

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

**March 3, 2017**

The outlook for the State Employees' Health Insurance Trust Fund has been revised to reflect actual enrollment, revenues, and expenses through January 2017; adjusted enrollment due to an updated model using CY 2016 actual activity; and revised trends for PPO and HMO pharmacy claims. The fund is expected to remain solvent through FY 2018-19, with decreases in ending cash balances for FY 2016-17 and FY 2017-18 when compared to the December outlook and increases in ending cash balances for all subsequent years of the forecast period.

For FY 2016-17, the ending cash balance decreased from \$571.6 million to \$562.3 million; for FY 2017-18, the ending cash balance decreased from \$465.8 million to \$458.6 million; and for FY 2018-19, the ending cash balance increased from \$124.3 million to \$128.3 million. The outlook for subsequent years shows that expenses are expected to exceed revenues by an amount that generates a negative cash flow of -\$489.7 million in FY 2019-20, -\$949.5 million in FY 2020-21, and -\$1,365.4 million in FY 2021-22.

A complete Executive Summary outlining all of the changes since the December 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 December 2016 and March 2017 Conferences):

- Expenses for PPO Plan Medical Claims (+\$4.4 million) – The increase in the forecast is due to an increase in projected enrollment and higher actual than projected claims activity.
- Expenses for PPO Plan Prescription Drug Claims (+\$6.1 million) – The net increase in the forecast is due to an increase in the projected enrollment and higher actual than projected claims activity, which outweighed a decrease in the forecasted cost growth factor.
- Expenses for HMO Plan Medical Claims (-\$3.5 million) – The decrease in the forecast is due to a decrease in projected enrollment and lower actual than projected claims activity.
- Expenses for HMO Plan Prescription Drug Claims (+\$3.7 million) – The net increase in the forecast is due to higher actual than projected claims activity, which outweighed a decrease in projected enrollment and a decrease in the forecasted cost growth factor.

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

	FY 2016-17			FY 2017-18		
	Dec-16	Mar-17	Difference	Dec-16	Mar-17	Difference
Beginning Cash Balance	\$567.0	\$567.0	\$0.0	\$571.6	\$562.3	(\$9.3)
Total Revenues	2,346.5	2,347.9	1.4	2,444.0	2,439.1	(4.9)
Total Expenses	2,341.9	2,352.6	10.7	2,549.9	2,542.9	(7.0)
Operating Gain/(Loss)	4.7	(4.7)	(9.3)	(105.8)	(103.8)	2.1
<b>Ending Cash Balance</b>	<b>\$571.6</b>	<b>\$562.3</b>	<b>(\$9.3)</b>	<b>\$465.8</b>	<b>\$458.6</b>	<b>(\$7.2)</b>

**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.

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# **State Employees' Group Health Self-Insurance Trust Fund**

## **Report on the Financial Outlook**

**For the Fiscal Years Ending June 30, 2017 through June 30, 2022**

**Adopted March 3, 2017, by the  
Self-Insurance Estimating Conference**

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

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# STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

## EXECUTIVE SUMMARY

The Florida Division of State Group Insurance (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, 2017, through June 30, 2022. 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 December 2016 Report on the Financial Outlook with adjustments for the following:

1. Actual enrollment through January 2017.
2. Adjusted enrollment due to updated model using CY 2016 actual activity.
3. Actual revenues and expenses through January 2017.
4. Revised claims trends for PPO pharmacy claims and HMO pharmacy claims.

This Outlook reflects decreases in revenues and reductions in expenses for Fiscal Years 2017-18 through 2021-22 compared to the December 2016 Outlook. Slight decreases in ending cash balances are reflected for FY 2016-17 and 2017-18, and projected deficits reflected in the prior Outlook have decreased in FY 2019-20 through FY 2021-22. The report reflects that the Trust Fund is projected to remain solvent through FY 2018-19.

The ending cash balance for FY 2016-17 is adjusted from \$571.6 million to \$562.3 million, and the previously reported operating gain of \$4.7 million has become a loss of \$4.7 million. For FY 2017-18 the forecasted ending cash balance is adjusted from \$465.8 million to \$458.6 million, and the estimated operating loss is decreased from \$105.8 million to \$103.8 million. For FY 2018-19 the forecasted ending cash balance is adjusted from \$124.3 million to \$128.3 million, and the operating loss is reduced from \$341.4 million to \$330.2 million. Ending cash balance deficits and operating losses are projected for Fiscal Years 2019-20 through 2021-22.

Below is a summary of the Outlook for the Trust Fund through FY 2021-22.

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Beginning Cash Balance	\$ 567.0	\$ 562.3	\$ 458.6	\$ 128.3	\$ 0.0	\$ 0.0
Total Revenues	\$ 2,347.9	\$ 2,439.1	\$ 2,467.0	\$ 2,495.5	\$ 2,528.7	\$ 2,563.1
Total Expenses	\$ 2,352.6	\$ 2,542.9	\$ 2,797.3	\$ 3,113.6	\$ 3,478.2	\$ 3,928.5
Operating Gain/(Loss)	\$ (4.7)	\$ (103.8)	\$ (330.2)	\$ (618.0)	\$ (949.5)	\$ (1,365.4)
Ending Cash Balance	\$ 562.3	\$ 458.6	\$ 128.3	\$ (489.7)	\$ (949.5)	\$ (1,365.4)

Note: Assumes no carry forward of negative cash balance.

## Enrollment

Influencing all areas of the projections are changes to the enrollment forecast, due to updated enrollment activity through January 2017. Enrollment patterns for FY 2016-17 through FY 2021-22 continue to reflect positive enrollment trends in the Active coverage category with growth of 1.3% annually, compared to 1.4% projected in the last Outlook. Early Retiree enrollment is projected to decrease an average of 0.9% annually, compared to a decrease of 2.8% projected in December 2016. Enrollment in the Medicare coverage categories is expected to increase by 0.2% annually, compared to 0.3% projected in the prior Outlook. Total enrollment is projected to increase an average of 1.0% annually throughout the forecast period, rather than 1.1% projected in December 2016.

The impact of changes to the enrollment have resulted in decreased enrollment projections for all years of the forecast. For FY 2016-17 there is a decrease of 61 subscribers, 467 fewer subscribers for FY 2017-18, 928 fewer subscribers for FY 2018-19, 1,323 fewer subscribers for FY 2019-20, 1,703 fewer subscribers for FY 2020-21, and 2,083 fewer subscribers for FY 2021-22, compared to the December 2016 forecast.

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

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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 decrease of 0.4% in PPO plans, compared to a decrease of 0.2% in the last Outlook. The HMO plans reflect an average increase of 2.3% across all years, which remains unchanged from the December 2016 forecast.

As of January 2017, approximately 3,354 members (3,246 active employees) are enrolled in a High Deductible Health Plan (1.9% of total enrollment). Approximately 3,043, or 93.7%, of those active employees are participating in the integrated state-sponsored Health Savings Account offering.

The changes in enrollment between October 2016 and January 2017 reflect a net increase of 2,577 contracts, or 1.5% of total subscribers. Membership in PPO plans decreased by 185 contracts, or 0.2%, and HMO plan membership increased by 2,762 subscribers, or 3.0%. Active subscriber enrollment increased by 3,024 subscribers, or 1.7%; and the net change in non-active membership was a decrease of 447 subscribers, or 0.3%.

