

Division of Healthcare Finance
 Projected Reserve Calculation - **Full Replacement to Current Plan C with 100% Current HSA Contribution in January** No Increase for 2 Years
 Medical, Pharmacy, Dental and Vision
 Date of Projection: 5/21/2012

Projection E

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%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
Employee Contr. % incr. (eff. Jan 1)	8.0%	44.0%	0.0%	0.0%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
Dependent Contr. % incr. (eff. Jan 1)	8.0%	-7.4%	0.0%	0.0%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
Direct Bill Contr. % incr. (eff Jan 1)	14.7%	8.2%	0.0%	0.0%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
Reserves												
Beginning reserve earning interest	11,991,989	12,017,362	12,167,579	12,319,674	12,473,670	180,148,117	177,680,108	173,184,814	165,922,695	155,038,895	139,549,100	118,323,826
Beginning reserve not earning interest	74,866,652	102,929,048	143,157,400	169,090,538	172,654,578	0	0	0	0	0	0	0
Beginning Total Reserve Balance	86,858,641	114,946,410	155,324,979	181,410,212	185,128,248	180,148,117	177,680,108	173,184,814	165,922,695	155,038,895	139,549,100	118,323,826
Projected Cash Flow												
Total Employer Contributions	321,685,237	354,771,632	367,594,703	367,594,703	381,253,908	409,587,426	440,026,596	472,727,904	507,859,464	545,601,884	586,149,194	629,709,846
Total Participant Contributions	129,927,400	131,238,853	108,292,724	110,076,864	117,956,454	126,719,469	136,318,020	146,667,495	157,827,660	169,863,092	182,843,572	196,844,513
Total Contributions	454,670,777	486,010,485	477,034,927	477,671,567	499,210,363	536,306,895	576,344,616	619,395,399	665,687,124	715,464,975	768,992,767	826,554,359
Total Plan Expenses (Claims, ASO fees & contracted expenses)	426,608,381	446,794,634	451,101,789	474,107,527	504,346,414	541,026,756	583,060,911	628,822,329	678,644,957	732,892,757	791,962,404	856,286,233
Interest on Reserves	25,373	150,217	152,095	153,996	155,921	2,251,851	2,221,001	2,164,810	2,074,034	1,937,986	1,744,364	1,479,048
Net Cash flow	28,087,769	40,378,568	26,085,233	3,718,036	(4,980,131)	(2,468,009)	(4,495,293)	(7,262,119)	(10,883,800)	(15,489,795)	(21,225,274)	(28,252,826)
Projected Reserve Balance												
Reserve Ending Balance	114,946,410	155,324,979	181,410,212	185,128,248	180,148,117	177,680,108	173,184,814	165,922,695	155,038,895	139,549,100	118,323,826	90,071,000
Target Reserve	51,193,006	50,273,000	44,554,000	47,132,000	50,525,000	54,643,000	59,365,000	64,506,000	70,104,000	76,201,000	82,840,000	90,071,000
Difference between the Reserve Ending Balance and Target Reserve	63,118,410	105,051,979	136,856,212	137,996,248	129,623,117	123,037,108	113,819,814	101,416,695	84,934,895	63,348,100	35,483,826	(0)