



Utah Retirement Systems

Public Employees Health Program

A Discrete Component Unit of the State of Utah

2021 Annual Financial Report

For the Year Ended December 31, 2021





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For the Year Ended December 31, 2021

Prepared by: Finance Department

Utah Retirement Systems | Public Employees Health Program

560 East 200 South • Salt Lake City, Utah 84102-2044

www.pehp.org

Daniel D. Andersen, URS Executive Director

R. Chet Loftis, PEHP Managing Director

Robert D. Dolphin, URS Chief Financial Officer

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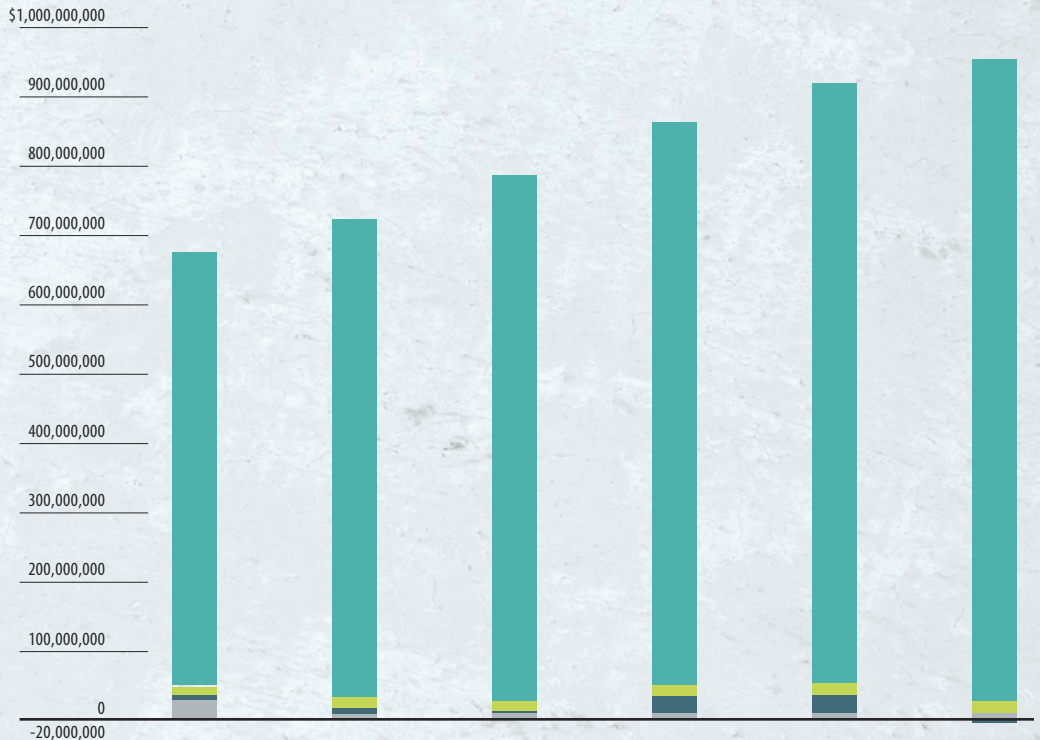
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Public Employees Health Program
Additions by Source

At December 31



	2016	2017	2018	2019	2020	2021
● Premiums and service fees	\$ 628,475,661	694,255,468	764,289,512	816,803,324	871,935,466	931,475,293
● Federal subsidies	11,580,698	15,381,086	13,603,756	15,862,210	15,981,550	18,265,420
● Net investment income	10,825,858	9,526,337	3,246,461	25,357,732	27,209,692	(1,233,719)
● Employer contributions	28,439,724	7,638,014	9,208,581	9,266,955	8,863,707	8,874,490
Totals	\$ 679,321,941	726,800,905	790,348,310	867,290,221	923,990,415	957,381,484

Public Employees Health Program

Letter of Transmittal

UTAH STATE RETIREMENT BOARD
PUBLIC EMPLOYEES HEALTH PROGRAM

560 East 200 South
Salt Lake City, Utah 84102-2044
801-366-7700
800-365-8772
801-366-7734 FAX

DANIEL D. ANDERSEN
EXECUTIVE DIRECTOR

R. CHET LOFITS
MANAGING DIRECTOR

April 29, 2022

Utah State Retirement Board
560 East 200 South
Salt Lake City, UT 84102-2044

Dear Board Members:

We are pleased to present the 2021 Annual Financial Report of the Public Employees Health Program, also known as PEHP Health & Benefits (PEHP). PEHP is a discrete component unit of the State of Utah, administered by the Utah State Retirement Board (Board) for calendar year 2021.

PEHP administers group medical and other insurance benefits to agencies of the state of Utah, local governments, and other public entities within the state. The financial reporting entity of PEHP includes administration of medical and dental risk pools, reinsurance, long term disability, Medicare Supplement, term life, retiree life, and health reimbursement arrangement (HRA). The program is administered under the Utah State Retirement Board. PEHP medical and dental risk are divided into state and various other employers' risk pools.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of PEHP. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of PEHP.

For financial reporting purposes, PEHP adheres to accounting principles generally accepted in the United States of America. PEHP applies all applicable pronouncements of the Governmental Accounting Standards Board (GASB). Investments of PEHP are presented at fair value and are in accordance with the "prudent investor rule."

PEHP provides a mechanism for covered employers to provide covered individuals with group health, dental, medical, disability, life insurance, Medicare supplement, conversion coverage, cafeteria, flex plan and other programs requested by the state, its political subdivisions, or educational institutions in the most efficient and economical manner. The "Public Employees' Trust Fund" was created for the purpose of paying the benefits and costs of administering the program as indicated in the notes to the basic financial statements on page 31.

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) beginning on page 23 provides an overview and analysis of PEHP. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

Financial Information

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived. This system includes written policies and procedures and an internal audit department that reports to the Board. Discussion and analysis of net position and related additions and deductions are presented in the MD&A beginning on page 23.

Actuarial

PEHP is maintained on an actuarially sound basis thus protecting participants' future benefits. Actuarial valuations are performed annually that meet the qualification standards for performing these valuations in accordance with the American Academy of Actuaries and are consistent with internal management strategies. PEHP is maintained on a financially and actuarially sound basis by payments from covered employers and covered individuals. The reserves in a risk pool are maintained at the level recommended by the actuary and approved by the Board.

Independent Audit

An annual audit of PEHP was conducted by the independent accountant Eide Bailly LLP. The auditor's report on the financial statements is included in this report.

Acknowledgments

This report reflects the combined efforts of the staff under the leadership of the Utah State Retirement Board. The report is intended to provide extensive and reliable information for making management decisions, determining compliance with legal provisions, and determining responsible stewardship for the assets contributed by the members and their employers.

We would like to take this opportunity to express our gratitude to the Board, the staff, the advisors, and the many people who have worked so diligently to assure the successful operation and financial soundness of PEHP.

Sincerely yours,



Robert D. Dolphin
Chief Financial Officer



R. Chet Loftis
Managing Director



PEHP:
Supporting
It's Members by

Doing the Right Thing

Providing Helpful Tools

Being Fair & Consistent

*Helping Members
Make Decisions*

Going the Extra Mile

Improving Health and Wellness

*Keeping Members
Out of the Middle*

Public Employees Health Program

Letter From Managing Director

UTAH STATE RETIREMENT BOARD
PUBLIC EMPLOYEES HEALTH PROGRAM
560 East 200 South
Salt Lake City, Utah 84102-2044
801-366-7700
800-365-8772
801-366-7734 FAX

DANIEL D. ANDERSEN
EXECUTIVE DIRECTOR

R. CHET LOFITS
MANAGING DIRECTOR

April 29, 2022

Utah State Retirement Board
560 East 200 South
Salt Lake City, UT 84102-2044

Dear Board Members:

PEHP Health & Benefits is a division of the Utah Retirement Systems that proudly serves Utah's public employees through high quality and competitively priced medical, dental, life, and long-term disability insurance plans. As a government entity, PEHP embraces both a public mission and a commitment to creating customer value, excelling in the market, and improving healthcare.

Over the past year, PEHP has remained financially sound in all respects. Insurance reserves continue to meet or exceed recommended levels for all risk pools and for all product lines, allowing PEHP to return \$7.7 million in excess reserves to various plan sponsors over the past year.

Membership growth also remains steady, reaching nearly 176 thousand for the medical plan as of December 31, 2021.

COVID has continued to pose unique challenges to PEHP, impacting our turn around time on claims, our value-based agreements with providers, and our financial forecasting. This situation has only been made more difficult by PEHP's multi-year effort of adopting a new IT administrative system and an historically tight labor market.

Fortunately, our organization has remained resilient in the face of change and uncertainty. Everyone has had to rise to the challenge.

Gratefully, we are beginning to see the light at the end of the tunnel. We have a firm go-live date for the new IT system, largely brought our claims turnaround time within expected ranges, found creative ways to strengthen our workforce, and successfully resolved potentially thorny external issues.

After two years of working almost exclusively from home, we have arrived at a new normal in which each person is in the office one-day a week as part of their team's anchor day. This has allowed us to share office space and reduce our footprint from two buildings and four floors to one building and two floors.

With the new IT system, we are finding new ways of centralizing operational functions that have generally been the responsibility of each department. We believe this will pay huge dividends.

Healthcare is a complex, ever evolving, and increasingly expensive part of the economy. Our most significant duty is to mitigate annual rates increases. Absent this, plan sponsors will either reduce benefits to employees, seek coverage from other plan administrators, or cease to offer coverage to employees. Our work over the past year in challenging payment patterns and ensuring fair out-of-state pricing reflect this commitment. Other areas of focus include reducing the risk of adverse coverage events while providing tools, support, and advice for healthcare decisions.

Increasingly, our hope is to bring greater focus to simplicity, technology, and outcomes. Simplicity so members can worry less; technology so members are served better; and outcomes so members get the value they deserve.

PEHP is a strong organization that is better this year than last because it is made up of good and talented people who are committed to proudly and capably serving the public sector.

Sincerely yours,



R. Chet Loftis, Managing Director



Utah State Retirement Board

Pictured Left to Right

Ryan G. Hessenthaler

Appointed August 19, 2015
Term Expires July 1, 2023
Represents Investment Community

Vice President

Larry W. Evans

Appointed August 21, 2019
Term Expires July 1, 2024
Represents Public Employees

Laura O. Houston

Appointed July 2, 2014
Term Expires July 1, 2022
Represents Investment Community

Roger G. Donohoe

Appointed December 17, 2014
Term Expires July 1, 2024
Represents Education Employees

President

Richard K Ellis

Appointed February 2, 2020
Term Expires July 1, 2024
Represents Investment Community

Karl W. Wilson

Appointed July 2, 2021
Term Expires July 1, 2025
Represents Investment Community

Marlo M. Oaks

State Treasurer
Member Since June 29, 2021
Ex-officio Member

**Utah Retirement Systems
Executive Director**



Daniel D. Andersen

**PEHP
Managing Director**



R. Chet Loftis

Organization Chart





Administrative Staff

Daniel D. Andersen
Executive Director

Steven M. West, CPA, CFE
Director, Internal Audit

W. Kendall Rima
Chief Information Officer

**Jayne R. Knecht, MSHR,
PHR, SHRM-CP, HRP**
Human Resource Director

R. Chet Loftis
PEHP Managing Director

Robert D. Dolphin, CPA
Chief Financial Officer

Dee S. Larsen, J.D.
General Counsel

David Hansen, J.D.
PEHP Legal Counsel

Joel Sheppard
Marketing Director

**Travis Tolley,
PharmD, BCPS**
*Clinical Management
Director*

Mark Brown, FSA, MAAA
*Business Operations
Director*

Angie Benson
Member Claims Director

Josie Hall
Member Services Director

Joan Chu, RN, CCM
*Care Management
Director*

Kate Walter
Pharmacy Director

**Cindy Jones Prather,
MD, FACOG**
Chief Medical Officer

Toan Lam, MD
Medical Director

Paul Anderton, FSA, MAAA
Chief Actuary

Lance Toms, PMP
*Administrative Systems
Project Management
Director*

**Cortney Larsen,
MBA, MHSA, CPC**
*Director of
Network Strategy /
Provider Relations*

Professional Service Providers

ACTUARY

Milliman
515 East 100 South
Suite 600
Salt Lake City, UT 84102

AUDITOR

Eide Bailly LLP
Certified Public
Accountants
5 Triad Center
Suite 600
Salt Lake City, UT 84180



Medical Program Highlights

PEHP offers group health insurance and Medicare supplement coverage for the state, its political subdivisions, and educational institutions. PEHP acts as a self-insurer and administers separate risk pools for the state of Utah and other covered employers who have chosen to participate with PEHP. PEHP is maintained on a financially and actuarially sound basis for covered employers and covered individuals. A medical network is a group of doctors, hospitals, and other providers that have agreed to accept a specific price for their services. PEHP has three networks – Summit, Advantage, and Preferred.

Summit Network —

The Summit Network is based on the University of Utah, Mountain Star and Steward Healthcare hospitals. Members who typically choose this network want a broad choice of hospitals, surgical centers, and imaging centers throughout the Wasatch Front. Hospitals on the Summit Network within Salt Lake County include Salt Lake Regional Hospital, University of Utah Hospital, Huntsman Cancer Institute, Primary Children's Hospital, St. Mark's Hospital, Lone Peak Hospital and Jordan Valley Hospital.

Advantage Network —

The Advantage Network is based on the Intermountain Healthcare facilities and providers. It also contains many non-facility providers who are not affiliated with IHC. Members who choose this network typically want to go to IHC facilities.

Preferred Network —

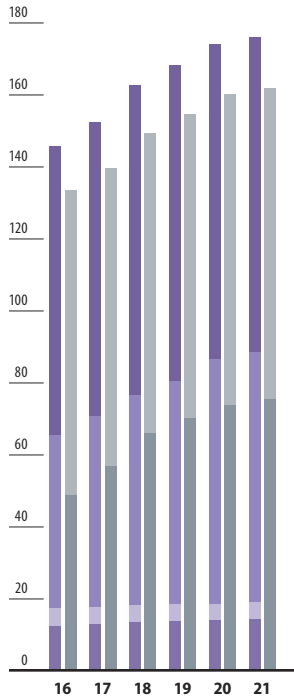
The Preferred network consists of all providers and facilities in both the Summit and Advantage networks. It includes all major hospitals in Utah.

Plan Choices

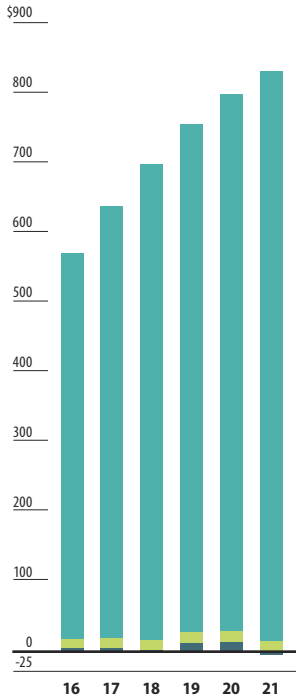
PEHP offers both traditional healthcare plans and STAR HSA-eligible healthcare plans. Traditional plans offer co-pays, lower deductibles, higher employee premiums, and individual-level maximum out-of-pockets; whereas, STAR HSA plans offer higher deductibles, lower employee premiums, and employer contributions to a health savings account that an employee can add to on a tax-free basis and use to pay for healthcare expenses.

Medical Program Highlights (Concluded)

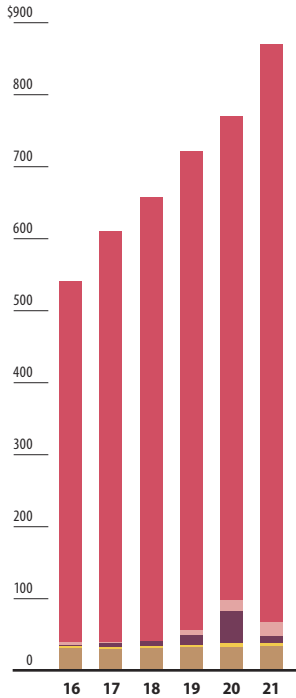
Total Membership Enrollment
(In thousands)



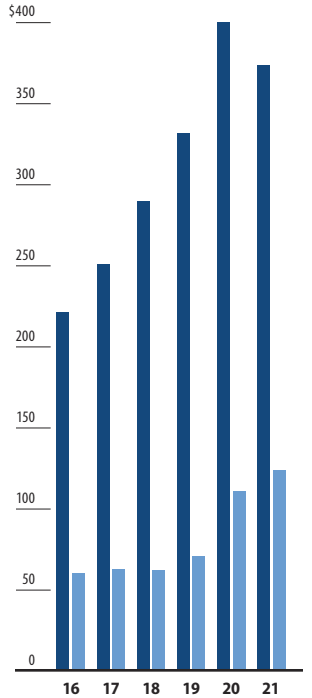
Additions by Source
(\$ in millions)



Deductions by Type
(\$ in millions)



Contingency Reserves
(\$ in millions)



Count of Membership

● Advantage Network	80,321	81,570	86,127	87,873	87,466	87,402
● Summit Network	47,918	53,069	58,196	61,827	67,895	69,409
● Preferred Network	5,051	4,773	4,825	4,697	4,621	4,801
● Medicare	12,222	12,725	13,208	13,618	13,820	14,069
Totals	145,512	152,137	162,356	168,015	173,802	175,681
● Traditional Plan	84,816	82,737	83,449	84,543	86,367	86,365
● Star HSA Plan	48,474	56,675	65,699	69,854	73,615	75,247
Totals	133,290	139,412	149,148	154,397	159,982	161,612

