



## AGENDA

State and Public School Life and Health Insurance Board

February 18, 2014

1:00 p.m.

EBD Board Room – 501 Building, Suite 500

- I. *Call to Order* .....John Kirtley, Chairman
- II. *Approval of January 30, 2014 Minutes* .....John Kirtley, Chairman
- III. *ASE-PSE Financials January, 2014*..... Marla Wallace, EBD Chief Fiscal Officer
- IV. *New DUEC Committee Member* .....John Kirtley, Chairman
- V. *DUEC Sub-Committee Report* ..... Dr. Kat Neill, UAMS
- VI. *Cheiron Update* ..... John Colberg, Cheiron
- VII. *Director's Report* .....Bob Alexander, EBD Executive Director

### *Upcoming Meetings*

*March 18<sup>th</sup>*

**NOTE: All material for this meeting will be available by electronic means only at [asepse-board@dfa.arkansas.gov](mailto: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  
Minutes  
February 18, 2014**

The 134<sup>th</sup> meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met on February 18, 2014 at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, AR 72201.

**MEMBERS PRESENT**

Renee Mallory  
Robert Boyd  
Dr. Joseph Thompson  
Katrina Burnett  
John Kirtley, Chair  
Carla Wooley-Haugen, Vice-Chair  
Dr. Andrew Kumpuris  
Angela Avery  
Shelby McCook  
Dr. Tony Thurman  
Janis Harrison  
Dan Honey  
Lori Freno-Engman

**MEMBERS ABSENT**

Bob Alexander, Executive Director, Employee Benefits Division

**OTHERS PRESENT:**

Dwight Davis, David Keisner, UAMS; Doug Shackelford, Michele Hazelett, Marla Wallace, Leslie Smith, Lori Eden, Janna Keathley, Tracy Oberste, Sherry Bryant, Erica Harris-Backus, Tammy McGill, Makesha Thompson, Ethel Whittaker, Sylvia Landers, Eileen Wider, Minnesota Life; Pam Lawrence, AHH; Richard Ponder, J & J; Antrice Kay, Pfizer; Marc Watts, ASEA; Mark Meadors, BYSI; Bruce Hawkins, Bill, H & H; Wayne Whitley, Ronda Walthall, AR Highway & Transportation Dept; Diann Shoptaw, USAbile; Peggy Nabors, AEA; Donna Morey, ARTA; Ernie Cavin, Humana/H & H; Andy Davis, Arkansas Democrat; David Williams, Forest; Kathy Ryan, Takisha Sanders, Ron DeBerry, David Bridges, Kanita Collins, Health Advantage; Ro Summers, ACHI; Andra Kaufman, B.J Himes, QualChoice; Susan Walker, Ben Robbins, Datapath; Connie Bennett, RX; Warren Tayes, Merck; Dwane Tankersley; Novasys Health

## **CALL TO ORDER:**

Meeting was called to order by John Kirtley, Chair

## **APPROVAL OF MINUTES:** *by John Kirtley, Chair*

The request was made by Kirtley to approve the January 30, 2014 minutes.

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

## **Minutes approved**

## **FINANCIALS:** *by Marla Wallace, CFO EBD*

Wallace reported for January, 2014 for PSE & ASE. For ASE the report highlights 2013 and 2014. It indicates there was a loss in members. However, in 2013 members and dependents were listed, but in 2014 only members and retirees are listed. Both payments from The Department of Education were received. It was also a five (5) week claim month. The total claims for the fifth week was \$3.9 million. There was a gain for the month of \$2.4 million. Pharmacy had many changes in 2014 and as a result, the average Pharmacy claims for the week was \$800,000. Prior to the changes it was \$1.2 million per week. One month with five (5) weeks would normally be \$6 million. However, this month was \$4.8 million.

For ASE there was also a change to employees and retirees as well. For a five (5) week month, pharmacy decreased for the month and there was a net gain of \$64,947. The catastrophic reserve for 2014 is \$10.6 million. Last year's catastrophic reserve was \$10 million. The net assets are \$2.3 million.

Dr. Thompson commented on how the report is structured. The number count includes employees and retirees plus their dependents.

Alexander reports the change for the structure of the report was a result of the Taskforce. This would make it easier to calculate the admin fee. It simplifies the report to design it on a pay per employee basis. The number of claims is for all members.

Kirtley comments that it is the number of contracts.

Dr. Thompson suggested possibly adding a line, which will give the total number of lives.

Dr. Kirtley suggested adding a column with total enrolled and total lives. Dr. Thompson agreed.

## **February 7, 2014 DUEC REPORT:** *by Dr. Kat Neill, David Keisner, UAMS*

The following report resulted from a meeting of the DUEC Committee from February 7, 2014, with Dr. Kat Neill presiding.

### **1. Recommended Changes to Current Coverage**

#### **A. Colony Stimulating Factor**

Granix is considered with the new drugs. It is a colony stimulating factor (granulocyte) sold as Tevagrastim in Europe and classified as a Biosimilar to Neupogen. Granix was approved through the standard application process in the USA and is available in packs of 1, 5, or 10 prefilled single use syringes for subcutaneous injection. DUEC recommends covering Granix and excluding Neupogen due to estimated cost savings.

Current Coverage	Recommendation
Tier 4 PA - Neupogen	<b>Exclude:</b> Neupogen Granix will be covered at Tier 4 PA (new drug additions)  Biosimilar product – estimated difference of approx. \$4,500/month

McCook motioned to adopt effective May 1, 2014. Honey seconded. All were in favor.

### **Motioned approved**

### **2. New Drugs**

Johnson reported on new drugs. The review covered products released October 14, 2013 – January 6, 2014.

**Recommended Additions**

<b>BRAND name</b>	<b>GENERIC name</b>	<b>PRICING (AWP)</b>	<b>INDICATION</b>	<b>SIMILAR THERAPIES ON FORMULARY/ AWP</b>	<b>PLACEMENT</b>
Actemra inj 162mg/0.9ml		\$858/162 mg prefilled syringe	New dosage form in a prefilled syringe for SC inj for tx of mod-sev active RA & inadequate response to $\geq 1$ DMARD.	Other therapies would include Enbrel, Humira, Remicade, Simponi	T4PA
Adempas	riociguat	\$9,000/30 days	For treatment of pulmonary HTN. Dose: 2.5mg tab 3X/d  -Only available thru a network of certified pharmacies.	Opsumit \$8,000/30 days - similar. Other treatment options for patients with PAH(WHO Group 1) - Adcirca, Remodulin, Tyvaso, Ventavis, Tracleer	T4PA
Fycompa tabs		\$682/30 days	For adjunctive therapy for treatment of partial onset seizures. Dose= 4-12 mg daily	Various other therapies	T3

**Recommended Additions (continued)**

Zomig Spray 2.5mg/spray	zolmitriptan	\$57/2.5mg spray	Treatment of migraine	zolmitriptan 5mg (generic) tab - \$35/3 tabs retail	T3 w/ same QL as other covered agents
Aerospan Inhaler	flunisolide	\$194/inhaler	Treatment of asthma. (replacement for Aerobid)	Asmanex inhaler - \$287 Qvar inhaler = \$209 Flovent HFA inhaler = \$336	T3
Granix inj	TBO- filgrastim	\$573/syringe	For tx of chemotherapy induced neutropenia	Neupogen - \$558 Leukine - \$441 Neulasta \$4,300	T4PA and exclude Neupogen
Stendra	avanafil	\$29/tab	PDE5 inhibitor to treat erectile dysfunction	Cialis = \$38/tab Viagra = \$34/tab Levitra = \$33/tab	T2PA, QL, apply therapeutic duplication edit
FluBlok			Flu vaccine		free

**Recommended Exclusions**

<b>BRAND Name</b>	<b>GENERIC name</b>	<b>PRICING (AWP)</b>	<b>INDICATION</b>	<b>SIMILAR THERAPIES ON FORMULARY/AWP</b>	<b>CODE*</b>
Valchlor Gel	mechlorethamine gel	\$3,480/60gm	For topical tx of Stage IA and IB mycosis fungoides type cutaneous T-cell lymphoma in pts w/prior skin-directed therapy  -Exclusive from Accredo Specialty Pharmacy. Full patient support program will be available		12
Brintellix	vortioxetine	\$262/30 days	Tx of major depressive disorder. Dose: 20mg/day  -"1st in class w/ a MOA of both serotonin agonist & antagonist action on select receptors"	Currently six subclasses of antidepressants for tx of MDD with a majority available in generic formulations	12, no HTH evidence
Noxafil		\$5,371/30 days	New dosage formulation - for prophylaxis of invasive Aspergillus & Candida infections in patients $\geq 13$ years of age, at high risk of developing these infections due to being severely immunocompromised Dose: 300mg daily	Noxafil Suspension 40mg/ml - 300mg/day dosing = \$2,441/30 days	12
Glycate 1.5mg tabs	glycopyrrolate	\$9/1.5mg tab	Oral dosage form for the tx of peptic ulcer disease. Max dose: 6mg/day	Generic glycopyrrolate = \$2/2mg	12, not compared to standards

**Recommended Exclusions (continued)**

Zorvolex	diclofenac	\$3.00/dose	New dosage form of immediate release formulation (18mg or 35mg) - for tx of mild/moderate pain	Diclofenac 50mg immediate release tab - \$1.80	12, not compared to oral
Aciphex Sprinkle caps ( 10 and 5mg caps)		\$420/30 days	New dosage form of rabeprazole for tx of GERD	robeprazole 20mg tab = \$30/30 days	12, not compared to others in class
Antara	fenofibrate micronized	\$200/30 days	New dosage formulation - oral lipid lowering agent.	Generic fenofibrate - avg retail for 30 day supply \$25-\$40	1
Fetzima	levomilnacipran	\$240/month	SNRI - for adults with major depressive disorder	Duloxetine - retail prices range from \$92 - \$182/30 days Venlafaxine ER - retail prices range \$13 - \$15/30 days	12, no HTH evidence
Imbruvica caps	ibrutinib	\$13,120/30 days	For treatment of mantle cell lymphoma(MCL) who have received at least one prior therapy  -Available thru limited distribution pharmacies	Velcade and Revlimid	8

**Recommended Exclusions (continued)**

Otrexup	methotrexate	\$411/unit	1st SC auto-injector of methotrexate for treatment of severe active RA, polyarticular juvenile idiopathic arthritis, who are intolerant of or had an inadequate response to 1st-line therapy		12, no value over cheaper vials
Prodrin	acetaminophen-isometheptene-caffeine	\$5.60/capsule	Treatment of headache		12, not FDA approved
Versacloz Susp 50mg/ml	clozapine suspension	\$8.80/50mg	New dosage formulation - atypical antipsychotic	Clozapine 100mg tab = \$3.32 Clozapine orally disintegrating 100mg tab = \$8.17	12, no value over crushing tabs
Ecoza Aerosol 1%	econazole	\$343/bottle	Topical antifungal agent (new dosage formulation)	Econazole nitrate 1% topical cream = \$100 for 85Gm tube	12, cheaper alternatives exist

**Recommended Exclusions (continued):**

Pro-Red AC syrup (phenylephrine-dexchlorphenir-cod syrup)		\$7.20/4 oz bottle	Cough/cold prep	various products	6
Puralor chew tabs			Dietary management product		5
Gazxyva	obinutuzu mab		Administered by IV infusion for chronic lymphocytic leukemia		12 - medical
Amitriptyline HCL Cm 2% kit					4
Avar Pads - sulfacetamide s/ sulfur cleansing pad					4
Nicazeldoxy Kit (doxycycline monohydrate and multivitamin tab kit)					4
Sumadin Kit - sulfacetamide sod - sulfur wash-sunscreen					4

McCook motioned to adopt effective in 90 days for changes and immediately for new drugs. Harrison seconded. All were in favor.

**Motioned Approved**

Boyd inquired if there is a comparison for cost per member per month compared to the Book of Business of Catamaran.

Dr. Neill reports last quarter there was a significant decrease in the per member cost.

Connie reports the cost per member with Catamaran is about \$70.00 to \$80.00.

Boyd has concerns that there may be extensive work for average results, especially since there is not a significant difference with the book of business.

Keisner's reports were compared to the book of business of Catamaran in January 2013 and the cost per member was \$80.46. The cost per member in January 2014 was \$59.36.

Dr. Neill reports a .5 % increase vs. the book of Catamaran, which has a .4 % increase. The drug benefit is actively managed.

Dr. Kirtley reports that at the end of the quarter it will be essential for the cost per member per month to remain at \$59.36. There was a change in the co-pay structure, which will assist in a change in drug selection or adverse drug selection. We are currently at 25% below the industry.

Boyd reports his experience has been \$58.00 cost per member per month without the extensive process.

Dr. Neill reports referencing pricing in 2015 is saving the pharmacy. However, it contributes to the member out-of-pocket expenses.

Boyd reported that at a previous meeting, it was discussed by Alexander that reference pricing is not successful if the co-pay applies to the out-of-pocket.

Alexander reports when the co-pay applies to the out-of-pocket, the utilization control is lost. When the member reaches their out-of-pocket limit, they can purchase any drug and it is paid at 100%. At the next Benefits Meeting, there will be information presented with the numbers of how many members met their deductible and how many met their out-of-pocket. The information will assist the committee with recommendations for co-pay limitations for 2015.

### **CHEIRON UPDATE:** *by John Colberg, Cheiron*

Colberg reports on 2013 Plan year for ASE/PSE. For ASE assets are higher than projected when the 2013 rates were decided. There was \$18 million left in excess reserves. There was \$9 million used to keep 2014 participant contributions at the 2013 levels. The \$18 million is allocated over a three (3) year period. Fifty percent for \$9 million was allocated in 2014, and thirty percent for \$5 million & twenty percent for \$4 million to allocate in 2015. For 2015 the rates may need to be reduced or increase employee contributions.

When the 2014 rates were selected in August 2013, the fund was projected to have no excess reserves on 12/31/2013. Although the fund had about \$3 million in excess reserve on 12/21/2013, the projection is based on the latest enrollment information. The extra \$3 million will be used in 2014 and no excess reserves will be available on 12/31/2014.

The Catastrophic Reserves increased \$1 million in 2013 to \$10 million and by \$0.6 million to \$10.6 million effective January 2014.

In 2013 both income and expenditures were higher than projected. Higher expenses contributed to higher expenditures and were higher than projected. However, the higher income was more than the higher expenditures which allowed for the contributions rates to remain constant.

Active enrollment is close to projected, while retiree enrollment is slightly higher than projected.

The following outlines major changes in 2014:

- Increase Gold Plan in-network maximum out of pocket (MOOP) to \$2,500 for individual, \$5,000 for family.
- Increase Gold and Silver Plans' Office Visit copays to \$35/\$70 for Primary Care Physician (PCP)/Specialists.
- Increase Gold and Silver Plans' Pharmacy copays to \$15/\$40/\$80/\$100 for Generic/Preferred Band/non-Preferred Band/Specialist
- Increase Gold Plan ER copay to \$250, Silver plan ER copay to \$300, Gold and Silver Plans' Ambulance copay to \$50.
- Change Gold and Silver Plans' rehab cost share to \$35 copay.
- Increase Silver Plan in network deductible to \$1000 for individual, \$2,000 for family, MOOP to \$3,000 for individual, \$6,000 for family.
- Increase Silver Plan out of network deductible to \$2,000 for individual, \$4,000 for family, MOOP to \$8,000 for individual, \$16,000 for family.
- 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.
- 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.

For PSE the number and amount of medical claims higher than \$1 million decreased from three claimants totaling nearly \$7 million in 2012 to one claimant with \$1.3 million in 2013.

In aggregate, the active counts were closed to the projection in 2013. However, fewer actives elected Gold and Silver or more elected Bronze than assumed, which contributed to lower than projected assets in 2013 (reviewed in great detail last summer).

The Plan added an unprecedented number of retirees toward the end of 2013, and that trend accelerated in 2013. The increase in retiree participation also contributed to lower than projected 2013 assets.

While expenses were significantly higher than projected when setting 2013 rates, they were within \$0.4 million of our updated projections presented in March 2013. (Our projected number is intended to represent expenses less other income, generally rebates and investment income.)

Assets ended \$2.5 million below IBNR. Our August 20, 2013, the presentation projected \$0.8 million above IBNR. The \$3.3 million deficit comes from claims \$3.5 million higher than projected, with expenses for the period (net of other income) \$0.2 million lower.

Plan elections for 2014 appear to be more favorable than were assumed for the active population. Retirees continue to increase at a rapid rate. Still, the lower actives than projected for 2014 combined with slightly higher Gold actives and the \$5 per adult surcharge is currently projected to replenish most of the catastrophic reserves by the end of 2014.

The following outlines major changes in 2014:

- Increase Gold Plan in-network maximum out of pocket (MOOP) to \$2,500 for individual, \$5,000 for family.
- Increase Gold and Silver Plans' Office Visit co-pays to \$35/\$70 for Primary Care Physician (PCP) Specialists.
- Increase Gold and Silver Plans' Pharmacy co-pays to \$15/\$40/\$80/\$100 for Generic/Preferred Brand/non-Preferred Brand/Specialists.
- Increase Gold Plan ER co-pay to \$250, Silver plan ER co-pay to \$300, Gold and Silver Plans' Ambulance co-pay to \$50.
- Change Gold and Silver Plans' rehabilitation cost share to \$35 co-pay.
- Increase Silver Plan in-network deductible to \$1,000 for individual \$2,000 for family, \$4,000 for family, maximum out of pocket to \$3,000 for individual.
- Increase Silver Plan out-of-network deductible to \$2,000 for individual, \$4,000 for family, maximum out of pocket to \$8,000 for family.
- 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.

- 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.

Dr. Thompson inquired if the plans spend more toward PSE than ASE? “What is the difference for both plans per employee cost?”

Colberg reports ASE has more dependents covered than PSE. Therefore, there is more cost for ASE.

Dr. Thompson would like to know how much adverse risk is the PSE Plan.

Alexander reports the employee cost for PSE is \$3,600; spouse is \$6,800, and dependents cost is \$1,700. The numbers for ASE may be available at the next Board Meeting.

Dr. Thurman inquired if there are not significant changes to the structure and /or a significant rate increase will the plan have the same effect as six (6) months prior?

Alexander reports the plan will have greater challenges than six (6) months prior.

Dr. Kumpuris reports 2015 will have even greater challenges than 2014.

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

There was a change in benefits in 2014 for the first time in five years. Co-pays increased on medical and pharmacy. Reference pricing was implemented for many drugs. As a result, the phone lines have been extremely busy. We are in the process of resending the reference price information to the members. In addition, we’re adding an easier way for members to research their meds on the website. This will be the responsibility of the new Communications Director.

