



# State of New Jersey

## State Health Benefits Program

Plan Year 2017 Rate Renewal Recommendation Report

State Employee Group

September 2016

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## Executive Summary

The purpose of this report is to recommend premium levels for the State Employee Group of the State Health Benefits Program (SHBP) for January 1, 2017 through December 31, 2017.

### Benefits Maintained by the SHBP

The State of New Jersey operates the SHBP as a multiple-option program for State 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 four options under their respective PPO plans. The \$10 copay PPO option is only available to certain Retirees. All other options are offered to all Employees and Retirees.
- HMO plans are administered by Aetna and Horizon. There is one HMO benefit option which is available to Actives, and three HMO benefit options which are available to Retirees.
- Two High Deductible plans are administered by Aetna and Horizon. Employees may select either High Deductible option. Early Retirees are only offered the \$4,000 High Deductible option and neither option is available to Medicare-eligible Retirees.
- A Tiered Network plan option for Active Employees only, which offers no out-of-network coverage and provides the same prescription drug benefit as those provided in the HMO 1525 product.
- All Medicare-eligible members currently enrolled in the PPO10 or PPO15 plans through Horizon will now be enrolled in a Medicare Advantage plan in Plan Year 2017. The Medicare Advantage plans are insured, rather than the current self-insured Medicare supplement plans offered by Horizon in Plan Year 2016. All Aetna Medicare-eligible members were already previously enrolled in Medicare Advantage plans. Medicare-eligible members currently enrolled in Horizon's PPO1525, PPO2030 or HMO plans will continue to be covered under Horizon's self-insured Medicare Supplement plans.
- Active Employees and Retirees are also enrolled in a Prescription Drug Plan available under the SHBP, which is administered by Express Scripts. The prescription drug card benefit options are linked to the medical plan selection.

## Recommended Renewal Increases

Aon is recommending overall increases of 3.4% for Active Employees, 6.9% for Early Retirees, and 3.2% for Medicare Retirees. For all groups combined, the recommended increase is 3.8%. Note that the Active increase reflects the impact of a 1.9% increase in Single and Employee+Spouse rates, a 4.4% increase in the Family rates, and an 5.9% increase in Employee+Child(ren) rates. (See the next section for changes to the Child(ren) load.)

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), HMO, and Prescription Drug Plans.

	Total	Single	EE + Spouse	Family	EE + Child(ren)
<b>Actives</b>					
PPO Medical	3.0%	1.5%	1.5%	4.0%	5.5%
HMO Medical	3.1%	1.6%	1.6%	4.1%	5.5%
PPO Rx	4.8%	3.2%	3.2%	5.8%	7.3%
HMO Rx	4.8%	3.2%	3.2%	5.8%	7.3%
<b>Total</b>	<b>3.4%</b>	<b>1.9%</b>	<b>1.9%</b>	<b>4.4%</b>	<b>5.9%</b>
<b>Early Retirees</b>					
PPO Medical	6.9%	6.8%	6.8%	6.8%	6.8%
HMO Medical	6.9%	6.9%	6.9%	6.9%	6.9%
PPO Rx	7.2%	7.2%	7.2%	7.2%	7.2%
HMO Rx	7.2%	7.2%	7.2%	7.2%	7.2%
<b>Total</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.9%</b>	<b>6.9%</b>
<b>Medicare Retirees</b>					
PPO Medical	-5.8%	-5.8%	-5.8%	-5.8%	-5.8%
HMO Medical	-5.9%	-5.9%	-5.9%	-5.9%	-5.9%
PPO Rx	9.7%	9.7%	9.7%	9.7%	9.7%
HMO Rx	9.7%	9.7%	9.7%	9.7%	9.7%
<b>Total</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.2%</b>
<b>Grand Total</b>	<b>3.8%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>4.6%</b>	<b>5.6%</b>

These premium increases for Plan Year 2017 are projected to produce no loss or gain for the State Group.

## Employee+Child(ren) Premium Increases

SHBP 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 2016 premiums rated Child(ren) coverage at 79% of employee costs. The Plan Year 2017 premiums increase the cost of Child(ren) coverage to 86% of Single coverage, which is the most recent three year average claim cost per coverage unit for children. This is a continuation of the gradual increase in Child(ren) premiums to bring their premiums closer to their actual experience. 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)	1.790	1.860	4%
Ee+Spouse	2.000	2.000	0%
Ee+Family	2.790	2.860	3%

## Employee/Retiree Contribution Changes

Actives: 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 State Actives. Plan Year 2017 enrollment projections assume that 0.5% of the enrollment in the Horizon NJ DIRECT15 plan will migrate to lower-cost plans from Plan Year 2016 to Plan Year 2017.

Retirees: 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
\$31	\$33

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 will assume that Retiree prescription drug copays and out-of-pocket maximums will remain unchanged from Plan Year 2016 for the SHBP.

### SHBP Retirees

	PPO 10+15		HMO 10		1525		2030	
	2016	2017	2016	2017	2016	2017	2016	2017
Retail Generic Copay	\$10	\$10	\$6	\$6	\$7	\$7	\$3	\$3
Retail Preferred Brand Copay	\$22	\$22	\$12	\$12	\$16	\$16	\$18	\$18
Retail Non-Preferred Brand Copay	\$44	\$44	\$24	\$24	\$35	\$35	\$46	\$46
Mail Generic Copay	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Mail Preferred Brand Copay	\$33	\$33	\$18	\$18	\$40	\$40	\$36	\$36
Mail Non-Preferred Brand Copay	\$55	\$55	\$30	\$30	\$88	\$88	\$92	\$92
Out-of-Pocket Maximum	\$1,351	\$1,351	\$1,351	\$1,351	\$1,351	\$1,351	\$1,351	\$1,351

### Changes for Plan Year 2017:

- **Medicare Advantage:** All Medicare-eligible members currently enrolled in the PPO10 or PPO15 plans through Horizon will now be enrolled in a Medicare Advantage plan in Plan Year 2017. The Medicare Advantage plans are insured, rather than the current self-insured Medicare supplement plans offered by Horizon in Plan Year 2016. All Aetna Medicare-eligible members were already previously enrolled in Medicare Advantage plans. Medicare-eligible members currently enrolled in Horizon's PPO1525, PPO2030 or HMO plans will continue to be covered under Horizon's self-insured Medicare Supplement plans. This Medicare Advantage replacement change will result in an 11% reduction in Medicare Retiree medical cost.
- **Tiered Network Incentive:** The State will provide an incentive in the form of a gift card per Active employee who enrolls in the Tiered Network plan for Plan Year 2017 with a two-year commitment. The incentive will vary by tier as follows: \$1,000 for Single coverage, \$1,250 for EE+Spouse and EE+Child(ren) coverage, and \$2,000 for Family coverage. Healthier participants (than the average participant in the Legacy plans) are assumed to migrate to the Tiered Network plans. These participants are assumed to have health costs that are 25% less than the average Legacy plan participant. Tiered Network enrollment is assumed to be distributed among the tiers (Single, Family, etc.) consistent with the projected distribution of enrollment in the existing plans. This renewal does not reflect the cost of the incentives or the administrative cost associated with providing gift cards. This change is estimated to result in a reduction of 0.6% in projected Plan Year 2017 costs.
- **Physical Therapy Out-of-Network (OON) Reimbursement Change:** All PPO plans will now limit plan payments for out-of-network physical therapy services to the average of the in-network rate for physical therapy services. This change applies to both Actives and Early Retirees. This change is estimated to result in a 1.7% reduction in projected Plan Year 2017 medical costs, based on input from Horizon.
- **Mandatory Generic:** Going forward, for all multi-source drugs (brand drugs with generic equivalents available), the SHBP plan will pay for the cost of the generic equivalent. Members who choose to fill the prescription for the brand name drug will be responsible for the difference in cost. This applies to Active and Early Retiree prescription drug plans only. This change is estimated to reduce projected Plan Year 2017 prescription drug costs by about 3.6%, based on input from Express Scripts.

- Implement ESI's National Preferred Formulary: All Actives and Early Retiree prescription drug plans will move to ESI's National Preferred Formulary, which directs prescriptions to more cost-effective, clinically-equivalent medications. ESI evaluates clinically identical drugs and places the most cost-effective medications on the formulary. This change is estimated to reduce projected Plan Year 2017 prescription drug costs by about 4.3%, based on input from Express Scripts.
- Step Therapy Changes: This change involves expanding Step Therapy for Plan Year 2017 to current State employees who are not enrolled in the program. Step Therapy requires members to try a more cost-effective, clinically-equivalent drug before certain drugs will be covered. This change is estimated to reduce projected Active Plan Year 2017 prescription drug costs by about 0.5%, based on input from Express Scripts.
- Increase Emergency Room Copays by \$25: Emergency room copays will increase by \$25 for all current plans where the emergency room copay is currently lower than \$100, where permitted by federal regulations. This applies to both Active and Retiree plans. This change does not apply to physician referrals to the emergency room or to pediatric (under age 19) visits to the emergency room. The copays will be waived if the member is admitted to the hospital. This change is estimated to reduce projected Plan Year 2017 medical claims by about 0.1%.

Changes Prior to 1/1/2017:

- Compound Drugs: In July 2015, the SHBP PDC voted to implement an exclusion for only the non-medically necessary Top 25 to 30 Compound Drugs from ESI's Exclusion List, effective in December 2015. The new solution was effective in late February 2016 and applies to all SHBP plans and applies to both the Active and Retiree populations. Based on guidance from ESI in July 2015, Plan Year 2016 prescription drug claims are projected to decrease approximately \$95 million (4.9%) due to this change.
- DPCMH Pilot: The SHBP is sponsoring a Direct Primary Care Medical Home (DPCMH) Pilot Program for participating non-Medicare members and their dependents who are enrolled in a non-HMO SHBP 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. At this time, it is uncertain when this program will be implemented.
- Hepatitis C: Effective October 1, 2015, the SHBP 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 SHBP 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 October 1, 2015, and does not apply to any members currently undergoing treatment with a Hepatitis C medication other than Viekira Pak at that time. There is an appeals process available through the SHBP and ESI for situations where medications other than Viekira Pak may be medically necessary as a first line of treatment. This change applies to all SHBP plans. This change applies only to the non-Medicare population and is estimated to result in a reduction to projected Plan Year 2016 Commercial group prescription drug claims of \$7 million (1.2%).
- Restrict Certain Therapies from Out-of-Network Coverage: The SHBP will reduce plan payments for out-of-network chiropractic and acupuncture services for Plan Year 2016. For these out-of-network services, the SHBP will pay the lesser of \$35 a visit for chiropractic and

\$60 a visit for acupuncture or 75% of the in-network cost per visit. This change applies to all SHBP PPO plans. A reduction in projected Plan Year 2016 medical claims of \$3 million (0.2%) is estimated as a result of this change.

- Rutgers-Robert Wood Johnson Partners Pilot Program: The SHBP PDC is establishing a three-year pilot program for the development of an incentive-based Patient Centered Medical Home (PCMH) Wellness Program for Rutgers University Employees. As this program is voluntary, is in the process of being implemented, and will be offered in only pilot form during Plan Year 2016, no cost impact has been included in the renewal.
- Increase Emergency Room Copays: For all current SHBP plans with emergency room copays currently less than \$100, the emergency room copay increased by \$25 per visit in Plan Year 2016. This change does not apply to physician referrals to the emergency room or to pediatric (under age 19) visits to the emergency room. The copays will be waived if the member is admitted to the hospital. The PPO2030, HMO2030, PPO2035, and HMO2035 plans are not affected by this change, as these plans have emergency room copays currently in excess of \$100. This change also does not apply to the HD1500 or HD4000 plans, where emergency room coverage is paid by member coinsurance. A reduction in projected Plan Year 2016 medical claims of \$3 million (0.2%) is estimated as a result of this change. This change applies to both Active and Retiree populations.

Tiered Network Assumptions: The SHBP Plan Design Committee approved a Tiered Network plan option for SHBP Active Employees for Plan Year 2016. The Tiered Network Plan is offered by both Horizon and Aetna. The Tiered Network Plan product replaced the HMO1525, HMO2030 & HMO2035 products and is only offered to Active Employees. Plan Year 2016 enrollment projection assumptions for the Tiered Network Plan are consistent with 2016 open enrollment results. Tiered Network medical premium rates are set at 75% of NJ DIRECT15 Plan medical rates. The Plan provides the same prescription drug benefits as were provided in the HMO1525 product in Plan Year 2015.

For Plan Year 2016, per-member medical and prescription drug incurred claims experience for the Tiered Network plans were estimated in a manner consistent with how the premium rates were developed for the Tiered Network plans.



## 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 SHBP 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. For Plan Year 2017, this change will not have a significant impact on projected costs. 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 HDHP plans. 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

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 state 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 fee was \$1 per member per year in 2012, increased to \$2.00 per member per year in 2013, \$2.08 per member per year in 2014 and \$2.17 per year 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) for Plan Years 2016 and 2017. 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).

Public Health Insurance Exchanges: The public health insurance exchanges that are mandated by Federal Healthcare Reform, which began in 2014, are assumed to have minimal impact on enrollment or cost levels within the SHBP due to the SHBP'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 SHBP 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 SHBP 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 SHBP.

## 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 continue to 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 \$19 million, with \$14 million savings for the Commercial group and \$5 million savings for the EGWP group.

