

**State and Public School Life
And Health Insurance Board
Minutes
August 21, 2012**

The 123rd meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met on August 21, 2012 at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, AR 72201.

MEMBERS PRESENT

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

MEMBERS ABSENT

Dr. Andrew Kumpuris

Jason Lee, Executive Director, Employee Benefits Division.

OTHERS PRESENT:

John Colberg, Cheiron; George Platt, Marla Wallace, Michelle Hazelett, Doug Shackelford, Leslie Smith, Sherri Saxby, , Laurie Fowler, Kristi Jackson, Sherry Bryant, Janna Keathley, Cathy Harris, EBD; Lori Eden, Pam Lawrence, American Health Holdings; Rhonda Hill, Keitha McGhee, AR Center for Health Improvement, Ron Deberry, David Bridges, Barbara Melugin, Tonya Rogers, Kathy Ryan, Health Advantage; Ronda Walthall, Wayne Whitley, AR Highway & Transportation Dept, Joe Chang, MN Life; Diann Shoptaw, USable; Susan Walker, Data Path; BJ Himes, Andra Kaufman, QualChoice; Steve Singleton, AR Retired Teacher Association; Peggy Nabors, AR Education Association; Kristi Clark, AR Building Authority; Karen Hena, Wanda Henry, AR Game & Fish Commission; Dwight Davis, Ben Abbott, UAMS; Kim Henderson, AR Development Finance Authority; Alicia Hayden, InformedRx; Doris Williams, AR Department of Health, Christi Pittman, Delta Dental

CALL TO ORDER

Meeting was called to order by Renee Mallory, Chair.

APPROVAL OF MINUTES

The request was made by Mallory to approve the July 17, 2012 minutes. Alexander made the motion to approve minutes. Wooley seconded. All were in favor. Minutes approved.

FINANCIALS *by Marla Wallace, CFO*

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

BENEFITS SUBCOMMITTEE REPORT *by Lloyd Black*

Black reported the committee met on Friday, August 10, 2012 to decide on the ASE & PSE Actives and Retires preliminary rates for Plan Year 2013. The committee also reviewed selected benefit changes.

Colberg provided the Board with an overview of the ASE & PSE Actives and Retires preliminary rates for Plan Year 2013.

Black made the motion to accept the 2013 ASE & PSE Actives and Retiree rates with no benefit changes until 2014. 1 opposed. Motion carried.

LIFE INSURANCE REPORT *by Jason Lee*

Lee reported that Minnesota Life was awarded the Life Insurance contract for the public school group effective January 1, 2013.

Lee informed the Board that Community Health Systems (CHS) will withdraw from the Health Advantage network at the end of the month. CHS operates nine hospitals and a number of physician clinics in the state.

Alexander made the motion that the Executive Director send a letter to the CHS leadership on behalf of the Board inquiring about the balance billing situation once they depart from the Health Advantage Network. Dr. Thompson seconded. Motion carried.

Meeting adjourned.



AGENDA

State and Public School Life and Health Insurance Board

EBD Board Room - 501 Building - 5th Floor

August 21, 2012

1:00 p.m.

- 1. Call to Order** *Renee Mallory, Chair*
- 2. Approval of Minutes** *Renee Mallory, Chair*
- 3. Financials (July 2012)**.....*Marla Wallace, CFO*
- 4. Rate Setting Guidelines** *Jason Lee, Executive Director*
- 5. Benefits Subcommittee Report**..... *Lloyd Black, Co- Chair*
- 6. Final 2013 Plan Year Rates***John Colberg, Cheiron*
- 7. Life Insurance Report** *Jason Lee*
- 8. Director's Report***Jason Lee*

Next Meeting

To be arranged.

Arkansas State Employees (ASE) Financials - January 1, 2012 through July 31, 2012

	Gold	Silver	Bronze	Total
Actives	46,538	1,193	2,782	50,513
Retirees	3,188	9	50	3,247
Medicare	9,792			9,792
Total	59,518	1,202	2,832	63,552

Revenues & Expenditures

Funding	Current Month	Year to Date (7 months)
State Contribution	\$ 13,559,320	\$ 94,491,316
Employee Contribution	\$ 7,156,908	\$ 50,128,984
Other	\$ 8,624	\$ 8,655,062
Allocation for Active/Retiree Plan Year 2012	\$ 1,554,167	\$ 10,879,167
Total Funding	\$ 22,279,019	\$ 164,154,529

Expenses

Medical Expenses		
Claims Expense	\$ 13,531,830	\$ 105,310,119
Claims IBNR	\$ -	\$ (470,000)
Medical Admin Fees	\$ 1,047,896	\$ 7,552,502
Refunds	\$ 10,587	\$ 132,907
Employee Assistance Program (EAP)	\$ 56,912	\$ 400,595
Life Insurance	\$ 101,675	\$ 715,880
Pharmacy Expenses		
RX Claims	\$ 4,303,909	\$ 44,705,610
RX IBNR	\$ -	\$ 520,000
RX Admin	\$ 73,693	\$ 709,886
Plan Administration	\$ 275,842	\$ 2,135,638
Total Expenses	\$ 19,402,344	\$ 161,713,138

Net Income/(Loss)	\$ 2,876,674	\$ 2,441,391
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Balance Sheet

Assets

Bank Account	\$ 15,153,724
State Treasury	\$ 98,134,124
Due from Cafeteria Plan	\$ 4,770,958
Due from PSE	\$ -
Receivable from Provider	\$ 446,749
Accounts Receivable	\$ (775,951)
Total Assets	\$ 117,729,604

Liabilities

Accounts Payable	\$ 3,666,709
Deferred Revenues	\$ 4,106,567
Due to Cafeteria	\$ -
Due to PSE	\$ 386
Health IBNR	\$ 21,100,000
RX IBNR	\$ 3,200,000
Total Liabilities	\$ 32,073,662

Net Assets	\$ 85,655,942
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Less Reserves Allocated:

Active/Retiree Premiums for Plan Year 1/1/12 - 12/31/12	(\$18,650,000)	\$ (7,770,833)
Active/Retiree Premiums for Plan Year 1/1/13 - 12/31/13	(\$11,190,000)	\$ (11,190,000)
Active/Retiree Premiums for Plan Year 1/1/14 - 12/31/14	(\$7,460,000)	\$ (7,460,000)
Catastrophic Reserve		\$ (9,000,000)
Net Assets Available		\$ 50,235,109

