

# Monterey Peninsula College

## Self-funded Program Overview and Plan Year-End Reporting July 1, 2016 through June 30, 2017

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March 16, 2018

Christine Kerns, Senior Vice President

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# Alliant Employee Benefits: *Who we are*



Established in  
**1925**



**26,000+**  
Clients  
nationwide



**2,100**  
EMPLOYEES IN



**12,500+**  
Global  
Employers

**2.8 million**  
employees worldwide



## CORE COMPETENCIES

- Benefit Administration
- Compliance
- Global Workforce
- Employee Communications
- Ben-IQ™
- Alliant**CHOICE**
- Voluntary Benefits
- Health & Productivity
- Analytics
- Retirement Services

# Alliant Employee Benefits: *Public School Expertise*



<b>Community College Districts</b>	<b>School Joint Powers Authority (JPA)</b>
Santa Clarita Community College District	Alameda County Schools Insurance Group (ACSIG)
Santa Monica College	Redwood Empire Schools Insurance Group (RESIG)
Coast Community College District	Butte Schools Self-funded Programs (BSSP)
South Orange County Community District	
College of the Desert	
Cabrillo College	
City College of San Francisco	
Contra Costa Community College District	
Monterey Peninsula College	
Peralta Community College District	
San Jose Evergreen Community College	
Santa Rosa Junior College	

Alliant is the Largest Public School & Public Entity Broker & Consultant in California

*This information is Proprietary to Alliant and is not for Distribution*

The background of the slide is a complex, abstract pattern of overlapping teal and light blue geometric shapes, primarily triangles and polygons, creating a sense of depth and movement. The colors range from a deep, dark teal to a bright, light cyan.

# Self-Funding 101

Fully Insured vs. Self-Funding	
Fully-insured Cost Components	Self-funded Cost Components
<p><b><u>Fixed Monthly Premium that Covers:</u></b></p> <ul style="list-style-type: none"> <li>• Claims</li> <li>• Administration</li> <li>• Pooling Charge (Stop Loss)</li> <li>• Reserves</li> <li>• Profit Margin</li> <li>• Premium Taxes</li> <li>• ACA Fees                             <ul style="list-style-type: none"> <li>• Insurer Fee</li> <li>• PCORI</li> </ul> </li> </ul>	<p><b><u>Fixed Monthly Premium that Covers:</u></b></p> <ul style="list-style-type: none"> <li>• Administration</li> <li>• Stop Loss</li> </ul>
<p><b><u>Variable Costs:</u></b></p> <ul style="list-style-type: none"> <li>• None</li> </ul>	<p><b><u>Variable Costs:</u></b></p> <ul style="list-style-type: none"> <li>• Claims</li> <li>• Reserves</li> <li>• ACA Fees                             <ul style="list-style-type: none"> <li>• PCORI</li> </ul> </li> </ul>

From the employee's perspective a self-funded plan works just like a fully-insured plan

- ✓ the employer can remain with their current carrier
  - ✓ the plan design can remain the same (if the employer desires)
  - ✓ the employee still receives an ID card with the carrier/administrator's name
- From the provider's (doctor, hospital, pharmacy) perspective, a self-funded medical plan works just like a fully-insured plan
  - The employer pays the administrator a fixed fee to the carrier/administrator (based on a per employee per month cost) to access the network, process and pay the claims, and answer customer service calls on the company's behalf
  - Insurance to mitigate catastrophic claims or extremely high claims on a group as a whole:
    - ✓ Specific stop loss coverage: The employer pays a reinsurance carrier a fixed fee (based on a per employee per month cost) to insure the program from having a catastrophic claim on a single individual
    - ✓ Aggregate stop loss coverage: The employer pays the reinsurance carrier a premium (based on a per employee per month cost) to insure the program from having extremely high claims on the group as a whole

- **Elimination of most premium tax.** In most states, there is no premium tax applied to the employer's claim fund, thus an immediate savings equal to the amount of the premium tax (**approximately 2% to 3%**) is realized
- **Lower cost of operation.** Employers often find that administrative costs for a self-funded plan through a Third Party Administrator (TPA) are lower than those being charged by a carrier under a fully-insured program
- **Elimination of carrier profit margin and risk charge.** The standard profit margin and risk charge of an insurance carrier are eliminated for the bulk of the plan
- **Cost and utilization controls.** A TPA may have available several programs (i.e., hospital bill audits, large case management, preferred provider networks (PPO), and detailed reports) that an insurance carrier would not be able to provide
- **Increased cash flow.** The employer's cash flow is improved when money formerly held by the insurance carrier in the form of various reserves is now available for use by the employer
- **Control of plan design.** The self-funded employer has the flexibility in the design of the benefit plan. State regulations mandating costly benefits are avoided because self-funded programs are subject to (or protected by) ERISA. Also in the future TPH has the opportunity to review an Rx carve out
- **Administration tailored to the employer's needs.** The employer has the choice of third-party administrators, each of whom can design a service plan to meet the employer's needs

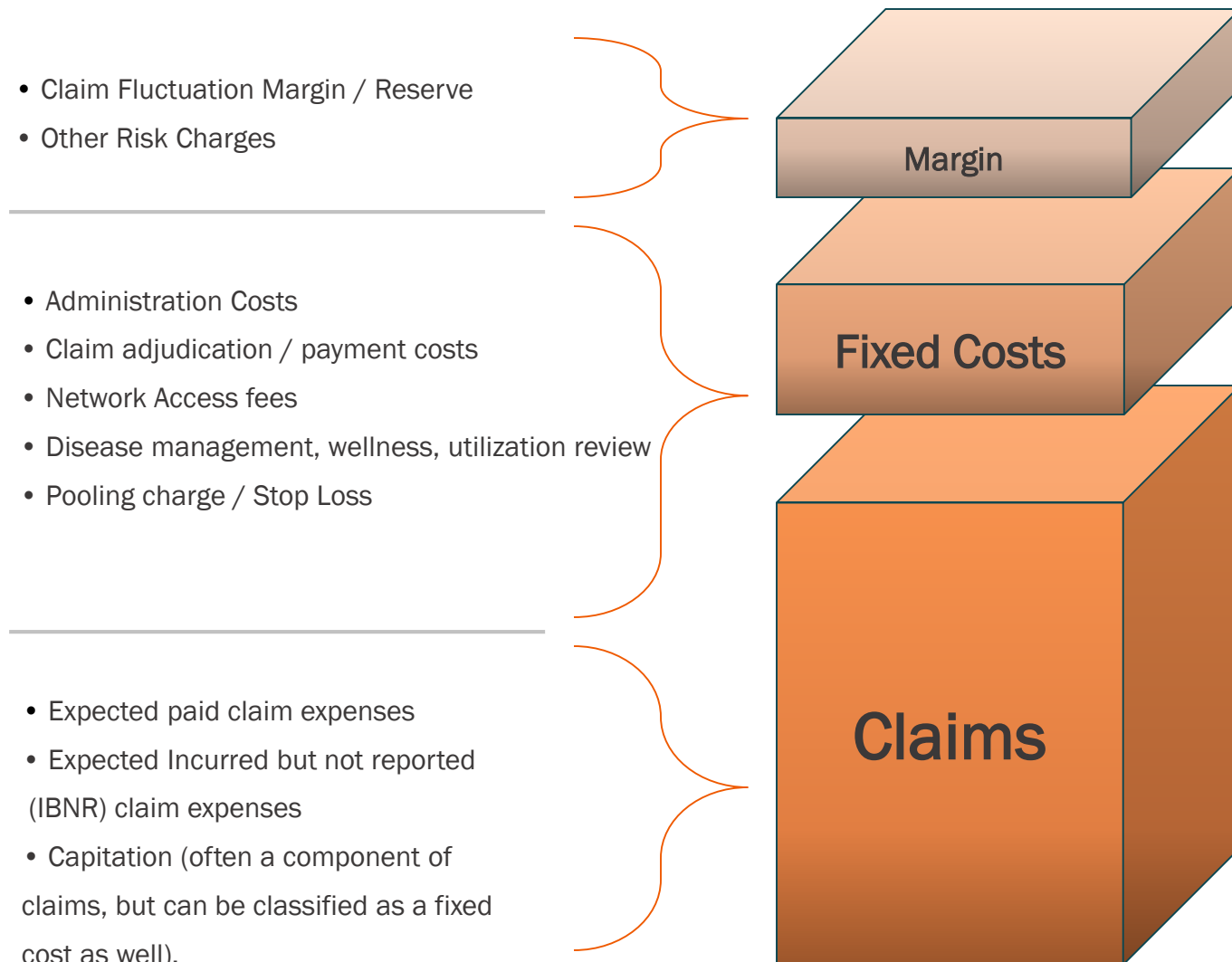


In theory, a self-funded plan should be more cost-effective than a fully-insured plan due to the elimination of many expenses associated with a fully-insured plan and the potential of direct savings to the employer from better than expected claims experience. Potential disadvantages should be considered:

- **Employer assumes a portion of the risk** - Maximum Liability is usually more than Fully Insured cost
- **Claim fluctuation** - Monthly claim costs can vary, versus fixed monthly premiums on a fully insured case
- **Liability for Decisions** - Poorly thought out exceptions can set legal precedence, and the employer may be required to cover other similar claims that they never would have intended to pay (we do not ever recommend employer exceptions)
- **Asset exposure** - The employer's assets are exposed to any liability as a result of legal action against the self-funded plan – insurance carrier accepts portion of the fiduciary liability
- **Administration (HIPAA)** - If a plan is self-funded, it is likely subject to the full requirements of HIPAA including establishment of HIPAA policies and procedures, designation of a privacy official and training the workforce
- **Long Term Commitment**

# Self-funding 101

## Self-funding Cost Components



### Fixed Costs

- Set fees that are typically paid on a monthly basis, regardless of claims costs or number of claims processed.
- Just like a fully insured premium, fixed costs generally vary ONLY as the plan enrollment varies.
- Fixed costs are paid monthly and include the following:

<b>FIXED COST COMPONENTS</b>	<b>MPC VENDOR</b>
Claims Administration Third Party Administrator (TPA)	Delta Health Systems (DHS)
Preferred Provider (PPO) Network	Anthem Blue Cross
Pharmacy Benefits Manager Network	Express Scripts (ESI)
Utilization Review	DHS
Large Case Management	DHS
COBRA/HIPAA Administration	DHS
Stop Loss Insurance - Specific & Aggregate (Catastrophic Claims)	Symetra/Voya

### Why reserves are needed:

- Termination liability
- Cash flow protection
- Ability to smooth cost changes from year to year

### Types of Reserves

- **IBNR – Incurred But Not Reported**
  - Funds designed to cover the liability presented by those claims incurred during the stated policy period but not paid, due to processing and adjudication lag, until after the policy period. Also referred to as Run-Out claims. This dollar amount must be updated each year and projected along with the expected paid claim liability for the renewal period.
  - The calculation of IBNR reserves is typically performed by an underwriter and/or actuary.
  - The amount of funds required for an IBNR reserves is a function of the expected claim activity for a group and the anticipated claim processing / lag of the TPA.
- **CFR - Claim Fluctuation Reserves**
  - Funds designed to serve as buffer to absorb cyclical periods of high and low claim activity within a self-funded plan.

### **Specific Stop Loss:**

- Protects employers from large catastrophic claims generated by individual employees or dependents and is also described as catastrophic or shock-claim insurance.
- For MPC, coverage picks up after an individual's claims (medical & RX) reach \$150,000 during a policy period.
- After an eligible employee/dependent's claims paid exceed the deductible in a policy year, covered expenses above the deductible are reimbursed to the employer by the Stop Loss carrier.

### **Aggregate Stop Loss:**

- Establishes a Maximum Liability for the employer. Puts an annual limit on the client's liability for ALL eligible claims during a contract year.
- For MPC, the Aggregate Stop Loss = 125% of expected claims.
- Claims above this limit, called the Attachment Point, are reimbursed by the stop loss carrier up to maximum amount of \$1,000,000

The background of the slide is a complex, repeating pattern of teal-colored geometric shapes, primarily triangles and polygons, creating a 3D effect of overlapping planes.

# MPC Self-funded Program Performance 2013 - 2017

### Medical Paid Claims Trend

- Medical claims have increased \$584,684 when comparing 2013-2014 to 2016-2017
- MPC's actual medical trend has been volatile and not in line with industry trend

### Pharmacy Paid Claims Trend

- Pharmacy claims have increased \$194,643 when comparing 2013-2014 to 2016-2017
- MPC's actual RX trend has been volatile and not in line with industry trend

### Claim Fluctuation Volatility:

- Due to the size of MPC's membership size there is a higher level of year-over-year claim unpredictability when compared to a group of 4,000 lives plus

Monterey Peninsula College Paid Claim Trend History						
Year	MPC Paid Claims Medical Spend	MPC Actual Trend Year over Year	Medical Industry Trend*	MPC Paid Claims Pharmacy Spend	MPC Actual Trend Year over Year	Pharmacy Industry Trend*
PY 2013-14	\$3,728,107	-11.49%	10.0%	\$1,411,755	42.82%	8.0%
PY 2014-15	\$3,637,189	-2.44%	10.0%	\$1,872,991	32.67%	8.0%
PY 2015-16	\$4,165,261	14.52%	9.0%	\$1,657,851	-11.49%	10.0%
PY 2016-17	\$4,312,791	3.54%	7.0%	\$1,606,398	-3.10%	13.0%

\* Alliant Underwriting Trend used at renewal

**Note:** Paid Claim Trend does not factor in fixed fees costs and renewal trend, large claim pooling, IBNR, CFR and compounded trend.

