

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

Plan Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Factors and Assumptions</b>															
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%
<b>Policy Choices</b>															
<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%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Employee + Spouse	-2.0%	-8.5%/0%	0%/6.0%	7.0%	7.7%	3.3%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Employee + Child(ren)	-2.0%	-8.5%/0%	0%/6.0%	7.0%	7.7%	3.3%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Employee + Family	-2.0%	-8.5%/0%	0%/6.0%	7.0%	7.7%	3.3%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Active Employee Contribution % Inc. (eff. Jan 1)															
Active Employee Only															
Employee	-2.0%	0.0%	6.4%	9.0%	7.7%	3.3%	0.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Employee + Spouse	-2.0%	0.0%	36.7%	30.4%	31.7%	16.7%	-6.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Employee + Child(ren)	-2.0%	0.0%	6.4%	9.0%	7.7%	3.3%	0.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Employee + Family	-2.0%	0.0%	36.7%	30.4%	31.7%	16.7%	-6.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Retiree Rate Increase	-2.0%	0.0%	21.3%	46.1%	0.0%	6.7%	-6.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
<b>Beginning Total Reserve Balance</b>	210,048,485	194,666,302	124,938,539	32,625,824	24,343,301	31,425,318	42,161,203	54,864,224	70,435,328	86,017,959	97,920,423	105,480,891	107,993,303	104,632,421	95,183,258
<b>Projected Cash Flow</b>															
Total Employer Contributions	363,183,109	344,369,078	326,956,665	331,832,868	334,959,191	337,286,760	351,787,346	367,529,560	383,620,894	400,327,068	418,005,137	436,391,916	455,616,300	475,903,724	497,336,084
Total Participant Contributions	118,499,577	107,742,610	117,580,138	143,893,489	142,900,549	136,918,510	129,920,228	136,631,441	142,791,534	149,922,667	157,153,939	164,821,241	172,801,515	181,613,795	190,859,431
<b>Total Contributions</b>	<b>481,682,685</b>	<b>452,111,688</b>	<b>444,536,802</b>	<b>475,726,358</b>	<b>477,859,740</b>	<b>474,205,269</b>	<b>481,707,574</b>	<b>504,161,001</b>	<b>526,412,428</b>	<b>550,249,735</b>	<b>575,159,076</b>	<b>601,213,157</b>	<b>628,417,815</b>	<b>657,517,519</b>	<b>688,195,515</b>
Total Plan Expenses (Claims, ASO fees & contracted expenses)	497,077,244	522,197,896	537,241,182	484,123,938	471,123,547	463,868,005	469,320,762	489,001,379	511,358,063	538,992,405	568,333,011	599,491,852	632,588,647	667,751,425	705,117,134
Interest on Reserves	12,375	358,445	391,664	115,058	345,824	398,621	316,209	411,482	528,265	645,135	734,403	791,107	809,950	784,743	713,874
<b>Net Cash Flow</b>	<b>(15,382,184)</b>	<b>(69,727,763)</b>	<b>(92,312,716)</b>	<b>(8,282,523)</b>	<b>7,082,017</b>	<b>10,735,885</b>	<b>12,703,020</b>	<b>15,571,104</b>	<b>15,582,630</b>	<b>11,902,465</b>	<b>7,560,468</b>	<b>2,512,412</b>	<b>(3,360,882)</b>	<b>(9,449,163)</b>	<b>(16,207,745)</b>
<b>Projected Reserve Balance</b>															
Reserve Ending Balance	194,666,301	124,938,539	32,625,824	24,343,301	31,425,318	42,161,203	54,864,224	70,435,328	86,017,959	97,920,423	105,480,891	107,993,303	104,632,421	95,183,258	78,975,513
Target Reserve	54,724,865	57,993,089	59,439,802	52,487,868	50,752,632	50,191,429	50,785,955	53,107,457	55,740,408	59,045,886	62,558,851	66,293,059	70,263,224	74,485,091	78,975,513
IBNR Claim Reserve	31,572,037	33,477,922	34,292,193	30,281,462	29,280,365	28,956,594	29,299,589	30,638,918	32,157,928	34,064,934	36,091,645	38,245,996	40,536,475	42,972,168	45,562,796
Claim Fluctuation Reserve	23,152,827	24,515,167	25,147,609	22,206,406	21,472,267	21,234,835	21,486,365	22,468,540	23,582,480	24,980,952	26,467,206	28,047,063	29,726,749	31,512,923	33,412,717

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.