ASE Cafeteria Plan Financials 2011- January 1, 2012 through July 31, 2012

Revenues & Expenditures

<u>Funding</u>	Current Month	Year to Date (7 months)
FICA Savings	\$ 348,731	\$ 2,490,162
Interest, Penalties, Tax Set Off	\$ 102	\$ 17,974
Total Funding	\$ 348,833	\$ 2,508,136
<u>Expenses</u>		
Plan Administration	\$ 13,437	\$ 93,502
Forfeited Benefits (Annual Expense)	\$ -	\$ 4,195,021
FICA Savings Transfer (Annual Expense)	\$ -	\$ -
Total Expenses	\$ 13,437	\$ 4,288,523
Net Income/(Loss)	\$ 335,396	\$ (1,780,387)

Balance Sheet

<u>Assets</u>	
State Cafeteria (Flexible Benefits)	\$ 625,276
Admin Acct (FICA Savings)	\$ 206,162
State Treasury	\$ 4,356,471
Due from Health Plan	\$ -
Due from State Employee Fund	\$ -
Accounts Receivable	\$ 25,640
Total Assets	\$ 5,213,549
<u>Liabilities</u>	
Accounts Payable	\$ 1,886
Due to Health Plan (FICA Savings Annual)	\$ 13
Due to Health Plan (Forfeited Benefits Annual)	\$ 4,770,945
Total Liabilities	\$ 4,772,844
Net Assets	\$ 440,704

Public School Employees (PSE) Financials - January 1, 2012 through July 31, 2012

	Gold	Silver	Bronze	Total
Actives	51,808	1,509	15,926	69,243
Retirees	2,524	7	290	2,821
Medicare	7,619			7,619
Total	61,951	1,516	16,216	79,683

Revenues & Expenditures

Funding	Current Month	Year to Date (7 months)
District Contribution	\$ 7,792,503	\$ 54,592,612
Employee Contribution	\$ 10,697,446	\$ 76,636,250
Dept of Ed \$35,000,000 & \$15,000,000	\$ 6,931,818	\$ 30,340,909
Other	\$ 8,953	\$ 1,259,054
Allocation for Active/Retiree Premiums for Plan Year 2012	\$ 1,400,000	\$ 9,800,000
Total Funding	\$ 26,830,720	\$ 172,628,826
Expenses		
Medical Expenses:		
Claims Expense	\$ 17,820,352	\$ 128,202,084
Claims IBNR	\$ -	\$ (800,000)
Medical Admin Fees	\$ 1,543,051	\$ 11,208,828
Refunds	\$ 4,573	\$ 89,722
Employee Assistance Program (EAP)	\$ 80,023	\$ 570,213
Pharmacy Expenses:		
RX Claims	\$ 3,506,548	\$ 36,544,142
RX IBNR	\$ -	\$ 260,000
RX Admin	\$ 75,839	\$ 713,305
Plan Administration	\$ 321,879	\$ 2,886,301
Total Expenses	\$ 23,352,265	\$ 179,674,595
Net Income/(Loss)	\$ 3,478,455	\$ (7,045,769)

Balance Sheet

Assets	
Bank Account	\$ 15,261,542
State Treasury	\$ 45,003,590
Receivable from Provider	\$ 618,474
Accounts Receivable	\$ 1,459,356
Due from ASE	\$ 386
Total Assets	\$ 62,343,348
Liabilities	
Accounts Payable	\$ 4,826,564
Due to ASE	\$ -
Deferred Revenues	\$ 1,684,367
Health IBNR	\$ 24,700,000
RX IBNR	\$ 2,600,000
Total Liabilities	\$ 33,810,931
Net Assets	\$ 28,532,417
Less Reserves Allocated:	
Active/Retiree Premiums for Plan Year 01/01/12 - 12/31/12 (\$16,800,000)	\$ (7,000,000)
Active/Retiree Premiums for Plan Year 01/01/13 - 12/31/13 (\$9,000,000)	\$ (9,000,000)
Active/Retiree Premiums for Plan Year 01/01/14 - 12/31/14 (\$3,600,000)	\$ (3,600,000)
Catastrophic Reserve (2012 - \$9,900,000)	\$ (8,932,417)
Net Assets Available	\$ 0



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

Meeting Date: August 10, 2012

1. 2013 ASE & PSE ACTIVES AND RETIREE RATES

Cheiron provided an overview of the ASE & PSE Actives and Retires preliminary rates for Plan Year 2013. The committee also reviewed selected benefit changes.

Recommendation: Accept the 2013 ASE & PSE Actives and Retiree rates with no benefit changes until 2014.

2. ELECTION OF OFFICERS

The committee reappointed Becky Walker as Chair of the Committee and Lloyd Black, Co-Chairman.

Arkansas State Employees & Public School Employees Health Benefits Program

Preliminary Rates for CY 2013

State and Public School
Life and Health Insurance Board

August 21, 2012

John Colberg, FSA, MAAA

Karen Mallett, FSA, MAAA





Topics

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Considerations for Setting Employee Contributions

- How much **reserves** should be drained/increased?
- Should there be any **benefit changes**?
 - Rate and Benefits Sub-Committees recommend only required legal changes
- **Fixed rate** increase for certain categories
 - \$10 for employee only rate for PSE Bronze
 - No rate increase for ASE
- Rate Committee recommends to use the “by person” tier rating methodology, i.e., same rate for all employees, all spouses, and all children across all the rating tiers.
- Benefit Committee recommends rates on pages 6 through 11.



