

**Self-Insurance Estimating Conference
State Employees' Group Health Self-Insurance Trust Fund
Executive Summary**

March 3, 2014

The outlook for the State Employees' Health Insurance Trust Fund has been revised to reflect actual enrollment through January 2014, 2014 final Open Enrollment results, recent Trust Fund experience and updated forecasts for price and utilization trends. For FY 2013-14, the projected ending balance has been decreased slightly by \$0.7 million from \$364.6 million to \$363.9 million. For FY 2014-15, the ending cash balance decreased from \$355.8 million to \$349.7 million, and for FY 2015-16, the ending cash balance decreased from \$169.8 million to \$154.4 million. The outlook for subsequent years shows that expenses will exceed revenues by an amount that generates a negative cash flow of \$235.9 million in FY 2016-17 and \$608.6 million in FY 2017-18 (up from \$208.3 million and \$600.8 million, respectively, in the previous forecast). The initial forecast for FY 2018-19 shows a negative ending cash balance of \$853.7 million.

Enrollment projections have changed from previously projected new open enrollment subscribers to reflect the final results and actual monthly enrollment activity through January of 2014. Excluding Other Personal Services (OPS), enrollment for active employees has decreased somewhat. Excluding OPS enrollment elections, 2014 Open Enrollment reflects a decrease of 1.3% enrollment in the PPO plans and an increase of 3.3% in HMO plans. Overall, growth in the program throughout the forecast period is projected at approximately 0.07% annually.

As a result of SB 1802 from the 2013 session, eligible OPS employees were provided with an Open Enrollment opportunity in the Fall of 2013. A total of 12,553 employees paid from OPS funds were offered Open Enrollment and final enrollment reflects that 3,580, or 28.5%, elected coverage. Of these, 2,562 (71.6%) enrolled in Single coverage, 1,002 (28.0%) enrolled in Family coverage, and 16 (0.4%) enrolled in Spouse coverage. Of the OPS employees selecting coverage, 42.7% chose PPO enrollment and 57.3% chose HMO coverage.

On the revenue side, the forecast for premiums has been adjusted downward due to the lower expected enrollment. Because of the lower Trust Fund balance projections, projected interest earnings have also declined. In addition, a negative adjustment to the expected PPO Medicare Part D subsidy contributed to the declines seen in some of the years. On the positive side, an increase in PPO third-party administrator refunds and slight increases in pharmacy rebate amounts projected for both PPO and HMO subscribers offset some of the losses.

Overall plan expenses are lower than in the previous forecast due to the decrease in enrollment, lower projected medical claims experience, reduced fully-insured premium rates as part of HMO contract renewals, and favorable trend factor adjustments for PPO claims projections. These expense reductions were offset by increases in both PPO and HMO pharmacy projections due to increased growth spend factors. It should also be noted that those expense items associated with the Patient Protection and Affordable Care Act are reflected in the Other Expenses category.

Special Note

Reports on the Financial Outlook prepared from December 2010 through June 2012 included estimates of the impact of the Patient Protection and Affordable Care Act (PPACA) on the Trust Fund. Beginning with the August 2012 report, the impact of PPACA was addressed separately to mirror the treatment used by the Social Services Estimating Conference for Medicaid and KidCare, and were described in a separate report titled *Impact on the State Health Insurance Program of the Patient Protection and Affordable Care Act*. Beginning

with the December 2013 forecast, the impacts of the provisions of PPACA have been incorporated into this single report rather than a separate report. For this reason, the reader is urged to note that direct comparisons of conference reports over the time frame referenced in this paragraph will need to be approached with this in mind.

State Employees' Group Health Self-Insurance Trust Fund

Report on the Financial Outlook

For the Fiscal Years Ending June 30, 2014 through June 30, 2019

**Adopted March 3, 2014, by the
Self-Insurance Estimating Conference**

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

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

EXECUTIVE SUMMARY

The Florida Division of State Group Insurance (Division) has prepared a financial outlook for the State Employees' Group Health Self-Insurance Trust Fund (Trust Fund) for the fiscal years ending June 30, 2014, through June 30, 2019. The outlook is prepared to assist in the State's planning and budgeting in accordance with Section 216.136(9), *Florida Statutes*. The outlook is prepared using cash basis methods and modeling based on the healthcare benefit and funding design currently in place.

The December 2013 Report on the Financial Outlook recognized the fiscal impact of the following:

1. Fiscal Year 2012-13 actual revenues, enrollment and expenses.
2. February through November 2013 monthly enrollment activity.
3. Plan Year 2014 preliminary Open Enrollment results.
4. Medical and pharmacy claims experience through September 2013.
5. Reductions in the medical and pharmacy spend growth factors.

This forecast uses the December 2013 Report on the Financial Outlook as the base, and reports, recognizes and estimates the fiscal impact of the following:

1. Actual enrollment through January 2014.
2. Final Open Enrollment results for Plan Year 2014.
3. Cash flow activity through December 2013.
4. Increase in projected PPO and HMO Pharmacy spend growth factors.
5. Decrease in projected PPO Medical spend growth factor.
6. Reduced PPO ASO fee contract rates effective January 2015 resulting from a procurement process.
7. Reduced fully-insured HMO Medicare contract premium rates effective January 2014.

The outlook for the Trust Fund reflects decreases to previously reported ending cash balances for FY 2013-14 projections through FY 2015-16, and increases the deficits projected for FY 2016-17 and FY 2017-18. The changes are primarily due to projections of decreased enrollment that result in decreased revenues. Also contributing to decreases in cash balances are increases to the projected PPO and HMO pharmacy spend growth factors due to a change in the Pharmacy Benefit Manager's (PBM) forecast methodology.

The projected ending cash balance for FY 2013-14 decreased from \$364.6 million to \$363.9 million, and the estimated operating gain of \$18.5 million decreased to \$17.8 million. For FY 2014-15 the ending cash balance decreased from \$355.8 million to \$349.7 million and the estimated operating loss increased from \$8.8 million to \$14.2 million. For FY 2015-16 the ending cash balance decreased from \$169.8 million to \$154.4 million and the estimated operating loss increased from \$186.0 million to \$195.3 million. An ending cash balance deficit is projected for FY 2016-17.

Below is a summary of the outlook for FY 2013-14 through FY 2018-19.

	<u>FY 2013-14</u> <u>Estimate</u>	<u>FY 2014-15</u> <u>Estimate</u>	<u>FY 2015-16</u> <u>Estimate</u>	<u>FY 2016-17</u> <u>Estimate</u>	<u>FY 2017-18</u> <u>Estimate</u>	<u>FY 2018-19</u> <u>Estimate</u>
Beginning Cash Balance	\$ 346.1	\$ 363.9	\$ 349.7	\$ 154.4	\$ 0.0	\$ 0.0
Total Revenues	\$ 2,036.5	\$ 2,167.4	\$ 2,179.3	\$ 2,196.8	\$ 2,213.4	\$ 2,231.8
Total Expenses	\$ <u>2,018.7</u>	\$ <u>2,181.6</u>	\$ <u>2,374.6</u>	\$ <u>2,587.1</u>	\$ <u>2,822.0</u>	\$ <u>3,085.5</u>
Operating Gain / (Loss)	\$ <u>17.8</u>	\$ <u>(14.2)</u>	\$ <u>(195.3)</u>	\$ <u>(390.3)</u>	\$ <u>(608.6)</u>	\$ <u>(853.7)</u>
Ending Cash Balance	\$ 363.9	\$ 349.7	\$ 154.4	\$ (235.9)	\$ (608.6)	\$ (853.7)

(Dollars in Millions)

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

ENROLLMENT

During the 2014 Open Enrollment, approximately 12,553 employees paid from Other Personal Services (OPS) funds were offered coverage due to the 2013 passage of Senate Bill 1802. Final enrollment reflects that 3,580 (28.5%) of the eligible OPS employees elected coverage; of which 2,562 (71.6%) enrolled in Single coverage; 1,002 (28.0%) enrolled in Family coverage; and 16 (0.4%) enrolled in Spouse coverage. OPS enrollment in the PPO plans was 42.7% compared to 57.3% enrolled in the HMO plans.

