



State of New Jersey

School Employees' Health Benefits Program

Plan Year 2017 Rate Renewal Recommendation Report

September 2016

Subject	Page
Executive Summary	3
Trend Analysis	12
Financial Projections	14
Minimum Value	16
Renewal Rate Development	17
Exhibits	20
1 - Enrollment Projections	20
2 - Trend Analysis	25
3 - Aggregate Costs	27
4 - Plan Year 2017 Premiums	33
5 - Plan Year 2017 Plan Option Summary	41
About Aon	43

Executive Summary

The purpose of this report is to recommend premium levels for the School Employees' Health Benefits Program (SEHBP) for January 1, 2017 through December 31, 2017.

Benefit Plans Maintained by the SEHBP

The State of New Jersey operates the SEHBP as a multiple-option program for participating Local Education Employees and Retirees, with the following medical plan options for Plan Year 2017, which are summarized in Exhibit 5:

- Two self-insured Preferred Provider Organization (PPO) plans – NJ DIRECT, administered by Horizon, and the Freedom PPO, administered by Aetna. In Plan Year 2017, both Horizon and Aetna will offer five options under their respective PPO plans. These plans are available to all Employees and non-Medicare-eligible Retirees (except for the PPO 2035 option, which is only offered to Active Employees).
- Two self-insured HMO plans are administered by Aetna and Horizon. There are four HMO benefit options which are available to all Employees and non-Medicare-eligible Retirees (except for the HMO 2035 option, which is only offered to Active Employees).
- Two High Deductible plans are administered by Aetna and Horizon. Employees may select the \$1,500 high deductible option and non-Medicare-eligible Retirees may select the \$4,000 high deductible option.
- Aetna PPO and HMO plans cover Aetna Medicare-eligible members under a Medicare Advantage Plan. Horizon PPO and HMO plans cover Horizon Medicare-eligible members with self-insured plans that supplement Medicare.
- Active Employees may also be enrolled in a Prescription Drug Plan available under the SEHBP, which is administered by Express Scripts. Local Education employers may select this plan, sign up for the prescription drug coverage under the medical plan (called MMRx), or purchase prescription drug coverage from an outside vendor. If an employer selects SEHBP prescription drug coverage, the prescription drug benefit option is linked to the medical plan selection.
- SEHBP Retirees also have Prescription Drug Plans options which are linked to the medical plan selection and are summarized in Exhibit 5.

Recommended Renewal Increases

Aon is recommending an overall increase of 8.4% for Active Employees, no increase for Early Retirees, and a 5.4% decrease for Medicare Retirees. For all groups combined, the recommended increase is 3.8%.

The recommended renewal increases for Plan Year 2017 by benefit plan are listed below. Renewal increases were calculated separately for the PPO (which includes the High Deductible plans), the HMO, and the Prescription Drug Plans.

	Total	Single	Ee + Spouse	Family	Ee + Child(ren)
Actives					
PPO Medical	8.1%	8.1%	8.1%	8.1%	8.1%
HMO Medical	8.1%	8.1%	8.1%	8.1%	8.1%
PPO Rx	11.4%	11.4%	11.4%	11.4%	11.4%
HMO Rx	11.4%	11.4%	11.4%	11.4%	11.4%
Total	8.4%	8.4%	8.4%	8.4%	8.4%
Early Retirees					
PPO Medical	0.0%	0.0%	0.0%	0.0%	0.0%
HMO Medical	0.0%	0.0%	0.0%	0.0%	0.0%
PPO Rx	0.0%	0.0%	0.0%	0.0%	0.0%
HMO Rx	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.0%	0.0%	0.0%	0.0%	0.0%
Medicare Retirees					
PPO Medical	-3.9%	-3.9%	-3.9%	-3.9%	-3.9%
HMO Medical	-3.9%	-3.9%	-3.9%	-3.9%	-3.9%
PPO Rx	-6.5%	-6.5%	-6.5%	-6.5%	-6.5%
HMO Rx	-6.5%	-6.5%	-6.5%	-6.5%	-6.5%
Total	-5.4%	-5.4%	-5.4%	-5.4%	-5.4%
Grand Total	3.8%	3.8%	3.8%	3.8%	3.8%

These premium increases for Plan Year 2017 are projected to produce a gain of \$35 million for Active Education and no loss or gain for Education Retirees. The Active gain will be added to the Claim Stabilization Reserve for Active Education members. The table below shows the expected changes in the projected Claim Stabilization Reserve. For Actives, the target Claim Stabilization Reserve is projected to be equivalent to 1.7 months of plan costs as of 12/31/2017. Since the Active reserve is projected to be less than the target reserve as of 12/31/2017, the Active recommended renewal increase includes a 2% margin to help build the reserve up to the target level of 2.0 months of plan costs. The Retiree target reserve level has been set to \$0, since the State is responsible for approximately 90% of Education Retiree plan cost. As a result, the Education Retiree premiums do not include any margin.

SEHBP Active Employee Projected Claim Stabilization Reserve
(in \$ millions)

	Active
12/31/2015	\$196
12/31/2016	\$210
12/31/2017	\$244
Months of Plan Costs at 12/31/2017	1.7

Employee+Child(ren) and Employee+Family Premium Increases

SEHBP premiums are developed using fixed relative values for the difference in premiums among coverage tiers (Single, Employee+Child(ren), Employee+Spouse, and Employee+Family). The Plan Year 2014 premiums rated Child(ren) coverage at 65% of employee costs. The increase in the number of covered dependent children as a result of Federal Health Care Reform resulted in a 12% increase in the relative cost of a Child(ren) coverage unit from 72% of employee cost in Plan Year 2010 to 84% of employee cost in Plan Year 2015. The most recent three year average claim cost per coverage unit for Child(ren) is approximately 86%.

The Plan Year 2017 premiums keep the cost of Child(ren) coverage at 86% of Single coverage. This is consistent with the Plan Year 2016 Renewal Report and the most recent three year average actual levels. There is no change in the Child(ren) load for Retirees. The table below compares the Active coverage tier factors for Plan Year 2017 with Plan Year 2016:

Active Coverage Tier Factors

Coverage Tier	PY2016	PY2017	Increase
Single	1.000	1.000	0%
Ee+Child(ren)	1.860	1.860	0%
Ee+Spouse	2.000	2.000	0%
Ee+Family	2.860	2.860	0%

Employee Contribution Changes

The first phase of Chapter 78 contributions was effective 7/1/2011. As of 7/1/2015, the contribution rates were fully phased-in for most Local Actives. Plan Year 2017 enrollment projections assume that 0.5% of the enrollment in the Horizon NJ DIRECT10 plan will migrate to lower-cost plans from Plan Year 2016 to Plan Year 2017.

Retiree Contribution Changes

Chapter 78 does not apply to existing retirees as of 7/1/2011 or to employees who had 20 or more years of service on 7/1/2011. For this reason, no changes to Retiree contributions are assumed for Plan Year 2017, which means that the majority of retirees will continue to have no contributions towards the cost of their retiree health benefits.

Health Status

Actives: Since 1/1/14, Active employees and spouses are covered by NJWELL, a Wellness program that provides incentives for “knowing your numbers” and taking steps to lead healthier lifestyles. The Plan Year 2017 renewal will use the following projections, which reflect the following expected costs per employee:

Annual Cost Per Employee	
PY2016	PY2017
\$25	\$32

It is assumed that savings resulting from health status improvements due to NJWELL are reflected in the Plan Year 2015 claims experience. The cost projections after Plan Year 2015 have not been adjusted for any additional savings as a result of NJWELL.

Changes

Retiree Prescription Drugs: The renewal projections assume that in Plan Year 2017, the Retiree prescription drug copays and out-of-pocket maximums will revert to Plan Year 2014 levels for the SEHBP. Projected Plan Year 2017 prescription drug costs are assumed to decrease by 2.3% to reflect the savings for this change for the SEHBP.

SEHBP Retirees

	PPO 10+15		HMO 10		1525		2030	
	2016	2017	2016	2017	2016	2017	2016	2017
Retail Generic Copay	\$8	\$10	\$5	\$6	\$7	\$7	\$3	\$3
Retail Preferred Brand Copay	\$20	\$21	\$13	\$13	\$17	\$17	\$19	\$19
Retail Non-Preferred Brand Copay	\$42	\$42	\$26	\$26	\$36	\$36	\$48	\$48
Mail Generic Copay	\$3	\$5	\$2	\$5	\$5	\$5	\$5	\$5
Mail Preferred Brand Copay	\$30	\$31	\$19	\$19	\$41	\$41	\$37	\$37
Mail Non-Preferred Brand Copay	\$52	\$52	\$31	\$31	\$91	\$91	\$95	\$95
Out-of-Pocket Maximum	\$1,411	\$1,411	\$1,411	\$1,411	\$1,411	\$1,411	\$1,411	\$1,411

Other Changes:

- On January 11, 2016, the SEHBP Plan Design Committee voted to approve changes to the prescription drug program for compound drugs and Hepatitis C medications. These changes were effective on February 15, 2016 for compound medications and March 1, 2016 for Hepatitis C. The SEHBP Plan Design Committee also voted to implement a pilot Direct Primary Care Medical Home Program as noted below.
 - **Compound Drugs:** The SEHBP adopted the Express Scripts Compound Management solution, effective in February 2016. This change applies to all SEHBP plans and applies to both the Active and Retiree populations. This change is estimated to result in a 4.9% reduction in projected Plan Year 2016 prescription drug claims (\$129 million).
 - **Hepatitis C:** Effective March 1, 2016, the SEHBP covered only Viekira Pak as the first line of treatment for members prescribed a Hepatitis C medication. Other Hepatitis C medications available (Sovaldi, Harvoni, and Olysio) will only be covered by the SEHBP if the Viekira Pak treatment proves to be unsuccessful for the patient. This change applies only to prescriptions filled for Hepatitis C medications on or after March 1, 2016, and does not apply to any members undergoing treatment with a Hepatitis C medication other than Viekira Pak at that time. This change applies to all SEHBP plans and applies to both the Active and Retiree populations. This change is estimated to result in a 1.2% reduction in projected Plan Year 2016 prescription drug claims (\$11 million).
 - **DPCMH Pilot:** The SEHBP is sponsoring a Direct Primary Care Medical Home (DPCMH) Pilot Program for participating non-Medicare members and their dependents enrolled in a non-HMO SEHBP plan. This voluntary pilot program will be established in multiple regions across the State and has an initial participation rate goal of 10,000 members within the first 12 months. Members who choose to go to a DPCMH provider will have no out-of-pocket cost-sharing when receiving care from that provider. DPCMH providers will provide comprehensive primary care services, will limit the number of patients for participating providers, and will be reimbursed on a Per Member Per Month (PMPM) basis. Horizon and Aetna will contract with DPCMH providers to implement this pilot program. Please note that no additional costs or savings related to this program have been included in these projections. At this time, it is uncertain when in 2016 this program will be implemented.

Federal Health Care Reform

In-Network Out-of-Pocket Maximum: Effective 1/1/2014, in-network medical coverage was required to include an overall out-of-pocket (OOP) maximum limit that applied to both medical and prescription drug benefits. This change was implemented for all the SEHBP plans with the exception of NJ DIRECT10 and the High Deductible plans which already had in-network out-of-pocket maximum limits less than the required maximum. These limits are indexed every year. The chart below summarizes a history of these out-of-pocket maximums:

Plan Year	Out-of-Pocket Maximum (Single / Family)
2014	\$6,350 / \$12,700
2015	\$6,600 / \$13,200
2016	\$6,850 / \$13,700
2017	\$7,150 / \$14,300

For Plan Year 2017, this change will not have a significant impact on projected costs. Note that if the integrated OOP maximum is applied to the Local Plans that have a “private” prescription drug plan, the administrative costs could be significant. Aon has not included any specific administrative load for the Local Plans with private prescription drug cards. Please note that the out-of-pocket maximum is applied with 80% of the maximum applying to medical coverage and 20% of the maximum applying to prescription drug coverage for all Active plans, with the exception of the High Deductible plans.

Transitional Reinsurance Fee: Federal Health Care Reform instituted a three-year fee program, which started in 2014, to stabilize the cost of individual and small group insurance offered through public health insurance exchanges. Employer group health plans are assessed these fees to help mitigate large losses due to adverse selection in the exchanges. The fee for Plan Year 2016 is \$27 per member (i.e., employees/retirees/dependents) per year for Actives and Early Retirees. There will be no Transitional Reinsurance Fee in Plan Year 2017.

Patient-Centered Outcomes Research Institute Fee: Beginning in 2012, Federal Health Care Reform imposed a fee to fund medical outcomes research. The annual per member fee was \$1.00 in 2012 and was increased to \$2.00 in 2013, \$2.08 in 2014, and \$2.17 in 2015. The Plan Year 2015 cost of \$2.17 per member per year is assumed to increase annually at a 6% medical inflation rate (per capita increases in National Health Expenditures) to Plan Year 2016. The aggregate costs will be paid by the plan sponsor and not the members. This fee is applicable to all members (i.e., employees/retirees/dependents).

Health Insurance Exchanges: The public health insurance exchanges that are mandated by Federal Health Care Reform, beginning in 2014, are assumed to have minimal impact on enrollment or cost levels within the SEHBP due to the SEHBP’s low employee contributions and rich benefit designs.

Full-Time Employee Definition: The Patient Protection and Affordable Care Act (Affordable Care Act) defines full-time employees as employees who work 30 or more hours per week. The employer mandate, which is applicable to full-time employees, was essentially first effective 1/1/2015. This requirement is not projected to have a cost impact on the SEHBP because in general, the State offers coverage to all full-time employees.

Minimum Value: Effective 1/1/2015, the Affordable Care Act requires employers to offer plans that have a minimum value of at least 60% (i.e., the plan’s share of total allowed costs of benefits provided under the plan is at least 60% of such costs). All of the SEHBP plan options were tested and have a

minimum value in excess of 60%. More details are included in the Minimum Value section of this report.

New Jersey State Mandates

There are no new New Jersey State mandates effective for Plan Year 2017 that will impact the SEHBP.

Vendor Changes

Medical Vendors: Aon assumes that Horizon and Aetna will be the only medical vendors in Plan Year 2017 and that both vendors will offer all benefit options. Note that the Horizon HMO options will only offer a New Jersey provider platform.

Prescription Drug Vendor: Aon assumes Express Scripts will administer all of the prescription drug plans in Plan Year 2017. It is assumed that the prescription drug discounts for Plan Year 2017 will be based on Prescription Brand Rebates as outlined in Express Scripts' August 19, 2016 proposal for the two-year contract extension for Plan Years 2017 and 2018. This contract extension proposal from Express Scripts is projected to reduce overall Plan Year 2017 prescription drug costs by approximately \$20 million (2.8%), with \$7 million (2.2%) savings for the Commercial group and \$13 million (3.3%) savings for the EGWP group.

Financial Results

The Plan Year 2015 loss ratio decreased approximately 1% since the Plan Year 2016 Renewal analysis. This improved Plan Year 2015 financial results by \$61 million, which led to a projected gain of \$40 million. The decrease in cost is largely due to better-than-expected medical claim experience for Active employees and better-than-expected prescription drug experience for Retirees.

