





CY 2016 1st Quarter Actuarial Forecast Update

Board of Trustees Meeting

August 4, 2016

Forecast prepared by The Segal Company Final version dated 7-5-16

A Division of the Department of State Treasurer

Presentation Overview

- Executive Summary
 - Reserve Fund for Future Benefit Needs and Current Forecast
- Forecast Update Schedule
- Updated Assumptions: CY 2016 1st Quarter Forecast Update vs. Certified Budget
- CY 2016 Forecast: CY 2016 1st Quarter Forecast Update vs. Certified Budget
- Summary Graphs
- Future Outlook



State Budget Language

SECTION 36.24.(a) The State Treasurer and the Board of Trustees shall adopt measures applicable to any or all of the 2017, 2018, or 2019 calendar years to limit projected employer contribution increases.

SECTION 36.24.(b) If the Director of the Budget determines that the additional cost-controlling measures adopted by the Board of Trustees and the State Treasurer as directed in subsection (a) of this section are sufficient to reduce the projected employer premium increases to *four percent (4%) or less in both the 2018 and 2019 plan years*, then the Director of the Budget is authorized to reallocate funds in the Reserve for Future Benefit Needs to individual State agency budgets. The projected employer premium increases should be calculated assuming the Reserve for Future Benefit Needs is reallocated. (*Bold italics* added)

• The updated State Health Plan forecast projects employer contribution increases of **3.74%** for 2018 and 2019.



Release of the Reserve Funds

- Staff met with the Director of the Office of State Budget and Management (OSBM) and his staff in mid-July to discuss the current forecast and releasing the Reserve for Future Benefit Needs
- The Director asked for a letter from the Executive Administrator and the Plan's actuary on the soundness of the forecast
 - The letter was sent on July 25, 2016
- On August 1, 2016, the Plan received notice from OSBM that the Reserve for Future Benefit Needs will be reallocated to the employing units, allowing employer contributions to increase 3.4% as of January 1, 2017



Current Forecast: Progression

Forecast Progression	Change in 2018-2019 Premium Increases	Projected 2018-19 Premium Increases
Board-approved 2017 benefit design (CY 2015 Q4 Forecast)		6.48% (See May BoT meeting materials)
Plan Experience in 2016 Q1	-0.30	
Reduced Administrative Expenses Beginning FY 2016-17	-0.74	
Medicare Advantage: Assume full ACA Insurer Fee in 2018	+0.93	
Board-approved Medicare Advantage renewal pricing	-0.60	
Board-approved custom closed formulary for PBM contract	-0.40	
Higher 2016 rebate true-up*, projected forward	<u>-1.63</u>	3.74% (current forecast)
Total Change in 2018-2019 Premium Increases	-2.74	

*The Plan received a \$49.5 million rebate true-up payment on July 1, 2016. The payment was \$34.5 million more than the amount included in previous forecasts.



Summary/Future Outlook Based on CY 2016 1st Quarter Update

Relative to the Certified Budget (FB 2015-2017), the CY 2016 1st Quarter Update projects:

- a higher cash balance at the end of 2016,
- slightly higher medical claims costs in 2016 but lower long-term medical costs due to benefit design changes,
- lower pharmacy claims costs due to higher rebates and the new PBM contract
- The **\$844.2 million** cash balance projected for June 30, 2017:
 - Is \$327.4 million higher than the Certified FB 2015-17 Budget projection
 - Exceeds the 9.0% target stabilization reserve amount by \$577.8 million
 - Equates to **12.6 weeks** of projected FY 2017-18 operating expenses
- The CY 2016 1st Quarter Update does not anticipate falling below the 12% Legislative Reserve Floor
- The CY 2016 1st Quarter Update projects the need for 3.74% premium increases for January 2018 and 2019. This is lower than the Certified FB 2015-17 Budget (14.88%) and below the 4% target set in the State Budget



Estimated Annual State/Employer Contributions Active Employees





CY 2016 1st Quarter Forecast Update



Actuarial Forecast Update Schedule

- The Plan's actuarial consultant updates the forecast quarterly and at the end of each calendar year and fiscal year
- Updates take into account more recent information:
 - Actual financial results and cash balance
 - Membership data, including the impact of enrollment changes
 - Claims experience
 - Changes in anticipated costs or revenues



Forecast Assumptions Maintained in the Update CY 2016 1st Quarter Update vs. Certified Budget

- Membership trends
 - 1% annual decrease in actives
 - 1% annual increase in retirees
- Trend assumptions
 - 7% medical trend
 - 8.5% pharmacy trend
 - 3% administrative trend after FY 2016-17
- Board-approved benefit design for CY 2016
 - Increase in wellness premiums and credits
 - Increased cost-sharing in Traditional 70/30 Plan
 - Changes to Consumer-Directed Health Plan (CDHP): increases to HRA starting balance and member out-of-pocket maximums
 - Status Quo in Enhanced 80/20 Plan, except Tier 5 pharmacy copay
- 3.43% across-the-board premium increases for 2017
- Cash reserves are balanced to the Target Stabilization Reserve (TSR) as of December 31, 2019



Forecast Assumptions Changed/Revised in the Update CY 2016 1st Quarter Update vs. Certified Budget

- Membership based on actual March 2016 enrollment data (instead of May 2015)
 - Includes the impact of Annual Enrollment on 2016 plan options
- Anticipated claims expenditures based on actual experience through March 2016 (instead of June 2015)
- Cash balance begins from actual total as of March 31, 2016 (rather than June 30, 2015)
- Increased pharmacy rebates to more accurately reflect recent rebate experience, including a \$49.5 million rebate true-up payment received July 1, 2016
- Lower administrative cost estimates beginning July 2016
 - \$20.2 million reduction for FY 2016-17 reflects more recent expectations of actual spending
- The update includes the 2017 benefit design approved by the Board in 2016
 - The Certified Budget included a 2017 benefit design with a base premium on the Traditional 70/30 Plan and no changes to the Enhanced 80/20 Plan
- Pharmacy savings projected from the new PBM contract and the Board's approval of a closed formulary (beginning in 2017)
- Medicare Advantage (MA) premiums reflect final 2017 renewal negotiations and the Board's approval of a single MA carrier for 2017
 - MA premium rates for 2018 and after assume the re-imposition of a federal Insurer Fee that was waived for 2017, resulting in higher out-year MA premium estimates



Calendar Year 2016 Comparison of Models CY 2016 1st Quarter Update vs. Certified Budget

Calendar Year 2016	CY 2016 1 st Quarter Update (per Segal 7-5-16)	Certified Budget (per Segal 10-13-15)	Difference: Increase/ (Decrease) From Budget
Beginning Cash Balance	\$1.015 b	\$941.3 m	\$73.9 m
Plan Revenue	\$3.167 b	\$3.094 b	\$72.9 m
Net Claims Payments	\$2.919 b	\$2.918 b	\$0.8 m
Medicare Advantage Premiums	\$193.8 m	\$190.9 m	\$2.9 m
Net Admin. Expenses	\$210.0 m	\$249.8 m	(\$39.8 m)
Total Plan Expenses	\$3.323 b	\$3.359 b	(\$36.1 m)
Net Income/(Loss)	(\$155.8 m)	(\$264.8 m)	\$109.0 m
Ending Cash Balance	\$859.4 m	\$676.5 m	\$182.9 m
2018 & 2019 Premium Increases	3.74%	14.88%	(11.14%)



Forecast Comparisons: Calendar Year 2016 Claims





Forecast Comparisons: Ending Cash Balance December 31, 2016





Forecast Comparisons: Ending Cash Balances in FB15-17



North Garolina State Health Plan FOR TEACHERS AND STATE EMPLOYEES

A Division of the Department of State Treasurer

Projected Cash Balance/12% Legislative Reserve Floor CY 2016 1st Quarter Forecast Update





Certified FB 2015-17 Budget Page 1 (CY)

North Carolina State Health Plan



Financial Projections - Jun 2015

Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active (Starting 2018) on 70/30 Plan

With March 2015 Enrollment

(Segal 10-13-15)

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

3.47% Increase for Actives and NMRs and 3.45% Increase for MRs in ER Contribution and 2.83% Increase for EE Contribution in 2016, 3.43% Increase for ER and EE in 2017