Medical Program Additions by Source

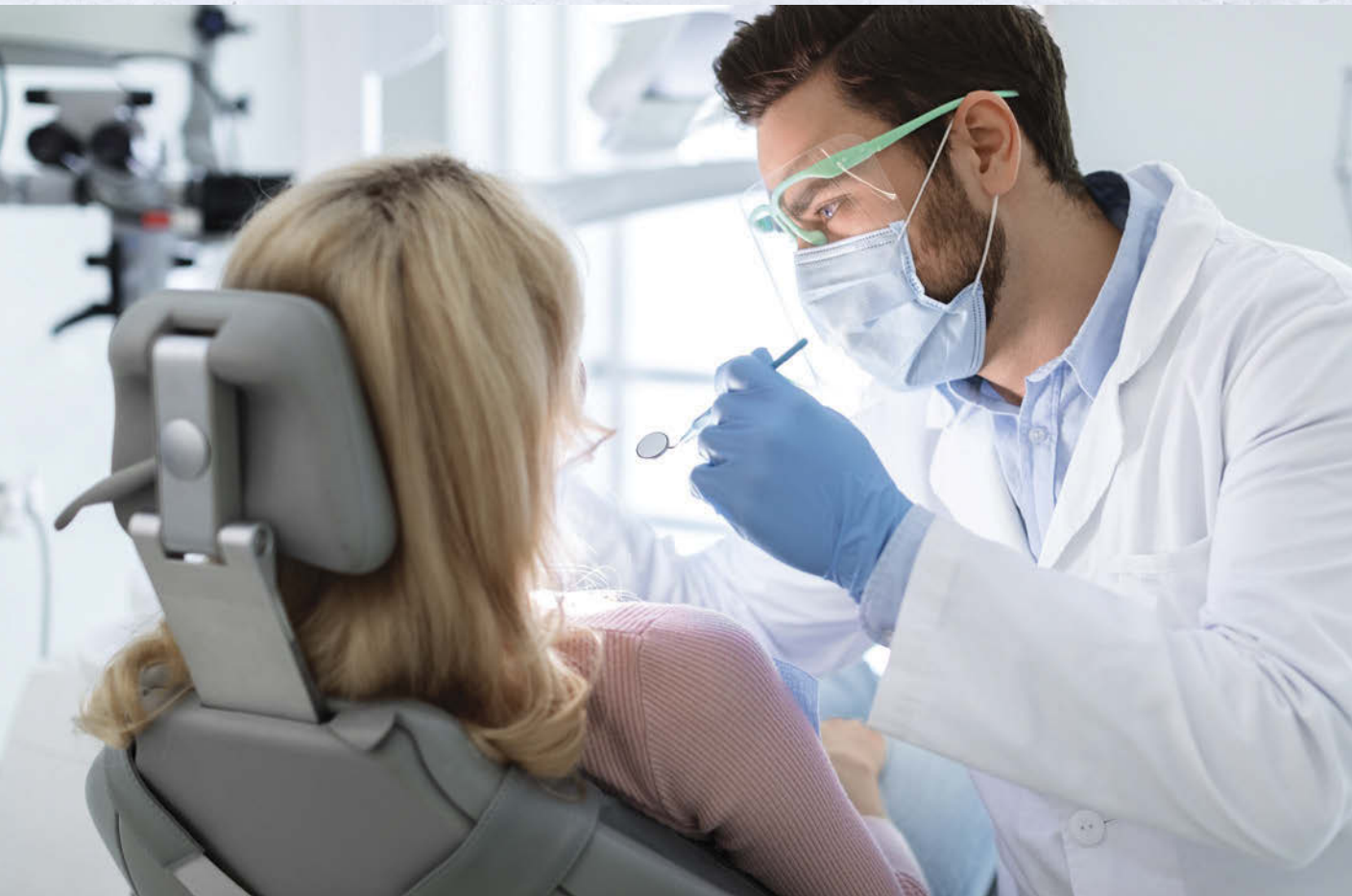
● Premiums and service fees	\$ 552,242,433	616,327,475	680,826,597	725,225,526	767,094,257	813,528,805
● Federal subsidies	11,580,698	15,381,086	13,603,756	15,862,210	15,981,550	18,265,420
● Net investment income	6,210,176	5,505,254	1,421,106	13,007,263	14,450,922	(2,072,408)
Totals	\$ 570,033,307	637,213,815	695,851,459	754,094,999	797,526,729	829,721,817

Medical Program Deductions by Type

● Claims	\$ 502,370,841	572,192,267	616,825,742	664,828,723	672,515,577	804,162,806
● Provisions for unpaid claims	3,405,834	893,049	613,688	7,975,697	14,706,077	18,718,639
● Experienced dividends	2,224,206	5,701,630	5,703,602	13,268,290	45,636,364	10,185,453
● Commissions	2,409,626	2,907,487	3,126,425	3,477,564	4,607,858	4,497,010
● Administrative expense and other	30,176,635	28,169,556	30,133,223	30,877,872	31,692,050	32,175,708
Totals	\$ 540,587,142	609,863,989	656,402,680	720,428,146	769,157,926	869,739,616

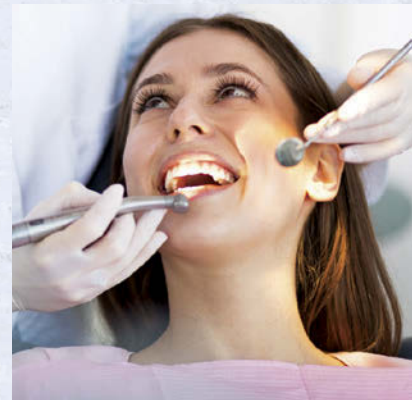
Medical Program Contingency Reserves

● Total assets available to pay benefits	\$ 221,619,622	251,306,224	290,169,252	332,562,951	401,243,973	374,273,350
● Total liabilities and reserves	59,954,259	62,290,944	61,705,192	70,432,038	110,744,257	123,791,433
Ending plan contingency reserve	\$ 161,665,363	189,015,280	228,464,060	262,130,913	290,499,716	250,481,917



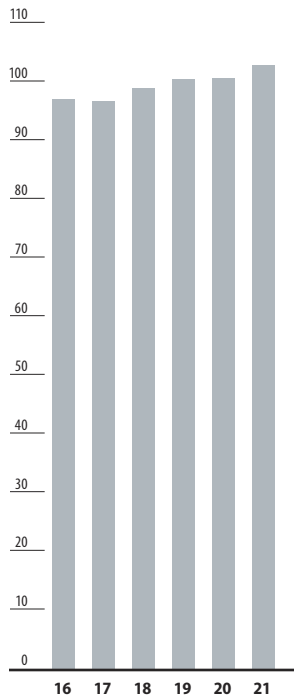
Dental Program Highlights

PEHP offers group dental insurance for the state, its political subdivisions, and educational institutions. PEHP acts as a self-insurer and administers separate risk pools for the state of Utah and other covered employers who have chosen to participate with PEHP. PEHP is maintained on a financially and actuarially sound basis for covered employers and covered individuals.

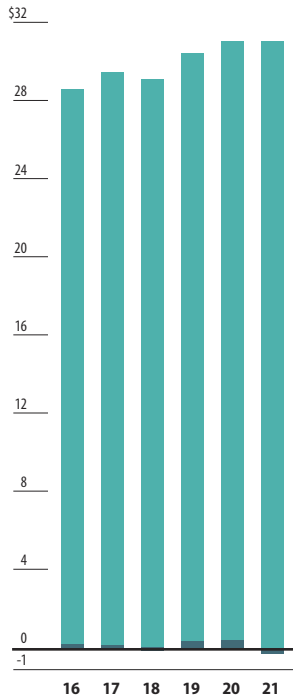


Dental Program Highlights (Concluded)

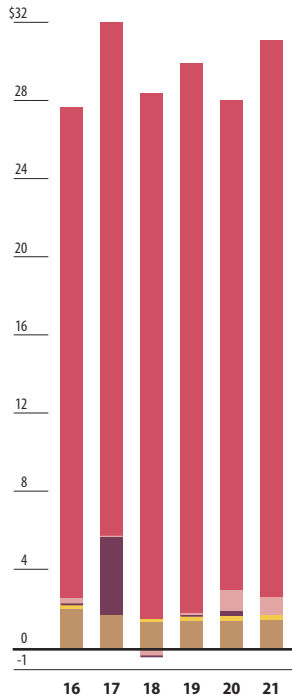
Total Membership Enrollment
(In thousands)



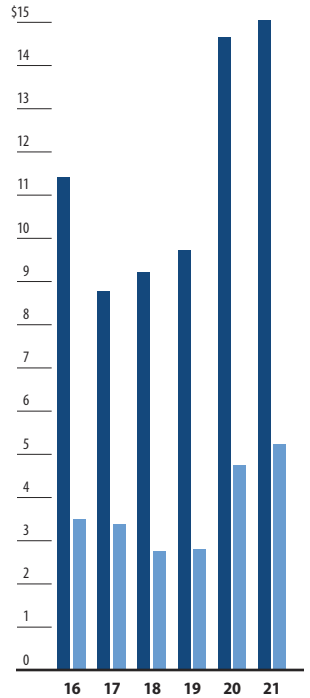
Additions by Source
(\$ in millions)



Deductions by Type
(\$ in millions)



Contingency Reserves
(\$ in millions)



Count of Membership

	2016	2017	2018	2019	2020	2021
Dental Enrollment	96,903	96,620	98,781	100,345	100,632	102,819

Dental Program Additions by Source

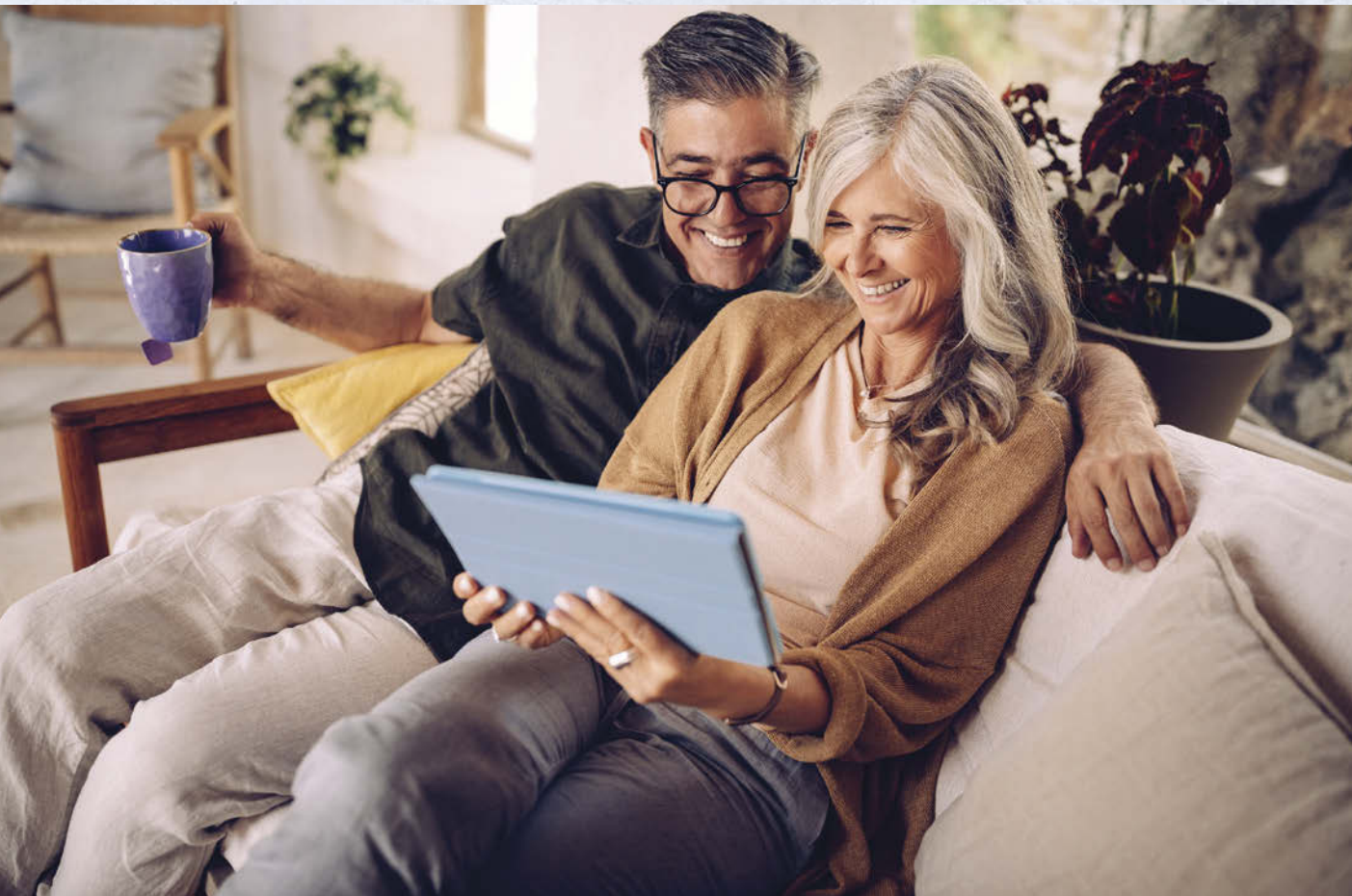
	2016	2017	2018	2019	2020	2021
Premiums and service fees	\$ 28,301,855	29,268,441	29,046,866	30,003,604	30,560,203	31,061,050
Net investment income	302,559	221,236	52,350	429,111	478,029	(66,524)
Totals	\$ 28,604,414	29,489,677	29,099,216	30,432,715	31,038,232	30,994,526

Dental Program Deductions by Type

	2016	2017	2018	2019	2020	2021
Claims	\$ 25,018,002	26,248,159	26,797,638	28,188,373	25,020,752	28,406,461
Provision for unpaid claims	354,283	15,887	(350,051)	9,373	1,041,874	898,608
Experienced dividends	2,527	4,002,253	(2,165)	133	287,932	—
Commissions	212,526	—	149,284	304,045	235,923	294,542
Administrative expense and other	2,076,423	1,762,041	1,427,824	1,455,592	1,476,038	1,500,377
Totals	\$ 27,663,761	32,028,340	28,022,530	29,957,516	28,062,519	31,099,988

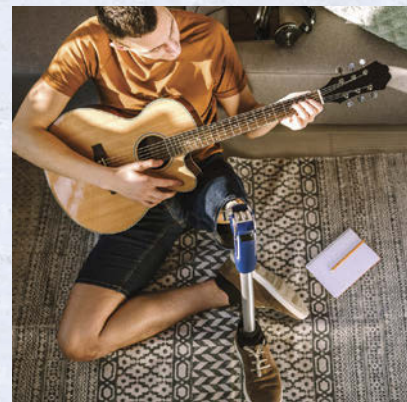
Dental Program Contingency Reserves

	2016	2017	2018	2019	2020	2021
Total assets available to pay benefits	\$ 11,426,864	8,778,082	9,233,503	9,746,071	14,676,580	15,070,154
Total liabilities and reserves	3,495,745	3,369,737	2,748,473	2,785,842	4,740,638	5,239,674
Ending plan contingency reserve	\$ 7,931,119	5,408,345	6,485,030	6,960,229	9,935,942	9,830,480



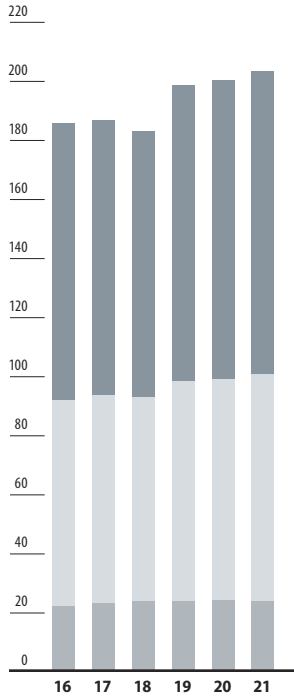
Group Term, Accidental Death and Dismemberment (AD&D), and Retiree Life Insurance Highlights

PEHP offers group term, AD&D and retiree life insurance for the state, its political subdivisions, and educational institutions. PEHP term life insurance provides up to \$500,000 of voluntary coverage. The Group AD&D plan provides benefit for death due to an accident on or off the job, for permanent loss of speech, hearing, eyesight, or limb function due to an accident, to supplement lost wages and to cover out-of-pocket expenses the medical plan may not pay.

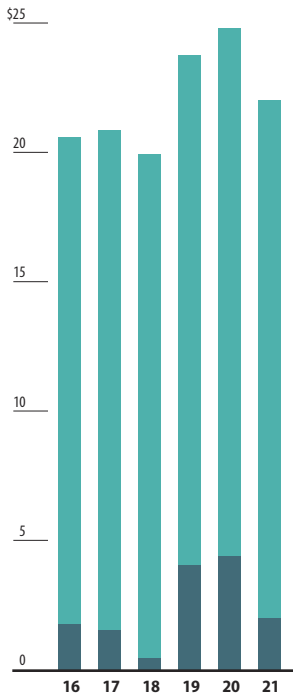


Group Term, Accidental Death and Dismemberment (AD&D) and Retiree Life Insurance Highlights *(Concluded)*

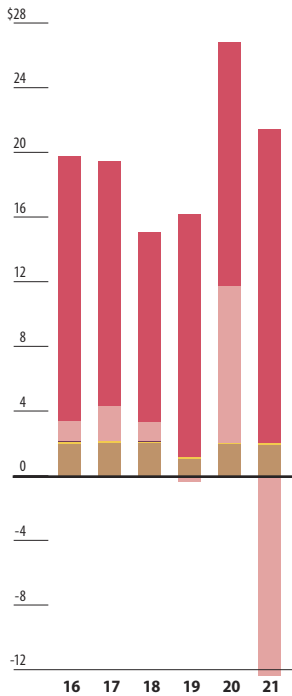
Total Membership Enrollment
(In thousands)



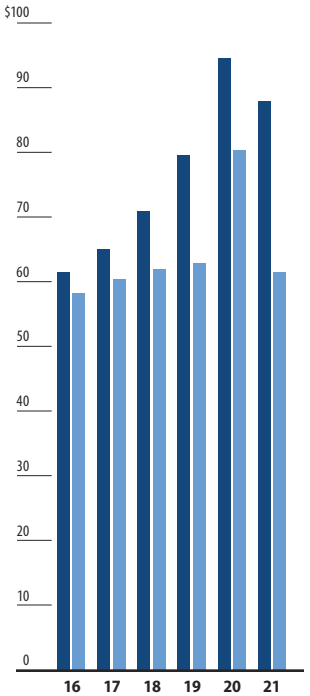
Additions by Source
(\$ in millions)



Deductions by Type
(\$ in millions)



Contingency Reserves
(\$ in millions)



2016 2017 2018 2019 2020 2021

Count of Membership

Term life	93,973	93,289	90,178	100,467	101,373	102,925
AD&D	69,828	70,313	69,132	74,351	75,239	76,646
Retiree life	21,672	22,939	23,545	23,507	23,684	23,626
Totals	185,473	186,541	182,855	198,325	200,296	203,197

Life Program Additions by Source

Premiums and service fees	\$ 18,780,213	19,225,114	19,429,129	19,663,834	20,335,998	19,969,388
Net investment income	1,743,464	1,545,973	442,114	4,019,456	4,370,395	1,985,791
Totals	\$ 20,523,677	20,771,087	19,871,243	23,683,290	24,706,393	21,955,179

Life Program Deductions by Type

Claims	\$ 16,359,411	15,130,492	11,707,159	15,002,689	15,044,818	19,548,501
Provision for unpaid claims	1,283,884	2,201,455	1,230,026	(189,373)	9,693,267	(12,233,890)
Experienced dividends	52	—	50	—	—	—
Commissions	39,575	9,190	32,236	65,818	55,425	113,303
Administrative expense and other	2,091,150	2,129,120	2,149,254	1,138,242	2,047,418	1,997,279
Totals	\$ 19,774,072	19,470,257	15,118,725	16,017,376	26,840,928	9,425,193

Life Program Contingency Reserves

Total assets available to pay benefits	\$ 61,449,902	64,974,603	70,908,251	79,524,200	94,462,705	87,864,899
Total liabilities and reserves	58,151,888	60,375,759	61,869,873	62,819,909	80,246,787	61,429,654
Ending plan contingency reserve	\$ 3,298,014	4,598,844	9,038,378	16,704,291	14,215,918	26,435,245



Long-Term Disability Insurance (LTD) Highlights

PEHP offers group Long Term Disability insurance for the state, its political subdivisions, and educational institutions. PEHP LTD is maintained on a financially and actuarially sound basis for covered employers and covered individuals. LTD is a safety net should an employee become disabled and unable to work. The LTD benefit is paid by the participating employer and provides two-thirds of regular monthly salary for accidental bodily injury, disease, or illness.

Summary Benefits

Benefit Amount: Two-thirds of salary.

Waiting Period:
Three months; closest to the first of the month.

First 24 months of LTD:
Must be unable to perform regular job.