Reserves Projections

- Preliminary Excess Reserves as of 7/31/2012
 - PSE: \$ 0 million or about 0% of annual expenses
 - ASE: \$50 million or about 18% of annual expenses
- Projected Excess Reserves as of 12/31/2012
 - PSE: About \$ 0 million or 0% of annual expenses
 - ASE: About \$50 million or 18% of annual expenses



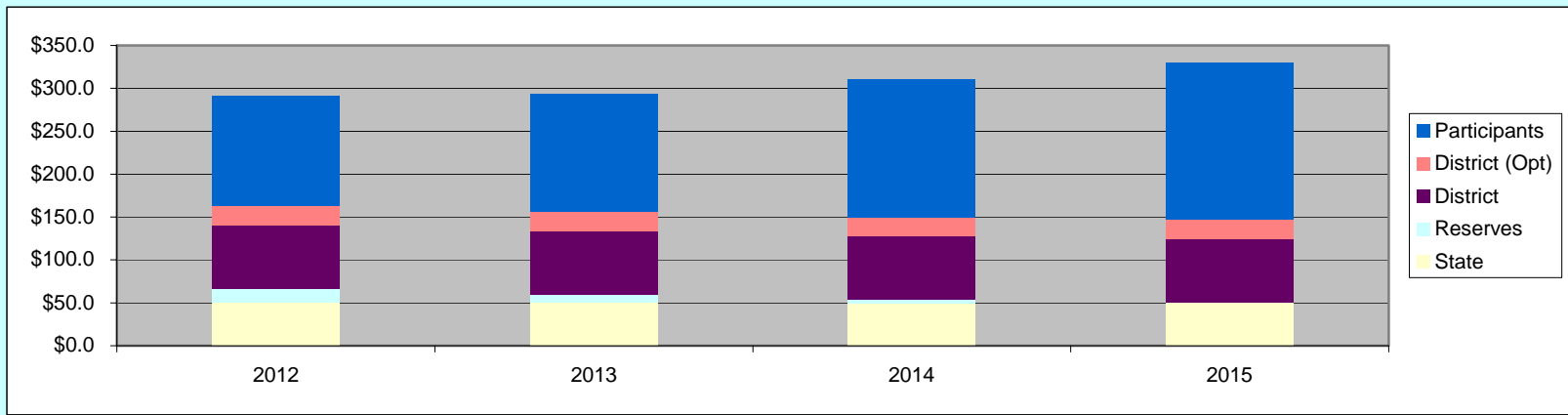
PSE – A Look Ahead to 2014 & 2015

Aggregate		Change due	Add'l Change		State	Reserves	Avg Opt Dist
Inflation Rate		to AutoEnroll	in # Covered		(\$mill)	(\$mill)	(per ee)
				2013	\$50.0	\$9.0	\$40
2014	6%	0	0	2014	\$50.0	\$3.6	\$40
2015	6%	0	0	2015	\$50.0	\$0.0	\$40

RESULTS

\$ in millions

	Total Plan Costs	State Portion	Reserves	Mandatory District	Optional District	Participants' Portion	Gain (Loss)	Change in Part. Portion
2012	\$290.8	\$50.0	\$16.8	\$73.9	\$22.6	\$128.3	\$0.8	n/a
2013	\$293.2	\$50.0	\$9.0	\$73.9	\$22.6	\$137.7	\$0.0	7%
2014	\$310.8	\$50.0	\$3.6	\$73.9	\$22.6	\$160.7	\$0.0	17%
2015	\$329.4	\$50.0	\$0.0	\$73.9	\$22.6	\$182.9	\$0.0	14%



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



Migration Illustration

	<u>All in Gold</u>	<u>All in Silver</u>	<u>All in Bronze</u>	<u>Year 1</u>	<u>Year 2</u>	
Adam	\$600	\$540	\$480	\$600	\$600	
Betty	550	495	440	550	550	
Charlie	500	450	400	500	500	
Doug	450	405	360	450	450	
Emma	400	360	320	400	360	
Francis	350	315	280	350	280	
Greg	300	270	240	270	270	
Heather	250	225	200	225	200	
Ida	200	180	160	160	160	
Joe	150	135	120	120	120	
<u>Averages</u>						<u>increase</u>
Gold	\$375	n/a	n/a	\$475	\$525	10.5%
Silver	n/a	\$338	n/a	\$248	\$315	27.3%
<u>Bronze</u>	<u>n/a</u>	<u>n/a</u>	<u>\$300</u>	<u>\$140</u>	<u>\$190</u>	<u>35.7%</u>
All Plans	\$375	\$338	\$300	\$363	\$349	-3.7%

Illustrative Only: Actual morbidity, provider discounts, and medical management will impact the figures.



PSE Actives

By Person Tiers / Set Percent Change No New Reserves are Being Allocated

CHEIRON		PSE Detailed Financials					H-scan	
Total Active & Ret (\$ mil)	\$294.3	\$58.9	\$73.7	\$161.7	\$134.7	\$27.0		56,657
Actives	Total Monthly Premium	State Cont. Act 1842/1421 and Reserve Alloc.	School District Contrib.	2013 Total EE Cost	2012 Total EE Cost	Change in Premiums (\$/%)		Assumed Enrollment
Gold								
Employee Only	\$469.68	\$111.98	\$131.00	\$226.70	\$187.36	\$39.34	21%	24,946
Employee & Spouse	1,186.36	28.16	131.00	1,027.20	848.92	178.28	21%	846
Employee & Child(ren)	821.66	109.18	131.00	581.48	480.56	100.92	21%	4,470
Family	1,538.32	377.36	131.00	1,029.96	851.20	178.76	21%	1,375
Est. Monthly Total (\$mil)	\$18.5	\$3.8	\$4.1	\$10.5	\$8.7	\$1.8		31,637
Silver								
Employee Only	\$370.04	\$81.48	\$131.00	\$157.56	\$157.56	\$0.00	0%	1,200
Employee & Spouse	927.00	82.14	131.00	713.86	713.86	0.00	0%	79
Employee & Child(ren)	643.58	108.48	131.00	404.10	404.10	0.00	0%	351
Family	1,200.54	353.76	131.00	715.78	715.78	0.00	0%	228
Est. Monthly Total (\$mil)	\$1.0	\$0.2	\$0.2	\$0.6	\$0.6	\$0.0		1,858
Bronze								
Employee Only	\$182.78	\$41.78	\$131.00	\$10.00	\$0.00	\$10.00	n/a	9,290
Employee & Spouse	421.00	47.52	131.00	242.48	186.52	55.96	30%	795
Employee & Child(ren)	299.78	60.46	131.00	108.32	83.32	25.00	30%	1,729
Family	538.02	162.02	131.00	245.00	188.46	56.54	30%	1,569
Est. Monthly Total (\$mil)	\$3.4	\$0.8	\$1.8	\$0.9	\$0.6	\$0.3		13,383
Total (Monthly) (\$ mil)	\$22.9	\$4.8	\$6.1	\$11.9	\$9.8	\$2.1		46,878
Est Annual Total (\$ mil)	\$275.0	\$58.0	\$73.7	\$143.4	\$118.2	\$25.2		

