

FINAL 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	DRUG		
		Core	Enhancement	Enhancement		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)	3,038,649	2,375,354	320,481	338,843	3,034,678	182,430	33,325	31,143	246,898	1,942,864	8,263,089
C Administrative Expense (3)	94,120	130,412	28,229	30,908	189,549	11,534	2,072	1,908	15,514	30,148	329,331
D Gain/(Loss) (A-B-C)	146,279	76,968	(3,067)	(167)	73,734	25,488	2,228	(6,430)	21,286	70,859	312,158

(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 Annual Experience Reports

PROJECTED 2019 EMPIRE PLAN EXPERIENCE
In (000's)

	EMPIRE BLUE CROSS	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MHSA				CVS CAREMARK DRUG	TOTAL
		Core	NY Enhancement	PA Enhancement	Combined	Core	NY Enhancement	PA Enhancement	Combined		
A Premium (1)	3,391,222	2,723,756	357,328	371,894	3,452,978	221,683	37,328	35,089	294,100	1,886,562	9,024,862
B Incurred Claims (2)	3,300,245	2,514,890	350,675	361,303	3,226,868	208,465	31,717	26,456	266,638	1,802,242	8,595,993
C Administrative Expense (3)	94,909	164,058	16,735	17,287	198,080	12,198	1,878	1,583	15,659	27,872	336,520
D Gain/(Loss) (A-B-C)	(3,932)	44,808	(10,082)	(6,696)	28,030	1,020	3,733	7,050	11,803	56,448	92,349

(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' 2019 1st Quarter Experience Reports.

2020 Premium Projections Empire Plan With 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	797.30	830.34	4.1%	781.81	809.41	3.5%
Family Plan Prime	1,999.47	2,084.62	4.3%	1,964.44	2,033.31	3.5%
Aggregate			4.2%			3.5%
<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	797.30	847.20	6.3%	781.81	826.27	5.7%
Family Plan Prime	1,999.47	2,127.03	6.4%	1,964.44	2,075.72	5.7%
Aggregate			6.4%			5.7%
<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	797.30	864.34	8.4%	781.81	843.41	7.9%
Family Plan Prime	1,999.47	2,170.18	8.5%	1,964.44	2,118.87	7.9%
Aggregate			8.5%			7.9%

(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>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	615.93	645.76	4.8%	611.88	634.24	3.7%
Family Plan Prime	1,606.04	1,682.41	4.8%	1,595.48	1,651.44	3.5%
Aggregate			4.8%			3.5%
<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	656.91	6.7%	611.88	645.39	5.5%
Family Plan Prime	1,606.04	1,712.38	6.6%	1,595.48	1,681.41	5.4%
Aggregate			6.6%			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	668.34	8.5%	611.88	656.82	7.3%
Family Plan Prime	1,606.04	1,743.09	8.5%	1,595.48	1,712.12	7.3%
Aggregate			8.5%			7.3%

(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	847.20	6.3%	826.27	5.7%	
<u>Average Percent Increase</u>					
From Inception (1985)		6.7%		6.7%	
Most Recent 10 Years		4.8%		5.2%	
Most Recent 5 Years		5.3%		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	2,127.03	6.4%	2,075.72	5.7%	
<u>Average Percent Increase</u>					
From Inception (1985)		7.2%		7.2%	
Most Recent 10 Years		5.5%		6.0%	
Most Recent 5 Years		5.9%		5.9%	

(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	656.91	6.7%	645.39	5.5%
<u>Average Percent Increase</u>				
From Inception (1985)		6.5%		6.5%
Most Recent 10 Years		5.6%		6.1%
Most Recent 5 Years		5.9%		6.1%
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	1,712.38	6.6%	1,681.41	5.4%
<u>Average Percent Increase</u>				
From Inception (1985)		7.1%		7.1%
Most Recent 10 Years		6.2%		6.7%
Most Recent 5 Years		6.4%		6.5%

(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.