**Meeting Adjourned**

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
<b>Revenues &amp; Expenditures</b>				
			Current Month	Year to Date (1 month)
<b>Funding</b>				
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
<b>Total Funding</b>			<b>\$ 29,295,513</b>	<b>\$ 29,295,513</b>
<b>Expenses</b>				
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
<b>Total Expenses</b>			<b>\$ 26,879,672</b>	<b>\$ 26,879,672</b>
<b>Net Income/(Loss)</b>			<b>\$ 2,415,842</b>	<b>\$ 2,415,842</b>
<b>Balance Sheet</b>				
<b>Assets</b>				
Bank Account			\$	14,989,662
State Treasury			\$	49,103,394
Receivable from Provider			\$	-
Accounts Receivable			\$	5,072,599
Due from ASE			\$	-
<b>Total Assets</b>			<b>\$</b>	<b>69,165,654</b>
<b>Liabilities</b>				
Accounts Payable			\$	642
Due to ASE			\$	-
Deferred Revenues			\$	-
Health IBNR			\$	28,000,000
RX IBNR			\$	1,800,000
<b>Total Liabilities</b>			<b>\$</b>	<b>29,800,642</b>
<b>Net Assets</b>			<b>\$</b>	<b>39,365,012</b>
<b>Less Reserves Allocated:</b>				
Active Premiums for Plan Year 01/01/14 - 12/31/14 (\$43,000,000)			\$	(39,416,667)
Catastrophic Reserve (2014 - \$11,100,000)				
<b>Net Assets Available</b>			<b>\$</b>	<b>(51,655)</b>

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

Public School Employees (PSE) Financials - January 1, 2013 through January 31, 2013				
	Gold	Silver	Bronze	Total
Actives	38,172	7,536	26,365	72,073
Retirees	2,478	27	831	3,336
Medicare	8,297			8,297
Total	48,947	7,563	27,196	83,706
<b>Revenues &amp; Expenditures</b>				
			Current Month	Year to Date (1 month)
<b>Funding</b>				
District Contribution			\$ 8,185,570	\$ 8,185,570
Employee Contribution			\$ 11,161,420	\$ 11,161,420
Dept of Ed \$35,000,000 & \$15,000,000			\$ 6,931,818	\$ 6,931,818
Other			\$ 54,066	\$ 54,066
Allocation for Active/Retiree Premiums for Plan Year 2013			\$ 750,000	\$ 750,000
<b>Total Funding</b>			<b>\$ 27,082,874</b>	<b>\$ 27,082,874</b>
<b>Expenses</b>				
Medical Expenses:				
Claims Expense			\$ 19,607,838	\$ 19,607,838
Claims IBNR			\$ -	\$ -
Medical Admin Fees			\$ 1,569,694	\$ 1,569,694
Refunds			\$ 17,595	\$ 17,595
Employee Assistance Program (EAP)			\$ 82,424	\$ 82,424
Pharmacy Expenses:				
RX Claims			\$ 6,392,765	\$ 6,392,765
RX IBNR			\$ -	\$ -
RX Admin			\$ 122,378	\$ 122,378
Plan Administration			\$ 350,607	\$ 350,607
<b>Total Expenses</b>			<b>\$ 28,143,301</b>	<b>\$ 28,143,301</b>
<b>Net Income/(Loss)</b>			<b>\$ (1,060,427)</b>	<b>\$ (1,060,427)</b>
<b>Balance Sheet</b>				
<b>Assets</b>				
Bank Account			\$ 19,366,688	
State Treasury			\$ 23,053,312	
Receivable from Provider			\$ 208,717	
Accounts Receivable			\$ 4,003,646	
Due from ASE			\$ 199	
<b>Total Assets</b>			<b>\$ 46,632,561</b>	
<b>Liabilities</b>				
Accounts Payable			\$ 83	
Due to ASE			\$ 26,431	
Deferred Revenues			\$ 1,780,865	
Health IBNR			\$ 24,700,000	
RX IBNR			\$ 2,600,000	
<b>Total Liabilities</b>			<b>\$ 29,107,378</b>	
<b>Net Assets</b>			<b>\$ 17,525,183</b>	
<b>Less Reserves Allocated:</b>				
Active/Retiree Premiums for Plan Year 01/01/13 - 12/31/13 (\$9,000,000)			\$ (8,250,000)	
Active/Retiree Premiums for Plan Year 01/01/14 - 12/31/14 (\$3,600,000)			\$ (3,600,000)	
Catastrophic Reserve (2013 - \$11,100,000)			\$ (5,675,183)	
<b>Net Assets Available</b>			<b>\$ (0)</b>	

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
<b>Total</b>	<b>35,009</b>	<b>1,509</b>	<b>2,302</b>	<b>38,820</b>
<b>Revenues &amp; Expenditures</b>				
			Current Month	Year to Date (1 month)
<b>Funding</b>				
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
<b>Total Funding</b>			<b>\$ 24,135,282</b>	<b>\$ 24,135,282</b>
<b>Expenses</b>				
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
<b>Total Expenses</b>			<b>\$ 24,070,335</b>	<b>\$ 24,070,335</b>
<b>Net Income/(Loss)</b>			<b>\$ 64,947</b>	<b>\$ 64,947</b>
<b>Balance Sheet</b>				
<b>Assets</b>				
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)
<b>Total Assets</b>			<b>\$</b>	<b>77,531,852</b>
<b>Liabilities</b>				
Accounts Payable			\$	2,520
Deferred Revenues			\$	50
Due to Cafeteria			\$	539
Due to PSE			\$	-
Health IBNR			\$	23,200,000
RX IBNR			\$	2,400,000
<b>Total Liabilities</b>			<b>\$</b>	<b>25,603,109</b>
<b>Net Assets</b>				<b>\$ 51,928,743</b>
<b>Less Reserves Allocated:</b>				
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)
<b>Net Assets Available</b>			<b>\$</b>	<b>2,372,910</b>

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

Arkansas State Employees (ASE) Financials - January 1, 2013 through January 31, 2013				
	Gold	Silver	Bronze	Total
Actives	46,031	1,931	3,361	51,323
Retirees	3,309	19	75	3,403
Medicare	10,116			10,116
Total	59,456	1,950	3,436	64,842
<b>Revenues &amp; Expenditures</b>				
			Current Month	Year to Date (1 month)
<b>Funding</b>				
State Contribution			\$ 13,562,272	\$ 13,562,272
Employee Contribution			\$ 7,251,768	\$ 7,251,768
Other			\$ 336,032	\$ 336,032
Allocation for Active/Retiree Plan Year 2013			\$ 2,236,667	\$ 2,236,667
<b>Total Funding</b>			<b>\$ 23,386,739</b>	<b>\$ 23,386,739</b>
<b>Expenses</b>				
Medical Expenses				
Claims Expense			\$ 16,362,325	\$ 16,362,325
Claims IBNR			\$ -	\$ -
Medical Admin Fees			\$ 1,023,172	\$ 1,023,172
Refunds			\$ 9,970	\$ 9,970
Employee Assistance Program (EAP)			\$ 56,526	\$ 56,526
Life Insurance			\$ 101,406	\$ 101,406
Pharmacy Expenses				
RX Claims			\$ 7,922,307	\$ 7,922,307
RX IBNR			\$ -	\$ -
RX Admin			\$ 98,254	\$ 98,254
Plan Administration			\$ 287,584	\$ 287,584
<b>Total Expenses</b>			<b>\$ 25,861,544</b>	<b>\$ 25,861,544</b>
<b>Net Income/(Loss)</b>			<b>\$ (2,474,805)</b>	<b>\$ (2,474,805)</b>
<b>Balance Sheet</b>				
<b>Assets</b>				
Bank Account			\$	10,884,141
State Treasury			\$	88,407,310
Due from Cafeteria Plan			\$	610,945
Due from PSE			\$	26,431
Receivable from Provider			\$	151,460
Accounts Receivable			\$	1,541,454
<b>Total Assets</b>			<b>\$</b>	<b>101,621,741</b>
<b>Liabilities</b>				
Accounts Payable			\$	247
Deferred Revenues			\$	90,359
Due to Cafeteria			\$	-
Due to PSE			\$	199
Health IBNR			\$	21,100,000
RX IBNR			\$	3,200,000
<b>Total Liabilities</b>			<b>\$</b>	<b>24,390,804</b>
<b>Net Assets</b>			<b>\$</b>	<b>77,230,937</b>
<b>Less Reserves Allocated:</b>				
Active/Retiree Premiums for Plan Year 1/1/13 - 12/31/13			(\$11,190,000 + \$15,650,000)	\$ (24,603,333)
Active/Retiree Premiums for Plan Year 1/1/14 - 12/31/14			(\$7,460,000 + \$9,390,000)	\$ (16,850,000)
Active/Retiree Premiums for Plan Year 1/1/15 - 12/31/15			(\$6,260,000)	\$ (6,260,000)
Catastrophic Reserve				\$ (10,000,000)
<b>Net Assets Available</b>			<b>\$</b>	<b>19,517,603</b>



**State and Public School Life and Health Insurance Board  
Drug Utilization and Evaluation Committee Report**

The following report resulted from a meeting of the DUEC Committee from February 7, 2014 with Dr. Kat Neill presiding.

**1. Lipid Guidelines**

A. Lipid Guidelines

Johnson reported on the Lipid Guidelines. The DUEC & IB voted to stop covering all fenofibrate products, a policy which will go into effect around May 2014, and is anticipated to save the plan \$940,000/year. In the last quarter, EBD had approximately 1400 utilizers of fenofibrate products. Since the time of the last DUEC, new lipid guidelines have been published. As the DUEC discussed in November, 2013 and as the new ACC/AHA Lipid Guidelines state, there is a lack of RCT evidence for efficacy of non-statin use in hypercholesterolemia patients.

The only data that support their use are the VA-HIT and Helsinki Heart trials which used gemfibrozil. (DUEC/IB were leaving gemfibrozil available without barriers).

**2. Hepatitis C Review, 2<sup>nd</sup> Review of Drugs, & New Drugs**

**2. New Drugs**

Johnson reported on new drugs. The review covered products released October 14, 2013 – January 6, 2014

Recommended Additions:

- Tivicay 50 mg tabs (Specialty) – Tx of HIV Infection. Approved on Tier 4 with a PA.
- Simponi Aria Sol 50 mg – Tx of moderate to severe RA. Added a PA to include new formulation.
- Tarceva (erlotinib) – Specialty Drug. Approved for Tier 4 with a PA.

Recommended Exclusions:

DRUG NAME	Generic	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP
Actemra inj 162 mg/0.9 ml		\$858/162 mg Prefilled syringe	New dosage form in a prefilled syringe for SC inj for Tx of modsev active RA & inadequate response to >1 DMARD.	Other therapies would includ
Mirvaso gel	brimonidine 0.33%	\$296/30gm	For topical treatment of the facial erythema (redness) of rosacea in adults 18 years or older	Metronidazole 0.75% cm = \$181/45gm

Astagraf XL capsules 0.5, 1, or 5mg capsules (SPECIALTY DRUG)	Tacrolimus XR	\$71 - \$713/30 days	Extended-release form (given once daily) of tacrolimus for transplant rejection prophylaxis	Tacrolimus 5mg immediate release twice daily = \$1380/30 days
Brisdelle 7.5mg	Paroxetine	\$161/30 days	7.5 mg po at bedtime for moderate to severe hot flashes associated w/menopause	AWP generic paroxetine 10mg = 2.53/10mg
Butrans	buprenorphine patch		chronic pain. 1 patch every 7 days	generic & brand fentanyl patch
Enteragam Powder 5GM		\$60/5gm	Prescription <b>medical food</b> product for management of diarrhea - predominant irritable bowel syndrome.	
Epaned Solution	enalapril 1mg/ml enalapril for oral solution	\$342/150ml bottle	Tx of heart failure or hypertension	Enalapril tabs: 2.5mg/\$0.80 5mg/\$1.02 10mg/\$1.07
Fabior Aer 0.1%	TAZAROTENE (ACNE) FOAM 0.1%	\$340/50gm can; \$6.816/gram, 100g & 50g can	Tazarotene (acne) foam	Tazorac Cream 0.05% 60gm tube = \$558 Tazorac Gel 0.05% 30gm tube = \$279
Fioricet cap w/Cod	butalbital/APAP/Caffeine/Codeine 50/300/40/30mg	\$5.70/capsule	Treatment of headache	Multiple generic versions of butalbital/APAP/Caffenine/Cod (50/325/40/30). Cost - \$1.49/cap

Gilotrif (20,30, & 40mg tabs)	AFATINIB DIMALEATE TAB 20 MG, 30, 40mg (BASE EQUIVALENT)	\$6,660/30 days.	Approved for first-line tx of metastatic non-small cell lung cancer whose tumors have epidermal growth factor exon 19 deletions or exon21 substitution mutations as detected by an FDA-approved test.	
Injectafer injection 750mg/15ml.	Ferric Carboxymaltose IV solution	\$958/750mg dose	For iron-deficiency anemia (2 - 750mg dose given slow IV push or IV infusion separated by at least 7 days	
Naftin Gel 2% (new strength)	NAFTIFINE HCL GEL 2%	\$340/45gm	Antifungal	Clotrimazole 1% 45gm - \$48. Ketoconazole cream 60gm - \$43. Tolnaftate 1% cream 30gm - \$10
Podiapr Capsules		\$34/bottle of 60	Dietary management product (medical food)	
Riax 5.5 or 9.5%	benzoyl peroxide foam	\$330/can	Treatment of acne	Benzoyl peroxide 5% gel = \$13/60 gm. 10% = \$21/60gm
Selrx Shampoo	2.3% (selenium sulfide-pyrithione zine - urea shampoo)	\$360/180ml bottle	Tx of dandruff, seborrheic dermatitis, tinea versicolor	Generic strengths of 2.25% available
Tretin-X cream	tretinoin cream 0.075% - new strength	\$284/35gm tube	Tx of acne	
Trokendi XR	topiramate oral extended release caps 25,50,100, or 200mg -	Dose of extended release is 200-400mg/day = \$684-\$1,367/30 days	Oral antiepileptic	generic immediate release topiramate 200mg = \$477
Utopic Cream	urea cream 41%	\$420/227 gm bottle	Treatment of Xerosis plus pruritus, irritation, or inflammation, keratolytic and dry skin.	Generic strengths of 10-50% available.
Vitafol caps ultra		\$26/30 caps	Prenatal vitamins	various generics available
Vytone 1-1.9% cream	hydrocortisone 10mg/iodoquinol 10mg/g of cream	\$200/box of 30	Topical antifungal	

### 3. Discussion Topics

#### A. Principles for Drug Placement

Johnson reported Dr. Thompson, Board Member, requested written philosophy for what the principles are for drug placement. DUEC can adopt the final version and present future recommendations to the Board using appropriate codes.

DRAFT: The focus for The Arkansas Drug Utilization and Evaluation Committee when placing drugs new to the market on the tiered formulary is to provide for the coverage of medically necessary drugs by considering efficacy and safety first as evidenced by peer-reviewed and published medical literature when available. The DUEC may exclude drugs from coverage for a variety of reasons coded below:

1	Lacks meaningful clinical endpoint data; has shown efficacy for surrogate endpoints only.
2	Drug's best support is from single arm trial data
3	No information in recognized information sources (PubMed or Drug Facts & Comparisons or Lexicomp)
4	Convenience Kit Policy - As new drugs are released to the market through Medispan, those drugs described as "kits" will not be considered for inclusion in the plan and will therefore be excluded products unless the product is available solely as a kit. Kits typically contain, in addition to a pre-packaged quantity of the featured drug(s), items that may be associated with the administration of the drug (rubber gloves, sponges, etc.) and/or additional convenience items (lotion, skin cleanser, etc.). In most cases, the cost of the "kit" is greater than the individual items purchased separately.
5	Medical Food Policy - Medical foods will be excluded from the plan unless two sources of peer-reviewed, published medical literature supports the use in reducing a medically necessary clinical endpoint. A medical food is defined below: A medical food, as defined in section 5(b)(3) of the Orphan Drug Act (21 U.S.C. 360ee(b)(3)), is "a food which is formulated to be consumed or administered enterally under the supervision of a physician and which is intended for the specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation." FDA considers the statutory definition of medical foods to narrowly constrain the types of products that fit within this category of food. Medical foods are distinguished from the broader category of foods for special dietary use and from foods that make health claims by the requirement that medical foods be intended to meet distinctive nutritional requirements of a disease or condition, used under medical supervision, and intended for the specific dietary management of a disease or condition. Medical foods are not those simply recommended by a physician as part of an overall diet to manage the symptoms or reduce the risk of a disease or condition, and all foods fed to sick patients are not medical foods. Instead, medical foods are foods that are specially formulated and processed (as opposed to a naturally occurring foodstuff used in a natural state) for a patient who is seriously ill or who requires use of the product as a major component of a disease or condition's specific dietary management.
6	Cough & Cold Policy - As new cough and cold products enter the market, they are often simply re-formulations or new combinations of existing products already in the marketplace. Many of these existing products are available in generic form and are relatively inexpensive. The new cough and cold products are branded products and are generally considerably more expensive than existing products. The policy of the ASE/PSE prescription drug program will be to default all new cough and cold products to "excluded" unless the DUEC determines the product offers a distinct advantage over existing products. If so determined, the product will be reviewed at the next regularly scheduled DUEC meeting.
7	Multivitamin Policy - As new vitamin products enter the market, they are often simply re-formulations or new combinations of vitamins/multivitamins in similar amounts already in the marketplace. Many of these existing products are available in generic form and are relatively inexpensive. The new vitamins are branded products and are generally considerably more expensive than existing products. The policy of the ASE/PSE prescription drug program will be to default all new vitamin/multivitamin products to "excluded" unless the DUEC determines the product offers a distinct advantage over existing products. If so determined, the product will be reviewed at the next regularly scheduled DUEC meeting.
8	Drug has limited medical benefit &/or lack of overall survival data or has overall survival data showing minimal benefit
9	Not medically necessary
10	Peer-reviewed, published cost effectiveness studies support the drug lacks value to the plan.
11	Oral Contraceptives Policy - OCs which are new to the market may be covered by the plan with a zero dollar, tier 1, 2, or 3 copay, or may be excluded. If a new-to-market OC provides an alternative product not similarly achieved by other OCs currently covered by the plan, the DUEC will consider it as a new drug. IF the drug does not offer a novel alternative or offers only the advantage of convenience, it may not be considered for inclusion in the plan.
12	Other

## B. Mac Pricing List Review

Keisner reported on the MAC list. Since 2004, the plan pays MAC price plus an added 10%. It is not feasible to add 10% indiscriminately. Keisner reports there is active involvement with Catamaran to assist in managing our price paid for drugs and pharmacies are fair. DUEC recommends a comprehensive MAC pricing review.

## C. Chemotherapy Sub-Committee Consideration

Keisner reported there is a need for a Committee to review Oncology Meds. In 2012 there were more Oncology Meds released than any other category. There is a need for a clear plan to review Pharmacy and Medical coverage. Keisner recommends a Committee to review all Oncology Meds to include IV through the Hospital Benefit, or Oral Med through the Pharmacy Benefit. The Committee will write policies and determine where drugs fit into the overall Plan. For IV Medical Meds, policy will be reported to the Medical Policy Committee. For Oral Meds, policy will be reported to the DUEC Committee. Keisner recommends members from the DUEC Committee and members from the Medical Policy Committee as Members of the Oncology Committee.

## D. Specialty Tier Drug Placement

Keisner reported the specialty Drug List from Catamaran has been adopted. The standard for the Tier 4 drug would be \$1000.00 or more. The co-pay will be \$100.00. Excluded medications remain excluded, and generic medications remain T1. DUEC utilized the new tier at the November meeting.

Respectfully submitted,

Kat Neill  
Chair, Drug Utilization and Evaluation Committee



**Arkansas State Employees (ASE)**

**Monitoring Report  
Through December 31, 2013**

**Presented on  
February 18, 2014**

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



Classic Values, Innovative Advice

# Table of Contents

<u>Section</u>	<u>Page</u>
<b>I. Comments</b>	<b>2</b>
<b>II. Total Plan Experience</b>	<b>3</b>
<b>III. Enrollment</b>	<b>5</b>
<b>VI. Claim &amp; Expense Details</b>	
• All Claims & Expenses	<b>6</b>
• Incurred Claims by Vendor	<b>7</b>
• Trend Report	<b>8</b>
• Loss Ratio Projections	<b>10</b>
• Large Claims	<b>11</b>
<b>APPENDICES</b>	
<b>A. Contribution Rates</b>	<b>12</b>
<b>B. Enrollment Details</b>	<b>16</b>
<b>C. Summary of Plan or Policy Changes</b>	<b>18</b>
<b>D. Provider Contract Summary</b>	<b>21</b>
<b>E. Reserve Details</b>	<b>22</b>
<b>F. Definitions &amp; Methods</b>	<b>23</b>

# Comments

- Assets are higher than we projected when the 2013 rates were decided. The excess was used to keep 2014 participant contributions at the 2013 levels.
- When the 2014 rates were selected in August 2013, the fund was projected to have no excess reserves on 12/31/2013. Although the fund had about \$3 million in excess reserves on 12/31/2013, we are projecting, based on the latest enrollment information, that the extra \$3 million will be used in 2014 and no excess reserves will be available on 12/31/2014.
- The Catastrophic Reserves increased \$1 million in 2013 to \$10 million and by \$0.6 million to \$10.6 million effective January 2014.
- In 2013 both income and expenditures were higher than projected. Higher expenses contributed to higher expenditures. However, the higher income was more than the higher expenditures which allowed for the contributions rates to remain constant.
- Active enrollment is close to projected, while retiree enrollment is slightly higher than projected.