# MPC – Plan Performance

## Administrative Expenses

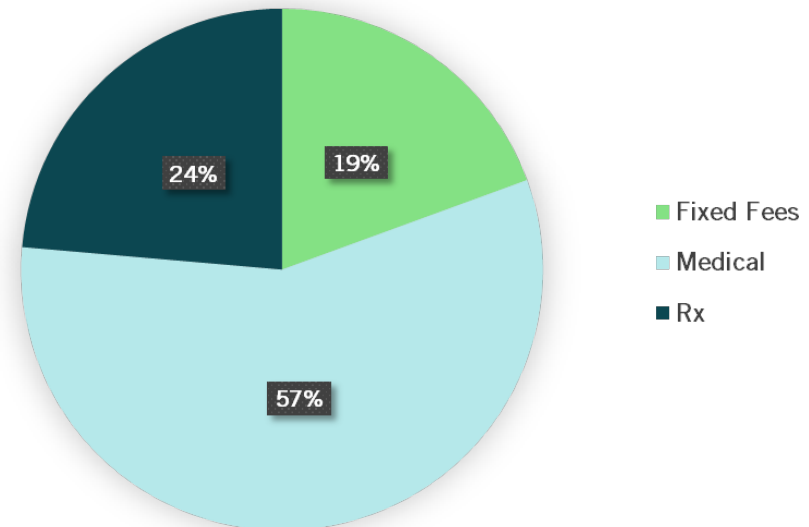
### Fixed Costs: Administrative Services, Stop-loss and Managed Care

- In addition to rising claims cost, fixed costs continue to increase year-over-year
- Over past 4 years, Fixed costs make up 19% of the total program spend

Monterey Peninsula College Fixed Fee Trend History		
Year	MPC Paid Fixed Fee Spend	Trend
PY 2012-13	\$1,429,897	N/A
PY 2013-14	\$1,520,407	6.33%
PY 2014-15*	\$1,101,252	-27.57%
PY 2015-16	\$1,326,787	20.48%
PY 2016-17	\$1,448,840	9.20%

\*TPA Admin Fees received a rate pass and stop-loss coverage moved from Sun Life to Symetra for dramatic savings

MPC Self-funded Program Breakdown:  
4 year Average





# MPC – Plan Performance

## Stop Loss Renewal History and Plan Performance



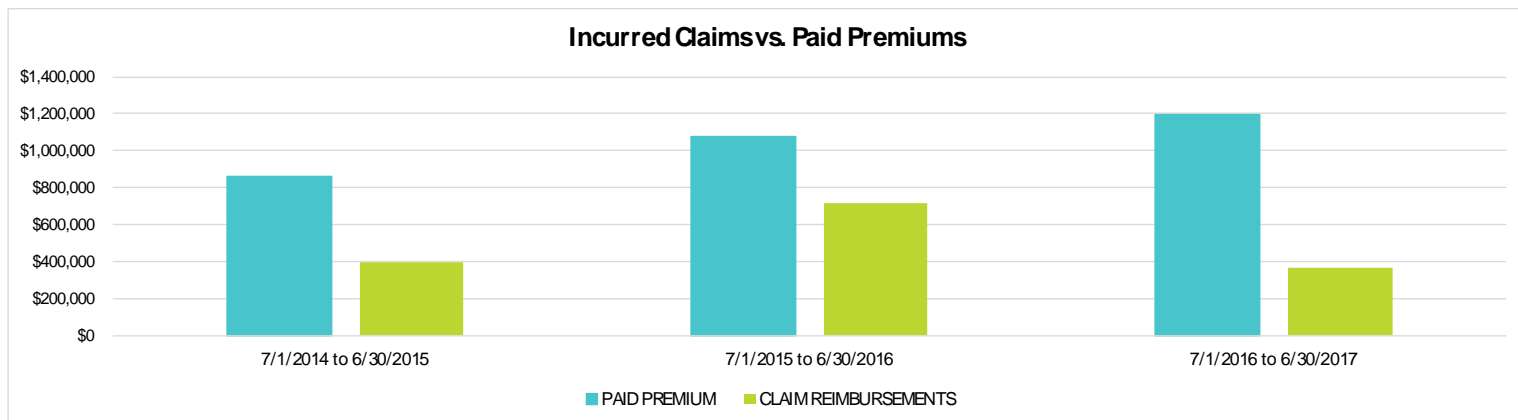
### Stop-loss Renewal History:

- 2015 stop-loss moved from Sun Life to Symetra receiving an estimated savings of 13%
- 2016 stop-loss renewal received an increase of 11% to premium
- 2017 stop-loss renewal received an increase and 8.5% to premium. Stop Loss Vendor change from Symetra to Voya, receiving an estimated savings of 21.5%

### High Cost Claimants >\$50k:

- MPC only receives reimbursement on claimants who exceed the \$150k specific deductible
- Meanwhile claimants between \$50k - \$149k are continuing to grow in count and spend.

POLICY PERIOD	CARRIER	DEDUCTIBLE LEVEL	NUMBER OF PAID CLAIMS	CLAIM		LOSS RATIO
				PAID PREMIUM	REIMBURSEMENTS	
7/1/2014 to 6/30/2015	Symetra	\$150,000	9	\$858,275	\$395,178	46.04%
7/1/2015 to 6/30/2016	Symetra	\$150,000	29	\$1,078,888	\$716,517	66.41%
7/1/2016 to 6/30/2017	Symetra	\$150,000	24	\$1,194,290	\$367,626	30.78%
GRAND TOTAL				\$3,131,453	\$1,479,322	47.24%





- MPC has not made benefit plan changes since working with Alliant (2010)

Medical Benefits	Self Funded PPO Plan	
	In Network	Out-of-Network
<b>Calendar Year Deductible</b> Individual / Family	\$250 / \$750	\$500 / \$1,500
<b>Annual Out-of-Pocket Maximum</b> Individual / Family	\$2,500 / \$5,000	\$3,500 / \$7,000
<b>Lifetime Maximum</b>	Unlimited	
<b>Coinsurance</b>	95%	70%
<b>Hospital</b>	95%	70%
All Inpatient Services	100% Tier 1 90% Tier 2 80% Tier 3	80%
Outpatient Surgery	95%	70%
<b>Physician Services</b>	<b>Deductible Waived</b>	
Physician Office Visit	\$25 copay then 95%	\$25 copay then 70%
Specialist Visit	\$25 copay then 95%	\$25 copay then 70%
<b>Diagnostic X-Ray and Lab</b>	95%	70%
<b>Durable Medical Equipment</b>	95%	70%
<b>Ambulance Service</b>	95%	
<b>Emergency</b> (waived if admitted)	\$100/visit then 95% (Deductible Waived)	
<b>Skilled Nursing Facility Care</b>	95%	70%
<b>Hospice (6 month max)</b>	95%	70%
<b>Acupuncture</b>	\$25 copay then 95%	\$25 copay then 70%
<b>Chiropractic</b>	\$25 copay then 95%	\$25 copay then 70%
<b>Express Scripts</b>	<b>Generic / Brand / Non-Formulary</b>	
<b>Rx Specific Out-of-Pocket Maximum</b>	\$4,100 / \$8,200	
<b>Prescription Drug</b> (30-Day supply)	\$5 / \$20 / \$35	
<b>Mail Order Program</b> (90-Day supply)	\$10 / \$40 / \$70	

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**MPC Self-funded Plan Reporting**  
**July 1, 2016 – June 30, 2017**

# Premiums and Claims Report – Year End 2016-2017

## *Actives, Early Retirees, Retirees 65+ on Medicare and COBRA*



The Premiums and Claims report is based on the period from July 1, 2016 – June 30, 2017

- This report includes Actives, Early Retirees, Medicare Retirees, and COBRA participants
- The funding rate for Actives and Early Retirees is:
  - \$1,668.70 for Jul 2016 – June 2017
- The funding rates for Retirees on Medicare for Jan 2016 – December 2016 are:
  - Retiree Only: \$349.49
  - Retiree + Spouse (On Medicare): \$698.97
  - One Medicare and One Non-Medicare: \$970.69
- The funding rates for Retirees on Medicare for January 2017 – December 2017 is:
  - Retiree Only: \$419.39
  - Retiree + Spouse (On Medicare): \$838.76
  - One Medicare and One Non-Medicare: \$1,164.83
- History of loss ratio:
  - The loss ratio for the prior reporting period (Jul 2013 – Jun 2014) was **102.90%**
  - The loss ratio for the prior reporting period (Jul 2014 – Jun 2015) was **103.21%**
  - The loss ratio for the current reporting period (Jul 2015 – Jun 2016) was **103.42%**
  - The loss ratio for the prior reporting period (Jul 2016 – Jun 2017) was **105.53%**

# MPC Medical Plan

## Funding Recap



Renewal July 2013 - June 2014	MPC Starting Funding Rate	MPC Final Funding Rate Decision
Actives, Early Retirees	\$1,576.00	\$1,470.63
Post 65 Retirees w/Medicare		
Retiree Only	\$320.63	\$349.49
Retiree and Spouse on Medicare	\$641.26	\$698.97
1 On and 1 off Medicare	\$890.54	\$970.69
<b>Annual Total*</b>	<b>\$6,320,898</b>	<b>\$5,996,858</b>
<b>% Change</b>		<b>-6.69%</b>

MPC Expenditures P&C Reports
Total plan expenditure for the 2013-14 plan year
<b>\$6,170,788</b>

Renewal July 2014 - June 2015	MPC Starting Funding Rate	MPC Final Funding Rate Decision
Actives, Early Retirees	\$1,470.63	\$1,517.00
Post 65 Retirees w/Medicare		
Retiree Only	\$349.49	\$349.49
Retiree and Spouse on Medicare	\$698.97	\$698.97
1 On and 1 off Medicare	\$970.69	\$970.69
<b>Annual Total*</b>	<b>\$5,851,257</b>	<b>\$6,015,314</b>
<b>% Change</b>		<b>3.15%</b>

MPC Expenditures P&C Reports
Total plan expenditure for the 2014-15 plan year
<b>\$6,216,925</b>

Renewal July 2015 - June 2016	MPC Starting Funding Rate	MPC Final Funding Rate Decision
Actives, Early Retirees	\$1,517.00	\$1,517.00
Post 65 Retirees w/Medicare		
Retiree Only	\$349.49	\$349.49
Retiree and Spouse on Medicare	\$698.97	\$698.97
1 On and 1 off Medicare	\$970.69	\$970.69
<b>Annual Total*</b>	<b>\$6,040,017</b>	<b>\$6,040,017</b>
<b>% Change</b>		<b>0.00%</b>

MPC Expenditures P&C Reports
Total plan expenditure for the 2015-16 plan year
<b>\$6,246,812</b>

Renewal July 2016 - June 2017	MPC Starting Funding Rate	MPC Final Funding Rate Decision
Actives, Early Retirees	\$1,517.00	\$1,668.70
Post 65 Retirees w/Medicare		
Retiree Only	\$349.49	\$419.39
Retiree and Spouse on Medicare	\$698.97	\$838.76
1 On and 1 off Medicare	\$970.69	\$1,164.83
<b>Annual Total*</b>	<b>\$6,065,963</b>	<b>\$6,664,863</b>
<b>% Change</b>		<b>10.00%</b>

MPC Expenditures P&C Reports
Total plan expenditure for the 2016-17 plan year
<b>\$7,033,539</b>

\* Funding Rate Annual Total updated based on actual enrollment for the plan year 2013-14, 2014-15, 2015-16, and 2016-17

\*\* Total expenditures reflect the total claims and fixed costs, less stop loss reimbursements and pharmacy rebates and are the same as the plan year end amounts from the P&C report for that year.

Monterey Peninsula College  
Funded vs Actual

Plan Year	Estimated Funded	Actual Plan Expenditure	Surplus / Deficit
2013-2014	\$5,996,858	\$6,170,788	(\$173,930)
2014-2015	\$6,015,314	\$6,216,925	(\$201,610)
2015-2016	\$6,040,017	\$6,246,812	(\$206,794)
2016-2017	\$6,664,863	\$7,033,539	(\$368,676)
<b>Total</b>			<b>(\$951,011)</b>

\*\* Total expenditures reflect the total claims and fixed costs, less stop loss reimbursements and pharmacy rebates and are the same as the plan year end amounts from the P&C report for that year.

