Office of the
TOWN MANAGER

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TOWN OF SHREWSBURY

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February 16, 2015

To: Insurance Advisory Committee
Interested Parties

From: Daniel J. Morgado

Re: Fiscal Year 2016 Health Insurance Program (HIP)

The West Suburban Health Group (WSHG) has concluded it renewal process for the Fiscal Year 2016 HIP for active employees and non-Medicare eligible retirees. This process began several weeks ago and is based on the best available information. Unlike previous years, the WSHG is seeing a dramatic drop in participation with the departure of the Towns of Ashland and Westwood to the Group Insurance Commission (GIC) and the Town of Walpole to the Massachusetts Interlocal Insurance Association (MIIA). This coupled with high utilization, a reduced fund balance, new federally imposed fees, and the need to recover the cost of the Alternative Drug Program, have caused a substantial increase in rates for Fiscal Year 2016. Plan design changes are limited and will be explained below.

Before outlining my proposal for the Fiscal Year 2016 HIP, I wish to review with you several matters as follows:

1. <u>Current Enrollment</u>
   - Enrollment in the Town's HIP consists of 1,248 enrollees with the Fallon plans continuing to be the most popular for active employees and non-Medicare eligible retirees. The Harvard Pilgrim Medicare Enhanced plan remains the most popular senior plan. Last June total enrollment was 1,215. We now have in place 68 Benchmark plan enrollees. (Exhibit 1)

2. <u>Current Status - WSHG</u>
   - I have attached the Funding Rate Analysis for the period ending June 30, 2014. The WSHG ended the fiscal year with a loss of $3,272,875 which was consistent with the rate projection since there was a deliberate effort to use fund balance in order to moderate rates for Fiscal Year 2014. The Fallon plans ended in surplus. (Exhibit 2)

   - I have attached the Funding Rate Analysis for the period of July 1, 2014 to June 30, 2015. We have a projected loss to date of $773,409. Harvard-

Pilgrim continues to be a loss while Fallon is about neutral for the year to date. (Exhibit 3)

- I have attached the Reports of Excess – Stop Loss reports for Fiscal Years 2014 and 2015. Large claims continue to paid per our reinsurance agreements. For Fiscal Year 2015, we are part of a new reinsurance pool arrangement with two other Joint Purchase Groups (JPG). It will be at least a year before we can report on the success or failure of this new arrangement. (Exhibit 4)

- The 12/31/2014 fund balance of the WSHG was $9,558,500. In comparison, the fund balance on 12/31/2013 was $18,023,941. This is a precipitous reduction resulting in an inability to use fund balance to moderate the Fiscal Year 2016 rates. Frankly, if I had known that the Towns of Ashland, Westwood and Walpole would decide in Fiscal Year 2015 to leave the WSHG, I would have strongly advocated using no fund balance to moderate the Fiscal Year 2015 rates. (Exhibit 5)

- As advised above, the Towns of Ashland, Westwood and Walpole are leaving the WSHG effective July 1, 2015. These communities represent nearly 19% of total enrollment of the WSHG. These communities were very heavy into the Tufts (21% of total) and Blue Cross (19% of total) plans which saw double digit increases in premium for Fiscal Year 2015. They have very little exposure to Fallon. While these communities leave behind their share of any fund balance, the remaining members of the WSHG must now absorb the run out of payments beyond June 30, 2015, which will total an estimated $1.7 Million. This is a contributing reason why no fund balance can be used to set rates for Fiscal Year 2016. (Exhibit 6)

3. <u>Group Insurance Commission (GIC)</u>
   - You will recall that last year I presented a series of exhibits regarding the GIC as a threat to the future viability of the WSHG. An aspect of the GIC rate strategy was to make no changes to plan design and hold premium increases to a net 0% over a five year period. Several persons including myself questioned how such a rate strategy could work considering cost trends in healthcare. This has come to a head with the recent announcement that the GIC is running a current year deficit of $165 Million to $190 Million. (Exhibit 7)

   - This matter was taken to a public hearing on February 4, 2015, as the GIC rolled out its options to deal with the deficit. (Exhibit 8)

   - On February 13th the GIC adopted plan design changes, but the GIC must still deal with a rate increase at their next meeting in March since the plan design changes only get them a reported $78 Million in savings. (Exhibit 9)

4. <u>WSHG Rate Setting Process</u>
   - On February 12, 2015, the WSHG Board meet and adopted rates for Fiscal Year 2016 in the form of Scenario E so-called. Scenario E is the midpoint of projected rates of the respective carriers and Group Benefit Strategies (GBS) and reflects the best estimate of the cost to provide health care to our members for the upcoming fiscal period. These rates reflect for the first time the costs associated with fees paid to Washington DC under the Affordable Care Act (ACA) and costs associated with the Alternative Prescription Program. In the past, these costs were not part of the rate setting process and as a result expenditures have impacted fund balance. No fund balance was used to set these rates. While the Fallon increase for Fiscal Year 2016 is 11.1%, I remind you that previous year's increases have been 1.6% - FY 2015; 4.0% - FY 2014; 0.0% - FY 2013, 7.0% - FY 2012 (average for five years – 4.74%). (Exhibit 10)

   - Along with the premium increase, the Board also approved the dropping of the Tufts POS plan effective July 1, 2015, since there were only 2 enrollees (none from Shrewsbury).

   - Out-of-Pocket Maximums (OOP Max) were adopted for all Rate Saver and Benchmark plans, with the exception of the Fallon Plans, at $2,000 medical and $2,000 Rx (Prescription) for individual plans and $4,000 medical and $4,000 Rx (Prescription) for family plans. OOP Max's are a benefit to the employee/retiree since out-of-pocket expenses end once the limit is reached. The OOP Max for the Harvard-Pilgrim PPO for out Out-of-Network Medical was eliminated. The Fallon OOP Max's remain at the current level for another year but you can expect this to change for Fiscal Year 2017. (Exhibits 11 & 12)

I propose the following Fiscal Year 2016 HIP for active employees and non-eligible Medicare retirees:

1. A renewal of all plans with the exception of the Tufts POS which will be eliminate on June 30, 2015, with the monthly premium amounts and contribution ratios as shown on the attached. Note there is no change in contribution ratios from the current HIP. (Exhibit 13)

2. The limited dental benefit offered under the Fallon plan design remains but you are reminded that this remains a year to year matter and could change in Fiscal Year 2017.

3. The continuation of the requirement that new employees hired after July 1, 2014, and non-Medicare eligible retirees who retire after July 1, 2014 must enroll in Benchmark plans.

4. That Out-of-Pocket Maximums (OOP Max) be adopted for all Rate Saver and Benchmark plans, with the exception of the Fallon Plans, at $2,000 medical and $2,000 Rx (Prescription) for individual plans and $4,000 medical and $4,000 Rx (Prescription) for family plans. Further, that the OOP Max for the Harvard-Pilgrim PPO for out Out-of-Network Medical be eliminated. Please note that the Fallon OOP Max's will remain at their current level for another year but you can expect this to change for Fiscal Year 2017.

The health insurance landscape continues to change constantly and I urge continued vigilance in ensuring that we continue to provide our fellow employees and retirees the best possible plan offerings at the most affordable rates and plan designs based upon fiscal conditions and realities. Collectively, we decided last year on a two year program that will conclude on June 30, 2016, that reflects this approach.