The Plan Year 2016 projected gain of \$115 million represents a 3% decrease in the loss ratio from the Plan Year 2016 Renewal Report, or an \$81 million addition to the prior projected \$34 million gain. The decrease in cost is largely due to better-than-expected medical claim experience for Active employees and better-than-expected prescription drug experience for Retirees. Due to the adoption of the compound and Hepatitis C prescription drug solutions, prescription drug experience for Plan Year 2016 will be favorable.

The Plan Year 2017 renewal premiums are projected to produce a gain of \$35 million for Actives and no loss or gain for Retirees. The Active gain will be added to the Claim Stabilization Reserve. The Plan Year 2017 aggregate projected costs are \$2.9 billion, broken down as \$1.7 billion for Actives and \$1.2 billion for Retirees.

Eligibility Changes

Coverage of Adult Children to Age 31

New Jersey currently mandates the coverage of adult children under age 31 at a premium level that is equivalent to the child rate included in the standard premium tables, loaded 2% for additional expenses. Under the recommended revision to premium relativities for Plan Year 2017, the Adult child rate will be equivalent to 88% of the Single employee rate. Adult dependent enrollment is 395 as of March 2016.

Part-Time Coverage

Part-time employees may enroll in any of the SEHBP plans. As of March 2016, 78 Local Education part-time employees participate, so the experience is not credible. For Plan Year 2014, the costs for part-time employees were approximately 5% less than the premium collected. For Plan Year 2015, the costs for part-time employees were approximately 12% higher than the premium collected. Aon recommends that the rate load of 6% used for the Plan Year 2016 renewal be increased to 10% for the Plan Year 2017.

Enrollment Changes

Exhibit 1A shows historical enrollment patterns from January 2014 through May 2016 and Aon's projection of enrollment from June 2016 through December 2017. This projection assumes that Local Education Active enrollment will decrease 3.0% in Plan Year 2016 and 2.5% in Plan Year 2017; Early Retiree enrollment will decrease 5.0% in Plan Year 2016 and 4.0% in Plan Year 2017; and Medicare Retiree enrollment will increase 3.0% in Plan Years 2016 and 2017.

Exhibit 1B shows the projected distribution of enrollment among benefit options and assumes that 0.5% of enrollment in the Horizon NJ DIRECT10 plan will migrate to the lower-cost benefit options for Plan Year 2017.

Exhibit 1C shows enrollment by benefit option and coverage tier as of May 2016.

Demographic Changes

The Active Employee average age remained stable from Plan Year 2015 to Plan Year 2016. The average HMO Employee age increased 0.6 years from Plan Year 2015 to Plan Year 2016, while the PPO average age was stable. The average age of employees enrolled in the new benefit options is approximately 5 years younger than the average age of employees enrolled in the Legacy Plans.

Average Employee Age

	2015	2016	Change
Legacy PPO Plans	46.8	46.8	0.0
Legacy HMO Plans	48.6	49.2	0.6
Legacy Total	46.9	47.0	0.1
New Plans	41.6	42.2	0.6
Total	46.7	46.6	(0.1)

Trend Analysis

The recommended claim trend assumptions for Plan Years 2016 and 2017 are as follows:

	Plan Year 2016		Plan Year 2017	
	Medical	Prescription Drugs	Medical	Prescription Drugs
PPO Actives*	9.75%	13.50%	7.50%	11.50%
PPO Early Retirees	9.50%	12.75%	7.50%	11.00%
PPO Medicare Retirees	3.50%	12.75%	3.50%	11.00%
HMO Actives*	6.75%	13.50%	6.00%	11.50%
HMO Early Retirees	6.00%	12.75%	5.50%	11.00%
HMO Medicare Retirees	N/A	12.75%	N/A	11.00%

*Includes anti-selection trend adjustments outlined below.

The Medicare Retiree trend assumptions do not reflect the fully insured Aetna Medicare Advantage premium increases for Plan Year 2017, which reflected no change for the PPO plans and a 3% decrease for the HMO plans from Plan Year 2016.

Exhibit 2A presents historical SEHBP medical trend experience and Aon's trend assumptions for Plan Year 2017. Exhibit 2B presents similar prescription drug trend experience and assumptions. These experience trends are based on estimated incurred claim trends from January 1, 2014 to December 31, 2015. The claim costs in these exhibits have been normalized for estimated benefit and vendor changes.

Medical Trends: Aon recommended trends are based on SEHBP experience adjusted for expected future changes and vendor recommended trends:

- The two-year average experience trend for Horizon Actives is approximately 6.9%, with experience through 2015. Due to an increase in updated experience through the second quarter of 2016, the recommended PPO medical trend for Actives has been adjusted to 9.75% in Plan Year 2016; as compared to the 8.0% PPO Active medical trend in the Plan Year 2016 Renewal Report (includes the anti-selection adjustment described below). The recommended Active PPO medical trend is 7.5% in Plan Year 2017.
- Due to an increase in emerging experience through the second quarter of 2016, the recommended PPO medical trend assumption for Early Retirees has been updated to 9.5% in Plan Year 2016, from 7.0% in the Plan Year 2016 Renewal Report. The PPO Early Retiree medical trend assumption is 7.5% for Plan Year 2017.
- The Aon recommended PPO medical trend for Medicare Retirees remains at 3.5%, consistent with the Plan Year 2016 Renewal Report.

- The medical trend for HMO Actives has been adjusted to 6.75% in Plan Year 2016, from 7.5% in the Plan Year 2016 Renewal Report (includes the anti-selection adjustment described below). The HMO Active trend assumption is 6.0% in Plan Year 2017.
- The medical trend assumption for HMO Early Retirees is 6.0% for Plan Year 2016, 100 basis points lower than the trend assumption of 7.0% shown in the Plan Year 2016 Renewal Report. The HMO Early Retiree medical trend assumption is 5.5% in Plan Year 2017.

Prescription Drug Trends: Aon recommended trends are based on experience trend and the Aon Trend Survey. The trend recommendations have been adjusted for the compound drug plan design change and reflect expectations of future prescription drug trends.

The Aon prescription drug trend recommendation for Actives has been adjusted to 13.5% for Plan Year 2016 from 18.5% in the Plan Year 2016 Renewal Report. The Aon Plan Year 2017 prescription drug trend recommendation is 11.5% for Actives and 11.0% for Retirees, due to the adoption of the compound and Hepatitis C prescription drug solutions.

Additional Trend Adjustments: Based on expected terminations of Local Education Active employers from the SEHBP, the Active medical and prescription drug trends have been increased by 75 basis points for Plan Year 2016, and 50 basis points for Plan Year 2017. The Plan Year 2016 Renewal Report reflected an adjustment of 50 basis points. This adjustment is based on future expectations of the anti-selection risk (employers with good experience are terminating which will affect the SEHBP's loss ratio).

Financial Projections

Aggregate Financial Projections

Using the assumptions detailed in this report's Renewal Rate Development section, Aon updated estimated costs for Plan Years 2015, 2016 and 2017. Plan Year 2017 renewal premiums were developed to produce a 2% gain for Actives and no loss or gain for Retirees. The Active gain is included to help bring the Claim Stabilization Reserve closer to the target level of 2.0 months of Plan costs.

Projected Financial Results
(in \$ millions)

	PPO10	PPO15	HMOs	New Plans	Total
Plan Year 2015					
Premium Rates x Enrollment	\$2,135.6	\$273.5	\$186.8	\$25.6	\$2,621.5
Incurred Claims	\$2,051.6	\$250.0	\$173.7	\$20.4	\$2,495.7
Administrative Charges	\$69.4	\$9.1	\$6.7	\$1.0	\$86.2
Net Gain (Loss)	\$14.6	\$14.4	\$6.4	\$4.2	\$39.6
Plan Year 2016					
Premium Rates x Enrollment	\$2,320.8	\$288.3	\$187.9	\$43.2	\$2,840.2
Incurred Claims	\$2,173.4	\$260.3	\$167.7	\$39.5	\$2,640.9
Administrative Charges	\$68.3	\$8.8	\$5.9	\$1.4	\$84.4
Net Gain (Loss)	\$79.1	\$19.2	\$14.3	\$2.3	\$114.9
Plan Year 2017					
Premium Rates x Enrollment	\$2,331.2	\$306.1	\$191.7	\$66.2	\$2,895.2
Incurred Claims	\$2,264.5	\$283.1	\$172.7	\$62.6	\$2,782.9
Administrative Charges	\$62.5	\$8.0	\$5.3	\$1.7	\$77.5
Net Gain (Loss)	\$4.2	\$15.0	\$13.7	\$1.9	\$34.8

More detailed aggregate projections are displayed in Exhibit 3. The losses and gains displayed in this table and in Exhibit 3 assume that all premiums are fully funded.

Administrative Fees

The table below compares Plan Year 2017 administrative fees per subscriber per month with Plan Year 2016 fees. The fees below do not include fees associated with NJWELL.

	PY2016	PY2017	Change
Aetna PPO	\$31.76	\$31.83	0.2%
Horizon* PPO	\$22.75	\$23.32	2.5%
Aetna HMO	\$43.43	\$43.53	0.2%
Horizon* HMO	\$35.69	\$36.58	2.5%
Aetna HDHP	\$33.15	\$33.23	0.2%
Horizon* HDHP	\$27.41	\$28.10	2.5%
Express Scripts** Rx Card	\$3.67	\$3.37	-8.2%
Express Scripts** HDHP	\$4.62	\$4.32	-6.5%
Express Scripts** EGWP	\$13.22	\$12.37	-6.5%
Express Scripts** MM RX	\$0.26	\$0.26	2.5%

*Plan Year 2017 Horizon administrative fees are assumed to increase by 2.5% from Plan Year 2016 fee levels. This assumption is subject to change based on updated CPI-U guidelines in September 2016.

**Plan Year 2017 Express Scripts administrative fees are consistent with the administrative fees provided by Express Scripts under the Two-Year Contract Extension.

Minimum Value

Under the Affordable Care Act, beginning in 2014, eligible individuals who purchase coverage under a qualified health plan through a state health insurance exchange may receive a premium tax credit or cost-sharing subsidy unless they are eligible for other health care coverage, including coverage under an employer-sponsored health plan, that is affordable to the employee and provides minimum value. A plan fails to provide minimum value if “the plan’s share of the total allowed costs of benefits provided under the plan is less than 60% of such costs.” The 2017 SEHBP plans were tested using the Minimum Value calculator provided by Health and Human Services (HHS) and the Internal Revenue Service (IRS). All the SEHBP plans have a minimum value greater than the 60% minimum requirement with values ranging from 66% for the \$4,000 High Deductible plan up to 97% for the Active NJ DIRECT10 plan.

Renewal Rate Development

Rating Methodology

Exhibit 3 shows the aggregate projected costs for Plan Years 2015, 2016, and 2017, separately for each PPO, HMO, and High Deductible plan. Costs were projected separately for Actives, Early Retirees, and Medicare Retirees, and for medical claims, prescription drug claims, administrative costs, and aggregate premiums.

Plan Year 2017 premium increases were calculated separately for Actives, Early Retirees, and Medicare Retirees; and by coverage type: PPO, HMO, and prescription drugs. Aetna experience was used to develop the HMO premium increases; Horizon experience for the PPO premium increases; and Express Scripts experience for the prescription drug premium increases. Active premium increases were set to achieve a 2% gain in order to help rebuild the Claim Stabilization Reserve. Retiree premium increases were set to achieve no loss or gain.

Medical and Prescription Drug Claim Projections

1. Using claim data and claim triangles supplied by Horizon and Aetna, Aon estimated completed incurred claims for Plan Year 2015 and the first quarter of Plan Year 2016, separately for each benefit plan, for medical versus prescription drugs, and for Actives, Early Retirees, and Medicare Retirees.
2. Capitation and other similar fixed claim charges were added to the incurred claims to arrive at projected incurred claims.
3. Estimated incurred claims in Plan Year 2015 were divided by average covered members to get average claims per member per year. Covered members were based on historical billing enrollment data by coverage tier and adjusted with assumptions for the number of members per coverage tier.
4. Claims per member were projected from the mid-point of the experience period to the mid-point of Plan Year 2017 using the annual trend rates listed in the Trend Analysis section of this document.
5. Retiree prescription drug costs were decreased 2.3% in Plan Year 2017 to reflect the impact of the prescription drug copay and out-of-pocket limit changes.
6. Prescription drug costs were decreased by 4.9% for Actives and Retirees to reflect the Compound Drug changes made by the SEHBP PDC on January 11, 2016.
7. Prescription drug costs were decreased by 1.2% for Actives and Retirees to reflect the Hepatitis C plan design changes made by the SEHBP PDC on January 11, 2016.
8. Prescription drug costs were decreased by 2.2% for the Commercial population and 3.3% for the Medicare population to reflect the savings resulting from the two-year contract extension proposal from Express Scripts.
9. Aggregate claims for Plan Year 2017 are the product of projected enrollment and the projected claims per member.

10. Plan Year 2017 projected Aetna Medicare Advantage PPO fully insured premiums remain at Plan Year 2016 levels, and HMO fully insured premiums were decreased 3% from Plan Year 2016, based on Aetna's renewal.
11. Aon assumes that rebates for Plan Years 2015, 2016, and 2017 are equal to recommended amounts for Plan Years 2015, 2016, and 2017 provided by ESI.
12. EGWP projections include monthly CMS payments per Medicare-eligible Retiree for prescription drug coverage, an annual CMS payment for reinsurance on catastrophic claims, and prescription drug manufacturers' coverage gap reimbursement payments. These amounts are equal to recommendations from Express Scripts. The credits are projected at \$180 million for Plan Year 2015, \$188 million for Plan Year 2016 and \$210 million for Plan Year 2017. The three types of credits applied against incurred claims are as follows for Plan Year 2017:
 - a. CMS per capita payments: The Plan Year 2017 payment is assumed to be \$22.59 Per Member Per Month (PMPM) based on data received from ESI.
 - b. Coverage Gap Discount: The Plan Year 2017 PMPM credits are assumed to be \$65.80 based on data received from ESI.
 - c. Catastrophic Reinsurance: This payment has a very long lag, and the Plan Year 2015 credit is not expected until the beginning of Plan Year 2017. For Plan Year 2017, it is assumed that the credit will be \$54.90 PMPM based on projections from ESI.
13. The Plan Year 2017 projected Education Surcharge is approximately \$30 million and this is used as a credit against projected Early Retiree Costs.
14. Total SEHBP projected Plan Year 2017 claim costs are the sum of projected medical and prescription drug claims, capitation charges, payments from CMS related to EGWP Plus Wrap, the Education Surcharge, and prescription drug rebates.