	2012 - 2013	Biennium									
	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	FY 2012	FY 2013	Short Plan Year Jul-Dec 2013	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	Calendar 2020	Calendar 2021
PLAN INCOME:											
Net Contribution Income	2,750,368,851	2,895,366,140	1,502,578,000	2,952,592,141	2,969,222,633	3,101,082,665	3,196,980,423	3,670,811,220	4,194,038,986	4,387,013,794	4,591,067,046
Wellness Surcharge/(Credit)		-	-	-	(5,579,400)	(12,235,376)	(244,681)	14,428,650	14,997,168	16,015,020	16,574,924
Medicare Advantae Subsidy			-	721,773	946,437	866,821	883,058	918,683	935,591	972,280	989,879
Health care Reform ERRP	42,163,391	(558,219)	-	(1,949)	-	-	-	-	-	-	-
Retro Disenrollments	(451,496)	(487,819)	(277,538)	(28,401)	(753,239)	(1,550,541)	(1,598,490)	(1,835,406)	(2,097,019)	(2,193,507)	(2,295,534)
Premium Change due to Movement			-	-	1,290,050	(11,584,401)	(8,449,897)	3,216,901	6,609,643	10,731,179	12,578,500
Medicare Part D	57,583,602	38,056,016	(1,323,888)	21,584,404	18,259,815	14,177,803	14,476,584	13,968,257	14,199,870	13,526,773	13,672,026
EGWP+Wrap											
Direct Subsidy	-	24,435,483	25,202,822	216,170	441	-	-	-	-	-	-
Coverage Gap Subsidy	-	-	11,879,765	28,162,232	-	-	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	48,602,965	-	-	-	-	-	-
Total	-	24,435,483	37,082,587	28,378,402	48,603,406	-	-	-	-	-	-
Investment Earnings	3,015,815	3,236,713	1,841,087	4,417,142	4,699,673	3,269,599	2,005,537	1,069,547	1,152,773	1,529,812	1,573,273
Total Plan Income	2,852,680,163	2,960,048,314	1,539,900,247	3,007,663,512	3,036,689,374	3,094,026,568	3,204,052,534	3,702,577,852	4,229,837,012	4,427,595,351	4,634,160,114
PLAN EXPENSE:											
Medical Claims Payment	1.849.410.105	1.858.096.405	1.033.157.400	1,949,838,964	2.091.695.828	2.248.177.501	2.391.472.401	2.601.158.619	2.718.666.411	2.899.821.730	3.082.959.373
									(32,480,285)		
Claim Refunds	(22,634,615)	(23,467,914)	(10,834,378)	(22,731,740)	(26,552,076)	(26,876,079)	(28,428,782)	(30,324,486)		(34,421,873)	(36,866,910)
Adjustment for Changes				-	1,687,469	(63,902,366)	(83,097,380)	(80,281,035)	(68,989,932)	(83,381,471)	(77,619,822)
Cost of Add Locals				-	-	7,482,840	7,976,416	8,503,282	8,482,861	8,442,872	8,424,051
Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,927,107,224	2,066,831,221	2,164,881,896	2,287,922,654	2,499,056,381	2,625,679,055	2,790,461,258	2,976,896,692
Medicare Advantage Premiums				155,497,950	171,292,151	190,926,383	207,663,919	231,607,844	251,851,659	280,568,061	305,023,745
Pharmacy Claims Payment	721,163,013	752,419,650	425,257,939	697,815,422	747,682,663	802,051,996	864,669,485	932,231,424	1,005,133,318	1,084,389,407	1,169,389,293
Rebates	(93,130,160)	(69,641,941)	(32,188,641)	(98,763,203)	(89,462,256)	(50,098,631)	(51,122,325)	(51,830,700)	(52,881,526)	(53,579,327)	(54,647,657)
Claims Adjustment for Changes	(00,100,100)	(00,011,011)	(02,100,011)	(00,700,200)	(00,102,200)	(00,000,001)	(01,122,020)	(01,000,700)	(02,001,020)	(00,010,021)	(01,011,001)
Additional ACA Preventive Medicine					345,776	1,276,000	1,366,000	1,462,000	1,522,931	1,637,763	1,749,194
Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	599,052,219	658,566,182	753,229,366	814,913,160	881,862,724	953,774,723	1,032,447,843	1,116,490,830
Total Claims	2.454.808.343	2,517,406,200	1,415,392,320	2.681.657.393	2.896.689.554	3,109.037.645	3.310.499.733	3.612.526.948	3.831.305.437	4,103,477,163	4,398,411,268
Administrative Costs	165,480,561	161,401,639	69,548,737	149,605,909	207,934,251	226,154,235	234,469,159	240,612,354	246,937,966	253,452,064	260,160,933
ACA Reinsurance Fee				-	5,642,732	23,664,475	14,405,357				
Extra EGWP+Wrap Administration	-	-	-	-	-	-	-	-	-	-	-
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,831,263,302	3,110,266,537	3,358,856,354	3,559,374,250	3,853,139,302	4,078,243,404	4,356,929,227	4,658,572,201
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	176,400,210	(73,577,163)	(264,829,786)	(355,321,715)	(150,561,450)	151,593,608	70,666,124	(24,412,087)
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	838,447,136	1,014,847,346	941.270.183	676,440,397	321,118,681	170,557,232	322,150,840	392,816,964
Ending Cash Balance (Deficit)	502,247,471	783,487,946	838,447,136	1,014,847,346	941,270,183	676,440,397	321,118,681	170,557,232	322,150,840	392,816,964	368,404,877
									,,		
Target Stabilization Reserve - CY (9%)	184,110,626	201,392,496	113,231,386	214,723,553	245,285,766	262,630,014	279,255,223	304,282,719	322,150,840	344,061,819	368,404,877
Legislative Target Reserve - CY (20%)					622,053,307	671,771,271					
Cash Balance Over CY TSR Cash Balance Over CY LTR	318,136,845	582,095,450	725,215,751	800,123,793	695,984,417 319,216,876	413,810,383 4,669,126	41,863,458	(133,725,488)	0	48,755,145	0
Target Stabilization Reserve %	7.5%	8.0%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
% of Expenses in Cash Reserve						20.1%	9.0%	4.4%	7.9%	9.0%	7.9%
	7/1 Increase	7/1 Increase		1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase
ER Premium Increase:	5.3%	5.3%		0.00%	0.00%	3.47%	3.43%	14.88%	14.88%	5.03%	5.03%
EE Premium Increase:	5.3%	5.3%		0.00%	0.00%	2.83%	3.43%	14.88%	14.88%	5.03%	5.03%



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North Carolina State Health Plan

Financial Projections - Jun 2015

/ Trends - 7.0% Medical & 8.5% Pharmacy No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active (Starting 2018) on 70/30 Plan

With March 2015 Enrollment

(Segal 10-13-15)

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

	2012 - 2013	Biennium	2014 - 2015	Biennium	2016 - 2017	Biennium	2018 - 2019	Biennium	2020 - 2021 Biennium		
	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021	
PLAN INCOME: Net Contribution Income Wellness Surcharge/(Credit)	2,750,368,851	2,895,366,140	2,941,097,678	2,987,502,673	3,047,816,558 (11,707,747)	3,149,043,042 (6,225,252)	3,434,089,830 7,106,868	3,932,617,147 14,713,117	4,290,561,921 15,506,617	4,489,077,217 16,295,135	
Medicare Advantae Subsidy			417,565	833,262	848,545	875,853	899,869	928,068	952,914	982,029	
Health care Reform ERRP Retro Disenrollments	42,163,391 (451,496)	(558,219) (487,819)	(299,923)	(1,949) (11,359)	(1,523,908)	(1,574,522)	(1,717,045)	(1,966,309)	(2,145,281)	(2,244,539)	
Premium Change due to Movement Medicare Part D	57,583,602	38,056,016	11,583,652	- 19,590,771	(4,477,966) 14,457,206	(10,011,806) 14,230,850	(2,601,073) 14,333,822	4,918,367 13,977,434	8,676,356 13,988,152	11,658,104 13,481,389	
EGWP+Wrap Direct Subsidy Coverage Gap Subsidy Catastrophic Subsidy Total		24,435,483 - - 24,435,483	25,216,663 38,563,909 - 63,780,571	202,770 1,478,088 48,602,965 50,283,823	- - -	-	- - -	-	- - -		
Investment Earnings Total Plan Income	3,015,815 2,852,680,163	3,236,713 2,960,048,314	3,916,235 3,020,495,778	5,065,735 3,063,262,956	3,760,447 3,049,173,135	2,689,246 3,149,027,412	1,414,677 3,453,526,948	989,855 3,966,177,680	1,367,484 4,328,908,163	1,628,574 4,530,877,910	
	2,032,000,103	2,900,040,314	3,020,493,776	3,003,202,950	3,049,173,133	3,149,027,412	3,403,020,940	3,900,177,000	4,320,900,103	4,550,677,910	
PLAN EXPENSE: Medical Claims Payment Claim Refunds Adjustment for Changes	1,849,410,105 (22,634,615)	1,858,096,405 (23,467,914)	1,989,574,333 (22,450,766) -	2,021,369,178 (24,839,428) -	2,178,449,449 (25,761,279) (29,808,787)	2,319,076,194 (27,538,585) (73,348,668)	2,471,229,778 (29,524,691) (81,108,183)	2,631,415,335 (31,258,850) (74,743,236)	2,862,799,493 (33,527,532) (76,313,860)	2,989,707,862 (35,492,222) (80,445,833)	
Cost of Add Locals Net Medical Claims	1,826,775,490	1,834,628,491	1,967,123,567	1,996,529,750	3,681,718 2,126,561,101	7,725,604 2,225,914,544	8,235,548 2,368,832,452	8,779,912 2,534,193,161	8,176,325 2,761,134,427	8,718,301 2,882,488,107	
Medicare Advantage Premiums			78,538,847	162,400,394	181,076,579	199,274,333	219,606,100	241,704,572	266,174,143	292,765,485	
Pharmacy Claims Payment Rebates	721,163,013 (93,130,160)	752,419,650 (69,641,941)	743,281,462 (91,653,105)	721,469,293 (51,114,709)	801,972,479 (104,118,977)	832,959,448 (50,534,232)	898,016,897 (51,558,326)	968,213,916 (52,269,924)	1,044,840,766 (53,319,911)	1,126,360,411 (54,019,906)	
Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims	628,032,853	682,777,709	651,628,357	- 670,354,584	984,386 698,837,888	1,321,028 783,746,244	1,414,029 847,872,600	1,476,948 917,420,940	1,580,652 993,101,508	1,693,972 1,074,034,477	
Total Claims Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration	2,454,808,343 165,480,561	2,517,406,200 161,401,639	2,697,290,771 148,134,913	2,829,284,728 168,416,645 -	3,006,475,568 220,861,106 23,391,088	3,208,935,121 231,442,088 14,452,627	3,436,311,152 237,495,630 5,868,849	3,693,318,674 243,728,615 -	4,020,410,077 250,147,001 -	4,249,288,070 256,756,966 -	
Total Plan Expense	2.620.288.904	2,678,807,839	2,845,425,684	2,997,701,373	3,250,727,762	3,454,829,836	3,679,675,631	3.937.047.289	4,270,557,079	4.506.045.035	
Plan Income (Loss)	232,391,259	281,240,475	175,070,094	65,561,583	(201,554,627)	(305,802,424)	(226,148,683)	29,130,391	58,351,084	24,832,874	
Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit)	269,856,212 502,247,471	502,247,471 783,487,946	783,487,946 958,558,040	958,558,040 1,024,119,623	1,024,119,623 822,564,996	822,564,996 516,762,572	516,762,572 290,613,889	290,613,889 319,744,280	319,744,280 378,095,364	378,095,364 402,928,238	
Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY LTR	184,110,626	201,392,496	222,593,914	240,019,590 599,540,275 784,100,033 424,579,348	254,285,909 650,145,552 568,279,087 172,419,443	270,869,471 690,965,967 245,893,101 (174,203,395)	289,503,455 1,110,434	310,645,269 9,099,011	337,881,234 40,214,130	356,087,033 46,841,205	
Target Stabilization Reserve %	7.5%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	
% of Expenses in Cash Reserve				34.2%	25.3%	15.0%	7.9%	8.1%	8.9%	8.9%	
	7/1 Increase	7/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	
ER Premium Increase: EE Premium Increase:	5.3% 5.3%	5.3% 5.3%	0.00%	0.00%	3.47% 2.83%	3.43% 3.43%	14.88% 14.88%	14.88% 14.88%	5.03% 5.03%	5.03% 5.03%	
EE Fremium increase.	0.0%	0.0%	0.00%	0.00%	2.03%	3.43%	14.08%	14.00%	5.05%	5.05%	

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North Carolina State Health Plan

Financial Projections - Sep 2015

Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active (Starting 2018) on 70/30 Plan

With March 2015 Enrollment

(Segal 11-6-15)

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

3.47% Increase for Actives and NMRs and 3.45% Increase for MRs in ER Contribution and 2.83% Increase for EE Contribution in 2016, 3.43% Increase for ER and EE in 2017, Adjust Rebates