*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 2013 - 1/1/2013 - 12/31/2013 -		Plan Year 2014 - 1/1/2014 - 12/31/2014 -	
	Actual	Projected <sup>1</sup>	Updated Proj. <sup>2</sup>	Projected <sup>1</sup>
<b>ACCOUNTING BASIS</b>				
Employer Contributions	\$ 167.2	\$ 162.2	\$ 172.2	\$ 172.2
Participant Contributions & Rebates <sup>3</sup>	86.8	86.7	91.6	89.9
Retiree Drug Subsidy & Other Income	10.4	4.9	6.0	4.1
<b>TOTAL INCOME</b>	<b>\$ 264.4</b>	<b>\$ 253.8</b>	<b>\$ 269.8</b>	<b>\$ 266.2</b>
Claims Paid + IBNR Change <sup>4</sup>	(269.9)	(269.7)	(277.6)	(273.6)
Expenses <sup>5</sup>	(20.2)	(11.1)	(18.6)	(18.3)
<b>TOTAL EXPENDITURES</b>	<b>\$ (290.1)</b>	<b>\$ (280.8)</b>	<b>\$ (296.2)</b>	<b>\$ (291.9)</b>
<b>NET PLAN GAIN / (LOSS)</b>	<b>\$ (25.7)</b>	<b>\$ (27.0)</b>	<b>\$ (26.4)</b>	<b>\$ (25.7)</b>
<b>INCURRED BASIS</b>				
<b>TOTAL INCOME</b>	<b>\$ 264.4</b>	<b>\$ 253.8</b>	<b>\$ 269.8</b>	<b>\$ 266.2</b>
Claims Incurred	(268.5)	(269.7)	(277.5)	(273.7)
Expenses <sup>5</sup>	(20.2)	(11.1)	(18.6)	(18.3)
<b>TOTAL EXPENDITURES INCURRED</b>	<b>\$ (288.7)</b>	<b>\$ (280.8)</b>	<b>\$ (296.1)</b>	<b>\$ (292.0)</b>
<b>NET CHANGE</b>	<b>\$ (24.3)</b>	<b>\$ (27.0)</b>	<b>\$ (26.3)</b>	<b>\$ (25.8)</b>
<b>PLAN ASSETS</b>				
Net Assets (Prior to IBNR)	\$ 79.6	\$ 73.6	\$ 51.5	\$ 51.4
IBNR Reserve	(25.6)	(24.3)	(25.6)	(25.6)
Reserve for Current and Future Premiums	(41.1)	(23.1)	(15.3)	(15.3)
Catastrophic Reserve	(10.0)	(9.0)	(10.6)	(10.0)
<b>NET ASSETS AVAILABLE</b>	<b>\$ 2.9</b>	<b>\$ 17.2</b>	<b>\$ -</b>	<b>\$ 0.5</b>
<b>ENROLLMENT</b>				
Active Employees (includes COBRA)	27,924	28,238	28,149	28,100
Retirees	10,313	10,160	10,675	10,416
<b>Total Employees Enrolled</b>	<b>38,236</b>	<b>38,398</b>	<b>38,824</b>	<b>38,516</b>
<b>TOTAL INCOME PEPM</b>	<b>\$ 576</b>	<b>\$ 551</b>	<b>\$ 579</b>	<b>\$ 576</b>
<b>TOTAL EXPENDITURES PEPM</b>	<b>\$ (629)</b>	<b>\$ (609)</b>	<b>\$ (636)</b>	<b>\$ (632)</b>

<sup>1</sup> Projections are those done when setting the rates for the applicable plan year.

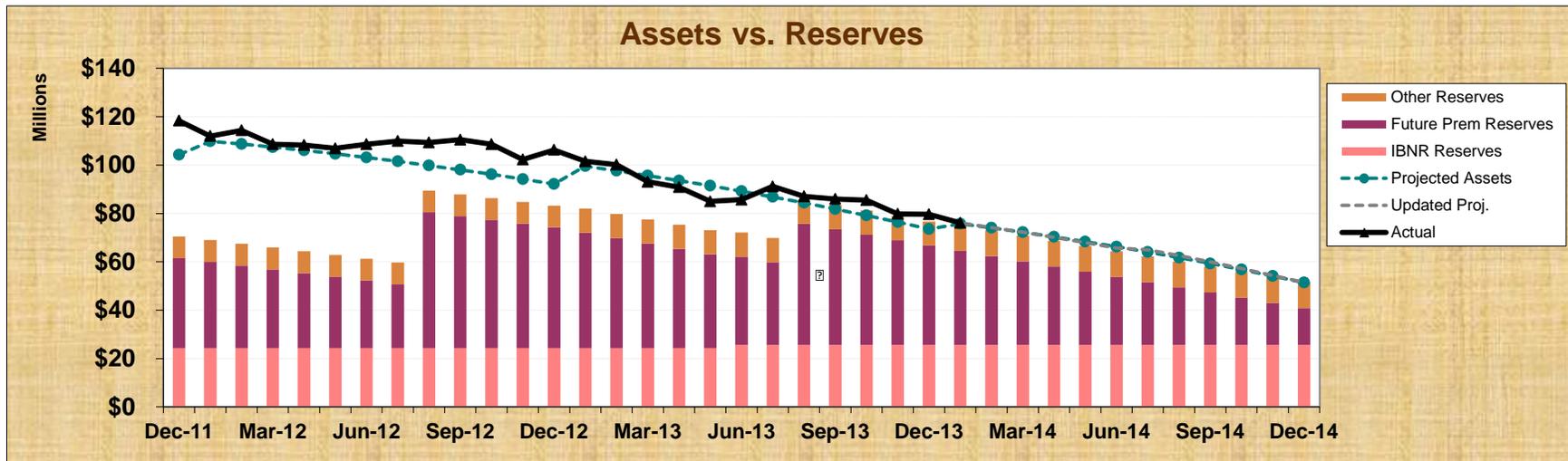
<sup>2</sup> Updated Projections reflect updated participant count and asset information.

<sup>3</sup> Actual figures include pharmacy rebates. Pharmacy rebates are included in projections only as offset to expenses.

<sup>4</sup> 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 (August 2013). The average cost per rating tier has not been updated.



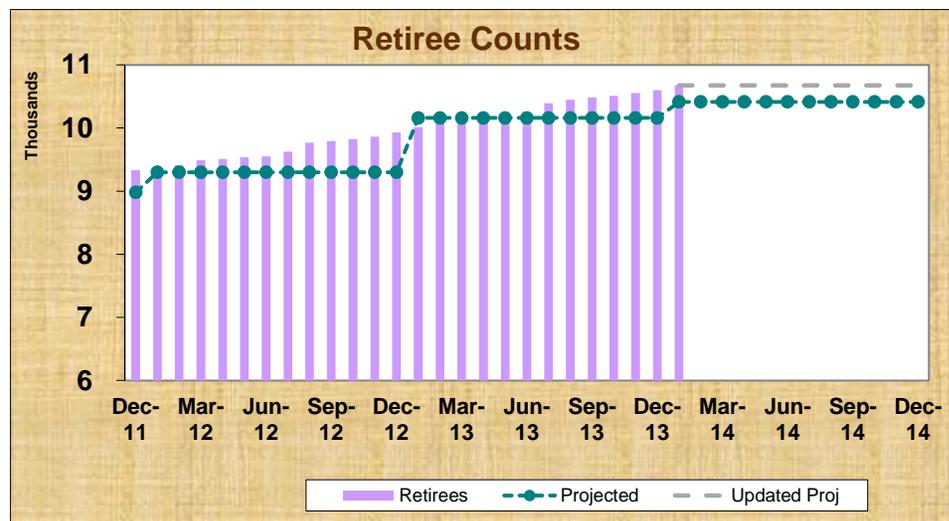
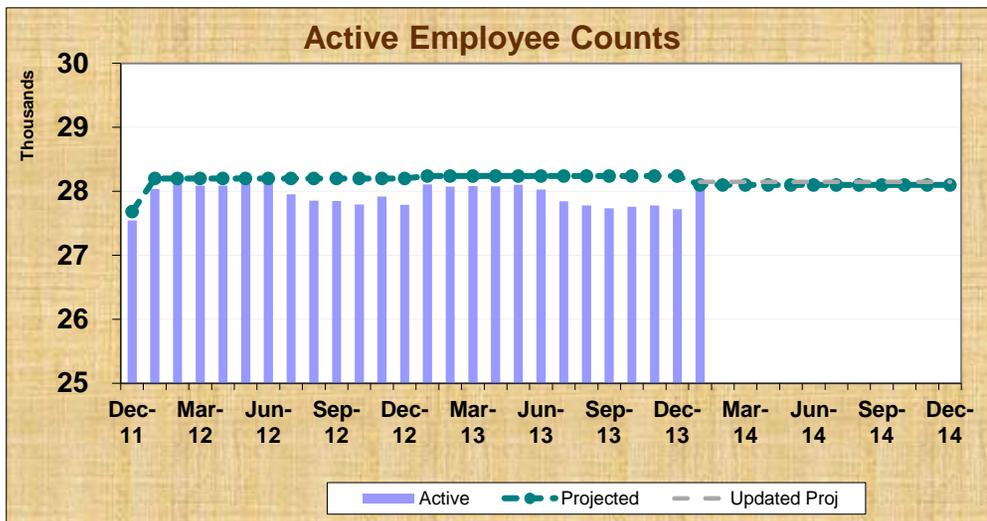
(In Millions \$)

	As of	12/31/2011	12/31/2012	12/31/2013	Updated Proj. 12/31/2014
Net Assets before IBNR	\$	118.3	\$ 106.2	\$ 79.6	\$ 51.5
IBNR Reserve		(24.3)	(24.3)	(25.6)	(25.6)
Reserve for Current and Future Premiums		(37.3)	(50.0)	(41.1)	(15.3)
Catastrophic Reserve		(8.9)	(9.0)	(10.0)	(10.6)
Pharmacy Reward Program		-	-	-	-
<b>Net Assets Available</b>	<b>\$</b>	<b>47.8</b>	<b>\$ 22.9</b>	<b>\$ 2.9</b>	<b>\$ (0.0)</b>

Projected Assets	\$	104.3	\$ 92.2	\$ 73.6	\$ 51.4
Projected IBNR Reserve	\$	(24.9)	(24.3)	(24.3)	(25.6)
Reserve for Current and Future Premiums	\$	-	(18.7)	(23.1)	(15.3)
Catastrophic Reserve	\$	(8.1)	(8.9)	(9.0)	(10.0)
Pharmacy Reward Program	\$	(1.5)	-	-	-
<b>Projected Net Assets</b>	<b>\$</b>	<b>69.8</b>	<b>\$ 40.4</b>	<b>\$ 17.2</b>	<b>\$ 0.5</b>

	Plan Year Ending	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Funding	\$	260.5	\$ 259.3	\$ 264.3	\$ 269.8
Expenses		250.4	271.5	290.1	296.2
<b>Net Income / (Loss)</b>	<b>\$</b>	<b>10.1</b>	<b>\$ (12.2)</b>	<b>\$ (25.8)</b>	<b>\$ (26.4)</b>
<b>Projected Net Income / (Loss)</b>	<b>\$</b>	<b>0.1</b>	<b>\$ (18.8)</b>	<b>\$ (26.9)</b>	<b>\$ (25.7)</b>

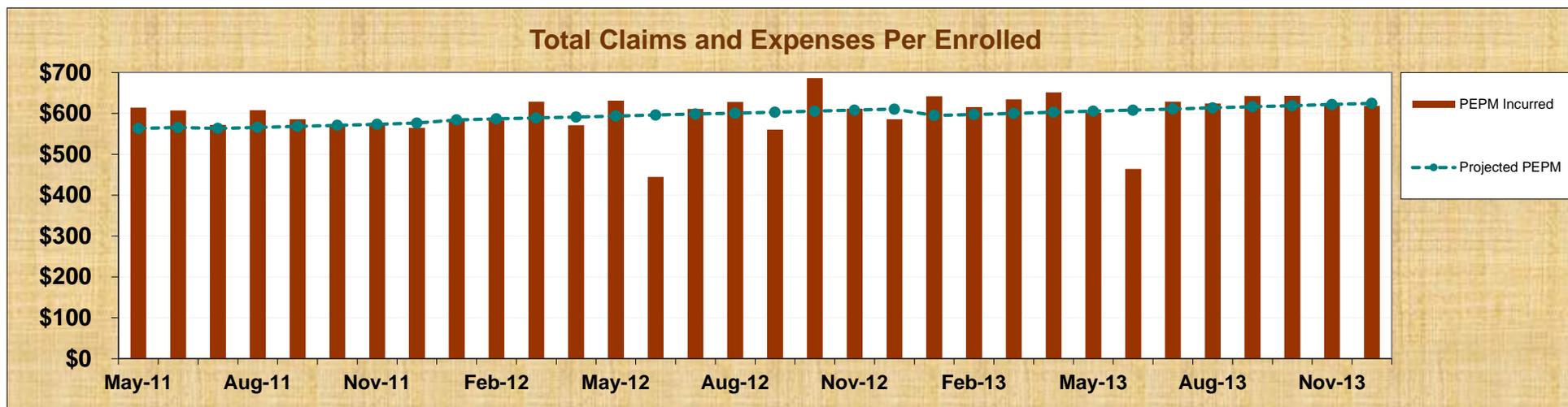
# Enrollment



Average for Year Ending		12/31/2011	12/31/2012	12/31/2013	Updated Proj. 12/31/2014
Actives (includes COBRA contracts)	Health Advantage	25,729	25,871	24,858	24,414
	NovaSys	905	613	1,205	1,483
	NovaSys HD	1,067	1,500	1,861	2,252
	<b>Total</b>	<b>27,701</b>	<b>27,984</b>	<b>27,924</b>	<b>28,149</b>
	<b>Projected</b>	<b>27,683</b>	<b>28,200</b>	<b>28,238</b>	<b>28,100</b>
Retirees (includes Surviving Spouses)	Non-Medicare Retirees	2,260	2,365	2,610	2,680
				15	24
				36	50
	Medicare Retirees	6,883	7,253	7,652	7,921
	<b>Total</b>	<b>9,143</b>	<b>9,618</b>	<b>10,313</b>	<b>10,675</b>
	<b>Projected</b>	<b>8,983</b>	<b>9,300</b>	<b>10,160</b>	<b>10,416</b>
<b>Total Counts</b>		<b>36,844</b>	<b>37,602</b>	<b>38,236</b>	<b>38,824</b>
<b>Total Projected</b>		<b>36,666</b>	<b>37,500</b>	<b>38,398</b>	<b>38,516</b>

## Claim & Expense Details - All Claims & Expenses

The chart below displays the total claims and expenses incurred on a per active member basis. The total claims include medical, pharmacy, behavioral health, life, and expenses. Expenses are net of other income (not attributable to Medicare Retiree Drug Subsidies). Last year's report shows higher actuals for 2012 because both run-out was less than expected and expenses are now shown net of other income.



	<u>3/31/2012</u>	<u>6/30/2012</u>	<u>9/30/2012</u>	<u>12/31/2012</u>	<u>Prior 12 Months</u>	<u>3/31/2013</u>	<u>6/30/2013</u>	<u>9/30/2013</u>	<u>12/31/2013</u>	<u>Last 12 Months</u>
<b>Total Incurred (In Millions \$)</b>										
<b>Total Claims &amp; Expenses</b>	\$ 67.4	\$ 62.0	\$ 67.7	\$ 71.0	\$ 268.1	\$ 72.2	\$ 65.7	\$ 72.5	\$ 72.1	\$ 282.5
- Change	4.5	(5.5)	5.7	3.3	10.4	1.2	(6.5)	6.8	(0.3)	14.4
<b>Projected</b>	\$ 65.8	\$ 66.6	\$ 67.4	\$ 68.2	\$ 268.0	\$ 68.8	\$ 69.7	\$ 70.7	\$ 71.6	\$ 280.8
- Change	2.7	0.8	0.8	0.8	19.6	0.6	0.9	0.9	0.9	12.9
<b>Actual vs. Projected</b>	\$ 1.6	\$ (4.6)	\$ 0.3	\$ 2.8	\$ 0.1	\$ 3.4	\$ (4.1)	\$ 1.8	\$ 0.5	\$ 1.6

<b>Per Enrolled Basis</b>										
<b>Total Claims &amp; Expenses</b>	\$ 598.81	\$ 548.83	\$ 599.80	\$ 627.61	\$ 593.77	\$ 630.61	\$ 572.44	\$ 631.71	\$ 627.76	\$ 615.62
<b>% Change</b>	5.1%	(8.3%)	9.3%	0.5%	1.9%	6.2%	(9.2%)	10.4%	(0.6%)	3.7%
<b>Projected</b>	\$ 584.79	\$ 591.87	\$ 599.04	\$ 606.30	\$ 595.50	\$ 597.46	\$ 605.42	\$ 613.48	\$ 621.66	\$ 609.50
<b>% Change</b>	2.0%	1.2%	1.2%	(1.5%)	5.5%	0.3%	1.3%	1.3%	1.3%	2.4%

## Claim & Expense Details - Incurred Claims by Vendor

		3/31/2012	6/30/2012	9/30/2012	12/31/2012	Prior 12 Months	3/31/2013	6/30/2013	9/30/2013	12/31/2013	Last 12 Months
<b>TOTAL (\$000s)</b>	Actual Incurred Claims	\$ 67,430	\$ 61,976	\$ 67,685	\$ 70,995	\$ 268,087	\$ 72,196	\$ 65,683	\$ 72,447	\$ 72,144	\$ 282,470
	Projected	65,795	66,587	67,390	68,203	267,975	68,823	69,739	70,669	71,611	280,842
	Actual vs. Projected	1,635	(4,611)	295	2,792	112	3,373	(4,056)	1,778	533	1,628
<b>Medical</b>	All										
	Actual Incurred Claims	\$ 43,582	\$ 44,460	\$ 45,430	\$ 45,299	\$ 178,771	\$ 46,439	\$ 46,316	\$ 46,692	\$ 47,296	\$ 186,744
	Projected	44,637	45,283	45,939	46,604	182,463	45,632	46,302	46,981	47,671	186,586
	Actual vs. Projected	(1,055)	(823)	(509)	(1,305)	(3,692)	807	14	(289)	(375)	158
	Gold NME										
	Actual Incurred Claims	\$ 38,117	\$ 39,498	\$ 40,058	\$ 39,861	\$ 157,533	\$ 39,739	\$ 40,307	\$ 39,783	\$ 40,312	\$ 160,141
	Projected	37,911	38,449	38,995	39,548	154,902	39,227	39,802	40,386	40,979	160,394
	Actual vs. Projected	206	1,049	1,063	313	2,631	512	505	(603)	(667)	(253)
	Silver NME										
	Actual Incurred Claims	\$ 288	\$ 420	\$ 473	\$ 480	\$ 1,662	\$ 734	\$ 912	\$ 1,469	\$ 1,278	\$ 4,394
	Projected	1,823	1,849	1,875	1,902	7,450	800	811	823	835	3,270
	Actual vs. Projected	(1,535)	(1,429)	(1,402)	(1,422)	(5,788)	(66)	101	646	443	1,124
	Bronze NME										
	Actual Incurred Claims	\$ 429	\$ 546	\$ 658	\$ 876	\$ 2,508	\$ 713	\$ 791	\$ 1,380	\$ 1,205	\$ 4,089
	Projected	599	608	616	625	2,448	953	967	981	996	3,897
	Actual vs. Projected	(170)	(62)	42	251	60	(240)	(176)	399	209	192
	Gold ME										
	Actual Incurred Claims	\$ 4,748	\$ 3,996	\$ 4,242	\$ 4,083	\$ 17,069	\$ 5,253	\$ 4,306	\$ 4,060	\$ 4,501	\$ 18,121
	Projected	4,304	4,378	4,452	4,528	17,663	4,653	4,721	4,791	4,861	19,026
	Actual vs. Projected	444	(382)	(210)	(445)	(594)	600	(415)	(731)	(360)	(905)
<b>Rx</b>	All										
	Actual Incurred Claims	\$ 19,092	\$ 19,320	\$ 19,021	\$ 20,041	\$ 77,474	\$ 20,504	\$ 20,204	\$ 20,000	\$ 20,359	\$ 81,067
	Projected	16,911	17,057	17,205	17,353	68,526	20,103	20,349	20,599	20,852	81,903
	Actual vs. Projected	2,181	2,263	1,816	2,688	8,948	401	(145)	(599)	(493)	(836)
	Gold NME										
	Actual Incurred Claims	\$ 12,781	\$ 12,890	\$ 12,620	\$ 13,334	\$ 51,625	\$ 13,622	\$ 13,244	\$ 13,038	\$ 13,277	\$ 53,181
	Projected	10,662	10,754	10,847	10,941	43,203	12,956	13,115	13,276	13,439	52,786
	Actual vs. Projected	2,119	2,136	1,773	2,393	8,422	666	129	(238)	(162)	395
	Silver NME										
	Actual Incurred Claims	\$ 62	\$ 93	\$ 108	\$ 154	\$ 416	\$ 240	\$ 284	\$ 287	\$ 294	\$ 1,105
	Projected	466	470	474	478	1,888	197	200	202	205	804
	Actual vs. Projected	(404)	(377)	(366)	(324)	(1,472)	43	84	85	89	301
	Bronze NME										
	Actual Incurred Claims	\$ 29	\$ 74	\$ 70	\$ 93	\$ 266	\$ 36	\$ 68	\$ 99	\$ 165	\$ 368
	Projected	55	55	56	56	222	102	104	105	106	417
	Actual vs. Projected	(26)	19	14	37	44	(66)	(36)	(6)	59	(49)
	Gold ME										
	Actual Incurred Claims	\$ 6,219	\$ 6,263	\$ 6,223	\$ 6,461	\$ 25,166	\$ 6,606	\$ 6,608	\$ 6,576	\$ 6,622	\$ 26,413
	Projected	5,729	5,778	5,828	5,878	23,213	6,847	6,931	7,016	7,102	27,896
	Actual vs. Projected	490	485	395	583	1,953	(241)	(323)	(440)	(480)	(1,483)
<b>Life</b>	All										
	Actual Incurred Claims	\$ 307	\$ 307	\$ 305	\$ 203	\$ 1,122	\$ 165	\$ 165	\$ 164	\$ 164	\$ 658
	Projected	289	289	289	289	1,156	312	312	312	312	1,248
	Actual vs. Projected	18	18	16	(86)	(34)	(147)	(147)	(148)	(148)	(590)
<b>Expenses (net of other income)</b>	All										
	Actual Incurred Claims	\$ 4,450	\$ (2,111)	\$ 2,929	\$ 5,452	\$ 10,720	\$ 5,088	\$ (1,002)	\$ 5,591	\$ 4,324	\$ 14,000
	Projected	3,957	3,957	3,957	3,957	15,829	2,776	2,776	2,776	2,776	11,105
	Actual vs. Projected	493	(6,068)	(1,028)	1,495	(5,109)	2,312	(3,778)	2,815	1,548	2,895