Administrative Cost Projection

The administrative cost projection includes administrative charges, as well as some miscellaneous cost items:

1. Administrative fees are contractual ASO fees per subscriber per month multiplied by the projected average enrollment for the year.
2. Overhead charges, which are internal State of New Jersey administrative costs charged against the plans, projected at \$6.5 million for Plan Year 2017.
3. \$2.17 per member per year for the Patient-Centered Outcomes Research Institute Fee for Plan Year 2015. The Plan Year 2015 per member per year cost is assumed to increase annually at a 6% medical inflation rate for Plan Year 2016.
4. \$44 per non-Medicare member per year for the Transitional Reinsurance Fee for Plan Year 2015 and \$27 per non-Medicare member per year for Plan Year 2016, as required by Federal Health Care Reform. There will be no Transitional Reinsurance Fee in Plan Year 2017.

5. Projected investment income of \$0.4 million was used to reduce projected administrative costs for Plan Year 2017.
6. NJWELL expenses, projected to be \$32 per employee in Plan Year 2017.

Margin

1. Active premiums include 2% margin, since the Active Claim Stabilization Reserve at the end of Plan Year 2017 is not projected to be at or above the target reserve of 2.0 months of Plan costs as of 12/31/2017.
2. Retiree premiums include no margin since the State is responsible for covering the costs of approximately 90% of Education Retirees.

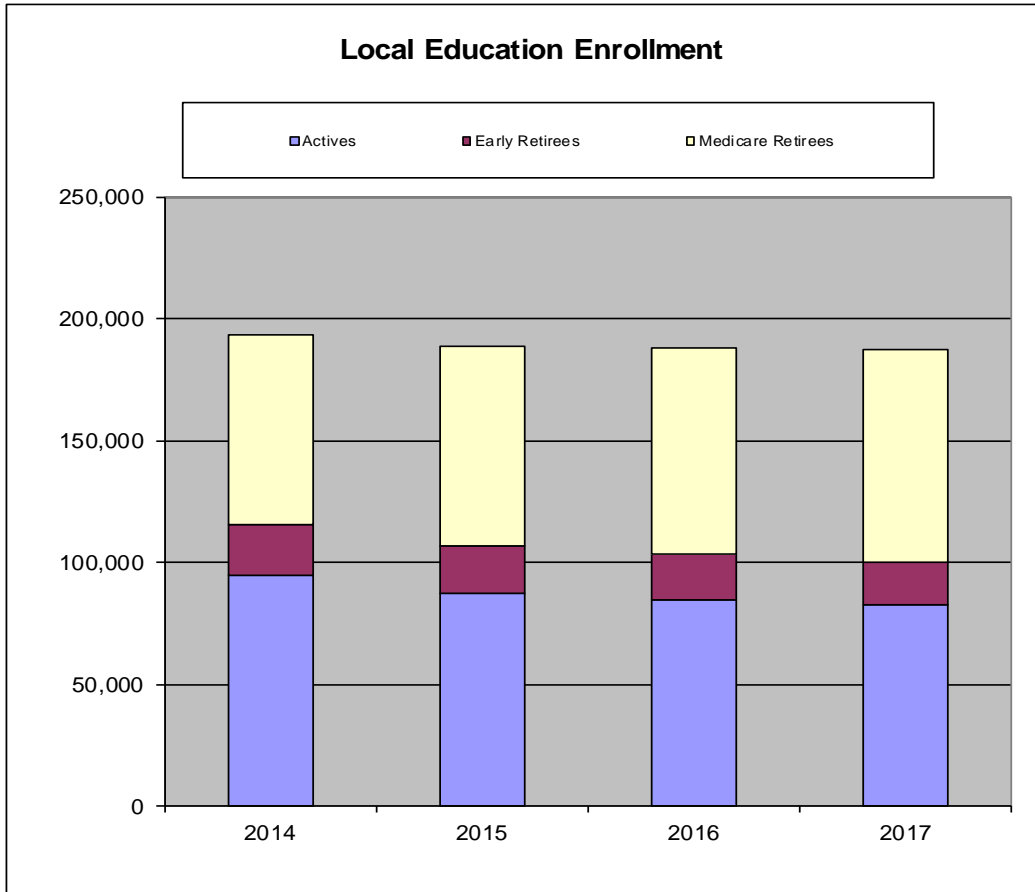
Projected Premiums

1. Plan Year 2017 premiums were developed by applying the premium increase percentages listed in the Executive Summary section of this document to the Plan Year 2016 premium rates.
2. Aggregate Plan Year 2017 premium is calculated by multiplying projected Plan Year 2017 enrollment by Plan Year 2017 premiums.

Data Assumptions

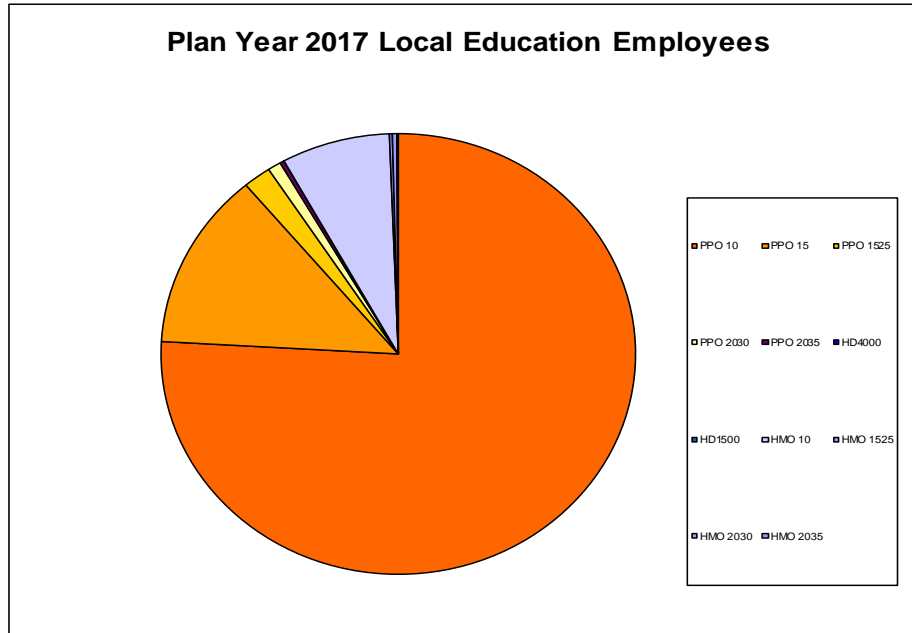
1. Claims: For medical and prescription drug claims, Aon uses claim files from each of the vendors which have claims incurred in 2015 and paid through March 2016.
2. Enrollment: Aon receives monthly census files from the Division of Pensions and Benefits, which are used to match against the claims tapes to determine enrollments for Active versus Retiree and State versus Local Employers. Billing counts from the Division of Pensions and Benefits through May 2016 are used for the exposure units in this cost analysis.

Exhibit 1A – Enrollment Projections



	Annual Change in Local Education Enrollment		
	Actual 2014 to 2015	Actual 2015 to 2016	Projected 2016 to 2017
Actives	-7.9%	-3.0%	-2.5%
Early Retirees	-7.7%	-5.0%	-4.0%
Medicare Retirees	6.0%	3.0%	3.0%

Exhibit 1B Actives – Projected Plan Year 2017 Plan Distribution



Assumes that 83% of Employees will remain in \$10 copay plans.

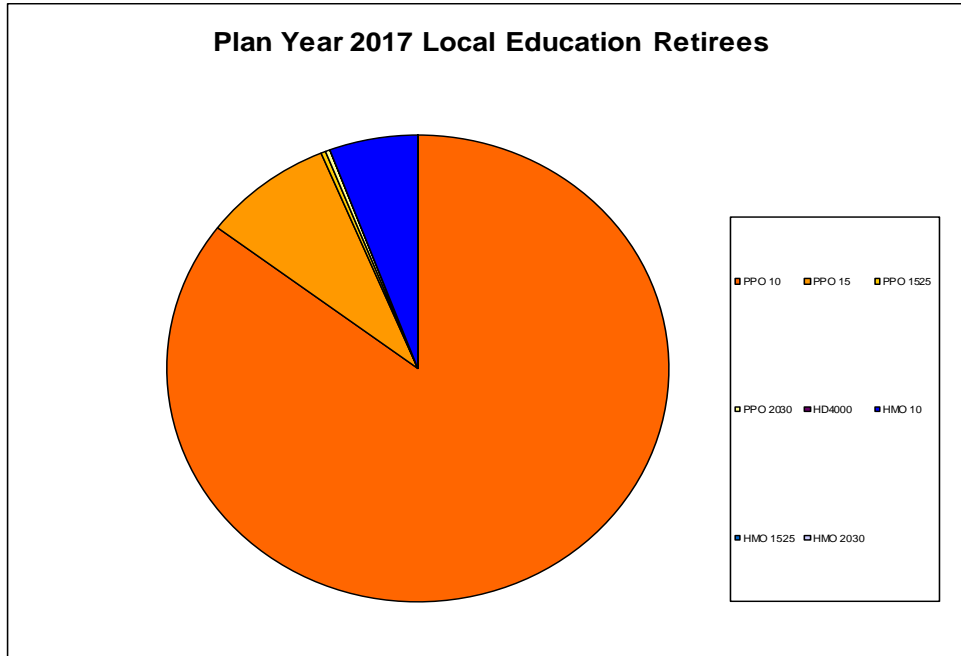
Assumes 92% of Employees will enroll in the PPO plans, 8% in the HMO plans and less than 1% in the High Deductible plans.

Assumes 96% of Employees will remain in Legacy plans with only 4% in the new benefit options.

Assumes enrollment will be split approximately 89% to Horizon and 11% to Aetna.

Actives	Horizon	Aetna	Total
PPO 10	73.5%	2.4%	75.9%
PPO 15	12.3%	0.7%	13.0%
PPO 1525	1.6%	0.3%	1.9%
PPO 2030	0.6%	0.3%	0.9%
PPO 2035	0.2%	0.1%	0.3%
HD4000	0.0%	0.0%	0.0%
HD1500	0.0%	0.0%	0.0%
HMO 10	0.5%	6.9%	7.4%
HMO 1525	0.1%	0.1%	0.2%
HMO 2030	0.2%	0.1%	0.3%
HMO 2035	0.1%	0.0%	0.1%
Total	89.1%	10.9%	100.0%

Exhibit 1B Retirees – Projected Plan Year 2017 Plan Distribution



Assumes that 91% of Retirees will remain in \$10 copay plans.

Assumes 94% of Retirees will enroll in the PPO plans, 6% in the HMO plans and 0% in the High Deductible plan.

Assumes 99% of Retirees will remain in Legacy plans with 1% moving to new benefit options.

Assumes enrollment will be split approximately 92% to Horizon and 8% to Aetna.

Retirees	Horizon	Aetna	Total
PPO 10	83.6%	1.7%	85.3%
PPO 15	8.3%	0.1%	8.4%
PPO 1525	0.2%	0.1%	0.3%
PPO 2030	0.2%	0.1%	0.3%
HD4000	0.0%	0.0%	0.0%
HMO 10	0.1%	5.6%	5.7%
HMO 1525	0.0%	0.0%	0.0%
HMO 2030	0.0%	0.0%	0.0%
Total	92.4%	7.6%	100.0%

Exhibit 1C Actives – May 2016 Enrollment

	Number of Contracts as of May 2016				
	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
EDUCATION - ACTIVE & COBRA					
Medical Plans					
Horizon 10 PPO	19,437	10,912	25,044	6,853	62,246
Horizon 15 PPO	3,820	1,500	3,846	1,249	10,415
Horizon 1525 PPO	493	189	443	110	1,235
Horizon 2030 PPO	227	51	93	40	411
Horizon 2035 PPO	118	11	29	11	169
Horizon HD4000	0	0	0	0	0
Horizon HD1500	13	2	0	2	17
Horizon Legacy HMO (10)	181	40	123	89	433
Horizon 1525 HMO	41	4	13	12	70
Horizon 2030 HMO	147	12	23	18	200
Horizon 2035 HMO	68	7	6	6	87
Horizon Total	24,545	12,728	29,620	8,390	75,283
Aetna 10 PPO	690	280	823	218	2,011
Aetna 15 PPO	247	78	215	60	600
Aetna 1525 PPO	82	23	39	18	162
Aetna 2030 PPO	83	12	31	8	134
Aetna 2035 PPO	41	8	16	2	67
Aetna HD4000	0	0	0	0	0
Aetna HD1500	5	0	0	0	5
Aetna Legacy HMO (10)	1,671	918	2,173	1,041	5,803
Aetna 1525 HMO	37	8	19	14	78
Aetna 2030 HMO	37	9	19	7	72
Aetna 2035 HMO	21	1	1	2	25
Aetna Total	2,914	1,337	3,336	1,370	8,957
Total	27,459	14,065	32,956	9,760	84,240

Exhibit 1C Retirees – May 2016 Enrollment

	Number of Contracts as of May 2016				
	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
EDUCATION RETIREES					
Medical Plans					
Horizon 10 PPO	46,458	34,985	3,893	1,408	86,744
Horizon 15 PPO	4,951	3,081	308	155	8,495
Horizon 1525 PPO	77	31	1	2	111
Horizon 2030 PPO	41	12	3	4	60
Horizon HD4000	5	3	0	2	10
Horizon HD1500	0	0	0	0	0
Horizon Legacy HMO (10)	78	49	14	9	150
Horizon 1525 HMO	8	5	1	0	14
Horizon 2030 HMO	8	4	0	3	15
Horizon Total	51,626	38,170	4,220	1,583	95,599
Aetna 10 PPO	648	832	235	75	1,790
Aetna 15 PPO	77	55	9	5	146
Aetna 1525 PPO	5	3	1	1	10
Aetna 2030 PPO	1	3	0	0	4
Aetna HD4000	5	0	1	0	6
Aetna HD1500	0	0	0	0	0
Aetna Legacy HMO (10)	3,091	2,235	306	173	5,805
Aetna 1525 HMO	19	3	0	1	23
Aetna 2030 HMO	7	1	0	0	8
Aetna Total	3,853	3,132	552	255	7,792
Total	55,479	41,302	4,772	1,838	103,391

Exhibit 2A – Medical Trend

	(A) Increase in Claims/Ee	(B) Benefit + RFP Changes	(C) = (A) - (B) Claim Trend
<u>PPO Active</u>			
1/1/2014 - 12/31/2014	6.1%	0.0%	6.1%
1/1/2015 - 12/31/2015	8.4%	0.6%	7.8%
Average			6.9%
Aon Plan Year 2017 Trend Assumption*			7.5%

<u>PPO Early Retiree</u>			
1/1/2014 - 12/31/2014	5.8%	0.0%	5.8%
1/1/2015 - 12/31/2015	9.5%	0.6%	8.9%
Average			7.4%
Aon Plan Year 2017 Trend Assumption			7.5%

<u>PPO Medicare Retiree</u>			
1/1/2014 - 12/31/2014	1.4%	0.0%	1.4%
1/1/2015 - 12/31/2015	3.5%	0.6%	2.9%
Average			2.2%
Aon Plan Year 2017 Trend Assumption			3.5%

<u>HMO Active</u>			
1/1/2014 - 12/31/2014	1.3%	0.0%	1.3%
1/1/2015 - 12/31/2015	6.9%	0.6%	6.2%
Average			3.8%
Aon Plan Year 2017 Trend Assumption*			6.0%

<u>HMO Early Retiree</u>			
1/1/2014 - 12/31/2014	5.0%	0.0%	5.0%
1/1/2015 - 12/31/2015	2.7%	0.6%	2.1%
Average			3.5%
Aon Plan Year 2017 Trend Assumption			5.5%

* Includes anti-selection trend adjustment

Normalizing Adjustments

1/1/2015: Breast evaluation and other medically necessary testing for Actives and Retirees.