As of January 2017, 23,120, or 13.8% of eligible employees opted out of enrollment in the Program; 36.1% of those were employees in Other Personal Services positions.

### **REVENUE**

Insurance premiums reflect a decline of \$78.1 million across all years of the outlook due to decreased enrollment projections. Investment earnings decreased \$0.3 million for FY 2017-18 through 2018-19 due to lower projected cash balances. Combined PPO and HMO plan TPA Refunds increased \$4.8 million across all years due to higher projected overpaid claims activity. PBM Rebates decreased a combined total of \$6.9 million due to lower projected pharmacy claims. Medicare Part D Subsidies decreased \$1.0 million across all years of the forecast due to lower enrollment projections. Overall, Total Revenue changes in this outlook reflect a combined decrease of \$81.5 million across all years of the outlook.

### **SPEND**

Self-insured PPO expenses for FY 2016-17 through 2021-22 reflect a combined projected decrease of \$30.8 million. PPO medical claims are initially \$9.6 million higher, reflecting increases in FY 2016-17 through FY 2018-19; then decrease afterwards by almost a like amount due to lower enrollment projections. Pharmacy expenses for the PPO plan are \$30.7 million lower due to lower projected claims expenses. PPO ASO fees reflect a decrease of \$0.6 million due to decreased enrollment projections.

The forecast of HMO expenses for FY 2016-17 through 2021-22 reflect a combined decrease of \$132.4 million. Fully-insured premium payments reflect a combined decrease across all years totaling \$6.1 million, due to lower projected enrollment and enrollment category shifts. HMO medical claims decreased \$76.0 million due to lower actual claims expenses and updated enrollment projections. HMO pharmacy expenses reflect a combined decrease across all years of \$48.6 million due to lower projected claims expenses and updated enrollment projections. HMO ASO fees reflect a decrease of \$1.7 million due to lower projected enrollment and shifts between carriers.

Combined, PPO and HMO medical claims across all years of the forecast, compared to the December 2016 report, reflect a \$75.5 million decrease. The net combined decrease in pharmacy claims costs across all years is \$79.3 million compared to the December 2016 forecast.

HSA Deposits reflect an increase of \$1.8 million across all years of the forecast due to higher enrollment in the High Deductible Plans.

Overall, expenses across all years of the forecast reflect a combined decrease of \$161.4 million compared to the December 2016 forecast.

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

Growth factors used to develop this Outlook are reflected below:

PPO MEDICAL							
Industry Range for CYs 2016-17: 3.0% - 7.8%			FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	FY 16-17						
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
December 2016 Conference	6.5%	4.7%	6.0%	6.8%	7.8%	8.2%	8.3%
March 2017 Conference	6.5%	5.4%	6.0%	6.8%	7.8%	8.2%	8.3%

HMO MEDICAL							
Industry Range for CYs 2016-17: 3.0% - 7.8%			FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	FY 16-17						
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
December 2016 Conference	6.5%	5.0%	6.0%	6.8%	7.8%	8.2%	8.3%
March 2017 Conference	6.5%	4.6%	6.0%	6.8%	7.8%	8.2%	8.3%

PPO PHARMACY							
Industry Range for CYs 2016-17: 6.7% - 13.9%			FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	FY 16-17						
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
December 2016 Conference	10.1%	8.8%	13.3%	15.5%	15.9%	15.9%	15.9%
March 2017 Conference	7.7%	10.7%	11.1%	14.8%	15.9%	15.9%	15.9%

HMO PHARMACY							
Industry Range for CYs 2016-17: 6.7% - 13.9%			FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	FY 16-17						
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
December 2016 Conference	8.9%	7.4%	14.2%	15.5%	16.2%	16.2%	16.2%
March 2017 Conference	6.8%	9.1%	12.2%	14.3%	16.0%	16.0%	16.0%

FULLY INSURED HMO PREMIUM PAYMENTS							
Industry Range for CYs 2016-17: 4.0% - 6.2%			CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
	CY 2016	CY 2017					
December 2016 Conference	4.7%*	2.4%*	6.0%	6.8%	7.8%	8.2%	8.3%
March 2017 Conference	4.7%*	2.4%*	6.0%	6.8%	7.8%	8.2%	8.3%

\*Actual trend rates

**STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND**  
**Exhibit I**  
**Financial Outlook by Fiscal Year <sup>(1)</sup>**  
**Changes to Conference Forecast - March 2017 Compared to December 2016**  
(In Millions)