## Financial Results

The Plan Year 2015 projected financial results show an additional \$7 million loss since the Plan Year 2016 Renewal analysis, primarily due to higher-than-expected prescription drug claim experience for both Actives and Retirees. The current projection for Plan Year 2015 shows a projected loss of \$34 million, compared to the \$27 million loss for Plan Year 2015 shown in the Plan Year 2016 Renewal Report.

The current Plan Year 2016 projection is a \$25 million loss, which represents a 1% increase in the loss ratio from the Plan Year 2016 Renewal Report. This projected loss is largely due to higher than expected prescription drug claim experience for both Actives and Retirees.

The Plan Year 2017 average renewal increase is 3.8%, which is projected to produce no loss or gain for Plan Year 2017. Plan Year 2017 projected cost for the State Group is equal to \$2.5 billion, broken down as \$1.8 billion for Actives and \$0.7 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 223 as of March 2016.

### Part-Time Coverage

Part-time Employees may enroll in any of the SHBP plans. As of March 2016, 194 State 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 Plan Year 2016 be increased to 10% for 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 State Active enrollment will decrease 1.0% in Plan Year 2016 and 0.5% in Plan Year 2017; Early Retiree enrollment will decrease 3.0% per year in Plan Years 2016 and 2017; and Medicare Retiree enrollment will increase 4.5% in Plan Years 2016 and 4.0% in Plan Year 2017.

Exhibit 1B shows the projected distribution of enrollment among benefit options and assumes that 0.5% of the enrollment in the Horizon NJ DIRECT15 plan will migrate to lower-cost benefit options in Plan Years 2016 and 2017.

Enrollment in the Tiered Network plans is assumed to migrate from the Aetna and Horizon Legacy DIRECT15 plans at 6.0% from 2016 to 2017.

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

## Demographic Changes

The Active Employee average age remained stable in Plan Years 2015 and 2016. The average HMO employee age is almost two years older than the average PPO employee age. The average age of Employees enrolling in the new benefit options remained stable in Plan Years 2015 and 2016, and is approximately nine years younger than Employees in the Legacy Plans.

### Average Employee Age

	<b>2015</b>	<b>2016</b>	<b>Change</b>
Legacy PPO Plans	47.4	47.7	0.3
Legacy HMO Plans	48.8	49.2	0.4
Legacy Total	47.6	47.9	0.3
New Plans	38.4	38.5	0.1
<b>Total</b>	<b>46.9</b>	<b>46.9</b>	<b>0.0</b>

# Trend Analysis

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

	Plan Year 2016		Plan Year 2017	
	Medical	Prescription Drugs	Medical	Prescription Drugs
PPO Actives	7.50%	11.25%	6.50%	11.00%
PPO Early Retirees	8.00%	11.25%	6.00%	11.00%
Medicare Retirees	3.50%	11.25%	3.50%	11.00%
HMO Actives	5.50%	11.25%	5.00%	11.00%
HMO Early Retirees	6.00%	11.25%	5.50%	11.00%

Update since the September 8, 2016 Renewal Report: Based on a request from the State, Aon has reviewed updated experience; as a result of this new information, the Active medical premium rate increase has been lowered by 40 basis points.

The Medicare Retiree trend assumptions do not reflect the Medicare Advantage offering change for Medicare-eligible retirees for Medicare Advantage plans offered by Horizon and Aetna. The trend assumptions also do not reflect the fully insured Aetna Medicare Advantage premium increases for Plan Year 2017 for the existing enrollees. These premium increases reflected no change for the PPO plans and a 3% decrease for the HMO plans from Plan Year 2016.

Exhibit 2A presents historical SHBP 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 SHBP experience adjusted for expected future changes and vendor recommended trends:

- The two-year average experience trend for Horizon Actives is approximately 6.5%, with experience through 2015. The PPO medical trend is 7.5% in Plan Year 2016 and 6.5% in Plan Year 2017, as compared to the PPO medical trend of 7.5% reflected in the Plan Year 2016 Renewal Report.
- The PPO medical trend for Early Retirees is 8.0% in Plan Year 2016 and 6.0% in Plan Year 2017, as compared to the PPO Active medical trend of 7.0% reflected in the Plan Year 2016 Renewal Report.
- Aon recommends Medicare Retiree medical trends remain at 3.5%, consistent with the Plan Year 2016 Renewal Report.
- Due to favorable experience trends, the medical trend assumption for HMO Actives is 5.5% in Plan Year 2016, a 150 basis point decrease from the Plan Year 2016 Renewal Report trend of 7.0%. The HMO trend assumption for Actives in Plan Year 2017 is 5.0%.

- The medical trend assumption for HMO Early Retirees is 6.0% in Plan Year 2016 and 5.5% in Plan Year 2017, as compared to the trend assumption of 7.0% shown in the Plan Year 2016 Renewal Report.

Prescription Drug Trends: Aon recommended trends are based on experience trends and the Aon trend survey. Active claim experience in 2014 and 2015 showed a significant increase due to the increasing costs of the compound drugs. The trend recommendations have been adjusted for the compound drug change and reflect expectations of future prescription drug trends.

The Aon Plan Year 2016 prescription drug trend recommendation for Actives has been updated from 12.00% from the Plan Year 2016 Renewal Report to 11.25%. The Aon Plan Year 2017 prescription drug trend recommendation is 11.00% for Actives and Retirees.

# Financial Projections

## Aggregate Financial Projections

Using the assumptions and methodology described 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 match projected costs in aggregate, so there is no projected gain or loss for Plan Year 2017.

Projected Financial Results  
(in \$ millions)

	PPO10	PPO15	Legacy HMOs	New Plans	Total
<b>Plan Year 2015</b>					
Premium Rates x Enrollment	\$138.3	\$1,788.6	\$394.1	\$56.8	\$2,377.8
Incurred Claims	\$123.6	\$1,793.7	\$392.1	\$32.3	\$2,341.7
Administrative Charges	\$6.6	\$47.9	\$13.6	\$2.1	\$70.2
Net Gain (Loss)	\$8.1	(\$53.0)	(\$11.6)	\$22.4	(\$34.1)
<b>Plan Year 2016</b>					
Premium Rates x Enrollment	\$142.8	\$1,887.2	\$396.1	\$74.9	\$2,501.0
Incurred Claims	\$122.9	\$1,879.8	\$383.9	\$70.6	\$2,457.2
Administrative Charges	\$6.6	\$47.0	\$12.4	\$2.7	\$68.7
Net Gain (Loss)	\$13.3	(\$39.6)	(\$0.2)	\$1.6	(\$24.9)
<b>Plan Year 2017</b>					
Premium Rates x Enrollment	\$162.6	\$1,834.3	\$403.6	\$174.3	\$2,574.8
Incurred Claims	\$150.2	\$1,818.2	\$379.1	\$172.9	\$2,520.4
Administrative Charges	\$2.9	\$34.6	\$11.1	\$5.7	\$54.3
Net Gain (Loss)	\$9.5	(\$18.5)	\$13.4	(\$4.3)	\$0.1

More detailed aggregate projections are attached 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	\$32.10	\$32.18	0.2%
Horizon* PPO	\$22.93	\$23.44	2.2%
Aetna HMO	\$43.77	\$43.88	0.3%
Horizon* HMO	\$35.87	\$36.70	2.3%
Aetna HDHP	\$33.49	\$33.57	0.2%
Horizon* HDHP	\$27.59	\$28.22	2.3%
Aetna Tiered Network	\$45.52	\$45.63	0.2%
Horizon* Tiered Network	\$45.87	\$46.70	1.8%
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%

\*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. In addition, Horizon's Plan Year 2016 PEPM fees for Actives and Retirees were increased by \$0.24 PEPM in January 2016 – June 2016 and by \$0.12 PEPM in July 2016 – December 2016 as a result of the administrative work required due to the changes in Plan Year 2016. Horizon's Plan Year 2017 PEPM fees for Actives and Retirees will increase by \$0.12 PEPM for the full Plan Year 2017.

\*\*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 healthcare 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 SHBP plans were tested using the Minimum Value calculator provided by Health and Human Services (HHS) and the Internal Revenue Service (IRS). All the SHBP 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 95% for the Active NJ DIRECT15 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 each benefit plan 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 and Retiree premium increases were set to achieve no loss or gain for each group.

## Medical and Prescription Drug Claim Projections

1. Using claim data and the triangles supplied by Horizon, Aetna, and Express Scripts, 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. Aggregate claims for Plan Year 2017 are the product of projected enrollment and the projected claims per member.
6. Plan Year 2017 projected Aetna Medicare Advantage PPO fully insured premiums remain at 2016 levels, and the Aetna HMO fully insured premiums were decreased 3% over Plan Year 2016, based on Aetna's renewal. Plan Year 2017 fully insured Horizon Medicare Advantage premium rates are based on the rates provided by Horizon on September 2, 2016.
7. 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.

8. 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 \$70 million for Plan Year 2015, \$75 million for Plan Year 2016 and \$85 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 to date from Express Scripts.
  - b. Coverage Gap Discount: The Plan Year 2017 PMPM credits are assumed to be \$65.80 based on data received from Express Scripts.
  - 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, we will assume that the credit will be \$54.90 PMPM based on projections from Express Scripts.
9. Total SHBP 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, 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 \$5.6 million for Plan Year 2017, which is \$0.2 million more than the Plan Year 2016 projection of \$5.4 million in overhead charges.
3. \$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 Healthcare Reform. There will be no Transitional Reinsurance Fee in Plan Year 2017.
4. NJWELL annual expenses for State Actives are projected to be \$31 per employee for Plan Year 2016 and \$33 per employee for Plan Year 2017.
5. Plan Year 2017 Express Scripts administrative fees are consistent with the administrative fees provided by Express Scripts under the Two-Year Contract Extension.

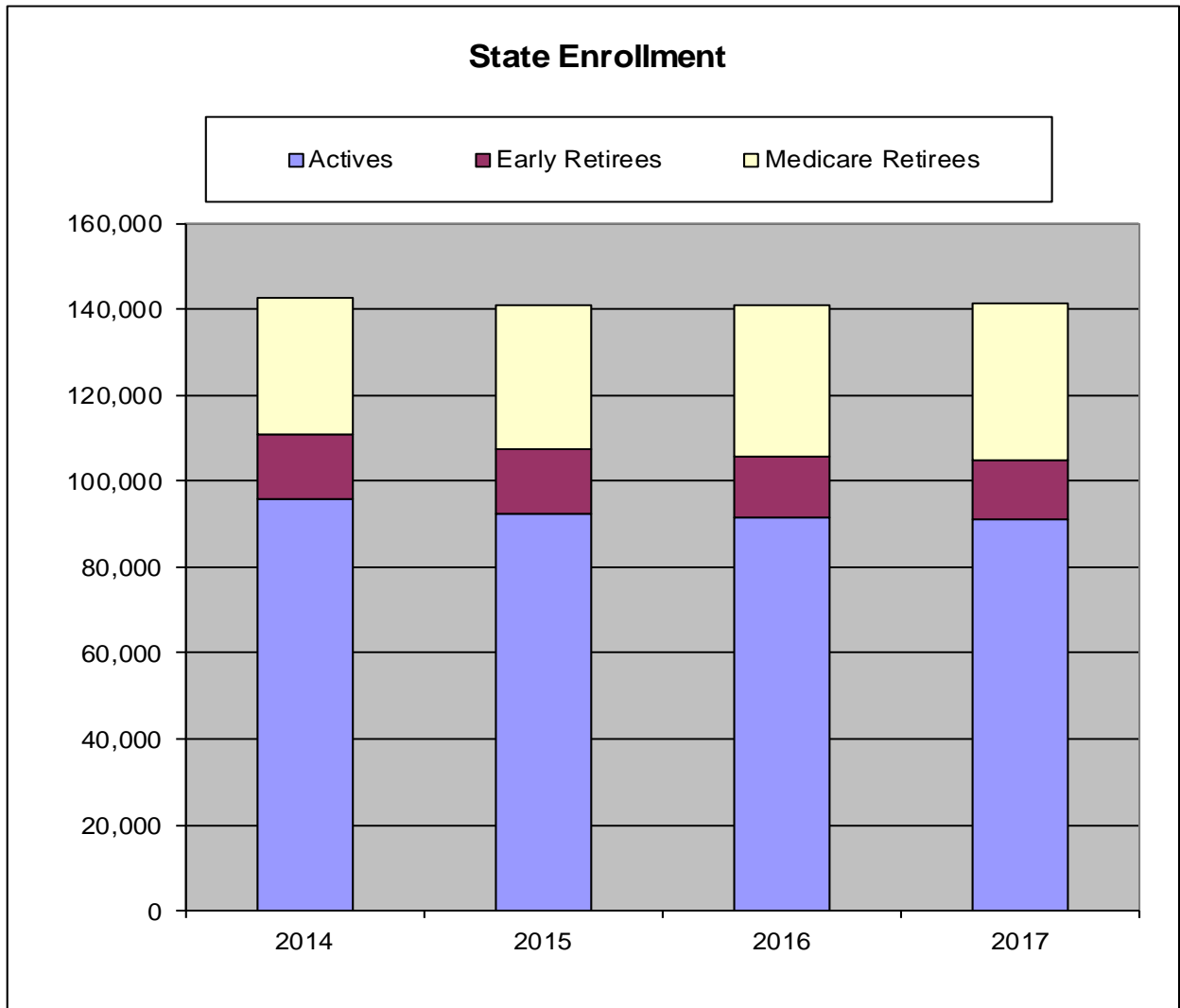
## Projected Premiums

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

## Data Assumptions

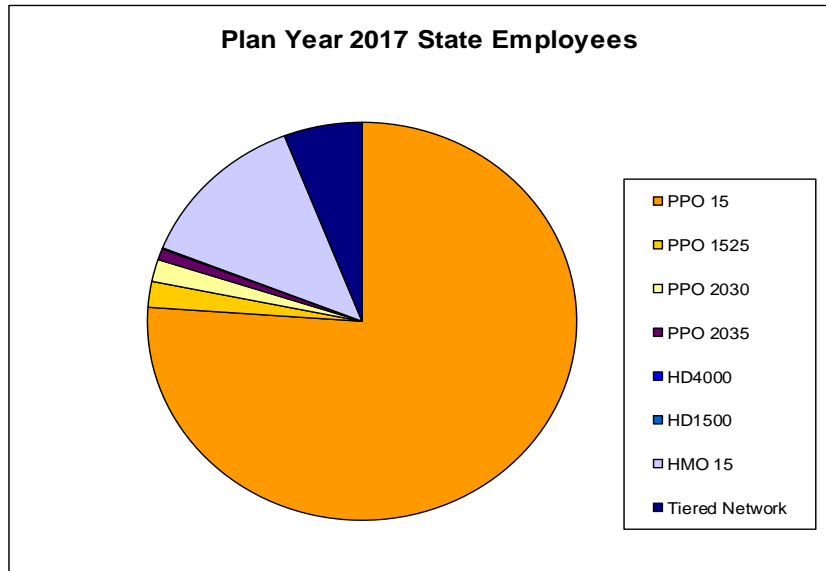
1. Claims: For medical and prescription drug claims, claim files from each of the vendors, which have claims incurred in 2015 and paid through March 2016, are used.
2. Enrollment: Monthly census files received from the Division of Pensions and Benefits are used to match against the claims tapes to determine 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 the cost analysis.