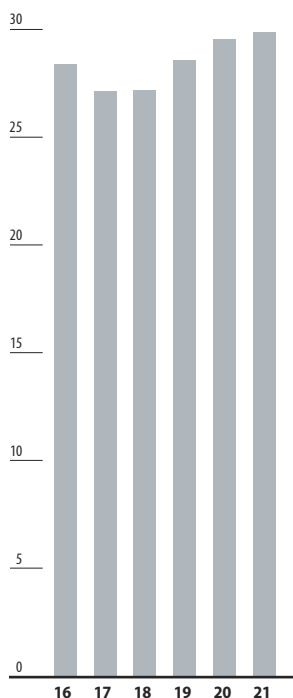
After 24 months of LTD:
Must be unable to perform any gainful employment due to physical disability (includes sedentary work).

Maximum Benefit:
Age 65 or retirement with Utah Retirement Systems.

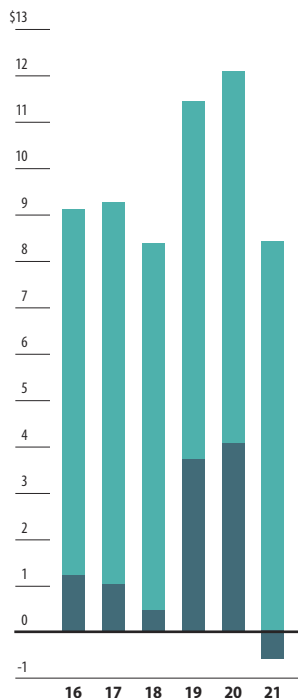
Line of Duty Benefit:
(*External Force/Violence*) 100% of regular salary.

Long-Term Disability Insurance (LTD) Highlights *(Concluded)*

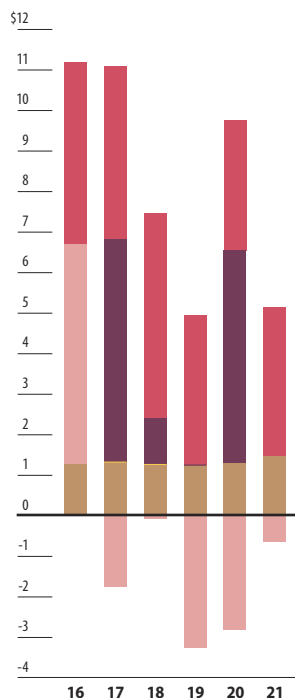
Total Membership Enrollment
(In thousands)



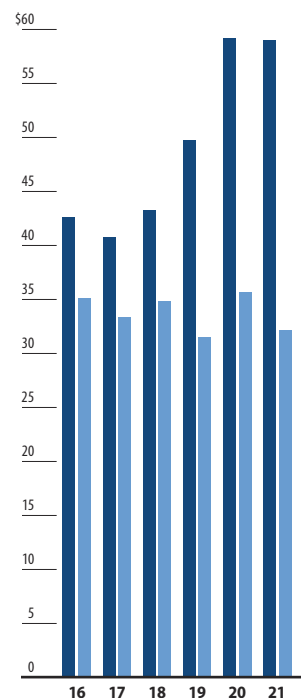
Additions by Source
(In millions)



Deductions by Type
(In millions)



Contingency Reserves
(In millions)



Count of Membership

● Total LTD Enrollment	28,404	27,192	27,224	28,584	29,562	29,925
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LTD Program Additions by Source

● Premiums and service fees	\$ 7,916,397	8,266,192	7,953,824	7,760,090	8,052,257	8,431,983
● Net investment income	1,222,460	1,027,606	457,317	3,720,820	4,072,448	(610,534)
Totals	\$ 9,138,857	9,293,798	8,411,141	11,480,910	12,124,705	7,821,449

LTD Program Deductions by Type

● Claims	\$ 4,487,455	4,277,983	5,084,603	3,698,907	3,212,218	3,684,070
● Provision for unpaid claims	5,432,887	(1,772,089)	(102,695)	(3,260,449)	(2,836,762)	(680,563)
● Experienced dividends	—	5,495,730	1,118,283	2,612	5,241,000	—
● Commissions	—	4,412	3,274	—	—	—
● Administrative expense and other	1,261,687	1,313,708	1,264,128	1,233,855	1,296,905	1,470,690
Totals	\$ 11,182,029	9,319,744	7,367,593	1,674,925	6,913,361	4,474,197

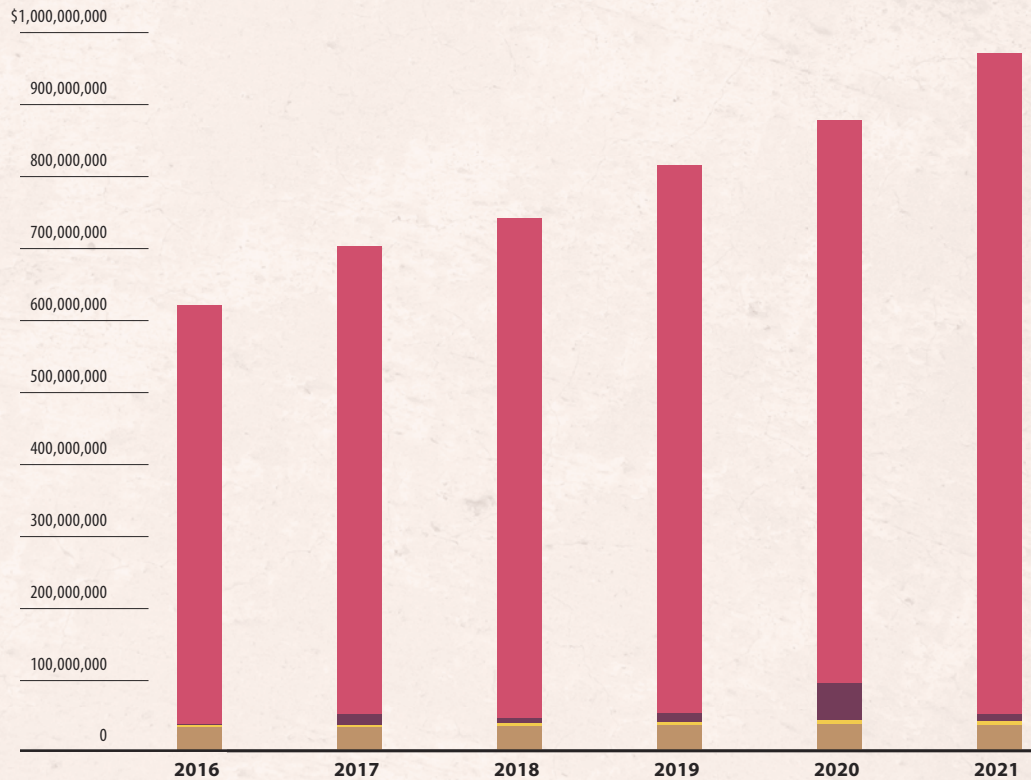
LTD Program Contingency Reserves

● Total assets available to pay benefits	\$ 42,614,444	40,832,526	43,314,076	49,779,564	59,204,290	59,052,579
● Total liabilities and reserves	35,163,963	33,407,991	34,845,993	31,505,496	35,718,878	32,219,915
Ending plan contingency reserve	\$ 7,450,481	7,424,535	8,468,083	18,274,068	23,485,412	26,832,664



Public Employees Health Program
Deductions by Type

Calendar Year Ending December 31



	2016	2017	2018	2019	2020	2021
● Claims	\$ 585,782,709	654,802,251	698,917,378	766,084,911	787,867,601	925,295,797
● Experienced dividends	2,226,785	15,199,613	6,819,770	13,271,035	51,165,296	10,185,453
● Commissions	2,671,325	2,953,215	3,333,229	3,918,671	4,977,756	4,918,364
● Administrative expense and other	32,481,528	32,422,114	34,839,792	35,522,995	37,601,305	35,362,956
Totals	\$ 623,162,347	705,377,193	743,910,169	818,797,612	881,611,958	975,762,570

Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Utah State Retirement Board
Public Employees Health Program
Salt Lake City, Utah

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the financial statements of the Public Employees Health Program, a discrete component unit of the State of Utah, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Public Employees Health Program's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Public Employees Health Program, a discrete component unit of the State of Utah, as of December 31, 2021 and 2020, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Public Employees Health Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Public Employees Health Program's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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Auditor's Report *(Continued)*

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Public Employees Health Program's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Public Employees Health Program's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis as noted in the table of contents on page 2, the 10-year loss development schedule as noted in the table of contents on page 2, and the schedule of the proportionate share of the net pension liability and schedule of contributions as noted in the table of contents on page 2, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on Public Employees Health Program's basic financial statements. The Supplementary information as noted in the table

of contents on page 2 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental financial information as of and for the year ended December 31, 2021 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the introductory and statistical sections as listed in the table of contents, and the summarized comparative information as of and for the fiscal year ended June 30, 2021 but does not include the basic financial statement and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022 on our consideration of the Public Employees Health Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Public Employees Health Program's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Public Employees Health Program's internal control over financial reporting and compliance.


Salt Lake City, Utah
April 29, 2022

Auditor's Report (Concluded)



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Utah Retirement Board
Public Employees Health Program
Salt Lake City, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Public Employee Health Program a discrete component unit of the State of Utah, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Public Employee Health Program's basic financial statements, and have issued our report thereon dated April 29, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Public Employee Health Program's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Public Employee Health Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Public Employee Health Program's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements

will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Public Employee Health Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "EideBailly LLP".

Salt Lake City, Utah
April 29, 2022

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The medical line of business, including Medicare supplement, encompasses 89.1% of PEHP's benefit expenses. Dental accounted for 3.1%, leaving 7.8% for all of the other lines of business in total.



Public Employees Health Program

Management Discussion and Analysis

For the Year Ended December 31, 2021

The management of Public Employees Health Program (PEHP) presents the following discussion and analysis of the financial statements for the year ended December 31, 2021. PEHP is authorized and created under Title 49, Chapters 20 and 21, of the Utah Code to organize and administer self insurance risk pools for employee benefits for the state, its educational institutions, and political subdivisions.



PEHP is a trust whose custody and management is governed by the Utah State Retirement Systems Board. The Program has certain assets, expenses and administrative support allocated from URS. The Program generates revenue and liabilities from its insurance products offered to customers and administrative fees earned from third party administration. All accounting transactions, including PEHP expenses, are recorded or allocated to the various risk pools and lines of business. This is consistent with the statute that created PEHP, to organize and administer funded self-insurance risk pools. PEHP does not report the various risk pools as separate funds. Therefore, the risk pool reporting is provided as schedules in the supplemental information.

The long-term disability, term life, retiree life, and health reimbursement arrangement plan (HRA) lines of business, and the Medicare Supplement and reinsurance risk pools are singular risk pools in which all participating employers share the risk. The medical and the dental lines of business are divided into various risk pools of single or multiple employer pools. The medical line of business, including Medicare supplement, encompasses 89.1% of PEHP's benefit expenses. Dental accounted for 3.1% leaving 7.8% for all of the other lines of business in total.

PEHP is a "public entity risk pool" as defined by GASB Statement No. 10, encompassing three of the four types of pools identified. Risk is shared in the long-term disability,

term life, retiree life, and health reimbursement arrangement lines of business, the Medicare supplement program and in the medical and dental risk pools for the Utah School Board Association and the Local Government Risk Pool. Catastrophic reinsurance is purchased from private insurance companies through the "Reinsurance" risk pool and the term life program. PEHP acts as a thirdparty administrator and provides administrative services only and holds no significant contingency reserves for Jordan School District, Canyons School District, Salt Lake School District, Salt Lake County, and inmates for the Utah Department of Corrections.

GASB Statement No. 10 provides guidelines for recording and reporting of revenues, expenses, liabilities, assets, and specified supplementary information. PEHP records transactions according to these guidelines. Given the short-term nature of PEHP's lines of business, the required supplementary information presented is deemed sufficient to meet the principles of GASB Statement No. 10. PEHP has also adopted the financial reporting provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 amends certain portions of the financial reporting provisions of GASB Statement No. 10. GASB Statement No. 63 establishes the standards for reporting deferred outflows of resources, deferred inflows of resources, and net position. PEHP has prepared the financial statements in accordance with GASB Statement No. 63.

Management Discussion & Analysis (Continued)**Summary of Net Position at December 31 is as Follows:**

	2021	2020	2019	2021 Increase (Decrease)	2020 Increase (Decrease)	2021 Percentage Change	2020 Percentage Change
Assets and Outflows:							
Cash, cash equivalents, and investments	\$ 542,678,708	599,387,732	486,094,573	(56,709,024)	113,293,159	(9.5)%	23.3%
Receivables	90,699,278	86,609,567	69,719,324	4,089,711	16,890,243	4.7	24.2
Capital assets	7,305	23,651	44,276	(16,346)	(20,625)	(69.1)	(46.6)
Net OPEB asset	317,071	812,923	680,551	(495,852)	132,372	(61.0)	19.5
Deferred outflows relating to pensions and other post employment benefits	5,886,623	4,784,195	8,732,691	1,102,428	(3,948,496)	23.0	(45.2)
Total assets and deferred outflows	639,588,985	691,618,068	565,271,415	(52,029,083)	126,346,653	(7.5)	22.4
Liabilities and Inflows:							
Claims and other	169,229,351	189,296,525	110,514,170	(20,067,174)	78,782,355	(10.6)	71.3
Life and long-term disability	70,555,257	82,961,462	74,932,398	(12,406,205)	8,029,064	(15.0)	10.7
Net pension liability	6,384,317	10,717,635	16,895,778	(4,333,318)	(6,178,143)	(40.4)	(36.6)
Deferred inflows relating to pensions and other post employment benefits	7,402,102	4,243,402	908,482	3,158,700	3,334,920	74.4	367.1
Total liabilities and deferred inflows	253,571,027	287,219,024	203,250,828	(33,647,997)	83,968,196	(11.7)	41.3
Net Position:							
Restricted for claim contingency reserves	341,872,878	362,510,604	323,096,920	(20,637,726)	39,413,684	(5.7)	12.2
Restricted for benefits	44,145,080	41,888,440	38,923,667	2,256,640	2,964,773	5.4	7.6
Total net position	\$ 386,017,958	404,399,044	362,020,587	(18,381,086)	42,378,457	(4.5)%	11.7%

Summary of Changes in New Position for Years Ended December 31, 2021, 2020, and 2019:

	2021	2020	2019	2021 Increase (Decrease)	2020 Increase (Decrease)	2021 Percentage Change	2020 Percentage Change
Revenues:							
Premiums and fees	\$ 958,615,203	896,780,723	841,932,489	61,834,480	54,848,234	6.9%	6.5%
Investment income (loss)	(1,233,719)	27,209,692	25,357,732	(28,443,411)	1,851,960	(104.5)	7.3
Total revenues	957,381,484	923,990,415	867,290,221	33,391,069	56,700,194	3.6	6.5
Expenses:							
Insurance benefits	935,481,250	839,032,897	779,355,946	96,448,353	59,676,951	11.5	7.7
Administrative and other expenses	40,281,320	42,579,061	39,441,666	(2,297,741)	3,137,395	(5.4)	8.0
Total benefits and expenses	975,762,570	881,611,958	818,797,612	94,150,612	119,514,540	14.5	14.6
Revenues over (under) benefits and expenses	(18,381,086)	42,378,457	48,492,609	(60,759,543)	(6,114,152)	(143.4)	(12.6)
Net Position:							
Beginning of year, restricted for claim contingency reserves	362,510,604	323,096,920	277,833,446	39,413,684	45,263,474	12.2	16.3
Beginning of year, restricted for benefits	41,888,440	38,923,667	35,694,532	2,964,773	3,229,135	7.6	9.0
Ending of year, restricted for claim contingency reserves	341,872,878	362,510,604	323,096,920	(20,637,726)	39,413,684	(5.7)	12.2
Ending of year, restricted for benefits	44,145,080	41,888,440	38,923,667	2,256,640	2,964,773	5.4	7.6
Ending net position, restricted	\$ 386,017,958	404,399,044	362,020,587	(18,381,086)	42,378,457	(4.5)%	11.7%

Management Discussion & Analysis *(Continued)*



Financial Condition

PEHP works with the employers and actuaries to set medical and dental premium rates that will maintain appropriate reserve levels for each risk pool. The criteria vary depending on the type of risk pool. New risk pools provide an initial deposit or establish reserves over time.

Total contingency reserves decreased by \$18.4 million as follows:

- » The medical program contingency reserves decreased by \$40.0 million due to higher overall medical claim expense from patients seeking routine and elective care that was put on hold in 2020 during the beginning COVID-19 pandemic.
- » Dental contingency reserves decreased by \$105.5 thousand due to primarily to an allocated investment portfolio loss of \$66.5 thousand and insurance and administrative expenses exceeding plan revenues.
- » The long-term disability program realized an increase of \$3.3 million in contingency reserves due premiums exceeding paid and estimated claims.
- » Term life contingency reserve decreased by \$1.6 million primarily from a significant increase in COVID-19 death claims in 2021 compared to 2020.
- » The retiree life program had a contingency reserve increase of \$13.8 million. The increase was due to program increasing the discount rate from 2.75% to 4.45%. PEHP by invested

the assets in an appropriate asset mix that matches the risk appropriate for the long term life claim obligations.

- » The reinsurance program had a contingency reserve increase of \$2.1 million due to favorable claim experience.
- » The HRA Program reserves restricted for benefits increased by \$2.3 million due to employer contributions exceeding benefit payments.
- » Net pension and OPEB reserves increased by \$1.8 million due to actuarial gains from investment return performance in 2020 and 2021.

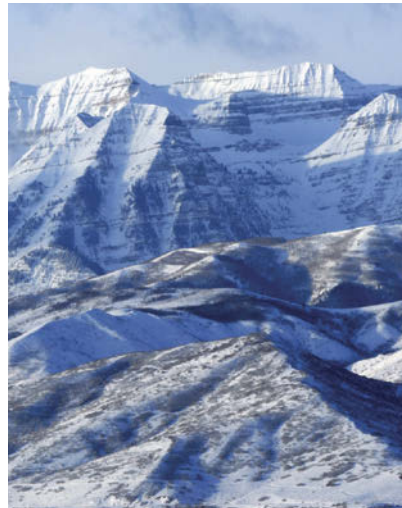
Financial Statements

The financial statements for PEHP are prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). PEHP is reported as a discrete component unit of the State of Utah. Revenues are recognized when earned and expenses are recognized in the period in which they are incurred. See the footnotes for more information.

Financial Analysis

- » The total of cash, investments, and security lending collateral decreased by \$56.7 million due primarily from an increased cash used from operating activities of \$39.8 million and decrease in the invested security lending collateral of

Management Discussion & Analysis *(Continued)*



\$33.3 million and a net increase investments of \$16.4 million. Security lending collateral decreased due to the reduced demand of securities available for loan and the increase in the cash used for operating activities was due to an increase in paid claims of over premiums collected of \$96.7 million.

- » Total receivables increased by \$4.1 million or 4.7% due to increase in premiums due on premium renewal increases.
- » Capital assets include computers and office equipment. The net capital assets decreased by \$16.3 thousand due to depreciation expense.
- » The net pension liability decreased by \$4.3 million due to the pension fund earning 13.0% return in 2020.
- » The total liabilities decreased by \$36.8 million due primarily from the decrease security lending noncash collateral liability and the decrease in the life insurance reserves of \$12.1 million by adjusting the retiree life portfolio long term expected rate of return from 2.75% to 4.45%. Health care claim liabilities increased by \$19.1 million due higher claim reserves for patients that began seeking routine elective medical procedures that were put on hold during the COVID-19 pandemic.

