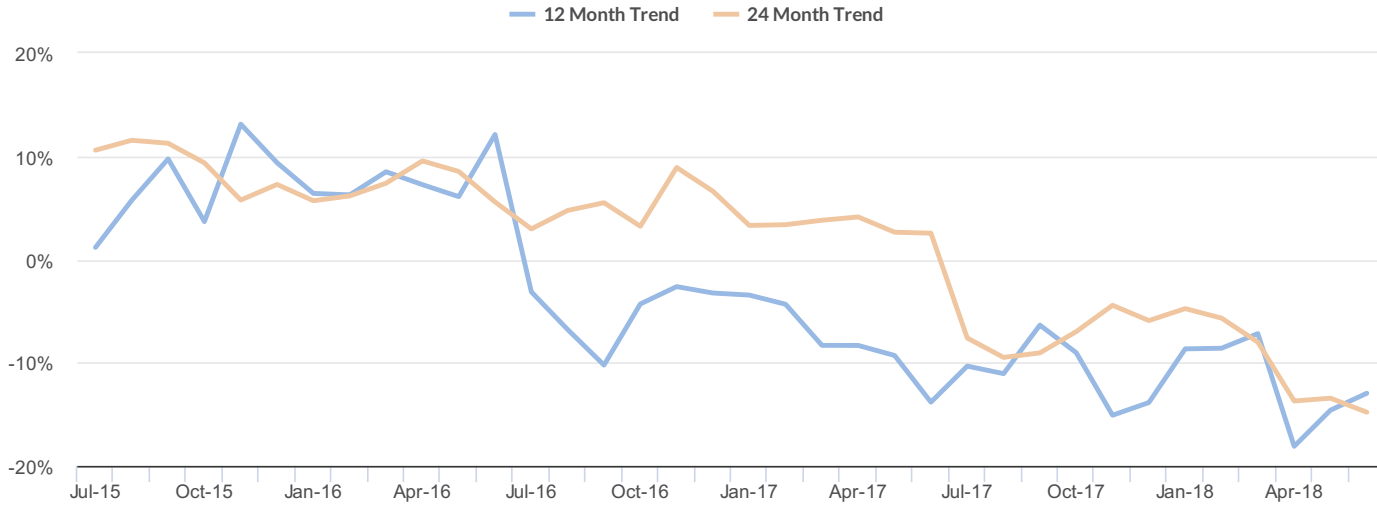


Medical Claims Trend Analysis



12 MONTH CLAIM TREND  
**-12.96%**

24 MONTH CLAIM TREND  
**-14.8%**

Report Description

The Plan Claim Trend report is designed to help you understand the true trend rate for claims experienced under your plan.

By adjusting the claims experience for reimbursements, and tracking the actual enrollment by month on your plan, the report can then calculate a rolling 12 and 24 month average of claims per enrollment unit.

Next, by comparing these rolling average figures to the same figure a year ago, we can view the actual claims trend for your plan.

In this report, a 12 month and 24 month rolling view of trend is provided. Generally speaking it is important to look at both, as the 12 month trend can be more volatile than the 24 month rolling average view of trend due to the fact that it considers fewer data points.

Comments

As of June , 2018 ,

- The 12 month Medical Claims trend is **-12.96%**
- The 24 month Medical Claims trend is **-14.8%**

It is often helpful to compare these figures to what these same trend amounts were 6 month, 12 months and 24 months ago. By doing this you can gauge the current health of your claim trends.

The trend on these plans claims over prior periods were as follows:

	12 Month Trend	24 Month Trend
6 Months Ago	-13.86%	-5.92%
12 Months Ago	-13.82%	2.55%
24 Months Ago	12.11%	5.57%

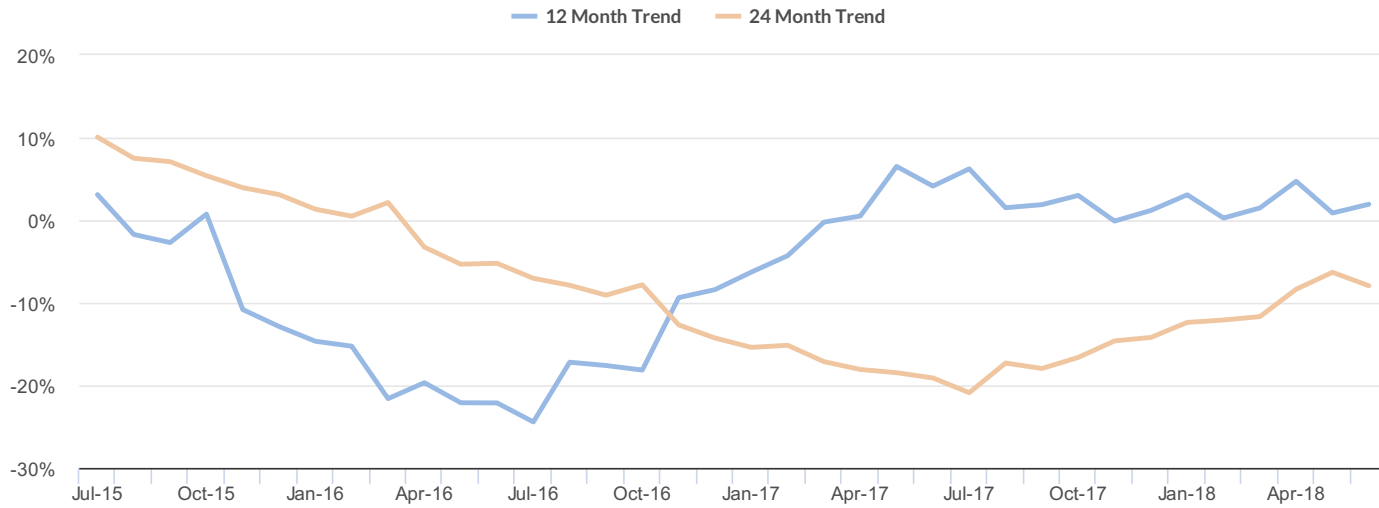
Report Details								
Month-Year	A Gross Medical Claims	B Net Medical Claims	C Member Enrollment	D Claims / Enrollment	E 12 Mo. Rolling Avg.	F 24 Mo. Rolling Avg.	G 12 Month Trend	H 24 Month Trend
Jul-15	\$1,225,000	\$1,225,000	2,306	\$531	\$275	\$273	1.17%	10.59%
Aug-15	\$696,597	\$696,597	2,277	\$306	\$284	\$276	5.74%	11.55%
Sep-15	\$551,932	\$551,932	2,278	\$242	\$289	\$276	9.74%	11.26%
Oct-15	\$354,438	\$354,438	2,302	\$154	\$277	\$273	3.67%	9.36%
Nov-15	\$516,100	\$516,100	2,290	\$225	\$281	\$265	13.11%	5.76%
Dec-15	\$503,152	\$503,152	2,295	\$219	\$281	\$269	9.37%	7.27%
Jan-16	\$514,999	\$514,999	2,295	\$224	\$277	\$268	6.40%	5.69%
Feb-16	\$611,148	\$611,148	2,285	\$267	\$278	\$269	6.26%	6.16%
Mar-16	\$731,644	\$731,644	2,272	\$322	\$284	\$273	8.50%	7.39%
Apr-16	\$881,943	\$881,943	2,266	\$389	\$289	\$279	7.25%	9.55%
May-16	\$677,093	\$677,093	2,262	\$299	\$285	\$277	6.09%	8.53%
Jun-16	\$668,699	\$668,699	2,272	\$294	\$290	\$274	12.11%	5.57%
Jul-16	\$562,611	\$562,611	2,272	\$248	\$266	\$270	-3.14%	2.96%
Aug-16	\$649,663	\$649,663	2,237	\$290	\$265	\$274	-6.79%	4.75%
Sep-16	\$405,342	\$405,342	2,228	\$182	\$260	\$274	-10.23%	5.50%
Oct-16	\$490,830	\$490,830	2,190	\$224	\$265	\$271	-4.31%	3.22%
Nov-16	\$717,993	\$717,993	2,193	\$327	\$274	\$278	-2.63%	8.91%
Dec-16	\$436,953	\$436,953	2,204	\$198	\$272	\$277	-3.25%	6.61%
Jan-17	\$369,645	\$367,254	2,237	\$164	\$267	\$272	-3.45%	3.30%
Feb-17	\$643,048	\$550,624	2,228	\$247	\$266	\$272	-4.34%	3.37%

Month-Year	A Gross Medical Claims	B Net Medical Claims	C Member Enrollment	D Claims / Enrollment	E 12 Mo. Rolling Avg.	F 24 Mo. Rolling Avg.	G 12 Month Trend	H 24 Month Trend
Mar-17	\$569,978	\$569,978	2,220	\$257	\$260	\$272	-8.32%	3.80%
Apr-17	\$985,375	\$985,375	2,224	\$443	\$265	\$277	-8.33%	4.12%
May-17	\$508,345	\$508,345	2,220	\$229	\$259	\$272	-9.30%	2.64%
Jun-17	\$413,764	\$413,764	2,239	\$185	\$250	\$270	-13.82%	2.55%
Jul-17	\$418,784	\$253,895	2,220	\$114	\$238	\$252	-10.33%	-7.61%
Aug-17	\$728,084	\$564,117	2,226	\$253	\$235	\$250	-11.06%	-9.49%
Sep-17	\$658,218	\$611,081	2,223	\$275	\$243	\$251	-6.36%	-9.05%
Oct-17	\$455,515	\$455,515	2,226	\$205	\$241	\$253	-9.03%	-6.99%
Nov-17	\$495,495	\$495,495	2,243	\$221	\$233	\$253	-15.09%	-4.44%
Dec-17	\$497,815	\$497,815	2,258	\$220	\$234	\$253	-13.86%	-5.92%
Jan-18	\$634,015	\$634,015	2,271	\$279	\$244	\$256	-8.66%	-4.76%
Feb-18	\$750,000	\$750,000	3,255	\$230	\$243	\$254	-8.60%	-5.68%
Mar-18	\$725,000	\$725,000	3,000	\$242	\$241	\$251	-7.18%	-8.01%
Apr-18	\$452,689	\$452,689	3,100	\$146	\$217	\$241	-18.10%	-13.71%
May-18	\$950,000	\$868,055	3,100	\$280	\$221	\$240	-14.60%	-13.44%
Jun-18	\$450,085	\$450,085	3,200	\$141	\$217	\$233	-12.96%	-14.80%

**Legend**

Column A is gross claims by month. Columns are used to adjust gross claims by any reimbursements to the plan. Column B is net claims by month after subtracting the reimbursements (if any) from columns from the gross claims for the month. Column C is the enrollment units per month for this plan. Column D equals the net claims divided by enrollment, recent 12 months of column D . Column E then takes the average of the most recent 12 months of column D . Similarly, column F is the average of the last 24 months of column D . Column G then compares the value for column E versus the same figure last year. Finally, in a similar way, column H compares the value for column F versus the same figure last year.

