#### Self-Insurance Estimating Conference State Employees' Health Insurance Trust Fund Last conference held: October 12, 2011

#### **Executive Summary**

The outlook for the State Employees' Health Insurance Trust Fund has been revised to take into account recent fund experience and the HMO and Pharmacy Benefits Manager (PBM) procurements. The outlook has been improved due to these changes: for 2011-12 the projected ending balance has been increased by \$142.4 million from \$91.7 million to \$234.1 million, while for 2012-13 the projected ending balance has been increased by \$354.8 million from -\$244.6 million to \$110.2 million. The outlook for subsequent years shows that expenses will exceed revenues by an amount that generates a negative cash flow of \$303.6 million in 2013-14, and \$558.9 million in 2014-15.

Impacting all areas of the forecast are changes to the enrollment forecast, due to recent trends. Overall projected enrollment has been reduced substantially throughout the forecast period, due mainly to recent significant reductions in enrollment among active employees. This decrease was offset somewhat by higher enrollment among early retirees. Overall enrollment is projected to decline by 1.5% in 2011-12, and increase by .3% in 2012-13, .4% in 2013-14, and .3% in 2014-15.

On the revenue side, the forecast for premiums is generally significantly lower due to lower enrollment. However, in 2011-12, overall premium income is not significantly changed due to moving a June 2011 biweekly payroll into July, shifting \$33.4 million from 2010-11 to 2011-12, and an accounting transaction of \$14.8 million which also shifted income from 2010-11 to 2011-12. Investment interest is somewhat higher due to higher fund balances, and PBM rebates are also projected to be higher than in the old forecast, due to the change in the Pharmacy Benefits Manager. Overall revenues are projected to be lower than the previous forecast by \$31.7 million in 2011-12, \$38.4 million in 2012-13, \$49.1 million in 2013-14, and \$59.6 million in 2014-15.

On the expense side, PPO expenses are generally lower than in the previous forecast. For PPO medical claims, a lower 2010-11 base, a reduction in the trend factor from 9.5% in the old forecast to 9.0% in the new forecast, and lower enrollment all combine to produce lower claims throughout the forecast. For PPO prescription drug claims, in 2011-12 projected claims are higher than in the previous forecast but in subsequent years, lower enrollment and savings from the new PBM contract offset the impact of changing the methodology for producing the forecast and the higher 2010-11 base to produce lower forecasts when compared to the previous estimate, resulting in lower projected claims overall.

Arguably the most significant change from the previous forecast results from the recent HMO procurement process, resulting in new contracts effective January 1, 2012. Four of the six HMO vendors will now be operating under a self-insured financial model. Prescription drug services will be also provided under a self-insured model, with the exception of two vendors who will offer Medicare Advantage Prescription Drug Plans to Medicare subscribers under a fully insured model. The number of HMO vendors per county will be limited to one in sixty-one counties and two in the remaining six counties. Overall these changes, combined with lower projected enrollment, result in a reduction in HMO costs from the previous forecast of \$150.2 million in 2011-12, \$208.4 million in 2012-13, \$304.5 million in 2013-14, and \$357.9 million in 2014-15.

There were only minor changes in the remaining expense categories.

# State Employees' Group Health Self-Insurance Trust Fund

# **Report on the Financial Outlook**

For the Fiscal Years Ending June 30, 2012 through June 30, 2015

Presented October 12, 2011 (Updated October 13, 2011)

Prepared by: Florida Department of Management Services Division of State Group Insurance

#### EXECUTIVE SUMMARY

The Florida Division of State Group Insurance (the Division) has prepared a financial Outlook for the State Employees' Group Health Self-Insurance Trust Fund (the Trust Fund) for the fiscal years ending June 30, 2012 through June 30, 2015 to aid in the State's planning and budgeting in accordance with Section 216.136(9), *Florida Statutes.* The Division prepared the Outlook using cash basis methods and modeling and it is based on the healthcare benefit and funding design currently in place. It considers actual cash flow and enrollment experience through August and September 2011, respectively.

This Outlook uses the July 2011 Post-Session Impact Outlook as the base and reports and recognizes the fiscal impact of these activities:

- 1. Actual FY 2010-11 enrollment and cash flow activity.
- 2. FY 2011-12 monthly cash flow and enrollment activity through August and September 2011, respectively.
- 3. Contract with a new Pharmacy Benefits Administrator (PBM) effective January 1, 2012.
- 4. New contracts with Health Maintenance Organization (HMO) vendors effective January 1, 2012.
  - a. Impact of introduction of self-insured financing model to some HMO contracts.

The cash position has improved for the forecast period due to the activities listed above. The Trust Fund is expected to remain solvent through FY 2012-13. The projected ending cash balance for FY 2011-12 increased from \$91.7 million to \$234.1 million; the estimated operating deficit of \$138.5 million changed to an estimated gain of \$36.3 million. The projected ending cash balance for FY 2012-13 increased from a deficit of \$244.6 million to a surplus of \$110.2 million, up \$354.8 million; the estimated operating loss decreased from \$336.3 million to \$123.9 million, down \$212.4 million.

With no changes to benefit attributes, covered services, premium rates, or other plan factors, the Trust Fund is projected to go from a cash surplus of \$234.1 million in FY 2011-12 to a projected ending cash deficit of \$193.4 million in FY 2013-14. Projected FY 2013-14 revenues are estimated to fall short in meeting health plan costs by \$303.6 million.

Following is a summary of the Outlook for fiscal years 2010-11 through 2014-15.

Financial Outlook					
(Dollars in Millions)	Actual		Proje	cted	
	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15<sup>(1)</sup></u>
Beginning Cash Balance	\$ 224.6	\$ 197.8	\$ 234.1	\$ 110.2	\$ 0.0
Revenues	1,853.2	1,900.9	1,918.4	2,021.7	2,129.5
Expenses	<u>1,880.0</u>	<u>1,864.6</u>	<u>2,042.3</u>	<u>2,325.3</u>	<u>2,688.4</u>
Operating Gain/ (Loss)	<u>\$ (26.8)</u>	<u>\$ 36.3</u>	<u>\$ (123.9)</u>	<u>\$ (303.6)</u>	<u>\$ (558.9)</u>
Ending Cash Balance	\$ 197.8	<u>\$ 234.1</u>	<u>\$ 110.2</u>	<u>\$ (193.4)</u>	<u>\$ (558.9)</u>

<sup>(1)</sup> Assumes no carry forward of negative cash balances from prior year.

A substantial reduction in expenses is contributing to a healthier cash balance through the forecast period. Favorable improvement in the cash position is attributable to a combination of factors supporting the reduction in the expense forecast.

Slowing of medical healthcare costs in the self-insured Preferred Provider Organization (PPO) plans and improved financial terms for prescription drug benefits resulting from the completion of a competitive procurement for the PBM are contributing to the reduction in the expenses forecast. The PBM contract was awarded to Medco Health Solutions Inc.'s (Medco) for an initial term of three years (January 1, 2012 through December 31, 2014) with renewal options for up to three additional years. Estimated contract savings from items such as deeper price discounts for prescription drugs and lower administrative charges will be realized shortly after the contract effective dates and throughout the contract period.

Most notable is the estimated fiscal impact of the new HMO contracts effective January 1, 2012 resulting from the completion of a competitive procurement. The HMO contracts were awarded for an initial term of two years (January 1, 2012 through December 31, 2013) with renewal options for up to three additional years. Medical benefits for four of the awarded HMO vendors were contracted under a self-insured financial model and two HMO vendors were contracted

under a fully-insured model. Prescription drug services are carved-out to Medco under a self-insured financial model, except for two vendors that will offer a Medicare Advantage Prescription Drug Plans to Medicare subscribers under a fully-insured model (see Exhibit 3). Furthermore, the number of HMO vendors offered per county will be limited to one vendor in sixty one counties and two vendors in six counties. Estimated contract savings will be realized shortly after the contracts effective date and throughout the contract period. Adjustments to corresponding revenue and expense categories resulting from the new HMO contracts have been incorporated in this Outlook.

Decreases in employee enrollment resulted in a decline in insurance premiums and corresponding expense categories. Projected non-premium revenue changes are mainly attributed to the impact of actual FY 2010-11 activity and minor changes to the revised actuarial projections for Medicare Part D subsidy. In addition, this Outlook introduces a new revenue category (HMO-PBM Rebates) to recognize estimated rebates resulting from the carve-out of prescription drugs from the HMO vendors to Medico under a self-insured model.

FY 2011-12 total enrollment recognizes actual decreases in employee enrollment and afterwards the growth in total enrollment is projected at an annual average increase of 0.4%. Monthly activity through September 2011 shows a decrease in active employee enrollment and slightly higher than previously projected enrollment in the retiree population. Actual enrollment activity continues to suggest a migration trend from the PPO plans to the HMO plans. These trends, along with category shifts, are contributing to the adjustments to the enrollment projections and corresponding revenue and expense components.

Subscriber migration and new hire election patterns indicate continuing change in the enrollment distribution between the PPO plans and the HMO plans. FY 2011-12 total enrollment distributions are projected at 51.1% in the PPO plans and 48.9% in the HMO plans. However, employee enrollment is projected at 43.8% in the PPO plans and 56.2% in the HMO plans, during the same period. The PPO plans have a disproportionately higher share of retiree subscribers (78.0%) as compared to the HMO plans (22.0%).

Approximately 1,488 subscribers (1,409 active employees) are currently enrolled in a High Deductible Health Plan (0.85% of total enrollment). Approximately 931 of these active employees, or 66.1%, participate in the integrated State-sponsored Health Savings Account offering.

Projected growth in expenses during fiscal years 2012-13 through 2014-15 with relatively stable revenues upon implementation of the premium rate increase in December 2010 for January 2011 coverage will cause significant deterioration of the cash position in FY 2013-14. Attention to the cash position is required to maintain sufficient cash balances for operations.

The declining employee membership trend, coupled with the increasing retiree membership trend continues to impact utilization patterns and costs for the state, as medical costs generally increase with age. After consideration of actual PPO plans medical claims experience the medical growth trend was decrease from 9.5% to 9.0% for the forecast period. The HMO plans medical cost trend for the forecast period is 9.0%. The assumed growth rates fall within the expected industry range of 5.4% to 11.7%.

The prescription drug market continues to provide opportunities to dispense generic drugs. However, the offering of new and more expensive biotech/specialty drugs counterbalances the trend towards utilizing of less expensive generic drugs. The main factors driving changes in prescription drug spending are: (1) membership demographics, (2) utilization, (3) price changes, and (4) changes in the types of drugs used.

With a projected higher retiree enrollment ratio and the State's current position as the primary payer of prescription drugs for Medicare retirees, prescription drug growth rate is expected to continue trending upwards. The overall PPO plans cost trend has remained 9.2% for the forecast period, consistent with previous assumptions. The HMO plans prescription drug trend for the forecast period is 8.9%. The assumed growth rates fall within the expected industry range of 6.5% - 11.0%.

The weighted-average increase in premium rates for the two fully-insured HMO vendors has been established at 9.0%. The assumed growth rate is slightly lower than the expected industry range of 9.2% – 10.6% for traditional HMO offerings. For plan year 2012 all counties in Florida will have at least one HMO plan offering. The PPO standard and high deductible health plans remain available worldwide.

Following is a summary of the trends used in the previous projections and those used for the development of this Outlook.

	February 2011 (1)	October 2011 <sup>(2)</sup>
	Trend Industry Range	Trend Industry Range
PPO Medical Claims	9.5% 5.9% - 11.7%	5 9.0% 5.4% - 11.7%
HMO Medical Claims	Not Applicable	9.0%
PPO Prescription Drug Claims HMO Prescription Drug	9.2% 9.2% - 11.3%	9.2% 6.5% - 11.3%
Claims	Not Applicable	8.9%
HMO Premium Payments	10.0% 9.4% - 10.6%	5 9.0% 9.2% - 10.6%

Notes: <sup>(1)</sup> Survey data for Calendar Year 2011. <sup>(2)</sup> Survey data for Calendar Years 2011 and 2012.

The Patient Protection and Affordable Care Act (PPACA), enacted on March 23, 2010, as amended by the Health Care and Education Reconciliation Act (HCERA), creates a broad array of issues for employers' health benefit programs and the US health care system. New mandates and changes imposed by the law affect the design, cost, tax treatment, administration, reporting and disclosure of health benefit programs. Some new provisions went into effect in 2010, but many will not take effect for several years.

PPACA imposes new mandates or standards for individual and group health coverage. With a few exceptions, all insured and self-insured group health plans faced a first round of coverage and cost-sharing mandates for plan years beginning on or after March 23, 2010.

The Division retained Mercer to estimate the fiscal impact of PPACA to the trust fund. Estimates are being presented in the Outlook as a single line in the Revenue and Expense categories with supporting detail in appendices 1 and 2 of the Financial Outlook. To develop the estimates Mercer used assumptions and methodologies provided in the report dated February 25, 2011, and updated by the Division for this Outlook. Some key assumptions are listed below:

- 1. Non-grandfathered status for the State Employees' Group Health Insurance Program (the Program).
- 2. Baseline dollar figures from the Outlook dated December 9, 2010.
- 3. Annual increases in costs for medical and prescription drug claims and HMO premium payments are based on Mercer's assumptions, proprietary models and employer marketplace trends.
- 4. Approximately 770 enrollees will drop participation in the Program and enroll in Medicaid on January 1, 2014 as a result of the implementation of the "Medicaid Expansion and Migration into Exchange" reform.
- 5. Approximately 21,580 (12,948 permanent employees and 8,632 OPS employees (University OPS employees not included due to unavailability of data at the time of the report was produced)) will elect to participate in the Program on January 1, 2014 as a result of the implementation of the "Individual Mandate with Federal Subsidies" reform.
- 6. Increase in Insurance Premium contributions effective December 2013 for January 2014 coverage:
  - i. Additional employer contributions estimated at \$104.3 million and \$211.72 million for Fiscal Years 2013-14 and 2014-15, respectively.
  - ii. Additional employee contributions estimated at \$5.31 million and \$10.79 million for Fiscal Years 2013-14 and 2014-15, respectively.
  - iii. Total estimated increase in insurance premium contributions of \$109.61 million and \$222.51 million for fiscal years 2013-14 and 2014-15, respectively.

The State must continually monitor and review PPACA over the next several years, particularly as some regulations are pending. This will ensure that the State fully understands the fiscal impact on the Trust Fund and can make decisions accordingly.

#### <u>Exhibits</u>

The exhibits that follow provide more in-depth information about the projections, estimated cash positions and comparisons to the previous outlook.

#### <u>Appendixes</u>

Appendix 1 provides detailed information on the estimated fiscal impact to the forecast as a result of PPACA. Appendix 2 provides summary information about PPACA reforms and their estimated fiscal impact to the forecast. Appendix 3 provides summary information about the new HMO contract terms, by vendor, effective January 1, 2012.

#### STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

#### Exhibit I Financial Outlook by Fiscal Year (In Millions) Highlights of Changes to Forecast - Conference October 2011 Compared to July 2011 (In Millions)

		FY 2010-11			FY 2011-1	2		FY 2012-1	3		FY 2013-14	4		FY 2014-1	5
	<u>Jul '11</u>	Oct '11	Diff.	Jul '11	Oct '11	Diff.	Jul '11	Oct '11	Diff.	Jul '11	Oct '11	Diff.	<u>Jul '11</u>	Oct '11	Diff.
BEGINNING CASH BALANCE	\$ 224.6	\$ 224.6	\$ 0.0	\$ 230.2	\$ 197.8	\$ (32.4)	\$ 91.7	\$ 234.1	\$ 142.4	\$ 0.0	\$ 110.2	\$ 110.2	\$ 0.0	\$ 0.0	\$ 0.0
REVENUES:															
Insurance Premiums	\$ 1,829.9	\$ 1,773.4	\$ (56.5)	\$ 1,829.3	\$ 1,829.7	\$ 0.4	\$ 1,886.7	\$ 1,832.6	\$ (54.1)	\$ 1,895.7	\$ 1,835.9	\$ (59.8)	\$ 1,905.6	\$ 1,839.9	\$ (65.7)
Investment Interest	4.5	4.2	(0.3)	3.2	4.6	1.4	0.0	4.4	4.4	0.0	0.4	0.4	0.0	0.0	0.0
Other Revenues	70.1	75.6	5.5	67.7	66.6	(1.1)	70.1	81.4	11.3	175.1	185.4	10.3	283.5	289.6	6.1
TOTAL REVENUES	\$ 1,904.5	\$ 1,853.2	\$ (51.3)	\$ 1,900.2	\$ 1,900.9	\$ 0.7	\$ 1,956.8	\$ 1,918.4	\$ (38.4)	\$ 2,070.8	\$ 2,021.7	\$ (49.1)	\$ 2,189.1	\$ 2,129.5	\$ (59.6)
TOTAL CASH AVAILABLE	\$ 2,129.1	\$ 2,077.8	\$ (51.3)	\$ 2,130.4	\$ 2,098.7	\$ (31.7)	\$ 2,048.5	\$ 2,152.5	\$ 104.0	\$ 2,070.8	\$ 2,131.9	\$ 61.1	\$ 2,189.1	\$ 2,129.5	\$ (59.6)
EXPENSES:															
PPO Plan	\$ 895.7	\$ 883.9	\$ (11.8)	\$ 960.4	\$ 936.5	\$ (23.9)	\$ 1,027.4	\$ 984.7	\$ (42.7)	\$ 1,105.3	\$ 1,043.9	\$ (61.4)	\$ 1,189.8	\$ 1,108.6	\$ (81.2)
HMO Plan	988.4	987.3	(1.1)	1,092.7	942.5	(150.2)	1241.6	1033.2	(208.4)	1406.5	1102.0	(304.5)	1590.7	1232.8	(357.9)
Other Expenses	14.8	8.8	(6.0)	(14.4)	(14.4)	0.0	24.1	24.4	0.3	178.9	179.4	0.5	346.4	347.0	0.6
TOTAL EXPENSES	\$ 1,898.9	\$ 1,880.0	\$ (18.9)	\$ 2,038.7	\$ 1,864.6	\$ (174.1)	\$ 2,293.1	\$ 2,042.3	\$ (250.8)	\$ 2,690.7	\$ 2,325.3	\$ (365.4)	\$ 3,126.9	\$ 2,688.4	\$ (438.5)
EXCESS OF REV. OVER EXP.	<u>\$ 5.6</u>	<u>\$ (26.8)</u>	<u>\$ (32.4)</u>	<u>\$ (138.5)</u>	<u>\$ 36.3</u>	<u>\$ 174.8</u>	<u>\$ (336.3)</u>	<u>\$ (123.9)</u>	<u>\$ 212.4</u>	<u>\$ (619.9)</u>	<u>\$ (303.6)</u>	<u>\$ 316.3</u>	<u>\$ (937.8)</u>	<u>\$ (558.9)</u>	<u>\$ 378.9</u>
ENDING CASH BALANCE	<u>\$ 230.2</u>	<u>\$ 197.8</u>	<u>\$ (32.4)</u>	<u>\$ 91.7</u>	<u>\$ 234.1</u>	<u>\$ 142.4</u>	<u>\$ (244.6)</u>	<u>\$ 110.2</u>	<u>\$ 354.8</u>	<u>\$ (619.9)</u>	<u>\$ (193.4)</u>	\$ 426.5	<u>\$ (937.8)</u>	<u>\$ (558.9)</u>	<u>\$                                    </u>
Total Unreported Claims Liability	Not Included	\$ 64.5	Not Applicable	Not Included	\$ 117.4	Not Applicable	Not Included	\$ 124.1	Not Applicable	Not Included	\$ 131.1	Not Applicable	Not Included	\$ 139.0	Not Applicable

<sup>(1)</sup> Revenue and Expense categories have been collapsed to present the highlights of changes to forecast.

<sup>(2)</sup> Exhibits II to XII present detail forecast information, per fiscal year.