Note: Slight variance from P&C reporting due to retiree funding and enrollments. P&C enrollment counts and funding are aggregated, totals above reflect retiree tiered enrollment and rates. A retiree true up is done at the end of the year

# MPC – FUNDING vs CLAIMS

Actives, Early Retirees, Retirees 65+ on Medicare and COBRA



		Funding / Premium					Paid Claims		Credits/ Rebates		Fixed Costs			Loss Ratio		Surplus / Deficit	
A	B	C	D	E	F	G	H	I	J	K	L	M	O	P	Q	R	S
Month	Actives, COBRA, Retirees U65, Retirees O65	Actives	Early Retiree	Retiree on Medicare <sup>1</sup>	COBRA <sup>2</sup>	Total	DHS Medical Paid Claims	Gross Rx Claims	Stop Loss Credits <sup>3</sup>	Rx Rebates <sup>4</sup>	Net Total Claims	Stop Loss Fee <sup>5</sup>	Medical Admin <sup>6</sup>	Total Fixed Costs	Total Expenses	Income and Expense Ratio	Total Expenses
Jul-15	399	\$389,869	\$53,095	\$54,094	\$0	\$497,058	\$282,573	\$139,893	\$0	\$0	\$422,466	\$87,842	\$20,008	\$107,850	\$530,316	106.69%	-\$33,258
Aug-15	399	\$389,869	\$54,612	\$53,588	\$0	\$498,069	\$602,302	\$134,649	(\$222,058)	\$0	\$514,893	\$89,388	\$20,773	\$110,162	\$625,054	125.50%	-\$126,985
Sep-15	402	\$394,420	\$53,095	\$54,094	\$0	\$501,609	\$406,614	\$131,155	(\$76,553)	(\$10,549)	\$450,667	\$88,429	\$20,466	\$108,895	\$559,563	111.55%	-\$57,954
Oct-15	402	\$397,454	\$53,095	\$52,577	\$774	\$503,900	\$523,526	\$145,262	\$0	\$0	\$668,788	\$90,163	\$20,524	\$110,688	\$779,475	154.69%	-\$275,575
Nov-15	404	\$397,454	\$51,578	\$54,094	\$774	\$503,900	\$413,202	\$122,709	\$0	\$0	\$535,911	\$92,923	\$21,332	\$114,255	\$650,166	129.03%	-\$146,267
Dec-15	403	\$395,937	\$51,578	\$54,094	\$774	\$502,383	\$210,594	\$132,633	(\$333,137)	(\$12,023)	-\$1,933	\$88,167	\$19,762	\$107,929	\$105,996	21.10%	\$396,387
Jan-16	403	\$392,903	\$51,578	\$54,599	\$1,548	\$500,628	\$260,063	\$144,650	\$0	\$0	\$404,713	\$86,817	\$19,918	\$106,736	\$511,449	102.16%	-\$10,820
Feb-16	405	\$397,454	\$50,061	\$54,599	\$1,548	\$503,662	\$213,035	\$156,933	(\$94,495)	\$0	\$275,474	\$92,111	\$21,492	\$113,603	\$389,076	77.25%	\$114,586
Mar-16	405	\$397,454	\$50,061	\$54,599	\$1,548	\$503,662	\$185,084	\$130,072	\$0	(\$11,720)	\$303,435	\$90,292	\$20,696	\$110,987	\$414,423	82.28%	\$89,240
Apr-16	406	\$397,454	\$51,578	\$54,599	\$1,548	\$505,179	\$361,804	\$139,623	(\$21,072)	\$0	\$480,356	\$92,545	\$21,477	\$114,022	\$594,378	117.66%	-\$89,199
May-16	410	\$406,556	\$53,095	\$53,083	\$1,548	\$514,282	\$329,970	\$157,022	(\$110,329)	\$0	\$376,663	\$90,298	\$20,715	\$111,013	\$487,675	94.83%	\$26,606
Jun-16	401	\$403,522	\$50,061	\$50,555	\$1,548	\$505,686	\$376,494	\$123,249	\$0	(\$11,151)	\$488,592	\$89,913	\$20,735	\$110,648	\$599,240	118.50%	-\$93,554
Jul-16	405	\$442,206	\$53,398	\$53,588	\$1,548	\$550,740	\$289,974	\$146,334	\$0	\$0	\$436,308	\$100,459	\$21,850	\$122,309	\$558,617	101.43%	-\$7,877
Aug-16	407	\$445,534	\$53,398	\$53,588	\$1,548	\$554,077	\$357,362	\$136,024	(\$72,500)	\$0	\$420,887	\$97,710	\$20,649	\$118,359	\$539,245	97.32%	\$14,832
Sep-16	417	\$452,218	\$58,405	\$54,094	\$3,096	\$567,812	\$490,633	\$134,915	\$0	(\$10,433)	\$615,115	\$100,719	\$21,578	\$122,297	\$737,412	129.87%	-\$169,600
Oct-16	413	\$452,218	\$56,736	\$53,083	\$2,322	\$564,358	\$259,099	\$131,815	\$0	\$0	\$390,915	\$103,333	\$22,286	\$125,619	\$516,533	91.53%	\$47,824
Nov-16	408	\$447,212	\$55,067	\$52,577	\$2,322	\$557,178	\$289,428	\$127,328	(\$159,282)	\$0	\$257,474	\$100,210	\$21,604	\$121,714	\$379,188	68.06%	\$177,990
Dec-16	408	\$447,212	\$55,067	\$52,577	\$2,322	\$557,178	\$498,258	\$116,938	\$0	(\$8,832)	\$606,364	\$98,618	\$20,955	\$119,573	\$725,937	130.29%	-\$168,759
Jan-17	404	\$447,212	\$56,736	\$50,555	\$1,548	\$556,050	\$360,329	\$173,617	\$0	\$0	\$533,945	\$101,288	\$21,699	\$122,986	\$656,932	118.14%	-\$100,882
Feb-17	402	\$445,543	\$58,405	\$50,049	\$774	\$554,771	\$388,843	\$114,350	\$0	\$0	\$503,194	\$100,352	\$21,543	\$121,895	\$625,088	112.68%	-\$70,318
Mar-17	399	\$442,206	\$56,736	\$50,049	\$774	\$549,765	\$344,170	\$131,359	\$0	(\$38,000)	\$437,528	\$95,834	\$19,956	\$115,790	\$553,318	100.65%	-\$3,554
Apr-17	400	\$440,537	\$60,073	\$50,049	\$774	\$551,433	\$236,686	\$137,896	(\$9,940)	\$0	\$364,641	\$100,434	\$21,400	\$121,834	\$486,476	88.22%	\$64,958
May-17	400	\$442,206	\$60,073	\$49,544	\$774	\$552,596	\$317,581	\$123,068	(\$6,188)	\$0	\$434,461	\$94,445	\$19,638	\$114,082	\$548,543	99.27%	\$4,053
Jun-17	395	\$442,206	\$58,405	\$47,522	\$774	\$548,906	\$480,429	\$132,753	(\$5,899)	(\$23,416)	\$583,867	\$100,889	\$21,493	\$122,382	\$706,249	28.66%	-\$157,344
PY 2015-16	4,839	\$4,760,346	\$623,487	\$644,576	\$11,608	\$6,040,017	\$4,165,261	\$1,657,851	(\$857,644)	(\$45,443)	\$4,920,025	\$1,078,888	\$247,899	\$1,326,787	\$6,246,812	103.42%	-\$206,794
PY 2016-17	4,858	\$5,346,515	\$682,498	\$617,277	\$18,573	\$6,664,863	\$4,312,791	\$1,606,398	(\$253,809)	(\$80,681)	\$5,584,699	\$1,194,290	\$254,550	\$1,448,840	\$7,033,539	105.53%	-\$368,676
Rolling 12	4,858	\$5,346,515	\$682,498	\$617,277	\$18,573	\$6,664,863	\$4,312,791	\$1,606,398	(\$253,809)	(\$80,681)	\$5,584,699	\$1,194,290	\$254,550	\$1,448,840	\$7,033,539	105.53%	-\$368,676

<sup>1</sup> - Retiree Subsidy is not included. Funding amounts for July 2015 - Feb 2017 are estimated and actual amounts may vary.

Effective Date	1-1-15-12-31-15	1-1-16-12-31-16	1-1-17-12-31-17
Retiree (M)	\$349.49	\$349.49	\$419.39
Retiree + Spouse(M)(M)	\$698.97	\$698.97	\$838.76
One on One Off	\$970.69	\$970.69	\$1,164.83

<sup>2</sup> - COBRA reflect medical enrollments only. MPC does pay for dental members on COBRA which has incurred minimal admin costs not shown here

<sup>3</sup> - Stop loss credits represent amounts paid to MPC as reported by DHS; actual reimbursements may differ.

<sup>4</sup> - Rx Rebates are reported in the months they are received and not incurred.

<sup>5</sup> - Stop Loss fees are as stated by DHS

<sup>6</sup> - Medical Admin Fee Includes:

DHS TPA Fee (\$22 PEPM 14-15 PY / \$22 PEPM 15-16 PY / \$22 PEPM 16-17 PY)
Anthem JAA Network / Disease Management (\$23.96 PEPM 14-15 PY / \$24.76 PEPM 15-16 PY)



# MPC – FUNDING vs CLAIMS

## Actives



		Funding / Premium	Paid Claims		Credits/ Rebates			Fixed Costs			Loss Ratio	
Month	Actives	Internal Funding <sup>1</sup>	DHSMedical Paid Claims	Gross Rx Claims	Stop Loss Credits <sup>2</sup>	Rx Rebates <sup>3</sup>	Net Total Claims	Stop Loss Fee <sup>4</sup>	Medical Admin <sup>5</sup>	Total Fixed Costs	Total Expenses	Income and Expense Ratio
Jul-15	257	\$389,869	\$194,952	\$88,595	\$0	\$0	\$283,547	\$61,089	\$12,227	\$73,316	\$356,863	91.53%
Aug-15	257	\$389,869	\$465,660	\$85,702	\$0	\$0	\$551,362	\$60,638	\$12,227	\$72,864	\$624,226	160.11%
Sep-15	260	\$394,420	\$346,787	\$77,907	\$0	-\$10,549	\$435,242	\$60,349	\$12,131	\$72,481	\$507,723	128.73%
Oct-15	262	\$397,454	\$435,339	\$94,803	\$0	\$0	\$530,142	\$64,129	\$12,800	\$76,929	\$607,071	152.74%
Nov-15	262	\$397,454	\$341,227	\$63,402	\$0	\$0	\$404,629	\$63,232	\$10,831	\$74,063	\$478,692	120.44%
Dec-15	261	\$395,937	\$175,608	\$72,620	-\$333,137	-\$12,023	\$593,388	\$63,183	\$12,561	\$75,743	\$669,132	169.00%
Jan-16	259	\$392,903	\$229,056	\$76,822	\$0	\$0	\$305,878	\$61,650	\$12,274	\$73,924	\$379,802	96.67%
Feb-16	262	\$397,454	\$168,692	\$81,484	-\$94,495	\$0	\$344,670	\$61,064	\$12,227	\$73,290	\$417,961	105.16%
Mar-16	262	\$397,454	\$140,972	\$63,418	\$0	-\$11,720	\$216,111	\$63,311	\$12,609	\$75,919	\$292,030	73.48%
Apr-16	262	\$397,454	\$275,019	\$74,889	-\$21,072	\$0	\$370,980	\$61,443	\$12,609	\$74,051	\$445,031	111.97%
May-16	268	\$406,556	\$233,113	\$92,141	-\$110,329	\$0	\$435,584	\$62,621	\$12,465	\$75,086	\$510,670	125.61%
Jun-16	266	\$403,522	\$307,770	\$52,756	\$0	-\$11,151	\$371,676	\$63,237	\$12,752	\$75,989	\$447,666	110.94%
Jul-16	265	\$442,206	\$126,865	\$86,377	\$0	\$0	\$213,242	\$69,446	\$13,017	\$82,462	\$295,704	66.87%
Aug-16	267	\$445,543	\$288,055	\$80,442	-\$67,298	\$0	\$435,794	\$69,921	\$13,017	\$82,938	\$518,732	116.43%
Sep-16	271	\$452,218	\$411,180	\$63,576	\$0	-\$10,433	\$485,189	\$70,375	\$13,115	\$83,490	\$568,679	125.75%
Oct-16	271	\$452,218	\$200,163	\$78,624	\$0	\$0	\$278,787	\$71,540	\$13,459	\$84,999	\$363,786	80.44%
Nov-16	268	\$447,212	\$224,497	\$71,826	-\$159,282	\$0	\$455,606	\$70,035	\$13,115	\$83,150	\$538,756	120.47%
Dec-16	268	\$447,212	\$356,854	\$60,841	\$0	-\$8,832	\$426,528	\$71,425	\$13,361	\$84,786	\$511,313	114.33%
Jan-17	268	\$447,212	\$313,791	\$105,566	\$0	\$0	\$419,356	\$70,687	\$13,164	\$83,851	\$503,207	112.52%
Feb-17	267	\$445,543	\$297,743	\$60,382	\$0	\$0	\$358,125	\$70,205	\$13,115	\$83,320	\$441,445	99.08%
Mar-17	265	\$442,206	\$298,763	\$70,666	\$0	-\$38,000	\$407,429	\$69,948	\$12,968	\$82,916	\$490,345	110.89%
Apr-17	264	\$440,537	\$202,463	\$95,161	\$0	\$0	\$297,624	\$70,375	\$13,115	\$83,490	\$381,114	86.51%
May-17	265	\$442,206	\$263,037	\$61,272	\$0	\$0	\$324,309	\$68,985	\$12,869	\$81,855	\$406,163	91.85%
Jun-17	265	\$442,206	\$418,042	\$78,098	\$0	-\$23,416	\$519,556	\$69,921	\$13,017	\$82,938	\$602,494	126.85%
<b>PY 2015-16</b>	<b>3,138</b>	<b>\$4,760,346</b>	<b>\$3,314,195</b>	<b>\$924,538</b>	<b>-\$559,033</b>	<b>-\$45,443</b>	<b>\$4,843,209</b>	<b>\$745,944</b>	<b>\$147,712</b>	<b>\$893,657</b>	<b>\$5,736,865</b>	<b>120.51%</b>
<b>PY 2016-17</b>	<b>3,204</b>	<b>\$5,346,515</b>	<b>\$3,401,453</b>	<b>\$912,830</b>	<b>-\$226,580</b>	<b>-\$80,681</b>	<b>\$4,621,545</b>	<b>\$842,862</b>	<b>\$157,331</b>	<b>\$1,000,193</b>	<b>\$5,621,738</b>	<b>105.15%</b>
<b>Rolling 12</b>	<b>3,204</b>	<b>\$5,346,515</b>	<b>\$3,401,453</b>	<b>\$912,830</b>	<b>-\$226,580</b>	<b>-\$80,681</b>	<b>\$4,621,545</b>	<b>\$842,862</b>	<b>\$157,331</b>	<b>\$1,000,193</b>	<b>\$5,621,738</b>	<b>105.15%</b>

<sup>1</sup> - \$1,517.00 15-16 funding rate; \$1,668.70 16-17 PY funding

<sup>2</sup> - Stop loss credits represent amounts paid to MPC as reported by DHS; actual reimbursements may differ.