Open Enrollment results excluding OPS employees reflect a continuing migration trend from the PPO plans to the HMO plans. PPO enrollment decreased by 1.3% and HMO enrollment increased by 3.3%. Five year Open Enrollment trends show that annual enrollment in the PPO plans decreased an average of 0.9% and HMO membership increased 2.5%.

As of January 2014, approximately 2,162 subscribers (2,057 active employees) were enrolled in a High Deductible Health Plan (1.25% of total enrollment). Approximately 1,255 (or 61.0%) of those active employees were participating in an integrated state-sponsored Health Savings Account.

Growth in total subscriber enrollment is projected at an annual average of 0.7% through the forecast period. Lower than expected employee enrollment resulting from monthly activity through January 2014, migration trend from the PPO plans to the HMO plans, and category shifts are contributing to adjustments to the enrollment projections. The affected revenue and expense components of the outlook have been adjusted accordingly to consider the decrease in enrollment beyond previous projections.

SPEND

Decreases in employee enrollment, when compared to the December Outlook, resulted in decreased premium revenues and corresponding benefit costs. Projected changes in non-premium revenue are mainly attributed to the impact of actual FY 2013-14 activities. After consideration of actual medical claims experience for the PPO plans, the growth factor was decreased from 8.0% to 7.5% for the forecast period. The HMO self-insured plans medical projected growth factor used in the forecast remains at 8.0%. The HMO fully insured plan medical projected growth factor remains at 7.5%.

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 utilization of less expensive generic drugs. The main factors driving changes in prescription drug spend are: (1) membership demographics, (2) utilization, (3) price changes, and (4) changes in the types of drugs used. Pharmacy growth rates have increased for each year of the forecast due to changes in assumptions and methodologies used to develop growth rates.

Below are the growth factors used to develop spend projections for this outlook and the growth factors used for the previous conference:

PPO MEDICAL						
Industry Range for CY 2013-14: 4.0% - 9.7%						
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
December 2013 Conference	8.0%	8.0%	8.0%	8.0%	8.0%	n/a
March 2014 Conference	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%

HMO MEDICAL						
Industry Range for CY 2013-14: 4.0% - 9.7%						
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
December 2013 Conference	8.0%	8.0%	8.0%	8.0%	8.0%	n/a
March 2014 Conference	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

PPO PHARMACY						
Industry Range for CY 2013-14: 5.3% - 10.5%						
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
December 2013 Conference	4.5%	4.9%	9.2%	7.5%	9.5%	n/a
March 2014 Conference	6.8%	6.3%	10.5%	8.7%	10.5%	10.5%

HMO PHARMACY						
Industry Range for CY 2013-14: 5.3% - 10.5%						
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
December 2013 Conference	7.9%	7.2%	10.0%	8.1%	10.1%	n/a
March 2014 Conference	9.4%	8.6%	10.5%	9.3%	10.5%	10.5%

HMO PREMIUM PAYMENTS						
Industry Range for CY 2013-14: 5.0% - 9.3%						
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
December 2013 Conference	7.5%	7.5%	7.5%	7.5%	7.5%	n/a
March 2014 Conference	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%

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STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit I

Financial Outlook by Fiscal Year

Highlights of Changes to Forecast - Conference March 2014 Compared to December 2013

(In Millions)

	FY 2013-14			FY 2014-15			FY 2015-16			FY 2016-17			FY 2017-18		
	Dec '13	Mar '14	Diff.	Dec '13	Mar '14	Diff.	Dec '13	Mar '14	Diff.	Dec '13	Mar '14	Diff.	Dec '13	Mar '14	Diff.
BEGINNING CASH BALANCE	\$ 346.1	\$ 346.1	\$ -	\$ 364.6	\$ 363.9	\$ (0.7)	\$ 355.8	\$ 349.7	\$ (6.1)	\$ 169.8	\$ 154.4	\$ (15.4)	\$ 0.0	\$ 0.0	\$ -
REVENUES:															
Insurance Premiums	\$ 1,950.1	\$ 1,945.6	\$ (4.5)	\$ 2,091.0	\$ 2,081.2	\$ (9.8)	\$ 2,112.2	\$ 2,099.4	\$ (12.8)	\$ 2,140.5	\$ 2,122.8	\$ (17.7)	\$ 2,160.1	\$ 2,139.3	\$ (20.8)
Investment Interest	7.2	7.0	(0.2)	7.9	7.1	(0.8)	6.9	5.0	(1.9)	-	-	-	-	-	-
PPO - TPA Refunds	9.0	10.4	1.4	9.3	9.3	-	9.3	9.3	-	9.3	9.3	-	9.3	9.3	-
PPO - PBM Rebates	17.9	18.1	0.2	15.5	16.0	0.5	13.8	14.5	0.7	12.9	13.8	0.9	12.5	13.8	1.3
HMO - PBM Rebates	9.4	9.5	0.1	8.8	9.1	0.3	8.3	8.7	0.4	8.0	8.5	0.5	8.0	8.6	0.6
PPO - Medicare Part D Subsidy	21.2	20.3	(0.9)	20.8	21.5	0.7	19.5	19.2	(0.3)	19.6	19.2	(0.4)	19.8	19.2	(0.6)
Other Revenues	-	1.0	1.0	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 2,039.4	\$ 2,036.5	\$ (2.9)	\$ 2,176.5	\$ 2,167.4	\$ (9.1)	\$ 2,193.2	\$ 2,179.3	\$ (13.9)	\$ 2,213.5	\$ 2,196.8	\$ (16.7)	\$ 2,232.9	\$ 2,213.4	\$ (19.5)
TOTAL CASH AVAILABLE	\$ 2,385.5	\$ 2,382.6	\$ (2.9)	\$ 2,541.1	\$ 2,531.3	\$ (9.8)	\$ 2,549.0	\$ 2,529.0	\$ (20.0)	\$ 2,383.3	\$ 2,351.2	\$ (32.1)	\$ 2,232.9	\$ 2,213.4	\$ (19.5)
EXPENSES:															
PPO Plan	\$ 940.0	\$ 936.0	\$ (4.0)	\$ 994.2	\$ 986.7	\$ (7.5)	\$ 1,065.1	\$ 1,056.4	\$ (8.7)	\$ 1,139.0	\$ 1,128.9	\$ (10.1)	\$ 1,220.3	\$ 1,208.8	\$ (11.5)
HMO Plan	1,060.7	1,062.0	1.3	1,164.0	1,167.0	3.0	1,292.8	1,296.1	3.3	1,437.8	1,442.7	4.9	1,602.7	1,601.8	(0.9)
HSA Deposits	2.0	2.5	0.5	2.0	2.8	0.8	2.0	2.8	0.8	2.0	2.8	0.8	2.0	2.8	0.8
Other Expenses	10.4	10.4	-	17.3	17.3	-	11.6	11.5	(0.1)	5.0	4.9	(0.1)	0.9	0.8	(0.1)
TOTAL EXPENSES	\$ 2,020.9	\$ 2,018.7	\$ (2.2)	\$ 2,185.3	\$ 2,181.6	\$ (3.7)	\$ 2,379.3	\$ 2,374.6	\$ (4.7)	\$ 2,591.6	\$ 2,587.1	\$ (4.5)	\$ 2,833.7	\$ 2,822.0	\$ (11.7)
EXCESS OF REV. OVER EXP.	\$ 18.5	\$ 17.8	\$ (0.7)	\$ (8.8)	\$ (14.2)	\$ (5.4)	\$ (186.0)	\$ (195.3)	\$ (9.3)	\$ (378.1)	\$ (390.3)	\$ (12.2)	\$ (600.8)	\$ (608.6)	\$ (7.8)
ENDING CASH BALANCE	\$ 364.6	\$ 363.9	\$ (0.7)	\$ 355.8	\$ 349.7	\$ (6.1)	\$ 169.8	\$ 154.4	\$ (15.4)	\$ (208.4)	\$ (235.9)	\$ (27.5)	\$ (600.8)	\$ (608.6)	\$ (7.8)
ADDITIONAL INFORMATION															
Total Unreported Claims Liability	\$ 138.4	\$ 115.4	\$ (23.1)	\$ 145.8	\$ 136.2	\$ (9.5)	\$ 165.5	\$ 149.8	\$ (15.7)	\$ 181.2	\$ 169.2	\$ (12.0)	\$ 199.4	\$ 185.0	\$ (14.4)

Exhibits II through XIII present detail forecast information by fiscal year.