## Claim & Expense Details - Trend Report

		<u>3/31/2012</u>	<u>6/30/2012</u>	<u>9/30/2012</u>	<u>12/31/2012</u>	<u>Prior 12</u> <u>Months</u>	<u>3/31/2013</u>	<u>6/30/2013</u>	<u>9/30/2013</u>	<u>12/31/2013</u>	<u>Last 12</u> <u>Months</u>	
<b>TOTAL</b>	Actual PEPM	\$ 598.81	\$ 548.83	\$ 599.80	\$ 627.61	\$ 593.77	\$ 630.61	\$ 572.44	\$ 631.71	\$ 627.76	\$ 615.62	
	% Change	5.1%	(8.3%)	9.3%	4.6%	1.9%	0.5%	(9.2%)	10.4%	(0.6%)	3.7%	
	Projected PEPM	\$ 584.85	\$ 591.89	\$ 599.02	\$ 606.25	\$ 595.50	\$ 597.46	\$ 605.42	\$ 613.48	\$ 621.66	\$ 609.50	
	% Change	2.0%	1.2%	1.2%	1.2%	5.5%	(1.4%)	1.3%	1.3%	1.3%	2.4%	
<b>Medical</b>	<b>All</b>	Actual PEPM	\$ 387.03	\$ 393.71	\$ 402.58	\$ 400.45	\$ 395.95	\$ 405.63	\$ 403.65	\$ 407.14	\$ 411.55	\$ 407.00
		% Change	(7.6%)	1.7%	2.3%	(0.5%)	(9.2%)	1.3%	(0.5%)	0.9%	1.1%	2.8%
		Projected PEPM	\$ 396.78	\$ 402.52	\$ 408.34	\$ 414.25	\$ 405.47	\$ 396.14	\$ 401.95	\$ 407.85	\$ 413.83	\$ 404.94
		% Change	(8.9%)	1.4%	1.4%	1.4%	(5.2%)	(4.4%)	1.5%	1.5%	1.5%	(0.1%)
	<b>Gold NME</b>	Actual PEPM	\$ 444.67	\$ 463.34	\$ 475.23	\$ 476.93	\$ 464.92	\$ 477.63	\$ 486.22	\$ 485.00	\$ 494.69	\$ 485.84
		% Change	6.2%	4.2%	2.6%	0.4%	6.6%	0.1%	1.8%	(0.3%)	2.0%	4.5%
		Projected PEPM	\$ 459.52	\$ 466.05	\$ 472.66	\$ 479.37	\$ 469.40	\$ 468.91	\$ 475.79	\$ 482.77	\$ 489.86	\$ 479.33
		% Change	5.5%	1.4%	1.4%	1.4%	9.7%	(2.2%)	1.5%	1.5%	1.5%	2.1%
	<b>Silver NME</b>	Actual PEPM	\$ 225.63	\$ 252.97	\$ 231.28	\$ 198.35	\$ 224.40	\$ 223.70	\$ 256.78	\$ 387.71	\$ 318.50	\$ 300.18
		% Change		12.1%	(8.6%)	(14.2%)		12.8%	14.8%	51.0%	(17.9%)	33.8%
		Projected PEPM	\$ 405.18	\$ 410.93	\$ 416.76	\$ 422.68	\$ 413.89	\$ 269.65	\$ 273.60	\$ 277.62	\$ 281.69	\$ 275.64
		% Change		1.4%	1.4%	1.4%		(36.2%)	1.5%	1.5%	1.5%	
	<b>Bronze NME</b>	Actual PEPM	\$ 100.63	\$ 123.27	\$ 142.35	\$ 178.01	\$ 137.59	\$ 129.68	\$ 141.08	\$ 241.05	\$ 203.11	\$ 179.63
		% Change	(54.6%)	22.5%	15.5%	25.1%	(15.2%)	(27.2%)	8.8%	70.9%	(15.7%)	30.6%
		Projected PEPM	\$ 133.15	\$ 135.04	\$ 136.96	\$ 138.90	\$ 136.01	\$ 173.94	\$ 176.49	\$ 179.08	\$ 181.71	\$ 177.80
		% Change	(19.8%)	1.4%	1.4%	1.4%	(16.5%)	25.2%	1.5%	1.5%	1.5%	30.7%
	<b>Gold ME</b>	Actual PEPM	\$ 222.40	\$ 185.08	\$ 193.78	\$ 183.89	\$ 196.12	\$ 233.43	\$ 189.80	\$ 175.44	\$ 191.64	\$ 197.35
		% Change	31.9%	(16.8%)	4.7%	(5.1%)	4.5%	26.9%	(18.7%)	(7.6%)	9.2%	0.6%
		Projected PEPM	\$ 204.97	\$ 208.47	\$ 212.02	\$ 215.64	\$ 210.27	\$ 201.49	\$ 204.45	\$ 207.45	\$ 210.49	\$ 205.97
		% Change	(7.0%)	1.7%	1.7%	1.7%	(2.8%)	(6.6%)	1.5%	1.5%	1.5%	(2.0%)

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

		3/31/2012	6/30/2012	9/30/2012	12/31/2012	Prior 12 Months	3/31/2013	6/30/2013	9/30/2013	12/31/2013	Last 12 Months	
<b>TOTAL</b>	Actual PEPM	\$ 598.81	\$ 548.83	\$ 599.80	\$ 627.61	\$ 593.77	\$ 630.61	\$ 572.44	\$ 631.71	\$ 627.76	\$ 615.62	
	% Change	5.1%	(8.3%)	9.3%	4.6%	1.9%	0.5%	(9.2%)	10.4%	(0.6%)	3.7%	
	Projected PEPM	\$ 584.85	\$ 591.89	\$ 599.02	\$ 606.25	\$ 595.50	\$ 597.46	\$ 605.42	\$ 613.48	\$ 621.66	\$ 609.50	
	% Change	2.0%	1.2%	1.2%	1.2%	5.5%	(1.4%)	1.3%	1.3%	1.3%	2.4%	
<b>Rx</b>	<b>All</b>	Actual PEPM	\$ 169.54	\$ 171.09	\$ 168.55	\$ 177.17	\$ 171.59	\$ 179.10	\$ 176.08	\$ 174.39	\$ 177.16	\$ 176.68
	% Change	6.2%	0.9%	(1.5%)	5.1%	10.1%	1.1%	(1.7%)	(1.0%)	1.6%	3.0%	
	Projected PEPM	\$ 150.32	\$ 151.62	\$ 152.93	\$ 154.25	\$ 152.28	\$ 174.51	\$ 176.65	\$ 178.82	\$ 181.02	\$ 177.75	
	% Change	(1.2%)	0.9%	0.9%	0.9%	1.5%	13.1%	1.2%	1.2%	1.2%	16.7%	
<b>Gold NME</b>	Actual PEPM	\$ 149.10	\$ 151.22	\$ 149.71	\$ 159.54	\$ 152.36	\$ 163.72	\$ 159.76	\$ 158.95	\$ 162.93	\$ 161.34	
	% Change	30.1%	1.4%	(1.0%)	6.6%	36.2%	2.6%	(2.4%)	(0.5%)	2.5%	5.9%	
	Projected PEPM	\$ 129.23	\$ 130.35	\$ 131.48	\$ 132.61	\$ 130.92	\$ 154.87	\$ 156.77	\$ 158.70	\$ 160.65	\$ 157.75	
	% Change	(33.5%)	0.9%	0.9%	0.9%	(31.7%)	16.8%	1.2%	1.2%	1.2%	20.5%	
<b>Silver NME</b>	Actual PEPM	\$ 48.24	\$ 55.83	\$ 52.96	\$ 63.49	\$ 56.23	\$ 73.20	\$ 79.98	\$ 75.67	\$ 73.35	\$ 75.53	
	% Change		15.7%	(5.1%)	19.9%		15.3%	9.3%	(5.4%)	(3.1%)	34.3%	
	Projected PEPM	\$ 103.57	\$ 104.46	\$ 105.36	\$ 106.27	\$ 104.92	\$ 66.54	\$ 67.36	\$ 68.18	\$ 69.02	\$ 67.78	
	% Change		0.9%	0.9%	0.9%		(37.4%)	1.2%	1.2%	1.2%	(35.4%)	
<b>Bronze NME</b>	Actual PEPM	\$ 6.90	\$ 16.69	\$ 15.17	\$ 18.84	\$ 14.60	\$ 6.52	\$ 12.16	\$ 17.22	\$ 27.88	\$ 16.17	
	% Change	(59.7%)	141.9%	(9.1%)	24.2%	39.0%	(65.4%)	86.5%	41.6%	61.9%	10.8%	
	Projected PEPM	\$ 12.15	\$ 12.25	\$ 12.36	\$ 12.47	\$ 12.31	\$ 18.68	\$ 18.91	\$ 19.14	\$ 19.37	\$ 19.03	
	% Change		0.8%	0.9%	0.9%		49.8%	1.2%	1.2%	1.2%	54.6%	
<b>Gold ME</b>	Actual PEPM	\$ 291.31	\$ 290.07	\$ 284.28	\$ 291.02	\$ 289.16	\$ 293.57	\$ 291.28	\$ 284.15	\$ 281.94	\$ 287.66	
	% Change	4.3%	(0.4%)	(2.0%)	2.4%	5.5%	0.9%	(0.8%)	(2.4%)	(0.8%)	(0.5%)	
	Projected PEPM	\$ 272.79	\$ 275.15	\$ 277.53	\$ 279.92	\$ 276.35	\$ 296.48	\$ 300.12	\$ 303.81	\$ 307.54	\$ 301.99	
	% Change		0.9%	0.9%	0.9%		5.9%	1.2%	1.2%	1.2%	9.3%	
<b>Life</b>	<b>All</b>	Actual PEPM	\$ 3.64	\$ 3.64	\$ 3.65	\$ 2.43	\$ 3.34	\$ 1.95	\$ 1.96	\$ 1.97	\$ 1.97	\$ 1.96
	% Change	(1.4%)	0.0%	0.3%	(33.4%)	(9.0%)	(19.8%)	0.5%	0.5%	0.0%	(41.3%)	
	Projected PEPM	\$ 3.42	\$ 3.42	\$ 3.42	\$ 3.42	\$ 3.42	\$ 3.68	\$ 3.68	\$ 3.68	\$ 3.68	\$ 3.68	
	% Change	5.9%	0.0%	0.0%	0.0%	8.6%	7.6%	0.0%	0.0%	0.0%	7.6%	
<b>Expenses (net of other income)</b>	<b>All</b>	Actual PEPM	\$ 39.51	\$ (18.69)	\$ 25.96	\$ 48.19	\$ 23.74	\$ 44.44	\$ (8.73)	\$ 48.75	\$ 37.63	\$ 30.51
	% Change	(7.1%)	(147.3%)	(238.9%)	85.6%	(44.0%)	(7.8%)	(119.6%)	(658.4%)	(22.8%)	28.5%	
	Projected PEPM	\$ 35.18	\$ 35.18	\$ 35.18	\$ 35.18	\$ 35.18	\$ 24.10	\$ 24.10	\$ 24.10	\$ 24.10	\$ 24.10	
	% Change	11.3%	0.0%	0.0%	0.0%	11.3%	(31.5%)	0.0%	0.0%	0.0%	(31.5%)	

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>2013 Actual</u>	<u>2013 Projected*</u>	<u>2014 Projected*</u>	
<b>Actives &amp; Retiree NME</b>	<b>Gold</b>	Incurred Claims (\$mil)	\$ 212.64	\$ 212.06	\$ 209.19
		Total Premium (\$mil)	\$ 219.35	\$ 222.05	\$ 225.75
		Incurred Loss Ratio	97%	96%	93%
	<b>Silver</b>	Incurred Claims (\$mil)	\$ 5.50	\$ 4.08	\$ 8.08
		Total Premium (\$mil)	\$ 5.26	\$ 4.38	\$ 8.94
		Incurred Loss Ratio	105%	93%	90%
	<b>Bronze</b>	Incurred Claims (\$mil)	\$ 4.46	\$ 4.32	\$ 7.75
		Total Premium (\$mil)	\$ 5.15	\$ 4.93	\$ 9.32
		Incurred Loss Ratio	87%	88%	83%
<b>TOTAL</b>		Incurred Claims (\$mil)	\$ 222.60	\$ 220.47	\$ 225.01
		Total Premium (\$mil)	\$ 229.76	\$ 231.37	\$ 244.01
		Incurred Loss Ratio	97%	95%	92%
<b>Retiree ME</b>	<b>Total</b>	Incurred Claims	44.53	\$ 44.46	\$ 43.52
		Total Premium	44.05	\$ 44.46	\$ 43.82
		Incurred Loss Ratio	101%	100%	99%

\*Projected Incurred Claims for Actives and NME Retirees are based on blended experience. Expenses paid for by rebates are excluded in the analysis on this page.

## ASE Claim & Expense Details - Large Claim Review

		Medical			Rx			
		\$100,000 - \$249,999	\$250,000 - \$999,999	\$1,000,000+	\$25,000 - \$49,999	\$50,000+	Total	Change from Prior Year
<b>1/1/2013-12/31/2013</b>								
<b>Total All Plans</b>	Number of Claimants	87	27	-	224	113	438	38
	Claim Amount	\$ 12,676,173	\$ 10,392,125	\$ -	\$ 7,440,998	\$ 8,133,697	\$ 38,642,993	\$ 345,770
	Average Claim	\$ 145,703	\$ 384,894	\$ -	\$ 33,219	\$ 71,980	\$ 88,226	\$ (7,517)
<b>Gold</b>	Number of Claimants	82	24	-	221	110	424	28
	Claim Amount	\$ 12,010,688	\$ 9,303,442	\$ -	\$ 7,340,213	\$ 7,939,385	\$ 36,593,727	\$ (1,171,062)
	Average Claim	\$ 146,472	\$ 387,643	\$ -	\$ 33,214	\$ 72,176	\$ 86,306	\$ (9,060)
<b>Silver</b>	Number of Claimants	1	1	-	2	3	7	7
	Claim Amount	\$ 139,446	\$ 424,282	\$ -	\$ 69,431	\$ 194,312	\$ 827,471	\$ 827,471
	Average Claim	\$ 139,446	\$ 424,282	\$ -	\$ 34,716	\$ 64,771	\$ 118,210	\$ 118,210
<b>Bronze</b>	Number of Claimants	4	2	-	1	-	7	3
	Claim Amount	\$ 526,039	\$ 664,401	\$ -	\$ 31,354	\$ -	\$ 1,221,795	\$ 689,361
	Average Claim	\$ 131,510	\$ 332,201	\$ -	\$ 31,354	\$ -	\$ 174,542	\$ 41,434
<b>1/1/2012-12/31/2012</b>								
<b>Total All Plans</b>	Number of Claimants	107	24	-	204	78	400	94
	Claim Amount	\$ 16,194,310	\$ 9,266,393	\$ -	\$ 7,031,847	\$ 5,804,673	\$ 38,297,223	\$ 7,028,220
	Average Claim	\$ 151,349	\$ 386,100	\$ -	\$ 34,470	\$ 74,419	\$ 95,743	\$ (6,443)
<b>Gold</b>	Number of Claimants	106	23	-	202	77	396	101
	Claim Amount	\$ 16,091,628	\$ 8,949,204	\$ -	\$ 6,969,928	\$ 5,754,029	\$ 37,764,790	\$ 8,107,505
	Average Claim	\$ 151,808	\$ 389,096	\$ -	\$ 34,505	\$ 74,728	\$ 95,366	\$ (5,168)
<b>Silver</b>	Number of Claimants	-	-	-	-	-	-	(10)
	Claim Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,482,864)
	Average Claim	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (148,286)
<b>Bronze</b>	Number of Claimants	1	1	-	2	1	4	3
	Claim Amount	\$ 102,682	\$ 317,189	\$ -	\$ 61,919	\$ 50,643	\$ 532,433	\$ 403,579
	Average Claim	\$ 102,682	\$ 317,189	\$ -	\$ 30,960	\$ 50,643	\$ 133,108	\$ 4,254
<b>1/1/2011-12/31/2011</b>								
<b>Total All Plans</b>	Number of Claimants	93	21	-	156	48	306	-
	Claim Amount	\$ 13,443,169	\$ 8,267,866	\$ -	\$ 5,361,927	\$ 4,196,041	\$ 31,269,003	\$ 4,773,990
	Average Claim	\$ 144,550	\$ 393,708	\$ -	\$ 34,371	\$ 87,418	\$ 102,186	\$ 15,601
<b>HA</b>	Number of Claimants	89	18	-	152	48	295	48
	Claim Amount	\$ 12,824,562	\$ 7,410,879	\$ -	\$ 5,225,803	\$ 4,196,041	\$ 29,657,285	\$ 5,191,234
	Average Claim	\$ 144,096	\$ 411,716	\$ -	\$ 34,380	\$ 87,418	\$ 100,533	\$ 1,480
<b>NS</b>	Number of Claimants	3	3	-	4	-	10	2
	Claim Amount	\$ 489,752	\$ 856,987	\$ -	\$ 136,125	\$ -	\$ 1,482,864	\$ (101,439)
	Average Claim	\$ 163,251	\$ 285,662	\$ -	\$ 34,031	\$ -	\$ 148,286	\$ (49,752)
<b>NS HD</b>	Number of Claimants	1	-	-	-	-	1	(3)
	Claim Amount	\$ 128,854	\$ -	\$ -	\$ -	\$ -	\$ 128,854	\$ (315,805)
	Average Claim	\$ 128,854	\$ -	\$ -	\$ -	\$ -	\$ 128,854	\$ 17,689

## Appendix A. - Contribution Rates: Actives Calendar Year 2014

<b>Actives</b>	<b>Total Monthly Premium</b>	<b>State Contributions</b>	<b>Reserve Allocation</b>	<b>2014 EE Total Cost</b>	<b>2013 EE Total Cost</b>	<b>Change in Premiums (\$ / %)</b>		<b>Assumed Enrollment</b>
<b>Gold</b>								
Employee Only	\$ 470.98	\$ 320.14	\$ 54.16	\$ 96.68	\$ 95.78	\$ 0.90	1%	13,357
Employee & Spouse	1,063.12	591.77	100.11	371.24	367.74	3.50	1%	2,941
Employee & Child(ren)	759.98	482.82	81.68	195.48	193.64	1.84	1%	4,644
Family	1,352.12	794.18	134.34	423.60	419.62	3.98	1%	3,058
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 17.1</b>	<b>\$ 10.7</b>	<b>\$ 1.8</b>	<b>\$ 4.6</b>	<b>\$ 4.5</b>	<b>\$ 0.0</b>		<b>24,000</b>
<b>Silver</b>								
Employee Only	\$ 322.42	\$ 259.70	\$0.00	\$ 62.72	\$ 62.12	\$0.60	1%	865
Employee & Spouse	718.00	432.80	0.00	285.20	282.52	2.68	1%	159
Employee & Child(ren)	515.48	372.70	0.00	142.78	141.44	1.34	1%	233
Family	911.06	583.38	0.00	327.68	324.60	3.08	1%	243
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 0.7</b>	<b>\$ 0.5</b>	<b>\$ -</b>	<b>\$ 0.2</b>	<b>\$ 0.2</b>	<b>\$ 0.0</b>		<b>1,500</b>
<b>Bronze</b>								
Employee Only	\$ 193.26	\$ 193.26	\$0.00	\$ -	\$0.00	\$0.00	n/a	1,434
Employee & Spouse	409.12	331.16	0.00	77.96	77.22	0.74	1%	360
Employee & Child(ren)	298.60	270.50	0.00	28.10	27.84	0.26	1%	353
Family	514.48	421.40	0.00	93.08	92.20	0.88	1%	453
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 0.8</b>	<b>\$ 0.7</b>	<b>\$ -</b>	<b>\$ 0.1</b>	<b>\$ 0.1</b>	<b>\$ 0.0</b>		<b>2,600</b>
<b>Total (Monthly) (\$ mil)</b>	<b>\$ 18.6</b>	<b>\$ 11.9</b>	<b>\$ 1.8</b>	<b>\$ 4.9</b>	<b>\$ 4.8</b>	<b>\$ 0.0</b>		<b>28,100</b>
<b>Est Annual Total (\$ mil)</b>	<b>\$ 223.0</b>	<b>\$ 142.7</b>	<b>\$ 21.7</b>	<b>\$ 58.5</b>	<b>\$ 58.0</b>	<b>\$ 0.5</b>		