Pharmacy Claims Trend Analysis



12 MONTH CLAIM TREND

1.93%

24 MONTH CLAIM TREND

-7.94%

Report Description

The Plan Claim Trend report is designed to help you understand the true trend rate for claims experienced under your plan.

By adjusting the claims experience for reimbursements, and tracking the actual enrollment by month on your plan, the report can then calculate a rolling 12 and 24 month average of claims per enrollment unit.

Next, by comparing these rolling average figures to the same figure a year ago, we can view the actual claims trend for your plan.

In this report, a 12 month and 24 month rolling view of trend is provided. Generally speaking it is important to look at both, as the 12 month trend can be more volatile than the 24 month rolling average view of trend due to the fact that it considers fewer data points.

Comments

As of June , 2018 ,

- The 12 month Pharmacy Claims trend is **1.93%**
- The 24 month Pharmacy Claims trend is **-7.94%**

It is often helpful to compare these figures to what these same trend amounts were 6 month, 12 months and 24 months ago. By doing this you can gauge the current health of your claim trends.

The trend on these plans claims over prior periods were as follows:

	12 Month Trend	24 Month Trend
6 Months Ago	1.18%	-14.2%
12 Months Ago	4.13%	-19.11%
24 Months Ago	-22.13%	-5.22%

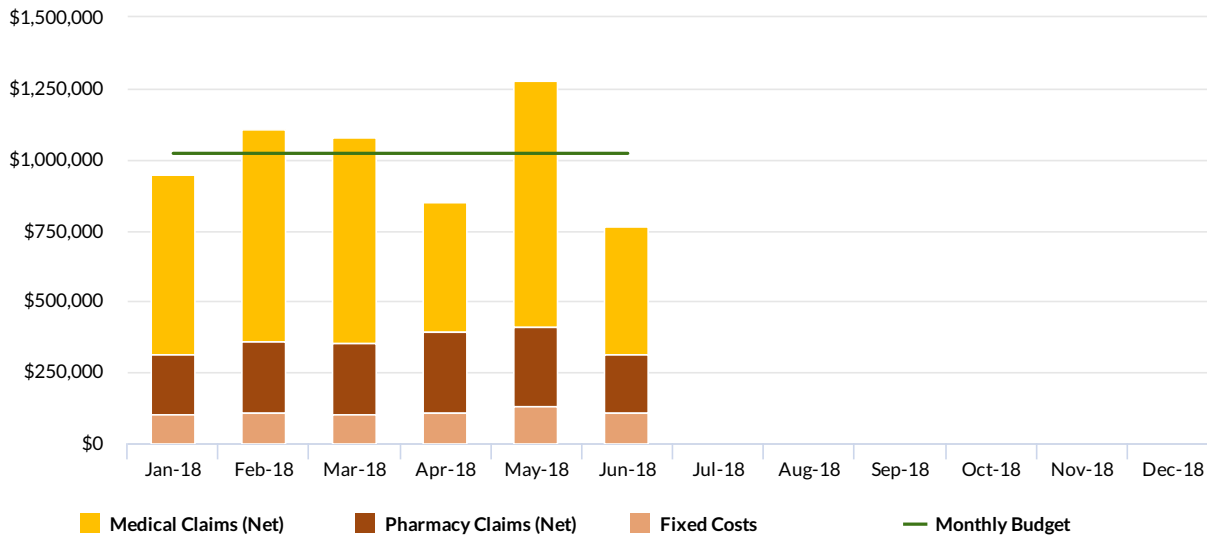
Report Details									
Month-Year	A	B	C	D	E	F	G	H	
Month-Year	Gross Pharmacy Claims	Net Pharmacy Claims	Member Enrollment	Claims / Enrollment	12 Mo. Rolling Avg.	24 Mo. Rolling Avg.	12 Month Trend	24 Month Trend	
Jul-15	\$249,725	\$249,725	2,306	\$108	\$100	\$98	3.10%	10.06%	
Aug-15	\$107,742	\$107,742	2,277	\$47	\$95	\$96	-1.73%	7.50%	
Sep-15	\$201,535	\$201,535	2,278	\$88	\$95	\$96	-2.71%	7.09%	
Oct-15	\$163,995	\$163,995	2,302	\$71	\$95	\$95	0.74%	5.39%	
Nov-15	\$156,490	\$156,490	2,290	\$68	\$89	\$94	-10.82%	3.94%	
Dec-15	\$184,966	\$184,966	2,295	\$81	\$87	\$94	-12.88%	3.10%	
Jan-16	\$166,982	\$166,982	2,295	\$73	\$85	\$93	-14.66%	1.33%	
Feb-16	\$185,094	\$185,094	2,285	\$81	\$84	\$92	-15.26%	0.49%	
Mar-16	\$152,813	\$152,813	2,272	\$67	\$81	\$92	-21.61%	2.14%	
Apr-16	\$172,464	\$172,464	2,266	\$76	\$80	\$90	-19.68%	-3.26%	
May-16	\$168,924	\$168,924	2,262	\$75	\$77	\$88	-22.11%	-5.33%	
Jun-16	\$214,006	\$214,006	2,272	\$94	\$78	\$89	-22.13%	-5.22%	
Jul-16	\$183,733	\$183,733	2,272	\$81	\$75	\$87	-24.43%	-7.04%	
Aug-16	\$204,520	\$204,520	2,237	\$91	\$79	\$87	-17.20%	-7.88%	
Sep-16	\$174,788	\$174,788	2,228	\$78	\$78	\$86	-17.60%	-9.08%	
Oct-16	\$152,882	\$152,882	2,190	\$70	\$78	\$87	-18.15%	-7.82%	
Nov-16	\$210,059	\$210,059	2,193	\$96	\$80	\$84	-9.38%	-12.68%	
Dec-16	\$164,539	\$164,539	2,204	\$75	\$80	\$83	-8.41%	-14.27%	
Jan-17	\$164,894	\$164,894	2,237	\$74	\$80	\$83	-6.29%	-15.40%	
Feb-17	\$205,396	\$205,396	2,228	\$92	\$81	\$83	-4.30%	-15.15%	

Month-Year	A Gross Pharmacy Claims	B Net Pharmacy Claims	C Member Enrollment	D Claims / Enrollment	E 12 Mo. Rolling Avg.	F 24 Mo. Rolling Avg.	G 12 Month Trend	H 24 Month Trend
Mar-17	\$153,998	\$153,998	2,220	\$69	\$81	\$81	-0.23%	-17.13%
Apr-17	\$152,443	\$152,443	2,224	\$69	\$80	\$80	0.50%	-18.08%
May-17	\$222,606	\$222,606	2,220	\$100	\$82	\$80	6.51%	-18.47%
Jun-17	\$164,602	\$164,602	2,239	\$74	\$81	\$79	4.13%	-19.11%
Jul-17	\$158,232	\$158,232	2,220	\$71	\$80	\$78	6.22%	-20.89%
Aug-17	\$208,435	\$208,435	2,226	\$94	\$80	\$80	1.51%	-17.30%
Sep-17	\$159,772	\$159,772	2,223	\$72	\$80	\$79	1.88%	-17.96%
Oct-17	\$175,439	\$175,439	2,226	\$79	\$80	\$79	3.00%	-16.62%
Nov-17	\$211,057	\$211,057	2,243	\$94	\$80	\$80	-0.11%	-14.62%
Dec-17	\$182,877	\$182,877	2,258	\$81	\$81	\$80	1.18%	-14.20%
Jan-18	\$211,045	\$211,045	2,271	\$93	\$82	\$81	3.08%	-12.38%
Feb-18	\$248,555	\$248,555	3,255	\$76	\$81	\$81	0.26%	-12.09%
Mar-18	\$250,000	\$250,000	3,000	\$83	\$82	\$82	1.48%	-11.68%
Apr-18	\$285,000	\$285,000	3,100	\$92	\$84	\$82	4.71%	-8.36%
May-18	\$301,256	\$276,206	3,100	\$89	\$83	\$83	0.87%	-6.31%
Jun-18	\$201,542	\$201,542	3,200	\$63	\$82	\$82	1.93%	-7.94%

**Legend**

Column A is gross claims by month. Columns are used to adjust gross claims by any reimbursements to the plan. Column B is net claims by month after subtracting the reimbursements (if any) from columns from the gross claims for the month. Column C is the enrollment units per month for this plan. Column D equals the net claims divided by enrollment, recent 12 months of column D . Column E then takes the average of the most recent 12 months of column D . Similarly, column F is the average of the last 24 months of column D . Column G then compares the value for column E versus the same figure last year. Finally, in a similar way, column H compares the value for column F versus the same figure last year.

