State and Public School Life
And Health Insurance Board
Minutes
July 17, 2012

The 123rd meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met on July 17, 2012 at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, AR 72201.

MEMBERS PRESENT	**MEMBERS ABSENT**
Dr. Joseph Thompson	Renee Mallory
Janis Harrison	
Kelly Chaney	
Bob Alexander	
Mark White	
Carla Wooley	
Katrina Burnett	
John Kirtley	
Dr. Andrew Kumpuris	
Shawn Cook	
Lloyd Black	

Jason Lee, Executive Director, Employee Benefits Division.

OTHERS PRESENT:
John Colberg, Cheiron; Dr. Matthew Hadley, UAMS; George Platt, Marla Wallace, Michelle Hazelett, Leslie Smith, Sherri Saxby, Tracy Collins, Valencia Darton, Latryce Taylor, Brad Campbell, Melida Vasquez, Janna Keathley, Ellen Justus, Sylvia Landers, Cathy Harris, EBD; Pam Lawrence, American Health Holdings; Rhonda Hill, AR Center for Health Improvement, Jill Johnson, Cheryl Kaye, Jordan Brazeal, UAMS, EBrx; Ron Deberry, David Bridges, Barbara Melugin, Tonya Rogers, Kathy Ryan, Health Advantage; Ronda Walthall, AR Highway & Transportation Dept, Joe Chang, MN Life; George Burks, USable; Susan Walker, Data Path; BJ Himes, Andra Kaufman, QualChoice; Mark Chambers, Compsych; John Harris, Jim Chapman, Abbott; Charlene Kaiser, Amgen, Shelby McCook, Retired State Employee; Marc Watts, AR State Employee Association; Steve Singleton, AR Retired Teacher Association; Peggy Nabors, AR Education Association

CALL TO ORDER
Meeting was called to order by John Kirtley, Vice-Chairman.

APPROVAL OF MINUTES

The request was made by Kirtley to approve the June 19, 2012 minutes. White made the motion to approve minutes. Wooley seconded. All were in favor. Minutes approved.

FINANCIALS *by Marla Wallace, CFO*

Wallace presented detailed financial statements for the Arkansas State Employees (ASE) and the Public School Employees (PSE) for June 2012.

An in-depth discussion took place regarding the zero net assets available for PSE.

Dr. Kumpuris requested Lee put together a workgroup to explore avenues that would improve PSE costs.

DRUG UTILIZATION & EVALUATIONCOMMITTEE REPORTS by *Dr. Matthew Hadley, Chairman*

Dr. Hadley reported the DUEC met on June 25, 2012, and then presented the following recommendation for Board consideration.

1. **XYREM -**
   Cover with prior authorization (PA): Existing & New member must have appropriate diagnosis as evaluated by Neurologist. Maximum FDA quality limit applies.

2. **SUBOXONE & ORAL BUPRENORPHINE-**
   Require PA for oral Buprenorphine containing products; Similar to Medicaid PA criteria. Current users will be covered through the end of the plan year in accordance with the formulary management rule.

3. **KETEK-**
   Remove the PA from Ketek.

4. **ISENTRESS -**
   Edit current PA to allow for use in treatment –naive HIV patients and require automated step therapy (Truvada filled in last 30 days).

5. **BOTOX-LIKE DRUGS-**
   Adopt Prior authorization (PA) criteria for botulinum toxins.

6. **FIRST REVIEW MEDICATIONS**

Dr. Thompson made the motion to accept DUEC recommendations. Harrison seconded. Motion carried.

Lee presented the Board with a letter from a member regarding the drug Lunesta, used for the treatment of insomnia. Currently Sedatives/Hypnotics are 1st tier with quantity limit of 15 pills per 31 day supply and Reference Priced (RP): Plan pays $0.15 per unit and member is responsible for remaining cost.

Alexander made the motion to remove quantity limit for Sedatives/Hypnotics, but to keep Reference Priced (RP). Harrison seconded. Motion carried.

2013 PLAN YEAR RATES by John Colberg, Cherion
Colberg provided an overview of the ASE & PSE Actives and Retires preliminary rates for Plan Year 2013.

The Board requested Cheiron to explore different rating options for PSE Actives and Retirees.

Meeting adjourned.

ARBenefits

AGENDA

State and Public School Life and Health Insurance Board

EBD Board Room - 501 Building - 5th Floor

July 17, 2012 1:00 p.m.

1. **Call to Order** ..... *Renee Mallory, Chair*
2. **Approval of Minutes** ..... *Renee Mallory, Chair*
3. **Financials** ..... *Marla Wallace, CFO*
4. **DUEC Report** ..... *Dr. Matthew Hadley*
5. **2013 Plan Year Rates** ..... *John Colberg, Cheiron*
6. **Director's Report** ..... *Jason Lee, Executive Director*

Next Meeting
August 21st

ORIGINAL

Arkansas State Employees (ASE) Financials - January 1, 2012 through June 30, 2012				
	Gold	Silver	Bronze	Total
Actives	46,822	1,131	2,766	50,719
Retirees	3,189	9	40	3,238
Medicare	9,728			9,728
Total	59,739	1,140	2,806	63,685

Operations as of 06/30/12

	Current Month	Year to Date (6 months)
Funding		
State Contribution	$ 13,488,510	$ 80,931,996
Employee Contribution	$ 7,121,049	$ 42,972,076
Other	$ 6,468,835	$ 8,646,438
Total Funding	$ 27,078,394	$ 132,550,510
Expenses		
Medical Expenses		
Claims Expense	$ 16,303,552	$ 91,778,289
Claims IBNR	$ -	$ (470,000)
Medical Admin Fees	$ 1,119,652	$ 6,504,606
Refunds	$ 14,800	$ 122,320
Employee Assistance Program (EAP)	$ 57,465	$ 343,684
Life Insurance	$ 102,333	$ 614,205
Pharmacy Expenses		
RX Claims	$ 7,207,237	$ 40,401,701
RX IBNR	$ -	$ 520,000
RX Admin	$ 108,845	$ 636,193
Plan Administration	$ 438,482	$ 1,859,796
Total Expenses	$ 25,352,368	$ 142,310,794
Net Income/(Loss)	$ 1,726,026	$ (9,760,283)
Reserve Activity:		
Allocation for Active/Retiree Plan year 2012	$ 1,554,167	$ 9,325,000
Net Income/(Loss) After Reserves	$ 3,280,192	$ (435,283)

Balance Sheet as of 06/30/12

Assets		
Bank Account		$ 7,707,054
State Treasury		$ 103,133,759
Due from Cafeteria Plan		$ 4,770,945
Due from PSE		$ -
Receivable from Provider		$ 446,749
Accounts Receivable		$ 2,133,426
Total Assets		$ 118,191,933
Liabilities		
Accounts Payable		$ 4,841,950
Deferred Revenues		$ 4,152,778
Due to Cafeteria		$ 3,154
Due to PSE		$ 560,616
Health IBNR		$ 21,100,000
RX IBNR		$ 3,200,000
Total Liabilities		$ 33,858,498
Net Assets		$ 84,333,435
Less Reserves Allocated:		
Active/Retiree Premiums for Plan Year 1/1/12 - 12/31/12	($18,650,000)	$ (9,325,000)
Active/Retiree Premiums for Plan Year 1/1/13 - 12/31/13	($11,190,000)	$ (11,190,000)
Active/Retiree Premiums for Plan Year 1/1/14 - 12/31/14	($7,460,000)	$ (7,460,000)
Catastrophic Reserve		$ (9,000,000)
Net Assets Available		$ 47,358,435

Arkansas State Employees (ASE) Financials - January 1, 2011 through June 30, 2011				
	ARHealth	Health Adv	NovaSys	Total
Actives		25,790	906	26,696
Actives HD			1,069	1,069
Retirees	9,102			9,102
COBRA		117	7	124
Total	9,102	25,907	1,982	36,991

Operations as of 06/30/11

	Current Month	Year to Date (6 months)
Funding		
State Contribution	$ 13,607,012	$ 81,673,036
Employee Contribution, Rebates, Medicare Subsidy, and ERRP	$ 12,976,743	$ 51,699,471
Total Funding	$ 26,583,755	$ 133,372,507
Expenses		
Medical Expenses		
Claims Expense	$ 19,618,235	$ 86,470,417
Claims IBNR	$ -	$ -
Medical Admin Fees	$ 1,030,611	$ 5,662,707
Refunds	$ 6,294	$ 45,512
Behavioral Health	$ 330,954	$ 1,981,298
Life Insurance	$ 102,359	$ 612,326
Pharmacy Expenses		
RX Claims	$ 8,654,862	$ 35,981,667
RX IBNR	$ -	$ -
RX Admin	$ 112,948	$ 482,948
Plan Administration	$ 362,849	$ 1,418,739
Total Expenses	$ 30,219,111	$ 132,655,615
Net Income/(Loss)	$ (3,635,356)	$ 716,892

Balance Sheet as of 06/30/11

Assets	
Bank Account	$ 10,688,901
State Treasury	$ 101,645,065
Due from Cafeteria Plan	$ 4,788,924
Due from PSE	$ -
Receivable from Provider	$ 1,005,703
Accounts Receivable	$ 1,257,525
Total Assets	$ 119,386,119
Liabilities	
Accounts Payable	$ 6,166,987
Deferred Revenues	$ 4,258,589
Due to Cafeteria	$ -
Due to PSE	$ 1,433
Health IBNR	$ 21,570,000
RX IBNR	$ 2,680,000
Total Liabilities	$ 34,677,010
Net Assets	$ 84,709,109
Less Reserves Allocated:	
Catastrophic Reserve	$ (8,900,000)
Pharmacy Reward Program (2010-$1,500,000)	$ (1,500,000)
Net Assets Available	$ 74,309,109

Public School Employees (PSE) Financials - January 1, 2012 through June 30, 2012				
	Gold	Silver	Bronze	Total
Actives	52,525	1,507	16,066	70,098
Retirees	2,439	6	177	2,622
Medicare	7,519			7,519
Total	62,483	1,513	16,243	80,239

Operations as of 06/30/12

		Current Month		Year to Date (6 months)
Funding				
District Contribution	$	7,875,001	$	46,800,109
Employee Contribution	$	10,763,266	$	65,938,804
Dept of Ed $35,000,000 & $15,000,000	$	-	$	23,409,091
Other	$	630,186	$	1,250,101
Total Funding	$	19,268,453	$	137,398,106
Expenses				
Medical Expenses:				
Claims Expense	$	21,677,714	$	110,381,731
Claims IBNR	$	-	$	(800,000)
Medical Admin Fees	$	1,636,733	$	9,665,777
Refunds	$	7,146	$	85,149
Employee Assistance Program (EAP)	$	81,260	$	490,190
Pharmacy Expenses:				
RX Claims	$	6,071,405	$	33,037,594
RX IBNR	$	-	$	260,000
RX Admin	$	107,265	$	637,466
Plan Administration	$	614,359	$	2,564,423
Total Expenses	$	30,195,882	$	156,322,330
Net Income/(Loss)	$	(10,927,430)	$	(18,924,225)
Reserve Activity:				
Allocation for Active/Retiree Premiums for Plan Year 2012	$	1,400,000	$	8,400,000
Net Income/(Loss) After Reserves	$	(9,527,430)	$	(10,524,225)

Balance Sheet as of 06/30/12

Assets		
Bank Account	$	11,663,715
State Treasury	$	48,003,395
Receivable from Provider	$	618,474
Accounts Receivable	$	623,128
Due from ASE	$	560,616
Total Assets	$	61,469,329
Liabilities		
Accounts Payable	$	7,715,367
Due to ASE	$	-
Deferred Revenues	$	-
Health IBNR	$	24,700,000
RX IBNR	$	2,600,000
Total Liabilities	$	35,015,367
Net Assets	$	26,453,962
Less Reserves Allocated:		
Active/Retiree Premiums for Plan Year 01/01/12 - 12/31/12 ($16,800,000)	$	(8,400,000)
Active/Retiree Premiums for Plan Year 01/01/13 - 12/31/13 ($9,000,000)	$	(9,000,000)
Active/Retiree Premiums for Plan Year 01/01/14 - 12/31/14 ($3,600,000)	$	(3,600,000)
Catastrophic Reserve (2012 - $9,900,000)	$	(5,453,962)
Net Assets Available	$	(0)

Public School Employees (PSE) Financials - October 1, 2010 through June 30, 2011				
	ARHealth	Health Adv	NovaSys	Total
Actives		37,418	2,914	40,332
Actives HD			4,760	4,760
Retirees	8,038			8,038
COBRA		678	77	755
Total	8,038	38,096	7,751	53,885

Operations as of 06/30/11

	Current Month	Year to Date (9 months)
Funding		
District Contribution	$ 5,908,755	$ 53,200,279
Employee Contribution, Rebates, and ERRP	$ 13,223,780	$ 117,652,663
Dept of Ed $35,000,000 & $15,000,000	$ -	$ 36,704,545
Total Funding	$ 19,132,535	$ 207,557,488
Expenses		
Medical Expenses:		
Claims Expense	$ 23,783,807	$ 147,579,663
Claims IBNR	$ -	$ -
Medical Admin Fees	$ 1,540,051	$ 12,431,152
Refunds	$ (2,523)	$ (9,009)
Behavioral Health	$ 340,221	$ 3,376,474
Pharmacy Expenses:		
RX Claims	$ 7,397,572	$ 43,920,040
RX IBNR	$ -	$ -
RX Admin	$ 101,482	$ 631,547
Plan Administration	$ 430,280	$ 2,551,259
Total Expenses	$ 33,590,889	$ 210,481,126
Net Income/(Loss)	$ (14,458,354)	$ (2,923,638)
Reserve Activity:		
Allocation for Active Premiums for Plan Yr 10/01/10-12/31/11	$ 789,333	$ 7,104,000
Retiree Premiums for Plan Year 01/01/11-12/31/11	$ 63,333	$ 380,000
Net Income/(Loss) After Reserves	$ (13,605,687)	$ 4,560,362

