

FINAL 2016 EMPIRE PLAN EXPERIENCE
In (000's)

	EMPIRE	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MHSA				CVS CAREMARK	TOTAL
	BLUE CROSS	NY	PA	Combined		NY	PA	Combined		DRUG	
		Core	Enhancement	Enhancement	Combined	Core	Enhancement	Enhancement	Combined		
A Premium (1)	2,726,829	2,243,159	314,316	322,628	2,880,103	159,895	23,885	18,495	202,275	1,927,605	7,736,812
B Incurred Claims (2)	2,715,444	2,125,172	297,841	319,866	2,742,879	149,748	25,015	21,187	195,950	1,724,141	7,378,414
C Administrative Expense (3)	96,802	148,094	15,610	16,656	180,360	11,481	1,849	1,560	14,890	29,005	321,057
D Gain/(Loss) (A-B-C)	(85,417)	(30,107)	865	(13,894)	(43,136)	(1,334)	(2,979)	(4,252)	(8,565)	174,459	37,341

(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 vendor (accrual basis).

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

Source: Vendors' 2016 Annual Experience Reports

PROJECTED 2017 EMPIRE PLAN EXPERIENCE
In (000's)

	EMPIRE	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MHSA				CVS CAREMARK	TOTAL
	BLUE CROSS	NY	PA	Combined	NY	PA	Combined	DRUG			
		Core	Enhancement		Enhancement	Core		Enhancement	Enhancement	Combined	
A Premium (1)	2,995,936	2,460,700	352,674	367,668	3,181,042	176,305	23,670	20,650	220,625	1,943,608	8,341,211
B Incurred Claims (2)	2,961,675	2,246,100	326,200	351,976	2,924,276	174,359	21,896	15,473	211,728	1,807,230	7,904,909
C Administrative Expense (3)	94,268	160,076	16,072	17,244	193,392	12,615	1,636	1,153	15,404	27,263	330,327
D Gain/(Loss) (A-B-C)	(60,007)	54,524	10,402	(1,552)	63,374	(10,669)	138	4,024	(6,507)	109,115	105,975

(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 vendor (accrual basis).

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

Source: Vendors' 2017 1st Quarter Experience Reports.

2018 Premium Projections

Empire Plan

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>
<u>Optimistic Projections</u>						
Individual Plan Prime	957.11	1,012.01	5.7%	944.39	1,001.90	6.1%
Family Plan Prime	2,188.54	2,313.82	5.7%	2,160.64	2,291.28	6.0%
Individual Mediprime	439.91	466.03	5.9%	421.40	453.32	7.6%
Family - 1 Mediprime	1,671.33	1,767.86	5.8%	1,637.63	1,742.72	6.4%
Family - 2+ Mediprime	1,154.11	1,221.89	5.9%	1,114.63	1,194.16	7.1%
Aggregate			5.8%			6.3%
<u>Best Estimate Projections</u>						
Individual Plan Prime	957.11	1,033.22	8.0%	944.39	1,023.11	8.3%
Family Plan Prime	2,188.54	2,362.18	7.9%	2,160.64	2,339.64	8.3%
Individual Mediprime	439.91	478.64	8.8%	421.40	465.93	10.6%
Family - 1 Mediprime	1,671.33	1,807.61	8.2%	1,637.63	1,782.47	8.8%
Family - 2+ Mediprime	1,154.11	1,253.05	8.6%	1,114.63	1,225.32	9.9%
Aggregate			8.1%			8.7%
<u>Pessimistic Projections</u>						
Individual Plan Prime	957.11	1,054.34	10.2%	944.39	1,044.23	10.6%
Family Plan Prime	2,188.54	2,410.35	10.1%	2,160.64	2,387.81	10.5%
Individual Mediprime	439.91	491.23	11.7%	421.40	478.52	13.6%
Family - 1 Mediprime	1,671.33	1,847.24	10.5%	1,637.63	1,822.10	11.3%
Family - 2+ Mediprime	1,154.11	1,284.15	11.3%	1,114.63	1,256.42	12.7%
Aggregate			10.4%			11.0%

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

(2) Represents cost to a participating agency.

(3) Projected Rates.