2018 Plan Year - Total Paid Plan Costs by Month



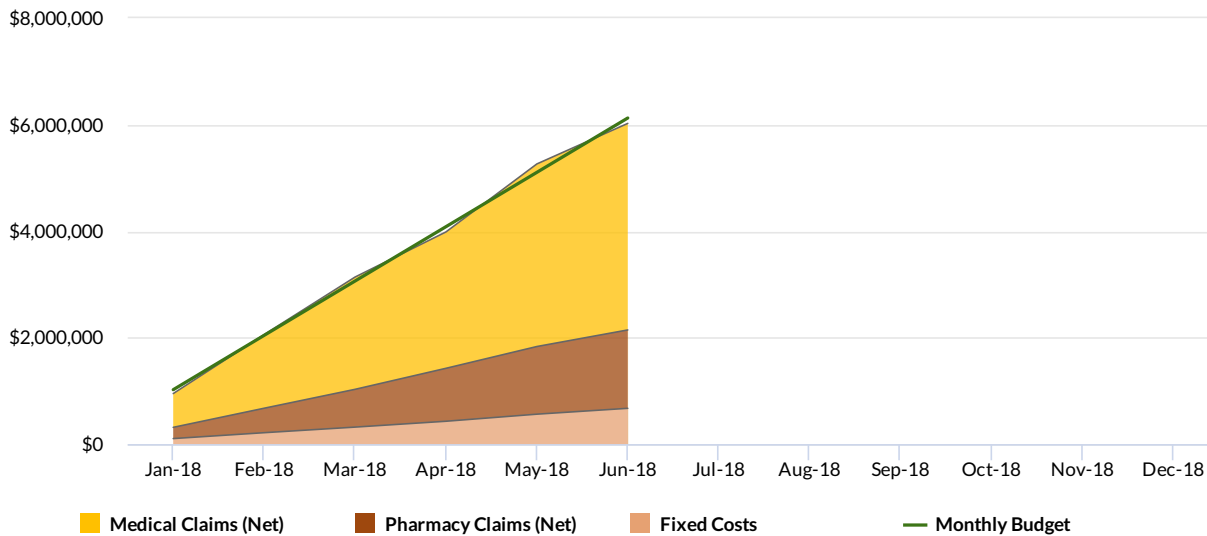
Actual Costs vs. Budget(\$)

**\$101,408**  
 Under Budget 1.66% ▲  
 Budgeted Total Costs (YTD) \$6,125,000

Average Total Cost / Month

**\$501,966**  
 Average Plan Cost / Month  
 Pepm \$717  
 Pmpm \$336

2018 Plan Year - Total Paid Plan Costs by Month



Budgeted Plan Cost / Month

**\$1,020,833**  
 Budgeted Plan Cost / Month  
 Pepm \$1458  
 Pmpm \$683

Actual Vs Budgeted

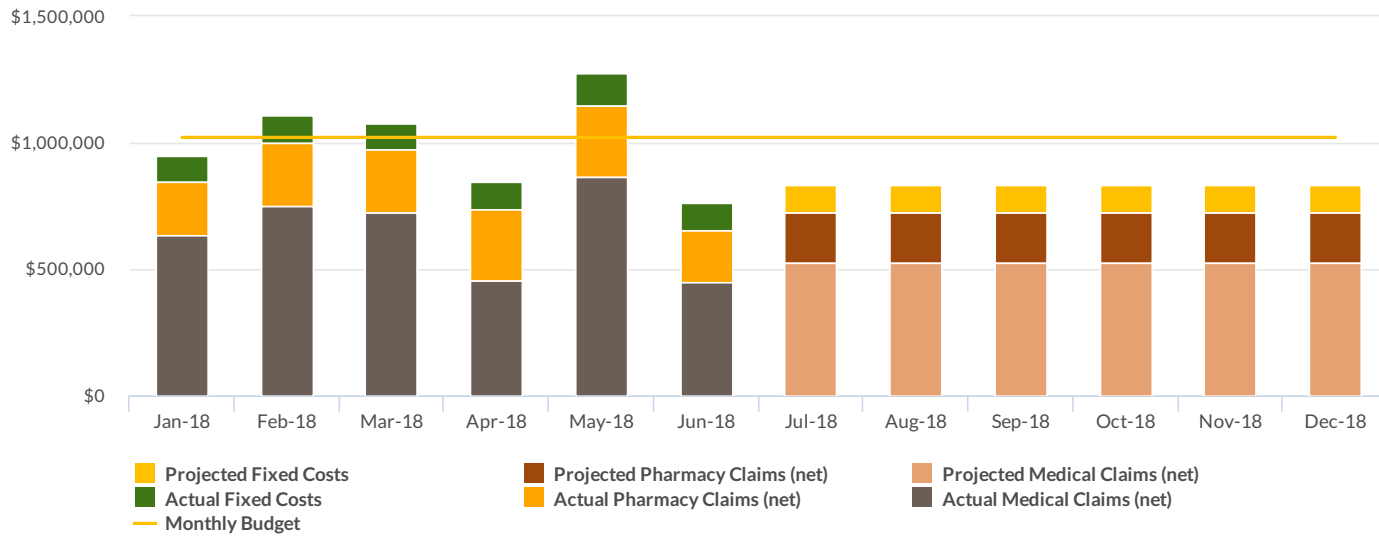
Plan Year		Plan is under	
Costs (YTD)	\$6,023,592	budget (\$)	\$101,408
Budgeted Costs (YTD)	\$6,125,000	Plan is under budget (%)	1.66%

**Report Details**

Month-Year	A Net Medical Claims	B Net Pharmacy Claims	C Total Monthly Net Claims	D Administration	E Reinsurance Premiums	F Total Monthly Plan Costs	G Monthly Employee Enrollment	H Monthly Member Enrollment	I Monthly Budget
Jan-18	\$634,015	\$211,045	\$845,060	\$35,000	\$68,000	\$948,060	1,400	2,271	\$1,020,833
Feb-18	\$750,000	\$248,555	\$998,555	\$35,000	\$75,400	\$1,108,955	1,400	3,255	\$1,020,833
Mar-18	\$725,000	\$250,000	\$975,000	\$35,000	\$70,000	\$1,080,000	1,400	3,000	\$1,020,833
Apr-18	\$452,689	\$285,000	\$737,689	\$35,000	\$75,000	\$847,689	1,400	3,100	\$1,020,833
May-18	\$868,055	\$276,206	\$1,144,261	\$35,000	\$98,000	\$1,277,261	1,400	3,100	\$1,020,833
Jun-18	\$450,085	\$201,542	\$651,627	\$35,000	\$75,000	\$761,627	1,400	3,200	\$1,020,833
Jul-18									\$1,020,833
Aug-18									\$1,020,833
Sep-18									\$1,020,833
Oct-18									\$1,020,833
Nov-18									\$1,020,833
Dec-18									\$1,020,833
<b>Total</b>	<b>\$3,879,844</b>	<b>\$1,472,348</b>	<b>\$5,352,192</b>	<b>\$210,000</b>	<b>\$461,400</b>	<b>\$6,023,592</b>	<b>8,400</b>	<b>17,926</b>	<b>\$12,250,000</b>



2018 Plan Year - Total Paid Plan Costs by Month (Actual & Projected)



UNDER BUDGET

# \$1,233,610

Plan is projected to end the contract year

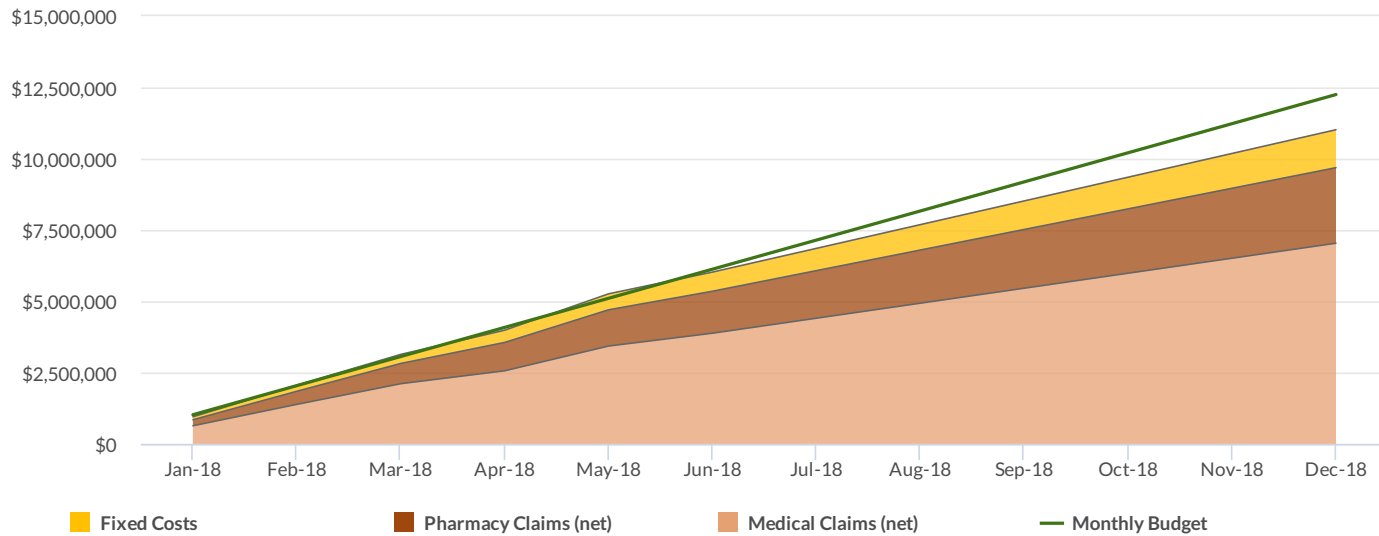
Report Description

The Remainder of Contract Year Financial Projection Report is used to project costs for the remaining portion of any contract year. This is through a combination of underwriting historical claims, using claim trend assumptions, credibility assumptions and assumptions as to future enrollment and fixed costs.

Underwriting begins by taking the prior 12 months of each claim type and determining the claims per enrollment for that period of time. These claims are then trended forward to the projection period, which is the remaining portion of the contract. A process called 'midpoint to midpoint' is used to project from the midpoint of the historical claims period to the midpoint of the projection period. This allows for determining the number of trend months which will be necessary. In thinking about this process, it is helpful to remember that costs to trend (increase generally) over time and that an annual trend does not occur all at once but rather gradually. Midpoint to midpoint allows us to accommodate for this gradual change in costs. Finally, this figure is multiplied by the credibility % for the historical claims period.

The process is repeated for another historical, experience period #2 and ultimately multiplied by its credibility %. The credibility % of experience period #1 and experience period #2 must always equal 100%. The using of multiple experience period allows for a more accurate estimation of future costs, and is often called the 'blending' of prior experience.

