



Financial Results

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(Amounts in \$000's)	Jan – Mar 2014	Jan – Dec 2014*
Enrollment	15,968	15,968
Revenue	\$39,684	\$170,115
Claims	\$47,632	\$176,914
<u>Administration</u>	<u>\$ 1,986</u>	<u>\$ 8,096</u>
Total Expenses	\$49,618	\$185,010
Contribution to Reserves	(\$ 9,935)	(\$ 14,895)
Assets as % of ACL	314%	246%

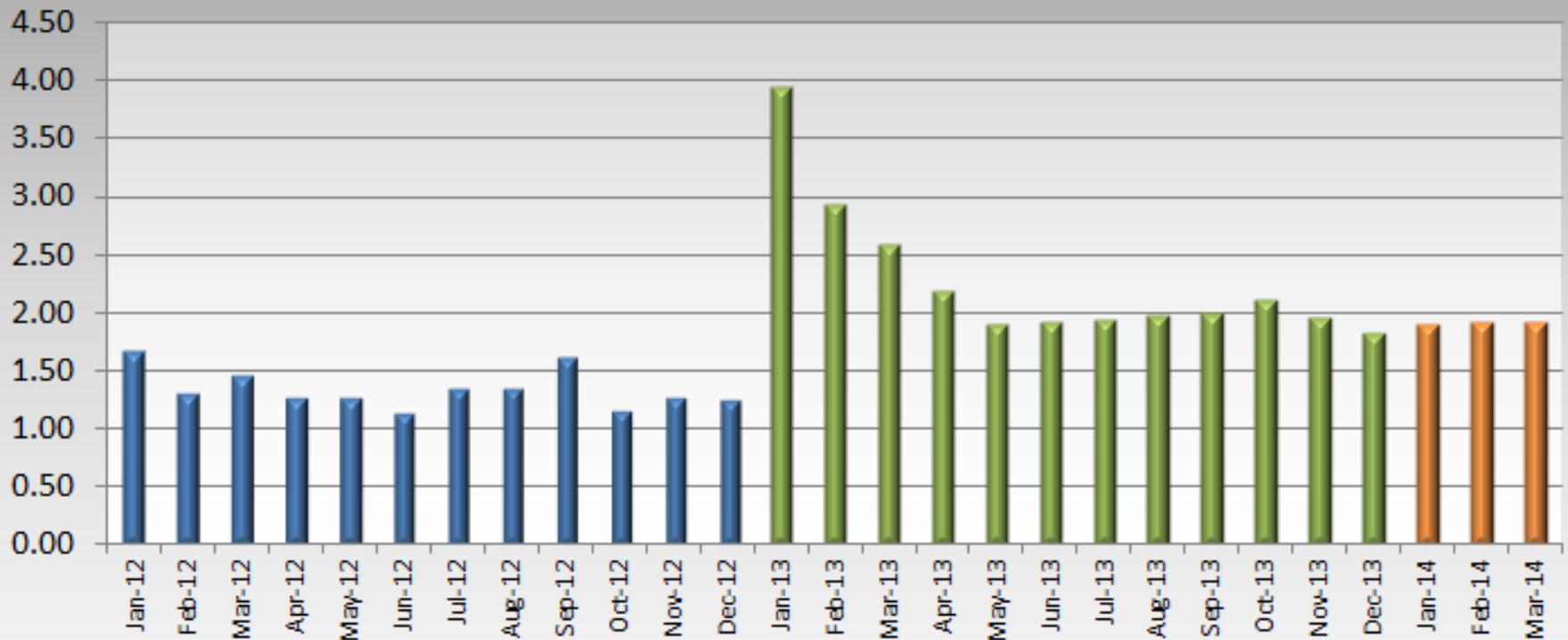
* Low Trend Scenario

Financial Drivers

- 2014 Planned Loss (\$4.8 M)
- CIGNA Claim Lag (\$5.5 M)
- Large Claims Increase (\$4.7 M)