I am hoping that we can continue this collaborative effort beyond June 30, 2016, but that will be dependent upon all parties seeing the big picture and understanding the threats and opportunities that exists in the changing landscape. We must continue to think ahead of the curve, otherwise both plan design and the value of premium paid versus benefit received will suffer.

I thank you for your continued efforts in this regard and stand ready to meet with you at your convenience.

Cc Union/Associations Presidents
Interested Parties
Carolyn Marcotte
Mary Thompson
Thomas Gregory
Christine Fowler
Barbara Malone
Cecelia Wirzbicki

Exhibit 1

Summary of FY 2015 Health Insurance Program

Summary of FY 2015 Health Insurance Program

Plan	Type	Premium	Town Share	Percent	Employee/ Retiree Share	Percent	# of Participants	% of Plans	Town Share (Annual)	Employee/ Retiree Share (Annual)	Total	Town Share Budget	Employee/ Retiree Share Budget	Total
Harvard Pilgrim PPO	Family	$4,197.00	$2,098.50	50.00%	$2,098.50	50.00%	0	0.00%	$25,182.00	$25,182.00	$50,364.00	$0.00	$0.00	$0.00
	Individual	$1,890.00	$945.00	50.00%	$945.00	50.00%	4	0.47%	$11,340.00	$11,340.00	$22,680.00	$45,360.00	$45,360.00	$90,720.00
Tufts POS	Family	$4,197.00	$2,098.50	50.00%	$2,098.50	50.00%	0	0.00%	$25,182.00	$25,182.00	$50,364.00	$0.00	$0.00	$0.00
	Individual	$1,890.00	$945.00	50.00%	$945.00	50.00%	0	0.00%	$11,340.00	$11,340.00	$22,680.00	$0.00	$0.00	$0.00
Blue Choice Rate Saver EPO	Family	$1,984.00	$1,190.40	60.00%	$793.60	40.00%	3	0.35%	$14,284.80	$9,523.20	$23,808.00	$42,854.40	$28,569.60	$71,424.00
	Individual	$740.00	$444.00	60.00%	$296.00	40.00%	3	0.35%	$5,328.00	$3,552.00	$8,880.00	$15,984.00	$10,656.00	$26,640.00
Tufts Navigator Rate Saver EPO	Family	$1,922.00	$1,153.20	60.00%	$768.80	40.00%	7	0.82%	$13,838.40	$9,225.60	$23,064.00	$96,868.80	$64,579.20	$161,448.00
	Individual	$734.00	$440.40	60.00%	$293.60	40.00%	4	0.47%	$5,284.80	$3,523.20	$8,808.00	$21,139.20	$14,092.80	$35,232.00
HPHC Rate Saver EPO	Family	$1,682.00	$1,009.20	60.00%	$672.80	40.00%	26	3.03%	$12,110.40	$8,073.60	$20,184.00	$314,870.40	$209,913.60	$524,784.00
	Individual	$645.00	$387.00	60.00%	$258.00	40.00%	53	6.18%	$4,644.00	$3,096.00	$7,740.00	$246,132.00	$164,088.00	$410,220.00
Fallon Select Rate Saver EPO*	Family	$1,483.00	$1,060.35	71.50%	$422.66	28.50%	367	42.82%	$12,724.14	$5,071.86	$17,796.00	$4,669,759.38	$1,861,372.62	$6,531,132.00
	Individual	$550.00	$393.25	71.50%	$156.75	28.50%	193	22.52%	$4,719.00	$1,881.00	$6,600.00	$910,767.00	$363,033.00	$1,273,800.00
Fallon Direct Rate Saver EPO*	Family	$1,378.00	$1,054.17	76.50%	$323.83	23.50%	78	9.10%	$12,650.04	$3,885.96	$16,536.00	$986,703.12	$303,104.88	$1,289,808.00
	Individual	$513.00	$392.45	76.50%	$120.56	23.50%	51	5.95%	$4,709.34	$1,446.66	$6,156.00	$240,176.34	$73,779.66	$313,956.00
Blue Cross Blue Shield Benchmark	Family	$1,914.00	$1,148.40	60.00%	$765.60	40.00%	2	0.23%	$13,780.80	$9,187.20	$22,968.00	$27,561.60	$18,374.40	$45,936.00
	Individual	$714.00	$428.40	60.00%	$285.60	40.00%	4	0.47%	$5,140.80	$3,427.20	$8,568.00	$20,563.20	$13,708.80	$34,272.00
Tufts Benchmark	Family	$1,854.00	$1,112.40	60.00%	$741.60	40.00%	0	0.00%	$13,348.80	$8,899.20	$22,248.00	$0.00	$0.00	$0.00
	Individual	$708.00	$424.80	60.00%	$283.20	40.00%	0	0.00%	$5,097.60	$3,398.40	$8,496.00	$0.00	$0.00	$0.00
HPHC Benchmark	Family	$1,623.00	$973.80	60.00%	$649.20	40.00%	2	0.23%	$11,685.60	$7,790.40	$19,476.00	$23,371.20	$15,580.80	$38,952.00
	Individual	$622.00	$373.20	60.00%	$248.80	40.00%	5	0.58%	$4,478.40	$2,985.60	$7,464.00	$22,392.00	$14,928.00	$37,320.00
Fallon Select Benchmark	Family	$1,432.00	$1,045.36	73.00%	$386.64	27.00%	17	1.98%	$12,544.32	$4,639.68	$17,184.00	$213,253.44	$78,874.56	$292,128.00
	Individual	$532.00	$388.36	73.00%	$143.64	27.00%	21	2.45%	$4,660.32	$1,723.68	$6,384.00	$97,866.72	$36,197.28	$134,064.00
Fallon Direct Benchmark	Family	$1,331.00	$1,038.18	78.00%	$292.82	22.00%	6	0.70%	$12,458.16	$3,513.84	$15,972.00	$74,748.96	$21,083.04	$95,832.00
	Individual	$495.00	$386.10	78.00%	$108.90	22.00%	11	1.28%	$4,633.20	$1,306.80	$5,940.00	$50,965.20	$14,374.80	$65,340.00
							857	100%	Fallon Makes Up		86.81%	$7,590,614.64	$3,138,549.36	$10,729,164.00
									# of Plans		744	70.75%	29.25%	
Harvard Pilgrim Medicare Enhance	Retiree	$328.33	$164.17	50.00%	$164.17	50.00%	180	46.04%	$1,969.98	$1,969.98	$3,939.96	$354,596.40	$354,596.40	$709,192.80
BC/BS Medex II	Retiree	$340.00	$170.00	50.00%	$170.00	50.00%	14	3.58%	$2,040.00	$2,040.00	$4,080.00	$28,560.00	$28,560.00	$57,120.00
Tufts Medicare Prime Suplmt Plus	Retiree	$330.00	$165.00	50.00%	$165.00	50.00%	44	11.25%	$1,980.00	$1,980.00	$3,960.00	$87,120.00	$87,120.00	$174,240.00
BC/BS Managed Blue for Seniors	Retiree	$295.63	$177.38	60.00%	$118.25	40.00%	6	1.53%	$2,128.54	$1,419.02	$3,547.56	$12,771.22	$8,514.14	$21,285.36
Fallon Senior	Retiree	$299.00	$219.77	73.50%	$79.24	26.50%	83	21.23%	$1,318.59	$475.41	$1,794.00	$109,442.97	$39,459.03	$148,902.00
Tufts Medicare Preferred**	Retiree	$262.00	$192.57	73.50%	$69.43	26.50%	64	16.37%	$1,155.42	$416.58	$1,572.00	$73,946.88	$26,661.12	$100,608.00
							391		Fallon Makes Up		21.23%	$666,437.47	$544,910.69	$1,211,348.16
Enrollments shown above include SELCO and Surviving Spouses (22±)									# of Plans (was 158)		83	55.02%	44.98%	
							1,248					$8,257,052.11	$3,683,460.05	$11,940,512.16
												69.15%	30.85%	

*Rate Saver Plans With Contribution Shift for Fallon Select and Fallon Direct (1.5%)
Effective July 1, 2014
**Contribution Shift for Fallon Senior and Tufts Medicare Preferred (1.5%)
Effective January 1, 2015.