<sup>3</sup> - Rx Rebates are reported in the months they are received and not incurred; Q3 and Q4 are estimates, pending actual rebates (180 day lag)

<sup>4</sup> - Stop Loss fees are as stated by DHS

<sup>5</sup> - Medical Admin Fee Includes:

DHS TPA Fee (\$22 PEPM 15-16 PY / \$22 PEPM 16-17 PY)

Anthem JAA Network / Disease Management (\$24.76 PEPM 15-16 PY / \$25.37 PEPM 16-17 PY)

COBRA Admin Fee (\$1 PPPM & \$8 PPPM)

Retiree Admin Fee (\$5.50 PPPM)

# MPC – FUNDING vs CLAIMS

## Early Retirees



		Funding / Premium	Paid Claims		Credits/ Rebates			Fixed Costs			Loss Ratio	
Month	Early Retirees U65	Internal Funding <sup>1</sup>	DHS Medical Paid Claims	Gross Rx Claims	Stop Loss Credits <sup>2</sup>	Rx Rebates <sup>3</sup>	Net Total Claims	Stop Loss Fee <sup>4</sup>	Medical Admin <sup>5</sup>	Total Fixed Costs	Total Expenses	Income and Expense Ratio
Jul-15	35	\$53,095	\$71,829	\$6,105	\$0	\$0	\$77,934	\$7,541	\$1,712	\$9,253	\$87,187	164.21%
Aug-15	36	\$54,612	\$108,824	\$6,716	-\$222,058	\$0	\$337,598	\$7,821	\$1,731	\$9,553	\$347,150	635.67%
Sep-15	35	\$53,095	\$47,167	\$10,713	-\$76,553	\$0	\$134,433	\$7,388	\$1,712	\$9,100	\$143,533	270.33%
Oct-15	35	\$53,095	\$78,618	\$3,400	\$0	\$0	\$82,018	\$7,388	\$1,683	\$9,071	\$91,089	171.56%
Nov-15	34	\$51,578	\$58,016	\$9,607	\$0	\$0	\$67,623	\$7,107	\$3,299	\$10,406	\$78,028	151.28%
Dec-15	34	\$51,578	\$13,366	\$14,571	\$0	\$0	\$27,937	\$6,979	\$1,588	\$8,567	\$36,504	70.77%
Jan-16	34	\$51,578	\$10,640	\$8,452	\$0	\$0	\$19,092	\$7,388	\$1,698	\$9,086	\$28,178	54.63%
Feb-16	33	\$50,061	\$15,102	\$14,324	\$0	\$0	\$29,426	\$6,979	\$1,602	\$8,581	\$38,007	75.92%
Mar-16	33	\$50,061	\$11,695	\$9,641	\$0	\$0	\$21,336	\$6,979	\$1,588	\$8,567	\$29,903	59.73%
Apr-16	34	\$51,578	\$62,096	\$9,014	\$0	\$0	\$71,110	\$9,641	\$1,573	\$11,215	\$82,325	159.61%
May-16	35	\$53,095	\$59,280	\$7,041	\$0	\$0	\$66,322	\$7,669	\$1,733	\$9,402	\$75,723	142.62%
Jun-16	33	\$50,061	\$47,632	\$8,785	\$0	\$0	\$56,417	\$6,979	\$1,588	\$8,567	\$64,983	129.81%
Jul-16	32	\$53,398	\$142,791	\$7,915	\$0	\$0	\$150,706	\$7,435	\$1,598	\$9,033	\$159,739	299.15%
Aug-16	32	\$53,398	\$48,035	\$7,860	-\$5,201	\$0	\$61,097	\$7,435	\$1,584	\$9,018	\$70,115	131.31%
Sep-16	35	\$58,405	\$51,566	\$13,730	\$0	\$0	\$65,296	\$8,370	\$1,717	\$10,087	\$75,383	129.07%
Oct-16	34	\$56,736	\$31,116	\$11,781	\$0	\$0	\$42,897	\$8,058	\$1,696	\$9,755	\$52,652	92.80%
Nov-16	33	\$55,067	\$52,650	\$8,686	\$0	\$0	\$61,336	\$7,916	\$1,633	\$9,549	\$70,885	128.73%
Dec-16	33	\$55,067	\$128,119	\$9,634	\$0	\$0	\$137,753	\$7,916	\$1,633	\$9,549	\$147,302	267.50%
Jan-17	34	\$56,736	\$26,776	\$14,532	\$0	\$0	\$41,308	\$8,058	\$1,681	\$9,739	\$51,047	89.97%
Feb-17	35	\$58,405	\$73,249	\$7,208	\$0	\$0	\$80,457	\$8,852	\$1,779	\$10,631	\$91,089	155.96%
Mar-17	34	\$56,736	\$22,480	\$8,359	\$0	\$0	\$30,839	\$8,228	\$1,681	\$9,909	\$40,748	71.82%
Apr-17	36	\$60,073	\$20,136	\$6,317	-\$9,940	\$0	\$36,393	\$7,292	\$1,447	\$8,739	\$45,132	75.13%
May-17	36	\$60,073	\$28,312	\$9,100	-\$6,188	\$0	\$43,599	\$9,590	\$1,962	\$11,552	\$55,152	91.81%
Jun-17	35	\$58,405	\$38,674	\$7,454	-\$5,899	\$0	\$52,027	\$8,540	\$1,717	\$10,257	\$62,284	106.64%
<b>PY 2015-16</b>	<b>411</b>	<b>\$623,487</b>	<b>\$584,265</b>	<b>\$108,369</b>	<b>-\$298,611</b>	<b>\$0</b>	<b>\$991,245</b>	<b>\$89,858</b>	<b>\$21,508</b>	<b>\$111,367</b>	<b>\$1,102,611</b>	<b>176.85%</b>
<b>PY 2016-17</b>	<b>409</b>	<b>\$682,498</b>	<b>\$663,905</b>	<b>\$112,578</b>	<b>-\$27,228</b>	<b>\$0</b>	<b>\$803,711</b>	<b>\$97,692</b>	<b>\$20,127</b>	<b>\$117,818</b>	<b>\$921,529</b>	<b>135.02%</b>
<b>Rolling 12</b>	<b>409</b>	<b>\$682,498</b>	<b>\$663,905</b>	<b>\$112,578</b>	<b>-\$27,228</b>	<b>\$0</b>	<b>\$803,711</b>	<b>\$97,692</b>	<b>\$20,127</b>	<b>\$117,818</b>	<b>\$921,529</b>	<b>135.02%</b>

1 - \$1,517.00 15-16 funding rate; \$1,668.70 16-17 PY funding

2 - Stop loss credits represent amounts paid to MPC as reported by DHS; actual reimbursements may differ.

3 - Rx Rebates are reported in the months they are received and not incurred.

4 - Stop Loss fees are as stated by DHS

5 - Medical Admin Fee Includes:

DHS TPA Fee (\$22 PEPM 15-16 PY / \$22 PEPM 16-17 PY)

Anthem JAA Network / Disease Management (\$24.76 PEPM 15-16 PY / \$25.37 PEPM 16-17 PY)

COBRA Admin Fee (\$1 PPPM & \$8 PPPM)

# MPC – FUNDING vs CLAIMS

## Retirees 65+ on Medicare



		Funding / Premium	Paid Claims		Credits/ Rebates			Fixed Costs			Loss Ratio	
Month	Retiree O65	Internal Funding <sup>1</sup>	DHS Medical Paid Claims	Gross Rx Claims	Stop Loss Credits <sup>2</sup>	Rx Rebates <sup>3</sup>	Net Total Claims	Stop Loss Fee <sup>4</sup>	Medical Admin <sup>5</sup>	Total Fixed Costs	Total Expenses	Income and Expense Ratio
Jul-15	107	\$54,094	\$15,793	\$45,193	\$0	\$0	\$60,986	\$19,213	\$6,068	\$25,281	\$86,266	159.48%
Aug-15	106	\$53,588	\$27,817	\$42,232	\$0	\$0	\$70,049	\$20,929	\$6,815	\$27,745	\$97,794	182.49%
Sep-15	107	\$54,094	\$12,661	\$42,536	\$0	\$0	\$55,197	\$20,692	\$6,623	\$27,315	\$82,511	152.53%
Oct-15	104	\$52,577	\$9,570	\$47,058	\$0	\$0	\$56,628	\$18,647	\$6,011	\$24,658	\$81,286	154.60%
Nov-15	107	\$54,094	\$13,959	\$49,700	\$0	\$0	\$63,659	\$22,456	\$7,172	\$29,629	\$93,288	172.46%
Dec-15	107	\$54,094	\$21,620	\$45,442	\$0	\$0	\$67,062	\$17,749	\$5,583	\$23,332	\$90,394	167.11%
Jan-16	108	\$54,599	\$20,367	\$59,175	\$0	\$0	\$79,542	\$17,779	\$5,886	\$23,665	\$103,207	189.03%
Feb-16	108	\$54,599	\$29,242	\$60,160	\$0	\$0	\$89,403	\$23,812	\$7,603	\$31,415	\$120,817	221.28%
Mar-16	108	\$54,599	\$32,416	\$57,013	\$0	\$0	\$89,429	\$20,002	\$6,439	\$26,441	\$115,870	212.22%
Apr-16	108	\$54,599	\$24,689	\$55,109	\$0	\$0	\$79,798	\$21,332	\$7,235	\$28,568	\$108,366	198.47%
May-16	105	\$53,083	\$37,576	\$57,840	\$0	\$0	\$95,416	\$19,239	\$6,457	\$25,696	\$121,112	228.16%
Jun-16	100	\$50,555	\$21,092	\$61,471	\$0	\$0	\$82,563	\$19,440	\$6,335	\$25,776	\$108,339	214.30%
Jul-16	106	\$53,588	\$20,197	\$51,133	\$0	\$0	\$71,330	\$23,166	\$7,175	\$30,341	\$101,671	189.73%
Aug-16	106	\$53,588	\$20,993	\$47,448	\$0	\$0	\$68,441	\$19,934	\$5,989	\$25,922	\$94,364	176.09%
Sep-16	107	\$54,094	\$27,262	\$56,950	\$0	\$0	\$84,212	\$21,689	\$6,627	\$28,316	\$112,527	208.02%
Oct-16	105	\$53,083	\$27,820	\$40,342	\$0	\$0	\$68,162	\$23,024	\$7,040	\$30,065	\$98,227	185.04%
Nov-16	104	\$52,577	\$12,280	\$46,596	\$0	\$0	\$58,877	\$21,832	\$6,667	\$28,498	\$87,375	166.18%
Dec-16	104	\$52,577	\$13,284	\$46,062	\$0	\$0	\$59,346	\$19,135	\$5,871	\$25,006	\$84,352	160.44%
Jan-17	100	\$50,555	\$19,762	\$52,475	\$0	\$0	\$72,237	\$22,116	\$6,794	\$28,910	\$101,146	200.07%
Feb-17	99	\$50,049	\$17,851	\$46,410	\$0	\$0	\$64,261	\$21,011	\$6,618	\$27,629	\$91,890	183.60%
Mar-17	99	\$50,049	\$22,927	\$51,911	\$0	\$0	\$74,837	\$17,516	\$5,277	\$22,793	\$97,630	195.07%
Apr-17	99	\$50,049	\$13,455	\$36,100	\$0	\$0	\$49,555	\$22,625	\$6,808	\$29,433	\$78,988	157.82%
May-17	98	\$49,544	\$26,232	\$52,340	\$0	\$0	\$78,572	\$15,869	\$4,776	\$20,645	\$99,217	200.26%
Jun-17	94	\$47,522	\$22,672	\$46,916	\$0	\$0	\$69,589	\$22,143	\$6,730	\$28,874	\$98,462	207.15%
<b>PY 2015-16</b>	<b>1,275</b>	<b>\$644,576</b>	<b>\$266,801</b>	<b>\$622,930</b>	<b>\$0</b>	<b>\$0</b>	<b>\$889,731</b>	<b>\$241,291</b>	<b>\$78,228</b>	<b>\$319,519</b>	<b>\$1,209,250</b>	<b>187.60%</b>
<b>PY 2016-17</b>	<b>1,221</b>	<b>\$617,277</b>	<b>\$244,735</b>	<b>\$574,683</b>	<b>\$0</b>	<b>\$0</b>	<b>\$819,418</b>	<b>\$250,060</b>	<b>\$76,372</b>	<b>\$326,431</b>	<b>\$1,145,849</b>	<b>185.63%</b>
<b>Rolling 12</b>	<b>1,221</b>	<b>\$617,277</b>	<b>\$244,735</b>	<b>\$574,683</b>	<b>\$0</b>	<b>\$0</b>	<b>\$819,418</b>	<b>\$250,060</b>	<b>\$76,372</b>	<b>\$326,431</b>	<b>\$1,145,849</b>	<b>185.63%</b>

<sup>1</sup> - Retiree Subsidy is not included. Funding amounts for July - Feb 2017 are estimated and actual amounts may vary.

Effective Date	11-15-12-31-15	1-1-16-12-31-16	1-1-17-12-31-17
Retiree (M)	\$349.49	\$349.49	\$419.39
Retiree + Spouse(M)(M)	\$698.97	\$698.97	\$838.76
One on One Off	\$970.69	\$970.69	\$1,164.83

<sup>2</sup> - Stop loss credits represent amounts paid to MPC as reported by DHS; actual reimbursements may differ.

