

PROJECTED 2018 EMPIRE PLAN EXPERIENCE AT 12/31/2018

In (000's)

	EMPIRE BLUE CROSS	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MHSA				CVS CAREMARK DRUG	TOTAL
		NY	PA			NY	PA				
		Core	Enhancement	Enhancement	Combined	Core	Enhancement	Enhancement	Combined		
A Premium (1)	3,279,048	2,582,734	345,643	369,584	3,297,961	219,452	37,625	26,621	283,698	2,043,871	8,904,578
B Incurred Claims (2)	3,038,648	2,401,396	320,866	339,106	3,061,368	188,183	32,704	30,018	250,905	1,943,933	8,294,854
C Administrative Expense (3)	94,148	132,354	28,407	31,096	191,857	11,594	2,051	1,869	15,514	30,273	331,792
D Gain/(Loss) (A-B-C)	146,252	48,984	(3,630)	(618)	44,736	19,675	2,870	(5,266)	17,279	69,665	277,932

(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 4th Quarter Experience Reports.

2020 Premium Projections Empire Plan With Drug Coverage

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2019</u>	<u>2020 (3)</u>	<u>% Change</u>	<u>2019</u>	<u>2020 (3)</u>	<u>% Change</u>
<u>Optimistic Projections</u>						
Individual Plan Prime	797.30	825.32	3.5%	781.81	808.75	3.4%
Family Plan Prime	1,999.47	2,084.19	4.2%	1,964.44	2,042.16	4.0%
Aggregate			4.1%			3.9%
<u>Best Estimate Projections</u>						
Individual Plan Prime	797.30	842.09	5.6%	781.81	825.52	5.6%
Family Plan Prime	1,999.47	2,126.68	6.4%	1,964.44	2,084.65	6.1%
Aggregate			6.2%			6.0%
<u>Pessimistic Projections</u>						
Individual Plan Prime	797.30	859.12	7.8%	781.81	842.55	7.8%
Family Plan Prime	1,999.47	2,169.91	8.5%	1,964.44	2,127.88	8.3%
Aggregate			8.4%			8.2%

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

(2) Represents cost to a participating employer.

(3) Projected Rates.

2020 Premium Projections Empire Plan Without Drug Coverage

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
<u>Optimistic Projections</u>	<u>2019</u>	<u>2020 (3)</u>	<u>% Change</u>	<u>2019</u>	<u>2020 (3)</u>	<u>% Change</u>
Individual Plan Prime	615.93	640.81	4.0%	611.88	630.31	3.0%
Family Plan Prime	1,606.04	1,683.48	4.8%	1,595.48	1,654.54	3.7%
Aggregate			4.7%			3.6%
<u>Best Estimate Projections</u>	<u>2019</u>	<u>2020 (3)</u>	<u>% Change</u>	<u>2019</u>	<u>2020 (3)</u>	<u>% Change</u>
Individual Plan Prime	615.93	651.87	5.8%	611.88	641.37	4.8%
Family Plan Prime	1,606.04	1,713.58	6.7%	1,595.48	1,684.64	5.6%
Aggregate			6.5%			5.4%
<u>Pessimistic Projections</u>	<u>2019</u>	<u>2020 (3)</u>	<u>% Change</u>	<u>2019</u>	<u>2020 (3)</u>	<u>% Change</u>
Individual Plan Prime	615.93	663.19	7.7%	611.88	652.69	6.7%
Family Plan Prime	1,606.04	1,744.42	8.6%	1,595.48	1,715.48	7.5%
Aggregate			8.4%			7.4%

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

(2) Represents cost to a participating employer.

(3) Projected Rates.

PARTICIPATING EMPLOYER RATES					
2011-2020 MONTHLY RATES					
REPRESENTS ENROLLEES WITH RX DRUG COVERAGE					
Individual		Gross Rate (1)	% Change	Net Rate (2)	% Change
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		797.30	1.4%	781.81	0.4%
2020	Projected	842.09	5.6%	825.52	5.6%
<u>Average Percent Increase</u>					
From Inception (1985)			6.7%		6.7%
Most Recent 10 Years			4.7%		5.2%
Most Recent 5 Years			5.1%		5.2%
Family					
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		1,999.47	1.7%	1,964.44	0.8%
2020	Projected	2,126.68	6.4%	2,084.65	6.1%
<u>Average Percent Increase</u>					
From Inception (1985)			7.2%		7.3%
Most Recent 10 Years			5.5%		6.0%
Most Recent 5 Years			5.9%		6.0%

(1) Represents premiums charged by the carriers (2011-2013) and premiums set to fund all self insured costs (2014-2020).

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

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

PARTICIPATING EMPLOYER RATES				
2011-2020 MONTHLY RATES				
REPRESENTS ENROLLEES WITHOUT RX DRUG COVERAGE				
Individual	Gross Rate (1)	% Change	Net Rate (2)	% Change
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	615.93	4.5%	611.88	4.7%
2020 Projected	651.87	5.8%	641.37	4.8%
<u>Average Percent Increase</u>				
From Inception (1985)		6.4%		6.5%
Most Recent 10 Years		5.5%		6.0%
Most Recent 5 Years		5.7%		5.9%
Family				
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	1,606.04	4.2%	1,595.48	4.3%
2020 Projected	1,713.58	6.7%	1,684.64	5.6%
<u>Average Percent Increase</u>				
From Inception (1985)		7.1%		7.2%
Most Recent 10 Years		6.2%		6.7%
Most Recent 5 Years		6.4%		6.6%

(1) Represents premiums charged by the carriers (2011-2013) and premiums set to fund all self insured costs (2014-2020).

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

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