2018 Plan Year - Total Paid Plan Costs by Month (Actual & Projected)



**Plan Year Financials (YTD)**

Month-Year	A Net Medical Claims	B Net Pharmacy Claims	C Total Net Monthly Claims	D Administration	E Reinsurance Premiums	F Total Monthly Plan Costs	G Monthly Employee Enrollment	H Monthly Member Enrollment	I Monthly Budget
Jan-18	\$634,015	\$211,045	\$845,060	\$35,000	\$68,000	\$948,060	1,400	2,271	\$1,020,833
Feb-18	\$750,000	\$248,555	\$998,555	\$35,000	\$75,400	\$1,108,955	1,400	3,255	\$1,020,833
Mar-18	\$725,000	\$250,000	\$975,000	\$35,000	\$70,000	\$1,080,000	1,400	3,000	\$1,020,833
Apr-18	\$452,689	\$285,000	\$737,689	\$35,000	\$75,000	\$847,689	1,400	3,100	\$1,020,833
May-18	\$868,055	\$276,206	\$1,144,261	\$35,000	\$98,000	\$1,277,261	1,400	3,100	\$1,020,833
Jun-18	\$450,085	\$201,542	\$651,627	\$35,000	\$75,000	\$761,627	1,400	3,200	\$1,020,833
Jul-18	\$526,040	\$196,092	\$722,133	\$35,000	\$75,000	\$832,133	1,400	3,200	\$1,020,833
Aug-18	\$526,040	\$196,092	\$722,133	\$35,000	\$75,000	\$832,133	1,400	3,200	\$1,020,833
Sep-18	\$526,040	\$196,092	\$722,133	\$35,000	\$75,000	\$832,133	1,400	3,200	\$1,020,833
Oct-18	\$526,040	\$196,092	\$722,133	\$35,000	\$75,000	\$832,133	1,400	3,200	\$1,020,833
Nov-18	\$526,040	\$196,092	\$722,133	\$35,000	\$75,000	\$832,133	1,400	3,200	\$1,020,833
Dec-18	\$526,040	\$196,092	\$722,133	\$35,000	\$75,000	\$832,133	1,400	3,200	\$1,020,833
<b>Total</b>	<b>\$7,036,084</b>	<b>\$2,648,900</b>	<b>\$9,684,990</b>	<b>\$420,000</b>	<b>\$911,400</b>	<b>\$11,016,390</b>	<b>16,800</b>	<b>37,126</b>	<b>\$12,250,000</b>

## Underwriting Assumptions

### Medical Claims

Projected Claims / Member / Mo \$235.66

	From	To	Period Mid-Point	Credibility %	Trend Months	Trend Assumptions
Experience Period 1	Jul-17	Jun-18	Dec-17	80%	9.01	6%
Experience Period 2	Jul-16	Jun-17	Dec-16	20%	21.02	6%

#### Period 1

Month	Net Claims
Jul-17	253,895
Aug-17	564,117
Sep-17	611,081
Oct-17	455,515
Nov-17	495,495
Dec-17	497,815
Jan-18	634,015
Feb-18	750,000
Mar-18	725,000
Apr-18	452,689
May-18	868,055
Jun-18	450,085
<b>Total Net Claims</b>	<b>\$6,757,762</b>
<b>Period Member Enrollment</b>	<b>31,322</b>
<b>Net Claims / Member / Mo</b>	<b>\$215.75</b>
<b>Trend Factor</b>	<b>1.045</b>
<b>Trended Claims / Member</b>	<b>\$225.46</b>
<b>Credibility</b>	<b>80%</b>

#### Period 2

Month	Net Claims
Jul-16	562,611
Aug-16	649,663
Sep-16	405,342
Oct-16	490,830
Nov-16	717,993
Dec-16	436,953
Jan-17	367,254
Feb-17	550,624
Mar-17	569,978
Apr-17	985,375
May-17	508,345
Jun-17	413,764
<b>Total Net Claims</b>	<b>\$6,658,732</b>
<b>Period Member Enrollment</b>	<b>26,692</b>
<b>Net Claims / Member / Mo</b>	<b>\$249.47</b>
<b>Trend Factor</b>	<b>1.1082</b>
<b>Trended Claims / Member</b>	<b>\$276.46</b>
<b>Credibility</b>	<b>20%</b>

## Underwriting Assumptions

### Pharmacy Claims

Projected Claims / Member / Mo \$88.11

	From	To	Period Mid-Point	Credibility %	Trend Months	Trend Assumptions
Experience Period 1	Jul-17	Jun-18	Dec-17	90%	9.01	9%
Experience Period 2	Jul-16	Jun-17	Dec-16	10%	21.02	9%

#### Period 1

Month	Net Claims
Jul-17	158,232
Aug-17	208,435
Sep-17	159,772
Oct-17	175,439
Nov-17	211,057
Dec-17	182,877
Jan-18	211,045
Feb-18	248,555
Mar-18	250,000
Apr-18	285,000
May-18	276,206
Jun-18	201,542
<b>Total Net Claims</b>	<b>\$2,568,160</b>
<b>Period Member Enrollment</b>	<b>31,322</b>
<b>Net Claims / Member / Mo</b>	<b>\$81.99</b>
<b>Trend Factor</b>	<b>1.0668</b>
<b>Trended Claims / Member</b>	<b>\$87.47</b>
<b>Credibility</b>	<b>90%</b>

#### Period 2

Month	Net Claims
Jul-16	183,733
Aug-16	204,520
Sep-16	174,788
Oct-16	152,882
Nov-16	210,059
Dec-16	164,539
Jan-17	164,894
Feb-17	205,396
Mar-17	153,998
Apr-17	152,443
May-17	222,606
Jun-17	164,602
<b>Total Net Claims</b>	<b>\$2,154,460</b>
<b>Period Member Enrollment</b>	<b>26,692</b>
<b>Net Claims / Member / Mo</b>	<b>\$80.72</b>
<b>Trend Factor</b>	<b>1.1628</b>
<b>Trended Claims / Member</b>	<b>\$93.86</b>
<b>Credibility</b>	<b>10%</b>

PROJECTED ANNUAL TOTAL  
**\$14,905,208**

PER EMPLOYEE PER MONTH  
**\$887**

PER MEMBER PER MONTH  
**\$388**

**Jan-18 Plan Year Renewal Projection**

Enrollment		
Projected Employee Enrollment	1,400	Assumed most recent enrollment month
Projected Member Enrollment	3,200	Assumed most recent enrollment month

Renewal Cost Items		
Administration	\$436,800	4% increase expected
Stop Loss Premiums	\$1,035,000	15% increase expected
<b>Total</b>	<b>\$1,471,800</b>	

Claim Cost Items		
	\$9,743,616	Expected Medical Claims
	\$3,729,792	Expected Pharmacy Claims
<b>Total</b>	<b>\$13,473,408</b>	

Renewal Adjustments		
Lost claim	-\$65,000	Non recurring cancer claim
Wellness Program	\$25,000	Addition of a new wellness program
<b>Total</b>	<b>-\$40,000</b>	

**Plan Year Financials (YTD)**

Month-Year	A Net Medical Claims	B Net Pharmacy Claims	C Total Net Monthly Claims	D Administration	E Reinsurance Premiums	F Total Monthly Plan Costs	G Monthly Employee Enrollment	H Monthly Member Enrollment	I Monthly Budget
Jan-18	\$634,015	\$211,045	\$845,060	\$35,000	\$68,000	\$948,060	1,400	2,271	\$1,020,833
Feb-18	\$750,000	\$248,555	\$998,555	\$35,000	\$75,400	\$1,108,955	1,400	3,255	\$1,020,833
Mar-18	\$725,000	\$250,000	\$975,000	\$35,000	\$70,000	\$1,080,000	1,400	3,000	\$1,020,833
Apr-18	\$452,689	\$285,000	\$737,689	\$35,000	\$75,000	\$847,689	1,400	3,100	\$1,020,833
May-18	\$868,055	\$276,206	\$1,144,261	\$35,000	\$98,000	\$1,277,261	1,400	3,100	\$1,020,833
Jun-18	\$450,085	\$201,542	\$651,627	\$35,000	\$75,000	\$761,627	1,400	3,200	\$1,020,833
Jul-18									
Aug-18									
Sep-18									
Oct-18									
Nov-18									
Dec-18									
<b>Total</b>	<b>\$3,879,844</b>	<b>\$1,472,348</b>	<b>\$5,352,192</b>	<b>\$210,000</b>	<b>\$461,400</b>	<b>\$6,023,592</b>	<b>8,400</b>	<b>17,926</b>	<b>\$6,125,000</b>

## Report Description

The Renewal Contract Year Financial Projection Report is used to project costs for the upcoming plan year. This is through a combination of underwriting historical claims, using claim trend assumptions, credibility assumptions and assumptions as to future enrollment and fixed costs.

Underwriting begins by taking the prior 12 months of each claim type and determining the claims per enrollment for that period of time. These claims are then trended forward to the projection period, which is the remaining portion of the contract. A process called 'midpoint to midpoint' is used to project from the midpoint of the historical claims period to the midpoint of the projection period. This allows for determining the number of trend months which will be necessary. In thinking about this process, it is helpful to remember that costs to trend (increase generally) over time and that an annual trend does not occur all at once but rather gradually. Midpoint to midpoint allows us to accommodate for this gradual change in costs. Finally, this figure is multiplied by the credibility % for the historical claims period.

The process is repeated for another historical, experience period #2 and ultimately multiplied by its credibility %. The credibility % of experience period #1 and experience period #2 must always equal 100%. The using of multiple experience period allows for a more accurate estimation of future costs, and is often called the 'blending' of prior experience.

Finally, our determined claims amounts are then multiplied back against the most recent enrollment. We then will assume that the various fixed costs for the upcoming year versus the current year.