#### Highlights of Changes to Forecast

- Overall, net results of outlook improved for the forecast period, as compared with previous outlook
- Inclusion of actual FY 2010-11 enrollment and cash flow
- Inclusion of actual enrollment through September 2011 and actual cash flow activity through August 2011
- Inclusion of estimated fiscal impact of new contract with Pharmacy Benefits Administrator effective January 1, 2012
- Inclusion of estimated fiscal impact of new contracts with Health Maintenance Organization (HMO) vendors effective January 1, 2012
- Inclusion of Unreported Claim Liabilities
  - PPO Plan Medical Incurred but Not Reported (IBNR) claims and outstanding drafts
  - HMO Plan Medical and Prescription Drugs Incurred but Not Reported (IBNR) claims

#### Exhibit II Financial Outlook by Fiscal Year (In Millions)

		<u></u>	Y 2010-11 Actual	-	FY 2011-12 Estimate <sup>(1)</sup>		FY 2012-13 Estimate <sup>(1)</sup>		TY 2013-14 Estimate (1)		Y 2014-15 Estimate <sup>(1)</sup>
BEGINNING CASH BA	LANCE	\$	224.6	\$	197.8	\$	234.1	\$	110.2	\$	0.0 (2)
REVENUES:											
Insurance Premiums	:										
Employer		\$	1,403.3 <sup>(3)</sup>	<sup>)</sup> \$	1,447.5 <sup>(3)</sup>	\$	1,447.7	\$	1,447.1	\$	1,446.1
Employee			164.8 <sup>(3)</sup>		166.4 <sup>(3)</sup>		166.7		166.9		167.1
HSA Contributions	s <sup>(4)</sup>		1.6		1.6		1.6		1.6		1.6
COBRA			5.3		6.1		6.1		6.1		6.1
Early Retiree			62.0		64.7		64.5		64.3		64.2
Medicare			136.4		143.4		146.0		149.9		154.8
Investment Interest			4.2		4.6		4.4		0.4		0.0
PPO-TPA Refunds			8.9		7.2		7.2		7.2		7.2
PPO-PBM Rebates			25.9		22.1		27.5 (5)		24.9 (5)		20.2 (5)
HMO-PBM Rebates			N/A		0.0 (9)		8.1 <sup>(9)</sup>		8.8 (9)		9.9 <sup>(9)</sup>
Pretax Trust Fund Tr	ansfer		17.0		18.0		18.0		18.0		18.0
PPO-Medicare Part [	O Subsidy		22.2		19.3		20.6		22.5		23.2
Other Revenues			1.6		0.0		0.0		0.0		0.0
PPACA (6)			0.0		0.0		0.0		104.0		211.1
TOTAL REVENUES		\$	1,853.2	\$	1,900.9	\$	1,918.4	\$	2,021.7	\$	2,129.5
TOTAL CASH AVAILAI	BLE	\$	2,077.8	\$	2,098.7	\$	2,152.5	\$	2,131.9	\$	2,129.5
EXPENSES:		· _	/	· -	,		,	· -	,	· _	/
State PPO Plan: (7)											
Medical Claims		\$	602.5	\$	628.1	\$	668.2	\$	711.7	\$	758.0
ASO Fee		Ŷ	19.8	Ŷ	19.4	Ŷ	18.9	Ŷ	18.5	Ŷ	18.0
Prescription Drug	Claims		261.3		288.8 (5)		297.4 <sup>(5)</sup>		313.5 <sup>(5)</sup>		332.4 <sup>(5)</sup>
PBM Claims Admi			0.3		0.2		0.2		0.2		0.2
HMO Plan: (7)(8)											
Premium Payment	ts		987.3		632.4 <sup>(9)</sup>		276.6 <sup>(9)</sup>		304.1 <sup>(9)</sup>		340.6 (9)
Medical Claims			N/A		207.7 <sup>(9)</sup>		544.9 <sup>(9)</sup>		612.2 <sup>(9)</sup>		684.7 <sup>(9)</sup>
Risk Reserve			N/A		23.4 (10)		44.6 <sup>(10)</sup>		N/A		N/A
ASO Fee			N/A		16.6 <sup>(9)</sup>		32.2 <sup>(9)</sup>		35.3 <sup>(9)</sup>		38.2 <sup>(9)</sup>
Prescription Drug	Claims		N/A		62.4 <sup>(5)(9)</sup>		134.9 (5)(9)		150.4 (5)(9)		169.3 <sup>(5)(9)</sup>
HSA Deposits <sup>(4)</sup>			1.6		1.6		1.6		1.6		1.6
Operating Costs & A	dmin Assessment		2.2		2.6		2.6		2.6		2.6
Premium Refunds			5.0		3.5		3.5		3.5		3.5
Other Expenses			0.0		0.1		0.1		0.1		0.1
PPACA (6)			0.0		(22.2)		16.6		171.6		339.2
TOTAL EXPENSES		\$	1,880.0	\$	1,864.6	\$	2,042.3	\$	2,325.3	\$	2,688.4
EXCESS OF REVENUE		\$	(26.8)	\$	36.3	\$	(123.9)	\$	(303.6)	\$	(558.9)
ENDING CASH BALAN		ф	<u>(20.8)</u> <b>197.8</b>	Ψ_ \$	234.1	Ϋ́_ \$	<u>(123.9)</u> 110.2	φ	(193.4)	Ϋ́	(558.9)
ENDING CASH BALAN		Ψ_	137.0	Ψ-	234.1	Ψ_	110.2	Ψ_	(193.4)	Ψ	(330.3)
			ADDIT	ONA	L INFORMATIC	N					
Total Unreported Clair	ns Liability <sup>(11)</sup>	\$	64.5	\$	117.4	\$	124.1	\$_	131.1	\$	139.0
Average	PPO Standard		91,784		88,233		86,099		84,109 <sup>(12)</sup>		82,157 <sup>(12)</sup>
Enrollment	PPO HIHP		979		1,018		1,018		1,018 <sup>(12)</sup>		1,018 (12)
by Plan	HMO Standard		83,877		84,819		87,483		90,096 (12)		92,623 (12)
-	HMO HIHP	_	470	-	470	_	470	_	470 (12)	_	470 (12)
	Total	_	177,110	-	174,540	_	175,070	_	175,693	_	176,268
	Active Standard		139,165		135,937		135,821		135,808 (12)		135,745 (12)
Average	Active HIHP		1,371		1,409		1,409		1,409 (12)		1,409 (12)
Enrollment by	COBRA		750		680		677		677 <sup>(12)</sup>		677 <sup>(12)</sup>
Coverage Type	Early Retiree		7,662		7,842		7,866		7,888 (12)		7,912 (12)
	Medicare	_	28,162	-	28,672	_	29,297	_	29,911 (12)	_	30,525 (12)
	Total	_	177,110	-	174,540	_	175,070	_	175,693		176,268

<sup>(1)</sup> Actual results may differ from projected values with increasing likelihood of variance in future periods.

 $^{\scriptscriptstyle (2)}$  Assumes no carry forward of negative ending cash balance from prior year.

<sup>(3)</sup> Includes estimated impact of bi-weekly payroll change from June to July 2011.

 $^{\rm (4)}$  Contributions approximate a split between employer and employee of 42% and 58%, respectively.

<sup>(5)</sup> Includes estimated fiscal impact of new PBM contract effective January 1, 2012.

<sup>(6)</sup> Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).

<sup>(7)</sup> PPO and HMO Bank Services are estimated at approximately \$35,000 per year per plan for the projected period, which rounds to \$0.0M.

<sup>(8)</sup> Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0.

<sup>(9)</sup> Includes estimated fiscal impact of new HMO contracts effective January 1, 2012.

<sup>(10)</sup> Established by Principals for HMO Medical and Prescription Drug Claims. Calculated for fiscal years 2011-12 and 2012-13 at 7.25% and 6.5%, respectively, of total estimated HMO claim costs.

<sup>(11)</sup> Includes PPO Plan Incurred but not Reported (IBNR) claims and outstanding drafts and HMO IBNR claims. Reference Exhibits IV through VII for detail.

<sup>(12)</sup> Does not include estimated impact to enrollment of certain PPACA reforms.

#### Exhibit III Financial Outlook - Fiscal Year 2010-11 (In Millions)

		_	(A) Jul '11	_	(B) Oct '11	]	(B) - (A) Difference
<b>BEGINNING CASH BAL</b>	ANCE	\$	224.6	\$	224.6	\$	0.0
REVENUES:							
Insurance Premiums:							
Employer		\$	1,453.8	\$	1,403.3 (1)(2)	\$	(50.5)
Employee			169.7		164.8 <sup>(1)</sup>		(4.9)
HSA Contributions	(3)		1.5		1.6		0.1
COBRA			6.3		5.3		(1.0)
Early Retiree			62.0		62.0		0.0
Medicare			136.6		136.4		(0.2)
Investment Interest			4.5		4.2		(0.3)
PPO-TPA Refunds			8.1		8.9		0.8
PPO-PBM Rebates			25.6		25.9		0.3
Pretax Trust Fund Tra	Insfer		15.9		17.0 <sup>(4)</sup>		1.1
PPO-Medicare Part D	Subsidy		20.5		22.2		1.7
Other Revenue			0.0		1.6		1.6
PPACA <sup>(5)</sup>			0.0		0.0	_	0.0
TOTAL REVENUES		\$	1,904.5	\$	1,853.2	\$	(51.3)
TOTAL CASH AVAILAB	LE	\$	2,129.1	\$	2,077.8	\$	(51.3)
EXPENSES:						_	
State PPO Plan: (6)							
Medical Claims		\$	618.0	\$	602.5	\$	(15.5)
ASO Fee			19.8		19.8		0.0
Prescription Drug C	Claims		257.6		261.3		3.7
PBM Claims Admin	istration		0.3		0.3		0.0
HMO Premium Payme	ents		988.4		987.3		(1.1)
HSA Deposits (3)			1.5		1.6		0.1
Operating Costs & Ad	min Assessment		2.6		2.2		(0.4)
Premium Refunds			3.5		5.0		1.5
Other Expenses			0.1		0.0		(0.1)
PPACA (5)			7.1		0.0 (7)		(7.1)
TOTAL EXPENSES		\$	1,898.9	\$	1,880.0	\$	(18.9)
EXCESS OF REVENUE	S OVER EXPENSES	\$	5.6	\$	(26.8)	\$	(32.4)
ENDING CASH BALAN	CE	\$	230.2	\$	197.8	\$	(32.4)
			INFORMATIO	N			
Total Unreported Claim			Not Included	\$	64.5 <sup>(8)</sup>	1	Not Applicable
		_	- tot included	Ψ	0.10	-	
Average	PPO Standard		91,851		91,784		(67)
Enrollment	PPO HIHP		973		979		6
by Plan	HMO Standard		83,971		83,877		(94)

Enrollment	PPO HIHP	973	979	
by Plan	HMO Standard	83,971	83,877	
by Fiall	HMO HIHP	466	470	
	Total	177,261	177,110	
	Active Standard	139,336	139,165	
Average	Active HIHP	1,360	1,371	
Enrollment by	COBRA	756	750	
Coverage Type	Early Retiree	7,639	7,662	
	Medicare	28,170	28,162	
	Total	177,261	177,110	

(171) 11 (6)

23 (8)

(151)

<sup>(1)</sup> Includes impact of bi-weekly payroll change from June 2011 to July 2011.

<sup>(2)</sup> An accounting transaction reduced FY 2010-11 and increased FY 2011-12 insurance premiums in the amount of \$14.8M for a net impact of \$0.0.

<sup>(3)</sup> Contributions approximate a split between employer and employee of 42% and 58%, respectively.

<sup>(4)</sup> Includes adjustment to reconcile Pretax trust fund transfer with accounting records.

<sup>(5)</sup> Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).

<sup>(6)</sup> PPO and HMO Bank Services are estimated at approximately \$35,000 per year per plan for the projected period, which rounds to \$0.0M.

<sup>(7)</sup> Actual claims cost, if any, resulting from Patient Protection and Affordable Care Act (PPACA) effective January 2011, are embedded in the appropriate claims expense category.

<sup>(8)</sup> Includes PPO Incurred but not Reported (IBNR) claims and outstanding drafts estimated in the amount of \$58.3M and \$6.2M, respectively.

#### Exhibit IV Financial Outlook - Fiscal Year 2011-12 (In Millions)

				•	,	
	_	(A)	_	(B)		(B) - (A)
	-	Jul '11	_	Oct '11	-	Difference
BEGINNING CASH BALANCE	\$	230.2	\$	197.8	\$	(32.4)
REVENUES:						
Insurance Premiums:						
Employer	\$	1,449.1	\$	1,447.5 (1)(2)	\$	(1.6)
Employee		166.7		166.4 <sup>(1)</sup>		(0.3)
HSA Contributions <sup>(3)</sup>		1.5		1.6		0.1
COBRA		6.0		6.1		0.1
Early Retiree		61.4		64.7		3.3
Medicare		144.6		143.4		(1.2)
Investment Interest		3.2		4.6		1.4
PPO-TPA Refunds		7.2		7.2		0.0
PPO-PBM Rebates		22.1		22.1		0.0
Pretax Trust Fund Transfer		18.0		18.0		0.0
PPO-Medicare Part D Subsidy		20.4		19.3		(1.1)
PPACA <sup>(4)</sup>	_	0.0		0.0	-	0.0
TOTAL REVENUES	\$	1,900.2	\$	1,900.9	\$	0.7
TOTAL CASH AVAILABLE	\$	2,130.4	\$	2,098.7	\$	(31.7)
EXPENSES:						
State PPO Plan: <sup>(5)</sup>						
Medical Claims	\$	661.0	\$	628.1	\$	(32.9)
ASO Fee		19.7		19.4		(0.3)
Prescription Drug Claims		279.4		288.8 <sup>(7)</sup>		9.4
PBM Claims Administration		0.3		0.2 (7)		(0.1)
HMO Plan: <sup>(5)(6)</sup>						
Premium Payments		1,092.7		632.4 <sup>(8)</sup>		(460.3)
Medical Claims		N/A		207.7 (8)		207.7
Risk Reserve		N/A		23.4 (9)		23.4
ASO Fee		N/A		16.6 <sup>(8)</sup>		16.6
Prescription Drug Claims		N/A		62.4 <sup>(7)(8)</sup>		62.4
HSA Deposits <sup>(3)</sup>		1.5		1.6		0.1
Operating Costs & Admin Assessment		2.6		2.6		0.0
Premium Refunds		3.5		3.5		0.0
Other Expenses		0.1		0.1		0.0
PPACA <sup>(4)</sup>		(22.1)		(22.2)	_	(0.1)
TOTAL EXPENSES	\$	2,038.7	\$	1,864.6	\$	(174.1)
EXCESS OF REVENUES OVER EXPENSES	\$	(138.5)	\$	36.3	\$	174.8
ENDING CASH BALANCE	\$	91.7	\$	234.1	\$	142.4
		AL INFORMA			I	
Total Unreported PPO Plan Claims Liability		Not Included	\$	64.5 (10)	l	Not Applicable
Total Ungenerated LINO Plan Olaina Liability			4	50.0 <sup>(11)</sup>		Net Applicable

Total Unreported PPO	Plan Claims Liability	Not Included	\$	64.5 <sup>(10)</sup>	Not Applicable
Total Unreported HMO	Plan Claims Liability	Not Applicable		52.9 (11)	Not Applicable
Total Unreported Clai	ms Liability	Not Applicable	\$	117.4	Not Applicable
Average	PPO Standard	89,573		88,233	(1,340)
Enrollment	PPO HIHP	1,006		1,018	12
by Plan	HMO Standard	86,969		84,819	(2,150)
by Plan	HMO HIHP	460		470	10
	Total	178,008	_	174,540	(3,468)
	Active Standard	139,807		135,937	(3,870)
Average	Active HIHP	1,385		1,409	24
Enrollment by	COBRA	678		680	2
Coverage Type	Early Retiree	7,486		7,842	356
	Medicare	28,652		28,672	20
	Total	178,008		174,540	(3,468)

<sup>(1)</sup> Includes impact of bi-weekly payroll change from June 2011 to July 2011.

(2) An accounting transaction reduced FY 2010-11 and increased FY 2011-12 insurance premiums in the amount of \$14.8M for a net impact of \$0.0.

<sup>(3)</sup> Contributions approximate a split between employer and employee of 42% and 58%, respectively.

<sup>(4)</sup> Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).

<sup>(5)</sup> PPO and HMO Bank Services are estimated at approximately \$35,000 per year per plan for the

projected period, which rounds to \$0.0M.

<sup>(6)</sup> Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0.

<sup>(7)</sup> Includes estimated fiscal impact of new PBM contract effective January 1, 2012.

<sup>(8)</sup> Includes estimated fiscal impact of new HMO contracts effective January 1, 2012.

- <sup>(9)</sup> Established by Principals for HMO Medical and Prescription Drug Claims. Calculated at 7.25% of total estimated HMO claim costs.
- <sup>(10)</sup> Includes PPO Incurred but not Reported (IBNR) claims and outstanding drafts estimated in the amount of \$58.3M and \$6.2M, respectively.

<sup>(11)</sup> Includes HMO medical and drugs IBNR claims in the amount of \$51.2M and \$1.7M, respectively.