1/1/2015: Autism and other developmental disabilities mandate for Actives and Retirees.

Exhibit 2B – Prescription Drug Trend

	(A) Increase in Claims/Ee	(B) Benefit + RFP Changes	(C) = (A) - (B) Claim Trend
Active Rx			
1/1/2014 - 12/31/2014	17.3%	0.0%	17.3%
1/1/2015 - 12/31/2015	38.9%	-2.8%	41.8%
Average			29.5%
Aon Plan Year 2017 Trend Assumption*			11.5%

Retiree Rx			
1/1/2014 - 12/31/2014	14.3%	-1.6%	15.8%
1/1/2015 - 12/31/2015	10.2%	-4.1%	14.3%
Average			15.1%
Aon Plan Year 2017 Trend Assumption			11.0%

* Includes anti-selection trend adjustment

Normalizing Adjustments:

1/1/2014 and 1/1/2015: Retiree Rx Copay and OOP maximum change

1/1/2015: ESI Contract Extension (Actives & Retirees)

Exhibit 3A – Plan Year 2015 Aggregate Costs

Page 1 of 2

	Legacy Plans							1525			
	Total	Aetna PPO10	Aetna PPO15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Employees and Retirees											
Average Medical Subscribers	189,030	3,090	592	150,488	19,545	12,752	538	147	662	119	83
Incurred Medical Claims	\$1,888,825,000	\$43,472,000	\$6,340,000	\$1,517,439,000	\$185,645,000	\$116,736,000	\$3,466,000	\$965,000	\$6,713,000	\$583,000	\$495,000
Capitation	\$27,487,000	\$0	\$0	\$15,196,000	\$2,134,000	\$7,466,000	\$84,000	\$0	\$75,000	\$2,380,000	\$12,000
Incurred Prescription Drug Claims	\$918,147,000	\$17,000,000	\$1,529,000	\$744,006,000	\$84,663,000	\$65,760,000	\$2,372,000	\$281,000	\$1,002,000	\$279,000	\$222,000
Prescription Drug Rebates	(\$132,093,000)	(\$2,357,000)	(\$215,000)	(\$107,072,000)	(\$12,275,000)	(\$9,444,000)	(\$335,000)	(\$38,000)	(\$144,000)	(\$39,000)	(\$31,000)
EGWP Credits	(\$179,831,000)	(\$1,687,000)	(\$177,000)	(\$151,283,000)	(\$15,920,000)	(\$10,321,000)	(\$184,000)	\$0	(\$149,000)	(\$36,000)	(\$18,000)
Education Surcharge	(\$26,840,000)	(\$851,000)	(\$45,000)	(\$22,254,000)	(\$1,670,000)	(\$1,843,000)	(\$62,000)	(\$11,000)	(\$28,000)	(\$11,000)	(\$5,000)
Administrative Fees	\$86,228,000	\$1,491,000	\$301,000	\$67,852,000	\$8,831,000	\$6,440,000	\$324,000	\$80,000	\$284,000	\$72,000	\$49,000
Total Cost	\$2,581,923,000	\$57,068,000	\$7,733,000	\$2,063,884,000	\$251,408,000	\$174,794,000	\$5,665,000	\$1,277,000	\$7,753,000	\$3,228,000	\$724,000
Total Premium	\$2,621,457,000	\$56,107,000	\$9,825,000	\$2,079,546,000	\$263,716,000	\$178,713,000	\$8,056,000	\$2,235,000	\$8,798,000	\$1,488,000	\$1,019,000
Gain (Loss)	\$39,534,000	(\$961,000)	\$2,092,000	\$15,662,000	\$12,308,000	\$3,919,000	\$2,391,000	\$958,000	\$1,045,000	(\$1,740,000)	\$295,000
Employees											
Average Medical Subscribers	87,243	1,837	475	65,107	10,919	6,712	409	138	558	92	71
Incurred Medical Claims	\$1,313,736,000	\$30,981,000	\$5,636,000	\$1,034,679,000	\$145,624,000	\$79,791,000	\$2,804,000	\$910,000	\$6,297,000	\$504,000	\$371,000
Capitation	\$20,015,000	\$0	\$0	\$9,670,000	\$1,605,000	\$6,401,000	\$68,000	\$0	\$69,000	\$2,061,000	\$10,000
Incurred Prescription Drug Claims	\$219,088,000	\$7,080,000	\$913,000	\$169,015,000	\$24,717,000	\$14,768,000	\$1,030,000	\$226,000	\$389,000	\$134,000	\$122,000
Prescription Drug Rebates	(\$30,811,000)	(\$996,000)	(\$128,000)	(\$23,767,000)	(\$3,476,000)	(\$2,077,000)	(\$145,000)	(\$32,000)	(\$55,000)	(\$19,000)	(\$17,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Education Surcharge	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$41,460,000	\$1,049,000	\$267,000	\$29,405,000	\$4,920,000	\$4,696,000	\$246,000	\$76,000	\$238,000	\$62,000	\$41,000
Total Cost	\$1,563,488,000	\$38,114,000	\$6,688,000	\$1,219,002,000	\$173,390,000	\$103,579,000	\$4,003,000	\$1,180,000	\$6,938,000	\$2,742,000	\$527,000
Total Premium	\$1,582,542,000	\$36,844,000	\$8,559,000	\$1,204,331,000	\$187,930,000	\$115,272,000	\$6,537,000	\$2,072,000	\$7,879,000	\$1,220,000	\$892,000
Gain (Loss)	\$19,054,000	(\$1,270,000)	\$1,871,000	(\$14,671,000)	\$14,540,000	\$11,693,000	\$2,534,000	\$892,000	\$941,000	(\$1,522,000)	\$365,000
Retirees											
Average Medical Subscribers	101,787	1,253	117	85,381	8,626	6,040	129	9	104	27	12
Incurred Medical Claims	\$575,089,000	\$12,491,000	\$704,000	\$482,760,000	\$40,021,000	\$36,945,000	\$662,000	\$55,000	\$416,000	\$79,000	\$124,000
Capitation	\$7,472,000	\$0	\$0	\$5,526,000	\$529,000	\$1,065,000	\$16,000	\$0	\$6,000	\$319,000	\$2,000
Incurred Prescription Drug Claims	\$699,059,000	\$9,920,000	\$616,000	\$574,991,000	\$59,946,000	\$50,992,000	\$1,342,000	\$55,000	\$613,000	\$145,000	\$100,000
Prescription Drug Rebates	(\$101,282,000)	(\$1,361,000)	(\$87,000)	(\$83,305,000)	(\$8,799,000)	(\$7,367,000)	(\$190,000)	(\$6,000)	(\$89,000)	(\$20,000)	(\$14,000)
EGWP Credits	(\$179,831,000)	(\$1,687,000)	(\$177,000)	(\$151,283,000)	(\$15,920,000)	(\$10,321,000)	(\$184,000)	\$0	(\$149,000)	(\$36,000)	(\$18,000)
Education Surcharge	(\$26,840,000)	(\$851,000)	(\$45,000)	(\$22,254,000)	(\$1,670,000)	(\$1,843,000)	(\$62,000)	(\$11,000)	(\$28,000)	(\$11,000)	(\$5,000)
Administrative Fees	\$44,768,000	\$442,000	\$34,000	\$38,447,000	\$3,911,000	\$1,744,000	\$78,000	\$4,000	\$46,000	\$10,000	\$8,000
Total Cost	\$1,018,435,000	\$18,954,000	\$1,045,000	\$844,882,000	\$78,018,000	\$71,215,000	\$1,662,000	\$97,000	\$815,000	\$486,000	\$197,000
Total Premium	\$1,038,915,000	\$19,263,000	\$1,266,000	\$875,215,000	\$75,786,000	\$63,441,000	\$1,519,000	\$163,000	\$919,000	\$268,000	\$127,000
Gain (Loss)	\$20,480,000	\$309,000	\$221,000	\$30,333,000	(\$2,232,000)	(\$7,774,000)	(\$143,000)	\$66,000	\$104,000	(\$218,000)	(\$70,000)

Exhibit 3A – Plan Year 2015 Aggregate Costs

Page 2 of 2

	2030				2035				HD 4000		HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO
Employees and Retirees												
Average Medical Subscribers	119	400	79	167	39	120	16	39	5	13	2	15
Incurred Medical Claims	\$823,000	\$2,692,000	\$468,000	\$1,327,000	\$129,000	\$752,000	\$27,000	\$393,000	\$70,000	\$98,000	\$1,000	\$191,000
Capitation	\$0	\$45,000	\$52,000	\$20,000	\$0	\$13,000	\$5,000	\$3,000	\$0	\$1,000	\$0	\$1,000
Incurred Prescription Drug Claims	\$74,000	\$455,000	\$175,000	\$217,000	\$27,000	\$48,000	\$11,000	\$14,000	\$2,000	\$3,000	\$0	\$7,000
Prescription Drug Rebates	(\$10,000)	(\$64,000)	(\$23,000)	(\$30,000)	(\$4,000)	(\$7,000)	(\$2,000)	(\$2,000)	\$0	\$0	\$0	(\$1,000)
EGWP Credits	\$0	(\$44,000)	\$0	(\$12,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Education Surcharge	(\$3,000)	(\$20,000)	(\$8,000)	(\$10,000)	\$0	\$0	\$0	\$0	(\$4,000)	(\$15,000)	\$0	\$0
Administrative Fees	\$64,000	\$174,000	\$54,000	\$93,000	\$21,000	\$50,000	\$10,000	\$22,000	\$2,000	\$6,000	\$1,000	\$7,000
Total Cost	\$948,000	\$3,238,000	\$718,000	\$1,605,000	\$173,000	\$856,000	\$51,000	\$430,000	\$70,000	\$93,000	\$2,000	\$205,000
Total Premium	\$1,650,000	\$5,190,000	\$1,043,000	\$1,659,000	\$473,000	\$1,184,000	\$113,000	\$321,000	\$39,000	\$135,000	\$15,000	\$132,000
Gain (Loss)	\$702,000	\$1,952,000	\$325,000	\$54,000	\$300,000	\$328,000	\$62,000	(\$109,000)	(\$31,000)	\$42,000	\$13,000	(\$73,000)
Employees												
Average Medical Subscribers	116	356	71	151	39	120	16	39	NA	NA	2	15
Incurred Medical Claims	\$792,000	\$2,299,000	\$328,000	\$1,227,000	\$129,000	\$752,000	\$27,000	\$393,000	NA	NA	\$1,000	\$191,000
Capitation	\$0	\$42,000	\$49,000	\$18,000	\$0	\$13,000	\$5,000	\$3,000	NA	NA	\$0	\$1,000
Incurred Prescription Drug Claims	\$62,000	\$260,000	\$88,000	\$177,000	\$27,000	\$48,000	\$11,000	\$14,000	NA	NA	\$0	\$7,000
Prescription Drug Rebates	(\$9,000)	(\$37,000)	(\$12,000)	(\$25,000)	(\$4,000)	(\$7,000)	(\$2,000)	(\$2,000)	NA	NA	\$0	(\$1,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Education Surcharge	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$62,000	\$155,000	\$48,000	\$84,000	\$21,000	\$50,000	\$10,000	\$22,000	NA	NA	\$1,000	\$7,000
Total Cost	\$907,000	\$2,719,000	\$501,000	\$1,481,000	\$173,000	\$856,000	\$51,000	\$430,000	NA	NA	\$2,000	\$205,000
Total Premium	\$1,591,000	\$4,768,000	\$928,000	\$1,481,000	\$473,000	\$1,184,000	\$113,000	\$321,000	NA	NA	\$15,000	\$132,000
Gain (Loss)	\$684,000	\$2,049,000	\$427,000	\$0	\$300,000	\$328,000	\$62,000	(\$109,000)	NA	NA	\$13,000	(\$73,000)
Retirees												
Average Medical Subscribers	3	44	8	16	NA	NA	NA	NA	5	13	NA	NA
Incurred Medical Claims	\$31,000	\$393,000	\$140,000	\$100,000	NA	NA	NA	NA	\$70,000	\$98,000	NA	NA
Capitation	\$0	\$3,000	\$3,000	\$2,000	NA	NA	NA	NA	\$0	\$1,000	NA	NA
Incurred Prescription Drug Claims	\$12,000	\$195,000	\$87,000	\$40,000	NA	NA	NA	NA	\$2,000	\$3,000	NA	NA
Prescription Drug Rebates	(\$1,000)	(\$27,000)	(\$11,000)	(\$5,000)	NA	NA	NA	NA	\$0	\$0	NA	NA
EGWP Credits	\$0	(\$44,000)	\$0	(\$12,000)	NA	NA	NA	NA	\$0	\$0	NA	NA
Education Surcharge	(\$3,000)	(\$20,000)	(\$8,000)	(\$10,000)	NA	NA	NA	NA	(\$4,000)	(\$15,000)	NA	NA
Administrative Fees	\$2,000	\$19,000	\$6,000	\$9,000	NA	NA	NA	NA	\$2,000	\$6,000	NA	NA
Total Cost	\$41,000	\$519,000	\$217,000	\$124,000	NA	NA	NA	NA	\$70,000	\$93,000	NA	NA
Total Premium	\$59,000	\$422,000	\$115,000	\$178,000	NA	NA	NA	NA	\$39,000	\$135,000	NA	NA
Gain (Loss)	\$18,000	(\$97,000)	(\$102,000)	\$54,000	NA	NA	NA	NA	(\$31,000)	\$42,000	NA	NA

