

**FINAL 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)                | 2,993,369  | 2,457,006                 | 352,015     | 367,290     | 3,176,311 | 176,079                    | 23,672      | 20,579      | 220,330  | 1,944,618    | 8,334,628 |
| B Incurred Claims (2)        | 2,895,459  | 2,262,732                 | 323,442     | 342,300     | 2,928,474 | 183,647                    | 36,359      | 27,066      | 247,072  | 1,693,433    | 7,764,438 |
| C Administrative Expense (3) | 94,065     | 150,669                   | 16,439      | 17,409      | 184,517   | 11,499                     | 2,195       | 1,640       | 15,334   | 29,903       | 323,819   |
| D Gain/(Loss) (A-B-C)        | 3,845      | 43,605                    | 12,134      | 7,581       | 63,320    | (19,067)                   | (14,882)    | (8,127)     | (42,076) | 221,282      | 246,371   |

(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 Annual Experience Reports

## PROJECTED 2018 EMPIRE PLAN EXPERIENCE

In (000's)

|                              | EMPIRE<br>BLUE CROSS | UNITED HEALTHCARE MEDICAL |                   |                   |           | BEACON HEALTH OPTIONS MHSA |                   |                   |          | CVS CAREMARK<br>DRUG | TOTAL     |
|------------------------------|----------------------|---------------------------|-------------------|-------------------|-----------|----------------------------|-------------------|-------------------|----------|----------------------|-----------|
|                              |                      | Core                      | NY<br>Enhancement | PA<br>Enhancement | Combined  | Core                       | NY<br>Enhancement | PA<br>Enhancement | Combined |                      |           |
| A Premium (1)                | 3,294,400            | 2,589,650                 | 347,079           | 369,822           | 3,306,551 | 220,794                    | 37,833            | 26,728            | 285,355  | 2,049,120            | 8,935,426 |
| B Incurred Claims (2)        | 3,154,846            | 2,469,322                 | 319,771           | 330,612           | 3,119,705 | 201,751                    | 39,610            | 28,971            | 270,332  | 2,023,787            | 8,568,670 |
| C Administrative Expense (3) | 93,280               | 163,132                   | 16,312            | 16,943            | 196,387   | 11,788                     | 2,095             | 1,690             | 15,573   | 30,338               | 335,578   |
| D Gain/(Loss) (A-B-C)        | 46,274               | (42,804)                  | 10,996            | 22,267            | (9,541)   | 7,255                      | (3,872)           | (3,933)           | (550)    | (5,005)              | 31,178    |

(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 1st Quarter Experience Reports.

## 2019 Premium Projections Empire Plan With Drug Coverage

|                                  | Monthly Gross Premium Rates (1) |             |                 | Monthly Net Premium Rates (2) |             |                 |
|----------------------------------|---------------------------------|-------------|-----------------|-------------------------------|-------------|-----------------|
|                                  | <u>2018</u>                     | <u>2019</u> | <u>% Change</u> | <u>2018</u>                   | <u>2019</u> | <u>% Change</u> |
| <u>Optimistic Projections</u>    |                                 |             |                 |                               |             |                 |
| Individual Plan Prime            | 785.91                          | 837.95      | 6.6%            | 778.51                        | 819.39      | 5.3%            |
| Family Plan Prime                | 1,965.83                        | 2,096.32    | 6.6%            | 1,948.61                      | 2,054.58    | 5.4%            |
| <b>Aggregate</b>                 |                                 |             | <b>6.6%</b>     |                               |             | <b>5.4%</b>     |
| <br>                             |                                 |             |                 |                               |             |                 |
| <u>Best Estimate Projections</u> |                                 |             |                 |                               |             |                 |
| Individual Plan Prime            | 785.91                          | 855.37      | 8.8%            | 778.51                        | 836.81      | 7.5%            |
| Family Plan Prime                | 1,965.83                        | 2,139.98    | 8.9%            | 1,948.61                      | 2,098.24    | 7.7%            |
| <b>Aggregate</b>                 |                                 |             | <b>8.9%</b>     |                               |             | <b>7.6%</b>     |
| <br>                             |                                 |             |                 |                               |             |                 |
| <u>Pessimistic Projections</u>   |                                 |             |                 |                               |             |                 |
| Individual Plan Prime            | 785.91                          | 872.77      | 11.1%           | 778.51                        | 854.21      | 9.7%            |
| Family Plan Prime                | 1,965.83                        | 2,183.56    | 11.1%           | 1,948.61                      | 2,141.82    | 9.9%            |
| <b>Aggregate</b>                 |                                 |             | <b>11.1%</b>    |                               |             | <b>9.9%</b>     |

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

(2) Represents cost to a participating employer.