## Appendix A. - Contribution Rates: Retirees Calendar Year 2014

<b>Non-Medicare Eligible Retirees</b>	<b>Total Monthly Premium</b>	<b>State Contributions</b>	<b>Reserve Allocation</b>	<b>2014 Ret. Total Cost</b>	<b>2013 Ret. Total Cost</b>	<b>Change in Premiums (\$ / %)</b>		<b>Assumed Enrollment</b>
<b>Gold</b>								
Retiree Only	\$ 470.98	\$ 188.39	\$ 44.61	\$ 237.98	\$ 235.74	\$ 2.24	1%	1,727
Retiree & NME SP	1,063.12	336.42	145.34	581.36	575.88	5.48	1%	574
Retiree & Child(ren)	759.98	260.64	55.32	444.02	439.84	4.18	1%	83
Retiree & NME SP&CH	1,352.12	408.69	18.01	925.42	916.72	8.70	1%	34
Retiree & ME SP	794.56	269.28	119.92	405.36	401.54	3.82	1%	238
Retiree & ME SP & CH	1,083.56	341.53	129.49	612.54	606.77	5.77	1%	8
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 1.7</b>	<b>\$ 0.6</b>	<b>\$ 0.2</b>	<b>\$ 0.9</b>	<b>\$ 0.9</b>	<b>\$ 0.0</b>		<b>2,664</b>
<b>Silver</b>								
Employee Only	\$ 322.42	\$ 118.42	\$ 0.00	\$ 204.00	\$ 202.08	\$ 1.92	1%	6
Employee & Spouse	718.00	222.68	0.00	495.32	490.66	4.66	1%	7
Employee & Child(ren)	515.48	136.32	0.00	379.16	375.60	3.56	1%	1
Family	911.06	232.72	0.00	678.34	671.96	6.38	1%	3
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ -</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>		<b>17</b>
<b>Bronze</b>								
Employee Only	\$ 193.26	\$ 38.64	\$ 6.76	\$ 147.86	\$ 146.46	\$ 1.40	1%	8
Employee & Spouse	409.12	49.45	55.90	303.78	300.92	2.86	1%	13
Employee & Child(ren)	298.60	43.92	50.62	204.06	202.14	1.92	1%	2
Family	514.48	54.71	125.74	334.02	330.88	3.14	1%	12
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>		<b>35</b>
<b>Total (Monthly) (\$ mil)</b>	<b>\$ 1.8</b>	<b>\$ 0.6</b>	<b>\$ 0.2</b>	<b>\$ 0.9</b>	<b>\$ 0.9</b>	<b>\$ 0.0</b>		<b>2,716</b>
<b>Est Annual Total (\$ mil)</b>	<b>\$ 21.1</b>	<b>\$ 7.5</b>	<b>\$ 2.4</b>	<b>\$ 11.2</b>	<b>\$ 11.1</b>	<b>\$ 0.1</b>		

<b>ME Retirees</b>	<b>Total Monthly Premium</b>	<b>State Contributions</b>	<b>Reserve Allocation</b>	<b>2014 Ret. Total Cost</b>	<b>2013 Ret. Total Cost</b>	<b>Change in Premiums (\$ / %)</b>		<b>Assumed Enrollment</b>
<b>Medicare Eligible</b>								
Retiree Only	\$ 353.44	\$ 194.14	\$ 11.20	\$ 148.10	\$ 117.12	\$30.98	26%	5,248
Retiree & NME SP	824.43	343.61	0.00	480.82	446.72	34.10	8%	368
Retiree & Child(ren)	679.57	324.61	7.26	347.70	314.86	32.84	10%	59
Retiree & NME SP&CH	1,234.57	546.60	7.51	680.46	644.48	35.98	6%	31
Retiree & ME SP	706.88	323.58	42.44	340.86	278.49	62.37	22%	1,974
Retiree & ME SP & CH	995.87	439.18	16.21	540.48	476.24	64.24	13%	19
<b>Est. Monthly Total (\$ mil)</b>	<b>\$ 3.7</b>	<b>\$ 1.8</b>	<b>\$ 0.1</b>	<b>\$ 1.7</b>	<b>\$ 1.4</b>	<b>\$ 0.3</b>		<b>7,700</b>
<b>Total (Est. Annual)</b>	<b>\$ 43.8</b>	<b>\$ 21.9</b>	<b>\$ 1.7</b>	<b>\$ 20.2</b>	<b>\$ 16.5</b>	<b>\$ 3.6</b>		

## Appendix A. - Contribution Rates: Actives Calendar Year 2013

<b>Actives</b>	<b>Total Monthly Premium</b>	<b>State Contributions</b>	<b>Reserve Allocation</b>	<b>2013 EE Total Cost</b>	<b>2012 EE Total Cost</b>	<b>Change in Premiums (\$ / %)</b>		<b>Assumed Enrollment</b>
<b>Gold</b>								
Employee Only	\$ 441.26	\$ 294.56	\$ 50.92	\$ 95.78	\$ 95.78	\$0.00	0%	14,380
Employee & Spouse	1,015.20	552.03	95.43	367.74	367.74	0.00	0%	3,164
Employee & Child(ren)	708.22	438.73	75.85	193.64	193.64	0.00	0%	4,803
Family	1,282.16	735.41	127.13	419.62	419.62	0.00	0%	3,167
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 17.02</b>	<b>\$ 10.42</b>	<b>\$ 1.80</b>	<b>\$ 4.80</b>	<b>\$ 4.80</b>	<b>\$0.00</b>		<b>25,514</b>
<b>Silver</b>								
Employee Only	\$ 237.74	\$ 175.62	\$0.00	\$ 62.12	\$ 62.12	\$0.00	0%	515
Employee & Spouse	534.10	251.58	0.00	282.52	282.52	0.00	0%	131
Employee & Child(ren)	375.60	234.16	0.00	141.44	141.44	0.00	0%	162
Family	671.96	347.36	0.00	324.60	324.60	0.00	0%	147
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 0.35</b>	<b>\$ 0.21</b>	<b>\$0.00</b>	<b>\$ 0.14</b>	<b>\$ 0.14</b>	<b>\$0.00</b>		<b>954</b>
<b>Bronze</b>								
Employee Only	\$ 148.70	\$ 148.70	\$0.00	\$ -	\$0.00	\$0.00	n/a	984
Employee & Spouse	317.36	240.14	0.00	77.22	77.22	0.00	0%	235
Employee & Child(ren)	227.16	199.32	0.00	27.84	27.84	0.00	0%	253
Family	395.80	303.60	0.00	92.20	92.20	0.00	0%	297
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 0.40</b>	<b>\$ 0.34</b>	<b>\$0.00</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>	<b>\$0.00</b>		<b>1,769</b>
<b>Total (Monthly) (\$ mil)</b>	<b>\$ 17.77</b>	<b>\$ 10.97</b>	<b>\$ 1.80</b>	<b>\$ 4.99</b>	<b>\$ 4.99</b>	<b>\$0.00</b>		<b>28,238</b>
<b>Est. Annual Total (\$ mil)</b>	<b>\$ 213.21</b>	<b>\$ 131.69</b>	<b>\$ 21.61</b>	<b>\$ 59.90</b>	<b>\$ 59.90</b>	<b>\$0.00</b>		

## Appendix A. - Contribution Rates: Retirees Calendar Year 2013

<b>Non-Medicare Eligible Retirees</b>	<b>Total Monthly Premium</b>	<b>State Contributions</b>	<b>Reserve Allocation</b>	<b>2013 EE Total Cost</b>	<b>2012 EE Total Cost</b>	<b>Change in Premiums (\$ / %)</b>		<b>Assumed Enrollment</b>
<b>Gold</b>								
Retiree Only	\$ 441.26	\$ 176.50	\$29.02	\$ 235.74	\$ 235.74	\$0.00	0%	1,484
Retiree & NME SP	1,015.20	319.99	119.33	575.88	575.88	0.00	0%	500
Retiree & Child(ren)	708.22	243.24	25.14	439.84	439.84	0.00	0%	81
Retiree & NME SP&CH	1,282.16	365.44	0.00	916.72	916.72	0.00	0%	34
Retiree & ME SP	800.58	266.33	132.71	401.54	401.54	0.00	0%	259
Retiree & ME SP & CH	1,067.56	333.08	127.71	606.77	606.77	0.00	0%	13
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 1.48</b>	<b>\$ 0.53</b>	<b>\$ 0.14</b>	<b>\$ 0.82</b>	<b>\$ 0.82</b>	<b>\$0.00</b>		<b>2,371</b>
<b>Silver</b>								
Employee Only	\$ 237.74	\$ 35.66	\$0.00	\$ 202.08	\$ 202.08	\$0.00	0%	16
Employee & Spouse	534.10	43.44	0.00	490.66	490.66	0.00	0%	6
Employee & Child(ren)	375.60	0.00	0.00	375.60	387.64	(12.04)	-3%	7
Family	671.96	0.00	0.00	671.96	821.68	(149.72)	-18%	6
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 0.01</b>	<b>\$ 0.00</b>	<b>\$0.00</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ (0.00)</b>		<b>34</b>
<b>Bronze</b>								
Employee Only	\$ 148.70	\$0.00	\$2.24	\$ 146.46	\$ 146.46	\$0.00	0%	24
Employee & Spouse	317.36	0.00	16.44	300.92	300.92	0.00	0%	14
Employee & Child(ren)	227.16	0.00	25.02	202.14	202.14	0.00	0%	3
Family	395.80	0.00	64.92	330.88	330.88	0.00	0%	16
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 0.02</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$0.00</b>		<b>57</b>
<b>Total (Monthly) (\$ mil)</b>	<b>\$ 1.51</b>	<b>\$ 0.53</b>	<b>\$ 0.14</b>	<b>\$ 0.84</b>	<b>\$ 0.84</b>	<b>\$ (0.00)</b>		<b>2,462</b>
<b>Est. Annual Total (\$ mil)</b>	<b>\$ 18.16</b>	<b>\$ 6.34</b>	<b>\$ 1.71</b>	<b>\$ 10.11</b>	<b>\$ 10.13</b>	<b>\$ (0.01)</b>		

<b>ME Retirees</b>	<b>Total Monthly Premium</b>	<b>State Contributions</b>	<b>Reserve Allocation</b>	<b>2013 EE Total Cost</b>	<b>2012 EE Total Cost</b>	<b>Change in Premiums (\$ / %)</b>		<b>Assumed Enrollment</b>
<b>Medicare Eligible</b>								
Retiree Only	\$ 359.33	\$ 215.60	\$ 26.61	\$ 117.12	\$ 117.12	\$0.00	0%	5,240
Retiree & NME SP	800.59	353.87	0.00	446.72	446.72	0.00	0%	453
Retiree & Child(ren)	656.16	334.33	6.97	314.86	314.86	0.00	0%	66
Retiree & NME SP&CH	1,200.24	551.96	3.80	644.48	644.48	0.00	0%	35
Retiree & ME SP	718.67	359.33	80.84	278.49	278.49	0.00	0%	1,882
Retiree & ME SP & CH	985.64	466.12	43.28	476.24	476.24	0.00	0%	22
<b>Est. Monthly Total (\$ mil)</b>	<b>\$ 3.71</b>	<b>\$ 2.02</b>	<b>\$ 0.29</b>	<b>\$ 1.39</b>	<b>\$ 1.39</b>	<b>\$0.00</b>		<b>7,698</b>
<b>Total (Est. Annual)</b>	<b>\$ 44.46</b>	<b>\$ 24.22</b>	<b>\$ 3.52</b>	<b>\$ 16.73</b>	<b>\$ 16.73</b>	<b>\$0.00</b>		

## Appendix B. - Enrollment Details: Actives

Average for Year Ending		12/31/2011		12/31/2012	12/31/2013	Projected	Updated Proj.
						12/31/2014	12/31/2014
<b>Health Advantage</b>	Single	14,514	<b>Gold</b>	14,545	13,809	13,357	13,502
	Employee/Spouse	3,335		3,181	3,020	2,941	3,005
	Employee/Child(ren)	4,643		4,913	4,850	4,644	4,728
	Family	3,237		3,232	3,178	3,058	3,179
	<b>Total</b>	<b>25,729</b>		<b>25,871</b>	<b>24,858</b>	<b>24,000</b>	<b>24,414</b>
	<b>Member Counts</b>	<b>45,996</b>		<b>46,641</b>	<b>45,404</b>	<b>43,747</b>	<b>44,817</b>
<b>NovaSys</b>	Single	549	<b>Silver</b>	337	703	865	838
	Employee/Spouse	104		79	129	159	169
	Employee/Child(ren)	165		93	183	233	244
	Family	88		105	190	243	232
	<b>Total</b>	<b>905</b>		<b>613</b>	<b>1,205</b>	<b>1,500</b>	<b>1,483</b>
	<b>Member Counts</b>	<b>1,538</b>		<b>1,152</b>	<b>2,178</b>	<b>2,736</b>	<b>2,742</b>
<b>NovaSys HD PPO</b>	Single	644	<b>Bronze</b>	841	1,029	1,434	1,173
	Employee/Spouse	136		200	250	360	346
	Employee/Child(ren)	129		192	261	353	306
	Family	158		267	321	453	427
	<b>Total</b>	<b>1,067</b>		<b>1,500</b>	<b>1,861</b>	<b>2,600</b>	<b>2,252</b>
	<b>Member Counts</b>	<b>1,858</b>		<b>2,790</b>	<b>3,492</b>	<b>4,900</b>	<b>4,379</b>
<b>Total</b>	Single	15,707	<b>TOTAL</b>	15,723	15,541	15,655	15,513
	Employee/Spouse	3,575		3,460	3,399	3,459	3,520
	Employee/Child(ren)	4,937		5,197	5,295	5,230	5,278
	Family	3,482		3,604	3,689	3,755	3,838
	<b>Total</b>	<b>27,701</b>		<b>27,984</b>	<b>27,924</b>	<b>28,100</b>	<b>28,149</b>
	<b>Member Counts</b>	<b>49,392</b>		<b>50,583</b>	<b>51,074</b>	<b>51,383</b>	<b>51,938</b>

## Appendix B. - Enrollment Details: Retirees

Average for Year Ending		12/31/2011	12/31/2012	12/31/2013	Projected	Updated Proj.
					12/31/2014	12/31/2014
<b>Retirees Non-Medicare Eligible (NME) Gold</b>	Retiree Only	1,441	1,513	1,698	1,727	1,754
	Retiree + NME Spouse	509	517	557	574	560
	Retiree + Child(ren)	65	75	84	83	92
	Retiree + NME Spouse + Child(ren)	37	35	34	34	32
	Retiree + ME Spouse	197	213	230	238	234
	Retiree + ME Spouse + Child(ren)	12	13	8	8	8
	<b>Total</b>	<b>2,260</b>	<b>2,365</b>	<b>2,610</b>	<b>2,664</b>	<b>2,680</b>
<b>Silver</b>	Retiree Only	0	0	7	6	14
	Retiree + NME Spouse	0	2	5	7	7
	Retiree + Child(ren)	0	1	1	1	2
	Retiree + NME Spouse + Child(ren)	0	1	2	3	1
	<b>Total</b>	<b>0</b>	<b>4</b>	<b>15</b>	<b>17</b>	<b>24</b>
<b>Bronze</b>	Retiree Only	0	6	10	8	21
	Retiree + NME Spouse	0	6	12	13	15
	Retiree + Child(ren)	0	1	2	2	3
	Retiree + NME Spouse + Child(ren)	0	7	11	12	11
	<b>Total</b>	<b>0</b>	<b>19</b>	<b>36</b>	<b>35</b>	<b>50</b>
<b>TOTAL</b>	<b>NME Retirees</b>	<b>2,260</b>	<b>2,388</b>	<b>2,661</b>	<b>2,716</b>	<b>2,754</b>
	<b>NME Member Counts</b>	<b>3,182</b>	<b>3,663</b>	<b>4,024</b>	<b>4,102</b>	<b>3,838</b>

<b>Retirees Medicare Eligible (ME)</b>	Retiree Only	4,678	4,938	5,220	5,248	5,417
	Retiree + NME Spouse	334	360	369	368	378
	Retiree + Child(ren)	54	58	58	59	58
	Retiree + NME Spouse + Child(ren)	25	28	33	31	34
	Retiree + ME Spouse	1,778	1,852	1,954	1,974	2,015
	Retiree + ME Spouse + Child(ren)	14	18	18	19	19
	<b>Total</b>	<b>6,883</b>	<b>7,253</b>	<b>7,652</b>	<b>7,700</b>	<b>7,921</b>
	<b>ME Member Counts</b>	<b>9,149</b>	<b>9,349</b>	<b>9,862</b>	<b>9,940</b>	<b>10,504</b>

## Appendix C. - Summary of Plan or Policy Changes

<u>Date</u>	<u>Major Change</u>
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/Sp</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, MOOP 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, MOOP 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, \$25,400 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 &amp; OON (ARHealth HD).</p> <p>Active and Non-Medicare retiree 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>

## Appendix C (cont.) - Plan Summary for 2013

Benefit Option Name: Provider Network:	Gold Health Advantage	Silver QualChoice	Bronze Health Advantage
<b><u>In-Network (INN) Benefits</u></b>			
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
<b><u>Out-of-Network (OON) Benefits <sup>1</sup></u></b>			
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
<b><u>Annual Maximum INN / OON</u></b>			
	Unlimited	Unlimited	Unlimited
<b><u>Prescription Drugs:</u></b> (copays shown)			
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.
<b><u>Selected Detail Benefits</u></b>			
Emergency Transportation - Ambulance	INN: \$0 Copay; OON: Ded & Coins.	INN: \$0 Copay; OON: Ded & Coins.	Ded. & Coins.
Rehabilitation (i.e., speech, occupational, 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

## Appendix C (cont.) - Plan Summary for 2013

<b>Medical Management</b> PCP referral to specialists required: Inpatient & outpatient: Case Management: Disease Management: Wellness Nurse-Line / Informed Decision Support:	No American Health Holding Health Advantage Yes, select conditions Yes Yes	No American Health Holding Health Advantage Yes, select conditions Yes Yes	No American Health Holding Health Advantage Yes, select conditions Yes Yes
<b>Medicare Integration (for ME Retirees):</b> Non- Medicare Benefits Covered: Non- Medicare Providers Covered: Pharmacy Covered:	Coordination of Benefits Yes, same as NME Non-Par & Non-Accepting Non-Par & Non-Accepting	Not Available	Not Available

<sup>1</sup>When 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
<b>Benefit and Claims Coordination (Actives &amp; NME Retirees)</b>		
- Gold	\$27.04	Per Employee Per Month
- Silver	\$22.51	Per Employee Per Month
- Bronze	\$25.00	Per Employee Per Month
<b>Benefit and Claims Coordination (ME Retirees)</b>		
- Medicare	\$27.04	Per Employee Per Month
<b>Prescription Drugs Claims Administration</b>		
- CatamaranRx (Includes Integrail and staff)	<u>All Plans</u> \$3.40	Per Member Per Month
- RDS	\$0.10	Per RDS Member Per Month
<b>Medical Appeals - UAMS</b>		
- Physician Appeals	\$150.00	Per Physician Appeal
<b>Pharmacy Prior Authorization - EBRx</b>		
- Prior Authorization	\$0.70	Per Employee Per Month
<b>Pharmacy Appeals - American Health Holding Inc.</b>		
- Physician Appeals	\$150.00	Per Physician Appeal
<b>Medical Utilization Review - American Health Holding, Inc.</b>		
<b>Condition Management - American Health Holding, Inc.</b>	\$0.85	Per Member Per Month
<b>Case Management - American Health Holding, Inc.</b>	\$2.85	Per Member Per Month
<b>ACHI</b>	\$0.89	Per Member Per Month
<b>Life Insurance - Minnesota Life</b>	\$0.11	Per Member Per Month
- No longer age banded	\$1.70	Per Employee Per Month
<b>Employee Assistance Program - ComPsych</b>	\$1.73	Per Employee Per Month
<b>Health Savings Account (HSA) Administrator - DataPath Admin. Services</b>		
- 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 \$)	12/31/2011	12/31/2012	12/31/2013	Updated Proj. 12/31/2014
<b>Net Assets (Prior To IBNR)</b>	\$ 118.3	\$ 106.2	\$ 79.6	\$ 51.5
<b>Incurred But Not Recorded Claims</b>	(24.3)	(24.3)	(25.6)	(25.6)
<b>Net Assets After IBNR</b>	<b>\$ 94.1</b>	<b>\$ 81.9</b>	<b>\$ 54.0</b>	<b>\$ 25.9</b>
<b>ALLOCATED RESERVES</b>				
Active/Retiree Premiums for Plan Year	\$ (18.7)	\$ -	\$ -	\$ 0.0
Act/Ret Premiums for Next Plan Year	(11.2)	(26.8)	(25.9)	(11.7)
Act/Ret Premiums for Future Years	(7.5)	(23.1)	(15.3)	(3.6)
Catastrophic Reserve	(8.9)	(9.0)	(10.0)	(10.6)
<b>Total Allocated Reserves</b>	<b>\$ (46.2)</b>	<b>\$ (59.0)</b>	<b>\$ (51.1)</b>	<b>\$ (25.9)</b>
<b>Net Assets Available</b>	<b>\$ 47.9</b>	<b>\$ 23.0</b>	<b>\$ 2.9</b>	<b>\$ 0.0</b>

*Note: Actual Reserves are those provided on accounting statements. 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.*

## Appendix F. - Definitions & Methods

### Definitions:

- Actual:** Results based on actual paid and incurred claims and enrollment experience through December 2013. 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 2014 and 2013 projections can be found in our November 13, 2013 (for 2014) letter to Bob Alexander and November 15, 2012 (for 2013) letter to Jason Lee (for 2013).
- Updated Projections:** Projections produced in August 2013 by Cheiron for 2014 rates, adjusted for actual asset experience through December 2013 and enrollment changes through January 2014.