	2012 - 2013	Biennium									
	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	FY 2012	FY 2013	Short Plan Year Jul-Dec 2013	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	Calendar 2020	Calendar 2021
PLAN INCOME:	1										
Net Contribution Income	2,750,368,851	2,895,366,140	1,502,578,000	2,952,592,141	2,969,434,829	3,105,054,097	3,200,983,050	3,589,776,085	4,005,529,283	4,280,379,874	4,576,444,686
Wellness Surcharge/(Credit)		-	-	-	(2,793,778)	(12,263,431)	(233,288)	14,480,802	15,049,768	16,069,016	16,629,275
Medicare Advantae Subsidy			-	721,773	929,560	863,951	880,134	915,641	932,493	969,061	986,601
Health care Reform ERRP	42,163,391	(558,219)	-	(1,949)	-	-	-	-	-	-	-
Retro Disenrollments	(451,496)	(487,819)	(277,538)	(28,401)	(379,595)	(1,552,527)	(1,600,492)	(1,794,888)	(2,002,765)	(2,140,190)	(2,288,222
Premium Change due to Movement			-		646.082	(11,519,972)	(8,371,203)	2.848.087	5,561,674	10.110.963	12,592,164
Medicare Part D	57,583,602	38,056,016	(1,323,888)	21,584,404	18,952,795	14,774,755	15,094,295	14,555,087	14,805,491	14,093,417	14,254,775
EGWP+Wrap											
Direct Subsidy	-	24,435,483	25,202,822	216,170	441	-	-	-	-	-	-
Coverage Gap Subsidy	-	-	11,879,765	28,162,232	-	-	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	48,602,965	-	-	-	-	-	-
Total	-	24,435,483	37,082,587	28,378,402	48,603,406	-	-	-	-	-	-
Investment Earnings	3,015,815	3,236,713	1,841,087	4,417,142	5,357,305	3,550,234	2,503,805	1,627,638	1,394,313	1,411,535	1,454,367
Total Plan Income	2,852,680,163	2,960,048,314	1,539,900,247	3,007,663,512	3,040,750,604	3,098,907,106	3,209,256,302	3,622,408,453	4,041,270,257	4,320,893,677	4,620,073,646
PLAN EXPENSE:											
Medical Claims Payment	1,849,410,105	1,858,096,405	1,033,157,400	1,949,838,964	2,074,977,584	2,217,519,782	2,358,765,720	2,564,269,898	2,679,997,515	2,858,455,874	3,038,929,464
Claim Refunds	(22,634,615)	(23,467,914)	(10,834,378)	(22,731,740)	(24,435,428)	(26,551,684)	(28,040,151)	(29,896,725)	(32,018,530)	(33,931,080)	(36,340,488
Adjustment for Changes				-	834,617	(63,887,812)	(83,101,633)	(80,074,499)	(68,734,818)	(83,040,724)	(77,253,339)
Cost of Add Locals				-	-	7,482,839	7,976,186	8,502,793	8,482,130	8,441,894	8,422,830
Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,927,107,224	2,051,376,773	2,134,563,125	2,255,600,123	2,462,801,467	2,587,726,298	2,749,925,964	2,933,758,468
Medicare Advantage Premiums				155,497,950	171.639.724	190.294,172	206,976,285	230.840.925	251,017,707	279.639.021	304,013,725
Medicare Advantage Premiums				155,497,950	171,039,724	190,294,172	206,976,265	230,040,925	251,017,707	279,639,021	304,013,725
Pharmacy Claims Payment	721,163,013	752,419,650	425,257,939	697,815,422	750,616,119	805,146,066	867,987,940	935,790,419	1,008,950,160	1,088,485,072	1,173,781,666
Rebates	(93,130,160)	(69,641,941)	(32,188,641)	(98,763,203)	(96,193,453)	(70,921,564)	(72,136,106)	(72,978,258)	(74,225,117)	(75,055,004)	(76,322,760
Claims Adjustment for Changes			-	-	-	-	-	-	-	-	-
Additional ACA Preventive Medicine			-	-	172,925	1,276,000	1,366,000	1,462,000	1,522,886	1,637,595	1,748,784
Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	599,052,219	654,595,591	735,500,501	797,217,834	864,274,160	936,247,929	1,015,067,663	1,099,207,689
Total Claims	2.454.808.343	2.517.406.200	1.415.392.320	2.681.657.393	2.877.612.088	3.060.357.798	3.259.794.242	3.557.916.552	3,774,991,934	4.044.632.648	4,336,979,883
Administrative Costs	165,480,561	161,401,639	69.548.737	149.605.909	188,653,615	226,154,671	234,465,773	240,601,941	246,920,108	253,426,322	260,126,849
ACA Reinsurance Fee	103,400,301	101,401,000	03,340,737	143,003,303	5,642,732	23,681,377	14,442,352	240,001,041	240,320,100	200,420,022	200,120,043
Extra EGWP+Wrap Administration					3,042,732	20,001,077	14,442,002				
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,831,263,302	3,071,908,435	3,310,193,846	3,508,702,366	3,798,518,492	4,021,912,042	4,298,058,969	4,597,106,731
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	176,400,210	(31,157,831)	(211,286,740)	(299,446,064)	(176,110,040)	19,358,215	22,834,708	22,966,915
	000.050.040	500.017.171	700,407,040				770 400 775	170.050.714			
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	838,447,136	1,014,847,346	983,689,515	772,402,775	472,956,711	296,846,672	316,204,887	339,039,594
Ending Cash Balance (Deficit)	502,247,471	783,487,946	838,447,136	1,014,847,346	983,689,515	772,402,775	472,956,711	296,846,672	316,204,887	339,039,594	362,006,509
Target Stabilization Reserve - CY (9%)	184,110,626	201,392,496	113,231,386	214,723,553	243,537,513	258,305,726	274,753,616	299,436,806	317,157,680	338,849,426	362,966,954
Legislative Target Reserve - CY (20%)					614,381,687	662,038,769					
Cash Balance Over CY TSR Cash Balance Over CY LTR	318,136,845	582,095,450	725,215,751	800,123,793	740,152,002 369,307,828	514,097,049 110,364,006	198,203,095	(2,590,135)	(952,794)	190,168	(960,445)
Target Stabilization Reserve	184,110,626	201,392,496	113,231,386	214,723,553	243,537,513	258,305,726	274,753,616	299,436,806	317,157,680	338,849,426	362,966,954
Target Stabilization Reserve %	7.5%	8.0%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
% of Expenses in Cash Reserve						23.3%	13.5%	7.8%	7.9%	7.9%	7.9%
	7/1 Increase	7/1 Increase		1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase
50 0 · · ·											
ER Premium Increase: EE Premium Increase:	5.3% 5.3%	5.3% 5.3%		0.00%	0.00%	3.47% 2.83%	3.43% 3.43%	12.16% 12.16%	12.16% 12.16%	7.35%	7.35%

★ Segal Consulting

CY 2015 Q3 Update Page 2 (FY)

North Carolina State Health Plan



Financial Projections - Sep 2015 Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active (Starting 2018) on 70/30 Plan

With March 2015 Enrollment

(Segal 11-6-15)

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

l l l l l l l l l l l l l l l l l l l	2012 - 2013	Biennium	2014 - 2015	Biennium	2016 - 2017	Biennium	2018 - 2019	Biennium	2020 - 2021 Biennium		
	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021	
PLAN INCOME: Net Contribution Income Wellness Surcharge/(Credit)	2,750,368,851	2,895,366,140	2,941,097,678	2,987,502,673 -	3,050,027,435 (8,936,204)	3,153,030,472 (6,233,533)	3,395,536,181 7,138,703	3,797,799,321 14,765,496	4,143,028,885 15,559,919	4,428,490,439 16,349,311	
Medicare Advantae Subsidy Health care Reform ERRP	42,163,391	(558,219)	417,565	833,262 (1,949)	830,241	872,953	896,890	924,995	949,758	978,777	
Retro Disenrollments	(451,496)	(487,819)	(299,923)	(11,359)	(1,151,263)	(1,576,515)	(1,697,768)	(1,898,900)	(2,071,514)	(2,214,245	
Premium Change due to Movement Medicare Part D	57,583,602	38,056,016	11,583,652	19,590,771	(5,089,766) 15,145,310	(9,940,232) 14,827,634	(2,746,640) 14,951,785	4,209,277 14,564,110	7,842,710 14,594,090	11,355,528 14,047,902	
EGWP+Wrap Direct Subsidy Coverage Gap Subsidy Catastrophic Subsidy	-	24,435,483 -	25,216,663 38,563,909	202,770 1,478,088 48,602,965	-	-	-	-	-	:	
Total	-	24,435,483	63,780,571	50,283,823	-	-	-	-	-	-	
Investment Earnings	3,015,815	3,236,713	3,916,235	5,065,735	4,525,824	3.077.455	1,983,952	1,442,568	1,387,023	1,462,081	
Total Plan Income	2,852,680,163	2,960,048,314	3,020,495,778	3,063,262,956	3,055,351,577	3,154,058,232	3,416,063,103	3,831,806,868	4,181,290,872	4,470,469,793	
PLAN EXPENSE: Medical Claims Payment Claim Refunds Adjustment for Changes	1,849,410,105 (22,634,615)	1,858,096,405 (23,467,914)	1,989,574,333 (22,450,766) -	2,021,369,178 (24,839,428) -	2,146,535,686 (23,510,393) (30,647,624)	2,287,405,014 (27,162,683) (73,343,374)	2,436,793,675 (29,115,766) (81,010,253)	2,594,043,546 (30,815,122) (74,516,786)	2,822,021,392 (33,050,199) (76,009,315)	2,947,034,629 (34,985,734) (80,099,221)	
Cost of Add Locals Net Medical Claims	1,826,775,490	1,834,628,491	1,967,123,567	- - 1,996,529,750	3,681,744 2,096,059,412	7,725,493 2,194,624,449	8,235,192 2,334,902,848	8,779,279 2,497,490,917	8,175,497 2,721,137,376	8,717,162 2,840,666,835	
Medicare Advantage Premiums			78,538,847	162,400,394	181,108,833	198,614,479	218,878,922	240,904,220	265,292,765	291,796,056	
Pharmacy Claims Payment Rebates Claims Adjustment for Changes	721,163,013 (93,130,160)	752,419,650 (69,641,941)	743,281,462 (91,653,105)	721,469,293 (51,114,709)	806,435,407 (127,247,043)	836,164,450 (71,438,765)	901,454,272 (72,653,831)	971,900,389 (73,499,843)	1,048,797,720 (74,745,767)	1,130,602,793 (75,578,303	
Additional ACA Preventive Medicine Net Pharmacy Claims	628,032,853	682,777,709	651,628,357	- 670,354,584	811,540 679,999,903	1,321,029 766,046,713	1,414,029 830,214,471	1,476,927 899,877,472	1,580,559 975,632,512	1,693,699 1,056,718,189	
Total Claims Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration	2,454,808,343 165,480,561	2,517,406,200 161,401,639 -	2,697,290,771 148,134,913 -	2,829,284,728 168,416,645 - -	2,957,168,149 201,580,078 23,403,765	3,159,285,642 231,442,088 14,478,775	3,383,996,240 237,488,807 5,883,921	3,638,272,610 243,714,560 -	3,962,062,653 250,125,286 - -	4,189,181,080 256,727,142 -	
Total Plan Expense	2,620,288,904	2,678,807,839	2,845,425,684	2,997,701,373	3,182,151,991	3,405,206,505	3,627,368,969	3,881,987,169	4,212,187,939	4,445,908,222	
Plan Income (Loss)	232,391,259	281,240,475	175,070,094	65,561,583	(126,800,414)	(251,148,272)	(211,305,866)	(50,180,301)	(30,897,068)	24,561,571	
Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit)	269,856,212 502,247,471	502,247,471 783,487,946	783,487,946 958,558,040	958,558,040 1,024,119,623	1,024,119,623 897,319,209	897,319,209 646,170,936	646,170,936 434,865,071	434,865,071 384,684,769	384,684,769 353,787,702	353,787,702 378,349,273	
Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY LTR	184,110,626	201,392,496	222,593,914	240,019,590 599,540,275 784,100,033 424,579,348	249,845,338 636,430,398 647,473,870 260,888,810	266,460,405 681,041,301 379,710,532 (34,870,365)	284,860,559 150,004,512	305,763,155 78,921,614	332,709,290 21,078,412	350,764,652 27,584,621	
Target Stabilization Reserve %	7.5%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	
% of Expenses in Cash Reserve	//1 Incrosec	7/1 Incrosec	1/1 Incrosec	34.2%	28.2%	19.0%	12.0% 1/1 Increase	9.9%	8.4%	8.5%	
ER Premium Increase:	7/1 Increase 5.3%	7/1 Increase 5.3%	1/1 Increase 0.00%	1/1 Increase 0.00%	1/1 Increase 3.47%	1/1 Increase 3.43%	1/1 Increase 12.16%	1/1 Increase 12.16%	1/1 Increase 7.35%	1/1 Increase 7.35%	
Ervi romum murcaso.	3.370	3.370	0.0070	0.0070	3.4170	3.4370	12.1070	12.1070	1.3370	1.3370	