Enrollment As Of 12/15/2014

Exhibit 2

Funding Rate Analysis – June 30, 2014

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

July, 2014

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/13 - 6/30/14
(Analysis for 12-mos., 7/13-6/14)

FUNDING ANALYSIS SUMMARY FOR SELF-FUNDED HEALTH PLANS

HEALTH PLAN	*Estimated Funding (rates x enrollments)*	*Estimated Plan * NET Costs*		*Estimated Funding Surplus/(Shortfall)*
Harvard Pilgrim EPO	$ 1,223,709	$ 1,336,899	**109.2%**	($113,190)
Harvard Pilgrim Rate Saver/Benchmark	59,397,522	63,368,497	**106.7%**	($3,970,975)
Harvard Pilgrim PPO	1,353,863	891,606	**65.9%**	$462,257
BCBS Network Blue	591,444	607,729	**102.8%**	($16,285)
BCBS Network Blue Rate Saver/Benchmark	11,920,142	13,710,714	**115.0%**	($1,790,572)
Fallon EPO Legacy	45,576	39,684	**87.1%**	$5,892
Fallon EPO Rate Saver	14,686,283	14,496,963	**98.7%**	$189,320
Fallon EPO Benchmark	44,096	14,980	**34.0%**	$29,116
Tufts EPO	526,627	534,567	**101.5%**	($7,940)
Tufts Rate Saver	20,461,729	21,113,611	**103.2%**	($651,882)
Tufts POS/Navigator Benchmark	67,632	13,825	**20.4%**	$53,807
HPHC Medicare Enhance	5,014,871	3,415,566	**68.1%**	$1,599,304
BCBS Medex	6,046,778	5,108,505	**84.5%**	$938,273
	$ 121,380,272	$ 124,653,147		($3,272,875)
% COSTS/FUNDING:			**102.7%**	

Retiree Drug Subsidy payments to date based on Plan Year Incurred:

FY07-08	**FY09**	**FY10**	**CY11****	**CY12**	**CY13**
$2,709,600.85	**$1,411,545.85**	**$1,375,702.09**	**$2,056,645.42**	**$1,160,328.00**	**$1,122,206.67**
FINAL	**FINAL**	**FINAL**	**FINAL**	**TO DATE**	**TO DATE**

**Includes 7/1/10-12/31/10
$655,536.02
1/1/11-12/31/11
$1,357,259.41

NOTES: ** NET Costs include paid claims, carrier administration, reinsurance premium, and reinsurance reimbursements.*
Other "Program Costs" such as GBS Management fee, GBS COBRA fee, WSHG Treasurer and Assistant Treasurer fees, Claims Audit fee, and legal and miscellaneous costs are not included in the above analysis.
*** Plan year changed from fiscal year to calendar year on 1/1/2011.*

Exhibit 3

Funding Rate Analysis – July 1, 2014 to June 30, 2015

West Suburban Health Group

Group Health Insurance
Funding Rate Analysis by Plan

Policy Period 7/1/2014 - 6/30/2015

January, 2015

1/22/2015

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

January, 2015

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/14 - 6/30/15
(Analysis for 6-mos., 7/14-12/14)

HARVARD PILGRIM HEALTH CARE
(Enrollments per GBS monthly warrants)

HPHC RS EPO/Benchmark	Individual	Family	Funding Rate Total	Projected Monthly Claims	Paid Claims	Administrative Cost	Reinsurance Premium	Reinsurance Reimbursements	Actual NET Total Costs	Cost/Funding Ratio
July, 2014	1754	2551	$ 5,424,343	$ 5,093,135	$ 5,905,729	$ 300,688	$ 101,961	$ (143,786)	$ 6,164,592	113.6%
August	1760	2552	$ 5,429,738	$ 5,098,115	$ 4,875,991	$ 300,991	$ 102,060	$ (77,207)	$ 5,201,834	95.8%
September	1790	2561	$ 5,464,181	$ 5,130,513	$ 5,804,058	$ 302,880	$ 102,684	$ (531,297)	$ 5,678,325	103.9%
October	1779	2536	$ 5,414,990	$ 5,084,290	$ 5,116,877	$ 300,149	$ 101,754	$ -	$ 5,518,779	101.9%
November	1772	2540	$ 5,417,144	$ 5,086,267	$ 4,783,580	$ 300,281	$ 101,805	$ (9,178)	$ 5,176,488	95.6%
December	1767	2538	$ 5,410,614	$ 5,080,160	$ 5,846,617	$ 299,919	$ 101,685	$ (17,261)	$ 6,230,960	115.2%
January, 2015			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
February			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
March			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
April			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
May			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
June			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Totals to date:			$ 32,561,010	$ 30,572,481	$ 32,332,852	$ 1,804,907	$ 611,948	$ (778,729)	$ 33,970,978	
7/14 Funding Rates:	Multiple rates			*Actual/Projected:*	105.8%				*Cost/Funding:*	104.3%
Middlesex Rates:	Multiple rates									

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

January, 2015

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/14 - 6/30/15
(Analysis for 6-mos., 7/14-12/14)

HARVARD PILGRIM HEALTH CARE
(Enrollments per GBS monthly warrants)

HPHC PPO	Individual	Family	Funding Rate Total	*Projected Monthly Claims*	Paid Claims	Administrative Cost	Reinsurance Premium	Reinsurance Reimbursements	Actual NET Total Costs	Cost/Funding Ratio
July, 2013	48	3	$ 103,311	$ *92,911*	$ 76,256	$ 1,952	$ 630	$ -	$ 78,838	76.3%
August	48	3	$ 103,311	$ *92,911*	$ 526,548	$ 1,952	$ 630	$ -	$ 529,130	512.2%
September	47	3	$ 101,421	$ *91,210*	$ 84,711	$ 1,917	$ 619	$ -	$ 87,247	86.0%
October	47	3	$ 101,421	$ *91,210*	$ 111,457	$ 1,917	$ 619	$ -	$ 113,993	112.4%
November	47	3	$ 101,421	$ *91,210*	$ 43,018	$ 1,917	$ 619	$ -	$ 45,555	44.9%
December	48	3	$ 103,311	$ *92,911*	$ 70,690	$ 1,952	$ 630	$ -	$ 73,272	70.9%
January, 2014			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
February			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
March			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
April			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
May			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
June			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Totals to date:			$ 614,196	$ *552,364*	$ 912,680	$ 11,606	$ 3,748	$ -	$ 928,035	
7/13 Funding Rates:	$ 1,890.00	$4,197.00		*Actual/Projected:*	165.2%				*Cost/Funding:*	151.1%
S.Middlesex Funding:	$ 1,890.00	$4,197.00								

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

January, 2015

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/14 - 6/30/15
(Analysis for 6-mos., 7/14-12/14)

BLUE CROSS AND BLUE SHIELD
(Enrollments per BCBS cost/contract invoices)
**Run out for Legacy plans included in totals*