Balance Sheet as of 06/30/11

Assets	
Bank Account	$ 13,900,827
State Treasury	$ 58,855,866
Receivable from Provider	$ 913,856
Accounts Receivable	$ 90,899
Due from ASE	$ 1,433
Total Assets	$ 73,762,881
Liabilities	
Accounts Payable	$ 6,556,022
Due to ASE	$ -
Deferred Revenues	$ 1,367,609
Health IBNR	$ 25,500,000
RX IBNR	$ 2,340,000
Total Liabilities	$ 35,763,631
Net Assets	$ 37,999,250
Less Reserves Allocated:	
Active Premiums for Plan Year 10/01/10-12/31/11 ($11,840,000)	$ (4,736,000)
Retiree Premiums for Plan Year 01/01/11-12/31/11 ($760,000)	$ (380,000)
Active Premiums for Plan Years 1/01/12-12/31/13 ($7,344,000 + $3,296,000 = $10,640,000)	$ (10,640,000)
Retiree Premiums for Plan Years 01/01/12-12/31/13 ($456,000 + $304,000 = $760,000)	$ (760,000)
Catastrophic Reserve	$ (10,000,000)
Pharmacy Reward Program (2010-$1,500,000)	$ (1,500,000)
Net Assets Available	$ 9,983,250

ASE Cafeteria Plan Financials 2011- January 1, 2012 through June 30, 2012

Cafeteria Plan Operations as of 06/30/12

Funding	Current Month	Year to Date (6 months)
FICA Savings	$ 372,051	$ 2,141,431
Interest, Penalties, Tax Set Off	$ 10,914	$ 17,872
Total Funding	$ 382,965	$ 2,159,303
Expenses		
Plan Administration	$ 13,121	$ 80,065
Forfeited Benefits (Annual Expense)	$ 4,195,021	$ 4,195,021
FICA Savings Transfer (Annual Expense)	$ -	
Total Expenses	$ 4,208,142	$ 4,275,086
Net Income/(Loss)	$ (3,825,177)	$ (2,115,783)

Balance Sheet as of 06/30/12

Assets	
State Cafeteria (Flexible Benefits)	$ 586,555
Admin Acct (FICA Savings)	$ 221,207
State Treasury	$ 4,002,457
Due from Health Plan	$ 3,154
Due from State Employee Fund	$ -
Accounts Receivable	$ 25,716
Total Assets	$ 4,839,088
Liabilities	
Accounts Payable	$ (37,166)
Due to Health Plan (FICA Savings Annual)	$ -
Due to Health Plan (Forfeited Benefits Annual)	$ 4,770,945
Total Liabilities	$ 4,733,780
Net Assets	$ 105,309

ASE Cafeteria Plan Financials 2011- January 1, 2011 through June 30, 2011

Cafeteria Plan Operations as of 06/30/11

Funding	Current Month	Year to Date (6 months)
FICA Savings	$ 367,891	$ 2,166,025
Interest, Penalties, Tax Set Off	$ 17,996	$ 35,076
Total Funding	$ 385,887	$ 2,201,101
Expenses		
Plan Administration	$ 15,979	$ 84,295
Forfeited Benefits (Annual Expense)	$ 4,211,275	$ 4,211,275
FICA Savings Transfer (Annual Expense)	$ -	$ -
Total Expenses	$ 4,227,254	$ 4,295,570
Net Income/(Loss)	$ (3,841,367)	$ (2,094,469)

Balance Sheet as of 06/30/11

Assets	
State Cafeteria (Flexible Benefits)	$ 613,663
Admin Acct (FICA Savings)	$ 76,353
State Treasury	$ 4,200,312
Due from Health Plan	$ -
Due from State Employee Fund	$ -
Accounts Receivable	$ 21,285
Total Assets	$ 4,911,613
Liabilities	
Accounts Payable	$ (11,980)
Due to Health Plan (FICA Savings Annual)	$ -
Due to Health Plan (Forfeited Benefits Annual)	$ 4,788,924
Total Liabilities	$ 4,776,944
Net Assets	$ 134,669

The Drug Utilization and Evaluation Committee (DUEC)

The following recommendations for the Board consideration resulted from a meeting of the DUEC on June 25, 2012.

1. **XYREM -** Xyrem (sodium oxybate) is a central nervous system depressant that reduces excessive daytime sleepiness and cataplexy in patients with narcolepsy.

   Utilization: March 1, 2012 – May 31, 2012
   Xyrem Sol 500mg/ml
   Utilizing Members: 7
   Rxs: 15
   Plan Paid: $76,415

   Recommendation: Cover with prior authorization (PA): Existing & New member must have appropriate diagnosis as evaluated by Neurologist. Maximum FDA quality limit applies.

2. **SUBOXONE & ORAL BUPRENORPHINE**
   Suboxone contains a combination of buprenorphine and naloxone. Buprenorphine is an opioid medication.

   Utilization: March 1, 2012 – May 31, 2012
   Suboxone (all strengths)
   Utilizing Members: 49
   RX: 153
   Plan Paid: $62,127

   Buprenorphine Sublingual 8mg
   Utilizing Members: 5
   RX: 11
   Plan Paid: $2,549

   Recommendation: To require PA for oral Buprenorphine containing products; Similar to Medicaid PA criteria. Current users will be covered through the end of the plan year in accordance with the formulary management rule.

3. **KETEK-** (telithromycin) is a ketolide antibiotic. Telithromycin helps the body fight infection that is caused by bacteria.

   DUEC placed PA on the drug in 2006 because of FDA toxicity warning.

   Utilization: March 1, 2012 – May 31, 2012
   No utilization for this agent during this time period.

   Recommendation: Remove the PA from Ketek.

4. **ISENTRESS -** (raltegravir) is an antiviral medication that prevents human immunodeficiency virus.

   Recently it received the indication for use in treatment-naïve patients.

   Utilization: March 1, 2012 – May 31, 2012
   Utilizing Members: 15
   Rxs: 37
   Plan Paid: $39,522

   Recommendation: Edit current PA to allow for use in treatment –naive HIV patients and require automated step therapy (Truvada filled in last 30 days).

5. **BOTOX-LIKE DRUGS**

   Utilization: March 1, 2012 – May 31, 2012
   Botox:
   Utilizing Members: 4
   Rxs:3
   Plan Paid: $3,684

   Dysport:
   No utilization during this timeframe

   Recommendation: Adopt Prior authorization (PA) criteria for botulinum toxins.

6. FIRST REVIEW MEDICATIONS

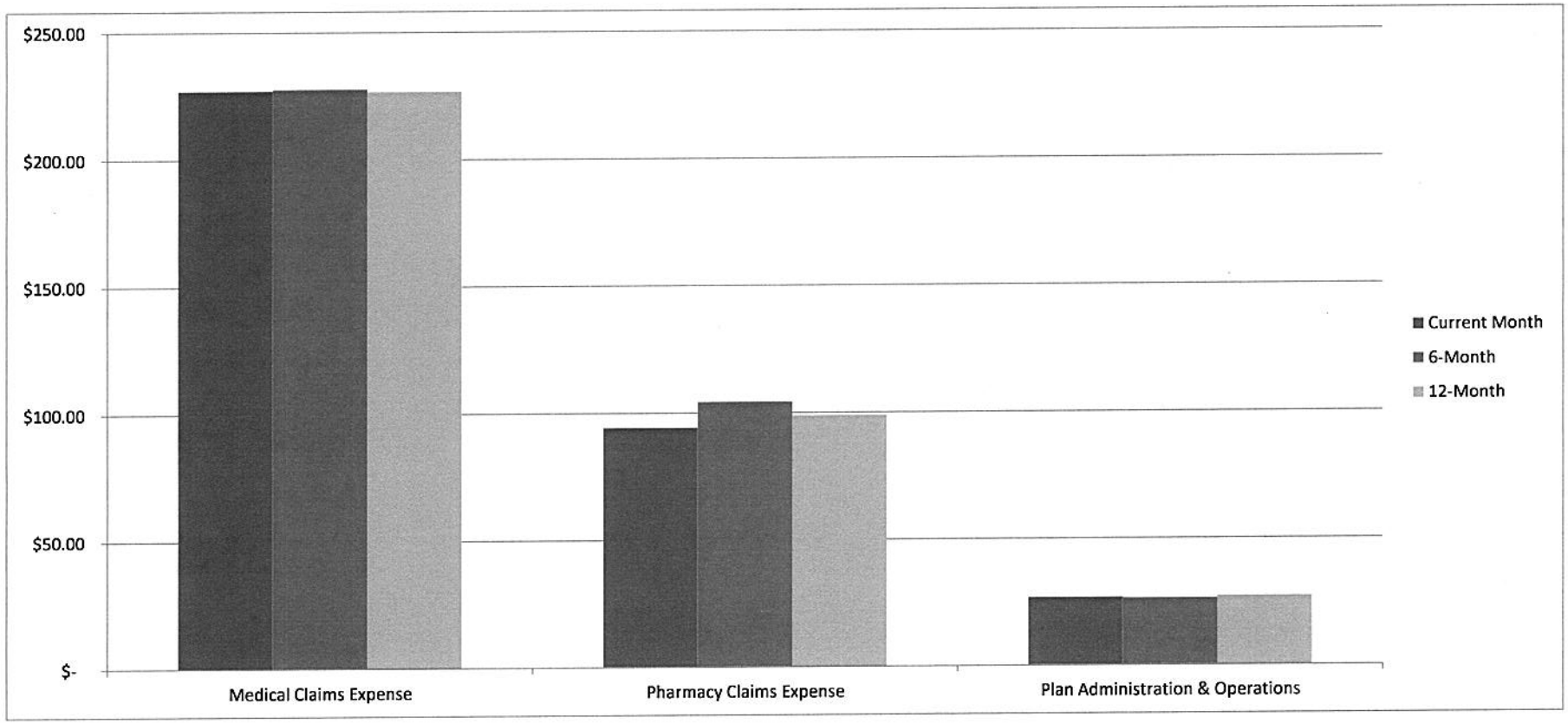
Drug Name	Tier Status
POTIGA TAB (EZOGABINE TAB) FDA-approved for partial onset seizures in pts age 18 and older	**T3 w/PA**
REVLIMID CAP 2.5MG (LENALIDOMIDE CAPS 2.5 MG) Restricted to FDA approved indication	**T3 w/PA**
INTELENCE TAB 25MG (ETRAVIRINE TAB 25 MG)	**T2 w/PA**
SKLICE LOT 0.5% (IVERMECTIN LOTION 0.5%)	**T3w/PA**