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



PSE Non-Medicare Retirees By Person Tiers / Set Percent Change No New Reserves Are Being Allocated



PSE Detailed Financials



NME Retirees	Total Monthly Premium	Add'l Holdback	2013 Total Ret. Cost	2012 Total Ret. Cost	Change in Premiums (\$/%)		Assumed Enrollment
Gold							
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
Est. Monthly Total (\$mil)	\$0.7	\$0.0	\$0.7	\$0.7	\$0.0		1,287
Silver							
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
Est. Monthly Total (\$mil)	\$0.1	\$0.0	\$0.1	\$0.1	\$0.0		181
Bronze							
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
Est. Monthly Total (\$mil)	\$0.2	\$0.0	\$0.2	\$0.2	\$0.0		954
Total (Monthly) (\$ mil)	\$1.0	\$0.0	\$1.0	\$0.9	\$0.1		2,422
Est Annual Total (\$ mil)	\$11.8	\$0.1	\$11.9	\$11.2	\$0.8		

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





PSE Retirees – Medicare Eligible By Person Tiers / Set Percent Change No New Reserves Are Being Allocated



PSE Detailed Financials



ME Retirees	Total Monthly Premium	Subsidy / Holdback	Res. Alloc.	2013 Total Ret. Cost	2012 Total Ret. Cost	2009 Total Ret. Cost	Change in Premiums (\$/%)		Assumed Enrollment
Medicare Eligible									
Retiree Only	\$139.38	\$77.49	\$11.75	\$50.14	\$41.44	\$41.44	\$8.70	21%	6,632
Retiree & NME SP	597.87	0.00	0.00	597.87	568.37	674.34	29.50	5%	107
Retiree & Child(ren)	523.12	11.72	1.78	509.62	421.17	421.18	88.45	21%	15
Retiree & NME SP&CH	1,208.03	127.09	19.26	1,061.68	877.42	1,054.08	184.26	21%	4
Retiree & ME SP	278.77	62.83	9.52	206.42	170.59	170.60	35.82	21%	597
Retiree & ME SP & CH	630.74	0.00	0.00	630.74	550.32	550.33	80.42	15%	1
Est. Monthly Total (\$mil)	\$1.2	\$0.6	\$0.1	\$0.5	\$0.4	\$0.5	\$0.1		7,357
Total (Est. Annual)	\$14.0	\$6.6	\$1.0	\$6.4	\$5.4	\$5.5	\$1.0		

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



ASE Actives

By Person Tiers – No Rate Change

\$31.3 million of New Reserves Allocated



ASE Detailed Financials



Total Active & Ret (\$ mil)	\$275.8	\$162.2	\$26.8	\$86.7	\$86.8	(\$0.0)		38,398
Actives	Total Monthly Premium	State Contrib.	Reserve Alloc.	2013 EE Total Cost	2012 EE Total Cost	Change in Premiums (\$ / %)		Assumed Enrollment
Gold								
Employee Only	\$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
Est. Monthly Total (\$mil)	\$17.0	\$10.4	\$1.8	\$4.8	\$4.8	\$0.0		25,514
Silver								
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
Est. Monthly Total (\$mil)	\$0.4	\$0.2	\$0.0	\$0.1	\$0.1	\$0.0		954
Bronze								
Employee Only	\$148.70	\$148.70	\$0.00	\$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
Est. Monthly Total (\$mil)	\$0.4	\$0.3	\$0.0	\$0.1	\$0.1	\$0.0		1,769
Total (Monthly) (\$ mil)	\$17.8	\$11.0	\$1.8	\$5.0	\$5.0	\$0.0		28,238
Est Annual Total (\$ mil)	\$213.2	\$131.7	\$21.6	\$59.9	\$59.9	\$0.0		

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





ASE NME Retirees By Person Tiers

\$31.3 million of New Reserves Allocated

CHEIRON

ASE Detailed Financials

H-scan

NME Retirees	Total Monthly Premium	State Contrib.	Reserve Alloc.	2013 Ret. Total Cost	2012 Ret. Total Cost	Change in Premiums (\$ / %)		Assumed Enrollment
Gold								
Retiree Only	\$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
Est. Monthly Total (\$mil)	\$1.5	\$0.5	\$0.1	\$0.8	\$0.8	\$0.0		2,371
Silver								
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
Est. Monthly Total (\$mil)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.0)		34
Bronze								
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
Est. Monthly Total (\$mil)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		57
Total (Monthly) (\$ mil)	\$1.5	\$0.5	\$0.1	\$0.8	\$0.8	(\$0.0)		2,462
Est Annual Total (\$ mil)	\$18.2	\$6.3	\$1.7	\$10.1	\$10.1	(\$0.0)		

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

CHEIRON



ASE ME Retirees By Person Tiers

\$31.3 million of New Reserves Allocated



ASE Detailed Financials



ME Retirees	Total Monthly Premium	State Contrib.	Reserve Alloc.	2013 Ret. Total Cost	2012 Ret. Total Cost	Change in Premiums (\$ / %)		Assumed Enrollment
Medicare Eligible								
Retiree Only	\$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
Est. Monthly Total (\$ mil)	\$3.7	\$2.0	\$0.3	\$1.4	\$1.4	\$0.0		7,698
Total (Est. Annual)	\$44.5	\$24.2	\$3.5	\$16.7	\$16.7	\$0.0		

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



Appendices

Appendix A – PSE Actives

2012 Final Rate Details

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

Appendix A – PSE Retirees 2012 Final Rate Details

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

Appendix A – ASE Actives

2012 Final Rate Details

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



Appendix A – ASE Retirees 2012 Final Rate Details

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



Appendix B - Benefit Options

Benefit Option Name: Last Modified: Plan Coverage Relative Value: Provider Network:	Gold 1/1/2012 1.00 Health Advantage	Silver 1/1/2012 0.93 QualChoice	Bronze 1/1/2012 0.84 Heath Advantage
<u>In-Network (INN) Benefits</u>			
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
<u>Out-of-Network (OON) Benefits</u>¹			
Deductible (Individual / Family)	\$1000 / \$2000	\$1500 / \$3000	\$3000 / \$6000
Coinsurance	40%	40%	40%
Out-of-Pocket Max (Individual / Family)	\$5000 / \$10000	\$5000 / \$10000	\$5000 / \$10000
Annual Maximum INN / OON	Unlimited / \$1,000,000	Unlimited / \$1,000,000	Unlimited / \$1,000,000
<u>Prescription Drugs</u>			
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.
<u>Selected Detail Benefits</u>			
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 B - Benefit Options (continued)

