

**PROJECTED 2018 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)                | 3,278,277  | 2,575,123                 | 343,978     | 369,645  | 3,288,746   | 219,444                    | 37,595   | 26,664      | 283,703     | 2,041,482    | 8,892,208 |
| B Incurred Claims (2)        | 3,123,605  | 2,455,820                 | 322,410     | 332,151  | 3,110,381   | 199,535                    | 32,453   | 30,536      | 262,524     | 2,034,378    | 8,530,888 |
| C Administrative Expense (3) | 93,333     | 161,229                   | 16,206      | 16,775   | 194,210     | 11,789                     | 1,951    | 1,827       | 15,567      | 30,171       | 333,281   |
| D Gain/(Loss) (A-B-C)        | 61,339     | (41,926)                  | 5,362       | 20,719   | (15,845)    | 8,120                      | 3,191    | (5,699)     | 5,612       | (23,067)     | 28,039    |

(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' 2018 2nd Quarter Experience Reports.

## 2019 Premium Projections

## Empire Plan

|                                  | 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>Optimistic Projections</u>    |                                 |                 |                 |                               |                 |                 |
| Individual Plan Prime            | 1,022.47                        | 1,074.51        | 5.1%            | 1,014.98                      | 1,059.59        | 4.4%            |
| Family Plan Prime                | 2,364.48                        | 2,488.71        | 5.3%            | 2,348.15                      | 2,455.12        | 4.6%            |
| Individual Mediprime             | 449.90                          | 483.60          | 7.5%            | 444.39                        | 463.08          | 4.2%            |
| Family - 1 Mediprime             | 1,791.89                        | 1,897.81        | 5.9%            | 1,777.54                      | 1,858.61        | 4.6%            |
| Family - 2+ Mediprime            | 1,219.31                        | 1,306.91        | 7.2%            | 1,206.95                      | 1,262.09        | 4.6%            |
| <b>Aggregate</b>                 |                                 |                 | <b>5.7%</b>     |                               |                 | <b>4.5%</b>     |
|                                  |                                 |                 |                 |                               |                 |                 |
|                                  |                                 |                 |                 |                               |                 |                 |
| <u>Best Estimate Projections</u> |                                 |                 |                 |                               |                 |                 |
| Individual Plan Prime            | 1,022.47                        | 1,096.98        | 7.3%            | 1,014.98                      | 1,082.06        | 6.6%            |
| Family Plan Prime                | 2,364.48                        | 2,540.60        | 7.4%            | 2,348.15                      | 2,507.01        | 6.8%            |
| Individual Mediprime             | 449.90                          | 496.72          | 10.4%           | 444.39                        | 476.20          | 7.2%            |
| Family - 1 Mediprime             | 1,791.89                        | 1,940.36        | 8.3%            | 1,777.54                      | 1,901.16        | 7.0%            |
| Family - 2+ Mediprime            | 1,219.31                        | 1,340.11        | 9.9%            | 1,206.95                      | 1,295.29        | 7.3%            |
| <b>Aggregate</b>                 |                                 |                 | <b>8.0%</b>     |                               |                 | <b>6.9%</b>     |
|                                  |                                 |                 |                 |                               |                 |                 |
|                                  |                                 |                 |                 |                               |                 |                 |
| <u>Pessimistic Projections</u>   |                                 |                 |                 |                               |                 |                 |
| Individual Plan Prime            | 1,022.47                        | 1,119.41        | 9.5%            | 1,014.98                      | 1,104.49        | 8.8%            |
| Family Plan Prime                | 2,364.48                        | 2,592.41        | 9.6%            | 2,348.15                      | 2,558.82        | 9.0%            |
| Individual Mediprime             | 449.90                          | 509.85          | 13.3%           | 444.39                        | 489.33          | 10.1%           |
| Family - 1 Mediprime             | 1,791.89                        | 1,982.85        | 10.7%           | 1,777.54                      | 1,943.65        | 9.3%            |
| Family - 2+ Mediprime            | 1,219.31                        | 1,373.31        | 12.6%           | 1,206.95                      | 1,328.49        | 10.1%           |
| <b>Aggregate</b>                 |                                 |                 | <b>10.3%</b>    |                               |                 | <b>9.2%</b>     |

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

(2) Represents cost to a participating agency.