## 2019 Premium Projections Empire Plan Without Drug Coverage

|                                  | Monthly Gross Premium Rates (1) |             |                 | Monthly Net Premium Rates (2) |             |                 |
|----------------------------------|---------------------------------|-------------|-----------------|-------------------------------|-------------|-----------------|
|                                  | <u>2018</u>                     | <u>2019</u> | <u>% Change</u> | <u>2018</u>                   | <u>2019</u> | <u>% Change</u> |
| <u>Optimistic Projections</u>    |                                 |             |                 |                               |             |                 |
| Individual Plan Prime            | 589.35                          | 622.88      | 5.7%            | 584.56                        | 618.44      | 5.8%            |
| Family Plan Prime                | 1,541.62                        | 1,630.36    | 5.8%            | 1,529.83                      | 1,618.83    | 5.8%            |
| <b>Aggregate</b>                 |                                 |             | <b>5.7%</b>     |                               |             | <b>5.8%</b>     |
| <br>                             |                                 |             |                 |                               |             |                 |
| <u>Best Estimate Projections</u> | <u>2018</u>                     | <u>2019</u> | <u>% Change</u> | <u>2018</u>                   | <u>2019</u> | <u>% Change</u> |
| Individual Plan Prime            | 589.35                          | 633.65      | 7.5%            | 584.56                        | 629.21      | 7.6%            |
| Family Plan Prime                | 1,541.62                        | 1,659.61    | 7.7%            | 1,529.83                      | 1,648.08    | 7.7%            |
| <b>Aggregate</b>                 |                                 |             | <b>7.6%</b>     |                               |             | <b>7.7%</b>     |
| <br>                             |                                 |             |                 |                               |             |                 |
| <u>Pessimistic Projections</u>   | <u>2018</u>                     | <u>2019</u> | <u>% Change</u> | <u>2018</u>                   | <u>2019</u> | <u>% Change</u> |
| Individual Plan Prime            | 589.35                          | 644.40      | 9.3%            | 584.56                        | 639.96      | 9.5%            |
| Family Plan Prime                | 1,541.62                        | 1,688.78    | 9.5%            | 1,529.83                      | 1,677.25    | 9.6%            |
| <b>Aggregate</b>                 |                                 |             | <b>9.5%</b>     |                               |             | <b>9.6%</b>     |

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

(2) Represents cost to a participating employer.

**PARTICIPATING EMPLOYER RATES  
2010-2019 MONTHLY RATES**

**REPRESENTS ENROLLEES WITH RX DRUG COVERAGE**

| <b>Individual</b>                      | <b>Gross Rate (1)</b> | <b>% Change</b> | <b>Net Rate (2)</b> | <b>% Change</b> |
|--|-----------------------|-----------------|---------------------|-----------------|
| 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                         | 855.37                | 8.8%            | 836.81              | 7.5%            |
| <b><u>Average Percent Increase</u></b> |                       |                 |                     |                 |
| From Inception (1985)                  |                       | 6.9%            |                     | 6.9%            |
| Most Recent 10 Years                   |                       | 5.4%            |                     | 5.7%            |
| Most Recent 5 Years                    |                       | 6.2%            |                     | 6.3%            |
| <b>Family</b>                          |                       |                 |                     |                 |
| 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                         | 2,139.98              | 8.9%            | 2,098.24            | 7.7%            |
| <b><u>Average Percent Increase</u></b> |                       |                 |                     |                 |
| From Inception (1985)                  |                       | 7.5%            |                     | 7.5%            |
| Most Recent 10 Years                   |                       | 6.1%            |                     | 6.4%            |
| Most Recent 5 Years                    |                       | 6.9%            |                     | 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.

**PARTICIPATING EMPLOYER RATES  
2010-2019 MONTHLY RATES**

**REPRESENTS ENROLLEES WITHOUT RX DRUG COVERAGE**

| <b>Individual</b>                      | <b>Gross Rate (1)</b> | <b>% Change</b> | <b>Net Rate (2)</b> | <b>% Change</b> |
|--|-----------------------|-----------------|---------------------|-----------------|
| 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                         | 633.65                | 7.5%            | 629.21              | 7.6%            |
| <b><u>Average Percent Increase</u></b> |                       |                 |                     |                 |
| From Inception (1985)                  |                       | 6.5%            |                     | 6.6%            |
| Most Recent 10 Years                   |                       | 5.9%            |                     | 6.2%            |
| Most Recent 5 Years                    |                       | 6.1%            |                     | 6.3%            |
| <b>Family</b>                          |                       |                 |                     |                 |
| 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                         | 1,659.61              | 7.7%            | 1,648.08            | 7.7%            |
| <b><u>Average Percent Increase</u></b> |                       |                 |                     |                 |
| 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.