

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

August 4, 2016

The outlook for the State Employees' Health Insurance Trust Fund has been revised to reflect actual enrollment, revenues, and expenses for FY 2015-16; state health insurance premium increases established in the 2016 General Appropriations Act (GAA) Section 8; the impact of House Bill 221 enacted in the 2016 Legislative Session; self-insured HMO Administrative Service Only (ASO) contract extensions effective January 1, 2017; and finalization of the mediation and settlement agreement with the previous Pharmacy Benefits Manager (PBM). The fund is expected to remain solvent through FY 2017-18, with increases in ending cash balances for all years of the forecast period when compared to the January outlook.

For FY 2015-16, the ending cash balance increased from \$535.5 million to \$567.0 million; for FY 2016-17, the ending cash balance increased from \$379.0 million to \$515.7 million; and for FY 2017-18, the ending cash balance increased from \$3.0 million to \$320.5 million. The outlook for subsequent years shows that expenses are expected to exceed revenues by an amount that generates a negative cash flow of -\$134.0 million in FY 2018-19, -\$758.2 million in FY 2019-20, and -\$1,114.0 million in FY 2020-21.

A complete Executive Summary outlining all of the changes since the January 2016 Conference can be found in the Report on the Financial Outlook Conference packet. The following are the **major** net changes in the forecast for the current and out-years (dollar values shown are the FY 2016-17 changes between the January 2016 and August 2016 Conferences):

- Revenue from Insurance Premiums (+\$76.4 million) – The net increase in the forecast is primarily driven by the increase in premium rates effective December 2016 for January 2017 coverage, established in the 2016 GAA.
- Revenue from PBM Rebates (+\$14.9 million) – In previous outlooks, PBM rebates were forecasted at the contracted quarterly minimum guarantee level, however in this outlook PBM rebates are projected based on the actual rebates collected in FY 2015-16.
- Expenses for PPO Plan Medical Claims (+\$3.7 million) – The net increase in the forecast is due to an increase in the per subscriber base cost for FY 2015-16, an increase in the projected enrollment from 83,899 to 84,034, and the impact of House Bill 221, which required specified coverage for treatment of Down syndrome and provided requirements for settlement of balanced billing disputes.
- Expenses for PPO Plan Prescription Drug Claims (+\$4.1 million) – The net increase in the forecast is due to an increase in the per subscriber base cost for FY 2015-16 and an increase in the projected enrollment, which outweigh the decrease in the forecasted cost growth factor from 13.1% to 11.1%.

- Expenses for HMO Plan Medical Claims (-\$14.3 million) - The net decrease in the forecast is due to a decrease in the per subscriber base cost for FY 2015-16 and a decrease in the projected enrollment from 59,578 to 59,302, which considerably outweigh the small positive impact of House Bill 221.
- Expenses for HMO Plan Prescription Drug Claims (-\$7.8 million) - The net decrease in the forecast is due to a decrease in the projected enrollment and a decrease in the forecasted cost growth factor from 14.6% to 11.2%, which considerably outweigh the increase in per subscriber base cost for FY 2015-16.

Financial Outlook for FY 2016-17 and FY 2017-18
Changes to Conference Forecast – August 2016 Compared to January 2016
(In Millions)

	FY 2016-17			FY 2017-18		
	Jan-16	Aug-16	Difference	Jan-16	Aug-16	Difference
Beginning Cash Balance	\$535.5	\$567.0	\$31.5	\$379.0	\$515.7	\$136.7
Total Revenues	2,253.6	2,345.1	91.5	2,277.5	2,434.2	156.7
Total Expenses	2,410.1	2,396.4	(13.7)	2,653.5	2,629.4	(24.1)
Operating Gain/(Loss)	(156.5)	(51.3)	105.2	(376.0)	(195.2)	180.8
Ending Cash Balance	\$379.0	\$515.7	\$136.7	\$3.0	\$320.5	\$317.5

Special Notes

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, 2016 through June 30, 2021

**Adopted August 4, 2016, 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 (the Division) prepared a financial Outlook for the State Employees' Group Health Self-Insurance Trust Fund (Trust Fund) for the fiscal years (FY) ending June 30, 2016, through June 30, 2021. 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 Outlook builds on the financial and enrollment data presented in the January 2016 Report on the Financial Outlook with adjustments for the following:

1. Actual FY 2015-16 enrollment, revenues and expenses.
2. State health insurance premium increases established in the 2016 General Appropriations Act (GAA) (Section 8).
3. Impact of House Bill 221 enacted in the 2016 Legislative Session.
4. Self-insured Health Maintenance Organization (HMO) Administrative Service Only (ASO) contract extensions effective January 1, 2017.
5. Finalization of mediation and settlement agreement with previous Pharmacy Benefits Manager (PBM).

The 2016 GAA established State Group Health Insurance Standard and High Deductible health plan premium increases for all Active, COBRA, Early Retiree, and Medicare categories for coverage effective January 1, 2017. This Outlook reflects changes to revenue projections impacted by these premium increases. Also contained in this report is the impact of increased expenses attributed to House Bill 221, enacted during the 2016 Legislative Session. This legislation requires specified health insurance plans and HMOs to provide specified coverage for the treatment of Down syndrome; requires hospitals, ambulatory surgical centers, specialty hospitals, and urgent care centers to comply with certain emergency care provisions; and provides patient protection against medical provider balance billing.

This Outlook reflects increases in revenues and reductions in expenses for all years included in the report compared to the January 2016 Outlook. Increases in ending cash balances are reflected for FY 2015-16 through 2017-18, and deficits reflected in the prior Outlook have been decreased in FY 2018-19 through FY 2020-21. The report reflects the Trust Fund is projected to remain solvent through FY 2017-18.

The ending cash balance for FY 2015-16 is adjusted from \$535.5 million to \$567.0 million, and the previously reported operating gain of \$12.9 million increased to \$33.3 million. For FY 2016-17 the forecasted ending cash balance is adjusted from \$379.0 million to \$515.7 million, and the estimated operating loss is decreased from \$156.5 million to \$51.3 million. For FY 2017-18 the forecasted ending cash balance is adjusted from \$3.0 million to \$320.5 million, and the operating loss is reduced from \$376.0 million to \$195.2 million. Ending cash balance deficits and operating losses are projected for FY 2018-19, FY 2019-20, and FY 2020-21.

Below is a summary of the Outlook for the Trust Fund through FY 2020-21.

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
Beginning Cash Balance	\$ 533.7	\$ 567.0	\$ 515.7	\$ 320.5	\$ 0.0	\$ 0.0
Total Revenues	\$ 2,238.5	\$ 2,345.1	\$ 2,434.2	\$ 2,457.5	\$ 2,486.8	\$ 2,516.4
Total Expenses	\$ 2,205.2	\$ 2,396.4	\$ 2,629.4	\$ 2,912.0	\$ 3,245.0	\$ 3,630.4
Operating Gain/(Loss)	\$ 33.3	\$ (51.3)	\$ (195.2)	\$ (454.5)	\$ (758.2)	\$ (1,114.0)
Ending Cash Balance	\$ 567.0	\$ 515.7	\$ 320.5	\$ (134.0)	\$ (758.2)	\$ (1,114.0)

Note: Assumes no carry forward of negative cash balance.

Enrollment

Final actual enrollment for FY 2015-16 reflects 173,483 average subscribers and 191,227 average dependents, totaling 364,710 average covered lives. Approximately 48.6% of subscribers were enrolled in Preferred Provider Organization (PPO) plans, and 51.4% enrolled in HMO plans. Subscriber enrollment in single coverage plans was 47.1%, and 52.9% were enrolled in family plans which had an average size of 3.1 members. Enrollment for FY 2016-17 through FY 2018-19 continues to reflect increasing enrollment trends in the Active coverage category with growth of 1.3% annually. The Early Retiree coverage categories are projected to increase an average of 0.6% annually, and enrollment in the Medicare coverage categories are expected to increase 0.4%. Total enrollment is projected to increase an average of 1.1% year over year throughout the forecast period.

Subscriber migration patterns indicate continuing change in the enrollment distribution between the PPO plans and the HMO plans. Overall enrollment projections across all years of the forecast reflect an average annual decrease of 0.5% in PPO plans and an average increase of 2.5% in HMO plans.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

As of June 2016, approximately 2,762 subscribers, or 1.6%, were enrolled in a High Deductible Health Plan (HDHP), which reflects no change from the prior Outlook. Active employees account for 96.7% of these subscribers, of which 84.3% are participating in the integrated state-sponsored Health Savings Account (HSA) offering.

As of July 2016, 25,940 eligible employees, or 15.6%, opted out of enrollment in the Program; 39.0% of those were eligible employees in Other Personal Services positions. The previous Outlook reflected 16.2% opted out of coverage; 36.8% were in OPS positions.

REVENUE

This Outlook reflects an increase in the beginning cash balance of \$11.1 million in FY 2015-16 compared to the January report due to the finalization of a settlement agreement with the previous PBM.

Actual premium revenue received during FY 2015-16 was \$2.1 billion, \$12.9 million less than projected in the prior forecast due to enrollment updates and lower actual premium receipts. Investment earnings received during FY 2015-16 were \$7.2 million, \$0.6 million more than previously projected, based on higher actual investment earnings. Refunds received for medical claims overpayments were \$4.0 million more than the previous forecast, with actual receipts of \$14.7 million. Pharmacy rebates received during FY 2015-16 totaled \$84.3 million, \$16.2 million higher than previously forecasted based on actual rebates received. This forecast also reflects the year-end pretax transfer of \$20.7 million, required by Florida Statute 110.161(8). Medicare drug subsidy payments received during FY 2015-16 were \$17.3 million, down \$0.8 million due to lower than projected enrollment and lower actual subsidy collections. Other revenue received during the period was \$13.5 million due primarily to the collection of performance penalty payments received from the current and prior PBMs. Actual revenues received during FY 2015-16 were \$2.2 billion, reflecting an increase of \$20.2 million higher than projected in the previous Outlook.

Other significant revenue changes in this forecast are primarily driven by the increased premium contributions effective January 1, 2017, established in the 2016 GAA. Combined premium contribution revenues for FY 2016-17 through 2020-21 are \$670.3 million higher than projected in the prior Outlook. Investment earnings are projected slightly higher in FY 2016-17 and 2017-18. TPA refunds reflect decreases in all years of \$1.4 million due to actual activity. In previous forecasts, PBM rebates were based on the contracted quarterly minimum guarantee requirements, however for this Outlook, PBM rebates are being increased in each of the out years to reflect the FY 2015-16 actual rebates collected. Rebate revenues across all years reflect a combined increase of \$31.3 million higher than the previous forecast due to this change in forecasting methodology. Medicare drug subsidies reflect a decreased combined projection of \$5.1 million due to decreased enrollment projections and lower projected per member subsidies.

SPEND

Total expenses paid in FY 2015-16 for self-insured PPO and HMO medical claims were \$1.3 billion, which was \$8.9 million lower than the January forecast due to lower than expected HMO claims. ASO fee expenses paid during the fiscal year were \$45.5 million. Total pharmacy claim expenses were \$542.0 million, up \$9.6 million from the prior forecast due to higher than expected pharmacy claims; PPO was up \$8.5 million and HMO was up \$1.1 million. FY 2015-16 fully-insured premium expenses were \$294.2 million, reflecting a decrease of \$1.7 million due to enrollment updates. Health savings account expenses were \$3.1 million, reflecting no change from the prior report. Operating costs were \$3.0 million; \$0.5 million lower than the prior Outlook due to lower actual costs. Actual premium refunds for the period were \$5.9 million, reflecting an increase of \$0.8 million due to higher actuals than previously forecasted. Actual other expenses for FY 2015-16 totaled \$12.4 million which is attributed to annual Patient Center Outcome and Research Institute and reinsurance fees required by the Patient Protection and Affordable Care Act, 42 U.S.C. § 18001 (2010).

The forecast of the out years, FY 2016-17 through 2020-21, reflect a combined projected increase of \$14.6 million in self-insured PPO expenses across all years. PPO medical claims projections are \$33.0 million higher due to resetting the year-end base and increased enrollment projections. PPO pharmacy expenses reflect a combined decrease across all years of \$19.0 million due to enrollment updates and reduced growth factors. PPO ASO fees and PBM claims administration fees reflect a combined increase of \$0.6 million due to enrollment projections.

The forecast of the out years, FY 2016-17 through 2020-21, reflects a combined decrease of \$195.0 million in fully-insured and self-insured HMO expenses across all years. HMO medical claims decreased \$86.5 million due to resetting the year-end base and updated enrollment projections. HMO pharmacy expenses reflect a combined decrease across all years of \$102.7 million due to enrollment updates and reduced growth factors. HMO ASO fees and PBM administration fees reflect an increase of \$6.0 million due to enrollment shifts and increased contract rates. Premium payments reflect a combined decrease across all years totaling \$11.8 million, due to enrollment projections and enrollment category shifts.

Due to recent reports of Zika virus specific to the state of Florida, it should be noted that this Outlook does not reflect any fiscal impact applicable to the treatment of the virus. Research is underway to develop a vaccine, however the launch date and estimated costs are indeterminate. The Trust Fund may be impacted by costs for the Zika virus vaccines when they become available, however this Outlook does not include any projected costs that may be incurred in the future.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

During the 2016 Legislative Session, House Bill 221 was passed requiring health plans and HMOs to provide specified coverage for the treatment of Down syndrome effective July 1, 2016. This legislation mandates that unlimited physical therapy, occupational therapy, speech therapy and applied behavior analysis be provided to eligible individuals. The estimated impact to the Trust Fund included in the expense forecast is \$1.6 million for FY 2016-17; \$1.7 million for FY 2017-18; \$1.9 million for FY 2018-19; \$2.0 million for FY 2019-20; and \$2.2 million for FY 2020-21.

HB 221 also prohibits non-network providers from balance billing patients any amount above what the health plan allows for emergency services; and, requires health plans to pay for non-emergency services provided in a hospital, ambulatory or mobile surgical facility, or urgent care center when the patient does not have the opportunity to choose an in-network provider. The PPO network provider and one self-insured HMO network provider indicated no changes are required to existing non-network payment policies, resulting in no financial impact to the Trust Fund. One self-insured HMO network provider indicated minimal fiscal impact, and one self-insured HMO projected savings due to future application of usual and customary reimbursements. The combined estimated impact included in the expense forecast, are savings of \$0.7 million, FY 2016-17; FY 2017-18, \$0.8 million; FY 2018-19, \$1.0 million; FY 2019-20, \$1.1 million; FY 2020-21, \$1.2 million.

Growth factors used to develop this Outlook are reflected below:

PPO MEDICAL							
Industry Range for CYs 2015-16: 3.0% - 7.8%							
	FY 15-16		FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
January 2016 Conference	6.0%	4.6%	6.0%	6.5%	7.0%	7.5%	8.0%
August 2016 Conference	n/a	5.3%	6.0%	6.5%	7.0%	7.5%	8.0%

HMO MEDICAL							
Industry Range for CYs 2015-16: 3.0% - 7.8%							
	FY 15-16		FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
January 2016 Conference	6.5%	5.9%	6.5%	7.0%	7.5%	8.0%	8.5%
August 2016 Conference	n/a	4.6%	6.5%	7.0%	7.5%	8.0%	8.5%

PPO PHARMACY							
Industry Range for CYs 2015-16: 8.6% - 11.3%							
	FY 15-16		FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
January 2016 Conference	-2.1%	-4.9%	13.1%	15.9%	16.2%	17.2%	17.2%
August 2016 Conference	n/a	-2.1%	11.1%	14.3%	15.5%	15.9%	15.9%

HMO PHARMACY							
Industry Range for CYs 2015-16: 8.6% - 11.3%							
	FY 15-16		FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
January 2016 Conference	-1.9%	-5.2%	14.6%	16.2%	16.2%	17.2%	17.2%
August 2016 Conference	n/a	-4.6%	11.2%	14.6%	15.5%	16.2%	16.2%

FULLY INSURED HMO PREMIUM PAYMENTS							
Industry Range for CYs 2015-16: 4.1% - 6.2%							
	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
January 2016 Conference	3.6%*	4.7%*	6.0%	6.5%	7.0%	7.5%	8.0%
August 2016 Conference	3.6%*	4.7%*	6.0%	6.5%	7.0%	7.5%	8.0%

*Actual trend rates

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit I

Financial Outlook by Fiscal Year ⁽¹⁾
 Changes to Conference Forecast - August 2016 Compared to January 2016
 (In Millions)

	FY 2015-16			FY 2016-17			FY 2017-18			FY 2018-19			FY 2019-20			FY 2020-21		
	Jan '16	Aug '16	Diff.	Jan '16	Aug '16	Diff.	Jan '16	Aug '16	Diff.	Jan '16	Aug '16	Diff.	Jan '16	Aug '16	Diff.	Jan '16	Aug '16	Diff.
BEGINNING CASH BALANCE	\$ 522.6	\$ 533.7	\$ 11.1	\$ 535.5	\$ 567.0	\$ 31.5	\$ 379.0	\$ 515.7	\$ 136.7	\$ 3.0	\$ 320.5	\$ 317.5	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾	\$ -	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾	\$ -
REVENUES:																		
Insurance Premiums ⁽³⁾	\$ 2,093.7	\$ 2,080.8	\$ (12.9)	\$ 2,124.5	\$ 2,200.9	\$ 76.4	\$ 2,149.3	\$ 2,292.1	\$ 142.8	\$ 2,174.5	\$ 2,321.5	\$ 147.0	\$ 2,200.3	\$ 2,350.8	\$ 150.5	\$ 2,226.7	\$ 2,380.3	\$ 153.6
Investment Earnings	6.6	7.2	0.6	5.7	7.3	1.6	2.4	5.6	3.2	-	-	-	-	-	-	-	-	-
TPA & Self-Insured HMO Refunds	10.7	14.7	4.0	14.6	13.2	(1.4)	14.6	13.2	(1.4)	14.6	13.2	(1.4)	14.6	13.2	(1.4)	14.6	13.2	(1.4)
PBM Rebates	68.1	84.3	16.2	69.4	84.3	14.9	73.5	84.3	10.8	76.9	84.3	7.4	80.5	84.3	3.8	89.9	84.3	(5.6)
Pretax Trust Fund Transfer	19.0	20.7	1.7	19.0	20.7	1.7	19.0	20.7	1.7	19.0	20.7	1.7	19.0	20.7	1.7	19.0	20.7	1.7
Medicare Part D Subsidy	18.1	17.3	(0.8)	20.4	18.7	(1.7)	18.7	18.3	(0.4)	18.8	17.8	(1.0)	18.8	17.8	(1.0)	18.9	17.9	(1.0)
Other Revenues	2.1	13.5	11.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 2,218.3	\$ 2,238.5	\$ 20.2	\$ 2,253.6	\$ 2,345.1	\$ 91.5	\$ 2,277.5	\$ 2,434.2	\$ 156.7	\$ 2,303.8	\$ 2,457.5	\$ 153.7	\$ 2,333.2	\$ 2,486.8	\$ 153.6	\$ 2,369.1	\$ 2,516.4	\$ 147.3
TOTAL CASH AVAILABLE	\$ 2,740.9	\$ 2,772.2	\$ 31.3	\$ 2,789.1	\$ 2,912.1	\$ 123.0	\$ 2,656.5	\$ 2,949.9	\$ 293.4	\$ 2,306.8	\$ 2,778.0	\$ 471.2	\$ 2,333.2	\$ 2,486.8	\$ 153.6	\$ 2,369.1	\$ 2,516.4	\$ 147.3
EXPENSES:																		
PPO Plan	\$ 954.9	\$ 965.4	\$ 10.5	\$ 1,025.9	\$ 1,033.9	\$ 8.0	\$ 1,113.6	\$ 1,118.6	\$ 5.0	\$ 1,215.4	\$ 1,219.9	\$ 4.5	\$ 1,336.8	\$ 1,337.9	\$ 1.1	\$ 1,477.4	\$ 1,473.4	\$ (4.0)
Medical Claims	636.9	639.2	2.3	671.0	674.7	3.7	708.7	713.7	5.0	752.0	758.4	6.4	801.6	809.7	8.1	858.6	868.4	9.8
ASO Fee	17.7	17.6	(0.1)	17.6	17.7	0.1	17.5	17.5	-	17.3	17.4	0.1	17.2	17.3	0.1	17.1	17.2	0.1
Prescription Drug Claims	298.1	306.6	8.5	335.1	339.2	4.1	385.3	385.2	(0.1)	444.0	442.0	(2.0)	515.9	508.8	(7.1)	599.6	585.7	(13.9)
PBM Claims Administration	2.2	2.0	(0.2)	2.2	2.3	0.1	2.1	2.2	0.1	2.1	2.1	-	2.1	2.1	-	2.1	2.1	-
HMO Plan	\$ 1,226.3	\$ 1,215.4	\$ (10.9)	\$ 1,362.8	\$ 1,339.8	\$ (23.0)	\$ 1,525.7	\$ 1,495.2	\$ (30.5)	\$ 1,714.7	\$ 1,678.0	\$ (36.7)	\$ 1,939.2	\$ 1,893.0	\$ (46.2)	\$ 2,202.2	\$ 2,143.6	\$ (58.6)
Premium Payments	295.9	294.2	(1.7)	317.8	315.7	(2.1)	343.5	341.2	(2.3)	372.7	370.4	(2.3)	406.2	403.8	(2.4)	444.8	442.1	(2.7)
Medical Claims	667.3	656.1	(11.2)	737.7	723.4	(14.3)	818.5	802.9	(15.6)	911.2	894.2	(17.0)	1,018.2	999.4	(18.8)	1,141.7	1,120.9	(20.8)
ASO Fee	26.9	27.9	1.0	27.4	28.4	1.0	28.4	29.5	1.1	29.4	30.6	1.2	30.4	31.7	1.3	31.5	32.7	1.2
Prescription Drug Claims	234.3	235.4	1.1	277.9	270.1	(7.8)	333.2	319.5	(13.7)	399.3	380.7	(18.6)	482.2	455.9	(26.3)	581.9	545.6	(36.3)
PBM Claims Administration	1.9	1.8	(0.1)	2.0	2.2	0.2	2.1	2.1	-	2.1	2.1	-	2.2	2.2	-	2.3	2.3	-
HSA Deposits ⁽³⁾	3.1	3.1	-	3.4	3.8	0.4	3.4	3.9	0.5	3.4	3.9	0.5	3.4	3.9	0.5	3.4	3.9	0.5
Operating Costs & Admin Assessment	3.5	3.0	(0.5)	3.5	3.6	0.1	3.5	3.6	0.1	3.5	3.6	0.1	3.5	3.6	0.1	3.5	3.6	0.1
Premium Refunds	5.1	5.9	0.8	5.1	5.9	0.8	5.1	5.9	0.8	5.1	5.9	0.8	5.1	5.9	0.8	5.1	5.9	0.8
Other Expenses ⁽⁴⁾	12.5	12.4	(0.1)	9.4	9.4	-	2.2	2.2	-	0.7	0.7	-	0.7	0.7	-	-	-	-
TOTAL EXPENSES	\$ 2,205.4	\$ 2,205.2	\$ (0.2)	\$ 2,410.1	\$ 2,396.4	\$ (13.7)	\$ 2,653.5	\$ 2,629.4	\$ (24.1)	\$ 2,942.8	\$ 2,912.0	\$ (30.8)	\$ 3,288.7	\$ 3,245.0	\$ (43.7)	\$ 3,691.6	\$ 3,630.4	\$ (61.2)
EXCESS OF REV. OVER EXP.	\$ 12.9	\$ 33.3	\$ 20.4	\$ (156.5)	\$ (51.3)	\$ 105.2	\$ (376.0)	\$ (195.2)	\$ 180.8	\$ (639.0)	\$ (454.5)	\$ 184.5	\$ (955.5)	\$ (758.2)	\$ 197.3	\$ (1,322.5)	\$ (1,114.0)	\$ 208.5
ENDING CASH BALANCE ⁽⁵⁾	\$ 535.5	\$ 567.0	\$ 31.5	\$ 379.0	\$ 515.7	\$ 136.7	\$ 3.0	\$ 320.5	\$ 317.5	\$ (636.0)	\$ (134.0)	\$ 502.0	\$ (955.5)	\$ (758.2)	\$ 197.3	\$ (1,322.5)	\$ (1,114.0)	\$ 208.5
ADDITIONAL INFORMATION																		
Unreported PPO Plan Claims Liability ⁽⁶⁾	\$ 58.0	\$ 58.3	\$ 0.3	\$ 61.1	\$ 68.2	\$ 7.1	\$ 64.5	\$ 57.9	\$ (6.6)	\$ 68.4	\$ 61.4	\$ (7.0)	\$ 72.8	\$ 65.5	\$ (7.3)	\$ 78.0	\$ 70.2	\$ (7.8)
Unreported HMO Plan Claims Liability ⁽⁷⁾	70.6	59.5	(11.1)	85.3	72.8	(12.5)	94.6	80.8	(13.8)	105.3	89.9	(15.4)	117.6	100.4	(17.2)	131.8	112.6	(19.2)
Unreported PBM Claims Liability ⁽⁸⁾	5.3	5.4	0.1	6.1	6.1	(0.0)	7.2	7.0	(0.2)	8.4	8.2	(0.2)	10.0	9.6	(0.3)	11.8	11.3	(0.5)
Total Unreported Claims Liability	\$ 133.9	\$ 123.2	\$ (10.7)	\$ 152.5	\$ 147.1	\$ (5.4)	\$ 166.3	\$ 145.7	\$ (20.6)	\$ 182.1	\$ 159.5	\$ (22.6)	\$ 200.4	\$ 175.5	\$ (24.8)	\$ 221.6	\$ 194.1	\$ (27.5)