<sup>3</sup> - Rx Rebates are reported in the months they are received and not incurred.

<sup>4</sup> - Stop Loss fees are as stated by DHS

<sup>5</sup> - Medical Admin Fee Includes:

- DHS TPA Fee (\$22 PEPM 15-16 PY / \$22 PEPM 16-17 PY)
- Anthem JAA Network / Disease Management (\$24.76 PEPM 15-16 PY / \$25.37 PEPM 16-17 PY)
- COBRA Admin Fee (\$1 PPPM & \$8 PPPM)
- Retiree Admin Fee (\$5.50 PPPM)

# MPC – FUNDING vs CLAIMS

## COBRA Participants



		Funding / Premium	Paid Claims		Credits/ Rebates			Fixed Costs			Loss Ratio	
Month	COBRA	Internal Funding <sup>1</sup>	DHS Medical Paid Claims	Gross Rx Claims	Stop Loss Credits <sup>2</sup>	Rx Rebates <sup>2</sup>	Net Total Claims	Stop Loss Fee <sup>4</sup>	Medical Admin <sup>5</sup>	Total Fixed Costs	Total Expenses	Income and Expense Ratio
Jul-15	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
Aug-15	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
Sep-15	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
Oct-15	1	\$774	\$0	\$0	\$0	\$0	\$0	\$0	\$30	\$30	\$30	4%
Nov-15	1	\$774	\$0	\$0	\$0	\$0	\$0	\$128	\$30	\$158	\$158	20%
Dec-15	1	\$774	\$0	\$0	\$0	\$0	\$0	\$256	\$30	\$286	\$286	37%
Jan-16	2	\$1,548	\$0	\$202	\$0	\$0	\$0	\$0	\$60	\$60	\$60	4%
Feb-16	2	\$1,548	\$0	\$965	\$0	\$0	\$0	\$256	\$60	\$316	\$316	20%
Mar-16	2	\$1,548	\$0	\$0	\$0	\$0	\$0	\$0	\$60	\$60	\$60	4%
Apr-16	2	\$1,548	\$0	\$611	\$0	\$0	\$0	\$128	\$60	\$188	\$188	12%
May-16	2	\$1,548	\$0	\$0	\$0	\$0	\$0	\$769	\$60	\$829	\$829	54%
Jun-16	2	\$1,548	\$0	\$238	\$0	\$0	\$0	\$256	\$60	\$316	\$316	20%
Jul-16	2	\$1,548	\$122	\$908	\$0	\$0	\$0	\$413	\$60	\$473	\$473	31%
Aug-16	2	\$1,548	\$279	\$274	\$0	\$0	\$0	\$421	\$60	\$481	\$481	31%
Sep-16	4	\$3,096	\$626	\$659	\$0	\$0	\$0	\$284	\$120	\$404	\$404	13%
Oct-16	3	\$2,322	\$0	\$1,068	\$0	\$0	\$0	\$711	\$90	\$801	\$801	34%
Nov-16	3	\$2,322	\$0	\$220	\$0	\$0	\$0	\$427	\$90	\$517	\$517	22%
Dec-16	3	\$2,322	\$0	\$401	\$0	\$0	\$0	\$142	\$90	\$232	\$232	10%
Jan-17	2	\$1,548	\$0	\$1,045	\$0	\$0	\$0	\$427	\$60	\$487	\$487	31%
Feb-17	1	\$774	\$0	\$350	\$0	\$0	\$0	\$284	\$30	\$314	\$314	41%
Mar-17	1	\$774	\$0	\$423	\$0	\$0	\$0	\$142	\$30	\$172	\$172	22%
Apr-17	1	\$774	\$632	\$318	\$0	\$0	\$0	\$142	\$30	\$172	\$172	22%
May-17	1	\$774	\$0	\$356	\$0	\$0	\$0	\$0	\$30	\$30	\$30	4%
Jun-17	1	\$774	\$1,041	\$284	\$0	\$0	\$0	\$284	\$30	\$314	\$314	41%
<b>PY 2015-16</b>	<b>15</b>	<b>\$11,608</b>	<b>\$0</b>	<b>\$2,015</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,795</b>	<b>\$450</b>	<b>\$2,245</b>	<b>\$2,245</b>	<b>19.34%</b>
<b>PY 2016-17</b>	<b>24</b>	<b>\$18,573</b>	<b>\$2,699</b>	<b>\$6,307</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,677</b>	<b>\$720</b>	<b>\$4,397</b>	<b>\$4,397</b>	<b>23.67%</b>
<b>Rolling 12</b>	<b>24</b>	<b>\$18,573</b>	<b>\$2,699</b>	<b>\$6,307</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,677</b>	<b>\$720</b>	<b>\$4,397</b>	<b>\$4,397</b>	<b>23.67%</b>

<sup>1</sup> - Cobra Rates: EE \$773.88 EE+1 \$1,447.77 EF \$2,166.88

<sup>2</sup> - Stop loss credits represent amounts paid to MPC as reported by DHS; actual reimbursements may differ.

<sup>3</sup> - Rx Rebates are reported in the months they are received and not incurred.

<sup>4</sup> - Stop Loss fees are as stated by DHS

<sup>5</sup> - Medical Admin Fee Includes:

DHS TPA Fee (\$22 PEPM 15-16 PY / \$22 PEPM 16-17 PY)

Anthem JAA Network / Disease Management (\$24.76 PEPM 15-16 PY / \$25.37 PEPM 16-17 PY)

COBRA Admin Fee (\$1 PPPM & \$8 PPPM)

### **Over 65 Retiree Rating**

- MPC did not increase the Over 65 Retiree rates last January 1, 2016
- MPC increased the Over 65 Retiree rates by 20% effective January 1, 2017

# MPC - STOP LOSS

## \$150,000 Specific Deductible



**Monterey Peninsula College**  
**7/1/2015 - 6/31/2017 Stop Loss Premiums & Claims**  
**Total**

Month	Total Enrollment	Stop Loss Premium <sup>1</sup>	Stop Loss Requested Reimbursements <sup>2</sup>	Stop Loss Paid Reimbursement <sup>3</sup>	Loss Ratio Requested Reimbursements
Jul-15	399	\$87,842	\$0	\$0	0.0%
Aug-15	399	\$89,388	\$0	\$222,058	0.0%
Sep-15	402	\$88,429	\$222,058	\$0	251.1%
Oct-15	402	\$90,163	\$0	\$0	0.0%
Nov-15	404	\$92,923	\$333,137	\$0	358.5%
Dec-15	403	\$88,167	\$0	\$333,137	0.0%
Jan-16	403	\$86,817	\$53,801	\$0	62.0%
Feb-16	405	\$92,111	\$0	\$94,495	0.0%
Mar-16	405	\$90,292	\$0	\$0	0.0%
Apr-16	406	\$92,545	\$1,275	\$0	1.4%
May-16	410	\$90,298	\$109,054	\$66,827	120.8%
Jun-16	401	\$89,913	\$0	\$0	0.0%
Jul-16	405	\$100,459	\$0	\$0	0.0%
Aug-16	407	\$97,710	\$0	\$0	0.0%
Sep-16	417	\$100,719	\$0	\$0	0.0%
Oct-16	413	\$103,333	\$0	\$0	0.0%
Nov-16	408	\$100,210	\$159,282	\$159,282	158.9%
Dec-16	408	\$98,618	\$0	\$0	0.0%
Jan-17	404	\$101,288	\$0	\$83,963	0.0%
Feb-17	402	\$100,352	\$42,004	\$0	41.9%
Mar-17	399	\$95,834	\$0	\$4,461	0.00%
Apr-17	400	\$100,434	\$3,500	\$9,940	3.48%
May-17	400	\$94,445	\$68,008	\$8,889	72.01%
Jun-17	395	\$100,889	\$124,605	\$101,090	123.51%
<b>PY 15-16</b>	<b>4,839</b>	<b>\$1,078,888</b>	<b>\$719,325</b>	<b>\$716,517</b>	<b>66.41%</b>
<b>PY 16-17</b>	<b>4,858</b>	<b>\$1,194,290</b>	<b>\$397,400</b>	<b>\$367,626</b>	<b>30.78%</b>
<b>Rolling 12</b>	<b>4,858</b>	<b>\$1,194,290</b>	<b>\$397,400</b>	<b>\$367,626</b>	<b>30.78%</b>

<sup>1</sup> Stop Loss fees are as stated by DHS

<sup>2</sup> Stop loss requested reimbursements as reported by Stealth through June 2017

<sup>3</sup> Stop loss paid reimbursement represent amounts paid to MPC as reported by DHS and Stealth.

# MPC LARGE CLAIMS

## Over \$50,000



Start Date: July 1, 2016  
 End Date: June 30, 2017  
 Months of Data: 12  
 Claims as of: June 30, 2017

Claimant	Claimant Status	Claimant Type	Diagnostic Category	Total Paid Claims <sup>1</sup>
1	Active	Self	Coronary atherosclerosis of native coronary, Other nonspecific abnormal cardiovascular system function study, Other & unspecified hyperlipidemia	\$327,343
2	Active	Self	Malignant neoplasm of breast (female), unspecified site, Secondary malignant neoplasm of bone & bone marrow	\$224,511
3	Active	Self	Subdural hemorrhage following injury, without mention of open intracranial wound, no loss of consciousness, Compression of brain, Unspecified essential hypertension	\$195,076
4	Retiree	Self	Mechanical loosening of prosthetic joint, Aseptic loosening, Knee joint replacement by other means, Sprain and strain of other specified sites of hip and thigh	\$171,898
5	Retiree	Self	Septicemia, Pneumonia, Thoracic or lumbosacral neuritis or radiculitis, unspecified	\$161,644
6	Active	Self	Malignant neoplasm of ovary, Malignant neoplasm of peritoneum, unspecified, Obesity, unspecified, Other and unspecified sleep apnea	\$148,444
7	Active	Self	Neoplasm of uncertain behavior of stomach, intestines & rectum	\$86,373
8	Active	Self	Multiple myeloma without mention of remission	\$80,500
9	Active	Self	Primary localized osteoarthritis, lower leg, Unspecified vitamin D deficiency, Unspecified hypothyroidism	\$78,917
10	Active	Self	Inflammatory conditions of jaw, Personal history of tobacco use, presenting hazards to health, Chronic airway obstruction, not elsewhere classified	\$62,295
11	Active	Self	Localized osteoarthritis not specified whether primary or secondary, lower leg, Unspecified essential hypertension, Genu varum (acquired)	\$59,619
12	Active	Self	Other specified complication of pregnancy, with delivery, Paralytic ileus, Other complications of obstetrical surgery and procedures, with delivery, with mention of postpartum complication	\$56,739
13	Active	Self	Obstruction by abnormal pelvic soft tissues during labor and delivery, delivered, Infection of amniotic cavity, delivered, Acute posthemorrhagic anemia	\$53,903
14	Retiree	Self	Secondary malignant neoplasm of brain and spinal cord, Cerebral edema, Cachexia	\$50,946
15	Active	Spouse	Second-degree perineal laceration, with delivery	\$50,596
<b>Total</b>				<b>\$1,803,803</b>

<sup>1</sup> Total Paid Claims as stated by DHS

<sup>2</sup> Large Claimant Report last updated on 9/17

\*Claims that hit stop-loss and have been reimbursed have been circled in red.



**Clinical Review: Express Scripts**  
**July 1, 2016 – June 30, 2017**



# Express Scripts - Top Line Performance Metrics

- Plan Cost PMPM decreased \$6.85 (-4.3%) to \$152.49, primarily driven by the Utilization Trend Component
- Specialty Plan Cost PMPM decreased \$7.69 (-19.2%) to \$32.41, primarily driven by the Specialty Drug Mix Trend Component
- Generic Fill Rate (GFR) increased 2.3 percentage points to 82.2%, 1.5 percentage points lower than the peer

Monterey Peninsula College			
Description	7-16 - 6-17	7-15 - 6-16	Change
Avg Subscribers per Month	410	408	0.5%
Avg Members per Month	874	862	1.4%
Number of Unique Patients	670	654	2.4%
Pct Members Utilizing Benefit	76.7%	75.9%	0.8
Total Plan Cost	\$1,599,276	\$1,648,184	-3.0%
Total Days	417,305	433,913	-3.8%
Total Rxs	12,520	12,777	-2.0%
Average Member Age	45.4	46.5	-2.2%
Plan Cost PMPM	\$152.49	\$159.34	-4.3%
Plan Cost/Day	\$3.83	\$3.80	0.9%
Plan Cost per Rx	\$127.74	\$129.00	-1.0%
Nbr Rxs PMPM	1.19	1.24	-3.4%
Generic Fill Rate	82.2%	80.0%	2.3
Home Delivery Utilization	35.0%	37.4%	-2.5
Member Cost %	6.0%	6.4%	-0.4
Specialty Percent of Plan Cost	21.3%	25.2%	-3.9
Specialty Plan Cost PMPM	\$32.41	\$40.10	-19.2%
Formulary Compliance Rate	97.0%	96.6%	0.4

Midmarket Employer - Colleges and Universities		Midmarket Employer	
7-16 - 6-17	Change	7-16 - 6-17	Change
39.5		39.0	
\$144.03	4.2%	\$117.70	5.0%
\$3.82	4.4%	\$3.15	5.0%
\$141.64	4.0%	\$121.09	5.1%
1.02	0.2%	0.97	-0.1%
83.7%	2.0	85.5%	1.6
40.0%	-0.5	40.8%	-0.6
8.4%	-0.6	11.1%	-0.4
35.6%	2.2	32.3%	3.0
\$51.29	10.9%	\$37.99	15.6%
96.7%	0.7	97.3%	0.4