BCBS Network Blue RS/Benchmark	Individual	Family	Funding Rate Total	*Projected Monthly Claims*	Paid Claims*	Administrative Cost	Reinsurance Premium	Reinsurance Reimbursements	Actual NET Total Costs	Cost/Funding Ratio
July, 2014	398	413	$ 1,113,311	*$ 1,078,290*	$ 857,269	$ 51,052	$ 17,774	$ (15,380)	$ 910,715	81.8%
August	399	407	$ 1,102,147	*$ 1,067,525*	$ 1,214,694	$ 50,738	$ 17,591	$ (4,147)	$ 1,278,875	116.0%
September	401	410	$ 1,109,449	*$ 1,075,532*	$ 727,563	$ 51,052	$ 17,710	$ -	$ 796,326	71.8%
October	396	409	$ 1,103,765	*$ 1,070,061*	$ 1,150,044	$ 50,675	$ 17,623	$ (961)	$ 1,217,381	110.3%
November	393	403	$ 1,089,729	*$ 1,055,878*	$ 900,827	$ 50,108	$ 17,395	$ (100,035)	$ 868,295	79.7%
December	393	404	$ 1,091,757	*$ 1,057,505*	$ 983,930	$ 50,171	$ 17,428	$ -	$ 1,051,529	96.3%
January, 2015			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
February			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
March			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
April			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
May			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
June			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Totals to date:			$ 6,610,158	*$ 6,404,791*	$ 5,834,327	$ 303,797	$ 105,521	$ (120,524)	$ 6,123,121	
7/14 Funding Rates:	Multiple Rates			*Actual/Projected:*	91.1%				*Cost/Funding:*	92.6%
S. Middlesex :	Multiple Rates									

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

January, 2015

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/14 - 6/30/15
(Analysis for 6-mos., 7/14-12/14)

FALLON COMMUNITY HEALTH PLAN - Select Care & Direct Care Combined
(Enrollments per GBS monthly warrants)

Fallon Rate Saver EPOs	Individual	Family	Funding Rate Total	*Projected Monthly Claims*	Paid Claims	Administrative Cost	Reinsurance Premium	Reinsurance Reimbursements	Actual NET Total Costs	Cost/Funding Ratio
July, 2014	488	706	$ 1,299,124	$ *1,184,486*	$ 1,467,463	$ 103,294	$ 28,247	$ (51,867)	$ 1,547,137	119.1%
August	474	707	$ 1,288,958	$ *1,175,289*	$ 1,045,537	$ 102,809	$ 28,123	$ -	$ 1,176,469	91.3%
September	489	710	$ 1,305,498	$ *1,190,280*	$ 1,495,739	$ 103,804	$ 28,387	$ -	$ 1,627,930	124.7%
October	491	710	$ 1,306,666	$ *1,190,848*	$ 1,014,897	$ 103,890	$ 28,409	$ (49,953)	$ 1,097,243	84.0%
November	494	703	$ 1,307,618	$ *1,192,206*	$ 939,848	$ 103,203	$ 28,216	$ -	$ 1,071,267	81.9%
December	494	703	$ 1,307,618	$ *1,192,206*	$ 1,294,468	$ 103,203	$ 10,554	$ -	$ 1,408,224	107.7%
January, 2015			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
February			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
March			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
April			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
May			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
June			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Totals to date:			$ 7,815,482	$ *7,125,315*	$ 7,257,952	$ 620,202	$ 151,936	$ (101,820)	$ 7,928,271	
				Actual/Projected:	101.9%				*Cost/Funding:*	101.4%

7/14 Direct Care Rate Saver Funding Rates:	$ 513.00	$ 1,378.00
7/14 Select Care Rate Saver Funding Rates:	$ 550.00	$ 1,483.00
7/14 S.Middlesex Direct Care RS Funding:	$ 522.00	$ 1,402.00
7/14 S.Middlesex Select Care RS Funding:	$ 560.00	$ 1,508.00

Runout for the legacy plan included in totals.

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

January, 2015

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/14 - 6/30/15
(Analysis for 6-mos., 7/14-12/14)

FALLON COMMUNITY HEALTH PLAN - Select Care & Direct Care Combined
(Enrollments per GBS monthly warrants)

Fallon EPO's Benchmark	Individual	Family	Funding Rate Total	*Projected Monthly Claims*	Paid Claims	Administrative Cost	Reinsurance Premium	Reinsurance Reimbursements	Actual NET Total Costs	Cost/Funding Ratio
July, 2014	5	8	$ 13,776	$ *12,054*	$ 2,112	$ 1,148	$ 314	$ -	$ 3,574	25.9%
August	20	16	$ 32,796	$ *29,422*	$ 2,870	$ 2,725	$ 739	$ -	$ 6,335	19.3%
September	38	26	$ 56,295	$ *50,512*	$ 6,056	$ 4,665	$ 1,263	$ -	$ 11,984	21.3%
October	38	28	$ 59,058	$ *53,030*	$ 12,768	$ 4,899	$ 1,327	$ -	$ 18,994	32.2%
November	38	27	$ 57,663	$ *51,739*	$ 23,126	$ 4,782	$ 1,295	$ -	$ 29,203	50.6%
December	38	27	$ 57,663	$ *51,739*	$ 24,305	$ 4,782	$ 1,295	$ -	$ 30,382	52.7%
January, 2015			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
February			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
March			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
April			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
May			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
June			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Totals to date:			$ 277,251	$ *248,496*	$ 71,237	$ 23,001	$ 6,234	$ -	$ 100,473	
7/14 Direct Care Bench Funding Rates:	$ 495.00	$ 1,331.00		*Actual/Projected:*					*Cost/Funding:*	36.2%
7/14 Select Care Funding Rates:	$ 532.00	$ 1,432.00								
7/14 Direct Care Benchmark:	*$ 503.00*	*$ 1,353.00*								
7/14 Select Care Benchmark:	*$ 541.00*	*$ 1,457.00*								
S. Middlesex RSD rates										

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

January, 2015

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/14 - 6/30/15
(Analysis for 6-mos., 7/14-12/14)

TUFTS HEALTH PLAN
(Enrollments & Paid Claims per Tufts Financial Experience Summary Report - enrollment totals may be adjusted each month.)

THP Rate Saver EPO & Benchmark	Individual	Family	Funding Rate Total	*Projected Monthly Claims*	Paid Claims*	Administrative Cost	Reinsurance Premium	Reinsurance Reimbursements	Actual NET Total Costs	Cost/Funding Ratio
July, 2014	589	770	$ 1,912,224	*$ 1,869,238*	$ 1,515,048	$ 94,844	$ 31,438	$ (3,829)	$ 1,637,501	85.6%
August	584	769	$ 1,902,788	*$ 1,864,561*	$ 1,675,533	$ 94,564	$ 31,350	$ -	$ 1,801,447	94.7%
September	593	766	$ 1,906,738	*$ 1,865,379*	$ 1,848,145	$ 94,612	$ 31,353	$ -	$ 1,974,110	103.5%
October	595	767	$ 1,904,102	*$ 1,868,694*	$ 1,723,462	$ 94,780	$ 31,408	$ -	$ 1,849,650	97.1%
November	592	768	$ 1,907,492	*$ 1,868,421*	$ 1,805,874	$ 94,765	$ 31,407	$ -	$ 1,932,045	101.3%
December	587	767	$ 1,903,088	*$ 1,862,954*	$ 1,980,757	$ 94,485	$ 31,319	$ (17,261)	$ 2,089,299	109.8%
January, 2015			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
February			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
March			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
April			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
May			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
June			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Totals to date:			$ 11,436,432	*$ 11,199,246*	$ 10,548,819	$ 568,050	$ 188,274	$ (21,090)	$ 11,284,053	
7/14 Funding Rates:	$ 734.00	$1,922.00		*Actual/Projected:*	94.2%				*Cost/Funding:*	98.7%
7/14 S. Middlesex:	$ 747.00	$1,955.00								
Benchmark:	$ 708.00	$1,854.00								