Exhibit 3B – Plan Year 2016 Aggregate Costs

Page 1 of 2

	Legacy Plans							1525			
	Total	Aetna PPO10	Aetna PPO15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Employees and Retirees											
Average Medical Subscribers	187,898	3,805	758	149,193	18,903	11,671	580	172	1,338	103	85
Incurred Medical Claims	\$2,003,829,000	\$56,097,000	\$9,758,000	\$1,599,534,000	\$191,114,000	\$109,201,000	\$5,780,000	\$2,079,000	\$17,465,000	\$892,000	\$719,000
Capitation	\$27,868,000	\$0	\$0	\$15,983,000	\$2,177,000	\$6,982,000	\$95,000	\$0	\$192,000	\$2,246,000	\$13,000
Incurred Prescription Drug Claims	\$973,838,000	\$21,762,000	\$2,478,000	\$788,718,000	\$86,628,000	\$66,078,000	\$2,269,000	\$450,000	\$2,155,000	\$334,000	\$213,000
Prescription Drug Rebates	(\$147,488,000)	(\$3,097,000)	(\$377,000)	(\$119,411,000)	(\$13,373,000)	(\$9,973,000)	(\$342,000)	(\$69,000)	(\$337,000)	(\$52,000)	(\$33,000)
EGWP Credits	(\$188,463,000)	(\$2,518,000)	(\$225,000)	(\$158,751,000)	(\$16,213,000)	(\$10,242,000)	(\$219,000)	\$0	(\$164,000)	(\$34,000)	(\$22,000)
Education Surcharge	(\$28,720,000)	(\$1,244,000)	(\$62,000)	(\$23,713,000)	(\$1,643,000)	(\$1,854,000)	(\$78,000)	(\$12,000)	(\$31,000)	(\$5,000)	(\$6,000)
Administrative Fees	\$84,359,000	\$1,679,000	\$366,000	\$66,563,000	\$8,387,000	\$5,637,000	\$341,000	\$90,000	\$560,000	\$59,000	\$49,000
Total Cost	\$2,725,223,000	\$72,679,000	\$11,938,000	\$2,168,923,000	\$257,077,000	\$165,829,000	\$7,846,000	\$2,538,000	\$19,840,000	\$3,440,000	\$933,000
Total Premium	\$2,840,172,000	\$71,206,000	\$12,960,000	\$2,249,566,000	\$275,346,000	\$178,373,000	\$9,458,000	\$2,830,000	\$21,664,000	\$1,387,000	\$1,114,000
Gain (Loss)	\$114,949,000	(\$1,473,000)	\$1,022,000	\$80,643,000	\$18,269,000	\$12,544,000	\$1,612,000	\$292,000	\$1,824,000	(\$2,053,000)	\$181,000
Employees											
Average Medical Subscribers	84,624	2,020	613	62,550	10,423	5,862	430	162	1,226	80	71
Incurred Medical Claims	\$1,394,174,000	\$35,717,000	\$8,677,000	\$1,089,159,000	\$151,002,000	\$74,296,000	\$4,648,000	\$1,932,000	\$16,902,000	\$799,000	\$630,000
Capitation	\$20,359,000	\$0	\$0	\$10,179,000	\$1,664,000	\$5,960,000	\$77,000	\$0	\$185,000	\$2,114,000	\$11,000
Incurred Prescription Drug Claims	\$222,117,000	\$4,944,000	\$1,233,000	\$171,607,000	\$24,415,000	\$14,372,000	\$1,169,000	\$388,000	\$1,483,000	\$178,000	\$119,000
Prescription Drug Rebates	(\$35,579,000)	(\$792,000)	(\$197,000)	(\$27,489,000)	(\$3,911,000)	(\$2,302,000)	(\$187,000)	(\$62,000)	(\$237,000)	(\$29,000)	(\$19,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Education Surcharge	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$38,060,000	\$1,081,000	\$323,000	\$26,730,000	\$4,443,000	\$3,967,000	\$250,000	\$85,000	\$510,000	\$53,000	\$40,000
Total Cost	\$1,639,131,000	\$40,950,000	\$10,036,000	\$1,270,186,000	\$177,613,000	\$96,293,000	\$5,957,000	\$2,343,000	\$18,843,000	\$3,115,000	\$781,000
Total Premium	\$1,652,494,000	\$41,148,000	\$11,134,000	\$1,250,340,000	\$192,086,000	\$110,000,000	\$7,471,000	\$2,622,000	\$20,562,000	\$1,197,000	\$949,000
Gain (Loss)	\$13,363,000	\$198,000	\$1,098,000	(\$19,846,000)	\$14,473,000	\$13,707,000	\$1,514,000	\$279,000	\$1,719,000	(\$1,918,000)	\$168,000
Retirees											
Average Medical Subscribers	103,274	1,785	145	86,643	8,480	5,809	150	10	112	23	14
Incurred Medical Claims	\$609,655,000	\$20,380,000	\$1,081,000	\$510,375,000	\$40,112,000	\$34,905,000	\$1,132,000	\$147,000	\$563,000	\$93,000	\$89,000
Capitation	\$7,509,000	\$0	\$0	\$5,804,000	\$513,000	\$1,022,000	\$18,000	\$0	\$7,000	\$132,000	\$2,000
Incurred Prescription Drug Claims	\$751,721,000	\$16,818,000	\$1,245,000	\$617,111,000	\$62,213,000	\$51,706,000	\$1,100,000	\$62,000	\$672,000	\$156,000	\$94,000
Prescription Drug Rebates	(\$111,909,000)	(\$2,305,000)	(\$180,000)	(\$91,922,000)	(\$9,462,000)	(\$7,671,000)	(\$155,000)	(\$7,000)	(\$100,000)	(\$23,000)	(\$14,000)
EGWP Credits	(\$188,463,000)	(\$2,518,000)	(\$225,000)	(\$158,751,000)	(\$16,213,000)	(\$10,242,000)	(\$219,000)	\$0	(\$164,000)	(\$34,000)	(\$22,000)
Education Surcharge	(\$28,720,000)	(\$1,244,000)	(\$62,000)	(\$23,713,000)	(\$1,643,000)	(\$1,854,000)	(\$78,000)	(\$12,000)	(\$31,000)	(\$5,000)	(\$6,000)
Administrative Fees	\$46,299,000	\$598,000	\$43,000	\$39,833,000	\$3,944,000	\$1,670,000	\$91,000	\$5,000	\$50,000	\$6,000	\$9,000
Total Cost	\$1,086,092,000	\$31,729,000	\$1,902,000	\$898,737,000	\$79,464,000	\$69,536,000	\$1,889,000	\$195,000	\$997,000	\$325,000	\$152,000
Total Premium	\$1,187,678,000	\$30,058,000	\$1,826,000	\$999,226,000	\$83,260,000	\$68,373,000	\$1,987,000	\$208,000	\$1,102,000	\$190,000	\$165,000
Gain (Loss)	\$101,586,000	(\$1,671,000)	(\$76,000)	\$100,489,000	\$3,796,000	(\$1,163,000)	\$98,000	\$13,000	\$105,000	(\$135,000)	\$13,000

Exhibit 3B – Plan Year 2016 Aggregate Costs
Page 2 of 2

	2030				2035				HD 4000		HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO
Employees and Retirees												
Average Medical Subscribers	140	479	80	212	67	167	24	83	6	10	5	17
Incurring Medical Claims	\$1,448,000	\$4,873,000	\$725,000	\$1,481,000	\$571,000	\$1,290,000	\$120,000	\$439,000	\$42,000	\$75,000	\$23,000	\$103,000
Capitation	\$0	\$61,000	\$58,000	\$25,000	\$0	\$20,000	\$7,000	\$6,000	\$0	\$1,000	\$0	\$2,000
Incurring Prescription Drug Claims	\$379,000	\$1,230,000	\$184,000	\$328,000	\$145,000	\$304,000	\$20,000	\$77,000	\$18,000	\$28,000	\$12,000	\$28,000
Prescription Drug Rebates	(\$59,000)	(\$189,000)	(\$28,000)	(\$49,000)	(\$23,000)	(\$49,000)	(\$3,000)	(\$12,000)	(\$2,000)	(\$3,000)	(\$2,000)	(\$5,000)
EGWP Credits	\$0	(\$64,000)	\$0	(\$11,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Education Surcharge	(\$5,000)	(\$31,000)	(\$7,000)	(\$12,000)	\$0	\$0	\$0	\$0	(\$6,000)	(\$11,000)	\$0	\$0
Administrative Fees	\$73,000	\$201,000	\$53,000	\$117,000	\$35,000	\$69,000	\$15,000	\$46,000	\$3,000	\$5,000	\$3,000	\$8,000
Total Cost	\$1,836,000	\$6,081,000	\$985,000	\$1,879,000	\$728,000	\$1,634,000	\$159,000	\$556,000	\$55,000	\$95,000	\$36,000	\$136,000
Total Premium	\$2,077,000	\$6,768,000	\$1,123,000	\$2,305,000	\$827,000	\$1,870,000	\$188,000	\$733,000	\$58,000	\$124,000	\$39,000	\$156,000
Gain (Loss)	\$241,000	\$687,000	\$138,000	\$426,000	\$99,000	\$236,000	\$29,000	\$177,000	\$3,000	\$29,000	\$3,000	\$20,000
Employees												
Average Medical Subscribers	136	419	72	197	67	167	24	83	NA	NA	5	17
Incurring Medical Claims	\$1,392,000	\$4,452,000	\$664,000	\$1,358,000	\$571,000	\$1,290,000	\$120,000	\$439,000	NA	NA	\$23,000	\$103,000
Capitation	\$0	\$56,000	\$55,000	\$23,000	\$0	\$20,000	\$7,000	\$6,000	NA	NA	\$0	\$2,000
Incurring Prescription Drug Claims	\$353,000	\$879,000	\$151,000	\$240,000	\$145,000	\$304,000	\$20,000	\$77,000	NA	NA	\$12,000	\$28,000
Prescription Drug Rebates	(\$57,000)	(\$141,000)	(\$24,000)	(\$38,000)	(\$23,000)	(\$49,000)	(\$3,000)	(\$12,000)	NA	NA	(\$2,000)	(\$5,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Education Surcharge	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$71,000	\$175,000	\$48,000	\$108,000	\$35,000	\$69,000	\$15,000	\$46,000	NA	NA	\$3,000	\$8,000
Total Cost	\$1,759,000	\$5,421,000	\$894,000	\$1,691,000	\$728,000	\$1,634,000	\$159,000	\$556,000	NA	NA	\$36,000	\$136,000
Total Premium	\$1,978,000	\$6,083,000	\$1,011,000	\$2,100,000	\$827,000	\$1,870,000	\$188,000	\$733,000	NA	NA	\$39,000	\$156,000
Gain (Loss)	\$219,000	\$662,000	\$117,000	\$409,000	\$99,000	\$236,000	\$29,000	\$177,000	NA	NA	\$3,000	\$20,000
Retirees												
Average Medical Subscribers	4	60	8	15	NA	NA	NA	NA	6	10	NA	NA
Incurring Medical Claims	\$56,000	\$421,000	\$61,000	\$123,000	NA	NA	NA	NA	\$42,000	\$75,000	NA	NA
Capitation	\$0	\$5,000	\$3,000	\$2,000	NA	NA	NA	NA	\$0	\$1,000	NA	NA
Incurring Prescription Drug Claims	\$26,000	\$351,000	\$33,000	\$88,000	NA	NA	NA	NA	\$18,000	\$28,000	NA	NA
Prescription Drug Rebates	(\$2,000)	(\$48,000)	(\$4,000)	(\$11,000)	NA	NA	NA	NA	(\$2,000)	(\$3,000)	NA	NA
EGWP Credits	\$0	(\$64,000)	\$0	(\$11,000)	NA	NA	NA	NA	\$0	\$0	NA	NA
Education Surcharge	(\$5,000)	(\$31,000)	(\$7,000)	(\$12,000)	NA	NA	NA	NA	(\$6,000)	(\$11,000)	NA	NA
Administrative Fees	\$2,000	\$26,000	\$5,000	\$9,000	NA	NA	NA	NA	\$3,000	\$5,000	NA	NA
Total Cost	\$77,000	\$660,000	\$91,000	\$188,000	NA	NA	NA	NA	\$55,000	\$95,000	NA	NA
Total Premium	\$99,000	\$685,000	\$112,000	\$205,000	NA	NA	NA	NA	\$58,000	\$124,000	NA	NA
Gain (Loss)	\$22,000	\$25,000	\$21,000	\$17,000	NA	NA	NA	NA	\$3,000	\$29,000	NA	NA