Exhibit 1A – Enrollment Projections



	Annual Change in State Enrollment		
	Actual 2014 to 2015	Actual 2015 to 2016	Projected 2016 to 2017
Actives	-3.7%	-1.0%	-0.5%
Early Retirees	-0.8%	-3.0%	-3.0%
Medicare Retirees	6.1%	4.5%	4.0%

Exhibit 1B Actives – Projected Plan Year 2017 Plan Distribution



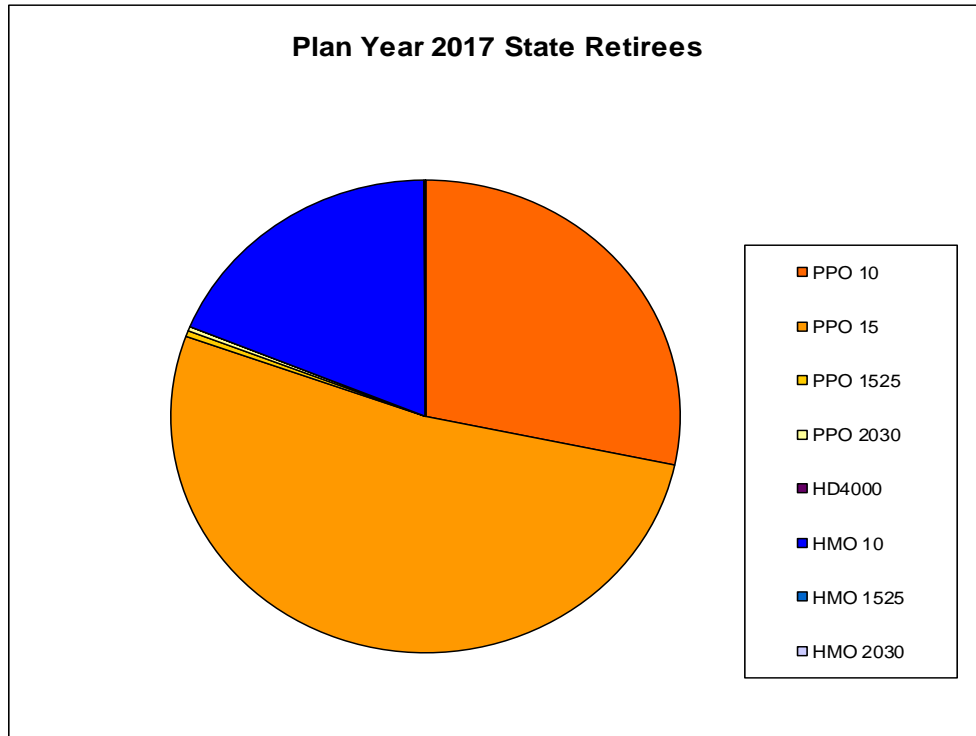
Assumes 81% of Employees will enroll in the PPO plans, 19% in the HMO plans and less than 1% in the High Deductible plans.

Assumes 89% of Employees will remain in Legacy plans with only 11% in the new benefit options.

Assumes enrollment will be split approximately 81% to Horizon and 19% to Aetna.

Actives	Horizon	Aetna	Total
PPO 15	72.2%	4.0%	76.2%
PPO 1525	1.3%	0.8%	2.1%
PPO 2030	1.1%	0.7%	1.8%
PPO 2035	0.5%	0.4%	0.9%
HD4000	0.1%	0.0%	0.1%
HD1500	0.0%	0.0%	0.0%
HMO 15	0.6%	12.5%	13.1%
Tiered Network	5.2%	0.7%	5.9%
<b>Total</b>	<b>81.0%</b>	<b>19.1%</b>	<b>100.1%</b>

Exhibit 1B Retirees – Projected Plan Year 2017 Plan Distribution



Assumes that 47% of Retirees will remain in \$10 copay plans.

Assumes 81% of Retirees will enroll in the PPO plans, 19% in the HMO plans and less than 1% in the High Deductible plans.

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

Retirees	Horizon	Aetna	Total
PPO 10	28.3%	0.0%	28.3%
PPO 15	50.4%	1.8%	52.2%
PPO 1525	0.3%	0.1%	0.4%
PPO 2030	0.2%	0.1%	0.3%
HD4000	0.0%	0.0%	0.0%
HMO 10	0.2%	18.5%	18.7%
HMO 1525	0.0%	0.1%	0.1%
HMO 2030	0.0%	0.0%	0.0%
<b>Total</b>	<b>79.4%</b>	<b>20.6%</b>	<b>100.0%</b>

Exhibit 1C Actives – May 2016 Enrollment

	Number of Contracts as of May 2016				
	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
<b>STATE - ACTIVE &amp; COBRA</b>					
<b>Medical Plans</b>					
Horizon 10 PPO	0	0	0	0	0
Horizon 15 PPO	22,877	11,253	25,167	11,075	70,372
Horizon 1525 PPO	566	124	272	101	1,063
Horizon 2030 PPO	459	118	260	63	900
Horizon 2035 PPO	286	47	65	29	427
Horizon HD4000	42	4	15	2	63
Horizon HD1500	23	3	3	0	29
Horizon Legacy HMO (15)	324	47	128	92	591
Horizon Tiered Network	266	47	144	58	515
<b>Horizon Total</b>	<b>24,843</b>	<b>11,643</b>	<b>26,054</b>	<b>11,420</b>	<b>73,960</b>
Aetna 10 PPO	0	0	0	0	0
Aetna 15 PPO	1,786	553	1,116	444	3,899
Aetna 1525 PPO	329	78	140	61	608
Aetna 2030 PPO	329	70	134	33	566
Aetna 2035 PPO	263	33	54	6	356
Aetna HD4000	19	3	6	2	30
Aetna HD1500	13	2	2	2	19
Aetna Legacy HMO (15)	3,318	1,675	4,092	2,320	11,405
Aetna Tiered Network	212	46	92	24	374
<b>Aetna Total</b>	<b>6,269</b>	<b>2,460</b>	<b>5,636</b>	<b>2,892</b>	<b>17,257</b>
<b>Total</b>	<b>31,112</b>	<b>14,103</b>	<b>31,690</b>	<b>14,312</b>	<b>91,217</b>



Exhibit 1C Retirees – May 2016 Enrollment

	Number of Contracts as of May 2016				
	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
<b>STATE RETIREES</b>					
<b>Medical Plans</b>					
Horizon 10 PPO	8,208	4,894	337	157	13,596
Horizon 15 PPO	11,747	8,811	3,419	1,305	25,282
Horizon 1525 PPO	46	21	6	3	76
Horizon 2030 PPO	33	1	1	1	36
Horizon HD4000	5	1	0	1	7
Horizon HD1500	0	0	0	0	0
Horizon Legacy HMO (10)	67	34	11	10	122
Horizon 1525 HMO	4	2	1	1	8
Horizon 2030 HMO	1	0	0	0	1
<b>Horizon Total</b>	<b>20,111</b>	<b>13,764</b>	<b>3,775</b>	<b>1,478</b>	<b>39,128</b>
Aetna 10 PPO	171	158	23	8	360
Aetna 15 PPO	380	338	130	46	894
Aetna 1525 PPO	4	1	0	0	5
Aetna 2030 PPO	0	1	1	1	3
Aetna HD4000	2	2	0	1	5
Aetna HD1500	0	0	0	0	0
Aetna Legacy HMO (10)	4,118	2,873	1,566	673	9,230
Aetna 1525 HMO	18	9	5	3	35
Aetna 2030 HMO	7	0	2	1	10
<b>Aetna Total</b>	<b>4,700</b>	<b>3,382</b>	<b>1,727</b>	<b>733</b>	<b>10,542</b>
<b>Total</b>	<b>24,811</b>	<b>17,146</b>	<b>5,502</b>	<b>2,211</b>	<b>49,670</b>

Exhibit 2A – Medical Trend Assumption

	(A) Increase in Claims/Ee	(B) Benefit + RFP Changes	(C) = (A) - (B) Claim Trend
<b>PPO Active</b>			
1/1/2014 - 12/31/2014	5.0%	0.0%	5.0%
1/1/2015 - 12/31/2015	8.7%	0.6%	8.0%
Average			6.5%
Aon Plan Year 2017 Trend Assumption			<b>6.5%</b>

<b>PPO Early Retiree</b>			
1/1/2014 - 12/31/2014	11.6%	0.0%	11.6%
1/1/2015 - 12/31/2015	1.6%	0.6%	1.0%
Average			6.3%
Aon Plan Year 2017 Trend Assumption			<b>6.0%</b>

<b>PPO Medicare Retiree</b>			
1/1/2014 - 12/31/2014	3.4%	0.0%	3.4%
1/1/2015 - 12/31/2015	3.3%	0.6%	2.7%
Average			3.1%
Aon Plan Year 2017 Trend Assumption			<b>3.5%</b>

<b>HMO Active</b>			
1/1/2014 - 12/31/2014	5.2%	0.0%	5.2%
1/1/2015 - 12/31/2015	3.2%	0.6%	2.6%
Average			3.9%
Aon Plan Year 2017 Trend Assumption			<b>5.0%</b>

<b>HMO Early Retiree</b>			
1/1/2014 - 12/31/2014	7.0%	0.0%	7.0%
1/1/2015 - 12/31/2015	9.2%	0.6%	8.6%
Average			7.8%
Aon Plan Year 2017 Trend Assumption			<b>5.5%</b>

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 Assumption

	(A) Increase in Claims/Ee	(B) Benefit + RFP Changes	(C) = (A) - (B) Claim Trend
<b>Active Rx</b>			
1/1/2014 - 12/31/2014	15.8%	0.0%	15.8%
1/1/2015 - 12/31/2015	27.1%	-2.6%	29.7%
Average			22.7%
Aon Plan Year 2017 Trend Assumption			<b>11.0%</b>
<b>Retiree Rx</b>			
1/1/2014 - 12/31/2014	15.6%	-2.3%	17.9%
1/1/2015 - 12/31/2015	22.5%	-5.1%	27.6%
Average			22.8%
Aon Plan Year 2017 Trend Assumption			<b>11.0%</b>

