



J. Scott Day, Commissioner
Steve Dechant, Commissioner
Sandy Praeger, Commissioner
Nancy Ruoff, Commissioner
Dennis R. Taylor, Chair

Kansas State Employees Health Care Commission

Sam Brownback, Governor

**Kansas State Employees Health Care Commission
June 11, 2012 Minutes
LSOB, Room 106, 900 SW Jackson, Topeka, Kansas**

CALL TO ORDER

The Kansas State Employees Health Care Commission (HCC) meeting was called to order on June 11, 2012 at 1:30 p.m. in the Landon State Office Building, Room 106, 900 SW Jackson, Topeka, Kansas. The following persons were present in person: Commissioners Dennis R. Taylor (Chairman), Sandy Praeger (arrived at 1:32), Nancy Ruoff, J. Scott Day and Steve Dechant. Shelley H. King from the Department of Administration, Office of Chief Counsel, Mike Michael from the Division of Health Care Finance (HCF) within the Kansas Department of Health and Environment (KDHE), and Michael Morrow from AON were also in attendance.

AGENDA:

1. Approval of Minutes

Chairman Taylor asked for approval of the April 16, 2012 minutes.

IT WAS MOVED BY COMMISSIONER RUOFF AND SECONDED BY COMMISSIONER DECHANT TO APPROVE THE MINUTES OF April 16, 2012. MOTION PASSED 5-0.

2. Approval of Insured Medicare Supplement Contract

A request for proposal (RFP) EVT0001204 for a fully insured Plan C Medicare Supplement policy was released February 8, 2012. The RFP closed on March 15, 2012.

The Medicare supplement policy is a fully insured product for the Direct Bill members who are retirees of the State or a covered non-state public employer. The State does not contribute towards the Direct Bill member's premium and the current rate is \$188.97. Some enrollment numbers on our current Plan C Medicare Supplement policy – there are 4,251 members that take the Medicare Supplement along with the State offered prescription Part D coverage and then we have 3,460 individuals that take the Medicare Supplement without the Part D and they elect to get that Part D prescription coverage elsewhere, so we have 7,711 individuals or approximately 86% of our Medicare eligible members that select our Medicare Supplement. The others either elect our Medicare Advantage plan or we still have some members that are enrolled in Plans A or B.

We received two bid responses to the RFP and negotiations were held with both bidders. And after negotiations the State Employee Health Plan (SEHP) staff reviewed the vendors' responses with focus on acceptance and understanding of the State's requirements for



vendors; the proposed premiums and rate caps; the vendors' flexibility; and their capabilities to provide accurate, timely, and quality customer service and claims processing.

SEHP Staff recommends that a three year Plan C Medicare Supplement contract be awarded to Blue Cross and Blue Shield of Kansas.

No discussion was had.

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER PRAEGER TO AWARD A THREE YEAR PLAN C MEDICARE SUPPLEMENT CONTRACT TO BLUE CROSS AND BLUE SHIELD OF KANSAS. MOTION PASSED 5-0.

3. Contract Extension for Wellness Vendor

The State Employee Health Plan (SEHP) has been in negotiations with Alere, who is the current wellness vendor, to extend the current contract. The current contract with Alere expires in October 2012. During negotiations the SEHP has worked to refine the wellness service offerings, enhance the performance guarantees and rates for a contract extension that will extend the contract through December 31, 2013. The renewal will reduce the contract expenses by approximately 9% annually and this was achieved by getting some reduction in the coaching products and the overall web-based program. SEHP intends to release a new RFP for wellness services in January of 2013 that would be effective January 1, 2014.

SEHP staff recommended a contract extension for the wellness contract with Alere which will end on December 31, 2013.

Discussion followed.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER DAY TO EXTEND THE WELLNESS CONTRACT WITH ALERE TO DECEMBER 31, 2013. MOTION PASSED 5-0.

4. Autism Pilot Program

The Legislature passed Senate Substitute for House Bill No. 2160 to require the State Employee Health Plan (SEHP) to implement a pilot program providing coverage for Autism Spectrum Disorder (ASD). ASD is defined by the bill as the following disorders within the autism spectrum: Autistic disorder, Asperger's Syndrome and pervasive developmental disorders not otherwise specified.

In order to pilot the ASD coverage, the SEHP coverage required modification to add coverage for Applied Behavioral Analysis (ABA), autism specialists and intensive individual service providers. Coverage for ASD services became available on January 1, 2011. Coverage is subject to the plan's appropriate deductible, copays and coinsurance requirement for other covered services. Benefits are limited to an annual benefit maximum established based upon the age of the member. Members from birth to age seven (7) years have a maximum benefit of \$36,000 per year for paid ASD care and treatment. Members



who are over age seven (7) but younger than age nineteen (19) have an annual benefit maximum of \$27,000 per year for ASD care and treatment.

The ASD coverage pilot had minimal impact on the SEHP. The data through April of this year still indicates minimal impact to the SEHP. During Plan Year 2011, the SEHP had 126 members who received services for ASD under the rider. For claims incurred and processed for services received during Plan Year 2011 with a diagnosis of ASD the total allowed amount was \$214,656 for all services. This figure includes \$92,394 for ABA services. The average monthly treatment cost for each eligible member receiving ASD treatment was \$141 for all services, of which \$61 was for ABA services.

SEHP staff recommended continuation of the Autism Pilot Program for Plan Year 2013 so that additional utilization and cost data can be gathered.

Discussion followed.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER RUOFF TO CONTINUE THE AUTISM PILOT PROGRAM FOR PLAN YEAR 2013. MOTION PASSED 5-0.

5. Approval of the 2013 Plan Designs and Rates

Each year, the State Employee Health Plan (SEHP) staff reviews the benefits offerings to be able to provide the Health Care Commission (HCC) with recommendations for consideration for the next plan year. The SEHP currently offers three (3) plan designs. Each plan has a unique design and unique member cost sharing features. Exhibit A – 2012 Network Plan Design Summary (attached) summarizes the 2012 network-only cost sharing features of each plan.

As the SEHP staff reviewed the current Plan C plan design compared to other High Deductible Health Plans (HDHPs) in the market, the current design has some limitations when compared to those open market plans. To be eligible to have a Health Savings Account (HSA), an HDHP must meet minimum standards set by the Internal Revenue Service (IRS). Exhibit B – Plan C Plan Designs and HDHP Requirements (attached) summarizes these requirements. Under IRS rules, because the current single deductible is not twice the IRS minimum required for an HDHP, the entire family deductible must be met before any claims are paid by the health plan. Other health plans have increased the single member deductible to twice the IRS's required single deductible and this allows one member of the family to meet the single deductible and have the health plan begin paying claims even if others in the family have no health care expenses. In addition, staff found that, after the deductible is satisfied, other plans do not require the member to pay additional out-of-pocket costs, such as coinsurance, as the current Plan C requires. The new Plan C plan design is shown on Exhibit B alongside the current plan design.

In surveying the membership about Plan C, staff received feedback from several members that they would like the HSA funded in January instead of the current method of small payments throughout the year. One of the major concerns for members in selecting Plan C was being able to pay for health care services that occur in the early part of the year before



their accounts are fully funded. Another recommendation staff received was to increase the HSA contribution provided. Based upon this member feedback staff has modeled changing the timing and the amount of the HSA contribution and has found that this can be done within the current employer contribution and maintain the required plan reserves. After looking at a number of options and discussing these with the Employee Advisory Committee, the recommendation was to increase the HSA contribution to \$1,500 for single and \$2,250 for member plus dependent coverage.

The benefits of Plans A and B have been standardized over time to have identical coverage for medical services. Staff recommended that this same standardization occur with regard to Plan C as well. Currently, Plan C has different benefits available for Durable Medical Equipment (DME), infertility treatment and prosthetic coverage. A summary of the difference can be found on page 2 of Exhibit A. The current limits on Plan C for these services may be a deterrent to member enrollment in Plan C.

Staff presented several Scenarios (A through F) and several Projections (A through F), attached.

SEHP Staff recommended replacing the current Plan C design with the new \$2,500/\$5,000 deductible design; funding the HSA accounts in January with the HSA contribution of \$1,500 for single and \$2,250 for member plus dependent coverage; and making the change to standardize the coverage for DME, infertility and prosthetic coverage (Projection D), with no rate increase for 2013.

Discussion followed.

IT WAS MOVED BY COMMISSIONER DAY AND SECONDED BY COMMISSIONER PRAEGER TO REPLACE THE CURRENT PLAN C DESIGN WITH THE NEW \$2,500/\$5,000 DEDUCTIBLE DESIGN; FUNDING THE HEALTH SAVINGS ACCOUNTS (HSA) IN JANUARY WITH THE HSA CONTRIBUTION OF \$1,500 FOR SINGLE AND \$2,250 FOR MEMBER PLUS DEPENDENT COVERAGE; AND MAKING THE CHANGE TO STANDARDIZE THE COVERAGE FOR DURABLE MEDICAL EQUIPMENT, INFERTILITY AND PROSTHETIC COVERAGE. MOTION PASSED 5-0.

6. Employee Advisory Committee Report

SEHP staff reported that they had presented all of the above Plan Designs and Rates information to the Employee Advisory Committee (EAC). The EAC representative reported that employees and retirees should be given a choice of which plan they wish to participate in – A, B or new Plan C – as it is an individual thing. The EAC requested that detailed information be inserted in the packets when they are distributed to explain the benefits of Plans A, B and the new C Plan.

7. Finance Report

Statement of Operations is attached.



8. Discussion Items

Dependent Eligibility Audit – staff reported that they are in phase three, which is the final phase of the Dependent Audit. Staff began the audit needing to verify 45,174 dependent documents and as of June 8th they have outstanding 978 pieces of documentation which is only about 2% outstanding. Staff intends to finish the audit by the end of June and then staff will be able to report back to the Commission at the September meeting what the final numbers are on the audit.

RFPs – the Medicare Part C Advantage Plan was released on April 12th and closed on May 31st for these fully insured products. Staff is going through the process with negotiations with the vendors and staff will bring that back to the Commission for a decision at the September meeting also.