<u>Medical Management</u>			
PCP referral to specialists required:	No	No	No
Inpatient:	Yes	Yes	Yes
Outpatient:	Selected	Selected	Selected
Case Management:	Yes	Yes	Yes
Disease Management:	Yes, select conditions	Yes, select conditions	Yes, select conditions
Wellness:	Yes	Yes	Yes
Nurse-Line / Informed Decision Support:	Yes	Yes	Yes
Medicare Integration:	Coordination of Benefits	Not Available	Not Available
Non- Medicare Benefits Covered:	Yes, same as NME		
Non- Medicare Providers Covered:	Non-Par & Non-Accepting		
Pharmacy Covered:	Non-Par & Non-Accepting		

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



Appendix C

Recap of Last Year's Decisions

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



Appendix C (continued)

Recap of Last Year's Decisions

- PSE smoothing or how the \$18 million was used:
 1. Increased Gold employee costs 10% from 2011 HA.
 2. Decreased Silver employee costs 7.5% from 2011 HA.
 3. Bronze employee costs set to \$0 for employee only coverage.
 4. Held retiree costs constant for Gold retirees (Medicare and Non-Medicare).
 5. Silver and Bronze retiree costs set to 100% of total premium rate.
- ASE smoothing or how the \$37.3 million was used:
 1. Held Gold active employee and retiree costs constant.
 2. Employees and retirees electing Silver had costs reduced by dollar difference between Gold and Silver total premium rate.
 3. State paid 100% of cost for Bronze active employees and 50% of the Bronze dependent costs.
 4. Bronze NME retiree costs set to 100% of total premium rate.



Appendix D

Assumptions & Methods

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

Appendix D (continued)

Trend Analysis

AR Health - Preliminary PSE Trend Development

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

* blended based on medical claims

AR Health - Preliminary ASE Trend Development

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

* blended based on medical claims



Appendix D (continued)

Comparative Risk/Morbidity Analysis

- PSE

	Actives	Retirees
Gold	1.01	1.61
Silver	0.63	1.12
Bronze	0.57	1.17

- ASE

	Actives	Retirees
Gold	0.93	1.47
Silver	0.56	0.55
Bronze	0.44	0.45

Source: InformedRx predictive model

Appendix E - PSE Actives & NME Retirees

PSE ACTIVE RATE DEVELOPMENT for CY2013

Plan: Benefit: Experience Period - Service (Incurred) Dates Experience Period - Processed (Paid) Dates	Gold			Silver			Bronze		
	<u>Medical</u>	<u>Pharmacy</u>	<u>Total</u>	<u>Medical</u>	<u>Pharmacy</u>	<u>Total</u>	<u>Medical</u>	<u>Pharmacy</u>	<u>Total</u>
	6/11 - 5/12	7/11 - 6/12		6/11 - 5/12	7/11 - 6/12		6/11 - 5/12	7/11 - 6/12	
	6/11 - 7/12	7/11 - 7/12		6/11 - 7/12	7/11 - 7/12		6/11 - 7/12	7/11 - 7/12	
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>
1 Total Incurred Medical & Rx Claims (Experience Period)	\$174,338,948	\$58,289,743	\$232,628,691	\$2,168,842	\$629,562	\$2,798,405	\$15,890,933	\$2,004,501	\$17,895,434
2 Less High Cost Claims Above (Med/Rx) \$100,000 \$20,000	\$12,757,426	\$4,839,145	\$17,596,571	\$94,926	\$26,494	\$121,420	\$163,855	\$86,742	\$250,597
3 Net Incurred Claims below Pooling Point [1 - 2]	\$161,581,522	\$53,450,598	\$215,032,120	\$2,073,916	\$603,069	\$2,676,985	\$15,727,078	\$1,917,758	\$17,644,837
4 Person Months for Experience Period	669,463	668,258	669,163	14,052	14,596	14,175	162,542	167,077	163,035
5 Net Incurred Claims Per Person Per Month (PPPM) [3 / 4]	\$241.36	\$79.98	\$321.34	\$147.59	\$41.32	\$188.91	\$96.76	\$11.48	\$108.24
6 Change in Benefits During Experience Period	1.0001	1.0001		0.9940	0.9626		0.9769	0.8940	
7 Change in Network During Experience Period	0.9905	1.0000		1.0552	1.0000		0.9080	1.0000	
8 Change in Demographics or Risk During Experience Period	1.0019	1.0012		1.0080	1.0157		1.0163	1.0270	
9 Change in Geographic During Experience Period	1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
10 a) Annual Trend Rate	6.0%	5.0%		6.0%	5.0%		6.0%	5.0%	
b) Months to Trend	19	18		19	18		19	18	
c) Trend Adjustment	1.0966	1.0759		1.0966	1.0759		1.0966	1.0759	
11 Adjusted Claims Charged PPPM [5 x 6 x 7 x 8 x 9 x 10c]	\$262.67	\$86.17	\$348.84	\$171.12	\$43.47	\$214.59	\$95.66	\$11.34	\$107.00
12 Charge for Claims above Pooling Point PPPM	\$19.06	\$7.24	\$26.30	\$6.76	\$1.82	\$8.57	\$1.01	\$0.52	\$1.53
13 Total Claims Charged PPPM [11 + 12]	\$281.73	\$93.41	\$375.13	\$177.88	\$45.28	\$223.16	\$96.67	\$11.86	\$108.53
14 Change in Future Benefits	1.0010	1.0150		1.0020	1.0200		1.0030	1.1600	
15 Change in Future Demographics (Age/Gender/Family) or Risk	1.0182	1.0182		1.2902	1.2902		1.1735	1.1735	
16 Change in Future Geographic	1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
17 Change in Future Network	1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
18 Rating Incurred Claim PPPM [18 blended with 19]	\$287.14	\$96.53	\$383.68	\$229.96	\$59.59	\$289.55	\$113.78	\$16.14	\$129.93
19 Projected Persons Months	557,806	557,806	557,806	41,933	41,933	41,933	279,392	279,392	279,392
20 Projected Total Incurred Claims [18 x 19]	\$160,169,507	\$53,847,386	\$214,016,894	\$9,642,966	\$2,498,894	\$12,141,860	\$31,790,137	\$4,510,338	\$36,300,475
21 PEPM Expense Load as % of Claims* 7.0%			\$31.75			\$27.21			\$29.71
22 Retiree Subsidy / Holdback PEPM			\$11.20			\$11.20			\$11.20
23 Projected Expense Loaded Cost [(18 x 19) + (21+22) x 25]			\$231,053,177			\$13,081,772			\$43,339,474
24 Conversion to Rating Tiers [21 x rating tier x counts]									
Method: Person	<u>x tier</u>	<u>Projected</u>		<u>x tier</u>	<u>Projected</u>		<u>x tier</u>	<u>Projected</u>	
	<u>factor</u>	<u>Ee Months</u>	<u>PEPM</u>	<u>factor</u>	<u>Ee Months</u>	<u>PEPM</u>	<u>factor</u>	<u>Ee Months</u>	<u>PEPM</u>
a) Employee Only	1.11	314,691	\$469.69	1.15	16,436	\$370.05	1.09	120,889	\$182.77
b) Employee & Spouse	2.98	11,285	\$1,186.35	3.07	1,059	\$927.00	2.93	11,167	\$421.01
c) Employee & Child(ren)	2.03	53,847	\$821.66	2.09	4,226	\$643.58	1.99	20,866	\$299.78
d) Family	3.90	16,602	\$1,538.33	4.01	2,748	\$1,200.53	3.83	19,123	\$538.01
e) Child(ren) of Medicare Retirees	0.92	193	\$394.93						
25 Rates Balance Confirmation		396,617	\$231,053,177		24,468	\$13,081,772		172,044	\$43,339,474