THP POS	Individual	Family	Funding Rate Total	*Projected Monthly Claims*	Paid Claims	Administrative Cost	Reinsurance Premium	Reinsurance Reimbursements	NET Total Costs	Cost/Funding Ratio
July, 2014	1	1	$ 6,087	*$ 5,454*	$ 3,020	$ 132	$ 43	$ -	$ 3,195	52.5%
August	1	1	$ 6,087	*$ 5,454*	$ 780	$ 132	$ 43	$ -	$ 955	15.7%
September	1	1	$ 6,087	*$ 5,454*	$ 967	$ 132	$ 43	$ -	$ 1,142	18.8%
October	1	1	$ 6,087	*$ 5,454*	$ 1,360	$ 132	$ 43	$ -	$ 1,535	25.2%
November	1	1	$ 6,087	*$ 5,454*	$ 1,982	$ 132	$ 43	$ -	$ 2,157	35.4%
December	1	1	$ 6,087	*$ 5,454*	$ 3,099	$ 132	$ 43	$ -	$ 3,274	53.8%
January, 2015			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
February			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
March			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
April			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
May			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
June			$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
Totals to date:			$ 36,522	*$ 32,722*	$ 11,208	$ 791	$ 261	$ -	$ 12,260	
7/14 Funding Rates:	$1,890.00	$4,197.00		*Actual/Projected:*	34.3%				*Cost/Funding:*	33.6%

*Legacy runout totals included with Rate Saver claims.

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

January, 2015

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/14 - 6/30/15
(Analysis for 6-mos., 7/14-12/14)

HARVARD PILGRIM HEALTH CARE
(Enrollments per GBS monthly warrants)

HPHC Medicare Enhance with PDP	Individual	Medical (SF)* Funding Total	*Projected Monthly Claims*	Paid Claims Medical Only	Administrative Cost	Actual SF* Med. Costs	Cost/Funding Ratio (medical only)	Informational Only Fully Insured PDP (RX) Premiums
July, 2014	1227	$ 221,265	*$ 173,731*	$ 129,011	$ 42,601	$ 171,613	77.6%	$ 181,596
August	1239	$ 223,429	*$ 175,430*	$ 158,946	$ 43,018	$ 201,964	90.4%	$ 183,372
September	1248	$ 225,052	*$ 176,704*	$ 430,142	$ 43,331	$ 473,472	210.4%	$ 184,704
October	1269	$ 228,839	*$ 179,678*	$ 131,406	$ 44,060	$ 175,465	76.7%	$ 187,812
November	1273	$ 229,560	*$ 180,244*	$ 141,784	$ 44,199	$ 185,983	81.0%	$ 188,404
December	1280	$ 230,822	*$ 181,235*	$ 188,500	$ 44,442	$ 232,942	100.9%	$ 189,440
January, 2015		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
February		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
March		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
April		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
May		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
June		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
Totals to date:		$ 1,358,967	*$ 1,067,022*	$ 1,179,789	$ 261,650	$ 1,441,439		$ 1,115,328
			Actual/Projected:	110.6%			106.1%	

CY14 Medical only+ fees Funding:	$ 180.33	Used to calculate funding
CY14 PDP Premiums:	$ 148.00	
CY14 Full rate:	$ 328.33	
CY14 Medical only claims factor:	*$141.59*	

*SF = Self-Funded

** Premiums for Medicare Part D Plan

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

January, 2015

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/14 - 6/30/15
(Analysis for 6-mos., 7/14-12/14)

BLUE CROSS AND BLUE SHIELD
(Enrollments per BCBS cost/contract invoices)

BCBS Medex II w PDP	Individual	Funding Rate Total	*Projected Monthly Claims*	Paid Claims Medical Only	Administrative Cost	Actual Total SF* Med. Costs	Cost/Funding Ratio (Medical only)	Informational only Fully Insured PDP (RX) Premiums
July, 2014	1,376	$ 274,278	*$ 236,631*	$ 205,118	$ 32,116	$ 237,234	86.5%	$ 154,525
August	1,373	$ 273,680	*$ 236,115*	$ 245,314	$ 32,046	$ 277,360	101.3%	$ 154,188
September	1,374	$ 273,879	*$ 236,287*	$ 181,823	$ 32,069	$ 213,892	78.1%	$ 154,300
October	1,377	$ 274,477	*$ 236,803*	$ 298,556	$ 32,139	$ 330,695	120.5%	$ 154,637
November	1,372	$ 273,481	*$ 235,943*	$ 168,064	$ 32,022	$ 200,086	73.2%	$ 154,076
December	1,366	$ 272,285	*$ 234,911*	$ 45,729	$ 31,882	$ 77,611	28.5%	$ 153,402
January, 2015		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
February		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
March		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
April		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
May		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
June		$ -	$ -	$ -	$ -	$ -	0.0%	$ -
Totals to date:		$ 1,642,081	*$ 1,416,689*	$ 1,144,604	$ 192,275	$ 1,336,879		$ 925,127
			Actual/Projected:	80.8%			81.4%	

CY14 Medical only+ fees Funding:	$199.33	Used to caluclate funding
CY14 PDP Premiums	$112.30	
CY14 Full rate	$311.63	
CY14 Medical only claims factor:	*$171.97*	

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

January, 2015

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/14 - 6/30/15
(Analysis for 6-mos., 7/14-12/14)

FUNDING ANALYSIS SUMMARY FOR SELF-FUNDED HEALTH PLANS

HEALTH PLAN	*Estimated Funding (rates x enrollments)*	*Estimated Plan * NET Costs*		*Estimated Funding Surplus/(Shortfall)*
Harvard Pilgrim Rate Saver/Benchmark	32,561,010	33,970,978	**104.3%**	($1,409,968)
Harvard Pilgrim PPO	614,196	928,035	**151.1%**	($313,839)
BCBS Network Blue Rate Saver/Benchmark	6,610,158	6,123,121	**92.6%**	$487,037
Fallon EPO Rate Saver	7,815,482	7,928,271	**101.4%**	($112,789)
Fallon EPO Benchmark	277,251	100,473	**36.2%**	$176,778
Tufts Rate Saver/Benchmark	11,436,432	11,284,053	**98.7%**	$152,379
Tufts POS	36,522	12,260	**33.6%**	$24,262
HPHC Medicare Enhance	1,358,967	1,441,439	**106.1%**	($82,472)
BCBS Medex	1,642,081	1,336,879	**81.4%**	$305,201
	$ 62,352,098	$ 63,125,507		($773,409)
% COSTS/FUNDING:			**101.2%**	

Retiree Drug Subsidy payments to date based on Plan Year Incurred:

FY07-08	**FY09**	**FY10**	**CY11****	**CY12**	**CY13**
$2,709,600.85	**$1,411,545.85**	**$1,375,702.09**	**$2,056,645.42**	**$1,160,328.00**	**$1,218,298.42**
FINAL	**FINAL**	**FINAL**	**FINAL**	**FINAL**	**FINAL**