Health Quest Credits Program – The program ends on July 31st, this is for members to be eligible to receive the incentive discount on the premium for the Plan Year 2013. Staff reported that out of 42,554 eligible members there currently are 32,147 enrolled or 76% that have enrolled on the site. We have 20,621 or 48.5% who have earned 20 credits and will receive the discount in Plan Year 2013. There are another 10,471 that have at least 10 credits, so approximately half way there. There is one group of 1,055 that has completed the health assessment that was a requirement and worth 10 credits, so they just need to earn another 10 credits. We continue to message – we are seeing approximately 1,200 members per week over the last four weeks complete their 20 credits. An e-mail message went out recently and last week that number bumped to 1,800 individuals. More messages will be going out and we hope to get to 100%.

No action needed.

Next HCC Meeting

Next meeting is scheduled for September 19, 2012 at 1:30 p.m. in the Landon State Office Building, Room 106.

Adjournment – 2:50 p.m.

IT WAS MOVED BY COMMISSIONER PRAEGER AND SECONDED BY COMMISSIONER DECHANT TO ADJOURN THE MEETING. MOTION PASSED 5-0.

Active State of Kansas Employee
 Comparison of Rates Based Upon Plan Designs

	2013			2013	2013	2013
	Plan A	Plan B	Plan C	Plan C	Plan C	Plan C
FT2 (\$28- \$48K)				\$1,500/ 3,000	\$2,500/ 5,000	\$2,500/ 5,000
E	\$14.90	\$13.95	\$3.60	\$6.58	\$1.20	\$1.22
ES	\$104.12	\$97.45	\$54.37	\$80.04	\$14.56	\$14.85
EC	\$84.83	\$79.40	\$43.79	\$64.93	\$11.81	\$12.05
ESC	\$175.35	\$164.13	\$93.30	\$140.54	\$25.56	\$26.08

Note: Rates shown assume the member has earned the HQ Reward incentive discount of \$20.

Plan C \$1,500/3,000 based upon if everyone was moved to Plan C

Plan C \$2,500/5,000 based upon if everyone was moved to Plan C

Plan C \$2,500/5,000 based upon if we had 3 plans _ Plan A, Plan B, and Plan C

State of Kansas Retiree
Comparison of Rates Based Upon Plan Designs

	2013			2013	
	Plan A	Plan B	Current Plan C \$1,500/\$3,000	New Plan C \$2,500/\$5,000	
E	\$546.25	\$511.29	\$362.42	\$353.28	
ES	\$1,147.16	\$1,073.74	\$810.58	\$791.40	
EC	\$983.27	\$920.34	\$677.11	\$660.66	
ESC	\$1,638.78	\$1,533.90	\$1,211.01	\$1,183.60	
B	\$491.36	\$459.91	\$358.70	\$349.42	

Exhibit A - 2012 Network Plan Design Summary

Plan A			Plan B			Plan C		
	Single	Family		Single	Family		Single	Family
Deductible	\$300	\$600	Deductible	\$150	\$300	Deductible	\$1,500	\$3,000
Coinsurance	20%	20%	Coinsurance	35%	35%	Coinsurance	20%	20%
Coinsurance Max	\$1,400	\$2,800	Coinsurance Max	\$3,000	\$6,000	Coinsurance Max	\$1,500	\$3,000
¹ Total Deductible & Coinsurance	\$1,700	\$3,400	¹ Total Deductible & Coinsurance	\$3,150	\$6,300	Total Deductible & Coinsurance	\$3,000	\$6,000
Office Visits	Adult	Child	Office Visits	Adult	Child	Office Visits	Adult	Child
PCP Copay	\$25	\$25	PCP Copay	\$20	\$10	PCP	Ded & Coins ³	
Specialist	\$45	\$45	Specialist	\$40	\$25	Specialist		
Preventive Care	Paid in Full		Preventive Care	Paid in Full		Preventive Care	Paid in Full	
ER Visit	\$100 Copay/Ded/Coins		ER Visit	\$100 Copay/Coins		ER Visit	Ded/Coins ³	
Drug Coinsurance Max ²	Coins until member pays out \$2,580 per person (excludes non preferred drugs)		Drug Coinsurance Max	Coins until members pay out \$2,580 per person (excludes non preferred drugs)		Drugs	Subject to Medical Deductible and Coinsurance.	

1. The Total Deductible and Coinsurance on Plans A and B do not include any copays or prescription drug costs. These amounts are in addition to the Deductible and Coinsurance a member would be responsible to pay.
2. Plans A & B prescription drug costs are subject to a separate Coinsurance maximum of \$2,580 per member per year. There is no Coinsurance maximum on Non Preferred Prescription drugs.
3. Ded/Coins = Deductible and then Coinsurance.
4. The above does not include cost eligible under the dental plan.

Exhibit A - 2012 Network Plan Design Summary

Plans A & B		Plan C
<p>Durable Medical Equipment (DME) Any charges exceeding \$400 require pre-approval by health plan. Limited to \$5,000 per Calendar Year</p> <p>Durable Medical Equipment (DME) Repairs Any charges exceeding \$400 require pre-approval by health plan. Limited to \$2,500 per Calendar Year</p> <p>Infertility –</p> <ul style="list-style-type: none"> o Office visits, medical evaluation, and counseling; o Testing required to establish the etiology of female infertility, which is limited to hysterosalpingogram, diagnostic laparoscopy, and endometrial biopsy; o Testing required to establish the etiology of male infertility, which is limited to sperm counts and or semen analysis, scrotal or prostate ultrasound, prostate biopsy, and cystoscopy; o Surgical correction of physiological abnormalities causing infertility; o Three (3) attempts for artificial insemination, per Member, per Calendar Year; however, laboratory, x-ray, and other testing associated with artificial insemination are not covered. 	<p>Durable Medical Equipment (DME) Limited to \$1,000 per Calendar Year</p>	<p>Infertility (includes diagnosis and diagnostic surgical treatment only) Limited to \$2,000 per Calendar Year</p>
<p>Prosthetic Devices Any charges exceeding \$1,000 require pre-approval by the health plan</p>	<p>Prosthetic Devices Limited to \$1,000 per Calendar Year</p>	

Exhibit B - Plan C Plan Designs & HDHP Requirements

	Current Plan C		Proposed Plan C		
Network	Single	Family	Network	Single	Family
Deductible	\$1,500	\$3,000	Deductible	\$2,500	\$5,000
Coinsurance	20%		Coinsurance	\$0	
Coinsurance Maximum	\$1,500	\$3,000	Coinsurance Maximum	\$0	
Total Member Responsibility	\$3,000	\$6,000	Total Member Responsibility	\$2,500	\$5,000

	2012		2013	
	Single	Family	Single	Family
Minimum Deductible	\$1,200	\$2,400	\$1,250	\$2,500
Maximum OOP	\$6,050	\$12,100	\$6,250	\$12,500
Maximum HSA Contributions	\$3,100	\$6,250	\$3,250	\$6,450

Comparison Chart Benefits Based on Projected PY 2013 Salary Tier 2 Rates - Retiree

Scenario A

Plan	Plan A	Plan B	Plan C \$1,500/\$3,000 with Annual OOP Max \$3,000/\$6,000	Plan C \$2,500/\$5,000 with 100% Coinsurance
Total Medical	\$3,414.00	\$3,414.00	\$3,414.00	\$3,414.00
Deductible Max	\$300.00	\$150.00	\$1,500.00	\$2,500.00
Coinsurance Max	\$1,400.00	\$3,000.00	\$3,000.00	\$0.00
Copay	\$140.00	\$120.00	\$0.00	\$0.00
Deductible Applied	\$300.00	\$150.00	\$1,500.00	\$2,500.00
Coinsurance Applied	\$344.80	\$1,005.90	\$382.80	\$0.00
Total Pharmacy	\$28,240.00	\$28,240.00	\$28,240.00	\$28,240.00
Deductible Applied	\$0.00	\$0.00	\$0.00	\$0.00
Coinsurance Applied	\$1,071.50	\$1,071.50	\$1,071.50	\$0.00
Total Member Medical Cost & Pharmacy	\$2,956.30	\$2,347.40	\$2,954.30	\$2,500.00
Employee Annual Premium Contribution	\$6,555.00	\$6,135.48	\$4,349.04	\$4,239.36
Annual Employer HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Annual Employee HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Member/Out-of-Pocket Cost	\$8,611.30	\$8,482.88	\$7,303.34	\$6,739.36
Member Out of Pocket Cost if only one member reaches the max under Member plus at least one dependent	\$0.00	\$0.00	\$0.00	\$0.00

Amounts below are annual and include both Health Plan and Member Cost

Coverage Level: Member Only
 Adult Non-Preventive PCP Visits: \$140.00
 Dependents under age 18 Non-Preventive visits: \$0.00
 Adult specialist visits: \$250.00
 Dependent under age 18 Specialist visits: \$0.00
 Annual generic prescriptions: \$490.00
 Annual brand prescription: \$210.00
 Annual special case medication: \$27,540.00
 Annual miscellaneous medical: \$3,024.00

Comparison Chart Benefits Based on Projected PY 2013 Salary Tier 2 Rates

Scenario B

Plan	Plan A	Plan B	Plan C \$1,500/\$3,000 with Annual ODP Max \$3,000/\$6,000	Plan C \$2,500/\$5,000 with 100% Coinsurance
Total Medical	\$3,414.00	\$3,414.00	\$3,414.00	\$3,414.00
Deductible Max	\$900.00	\$1,500.00	\$1,500.00	\$2,500.00
Coinsurance Max	\$1,400.00	\$3,000.00	\$3,000.00	\$0.00
Copay	\$140.00	\$120.00	\$0.00	\$0.00
Deductible Applied	\$300.00	\$150.00	\$1,500.00	\$2,500.00
Coinsurance Applied	\$544.80	\$1,005.90	\$382.80	\$0.00
Total Pharmacy	\$700.00	\$700.00	\$700.00	\$700.00
Deductible Applied	\$0.00	\$0.00	\$0.00	\$0.00
Coinsurance Applied	\$171.50	\$171.50	\$171.50	\$0.00
Total Member Medical Cost & Pharmacy	\$1,156.30	\$1,427.40	\$2,054.30	\$2,500.00
Employee Annual Premium Contribution	\$357.60	\$534.08	\$86.40	\$29.28
Annual Employer HSA Contribution	\$0.00	\$0.00	\$900.00	\$900.00
Annual Employee HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Member Out of Pocket Cost	\$1,513.90	\$1,781.48	\$1,240.70	\$1,629.28
Member Out of Pocket Cost if only one member reaches the max under Member plus at least one dependent	\$0.00	\$0.00	\$0.00	\$0.00