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

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	Legacy Plans							1525			
	Total	Aetna PPO10	Aetna PPO15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>											
Average Medical Subscribers	140,782	285	3,645	14,198	96,160	21,885	583	472	933	182	108
Incurring Medical Claims	\$1,592,896,000	\$1,530,000	\$42,264,000	\$58,509,000	\$1,225,167,000	\$235,923,000	\$4,517,000	\$4,053,000	\$7,293,000	\$1,439,000	\$920,000
Capitation	\$32,252,000	\$0	\$0	\$764,000	\$12,855,000	\$17,955,000	\$87,000	\$0	\$103,000	\$132,000	\$15,000
Incurring Prescription Drug Claims	\$904,357,000	\$2,464,000	\$19,068,000	\$101,199,000	\$608,743,000	\$162,541,000	\$2,354,000	\$742,000	\$2,366,000	\$917,000	\$119,000
Prescription Drug Rebates	(\$117,230,000)	(\$290,000)	(\$2,535,000)	(\$12,369,000)	(\$80,247,000)	(\$20,404,000)	(\$311,000)	(\$101,000)	(\$314,000)	(\$111,000)	(\$16,000)
EGWP Credits	(\$70,624,000)	(\$503,000)	(\$712,000)	(\$27,657,000)	(\$30,960,000)	(\$10,450,000)	(\$171,000)	\$0	(\$100,000)	(\$29,000)	(\$4,000)
Administrative Fees	\$70,181,000	\$74,000	\$1,972,000	\$6,522,000	\$45,920,000	\$13,220,000	\$361,000	\$268,000	\$430,000	\$119,000	\$66,000
Total Cost	\$2,411,832,000	\$3,275,000	\$60,057,000	\$126,968,000	\$1,781,478,000	\$398,785,000	\$6,837,000	\$4,962,000	\$9,778,000	\$2,467,000	\$1,100,000
Total Premium	\$2,377,804,000	\$3,592,000	\$62,152,000	\$134,718,000	\$1,726,409,000	\$385,221,000	\$8,870,000	\$7,379,000	\$14,119,000	\$2,580,000	\$1,602,000
Gain (Loss)	(\$34,028,000)	\$317,000	\$2,095,000	\$7,750,000	(\$55,069,000)	(\$13,564,000)	\$2,033,000	\$2,417,000	\$4,341,000	\$113,000	\$502,000
<b>Employees</b>											
Average Medical Subscribers	92,326	NA	3,081	NA	72,292	12,646	463	464	866	145	102
Incurring Medical Claims	\$1,231,704,000	NA	\$36,416,000	NA	\$1,018,457,000	\$149,846,000	\$3,849,000	\$3,877,000	\$6,331,000	\$1,146,000	\$825,000
Capitation	\$24,921,000	NA	\$0	NA	\$10,751,000	\$13,566,000	\$70,000	\$0	\$99,000	\$107,000	\$14,000
Incurring Prescription Drug Claims	\$499,179,000	NA	\$13,801,000	NA	\$403,196,000	\$74,285,000	\$1,366,000	\$666,000	\$1,778,000	\$432,000	\$103,000
Prescription Drug Rebates	(\$70,353,000)	NA	(\$1,945,000)	NA	(\$56,824,000)	(\$10,469,000)	(\$193,000)	(\$94,000)	(\$251,000)	(\$61,000)	(\$15,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$48,446,000	NA	\$1,780,000	NA	\$35,042,000	\$9,313,000	\$287,000	\$264,000	\$399,000	\$102,000	\$63,000
Total Cost	\$1,733,897,000	NA	\$50,052,000	NA	\$1,410,622,000	\$236,541,000	\$5,379,000	\$4,713,000	\$8,356,000	\$1,726,000	\$990,000
Total Premium	\$1,738,653,000	NA	\$53,572,000	NA	\$1,384,113,000	\$238,996,000	\$7,305,000	\$7,254,000	\$13,405,000	\$2,038,000	\$1,516,000
Gain (Loss)	\$4,756,000	NA	\$3,520,000	NA	(\$26,509,000)	\$2,455,000	\$1,926,000	\$2,541,000	\$5,049,000	\$312,000	\$526,000
<b>Retirees</b>											
Average Medical Subscribers	48,456	285	564	14,198	23,868	9,239	120	8	67	37	6
Incurring Medical Claims	\$361,192,000	\$1,530,000	\$5,848,000	\$58,509,000	\$206,710,000	\$86,077,000	\$668,000	\$176,000	\$962,000	\$293,000	\$95,000
Capitation	\$7,331,000	\$0	\$0	\$764,000	\$2,104,000	\$4,389,000	\$17,000	\$0	\$4,000	\$25,000	\$1,000
Incurring Prescription Drug Claims	\$405,178,000	\$2,464,000	\$5,267,000	\$101,199,000	\$205,547,000	\$88,256,000	\$988,000	\$76,000	\$588,000	\$485,000	\$16,000
Prescription Drug Rebates	(\$46,877,000)	(\$290,000)	(\$590,000)	(\$12,369,000)	(\$23,423,000)	(\$9,935,000)	(\$118,000)	(\$7,000)	(\$63,000)	(\$50,000)	(\$1,000)
EGWP Credits	(\$70,624,000)	(\$503,000)	(\$712,000)	(\$27,657,000)	(\$30,960,000)	(\$10,450,000)	(\$171,000)	\$0	(\$100,000)	(\$29,000)	(\$4,000)
Administrative Fees	\$21,735,000	\$74,000	\$192,000	\$6,522,000	\$10,878,000	\$3,907,000	\$74,000	\$4,000	\$31,000	\$17,000	\$3,000
Total Cost	\$677,935,000	\$3,275,000	\$10,005,000	\$126,968,000	\$370,856,000	\$162,244,000	\$1,458,000	\$249,000	\$1,422,000	\$741,000	\$110,000
Total Premium	\$639,151,000	\$3,592,000	\$8,580,000	\$134,718,000	\$342,296,000	\$146,225,000	\$1,565,000	\$125,000	\$714,000	\$542,000	\$86,000
Gain (Loss)	(\$38,784,000)	\$317,000	(\$1,425,000)	\$7,750,000	(\$28,560,000)	(\$16,019,000)	\$107,000	(\$124,000)	(\$708,000)	(\$199,000)	(\$24,000)

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
<b>Employees and Retirees</b>												
Average Medical Subscribers	448	819	174	134	216	287	53	54	35	72	14	25
Incurred Medical Claims	\$2,732,000	\$5,025,000	\$769,000	\$483,000	\$726,000	\$1,119,000	\$53,000	\$125,000	\$72,000	\$48,000	\$52,000	\$77,000
Capitation	\$0	\$93,000	\$169,000	\$17,000	\$0	\$30,000	\$19,000	\$3,000	\$2,000	\$6,000	\$0	\$2,000
Incurred Prescription Drug Claims	\$890,000	\$1,711,000	\$245,000	\$74,000	\$136,000	\$562,000	\$137,000	\$33,000	\$19,000	\$3,000	\$15,000	\$19,000
Prescription Drug Rebates	(\$125,000)	(\$236,000)	(\$31,000)	(\$10,000)	(\$19,000)	(\$79,000)	(\$19,000)	(\$5,000)	(\$3,000)	\$0	(\$2,000)	(\$3,000)
EGWP Credits	\$0	(\$36,000)	\$0	(\$2,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$251,000	\$379,000	\$124,000	\$81,000	\$118,000	\$129,000	\$37,000	\$32,000	\$20,000	\$37,000	\$8,000	\$13,000
Total Cost	\$3,748,000	\$6,936,000	\$1,276,000	\$643,000	\$961,000	\$1,761,000	\$227,000	\$188,000	\$110,000	\$94,000	\$73,000	\$108,000
Total Premium	\$6,268,000	\$12,181,000	\$2,721,000	\$1,767,000	\$2,345,000	\$3,395,000	\$607,000	\$590,000	\$303,000	\$557,000	\$172,000	\$256,000
Gain (Loss)	\$2,520,000	\$5,245,000	\$1,445,000	\$1,124,000	\$1,384,000	\$1,634,000	\$380,000	\$402,000	\$193,000	\$463,000	\$99,000	\$148,000
<b>Employees</b>												
Average Medical Subscribers	446	786	161	129	216	287	53	54	28	68	14	25
Incurred Medical Claims	\$2,727,000	\$4,857,000	\$707,000	\$401,000	\$726,000	\$1,119,000	\$53,000	\$125,000	\$70,000	\$43,000	\$52,000	\$77,000
Capitation	\$0	\$91,000	\$147,000	\$16,000	\$0	\$30,000	\$19,000	\$3,000	\$1,000	\$5,000	\$0	\$2,000
Incurred Prescription Drug Claims	\$877,000	\$1,530,000	\$158,000	\$63,000	\$136,000	\$562,000	\$137,000	\$33,000	\$19,000	\$3,000	\$15,000	\$19,000
Prescription Drug Rebates	(\$124,000)	(\$216,000)	(\$22,000)	(\$9,000)	(\$19,000)	(\$79,000)	(\$19,000)	(\$5,000)	(\$3,000)	\$0	(\$2,000)	(\$3,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$250,000	\$364,000	\$116,000	\$78,000	\$118,000	\$129,000	\$37,000	\$32,000	\$16,000	\$35,000	\$8,000	\$13,000
Total Cost	\$3,730,000	\$6,626,000	\$1,106,000	\$549,000	\$961,000	\$1,761,000	\$227,000	\$188,000	\$103,000	\$86,000	\$73,000	\$108,000
Total Premium	\$6,208,000	\$11,891,000	\$2,518,000	\$1,716,000	\$2,345,000	\$3,395,000	\$607,000	\$590,000	\$240,000	\$516,000	\$172,000	\$256,000
Gain (Loss)	\$2,478,000	\$5,265,000	\$1,412,000	\$1,167,000	\$1,384,000	\$1,634,000	\$380,000	\$402,000	\$137,000	\$430,000	\$99,000	\$148,000
<b>Retirees</b>												
Average Medical Subscribers	2	33	13	5	NA	NA	NA	NA	7	4	NA	NA
Incurred Medical Claims	\$5,000	\$168,000	\$62,000	\$82,000	NA	NA	NA	NA	\$2,000	\$5,000	NA	NA
Capitation	\$0	\$2,000	\$22,000	\$1,000	NA	NA	NA	NA	\$1,000	\$1,000	NA	NA
Incurred Prescription Drug Claims	\$13,000	\$181,000	\$87,000	\$11,000	NA	NA	NA	NA	\$0	\$0	NA	NA
Prescription Drug Rebates	(\$1,000)	(\$20,000)	(\$9,000)	(\$1,000)	NA	NA	NA	NA	\$0	\$0	NA	NA
EGWP Credits	\$0	(\$36,000)	\$0	(\$2,000)	NA	NA	NA	NA	\$0	\$0	NA	NA
Administrative Fees	\$1,000	\$15,000	\$8,000	\$3,000	NA	NA	NA	NA	\$4,000	\$2,000	NA	NA
Total Cost	\$18,000	\$310,000	\$170,000	\$94,000	NA	NA	NA	NA	\$7,000	\$8,000	NA	NA
Total Premium	\$60,000	\$290,000	\$203,000	\$51,000	NA	NA	NA	NA	\$63,000	\$41,000	NA	NA
Gain (Loss)	\$42,000	(\$20,000)	\$33,000	(\$43,000)	NA	NA	NA	NA	\$56,000	\$33,000	NA	NA

Exhibit 3B – Plan Year 2016 Aggregate Costs  
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	Total	Legacy Plans						1525			
		Aetna PPO10	Aetna PPO15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>											
Average Medical Subscribers	140,904	359	4,748	13,689	95,677	20,638	701	607	1,128	35	7
Incurred Medical Claims	\$1,686,069,000	\$2,369,000	\$59,225,000	\$56,787,000	\$1,279,857,000	\$229,328,000	\$6,375,000	\$7,023,000	\$12,983,000	\$311,000	\$78,000
Capitation	\$32,493,000	\$0	\$0	\$694,000	\$13,458,000	\$17,473,000	\$106,000	\$0	\$137,000	\$24,000	\$1,000
Incurred Prescription Drug Claims	\$942,114,000	\$3,859,000	\$28,849,000	\$100,619,000	\$624,795,000	\$159,203,000	\$3,684,000	\$2,539,000	\$5,064,000	\$283,000	\$46,000
Prescription Drug Rebates	(\$128,340,000)	(\$482,000)	(\$4,048,000)	(\$12,859,000)	(\$86,554,000)	(\$20,744,000)	(\$522,000)	(\$381,000)	(\$744,000)	(\$32,000)	(\$5,000)
EGWP Credits	(\$75,088,000)	(\$683,000)	(\$1,281,000)	(\$27,470,000)	(\$34,442,000)	(\$10,833,000)	(\$183,000)	\$0	(\$121,000)	(\$31,000)	(\$1,000)
Administrative Fees	\$68,695,000	\$92,000	\$2,475,000	\$6,493,000	\$44,455,000	\$12,030,000	\$427,000	\$341,000	\$513,000	\$15,000	\$4,000
Total Cost	\$2,525,943,000	\$5,155,000	\$85,220,000	\$124,264,000	\$1,841,569,000	\$386,457,000	\$9,887,000	\$9,522,000	\$17,832,000	\$570,000	\$123,000
Total Premium	\$2,501,044,000	\$4,627,000	\$84,519,000	\$138,209,000	\$1,802,678,000	\$385,088,000	\$10,995,000	\$9,896,000	\$18,201,000	\$555,000	\$137,000
Gain (Loss)	(\$24,899,000)	(\$528,000)	(\$701,000)	\$13,945,000	(\$38,891,000)	(\$1,369,000)	\$1,108,000	\$374,000	\$369,000	(\$15,000)	\$14,000
<b>Employees</b>											
Average Medical Subscribers	\$91,396	NA	3,868	NA	70,578	11,465	578	602	1,053	NA	NA
Incurred Medical Claims	\$1,305,385,000	NA	\$50,897,000	NA	\$1,055,515,000	\$142,649,000	\$5,490,000	\$6,978,000	\$12,530,000	NA	NA
Capitation	\$24,954,000	NA	\$0	NA	\$11,187,000	\$12,966,000	\$90,000	\$0	\$133,000	NA	NA
Incurred Prescription Drug Claims	\$510,690,000	NA	\$19,676,000	NA	\$400,357,000	\$68,265,000	\$2,629,000	\$2,517,000	\$4,435,000	NA	NA
Prescription Drug Rebates	(\$76,823,000)	NA	(\$2,960,000)	NA	(\$60,226,000)	(\$10,269,000)	(\$395,000)	(\$379,000)	(\$667,000)	NA	NA
EGWP Credits	\$0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$46,373,000	NA	\$2,197,000	NA	\$32,949,000	\$8,242,000	\$351,000	\$338,000	\$478,000	NA	NA
Total Cost	\$1,810,579,000	NA	\$69,810,000	NA	\$1,439,782,000	\$221,853,000	\$8,165,000	\$9,454,000	\$16,909,000	NA	NA
Total Premium	\$1,796,391,000	NA	\$70,856,000	NA	\$1,416,404,000	\$227,240,000	\$9,308,000	\$9,811,000	\$17,351,000	NA	NA
Gain (Loss)	(\$14,188,000)	NA	\$1,046,000	NA	(\$23,378,000)	\$5,387,000	\$1,143,000	\$357,000	\$442,000	NA	NA
<b>Retirees</b>											
Average Medical Subscribers	49,508	359	880	13,689	25,099	9,173	123	5	75	35	7
Incurred Medical Claims	\$380,684,000	\$2,369,000	\$8,328,000	\$56,787,000	\$224,342,000	\$86,679,000	\$885,000	\$45,000	\$453,000	\$311,000	\$78,000
Capitation	\$7,539,000	\$0	\$0	\$694,000	\$2,271,000	\$4,507,000	\$16,000	\$0	\$4,000	\$24,000	\$1,000
Incurred Prescription Drug Claims	\$431,424,000	\$3,859,000	\$9,173,000	\$100,619,000	\$224,438,000	\$90,938,000	\$1,055,000	\$22,000	\$629,000	\$283,000	\$46,000
Prescription Drug Rebates	(\$51,517,000)	(\$482,000)	(\$1,088,000)	(\$12,859,000)	(\$26,328,000)	(\$10,475,000)	(\$127,000)	(\$2,000)	(\$77,000)	(\$32,000)	(\$5,000)
EGWP Credits	(\$75,088,000)	(\$683,000)	(\$1,281,000)	(\$27,470,000)	(\$34,442,000)	(\$10,833,000)	(\$183,000)	\$0	(\$121,000)	(\$31,000)	(\$1,000)
Administrative Fees	\$22,322,000	\$92,000	\$278,000	\$6,493,000	\$11,506,000	\$3,788,000	\$76,000	\$3,000	\$35,000	\$15,000	\$4,000
Total Cost	\$715,364,000	\$5,155,000	\$15,410,000	\$124,264,000	\$401,787,000	\$164,604,000	\$1,722,000	\$68,000	\$923,000	\$570,000	\$123,000
Total Premium	\$704,653,000	\$4,627,000	\$13,663,000	\$138,209,000	\$386,274,000	\$157,848,000	\$1,687,000	\$85,000	\$850,000	\$555,000	\$137,000
Gain (Loss)	(\$10,711,000)	(\$528,000)	(\$1,747,000)	\$13,945,000	(\$15,513,000)	(\$6,756,000)	(\$35,000)	\$17,000	(\$73,000)	(\$15,000)	\$14,000

