



AGENDA

State and Public School Life and Health Insurance Board

February 20, 2015

10:00 a.m.

EBD Board Room – 501 Building, Suite 500

- I. Call to Order John Kirtley, Chairman*
- II. Approval of Jan. 20, & Feb. 2, 2015 Minutes John Kirtley, Chairman*
- III. ASE-PSE Financials January, 2015 Marla Wallace, EBD Chief Fiscal Officer*
- IV. EBD Report..... Lori Eden, EBD Deputy Director*
- V. Benefits Sub-committee Report.... Shelby McCook, Benefits Committee Chairman*
- VI. Contract Renewals and RFPs..... Bob Alexander, EBD Executive Director*
- VII. Director's Report..... Bob Alexander, EBD Executive Director*

Upcoming Meetings

March 17, 2015

April 21, 2015

NOTE: All material for this meeting will be available by electronic means only asepse-board@dfa.arkansas.gov

Notice: Silence your cell phones. Keep your personal conversations to a minimum. Observe restrictions designating areas as "Members and Staff only"

**State and Public School Life
And Health Insurance Board Special Board Meeting
Minutes
February 20, 2015**

The 147th meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met on February 20, 2015 at 10:00 a.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, AR 72201.

MEMBERS PRESENT

Robert Boyd
Dr. Tony Thurman
Lori Freno-Engman
Katrina Burnett
Angela Avery
Shelby McCook
Dr. John Kirtley - Chairman
Carla Wooley-Haugen Vice-Chairman
Janis Harrison

MEMBERS ABSENT

Renee Mallory
Dan Honey
Dr. Joseph Thompson
Dr. Andrew Kumpuris

Bob Alexander, Executive Director, Employee Benefits Division

OTHERS PRESENT:

David Keisner, Dwight Davis , UAMS; Janna Keathley, Ethel Whittaker, Marla Wallace, Lori Eden, Leslie Smith, Stella Green, EBD; Sylvia Landers, Minnesota Life; Kristi Jackson, Jennifer Vaughn, ComPsych; Marc Watts, Danny James, ASEA; Andy Davis, Arkansas Democrat Gazette; Wayne Whitley, AR Highway & Transportation Dept; Takisha Sanders, Kanita Collins, Martha Carlson, Health Advantage; Gini Ingram, ACHI; Jackie Baker, Harmony Daniels, ASP; Steve Althoff, MTI; Connie Bennett, Catamaran; Martha Hill, Robyn Keene, AAEA; Karen Langley, Qual Choice; Mike Pickens, Pickens Law Firm; Jim Templeton, AFA; Sam Smothers, Astra Zeneca; Lisa Boone, EBI; Derrick Smith; Mitchell Williams

CALL TO ORDER:

Meeting was called to order by John Kirtley, Chairman

APPROVAL OF MINUTES: *by John Kirtley, Chairman*

The request was made by Kirtley to approve the January 20th & February 2nd, 2015 minutes.

Harrison made the motion to approve the minutes, Burnett seconded; all were in favor.

Minutes approved

FINANCIALS: *by Marla Wallace, EBD Fiscal Officer*

Wallace reported financials for January 2015. For PSE the month of January FICA savings collected for the schools totaled \$473,000. The catastrophic reserve for 2015 is \$200,000 less for PSE than it was in 2014. The PSE catastrophic reserve is \$10.9 million. Only two weeks of claims were paid for one carrier. Four weeks were paid for the remaining two carriers. Because of not paying two weeks of claims, the net income is not a true picture for the month. If the claims had been paid, the net income would have been approximately \$5.3 million. The pharmacy claims are \$1.4 million less than in January 2013. The \$63.00 Transitional Reinsurance fee has decreased to \$44.00 per member for 2015.

For ASE there were only two weeks of claims paid for one carrier and four weeks for the remaining two carriers. The net income is \$9 million due to only paying one carrier two weeks of claims. Had the claims been paid, the net income would have been approximately \$3.2 million. The 2015 catastrophic reserve is \$200,000 less than 2014 for ASE as well. The catastrophic reserve is \$10.4 million.

EBD REPORT: *by Lori Eden, EBD Deputy Director*

Eden reported in an effort to reduce the turnover in the member services department it has been recommended to make the contract positions state positions. There are twelve positions; two are currently state team lead positions. There have been meetings with DFA - OPM, and The Governor's office to determine the best method of alleviating the turnover. The savings could potentially be as much as \$75,000 annually. Wooley-Haugen reported the affected contracts have been reviewed and there is a thirty day opt out provision.

Alexander reported the positions will be paid with trust funds as are the current contracts. The turnover rate has been 80% in the member services department. The current contract employees have no benefits available, which could also contribute to the high turnover. Wooley-Haugen reported a career path is also incorporated in the plan in hope to encourage long term employment.

Harrison reported many years back the positions were state positions, and they were changed to contract positions. McCook reported it was 1997, and there were problems with members waiting extensive times to speak with a rep, and missed in-coming calls.

McCook motioned to approve the twelve contract positions to full-time state positions only if they are approved by legislation. Wooley-Haugen seconded. All were in favor.

Motion Approved

State and Public School Life and Health Insurance Board Benefits Sub-Committee Summary Report

The following report resulted from a meeting of the Benefits Sub-Committee from January 9, 2015 with Shelby McCook presiding.

Topics Discussed:

Regenerative Injection Therapy

Regenerative Injection Therapy is known as Stem Cell Treatment. Platelet Rich Plasma Therapy was initially used over 20 years ago to enhance wound healing in cancer patients with jaw reconstruction and to increase the survival of bone grafts in dental procedures.

It's also used in plastic surgery to enhance wound healing and to decrease the risk of infection. They began using it for professional athletics, and is now entering the mainstream medical centers with increasing indications for use.

Platelets release healing proteins called growth factors which stimulate stem cells accelerate tissue and wound healing. Stem cells can make exact copies of itself indefinitely, differentiate, and produce specialized cells for various tissues of the body.

There are two types of Stem Cells, Embryonic and Adult. There is no current approved treatment for Embryonic. It was used until October 2010 for spinal cord injuries. Adults have stem cell to maintain the normal turnover of regenerative organs, blood, skin and intestines.

The following are areas of investigation for stem cell treatment:

- Diabetes
- Rheumatoid arthritis
- Parkinson's disease
- Osteoarthritis
- Stroke and traumatic brain injury

- Learning defects
- Heart attack
- Anti-cancer
- Baldness
- Repair tooth
- Repair hearing
- Restore vision
- Amyotrophic Lateral Sclerosis (ALS)
- Crohns disease
- Wound Healing

The growth factors stimulate mesenchymal cells from body to site, and stimulate differentiation of stem cells to tissue specific cells.

A few of the Orthopedic Indications are as follows:

- Chronic lower back pain
- Tennis elbow
- Rotator cuff tears
- Knee Osteoarthritis
- Achilles Tendonitis
- Plantar Fasciitis
- Neck Pain
- Medical collateral ligament (MCL) tears
- Acute and chronic tendon problems
- Injuries to ligaments and muscles

The three phases of healing are (1) Inflammatory Phase, (2) Proliferative Phase, and (3) Remodeling Phase. The timeframe for healing varies among the three.

Honey moved that Medical Directors of our carriers be invited to our next meeting to present their views on this process. Wooley-Haugen seconded. All were in favor.

Motion Approved

Harrison motioned to recommend to the board to revisit the decision for the EBD Director to have the authority to make payroll deduction decisions for voluntary deductions. Wooley-Haugen seconded.

Motion Approved

McCook motioned for the board to approve the sub-committee report, including the recommendation that the board would revisit the decision to delegate the payroll deduction authorization decision to the Director. Harrison seconded. All were in favor.

Motion Approved

Discussion:

Harrison reported the previous minutes were searched and there was no information regarding the EBD Director to have the authority to approve voluntary benefits without board approval. Harrison reported on ACA codes 19-4-602 and 21-5-406. The legislative codes do not grant authority to the Director to make decisions regarding the State Employee Benefits Corporation or ASEA. Harrison is opposed to the Director having the authority to make the decisions on voluntary deductions.

Harrison motioned that an individual may need to be added to the statute, and that any payroll slots are to be approved by the board, and not by the director. Honey seconded.

Additional Discussion:

Danny James, the Executive Director of ASEA, commented their agency organization does not support the authorization for the payroll slots as the Director's decision.

After the discussion all were in favor of the motion.

Motion Approved

CONTRACT RENEWALS AND REQUEST FOR PROPOSALS: *by Bob Alexander, EBD Executive Director*

Alexander reported there are several contracts up for renewal in June: Case Management, Disease Management, and Utilization Management. The RFP has been approved. Alexander would like to extend these to the end of the 2015 year. The current RFP will remain and be available in April for bidding.

McCook motioned for the board to approve the extension. Harrison seconded. All were in favor.

Motion Approved

Alexander reported the Health Advantage, Qual Choice, and Catamaran contracts expire in June. Alexander would like to extend these contracts for six (6) months, until the end of 2015. With board approval the contracts will be moved to calendar year renewal. McCook recommended the rebates are audited and would like to add it to the new RFP.

McCook motioned to extend the contracts to the end of the 2015 year. Harrison seconded. All were in favor.

Motion Approved

Alexander reported on the Minnesota Life contract. There will be a presentation at the next benefits sub-committee meeting.

Alexander would like to renew the Arkansas Center for Health Improvement Interagency agreement with UAMS for six (6) months, and thereafter renew for a full benefits plan. Alexander reported the agreement is for \$288,000 annually.

McCook inquired is the amount based on the services received. Alexander reported it's based on per member per month, and some services.

McCook is in favor of extending to the end of year 2015. However, revisit and review the terms and arrangements prior to the renewal for January 1, 2016. Harrison seconded. All were in favor.

Motion Approved

Alexander reported the Cheiron contract will renew. This contract is not funded by trust funds, but by DFA. The contract amount is \$450,000 annually. There is one (1) more renewal before a new RFP is required.

Alexander reported on the HSA and the FSA contracts. There are two (2) contracts with two (2) vendors. The vendors are DataPath and Wage Works. There is a recommendation to have only one (1) vendor. There is a new RFP to combine the two (2) services effective January 1, 2016.

Meadors, the consultant, reported in long term there will be a savings by combining the accounts.

McCook motioned to delay approval to the next meeting to allow the staff time for research. Honey seconded. All were in favor.

Motion Approved

Alexander reported the Delta Dental contract renews on August 1, 2015. This contract is not paid with trust funds. Alexander will pursue the renewal in August.

Alexander reported on the postage for mailing ID cards and letters. The operating fund is not able to afford any additional mail outs at this time. Alexander would like approval to use trust funds in the amount of \$119,000 for ID card postage.

McCook motioned a one (1) time approval of \$119,000 to reimburse the operating funds paid from the respected trust fund. Harrison seconded. All were in favor.

Motion Approved

Alexander reported on Senate Bill 182 by Senator Williams. The bill reads if an employee fails to join the health plan in three (3) years they will pay a 5% penalty when they retire.

Alexander reported on Senate Bill 316 by Senator Irvin. The bill reads a prior authorization is not needed if the patient is terminally ill. Alexander recommended the bill to read "you can't deny a prior authorization for a terminally ill patient". The med would be any covered drug that requires a prior authorization.

Alexander reported on a bill regarding reconstructive surgery. The Bill has not been filed at this time. There's confusion in terms of what's allowed under reconstructive surgery. More information will be provided when it becomes available.

Alexander reported on the payment improvement meeting with Blue Cross. There will be a presentation at an upcoming meeting at the choice of the board.