# Express Scripts - Key Statistics: Specialty Detailed

- Your Specialty Plan Cost PMPM is \$18.88 lower than your peer, and trending 30.1 points lower
- You have 12 unique specialty patients, an increase of 1 specialty patient

Monterey Peninsula College						
Description	Non-Specialty			Specialty		
	7-16 - 6-17	7-15 - 6-16	Change	7-16 - 6-17	7-15 - 6-16	Change
Avg Subscribers per Month	410	408	0.5%	410	408	0.5%
Avg Members per Month	874	862	1.4%	874	862	1.4%
Number of Unique Patients	668	653	2.3%	12	11	9.1%
Pct Members Utilizing Benefit	76.4%	75.8%	0.7	1.4%	1.3%	0.1
Total Plan Cost	\$1,259,316	\$1,233,364	2.1%	\$339,961	\$414,820	-18.0%
Percent of Total Plan Cost	78.7%	74.8%	3.9	21.3%	25.2%	-3.9
Total Days	414,622	431,600	-3.9%	2,683	2,313	16.0%
Total Rx's	12,470	12,718	-1.9%	50	59	-15.3%
Percent of Total Rx's	99.60%	99.54%	0.1	0.40%	0.46%	-0.1
Plan Cost PMPM	\$120.07	\$119.23	0.7%	\$32.41	\$40.10	-19.2%
Plan Cost/Day	\$3.04	\$2.86	6.3%	\$126.71	\$179.34	-29.3%
Plan Cost per Rx	\$100.99	\$96.98	4.1%	\$6,799.21	\$7,030.85	-3.3%
Nbr Rx's PMPM	1.19	1.23	-3.3%	0.005	0.006	-16.4%
Generic Fill Rate	82.5%	80.2%	2.2	20.0%	20.3%	-0.3
Member Cost %	7.4%	8.3%	-0.9	0.3%	0.2%	0.0

Specialty Midmarket Employer - Colleges and Universities	
7-16 - 6-17	Change
\$51.29	10.9%
\$188.32	4.6%
\$7,481.91	6.3%
0.007	4.3%
10.9%	-2.1
1.5%	0.2

# Express Scripts - Top 25 Drugs

- Represent 44.5% of your total Plan Cost and comprise 12 indications
- 4 of your top 25 are specialty drugs, making up 44.2% of your Top 25 spend

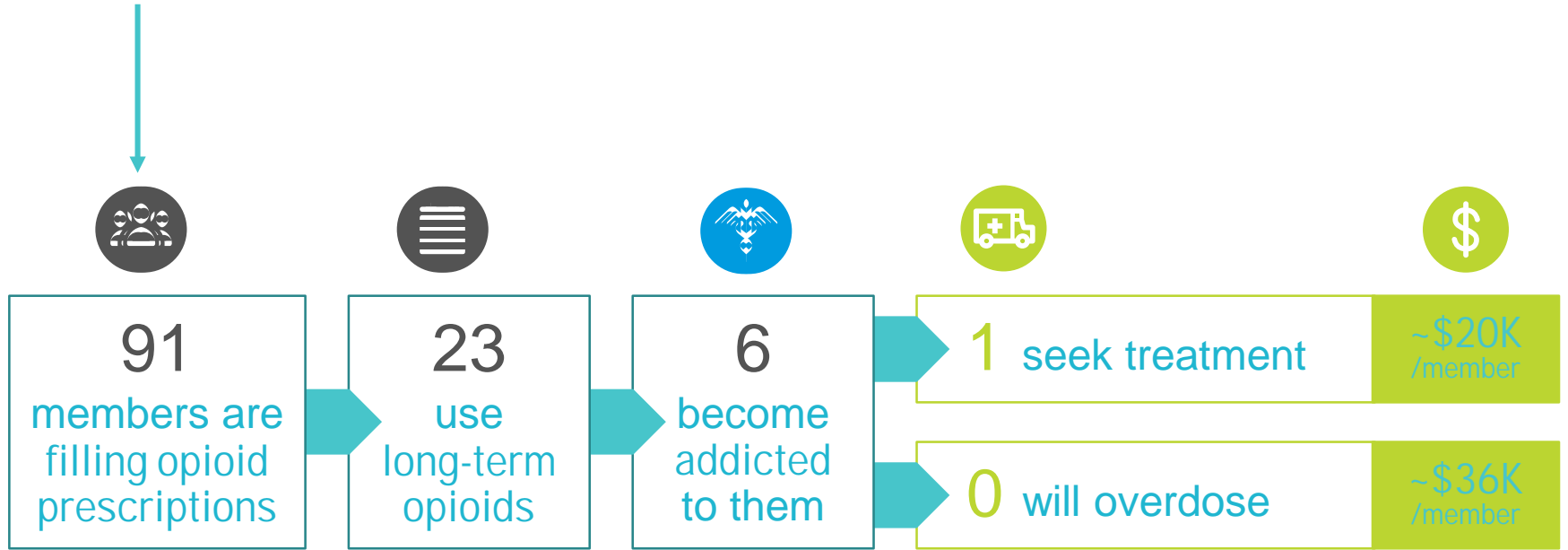
Top Drugs by Plan Cost													
		7-16 - 6-17						7-15 - 6-16				% Change	
Rank	Peer Rank	Brand Name	Indication	Rxs	Pts.	Plan Cost	Plan Cost PMPM	Rank	Rxs	Pts.	Plan Cost PMPM	Plan Cost	Plan Cost PMPM
1	1	HUMIRA PEN*	INFLAMMATORY CONDITIONS	17	2	\$109,576	\$10.45	2	18	3	\$8.64		20.9%
2	146	IMATINIB MESYLATE*	CANCER	10	1	\$94,605	\$9.02	5	4	1	\$3.66		146.4%
3	8	STELARA*	INFLAMMATORY CONDITIONS	4	1	\$76,516	\$7.30	6	2	1	\$3.54		106.0%
4	25	OTEZLA*	INFLAMMATORY CONDITIONS	4	1	\$33,906	\$3.23	15	3	1	\$2.14		51.0%
5	15	VIAGRA	IMPOTENCE	76	24	\$29,406	\$2.80	11	86	22	\$2.28		23.1%
6	32	ELIQUIS	ANTICOAGULANT	61	9	\$28,306	\$2.70	14	55	8	\$2.21		22.2%
7	91	VYTORIN	HIGH BLOOD CHOLESTEROL	68	11	\$25,690	\$2.45	8	86	12	\$2.66		-8.0%
8	106	OXYCONTIN	PAIN/INFLAMMATION	39	7	\$24,873	\$2.37	10	30	5	\$2.48		-4.3%
9	83	CREON	GI DISORDERS	26	1	\$24,218	\$2.31	21	25	3	\$1.30		77.1%
10	36	LIALDA	INFLAMMATORY CONDITIONS	23	2	\$23,165	\$2.21	35	20	1	\$0.96		129.1%
11	6	CIALIS	IMPOTENCE	62	11	\$23,056	\$2.20	17	74	10	\$1.76		24.6%
12	26	XARELTO	ANTICOAGULANT	37	9	\$22,299	\$2.13	12	41	8	\$2.24		-5.2%
13	7	HUMALOG	DIABETES	43	4	\$19,225	\$1.83	37	22	3	\$0.93		97.6%
14	80	ATORVASTATIN CALCIUM	HIGH BLOOD CHOLESTEROL	422	68	\$18,017	\$1.72	16	419	72	\$1.86		-7.8%
15	10	JANUVIA	DIABETES	29	6	\$17,294	\$1.65	24	19	6	\$1.16		42.6%
16	532	ABILIFY MAINTENA	MENTAL/NEURO DISORDERS	9	1	\$15,724	\$1.50						
17	34	LATUDA	MENTAL/NEURO DISORDERS	8	4	\$14,854	\$1.42	27	9	1	\$1.10		29.0%
18	28	ANDROGEL	HORMONAL SUPPLEMENTATION	22	4	\$14,824	\$1.41	13	37	5	\$2.23		-36.7%
19	19	TRULICITY	DIABETES	10	2	\$14,787	\$1.41	25	8	2	\$1.11		26.6%
20	31	ROSUVASTATIN CALCIUM	HIGH BLOOD CHOLESTEROL	97	18	\$14,700	\$1.40	103	17	10	\$0.36		292.7%
21	78	BYDUREON PEN	DIABETES	17	2	\$14,129	\$1.35	31	15	2	\$1.01		32.8%
22	113	PRADAXA	ANTICOAGULANT	27	4	\$13,635	\$1.30	62	14	3	\$0.59		119.0%
23	326	PROPAFENONE HCL ER	IRREGULAR HEART BEAT	19	3	\$13,333	\$1.27	28	18	3	\$1.08		17.5%
24	39	LYRICA	PAIN/INFLAMMATION	25	5	\$13,120	\$1.25	23	33	4	\$1.18		5.8%
25	22	SYMBICORT	ASTHMA	23	7	\$12,523	\$1.19	20	39	9	\$1.36		-12.5%
Total Top 25:				1,178		\$711,784	\$67.87		1,094		\$47.87		41.8%
Differences Between Periods:				84		\$216,591	\$19.99						

\*Specialty Drugs

Peer = Express Scripts Peer 'Midmarket Employer - Colleges and Universities' market segment

# Express Scripts – Overview of Opioids Impact

871	Total member count
10%	% of members filling opioids



Date Range: 2016-07-01 – 2017-07-31  
 (Program cost is \$0.39 PMPM (\$4,076 annually based on 871 lives))

Source of data: Express Scripts' Research team conducted a thorough review of the medical literature related to the potential costs avoided from detrimental outcomes due to the misuse and abuse of opioids. The estimates were created using peer-reviewed literature and government agency information and employing the standards of critical review outlined and supported by the U.S. Preventative Services Task Force, differentiating quality research into good, fair, and poor. Therefore, the estimates were based on the best available studies as of May 16, 2017.

# Express Scripts – A comprehensive solution at every touchpoint



## PHARMACY

Initial fill  
7 days' supply

Enhanced long acting  
opioid prior authorization

Concurrent DUR

Morphine Equivalent Dose  
(MED) edit >200Mg

Enhanced FWA auto lock



## HOME

Educational letter

Proactive Specialized  
Neuroscience  
Therapeutic Research  
Center (TRC)  
pharmacist outreach

Disposal bags



## PHYSICIAN

Point of care alerts  
(MED) dosing

Enhanced FWA  
auto lock

## Advanced Utilization Management comprehensive trend management solution



### PROACTIVE, HOLISTIC APPROACH

1. Actively monitor changing landscape
2. Automatically update clinical rules
3. Implement marketplace changes as they occur



Strategically developed packages to improve trend and align philosophy across plan

## Advanced Utilization Management comprehensive trend management solution

Limited Package	Advantage Package	Advantage Plus Package	Unlimited Option
Prior Authorization	Prior Authorization	Prior Authorization	Prior Authorization
Limited PA List Proactive PA List	Limited PA List Proactive PA List Advantage PA List Nonessential Therapy PA List	Limited PA List Proactive PA List Advantage PA List Nonessential Therapy PA List Advantage Plus PA List Pharmacogenomics PA List Oncology Package	Limited PA List Proactive PA List Advantage PA List Nonessential Therapy PA List Advantage Plus PA List Pharmacogenomics PA List Oncology Package Adjunctive Specialty PA List Optional PA List
Step Therapy	Step Therapy	Step Therapy	Step Therapy
Limited Step Therapy List	Limited Step Therapy List Preferred Specialty Management Advantage Step Therapy List	Limited Step Therapy List Preferred Specialty Management Advantage Step Therapy List Advantage Plus Step List	Limited Step Therapy List Preferred Specialty Management Advantage Step Therapy List Advantage Plus Step List Rare Medications Step List Optional Step Therapy Modules
Drug Quantity Management	Drug Quantity Management	Drug Quantity Management	Drug Quantity Management
Limited DQM List	Limited DQM List Advantage DQM List	Limited DQM List Advantage DQM List Advantage Plus DQM List	Limited DQM List Advantage DQM List Advantage Plus DQM List

Green indicates currently in place.

## Advanced Utilization Management comprehensive trend management solution

PRIOR AUTHORIZATION	STEP THERAPY	DRUG QUANTITY
Right Patient	Right Drug	Right Amount

Recommended Strategy	Package Price PMPM	Estimated Net Additional Annualized Savings	Estimated Member Impact
Advantage Package	\$0.96	\$62,395	79
Advantage Plus Package	\$1.54	\$92,705	130

Actively monitor changing landscape

Automatically update clinical rules

Immediately implement marketplace changes

Currently pay \$0.33 PMPM. Above fees represent package fees. If Advantage or Advantage Plus package is selected, an additional \$0.05 PMPM fee will be required to keep the Adjunctive Specialty PA list in place.

Savings estimates include step therapy without grandfathering, when available.

Savings are ingredient, net of program cost and rebate impact, exclude rules in place today, are based on ESI Book of Business data, and assume 875 lives over 12 months.

Program price includes rebate impact.

Packages include Step Therapy, Prior Authorization, and Drug Quantity Management.

Member impact based on claims from 4.2017 – 9.2017.



# **Anthem Disease Management**

**MPC Year-End Reporting**

**July 1, 2016 – June 30, 2017**

Risk Level	Number	Percent	Reference
High	15	8.9%	8.6%
Moderate	58	34.5%	15.9%
Low	95	56.5%	75.5%
Total	168	100.0%	100.0%

- Member Risk by stratification level.
- High and moderate risk members are targeted for outbound telephone-based management.