Exhibit 3B – Plan Year 2016 Aggregate Costs

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	2030				2035		HD 4000		HD 1500		Tiered Network	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>												
Average Medical Subscribers	564	934	10	1	355	423	35	70	19	28	373	503
Incurred Medical Claims	\$5,997,000	\$10,545,000	\$105,000	\$4,000	\$2,637,000	\$3,354,000	\$214,000	\$425,000	\$147,000	\$194,000	\$3,313,000	\$4,798,000
Capitation	\$0	\$117,000	\$18,000	\$0	\$0	\$46,000	\$2,000	\$7,000	\$1,000	\$2,000	\$324,000	\$83,000
Incurred Prescription Drug Claims	\$2,349,000	\$4,202,000	\$62,000	\$7,000	\$1,077,000	\$1,344,000	\$86,000	\$165,000	\$57,000	\$74,000	\$1,549,000	\$2,201,000
Prescription Drug Rebates	(\$352,000)	(\$626,000)	(\$6,000)	(\$1,000)	(\$162,000)	(\$202,000)	(\$12,000)	(\$24,000)	(\$9,000)	(\$11,000)	(\$233,000)	(\$331,000)
EGWP Credits	\$0	(\$41,000)	\$0	(\$2,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$316,000	\$425,000	\$7,000	\$1,000	\$195,000	\$188,000	\$20,000	\$36,000	\$11,000	\$14,000	\$269,000	\$368,000
Total Cost	\$8,310,000	\$14,622,000	\$186,000	\$9,000	\$3,747,000	\$4,730,000	\$310,000	\$609,000	\$207,000	\$273,000	\$5,222,000	\$7,119,000
Total Premium	\$8,660,000	\$14,910,000	\$173,000	\$8,000	\$4,079,000	\$5,042,000	\$318,000	\$600,000	\$222,000	\$294,000	\$4,918,000	\$6,915,000
Gain (Loss)	\$350,000	\$288,000	(\$13,000)	(\$1,000)	\$332,000	\$312,000	\$8,000	(\$9,000)	\$15,000	\$21,000	(\$304,000)	(\$204,000)
<b>Employees</b>												
Average Medical Subscribers	561	897	NA	NA	355	423	30	63	19	28	373	503
Incurred Medical Claims	\$5,939,000	\$10,383,000	NA	NA	\$2,637,000	\$3,354,000	\$178,000	\$383,000	\$147,000	\$194,000	\$3,313,000	\$4,798,000
Capitation	\$0	\$115,000	NA	NA	\$0	\$46,000	\$1,000	\$6,000	\$1,000	\$2,000	\$324,000	\$83,000
Incurred Prescription Drug Claims	\$2,318,000	\$3,977,000	NA	NA	\$1,077,000	\$1,344,000	\$69,000	\$145,000	\$57,000	\$74,000	\$1,549,000	\$2,201,000
Prescription Drug Rebates	(\$349,000)	(\$598,000)	NA	NA	(\$162,000)	(\$202,000)	(\$10,000)	(\$22,000)	(\$9,000)	(\$11,000)	(\$233,000)	(\$331,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$314,000	\$409,000	NA	NA	\$195,000	\$188,000	\$18,000	\$32,000	\$11,000	\$14,000	\$269,000	\$368,000
Total Cost	\$8,222,000	\$14,286,000	NA	NA	\$3,747,000	\$4,730,000	\$256,000	\$544,000	\$207,000	\$273,000	\$5,222,000	\$7,119,000
Total Premium	\$8,579,000	\$14,581,000	NA	NA	\$4,079,000	\$5,042,000	\$261,000	\$530,000	\$222,000	\$294,000	\$4,918,000	\$6,915,000
Gain (Loss)	\$357,000	\$295,000	NA	NA	\$332,000	\$312,000	\$5,000	(\$14,000)	\$15,000	\$21,000	(\$304,000)	(\$204,000)
<b>Retirees</b>												
Average Medical Subscribers	3	37	10	1	NA	NA	5	7	NA	NA	NA	NA
Incurred Medical Claims	\$58,000	\$162,000	\$105,000	\$4,000	NA	NA	\$36,000	\$42,000	NA	NA	NA	NA
Capitation	\$0	\$2,000	\$18,000	\$0	NA	NA	\$1,000	\$1,000	NA	NA	NA	NA
Incurred Prescription Drug Claims	\$31,000	\$225,000	\$62,000	\$7,000	NA	NA	\$17,000	\$20,000	NA	NA	NA	NA
Prescription Drug Rebates	(\$3,000)	(\$28,000)	(\$6,000)	(\$1,000)	NA	NA	(\$2,000)	(\$2,000)	NA	NA	NA	NA
EGWP Credits	\$0	(\$41,000)	\$0	(\$2,000)	NA	NA	\$0	\$0	NA	NA	NA	NA
Administrative Fees	\$2,000	\$16,000	\$7,000	\$1,000	NA	NA	\$2,000	\$4,000	NA	NA	NA	NA
Total Cost	\$88,000	\$336,000	\$186,000	\$9,000	NA	NA	\$54,000	\$65,000	NA	NA	NA	NA
Total Premium	\$81,000	\$329,000	\$173,000	\$8,000	NA	NA	\$57,000	\$70,000	NA	NA	NA	NA
Gain (Loss)	(\$7,000)	(\$7,000)	(\$13,000)	(\$1,000)	NA	NA	\$3,000	\$5,000	NA	NA	NA	NA

Exhibit 3C – Projected Plan Year 2017 Aggregate Costs

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	Legacy Plans							1525			
	Total	Aetna PPO10	Aetna PPO15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>											
Average Medical Subscribers	141,406	370	4,512	14,188	90,782	20,664	700	763	1,284	40	12
Incurred Medical Claims	\$1,732,689,000	\$2,483,000	\$63,909,000	\$71,313,000	\$1,237,645,000	\$223,050,000	\$7,896,000	\$11,060,000	\$18,213,000	\$343,000	\$131,000
Capitation	\$34,038,000	\$0	\$0	\$1,211,000	\$13,243,000	\$17,303,000	\$134,000	\$0	\$197,000	\$25,000	\$2,000
Incurred Prescription Drug Claims	\$973,028,000	\$4,114,000	\$30,197,000	\$116,759,000	\$602,891,000	\$161,261,000	\$4,408,000	\$4,292,000	\$7,103,000	\$380,000	\$102,000
Prescription Drug Rebates	(\$134,711,000)	(\$484,000)	(\$4,401,000)	(\$13,848,000)	(\$85,620,000)	(\$21,361,000)	(\$652,000)	(\$656,000)	(\$1,079,000)	(\$43,000)	(\$11,000)
EGWP Credits	(\$84,644,000)	(\$721,000)	(\$1,425,000)	(\$30,642,000)	(\$38,227,000)	(\$12,736,000)	(\$216,000)	(\$102,000)	(\$243,000)	(\$53,000)	(\$12,000)
Administrative Fees	\$54,343,000	\$85,000	\$2,073,000	\$2,780,000	\$32,498,000	\$10,739,000	\$397,000	\$387,000	\$519,000	\$15,000	\$7,000
Total Cost	\$2,574,743,000	\$5,477,000	\$90,353,000	\$147,573,000	\$1,762,430,000	\$378,256,000	\$11,967,000	\$14,981,000	\$24,710,000	\$667,000	\$219,000
Total Premium	\$2,574,782,000	\$4,784,000	\$88,043,000	\$157,784,000	\$1,746,333,000	\$390,316,000	\$13,330,000	\$14,710,000	\$24,412,000	\$657,000	\$230,000
Gain (Loss)	\$39,000	(\$693,000)	(\$2,310,000)	\$10,211,000	(\$16,097,000)	\$12,060,000	\$1,363,000	(\$271,000)	(\$298,000)	(\$10,000)	\$11,000
<b>Employees</b>											
Average Medical Subscribers	90,940	NA	3,618	NA	65,584	11,408	575	699	1,148	NA	NA
Incurred Medical Claims	\$1,340,940,000	NA	\$56,090,000	NA	\$1,014,048,000	\$140,871,000	\$6,947,000	\$10,535,000	\$17,247,000	NA	NA
Capitation	\$26,209,000	NA	\$0	NA	\$10,962,000	\$13,060,000	\$116,000	\$0	\$186,000	NA	NA
Incurred Prescription Drug Claims	\$504,686,000	NA	\$20,658,000	NA	\$366,440,000	\$65,139,000	\$3,214,000	\$3,621,000	\$5,816,000	NA	NA
Prescription Drug Rebates	(\$80,636,000)	NA	(\$3,301,000)	NA	(\$58,546,000)	(\$10,407,000)	(\$514,000)	(\$578,000)	(\$929,000)	NA	NA
EGWP Credits	\$0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$41,282,000	NA	\$1,825,000	NA	\$26,212,000	\$7,358,000	\$321,000	\$353,000	\$459,000	NA	NA
Total Cost	\$1,832,481,000	NA	\$75,272,000	NA	\$1,359,116,000	\$216,021,000	\$10,084,000	\$13,931,000	\$22,779,000	NA	NA
Total Premium	\$1,832,396,000	NA	\$74,450,000	NA	\$1,349,669,000	\$228,824,000	\$11,449,000	\$13,783,000	\$22,624,000	NA	NA
Gain (Loss)	(\$85,000)	NA	(\$822,000)	NA	(\$9,447,000)	\$12,803,000	\$1,365,000	(\$148,000)	(\$155,000)	NA	NA
<b>Retirees</b>											
Average Medical Subscribers	50,466	370	894	14,188	25,198	9,256	125	64	136	40	12
Incurred Medical Claims	\$391,749,000	\$2,483,000	\$7,819,000	\$71,313,000	\$223,597,000	\$82,179,000	\$949,000	\$525,000	\$966,000	\$343,000	\$131,000
Capitation	\$7,829,000	\$0	\$0	\$1,211,000	\$2,281,000	\$4,243,000	\$18,000	\$0	\$11,000	\$25,000	\$2,000
Incurred Prescription Drug Claims	\$468,342,000	\$4,114,000	\$9,539,000	\$116,759,000	\$236,451,000	\$96,122,000	\$1,194,000	\$671,000	\$1,287,000	\$380,000	\$102,000
Prescription Drug Rebates	(\$54,075,000)	(\$484,000)	(\$1,100,000)	(\$13,848,000)	(\$27,074,000)	(\$10,954,000)	(\$138,000)	(\$78,000)	(\$150,000)	(\$43,000)	(\$11,000)
EGWP Credits	(\$84,644,000)	(\$721,000)	(\$1,425,000)	(\$30,642,000)	(\$38,227,000)	(\$12,736,000)	(\$216,000)	(\$102,000)	(\$243,000)	(\$53,000)	(\$12,000)
Administrative Fees	\$13,061,000	\$85,000	\$248,000	\$2,780,000	\$6,286,000	\$3,381,000	\$76,000	\$34,000	\$60,000	\$15,000	\$7,000
Total Cost	\$742,262,000	\$5,477,000	\$15,081,000	\$147,573,000	\$403,314,000	\$162,235,000	\$1,883,000	\$1,050,000	\$1,931,000	\$667,000	\$219,000
Total Premium	\$742,386,000	\$4,784,000	\$13,593,000	\$157,784,000	\$396,664,000	\$161,492,000	\$1,881,000	\$927,000	\$1,788,000	\$657,000	\$230,000
Gain (Loss)	\$124,000	(\$693,000)	(\$1,488,000)	\$10,211,000	(\$6,650,000)	(\$743,000)	(\$2,000)	(\$123,000)	(\$143,000)	(\$10,000)	\$11,000



Exhibit 3C – Projected Plan Year 2017 Aggregate Costs

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	2030				2035		HD 4000		HD 1500		Tiered Network	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>												
Average Medical Subscribers	706	1,075	15	6	372	439	45	80	28	37	602	4,686
Incurred Medical Claims	\$9,626,000	\$14,563,000	\$170,000	\$42,000	\$4,529,000	\$5,338,000	\$393,000	\$695,000	\$349,000	\$461,000	\$6,898,000	\$53,582,000
Capitation	\$0	\$167,000	\$27,000	\$0	\$0	\$74,000	\$3,000	\$11,000	\$1,000	\$5,000	\$689,000	\$946,000
Incurred Prescription Drug Claims	\$4,028,000	\$5,935,000	\$133,000	\$55,000	\$1,763,000	\$2,039,000	\$151,000	\$258,000	\$128,000	\$166,000	\$3,116,000	\$23,749,000
Prescription Drug Rebates	(\$617,000)	(\$910,000)	(\$14,000)	(\$6,000)	(\$282,000)	(\$326,000)	(\$22,000)	(\$39,000)	(\$21,000)	(\$27,000)	(\$498,000)	(\$3,794,000)
EGWP Credits	(\$93,000)	(\$153,000)	(\$10,000)	(\$11,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$358,000	\$433,000	\$9,000	\$4,000	\$188,000	\$176,000	\$24,000	\$37,000	\$15,000	\$17,000	\$401,000	\$3,181,000
Total Cost	\$13,302,000	\$20,035,000	\$315,000	\$84,000	\$6,198,000	\$7,301,000	\$549,000	\$962,000	\$472,000	\$622,000	\$10,606,000	\$77,664,000
Total Premium	\$13,022,000	\$19,773,000	\$295,000	\$83,000	\$6,086,000	\$7,192,000	\$506,000	\$896,000	\$447,000	\$592,000	\$9,704,000	\$75,587,000
Gain (Loss)	(\$280,000)	(\$262,000)	(\$20,000)	(\$1,000)	(\$112,000)	(\$109,000)	(\$43,000)	(\$66,000)	(\$25,000)	(\$30,000)	(\$902,000)	(\$2,077,000)
<b>Employees</b>												
Average Medical Subscribers	649	984	NA	NA	372	439	39	72	28	37	602	4,686
Incurred Medical Claims	\$9,200,000	\$13,903,000	NA	NA	\$4,529,000	\$5,338,000	\$332,000	\$610,000	\$349,000	\$461,000	\$6,898,000	\$53,582,000
Capitation	\$0	\$157,000	NA	NA	\$0	\$74,000	\$3,000	\$10,000	\$1,000	\$5,000	\$689,000	\$946,000
Incurred Prescription Drug Claims	\$3,422,000	\$5,073,000	NA	NA	\$1,763,000	\$2,039,000	\$122,000	\$220,000	\$128,000	\$166,000	\$3,116,000	\$23,749,000
Prescription Drug Rebates	(\$547,000)	(\$811,000)	NA	NA	(\$282,000)	(\$326,000)	(\$20,000)	(\$35,000)	(\$21,000)	(\$27,000)	(\$498,000)	(\$3,794,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$328,000	\$393,000	NA	NA	\$188,000	\$176,000	\$21,000	\$34,000	\$15,000	\$17,000	\$401,000	\$3,181,000
Total Cost	\$12,403,000	\$18,715,000	NA	NA	\$6,198,000	\$7,301,000	\$458,000	\$839,000	\$472,000	\$622,000	\$10,606,000	\$77,664,000
Total Premium	\$12,237,000	\$18,543,000	NA	NA	\$6,086,000	\$7,192,000	\$425,000	\$784,000	\$447,000	\$592,000	\$9,704,000	\$75,587,000
Gain (Loss)	(\$166,000)	(\$172,000)	NA	NA	(\$112,000)	(\$109,000)	(\$33,000)	(\$55,000)	(\$25,000)	(\$30,000)	(\$902,000)	(\$2,077,000)
<b>Retirees</b>												
Average Medical Subscribers	57	91	15	6	NA	NA	6	8	NA	NA	NA	NA
Incurred Medical Claims	\$426,000	\$660,000	\$170,000	\$42,000	NA	NA	\$61,000	\$85,000	NA	NA	NA	NA
Capitation	\$0	\$10,000	\$27,000	\$0	NA	NA	\$0	\$1,000	NA	NA	NA	NA
Incurred Prescription Drug Claims	\$606,000	\$862,000	\$133,000	\$55,000	NA	NA	\$29,000	\$38,000	NA	NA	NA	NA
Prescription Drug Rebates	(\$70,000)	(\$99,000)	(\$14,000)	(\$6,000)	NA	NA	(\$2,000)	(\$4,000)	NA	NA	NA	NA
EGWP Credits	(\$93,000)	(\$153,000)	(\$10,000)	(\$11,000)	NA	NA	\$0	\$0	NA	NA	NA	NA
Administrative Fees	\$30,000	\$40,000	\$9,000	\$4,000	NA	NA	\$3,000	\$3,000	NA	NA	NA	NA
Total Cost	\$899,000	\$1,320,000	\$315,000	\$84,000	NA	NA	\$91,000	\$123,000	NA	NA	NA	NA
Total Premium	\$785,000	\$1,230,000	\$295,000	\$83,000	NA	NA	\$81,000	\$112,000	NA	NA	NA	NA
Gain (Loss)	(\$114,000)	(\$90,000)	(\$20,000)	(\$1,000)	NA	NA	(\$10,000)	(\$11,000)	NA	NA	NA	NA

Exhibit 4A – Plan Year 2017 Monthly Active Premiums

	Legacy Plans				1525			
	Aetna PPO15	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Medical Coverage Only</b>								
Single	\$695.55	\$695.55	\$673.15	\$666.41	\$676.07	\$676.07	N/A	N/A
Employee+Spouse	\$1,391.10	\$1,391.10	\$1,346.30	\$1,332.82	\$1,352.14	\$1,352.14	N/A	N/A
Family	\$1,989.27	\$1,989.27	\$1,925.21	\$1,905.93	\$1,933.56	\$1,933.56	N/A	N/A
Employee+Child(ren)	\$1,293.72	\$1,293.72	\$1,252.06	\$1,239.52	\$1,257.49	\$1,257.49	N/A	N/A
Adult Child Rate	\$610.13	\$610.13	\$590.49	\$584.57	\$593.05	\$593.05	N/A	N/A
	Legacy Plans				1525			
	Aetna PPO15	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Rx Card</b>								
Single	\$190.71	\$190.71	\$190.71	\$190.71	\$172.97	\$172.97	N/A	N/A
Employee+Spouse	\$381.43	\$381.43	\$381.43	\$381.43	\$345.96	\$345.96	N/A	N/A
Family	\$545.43	\$545.43	\$545.43	\$545.43	\$494.69	\$494.69	N/A	N/A
Employee+Child(ren)	\$354.72	\$354.72	\$354.72	\$354.72	\$321.72	\$321.72	N/A	N/A
Adult Child Rate	\$167.29	\$167.29	\$167.29	\$167.29	\$151.73	\$151.73	N/A	N/A
	2030				2035			
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Medical Coverage Only</b>								
Single	\$635.73	\$635.73	N/A	N/A	\$546.72	\$546.72	N/A	N/A
Employee+Spouse	\$1,271.46	\$1,271.46	N/A	N/A	\$1,093.44	\$1,093.44	N/A	N/A
Family	\$1,818.19	\$1,818.19	N/A	N/A	\$1,563.62	\$1,563.62	N/A	N/A
Employee+Child(ren)	\$1,182.46	\$1,182.46	N/A	N/A	\$1,016.90	\$1,016.90	N/A	N/A
Adult Child Rate	\$557.66	\$557.66	N/A	N/A	\$479.58	\$479.58	N/A	N/A
	2030				2035			
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Rx Card</b>								
Single	\$176.04	\$176.04	N/A	N/A	\$158.45	\$158.45	N/A	N/A
Employee+Spouse	\$352.06	\$352.06	N/A	N/A	\$316.88	\$316.88	N/A	N/A
Family	\$503.47	\$503.47	N/A	N/A	\$453.17	\$453.17	N/A	N/A
Employee+Child(ren)	\$327.43	\$327.43	N/A	N/A	\$294.72	\$294.72	N/A	N/A
Adult Child Rate	\$154.42	\$154.42	N/A	N/A	\$139.00	\$139.00	N/A	N/A
	HD 4000		HD 1500		Tiered Network			
	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO		
<b>Medical Coverage Only</b>								
Single	\$354.15	\$354.15	\$525.24	\$525.24	\$521.66	\$521.66		
Employee+Spouse	\$708.30	\$708.30	\$1,050.48	\$1,050.48	\$1,043.32	\$1,043.32		
Family	\$1,012.87	\$1,012.87	\$1,502.19	\$1,502.19	\$1,491.95	\$1,491.95		
Employee+Child(ren)	\$658.72	\$658.72	\$976.95	\$976.95	\$970.29	\$970.29		
Adult Child Rate	\$310.66	\$310.66	\$460.74	\$460.74	\$457.60	\$457.60		
	HD 4000		HD 1500		Tiered Network			
	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO		
<b>Rx Card</b>								
Single	\$116.30	\$116.30	\$172.49	\$172.49	\$172.97	\$172.97		
Employee+Spouse	\$232.61	\$232.61	\$344.97	\$344.97	\$345.96	\$345.96		
Family	\$332.62	\$332.62	\$493.32	\$493.32	\$494.69	\$494.69		
Employee+Child(ren)	\$216.32	\$216.32	\$320.83	\$320.83	\$321.72	\$321.72		
Adult Child Rate	\$102.02	\$102.02	\$151.31	\$151.31	\$151.73	\$151.73		

Exhibit 4B – Plan Year 2017 Annual Active Premiums

	Legacy Plans				1525			
	Aetna PPO15	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Medical Coverage Only</b>								
Single	\$8,347	\$8,347	\$8,078	\$7,997	\$8,113	\$8,113	N/A	N/A
Employee+Spouse	\$16,693	\$16,693	\$16,156	\$15,994	\$16,226	\$16,226	N/A	N/A
Family	\$23,871	\$23,871	\$23,103	\$22,871	\$23,203	\$23,203	N/A	N/A
Employee+Child(ren)	\$15,525	\$15,525	\$15,025	\$14,874	\$15,090	\$15,090	N/A	N/A
Adult Child Rate	\$7,322	\$7,322	\$7,086	\$7,015	\$7,117	\$7,117	N/A	N/A
	Legacy Plans				1525			
	Aetna PPO15	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Rx Card</b>								
Single	\$2,289	\$2,289	\$2,289	\$2,289	\$2,076	\$2,076	N/A	N/A
Employee+Spouse	\$4,577	\$4,577	\$4,577	\$4,577	\$4,152	\$4,152	N/A	N/A
Family	\$6,545	\$6,545	\$6,545	\$6,545	\$5,936	\$5,936	N/A	N/A
Employee+Child(ren)	\$4,257	\$4,257	\$4,257	\$4,257	\$3,861	\$3,861	N/A	N/A
Adult Child Rate	\$2,007	\$2,007	\$2,007	\$2,007	\$1,821	\$1,821	N/A	N/A
	2030				2035			
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Medical Coverage Only</b>								
Single	\$7,629	\$7,629	N/A	N/A	\$6,561	\$6,561	N/A	N/A
Employee+Spouse	\$15,258	\$15,258	N/A	N/A	\$13,121	\$13,121	N/A	N/A
Family	\$21,818	\$21,818	N/A	N/A	\$18,763	\$18,763	N/A	N/A
Employee+Child(ren)	\$14,190	\$14,190	N/A	N/A	\$12,203	\$12,203	N/A	N/A
Adult Child Rate	\$6,692	\$6,692	N/A	N/A	\$5,755	\$5,755	N/A	N/A
	2030				2035			
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Rx Card</b>								
Single	\$2,112	\$2,112	N/A	N/A	\$1,901	\$1,901	N/A	N/A
Employee+Spouse	\$4,225	\$4,225	N/A	N/A	\$3,803	\$3,803	N/A	N/A
Family	\$6,042	\$6,042	N/A	N/A	\$5,438	\$5,438	N/A	N/A
Employee+Child(ren)	\$3,929	\$3,929	N/A	N/A	\$3,537	\$3,537	N/A	N/A
Adult Child Rate	\$1,853	\$1,853	N/A	N/A	\$1,668	\$1,668	N/A	N/A
	HD 4000		HD 1500		Tiered Network			
	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO		
<b>Medical Coverage Only</b>								
Single	\$4,250	\$4,250	\$6,303	\$6,303	\$6,260	\$6,260		
Employee+Spouse	\$8,500	\$8,500	\$12,606	\$12,606	\$12,520	\$12,520		
Family	\$12,154	\$12,154	\$18,026	\$18,026	\$17,903	\$17,903		
Employee+Child(ren)	\$7,905	\$7,905	\$11,723	\$11,723	\$11,643	\$11,643		
Adult Child Rate	\$3,728	\$3,728	\$5,529	\$5,529	\$5,491	\$5,491		
	HD 4000		HD 1500		Tiered Network			
	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO		
<b>Rx Card</b>								
Single	\$1,396	\$1,396	\$2,070	\$2,070	\$2,076	\$2,076		
Employee+Spouse	\$2,791	\$2,791	\$4,140	\$4,140	\$4,152	\$4,152		
Family	\$3,991	\$3,991	\$5,920	\$5,920	\$5,936	\$5,936		
Employee+Child(ren)	\$2,596	\$2,596	\$3,850	\$3,850	\$3,861	\$3,861		
Adult Child Rate	\$1,224	\$1,224	\$1,816	\$1,816	\$1,821	\$1,821		