Highlights of Changes to Forecast

- 1) Inclusion of actual enrollment through January 2014
- 2) Inclusion of Final Open Enrollment results for Plan Year 2014
- 3) Inclusion of cash flow activity through December 2013
- 4) Increased PPO and HMO projected Rx growth factors
- 5) Inclusion of updated Fully-Insured HMO Medicare contract rates effective January 2014
- 6) Decreased PPO Medical growth factor from 8.0% to 7.5%
- 7) Inclusion of updated PPO ASO fee contract rates effective January 2015

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit II
Financial Outlook by Fiscal Year ⁽¹⁾
(In Millions)

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u> ⁽²⁾	<u>Estimate</u> ⁽²⁾	
BEGINNING CASH BALANCE	\$ 346.1	\$ 363.9	\$ 349.7	\$ 154.4	\$ 0.0	\$ 0.0	
REVENUES:							
Insurance Premiums:							
Employer	\$ 1,554.9	\$ 1,676.6	\$ 1,688.7	\$ 1,702.4	\$ 1,717.4	\$ 1,733.0	
Employee	161.6	164.1	165.4	167.0	168.6	170.3	
HSA Contributions ⁽³⁾	2.5	2.8	2.8	2.8	2.8	2.8	
COBRA	6.2	6.3	6.3	6.3	6.3	6.3	
Early Retiree	62.5	64.1	67.0	72.9	71.1	69.2	
Medicare	157.9	167.3	169.2	171.4	173.1	175.0	
Investment Interest	7.0	7.1	5.0	0.0	0.0	0.0	
PPO-TPA Refunds	10.4	9.3	9.3	9.3	9.3	9.3	
PPO-PBM Rebates	18.1	16.0	14.5	13.8	13.8	14.3	
HMO-TPA Refunds	4.6	3.2	3.2	3.2	3.2	3.2	
HMO-PBM Rebates	9.5	9.1	8.7	8.5	8.6	9.2	
Pretax Trust Fund Transfer	19.0	19.0	19.0	19.0	19.0	19.0	
PPO-Medicare Part D Subsidy	20.3	21.5	19.2	19.2	19.2	19.2	
HMO-Medicare Part D Subsidy	1.0	1.0	1.0	1.0	1.0	1.0	
Other Revenues	1.0	0.0	0.0	0.0	0.0	0.0	
TOTAL REVENUES	\$ 2,036.5	\$ 2,167.4	\$ 2,179.3	\$ 2,196.8	\$ 2,213.4	\$ 2,231.8	
TOTAL CASH AVAILABLE	\$ 2,382.6	\$ 2,531.3	\$ 2,529.0	\$ 2,351.2	\$ 2,213.4	\$ 2,231.8	
EXPENSES:							
State PPO Plan:							
Medical Claims	\$ 641.1	\$ 679.3	\$ 722.5	\$ 770.3	\$ 818.8	\$ 870.4	
ASO Fee	18.5	18.2	17.7	17.6	17.4	17.8	
Prescription Drug Claims	276.2	289.0	316.0	340.8	372.4	407.0	
PBM Claims Administration	0.2	0.2	0.2	0.2	0.2	0.2	
HMO Plan: ⁽⁴⁾							
Premium Payments	271.8	290.6	316.2	346.1	376.0	408.9	
Medical Claims	581.4	647.1	721.6	806.2	897.7	999.0	
ASO Fee	30.6	31.3	33.5	37.3	41.3	45.8	
Prescription Drug Claims	178.2	198.0	224.8	253.1	286.8	324.9	
HSA Deposits ⁽³⁾	2.5	2.8	2.8	2.8	2.8	2.8	
Operating Costs & Admin Assessment	4.6	4.6	4.6	4.6	4.6	4.6	
Premium Refunds	3.2	3.2	3.2	3.2	3.2	3.2	
Other Expenses	10.4	17.3	11.5	4.9	0.8	0.9	
TOTAL EXPENSES	\$ 2,018.7	\$ 2,181.6	\$ 2,374.6	\$ 2,587.1	\$ 2,822.0	\$ 3,085.5	
EXCESS OF REVENUES OVER EXPENSES	\$ 17.8	\$ (14.2)	\$ (195.3)	\$ (390.3)	\$ (608.6)	\$ (853.7)	
ENDING CASH BALANCE ⁽⁵⁾	\$ 363.9	\$ 349.7	\$ 154.4	\$ (235.9)	\$ (608.6)	\$ (853.7)	
ADDITIONAL INFORMATION							
Total Unreported Claims Liability ⁽⁶⁾	\$ 115.4	\$ 136.2	\$ 149.8	\$ 169.2	\$ 185.0	\$ 202.0	
Average Enrollment by Plan	PPO Standard	84,876	83,465	82,585	81,917	80,991	80,088
	PPO HIHP	1,545	1,579	1,579	1,579	1,579	1,579
	HMO Standard	85,038	87,021	89,384	92,017	94,299	96,607
	HMO HIHP	578	583	583	583	583	583
	Total	172,037	172,648	174,131	176,096	177,452	178,857
Average Enrollment by Coverage Type	Active Standard	129,692	130,546	131,835	133,258	134,782	136,364
	Active HIHP	1,811	1,844	1,844	1,844	1,844	1,844
	OPS Standard	3,349	3,349	3,349	3,349	3,349	3,349
	OPS HIHP	213	213	213	213	213	213
	COBRA	646	625	625	625	625	625
	Early Retiree	6,985	6,719	6,826	7,257	7,067	6,882
	Medicare	29,341	29,352	29,439	29,550	29,572	29,580
Total	172,037	172,648	174,131	176,096	177,452	178,857	

Exhibit III
Financial Outlook - Fiscal Year 2013-14⁽¹⁾
(In Millions)

	(A) <u>Dec '13</u>	(B) <u>Mar '14</u>	(B) - (A) <u>Difference</u>
BEGINNING CASH BALANCE	\$ 346.1	\$ 346.1	\$ 0.0
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,557.2	\$ 1,554.9	\$ (2.3)
Employee	162.1	161.6	(0.5)
HSA Contributions ⁽³⁾	2.0	2.5	0.5
COBRA	6.5	6.2	(0.3)
Early Retiree	63.1	62.5	(0.6)
Medicare	159.2	157.9	(1.3)
Investment Interest	7.2	7.0	(0.2)
PPO-TPA Refunds	9.0	10.4	1.4
PPO-PBM Rebates	17.9	18.1	0.2
HMO-TPA Refunds	4.6	4.6	0.0
HMO-PBM Rebates	9.4	9.5	0.1
Pretax Trust Fund Transfer	19.0	19.0	0.0
PPO Medicare Part D Subsidy	21.2	20.3	(0.9)
HMO Medicare Part D Subsidy	1.0	1.0	0.0
Other Revenues	0.0	1.0	1.0
TOTAL REVENUES	\$ 2,039.4	\$ 2,036.5	\$ (2.9)
TOTAL CASH AVAILABLE	\$ 2,385.5	\$ 2,382.6	\$ (2.9)
EXPENSES:			
State PPO Plan:			
Medical Claims	\$ 650.0	\$ 641.1	\$ (8.9)
ASO Fee	18.6	18.5	(0.1)
Prescription Drug Claims	271.2	276.2	5.0
PBM Claims Administration	0.2	0.2	0.0
HMO Plan: ⁽⁴⁾			
Premium Payments	274.2	271.8	(2.4)
Medical Claims	580.0	581.4	1.4
ASO Fee	30.5	30.6	0.1
Prescription Drug Claims	175.9	178.2	2.3
HSA Deposits ⁽³⁾	2.0	2.5	0.5
Operating Costs & Admin Assessment	4.6	4.6	0.0
Premium Refunds	3.2	3.2	0.0
Other Expenses	10.4	10.4	0.0
TOTAL EXPENSES	\$ 2,020.9	\$ 2,018.7	\$ (2.2)
EXCESS OF REVENUES OVER EXPENSES	\$ 18.5	\$ 17.8	\$ (0.7)
ENDING CASH BALANCE ⁽⁵⁾	\$ 364.6	\$ 363.9	\$ (0.7)
ADDITIONAL INFORMATION			
Total Unreported PPO Plan Claims Liability ⁽⁷⁾	\$ 58.7	\$ 56.0	\$ (2.7)
Total Unreported HMO Plan Claims Liability ⁽⁸⁾	70.8	50.3	(20.5)
Total Unreported PBM Claims Liability ⁽⁹⁾	8.9	9.1	0.2
Total Unreported Claims Liability	\$ 138.4	\$ 115.4	\$ (23.1)
Average Enrollment by Plan			
PPO Standard	85,179	84,876	(303)
PPO HIHP	1,527	1,545	18
HMO Standard	85,151	85,038	(113)
HMO HIHP	581	578	(3)
<u>Total</u>	<u>172,438</u>	<u>172,037</u>	<u>(401)</u>
Average Enrollment by Coverage Type			
Active (Non-OPS) Standard	129,879	129,692	(187)
Active (Non-OPS) HIHP	1,804	1,811	7
OPS Standard	3,364	3,349	(15)
OPS HIHP	213	213	0
COBRA	676	646	(30)
Early Retiree	7,033	6,985	(48)
Medicare	29,469	29,341	(128)
<u>Total</u>	<u>172,438</u>	<u>172,037</u>	<u>(401)</u>