2018 Premium Projections

Excelsior Plan

<u>Optimistic Projections</u>	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>
Individual Plan Prime	848.79	902.41	6.3%	839.75	894.06	6.5%
Family Plan Prime	1,951.83	2,075.43	6.3%	1,931.72	2,056.62	6.5%
Individual Mediprime	386.06	410.46	6.3%	370.77	399.66	7.8%
Family - 1 Mediprime	1,489.10	1,583.48	6.3%	1,462.74	1,562.22	6.8%
Family - 2+ Mediprime	1,026.36	1,091.52	6.3%	993.74	1,067.82	7.5%
Aggregate			6.3%			6.7%

<u>Best Estimate Projections</u>	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>
Individual Plan Prime	848.79	920.82	8.5%	839.75	912.47	8.7%
Family Plan Prime	1,951.83	2,117.69	8.5%	1,931.72	2,098.88	8.7%
Individual Mediprime	386.06	421.43	9.2%	370.77	410.63	10.8%
Family - 1 Mediprime	1,489.10	1,618.29	8.7%	1,462.74	1,597.03	9.2%
Family - 2+ Mediprime	1,026.36	1,118.90	9.0%	993.74	1,095.20	10.2%
Aggregate			8.6%			9.1%

<u>Pessimistic Projections</u>	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>
Individual Plan Prime	848.79	939.16	10.6%	839.75	930.81	10.8%
Family Plan Prime	1,951.83	2,159.76	10.7%	1,931.72	2,140.95	10.8%
Individual Mediprime	386.06	432.40	12.0%	370.77	421.60	13.7%
Family - 1 Mediprime	1,489.10	1,652.99	11.0%	1,462.74	1,631.73	11.6%
Family - 2+ Mediprime	1,026.36	1,146.24	11.7%	993.74	1,122.54	13.0%
Aggregate			10.9%			11.4%

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

(2) Represents cost to a participating agency.

(3) Projected Rates.

**EMPIRE PLAN
PA 5 TIER GROUP RATES
2009 - 2018 Monthly Rates**

	Gross Rate(1)	% Change	Net Rate(2)	% Change
Individual Planprime				
2009	630.73	-0.5%	598.58	1.0%
2010	660.24	4.7%	612.34	2.3%
2011	734.00	11.2%	693.92	13.3%
2012	751.55	2.4%	712.75	2.7%
2013	779.91	3.8%	767.98	7.7%
2014	789.31	1.2%	771.54	0.5%
2015	830.01	5.2%	805.05	4.3%
2016	874.17	5.3%	849.01	5.5%
2017	957.11	9.5%	944.39	11.2%
2018	1,033.22	8.0%	1,023.11	8.3%
Average Percent Increase				
From Inception of 5 Tier Structure (1996)		7.1%		7.6%
Most Recent 10 Years		5.1%		5.7%
Most Recent 5 Years		5.8%		6.0%
Family Planprime				
2009	1,350.26	0.3%	1,282.17	1.9%
2010	1,431.43	6.0%	1,330.93	3.8%
2011	1,598.49	11.7%	1,513.92	13.7%
2012	1,645.31	2.9%	1,562.80	3.2%
2013	1,712.76	4.1%	1,686.56	7.9%
2014	1,752.26	2.3%	1,714.19	1.6%
2015	1,862.59	6.3%	1,808.86	5.5%
2016	1,980.96	6.4%	1,926.21	6.5%
2017	2,188.54	10.5%	2,160.64	12.2%
2018	2,362.18	7.9%	2,339.64	8.3%
Average Percent Increase				
From Inception of 5 Tier Structure (1996)		7.2%		7.6%
Most Recent 10 Years		5.8%		6.5%
Most Recent 5 Years		6.7%		6.8%
Individual Medprime				
2009	384.38	-3.2%	359.22	-0.3%
2010	400.76	4.3%	367.37	2.3%
2011	446.90	11.5%	405.64	10.4%
2012	447.66	0.2%	419.24	3.4%
2013	409.85	-8.4%	399.33	-4.7%
2014	424.22	3.5%	408.77	2.4%
2015	412.95	-2.7%	401.84	-1.7%
2016	459.28	11.2%	452.79	12.7%
2017	439.91	-4.2%	421.40	-6.9%
2018	478.64	8.8%	465.93	10.6%
Average Percent Increase				
From Inception of 5 Tier Structure (1996)		4.0%		4.5%
Most Recent 10 Years		2.1%		2.8%
Most Recent 5 Years		3.3%		3.4%

(1) Represents premiums paid to the vendors (2009-2013) and premiums set to fund all self insured costs (2014-2018).
(2) Represents cost to a participating agency.