Exhibit 4C – Plan Year 2017 Monthly Retiree Premiums

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	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Total Premium</b>										
Single - 0 Medicare	\$1,348.64	\$1,285.78	\$1,348.64	\$1,285.78	\$1,229.96	\$1,220.84	\$1,241.73	\$1,241.73	\$1,138.74	\$1,130.43
Single - 1 Medicare	\$560.71	\$537.30	\$556.34	\$533.39	\$645.83	\$643.25	N/A	\$506.20	\$596.52	\$594.03
EE+Spouse - 0 Medicare	\$2,940.03	\$2,803.03	\$2,940.03	\$2,803.03	\$2,679.32	\$2,659.46	\$2,706.95	\$2,706.95	\$2,482.47	\$2,464.37
EE+Spouse - 1 Medicare	\$1,803.26	\$1,721.20	\$1,784.26	\$1,703.52	\$1,790.29	\$1,779.44	N/A	\$1,640.71	\$1,655.39	\$1,645.31
EE+Spouse - 2 Medicare	\$1,121.40	\$1,074.63	\$1,112.66	\$1,066.80	\$1,291.68	\$1,286.53	N/A	\$1,012.39	\$1,193.01	\$1,188.02
Family - 0 Medicare	\$3,344.63	\$3,188.77	\$3,344.63	\$3,188.77	\$3,048.12	\$3,025.52	\$3,079.45	\$3,079.45	\$2,824.09	\$2,803.48
Family - 1 Medicare	\$2,157.81	\$2,059.35	\$2,134.37	\$2,037.52	\$2,108.95	\$2,095.77	N/A	\$1,964.89	\$1,952.18	\$1,939.96
Family - 2 Medicare	\$1,445.81	\$1,385.51	\$1,434.54	\$1,375.42	\$1,584.92	\$1,578.60	N/A	\$1,305.26	\$1,476.71	\$1,470.89
EE+Ch - 0 Medicare	\$1,888.07	\$1,800.13	\$1,888.07	\$1,800.13	\$1,720.46	\$1,707.71	\$1,738.41	\$1,738.41	\$1,594.27	\$1,582.63
EE+Ch - 1 Medicare	\$887.77	\$850.74	\$880.85	\$844.54	\$947.03	\$943.26	N/A	\$801.46	\$886.49	\$883.13
<b>Medical Premium</b>										
Single - 0 Medicare	\$1,047.13	\$984.27	\$1,047.13	\$984.27	\$910.79	\$901.67	\$945.23	\$945.23	\$830.55	\$822.24
Single - 1 Medicare	\$222.95	\$199.54	\$218.58	\$195.63	\$256.74	\$254.16	N/A	\$174.06	\$249.29	\$246.80
EE+Spouse - 0 Medicare	\$2,282.71	\$2,145.71	\$2,282.71	\$2,145.71	\$1,985.53	\$1,965.67	\$2,060.59	\$2,060.59	\$1,810.60	\$1,792.50
EE+Spouse - 1 Medicare	\$1,171.08	\$1,089.02	\$1,152.08	\$1,071.34	\$1,084.86	\$1,074.01	N/A	\$1,019.08	\$1,007.40	\$997.32
EE+Spouse - 2 Medicare	\$445.90	\$399.13	\$437.16	\$391.30	\$513.48	\$508.33	N/A	\$348.14	\$498.57	\$493.58
Family - 0 Medicare	\$2,596.84	\$2,440.98	\$2,596.84	\$2,440.98	\$2,258.77	\$2,236.17	\$2,344.14	\$2,344.14	\$2,059.75	\$2,039.14
Family - 1 Medicare	\$1,443.85	\$1,345.39	\$1,420.41	\$1,323.56	\$1,318.39	\$1,305.21	N/A	\$1,262.84	\$1,220.35	\$1,208.13
Family - 2 Medicare	\$574.88	\$514.58	\$563.61	\$504.49	\$630.26	\$623.94	N/A	\$448.85	\$581.36	\$575.54
EE+Ch - 0 Medicare	\$1,465.96	\$1,378.02	\$1,465.96	\$1,378.02	\$1,275.13	\$1,262.38	\$1,323.34	\$1,323.34	\$1,162.81	\$1,151.17
EE+Ch - 1 Medicare	\$353.00	\$315.97	\$346.08	\$309.77	\$376.54	\$372.77	N/A	\$275.62	\$336.74	\$333.38
<b>Rx Premium</b>										
Single - 0 Medicare	\$301.51	\$301.51	\$301.51	\$301.51	\$319.17	\$319.17	\$296.50	\$296.50	\$308.19	\$308.19
Single - 1 Medicare	\$337.76	\$337.76	\$337.76	\$337.76	\$389.09	\$389.09	N/A	\$332.14	\$347.23	\$347.23
EE+Spouse - 0 Medicare	\$657.32	\$657.32	\$657.32	\$657.32	\$693.79	\$693.79	\$646.36	\$646.36	\$671.87	\$671.87
EE+Spouse - 1 Medicare	\$632.18	\$632.18	\$632.18	\$632.18	\$705.43	\$705.43	N/A	\$621.63	\$647.99	\$647.99
EE+Spouse - 2 Medicare	\$675.50	\$675.50	\$675.50	\$675.50	\$778.20	\$778.20	N/A	\$664.25	\$694.44	\$694.44
Family - 0 Medicare	\$747.79	\$747.79	\$747.79	\$747.79	\$789.35	\$789.35	\$735.31	\$735.31	\$764.34	\$764.34
Family - 1 Medicare	\$713.96	\$713.96	\$713.96	\$713.96	\$790.56	\$790.56	N/A	\$702.05	\$731.83	\$731.83
Family - 2 Medicare	\$870.93	\$870.93	\$870.93	\$870.93	\$954.66	\$954.66	N/A	\$856.41	\$895.35	\$895.35
EE+Ch - 0 Medicare	\$422.11	\$422.11	\$422.11	\$422.11	\$445.33	\$445.33	\$415.07	\$415.07	\$431.46	\$431.46
EE+Ch - 1 Medicare	\$534.77	\$534.77	\$534.77	\$534.77	\$570.49	\$570.49	N/A	\$525.84	\$549.75	\$549.75

Exhibit 4C – Plan Year 2017 Monthly Retiree Premiums

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	2030				HD 4000	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
<b>Total Premium</b>						
Single - 0 Medicare	\$1,192.34	\$1,192.34	\$1,094.47	\$1,086.64	\$692.51	\$692.51
Single - 1 Medicare	N/A	\$498.30	N/A	\$584.80	NA	NA
EE+Spouse - 0 Medicare	\$2,599.35	\$2,599.35	\$2,385.97	\$2,368.89	\$1,509.62	\$1,509.62
EE+Spouse - 1 Medicare	N/A	\$1,588.64	N/A	\$1,596.60	NA	NA
EE+Spouse - 2 Medicare	N/A	\$996.61	N/A	\$1,169.63	NA	NA
Family - 0 Medicare	\$2,957.00	\$2,957.00	\$2,714.27	\$2,694.85	\$1,717.38	\$1,717.38
Family - 1 Medicare	N/A	\$1,900.16	N/A	\$1,880.07	NA	NA
Family - 2 Medicare	N/A	\$1,284.90	N/A	\$1,448.38	NA	NA
EE+Ch - 0 Medicare	\$1,669.31	\$1,669.31	\$1,532.25	\$1,521.28	\$969.49	\$969.49
EE+Ch - 1 Medicare	N/A	\$788.97	N/A	\$869.74	NA	NA
<b>Medical Premium</b>						
Single - 0 Medicare	\$893.07	\$893.07	\$783.39	\$775.56	\$496.26	\$496.26
Single - 1 Medicare	N/A	\$163.06	N/A	\$234.32	NA	NA
EE+Spouse - 0 Medicare	\$1,946.91	\$1,946.91	\$1,707.78	\$1,690.70	\$1,081.83	\$1,081.83
EE+Spouse - 1 Medicare	N/A	\$961.19	N/A	\$942.54	NA	NA
EE+Spouse - 2 Medicare	N/A	\$326.15	N/A	\$468.68	NA	NA
Family - 0 Medicare	\$2,214.81	\$2,214.81	\$1,942.77	\$1,923.35	\$1,230.70	\$1,230.70
Family - 1 Medicare	N/A	\$1,191.52	N/A	\$1,141.38	NA	NA
Family - 2 Medicare	N/A	\$420.47	N/A	\$544.66	NA	NA
EE+Ch - 0 Medicare	\$1,250.34	\$1,250.34	\$1,096.75	\$1,085.78	\$694.75	\$694.75
EE+Ch - 1 Medicare	N/A	\$258.19	N/A	\$314.84	NA	NA
<b>Rx Premium</b>						
Single - 0 Medicare	\$299.27	\$299.27	\$311.08	\$311.08	\$196.25	\$196.25
Single - 1 Medicare	N/A	\$335.24	N/A	\$350.48	NA	NA
EE+Spouse - 0 Medicare	\$652.44	\$652.44	\$678.19	\$678.19	\$427.79	\$427.79
EE+Spouse - 1 Medicare	N/A	\$627.45	N/A	\$654.06	NA	NA
EE+Spouse - 2 Medicare	N/A	\$670.46	N/A	\$700.95	NA	NA
Family - 0 Medicare	\$742.19	\$742.19	\$771.50	\$771.50	\$486.68	\$486.68
Family - 1 Medicare	N/A	\$708.64	N/A	\$738.69	NA	NA
Family - 2 Medicare	N/A	\$864.43	N/A	\$903.72	NA	NA
EE+Ch - 0 Medicare	\$418.97	\$418.97	\$435.50	\$435.50	\$274.74	\$274.74
EE+Ch - 1 Medicare	N/A	\$530.78	N/A	\$554.90	NA	NA

Exhibit 4D – Plan Year 2017 Annual Retiree Premiums

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	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Total Premium</b>										
Single - 0 Medicare	\$16,184	\$15,429	\$16,184	\$15,429	\$14,760	\$14,650	\$14,901	\$14,901	\$13,665	\$13,565
Single - 1 Medicare	\$6,729	\$6,448	\$6,676	\$6,401	\$7,750	\$7,719	N/A	\$6,074	\$7,158	\$7,128
EE+Spouse - 0 Medicare	\$35,280	\$33,636	\$35,280	\$33,636	\$32,152	\$31,914	\$32,483	\$32,483	\$29,790	\$29,572
EE+Spouse - 1 Medicare	\$21,639	\$20,654	\$21,411	\$20,442	\$21,483	\$21,353	N/A	\$19,689	\$19,865	\$19,744
EE+Spouse - 2 Medicare	\$13,457	\$12,896	\$13,352	\$12,802	\$15,500	\$15,438	N/A	\$12,149	\$14,316	\$14,256
Family - 0 Medicare	\$40,136	\$38,265	\$40,136	\$38,265	\$36,577	\$36,306	\$36,953	\$36,953	\$33,889	\$33,642
Family - 1 Medicare	\$25,894	\$24,712	\$25,612	\$24,450	\$25,307	\$25,149	N/A	\$23,579	\$23,426	\$23,280
Family - 2 Medicare	\$17,350	\$16,626	\$17,214	\$16,505	\$19,019	\$18,943	N/A	\$15,663	\$17,721	\$17,651
EE+Ch - 0 Medicare	\$22,657	\$21,602	\$22,657	\$21,602	\$20,646	\$20,493	\$20,861	\$20,861	\$19,131	\$18,992
EE+Ch - 1 Medicare	\$10,653	\$10,209	\$10,570	\$10,134	\$11,364	\$11,319	N/A	\$9,618	\$10,638	\$10,598
<b>Medical Premium</b>										
Single - 0 Medicare	\$12,566	\$11,811	\$12,566	\$11,811	\$10,929	\$10,820	\$11,343	\$11,343	\$9,967	\$9,867
Single - 1 Medicare	\$2,675	\$2,394	\$2,623	\$2,348	\$3,081	\$3,050	N/A	\$2,089	\$2,991	\$2,962
EE+Spouse - 0 Medicare	\$27,393	\$25,749	\$27,393	\$25,749	\$23,826	\$23,588	\$24,727	\$24,727	\$21,727	\$21,510
EE+Spouse - 1 Medicare	\$14,053	\$13,068	\$13,825	\$12,856	\$13,018	\$12,888	N/A	\$12,229	\$12,089	\$11,968
EE+Spouse - 2 Medicare	\$5,351	\$4,790	\$5,246	\$4,696	\$6,162	\$6,100	N/A	\$4,178	\$5,983	\$5,923
Family - 0 Medicare	\$31,162	\$29,292	\$31,162	\$29,292	\$27,105	\$26,834	\$28,130	\$28,130	\$24,717	\$24,470
Family - 1 Medicare	\$17,326	\$16,145	\$17,045	\$15,883	\$15,821	\$15,663	N/A	\$15,154	\$14,644	\$14,498
Family - 2 Medicare	\$6,899	\$6,175	\$6,763	\$6,054	\$7,563	\$7,487	N/A	\$5,386	\$6,976	\$6,906
EE+Ch - 0 Medicare	\$17,592	\$16,536	\$17,592	\$16,536	\$15,302	\$15,149	\$15,880	\$15,880	\$13,954	\$13,814
EE+Ch - 1 Medicare	\$4,236	\$3,792	\$4,153	\$3,717	\$4,518	\$4,473	N/A	\$3,307	\$4,041	\$4,001
<b>Rx Premium</b>										
Single - 0 Medicare	\$3,618	\$3,618	\$3,618	\$3,618	\$3,830	\$3,830	\$3,558	\$3,558	\$3,698	\$3,698
Single - 1 Medicare	\$4,053	\$4,053	\$4,053	\$4,053	\$4,669	\$4,669	N/A	\$3,986	\$4,167	\$4,167
EE+Spouse - 0 Medicare	\$7,888	\$7,888	\$7,888	\$7,888	\$8,325	\$8,325	\$7,756	\$7,756	\$8,062	\$8,062
EE+Spouse - 1 Medicare	\$7,586	\$7,586	\$7,586	\$7,586	\$8,465	\$8,465	N/A	\$7,460	\$7,776	\$7,776
EE+Spouse - 2 Medicare	\$8,106	\$8,106	\$8,106	\$8,106	\$9,338	\$9,338	N/A	\$7,971	\$8,333	\$8,333
Family - 0 Medicare	\$8,973	\$8,973	\$8,973	\$8,973	\$9,472	\$9,472	\$8,824	\$8,824	\$9,172	\$9,172
Family - 1 Medicare	\$8,568	\$8,568	\$8,568	\$8,568	\$9,487	\$9,487	N/A	\$8,425	\$8,782	\$8,782
Family - 2 Medicare	\$10,451	\$10,451	\$10,451	\$10,451	\$11,456	\$11,456	N/A	\$10,277	\$10,744	\$10,744
EE+Ch - 0 Medicare	\$5,065	\$5,065	\$5,065	\$5,065	\$5,344	\$5,344	\$4,981	\$4,981	\$5,178	\$5,178
EE+Ch - 1 Medicare	\$6,417	\$6,417	\$6,417	\$6,417	\$6,846	\$6,846	N/A	\$6,310	\$6,597	\$6,597