Reviewed & Excluded Drugs

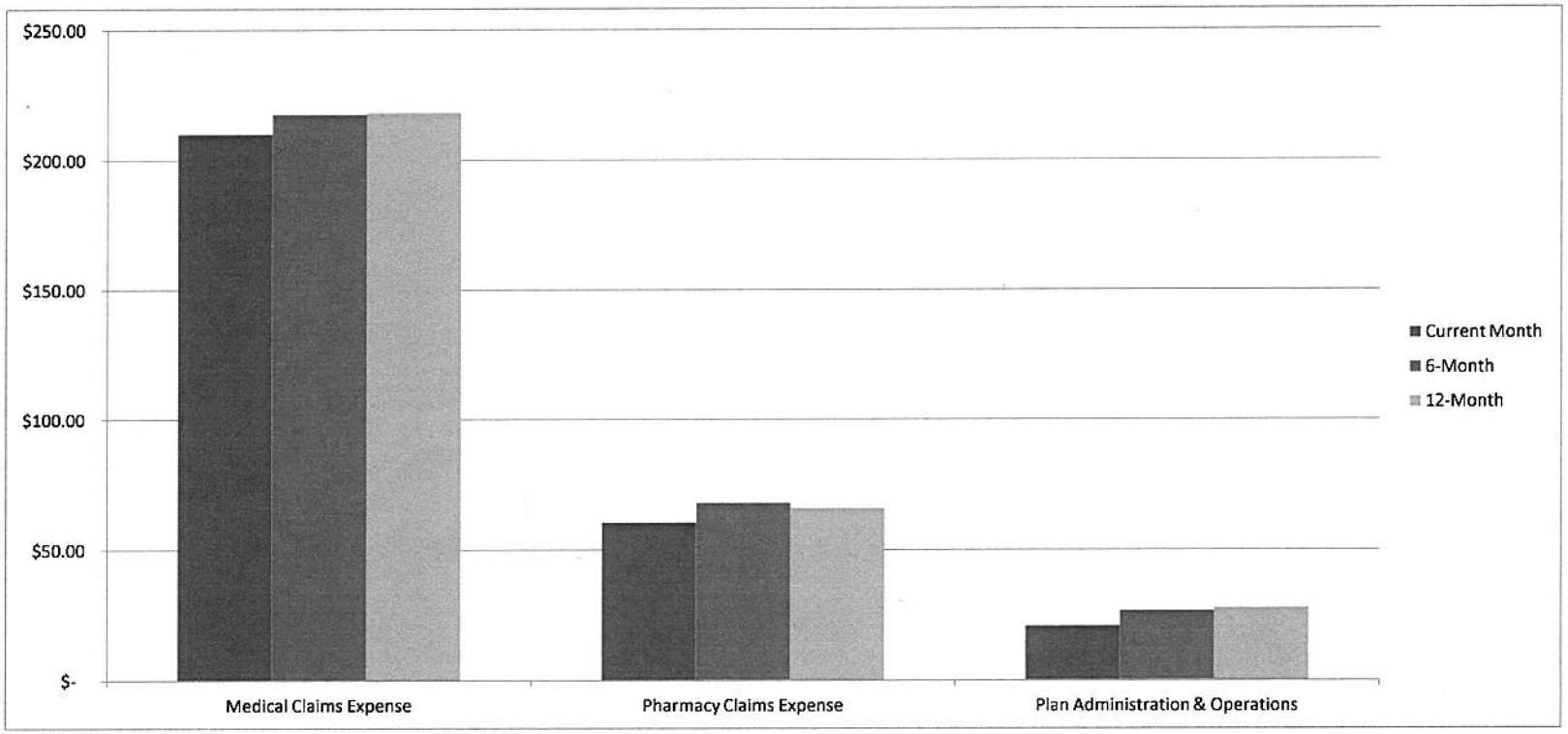
BAL-CARE DHA MIS ESSNTIAL	**Exclude**
GELNIQUE GEL 3% (OXYBUTYNIN TD GEL 3% (28MG/ACT METERED-DOSE PUMP)	**Exclude**
PRENATE MINI CAP	**Exclude**
OMECLAMOX MIS –PAK (AMOXICILLIN CAP-CLARITHRO TAB W/ OMEPRAZ CAP DR THERAPY PACK)	**Exclude**
RA LUTEIN CAP 20MG	**Exclude**
RIBAPAK MIS 600/DAY (RIBAVIRIN TAB 200 MG & RIBAVIRIN TAB 400 MG DOSE PACK)	**Exclude**
VASCAZEN CAP 1GM (OMEGA-3-ACID ETHYL ESTERS (DIETARY MANAGEMENT) CAP 1 GM	**Exclude**
VIVA CT CHW 28-1MG	**Exclude**
ELELYSO INJ 200UNIT (TALIGLUCERASE ALFA FOR INJ 200 UNIT)	**Exclude**
HYDROCO/APAP TAB 2.5-325 (HYDROCODONE- ACETAMINOPHEN TAB 2.5-325 MG)	**Exclude**
AMYVID INJ (FLORBETAPIR F 18 IV SOLN 500- 1900 MBQ/ML (13.5-51 MCI/ML**)**	**Exclude**
CITRANATAL MIS B-CALM	**Exclude**

Drug Name	Tier Status
HISTOACRYL LIQ	**Exclude**
SORILUX AER 0.005% (CALCIPOTRIENE FOAM 0.005%)	**Exclude**
DYMISTA SPR 137-50 (AZELASTINE HCL-FLUTICASONE PROP NASAL SPRAY 137-50 MCG/ACT)	**Exclude**
ZETONNA AER 37MCG (CICLESONIDE NASAL AEROSOL SOLN 37 MCG/ACT (50 MCG/VALVE)	**Exclude**
KORLYM (MIFEPRISTONE TAB 300 MG)	**Exclude**
OMONTYS (PEGINESATIDE)	**Exclude** ***Review in 6 mos***
REDICHEW CHW Rx	**Exclude**

ASE Active & Retiree Plan	May-12		6-month		12-month	
Number of Members	63,615		63,264		62,543	
Funding		PMPM		PMPM		PMPM
Premium Based	$ 20,642,243.00	$ 324.49	$ 20,667,403.00	$ 326.69	$ 21,418,020.58	$ 342.46
Reserve Allocation & Other	$ 1,597,156.00	$ 25.11	$ 1,734,845.30	$ 27.42	$ 867,422.65	$ 13.87
Total Funding	$ 22,239,399.00	$ 349.59	$ 22,402,248.30	$ 354.11	$ 22,285,443.23	$ 356.32
Expenses		PMPM		PMPM		PMPM
Medical Claims Expense	$ 14,448,562.00	$ 227.13	$ 14,407,043.33	$ 227.73	$ 14,192,554.08	$ 226.93
Pharmacy Claims Expense	$ 5,992,684.00	$ 94.20	$ 6,582,711.00	$ 104.05	$ 6,181,366.50	$ 98.83
Plan Administration & Operations	$ 1,693,357.00	$ 26.62	$ 1,662,885.83	$ 26.29	$ 1,703,655.17	$ 27.24
Total Expenses	$ 22,134,603.00	$ 347.95	$ 22,652,640.17	$ 358.07	$ 22,077,575.75	$ 353.00
Net Loss / Gain	$ 104,796.00	$ 1.65	$ (250,391.87)	$ (3.96)	$ 207,867.48	$ 3.32



PSE Active & Retiree Plan	May-12		6-month		12-month	
Number of Members	80,270		79,658		77,603	
Funding		PMPM		PMPM		PMPM
Premium Based	$ 21,872,456.00	$ 272.49	$ 23,217,814.50	$ 291.47	$ 22,940,714.25	$ 295.61
Reserve Allocation & Other	$ 1,432,434.00	$ 17.85	$ 1,513,864.91	$ 19.00	$ 1,183,265.45	$ 15.25
Total Funding	$ 23,304,890.00	$ 290.33	$ 24,731,679.41	$ 310.47	$ 24,123,979.70	$ 310.86
Expenses		PMPM		PMPM		PMPM
Medical Claims Expense	$ 16,869,579.00	$ 210.16	$ 17,336,705.50	$ 217.64	$ 16,948,798.25	$ 218.40
Pharmacy Claims Expense	$ 4,865,889.00	$ 60.62	$ 5,432,013.67	$ 68.19	$ 5,138,512.58	$ 66.22
Plan Administration & Operations	$ 1,679,305.00	$ 20.92	$ 2,125,749.50	$ 26.69	$ 2,161,414.25	$ 27.85
Total Expenses	$ 23,414,773.00	$ 291.70	$ 24,894,468.67	$ 312.52	$ 24,248,725.08	$ 312.47
Net Loss / Gain	$ (109,883.00)	$ (1.37)	$ (162,789.26)	$ (2.04)	$ (124,745.38)	$ (1.61)



Arkansas State Employees & Public School Employees Health Benefits Program

Preliminary Rates for CY 2013

John Colberg, FSA, MAAA

Gaelle Gravot, FSA, MAAA

July 17, 2012

Topics

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Updates Since Last Meeting

- Supreme Court Ruled
  - Supported the constitutionality of ACA (Affordable Care Act) including individual mandate to purchase health care (or pay a tax)
  - Limited the ability of the federal government to deny funding to states not opting to expand Medicaid

  Impact to ASE and PSE: Implementation of Women's Preventive Health Guideline on January 1, 2013

- New Information
  - Two additional months of claims information (through 6/30/12)
  - Risk/morbidity comparative analysis between Gold, Silver, and Bronze members incorporated

Issues for which Guidance is Requested

- Which rating tier methodology is the most appropriate?
  - For PSE?
  - For ASE?
- How much reserves should be drained/ increased?
  - For PSE?
  - For ASE?

Current Excess Reserves

- Current Excess Reserves as of 5/31/2012
  - PSE: $ 5.1 million or about 2% of annual expenses
  - ASE: $44.1 million or about 17% of annual expenses

- Projected Excess Reserves as of 12/31/2012
  - PSE: About $ 1 million or <1% of annual expenses
  - ASE: About $45 million or 17% of annual expenses

Rating Tier Options

- Historical Method: Developed based on judgment between actual experience and standard industry factors

- By Person: Same rate for all employees, all spouses, and all children across all the rating tiers.

Optional Rating Tiers - Actives

PSE - Gold	Total Monthly Premium			Total Employee Cost		
	Current	Scenario 1 Historical	Scenario 2 By Person	Current	Scenario 1 Historical	Scenario 2 By Person
Employee Only	**$437.36**	**$469.62**	**$466.76**	**$187.36**	**$224.84**	**$225.96**
Employee & Spouse	**1,202.68**	**1,299.40**	**1,197.02**	**848.92**	**1,018.70**	**870.83**
Employee & Child(ren)	**779.48**	**840.56**	**808.02**	**480.56**	**576.68**	**527.49**
Family	**1,211.24**	**1,308.68**	**1,538.28**	**851.20**	**1,021.44**	**1,205.14**

ASE - Gold	Total Monthly Premium			Total Employee Cost		
	Current	New Reserves $2.3 million	New Reserves $30 million	Current	New Reserves $2.3 million	New Reserves $30 million
Employee Only	**$439.38**	**$443.80**	**$443.80**	**$95.78**	**$110.95**	**$98.27**
Employee & Spouse	**1,046.18**	**1,014.68**	**1,014.68**	**367.74**	**396.39**	**377.30**
Employee & Child(ren)	**657.68**	**712.56**	**712.56**	**193.64**	**245.33**	**198.67**
Family	**1,161.84**	**1,283.44**	**1,283.44**	**419.62**	**530.77**	**430.53**

Note: PSE Scenario 1 and ASE under New Reserves $30 million Employee Costs are calculated as a percent increase over last year's Employee Costs. ASE are calculated using By Person Tiers

Optional Rating Tiers - Retirees

	Current	Scenario 1	Scenario 2	Current	Scenario 1	Scenario 2
PSE - Gold	**Total Monthly Premium**			**Total Employee Cost**		
NME Retiree Only	$457.42	$469.62	$466.76	$457.42	$469.62	$466.76
NME Retiree & NME SP	1,202.68	1,299.40	1,197.02	1,202.68	1,299.40	1,197.02
NME Retiree & Child(ren)	779.48	840.56	808.02	779.48	840.56	808.02
NME Retiree & NME SP & CH	1,211.24	1,308.68	1,538.28	1,211.24	1,308.68	1,538.28
NME Retiree & ME SP	596.82	609.56	606.70	596.82	609.56	606.70
NME Retiree & ME SP & CH	924.22	980.48	947.96	924.22	980.48	947.96
ME Retiree Only	$144.75	$139.94	$139.94	$41.44	$49.73	$49.73
ME Retiree & NME SP	568.37	598.36	595.50	568.37	598.36	595.50
ME Retiree & Child(ren)	486.85	542.50	512.82	421.17	505.41	505.41
ME Retiree & NME SP & CH	918.61	979.00	1,211.45	877.42	979.00	1,052.90
ME Retiree & ME SP	289.49	279.88	279.88	170.59	204.71	204.71
ME Retiree & ME SP & CH	631.60	650.81	621.13	550.32	650.81	621.13
ASE - Gold	**Total Monthly Premium**			**Total Employee Cost**		
NME Retiree Only	$439.38	$443.80	$443.80	$235.74	$266.28	$241.87
NME Retiree & NME SP	1,046.18	1,014.68	1,014.68	575.88	694.44	590.85
NME Retiree & Child(ren)	657.68	712.56	712.56	439.84	467.85	451.28
NME Retiree & NME SP & CH	1,161.86	1,283.44	1,283.44	916.72	896.01	940.55
NME Retiree & ME SP	783.98	804.02	804.02	401.54	536.45	411.98
NME Retiree & ME SP & CH	1,002.30	1,072.80	1,072.80	606.77	738.03	622.55
ME Retiree Only	$344.61	$360.23	$360.23	$117.12	$144.09	$120.17
ME Retiree & NME SP	740.75	804.02	804.02	446.72	410.37	458.33
ME Retiree & Child(ren)	562.91	658.94	658.94	314.86	323.32	323.05
ME Retiree & NME SP & CH	1,067.08	1,199.88	1,199.88	644.48	647.88	661.24
ME Retiree & ME SP	689.21	720.45	720.45	278.49	360.23	285.73
ME Retiree & ME SP & CH	907.52	989.22	989.22	476.24	521.49	488.62

Note: PSE Scenario 1 and ASE under New Reserves $30 million Employee Costs are calculated as a percent increase over last year's Employee Costs. ASE are calculated using By Person Tiers

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Comparisons

PSE Actives – Scenario 1
Historical Tiers / Set Percent Change
No New Reserves are Being Allocated

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PSE Detailed Financials

H-scan

Total Active & Ret ($ mil)	$293.2	$58.7	$73.7	$160.8	$134.7	$26.0		56,657
Actives	Total Monthly Premium	State Cont. Act 1842/1421 and Reserve Alloc.	School District Contrib.	2013 Total EE Cost	2012 Total EE Cost	Change in Premiums ($/%)		Assumed Enrollment
Gold								
Employee Only	$469.62	$113.78	$131.00	$224.84	$187.36	$37.48	20%	24,946
Employee & Spouse	1,299.40	149.70	131.00	1,018.70	848.92	169.78	20%	846
Employee & Child(ren)	840.56	132.88	131.00	576.68	480.56	96.12	20%	4,470
Family	1,308.68	156.24	131.00	1,021.44	851.20	170.24	20%	1,375
Est. Monthly Total ($mil)	$18.4	$3.8	$4.1	$10.5	$8.7	$1.7		31,637
Silver								
Employee Only	$359.20	$70.64	$131.00	$157.56	$157.56	$0.00	0%	1,200
Employee & Spouse	983.10	138.24	131.00	713.86	713.86	0.00	0%	79
Employee & Child(ren)	638.10	103.00	131.00	404.10	404.10	0.00	0%	351
Family	990.10	143.32	131.00	715.78	715.78	0.00	0%	228
Est. Monthly Total ($mil)	$1.0	$0.2	$0.2	$0.6	$0.6	$0.0		1,858
Bronze								
Employee Only	$191.56	$50.56	$131.00	$10.00	$0.00	$10.00	n/a	9,290
Employee & Spouse	478.88	105.40	131.00	242.48	186.52	55.96	30%	795
Employee & Child(ren)	320.28	80.96	131.00	108.32	83.32	25.00	30%	1,729
Family	483.30	107.30	131.00	245.00	188.46	56.54	30%	1,569
Est. Monthly Total ($mil)	$3.5	$0.9	$1.8	$0.9	$0.6	$0.3		13,383
Total (Monthly) ($ mil)	*$22.8*	*$4.8*	*$6.1*	*$11.9*	*$9.8*	*$2.0*		*46,878*
Est Annual Total ($ mil)	*$273.6*	$57.6	*$73.7*	*$142.3*	*$118.2*	*$24.1*		

Note: The figures presented are preliminary and subject to change.