## Underwriting Assumptions

### Medical Claims

Projected Claims / Member / Mo \$253.74

	From	To	Period Mid-Point	Credibility %	Trend Months	Trend Assumptions
Experience Period 1	Jul-17	Jun-18	Dec-17	80%	18.06	8.04%
Experience Period 2	Jul-16	Jun-17	Dec-16	20%	30.07	7.5%

#### Period 1

Month	Net Claims
Jul-17	253,895
Aug-17	564,117
Sep-17	611,081
Oct-17	455,515
Nov-17	495,495
Dec-17	497,815
Jan-18	634,015
Feb-18	750,000
Mar-18	725,000
Apr-18	452,689
May-18	868,055
Jun-18	450,085
<b>Total Net Claims</b>	<b>\$6,757,762</b>
<b>Period Member Enrollment</b>	<b>31,322</b>
<b>Net Claims / Member / Mo</b>	<b>\$215.75</b>
<b>Trend Factor</b>	<b>1.1241</b>
<b>Trended Claims / Member</b>	<b>\$242.52</b>
<b>Credibility</b>	<b>80%</b>

#### Period 2

Month	Net Claims
Jul-16	562,611
Aug-16	649,663
Sep-16	405,342
Oct-16	490,830
Nov-16	717,993
Dec-16	436,953
Jan-17	367,254
Feb-17	550,624
Mar-17	569,978
Apr-17	985,375
May-17	508,345
Jun-17	413,764
<b>Total Net Claims</b>	<b>\$6,658,732</b>
<b>Period Member Enrollment</b>	<b>26,692</b>
<b>Net Claims / Member / Mo</b>	<b>\$249.47</b>
<b>Trend Factor</b>	<b>1.197</b>
<b>Trended Claims / Member</b>	<b>\$298.62</b>
<b>Credibility</b>	<b>20%</b>



## Underwriting Assumptions

### Pharmacy Claims

Projected Claims / Member / Mo \$97.13

	From	To	Period Mid-Point	Credibility %	Trend Months	Trend Assumptions
Experience Period 1	Jul-17	Jun-18	Dec-17	90%	18.06	11%
Experience Period 2	Jul-16	Jun-17	Dec-16	10%	30.07	12.5%

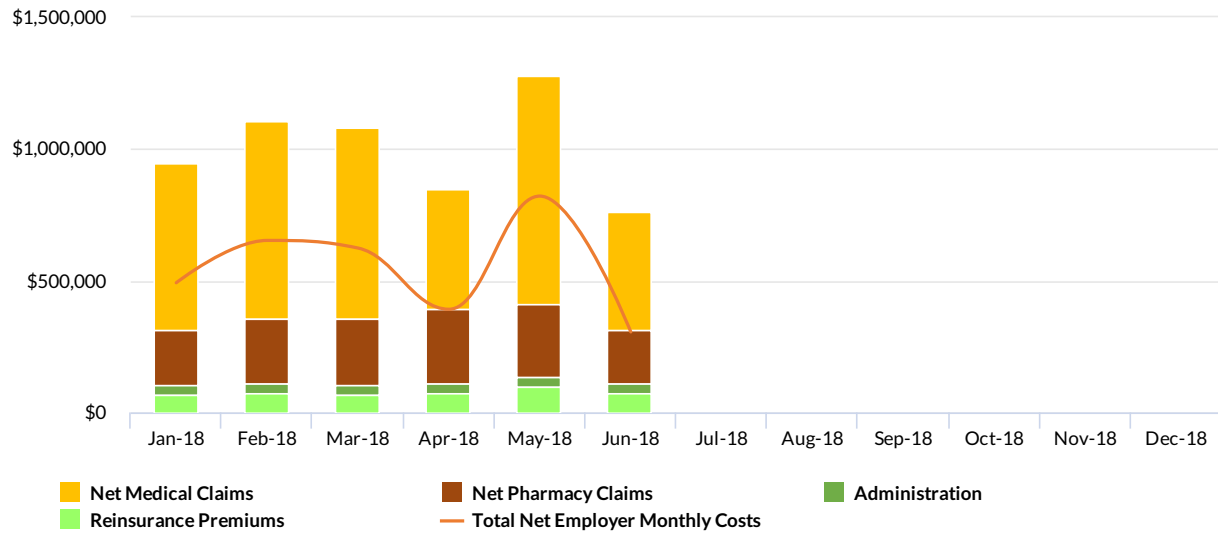
#### Period 1

Month	Net Claims
Jul-17	158,232
Aug-17	208,435
Sep-17	159,772
Oct-17	175,439
Nov-17	211,057
Dec-17	182,877
Jan-18	211,045
Feb-18	248,555
Mar-18	250,000
Apr-18	285,000
May-18	276,206
Jun-18	201,542
<b>Total Net Claims</b>	<b>\$2,568,160</b>
<b>Period Member Enrollment</b>	<b>31,322</b>
<b>Net Claims / Member / Mo</b>	<b>\$81.99</b>
<b>Trend Factor</b>	<b>1.1693</b>
<b>Trended Claims / Member</b>	<b>\$95.87</b>
<b>Credibility</b>	<b>90%</b>

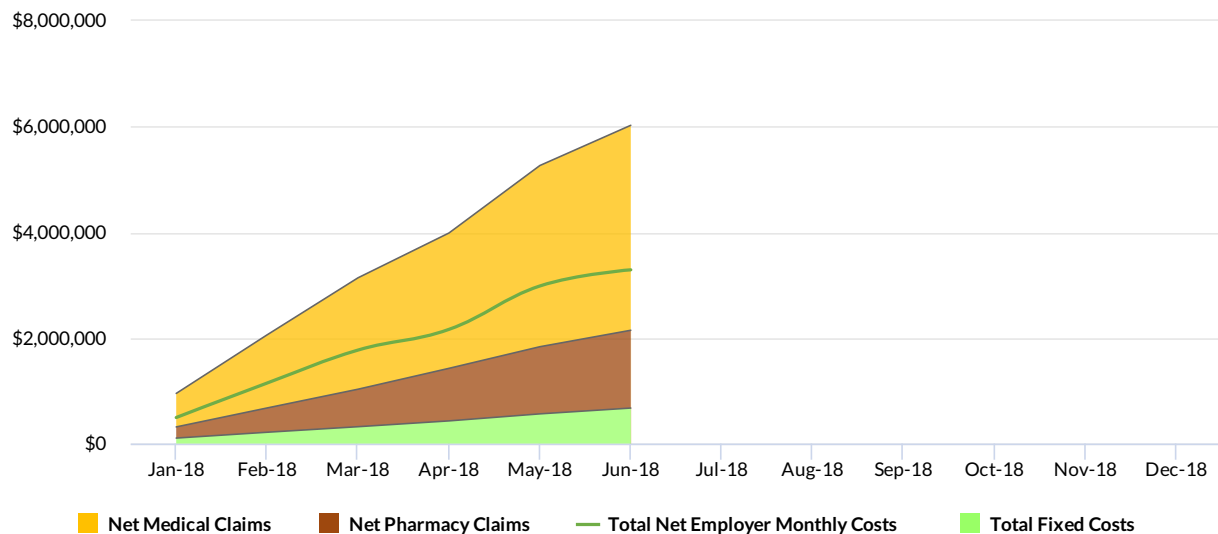
#### Period 2

Month	Net Claims
Jul-16	183,733
Aug-16	204,520
Sep-16	174,788
Oct-16	152,882
Nov-16	210,059
Dec-16	164,539
Jan-17	164,894
Feb-17	205,396
Mar-17	153,998
Apr-17	152,443
May-17	222,606
Jun-17	164,602
<b>Total Net Claims</b>	<b>\$2,154,460</b>
<b>Period Member Enrollment</b>	<b>26,692</b>
<b>Net Claims / Member / Mo</b>	<b>\$80.72</b>
<b>Trend Factor</b>	<b>1.3447</b>
<b>Trended Claims / Member</b>	<b>\$108.54</b>
<b>Credibility</b>	<b>10%</b>

2018 Plan Year - Total and Net Plan Costs by Month



2018 Plan Year - Total and Net Plan Costs by Month



Member Cost Share

			Pepm	Pmpm
Employer Expenditures	3,287,592	54.58%	\$391.38	\$183.40
Employee/Member Costs	2,736,000	45.42%	\$325.71	\$152.63
<b>Total</b>	<b>6,023,592</b>		<b>\$717.09</b>	<b>\$336.03</b>

Fixed / Variable Cost Allocation

			Pepm	Pmpm
Fixed Costs	671,400	11.15%	\$79.93	\$37.45
Claim Costs	5,352,192	88.85%	\$637.17	\$298.57
<b>Total</b>	<b>6,023,592</b>		<b>\$717.10</b>	<b>\$336.02</b>

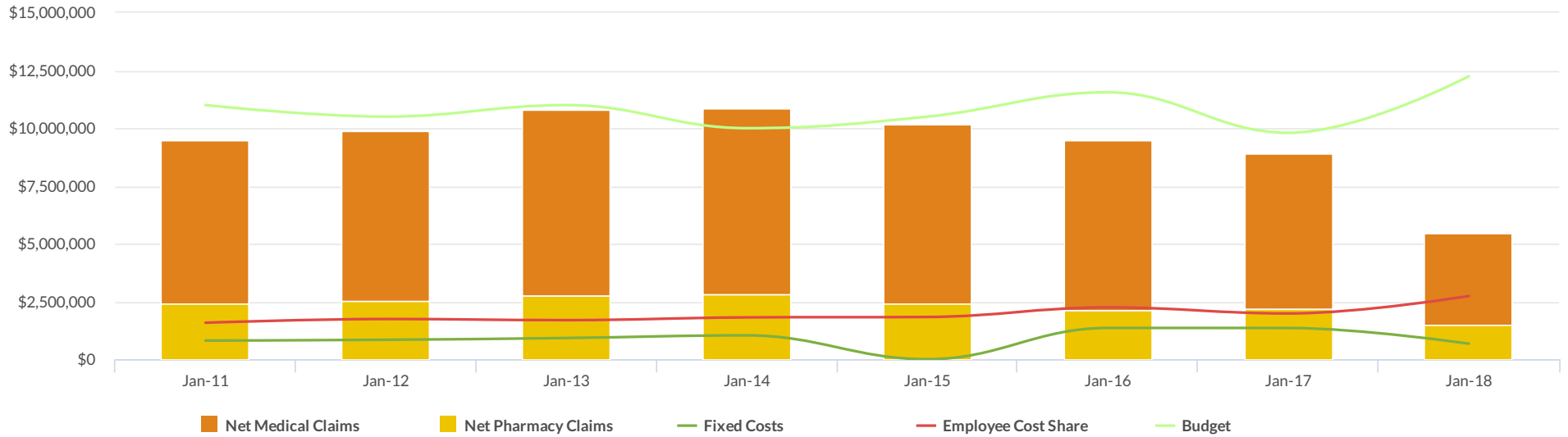
Average Cost Evaluation

			Pepm	Pmpm
Avg. Fixed Costs / Mon	55,950	11.15%	\$79.93	\$37.45
Avg. Claim Costs / Mon	446,016	88.85%	\$637.17	\$298.54
<b>Total</b>	<b>501,966</b>		<b>\$717.10</b>	<b>\$335.99</b>