#### Exhibit V Financial Outlook - Fiscal Year 2012-13 (In Millions)

BEGINNING CASH BALANCE         \$         010         017         \$         0241         \$         \$         0142.4           REVENUES:         Insurance Premiums:         Employer         \$         1.497.9         \$         1.447.7         \$         (60.2)           Employee         172.9         1166.7         (60.2)         (60.7)         (60.1)         0.1           Employee         172.9         146.5         1.60         0.1         0.1         1.5         5.6         0.1         0.1         1.5         5.6         0.1         0.1         1.5         1.60         0.1         0.1         1.60         0.1         0.1         1.5         1.60         0.1         0.1         1.5         1.60         0.0			_	(A) Jul '11	_	(B) Oct '11	1	(B) - (A) Difference
REVENUES:           Insurance Premiums:         Employer         \$ 1,497.9         \$ 1,447.7         \$ (6.2)           Employes         172.9         166.7         6.2)           HSA Contributions <sup>(1)</sup> 1.5         1.6         0.1           COBRA         6.0         6.1         0.1           Early Retiree         58.9         64.5         5.6           Medicare         1.445.5         1.46.0         (3.5)           Investment Interest         0.0         4.4         4.4           PPO-TPR Rebinds         7.2         7.2         0.0           PPO-TPR Rebinds         7.2         7.2         0.0         0.0           PPACA <sup>(6)</sup> 0         0.0         0.0         0.0         0.0           TOTAL REVENUES         \$ 1,956.8         \$ 1,918.4         \$ (38.4)         \$ (38.4)           TOTAL CASH AVALLABLE         \$ 2,046.5         \$ 2,152.5         \$ 104.0           EXPENSES:         \$ 192         18.9         (0.3)           Prescription Drug Claims         302.5         297.4 <sup>(7)</sup> (0.1)           HM Colal Claims Administration         0.3         0.2 <sup>(7)</sup> (0.1)           Prescription Drug Claims	<b>BEGINNING CASH BA</b>	LANCE	\$		\$	234.1	\$	
Insurance Premiums:         Femployer         \$         1,497.9         \$         1,447.7         \$         (60.2)           HSA Contributions <sup>(1)</sup> 1.5         1.6         0.1<	REVENUES:		·		·		•	
Employee         172.9         166.7         (6.2)           HSA Contribution <sup>(1)</sup> 1.5         1.6         0.1           COBRA         6.0         6.1         0.1           Early Retiree         58.9         64.5         5.6           Medicare         149.5         146.0         (3.5)           Investment Interest         0.0         4.4         4.4           PPO-PBM Rebates         7.2         7.2         0.0           PPO-PBM Rebates         22.9         27.5         4.6           HMO-PBM Rebates         N/A         8.1         0.0         0.0           Pretax Trust Fund Transfer         18.0         0.0         0.0         0.0           TOTAL REVENUES         \$         1.956.8         \$         1.918.4         \$         (38.4)           TOTAL REVENUES         \$         1.92.4         18.9         (0.3)         0.2 <sup>(17)</sup> (6.1)           PBM Claims Administration         0.3         0.2 <sup>(17)</sup> (6.1)         9.44.9         9.44.9         9.44.5         34.9         134.9         134.9         134.9         144.6         A50.6         0.0         10.1         10.1         0.1         104.6         32.2		:						
HSA Contributions <sup>(1)</sup> 1.5         1.6         0.1           COBRA         6.0         6.1         0.1           Early Retiree         58.9         64.5         5.6           Medicare         149.5         146.0         (3.5)           Investment Interest         0.0         4.4         4.4           PPO-PEM Rebates         22.9         27.5 <sup>(2)</sup> 4.6           HMO-PEM Rebates         22.9         27.5 <sup>(2)</sup> 4.6           PPO-MER Rebates         N/A         8.1 <sup>(0)</sup> 8.1           Pretax Trust Fund Transfer         18.0         18.0         0.0           PPO-Medicare Part D Subsidy         22.0         20.6         (1.4)           PPACA <sup>(3)</sup> 0.0         0.0         0.0         0.0           TOTAL CASH AVAILABLE         \$ 2.048.5         \$ 2.191.8         \$ (38.4)           PROS-Bio Drug Claims         302.5         297.4 <sup>(2)</sup> (5.1)           PBM Claims Administration         0.3         0.2 <sup>(2)</sup> (0.1)           HM Claims Administration         0.3         0.2 <sup>(2)</sup> (0.1)           HM Claims Administration         0.3         0.2 <sup>(2)</sup> (0.1)           PRESCIMID DIQ Claims <td>Employer</td> <td></td> <td>\$</td> <td>1,497.9</td> <td>\$</td> <td>1,447.7</td> <td>\$</td> <td>(50.2)</td>	Employer		\$	1,497.9	\$	1,447.7	\$	(50.2)
COBRA         6.0         6.1         1.1           Early Retiree         58.9         64.5         5.6           Medicare         149.5         146.0         (3.5)           Investment Interest         0.0         4.4         4.4           PPO-TPA Rebutes         7.2         7.2         0.0           PPO-PBM Rebates         22.9         27.5 <sup>(7)</sup> 4.6           HMO-PBM Rebates         N/A         8.1 <sup>(9)</sup> 8.1           Pretax Trust Fund Transfer         18.0         18.0         0.0           PO-Medicare Part D Subsidy         22.0         20.6         (1.4)           PPACA <sup>(3)</sup> 0.0         0.0         0.0           TOTAL REVENUES         \$ 1,956.8         \$ 1,918.4         \$ (38.4)           State PPO Plan: <sup>(4)</sup> (6.1)         9           Medical Claims         \$ 705.4         \$ 668.2         \$ (37.2)           ASO Fee         19.2         18.9         (0.3)           Prescription Drug Claims         302.5         297.4 <sup>(7)</sup> (6.1)           Premium Payments         1.241.6         27.66.6         (66.0)           Medical Claims         N/A         34.2         9 <t< td=""><td></td><td>(4)</td><td></td><td></td><td></td><td></td><td></td><td>( )</td></t<>		(4)						( )
Early Retiree         58.9         64.5         5.6           Medicare         149.5         146.0         (3.5)           Investment Interest         0.0         4.4         4.4           PPO-TPA Refunds         7.2         7.2         0.0           PPO-PBM Rebates         22.9         27.5         6.6           HMO-PBM Rebates         22.9         27.5         6.6           PPO-Medicare Part D Subsidy         22.0         20.6         (1.4)           PPAC-Medicare Part D Subsidy         22.0         20.6         (1.4)           PPAC-Medicare Part D Subsidy         2.0.48.5         \$         2.152.5         \$           TOTAL CASH AVAILABLE         \$         2.048.5         \$         2.152.5         \$         104.0           EXPENSES:         State PPO Pian: <sup>(4)</sup> Medical Claims         \$         705.4         \$         668.2         \$         (37.2)           ASO Fee         19.2         18.9         (0.3)         0.21°         (0.1)         HMO Pian: <sup>(4)(6)</sup> (4.6         (965.0)           Medical Claims         N/A         54.4.9 <sup>(6)</sup> 54.4.9         54.4.9 <sup>(6)</sup> 54.4.9           Prescription Drug Claims         N/A		(1)						
Medicare         149.5         146.0         (3.5)           Investment Interest         0.0         4.4         4.4           PPO-TPA Refunds         7.2         7.2         0.0           PPO-PBM Rebates         22.9         27.5 <sup>(7)</sup> 4.6           HMO-PBM Rebates         N/A         8.1 <sup>(9)</sup> 6.1           Pretax Trust Fund Transfer         18.0         18.0         0.0           PPO-Medicare Part D Subsidy         22.0         20.6         (1.4)           PPACA <sup>(9)</sup> 0.0         0.0         0.0           TOTAL CASH AVALABLE         \$ 2.048.5         \$ 2.152.5         \$ 104.0           EXPENSES:         State PPO Plan: <sup>(9)</sup> (6.3)         Prescription Drug Claims         302.5         297.4 <sup>(2)</sup> (0.1)           HMO Plan: <sup>(9)</sup> N/A         544.9 <sup>(9)</sup> 544.9         (0.3)         9         9         (0.1)           Premium Payments         1.241.6         276.6 <sup>(6)</sup> (965.0)         10.1         (0.1)           HMO Plan: <sup>(9)</sup> N/A         544.9 <sup>(9)</sup> 544.9         134.9         134.9           Risk Reserve         N/A         134.9 <sup>(16)</sup> 32.2 <sup>(16)</sup> 32.2 <sup>(16)</sup> 32.2								
Investment Interest         0.0         4.4         4.4           PPO-PR Refunds         7.2         7.2         0.0           PPO-PBM Rebates         22.9         27.5 <sup>(2)</sup> 4.6           HMO-PBM Rebates         N/A         8.1 <sup>(0)</sup> 8.1           Pretex Trust Fund Transfer         18.0         18.0         0.0           PPO-PBM Rebates         \$ 1,956.8         \$ 1,918.4         \$ (38.4)           PPACA <sup>(0)</sup> 0.0         0.0         0.0           TOTAL CASH AVAILABLE         \$ 2,048.5         \$ 2,152.5         \$ 104.0           EXPENSES:         State PPO Plan: <sup>(4)</sup> Medical Claims         302.5         297.4 <sup>(2)</sup> (0.3)           Prescription Drug Claims         302.5         297.4 <sup>(2)</sup> (0.1)         HMO Plan: <sup>(4)</sup> 44.6           ASO Fee         19.2         18.9         (0.3)         54.9         54.9           Prescription Drug Claims         N/A         54.4 9 <sup>(6)</sup> 54.9         54.9           Risk Reserve         N/A         43.4 9 <sup>(7)</sup> 54.8         52.2         2.202.1         52.2         2.202.1         52.2         2.202.1         52.2         2.202.1         52.2         2.2.2         2.2.2 <td>•</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	•							
PPO-TPA Refunds         7.2         7.2         0.0           PPO-PBM Rebates         22.9         27.5         0.1           HMO-PBM Rebates         N/A         8.1         0.0           PPO-Madicare Part D Subsidy         22.0         20.6         (1.4)           PPACA ( <sup>3)</sup> 0.0         0.0         0.0         0.0           TOTAL CASH AVALLABLE         \$ 2.048.5         \$ 2.152.5         \$ 104.0           EXPENSES:         State PPO Plan: ( <sup>4)</sup> \$ (38.4)         \$ (38.4)           Medical Claims         \$ 705.4         \$ 668.2         \$ (37.2)           ASO Fee         19.2         18.9         (0.3)           Prescription Drug Claims         302.5         297.4         (2)           PPM Claims Administration         0.3         0.2         (2)         (0.1)           HMO Plan: ( <sup>40)</sup> N/A         544.9         (965.0)         (44.6           ASO Fee         N/A         42.6         (20.2)         (2.2)         (0.1)           Premium Payments         1.241.6         276.6         (96.0)         (965.0)         (44.6         (3.5)         (3.6)         (24.9)         (3.4.9)         (3.4.9)         (3.4.9)         (3.4.9)								
PPO-PBM Rebates         22.9         27.5         (2)         4.6           HMO-PBM Rebates         N/A         8.1         (9)         8.1           Pretax Trust Fund Transfer         18.0         18.0         0.0         0.0           PO-Medicare Part D Subsidy         22.0         20.6         (1.4)           PPO-Medicare Part D Subsidy         22.0         20.6         (1.4)           PPACA <sup>(7)</sup> 0.0         0.0         0.0         0.0           TOTAL CASH AVAILABLE         \$ 2,048.5         \$ 2,152.5         \$ 1.040           EXPENSES:         State PPO Plan: <sup>(4)</sup> Medical Claims         302.5         297.4 <sup>(2)</sup> (6.1)           Medical Claims Administration         0.3         0.2 <sup>(2)</sup> (0.1)         (1.1)         (1.0)           HMO Plan: <sup>(40)</sup> 1.241.6         276.6 <sup>(6)</sup> (965.0)         (965.0)           Premium Payments         1.241.6         276.6 <sup>(6)</sup> (965.0)         (3.2)           Prescription Drug Claims         N/A         544.9 <sup>(6)</sup> 544.9         (3.2)         (3.2)           Prescription Drug Claims         N/A         154.4         (6.6)         (1.0)         (1.1)         (1.1)         (1.2)         (2.								
HMO-PBM Rebates         N/A         8.1         8.1           Pretax Trust Fund Transfer         18.0         18.0         0.0           PPO-Medicare Part D Subsidy         22.0         20.6         (1.4)           PPACA <sup>(3)</sup> 0.0         0.0         0.0         0.0           TOTAL REVENUES         \$ 1.956.8         \$ 1.918.4         \$ (38.4)           TOTAL CASH AVAILABLE         \$ 2.048.5         \$ 2.152.5         \$ 1.040.0           EXPENSES:         State PPO Plan: <sup>(4)</sup> \$ (0.3)         0.2         (0.1)           Medical Claims         \$ 705.4         \$ 668.2         \$ (37.2)           ASO Fee         19.2         18.9         (0.3)           Prescription Drug Claims         302.5         297.4         (6.1)           PMO Plan: <sup>(4)</sup> 30.2         207.4         (6.1)         (0.1)           HMO Plan: <sup>(4)(6)</sup> 1.241.6         276.6         (965.0)         (965.0)           Medical Claims         N/A         34.3,9 <sup>(6)(6)</sup> 32.2         Prescription Drug Claims         N/A         34.2,9 <sup>(6)(7)</sup> 32.2           Prescription Drug Claims         N/A         34.3,9 <sup>(6)(7)</sup> 32.2 <sup>(6)(7)</sup>								
Pretax Trust Fund Transfer         18.0         18.0         18.0         0.0           PPO-Medicare Part D Subsidy         22.0         20.6         (1.4)           PPACA <sup>(3)</sup> 0.0         0.0         0.0         0.0           TOTAL REVENUES         \$ 1,956.8         \$ 1,918.4         \$ (38.4)           TOTAL CASH AVAILABLE         \$ 2,048.5         \$ 2,152.5         \$ 104.0           EXPENSES:         State PPO Plan: <sup>(4)</sup> (6.1)         (6.1)           Medical Claims         \$ 705.4         \$ 668.2         \$ (37.2)           ASO Fee         19.2         18.9         (0.3)           Prescription Drug Claims         302.5         297.4         (9)         (6.1)           PBM Claims Administration         0.3         0.2         (0.1)         (0.1)           HMO Plan: <sup>(4)(6)</sup> Prescription Drug Claims         N/A         544.9         (85.0)           Prescription Drug Claims         N/A         134.9         (81.6)         0.1           Risk Reserve         N/A         34.9         (82.0)         32.2           Prescription Drug Claims         N/A         134.9         (80.0)         0.1           Not Apericable         3.5         3.5	HMO-PBM Rebates			N/A				
PPACA <sup>(3)</sup> 0.0         0.0         0.0           TOTAL REVENUES         \$ 1,956.8         \$ 1,918.4         \$ (38.4)           TOTAL CASH AVALABLE         \$ 2,048.5         \$ 2,152.5         \$ 104.0           EXPENSES:         State PPO Plan: <sup>(4)</sup> \$ 668.2         \$ (37.2)           ASO Fee         19.2         18.9         (0.3)           Prescription Drug Claims         302.5         297.4 <sup>(2)</sup> (5.1)           PBM Claims Administration         0.3         0.2 <sup>(2)</sup> (0.1)           HMO Plan: <sup>(4)</sup> Prescription Drug Claims         N/A         544.9 <sup>(3)</sup> Prescription Drug Claims         N/A         544.9 <sup>(3)</sup> 44.6 <sup>(7)</sup> Risk Reserve         N/A         134.9 <sup>(2)</sup> 134.9 <sup>(3)</sup> HSA Deposits <sup>(1)</sup> 1.5         1.6         0.1 <sup>(1)</sup> Operating Costs & Admin Assessment         2.6         2.6         0.0 <sup>(1)</sup> PREX Deposes         0.1 <sup>(1)</sup> 1.6.4         16.6         0.2 <sup>(2)</sup> TOTAL EXPENSES         \$ 2.293.1 <sup>(2)</sup> \$ 2.042.3 <sup>(2)</sup> \$ 2.208.9 <sup>(2)</sup> \$ 2.208.9 <sup>(2)</sup> EXCESS OF REVENUES OVER EXPENSES <sup>(2)</sup> \$ 2.2042.3 <sup>(2)</sup> \$ 2.2042.3 <sup>(2)</sup> <td< td=""><td>Pretax Trust Fund Tr</td><td>ansfer</td><td></td><td>18.0</td><td></td><td></td><td></td><td>0.0</td></td<>	Pretax Trust Fund Tr	ansfer		18.0				0.0
TOTAL REVENUES         S         1,956.8         1,918.4         \$         (38.4)           TOTAL CASH AVAILABLE         \$         2,048.5         \$         2,152.5         \$         104.0           EXPENSES:         State PPO Plan: <sup>(4)</sup> Medical Claims         \$         705.4         \$         668.2         \$         (37.2)           ASO Fee         19.2         18.9         (0.3)         0.2 <sup>(2)</sup> (0.1)           PBM Claims Administration         0.3         0.2 <sup>(2)</sup> (0.1)         (6.1)           HMO Plan: <sup>(4)(6)</sup> 1241.6         276.6 <sup>(6)</sup> (965.0)         (965.0)           Premium Payments         1,241.6         276.6 <sup>(6)</sup> (965.0)         32.2           Prescription Drug Claims         N/A         544.9 <sup>(6)</sup> 34.4           ASO Fee         N/A         32.2 <sup>(6)</sup> 32.2 <sup>(6)</sup> 32.2 <sup>(6)</sup> Prescription Drug Claims         N/A         134.9 <sup>(2)/6</sup> 134.9         134.9 <sup>(2)/6</sup> Prescription Drug Claims         N/A         32.2 <sup>(6)</sup> 32.2 <sup>(6)</sup> 32.2 <sup>(6)</sup> (20.8)         (20.8)         (20.8)         (20.8)         (20.8)         (20.9)         32.2 <sup>(6)</sup> 32.2 <sup>(6)</sup> (21.		0 Subsidy		22.0		20.6		(1.4)
TOTAL CASH AVAILABLE         \$ 2,048.5         \$ 2,152.5         \$ 104.0           EXPENSES: State PPO Plan: <sup>(4)</sup> Medical Claims         \$ 705.4         \$ 668.2         \$ (37.2)           ASO Fee         19.2         18.9         (0.3)           Prescription Drug Claims         302.5         297.4 <sup>(7)</sup> (5.1)           PM dedical Claims         0.3         0.2 <sup>(7)</sup> (6.1)           HMO Plan: <sup>(4)</sup> 0.3         0.2 <sup>(7)</sup> (6.1)           Prescription Drug Claims         N/A         276.6 <sup>(6)</sup> (965.0)           Medical Claims         N/A         44.6         (7)         44.6           ASO Fee         N/A         342.9 <sup>(7)</sup> 134.9           Risk Reserve         N/A         342.9 <sup>(7)</sup> 32.2           Prescription Drug Claims         N/A         343.9         134.9           HSA Deposits <sup>(1)</sup> 1.5         1.6         0.1           Operating Costs & Admin Assessment         2.6         2.6         0.00           Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.2           EXCESS OF REVENUES OVER EXPENSES         \$ 2.293.1         \$ 2.042.3         \$ (250.8)	PPACA <sup>(3)</sup>		_	0.0	-	0.0		0.0
EXPENSES: State PPO Plan: <sup>(4)</sup> Medical Claims         \$ 705.4         \$ 668.2         \$ (37.2)           ASO Fee         19.2         18.9         (0.3)           Prescription Drug Claims         302.5         297.4 <sup>(2)</sup> (5.1)           PBM Claims Administration         0.3         0.2 <sup>(2)</sup> (0.1)           HMO Plan: <sup>(4)</sup> (10.1)         (10.1)           Prescription Drug Claims         1.241.6         276.6 <sup>(6)</sup> (965.0)           Medical Claims         N/A         544.9 <sup>(6)</sup> 544.9           Risk Reserve         N/A         44.6 <sup>(7)</sup> 44.6           ASO Fee         N/A         1.5         1.6         0.1           Operating Costs & Admin Assessment         2.6         2.6         0.0         134.9           Prescription Drug Claims         N/A         1.6.1         0.1         0.0           Other Expenses         0.1         0.1         0.0         16.4         16.6         0.22           Total Unreported PPO Plan Claims Liability         Not Included         \$ (2.042.3)         \$ (250.8)         \$ (2.042.3)         \$ (250.8)           Excess OF REVENUES OVER EXPENSES         \$ (2.244.6)         \$ 110.2         \$ 354.8         Not Applicable								
State PPO Plan:         Medical Claims         \$ 705.4         \$ 668.2         \$ (37.2)           ASO Fee         19.2         18.9         (0.3)           Prescription Drug Claims         302.5         297.4         (2)           PBM Claims Administration         0.3         0.2         (2)           PBM Claims Administration         0.3         0.2         (2)           Premium Payments         1,241.6         276.6         (6)           Medical Claims         N/A         544.9         (544.9)           Risk Reserve         N/A         32.2         (7)         32.2           Prescription Drug Claims         N/A         134.9         (2)(0)         134.9           HSA Deposits <sup>(1)</sup> 1.5         1.6         0.1         0.0           Prescription Drug Claims         3.5         3.5         0.0         0.0           Prescripting Costs & Admin Assessment         2.6         2.6         0.0         0.0           PPACA <sup>(3)</sup>		BLE	\$	2,048.5	\$_	2,152.5	\$	104.0
ASO Fee         19.2         18.9         (0.3)           Prescription Drug Claims         302.5         297.4         (2)         (5.1)           PBM Claims Administration         0.3         0.2         (2)         (0.1)           HMO Plan:         (400)         0         3         0.2         (2)         (0.1)           HMO Plan:         (400)         0.3         0.2         (2)         (0.1)           Medical Claims         N/A         544.9         (6)         544.9         (6)           Medical Claims         N/A         544.9         (6)         544.9         (6)         544.9         (7)         44.6         7         44.6         7         44.6         7         44.6         7         44.6         7         44.6         7         44.6         7         32.2         7         78.2         7         6.0         7         7         44.6         7         7         44.6         7         7         44.6         7         7         44.6         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7								
Prescription Drug Claims         302.5         297.4         (2)         (5,1)           PBM Claims Administration         0.3         0.2         (2)         (0,1)           HMO Plan: <sup>(4)(6)</sup> Premium Payments         1,241.6         276.6         (6)         (965.0)           Medical Claims         N/A         544.9         (6)         544.9         (7)         44.6           ASO Fee         N/A         32.2         (6)         32.2         (7)         32.2           Prescription Drug Claims         N/A         342.9         (8)         32.2         (7)         32.2           Prescription Drug Claims         N/A         32.2         (7)         32.2         (7)         32.2           Prescription Drug Claims         N/A         33.5         0.0         0.1         3.5         0.0           Other Expenses         0.1         0.1         0.0         0         2.293.1         \$         2.042.3         \$         (250.8)         \$         2.204.2         \$         2.208.1         \$         2.042.3         \$         2.208.1         \$         2.042.3         \$         2.204.8         \$         2.204.8         \$         2.204.8         \$         2.204.8	Medical Claims		\$	705.4	\$	668.2	\$	(37.2)
PBM Claims Administration         0.3         0.2 (2)         (0.1)           HMO Plan: <sup>(4)(6)</sup> Premium Payments         1,241.6         276.6 <sup>(6)</sup> (965.0)           Medical Claims         N/A         544.9 <sup>(6)</sup> 544.9         (322           Risk Reserve         N/A         44.6 <sup>(7)</sup> 44.6           ASO Fee         N/A         33.4.2 <sup>(6)</sup> 32.2 <sup>(6)</sup> Prescription Drug Claims         N/A         134.9 <sup>(2)(6)</sup> 134.9           HSA Deposits <sup>(1)</sup> 1.5         1.6         0.1           Operating Costs & Admin Assessment         2.6         2.6         0.0           Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.0           PPACA <sup>(3)</sup> 16.4         16.6         0.2           TOTAL EXPENSES         \$         2,293.1         \$         2,042.3         \$         2250.8)           EXCESS OF REVENUES OVER EXPENSES         \$         (244.6)         \$         110.2         \$         354.8           DDITONAL INFORMATION         Total Unreported PPO Plan Claims Liability         Not Applicable         \$         124.1         Not Applicable           T	ASO Fee			19.2				(0.3)
HMO Plan: <sup>(4)(5)</sup> Premium Payments       1,241.6       276.6       (965.0)         Medical Claims       N/A       544.9       (6)       544.9         Risk Reserve       N/A       44.6       (7)       44.6         ASO Fee       N/A       32.2       (6)       32.2         Prescription Drug Claims       N/A       134.9       (2)(6)       32.2         Prescription Drug Claims       N/A       134.9       (2)(6)       32.2         Prescription Drug Claims       N/A       134.9       (2)(6)       32.2         Prescription Drug Claims       1.5       1.6       0.1         Operating Costs & Admin Assessment       2.6       2.6       0.0         Premium Refunds       3.5       3.5       0.0         Other Expenses       0.1       0.1       0.0         PPACA <sup>(3)</sup>						297.4 <sup>(2)</sup>		
Premium Payments         1,241.6         276.6         (9)         (965.0)           Medical Claims         N/A         544.9         (6)         544.9           Risk Reserve         N/A         44.6         (7)         44.6           ASO Fee         N/A         32.2         (6)         32.2           Prescription Drug Claims         N/A         134.9         (206)         134.9           HSA Deposits (1)         1.5         1.6         0.1         0.0           Prescription Drug Claims         3.5         3.5         0.0         0.0           Premium Refunds         3.5         3.5         0.0         0.0         0.1         0.0           PPACA (3)         16.4         16.6         0.2         (250.8)         \$         (250.8)         \$         (250.8)         \$         2.042.3         \$         (250.8)         \$         2.12.4         \$         354.8           EXCESS OF REVENUES OVER EXPENSES         \$         (244.6)         \$         110.2         \$         354.8           EXCESS OF REVENUES OVER EXPENSES         \$         (244.6)         \$         110.2         \$         354.8           Encoll Unreported PPO Plan Claims Liability         Not Inclu		nistration		0.3		0.2 (2)		(0.1)
Medical Claims         N/A         544.9 (°)         544.9           Risk Reserve         N/A         44.6 (°)         44.6           ASO Fee         N/A         32.2 (°)         32.2           Prescription Drug Claims         N/A         134.9 (2)(°)         134.9           HSA Deposits (¹)         1.5         1.6         0.1           Operating Costs & Admin Assessment         2.6         2.6         0.0           Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.0           PPACA (³)         16.4         16.6         0.2           TOTAL EXPENSES         \$         2,293.1         \$         2,042.3         \$           EXCESS OF REVENUES OVER EXPENSES         \$         (363.3)         \$         (123.9)         \$         212.4           ENDING CASH BALANCE         \$         (244.6)         \$         110.2         \$         354.8           Cotal Unreported PPO Plan Claims Liability         Not Applicable         59.6 (°)         Not Applicable           Total Unreported Claims Liability         Not Applicable         \$         11.67)         11.67)           PPO Standard         87.266         86.099		S		1,241.6		276.6 (6)		(965.0)
ASO Fee         N/A         32.2 <sup>(6)</sup> 32.2 (9)           Prescription Drug Claims         N/A         134.9 <sup>(2)(6)</sup> 134.9           HSA Deposits <sup>(1)</sup> 1.5         1.6         0.1           Operating Costs & Admin Assessment         2.6         2.6         0.0           Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.0           PPACA <sup>(3)</sup> 16.4         16.6         0.2           TOTAL EXPENSES         \$ 2,293.1         \$ 2,042.3         \$ (250.8)           EXCESS OF REVENUES OVER EXPENSES         \$ (244.6)         \$ 110.2         \$ 354.8           ENDITONAL INFORMATION         \$ (244.6)         \$ 110.2         \$ 354.8           Total Unreported PPO Plan Claims Liability         Not Included         \$ 64.5 <sup>(6)</sup> Not Applicable           Total Unreported Claims Liability         Not Applicable         59.6 <sup>(9)</sup> Not Applicable           Average         PPO Standard         87,266         86,099         (1.167)           HMO Standard         89,732         87,483         (2.249)           MO HIHP         1,006         1,018         12           HMO Standard         139,878				N/A				544.9
Prescription Drug Claims         N/A         134.9         (2)(6)         134.9           HSA Deposits <sup>(1)</sup> 1.5         1.6         0.1         0.1         0.0           Operating Costs & Admin Assessment         2.6         2.6         0.0         0           Premium Refunds         3.5         3.5         0.0         0           Other Expenses         0.1         0.1         0.0         0           PPACA <sup>(3)</sup> 16.4         16.6         0.2         (250.8)           EXCESS OF REVENUES OVER EXPENSES         \$ (236.3)         \$ (123.9)         \$ 212.4           ENDING CASH BALANCE         \$ (244.6)         \$ 110.2         \$ 354.8           Cotal Unreported PPO Plan Claims Liability         Not Included         \$ 64.5 <sup>(n)</sup> \$ Not Applicable           Total Unreported Claims Liability         Not Applicable         \$ 59.6 <sup>(n)</sup> Not Applicable         Not Applicable           Total Unreported Claims Liability         Not Applicable         \$ 124.1         Not Applicable         Not Applicable           Mot Applicable         \$ 10.06         1.018         12         12         10           Average         PPO HiHP         1.006         1.018         12         10         10	Risk Reserve			N/A				44.6
HSA Deposits <sup>(1)</sup> 1.5       1.6       0.1         Operating Costs & Admin Assessment       2.6       2.6       0.0         Premium Refunds       3.5       3.5       0.0         Other Expenses       0.1       0.1       0.0         PPACA <sup>(3)</sup> 16.4       16.6       0.2         TOTAL EXPENSES       \$ 2.293.1       \$ 2.042.3       \$ (250.8)         EXCESS OF REVENUES OVER EXPENSES       \$ (336.3)       \$ (123.9)       \$ 212.4         ENDING CASH BALANCE       \$ (244.6)       \$ 110.2       \$ 354.8         DUITONAL INFORMATION       *       354.8       *         Total Unreported PPO Plan Claims Liability       Not Included       \$ 64.5       (*)         Total Unreported Claims Liability       Not Applicable       59.6       (*)         Total Unreported Claims Liability       Not Applicable       59.6       (*)         Mot Applicable       \$ 7.266       86.099       (1,167)         MOS tandard       89.732       87.483       (2,249)         HMO HIHP       1,006       1.018       12         HMO HIHP       1,385       1,409       0         Active Standard       139.878       135.821       (4,057) <tr< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr<>								
Operating Costs & Admin Assessment         2.6         2.6         0.0           Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.1           PPACA <sup>(3)</sup> 16.4         16.6         0.2           TOTAL EXPENSES         \$ 2,293.1         \$ 2,042.3         \$ (250.8)           EXCESS OF REVENUES OVER EXPENSES         \$ (336.3)         \$ (123.9)         \$ 212.4           ENDING CASH BALANCE         \$ (244.6)         \$ 110.2         \$ 354.8           Cotal Unreported PPO Plan Claims Liability         Not Included         \$ 64.5 <sup>(8)</sup> Not Applicable           Total Unreported Claims Liability         Not Applicable         \$ 59.6 <sup>(9)</sup> Not Applicable           More age         PPO Standard         87,266         86,099         (1,167)           PPO HIHP         1,006         1,018         12           HMO Standard         89,732         87,483         (2,249)           MO Total         178,464         175,070         (3,394)           Active Standard         139,878         135,821         (4,057)           Active Standard         139,878         14,409         24           Coverage Type         Active Standard		Claims						
Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.1         0.0           PPACA <sup>(3)</sup> 16.4         16.6         0.2           TOTAL EXPENSES         \$ 2,293.1         \$ 2,042.3         \$ (250.8)           EXCESS OF REVENUES OVER EXPENSES         \$ (244.6)         \$ (123.9)         \$ 212.4           ENDING CASH BALANCE         \$ (244.6)         \$ 110.2         \$ 354.8           DDITONAL INFORMATION         *         *         *         *           Total Unreported PPO Plan Claims Liability         Not Included         \$ 64.5 ( <sup>8</sup> )         Not Applicable         Not Applicable           Total Unreported Claims Liability         Not Applicable         \$ 59.6 ( <sup>9</sup> )         Not Applicable         Not Applicable           Average         PPO Standard         87,266         86,099         (1,167)         12           HMO HiHP         1,006         1,018         12         Not Applicable         Not Applicable           by Plan         PPO Standard         89,732         87,483         (2,249)         10           Mctive Standard         139,878         135,821         (4,057)         (3,394)           Active Standard         139,878	•	1						
Other Expenses PPACA <sup>(3)</sup> 0.1         0.1         0.1         0.0           TOTAL EXPENSES         \$         2,293.1         \$         2,042.3         \$         (250.8)           EXCESS OF REVENUES OVER EXPENSES         \$         (336.3)         \$         (123.9)         \$         212.4           ENDING CASH BALANCE         \$         (244.6)         \$         110.2         \$         354.8           Total Unreported PPO Plan Claims Liability         Not Included         \$         64.5         (8)         Not Applicable         Not Ap		amin Assessment						
PPACA ( <sup>3)</sup> 16.4         16.6         0.2           TOTAL EXPENSES         \$ 2,293.1         \$ 2,042.3         \$ (250.8)           EXCESS OF REVENUES OVER EXPENSES         \$ (336.3)         \$ (123.9)         \$ 212.4           ENDING CASH BALANCE         \$ (244.6)         \$ 110.2         \$ 354.8           ADDITONAL INFORMATION           Total Unreported PPO Plan Claims Liability         Not Included         \$ 64.5         ( <sup>8)</sup> Total Unreported Claims Liability         Not Applicable         59.6         Not Applicable           Total Unreported Claims Liability         Not Applicable         \$ 124.1         Not Applicable           Average         PPO Standard         87,266         86,099         (1,167)           HMO Standard         89,732         87,483         (2,249)           HMO HIHP         460         470         10           Total         178,464         175,070         (3,394)           Active Standard         139,878         135,821         (4,057)           Active HIHP         1,385         1,409         24           Enrollment by         COBRA         678         677         (1)           Coverage Type         Active HIHP         1,385         1,4								
TOTAL EXPENSES         \$         2,293.1         \$         2,042.3         \$         (250.8)         \$           EXCESS OF REVENUES OVER EXPENSES         \$         (336.3)         \$         (123.9)         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         212.4         \$         354.8         212.4         \$         354.8         212.4         \$         354.8         212.4         \$         354.8         212.4         \$         354.8         212.4         \$         354.8         212.4         \$         354.8         212.4         \$         354.8         212.4         \$         354.8         212.4         \$         354.8         212.4         \$         354.8         212.4         \$         364.8         212.4         \$         364.8         212.4         \$         364.8         212.4         \$ <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>								
EXCESS OF REVENUES OVER EXPENSES         \$         (336.3)         \$         (123.9)         \$         212.4         \$           ENDING CASH BALANCE         \$         (244.6)         \$         110.2         \$         212.4         \$         354.8           ADDITONAL INFORMATION           Total Unreported PPO Plan Claims Liability         Not Included         \$         64.5         (*)         Not Applicable         Not Applicabl			\$		\$		\$	
ENDING CASH BALANCE\$(244.6)\$110.2\$354.8ADDITONAL INFORMATIONTotal Unreported PPO Plan Claims LiabilityNot Included\$64.5(°)Not ApplicableTotal Unreported HMO Plan Claims LiabilityNot Applicable59.6(°)Not ApplicableTotal Unreported Claims LiabilityNot Applicable\$124.1Not ApplicableAveragePPO Standard87,26686,099(1,167)PPO HIHP1,0061,01812HMO Standard89,73287,483(2,249)HMO HIHP46047010Total178,464175,070(3,394)AverageActive Standard139,878135,821(4,057)AverageActive Standard139,878135,821(4,057)AverageActive HIHP1,3851,40924Coverage TypeCOBRA678677(1)Berloliment byCOBRA678677(1)Medicare29,26629,2973131		ES OVER EXPENSES			· -			
Total Unreported PPO Plan Claims LiabilityNot Included\$64.5(8)Not ApplicableTotal Unreported HMO Plan Claims LiabilityNot Applicable59.6(9)Not ApplicableTotal Unreported Claims LiabilityNot Applicable\$124.1Not ApplicableAverage Enrollment by PlanPPO Standard87,26686,099(1,167)HMO Standard89,73287,483(2,249)HMO HIHP46047010Total178,464175,070(3,394)Average Enrollment by Coverage TypeActive Standard139,878135,821(4,057)Active HIHP1,3851,40924COBRA678677(1)Early Retiree Medicare7,2577,866609Medicare29,26629,29731				<u> </u>	· -			
Total Unreported PPO Plan Claims LiabilityNot Included\$64.5(8)Not ApplicableTotal Unreported HMO Plan Claims LiabilityNot Applicable59.6(9)Not ApplicableTotal Unreported Claims LiabilityNot Applicable\$124.1Not ApplicableAverage Enrollment by PlanPPO Standard87,26686,099(1,167)HMO Standard89,73287,483(2,249)HMO HIHP46047010Total178,464175,070(3,394)Average Enrollment by Coverage TypeActive Standard139,878135,821(4,057)Active HIHP1,3851,40924COBRA678677(1)Early Retiree Medicare7,2577,866609Medicare29,26629,29731			ΟΝΑΙ		N			
Total Unreported HMO Plan Claims Liability         Not Applicable         59.6         (9)         Not Applicable           Total Unreported Claims Liability         Not Applicable         \$         124.1         Not Applicable           Average EnrolIment by Plan         PPO Standard         87,266         86,099         (1,167)           HMO Standard         89,732         87,483         (2,249)           HMO HIHP         460         470         10           Total         178,464         175,070         (3,394)           Average EnrolIment by Coverage Type         Active Standard         678         677         (1)           Mod Applicable         7,257         7,866         609         609           Medicare         29,266         29,297         31	Total Unreported PPO F					64.5 <sup>(8)</sup>		Not Applicable
Average Enrollment by Plan         PPO Standard PPO HIHP         87,266         86,099         (1,167)           HMO Standard         89,732         87,483         (2,249)           HMO HIHP         460         470         10           Total         178,464         175,070         (3,394)           Average Enrollment by Coverage Type         Active Standard         678         677         (1)           Barly Retiree         7,257         7,866         609         609           Medicare         29,266         29,297         31         31		-	No	ot Applicable		59.6 <sup>(9)</sup>		Not Applicable
Average Enrollment by Plan         PPO HIHP         1,006         1,018         12           HMO Standard         89,732         87,483         (2,249)           HMO HIHP         460         470         10           Total         178,464         175,070         (3,394)           Average Enrollment by Coverage Type         Active Standard         139,878         135,821         (4,057)           Cobrage Type         Active HIHP         1,385         1,409         24           Medicare         7,257         7,866         609           Medicare         29,266         29,297         31	•				\$			
Enrollment by Plan         PPO HHP         1,006         1,018         12           HMO Standard         89,732         87,483         (2,249)           HMO HHP         460         470         10           Total         178,464         175,070         (3,394)           Average Enrollment by Coverage Type         Active Standard         139,878         135,821         (4,057)           Coverage Type         Active HHP         1,385         1,409         24           Medicare         7,257         7,866         609           Medicare         29,266         29,297         31	Average			87,266		86,099		(1,167)
by Plan         HMO Standard         89,732         87,483         (2,249)           HMO HIHP         460         470         10           Total         178,464         175,070         (3,394)           Average         Active Standard         139,878         135,821         (4,057)           Average         Active HIHP         1,385         1,409         24           Coverage Type         COBRA         678         677         (1)           Early Retiree         7,257         7,866         609           Medicare         29,266         29,297         31	-							
Total         178,464         175,070         (3,394)           Average         Active Standard         139,878         135,821         (4,057)           Average         Active HIHP         1,385         1,409         24           Enrollment by         COBRA         678         677         (1)           Early Retiree         7,257         7,866         609           Medicare         29,266         29,297         31								
Average Enrollment by Coverage Type         Active Standard Active HIHP         139,878         135,821         (4,057)           Enrollment by Coverage Type         COBRA         678         677         (1)           Early Retiree         7,257         7,866         609           Medicare         29,266         29,297         31					-			
Average         Active HIHP         1,385         1,409         24           Enrollment by         COBRA         678         677         (1)           Coverage Type         Early Retiree         7,257         7,866         609           Medicare         29,266         29,297         31					-			
Enrollment by Coverage Type         COBRA         678         677         (1)           Enrollment by Coverage Type         Early Retiree         7,257         7,866         609           Medicare         29,266         29,297         31	Average							
Coverage Type         Early Retiree         7,257         7,866         609           Medicare         29,266         29,297         31	-							
Medicare 29,266 29,297 31	-							
		Total		178,464	_	175,070		(3,394)