Highlights of Changes to Forecast

- A) Inclusion of actual enrollment through June 2016
- B) Inclusion of actual revenues and expenses through June 2016
- C) Increased the Interest Rate for Fiscal Years 2016-17 through 2020-21 from 1.25% to 1.35%
- D) Decreased PPO and HMO Rx claims annual growth factors
- E) Inclusion of GAA premium rates effective December 2016 for January 2017 coverage
- F) Inclusion of impact of House Bill 221
- G) Inclusion of new HMO contract rates
- H) Inclusion of impact of settlement with prior pharmacy benefits manager in the FY 2015-16 beginning cash balance

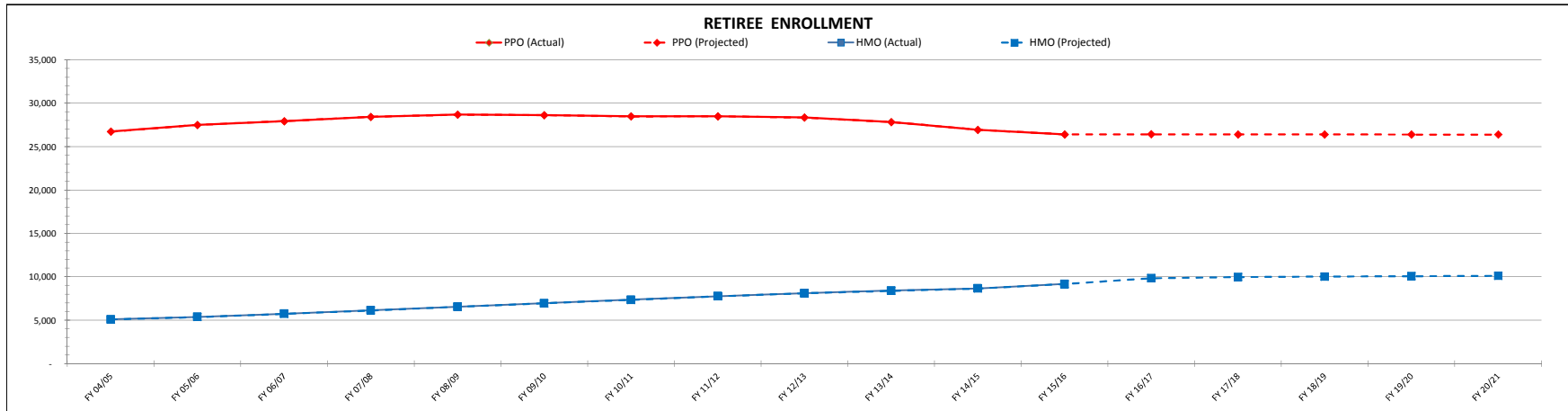
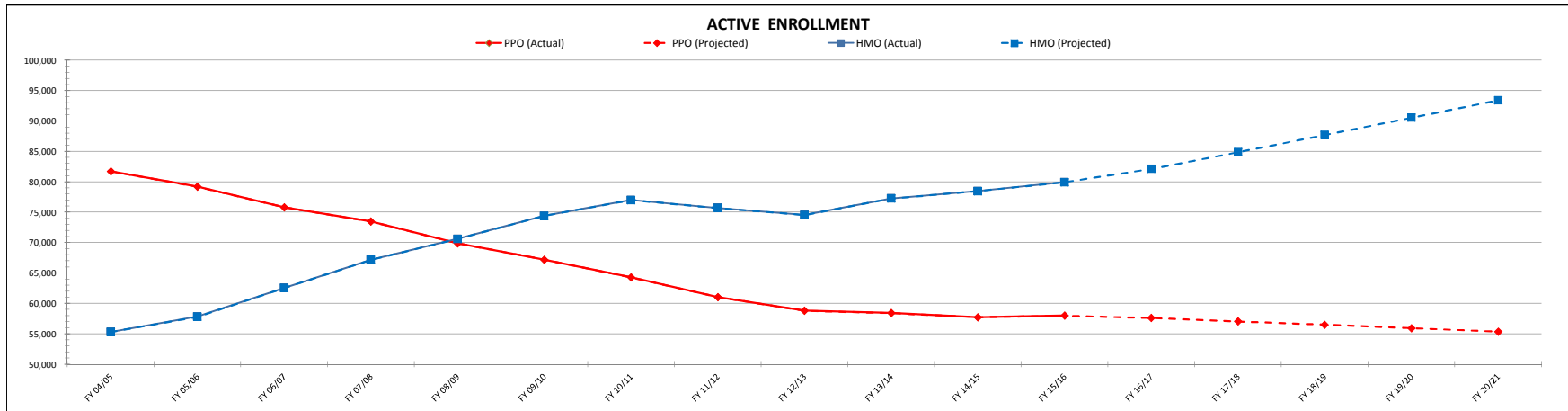
STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit II

Enrollment Outlook by Fiscal Year

Changes to Conference Forecast - August 2016 Compared to January 2016

	FY 2015-16			FY 2016-17			FY 2017-18			FY 2018-19			FY 2019-20			FY 2020-21		
	Jan '16	Aug '16	Diff.	Jan '16	Aug '16	Diff.	Jan '16	Aug '16	Diff.	Jan '16	Aug '16	Diff.	Jan '16	Aug '16	Diff.	Jan '16	Aug '16	Diff.
Average Enrollment by Plan																		
PPO Standard	82,469	82,428	(41)	81,975	81,946	(29)	81,319	81,385	66	80,655	80,822	167	79,997	80,255	258	79,355	79,690	335
PPO HIHP	1,917	1,962	45	1,924	2,088	164	1,904	2,088	184	1,885	2,079	194	1,869	2,071	202	1,851	2,070	219
HMO Standard	88,398	88,293	(105)	91,434	91,090	(344)	94,285	93,939	(346)	97,120	96,787	(333)	99,965	99,633	(332)	102,829	102,474	(355)
HMO HIHP	778	800	22	804	895	91	838	928	90	880	968	88	923	1,011	88	968	1,055	87
Total	173,562	173,483	(79)	176,137	176,019	(118)	178,346	178,340	(6)	180,540	180,656	116	182,754	182,970	216	185,003	185,289	286
Average Enrollment by Coverage Type																		
Active (Non-OPS) Standard	130,966	130,845	(121)	132,532	132,035	(497)	134,368	133,944	(424)	136,242	135,898	(344)	138,131	137,853	(278)	140,046	139,804	(242)
Active (Non-OPS) HIHP	2,366	2,439	73	2,381	2,654	273	2,372	2,664	292	2,368	2,668	300	2,367	2,675	308	2,366	2,690	324
OPS Standard	3,892	3,973	81	4,194	4,375	181	4,498	4,651	153	4,799	4,942	143	5,100	5,233	133	5,401	5,524	123
OPS HIHP	236	231	(5)	248	231	(17)	264	247	(17)	284	267	(17)	305	288	(17)	326	309	(17)
COBRA	423	418	(5)	424	439	15	424	439	15	424	439	15	424	439	15	424	439	15
Early Retiree	5,923	5,880	(43)	6,366	6,351	(15)	6,306	6,317	11	6,203	6,242	39	6,116	6,170	54	6,033	6,103	70
Medicare	29,756	29,697	(59)	29,992	29,934	(58)	30,114	30,078	(36)	30,220	30,200	(20)	30,311	30,312	1	30,407	30,420	13
Total	173,562	173,483	(79)	176,137	176,019	(118)	178,346	178,340	(6)	180,540	180,656	116	182,754	182,970	216	185,003	185,289	286



STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

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

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
BEGINNING CASH BALANCE	\$ 533.7	\$ 567.0	\$ 515.7	\$ 320.5	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾
REVENUES:						
Insurance Premiums:						
Employer	\$ 1,686.2	\$ 1,789.1	\$ 1,873.2	\$ 1,897.8	\$ 1,922.3	\$ 1,946.7
Employee	165.7	167.8	170.3	172.9	175.4	177.9
HSA Contributions ⁽³⁾	3.1	3.8	3.9	3.9	3.9	3.9
COBRA	4.5	4.8	5.0	5.0	5.0	5.0
Early Retiree	55.5	66.7	68.1	67.6	67.1	66.7
Medicare	165.8	168.7	171.6	174.3	177.1	180.1
Investment Earnings	7.2	7.3	5.6	0.0	0.0	0.0
PPO - TPA Refunds	7.0	7.2	7.2	7.2	7.2	7.2
PPO - PBM Rebates	49.6	49.6	49.6	49.6	49.6	49.6
HMO - Self-Insured Refunds	7.7	6.0	6.0	6.0	6.0	6.0
HMO - PBM Rebates	34.7	34.7	34.7	34.7	34.7	34.7
Pretax Trust Fund Transfer	20.7	20.7	20.7	20.7	20.7	20.7
PPO - Medicare Part D Subsidy	16.2	17.6	17.2	16.7	16.7	16.8
HMO - Medicare Part D Subsidy	1.1	1.1	1.1	1.1	1.1	1.1
Other Revenues	13.5	0.0	0.0	0.0	0.0	0.0
TOTAL REVENUES	\$ 2,238.5	\$ 2,345.1	\$ 2,434.2	\$ 2,457.5	\$ 2,486.8	\$ 2,516.4
TOTAL CASH AVAILABLE	\$ 2,772.2	\$ 2,912.1	\$ 2,949.9	\$ 2,778.0	\$ 2,486.8	\$ 2,516.4
EXPENSES:						
State PPO Plan:						
Medical Claims	\$ 639.2	\$ 674.7	\$ 713.7	\$ 758.4	\$ 809.7	\$ 868.4
ASO Fee	17.6	17.7	17.5	17.4	17.3	17.2
Prescription Drug Claims	306.6	339.2	385.2	442.0	508.8	585.7
PBM Claims Administration	2.0	2.3	2.2	2.1	2.1	2.1
HMO Plan:						
Premium Payments	294.2	315.7	341.2	370.4	403.8	442.1
Medical Claims	656.1	723.4	802.9	894.2	999.4	1,120.9
ASO Fee	27.9	28.4	29.5	30.6	31.7	32.7
Prescription Drug Claims	235.4	270.1	319.5	380.7	455.9	545.6
PBM Claims Administration	1.8	2.2	2.1	2.1	2.2	2.3
HSA Deposits ⁽³⁾	3.1	3.8	3.9	3.9	3.9	3.9
Operating Costs & Admin Assessment	3.0	3.6	3.6	3.6	3.6	3.6
Premium Refunds	5.9	5.9	5.9	5.9	5.9	5.9
Other Expenses ⁽⁴⁾	12.4	9.4	2.2	0.7	0.7	0.0
TOTAL EXPENSES	\$ 2,205.2	\$ 2,396.4	\$ 2,629.4	\$ 2,912.0	\$ 3,245.0	\$ 3,630.4
EXCESS OF REVENUES OVER EXPENSES	\$ 33.3	\$ (51.3)	\$ (195.2)	\$ (454.5)	\$ (758.2)	\$ (1,114.0)
ENDING CASH BALANCE ⁽⁵⁾	\$ 567.0	\$ 515.7	\$ 320.5	\$ (134.0)	\$ (758.2)	\$ (1,114.0)

ADDITIONAL INFORMATION

Total Unreported Claims Liability ⁽⁹⁾	\$ 123.2	\$ 147.1	\$ 145.7	\$ 159.5	\$ 175.5	\$ 194.1
Average Enrollment by Plan						
PPO Standard	82,428	81,946	81,385	80,822	80,255	79,690
PPO HIHP	1,962	2,088	2,088	2,079	2,071	2,070
HMO Standard	88,293	91,090	93,939	96,787	99,633	102,474
HMO HIHP	800	895	928	968	1,011	1,055
Total	173,483	176,019	178,340	180,656	182,970	185,289
Average Enrollment by Coverage Type						
Active (Non-OPS) Standard	130,845	132,035	133,944	135,898	137,853	139,804
Active (Non-OPS) HIHP	2,439	2,654	2,664	2,668	2,675	2,690
OPS Standard	3,973	4,375	4,651	4,942	5,233	5,524
OPS HIHP	231	231	247	267	288	309
COBRA	418	439	439	439	439	439
Early Retiree	5,880	6,351	6,317	6,242	6,170	6,103
Medicare	29,697	29,934	30,078	30,200	30,312	30,420
Total	173,483	176,019	178,340	180,656	182,970	185,289

Exhibit IV
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) Includes HSA contributions which approximate a split between employer and employee of 44% and 56%, respectively.
- 4) Other Expenses include the estimated impact of Patient-Centered Outcomes Research Institute (PCORI) fees and Transitional Reinsurance Fees. The Transitional Reinsurance Fees phase out after calendar year 2016.
- 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 Incurred but not Reported (IBNR) medical claims and outstanding drafts.
- 7) Includes estimated HMO IBNR medical claims and outstanding drafts.
- 8) Includes estimated PPO and HMO IBNR Rx claims.
- 9) Includes estimated PPO Plan and Self-Insured HMO Plans Incurred but not Reported (IBNR) claims and outstanding drafts.

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

\$ 535.5	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
11.1	Increase in Beginning Cash Balance due to finalization of litigation with prior Pharmacy Benefits Manager
20.2	Increase in Revenue Forecast
	(12.9) - Net decrease in Insurance Premiums
	(0.5) - Decrease in employer and enrollee Insurance Premiums due to lower actual than projected enrollment from 173,562 to 173,483
	(12.4) - Decrease in Insurance Premiums due to shifts in enrollment categories
	0.6 - Increase in Investment Earnings due to an increase in cash balance and interest rates
	1.0 - Increase in PPO - TPA Refunds due to higher actual activity
	9.4 - Increase in PPO - PBM Rebates due to higher actual rebates
	3.0 - Increase in HMO - Self-Insured Refunds due to higher actual activity
	6.8 - Increase in HMO - PBM Rebates due to higher actual rebates
	1.7 - Increase in Pretax Trust Fund Transfer due to higher actual FY 15-16 transfer
	(0.7) - Decrease in PPO - Medicare Part D Subsidy
	(0.1) - Decrease due to a decrease in actual Medicare enrollment from 23,348 to 23,246
	(0.6) - Decrease due to lower actual subsidies
	(0.1) - Decrease in HMO - Medicare Part D Subsidy due to lower actual subsidies
	11.4 - Increase in Other Revenues
	0.2 - Increase due to settlement from Pharmacy Benefits Manager
	11.1 - Increase due to Pharmacy Benefits Manager contract performance guarantees
	0.1 - Increase due to other non-recurring activity
(0.2)	Decrease in Expense Forecast
10.5	Increase in State PPO Plan
	2.3 - Increase in Medical Claims
	0.1 - Increase due to an increase in actual from projected enrollment from 84,386 to 84,390
	2.2 - Increase due to higher actual than projected claims experience
	(0.1) - Decrease in ASO Fee Expense due to timing of retro terminations
	8.5 - Increase in Prescription Drug Claims due to higher actual than projected claims experience
	(0.2) - Decrease in PBM Claims Administration due to timing of actual payments
(10.9)	Decrease in HMO Plan
	(1.7) - Decrease in Premium Payments
	0.1 - Increase due an increase in actual from projected enrollment from 31,795 to 31,811
	(1.8) - Decrease due to shifts in enrollment categories
	(11.2) - Decrease in Medical Claims
	(1.1) - Decrease due to a decrease in actual from projected enrollment from 57,378 to 57,282
	(10.1) - Decrease due to lower actual than projected claims experience
	1.0 - Increase in ASO Fee Expense due to shifts in enrollment between HMOs
	1.1 - Increase in Prescription Drug Claims
	(0.3) - Decrease due to a decrease in actual from projected enrollment from 84,362 to 84,246
	1.4 - Increase due to higher actual than projected claims experience
	(0.1) - Decrease in PBM Claims Administration due to timing of actual payments
0.2	Increase in Other Expense Categories
	(0.5) - Decrease in Operating Costs and Administrative Assessments due to lower actual than projected expenditures
	0.8 - Increase in Premium Refunds due to higher actual than projected expenditures
	(0.1) - Decrease in Other Expenses due to lower actual than projected non-recurring expenditures
567.0	Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in January 2016.

