

**Division of Health Care Finance
 Projected Reserve Calculation
 Medical, Pharmacy, Dental and Vision
 Projection using data thru March 2019
 Statement of Ops as of March 2019**

Plan Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Factors and Assumptions															
Interest Rate on Reserves	0.1%	0.2%	0.3%	0.5%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Admin/Contract Fee Trend	0.8%	0.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Medical cost trend rate	5.9%	2.3%	7.1%	-5.1%	0.4%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Rx cost trend rate	6.2%	1.3%	6.0%	3.2%	3.4%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Policy Choices															
<i>Future Policy Choices.....</i>															
Employer Contr. % incr. (eff. July 1) (State/non-State)															
Employee	-2.0%	-8.5%/0%	0%/6.0%	7.0%	7.7%	3.3%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Employee + Spouse	-2.0%	-8.5%/0%	0%/6.0%	7.0%	7.7%	3.3%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Employee + Child(ren)	-2.0%	-8.5%/0%	0%/6.0%	7.0%	7.7%	3.3%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Employee + Family	-2.0%	-8.5%/0%	0%/6.0%	7.0%	7.7%	3.3%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Active Employee Contribution % Inc. (eff. Jan 1)															
Active Employee Only															
Employee	-2.0%	0.0%	6.4%	9.0%	7.7%	3.3%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Employee + Spouse	-2.0%	0.0%	36.7%	30.4%	31.7%	16.7%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
Employee + Child(ren)	-2.0%	0.0%	6.4%	9.0%	7.7%	3.3%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Employee + Family	-2.0%	0.0%	36.7%	30.4%	31.7%	16.7%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
Retiree Rate Increase	-2.0%	0.0%	21.3%	46.1%	0.0%	6.7%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Beginning Total Reserve Balance	210,048,485	194,666,302	124,938,539	32,625,824	24,343,301	31,425,318	48,984,444	66,141,059	82,149,652	94,391,588	103,092,693	107,909,756	108,513,040	104,521,034	96,244,993
Projected Cash Flow															
Total Employer Contributions	363,183,109	344,369,078	326,956,665	331,832,868	334,959,191	343,369,799	355,748,880	368,360,725	381,129,881	394,246,474	408,056,049	422,274,465	437,014,153	452,484,447	468,748,143
Total Participant Contributions	118,499,577	107,742,610	117,580,138	143,893,489	142,900,549	135,766,741	143,707,171	154,751,794	165,841,329	178,579,964	192,167,972	207,030,308	223,138,836	241,122,930	260,698,691
Total Contributions	481,682,685	452,111,688	444,536,802	475,726,358	477,859,740	479,136,540	499,456,050	523,112,519	546,971,210	572,826,439	600,224,022	629,304,773	660,152,989	693,607,377	729,446,834
Total Plan Expenses (Claims, ASO fees & contracted expenses)	497,077,244	522,197,896	537,241,182	484,123,938	471,123,547	461,840,643	482,666,819	507,599,984	535,345,397	564,833,271	596,180,153	629,510,812	664,958,844	702,667,326	742,789,524
Interest on Reserves	12,375	358,445	391,664	115,058	345,824	263,229	367,383	496,058	616,122	707,937	773,195	809,323	813,848	783,908	721,837
Net Cash Flow	(15,382,184)	(69,727,763)	(92,312,716)	(8,282,523)	7,082,017	17,559,126	17,156,615	16,008,593	12,241,936	8,701,105	4,817,064	603,284	(3,992,007)	(8,276,041)	(12,620,853)
Projected Reserve Balance															
Reserve Ending Balance	194,666,301	124,938,539	32,625,824	24,343,301	31,425,318	48,984,444	66,141,059	82,149,652	94,391,588	103,092,693	107,909,756	108,513,040	104,521,034	96,244,993	83,624,140
Target Reserve	54,724,865	57,993,089	59,439,802	52,487,868	50,752,632	50,267,088	52,299,934	55,300,972	58,631,122	62,174,170	65,944,508	69,957,556	74,229,830	78,779,034	83,624,140
IBNR Claim Reserve	31,572,037	33,477,922	34,292,193	30,281,462	29,280,365	29,000,243	30,173,039	31,904,407	33,825,647	35,869,713	38,044,909	40,360,128	42,824,902	45,449,443	48,244,696
Claim Fluctuation Reserve	23,152,827	24,515,167	25,147,609	22,206,406	21,472,267	21,266,845	22,126,895	23,396,565	24,805,475	26,304,456	27,899,600	29,597,427	31,404,928	33,329,591	35,379,444

The projections in this report are estimates of future costs and are based on unaudited information available to Segal Consulting at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases.