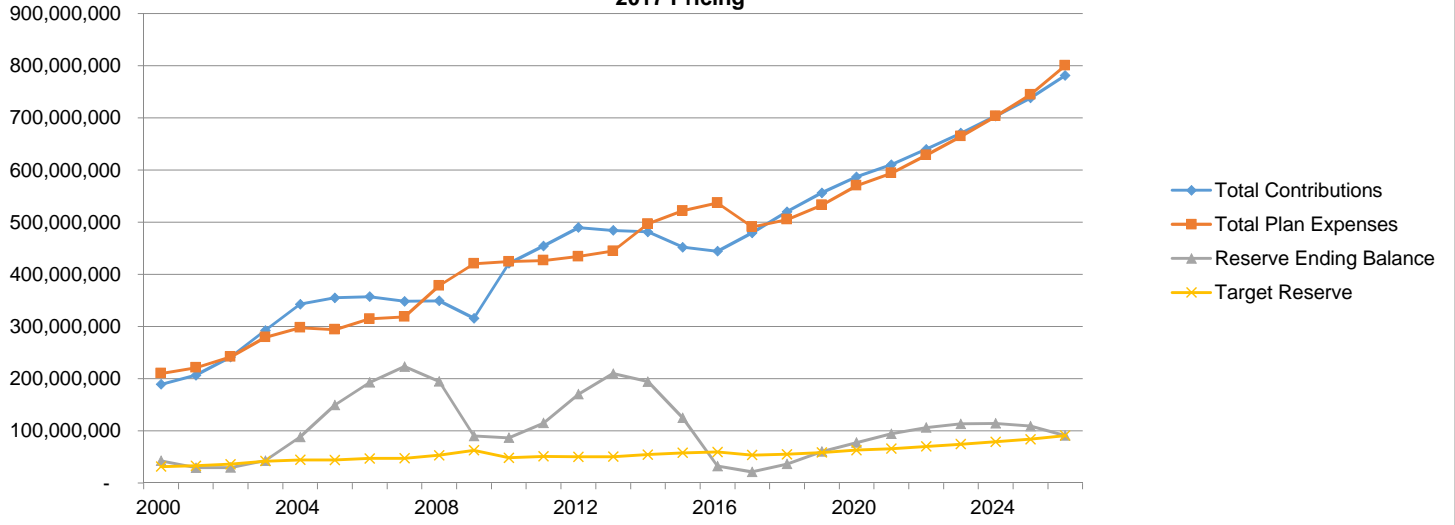


**Projected Reserve Calculation
Medical, Pharmacy, Dental and Vision
Updated through July 2017**

Plan Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Factors and Assumptions													
Interest Rate on Reserves	0.1%	0.2%	0.3%	0.5%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Admin/Contract Fee Trend	0.8%	0.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Medical cost trend rate	7.5%	7.5%	6.8%	5.5%	5.5%	6.0%	6.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Rx cost trend rate			8.4%	9.0%	8.0%	7.5%	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Policy Choices													
	<i>Future Policy Choices.....</i>												
State Employer Contr. % incr. (eff. July 1)	-2.0%	-8.5%	0.0%	7.0%	7.7%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Non-State Employer Contr. % incr. (eff. July 1)	-2.0%	0.0%	6.0%	7.0%	7.7%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Contribution % Increase													
Active Employee Only	-2.0%	0.0%	6.4%	9.0%	7.7%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Spouse Only	-2.0%	0.0%	36.7%	30.4%	31.8%	15.7%	14.6%	5.7%	10.1%	9.9%	9.7%	9.5%	9.5%
Retiree Rate Increase	-2.0%		21.30%	46.1%	0.0%	4.8%	8.0%	4.4%	6.3%	6.4%	6.4%	6.4%	6.4%
Beginning Total Reserve Balance	210,048,485	194,666,302	124,938,539	32,625,824	21,419,708	36,687,371	60,536,472	77,673,023	94,402,526	106,539,291	113,484,443	114,558,515	109,119,326
Projected Cash Flow													
Total Employer Contributions	363,183,109	344,369,078	326,956,665	333,232,898	360,095,291	379,473,213	391,903,830	404,746,877	418,016,293	431,726,499	445,892,420	460,529,496	475,653,708
Total Participant Contributions	118,499,577	107,742,610	117,580,138	146,512,920	160,326,638	176,947,389	195,135,765	205,628,565	221,862,499	239,245,765	257,878,596	277,774,835	305,833,874
Total Contributions	481,682,685	452,111,688	444,536,802	479,745,818	520,421,929	556,420,602	587,039,595	610,375,442	639,878,792	670,972,264	703,771,016	738,304,331	781,487,582
Total Plan Expenses (Claims, ASO fees & contracted expenses)	497,077,244	522,197,896	537,241,182	491,085,172	505,314,914	532,846,657	570,357,068	594,228,486	628,450,046	664,826,157	703,548,077	744,602,708	800,290,854
Interest on Reserves	12,375	358,445	391,664	133,238	160,648	275,155	454,024	582,548	708,019	799,045	851,133	859,189	818,395
Net Cash Flow	(15,382,184)	(69,727,763)	(92,312,716)	(11,206,116)	15,267,663	23,849,101	17,136,551	16,729,503	12,136,765	6,945,152	1,074,072	(5,439,189)	(17,984,877)
Projected Reserve Balance													
Reserve Ending Balance	194,666,301	124,938,539	32,625,824	21,419,708	36,687,371	60,536,472	77,673,023	94,402,526	106,539,291	113,484,443	114,558,515	109,119,326	91,134,450
Target Reserve	54,724,865	57,993,089	59,439,802	53,655,123	55,310,421	58,623,823	63,221,364	66,032,019	70,173,604	74,579,878	79,274,839	84,255,872	91,134,450
IBNR Claim Reserve	31,572,037	33,477,922	34,292,193	30,954,878	31,909,858	33,821,437	36,473,864	38,095,395	40,484,772	43,026,853	45,735,484	48,609,157	52,577,567
Claim Fluctuation Reserve	23,152,827	24,515,167	25,147,609	22,700,244	23,400,563	24,802,387	26,747,500	27,936,623	29,688,833	31,553,025	33,539,355	35,646,715	38,556,883

**Projected Reserve Balance
Annual Contributions, Expenses and Fund Balances
2017 Pricing**



**Projected Reserve Balance
Increases in Employer and Employee Premium Contributions
2017 Pricing**