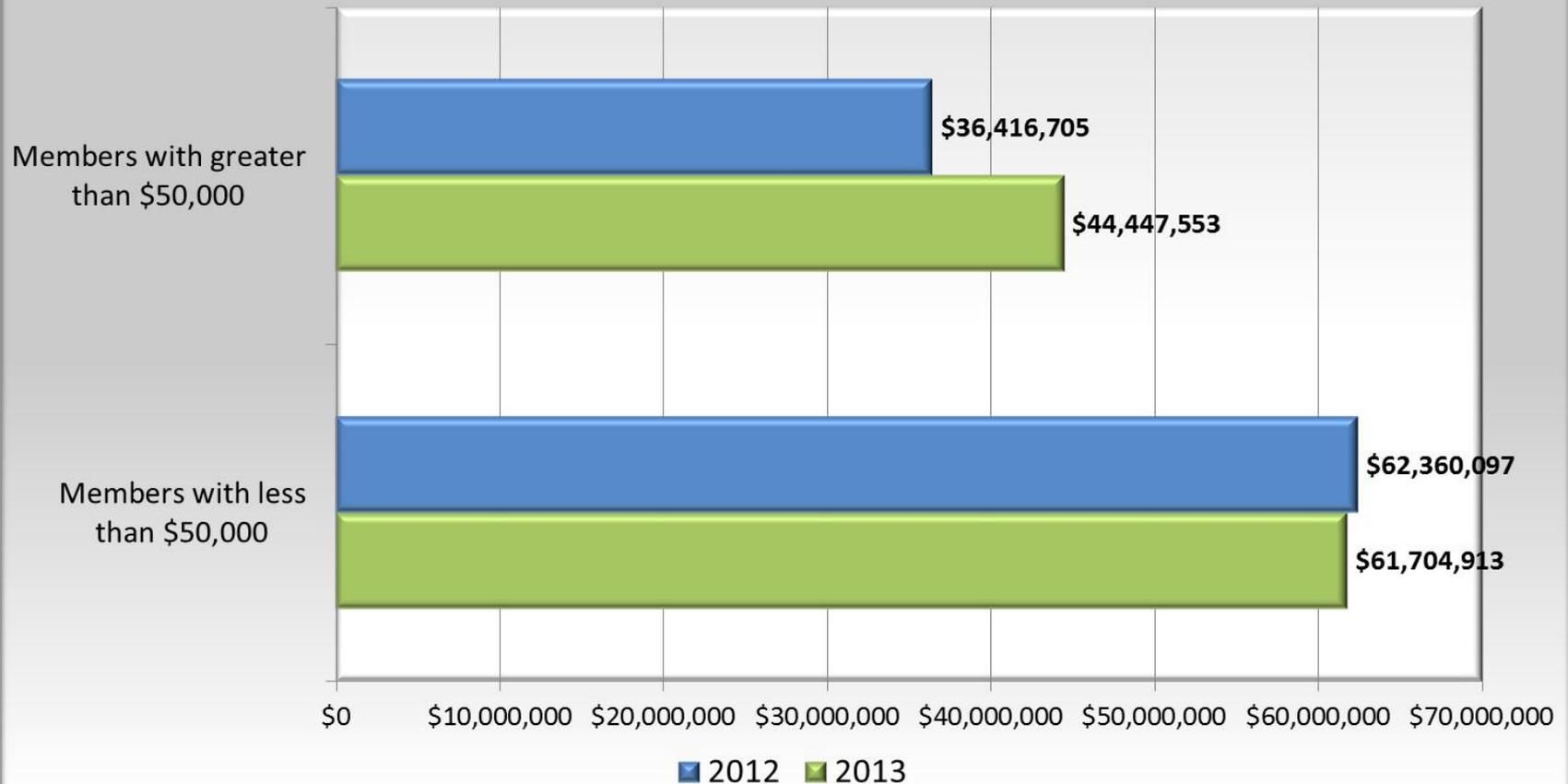
Financial Driver – Claim Lag

Average Claim Lag (Months)