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PSE Non-Medicare Retirees – Scenario 1
Historical Tiers / Set Percent Change
No New Reserves Are Being Allocated

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PSE Detailed Financials

H-scan

NME Retirees	Total Monthly Premium		Res. Alloc.		2013 Total Ret. Cost	2012 Total Ret. Cost	Change in Premiums ($/%)		Assumed Enrollment
Gold									
Retiree Only	$469.62		$0.00		$469.62	$457.42	$12.20	3%	1,096
Retiree & NME SP	1,299.40		0.00		1,299.40	1,152.01	147.39	13%	94
Retiree & Child(ren)	840.56		0.00		840.56	768.28	72.28	9%	12
Retiree & NME SP&CH	1,308.68		0.00		1,308.68	1,159.82	148.86	13%	9
Retiree & ME SP	609.56		0.00		609.56	596.82	12.74	2%	75
Retiree & ME SP & CH	980.48		0.00		980.48	907.71	72.77	8%	1
Est. Monthly Total ($mil)	$0.7		$0.0		$0.7	$0.7	$0.0		1,287
Silver									
Employee Only	$359.20		$0.00		$359.20	$401.62	($42.42)	-11%	170
Employee & Spouse	983.10		0.00		983.10	1,097.40	(114.30)	-10%	10
Employee & Child(ren)	638.10		0.00		638.10	712.64	(74.54)	-10%	1
Family	990.10		0.00		990.10	1,105.20	(115.10)	-10%	1
Est. Monthly Total ($mil)	$0.1		$0.0		$0.1	$0.1	($0.0)		181
Bronze									
Employee Only	$191.56		$0.00		$191.56	$148.90	$42.66	29%	784
Employee & Spouse	478.88		0.00		478.88	349.34	129.54	37%	136
Employee & Child(ren)	320.28		0.00		320.28	238.70	81.58	34%	10
Family	483.30		0.00		483.30	352.42	130.88	37%	24
Est. Monthly Total ($mil)	$0.2		$0.0		$0.2	$0.2	$0.1		954
Total (Monthly) ($ mil)	*$1.0*		*$0.0*		*$1.0*	*$0.9*	*$0.1*		*2,422*
Est Annual Total ($ mil)	*$12.1*		*$0.0*		*$12.1*	*$11.2*	*$0.9*		

Note: The figures presented are preliminary and subject to change.

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PSE Retirees – Medicare Eligible - Scenario 1
Historical Tiers / Set Percent Change
No New Reserves Are Being Allocated

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PSE Detailed Financials

H-scan

ME Retirees	Total Monthly Premium	Subsidy / Holdback	Res. Alloc.	2013 Total Ret. Cost	2012 Total Ret. Cost	2009 Total Ret. Cost	Change in Premiums ($/%)		Assumed Enrollment
Medicare Eligible									
Retiree Only	$139.94	$77.37	$12.84	$49.73	$41.44	$41.44	$8.29	20%	6,632
Retiree & NME SP	598.36	0.00	0.00	598.36	568.37	674.34	29.99	5%	107
Retiree & Child(ren)	542.50	31.81	5.28	505.41	421.17	421.18	84.23	20%	15
Retiree & NME SP&CH	979.00	0.00	0.00	979.00	877.42	1,054.08	101.58	12%	4
Retiree & ME SP	279.88	64.47	10.70	204.71	170.59	170.60	34.12	20%	597
Retiree & ME SP & CH	650.81	0.00	0.00	650.81	550.32	550.33	100.49	18%	1
Est. Monthly Total ($mil)	$1.2	$0.6	$0.1	$0.5	$0.4	$0.5	$0.1		7,357
Total (Est. Annual)	*$14.1*	*$6.6*	*$1.1*	*$6.3*	*$5.4*	*$5.5*	*$1.0*		

Note: The figures presented are preliminary and subject to change.

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PSE Actives – Scenario 2
By Person Tiers
No New Reserves Are Being Allocated

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PSE Detailed Financials

H-scan

Total Active & Ret ($ mil)	$293.2	$59.0	$73.7	$160.5	$134.7	$25.7		56,657
Actives	Total Monthly Premium	State Cont. Act 1842/1421 and Reserve Alloc.	School District Contrib.	2013 Total EE Cost	2012 Total EE Cost	Change in Premiums ($/%)		Assumed Enrollment
Gold								
Employee Only	$466.76	$109.80	$131.00	$225.96	$187.36	$38.60	21%	24,946
Employee & Spouse	1,197.02	195.19	131.00	870.83	848.92	21.91	3%	846
Employee & Child(ren)	808.02	149.53	131.00	527.49	480.56	46.93	10%	4,470
Family	1,538.28	202.14	131.00	1,205.14	851.20	353.94	42%	1,375
Est. Monthly Total ($mil)	$18.4	$3.9	$4.1	$10.4	$8.7	$1.7		31,637
Silver								
Employee Only	$350.12	$109.78	$131.00	$109.34	$157.56	($48.22)	-31%	1,200
Employee & Spouse	887.26	195.19	131.00	561.07	713.86	(152.79)	-21%	79
Employee & Child(ren)	601.14	149.53	131.00	320.61	404.10	(83.49)	-21%	351
Family	1,138.28	202.14	131.00	805.14	715.78	89.36	12%	228
Est. Monthly Total ($mil)	$1.0	$0.2	$0.2	$0.5	$0.6	($0.1)		1,858
Bronze								
Employee Only	$186.70	$45.70	$131.00	$10.00	$0.00	$10.00	n/a	9,290
Employee & Spouse	438.04	81.24	131.00	225.80	186.52	39.28	21%	795
Employee & Child(ren)	304.16	62.24	131.00	110.92	83.32	27.60	33%	1,729
Family	555.50	84.14	131.00	340.36	188.46	151.90	81%	1,569
Est. Monthly Total ($mil)	$3.5	$0.7	$1.8	$1.0	$0.6	$0.4		13,383
Total (Monthly) ($ mil)	*$22.8*	*$4.8*	*$6.1*	*$11.9*	*$9.8*	*$2.0*		*46,878*
Est Annual Total ($ mil)	*$273.9*	$57.9	*$73.7*	*$142.3*	*$118.2*	*$24.1*		

Note: The figures presented are preliminary and subject to change. Employees assumed not to move as a result of the premium changes.

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PSE NME Retirees – Scenario 2
By Person Tiers
No New Reserves Are Being Allocated

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PSE Detailed Financials

Hi-scan

NME Retirees	Total Monthly Premium		Res. Alloc.		2013 Total Ret. Cost	2012 Total Ret. Cost	Change in Premiums ($/%)		Assumed Enrollment
Gold									
Retiree Only	$466.76		$0.00		$466.76	$457.42	$9.34	2%	1,096
Retiree & NME SP	1,197.02		0.00		1,197.02	1,152.01	45.01	4%	94
Retiree & Child(ren)	808.02		0.00		808.02	768.28	39.74	5%	12
Retiree & NME SP&CH	1,538.28		0.00		1,538.28	1,159.82	378.46	33%	9
Retiree & ME SP	606.70		0.00		606.70	596.82	9.88	2%	75
Retiree & ME SP & CH	947.96		0.00		947.96	907.71	40.25	4%	1
Est. Monthly Total ($mil)	$0.7		$0.0		$0.7	$0.7	$0.0		1,287
Silver									
Employee Only	$350.12		$0.00		$350.12	$401.62	($51.50)	-13%	170
Employee & Spouse	887.26		0.00		887.26	1,097.40	(210.14)	-19%	10
Employee & Child(ren)	601.14		0.00		601.14	712.64	(111.50)	-16%	1
Family	1,138.28		0.00		1,138.28	1,105.20	33.08	3%	1
Est. Monthly Total ($mil)	$0.1		$0.0		$0.1	$0.1	($0.0)		181
Bronze									
Employee Only	$186.70		$0.00		$186.70	$148.90	$37.80	25%	784
Employee & Spouse	438.04		0.00		438.04	349.34	88.70	25%	136
Employee & Child(ren)	304.16		0.00		304.16	238.70	65.46	27%	10
Family	555.50		0.00		555.50	352.42	203.08	58%	24
Est. Monthly Total ($mil)	$0.2		$0.0		$0.2	$0.2	$0.0		954
Total (Monthly) ($ mil)	*$1.0*		*$0.0*		*$1.0*	*$0.9*	*$0.1*		*2,422*
Est Annual Total ($ mil)	*$11.8*		*$0.0*		*$11.8*	*$11.2*	*$0.7*		

Note: The figures presented are preliminary and subject to change. Employees assumed not to move as a result of the premium changes.

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PSE ME Retirees– Scenario 2
By Person Tiers
No New Reserves Are Being Allocated

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PSE Detailed Financials

Hi-scan

ME Retirees	Total Monthly Premium	Subsidy / Holdback	Res. Alloc.	2013 Total Ret. Cost	2012 Total Ret. Cost	2009 Total Ret. Cost	Change in Premiums ($/%)		Assumed Enrollment
Medicare Eligible									
Retiree Only	$139.94	$77.35	$12.86	$49.73	$41.44	$41.44	$8.29	20%	6,632
Retiree & NME SP	595.50	0.00	0.00	595.50	568.37	674.34	27.13	5%	107
Retiree & Child(ren)	512.82	6.35	1.06	505.41	421.17	421.18	84.23	20%	15
Retiree & NME SP&CH	1,211.45	135.95	22.60	1,052.90	877.42	1,054.08	175.48	20%	4
Retiree & ME SP	279.88	64.45	10.72	204.71	170.59	170.60	34.12	20%	597
Retiree & ME SP & CH	621.13	0.00	0.00	621.13	550.32	550.33	70.81	13%	1
Est. Monthly Total ($mil)	$1.2	$0.6	$0.1	$0.5	$0.4	$0.5	$0.1		7,357
Total (Est. Annual)	*$14.1*	*$6.6*	*$1.1*	*$6.3*	*$5.4*	*$5.5*	*$1.0*		

Note: The figures presented are preliminary and subject to change. Employees assumed not to move as a result of the premium changes.

ASE Actives – Scenario 1
By Person Tiers
$2.3 million of New Reserves Allocated

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ASE Detailed Financials

H-scan

Total Active & Ret ($ mil)	$276.6	$161.5	$12.3	$102.8	$86.8	$16.0		38,398
Actives	Total Monthly Premium	State Contrib.	Reserve Alloc.	2013 EE Total Cost	2012 EE Total Cost	Change in Premiums ($ / %)		Assumed Enrollment
Gold								
Employee Only	$443.80	$303.41	$29.44	$110.95	$95.78	$15.17	16%	14,380
Employee & Spouse	1,014.68	563.60	54.69	396.39	367.74	28.65	8%	3,164
Employee & Child(ren)	712.56	425.90	41.33	245.33	193.64	51.69	27%	4,803
Family	1,283.44	686.10	66.57	530.77	419.62	111.15	26%	3,167
Est. Monthly Total ($mil)	$17.1	$10.4	$1.0	$5.7	$4.8	$0.9		25,514
Silver								
Employee Only	$233.70	$171.58	$3.69	$58.43	$62.12	($3.69)	-6%	515
Employee & Spouse	521.06	238.54	80.42	202.11	282.52	(80.42)	-28%	131
Employee & Child(ren)	369.00	227.56	15.37	126.08	141.44	(15.37)	-11%	162
Family	656.34	331.74	54.86	269.75	324.60	(54.86)	-17%	147
Est. Monthly Total ($mil)	$0.3	$0.2	$0.0	$0.1	$0.1	($0.0)		954
Bronze								
Employee Only	$149.20	$139.20	$0.00	$10.00	$0.00	$10.00	n/a	984
Employee & Spouse	316.54	222.88	0.00	93.66	77.22	16.44	21%	235
Employee & Child(ren)	228.00	178.60	0.00	49.40	27.84	21.56	77%	253
Family	395.32	262.26	0.00	133.06	92.20	40.86	44%	297
Est. Monthly Total ($mil)	$0.4	$0.3	$0.0	$0.1	$0.1	$0.0		1,769
Total (Monthly) ($ mil)	*$17.8*	*$10.9*	*$1.0*	*$5.9*	*$5.0*	*$0.9*		*28,238*
Est Annual Total ($ mil)	*$213.8*	*$130.6*	*$12.3*	*$70.9*	*$59.9*	*$11.0*		

State/Plan Pays 75% for Employees in Gold or Silver + 50% for Dependents. For Bronze, 93% for Employees + 50% for Dependents Note: The figures presented are preliminary and subject to change.