- Members under management and newly identified members during the reporting period.
- Prevalence rate is reported as of the end of the reporting period.

Primary Conditions	Total Under Management During Reporting	Total Under Management as of 6/30/2017	Eligible Membership as of 6/30/2017	Prevalence Rate as of 6/30/2017	Reference Rate	Members Identified During Report Period	Members Identified During Current Quarter
Asthma	56	51	862	5.9%	3.5%	11	4
Coronary Artery Disease (CAD)	25	21	862	2.4%	1.5%	3	0
Heart Failure (HF)	4	3	862	0.3%	0.3%	0	0
COPD	16	12	862	1.4%	0.6%	1	0
Diabetes	67	62	862	7.2%	3.8%	1	1
Total	168	149				16	5

- Members are identified for the program primarily through claims review using a proprietary predictive model. Other identification methods for the program include Health Risk Assessments (if applicable), provider and health plan referrals.
- Once identified, members are stratified into three risk levels - **high, moderate, low** - based on predicted risk for future healthcare expense and our ability to contact the member for management. Members at high and moderate risk are targeted for outbound telephone-based management. Risk level may change over time based on regular review of claims, assessment information, and the member's response to the program.
- The program management plan is to work with members and providers to improve adherence to evidence-based guidelines with the ultimate aim of improving the health of members, enhancing patient/provider relationships and reducing the incidence and severity of condition-related complications.



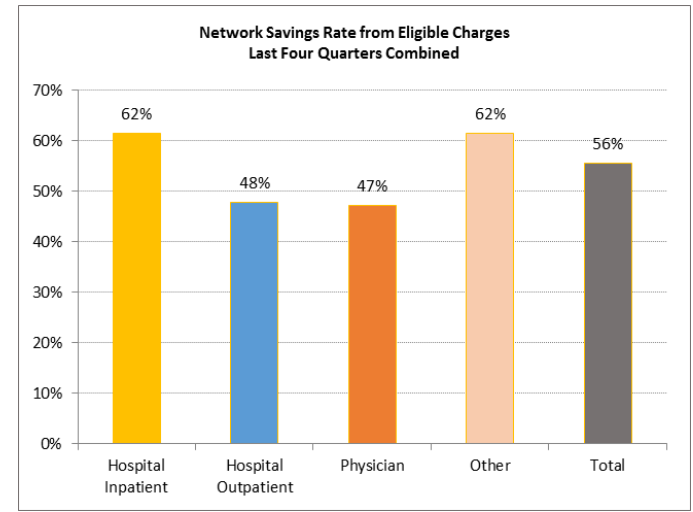
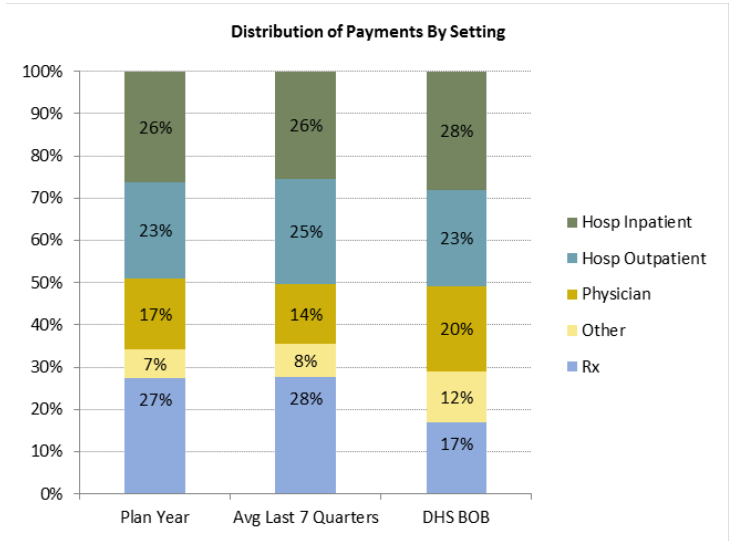
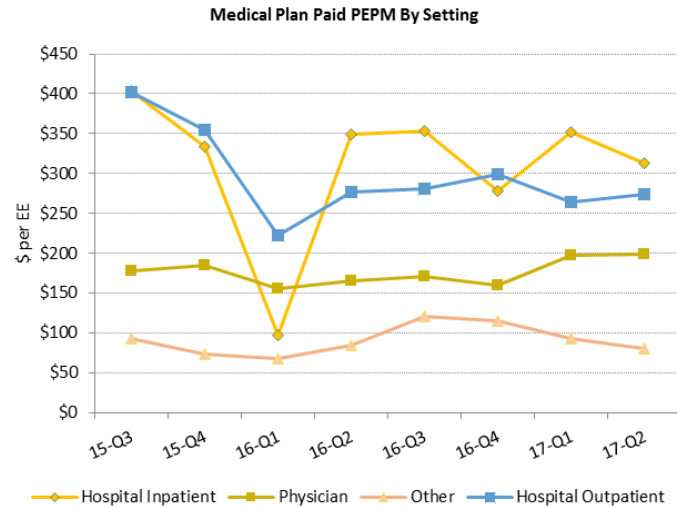
**Clinical Review: Delta Health Systems**  
**July 1, 2016 – June 30, 2017**

# Delta Health Systems

## Payments by Setting and PPO Performance

Tracking payments by setting provides some explanation of trends and illustrates the impact of negotiated rates of the PPO network. Plan paid by setting is shown to the right on a per employee per month basis. Payments in different settings will have different trends, but significant changes over 2 or more quarters should be investigated further. The most recent quarter's plan payments are compared to historical averages and external averages from Delta Book of Business (all on a % of total) in the figure below.

DHS partner networks have negotiated rates with a wide breadth of providers. Members who utilize network providers receive significant discounts from billed charges. The network savings rates by provider for the most recent four quarters is graphed at the lower right. Savings rates will vary over time due to the mix of services and providers utilized.



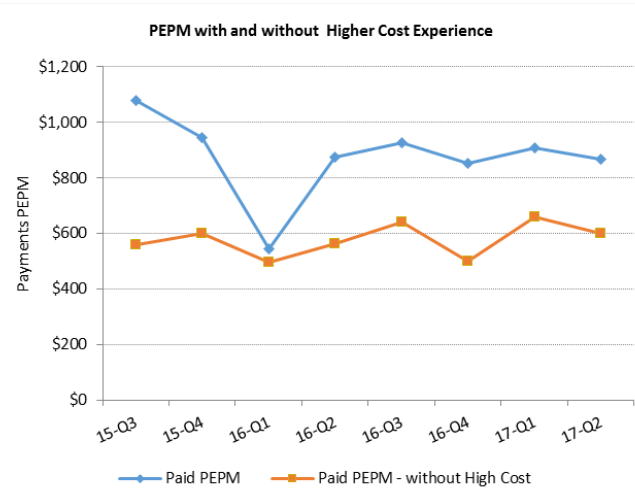
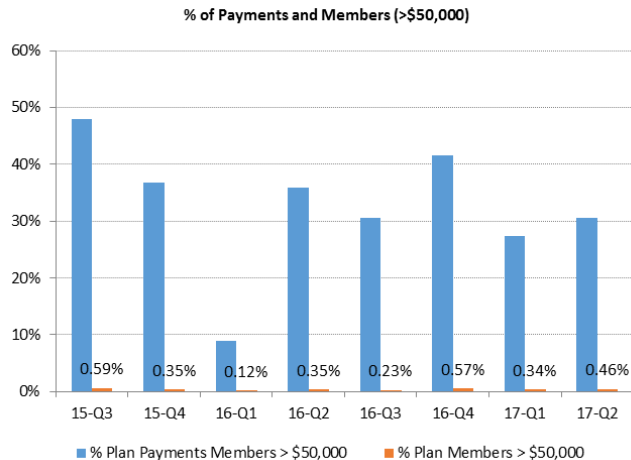
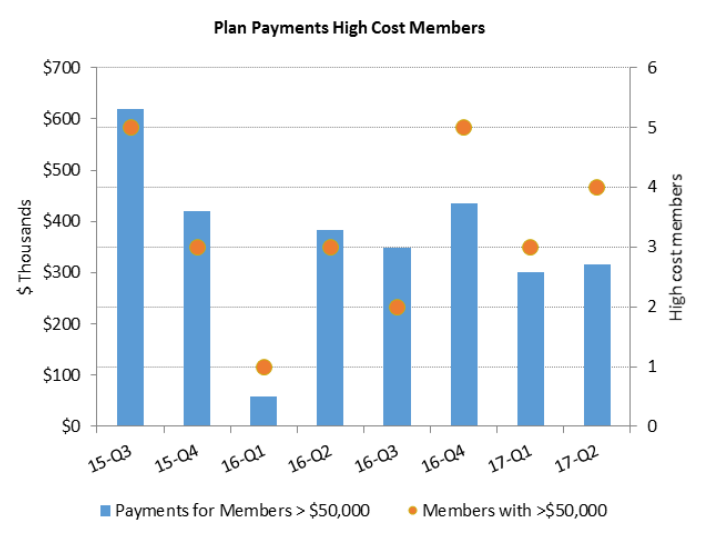
# Delta Health Systems

## Higher Cost Members and Trend

Typically a small portion of members account for a high portion of medical plan payments. Quarterly medical payments for all members with plan paid >\$50k in a quarter are shown on the right.

The chart below demonstrates the disproportionate contribution of higher cost members to the total plan paid.

Excluding higher cost member plan paid from PEPM will tend to smooth trend and show the impact of the higher cost cases (see the chart on the lower right).

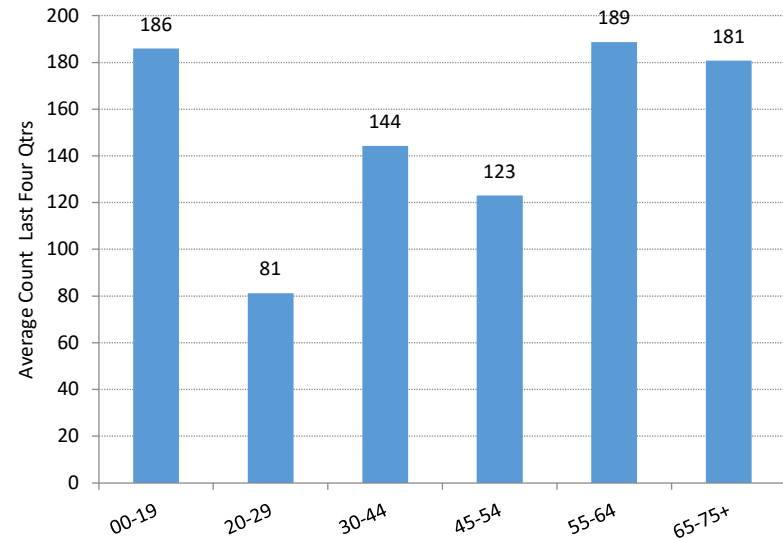


Member age is a key factor in explaining overall medical costs. Typically the older age groups experience higher cost. The figure to the right displays average membership counts by age group over the most recent four quarters.

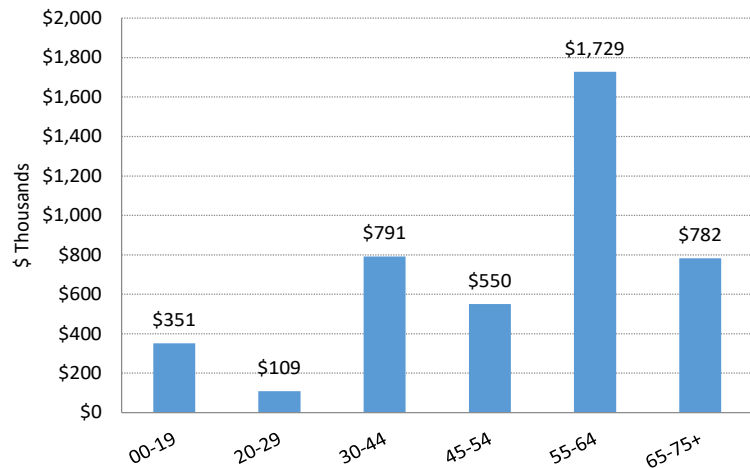
The graph below shows the plan paid by age group for the most recent four quarters.

The figure "Average Payments PMPM" on lower right shows medical plan payments adjusting for enrollment within each age group - amounts are shown per member per month for the most recent year (four quarters). PMPM typically dips in 20-29 band and then grows with each older age bracket until 65-75+ where Medicare is often primary payor with employer plan responsible for only a small portion of overall medical costs.

