

PROJECTED 2017 EMPIRE PLAN EXPERIENCE AT 12/31/2017
In (000's)

	EMPIRE BLUE CROSS	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MHSA				CVS CAREMARK DRUG	TOTAL
		Core	NY Enhancement	PA Enhancement	Combined	Core	NY Enhancement	PA Enhancement	Combined		
A Premium (1)	2,993,369	2,457,006	352,015	367,290	3,176,311	176,079	23,671	20,579	220,329	1,944,618	8,334,627
B Incurred Claims (2)	2,894,593	2,250,868	320,602	339,233	2,910,703	183,771	35,587	26,438	245,796	1,699,684	7,750,776
C Administrative Expense (3)	94,076	152,383	16,553	17,529	186,465	11,566	2,159	1,608	15,333	29,921	325,795
D Gain/(Loss) (A-B-C)	4,700	53,755	14,860	10,528	79,143	(19,258)	(14,075)	(7,467)	(40,800)	215,013	258,056

(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: Vendor 2017 4th Quarter Reports

PROJECTED 2017 EMPIRE PLAN EXPERIENCE AT 9/30/2017
In (000's)

	EMPIRE BLUE CROSS	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MESA				CVS CAREMARK DRUG	TOTAL
		Core	NY Enhancement	PA Enhancement	Combined	Core	NY Enhancement	PA Enhancement	Combined		
A Premium (1)	2,989,379	2,453,452	351,566	366,660	3,171,678	175,841	23,634	20,556	220,031	1,941,247	8,322,335
B Incurred Claims (2)	2,948,449	2,256,356	319,274	343,770	2,919,400	190,946	34,434	24,313	249,693	1,771,174	7,888,716
C Administrative Expense (3)	93,870	157,965	16,297	17,510	191,772	11,687	2,151	1,513	15,351	29,994	330,987
D Gain/(Loss) (A-B-C)	(52,940)	39,131	15,995	5,380	60,506	(26,792)	(12,951)	(5,270)	(45,013)	140,079	102,632

(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: Vendor 2017 3rd Quarter Reports

2019 Rate Premium Projections

Empire Plan

<u>Optimistic Projections</u>	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>
Individual Plan Prime	1,022.47	1,078.59	5.5%	1,014.98	1,065.03	4.9%
Family Plan Prime	2,364.48	2,495.25	5.5%	2,348.15	2,464.70	5.0%
Individual Mediprime	449.90	480.87	6.9%	444.39	461.86	3.9%
Family - 1 Mediprime	1,791.89	1,897.51	5.9%	1,777.54	1,861.49	4.7%
Family - 2+ Mediprime	1,219.31	1,299.78	6.6%	1,206.95	1,258.31	4.3%
Aggregate			5.8%			4.8%
<u>Best Estimate Projections</u>	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>
Individual Plan Prime	1,022.47	1,101.16	7.7%	1,014.98	1,087.60	7.2%
Family Plan Prime	2,364.48	2,547.28	7.7%	2,348.15	2,516.73	7.2%
Individual Mediprime	449.90	493.91	9.8%	444.39	474.90	6.9%
Family - 1 Mediprime	1,791.89	1,940.04	8.3%	1,777.54	1,904.02	7.1%
Family - 2+ Mediprime	1,219.31	1,332.78	9.3%	1,206.95	1,291.31	7.0%
Aggregate			8.1%			7.1%
<u>Pessimistic Projections</u>	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>
Individual Plan Prime	1,022.47	1,123.66	9.9%	1,014.98	1,110.10	9.4%
Family Plan Prime	2,364.48	2,599.14	9.9%	2,348.15	2,568.59	9.4%
Individual Mediprime	449.90	506.94	12.7%	444.39	487.93	9.8%
Family - 1 Mediprime	1,791.89	1,982.43	10.6%	1,777.54	1,946.41	9.5%
Family - 2+ Mediprime	1,219.31	1,365.72	12.0%	1,206.95	1,324.25	9.7%
Aggregate			10.4%			9.5%

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

(2) Represents cost to a participating agency.

(3) Projected Rates.

