

2014 FINAL EMPIRE PLAN EXPERIENCE

In (000's)

	EMPIRE BLUE CROSS	UNITED HEALTHCARE MEDICAL				VALUE OPTIONS MHSA				CVS CAREMARK DRUG	TOTAL
		Core	NY Enhancement	PA Enhancement	Combined	Core	NY Enhancement	PA Enhancement	Combined		
A Premium (1)	2,428,791	2,073,032	296,861	296,079	2,665,972	157,946	9,828	11,669	179,444	1,598,839	6,873,047
B Incurred Claims (2)	2,365,499	1,892,539	261,513	265,910	2,419,962	117,685	15,532	13,067	146,283	1,674,241	6,605,985
C Administrative Expense (3)	100,698	143,303	14,905	15,145	173,353	10,564	1,394	1,173	13,132	22,219	309,401
D Gain/(Loss) (A-B-C)	(37,405)	37,190	20,443	15,025	72,658	29,697	(7,098)	(2,571)	20,028	(97,621)	(42,339)

(1) Earned Premium - Premium which pays for coverage for the period reported (accrual basis).

(2) Incurred Claims - Represents the cost of covered services provided during the period reported by the insurance company (accrual basis).

(3) Administrative Expenses - All charges by the insurance carrier other than for the payment of claims. Includes carrier's cost to administer the program, interest charges, and other retention.

Source: Vendors' 2014 Annual Experience Reports

2015 PROJECTED EMPIRE PLAN EXPERIENCE
In (000's)

	EMPIRE BLUE CROSS	UNITED HEALTHCARE MEDICAL				VALUE OPTIONS MHSA				CVS CAREMARK DRUG	TOTAL
		Core	NY Enhancement	PA Enhancement	Combined	Core	NY Enhancement	PA Enhancement	Combined		
A Premium (1)	2,572,709	2,151,041	324,647	329,727	2,805,415	139,828	16,996	13,987	170,811	1,617,519	7,166,454
B Incurred Claims (2)	2,451,910	2,025,000	276,366	281,111	2,582,477	122,341	16,656	12,265	151,262	1,678,329	6,863,978
C Administrative Expense (3)	97,362	151,481	14,733	14,966	181,180	10,979	1,420	1,065	13,464	25,816	317,822
D Gain/(Loss) (A-B-C)	23,437	(25,440)	33,548	33,650	41,758	6,508	(1,080)	657	6,085	(86,626)	(15,346)

(1) Earned Premium - Premium which pays for coverage for the period reported (accrual basis).

(2) Incurred Claims - Represents the cost of covered services provided during the period reported by the insurance company (accrual basis).

(3) Administrative Expenses - All charges by the insurance carrier other than for the payment of claims. Includes carrier's cost to administer the program, interest charges, and other retention.

Source: Vendors' 2015 1st Quarter Experience Reports.

2016 Premium Projections Empire Plan With Drug Coverage

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
<u>Optimistic Projections</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>
Individual Plan Prime	656.23	688.94	5.0%	641.39	678.37	5.8%
Family Plan Prime	1,595.52	1,689.01	5.9%	1,559.83	1,661.99	6.5%
Aggregate			5.7%			6.4%
 <u>Best Estimate Projections</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>
Individual Plan Prime	656.23	703.55	7.2%	641.39	692.98	8.0%
Family Plan Prime	1,595.52	1,724.70	8.1%	1,559.83	1,697.68	8.8%
Aggregate			7.9%			8.7%
 <u>Pessimistic Projections</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>
Individual Plan Prime	656.23	718.14	9.4%	641.39	707.57	10.3%
Family Plan Prime	1,595.52	1,760.32	10.3%	1,559.83	1,733.30	11.1%
Aggregate			10.2%			11.0%

(1) Represents premiums set to fund all self insured costs.

(2) Represents cost to a participating employer.

2016 Premium Projections

Empire Plan Without Drug Coverage

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
<u>Optimistic Projections</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>
Individual Plan Prime	493.41	502.57	1.9%	481.69	492.00	2.1%
Family Plan Prime	1,257.61	1,302.24	3.5%	1,228.40	1,275.22	3.8%
Aggregate			3.3%			3.6%
 <u>Best Estimate Projections</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>
Individual Plan Prime	493.41	511.42	3.7%	481.69	500.85	4.0%
Family Plan Prime	1,257.61	1,325.97	5.4%	1,228.40	1,298.95	5.7%
Aggregate			5.2%			5.5%
 <u>Pessimistic Projections</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>
Individual Plan Prime	493.41	520.25	5.4%	481.69	509.68	5.8%
Family Plan Prime	1,257.61	1,349.63	7.3%	1,228.40	1,322.61	7.7%
Aggregate			7.0%			7.4%

(1) Represents premiums set to fund all self insured costs.

