



Financial Results

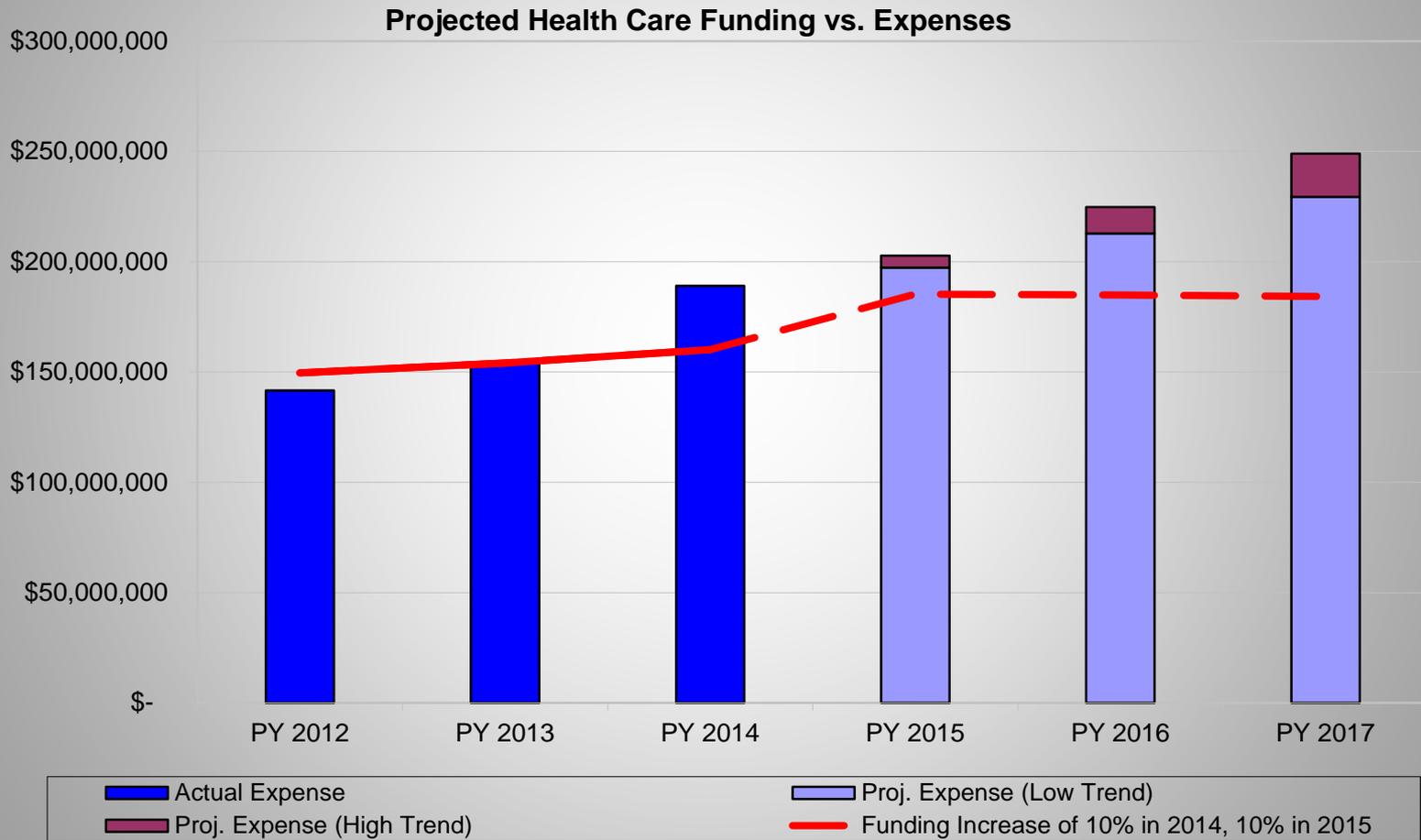
(Data through December 2014)

