

City of Grand Rapids

2020 Final Trend Report

October 1, 2019



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Mr. Jeff Dood
Chief Financial Officer
City of Grand Rapids
300 Monroe Avenue, N.W.
Grand Rapids, Michigan 49503

Dear Mr. Dood:

We are pleased to present the results of the annual review of self-insured claims experience for the City of Grand Rapids. The results herein are used for the following purposes:

- To establish the City's calendar year 2020 rates.
- As inputs to the June 30, 2019 actuarial valuations of the City's "Other Postemployment Benefits" for General, Police, and Fire members.

This report should not be used for any other purpose. To the best of our knowledge, this report is complete and accurate and is in accordance with generally recognized actuarial methods. This report relies heavily on data provided by Meritain, which was reviewed for reasonableness but not audited. We are not responsible for the accuracy or completeness of the information provided. In our judgment, the actuarial assumptions used for the study are, individually and in aggregate, reasonable.

This report incorporates the administrative fees associated with an out-of-network provider savings program. The City's agreement is to pay Meritain a fee equal to a portion of the gross savings received. The Michigan claims tax has been repealed for self-funded programs effective October 2019 and the impact of these taxes have been removed for the 2020 rate development.

Future actuarial measurements (such as the projected 2021 rates) may differ significantly from the current measurements presented in this report due to plan experience differing from that anticipated by the economic or demographic assumptions. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of such future measurements.

This report shall not be construed to provide tax, legal or investment advice.

Executive Summary

- The current experience period (7/1/2018 through 6/30/2019) for both the pre and post-65 participants is showing a gain due in part by removing the Rx rebates when the 2018 and 2019 rates did not anticipate this action.
 - For the active and pre-65 retiree block, the combined experience for medical, Rx, dental and vision generated a significant gain of \$5.2 million (13.9%) relative to our expected claim level (page 14).
 - For the post-65 participants, the combined experience generated a small gain of \$12,782 (2.2%) relative to our expected claim level (page 15).
- Trend rates are used to project results from the experience periods to the 2020 rating period. While experience is often the best indicator for future costs, we do not rely on a single year's experience in setting trend assumptions since trends vary significantly from year to year. Therefore, we used professional judgment and industry benchmarks in conjunction with historical experience in setting the trend assumptions. The medical trend assumption is 8.0% for all three segments and the prescription drug trend assumption is 10.0%.
- The City desires to ultimately reflect the total claim experience into future rates. Therefore, a three-year smoothing process remains in effect in the rating for both the Pre-65 (active and retiree) segment and the Post-65 retiree segment. One third of the gain or loss from each of the three prior years is incorporated in the implemented rates each year. The remaining gains and losses, as well as future ones, will be incorporated into future rate developments.
- Historically, the Blended Total Rate (\$1,570.70) on page 21 was used as the basis for the contributions made for all participants. In 2019, the plan has made the decision to begin using the Blended Tier Rates (EE Only: \$787.88 / 2 Person: \$1,719.80 / Family: \$1,886.77) as the basis for contributions.
- The development of the current period gain / (loss) is shown on page 14 for pre-65 and page 15 for the post-65 population.
 - The Pre-65 segment rate levels and rate increases continue to be partially offset by the City's use of three-year smoothing of gains and losses (by approximately 6.9% in 2020 implemented rates). Note that the reduction in the 2019 rates was 3.0%.
 - This year the Post-65 segment's rate and rate increases will be essentially offset by the City's use of three-year smoothing of gains and losses (by approximately 3.4% in 2020 implemented rates). Note that the reduction in the 2019 rates was 3.0%.



- The table below provides a summary of individual rate changes after incorporating the smoothing by segment. Note composite rate changes are different than these due to shifts in the participant distribution. All the segments are showing significant rate reduction this year due to the plan changes that were made and due to incorporating the Rx rebates into the formula.

Segment	Rate Change
Active employees	-15.0%
Pre-65 Retirees	-21.7%
Total Pre-65 participants	-17.8%
Post-65 retirees	-4.9%

- The results of the rate analysis in this report will be incorporated into the June 30, 2019 Annual Other Postemployment Benefits Valuations for General, Police and Fire. The pre-65 retiree only “calculated rates” developed on page 20 of this report serve as the basis of pre-65 per capita costs. The per contract rates are converted to per member rates and then converted to age-graded rates for use in the valuations. The 2020 blended (pre-65 retiree and active) implemented rates (page 21) serve as the basis for pre-65 retiree contributions. The post-65 retirees pay 100% of the “smoothed” cost developed on page 21.
- Projections presented in this report will differ from retiree health valuation cash flows due to:
 - Age-based projection methodology used in the valuations versus average-base projections used in this report;
 - Data variances;
 - Cash flows in the reports are net of retiree contributions; and
 - The valuation year starts July 1st while the rating year starts January 1st.

James E. Pranschke and Umair Cheema are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

Respectively submitted,



James E. Pranschke, FSA, FCA, MAAA
Senior Health Care Actuary



Umair Cheema, ASA, MAAA
Senior Health Care Analyst

JEP:bd

cc: James D. Anderson, GRS



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Employer Paid Medical Claims Experience

Experience Year: 07/01/2017 - 06/30/2018
 Projection Year: 01/01/2020 - 12/31/2020

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Medical Claims *	\$ 14,985,336	\$ 7,675,484	\$ 22,660,821
Trend Factor (8% annual trend)	1.212	1.212	
Incurral Factor	1.013	1.013	
Plan Design / Network Adjustment Factor	0.880	0.880	
Projected Incurred Claims	\$ 16,190,536	\$ 8,292,787	\$ 24,483,323
Average Contracts	1,191.00	429.50	1,620.50
Average Members (adjusted)	3,707.00	1,005.25	4,712.25
Per Member Per Month Claims (PMPM)	\$ 363.96	\$ 687.46	\$ 432.97

Experience Year: 07/01/2018 - 06/30/2019
 Projection Year: 01/01/2020 - 12/31/2020

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Medical Claims	\$ 16,160,374	\$ 6,877,450	\$ 23,037,824
Trend Factor (8% annual trend)	1.122	1.122	
Incurral Factor	1.013	1.013	
Plan Design / Network Adjustment Factor	0.880	0.880	
Projected Incurred Claims	\$ 16,163,536	\$ 6,878,796	\$ 23,042,332
Average Contracts	1,180.17	424.75	1,604.92
Average Members (adjusted)	3,628.83	990.08	4,618.92
Per Member Per Month Claims (PMPM)	\$ 371.18	\$ 578.97	\$ 415.72
Weighted Average PMPM (60/40)	\$ 368.29	\$ 622.37	\$ 422.62
Administrative Fees	\$ 17.57	\$ 23.18	\$ 18.78
Total Medical PMPM	\$ 385.86	\$ 645.55	\$ 441.40

* See explanatory notes for detailed description.

Post-65 Retiree Medical Claims Experience

Projection Year: **01/01/2020 - 12/31/2020**

Experience Year (July to June)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>Total / Weighted Ave.</u>
Experience Year				
Paid Medical Claims *	\$ 321,057	\$ 187,962	\$ 139,422	\$ 648,441
Trend Factor (8% annual trend)	1.309	1.212	1.122	
Incurral Factor	1.013	1.013	1.013	
Plan Design Adjustment Factor	1.000	1.000	1.000	
Projected Incurred Claims	\$ 425,727	\$ 230,772	\$ 158,465	\$ 814,964
Average Contracts	70.50	56.58	43.75	170.83
Average Members (adjusted)	82.50	62.92	48.75	194.17
Weighting Factor	33%	33%	33%	
Per Member Per Month Claims (PMPM)	\$ 430.03	\$ 305.66	\$ 270.88	\$ 335.52
Administrative Fees				\$ 13.78
Total Medical PMPM				\$ 349.30

* See explanatory notes for detailed description.

Medical Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Medical PMPM	\$ 385.86	\$ 645.55	\$ 441.40	\$ 349.30
Members Per Contract	3.016	2.303	2.827	1.125
Per Employee Per Month Cost (PEPM)	\$ 1,163.75	\$ 1,486.70	\$ 1,247.84	\$ 392.96
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.061	1.999
Family	2.600	2.220	2.540	2.249
Composite Tier	2.120	1.783	2.031	1.150
Single Rate*	\$ 548.94	\$ 833.82	\$ 614.40	\$ 341.70
Double Rate*	\$ 1,180.22	\$ 1,625.95	\$ 1,266.28	\$ 683.06
Family Rate*	\$ 1,427.24	\$ 1,851.08	\$ 1,560.58	\$ 768.48

* Rate calculated as the PEPM times the rating tier divided by the composite tier.