The Summary for the Statement of Changes in Net Position for the years ended December 31, 2021, and 2020 is as follows:

- » Premium and fee income increased by \$61.8 million, due primarily to increases in medical rates and additions of new business.

- » Investment income decreased by \$28.4 million (104.5%) due to the decrease in the bond yield. The market value of investments for the year increased by \$16.4 million by an increase of investments purchases for 2021 compared to 2020. The total net investment income (investment yield plus or minus adjustments to the market value less investment expenses) for the year ended December 31, 2021, was \$1.2 million loss. The fixed income portfolio experienced a negative 0.84% overall return compared to a Bloomberg US Intermediate Aggregate Index return of a negative 1.29%.
- » Total insurance benefits expense increased by \$96.4 million or 11.5% due primarily to an increase in paid claims of \$153.3 million, a decrease in reserve estimates of \$15.9 million and a decrease in experience dividends of \$41.0 million.

Budgets

Since the risk pools belong to the current participating employers, PEHP does not budget revenues and insurance benefit expenses. Budgets are prepared on administrative expenses. For the budget years ended June 30, 2021, and June 30, 2020, the administrative expenses were \$3.6 million and \$1.8 million under budget respectively as outlined in the table below.

	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020
Board approved budget	\$ 42,431,671	38,985,857
Actual expenditures	38,823,296	38,186,020
Variance (over) / under budget	\$ 3,608,375	1,799,837

Public Employees Health Program

Statements of Net Position

As of December 31, 2021

With comparative totals for December 31, 2020

	2021	2020
Assets:		
Cash, cash equivalents, and short-term investments	\$ 108,376,020	148,222,778
Investments	433,553,197	417,142,243
Invested securities lending collateral	749,491	34,022,711
Receivables:		
Premium and service fees	48,414,399	43,254,372
Securities and interest receivable	18,349,589	17,064,540
Misc. receivables/prepaid expenses	23,935,290	26,290,655
Total receivables	90,699,278	86,609,567
Capital assets net of accumulated depreciation	7,305	23,651
Net OPEB asset	317,071	812,923
Total assets	633,702,362	686,833,873
Deferred Outflows of Resources:		
OPEB related amounts	700,567	154,778
Pension related amounts	5,186,056	4,629,417
Total deferred outflows	5,886,623	4,784,195
Liabilities:		
Claims payable	75,009,257	34,349,616
Estimated liability for claims incurred but not reported	35,291,377	56,842,020
Life insurance reserves	54,917,602	67,002,897
Long-term disability claims reserves	15,105,418	15,216,066
Long-term disability medical premium reserves	532,237	742,499
Premiums payable	270,410	371,059
Unearned premiums	3,003,034	3,073,677
Investment accounts payable	33,635,827	37,976,486
PPCA and other accrued expenses payable	4,054,656	7,462,350
Taxes payable	2,424	398
Experience dividend payable	2,682,916	203,765
Due to other agencies and other liabilities	14,529,959	14,994,443
Security lending liability	749,491	34,022,711
Net pension liability	6,384,317	10,717,635
Total liabilities	246,168,925	282,975,622
Deferred Inflows of Resources:		
OPEB related amounts	611,282	566,506
Pension related amounts	6,790,820	3,676,896
Total deferred inflows	7,402,102	4,243,402
Net Position:		
Restricted for claims contingency reserves	341,872,878	362,510,604
Restricted for benefits	44,145,080	41,888,440
Total net position	\$ 386,017,958	404,399,044

The accompanying notes to the financial statements are an integral part of these statements.

Public Employees Health Program

Statements of Changes in Net Position

Year Ended December 31, 2021

With Comparative Totals for December 31, 2020

	2021	2020
Revenues:		
Premiums earned, service fees, and other revenue, net of refunds	\$ 931,475,293	871,935,466
Federal subsidy	18,265,420	15,981,550
Employer contributions	8,874,490	8,863,707
Net investment income (loss)	(1,233,719)	27,209,692
Total revenues	957,381,484	923,990,415
Expenses:		
Insurance benefits:		
Claims	918,593,003	765,263,145
Change in unpaid claims and claims incurred but not reported	6,702,794	22,604,456
Experience dividends	10,185,453	51,165,296
Total insurance benefits	935,481,250	839,032,897
Administrative and other expenses:		
Administrative expenses	36,888,094	36,403,327
Commissions	4,918,364	4,977,756
PPACA fees	256,056	225,077
Other expenses (income)	(1,781,194)	972,901
Total expenses	975,762,570	881,611,958
Revenue over (under) benefits and expenses	\$ (18,381,086)	42,378,457
Net Position:		
Beginning of year, restricted for claim contingency and benefits	404,399,044	362,020,587
End of year, restricted for claims contingency and benefits	\$ 386,017,958	404,399,044

The accompanying notes to the financial statements are an integral part of these statements.

Public Employees Health Program

Statements of Cash Flow

For the Year Ended December 31, 2021
With Comparative Totals for December 31, 2020

	2021	2020
Cash flows from operating activities:		
Cash received from premiums earned, service fees, and other revenue, net of refunds	\$ 953,384,685	896,572,033
Cash paid for insurance benefits	(918,693,657)	(765,151,284)
Cash paid for administrative and other expenses	(43,561,101)	(41,227,661)
Policyholder experience dividends paid	(7,706,302)	(51,212,064)
Net cash provided (used) by operating activities	(16,576,375)	38,981,024
Cash flows from investing activities:		
Investment income	10,726,406	16,825,846
Proceeds from maturities of sales of fixed income securities	378,654,367	232,333,415
Purchases of fixed income securities	(412,651,156)	(273,263,471)
Net cash (used) by investing activities	(23,270,383)	(24,104,210)
Cash flows from capital and related financing activities:		
Proceeds from sale of assets	—	—
Purchases of equipment	—	—
Net cash (used) by financing activities	—	—
Net increase (decrease) in cash and cash equivalents	(39,846,758)	14,876,814
Cash and cash equivalents at beginning of year	148,222,778	133,345,964
Cash and cash equivalents at end of year	108,376,020	148,222,778
Reconciliation of revenue over (under) benefits and expenses to net cash provided (used) by operating activities:		
Revenue over benefits and expenses	(18,381,086)	42,378,457
Adjustments to reconcile revenue over (under) benefits and expenses to net cash provided (used) by operating activities:		
Depreciation	16,346	20,625
Net investment income	1,233,719	(27,209,692)
OPEB related items	(5,161)	(109,624)
Pension related items	(1,776,033)	1,082,525
Change in assets and liabilities:		
Premiums and service fees	(5,160,024)	22,061
Employer contributions	148	250
Prepaid expenses and other current assets	2,355,216	(1,849,875)
Claims payable	40,659,642	7,622,330
Liability for claims incurred but not reported	(21,550,643)	6,953,063
Life insurance reserves	(12,085,295)	8,436,260
Long-term disability claim reserves	(110,648)	(53,700)
Long-term disability medical premium reserves	(210,262)	(353,496)
Experience dividend payable	2,479,151	(46,768)
Due to other agencies and other liabilities	(464,485)	(2,834,240)
Premium payables	(100,650)	111,858
Unearned premiums	(70,643)	(231,000)
Accrued expense payable	(3,407,692)	5,041,695
Taxes payable	2,025	295
Net cash provided (used) by operating activities	\$ (16,576,375)	38,981,024

The accompanying notes to the financial statements are an integral part of these statements.



PEHP also provides insurance services to employees of 389 municipalities, school districts, and other public entities within the State of Utah.



Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 1 Summary of Significant Accounting Policies

Organization and Nature of Business

Public Employees Health Program (the "Program") is a discrete component unit of the State of Utah created under the State of Utah Retirement Act to provide insurance services to public employees of the State of Utah. All "Program" employees are employed by URS with all non-program costs, assets, and liabilities allocated to PEHP.



PEHP also provides insurance services to employees of 389 municipalities, school districts, and other public entities within the State of Utah. Under authority granted by the Retirement Act, PEHP is administered by the Utah State Retirement Board (the "Board").

PEHP provides insurance services predominately for agencies of the State of Utah. Effective with the year ended June 30, 2003, the State of Utah changed its accounting for PEHP from an internal service fund to a discrete component unit of the State of Utah, in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 10, *Accounting for Financial Reporting for Risk Financing and Related Insurance Issues* as defined in that statement.

Insurance products offered by PEHP include medical, dental, long-term disability, and life insurance. Public entities participating in the medical and dental programs are grouped into various risk pools for purposes of establishing rates, providing policyholder experience dividends, and

retaining risk of loss from such insurance products. Under the Board's current policy, commercial medical risk pools can elect to participate in the PEHP sponsored reinsurance pool. This fund provides specific stop-loss insurance for individual claimants who incur aggregate claims in excess of amounts between \$100,000 and \$250,000 during the fiscal years ended December 31, 2021 and 2020. During the years ended December 31, 2021, and 2020, PEHP collected medical reinsurance premiums of \$58,609,529 and \$45,892,751 respectively. The fund also provides aggregate stop-loss coverage at various levels. Management believes that it has recorded claims payable and benefit reserves adequate to meet all actuarially determined losses. PEHP does not enter into any external medical reinsurance agreements.

PEHP has reinsurance coverage for a life catastrophic occurrence in excess of \$3,500,000, not to exceed \$80,000,000 per year with a one-time reinstatement with additional premium. The limit is dependent on the participating group's lifetime maximum. The retention per person will be reapplied to PEHP each calendar year. During the years

Notes to Financial Statements *(Continued)*

December 31, 2021 and 2020



ended December 31, 2021 and 2020, PEHP paid \$310,659 and \$353,838 respectively, in premiums under all life reinsurance agreements. PEHP also collects and passes through premiums for certain independent insurers.

The accounting policies of PEHP conform to accounting principles generally accepted in the United States of America in all material respects.

Cash, Cash Equivalents and Short-term Investments

For purposes of reporting cash flows, cash and cash equivalents reported on the Statements of Net Position and the Statements of Cash Flows include a demand account at a commercial financial institution and funds held on deposit with Utah Retirement Systems. The demand account is covered by an overnight repurchase agreement with the financial institution. PEHP considers all highly liquid debt instruments with a maturity of less than three months to be cash equivalents.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported

amounts of revenues and expenses during the reporting period. The estimates which are particularly susceptible to change relate to the actuarial valuation of the claims incurred but not reported and benefit reserves. Actual results could differ from those estimates.

PEHP invests in various investment securities and commingled funds which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the amounts reported in the Statements of Net Position.

Investments

Investments are comprised of U.S. government securities, agency notes and mortgage-backed securities, corporate notes, asset-backed securities, and commingled funds. These investments are carried at fair value determined on quoted market prices. Changes in the fair value of investments are recognized as investment income in the Statements of Changes in Net Position.

Investment Valuation

PEHP categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used

Notes to Financial Statements *(Continued)*

December 31, 2021 and 2020



to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Allowance for Doubtful Accounts

PEHP considers all receivables collectible and writes off any bad debt in the period in which it was determined to be uncollectible.

Capital Assets

Capital assets are defined by PEHP as assets with an initial cost of more than \$5,000. Capital assets are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives for capital assets range from three to ten years. Starting in year 2019, PEHP no longer purchased capital assets directly but rather pays for the allocated use of those assets through the administrative expense allocation from Systems.

Claim Liabilities and Benefit Reserves

PEHP establishes claim liabilities and benefit reserves based on actuarial and other estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Long-term disability benefit reserves are reported using discount rate of

0.75% to calculate the present value of estimated future cash payments as of December 31, 2021 and 2020. Income benefits are assumed to increase 2.5% per year, and medical premiums are assumed to increase 7.5% per year. Because actual claim costs depend on such complex factors as inflation and changes in insurance benefits, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically by an actuary to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. Inflation is implicit in the calculation because reliance is based on historical data that reflects past inflation and other appropriate modifiers. Adjustments to claims liabilities and benefit reserves for changes in estimates are recorded in the Statements of Changes in Net Position in the period in which changes are made.

Health Reimbursement Arrangement

The Health Reimbursement Arrangement (HRA) is a tax-advantaged health savings plan for State employees funded by employer contributions to pay for qualified healthcare expenses incurred after retirement. No employee contributions are permitted. The plan net position as of December 31, 2021 and 2020, was \$44,145,080 and \$41,888,440, respectively.

Notes to Financial Statements *(Continued)*

December 31, 2021 and 2020



Claims Contingency Reserves

In order for PEHP to manage risks which are not accounted for when premiums were set to fund the costs of insurance benefits, PEHP maintains claims contingency reserves. The claims contingency reserves also manage risks which were accounted for in the premiums for a given coverage period, but where the potential impact of these risks could be higher than what was accounted for in the funding of insurance benefits. The claims contingency reserve is shown as restricted net position on the Statement of Net Position. In order to ensure that PEHP maintains adequate levels of claims contingency reserves, an independent external actuary was hired to evaluate the claims contingency reserves at June 30 and provide recommendations on appropriate claims contingency reserves levels.

The independent actuary's recommendation included an estimate of claims contingency reserves to cover the various risks faced by groups' benefit plans. Specifically, the claims contingency reserves estimates includes amounts to offset the following risks: (1) an underestimate of unpaid claim liabilities or IBNR estimates, which would impact funding for a future coverage period; (2) a trend fluctuation margin to cover the 95th percentile of trend estimate over the trend assumption used for setting the budget premium amounts for the employee benefit plan; (3) a claim fluctuation reserve to cover 95th percentile of the claim level variation over the average expected claim levels, when other actuarial assumptions used for funding the employee benefit plans are held constant;

and (4) a reserve to cover variation in claim costs due to other unexpected or unknown contingent events such as data errors, unexpected litigation, natural disasters, a catastrophic epidemic, etc.

At December 31, 2021 the restricted claims contingency reserve is significantly higher than it would be at June 30, 2022.

The estimate of each of the claims contingency reserves evaluated are presented in terms of days of average premium. The actuary performed an evaluation for each pool and provided to PEHP the appropriate level of the claims contingency reserve, in terms of days, for each of the pools evaluated.

To ensure that the claims contingency reserves are maintained at the recommended funding levels, PEHP evaluates the days of average premium at the end of each budget year. The budget year for PEHP is July 1 through June 30. PEHP performs this evaluation at the end of the budget year because PEHP's budget more closely matches the policy period for PEHP's insured groups and presents a more accurate financial picture of the benefits paid for that policy period. If the claims contingency reserves are underfunded, a pool may potentially see an increase in premiums until claims contingency reserves are returned to the recommended levels. If the pool is overfunded, PEHP, will either:

- (1) refund a portion of the claims contingency reserves (in the form of policyholder experience dividends),

Notes to Financial Statements *(Continued)*

December 31, 2021 and 2020

- (2) provide the pool a premium holiday, and/or
- (3) hold premiums constant for the next renewal period.

Please refer to Note 4 for the current year Policyholder Experience Dividends paid for the years ended December 31, 2021 and 2020.

Premium Revenue, Unearned Premiums

Premium revenue is recorded in the month in which coverage is provided. Premiums received in advance are recorded as unearned premiums. PEHP receives Medicare part D prescription drug subsidy settlements, which are calculated by the Center for Medicare Services (CMS). These settlements are significant estimates and gain contingencies, which are not recognized until adequate information is available to recognize the settlement.

PEHP acts as the administrator for several self-funded groups. The claims reimbursements received for these self-funded plans are recorded as other revenue in the financial statements.

Federal Income Taxes

PEHP is exempt from the payment of Federal income taxes under Section 115 of the Internal Revenue Code.

PPACA Fees

The Patient Protection and Affordable Care Act (PPACA) fees are fees that are charged to all applicable insureds, as a result of the PPACA. This line item from the Statements of Changes in Net Position and Reserve Balances on page 28 represents the amount charged to PEHP during the year directly related to the PPACA. On January 22, 2018, H.R.195 was enacted, suspending the collection of the fees for calendar year 2019 for certain health-related taxes. On December 20, 2019, the Further Consolidated Appropriations Act, 2020 was signed into law, in effect repealing H.R.195's suspension of the collection of fees for 2019, and extending the imposition of the fees imposed by certain health-related taxes through 2029.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/ deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Subrogation Recoverable

The Company evaluates the value of potential subrogation recoverable in determining the reserve for unpaid claims and claims adjustment expenses. The nature of the recoverable is such that the length of collections, coverage of the member, and other parties with bona fide claim vary greatly from case to case. For this reason, the Company feels that although collections are probable, they are not reasonable estimates and therefore are not accrued for within the financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statement will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue until that time).

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

Note 2

Cash and Investments

Listed below is a summary of the deposit and investment portfolios as of December 31, 2021 and 2020. Investing is governed by the prudent investor rule in accordance with statutes of the State of Utah. All investments of PEHP are considered to have been made in accordance with these governing statutes.

Deposits

Deposits of PEHP are carried at cost plus accrued interest. The carrying amount of the deposits, net of outstanding checks, is accounted for in "Cash, Cash Equivalents, and Short-term Investments" on the Statements of Net Position, and is (\$7,915,486), and (\$6,281,401) as of December 31, 2021 and 2020, respectively. The corresponding bank balance of the deposits was \$585,169 and \$925,375 as of December 31, 2021 and 2020, respectively. PEHP maintains non-interest bearing bank accounts at financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

As of December 31, 2021 and 2020 PEHP's cash deposit balances exceeded FDIC limits, management does not believe this is a material risk to PEHP. Cash and cash equivalents consisted of the following at December 31, 2021 and 2020:

	2021	2020
Overnight repurchase agreements	\$ 59,941,240	80,686,281
Cash on deposit with Zions Bank	(7,915,486)	(6,281,401)
Cash on deposit with Northern Trust	56,350,266	73,817,898
Total	\$108,376,020	148,222,778

All short-term investments are categorized as level 1 inputs in the fair market value measurement and as of December 31, 2021 and 2020 the unrealized loss on investments was approximately \$14,000 and \$0, respectively.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2021 and 2020, the overnight repurchase agreements of \$59,941,240 and \$80,686,281, respectively are uninsured and are collateralized with securities held by the pledging financial institution's trust department or agent but not in PEHP's name. The deposits with Northern Trust and Dodge & Cox as of December 31, 2021 and 2020 of \$56,350,266 and \$73,817,898, respectively, are uninsured and uncollateralized.

The carrying values of deposits and investments are reconciled to the amounts recorded in the Statements of Net Position as of December 31, 2021, and 2020 as shown below.

	2021	2020
Cash, cash equivalents, and short-term investments	\$ 108,376,020	148,222,778
Debt securities	384,877,799	417,142,243
Commingled funds	48,675,398	—
Invested securities lending collateral	749,491	34,022,711
Total	\$ 542,678,708	599,387,732

Investments

The schedules on page 37 provide information about the credit risk, interest rate risk, and concentration of credit risk associated with PEHP's fixed income investments as of December 31, 2021 and 2020, respectively.