Exhibit IV
Financial Outlook - Fiscal Year 2014-15⁽¹⁾
(In Millions)

	(A) <u>Dec '13</u>	(B) <u>Mar '14</u>	(B) - (A) <u>Difference</u>
BEGINNING CASH BALANCE	\$ 364.6	\$ 363.9	\$ (0.7)
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,681.3	\$ 1,676.6	\$ (4.7)
Employee	165.0	164.1	(0.9)
HSA Contributions ⁽³⁾	2.0	2.8	0.8
COBRA	7.0	6.3	(0.7)
Early Retiree	65.1	64.1	(1.0)
Medicare	170.6	167.3	(3.3)
Investment Interest	7.9	7.1	(0.8)
PPO-TPA Refunds	9.3	9.3	0.0
PPO-PBM Rebates	15.5	16.0	0.5
HMO-TPA Refunds	3.2	3.2	0.0
HMO-PBM Rebates	8.8	9.1	0.3
Pretax Trust Fund Transfer	19.0	19.0	0.0
PPO Medicare Part D Subsidy	20.8	21.5	0.7
HMO Medicare Part D Subsidy	1.0	1.0	0.0
Other Revenues	0.0	0.0	0.0
TOTAL REVENUES	<u>\$ 2,176.5</u>	<u>\$ 2,167.4</u>	<u>\$ (9.1)</u>
TOTAL CASH AVAILABLE	<u>\$ 2,541.1</u>	<u>\$ 2,531.3</u>	<u>\$ (9.8)</u>
EXPENSES:			
State PPO Plan:			
Medical Claims	\$ 694.4	\$ 679.3	\$ (15.1)
ASO Fee	18.6	18.2	(0.4)
Prescription Drug Claims	281.0	289.0	8.0
PBM Claims Administration	0.2	0.2	0.0
HMO Plan: ⁽⁴⁾			
Premium Payments	297.8	290.6	(7.2)
Medical Claims	642.1	647.1	5.0
ASO Fee	31.1	31.3	0.2
Prescription Drug Claims	193.1	198.0	4.9
HSA Deposits ⁽³⁾	2.0	2.8	0.8
Operating Costs & Admin Assessment	4.6	4.6	0.0
Premium Refunds	3.2	3.2	0.0
Other Expenses	17.3	17.3	0.0
TOTAL EXPENSES	<u>\$ 2,185.3</u>	<u>\$ 2,181.6</u>	<u>\$ (3.7)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ (8.8)</u>	<u>\$ (14.2)</u>	<u>\$ (5.4)</u>
ENDING CASH BALANCE ⁽⁵⁾	<u>\$ 355.8</u>	<u>\$ 349.7</u>	<u>\$ (6.1)</u>

ADDITIONAL INFORMATION

Total Unreported PPO Plan Claims Liability ⁽⁷⁾	\$ 62.5	\$ 59.2	\$ (3.3)
Total Unreported HMO Plan Claims Liability ⁽⁸⁾	73.8	67.3	(6.5)
Total Unreported PBM Claims Liability ⁽⁹⁾	9.5	9.7	0.2
Total Unreported Claims Liability	<u>\$ 145.8</u>	<u>\$ 136.2</u>	<u>\$ (9.5)</u>

Average Enrollment by Plan	PPO Standard	84,095	83,465	(630)
	PPO HIHP	1,547	1,579	32
	HMO Standard	87,247	87,021	(226)
	HMO HIHP	586	583	(3)
	Total	<u>173,475</u>	<u>172,648</u>	<u>(827)</u>
Average Enrollment by Coverage Type	Active (Non-OPS) Standard	130,964	130,546	(418)
	Active (Non-OPS) HIHP	1,830	1,844	14
	OPS Standard	3,364	3,349	(15)
	OPS HIHP	213	213	0
	COBRA	674	625	(49)
	Early Retiree	6,807	6,719	(88)
	Medicare	29,623	29,352	(271)
	Total	<u>173,475</u>	<u>172,648</u>	<u>(827)</u>

Exhibit V
Financial Outlook - Fiscal Year 2015-16⁽¹⁾
(In Millions)

	<u>(A)</u>	<u>(B)</u>	<u>(B) - (A)</u>
	<u>Dec '13</u>	<u>Mar '14</u>	<u>Difference</u>
BEGINNING CASH BALANCE	\$ 355.8	\$ 349.7	\$ (6.1)
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,694.8	\$ 1,688.7	\$ (6.1)
Employee	166.5	165.4	(1.1)
HSA Contributions ⁽³⁾	2.0	2.8	0.8
COBRA	7.0	6.3	(0.7)
Early Retiree	67.8	67.0	(0.8)
Medicare	174.1	169.2	(4.9)
Investment Interest	6.9	5.0	(1.9)
PPO-TPA Refunds	9.3	9.3	0.0
PPO-PBM Rebates	13.8	14.5	0.7
HMO-TPA Refunds	3.2	3.2	0.0
HMO-PBM Rebates	8.3	8.7	0.4
Pretax Trust Fund Transfer	19.0	19.0	0.0
PPO Medicare Part D Subsidy	19.5	19.2	(0.3)
HMO Medicare Part D Subsidy	1.0	1.0	0.0
Other Revenues	0.0	0.0	0.0
TOTAL REVENUES	\$ 2,193.2	\$ 2,179.3	\$ (13.9)
TOTAL CASH AVAILABLE	\$ 2,549.0	\$ 2,529.0	\$ (20.0)
EXPENSES:			
State PPO Plan:			
Medical Claims	\$ 742.6	\$ 722.5	\$ (20.1)
ASO Fee	18.4	17.7	(0.7)
Prescription Drug Claims	303.9	316.0	12.1
PBM Claims Administration	0.2	0.2	0.0
HMO Plan: ⁽⁴⁾			
Premium Payments	328.4	316.2	(12.2)
Medical Claims	712.8	721.6	8.8
ASO Fee	33.2	33.5	0.3
Prescription Drug Claims	218.4	224.8	6.4
HSA Deposits ⁽³⁾	2.0	2.8	0.8
Operating Costs & Admin Assessment	4.6	4.6	0.0
Premium Refunds	3.2	3.2	0.0
Other Expenses	11.6	11.5	(0.1)
TOTAL EXPENSES	\$ 2,379.2	\$ 2,374.6	\$ (4.7)
EXCESS OF REVENUES OVER EXPENSES	\$ (186.0)	\$ (195.3)	\$ (9.3)
ENDING CASH BALANCE ⁽⁵⁾	\$ 169.8	\$ 154.4	\$ (15.4)

ADDITIONAL INFORMATION

Total Unreported PPO Plan Claims Liability ⁽⁷⁾	\$ 66.7	\$ 62.8	\$ (3.9)
Total Unreported HMO Plan Claims Liability ⁽⁸⁾	88.4	76.2	(12.2)
Total Unreported PBM Claims Liability ⁽⁹⁾	10.4	10.8	0.4
Total Unreported Claims Liability	\$ 165.5	\$ 149.8	\$ (15.7)

