

2016 PROJECTED EMPIRE PLAN EXPERIENCE AT 12/31/2016
In (000's)

	EMPIRE	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MHSA				CVS CAREMARK	TOTAL
	BLUE CROSS	Core	Enhancement	Enhancement	Combined	Core	Enhancement	Enhancement	Combined	DRUG	
A Premium (1)	2,726,829	2,243,159	314,316	322,628	2,880,103	159,895	23,885	18,495	202,275	1,927,605	7,736,812
B Incurred Claims (2)	2,715,444	2,149,606	309,622	332,924	2,792,152	148,445	23,800	20,303	192,548	1,705,511	7,405,655
C Administrative Expense (3)	96,811	148,828	15,657	16,705	181,190	11,581	1,789	1,520	14,890	29,297	322,188
D Gain/(Loss) (A-B-C)	(85,426)	(55,275)	(10,963)	(27,001)	(93,239)	(131)	(1,704)	(3,328)	(5,163)	192,797	8,969

(1) Earned Premium - Premium which pays for coverage for the period reported (accrual basis).

(2) Incurred Claims - Represents the cost of covered services provided during the period reported by the insurance company (accrual basis).

(3) Administrative Expenses - All charges by the insurance carrier other than for the payment of claims. Includes carrier's cost to administer the program, interest charges, and other retention.

Source: Vendor 2016 4th Quarter Reports

2016 PROJECTED EMPIRE PLAN EXPERIENCE AT 9/30/2016
In (000's)

	EMPIRE	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MHSA				CVS CAREMARK	TOTAL
	BLUE CROSS	Core	Enhancement	Enhancement	Combined	Core	Enhancement	Enhancement	Combined	DRUG	
A Premium (1)	2,717,259	2,230,261	311,722	322,130	2,864,113	159,310	23,744	18,483	201,537	1,921,711	7,704,620
B Incurred Claims (2)	2,704,766	2,162,860	310,105	329,554	2,802,519	150,683	21,058	17,847	189,588	1,702,315	7,399,188
C Administrative Expense (3)	96,728	151,329	15,644	16,529	183,502	11,828	1,648	1,400	14,876	29,159	324,265
D Gain/(Loss) (A-B-C)	(84,235)	(83,928)	(14,027)	(23,953)	(121,908)	(3,201)	1,038	(764)	(2,927)	190,237	(18,833)

(1) Earned Premium - Premium which pays for coverage for the period reported (accrual basis).

(2) Incurred Claims - Represents the cost of covered services provided during the period reported by the insurance company (accrual basis).

(3) Administrative Expenses - All charges by the insurance carrier other than for the payment of claims. Includes carrier's cost to administer the program, interest charges, and other retention.

Source: Vendor 2016 3rd Quarter Reports

2018 Premium Projections

Empire Plan

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>
<u>Optimistic Projections</u>						
Individual Plan Prime	957.11	1,017.28	6.3%	944.39	1,011.22	7.1%
Family Plan Prime	2,188.54	2,326.67	6.3%	2,160.64	2,313.25	7.1%
Individual Mediprime	439.91	464.45	5.6%	421.40	457.07	8.5%
Family - 1 Mediprime	1,671.33	1,773.85	6.1%	1,637.63	1,759.12	7.4%
Family - 2+ Mediprime	1,154.11	1,221.01	5.8%	1,114.63	1,204.96	8.1%
Aggregate			6.2%			7.3%
	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>
<u>Best Estimate Projections</u>						
Individual Plan Prime	957.11	1,038.64	8.5%	944.39	1,032.58	9.3%
Family Plan Prime	2,188.54	2,375.39	8.5%	2,160.64	2,361.97	9.3%
Individual Mediprime	439.91	476.99	8.4%	421.40	469.61	11.4%
Family - 1 Mediprime	1,671.33	1,813.76	8.5%	1,637.63	1,799.03	9.9%
Family - 2+ Mediprime	1,154.11	1,252.11	8.5%	1,114.63	1,236.06	10.9%
Aggregate			8.5%			9.7%
	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>
<u>Pessimistic Projections</u>						
Individual Plan Prime	957.11	1,059.94	10.7%	944.39	1,053.88	11.6%
Family Plan Prime	2,188.54	2,424.02	10.8%	2,160.64	2,410.60	11.6%
Individual Mediprime	439.91	489.54	11.3%	421.40	482.16	14.4%
Family - 1 Mediprime	1,671.33	1,853.62	10.9%	1,637.63	1,838.89	12.3%
Family - 2+ Mediprime	1,154.11	1,283.19	11.2%	1,114.63	1,267.14	13.7%
Aggregate			10.9%			12.1%

(1) Represents premiums set to fund all self insured costs.