Interest Rate Risk

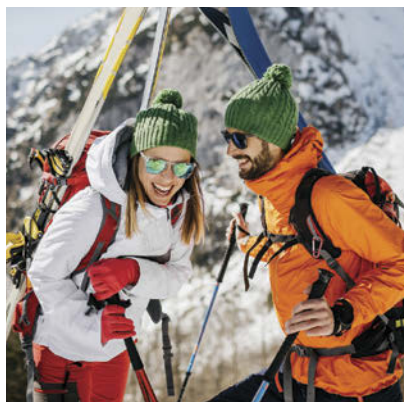
PEHP manages its exposure to fair value loss arising from increasing interest rates by complying with the following policy:

For the PEHP fixed income portfolio, the investment manager's portfolio will have an effective duration between 75-125% of the effective duration of the appropriate index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

Notes to Financial Statements (Continued)

December 31, 2021 and 2020



PEHP compares an investment's effective duration against the Bloomberg U.S. Intermediate Aggregate Bond Index.

The allowable duration range was 3.27 to 5.45 and 2.66 to 4.44 as of December 31, 2021 and 2020, respectively. As of December 31, 2021 and 2020, the portfolio was within the policy guidelines.

Investment Type

As of December 31, 2021

(In thousands)

	Fair Value	Investment Maturities (in Years)				
		Less Than 1	1-5	6-10	11-20	More Than 20
Asset-Backed Securities	\$ 17,321	—	46	—	17,275	—
Corporate Bonds	131,231	3,202	55,460	68,349	4,220	—
U.S. Government Agencies	3,416	11	17	3,388	—	—
U.S. Treasuries	102,731	—	95,577	7,154	—	—
Government-Backed Mortgage Securities	127,176	5	369	2,351	6,916	117,535
Municipal Bonds	1,098	—	1,098	—	—	—
Non-Government Backed CMO's	192	—	—	—	—	192
Total Investments	\$ 383,165	3,218	152,567	81,242	28,411	117,727

Investment Type

As of December 31, 2020

(In thousands)

	Fair Value	Investment Maturities (in Years)				
		Less Than 1	1-5	6-10	11-20	More Than 20
Asset-Backed Securities	\$ 18,765	7	65	—	18,693	—
Corporate Bonds	160,741	701	76,379	73,450	10,211	—
U.S. Government Agencies	7,110	146	2,811	4,153	—	—
U.S. Treasuries	74,875	—	74,875	—	—	—
Government-Backed Mortgage Securities	153,513	6,746	689	3,940	14,989	127,149
Municipal Bonds	157	—	157	—	—	—
Non-Government Backed CMO's	231	—	—	—	—	231
Securities Lending Collateral	34,023	34,023	—	—	—	—
Total Investments	\$ 449,415	41,623	154,976	81,543	43,893	127,380

Notes to Financial Statements *(Continued)**December 31, 2021 and 2020***Credit Risk Debt Securities**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is PEHP's policy to limit its investments to the top ratings issued by nationally recognized statistical rating organizations (NRSROs) so the total investment portfolio maintains an "A" or equivalent minimum rating. The ratings for PEHP's debt instruments as of December 31, 2021 and 2020 are presented on page 39.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. PEHP limits the amount that can be invested in any one issuer. The following limits apply to the fixed income manager's portfolio:

- » U.S. Government and Agency Securities – no restriction
- » AAA/Aaa Securities – no more than 5% of an Investment Manager's assets at market with a single issuer
- » AA/Aa Securities – no more than 4% of an Investment Manager's assets at market with a single issuer
- » A/A Securities – no more than 3% of an Investment Manager's assets at market with a single issuer
- » BBB/Baa Securities – no more than 2% of an Investment Manager's assets at market with a single issuer

If a security is downgraded within the investment grade categories listed above, the manager has 30 days to sell enough of the security to comply with the single issuer guideline applicable to the new rating.

No individual holding shall constitute more than 10% of the market value of the issuer with the exception of the U.S. government or its agencies, or collateralized mortgage obligations.

At the time of purchase, all issues shall be rated investment grade. If a security is downgraded to below investment grade, the Investment Manager shall place the securities in a "basket" of securities downgraded below investment grade. The downgraded securities shall remain in the "basket" until the Investment Manager decides to sell them or until the securities are upgraded to investment grade. At no time shall downgraded securities placed in the basket exceed 5% of total portfolio value unless the basket is

full when a security is downgraded. If the basket is full when a security is downgraded, the Investment Manager has 30 days to sell securities from the basket in order to bring it back to the 5% threshold. At no time should more than 1% of an Investment Manager's assets at market be with a single below investment grade issuer.

All investments are within Program limits.

Securities Lending

PEHP participates in a securities lending program as authorized by Board policy, whereby securities are transferred to an independent broker or dealer in exchange for collateral in the form of cash, government securities, and irrevocable bank letters of credit equal to 102% of the market value of the domestic securities on loan with a simultaneous agreement to return the collateral for the same securities in the future.

PEHP's custodial agent is the agent for its securities lending program. Securities under loan are maintained in PEHP's financial records and are classified in the preceding summary of investments. A corresponding liability is recorded for the market value of the collateral received. Under provision of GASB statement No. 28, collateral which cannot be pledged or sold is not recorded as investments nor is the related liability recorded in the financial statements. At December 31, 2021, and 2020, PEHP had pledged non-cash collateral of \$749,491 and \$33,923,811, respectively.

As of December 31, 2021 and 2020, PEHP had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan as of December 31, 2021 and 2020 were \$734,586 and \$31,354,118 respectively, and the cash and non-cash collateral received for those securities on loan was \$749,491 and \$34,022,711, respectively. Under the terms of the lending agreement, PEHP is indemnified against loss should the lending agent be unable to recover borrowed securities and distributions, due to borrower insolvency or failure of the lending agent to properly evaluate the creditworthiness of the borrower. In addition, PEHP is indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely basis.

All securities loaned can be terminated on demand by either PEHP or the borrower. Cash collateral is invested in the lending agent's short-term investment pool. The short-term investment pool guidelines specify that a minimum of 20% of the invested cash collateral be available each business day,

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

Investment Type

As of December 31, 2021

(In thousands)

	Fair Value	Quality Ratings (000's)														
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB-	B	CCC	NR
Asset Backed																
Securities	\$ 17,321	866	16,409	—	—	—	—	—	—	—	—	—	—	—	—	46
Corporate Bonds	131,230	—	1,941	380	6,909	2,444	2,739	13,883	34,289	41,903	12,787	8,727	2,561	1,141	—	1,526
U.S. Government																
Agencies	3,416	—	—	—	—	—	—	—	—	3,388	—	—	—	—	—	28
U.S. Treasuries	102,732	—	—	—	—	—	—	—	—	—	—	—	—	—	—	102,732
Government Mortgage																
Backed Securities	127,176	—	—	—	—	—	—	—	—	—	—	—	—	—	—	127,176
Municipal Bonds	1,098	—	—	—	—	—	—	—	—	1,098	—	—	—	—	—	1,098
Non-Government																
Backed CMO's	192	—	—	—	—	—	—	—	—	—	—	—	—	—	—	192
Grand Total	\$ 383,165	866	18,350	380	6,909	2,444	2,739	13,883	34,289	46,389	12,787	8,727	2,561	1,141	—	231,700

Investment Type

As of December 31, 2020

(In thousands)

	Fair Value	Quality Ratings (000's)														
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB-	B	CCC	NR
Asset Backed																
Securities	\$ 18,765	1,165	17,535	—	—	—	—	—	—	—	—	—	—	—	—	65
Corporate Bonds	160,741	—	838	4,287	990	7,251	4,561	19,299	44,296	38,769	24,429	12,160	3,861	—	—	
U.S. Government																
Agencies	7,110	—	146	—	—	—	—	—	—	6,912	—	—	—	—	—	52
U.S. Treasuries	74,875	74,875	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Government Mortgage																
Backed Securities	153,513	134,464	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Municipal Bonds	157	—	—	—	157	—	—	—	—	—	—	—	—	—	—	—
Non-Government																
Backed CMO's	231	—	—	—	—	—	—	—	—	—	—	—	—	—	231	—
Securities Lending																
Collateral	34,023	—	—	—	—	—	—	—	—	—	—	—	—	—	—	34,023
Total Investments	\$ 449,415	210,504	18,519	4,287	1,147	7,251	4,561	19,299	44,296	45,681	24,429	12,160	3,861	—	231	53,189

and the dollar weighted average maturity of holding should not exceed 60 days. The relationship between the maturities of the short-term investment pool and PEHP's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which PEHP cannot determine. Since the securities lending collateral is in a pool maintained by the custodial bank, it was not necessary to report the total income and expenses of the security lending.

Fair Value of Financial Instruments

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable

Notes to Financial Statements (Continued)

December 31, 2021 and 2020



inputs. Investments' fair value measurements are as shown below at December 31, 2021 (in thousands).

Debt and equity securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. Mortgage-backed securities categorized as Level 3 are valued

using discounted cash flow techniques. Collateralized debt obligations categorized as Level 3 are valued using consensus pricing. Venture capital investments categorized as Level 3 are valued using either a discounted cash flow or market comparable companies technique. Investment derivative instruments categorized as Level 2 are valued using market approaches that consider, as applicable, benchmark interest rates or foreign exchange rates.

Investments Measured at Fair Value

As of December 31, 2021

(In thousands)

Investments	Fair Value	Level 1 Input	Fair Value Measurements Using	
			Level 2 Inputs	Level 3 Inputs
Preferred Stock	\$ 1,713	1,713	—	—
Asset-Backed Securities	17,321	—	17,321	—
Corporate Bonds	131,231	—	131,216	15
U.S. Government Agencies	3,416	—	3,416	—
U.S. Treasuries	102,731	—	102,731	—
Government Backed Mortgage Securities	127,176	—	110,081	17,095
Municipal Bonds	1,098	—	1,098	—
Non-Government Backed CMO's	192	—	—	192
Total investments	\$ 384,878	1,713	365,863	17,302

Investments Measured at NAV

(In thousands)

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Commingled funds	\$ 48,675	—	Daily	None

Commingled Funds — The fair value of the investment has been determined using the NAV per share of the investment. The fund is comprised of a diversified mix of equity securities.

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

Note 3

Claims Payable and Benefit Reserves

Claims payable represent claims which have been reported to PEHP as of the valuation date. A liability for the estimate of claims incurred but not reported to PEHP as of the valuation date has also been recorded.

The following schedule reflects changes in the total claims payable and benefit reserves for the years ended December 31:

	2021	2020
IBNR balance at January 1st	\$ 174,153,098	151,548,641
Incurred Claims related to:		
Current Year	922,892,761	791,785,896
Prior Years	2,403,035	(3,918,294)
Total Incurred Claims	925,295,796	787,867,602
Total Paid Claims related to:		
Current Year	821,519,580	708,474,220
Prior Years	97,073,423	56,788,925
Total Paid Claims	918,593,003	765,263,145
Net IBNR balance at December 31st	\$ 180,855,891	174,153,098
Components of IBNR as reported above:		
Claims payable	\$ 75,009,257	34,349,616
Estimated liability for claims incurred but not reported	35,291,377	56,842,020
Life insurance reserves	54,917,602	67,002,897
Long-term disability claims reserves	15,105,418	15,216,066
Long-term disability medical premium reserves	532,237	742,499
	\$ 180,855,891	174,153,098

Note 4

Policyholder Experience Dividends

During the years ended December 31, 2021 and 2020 the Board authorized experience dividends to participating agencies and members of \$10,185,453 and \$51,165,296 from claims contingency reserves accumulated by PEHP through the end of the prior fiscal period. Of these \$2,682,916 and \$203,765 were payable as of December 31, 2021 and 2020, respectively.

For medical and dental plans, the board relies on actuarially determined ranges to determine the amount of claims contingency reserves available for experience dividends. For life and long-term disability plans, the Board considers claims contingency reserves of more than twelve months premiums to be available for experience dividends. Such dividends are granted at the discretion of the Board and are made in accordance with Title 49 of the Utah Code. The federal government is refunded its allocated share of the reserves for state agency risk pools in excess of 60 days of allowable expenditures. The state of Utah submits a calculated allocation amount to the federal cost allocation service, who accepts the federal refund amount. At December 31, 2021, and 2020, claims contingency reserves accumulated by PEHP included Federal excess reserve amounts of \$0 and \$0 respectively.

The following table summarizes the experience dividends expense for December 31, 2021 and 2020 by plan.

	2021	2020
Medical	\$ 10,185,453	45,636,364
Dental	—	287,932
Long-term disability	—	5,241,000
Total experience dividends	\$ 10,185,453	51,165,296

Notes to Financial Statements *(Continued)*

December 31, 2021 and 2020

Note 5

Retirement Plans

Organization and Nature of Business

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/ deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows/inflows of resources: In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

General Information About the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

- » Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.
- » Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer cost sharing public employee retirement system;

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

Summary Benefits by System

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and or Age Eligible for Benefit	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employee System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

*With actuarial reductions.

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2019 are as follows:

System	Fund	Employee	Employer	Employer 401(k)
Contributory System	112- State and School Division Tier 2	N/A	19.40%	0.62%
Noncontributory System	16- State and School Division Tier 1	N/A	22.19%	1.50%
Tier 2 DC Only	212- State and School	N/A	10.02%	10.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial liability of the Tier 1 plans.

For the fiscal year ended December 31, 2021, the employer and employee contribution to the System were as shown at right.

Contributions reported are the URS Board-approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 2,516,663	N/A
Tier 2 Public Employees System	887,332	\$ —
Tier 2 DC Only System	347,526	N/A
Total Contributions	\$ 3,751,521	\$ —

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions

At December 31, 2021, we reported a net pension asset of \$ 0 and a net pension liability of \$6,384,317.

	(Measurement Date): December 31, 2020				Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2019	
Noncontributory System	\$ —	6,345,200	0.8908220%	0.9034024%	(0.0125804)%
Tier 2 Public Employees System	—	39,117	0.5090223%	0.5443950%	(0.0353727)%
Total net pension asset/liability	\$ —	6,384,317			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2021, we recognized pension expense of \$1,882,857.

At December 31, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 731,895	17,912
Changes in assumptions	648,001	1,423
Net difference between projected and actual earnings on pension plan investments	—	6,501,233
Changes in proportion and differences between contributions and proportionate share of contributions	54,639	270,252
Contributions subsequent to the measurement date	3,751,521	—
Total	\$ 5,186,056	6,790,820

\$3,751,521 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as shown at right:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (1,580,395)
2022	(584,915)
2023	(2,196,796)
2024	(1,067,613)
2025	12,920
Thereafter	\$ 60,514

Notes to Financial Statements (Continued)

December 31, 2021 and 2020



Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2021, we recognized pension expense of \$1,500,308.

At December 31, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 695,887	—
Changes in assumptions	598,523	—
Net difference between projected and actual earnings on pension plan investments	—	6,386,894
Changes in proportion and differences between contributions and proportionate share of contributions	—	270,252
Contributions subsequent to the measurement date	2,516,663	—
Total	\$ 3,811,073	6,657,146

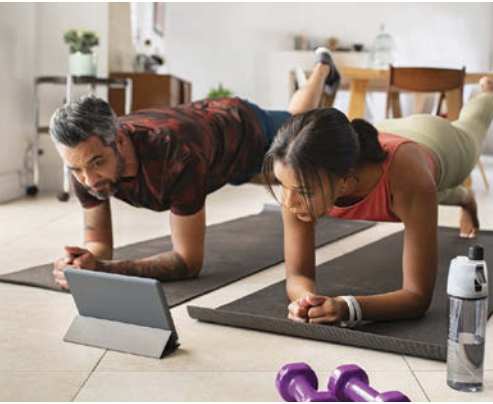
\$2,516,663 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as shown at right:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (1,560,456)
2022	(573,010)
2023	(2,169,821)
2024	(1,059,449)
2025	—
Thereafter	\$ —

Notes to Financial Statements (Continued)

December 31, 2021 and 2020



Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2021, we recognized pension expense of \$382,549.

At December 31, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,008	17,912
Changes in assumptions	49,478	1,423
Net difference between projected and actual earnings on pension plan investments	—	114,339
Changes in proportion and differences between contributions and proportionate share of contributions	54,639	—
Contributions subsequent to the measurement date	1,234,858	—
Total	\$ 1,374,983	133,674

\$1,234,858 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as shown at right:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (19,939)
2022	(11,905)
2023	(26,975)
2024	(8,164)
2025	12,920
Thereafter	\$ 60,514

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50 percent

Salary Increases: 3.25 - 9.75 percent, average, including inflation

Investment Rate of Return: 6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables based on gender, occupation and age as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the upper right table.

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.45% that is net of investment expense.

Changes in Discount Rate

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 20,341,275	6,345,200	(5,357,431)
Tier 2 Public Employees System	658,220	39,117	(434,481)
Total	\$ 20,999,495	6,384,317	(5,791,912)

Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

Target Allocations and Best Estimates of Arithmetic Real Rates of Return

Asset Class	Target Asset Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	37.00%	6.30%	2.33%
Debt securities	20.00	—	—
Real assets	15.00	6.19	0.93
Private equity	12.00	9.50	1.14
Absolute return	16.00	2.75	0.44
Cash and cash equivalents	—	—	—
Totals	100.00%		4.84%
Inflation			2.50%
Expected arithmetic nominal return			7.34%

Discount rate: The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The table below presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent,

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate:

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

PEHP participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- » 401(k) Plan
- » 457(b) Plan
- » Roth IRA Plan
- » Traditional IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended December 31 were as follows:

	2021	2020	2019
401(k) Plan			
Employer contributions	\$ 1,104,391	1,052,840	932,500
Employee contributions	1,067,590	974,579	923,241
457(b) Plan			
Employer contributions	\$ —	—	—
Employee contributions	434,877	430,799	413,840
Roth IRA Plan			
Employer contributions	\$ N/A	N/A	N/A
Employee contributions	235,499	205,154	188,998
Traditional IRA Plan			
Employer contributions	\$ N/A	N/A	N/A
Employee contributions	10,641	8,104	7,753

Note 6

Post-Employment Healthcare Plan

PEHP contributes to a noncontributory defined benefit post-employment healthcare plan to provide post-employment insurance benefits for retired employees of the Utah Retirement Office. This plan was established in 2005. The Utah Retirement Employees Post-Employment Healthcare Plan, (UREPEHP), is an agent multiple-employer post-employment healthcare plan administered by the Utah Retirement Office.

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources and expenses, information about the fiduciary net positions of the Other Postemployment Benefit Plan and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. OPEB investments for the Plans are reported at fair value.

Assets and liabilities of the plan are identified separately for each employer. Plan assets may be used only for the payment of benefits to the members of that system, in accordance with the terms of the plan. UREPEHP issues a publicly available financial report that includes financial statements and required supplementary information for UREPEHP. A copy of the report may be obtained by writing the Utah Retirement Office, 560 East 200 South, Salt Lake City, UT 84102-2044 or by calling 1-800-365-8772.

Membership

(as of January 1, 2020, the last actuarial valuation date)

Number of retirees	23
Inactive, nonretired	0
Active members	33
Total membership	56

Notes to Financial Statements (Continued)

December 31, 2021 and 2020



Summary of Actuarial Assumptions

Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	6.85%, net of OPEB plan investment expense, including inflation
Inflation	2.50%
Salary Increases	3.25% to 8.25%, including inflation
Demographic Assumptions	The demographic assumptions were based on the experience study covering experience through December 31, 2019, as conducted for the Utah Retirement Systems (URS).
Mortality Assumptions	Male retirees: 110% of 2020 PR UTAH Retiree Mortality Table for males, projected with 80% of the ultimate rates fro the MP-2020 mortality. Female retirees: 110% of 2020 PR UTAH Retiree Mortality Table for females, projected with 80% of the ultimate rates for the MP-2020 mortality.
Participation Rates	All eligible members are assumed to convert all unused sick leave into health coverage at retirement.
Healthcare Trend Rates	Pre-65: Initial trend rate of 6.80% in 2022, decreasing to an ultimate of 4.00% over 13 years. Post-65: Initial trend rate of 6.30% in 2021, decreasing to an ultimate of 4.00% over 14 years.