Exhibit 3C – Projected Plan Year 2017 Aggregate Costs

Page 1 of 2

	Total	Legacy Plans						1525				
		Aetna PPO10	Aetna PPO15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	
Employees and Retirees												
Average Medical Subscribers	187,576	3,755	743	148,202	18,833	11,619	570	391	1,531	112	94	
Incurred Medical Claims	\$2,097,688,000	\$54,956,000	\$10,836,000	\$1,658,347,000	\$206,824,000	\$110,828,000	\$6,413,000	\$4,888,000	\$21,847,000	\$1,175,000	\$1,012,000	
Capitation	\$29,534,000	\$0	\$0	\$16,599,000	\$2,348,000	\$7,028,000	\$105,000	\$0	\$242,000	\$2,908,000	\$18,000	
Incurred Prescription Drug Claims	\$1,051,173,000	\$21,737,000	\$2,875,000	\$844,651,000	\$95,621,000	\$70,395,000	\$2,490,000	\$1,837,000	\$4,486,000	\$511,000	\$356,000	
Prescription Drug Rebates	(\$154,817,000)	(\$3,084,000)	(\$430,000)	(\$124,224,000)	(\$14,335,000)	(\$10,357,000)	(\$371,000)	(\$272,000)	(\$682,000)	(\$77,000)	(\$53,000)	
EGWP Credits	(\$210,447,000)	(\$2,707,000)	(\$254,000)	(\$175,574,000)	(\$18,584,000)	(\$11,628,000)	(\$258,000)	(\$255,000)	(\$459,000)	(\$68,000)	(\$48,000)	
Education Surcharge	(\$30,270,000)	(\$1,047,000)	(\$66,000)	(\$25,209,000)	(\$66,000)	(\$1,821,000)	(\$70,000)	(\$47,000)	(\$78,000)	(\$10,000)	(\$8,000)	
Administrative Fees	\$77,503,000	\$1,446,000	\$318,000	\$61,111,000	\$7,657,000	\$5,005,000	\$311,000	\$193,000	\$576,000	\$56,000	\$51,000	
Total Cost	\$2,860,364,000	\$71,301,000	\$13,279,000	\$2,255,701,000	\$277,777,000	\$169,450,000	\$8,620,000	\$6,344,000	\$25,932,000	\$4,495,000	\$1,328,000	
Total Premium	\$2,895,159,000	\$68,444,000	\$14,026,000	\$2,262,817,000	\$292,128,000	\$180,994,000	\$10,656,000	\$6,524,000	\$27,881,000	\$1,827,000	\$1,555,000	
Gain (Loss)	\$34,795,000	(\$2,857,000)	\$747,000	\$7,116,000	\$14,351,000	\$11,544,000	\$2,036,000	\$180,000	\$1,949,000	(\$2,668,000)	\$227,000	
Employees												
Average Medical Subscribers	82,505	1,969	597	60,574	10,162	5,715	419	257	1,295	78	69	
Incurred Medical Claims	\$1,455,410,000	\$37,134,000	\$9,676,000	\$1,119,627,000	\$163,644,000	\$75,415,000	\$5,326,000	\$4,039,000	\$20,404,000	\$992,000	\$860,000	
Capitation	\$21,547,000	\$0	\$0	\$10,466,000	\$1,803,000	\$6,049,000	\$88,000	\$0	\$224,000	\$2,635,000	\$15,000	
Incurred Prescription Drug Claims	\$236,406,000	\$5,502,000	\$1,517,000	\$180,385,000	\$26,322,000	\$14,317,000	\$1,319,000	\$611,000	\$2,677,000	\$207,000	\$171,000	
Prescription Drug Rebates	(\$37,346,000)	(\$869,000)	(\$240,000)	(\$28,495,000)	(\$4,158,000)	(\$2,262,000)	(\$208,000)	(\$96,000)	(\$423,000)	(\$33,000)	(\$27,000)	
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Education Surcharge	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Administrative Fees	\$32,053,000	\$923,000	\$279,000	\$22,140,000	\$3,734,000	\$3,475,000	\$222,000	\$120,000	\$472,000	\$47,000	\$36,000	
Total Cost	\$1,708,070,000	\$42,690,000	\$11,232,000	\$1,304,123,000	\$191,345,000	\$96,994,000	\$6,747,000	\$4,674,000	\$23,354,000	\$3,848,000	\$1,055,000	
Total Premium	\$1,742,847,000	\$42,578,000	\$12,223,000	\$1,297,687,000	\$209,084,000	\$114,787,000	\$8,737,000	\$5,089,000	\$25,408,000	\$1,479,000	\$1,296,000	
Gain (Loss)	\$34,777,000	(\$112,000)	\$991,000	(\$6,436,000)	\$17,739,000	\$17,793,000	\$1,990,000	\$415,000	\$2,054,000	(\$2,369,000)	\$241,000	
Retirees												
Average Medical Subscribers	105,071	1,786	146	87,628	8,671	5,904	151	134	236	34	25	
Incurred Medical Claims	\$642,278,000	\$17,822,000	\$1,160,000	\$538,720,000	\$43,180,000	\$35,413,000	\$1,087,000	\$849,000	\$1,443,000	\$183,000	\$152,000	
Capitation	\$7,987,000	\$0	\$0	\$6,133,000	\$545,000	\$979,000	\$17,000	\$0	\$18,000	\$273,000	\$3,000	
Incurred Prescription Drug Claims	\$814,767,000	\$16,235,000	\$1,358,000	\$664,266,000	\$69,299,000	\$56,078,000	\$1,171,000	\$1,226,000	\$1,809,000	\$304,000	\$185,000	
Prescription Drug Rebates	(\$117,471,000)	(\$2,215,000)	(\$190,000)	(\$95,729,000)	(\$10,177,000)	(\$8,095,000)	(\$163,000)	(\$176,000)	(\$259,000)	(\$44,000)	(\$26,000)	
EGWP Credits	(\$210,447,000)	(\$2,707,000)	(\$254,000)	(\$175,574,000)	(\$18,584,000)	(\$11,628,000)	(\$258,000)	(\$255,000)	(\$459,000)	(\$68,000)	(\$48,000)	
Education Surcharge	(\$30,270,000)	(\$1,047,000)	(\$66,000)	(\$25,209,000)	(\$66,000)	(\$1,821,000)	(\$70,000)	(\$47,000)	(\$78,000)	(\$10,000)	(\$8,000)	
Administrative Fees	\$45,450,000	\$523,000	\$39,000	\$38,971,000	\$3,923,000	\$1,530,000	\$89,000	\$73,000	\$104,000	\$9,000	\$15,000	
Total Cost	\$1,152,294,000	\$28,611,000	\$2,047,000	\$951,578,000	\$86,432,000	\$72,456,000	\$1,873,000	\$1,670,000	\$2,578,000	\$647,000	\$273,000	
Total Premium	\$1,152,312,000	\$25,866,000	\$1,803,000	\$965,130,000	\$83,044,000	\$66,207,000	\$1,919,000	\$1,435,000	\$2,473,000	\$348,000	\$259,000	
Gain (Loss)	\$18,000	(\$2,745,000)	(\$244,000)	\$13,552,000	(\$3,388,000)	(\$6,249,000)	\$46,000	(\$235,000)	(\$105,000)	(\$299,000)	(\$14,000)	

Exhibit 3C – Projected Plan Year 2017 Aggregate Costs

Page 2 of 2

	2030				2035				HD 4000		HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO
Employees and Retirees												
Average Medical Subscribers	333	665	88	218	81	179	23	81	8	12	13	25
Incurred Medical Claims	\$3,826,000	\$8,273,000	\$994,000	\$2,481,000	\$1,019,000	\$2,228,000	\$246,000	\$814,000	\$75,000	\$113,000	\$170,000	\$323,000
Capitation	\$0	\$101,000	\$75,000	\$42,000	\$0	\$35,000	\$15,000	\$12,000	\$0	\$1,000	\$0	\$5,000
Incurred Prescription Drug Claims	\$1,630,000	\$2,607,000	\$329,000	\$537,000	\$234,000	\$499,000	\$33,000	\$195,000	\$31,000	\$42,000	\$28,000	\$49,000
Prescription Drug Rebates	(\$243,000)	(\$390,000)	(\$48,000)	(\$80,000)	(\$37,000)	(\$79,000)	(\$5,000)	(\$31,000)	(\$3,000)	(\$4,000)	(\$4,000)	(\$8,000)
EGWP Credits	(\$232,000)	(\$321,000)	(\$23,000)	(\$36,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Education Surcharge	(\$36,000)	(\$66,000)	(\$13,000)	(\$17,000)	\$0	\$0	\$0	\$0	(\$11,000)	(\$17,000)	\$0	\$0
Administrative Fees	\$165,000	\$257,000	\$54,000	\$115,000	\$39,000	\$67,000	\$14,000	\$43,000	\$4,000	\$5,000	\$6,000	\$10,000
Total Cost	\$5,110,000	\$10,461,000	\$1,368,000	\$3,042,000	\$1,255,000	\$2,750,000	\$303,000	\$1,033,000	\$96,000	\$140,000	\$200,000	\$379,000
Total Premium	\$5,215,000	\$11,176,000	\$1,499,000	\$3,579,000	\$1,358,000	\$3,004,000	\$339,000	\$1,267,000	\$87,000	\$132,000	\$226,000	\$425,000
Gain (Loss)	\$105,000	\$715,000	\$131,000	\$537,000	\$103,000	\$254,000	\$36,000	\$234,000	(\$9,000)	(\$8,000)	\$26,000	\$46,000
Employees												
Average Medical Subscribers	215	491	70	192	81	179	23	81	NA	NA	13	25
Incurred Medical Claims	\$3,172,000	\$7,196,000	\$840,000	\$2,285,000	\$1,019,000	\$2,228,000	\$246,000	\$814,000	NA	NA	\$170,000	\$323,000
Capitation	\$0	\$91,000	\$70,000	\$39,000	\$0	\$35,000	\$15,000	\$12,000	NA	NA	\$0	\$5,000
Incurred Prescription Drug Claims	\$535,000	\$1,277,000	\$175,000	\$353,000	\$234,000	\$499,000	\$33,000	\$195,000	NA	NA	\$28,000	\$49,000
Prescription Drug Rebates	(\$85,000)	(\$202,000)	(\$28,000)	(\$56,000)	(\$37,000)	(\$79,000)	(\$5,000)	(\$31,000)	NA	NA	(\$4,000)	(\$8,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Education Surcharge	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$101,000	\$182,000	\$43,000	\$100,000	\$39,000	\$67,000	\$14,000	\$43,000	NA	NA	\$6,000	\$10,000
Total Cost	\$3,723,000	\$8,544,000	\$1,100,000	\$2,721,000	\$1,255,000	\$2,750,000	\$303,000	\$1,033,000	NA	NA	\$200,000	\$379,000
Total Premium	\$4,040,000	\$9,325,000	\$1,247,000	\$3,248,000	\$1,358,000	\$3,004,000	\$339,000	\$1,267,000	NA	NA	\$226,000	\$425,000
Gain (Loss)	\$317,000	\$781,000	\$147,000	\$527,000	\$103,000	\$254,000	\$36,000	\$234,000	NA	NA	\$26,000	\$46,000
Retirees												
Average Medical Subscribers	118	174	18	26	NA	NA	NA	NA	8	12	NA	NA
Incurred Medical Claims	\$654,000	\$1,077,000	\$154,000	\$196,000	NA	NA	NA	NA	\$75,000	\$113,000	NA	NA
Capitation	\$0	\$10,000	\$5,000	\$3,000	NA	NA	NA	NA	\$0	\$1,000	NA	NA
Incurred Prescription Drug Claims	\$1,095,000	\$1,330,000	\$154,000	\$184,000	NA	NA	NA	NA	\$31,000	\$42,000	NA	NA
Prescription Drug Rebates	(\$158,000)	(\$188,000)	(\$20,000)	(\$24,000)	NA	NA	NA	NA	(\$3,000)	(\$4,000)	NA	NA
EGWP Credits	(\$232,000)	(\$321,000)	(\$23,000)	(\$36,000)	NA	NA	NA	NA	\$0	\$0	NA	NA
Education Surcharge	(\$36,000)	(\$66,000)	(\$13,000)	(\$17,000)	NA	NA	NA	NA	(\$11,000)	(\$17,000)	NA	NA
Administrative Fees	\$64,000	\$75,000	\$11,000	\$15,000	NA	NA	NA	NA	\$4,000	\$5,000	NA	NA
Total Cost	\$1,387,000	\$1,917,000	\$268,000	\$321,000	NA	NA	NA	NA	\$96,000	\$140,000	NA	NA
Total Premium	\$1,175,000	\$1,851,000	\$252,000	\$331,000	NA	NA	NA	NA	\$87,000	\$132,000	NA	NA
Gain (Loss)	(\$212,000)	(\$66,000)	(\$16,000)	\$10,000	NA	NA	NA	NA	(\$9,000)	(\$8,000)	NA	NA

Exhibit 4A – Plan Year 2017 Monthly Active Premiums
Page 1 of 2

	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Medical Coverage Only										
Single	\$809.92	\$771.02	\$809.92	\$771.02	\$742.65	\$735.24	\$748.31	\$748.31	\$685.77	\$678.92
Employee+Spouse	\$1,619.84	\$1,542.04	\$1,619.84	\$1,542.04	\$1,485.30	\$1,470.48	\$1,496.62	\$1,496.62	\$1,371.54	\$1,357.84
Family	\$2,316.37	\$2,205.12	\$2,316.37	\$2,205.12	\$2,123.98	\$2,102.79	\$2,140.17	\$2,140.17	\$1,961.30	\$1,941.71
Employee+Child(ren)	\$1,506.45	\$1,434.10	\$1,506.45	\$1,434.10	\$1,381.33	\$1,367.55	\$1,391.86	\$1,391.86	\$1,275.53	\$1,262.79
Adult Child Rate	\$710.46	\$676.34	\$710.46	\$676.34	\$651.45	\$644.96	\$656.42	\$656.42	\$601.56	\$595.55
	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Rx Card										
Single	\$223.58	\$223.58	\$223.58	\$223.58	\$223.58	\$223.58	\$202.78	\$202.78	\$202.78	\$202.78
Employee+Spouse	\$447.15	\$447.15	\$447.15	\$447.15	\$447.15	\$447.15	\$405.56	\$405.56	\$405.56	\$405.56
Family	\$639.44	\$639.44	\$639.44	\$639.44	\$639.44	\$639.44	\$579.95	\$579.95	\$579.95	\$579.95
Employee+Child(ren)	\$415.86	\$415.86	\$415.86	\$415.86	\$415.86	\$415.86	\$377.17	\$377.17	\$377.17	\$377.17
Adult Child Rate	\$196.13	\$196.13	\$196.13	\$196.13	\$196.13	\$196.13	\$177.88	\$177.88	\$177.88	\$177.88
	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Rx with Medical Coverage										
Single	\$973.15	\$926.40	\$973.15	\$926.40	\$957.54	\$950.13	\$893.93	\$893.93	\$888.55	\$881.70
Employee+Spouse	\$1,946.29	\$1,852.83	\$1,946.29	\$1,852.83	\$1,915.09	\$1,900.27	\$1,787.83	\$1,787.83	\$1,777.10	\$1,763.40
Family	\$2,783.21	\$2,649.51	\$2,783.21	\$2,649.51	\$2,738.57	\$2,717.38	\$2,556.64	\$2,556.64	\$2,541.25	\$2,521.66
Employee+Child(ren)	\$1,810.06	\$1,723.11	\$1,810.06	\$1,723.11	\$1,781.03	\$1,767.25	\$1,662.71	\$1,662.71	\$1,652.70	\$1,639.96
Adult Child Rate	\$853.65	\$812.64	\$853.65	\$812.64	\$839.96	\$833.46	\$784.16	\$784.16	\$779.43	\$773.43

Exhibit 4A – Plan Year 2017 Monthly Active Premiums
Page 2 of 2

	2030				2035				HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
Medical Coverage Only										
Single	\$703.26	\$703.26	\$644.87	\$638.42	\$604.81	\$604.81	\$554.59	\$549.03	\$631.00	\$631.00
Employee+Spouse	\$1,406.52	\$1,406.52	\$1,289.74	\$1,276.84	\$1,209.62	\$1,209.62	\$1,109.18	\$1,098.06	\$1,262.00	\$1,262.00
Family	\$2,011.32	\$2,011.32	\$1,844.33	\$1,825.88	\$1,729.76	\$1,729.76	\$1,586.13	\$1,570.23	\$1,804.66	\$1,804.66
Employee+Child(ren)	\$1,308.06	\$1,308.06	\$1,199.46	\$1,187.46	\$1,124.95	\$1,124.95	\$1,031.54	\$1,021.20	\$1,173.66	\$1,173.66
Adult Child Rate	\$616.90	\$616.90	\$565.68	\$560.02	\$530.54	\$530.54	\$486.49	\$481.61	\$553.51	\$553.51
	2030				2035				HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
Rx Card										
Single	\$206.37	\$206.37	\$206.37	\$206.37	\$185.73	\$185.73	\$185.73	\$185.73	\$211.96	\$211.96
Employee+Spouse	\$412.71	\$412.71	\$412.71	\$412.71	\$371.46	\$371.46	\$371.46	\$371.46	\$423.93	\$423.93
Family	\$590.22	\$590.22	\$590.22	\$590.22	\$531.19	\$531.19	\$531.19	\$531.19	\$606.21	\$606.21
Employee+Child(ren)	\$383.85	\$383.85	\$383.85	\$383.85	\$345.46	\$345.46	\$345.46	\$345.46	\$394.25	\$394.25
Adult Child Rate	\$181.03	\$181.03	\$181.03	\$181.03	\$162.92	\$162.92	\$162.92	\$162.92	\$185.94	\$185.94
	2030				2035				HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
Rx with Medical Coverage										
Single	\$848.88	\$848.88	\$851.24	\$844.79	\$735.87	\$735.87	\$740.32	\$734.76	\$842.96	\$842.96
Employee+Spouse	\$1,697.73	\$1,697.73	\$1,702.45	\$1,689.55	\$1,471.72	\$1,471.72	\$1,480.64	\$1,469.52	\$1,685.93	\$1,685.93
Family	\$2,427.79	\$2,427.79	\$2,434.55	\$2,416.10	\$2,104.59	\$2,104.59	\$2,117.32	\$2,101.42	\$2,410.87	\$2,410.87
Employee+Child(ren)	\$1,578.91	\$1,578.91	\$1,583.31	\$1,571.31	\$1,368.72	\$1,368.72	\$1,377.00	\$1,366.66	\$1,567.91	\$1,567.91
Adult Child Rate	\$744.63	\$744.63	\$746.71	\$741.05	\$645.51	\$645.51	\$649.41	\$644.54	\$739.45	\$739.45