Amounts below are annual and include both Health Plan and Member Cost

Coverage Level: Member Only
 Adult Non-Preventive PCP Visits: \$140.00
 Dependents under age 18 Non-Preventive visits: \$0.00
 Adult specialist visits: \$250.00
 Dependent under age 18 Specialist visits: \$0.00
 Annual generic prescriptions: \$480.00
 Annual brand prescription: \$210.00
 Annual special case medication: \$0.00
 Annual miscellaneous medical: \$3,024.00

Comparison Chart Benefits Based on Projected PY 2013 Salary Tier 2 Rates - Retiree

Scenario B

Plan	Plan A	Plan B	Plan C \$1,500/\$3,000 with Annual OOP Max \$3,000/\$6,000	Plan C \$2,500/\$5,000 with 100% Coinsurance
Total Medical	\$3,414.00	\$3,414.00	\$3,414.00	\$3,414.00
Deductible Max	\$300.00	\$150.00	\$1,500.00	\$2,500.00
Coinsurance Max	\$1,400.00	\$3,000.00	\$3,000.00	\$0.00
Copay	\$140.00	\$120.00	\$0.00	\$0.00
Deductible Applied	\$300.00	\$150.00	\$1,500.00	\$2,500.00
Coinsurance Applied	\$544.80	\$1,005.90	\$382.80	\$0.00
Total Pharmacy	\$700.00	\$700.00	\$700.00	\$700.00
Deductible Applied	\$0.00	\$0.00	\$0.00	\$0.00
Coinsurance Applied	\$171.50	\$171.50	\$171.50	\$0.00
Total Member Medical Cost & Pharmacy	\$1,156.30	\$1,447.40	\$2,054.30	\$2,500.00
Employee Annual Premium Contribution	\$6,555.00	\$6,135.48	\$4,349.04	\$4,239.36
Annual Employer HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Annual Employee HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Member Out of Pocket Cost	\$7,711.30	\$7,582.88	\$6,403.34	\$6,739.36
Member Out of Pocket Cost if only one member reaches the max under Member plus at least one dependent	\$0.00	\$0.00	\$0.00	\$0.00

Amounts below are annual and include both Health Plan and Member Cost

Coverage Level: Member Only
 Adult Non-Preventive PCP Visits: \$140.00
 Dependents under age 18 Non-Preventive visits: \$0.00
 Adult specialist visits: \$250.00
 Dependent under age 18 Specialist visits: \$0.00
 Annual generic prescriptions: \$490.00
 Annual brand prescription: \$210.00
 Annual special case medication: \$0.00
 Annual miscellaneous medical: \$3,024.00

Comparison Chart Benefits Based on Projected PY 2013 Salary Tier 2 Rates

Scenario C

Plan	Plan A	Plan B	Plan C \$1,500/\$3,000 with Annual OOP Max \$3,000/\$5,000	Plan C \$2,500/\$5,000 with 100% Coinsurance
Total Medical	\$1,605.00	\$1,605.00	\$1,605.00	\$1,605.00
Deductible Max	\$600.00	\$300.00	\$3,000.00	\$5,000.00
Coinsurance Max	\$2,800.00	\$6,000.00	\$6,000.00	\$0.00
Copay	\$1.45.00	\$75.00	\$0.00	\$0.00
Deductible Applied	\$600.00	\$300.00	\$1,605.00	\$1,605.00
Coinsurance Applied	\$120.00	\$315.00	\$0.00	\$0.00
Total Pharmacy	\$100.00	\$100.00	\$100.00	\$100.00
Deductible Applied	\$0.00	\$0.00	\$100.00	\$100.00
Coinsurance Applied	\$20.00	\$20.00	\$0.00	\$0.00
Total Member Medical Cost & Pharmacy	\$885.00	\$710.00	\$1,705.00	\$1,705.00
Employee Annual Premium Contribution	\$2,035.92	\$1,905.60	\$1,050.96	\$289.20
Annual Employer HSA Contribution	\$0.00	\$0.00	\$1,350.00	\$1,350.00
Annual Employee HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Member Out of Pocket Cost	\$2,920.92	\$2,615.60	\$1,405.96	\$644.20
Member Out of Pocket Cost if only one member reaches the max under Member plus at least one dependent	\$2,680.92	\$2,518.10	\$1,405.96	\$644.20

Amounts below are annual and include both Health Plan and Member Cost

Coverage Level: Member & Children
 Adult Non-Preventive PCP Visits: \$70.00
 Dependents under age 18 Non-Preventive visits: \$210.00
 Adult specialist visits: \$0.00
 Dependent under age 18 Specialist visits: \$125.00
 Annual generic prescriptions: \$100.00
 Annual brand prescription: \$0.00
 Annual special case medication: \$0.00
 Annual miscellaneous medical: \$1,200.00

Comparison Chart: Benefits Based on Projected PY 2013 Salary Tier 2 Rates - Retiree

Scenario C

Plan	Plan A	Plan B	Plan C \$1,500/\$3,000 with Annual OOP Max \$3,000/\$6,000	Plan C \$2,500/\$5,000 with 100% Coinsurance
Total Medical	\$1,605.00	\$1,605.00	\$1,605.00	\$1,605.00
Deductible Max	\$600.00	\$300.00	\$3,000.00	\$5,000.00
Coinsurance Max	\$2,800.00	\$6,000.00	\$6,000.00	\$0.00
Copay	\$145.00	\$75.00	\$0.00	\$0.00
Deductible Applied	\$600.00	\$300.00	\$1,605.00	\$1,605.00
Coinsurance Applied	\$120.00	\$315.00	\$0.00	\$0.00
Total Pharmacy	\$100.00	\$100.00	\$100.00	\$100.00
Deductible Applied	\$0.00	\$0.00	\$100.00	\$100.00
Coinsurance Applied	\$20.00	\$20.00	\$0.00	\$0.00
Total Member Medical Cost & Pharmacy	\$885.00	\$710.00	\$1,705.00	\$1,705.00
Employee Annual Premium Contribution	\$11,799.24	\$11,044.08	\$8,125.32	\$7,927.92
Annual Employer HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Annual Employee HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Member Out of Pocket Cost	\$12,684.24	\$10,754.08	\$9,830.32	\$9,632.92
Member Out of Pocket Cost if only one member reaches the max under Member plus at least one dependent	\$12,444.24	\$11,656.58	\$8,480.32	\$8,282.92

Amounts below are annual and include both Health Plan and Member Cost

Coverage Level: Member & Children \$70.00
 Adult Non-Preventive PCP Visits: \$210.00
 Dependents under age 18 Non-Preventive visits: \$0.00
 Adult specialist visits: \$125.00
 Dependent under age 18 Specialist visits: \$100.00
 Annual generic prescriptions: \$0.00
 Annual brand prescription: \$0.00
 Annual special case medication: \$0.00
 Annual miscellaneous medical: \$1,200.00

Comparison Chart Benefits Based on Projected PY 2013 Salary Tier 2 Rates

Scenario D

Plan	Plan A	Plan B	Plan C \$1,500/\$3,000 with Annual OOP Max \$3,000/\$6,000	Plan C \$2,500/\$5,000 with 100% Coinsurance
Total Medical	\$765.00	\$765.00	\$765.00	\$765.00
Deductible Max	\$600.00	\$900.00	\$3,000.00	\$5,000.00
Coinsurance Max	\$2,800.00	\$6,000.00	\$6,000.00	\$0.00
Copay	\$95.00	\$80.00	\$0.00	\$0.00
Deductible Applied	\$600.00	\$300.00	\$765.00	\$765.00
Coinsurance Applied	\$0.00	\$70.00	\$0.00	\$0.00
Total Pharmacy	\$2,880.00	\$2,880.00	\$2,880.00	\$2,880.00
Deductible Applied	\$0.00	\$0.00	\$2,235.00	\$2,880.00
Coinsurance Applied	\$828.00	\$828.00	\$225.75	\$0.00
Total Member Medical Cost & Pharmacy	\$1,523.00	\$1,278.00	\$5,225.75	\$3,645.00
Employee Annual Premium Contribution	\$2,498.88	\$2,338.80	\$1,304.88	\$356.40
Annual Employer HSA Contribution	\$0.00	\$0.00	\$1,350.00	\$1,350.00
Annual Employee HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Member Out of Pocket Cost	\$4,021.88	\$3,616.80	\$3,180.63	\$2,651.40
Member Out of Pocket Cost if only one member reaches the max under Member plus at least one dependent	\$3,721.88	\$3,519.80	\$3,180.63	\$1,506.40

Amounts below are annual and include both Health Plan and Member Cost

Coverage Level: Member & Spouse \$140.00
 Adult Non-Preventive FCP Visits: \$0.00
 Dependents under age 18 Non-Preventive visits: \$125.00
 Adult specialist visits: \$0.00
 Dependent under age 18 Specialist visits: \$1,200.00
 Annual generic prescriptions: \$1,680.00
 Annual brand prescription: \$0.00
 Annual special case medication: \$500.00
 Annual miscellaneous medical:

Comparison Chart Benefits Based on Projected PY 2013 Salary Tier 2 Rates - Retiree

Scenario D

Plan	Plan A	Plan B	Plan C \$1,500/\$3,000 with Annual OOP Max \$3,000/\$6,000	Plan C \$2,500/\$5,000 with 100% Coinsurance
Total Medical	\$765.00	\$765.00	\$765.00	\$765.00
Deductible Max	\$600.00	\$300.00	\$3,000.00	\$5,000.00
Coinsurance Max	\$2,800.00	\$6,000.00	\$6,000.00	\$0.00
Copay	\$95.00	\$80.00	\$0.00	\$0.00
Deductible Applied	\$600.00	\$300.00	\$765.00	\$765.00
Coinsurance Applied	\$0.00	\$70.00	\$0.00	\$0.00
Total Pharmacy	\$2,880.00	\$2,880.00	\$2,880.00	\$2,880.00
Deductible Applied	\$0.00	\$0.00	\$2,235.00	\$2,880.00
Coinsurance Applied	\$828.00	\$828.00	\$225.75	\$0.00
Total Member Medical Cost & Pharmacy	\$1,523.00	\$1,278.00	\$3,225.75	\$3,645.00
Employee Annual Premium Contribution	\$13,765.92	\$12,884.88	\$9,726.96	\$9,496.80
Annual Employer HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Annual Employee HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Member Out of Pocket Cost	\$15,288.92	\$14,162.88	\$12,952.71	\$13,141.80
Member Out of Pocket Cost if only one member reaches the max under Member plus at least one dependent	\$14,988.92	\$14,065.88	\$11,602.71	\$10,646.80