Average Enrollment by Plan	PPO Standard	83,279	82,585	(694)
	PPO HIHP	1,547	1,579	32
	HMO Standard	89,708	89,384	(324)
	HMO HIHP	586	583	(3)
	Total	175,120	174,131	(989)
Average Enrollment by Coverage Type	Active (Non-OPS) Standard	132,402	131,835	(567)
	Active (Non-OPS) HIHP	1,830	1,844	14
	OPS Standard	3,364	3,349	(15)
	OPS HIHP	213	213	0
	COBRA	674	625	(49)
	Early Retiree	6,900	6,826	(74)
	Medicare	29,737	29,439	(298)
	Total	175,120	174,131	(989)

Exhibit VI
Financial Outlook - Fiscal Year 2016-17⁽¹⁾
(In Millions)

	<u>(A)</u>	<u>(B)</u>	<u>(B) - (A)</u>	
	<u>Dec '13</u>	<u>Mar '14</u>	<u>Difference</u>	
BEGINNING CASH BALANCE	\$ 169.8	\$ 154.4	\$ (15.4)	
REVENUES:				
Insurance Premiums:				
Employer	\$ 1,709.8	\$ 1,702.4	\$ (7.4)	
Employee	168.2	167.0	(1.2)	
HSA Contributions ⁽³⁾	2.0	2.8	0.8	
COBRA	7.0	6.3	(0.7)	
Early Retiree	75.1	72.9	(2.2)	
Medicare	178.4	171.4	(7.0)	
Investment Interest	0.0	0.0	0.0	
PPO-TPA Refunds	9.3	9.3	0.0	
PPO-PBM Rebates	12.9	13.8	0.9	
HMO-TPA Refunds	3.2	3.2	0.0	
HMO-PBM Rebates	8.0	8.5	0.5	
Pretax Trust Fund Transfer	19.0	19.0	0.0	
PPO Medicare Part D Subsidy	19.6	19.2	(0.4)	
HMO Medicare Part D Subsidy	1.0	1.0	0.0	
Other Revenues	0.0	0.0	0.0	
TOTAL REVENUES	\$ 2,213.5	\$ 2,196.8	\$ (16.7)	
TOTAL CASH AVAILABLE	\$ 2,383.3	\$ 2,351.2	\$ (32.1)	
EXPENSES:				
State PPO Plan:				
Medical Claims	\$ 796.2	\$ 770.3	\$ (25.9)	
ASO Fee	18.3	17.6	(0.7)	
Prescription Drug Claims	324.3	340.8	16.5	
PBM Claims Administration	0.2	0.2	0.0	
HMO Plan: ⁽⁴⁾				
Premium Payments	363.9	346.1	(17.8)	
Medical Claims	793.6	806.2	12.6	
ASO Fee	36.7	37.3	0.6	
Prescription Drug Claims	243.5	253.1	9.6	
HSA Deposits ⁽³⁾	2.0	2.8	0.8	
Operating Costs & Admin Assessment	4.6	4.6	0.0	
Premium Refunds	3.2	3.2	0.0	
Other Expenses	5.0	4.9	(0.1)	
TOTAL EXPENSES	\$ 2,591.6	\$ 2,587.1	\$ (4.5)	
EXCESS OF REVENUES OVER EXPENSES	\$ (378.1)	\$ (390.3)	\$ (12.2)	
ENDING CASH BALANCE ⁽⁵⁾	\$ (208.3)	\$ (235.9)	\$ (27.6)	
ADDITIONAL INFORMATION				
Total Unreported PPO Plan Claims Liability ⁽⁷⁾	\$ 71.4	\$ 66.8	\$ (4.6)	
Total Unreported HMO Plan Claims Liability ⁽⁸⁾	98.4	90.5	(7.9)	
Total Unreported PBM Claims Liability ⁽⁹⁾	11.4	11.9	0.5	
Total Unreported Claims Liability	\$ 181.2	\$ 169.2	\$ (12.0)	
Average Enrollment by Plan	PPO Standard	82,684	81,917	(767)
	PPO HIHP	1,547	1,579	32
	HMO Standard	92,502	92,017	(485)
	HMO HIHP	586	583	(3)
	Total	177,319	176,096	(1,223)
Average Enrollment by Coverage Type	Active (Non-OPS) Standard	133,954	133,258	(696)
	Active (Non-OPS) HIHP	1,830	1,844	14
	OPS Standard	3,364	3,349	(15)
	OPS HIHP	213	213	0
	COBRA	674	625	(49)
	Early Retiree	7,403	7,257	(146)
	Medicare	29,881	29,550	(331)
	Total	177,319	176,096	(1,223)

Exhibit VII
Financial Outlook - Fiscal Year 2017-18⁽¹⁾
(In Millions)

	<u>(A)</u>	<u>(B)</u>	<u>(B) - (A)</u>
	<u>Dec '13</u>	<u>Mar '14</u>	<u>Difference</u>
BEGINNING CASH BALANCE	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾	\$ 0.0
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,725.7	\$ 1,717.4	\$ (8.3)
Employee	170.0	168.6	(1.4)
HSA Contributions ⁽³⁾	2.0	2.8	0.8
COBRA	7.0	6.3	(0.7)
Early Retiree	72.9	71.1	(1.8)
Medicare	182.5	173.1	(9.4)
Investment Interest	0.0	0.0	0.0
PPO-TPA Refunds	9.3	9.3	0.0
PPO-PBM Rebates	12.5	13.8	1.3
HMO-TPA Refunds	3.2	3.2	0.0
HMO-PBM Rebates	8.0	8.6	0.6
Pretax Trust Fund Transfer	19.0	19.0	0.0
PPO Medicare Part D Subsidy	19.8	19.2	(0.6)
HMO Medicare Part D Subsidy	1.0	1.0	0.0
Other Revenues	0.0	0.0	0.0
TOTAL REVENUES	\$ 2,232.9	\$ 2,213.4	\$ (19.5)
TOTAL CASH AVAILABLE	\$ 2,232.9	\$ 2,213.4	\$ (19.5)
EXPENSES:			
State PPO Plan:			
Medical Claims	\$ 850.7	\$ 818.8	\$ (31.9)
ASO Fee	18.1	17.4	(0.7)
Prescription Drug Claims	351.3	372.4	21.1
PBM Claims Administration	0.2	0.2	0.0
HMO Plan: ⁽⁴⁾			
Premium Payments	401.0	376.0	(25.0)
Medical Claims	886.4	897.7	11.3
ASO Fee	40.5	41.3	0.8
Prescription Drug Claims	274.8	286.8	12.0
HSA Deposits ⁽³⁾	2.0	2.8	0.8
Operating Costs & Admin Assessment	4.6	4.6	0.0
Premium Refunds	3.2	3.2	0.0
Other Expenses	0.9	0.8	(0.1)
TOTAL EXPENSES	\$ 2,833.6	\$ 2,822.0	\$ (11.7)
EXCESS OF REVENUES OVER EXPENSES	\$ (600.8)	\$ (608.6)	\$ (7.8)
ENDING CASH BALANCE ⁽⁵⁾	\$ (600.8)	\$ (608.6)	\$ (7.8)
ADDITIONAL INFORMATION			
Total Unreported PPO Plan Claims Liability ⁽⁷⁾	\$ 76.1	\$ 70.9	\$ (5.2)
Total Unreported HMO Plan Claims Liability ⁽⁸⁾	110.8	100.9	(9.9)
Total Unreported PBM Claims Liability ⁽⁹⁾	12.5	13.2	0.7
Total Unreported Claims Liability	\$ 199.4	\$ 185.0	\$ (14.4)
Average Enrollment by Plan			
PPO Standard	81,802	80,991	(811)
PPO HIHP	1,547	1,579	32
HMO Standard	94,848	94,299	(549)
HMO HIHP	586	583	(3)
<u>Total</u>	<u>178,783</u>	<u>177,452</u>	<u>(1,331)</u>
Average Enrollment by Coverage Type			
Active (Non-OPS) Standard	135,583	134,782	(801)
Active (Non-OPS) HIHP	1,830	1,844	14
OPS Standard	3,364	3,349	(15)
OPS HIHP	213	213	0
COBRA	674	625	(49)
Early Retiree	7,190	7,067	(123)
<u>Medicare</u>	<u>29,929</u>	<u>29,572</u>	<u>(357)</u>
<u>Total</u>	<u>178,783</u>	<u>177,452</u>	<u>(1,331)</u>

Exhibit VIII
Notes to the Financial Outlook

- 1) Actual results may differ from projected values with increasing likelihood of variance in future periods.
- 2) Assumes no carry forward of a negative ending cash balance from prior year.
- 3) Contributions approximate a split between employer and employee of 42% and 58%, respectively.
- 4) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.
- 5) Includes funds held in accounts outside of the Trust Fund at the Department of Financial Services, Division of Treasury, for the purpose of paying medical claims.
- 6) Includes estimated PPO Plan and Self-Insured HMO Plans Incurred but not Reported (IBNR) claims and outstanding drafts.
- 7) Includes estimated PPO Incurred but not Reported (IBNR) medical claims and outstanding drafts.
- 8) Includes estimated HMO IBNR medical claims and outstanding drafts.
- 9) Includes estimated PPO and HMO IBNR Rx claims.