Exhibit 4B – Plan Year 2017 Annual Active Premiums
Page 1 of 2

	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Medical Coverage Only										
Single	\$9,719	\$9,252	\$9,719	\$9,252	\$8,912	\$8,823	\$8,980	\$8,980	\$8,229	\$8,147
Employee+Spouse	\$19,438	\$18,504	\$19,438	\$18,504	\$17,824	\$17,646	\$17,959	\$17,959	\$16,458	\$16,294
Family	\$27,796	\$26,461	\$27,796	\$26,461	\$25,488	\$25,233	\$25,682	\$25,682	\$23,536	\$23,301
Employee+Child(ren)	\$18,077	\$17,209	\$18,077	\$17,209	\$16,576	\$16,411	\$16,702	\$16,702	\$15,306	\$15,153
Adult Child Rate	\$8,526	\$8,116	\$8,526	\$8,116	\$7,817	\$7,740	\$7,877	\$7,877	\$7,219	\$7,147
Rx Card										
Single	\$2,683	\$2,683	\$2,683	\$2,683	\$2,683	\$2,683	\$2,433	\$2,433	\$2,433	\$2,433
Employee+Spouse	\$5,366	\$5,366	\$5,366	\$5,366	\$5,366	\$5,366	\$4,867	\$4,867	\$4,867	\$4,867
Family	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$7,673	\$6,959	\$6,959	\$6,959	\$6,959
Employee+Child(ren)	\$4,990	\$4,990	\$4,990	\$4,990	\$4,990	\$4,990	\$4,526	\$4,526	\$4,526	\$4,526
Adult Child Rate	\$2,354	\$2,354	\$2,354	\$2,354	\$2,354	\$2,354	\$2,135	\$2,135	\$2,135	\$2,135
Rx with Medical Coverage										
Single	\$11,678	\$11,117	\$11,678	\$11,117	\$11,490	\$11,402	\$10,727	\$10,727	\$10,663	\$10,580
Employee+Spouse	\$23,355	\$22,234	\$23,355	\$22,234	\$22,981	\$22,803	\$21,454	\$21,454	\$21,325	\$21,161
Family	\$33,399	\$31,794	\$33,399	\$31,794	\$32,863	\$32,609	\$30,680	\$30,680	\$30,495	\$30,260
Employee+Child(ren)	\$21,721	\$20,677	\$21,721	\$20,677	\$21,372	\$21,207	\$19,953	\$19,953	\$19,832	\$19,680
Adult Child Rate	\$10,244	\$9,752	\$10,244	\$9,752	\$10,080	\$10,002	\$9,410	\$9,410	\$9,353	\$9,281

Exhibit 4B – Plan Year 2017 Annual Active Premiums
Page 2 of 2

	2030				2035				HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
Medical Coverage Only										
Single	\$8,439	\$8,439	\$7,738	\$7,661	\$7,258	\$7,258	\$6,655	\$6,588	\$7,572	\$7,572
Employee+Spouse	\$16,878	\$16,878	\$15,477	\$15,322	\$14,515	\$14,515	\$13,310	\$13,177	\$15,144	\$15,144
Family	\$24,136	\$24,136	\$22,132	\$21,911	\$20,757	\$20,757	\$19,034	\$18,843	\$21,656	\$21,656
Employee+Child(ren)	\$15,697	\$15,697	\$14,394	\$14,250	\$13,499	\$13,499	\$12,378	\$12,254	\$14,084	\$14,084
Adult Child Rate	\$7,403	\$7,403	\$6,788	\$6,720	\$6,366	\$6,366	\$5,838	\$5,779	\$6,642	\$6,642
	2030				2035				HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
Rx Card										
Single	\$2,476	\$2,476	\$2,476	\$2,476	\$2,229	\$2,229	\$2,229	\$2,229	\$2,544	\$2,544
Employee+Spouse	\$4,953	\$4,953	\$4,953	\$4,953	\$4,458	\$4,458	\$4,458	\$4,458	\$5,087	\$5,087
Family	\$7,083	\$7,083	\$7,083	\$7,083	\$6,374	\$6,374	\$6,374	\$6,374	\$7,275	\$7,275
Employee+Child(ren)	\$4,606	\$4,606	\$4,606	\$4,606	\$4,146	\$4,146	\$4,146	\$4,146	\$4,731	\$4,731
Adult Child Rate	\$2,172	\$2,172	\$2,172	\$2,172	\$1,955	\$1,955	\$1,955	\$1,955	\$2,231	\$2,231
	2030				2035				HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
Rx with Medical Coverage										
Single	\$10,187	\$10,187	\$10,215	\$10,137	\$8,830	\$8,830	\$8,884	\$8,817	\$10,116	\$10,116
Employee+Spouse	\$20,373	\$20,373	\$20,429	\$20,275	\$17,661	\$17,661	\$17,768	\$17,634	\$20,231	\$20,231
Family	\$29,133	\$29,133	\$29,215	\$28,993	\$25,255	\$25,255	\$25,408	\$25,217	\$28,930	\$28,930
Employee+Child(ren)	\$18,947	\$18,947	\$19,000	\$18,856	\$16,425	\$16,425	\$16,524	\$16,400	\$18,815	\$18,815
Adult Child Rate	\$8,936	\$8,936	\$8,961	\$8,893	\$7,746	\$7,746	\$7,793	\$7,734	\$8,873	\$8,873

Exhibit 4C – Plan Year 2017 Monthly Retiree Premiums

Page 1 of 2

	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Total Premium										
Single - 0 Medicare	\$1,196.12	\$1,141.48	\$1,196.12	\$1,141.48	\$1,111.80	\$1,103.61	\$1,101.31	\$1,101.31	\$1,029.34	\$1,021.93
Single - 1 Medicare	\$480.59	\$458.24	\$476.38	\$454.47	\$497.37	\$495.10	NA	\$428.96	\$454.12	\$452.28
EE+Spouse - 0 Medicare	\$2,607.52	\$2,488.43	\$2,607.52	\$2,488.43	\$2,424.03	\$2,406.17	\$2,400.83	\$2,400.83	\$2,243.96	\$2,227.79
EE+Spouse - 1 Medicare	\$1,640.40	\$1,565.19	\$1,616.57	\$1,543.04	\$1,572.00	\$1,562.01	NA	\$1,489.78	\$1,448.61	\$1,439.82
EE+Spouse - 2 Medicare	\$961.17	\$916.48	\$952.76	\$908.94	\$994.72	\$990.17	NA	\$857.93	\$908.18	\$904.50
Family - 0 Medicare	\$2,966.35	\$2,830.87	\$2,966.35	\$2,830.87	\$2,757.34	\$2,737.02	\$2,731.21	\$2,731.21	\$2,552.74	\$2,534.33
Family - 1 Medicare	\$1,964.49	\$1,874.23	\$1,935.11	\$1,846.86	\$1,868.13	\$1,855.94	NA	\$1,785.66	\$1,722.67	\$1,711.88
Family - 2 Medicare	\$1,233.19	\$1,175.82	\$1,222.39	\$1,166.15	\$1,228.10	\$1,222.47	NA	\$1,100.72	\$1,123.35	\$1,119.04
EE+Ch - 0 Medicare	\$1,674.55	\$1,598.06	\$1,674.55	\$1,598.06	\$1,556.92	\$1,545.43	\$1,541.80	\$1,541.80	\$1,441.09	\$1,430.70
EE+Ch - 1 Medicare	\$760.93	\$725.55	\$754.27	\$719.58	\$729.38	\$726.05	NA	\$679.20	\$667.59	\$665.18
Medical Premium										
Single - 0 Medicare	\$912.58	\$857.94	\$912.58	\$857.94	\$819.42	\$811.23	\$826.53	\$826.53	\$742.19	\$734.78
Single - 1 Medicare	\$214.58	\$192.23	\$210.37	\$188.46	\$227.75	\$225.48	NA	\$171.18	\$184.62	\$182.78
EE+Spouse - 0 Medicare	\$1,989.41	\$1,870.32	\$1,989.41	\$1,870.32	\$1,786.33	\$1,768.47	\$1,801.83	\$1,801.83	\$1,617.98	\$1,601.81
EE+Spouse - 1 Medicare	\$1,077.75	\$1,002.54	\$1,053.92	\$980.39	\$997.54	\$987.55	NA	\$944.52	\$878.68	\$869.89
EE+Spouse - 2 Medicare	\$429.13	\$384.44	\$420.72	\$376.90	\$455.49	\$450.94	NA	\$342.35	\$369.16	\$365.48
Family - 0 Medicare	\$2,263.19	\$2,127.71	\$2,263.19	\$2,127.71	\$2,032.15	\$2,011.83	\$2,049.80	\$2,049.80	\$1,840.65	\$1,822.24
Family - 1 Medicare	\$1,328.91	\$1,238.65	\$1,299.53	\$1,211.28	\$1,218.57	\$1,206.38	NA	\$1,169.72	\$1,078.87	\$1,068.08
Family - 2 Medicare	\$550.59	\$493.22	\$539.79	\$483.55	\$562.73	\$557.10	NA	\$439.24	\$431.80	\$427.49
EE+Ch - 0 Medicare	\$1,277.60	\$1,201.11	\$1,277.60	\$1,201.11	\$1,147.20	\$1,135.71	\$1,157.12	\$1,157.12	\$1,039.08	\$1,028.69
EE+Ch - 1 Medicare	\$339.72	\$304.34	\$333.06	\$298.37	\$334.02	\$330.69	NA	\$271.03	\$240.87	\$238.46
Rx Premium										
Single - 0 Medicare	\$283.54	\$283.54	\$283.54	\$283.54	\$292.38	\$292.38	\$274.78	\$274.78	\$287.15	\$287.15
Single - 1 Medicare	\$266.01	\$266.01	\$266.01	\$266.01	\$269.62	\$269.62	NA	\$257.78	\$269.50	\$269.50
EE+Spouse - 0 Medicare	\$618.11	\$618.11	\$618.11	\$618.11	\$637.70	\$637.70	\$599.00	\$599.00	\$625.98	\$625.98
EE+Spouse - 1 Medicare	\$562.65	\$562.65	\$562.65	\$562.65	\$574.46	\$574.46	NA	\$545.26	\$569.93	\$569.93
EE+Spouse - 2 Medicare	\$532.04	\$532.04	\$532.04	\$532.04	\$539.23	\$539.23	NA	\$515.58	\$539.02	\$539.02
Family - 0 Medicare	\$703.16	\$703.16	\$703.16	\$703.16	\$725.19	\$725.19	\$681.41	\$681.41	\$712.09	\$712.09
Family - 1 Medicare	\$635.58	\$635.58	\$635.58	\$635.58	\$649.56	\$649.56	NA	\$615.94	\$643.80	\$643.80
Family - 2 Medicare	\$682.60	\$682.60	\$682.60	\$682.60	\$665.37	\$665.37	NA	\$661.48	\$691.55	\$691.55
EE+Ch - 0 Medicare	\$396.95	\$396.95	\$396.95	\$396.95	\$409.72	\$409.72	\$384.68	\$384.68	\$402.01	\$402.01
EE+Ch - 1 Medicare	\$421.21	\$421.21	\$421.21	\$421.21	\$395.36	\$395.36	NA	\$408.17	\$426.72	\$426.72

Exhibit 4C – Plan Year 2017 Monthly Retiree Premiums

Page 2 of 2

	2030				HD 4000	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
Total Premium						
Single - 0 Medicare	\$1,059.39	\$1,059.39	\$989.95	\$982.94	\$711.02	\$711.02
Single - 1 Medicare	NA	\$421.11	NA	\$443.64	NA	NA
EE+Spouse - 0 Medicare	\$2,309.54	\$2,309.54	\$2,158.12	\$2,142.86	\$1,550.01	\$1,550.01
EE+Spouse - 1 Medicare	NA	\$1,442.90	NA	\$1,394.96	NA	NA
EE+Spouse - 2 Medicare	NA	\$842.25	NA	\$887.23	NA	NA
Family - 0 Medicare	\$2,627.36	\$2,627.36	\$2,455.11	\$2,437.76	\$1,763.31	\$1,763.31
Family - 1 Medicare	NA	\$1,727.31	NA	\$1,656.47	NA	NA
Family - 2 Medicare	NA	\$1,080.58	NA	\$1,097.73	NA	NA
EE+Ch - 0 Medicare	\$1,483.19	\$1,483.19	\$1,385.97	\$1,376.16	\$995.41	\$995.41
EE+Ch - 1 Medicare	NA	\$666.76	NA	\$652.58	NA	NA
Medical Premium						
Single - 0 Medicare	\$782.02	\$782.02	\$700.09	\$693.08	\$509.05	\$509.05
Single - 1 Medicare	NA	\$160.88	NA	\$171.57	NA	NA
EE+Spouse - 0 Medicare	\$1,704.85	\$1,704.85	\$1,526.20	\$1,510.94	\$1,109.73	\$1,109.73
EE+Spouse - 1 Medicare	NA	\$892.46	NA	\$819.61	NA	NA
EE+Spouse - 2 Medicare	NA	\$321.76	NA	\$343.09	NA	NA
Family - 0 Medicare	\$1,939.45	\$1,939.45	\$1,736.22	\$1,718.87	\$1,262.44	\$1,262.44
Family - 1 Medicare	NA	\$1,105.52	NA	\$1,006.54	NA	NA
Family - 2 Medicare	NA	\$412.81	NA	\$399.60	NA	NA
EE+Ch - 0 Medicare	\$1,094.85	\$1,094.85	\$980.13	\$970.32	\$712.67	\$712.67
EE+Ch - 1 Medicare	NA	\$254.71	NA	\$221.80	NA	NA
Rx Premium						
Single - 0 Medicare	\$277.37	\$277.37	\$289.86	\$289.86	\$201.97	\$201.97
Single - 1 Medicare	NA	\$260.23	NA	\$272.07	NA	NA
EE+Spouse - 0 Medicare	\$604.69	\$604.69	\$631.92	\$631.92	\$440.28	\$440.28
EE+Spouse - 1 Medicare	NA	\$550.44	NA	\$575.35	NA	NA
EE+Spouse - 2 Medicare	NA	\$520.49	NA	\$544.14	NA	NA
Family - 0 Medicare	\$687.91	\$687.91	\$718.89	\$718.89	\$500.87	\$500.87
Family - 1 Medicare	NA	\$621.79	NA	\$649.93	NA	NA
Family - 2 Medicare	NA	\$667.77	NA	\$698.13	NA	NA
EE+Ch - 0 Medicare	\$388.34	\$388.34	\$405.84	\$405.84	\$282.74	\$282.74
EE+Ch - 1 Medicare	NA	\$412.05	NA	\$430.78	NA	NA