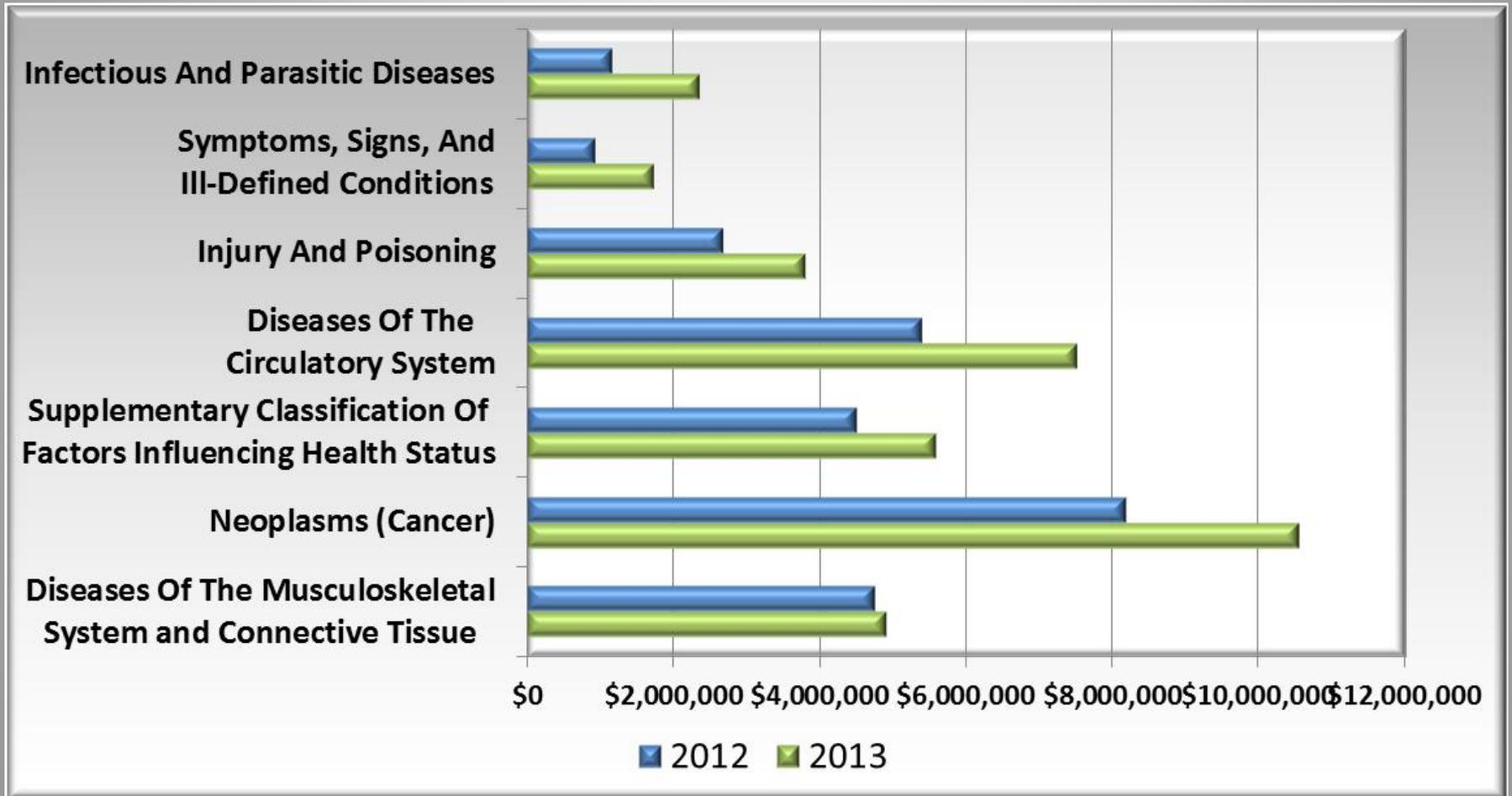


Financial Driver - Large Claims

Q1 2014 Trend Study - Incurred Claims by Member Claim Range

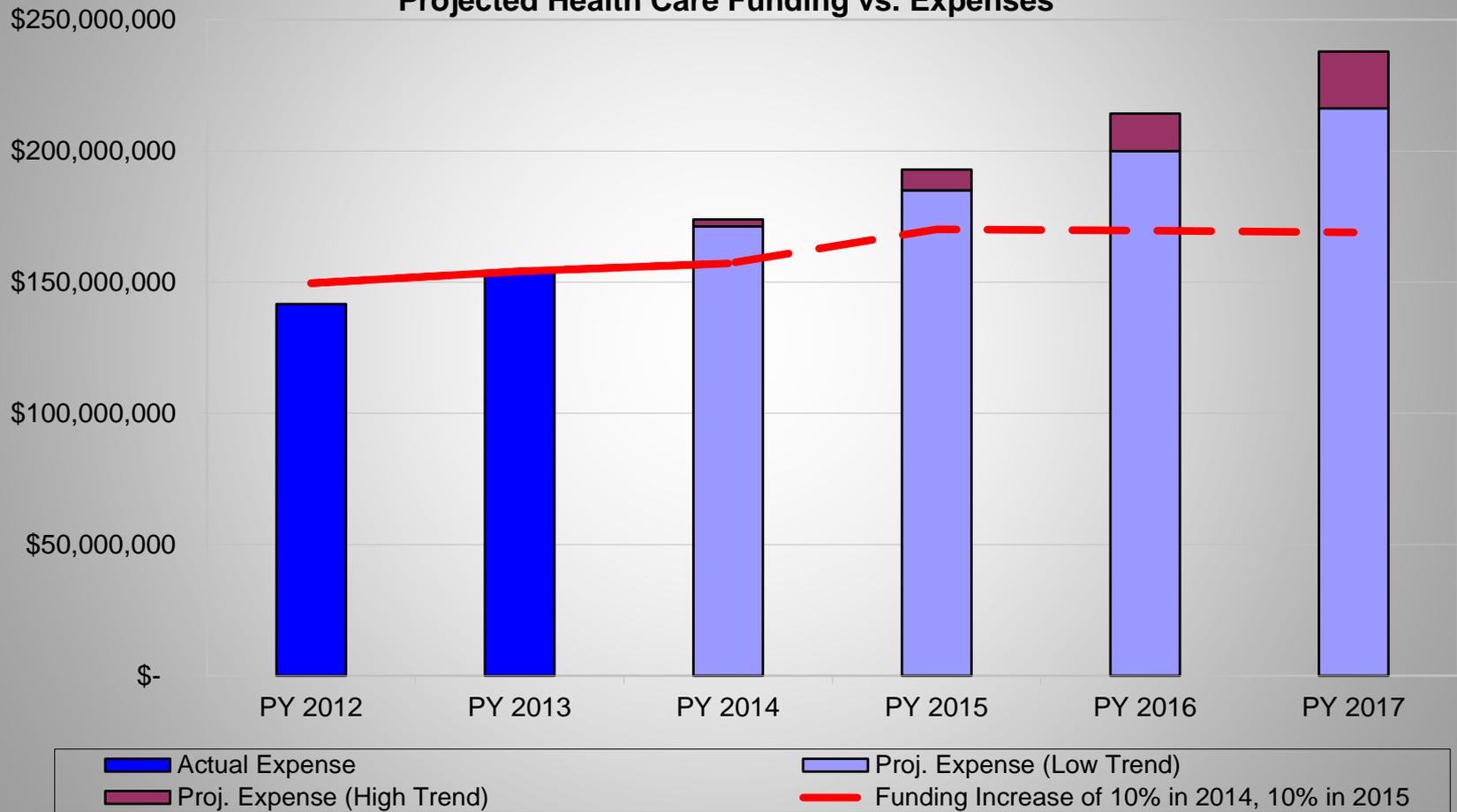


Financial Driver - Large Claims

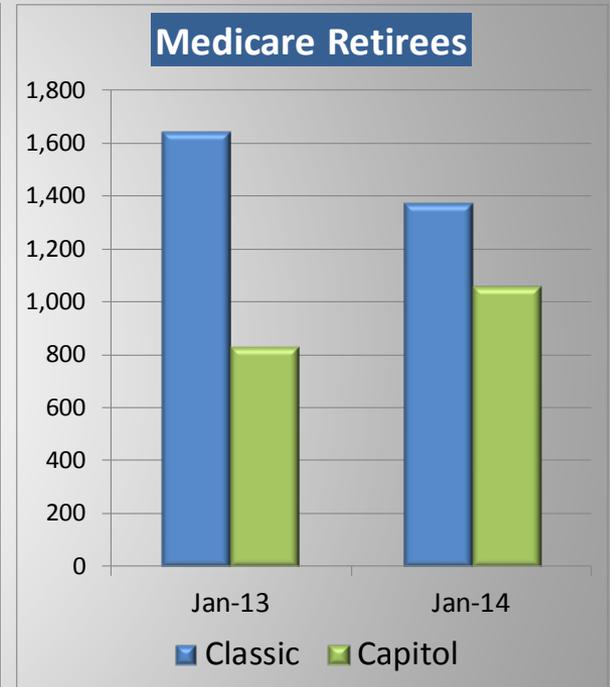
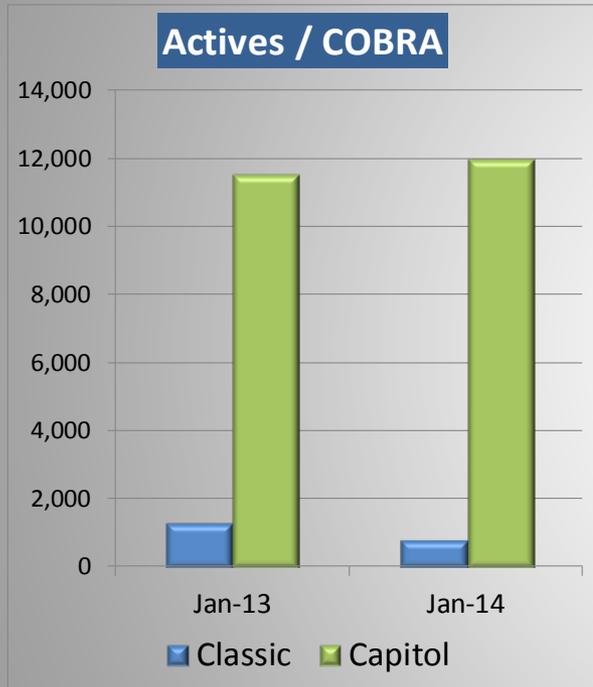