CY 2015 Q4 Update Page 1 (CY) With Board's 2017 Benefit Design

North Carolina State Health Plan

Financial Projections - Dec 2015

Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan

With January 2016 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

(Segal 5-12-16) 3.43% Increase for ER and EE in 2017, Proposed 70/30 and VBID 80/20 Plan Change (Deductible = \$ 1,250 and OOP = 4350/2500) in 2017 with PBM BAFO (Open) and MA at 5% in 2017

FY 2012 FY 2013 Bint Plan Year Multicolline Income (MH NCOME) Calendar 2014 Calendar 2015 Calendar 2014 Calendar 2014 <thcalendar 2014<="" th=""> Calendar 2014</thcalendar>	5-12-16)	2012 - 2013	Biennium									
PM ROUGE P1 APU P1 APU P1 APU P1 APU P1 APU		Actual	Actual		Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection
PLAN EXCRET: Investment Extension 2,780,388,81 2,880,380,10 1,002,578,000 2,880,280,177 3,114,660,941 3,241,544,160 3,480,480,221 480,480,221 480,480,221		FY 2012	FY 2013		Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	Calendar 2020	Calendar 2021
Weberss Control Control <t< td=""><td>PLAN INCOME:</td><td></td><td></td><td>0010002010</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	PLAN INCOME:			0010002010								
Webers Schwarzer 1 <th1< th=""> 1 1 <</th1<>	Net Contribution Income	2,750,368,851	2.895.366.140	1.502.578.000	2,952,592,141	2.993.891.773	3.114.905.943	3.241.544.109	3,439,499,261	3.649.868.274	3.996.236.806	4,375,863,214
Medicar Advantaria Galaciój Hardi Carl Referencientemest Alter Commentimente Hardi Carl Referencientemest Partel Dismut Charge due to Movement Medicar Part D - - - - - - - - - - - - - - - - - - -			-			-						35,793,793
Hash College 42,163,31 (65,29) (1,49) (1,54,4) (1,55,45) (1,55,45) (1,57,45) (1,51,45) (1,52,43) (1,51,45) (721 773	959 319						1.334,778
Reto Denaminantes (#14.48) (#14.781) (1.577.453)		42 163 301	(558 210)			000,010	1,110,010		1,210,101	1,210,100	1,001,011	1,001,110
Medicare Par D 57,583,602 38,065,016 (1,22,288) 21,564,644 19,644,623 17,219,883 15,568,964 15,109,304 15,283,503 16,427,469 16,557 Coverage Sagusty - 24,435,483 25,202,222 -				(277,538)		(5,343)	(1,557,453)	(1,620,772)	(1,719,750)	(1,824,934)	(1,998,118)	(2,187,932)
Medicare Part D 57,883.802 38,850.106 (1,323,888) 21,584,464 19,484.823 17,218,883 15,956,864 19,109,304 19,333,503 19,647,469 16,537, 16,537,469 Core rup Gas Subsky Castrophic Subsky - - 1,137,765 21,812,322 - -												
ECWP+Wrap Direct Subsidy Casaraphis Subsidy 24433.483 25.02 22 25.02 22 16.103 441 - - - -		57,583,602	38.056.016	(1.323.888)	21.584.404	19.484.823	17.219.883					1,846,972 16,537,376
Direct Subsky - 24.458.458 25.202.822 210.170 441 - -				(
Coverage Cup: Subsidy Tail . </td <td></td>												
Classific Subsoly .		-	24,435,483			441	-	-	-	-	-	-
Total 9 4436,483 37.022,587 28.378,402 440.040 - - - - - Investment Earnings 3.016.815 3.20,713 1.441.087 4.417,142 6.007720 3.563.443 2.2681.850 2.00,053 1.564,740 1.106.002 1.251 Total Flam Income 2.862.080,185 2.800.043.141 1.558.002.471 3.108.202.061 3.273.452.49 3.706.071.064 4.400.458 PLAM EXPENSE: 1.846.410.105 1.846.910 1.846.92.041 1.944.838.94 2.007.062.24 2.273.452.49 2.571.510.515 2.585.642.208 10.90.677.649 1.846.70.944 (2.211.373) (4.170.468.948.942.202 2.210.947.129 (2.141.739) (4.170.748.96 (2.153.757.649 1.820.775.490 1.827.077.24 2.243.986.77 2.389.445.22 (2.20.570) (2.213.374.910) (4.40.419.166 2.200.90.244 2.200.90.244 2.200.90.274 2.844.500 2.446.500 2.447.090.973 2.484.500 2.389.452.205 (2.477.90.90.973 2.484.500 (2.477.90.90.973 2.484.500 (2.477.90.90.973 2.200.90.973		-	-	11,879,765	28,162,232	-	-	-	-	-	-	-
Investment Earnings 3.015.815 3.228.713 1.841.087 4.417.142 6.037.729 3.553.483 2.081.800 2.100.633 1.544.744 1.100.002 1.251. Total Film Income 2.852.680.163 2.800.483.280.443 1.530.800.247 3.007.885.112 3.008.2517.07 3.159.220.561 3.275.511.66 3.444.023.40 3.705.071.500 4.402.149.318 4.430.438 Medizal Claims Payment Caam Rehunds 1.840.410.051 1.860.04.05 1.033.177.400 1.940.838.044 (22.731.740) (23.009.307) (4.814.222) 1.251.1147.861 0.894.128 2.211.472.801 (23.417.246) (22.133.74) Adjustment for Changes 1.826.776.400 1.824.628.41 1.022.323.022 1.027.107.201 (93.107.205 2.064.126 2.23.045.201 2.20.041.201 2.414.726 (77.400.037.72 2.844.706 4.202.227 8.442.023.440 8.202.722 8.442.023.440 8.202.722 8.447.765 8.202.722 8.447.765 8.202.722 8.447.765 8.202.723 8.447.765 8.202.723 8.447.765 8.202.723 8.447.765 8.202.723 8.447.765		-	-	-	-		-	-	-	-	-	-
Total Plan Income 2.852.660.163 2.960.048.314 1.539.800.247 3.007.063.512 3.068.971.077 3.139.20.051 3.275.691.692 3.444.023.440 3.705.071.098 4.052.1093.15 4.430.438 PLAN EXPENSE: Is64.410.05 1.869.006.405 (10.33.157.400) (22.034.615) (23.472.452.443) 2.571.516.515 2.088,148.338 2.865.842.0068 3.090.676.(94.128) (21.172.822.68) (10.172.822.68) (10.172.822.68) (10.172.822.68) (10.172.822.68) (20.047.170) (20.047.171) (21.172.275) (10.047.176) (20.047.171) (21.172.275) (21.072.274.171) (21.022.173) (20.047.176) (20.047.176) (20.04	Total	-	24,435,483	37,082,587	28,378,402	48,603,406	-	-	-	-	-	-
PLAN EXPENSE: Medical Claims Payment 1.540,410,105 1.656,069,405 1.033,157,400 1.949,838,044 2.007,065,284 2.222,202,105 2.372,345,243 2.571,516,515 2.688,148,338 2.866,42.068 3.039,676, (32,173,374) Adjustment for Changes (22,034,615) (2,347,247,740) (10,354,376) (22,731,740) (23,703,770) (24,312,321,775,400) (16,422,253) (32,02,867,700) (22,173,740,700) (22,034,615) 2.681,43,388 2.860,420,683 (33,09,676, (22,1533,700) (22,153,31,754,00) (22,163,31,754,00) (22,163,31,754,00) (22,173,746,170) (22,173,746,170) (22,173,746,170) (22,163,33,270) (22,163,33,270) (22,173,746,170) (22,173,746,170) (22,173,746,170) (22,173,746,170) (22,173,746,170) (22,173,746,170) (22,173,770,170) (22,173,770,170) (23,00,23,770,170) (23,00,23,770,170) (23,00,21,110,170,170,170,170,170,170,170,170,17	Investment Earnings	3,015,815	3,236,713	1,841,087	4,417,142	6,037,729	3,553,483	2,681,850	2,109,633	1,594,749		1,251,759
Medical Claims Payment Claim Rehment (22,034,015) 1,849,410.105 1,856,004.05 (22,034,015) 1,449,838,004 (22,731,1740) 2,222,222,005 (22,731,1740) 2,272,342,43 (22,231,1742) 2,271,516,516 (22,231,1735) 2,288,142,38 (24,232,233) 2,288,642,088 (22,131,735) 3,002,0770 (22,133,700,377) 2,283,142,38 (22,731,1742) 2,271,516,516 (22,231,1735) 2,288,142,38 (22,231,1735) 2,271,516,516 (22,231,1735) 2,288,142,38 (22,231,1735) 2,271,517,517 (22,233,022) 2,288,142,38 (22,231,1735) 2,271,517,518 (22,231,1735) 8,462,023 (22,233,022) 8,441,708 (22,230,22,22) 8,442,023 (22,230,02,22) 8,442,023 (22,230,02,22) 8,441,708 (22,230,02,22) 2,280,143,38 (22,230,02,22) 2,280,143,38 (22,230,02,22) 2,480,010 8,402,023 (22,230,02,22) 8,441,708 (22,257,800) 8,441,708 (22,277,400,77) 2,71,412,714,714,714,714,714,714,714,714,714,714	Total Plan Income	2,852,680,163	2,960,048,314	1,539,900,247	3,007,663,512	3,068,971,707	3,139,920,651	3,275,691,696	3,494,023,440	3,705,071,008	4,052,199,315	4,430,439,959
Medical Claims Payment Claim Rehment (22,034,015) 1,849,410.105 1,856,004.05 (22,034,015) 1,449,838,004 (22,731,1740) 2,222,222,005 (22,731,1740) 2,272,342,43 (22,231,1742) 2,271,516,516 (22,231,1735) 2,288,142,38 (24,232,233) 2,288,642,088 (22,131,735) 3,002,0770 (22,133,700,377) 2,283,142,38 (22,731,1742) 2,271,516,516 (22,231,1735) 2,288,142,38 (22,231,1735) 2,271,516,516 (22,231,1735) 2,288,142,38 (22,231,1735) 2,271,517,517 (22,233,022) 2,288,142,38 (22,231,1735) 2,271,517,518 (22,231,1735) 8,462,023 (22,233,022) 8,441,708 (22,230,22,22) 8,442,023 (22,230,02,22) 8,442,023 (22,230,02,22) 8,441,708 (22,230,02,22) 2,280,143,38 (22,230,02,22) 2,280,143,38 (22,230,02,22) 2,480,010 8,402,023 (22,230,02,22) 8,441,708 (22,257,800) 8,441,708 (22,277,400,77) 2,71,412,714,714,714,714,714,714,714,714,714,714	DI AN EXPENSE-											
Claim Refunds (22,834,616) (23,467,914) (10,834,378) (22,731,740) (23,530,017) (28,530,017) (28,500,211) (156,482,281) (22,114,736) (32,114,736		1 940 410 105	1 959 008 405	1 022 157 400	1 040 929 084	2 087 005 294	2 222 202 105	2 272 245 242	2 571 518 515	2 800 140 220	2 959 542 089	3.039.676.413
Adjustment for Changes (4.814.232) (112.622.688) (159.482.068) (128.425.253) (202.805.700) (221.533) Cost of Addi Locals 1.820.775.400 1.834.608.491 1.022.323.022 1.827.107.224 2.043.386.977 2.080.472.002 2.474.000.373 2.800.016.33 8.441.750 8.482.023 8.441.750 8.422.240.753.7												