Employer Paid Rx Pre-65 Claims Experience

Experience Year: **07/01/2017 - 06/30/2018**

Projection Year: **01/01/2020 - 12/31/2020**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Paid Rx Claims	\$ 4,231,713	\$ 1,836,739	\$ 6,068,451
Trend Factor (10% annual trend)	1.269	1.269	1.269
Incurral Factor	1.008	1.008	1.008
Plan Design / Carrier Adjustment Factor	0.884	0.884	0.884
Projected Incurred claims	\$ 4,785,095	\$ 2,076,930	\$ 6,862,025
Average Contracts	1,191.00	429.50	1,620.50
Average Members (adjusted)	3,707.00	1,005.25	4,712.25
Per Member Per Month Claims (PMPM)	\$ 107.57	\$ 172.17	\$ 121.35

Experience Year: **07/01/2018 - 06/30/2019**

Projection Year: **01/01/2020 - 12/31/2020**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Paid Rx Claims	\$ 4,524,179	\$ 1,774,144	\$ 6,298,322
Trend Factor (10% annual trend)	1.153	1.153	1.153
Incurral Factor	1.008	1.008	1.008
Plan Design / Carrier Adjustment Factor	0.884	0.884	0.884
Projected Incurred Claims	\$ 4,648,168	\$ 1,822,766	\$ 6,470,934
Average Contracts	1,180.17	424.75	1,604.92
Average Members	3,628.83	990.08	4,618.92
Per Member Per Month Claims (PMPM)	\$ 106.74	\$ 153.42	\$ 116.75
Weighted Average PMPM (60/40)	\$ 107.07	\$ 160.92	\$ 118.59
Administrative Fees	\$ 0.65	\$ 0.86	\$ 0.69
Total Rx PMPM	\$ 107.72	\$ 161.78	\$ 119.28

Pre-65 Rx Rate Development

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Total Rx PMPM	\$ 107.72	\$ 161.78	\$ 119.28
Members Per Contract	3.016	2.303	2.827
Per Employee Per Month Cost (PEPM)	\$ 324.88	\$ 372.58	\$ 337.20
Rating Tiers			
Single	1.000	1.000	1.000
Double	2.150	1.950	2.061
Family	2.600	2.220	2.540
Composite Tier	2.120	1.783	2.031
Single Rate*	\$ 153.25	\$ 208.96	\$ 166.03
Double Rate*	\$ 329.49	\$ 407.47	\$ 342.19
Family Rate*	\$ 398.45	\$ 463.89	\$ 421.72

** Rate calculated as the PEPM times the rating tier divided by the composite tier.*

Employer Paid Post-65 Rx Claims Experience

Projection Year: 01/01/2020 - 12/31/2020					
	\$2 Copay	\$4 Copay	\$4/\$8 Copay	\$10/\$20 Copay	Post-65 Total
Experience Year: 07/01/2016 - 06/30/2017					
Paid Rx Claims	\$ 24,320	\$ -	\$ 45,058	\$ 375,826	\$ 445,204
Trend Factor (10% annual trend)	1.395	1.395	1.395	1.395	1.395
Incurral Factor	1.008	1.008	1.008	1.008	1.008
Plan Design / Carrier Adjustment Factor	0.884	0.884	0.884	0.884	0.884
Projected Incurred Claims	\$ 30,231	\$ -	\$ 56,009	\$ 467,169	\$ 553,409
Average Contracts	6.50	0.00	6.58	57.42	70.50
Average Members	6.50	0.00	7.58	68.42	82.50
Per Member Per Month Claims (PMPM)	\$ 387.58	\$ -	\$ 615.75	\$ 569.00	\$ 559.00
Experience Year: 07/01/2017 - 06/30/2018					
Paid Rx Claims	\$ 22,958	\$ -	\$ 74,702	\$ 281,435	\$ 379,095
Trend Factor (10% annual trend)	1.269	1.269	1.269	1.269	1.269
Incurral Factor	1.008	1.008	1.008	1.008	1.008
Plan Design / Carrier Adjustment Factor	0.884	0.884	0.884	0.884	0.884
Projected Incurred Claims	\$ 25,960	\$ -	\$ 84,471	\$ 318,239	\$ 428,670
Average Contracts	4.75	0.00	5.42	46.42	56.58
Average Members	4.75	0.00	5.83	52.33	62.92
Per Member Per Month Claims (PMPM)	\$ 455.44	\$ -	\$ 1,207.42	\$ 506.78	\$ 567.74
Experience Year: 07/01/2018 - 06/30/2019					
Paid Rx Claims	\$ 26,975	\$ -	\$ 101,792	\$ 297,720	\$ 426,488
Trend Factor (10% annual trend)	1.153	1.153	1.153	1.153	1.153
Incurral Factor	1.008	1.008	1.008	1.008	1.008
Plan Design / Carrier Adjustment Factor	0.884	0.884	0.884	0.884	0.884
Projected Incurred Claims	\$ 27,715	\$ -	\$ 104,582	\$ 305,880	\$ 438,177
Average Contracts	4.00	0.00	4.83	34.92	43.75
Average Members	4.00	0.00	4.83	39.92	48.75
Per Member Per Month Claims (PMPM)	\$ 577.39	\$ -	\$ 1,804.38	\$ 638.53	\$ 749.10

Post-65 Rx Rate Development

Projection Year: 01/01/2020 - 12/31/2020

Experience Year (July to June)	2016-2017	2017-2018	2018-2019	Total / Weighted Ave.
Experience Year				
Paid Rx Claims	\$ 445,204	\$ 379,095	\$ 426,488	\$ 1,250,787
Trend Factor (10% annual trend)	1.395	1.269	1.153	
Incurral Factor	1.008	1.008	1.008	
Plan Design Adjustment Factor	0.884	0.884	0.884	
Projected Incurred Claims	\$ 553,409	\$ 428,670	\$ 438,177	\$ 1,420,256
Average Contracts	70.50	56.58	43.75	170.83
Average Members (adjusted)	82.50	62.92	48.75	194.17
Weighting Factor	33.3%	33.3%	33.3%	
Per Member Per Month Claims (PMPM)	\$ 559.00	\$ 567.74	\$ 749.10	\$ 625.28
Administrative Fees				\$ 1.79
Total Rx PMPM				\$ 627.07
	\$2 Copay	\$4 Copay	\$4/\$8 Copay	\$10/\$20 Copay
Overall Rx Claims PMPM	\$ 625.28	\$ 625.28	\$ 625.28	\$ 625.28
Relative Value to \$10/\$20 Copay Plan***	1.072	1.055	1.049	0.987
Utilization Assumption	1.284	1.260	1.189	0.951
PMPM based on Relative Values (RVs)**	\$ 860.67	\$ 831.18	\$ 779.89	\$ 586.91
PMPM based on Experience	\$ 577.39	\$ -	\$ 1,804.38	\$ 638.53
Administrative Fees	\$ 2.00	\$ 1.79	\$ 2.00	\$ 1.75
Weighted Average PMPM (RVs) w/ Admin	\$ 862.67	\$ 832.97	\$ 781.89	\$ 588.66
Per Employee Per Month Cost (PEPM)	\$ 970.50	\$ 937.09	\$ 879.63	\$ 662.24
Single	1.000	1.000	1.000	1.000
Double	1.999	1.999	1.999	1.999
Family	2.249	2.249	2.249	2.249
Composite Tier	1.150	1.150	1.150	1.150
Single Rate*	\$ 843.91	\$ 814.86	\$ 764.90	\$ 575.86
Double Rate*	\$ 1,686.98	\$ 1,628.91	\$ 1,529.04	\$ 1,151.14
Family Rate*	\$ 1,897.95	\$ 1,832.62	\$ 1,720.26	\$ 1,295.11

* Rate calculated as the PEPM times the rating tier divided by the composite tier.

** Uses relativities produced by GRS model to reallocate claims since PMPM based on experience is not credible.

*** Relative values are adjusted to normalize cost per member.

Employer Paid Dental Claims Experience

Experience Year: **07/01/2017 - 06/30/2018**

Projection Year: **01/01/2020 - 12/31/2020**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>	<u>Post-65 Retirees</u>
Paid Dental Claims	\$ 939,570	\$ 328,617	\$ 1,268,187	\$ 4,691
Trend Factor (4% annual trend)	1.103	1.103	1.103	1.103
Incurral Factor	1.003	1.003	1.003	1.003
Plan Design Adjustment Factor	1.147	1.147	1.147	1.147
Projected Incurred claims	\$ 1,192,255	\$ 416,994	\$ 1,609,249	\$ 5,953
Average Contracts	1,191.00	429.50	1,620.50	11.08
Average Members (adjusted)	3,707.00	1,005.25	4,712.25	14.08
Per Member Per Month Claims (PMPM)	\$ 26.80	\$ 34.57	\$ 28.46	\$ 35.22

Experience Year: **07/01/2018 - 06/30/2019**

Projection Year: **01/01/2020 - 12/31/2020**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>	<u>Post-65 Retirees</u>
Paid Dental Claims	\$ 895,905	\$ 293,894	\$ 1,189,799	\$ 2,840
Trend Factor (4% annual trend)	1.060	1.060	1.060	1.060
Incurral Factor	1.003	1.003	1.003	1.003
Plan Design Adjustment Factor	1.147	1.147	1.147	1.147
Projected Incurred Claims	\$ 1,092,527	\$ 358,394	\$ 1,450,921	\$ 3,463
Average Contracts	1,180.17	424.75	1,604.92	9.00
Average Members	3,628.83	990.08	4,618.92	12.00
Per Member Per Month Claims (PMPM)	\$ 25.09	\$ 30.17	\$ 26.19	\$ 24.05
Weighted Average PMPM (60/40)	\$ 25.77	\$ 31.93	\$ 27.10	\$ 28.52
Administrative Fees	\$ 1.26	\$ 1.61	\$ 1.34	\$ -
Total Dental PMPM	\$ 27.03	\$ 33.54	\$ 28.44	\$ 28.52

Dental Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Dental PMPM	\$ 27.03	\$ 33.54	\$ 28.44	\$ 28.52
Members Per Contract	3.016	2.303	2.827	1.333
Per Employee Per Month Cost (PEPM)	\$ 81.52	\$ 77.24	\$ 80.40	\$ 38.03
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.061	1.999
Family	2.600	2.220	2.540	2.249
Composite Tier	2.120	1.783	2.031	1.333
Single Rate*	\$ 38.45	\$ 43.32	\$ 39.59	\$ 28.53
Double Rate*	\$ 82.67	\$ 84.47	\$ 81.59	\$ 57.03
Family Rate*	\$ 99.97	\$ 96.17	\$ 100.56	\$ 64.16

* Rate calculated as the PEPM times the rating tier divided by the composite tier.

