted in the United States of America.

The criteria notes that the Board shall maintain records in sufficient detail to accurately determine the total health insurance costs and the contributions toward health insurance premiums by employees and retirees separately, and in composite form. The Board shall prepare a written report that contains a calculation of the total cost of health insurance premiums for such fiscal year and the amount of contributions by employees and retirees to the cost of such health insurance premiums and the cost of such coverage that shall be paid by the employer for the next fiscal year and the total savings to the State realized by the enactment of Act 2004-646, Act 2004-647, Act 2004-648, Act 2004-649, and Act 2004-650. Such report shall contain sufficient detail to determine the total cost of health insurance premiums for each class of employees or retirees and the amount of contributions by each class of employees or retirees.

***Subsequent Events***

Subsequent events were evaluated by management through February 19, 2025, the date on the report was available to be issued.