EMPIRE PLAN PA 5 TIER GROUP RATES 2009 - 2018 Monthly Rates

	Gross Rate(1)	% Change	Net Rate(2)	% Change
Family - 1 Medprime				
2009	1,103.90	-0.5%	1,042.81	1.6%
2010	1,171.95	6.2%	1,085.94	4.1%
2011	1,311.39	11.9%	1,225.62	12.9%
2012	1,341.42	2.3%	1,269.28	3.6%
2013	1,342.71	0.1%	1,317.93	3.8%
2014	1,387.18	3.3%	1,351.42	2.5%
2015	1,445.54	4.2%	1,405.68	4.0%
2016	1,566.06	8.3%	1,530.00	8.8%
2017	1,671.33	6.7%	1,637.63	7.0%
2018	1,807.61	8.2%	1,782.47	8.8%
<u>Average Percent Increase</u>				
From Inception of 5 Tier Structure (1996)		6.0%		6.4%
Most Recent 10 Years		5.1%		5.7%
Most Recent 5 Years		6.1%		6.3%
Family - 2 or More Medprime				
2009	857.54	-1.8%	803.45	1.1%
2010	912.48	6.4%	840.98	4.7%
2011	1,024.28	12.3%	937.31	11.5%
2012	1,037.53	1.3%	975.77	4.1%
2013	972.66	-6.3%	949.28	-2.7%
2014	1,022.11	5.1%	988.69	4.2%
2015	1,028.48	0.6%	1,002.46	1.4%
2016	1,151.17	11.9%	1,133.77	13.1%
2017	1,154.11	0.3%	1,114.63	-1.7%
2018	1,253.05	8.6%	1,225.32	9.9%
<u>Average Percent Increase</u>				
From Inception of 5 Tier Structure (1996)		4.7%		5.2%
Most Recent 10 Years		3.8%		4.5%
Most Recent 5 Years		5.3%		5.4%

(1) Represents premiums paid to the vendors (2009-2013) and premiums set to fund all self insured costs (2014-2018).
(2) Represents cost to a participating agency.

**EMPIRE PLAN
PA 2 TIER GROUP RATES
2009 - 2018 Monthly Rates
(For Illustrative Purposes Only)**

	Gross Rate(1)	% Change	Net Rate(2)	% Change
Individual				
2009	527.09	-1.8%	497.91	-0.2%
2010	557.46	5.8%	515.75	3.6%
2011	621.78	11.5%	581.69	12.8%
2012	619.95	-0.3%	584.75	0.5%
2013	608.23	-1.9%	594.58	1.7%
2014	619.05	1.8%	602.57	1.3%
2015	643.84	4.0%	624.64	3.7%
2016	681.30	5.8%	663.86	6.3%
2017	724.25	6.3%	710.27	7.0%
2018	781.98	8.0%	771.45	8.6%
Average Percent Increase				
From Inception (1986)		6.8%		6.9%
Most Recent 10 Years		3.9%		4.5%
Most Recent 5 Years		5.2%		5.4%
Family				
2009	1,230.02	-0.3%	1,165.24	1.3%
2010	1,297.06	5.5%	1,203.56	3.3%
2011	1,441.84	11.2%	1,353.97	12.5%
2012	1,478.23	2.5%	1,398.52	3.3%
2013	1,502.55	1.6%	1,471.47	5.2%
2014	1,539.35	2.4%	1,502.31	2.1%
2015	1,604.08	4.2%	1,557.93	3.7%
2016	1,722.49	7.4%	1,678.01	7.7%
2017	1,856.96	7.8%	1,825.69	8.8%
2018	2,002.14	7.8%	1,977.86	8.3%
Average Percent Increase				
From Inception (1986)		7.5%		7.5%
Most Recent 10 Years		5.0%		5.6%
Most Recent 5 Years		5.9%		6.1%

(1) Represents premiums paid to the vendors (2009-2013) and premiums set to fund all self insured costs (2014-2018)

(2) Represents cost to a participating agency.