Employer Paid Vision Claims Experience

Experience Year: **07/01/2017 - 06/30/2018**

Projection Year: **01/01/2020 - 12/31/2020**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>	<u>Post-65 Retirees</u>
Paid Vision Claims	\$ 219,899	\$ 82,128	\$ 302,027	\$ 534
Trend Factor (3.5% annual trend)	1.090	1.090	1.090	1.090
Incurral Factor	1.003	1.003	1.003	1.003
Plan Design / Carrier Adjustment Factor	1.158	1.158	1.158	1.158
Projected Incurred Claims	\$ 278,394	\$ 103,975	\$ 382,368	\$ 676
Average Contracts	1,191.00	429.50	1,620.50	56.58
Average Members (adjusted)	3,707.00	1,005.25	4,712.25	62.92
Per Member Per Month Claims (PMPM)	\$ 6.26	\$ 8.62	\$ 6.76	\$ 0.90

Experience Year: **07/01/2018 - 06/30/2019**

Projection Year: **01/01/2020 - 12/31/2020**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>	<u>Post-65 Retirees</u>
Paid Vision claims	\$ 207,023	\$ 77,728	\$ 284,751	\$ 429
Trend Factor (3.5% annual trend)	1.053	1.053	1.053	1.053
Incurral Factor	1.003	1.003	1.003	1.003
Plan Design / Carrier Adjustment Factor	1.158	1.158	1.158	1.158
Projected Incurred Claims	\$ 253,196	\$ 95,064	\$ 348,260	\$ 525
Average Contracts	1,180.17	424.75	1,604.92	43.75
Average Members	3,628.83	990.08	4,618.92	48.75
Per Member Per Month Claims (PMPM)	\$ 5.81	\$ 8.00	\$ 6.28	\$ 0.90
Weighted Average PMPM (40/60)	\$ 5.99	\$ 8.25	\$ 6.47	\$ 0.90
Administrative Fees	\$ 0.36	\$ 0.47	\$ 0.38	\$ 0.99
Total Vision PMPM	\$ 6.35	\$ 8.72	\$ 6.85	\$ 1.89

Vision Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Vision PMPM	\$ 6.35	\$ 8.72	\$ 6.85	\$ 1.89
Members Per Contract	3.016	2.303	2.827	1.125
Per Employee Per Month Cost (PEPM)	\$ 19.15	\$ 20.08	\$ 19.36	\$ 2.13
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.061	1.999
Family	2.600	2.220	2.540	2.249
Composite Tier	2.120	1.783	2.031	1.150
Single Rate*	\$ 9.03	\$ 11.26	\$ 9.53	\$ 1.85
Double Rate*	\$ 19.41	\$ 21.96	\$ 19.64	\$ 3.70
Family Rate*	\$ 23.48	\$ 25.00	\$ 24.21	\$ 4.16

* Rate calculated as the PEPM times the rating tier divided by the composite tier.

City of Grand Rapids

Summary of Non-Medicare Claims and Expenses

July 2018 through June 2019

July 2018	Active	Pre-65 Retiree	Total
Contracts	1,186	425	1,611
Lives	3,686	998	4,684
Medical	\$1,111,528	\$521,467	\$1,632,994
Rx net of Rebate	\$388,286	\$153,688	\$541,974
Dental	\$78,346	\$15,278	\$93,623
Vision	\$12,214	\$4,457	\$16,671
Meritain/GR Adm. Fee	\$45,592	\$14,566	\$60,158
Meritain - HPA	\$2,604	\$937	\$3,541
Meritain - HPA - DM	\$0	\$3,189	\$3,189
Dental Admin Fees	\$4,622	\$1,604	\$6,226
Cofinity/Aetna	\$9,154	\$3,295	\$12,449
4D Admin Fee	\$5,427	\$1,953	\$7,380
Consultant/ Actuary	\$5,944	\$2,139	\$8,083
Total	\$1,663,716	\$722,572	\$2,386,289

October 2018	Active	Pre-65 Retiree	Total
Contracts	1,182	428	1,610
Lives	3,680	1,013	4,693
Medical	\$1,302,128	\$546,610	\$1,848,738
Rx net of Rebate	\$524,594	\$185,534	\$710,128
Dental	\$67,811	\$25,040	\$92,851
Vision	\$14,268	\$5,025	\$19,293
Meritain/GR Adm. Fee	\$54,075	\$14,570	\$68,645
Meritain - HPA	\$2,557	\$920	\$3,477
Meritain - HPA - DM	\$0	\$3,196	\$3,196
Dental Admin Fees	\$4,639	\$1,610	\$6,249
Cofinity/Aetna	\$9,061	\$3,261	\$12,322
4D Admin Fee	\$5,243	\$1,887	\$7,130
Consultant/ Actuary	\$5,944	\$2,139	\$8,083
Total	\$1,990,319	\$789,792	\$2,780,111

August 2018	Active	Pre-65 Retiree	Total
Contracts	1,189	429	1,618
Lives	3,699	1,004	4,703
Medical	\$1,534,317	\$966,002	\$2,500,318
Rx net of Rebate	\$612,910	\$217,726	\$830,637
Dental	\$90,138	\$28,299	\$118,438
Vision	\$16,055	\$5,983	\$22,038
Meritain/GR Adm. Fee	\$40,843	\$15,223	\$56,066
Meritain - HPA	\$2,635	\$948	\$3,583
Meritain - HPA - DM	\$0	\$3,099	\$3,099
Dental Admin Fees	\$4,631	\$1,607	\$6,238
Cofinity/Aetna	\$9,153	\$3,294	\$12,447
4D Admin Fee	\$5,218	\$1,878	\$7,096
Consultant/ Actuary	\$5,944	\$2,139	\$8,083
Total	\$2,321,845	\$1,246,198	\$3,568,043

November 2018	Active	Pre-65 Retiree	Total
Contracts	1,182	426	1,608
Lives	3,696	1,002	4,698
Medical	\$1,634,744	\$405,300	\$2,040,044
Rx net of Rebate	\$384,275	\$145,976	\$530,251
Dental	\$70,103	\$26,408	\$96,510
Vision	\$11,341	\$6,027	\$17,368
Meritain/GR Adm. Fee	\$36,465	\$15,248	\$51,713
Meritain - HPA	\$2,631	\$947	\$3,578
Meritain - HPA - DM	\$0	\$3,248	\$3,248
Dental Admin Fees	\$4,589	\$1,593	\$6,182
Cofinity/Aetna	\$9,270	\$3,336	\$12,606
4D Admin Fee	\$4,691	\$1,688	\$6,379
Consultant/ Actuary	\$5,944	\$2,139	\$8,083
Total	\$2,164,053	\$611,910	\$2,775,963

September 2018	Active	Pre-65 Retiree	Total
Contracts	1,178	422	1,600
Lives	3,665	988	4,653
Medical	\$1,392,137	\$392,532	\$1,784,668
Rx net of Rebate	\$239,163	\$76,365	\$315,528
Dental	\$62,120	\$19,376	\$81,496
Vision	\$13,535	\$5,548	\$19,083
Meritain/GR Adm. Fee	\$62,475	\$15,362	\$77,837
Meritain - HPA	\$2,627	\$945	\$3,572
Meritain - HPA - DM	\$0	\$3,174	\$3,174
Dental Admin Fees	\$4,635	\$1,608	\$6,243
Cofinity/Aetna	\$9,192	\$3,308	\$12,500
4D Admin Fee	\$5,140	\$1,850	\$6,990
Consultant/ Actuary	\$5,944	\$2,139	\$8,083
Total	\$1,796,968	\$522,206	\$2,319,174

December 2018	Active	Pre-65 Retiree	Total
Contracts	1,177	434	1,611
Lives	3,651	1,007	4,658
Medical	\$1,231,166	\$565,396	\$1,796,562
Rx net of Rebate	\$313,335	\$139,291	\$452,626
Dental	\$70,563	\$21,335	\$91,898
Vision	\$13,878	\$5,535	\$19,413
Meritain/GR Adm. Fee	\$37,707	\$12,433	\$50,140
Meritain - HPA	\$2,606	\$938	\$3,544
Meritain - HPA - DM	\$0	\$3,062	\$3,062
Dental Admin Fees	\$4,602	\$1,597	\$6,199
Cofinity/Aetna	\$9,036	\$3,252	\$12,288
4D Admin Fee	\$5,393	\$1,941	\$7,334
Consultant/ Actuary	\$5,944	\$2,139	\$8,083
Total	\$1,694,230	\$756,920	\$2,451,149

City of Grand Rapids

Summary of Non-Medicare Claims and Expenses

July 2018 through June 2019

January 2019	Active	Pre-65 Retiree	Total
Contracts	1,172	418	1,590
Lives	3,564	971	4,535
Medical	\$574,300	\$573,536	\$1,147,836
Rx net of Rebate	\$163,743	\$71,789	\$235,532
Dental	\$87,674	\$29,159	\$116,833
Vision	\$18,680	\$12,591	\$31,271
Meritain/GR Adm. Fee	\$35,070	\$6,890	\$41,960
Meritain - HPA	\$2,566	\$923	\$3,489
Meritain - HPA - DM	\$0	\$3,122	\$3,122
Dental Admin Fees	\$4,599	\$1,596	\$6,195
Cofinity/Aetna	\$9,215	\$3,317	\$12,532
4D Admin Fee	\$5,015	\$1,805	\$6,820
Consultant/ Actuary	\$5,944	\$2,139	\$8,083
Total	\$906,806	\$706,867	\$1,613,673