Financial Results

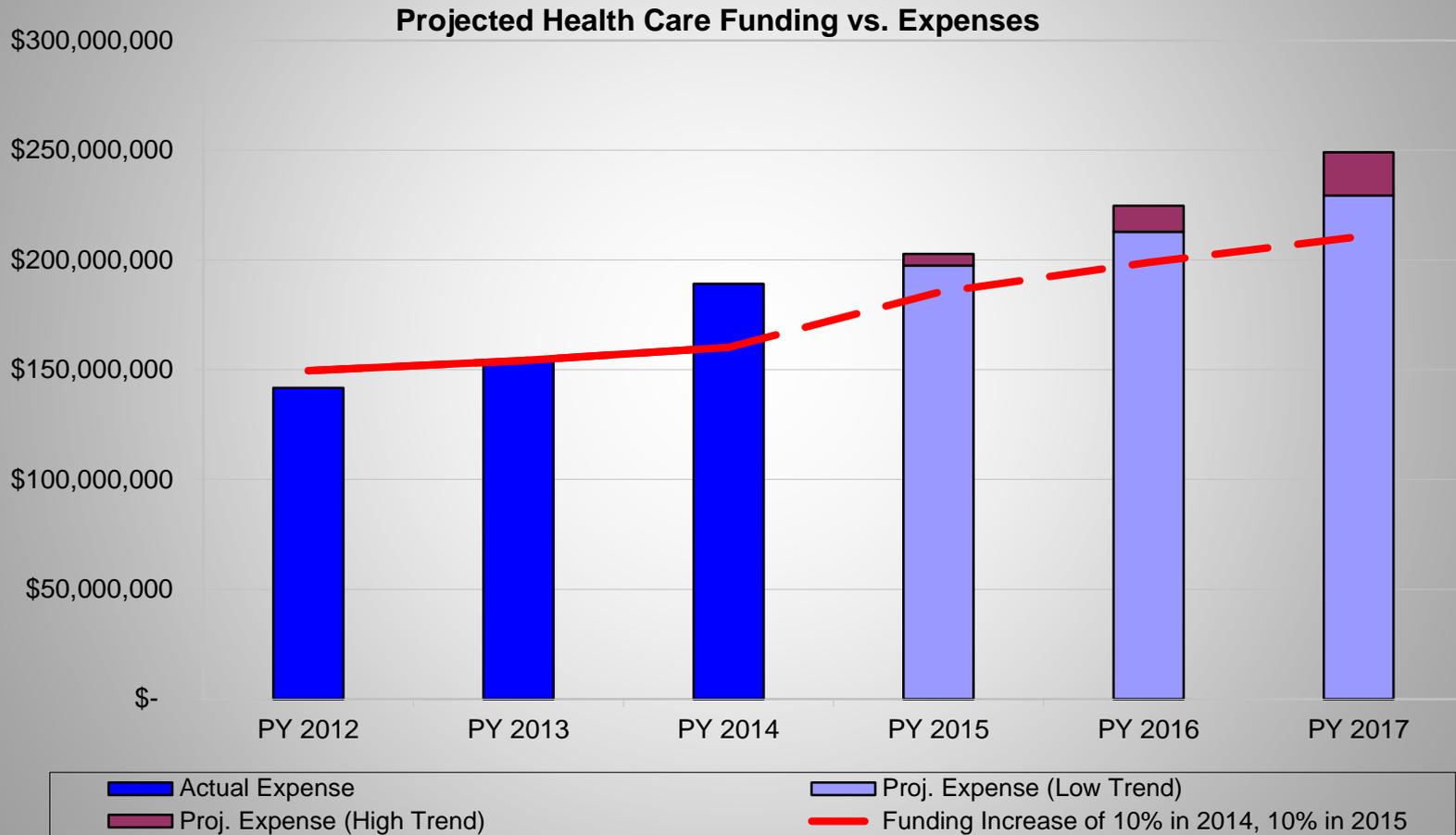
Amount (\$000's)	2014 Ratesetting	Jan – Dec 2014
Enrollment	16,024	16,015
Revenue	\$156,927	\$160,164
Claims	\$151,680	\$179,235
<u>Administration</u>	<u>\$ 10,198</u>	<u>\$ 9,870</u>
Total Expenses	\$161,878	\$189,105
Contribution to Reserves	(\$ 4,950)	(\$ 28,941)
Assets as % of ACL	404%	202%