Exhibit IX
Comparison of Financial Outlooks
Fiscal Year 2013-14
(In Millions)

\$ 364.6	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
	- Increase in Beginning Cash Balance Forecast
(2.9)	Decrease in Revenue Forecast
	(4.5) - Net decrease in Insurance Premiums
	(3.8) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 172,439 to 172,037
	0.5 - Increase in actual and projected employer and enrollee HSA contributions
	(1.2) - Decrease in Insurance Premiums due to shifts in enrollment categories
(0.2)	Decrease in Investment Interest due to a decrease in projected cash balance
1.4	Increase in PPO - TPA Refunds due to higher actual and projected activity
0.2	Increase in PPO - PBM Rebates
	(0.1) - Decrease due to lower projected enrollment from 86,706 to 86,421
	0.3 - Increase due to higher projected rebates
0.1	Increase in HMO - PBM Rebates due to higher projected rebates
(0.9)	Decrease in PPO - Medicare Part D Subsidy
	(0.1) - Decrease due to a decrease in projected Medicare enrollment from 23,875 to 23,761
	(0.8) - Decrease due to lower actual and projected claims experience
1.0	Increase in Other Revenues due to receipt of penalty assessed against Pharmacy Benefits Manager for non-compliance with contract provision
(2.2)	Decrease in Expense Forecast
(4.0)	Decrease in State PPO Plan
	(8.9) - Decrease in Medical Claims
	(2.1) - Decrease due to a decrease in projected enrollment from 86,706 to 86,421
	(6.8) - Decrease due to reduced growth factor from 8.0% to 7.5%
(0.1)	Decrease in ASO Fee expense due to a decrease in actual and projected enrollment
5.0	Increase in Prescription Drug Claims
	(0.9) - Decrease due to lower projected enrollment
	5.9 - Increase due to higher actual and projected claims experience
1.3	Decrease in HMO Plan
	(2.4) - Decrease in Premium Payments
	(2.3) - Decrease due to a decrease in projected enrollment from 31,322 to 31,062
	(0.1) - Decrease due to new Medicare contract rates effective January 2014
1.4	Increase in Medical Claims
	1.6 - Increase due to an increase in projected enrollment from 54,409 to 54,555
	(0.2) - Decrease due to lower actual and projected claims experience
0.1	Increase in ASO Fees due to an increase in projected enrollment from 54,409 to 54,555
2.3	Increase in Prescription Drug Claims
	(0.2) - Decrease due to a decrease in projected enrollment from 81,510 to 81,438
	2.5 - Increase due to higher actual and projected claims experience
0.5	Increase in Other Expense Categories
	0.5 - Increase in actual and projected employer and enrollee HSA Deposits
363.9	Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in December 2013.

Exhibit X
Comparison of Financial Outlooks
Fiscal Year 2014-15
(In Millions)

\$ 355.8	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
	(0.7) Decrease in Beginning Cash Balance Forecast
	(9.1) Decrease in Revenue Forecast
	(9.8) - Net decrease in Insurance Premiums
	(8.6) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 173,475 to 172,648
	0.8 - Increase in projected employer and enrollee HSA contributions
	(2.0) - Decrease in Insurance Premiums due to shifts in enrollment categories
	(0.8) - Decrease in Investment Interest due to a decrease in projected cash balance
	0.5 - Increase in PPO - PBM Rebates
	(0.1) - Decrease due to a decrease in projected enrollment from 85,642 to 85,044
	0.6 - Increase due to higher projected rebates
	0.3 - Increase in HMO - PBM Rebates due to higher projected rebates
	0.7 - Increase in PPO - Medicare Part D Subsidy
	(0.2) - Decrease due to a decrease in projected Medicare enrollment from 23,900 to 23,651
	0.9 - Increase due to higher projected claims experience
	(3.7) Decrease in Expense Forecast
	(7.5) Decrease in State PPO Plan
	(15.1) - Decrease in Medical Claims
	(4.8) - Decrease due to a decrease in projected enrollment from 85,642 to 85,044
	(10.3) - Decrease due to reduced growth factor from 8.0% to 7.5%
	(0.4) - Decrease in ASO Fee Expense
	(0.1) - Decrease due to a decrease in projected enrollment
	(0.3) - Decrease due to new contract rates effective January 2015
	8.0 - Increase in Prescription Drug Claims
	(2.0) - Decrease due to lower projected enrollment
	10.0 - Increase due to higher growth factor
	3.0 Increase in HMO Plan
	(7.2) - Decrease in Premium Payments
	(6.1) - Decrease due to a decrease in projected enrollment from 32,124 to 31,447
	(1.1) - Decrease due to new Medicare contract rates effective January 2014
	5.0 - Increase in Medical Claims
	5.1 - Increase due to an increase in projected enrollment from 55,711 to 56,157
	(0.1) - Decrease due to lower base for FY 2013-14
	0.2 - Increase in ASO Fee Expense
	0.3 - Increase due to an increase in projected enrollment from 55,711 to 56,157
	(0.1) - Decrease due to shifts in enrollment categories
	4.9 - Increase in HMO Plan Prescription Drug Claims
	(0.3) - Decrease due to a decrease in projected enrollment from 83,467 to 83,320
	5.2 - Increase due to higher growth factor
	0.8 Increase in Other Expense Categories
	0.8 - Increase in projected employer and enrollee HSA Deposits
349.7	Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in December 2013.

Exhibit XI
Comparison of Financial Outlooks
Fiscal Year 2015-16
(In Millions)

\$ 169.8	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
	(6.1) Decrease in Beginning Cash Balance Forecast
	(13.9) Decrease in Revenue Forecast
	(12.8) - Net decrease in Insurance Premiums
	(10.6) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 175,120 to 174,131
	0.8 - Increase in projected employer and enrollee HSA contributions
	(3.0) - Decrease in Insurance Premiums due to shifts in enrollment categories
	(1.9) - Decrease in Investment Interest due to a decrease in projected cash balance
	0.7 - Increase in PPO - PBM Rebates
	(0.1) - Decrease due to a decrease in projected enrollment from 84,826 to 84,164
	0.8 - Increase due to higher projected rebates
	0.4 - Increase in HMO - PBM Rebates due to higher projected rebates
	(0.3) - Decrease in PPO - Medicare Part D Subsidy
	(0.2) - Decrease due to a decrease in projected Medicare enrollment from 23,919 to 23,640
	(0.1) - Decrease due to lower projected claims experience
	(4.7) Decrease in Expense Forecast
	(8.7) Decrease in State PPO Plan
	(20.1) - Decrease in Medical Claims
	(5.8) - Decrease due to a decrease in projected enrollment from 84,826 to 84,164
	(14.3) - Decrease due to reduced growth factor from 8.0% to 7.5%
	(0.7) - Decrease in ASO Fee Expense
	(0.1) - Decrease due to a decrease in projected enrollment
	(0.6) - Decrease due to new contract rates effective January 2015
	12.1 - Increase in Prescription Drug Claims
	(2.4) - Decrease due to a decrease in projected enrollment
	14.5 - Increase due to higher growth factor
	3.3 Increase in HMO Plan
	(12.2) - Decrease in Premium Payments
	(10.1) - Decrease due to a decrease in projected enrollment from 33,021 to 31,967
	(2.1) - Decrease due to new Medicare contract rates effective January 2014
	8.8 - Increase in Medical Claims
	9.0 - Increase due to an increase in projected enrollment from 57,277 to 58,000
	(0.2) - Decrease due to lower base for FY 2013-14
	0.3 - Increase in ASO Fee Expense
	0.4 - Increase due to an increase in projected enrollment from 57,277 to 58,000
	(0.1) - Decrease due to shifts in enrollment categories
	6.4 - Increase in Prescription Drug Claims
	(0.5) - Decrease due to a decrease in projected enrollment from 85,808 to 85,606
	6.9 - Increase due to higher growth factor
	0.7 Increase in Other Expense Categories
	0.8 - Increase in projected employer and enrollee HSA Deposits
	(0.1) - Decrease in Other Expenses due to lower projected PPACA patient-centered outcome research institute fees
154.4	Ending Cash Balance ⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in December 2013.