**Includes 7/1/10-12/31/10
$655,536.02
1/1/11-12/31/11
$1,357,259.41

NOTES: ** NET Costs include paid claims, carrier administration, reinsurance premium, and reinsurance reimbursements.*
Other "Program Costs" such as GBS Management fee, GBS COBRA fee, WSHG Treasurer and Assistant Treasurer fees, Claims Audit fee, and legal and miscellaneous costs are not included in the above analysis.
*** Plan year changed from fiscal year to calendar year on 1/1/2011.*

Exhibit 4

Report of Excess – Stop Loss Reports

WEST SUBURBAN HEALTH GROUP
Report of Excess Stop-Loss Claims

ACCOUNT NAME: WEST SUBURBAN HEALTH GROUP
REINSURANCE CARRIER: Blue Cross Blue Shield
POLICY DATES: 07/01/13 - 06/30/14
PAID DATES: 07/01/13- 06/30/15
STOP LOSS DEDUCTIBLE: $300,000
Excess Claims

PAID THROUGH DECEMBER 2014

Claims last updated 01/16/15 — *reimbursements since 11/18/14*

Carrier	Dep#	Previous Month Total Claims	Additions/ Deletions	Updated Total Paid Claims	Policy Year Deductible	Excess Amt	Claims Applied to Agg. Spec. Prem. ($500,000)	Previously Reported Reimbursements	New Reimbursements	Total Reimbursements	Outstanding Reimbursements	Plan	ICD9 Code	Notes
THP	0	$ 331,354.82	$ 7,020.87	$ 338,375.69	$ 300,000.00	$ 38,375.69	$ 13,263.00	$ 7,850.64	$ 17,261.36	$ 25,112.00	$ 0.69	TERS	20280	fy11 50%
HPHC	0	$ 589,410.51	$ -	$ 589,410.51	$ 300,000.00	$ 289,410.51	$ 289,410.00	$ -	$ -	$ -	$ 0.51	HPHC RS	5712	deceased 8/29/13
HPHC	2	$ 436,934.68	$ (5.37)	$ 436,929.31	$ 300,000.00	$ 136,929.31	$ 130,057.00	$ 6,822.43	$ -	$ 6,822.43	$ 49.88	HPHC RS	v3001	
HPHC	1	$ 614,681.00	$ (2,566.49)	$ 612,114.51	$ 300,000.00	$ 312,114.51	$ -	$ 315,681.46	$ -	$ 315,681.46	$ (3,566.95)	HPHC RS	515	
FCHP	1	$ 476,355.70	$ -	$ 476,355.70	$ 300,000.00	$ 176,355.70	$ 65,209.00	$ 111,146.65	$ -	$ 111,146.65	$ 0.05	FCHP SC	v58.12	fy12 50%, fy13 excess
HPHC	0	$ 425,037.24	$ -	$ 425,037.24	$ 300,000.00	$ 125,037.24	$ -	$ 125,037.24	$ -	$ 125,037.24	$ -	HEPO RS	1974	deceased 8/30/14
HPHC	0	$ 538,156.12	$ 129.00	$ 538,285.12	$ 300,000.00	$ 238,285.12	$ -	$ 283,117.60	$ -	$ 238,117.60	$ 167.52	HEPO RS	v554	deceased 7/10/14
BCBS	3	$ 432,764.00	$ (0.30)	$ 432,763.70	$ 300,000.00	$ 132,763.70	$ 2,061.00	$ 131,876.47	$ -	$ 131,876.47	$ (1,173.77)	NWB RS		
HPHC	0	$ 343,229.36	$ 590.07	$ 343,819.43	$ 300,000.00	$ 43,819.43	$ -	$ 43,229.36	$ -	$ 43,229.36	$ 590.07	HEPO RS	5070	deceased 4/14/14
HPHC	1	$ 485,522.56	$ (655.49)	$ 484,867.07	$ 300,000.00	$ 184,867.07	$ -	$ 185,522.56	$ -	$ 185,522.56	$ (655.49)	HEPO RS	4162	fy08, fy11, fy13 excess. / fy10, fy11 50%
HPHC	1	$ 314,462.98	$ 655.36	$ 315,118.34	$ 300,000.00	$ 15,118.34	$ -	$ 13,011.16	$ -	$ 13,011.16	$ 2,107.18	HEPO RS	1531	
HPHC	1	$ 491,796.43	$ (12,074.41)	$ 479,722.02	$ 300,000.00	$ 179,722.02	$ -	$ -	$ -	$ -	$ 179,722.02	HPPO	4271	
		$ 5,479,705.40	$ (6,906.76)	$ 5,472,798.64		$ 1,872,798.64	$ 500,000.00	$ 1,223,295.57	$ 17,261.36	$ 1,195,556.93	$ 177,241.71			
							$ (500,000.00)				$ -			
							$ -				$ 177,241.71			

12 claimants

Prepared by
GROUP BENEFITS STRATEGIES

1/26/2015

WEST SUBURBAN HEALTH GROUP
Report of Claims at 50%+

ACCOUNT NAME: WEST SUBURBAN HEALTH GROUP
REINSURANCE CARRIER: Blue Cross Blue Shield
POLICY DATES: 07/01/13 - 06/30/14
PAID DATES: 07/01/13- 06/30/15
STOP LOSS DEDUCTIBLE: $300,000