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ASE NME Retirees – Scenario 1
By Person Tiers
$2.3 million of New Reserves Allocated

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ASE Detailed Financials

H-scan

NME Retirees	Total Monthly Premium	State Contrib.	Reserve Alloc.	2013 Ret. Total Cost	2012 Ret. Total Cost	Change in Premiums ($ / %)		Assumed Enrollment
Gold								
Retiree Only	$443.80	$177.52	$0.00	$266.28	$235.74	$30.54	13%	1,484
Retiree & NME SP	1,014.68	320.24	0.00	694.44	575.88	118.56	21%	500
Retiree & Child(ren)	712.56	244.71	0.00	467.85	439.84	28.01	6%	81
Retiree & NME SP&CH	1,283.44	387.43	0.00	896.01	916.72	(20.71)	-2%	34
Retiree & ME SP	804.02	267.58	0.00	536.45	401.54	134.91	34%	259
Retiree & ME SP & CH	1,072.80	334.77	0.00	738.03	606.77	131.26	22%	13
Est. Monthly Total ($mil)	$1.5	$0.5	$0.0	$1.0	$0.8	$0.1		2,371
Silver								
Employee Only	$233.70	$93.48	$0.00	$140.22	$202.08	($61.86)	-31%	16
Employee & Spouse	521.06	165.32	0.00	355.74	490.66	(134.92)	-27%	6
Employee & Child(ren)	369.00	127.31	0.00	241.70	387.64	(145.95)	-38%	7
Family	656.34	199.14	0.00	457.20	821.68	(364.48)	-44%	6
Est. Monthly Total ($mil)	$0.0	$0.0	$0.0	$0.0	$0.0	($0.0)		34
Bronze								
Employee Only	$149.20	$0.00	$0.00	$149.20	$146.46	$2.74	2%	24
Employee & Spouse	316.54	0.00	0.00	316.54	300.92	15.62	5%	14
Employee & Child(ren)	228.00	0.00	0.00	228.00	202.14	25.86	13%	3
Family	395.32	0.00	0.00	395.32	330.88	64.44	19%	16
Est. Monthly Total ($mil)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		57
Total (Monthly) ($ mil)	*$1.5*	*$0.5*	*$0.0*	*$1.0*	*$0.8*	*$0.1*		*2,462*
Est Annual Total ($ mil)	*$18.2*	*$6.4*	*$0.0*	*$11.8*	*$10.1*	*$1.7*		

State/Plan pays 40% for Retirees + 25% for Dependents in Gold/Silver, nothing for Bronze.

Note: The figures presented are preliminary and subject to change.

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ASE ME Retirees – Scenario 1
By Person Tiers
$2.3 million of New Reserves Allocated

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ASE Detailed Financials

H-scan

ME Retirees	Total Monthly Premium	State Contrib.	Reserve Alloc.	2013 Ret. Total Cost	2012 Ret. Total Cost	Change in Premiums ($ / %)		Assumed Enrollment
Medicare Eligible								
Retiree Only	$360.23	$216.14	$0.00	$144.09	$117.12	$26.97	23%	5,240
Retiree & NME SP	804.02	393.65	0.00	410.37	446.72	(36.35)	-8%	453
Retiree & Child(ren)	658.94	335.62	0.00	323.32	314.86	8.46	3%	66
Retiree & NME SP&CH	1,199.88	552.00	0.00	647.88	644.48	3.40	1%	35
Retiree & ME SP	720.45	360.23	0.00	360.23	278.49	81.74	29%	1,882
Retiree & ME SP & CH	989.22	467.73	0.00	521.49	476.24	45.25	10%	22
Est. Monthly Total ($ mil)	$3.7	$2.0	$0.0	$1.7	$1.4	$0.3		7,698
Total (Est. Annual)	*$44.6*	*$24.5*	*$0.0*	*$20.1*	*$16.7*	*$3.4*		

State Pays 60% for Retirees + 40% for Dependents.
Note: The figures presented are preliminary and subject to change.

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ASE Actives – Scenario 2
By Person Tiers
$30 million of New Reserves Allocated

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ASE Detailed Financials

H-scan

Total Active & Ret ($ mil)	$276.6	$161.5	$26.2	$88.9	$86.8	$2.2		38,398
Actives	Total Monthly Premium	State Contrib.	Reserve Alloc.	2013 EE Total Cost	2012 EE Total Cost	Change in Premiums ($ / %)		Assumed Enrollment
Gold								
Employee Only	$443.80	$294.54	$50.99	$98.27	$95.78	$2.49	3%	14,380
Employee & Spouse	1,014.68	543.32	94.06	377.30	367.74	9.56	3%	3,164
Employee & Child(ren)	712.56	438.05	75.84	198.67	193.64	5.03	3%	4,803
Family	1,283.44	727.04	125.87	430.53	419.62	10.91	3%	3,167
Est. Monthly Total ($mil)	$17.1	$10.4	$1.8	$4.9	$4.8	$0.1		25,514
Silver								
Employee Only	$233.70	$171.58	$0.00	$62.12	$62.12	$0.00	0%	515
Employee & Spouse	521.06	238.54	0.00	282.52	282.52	0.00	0%	131
Employee & Child(ren)	369.00	227.56	0.00	141.44	141.44	0.00	0%	162
Family	656.34	331.74	0.00	324.60	324.60	0.00	0%	147
Est. Monthly Total ($mil)	$0.3	$0.2	$0.0	$0.1	$0.1	$0.0		954
Bronze								
Employee Only	$149.20	$149.20	$0.00	$0.00	$0.00	$0.00	n/a	984
Employee & Spouse	316.54	239.32	0.00	77.22	77.22	0.00	0%	235
Employee & Child(ren)	228.00	200.16	0.00	27.84	27.84	0.00	0%	253
Family	395.32	303.12	0.00	92.20	92.20	0.00	0%	297
Est. Monthly Total ($mil)	$0.4	$0.3	$0.0	$0.1	$0.1	$0.0		1,769
Total (Monthly) ($ mil)	*$17.8*	*$10.9*	*$1.8*	*$5.1*	*$5.0*	*$0.1*		*28,238*
Est Annual Total ($ mil)	*$213.8*	*$130.9*	*$21.5*	*$61.4*	*$59.9*	*$1.5*		

Employee Cost Increased by 2.6% for Gold and 0% for Silver and Bronze.
Note: The figures presented are preliminary and subject to change.

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ASE NME Retirees – Scenario 2
By Person Tiers
$30 million of New Reserves Allocated

CHEIRON

ASE Detailed Financials

H-scan

NME Retirees	Total Monthly Premium	State Contrib.	Reserve Alloc.	2013 Ret. Total Cost	2012 Ret. Total Cost	Change in Premiums ($ / %)		Assumed Enrollment
Gold								
Retiree Only	$443.80	$177.52	$24.41	$241.87	$235.74	$6.13	3%	1,484
Retiree & NME SP	1,014.68	320.24	103.59	590.85	575.88	14.97	3%	500
Retiree & Child(ren)	712.56	244.71	16.57	451.28	439.84	11.44	3%	81
Retiree & NME SP&CH	1,283.44	342.89	0.00	940.55	916.72	23.83	3%	34
Retiree & ME SP	804.02	267.58	124.46	411.98	401.54	10.44	3%	259
Retiree & ME SP & CH	1,072.80	334.77	115.48	622.55	606.77	15.78	3%	13
Est. Monthly Total ($mil)	$1.5	$0.5	$0.1	$0.8	$0.8	$0.0		2,371
Silver								
Employee Only	$233.70	$31.62	$0.00	$202.08	$202.08	$0.00	0%	16
Employee & Spouse	521.06	30.40	0.00	490.66	490.66	0.00	0%	6
Employee & Child(ren)	369.00	0.00	(18.64)	387.64	387.64	0.00	0%	7
Family	656.34	0.00	(165.34)	821.68	821.68	0.00	0%	6
Est. Monthly Total ($mil)	$0.0	$0.0	($0.0)	$0.0	$0.0	$0.0		34
Bronze								
Employee Only	$149.20	$0.00	$2.74	$146.46	$146.46	$0.00	0%	24
Employee & Spouse	316.54	0.00	15.62	300.92	300.92	0.00	0%	14
Employee & Child(ren)	228.00	0.00	25.86	202.14	202.14	0.00	0%	3
Family	395.32	0.00	64.44	330.88	330.88	0.00	0%	16
Est. Monthly Total ($mil)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		57
Total (Monthly) ($ mil)	*$1.5*	*$0.5*	*$0.1*	*$0.9*	*$0.8*	*$0.0*		*2,462*
Est Annual Total ($ mil)	*$18.2*	*$6.4*	*$1.5*	*$10.4*	*$10.1*	*$0.3*		

Employee Cost Increased by 2.6% for Gold and 0% for Silver and Bronze.
Note: The figures presented are preliminary and subject to change.

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ASE ME Retirees – Scenario 2
By Person Tiers
$30 million of New Reserves Allocated

CHEIRON

ASE Detailed Financials

H-scan

ME Retirees	Total Monthly Premium	State Contrib.	Reserve Alloc.	2013 Ret. Total Cost	2012 Ret. Total Cost	Change in Premiums ($ / %)		Assumed Enrollment
Medicare Eligible								
Retiree Only	$360.23	$216.14	$23.93	$120.17	$117.12	$3.05	3%	5,240
Retiree & NME SP	804.02	345.69	0.00	458.33	446.72	11.61	3%	453
Retiree & Child(ren)	658.94	335.62	0.27	323.05	314.86	8.19	3%	66
Retiree & NME SP&CH	1,199.88	538.64	0.00	661.24	644.48	16.76	3%	35
Retiree & ME SP	720.45	360.23	74.50	285.73	278.49	7.24	3%	1,882
Retiree & ME SP & CH	989.22	467.73	32.87	488.62	476.24	12.38	3%	22
Est. Monthly Total ($ mil)	$3.7	$2.0	$0.3	$1.4	$1.4	$0.0		7,698
Total (Est. Annual)	*$44.6*	*$24.2*	*$3.2*	*$17.2*	*$16.7*	*$0.4*		

Employee cost increased by 2.6%.
Note: The figures presented are preliminary and subject to change.

CHEIRON

Appendices

Appendix A – PSE Actives
2012 Final Rate Details

Actives	Medical and Pharmacy	Expenses	Retirement Subsidy	Total Monthly Premium	State Cont. (Act 1842/1421)	Res. Alloc.	School District Contrib.	2012 Total EE Cost	2011 Total EE Cost	Change in Premiums ($ / %)		Assumed Enrollment
Gold												
Employee Only	$393.64	$32.52	$11.20	$437.36	$90.12	$28.88	$131.00	$187.36	$170.34	$17.02	10%	29,716
Employee & Spouse	1,158.96	32.52	11.20	1,202.68	160.22	62.54	131.00	848.92	771.74	77.18	10%	1,253
Employee & Child(ren)	735.76	32.52	11.20	779.48	122.74	45.18	131.00	480.56	436.87	43.69	10%	5,224
Family	1,167.52	32.52	11.20	1,211.24	165.92	63.12	131.00	851.20	773.82	77.38	10%	1,807
Est. Monthly Total ($mil)	$19.1	$1.2	$0.4	$20.8	$3.8	$1.3	$5.0	$10.7	$9.7	$1.0		38,000
Silver									(2011 HA)			
Employee Only	$357.90	$32.52	$11.20	$401.62	$90.12	$22.94	$131.00	$157.56	$170.34	($12.78)	-8%	1,520
Employee & Spouse	1,053.68	32.52	11.20	1,097.40	160.22	92.32	131.00	713.86	771.74	(57.88)	-8%	61
Employee & Child(ren)	668.92	32.52	11.20	712.64	122.74	54.80	131.00	404.10	436.87	(32.77)	-8%	325
Family	1,061.48	32.52	11.20	1,105.20	165.92	92.50	131.00	715.78	773.82	(58.04)	-8%	95
Est. Monthly Total ($mil)	$0.9	$0.1	$0.0	$1.0	$0.2	$0.1	$0.3	$0.5	$0.5	$0.0		2,000
Bronze												
Employee Only	$105.18	$32.52	$11.20	$148.90	$17.90	$0.00	$131.00	$0.00	$15.10	($15.10)	-100%	5,324
Employee & Spouse	305.62	32.52	11.20	349.34	31.82	0.00	131.00	186.52	333.10	(146.58)	-44%	330
Employee & Child(ren)	194.98	32.52	11.20	238.70	24.38	0.00	131.00	83.32	155.36	(72.04)	-46%	637
Family	308.70	32.52	11.20	352.42	32.96	0.00	131.00	188.46	333.70	(145.24)	-44%	709
Est. Monthly Total ($mil)	$1.0	$0.2	$0.1	$1.3	$0.1	$0.0	$0.9	$0.2	$0.5	-$0.3		7,000
Total (Monthly) ($ mil)	$21.0	$1.5	$0.5	$23.1	$4.2	$1.4	$6.2	$11.4	$10.8	$0.7		47,000
Est Annual Total ($ mil)	$252.4	$18.3	$6.3	$277.0	$50.0	$16.2	$73.9	$136.9	$129.1	$7.8		