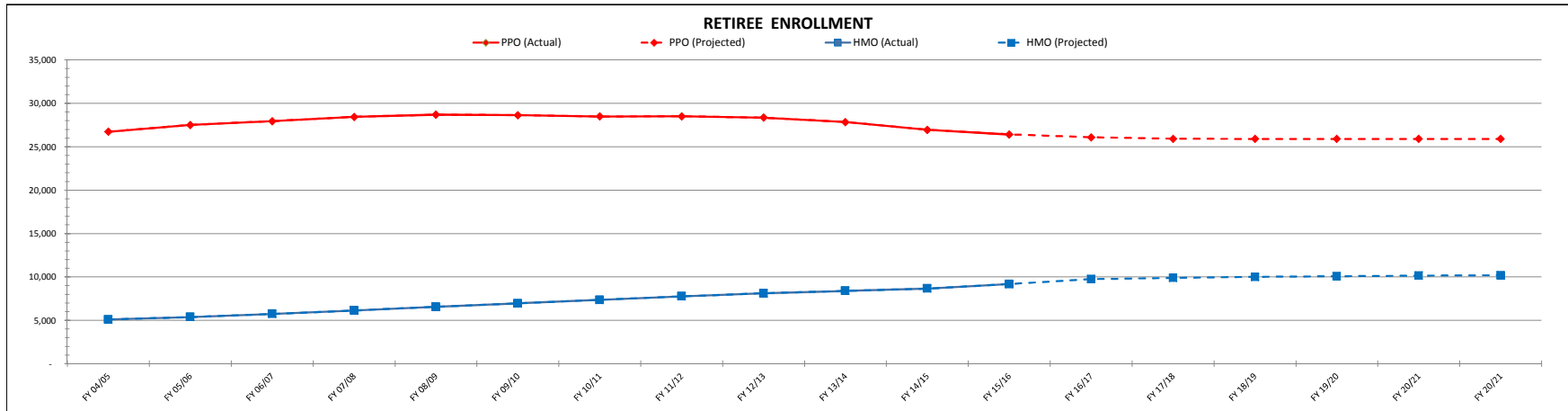
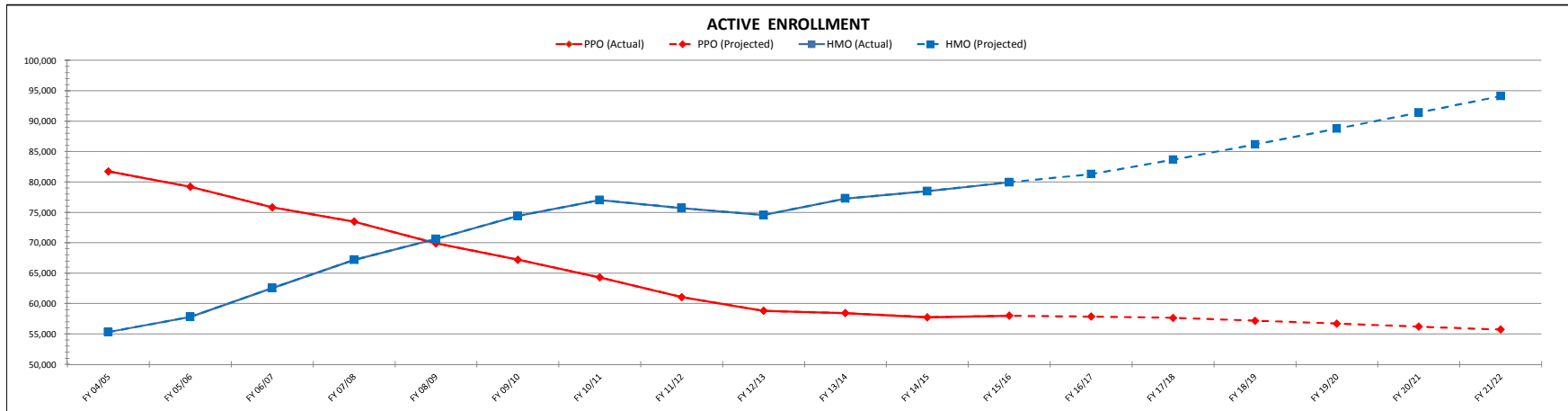
	FY 2016-17			FY 2017-18			FY 2018-19			FY 2019-20			FY 2020-21			FY 2021-22		
	Dec '16	Mar '17	Diff.	Dec '16	Mar '17	Diff.	Dec '16	Mar '17	Diff.	Dec '16	Mar '17	Diff.	Dec '16	Mar '17	Diff.	Dec '16	Mar '17	Diff.
<b>BEGINNING CASH BALANCE</b>	\$ 567.0	\$ 567.0	\$ -	\$ 571.6	\$ 562.3	\$ (9.3)	\$ 465.8	\$ 458.6	\$ (7.2)	\$ 124.3	\$ 128.3	\$ 4.0	\$ 0.0 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>	\$ 0.0	\$ 0.0 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>	\$ -
<b>REVENUES:</b>																		
Insurance Premiums <sup>(3)</sup>	\$ 2,184.1	\$ 2,184.9	\$ 0.8	\$ 2,276.8	\$ 2,272.5	\$ (4.3)	\$ 2,309.2	\$ 2,298.6	\$ (10.6)	\$ 2,341.9	\$ 2,325.6	\$ (16.3)	\$ 2,374.7	\$ 2,353.2	\$ (21.5)	\$ 2,408.0	\$ 2,381.8	\$ (26.2)
Investment Earnings	7.6	7.6	-	7.0	6.8	(0.2)	4.0	3.9	(0.1)	-	-	-	-	-	-	-	-	-
TPA & Self-Insured HMO Refunds	14.4	16.2	1.8	14.4	15.0	0.6	14.4	15.0	0.6	14.4	15.0	0.6	14.4	15.0	0.6	14.4	15.0	0.6
PBM Rebates	98.4	97.2	(1.2)	107.1	106.4	(0.7)	112.2	111.2	(1.0)	117.6	116.5	(1.1)	123.4	122.1	(1.3)	129.5	127.9	(1.6)
Pretax Trust Fund Transfer	20.7	20.7	-	20.7	20.7	-	20.7	20.7	-	20.7	20.7	-	20.7	20.7	-	20.7	20.7	-
Medicare Part D Subsidy	19.0	19.0	-	18.0	17.7	(0.3)	17.8	17.6	(0.2)	17.8	17.7	(0.1)	17.9	17.7	(0.2)	17.9	17.7	(0.2)
Other Revenues	2.3	2.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 2,346.5</b>	<b>\$ 2,347.9</b>	<b>\$ 1.4</b>	<b>\$ 2,444.0</b>	<b>\$ 2,439.1</b>	<b>\$ (4.9)</b>	<b>\$ 2,478.3</b>	<b>\$ 2,467.0</b>	<b>\$ (11.3)</b>	<b>\$ 2,512.4</b>	<b>\$ 2,495.5</b>	<b>\$ (16.9)</b>	<b>\$ 2,551.1</b>	<b>\$ 2,528.7</b>	<b>\$ (22.4)</b>	<b>\$ 2,590.5</b>	<b>\$ 2,563.1</b>	<b>\$ (27.4)</b>
<b>TOTAL CASH AVAILABLE</b>	<b>\$ 2,913.5</b>	<b>\$ 2,914.9</b>	<b>\$ 1.4</b>	<b>\$ 3,015.6</b>	<b>\$ 3,001.4</b>	<b>\$ (14.2)</b>	<b>\$ 2,944.1</b>	<b>\$ 2,925.6</b>	<b>\$ (18.5)</b>	<b>\$ 2,636.7</b>	<b>\$ 2,623.8</b>	<b>\$ (12.9)</b>	<b>\$ 2,551.1</b>	<b>\$ 2,528.7</b>	<b>\$ (22.4)</b>	<b>\$ 2,590.5</b>	<b>\$ 2,563.1</b>	<b>\$ (27.4)</b>
<b>EXPENSES:</b>																		
<b>PPO Plan</b>	<b>\$ 1,016.9</b>	<b>\$ 1,027.4</b>	<b>\$ 10.5</b>	<b>\$ 1,097.5</b>	<b>\$ 1,100.0</b>	<b>\$ 2.5</b>	<b>\$ 1,199.8</b>	<b>\$ 1,196.4</b>	<b>\$ (3.4)</b>	<b>\$ 1,322.8</b>	<b>\$ 1,315.2</b>	<b>\$ (7.6)</b>	<b>\$ 1,463.6</b>	<b>\$ 1,450.5</b>	<b>\$ (13.1)</b>	<b>\$ 1,622.4</b>	<b>\$ 1,602.7</b>	<b>\$ (19.7)</b>
Medical Claims	665.4	669.8	4.4	703.2	706.7	3.5	748.8	750.5	1.7	804.7	804.4	(0.3)	868.0	865.1	(2.9)	937.2	931.3	(5.9)
ASO Fee	17.6	17.6	-	17.6	17.6	-	17.5	17.5	-	17.5	17.4	(0.1)	17.4	17.2	(0.2)	17.4	17.1	(0.3)
Prescription Drug Claims	331.6	337.7	6.1	374.5	373.5	(1.0)	431.4	426.3	(5.1)	498.5	491.3	(7.2)	576.1	566.1	(10.0)	665.7	652.2	(13.5)
PBM Claims Administration	2.3	2.3	-	2.2	2.2	-	2.1	2.1	-	2.1	2.1	-	2.1	2.1	-	2.1	2.1	-