February 2019	Active	Pre-65 Retiree	Total
Contracts	1,170	421	1,591
Lives	3,573	976	4,549
Medical	\$924,202	\$430,940	\$1,355,142
Rx net of Rebate	\$295,935	\$137,459	\$433,394
Dental	\$76,150	\$31,457	\$107,607
Vision	\$29,999	\$9,509	\$39,508
Meritain/GR Adm. Fee	\$47,380	\$15,789	\$63,169
Meritain - HPA	\$2,538	\$914	\$3,452
Meritain - HPA - DM	\$0	\$3,055	\$3,055
Dental Admin Fees	\$4,471	\$1,552	\$6,023
Cofinity/Aetna	\$9,075	\$3,266	\$12,341
4D Admin Fee	\$5,065	\$1,823	\$6,888
Consultant/ Actuary	\$5,944	\$2,139	\$8,083
Total	\$1,400,759	\$637,903	\$2,038,662

March 2019	Active	Pre-65 Retiree	Total
Contracts	1,173	423	1,596
Lives	3,565	978	4,543
Medical	\$1,377,059	\$484,429	\$1,861,488
Rx net of Rebate	\$345,575	\$152,620	\$498,195
Dental	\$77,424	\$24,041	\$101,465
Vision	\$23,813	\$5,751	\$29,564
Meritain/GR Adm. Fee	\$40,325	\$12,300	\$52,625
Meritain - HPA	\$2,566	\$923	\$3,489
Meritain - HPA - DM	\$0	\$3,144	\$3,144
Dental Admin Fees	\$4,556	\$1,581	\$6,137
Cofinity/Aetna	\$9,234	\$3,323	\$12,557
4D Admin Fee	\$5,149	\$1,853	\$7,002
Consultant/ Actuary	\$5,944	\$2,139	\$8,083
Total	\$1,891,645	\$692,104	\$2,583,749

April 2019	Active	Pre-65 Retiree	Total
Contracts	1,184	421	1,605
Lives	3,609	980	4,589
Medical	\$1,397,458	\$589,938	\$1,987,396
Rx net of Rebate	\$372,349	\$126,098	\$498,448
Dental	\$69,976	\$25,219	\$95,195
Vision	\$17,050	\$5,258	\$22,308
Meritain/GR Adm. Fee	\$39,273	\$16,816	\$56,089
Meritain - HPA	\$2,559	\$921	\$3,480
Meritain - HPA - DM	\$0	\$3,144	\$3,144
Dental Admin Fees	\$4,550	\$1,579	\$6,129
Cofinity/Aetna	\$9,210	\$3,315	\$12,525
4D Admin Fee	\$5,149	\$1,853	\$7,002
Consultant/ Actuary	\$5,944	\$2,139	\$8,083
Total	\$1,923,518	\$776,281	\$2,699,799

May 2019	Active	Pre-65 Retiree	Total
Contracts	1,182	421	1,603
Lives	3,578	976	4,554
Medical	\$1,799,004	\$605,331	\$2,404,335
Rx net of Rebate	\$391,420	\$155,604	\$547,024
Dental	\$76,691	\$26,643	\$103,334
Vision	\$21,048	\$7,117	\$28,165
Meritain/GR Adm. Fee	\$39,268	\$11,631	\$50,899
Meritain - HPA	\$2,561	\$922	\$3,483
Meritain - HPA - DM	\$0	\$3,151	\$3,151
Dental Admin Fees	\$4,573	\$1,587	\$6,160
Cofinity/Aetna	\$9,227	\$3,321	\$12,548
4D Admin Fee	\$5,149	\$1,853	\$7,002
Consultant/ Actuary	\$5,944	\$2,139	\$8,083
Total	\$2,354,885	\$819,299	\$3,174,185

June 2019	Active	Pre-65 Retiree	Total
Contracts	1,187	429	1,616
Lives	3,580	988	4,568
Medical	\$1,882,331	\$795,971	\$2,678,302
Rx net of Rebate	\$492,594	\$211,991	\$704,585
Dental	\$68,908	\$21,639	\$90,547
Vision	\$15,142	\$4,927	\$20,069
Meritain/GR Adm. Fee	\$40,645	\$23,869	\$64,514
Meritain - HPA	\$2,585	\$930	\$3,515
Meritain - HPA - DM	\$0	\$3,129	\$3,129
Dental Admin Fees	\$4,567	\$1,585	\$6,152
Cofinity/Aetna	\$9,257	\$3,332	\$12,589
4D Admin Fee	\$5,149	\$1,853	\$7,002
Consultant/ Actuary	\$5,947	\$2,140	\$8,087
Total	\$2,527,125	\$1,071,366	\$3,598,492

Calculation of Gain/(Loss) on July 2018 through June 2019 Combined Active and Pre-65 Retiree Segment Experience

Period	Pre-65 Claim & Admin Costs	Active Contracts	Pre-65 Retiree Contracts	Total Non-Medicare Contracts	Expected Revenue Based on 2018 & 2019 Calculated per Contract Rates*	Gain/(Loss)
July-18	\$2,386,289	1,186	425	1,611	\$3,017,596	\$631,307
August-18	\$3,568,043	1,189	429	1,618	\$3,030,708	(\$537,335)
September-18	\$2,319,174	1,178	422	1,600	\$2,996,992	\$677,818
October-18	\$2,780,111	1,182	428	1,610	\$3,015,723	\$235,612
November-18	\$2,775,963	1,182	426	1,608	\$3,011,977	\$236,014
December-18	\$2,451,149	1,177	434	1,611	\$3,017,596	\$566,447
January-19	\$1,613,673	1,172	418	1,590	\$3,155,053	\$1,541,380
February-19	\$2,038,662	1,170	421	1,591	\$3,157,037	\$1,118,375
March-19	\$2,583,749	1,173	423	1,596	\$3,166,959	\$583,210
April-19	\$2,699,799	1,184	421	1,605	\$3,184,818	\$485,019
May-19	\$3,174,185	1,182	421	1,603	\$3,180,849	\$6,664
June-19	\$3,598,492	1,187	429	1,616	\$3,206,645	(\$391,847)

Total	\$31,989,289	1,180	425	1,605	\$37,141,953	\$5,152,664
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Amount of July '18 through June '19 experience gain/(loss) recognized in 2020 rates	\$1,717,555
Amount of July '17 through June '18 experience gain/(loss) recognized in 2020 rates	\$717,478
Amount of July '16 through June '17 experience gain/(loss) recognized in 2020 rates	(\$216,094)
Total Amount experience gain/(loss) recognized in 2020 rates	\$2,218,939

* Apply rates from page 27 for 2019 and from page 28 for 2018 to derive Expected Revenue.

Calculation of Gain/(Loss) on July 2018 through June 2019 Post-65 Retiree Experience

Period	Post-65 Claim & Admin Costs	Post-65 Contracts	Expected Revenue Based on 2018 & 2019 Calculated per Contract Rates*	Gain/(Loss)
July-18	\$61,879	47	\$51,628	(\$10,251)
August-18	\$76,904	47	\$51,628	(\$25,276)
September-18	\$21,781	47	\$51,628	\$29,847
October-18	\$68,081	46	\$50,677	(\$17,404)
November-18	\$39,613	46	\$50,677	\$11,064
December-18	\$56,023	46	\$50,677	(\$5,346)
January-19	\$21,432	43	\$49,615	\$28,183
February-19	\$25,121	44	\$50,605	\$25,484
March-19	\$77,782	40	\$46,645	(\$31,137)
April-19	\$18,748	40	\$46,645	\$27,897
May-19	\$49,509	40	\$46,645	(\$2,864)
June-19	\$62,658	39	\$45,243	(\$17,415)
Total	\$579,531	44	\$592,313	\$12,782

Portion of Gain / (Loss) recognized in 2020 Implemented Rates	
Amount of July '18 through June '19 experience gain/(loss) (Use 1/3rd of total)	\$4,261
Amount of July '17 through June '18 experience gain/(loss) (Use 1/3rd of total)	\$17,404
Amount of July '16 through June '17 experience gain/(loss) (Use 1/3rd of total)	(\$3,411)
Total Amount experience gain/(loss) recognized in 2020 rates	\$18,254

* Apply rates from page 27 for 2019 and from page 28 for 2018 to derive Expected Revenue.

Explanation of Rates Developed in Following Section

Page 20: "2020 Calculated Premium Rates" Schedule"

This schedule develops the 2020 rates without incorporating any smoothing.

Page 21: "2020 Implemented Premium Rates"

This schedule incorporates the impact of past experience gains or losses separately for the Active and Pre-65 retiree segment and the Post-65 retiree segment. For the Active / Pre-65 retiree segment, the most recent experience period shows a gain and the two earlier years alternate a loss year and a gain year. Overall the smoothing formula reduces the calculated rates by 6.9%.

For the Post-65 retiree segment, there were two gains and a loss. Gains/(losses) are divided by three and used to adjust the rates in the subsequent three years. Overall this smoothing formula reduces the calculated rates by 3.4%.

Development of gains and losses for the most recent periods are on pages 14 and 15.

Gains/losses are determined by comparing the actual experience to the calculated rates (which are the best estimate of future costs). Gains/losses due to changes in the number of contracts are not recognized in the experience gain/loss calculations.

Active Segment

The table below illustrates the development of the rates for the **Active segments**, showing actual rates for 2019 and 2020 and projected rates for the following five years. The rates are projected assuming all trend assumptions are realized, there are no plan changes or changes in population; in reality, there will be gains and losses in future years.