CHEIRON

Appendix A – PSE Retirees
2012 Final Rate Details

NME Retirees	Medical and Pharmacy	Expenses	Retiree Holdback	Total Monthly Premium		Res. Alloc.		2012 Total Ret. Cost	2011 Total Ret. Cost	Change in Retiree Premiums ($ / %)		Assumed Enrollment
Gold												
Retiree Only	$393.64	$32.52	$31.26	$457.42		$0.00		$457.42	$457.42	$0.00	0%	1,579
Retiree & NME SP	1,158.96	32.52	11.20	1,202.68		50.67		1,152.01	1,152.01	0.00	0%	142
Retiree & Child(ren)	735.76	32.52	11.20	779.48		11.20		768.28	768.28	0.00	0%	7
Retiree & NME SP&CH	1,167.52	32.52	11.20	1,211.24		51.42		1,159.82	1,159.82	0.00	0%	8
Retiree & ME SP	538.40	32.52	25.90	596.82		0.00		596.82	596.82	0.00	0%	112
Retiree & ME SP & CH	880.50	32.52	11.20	924.22		16.51		907.71	907.71	0.00	0%	1
Est. Monthly Total ($mil)	$0.9	$0.1	$0.1	$1.0		$0.0		$1.0	$1.0	$0.0		1,850
Silver												
Employee Only	$357.90	$32.52	$11.20	$401.62		$0.00		$401.62	$457.42	($55.80)	-12%	213
Employee & Spouse	1,053.68	32.52	11.20	1,097.40		0.00		1,097.40	1,152.01	(54.61)	-5%	34
Employee & Child(ren)	668.92	32.52	11.20	712.64		0.00		712.64	768.28	(55.64)	-7%	1
Family	1,061.48	32.52	11.20	1,105.20		0.00		1,105.20	1,159.82	(54.62)	-5%	1
Est. Monthly Total ($mil)	$0.1	$0.0	$0.0	$0.1		$0.0		$0.1	$0.1	$0.0		250
Bronze												
Employee Only	$105.18	$32.52	$11.20	$148.90		$0.00		$148.90	$457.42	($308.52)	-67%	85
Employee & Spouse	305.62	32.52	11.20	349.34		0.00		349.34	1,152.01	(802.67)	-70%	14
Employee & Child(ren)	194.98	32.52	11.20	238.70		0.00		238.70	768.28	(529.58)	-69%	0
Family	308.70	32.52	11.20	352.42		0.00		352.42	1,159.82	(807.40)	-70%	0
Est. Monthly Total ($mil)	$0.0	$0.0	$0.0	$0.0		$0.0		$0.0	$0.1	$0.0		100
Total (Monthly) ($ mil)	$1.0	$0.1	$0.1	$1.1		$0.0		$1.1	$1.2	($0.1)		2,200
Est Annual Total ($ mil)	$11.9	$0.9	$0.7	$13.4		$0.1		$13.3	$14.0	($0.6)		
ME Retirees	Medical and Pharmacy	Expenses		Total Monthly Premium	Subsidy / Holdback	Res. Alloc.		2012 Total Ret. Cost	2011 Total Ret. Cost	Change in Premiums ($/%)		Assumed Enrollment
Medicare Eligible												
Retiree Only	$144.75	$0.00		$144.75	$96.93	$6.38		$41.44	$41.44	$0.00	0%	5,523
Retiree & NME SP	538.39	0.00	29.98	568.37	0.00	0.00		568.37	568.37	0.00	0%	101
Retiree & Child(ren)	486.85	0.00		486.85	61.62	4.06		421.17	421.17	0.00	0%	14
Retiree & NME SP&CH	918.61	0.00		918.61	38.65	2.54		877.42	877.42	0.00	0%	3
Retiree & ME SP	289.49	0.00		289.49	111.55	7.35		170.59	170.59	0.00	0%	458
Retiree & ME SP & CH	631.60	0.00		631.60	76.26	5.02		550.32	550.32	0.00	0%	1
Est. Monthly Total ($mil)	$1.0	$0.0	$0.0	$1.0	$0.6	$0.0		$0.4	$0.4	$0.0		6,100
Total (Est. Annual)	$12.0	$0.0	$0.0	$12.0	$7.0	$0.5		$4.5	$4.5	$0.0		

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Appendix A – ASE Actives
2012 Final Rate Details

Actives	Medical and Pharmacy	Expenses	Total Monthly Premium	State Contrib.	Reserve Alloc.	2012 EE Total Cost	2011 EE Total Cost	Change in Premiums ($ / %)		Assumed Enrollment
Gold										
Employee Only	$396.14	$43.24	$439.38	$307.26	$36.34	$95.78	$95.78	$0.00	0%	14,691
Employee & Spouse	1,002.94	43.24	1,046.18	606.68	71.76	367.74	367.74	0.00	0%	3,240
Employee & Child(ren)	614.44	43.24	657.68	414.96	49.08	193.64	193.64	0.00	0%	4,481
Family	1,118.60	43.24	1,161.84	663.71	78.51	419.62	419.62	0.00	0%	3,138
Est. Monthly Total ($mil)	$15.3	$1.1	$16.4	$10.4	$1.2	$4.8	$4.8	$0.0		25,550
Silver							(2011 HA)			
Employee Only	$362.48	$43.24	$405.72	$307.26	$36.34	$62.12	$95.78	($33.66)	-35%	763
Employee & Spouse	917.72	43.24	960.96	606.68	71.76	282.52	367.74	(85.22)	-23%	142
Employee & Child(ren)	562.24	43.24	605.48	414.96	49.08	141.44	193.64	(52.20)	-27%	228
Family	1,023.58	43.24	1,066.82	663.71	78.51	324.60	419.62	(95.02)	-23%	118
Est. Monthly Total ($mil)	$0.7	$0.1	$0.7	$0.5	$0.1	$0.2	$0.2	($0.1)		1,250
Bronze										
Employee Only	$103.22	$43.24	$146.46	$146.46	$0.00	$0.00	$7.16	($7.16)	-100%	922
Employee & Spouse	257.68	43.24	300.92	223.70	0.00	77.22	154.02	(76.80)	-50%	155
Employee & Child(ren)	158.90	43.24	202.14	174.30	0.00	27.84	60.33	(32.49)	-54%	147
Family	287.64	43.24	330.88	238.68	0.00	92.20	183.54	(91.34)	-50%	175
Est. Monthly Total ($mil)	$0.2	$0.1	$0.3	$0.2	$0.0	$0.0	$0.1	($0.0)		1,400
Total (Monthly) ($ mil)	*$16.2*	*$1.2*	*$17.4*	*$11.2*	*$1.3*	*$5.0*	*$5.1*	*($0.1)*		*28,200*
Est Annual Total ($ mil)	*$194.4*	*$14.6*	*$209.0*	*$133.8*	*$15.5*	*$59.7*	*$60.9*	*($1.2)*		

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Appendix A – ASE Retirees
2012 Final Rate Details

NME Retirees	Medical and Pharmacy	Expenses	Total Monthly Premium	State Contributions and Reserves		2012 Ret. Total Cost	2011 Ret. Total Cost	Change in Premiums ($ / %)		Assumed Enrollment
Gold										
Retiree Only	$396.14	$43.24	$439.38	$203.64	$0.00	$235.74	$235.74	$0.00	0%	1,243
Retiree & NME SP	1,002.94	43.24	1,046.18	401.73	68.57	575.88	575.88	0.00	0%	410
Retiree & Child(ren)	614.44	43.24	657.68	217.84	0.00	439.84	439.84	0.00	0%	56
Retiree & NME SP&CH	1,118.62	43.24	1,161.86	245.14	0.00	916.72	916.72	0.00	0%	30
Retiree & ME SP	740.74	43.24	783.98	323.07	59.37	401.54	401.54	0.00	0%	201
Retiree & ME SP & CH	959.06	43.24	1,002.30	388.57	6.96	606.77	606.77	0.00	0%	10
Est. Monthly Total ($mil)	$1.1	$0.1	$1.2	$0.5	$0.0	$0.7	$0.7	$0.0		1,950
Silver										
Employee Only	$362.48	$43.24	$405.72	$203.64	$0.00	$202.08	$235.74	($33.66)	-14%	159
Employee & Spouse	917.72	43.24	960.96	401.73	68.57	490.66	575.88	(85.22)	-15%	53
Employee & Child(ren)	562.24	43.24	605.48	217.84	0.00	387.64	439.84	(52.20)	-12%	33
Family	1,023.58	43.24	1,066.82	245.14	0.00	821.68	916.72	(95.04)	-10%	5
Est. Monthly Total ($mil)	$0.1	$0.0	$0.1	$0.1	$0.0	$0.1	$0.1	($0.0)		250
Bronze										
Employee Only	$103.22	$43.24	$146.46	$0.00	$0.00	$146.46	$235.74	($89.28)	-38%	64
Employee & Spouse	257.68	43.24	300.92	0.00	0.00	300.92	575.88	(274.96)	-48%	21
Employee & Child(ren)	158.90	43.24	202.14	0.00	0.00	202.14	439.84	(237.70)	-54%	13
Family	287.64	43.24	330.88	0.00	0.00	330.88	916.72	(585.84)	-64%	2
Est. Monthly Total ($mil)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		100
Total (Monthly) ($ mil)	*$1.3*	*$0.1*	*$1.4*	*$0.6*	*$0.0*	*$0.7*	*$0.8*	*($0.0)*		*2,300*
Est Annual Total ($ mil)	*$15.1*	*$1.1*	*$16.3*	*$6.8*	*$0.5*	*$8.9*	*$9.1*	*($0.1)*		
ME Retirees	**Medical and Pharmacy**	**Expenses**	**Total Monthly Premium**	**State Contributions and Reserves**		**2012 Ret. Total Cost**	**2011 Ret. Total Cost**	**Change in Premiums ($ / %)**		**Assumed Enrollment**
Medicare Eligible										
Retiree Only	$344.61	$0.00	$344.61	$206.76	$20.72	$117.12	$117.12	$0.00	0%	4,758
Retiree & NME SP	740.75	0.00	740.75	294.03	0.00	446.72	446.72	0.00	0%	340
Retiree & Child(ren)	562.91	0.00	562.91	248.05	0.00	314.86	314.86	0.00	0%	52
Retiree & NME SP&CH	1,067.08	0.00	1,067.08	422.60	0.00	644.48	644.48	0.00	0%	27
Retiree & ME SP	689.21	0.00	689.21	344.61	66.12	278.49	278.49	0.00	0%	1,811
Retiree & ME SP & CH	907.52	0.00	907.52	431.28	0.00	476.24	476.24	0.00	0%	13
Est. Monthly Total ($ mil)	$3.2	$0.0	$3.2	$1.7	$0.2	$1.3	$1.3	$0.0		7,000
Total (Est. Annual)	*$38.5*	*$0.0*	*$38.5*	*$20.8*	*$2.6*	*$15.0*	*$15.0*	*$0.0*		

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Appendix B - Benefit Options

Benefit Option Name: **Last Modified:** **Plan Coverage Relative Value:** **Provider Network:**	**Gold** **1/1/2012** **1.00** **Health Advantage**	**Silver** **1/1/2012** **0.93** **QualChoice**	**Bronze** **1/1/2012** **0.84** **Heath Advantage**
In-Network (INN) Benefits			
Deductible (Individual / Family)	None / None	$750 / $1500	$1500 / $3000
Coinsurance	20%	20%	20%
Copays			
Office Visit - Primary Care (PCP)	$25	$25	Ded. & Coins.
OV - Specialist Care Provider (SCP)	$35	$50	Ded. & Coins.
Urgent Care (UC)	$100	$150	Ded. & Coins.
Emergency Room (ER) Non-admitted	$100	$150	Ded. & Coins.
Outpatient Surgery	$100 then Ded. & Coins.	$150 then Ded. & Coins.	Ded. & Coins.
Hospital Inpatient	$250 then Ded. & Coins.	$300 then Ded. & Coins.	Ded. & Coins.
Out-of-Pocket Max (Individual / Family)	$1500 / $3000	$2000 / $4000	$2500 / $5000
Out-of-Network (OON) Benefits [1]			
Deductible (Individual / Family)	$1000 / $2000	$1500 / $3000	$3000 / $6000
Coinsurance	40%	40%	40%
Out-of-Pocket Max (Individual / Family)	$5000 / $10000	$5000 / $10000	$5000 / $10000
Annual Maximum INN / OON	Unlimited / $1,000,000	Unlimited / $1,000,000	Unlimited / $1,000,000
Prescription Drugs			
Separate Deductible then the following Copays:			
Retail (31 Days) - Generic/Formulary /Non-Form.	$10 / $30 / $60	$10 / $35 / $70	Ded. & Coins.
Mail Order (93 Days) - Generic/Form. /Non-Form.	$30 / $90/ $180	$30 / $105 / $210	Ded. & Coins.
Selected Detail Benefits			
Psychiatry:	INN: $25 Copay; OON: Ded & Coins.	INN: $25 Copay; OON: Ded & Coins.	Ded. & Coins.
Rehabilitation (i.e., speech, occup. physical):	Ded. & Coins.	Ded. & Coins.	Ded. & Coins.
Chiropractors:	INN: $35 then Ded & Coins; OON: Ded & Coins.	INN: $50 then Ded & Coins; OON: Ded & Coins.	Ded. & Coins.
Hearing Aids:	No Cost; Limit of $1400 per ear every 3 years	No Cost; Limit of $1400 per ear every 3 years	Ded. & Coins.
Durable Medical Equipment (DME):	Ded. & Coins.	Ded. & Coins.	Ded. & Coins.
Preventive Care:	INN: No Cost; OON: Coins. except immun. no cost	INN: No Cost; OON: Coins. except immun. no cost	INN: No Cost; OON: Coins. except immun. no cost