Exhibit XII
Comparison of Financial Outlooks
Fiscal Year 2016-17
(In Millions)

\$ (208.3)	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
(15.4)	Decrease in Beginning Cash Balance Forecast
(16.7)	Decrease in Revenue Forecast
	(17.7) - Net decrease in Insurance Premiums
	(13.4) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 177,319 to 176,096
	0.8 - Increase in projected employer and enrollee HSA contributions
	(5.1) - Decrease in Insurance Premiums due to shifts in enrollment categories
	0.9 - Increase in PPO - PBM Rebates
	(0.1) - Decrease due to a decrease in projected enrollment from 84,231 to 83,496
	1.0 - Increase due to higher projected rebates
	0.5 - Increase in HMO - PBM Rebates due to higher projected rebates
	(0.4) - Decrease in PPO - Medicare Part D Subsidy
	(0.3) - Decrease due to a decrease in projected Medicare enrollment from 23,963 to 23,661
	(0.1) - Decrease due to lower projected claims experience
(4.5)	Decrease in Expense Forecast
	(10.1) Decrease in State PPO Plan
	(25.9) - Decrease in Medical Claims
	(6.9) - Decrease due to a decrease in projected enrollment from 84,231 to 83,496
	(18.9) - Decrease due to reduced growth factor from 8.0% to 7.5%
	(0.1) - Decrease due to lower base for FY 2013-14
	(0.7) - Decrease in ASO Fee Expense
	(0.2) - Decrease due to a decrease in projected enrollment
	(0.5) - Decrease due to new contract rates effective January 2015
	16.5 - Increase in Prescription Drug Claims
	(2.8) - Decrease due to a decrease in projected enrollment
	19.3 - Increase due to higher growth factor
	4.9 Increase in HMO Plan
	(17.8) - Decrease in Premium Payments
	(14.7) - Decrease due to a decrease in projected enrollment from 34,038 to 32,588
	(3.1) - Decrease due to new Medicare contract rates effective January 2014
	12.6 - Increase in Medical Claims
	12.8 - Increase due to an increase in projected enrollment from 59,054 to 60,009
	(0.2) - Decrease due to lower base for FY 2013-14
	0.6 - Increase in ASO Fees due to an increase in projected enrollment from 59,054 to 60,009
	9.6 - Increase in Prescription Drug Claims
	(0.8) - Decrease due to a decrease in projected enrollment from 88,465 to 88,171
	10.4 - Increase due to higher growth factor
	0.7 Increase in Other Expense Categories
	0.8 - Increase in projected employer and enrollee HSA Deposits
	(0.1) - Decrease in Other Expenses due to lower projected PPACA patient-centered outcome research institute fees
(235.9)	Ending Cash Balance ⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in December 2013.

Exhibit XIII
Comparison of Financial Outlooks
Fiscal Year 2017-18
(In Millions)

\$ (600.8) Previous Ending Cash Balance Forecast ⁽ⁱ⁾

0.0	Increase in Beginning Cash Balance Forecast
(19.5)	Decrease in Revenue Forecast
(20.8)	- Net decrease in Insurance Premiums
(14.7)	- Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 178,783 to 177,452
0.8	- Increase in projected employer and enrollee HSA contributions
(6.9)	- Decrease in Insurance Premiums due to shifts in enrollment categories
1.3	- Increase in PPO - PBM Rebates
(0.1)	- Decrease due to a decrease in projected enrollment from 83,349 to 82,570
1.4	- Increase due to higher projected rebates
0.6	- Increase in HMO - PBM Rebates due to higher projected rebates
(0.6)	- Decrease in PPO - Medicare Part D Subsidy
(0.3)	- Decrease due to a decrease in projected Medicare enrollment from 23,955 to 23,633
(0.3)	- Decrease due to lower projected claims experience
(11.7)	Decrease in Expense Forecast
(11.5)	Decrease in State PPO Plan
(31.9)	- Decrease in Medical Claims
(7.9)	- Decrease due to a decrease in projected enrollment from 83,349 to 82,570
(24.0)	- Decrease due to reduced growth factor from 8.0% to 7.5%
(0.7)	- Decrease in ASO Fee Expense
(0.2)	- Decrease due to a decrease in projected enrollment
(0.5)	- Decrease due to new contract rates effective January 2015
21.1	- Increase in Prescription Drug Claims
(3.3)	- Decrease due to a decrease in projected enrollment
24.4	- Increase due to higher growth factor
(0.9)	Decrease in HMO Plan
(25.0)	- Decrease in Premium Payments
(20.0)	- Decrease due to a decrease in projected enrollment from 34,359 to 32,529
(5.0)	- Decrease due to new Medicare contract rates effective January 2014
11.3	- Increase in Medical Claims
11.6	- Increase due to an increase in projected enrollment from 61,079 to 61,877
(0.3)	- Decrease due to lower base for FY 2013-14
0.8	- Increase in ASO Fee Expense
0.5	- Increase due to an increase in projected enrollment from 61,079 to 61,877
0.3	- Increase due to shifts in enrollment categories
12.0	- Increase in Prescription Drug Claims
(0.9)	- Decrease due to a decrease in projected enrollment from 90,698 to 90,412
12.9	- Increase due to higher growth factor
0.7	Increase in Other Expense Categories
0.8	- Increase in projected employer and enrollee HSA Deposits
(0.1)	- Decrease in Other Expenses due to lower projected PPACA patient-centered outcome research institute fees

(608.6) Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in December 2013.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective May 2013 for June 2013 Coverage

(Premium rate change for all participants EXCEPT CHP and FHCP Medicare)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer ⁽⁴⁾	Enrollee	Total
Career Service	Monthly Full -Time Employees ⁽¹⁾	Single	537.74	50.00	587.74	537.74	15.00	552.74
		Family	1,149.14	180.00	1,329.14	1,149.14	64.30	1,213.44
		Spouse	1,299.16	30.00	1,329.16	1,183.44	30.00	1,213.44
	Bi-Weekly Full -Time Employees ⁽¹⁾	Single	268.87	25.00	293.87	268.87	7.50	276.37
		Family	574.57	90.00	664.57	574.57	32.15	606.72
		Spouse	649.58	15.00	664.58	591.72	15.00	606.72
"Payalls"	Monthly Full -Time Employees ^(1,2)	Single	579.40	8.34	587.74	544.40	8.34	552.74
		Family	1,299.14	30.00	1,329.14	1,183.44	30.00	1,213.44
	Bi-Weekly Full -Time Employees ^(1,2)	Single	289.70	4.17	293.87	272.20	4.17	276.37
		Family	649.57	15.00	664.57	591.72	15.00	606.72
COBRA	Monthly ⁽³⁾	Single	0.00	599.49	599.49	0.00	521.30	521.30
		Family	0.00	1,355.72	1,355.72	0.00	1,152.71	1,152.71
Early Retirees	Monthly	Single	0.00	587.74	587.74	0.00	511.08	511.08
		Family	0.00	1,329.14	1,329.14	0.00	1,130.11	1,130.11
Overage Dependents		Single	0.00	587.74	587.74	0.00	511.08	511.08

Medicare Monthly Premium Rates (Premium rate change effective May 1, 2013 for PPO only)