	2019	2020	2021	2022	2023	2024	2025
Calculated Rate for Medical/Rx/Vision	\$ 1,745.45	\$ 1,508.14	\$ 1,643.87	\$ 1,791.82	\$ 1,953.08	\$ 2,128.86	\$ 2,320.46
Calculated Rate for Dental	\$ 76.46	\$ 81.53	\$ 84.79	\$ 88.18	\$ 91.71	\$ 95.38	\$ 99.20
Total Blended PEPM	\$ 1,821.91	\$ 1,589.67	\$ 1,728.66	\$ 1,880.00	\$ 2,044.79	\$ 2,224.24	\$ 2,419.66
Annual Increase		-12.75%	8.74%	8.75%	8.77%	8.78%	8.79%
Smoothing Dollars							
Smoothing July 1 2015 - June 30 2016	\$ (466,966)						
Smoothing July 1 2016 - June 30 2017	\$ 157,044	\$ 157,044					
Smoothing July 1 2017 - June 30 2018	\$ (527,316)	\$ (527,316)	\$ (527,316)				
Smoothing July 1 2018 - June 30 2019		\$ (1,262,995)	\$ (1,262,995)	\$ (1,262,995)			
Smoothing July 1 2019 - June 30 2020		\$ -	\$ -	\$ -			
Smoothing July 1 2020 - June 30 2021			\$ -	\$ -	\$ -		
Smoothing July 1 2021 - June 30 2022				\$ -	\$ -	\$ -	
Surplus Adjustment Rating Years 2023 - 2025					\$ (735,060)	\$ (735,060)	\$ (735,060)
Total	\$ (837,239)	\$ (1,633,267)	\$ (1,790,311)	\$ (1,262,995)	\$ (735,060)	\$ (735,060)	\$ (735,060)
Contracts*	1,176	1,171	1,171	1,171	1,171	1,171	1,171
PEPM change due to smoothing	\$ (59.33)	\$ (116.23)	\$ (127.41)	\$ (89.88)	\$ (52.31)	\$ (52.31)	\$ (52.31)
Blended PEPM after Smoothing	\$ 1,762.58	\$ 1,473.44	\$ 1,601.25	\$ 1,790.12	\$ 1,992.48	\$ 2,171.93	\$ 2,367.35
Annual Increase		-16.40%	8.67%	11.80%	11.30%	9.01%	9.00%
* It is assumed that the pre-65 retiree population is stable with the current mix of contracts going forward.							

Combined Active and Pre-65 Retiree Segment

The table below illustrates the development of the rates for the **Active / Pre-65 retiree segments**, showing actual rates for 2019 and 2020 and projected rates for the following five years. The rates are projected assuming all trend assumptions are realized, there are no plan changes or changes in population; in reality, there will be gains and losses in future years.

	2019	2020	2021	2022	2023	2024	2025
Calculated Rate for Medical/Rx/Vision	\$ 1,909.30	\$ 1,606.39	\$ 1,750.97	\$ 1,908.56	\$ 2,080.33	\$ 2,267.56	\$ 2,471.64
Calculated Rate for Dental	\$ 75.00	\$ 80.39	\$ 83.61	\$ 86.95	\$ 90.43	\$ 94.05	\$ 97.81
Total Blended PEPM	\$ 1,984.30	\$ 1,686.78	\$ 1,834.58	\$ 1,995.51	\$ 2,170.76	\$ 2,361.61	\$ 2,569.45
Annual Increase		-14.99%	8.76%	8.77%	8.78%	8.79%	8.80%
Smoothing Dollars							
Smoothing July 1 2015 - June 30 2016	\$ (639,477)						
Smoothing July 1 2016 - June 30 2017	\$ 216,094	\$ 216,094					
Smoothing July 1 2017 - June 30 2018	\$ (717,478)	\$ (717,478)	\$ (717,478)				
Smoothing July 1 2018 - June 30 2019		\$ (1,717,555)	\$ (1,717,555)	\$ (1,717,555)			
Smoothing July 1 2019 - June 30 2020		\$ -	\$ -	\$ -			
Smoothing July 1 2020 - June 30 2021			\$ -	\$ -	\$ -		
Smoothing July 1 2021 - June 30 2022				\$ -	\$ -	\$ -	
Surplus Adjustment Rating Years 2023 - 2025					\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
Total	\$ (1,140,861)	\$ (2,218,939)	\$ (2,435,033)	\$ (1,717,555)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
Contracts*	1,607	1,593	1,593	1,593	1,593	1,593	1,593
PEPM change due to smoothing	\$ (59.17)	\$ (116.08)	\$ (127.38)	\$ (89.85)	\$ (52.31)	\$ (52.31)	\$ (52.31)
Blended PEPM after Smoothing	\$ 1,925.13	\$ 1,570.70	\$ 1,707.20	\$ 1,905.66	\$ 2,118.45	\$ 2,309.30	\$ 2,517.14
Annual Increase		-18.41%	8.69%	11.62%	11.17%	9.01%	9.00%
<i>* It is assumed that the pre-65 retiree population is stable with the current mix of contracts going forward.</i>							

Post-65 Retiree Segment

The table below illustrates the development of the rates for the **Post-65 retiree segment**, showing actual rates for 2019 and 2020 and projected rates for the following five years. The rates are projected assuming all trend assumptions are realized, there are no plan changes or changes in population; in reality, there will be gains and losses in future years.

	2019	2020	2021	2022	2023	2024	2025
Calculated Rate for Medical/Rx/Vision	\$ 1,108.01	\$ 1,098.17	\$ 1,197.01	\$ 1,304.74	\$ 1,422.17	\$ 1,550.17	\$ 1,689.69
Calculated Rate for Dental	\$ 25.76	\$ 29.95	\$ 31.15	\$ 32.40	\$ 33.70	\$ 35.05	\$ 36.45
Total Blended PEPM	\$ 1,133.77	\$ 1,128.12	\$ 1,228.16	\$ 1,337.14	\$ 1,455.87	\$ 1,585.22	\$ 1,726.14
Annual Increase		-0.50%	8.87%	8.87%	8.88%	8.88%	8.89%
Smoothing Dollars							
Smoothing July 1 2015 - June 30 2016	\$ (4,846)						
Smoothing July 1 2016 - June 30 2017	\$ 3,411	\$ 3,411					
Smoothing July 1 2017 - June 30 2018	\$ (17,404)	\$ (17,404)	\$ (17,404)				
Smoothing July 1 2018 - June 30 2019		\$ (4,261)	\$ (4,261)	\$ (4,261)			
Smoothing July 1 2019 - June 30 2020		\$ -	\$ -	\$ -			
Smoothing July 1 2020 - June 30 2021			\$ -	\$ -	\$ -		
Smoothing July 1 2021 - June 30 2022				\$ -	\$ -	\$ -	
Smoothing July 1 2022 - June 30 2023					\$ -	\$ -	\$ -
Smoothing July 1 2023 - June 30 2024						\$ -	\$ -
Total	\$ (18,839)	\$ (18,254)	\$ (21,665)	\$ (4,261)	\$ -	\$ -	\$ -
Contracts*	49	40	40	40	40	40	40
PEPM change due to smoothing	\$ (32.04)	\$ (38.03)	\$ (45.14)	\$ (8.88)	\$ -	\$ -	\$ -
Blended PEPM after Smoothing	\$ 1,101.73	\$ 1,090.09	\$ 1,183.02	\$ 1,328.26	\$ 1,455.87	\$ 1,585.22	\$ 1,726.14
Annual Increase		-1.06%	8.52%	12.28%	9.61%	8.88%	8.89%

** It is assumed that the post-65 retiree population is stable with the current mix of contracts going forward.*

2020 Calculated Premium Rates Without Reflection of Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	284	\$ 749.67	\$ 711.22	\$ 38.45	\$ 2,554,875
	2 Person	238	\$ 1,611.79	\$ 1,529.12	\$ 82.67	\$ 4,603,272
	Family	649	\$ 1,949.14	\$ 1,849.17	\$ 99.97	\$ 15,179,902
Composite		1,171	\$ 1,589.67	\$ 1,508.14	\$ 81.53	\$ 22,338,049
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired <65	EE Only	109	\$ 1,097.36	\$ 1,054.04	\$ 43.32	\$ 1,435,347
	2 Person	191	\$ 2,139.85	\$ 2,055.38	\$ 84.47	\$ 4,904,536
	Family	122	\$ 2,436.14	\$ 2,339.97	\$ 96.17	\$ 3,566,509
Composite		422	\$ 1,956.24	\$ 1,879.01	\$ 77.22	\$ 9,906,392
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Blended*	EE Only	393	\$ 846.10	\$ 806.30	\$ 39.80	\$ 3,990,222
	2 Person	429	\$ 1,846.89	\$ 1,763.42	\$ 83.47	\$ 9,507,808
	Family	771	\$ 2,026.20	\$ 1,926.83	\$ 99.37	\$ 18,746,411
Composite		1,593	\$ 1,686.78	\$ 1,606.39	\$ 80.39	\$ 32,244,441
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$2 Rx Copay	EE Only	4	\$ 1,187.46	\$ 1,187.46		\$ 56,998
	w Dep>65	0	\$ 2,373.74	\$ 2,373.74		\$ -
	w Dep<65	0	\$ 2,670.59	\$ 2,670.59		\$ -
Composite		4	\$ 1,187.46	\$ 1,187.46		\$ 56,998
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,158.41	\$ 1,158.41		\$ -
	w Dep>65	0	\$ 2,315.67	\$ 2,315.67		\$ -
	w Dep<65	0	\$ 2,605.26	\$ 2,605.26		\$ -
Composite		0	\$ -	\$ -		\$ -
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,136.98	\$ 1,108.45	\$ 28.53	\$ 40,931
	w Dep>65	0	\$ 2,272.83	\$ 2,215.80	\$ 57.03	\$ -
	w Dep<65	0	\$ 2,557.06	\$ 2,492.90	\$ 64.16	\$ -
Composite		3	\$ 1,136.98	\$ 1,108.45	\$ 28.53	\$ 40,931
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$10/\$20 Rx Copay	EE Only	27	\$ 947.94	\$ 919.41	\$ 28.53	\$ 307,133
	w Dep>65	6	\$ 1,894.93	\$ 1,837.90	\$ 57.03	\$ 136,435
	w Dep<65	0	\$ 2,131.91	\$ 2,067.75	\$ 64.16	\$ -
Composite		33	\$ 1,120.12	\$ 1,086.41	\$ 33.71	\$ 443,568
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Composite >65	EE Only	34	\$ 992.80	\$ 967.63	\$ 25.17	\$ 405,062
	w Dep>65	6	\$ 1,894.93	\$ 1,837.90	\$ 57.03	\$ 136,435
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
Composite		40	\$ 1,128.12	\$ 1,098.17	\$ 29.95	\$ 541,497