(2) Represents cost to a participating agency.

(3) Projected Rates.

2018 Premium Projections

Excelsior Plan

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>	<u>2017</u>	<u>2018 (3)</u>	<u>% Change</u>
<u>Optimistic Projections</u>						
Individual Plan Prime	848.79	907.16	6.9%	839.75	902.99	7.5%
Family Plan Prime	1,951.83	2,086.10	6.9%	1,931.72	2,076.67	7.5%
Individual Mediprime	386.06	408.99	5.9%	370.77	402.96	8.7%
Family - 1 Mediprime	1,489.10	1,587.92	6.6%	1,462.74	1,576.64	7.8%
Family - 2+ Mediprime	1,026.36	1,089.75	6.2%	993.74	1,076.62	8.3%
Aggregate			6.6%			7.8%
<u>Best Estimate Projections</u>						
Individual Plan Prime	848.79	925.69	9.1%	839.75	921.52	9.7%
Family Plan Prime	1,951.83	2,128.61	9.1%	1,931.72	2,119.18	9.7%
Individual Mediprime	386.06	419.92	8.8%	370.77	413.89	11.6%
Family - 1 Mediprime	1,489.10	1,622.82	9.0%	1,462.74	1,611.54	10.2%
Family - 2+ Mediprime	1,026.36	1,117.03	8.8%	993.74	1,103.90	11.1%
Aggregate			9.0%			10.2%
<u>Pessimistic Projections</u>						
Individual Plan Prime	848.79	944.19	11.2%	839.75	940.02	11.9%
Family Plan Prime	1,951.83	2,171.05	11.2%	1,931.72	2,161.62	11.9%
Individual Mediprime	386.06	430.83	11.6%	370.77	424.80	14.6%
Family - 1 Mediprime	1,489.10	1,657.68	11.3%	1,462.74	1,646.40	12.6%
Family - 2+ Mediprime	1,026.36	1,144.32	11.5%	993.74	1,131.19	13.8%
Aggregate			11.3%			12.6%

(1) Represents premiums set to fund all self insured costs.

(2) Represents cost to a participating agency.

(3) Projected Rates.

EMPIRE PLAN
PA 5 TIER GROUP RATES
2009 - 2018 Monthly Rates

	Gross Rate(1)	% Change	Net Rate(2)	% Change
Individual Planprime				
2009	630.73	-0.5%	598.58	1.0%
2010	660.24	4.7%	612.34	2.3%
2011	734.00	11.2%	693.92	13.3%
2012	751.55	2.4%	712.75	2.7%
2013	779.91	3.8%	767.98	7.7%
2014	789.31	1.2%	771.54	0.5%
2015	830.01	5.2%	805.05	4.3%
2016	874.17	5.3%	849.01	5.5%
2017	957.11	9.5%	944.39	11.2%
2018	1,038.64	8.5%	1,032.58	9.3%
Average Percent Increase				
From Inception of 5 Tier Structure (1996)		7.2%		7.6%
Most Recent 10 Years		5.1%		5.8%
Most Recent 5 Years		5.9%		6.2%
Family Planprime				
2009	1,350.26	0.3%	1,282.17	1.9%
2010	1,431.43	6.0%	1,330.93	3.8%
2011	1,598.49	11.7%	1,513.92	13.7%
2012	1,645.31	2.9%	1,562.80	3.2%
2013	1,712.76	4.1%	1,686.56	7.9%
2014	1,752.26	2.3%	1,714.19	1.6%
2015	1,862.59	6.3%	1,808.86	5.5%
2016	1,980.96	6.4%	1,926.21	6.5%
2017	2,188.54	10.5%	2,160.64	12.2%
2018	2,375.39	8.5%	2,361.97	9.3%
Average Percent Increase				
From Inception of 5 Tier Structure (1996)		7.2%		7.6%
Most Recent 10 Years		5.9%		6.6%
Most Recent 5 Years		6.8%		7.0%
Individual Medprime				
2009	384.38	-3.2%	359.22	-0.3%
2010	400.76	4.3%	367.37	2.3%
2011	446.90	11.5%	405.64	10.4%
2012	447.66	0.2%	419.24	3.4%
2013	409.85	-8.4%	399.33	-4.7%
2014	424.22	3.5%	408.77	2.4%
2015	412.95	-2.7%	401.84	-1.7%
2016	459.28	11.2%	452.79	12.7%
2017	439.91	-4.2%	421.40	-6.9%
2018	476.99	8.4%	469.61	11.4%
Average Percent Increase				
From Inception of 5 Tier Structure (1996)		4.0%		4.6%
Most Recent 10 Years		2.1%		2.9%
Most Recent 5 Years		3.3%		3.6%

(1) Represents premiums paid to the carriers (2008-2013) and premiums set to fund all self insured costs (2014-2017).

