

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	Combined	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 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	836.56	6.4%	778.51	817.98	5.1%
Family Plan Prime	1,965.83	2,090.27	6.3%	1,948.61	2,048.46	5.1%
Aggregate			6.3%			5.1%
<u>Best Estimate Projections</u>						
Individual Plan Prime	785.91	853.98	8.7%	778.51	835.40	7.3%
Family Plan Prime	1,965.83	2,133.82	8.5%	1,948.61	2,092.01	7.4%
Aggregate			8.6%			7.3%
<u>Pessimistic Projections</u>						
Individual Plan Prime	785.91	871.38	10.9%	778.51	852.80	9.5%
Family Plan Prime	1,965.83	2,177.31	10.8%	1,948.61	2,135.50	9.6%
Aggregate			10.8%			9.6%

(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>Optimistic 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	621.59	5.5%	584.56	617.14	5.6%
Family Plan Prime	1,541.62	1,624.22	5.4%	1,529.83	1,612.63	5.4%
Aggregate			5.4%			5.4%
<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	632.36	7.3%	584.56	627.91	7.4%
Family Plan Prime	1,541.62	1,653.36	7.2%	1,529.83	1,641.77	7.3%
Aggregate			7.3%			7.3%
<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	643.11	9.1%	584.56	638.66	9.3%
Family Plan Prime	1,541.62	1,682.44	9.1%	1,529.83	1,670.85	9.2%
Aggregate			9.1%			9.2%

(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					
Individual	Gross Rate (1)	% Change	Net Rate (2)	% Change	
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	853.98	8.7%	835.40	7.3%	
<u>Average Percent Increase</u>					
From Inception (1985)		6.9%		6.9%	
Most Recent 10 Years		5.4%		5.7%	
Most Recent 5 Years		6.2%		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	2,133.82	8.5%	2,092.01	7.4%	
<u>Average Percent Increase</u>					
From Inception (1985)		7.4%		7.5%	
Most Recent 10 Years		6.1%		6.4%	
Most Recent 5 Years		6.8%		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				
Individual	Gross Rate (1)	% Change	Net Rate (2)	% Change
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	632.36	7.3%	627.91	7.4%
<u>Average Percent Increase</u>				
From Inception (1985)		6.5%		6.6%
Most Recent 10 Years		5.9%		6.2%
Most Recent 5 Years		6.0%		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	1,653.36	7.2%	1,641.77	7.3%
<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%		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.