* Blended using revenue

2020 Implemented Premium Rates Reflecting Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	284	\$ 698.08	\$ 662.28	\$ 35.80	\$ 2,379,059
	2 Person	238	\$ 1,500.87	\$ 1,423.89	\$ 76.98	\$ 4,286,493
	Family	649	\$ 1,815.01	\$ 1,721.92	\$ 93.09	\$ 14,135,280
Composite		1,171	\$ 1,480.28	\$ 1,404.35	\$ 75.93	\$ 20,800,832
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired <65	EE Only	109	\$ 1,021.84	\$ 981.51	\$ 40.33	\$ 1,336,572
	2 Person	191	\$ 1,992.59	\$ 1,913.94	\$ 78.65	\$ 4,567,025
	Family	122	\$ 2,268.49	\$ 2,178.94	\$ 89.55	\$ 3,321,075
Composite		422	\$ 1,821.62	\$ 1,749.71	\$ 71.91	\$ 9,224,672
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Blended*	EE Only	393	\$ 787.88	\$ 750.82	\$ 37.06	\$ 3,715,630
	2 Person	429	\$ 1,719.80	\$ 1,642.07	\$ 77.73	\$ 8,853,517
	Family	771	\$ 1,886.77	\$ 1,794.24	\$ 92.53	\$ 17,456,355
Composite		1,593	\$ 1,570.70	\$ 1,495.84	\$ 74.86	\$ 30,025,502
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$2 Rx Copay	EE Only	4	\$ 1,147.43	\$ 1,147.43	\$ -	\$ 55,077
	w Dep>65	0	\$ 2,293.72	\$ 2,293.72	\$ -	\$ -
	w Dep<65	0	\$ 2,580.56	\$ 2,580.56	\$ -	\$ -
Composite		4	\$ 1,147.43	\$ 1,147.43	\$ -	\$ 55,077
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,119.36	\$ 1,119.36	\$ -	\$ -
	w Dep>65	0	\$ 2,237.61	\$ 2,237.61	\$ -	\$ -
	w Dep<65	0	\$ 2,517.44	\$ 2,517.44	\$ -	\$ -
Composite		0	\$ -	\$ -	\$ -	\$ -
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,098.65	\$ 1,071.08	\$ 27.57	\$ 39,551
	w Dep>65	0	\$ 2,196.21	\$ 2,141.10	\$ 55.11	\$ -
	w Dep<65	0	\$ 2,470.86	\$ 2,408.86	\$ 62.00	\$ -
Composite		3	\$ 1,098.65	\$ 1,071.08	\$ 27.57	\$ 39,551
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$10/\$20 Rx Copay	EE Only	27	\$ 915.99	\$ 888.42	\$ 27.57	\$ 296,781
	w Dep>65	6	\$ 1,831.05	\$ 1,775.94	\$ 55.11	\$ 131,836
	w Dep<65	0	\$ 2,060.05	\$ 1,998.05	\$ 62.00	\$ -
Composite		33	\$ 1,082.37	\$ 1,049.79	\$ 32.58	\$ 428,617
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Composite >65	EE Only	34	\$ 959.33	\$ 935.01	\$ 24.32	\$ 391,407
	w Dep>65	6	\$ 1,831.05	\$ 1,775.94	\$ 55.11	\$ 131,836
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
Composite		40	\$ 1,090.09	\$ 1,061.15	\$ 28.94	\$ 523,243

* Blended using revenue

2020 Implemented Rates vs. 2019 Implemented Rates (Dollar Increases)

		Total	Med/Rx/Vis	Dental	Total Revenue*
Active	EE Only	\$ (123.47)	\$ (124.80)	\$ 1.32	\$ (35,066)
	2 Person	\$ (265.47)	\$ (268.32)	\$ 2.85	\$ (63,181)
	Family	\$ (321.03)	\$ (324.48)	\$ 3.44	\$ (208,349)
	Composite	\$ (287.32)	\$ (289.06)	\$ 1.74	\$ (306,596)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired <65	EE Only	\$ (283.31)	\$ (285.46)	\$ 2.15	\$ (30,881)
	2 Person	\$ (552.46)	\$ (556.65)	\$ 4.19	\$ (105,519)
	Family	\$ (628.95)	\$ (633.72)	\$ 4.77	\$ (76,731)
	Composite	\$ (533.41)	\$ (536.42)	\$ 3.01	\$ (213,131)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Blended	EE Only	\$ (170.52)	\$ (172.05)	\$ 1.53	\$ (67,014)
	2 Person	\$ (395.38)	\$ (398.82)	\$ 3.45	\$ (169,616)
	Family	\$ (372.85)	\$ (376.52)	\$ 3.68	\$ (287,464)
	Composite	\$ (354.45)	\$ (356.54)	\$ 2.09	\$ (524,094)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$2 Rx Copay	EE Only	\$ (73.95)	\$ (73.95)	\$ -	\$ (296)
	w Dep>65	\$ (147.83)	\$ (147.83)	\$ -	\$ -
	w Dep<65	\$ (166.32)	\$ (166.32)	\$ -	\$ -
	Composite	\$ (73.95)	\$ (73.95)	\$ -	\$ (296)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$4 Rx Copay	EE Only	\$ (71.70)	\$ (71.70)	\$ -	\$ -
	w Dep>65	\$ (143.33)	\$ (143.33)	\$ -	\$ -
	w Dep<65	\$ (161.26)	\$ (161.26)	\$ -	\$ -
	Composite	\$ -	\$ -	\$ -	\$ -
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$4/\$8 Rx Copay	EE Only	\$ (63.59)	\$ (66.61)	\$ 3.03	\$ (191)
	w Dep>65	\$ (127.08)	\$ (133.15)	\$ 6.06	\$ -
	w Dep<65	\$ (143.00)	\$ (149.81)	\$ 6.81	\$ -
	Composite	\$ (63.59)	\$ (66.62)	\$ 3.03	\$ (191)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$10/\$20 Rx Copay	EE Only	\$ (46.09)	\$ (49.12)	\$ 3.03	\$ (1,244)
	w Dep>65	\$ (92.13)	\$ (98.20)	\$ 6.06	\$ (553)
	w Dep<65	\$ (103.65)	\$ (110.47)	\$ 6.81	\$ -
	Composite	\$ 0.16	\$ (4.82)	\$ 4.98	\$ (1,797)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Composite >65	EE Only	\$ (49.07)	\$ (51.08)	\$ 2.02	\$ (1,668)
	w Dep>65	\$ (92.13)	\$ (98.20)	\$ 6.06	\$ (553)
	w Dep<65	\$ -	\$ -	\$ -	\$ -
	Composite	\$ (11.64)	\$ (15.55)	\$ 3.91	\$ (2,221)

* Change in revenue uses the current enrollment applied to the rate changes.

2020 Implemented Rates vs. 2019 Implemented Rates (Percentage Increases)

		Total	Med/Rx/Vis	Dental	Total Revenue*
Active	EE Only	(15.03%)	(15.86%)	3.83%	(15.03%)
	2 Person	(15.03%)	(15.86%)	3.84%	(15.03%)
	Family	(15.03%)	(15.86%)	3.84%	(15.03%)
	Composite	(16.25%)	(17.07%)	2.35%	(15.03%)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired <65	EE Only	(21.71%)	(22.53%)	5.63%	(21.71%)
	2 Person	(21.71%)	(22.53%)	5.63%	(21.71%)
	Family	(21.71%)	(22.53%)	5.63%	(21.71%)
	Composite	(22.65%)	(23.46%)	4.37%	(21.71%)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Blended	EE Only	(17.79%)	(18.64%)	4.31%	(17.79%)
	2 Person	(18.69%)	(19.54%)	4.64%	(18.69%)
	Family	(16.50%)	(17.35%)	4.14%	(16.50%)
	Composite	(18.41%)	(19.25%)	2.87%	(17.32%)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$2 Rx Copay	EE Only	(6.05%)	(6.05%)	N/A	(6.05%)
	w Dep>65	(6.05%)	(6.05%)	N/A	N/A
	w Dep<65	(6.05%)	(6.05%)	N/A	N/A
	Composite	(6.05%)	(6.05%)	N/A	(6.05%)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$4 Rx Copay	EE Only	(6.02%)	(6.02%)	N/A	N/A
	w Dep>65	(6.02%)	(6.02%)	N/A	N/A
	w Dep<65	(6.02%)	(6.02%)	N/A	N/A
	Composite	N/A	N/A	N/A	N/A
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$4/\$8 Rx Copay	EE Only	(5.47%)	(5.85%)	12.36%	(5.47%)
	w Dep>65	(5.47%)	(5.85%)	12.36%	N/A
	w Dep<65	(5.47%)	(5.85%)	12.34%	N/A
	Composite	(5.47%)	(5.86%)	12.35%	(5.47%)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$10/\$20 Rx Copay	EE Only	(4.79%)	(5.24%)	12.36%	(4.79%)
	w Dep>65	(4.79%)	(5.24%)	12.36%	(4.79%)
	w Dep<65	(4.79%)	(5.24%)	12.34%	N/A
	Composite	0.01%	(0.46%)	18.04%	(4.79%)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Composite >65	EE Only	(4.87%)	(5.18%)	9.05%	(4.87%)
	w Dep>65	(4.79%)	(5.24%)	12.36%	(4.79%)
	w Dep<65	N/A	N/A	N/A	N/A
	Composite	(1.06%)	(1.44%)	15.62%	(4.85%)

* % change in revenue uses the current enrollment applied to the rate changes.