Plan Name	Plan Type	Medicare I	Medicare II	Medicare III
		One Eligible ⁽⁵⁾	One Under/Over ⁽⁶⁾	Both Eligible ⁽⁷⁾
Self-Insured PPO / HMO	Standard	326.92	942.64	653.84
	HIHP	246.43	771.99	492.85
Capital Health Plan ⁽⁸⁾	Standard	268.00	921.83	536.00
	HIHP	259.98	853.57	519.96
Florida Health Care Plan ⁽⁸⁾	Standard	48.00	698.89	96.00
	HIHP	48.00	579.10	96.00

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

(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) Medicare eligible members who enroll with either CHP or FHCP must also enroll in a Medicare Advantage Prescription Drug ("MAPD") plan with CHP or FHCP.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective December 2013 for January 2014 Coverage

(Premium rate change ONLY for CHP and FHCP Medicare Participants)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer ⁽⁴⁾	Enrollee	Total
Career Service	Monthly Full -Time Employees ⁽¹⁾	Single	537.74	50.00	587.74	537.74	15.00	552.74
		Family	1,149.14	180.00	1,329.14	1,149.14	64.30	1,213.44
		Spouse	1,299.16	30.00	1,329.16	1,183.44	30.00	1,213.44
	Bi-Weekly Full -Time Employees ⁽¹⁾	Single	268.87	25.00	293.87	268.87	7.50	276.37
		Family	574.57	90.00	664.57	574.57	32.15	606.72
		Spouse	649.58	15.00	664.58	591.72	15.00	606.72
"Payalls"	Monthly Full -Time Employees ^(1,2)	Single	579.40	8.34	587.74	544.40	8.34	552.74
		Family	1,299.14	30.00	1,329.14	1,183.44	30.00	1,213.44
	Bi-Weekly Full -Time Employees ^(1,2)	Single	289.70	4.17	293.87	272.20	4.17	276.37
		Family	649.57	15.00	664.57	591.72	15.00	606.72
COBRA	Monthly ⁽³⁾	Single	0.00	599.49	599.49	0.00	521.30	521.30
		Family	0.00	1,355.72	1,355.72	0.00	1,152.71	1,152.71
Early Retirees	Monthly	Single	0.00	587.74	587.74	0.00	511.08	511.08
		Family	0.00	1,329.14	1,329.14	0.00	1,130.11	1,130.11
Overage Dependents		Single	0.00	587.74	587.74	0.00	511.08	511.08

Medicare Monthly Premium Rates (Premium rate change effective December 1, 2013 for CHP and FHCP only)				
Plan Name	Plan Type	Medicare I	Medicare II	Medicare III
		One Eligible ⁽⁵⁾	One Under/Over ⁽⁶⁾	Both Eligible ⁽⁷⁾
Self-Insured PPO / HMO	Standard	326.92	942.64	653.84
	HIHP	246.43	771.99	492.85
Capital Health Plan ⁽⁸⁾	Standard	275.00	844.77	550.00
	HIHP	249.75	756.16	499.50
Florida Health Care Plan ⁽⁸⁾	Standard	50.00	714.85	100.00
	HIHP	50.00	598.36	100.00

Notes:

- (1) Premium contribution for Part-Time Employees (FTE < 0.75) 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 employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.
- (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) Medicare eligible members who enroll with either CHP or FHCP must also enroll in a Medicare Advantage Prescription Drug ("MAPD") plan with CHP or FHCP.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective March 2014 for April 2014 Coverage

(Premium rate change for all participants EXCEPT COBRA and CHP / FHCP Medicare)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer ⁽⁴⁾	Enrollee	Total
Career Service	Monthly Full -Time Employees ⁽¹⁾	Single	591.52	50.00	641.52	591.52	15.00	606.52
		Family	1,264.06	180.00	1,444.06	1,264.06	64.30	1,328.36
		Spouse	1,429.08	30.00	1,459.08	1,298.36	30.00	1,328.36
	Bi-Weekly Full -Time Employees ⁽¹⁾	Single	295.76	25.00	320.76	295.76	7.50	303.26
		Family	632.03	90.00	722.03	632.03	32.15	664.18
		Spouse	714.54	15.00	729.54	649.18	15.00	664.18
"Payalls"	Monthly Full -Time Employees ^(1,2)	Single	637.34	8.34	645.68	598.18	8.34	606.52
		Family	1,429.06	30.00	1,459.06	1,298.36	30.00	1,328.36
	Bi-Weekly Full -Time Employees ^(1,2)	Single	318.67	4.17	322.84	299.09	4.17	303.26
		Family	714.53	15.00	729.53	649.18	15.00	664.18
COBRA	Monthly ⁽³⁾	Single	0.00	599.49	599.49	0.00	521.30	521.30
		Family	0.00	1,355.72	1,355.72	0.00	1,152.71	1,152.71
Early Retirees	Monthly	Single	0.00	641.52	641.52	0.00	564.86	564.86
		Family	0.00	1,444.06	1,444.06	0.00	1,245.03	1,245.03
Overage Dependents		Single	0.00	641.52	641.52	0.00	564.86	564.86

Medicare Monthly Premium Rates (Premium rate change effective March 1, 2014 for PPO and Self-Insured HMOs only)				
Plan Name	Plan Type	Medicare I	Medicare II	Medicare III
		One Eligible ⁽⁵⁾	One Under/Over ⁽⁶⁾	Both Eligible ⁽⁷⁾
Self-Insured PPO / HMO	Standard	359.61	1,036.90	719.22
	HIHP	271.07	849.19	542.15
Capital Health Plan ⁽⁸⁾	Standard	275.00	844.77	550.00
	HIHP	249.75	756.16	499.50
Florida Health Care Plan ⁽⁸⁾	Standard	50.00	714.85	100.00
	HIHP	50.00	598.36	100.00

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

(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) Medicare eligible members who enroll with either CHP or FHCP must also enroll in a Medicare Advantage Prescription Drug ("MAPD") plan with CHP or FHCP.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective May 2014 for June 2014 Coverage

(Premium rate change for COBRA participants ONLY)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer ⁽⁴⁾	Enrollee	Total
Career Service	Monthly Full -Time Employees ⁽¹⁾	Single	591.52	50.00	641.52	591.52	15.00	606.52
		Family	1,264.06	180.00	1,444.06	1,264.06	64.30	1,328.36
		Spouse	1,429.08	30.00	1,459.08	1,298.36	30.00	1,328.36
	Bi-Weekly Full -Time Employees ⁽¹⁾	Single	295.76	25.00	320.76	295.76	7.50	303.26
		Family	632.03	90.00	722.03	632.03	32.15	664.18
		Spouse	714.54	15.00	729.54	649.18	15.00	664.18
"Payalls"	Monthly Full -Time Employees ^(1,2)	Single	637.34	8.34	645.68	598.18	8.34	606.52
		Family	1,429.06	30.00	1,459.06	1,298.36	30.00	1,328.36
	Bi-Weekly Full -Time Employees ^(1,2)	Single	318.67	4.17	322.84	299.09	4.17	303.26
		Family	714.53	15.00	729.53	649.18	15.00	664.18
COBRA	Monthly ⁽³⁾	Single	0.00	654.35	654.35	0.00	576.16	576.16
		Family	0.00	1,472.94	1,472.94	0.00	1,269.93	1,269.93
Early Retirees	Monthly	Single	0.00	641.52	641.52	0.00	564.86	564.86
		Family	0.00	1,444.06	1,444.06	0.00	1,245.03	1,245.03
Overage Dependents		Single	0.00	641.52	641.52	0.00	564.86	564.86

Medicare Monthly Premium Rates

Plan Name	Plan Type	Medicare I	Medicare II	Medicare III
		One Eligible ⁽⁵⁾	One Under/Over ⁽⁶⁾	Both Eligible ⁽⁷⁾
Self-Insured PPO / HMO	Standard	359.61	1,036.90	719.22
	HIHP	271.07	849.19	542.15
Capital Health Plan ⁽⁸⁾	Standard	275.00	844.77	550.00
	HIHP	249.75	756.16	499.50
Florida Health Care Plan ⁽⁸⁾	Standard	50.00	714.85	100.00
	HIHP	50.00	598.36	100.00

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

(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) Medicare eligible members who enroll with either CHP or FHCP must also enroll in a Medicare Advantage Prescription Drug ("MAPD") plan with CHP or FHCP.