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

\$ 379.0	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
31.5	Increase in Beginning Cash Balance Forecast
91.5	Increase in Revenue Forecast
	76.4 - Net Increase in Insurance Premiums
	(1.1) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 176,137 to 176,019
	0.4 - Increase in projected employer and enrollee HSA contributions
	(11.4) - Decrease in Insurance Premiums due to shifts in enrollment categories
	88.5 - Increase in Insurance Premiums due to premium rates effective December 2016 for January 2017 coverage
	1.6 - Increase in Investment Earnings
	0.6 - Increase due to an increase in projected interest rate from 1.25% to 1.35%
	1.0 - Increase due to an increase in projected cash balance
	(2.4) - Decrease in PPO - TPA Refunds due to lower projected activity
	9.4 - Increase in PPO - PBM Rebates
	0.1 - Increase due to an increase in projected enrollment from 83,899 to 84,034
	9.3 - Increase due to adoption of FY 2015-16 actual rebates
	1.0 - Increase in HMO - Self-Insured Refunds due to higher projected activity
	5.5 - Increase in HMO - PBM Rebates
	(0.2) - Decrease due to a decrease in projected enrollment from 87,302 to 86,917
	5.7 - Increase due to adoption of FY 2015-16 actual rebates
	1.7 - Increase in Pretax Trust Fund Transfer due to higher actual FY 2015-16 transfer
	(1.6) - Decrease in PPO - Medicare Part D Subsidy
	(0.2) - Decrease due to a decrease in projected Medicare enrollment from 23,421 to 23,187
	(1.4) - Decrease due to lower projected subsidies
	(0.1) - Decrease in HMO-Medicare Part D Subsidy due to lower projected subsidies
(13.7)	Decrease in Expense Forecast
	8.0 Increase in State PPO Plan
	3.7 - Increase in Medical Claims
	1.1 - Increase due to an increase in projected enrollment from 83,899 to 84,034
	0.8 - Increase due to impact of House Bill 221
	1.9 - Increase due to higher base for FY 2015-16
	0.1 - Increase in ASO Fee Expense due to an increase in projected enrollment
	4.1 - Increase in Prescription Drug Claims
	0.5 - Increase due to an increase in projected enrollment
	(6.0) - Decrease due to decreased growth factor from 13.1% to 11.1%
	9.6 - Increase due to higher base for FY 2015-16
	0.1 - Increase in PBM Claims Administration due to timing of actual payments
(23.0)	Decrease in HMO Plan
	(2.1) - Decrease in Premium Payments
	0.2 - Increase due to an increase in projected enrollment from 32,656 to 32,680
	(2.3) - Decrease due to shifts in enrollment categories and between HMOs
(14.3)	Decrease in Medical Claims
	(3.4) - Decrease due to a decrease in projected enrollment from 59,578 to 59,302
	0.1 - Increase due to impact of House Bill 221
	(11.0) - Decrease due to lower base for FY 2015-16
	1.0 - Increase in ASO Fees
	(0.1) - Decrease due to a decrease in projected enrollment
	0.1 - Increase due to new contract rates effective December 31, 2016
	1.0 - Increase due to shifts in enrollment between HMOs
	(7.8) - Decrease in Prescription Drug Claims
	(1.2) - Decrease due to a decrease in projected enrollment from 87,302 to 86,917
	(8.1) - Decrease due to decreased growth factor from 14.6% to 11.2%
	1.5 - Increase due to higher base for FY 2015-16
	0.2 - Increase in PBM Claims Administration due to timing of actual payments
1.3	Increase in Other Expense Categories
	0.4 - Increase in projected employer and enrollee HSA Deposits
	0.1 - Increase in Operating Costs and Administrative Assessments due to actual budget appropriation
	0.8 - Increase in Premium Refunds due to higher base for FY 2015-16
515.7	Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in January 2016.

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

\$	3.0	Previous Ending Cash Balance Forecast⁽ⁱ⁾
	136.7	Increase in Beginning Cash Balance Forecast
	156.7	Increase in Revenue Forecast
	142.8	- Net increase in Insurance Premiums
	0.5	- Increase in projected employer and enrollee HSA contributions
	(10.7)	- Decrease in Insurance Premiums due to shifts in enrollment categories
	153.0	- Increase in Insurance Premiums due to premium rates effective December 2016 for January 2017 coverage
	3.2	- Increase in Investment Earnings
	0.4	- Increase due to an increase in projected interest rate from 1.25% to 1.35%
	2.8	- Increase due to an increase in projected cash balance
	(2.4)	- Decrease in PPO - TPA Refunds due to lower projected activity
	8.0	- Increase in PPO - PBM Rebates
	0.1	- Increase due to an increase in projected enrollment from 83,222 to 83,473
	7.9	- Increase due to adoption of FY 2015-16 actual rebates
	1.0	- Increase in HMO - Self-Insured Refunds due to higher projected activity
	2.8	- Increase in HMO - PBM Rebates
	(0.1)	- Decrease due to a decrease in projected enrollment from 90,123 to 89,736
	2.9	- Increase due to adoption of FY 2015-16 actual rebates
	1.7	- Increase in Pretax Trust Fund Transfer due to higher actual FY 2015-16 transfer
	(0.4)	- Decrease in PPO - Medicare Part D Subsidy
	(0.2)	- Decrease due to a decrease in projected Medicare enrollment from 23,454 to 23,243
	(0.2)	- Decrease due to lower projected per member subsidy
	(24.1)	Decrease in Expense Forecast
	5.0	Increase in State PPO Plan
	5.0	- Increase in Medical Claims
	2.1	- Increase due to an increase in projected enrollment from 83,222 to 83,473
	0.8	- Increase due to impact of House Bill 221
	2.1	- Increase due to higher base for FY 2015-16
	(0.1)	- Decrease in Prescription Drug Claims
	1.2	- Increase due to an increase in projected enrollment
	(12.2)	- Decrease due to decreased growth factor from 15.9% to 14.3%
	10.9	- Increase due to higher base for FY 2015-16
	0.1	- Increase in PBM Claims Administration due to an increase in projected enrollment
	(30.5)	Decrease in HMO Plan
	(2.3)	- Decrease in Premium Payments
	0.1	- Increase due to an increase in projected enrollment from 33,341 to 33,354
	(2.4)	- Decrease due to shifts in enrollment categories and between HMOs
	(15.6)	- Decrease in Medical Claims
	(3.5)	- Decrease due to a decrease in projected enrollment from 61,779 to 61,511
	0.1	- Increase due to impact of House Bill 221
	(12.2)	- Decrease due to lower base for FY 2015-16
	1.1	- Increase in ASO Fee Expense
	(0.1)	- Decrease due to a decrease in projected enrollment
	0.1	- Increase due to new contract rates effective December 31, 2016
	1.1	- Increase due to shifts in enrollment between HMOs
	(13.7)	- Decrease in Prescription Drug Claims
	(1.4)	- Decrease due to a decrease in projected enrollment from 90,123 to 89,736
	(14.2)	- Decrease due to decreased growth factor from 16.2% to 14.6%
	1.9	- Increase due to higher base for FY 2015-16
	1.4	Increase in Other Expense Categories
	0.5	- Increase in projected employer and enrollee HSA Deposits
	0.1	- Increase in Operating Costs and Administrative Assessments due to actual budget appropriation for FY 2016-17
	0.8	- Increase in Premium Refunds due to higher base for FY 2015-16
	320.5	Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in January 2016.

Exhibit VIII
Comparison of Financial Outlooks
Fiscal Year 2018-19
(In Millions)

\$ (636.0)	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
317.5	Increase in Beginning Cash Balance Forecast
153.7	Increase in Revenue Forecast
147.0	- Net increase in Insurance Premiums
1.6	- Increase in employer and enrollee Insurance Premiums due to higher projected enrollment from 180,540 to 180,656
0.5	- Increase in projected employer and enrollee HSA contributions
(10.0)	- Decrease in Insurance Premiums due to shifts in enrollment categories
154.9	- Increase in Insurance Premiums due to premium rates effective December 2016 for January 2017 coverage
(2.4)	- Decrease in PPO - TPA Refunds due to lower projected activity
6.8	- Increase in PPO - PBM Rebates
0.2	- Increase due to an increase in projected enrollment from 82,539 to 82,901
6.6	- Increase due to adoption of FY 2015-16 actual rebates
1.0	- Increase in HMO - Self-Insured Refunds due to higher projected activity
0.6	- Increase in HMO - PBM Rebates
(0.1)	- Decrease due to a decrease in projected enrollment from 92,947 to 92,566
0.7	- Increase due to adoption of FY 2015-16 actual rebates
1.7	- Increase in Pretax Trust Fund Transfer due to higher actual FY 2015-16 transfer
(1.0)	- Decrease in PPO - Medicare Part D Subsidy
(0.1)	- Increase due to an increase in projected Medicare enrollment from 23,493 to 23,294
(0.9)	- Decrease due to lower projected per member subsidy
(30.8)	Decrease in Expense Forecast
4.5	Increase in State PPO Plan
6.4	- Increase in Medical Claims
3.3	- Increase due to an increase in projected enrollment from 82,539 to 82,901
0.9	- Increase due to impact of House Bill 221
2.2	- Increase due to higher base for FY 2015-16
0.1	- Increase in ASO Fee Expense due to an increase in projected enrollment
(2.0)	- Decrease in Prescription Drug Claims
1.9	- Increase due to an increase in projected enrollment
(16.6)	- Decrease due to decreased growth factor from 16.2% to 15.5%
12.7	- Increase due to higher base for FY 2015-16
(36.7)	Decrease in HMO Plan
(2.3)	- Decrease in Premium Payments
0.2	- Increase due to an increase in projected enrollment from 34,005 to 34,028
(2.5)	- Decrease due to shifts in enrollment categories and between HMOs
(17.0)	- Decrease in Medical Claims
(3.8)	- Decrease due to a decrease in projected enrollment from 63,992 to 63,725
0.1	- Increase due to impact of House Bill 221
(13.3)	- Decrease due to lower base for FY 2015-16
1.2	- Increase in ASO Fee Expense
(0.1)	- Decrease due to a decrease in projected enrollment
0.1	- Increase due to new contract rates effective December 31, 2016
1.2	- Increase due to shifts in enrollment between HMOs
(18.6)	- Decrease in Prescription Drug Claims
(1.6)	- Decrease due to a decrease in projected enrollment from 92,947 to 92,566
(19.3)	- Decrease due to decreased growth factor from 16.2% to 15.5%
2.3	- Increase due to higher base for FY 2015-16
1.4	Increase in Other Expense Categories
0.5	- Increase in projected employer and enrollee HSA Deposits
0.1	- Increase in Operating Costs and Administrative Assessments due to actual budget appropriation for FY 2016-17
0.8	- Increase in Premium Refunds due to higher base for FY 2015-16
(134.0)	Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in January 2016.