2021 Trended Premium Rates (Assumes No Change in Covered Lives from 2019)

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	284	\$ 815.22	\$ 775.23	\$ 39.99	\$ 2,778,270
	2 Person	238	\$ 1,752.72	\$ 1,666.74	\$ 85.98	\$ 5,005,768
	Family	649	\$ 2,119.57	\$ 2,015.60	\$ 103.97	\$ 16,507,211
	Composite	1,171	\$ 1,728.67	\$ 1,643.87	\$ 84.80	\$ 24,291,249
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired <65	EE Only	109	\$ 1,193.95	\$ 1,148.90	\$ 45.05	\$ 1,561,687
	2 Person	191	\$ 2,328.21	\$ 2,240.36	\$ 87.85	\$ 5,336,257
	Family	122	\$ 2,650.59	\$ 2,550.57	\$ 100.02	\$ 3,880,464
	Composite	422	\$ 2,128.44	\$ 2,048.12	\$ 80.31	\$ 10,778,408
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Blended	EE Only	393	\$ 920.26	\$ 878.87	\$ 41.39	\$ 4,339,956
	2 Person	429	\$ 2,008.94	\$ 1,922.13	\$ 86.81	\$ 10,342,026
	Family	771	\$ 2,203.60	\$ 2,100.25	\$ 103.34	\$ 20,387,675
	Composite	1,593	\$ 1,834.58	\$ 1,750.96	\$ 83.61	\$ 35,069,657
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$2 Rx Copay	EE Only	4	\$ 1,294.33	\$ 1,294.33	\$ -	\$ 62,128
	w Dep>65	0	\$ 2,587.38	\$ 2,587.38	\$ -	\$ -
	w Dep<65	0	\$ 2,910.94	\$ 2,910.94	\$ -	\$ -
	Composite	4	\$ 1,294.33	\$ 1,294.33	\$ -	\$ 62,128
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,262.67	\$ 1,262.67	\$ -	\$ -
	w Dep>65	0	\$ 2,524.08	\$ 2,524.08	\$ -	\$ -
	w Dep<65	0	\$ 2,839.73	\$ 2,839.73	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,237.88	\$ 1,208.21	\$ 29.67	\$ 44,564
	w Dep>65	0	\$ 2,474.53	\$ 2,415.22	\$ 59.31	\$ -
	w Dep<65	0	\$ 2,783.99	\$ 2,717.26	\$ 66.73	\$ -
	Composite	3	\$ 1,237.88	\$ 1,208.21	\$ 29.67	\$ 44,564
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$10/\$20 Rx Copay	EE Only	27	\$ 1,031.83	\$ 1,002.16	\$ 29.67	\$ 334,313
	w Dep>65	6	\$ 2,062.62	\$ 2,003.31	\$ 59.31	\$ 148,509
	w Dep<65	0	\$ 2,320.58	\$ 2,253.85	\$ 66.73	\$ -
	Composite	33	\$ 1,219.25	\$ 1,184.19	\$ 35.06	\$ 482,822
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Composite >65	EE Only	34	\$ 1,080.89	\$ 1,054.71	\$ 26.18	\$ 441,003
	w Dep>65	6	\$ 2,062.62	\$ 2,003.31	\$ 59.31	\$ 148,509
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	40	\$ 1,228.15	\$ 1,197.00	\$ 31.15	\$ 589,512

2021 Projected Premium Rates (Assumes No Change in Covered Lives from 2019)

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	284	\$ 758.55	\$ 721.34	\$ 37.21	\$ 2,585,138
	2 Person	238	\$ 1,630.88	\$ 1,550.88	\$ 80.00	\$ 4,657,793
	Family	649	\$ 1,972.23	\$ 1,875.49	\$ 96.74	\$ 15,359,727
	Composite	1,171	\$ 1,608.50	\$ 1,529.60	\$ 78.90	\$ 22,602,658
Retired <65	EE Only	109	\$ 1,110.96	\$ 1,069.04	\$ 41.92	\$ 1,453,136
	2 Person	191	\$ 2,166.37	\$ 2,084.63	\$ 81.74	\$ 4,965,320
	Family	122	\$ 2,466.33	\$ 2,373.27	\$ 93.06	\$ 3,610,707
	Composite	422	\$ 1,980.48	\$ 1,905.76	\$ 74.73	\$ 10,029,163
Blended	EE Only	393	\$ 856.29	\$ 817.78	\$ 38.52	\$ 4,038,274
	2 Person	429	\$ 1,869.29	\$ 1,788.52	\$ 80.78	\$ 9,623,113
	Family	771	\$ 2,050.41	\$ 1,954.25	\$ 96.16	\$ 18,970,434
	Composite	1,593	\$ 1,707.05	\$ 1,629.25	\$ 77.80	\$ 32,631,821
Retired >65 \$2 Rx Copay	EE Only	4	\$ 1,246.59	\$ 1,246.59	\$ -	\$ 59,836
	w Dep>65	0	\$ 2,491.93	\$ 2,491.93	\$ -	\$ -
	w Dep<65	0	\$ 2,803.56	\$ 2,803.56	\$ -	\$ -
	Composite	4	\$ 1,246.59	\$ 1,246.59	\$ -	\$ 59,836
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,216.09	\$ 1,216.09	\$ -	\$ -
	w Dep>65	0	\$ 2,430.97	\$ 2,430.97	\$ -	\$ -
	w Dep<65	0	\$ 2,734.98	\$ 2,734.98	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,192.22	\$ 1,163.64	\$ 28.58	\$ 42,920
	w Dep>65	0	\$ 2,383.25	\$ 2,326.13	\$ 57.12	\$ -
	w Dep<65	0	\$ 2,681.29	\$ 2,617.03	\$ 64.26	\$ -
	Composite	3	\$ 1,192.22	\$ 1,163.64	\$ 28.58	\$ 42,920
Retired >65 \$10/\$20 Rx Copay	EE Only	27	\$ 993.77	\$ 965.19	\$ 28.58	\$ 321,981
	w Dep>65	6	\$ 1,986.53	\$ 1,929.41	\$ 57.12	\$ 143,030
	w Dep<65	0	\$ 2,234.97	\$ 2,170.71	\$ 64.26	\$ -
	Composite	33	\$ 1,174.27	\$ 1,140.50	\$ 33.77	\$ 465,011
Composite >65	EE Only	34	\$ 1,041.02	\$ 1,015.81	\$ 25.21	\$ 424,736
	w Dep>65	6	\$ 1,986.53	\$ 1,929.41	\$ 57.12	\$ 143,030
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	40	\$ 1,182.85	\$ 1,152.85	\$ 30.00	\$ 567,766

The rates are projected assuming all trend assumptions are realized, there are no plan changes or changes in population; in reality, there will be gains and losses so the actual 2021 rates developed next year will differ from the rates above.

2019 Implemented Premium Rates Reflecting Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	261	\$ 821.55	\$ 787.07	\$ 34.48	\$ 2,573,104
	2 Person	244	\$ 1,766.34	\$ 1,692.21	\$ 74.13	\$ 5,171,841
	Family	671	\$ 2,136.04	\$ 2,046.39	\$ 89.65	\$ 17,199,379
	Composite	1,176	\$ 1,767.60	\$ 1,693.41	\$ 74.19	\$ 24,944,324
Retired <65	EE Only	103	\$ 1,305.15	\$ 1,266.97	\$ 38.18	\$ 1,613,168
	2 Person	198	\$ 2,545.05	\$ 2,470.59	\$ 74.46	\$ 6,047,036
	Family	130	\$ 2,897.44	\$ 2,812.66	\$ 84.78	\$ 4,520,006
	Composite	431	\$ 2,355.03	\$ 2,286.13	\$ 68.90	\$ 12,180,210
Blended	EE Only	364	\$ 958.40	\$ 922.87	\$ 35.53	\$ 4,186,272
	2 Person	442	\$ 2,115.17	\$ 2,040.89	\$ 74.28	\$ 11,218,878
	Family	801	\$ 2,259.61	\$ 2,170.76	\$ 88.85	\$ 21,719,385
	Composite	1,607	\$ 1,925.15	\$ 1,852.38	\$ 72.77	\$ 37,124,535
Retired >65 \$2 Rx Copay	EE Only	4	\$ 1,221.38	\$ 1,221.38	\$ -	\$ 58,626
	w Dep>65	0	\$ 2,441.55	\$ 2,441.55	\$ -	\$ -
	w Dep<65	0	\$ 2,746.88	\$ 2,746.88	\$ -	\$ -
	Composite	4	\$ 1,221.38	\$ 1,221.38	\$ -	\$ 58,626
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,191.06	\$ 1,191.06	\$ -	\$ -
	w Dep>65	0	\$ 2,380.94	\$ 2,380.94	\$ -	\$ -
	w Dep<65	0	\$ 2,678.69	\$ 2,678.69	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	5	\$ 1,162.24	\$ 1,137.70	\$ 24.54	\$ 69,734
	w Dep>65	0	\$ 2,323.29	\$ 2,274.25	\$ 49.04	\$ -
	w Dep<65	0	\$ 2,613.86	\$ 2,558.67	\$ 55.19	\$ -
	Composite	5	\$ 1,162.24	\$ 1,137.70	\$ 24.54	\$ 69,734
Retired >65 \$10/\$20 Rx Copay	EE Only	35	\$ 962.08	\$ 937.54	\$ 24.54	\$ 404,074
	w Dep>65	5	\$ 1,923.18	\$ 1,874.14	\$ 49.04	\$ 115,391
	w Dep<65	0	\$ 2,163.70	\$ 2,108.51	\$ 55.19	\$ -
	Composite	40	\$ 1,082.21	\$ 1,054.61	\$ 27.60	\$ 519,465
Composite >65	EE Only	44	\$ 1,008.40	\$ 986.09	\$ 22.31	\$ 532,435
	w Dep>65	5	\$ 1,923.18	\$ 1,874.14	\$ 49.04	\$ 115,391
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	49	\$ 1,101.73	\$ 1,076.70	\$ 25.03	\$ 647,826