Cost of Add Locals Net Medical Claims 1,826,775,490 1,834,628,491 1,022,323,022 1,927,107,224 2,043,385,977 2,188,41368 2,386,858,077 2,380,042,022 2,470,000,373 2,630,001,633 2,704,475 Medicard Claims 1,826,775,490 1,834,628,491 1,022,323,022 1,927,107,224 2,043,385,977 2,188,417,695 2,238,628,507 2,380,042,022 2,470,000,373 2,630,001,633 2,704,447, Pharmacy Claims Payment Pharmacy Claims Payment Pastelse (23,130,100) (66,41,141) (82,186,41) (82,186,41) (82,186,41) (82,186,41) (17,754,00) 1,119,669,417 (21,125,71,43) (71,442,78) (71,442,78) (71,442,78) (71,442,78) (71,442,78) (71,442,78) (80,41,79		(22,034,010)	(23,407,814)	(10,834,378)	(22,731,740)	(23,708,307)						
Net Medical Claims 1,820,775,400 1,834,628,401 1,022,323,022 1,927,107,224 2,043,385,977 2,196,421,085 2,239,528,507 2,390,042,202 2,470,090,373 2,630,001,633 2,700,447, Medicare Advantage Premiums 721,163,013 752,419,660 425,257,939 607,815,422 701,471,324 817,007,251 884,560,010 666,612,161 1,103,015,618 1,110,659,417 1,211,227 77,740,307 77,740,377 77,740 78,757,711 74,8130,195 73,315,790 7,99,234,404 84,359,728 827,357,253 1,007,082 Additional ACA 2,64,60,511 161,401,438 659,957,389 2,861,161,050 3,19,749,165 3,	Adjustment for Changes				-	-	(4,814,232)	(112,092,008)	(109,982,900)	(180,420,203)	(202,805,700)	(221,033,821)
Medicare Advantage Premiums T21,163,013 752,419,860 425,257,939 607,815,422 701,471,324 817,407,251 884,560,010 968,612,161 1,035,015,618 1,110,650,417 1,21,12,25 Rebates Saving from PBM BAFO Rebates (93,130,160) (60,641,041) (32,188,841) (98,763,203) (96,193,453) (70,753,056) (72,251,793) (4,472,783) (75,740,307) (75,740,307) (75,740,307) (75,740,307) (75,740,307) (75,740,307) (75,740,307) (75,740,307) (75,740,307) (75,740,307) (76,740,307) (76,740,307) (76,740,307) (76,740,307) (76,740,307) (76,740,307) (76,740,307) (76,740,307) (76,740,307) (76,740,307) (76,740,307) (76,750,115) (76,750,115) (71,700,11,336,000) 1,420,000,422 246,917,91,420 253,420,451	Cost of Add Locals				-	-	7,482,838	7,976,153	8,502,722	8,482,023	8,441,750	8,422,650
Pharmacy Claims Payment 721,163,013 752,419,650 425,257,939 607,815,422 701,471,324 817,607,251 884,566,010 696,612,161 1,119,699,417 1,211,225 Rebates Saveline Rr, Saving from PBM BAFO (93,130,160) (90,41,941) (32,188,841) (94,193,453) (70,753,056) (72,053,761) (74,422,783) (77,430,337) (77,403,37) (77,403,37) (77,403,37) (77,403,37) (77,403,37) (77,403,37) (77,403,37) (77,403,37) (77,403,37) (76,403,166) (80,2277) (80,222,77) (80,222,77) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,222,87) (80,223,87) (80,223,87) (80,223,87) (80,223,87) (80,223,87) (80,223,87) (80,283,87) (80,23,87) (80,283,87) (80,283,87) (80,283,87) (80,283,87) (80,283,87) (80,223,87) (80,283,88) <	Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,927,107,224	2,043,385,977	2,198,421,695	2,239,528,507	2,390,042,202	2,479,090,373	2,630,001,633	2,790,447,683
Pharmacy Claims Payment 721,163,013 752,419,650 425,257,939 607,315,422 781,471,324 817,607,251 884,566,010 696,612,181 1,119,699,417 1,211,225 Rebates Saveline Rr, Saving from PBM BAFO (93,130,160) (69,641,941) (32,188,641) (94,193,453) (70,753,056) (72,053,761) (74,422,783) (77,443,037) (77,403,037) (77,403,037) (77,403,037) (77,403,037) (77,403,037) (77,403,037) (77,403,037) (74,402,106) (83,204,407) (61,780,781) (65,802,777) (61,804,707) (61,802,770) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (60,804,707) (74,803,83,850,802,77) (74,803,87,728,927,78,71) (74,402,78,80,77,70) (74,402,78,80,77,70) (74,402,78,80,77,70) (74,402,78,77,77) (74,804,78,77,77) (74,804,78,77,77) (74,804,78,77,77) (74,804,78,728,80,83,87,228,927,87,723) (70,70,680,728,927,94,100,77,229,828,363,512,082,77,70) (74,402,414,91,78,72	Medicare Advantage Premiums				155 497 950	172 517 202	193 197 295	209 032 244	228 645 021	250 061 981	273 446 590	298,976,949
Rebates (93,130,160) (98,641,641) (32,188,641) (98,783,203) (96,193,453) (70,753,056) (72,205,714) (72,472,783) (76,743,037) (77,740) Baseline R: Saving from PBM BAFO Clams Adjustment for Changes (60,014,041) (32,188,041) (98,783,203) (96,193,453) (70,753,056) (72,053,011) (72,205,714) (72,472,783) (76,743,037) (75,740,037) (66,90,477) (8,92,210) (8,92,210) (96,521,91,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91) (96,521,91,91) (96,521,91,91)	, i i i i i i i i i i i i i i i i i i i											
Baseline Rv. Saving from PBM BAFO Rehates Saving from PBM BAFO Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims (50,004,726) (50,204,757,871 (50,004,726) (50,204,757,871 (50,004,726) (50,204,757,711 (50,004,726) (50,204,757,711 (50,004,726) (50,204,757,711 (50,004,726) (50,204,757,711 (50,004,726) (50,204,757,711 (50,204,757) (50,204,757,711 (50,204,756) (50,204,757,711 (50,204,756) (50,204,767,711 (60,561,77,711) (60,561,77,701 (60,561,77,711) (60,561,77,701 (50,004,726) (50,204,762,728) (50,004,726) (50,204,762,728) (50,204,756) (50,204,757,751) (746,130,105) (50,204,716) (50,204,756) (50,204,776,77,701) (60,561,77,771) (746,130,105) (746,204,776) (746,104,766) (753,115,708 (746,104,774,774 (746,104,774,774 (746,104,774,774 (746,104,774,774 (746,104,774,774 (746,104,774,774 (746,104,774,774												1,211,225,300
Rebase Saving from PBM BAFO (24,522,369) (38,264,487) (61,762,787) (60,507) Claims Adjustment for Changes 4.dditional ACA Preventive Medicine 1.276,000 1.482,000 1.415,022,200 2.494,017,400,200 1.415,022,200 2.881,181,050 3.130,749,186 3.201,767,649 3.417,921,028 3.883,0420,674 4.096,521, 4.096,521, 4.006,509 187,419,075 223,462,615 1.4678,023 2.40,017,402 253,422,524 240,017,402 253,422,524 240,017,402 253,422,524 240,017,402 253,422,524 240,017,402 253,422,524 240,017,402 253,422,524 240,017,402 253,422,524 240,017,402 253,422,524 240,017,402 253,422,524 240,017,402 253,426,515		(93,130,160)	(69,641,941)	(32,188,641)	(98,763,203)	(96,193,453)	(70,753,056)					(77,040,167
Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims C. I.												(58,623,305
Additional ACA Preventive Medicine Net Pharmacy Claims 628,032,853 682,777,709 393,089,298 599,052,219 665,277,871 748,130,195 753,115,798 799,234,404 854,359,728 927,357,253 1,007,069, Total Claims 2,454,808,343 2,617,406,200 1,415,302,320 2,681,667,393 2,881,181,050 3,139,749,165 3,201,676,549 3,417,21,628 3,542,028 2458,308,05,476 4,006,621, Addiministrative Costs 165,480,504 1,416,401,39 69,549,737 149,605,909 187,419,975 226,750,429 234,465,284 240,600,425 246,017,422 234,425,244 240,601,425 240,601,415 2												(60,561,265
Net Pharmacy Claims 628,032,853 682,777,700 393,069,298 599,052,219 666,277,871 748,130,195 753,115,798 799,234,404 854,359,728 927,357,253 1,007,086, Total Claims 2,454,808,343 2,517,406,200 14,15,392,320 2,881,857,393 2,881,181,050 3,139,749,185 3,201,676,549 3,417,921,628 3,583,512,082 3,830,805,476 4,096,521, Administrative Costs 105,480,561 101,401,639 69,548,737 149,605,000 187,419,075 228,750,429 234,465,284 240,000,426 246,917,492 253,422,524 200,121, ACA Reinsurance Fee 2,620,288,004 2,678,807,830 1,484,941,057 2,831,263,302 3,0088,001,025 3,390,142,229 3,450,820,455 3,630,429,674 4,094,228,000 4,356,642 Plan Income (Loss) 232,391,259 281,240,475 54,950,100 176,400,210 370,682 (250,221,579) (175,128,759) (104,498,614) (125,356,668) (32,028,685) 73,977, Torgat Stabilization Reserve - CV (0%) 269,851,212 502,247,471 783,487,494 838,447,13				-	-	-	-					(9,652,887
Total Claims Administrative Costs AcA Reinsurance Fee Extra ECWP-Myrap Administration 2,454,808,343 2,517,406,200 1,415,392,320 2,881,657,393 2,881,181,050 3,139,749,185 3,201,676,549 3,417,921,628 3,583,512,082 3,830,805,476 4,096,521 AcA Reinsurance Fee Extra ECWP-Myrap Administration 2 2,620,288,004 2,678,807,830 1,484,041,057 2,831,263,302 3,088,601,025 3,390,142,229 3,460,820,465 3,686,522,054 3,830,429,674 4,084,228,000 4,366,842 Plan Income (Loss) 232,391,259 281,240,475 54,959,100 170,400,210 370,682 (250,221,579) (175,128,759) (184,498,614) (125,588,668) (32,028,685) 73,797, 300,010,509 287,984 Beginning Cash Balance (Deficit) 269,866,212 502,247,471 783,487,946 838,447,136 1,014,847,346 1,015,218,028 764,996,449 589,867,691 425,389,077 300,010,509 267,981,824 341,778 Target Stabilization Reserve - CY (9%) 184,110,626 201,392,496 113,231,386 214,723,563 243,779,746 265,189,670 269,837,987 287,034,895 300,				-	-	-						1,748,722