McCook recommended if time allows, the payment improvement discussion be added to the March 6th Benefits Meeting Agenda.

DIRECTOR'S REPORT: *by Bob Alexander, EBD Executive Director*

Dr. Kirtley opened the floor for audience comments. Carlton Saffa, policy advisor for Governor Asa Hutchinson, thanked the Board and expressed deep appreciation for their service.

Saffa also reported the Governor's Office has received a lot of questions regarding the Pharmacy audit. Many are encouraging the Governor's Office to conduct an audit. The Governor's Office feels EBD should make the decisions regarding the Pharmacy Audit. Saffa would like guidance to answer questions regarding the audit. In addition, Saffa extended assistance in seeking assistance with the Audit if necessary.

Saffa also reported that financing RFP's seems to be challenging. There are several projects to accomplish prior to July. Saffa recommended for the next three months there should be caution signing RFP's if there is not an avenue to provide consultant help.

Meeting Adjourned 11:26 a.m.

Arkansas State Employees (ASE) Financials - January 1, 2014 through January 31, 2014				
	Gold	Silver	Bronze	Total
Actives	24,410	1,484	2,252	28,146
Retirees	2,485	25	50	2,560
Medicare	8,114			8,114
Total	35,009	1,509	2,302	38,820
Revenues & Expenditures				
Funding			Current Month	Year to Date (1 month)
State Contribution			\$ 14,318,044	\$ 14,318,044
Employee Contribution			\$ 7,650,132	\$ 7,650,132
Other			\$ 12,940	\$ 12,940
Allocation for Active/Retiree Plan Year 2014			\$ 2,154,167	\$ 2,154,167
Total Funding			\$ 24,135,282	\$ 24,135,282
Expenses				
Medical Expenses				
Claims Expense			\$ 16,068,212	\$ 16,068,212
Claims IBNR			\$ -	\$ -
Medical Admin Fees			\$ 1,116,720	\$ 1,116,720
Refunds			\$ 14,270	\$ 14,270
Employee Assistance Program (EAP)			\$ 56,247	\$ 56,247
Life Insurance			\$ 54,696	\$ 54,696
Pharmacy Expenses				
RX Claims			\$ 6,189,444	\$ 6,189,444
RX IBNR			\$ -	\$ -
RX Admin			\$ 255,855	\$ 255,855
Plan Administration			\$ 314,891	\$ 314,891
Total Expenses			\$ 24,070,335	\$ 24,070,335
Net Income/(Loss)			\$ 64,947	\$ 64,947
Balance Sheet				
Assets				
Bank Account				\$ 5,797,207
State Treasury				\$ 71,461,818
Due from Cafeteria Plan				\$ 668,305
Due from PSE				\$ -
Receivable from Provider				\$ -
Accounts Receivable				\$ (395,478)
Total Assets				\$ 77,531,852
Liabilities				
Accounts Payable				\$ 2,520
Deferred Revenues				\$ 50
Due to Cafeteria				\$ 539
Due to PSE				\$ -
Health IBNR				\$ 23,200,000
RX IBNR				\$ 2,400,000
Total Liabilities				\$ 25,603,109
Net Assets				\$ 51,928,743
Less Reserves Allocated:				
Active/Retiree Premiums for Plan Year 1/1/14 - 12/31/14 (\$7,460,000 + \$9,390,000 + \$9,000,000)				\$ (23,695,833)
Active/Retiree Premiums for Plan Year 1/1/15 - 12/31/15 (\$6,260,000 + \$5,400,000)				\$ (11,660,000)
Active/Retiree Premiums for Plan Year 1/1/16 - 12/31/16 (\$3,600,000)				\$ (3,600,000)
Catastrophic Reserve				\$ (10,600,000)
Net Assets Available				\$ 2,372,910

Fifth week of claims totaled: \$4,552,715.15

Arkansas State Employees (ASE) Financials - January 1, 2015 through January 31, 2015

	EMPLOYEE ONLY				EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL	ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	809	8		817	1459	19		1478
CLASSIC	1781	59		1840	3075	97		3172
PREMIUM	24850	2157		27007	43507	2777		46284
PRIMARY		232	8629	8861		475	11396	11871
TOTAL	27440	2456	8629	38525	48041	3368	11396	62805

REVENUES & EXPENDITURES

	Current Month	Year to Date (1 Month)
Funding		
State Contribution	\$ 14,344,074	\$ 14,344,074
Employee Contribution	\$ 8,024,828	\$ 8,024,828
Other	\$ 446,120	\$ 446,120
Allocation for Actives - Plan Year 2015	\$ 971,667	\$ 971,667
Total Funding	\$ 23,786,689	\$ 23,786,689
Expenses		
Medical Expenses		
Claims Expense	\$ 6,697,294	\$ 6,697,294
Claims IBNR	\$ -	\$ -
Medical Administration Fees	\$ 1,060,440	\$ 1,060,440
Refunds	\$ (4,543)	\$ (4,543)
Employee Assistance Program (EAP)	\$ 56,452	\$ 56,452
Life Insurance	\$ 55,034	\$ 55,034
Pharmacy Expenses		
RX Claims	\$ 5,599,292	\$ 5,599,292
RX IBNR	\$ 212,417	\$ 212,417
RX Administration	\$ -	\$ -
Plan Administration	\$ 266,123	\$ 266,123
Total Expenses	\$ 13,942,509	\$ 13,942,509
Net Income/(Loss)	\$ 9,844,180	\$ 9,844,180

BALANCE SHEET

Assets	
Bank Account	\$ 14,029,194
State Treasury	\$ 71,138,556
Due from Cafeteria Plan	\$ 709,521
Due from PSE	\$ -
Receivable from Provider	\$ -
Accounts Receivable	\$ 1,103,435
Total Assets	\$ 86,980,705
Liabilities	
Accounts Payable	\$ 3,758
Deferred Revenues	\$ -
Due to Cafeteria	\$ -
Due to PSE	\$ -
Due to Federal Government (\$44 fee)	\$ -
Health IBNR	\$ 24,700,000
RX IBNR	\$ 1,800,000
Total Liabilities	\$ 26,503,758
Net Assets	\$ 60,476,948
Less Reserves Allocated	
Premiums for Plan Year 1/1/15 - 12/31/15 (\$6,260,000 + \$5,400,000)	\$ (10,688,333)
Premiums for Plan Year 1/1/16 - 12/31/16 (\$3,600,000)	\$ (3,600,000)
Catastrophic Reserve (2015 \$10,400,000)	\$ (10,400,000)
Net Assets Available	\$ 35,788,614

Fifth Week of Claims \$

Public School Employees (PSE) Financials - January 1, 2014 through January 31, 2014

	Gold	Silver	Bronze	Total
Actives	18,706	5,004	23,187	46,897
Retirees	1,941	108	1,218	3,267
Medicare	8,843			8,843
Total	29,490	5,112	24,405	59,007

Revenues & Expenditures

Funding	Current Month	Year to Date (1 month)
Per Participating Employee Funding (PPE Funding)	\$ 8,507,337	\$ 8,507,337
Employee Contribution	\$ 10,269,259	\$ 10,269,259
Dept of Ed \$35,000,000 & \$15,000,000	\$ 6,931,818	\$ 6,931,818
Other	\$ 3,766	\$ 3,766
Allocation for Active Premiums for Plan Year 2014	\$ 3,583,333	\$ 3,583,333
Total Funding	\$ 29,295,513	\$ 29,295,513
Expenses		
Medical Expenses:		
Claims Expense	\$ 19,719,798	\$ 19,719,798
Claims IBNR	\$ -	\$ -
Medical Admin Fees	\$ 1,603,941	\$ 1,603,941
Refunds	\$ 6,120	\$ 6,120
Employee Assistance Program (EAP)	\$ 81,139	\$ 81,139
Pharmacy Expenses:		
RX Claims	\$ 4,853,330	\$ 4,853,330
RX IBNR	\$ -	\$ -
RX Admin	\$ 333,878	\$ 333,878
Plan Administration	\$ 281,465	\$ 281,465
Total Expenses	\$ 26,879,672	\$ 26,879,672
Net Income/(Loss)	\$ 2,415,842	\$ 2,415,842

Balance Sheet

Assets	
Bank Account	\$ 14,989,662
State Treasury	\$ 49,103,394
Receivable from Provider	\$ -
Accounts Receivable	\$ 5,072,599
Due from ASE	\$ -
Total Assets	\$ 69,165,654
Liabilities	
Accounts Payable	\$ 642
Due to ASE	\$ -
Deferred Revenues	\$ -
Health IBNR	\$ 28,000,000
RX IBNR	\$ 1,800,000
Total Liabilities	\$ 29,800,642
Net Assets	\$ 39,365,012
Less Reserves Allocated:	
Active Premiums for Plan Year 01/01/14 - 12/31/14 (\$43,000,000)	\$ (39,416,667)
Catastrophic Reserve (2014 - \$11,100,000)	
Net Assets Available	\$ (51,655)

Fifth week of claims totaled: \$3,900,981.40

Public School Employees (PSE) Financials - January 1, 2015 through January 31, 2015

	EMPLOYEE ONLY					EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL		ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	2324	130		2454		3446	153		3599
CLASSIC	21544	1614		23158		39500	1970		41470
PREMIUM	20959	1407		22366		26849	1516		28365
PRIMARY		117	9788	9905			236	10717	10953
TOTAL	44827	3268	9788	57883		69795	3875	10717	84387

REVENUES & EXPENDITURES

	Current Month	Year to Date (1 Month)
Funding		
Per Participating Employee Funding (PPE Funding)	\$ 8,253,023	\$ 8,253,023
Employee Contribution	\$ 9,249,102	\$ 9,249,102
Department of Education \$35,000,000 & \$15,000,000	\$ 6,931,818	\$ 6,931,818
Other	\$ 485,365	\$ 485,365
Allocation for Actives	\$ 1,666,667	\$ 1,666,667
Total Funding	\$ 26,585,974	\$ 26,585,974
Expenses		
Medical Expenses		
Claims Expense	\$ 8,784,181	\$ 8,784,181
Claims IBNR	\$ -	\$ -
Medical Administration Fees	\$ 1,545,589	\$ 1,545,589
Refunds	\$ (3,153)	\$ (3,153)
Employee Assistance Program (EAP)	\$ 77,611	\$ 77,611
Pharmacy Expenses		
RX Claims	\$ 3,439,718	\$ 3,439,718
RX IBNR	\$ -	\$ -
RX Administration	\$ 289,680	\$ 289,680
Plan Administration	\$ 400,130	\$ 400,130
Total Expenses	\$ 14,533,757	\$ 14,533,757
Net Income/(Loss)	\$ 12,052,217	\$ 12,052,217

BALANCE SHEET

Assets	
Bank Account	\$ 15,645,653
State Treasury	\$ 62,232,888
Receivable from Provider	\$ -
Accounts Receivable	\$ 7,901,011
Due to ASE	\$ -
Total Assets	\$ 85,779,552
Liabilities	
Accounts Payable	\$ 875
Due to ASE	\$ -
Deferred Revenues	\$ -
Due to Federal Government (\$44 fee)	\$ -
Health IBNR	\$ 28,000,000
RX IBNR	\$ 1,400,000
Total Liabilities	\$ 29,400,875
Net Assets	\$ 56,378,677
Less Reserves Allocated	
Premiums for Plan Year 1/1/15 - 12/31/15 (\$20,000,000 rec'd from Dept. of Education)	\$ (18,333,333)
Premium Assistance (FICA Savings)	\$ (473,769.10)
Catastrophic Reserve (2015 \$10,900,000)	\$ (10,900,000)
Net Assets Available	\$ 26,671,575

Fifth Week of Claims \$



**Arkansas
Public School Employees (PSE)**

**Monitoring Report
Through December 31, 2014**

**Presented on
February 17, 2015**

**John L. Colberg, FSA, MAAA
Gaelle Gravot, FSA, MAAA**



Classic Values, Innovative Advice

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Comments

- Assets increased significantly in 2014 primarily due to claims being well below projected, finishing the year with almost \$15 million in net assets available.
- Both medical and pharmacy claims in 2014 were below projected. Medical was 11% below projected, and pharmacy 3% below projected on a PMPM basis.
- Enrollment in 2014 was below projected for actives and slightly higher than projected for retirees. January 2015 enrollment shows a slight increase in the number of active employees but decreases in the number of spouses and retirees enrolled.
- More employees elected premium and fewer elected basic than assumed.
- Despite the changes in enrollment, the plan should approximately break even 2015, if all other factors are equal to our projections.