Exhibit 4D – Plan Year 2017 Annual Retiree Premiums

Page 1 of 2

	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Total Premium										
Single - 0 Medicare	\$14,353	\$13,698	\$14,353	\$13,698	\$13,342	\$13,243	\$13,216	\$13,216	\$12,352	\$12,263
Single - 1 Medicare	\$5,767	\$5,499	\$5,717	\$5,454	\$5,968	\$5,941	NA	\$5,148	\$5,449	\$5,427
EE+Spouse - 0 Medicare	\$31,290	\$29,861	\$31,290	\$29,861	\$29,088	\$28,874	\$28,810	\$28,810	\$26,928	\$26,733
EE+Spouse - 1 Medicare	\$19,685	\$18,782	\$19,399	\$18,516	\$18,864	\$18,744	NA	\$17,877	\$17,383	\$17,278
EE+Spouse - 2 Medicare	\$11,534	\$10,998	\$11,433	\$10,907	\$11,937	\$11,882	NA	\$10,295	\$10,898	\$10,854
Family - 0 Medicare	\$35,596	\$33,970	\$35,596	\$33,970	\$33,088	\$32,844	\$32,775	\$32,775	\$30,633	\$30,412
Family - 1 Medicare	\$23,574	\$22,491	\$23,221	\$22,162	\$22,418	\$22,271	NA	\$21,428	\$20,672	\$20,543
Family - 2 Medicare	\$14,798	\$14,110	\$14,669	\$13,994	\$14,737	\$14,670	NA	\$13,209	\$13,480	\$13,428
EE+Ch - 0 Medicare	\$20,095	\$19,177	\$20,095	\$19,177	\$18,683	\$18,545	\$18,502	\$18,502	\$17,293	\$17,168
EE+Ch - 1 Medicare	\$9,131	\$8,707	\$9,051	\$8,635	\$8,753	\$8,713	NA	\$8,150	\$8,011	\$7,982
Medical Premium										
Single - 0 Medicare	\$10,951	\$10,295	\$10,951	\$10,295	\$9,833	\$9,735	\$9,918	\$9,918	\$8,906	\$8,817
Single - 1 Medicare	\$2,575	\$2,307	\$2,524	\$2,262	\$2,733	\$2,706	NA	\$2,054	\$2,215	\$2,193
EE+Spouse - 0 Medicare	\$23,873	\$22,444	\$23,873	\$22,444	\$21,436	\$21,222	\$21,622	\$21,622	\$19,416	\$19,222
EE+Spouse - 1 Medicare	\$12,933	\$12,030	\$12,647	\$11,765	\$11,970	\$11,851	NA	\$11,334	\$10,544	\$10,439
EE+Spouse - 2 Medicare	\$5,150	\$4,613	\$5,049	\$4,523	\$5,466	\$5,411	NA	\$4,108	\$4,430	\$4,386
Family - 0 Medicare	\$27,158	\$25,533	\$27,158	\$25,533	\$24,386	\$24,142	\$24,598	\$24,598	\$22,088	\$21,867
Family - 1 Medicare	\$15,947	\$14,864	\$15,594	\$14,535	\$14,623	\$14,477	NA	\$14,037	\$12,946	\$12,817
Family - 2 Medicare	\$6,607	\$5,919	\$6,477	\$5,803	\$6,753	\$6,685	NA	\$5,271	\$5,182	\$5,130
EE+Ch - 0 Medicare	\$15,331	\$14,413	\$15,331	\$14,413	\$13,766	\$13,629	\$13,885	\$13,885	\$12,469	\$12,344
EE+Ch - 1 Medicare	\$4,077	\$3,652	\$3,997	\$3,580	\$4,008	\$3,968	NA	\$3,252	\$2,890	\$2,862
Rx Premium										
Single - 0 Medicare	\$3,402	\$3,402	\$3,402	\$3,402	\$3,509	\$3,509	\$3,297	\$3,297	\$3,446	\$3,446
Single - 1 Medicare	\$3,192	\$3,192	\$3,192	\$3,192	\$3,235	\$3,235	NA	\$3,093	\$3,234	\$3,234
EE+Spouse - 0 Medicare	\$7,417	\$7,417	\$7,417	\$7,417	\$7,652	\$7,652	\$7,188	\$7,188	\$7,512	\$7,512
EE+Spouse - 1 Medicare	\$6,752	\$6,752	\$6,752	\$6,752	\$6,894	\$6,894	NA	\$6,543	\$6,839	\$6,839
EE+Spouse - 2 Medicare	\$6,384	\$6,384	\$6,384	\$6,384	\$6,471	\$6,471	NA	\$6,187	\$6,468	\$6,468
Family - 0 Medicare	\$8,438	\$8,438	\$8,438	\$8,438	\$8,702	\$8,702	\$8,177	\$8,177	\$8,545	\$8,545
Family - 1 Medicare	\$7,627	\$7,627	\$7,627	\$7,627	\$7,795	\$7,795	NA	\$7,391	\$7,726	\$7,726
Family - 2 Medicare	\$8,191	\$8,191	\$8,191	\$8,191	\$7,984	\$7,984	NA	\$7,938	\$8,299	\$8,299
EE+Ch - 0 Medicare	\$4,763	\$4,763	\$4,763	\$4,763	\$4,917	\$4,917	\$4,616	\$4,616	\$4,824	\$4,824
EE+Ch - 1 Medicare	\$5,055	\$5,055	\$5,055	\$5,055	\$4,744	\$4,744	NA	\$4,898	\$5,121	\$5,121

Exhibit 4D – Plan Year 2017 Annual Retiree Premiums

Page 2 of 2

	2030				HD 4000	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
Total Premium						
Single - 0 Medicare	\$12,713	\$12,713	\$11,879	\$11,795	\$8,532	\$8,532
Single - 1 Medicare	NA	\$5,053	NA	\$5,324	NA	NA
EE+Spouse - 0 Medicare	\$27,714	\$27,714	\$25,897	\$25,714	\$18,600	\$18,600
EE+Spouse - 1 Medicare	NA	\$17,315	NA	\$16,740	NA	NA
EE+Spouse - 2 Medicare	NA	\$10,107	NA	\$10,647	NA	NA
Family - 0 Medicare	\$31,528	\$31,528	\$29,461	\$29,253	\$21,160	\$21,160
Family - 1 Medicare	NA	\$20,728	NA	\$19,878	NA	NA
Family - 2 Medicare	NA	\$12,967	NA	\$13,173	NA	NA
EE+Ch - 0 Medicare	\$17,798	\$17,798	\$16,632	\$16,514	\$11,945	\$11,945
EE+Ch - 1 Medicare	NA	\$8,001	NA	\$7,831	NA	NA
Medical Premium						
Single - 0 Medicare	\$9,384	\$9,384	\$8,401	\$8,317	\$6,109	\$6,109
Single - 1 Medicare	NA	\$1,931	NA	\$2,059	NA	NA
EE+Spouse - 0 Medicare	\$20,458	\$20,458	\$18,314	\$18,131	\$13,317	\$13,317
EE+Spouse - 1 Medicare	NA	\$10,710	NA	\$9,835	NA	NA
EE+Spouse - 2 Medicare	NA	\$3,861	NA	\$4,117	NA	NA
Family - 0 Medicare	\$23,273	\$23,273	\$20,835	\$20,626	\$15,149	\$15,149
Family - 1 Medicare	NA	\$13,266	NA	\$12,078	NA	NA
Family - 2 Medicare	NA	\$4,954	NA	\$4,795	NA	NA
EE+Ch - 0 Medicare	\$13,138	\$13,138	\$11,762	\$11,644	\$8,552	\$8,552
EE+Ch - 1 Medicare	NA	\$3,057	NA	\$2,662	NA	NA
Rx Premium						
Single - 0 Medicare	\$3,328	\$3,328	\$3,478	\$3,478	\$2,424	\$2,424
Single - 1 Medicare	NA	\$3,123	NA	\$3,265	NA	NA
EE+Spouse - 0 Medicare	\$7,256	\$7,256	\$7,583	\$7,583	\$5,283	\$5,283
EE+Spouse - 1 Medicare	NA	\$6,605	NA	\$6,904	NA	NA
EE+Spouse - 2 Medicare	NA	\$6,246	NA	\$6,530	NA	NA
Family - 0 Medicare	\$8,255	\$8,255	\$8,627	\$8,627	\$6,010	\$6,010
Family - 1 Medicare	NA	\$7,461	NA	\$7,799	NA	NA
Family - 2 Medicare	NA	\$8,013	NA	\$8,378	NA	NA
EE+Ch - 0 Medicare	\$4,660	\$4,660	\$4,870	\$4,870	\$3,393	\$3,393
EE+Ch - 1 Medicare	NA	\$4,945	NA	\$5,169	NA	NA

Exhibit 5A – Plan Year 2017 Employee Plan Option Summary

	\$10 copay	\$15 copay	1525	2030	2035	HD1500
Medical Cost Sharing						
Primary Care Copays	\$10	\$15	\$15	\$20	\$20	NA
Specialist Care Copays	\$10	\$15	\$25	\$30 for adults/ \$20 children	\$35	NA
Emergency Room Copay	\$25 PPO / \$35 HMO	\$50	\$75	\$125	\$300	
In-Network Deductible	HMO Plans only: \$100 for medical appliances and DME	NA	HMO Plans only: \$100 for medical appliances and DME	HMO Plans only: \$100 for medical appliances and DME	\$200**	\$1,500***
In-Network Coinsurance	PPO Plans only: 10% on ambulance, prosthetic devices, DME	PPO Plans only: 10% on ambulance, prosthetic devices, DME	PPO Plans only: 10% on ambulance, prosthetic devices, DME	PPO Plans only: 10% on ambulance, prosthetic devices, DME	20% on facility charges, imaging, ambulance, prosthetic devices, DME	20% on all in-network charges
In-Network Coinsurance OOP Maximum (does not apply to HMO plans)**	n/a	\$400	\$400	\$800	\$2,000 (HMO and PPO)	n/a
In-Network OOP Maximum***	\$400 (PPO)** / \$5,720 (HMO)	\$5,720	\$5,720	\$5,720	\$5,720	\$1,000 (does not include deductible)
OON* Deductible**	\$100	\$100	\$100	\$200	\$800	combined with in-network deductible
OON* Coinsurance	20%	30%	30%	30%	40%	40%
OON* OOP maximum	\$2,000**	\$2,000**	\$2,000**	\$5,000**	\$6,500**	\$3,500***
OON* Inpatient Hospital Deductible	none	none	\$200 per stay	\$500 per stay	\$600 per stay	NA
Employer HSA Funding	NA	NA	NA	NA	NA	\$300

Prescription Drug Copays		DIRECT				Aetna			All Other		DIRECT		All Other		NJ DIRECT		subject to deductible and coinsurance
		Rx Card	MM Rx	PPO	HMO	Rx Card	MM Rx	PPO	Plans	MM Rx	Plans	MM Rx	Plans	MM Rx	Plans	MM Rx	
Retail Copayments	Generic	\$3	10%	\$5	\$3	\$3	10%	\$5	\$7	15%	\$3	15%	\$7	20%			
Retail Copayments	Preferred Brand	\$10	10%	\$10	\$10	\$10	10%	\$10	\$16	15%	\$18	15%	\$21	20%			
Retail Copayments	Non-Preferred Brand	\$10	10%	\$20	\$10	\$10	10%	\$20	\$35	15%	\$46	15%	Mbr pays difference	20%			
Mail Copayments	Generic	\$5	10%	\$5	\$5	\$5	10%	\$5	\$18	15%	\$5	15%	\$18	20%			
Mail Copayments	Preferred Brand	\$15	10%	\$15	\$15	\$15	10%	\$15	\$40	15%	\$36	15%	\$52	20%			
Mail Copayments	Non-Preferred Brand	\$15	10%	\$25	\$15	\$15	10%	\$25	\$88	15%	\$92	15%	Mbr pays difference	20%			
Rx OOP Maximum***				\$1,430				\$1,430			\$1,430			\$1,430			

*HMO plans do not have OON network benefits

**Family amounts are 2.5 x per member amounts listed in table.

***Family amounts are 2 x per member amounts listed in table.

Exhibit 5B – Plan Year 2017 Retiree Plan Option Summary

	\$10 copay	\$15 copay	1525	2030	HD4000
Medical Cost Sharing					
Primary Care Copays	\$10	\$15	\$15	\$20	NA
Specialist Care Copays	\$10	\$15	\$25	\$30 for adults/ \$20 children	NA
Emergency Room Copay	\$25 PPO, \$35 HMO	\$50	\$75	\$125	NA
In-Network Deductible	HMO Plans only: \$100 for medical appliances and DME	NA	HMO Plans only: \$100 for medical appliances and DME	HMO Plans only: \$100 for medical appliances and DME	\$4,000***
In-Network Coinsurance	PPO Plans only: 10% on ambulance, prosthetic devices, DME	PPO Plans only: 10% on ambulance, prosthetic devices, DME	PPO Plans only: 10% on ambulance, prosthetic devices, DME	PPO Plans only: 10% on ambulance, prosthetic devices, DME	20% on all in-network charges
In-Network Coinsurance OOP Maximum (does not apply to HMO plans)**	n/a	\$400	\$400	\$800	n/a
In-Network OOP Maximum***	\$400 (PPO)** / \$5,739 (HMO)	\$5,739	\$5,739	\$5,739	\$1,000 (does not include deductible)
OON* Deductible**	\$100	\$100	\$100	\$200	combined with in-network deductible
OON* Coinsurance	20%	30%	30%	30%	40%
OON* OOP maximum	\$2,000**	\$2,000**	\$2,000**	\$5,000**	\$6,000
OON* Inpatient Hospital Deductible	none	none	\$200 per stay	\$500 per stay	NA
Employer HSA Funding	NA	NA	NA	NA	\$0

Prescription Drug Copays		PPO	HMOs	PPO	PPO and HMOs	PPO and HMOs	
Retail Copayments	Generic	\$10	\$6	\$10	\$7	\$3	subject to deductible and coinsurance
Retail Copayments	Preferred Brand	\$21	\$13	\$21	\$17	\$19	
Retail Copayments	Non-Preferred Brand	\$42	\$26	\$42	\$36	\$48	
Mail Copayments	Generic	\$5	\$5	\$5	\$5	\$5	
Mail Copayments	Preferred Brand	\$31	\$19	\$31	\$41	\$37	
Mail Copayments	Non-Preferred Brand	\$52	\$31	\$52	\$91	\$95	
Rx Out-of-Pocket Maximum**		\$1,411		\$1,411	\$1,411	\$1,411	

*HMO plans do not have OON network benefits

**Family amounts are 2.5 x per member amounts listed in table.

***Family amounts are 2 x per member amounts listed in table.

About Aon

Aon empowers organizations and individuals to secure a better future through innovative talent, retirement and health solutions. We advise, design and execute a wide range of solutions that enable clients to cultivate talent to drive organizational and personal performance and growth, navigate retirement risk while providing new levels of financial security, and redefine health solutions for greater choice, affordability and wellness. Aon is the global leader in human resource solutions, with over 35,000 professionals in 90 countries serving more than 20,000 clients worldwide across 100+ solutions. For more information on Aon, please visit aonhewitt.com.

©2016 Aon plc