Net OPEB Liability/(Asset)

The net OPEB liability was measured as of December 31, 2021. Plan membership as of the most recent actuarial valuation is shown in the table above. The total OPEB liability, used to calculate the net OPEB liability, was determined by an actuarial valuation as of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The combined total net OPEB liability/(asset) is \$(317,071). At right are the changes in the net OPEB liability/(asset) and related ratios of the net OPEB liability/(asset):

Net OPEB Liability/(Asset)

Total OPEB liability	\$ 2,780,654
Plan fiduciary net position	3,097,725
Net OPEB liability/(asset)	\$ (317,071)
Plan fiduciary net position as a percentage of total OPEB liability	111.40%
Net OPEB liability/(asset) as a percentage of covered payroll	(14.16)%

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratio Multiyear*

Fiscal Year Ending December 31

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 16,834	17,453	18,741	19,025	20,368
Interest on the total OPEB liability	135,165	137,409	170,621	168,468	163,821
Changes of benefit terms	—	—	—	—	—
Difference between expected and actual experience	779,648	77,448	(448,274)	18,998	9,425
Changes of assumptions	24,219	(40,890)	—	—	—
Benefit payments	(223,236)	(223,566)	(213,062)	(137,673)	(114,488)
Net change in total OPEB liability	732,630	(32,146)	(471,974)	68,818	79,126
Total OPEB liability – beginning	2,048,024	2,080,170	2,552,144	2,483,326	2,404,200
Total OPEB liability – ending (a)	\$ 2,780,654	2,048,024	2,080,170	2,552,144	2,483,326
Plan Fiduciary Net Position					
Employer contributions	—	—	—	—	—
Employee contributions	—	—	—	—	—
OPEB plan net investment income	481,054	337,622	361,102	(10,079)	335,699
Benefit payments	(223,236)	(223,566)	(213,062)	(137,673)	(114,488)
OPEB plan administrative expense	(21,040)	(13,830)	(24,012)	(1,080)	—
Other	—	—	—	—	—
Net change in plan fiduciary net position	236,778	100,226	124,028	(148,832)	221,211
Plan fiduciary net position – beginning	2,860,947	2,760,721	2,636,693	2,785,525	2,564,314
Plan fiduciary net position – ending (b)	3,097,725	2,860,947	2,760,721	2,636,693	2,785,525
Net OPEB liability/(asset) – ending (a) - (b)	\$ (317,071)	(812,923)	(680,551)	(84,549)	(302,199)
Plan fiduciary net position as a percentage of total OPEB liability	111.4%	139.69%	132.72%	103.31%	112.17%
Covered-employee payroll	\$ 2,239,013	2,704,431	2,704,431	3,165,708	3,165,708
Net OPEB liability as a percentage of covered-employee payroll	(14.16)%	(30.06)%	(25.16)%	(2.67)%	(9.55)%

*Additional years will be displayed as they become available.

Schedule of OPEB Expense Under GASB Statement No. 75

Fiscal Year Ending December 31, 2021

Service cost	\$ 16,834
Interest on the total OPEB liability	135,165
Current-period benefit changes	—
Employee contributions	—
Projected earnings on plan investments	(187,608)
OPEB plan administrative expense	21,040
Other changes in plan fiduciary net position	—
Recognition of outflow (inflow) of resources due to liabilities	96,345
Recognition of outflow (inflow) of resources due to assets	(86,937)
Total OPEB expense	\$ (5,161)

Deferred Outflows and Deferred Inflows Related to OPEB

Fiscal Year Ending December 31, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience, liability	\$ 681,253	(222,311)
Changes in assumption	19,314	(27,148)
Difference between expected and actual experience, assets	—	(361,823)
Total	\$ 700,567	(611,282)

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

Deferred Outflows and Inflows to be Recognized in Future OPEB Expense

Year Ending December 31,	Net Deferred Outflows (Inflows)
2022	\$ 9,409
2023	(30,362)
2024	10,381
2025	99,857
2026	—
Total	\$ 89,285

The actuarial valuation was performed as of January 1, 2019. Update procedures were used to roll forward the total OPEB liability to December 31, 2021. All assumptions and methods used to develop the December 31, 2021 total OPEB liability are identical to those used in the January 1, 2021, actuarial valuation.

Single Discount Rate

A Single Discount Rate of 6.85% was used to measure the total OPEB liability. This Single Discount Rate was based on the expected rate of return on OPEB plan investments of 6.85%. The funding policy is to pay the recommended actuarially determined contribution, which is based on a maximum 20-year amortization period. The Fiduciary Net Position currently exceeds the total OPEB liability. As a result, the OPEB plan's fiduciary net position is expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Target Allocations

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real

Target Allocations

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return*
Equity securities	37%	6.58%	2.43%
Debt securities	20	(0.28)	(0.06)
Real assets	15	5.77	0.87
Private equity	12	9.85	1.18
Absolute return	16	2.91	0.47
Cash and cash equivalents	—	(1.01)	—
Totals	100%		4.89%
Inflation			2.50%
Expected arithmetic nominal return			7.39%

*The total URS Defined Benefit long-term expected rate of return is 6.85%, which is comprised of a 2.50% inflation assumption and a 4.35% net real rate of return.

rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of December 31, 2021, are summarized in the table above.

Funding Policy

The contribution requirements of Utah Retirement Employees Post-Employment Healthcare Plan are determined by the Plan and approved by the Board. Utah Retirement Office is required to contribute the annual required contribution (ARC), an actuarially determined rate. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over an open 20-year period using the level dollar amount. The current dollar amount is \$0. Since the funded ratio exceeds 100% and the plan is closed to new entrants, there are no actuarial required contributions.

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

Required Contributions

For the year ended December 31, 2021, the annual cost (expense) of \$0 for UREPEHP was equal to the ARC. The net Other Post-Employment Benefits (OPEB) obligation for 2021 are shown on page 53.

Schedule of Contributions Multiyear Last 10 Fiscal Years

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percent of Covered Payroll
2012	\$ 198,402	198,402	—	\$ 5,251,506	3.8%
2013	198,402	198,402	—	5,016,712	4.0
2014	198,402	198,402	—	4,835,836	4.1
2015	—	—	—	3,556,251	0.0
2016	—	—	—	2,593,658	0.0
2017	—	—	—	3,165,708	0.0
2018	—	—	—	3,165,708	0.0
2019	—	—	—	2,704,431	0.0
2020	—	—	—	2,704,431	0.0
2021	—	—	—	2,239,013	0.0

Notes to the Schedule of Contributions

Valuation Date: January 1, 2021

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Dollar Contributions
Remaining Amortization Period	20 years, maximum
Asset Valuation Method	5-year smoothed
Investment Rate of Return	6.85%, net of OPEB plan investment expense, including inflation
Inflation	2.50%
Salary Increases	3.25% to 8.25%, including inflation
Demographic Assumptions	The demographic assumptions were based on the experience as conducted for the Utah Retirement Systems (URS).
Mortality Assumptions	Male retirees: 110% of 2020 PR UTAH Retiree Mortality Table for males, projected with 80% of the ultimate rates from the MP-2019 mortality improvement scale using a base year of 2020. Female retirees: 110% of 2020 PR UTAH Retiree Mortality Table for females, projected with 80% of the ultimate rates for the MP-2019 mortality improvement scale using a base year of 2020.
Participation Rates	All eligible members are assumed to convert all unused sick leave into health coverage at retirement.
Healthcare Trend Rates	Pre-65: Initial trend rate of 6.80% in 2022, decreasing to an ultimate of 4.00% over 13 years. Post-65: Initial trend rate of 6.30% in 2021, decreasing to an ultimate of 4.00% over 14 years.

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

Frequency and Timing of the Actuarial Valuation

An actuarial valuation to determine the total OPEB liability is required to be performed at least every two years. If the actuarial valuation is not calculated as of the plan's fiscal year end, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the OPEB plan's fiscal year end. If update procedures are used to roll forward the total OPEB liability, the date of the actuarial valuation must be no more than 24 months earlier than the OPEB plan's most recent fiscal year-end.

The total OPEB liability shown in this report is based on an actuarial valuation performed as of January 1, 2021 and a measurement date of December 31, 2021.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.95%; the municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 6.85%.

Sensitivity of Net OPEB Liability – PEHP

Regarding the sensitivity of the net OPEB liability to changes in the Single Discount Rate, the following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 6.85%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB Liability/(Asset) to a Single Discount Rate Assumption – PEHP

1% Decrease 5.95%	Current Single Discount Rate Assumption 6.95%	1% Increase 7.95%
\$ (144,715)	\$ (317,071)	\$ (475,942)

Regarding the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB Liability/(Asset) to the Healthcare Cost Trend Rate Assumption – PEHP

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ (504,188)	\$ (317,071)	\$ (110,736)

Note 7

Related Party Transactions

PPEHP makes payments to the Systems for administrative expenses. Such payments and expenses totaled \$36,748,348 and \$37,469,134 during the years ended December 31, 2021, and 2020, respectively. At December 31, 2021, and 2020, the cash due to the Systems for PEHP is \$754,862 and \$5,023,867, respectively.

Note 8

Commitments and Contingencies

PEHP has been or may be named as a defendant in certain lawsuits. While PEHP cannot predict the results of such actions, management believes that the liability, if any, resulting from such claims will not have a material effect on PEHP's operations or financial position. Losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated claims liabilities.

Notes to Financial Statements (Continued)

December 31, 2021 and 2020

Note 9

Capital Assets

The capital assets of PEHP are: Depreciation expense for the years ended December 31, 2021 and 2020, amounted to \$16,346 and \$20,625, respectively.

	December 31, 2021			
	Beginning Balance	Additions	Deletions	Equipment Ending Balance
Furniture and equipment	\$ 46,926	—	—	46,926
Computer equipment	22,560	—	—	22,560
Vehicles	382,238	—	—	382,238
Total	\$ 451,724	—	—	451,724

	Accumulated Depreciation			
	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and equipment	\$ 46,926	—	—	46,926
Computer equipment	20,824	1,736	—	22,560
Vehicles	360,323	14,610	—	374,933
Total	\$ 428,073	16,346	—	444,419
Net capital assets				\$ 7,305

	December 31, 2020			
	Beginning Balance	Additions	Deletions	Equipment Ending Balance
Furniture and equipment	\$ 46,926	—	—	46,926
Computer equipment	22,560	—	—	22,560
Vehicles	382,238	—	—	382,238
Total	\$ 451,724	—	—	451,724

	Accumulated Depreciation			
	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and equipment	\$ 46,927	(1)	—	46,926
Computer equipment	17,352	3,472	—	20,824
Vehicles	343,169	17,154	—	360,323
Total	\$ 407,448	20,625	—	428,073
Net capital assets				\$ 23,651

Notes to Financial Statements (Concluded)

December 31, 2021 and 2020

Note 10

Compensated Absences

The compensated absences liability represents the amount of unused leave to be paid to employees upon termination.

Program employees are granted leave in varying amounts, based on length of service. Some earned benefits may be forfeited if not taken within varying time periods. Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the accompanying financial statements. The compensated absences liability is calculated based on the pay rates in effect at period end. The compensated absences liability as of December 31, 2021 and 2020 was \$1,793,888 and \$1,913,763, respectively.

Note 11

Net Investment Income

Net investment income consisted of the items shown below for the years ended December 31:

	2021	2020
Interest dividends, and other income	\$ 8,612,171	11,352,403
Net appreciation (depreciation) in fair value of investments	(9,408,540)	16,255,078
Total income (loss) from investment activity	(796,369)	27,607,481
Less: investment expenses	437,350	397,789
Net investment income (loss)	\$ (1,233,719)	27,209,692

Note 12

Risks and Uncertainties

PEHP has been impacted by the effects and continuation of the world-wide coronavirus pandemic. PEHP is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of the issuance of these financial statements, the full impact to PEHP's financial position is not known.

Note 13

Review of Subsequent Events

Management has evaluated subsequent events through April 29, 2022, which is the date the financial statements were available to be issued.

All disclosures or adjustments required are disclosed in the notes to the financial statements.

Public Employees Health Program

Required Supplementary Information

For Fiscal Year Ended December 31, 2021

10-Year Loss Development (Unaudited)

The following table compares the medical Program's earned revenues net of reinsurance and investment income to related costs of losses and loss adjustment expenses, net of reinsurance, assumed by PEHP.

The table is defined as follows: (1) shows each year's net earned premium, other operating revenues and interest income, (2) shows each year's other operating expenses including overhead and loss adjustment expenses not allocable to specific claims, (3) shows incurred losses and allocated loss adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred, (4) shows the cumulative amounts paid as of the end of successive years for each accident year, (5) shows the re-estimated amount for loss assumed by excess insurers or reinsurers as of the end of the current year for each of the accident years, (6) shows how each coverage year's incurred losses increased or decreased as of the end of the successive years. This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims, (7) compares the latest re-estimated incurred loss amounts to the amounts originally established. Information for PEHP is only available in the format shown on pages 58-59 for the years presented.

	(In thousands)	
	2012-2013	2013
1) Required premiums, investment revenue, and interest income:		
Premiums earned	472,671	239,648
2) Unallocated expenses	24,557	11,470
3) Estimated incurred losses and expenses, end of policy year:		
Incurred	443,285	214,766
Ceded	—	—
Net incurred	443,285	214,766
4) Paid (cumulative) as of:		
End of policy year	403,708	176,249
One year later	442,687	214,508
Two years later	444,028	214,439
Three years later	443,505	214,299
Four years later	—	—
Five years later	—	—
Six years later	—	—
Seven years later	—	—
Eight years later	—	—
Nine years later	—	—
5) Reestimated ceded losses and expense	444,028	214,587
6) Reestimated incurred losses and expenses:		
End of policy year	443,285	214,766
One year later	443,799	214,587
Two years later	444,028	214,313
Three years later	443,505	214,174
Four years later	—	—
Five years later	—	—
Six years later	—	—
Seven years later	—	—
Eight years later	—	—
Nine years later	—	—
7) Increase (decrease) in estimated incurred losses and expenses from end of accident year	220	(591)

See Independent Auditor's Report.

	2014	2015	2016	2017	2018	2019	2020	2021
	505,622	514,357	570,033	637,214	695,851	754,095	797,527	821,244
	31,836	28,013	29,180	31,077	33,260	34,355	36,300	36,673
	467,419	498,908	539,617	598,659	650,304	712,884	737,376	831,099
	—	—	—	—	—	—	—	—
	467,419	498,908	539,617	598,659	650,304	712,884	737,376	831,099
	424,825	452,298	489,747	547,899	598,239	652,539	639,492	733,566
	466,292	497,795	539,600	598,435	652,378	711,613	739,114	
	465,950	496,845	539,214	597,732	652,332	711,189		
	465,798	496,435	538,631	597,539	652,210			
	—	—	—	—				
	—	—	—					
	—	—						
	—	—						
	467,419	498,908	539,617	598,659	650,304	712,884	737,376	831,099
	467,419	498,908	539,617	598,659	650,304	712,884	737,376	831,099
	466,329	497,686	539,523	598,415	652,672	711,686	742,400	
	465,935	496,790	539,159	597,726	652,339	711,053		
	465,798	496,435	538,631	597,566	652,193			
	—	—	—	—				
	—	—	—					
	—	—						
	—	—						
	(1,622)	(2,473)	(986)	(1,093)	1,889	(1,831)	5,024	—

Required Supplementary Information (Continued)**Public Employees Health Program****Schedule of the Proportionate Share of the Net Pension Liability**

For the Year Ended December 31, 2021

Last Ten Fiscal Years *

Noncontributory System	2021	2020	2019
Proportion of the net pension liability/(asset)	0.4759655%	0.4794816%	0.4508382%
Proportionate share of the net pension liability/(asset)	\$ 6,345,200	\$ 10,652,651	\$ 16,773,512
Covered employee payroll	\$ 11,275,389	\$ 11,399,694	\$ 11,623,196
Proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll*	56.3%	93.5%	144.3%
Plan fiduciary net position as a percentage of the total pension liability	94.3%	90.1%	84.1%
Tier 2 Public Employees System	2021	2020	2019
Proportion of the net pension liability/(asset)	0.2719702%	0.2889381%	0.2854840%
Proportionate share of the net pension liability/(asset)	\$ 39,117	\$ 64,984	\$ 122,266
Covered employee payroll	\$ 4,349,894	\$ 4,015,501	\$ 3,332,718
Proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll*	0.9%	1.6%	3.7%
Plan fiduciary net position as a percentage of the total pension liability	98.3%	96.5%	90.8%

*In accordance with paragraph 81a of GASB No. 68, PEHP will need to disclose a 10-year history of their proportionate share of the Net Pension Liability/(Asset) in their RSI. The 10-year schedule will need to be built prospectively. Additional information will be added as it becomes available.

See Independent Auditor's Report.

	2018	2017	2016
	0.4544553%	0.4283833%	0.4142337%
	\$ 11,113,078	\$ 13,883,546	\$ 13,012,267
	\$ 11,674,107	\$ 11,217,836	\$ 8,867,342
	95.2%	123.8%	146.7%
	89.2%	84.9%	84.5%
	2018	2017	2016
	0.2985041%	0.2999276%	0.2985967%
	\$ 26,318	\$ 33,456	\$ (652)
	\$ 2,923,350	\$ 2,459,647	\$ 1,879,519
	0.9%	1.4%	(0.0)%
	97.4%	95.1%	100.2%

Required Supplementary Information (Concluded)**Public Employees Health Program****Schedule of Contributions**

For the Years Ended December 31, 2021, 2020, 2019, 2018, 2017, 2016 and 2015

	As of fiscal Year Ended December 31,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System	2015	\$ 1,784,278	1,784,278	—	8,538,319	20.90%
	2016	1,743,307	1,743,307	—	8,867,342	19.66
	2017	2,553,457	2,553,457	—	11,586,198	22.04
	2018	2,549,487	2,549,487	—	11,575,311	22.03
	2019	2,508,939	2,508,939	—	11,405,852	22.00
	2020	2,481,225	2,481,225	—	11,275,389	22.01
	2021	2,516,663	2,516,663	—	11,379,863	22.12
Tier 2 Public Employees System*	2015	\$ 258,145	258,145	—	1,235,304	20.90%
	2016	369,511	369,511	—	1,879,519	19.66
	2017	535,310	535,310	—	2,920,596	18.33
	2018	619,650	619,650	—	3,320,156	18.66
	2019	760,558	760,558	—	4,026,870	18.89
	2020	830,873	830,873	—	4,362,036	19.05
	2021	887,332	887,332	—	4,602,997	19.28
Tier 2 Public Employees DC Only System*	2015	\$ 47,247	47,247	—	472,098	10.01%
	2016	91,424	91,424	—	913,517	10.01
	2017	138,302	138,302	—	1,381,920	10.01
	2018	174,193	174,193	—	1,739,480	10.01
	2019	213,072	213,072	—	2,143,669	9.94
	2020	292,541	292,541	—	2,930,466	9.98
	2021	347,526	347,526	—	3,468,329	10.02

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.
Tier 2 system was created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. A ten year schedule will be built prospectively. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

See Independent Auditor's Report.