* Low Trend Scenario

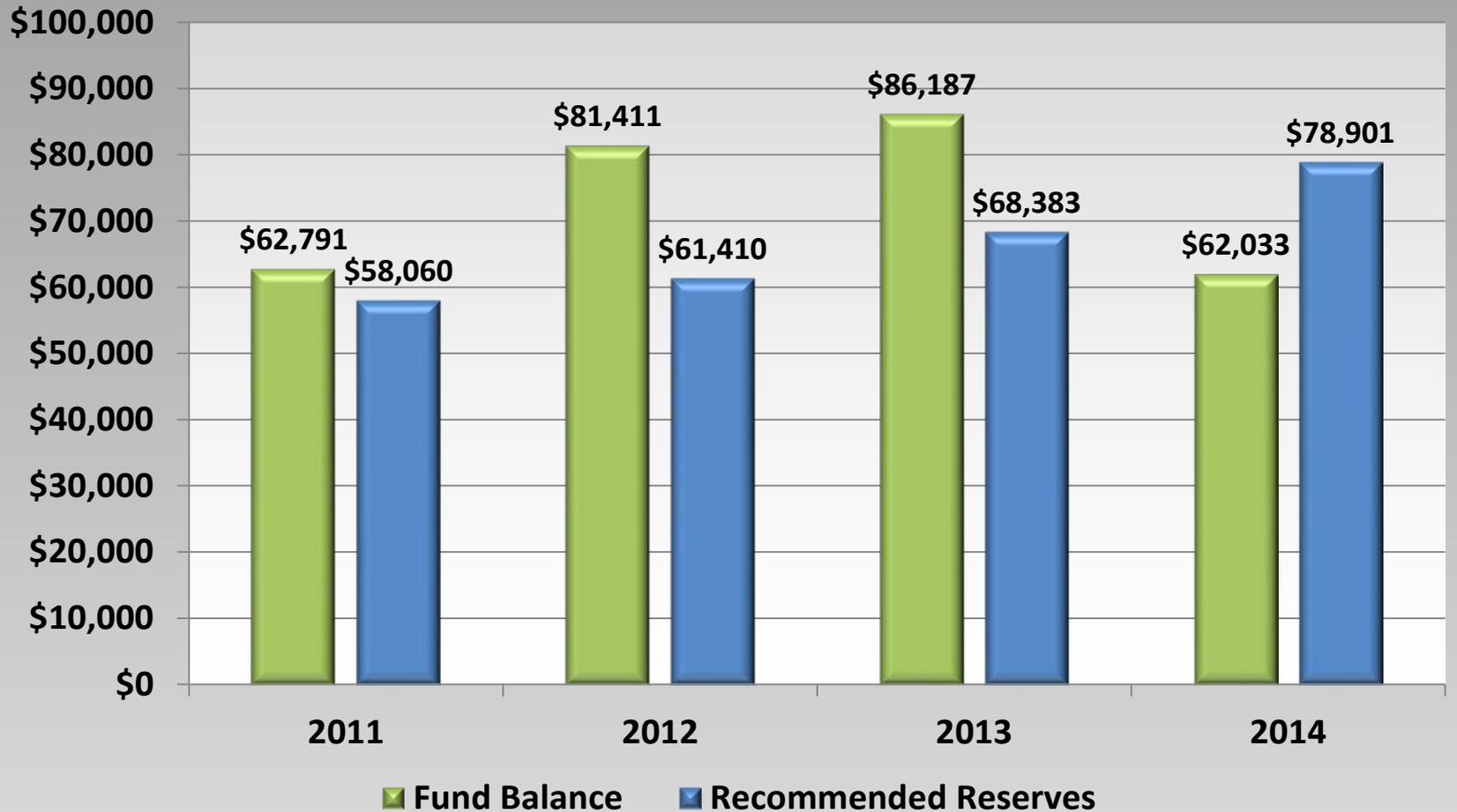
Funding vs. Expenses (0% & 0%)