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Appendix B - Benefit Options (continued)

Medical Management			
PCP referral to specialists required:	No	No	No
Inpatient:	Yes	Yes	Yes
Outpatient:	Selected	Selected	Selected
Case Management:	Yes	Yes	Yes
Disease Management:	Yes, select conditions	Yes, select conditions	Yes, select conditions
Wellness:	Yes	Yes	Yes
Nurse-Line / Informed Decision Support:	Yes	Yes	Yes

Medicare Integration:	Coordination of Benefits	Not Available	Not Available
Non- Medicare Benefits Covered:	Yes, same as NME		
Non- Medicare Providers Covered:	Non-Par & Non-Accepting		
Pharmacy Covered:	Non-Par & Non-Accepting		

[1]When an in-network provider is not available within 50 miles for a hospital and 25 miles for all other providers, then in-network

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Appendix C
Recap of Last Year's Decisions

- Implemented Gold, Silver, and Bronze Plans effective January 1, 2012
- Selected Medical Networks and Medical Managers for the Gold, Silver, and Bronze Plans
- Used $18 million of excess reserves for PSE (note that PSE reserves grew substantially in the first 5 months of 2011)
- Used $37.3 million of excess reserves for ASE

Appendix C (continued)
Recap of Last Year's Decisions

- PSE smoothing or how the $18 million got used:
  1. Increased Gold employee costs 10% from 2011 HA
  2. Decreased Silver employee costs 7.5% from 2011 HA
  3. Bronze employee costs set to $0 for employee only coverage
  4. Held retiree costs constant for Gold retirees (Medicare and Non-Medicare)
  5. Silver and Bronze retiree costs set to 100% of total premium rate

- ASE smoothing or how the $37.3 million got used:
  1. Held Gold active employee and retiree costs constant
  2. Employees and retirees electing Silver had costs reduced by dollar difference between Gold and Silver total premium rate
  3. State paid 100% of cost for Bronze active employees and 50% of the Bronze dependent costs
  4. Bronze NME retiree costs set to 100% of total premium rate

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Appendix D
Assumptions & Methods

- Key assumptions and methods are shown on the rating worksheets and detailed financial pages developing the rates. Note that results are not final and can change. Additional details about the assumptions and methods will be provided in follow-up documentation once final rates are adopted.
- In preparing the information in this presentation, we relied without audit, on information (some oral and some written) supplied by the EBD and the plan's vendors. This information includes, but is not limited to, the plan provisions, employee eligibility data, financial information and claims data.
- Cheiron's presentation was prepared exclusively for the State of Arkansas for a specific and limited purpose. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Cheiron's work product (other than the Fund's auditor, attorney, third party administrator or other professional when providing professional services to the Fund) who desires professional guidance should not rely upon Cheiron's work product, but should engage qualified professionals for advice appropriate to its own specific needs.
- Please see the following slides for more information about the trend assumption.
- The figures in this report are preliminary. Cheiron intends to update them over the next month to incorporate additional information that we will receive and additional analysis that we will perform.

Appendix D (continued)
Trend Analysis

AR Health - Preliminary PSE Trend Development

	A	B	C	D	E	F	G	H	I			Preliminary
Experience Period:	CY2011/ CY2010	CY2011/ CY2010	CY2011/ CY2010	1/11 v 1/10	1/11 v 1/10	CY2011/ CY2010	CY2012/ CY2011/	same as F CY2011/ CY2010	same as G PY2012/ PY 2011	PY12/PY11 Adjustment	Used for CY 2012 rates	Recommended CY 2013 rates
Type of Claims:	Paid PMPM	Incurred PMPM	Incurred Benefit	Incurred Demo	Incurred Geo	Underlying Incurred Util & Price	Incurred Potential	Underlying Paid Util & Price	Paid Potential	Marketplace Potential &	Incurred Annual Trend	Incurred Annual Trend
Medical - Actives and NME Retirees	Actual	Actual	Changes	Changes	Changes	Trend	Future Trend	Trend	Future Trend	Other Factors	Assumption	Assumption
1 Health Advantage	2.5%	2.4%	0.0%	-0.1%	-0.1%	2.6%	2.4%	2.7%	2.5%			
2 Novasys	-3.7%	-5.3%	0.0%	1.9%	-4.8%	-2.4%	-5.3%	-0.8%	-3.7%			
3 Novasys HD	1.2%	7.0%	0.0%	1.1%	2.3%	3.5%	7.0%	-2.1%	1.2%			
4 **Medical - Actives and NME**	**1.9%**	**2.0%**	**0.0%**	**0.1%**	**-0.3%**	2.2%	**2.0%**	2.1%	1.9%		**5.8%**	**6.0%**
5 **Medical - ME Retirees**	**4.9%**	**1.8%**	**0.0%**	**0.2%**	**0.0%**	**1.6%**	**1.8%**	**4.7%**	**4.9%**	**2.5%**	**7.0%**	**6.0%**
6 **Rx - Actives and NME Retirees***	**2.3%**	**2.3%**	**0.0%**	**0.1%**	**-0.4%**	**2.5%**	**2.3%**	**2.5%**	**2.3%**	**3.0%**	**3.5%**	**6.0%**

* blended based on medical claims

AR Health - Preliminary ASE Trend Development

	A	B	C	D	E	F	G	H	I			Preliminary
Experience Period:	CY2011/ CY2010/	CY2011/ CY2010	CY2011/ CY2010	1/11 v 1/10	1/11 v 1/10	CY2011/ CY2010	CY2012/ CY2011	same as F CY2011/ CY2010	same as G PY2012/ PY 2011	PY12/PY11 Adjustment	Used for CY 2012 rates	Recommended CY 2013 rates
Type of Claims:	Paid PMPM	Incurred PMPM	Incurred Benefit	Incurred Demo	Incurred Geo	Underlying Incurred Util & Price	Incurred Potential	Underlying Paid Util & Price	Paid Potential	Marketplace Potential &	Incurred Annual Trend	Incurred Annual Trend
Medical - Actives and NME Retirees	Actual	Actual	Changes	Changes	Changes	Trend	Future Trend	Trend	Future Trend	Other Factors	Assumption	Assumption
1 Health Advantage	2.3%	1.8%	0.0%	-0.6%	0.0%	2.4%	1.8%	2.9%	2.3%			
2 Novasys	12.8%	5.7%	0.0%	-0.6%	0.0%	6.3%	5.7%	13.4%	12.8%			
3 Novasys HD	-17.8%	1.1%	0.0%	0.6%	2.1%	-1.5%	1.1%	-19.9%	-17.8%			
4 **Medical - Actives and NME**	**2.6%**	**2.0%**	**0.0%**	**-0.6%**	**0.0%**	2.5%	**2.0%**	3.2%	2.6%		**5.8%**	**6.0%**
5 **Medical - ME Retirees**	**2.9%**	**-0.2%**	**0.0%**	**-0.2%**	**0.0%**	**0.0%**	**-0.2%**	**3.0%**	**2.9%**	**2.5%**	**7.0%**	**6.0%**
6 **Rx - Actives and NME Retirees***	**3.5%**	**3.5%**	**0.0%**	**-0.6%**	**0.0%**	**4.1%**	**3.5%**	**4.0%**	**3.5%**	**3.0%**	**3.5%**	**6.0%**

* blended based on medical claims

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Appendix D (continued)
Comparative Risk/Morbidity Analysis

- PSE

	Actives	Retirees
Gold	1.01	1.61
Silver	0.63	1.12
Bronze	0.57	1.17

- ASE

	Actives	Retirees
Gold	0.93	1.47
Silver	0.56	0.55
Bronze	0.44	0.45

Source: InformedRx predictive model

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Appendix E - PSE Actives & NME Retirees

PSE ACTIVE RATE DEVELOPMENT for CY2013

			Gold			Silver			Bronze		
Plan:											
Benefit:			Medical	Pharmacy	Total	Medical	Pharmacy	Total	Medical	Pharmacy	Total
Experience Period - Service (Incurred) Dates			5/11 - 4/12	6/11 - 5/12		5/11 - 4/12	6/11 - 5/12		5/11 - 4/12	6/11 - 5/12	
Experience Period - Processed (Paid) Dates			5/11 - 6/12	6/11 - 6/12		5/11 - 6/12	6/11 - 6/12		5/11 - 6/12	6/11 - 6/12	
			A	B	C	D	E	F	G	H	I
1 Total Incurred Medical & Rx Claims (Experience Period)			$172,747,201	$57,658,466	$230,405,667	$1,894,536	$594,056	$2,488,593	$15,948,995	$2,031,616	$17,980,612
2 Less High Cost Claims Above (Med/Rx)	$100,000	$20,000	$13,284,789	$4,832,227	$18,117,016	$0	$26,494	$26,494	$256,890	$86,742	$343,632
3 **Net Incurred Claims below Pooling Point [1 - 2]**			**$159,462,412**	**$52,826,239**	**$212,288,651**	**$1,894,536**	**$567,562**	**$2,462,099**	**$15,692,105**	**$1,944,874**	**$17,636,980**
4 Person Months for Experience Period			670,900	669,653	**670,590**	13,507	14,053	**13,633**	157,969	162,544	**158,473**
5 **Net Incurred Claims Per Person Per Month (PPPM) [3 / 4]**			**$237.68**	**$78.89**	**$316.57**	**$140.26**	**$40.39**	**$180.65**	**$99.34**	**$11.97**	**$111.31**
6 Change in Benefits During Experience Period			1.0001	1.0001		0.9889	0.9548		0.9691	0.8816	
7 Change in Network During Experience Period			0.9889	1.0000		1.0706	1.0000		0.8970	1.0000	
8 Change in Demographics or Risk During Experience Period			1.0018	1.0010		1.0093	1.0177		1.0180	1.0310	
9 Change in Geographic During Experience Period			1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
10 a) Annual Trend Rate			6.0%	5.0%		6.0%	5.0%		6.0%	5.0%	
b) Months to Trend			20	19		20	19		20	19	
c) Trend Adjustment			1.1020	1.0803		1.1020	1.0803		1.1020	1.0803	
11 **Adjusted Claims Charged PPPM [5 x 6 x 7 x 8 x 9 x 10c]**			**$259.48**	**$85.32**	**$344.80**	**$165.16**	**$42.40**	**$207.55**	**$96.87**	**$11.75**	**$108.63**
12 Charge for Claims above Pooling Point PPPM			$19.80	$7.22	$27.02	$0.00	$1.89	$1.89	$1.63	$0.53	$2.16
13 **Total Claims Charged PPPM [11 + 12]**			**$279.28**	**$92.54**	**$371.82**	**$165.16**	**$44.28**	**$209.44**	**$98.50**	**$12.29**	**$110.79**
14 Change in Future Benefits			1.0010	1.0150		1.0020	1.0200		1.0030	1.1600	
15 Change in Future Demographics (Age/Gender/Family) or Risk			1.0202	1.0202		1.2934	1.2934		1.1845	1.1845	
16 Change in Future Geographic			1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
17 Change in Future Network			1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
18 **Rating Incurred Claim PPPM [18 blended with 19]**			**$285.22**	**$95.83**	**$381.04**	**$214.04**	**$58.42**	**$272.46**	**$117.03**	**$16.88**	**$133.91**
19 Projected Persons Months			557,806	557,806	**557,806**	41,933	41,933	**41,933**	279,392	279,392	**279,392**
20 **Projected Total Incurred Claims [18 x 19]**			**$159,096,002**	**$53,452,251**	**$212,548,253**	**$8,975,306**	**$2,449,661**	**$11,424,967**	**$32,696,227**	**$4,717,011**	**$37,413,237**
21 PEPM Expense Load as % of Claims		7.0%			**$31.62**			**$27.08**			**$29.58**
22 Retiree Subsidy / Holdback PEPM					**$11.20**			**$11.20**			**$11.20**
23 **Projected Expense Loaded Cost [(18 x 19) + (21+22) x 25]**					**$229,535,366**			**$12,361,719**			**$44,430,013**
24 **Conversion to Rating Tiers [21 x rating tier x counts]**			x tier	Projected		x tier	Projected		x tier	Projected	
Method: Historical			factor	Ee Months	PEPM	factor	Ee Months	PEPM	factor	Ee Months	PEPM
a) Employee Only			1.12	314,691	**$469.62**	1.18	16,436	**$359.21**	1.13	120,889	**$191.56**
b) Employee & Spouse			3.30	11,285	**$1,299.39**	3.47	1,059	**$983.11**	3.27	11,167	**$478.89**
c) Employee & Child(ren)			2.09	53,847	**$840.55**	2.20	4,226	**$638.10**	2.09	20,866	**$320.29**
d) Family			3.32	16,602	**$1,308.68**	3.49	2,748	**$990.10**	3.30	19,123	**$483.30**
e) Child(ren) of Medicare Retirees			0.97	241	**$413.76**						
25 **Rates Balance Confirmation**				396,666	**$229,535,366**		24,468	**$12,361,719**		172,044	**$44,430,013**

Note: The figures presented are preliminary and subject to change. Prior to employee contribution being divisible by 2.