### Methods:

- Updated Projections:** Population projections for the remainder of 2014 assume the same population as January 2014. Claims projections for 2014 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 and process dates through December 31, 2013. 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 2013. 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.



**Arkansas  
Public School Employees (PSE)**

**Monitoring Report  
Through December 31, 2013**

**Presented on  
February 18, 2014**

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



Classic Values, Innovative Advice

# Table of Contents

<u>Section</u>	<u>Page</u>
<b>I. Comments</b>	<b>2</b>
<b>II. Total Plan Experience</b>	<b>3</b>
<b>III. Enrollment</b>	<b>5</b>
<b>VI. Claim &amp; Expense Details</b>	
• All Claims & Expenses	<b>6</b>
• Incurred Claims by Vendor	<b>7</b>
• Trend Report	<b>8</b>
• Loss Ratio Projections	<b>10</b>
• Large Claims Report	<b>11</b>
<b>APPENDICES</b>	
<b>A. Contribution Rates</b>	<b>12</b>
<b>B. Enrollment Details</b>	<b>15</b>
<b>C. Summary of Plan or Policy Changes</b>	<b>18</b>
<b>D. Provider Contract Summary</b>	<b>21</b>
<b>E. Reserve Details</b>	<b>22</b>
<b>F. Definitions &amp; Methods</b>	<b>23</b>

## Comments

- The number and amount of medical claims higher than \$1 million decreased from 3 claimants totalling nearly \$7 million in 2012 to 1 claimant with \$1.3 million in 2013.
- In aggregate, the active counts were close to projected in 2013. However, fewer actives elected Gold and Silver or more elected Bronze than assumed, which contributed to lower than projected assets in 2013 (reviewed in great detail last summer).
- The Plan added an unprecedented number of retirees toward the end of 2012, and that trend accelerated in 2013. The increase in retiree participation also contributed to lower than projected 2013 assets.
- While expenses were significantly higher than projected when setting 2013 rates, they were within \$0.4 million of our updated projections presented in March 2013. (Our projected number is intended to represent expenses less other income, generally rebates and investment income.)
- Assets ended \$2.5 million below IBNR. Our August 20, 2013 presentation had projected \$0.8 million above IBNR. The \$3.3 million deficit comes from claims \$3.5 million higher than projected, with expenses for the period (net of other income) \$0.2 million lower.
- Plan elections for 2014 appear to be more favorable than were assumed for the active population. Retirees continue to increase at a rapid rate. Still, the lower actives than projected for 2014, combined with slightly higher Gold actives and the \$5 per adult surcharge, is currently projected to replenish most of the catastrophic reserves by the end of 2014.

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 2013 - 1/1/2013 - 12/31/2013 -		Plan Year 2014 - 1/1/2014 - 12/31/2014 -		
	ACCOUNTING BASIS	Actual	Projected <sup>1</sup>	Updated Proj. <sup>2</sup>	Projected <sup>1</sup>
<b>State Contributions</b>	\$ 101.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0
<b>Minimum District Contributions <sup>3</sup></b>	\$ 73.4	\$ 73.7	\$ 83.1	\$ 86.4	\$ 86.4
<b>Participant Contributions <sup>4</sup></b>	\$ 154.2	\$ 161.7	\$ 142.2	\$ 139.3	\$ 139.3
<b>Other Income</b>	1.9	-	-	-	-
<b>TOTAL INCOME</b>	<b>\$ 330.5</b>	<b>\$ 285.4</b>	<b>\$ 275.3</b>	<b>\$ 275.7</b>	<b>\$ 275.7</b>
<b>Claims Paid + IBNR Change <sup>5</sup></b>	(282.0)	(274.3)	(276.5)	(284.0)	(284.0)
<b>Expenses</b>	(27.4)	(18.4)	(29.9)	(32.5)	(32.5)
<b>TOTAL EXPENDITURES</b>	<b>\$ (309.4)</b>	<b>\$ (292.7)</b>	<b>\$ (306.4)</b>	<b>\$ (316.5)</b>	<b>\$ (316.5)</b>
<b>NET PLAN GAIN / (LOSS)</b>	<b>\$ 21.1</b>	<b>\$ (7.3)</b>	<b>\$ (31.1)</b>	<b>\$ (40.8)</b>	<b>\$ (40.8)</b>
<b>INCURRED BASIS</b>					
<b>TOTAL INCOME <sup>6</sup></b>	<b>\$ 287.5</b>	<b>\$ 285.4</b>	<b>\$ 318.3</b>	<b>\$ 318.7</b>	<b>\$ 318.7</b>
<b>Claims Incurred</b>	(272.5)	(275.9)	(276.5)	(284.0)	(284.0)
<b>Expenses</b>	(27.4)	(18.4)	(29.9)	(32.5)	(32.5)
<b>TOTAL EXPENDITURES INCURRED</b>	<b>\$ (299.9)</b>	<b>\$ (294.3)</b>	<b>\$ (306.4)</b>	<b>\$ (316.5)</b>	<b>\$ (316.5)</b>
<b>NET CHANGE</b>	<b>\$ (12.4)</b>	<b>\$ (8.9)</b>	<b>\$ 11.9</b>	<b>\$ 2.2</b>	<b>\$ 2.2</b>
<b>PLAN ASSETS (END OF YEAR)</b>					
<b>Net Assets (Prior to IBNR)</b>	\$ 70.3	\$ 40.5	\$ 39.1	\$ 32.2	\$ 32.2
<b>IBNR Reserve</b>	(29.8)	(28.5)	(29.8)	(29.8)	(29.8)
<b>Reserve for Future Premiums</b>	(43.0)	(3.6)	-	-	-
<b>Catastrophic Reserve</b>	-	(8.5)	(9.3)	(2.4)	(2.4)
<b>NET ASSETS AVAILABLE</b>	<b>\$ (2.5)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENROLLMENT</b>					
<b>Active Employees (includes COBRA)</b>	46,683	46,878	46,150	47,985	47,985
<b>Retirees</b>	11,106	9,779	12,869	12,276	12,276
<b>TOTAL ENROLLED</b>	<b>57,789</b>	<b>56,657</b>	<b>59,019</b>	<b>60,260</b>	<b>60,260</b>
<b>TOTAL INCOME PEPM</b>	<b>\$ 477</b>	<b>\$ 420</b>	<b>\$ 389</b>	<b>\$ 381</b>	<b>\$ 381</b>
<b>TOTAL EXPENDITURES PEPM</b>	<b>\$ (432)</b>	<b>\$ (433)</b>	<b>\$ (433)</b>	<b>\$ (438)</b>	<b>\$ (438)</b>

<sup>1</sup> Projections are those done when setting the rates for the applicable plan year.

<sup>2</sup> Updated Projections reflect updated participant count and asset information.

<sup>3</sup> District contributions are set to \$131 per employee for 2013, and \$150 per employee for 2014

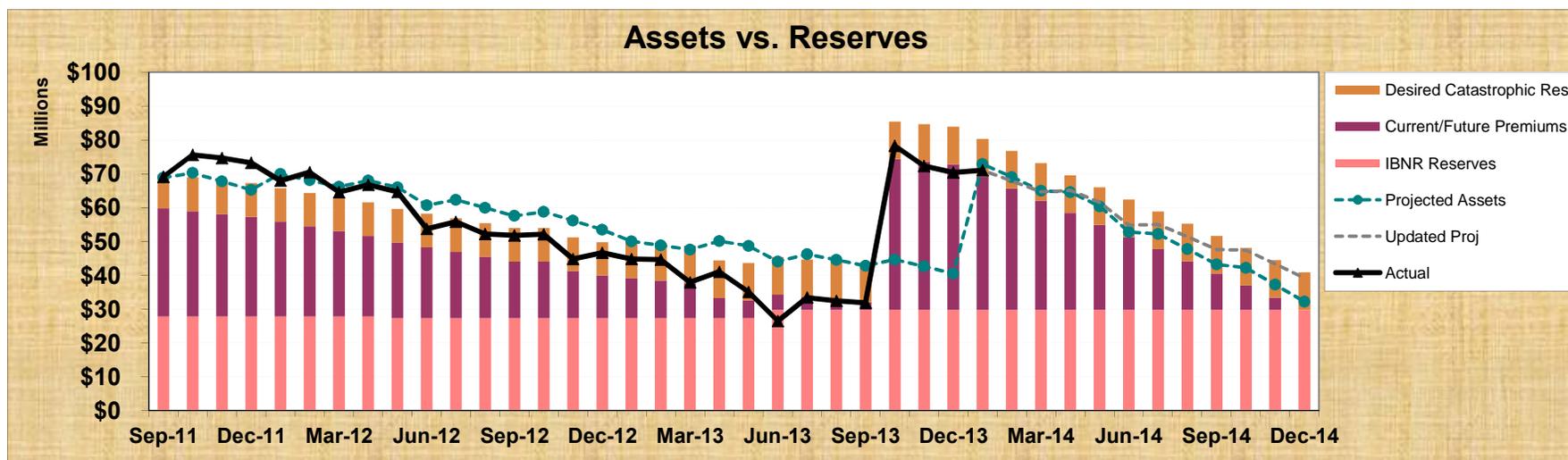
<sup>4</sup> Includes school district contributions in excess of \$131 / \$150 per active employee

<sup>5</sup> The IBNR change reflects only the June 30 modification shown on the financial statements.

<sup>6</sup> Recognizes the additional \$43 million state contribution paid in October 2013 in the 2014 plan year.

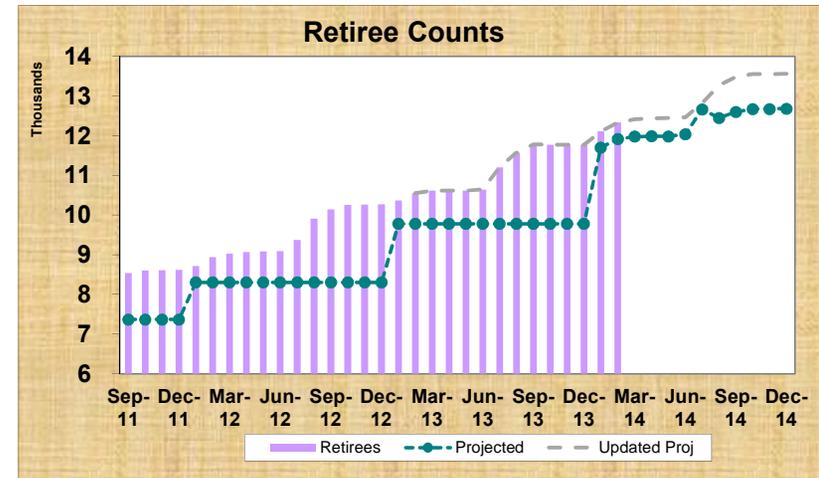
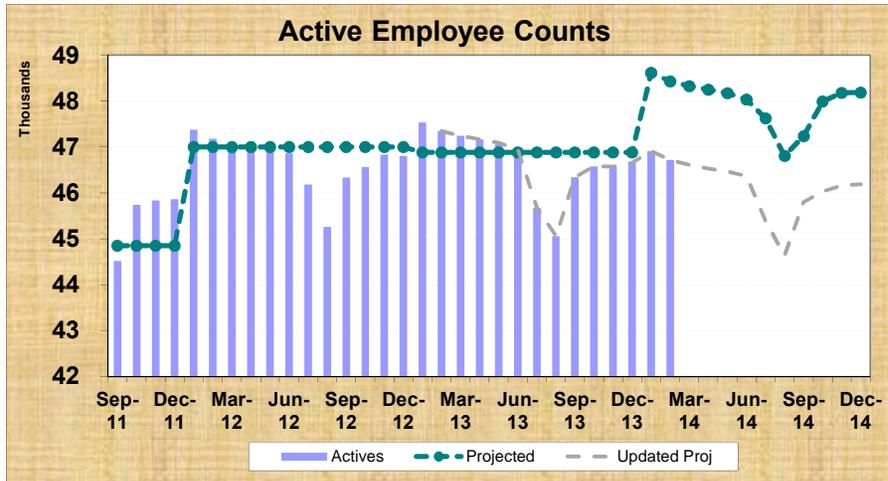
# Total Plan Experience

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 (August & October 2013). The average cost per rating tier has not been updated.



(In Millions \$)	As of	12/31/2011	12/31/2012	12/31/2013	Updated Proj. 12/31/2014
Net Assets before IBNR	\$	73.2	\$ 46.6	\$ 70.3	\$ 39.1
IBNR Reserve		(27.8)	(27.3)	(29.8)	(29.8)
Reserve for Current and Future Premiums		(29.4)	(12.6)	(43.0)	-
Catastrophic Reserve		(10.0)	(6.7)	-	(9.3)
Pharmacy Reward Program		-	-	-	-
<b>Net Assets Available</b>	<b>\$</b>	<b>6.0</b>	<b>\$ -</b>	<b>\$ (2.5)</b>	<b>\$ -</b>
Projected Assets	\$	65.2	\$ 53.5	\$ 40.5	\$ 32.2
Projected IBNR Reserve	\$	(27.5)	(27.8)	(28.5)	(29.8)
Reserve for Current and Future Premiums	\$	(11.4)	(12.6)	(3.6)	-
Catastrophic Reserve	\$	(9.1)	(10.0)	(8.5)	(2.4)
Pharmacy Reward Program	\$	-	-	-	-
<b>Projected Net Assets</b>	<b>\$</b>	<b>17.2</b>	<b>\$ 2.0</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Plan Year Ending</b>	<b>12/31/2011</b>	<b>12/31/2012</b>	<b>12/31/2013</b>	<b>12/31/2014</b>
Funding	\$	275.3	\$ 275.7	\$ 330.5	\$ 275.3
Expenses		276.0	301.8	309.4	306.4
<b>Net Income / (Loss)</b>	<b>\$</b>	<b>(0.7)</b>	<b>\$ (26.1)</b>	<b>\$ 21.1</b>	<b>\$ (31.1)</b>
<b>Projected Net Income / (Loss)</b>	<b>\$</b>	<b>(12.1)</b>	<b>\$ (14.7)</b>	<b>\$ (7.3)</b>	<b>\$ (40.8)</b>

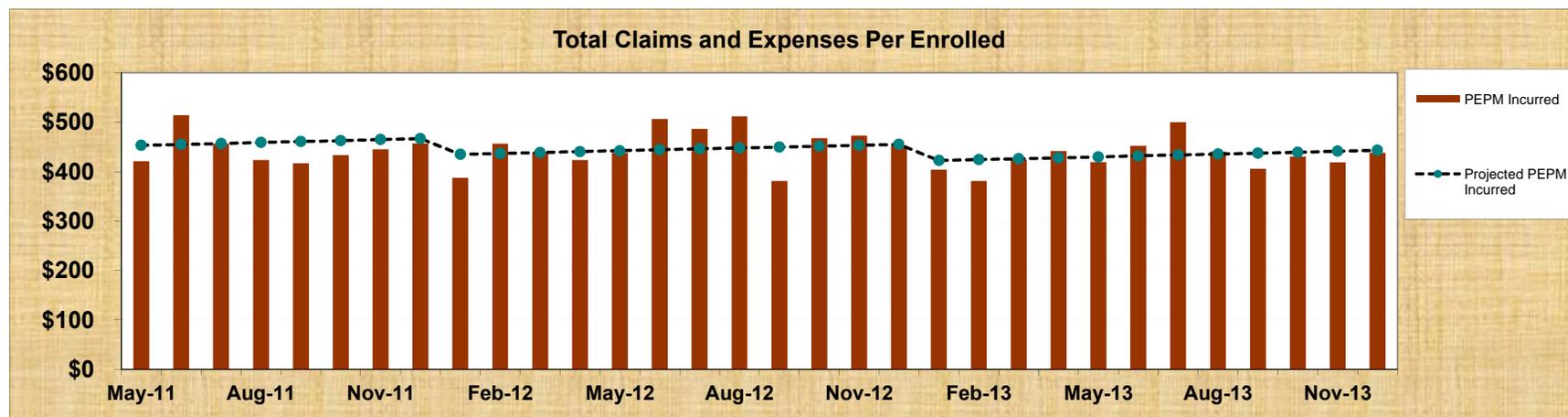
# Enrollment



Average for Year Ending		12/31/2011	12/31/2012	12/31/2013	Updated Proj. 12/31/2014
<b>Actives</b> (includes COBRA contracts)	Health Advantage	37,829	36,570	27,463	18,434
	NovaSys	2,922	872	4,474	4,927
	NovaSys HD	4,901	9,254	14,746	22,789
	<b>Total</b>	<b>45,652</b>	<b>46,696</b>	<b>46,683</b>	<b>46,150</b>
	<b>Projected</b>	<b>44,851</b>	<b>47,000</b>	<b>46,878</b>	<b>47,985</b>
<b>Retirees</b> (includes Surviving Spouses)	Non-Medicare Retirees	2,101	2,304	2,377	2,377
				50	118
				859	1,346
	Medicare Retirees	6,128	6,914	7,820	9,028
	<b>Total</b>	<b>8,228</b>	<b>9,217</b>	<b>11,106</b>	<b>12,869</b>
<b>Projected</b>	<b>7,367</b>	<b>8,300</b>	<b>9,779</b>	<b>12,276</b>	
<b>Total Counts</b>		<b>53,880</b>	<b>55,913</b>	<b>57,789</b>	<b>59,019</b>
<b>Total Projected</b>		<b>52,218</b>	<b>55,300</b>	<b>56,657</b>	<b>60,260</b>

# 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>3/31/2012</u>	<u>6/30/2012</u>	<u>9/30/2012</u>	<u>12/31/2012</u>	<u>Prior 12 Months</u>	<u>3/31/2013</u>	<u>6/30/2013</u>	<u>9/30/2013</u>	<u>12/31/2013</u>	<u>Last 12 Months</u>
<b>Total Incurred (In Millions \$)</b>										
Total Claims & Expenses	\$ 72.0	\$ 76.6	\$ 76.8	\$ 79.5	\$ 304.9	\$ 70.1	\$ 75.8	\$ 77.0	\$ 75.2	\$ 298.0
- Change	(0.7)	4.6	0.2	2.7	22.9	(9.4)	5.7	1.2	(1.8)	(7.0)
<b>Projected</b>	<b>\$ 72.5</b>	<b>\$ 73.4</b>	<b>\$ 74.3</b>	<b>\$ 75.2</b>	<b>\$ 295.5</b>	<b>\$ 72.1</b>	<b>\$ 73.1</b>	<b>\$ 74.1</b>	<b>\$ 75.0</b>	<b>\$ 294.3</b>
- Change	(0.3)	0.9	0.9	0.9	9.6	(3.1)	1.0	1.0	1.0	(1.2)
<b>Actual vs. Projected</b>	<b>\$ (0.5)</b>	<b>\$ 3.2</b>	<b>\$ 2.5</b>	<b>\$ 4.2</b>	<b>\$ 9.5</b>	<b>\$ (2.1)</b>	<b>\$ 2.7</b>	<b>\$ 2.9</b>	<b>\$ 0.1</b>	<b>\$ 3.7</b>