Please see Appendix F, which describes the methods and assumptions used to develop these conclusions and includes information on the scope, limitations, and certification of this report.

Total Plan Experience

Principal Results (\$ millions)	Plan Year 2014 - 1/1/2014 - 12/31/2014 -		Plan Year 2015 - 1/1/2015 - 12/31/2015 -		
	ACCOUNTING BASIS	Actual	Projected ¹	Updated Proj. ²	Projected ¹
State Contributions	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0
Minimum District Contributions³	72.1	86.4	81.1	81.1	78.3
Participant Contributions⁴	147.9	139.3	132.1	132.1	120.8
Other Income⁵	2.1	-	16.6	16.6	16.6
Allocation from Prior Year	43.0	43.0	20.0	20.0	21.0
TOTAL INCOME	\$ 315.1	\$ 318.7	\$ 299.8	\$ 299.8	\$ 286.7
Claims Paid + IBNR Change⁶	(254.4)	(284.0)	(272.3)	(272.3)	(259.5)
Expenses	(32.3)	(32.5)	(27.6)	(27.6)	(27.0)
TOTAL EXPENDITURES	\$ (286.7)	\$ (316.5)	\$ (299.9)	\$ (299.9)	\$ (286.5)
NET PLAN GAIN / (LOSS)	\$ 28.4	\$ 2.2	\$ (0.1)	\$ (0.1)	\$ 0.2
INCURRED BASIS					
TOTAL INCOME	\$ 315.1	\$ 318.7	\$ 299.8	\$ 299.8	\$ 286.7
Claims Incurred	(248.3)	(284.0)	(272.3)	(272.3)	(259.5)
Expenses	(32.3)	(32.5)	(27.6)	(27.6)	(27.0)
TOTAL EXPENDITURES INCURRED	\$ (280.6)	\$ (316.5)	\$ (299.9)	\$ (299.9)	\$ (286.5)
NET CHANGE	\$ 34.6	\$ 2.2	\$ (0.1)	\$ (0.1)	\$ 0.2
PLAN ASSETS (END OF YEAR)					
Net Assets (Prior to IBNR)	\$ 75.4	\$ 32.2	\$ 79.5	\$ 79.5	\$ 62.3
IBNR Reserve	(29.4)	(29.8)	(29.4)	(29.4)	(28.0)
Reserve for Future Premiums	(20.0)	-	(21.0)	(21.0)	(21.0)
Transitional Reinsurance	-	-	(3.1)	(3.1)	(3.0)
Catastrophic Reserve	(11.1)	(2.4)	(11.1)	(11.1)	(10.3)
NET ASSETS AVAILABLE	\$ 14.9	\$ -	\$ 14.9	\$ 14.9	\$ -
ENROLLMENT					
Active Employees (includes COBRA)	45,877	47,985	44,178	44,178	42,665
Retirees	12,499	12,276	13,673	13,673	14,162
TOTAL ENROLLED	58,376	60,260	57,851	57,851	56,827
TOTAL INCOME PEPM	\$ 450	\$ 441	\$ 432	\$ 432	\$ 420
TOTAL EXPENDITURES PEPM	\$ (400)	\$ (438)	\$ (432)	\$ (432)	\$ (420)

¹ Projections are those done when setting the rates for the applicable plan year.

² Updated Projections reflect updated participant count and asset information.

³ District contributions are set to \$150 per employee for 2014, and \$153 per employee for 2015.

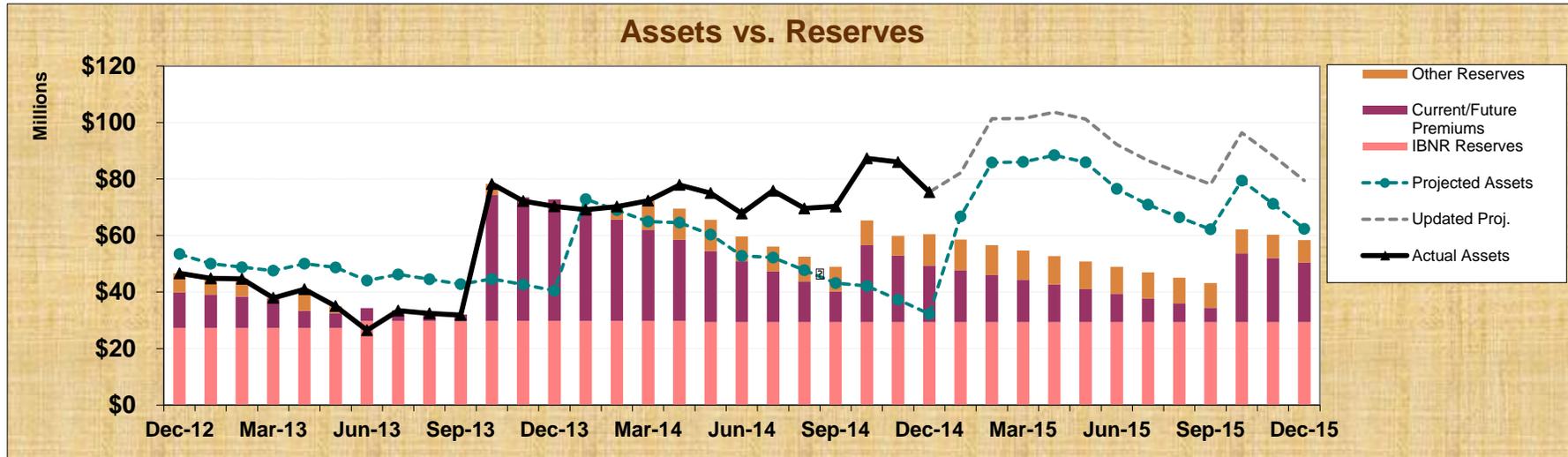
⁴ Includes school district contributions in excess of \$150 / \$153 per active employee.

⁵ Excludes other income that is allocable to future years.

⁶ The IBNR change reflects only the June 30 modification shown on the financial statements.

Total Plan Experience

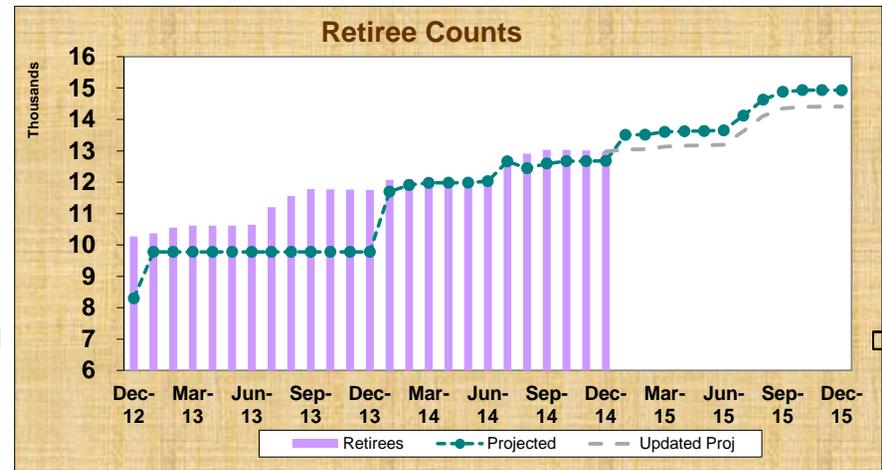
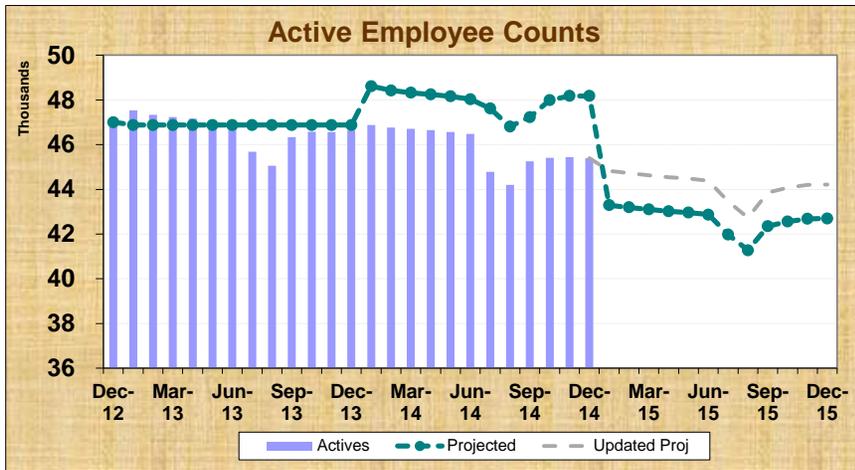
The chart below shows the Plan's assets (solid line) compared to projected assets (dotted lines) and target reserve levels (bars). Projected assets represent the projections used to set the rates. The updated projections reflect asset experience and participant changes since those rates were set (in July 2014). The average cost per rating tier has not been updated.



(In Millions \$)

	As of	12/31/2012	12/31/2013	12/31/2014	Updated Proj. 12/31/2015
Net Assets before IBNR	\$	46.6	\$ 70.3	\$ 75.4	\$ 79.5
IBNR Reserve		(27.3)	(29.8)	(29.4)	(29.4)
Reserve for Current and Future Premiums		(12.6)	(43.0)	(20.0)	(21.0)
Catastrophic Reserve		(6.7)	-	(11.1)	(11.1)
Transitional Reinsurance		-	-	-	(3.1)
Net Assets Available	\$	-	\$ (2.5)	\$ 14.9	\$ 14.9
Projected Assets	\$	53.5	\$ 40.5	\$ 32.2	\$ 62.3
Projected IBNR Reserve	\$	(27.8)	\$ (28.5)	\$ (29.8)	\$ (28.0)
Reserve for Current and Future Premiums	\$	(12.6)	\$ (3.6)	\$ -	\$ (21.0)
Catastrophic Reserve	\$	(10.0)	\$ (8.5)	\$ (2.4)	\$ (10.3)
Transitional Reinsurance	\$	-	\$ -	\$ -	\$ (3.0)
Projected Net Assets	\$	3.1	\$ -	\$ -	\$ -
	Plan Year Ending	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Funding (including allocated reserves)	\$	292.5	\$ 296.6	\$ 315.1	\$ 299.8
Expenses		301.8	309.4	286.7	299.9
Net Income / (Loss)	\$	(9.3)	\$ (12.8)	\$ 28.4	\$ (0.1)
Projected Net Income / (Loss)	\$	2.1	\$ 1.7	\$ 2.2	\$ (0.7)