Amounts below are annual and include both Health Plan and Member Cost

Coverage Level: Member & Spouse \$140.00
 Adult Non-Preventive PCP Visits: \$0.00
 Dependents under age 18 Non-Preventive visits: \$125.00
 Adult specialist visits: \$0.00
 Dependent under age 18 Specialist visits: \$1,200.00
 Annual generic prescriptions: \$1,680.00
 Annual brand prescription: \$0.00
 Annual special case medication: \$500.00
 Annual miscellaneous medical:

Comparison Chart Benefits Based on Projected PY 2013 Salary Tier 2 Rates

Scenario E

Plan	Plan A	Plan B	Plan C \$1,500/\$5,000 with Annual OOP Max \$3,000/\$6,000	Plan C \$2,500/\$5,000 with 100% Coinsurance
Total Medical	\$1,720.00	\$1,720.00	\$1,720.00	\$1,720.00
Deductible Max	\$600.00	\$500.00	\$3,000.00	\$5,000.00
Coinsurance Max	\$2,800.00	\$6,000.00	\$6,000.00	\$0.00
Copy	\$115.00	\$60.00	\$0.00	\$0.00
Deductible Applied	\$600.00	\$500.00	\$1,720.00	\$1,720.00
Coinsurance Applied	\$160.00	\$385.00	\$0.00	\$0.00
Total Pharmacy	\$260.00	\$260.00	\$260.00	\$260.00
Deductible Applied	\$0.00	\$0.00	\$260.00	\$260.00
Coinsurance Applied	\$83.50	\$83.50	\$0.00	\$0.00
Total Member Medical Cost & Pharmacy	\$958.50	\$828.50	\$1,980.00	\$1,980.00
Employee Annual Premium Contribution	\$4,208.40	\$3,999.12	\$2,239.20	\$625.92
Annual Employer HSA Contribution	\$0.00	\$0.00	\$1,350.00	\$1,350.00
Annual Employee HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Member Out of Pocket Cost	\$5,166.90	\$4,767.62	\$2,869.20	\$1,255.92
Member Out of Pocket Cost if only one member reaches the max under Member plus at least one dependent	\$4,926.90	\$4,670.12	\$2,869.20	\$1,255.92

Amounts below are annual and include both Health Plan and Member Cost

Coverage Level: Family \$0.00
 Adult Non-Preventive PCP Visits: \$70.00
 Dependents under age 18 Non-Preventive visits: \$0.00
 Adult specialist visits: \$0.00
 Dependent under age 18 Specialist visits: \$250.00
 Annual generic prescriptions: \$50.00
 Annual brand prescription: \$210.00
 Annual special case medication: \$0.00
 Annual miscellaneous medical: \$1,400.00

Comparison Chart Benefits Based on Projected PY 2013 Salary Tier 2 Rates - Retiree

Scenario E

Plan	Plan A	Plan B	Plan C \$1,500/\$3,000 with Annual OOP Max \$3,000/\$6,000	Plan C \$2,500/\$5,000 with 100% Coinsurance
Total Medical	\$1,720.00	\$1,720.00	\$1,720.00	\$1,720.00
Deductible Max	\$600.00	\$300.00	\$3,000.00	\$5,000.00
Coinsurance Max	\$2,800.00	\$6,000.00	\$6,000.00	\$0.00
Copay	\$115.00	\$60.00	\$0.00	\$0.00
Deductible Applied	\$600.00	\$300.00	\$1,720.00	\$1,720.00
Coinsurance Applied	\$160.00	\$385.00	\$0.00	\$0.00
Total Pharmacy	\$260.00	\$260.00	\$260.00	\$260.00
Deductible Applied	\$0.00	\$0.00	\$260.00	\$260.00
Coinsurance Applied	\$83.50	\$83.50	\$0.00	\$0.00
Total Member Medical Cost & Pharmacy	\$958.50	\$828.50	\$1,980.00	\$1,980.00
Employee Annual Premium Contribution	\$19,665.36	\$18,406.80	\$14,532.12	\$14,203.20
Annual Employer HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Annual Employee HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Member Out of Pocket Cost	\$20,623.86	\$19,235.30	\$16,512.12	\$16,183.20
Member Out of Pocket Cost if only one member reaches the max under Member plus at least one dependent	\$20,383.86	\$19,137.80	\$15,162.12	\$14,833.20

Amounts below are annual and include both Health Plan and Member Cost

Coverage Level: Family
 \$0.00
 \$70.00
 \$0.00
 \$250.00
 \$50.00
 \$210.00
 \$0.00
 \$1,400.00

Adult Non-Preventive PCP Visits:
 Dependents under age 18 Non-Preventive visits:
 Adult specialist visits:
 Dependent under age 18 Specialist visits:
 Annual generic prescription:
 Annual brand prescription:
 Annual special case medication:
 Annual miscellaneous medical:

Comparison Chart Benefits Based on Projected PY 2013 Salary Tier 2 Rates

Scenario F

Plan	Plan A	Plan B	Plan C \$1,500/\$3,000 with Annual OOP Max \$3,000/\$6,000	Plan C \$2,500/\$5,000 with 100% Coinsurance
Total Medical	\$61,280.00	\$61,280.00	\$61,280.00	\$61,280.00
Deductible Max	\$600.00	\$300.00	\$3,000.00	\$5,000.00
Coinsurance Max	\$2,800.00	\$6,000.00	\$6,000.00	\$0.00
Copay	\$460.00	\$360.00	\$0.00	\$0.00
Deductible Applied	\$600.00	\$300.00	\$3,000.00	\$5,000.00
Coinsurance Applied	\$2,800.00	\$6,000.00	\$3,000.00	\$0.00
Total Pharmacy	\$3,295.00	\$3,295.00	\$3,295.00	\$3,295.00
Deductible Applied	\$0.00	\$0.00	\$0.00	\$0.00
Coinsurance Applied	\$395.00	\$395.00	\$0.00	\$0.00
Total Member Medical Cost & Pharmacy	\$4,255.00	\$7,055.00	\$6,000.00	\$5,000.00
Employee Annual Premium Contribution	\$4,208.40	\$3,939.12	\$2,239.20	\$625.92
Annual Employer HSA Contribution	\$0.00	\$0.00	\$1,350.00	\$1,350.00
Annual Employee HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Member Out of Pocket Cost	\$8,463.40	\$10,994.12	\$6,889.20	\$4,275.92
Member Out of Pocket Cost if only one member reaches the max under Member plus at least one dependent	\$6,763.40	\$7,844.12	\$6,889.20	\$1,775.92

Amounts below are annual and include both Health Plan and Member Cost

Coverage Level: Family
 \$210.00
 Adult Non-Preventive PCP Visits: \$70.00
 Dependents under age 18 Non-Preventive visits: \$750.00
 Adult specialist visits: \$250.00
 Dependent under age 18 Specialist visits: \$200.00
 Annual generic prescriptions: \$800.00
 Annual brand prescription: \$2,295.00
 Annual special case medication: \$60,000.00
 Annual miscellaneous medical:

Comparison Chart Benefits Based on Projected PY 2013 Salary Tier 2 Rates - Retiree

Scenario F

Plan	Plan A	Plan B	Plan C \$1,500/\$3,000 with Annual OOP Max \$3,000/\$6,000	Plan C \$2,500/\$5,000 with 100% Coinsurance
Total Medical	\$61,280.00	\$61,280.00	\$61,280.00	\$61,280.00
Deductible Max	\$600.00	\$300.00	\$3,000.00	\$5,000.00
Coinsurance Max	\$2,800.00	\$6,000.00	\$6,000.00	\$0.00
Copay	\$460.00	\$360.00	\$0.00	\$0.00
Deductible Applied	\$600.00	\$300.00	\$3,000.00	\$5,000.00
Coinsurance Applied	\$2,800.00	\$6,000.00	\$3,000.00	\$0.00
Total Pharmacy	\$3,295.00	\$3,295.00	\$3,295.00	\$3,295.00
Deductible Applied	\$0.00	\$0.00	\$0.00	\$0.00
Coinsurance Applied	\$395.00	\$395.00	\$0.00	\$0.00
Total Member Medical Cost & Pharmacy	\$4,255.00	\$7,055.00	\$6,000.00	\$5,000.00
Employee Annual Premium Contribution	\$19,665.36	\$18,406.80	\$14,532.12	\$14,203.20
Annual Employer HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Annual Employee HSA Contribution	\$0.00	\$0.00	\$0.00	\$0.00
Member Out of Pocket Cost	\$23,920.36	\$25,461.80	\$20,532.12	\$19,203.20
Member Out of Pocket Cost if only one member reaches the max under Member plus at least one dependent	\$22,220.36	\$22,311.80	\$19,182.12	\$15,353.20

Amounts below are annual and include both Health Plan and Member Cost

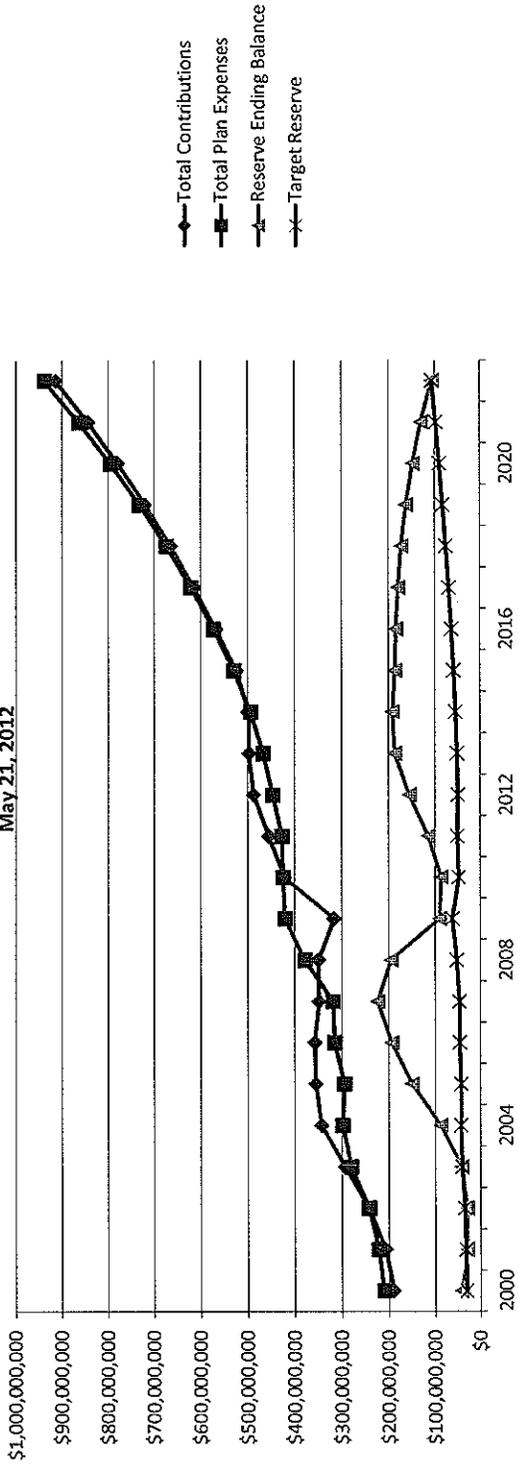
Coverage Level: Family \$210.00
 Adult Non-Preventive PCP Visits: \$70.00
 Dependents under age 18 Non-Preventive visits: \$750.00
 Adult specialist visits: \$250.00
 Dependent under age 18 Specialist visits: \$200.00
 Annual generic prescriptions: \$800.00
 Annual brand prescription: \$2,295.00
 Annual special case medication: \$60,000.00
 Annual miscellaneous medical: \$60,000.00