Public Employees Health Program

Notes to Required Supplementary Information

For the Fiscal Year Ended December 31, 2021

Note **1** Changes in Assumptions

As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier I Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unreduced retirement prior to age 65.

Supplementary Information

Public Employees Health Program

Statement of Net Position by Program

As of December 31, 2021

	Medical	Dental	Long-Term Disability
Assets:			
Cash, cash equivalents, and short-term investments	\$ 74,162,092	5,702,295	(6,722,984)
Investments	220,539,716	7,329,069	61,771,250
Invested securities lending collateral	440,176	14,765	129,587
Receivables:			
Premiums and service fees	44,405,089	1,632,232	535,963
Securities and interest receivable	10,797,215	361,755	3,125,687
Employer contributions	—	—	—
Misc. receivable/prepaid expense	23,921,757	30,038	213,076
Total receivables	79,124,061	2,024,025	3,874,726
Capital assets net of accumulated depreciation	7,305	—	—
Net OPEB asset	—	—	—
Total assets	374,273,350	15,070,154	59,052,579
Deferred Outflows of Resources:			
OPEB related amounts	—	—	—
Pension related amounts	—	—	—
Total deferred outflows	—	—	—
Liabilities:			
Claims payable	69,207,891	2,544,565	—
Estimated liability for claims incurred but not reported	22,735,373	1,686,120	10,869,884
Life insurance reserves	—	—	—
Long-term disability claims reserves	—	—	15,105,418
Long-term disability medical premium reserves	—	—	532,237
Premiums payable	99,386	158,670	4,228
Unearned premiums	2,317,522	188,504	2
Investment accounts payable	19,813,513	645,156	5,561,586
PPCA and other accrued expenses payable	1,352,525	1,894	16,627
Taxes payable	2,356	—	—
Experienced dividend payable	2,682,916	—	—
Due to other agencies and other liabilities	5,139,775	—	346
Securities lending liability	440,176	14,765	129,587
Net pension liability	—	—	—
Total liabilities	123,791,433	5,239,674	32,219,915
Deferred Inflow of Resources:			
OPEB related amounts	—	—	—
Pension related amounts	—	—	—
Total deferred amounts	—	—	—
Net Position:			
Restricted for claims contingency reserves	250,481,917	9,830,480	26,832,664
Restricted for benefits	—	—	—
Total net position	\$ 250,481,917	9,830,480	26,832,664

See Independent Auditor's Report.

Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan (HRA)	OPEB and Pensions	Totals
10,369,839	(1,639,913)	(8,002,657)	34,507,348	—	108,376,020
28,242,548	48,675,398	55,936,755	11,058,461	—	433,553,197
57,411	—	107,552	—	—	749,491
700,642	—	1,140,473	—	—	48,414,399
1,411,993	—	2,611,744	41,195	—	18,349,589
—	—	—	267	—	267
46,981	—	(276,829)	—	—	23,935,023
2,159,616	—	3,475,388	41,462	—	90,699,278
—	—	—	—	—	7,305
—	—	—	—	317,071	317,071
40,829,414	47,035,485	51,517,038	45,607,271	317,071	633,702,362
—	—	—	—	700,567	\$700,567
—	—	—	—	5,186,056	5,186,056
—	—	—	—	5,886,623	5,886,623
3,256,801	—	—	—	—	75,009,257
—	—	—	—	—	35,291,377
2,667,675	52,249,927	—	—	—	54,917,602
—	—	—	—	—	15,105,418
—	—	—	—	—	532,237
60	—	8,066	—	—	270,410
25,213	471,793	—	—	—	3,003,034
2,524,973	—	5,090,599	—	—	33,635,827
166,263	9,538	2,505,399	2,410	—	4,054,656
—	—	68	—	—	2,424
—	—	—	—	—	2,682,916
—	—	7,930,057	1,459,781	—	14,529,959
57,411	—	107,552	—	—	749,491
—	—	—	—	6,384,317	6,384,317
8,698,396	52,731,258	15,641,741	1,462,191	6,384,317	246,168,925
—	—	—	—	611,282	611,282
—	—	—	—	6,790,820	6,790,820
—	—	—	—	7,402,102	7,402,102
32,131,018	(5,695,773)	35,875,297	—	(7,582,725)	341,872,878
—	—	—	44,145,080	—	44,145,080
32,131,018	(5,695,773)	35,875,297	44,145,080	(7,582,725)	386,017,958

Supplementary Information *(Continued)***Public Employees Health Program****Statement of Changes in Net Position by Program***For the Year Ended December 31, 2021*

	Medical	Dental	Long-Term Disability
Revenues:			
Premiums earned, service fees, and other revenue net of refunds	\$ 813,528,805	31,061,050	8,431,983
Federal subsidy	18,265,420	—	—
Employer contributions	—	—	—
Investment income (loss)	(2,072,408)	(66,524)	(610,534)
Miscellaneous income	—	—	—
Total revenues	829,721,817	30,994,526	7,821,449
Expenses:			
Insurance benefits:			
Health/pharmacy claims paid	799,351,304	—	—
Dental claims paid	—	28,406,461	—
Disability claims paid	—	—	3,684,070
Life claims paid	—	—	—
Reinsurance premiums	53,454,117	—	—
Provision for unpaid claims and claims incurred but not reported	18,718,639	898,608	(680,563)
Reinsurance claims paid	(48,642,615)	—	—
Experience dividends	10,185,453	—	—
Total insurance benefits	833,066,898	29,305,069	3,003,507
Administrative and other expenses:			
Administrative expenses	31,919,652	1,500,377	1,470,690
Commissions	4,497,010	294,542	—
PPACA fees	256,056	—	—
Other expenses	—	—	—
Total expenses	869,739,616	31,099,988	4,474,197
Revenues over (under) benefits and expenses	(40,017,799)	(105,462)	3,347,252
Net Position:			
Beginning of year, restricted for claim contingency and benefits	290,499,716	9,935,942	23,485,412
End of year, restricted for claims contingency and benefits	\$ 250,481,917	9,830,480	26,832,664

See Independent Auditor's Report.

Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan (HRA)	OPEB and Pensions	Totals
14,320,814	5,648,574	58,609,529	(125,462)	—	931,475,293
—	—	—	—	—	18,265,420
—	—	—	8,874,490	—	8,874,490
(270,386)	2,256,177	(494,212)	24,168	—	(1,233,719)
—	—	—	—	—	—
14,050,428	7,904,751	58,115,317	8,773,196	—	957,381,484
—	—	—	6,516,556	—	805,867,860
—	—	—	—	—	28,406,461
—	—	—	—	—	3,684,070
13,819,125	5,729,376	—	—	—	19,548,501
310,659	—	—	—	—	53,764,776
(318,580)	(11,915,310)	—	—	—	6,702,794
—	—	55,963,950	—	—	7,321,335
—	—	—	—	—	10,185,453
13,811,204	(6,185,934)	55,963,950	6,516,556	—	935,481,250
1,737,445	259,834	96	—	—	36,888,094
113,303	—	13,509	—	—	4,918,364
—	—	—	—	—	256,056
—	—	—	—	(1,781,194)	(1,781,194)
15,661,952	(5,926,100)	55,977,555	6,516,556	(1,781,194)	975,762,570
(1,611,524)	13,830,851	2,137,762	2,256,640	1,781,194	(18,381,086)
33,742,542	(19,526,624)	33,737,535	41,888,440	(9,363,919)	404,399,044
32,131,018	(5,695,773)	35,875,297	44,145,080	(7,582,725)	386,017,958

Supplementary Information (Continued)

Public Employees Health Program
Medical Program Risk Pools
Statement of Net Position

December 31, 2021

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)
Assets:			
Cash, cash equivalents, and short-term investments	\$ (3,942,009)	5,292,116	54,913,754
Investments	128,995,853	13,783,972	56,911,181
Invested securities lending collateral	256,101	28,930	108,002
Receivables:			
Premiums and service fees	21,824,952	11,490	13,278,640
Securities and interest receivable	6,284,108	707,938	2,666,938
Misc. receivable/prepaid expense	7,147,151	330,270	3,035,882
Total receivables	35,256,211	1,049,698	18,981,460
Capital assets net of accumulated depreciation	7,305	—	—
Total assets	160,573,461	20,154,716	130,914,397
Liabilities:			
Claims payable	37,548,747	3,156,770	20,823,282
Estimated liability for claims incurred but not reported	11,771,467	1,039,961	6,368,823
Premiums payable (pass through dental and vision)	(80,559)	—	144,434
Unearned premiums	152,104	5,128	8,910
Investment accounts payable	11,596,752	1,236,237	5,111,911
PPCA and other accrued expenses payable	334,169	96,279	163,739
Taxes payable	(81,564)	1,501	48,863
Experienced dividend payable	—	—	2,682,916
Due to other agencies and other liabilities	83,298	558,373	374,059
Securities lending liability	256,101	28,930	108,002
Total liabilities	61,580,515	6,123,179	35,834,939
Net Position:			
Restricted for claims contingency reserves	\$ 98,992,946	14,031,537	95,079,458

See Independent Auditor's Report.

Public Employees Health Program

Utah School Boards Association (USBA)	Self Funded Health Care Groups	Medicare Supplement	Totals
(3,941,500)	2,165,889	19,673,842	74,162,092
15,929,281	—	4,919,429	220,539,716
32,678	—	14,465	440,176
6,698,287	1,961,127	630,593	44,405,089
752,596	5,582	380,053	10,797,215
471,245	816,952	12,120,257	23,921,757
7,922,128	2,783,661	13,130,903	79,124,061
—	—	—	7,305
19,942,587	4,949,550	37,738,639	374,273,350
4,471,822	—	3,207,270	69,207,891
2,815,737	—	739,385	22,735,373
172	1,749	33,590	99,386
6,584	7,114	2,137,682	2,317,522
1,467,447	—	401,166	19,813,513
24,296	717,200	16,842	1,352,525
26,949	6,607	—	2,356
—	—	—	2,682,916
—	4,124,045	—	5,139,775
32,678	—	14,465	440,176
8,845,685	4,856,715	6,550,400	123,791,433
11,096,902	92,833	31,188,239	250,481,915

Supplementary Information *(Continued)***Public Employees Health Program****Medical Program Risk Pools
Statement of Changes in Net Position***For the Year Ended December 31, 2021*

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)
Revenues:			
Premiums earned, service fees, and other revenue net of refunds	\$ 373,204,610	35,548,868	218,842,853
Federal subsidy	—	—	—
Investment income (loss)	(1,213,436)	(136,389)	(507,419)
Total revenues	371,991,174	35,412,479	218,335,434
Expenses:			
Insurance benefits:			
Health/pharmacy claims paid	375,664,795	31,446,159	193,797,097
Reinsurance premiums	18,182,087	2,662,342	29,228,247
Provision for unpaid claims and claims incurred but not reported	7,108,994	1,218,157	7,269,495
Reinsurance claims paid	(19,271,957)	(1,635,251)	(25,116,711)
Experience dividends	—	2,423,811	7,761,642
Total insurance benefits	381,683,919	36,115,218	212,939,770
Administrative and other expenses:			
Administrative expenses	13,540,594	1,758,515	8,502,400
PPACA fees	138,245	15,551	74,679
Commissions	—	—	4,456,210
Total expenses	395,362,758	37,889,284	225,973,059
Revenues over (under) expenses	(23,371,584)	(2,476,805)	(7,637,625)
Net Position:			
Beginning of year, restricted for claim contingency	122,364,530	16,508,342	102,717,083
End of year, restricted for claim contingency reserve	\$ 98,992,946	14,031,537	95,079,458

See Independent Auditor's Report.

Utah School Boards Association (USBA)	Self Funded Health Care Groups	Medicare Supplement	Totals
40,001,136	105,339,477	40,591,861	813,528,805
—	—	18,265,420	18,265,420
(148,242)	—	(66,922)	(2,072,408)
39,852,894	105,339,477	58,790,359	829,721,817
43,147,995	102,282,007	53,013,251	799,351,304
3,381,441	—	—	53,454,117
—	—	—	—
3,010,854	—	111,139	18,718,639
(3,768,786)	1,150,090	—	(48,642,615)
—	—	—	10,185,453
45,771,504	103,432,097	53,124,390	833,066,898
1,653,131	4,032,227	2,432,785	31,919,652
15,269	12,312	—	256,056
—	40,800	—	4,497,010
47,439,904	107,517,436	55,557,175	869,739,616
(7,587,010)	(2,177,959)	3,233,184	(40,017,799)
18,683,912	2,270,794	27,955,055	290,499,716
11,096,902	92,835	31,188,239	250,481,917

Supplementary Information (Continued)**Public Employees Health Program****Dental Program Risk Pools
Statement of Net Position**

December 31, 2021

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
Assets:					
Cash, cash equivalents, and short-term investments	\$ 1,866,649	599,143	2,065,859	1,170,644	5,702,295
Investments	4,420,666	671,337	2,233,587	3,479	7,329,069
Invested securities lending collateral	8,769	1,349	4,647	—	14,765
Receivables:					
Premiums and service fees	1,075,730	2,529	554,032	(59)	1,632,232
Securities and interest receivables	214,263	33,865	113,410	217	361,755
Misc. receivable/prepaid expense	21,012	2,466	4,972	1,588	30,038
Total receivables	1,311,005	38,860	672,414	1,746	2,024,025
Total assets	7,607,089	1,310,689	4,976,507	1,175,869	15,070,154
Liabilities:					
Claims payable	\$ 1,478,446	240,716	677,413	147,990	2,544,565
Estimated liability for claims incurred but not reported	913,217	145,974	492,633	134,296	1,686,120
Premiums payable (pass through dental and vision)	158,702	—	(32)	—	158,670
Unearned premiums	41,480	14,365	1,412	131,247	188,504
Investment accounts payable	392,899	57,849	194,408	—	645,156
PPCA and other accrued expenses payable	1,125	173	596	—	1,894
Securities lending liability	8,769	1,349	4,647	—	14,765
Total liabilities	2,994,638	460,426	1,371,077	413,533	5,239,674
Net Position:					
Restricted for claims contingency reserves	\$ 4,612,451	850,263	3,605,430	762,336	9,830,480

See Independent Auditor's Report.

Supplementary Information (Concluded)**Public Employees Health Program****Dental Program Risk Pools
Statement of Changes in Net Position**

For the Year Ended December 31, 2021

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
Revenues:					
Premiums and service fees	\$ 17,424,820	2,628,170	9,123,886	1,884,174	31,061,050
Investment income (loss)	(40,236)	(6,039)	(20,249)	—	(66,524)
Total revenues	17,384,584	2,622,131	9,103,637	1,884,174	30,994,526
Expenses:					
Insurance benefits:					
Health/pharmacy claims paid	16,762,944	2,408,687	7,773,816	1,461,014	28,406,461
Provision for unpaid claims and claims incurred but not reported	374,639	96,802	322,000	105,167	898,608
Experience dividends	—	—	—	—	—
Total insurance benefits	17,137,583	2,505,489	8,095,816	1,566,181	29,305,069
Administrative and other expenses:					
Administrative expenses	850,201	109,911	405,611	134,654	1,500,377
Commissions	—	—	294,542	—	294,542
Total expenses	17,987,784	2,615,400	8,795,969	1,700,835	31,099,988
Revenues over (under) expenses	(603,200)	6,731	307,668	183,339	(105,462)
Net Position:					
Beginning of year, restricted for claims contingency reserves	5,215,651	843,532	3,297,762	578,997	9,935,942
End of year, restricted for claims contingency reserves	\$ 4,612,451	850,263	3,605,430	762,336	9,830,480

See Independent Auditor's Report.

Public Employees Health Program

Unaudited Supplementary Information

As of June 30, 2021

PEHP Core Principles

Solving problems, not just processing claims.

Providing advice, not just cold facts.

Customizing information for the one.

Focusing on the greatest opportunities.

Using data wisely to address cost and quality.

Remembering everyone wins when health outcomes improve and costs are reduced.

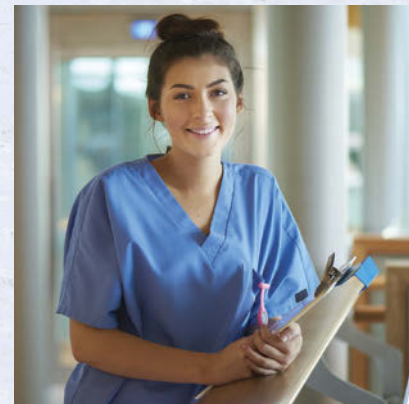
Preserving benefits to avoid shifting costs.

Not letting the size of a problem deter us.

Adding value without increasing costs.

Going the extra mile to keep members out of the middle.

Providing excellent products at cost.