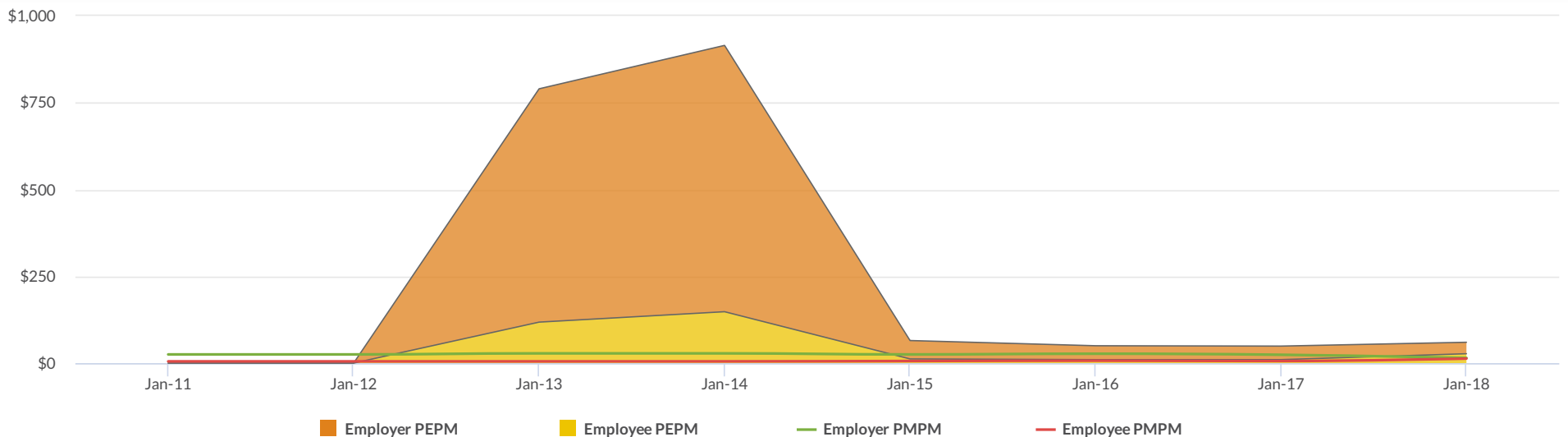
**Report Details**

Month-Year	A Net Medical Claims	B Net Pharmacy Claims	C Total Monthly Net Claims	D Administration	E Reinsurance Premiums	F Total Monthly Plan Costs	G Monthly Employee Enrollment	H Monthly Member Enrollment	I Employee Contribution Totals By Month	J Total Net Employer Monthly Cost
Jan-18	\$634,015	\$211,045	\$845,060	\$35,000	\$68,000	\$948,060	1,400	2,271	\$456,000	\$492,060
Feb-18	\$750,000	\$248,555	\$998,555	\$35,000	\$75,400	\$1,108,955	1,400	3,255	\$456,000	\$652,955
Mar-18	\$725,000	\$250,000	\$975,000	\$35,000	\$70,000	\$1,080,000	1,400	3,000	\$456,000	\$624,000
Apr-18	\$452,689	\$285,000	\$737,689	\$35,000	\$75,000	\$847,689	1,400	3,100	\$456,000	\$391,689
May-18	\$868,055	\$276,206	\$1,144,261	\$35,000	\$98,000	\$1,277,261	1,400	3,100	\$456,000	\$821,261
Jun-18	\$450,085	\$201,542	\$651,627	\$35,000	\$75,000	\$761,627	1,400	3,200	\$456,000	\$305,627
Jul-18										
Aug-18										
Sep-18										
Oct-18										
Nov-18										
Dec-18										
<b>Total</b>	<b>\$3,879,844</b>	<b>\$1,472,348</b>	<b>\$5,352,192</b>	<b>\$210,000</b>	<b>\$461,400</b>	<b>\$6,023,592</b>	<b>8,400</b>	<b>17,926</b>	<b>\$2,736,000</b>	<b>\$3,287,592</b>

Total Plan Costs by Plan Year



PEPM / PMPM Plan Costs by Plan Year



	Employer Spend	EE/Member Costs	Total	Employer Spend Pepm	EE/Member Costs Pepm	Pepm Total	Employer Spend Pmpm	EE/Member Costs Pmpm	Pmpm Total
Jan'11	\$8,413,223 (84%)	\$1,580,000 (16%)	\$9,993,223	\$0	\$0	\$0	\$25	\$5	\$30
Jan'12	\$8,669,607 (83%)	\$1,740,000 (17%)	\$10,409,607	\$0	\$0	\$0	\$25	\$5	\$30
Jan'13	\$9,682,135 (85%)	\$1,692,000 (15%)	\$11,374,135	\$673	\$118	\$790	\$28	\$5	\$33
Jan'14	\$9,397,623 (84%)	\$1,811,000 (16%)	\$11,208,623	\$768	\$148	\$915	\$28	\$6	\$33
Jan'15	\$8,319,276 (82%)	\$1,828,217 (18%)	\$10,147,493	\$53	\$12	\$65	\$26	\$6	\$31
Jan'16	\$8,610,901 (79%)	\$2,242,624 (21%)	\$10,853,525	\$40	\$11	\$51	\$27	\$7	\$34
Jan'17	\$7,804,510 (80%)	\$1,980,000 (20%)	\$9,784,510	\$39	\$10	\$49	\$25	\$7	\$31
Jan'18	\$3,287,592 (55%)	\$2,736,000 (45%)	\$6,023,592	\$33	\$28	\$60	\$16	\$13	\$28

**Reports Details**

Plan Year	Jan-11		Jan-12		Jan-13		Jan-14	
	Amount	%Change	Amount	%Change	Amount	%Change	Amount	%Change
Medical Claims	\$7,067,020		\$7,361,482	4.2%	\$8,043,576	9.3%	\$7,994,181	-0.6%
Pharmacy Claims	\$2,439,074		\$2,540,701	4.2%	\$2,776,116	9.3%	\$2,843,948	2.4%
Stop Loss Reimbursements	\$320,308		\$333,653	4.2%	\$364,569	9.3%	\$661,377	81.4%
Pbm Rebates								
<b>Net Total Claims</b>	\$9,185,786		\$9,568,530	4.2%	\$10,455,123	9.3%	\$10,176,752	-2.7%
Administration	\$380,142		\$395,980	4.2%	\$432,671	9.3%	\$483,765	11.8%
Reinsurance Premiums	\$427,295		\$445,097	4.2%	\$486,341	9.3%	\$548,106	12.7%
<b>Total Plan Costs</b>	\$9,993,223		\$10,409,607	4.2%	\$11,374,135	9.3%	\$11,208,623	-1.5%
Employee Contribution Totals By Month	\$1,580,000		\$1,740,000	10.1%	\$1,692,000	-2.8%	\$1,811,000	7%
Net Employer Plan Cost	\$8,413,223		\$8,669,607	3.1%	\$9,682,135	11.7%	\$9,397,623	-2.9%
Average Monthly Employee Enrollment					1,200		1,021	-14.9%
Average Monthly Member Enrollment	28,124		29,298	4.2%	29,335	0.1%	28,468	-3%

## Reports Details

Plan Year	Jan-15		Jan-16		Jan-17		Jan-18	
	Amount	%Change	Amount	%Change	Amount	%Change	Amount	%Change
Medical Claims	\$7,749,194	-3.1%	\$7,348,918	-5.2%	\$6,744,066	-8.2%	\$3,961,789	17.5%
Pharmacy Claims	\$2,398,299	-15.7%	\$2,150,804	-10.3%	\$2,159,751	0.4%	\$1,497,398	38.7%
Stop Loss Reimbursements					\$470,808		\$81,945	-65.2%
Pbm Rebates							\$25,050	
<b>Net Total Claims</b>	\$10,147,493	-0.3%	\$9,499,722	-6.4%	\$8,433,009	-11.2%	\$5,352,192	-36.5%
Administration			\$636,573		\$611,017	-4%	\$210,000	-31.3%
Reinsurance Premiums			\$717,230		\$740,484	3.2%	\$461,400	24.6%
<b>Total Plan Costs</b>	\$10,147,493	-9.5%	\$10,853,525	7%	\$9,784,510	-9.9%	\$6,023,592	-38.4%
Employee Contribution Totals By Month	\$1,828,217	1%	\$2,242,624	22.7%	\$1,980,000	-11.7%	\$2,736,000	176.4%
Net Employer Plan Cost	\$8,319,276	-11.5%	\$8,610,901	3.5%	\$7,804,510	-9.4%	\$3,287,592	-57.9%
Average Monthly Employee Enrollment	13,200	1192.9%	18,000	36.4%	16,800	-6.7%	8,400	
Average Monthly Member Enrollment	27,531	-3.3%	26,976	-2%	26,764	-0.8%	17,926	34%