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



Appendix E - PSE Medicare Retirees

PSE MEDICARE RETIREE RATE DEVELOPMENT for CY2013

Plan: Benefit: Experience Period - Service (Incurred) Dates Experience Period - Processed (Paid) Dates	Medicare	
	Medical 6/11 - 5/12	Total 6/11 - 7/12
1 Total Incurred Medical & Rx Claims (Experience Period)	\$10,748,102	\$10,748,102
2 <u>Less High Cost Claims Above (Med/Rx)</u> \$100,000 \$20,000	\$49,960	\$49,960
3 Net Incurred Claims below Pooling Point [1 - 2]	\$10,698,142	\$10,698,142
4 <u>Person Months for Experience Period</u>	84,533	84,533
5 Net Incurred Claims Per Person Per Month (PPPM) [3 / 4]	\$126.56	\$126.56
6 Change in Benefits During Experience Period	1.0000	
7 Change in Demographics or Risk During Experience Period	1.0000	
8 Change in Geographic During Experience Period	1.0000	
9 a) Annual Trend Rate	6.0%	
b) Months to Trend	19	
c) <u>Trend Adjustment</u>	1.0966	
10 Adjusted Claims Charged PPPM [5 x 6 x 7 x 8 x 9c]	\$138.79	\$138.79
11 <u>Charge for Claims above Pooling Point PPPM</u>	<u>\$0.59</u>	<u>\$0.59</u>
12 Total Claims Charged PPPM [9 + 10]	\$139.38	\$139.38
13 Change in Future Benefits	1.0000	
14 Change in Future Demographics (Age/Gender/Family) or Risk	1.0000	
15 Change in Future Geographic	1.0000	
16 <u>Change in Future Network</u>	1.0000	
17 Projected Incurred Claim PPPM [13x 14 x15x16]	\$139.38	\$139.38
18 <u>Projected Persons Months</u>	96,370	96,370
19 Projected Total Incurred Claims [17 x 18]	\$13,432,389	\$13,432,389

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

Appendix E - PSE Retirees

PSE GOLD RETIREE RATE DEVELOPMENT for CY2013

20 Conversion to Rating Tiers	PPPM [17]	<u>x Non-Med.</u>	<u>Non-Med.</u>	<u>x Medicare</u>	<u>Medicare</u>	<u>Projected</u>	<u>TOTAL</u>
Method:	Person	<u>tier factor</u>	<u>PEPM</u>	<u>tier factor</u>	<u>PEPM</u>	<u>Ret Months</u>	<u>PEPM</u>
a) NME Retiree		1.11	\$469.69	-	\$0.00	13,152	\$469.69
b) NME Retiree & NME Spouse		2.98	\$1,186.35	-	\$0.00	1,133	\$1,186.35
c) NME Retiree & Child(ren)		2.03	\$821.66	-	\$0.00	146	\$821.66
d) NME Retiree & NME Spouse & Child(ren)		3.90	\$1,538.33	-	\$0.00	104	\$1,538.33
e) NME Retiree & ME Spouse		1.11	\$469.69	1.00	\$139.38	899	\$609.07
f) NME Retiree & ME Spouse & Child(ren)		2.03	\$821.66	1.00	\$139.38	10	\$961.05
g) ME Retiree			\$0.00	1.00	\$139.38	79,589	\$139.38
h) ME Retiree & NME Spouse		1.11	\$458.49	1.00	\$139.38	1,289	\$597.87
i) ME Retiree & Child(ren)		0.92	\$383.73	1.00	\$139.38	181	\$523.12
j) ME Retiree & NME Spouse & Child(ren)		2.79	\$1,068.64	1.00	\$139.38	48	\$1,208.03
k) ME Retiree & ME Spouse			\$0.00	2.00	\$278.77	7,165	\$278.77
l) ME Retiree & ME Spouse & Child(ren)		0.92	\$351.98	2.00	\$278.77	12	\$630.74
21 Rates Balance Confirmation			\$8,947,958		\$13,432,389		\$22,380,347