(3) Projected Rates.

## 2019 Premium Projections

## Excelsior Plan

|                                  | 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>Optimistic Projections</u>    |                                 |                 |                 |                               |                 |                 |
| Individual Plan Prime            | 906.82                          | 958.68          | 5.7%            | 901.65                        | 946.74          | 5.0%            |
| Family Plan Prime                | 2,110.94                        | 2,232.97        | 5.8%            | 2,099.52                      | 2,205.89        | 5.1%            |
| Individual Mediprime             | 395.39                          | 425.31          | 7.6%            | 390.93                        | 408.01          | 4.4%            |
| Family - 1 Mediprime             | 1,599.51                        | 1,699.61        | 6.3%            | 1,588.79                      | 1,667.15        | 4.9%            |
| Family - 2+ Mediprime            | 1,088.08                        | 1,166.23        | 7.2%            | 1,078.06                      | 1,128.40        | 4.7%            |
| <b>Aggregate</b>                 |                                 |                 | <b>6.1%</b>     |                               |                 | <b>4.9%</b>     |
|                                  |                                 |                 |                 |                               |                 |                 |
|                                  |                                 |                 |                 |                               |                 |                 |
|                                  |                                 |                 |                 |                               |                 |                 |
|                                  |                                 |                 |                 |                               |                 |                 |
|                                  |                                 |                 |                 |                               |                 |                 |
| <u>Best Estimate Projections</u> |                                 |                 |                 |                               |                 |                 |
| Individual Plan Prime            | 906.82                          | 978.18          | 7.9%            | 901.65                        | 966.24          | 7.2%            |
| Family Plan Prime                | 2,110.94                        | 2,278.28        | 7.9%            | 2,099.52                      | 2,251.20        | 7.2%            |
| Individual Mediprime             | 395.39                          | 436.73          | 10.5%           | 390.93                        | 419.43          | 7.3%            |
| Family - 1 Mediprime             | 1,599.51                        | 1,736.82        | 8.6%            | 1,588.79                      | 1,704.36        | 7.3%            |
| Family - 2+ Mediprime            | 1,088.08                        | 1,195.37        | 9.9%            | 1,078.06                      | 1,157.54        | 7.4%            |
| <b>Aggregate</b>                 |                                 |                 | <b>8.4%</b>     |                               |                 | <b>7.2%</b>     |
|                                  |                                 |                 |                 |                               |                 |                 |
|                                  |                                 |                 |                 |                               |                 |                 |
|                                  |                                 |                 |                 |                               |                 |                 |
|                                  |                                 |                 |                 |                               |                 |                 |
|                                  |                                 |                 |                 |                               |                 |                 |
| <u>Pessimistic Projections</u>   |                                 |                 |                 |                               |                 |                 |
| Individual Plan Prime            | 906.82                          | 997.65          | 10.0%           | 901.65                        | 985.71          | 9.3%            |
| Family Plan Prime                | 2,110.94                        | 2,323.49        | 10.1%           | 2,099.52                      | 2,296.41        | 9.4%            |
| Individual Mediprime             | 395.39                          | 448.15          | 13.3%           | 390.93                        | 430.85          | 10.2%           |
| Family - 1 Mediprime             | 1,599.51                        | 1,773.98        | 10.9%           | 1,588.79                      | 1,741.52        | 9.6%            |
| Family - 2+ Mediprime            | 1,088.08                        | 1,224.48        | 12.5%           | 1,078.06                      | 1,186.65        | 10.1%           |
| <b>Aggregate</b>                 |                                 |                 | <b>10.6%</b>    |                               |                 | <b>9.5%</b>     |