2019 Rate Premium Projections

Excelsior Plan

<u>Optimistic Projections</u>	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>
Individual Plan Prime	906.82	961.18	6.0%	901.65	950.57	5.4%
Family Plan Prime	2,110.94	2,237.78	6.0%	2,099.52	2,213.67	5.4%
Individual Mediprime	395.39	423.65	7.1%	390.93	407.67	4.3%
Family - 1 Mediprime	1,599.51	1,700.25	6.3%	1,588.79	1,670.78	5.2%
Family - 2+ Mediprime	1,088.08	1,162.71	6.9%	1,078.06	1,127.89	4.6%
Aggregate			6.2%			5.2%

<u>Best Estimate Projections</u>	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>
Individual Plan Prime	906.82	980.76	8.2%	901.65	970.15	7.6%
Family Plan Prime	2,110.94	2,283.21	8.2%	2,099.52	2,259.10	7.6%
Individual Mediprime	395.39	435.01	10.0%	390.93	419.03	7.2%
Family - 1 Mediprime	1,599.51	1,737.47	8.6%	1,588.79	1,708.00	7.5%
Family - 2+ Mediprime	1,088.08	1,191.73	9.5%	1,078.06	1,156.91	7.3%
Aggregate			8.5%			7.5%

<u>Pessimistic Projections</u>	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>
Individual Plan Prime	906.82	1,000.24	10.3%	901.65	989.63	9.8%
Family Plan Prime	2,110.94	2,328.48	10.3%	2,099.52	2,304.37	9.8%
Individual Mediprime	395.39	446.35	12.9%	390.93	430.37	10.1%
Family - 1 Mediprime	1,599.51	1,774.59	10.9%	1,588.79	1,745.12	9.8%
Family - 2+ Mediprime	1,088.08	1,220.69	12.2%	1,078.06	1,185.87	10.0%
Aggregate			10.7%			9.8%

(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
2010 - 2019 Monthly Rates

	Gross Rate(1)	% Change	Net Rate(2)	% Change
Individual Planprime				
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	1,022.47	6.8%	1,014.98	7.5%
2019	1,101.16	7.7%	1,087.60	7.2%
Average Percent Increase				
From Inception of 5 Tier Structure (1996)		7.1%		7.5%
Most Recent 10 Years		5.8%		6.2%
Most Recent 5 Years		6.9%		7.1%
Family Planprime				
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	2,364.48	8.0%	2,348.15	8.7%
2019	2,547.28	7.7%	2,516.73	7.2%
Average Percent Increase				
From Inception of 5 Tier Structure (1996)		7.2%		7.6%
Most Recent 10 Years		6.6%		7.0%
Most Recent 5 Years		7.8%		8.0%
Individual Medprime				
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	449.90	2.3%	444.39	5.5%
2019	493.91	9.8%	474.90	6.9%
Average Percent Increase				
From Inception of 5 Tier Structure (1996)		4.0%		4.4%
Most Recent 10 Years		2.7%		3.0%
Most Recent 5 Years		3.3%		3.3%

(1) Represents premiums paid to the carriers (2010-2013) and premiums set to fund all self insured costs (2014-2019).

(2) Represents cost to a participating agency.

EMPIRE PLAN PA 5 TIER GROUP RATES 2010 - 2019 Monthly Rates				
	Gross Rate(1)	% Change	Net Rate(2)	% Change
Family - 1 Medprime				
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	1,791.89	7.2%	1,777.54	8.5%
2019	1,940.04	8.3%	1,904.02	7.1%
<u>Average Percent Increase</u>				
From Inception of 5 Tier Structure (1996)		6.1%		6.5%
Most Recent 10 Years		5.9%		6.2%
Most Recent 5 Years		6.9%		7.1%
Family - 2 or More Medprime				
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	1,219.31	5.6%	1,206.95	8.3%
2019	1,332.78	9.3%	1,291.31	7.0%
<u>Average Percent Increase</u>				
From Inception of 5 Tier Structure (1996)		4.8%		5.2%
Most Recent 10 Years		4.7%		5.0%
Most Recent 5 Years		5.6%		5.6%

(1) Represents premiums paid to the carriers (2010-2013) and premiums set to fund all self insured costs (2014-2019).

(2) Represents cost to a participating agency.

**EMPIRE PLAN
PA 2 TIER GROUP RATES
2010 - 2019 Monthly Rates
(For Illustrative Purposes Only)**

	Gross Rate(1)	% Change	Net Rate(2)	% Change
Individual				
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	770.58	6.4%	764.28	7.6%
2019	830.70	7.8%	814.18	6.5%
Average Percent Increase				
From Inception (1986)		6.8%		6.8%
Most Recent 10 Years		4.7%		5.1%
Most Recent 5 Years		6.1%		6.2%
Family				
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	1,979.89	6.6%	1,965.09	7.6%
2019	2,142.35	8.2%	2,105.25	7.1%
Average Percent Increase				
From Inception (1986)		7.5%		7.5%
Most Recent 10 Years		5.7%		6.1%
Most Recent 5 Years		6.8%		7.0%

(1) Represents premiums paid to the carriers (2010-2013) and premiums set to fund all self insured costs (2014-2019)

(2) Represents cost to a participating agency.