<b>HMO Plan</b>	<b>\$ 1,301.0</b>	<b>\$ 1,301.0</b>	<b>\$ -</b>	<b>\$ 1,435.5</b>	<b>\$ 1,425.7</b>	<b>\$ (9.8)</b>	<b>\$ 1,604.6</b>	<b>\$ 1,585.2</b>	<b>\$ (19.4)</b>	<b>\$ 1,808.8</b>	<b>\$ 1,782.6</b>	<b>\$ (26.2)</b>	<b>\$ 2,046.6</b>	<b>\$ 2,012.6</b>	<b>\$ (34.0)</b>	<b>\$ 2,318.9</b>	<b>\$ 2,275.9</b>	<b>\$ (43.0)</b>
Premium Payments	306.5	306.3	(0.2)	324.8	324.3	(0.5)	351.9	350.9	(1.0)	384.3	383.1	(1.2)	422.3	420.9	(1.4)	465.1	463.3	(1.8)
Medical Claims	706.2	702.7	(3.5)	775.6	768.5	(7.1)	858.1	847.3	(10.8)	957.2	942.8	(14.4)	1,070.5	1,052.4	(18.1)	1,197.1	1,175.0	(22.1)
ASO Fee	28.1	28.1	-	29.2	29.1	(0.1)	30.3	30.0	(0.3)	31.3	31.0	(0.3)	32.4	31.9	(0.5)	33.4	32.9	(0.5)
Prescription Drug Claims	258.1	261.8	3.7	303.9	301.8	(2.1)	362.2	354.9	(7.3)	433.8	423.5	(10.3)	519.2	505.2	(14.0)	621.0	602.4	(18.6)
PBM Claims Administration	2.1	2.1	-	2.0	2.0	-	2.1	2.1	-	2.2	2.2	-	2.2	2.2	-	2.3	2.3	-
HSA Deposits <sup>(3)</sup>	4.1	4.3	0.2	4.2	4.5	0.3	4.2	4.5	0.3	4.3	4.6	0.3	4.3	4.6	0.3	4.3	4.7	0.4
Operating Costs & Admin Assessment	3.6	3.6	-	3.6	3.6	-	3.6	3.6	-	3.6	3.6	-	3.6	3.6	-	3.6	3.6	-
Premium Refunds	6.9	6.9	-	6.9	6.9	-	6.9	6.9	-	6.9	6.9	-	6.9	6.9	-	6.9	6.9	-
Other Expenses <sup>(4)</sup>	9.4	9.4	-	2.2	2.2	-	0.7	0.7	-	0.7	0.7	-	-	-	-	34.7	34.7	-
<b>TOTAL EXPENSES</b>	<b>\$ 2,341.9</b>	<b>\$ 2,352.6</b>	<b>\$ 10.7</b>	<b>\$ 2,549.9</b>	<b>\$ 2,542.9</b>	<b>\$ (7.0)</b>	<b>\$ 2,819.8</b>	<b>\$ 2,797.3</b>	<b>\$ (22.5)</b>	<b>\$ 3,147.1</b>	<b>\$ 3,113.6</b>	<b>\$ (33.5)</b>	<b>\$ 3,525.0</b>	<b>\$ 3,478.2</b>	<b>\$ (46.8)</b>	<b>\$ 3,990.8</b>	<b>\$ 3,928.5</b>	<b>\$ (62.3)</b>
<b>EXCESS OF REV. OVER EXP.</b>	<b>\$ 4.7</b>	<b>\$ (4.7)</b>	<b>\$ (9.3)</b>	<b>\$ (105.8)</b>	<b>\$ (103.8)</b>	<b>\$ 2.1</b>	<b>\$ (341.4)</b>	<b>\$ (330.3)</b>	<b>\$ 11.2</b>	<b>\$ (634.7)</b>	<b>\$ (618.1)</b>	<b>\$ 16.6</b>	<b>\$ (973.8)</b>	<b>\$ (949.5)</b>	<b>\$ 24.4</b>	<b>\$ (1,400.3)</b>	<b>\$ (1,365.4)</b>	<b>\$ 34.9</b>
<b>ENDING CASH BALANCE <sup>(5)</sup></b>	<b>\$ 571.6</b>	<b>\$ 562.3</b>	<b>\$ (9.3)</b>	<b>\$ 465.8</b>	<b>\$ 458.6</b>	<b>\$ (7.2)</b>	<b>\$ 124.3</b>	<b>\$ 128.3</b>	<b>\$ 4.0</b>	<b>\$ (510.3)</b>	<b>\$ (489.7)</b>	<b>\$ 20.6</b>	<b>\$ (973.8)</b>	<b>\$ (949.5)</b>	<b>\$ 24.4</b>	<b>\$ (1,400.3)</b>	<b>\$ (1,365.4)</b>	<b>\$ 34.9</b>
<b>ADDITIONAL INFORMATION</b>																		
Unreported PPO Plan Claims Liability <sup>(6)</sup>	\$ 47.3	\$ 48.7	\$ 1.4	\$ 57.0	\$ 51.3	\$ (5.7)	\$ 60.6	\$ 54.3	\$ (6.3)	\$ 65.1	\$ 58.1	\$ (7.0)	\$ 70.2	\$ 62.4	\$ (7.8)	\$ 75.7	\$ 67.0	\$ (8.7)
Unreported HMO Plan Claims Liability <sup>(7)</sup>	78.0	77.4	(0.6)	85.6	84.6	(1.0)	94.7	93.3	(1.4)	105.6	103.8	(1.8)	118.1	115.9	(2.2)	132.0	129.4	(2.6)
Unreported PBM Claims Liability <sup>(8)</sup>	5.9	6.0	0.1	6.8	6.8	-	7.9	7.8	(0.1)	9.3	9.1	(0.2)	11.0	10.7	(0.2)	12.9	12.5	(0.4)
<b>Total Unreported Claims Liability</b>	<b>\$ 131.2</b>	<b>\$ 132.1</b>	<b>\$ 0.9</b>	<b>\$ 149.4</b>	<b>\$ 142.7</b>	<b>\$ (6.7)</b>	<b>\$ 163.2</b>	<b>\$ 155.4</b>	<b>\$ (7.8)</b>	<b>\$ 180.0</b>	<b>\$ 171.0</b>	<b>\$ (9.0)</b>	<b>\$ 199.3</b>	<b>\$ 189.0</b>	<b>\$ (10.2)</b>	<b>\$ 220.6</b>	<b>\$ 208.9</b>	<b>\$ (11.7)</b>