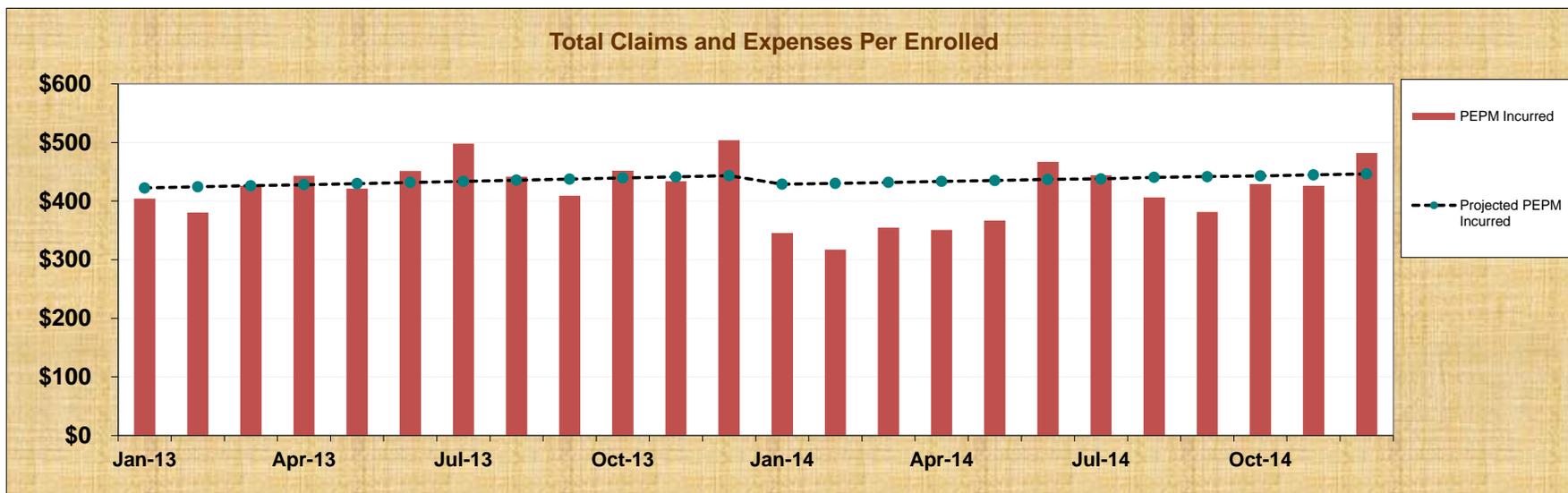
Enrollment



Average for Year Ending		12/31/2012	12/31/2013	12/31/2014		Updated Proj. 12/31/2015
Actives (includes COBRA contracts)	Gold	36,570	27,458	17,797	Premium	20,671
	Silver	872	4,475	5,061	Classic	21,231
	Bronze	9,254	14,746	23,020	Basic	2,277
	Total	46,696	46,679	45,877	Total	44,178
	Projected	47,000	46,878	47,985	Projected	42,665
Non-Medicare Retirees	Gold	2,304	2,377	2,034	Premium	1,901
	Silver		50	128	Classic	1,707
	Bronze		860	1,352	Basic	135
Medicare Retirees (includes Surviving Spouses)	Gold	6,914	7,817	8,985	Premium	9,930
	Total	9,217	11,103	12,499	Total	13,673
	Projected	8,300	9,779	12,276	Projected	14,162
Total Counts		55,913	57,782	58,376		57,851
Total Projected		55,300	56,657	60,260		56,827

Claim & Expense Details - All Claims & Expenses

The chart below displays the total claims and expenses incurred on a per enrolled (active/retiree) basis. The total claims include medical, pharmacy, behavioral health, and expenses net of other income.



	<u>3/31/2013</u>	<u>6/30/2013</u>	<u>9/30/2013</u>	<u>12/31/2013</u>	<u>Prior 12 Months</u>	<u>3/31/2014</u>	<u>6/30/2014</u>	<u>9/30/2014</u>	<u>12/31/2014</u>	<u>Last 12 Months</u>
Total Incurred (In Millions \$)										
Total Claims & Expenses	\$ 70.1	\$ 75.9	\$ 77.1	\$ 81.1	\$ 304.2	\$ 59.9	\$ 69.4	\$ 71.0	\$ 78.2	\$ 278.5
- Change	(9.5)	5.8	1.2	4.0	(1.0)	(21.2)	9.5	1.5	7.2	(25.7)
Projected	\$ 72.1	\$ 73.1	\$ 74.1	\$ 75.0	\$ 294.3	\$ 77.9	\$ 78.5	\$ 78.9	\$ 81.1	\$ 316.5
- Change	(3.1)	1.0	1.0	1.0	(1.2)	2.9	0.7	0.4	2.2	22.2
Actual vs. Projected	\$ (2.0)	\$ 2.8	\$ 3.1	\$ 6.1	\$ 9.9	\$ (18.0)	\$ (9.1)	\$ (8.0)	\$ (3.0)	\$ (38.0)

Per Enrolled Basis										
Total Claims & Expenses	\$ 403.63	\$ 438.57	\$ 449.33	\$ 463.28	\$ 438.72	\$ 339.25	\$ 394.96	\$ 410.56	\$ 445.92	\$ 397.52
% Change	(13.3%)	8.7%	2.5%	3.1%	(3.0%)	(26.8%)	16.4%	3.9%	8.6%	(9.4%)
Projected	\$ 424.36	\$ 429.98	\$ 435.68	\$ 441.46	\$ 432.87	\$ 430.44	\$ 435.30	\$ 440.06	\$ 444.79	\$ 437.66
% Change	(6.4%)	1.3%	1.3%	1.3%	(2.8%)	(2.5%)	1.1%	1.1%	1.1%	1.1%

Claim & Expense Details - Incurred Claims by Vendor

		3/31/2013	6/30/2013	9/30/2013	12/31/2013	Prior 12 Months	3/31/2014	6/30/2014	9/30/2014	12/31/2014	Last 12 Months	
TOTAL (\$000s)	Actual Incurred Claims	\$ 70,089	\$ 75,904	\$ 77,109	\$ 81,103	\$ 304,204	\$ 59,906	\$ 69,431	\$ 70,971	\$ 78,156	\$ 278,463	
	Projected	72,129	73,084	74,053	75,035	294,300	77,891	78,546	78,928	81,118	316,482	
	Actual vs. Projected	(2,040)	2,820	3,056	6,068	9,904	(17,985)	(9,115)	(7,957)	(2,962)	(38,019)	
Medical	Gold NME	Actual Incurred Claims	\$ 34,276	\$ 37,872	\$ 36,510	\$ 37,025	\$ 145,683	\$ 23,646	\$ 25,575	\$ 25,961	\$ 25,379	\$ 100,561
		Projected	39,177	39,752	40,335	40,927	160,192	23,716	23,921	24,156	24,862	96,655
		Actual vs. Projected	(4,901)	(1,880)	(3,825)	(3,902)	(14,509)	(70)	1,654	1,805	517	3,906
Silver NME	Actual Incurred Claims	\$ 3,829	\$ 4,637	\$ 5,327	\$ 6,213	\$ 20,005	\$ 4,954	\$ 5,748	\$ 5,588	\$ 6,645	\$ 22,934	
	Projected	2,359	2,393	2,428	2,464	9,644	8,873	8,946	8,913	9,213	35,945	
	Actual vs. Projected	1,470	2,244	2,899	3,749	10,361	(3,919)	(3,198)	(3,325)	(2,568)	(13,011)	
Bronze NME	Actual Incurred Claims	\$ 5,820	\$ 8,175	\$ 9,558	\$ 11,868	\$ 35,421	\$ 10,074	\$ 13,713	\$ 16,551	\$ 19,495	\$ 59,833	
	Projected	7,776	7,890	8,006	8,123	31,795	20,230	20,398	20,385	21,049	82,063	
	Actual vs. Projected	(1,956)	285	1,552	3,745	3,626	20,233	(6,685)	(3,834)	(1,554)	(22,230)	
Gold ME	Actual Incurred Claims	\$ 3,835	\$ 3,277	\$ 3,318	\$ 3,148	\$ 13,578	\$ 4,313	\$ 3,994	\$ 3,863	\$ 3,972	\$ 16,142	
	Projected	3,286	3,334	3,383	3,432	13,434	3,939	4,068	4,231	4,378	16,616	
	Actual vs. Projected	549	(57)	(65)	(284)	144	374	(74)	(368)	(406)	(474)	
Rx	All	Actual Incurred Claims	\$ 15,702	\$ 15,693	\$ 15,693	\$ 16,957	\$ 64,045	\$ 10,713	\$ 11,549	\$ 12,294	\$ 14,240	\$ 48,797
		Projected	14,938	15,122	15,307	15,495	60,863	13,001	13,080	13,110	13,484	52,675
		Actual vs. Projected	764	571	386	1,462	3,182	(2,288)	(1,531)	(816)	756	(3,878)
Gold NME	Actual Incurred Claims	\$ 13,703	\$ 13,161	\$ 12,669	\$ 12,826	\$ 52,358	\$ 7,820	\$ 7,868	\$ 7,908	\$ 8,290	\$ 31,887	
	Projected	13,218	13,380	13,544	13,710	53,853	7,330	7,376	7,431	7,630	29,767	
	Actual vs. Projected	485	(219)	(875)	(884)	(1,495)	490	492	477	660	2,120	
Silver NME	Actual Incurred Claims	\$ 1,546	\$ 1,538	\$ 1,509	\$ 1,895	\$ 6,487	\$ 1,976	\$ 1,714	\$ 1,691	\$ 1,897	\$ 7,277	
	Projected	613	621	629	636	2,499	2,624	2,639	2,623	2,705	10,592	
	Actual vs. Projected	933	917	880	1,259	3,988	(648)	(925)	(932)	(808)	(3,315)	
Bronze NME	Actual Incurred Claims	\$ 453	\$ 995	\$ 1,516	\$ 2,236	\$ 5,200	\$ 918	\$ 1,967	\$ 2,696	\$ 4,053	\$ 9,633	
	Projected	1,107	1,121	1,135	1,148	4,511	3,047	3,065	3,056	3,148	12,316	
	Actual vs. Projected	(654)	(126)	381	1,088	689	(2,129)	(1,098)	(360)	905	(2,683)	
Expenses (net of other income)	All	Actual Next Expenses	\$ 6,626	\$ 6,250	\$ 6,703	\$ 5,892	\$ 25,471	\$ 6,206	\$ 8,851	\$ 6,713	\$ 8,425	\$ 30,195
		Projected	4,593	4,593	4,593	4,593	18,372	8,132	8,132	8,132	8,132	32,529
		Actual vs. Projected	2,033	1,657	2,110	1,299	7,099	(1,926)	719	(1,419)	293	(2,334)