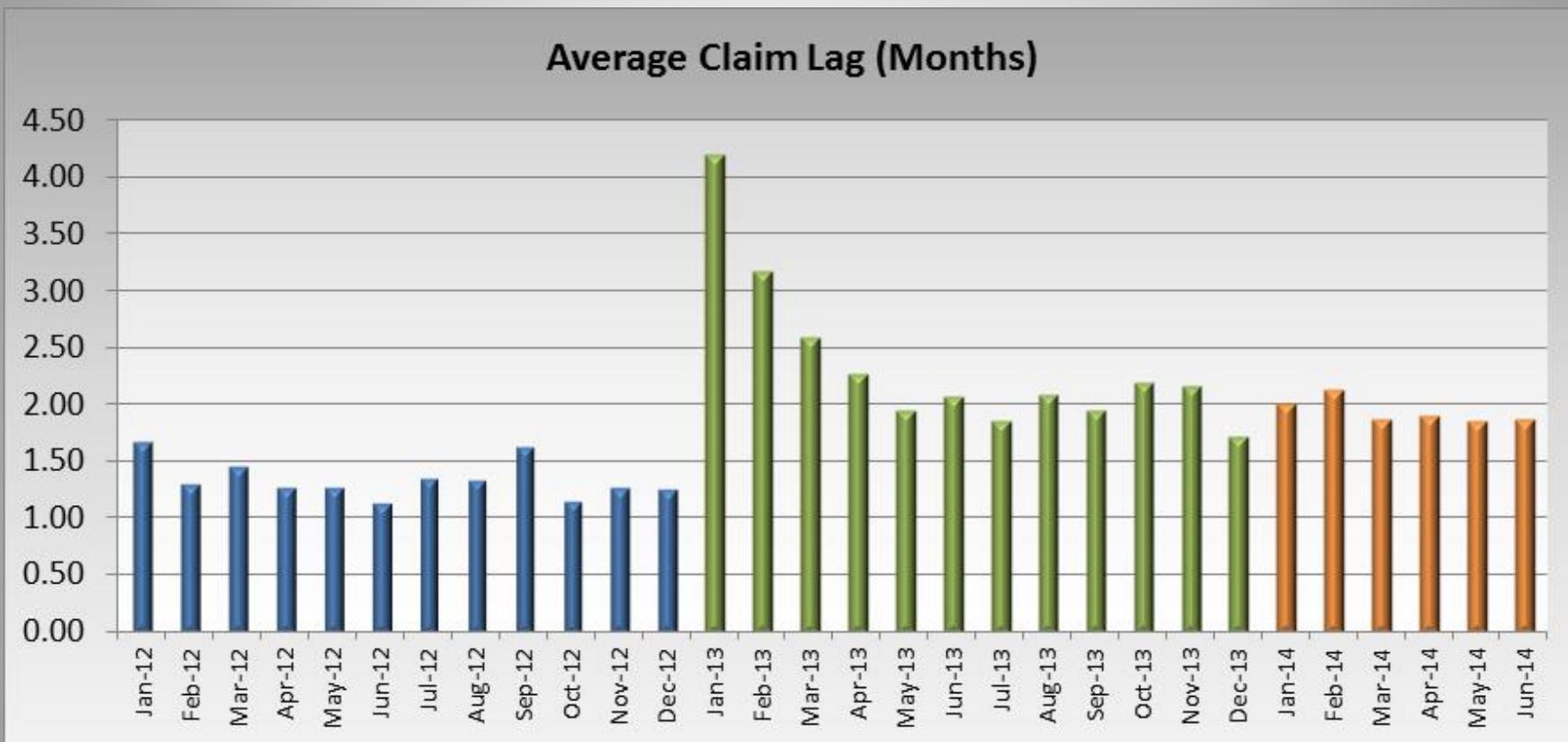
Funding vs. Expenses (10% & 8%)