Administrative Costs 165,480,561 161,401,639 69,548,737 140,605,609 187,419,975 228,750,429 234,465,284 240,800,426 240,917,492 253,422,524 280,121, 23,642,015 ACA Reinsurance Fee Extra EGWP+Wrap Administration 2.620,288,004 2,678,807,839 1.484,041,057 2.831,263,302 3,068,601,025 3,390,142,229 3,450,820,455 3,658,522,054 3,830,429,574 4,094,228,000 4,356,642 Plan Income (Loss) 232,391,259 281,240,475 54,959,190 176,400,210 370,682 (250,221,579) (175,128,759) (184,498,614) (125,358,568) (32,028,685) 73,797, 300,010,509 267,981,824 Beginning Cash Balance (Deficit) 209,866,212 502,247,471 783,487,946 838,447,136 1,014,847,346 1,015,218,028 764,996,449 569,867,091 425,369,077 300,010,509 267,981,824 341,778, 613,720,205 678,028,446 200,337,987 287,034,895 300,010,509 2267,981,824 341,778, 613,720,205 678,028,446 240,987,797 300,010,509 320,162,300 341,778, 613,720,205 678,028,446 240,987,797 300,010,509 320,162,300 341,778, 613,720,205 678,028,446	Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	599,052,219	665,277,871	748,130,195	753,115,798	799,234,404	854,359,728	927,357,253	1,007,096,399
Administrative Costs 165,480,561 161,401,639 60,548,737 140,605,909 187,419,975 228,780,429 234,465,284 240,600,426 246,617,492 253,422,524 260,121, 4,678,623 ACA Reinsurance Fee Extra EGWP+Wrap Administration -	Total Claims	2,454,808,343	2,517,406,200	1.415.392.320	2.681.657.393	2.881.181.050	3.139.749.185	3.201.676.549	3.417.921.628	3.583.512.082	3.830.805.476	4,096,521,031
ACA Reinsurance Fee Extra EGWP+Wrap Administration 1 23,642,615 14,678,623 - - -	Administrative Costs	165,480,561		69,548,737				234,465,284		246,917,492		260,121,785
Extra EGWP+Wrap Administration . <th< td=""><td>ACA Reinsurance Fee</td><td></td><td></td><td></td><td></td><td></td><td>23 642 615</td><td>14.678.623</td><td></td><td></td><td></td><td></td></th<>	ACA Reinsurance Fee						23 642 615	14.678.623				
Plan Income (Loss) 232,391,259 281,240,475 54,959,190 176,400,210 370,682 (250,221,579) (175,128,759) (164,498,614) (125,358,568) (32,028,685) 73,797. Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 838,447,136 1,014,847,346 1,015,218,028 764,996,449 589,867,691 425,369,077 300,010,509 267,981,824 341,778, 341,778, Target Stabilization Reserve - CY (9%) 184,110,626 201,392,496 113,231,386 214,723,553 243,779,746 266,189,670 269,337,987 287,034,895 300,010,509 320,162,300 341,778, 341,778, 341,778, 341,778, 265,189,670 269,337,987 287,034,895 300,010,509 320,162,300 341,778, 341,778, 320,529,703 318,334,182 (0) (52,180,476) <t< td=""><td></td><td>-</td><td>-</td><td></td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></t<>		-	-		-	-	-	-	-	-	-	-
Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 838,447,136 1,014,847,346 1,015,218,028 784,996,449 589,867,691 425,389,077 300,010,609 267,981,824 341,778 Target Stabilization Reserve - CY (9%) 184,110,626 201,392,496 113,231,386 214,723,553 243,779,746 265,189,670 613,720,205 678,028,446 300,010,509 320,162,300 341,778 Cash Balance Over CY TSR 318,136,845 582,095,450 725,215,751 800,123,793 771,438,282 499,806,779 320,529,703 138,334,182 (0) (52,180,476) Target Stabilization Reserve * 184,110,626 201,392,496 113,231,386 214,723,553 243,779,746 265,189,670 678,028,446 300,010,509 320,162,300 341,778 Cash Balance Over CY TSR 318,136,845 582,095,450 725,215,751 800,123,793 771,438,282 499,806,779 320,529,703 138,334,182 (0) (52,180,476) Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0%	Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,831,263,302	3,068,601,025	3,390,142,229	3,450,820,455	3,658,522,054	3,830,429,574	4,084,228,000	4,356,642,816
Ending Cash Balance (Deficit) 502,247,471 783,487,946 838,447,136 1,014,847,346 1,015,218,028 764,996,449 589,867,691 425,369,077 300,010,509 267,981,824 341,778, 341,778, 241,723,553 Target Stabilization Reserve - CY (9%) Legislative Target Reserve - CY (20%) 184,110,626 201,392,496 113,231,386 214,723,553 243,779,746 266,189,670 269,337,987 287,034,895 300,010,509 320,162,300 341,778, 341,778, Cash Balance Over CY TSR 318,136,845 582,095,460 725,215,751 800,123,793 771,438,282 499,806,779 320,529,703 138,334,182 (0) (52,180,476) Cash Balance Over CY TSR 318,136,845 582,095,460 725,215,751 800,123,793 771,438,282 499,806,779 320,529,703 138,334,182 (0) (52,180,476) Target Stabilization Reserve 184,110,626 201,392,496 113,231,386 214,723,553 243,779,746 226,189,870 269,337,987 287,034,895 300,010,509 320,162,300 341,778, 041,497,828 Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% <	Plan Income (Loss)	232,391,259	281,240,475	54,959,190	176,400,210	370,682	(250,221,579)	(175,128,759)	(164,498,614)	(125,358,568)	(32,028,685)	73,797,144
Ending Cash Balance (Deficit) 502,247,471 783,487,946 838,447,136 1,014,847,346 1,015,218,028 764,996,449 589,867,691 425,369,077 300,010,509 267,981,824 341,778, 341,778, Legislative Target Stabilization Reserve - CY (9%) 184,110,626 201,392,496 113,231,386 214,723,553 243,779,746 266,189,670 269,337,987 287,034,895 300,010,509 320,162,300 341,778, 341,778, Cash Balance Over CY TSR Cash Balance Over CY TSR 318,136,845 582,095,460 725,215,751 800,123,793 771,438,282 499,808,779 320,529,703 138,334,182 (0) (52,180,476) Cash Balance Over CY TSR 318,136,845 582,095,460 725,215,751 800,123,793 771,438,282 499,808,779 320,529,703 138,334,182 (0) (52,180,476) Cash Balance Over CY TSR 318,136,845 582,095,460 725,215,751 800,123,793 771,438,282 499,808,779 320,529,703 138,334,182 (0) (52,180,476) Cash Balance Over CY LTR 17arget Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0%	Beginning Cash Balance (Deficit)	269 856 212	502 247 471	783 487 948	838 447 138	1 014 847 348	1 015 218 028	764 996 449	589 867 691	425 369 077	300 010 509	267,981,824
Target Stabilization Reserve - CY (9%) Legislative Target Reserve - CY (9%) Cash Balance Over CY TSR Cash Balance Over CY TSR Target Stabilization Reserve - CY (20%) 318,136,845 184,110,626 201,392,496 113,231,386 214,723,553 243,779,746 265,189,670 269,337,997 287,034,895 300,010,509 320,162,300 341,778, 341,778, (52,180,476) Cash Balance Over CY TSR Cash Balance Over CY LTR 318,136,845 582,095,450 725,215,751 800,123,793 771,438,282 499,806,779 320,529,703 138,334,182 (0) (52,180,476) (52,180,476) Target Stabilization Reserve 184,110,625 201,392,496 113,231,386 214,723,553 243,779,746 265,189,670 320,529,703 138,334,182 (0) (52,180,476)												341,778,967
Legislative Target Reserve - CY (20%) 318,136,845 582,095,450 725,215,751 800,123,793 613,720,205 678,028,446 320,529,703 138,334,182 (0) (52,180,476) Cash Balance Over CV TSR 318,136,845 582,095,450 725,215,751 800,123,793 771,438,282 499,806,779 320,529,703 138,334,182 (0) (52,180,476) Target Stabilization Reserve 184,110,626 201,392,496 113,231,386 214,723,553 243,779,746 265,189,670 289,337,987 287,034,895 300,010,509 320,162,300 341,778, Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 7.8% 6.6% 7.8%					.,,	1,010,210,020		000,001,001	.20,000,077	000,010,000	201,001,021	011110,001
Cash Balance Over CY TSR 318,136,845 582,095,450 725,215,751 800,123,793 771,438,282 499,806,779 320,529,703 138,334,182 (0) (52,180,476) Cash Balance Over CY LTR 184,110,625 201,392,496 113,231,386 214,723,553 243,797,746 265,189,670 289,337,087 287,034,595 300,010,509 320,162,300 341,778, Target Stabilization Reserve 7.5% 8.0% 8.0% 0.0% 9.	Target Stabilization Reserve - CY (9%)	184,110,626	201,392,496	113,231,386	214,723,553			269,337,987	287,034,895	300,010,509	320,162,300	341,778,967
Cash Balance Over CY LTR 401,497,823 86,968,004 287,034,895 300,010,509 320,162,300 341,778,778,778,778,778,778,778,778,778,77												
Target Stabilization Reserve 184,110,625 201,392,496 113,231,386 214,723,553 243,779,746 265,189,670 269,337,987 287,034,895 300,010,509 320,162,300 341,778, Target Stabilization Reserve % 7.5% 8.0% 8.0% 8.5% 9.0% 7.8% 6.6% 7.8% 6.6% 7.8% 6.6% 7.8% 1/1 Increase		318,136,845	582,095,450	725,215,751	800,123,793			320,529,703	138,334,182	(0)	(52,180,476)	(0)
Target Stabilization Reserve % 7.5% 8.0% 8.0% 8.5% 9.0%		184.110.626	201.392.496	113.231.386	214.723.553			269.337.987	287.034.895	300.010.509	320.162.300	341,778,967
7/1 increase 7/1 increase 1/1 increase<	Target Stabilization Reserve %						9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
ER Premium Increase: 5.3% 5.3% 3.57% 0.00% 3.47% 3.43% 6.48% 6.48% 9.90% 9.90%	% of Expenses in Cash Reserve											
												1/1 Increase
EE Premium increase: 5.3% 5.3% 3.57% 0.00% 2.83% 3.43% 6.48% 9.90% 9.90%												
	EE Premium Increase:	5.3%	5.3%	L I	3.5/%	0.00%	2.83%	3.43%	6.48%	6.48%	9.90%	9.90%