Claim & Expense Details - Trend Report

		3/31/2013	6/30/2013	9/30/2013	12/31/2013	Prior 12 Months	3/31/2014	6/30/2014	9/30/2014	12/31/2014	Last 12 Months	
TOTAL	Actual PEPM	\$ 403.63	\$ 438.57	\$ 449.33	\$ 463.28	\$ 438.72	\$ 339.25	\$ 394.96	\$ 410.56	\$ 445.92	\$ 397.52	
	% Change	(13.3%)	8.7%	2.5%	3.1%	(3.0%)	(26.8%)	16.4%	3.9%	8.6%	(9.4%)	
	Projected PEPM	\$ 424.36	\$ 429.98	\$ 435.68	\$ 441.46	\$ 432.87	\$ 430.44	\$ 435.30	\$ 440.06	\$ 444.79	\$ 437.66	
	% Change	(6.4%)	1.3%	1.3%	1.3%	(2.8%)	(2.5%)	1.1%	1.1%	1.1%	1.1%	
Medical	All	Actual PEPM	\$ 275.05	\$ 311.78	\$ 318.82	\$ 332.76	\$ 309.62	\$ 243.43	\$ 278.91	\$ 300.60	\$ 316.60	\$ 284.75
		% Change	(14.1%)	13.4%	2.3%	4.4%	(4.2%)	(26.8%)	14.6%	7.8%	5.3%	(8.0%)
		Projected PEPM	\$ 309.45	\$ 313.99	\$ 318.60	\$ 323.27	\$ 316.33	\$ 313.66	\$ 317.74	\$ 321.62	\$ 326.27	\$ 319.83
		% Change	(8.2%)	1.5%	1.5%	1.5%	(4.1%)	(3.0%)	1.3%	1.2%	1.4%	1.1%
	Gold NME	Actual PEPM	\$ 370.35	\$ 414.52	\$ 415.70	\$ 429.17	\$ 406.92	\$ 381.24	\$ 418.60	\$ 448.53	\$ 445.51	\$ 422.58
		% Change	(3.5%)	11.9%	0.3%	3.2%	5.1%	(11.2%)	9.8%	7.2%	(0.7%)	3.8%
		Projected PEPM	\$ 396.64	\$ 402.46	\$ 408.37	\$ 414.36	\$ 405.46	\$ 400.80	\$ 406.73	\$ 412.79	\$ 418.86	\$ 409.80
		% Change	(0.2%)	1.5%	1.5%	1.5%	4.2%	(3.3%)	1.5%	1.5%	1.5%	1.1%
	Silver NME	Actual PEPM	\$ 295.02	\$ 353.53	\$ 395.07	\$ 422.24	\$ 368.48	\$ 322.86	\$ 374.81	\$ 364.52	\$ 408.95	\$ 368.39
		% Change	(6.7%)	19.8%	11.8%	6.9%	(1.1%)	(23.5%)	16.1%	(2.7%)	12.2%	(0.0%)
		Projected PEPM	\$ 385.59	\$ 391.25	\$ 396.99	\$ 402.81	\$ 394.16	\$ 383.08	\$ 388.70	\$ 394.21	\$ 400.07	\$ 391.49
		% Change	2.9%	1.5%	1.5%	1.5%	7.4%	(4.9%)	1.5%	1.4%	1.5%	(0.7%)
	Bronze NME	Actual PEPM	\$ 127.40	\$ 178.58	\$ 206.03	\$ 240.15	\$ 189.14	\$ 137.52	\$ 187.69	\$ 229.18	\$ 263.69	\$ 204.58
		% Change	(42.9%)	40.2%	15.4%	16.6%	(0.2%)	(42.7%)	36.5%	22.1%	15.1%	8.2%
		Projected PEPM	\$ 180.79	\$ 183.44	\$ 186.13	\$ 188.86	\$ 184.81	\$ 273.95	\$ 277.96	\$ 281.57	\$ 285.86	\$ 279.82
		% Change	33.4%	1.5%	1.5%	1.5%	39.3%	45.1%	1.5%	1.3%	1.5%	51.4%
	Gold ME	Actual PEPM	\$ 171.00	\$ 143.63	\$ 138.79	\$ 127.67	\$ 144.75	\$ 166.11	\$ 151.89	\$ 140.81	\$ 141.22	\$ 149.71
		% Change	30.2%	(16.0%)	(3.4%)	(8.0%)	1.2%	30.1%	(8.6%)	(7.3%)	0.3%	3.4%
		Projected PEPM	\$ 148.86	\$ 151.05	\$ 153.26	\$ 155.51	\$ 152.17	\$ 158.98	\$ 161.26	\$ 163.81	\$ 166.12	\$ 162.61
		% Change	(8.3%)	1.5%	1.5%	1.5%	(3.9%)	2.2%	1.4%	1.6%	1.4%	6.9%

Figures include changes in demographics, geography, and benefits as applicable. Comparative charts will be accounting for those items at the next meeting. For your general information, we had projection 6% for medical and 5% for prescription drugs after adjusting for demographics, geography, and benefit changes.

Claim & Expense Details - Trend Report

		3/31/2013	6/30/2013	9/30/2013	12/31/2013	Prior 12 Months	3/31/2014	6/30/2014	9/30/2014	12/31/2014	Last 12 Months	
TOTAL	Actual PEPM	\$ 403.63	\$ 438.57	\$ 449.33	\$ 463.28	\$ 438.72	\$ 339.25	\$ 394.96	\$ 410.56	\$ 445.92	\$ 397.52	
	% Change	(13.3%)	8.7%	2.5%	3.1%	(3.0%)	(26.8%)	16.4%	3.9%	8.6%	(9.4%)	
	Projected PEPM	\$ 424.36	\$ 429.98	\$ 435.68	\$ 441.46	\$ 432.87	\$ 430.44	\$ 435.30	\$ 440.06	\$ 444.79	\$ 437.66	
	% Change	(6.4%)	1.3%	1.3%	1.3%	(2.8%)	(2.5%)	1.1%	1.1%	1.1%	1.1%	
Rx	All	Actual PEPM	\$ 103.83	\$ 104.45	\$ 106.25	\$ 112.74	\$ 106.82	\$ 71.13	\$ 77.25	\$ 84.54	\$ 96.78	\$ 82.33
		% Change	(8.4%)	0.6%	1.7%	6.1%	(0.8%)	(36.9%)	8.6%	9.4%	14.5%	(22.9%)
		Projected PEPM	\$ 101.00	\$ 102.24	\$ 103.50	\$ 104.77	\$ 102.88	\$ 83.24	\$ 84.27	\$ 85.39	\$ 86.42	\$ 84.83
		% Change	2.6%	1.2%	1.2%	1.2%	5.8%	(20.5%)	1.2%	1.3%	1.2%	(17.5%)
	Gold NME	Actual PEPM	\$ 148.06	\$ 144.05	\$ 144.24	\$ 148.68	\$ 146.25	\$ 126.08	\$ 128.78	\$ 136.63	\$ 145.53	\$ 134.00
		% Change	7.7%	(2.7%)	0.1%	3.1%	12.2%	(15.2%)	2.1%	6.1%	6.5%	(8.4%)
		Projected PEPM	\$ 133.82	\$ 135.46	\$ 137.13	\$ 138.81	\$ 136.31	\$ 123.88	\$ 125.41	\$ 126.98	\$ 128.54	\$ 126.20
		% Change	17.2%	1.2%	1.2%	1.2%	20.9%	(10.8%)	1.2%	1.3%	1.2%	(7.4%)
	Silver NME	Actual PEPM	\$ 119.11	\$ 117.23	\$ 111.91	\$ 128.76	\$ 119.48	\$ 128.76	\$ 111.78	\$ 110.29	\$ 116.72	\$ 116.89
		% Change	54.5%	(1.6%)	(4.5%)	15.1%	45.5%	0.0%	(13.2%)	(1.3%)	5.8%	(2.2%)
		Projected PEPM	\$ 100.28	\$ 101.51	\$ 102.76	\$ 104.02	\$ 102.14	\$ 113.29	\$ 114.68	\$ 116.03	\$ 117.48	\$ 115.36
		% Change	3.7%	1.2%	1.2%	1.2%	(1.8%)	8.9%	1.2%	1.2%	1.2%	12.9%
Bronze NME	Actual PEPM	\$ 9.91	\$ 21.75	\$ 32.67	\$ 45.24	\$ 27.77	\$ 12.53	\$ 26.92	\$ 37.33	\$ 54.83	\$ 32.94	
	% Change	(67.3%)	119.5%	50.2%	38.5%	58.0%	(72.3%)	114.8%	38.7%	46.9%	18.6%	
	Projected PEPM	\$ 25.74	\$ 26.06	\$ 26.38	\$ 26.70	\$ 26.22	\$ 41.26	\$ 41.76	\$ 42.21	\$ 42.76	\$ 42.00	
	% Change	139.0%	1.2%	1.2%	1.2%	(1.8%)	54.5%	1.2%	1.1%	1.3%	60.2%	
Expenses (net of other income)	All	Actual PEPM	\$ 38.16	\$ 36.11	\$ 39.06	\$ 33.66	\$ 36.73	\$ 35.14	\$ 50.35	\$ 38.84	\$ 48.07	\$ 43.10
		% Change	(17.8%)	(5.4%)	8.2%	(13.8%)	5.8%	4.4%	43.3%	(22.9%)	23.8%	17.3%
		Projected PEPM	\$ 27.02	\$ 27.02	\$ 27.02	\$ 27.02	\$ 27.02	\$ 44.94	\$ 45.07	\$ 45.34	\$ 44.59	\$ 44.98
		% Change	(6.6%)	0.0%	0.0%	0.0%	(6.6%)	66.3%	0.3%	0.6%	(1.7%)	66.5%

Figures include changes in demographics, geography, and benefits as applicable. Comparative charts will be accounting for those items at the next meeting. For your general information, we had projection 6% for medical and 5% for prescription drugs after adjusting for demographics, geography, and benefit changes.

Claim & Expense Details - Loss Ratio Projections

			<u>2014 Actual</u>	<u>2014 Projected*</u>	<u>2015 Projected*</u>
NME	Gold	Incurring Claims (\$mil)	\$ 131.50	\$ 129.28	\$ 136.01
		Total Premium (\$mil)	\$ 151.98	\$ 141.72	\$ 148.33
		Incurring Loss Ratio	87%	91%	92%
	Silver	Incurring Claims (\$mil)	\$ 30.21	\$ 48.25	\$ 87.82
		Total Premium (\$mil)	\$ 35.27	\$ 52.68	\$ 105.88
		Incurring Loss Ratio	86%	92%	83%
	Bronze	Incurring Claims (\$mil)	\$ 69.46	\$ 100.44	\$ 9.07
		Total Premium (\$mil)	\$ 115.89	\$ 115.31	\$ 13.28
		Incurring Loss Ratio	60%	87%	68%
	TOTAL	Incurring Claims (\$mil)	\$ 231.17	\$ 277.98	\$ 232.90
		Total Premium (\$mil)	\$ 303.14	\$ 309.71	\$ 267.49
		Incurring Loss Ratio	76%	90%	87%
Retiree ME	Total	Incurring Claims (\$mil)	\$ 16.14	\$ 17.64	\$ 17.92
		Total Premium (\$mil)	\$ 18.57	\$ 17.70	\$ 20.70
		Incurring Loss Ratio	87%	100%	87%

*Projected Incurring Claims for Actives and NME Retirees are based on blended experience.