Funding vs. Reserves

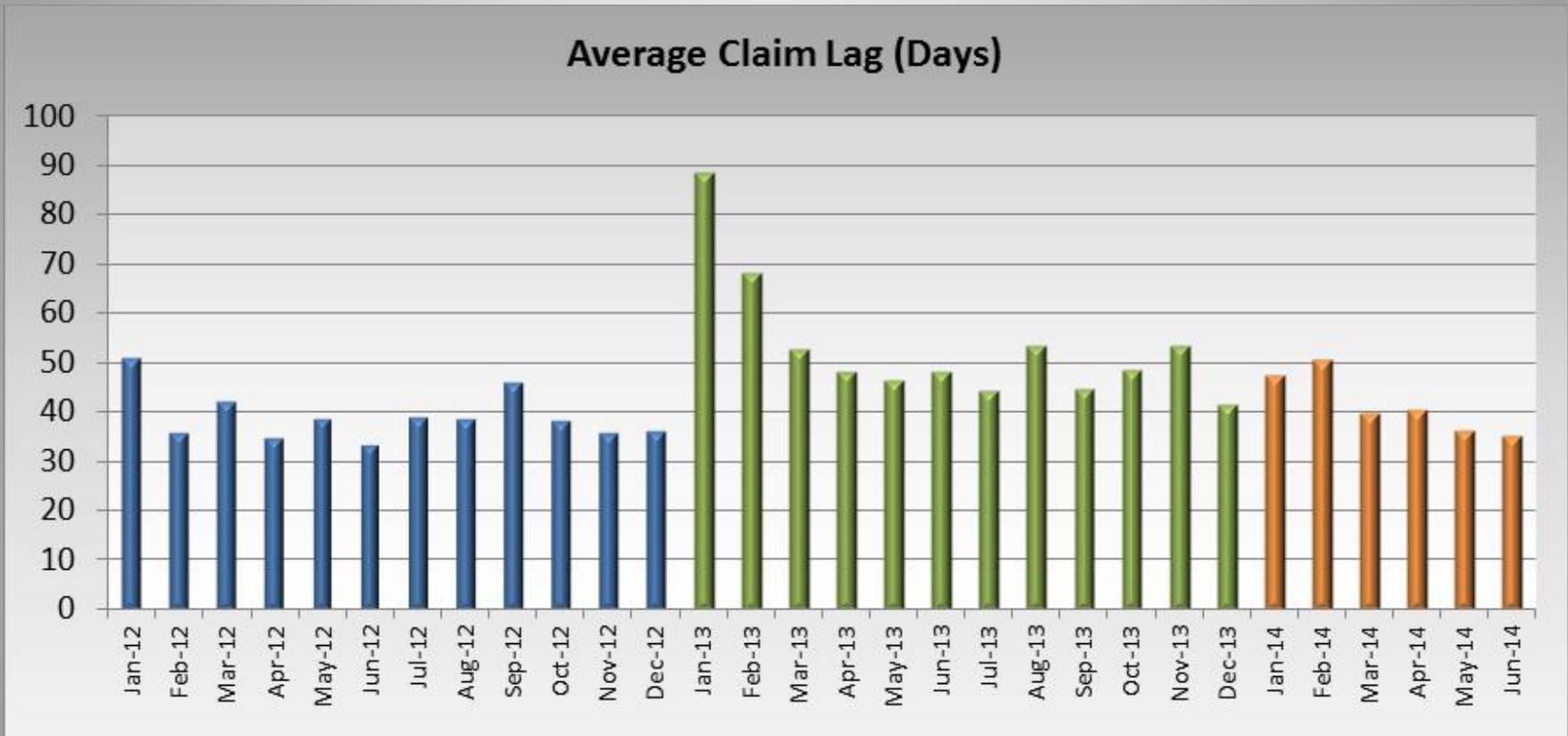


Claim Lag (Months)



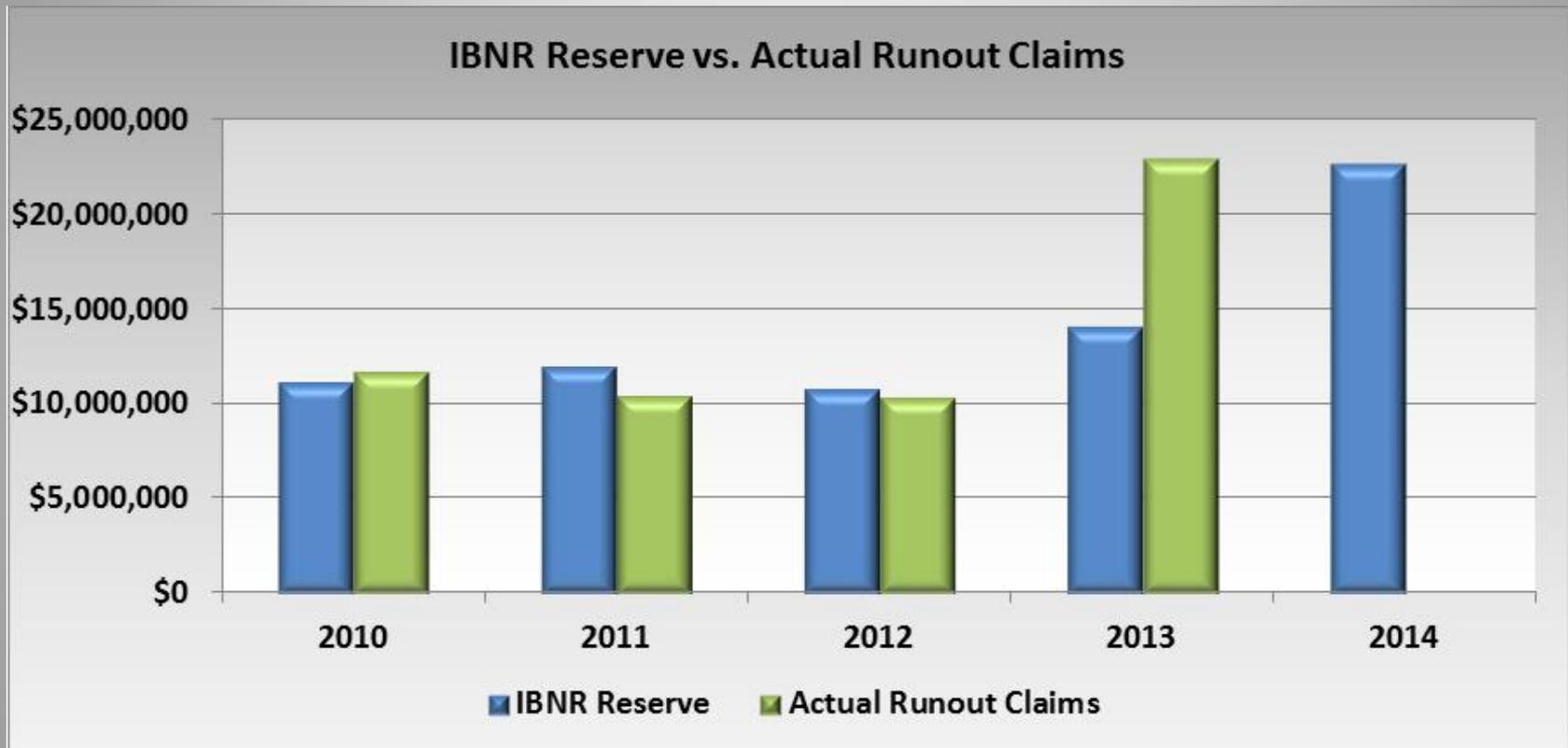
■ Chart reflects an aggregate method, whereby claim lag is based on the month incurred and month paid.