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

Appendix E - ASE Actives & NME Retirees

ASE ACTIVE RATE DEVELOPMENT for CY2013

Plan: Benefit: Experience Period - Service (Incurred) Dates Experience Period - Processed (Paid) Dates	Gold			Silver			Bronze		
	<u>Medical</u>	<u>Pharmacy</u>	<u>Total</u>	<u>Medical</u>	<u>Pharmacy</u>	<u>Total</u>	<u>Medical</u>	<u>Pharmacy</u>	<u>Total</u>
	6/11 - 5/12	7/11 - 6/12		6/11 - 5/12	7/11 - 6/12		6/11 - 5/12	7/11 - 6/12	
	6/11 - 7/12	7/11 - 7/12		6/11 - 7/12	7/11 - 7/12		6/11 - 7/12	7/11 - 7/12	
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>
1 Total Incurred Medical & Rx Claims (Experience Period)	\$148,930,669	\$49,048,324	\$197,978,993	\$789,610	\$224,725	\$1,014,334	\$2,588,356	\$238,110	\$2,826,466
2 Less High Cost Claims Above (Med/Rx)	\$100,000	\$20,000		\$0	\$0	\$0	\$91,869	\$40,362	\$132,231
3 Net Incurred Claims below Pooling Point [1 - 2]	\$140,956,251	\$44,689,545	\$185,645,795	\$789,610	\$224,725	\$1,014,334	\$2,496,487	\$197,748	\$2,694,235
4 Person Months for Experience Period	604,704	604,788	604,724	7,449	8,110	7,595	29,161	29,686	29,200
5 Net Incurred Claims Per Person Per Month (PPPM) [3 / 4]	\$233.10	\$73.89	\$306.99	\$106.00	\$27.71	\$133.71	\$85.61	\$6.66	\$92.27
6 Change in Benefits During Experience Period	1.0000	1.0001		0.9905	0.9902		0.9854	0.9190	
7 Change in Network During Experience Period	0.9949	1.0000		1.0533	1.0000		0.8952	1.0000	
8 Change in Demographics or Risk During Experience Period	1.0041	1.0057		1.0091	1.0014		1.0036	1.0056	
9 Change in Geographic During Experience Period	1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
10 a) Annual Trend Rate	6.0%	5.0%		6.0%	5.0%		6.0%	5.0%	
b) Months to Trend	19	18		19	18		19	18	
c) Trend Adjustment	1.0966	1.0759		1.0966	1.0759		1.0966	1.0759	
11 Adjusted Claims Charged PPPM [5 x 6 x 7 x 8 x 9 x 10c]	\$255.38	\$79.96	\$335.34	\$122.38	\$29.56	\$151.95	\$83.12	\$6.62	\$89.74
12 Charge for Claims above Pooling Point PPPM	\$13.19	\$7.21	\$20.39	\$0.00	\$0.00	\$0.00	\$3.15	\$1.36	\$4.51
13 Total Claims Charged PPPM [11 + 12]	\$268.56	\$87.17	\$355.73	\$122.38	\$29.56	\$151.95	\$86.27	\$7.98	\$94.25
14 Change in Future Benefits	1.0010	1.0150		1.0020	1.0200		1.0030	1.1600	
15 Change in Future Demographics (Age/Gender/Family) or Risk	1.0050	1.0050		1.1981	1.1981		1.1092	1.1092	
16 Change in Future Geographic	1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
17 Change in Future Network	1.0000	1.0000		1.0000	1.0000		1.0000	1.0000	
18 Rating Incurred Claim PPPM [18 blended with 19]	\$270.19	\$88.92	\$359.11	\$146.92	\$36.13	\$183.05	\$95.97	\$10.27	\$106.24
19 Projected Persons Months	595,066	595,066	595,066	22,307	22,307	22,307	40,699	40,699	40,699
20 Projected Total Incurred Claims [18 x 19]	\$160,778,106	\$52,914,317	\$213,692,424	\$3,277,398	\$805,911	\$4,083,309	\$3,905,872	\$417,949	\$4,323,821
21 PEPM Expense Load as % of Claims		5.0%	\$29.85			\$25.31			\$27.81
22 Projected Expense Loaded Cost [(18 x 19)+ (21 x 24)]			\$223,887,672			\$4,383,550			\$4,933,309
23 Conversion to Rating Tiers [21 x rating tier x counts]									
Method: Person									
	<u>x tier</u>	<u>Projected</u>		<u>x tier</u>	<u>Projected</u>		<u>x tier</u>	<u>Projected</u>	
	<u>factor</u>	<u>Ee Months</u>	<u>PEPM</u>	<u>factor</u>	<u>Ee Months</u>	<u>PEPM</u>	<u>factor</u>	<u>Ee Months</u>	<u>PEPM</u>
a) Employee Only	1.15	198,913	\$441.26	1.16	6,364	\$237.75	1.14	12,091	\$148.70
b) Employee & Spouse	2.74	43,969	\$1,015.19	2.78	1,635	\$534.11	2.73	2,993	\$317.36
c) Employee & Child(ren)	1.89	59,183	\$708.23	1.91	2,020	\$375.60	1.88	3,073	\$227.16
d) Family	3.49	38,413	\$1,282.17	3.53	1,843	\$671.97	3.46	3,758	\$395.81
e) Child(ren) of Medicare Retirees	0.74	1,053	\$296.82				-		
24 Rates Balance Confirmation		341,530	\$223,887,672		11,862	\$4,383,550		21,915	\$4,933,309

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

Appendix E - ASE Medicare Retirees

ASE MEDICARE RETIREE RATE DEVELOPMENT for CY2013

Plan:

Benefit:

Experience Period - Service (Incurred) Dates

Experience Period - Processed (Paid) Dates

	Medical	Medicare Pharmacy	Total
	6/11 - 5/12	7/11 - 6/12	
	6/11 - 7/12	7/11 - 7/12	
1 Total Incurred Medical & Rx Claims (Experience Period)*	\$16,007,329	\$20,278,950	\$36,286,279
2 Less High Cost Claims Above (Med/Rx)*	\$100,000	\$20,000	
	\$81,437	\$1,720,833	\$1,802,270
3 Net Incurred Claims below Pooling Point [1 - 2]	\$15,925,892	\$18,558,117	\$34,484,009
4 Person Months for Experience Period	108,844	109,326	109,103
5 Net Incurred Claims Per Person Per Month (PPPM) [3 / 4]	\$146.32	\$169.75	\$316.07
6 Change in Benefits During Experience Period	1.0000	1.0000	
7 Change in Demographics or Risk During Experience Period	0.9984	1.0000	
8 Change in Geographic During Experience Period	1.0000	1.0000	
9 a) Annual Trend Rate	6.0%	5.0%	
b) Months to Trend	19	18	
c) Trend Adjustment	1.0966	1.0759	
10 Adjusted Claims Charged PPPM [5 x 6 x 7 x 8 x 9c]	\$160.20	\$182.64	\$342.84
11 Charge for Claims above Pooling Point PPPM	\$0.75	\$15.74	\$16.49
12 Total Claims Charged PPPM [10 + 11]	\$160.95	\$198.38	\$359.33
13 Change in Future Benefits (Level/Mgt/Discounts)	1.0000	1.0000	
14 Change in Future Demographics (Age/Gender/Family) or Risk	1.0000	1.0000	
15 Change in Future Geographic	1.0000	1.0000	
16 Change in Future Network	1.0000	1.0000	
17 Projected Incurred Claim PPPM [13x 14 x15x16]	\$160.95	\$198.38	\$359.33
18 Projected Persons Months	118,494	118,494	118,494
19 Projected Total Incurred Claims [17 x 18]	\$19,072,030	\$23,506,846	\$42,578,877