(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<br>Rate(1) | %<br>Change | Net<br>Rate(2) | %<br>Change |
|---|------------------|-------------|----------------|-------------|
| <b>Individual Planprime</b>               |                  |             |                |             |
| 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                                      | 1,096.98         | 7.3%        | 1,082.06       | 6.6%        |
| <b>Average Percent Increase</b>           |                  |             |                |             |
| From Inception of 5 Tier Structure (1996) |                  | 7.1%        |                | 7.5%        |
| Most Recent 10 Years                      |                  | 5.7%        |                | 6.2%        |
| Most Recent 5 Years                       |                  | 6.8%        |                | 7.0%        |
| <b>Family Planprime</b>                   |                  |             |                |             |
| 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                                      | 2,540.60         | 7.4%        | 2,507.01       | 6.8%        |
| <b>Average Percent Increase</b>           |                  |             |                |             |
| From Inception of 5 Tier Structure (1996) |                  | 7.2%        |                | 7.6%        |
| Most Recent 10 Years                      |                  | 6.6%        |                | 7.0%        |
| Most Recent 5 Years                       |                  | 7.7%        |                | 7.9%        |
| <b>Individual Medprime</b>                |                  |             |                |             |
| 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                                      | 496.72           | 10.4%       | 476.20         | 7.2%        |
| <b>Average Percent Increase</b>           |                  |             |                |             |
| From Inception of 5 Tier Structure (1996) |                  | 4.0%        |                | 4.4%        |
| Most Recent 10 Years                      |                  | 2.8%        |                | 3.0%        |
| Most Recent 5 Years                       |                  | 3.4%        |                | 3.3%        |

(1) Represents premiums paid to the vendors (2010-2013) and premiums set to fund all self insured costs (2014-2019).  
(2) Represents cost to a participating agency.

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| <b>EMPIRE PLAN</b><br><b>PA 5 TIER GROUP RATES</b><br><b>2010 - 2019 Monthly Rates</b> |
|--|

|   | Gross<br>Rate(1) | %<br>Change | Net<br>Rate(2) | %<br>Change |
|---|------------------|-------------|----------------|-------------|
| <b>Family - 1 Medprime</b>                |                  |             |                |             |
| 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                                      | 1,940.36         | 8.3%        | 1,901.16       | 7.0%        |
| <b><u>Average Percent Increase</u></b>    |                  |             |                |             |
| From Inception of 5 Tier Structure (1996) |                  | 6.1%        |                | 6.5%        |
| Most Recent 10 Years                      |                  | 5.9%        |                | 6.2%        |
| Most Recent 5 Years                       |                  | 7.0%        |                | 7.1%        |
| <b>Family - 2 or More Medprime</b>        |                  |             |                |             |
| 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                                      | 1,340.11         | 9.9%        | 1,295.29       | 7.3%        |
| <b><u>Average Percent Increase</u></b>    |                  |             |                |             |
| From Inception of 5 Tier Structure (1996) |                  | 4.8%        |                | 5.2%        |
| Most Recent 10 Years                      |                  | 4.7%        |                | 5.0%        |
| Most Recent 5 Years                       |                  | 5.7%        |                | 5.7%        |

(1) Represents premiums paid to the vendors (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<br>Rate(1) | %<br>Change | Net<br>Rate(2) | %<br>Change |
|---------------------------------|------------------|-------------|----------------|-------------|
| <b>Individual</b>               |                  |             |                |             |
| 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                            | 834.40           | 8.3%        | 816.46         | 6.8%        |
| <b>Average Percent Increase</b> |                  |             |                |             |
| From Inception (1986)           |                  | 6.8%        |                | 6.9%        |
| Most Recent 10 Years            |                  | 4.8%        |                | 5.1%        |
| Most Recent 5 Years             |                  | 6.2%        |                | 6.3%        |
| <b>Family</b>                   |                  |             |                |             |
| 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                            | 2,130.14         | 7.6%        | 2,089.82       | 6.3%        |
| <b>Average Percent Increase</b> |                  |             |                |             |
| From Inception (1986)           |                  | 7.4%        |                | 7.5%        |
| Most Recent 10 Years            |                  | 5.7%        |                | 6.1%        |
| Most Recent 5 Years             |                  | 6.7%        |                | 6.8%        |

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

(2) Represents cost to a participating agency.