**Plan Details**

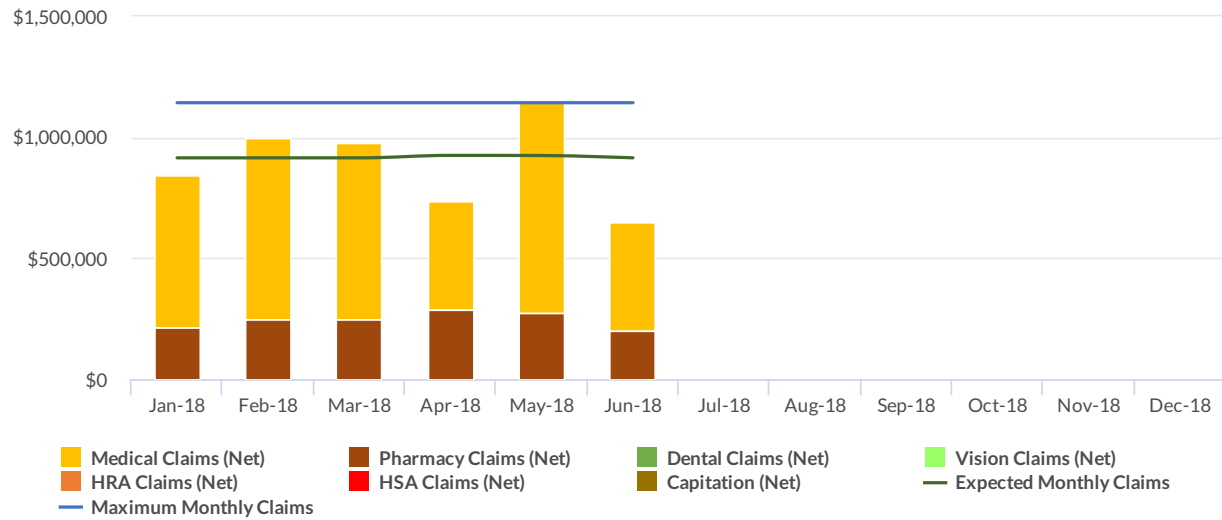
Plan Year	Jan-11	Jan-12	Jan-13	Jan-14
Plan Type	Partially Self Insured	Partially Self Insured	Partially Self Insured	Partially Self Insured
Administration Vendor	Blue Cross	Blue Cross	Cigna	Cigna
Medical Network	BCBS	BCBS	Cigna	Cigna
Pharmacy Network	Prime	Prime	Cigna	Cigna
Annual Fee / Commission	\$100,000	\$125,000	\$125,000	\$125,000
Budget	\$11,000,000	\$10,500,000	\$11,000,000	\$10,000,000
Plan Change Detail Summary From Prior Year	Changed carriers	No plan changes	Introduced HRA based consumer driven plan	Consolidated plans due to the company purchase.
Reinsurance Carrier	Blue Cross	Blue Cross	Sunlife	
Reinsurance Covered Benefits		Medical-Rx-Dental	Medical-Rx	
Specific Contract Type	Paid	Paid	15/12	
Specific Lifetime Maximum	unlimited	unlimited	unlimited	
Specific Deductible		\$150,000	\$150,000	
Specific Lasers	\$250,000 member #44556676	No	No	
Aggregating Specific	\$250,000	No	No	
Aggregate Monthly Claim Factors				
Employee				
Employee + Spouse				
Employee + Child				
Employee + Child(ren)				
Family				
Employee + 1				



## Plan Details

Plan Year	Jan-15	Jan-16	Jan-17	Jan-18
Plan Type	Fully Insured	Partially Self Insured	Partially Self Insured	Partially Self Insured
Administration Vendor	Cigna	Cigna	Blue Cross	Blue Cross
Medical Network	Cigna	Cigna	BCBS	Blue Cross
Pharmacy Network	Cigna	Cigna	Prime	Prime
Annual Fee / Commission	\$145,000	\$85,000	\$75,000	\$100,000
Budget	\$10,500,000	\$11,552,223	\$9,800,000	\$12,250,000
Plan Change Detail Summary From Prior Year	Moved to a fully insured contract with Cigna	Stayed with Cigna, changed back from fully insured to self insured.	Changed insurance carriers from Cigna, left plan design the same.	Changed from 2 plans to 1 plan, removed the HMO
Reinsurance Carrier		Highmark	Sunlife Financial	Sunlife
Reinsurance Covered Benefits		Medical-Rx-Dental	Medical-Rx	Medical-Rx
Specific Contract Type		15/12	12/18	18/12
Specific Lifetime Maximum		unlimited	unlimited	unlimited
Specific Deductible		\$125,000	\$150,000	\$150,000
Specific Lasers		\$350,000 Member #444556	No	\$450,000 Member # 224566
Aggregating Specific		\$350,000	No	\$250,000
Aggregate Monthly Claim Factors				
Employee				\$850
Employee + Spouse				\$1,900
Employee + Child				\$1,900
Employee + Child(ren)				\$1,900
Family				\$1,900
Employee + 1				\$1,900

2018 Plan Year - Total Paid Plan Claims By Month

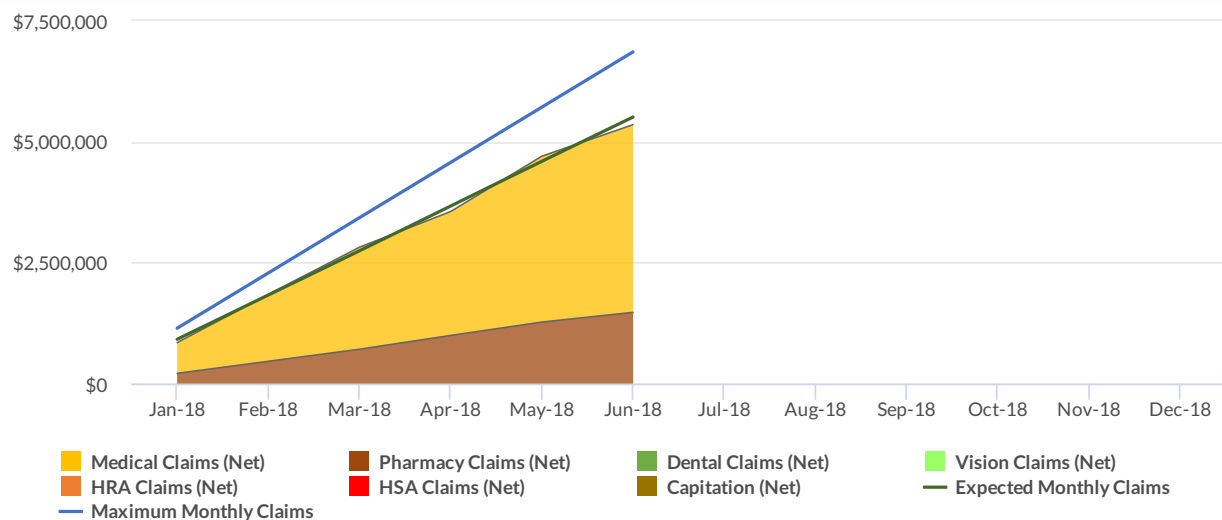


TOTAL CLAIMS PAID YTD  
**\$5,352,192**

AVERAGE CLAIMS PAID / MONTH YTD  
**\$446,016**

AVERAGE EXPECTED CLAIMS PAID / MONTH YTD  
**\$459,150**

2018 Plan Year - Total Paid Plan Claims By Month



Avg Net Claims Per Month

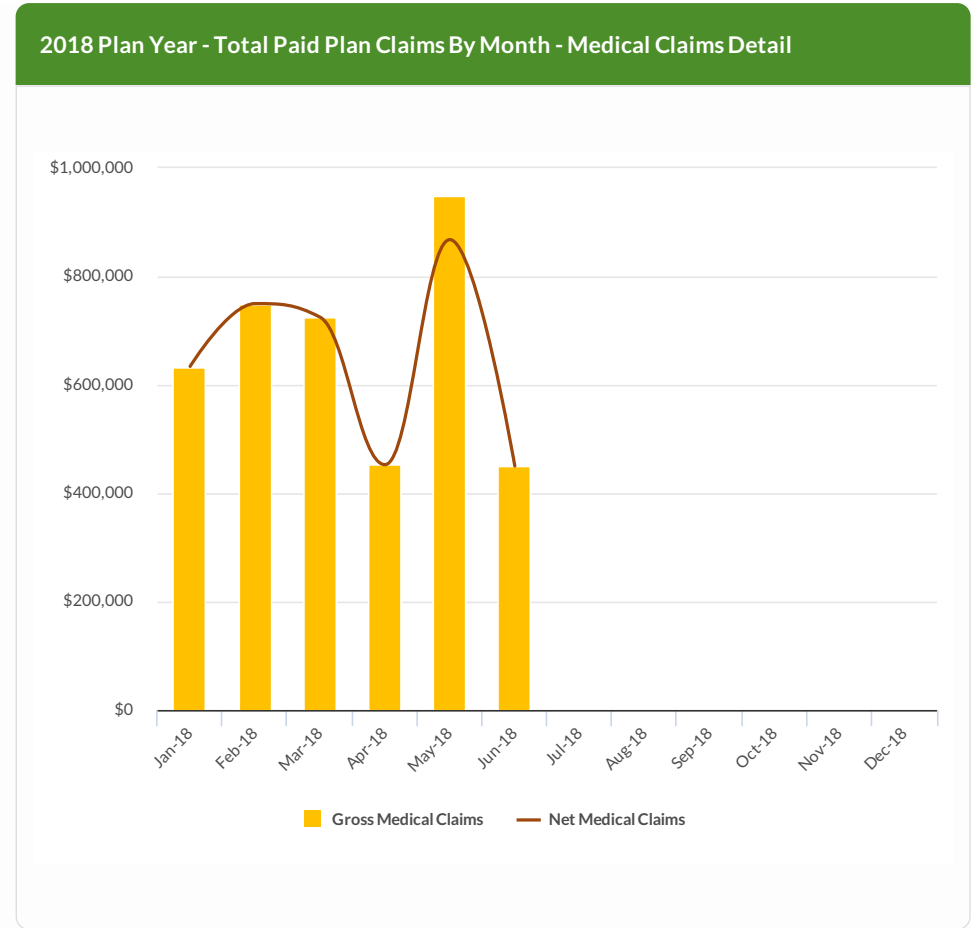
		% of Total
Avg Monthly Medical Claims	\$323,320	72.49%
Avg Monthly Pharmacy Claims	\$122,696	27.51%
Avg Monthly Dental Claims		
Avg Monthly Vision Claims		
Avg Monthly HRA Claims		
Avg Monthly HSA Claims		
Avg Monthly Capitation		
<b>Avg Monthly Total Net Claims</b>	<b>\$446,016</b>	<b>100%</b>