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

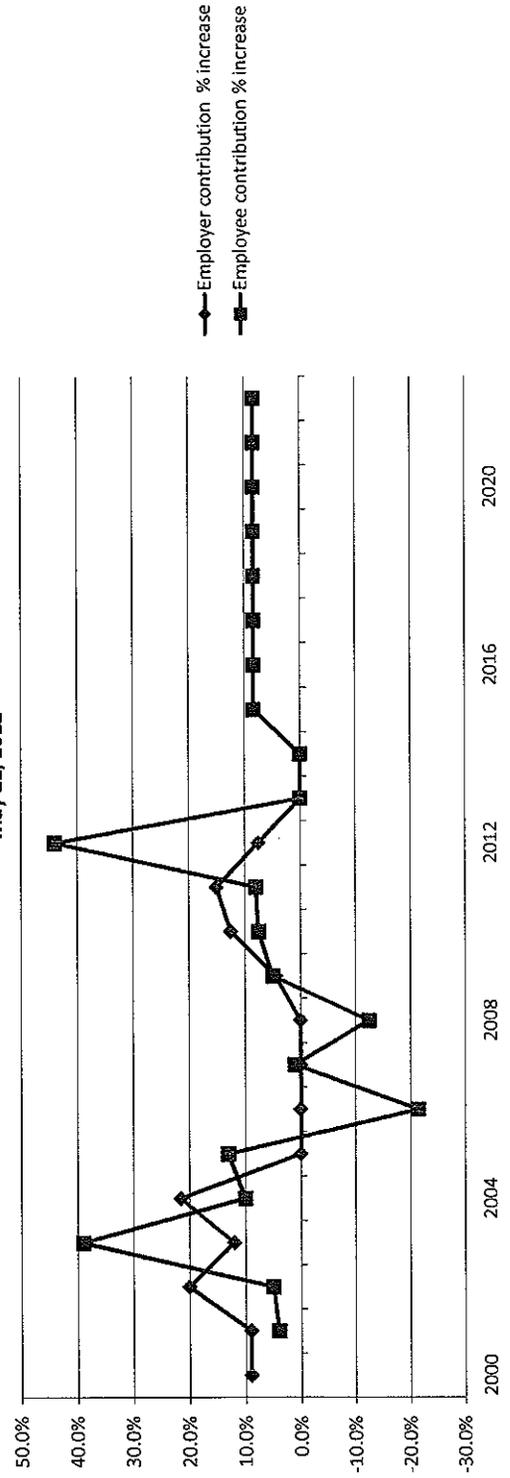
Projection A

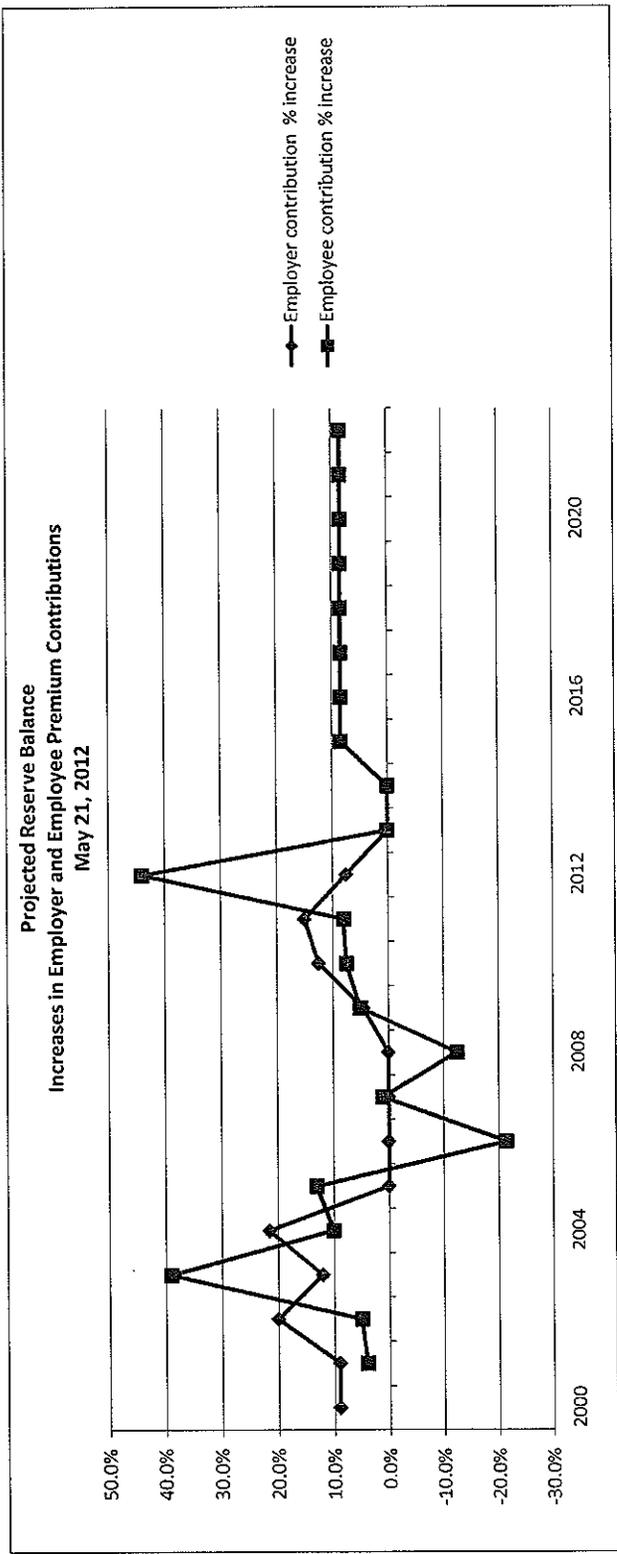
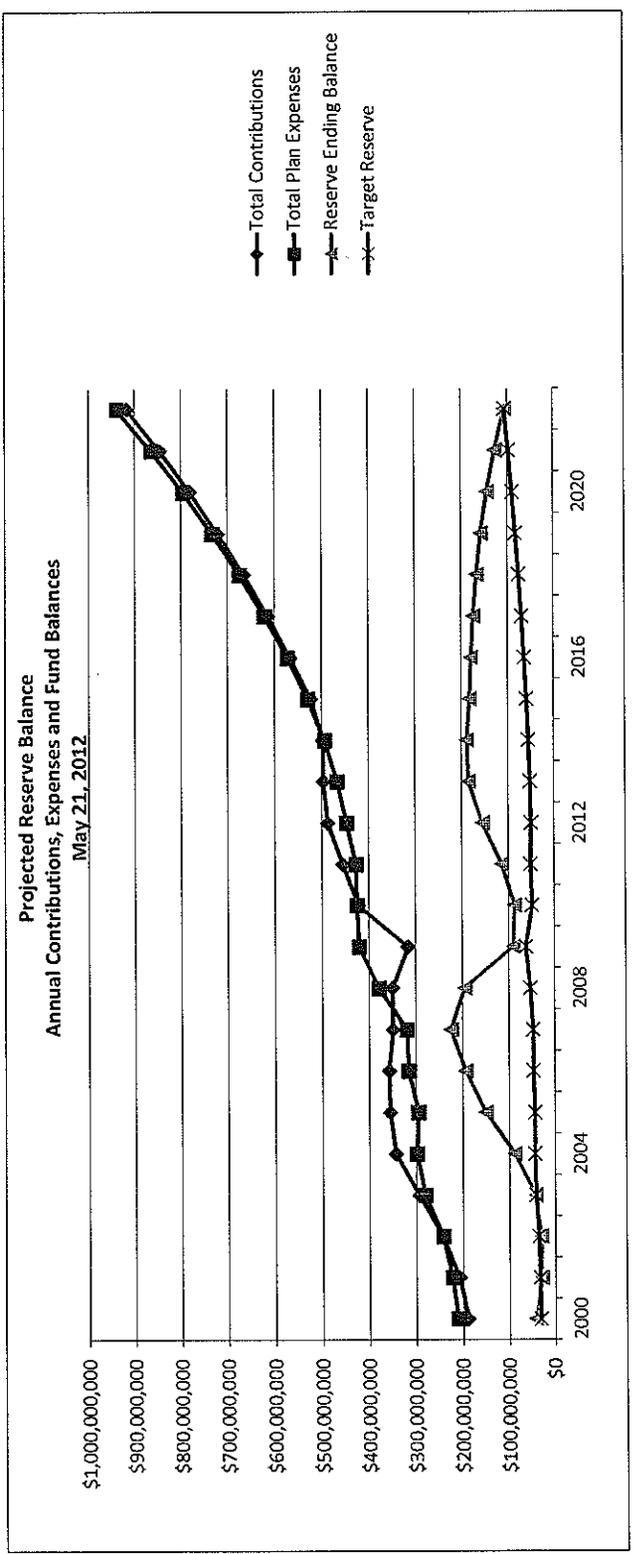
Plan Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actual Factors and Assumptions	Projected Factors and Assumptions											
Interest Rate on Reserves	0.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Admin/Contract Fee Trend	-4.9%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	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%
Policy Choices	Future Policy Choices											
Employee 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%
Reserves												
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
Beginning Total Reserve Balance	86,858,641	114,946,410	155,324,979	186,136,320	190,786,647	185,709,788	183,241,683	178,695,121	171,611,593	161,464,416	147,650,221	129,479,488
Projected Cash Flow												
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
Net Cash flow	28,087,769	40,378,568	30,811,341	4,650,327	(5,076,858)	(2,468,105)	(4,546,562)	(7,083,527)	(10,147,178)	(13,814,195)	(18,170,733)	(23,313,488)
Projected Reserve Balance												
Reserve Ending Balance	114,946,410	155,324,979	186,136,320	190,786,647	185,709,788	183,241,683	178,695,121	171,611,593	161,464,416	147,650,221	129,479,488	106,166,000
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)