2019 Calculated Premium Rates Without Reflection of Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	261	\$ 846.80	\$ 811.26	\$ 35.54	\$ 2,652,178
	2 Person	244	\$ 1,820.62	\$ 1,744.21	\$ 76.41	\$ 5,330,775
	Family	671	\$ 2,201.68	\$ 2,109.28	\$ 92.40	\$ 17,727,927
	Composite	1,176	\$ 1,821.92	\$ 1,745.45	\$ 76.46	\$ 25,710,880
Retired <65	EE Only	103	\$ 1,345.26	\$ 1,305.90	\$ 39.36	\$ 1,662,741
	2 Person	198	\$ 2,623.26	\$ 2,546.51	\$ 76.75	\$ 6,232,866
	Family	130	\$ 2,986.48	\$ 2,899.10	\$ 87.38	\$ 4,658,909
	Composite	431	\$ 2,427.40	\$ 2,356.38	\$ 71.02	\$ 12,554,516
Blended	EE Only	364	\$ 987.85	\$ 951.23	\$ 36.62	\$ 4,314,919
	2 Person	442	\$ 2,180.17	\$ 2,103.61	\$ 76.56	\$ 11,563,641
	Family	801	\$ 2,329.05	\$ 2,237.47	\$ 91.59	\$ 22,386,836
	Composite	1,607	\$ 1,984.31	\$ 1,909.30	\$ 75.00	\$ 38,265,396
Retired >65 \$2 Rx Copay	EE Only	4	\$ 1,256.90	\$ 1,256.90	\$	\$ 60,331
	w Dep>65	0	\$ 2,512.55	\$ 2,512.55	\$	\$ -
	w Dep<65	0	\$ 2,826.76	\$ 2,826.76	\$	\$ -
	Composite	4	\$ 1,256.90	\$ 1,256.90	\$	\$ 60,331
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,225.70	\$ 1,225.70	\$	\$ -
	w Dep>65	0	\$ 2,450.18	\$ 2,450.18	\$	\$ -
	w Dep<65	0	\$ 2,756.59	\$ 2,756.59	\$	\$ -
	Composite	0	\$ -	\$ -	\$	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	5	\$ 1,196.03	\$ 1,170.78	\$ 25.25	\$ 71,762
	w Dep>65	0	\$ 2,390.86	\$ 2,340.39	\$ 50.47	\$ -
	w Dep<65	0	\$ 2,689.87	\$ 2,633.08	\$ 56.79	\$ -
	Composite	5	\$ 1,196.03	\$ 1,170.78	\$ 25.25	\$ 71,762
Retired >65 \$10/\$20 Rx Copay	EE Only	35	\$ 990.05	\$ 964.80	\$ 25.25	\$ 415,821
	w Dep>65	5	\$ 1,979.11	\$ 1,928.64	\$ 50.47	\$ 118,747
	w Dep<65	0	\$ 2,226.62	\$ 2,169.83	\$ 56.79	\$ -
	Composite	40	\$ 1,113.68	\$ 1,085.28	\$ 28.40	\$ 534,568
Composite >65	EE Only	44	\$ 1,037.72	\$ 1,014.76	\$ 22.95	\$ 547,914
	w Dep>65	5	\$ 1,979.11	\$ 1,928.64	\$ 50.47	\$ 118,747
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	49	\$ 1,133.78	\$ 1,108.01	\$ 25.76	\$ 666,661

2018 Calculated Premium Rates Without Reflection of Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	278	\$ 783.94	\$ 747.61	\$ 36.33	\$ 2,615,224
	2 Person	197	\$ 1,685.47	\$ 1,607.36	\$ 78.11	\$ 3,984,451
	Family	737	\$ 2,038.25	\$ 1,943.79	\$ 94.46	\$ 18,026,283
Composite		1,212	\$ 1,693.20	\$ 1,614.73	\$ 78.47	\$ 24,625,958
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired <65	EE Only	103	\$ 1,312.17	\$ 1,274.55	\$ 37.62	\$ 1,621,842
	2 Person	193	\$ 2,558.73	\$ 2,485.37	\$ 73.36	\$ 5,926,019
	Family	138	\$ 2,913.03	\$ 2,829.51	\$ 83.52	\$ 4,823,978
Composite		434	\$ 2,375.55	\$ 2,307.44	\$ 68.11	\$ 12,371,839
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Blended	EE Only	381	\$ 926.74	\$ 890.06	\$ 36.68	\$ 4,237,066
	2 Person	390	\$ 2,117.62	\$ 2,041.86	\$ 75.76	\$ 9,910,470
	Family	875	\$ 2,176.22	\$ 2,083.48	\$ 92.73	\$ 22,850,261
Composite		1,646	\$ 1,873.12	\$ 1,797.38	\$ 75.74	\$ 36,997,797
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$2 Rx Copay	EE Only	6	\$ 1,236.80	\$ 1,236.80		\$ 89,050
	w Dep>65	0	\$ 2,472.36	\$ 2,472.36		\$ -
	w Dep<65	0	\$ 2,781.56	\$ 2,781.56		\$ -
Composite		6	\$ 1,236.80	\$ 1,236.80		\$ 89,050
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,196.94	\$ 1,196.94		\$ -
	w Dep>65	0	\$ 2,392.68	\$ 2,392.68		\$ -
	w Dep<65	0	\$ 2,691.91	\$ 2,691.91		\$ -
Composite		0	\$ -	\$ -		\$ -
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4/\$8 Rx Copay	EE Only	5	\$ 1,158.57	\$ 1,136.80	\$ 21.77	\$ 69,514
	w Dep>65	1	\$ 2,315.98	\$ 2,272.46	\$ 43.52	\$ 27,792
	w Dep<65	0	\$ 2,605.62	\$ 2,556.66	\$ 48.96	\$ -
Composite		6	\$ 1,351.47	\$ 1,326.08	\$ 25.40	\$ 97,306
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$10/\$20 Rx Copay	EE Only	47	\$ 951.00	\$ 929.23	\$ 21.77	\$ 536,364
	w Dep>65	6	\$ 1,901.05	\$ 1,857.53	\$ 43.52	\$ 136,876
	w Dep<65	0	\$ 2,138.79	\$ 2,089.83	\$ 48.96	\$ -
Composite		53	\$ 1,058.55	\$ 1,034.32	\$ 24.23	\$ 673,240
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Composite >65	EE Only	58	\$ 998.46	\$ 978.94	\$ 19.52	\$ 694,928
	w Dep>65	7	\$ 1,960.33	\$ 1,916.81	\$ 43.52	\$ 164,667
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
Composite		65	\$ 1,102.05	\$ 1,079.94	\$ 22.10	\$ 859,595

Explanatory Notes -- Data, Methods and Assumptions

- Paid claims were used for the analysis. Consistent with prior rate developments, incurred claims are derived using paid claims and actuarial assumptions.
- The City of Grand Rapids has chosen not to incorporate Specific or Aggregate Stop Loss Insurance in their benefit program. This increases the exposure for extremely large claims which could result in the rates included in this projection to be inadequate.
- Effective 1/1/2020, network, carrier and plan changes will be made and have been incorporated into this rate development via plan / carrier / network adjustment on the various experience development pages.
- In prior year premium developments, Rx rebates were not utilized; this caused very large surpluses to develop in the Trust and this year rebates were netted out of the Paid claims on a paid basis. The following are the Rx rebates that were removed.
 - FYE 2017: \$765,245 (9.7% reduction) (only impacts Post-65 Rx development which uses three years of experience)
 - FYE 2018: \$1,156,553 (15.3% reduction)
 - FYE 2019: \$1,316,823 (16.4% reduction)
 - These rebates are uniformly netted out of paid Rx claims – Active, Pre-65 Retirees and Post-65 retirees on a percentage of claim basis.
- Claim amounts used are net of amounts paid by the member directly to the health care provider such as copays, coinsurance, etc.
- Amounts paid by the member directly to the City have not been removed from claims.
- Pre-65 claims include claims for Medicare spouses of Non-Medicare members.
- Analysis was done on a per member per month basis.
- Incurral factors estimated assuming a two-month payment lag for medical and a one-month lag for Rx, dental and vision.
- Generally, a weighted average of the two experience periods was used in the analysis to smooth out yearly claim fluctuations.
- For the Post-65 Medical & Rx Segments due to very few participants, a weighted average of the three experience periods is used.
- Trend assumptions were chosen primarily based on national trends cited in National Health Trend surveys and recent claim experience under the City of Grand Rapids benefit programs.
- Rating tiers have recently been reviewed and determined not to be revised at this time.
- The current plan distribution (members in each tier) was used to allocate costs to each tier.
- Blended pre-65 rates are a weighted average of the active and pre-65 retiree rates.
- Rates include GRS fees and city personnel costs associated with administering the benefit program.
- Projections will differ from the OPEB valuation cash flows due to the following:
 - Projections ignore new retirees and deaths, and
 - Projections ignore members turning age 65 during the year.
- Projections in this report and the OPEB valuation report are not adjusted for election changes that occur after the valuation date.