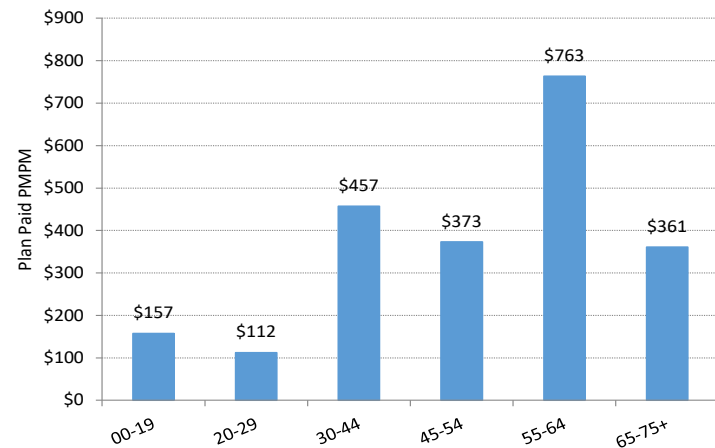
Average Member Counts by Age Group



Plan Payments by Age Group (recent four quarters)



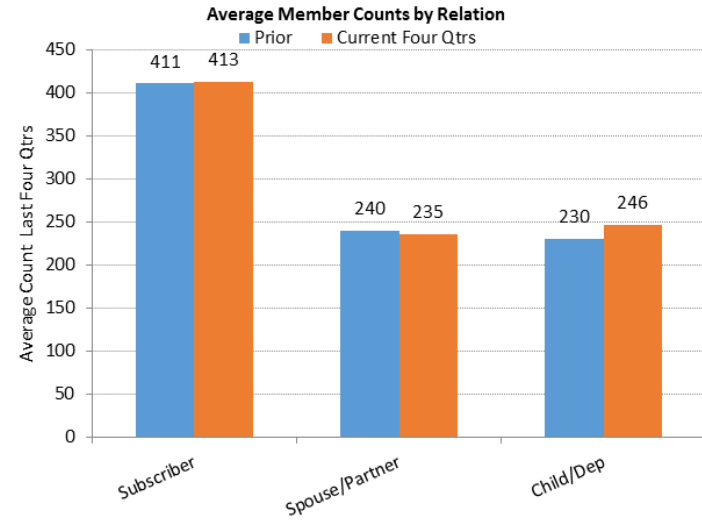
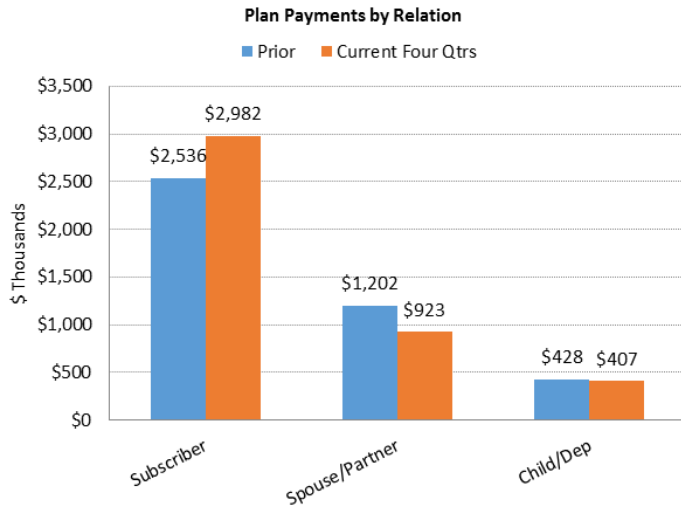
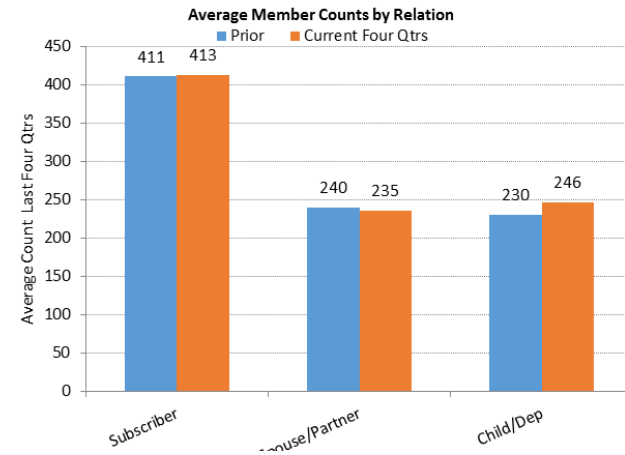
Average Payments PMPM by Age Group



Membership consists of subscribers (most often employees), spouses or partners, and children or other dependents. The figure to the right displays average membership counts by relation over the most recent four quarters compared to the prior four quarters.

The graph below shows the plan paid by relation (\$ in thousands).

The figure "Average Payments PMPM" on lower right presents medical plan payments adjusting for enrollment within each relation category - amounts are shown per member per month for the most current year (four quarters) and the prior year.





The background of the slide is a complex, repeating pattern of teal-colored geometric shapes, primarily triangles and polygons, arranged in a way that creates a sense of depth and movement. The colors range from a light, bright teal to a darker, more muted shade, giving the pattern a three-dimensional appearance.

# Ancillary Coverages

Alliant's underwriting calculation suggested a decrease of -11.51%, Alliant recommended a rate decrease and MPC decided to hold the rates for plan year 2017/18.

The following was used in the calculation:

**ACSIG Self-funded Program fees are valid through September 31, 2018 are as follows:**

- Delta Dental Administration rate is 5.86% of paid claims
- ACSIG fee is \$0.60 per employee per month

**Underwriting Projection Components:**

- Trend = 2.5% (ACSIG pool)
- Two years of data (1/1/15 – 12/31/16)
- Blended Claims – Current year weighted 75% and prior year at 25%
- One month of beginning and ending reserves (IBNR)
- Zero margin applied to the underwriting

# ANCILLARY COVERAGES 2016-2017

## 2016-17 Delta Dental (ACSIG)



Dental Benefits		Delta Dental (ACSIG)PPO PLAN	
		PPO Network	Premier & Non PPO Networks
Calendar Year Maximum		\$1,700/Member	\$1,500/Member
Calendar Year Deductible		No Deductibles	
Individual / Family		None (Waived for Diagnostic & Preventive)	
<b>Diagnostic and Preventive</b>			
Oral Exam			
X-Rays			
Teeth Cleaning		70%-100%	
Fluoride Treatment			
Space Maintainers			
Bitewings			
<b>Basic Services</b>			
Sealants			
Amalgam/Composite Fillings			
Periodontics (Gum disease)		70%-100%	
Endodontics (Root Canal)			
Extractions & Other Oral Surgery			
<b>Major Services</b>			
Crown Repair		70%-100%	
Restorative - Inlays and Crowns			
Prosthodontics		50%	
<b>Orthodontics</b>			
Eligible for Benefit		Children Only	
Benefit Level		50% with \$500 lifetime max per child	
<b>Accident</b>			
Calendar Year Maximum		100%	
Rate Guarantee		Separate \$1,000 Max per person	
		<b>1 Year</b>	
<b>Rates</b>		<b>Current</b>	<b>Projected</b>
Composite Funding Rate		\$115.15	\$115.15
<b>Monthly Premium</b>		<b>\$32,472</b>	<b>\$32,472</b>
<b>Annual Premium</b>		<b>\$389,668</b>	<b>\$389,668</b>
<b>\$ Difference</b>		<b>\$0</b>	
<b>% Difference</b>		<b>0.0%</b>	

EE's  
282

Enrollment Provided by ACSIG as of 12/2016

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Alliant's underwriting calculation suggested a decrease of -21.11%, Alliant recommended a rate decrease and MPC decided to hold the rates for plan year 2017/18.

The following was used in the calculation:

ACSIG Self-funded Program fees are valid through September 31, 2018 are as follows:

- VSP Administration rate is 12.5% of paid claims

Underwriting Projection Components:

- Trend = 3% (ACSIG pool)
- Two years of data (1/1/15 – 12/31/16)
- Blended Claims – Current year weighted 80% and prior year at 20%
- Three weeks beginning and ending reserves (IBNR)
- Zero margin applied to the underwriting

# ANCILLARY COVERAGES 2016-2017

## 2016-17 VSP Vision (ACSIG)



Vision Benefits		VSP (ACSIG) Vision Plan	
		In-Network	Out-of-Network
		<b>Copay:</b>	<b>Pays Up To:</b>
Exam & Prescription Glasses		No Charge	\$45
<b>Lenses</b>			
Single		No Charge	\$45
Bifocal		No Charge	\$65
Trifocal		No Charge	\$85
Frames		\$120 Allowance	\$47
<b>Contact Lenses</b>			
Medically Necessary		No Charge	\$210
Elective		\$120 Allowance	\$105
<b>Frequency of Services</b>			
Eye Examination		12 Months	
Lenses		12 Months	
Frames		24 Months	
Contact Lenses		12 Months	
<b>Rate Guarantee</b>		<b>1 Year</b>	
<b>Rates</b>	EE's	<b>Current</b>	<b>Projected</b>
Composite Funding Rate	287	\$10.31	\$10.31
<b>Monthly Premium</b>		<b>\$2,959</b>	<b>\$2,959</b>
<b>Annual Premium</b>		<b>\$35,508</b>	<b>\$35,508</b>
<b>\$ Difference</b>		<b>\$0</b>	
<b>% Difference</b>		<b>0.00%</b>	

Enrollment provided by ACSIG as of 12/2016

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# ANCILLARY COVERAGES 2016-2017

## Anthem Life AD&D



Basic Life/AD&D Benefits	Anthem Employee Life AD&D Anthem Dependent Life
<b>Employee Coverage Age Range</b>	<b>Life AD&amp;D Volumes</b>
Under Age 25	\$162,240
Age 25-29	\$141,960
Age 30-34	\$121,680
Age 35-39	\$104,442
Age 40-44	\$83,148
Age 45-49	\$62,361
Age 50-54	\$43,000
Age 55-59	\$35,000
Age 60-64	\$30,000
Age 65-69	\$18,000
Age 70-74	\$9,000
Age 75-79	\$4,000
Age 80-84	\$2,000
Age 85 and Over	\$1,000
Under Age 50	\$50,000.00
Age 50-54	\$43,000.00
Age 55-59	\$35,000.00
Age 60-64	\$30,000.00
Age 65-69	\$18,000.00
Age 70-74	\$9,000.00
Age 75-79	\$4,000.00
Age 80-84	\$2,000.00
Age 85 and Over	\$1,000.00
<b>Dependent Coverage</b>	
<b>Spouse</b>	\$1,500
<b>Child(ren)</b>	8 days - Under 6 Months = \$100 Over 6 Months = \$1,500 (Child coverage can continue until 24 if they are a full-time)
<b>Additional Benefit Provisions</b>	
Waiver of Premium	Prior to age 60 until age 65, Anthem will pay premium after the first 9 month
Accelerated Death Benefit	75% of group term life
Seat Belt Provision (AD&D)	10% of the AD&D benefit amount
<b>Rate Guarantee</b>	<b>2 Year 7/1/2016 - 6/30/2018</b>
<b>Monthly Rates</b>	<b>Current</b>
Estimated Life Insurance Volume	\$8,054,776
Estimated AD&D Volume	\$5,344,000
Basic Life Rate per \$1,000	\$0.160
Dependent Life Rate	\$0.570
AD&D Rate per \$1,000	\$0.027
<b>Estimated Monthly Premium</b>	<b>\$1,433</b>
<b>Estimated Annual Premium</b>	<b>\$17,197</b>

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# ANCILLARY COVERAGES 2016-2017

## Symetra/Voya Long Term Disability – July 1 Marketing



Long Term Disability Benefits
<b>Eligibility</b>
Class 1 - Certified Employees
Class 2 - Academic Employees
Elimination Period
Monthly Benefit Percentage
Minimum Monthly Benefit
Maximum Monthly Benefit Class 1 & 2
Own Occupation Definition
Definition of Disability
Maximum Benefit Duration
Residual Disability Coverage
Recurrent Disabilities
Mental Health / Substance Abuse Limitations
Pre-Existing Condition

Rate Guarantee
<b>Rates</b>
Insurance Volume
Rate per \$100

<b>MONTHLY PREMIUM</b>
<b>ANNUAL PREMIUM</b>

<b>\$ Difference</b>
<b>% Difference</b>

Symetra Current / Renewal Benefits
<b>Certified Employees</b> An active F/T certified employees with 5 years of credited STRS service and working at least 20 hours per week
<b>Academic Employees</b> An active F/T academic employee with less than 5 years of credited STRS service and working at least 20 hours per week; and all other full-time employees working 30 hours each week
150 Days
66.67%
Greater of \$100 or 10% of Monthly Earnings
\$3,500
24 Months
Occupation and Earnings
<b>Class 1: 24 Month Duration</b>
Elimination Period can be satisfied with total and/or partial disability
<b>During Elim Period: 30 days</b>
24 Months Lifetime
3 / 12

1 Year	
Current	Renewal
\$1,157,722	
\$0.140	\$0.210

\$1,621	\$2,431
\$19,450	\$29,175

\$9,725
50%

Voya SOLD Benefits
<b>Certified Employees</b> An active F/T certified employees with 5 years of credited STRS service and working at least 20 hours per week
<b>Academic Employees</b> An active F/T academic employee with less than 5 years of credited STRS service and working at least 20 hours per week; and all other full-time employees working 30 hours each week
150 Days
66.67%
Greater of \$100 or 10% of Monthly Earnings
\$3,500
24 Months
Occupation and Earnings
<b>Class 1: 24 Month Duration</b>
Elimination Period can be satisfied with total and/or partial
<b>During Elim Period: 30 days</b>
24 Months Lifetime
3 / 12

3 Years	
Proposed	
\$1,157,722	
\$0.170	

\$1,968
\$23,618

\$4,168
21%

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# Carrier Ratings



# CARRIER RATINGS

Line of Coverage	Carrier	A.M. Best Rating
<b>Medical &amp; Rx</b>		
Medical PPO (Self Funded)	Anthem	A
Dental (ACSIG) PPO	Delta Dental	A-
Vision (ACSIG)	VSP	A
Basic Life, Dep Life, and AD&D	Anthem	A
LTD	Symetra	A
Stop Loss	Symetra	A

The logo features the word "Alliant" in a bold, italicized, white sans-serif font. To the left of the "A" is a stylized white arrowhead pointing right. Below "Alliant" is the text "EMPLOYEE BENEFITS" in a white, all-caps, sans-serif font.

**Alliant**  
EMPLOYEE BENEFITS

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