Exhibit IX
Comparison of Financial Outlooks
Fiscal Year 2019-20
(In Millions)

\$ (955.5)	Previous Ending Cash Balance Forecast⁽ⁱ⁾
0.0	Increase in Beginning Cash Balance Forecast
153.6	Increase in Revenue Forecast
150.5	- Net increase in Insurance Premiums
2.7	- Increase in employer and enrollee Insurance Premiums due to higher projected enrollment from 182,754 to 182,970
0.5	- Increase in projected employer and enrollee HSA contributions
(9.7)	- Decrease in Insurance Premiums due to shifts in enrollment categories
157.0	- Increase in Insurance Premiums due to premium rates effective December 2016 for January 2017 coverage
(2.4)	- Decrease in PPO - TPA Refunds due to lower projected activity
5.6	- Increase in PPO - PBM Rebates
0.3	- Increase due to an increase in projected enrollment from 81,865 to 82,326
5.3	- Increase due to adoption of FY 2015-16 actual rebates
1.0	- Increase in HMO - Self-Insured Refunds due to higher projected activity
(1.8)	- Decrease in HMO - PBM Rebates
(0.1)	- Decrease due to a decrease in projected enrollment from 95,793 to 95,407
(1.7)	- Decrease due to adoption of FY 2015-16 actual rebates
1.7	- Increase in Pretax Trust Fund Transfer due to higher actual FY 2015-16 transfer
(0.9)	- Decrease in PPO - Medicare Part D Subsidy
(0.1)	- Decrease due to a decrease in projected Medicare enrollment from 23,513 to 23,345
(0.8)	- Decrease due to lower projected per member subsidy
(0.1)	- Decrease in HMO-Medicare Part D Subsidy due to lower projected subsidies
(43.7)	Decrease in Expense Forecast
1.1	Increase in State PPO Plan
8.1	- Increase in Medical Claims
4.5	- Increase due to an increase in projected enrollment from 81,865 to 82,326
0.9	- Increase due to impact of House Bill 221
2.7	- Increase due to higher base for FY 2015-16
0.1	- Increase in ASO Fee Expense due to an increase in projected enrollment
(7.1)	- Decrease in Prescription Drug Claims
2.9	- Increase due to an increase in projected enrollment
(24.8)	- Decrease due to decreased growth factor from 17.2% to 15.9%
14.8	- Increase due to higher base for FY 2015-16
(46.2)	Decrease in HMO Plan
(2.4)	- Decrease in Premium Payments
0.3	- Increase due to an increase in projected enrollment from 34,669 to 34,696
(2.7)	- Decrease due to shifts in enrollment categories and between HMOs
(18.8)	- Decrease in Medical Claims
(4.2)	- Decrease due to a decrease in projected enrollment from 66,218 to 65,946
0.0	- Increase due to impact of House Bill 221
(14.6)	- Decrease due to lower base for FY 2015-16
1.3	- Increase in ASO Fee Expense
(0.1)	- Decrease due to a decrease in projected enrollment
0.2	- Increase due to new contract rates effective December 31, 2016
1.2	- Increase due to shifts in enrollment between HMOs
(26.3)	- Decrease in Prescription Drug Claims
(1.9)	- Decrease due to a decrease in projected enrollment from 95,793 to 95,407
(27.1)	- Decrease due to decreased growth factor from 17.2% to 16.2%
2.7	- Increase due to higher base for FY 2015-16
1.4	Increase in Other Expense Categories
0.5	- Increase in projected employer and enrollee HSA Deposits
0.1	- Increase in Operating Costs and Administrative Assessments due to actual budget appropriation for FY 2016-17
0.8	- Increase in Premium Refunds due to higher base for FY 2015-16
(758.2)	Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in January 2016.

Exhibit IX
Comparison of Financial Outlooks
Fiscal Year 2020-21
(In Millions)

\$ (1,322.5)	Previous Ending Cash Balance Forecast ⁽ⁱ⁾
0.0	Increase in Beginning Cash Balance Forecast
147.3	Increase in Revenue Forecast
153.6	- Net increase in Insurance Premiums
3.5	- Increase in employer and enrollee Insurance Premiums due to higher projected enrollment from 185,003 to 185,289
0.5	- Increase in projected employer and enrollee HSA contributions
(9.2)	- Decrease in Insurance Premiums due to shifts in enrollment categories
158.8	- Increase in Insurance Premiums due to premium rates effective December 2016 for January 2017 coverage
(2.4)	- Decrease in PPO - TPA Refunds due to lower projected activity
1.4	- Increase in PPO - PBM Rebates
0.3	- Increase due to an increase in projected enrollment from 81,205 to 81,760
1.1	- Increase due to adoption of FY 2015-16 actual rebates
1.0	- Increase in HMO - Self-Insured Refunds due to higher projected activity
(7.0)	- Decrease in HMO - PBM Rebates
(0.1)	- Decrease due to a decrease in projected enrollment from 98,660 to 98,252
(6.9)	- Decrease due to adoption of FY 2015-16 actual rebates
1.7	- Increase in Pretax Trust Fund Transfer due to higher actual FY 2015-16 transfer
(0.9)	- Decrease in PPO - Medicare Part D Subsidy
(0.1)	- Decrease due to a decrease in projected Medicare enrollment from 23,556 to 23,400
(0.8)	- Decrease due to lower projected per member subsidy
(0.1)	- Decrease in HMO-Medicare Part D Subsidy due to lower projected subsidies
(61.2)	Decrease in Expense Forecast
(4.0)	Decrease in State PPO Plan
9.8	- Increase in Medical Claims
5.9	- Increase due to an increase in projected enrollment from 81,205 to 81,760
1.0	- Increase due to impact of House Bill 221
2.9	- Increase due to higher projected claims experience
0.1	- Increase in ASO Fee Expense due to an increase in projected enrollment
(13.9)	- Decrease in Prescription Drug Claims
4.1	- Increase due to an increase in projected enrollment
(35.1)	- Decrease due to decreased growth factor from 17.2% to 15.9%
17.1	- Increase due to higher base for FY 2015-16
(58.6)	Decrease in HMO Plan
(2.7)	- Decrease in Premium Payments due to shifts in enrollment categories and between HMOs
(20.8)	- Decrease in Medical Claims
(4.6)	- Decrease due to a decrease in projected enrollment from 68,445 to 68,169
0.0	- Increase due to impact of House Bill 221
(16.2)	- Decrease due to lower base for FY 2015-16
1.2	- Increase in ASO Fee Expense
(0.1)	- Decrease due to a decrease in projected enrollment
0.1	- Increase due to new contract rates effective December 31, 2016
1.2	- Increase due to shifts in enrollment between HMOs
(36.3)	- Decrease in Prescription Drug Claims
(2.4)	- Decrease due to a decrease in projected enrollment from 98,660 to 98,252
(37.2)	- Decrease due to decreased growth factor from 17.2% to 16.2%
3.3	- Increase due to higher base for FY 2015-16
1.4	Increase in Other Expense Categories
0.5	- Increase in projected employer and enrollee HSA Deposits
0.1	- Increase in Operating Costs and Administrative Assessments due to actual budget appropriation for FY 2016-17
0.8	- Increase in Premium Refunds due to higher base for FY 2015-16
(1,114.0)	Ending Cash Balance⁽¹⁾

⁽ⁱ⁾ Self Insurance Estimating Conference held in January 2016.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective December 2014 for January 2015 Coverage

(Premium rate change for CHP and FHCP Medicare 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 One Eligible ⁽⁵⁾	Medicare II One Under/Over ⁽⁶⁾	Medicare III 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	276.00	866.13	552.00
	HIHP	241.11	770.92	482.22
Florida Health Care Plan ⁽⁸⁾	Standard	46.00	710.85	92.00
	HIHP	46.00	594.36	92.00

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 2015 for January 2016 Coverage

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

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer ⁽⁴⁾	Enrollee	Total
Career Service / OPS	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
SES / SMS	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 One Eligible ⁽⁵⁾	Medicare II One Under/Over ⁽⁶⁾	Medicare III 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	276.00	893.92	552.00
	HIHP	251.20	814.71	502.40
Florida Health Care Plan ⁽⁸⁾	Standard	59.00	689.41	118.00
	HIHP	59.00	578.95	118.00

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) SES/SMS - 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 2016 for January 2017 Coverage