**Highlights of Changes to Forecast**

- A) Inclusion of actual enrollment through January 2017
- B) Inclusion of updates to enrollment model using CY 2016 actual activity
- C) Inclusion of actual revenues and expenses through January 2017
- D) Updated PPO and HMO Rx claims annual growth factors

**STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND**  
**Exhibit II**  
**Enrollment Outlook by Fiscal Year**  
**Changes to Conference Forecast - March 2017 Compared to December 2016**

	FY 2016-17			FY 2017-18			FY 2018-19			FY 2019-20			FY 2020-21			FY 2021-22		
	Dec '16	Mar '17	Diff.	Dec '16	Mar '17	Diff.	Dec '16	Mar '17	Diff.	Dec '16	Mar '17	Diff.	Dec '16	Mar '17	Diff.	Dec '16	Mar '17	Diff.
<b>Average Enrollment by Plan</b>																		
PPO Standard	81,633	81,626	(7)	81,260	81,069	(191)	80,931	80,491	(440)	80,598	79,930	(668)	80,267	79,356	(911)	79,939	78,793	(1,146)
PPO HIHP	2,256	2,309	53	2,367	2,485	118	2,447	2,585	138	2,523	2,668	145	2,600	2,743	143	2,676	2,817	141
HMO Standard	90,237	90,096	(141)	92,997	92,532	(465)	95,842	95,139	(703)	98,689	97,805	(884)	101,532	100,512	(1,020)	104,393	103,234	(1,159)
HMO HIHP	920	954	34	933	1,004	71	943	1,020	77	957	1,041	84	975	1,060	85	993	1,074	81
<b>Total</b>	<b>175,046</b>	<b>174,985</b>	<b>(61)</b>	<b>177,557</b>	<b>177,090</b>	<b>(467)</b>	<b>180,163</b>	<b>179,235</b>	<b>(928)</b>	<b>182,767</b>	<b>181,444</b>	<b>(1,323)</b>	<b>185,374</b>	<b>183,671</b>	<b>(1,703)</b>	<b>188,001</b>	<b>185,918</b>	<b>(2,083)</b>
<b>Average Enrollment by Coverage Type</b>																		
Active (Non-OPS) Standard	131,115	131,107	(8)	133,320	132,776	(544)	135,672	134,487	(1,185)	138,026	136,304	(1,722)	140,374	138,174	(2,200)	142,728	140,103	(2,625)
Active (Non-OPS) HIHP	2,821	2,887	66	2,895	3,055	160	2,941	3,123	182	2,986	3,178	192	3,035	3,223	188	3,083	3,262	179
OPS Standard	4,317	4,393	76	4,525	4,667	142	4,740	4,882	142	4,958	5,100	142	5,177	5,312	135	5,405	5,519	114
OPS HIHP	256	273	17	292	317	25	321	350	29	350	383	33	380	416	36	410	449	39
COBRA	496	488	(8)	504	488	(16)	504	488	(16)	504	488	(16)	504	488	(16)	504	488	(16)
Early Retiree	5,965	5,879	(86)	5,805	5,764	(41)	5,688	5,757	69	5,576	5,733	157	5,469	5,702	233	5,367	5,666	299
Medicare	30,076	29,958	(118)	30,216	30,023	(193)	30,297	30,148	(149)	30,367	30,258	(109)	30,435	30,356	(79)	30,504	30,431	(73)
<b>Total</b>	<b>175,046</b>	<b>174,985</b>	<b>(61)</b>	<b>177,557</b>	<b>177,090</b>	<b>(467)</b>	<b>180,163</b>	<b>179,235</b>	<b>(928)</b>	<b>182,767</b>	<b>181,444</b>	<b>(1,323)</b>	<b>185,374</b>	<b>183,671</b>	<b>(1,703)</b>	<b>188,001</b>	<b>185,918</b>	<b>(2,083)</b>





STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit III  
Financial Outlook by Fiscal Year <sup>(1)</sup>

(In Millions)

	<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>FY 2021-22</u>
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
<b>BEGINNING CASH BALANCE</b>	\$ 567.0	\$ 562.3	\$ 458.6	\$ 128.3	\$ 0.0 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>
<b>REVENUES:</b>						
Insurance Premiums:						
Employer	\$ 1,781.2	\$ 1,862.8	\$ 1,884.2	\$ 1,906.5	\$ 1,929.3	\$ 1,952.7
Employee	168.1	171.1	173.2	175.5	177.8	180.1
HSA Contributions <sup>(3)</sup>	4.3	4.5	4.5	4.6	4.6	4.7
COBRA	5.4	5.5	5.5	5.5	5.5	5.5
Early Retiree	58.3	59.4	59.6	59.4	59.2	58.9
Medicare	167.6	169.2	171.6	174.1	176.8	179.9
Investment Earnings	7.6	6.8	3.9	0.0	0.0	0.0
PPO - TPA Refunds	7.7	7.2	7.2	7.2	7.2	7.2
PPO - PBM Rebates	54.0	56.2	57.8	59.6	61.4	63.2
HMO - Self-Insured Refunds	8.5	7.8	7.8	7.8	7.8	7.8
HMO - PBM Rebates	43.2	50.2	53.4	56.9	60.7	64.7
Pretax Trust Fund Transfer	20.7	20.7	20.7	20.7	20.7	20.7
PPO - Medicare Part D Subsidy	17.8	16.5	16.5	16.5	16.5	16.5
HMO - Medicare Part D Subsidy	1.2	1.2	1.1	1.2	1.2	1.2
Other Revenues	2.3	0.0	0.0	0.0	0.0	0.0
<b>TOTAL REVENUES</b>	\$ 2,347.9	\$ 2,439.1	\$ 2,467.0	\$ 2,495.5	\$ 2,528.7	\$ 2,563.1
<b>TOTAL CASH AVAILABLE</b>	\$ 2,914.9	\$ 3,001.4	\$ 2,925.6	\$ 2,623.8	\$ 2,528.7	\$ 2,563.1
<b>EXPENSES:</b>						
State PPO Plan:						
Medical Claims	\$ 669.8	\$ 706.7	\$ 750.5	\$ 804.4	\$ 865.1	\$ 931.3
ASO Fee	17.6	17.6	17.5	17.4	17.2	17.1
Prescription Drug Claims	337.7	373.5	426.3	491.3	566.1	652.2
PBM Claims Administration	2.3	2.2	2.1	2.1	2.1	2.1
HMO Plan:						
Premium Payments	306.3	324.3	350.9	383.1	420.9	463.3
Medical Claims	702.7	768.5	847.3	942.8	1,052.4	1,175.0
ASO Fee	28.1	29.1	30.0	31.0	31.9	32.9
Prescription Drug Claims	261.8	301.8	354.9	423.5	505.2	602.4
PBM Claims Administration	2.1	2.0	2.1	2.2	2.2	2.3
HSA Deposits <sup>(3)</sup>	4.3	4.5	4.5	4.6	4.6	4.7
Operating Costs & Admin Assessment	3.6	3.6	3.6	3.6	3.6	3.6
Premium Refunds	6.9	6.9	6.9	6.9	6.9	6.9
Other Expenses <sup>(4)</sup>	9.4	2.2	0.7	0.7	0.0	34.7
<b>TOTAL EXPENSES</b>	\$ 2,352.6	\$ 2,542.9	\$ 2,797.3	\$ 3,113.6	\$ 3,478.2	\$ 3,928.5
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ (4.7)	\$ (103.8)	\$ (330.2)	\$ (618.0)	\$ (949.5)	\$ (1,365.4)
<b>ENDING CASH BALANCE <sup>(5)</sup></b>	\$ <b>562.3</b>	\$ <b>458.6</b>	\$ <b>128.3</b>	\$ <b>(489.7)</b>	\$ <b>(949.5)</b>	\$ <b>(1,365.4)</b>

