

Division of Healthcare Finance
 Projected Reserve Calculation - Current Plans A, B and **New Plan C Design (\$2,500/\$5,000 deductible) with 100% Current HSA Contribution in January** and 2 years of no increase
 Medical, Pharmacy, Dental and Vision
 Date of Projection: 5/21/2012

Projection C

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	181,918,294	178,536,918	173,428,929	166,204,500	156,414,692	143,543,986	127,001,957
Beginning reserve not earning interest	74,866,652	102,929,048	143,157,400	172,500,197	175,692,650	0	0	0	0	0	0	0
Beginning Total Reserve Balance	86,858,641	114,946,410	155,324,979	184,819,871	188,166,319	181,918,294	178,536,918	173,428,929	166,204,500	156,414,692	143,543,986	127,001,957
Projected Cash Flow												
Total Employer Contributions	321,685,237	354,771,632	367,594,703	367,594,703	383,020,456	415,166,616	450,010,740	487,779,264	528,717,626	573,091,865	621,190,348	673,325,642
Total Participant Contributions	129,927,400	131,238,853	127,289,835	129,074,304	139,268,997	150,595,062	163,029,354	176,514,365	191,139,614	207,002,268	224,207,805	242,870,716
Total Contributions	454,670,777	486,010,485	496,032,037	496,669,007	522,289,453	565,761,678	613,040,094	664,293,629	719,857,240	780,094,134	845,398,153	916,196,359
Total Plan Expenses (Claims, ASO fees & contracted expenses)	426,608,381	446,794,634	466,689,240	493,476,555	528,693,399	571,417,033	620,379,794	673,685,920	731,724,604	794,920,024	863,734,481	938,671,840
Interest on Reserves	25,373	150,217	152,095	153,996	155,921	2,273,979	2,231,711	2,167,862	2,077,556	1,955,184	1,794,300	1,587,524
Net Cash flow	28,087,769	40,378,568	29,494,892	3,346,448	(6,248,025)	(3,381,376)	(5,107,989)	(7,224,429)	(9,789,808)	(12,870,706)	(16,542,029)	(20,887,957)
Projected Reserve Balance												
Reserve Ending Balance	114,946,410	155,324,979	184,819,871	188,166,319	181,918,294	178,536,918	173,428,929	166,204,500	156,414,692	143,543,986	127,001,957	106,114,000
Target Reserve	51,193,006	50,274,000	52,481,000	55,519,000	59,517,000	64,370,000	69,932,000	75,990,000	82,586,000	89,770,000	97,593,000	106,114,000
Difference between the Reserve Ending Balance and Target Reserve	63,118,410	105,050,979	132,338,871	132,647,319	122,401,294	114,166,918	103,496,929	90,214,500	73,828,692	53,773,986	29,408,957	0