PAID THROUGH DECEMBER 2014

Claims last updated 01/16/15

Carrier	Dep#	Previous Month Total Claims	Additions/ Deletions	Updated Total Paid Claims	ICD9 Plan Type	Code	
THP	0	$ 164,300.51	$ (154.61)	$ 164,145.90	THP RS	***deceased 12/31/13***	
THP	0	$ 168,073.10	$ -	$ 168,073.10	THP RS	***deceased 11/19/13***	
FCHP	0	$ 210,677.75	$ -	$ 210,677.75	FCHP SC	*733.13*	
HPHC	1	$ 215,161.35	$ -	$ 215,161.35	HEPO RS	*1961*	
HPHC	0	$ 271,623.26	$ -	$ 271,623.26	HEPO RS	*4210*	*fy12 50%*
HPHC	0	$ 209,055.11	$ -	$ 209,055.11	HEPO RS	***termed 4/30/14***	
FCHP	0	$ 272,963.62	$ 125.00	$ 273,088.62	FCHP SC	*162.3*	
BCBS	1	$ 200,902.49	$ -	$ 200,902.49	NWB RS	***termed 7/31/14***	
BCBS	0	$ 165,102.63	$ -	$ 165,102.63	NWB	***deceased 1/17/14***	
HPHC	0	$ 162,207.92	$ 16.68	$ 162,224.60	HEPO	*1623*	
HPHC	1	$ 242,605.17	$ 655.36	$ 243,260.53	HEPO RS	*1501*	
HPHC	1	$ 186,550.75	$ -	$ 186,550.75	HEPO RS	*0389*	
HPHC	0	$ 196,201.31	$ -	$ 196,201.31	HEPO RS	*9828*	
HPHC	0	$ 209,835.58	$ 655.36	$ 210,490.94	HEPO RS	*72403*	
HPHC	0	$ 189,895.71	$ -	$ 189,895.71	HEPO RS	*51189*	
HPHC	0	$ 258,186.69	$ 2,621.44	$ 260,808.13	HEPO RS	*1809*	
HPHC	0	$ 257,874.91	$ (127.64)	$ 257,747.27	HEPO RS	*5780*	
HPHC	0	$ 200,026.67	$ 1,052.99	$ 201,079.66	HEPO RS	*44023*	
FCHP	1	$ 188,521.93	$ -	$ 188,521.93	FCHP SC	*v58.11*	
HPHC	0	$ 255,892.64	$ 1,994.01	$ 257,886.65	HEPO RS	*41401*	
BCBS	1	$ 199,555.78	$ 577.01	$ 200,132.79	NWB RS		
THP	0	$ 163,352.21	$ -	$ 163,352.21	THP RS	***deceased 9/30/14***	
FCHP	0	$ 193,706.30	$ -	$ 193,706.30	FCHP SC	*338.3*	*fy13 50%*
FCHP	0	$ 240,559.00	$ 0.31	$ 240,559.31	FCHP SC	*v58.11*	
HPHC	0	$ 178,211.67	$ 92.66	$ 178,304.33	HEPO RS	*55321*	
HPHC	0	$ 194,440.73	$ 392.17	$ 194,832.90	HEPO RS	*1749*	
HPHC	0	$ 195,173.09	$ 898.29	$ 196,071.38	HEPO RS	*27702*	
HPHC	1	$ 168,908.08	$ 285.00	$ 169,193.08	HEPO RS	***deceased 4/24/14***	
HPHC	1	$ 158,363.48	$ (196.06)	$ 158,167.42	HEPO RS	*72141*	
THP	0	$ 150,792.36	$ (495.43)	$ 150,296.93	THP RS	*1541*	
BCBS	0	$ 241,941.52	$ -	$ 241,941.52	NWB RS		
HPHC	3	$ 207,631.61	$ 200.00	$ 207,831.61	HEPO RS	*74510*	
HPHC	0	$ 183,193.84	$ -	$ 183,193.84	HEPO RS	***deceased 10/13/14***	
HPHC	0	$ 250,690.93	$ 479.19	$ 251,170.12	HEPO RS	*40391*	
HPHC	0	$ 190,974.66	$ 379.49	$ 191,354.15	HEPO RS	*v5482*	
HPHC	1	$ 157,751.71	$ -	$ 157,751.71	HEPO RS	*1749*	
		$ 7,300,906.07	$ 9,451.22	$ 7,310,357.29			

37 claimants

WEST SUBURBAN HEALTH GROUP
Report of Excess Stop-Loss Claims

ACCOUNT NAME: WEST SUBURBAN HEALTH GROUP
REINSURANCE CARRIER: MMRA / Berkley Life & Health Ins.
POLICY DATES: 07/01/14 - 06/30/15
PAID DATES: 07/01/14 06/30/16
STOP LOSS DEDUCTIBLE: MMRA reimburses claims between $300,000 & $800,000 / above $800,000 Berkley reimburses
Excess Claims

PAID THROUGH DECEMBER 2014

Claims last updated 01/16/15 — *reimbursements since 11/18/14*

Carrier	Dep#	Previous Month Total Claims	Additions/ Deletions	Updated Total Paid Claims	Policy Year Deductible	Excess Amt	Previously Reported Reimbursements	New Reimbursements	Total Reimbursements	Outstanding Reimbursements	Plan	ICD9 Code	Notes
THP	0	$ 269,411.13	$ 63,575.28	$ 332,986.41	$ 300,000.00	$ 32,986.41	$ -	$ -	$ -	$ 32,986.41	THPRS	5070	
		$ 269,411.13	$ 63,575.28	$ 332,986.41		$ 32,986.41	$ -	$ -	$ -	$ 32,986.41			

1 claimant

WEST SUBURBAN HEALTH GROUP
Report of Claims at 50%+

ACCOUNT NAME: WEST SUBURBAN HEALTH GROUP
REINSURANCE CARRIER: MMRA / Berkley Life & Health Ins.
POLICY DATES: 07/01/14 - 06/30/15
PAID DATES: 07/01/14 06/30/16
STOP LOSS DEDUCTIBLE: MMRA reimburses claims between $300,000 & $800,000 / above $800,000 Berkley reimburses

PAID THROUGH DECEMBER 2014

Claims last updated 01/16/15

Carrier	Dep#	Previous Month Total Claims	Additions/ Deletions	Updated Total Paid Claims	Plan Type	Code	
HPHC	1	$ 179,176.47	$ 45,493.88	$ 224,670.35	HPHRS	*53081*	***fy14 excess***
HPHC	0	$ 169,292.91	$ 8,599.15	$ 177,892.06	HPHRS	*5722*	***deceased 10/13/14***
HPHC	1	$ 179,598.66	$ 48,167.45	$ 227,766.11	HPHRS	*41071*	*fy11 50%*
FCHP	1		$ 176,549.05	$ 176,549.05	FRS	*v58.12*	*fy12 50%,* ***fy13, fy14 excess***
BCBS	0		$ 234,674.49	$ 234,674.49	NWB RS		
HPHC	2		$ 150,097.41	$ 150,097.41	HPHRS	*389*	
HPHC	0		$ 168,484.47	$ 168,484.47	HPHRS	*20300*	
HPHC	0		$ 159,438.08	$ 159,438.08	HPHRS	*1505*	
HPHC	0		$ 185,237.80	$ 185,237.80	HPHRS	*99659*	
HPHC	1		$ 187,885.84	$ 187,885.84	HPHRS	*40491*	***fy06, fy11, fy13, fy14 excess***, / *fy10, fy11 50%*
HPHC	0		$ 160,805.30	$ 160,805.30	HPHRS	*85306*	
HPHC	1		$ 157,330.55	$ 157,330.55	HPHRS	*1749*	*fy14 50%*
		$ 528,068.04	$ 1,682,763.47	$ 2,210,831.51			