<sup>(1)</sup> Contributions approximate a split between employer and employee of 42% and 58%, respectively.

<sup>(2)</sup> Includes estimated fiscal impact of new PBM contract effective January 1, 2012.

<sup>(3)</sup> Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).

<sup>(4)</sup> PPO and HMO Bank Services are estimated at approximately \$35,000 per year per plan for the projected period, which rounds to \$0.0M.

<sup>(5)</sup> Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0.

<sup>(6)</sup> Includes estimated fiscal impact of new HMO contracts effective January 1, 2012. <sup>(7)</sup> Established by Principals for HMO Medical and Prescription Drug Claims. Calculated at 6.5%

of total estimated HMO claim costs.

<sup>(8)</sup> Includes PPO Incurred but not Reported (IBNR) claims and outstanding drafts estimated in the amount of \$58.3M and \$6.2M, respectively.

<sup>(9)</sup> Includes HMO medical and drugs IBNR claims in the amount of \$57.7M and \$1.9M, respectively.

#### Exhibit VI Financial Outlook - Fiscal Year 2013-14 (In Millions)

BEGINNING CASH BALANCE         S         OU         OU         S         OU         S         OU         S         Disurance         Dis <t< th=""><th></th><th></th><th>_</th><th>(A) Jul '11</th><th>-</th><th>(B) Oct '11</th><th>ı .</th><th>(B) - (A) Difference</th></t<>			_	(A) Jul '11	-	(B) Oct '11	ı .	(B) - (A) Difference
REVENUES:           Insurance Premiums:         S         1,502.5         \$         1,447.1         \$         (55.4)           Employee         174.0         166.9         (7.1)         HSA Contributions <sup>(2)</sup> 1.5         1.6         0.1           HSA Contributions <sup>(2)</sup> 1.5         1.6         0.1         0.1         1.6         1.6           COBRA         6.0         6.1         0.1         0.1         1.6         1.6           HSA Contributions <sup>(2)</sup> 1.24.9         149.9         (5.0)         1.6         1.6           PPO-PEM Rebates         2.3.3         24.9 <sup>(2)</sup> 1.6         1.6         1.6           HMO-PEM Rebates         NA         8.8         8.8         8.8         8.8         8.8           Proc-Med Rebates         \$         2.070.8         \$         2.131.9         \$         61.1           TOTAL CASH AVAILABLE         \$         2.070.8         \$         2.131.9         \$         61.1           EXPENSES:         State PPO Plan: <sup>(6)</sup> Medical Claims         \$         753.0         \$         711.7         \$         (41.3)           ASO Fee         NA         333.3 <sup>(6)</sup> 313.5 <sup>(</sup>	<b>BEGINNING CASH BAI</b>	ANCE	\$		\$		\$	
Insurance Premiums:         Fighloyer         \$ 1,502.5         \$ 1,447.1         \$ (55.4)           Employee         174.0         166.9         (7.1)           HSA Contributions <sup>(2)</sup> 1.5         1.6         0.1           COBRA         6.0         6.1         0.1           COBRA         58.8         64.3         7.5           Medicare         154.9         149.9         (0.0)           Investment Interest         0.0         0.4         0.4           PPO-PBM Rebates         2.3.3         24.9 ( <sup>10</sup> )         1.6           HMO-PEM Rebates         2.3.3         24.9 ( <sup>10</sup> )         1.6           PO-PBM Rebates         2.3.3         24.9 ( <sup>10</sup> )         0.0           PO-PAR Rebates         2.021.7         \$ (49.1)           TOTAL REVENUES         \$ 2.070.8         \$ 2.131.9         \$ (41.3)           ASO Fee         18.7         18.5         (0.2)           Prescription Drug Claims         33.3 ( <sup>10</sup> )         31.5 ( <sup>10</sup> )         (10.2)           Medical Claims         \$ 753.0         711.7         \$ (41.3)           ASO Fee         NA         612.2 ( <sup>10</sup> )         (11.2.4)           Medical Claims         NA         612.2 ( <sup>10</sup> )			Ŷ	010	Ŷ		Ť	
Employee         174.0         168.9         (7.1)           HSA Contributions <sup>(2)</sup> 1.5         1.6         0.1           COBRA         6.0         6.1         0.1           Early Retiree         56.8         66.3         7.5           Medicare         154.9         149.9         (5.0)           Investment Interest         0.0         0.4         0.4           PPO-TPA Rebrates         23.3         24.9         (9)         1.6           HMO-PBM Rebrates         NIA         8.8         (0.0)         0.0           PPO-TPA Rebrates         NIA         8.8         (0.0)         0.0           PPO-TPA Rebrates         2.03.3         2.021.7         \$ (0.1)           PPO-Medicare Part D Subsidy         22.6         2.2.5         (0.1)           PPACA <sup>(1)</sup> 104.0         .00         .00           TOTAL CASH AVALLABLE         \$ 2.070.8         \$ 2.021.7         \$ (0.2)           Prescription Drug Claims         333.3 (9)         313.5 (9)         (1.9.8)           PBM Claims Administration         0.3         0.2 (9)         (0.1)           Prescription Drug Claims         N/A         53.5         .0.0           Prescription								
HSA Contributions <sup>(2)</sup> 1.5         1.6         0.1           COBRA         6.0         6.1         0.1           Early Retiree         56.8         64.3         7.5           Medicare         154.9         149.9         (5.0)           Investment Interest         0.0         0.4         0.4           PPO-PBM Rebates         23.3         24.9 <sup>(3)</sup> 1.6           MO-PBM Rebates         23.3         24.9 <sup>(3)</sup> 1.6           PPO-Medicare Part D Subsidy         22.6         22.5         (0.1)           PPAC-Medicare Part D Subsidy         22.6         2.021.7         \$         (43.1)           TOTAL CASH AVAILABLE         \$         2.070.8         \$         2.021.7         \$         (41.9)           PAC-Medicare Part D Subsidy         22.6         333.3 <sup>(6)</sup> 313.5 <sup>(6)</sup> (0.1)         PAC           Medical Claims         \$         753.0         \$         711.7         \$         (41.9)           ASO Fee         18.7         18.5         (0.2)         (0.2)         (0.1)           Prescription Drug Claims         N/A         612.2         (612.2         (612.2         (612.2           ASO Fee         N/A	Employer		\$	1,502.5	\$	1,447.1	\$	(55.4)
COBRA         6.0         6.1         0.1           Early Retiree         56.8         66.3         7.5           Medicare         154.9         149.9         (5.0)           Investment Interest         0.0         0.4         0.4           PPO-TPA Rebutes         23.3         24.9 (%)         1.6           HMO-PBM Rebates         13.0         18.0         0.0           PPO-TPA Rebutes         N/A         8.8 (%)         8.8           Pretax Trus Fund Transfer         18.0         104.0         0.0           PPO-Addicare Part D Subsidy         22.6         22.5         (0.1)           PPACTPA KVENUES         \$ 2.007.8         \$ 2.021.7         \$ (49.1)           TOTAL REVENUES         \$ 2.070.8         \$ 2.021.7         \$ (41.3)           ASO Fee         18.7         18.5         (0.2)           Prescription Drug Claims         333.3 (%)         313.5 (%)         (19.8)           PBM Claims Administration         0.3         0.2 (%)         (1.102.4)           Medical Claims         N/A         150.4 (%)         150.4           Medical Claims         N/A         150.4 (%)         35.3           Prescription Drug Claims         N/A				174.0		166.9		(7.1)
Early Retiree         56.8         64.3         7.5           Medicare         154.9         149.9         (5.0)           Investment Interest         0.0         0.4         0.4           PPO-PA Refunds         7.2         7.2         0.0           PPO-PBM Rebates         23.3         24.9 <sup>(h)</sup> 1.6           HMO-PBM Rebates         23.3         24.9 <sup>(h)</sup> 1.6           PPO-Medicare Part D Subsidy         22.6         2.25         (0.1)           PPACA <sup>(h)</sup> 104.0         104.0         0.0           TOTAL CASH AVAILABLE         \$ 2.070.8         \$ 2.021.7         \$ (44.1)           ASO Fee         18.7         18.5         (0.2)           Prescription Drug Claims         333.3 <sup>(h)</sup> 313.5 <sup>(h)</sup> (0.1)           Medical Claims         N/A         612.2 <sup>(h)</sup> (0.1)           Medical Claims         N/A         35.3 <sup>(h)</sup> 313.5 <sup>(h)</sup> (0.2)           Prescription Drug Claims         N/A         150.4         (10.1)         (10.1)           Medical Claims         N/A         150.4         (10.1)         (10.1)           Medical Claims         N/A         150.4         (10.1)         (10.1)<		(2)						
Medicare         154.9         149.9         (5.0)           Investment Interest         0.0         0.4         0.4         0.4           PPO-TPA Rebunds         7.2         7.2         0.0         0.0         0.4         0.4           PPO-TPM Rebates         23.3         24.9         (9)         16         6         0.0 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
Investment Interest         0.0         0.4         0.4           PPO-TPA Refunds         7.2         7.2         0.0           PPO-PBM Rebates         23.3         24.9         16           HMO-PBM Rebates         N/A         8.8         60         0.0           PPO-PBM Rebates         N/A         8.8         60         0.0           PPO-Medicare Part D Subsidy         22.6         22.5         (0.1)           PPO-MCA <sup>(6)</sup> 104.0         104.0         0.0           TOTAL CASH AVAILABLE         \$ 2.070.8         \$ 2.021.7         \$ (49.1)           TOTAL CASH AVAILABLE         \$ 2.070.8         \$ 2.131.9         \$ (-11.1)           EXPENSES:         State PPO Plan: <sup>(6)</sup> Medical Claims         33.3 <sup>(6)</sup> 313.5 <sup>(6)</sup> Pescription Drug Claims         333.3 <sup>(6)</sup> 313.5 <sup>(6)</sup> (1.102.4)         61.2 <sup>(6)</sup> Medical Claims Administration         0.3         0.2 <sup>(6)</sup> (61.2 <sup>(6)</sup> 61.2 <sup>(6)</sup> Premium Payments         1,406.5         304.1 <sup>(6)</sup> (61.2 <sup>(6)</sup> 61.2 <sup>(6)</sup> Premium Payments         1,406.5         304.1 <sup>(6)</sup> (61.2 <sup>(6)</sup> 61.2 <sup>(6)</sup> ASO Fee         N/A	-							
PPO-TPA Refunds         7.2         7.2         0.0           PPO-PBM Rebates         23.3         24.9         (0)         1.6           HMO-PBM Rebates         N/A         8.8         (0)         8.8           Pretax Trust Fund Transfer         18.0         18.0         0.0           PPO-Medicare Part D Subsidy         22.6         22.5         (0.1)           PPACA <sup>(i)</sup> 104.0         104.0         0.0           TOTAL CASH AVAILABLE         \$ 2,070.8         \$ 2,021.7         \$ (49.1)           State PPO Plan: <sup>(6)</sup> Medical Claims         \$ 753.0         \$ 711.7         \$ (41.3)           ASO Fee         18.5         (0.2)         (0.1)           PRO Claims Administration         0.3         0.2 <sup>(0)</sup> (0.1)           HOO Plan: <sup>(6)</sup> (1,102.4)         612.2 <sup>(0)</sup> 612.2 <sup>(0)</sup> Prescription Drug Claims         N/A         610.4 <sup>(0)</sup> (1,102.4)           Medical Claims         N/A         150.4 <sup>(0)(0)</sup> (1,102.4)           Medical Claims         N/A         150.4 <sup>(0)(0)</sup> 150.4           Prescription Drug Claims         N/A         150.4 <sup>(0)(0)</sup> 35.3           Prescription Drug Claims         N								
PPO-PBM Rebates         23.3         24.9         1.6           HMO-PBM Rebates         N/A         8.8         8.8           Pretax Trust Fund Transfer         18.0         10.0         0.0           PPO-Medicare Part D Subsidy         22.6         22.5         (0.1)           PPACA <sup>(6)</sup> 104.0         104.0         0.0           TOTAL REVENUES         \$ 2,070.8         \$ 2,021.7         \$ (49.1)           TOTAL CASH AVAILABLE         \$ 2,070.8         \$ 2,131.9         \$ (11.1)           EXPENSES:         State PPO Plan: <sup>(6)</sup> Medical Claims         \$ 753.0         \$ 711.7         \$ (41.3)           ASO Fee         18.7         18.5         (0.2)         (1.10.24)         \$ (1.2)           Prescription Drug Claims         1,406.5         304.1 <sup>(6)</sup> (1.102.4)           Medical Claims         N/A         612.2 <sup>(6)</sup> 612.2 <sup>(6)</sup> ASO Fee         N/A         35.3         35.3         9         35.3           Prescription Drug Claims         N/A         612.2 <sup>(6)</sup> 612.2 <sup>(6)</sup> 612.2 <sup>(6)</sup> ASO Fee         N/A         35.3         5.0         0         150.4 <sup>(6)</sup> 612.2 <sup>(6)</sup> 612.2 <sup>(6)</sup> 612.2 <sup></sup>								
HMO-PBM Rebates         N/A         8.8         (i)         8.8           Pretax Trust Fund Transfer         18.0         18.0         0.0           PPO-Medicare Part D Subsidy         22.6         22.5         (0.1)           PPACA <sup>(4)</sup> 104.0         104.0         0.0           TOTAL CASH AVAILABLE         \$ 2.070.8         \$ 2.131.9         \$ (49.1)           EXPENSES:         State PPO Plan: <sup>(6)</sup> \$ (1.1)         \$ (1.1)           Medical Claims         \$ 753.0         \$ 711.7         \$ (41.3)           ASO Fee         18.7         118.5         (0.2)           Prescription Drug Claims         333.3 <sup>(6)</sup> 313.5 <sup>(3)</sup> (19.8)           PBM Claims Administration         0.3         0.2 <sup>(3)</sup> (1.102.4)           Medical Claims         N/A         612.2 <sup>(3)</sup> 61.2           ASO Fee         N/A         353.3 <sup>(6)</sup> 35.3           Prescription Drug Claims         N/A         150.4 <sup>(3)(6)</sup> (1.102.4)           Medical Claims         N/A         150.4 <sup>(3)(6)</sup> 150.4 <sup>(3)(6)</sup> Operating Costs & Admin Assessment         2.6         0.0         10.1 <sup>(10.2)</sup> Operating Costs & Admin Assessment         2.6								
PPO-Medicare Part D Subsidy         22.6         22.5         (0.1)           PPACA <sup>(4)</sup> 104.0         104.0         0.0.0           TOTAL REVENUES         \$ 2,070.8         2,021.7         \$ (49.1)           TOTAL CASH AVAILABLE         \$ 2,070.8         \$ 2,131.9         \$ (49.1)           EXPENSES:         State PPO Plan: <sup>(5)</sup> Medical Claims         \$ 753.0         \$ 711.7         \$ (41.3)           ASO Fee         18.7         18.5         (0.2)           Prescription Drug Claims         333.3 <sup>(6)</sup> 313.5 <sup>(6)</sup> (19.8)           PBM Claims Administration         0.3         0.2 <sup>(6)</sup> (11.02.4)           Medical Claims         N/A         612.2 <sup>(6)</sup> 612.2 <sup>(6)</sup> Premium Payments         1.406.5         304.1 <sup>(6)</sup> (1.102.4)           Medical Claims         N/A         612.2 <sup>(6)</sup> 612.2 <sup>(6)</sup> Prescription Drug Claims         N/A         150.4 <sup>(6)</sup> 150.4 <sup>(6)</sup> HSA Deposits <sup>(2)</sup> 1.5         1.6         0.1 <sup>(6)</sup> Operating Costs & Admin Assessment         2.6         2.6         0.0 <sup>(1)</sup> PPACA <sup>(6)</sup> 171.2         171.6 <sup>(1)</sup> (303.6)           Ex								
PPACA <sup>(4)</sup> 104.0         104.0         0.0           TOTAL REVENUES         \$ 2,070.8         \$ 2,021.7         \$ (49.1)           TOTAL CASH AVAILABLE         \$ 2,070.8         \$ 2,131.9         \$ (49.1)           EXPENSES:         State PPO Plan: <sup>(6)</sup> \$ (41.3)         \$ (41.3)           ASO Fee         18.7         18.5         (0.2)           Prescription Drug Claims         333.3 <sup>(6)</sup> 313.5 <sup>(6)</sup> (19.8)           PBM Claims Administration         0.3         0.2 <sup>(6)</sup> (0.1)           HMO Plan: <sup>(6)(7)</sup> Prescription Drug Claims         N/A         612.2 <sup>(6)</sup> Prescription Drug Claims         N/A         612.2 <sup>(6)</sup> 612.2           ASO Fee         N/A         35.3 <sup>(6)</sup> 35.3           Prescription Drug Claims         N/A         612.2 <sup>(6)</sup> 612.2           ASO Fee         N/A         35.4 <sup>(6)</sup> 35.3           Prescription Drug Claims         N/A         612.2 <sup>(6)</sup> 612.2           ASO Fee         0.1         0.1         0.0         7.7           Prescription Drug Claims         N/A         35.3 <sup>(5)</sup> 0.0           Other Expenses         0.1         0.1         0.0<	Pretax Trust Fund Tra	ansfer		18.0		18.0		0.0
TOTAL REVENUES         \$ 2,070.8         \$ 2,021.7         \$ (49.1)           TOTAL CASH AVAILABLE         \$ 2,070.8         \$ 2,131.9         \$ (49.1)           TOTAL CASH AVAILABLE         \$ 2,070.8         \$ 2,131.9         \$ (41.3)           EXPENSES:         State PPO Plan: <sup>(6)</sup> Medical Claims         \$ 753.0         \$ 711.7         \$ (41.3)           ASO Fee         18.7         18.5         (0.2)         Prescription Drug Claims         333.3 <sup>(6)</sup> 313.5 <sup>(1)</sup> (19.8)           PBM Claims Administration         0.3         0.2 <sup>(6)</sup> (0.1)         (1.102.4)         Medical Claims         N/A         612.2 <sup>(6)</sup>		Subsidy		22.6		22.5		(0.1)
TOTAL CASH AVAILABLE         \$ 2,070.8         \$ 2,131.9         \$ 61.1           EXPENSES:         State PPO Plan: <sup>(6)</sup> Medical Claims         \$ 753.0         \$ 711.7         \$ (41.3)           ASO Fee         18.7         18.5         (0.2)         Prescription Drug Claims         333.3 <sup>(6)</sup> 313.5 <sup>(6)</sup> (0.2)           Prescription Drug Claims         333.3 <sup>(6)</sup> 313.5 <sup>(6)</sup> (1.102.4)         (0.1)           HMC Plan: <sup>(6)(7)</sup> Premium Payments         1,406.5         304.1 <sup>(6)</sup> (1,102.4)           Medical Claims         N/A         612.2 <sup>(6)</sup> 612.2         6         62.2 <sup>(6)</sup> Premium Payments         1,406.5         304.1 <sup>(6)</sup> (1,102.4)         150.4 <sup>(6)</sup> 150.4 <sup>(6)</sup> Operating Costs & Admin Assessment         2.6         2.6 (0.0)         2.325.3 <sup>(6)</sup> 35.3 <sup>(6)</sup> 35.3 <sup>(6)</sup> Other Expenses         0.1         0.1         0.1         0.0 <sup>(10)</sup> 10.1 <sup>(10)</sup> 0.4 <sup>(10)</sup> \$ (303.6)         \$ (365.4)         \$ (305.4)         \$ (365.4)         \$ (365.4)         \$ (365.4)         \$ (365.4)         \$ (365.4)         \$ (365.4)         \$ (365.4)         \$ (365.4)         \$ (365.4)         \$ (365.4)         \$ (366.4)	PPACA <sup>(4)</sup>			104.0		104.0		0.0
EXPENSES: State PPO Plan: <sup>(6)</sup> Medical Claims         \$ 753.0         \$ 711.7         \$ (41.3)           ASO Fee         18.7         18.5         (0.2)           Prescription Drug Claims         333.3 <sup>(6)</sup> 313.5 <sup>(3)</sup> (19.8)           PBM Claims Administration         0.3         0.2 <sup>(6)</sup> (0.1)           HMO Plan: <sup>(6)(7)</sup> Prescription Drug Claims         1,406.5         304.1 <sup>(8)</sup> (1,102.4)           Medical Claims         N/A         612.2 <sup>(6)</sup> 612.2         ASO Fee         N/A         35.3 <sup>(6)</sup> 35.3           Prescription Drug Claims         N/A         150.4 <sup>(6)(6)</sup> 150.4         612.2         612.2           ASO Fee         N/A         35.3 <sup>(6)</sup> 35.3         60         35.3         50           Prescription Drug Claims         N/A         150.4 <sup>(6)(6)</sup> 150.4         150.4         61.1         0.0           Operating Costs & Admin Assessment         2.6         2.6         0.0         10.1         0.0         0.1         0.1         0.0           PPACA <sup>(4)</sup> 171.2         171.6         2.325.3         \$ (303.6)         \$ (305.4)         \$ (305.4)         \$ (305.4)         \$ (305.4)         \$ (305.4)         \$ (305.4)	TOTAL REVENUES		\$	2,070.8	\$	2,021.7	\$	(49.1)
State PPO Plan:         (b)         Medical Claims         \$ 753.0         \$ 711.7         \$ (41.3)           ASO Fee         18.7         18.7         18.7         (0.2)           Prescription Drug Claims         333.3         (0)         313.5         (0.2)           Prescription Drug Claims         333.3         (0)         313.5         (0.2)           PBM Claims Administration         0.3         0.2         (0)         (0.1)           HMO Plan:         N/A         612.2         (6)         612.2           ASO Fee         N/A         35.3         (1,102.4)         612.2           ASO Fee         N/A         35.3         (1,102.4)         612.2           ASO Fee         N/A         35.3         (1,102.4)         612.2           ASO Fee         N/A         150.4         (300)         150.4           HSA Deposits         1.5         1.6         0.1         0.0           Operating Costs & Admin Assessment         2.6         2.6         0.0         0.0           PPACA <sup>(4)</sup> 171.2         171.6         0.4         \$ 365.3         0.0           EXCESS OF REVENUES OVER EXPENSES         (619.9)         \$ (193.4)         \$ 4265.5         \$ 3	TOTAL CASH AVAILAE	BLE	\$	2,070.8	\$	2,131.9	\$	61.1