Claim Lag (Days)



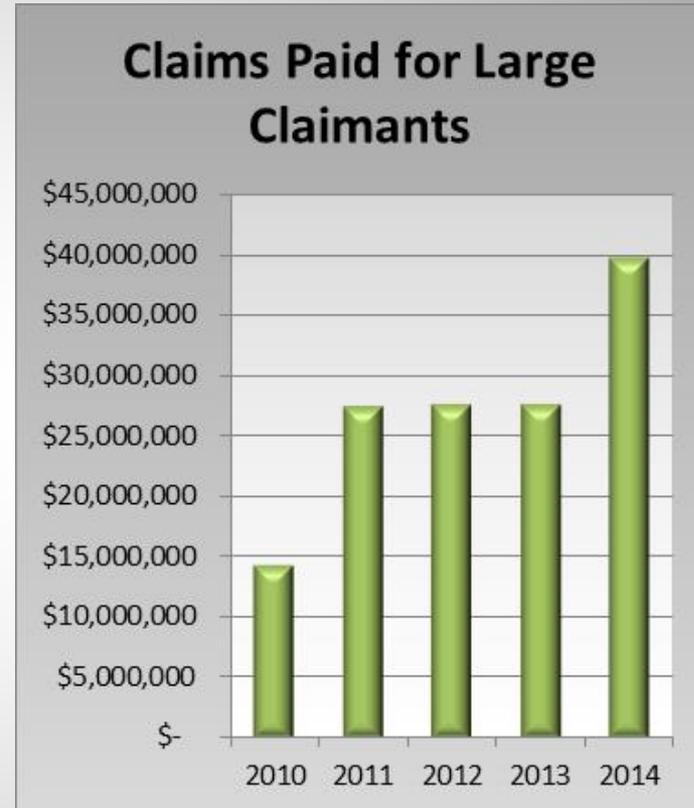
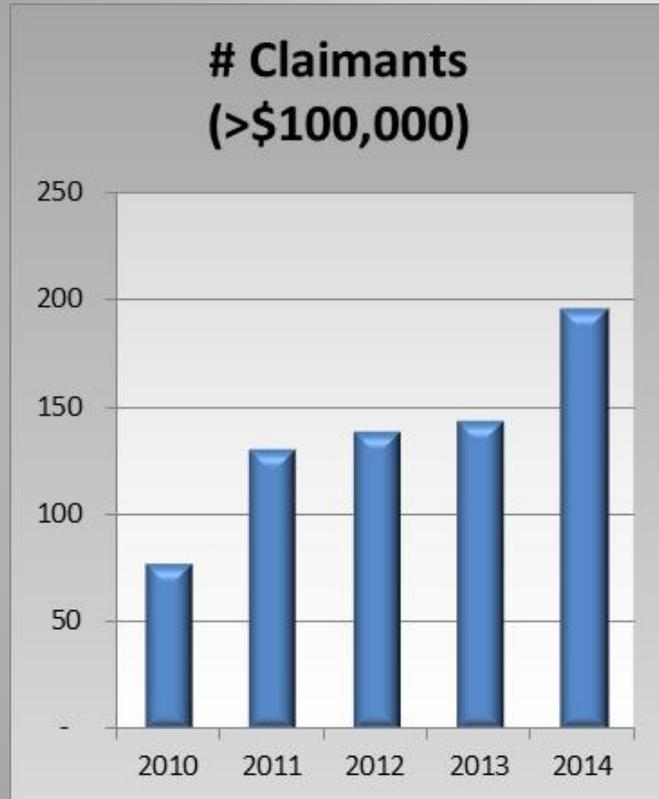
■ Chart based on detailed method, where the claim lag was calculated for each claim. The values for both BCBS (2012) and CIGNA (2013-14) were lower, but there was still a significant increase.