<b>Per Enrolled Basis</b>										
Total Claims & Expenses	\$ 427.9	\$ 456.2	\$ 459.5	\$ 464.8	\$ 452.1	\$ 403.4	\$ 437.8	\$ 448.5	\$ 429.3	\$ 429.7
% Change	(3.9%)	6.6%	0.7%	(13.2%)	3.6%	(10.8%)	8.5%	2.4%	(4.3%)	(5.0%)
<b>Projected</b>	<b>\$ 437.2</b>	<b>\$ 442.5</b>	<b>\$ 448.0</b>	<b>\$ 453.5</b>	<b>\$ 445.3</b>	<b>\$ 424.4</b>	<b>\$ 430.0</b>	<b>\$ 435.7</b>	<b>\$ 441.5</b>	<b>\$ 432.9</b>
% Change	(6.0%)	1.2%	1.2%	(6.4%)	(2.4%)	(4.7%)	1.3%	1.3%	1.3%	(2.8%)

## Claim & Expense Details - Incurred Claims by Vendor

		3/31/2012	6/30/2012	9/30/2012	12/31/2012	Prior 12 Months	3/31/2013	6/30/2013	9/30/2013	12/31/2013	Last 12 Months	
<b>TOTAL (\$000s)</b>	Actual Incurred Claims	\$ 72,008	\$ 76,641	\$ 76,822	\$ 79,468	\$ 304,939	\$ 70,050	\$ 75,772	\$ 76,962	\$ 75,176	\$ 297,960	
	Projected	72,524	73,414	74,317	75,232	295,487	72,129	73,084	74,053	75,035	294,300	
	Actual vs. Projected	\$ (516)	\$ 3,227	\$ 2,505	\$ 4,236	\$ 9,452	\$ (2,079)	\$ 2,688	\$ 2,909	\$ 141	\$ 3,660	
<b>Medical</b>	<b>Gold NME</b>	Actual Incurred Claims	\$ 43,733	\$ 45,737	\$ 47,275	\$ 43,686	\$ 180,432	\$ 34,217	\$ 37,701	\$ 36,509	\$ 33,801	\$ 142,228
		Projected	45,544	46,191	46,846	47,511	186,093	39,177	39,752	40,335	40,927	160,192
		Actual vs. Projected	\$ (1,811)	\$ (454)	\$ 429	\$ (3,825)	\$ (5,661)	\$ (4,960)	\$ (2,051)	\$ (3,826)	\$ (7,126)	\$ (17,964)
<b>Silver NME</b>	Actual Incurred Claims	\$ 852	\$ 916	\$ 1,016	\$ 1,121	\$ 3,905	\$ 3,850	\$ 4,628	\$ 5,020	\$ 4,701	\$ 18,200	
	Projected	2,424	2,459	2,494	2,529	9,906	2,359	2,393	2,428	2,464	9,644	
	Actual vs. Projected	\$ (1,572)	\$ (1,543)	\$ (1,478)	\$ (1,408)	\$ (6,001)	\$ 1,491	\$ 2,235	\$ 2,592	\$ 2,237	\$ 8,556	
<b>Bronze NME</b>	Actual Incurred Claims	\$ 2,688	\$ 5,888	\$ 6,091	\$ 6,958	\$ 21,625	\$ 5,826	\$ 8,214	\$ 9,707	\$ 10,304	\$ 34,051	
	Projected	2,767	2,806	2,846	2,886	11,304	7,776	7,890	8,006	8,123	31,795	
	Actual vs. Projected	\$ (79)	\$ 3,082	\$ 3,245	\$ 4,072	\$ 10,321	\$ 7,779	\$ 324	\$ 1,701	\$ 2,181	\$ 2,256	
<b>Gold ME</b>	Actual Incurred Claims	\$ 3,208	\$ 2,834	\$ 2,943	\$ 2,877	\$ 11,862	\$ 3,829	\$ 3,285	\$ 3,341	\$ 3,438	\$ 13,893	
	Projected	2,825	2,873	2,922	2,972	11,591	3,286	3,334	3,383	3,432	13,434	
	Actual vs. Projected	\$ 383	\$ (39)	\$ 21	\$ (95)	\$ 271	\$ 543	\$ (49)	\$ (42)	\$ 6	\$ 459	
<b>Rx</b>	<b>All</b>	Actual Incurred Claims	\$ 15,393	\$ 15,782	\$ 15,622	\$ 16,892	\$ 63,689	\$ 15,702	\$ 15,694	\$ 15,683	\$ 17,040	\$ 64,119
		Projected	14,163	14,285	14,409	14,533	57,390	14,938	15,122	15,307	15,495	60,863
		Actual vs. Projected	\$ 1,230	\$ 1,497	\$ 1,213	\$ 2,359	\$ 6,299	\$ 764	\$ 572	\$ 376	\$ 1,545	\$ 3,256
<b>Gold NME</b>	Actual Incurred Claims	\$ 15,136	\$ 15,227	\$ 14,793	\$ 15,654	\$ 60,809	\$ 13,703	\$ 13,161	\$ 12,657	\$ 12,896	\$ 52,417	
	Projected	13,303	13,418	13,534	13,651	53,906	13,218	13,380	13,544	13,710	53,853	
	Actual vs. Projected	\$ 1,833	\$ 1,809	\$ 1,259	\$ 2,003	\$ 6,903	\$ 485	\$ (219)	\$ (887)	\$ (814)	\$ (1,436)	
<b>Silver NME</b>	Actual Incurred Claims	\$ 170	\$ 195	\$ 221	\$ 282	\$ 868	\$ 1,546	\$ 1,538	\$ 1,509	\$ 1,896	\$ 6,489	
	Projected	636	642	647	653	2,578	613	621	629	636	2,499	
	Actual vs. Projected	\$ (466)	\$ (447)	\$ (426)	\$ (371)	\$ (1,710)	\$ 933	\$ 917	\$ 880	\$ 1,260	\$ 3,990	
<b>Bronze NME</b>	Actual Incurred Claims	\$ 88	\$ 360	\$ 608	\$ 957	\$ 2,013	\$ 453	\$ 996	\$ 1,516	\$ 2,248	\$ 5,212	
	Projected	224	225	227	229	906	1,107	1,121	1,135	1,148	4,511	
	Actual vs. Projected	\$ (136)	\$ 135	\$ 381	\$ 728	\$ 1,107	\$ (654)	\$ (125)	\$ 381	\$ 1,100	\$ 701	
<b>Expenses (net of other income)</b>	<b>All</b>	Actual Next Expenses	\$ 6,134	\$ 5,483	\$ 3,875	\$ 7,933	\$ 23,425	\$ 6,626	\$ 6,250	\$ 6,703	\$ 5,892	\$ 25,471
		Projected	4,801	4,801	4,801	4,801	19,204	4,593	4,593	4,593	4,593	18,372
		Actual vs. Projected	\$ 1,333	\$ 682	\$ (926)	\$ 3,132	\$ 4,221	\$ 2,033	\$ 1,657	\$ 2,110	\$ 1,299	\$ 7,099

# Claim & Expense Details - Trend Report

						<u>Prior 12</u>				<u>Last 12</u>		
		<u>3/31/2012</u>	<u>6/30/2012</u>	<u>9/30/2012</u>	<u>12/31/2012</u>	<u>Months</u>		<u>3/31/2013</u>	<u>6/30/2013</u>	<u>9/30/2013</u>	<u>12/31/2013</u>	<u>Months</u>
<b>TOTAL</b>	<b>Actual PEPM</b>	\$ 427.85	\$ 456.19	\$ 459.48	\$ 464.79	\$ 452.11	\$ 403.39	\$ 437.80	\$ 448.45	\$ 429.29	\$ 429.67	
	<b>% Change</b>	(3.9%)	6.6%	0.7%	1.2%	3.6%	(13.2%)	8.5%	2.4%	(4.3%)	(5.0%)	
	<b>Projected PEPM</b>	\$ 437.15	\$ 442.52	\$ 447.96	\$ 453.48	\$ 445.28	\$ 424.36	\$ 429.98	\$ 435.68	\$ 441.46	\$ 432.87	
	<b>% Change</b>	(6.0%)	1.2%	1.2%	1.2%	(2.4%)	(6.4%)	1.3%	1.3%	1.3%	(2.8%)	
<b>Medical</b>	<b>All</b>	<b>Actual PEPM</b>	\$ 299.94	\$ 329.61	\$ 342.86	\$ 319.60	\$ 322.95	\$ 274.81	\$ 311.01	\$ 318.01	\$ 298.34	\$ 300.48
		<b>% Change</b>	(17.2%)	9.9%	4.0%	(6.8%)	(8.5%)	(14.0%)	13.2%	2.3%	(6.2%)	(7.0%)
		<b>Projected PEPM</b>	\$ 322.84	\$ 327.48	\$ 332.17	\$ 336.94	\$ 329.86	\$ 309.45	\$ 313.99	\$ 318.60	\$ 323.27	\$ 316.33
		<b>% Change</b>	(11.5%)	1.4%	1.4%	1.4%	(8.0%)	(8.2%)	1.5%	1.5%	1.5%	(4.1%)
	<b>Gold NME</b>	<b>Actual PEPM</b>	\$ 366.78	\$ 386.96	\$ 410.49	\$ 383.60	\$ 386.79	\$ 369.69	\$ 412.63	\$ 415.63	\$ 391.61	\$ 397.20
		<b>% Change</b>	1.3%	5.5%	6.1%	(6.6%)	9.5%	(3.6%)	11.6%	0.7%	(5.8%)	2.7%
		<b>Projected PEPM</b>	\$ 380.96	\$ 386.37	\$ 391.86	\$ 397.42	\$ 389.15	\$ 396.64	\$ 402.46	\$ 408.37	\$ 414.36	\$ 405.46
		<b>% Change</b>	4.4%	1.4%	1.4%	1.4%	8.6%	(0.2%)	1.5%	1.5%	1.5%	4.2%
	<b>Silver NME</b>	<b>Actual PEPM</b>	\$ 407.19	\$ 411.12	\$ 391.23	\$ 307.07	\$ 369.50	\$ 296.63	\$ 352.96	\$ 372.38	\$ 319.53	\$ 335.25
		<b>% Change</b>	n/a	1.0%	(4.8%)	(21.5%)	n/a	(3.4%)	19.0%	5.5%	(14.2%)	(9.3%)
		<b>Projected PEPM</b>	\$ 359.18	\$ 364.28	\$ 369.45	\$ 374.69	\$ 366.90	\$ 385.59	\$ 391.25	\$ 396.99	\$ 402.81	\$ 394.16
		<b>% Change</b>	n/a	1.4%	1.4%	1.4%	n/a	2.9%	1.5%	1.5%	1.5%	7.4%
	<b>Bronze NME</b>	<b>Actual PEPM</b>	\$ 98.94	\$ 214.74	\$ 214.83	\$ 220.72	\$ 188.92	\$ 127.51	\$ 179.43	\$ 209.25	\$ 208.56	\$ 181.84
		<b>% Change</b>	(52.1%)	117.0%	0.0%	2.7%	3.2%	(42.2%)	40.7%	16.6%	(0.3%)	(3.7%)
		<b>Projected PEPM</b>	\$ 129.89	\$ 131.73	\$ 133.60	\$ 135.50	\$ 132.68	\$ 180.79	\$ 183.44	\$ 186.13	\$ 188.86	\$ 184.81
		<b>% Change</b>	(27.7%)	1.4%	1.4%	1.4%	(24.8%)	33.4%	1.5%	1.5%	1.5%	39.3%
	<b>Gold ME</b>	<b>Actual PEPM</b>	\$ 161.94	\$ 140.58	\$ 139.63	\$ 131.29	\$ 142.98	\$ 170.70	\$ 143.97	\$ 139.72	\$ 139.26	\$ 148.04
		<b>% Change</b>	29.6%	(13.2%)	(0.7%)	(6.0%)	3.0%	30.0%	(15.7%)	(3.0%)	(0.3%)	3.5%
		<b>Projected PEPM</b>	\$ 154.35	\$ 156.98	\$ 159.66	\$ 162.39	\$ 158.35	\$ 148.86	\$ 151.05	\$ 153.26	\$ 155.51	\$ 152.17
		<b>% Change</b>	3.5%	1.7%	1.7%	1.7%	8.1%	(8.3%)	1.5%	1.5%	1.5%	(3.9%)

*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

						<u>Prior 12</u>				<u>Last 12</u>			
		<u>3/31/2012</u>	<u>6/30/2012</u>	<u>9/30/2012</u>	<u>12/31/2012</u>	<u>Months</u>	<u>3/31/2013</u>	<u>6/30/2013</u>	<u>9/30/2013</u>	<u>12/31/2013</u>	<u>Months</u>		
<b>TOTAL</b>	<b>Actual PEPM</b>	\$ 427.85	\$ 456.19	\$ 459.48	\$ 464.79	\$ 452.11	\$ 403.39	\$ 437.80	\$ 448.45	\$ 429.29	\$ 429.67		
	<b>% Change</b>	(3.9%)	6.6%	0.7%	1.2%	3.6%	(13.2%)	8.5%	2.4%	(4.3%)	(5.0%)		
	<b>Projected PEPM</b>	\$ 437.15	\$ 442.52	\$ 447.96	\$ 453.48	\$ 445.28	\$ 424.36	\$ 429.98	\$ 435.68	\$ 441.46	\$ 432.87		
	<b>% Change</b>	(6.0%)	1.2%	1.2%	1.2%	(2.4%)	(6.4%)	1.3%	1.3%	1.3%	(2.8%)		
<b>Rx</b>	<b>All</b>	<b>Actual PEPM</b>	\$ 103.66	\$ 106.75	\$ 106.91	\$ 113.32	\$ 107.67	\$ 103.83	\$ 104.45	\$ 106.17	\$ 113.28	\$ 106.93	
		<b>% Change</b>	(1.4%)	3.0%	0.1%	6.0%	6.2%	(8.4%)	0.6%	1.6%	6.7%	(0.7%)	
		<b>Projected PEPM</b>	\$ 95.95	\$ 96.78	\$ 97.62	\$ 98.46	\$ 97.20	\$ 101.00	\$ 102.24	\$ 103.50	\$ 104.77	\$ 102.88	
		<b>% Change</b>	(15.7%)	0.9%	0.9%	0.9%	(12.0%)	2.6%	1.2%	1.2%	1.2%	5.8%	
	<b>Gold NME</b>	<b>Actual PEPM</b>	\$ 126.94	\$ 128.83	\$ 128.44	\$ 137.45	\$ 130.36	\$ 148.05	\$ 144.05	\$ 144.10	\$ 149.41	\$ 146.39	
		<b>% Change</b>	18.8%	1.5%	(0.3%)	7.0%	26.8%	13.6%	(2.7%)	0.0%	3.7%	12.3%	
		<b>Projected PEPM</b>	\$ 111.28	\$ 112.24	\$ 113.21	\$ 114.19	\$ 112.73	\$ 133.82	\$ 135.46	\$ 137.13	\$ 138.81	\$ 136.31	
		<b>% Change</b>	(3.4%)	0.9%	0.9%	0.9%	0.9%	17.2%	1.2%	1.2%	1.2%	20.9%	
	<b>Silver NME</b>	<b>Actual PEPM</b>	\$ 81.17	\$ 87.73	\$ 85.13	\$ 77.10	\$ 82.12	\$ 119.11	\$ 117.25	\$ 111.94	\$ 128.90	\$ 119.53	
		<b>% Change</b>	n/a	8.1%	(3.0%)	(9.4%)	n/a	45.0%	(1.6%)	(4.5%)	15.2%	45.6%	
		<b>Projected PEPM</b>	\$ 94.24	\$ 95.05	\$ 95.87	\$ 96.70	\$ 95.47	\$ 100.28	\$ 101.51	\$ 102.76	\$ 104.02	\$ 102.14	
		<b>% Change</b>	n/a	0.9%	0.9%	0.9%	(1.3%)	5.0%	1.2%	1.2%	1.2%	7.0%	
	<b>Bronze NME</b>	<b>Actual PEPM</b>	\$ 3.23	\$ 13.12	\$ 21.45	\$ 30.35	\$ 17.58	\$ 9.91	\$ 21.75	\$ 32.69	\$ 45.50	\$ 27.84	
		<b>% Change</b>	(86.9%)	306.2%	63.5%	41.5%	(0.4%)	(43.6%)	119.5%	50.3%	39.2%	58.4%	
		<b>Projected PEPM</b>	\$ 10.50	\$ 10.59	\$ 10.68	\$ 10.77	\$ 10.63	\$ 25.74	\$ 26.06	\$ 26.38	\$ 26.70	\$ 26.22	
		<b>% Change</b>	n/a	0.9%	0.8%	0.8%	(1.3%)	142.1%	1.2%	1.2%	1.2%	146.7%	
	<b>Expenses (net of other income)</b>	<b>All</b>	<b>Actual PEPM</b>	\$ 36.45	\$ 32.64	\$ 23.18	\$ 46.40	\$ 34.73	\$ 38.16	\$ 36.11	\$ 39.06	\$ 33.65	\$ 36.73
			<b>% Change</b>	7.6%	(10.5%)	(29.0%)	100.2%	4.5%	(17.8%)	(5.4%)	8.2%	(13.9%)	5.8%
			<b>Projected PEPM</b>	\$ 28.94	\$ 28.94	\$ 28.94	\$ 28.94	\$ 28.94	\$ 27.02	\$ 27.02	\$ 27.02	\$ 27.02	\$ 27.02
			<b>% Change</b>	(13.5%)	0.0%	0.0%	0.0%	(13.5%)	(6.6%)	0.0%	0.0%	0.0%	(6.6%)

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

2013 Actual      2013 Projected\*      2014 Projected\*

<b>NME</b>	<b>Gold</b>	Incurred Claims (\$mil)	\$	193.68	\$	213.49	\$	129.28
		Total Premium (\$mil)	\$	198.28	\$	230.46	\$	141.72
		Incurred Loss Ratio		98%		93%		91%
	<b>Silver</b>	Incurred Claims (\$mil)	\$	24.69	\$	12.14	\$	48.25
		Total Premium (\$mil)	\$	28.82	\$	13.08	\$	52.68
		Incurred Loss Ratio		86%		93%		92%
	<b>Bronze</b>	Incurred Claims (\$mil)	\$	39.26	\$	36.30	\$	100.44
		Total Premium (\$mil)	\$	50.47	\$	43.34	\$	115.31
		Incurred Loss Ratio		78%		84%		87%
<b>TOTAL</b>	Incurred Claims (\$mil)	\$	257.63	\$	261.93	\$	277.98	
	Total Premium (\$mil)	\$	277.58	\$	286.88	\$	309.71	
	Incurred Loss Ratio		93%		91%		90%	
<b>Retiree ME</b>	<b>Total</b>	Incurred Claims (\$mil)	\$	13.89	\$	13.97	\$	17.64
		Total Premium (\$mil)	\$	14.68	\$	14.02	\$	17.70
		Incurred Loss Ratio		95%		100%		100%

\*Projected Incurred Claims for Actives and NME Retirees are based on blended experience

## PSE Claim & Expense Details - Large Claim Review

		Medical			Rx			
		\$100,000 - \$249,999	\$250,000 - \$999,999	\$1,000,000+	\$25,000 - \$49,999	\$50,000+	Total	Change from Prior Year
<b>1/1/2013-12/31/2013</b>								
<b>Total All Plans</b>	Number of Claimants	102	19	1	172	86	389	(4)
	Claim Amount	\$ 15,507,718	\$ 7,166,511	\$ 1,296,988	\$ 5,704,584	\$ 6,691,722	\$ 36,367,524	\$ (11,595,474)
	Average Claim	\$ 152,036	\$ 377,185	\$ 1,296,988	\$ 33,166	\$ 77,811	\$ 93,490	\$ (28,553)
<b>Gold</b>	Number of Claimants	67	15	1	157	83	315	(44)
	Claim Amount	\$ 10,113,913	\$ 5,713,274	\$ 1,296,988	\$ 5,207,990	\$ 6,521,039	\$ 28,853,204	\$ (12,152,019)
	Average Claim	\$ 150,954	\$ 380,885	\$ 1,296,988	\$ 33,172	\$ 78,567	\$ 91,597	\$ (22,623)
<b>Silver</b>	Number of Claimants	13	2	-	-	-	34	29
	Claim Amount	\$ 2,144,566	\$ 782,883	\$ -	\$ -	\$ -	\$ 2,927,448	\$ 1,778,285
	Average Claim	\$ 164,967	\$ 391,441	\$ -	\$ -	\$ -	\$ 86,101	\$ (143,731)
<b>Bronze</b>	Number of Claimants	22	2	-	15	3	40	11
	Claim Amount	\$ 3,249,240	\$ 670,354	\$ -	\$ 496,594	\$ 170,683	\$ 4,586,871	\$ (1,221,741)
	Average Claim	\$ 147,693	\$ 335,177	\$ -	\$ 33,106	\$ 56,894	\$ 114,672	\$ (85,625)
<b>1/1/2012-12/31/2012</b>								
<b>Total All Plans</b>	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
<b>Gold</b>	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
<b>Silver</b>	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
<b>Bronze</b>	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
<b>1/1/2011-12/31/2011</b>								
<b>Total All Plans</b>	Number of Claimants	125	16	-	121	38	298	-
	Claim Amount	\$ 18,367,377	\$ 7,375,855	\$ -	\$ 4,190,353	\$ 3,023,540	\$ 32,957,125	\$ 43,460
	Average Claim	\$ 146,939	\$ 460,991	\$ -	\$ 34,631	\$ 79,567	\$ 110,594	\$ 146
<b>HA</b>	Number of Claimants	107	15	-	107	36	263	35
	Claim Amount	\$ 15,550,310	\$ 7,071,324	\$ -	\$ 3,663,533	\$ 2,899,310	\$ 29,184,478	\$ 3,753,040
	Average Claim	\$ 145,330	\$ 471,422	\$ -	\$ 34,239	\$ 80,536	\$ 110,968	\$ (574)
<b>NS</b>	Number of Claimants	14	1	-	12	2	29	(7)
	Claim Amount	\$ 2,211,484	\$ 304,531	\$ -	\$ 468,071	\$ 124,230	\$ 3,108,315	\$ (2,942,770)
	Average Claim	\$ 157,963	\$ 304,531	\$ -	\$ 39,006	\$ 62,115	\$ 107,183	\$ (60,902)
<b>NS HD</b>	Number of Claimants	4	-	-	2	-	6	(2)
	Claim Amount	\$ 605,583	\$ -	\$ -	\$ 58,749	\$ -	\$ 664,332	\$ (766,810)
	Average Claim	\$ 151,396	\$ -	\$ -	\$ 29,374	\$ -	\$ 110,722	\$ (68,171)