Medical Claims         \$ 753.0         \$ 711.7         \$ (41.3)           ASO Fee         18.7         18.5         (0.2)           Prescription Drug Claims         333.3         (0)         313.5         (0)           PBM Claims Administration         0.3         0.2         (0)         (1)           HMO Plan:         (0)         (0.1)         (1)         (1)         (1)           Medical Claims         1,406.5         304.1         (0)         (1)         (1)           Medical Claims         N/A         612.2         (0)         612.2         (0)         (1)           ASO Fee         N/A         150.4         (3)         (1)         (1)         (1)           Operating Costs & Admin Assessment         2.6         2.6         0.0         (1)         (0.1)           PPACA <sup>(6)</sup> 171.2         171.6         0.4         (3)         (3)         (3)           EXCESS OF REVENUES OVER EXPENSES         (619.9)         \$ (3)         (3)         (3)         (3)         (41.5)           EXCESS OF REVENUES OVER EXPENSES         (619.9)         \$ (303.6)         \$ (3)         (3)         (3)         (3)         (3)         (3)         (3)         (3)								
ASO Fee         18.7         18.5         (0.2)           Prescription Drug Claims         333.3         (0)         313.5         (3)         (19.8)           PBM Claims Administration         0.3         0.2         (3)         (0.1)           HMO Plan:         (907)         (907)         (1102.4)         (1102.4)           Medical Claims         N/A         612.2         (8)         (1102.4)           ASO Fee         N/A         353.3         (9)         353.3           Prescription Drug Claims         N/A         150.4         (308)         150.4           HSA Deposits         (2)         1.5         1.6         0.1         0.1           Operating Costs & Admin Assessment         2.6         2.6         0.0         0           Precription Drug Claims         171.2         171.6         0.1         0.0           Other Expenses         0.1         0.1         0.0         0         9         (303.6)         \$         316.3           ENDING CASH BALANCE         \$         (619.9)         \$         (303.6)         \$         316.3         \$           Total Unreported PPO Plan Claims Liability         Not Applicable         Mot Applicable         Not Applicable								
Prescription Drug Claims         333.3         (a)         (b)         (c)         (c) </td <td></td> <td></td> <td>\$</td> <td></td> <td>\$</td> <td></td> <td>\$</td> <td>· · · ·</td>			\$		\$		\$	· · · ·
PBM Claims Administration         0.3         0.2 <sup>(3)</sup> (0.1)           HMO Plan: <sup>(6)(7)</sup> Premium Payments         1,406.5         304.1 <sup>(8)</sup> (1,102.4)           Medical Claims         N/A         612.2 <sup>(8)</sup> 612.2 <sup>(8)</sup> 612.2 <sup>(8)</sup> 612.2 <sup>(8)</sup> ASO Fee         N/A         35.3 <sup>(8)</sup> 35.3 <sup>(8)</sup> 35.3 <sup>(8)</sup> 35.3 <sup>(8)</sup> Prescription Drug Claims         N/A         150.4 <sup>(3)(8)</sup> 150.4 <sup>(3)(8)</sup> 150.4 <sup>(3)(8)</sup> MASD Seposits <sup>(2)</sup> 1.5         1.6         0.1 <sup>(1)</sup> 0.0 <sup>(1)</sup> 150.4 <sup>(3)(8)</sup> Operating Costs & Admin Assessment         2.6         2.6         0.0 <sup>(1)</sup> 0.0 <sup>(1)</sup> 0.0 <sup>(1)</sup> Other Expenses         0.1         0.1         0.1 <sup>(1)</sup> 0.0 <sup>(1)</sup> 0.0 <sup>(1)</sup> PPACA <sup>(4)</sup> <u>1771.2</u> 171.6 <sup>(1)</sup> 0.4 <sup>(1)</sup> 316.3 <sup>(1)</sup> 316.3 <sup>(1)</sup> EXCESS OF REVENUES OVER EXPENSES         (619.9)         (193.4)         \$ 426.5 <sup>(9)</sup> Not Applicable         Not Applicable <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
HMO Plan: <sup>(9)(7)</sup> Premium Payments         1,406.5         304.1 <sup>(8)</sup> (1,102.4)           Medical Claims         N/A         612.2 <sup>(8)</sup> 612.2 <sup>(8)</sup> ASO Fee         N/A         353.3 <sup>(8)</sup> 353.3 <sup>(8)</sup> Prescription Drug Claims         N/A         150.4 <sup>(3)(8)</sup> 150.4 <sup>(3)(8)</sup> HSA Deposits <sup>(2)</sup> 1.5         1.6         0.1           Operating Costs & Admin Assessment         2.6         2.6         0.0           Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.0           PPACA <sup>(4)</sup> 171.2         171.6         (303.6)           EXCESS OF REVENUES OVER EXPENSES         (619.9)         (303.6)         \$ 316.3           ENDING CASH BALANCE         (619.9)         \$ (193.4)         \$ 426.5           Atom Applicable           Total Unreported PPO Plan Claims Liability         Not Included         64.5 <sup>(9)</sup> Not Applicable           Total Unreported Claims Liability         Not Applicable         5         131.1         Not Applicable           MO PPO HIHP         1,006         1,018         12         10           Total         PPO Standar								
Premium Payments         1,406.5         304.1 (*)         (1,102.4)           Medical Claims         N/A         612.2 (*)         612.2 (*)           ASO Fee         N/A         35.3 (*)         35.3 (*)           Prescription Drug Claims         N/A         150.4 (*)(*)         150.4 (*)(*)           HSA Deposits (*)         1.5         1.6         0.1           Operating Costs & Admin Assessment         2.6         2.6         0.0           Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.0           PPACA (*)         171.2         171.6         0.4           TOTAL EXPENSES         \$ 2,690.7         \$ 2,325.3         \$ (365.4)           EXCESS OF REVENUES OVER EXPENSES         \$ (619.9)         \$ (303.6)         \$ 316.3           ENDING CASH BALANCE         \$ (619.9)         \$ (193.4)         \$ 426.5           Total Unreported PPO Plan Claims Liability         Not Applicable         66.6         Not Applicable           Total Unreported Claims Liability         Not Applicable         \$ (2,28)         Not Applicable           Mot Applicable         \$ 131.1         10         12           Mot Applicable         175,693         (	PBM Claims Admir	nistration		0.3		0.2 (0)		(0.1)
Medical Claims         N/A         612.2 <sup>(8)</sup> 612.2 <sup>(9)</sup> ASO Fee         N/A         35.3 <sup>(6)</sup> 35.3           Prescription Drug Claims         N/A         150.4 <sup>(3)(8)</sup> 150.4           HSA Deposits <sup>(2)</sup> 1.5         1.6         0.1           Operating Costs & Admin Assessment         2.6         2.6         0.0           Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.0           PPACA <sup>(4)</sup> 171.2         171.6         0.4           TOTAL EXPENSES         \$         2,690.7         \$         2,325.3         \$         (365.4)           EXCESS OF REVENUES OVER EXPENSES         \$         (619.9)         \$         (303.6)         \$         316.3           ENDING CASH BALANCE         \$         (619.9)         \$         (193.4)         \$         426.5           Total Unreported PPO Plan Claims Liability         Not Applicable         66.6         (10)         Not Applicable         Not Applicable           Total Unreported Claims Liability         Not Applicable         \$         131.1         Not Applicable           Mot Applicable         PPO Standard         85,060		<b>c</b>		1 406 5		304 1 (8)		(1 102 4)
ASO Fee         N/A         35.3 <sup>(8)</sup> 35.3           Prescription Drug Claims         N/A         150.4 <sup>(3)(8)</sup> 150.4           HSA Deposits <sup>(2)</sup> 1.5         1.6         0.1           Operating Costs & Admin Assessment         2.6         2.6         0.0           Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.0           PPACA <sup>(4)</sup> 171.2         171.6         0.4           TOTAL EXPENSES         \$ 2,690.7         \$ 2,325.3         \$ (365.4)           EXCESS OF REVENUES OVER EXPENSES         \$ (619.9)         \$ (303.6)         \$ 316.3           ENDING CASH BALANCE         \$ (619.9)         \$ (193.4)         \$ 426.5           Total Unreported PPO Plan Claims Liability         Not Included         \$ 64.5 <sup>(9)</sup> Not Applicable           Total Unreported Claims Liability         Not Applicable         \$ 131.1         Not Applicable           Mot applicable         \$ 0.60         84,109         (951)           Total Unreported Claims Liability         Not Applicable         \$ 131.1         Not Applicable           Mot Applicable         \$ 0.096         (2.228)         (3.157)           HMO HiHP         <		5						
Prescription Drug Claims         N/A         150.4         (3)(8)         150.4           HSA Deposits <sup>(2)</sup> 1.5         1.6         0.1         0           Operating Costs & Admin Assessment         2.6         2.6         0.0           Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.0           PPACA <sup>(4)</sup> 171.2         171.6         0.4           TOTAL EXPENSES         \$ 2,690.7         \$ 2,325.3         \$ (365.4)           EXCESS OF REVENUES OVER EXPENSES         \$ (619.9)         \$ (303.6)         \$ 316.3           ENDING CASH BALANCE         \$ (619.9)         \$ (193.4)         \$ 426.5           DUITONAL INFORMATION         \$ 426.5         \$ 426.5           Total Unreported PPO Plan Claims Liability         Not Included         \$ 64.5 <sup>(9)</sup> Not Applicable           Total Unreported Claims Liability         Not Applicable         \$ 131.1         Not Applicable         Not Applicable           Mot Applicable         \$ 131.1         Not Applicable         \$ (3,157)         1 (2,228)           HMO Standard         92,324         90,096         (2,228)         (3,157)           HMO HIHP         1,085         1,409								•
Operating Costs & Admin Assessment         2.6         2.6         0.0           Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.0           PPACA <sup>(4)</sup> 171.2         171.6         0.4           TOTAL EXPENSES         \$ 2,690.7         \$ 2,325.3         \$ (365.4)           EXCESS OF REVENUES OVER EXPENSES         \$ (619.9)         \$ (193.4)         \$ 316.3           ENDING CASH BALANCE         \$ (619.9)         \$ (193.4)         \$ 426.5           Total Unreported PPO Plan Claims Liability         Not Included         \$ 64.5 <sup>(9)</sup> Not Applicable           Total Unreported Claims Liability         Not Applicable         \$ 66.6 <sup>(10)</sup> Not Applicable           Moreage         PPO Standard         85,060         84,109         (951)           PPO HIHP         1,006         1,018         12           HMO HIHP         460         470         10           Total         Total         178,850         175,693           Active Standard         139,854         135,808         (4,046)           Average         Active Standard         139,854         135,808         (4,046)           Average         Active HIHP<	Prescription Drug (	Claims		N/A				150.4
Premium Refunds         3.5         3.5         0.0           Other Expenses         0.1         0.1         0.1         0.0           PPACA <sup>(4)</sup> 171.2         171.6         0.4           TOTAL EXPENSES         \$ 2,690.7         \$ 2,325.3         \$ (365.4)           EXCESS OF REVENUES OVER EXPENSES         \$ (619.9)         \$ (193.4)         \$ (365.4)           EXCESS OF REVENUES OVER EXPENSES         \$ (619.9)         \$ (193.4)         \$ (365.4)           ENDING CASH BALANCE         \$ (619.9)         \$ (193.4)         \$ (426.5)           Total Unreported PPO Plan Claims Liability         Not Included         \$ 64.5 (*)         Not Applicable           Total Unreported Claims Liability         Not Applicable         66.6 (*0)         Not Applicable         Not Applicable           Average         PPO Standard         95,060         84,109         (951)           HMO HIHP         1,006         1,018         12           HMO HIHP         4660         470         10           Total         Total         178,850         175,693           Active Standard         139,854         135,808         (4,046)           Active Standard         139,854         135,808         (4,046)	HSA Deposits (2)			1.5		1.6		0.1
Other Expenses         0.1         0.1         0.1         0.0           PPACA <sup>(4)</sup> 171.2         171.6         0.4         0.4           TOTAL EXPENSES         \$ 2,690.7         \$ 2,325.3         \$ (365.4)         \$ (36.4)		Imin Assessment						
PPACA ( <sup>á)</sup> 171.2         171.6         0.4           TOTAL EXPENSES         \$ 2,690.7         \$ 2,325.3         \$ (365.4)           EXCESS OF REVENUES OVER EXPENSES         \$ (619.9)         \$ (193.4)         \$ 316.3           ENDING CASH BALANCE         \$ (619.9)         \$ (193.4)         \$ 426.5           ADDITONAL INFORMATION           Total Unreported PPO Plan Claims Liability         Not Included         \$ 64.5         ( <sup>9)</sup> Not Applicable           Total Unreported Claims Liability         Not Applicable         66.6         ( <sup>10)</sup> Not Applicable         Not Applicable           Total Unreported Claims Liability         Not Applicable         \$ 131.1         Not Applicable         Not Applicable           Average         PPO Standard         85,060         84,109         (951)         12           HMO HIHP         1,006         1,018         12         12           HMO HIHP         460         470         10         12           Total         Total         178,850         175,693         (3,157)           Active Standard         139,854         135,808         (4,046)         24           Enrollment by (*1)         COBRA         678         6777         (1)								
TOTAL EXPENSES         \$         2,690.7         \$         2,325.3         \$         (303.6)         \$         316.3         \$								
EXCESS OF REVENUES OVER EXPENSES         \$         (619.9)         \$         (303.6)         \$         316.3         316.3         \$			<u> </u>		<u>.</u>			
ENDING CASH BALANCE       \$       (619.9)       \$       (193.4)       \$       426.5         ADDITONAL INFORMATION         Total Unreported PPO Plan Claims Liability       Not Included       \$       64.5       (*)       Not Applicable         Total Unreported HMO Plan Claims Liability       Not Applicable       66.6       (**)       Not Applicable       Not Applicable </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td><u>`</u></td>								<u>`</u>
ADDITONAL INFORMATION         Total Unreported PPO Plan Claims Liability       Not Included       \$ 64.5 (°)       Not Applicable         Total Unreported HMO Plan Claims Liability       Not Applicable       66.6 (°)       Not Applicable         Total Unreported Claims Liability       Not Applicable       66.6 (°)       Not Applicable         Average       PPO Standard       85,060       84,109       (951)         EnrolIment (°11)       PPO HIHP       1,006       1,018       12         HMO Standard       92,324       90,096       (2,228)         HMO HIHP       460       470       10         Total       178,850       175,693       (3,157)         Active Standard       139,854       135,808       (4,046)         Average       Active HIHP       1,385       1,409       24         EnrolIment by (°11)       COBRA       678       677       (1)         Coverage Type       Early Retiree       7,053       7,888       835         Medicare       29,880       29,911       31			-			<u> </u>		
Total Unreported PPO Plan Claims LiabilityNot Included\$64.5(*)Not ApplicableTotal Unreported HMO Plan Claims LiabilityNot Applicable66.6(10)Not ApplicableTotal Unreported Claims LiabilityNot Applicable\$131.1Not ApplicableAveragePPO Standard85,06084,109(951)PPO HIHP1,0061,01812HMO Standard92,32490,096(2,228)HMO HIHP46047010Total178,850175,693(3,157)Active Standard139,854135,808(4,046)AverageActive HIHP1,3851,40924Enrollment by (11)COBRA678677(1)Coverage TypeEarly Retiree7,0537,888835Medicare29,88029,9113131	ENDING CASH BALAN	CE	» _	(619.9)	Þ.	(193.4)	Э.	426.5
Total Unreported HMO Plan Claims LiabilityNot Applicable66.6Not ApplicableTotal Unreported Claims LiabilityNot Applicable66.6Not ApplicableAverage EnrolIment (11) by PlanPPO Standard85,06084,109(951)HMO Standard92,32490,096(2,228)HMO HIHP46047010TotalTotal175,693(3,157)Active Standard139,854135,808(4,046)Average EnrolIment by (11) Coverage TypeActive HIHP1,3851,409Active Standard139,854135,808(4,046)Active Standard139,854135,808(4,046)Active Standard139,854135,808(4,046)Active Standard139,854135,808(4,046)Active Standard139,854135,808(4,046)Active Standard139,854135,808(4,046)Active Standard139,854135,808(4,046)Active Standard139,854135,808(4,046)Active Standard139,854135,808(4,046)Active Standard139,854133,8551,409Active Standard139,854133,8551,409Active Standard139,8551,40924EnrolIment by (11)COBRA678677(1)Medicare29,88029,91131		ADDIT	ONAL	INFORMATIO	N		1	
Average Enrollment (11) by Plan         PPO Standard PPO HIHP         85,060         84,109         (951)           Mot Applicable         \$         131.1         Not Applicable           Average Enrollment (11) by Plan         PPO Standard PPO HIHP         85,060         84,109         (951)           Mot Applicable         1,018         12           HMO Standard         92,324         90,096         (2,228)           HMO HIHP         460         470         10           Total         178,850         175,693         (3,157)           Active Standard         139,854         135,808         (4,046)           Average Enrollment by (11)         COBRA         678         677         (1)           Coverage Type         Early Retiree         7,053         7,888         835           Medicare         29,880         29,911         31	Total Unreported PPO P	Plan Claims Liability	Ν	lot Included	\$	04.0		Not Applicable
Average Enrollment <sup>(11)</sup> by Plan         PPO Standard PPO HIHP         85,060         84,109         (951)           HMO Standard         92,324         90,096         (2,228)           HMO HIHP         460         470         10           Total         178,850         175,693         (3,157)           Average Enrollment by <sup>(11)</sup> Coverage Type         Active Standard         139,854         135,808         (4,046)           Location         COBRA         678         677         (1)           Early Retiree         7,053         7,888         835           Medicare         29,880         29,911         31	Total Unreported HMO F	Plan Claims Liability	N	ot Applicable		66.6 (10)		Not Applicable
Average         PPO HIHP         1,006         1,018         12           Enrollment (11) by Plan         HMO Standard         92,324         90,096         (2,228)           HMO HIHP         460         470         10           Total         178,850         175,693         (3,157)           Active Standard         139,854         135,808         (4,046)           Average         Active HIHP         1,385         1,409         24           Enrollment by (11)         COBRA         678         677         (1)           Early Retiree         7,053         7,888         835           Medicare         29,880         29,911         31	Total Unreported Clain	ns Liability	N	ot Applicable	\$	131.1		Not Applicable
Enrollment by Plan         PPO HIHP         1,006         1,018         12           HMO Standard         92,324         90,096         (2,228)           HMO HIHP         460         470         10           Total         178,850         175,693         (3,157)           Average         Active Standard         139,854         135,808         (4,046)           Active HIHP         1,385         1,409         24           Coverage Type         COBRA         678         6777         (1)           Early Retiree         7,053         7,888         835           Medicare         29,880         29,911         31	Average	PPO Standard		85,060		84,109		(951)
by Plan         HMO Standard         92,324         90,096         (2,226)           HMO HIHP         460         470         10           Total         178,850         175,693         (3,157)           Average         Active Standard         139,854         135,808         (4,046)           Average         Active HIHP         1,385         1,409         24           Enrollment by <sup>(11)</sup> COBRA         678         677         (1)           Early Retiree         7,053         7,888         835           Medicare         29,880         29,911         31								
Hild Hill         460         470         10           Total         178,850         175,693         (3,157)           Active Standard         139,854         135,808         (4,046)           Average         Active HIHP         1,385         1,409         24           Enrollment by <sup>(11)</sup> COBRA         678         677         (1)           Early Retiree         7,053         7,888         835           Medicare         29,880         29,911         31								
Active Standard         139,854         135,808         (4,046)           Average         Active HIHP         1,385         1,409         24           Enrollment by <sup>(11)</sup> COBRA         678         677         (1)           Coverage Type         Early Retiree         7,053         7,888         835           Medicare         29,880         29,911         31	-						•	
Average         Active HIHP         1,385         1,409         24           Enrollment by <sup>(11)</sup> COBRA         678         677         (1)           Coverage Type         Early Retiree         7,053         7,888         835           Medicare         29,880         29,911         31							•	
Enrollment by <sup>(11)</sup> COBRA         678         677         (1)           Coverage Type         Early Retiree         7,053         7,888         835           Medicare         29,880         29,911         31	Average							
Coverage Type         Early Retiree         7,053         7,888         835           Medicare         29,880         29,911         31	-							
Medicare 29,880 29,911 31	-							
Total 178,850 175,693 (3,157)	-	•					Ι.	
		Total		178,850		175,693	Ι.	(3,157)