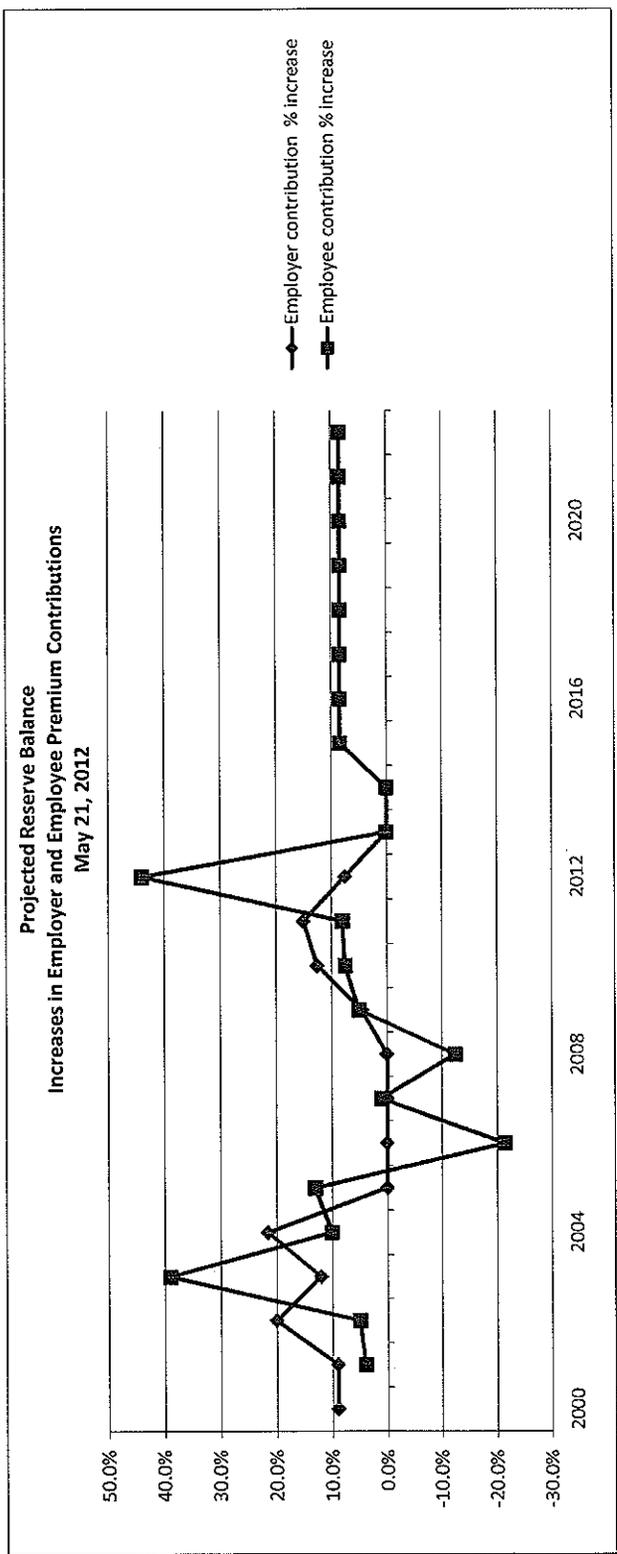
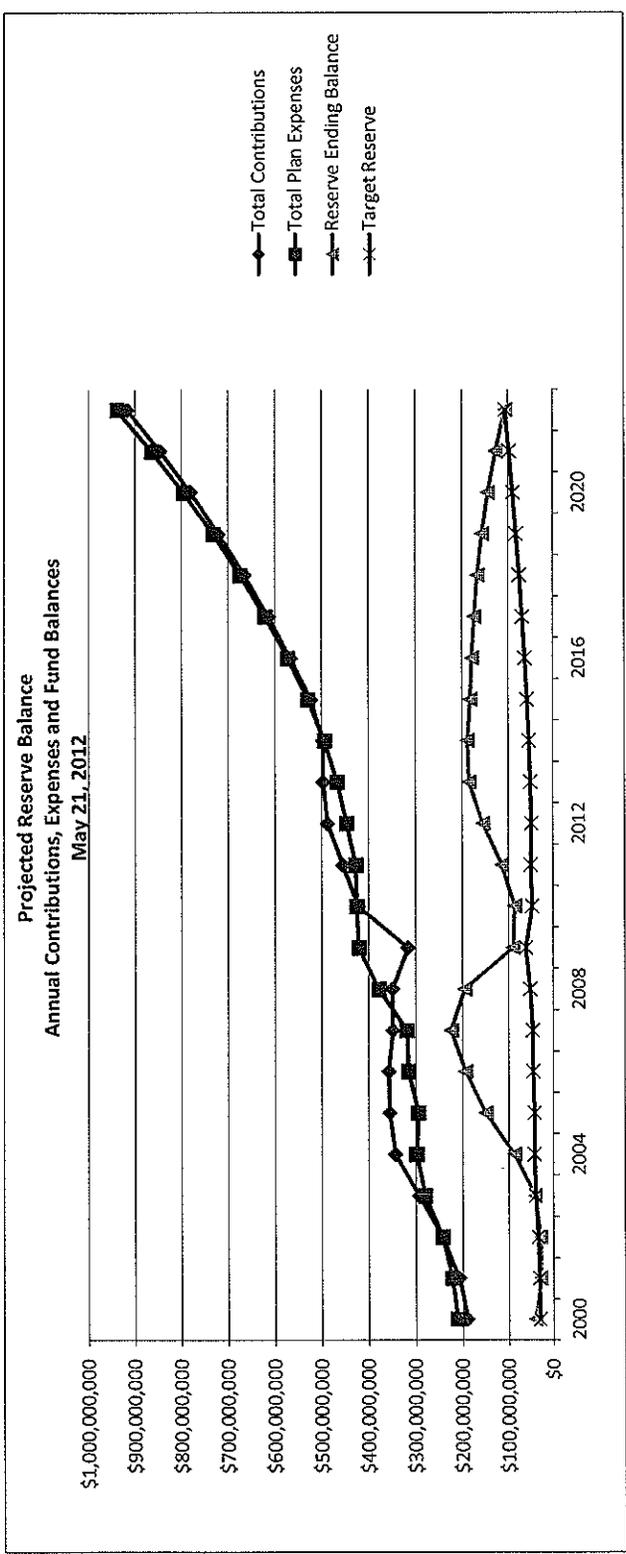
Projected Reserve Balance
Annual Contributions, Expenses and Fund Balances
May 21, 2012



Projected Reserve Balance
Increases in Employer and Employee Premium Contributions
May 21, 2012



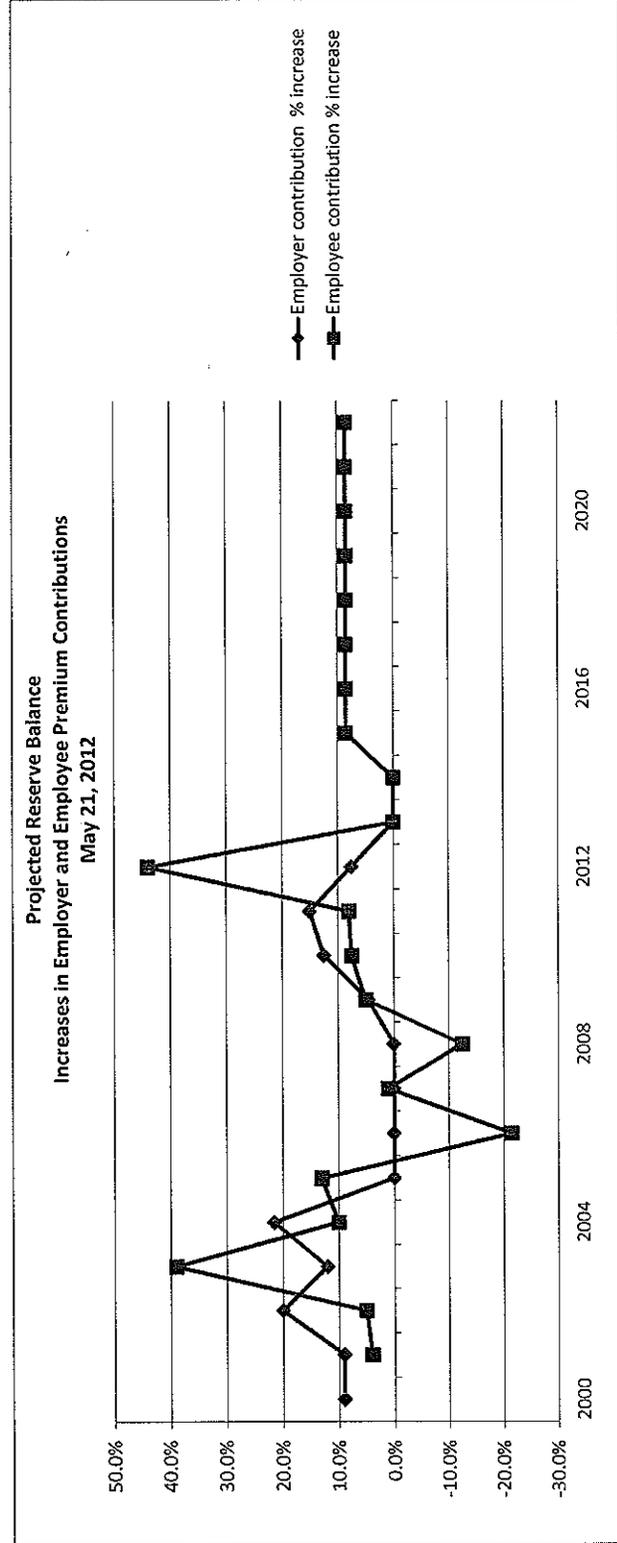
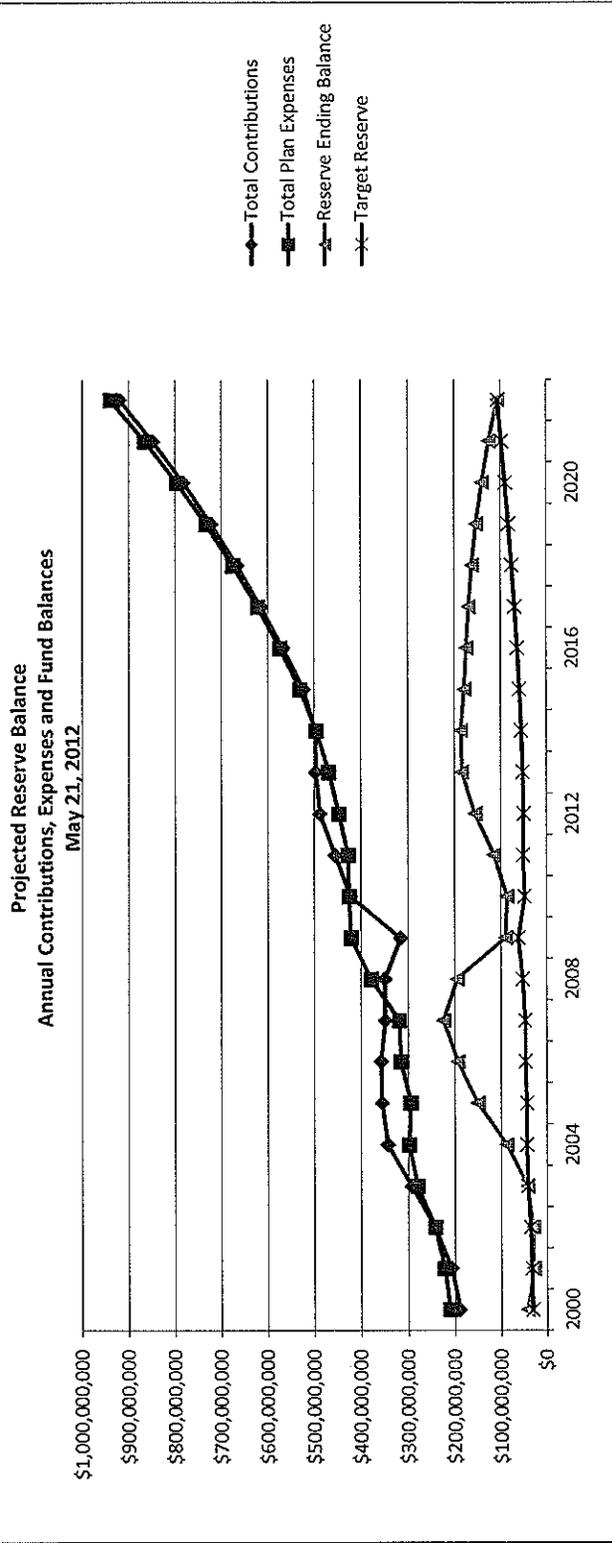