PSE Claim & Expense Details - Large Claim Review

		<u>Medical</u>			<u>Rx</u>		Total	Change from Prior Year
		\$100,000 - \$249,999	\$250,000 - \$999,999	\$1,000,000+	\$25,000 - \$49,999	\$50,000+		
1/1/2014-12/31/2014								
Total All Plans								
	Number of Claimants	127	21	1	189	88	414	6
	Claim Amount	\$ 19,629,071	\$ 8,776,830	\$ 1,163,059	\$ 6,281,861	\$ 8,596,725	\$ 44,447,545	\$ (998,083)
	Average Claim	\$ 154,560	\$ 417,944	\$ 1,163,059	\$ 33,237	\$ 97,690	\$ 107,361	\$ (4,025)
Gold								
	Number of Claimants	79	15	-	131	66	284	(46)
	Claim Amount	\$ 12,167,729	\$ 6,220,621	\$ -	\$ 4,370,935	\$ 5,457,150	\$ 28,216,436	\$ (6,033,964)
	Average Claim	\$ 154,022	\$ 414,708	\$ -	\$ 33,366	\$ 82,684	\$ 99,354	\$ (4,435)
Silver								
	Number of Claimants	19	1	1	22	12	54	19
	Claim Amount	\$ 2,917,077	\$ 294,879	\$ 1,163,059	\$ 703,210	\$ 2,209,362	\$ 7,287,587	\$ 1,354,513
	Average Claim	\$ 153,530	\$ 294,879	\$ 1,163,059	\$ 31,964	\$ 184,113	\$ 134,955	\$ (34,561)
Bronze								
	Number of Claimants	29	5	-	36	10	76	33
	Claim Amount	\$ 4,544,265	\$ 2,261,329	\$ -	\$ 1,207,716	\$ 930,213	\$ 8,943,523	\$ 3,681,368
	Average Claim	\$ 156,699	\$ 452,266	\$ -	\$ 33,548	\$ 93,021	\$ 117,678	\$ (4,698)
1/1/2013-12/31/2013								
Total All Plans								
	Number of Claimants	123	27	1	182	94	408	15
	Claim Amount	\$ 18,365,547	\$ 11,010,599	\$ 1,924,449	\$ 6,071,000	\$ 8,074,033	\$ 45,445,628	\$ (2,517,370)
	Average Claim	\$ 149,313	\$ 407,800	\$ 1,924,449	\$ 33,357	\$ 85,894	\$ 111,386	\$ (10,657)
Gold								
	Number of Claimants	86	19	1	156	83	330	(29)
	Claim Amount	\$ 12,686,219	\$ 7,943,571	\$ 1,924,449	\$ 5,176,622	\$ 6,519,539	\$ 34,250,400	\$ (6,754,823)
	Average Claim	\$ 147,514	\$ 418,083	\$ 1,924,449	\$ 33,183	\$ 78,549	\$ 103,789	\$ (10,432)
Silver								
	Number of Claimants	13	5	-	11	8	35	30
	Claim Amount	\$ 2,082,461	\$ 2,065,729	\$ -	\$ 396,515	\$ 1,388,368	\$ 5,933,074	\$ 4,783,910
	Average Claim	\$ 160,189	\$ 413,146	\$ -	\$ 36,047	\$ 173,546	\$ 169,516	\$ (60,316)
Bronze								
	Number of Claimants	24	3	-	15	3	43	14
	Claim Amount	\$ 3,596,867	\$ 1,001,299	\$ -	\$ 497,862	\$ 166,126	\$ 5,262,154	\$ (546,458)
	Average Claim	\$ 149,869	\$ 333,766	\$ -	\$ 33,191	\$ 55,375	\$ 122,376	\$ (77,921)
1/1/2012-12/31/2012								
Total All Plans								
	Number of Claimants	131	26	3	175	71	393	95
	Claim Amount	\$ 18,703,339	\$ 11,260,468	\$ 6,895,403	\$ 5,862,326	\$ 5,241,462	\$ 47,962,998	\$ 15,005,873
	Average Claim	\$ 142,774	\$ 433,095	\$ 2,298,468	\$ 33,499	\$ 73,823	\$ 122,043	\$ 11,449
Gold								
	Number of Claimants	111	21	2	167	69	359	96
	Claim Amount	\$ 15,798,597	\$ 9,092,717	\$ 5,402,499	\$ 5,575,950	\$ 5,135,459	\$ 41,005,223	\$ 11,820,745
	Average Claim	\$ 142,330	\$ 432,987	\$ 2,701,250	\$ 33,389	\$ 74,427	\$ 114,221	\$ 3,253
Silver								
	Number of Claimants	2	1	-	1	2	5	(24)
	Claim Amount	\$ 356,107	\$ 645,828	\$ -	\$ 41,225	\$ 106,003	\$ 1,149,163	\$ (1,959,152)
	Average Claim	\$ 178,054	\$ 645,828	\$ -	\$ 41,225	\$ 53,001	\$ 229,833	\$ 122,649
Bronze								
	Number of Claimants	18	4	1	7	-	29	23
	Claim Amount	\$ 2,548,634	\$ 1,521,923	\$ 1,492,903	\$ 245,152	\$ -	\$ 5,808,612	\$ 5,144,280
	Average Claim	\$ 141,591	\$ 380,481	\$ 1,492,903	\$ 35,022	\$ -	\$ 200,297	\$ 89,575

Appendix A. - Contribution Rates: Actives

Calendar Year 2015

Actives	Total Monthly Premium	State Cont. Act 1842/1421 & reserves Alloc.	School District Contrib.	2015 Total EE Cost*	2014 Total EE Cost	Change in Premiums (\$/%)	Assumed Enrollment
Premium					<u>2014 Silver</u>		
Employee Only	\$641.14	\$ 308.76	\$ 153.00	\$ 179.38	\$ 173.32	\$ 6.06 3%	12,146
Employee & Spouse	1,457.18	491.46	153.00	812.72	785.24	27.48 3%	285
Employee & Child(ren)	1,192.60	579.52	153.00	460.08	444.52	15.56 4%	1,348
Family	2,008.64	1,040.72	153.00	814.92	787.36	27.56 4%	421
Est. Monthly Total (\$mil)	\$ 10.7	\$ 5.1	\$ 2.2	\$ 3.4	\$ 3.3	\$ 0.1	14,200
Classic					<u>2014 Bronze</u>		
Employee Only	\$267.94	\$ 69.94	\$ 153.00	\$ 45.00	\$ 11.00	\$ 34.00 309%	15,641
Employee & Spouse	554.68	54.94	153.00	346.74	266.72	80.02 30%	1,154
Employee & Child(ren)	469.82	161.92	153.00	154.90	119.16	35.74 30%	3,424
Family	731.56	228.20	153.00	350.36	269.50	80.86 30%	2,552
Est. Monthly Total (\$mil)	\$ 8.3	\$ 2.3	\$ 3.5	\$ 2.5	\$ 1.6	\$ 1.0	22,772
Basic					<u>2014 Bronze</u>		
Employee Only	\$148.50	\$ (15.50)	\$ 153.00	\$ 11.00	\$ 11.00	\$ - 0%	3,910
Employee & Spouse	269.72	(150.00)	153.00	266.72	266.72	- 0%	289
Employee & Child(ren)	238.52	(33.64)	153.00	119.16	119.16	- 0%	856
Family	334.74	(87.76)	153.00	269.50	269.50	- 0%	638
Est. Monthly Total (\$mil)	\$ 1.1	\$ (0.2)	\$ 0.9	\$ 0.4	\$ 0.4	\$ -	5,693
Total (Monthly) (\$ mil)	\$ 20.0	\$ 7.2	\$ 6.5	\$ 6.3	\$ 5.2	\$ 1.1	42,665
Est. Annual Total (\$ mil)	\$ 240.5	\$ 86.6	\$ 78.3	\$ 75.6	\$ 62.8	\$ 12.8	

* Monthly Total EE Cost is \$75 higher if no wellness credit.

Appendix A. - Contribution Rates: Retirees Calendar Year 2015

Non-Medicare Eligible Retirees	Total Monthly Premium	Direct State Contributions	Reserve Used / (Added)	2015 Total Ret. Cost	2014 Total Ret. Cost	Change in Premiums (\$/%)		Assumed Enrollment
Premium					<u>2014 Silver</u>			
Retiree Only	\$641.14	\$0.00	\$0.00	\$ 641.14	\$ 426.54	\$ 214.60	50%	2,054
Retiree & NME SP	1,457.18	0.00	0.00	1,457.18	1,107.40	349.78	32%	141
Retiree & Child(ren)	1,192.60	0.00	0.00	1,192.60	779.76	412.84	53%	21
Retiree & NME SP&CH	2,008.64	0.00	0.00	2,008.64	1,363.04	645.60	47%	15
Retiree & ME SP	795.12	0.00	0.00	795.12	508.22	286.90	56%	159
Retiree & ME SP & CH	1,346.58	0.00	0.00	1,346.58	861.44	485.14	56%	-
Est. Monthly Total (\$mil)	\$ 1.70	\$0.00	\$0.00	\$ 1.70	\$ 1.15	\$ 0.55		2,391
Classic					<u>2014 Bronze</u>			
Employee Only	\$267.94	\$0.00	\$0.00	\$ 267.94	\$ 267.66	\$ 0.28	0%	1,254
Employee & Spouse	554.68	0.00	0.00	554.68	600.98	(46.30)	-8%	243
Employee & Child(ren)	469.82	0.00	0.00	469.82	468.20	1.62	0%	33
Family	731.56	0.00	0.00	731.56	801.52	(69.96)	-9%	41
Est. Monthly Total (\$mil)	\$ 0.52	\$0.00	\$0.00	\$ 0.52	\$ 0.53	\$ (0.01)		1,571
Basic					<u>2014 Bronze</u>			
Employee Only	\$148.50	\$0.00	\$0.00	\$ 148.50	\$ 267.66	\$ (119.16)	-45%	139
Employee & Spouse	269.72	0.00	0.00	269.72	600.98	(331.26)	-55%	27
Employee & Child(ren)	238.52	0.00	0.00	238.52	468.20	(229.68)	-49%	4
Family	334.74	0.00	0.00	334.74	801.52	(466.78)	-58%	5
Est. Monthly Total (\$mil)	\$ 0.03	\$0.00	\$0.00	\$ 0.03	\$ 0.06	\$ (0.03)		175
Total (Monthly) (\$ mil)	\$ 2.25	\$0.00	\$0.00	\$ 2.25	\$ 1.74	\$ 0.51		4,137
Est. Annual Total (\$ mil)	\$ 27.02	\$0.00	\$0.00	\$ 27.02	\$ 20.88	\$ 6.14		

ME Retirees	Total Monthly Premium	Direct State Contributions	Reserve Used / (Added)	2015 Total Ret. Cost	2014 Total Ret. Cost	Change in Premiums (\$/%)		Assumed Enrollment
Medicare Eligible								
Retiree Only	\$153.98	\$55.18	\$0.00	\$ 98.80	\$ 81.68	\$ 17.12	21%	9,087
Retiree & NME SP	783.92	0.00	0.00	783.92	708.98	74.94	11%	96
Retiree & Child(ren)	757.10	0.00	0.00	757.10	665.66	91.44	14%	17
Retiree & NME SP&CH	1,521.48	0.00	0.00	1,521.48	1,310.62	210.86	16%	1
Retiree & ME SP	285.46	27.58	0.00	257.88	271.04	(13.16)	-5%	824
Retiree & ME SP & CH	888.57	0.00	0.00	888.57	788.44	100.13	13%	-
Est. Monthly Total (\$mil)	\$ 1.72	\$0.52	\$0.00	\$ 1.20	\$ 1.05	\$ 0.15		10,026
Total (Est. Annual)	\$ 20.70	\$6.29	\$0.00	\$ 14.41	\$ 12.56	\$ 1.84		