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



Appendix E - ASE Medicare Retirees

ASE GOLD RETIREE RATE DEVELOPMENT for CY2013

20 Conversion to Rating Tiers

PPPM [17]

Method:

Person

- a) NME Retiree
- b) NME Retiree & NME Spouse
- c) NME Retiree & Child(ren)
- d) NME Retiree & NME Spouse & Child(ren)
- e) NME Retiree & ME Spouse
- f) NME Retiree & ME Spouse & Child(ren)
- g) ME Retiree
- h) ME Retiree & NME Spouse
- i) ME Retiree & Child(ren)
- j) ME Retiree & NME Spouse & Child(ren)
- k) ME Retiree & ME Spouse
- l) ME Retiree & ME Spouse & Child(ren)

<u>x Non-Med.</u>	<u>Non-Med.</u>	<u>x Medicare</u>	<u>Medicare</u>	<u>Projected</u>	<u>TOTAL</u>
<u>tier factor</u>	<u>PEPM</u>	<u>tier factor</u>	<u>PEPM</u>	<u>Ee Months</u>	<u>PEPM</u>
1.15	\$441.26	-	\$0.00	17,804	\$441.26
2.74	\$1,015.19	-	\$0.00	6,001	\$1,015.19
1.89	\$708.23	-	\$0.00	968	\$708.23
3.49	\$1,282.17	-	\$0.00	413	\$1,282.17
1.15	\$441.26	1.00	\$359.33	3,112	\$800.59
1.89	\$708.23	1.00	\$359.33	153	\$1,067.56
-	\$0.00	1.00	\$359.33	62,877	\$359.33
1.15	\$441.26	1.00	\$359.33	5,436	\$800.59
0.74	\$296.82	1.00	\$359.33	787	\$656.16
2.34	\$840.91	1.00	\$359.33	423	\$1,200.24
-	\$0.00	2.00	\$718.67	22,587	\$718.67
0.74	\$266.97	2.00	\$718.67	266	\$985.64
	<u>\$19,704,987</u>		<u>\$42,578,877</u>		<u>\$62,283,864</u>

21 Rates Balance Confirmation

* Pharmacy Cost for Medicare has subtracted the RDS Subsidy.

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



Appendix F

Impact of Selected Benefit Changes

		Estimated Reduction in FY 2013 Claims & Expenses (\$ in millions)		
		PSE	ASE	Total
Actives & NME Retirees				
1	Current OV & ER Copays after Medicare	n/a	n/a	n/a
2	Gold: OV to \$30/40; Silver to \$30/50	\$1.4	\$1.3	\$2.7
3	Gold: ER Copay to \$150	\$0.5	\$0.7	\$1.1
4	Gold: Add \$250/\$500 INN Deductible	\$4.7	\$4.5	\$9.2
5	Gold: Rx Copays to \$10/\$35/\$70	\$1.2	\$1.1	\$2.3
6	Gold/Silver Specialty Rx \$100 Copay	\$0.1	\$0.1	\$0.2
ME Retirees				
1	Current OV & ER Copays after Medicare	\$1.2	\$1.4	\$2.6
2	Gold: OV to \$30/40	\$0.1	\$0.1	\$0.1
3	Gold: ER Copay to \$150	\$0.0	\$0.1	\$0.1
4	Gold: Add \$250/\$500 INN Deductible	\$1.9	\$2.5	\$4.4
5	Rx Copays to \$10/\$35/\$70	\$0.0	\$0.5	\$0.5
6	Specialty Rx \$100 Copay	\$0.0	\$0.0	\$0.0

*Note: The impact of multiple changes is not necessarily the sum of individual changes.
Assumes no additional changes in migration as a result of benefit changes.
Assumes office visit and ER copays and deductibles applied after Medicare payments.*



Appendix F

Impact of Selected Benefit Changes (continued)

	Impact on Total Premium					
	PSE Gold Active Ee Only	PSE Gold Active Family	PSE Gold Retiree Medicare	ASE Gold Active Ee Only	ASE Gold Active Family	ASE Gold Retiree Medicare
Total Premium: No additional benefit changes	\$466.80	\$1,538.40	\$139.94	\$443.80	\$1,283.44	\$360.23
1 Current OV & ER Copays after Medicare	\$0.00	\$0.00	(\$12.39)	\$0.00	\$0.00	(\$12.48)
2 Gold: OV to \$30/40; Silver to \$30/50	(\$2.70)	(\$9.12)	(\$0.58)	(\$2.54)	(\$7.36)	(\$0.55)
3 Gold: ER Copay to \$150	(\$0.98)	(\$3.30)	(\$0.33)	(\$1.30)	(\$3.76)	(\$0.48)
4 Gold: Add \$250/\$500 INN Deductible	(\$9.32)	(\$31.54)	(\$20.01)	(\$8.96)	(\$25.94)	(\$21.34)
5 Rx Copays to \$10/\$35/\$70	(\$2.46)	(\$8.32)	\$0.00	(\$2.18)	(\$6.30)	(\$4.18)
6 Specialty Rx \$100 Copay	(\$0.24)	(\$0.80)	\$0.00	(\$0.20)	(\$0.54)	(\$0.26)

Note: The impact of multiple changes is not necessarily the sum of individual changes.

Assumes no additional changes in migration as a result of benefit changes.

Assumes office visit and ER copays and deductibles applied after Medicare payments.

Impact shown is on total premium only. The Trustees will need to decide how to allocate to employee/retiree contributions.