

Medical – Updated Calendar Year 2018 Budget Projections

Assumptions	Current Projection		
	Med	Rx	Total
Period Start	6/1/2017	6/1/2017	
Period End	5/31/2018	5/31/2018	
Experience Midpoint	11/30/2017	11/30/2017	
Projection Midpoint	7/1/2018	7/1/2018	
Trend Months	7	7	
Annual Trend	5.4%	8.7%	
Projected 2018 Subscribers (monthly)	5,420	5,420	5,420
Projected 2018 Members (monthly)	7,536	7,536	7,536
Subscriber Months	64,544	64,612	64,544
Member Months	88,734	88,985	88,734

Projection	Current Projection		
	Med	Rx	Total
Experience			
Paid Claims (Excluding NDBH Claims & Capitation)	\$29,994,243	\$11,861,158	\$41,855,401
Large Claims (100% claims above ISL \$550,000)	\$0	\$0	\$0
Net Paid Claims	\$29,994,243	\$11,861,158	\$41,855,401
Benefit Adjustment Factor	1.0000	1.0000	
Benefit Adjusted Claims	\$29,994,243	\$11,861,158	\$41,855,401
Change in IBNR	-\$154,431	-\$62,018	-\$216,449
Total Incurred Claims	\$29,839,812	\$11,799,140	\$41,638,951
Trend Adjustment Factor	1.0312	1.0499	1.0365
Claims up to Stoploss Threshold \$550,000	\$0	\$0	\$0
Adjusted Incurred Claims	\$30,769,452	\$12,387,516	\$43,156,969
Capitation Fees (Incl NDBH Capitation)	\$1,440,000	\$0	\$1,440,000
Lives Adjustment for 2018	1.02	1.02	
Total Projected Claims	\$32,825,807	\$12,588,952	\$45,414,759
Fees & Credits			
ASO Admin Fee	\$2,337,538	\$0	\$2,337,538
Teladoc Admin Fee	\$24,440	\$0	\$24,440
Stop Loss	\$775,252	\$0	\$775,252
Rx Rebates	\$0	(\$1,891,000)	(\$1,891,000)
Projected 2018 Claims & Expenses	\$35,963,037	\$10,697,952	\$46,660,989
Projected 2018 Revenue (Monthly Premiums)			\$52,008,294
Gross Estimated Surplus/(Deficit) 2018 \$			\$5,347,305

- 5.4% Trend on Medical Claims and 8.7% on Rx Claims
- 2018 ASO fee is \$36.44 PSPM. Applying \$.50 PSPM ASO fee credit from 2018 HMIG Stop Loss contract
- Stop-loss fees are based on renewal with HMIG for 2018
- Projections assume continuation of current pharmacy pricing terms (Trion did not provide the expected cost change due to discounts), and includes Trion's estimated 2018 Rx Rebates of \$1,891,000
- Results are for Actives and Retirees



Medical – Initial Calendar Year 2019 Budget Projections

Assumptions	Current Projection		
	Med	Rx	Total
Period Start	6/1/2017	6/1/2017	
Period End	5/31/2018	5/31/2018	
Experience Midpoint	11/30/2017	11/30/2017	
Projection Midpoint	7/1/2019	7/1/2019	
Trend Months	19	19	
Annual Trend	5.7%	8.7%	
Current Subscribers (monthly)	5,426	5,426	5,426
Current Members (monthly)	7,546	7,546	7,546
Projected Subscribers (monthly)	5,485	5,485	5,485
Projected Members (monthly)	7,628	7,628	7,628
Subscriber Months	64,544	64,612	64,544
Member Months	88,734	88,985	88,734

Projection	Current Projection		
	Med	Rx	Total
Experience			
Paid Claims (Excl NDBH Claims & Capitation)	\$29,994,243	\$11,861,158	\$41,855,401
Large Claims (100% claims above ISL \$550,000)	\$0	\$0	\$0
Net Paid Claims	\$29,994,243	\$11,861,158	\$41,855,401
Benefit Adjustment Factor	1.0000	1.0000	
Benefit Adjusted Claims	\$29,994,243	\$11,861,158	\$41,855,401
Change in IBNR	\$101,168	\$61,751	\$162,918
Total Incurred Claims	\$30,095,411	\$11,922,908	\$42,018,319
Trend Adjustment Factor	1.0920	1.1412	1.1060
Claims up to Stoploss Threshold \$550,000	\$0	\$0	\$0
Adjusted Incurred Claims	\$32,863,962	\$13,606,476	\$46,470,438
Capitation Fees (Incl NDBH Capitation)	\$1,476,000	\$0	\$1,476,000
Lives Adjustment for 2019	1.032	1.029	
Claims Margin	1.020	1.020	
Total Projected Claims	\$36,132,820	\$14,276,473	\$50,409,293
Fees & Credits (using anticipated lives)			
ASO Admin Fee	\$2,484,705	\$0	\$2,484,705
Teladoc Admin Fee	\$59,238	\$0	\$59,238
Stop Loss	\$941,519	\$0	\$941,519
Rx Rebates	\$0	(\$2,353,000)	(\$2,353,000)
Projected 2019 Claims & Expenses	\$39,618,282	\$11,923,473	\$51,541,755
Projected 2019 Revenue (Monthly Premiums)			\$52,637,765
Gross Anticipated Surplus/(Deficit) 2019 \$			\$1,096,010