**ADDITIONAL INFORMATION**

<b>Total Unreported Claims Liability <sup>(9)</sup></b>	\$ 132.1	\$ 142.7	\$ 155.4	\$ 171.0	\$ 189.0	\$ 208.9
<b>Average Enrollment by Plan</b>						
PPO Standard	81,626	81,069	80,491	79,930	79,356	78,793
PPO HIHP	2,309	2,485	2,585	2,668	2,743	2,817
HMO Standard	90,096	92,532	95,139	97,805	100,512	103,234
HMO HIHP	954	1,004	1,020	1,041	1,060	1,074
<b>Total</b>	<b>174,985</b>	<b>177,090</b>	<b>179,235</b>	<b>181,444</b>	<b>183,671</b>	<b>185,918</b>
<b>Average Enrollment by Coverage Type</b>						
Active (Non-OPS) Standard	131,107	132,776	134,487	136,304	138,174	140,103
Active (Non-OPS) HIHP	2,887	3,055	3,123	3,178	3,223	3,262
OPS Standard	4,393	4,667	4,882	5,100	5,312	5,519
OPS HIHP	273	317	350	383	416	449
COBRA	488	488	488	488	488	488
Early Retiree	5,879	5,764	5,757	5,733	5,702	5,666
Medicare	29,958	30,023	30,148	30,258	30,356	30,431
<b>Total</b>	<b>174,985</b>	<b>177,090</b>	<b>179,235</b>	<b>181,444</b>	<b>183,671</b>	<b>185,918</b>

**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 49% and 51%, respectively.
- 4) Other Expenses include the estimated impact of Patient-Centered Outcomes Research Institute (PCORI) fees, Transitional Reinsurance Fees, and the Affordable Care Act's Excise Tax provision. The Transitional Reinsurance Fees phase out after calendar year 2016 and the ACA's Excise Tax is effective for calendar year 2020.
- 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 VI**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2016-17**  
(In Millions)

<b>\$ 571.6</b>	<b>Previous Ending Cash Balance Forecast <sup>(i)</sup></b>
0.0	Increase in Beginning Cash Balance Forecast
1.4	Increase in Revenue Forecast
0.8	- Net Increase in Insurance Premiums
0.2	- Increase in projected employer and enrollee HSA contributions
0.6	- Increase in Insurance Premiums due to shifts in enrollment categories
0.5	- Increase in PPO - TPA Refunds due to higher projected activity
(0.4)	- Decrease in PPO - PBM Rebates due to lower actual and projected rebates
1.3	- Increase in HMO - Self-Insured Refunds due to higher projected activity
(0.8)	- Decrease in HMO - PBM Rebates
(0.1)	- Decrease due to a decrease in projected enrollment from 85,990 to 85,869
(0.7)	- Decrease due to lower actual and projected rebates
10.7	Increase in Expense Forecast
10.5	Increase in State PPO Plan
4.4	- Increase in Medical Claims
0.4	- Increase due to an increase in projected enrollment from 83,889 to 83,935
4.0	- Increase due to higher actual than projected claims activity
6.1	- Increase in Prescription Drug Claims
0.2	- Increase due to a increase in projected enrollment
(7.3)	- Decrease due to decreased growth factor from 10.1% to 7.7%
13.2	- Increase due to higher actual than projected claims activity
-	Decrease in HMO Plan
(0.2)	- Decrease in Premium Payments
(0.3)	- Decrease due to a decrease in projected enrollment from 32,420 to 32,387
0.1	- Increase due to shifts in enrollment categories and between HMOs
(3.5)	- Decrease in Medical Claims
(0.9)	- Decrease due to a decrease in projected enrollment from 58,737 to 58,661
(2.6)	- Decrease due to lower actual than projected claims activity
3.7	- Increase in Prescription Drug Claims
(0.4)	- Decrease due to a decrease in projected enrollment from 85,990 to 85,869
(5.0)	- Decrease due to decreased growth factor from 8.9% to 6.8%
9.1	- Increase due to higher actual than projected claims activity
0.2	Increase in Other Expense Categories due to higher projected employer and enrollee HSA Deposits
 <b>562.3</b>	 <b>Ending Cash Balance <sup>(1)</sup></b>

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<sup>(i)</sup> Self Insurance Estimating Conference held in December 2016.

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

<b>\$ 465.8</b>	<b>Previous Ending Cash Balance Forecast <sup>(i)</sup></b>
	(9.3) Decrease in Beginning Cash Balance Forecast
	(4.9) Decrease in Revenue Forecast
	(4.3) - Net Decrease in Insurance Premiums
	(4.9) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 177,577 to 177,090
	0.3 - Increase in projected employer and enrollee HSA contributions
	0.3 - Increase in Insurance Premiums due to shifts in enrollment categories
	(0.2) - Decrease in Investment Earnings due to a decrease in projected cash balance
	0.1 - Increase in PPO - PBM Rebates due to higher projected rebates
	0.6 - Increase in HMO - Self-Insured Refunds increase due to higher projected activity
	(0.8) - Decrease in HMO - PBM Rebates
	(0.3) - Decrease due to a decrease in projected enrollment from 88,683 to 88,226
	(0.5) - Decrease due to lower projected rebates
	(0.4) - Decrease in PPO - Medicare Part D Subsidy
	(0.2) - Decrease due to a decrease in projected Medicare enrollment from 23,257 to 23,008
	(0.2) - Decrease due to lower projected per member subsidy
	0.1 - Increase in HMO - Medicare Part D Subsidy due to higher projected per member subsidy
	(7.0) Decrease in Expense Forecast
	2.5 Increase in State PPO Plan
	3.5 - Increase in Medical Claims
	(0.7) - Decrease due to a decrease in projected enrollment from 83,627 to 83,554
	4.2 - Increase due to higher projected claims experience
	(1.0) - Decrease in Prescription Drug Claims
	(0.4) - Decrease due to a decrease in projected enrollment
	(7.4) Decrease due to decreased growth factor from 13.3% to 11.1%
	6.8 - Increase due to higher projected claims experience
	(9.8) Decrease in HMO Plan
	(0.5) - Decrease in Premium Payments due to a decrease in projected enrollment from 33,070 to 33,011
	(7.1) - Decrease in Medical Claims
	(4.3) - Decrease due to a decrease in projected enrollment from 60,860 to 60,522
	(2.8) - Decrease due to lower projected claims experience
	(0.1) - Decrease in ASO Fees
	(0.2) - Decrease due to a decrease in projected enrollment
	0.1 - Increase due to shifts in enrollment between HMOs
	(2.1) - Decrease in Prescription Drug Claims
	(1.6) - Decrease due to a decrease in projected enrollment from 88,683 to 88,226
	(5.4) - Decrease due to decreased growth factor from 14.2% to 12.2%
	4.9 - Increase due to higher actual than projected claims activity
	0.3 Increase in Other Expense Categories due to higher projected employer and enrollee HSA Deposits
<b>458.6</b>	<b>Ending Cash Balance <sup>(1)</sup></b>

<sup>(i)</sup> Self Insurance Estimating Conference held in December 2016.

