

Division of Healthcare Finance

Projected Reserve Calculation - Full Replacement to New Plan C (\$2,500/\$5,000 deductible) with 100% \$1,500/\$2,250 HSA Contribution in January

Medical, Pharmacy, Dental and Vision

Date of Projection: 5/21/2012

**Projection F**

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%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
Employee Contr. % incr. (eff. Jan 1)	8.0%	44.0%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
Dependent Contr. % incr. (eff. Jan 1)	8.0%	-7.4%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
Direct Bill Contr. % incr. (eff Jan 1)	14.7%	8.2%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
<b>Reserves</b>												
Beginning reserve earning interest	11,991,989	12,017,362	12,167,579	12,319,674	12,473,670	82,682,985	73,998,203	68,678,471	66,722,289	68,093,077	72,713,007	80,456,028
Beginning reserve not earning interest	74,866,652	102,929,048	143,157,400	108,472,955	85,071,356	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>120,792,629</b>	<b>97,545,026</b>	<b>82,682,985</b>	<b>73,998,203</b>	<b>68,678,471</b>	<b>66,722,289</b>	<b>68,093,077</b>	<b>72,713,007</b>	<b>80,456,028</b>
<b>Projected Cash Flow</b>												
Total Employer Contributions	321,685,237	354,771,632	382,411,536	413,239,661	446,552,996	482,551,888	521,452,833	563,489,779	608,915,536	658,003,292	711,048,260	768,369,451
Total Participant Contributions	129,927,400	131,238,853	71,442,665	76,295,290	81,921,382	88,283,764	95,325,481	102,952,369	111,213,834	120,163,481	129,859,477	140,364,936
Total Contributions	454,670,777	486,010,485	455,001,701	489,534,950	528,474,379	570,835,653	616,778,314	666,442,148	720,129,370	778,166,773	840,907,737	908,734,387
Total Plan Expenses (Claims, ASO fees & contracted expenses)	426,608,381	446,794,634	489,686,145	512,936,550	543,492,340	580,553,972	623,023,024	669,256,811	719,592,610	774,398,007	834,073,629	899,056,115
Interest on Reserves	25,373	150,217	152,095	153,996	155,921	1,033,537	924,978	858,481	834,029	851,163	908,913	1,005,700
<b>Net Cash flow</b>	<b>28,087,769</b>	<b>40,378,568</b>	<b>(34,532,350)</b>	<b>(23,247,603)</b>	<b>(14,862,040)</b>	<b>(8,684,782)</b>	<b>(5,319,732)</b>	<b>(1,956,182)</b>	<b>1,370,788</b>	<b>4,619,930</b>	<b>7,743,021</b>	<b>10,683,972</b>
<b>Projected Reserve Balance</b>												
Reserve Ending Balance	<b>114,946,410</b>	<b>155,324,979</b>	<b>120,792,629</b>	<b>97,545,026</b>	<b>82,682,985</b>	<b>73,998,203</b>	<b>68,678,471</b>	<b>66,722,289</b>	<b>68,093,077</b>	<b>72,713,007</b>	<b>80,456,028</b>	<b>91,140,000</b>
Target Reserve	51,193,006	50,273,000	45,110,000	47,717,000	51,149,000	55,315,000	60,089,000	65,288,000	70,949,000	77,114,000	83,828,000	91,140,000
Difference between the Reserve Ending Balance and Target Reserve	63,118,410	105,051,979	75,682,629	49,828,026	31,533,985	18,683,203	8,589,471	1,434,289	(2,855,923)	(4,400,993)	(3,371,972)	0