Appendix A. - Contribution Rates: Actives Calendar Year 2014

Actives	Total Monthly Premium	State Cont. Act 1842/1421 & reserves Alloc.	School District Contrib.	2014 EE Total Cost	2013 EE Total Cost	Change in Premiums (\$ / %)		Assumed Enrollment
Gold								
Employee Only	\$ 566.72	\$ 167.34	\$ 150.00	\$ 249.38	\$ 226.70	\$ 22.68	10%	16,330
Employee & Spouse	1,360.06	80.14	150.00	1,129.92	1,027.20	102.72	10%	92
Employee & Child(ren)	1,048.24	258.62	150.00	639.62	581.48	58.14	10%	793
Family	1,841.60	558.64	150.00	1,132.96	1,029.96	103.00	10%	23
Est. Monthly Total (\$mil)	\$ 10.3	\$ 3.0	\$ 2.6	\$ 4.7	\$ 4.3	\$ 0.4		17,237
Silver								
Employee Only	\$ 426.54	\$ 103.22	\$ 150.00	\$ 173.32	\$ 157.56	\$ 15.76	10%	5,301
Employee & Spouse	1,009.82	74.58	150.00	785.24	713.86	71.38	10%	260
Employee & Child(ren)	779.76	185.24	150.00	444.52	404.10	40.42	10%	1,523
Family	1,363.04	425.68	150.00	787.36	715.78	71.58	10%	460
Est. Monthly Total (\$mil)	\$ 4.3	\$ 1.0	\$ 1.1	\$ 2.2	\$ 2.0	\$ 0.2		7,544
Bronze								
Employee Only	\$ 267.66	\$ 106.66	\$ 150.00	\$ 11.00	\$ 10.00	\$ 1.00	10%	14,264
Employee & Spouse	600.98	184.26	150.00	266.72	242.48	24.24	10%	1,381
Employee & Child(ren)	468.20	199.04	150.00	119.16	108.32	10.84	10%	4,580
Family	801.52	382.02	150.00	269.50	245.00	24.50	10%	2,979
Est. Monthly Total (\$mil)	\$ 9.2	\$ 3.8	\$ 3.5	\$ 1.9	\$ 1.7	\$ 0.2		23,203
Total (Monthly) (\$ mil)	\$ 23.8	\$ 7.8	\$ 7.2	\$ 8.7	\$ 7.9	\$ 0.8		47,984
Est. Annual Total (\$ mil)	\$ 285.2	\$ 93.9	\$ 86.4	\$ 104.9	\$ 95.4	\$ 9.5		

Appendix A. - Contribution Rates: Retirees Calendar Year 2014

Non-Medicare Eligible Retirees	Total Monthly Premium	State Contributions	Add'l Holdback	2014 Total Ret. Cost	2013 Total Ret. Cost	Change in Premiums (\$/%)		Assumed Enrollment
Gold								
Retiree Only	\$ 566.72	\$ 5.00	\$ 0.00	\$ 561.72	\$ 469.68	\$ 92.04	20%	2,065
Retiree & NME SP	1,360.06	10.00	0.00	1,350.06	1,186.36	163.70	14%	167
Retiree & Child(ren)	1,048.24	5.00	0.00	1,043.24	821.66	221.58	27%	21
Retiree & NME SP&CH	1,841.60	10.00	0.00	1,831.60	1,538.32	293.28	19%	17
Retiree & ME SP	720.18	10.00	0.00	710.18	609.06	101.12	17%	146
Retiree & ME SP & CH	1,201.70	10.00	0.00	1,191.70	961.04	230.66	24%	1
Est. Monthly Total (\$mil)	\$ 1.56	\$ 0.01	\$ 0.00	\$ 1.54	\$ 1.30	\$ 0.24		2,418
Silver								
Employee Only	\$ 426.54	\$ 5.00	\$ -	\$ 421.54	\$ 401.62	\$ 19.92	5%	99
Employee & Spouse	1,009.82	10.00	97.58	1,097.40	1,097.40	-	0%	3
Employee & Child(ren)	779.76	5.00	-	774.76	712.64	62.12	9%	2
Family	1,363.04	10.00	-	1,353.04	1,200.54	152.50	13%	4
Est. Monthly Total (\$mil)	\$ 0.05	\$ 0.00	\$ 0.00	\$ 0.05	\$ 0.05	\$ 0.00		107
Bronze								
Employee Only	\$ 267.66	\$ 5.00	\$ -	\$ 262.66	\$ 182.78	\$ 79.88	44%	958
Employee & Spouse	600.98	10.00	0.00	590.98	421.00	169.98	40%	197
Employee & Child(ren)	468.20	5.00	0.00	463.20	299.78	163.42	55%	30
Family	801.52	10.00	0.00	791.52	538.02	253.50	47%	51
Est. Monthly Total (\$mil)	\$ 0.4	\$ 0.0	\$ 0.00	\$ 0.4	\$ 0.3	\$ 0.1		1,236
Total (Monthly) (\$ mil)	\$ 2.0	\$ 0.0	\$ 0.0	\$ 2.0	\$ 1.6	\$ 0.4		3,761
Est. Annual Total (\$ mil)	\$ 24.5	\$ 0.3	\$ 0.0	\$ 24.2	\$ 19.7	\$ 4.5		

ME Retirees	Total Monthly Premium	Subsidy / Holdback	2009 Total Ret. Cost	2014 Total Ret. Cost	2013 Total Ret. Cost	Change in Premiums (\$ / %)		Assumed Enrollment
Medicare Eligible								
Retiree Only	\$ 153.46	\$ 71.78	\$ 5.00	\$ 76.68	\$ 50.14	\$ 26.54	53%	7,738
Retiree & NME SP	708.98	-	10.00	698.98	597.87	101.11	17%	100
Retiree & Child(ren)	676.52	10.86	5.00	660.66	509.62	151.04	30%	15
Retiree & NME SP&CH	1,428.33	117.72	10.00	1,300.61	1,061.68	238.93	23%	3
Retiree & ME SP	306.92	35.89	10.00	261.03	206.42	54.61	26%	659
Retiree & ME SP & CH	788.44	-	10.00	778.44	630.74	147.70	23%	0
Est. Monthly Total (\$mil)	\$ 1.5	\$ 0.6	\$ 0.0	\$ 0.8	\$ 0.6	\$ 0.3		8,515
Total (Est. Annual)	\$ 17.7	\$ 7.0	\$ 0.6	\$ 10.2	\$ 7.1	\$ 3.1		

Appendix B. - Enrollment Details: Actives

Average for Year Ending		12/31/2012	12/31/2013	12/31/2014	Projected 12/31/2015	Updated Proj. 12/31/2015
Gold/Premium	Single	28,906	22,810	15,797	12,146	17,750
	Employee/Spouse	955	502	238	285	346
	Employee/Child(ren)	5,173	3,408	1,452	1,348	2,112
	Family	1,536	739	310	421	463
	Total	36,570	27,458	17,797	14,200	20,671
	Member Counts	51,757	36,556	21,659	18,284	26,390
Silver/Classic	Single	502	2,903	3,671	15,641	12,914
	Employee/Spouse	39	181	191	1,154	1,260
	Employee/Child(ren)	192	955	879	3,424	4,353
	Family	138	436	320	2,552	2,704
	Total	872	4,475	5,061	22,772	21,231
	Member Counts	1,699	7,811	7,913	37,984	38,777
Bronze/Basic	Single	5,950	9,232	14,382	3,910	1,762
	Employee/Spouse	712	1,019	1,428	289	100
	Employee/Child(ren)	1,136	2,240	3,856	856	206
	Family	1,456	2,256	3,355	638	209
	Total	9,254	14,746	23,020	5,693	2,277
	Member Counts	16,438	26,748	41,851	9,496	3,385
TOTAL	Single	35,358	34,944	33,849	31,698	32,425
	Employee/Spouse	1,706	1,702	1,857	1,728	1,705
	Employee/Child(ren)	6,501	6,602	6,186	5,629	6,671
	Family	3,131	3,431	3,985	3,611	3,376
	Total	46,696	46,679	45,877	42,665	44,178
	Member Counts	69,893	71,115	71,423	65,764	68,552

Appendix B. - Enrollment Details: Retirees

Average for Year Ending		12/31/2012	12/31/2013	12/31/2014	Projected 12/31/2015	Updated Proj. 12/31/2015
Retirees Non-Medicare Eligible (NME) Gold/Premium	Retiree Only	1,963	2,035	1,743	2,054	1,648
	Retiree + NME Spouse	178	158	121	141	109
	Retiree + Child(ren)	16	19	16	21	16
	Retiree + NME Spouse + Child(ren)	17	18	14	15	8
	Retiree + ME Spouse	129	146	140	159	118
	Retiree + ME Spouse + Child(ren)	1	1	1	-	1
	Total	2,304	2,377	2,034	2,391	1,901
Silver /Classic	Retiree Only	9	45	119	1,254	1,400
	Retiree + NME Spouse	-	2	5	243	226
	Retiree + Child(ren)	-	1	2	33	42
	Retiree + NME Spouse + Child(ren)	-	2	1	41	38
	Total	9	50	128	1,571	1,707
Bronze/Basic	Retiree Only	222	665	1,079	139	116
	Retiree + NME Spouse	47	141	207	27	16
	Retiree + Child(ren)	7	20	31	4	1
	Retiree + NME Spouse + Child(ren)	8	34	36	5	2
	Total	285	860	1,352	175	135
TOTAL	NME Retirees	2,597	3,286	3,514	4,137	3,743
	NME Member Counts	2,970	3,640	3,809	4,900	4,390
Retirees Medicare Eligible (ME)	Retiree Only	6,268	7,104	8,145	9,087	9,002
	Retiree + NME Spouse	98	87	82	96	80
	Retiree + Child(ren)	14	14	15	17	15
	Retiree + NME Spouse + Child(ren)	2	3	2	1	1
	Retiree + ME Spouse	531	609	741	824	830
	Retiree + ME Spouse + Child(ren)	1	1	0	-	1
	Total	6,914	7,817	8,985	10,026	9,930
	ME Member Counts	7,575	8,574	9,867	11,009	10,868