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

<b>\$ 124.3</b>	<b>Previous Ending Cash Balance Forecast <sup>(i)</sup></b>
	(7.2) Decrease in Beginning Cash Balance Forecast
	(11.3) Decrease in Revenue Forecast
	(10.6) - Net Decrease in Insurance Premiums
	(12.3) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 180,163 to 179,235
	0.3 - Increase in projected employer and enrollee HSA contributions
	1.4 - Increase in Insurance Premiums due to shifts in enrollment categories
	(0.1) - Decrease in Investment Earnings due to a decrease in projected cash balance
	0.1 - Increase in PPO - PBM Rebates
	(0.2) - Decrease due to a decrease in projected enrollment from 83,378 to 83,076
	0.3 - Increase due to higher projected rebates
	0.6 - Increase in HMO - Self-Insured Refunds due to higher projected activity
	(0.1) - Decrease due to a decrease in projected enrollment from 63,044 to 62,485
	0.7 - Increase due to higher projected activity
	(1.1) - Decrease in HMO - PBM Rebates
	(0.4) - Decrease due to a decrease in projected enrollment from 91,485 to 90,753
	(0.7) - Decrease due to lower projected rebates
	(0.2) - Decrease in PPO - Medicare Part D Subsidy due to a decrease in projected Medicare enrollment from 23,283 to 23,031
	(22.5) Decrease in Expense Forecast
	(3.4) Decrease in State PPO Plan
	1.7 - Increase in Medical Claims
	(2.8) - Decrease due to a decrease in projected enrollment from 83,378 to 83,076
	4.5 - Increase due to lower projected claims experience
	(5.1) - Decrease in Prescription Drug Claims
	(1.6) - Decrease due to a decrease in projected enrollment
	(2.7) - Decrease due to decreased growth factor from 15.5% to 14.8%
	(0.8) - Decrease due to lower projected claims experience
	(19.4) Decrease in HMO Plan
	(1.0) - Decrease in Premium Payments
	(0.7) - Decrease due to a decrease in projected enrollment from 33,741 to 33,669
	(0.3) - Decrease due to shifts in enrollment categories and between HMOs
	(10.8) - Decrease in Medical Claims
	(7.6) - Decrease due to a decrease in projected enrollment from 63,044 to 62,485
	(3.2) - Decrease due to lower projected claims experience
	(0.3) - Decrease in ASO Fees due to a decrease in projected enrollment
	(7.3) - Decrease in Prescription Drug Claims
	(2.9) - Decrease due to a decrease in projected enrollment from 91,485 to 90,753
	(3.8) - Decrease due to decreased growth factor from 15.5% to 14.3%
	(0.6) - Decrease due to lower projected claims experience
	0.3 Increase in Other Expense Categories due to higher projected employer and enrollee HSA Deposits
<b>128.3</b>	<b>Ending Cash Balance <sup>(1)</sup></b>

<sup>(i)</sup> Self Insurance Estimating Conference held in December 2016.

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

<b>\$ (510.3)</b>	<b>Previous Ending Cash Balance Forecast <sup>(i)</sup></b>
4.0	Increase in Beginning Cash Balance Forecast
(16.9)	Decrease in Revenue Forecast
(16.3)	- Net Decrease in Insurance Premiums
(18.6)	- Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 182,767 to 181,144
0.3	- Increase in projected employer and enrollee HSA contributions
2.0	- Increase in Insurance Premiums due to shifts in enrollment categories
0.2	- Increase in PPO - PBM Rebates
(0.4)	- Decrease due to an increase in projected enrollment from 83,121 to 82,598
0.6	- Increase due to higher projected rebates
0.6	- Increase in HMO - Self-Insured Refunds
(0.1)	- Decrease due to a decrease in projected enrollment from 65,236 to 64,494
0.7	- Increase due to higher projected activity
(1.3)	- Decrease in HMO - PBM Rebates
(0.6)	- Decrease due to a decrease in projected enrollment from 94,303 to 93,363
(0.7)	- Decrease due to lower projected rebates
(0.2)	- Decrease in PPO - Medicare Part D Subsidy due to a decrease in projected Medicare enrollment from 23,309 to 23,056
0.1	- Increase in HMO-Medicare Part D Subsidy due to higher projected subsidies
(33.5)	Decrease in Expense Forecast
(7.6)	Decrease in State PPO Plan
(0.3)	- Decrease in Medical Claims
(5.1)	- Decrease due to a decrease in projected enrollment from 83,121 to 82,598
4.8	- Increase due to higher projected claims experience
(0.1)	- Decrease in ASO Fee Expense due to a decrease in projected enrollment
(7.2)	- Decrease in Prescription Drug Claims
(3.1)	- Decrease due to an decrease in projected enrollment
(4.1)	- Decrease due to lower projected claims experience
(26.2)	Decrease in HMO Plan
(1.2)	- Decrease in Premium Payments
(0.6)	- Decrease due to a decrease in projected enrollment from 34,410 to 34,349
(0.6)	- Decrease due to shifts in enrollment categories and between HMOs
(14.4)	- Decrease in Medical Claims
(10.9)	- Decrease due to a decrease in projected enrollment from 65,236 to 64,494
(3.5)	- Decrease due to lower projected claims experience
(0.3)	- Decrease in ASO Fees
(0.4)	- Decrease due to a decrease in projected enrollment
0.1	- Increase due to shifts in enrollment between HMOs
(10.3)	- Decrease in Prescription Drug Claims
(4.3)	- Decrease due to a decrease in projected enrollment from 94,303 to 93,363
(0.7)	- Decrease due to decreased growth factor from 16.2% to 16.0%
(5.3)	- Decrease due to lower projected claims experience
0.3	Increase in Other Expense Categories due to higher projected employer and enrollee HSA Deposits
<b>(489.7)</b>	<b>Ending Cash Balance <sup>(1)</sup></b>

<sup>(i)</sup> Self Insurance Estimating Conference held in December 2016.

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

<b>\$ (973.9)</b>	<b>Previous Ending Cash Balance Forecast <sup>(i)</sup></b>
0.0	Increase in Beginning Cash Balance Forecast
(22.4)	Decrease in Revenue Forecast
	(21.5) - Net Decrease in Insurance Premiums
	(24.6) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 185,374 to 183,671
	0.3 - Increase in projected employer and enrollee HSA contributions
	2.8 - Increase in Insurance Premiums due to shifts in enrollment categories
0.2	- Increase in PPO - PBM Rebates
	(0.6) - Decrease due to a decrease in projected enrollment from 82,867 to 82,099
	0.8 - Increase due to higher projected rebates
0.6	- Increase in HMO - Self-Insured Refunds due to higher projected activity
	(0.1) - Decrease due to a decrease in projected enrollment from 67,430 to 66,534
	0.7 - Increase due to higher projected activity
(1.5)	- Decrease in HMO - PBM Rebates
	(0.7) - Decrease due to a decrease in projected enrollment from 97,127 to 96,021
	(0.8) - Increase 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 23,339 to 23,081
	(0.1) - Decrease due to lower projected per member subsidy
0.1	- Increase in HMO-Medicare Part D Subsidy due to higher projected subsidies
(46.8)	Decrease in Expense Forecast
	(13.1) Decrease in State PPO Plan
	(2.9) - Decrease in Medical Claims
	(8.1) - Decrease due to a decrease in projected enrollment from 82,867 to 82,099
	5.2 - Increase due to higher projected claims experience
	(0.2) - Decrease in ASO Fee Expense due to a decrease in projected enrollment
	(10.0) - Decrease in Prescription Drug Claims
	(5.3) - Decrease due to a decrease in projected enrollment
	(4.7) - Decrease due to lower projected claims experience
	(34.0) Decrease in HMO Plan
	(1.4) - Decrease in Premium Payments
	(0.5) - Decrease due to a decrease in projected enrollment from 35,077 to 35,035
	(0.9) - Decrease due to shifts in enrollment categories and between HMOs
	(18.1) - Decrease in Medical Claims
	(14.2) - Decrease due to a decrease in projected enrollment from 67,430 to 66,534
	(3.9) - Decrease due to lower projected claims experience
	(0.5) - Decrease in ASO Fees
	(0.4) - Decrease due to a decrease in projected enrollment
	(0.1) - Decrease due to shifts in enrollment between HMOs
	(14.0) - Decrease in Prescription Drug Claims
	(5.9) - Decrease due to a decrease in projected enrollment from 97,127 to 96,021
	(0.9) - Decrease due to increased growth factor from 16.2% to 16.0%
	(7.2) - Decrease due to lower projected claims experience
0.3	Increase in Other Expense Categories due to higher projected employer and enrollee HSA Deposits
<b>(949.5)</b>	<b>Ending Cash Balance <sup>(1)</sup></b>