- 5.7% Trend on Medical Claims, 2.5% Trend on Capitation Fees and 8.7% Trend on Rx Claims
- Assuming the active eligible population will increase by 61 lives in September 2018, and that 96.8% of them will elect medical coverage
- 2019 ASO fee is \$38.25 PSPM. Applying \$.50 PSPM ASO fee credit, assuming stop-loss will remain with HMIG in 2019
- Stop-loss fees assume a 20% increase, and no change to the stop-loss threshold
- Projections assume continuation of current pharmacy pricing terms (Trion did not provide the expected cost change due to discounts), and includes Trion's estimated 2019 Rx Rebates of \$2,353,000
- Results are for Actives and Retirees



Medical – 2019 Budget Rates based on 0% Increase

2019

	Actives Enrolled	2019 Premium Monthly Rates	2019 Employee Contribution	2019 SBSC Contribution	Employee Contribution as a % of Mthly Rate	Retiree Enrolled	2019 Retiree Contributions	COBRA Enrolled	2019 COBRA Contributions (w/o 2% Admin Fee)
<u>HIGH HMO 55</u>									
Single Only	2,195	\$ 661.90	\$ -	\$ 661.90	0.0%	59	\$ 661.90	8	\$ 661.90
Single + Spouse	61	\$ 1,376.64	\$ 714.74	\$ 661.90	51.9%	3	\$ 1,376.64	0	\$ 1,376.64
Single + Children	116	\$ 1,251.90	\$ 590.00	\$ 661.90	47.1%	2	\$ 1,251.90	0	\$ 1,251.90
Single + Family	17	\$ 1,918.66	\$ 1,256.76	\$ 661.90	65.5%	0	\$ 1,918.66	0	\$ 1,918.66
<u>HIGH PPO 702</u>									
Single Only	1,712	\$ 822.24	\$ -	\$ 822.24	0.0%	31	\$ 822.24	2	\$ 822.24
Single + Spouse	14	\$ 1,708.94	\$ 886.70	\$ 822.24	51.9%	4	\$ 1,708.94	0	\$ 1,708.94
Single + Children	25	\$ 1,553.60	\$ 731.36	\$ 822.24	47.1%	0	\$ 1,553.60	0	\$ 1,553.60
Single + Family	6	\$ 2,381.84	\$ 1,559.60	\$ 822.24	65.5%	0	\$ 2,381.84	0	\$ 2,381.84
<u>LOW HMO 60</u>									
Single Only	62	\$ 613.00	\$ -	\$ 613.00	0.0%	8	\$ 613.00	0	\$ 613.00
Single + Spouse	46	\$ 1,275.04	\$ 613.14	\$ 661.90	48.1%	1	\$ 1,275.04	0	\$ 1,275.04
Single + Children	133	\$ 1,159.42	\$ 497.52	\$ 661.90	42.9%	0	\$ 1,159.42	0	\$ 1,159.42
Single + Family	37	\$ 1,777.00	\$ 1,115.10	\$ 661.90	62.8%	1	\$ 1,777.00	0	\$ 1,777.00
<u>LOW PPO 727</u>									
Single Only	42	\$ 460.70	\$ -	\$ 460.70	0.0%	278	\$ 460.70	2	\$ 460.70
Single + Spouse	133	\$ 957.44	\$ 295.54	\$ 661.90	30.9%	27	\$ 957.44	2	\$ 957.44
Single + Children	293	\$ 870.44	\$ 208.54	\$ 661.90	24.0%	2	\$ 870.44	1	\$ 870.44
Single + Family	155	\$ 1,334.46	\$ 672.56	\$ 661.90	50.4%	5	\$ 1,334.46	2	\$ 1,334.46

	Actives	Actives Premium	EE Contrib.	SBSC Contrib.	Retirees	Premium & Contrib.	COBRAs	Premium & Contrib.
Annual Totals	5,047	\$ 49,495,117	\$ 6,164,983	\$ 43,330,134	421	\$ 2,979,669	17	\$ 159,784

2019 Total Enrollment:	5,485
2019 Total Premiums:	\$ 52,637,765
2019 Total Non-SBSC Ctb:	\$ 9,307,631
2019 Total SBSC Contribution:	\$ 43,330,134

2019 Premiums and Contributions are illustrative and reflect the Applied Rate Action to all contributions

Calculated Rate Action	-0.2%
Applied Rate Action	0.0%