Funding vs. Expenses

Projected Health Care Funding vs. Expenses



Enrollment by Group & Plan





2015 Plan Changes

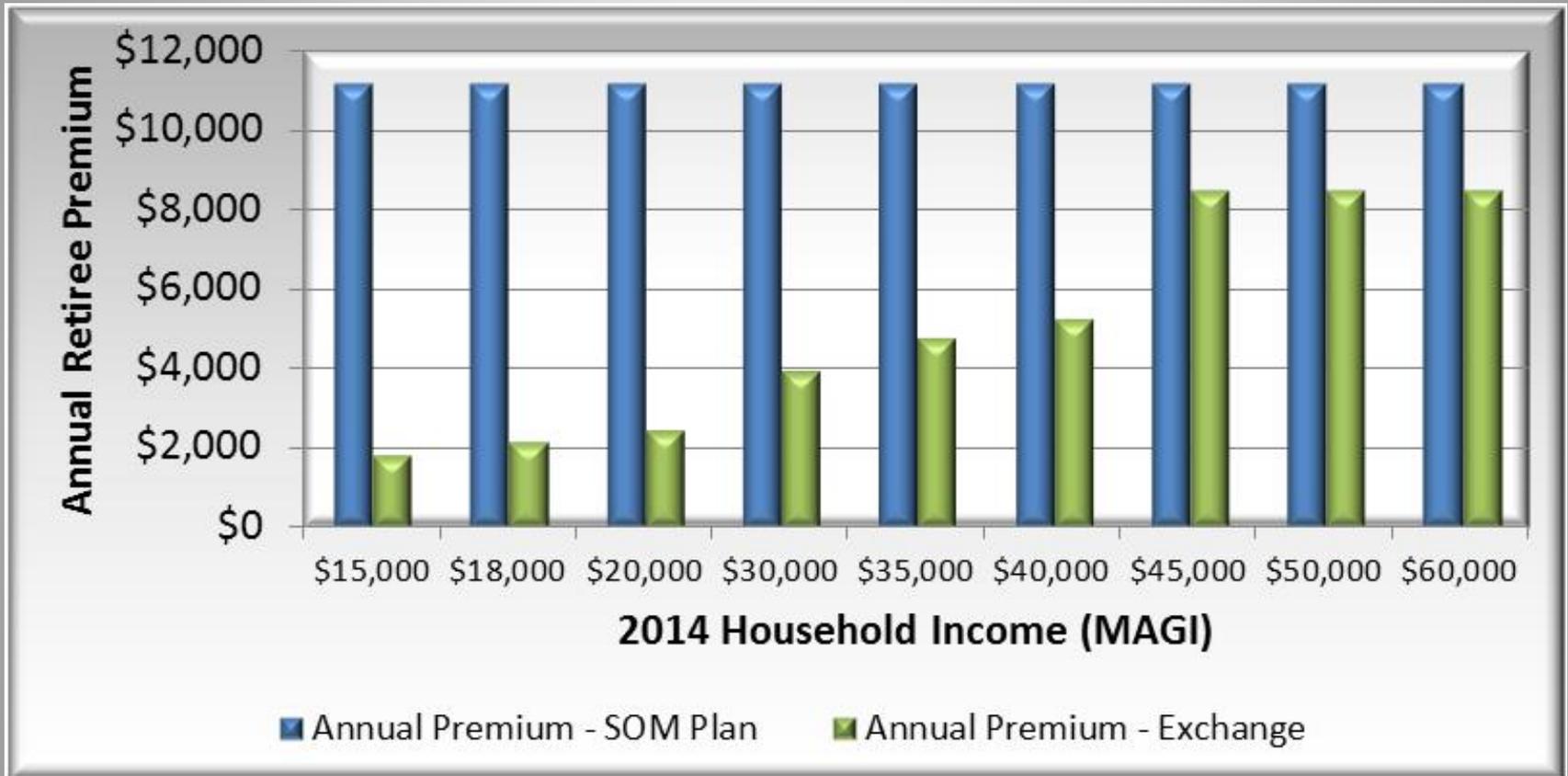
2015 Benefit Changes

Benefit	2014	2015
Deductible (In-network)	Single: \$500 Family: \$1,000	Single: \$750 Family: \$1,500
Deductible (Out-of-network)	Single: \$750 Family: \$1,750	Single: \$1,250 Family: \$2,750
Maximum Member Liability – Medical & Pharmacy (In-network)	Single: \$4,150 Family: \$8,300	Single: \$4,950 Family: \$9,900
Maximum Member Liability – Medical & Pharmacy (Out-of-network)	Single: \$5,900 Family: \$12,800	Single: \$6,600 Family: \$14,200
Office Visit Copay	\$15	\$20

2015 Plan Changes

- Eliminate Classic Plan
 - Covers only 6% of active employees
 - Offers less benefit at higher cost
 - No difference in provider network
- Reduce retiree subsidy by 15%
 - Marketplace solutions available
 - Education and support
 - Retiree retreat option

Non-Medicare Retiree Comparison



Single retiree comparison of SOM 2015 Capitol plan rates to Blue Preferred MSP Gold plan with \$500 deductible / 80% coinsurance / \$4,000 OOP maximum.