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

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer ⁽⁴⁾	Enrollee	Total
Career Service / OPS	Monthly Full -Time Employees ⁽¹⁾	Single	642.84	50.00	692.84	642.84	15.00	657.84
		Family	1,379.60	180.00	1,559.60	1,379.60	64.30	1,443.90
		Spouse	1,529.60	30.00	1,559.60	1,413.92	30.00	1,443.92
	Bi-Weekly Full -Time Employees ⁽¹⁾	Single	321.42	25.00	346.42	321.42	7.50	328.92
		Family	689.80	90.00	779.80	689.80	32.15	721.95
		Spouse	764.80	15.00	779.80	706.96	15.00	721.96
SES / SMS	Monthly Full -Time Employees ^(1,2)	Single	684.50	8.34	692.84	649.50	8.34	657.84
		Family	1,529.60	30.00	1,559.60	1,413.90	30.00	1,443.90
	Bi-Weekly Full -Time Employees ^(1,2)	Single	342.25	4.17	346.42	324.75	4.17	328.92
		Family	764.80	15.00	779.80	706.95	15.00	721.95
COBRA	Monthly ⁽³⁾	Single	0.00	706.70	706.70	0.00	628.50	628.50
		Family	0.00	1,590.79	1,590.79	0.00	1,387.78	1,387.78
Early Retirees	Monthly	Single	0.00	692.84	692.84	0.00	616.18	616.18
		Family	0.00	1,559.60	1,559.60	0.00	1,360.57	1,360.57
Overage Dependents		Single	0.00	692.84	692.84	0.00	616.18	616.18

Medicare Monthly Premium Rates				
Plan Name	Plan Type	Medicare I One Eligible ⁽⁵⁾	Medicare II One Under/Over ⁽⁶⁾	Medicare III Both Eligible ⁽⁷⁾
Self-Insured PPO / HMO	Standard	388.38	1,119.85	776.76
	HIHP	292.76	917.13	585.51
Capital Health Plan ⁽⁸⁾	Standard	276.00	893.92	552.00
	HIHP	251.20	814.71	502.40
Florida Health Care Plan ⁽⁸⁾	Standard	59.00	689.41	118.00
	HIHP	59.00	578.95	118.00

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) SES/SMS - 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.

**DIVISION OF STATE GROUP INSURANCE
PROJECTED IMPACT OF HB 221**

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Down Syndrome					
Aetna	\$ 120,898	\$ 154,674	\$ 197,735	\$ 252,688	\$ 322,630
AvMed	\$ 556,775	\$ 591,573	\$ 628,547	\$ 667,831	\$ 709,570
United	\$ 135,219	\$ 156,056	\$ 179,587	\$ 206,089	\$ 235,907
TOTAL HMO	\$ 812,891	\$ 902,304	\$ 1,005,869	\$ 1,126,608	\$ 1,268,106
Florida Blue	\$ 750,000	\$ 802,109	\$ 857,839	\$ 917,441	\$ 981,184
TOTAL COMBINED	\$ 1,562,891	\$ 1,704,413	\$ 1,863,708	\$ 2,044,049	\$ 2,249,291

Balanced Billing					
Aetna	\$ 10,827	\$ 13,851	\$ 17,708	\$ 22,629	\$ 28,892
AvMed	\$ -	\$ -	\$ -	\$ -	\$ -
United	\$ (730,181)	\$ (842,704)	\$ (969,769)	\$ (1,112,880)	\$ (1,273,895)
TOTAL HMO	\$ (719,354)	\$ (828,852)	\$ (952,061)	\$ (1,090,251)	\$ (1,245,003)
Florida Blue	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COMBINED	\$ (719,354)	\$ (828,852)	\$ (952,061)	\$ (1,090,251)	\$ (1,245,003)

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
DOWN SNYDROME					
Therapy Costs (PT/OT/ST)					
Aetna	\$ 14,435.55	\$ 18,468.56	\$ 23,610.17	\$ 30,171.76	\$ 38,522.96
AvMed	\$ 53,773.72	\$ 57,134.57	\$ 60,705.49	\$ 64,499.58	\$ 68,530.80
United	\$ 27,043.74	\$ 31,211.25	\$ 35,917.36	\$ 41,217.76	\$ 47,181.30
HMO COMBINED	\$ 95,253.01	\$ 106,814.39	\$ 120,233.02	\$ 135,889.10	\$ 154,235.06
Florida Blue	\$ 7,500.00	\$ 8,021.09	\$ 8,578.39	\$ 9,174.41	\$ 9,811.84
TOTAL COMBINED	\$ 102,753.01	\$ 114,835.48	\$ 128,811.41	\$ 145,063.51	\$ 164,046.91
ABA Costs					
Aetna	\$ 106,462.20	\$ 136,205.62	\$ 174,124.98	\$ 222,516.70	\$ 284,106.83
AvMed	\$ 503,001.10	\$ 534,438.67	\$ 567,841.09	\$ 603,331.16	\$ 641,039.35
United	\$ 108,174.96	\$ 124,845.02	\$ 143,669.45	\$ 164,871.05	\$ 188,725.20
HMO COMBINED	\$ 717,638.26	\$ 795,489.31	\$ 885,635.53	\$ 990,718.90	\$ 1,113,871.39
Florida Blue	\$ 7,500.00	\$ 8,021.09	\$ 8,578.39	\$ 9,174.41	\$ 9,811.84
TOTAL COMBINED	\$ 725,138.26	\$ 803,510.40	\$ 894,213.92	\$ 999,893.31	\$ 1,123,683.23
PMPY Cost					
Aetna	\$ 11,963.52	\$ 14,834.76	\$ 18,395.11	\$ 22,809.93	\$ 28,284.32
AvMed	\$ 37,250.85	\$ 38,203.30	\$ 39,226.76	\$ 40,318.81	\$ 41,484.67
United	\$ 16,902.34	\$ 19,507.03	\$ 19,954.09	\$ 22,898.76	\$ 23,590.65
HMO COMBINED	\$ 24,594.19	\$ 26,607.73	\$ 28,118.29	\$ 30,746.56	\$ 32,928.37
Florida Blue	\$ 15,000.00	\$ 16,042.19	\$ 17,156.79	\$ 18,348.83	\$ 19,623.69
TOTAL COMBINED	\$ 18,818.19	\$ 20,312.07	\$ 21,728.44	\$ 23,591.97	\$ 25,412.54
Prevalence Rate					
Aetna	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%
AvMed	0.0136%	0.0136%	0.0136%	0.0136%	0.0136%
United	0.0800%	0.0800%	0.0800%	0.0800%	0.0800%
HMO COMBINED	0.0242%	0.0240%	0.0244%	0.0242%	0.0246%
Florida Blue	0.0300%	0.0300%	0.0300%	0.0300%	0.0300%
TOTAL COMBINED	0.1218%	0.1217%	0.1230%	0.1228%	0.1241%
Number of Members					
Aetna	10	10	11	11	11
AvMed	15	15	16	17	17
United	8	8	9	9	10
HMO COMBINED	33	34	36	37	39
Florida Blue	50	50	50	50	50
TOTAL COMBINED	83	84	86	87	89
# of clinically supported intensity of therapy sessions per member					
Aetna	51 PMPY	51 PMPY	51 PMPY	51 PMPY	51 PMPY
AvMed					
United	100	100	100	100	100
HMO COMBINED	151	151	151	151	151
Florida Blue					
TOTAL COMBINED	151	151	151	151	151

Explanation of methodology used to develop estimate of financial impact:

AETNA - AETNA - BOB PT / OT / ST costs is \$0.08 PMPM & ABA Costs is \$0.59 PMPM for calendar year 2015. Assumed trend of 24%.

The balanced billing is calculating using the Allowed Costs of \$.73 PMPM (ABA + Therapy costs) for 2015-16. For years after 2016-17, a trend amount of 24% was applied to the Allowed PMPM costs. The PMPM was then applied to the total number of members (Enrollment * 2.32) for all 12 months of the year. Enrollment is from Row 22 of the file. This determined the total allowed costs per year for ABA and Therapy. I then subtracted the Down Syndrome costs paid for by the plan (calculated in the table below) for the balanced billing amounts per year. This results in the formula below:

$$\text{Balanced Billing} = (\text{Allowed PMPM} * (1 + \text{Trend}) * 12 * (\text{Enrollment} * 2.32)) - \text{Down Syndrome Paid PMPY}$$

AVMED - We assume the members will not utilize out of network providers for these services and therefore there will be no balance billing.

UNITED - The calculation is based on the fact that we currently reimburse based on billed charges to prevent member balance billing. HB221 adds in balance billing protection, and therefore, by applying reasonable and customary reimbursement, we will reduce the costs from current levels.

FLORIDA BLUE - Latest analysis estimates this portion of the bill to have little or no financial impact. However, the analysis assumed no change in our non-par payment policy. This is still being discussed/analyzed. If there is a significant change, we will communicate.