<sup>(1)</sup> Assumes no carry forward of negative ending cash balance from prior year.

<sup>(2)</sup> Contributions approximate a split between employer and employee of 42% and 58%, respectively.

<sup>(3)</sup> Includes estimated fiscal impact of new PBM contract effective January 1, 2012.

<sup>(4)</sup> Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).

<sup>(5)</sup> PPO and HMO Bank Services are estimated at approximately \$35,000 per year per plan for the projected period, which rounds to \$0.0M.

<sup>(6)</sup> Includes growth trend for prescription drug claims of 13.0%, consistent with previous outlook.

(7) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0.

<sup>(8)</sup> Includes estimated fiscal impact of new HMO contracts effective January 1, 2012.

<sup>(9)</sup> Includes PPO Incurred but not Reported (IBNR) claims and outstanding drafts estimated in the amount of \$58.3M and \$6.2M, respectively.

 $^{(10)}\,$  Includes HMO medical and drugs IBNR claims in the amount of \$64.5M and \$2.1M, respectively.

<sup>(11)</sup> Does not include estimated impact to enrollment of certain PPACA reforms.

#### Exhibit VII Financial Outlook - Fiscal Year 2014-15 (In Millions)

			(A) Jul '11	-	(B) Oct '11	1	(B) - (A) Difference
BEGINNING CASH BAL	ANCE	\$	0.0 (1)	\$	0.0 (1)	\$	0.0
REVENUES:		•		·		Ť	
Insurance Premiums:							
Employer		\$	1,507.3	\$	1,446.1	\$	(61.2)
Employee			175.0		167.1		(7.9)
HSA Contributions	(2)		1.5		1.6		0.1
COBRA			6.0		6.1		0.1
Early Retiree			54.9		64.2		9.3
Medicare			160.9		154.8		(6.1)
Investment Interest			0.0		0.0		0.0
PPO-TPA Refunds			7.2		7.2		0.0
PPO-PBM Rebates			23.9		20.2 <sup>(3)</sup>		(3.7)
HMO-PBM Rebates			N/A		9.9 (7)		9.9
Pretax Trust Fund Tra			18.0		18.0		0.0
PPO-Medicare Part D	Subsidy		23.3		23.2		(0.1)
PPACA (4)		. –	211.1	-	211.1		0.0
TOTAL REVENUES		\$	2,189.1	\$	2,129.5	\$	(59.6)
TOTAL CASH AVAILAB	LE	\$	2,189.1	\$	2,129.5	\$	(59.6)
EXPENSES:							
State PPO Plan: (5)		•		•			
Medical Claims		\$	804.0	\$	758.0	\$	(46.0)
ASO Fee	N		18.2		18.0		(0.2)
Prescription Drug C			367.3 (6)		332.4 <sup>(3)</sup>		(34.9)
PBM Claims Admin HMO Plan: <sup>(5)(7)</sup>	istration		0.3		0.2 (3)		(0.1)
Premium Payments			1,590.7		340.6 (8)		(1,250.1)
Medical Claims			N/A		684.7 <sup>(8)</sup>		684.7
ASO Fee			N/A		38.2 (8)		38.2
Prescription Drug C	laims		N/A		169.3 <sup>(3)(8)</sup>		169.3
HSA Deposits (2)			1.5		1.6		0.1
Operating Costs & Ad	min Assessment		2.6		2.6		0.0
Premium Refunds			3.5		3.5		0.0
Other Expenses			0.1		0.1		0.0
PPACA <sup>(4)</sup>			338.7	_	339.2		0.5
TOTAL EXPENSES		\$	3,126.9	\$	2,688.4	\$	(438.5)
EXCESS OF REVENUE	S OVER EXPENSES	\$	(937.8)	\$	(558.9)	\$	378.9
ENDING CASH BALAN	CE	\$	(937.8)	\$	(558.9)	\$	378.9
			INFORMATIC	N			
Total Unronente d DDO D				_	64 5 <sup>(9)</sup>	1	Not Applicable
Total Unreported PPO P	-		ot Included	\$	04.0		Not Applicable
Total Unreported HMO F			ot Applicable		74.5 (10)		Not Applicable
Total Unreported Claim	s Liability	No	ot Applicable	\$_	139.0		Not Applicable
Average	PPO Standard		82,912		82,157	1	(755)
Enrollment (11)	PPO HIHP		1,006		1,018	1	12
by Plan	HMO Standard		94,836		92,623		(2,213)
	HMO HIHP		460	-	470	1	10
	Total		179,214	-	176,268	1	(2,946)
Average	Active Standard		139,780		135,745	1	(4,035)
Average Enrollment by <sup>(11)</sup>	Active HIHP		1,385		1,409	1	24
Coverage Type	COBRA		678		677	1	(1)

Total (1) Assumes no carry forward of negative ending cash balance from prior year.

Early Retiree

Medicare

**Coverage Type** 

(2) Contributions approximate a split between employer and employee of 42% and 58%, respectively.

(3) Includes estimated fiscal impact of new PBM contract effective January 1, 2012.

(4) Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).

(5) PPO and HMO Bank Services are estimated at approximately \$35,000 per year per plan for the projected period, which rounds to \$0.0M.

(6) Includes growth trend for prescription drug claims of 13.0%, consistent with previous outlook.

(7) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0.

(8) Includes estimated fiscal impact of new HMO contracts effective January 1, 2012.

(9) Includes PPO Incurred but not Reported (IBNR) claims and outstanding drafts estimated in the amount of \$58.3M and \$6.2M, respectively.

(10) Includes HMO medical and drugs IBNR claims in the amount of \$72.1M and \$2.4M, respectively.

<sup>(11)</sup> Does not include estimated impact to enrollment of certain PPACA reforms.

6,877

30.494

179,214

7,912

30,525

176,268

31

1,035

(2,946)

# Exhibit VIII Comparison of Financial Outlooks

Fiscal Year 2010-11

(In Millions)

#### \$ 230.2 Previous Ending Cash Balance Forecast <sup>(1)</sup>

- (51.3) Decrease in Actual Revenue
  - (56.5) Decrease in employer and enrollee Insurance Premiums
    - (33.4) Decrease due to change of 1st biweekly payroll from June to July and difference between actual vs. previously projected (4.4)
    - (14.8) An accounting transaction reduced FY 2010-11 and increased FY 2011-12 insurance premiums in the amount of \$14.8M for a net impact of \$0.0
      - (4.6) Decrease due to lower actual than projected 1st biweekly payroll projection
    - (3.8) Decrease due to lower actual than projected enrollment from 177,261 to 177,110 and category shifts
    - 0.1 Increase in HSA Deposits due to higher actual than projected activity
  - (0.3) Decrease in Investment Interest due to lower actual than projected cash balance
  - 0.8 Increase in PPO-TPA Refunds due to higher actual than projected refund activity
  - 0.3 Increase in PPO-PBM Rebates due to higher actual than projected rebate activity
  - 1.1 Increase in Pretax TF Transfer due to adjustment to reconcile accounting records
  - 1.7 Increase in PPO-Medicare Part D Subsidy due to higher actual than projected receipts
  - 1.6 Increase in Other Revenue due primarily to settlements and penalties
- (18.9) Decrease in Actual Expense
  - (15.5) Decrease in PPO Plan Medical Claims
    - (15.1) Decrease due to lower actual than projected claims experience through June 2011
    - (0.4) Decrease due to a decrease in projected enrollment from 92,824 to 92,763
    - 3.7 Increase in PPO Plan Prescription Drug Claims
      - 3.9 Increase due to higher actual than projected paid claims experience
      - (0.2) Decrease due to a decrease in projected enrollment from 92,824 to 92,763
    - (1.1) Decrease in HMO Premium Payments due to lower actual than projected enrollment from 84,437 to 84,347
    - 0.1 Increase in HSA Deposits due to higher actual than projected activity
    - (0.4) Decrease in Operating Costs due to lower actual than projected activity
    - 1.5 Increase in Premium Refunds primarily due to enhancements implemented by outsourced Benefits Administrator
    - (0.1) Decrease in Other Expenses due to lower actual than projected activity
    - (7.1) Actual claims cost, if any, resulting from Patient Protection and Affordable Care Act (PPACA) effective January 2011, are embedded in the appropriate claims expense category

#### \$ 197.8 Ending Cash Balance

<sup>(1)</sup> July 2011

# Exhibit IX Comparison of Financial Outlooks

## Fiscal Year 2011-12

#### (In Millions)

#### **\$ 91.7 Previous Ending Cash Balance Forecast**<sup>(1)</sup>

- (32.4) Decrease in Beginning Cash Balance Forecast
  - 0.7 Increase in Revenue Forecast
    - 0.4 Increase in employer and enrollee Insurance Premiums
      - (46.8) Decrease due to lower actual than projected enrollment from 178,008 to 175,540 and category shifts
      - (1.1) Net decrease in HMO Medicare Insurance Premiums due to lower than projected enrollment and new HMO contracts effective January 1, 2012
      - 33.4 Increase due to change of 1st biweekly payroll from June to July
      - 14.8 An accounting transaction reduced FY 2010-11 and increased FY 2011-12 insurance premiums in the amount of \$14.8M for a net impact of \$0.0
      - 0.1 Increase in HSA deposits due to higher projected deposit activity
    - 1.4 Increase in Investment Interest due to a decrease in projected cash balance
    - (1.1) Decrease in PPO-Medicare Part D Subsidy due to a decrease in the actuarial projections
- (174.1) Decrease in Expense Forecast
- (23.9) Decrease in State PPO Plan
  - (32.9) Decrease in PPO Plan Medical Claims
    - (20.8) Decrease due to lower base for FY 2010-11
      - (9.7) Decrease due to a decrease in projected enrollment from 90,579 to 89,251
  - (0.3) Decrease in ASO Fee due to a decrease in projected enrollment from 90,579 to 89,251
  - 9.4 Increase in PPO Plan Prescription Drug Claims
    - 17.0 Increase due to a change in methodology for cost projections
    - 4.3 Increase due to higher base for FY 2010-11
    - (7.8) Decrease due to savings from new PBM contract effective January 1, 2012
    - (4.1) Decrease due to a decrease in projected enrollment from 90,579 to 89,251
  - (0.1) Decrease in PBM Claims Administration due to new contract effective January 1, 2012
- (150.2) Decrease in HMO Plan
  - (460.3) Decrease in HMO Premium Payments
    - (433.6) Decrease due to new HMO contracts effective January 1, 2012
    - (26.7) Decrease due to a decrease in projected enrollment from 87,429 to 85,289
  - 207.7 Increase in HMO Plan Medical Claims due to new HMO contracts effective January 1, 2012
  - 23.4 Increase due to establishment by Principals of Risk Reserve for HMO Plan claims costs
  - 16.6 Increase in HMO Plan ASO Fee due to new HMO contracts effective January 1, 2012
  - 62.4 Increase in HMO Plan Prescription Drug Claims due to new HMO contracts effective January 1, 2012
  - 0.0 Net Impact in Other Expense Categories
    - 0.1 Increase in HSA Deposits due to higher actual than projected activity
    - (0.1) Decrease in PPACA due to reallocation of payment of Institute fees (Item #5)

#### \$ 234.1 Ending Cash Balance

<sup>(1)</sup> July 2011

# Exhibit X Comparison of Financial Outlooks

#### Fiscal Year 2012-13

#### (In Millions)

## \$ (244.6) Previous Ending Cash Balance Forecast <sup>(1)</sup>

- 142.4 Increase in Beginning Cash Balance Forecast
- (38.4) Decrease in Revenue Forecast
  - (54.1) Decrease in employer and enrollee Insurance Premiums
    - (50.8) Decrease due to lower actual than projected enrollment from 178,464 to 175,070 and category shifts
    - (3.4) Net decrease in HMO Medicare Insurance Premiums due to lower than projected enrollment and new HMO contracts effective January 1, 2012
    - 0.1 Increase in HSA deposits due to higher projected deposit activity
    - 4.4 Increase in Investment Interest due to a decrease in projected cash balance
    - 4.6 Increase in PPO-PBM Rebates due to change in methodology and new PBM contract effective January 1, 2012
    - 8.1 Increase due to the creation of a new revenue category resulting from the carve-out of prescription drugs from the HMO vendors to Medco effective January 1, 2012
    - (1.4) Decrease in PPO-Medicare Part D Subsidy due to a decrease in the actuarial projections
- (250.8) Decrease in Expense Forecast
- (42.7) Decrease in State PPO Plan
  - (37.2) Decrease in PPO Plan Medical Claims
    - (22.3) Decrease due to lower base for FY 2010-11
    - (9.2) Decrease due to a decrease in projected enrollment from 88,272 to 87,117
    - (0.3) Decrease in ASO Fee due to a decrease in projected enrollment from 88,272 to 87,117
    - (5.1) Decrease in PPO Plan Prescription Drug Claims
      - 10.8 Increase due to a change in methodology for cost projections
      - 4.6 Increase due to higher base for FY 2010-11
      - (16.5) Decrease due to savings from new PBM contract effective January 1, 2012
      - (4.0) Decrease due to a decrease in projected enrollment from 88,272 to 87,117
    - (0.1) Decrease in PBM Claims Administration due to new contract effective January 1, 2012
- (208.4) Decrease in HMO Plan
  - (965.0) Decrease in HMO Premium Payments
    - (934.2) Decrease due to new HMO contracts effective January 1, 2012
    - (30.8) Decrease in HMO Premium Payments due to a decrease in projected enrollment from 90,192 to 87,953
    - 544.9 Increase in HMO Plan Medical Claims due to new HMO contracts effective January 1, 2012
    - 44.6 Increase due to establishment by Principals of Risk Reserve for HMO Plan claims costs
    - 32.2 Increase in HMO Plan ASO Fee due to new HMO contracts effective January 1, 2012
    - 134.9 Increase in HMO Plan Prescription Drug Claims due to new HMO contracts effective January 1, 2012
  - 0.3 Increase in Other Expense Categories
    - 0.1 Increase in HSA Deposits due to higher actual than projected activity
    - 0.2 Increase in PPACA due to change in methodology per IRS preliminary guidelines on Institute fees (Item #5)

