

Division of Healthcare Finance  
 Projected Reserve Calculation - Current Plans A, B and **Current Plan C Design with Current HSA Contributions** and 2 years of no increase  
 Medical, Pharmacy, Dental and Vision  
 Date of Projection: 5/21/2012

**Projection A**

Plan Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Actual Factors and Assumptions in PY2011		Projected Factors and Assumptions.....									
<b>Factors and Assumptions</b>												
Interest Rate on Reserves	0.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Admin/Contract Fee Trend	-4.9%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
Healthcare cost trend rate	1.9%	5.0%	5.0%	6.0%	7.5%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
	HCC Policy Choices in May 2010	HCC Policy Choices in May 2011	HCC Policy Choices by May 2012	Future Policy Choices.....								
<b>Policy Choices</b>												
Employer Contr. % incr. (eff. July 1)	15.0%	7.5%	0.0%	0.0%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
Employee Contr. % incr. (eff. Jan 1)	8.0%	44.0%	0.0%	0.0%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
Dependent Contr. % incr. (eff. Jan 1)	8.0%	-7.4%	0.0%	0.0%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
Direct Bill Contr. % incr. (eff Jan 1)	14.7%	8.2%	0.0%	0.0%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
<b>Reserves</b>												
Beginning reserve earning interest	11,991,989	12,017,362	12,167,579	12,319,674	12,473,670	185,709,788	183,241,683	178,695,121	171,611,593	161,464,416	147,650,221	129,479,488
Beginning reserve not earning interest	74,866,652	102,929,048	143,157,399	173,816,646	178,312,977	0	0	0	0	0	0	0
<b>Beginning Total Reserve Balance</b>	<b>86,858,641</b>	<b>114,946,410</b>	<b>155,324,979</b>	<b>186,136,320</b>	<b>190,786,647</b>	<b>185,709,788</b>	<b>183,241,683</b>	<b>178,695,121</b>	<b>171,611,593</b>	<b>161,464,416</b>	<b>147,650,221</b>	<b>129,479,488</b>
<b>Projected Cash Flow</b>												
Total Employer Contributions	321,685,237	354,771,632	367,594,703	367,594,703	382,879,016	414,718,662	449,206,045	486,561,348	527,023,062	570,849,511	618,320,502	669,739,110
Total Participant Contributions	129,927,400	131,238,853	128,462,947	130,247,417	140,467,383	151,814,755	164,265,551	177,761,311	192,390,476	208,248,999	225,440,984	244,079,378
Total Contributions	454,670,777	486,010,485	497,205,150	497,842,120	523,346,398	566,533,417	613,471,596	664,322,659	719,413,538	779,098,511	843,761,486	913,818,488
Total Plan Expenses (Claims, ASO fees & contracted expenses)	426,608,381	446,794,634	466,545,904	493,345,789	528,579,178	571,322,894	620,308,679	673,639,875	731,705,860	794,931,010	863,777,847	938,750,470
Interest on Reserves	25,373	150,217	152,095	153,996	155,921	2,321,372	2,290,521	2,233,689	2,145,145	2,018,305	1,845,628	1,618,494
<b>Net Cash flow</b>	<b>28,087,769</b>	<b>40,378,568</b>	<b>30,811,341</b>	<b>4,650,327</b>	<b>(5,076,858)</b>	<b>(2,468,105)</b>	<b>(4,546,562)</b>	<b>(7,083,527)</b>	<b>(10,147,178)</b>	<b>(13,814,195)</b>	<b>(18,170,733)</b>	<b>(23,313,488)</b>
<b>Projected Reserve Balance</b>												
Reserve Ending Balance	<b>114,946,410</b>	<b>155,324,979</b>	<b>186,136,320</b>	<b>190,786,647</b>	<b>185,709,788</b>	<b>183,241,683</b>	<b>178,695,121</b>	<b>171,611,593</b>	<b>161,464,416</b>	<b>147,650,221</b>	<b>129,479,488</b>	<b>106,166,000</b>
Target Reserve	51,193,006	50,274,000	52,509,000	55,547,000	59,547,000	64,402,000	69,968,000	76,028,000	82,628,000	89,815,000	97,642,000	106,166,000
Difference between the Reserve Ending Balance and Target Reserve	63,118,410	105,050,979	133,627,320	135,239,647	126,162,788	118,839,683	108,727,121	95,583,593	78,836,416	57,835,221	31,837,488	(0)