★ Segal Consulting

 \star Segal Consulting

CY 2015 Q4 Update Page 2 (FY) With Board's 2017 Benefit Design

North Carolina State Health Plan

Financial Projections - Dec 2015

Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan

With January 2016 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

Design	2012 - 2013	Biennium	2014 - 2015	Biennium	2016 - 2017	Biennium	2018 - 2019	Biennium	2020 - 2021 Biennium	
Segal 5-12-16)	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection
	FY 2012	FY 2013	FY 2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
PLAN INCOME: Net Contribution Income	2.750.368.851	2,895,366,140	2,941,097,678	2,987,502,673	3.064.384.546	3,193,233,816	3.340.574.215	3.544.737.053	3,823,160,575	4,186,164,090
Wellness Surcharge/(Credit)	2,750,506,651	2,090,300,140	2,841,087,076	2,967,502,075	2,314,176	11.089.324	27.613.134	37,796,959	38.070.830	36,997,825
Medicare Advantae Subsidy		-	417,565	833.262	1,016,299	1,199,141	1,232,145	1,260,903	1,290,114	1,319,783
Health care Reform ERRP	42,163,391	(558,219)	-	(1,949)	1,010,200	1,100,111	1,202,110	1,200,000	1,200,111	1,010,100
Retro Disenrollments	(451,496)	(487,819)	(299,923)	(11,359)	(771,961)	(1,596,617)	(1,670,287)	(1,772,369)	(1,911,580)	(2,093,082)
										,
Premium Change due to Movement			-	-	-	(810,110)	(1,247,836)	(469,388)	383,876	1,338,061
Medicare Part D	57,583,602	38,056,016	11,583,652	19,590,771	17,260,239	16,005,623	16,004,520	16,193,183	16,353,561	16,481,935
EGWP+Wrap										
Direct Subsidy		24,435,483	25.216.663	202,770	-		-			
Coverage Gap Subsidy		-	38,563,909	1.478.088	-	-	-	-	-	-
Catastrophic Subsidy	-	-	-	48,602,965	-	-	-	-	-	-
Total	-	24,435,483	63,780,571	50,283,823	-	-	-	-	-	-
Investment Earnings Total Plan Income	3,015,815 2,852,680,163	3,236,713 2,960,048,314	3,916,235 3,020,495,778	5,065,735 3,063,262,956	5,218,300 3,089,421,599	3,087,324 3,222,208,502	2,377,558 3,384,883,447	1,855,041 3,599,601,384	1,359,316 3,878,706,692	1,170,135 4,241,378,747
Total Plan income	2,032,000,103	2,800,040,314	3,020,483,116	3,003,202,830	3,008,421,388	3,222,200,302	3,304,003,447	3,388,001,384	3,010,100,092	4,241,370,747
PLAN EXPENSE:										
Medical Claims Payment	1,849,410,105	1,858,096,405	1,989,574,333	2,021,369,178	2,137,229,809	2,300,220,746	2,447,152,474	2,601,645,158	2,825,377,903	2,947,714,169
Claim Refunds	(22,634,615)	(23,467,914)	(22,450,766)	(24,839,428)	(22,696,239)	(27,313,435)	(29,253,849)	(30,904,355)	(33,110,299)	(35,237,462)
Adjustment for Changes			-	-	(2,368,289)	(50,156,254)	(142,622,533)	(171,099,110)	(196,674,752)	(211,991,619)
Cost of Add Locals				-	3.681.748	7 705 477	8.235.141	-	-	8.716.994
Net Medical Claims	1.826.775.490	1.834.628.491	1.967.123.567	1,996,529,750	2,115,847,028	7,725,477 2,230,476,533	8,230,141 2,283,511,234	8,779,187 2,408,420,879	8,175,376 2,603,768,229	2,709,202,082
Net Medical Glains	1,620,775,480	1,034,020,481	1,807,123,307	1,880,028,700	2,110,047,020	2,230,470,333	2,203,011,234	2,400,420,078	2,003,708,228	2,708,202,062
Medicare Advantage Premiums			78,538,847	162,400,394	183,434,262	201,095,074	218,814,238	239,326,863	261,725,200	286,180,015
Pharmacy Claims Payment	721,163,013	752,419,650	743,281,462	721,469,293	822,927,171	850,838,169	920,096,463	995,477,804	1,077,158,702	1,164,839,937
Rebates	(93,130,160)	(69,641,941)	(91,653,105)	(51,114,709)	(126,967,489)	(71,560,310)	(72,614,630)	(73,856,510)	(75,101,484)	(76,389,201)
Baseline Rx Saving from PBM BAFO						(15,887,793)	(40,890,191)	(47,017,804)	(52,134,481)	(56,378,253)
Rebates Saving from PBM BAFO						(11,136,303)	(32,321,840)	(44,926,714)	(53,857,935)	(58,241,997)
Claims Adjustment for Changes			-	-	-	(483,824)	(2,146,685)	(4,570,518)	(6,940,859)	(8,838,849)
Additional ACA Preventive Medicine				-	638,615	1,321,029	1,414,029	1,476,924	1,580,546	1,693,658
Net Pharmacy Claims	628,032,853	682,777,709	651,628,357	670,354,584	696,598,297	753,090,968	773,537,146	826,583,181	890,704,488	966,685,296
Total Claims	2,454,808,343	2,517,406,200	2.697.290.771	2.829.284.728	2,995,879,587	3,184,662,575	3,275,862,618	3,474,330,924	3,756,197,917	3,962,067,393
Administrative Costs	165,480,561	161,401,639	148,134,913	168,416,645	200,942,077	231,442,088	237,487,818	243,712,508	250,122,094	256,722,726
ACA Reinsurance Fee			· · ·		17,731,962	14,609,097	5,980,180	-	· · ·	
Extra EGWP+Wrap Administration	-	-	-	-	-	-	-	-	-	-
Total Plan Expense	2,620,288,904	2,678,807,839	2,845,425,684	2,997,701,373	3,214,553,626	3,430,713,760	3,519,330,616	3,718,043,432	4,006,320,011	4,218,790,119
Plan Income (Loss)	232,391,259	281,240,475	175,070,094	65,561,583	(125,132,027)	(208,505,258)	(134,447,169)	(118,442,048)	(127,613,320)	22,588,628
Beginning Cash Balance (Deficit)	269.856.212	502,247,471	783,487,946	958,558,040	1,024,119,623	898,987,596	690,482,339	556,035,170	437,593,122	309,979,802
Ending Cash Balance (Deficit)	502,247,471	783,487,946	958,558,040	1,024,119,623	898,987,596	690,482,339	556,035,170	437,593,122	309,979,802	332,568,430
Target Stabilization Reserve - FY (9%)	184,110,626	201,392,496	222,593,914	240,019,590	253,120,079	268,521,075	275,134,354	291,150,365	314,502,545	330,829,864
Legislative Target Reserve - FY (20%)				599,540,275	642,910,725	686,142,752				
Cash Balance Over FY TSR Cash Balance Over FY LTR				784,100,033 424,579,349	645,867,517	421,961,263 4,339,587	280,900,816	146,442,757	(4,522,742)	1,738,566
Target Stabilization Reserve %	7.5%	8.0%	8.5%	9.0%	256,076,871 9.0%	4,339,587 9.0%	9.0%	9.0%	9.0%	9.0%
% of Expenses in Cash Reserve			0.070	34.2%	28.0%	20.1%	15.8%	11.8%	7.7%	7.9%
	7/1 Increase	7/1 Increase	1/1 Increase							
ER Premium Increase:	5.3%	5.3%	3.57%	0.00%	3.47%	3.43%	6.48%	6.48%	9.90%	9.90%
EE Premium Increase:	5.3%	5.3%	3.57%	0.00%	2.83%	3.43%	6.48%	6.48%	9.90%	9.90%



CY 2016 Q1 Update Page 1 (CY) With Board's 2017 Benefit Design

North Carolina State Health Plan

Financial Projections - Mar 2016

Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan

With April 2016 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

Board Approved (Periwinkle) - MA Renewal Rates in 2017, 7.0% Increase Plus ACA Fee For 2018+ MA Rates, Reduced 2017 Admin