(2) Represents cost to a participating agency.

**EMPIRE PLAN
PA 5 TIER GROUP RATES
2009 - 2018 Monthly Rates**

	Rate(1)	Change	Rate(2)	Change
Family - 1 Medprime				
2009	1,103.90	-0.5%	1,042.81	1.6%
2010	1,171.95	6.2%	1,085.94	4.1%
2011	1,311.39	11.9%	1,225.62	12.9%
2012	1,341.42	2.3%	1,269.28	3.6%
2013	1,342.71	0.1%	1,317.93	3.8%
2014	1,387.18	3.3%	1,351.42	2.5%
2015	1,445.54	4.2%	1,405.68	4.0%
2016	1,566.06	8.3%	1,530.00	8.8%
2017	1,671.33	6.7%	1,637.63	7.0%
2018	1,813.76	8.5%	1,799.03	9.9%
				projected
<u>Average Percent Increase</u>				
From Inception of 5 Tier Structure (1996)		6.0%		6.5%
Most Recent 10 Years		5.1%		5.8%
Most Recent 5 Years		6.2%		6.5%
Family - 2 or More Medprime				
2009	857.54	-1.8%	803.45	1.1%
2010	912.48	6.4%	840.98	4.7%
2011	1,024.28	12.3%	937.31	11.5%
2012	1,037.53	1.3%	975.77	4.1%
2013	972.66	-6.3%	949.28	-2.7%
2014	1,022.11	5.1%	988.69	4.2%
2015	1,028.48	0.6%	1,002.46	1.4%
2016	1,151.17	11.9%	1,133.77	13.1%
2017	1,154.11	0.3%	1,114.63	-1.7%
2018	1,252.11	8.5%	1,236.06	10.9%
				projected
<u>Average Percent Increase</u>				
From Inception of 5 Tier Structure (1996)		4.7%		5.2%
Most Recent 10 Years		3.8%		4.6%
Most Recent 5 Years		5.3%		5.6%

(1) Represents premiums paid to the carriers (2008-2013) and premiums set to fund all self insured costs (2014-2017).

(2) Represents cost to a participating agency.

**EMPIRE PLAN
PA 2 TIER GROUP RATES
2009 - 2018 Monthly Rates
(For Illustrative Purposes Only)**

	Gross Rate(1)	% Change	Net Rate(2)	% Change
Individual				
2009	527.09	-1.8%	497.91	-0.2%
2010	557.46	5.8%	515.75	3.6%
2011	621.78	11.5%	581.69	12.8%
2012	619.95	-0.3%	584.75	0.5%
2013	608.23	-1.9%	594.58	1.7%
2014	619.05	1.8%	602.57	1.3%
2015	643.84	4.0%	624.64	3.7%
2016	681.30	5.8%	663.86	6.3%
2017	724.25	6.3%	710.27	7.0%
2018	781.65	7.9%	775.45	9.2%
Average Percent Increase				
From Inception (1986)		6.8%		6.9%
Most Recent 10 Years		3.9%		4.6%
Most Recent 5 Years		5.2%		5.5%
Family				
2009	1,230.02	-0.3%	1,165.24	1.3%
2010	1,297.06	5.5%	1,203.56	3.3%
2011	1,441.84	11.2%	1,353.97	12.5%
2012	1,478.23	2.5%	1,398.52	3.3%
2013	1,502.55	1.6%	1,471.47	5.2%
2014	1,539.35	2.4%	1,502.31	2.1%
2015	1,604.08	4.2%	1,557.93	3.7%
2016	1,722.49	7.4%	1,678.01	7.7%
2017	1,856.96	7.8%	1,825.69	8.8%
2018	2,014.69	8.5%	2,000.57	9.6%
Average Percent Increase				
From Inception (1986)		7.5%		7.6%
Most Recent 10 Years		5.1%		5.7%
Most Recent 5 Years		6.1%		6.4%

(1) Represents premiums paid to the carriers (2008-2013) and premiums set to fund all self insured costs (2014-2018)

(2) Represents cost to a participating agency.