Division of Healthcare Finance
 Projected Reserve Calculation - Current Plans A, B and New Plan C (\$2,500/\$5,000 deductible) with 100% \$1,500/\$2,250 HSA Contribution in January no increase for 2 years
 Medical, Pharmacy, Dental and Vision
 Date of Projection: 5/21/2012

Projection D

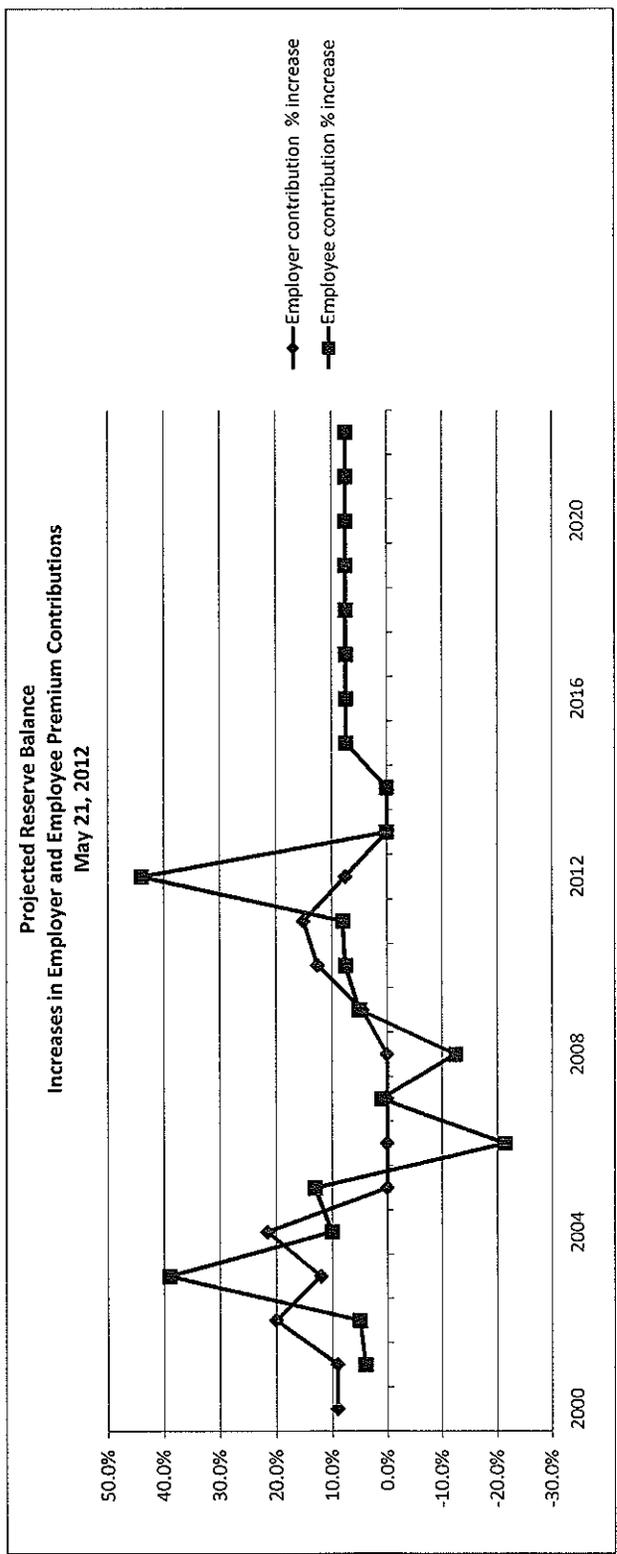
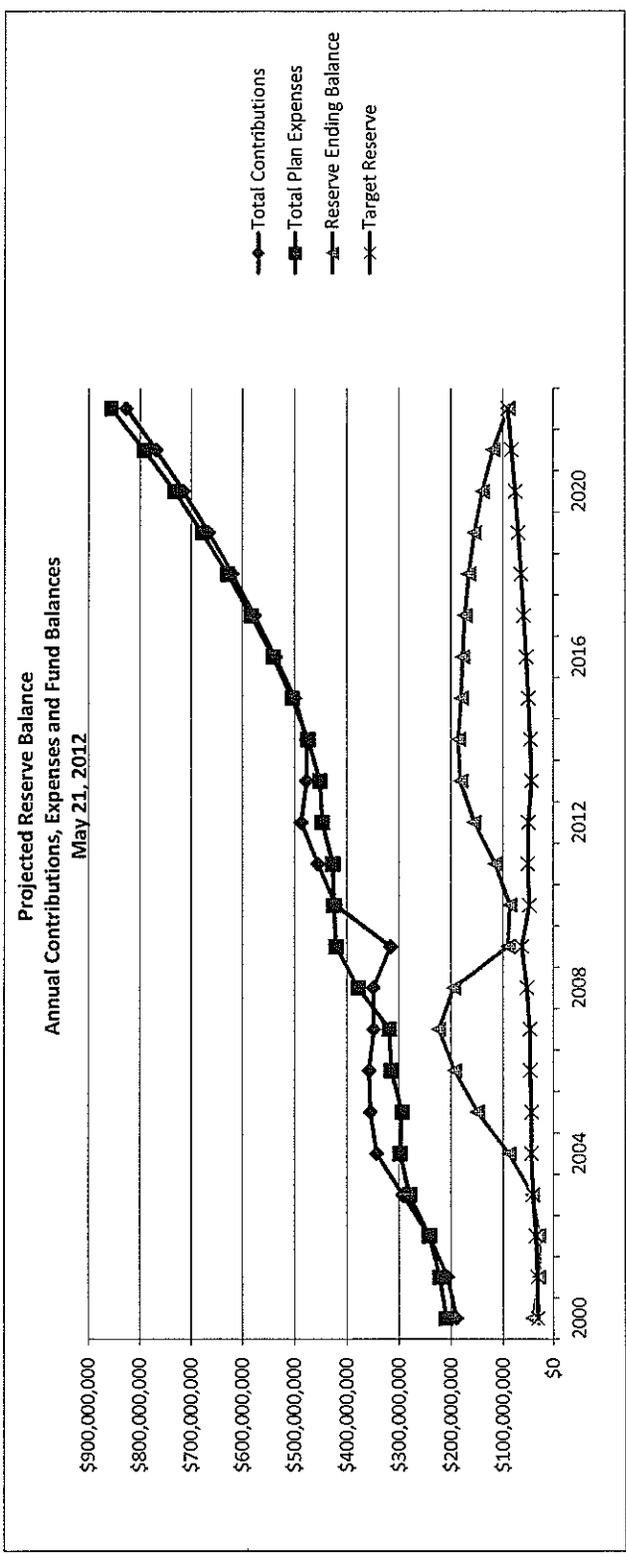
Plan Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actual Factors and Assumptions	Projected Factors and Assumptions.....											
Interest Rate on Reserves	0.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Admin/Contract Fee Trend	-4.9%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	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%
Policy Choices	Future Policy Choices.....											
Employee 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%
Dependent 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%
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	12,627,666	12,781,662	12,935,658	13,089,654	13,243,650	13,397,646	13,551,642
Beginning reserve not earning interest	74,866,652	102,929,048	143,157,400	171,283,055	173,261,390	0	0	0	0	0	0	0
Beginning Total Reserve Balance	86,858,641	114,946,410	155,324,979	183,602,729	185,735,060	178,431,659	174,239,657	168,648,789	161,326,926	151,890,118	139,895,941	124,836,070
Projected Cash Flow												
Total Employer Contributions	321,685,237	354,771,632	367,594,703	383,119,259	415,479,663	450,573,409	488,631,369	529,903,918	574,662,579	623,201,807	675,840,931	732,482,055
Total Participant Contributions	329,927,400	131,238,853	127,289,835	129,072,873	139,315,813	150,697,907	163,197,212	176,757,608	191,469,902	207,432,695	224,753,055	243,547,243
Total Contributions	454,670,777	486,010,485	496,032,037	496,667,576	522,435,072	566,177,570	613,770,621	665,388,977	721,373,820	782,095,273	847,954,862	919,388,174
Total Plan Expenses (Claims, ASO fees & contracted expenses)	426,608,381	446,794,634	467,906,382	494,689,241	529,894,394	572,599,968	621,539,485	674,818,950	732,827,214	795,988,077	864,763,432	939,656,695
Interest on Reserves	25,373	150,217	152,095	153,996	155,921	2,230,396	2,177,996	2,108,110	2,016,587	1,898,626	1,748,699	1,560,451
Net Cash flow	28,087,769	40,378,568	28,277,750	2,132,331	(7,303,401)	(4,192,002)	(5,590,868)	(7,321,863)	(9,436,808)	(11,994,177)	(15,059,871)	(18,708,070)
Projected Reserve Balance	114,946,410	155,324,979	183,602,729	185,735,060	178,431,659	174,239,657	168,648,789	161,326,926	151,890,118	139,895,941	124,836,070	106,128,000
Target Reserve	51,193,006	50,274,000	52,521,000	55,558,000	59,554,000	64,405,000	69,966,000	76,021,000	82,614,000	89,794,000	97,612,000	106,128,000
Difference between the Reserve Ending Balance and Target Reserve	63,118,410	105,050,979	131,081,729	130,177,060	118,877,659	109,834,657	98,682,789	85,305,926	69,276,118	50,101,941	27,224,070	0