## Appendix A. - Contribution Rates: Actives Calendar Year 2014

Actives	Total Monthly Premium	State Cont. Act 1842/1421 & reserves Alloc.	School District Contrib.	2014 Total EE Cost	2013 Total EE Cost	Change in Premiums (\$/%)		Assumed Enrollment
<b>Gold</b>								
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
<b>Silver</b>								
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
<b>Bronze</b>								
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

<b>Non-Medicare Eligible Retirees</b>	Total Monthly Premium	State Contributions	Add'l Holdback	2014 Total Ret. Cost	2013 Total Ret. Cost	Change in Premiums (\$/%)		Assumed Enrollment
<b>Gold</b>								
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
<b>Silver</b>								
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
<b>Bronze</b>								
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		

<b>ME Retirees</b>	Total Monthly Premium	Subsidy / Holdback	State Contributions and Res. Alloc.	2014 Total Ret. Cost	2013 Total Ret. Cost	Change in Premiums (\$ / %)		Assumed Enrollment
<b>Medicare Eligible</b>								
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 A. - Contribution Rates: Actives Calendar Year 2013

<b>Actives</b>	<b>Base Monthly Premium</b>	<b>Act 1842 Contrib.</b>	<b>Res. Alloc.</b>	<b>School District Contrib.</b>	<b>2013 EE Total Cost</b>	<b>2012 EE Total Cost</b>	<b>Change in Premiums (\$ / %)</b>		<b>Assumed Enrollment</b>
<b>Gold</b>									
Employee Only	\$ 469.68	\$ 101.76	\$ 10.22	\$ 131.00	\$ 226.70	\$ 187.36	\$ 39.34	21%	24,946
Employee & Spouse	1,186.36	101.76	(73.60)	131.00	1,027.20	848.92	178.28	21%	846
Employee & Child(ren)	821.66	101.76	7.42	131.00	581.48	480.56	100.92	21%	4,470
Family	1,538.32	101.76	275.60	131.00	1,029.96	851.20	178.76	21%	1,375
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 18.51</b>	<b>\$ 3.22</b>	<b>\$ 0.60</b>	<b>\$ 4.14</b>	<b>\$ 10.54</b>	<b>\$ 8.71</b>	<b>\$ 1.83</b>		<b>31,637</b>
<b>Silver</b>									
Employee Only	\$ 370.04	\$ 81.48	\$ 0.00	\$ 131.00	\$ 157.56	\$ 157.56	\$ 0.00	0%	1,200
Employee & Spouse	927.00	82.14	0.00	131.00	713.86	713.86	0.00	0%	79
Employee & Child(ren)	643.58	100.96	7.52	131.00	404.10	404.10	0.00	0%	351
Family	1,200.54	100.96	252.80	131.00	715.78	715.78	0.00	0%	228
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 1.02</b>	<b>\$ 0.16</b>	<b>\$ 0.06</b>	<b>\$ 0.24</b>	<b>\$ 0.55</b>	<b>\$ 0.55</b>	<b>\$ 0.00</b>		<b>1,858</b>
<b>Bronze</b>									
Employee Only	\$ 182.78	\$ 41.78	\$ 0.00	\$ 131.00	\$ 10.00	\$ 0.00	\$ 10.00	n/a	9,290
Employee & Spouse	421.00	47.52	0.00	131.00	242.48	186.52	55.96	30%	795
Employee & Child(ren)	299.78	60.46	0.00	131.00	108.32	83.32	25.00	30%	1,729
Family	538.02	162.02	0.00	131.00	245.00	188.46	56.54	30%	1,569
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 3.40</b>	<b>\$ 0.78</b>	<b>\$ 0.00</b>	<b>\$ 1.75</b>	<b>\$ 0.86</b>	<b>\$ 0.59</b>	<b>\$ 0.27</b>		<b>13,383</b>
<b>Total (Monthly) (\$ mil)</b>	<b>\$ 22.92</b>	<b>\$ 4.17</b>	<b>\$ 0.67</b>	<b>\$ 6.14</b>	<b>\$ 11.95</b>	<b>\$ 9.85</b>	<b>\$ 2.10</b>		<b>46,878</b>
<b>Est. Annual Total (\$ mil)</b>	<b>\$ 275.04</b>	<b>\$ 50.00</b>	<b>\$ 7.98</b>	<b>\$ 73.69</b>	<b>\$ 143.37</b>	<b>\$ 118.19</b>	<b>\$ 25.18</b>		

## Appendix A. - Contribution Rates: Retirees Calendar Year 2013

Non-Medicare Eligible Retirees	Total Monthly Premium		Add'l Holdback		2013 Total Ret. Cost	2012 Total Ret. Cost	Change in Premiums (\$/%)		Assumed Enrollment
<b>Gold</b>									
Retiree Only	\$ 469.68		\$ 0.00		\$ 469.68	\$ 457.42	12.26	3%	1,096
Retiree & NME SP	1,186.36		0.00		1,186.36	1,152.01	34.35	3%	94
Retiree & Child(ren)	821.66		0.00		821.66	768.28	53.38	7%	12
Retiree & NME SP&CH	1,538.32		0.00		1,538.32	1,159.82	378.50	33%	9
Retiree & ME SP	609.06		0.00		609.06	596.82	12.24	2%	75
Retiree & ME SP & CH	961.04		0.00		961.04	907.71	53.33	6%	1
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 0.70</b>		<b>\$ 0.00</b>		<b>\$ 0.70</b>	<b>\$ 0.67</b>	<b>\$ 0.02</b>		<b>1,287</b>
<b>Silver</b>									
Employee Only	\$ 370.04		\$ 31.58		\$ 401.62	\$ 401.62	\$ 0.00	0%	170
Employee & Spouse	927.00		170.40		1,097.40	1,097.40	0.00	0%	10
Employee & Child(ren)	643.58		69.06		712.64	712.64	0.00	0%	1
Family	1,200.54		0.00		1,200.54	1,105.20	95.34	9%	1
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 0.07</b>		<b>\$ 0.01</b>		<b>\$ 0.08</b>	<b>\$ 0.08</b>	<b>\$ 0.00</b>		<b>181</b>
<b>Bronze</b>									
Employee Only	\$ 182.78		\$ 0.00		\$ 182.78	\$ 148.90	\$ 33.88	23%	784
Employee & Spouse	421.00		0.00		421.00	349.34	71.66	21%	136
Employee & Child(ren)	299.78		0.00		299.78	238.70	61.08	26%	10
Family	538.02		0.00		538.02	352.42	185.60	53%	24
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 0.22</b>		<b>\$ 0.00</b>		<b>\$ 0.22</b>	<b>\$ 0.18</b>	<b>\$ 0.04</b>		<b>954</b>
<b>Total (Monthly) (\$ mil)</b>	<b>\$ 0.99</b>		<b>\$ 0.01</b>		<b>\$ 0.99</b>	<b>\$ 0.93</b>	<b>\$ 0.06</b>		<b>2,422</b>
<b>Est. Annual Total (\$ mil)</b>	<b>\$ 11.83</b>		<b>\$ 0.08</b>		<b>\$ 11.92</b>	<b>\$ 11.16</b>	<b>\$ 0.76</b>		

ME Retirees	Total Monthly Premium	Subsidy / Holdback	Res. Alloc.	2009 Total Ret. Cost	2013 Total Ret. Cost	2012 Total Ret. Cost	Change in Premiums (\$ / %)		Assumed Enrollment
<b>Medicare Eligible</b>									
Retiree Only	\$ 139.38	\$ 77.49	\$ 11.75	\$ 41.44	\$ 50.14	\$ 41.44	\$ 8.70	21%	6,632
Retiree & NME SP	597.87	0.00	0.00	674.34	597.87	568.37	29.50	5%	107
Retiree & Child(ren)	523.12	11.72	1.78	421.18	509.62	421.17	88.45	21%	15
Retiree & NME SP&CH	1,208.03	127.09	19.26	1,054.08	1,061.68	877.42	184.26	21%	4
Retiree & ME SP	278.77	62.83	9.52	170.60	206.42	170.59	35.82	21%	597
Retiree & ME SP & CH	630.74	0.00	0.00	550.33	630.74	550.32	80.42	15%	1
<b>Est. Monthly Total (\$mil)</b>	<b>\$ 1.17</b>	<b>\$ 0.55</b>	<b>\$ 0.08</b>	<b>\$ 0.46</b>	<b>\$ 0.53</b>	<b>\$ 0.45</b>	<b>\$ 0.08</b>		<b>7,357</b>
<b>Total (Est. Annual)</b>	<b>\$ 14.02</b>	<b>\$ 6.63</b>	<b>\$ 1.00</b>	<b>\$ 5.52</b>	<b>\$ 6.39</b>	<b>\$ 5.38</b>	<b>\$ 1.01</b>		

## Appendix B. - Enrollment Details

Average for Year Ending		12/31/2011		12/31/2012	12/31/2013	Projected 12/31/2014	Updated Proj. 12/31/2014
Health Advantage	Single	29,364	Gold	28,906	22,814	16,330	16,404
	Employee/Spouse	1,259		955	501	92	259
	Employee/Child(ren)	5,358		5,172	3,408	793	1,445
	Family	1,847		1,537	740	23	326
	<b>Total</b>	<b>37,829</b>		<b>36,570</b>	<b>27,463</b>	<b>17,238</b>	<b>18,434</b>
	Member Counts	54,386		51,756	36,559	18,898	22,355
NovaSys	Single	2,287	Silver	502	2,902	5,301	3,568
	Employee/Spouse	77		39	181	260	195
	Employee/Child(ren)	428		192	954	1,523	838
	Family	130		139	437	460	327
	<b>Total</b>	<b>2,922</b>		<b>872</b>	<b>4,474</b>	<b>7,544</b>	<b>4,927</b>
	Member Counts	4,196		1,699	7,810	12,148	7,731
NovaSys HD PPO	Single	3,528	Bronze	5,950	9,231	14,264	14,314
	Employee/Spouse	267		710	1,019	1,381	1,434
	Employee/Child(ren)	526		1,137	2,240	4,580	3,756
	Family	580		1,457	2,256	2,979	3,286
	<b>Total</b>	<b>4,901</b>		<b>9,254</b>	<b>14,746</b>	<b>23,203</b>	<b>22,789</b>
	Member Counts	7,882		16,436	26,746	42,167	41,224
<b>TOTAL</b>	Single	35,179	<b>TOTAL</b>	35,358	34,947	35,895	34,286
	Employee/Spouse	1,604		1,703	1,702	1,732	1,887
	Employee/Child(ren)	6,312		6,502	6,602	6,895	6,039
	Family	2,557		3,133	3,432	3,462	3,939
	<b>Total</b>	<b>45,652</b>		<b>46,696</b>	<b>46,683</b>	<b>47,985</b>	<b>46,150</b>
	Member Counts	66,464		69,890	71,116	73,213	71,311

# Appendix B. - Enrollment Details

Average for Year Ending		12/31/2011	12/31/2012	12/31/2013	Projected 12/31/2014	Updated Proj. 12/31/2014
<b>Retirees Non-Medicare Eligible (NME) Gold</b>	Retiree Only	1,783	1,963	2,035	2,065	2,033
	Retiree + NME Spouse	186	178	158	167	149
	Retiree + Child(ren)	10	16	19	21	19
	Retiree + NME Spouse + Child(ren)	9	17	17	17	17
	Retiree + ME Spouse	111	129	146	146	159
	Retiree + ME Spouse + Child(ren)	2	1	1	1	-
	<b>Total</b>	<b>2,101</b>	<b>2,304</b>	<b>2,377</b>	<b>2,418</b>	<b>2,377</b>
<b>Silver</b>	Retiree Only	-	9	45	99	115
	Retiree + NME Spouse	-	-	2	3	2
	Retiree + Child(ren)	-	-	1	2	1
	Retiree + NME Spouse + Child(ren)	-	-	2	4	-
	<b>Total</b>	<b>-</b>	<b>9</b>	<b>50</b>	<b>107</b>	<b>118</b>
<b>Bronze</b>	Retiree Only	-	222	665	958	1,077
	Retiree + NME Spouse	-	47	141	197	206
	Retiree + Child(ren)	-	7	20	30	24
	Retiree + NME Spouse + Child(ren)	-	8	34	51	39
	<b>Total</b>	<b>-</b>	<b>285</b>	<b>859</b>	<b>1,236</b>	<b>1,346</b>
<b>TOTAL</b>	<b>NME Retirees</b>	<b>2,101</b>	<b>2,597</b>	<b>3,286</b>	<b>3,761</b>	<b>3,841</b>
	<b>NME Member Counts</b>	<b>2,435</b>	<b>2,970</b>	<b>3,639</b>	<b>4,508</b>	<b>4,219</b>

<b>Retirees Medicare Eligible (ME)</b>	Retiree Only	5,553	6,268	7,107	7,738	8,184
	Retiree + NME Spouse	98	98	87	100	87
	Retiree + Child(ren)	14	14	14	15	16
	Retiree + NME Spouse + Child(ren)	3	2	3	3	1
	Retiree + ME Spouse	459	530	609	659	740
	Retiree + ME Spouse + Child(ren)	1	1	1	0	-
	<b>Total</b>	<b>6,128</b>	<b>6,914</b>	<b>7,820</b>	<b>8,515</b>	<b>9,028</b>
<b>ME Member Counts</b>	<b>6,721</b>	<b>7,575</b>	<b>8,577</b>	<b>9,322</b>	<b>9,883</b>	

# Appendix C. - Summary of Plan or Policy Changes

<u>Date</u>	<u>Major Change</u>
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/Spec</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 ind</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 fo</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 f</p> <p>Increase Bronze Plan out-of-network deductible to \$4,000 for individual, \$8,000 for family, MOOP to \$12,700 for individual, \$1</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 &amp; 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</p> <p>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</p> <p>\$2,500 to \$3,000 for the other coverage tie</p>

## Appendix C (cont.) - Plan Summary for 2013

Benefit Option Name: Last Modified: Provider Network:	Gold 1/1/2013 Health Advantage	Silver 1/1/2013 QualChoice	Bronze 1/1/2013 Health Advantage
<b><u>In-Network (INN) Benefits</u></b>			
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
<b><u>Out-of-Network (OON) Benefits <sup>1</sup></u></b>			
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
<b>Annual Maximum INN / OON</b>	Unlimited	Unlimited	Unlimited
<b><u>Prescription Drugs</u></b>			
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.
<b><u>Selected Detail Benefits</u></b>			
Emergency Transportation - Ambulance	INN: \$0 Copay; OON: Ded & Coins.	INN: \$0 Copay; OON: Ded & Coins.	Ded. & Coins.
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

## Appendix C (cont.) - Plan Summary for 2013

<p><b><u>Medical Management</u></b>          PCP referral to specialists required:          Inpatient:          Outpatient:          Case Management:          Disease Management:          Wellness          Nurse-Line / Informed Decision Support:</p>	<p style="text-align: center;">No          American Health Holding          American Health Holding          Health Advantage          Yes, select conditions          Yes          Yes</p>	<p style="text-align: center;">No          American Health Holding          American Health Holding          Health Advantage          Yes, select conditions          Yes          Yes</p>	<p style="text-align: center;">No          American Health Holding          American Health Holding          Health Advantage          Yes, select conditions          Yes          Yes</p>
<p><b><u>Medicare Integration:</u></b>          Non- Medicare Benefits Covered:          Non- Medicare Providers Covered:          Pharmacy Covered:</p>	<p style="text-align: center;">Coordination of Benefits          Yes, same as NME          Non-Par &amp; Non-Accepting          Non-Par &amp; Non-Accepting</p>	<p style="text-align: center;">Not Available</p>	<p style="text-align: center;">Not Available</p>

<sup>1</sup>When 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
<b>Benefit and Claims Coordination (Actives &amp; NME Retirees)</b>			
- Gold	\$27.04	Per Employee Per Month	For Calendar Year 2013 unless noted
- Silver	\$22.51	Per Employee Per Month	
- Bronze	\$25.00	Per Employee Per Month	
<b>Benefit and Claims Coordination (ME Retirees)</b>			
- Medicare	\$27.04	Per Employee Per Month	
<b>Prescription Drugs Claims Administration</b>	<u>All Plans</u>		
- CatamaranRx (Includes Integrail and staff)	\$3.40	Per Member Per Month	
- RDS	\$0.10	Per RDS Member Per Month	
<b>Medical Appeals - UAMS</b>			
- Physician Appeals	\$150.00	Per Physician Appeal	
<b>Pharmacy Prior Authorization - EBRx</b>			
- Prior Authorization	\$0.70	Per Employee Per Month	
<b>Pharmacy Appeals - American Health Holding Inc.</b>			
- Physician Appeals	\$150.00	Per Physician Appeal	
<b>Medical Utilization Review - American Health Holding, Inc.</b>	\$0.85	Per Member Per Month	
<b>Condition Management - American Health Holding, Inc.</b>	\$2.85	Per Member Per Month	
<b>Case Management - American Health Holding, Inc.</b>	\$0.89	Per Member Per Month	
<b>ACHI</b>	\$0.11	Per Member Per Month	
<b>Life Insurance - Minnesota Life</b>			
- No longer age banded	\$1.70	Per Employee Per Month	
<b>Employee Assistance Program - ComPsych</b>	\$1.73	Per Employee Per Month	
<b>Health Savings Account (HSA) Administrator - DataPath Admin. Services</b>			
- 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 \$)	12/31/2011	12/31/2012	12/31/2013	Updated Proj. 12/31/2014
<b>Net Assets (Prior To IBNR)</b>	\$ 73.2	\$ 46.6	\$ 70.3	\$ 39.1
<b>Incurred But Not Recorded Claims</b>	(27.8)	(27.3)	(29.8)	(29.8)
<b>Net Assets After IBNR</b>	\$ 45.4	\$ 19.3	\$ 40.5	\$ 9.3
<b>ALLOCATED RESERVES</b>				
Active/Retiree Premiums for Plan Year	\$ -	\$ -	\$ -	\$ -
Act/Ret Premiums for Next Plan Year	(16.8)	(9.0)	(43.0)	-
Act/Ret Premiums for 2nd Year After	(12.6)	(3.6)	-	-
Catastrophic Reserve	(10.0)	(6.7)	-	(9.3)
<b>Total Allocated Reserves</b>	\$ (39.4)	\$ (19.3)	\$ (43.0)	\$ (9.3)
<b>Net Assets Available</b>	\$ 6.0	\$ -	\$ (2.5)	\$ -

*Note: Actual Reserves are those certified by Cheiron in July 2012. 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.*

# Appendix F. - Definitions & Methods

## Definitions:

- Actual:** Results based on actual paid and incurred claims and enrollment experience through December 2013. 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 2014 and 2013 projections can be found in our November 13, 2013 (for 2014) letter to Bob Alexander and November 15, 2012 (for 2013) letter to Jason Lee (for 2013).
- Updated Projections:** Projections produced in October 2013 by Cheiron for 2014 rates, adjusted for actual asset experience through December 2013 and enrollment changes through January 2013.

## Methods:

- Updated Projections:** Population projections for the remainder of 2014 are based on using historical average changes from January during the year for 2012 & 2013 for actives and 2011 through 2013 for retirees. Projections are adjusted for count 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 and process dates through December 31, 2013. 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 2013. Original and updated Reserve projections assume claims will be paid so that IBNR does not change. *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.