Historical IBNR vs. Run-out Claims



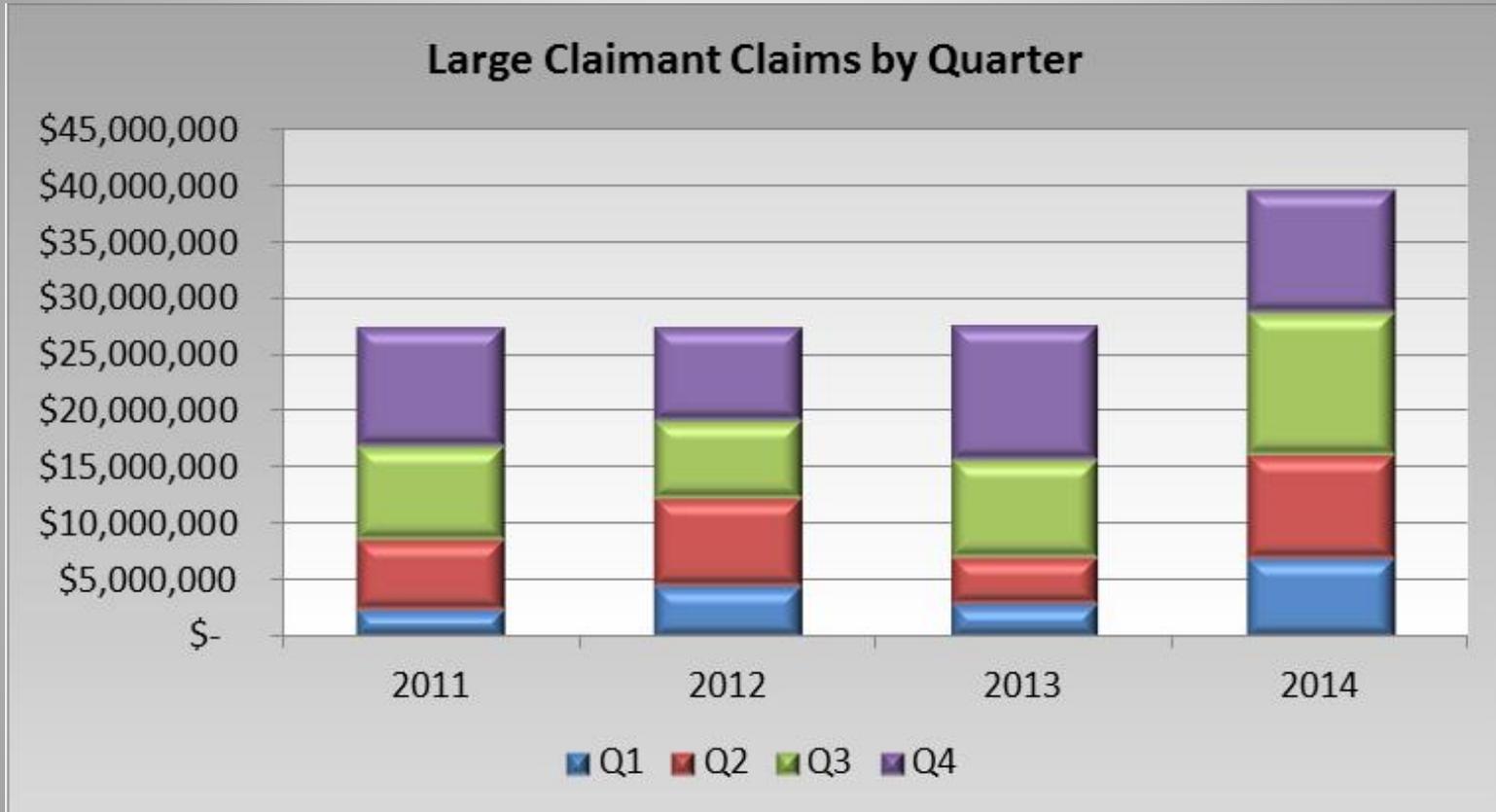
- 2013 was the only year with a significant discrepancy between expected (IBNR) and actual run-out claims. The 2014 expected amount has been modified accordingly.