2015 Rates & Contributions

2015 Assumptions

- Benefit and Plan changes above
- Annual Trend
 - Medical @ 8.0%
 - Pharmacy @ 10.0%
 - Dental @ 8.0%
 - Vision @ 3.0%
 - Administration @ 2.0%

2015 Assumptions

- No contribution to reserves (maintain assets at projected 246% of ACL)
- No change to dependent subsidy
- Ensure State Share will cover core benefits for single employee

2015 Rates - Active Employees

Active Employees - Medical	2013		2014		2015
	Choice	Classic	MT Capitol	MT Classic	MT Capitol
Employee Only	\$709	\$745	\$717	\$756	\$845
Employee and Spouse	\$892	\$931	\$926	\$967	\$1,070
Employee and Children	\$801	\$838	\$809	\$849	\$935
Employee and Family	\$947	\$987	\$981	\$1,023	\$1,134
Joint Core	\$747	\$782	\$755	\$793	\$873

Active Employees - Medical after State Share Offset	2013		2014		2015
	Choice	Classic	MT Capitol	MT Classic	MT Capitol
Employee Only	\$13	\$49	(\$52)	(\$13)	\$0
Employee and Spouse	\$196	\$235	\$157	\$198	\$225
Employee and Children	\$105	\$142	\$40	\$80	\$90
Employee and Family	\$251	\$291	\$212	\$254	\$289
Joint Core	\$51	\$86	(\$14)	\$24	\$28

2015 Rates - Retirees

	2013		2014		2015
	Choice	Classic	MT Capitol	MT Classic	MT Capitol
Non-Medicare Retirees - Medical					
Retiree Only	\$726	\$761	\$734	\$772	\$931
Retiree & Spouse	\$991	\$1,035	\$1,037	\$1,083	\$1,314
Retiree & Children	\$872	\$912	\$880	\$923	\$1,117
Retiree & Family	\$1,015	\$1,061	\$1,061	\$1,109	\$1,345
Retiree & Medicare Spouse	\$835	\$875	\$881	\$923	\$1,114
Retiree & Medicare Spouse & Children	\$887	\$928	\$933	\$976	\$1,184
Medicare Retirees - Medical					
	Choice	Classic	MT Capitol	MT Classic	MT Capitol
Medicare Only	\$299	\$314	\$299	\$314	\$371
Medicare & Spouse	\$594	\$624	\$594	\$624	\$738
Medicare & Children	\$489	\$513	\$489	\$513	\$607
Medicare & Family	\$622	\$652	\$622	\$652	\$771
Medicare & Medicare Spouse	\$521	\$546	\$521	\$546	\$646
Medicare & Medicare Spouse & Children	\$532	\$559	\$532	\$559	\$662

2015 Rates – Dental & Vision

Employees & Retirees - Dental	2014		2015	
	Basic	Premium	Basic	Premium
Member Only	\$17.50	\$35.00	\$22.00	\$40.00
Member and Spouse	\$27.00	\$53.50	\$34.00	\$61.00
Member and Child(ren)	\$26.00	\$52.00	\$32.50	\$59.50
Member and Family	\$30.00	\$60.00	\$37.50	\$68.50
Joint Core	\$20.50	\$41.00	\$26.00	\$47.00

Employees & Retirees - Vision	2014		2015	
	Hardware	Hardware	Hardware	Hardware
Member Only	\$7.64	\$7.64	\$7.64	\$7.64
Member and Spouse	\$14.42	\$14.42	\$14.42	\$14.42
Member and Child(ren)	\$15.18	\$15.18	\$15.18	\$15.18
Member and Family	\$22.26	\$22.26	\$22.26	\$22.26