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Appendix E - PSE Medicare Retirees

PSE MEDICARE RETIREE RATE DEVELOPMENT for CY2013

				Medicare	
	Plan:				
	Benefit:			Medical	Total
	Experience Period - Service (Incurred) Dates			5/11 - 4/12	
	Experience Period - Processed (Paid) Dates			5/11 - 6/12	
1	Total Incurred Medical & Rx Claims (Experience Period)			$10,608,979	$10,608,979
2	Less High Cost Claims Above (Med/Rx)	$100,000	$20,000	$54,597	$54,597
3	**Net Incurred Claims below Pooling Point [1 - 2]**			**$10,554,382**	**$10,554,382**
4	Person Months for Experience Period			83,699	**83,699**
5	**Net Incurred Claims Per Person Per Month (PPPM) [3 / 4]**			**$126.10**	**$126.10**
6	Change in Benefits During Experience Period			1.0000	
7	Change in Demographics or Risk During Experience Period			1.0023	
8	Change in Geographic During Experience Period			1.0000	
9	a) Annual Trend Rate			6.0%	
	b) Months to Trend			20	
	c) Trend Adjustment			1.1020	
10	**Adjusted Claims Charged PPPM [5 x 6 x 7 x 8 x 9c]**			**$139.29**	**$139.29**
11	Charge for Claims above Pooling Point PPPM			$0.65	$0.65
12	**Total Claims Charged PPPM [9 + 10]**			**$139.94**	**$139.94**
13	Change in Future Benefits			1.0000	
14	Change in Future Demographics (Age/Gender/Family) or Risk			1.0000	
15	Change in Future Geographic			1.0000	
16	Change in Future Network			1.0000	
17	**Projected Incurred Claim PPPM [13x 14 x15x16]**			**$139.94**	**$139.94**
18	Projected Persons Months			96,370	**96,370**
19	**Projected Total Incurred Claims [17 x 18]**			**$13,485,853**	**$13,485,853**

Note: The figures presented are preliminary and subject to change. Prior to employee contribution being divisible by 2.

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Appendix E - PSE Retirees

PSE GOLD RETIREE RATE DEVELOPMENT for CY2013

20 Conversion to Rating Tiers	PPPM [17]	x Non-Med. tier factor	Non-Med. PEPM	x Medicare tier factor	Medicare PEPM	Projected Ret Months	TOTAL PEPM
Method: Historical							
a) NME Retiree		1.12	$469.62	-	$0.00	13,152	**$469.62**
b) NME Retiree & NME Spouse		3.30	$1,299.39	-	$0.00	1,133	**$1,299.39**
c) NME Retiree & Child(ren)		2.09	$840.55	-	$0.00	146	**$840.55**
d) NME Retiree & NME Spouse & Child(ren)		3.32	$1,308.68	-	$0.00	104	**$1,308.68**
e) NME Retiree & ME Spouse		1.12	$469.62	1.00	$139.94	899	**$609.56**
f) NME Retiree & ME Spouse & Child(ren)		2.09	$840.55	1.00	$139.94	10	**$980.49**
g) ME Retiree			$0.00	1.00	$139.94	79,589	**$139.94**
h) ME Retiree & NME Spouse		1.12	$458.42	1.00	$139.94	1,289	**$598.36**
i) ME Retiree & Child(ren)		0.97	$402.56	1.00	$139.94	181	**$542.50**
j) ME Retiree & NME Spouse & Child(ren)		2.20	$839.06	1.00	$139.94	48	**$979.00**
k) ME Retiree & ME Spouse			$0.00	2.00	$279.88	7,165	**$279.88**
l) ME Retiree & ME Spouse & Child(ren)		0.97	$370.93	2.00	$279.88	12	**$650.81**
21 Rates Balance Confirmation			**$9,046,664**		**$13,485,853**		**$22,532,517**

Note: The figures presented are preliminary and subject to change. Prior to employee contribution being divisible by 2.

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Appendix E - ASE Actives & NME Retirees

ASE ACTIVE RATE DEVELOPMENT for CY2013

			Gold			Silver			Bronze		
	Plan:										
	Benefit:		Medical	Pharmacy	Total	Medical	Pharmacy	Total	Medical	Pharmacy	Total
	Experience Period - Service (Incurred) Dates		5/11 - 4/12	6/11 - 5/12		5/11 - 4/12	6/11 - 5/12		5/11 - 4/12	6/11 - 5/12	
	Experience Period - Processed (Paid) Dates		5/11 - 6/12	6/11 - 6/12		5/11 - 6/12	6/11 - 6/12		5/11 - 6/12	6/11 - 6/12	
			A	B	C	D	E	F	G	H	I
1	Total Incurred Medical & Rx Claims (Experience Period)		$149,330,108	$48,404,474	$197,734,582	$686,293	$192,673	$878,966	$2,563,266	$232,059	$2,795,325
2	Less High Cost Claims Above (Med/Rx) $100,000	$20,000	$9,380,981	$4,353,716	$13,734,697	$0	$0	$0	$28,854	$40,362	$69,216
3	**Net Incurred Claims below Pooling Point [1 - 2]**		**$139,949,128**	**$44,050,758**	**$183,999,885**	**$686,293**	**$192,673**	**$878,966**	**$2,534,412**	**$191,696**	**$2,726,109**
4	Person Months for Experience Period		604,599	604,722	**604,628**	6,784	7,449	**6,930**	28,612	29,161	**28,651**
5	**Net Incurred Claims Per Person Per Month (PPPM) [3 / 4]**		**$231.47**	**$72.84**	**$304.31**	**$101.16**	**$25.87**	**$127.03**	**$88.58**	**$6.57**	**$95.15**
6	Change in Benefits During Experience Period		1.0000	1.0001		0.9851	0.9860		0.9785	0.9067	
7	Change in Network During Experiencce Period		0.9939	1.0000		1.0687	1.0000		0.8832	1.0000	
8	Change in Demographics or Risk During Experience Period		1.0044	1.0063		1.0106	1.0028		1.0040	1.0071	
9	Change in Geographic During Experience Period		1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
10	a) Annual Trend Rate		6.0%	5.0%		6.0%	5.0%		6.0%	5.0%	
	b) Months to Trend		20	19		20	19		20	19	
	c) Trend Adjustment		1.1020	1.0803		1.1020	1.0803		1.1020	1.0803	
11	**Adjusted Claims Charged PPPM [5 x 6 x 7 x 8 x 9 x 10c]**		**$254.64**	**$79.19**	**$333.83**	**$118.61**	**$27.63**	**$146.24**	**$84.70**	**$6.48**	**$91.18**
12	Charge for Claims above Pooling Point PPPM		$15.52	$7.20	$22.72	$0.00	$0.00	$0.00	$1.01	$1.38	$2.39
13	**Total Claims Charged PPPM [11 + 12]**		**$270.15**	**$86.39**	**$356.55**	**$118.61**	**$27.63**	**$146.24**	**$85.71**	**$7.87**	**$93.57**
14	Change in Future Benefits		1.0010	1.0150		1.0020	1.0200		1.0030	1.1600	
15	Change in Future Demographics (Age/Gender/Family) or Risk		1.0063	1.0063		1.2175	1.2175		1.1179	1.1179	
16	Change in Future Geographic		1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
17	Change in Future Network		1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
18	**Rating Incurred Claim PPPM [18 blended with 19]**		**$272.14**	**$88.25**	**$360.38**	**$144.69**	**$34.32**	**$179.00**	**$96.10**	**$10.20**	**$106.30**
19	Projected Persons Months		595,066	595,066	**595,066**	22,307	22,307	**22,307**	40,699	40,699	**40,699**
20	**Projected Total Incurred Claims [18 x 19]**		**$161,939,900**	**$52,512,571**	**$214,452,471**	**$3,227,526**	**$765,511**	**$3,993,037**	**$3,911,153**	**$415,115**	**$4,326,268**
21	PPPM Expense Load as % of Claims	**5.0%**			**$29.94**			**$25.40**			**$27.90**
22	**Projected Expense Loaded Cost [(18 x 19)+ (21 x 24)]**				**$224,678,306**			**$4,294,340**			**$4,937,718**
23	**Conversion to Rating Tiers [21 x rating tier x counts]**		x tier	Projected		x tier	Projected		x tier	Projected	
	Method: Person		factor	Ee Months	PEPM	factor	Ee Months	PEPM	factor	Ee Months	PEPM
	a) Employee Only		1.15	198,913	**$443.80**	1.16	6,364	**$233.71**	1.14	12,091	**$149.21**
	b) Employee & Spouse		2.73	43,969	**$1,014.68**	2.77	1,635	**$521.05**	2.72	2,993	**$316.54**
	c) Employee & Child(ren)		1.89	59,183	**$712.57**	1.92	2,020	**$368.99**	1.88	3,073	**$227.99**
	d) Family		3.48	38,413	**$1,283.45**	3.52	1,843	**$656.33**	3.46	3,758	**$395.32**
	e) Child(ren) of Medicare Retirees		0.75	1,053	**$298.71**				-		
24	**Rates Balance Confirmation**			341,530	**$224,678,306**		11,862	**$4,294,340**		21,915	**$4,937,718**

Note: The figures presented are preliminary and subject to change. Prior to employee contribution being divisible by 2.

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Appendix E - ASE Medicare Retirees

ASE MEDICARE RETIREE RATE DEVELOPMENT for CY2013

	Plan:				
	Benefit:			Medical	Medicare Pharmacy	Total
	Experience Period - Service (Incurred) Dates			5/11 - 4/12	6/11 - 5/12	
	Experience Period - Processed (Paid) Dates			5/11 - 6/12	6/11 - 6/12	
1	Total Incurred Medical & Rx Claims (Experience Period)*			$15,944,760	$20,146,208	$36,090,967
2	Less High Cost Claims Above (Med/Rx)*	$100,000	$20,000	$150,109	$1,717,799	$1,867,908
3	**Net Incurred Claims below Pooling Point [1 - 2]**			**$15,794,651**	**$18,428,409**	**$34,223,060**
4	Person Months for Experience Period			108,417	108,916	**108,686**
5	**Net Incurred Claims Per Person Per Month (PPPM) [3 / 4]**			**$145.68**	**$169.20**	**$314.88**
6	Change in Benefits During Experience Period			1.0000	1.0000	
7	Change in Demographics or Risk During Experience Period			0.9984	1.0000	
8	Change in Geographic During Experience Period			1.0000	1.0000	
9	a) Annual Trend Rate			6.0%	5.0%	
	b) Months to Trend			20	19	
	c) Trend Adjustment			1.1020	1.0803	
10	**Adjusted Claims Charged PPPM [5 x 6 x 7 x 8 x 9c]**			**$160.28**	**$182.79**	**$343.07**
11	Charge for Claims above Pooling Point PPPM			$1.38	$15.77	$17.16
12	**Total Claims Charged PPPM [10 + 11]**			**$161.67**	**$198.56**	**$360.23**
13	Change in Future Benefits (Level/Mgt/Discounts)			1.0000	1.0000	
14	Change in Future Demographics (Age/Gender/Family) or Risk			1.0000	1.0000	
15	Change in Future Geographic			1.0000	1.0000	
16	Change in Future Network			1.0000	1.0000	
17	**Projected Incurred Claim PPPM [13x 14 x15x16]**			**$161.67**	**$198.56**	**$360.23**
18	Projected Persons Months			118,494	118,494	**118,494**
19	**Projected Total Incurred Claims [17 x 18]**			**$19,156,399**	**$23,528,360**	**$42,684,759**

Note: The figures presented are preliminary and subject to change. Prior to employee contribution being divisible by 2.

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Appendix E - ASE Medicare Retirees

ASE GOLD RETIREE RATE DEVELOPMENT for CY2013

20 Conversion to Rating Tiers	PPPM [17]	x Non-Med. tier factor	Non-Med. PEPM	x Medicare tier factor	Medicare PEPM	Projected Ee Months	TOTAL PEPM
Method: Person							
a) NME Retiree		1.15	$443.80	-	$0.00	17,804	**$443.80**
b) NME Retiree & NME Spouse		2.73	$1,014.68	-	$0.00	6,001	**$1,014.68**
c) NME Retiree & Child(ren)		1.89	$712.57	-	$0.00	968	**$712.57**
d) NME Retiree & NME Spouse & Child(ren)		3.48	$1,283.45	-	$0.00	413	**$1,283.45**
e) NME Retiree & ME Spouse		1.15	$443.80	1.00	$360.23	3,112	**$804.02**
f) NME Retiree & ME Spouse & Child(ren)		1.89	$712.57	1.00	$360.23	153	**$1,072.80**
g) ME Retiree		-	$0.00	1.00	$360.23	62,877	**$360.23**
h) ME Retiree & NME Spouse		1.15	$443.80	1.00	$360.23	5,436	**$804.02**
i) ME Retiree & Child(ren)		0.75	$298.71	1.00	$360.23	787	**$658.94**
j) ME Retiree & NME Spouse & Child(ren)		2.33	$839.65	1.00	$360.23	423	**$1,199.88**
k) ME Retiree & ME Spouse		-	$0.00	2.00	$720.45	22,587	**$720.45**
l) ME Retiree & ME Spouse & Child(ren)		0.75	$268.77	2.00	$720.45	266	**$989.22**
21 Rates Balance Confirmation			**$19,775,666**		**$42,684,759**		**$62,460,425**

* Pharmacy Cost for Medicare has subtracted the RDS Subsidy.

Note: The figures presented are preliminary and subject to change. Prior to employee contribution being divisible by 2.

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