Appendix C. - Summary of Plan or Policy Changes

<u>Date</u>	<u>Major Change</u>
For 2015 Plan Year	<p>Plans were renamed Premium, Classic and Basic to avoid confusion with metallic plans from Exchange</p> <p>Premium is former Gold with \$1,000/\$2,000 deductible for individual/family, Office Visit copays at \$25/\$50 for Primary Care Physician (PCP)/Specialists, no copay on hospitalization, \$3,100/\$6,600 individual/family Out-of-Pocket (OOP) max for Rx, \$2,000/\$4,000 deductible for Out-of-Network (OON) benefits, and no OOP max for OON benefits</p> <p>Classic is former Bronze with a \$4,450/\$6,675 coinsurance OOP max, and a true OOP max (including deductible, coinsurance, copays) of \$6,450/\$9,675 for individual/family</p> <p>Classic provides no coverage for non-preferred brand drugs, and no OOP max for OON benefits</p> <p>Basic is another HSA qualified plan with a \$4,250/\$8,500 individual/family In-Network deductible, a \$2,200/\$4,400 coinsurance max, and a true OOP max of \$6,450/\$12,900</p> <p>Basic provides no coverage for non-preferred brand drugs, and no OON coverage</p> <p>Wellness credit: Active employee contributions are reduced by \$75/mo if the employee had a physical exam in the past year (new hires get the credit automatically)</p>
For 2014 Plan Year	<p>Increase Gold Plan In-Network maximum out of pocket (MOOP) to \$2,500 for individual, \$5,000 for family</p> <p>Increase Gold and Silver Plans' Office Visit copays to \$35/\$70 for Primary Care Physician (PCP)/Specialists</p> <p>Increase Gold and Silver Plans' Pharmacy copays to \$15/\$40/\$80/\$100 for Generic/Preferred Brand/Non-Preferred Brand/Specialty drugs</p> <p>Increase Gold Plan ER copay to \$250, Silver plan ER copay to \$300, Gold and Silver Plans' Ambulance copay to \$50</p> <p>Change Gold and Silver Plans' rehab cost share to \$35 copay</p> <p>Increase Silver Plan In-Network deductible to \$1,000 for individual, \$2,000 for family, maximum out of pocket to \$3,000 for individual, \$6,000 for family</p> <p>Increase Silver Plan Out-Of-Network deductible to \$2,000 for individual, \$4,000 for family, maximum out of pocket to \$8,000 for individual, \$16,000 for family</p> <p>Increase Bronze Plan In-Network deductible to \$2,000 for individual, \$3,000 for family, MOOP to \$6,350 for individual, \$9,525 for family</p> <p>Increase Bronze Plan Out-Of-Network deductible to \$4,000 for individual, \$8,000 for family, MOOP to \$12,700 for individual, \$19,000 for family</p>
For 2013 Plan Year	<p>Women's preventive care covered at 100%</p>
For 2012 Plan Year	<p>ARHealth plan became Gold Plan; network is only Health Advantage (Novasys no longer an option)</p> <p>HD PPO became Bronze Plan; network changed from Novasys to Health Advantage</p> <p>Silver Plan with \$25 PCP copay and \$750 deductible offered through Qualchoice</p> <p>NME Retirees eligible to elect Gold, Silver or Bronze (ME Retirees are Gold only)</p> <p>Bariatric surgery covered through pilot program</p> <p>Coverage for Autism added</p> <p>Behavioral Health changed to self-insured and integrated with Medical</p>
For 2011 Plan Year	<p>Lifetime Max for Out-of-Network (OON) changed to match the In Network's (INN) Unlimited Lifetime Maximum</p> <p>Immunizations covered at 100% for OON coverage</p> <p>Some services under Behavioral Health now do not require pre-authorization</p> <p>Intensive Out-Patient Services under Behavioral Health now require 20% member coinsurance</p> <p>\$10,000 Benefit Maximum Removed for Durable Medical Equipment / Enteral Feeding</p> <p>Hearing/Vision Screening copayment changed to \$35 OON (ARHealth), and \$35 INN & OON (ARHealth HD)</p> <p>Active and Non-Medicare experience was blended in determining the rates</p> <p>Increased credibility was given to the High Deductible Plan in determining the rates</p> <p>Child covered until age 26</p>
For 2010 Plan Year	<p>Hearing Aids benefit added</p> <p>Hearing and Vision exams are now covered as wellness benefits</p>
For 2009 Plan Year	<p><u>AR Health Plan (including Retirees)</u></p> <p>Coinsurance percentage for In-Network services will increase from 10% to 20%</p> <p>Annual Coinsurance Limit will increase from \$1,000 to \$1,500 for employee only and from \$2,000 to \$3,000 for the other coverage tiers</p> <p><u>ARHealth HD PPO Plan</u></p> <p>Deductible will increase from \$1,250 to \$1,500 for employee only and from \$2,500 to \$3,000 for the other coverage tiers</p>
For 2008 Plan Year	<p>ARHealth Plan and ARHealth HD PPO replace the previous PPO, HMO, and POS options for Actives</p> <p>ARHealth offered through Health Advantage and NovaSys Health</p> <p>ARHealth HD PPO offered only through NovaSys</p> <p>Blue Cross & Blue Shield and QualChoice are no longer benefit coordinators for these plans</p> <p>New Utilization and Case Management Services are provided by AHH, Inc.</p> <p>Copayments for Office visits increased to \$25 (PCP) and \$35 (SPC)</p> <p>Preferred (Tier II) Prescription Copayments were increased to \$30 and the Non-Preferred (Tier III) Prescription Copayments were increased to \$60</p> <p>Annual Family Coinsurance limit increased to \$2000</p> <p>Out-Patient Radiology services has a \$250 copayment along with a 10% coinsurance</p> <p>Coinsurance increased to 10% for many In-Network services and to 40% for most Out-of-Network services</p>

Summary of 2014 Benefits for AR Health

Benefit Option Name: Last Modified: Provider Network:	Gold 1/1/2014 Health Advantage	Silver 1/1/2014 QualChoice	Bronze 1/1/2014 Health Advantage
<u>In-Network (INN) Benefits</u>			
Deductible (Individual / Family)	None / None	\$1000 / \$2000	\$2000 / \$3000
Coinsurance	20%	20%	20%
Copays			
Office Visit - Primary Care (PCP)	\$35	\$35	Ded. & Coins.
OV - Specialist Care Provider (SCP)	\$70	\$70	Ded. & Coins.
Urgent Care (UC)	\$100	\$150	Ded. & Coins.
Emergency Room (ER) Non-admitted	\$250	\$300	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)	\$2500 / \$5000	\$3000 / \$6000	\$4350 / \$6525
<u>Out-of-Network (OON) Benefits</u>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	Unlimited	Unlimited
<u>Prescription Drugs</u>			
Separate Deductible then the following Copays:			
Retail (31 Days) - Generic/Formulary /Non-Form./ Specialty	\$15 / \$40 / \$80 / \$100	\$15 / \$40 / \$80 / \$100	Ded. & Coins.
Mail Order (93 Days) - Generic/Form. /Non-Form.	\$45 / \$120/ \$240	\$45 / \$120 / \$240	Ded. & Coins.
<u>Selected Detail Benefits</u>			
Emergency Transportation - Ambulance	INN: \$50 Copay; OON: Ded & Coins.	INN: \$50 Copay; OON: Ded & Coins.	Ded. & Coins.
Psychiatry	INN: \$35 Copay; OON: Ded & Coins.	INN: \$35 Copay; OON: Ded & Coins.	Ded. & Coins.
Rehabilitation (i.e., speech, occup. physical):	INN: \$35 Copay; OON: Ded. & Coins.	INN: \$35 Copay; OON: Ded. & Coins.	Ded. & Coins.
Chiropractors:	INN: \$35 ; OON: Ded & Coins.	INN: \$35; 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. INN: No Cost; OON: Coins.	Ded. & Coins. INN: No Cost; OON: Coins.	Ded. & Coins. INN: No Cost; OON: Coins.
Preventive Care:	except immun. no cost	except immun. no cost	except immun. no cost

¹When an In-Network provider is not available within 50 miles for a hospital and 25 miles for all other providers, then In-Network benefits apply.

Appendix D. - Provider Contract Summary

Service Providers	Cost		Effective Dates
Benefit and Claims Coordination (Actives & NME Retirees)			
- Gold	\$27.04	Per Employee Per Month	For Calendar Year 2014 unless noted
- Silver	\$22.51	Per Employee Per Month	
- Bronze	\$25.00	Per Employee Per Month	
Benefit and Claims Coordination (ME Retirees)			
- Medicare	\$27.04	Per Employee Per Month	
Prescription Drugs Claims Administration			
- CatamaranRx (Includes staff, excludes Integrail)	<u>All Plans</u> \$2.75	Per Member Per Month	August 2014
- RDS	\$0.10	Per RDS Member Per Month	
Medical Appeals - UAMS			
- Physician Appeals	\$150.00	Per Physician Appeal	
Pharmacy Prior Authorization - EBRx			
- Prior Authorization	\$1.00	Per Employee Per Month	November 2014
Pharmacy Appeals - American Health Holding Inc.			
- Physician Appeals	\$150.00	Per Physician Appeal	
Medical Utilization Review - American Health Holding, Inc.			
Condition Management - American Health Holding, Inc.	\$0.97	Per Member Per Month	August 2014
Case Management - American Health Holding, Inc.	\$2.85	Per Member Per Month	
ACHI	\$0.89	Per Member Per Month	July 2014
	\$0.25	Per Member Per Month	
Life Insurance - Minnesota Life			
- No longer age banded	\$1.70	Per Employee Per Month	
Employee Assistance Program - ComPsych			
	\$1.73	Per Employee Per Month	
Health Savings Account (HSA) Administrator - DataPath Admin. Services			
- Enrollment Fee (Electronic)	\$15.00	Per Enrollment	
- Enrollment Fee (Paper)	\$25.00	Per Enrollment	
- Monthly Fee	\$4.00	Per Enrolled Employee Per Month	

Appendix E. - Reserve Details

(In Millions \$)	12/31/2012	12/31/2013	12/31/2014	Updated Proj. 12/31/2015
Net Assets (Prior To IBNR)	\$ 46.6	\$ 70.3	\$ 75.4	\$ 79.5
Incurred But Not Recorded Claims	(27.3)	(29.8)	(29.4)	(29.4)
Net Assets After IBNR	\$ 19.3	\$ 40.5	\$ 46.0	\$ 50.1
ALLOCATED RESERVES				
Active/Retiree Premiums for Plan Year	\$ -	\$ -	\$ -	\$ -
Act/Ret Premiums for Next Plan Year	(9.0)	(43.0)	(20.0)	(21.0)
Act/Ret Premiums for 2nd Year After	(3.6)	-	-	-
Transitional Reinsurance Reserves	-	-	-	(3.1)
Catastrophic Reserve	(6.7)	-	(11.1)	(11.1)
Total Allocated Reserves	\$ (19.3)	\$ (43.0)	\$ (31.1)	\$ (35.2)
Net Assets Available	\$ -	\$ (2.5)	\$ 14.9	\$ 14.9

Note that any projected IBNR Reserves presented in this report may NOT be used for financial statements.

Appendix F. - Definitions & Methods

Definitions:

- Actual:** Results based on actual incurred claims and enrollment experience through December 2014, paid through January 2015. Actual incurred reflects an updated estimate of incurred but not recorded (IBNR) claims.
- Projected:** Projections produced for use in setting annual rates. Details on the assumptions & methods used for Cheiron's 2015 and 2014 projections can be found in our November 10, 2014 (for 2015) and our November 13, 2013 (for 2014) letters to Bob Alexander.
- Updated Projections:** Projections produced in July 2014 by Cheiron for 2015 rates, adjusted for actual asset experience and enrollment changes through December 2014.

Methods:

- Updated Projections:** Population projections for the remainder of 2015 assume the same population as January 2015. Claims projections for 2015 and on use the same method as original projections but are adjusted for counts changes and associated expected changes in risk characteristics for each plan in accordance with the population change. *Note that the updated projections presented in this report do NOT reflect updated claims experience.*
- Incurred Claims:** Based on service dates through December 31, 2014 and process dates through January 31, 2015. Claims are before subtracting retiree drug subsidy. A blend of methods based on actuarial judgment was used to estimate the incurred claims by month.
- IBNR (Incurred But Not Recorded) Claim Reserves:** Actual Reserves are those certified by Cheiron in July 2014. Original and updated Reserve projections are based on expected changes in incurred and paid claims. *Note that any projected IBNR Reserves presented in this report may NOT be used for financial statements.*

Qualification Statements:

Reliance Statement: In preparing our report, we relied without audit, on information (some oral and some written) supplied by the Employee Benefits Division and the Plan's vendors. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice #23.

Scope: Actuarial computations provided in this report are for purposes of assisting the Trustees in monitoring the Plan's experience. The projections and reserve calculations reported in the enclosed exhibits have been made on a basis consistent with our understanding of the associated Actuarial Standards of Practice. Determinations for purposes other than monitoring the Plan's performance (for example, rate setting, benefit design changes or vendor evaluation) may be significantly different from the results in this report. Actual results will be different than our projections and vary to the extent that the Plan experience differs from the assumptions.

Certification: To the best of our knowledge, this report has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable Actuarial Standards of Practice as Promulgated by the Actuarial Standards Board. We are members of the American Academy of Actuaries, and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. This report does not address any contractual or legal issues. We are neither attorneys nor accountants, and our firm does not provide any legal or tax services or advice.

Third Party Reliance: This report was prepared for the Arkansas State Life & Health Insurance Board for the purposes described herein. This Monitoring Report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.