Large Claims



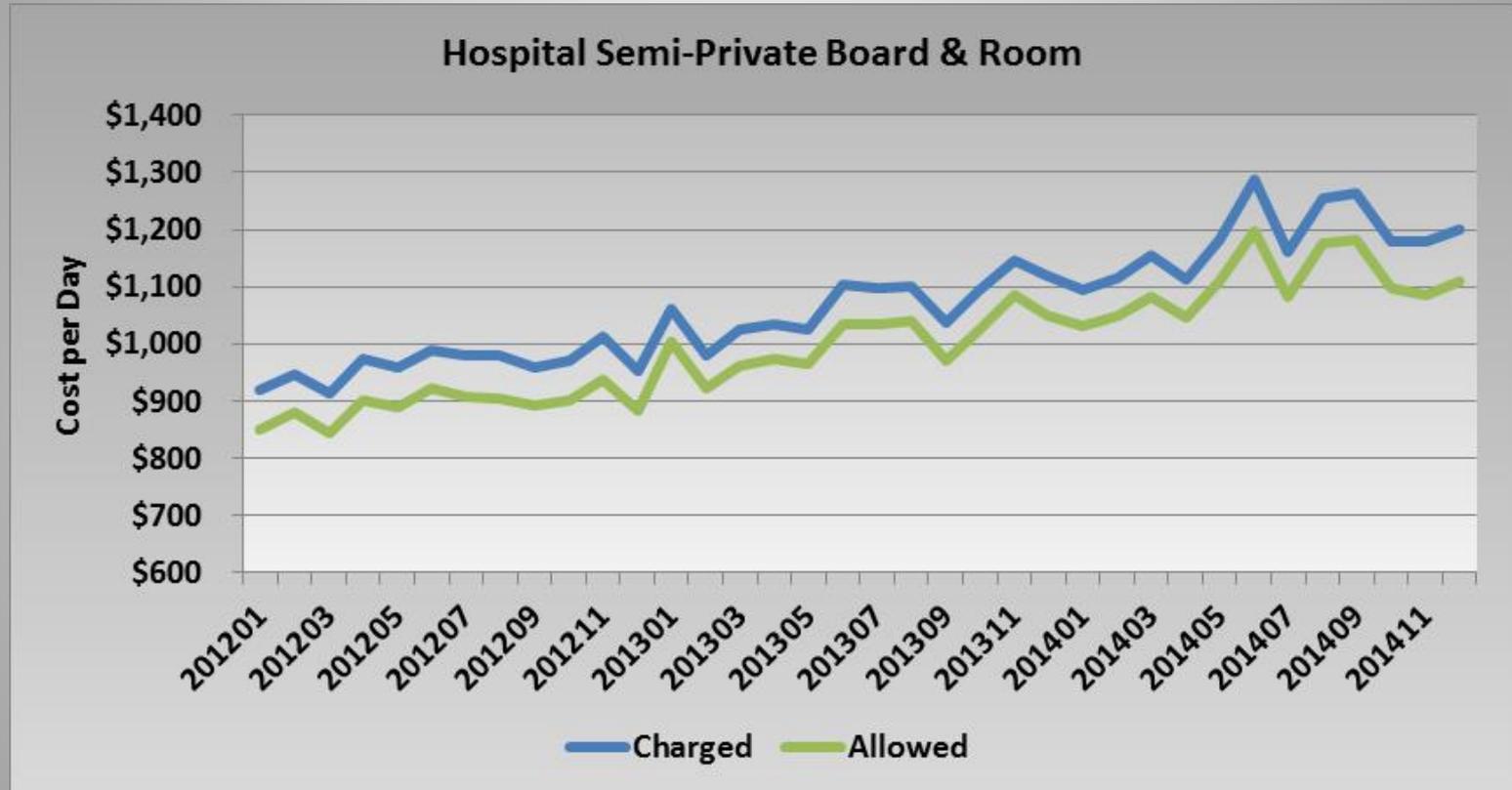
■ The number of large claimants and total paid claims were well above 2013, and both exceeded initial 2014 projections.

Large Claims



■ Large claimant payments were much higher in the first three quarters of 2014, but the fourth quarter was similar to prior years.

Hospital Charges



- From January 2012 through December 2014, the average Board & Room cost per day increased by 30.5%, or 9.3% annually.

Hospital Charges

	2014 Change in Admits	2014 Change in Amounts Paid
Inpatient	-4%	24%
Outpatient	-11%	6%

Source: CIGNA Claims Incurred and Paid

Reduced Utilization; Increased Costs

- Data Analysis
- CIGNA/Allegiance TPA work on Reference Based Pricing Reimbursement
- Northern Rockies Alliance
- Dr. Burkholder Consulting



Catastrophic - Claimant ICD Summary All Combined



Top catastrophic spend by primary ICD

ICD Category	<u>PMPM</u>	<u>Individual Count</u>	<u>Average Plan Spend (000's)</u>
	Current	Current	Current
Neoplasms	\$33.27	59	\$202.8
Circulatory	\$22.35	38	\$211.5
Neurological	\$10.28	11	\$338.3
Musculoskeletal	\$8.98	19	\$189.7
Infect/Parasit	\$4.75	7	\$243.8
Newborns	\$4.51	8	\$202.7
Respiratory	\$4.17	6	\$250.0
Gastrointestinal	\$3.94	4	\$353.9
Renal/Urologic	\$2.76	4	\$247.8
Blood/Blood Org	\$2.20	3	\$283.6
All Other	\$5.95	10	\$213.9
Total	\$103.13	169	\$219.5



Member relationship

	Current
Members	
Employee	88
Spouse	57
Dependent	24
Total Members	169
Cost Per Member	
Employee	\$212,747
Spouse	\$213,833
Dependent	\$259,340