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												
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%
Policy Choices												
HCC Policy Choices in May 2010	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. July 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	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)

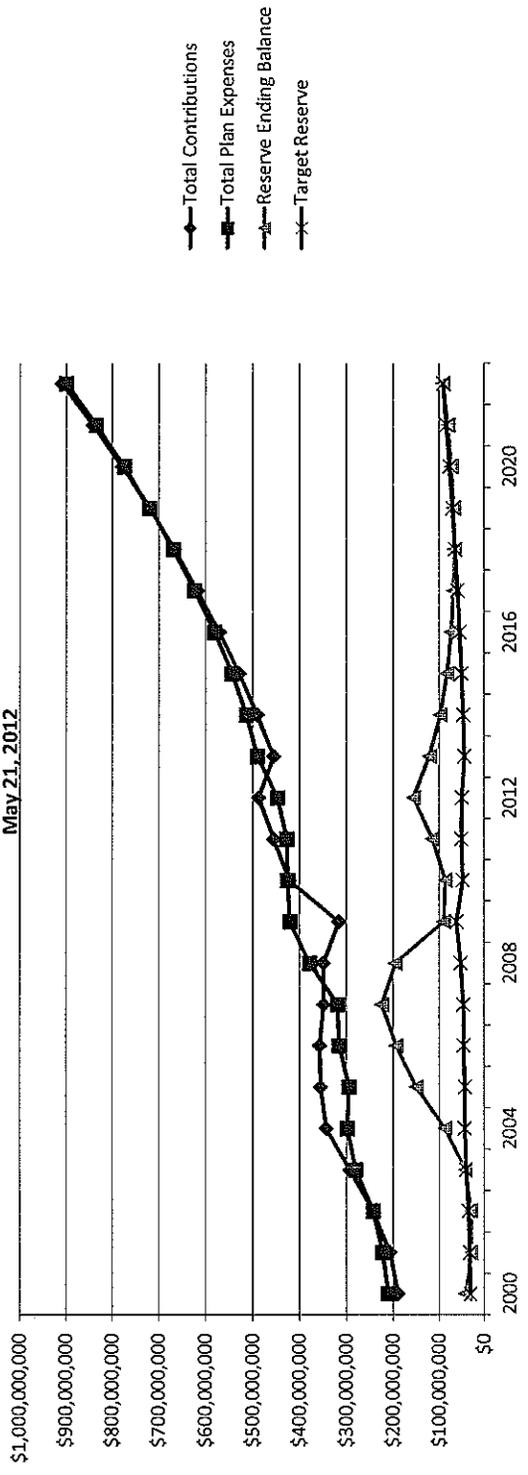


Division of Healthcare Finance
 Projected Reserve Calculation - Full Replacement to New Plan C (\$2,500/\$5,000 deductible) with 100% \$1,500/\$2,250 HSA Contribution in January
 Medical, Pharmacy, Dental and Vision
 Date of Projection: 5/21/2012

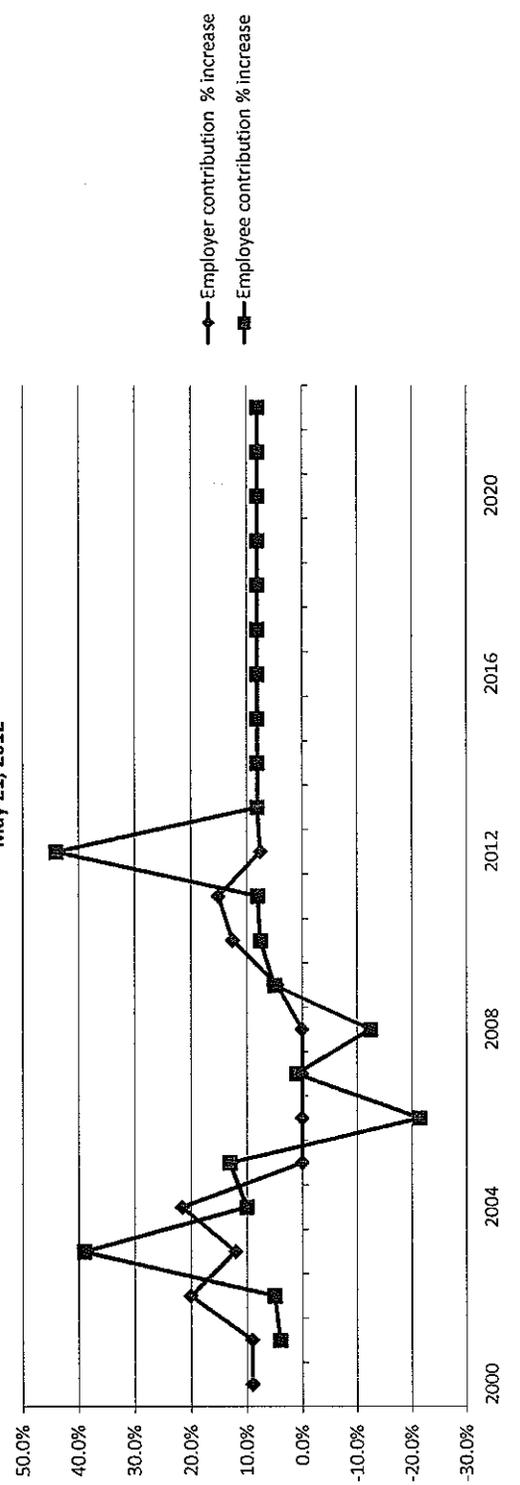
Projection F

Plan Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Factors and Assumptions	Projected 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%
Policy Choices	Future Policy Choices.....											
Employee Contr. % incr. (eff. July 1)	15.0%	8.1%	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%
Reserves												
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
Beginning Total Reserve Balance	86,858,641	114,946,410	155,324,979	120,792,629	97,545,026	82,682,985	73,998,203	68,678,471	66,722,289	68,093,077	72,713,007	80,456,028
Projected Cash Flow												
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
Net Cash flow	28,087,769	40,378,568	(34,532,350)	(23,247,603)	(14,862,040)	(8,684,782)	(5,319,732)	(1,956,182)	1,370,788	4,619,930	7,743,021	10,683,972
Projected Reserve Balance												
Reserve Ending Balance	114,946,410	155,324,979	120,792,629	97,545,026	82,682,985	73,998,203	68,678,471	66,722,289	68,093,077	72,713,007	80,456,028	91,140,000
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

Projected Reserve Balance
Annual Contributions, Expenses and Fund Balances
May 21, 2012



Projected Reserve Balance
Increases in Employer and Employee Premium Contributions
May 21, 2012



SEHBP - Statement of Operations
Plan Year 2012

	JAN	FEB	MAR	APR
RTP & RESERVE FUND				
Begin Balance:				
Reserve Fund	12,017,362	12,018,108	12,018,889	12,019,646
Remittance to Providers	102,929,048	110,375,494	115,104,897	117,150,594
Total Beginning Balance	114,946,410	122,393,602	127,123,786	129,170,240
Revenue:				
Agency Contributions	23,010,947	23,003,447	23,031,905	24,295,186
Participant Contributions	17,794,360	14,808,174	18,298,142	17,733,483
Other - rebates, penalties, timing, etc.	379,952	4,010,757	-2,766,335	318,767
Total Revenue	41,185,259	41,822,378	38,563,712	42,347,436
Activity on Reserve Fund	745	781	757	1,034
Expenses:				
Premiums, Claims & ASO Payments	33,566,764	37,005,457	35,164,196	32,988,661
Non State Admin/Contracts	172,050	87,518	1,353,819	277,893
Total Expenses	33,738,814	37,092,975	36,518,015	33,266,554
End Balance:				
Reserve Fund	12,018,108	12,018,889	12,019,646	12,020,680
Remittance to Providers	110,375,494	115,104,897	117,150,594	126,231,476
End Balance	122,393,602	127,123,786	129,170,240	138,252,156
ADMINISTRATION				
	JAN	FEB	MAR	APR
Begin Balance:	5,883,844	6,081,592	6,209,354	6,397,844
Revenues:				
Cafeteria Fund	275,478	244,861	279,064	266,438
Wellness Fund	63,891	59,386	64,424	62,555
Total Revenues	339,369	304,247	343,488	328,993
Expenses:				
Admin Expenses	158,814	131,786	131,786	167,924
Other - timing	-17,193	44,698	23,212	1,817
Total Admin Expenses	141,621	176,484	154,998	169,741
Ending Balance	6,081,592	6,209,354	6,397,844	6,557,096