Exhibit 4D – Plan Year 2017 Annual Retiree Premiums

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	2030				HD 4000	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
<b>Total Premium</b>						
Single - 0 Medicare	\$14,308	\$14,308	\$13,134	\$13,040	\$8,310	\$8,310
Single - 1 Medicare	N/A	\$5,980	N/A	\$7,018	NA	NA
EE+Spouse - 0 Medicare	\$31,192	\$31,192	\$28,632	\$28,427	\$18,115	\$18,115
EE+Spouse - 1 Medicare	N/A	\$19,064	N/A	\$19,159	NA	NA
EE+Spouse - 2 Medicare	N/A	\$11,959	N/A	\$14,036	NA	NA
Family - 0 Medicare	\$35,484	\$35,484	\$32,571	\$32,338	\$20,609	\$20,609
Family - 1 Medicare	N/A	\$22,802	N/A	\$22,561	NA	NA
Family - 2 Medicare	N/A	\$15,419	N/A	\$17,381	NA	NA
EE+Ch - 0 Medicare	\$20,032	\$20,032	\$18,387	\$18,255	\$11,634	\$11,634
EE+Ch - 1 Medicare	N/A	\$9,468	N/A	\$10,437	NA	NA
<b>Medical Premium</b>						
Single - 0 Medicare	\$10,717	\$10,717	\$9,401	\$9,307	\$5,955	\$5,955
Single - 1 Medicare	N/A	\$1,957	N/A	\$2,812	NA	NA
EE+Spouse - 0 Medicare	\$23,363	\$23,363	\$20,493	\$20,288	\$12,982	\$12,982
EE+Spouse - 1 Medicare	N/A	\$11,534	N/A	\$11,310	NA	NA
EE+Spouse - 2 Medicare	N/A	\$3,914	N/A	\$5,624	NA	NA
Family - 0 Medicare	\$26,578	\$26,578	\$23,313	\$23,080	\$14,768	\$14,768
Family - 1 Medicare	N/A	\$14,298	N/A	\$13,697	NA	NA
Family - 2 Medicare	N/A	\$5,046	N/A	\$6,536	NA	NA
EE+Ch - 0 Medicare	\$15,004	\$15,004	\$13,161	\$13,029	\$8,337	\$8,337
EE+Ch - 1 Medicare	N/A	\$3,098	N/A	\$3,778	NA	NA
<b>Rx Premium</b>						
Single - 0 Medicare	\$3,591	\$3,591	\$3,733	\$3,733	\$2,355	\$2,355
Single - 1 Medicare	N/A	\$4,023	N/A	\$4,206	NA	NA
EE+Spouse - 0 Medicare	\$7,829	\$7,829	\$8,138	\$8,138	\$5,133	\$5,133
EE+Spouse - 1 Medicare	N/A	\$7,529	N/A	\$7,849	NA	NA
EE+Spouse - 2 Medicare	N/A	\$8,046	N/A	\$8,411	NA	NA
Family - 0 Medicare	\$8,906	\$8,906	\$9,258	\$9,258	\$5,840	\$5,840
Family - 1 Medicare	N/A	\$8,504	N/A	\$8,864	NA	NA
Family - 2 Medicare	N/A	\$10,373	N/A	\$10,845	NA	NA
EE+Ch - 0 Medicare	\$5,028	\$5,028	\$5,226	\$5,226	\$3,297	\$3,297
EE+Ch - 1 Medicare	N/A	\$6,369	N/A	\$6,659	NA	NA

### Exhibit 5A – Plan Year 2017 Employee Plan Option Summary

	\$15 copay		1525	2030	2035	Tiered Network Plan Option		HD1500	HD 4000
	PPO	HMO	PPO	PPO	PPO	Tier 1	Tier 2		
<b>Medical Cost Sharing</b>									
Primary Care Copays	\$15	\$15	\$15	\$20	\$20	\$5	\$20	NA	NA
Specialist Care Copays	\$15	\$15	\$25	\$30 for adults/ \$20 children	\$35	\$15	\$30	NA	NA
Emergency Room Copay	\$100	\$100	\$100	\$125	\$300	\$100	\$100	NA	NA
In-Network Deductible	None	\$100 for medical appliances and DME	None	None	\$200*	None	\$1,500**	\$1,500**	\$4,000**
In-Network Coinsurance	10% on ambulance, prosthetic devices, DME	None	10% on ambulance, prosthetic devices, DME	10% on ambulance, prosthetic devices, DME	20% on facility charges, imaging, ambulance, prosthetic devices, DME	None	20%	20% on all in-network charges	20% on all in-network charges
In-Network Coinsurance OOP Maximum*	\$400	None	\$400	\$800	\$2,000	None	None	n/a	n/a
In-Network OOP Maximum**	\$5,720	\$5,720	\$5,720	\$5,720	\$5,720	\$2,500	\$4,500	\$1,000 (does not include deductible)	\$1,000 (does not include deductible)
OON Deductible*	\$100	NA	\$100	\$200	\$800	NA	NA	combined with in-network deductible	combined with in-network deductible
OON Coinsurance	30%	NA	30%	30%	40%	NA	NA	40%	40%
OON OOP maximum	\$2,000*	NA	\$2,000*	\$5,000*	\$6,500**	NA	NA	\$3,500**	\$6,000**
OON Inpatient Hospital Deductible	\$200 per stay	NA	\$200 per stay	\$500 per stay	\$600 per stay	NA	NA	none	none
Employer HSA Funding	NA	NA	NA	NA	NA	NA	NA	\$300	\$0
<b>Prescription Drug Copays</b>									
Retail Copayments Generic	\$3	\$3	\$7	\$3	\$7		\$7		
Retail Copayments Single Source Brand	\$10	\$10	\$16	\$18	\$21		\$16		
Retail Copayments Multi-Source Brand	\$25	\$25	\$35	\$46	Mbr pays difference		\$35		
Mail Copayments Generic	\$5	\$5	\$18	\$5	\$18		\$18		
Mail Copayments Single Source Brand	\$15	\$15	\$40	\$36	\$52		\$40		
Mail Copayments Multi-Source Brand	\$40	\$40	\$88	\$92	Mbr pays difference		\$88		
Rx OOP Maximum**	\$1,430	\$1,430	\$1,430	\$1,430	\$1,430		\$1,430		

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

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

The 1525, 2030, and 2035 plans are offered on a PPO plan basis only. Tiered Network Plan Option does not have OON benefits.



### Exhibit 5B – Plan Year 2017 Early Retiree Plan Option Summary

	\$10 copay	\$15 copay	1525	2030	HD4000	
<b>Medical Cost Sharing</b>						
Primary Care Copays	\$10	\$15	\$15	\$20	NA	
Specialist Care Copays	\$10	\$15	\$25	\$30 for adults/ \$20 children	NA	
Emergency Room Copay	\$75 PPO, \$85 HMO	\$100	\$100	\$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)** / \$5,799 (HMO)	\$5,799	\$5,799	\$5,799	\$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	\$200 per stay	none	\$200 per stay	\$500 per stay	none	
Employer HSA Funding	NA	NA	NA	NA	\$0	
<b>Prescription Drug Copays</b>	<u>PPO</u>	<u>HMOs</u>	<u>PPO</u>	<u>PPO and HMOs</u>	<u>PPO and HMOs</u>	
Retail Copayments	Generic	\$10	\$6	\$10	\$7	\$3
Retail Copayments	Preferred Brand	\$22	\$12	\$22	\$16	\$18
Retail Copayments	Non-Preferred Brand	\$44	\$24	\$44	\$35	\$46
Mail Copayments	Generic	\$5	\$5	\$5	\$5	\$5
Mail Copayments	Preferred Brand	\$33	\$18	\$33	\$40	\$36
Mail Copayments	Non-Preferred Brand	\$55	\$30	\$55	\$88	\$92
Rx Out-of-Pocket Maximum**		\$1,351	\$1,351	\$1,351	\$1,351	

\*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 5C – Plan Year 2017 Medicare Retiree Plan Option Summary

	Legacy HMO (Horizon)	Legacy HMO (Aetna)	\$10 PPO (Horizon)	\$10 PPO (Aetna)	\$15 copay (Horizon)	\$15 copay (Aetna)	1525	2030	
<b>Medical Cost Sharing</b>									
Primary Care Copays	\$10	\$10	\$10	\$10	\$15	\$15	\$15	\$20	
Specialist Care Copays	\$10	\$10	\$10	\$10	\$15	\$15	\$25	\$30 for adults/ \$20 children	
Emergency Room Copay	\$75	\$75	\$75	\$75	\$75	\$75	\$100	\$125	
In-Network Deductible	\$100 for medical appliances and DME	NA	NA	NA	NA	NA	HMO Plans only: \$100 for medical appliances and DME	HMO Plans only: \$100 for medical appliances and DME	
In-Network Coinsurance	none	none	10% on ambulance, prosthetic devices, DME	none	10% on ambulance, prosthetic devices, DME	none	PPO Plans only: 10% on ambulance, prosthetic devices, DME	PPO Plans only: 10% on ambulance, prosthetic devices, DME	
In-Network Coinsurance OOP Maximum (does not apply to HMO plans)**	NA	NA	NA	NA	\$400	NA	\$400	\$800	
In-Network OOP Maximum***	\$5,799	\$2,500	\$400	\$1,000	\$5,799	\$1,000	\$5,799	\$5,799	
OON* Deductible **	NA	NA	\$100	NA	\$100	NA	\$100	\$200	
OON* Coinsurance**	NA	NA	10% on ambulance, prosthetic devices, DME	none	10% on ambulance, prosthetic devices, DME	none	30%	30%	
OON* OOP maximum**	NA	NA	\$2,000	\$1,000	\$2,000	\$1,000	\$2,000**	\$5,000**	
OON* Inpatient Hospital Deductible	NA	NA	none	none	none	none	\$200 per stay	\$500 per stay	
Employer HSA Funding	NA	NA	NA	NA	NA	NA	NA	NA	
<b>Prescription Drug Copays</b>									
Retail Copayments	Generic	HMO	PPO	PPO	PPO	PPO	PPO and HMOs	PPO and HMOs	
Retail Copayments	Preferred Brand	\$6	\$6	\$10	\$10	\$10	\$10	\$7	\$3
Retail Copayments	Non-Preferred Brand	\$12	\$12	\$22	\$22	\$22	\$22	\$16	\$18
Mail Copayments	Generic	\$24	\$24	\$44	\$44	\$44	\$44	\$35	\$46
Mail Copayments	Preferred Brand	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Mail Copayments	Non-Preferred Brand	\$18	\$18	\$33	\$33	\$33	\$33	\$40	\$36
Rx Out-of-Pocket Maximum**	\$30	\$30	\$55	\$55	\$55	\$55	\$88	\$92	
	\$1,351	\$1,351	\$1,351	\$1,351	\$1,351	\$1,351	\$1,351	\$1,351	

\*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](http://aonhewitt.com).

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