#### \$ 110.2 Ending Cash Balance

# Exhibit XI Comparison of Financial Outlooks

#### Fiscal Year 2013-14

#### (In Millions)

## \$ (619.9) Previous Ending Cash Balance Forecast <sup>(1)</sup>

- 110.2 Increase in Beginning Cash Balance Forecast
- (49.1) Decrease in Revenue Forecast
  - (59.8) Decrease in employer and enrollee Insurance Premiums due to an increase in
    - (55.0) Decrease due to lower actual than projected enrollment from
      - 178,850 to 175,693 and category shifts
      - (4.9) Net decrease in HMO Medicare Insurance Premiums due to lower than projected enrollment and new HMO contracts effective January 1, 2012
      - 0.1 Increase in HSA deposits due to higher projected deposit activity
    - 1.6 Increase in PPO-PBM Rebates due to change in methodology and new PBM contract effective January 1, 2012
    - 0.4 Increase in Investment Interest due to a decrease in projected cash balance
    - 8.8 Increase due to the creation of a new revenue category resulting from the carve-out of prescription drugs from the HMO vendors to Medco effective January 1, 2012
  - (0.1) Decrease in PPO-Medicare Part D Subsidy due to an increase in the actuarial projections
- (365.4) Decrease in Expense Forecast
- (61.4) Decrease in State PPO Plan
  - (41.3) Decrease in PPO Plan Medical Claims
    - (23.8) Decrease due to lower base for FY 2010-11
    - (8.2) Decrease due to a decrease in projected enrollment from 86,066 to 85,127
  - (0.2) Decrease in ASO Fee due to a decrease in projected enrollment from 86,066 to 85,127
  - (19.8) Decrease in PPO Plan Prescription Drug Claims
    - (1.8) Decrease due to a change in methodology for cost projections
    - 5.1 Increase due to higher base for FY 2010-11
    - (19.5) Decrease due to savings from new PBM contract effective January 1, 2012
      - (3.6) Decrease due to a decrease in projected enrollment from 86,066 to 85,127
    - (0.1) Decrease in PBM Claims Administration due to new contract effective January 1, 2012
- (304.5) Decrease in HMO Plan
  - (1,102.4) Decrease in HMO Premium Payments
    - (1,068.8) Decrease due to new HMO contracts effective January 1, 2012
      - (33.6) Decrease in HMO Premium Payments due to a decrease in projected enrollment from 92,784 to 90,566
    - 612.2 Increase in HMO Plan Medical Claims due to new HMO contracts effective January 1, 2012
    - 35.3 Increase in HMO Plan ASO Fee due to new HMO contracts effective January 1, 2012
    - 150.4 Increase in HMO Plan Prescription Drug Claims due to new HMO contracts effective January 1, 2012
  - 0.5 Increase in Other Expense Categories
    - 0.1 Increase in HSA Deposits due to higher actual than projected activity
    - 0.4 Increase in PPACA due to change in methodology per IRS preliminary guidelines on Institute fees (Item #5)

## (193.4) Ending Cash Balance

# Exhibit XII Comparison of Financial Outlooks

Fiscal Year 2014-15

(In Millions)

## \$ (937.8) Previous Ending Cash Balance Forecast <sup>(1)</sup>

- (59.6) Decrease in Revenue Forecast
  - (65.7) Decrease in employer and enrollee Insurance Premiums
    - (59.8) Decrease due to a decrease in projected enrollment from 179,214 to 176,268 and category shifts
    - (6.0) Decrease in HMO Medicare Premium Payments due to new HMO contracts effective January 1, 2012
    - 0.1 Increase in HSA deposits due to higher projected deposit activity
    - (3.7) Decrease in PPO-PBM Rebates due to change in methodology and new PBM contract effective January 1, 2012
    - 9.9 Increase due to the creation of a new revenue category resulting from the carve-out of prescription drugs from the HMO vendors to Medco effective January 1, 2012
    - (0.1) Decrease in PPO-Medicare Part D Subsidy due to a decrease in the actuarial projections
- (438.5) Decrease in Expense Forecast
- (81.2) Decrease in State PPO Plan
  - (46.0) Decrease in PPO Plan Medical Claims
    - (25.5) Decrease due to lower base for FY 2010-11
    - (7.1) Decrease due to a decrease in projected enrollment from 83,918 to 83,175
    - (0.2) Decrease in ASO Fee due to a decrease in projected enrollment from 83,918 to 83,175
  - (34.9) Decrease in PPO Plan Prescription Drug Claims
    - (15.3) Decrease due to a change in methodology for cost projections
    - 5.6 Increase due to higher base for FY 2010-11
    - (21.9) Decrease due to savings from new PBM contract effective January 1, 2012
    - (3.3) Decrease due to a decrease in projected enrollment from 83,918 to 83,175
  - (0.1) Decrease in PBM Claims Administration due to new contract effective January 1, 2012
- (357.9) Decrease in HMO Plan
  - (1,250.1) Decrease in HMO Premium Payments
    - (1,213.3) Decrease due to new HMO contracts effective January 1, 2012
      - (36.8) Decrease in HMO Premium Payments due to a decrease in projected enrollment from 95,296 to 93,093
    - 684.7 Increase in HMO Plan Medical Claims due to new HMO contracts effective January 1, 2012
    - 38.2 Increase in HMO Plan ASO Fee due to new HMO contracts effective January 1, 2012
    - 169.3 Increase in HMO Plan Prescription Drug Claims due to new HMO contracts effective January 1, 2012
  - 0.6 Increase in Other Expense Categories
    - 0.1 Increase in HSA Deposits due to higher projected deposit activity
    - 0.5 Increase in PPACA due to change in methodology per IRS preliminary guidelines on Institute fees (Item #5)

#### (558.9) Ending Cash Balance

<sup>(1)</sup> July 2011

# Exhibit XIII

# **Premium Rate Table**

## Effective July 2011 for August 2011 Coverage

(Premium rate change ONLY for employer contribution of "Spouse Program")

Subscriber Category /		Coverage	PPO/	HMO Stan	dard	PP	O/HMO HIF	IP
(	Contribution Cycle	Туре	Employer	Enrollee	Total	Employer <sup>(8)</sup>	Enrollee	Total
Monthly Full -Time		Single	499.80	50.00	549.80	499.80	15.00	514.80
	Monthly Full - Lime Employees <sup>(1)</sup>	Family	1,063.34	180.00	1,243.34	1,063.34	64.30	1,127.64
Career	Employees	Spouse	1,213.36	30.00	1,243.36	1,097.64	30.00	1,127.64
Service		Single	249.90	25.00	274.90	249.90	7.50	257.40
	Bi-Weekly Full -Time Employees <sup>(1)</sup>	Family	531.67	90.00	621.67	531.67	32.15	563.82
	Employees	Spouse	606.68	15.00	621.68	548.82	15.00	563.82
	Monthly Full -Time	Single	541.46	8.34	549.80	506.46	8.34	514.80
Employees <sup>(1,2)</sup>		Family	1,213.34	30.00	1,243.34	1,097.64	30.00	1,127.64
"Payalls"	Bi-Weekly Full -Time	Single	270.73	4.17	274.90	253.23	4.17	257.40
	Employees <sup>(1,2)</sup>	Family	606.67	15.00	621.67	548.82	15.00	563.82
COBRA	M (3)	Single	0.00	560.80	560.80	0.00	482.60	482.60
CODKA	Monthly <sup>(3)</sup>	Family	0.00	1,268.21	1,268.21	0.00	1,065.20	1,065.20
Early	Monthly	Single	0.00	549.80	549.80	0.00	473.12	473.12
Retirees	wontiny	Family	0.00	1,243.34	1,243.34	0.00	1,044.32	1,044.32
		(I) One Eligible <sup>(5)</sup>	0.00	305.82	305.82	0.00	230.52	230.52
Medicare	Monthly <sup>(4)</sup>	(II) One Under/Over (6)	0.00	881.80	881.80	0.00	722.16	722.16
		(III) Both Eligible <sup>(7)</sup>	0.00	611.64	611.64	0.00	461.04	461.04
C	Verage Dependents	Single	0.00	549.80	549.80	0.00	473.14	473.14

#### Notes:

(1) Premium contribution for Part-Time Employees is to be calculated as follows:

Step 1. State Contribution x FTE% = Calculated State Contribution

Step 2. Total Contribution - Calculated State Contribution = Employee Contribution

- (2) "Payalls" Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.
- (3) Includes an additional 2% for administrative costs as permitted by federal regulations.
- (4) The actual premium rate for Medicare participants enrolled in an HMO plan may differ from what is presented.
- (5) Single coverage for participant eligible for Medicare Parts A and B.
- (6) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B.

(7) Family coverage for two participants and both are eligible for Medicare Parts A and B.

(8) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.

#### Exhibit XIV

# Abbreviations / Description of Terms

Accrual Basis	 Accounting method in which transactions are recorded when the order is made, the item is delivered, or the services occur, regardless of when the money is actually received or paid. Income is recorded when the sale occurs, and expenses are recorded when goods or services are received.
ASO	 Administrative Services Only
Cash Basis	 Accounting method in which income is not recorded until cash, check or electronic payment is actually received, and expenses are not recorded until they are actually paid.
Carve-Out	 Health insurance benefits that are separated from a contract and paid and administered under a different vendor/arrangement.
COBRA	 Consolidated Omnibus Budget Reconciliation Act
DSGI	 Division of State Group Insurance
FTE	 Full Time Equivalency
FY	 Fiscal Year (July 1 through June 30)
HIHP	 Health Investor Health Plan (i.e., High Deductible Health Plan)
НМО	 Health Maintenance Organization
HSA	 Health Savings Account
IBNR	 Incurred but not Reported Claims – The IBNR claims liability reflect the estimated total amount owed by the trust fund for valid medical claims incurred by self-insured plan members but not yet reported/submitted by providers to the state's TPA.
Outstanding Draft	 Checks which have been written, but have not yet cleared the bank on which they were drawn.
Fully-Insured Plan	 A plan where the employer contracts with another organization to assume financial responsibility for the enrollees' medical claims and for all incurred administrative costs.
Medicare Advantage Prescription Drug (MAPD) Plan	 A type of Medicare health plan offered by a private company that contracts with Medicare to provide beneficiaries with all Medicare Part A (hospital coverage), Part B (doctors' services, outpatient care, home health services, some preventive services, and other medical services) and Part D (prescription drugs) benefits. MAPDs include Health Maintenance Organizations, Preferred Provider Organizations, Private Fee-for-Service Plans, Special Needs Plans, and Medicare Medical Savings Account Plans.
Medicare Part D Subsidy	 A federal program passed as part of the Medicare Modernization Act (MMA) in 2003 to subsidize the costs of prescription drugs for Medicare beneficiaries in the United States. By being the primary payer for Medicare eligible subscribers drug claims, the state receives 28 percent of covered charges (net of rebates) between \$310 and \$6,300 for each Medicare-eligible participant.
Outstanding Drafts	 Represent drafts (checks) that have been issued by the PPO plan TPA but have not been presented to the bank account for payment.
N/A	 Not applicable.
PBM	 Pharmacy Benefits Manager
PPACA	 Patient Protection and Affordable Care Act signed into law on March 23, 2010, known as the Federal Health Care Reform
PPO	 Preferred Provider Organization
Self-Insured Plan	 A plan offered by employers who directly assume the major cost of health insurance for their employees. Some self-insured employers contract with insurance carriers or third party administrators for claims processing and other administrative services; other self-insured plans are self-administered. All types of plans (Conventional Indemnity, Preferred Provider Organizations, Exclusive Provider Organizations, Health Maintenance Organizations, Point of Service, and Physician Hospital Organizations) can be financed on a self-insured basis. Employers may offer both self-insured and fully insured plans to their employees.
ТРА	 Third Party Administrator

State Employees' Group Health Self-Insurance Trust Fund	State of Florida DSGI										
Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) (In Millions)											
Estimated Annual Fiscal Impact											
FY 2011-12											
							Januar	y-June		FY	
Reform	Date	Expense (E)									2011-12
1. Early retiree medical reinsurance	Jun 2010	Net R	Medical	Drugs	HMO	Total	Medical	Drugs	нмо	Total	Total
(Illustrative, assumes application is approved and receipts are available	00112010										
through 2013. See Mercer Analysis)		E	(15.30)	(4.12)	(6.14)	(25.56)	(6.92)	(1.87)	(2.78)	<u>(11.57)</u>	(37.13)
2. No lifetime delles meximum	Jan 2011	Net	15.30	4.12	6.14	25.56	6.92	1.87	2.78	11.57	37.13
2. No lifetime dollar maximum	Jan 2011	R E	- 1.38	- 0.12	-	- 1.50	- 1.43	- 0.13	-	- 1.56	3.06
		Net	(1.38)	(0.12)		(1.50)	(1.43)	(0.13)	-	(1.56)	(3.06)
3. Restricted annual dollar limits	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	R	- 0.28	- 0.09	- 0.45	- 0.82	- 0.30	- 0.10	- 0.48	- 0.88	- 1.70
		E Net	(0.28)	(0.09)	(0.45)	(0.82)	(0.30)	(0.10)	(0.48)	(0.88)	(1.70)
5. Patient-centered outcomes research institute fees (\$1 per participant in	Jan 2012		(0.20)	(0.00)	(0.40)	(0.02)	(0.00)	(0.10)	(0.40)	(0.00)	(1.70)
first year, \$2 in 2nd year, assumes 3rd year is same as 2nd year)		R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
<ol> <li>Other pass-through fees include (Illustration assumes cumulative increase to 2014):</li> </ol>		R	-	-	-	-	-	-	-	-	-
Pharmaceutical industry fees	Jan 2011	Е	-	-	-	-	-	-	-	-	-
2.3% excise tax on medical devices	Jan 2013	Net	-	-	-	-	-	-	-	-	-
Health Insurance Industry fees	Jan 2014										
7. Extension of coverage for all adult children until age 26	Jan 2011	R	- 1.80	- 0.46	- 2.69	- 4.95	1.87	0.48	2.91	- 5.26	- 10.21
		E	(1.80)	(0.46)	(2.69)	(4.95)	(1.87)	(0.48)	(2.91)	(5.26)	(10.21)
8. Eliminate all preexisting condition limitations	Jan 2014	Net R	(1.00)	(0.40)	(2.09)	(4.95)	(1.07)	(0.46)	(2.91)	(3.20)	(10.21)
	04112011	E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
9. Free choice vouchers	Jan 2014		-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
10. Shared responsibility "free rider surcharge"	lan 2014	Net	-	-	-	-	-	-	-	-	-
To. Shared responsibility free fider surcharge	Jan 2014	R E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
11. Medicaid Expansion and migration into Exchange	Jan 2014		-	-	-	-	-	-	-	-	-
		Е	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-		-	-
12. Individual Mandate with federal subsidies	Jan 2014		-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
TOTAL		Net R	-	-	-	-	-	-	-	-	-
		E	(11.84)	(3.45)	(3.00)	(18.29)	(3.32)	(1.16)	0.61	(3.87)	- (22.16)
		Net	11.84	3.45	3.00	18.29	3.32	1.16	(0.61)	3.87	22.16

Notes:

(1) Exhibit assumes non-grandfathered status of plans.

(2) Exhibit based on available information and legislative guidance available as of February 1, 2011.

(3) "Net" is defined as Revenue less Expense.

(4) FY 2013-14 - The negative expense of \$7.08M associated with Item #11, Medicaid Expansion, from January 2014 to June 2014 uses the assumption that there will be a \$5.62M loss of revenue due to employees exiting the plan (\$4.81M in employer contributions plus \$0.81M in employee contributions) for the illustrated level of decreased enrollment in the plan, resulting in savings of \$1.46M due to medical and pharmacy inflation.

FY 2014-15 - The negative expense of \$14.73M associated with Item #11 for Fiscal Year 2014-15 uses the assumption that there will be a \$11.41M loss of revenue due to employees exiting the plan (\$9.75M in employer contributions plus \$1.66M in employee contributions), resulting in savings of \$3.32M.

(5) FY 2013-14 - The expense of \$138.08M associated with Item #12, the Individual Mandate, from January 2014 to June 2014 uses the assumption that increased trust fund revenues will be available to offset the current level of costs (\$104.30M in employer contributions plus \$5.31M in employee contributions) for the illustrated level of increased enrollment in the plan, with the deficit of \$28.47M due to medical and pharmacy inflation.

FY 2014-15 - The expense of \$287.21M associated with Item #12 for Fiscal Year 2014-15 uses the assumption that increased trust fund revenues will be available to offset the current level of costs (\$211.72M in employer contributions plus \$10.79M in employee contributions), resulting in a deficit of \$64.70M.

(6) Total estimated collections of ERRP from July 2011 through June 2012 will be subject to availability of program funds.

(7) Report prepared by Mercer Consultants on February 25, 2011, modified by the Division to reflect: <sup>(1)</sup> a change in the assumed collection timing of ERRP subsidies to FY 2011-12 and <sup>(2)</sup> exclusion of FY 2010-11 from report. <sup>(3)</sup> Adjustment of institute fees (Item #5) to reflect most recent information available from the Internal Revenue Service.

State Employees' Group Health Self-Insurance Trust Fund				State of Florida DSGI								
Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) (In Millions)												
Estimated Annual Fiscal Impact												
FY 2012-13												
Effective Revenue(R) <u>July-December</u> January-Jun								y-June		FY		
Reform	Date	Expense (E)								2012-13		
		Net	Medical	Drugs	нмо	Total	Medical	Drugs	нмо	Total	Total	
1. Early retiree medical reinsurance	Jun 2010	R	-	-	-	-	-	-	-	-	-	
(Illustrative, assumes application is approved and receipts are available		Е	_	_	_	_	_	_	_	-	_	
through 2013. See Mercer Analysis)		Net	-	-	-	-	-	-	-	-	_	
2. No lifetime dollar maximum	Jan 2011	R	-	-	-	-	-	-	-	-	-	
		E	1.49	0.13	-	1.62	1.54	0.15	-	1.69	3.31	
		Net	(1.49)	(0.13)	-	(1.62)	(1.54)	(0.15)	-	(1.69)	(3.31)	
3. Restricted annual dollar limits	Jan 2011	R	-	-	-	-	-	-	-	-	-	
		Е	-	-	-	-	-	-	-	-	-	
		Net	-	-	-	-	-	-	-	-	-	
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	R	-	-	-	-	-	-	-	-	-	
		E	0.30	0.11	0.48	0.89	0.32	0.10	0.53	0.95	1.84	
		Net	(0.30)	(0.11)	(0.48)	(0.89)	(0.32)	(0.10)	(0.53)	(0.95)	(1.84)	
5. Patient-centered outcomes research institute fees (\$1 per participant in	Jan 2012	R										
first year, \$2 in 2nd year, assumes 3rd year is same as 2nd year)			-	-	-	-	- 0.18	-	- 0.20	- 0.38	- 0.38	
		E		_		_	(0.18)	-	(0.20)	(0.38)	(0.38)	
6. Other pass-through fees include (Illustration assumes cumulative increase		Net	-	-	-	-	(0.16)	-	(0.20)	(0.36)	(0.30)	
to 2014):		R	-	-	-	-	-	-	-	-	-	
Pharmaceutical industry fees	Jan 2011	E	-	-	-	-	-	-	-	-	-	
2.3% excise tax on medical devices	Jan 2013	Net	-	-	-	-	-	-	-	-	-	
Health Insurance Industry fees	Jan 2014											
7. Extension of coverage for all adult children until age 26	Jan 2011	R	-	-	-	-				-	-	
		E	1.94	0.50	2.90	5.34	2.01	0.52	3.15	5.68	11.02	
		Net	(1.94)	(0.50)	(2.90)	(5.34)	(2.01)	(0.52)	(3.15)	(5.68)	(11.02)	
8. Eliminate all preexisting condition limitations	Jan 2014	R	-	-	-	-	-	-	-	-	-	
		E	-	-	-	-	-	-	-	-	-	
		Net	-	-	-	-	-	-	-	-	-	
9. Free choice vouchers	Jan 2014	R	-	-	-	-	-	-	-	-	-	
		E	-	-	-	-	-	-	-	-	-	
10. Shared responsibility "free rider surcharge"	Jan 2014	Net R	-	-	-	-	-	-	-	-	-	
To. Ghared responsibility free fluer survitarye	Jan 2014	E		-	-	-		-	-	-	_	
		Net	_	_	_	_	_	_	_	_	-	
11. Medicaid Expansion and migration into Exchange	Jan 2014	R	-	-	-	-	-	_	_	-		
	50.1 £014	E				_				_		
		Net			-	_				-		
12. Individual Mandate with federal subsidies	Jan 2014	R	-	_	_	-	-	-	-	-	_	
	50.1 £014	E	_	-	-	-	- I	-	-	-	_	
		Net	-	-	-	-	-	-	-	-	-	
TOTAL		R	-	-	-	-	-	-	-	-	-	
		E	3.73	0.74	3.38	7.85	4.05	0.77	3.88	8.70	16.55	
		Net	(3.73)	(0.74)	(3.38)	(7.85)	(4.05)	(0.77)	(3.88)	(8.70)	(16.55)	

Notes:

(1) Exhibit assumes non-grandfathered status of plans.

(2) Exhibit based on available information and legislative guidance available as of February 1, 2011.

(3) "Net" is defined as Revenue less Expense.

(4) FY 2013-14 - The negative expense of \$7.08M associated with Item #11, Medicaid Expansion, from January 2014 to June 2014 uses the assumption that there will be a \$5.62M loss of revenue due to employees exiting the plan (\$4.81M in employer contributions plus \$0.81M in employee contributions) for the illustrated level of decreased enrollment in the plan, resulting in savings of \$1.46M due to medical and pharmacy inflation.

FY 2014-15 - The negative expense of \$14.73M associated with Item #11 for Fiscal Year 2014-15 uses the assumption that there will be a \$11.41M loss of revenue due to employees exiting the plan (\$9.75M in employer contributions plus \$1.66M in employee contributions), resulting in savings of \$3.32M.

(5) FY 2013-14 - The expense of \$138.08M associated with Item #12, the Individual Mandate, from January 2014 to June 2014 uses the assumption that increased trust fund revenues will be available to offset the current level of costs (\$104.30M in employer contributions plus \$5.31M in employee contributions) for the illustrated level of increased enrollment in the plan, with the deficit of \$28.47M due to medical and pharmacy inflation.

FY 2014-15 - The expense of \$287.21M associated with Item #12 for Fiscal Year 2014-15 uses the assumption that increased trust fund revenues will be available to offset the current level of costs (\$211.72M in employer contributions plus \$10.79M in employee contributions), resulting in a deficit of \$64.70M.

(6) Total estimated collections of ERRP from July 2011 through June 2012 will be subject to availability of program funds.

(7) Report prepared by Mercer Consultants on February 25, 2011, modified by the Division to reflect: (1) a change in the assumed collection timing of ERRP subsidies to FY 2011-12 and <sup>(2)</sup> exclusion of FY 2010-11 from report. <sup>(3)</sup> Adjustment of institute fees (Item #5) to reflect most recent information available from the Internal Revenue Service.

