

PROJECTED 2017 EMPIRE PLAN EXPERIENCE AT 12/31/2017
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)	2,993,369	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	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MHSA				CVS CAREMARK	TOTAL
	BLUE CROSS	NY	PA			NY	PA		DRUG		
		Core	Enhancement	Enhancement	Combined	Core	Enhancement	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 Premium Projections Empire Plan With Drug Coverage

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
<u>Optimistic Projections</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>
Individual Coverage	785.91	833.06	6.0%	778.51	815.90	4.8%
Family Coverage	1,965.83	2,092.21	6.4%	1,948.61	2,053.63	5.4%
Aggregate			6.3%			5.3%
<u>Best Estimate Projections</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>
Individual Coverage	785.91	850.36	8.2%	778.51	833.20	7.0%
Family Coverage	1,965.83	2,135.80	8.6%	1,948.61	2,097.22	7.6%
Aggregate			8.6%			7.5%
<u>Pessimistic Projections</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>
Individual Coverage	785.91	867.61	10.4%	778.51	850.45	9.2%
Family Coverage	1,965.83	2,179.25	10.9%	1,948.61	2,140.67	9.9%
Aggregate			10.8%			9.7%

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

(2) Represents cost to a participating employer.

(3) Projected Rates.

2019 Premium Projections Empire Plan Without Drug Coverage

	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 Coverage	589.35	622.99	5.7%	584.56	618.98	5.9%
Family Coverage	1,541.62	1,631.25	5.8%	1,529.83	1,620.81	5.9%
Aggregate			5.8%			5.9%
<u>Best Estimate Projections</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>
Individual Coverage	589.35	633.79	7.5%	584.56	629.78	7.7%
Family Coverage	1,541.62	1,660.58	7.7%	1,529.83	1,650.14	7.9%
Aggregate			7.7%			7.8%
<u>Pessimistic Projections</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>	<u>2018</u>	<u>2019 (3)</u>	<u>% Change</u>
Individual Coverage	589.35	644.54	9.4%	584.56	640.53	9.6%
Family Coverage	1,541.62	1,689.77	9.6%	1,529.83	1,679.33	9.8%
Aggregate			9.6%			9.7%

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

(2) Represents cost to a participating employer.

(3) Projected Rates.

PARTICIPATING EMPLOYER RATES				
2010-2019 MONTHLY RATES				
REPRESENTS ENROLLEES WITH RX DRUG COVERAGE				
	Gross Rate (1)	% Change	Net Rate (2)	% Change
Individual				
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	785.91	6.6%	778.51	7.7%
2019 Projected	850.36	8.2%	833.20	7.0%
<u>Average Percent Increase</u>				
From Inception (1985)		6.9%		6.9%
Most Recent 10 Years		5.4%		5.7%
Most Recent 5 Years		6.1%		6.2%
Family				
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	1,965.83	6.5%	1,948.61	7.4%
2019 Projected	2,135.80	8.6%	2,097.22	7.6%
<u>Average Percent Increase</u>				
From Inception (1985)		7.4%		7.5%
Most Recent 10 Years		6.1%		6.4%
Most Recent 5 Years		6.9%		6.9%

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

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

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

PARTICIPATING EMPLOYER RATES				
2010-2019 MONTHLY RATES				
REPRESENTS ENROLLEES WITHOUT RX DRUG COVERAGE				
	Gross Rate (1)	% Change	Net Rate (2)	% Change
Individual				
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	589.35	7.4%	584.56	7.2%
2019 Projected	633.79	7.5%	629.78	7.7%
<u>Average Percent Increase</u>				
From Inception (1985)		6.5%		6.6%
Most Recent 10 Years		5.9%		6.2%
Most Recent 5 Years		6.1%		6.3%
Family				
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	1,541.62	6.9%	1,529.83	6.7%
2019 Projected	1,660.58	7.7%	1,650.14	7.9%
<u>Average Percent Increase</u>				
From Inception (1985)		7.2%		7.3%
Most Recent 10 Years		6.5%		6.9%
Most Recent 5 Years		6.7%		7.0%

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

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

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