(2) Represents cost to a participating employer.

PARTICIPATING EMPLOYER RATES 2007-2016 MONTHLY RATES REPRESENTS ENROLLEES WITH RX DRUG COVERAGE				
	Gross Rate (1)	% Change	Net Rate (2)	% Change
Individual				
2007 (3)	493.70	6.6%	462.74	7.0%
2008	517.06	4.7%	483.37	4.5%
2009	508.00	-1.8%	481.52	-0.4%
2010	536.22	5.6%	499.07	3.6%
2011	599.25	11.8%	561.83	12.6%
2012 (4)	646.04	7.8%	612.26	9.0%
2013	622.25	-3.7%	609.56	-0.4%
2014	633.04	1.7%	617.51	1.3%
2015	656.23	3.7%	641.39	3.9%
2016 Projected	703.55	7.2%	692.98	8.0%
<u>Average Percent Increase</u>				
From Inception (1985)		6.9%		7.0%
Most Recent 10 Years		4.4%		4.9%
Most Recent 5 Years		3.3%		4.3%
Family				
2007 (3)	1,123.91	7.5%	1,056.23	8.2%
2008	1,191.70	6.0%	1,118.71	5.9%
2009	1,190.98	-0.1%	1,132.44	1.2%
2010	1,248.31	4.8%	1,165.06	2.9%
2011	1,390.76	11.4%	1,308.84	12.3%
2012 (4)	1,500.45	7.9%	1,423.94	8.8%
2013	1,499.54	-0.1%	1,470.65	3.3%
2014	1,534.36	2.3%	1,499.61	2.0%
2015	1,595.52	4.0%	1,559.83	4.0%
2016 Projected	1,724.70	8.1%	1,697.68	8.8%
<u>Average Percent Increase</u>				
From Inception (1985)		7.5%		7.5%
Most Recent 10 Years		5.2%		5.7%
Most Recent 5 Years		4.4%		5.4%

- (1) Represents premiums charged by the carriers (2006-2013) and premiums set to fund all self insured costs (2014-2016).
(2) Represents the premium charged to a participating employer.
(3) Rates presented do not include Medicare Part B surcharge.
(4) Reflects rates effective 7/1/2012.

PARTICIPATING EMPLOYER RATES 2007-2016 MONTHLY RATES REPRESENTS ENROLLEES WITHOUT RX DRUG COVERAGE				
	Gross Rate (1)	% Change	Net Rate (2)	% Change
2007 (3)	338.77	9.0%	322.24	10.7%
2008	358.10	5.7%	343.35	6.6%
2009	359.79	0.5%	346.01	0.8%
2010	383.85	6.7%	361.11	4.4%
2011	422.70	10.1%	407.98	13.0%
2012 (4)	470.89	11.4%	450.01	10.3%
2013	473.37	0.5%	466.99	3.8%
2014	472.25	-0.2%	464.40	-0.6%
2015	493.41	4.5%	481.69	3.7%
2016 Projected	511.42	3.7%	500.85	4.0%
<u>Average Percent Increase</u>				
From Inception (1985)		6.5%		6.5%
Most Recent 10 Years		5.2%		5.7%
Most Recent 5 Years		4.0%		4.2%
Family				
2007 (3)	809.96	9.1%	770.95	10.8%
2008	870.96	7.5%	835.62	8.4%
2009	883.85	1.5%	850.83	1.8%
2010	938.53	6.2%	884.48	4.0%
2011	1,034.74	10.3%	999.11	13.0%
2012 (4)	1,142.72	10.4%	1,092.47	9.3%
2013	1,190.63	4.2%	1,174.47	7.5%
2014	1,198.84	0.7%	1,179.71	0.4%
2015	1,257.61	4.9%	1,228.40	4.1%
2016 Projected	1,325.97	5.4%	1,298.95	5.7%
<u>Average Percent Increase</u>				
From Inception (1985)		7.2%		7.2%
Most Recent 10 Years		6.0%		6.5%
Most Recent 5 Years		5.1%		5.4%

(1) Represents premiums charged by the carriers (2006-2013) and premiums set to fund all self insured costs (2014-2016).

(2) Represents the premium charged to a participating employer.

(3) Rates presented do not include Medicare Part B surcharge.

(4) Reflects rates effective 7/1/2012.