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<sup>(i)</sup> Self Insurance Estimating Conference held in December 2016.

**Exhibit IX**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2021-22**  
(In Millions)

<b>\$ (1,400.3)</b>	<b>Previous Ending Cash Balance Forecast <sup>(i)</sup></b>
0.0	Increase in Beginning Cash Balance Forecast
(27.4)	Decrease in Revenue Forecast
	(26.2) - Net Decrease in Insurance Premiums
	(30.3) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 188,001 to 185,918
	0.4 - Increase in projected employer and enrollee HSA contributions
	3.7 - Increase in Insurance Premiums due to shifts in enrollment categories
	0.2 - Increase in PPO - PBM Rebates
	(0.8) - Decrease due to a decrease in projected enrollment from 82,615 to 81,610
	1.0 - Increase due to higher projected rebates
	0.6 - Increase in HMO - Self-Insured Refunds
	(0.1) - Decrease due to a decrease in projected enrollment from 69,625 to 68,592
	0.7 - Increase due to higher projected activity
	(1.8) - Decrease in HMO - PBM Rebates
	(0.8) - Decrease due to a decrease in projected enrollment from 99,971 to 98,703
	(1.0) - Decrease due to lower projected rebates
	(0.3) - Decrease in PPO - Medicare Part D Subsidy
	(0.2) - Decrease due to a decrease in projected Medicare enrollment from 23,371 to 23,106
	(0.1) - Decrease due to lower projected per member subsidy
	0.1 - Increase in HMO-Medicare Part D Subsidy due to higher projected subsidies
(62.3)	Decrease in Expense Forecast
	(19.7) Decrease in State PPO Plan
	(5.9) - Decrease in Medical Claims
	(11.5) - Decrease due to a decrease in projected enrollment from 82,615 to 81,610
	5.6 - Increase due to higher projected claims experience
	(0.3) - Decrease in ASO Fee Expense due to a decrease in projected enrollment
	(13.5) - Decrease in Prescription Drug Claims
	(8.1) - Decrease due to a decrease in projected enrollment
	(5.4) - Decrease due to lower projected claims experience
	(43.0) Decrease in HMO Plan
	(1.8) - Decrease in Premium Payments
	(0.6) - Decrease due to a decrease in projected enrollment from 35,760 to 35,712
	(1.2) - Decrease due to shifts in enrollment categories and between HMOs
	(22.1) - Decrease in Medical Claims
	(17.8) - Decrease due to a decrease in projected enrollment from 69,625 to 68,592
	(4.3) - Decrease due to lower projected claims experience
	(0.5) - Decrease in ASO Fees due to a decrease in projected enrollment
	(18.6) - Decrease in Prescription Drug Claims
	(7.9) - Decrease due to a decrease in projected enrollment from 99,971 to 98,703
	(1.0) - Decrease due to decreased growth factor from 16.2% to 16.0%
	(9.7) - Decrease due to lower projected claims experience
	0.4 Increase in Other Expense Categories due to higher projected employer and enrollee HSA Deposits
<b>(1,365.4)</b>	<b>Ending Cash Balance <sup>(1)</sup></b>

<sup>(i)</sup> Self Insurance Estimating Conference held in December 2016.



**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 <sup>(4)</sup>	Enrollee	Total
Career Service / OPS	Monthly Full -Time Employees <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1,2)</sup>	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 <sup>(1,2)</sup>	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 <sup>(3)</sup>	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 <sup>(5)</sup>	Medicare II One Under/Over <sup>(6)</sup>	Medicare III Both Eligible <sup>(7)</sup>
Self-Insured PPO / HMO	Standard	359.61	1,036.90	719.22
	HIHP	271.07	849.19	542.15
Capital Health Plan <sup>(8)</sup>	Standard	276.00	893.92	552.00
	HIHP	251.20	814.71	502.40
Florida Health Care Plan <sup>(8)</sup>	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)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer <sup>(4)</sup>	Enrollee	Total
Career Service / OPS	Monthly Full -Time Employees <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1,2)</sup>	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 <sup>(1,2)</sup>	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 <sup>(3)</sup>	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 <sup>(5)</sup>	Medicare II One Under/Over <sup>(6)</sup>	Medicare III Both Eligible <sup>(7)</sup>
Self-Insured PPO / HMO	Standard	388.38	1,119.85	776.76
	HIHP	292.76	917.13	585.51
Capital Health Plan <sup>(8)</sup>	Standard	282.62	915.37	565.24
	HIHP	257.23	834.26	514.46
Florida Health Care Plan <sup>(8)</sup>	Standard	49.00	679.41	98.00
	HIHP	49.00	568.95	98.00

**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. Does not include monthly Medicare Part B premium.
- (6) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- (7) Family coverage for two participants and both are eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- (8) Medicare eligible retirees must complete the HMO's Medicare Advantage Plan application process to be eligible for this coverage.

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

**Premium Rate Table**

**Effective January 2017 for February 2017 Coverage**

(Premium rate change for CHP participants ONLY)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer <sup>(4)</sup>	Enrollee	Total
Career Service / OPS	Monthly Full -Time Employees <sup>(1)</sup>	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 <sup>(1)</sup>	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 <sup>(1,2)</sup>	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 <sup>(1,2)</sup>	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 <sup>(3)</sup>	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 <sup>(5)</sup>	Medicare II One Under/Over <sup>(6)</sup>	Medicare III Both Eligible <sup>(7)</sup>
Self-Insured PPO / HMO	Standard	388.38	1,119.85	776.76
	HIHP	292.76	917.13	585.51
Capital Health Plan <sup>(8)</sup>	Standard	282.62	915.37	565.24
	HIHP	257.23	834.26	514.46
Florida Health Care Plan <sup>(8)</sup>	Standard	49.00	679.41	98.00
	HIHP	49.00	568.95	98.00

**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  
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- (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. Does not include monthly Medicare Part B premium.
- (6) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- (7) Family coverage for two participants and both are eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- (8) Medicare eligible retirees must complete the HMO's Medicare Advantage Plan application process to be eligible for this coverage.