

FINAL 2016 EMPIRE PLAN EXPERIENCE

In (000's)

	EMPIRE	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MHSA				CVS CAREMARK	TOTAL
	BLUE CROSS	NY	PA	Combined	Core	NY	PA	Combined	DRUG		
		Core	Enhancement			Enhancement	Enhancement		Enhancement		
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		
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 With Drug Coverage

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
<u>Optimistic Projections</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Individual Plan Prime	737.16	775.29	5.2%	722.61	762.99	5.6%
Family Plan Prime	1,846.14	1,939.68	5.1%	1,813.90	1,911.31	5.4%
Aggregate			5.1%			5.4%
<u>Best Estimate Projections</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Individual Plan Prime	737.16	791.57	7.4%	722.61	779.27	7.8%
Family Plan Prime	1,846.14	1,980.28	7.3%	1,813.90	1,951.91	7.6%
Aggregate			7.3%			7.6%
<u>Pessimistic Projections</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Individual Plan Prime	737.16	807.81	9.6%	722.61	795.51	10.1%
Family Plan Prime	1,846.14	2,020.74	9.5%	1,813.90	1,992.37	9.8%
Aggregate			9.5%			9.9%

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

(2) Represents cost to a participating employer.

2018 Premium Projections Empire Plan Without Drug Coverage

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2017</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>
<u>Optimistic Projections</u>						
Individual Plan Prime	548.57	574.56	4.7%	545.24	569.65	4.5%
Family Plan Prime	1,442.64	1,506.62	4.4%	1,434.09	1,493.80	4.2%
Aggregate			4.5%			4.2%
<u>Best Estimate Projections</u>						
Individual Plan Prime	548.57	584.63	6.6%	545.24	579.72	6.3%
Family Plan Prime	1,442.64	1,533.83	6.3%	1,434.09	1,521.01	6.1%
Aggregate			6.4%			6.1%
<u>Pessimistic Projections</u>						
Individual Plan Prime	548.57	594.66	8.4%	545.24	589.75	8.2%
Family Plan Prime	1,442.64	1,560.90	8.2%	1,434.09	1,548.08	7.9%
Aggregate			8.2%			8.0%

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

(2) Represents cost to a participating employer.

PARTICIPATING EMPLOYER RATES					
2009-2018 MONTHLY RATES					
REPRESENTS ENROLLEES WITH RX DRUG COVERAGE					
Individual	Gross Rate (1)	% Change	Net Rate (2)	% Change	
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 (3)	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	695.47	6.0%	680.91	6.2%	
2017	737.16	6.0%	722.61	6.1%	
2018 Projected	791.57	7.4%	779.27	7.8%	
<u>Average Percent Increase</u>					
From Inception (1985)		6.9%		6.9%	
Most Recent 10 Years		4.4%		5.0%	
Most Recent 5 Years		5.0%		5.1%	
Family					
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 (3)	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	1,719.56	7.8%	1,682.33	7.9%	
2017	1,846.14	7.4%	1,813.90	7.8%	
2018 Projected	1,980.28	7.3%	1,951.91	7.6%	
<u>Average Percent Increase</u>					
From Inception (1985)		7.4%		7.5%	
Most Recent 10 Years		5.3%		5.8%	
Most Recent 5 Years		5.7%		5.9%	

(1) Represents premiums charged by the carriers (2009-2013) and premiums set to fund all self insured costs (2014-2018).

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

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

PARTICIPATING EMPLOYER RATES					
2009-2018 MONTHLY RATES					
REPRESENTS ENROLLEES WITHOUT RX DRUG COVERAGE					
Individual	Gross Rate (1)	% Change	Net Rate (2)	% Change	
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 (3)	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	506.79	2.7%	492.32	2.2%	
2017	548.57	8.2%	545.24	10.7%	
2018 Projected	584.63	6.6%	579.72	6.3%	
<u>Average Percent Increase</u>					
From Inception (1985)		6.5%		6.6%	
Most Recent 10 Years		5.1%		5.5%	
Most Recent 5 Years		4.4%		4.5%	
Family					
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 (3)	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	1,318.09	4.8%	1,281.05	4.3%	
2017	1,442.64	9.4%	1,434.09	11.9%	
2018 Projected	1,533.83	6.3%	1,521.01	6.1%	
<u>Average Percent Increase</u>					
From Inception (1985)		7.2%		7.3%	
Most Recent 10 Years		5.9%		6.2%	
Most Recent 5 Years		5.2%		5.4%	

(1) Represents premiums charged by the carriers (2009-2013) and premiums set to fund all self insured costs (2014-2018).

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

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