State of Florida DSGI

Summary of Fiscal Impact to Foreca		ieral Patien n Millions)	t Protec	aion Ai	nordab	ie care	ACT (PPA	4CA)			
			Estimated Annual Fiscal Impact FY 2013-14								
Reform		Revenue(R)		July-December			January-June				FY
	Date	Expense (E) Net	Medical	Drugs	нмо	Total	Medical	Drugs	нмо	Total	2013-14 Total
1. Early retiree medical reinsurance	Jun 2010	R	-	-	-	-	-	-	-	-	-
(Illustrative, assumes application is approved and receipts are available through 2013. See Mercer Analysis)		E	_	-	-	-	-	-	_	-	-
		Net					-	-	-	-	-
2. No lifetime dollar maximum	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	1.61	0.14	-	1.75	1.68	0.14	-	1.82	3.57
	1 0044	Net	(1.61)	(0.14)	-	(1.75)	(1.68)	(0.14)	-	(1.82)	(3.57
3. Restricted annual dollar limits	Jan 2011	R E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	_	-	-	-
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	0.33	0.11	0.52	0.96	0.34	0.11	0.57	1.02	1.98
		Net	(0.33)	(0.11)	(0.52)	(0.96)	(0.34)	(0.11)	(0.57)	(1.02)	(1.98)
<ol> <li>Patient-centered outcomes research institute fees (\$1 per participant in first year, \$2 in 2nd year, assumes 3rd year is same as 2nd year)</li> </ol>	Jan 2012	R				_		_			
year, \$2 in 2nd year, assumes sid year is same as 2nd year)		Е	-	-	-	-	0.34	-	0.41	0.75	- 0.75
		Net	-	-	-	-	(0.34)	-	(0.41)	(0.75)	(0.75)
6. Other pass-through fees include (Illustration assumes cumulative increase							(0.0.1)		(0)	(0.1.0)	(0.1.0)
to 2014):		_									
Pharmaceutical industry fees	Jan 2011		-	-	-	-	-	-	-	-	- 20.41
2.3% excise tax on medical devices	Jan 2013	_	-	-	-	-	7.25	1.87	11.29	20.41	
Health Insurance Industry fees 7. Extension of coverage for all adult children until age 26	Jan 2014 Jan 2011	Net R	-	-	-	-	(7.25)	(1.87)	(11.29)	(20.41)	(20.41)
7. Extension of coverage for all addit children until age 20	Jan 2011	E	2.09	- 0.54	- 3.14	- 5.77	2.09	0.64	3.40	6.13	- 11.90
		Net	(2.09)	(0.54)	(3.14)	(5.77)	(2.09)	(0.64)	(3.40)	(6.13)	(11.90)
8. Eliminate all preexisting condition limitations	Jan 2014	R	-	-	-	-	-	-	-	-	-
		Е	-	-	-	-	0.69	0.21	1.13	2.03	2.03
		Net	-	-	-	-	(0.69)	(0.21)	(1.13)	(2.03)	(2.03)
9. Free choice vouchers	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
10. Shared responsibility "free rider surcharge"	Jan 2014		-	-	-	-	-	-	-	-	-
		E Net	-	-	-	-	-	-	-	-	-
11. Medicaid Expansion and migration into Exchange	Jan 2014	R	-	-	-		(1.98)	(0.60)	(3.04)	(5.62)	(5.62)
,		E	-	-	-	-	(2.50)	(0.75)	(3.83)	(7.08)	(7.08)
		Net	-	-	-	-	0.52	0.15	0.79	1.46	1.46
12. Individual Mandate with federal subsidies	Jan 2014		-	-	-	-	38.61	11.54	59.46	109.61	109.61
		Е	-	-	-	-	48.64	14.53	74.91	138.08	138.08
		Net	-	-	-	-	(10.03)	(2.99)	(15.45)	(28.47)	(28.47)
TOTAL		R	-	-	-	-	36.63	10.94	56.42	103.99	103.99
		E	4.03	0.79	3.66	8.48	58.53	16.75	87.88	163.16	171.64
		Net	(4.03)	(0.79)	(3.66)	(8.48)	(21.90)	(5.81)	(31.46)	(59.17)	(67.65)

Notes:

(1) Exhibit assumes non-grandfathered status of plans.

State Employees' Group Health Self-Insurance Trust Fund

(2) Exhibit based on available information and legislative guidance available as of February 1, 2011.

(3) "Net" is defined as Revenue less Expense.

(4) FY 2013-14 - The negative expense of \$7.08M associated with Item #11, Medicaid Expansion, from January 2014 to June 2014 uses the assumption that there will be a \$5.62M loss of revenue due to employees exiting the plan (\$4.81M in employer contributions plus \$0.81M in employee contributions) for the illustrated level of decreased enrollment in the plan, resulting in savings of \$1.46M due to medical and pharmacy inflation.

FY 2014-15 - The negative expense of \$14.73M associated with Item #11 for Fiscal Year 2014-15 uses the assumption that there will be a \$11.41M loss of revenue due to employees exiting the plan (\$9.75M in employer contributions plus \$1.66M in employee contributions), resulting in savings of \$3.32M.

(5) FY 2013-14 - The expense of \$138.08M associated with Item #12, the Individual Mandate, from January 2014 to June 2014 uses the assumption that increased trust fund revenues will be available to offset the current level of costs (\$104.30M in employer contributions plus \$5.31M in employee contributions) for the illustrated level of increased enrollment in the plan, with the deficit of \$28.47M due to medical and pharmacy inflation.

FY 2014-15 - The expense of \$287.21M associated with Item #12 for Fiscal Year 2014-15 uses the assumption that increased trust fund revenues will be available to offset the current level of costs (\$211.72M in employer contributions plus \$10.79M in employee contributions), resulting in a deficit of \$64.70M.

(6) Total estimated collections of ERRP from July 2011 through June 2012 will be subject to availability of program funds.

(7) Report prepared by Mercer Consultants on February 25, 2011, modified by the Division to reflect: <sup>(1)</sup> a change in the assumed collection timing of ERRP subsidies to FY 2011-12 and <sup>(2)</sup> exclusion of FY 2010-11 from report. <sup>(3)</sup> Adjustment of institute fees (Item #5) to reflect most recent information available from the Internal Revenue Service.

Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) (In Millions)           Estimated Annual Fiscal Impact           Estimated Annual Fiscal Impact           Reform         Line relation for the protection of the	Grand Total (37.13) 37.13 37.13 37.13 (37.13) 37.13
FY 2014-15           Reform         Effective Date         Revenue(R) Exponse (E)         July-December         January-June Medical         January-June Date         January-June Zota         FY 2014-11           1. Early retiree medical reinsurance (Illustrative, assumes application is approved and receipts are available through 2013. See Marcer Analysis)         Jun 2010         R         -	through FY 2014-15 Grand Total (37.13) 37.13 37.
Reform         Effective Date         Revenue(R) Net         July-December         January-June         FY 2014-11           1. Early retiree medical reinsurance (through 2013. See Marcer Analysis)         Jun 2010         R         -	through FY 2014-15 Grand Total (37.13) 37.13 37.
1. Early retiree medical reinsurance (III)ustrative, assumes application is approved and receipts are available through 2013. See Mercer Analysis)       Jun 2010       R       -	(37.13) 37.13 3 (13.80) (13.80) (13.80) - - - - - - - - - - - - - - - - - - -
Instructive, assumes application is approved and receipts are available through 2013. See Mercer Analysis)       E       I.e.	37.13 37.13 13.80 (13.80 (13.80 - - - - - - - - - - - - -
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	37.13 37.13 13.80 (13.80 (13.80 - - - - - - - - - - - - -
2. No lifetime dollar maximum       Jan 2011       R       -	3 3 3 3 3 3 3 3 3 3 3 3 3 3
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	3 3 3) (13.80 - - - - - - - - - - - - -
L         I.174         (0.15)         I.189         (1.89)         (1.8)         (0.16)         I.197         (3.8)           3. Restricted annual dollar limits         Jan 2011         R         I	i) (13.80) - - - 3 7.65
3. Restricted annual dollar limits       Jan 2011       R       - </td <td>- - - - 7.65</td>	- - - - 7.65
E       -	7.65
Net       -	7.65
4. Eliminate preexisting condition limitations for dependent children under 19       Jan 2011       R       -	
Net       (0.35)       (0.12)       (0.57)       (1.04)       (0.37)       (0.12)       (0.60)       (1.09)       (2.1)         5. Patient-centered outcomes research institute fees (\$1 per participant in first year, \$2 in 2nd year, assumes 3rd year is same as 2nd year)       Jan 2012       R       -	
5. Patient-centered outcomes research institute fees (\$1 per participant in first year, \$2 in 2nd year, assumes 3rd year is same as 2nd year)       Jan 2012       R       - <t< td=""><td>) (7.65</td></t<>	) (7.65
year, \$2 in 2nd year, assumes 3rd year is same as 2nd year)       Image: Relation of the pass-through fees include (IIIlustration assumes cumulative increase to 2014):       Image: Relation of the pass-through fees include (IIIlustration assumes cumulative increase to 2014):       Image: Relation of the pass-through fees include (IIIlustration assumes cumulative increase to 2014):       Image: Relation of the pass-through fees include (IIIIustration assumes cumulative increase to 2014):       Image: Relation of the pass-through fees       Image: Relation of the pass-through fees       Image: Relation of the pass through fees       Image: Relation of the pass through fees       Image: Relation of the pass through fees       Image: Relation of the pass the	
year, s2 in 2hd year, assumes 3rd year is same as 2nd year)       Image: constraint of the s	
Net       -       -       -       -       (0.33)       -       (0.42)       (0.75)       (0.77)         6. Other pass-through fees include (Illustration assumes cumulative increase to 2014):       Jan 2011       R       -	- 5 1.88
6. Other pass-through fees include (Illustration assumes cumulative increase to 2014):       Jan 2011       R       -<	
to 2014):       Pharmaceutical industry fees       Jan 2011       R       -	5) (1.88)
Pharmaceutical industry fees       Jan 2011       R       -	
Health Insurance Industry fees       Jan 2014       Net       (7.38)       (1.90)       (11.49)       (20.77)       (7.83)       (2.02)       (12.20)       (22.05)       (42.8)         7. Extension of coverage for all adult children until age 26       Jan 2011       R       -	-
7. Extension of coverage for all adult children until age 26       Jan 2011       R       -	63.23
E         2.22         0.59         3.42         6.23         2.36         0.63         3.64         6.63         12.8           8. Eliminate all preexisting condition limitations         Jan 2014         R         -<	2) (63.23)
Net         (2.22)         (0.59)         (3.42)         (6.23)         (2.36)         (0.63)         (3.64)         (6.63)         (12.8)           8. Eliminate all preexisting condition limitations         Jan 2014         R         -	- 1
8. Eliminate all preexisting condition limitations       Jan 2014       R       - <td>45.99</td>	45.99
E <u>0.71</u> <u>0.22</u> <u>1.16</u> <u>2.09</u> <u>0.75</u> <u>0.23</u> <u>1.23</u> <u>2.21</u> <u>4.3</u>	6) (45.99)
	-
Net (0.71) (0.22) (1.16) (2.09) (0.75) (0.23) (1.23) (2.21) (4.3	6.33
	) (6.33
9. Free choice vouchers Jan 2014 R	-
E	
Net	· ·
10. Shared responsibility "free rider surcharge"     Jan 2014     R     -     -     -     -     -     -     -       E     -     -     -     -     -     -     -     -     -     -	-
Net         -	(17.03
E (2.50) (0.07) (3.83) (7.08) (2.70) (0.81) (4.14) (7.65) (14.7)	· · ·
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	· · · · · · · · · · · · · · · · · · ·
Net         0.32         0.13         0.73         1.40         0.00         0.13         1.01         1.00         0.00         0.13         1.01         1.00         0.00         0.13         1.01         1.00         0.00         0.13         1.01         1.00         0.00         0.13         1.01         1.00         0.00         0.13         1.01         1.00         0.00         0.13         1.01         1.00         0.00         0.13         1.01         1.00         0.00         0.13         1.01         1.00         0.00         0.01         0.01         0.01         0.01         0.00         0.13         1.01         1.00         0.00         0.01	
E 48.64 14.53 74.91 138.08 52.54 15.69 80.90 149.13 287.2	
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	420.29
TOTAL R 36.63 10.94 56.42 103.99 37.73 11.27 58.11 107.11 211.1	
E 58.54 16.76 87.72 163.02 63.29 18.04 94.85 176.18 339.2	) (93.17
Net (21.91) (5.82) (31.30) (59.03) (25.56) (6.77) (36.74) (69.07) (128.1	) (93.17) ) 315.09

Notes:

(1) Exhibit assumes non-grandfathered status of plans.

(2) Exhibit based on available information and legislative guidance available as of February 1, 2011.

(3) "Net" is defined as Revenue less Expense.

(4) FY 2013-14 - The negative expense of \$7.08M associated with Item #11, Medicaid Expansion, from January 2014 to June 2014 uses the assumption that there will be a \$5.62M loss of revenue due to employees exiting the plan (\$4.81M in employer contributions plus \$0.81M in employee contributions) for the illustrated level of decreased enrollment in the plan, resulting in savings of \$1.46M due to medical and pharmacy inflation.

FY 2014-15 - The negative expense of \$14.73M associated with Item #11 for Fiscal Year 2014-15 uses the assumption that there will be a \$11.41M loss of revenue due to employees exiting the plan (\$9.75M in employer contributions plus \$1.66M in employee contributions), resulting in savings of \$3.32M.

(5) FY 2013-14 - The expense of \$138.08M associated with Item #12, the Individual Mandate, from January 2014 to June 2014 uses the assumption that increased trust fund revenues will be available to offset the current level of costs (\$104.30M in employer contributions plus \$5.31M in employee contributions) for the illustrated level of increased enrollment in the plan, with the deficit of \$28.47M due to medical and pharmacy inflation.

FY 2014-15 - The expense of \$287.21M associated with Item #12 for Fiscal Year 2014-15 uses the assumption that increased trust fund revenues will be available to offset the current level of costs (\$211.72M in employer contributions plus \$10.79M in employee contributions), resulting in a deficit of \$64.70M.

(6) Total estimated collections of ERRP from July 2011 through June 2012 will be subject to availability of program funds.

(7) Report prepared by Mercer Consultants on February 25, 2011, modified by the Division to reflect: <sup>(1)</sup> a change in the assumed collection timing of ERRP subsidies to FY 2011-12 and <sup>(2)</sup> exclusion of FY 2010-11 from report. <sup>(3)</sup> Adjustment of institute fees (Item #5) to reflect most recent information available from the Internal Revenue Service.

PPACA Guidelines as of February 1, 2011; October 2011 Estimating Conference

# State Employees' Group Health Self-Insurance Trust Fund Patient Protection and Affordable Care Act (PPACA) Summary of Reforms and Estimated Fiscal Impact to the Trust Fund (Mercer Report Dated February 25, 2011 Used as Base for Fiscal Impact Updated By the Division of State Group Insurance for October 2011 Conference)

## **OVERVIEW**

The recently enacted Patient Protection and Affordable Care Act (PPACA), as amended by the Health Care and Education Reconciliation Act (HCERA), creates a broad array of issues for employers' health benefit programs and the US health care system. New mandates and changes imposed by the law affect the design, cost, tax treatment, administration, reporting and disclosure of health benefit programs. Some new provisions go into effect this year; many will not take effect for several years.

PPACA imposes new mandates or standards for individual and group health coverage. With a few exceptions, all insured and self-insured group health plans will face a first round of coverage and cost-sharing mandates for plan years beginning on or after six months after March 23, 2010.

# SUMMARY OF REFORMS WITH TOTAL FISCAL IMPACT FOR THE STATE EMPLOYEES' HEALTH INSURANCE PROGRAM (PROGRAM), FY 10-11 THROUGH FY 14-15

- 1. Early Retiree Reinsurance Program (ERRP) Interim Final Regulations Effective on June 1, 2010
  - Effective June 2010
  - Total estimated fiscal impact for the Program Reduction of expenses in the amount of \$37.13 million. (Estimated fiscal impact modified by Division of State Group Insurance to reflect actual FY 10-11 experience through November 2010 and limited expected availability of funds through 2011.)

Provides reimbursement to participating employment-based plans for a portion of the cost of health benefits for early retirees and their spouses, surviving spouses and dependents.

- 80% Reimbursement for certain claims between \$15,000 and \$90,000 (with those amounts being indexed for plan years starting on or after October 1, 2011).
- Claims must be for participants ages 55-64 who are not Medicare eligible.
- Payments must be used to lower plan costs (i.e. offsetting future premium increases for all members).

## 2. No lifetime dollar maximum

- Effective January 1, 2011
- Total estimated fiscal impact for the Program Increase in expenses in the amount of \$13.80 million.

Plans cannot impose any lifetime dollar limits on benefits.

• Plans may place lifetime limits per beneficiary on specific covered benefits other than "essential health benefits," if the limits are otherwise permitted by federal or state law.

- **Essential health benefits** include items and services in the below listed categories:
  - ambulatory patient services; emergency services; hospital, maternity and newborn care; mental health and substance use disorders, including behavioral health treatment; prescription drugs; rehabilitative services and devices; laboratory services; preventive and wellness services; chronic disease management; and pediatric services, including oral and vision care.

# 3. Restricted annual dollar limits

- Effective January 1, 2011
- No estimated fiscal impact to Trust Fund

All insured and self-insured group health plans will face new rules on annual dollar limits. For plan years until 2014, "restricted" annual dollar limits may apply to "essential health benefits" (discussed above).

- The maximum annual dollar limit that may be imposed on essential health benefits until 2014 are:
  - \$750,000 for the plan year beginning on or after September 23, 2010 but before September 23, 2011.
  - \$1,250,000 for the plan year beginning on or after September 23, 2011 but before September 23, 2012.
  - \$2,000,000 for the plan year beginning on or after September 23, 2012 but before January 1, 2014. (No annual dollar limits permitted for plan years on or after January 1, 2014.)
- Plans may impose annual per-beneficiary limits on non-essential benefits.

# 4. Elimination of preexisting condition for subscribers or dependents under 19 – Interim Final Regulations Issued on June 28, 2010

- Effective January 1, 2011
- Total estimated fiscal impact for the Program Increase in expenses in the amount of \$7.65 million.

Before 2014, insured and self-insured plans cannot impose preexisting condition exclusions for subscribers and dependents under age 19.

- Until 2014, employers may continue to adopt or retain preexisting condition exclusions for participants ages 19 and older.
- A general ban is effective for all members for plan years starting in 2014. See #8 below.

## 5. Patient-centered outcome research institute fees

- Effective October 1, 2012 (Federal Fiscal Year)
- Total estimated fiscal impact for the Program Increase in expenses in the amount of \$1.88 million.
  - State of Florida Employees' Group Health Insurance Program Beginning December 2012, \$1 per participant in 1<sup>st</sup> year.

• \$2 in subsequent years, from 2013 thru 2019 (sunset after 2019).

## 6. Other pass-through fees included

- Effective January 1, 2014
- Total estimated fiscal impact for the Program Increase in expenses in the amount of \$62.23 million.

Fees include pharmaceutical industry fees; 2.3% excise tax on medical devices and health insurance industry fees.

# 7. Extension of coverage for all adult children until age 26 – Interim Final Regulations Issued on July 12, 2010

- Effective January 1, 2011
- Total estimated fiscal impact for the Program Increase in expenses in the amount of \$45.99 million.

Applies to fully-insured and self-insured group health plans providing dependent coverage.

- Coverage available until the child's 26th birthday.
- The mandate applies regardless of the typical criteria for dependent status under the tax law, such as whether the adult child resides with the covered employee or is the employee's tax dependent, a full- or part-time student, or married or unmarried.
- Plans may extend coverage beyond the child's 26th birthday for example, until the end of the plan year in which the child turns 26. However, plans will not have to extend coverage to an adult child's dependents.
- No special-enrollment period required; eligible dependents need not be enrolled until the plan's next open enrollment.

# 8. Eliminate all preexisting condition limitations – Interim Final Regulations Issued on July 30, 2010

## Effective January 1, 2014

 Total estimated fiscal impact for the Program – Increase in expenses in the amount of \$6.33 million.

Preexisting condition limitation exclusion applies to all plan participants regardless of age as of January 1, 2014. See #4 above.

# 9. Free-choice vouchers (FCVs)

- Effective January 1, 2014
- **No** estimated fiscal impact to Trust Fund.

Employers must offer vouchers to employees with household incomes at or below 400% of the Federal Poverty Level (FPL) if their contribution for employer-sponsored coverage would be 8% to 9.8% of household income. (Note: The highest EE premium share is standard family, \$180/month; SOF would not give an FCV unless the person's household income is below \$27,000).

• Voucher amount is equal to highest (percentage) employer contribution to any of

its own plans (HIHP ER premium; coverage level depends on the level the member is enrolling in single/family).

- Vouchers provided for purchasing exchange-based coverage; employees can keep any excess amounts.
- Who receives vouchers? Employees who opt out of employer-sponsored coverage, have household income below 400% FPL, and would need to spend 8% or more of household income to participate in the employer plan.
- FCVs are designed to help employees buy coverage on the exchange and to shield employers from mandated penalties (\$3,000 per person if no FCV).

# 10. Shared responsibility "free rider surcharge'

- Effective January 1, 2014
- **No** estimated fiscal impact to Trust Fund.

Individuals who fail to maintain coverage will face a penalty (lesser of these amounts):

- National average premium for the year, or the greater of
- 1% AGI or \$95 in 2014; 2% AGI or \$325 in 2015; 2.5% AGI or \$695 in 2016; indexed thereafter.

## 11. Medicaid expansion and migration to Exchange

- Effective January 1, 2014
- Total estimated fiscal impact for the Program Net savings in the amount of \$4.78 million.

Medicaid expanded to up to 133% of Federal Poverty Level (FPL), effective 2014 when the State-exchanges come online.

# 12. Individual mandate with federal subsidies

- Effective January 1, 2014
- Total estimated fiscal impact for the Program Net cost in the amount of \$93.17 million.
  - Subsidies available to anyone on an exchange plan with household income 133-400% FPL (person cannot be Medicaid eligible).
  - Income level must be verifiable for the two years prior to the current calendar year of coverage (example, eligibility for affordability assistance for 2016 is based on household income for 2014).
  - Assistance in the form of premium credits will be provided for exchangeparticipants on a sliding scale based on household income. Premium credits will be paid directly to the insurer; individuals will be required to pay insurers any remaining premium amount.
  - Employer penalties = \$3,000 per year for each employee enrolled in the exchange and receiving subsidy.

#### Health Maintenance Organization (HMO) Vendors List of Current and New Contracts Effective January 1, 2012

HMO Vendors	Current Contracts Through 12-31-12 Medical With	New Contracts Effective January 1, 2012 Medical <b>Without</b> <sup>(2)</sup> Prescription Drugs				
	Prescription Drugs Fully-Insured	Fully-Insured				
Aetna Health Plan	N/A		Х			
Capital Health Plan <sup>(1)</sup>	Х	X				
AvMed Health Plans	Х		Х			
Coventry Health Care	Х		Х			
Florida Health Care Plans <sup>(1)</sup>	Х	Х				
United Healthcare	Х		Х			

Notes:

(1) Medicare eligible participants enrolled in Capital Health Plan and Florida Health Care Plan will be covered under a fully-insured Medicare Advantage Prescription Drug (MAPD) plan for medical and prescription drugs benefits.

(2) Prescription Drug benefits carved-out to Medco.