Report Details										
Month-Year	A Net Medical Claims	B Net Pharmacy Claims	C Net Dental Claims	D Net Vision Claims	E Net HRA Claims	F Net HSA Claims	G Net Capitation	H Total Monthly Net Claims	I Expected Monthly Claims	J Maximum Monthly Claims
Jan-18	\$634,015	\$211,045						\$845,060	\$915,000	\$1,143,000
Feb-18	\$750,000	\$248,555						\$998,555	\$915,000	\$1,143,000
Mar-18	\$725,000	\$250,000						\$975,000	\$915,000	\$1,143,000
Apr-18	\$452,689	\$285,000						\$737,689	\$925,216	\$1,143,000
May-18	\$868,055	\$276,206						\$1,144,261	\$924,585	\$1,143,000
Jun-18	\$450,085	\$201,542						\$651,627	\$915,000	\$1,143,000
Jul-18										
Aug-18										
Sep-18										
Oct-18										
Nov-18										
Dec-18										
<b>Total</b>	<b>\$3,879,844</b>	<b>\$1,472,348</b>						<b>\$5,352,192</b>	<b>\$5,509,801</b>	<b>\$6,858,000</b>

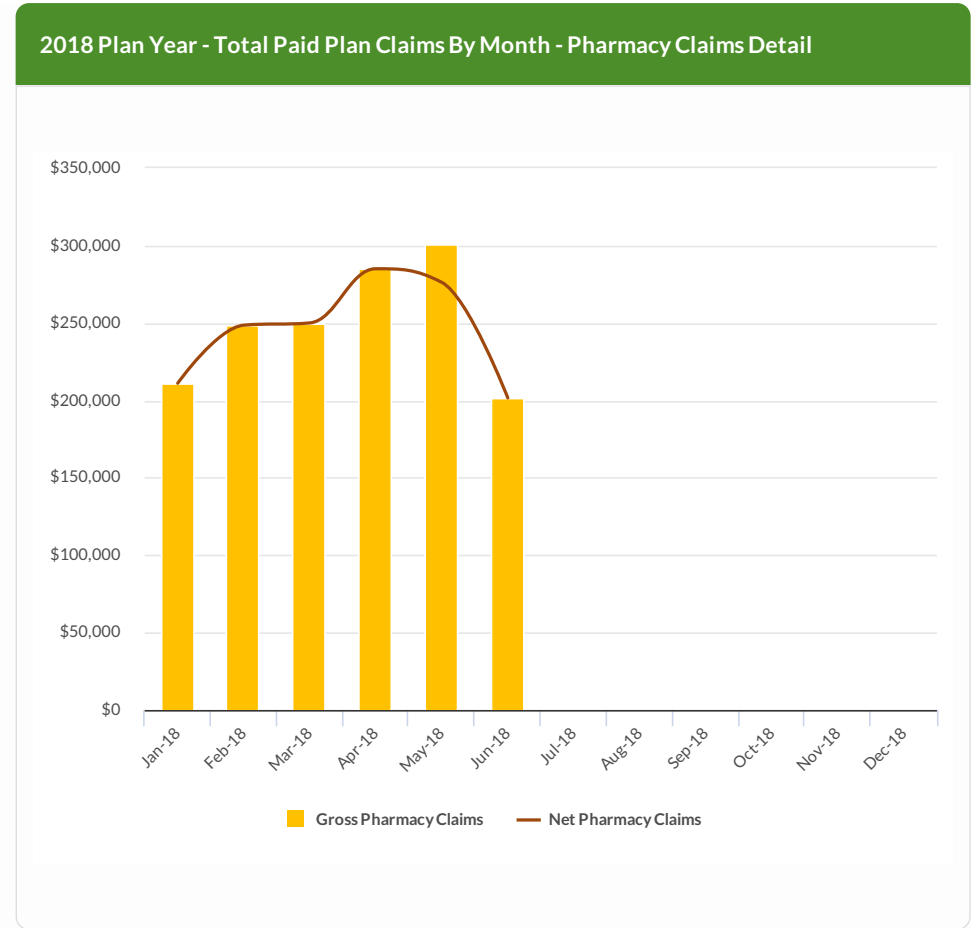
**Legend**

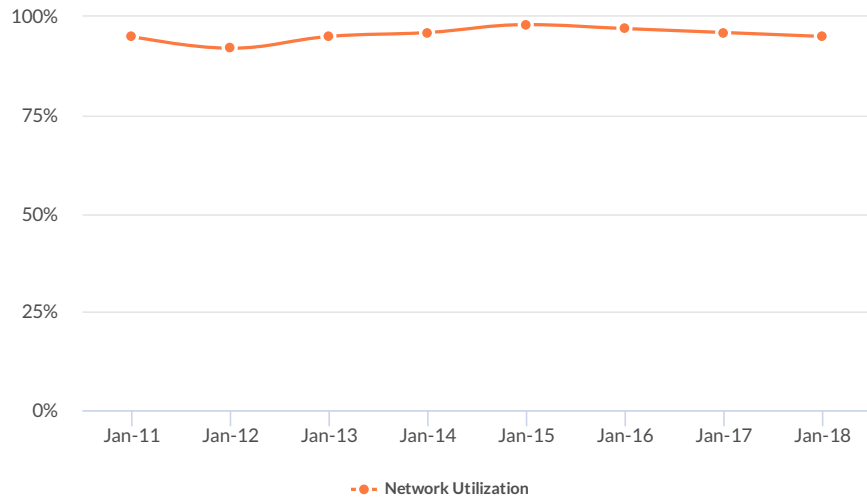
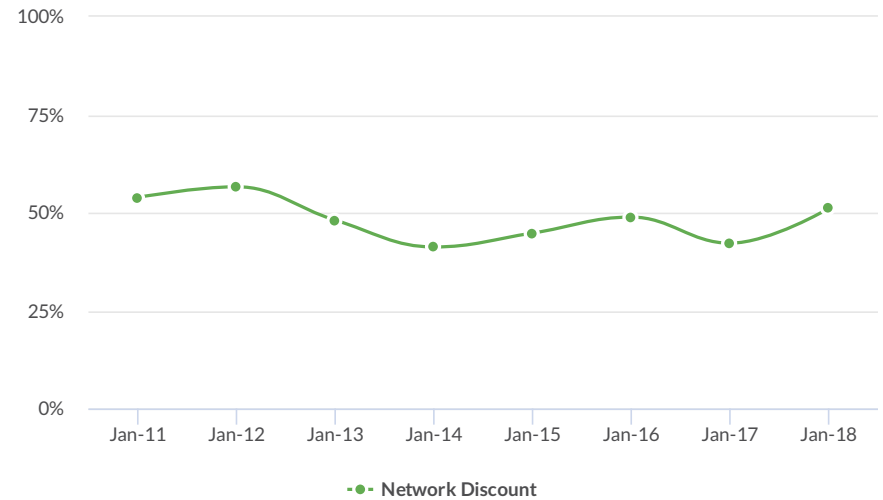
Columns A - F are the net claims of all possible types on the plan. If your plan does not track one of these claims types, the values will simply appear blank. Net claims are such as stop loss reimbursements or pharmacy rebates. Column H is the total of all net claims on the plan. Column I is the amount that net claims is expected to be for a given month.

2018 Plan Year - Total Paid Plan Claims By Month - Medical Claims Detail					
Month-Year	A Gross Medical Claims	B Stop Loss Reimbursements	C	D	E Total Monthly Net Claims
Jan-18	\$634,015				\$634,015
Feb-18	\$750,000				\$750,000
Mar-18	\$725,000				\$725,000
Apr-18	\$452,689				\$452,689
May-18	\$950,000	\$81,945			\$868,055
Jun-18	\$450,085				\$450,085
Jul-18					
Aug-18					
Sep-18					
Oct-18					
Nov-18					
Dec-18					
<b>Total</b>	<b>\$3,961,789</b>	<b>\$81,945</b>			<b>\$3,879,844</b>



2018 Plan Year - Total Paid Plan Claims By Month - Pharmacy Claims Detail					
Month-Year	A Gross Pharmacy Claims	B Pbm Rebates	C	D	E Total Monthly Net Claims
Jan-18	\$211,045				\$211,045
Feb-18	\$248,555				\$248,555
Mar-18	\$250,000				\$250,000
Apr-18	\$285,000				\$285,000
May-18	\$301,256	\$25,050			\$276,206
Jun-18	\$201,542				\$201,542
Jul-18					
Aug-18					
Sep-18					
Oct-18					
Nov-18					
Dec-18					
<b>Total</b>	<b>\$1,497,398</b>	<b>\$25,050</b>			<b>\$1,472,348</b>



**Network Utilization (%)**

**Network Discount (%)**

**Plan Year**

	Jan-11 ( December 2011 )	Jan-12 ( December 2012 )	Jan-13 ( December 2013 )	Jan-14 ( December 2014 )	Jan-15 ( December 2015 )	Jan-16 ( December 2016 )	Jan-17 ( December 2017 )	Jan-18 ( As of January 2018 )
Network Utilization (%)	95%	92%	95%	96%	98%	97%	96%	95%
Total Submitted Charges (\$)	\$16,457,410	\$19,484,254	\$14,541,841	\$16,487,840	\$15,484,140	\$18,497,741	\$14,588,990	\$1,654,891
Total Allowed Charges (\$)	\$7,589,515	\$8,456,871	\$7,549,851	\$9,689,855	\$8,549,878	\$9,458,974	\$8,433,009	\$810,000
Total Savings (\$)	\$8,867,895	\$11,027,383	\$6,991,990	\$6,797,985	\$6,934,262	\$9,038,767	\$6,155,981	\$844,891
Network Discount (%)	53.88%	56.6%	48.08%	41.23%	44.78%	48.86%	42.2%	51.05%

**Legend**

The Network Performance Report is designed to provide clients with an understanding of their overall network performance in terms of how much the network is being utilized, how effective the networks are, and how these amounts have changed over time.