n	2012 - 2013	Biennium	T		·			· ·			
7-5-16)	Actual	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection
,	FY 2012	FY 2013	Short Plan Year Jul-Dec 2013	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	Calendar 2020	Calendar 2021
PLAN INCOME:											
Net Contribution Income	2,750,368,851	2,895,366,140	1,502,578,000	2,952,592,141	2,993,891,773	3,142,116,569	3,256,676,807	3,367,027,518	3,481,479,963	3,916,869,487	4,407,158,9
Wellness Surcharge/(Credit)						3,505,085	17,751,492	38,035,138	38,311,229	38,583,816	36,141,0
Medicare Advantae Subsidy				721,773	959,319	1,099,416	1,224,311	1,253,115	1,281,580	1,310,489	1,339,8
Health care Reform ERRP	42,163,391	(558,219)		(1,949)							
Retro Disenrollments	(451,496)	(487,819)	(277,538)	(28,401)	(5.343)	(1,177,561)	(1,628,338)	(1,683,514)	(1,740,740)	(1,958,435)	(2,203,5
neuo Discinoimento	(101,100)	(107,010)	(211,000)	(20,101)	(0,010)	(1,111,001)	(1,020,000)	(1,000,011)	(1,110,110)	(1,000,100)	(2,200,0
Premium Change due to Movement							(1.563.335)	(674,966)	268.894	1.309.866	2,581,1
Medicare Part D	57,583,602	38.056.016	(1.323.888)	21,584,404	19,484,823	16.632.084	14,477,598	14,604,207	14,765,989	14,900,809	15,005,1
medicale rait b	07,000,002	00,000,010	(1,020,000)	21,001,101	10,404,020	10,002,004	14,477,000	14,004,207	14,700,000	14,000,000	10,000,1
EGWP+Wrap											
Direct Subsidy		24,435,483	25.202.822	216,170	441	453					
Coverage Gap Subsidy		21,100,100	11,879,765	28,162,232		100					
Catastrophic Subsidy		-	11,078,703	20,102,202	48,602,965	-			-	-	-
Total	-	24,435,483	37.082.587	28,378,402	48,603,406	453	-	-	-		-
Total	-	24,400,400	51,002,001	20,010,402	40,000,400	400	_			-	-
Investment Earnings	3,015,815	3,236,713	1,841,087	4,417,142	6,037,729	4,754,086	3,251,070	2,784,165	1,872,391	1,081,859	1,138,5
Total Plan Income	2.852.680.163	2,960,048,314	1,539,900,247	3.007.663.512	3.068.971.707	3,166,930,132	3,290,189,605	3,421,345,664	3,536,239,306	3,972,097,891	4,461,161,2
Total Than moome	2,002,000,100	2,000,040,014	1,000,000,241	0,007,000,012	0,000,011,101	0,100,000,102	0,200,100,000	0,121,010,001	0,000,200,000	0,012,001,001	4,401,101,2
PLAN EXPENSE:											
Medical Claims Payment	1.849.410.105	1,858,096,405	1.033.157.400	1,949,838,964	2.067.095.284	2,217,906,598	2.378.615.403	2.577.853.466	2.694.646.774	2.865.318.877	3.046.738.4
Claim Refunds	(22,634,615)	(23,467,914)		(22,731,740)	(23,709,307)	(25,893,708)	(28,278,362)	(30,068,267)	(32,192,624)	(34,257,767)	(36.201.7
Adjustment for Changes	(22,004,010)	(23,407,814)	(10,034,370)	(22,131,140)	(23,108,301)	(3,573,376)	(116,668,727)	(165,027,559)	(190,198,728)	(207,251,857)	(225,589,4)
Adjustment for Ghanges					-	(3,573,570)	(110,000,727)	(100,027,008)	(180,180,720)	(201,201,001)	(220,008,4)
Cost of Add Locals						5,660,893	7,966,328	8,492,217	8,471,514	8,431,259	8,412,1
Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,927,107,224	2,043,385,977	2,194,100,408	2,241,634,643	2,391,249,857	2,480,726,935	2,632,240,511	2,793,359,37
Net Medical Glaims	1,020,110,480	1,034,020,481	1,022,323,022	1,827,107,224	2,040,000,877	2,184,100,400	2,241,034,043	2,381,248,007	2,400,720,830	2,032,240,011	2,183,308,31
Medicare Advantage Premiums				155,497,950	172,517,202	193,782,605	189,266,485	250,816,836	274,221,923	299,771,150	327,658,15
medicale Advantage Fremionis				100,401,000	112,011,202	185,752,005	108,200,400	200,010,000	214,221,020	200,111,100	021,000,10
Pharmacy Claims Payment	721.163.013	752.419.650	425,257,939	697,815,422	761.471.324	834,423,968	906.005.333	980.089.445	1.060.380.190	1.147.058.347	1.240.821.32
Rebates	(93,130,160)	(69,641,941)	(32,188,641)	(98,763,203)	(96,193,453)	(110,594,630)	(151,148,961)	(116,407,182)	(118,897,595)	(121,459,466)	(124,077,3
Baseline Savings from PBM Formularies	(85,150,100)	(00,041,041)	(02,100,041)	(80,703,203)	(80,180,400)	(110,004,000)	(35,932,744)	(45,084,114)	(51,322,401)	(55,517,624)	(60,055,7
Rebates Savings from PBM Formularies							(13,402,057)	(34,747,231)	(60,837,016)	(67,697,526)	(73,230,7
Claims Adjustment for Changes							(2,526,959)	(4,716,843)	(7,022,024)	(8,872,975)	(10,097,2
Additional ACA Preventive Medicine			-			957,257	1,366,000	1,462,000	1,522,874	1,637,549	1,748,6
Net Pharmacy Claims	628.032.853	682,777,709	393.069.298	599.052.219	665,277,871	724,786,595	704,360,612	780,596,075	823,824,028	895,148,306	975,108,9
Net Pharmacy Claims	028,032,833	062,111,108	383,008,286	099,002,219	000,277,871	124,180,383	704,300,012	780,580,075	023,024,020	080,140,300	875,106,8
Total Claims	2,454,808,343	2,517,406,200	1,415,392,320	2,681,657,393	2,881,181,050	3,112,669,608	3,135,261,740	3,422,662,768	3,578,772,887	3,827,159,967	4,096,126,4
Administrative Costs	165.480.561	161,401,639	69,548,737	149,605,909	187,419,975	204,162,790	213,774,702	219,367,646	225,126,415	231,056,517	237,163,6
ACA Reinsurance Fee	100,400,001	101,401,008	08,040,737	146,000,606	107,418,873	5,918,242	14,796,351	218,307,040	220,120,410	201,000,011	237,103,0
Extra EGWP+Wrap Administration				-	-	0,810,242	14,780,301				-
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,831,263,302	3,068,601,025	3,322,750,640	3,363,832,793	3,642,030,414	3,803,899,301	4,058,216,483	4,333,290,1
Total Lan Expense	2,020,200,804	2,010,001,008	1,404,841,007	2,001,200,002	3,000,001,023	0,022,700,040	3,303,032,783	3,042,030,414	3,003,088,001	4,000,210,400	4,000,200,1
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	176,400,210	370,682	(155,820,508)	(73,643,189)	(220,684,749)	(267,659,996)	(86,118,592)	127,871,1
rian moothe (LUSS)	232,381,238	201,240,470	04,808,180	170,400,210	370,002	(100,020,000)	(13,043,108)	(220,004,748)	(201,008,880)	(00,110,082)	127,071,1
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783.487.946	838,447,136	1.014.847.346	1.015.218.028	859.397.521	785,754,332	565.069.582	297.409.587	211,290,9
Ending Cash Balance (Deficit)	502,247,471	783,487,946	838,447,136	1,014,847,346	1,015,218,028	859,397,521	785,754,332	565,069,582	297,409,587	211,290,994	339,162,1
chang daan balance (benot)	002,241,411	100,401,840	030,447,130	1,014,041,040	1,010,210,020	000,001,021	100,104,002	000,000,002	201,400,001	211,200,884	000,102,1
Target Stabilization Reserve - CY (9%)	184,110,626	201,392,496	113,231,386	214,723,553	243,779,746	262,699,830	265,139,573	285,466,134	297,409,587	317,464,994	339,162,1
Legislative Target Reserve - CY (20%)	104,110,020	201,382,480	113,231,300	214,723,333	368,232,123	398,730,077	200,108,010	200,400,104	281,408,001	517,404,884	338,102,1
Cash Balance Over CY TSR	318,136,845	582.095.450	725.215.751	800.123.793	771,438,282	596,697,690	520.614.759	279.603.448	0	(106,173,999)	
Cash Balance Over CY LTR	310,130,040	362,080,400	720,210,701	000,123,783	646,985,905	460,667,444	520,014,758	218,003,440		(100,175,888)	
Target Stabilization Reserve	184,110,626	201,392,496	113,231,386	214,723,553	243,779,746	262,699,830	265,139,573	285,466,134	297,409,587	317,464,994	339,162,1
Target Stabilization Reserve %	7.5%	8.0%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
% of Expenses in Cash Reserve	1.076	0.0 /6	0.0 %	0.076	8.076	25.9%	23.4%	15.5%	7.8%	5.2%	7.8%
// or expenses in oasnineserve	7/1 Increase	7/1 Increase		1/1 Increase	1/1 Increase	20.9% 1/1 Increase	23.4% 1/1 Increase	10.0%	1/1 Increase	0.2% 1/1 Increase	1/1 Increase
	771 increase										
CD Descrives Incompany	5 204	5 204		0.00%							
ER Premium Increase: EE Premium Increase:	5.3% 5.3%	5.3% 5.3%	.	0.00%	0.00%	3.47% 2.83%	3.43% 3.43%	3.74% 3.74%	3.74% 3.74%	12.96% 12.96%	12.96% 12.96%

CY 2016 Q1 Update Page 2 (FY) With Board's 2017 Benefit Design

North Carolina State Health Plan

Financial Projections - Mar 2016

Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan

With April 2016 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

ign	2012 - 2013	Biennium	2014 - 2015	2014 - 2015 Biennium		2016 - 2017 Biennium		Biennium	2020 - 2021 Biennium	
al 7-5-16)	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021
PLAN INCOME: Net Contribution Income Wellness Surcharge/(Credit) Medicare Advantae Subsidy	2,750,368,851	2,895,366,140	2,941,097,678 - 417,565	2,987,502,673 - 833,262	3,081,237,060 1,170,559 933,457	3,211,179,998 11,230,470 1,205,817	3,311,864,763 27,913,248 1,239,061	3,424,265,285 38,173,173 1,267,306	3,699,325,619 38,447,508 1,295,992	4,162,178,724 37,359,882 1,325,125
Health care Reform ERRP Retro Disenroliments	42,163,391 (451,496)	(558,219) (487,819)	(299,923)	(1,949) (11,359)	(386,890)	- (1,605,590)	(1,655,932)	- (1,712,133)	(1,849,663)	(2,081,089)
Premium Change due to Movement Medicare Part D	57,583,602	38,056,016	11,583,652	- 19,590,771	16,967,300	(792,689) 14,562,212	(1,118,385) 14,501,552	(202,229) 14,677,012	789,557 14,827,342	1,945,892 14,949,217
EGWP+Wrap Direct Subsidy Coverage Gap Subsidy	:	24,435,483	25,216,663 38,563,909	202,770 1,478,088	453	:	-	:	-	
Catastrophic Subsidy Total	-	24,435,483	63,780,571	48,602,965 50,283,823	453	-	-	-	-	-
Investment Earnings Total Plan Income	3,015,815 2,852,680,163	3,236,713 2,960,048,314	3,916,235 3,020,495,778	5,065,735 3,063,262,956	6,240,244 3,106,162,184	3,479,378 3,239,259,595	3,101,289 3,355,845,595	2,372,413 3,478,840,827	1,397,108 3,754,233,461	1,001,708 4,216,679,456
PLAN EXPENSE: Medical Claims Payment Claim Refunds Adjustment for Changes	1,849,410,105 (22,634,615)	1,858,096,405 (23,467,914)	1,989,574,333 (22,450,766) -	2,021,369,178 (24,839,428) -	2,129,087,946 (22,003,564) (1,194,890)	2,307,256,972 (27,402,044) (51,686,092)	2,453,239,983 (29,326,844) (147,590,856)	2,607,996,823 (30,980,041) (175,988,328)	2,832,142,901 (33,189,842) (201,372,073)	2,954,632,220 (35,320,450) (216,247,910)
Cost of Add Locals Net Medical Claims	1,826,775,490	1,834,628,491	1,967,123,567	- - 1,996,529,750	1,856,954 2,107,746,446	7,723,494 2,235,892,330	8,224,982 2,284,547,264	8,768,324 2,409,796,778	8,165,231 2,605,746,217	8,706,145 2,711,770,005
Medicare Advantage Premiums			78,538,847	162,400,394	183,503,375	191,752,976	219,965,105	262,490,268	286,964,759	313,679,966
Pharmacy Claims Payment Rebates Baseline Savings from PBM Formularies Rebates Savings from PBM Formularies Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims	721,163,013 (93,130,160) 628,032,853	752,419,650 (69,641,941) 682,777,709	743,281,462 (91,653,105) - 651,628,357	721,469,293 (51,114,709) - - 670,354,584	831,454,915 (163,192,897) - - 319,394 668,581,612	869,554,587 (125,655,564) (16,278,397) (4,198,648) (1,122,506) 1,321,507 723,620,982	942,693,829 (115,153,223) (41,894,432) (25,736,868) (3,615,711) 1,414,030 757,707,624	1,019,891,142 (117,655,276) (48,170,869) (47,354,657) (5,845,843) 1,476,921 802,341,417	1,103,538,723 (120,165,408) (53,411,177) (65,129,510) (7,952,019) 1,580,534 858,459,144	1,193,323,313 (122,763,299) (57,756,848) (70,428,014) (9,491,459) 1,693,624 934,577,316
Total Claims Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration	2,454,808,343 165,480,561	2,517,406,200 161,401,639	2,697,290,771 148,134,913 -	2,829,284,728 168,416,645 -	2,959,831,434 188,366,585 -	3,151,268,289 211,227,878 14,686,450	3,262,219,992 216,530,120 6,028,143	3,474,628,464 222,204,687 -	3,751,170,120 228,047,789 -	3,960,027,288 234,065,031 -
Total Plan Expense	2,620,288,904	2,678,807,839	2,845,425,684	2,997,701,373	3,148,198,019	3,377,180,617	3,484,778,256	3,696,833,151	3,979,217,909	4,194,092,319
Plan Income (Loss)	232,391,259	281,240,475	175,070,094	65,561,583	(42,035,838)	(137,921,021)	(128,932,660)	(217,992,325)	(224,984,448)	22,587,137
Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit)	269,856,212 502,247,471	502,247,471 783,487,946	783,487,946 958,558,040	958,558,040 1,024,119,623	1,024,119,623 982,083,787	982,083,787 844,162,766	844,162,766 715,230,105	715,230,105 497,237,781	497,237,781 272,253,333	272,253,333 294,840,470
Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY LTR	184,110,626	201,392,496	222,593,914	240,019,590 359,724,165 784,100,033 664,395,458	249,869,525 377,783,762 732,214,262 604,300,025	266,356,198 405,261,674 577,806,568 438,901,092	273,802,940 441,427,165	289,092,438 208,145,343	311,778,482 (39,525,150)	328,171,259 (33,330,789)
Target Stabilization Reserve %	7.5%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
% of Expenses in Cash Reserve				34.2%	31.2%	25.0%	20.5%	13.5%	6.8%	7.0%
	7/1 Increase	7/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase
ER Premium Increase:	5.3%	5.3%	0.00%	0.00%	3.47%	3.43%	3.74%	3.74%	12.96%	12.96%
EE Premium Increase:	5.3%	5.3%	0.00%	0.00%	2.83%	3.43%	3.74%	3.74%	12.96%	12.96%