

Division of Healthcare Finance

Projected Reserve Calculation - Current Plans A, B and **New Plan C Design (\$2,500/\$5,000 deductible) with Current HSA Contributions** and 2 years of no increase

Medical, Pharmacy, Dental and Vision

Date of Projection: 5/21/2012

Projection B

Plan Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Actual Factors and Assumptions in PY2011		Projected Factors and Assumptions.....									
Factors and Assumptions												
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.....								
Policy Choices												
Employer Contr. % incr. (eff. July 1)	15.0%	7.5%	0.0%	0.0%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
Employee Contr. % incr. (eff. Jan 1)	8.0%	44.0%	0.0%	0.0%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
Dependent Contr. % incr. (eff. Jan 1)	8.0%	-7.4%	0.0%	0.0%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
Direct Bill Contr. % incr. (eff Jan 1)	14.7%	8.2%	0.0%	0.0%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
Reserves												
Beginning reserve earning interest	11,991,989	12,017,362	12,167,579	12,319,674	12,473,670	182,088,071	178,745,650	173,660,776	166,440,952	156,634,241	143,721,755	127,109,288
Beginning reserve not earning interest	74,866,652	102,929,048	143,157,400	172,560,110	175,811,541	0	0	0	0	0	0	0
Beginning Total Reserve Balance	86,858,641	114,946,410	155,324,979	184,879,784	188,285,211	182,088,071	178,745,650	173,660,776	166,440,952	156,634,241	143,721,755	127,109,288
Projected Cash Flow												
Total Employer Contributions	321,685,237	354,771,632	367,594,703	367,594,703	383,015,914	415,152,226	449,984,883	487,740,115	528,663,138	573,019,738	621,098,006	673,210,200
Total Participant Contributions	129,927,400	131,238,853	127,289,835	129,074,304	139,266,676	150,590,030	163,021,172	176,502,540	191,123,592	206,981,429	224,181,453	242,838,073
Total Contributions	454,670,777	486,010,485	496,032,037	496,669,007	522,282,590	565,742,256	613,006,055	664,242,656	719,786,730	780,001,168	845,279,458	916,048,273
Total Plan Expenses (Claims, ASO fees & contracted expenses)	426,608,381	446,794,634	466,629,327	493,417,576	528,635,651	571,360,777	620,325,250	673,633,239	731,673,953	794,871,582	863,688,447	938,628,427
Interest on Reserves	25,373	150,217	152,095	153,996	155,921	2,276,101	2,234,321	2,170,760	2,080,512	1,957,928	1,796,522	1,588,866
Net Cash flow	28,087,769	40,378,568	29,554,805	3,405,427	(6,197,140)	(3,342,420)	(5,084,875)	(7,219,824)	(9,806,711)	(12,912,486)	(16,612,467)	(20,991,288)
Projected Reserve Balance												
Reserve Ending Balance	114,946,410	155,324,979	184,879,784	188,285,211	182,088,071	178,745,650	173,660,776	166,440,952	156,634,241	143,721,755	127,109,288	106,118,000
Target Reserve	51,193,006	50,274,000	52,483,000	55,521,000	59,519,000	64,372,000	69,935,000	75,993,000	82,590,000	89,773,000	97,597,000	106,118,000
Difference between the Reserve Ending Balance and Target Reserve	63,118,410	105,050,979	132,396,784	132,764,211	122,569,071	114,373,650	103,725,776	90,447,952	74,044,241	53,948,755	29,512,288	(0)