Unaudited Supplementary Information as of 6/30/21 *(Continued)***Public Employees Health Program****Statements of Net Position (Unaudited)***As of Fiscal Year July 1, 2020 - June 30, 2021**With comparative totals for June 30, 2020*

	6/30/2021	6/30/2020
Assets:		
Cash, cash equivalents, and short-term investments	\$ 122,847,223	136,696,513
Investments	432,497,576	376,085,023
Invested securities lending collateral	34,022,711	—
Receivables:		
Premium and service fees	40,865,532	40,694,397
Investments	22,806,514	1,994,346
Misc. receivables/prepaid expenses	21,634,465	21,761,814
Total receivables	85,306,511	64,450,557
Capital assets net of accumulated depreciation	14,610	32,692
Net pension asset	812,923	680,551
Total assets	675,501,554	577,945,336
Deferred Outflows of Resources:		
OPEB related amounts	154,778	132,845
Pension related amounts	4,629,417	8,599,846
Total deferred outflows	4,784,195	8,732,691
Liabilities:		
Claims payable	48,538,720	25,437,370
Estimated liability for claims incurred but not reported	78,285,084	46,598,590
Life insurance reserves	67,002,897	58,566,637
Long-term disability claims reserves	15,556,605	14,134,547
Long-term disability medical premium reserves	581,158	1,000,024
Premiums payable	278,057	451,794
Unearned premiums	3,173,790	3,266,446
Investment accounts payable	29,991,994	—
PPCA and other accrued expenses payable	1,796,056	14,353,790
Taxes payable	2,354	7,071
Experience dividend payable	320,624	1,049,992
Due to other agencies and other liabilities	19,462,063	22,849,984
Security lending liability	34,022,711	16,807,193
Net pension liability	10,717,635	16,895,778
Total liabilities	309,729,748	221,419,216
Deferred Inflow of Resources:		
OPEB related amounts	566,506	521,825
Pension related amounts	3,676,896	386,657
Total deferred inflows	4,243,402	908,482
Net Position:		
Restricted for claims contingency reserves	321,640,944	322,855,858
Restricted for benefits	44,671,655	41,494,471
Total net position	\$ 366,312,599	364,350,329

Unaudited Supplementary Information as of 6/30/21 *(Continued)***Public Employees Health Program****Statements of Changes in Net Position (Unaudited)***Fiscal Year July 1, 2010 - June 30, 2021**With Comparative Totals for June 30, 2020*

	6/30/2021	6/30/2020
Revenues:		
Premiums earned, service fees, and other revenue net of refunds	\$ 902,943,427	838,513,380
Federal subsidy	16,632,360	14,795,438
Employer contributions	9,479,556	9,335,742
Net investment income	8,752,463	25,462,226
Miscellaneous income	—	—
Total revenues	937,807,806	888,106,786
Expenses:		
Insurance benefits:		
Claims	822,361,047	760,807,002
Change in unpaid claims and claimed incurred but not reported	64,227,297	(8,313,433)
Experience dividends	7,923,301	53,568,136
Total insurance benefits	894,511,645	806,061,705
Administrative and other expenses:		
Administrative expenses	36,492,628	36,191,852
Commissions	4,837,028	4,592,993
PPACA fees	452,684	211,270
Other expenses	972,901	641,055
Total expenses	937,266,886	847,698,875
Revenue over (under) benefits and expenses	540,920	40,407,911
Net Position:		
Beginning of year, restricted for claim contingency and benefits	365,771,679	323,942,418
End of year, restricted for claims contingency and benefits	\$ 366,312,599	364,350,329

Unaudited Supplementary Information as of 6/30/21 *(Continued)***Public Employees Health Program****Statements of Cash Flow (Unaudited)***For the Fiscal Year Ended June 30, 2021*

	2021	2020
Cash flows from operating activities:		
Cash received from Premiums earned, service fees, and other revenue net of refunds	\$ 928,791,472	862,758,666
Cash paid for insurance benefits	(822,534,782)	(760,724,921)
Cash paid for administrative and other expenses	(48,478,754)	(36,787,415)
Policyholder experience dividends paid	(8,652,669)	(57,780,205)
Net cash provided by operating activities	49,125,267	7,466,125
Cash flows from investing activities:		
Investment income	(40,825,903)	(32,393,680)
Proceeds from maturities of sales of fixed income securities	198,511,275	123,644,272
Purchases of fixed income securities	(220,659,929)	(133,722,511)
Net cash provided (used) by investing activities	(62,974,557)	(42,471,919)
Cash flows from capital and related financing activities:		
Proceeds from sale of assets	—	—
Purchases of equipment	—	(21,676)
Net cash (used) by financing activities	—	(21,676)
Net increase (decrease) in cash and cash equivalents	(13,849,290)	(35,027,470)
Cash and cash equivalents at beginning of year	136,696,513	171,723,983
Cash and cash equivalents at end of year	122,847,223	136,696,513
Reconciliation of revenue over benefits and expenses to net cash provided by operating activities:		
Revenue over benefits and expenses	540,920	40,407,913
Adjustments to reconcile revenue over benefits and expenses to net cash provided (used) by operating activities:		
Depreciation	18,082	56,429
Net investment income	(8,752,463)	(25,462,226)
OPEB related items	(109,624)	(291,571)
Pension related items	1,082,525	932,626
Change in assets and liabilities:		
Premiums and service fees	(171,135)	(1,931,288)
Employer contributions	(81)	—
Prepaid expenses and other current assets	127,431	(1,121,910)
Claims payable	23,101,351	(592,285)
Liability for claims incurred but not reported	31,686,494	(4,378,501)
Life insurance reserves	8,436,260	(415,016)
Long-term disability claim reserves	1,422,058	(2,789,059)
Long-term disability medical premium reserves	(418,866)	(138,572)
Experience dividend payable	(729,368)	(4,212,069)
Due to other agencies and other liabilities	(1,966,573)	3,479,839
Premium payables	(173,738)	82,079
Unearned premiums	(92,654)	2,045,394
Accrued expense payable	(4,870,634)	1,788,768
Taxes payable	(4,718)	5,574
Net cash provided by operating activities	\$ 49,125,267	7,466,125

The accompanying notes to the financial statements are an integral part of these statements.

Unaudited Supplementary Information as of 6/30/21 (Continued)

Public Employees Health Program

Statement of Net Position by Program (Unaudited)

As of June 30, 2021

	Medical	Dental	Long-Term Disability
Assets:			
Cash, cash equivalents, and short-term investments	\$ 117,222,964	4,948,140	(3,678,061)
Investments	199,437,566	6,614,179	55,574,283
Invested securities lending collateral	18,170,970	597,994	5,092,584
Receivables:			
Premiums and service fees	37,701,820	1,385,443	470,959
Investments	11,474,949	389,880	3,309,615
Employer contributions	—	—	—
Misc. receivable/prepaid expense	21,236,262	21,598	334,023
Total receivables	70,413,031	1,796,921	4,114,597
Capital assets net of accumulated depreciation	14,610	—	—
Net OPEB asset	—	—	—
Total assets	405,259,141	13,957,234	61,103,403
Deferred Outflows of Resources:			
OPEB related amounts	—	—	—
Pension related amounts	—	—	—
Total deferred outflows	—	—	—
Liabilities:			
Claims payable	43,219,083	1,914,241	—
Estimated liability for claims incurred but not reported	63,705,912	2,821,635	11,757,537
Life insurance reserves	—	—	—
Long-term disability claims reserves	—	—	15,556,605
Long-term disability medical premium reserves	—	—	581,158
Premiums payable	111,073	155,319	4,228
Unearned premiums	2,469,504	203,285	7
Investment accounts payable	15,225,063	498,781	4,186,132
PPCA and other accrued expenses payable	144,213	2,050	17,972
Taxes payable	2,130	—	—
Experienced dividend payable	320,624	—	—
Due to other agencies and other liabilities	9,864,687	—	6,171
Securities lending liability	18,170,970	597,994	5,092,584
Net pension liability	—	—	—
Total liabilities	153,233,259	6,193,305	37,202,394
Deferred inflow of Resources:			
OPEB related amounts	—	—	—
Pension related amounts	—	—	—
Total deferred inflows	—	—	—
Net Position:			
Restricted for claims contingency reserves	252,025,882	7,763,929	23,901,009
Restricted for benefits	—	—	—
Total net position (deficit)	\$ 252,025,882	7,763,929	23,901,009

Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan (HRA)	OPEB and Pensions	Totals
13,727,358	(38,973,443)	(6,422,428)	36,022,693	—	122,847,223
25,492,056	84,352,422	50,786,640	10,240,430	—	432,497,576
2,312,050	3,183,766	4,665,347	—	—	34,022,711
705,289	—	602,021	—	—	40,865,532
1,498,065	3,327,840	2,778,804	27,361	—	22,806,514
—	—	—	414	—	414
41,981	—	187	—	—	21,634,051
2,245,335	3,327,840	3,381,012	27,775	—	85,306,511
—	—	—	—	—	14,610
—	—	—	—	812,923	812,923
43,776,799	51,890,585	52,410,571	46,290,898	812,923	675,501,554
—	—	—	—	154,778	154,778
—	—	—	—	4,629,417	4,629,417
—	—	—	—	4,784,195	4,784,195
3,405,396	—	—	—	—	48,538,720
—	—	—	—	—	78,285,084
2,837,660	64,165,237	—	—	—	67,002,897
—	—	—	—	—	15,556,605
—	—	—	—	—	581,158
60	—	7,377	—	—	278,057
181,893	319,101	—	—	—	3,173,790
1,921,462	3,945,376	3,965,329	249,851	—	29,991,994
7,971	—	1,623,850	—	—	1,796,056
—	—	224	—	—	2,354
—	—	—	—	—	320,624
—	—	9,643,163	1,369,392	—	20,883,413
2,312,050	3,183,766	4,665,347	—	—	34,022,711
—	—	—	—	10,717,635	10,717,635
10,666,492	71,613,480	19,905,290	1,619,243	10,717,635	311,151,098
—	—	—	—	566,506	566,506
—	—	—	—	3,676,896	3,676,896
—	—	—	—	4,243,402	4,243,402
33,110,307	(19,722,895)	32,505,281	—	(9,363,919)	320,219,594
—	—	—	44,671,655	—	44,671,655
33,110,307	(19,722,895)	32,505,281	44,671,655	(9,363,919)	364,891,249

Unaudited Supplementary Information as of 6/30/21 (Continued)

Public Employees Health Program

Statement of Changes in
Net Position by Program (Unaudited)

Fiscal Year July 1, 2020 - June 30, 2021

	Medical	Dental	Long-Term Disability
Revenues:			
Premiums earned, service fees, and other revenue net of refunds	\$ 789,963,859	31,065,346	8,098,171
Federal subsidy	16,632,360	—	—
Employer contributions	—	—	—
Investment income	4,530,097	149,396	1,257,306
Miscellaneous income	(47,145)	—	—
Total revenues	811,079,171	31,214,742	9,355,477
Expenses:			
Insurance benefits:			
Health/pharmacy claims paid	717,103,030	—	—
Dental claims paid	—	28,500,217	—
Disability claims paid	—	—	3,446,123
Life claims paid	—	—	—
Reinsurance premiums	48,025,941	—	—
Provision for unpaid claims and claims incurred but not reported	51,253,271	2,790,133	490,626
Reinsurance claims paid	(41,864,550)	—	—
Experience dividends	7,635,369	287,932	—
Total insurance benefits	782,153,061	31,578,282	3,936,749
Administrative and other expenses:			
Administrative expenses	31,571,924	1,480,693	1,338,396
Commissions	4,509,048	246,480	—
PPACA fees	452,684	—	—
Other expenses	—	—	—
Total expenses	\$ 818,686,717	33,305,455	5,275,145
Revenues over (under) expenses	(7,607,546)	(2,090,713)	4,080,332
Net Position:			
Beginning of year, restricted for claims contingency and benefits	259,633,428	9,854,642	19,820,677
End of year, restricted for claims contingency and benefits	\$ 252,025,882	7,763,929	23,901,009

Term Life	Retiree Life	Reinsurance	Health Reimbursement Arrangement Plan (HRA)	OPEB and Pensions	Totals
15,040,520	5,591,584	53,188,293	(4,346)	—	902,943,427
—	—	—	—	—	16,632,360
—	—	—	9,479,556	—	9,479,556
578,060	1,002,799	1,170,123	64,682	—	8,752,463
—	—	47,145	—	—	—
15,618,580	6,594,383	54,405,561	9,539,892	—	937,807,806
—	—	—	6,246,834	—	723,349,864
—	—	—	—	—	28,500,217
—	—	—	—	—	3,446,123
11,446,195	5,526,583	—	—	—	16,972,778
303,523	—	—	—	—	48,329,464
1,052,744	8,640,523	—	—	—	64,227,297
—	—	43,627,151	—	—	1,762,601
—	—	—	—	—	7,923,301
12,802,462	14,167,106	43,627,151	6,246,834	—	894,511,645
1,819,055	166,581	105	115,874	—	36,492,628
50,971	—	30,529	—	—	4,837,028
—	—	—	—	—	452,684
—	—	—	—	972,901	972,901
14,672,488	14,333,687	43,657,785	6,362,708	972,901	937,266,886
946,092	(7,739,304)	10,747,776	3,177,184	(972,901)	540,920
32,164,215	(11,983,591)	21,757,505	41,494,471	(8,391,018)	364,350,329
33,110,307	(19,722,895)	32,505,281	44,671,655	(9,363,919)	364,891,249

Unaudited Supplementary Information as of 6/30/21 (Continued)

Public Employees Health Program

Medical Program Risk Pools Statement of Net Position (Unaudited)

As of June 30, 2021

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)
Assets:			
Cash, cash equivalents, and short-term investments	\$ 16,770,696	8,019,023	64,934,567
Investments	116,735,085	12,399,785	51,719,704
Invested securities lending collateral	10,639,645	1,125,366	4,714,553
Receivables:			
Premiums and service fees	17,236,261	12,426	10,716,663
Investments	6,669,078	746,845	2,845,755
Misc. receivables/prepaid expense	9,321,392	559,577	3,845,612
Total receivables	33,226,731	1,318,848	17,408,030
Capital assets net of accumulated depreciation	14,610	—	—
Total assets	177,386,767	22,863,022	138,776,854
Liabilities:			
Claims payable	24,565,999	2,146,482	11,812,726
Estimated liability for claims incurred but not reported	36,210,842	3,163,963	17,412,227
Premiums payable (pass through dental and vision)	(42,176)	—	128,466
Unearned premiums	201,988	198,784	10,455
Investment accounts payable	8,916,620	925,014	3,999,028
PPACA and other accrued expenses payable	71,128	51,010	15,560
Taxes payable	(67,434)	1,291	42,281
Experience dividend payable	—	—	320,624
Due to other agencies and other liabilities	1,251,729	4,072,104	418,478
Security lending liability	10,639,645	1,125,366	4,714,553
Total liabilities	81,748,341	11,684,014	38,874,398
Net Position:			
Restricted for claims contingency reserves	\$ 95,638,426	11,179,008	99,902,456

Public Employees Health Program

Utah School Board Associations (USBA)	Self Funded Healthcare Groups	Medicare Supplement	Totals
1,400,734	3,246,974	22,850,970	117,222,964
14,348,903	—	4,234,089	199,437,566
1,359,254	—	332,152	18,170,970
6,640,594	2,827,553	268,323	37,701,820
813,444	5,582	394,245	11,474,949
475,914	560,893	6,472,874	21,236,262
7,929,952	3,394,028	7,135,442	70,413,031
—	—	—	14,610
25,038,843	6,641,002	34,552,653	405,259,141
3,025,809	—	1,668,067	43,219,083
4,460,111	—	2,458,769	63,705,912
(38)	1,220	23,601	111,073
2,396	7,751	2,048,130	2,469,504
1,143,492	—	240,909	15,225,063
4,527	—	1,988	144,213
20,270	5,722	—	2,130
—	—	—	320,624
—	4,122,376	—	9,864,687
1,359,254	—	332,152	18,170,970
10,015,821	4,137,069	6,773,616	153,233,259
15,023,022	2,503,933	27,779,037	252,025,882

Unaudited Supplementary Information as of 6/30/21 *(Continued)***Public Employees Health Program****Medical Program Risk Pools
Statement of Changes in Net Position (Unaudited)***Fiscal Year July 1, 2020 - June 30, 2021*

	State of Utah	Salt Lake City
Revenues:		
Premiums earned, service fees, and other revenue net of refunds	\$ 368,167,324	34,817,058
Federal subsidy	—	—
Net investment income	2,651,226	280,980
Miscellaneous income	—	—
Total revenues	370,818,550	35,098,038
Expenses:		
Insurance benefits:		
Health/pharmacy claims paid	334,765,716	28,303,995
Reinsurance premiums	16,494,086	2,364,918
Provision for unpaid claims and claims incurred but not reported	29,723,446	2,928,148
Reinsurance claims paid	(14,446,829)	(1,435,044)
Experience dividends	(517)	2,400,000
Total insurance benefits	366,535,902	34,562,017
Administrative and other expenses:		
Administrative expenses	13,436,907	1,738,765
PPACA fees	258,322	29,148
Commissions	192	—
Total benefits and expenses	380,231,323	36,329,930
Revenues over (under) expenses	(9,412,773)	(1,231,892)
Net Position:		
Beginning of year, restricted for claims contingency reserves	105,051,199	12,410,900
End of year, restricted for claims contingency reserves	\$ 95,638,426	11,179,008

Local Government Risk Pool (LGRP)	Utah School Board Associations (USBA)	Self Funded Healthcare Groups	Medicare Supplement	Totals
214,248,327	39,954,278	92,856,807	39,920,065	789,963,859
—	—	—	16,632,360	16,632,360
1,180,114	323,238	—	94,539	4,530,097
—	—	(47,145)	—	(47,145)
215,428,441	40,277,516	92,809,662	56,646,964	811,079,171
175,136,335	37,183,301	90,271,409	51,442,274	717,103,030
26,080,813	3,086,124	—	—	48,025,941
13,679,733	4,079,751	—	842,193	51,253,271
(20,796,611)	(2,394,590)	(2,791,476)	—	(41,864,550)
5,235,886	—	—	—	7,635,369
199,336,156	41,954,586	87,479,933	52,284,467	782,153,061
8,440,178	1,626,917	3,911,475	2,417,682	31,571,924
136,742	28,472	—	—	452,684
4,476,971	—	31,885	—	4,509,048
212,390,047	43,609,975	91,423,293	54,702,149	818,686,717
3,038,394	(3,332,459)	1,386,369	1,944,815	(7,607,546)
96,864,062	18,355,481	1,117,564	25,834,222	259,633,428
99,902,456	15,023,022	2,503,933	27,779,037	252,025,882

Unaudited Supplementary Information as of 6/30/21 (Continued)**Public Employees Health Program****Dental Program Risk Pools
Statement of Net Position (Unaudited)**

As of June 30, 2021

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
Assets:					
Cash, cash equivalents, and short-term investments	\$ 1,796,668	504,148	1,718,750	928,574	4,948,140
Investments	3,997,011	605,387	2,008,302	3,479	6,614,179
Invested securities lending collateral	363,562	54,123	180,272	37	597,994
Receivables:					
Premiums and service fees	967,753	1,836	416,222	(368)	1,385,443
Investments	230,035	37,061	122,567	217	389,880
Misc. receivables/prepaid expense	16,580	1,204	3,221	593	21,598
Total receivables	1,214,368	40,101	542,010	442	1,796,921
Total assets	7,371,609	1,203,759	4,449,334	932,532	13,957,234
Liabilities:					
Claims payable	1,094,156	181,325	505,848	132,912	1,914,241
Estimated liability for claims incurred but not reported	1,612,810	267,278	745,631	195,916	2,821,635
Premiums payable (pass through dental and vision)	155,307	—	12	—	155,319
Unearned premiums	47,801	28,125	1,828	125,531	203,285
Investment accounts payable	304,428	45,502	148,851	—	
PPACA and other accrued expenses payable	1,218	187	645	—	2,050
Security lending liability	363,562	54,123	180,272	37	597,994
Total liabilities	3,579,282	576,540	1,583,087	454,396	6,193,305
Net Position:					
Restricted for claims contingency reserves	\$ 3,792,327	627,219	2,866,247	478,136	7,763,929

Unaudited Supplementary Information as of 6/30/21 (Concluded)**Public Employees Health Program****Dental Program Risk Pools
Statement of Changes in Net Position (Unaudited)**

Fiscal Year July 1, 2020 - June 30, 2021

	State of Utah	Salt Lake City	Local Government Risk Pool (LGRP)	Retiree Dental	Totals
Revenues:					
Premiums and service fees	\$ 17,501,279	2,910,208	8,922,741	1,731,118	31,065,346
Investment income	90,334	13,256	45,802	4	149,396
Total revenues	17,591,613	2,923,464	8,968,543	1,731,122	31,214,742
Expenses:					
Insurance benefits:					
Health/pharmacy claims paid	16,866,233	2,446,207	7,857,379	1,330,398	28,500,217
Provision for unpaid claims and claims incurred but not reported	1,589,512	286,689	709,753	204,179	2,790,133
Experience dividends	—	287,932	—	—	287,932
Total insurance benefits	18,455,745	3,020,828	8,567,132	1,534,577	31,578,282
Administrative and other expenses:					
Administrative expenses	842,776	108,601	396,724	132,592	1,480,693
Commissions	—	—	246,480	—	246,480
Total expenses	19,298,521	3,129,429	9,210,336	1,667,169	33,305,455
Revenues over (under) expenses	(1,706,908)	(205,965)	(241,793)	63,953	(2,090,713)
Net Position:					
Beginning of year, restricted for claims contingency reserves	5,499,235	833,184	3,108,040	414,183	9,854,642
End of year, restricted for claims contingency reserves	\$ 3,792,327	627,219	2,866,247	478,136	7,763,929

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