12 claimants

Exhibit 5

Fund Balance Report

WEST SUBURBAN HEALTH GROUP

SUMMARY OF ACTIVITY

FY 2015 JULY-JANUARY

		Revised after Audit	CUMULATIVE							COMPARE
	FY 2013	FY 2014	FY 2015	FY 2015	FY 2015	FY 2015	FY 2015	FY 2015	FY 2015	FY 2014
	June	June	July	August	September	October	November	December	January	January
	06/30/13	06/30/14	07/31/14	08/31/14	09/30/14	10/31/14	11/30/14	12/31/14	01/31/15	01/31/14
Fund Balance Beginning of year	22,771,078	18,023,940	9,558,500	9,558,500	9,558,500	9,558,500	9,558,500	9,558,500	9,558,500	18,023,941
Fund Balance end of month Unaudited FS	18,023,940	9,558,500	10,041,947	9,794,907	10,602,535	8,815,056	9,458,184	8,611,548	8,857,309	15,002,436
Increase (decrease) in Fund Balance	(4,747,138)	(8,465,440)	483,447	236,407	1,044,035	(743,444)	(100,316)	(946,952)	(701,191)	(3,021,505)
REVENUE:										
Member Assessment	121,835,836	127,080,569	11,201,845	22,408,091	33,530,004	44,864,601	56,083,188	67,278,792	78,419,094	74,873,726
EXPENSES:										
Self insured claims:										
Tufts, HP, Fallon	91,924,021	99,318,317	7,567,155	15,850,386	23,576,740	33,631,560	41,390,300	49,723,311	57,641,990	57,996,544
BCBS	19,865,478	19,287,336			3,676,823	3,676,823	3,676,824	7,449,895	7,449,895	9,909,763
LMD BCBS	-	-	1,415,000	2,830,000	-	1,358,100	2,716,200	-	1,362,700	1,415,000
Total Claims	111,789,499	118,605,653	8,982,155	18,680,386	27,253,563	38,666,483	47,783,324	57,173,206	66,454,585	69,321,307
COBRA reimbursement (add back)	(375,245)	(257,765)	(18,231)	(41,925)	(58,472)	(89,204)	(123,571)	(150,010)	(236,657)	(158,088)
Reinsurance Recoveries (add back)	(362,614)	(706,073)	-	-	-	-	(324,761)	(324,761)	(342,022)	(298,468)
Claims net of Reimbursements	111,051,640	117,641,815	8,963,924	18,638,461	27,195,091	38,577,279	47,334,992	56,698,435	65,875,906	68,864,751
Premiums Paid	7,070,860	9,610,577	1,002,492	2,002,250	3,007,858	4,026,129	5,044,751	6,066,638	7,107,822	4,691,287
Total Claims & Premiums net of reimbursements	118,122,500	127,252,392	9,966,416	20,640,711	30,202,949	42,603,408	52,379,743	62,765,073	72,983,728	73,556,038
Member Assessments over Claims & Premiums	3,713,336	(171,823)	1,235,429	1,767,380	3,327,055	2,261,193	3,703,445	4,513,719	5,435,366	1,317,688
Other expenses and income:										
Administrative expenses - Providers & GBS	5,827,406	5,556,640	447,345	895,652	1,342,330	1,819,797	2,272,250	2,717,843	3,160,184	3,339,782
Reinsurance Premiums	697,092	807,483	180,222	360,211	539,738	720,909	902,469	1,082,207	1,261,726	472,276
Retiree Drug Subsidy 2008 Distribution	1,353,785									
Increase in Unpaid Claims		540,255								
Transitional Reins Contribution								862,097	862,097	
Accounting, Legal, Misc, other*	2,067,166	2,310,638	109,951	297,618	436,515	522,140	704,260	903,247	981,433	1,106,229
Total Administrative costs	9,945,449	9,215,016	737,518	1,553,481	2,318,583	3,062,846	3,878,979	5,565,394	6,265,440	4,918,287
	(6,232,113)	(9,386,839)	497,911	213,899	1,008,472	(801,653)	(175,534)	(1,051,675)	(830,074)	(3,600,599)
Retiree Drug Subsidy	1,227,473	626,028	-	-	28,154	28,154	28,154	96,092	96,092	432,937
Medicare Reimbursement										
Interest earned on investments & Cash Balances	257,502	295,371	(14,464)	22,508	7,409	30,055	47,064	8,631	32,791	146,157
Net Gain (Loss)YTD	(4,747,138)	(8,465,440)	483,447	236,407	1,044,035	(743,444)	(100,316)	(946,952)	(701,191)	(3,021,505)
Change in IBNR										
Increase (decrease) in Fund Balance	(4,747,138)	(8,465,440)	483,447	236,407	1,044,035	(743,444)	(100,316)	(946,952)	(701,191)	(3,021,505)

Exhibit 6

Ashland – Westwood – Walpole Enrollments

Ashland

ENROLLMENTS on 1/23/15

Active Employee Health Plans	Individual	Family	Total	% of Total
HPHC EPO - Rate Saver	101	138	239	
HPHC EPO - Benchmark	1	0	1	
HPHC PPO	3	0	3	
Total HPHC	105	138	243	60.3%
Tufts EPO - Rate Saver	18	33	51	
Tufts EPO - Benchmark	0	0	0	
Tufts POS	0	0	0	
Total Tufts	18	33	51	12.7%
Blue Options EPO - Rate Saver	31	29	60	
Blue Options EPO - Benchmark	2	0	2	
Total BCBS	33	29	62	15.4%
Fallon SelectCare - Rate Saver	10	18	28	
Fallon DirectCare - Rate Saver	8	10	18	
Fallon SelectCare - Benchmark	0	1	1	
Fallon DirectCare - Benchmark	0	0	0	
Total Fallon	18	29	47	11.7%
Total for all active employee plans	**174**	**229**	**403**	100.0%

Medicare Plans	Individual	% of Total
BCBS Medex	67	36.0%
HPHC Medicare Enhance	84	45.2%
Tufts Medicare Prime Supplement	9	4.8%
Managed Blue for Seniors	6	3.2%
Fallon Senior Plan	4	2.2%
Tufts Medicare Preferred HMO	16	8.6%
Total for all Medicare plans	**186**	100.0%

Westwood

ENROLLMENTS on 1/23/15

Active Employee Health Plans	Individual	Family	Total	% of Total
HPHC EPO - Rate Saver	131	159	290	
HPHC EPO - Benchmark	0	0	0	
HPHC PPO	5	1	6	
Total HPHC	136	160	296	62.8%
Tufts EPO - Rate Saver	39	51	90	
Tufts EPO - Benchmark	0	0	0	
Tufts POS	0	1	1	
Total Tufts	39	51	90	19.1%
Blue Options EPO - Rate Saver	34	25	59	
Blue Options EPO - Benchmark	0	0	0	
Total BCBS	34	25	59	12.5%
Fallon SelectCare - Rate Saver	10	12	22	
Fallon DirectCare - Rate Saver	3	1	4	
Fallon SelectCare - Benchmark	0	0	0	
Fallon DirectCare - Benchmark	0	0	0	
Total Fallon	13	13	26	5.5%
Total for all active employee plans	**222**	**249**	**471**	100.0%

Medicare Plans	Individual	% of Total
BCBS Medex	85	29.8%
HPHC Medicare Enhance	129	45.3%
Tufts Medicare Prime Supplement	30	10.5%
Managed Blue for Seniors	10	3.5%
Fallon Senior Plan	0	0.0%
Tufts Medicare Preferred HMO	31	10.9%
Total for all Medicare plans	**285**	100.0%

WEST SUBURBAN HEALTH GROUP

Walpole ENROLLMENTS on 1/23/15

Active Employee Health Plans	Individual	Family	Total	% of Total
HPHC EPO - Rate Saver	125	256	381	
HPHC EPO - Benchmark	0	0	0	
HPHC PPO	4	0	4	
Total HPHC	129	256	385	63.8%
Tufts EPO - Rate Saver	48	92	140	
Tufts EPO - Benchmark	0	0	0	
Tufts POS	0	0	0	
Total Tufts	48	92	140	23.2%
Blue Options EPO - Rate Saver	20	31	51	
Blue Options EPO - Benchmark	0	0		
Total BCBS		31	51	8.5%
Fallon SelectCare - Rate Saver	8	13	21	
Fallon DirectCare - Rate Saver	6	0	6	
Fallon SelectCare - Benchmark	0		0	
Fallon DirectCare - Benchmark	0	0	0	
Total Fallon	14	13	27	4.5%
Total for all active employee plans	**191**	**392**	**603**	100.0%

Medicare Plans	Individual	% of Total
BCBS Medex	102	30.0%
HPHC Medicare Enhance	97	28.5%
Tufts Medicare Prime Supplement	60	17.6%
Managed Blue for Seniors	7	2.1%
Fallon Senior Plan	0	0.0%
Tufts Medicare Preferred HMO	74	21.8%
Total for all Medicare plans	**340**	100.0%

WSHG - All ENROLLMENTS on 1/23/15

Active Employee Health Plans	Individual	Family	Total	% of Total
HPHC EPO - Rate Saver	1,754	2,518	4,272	
HPHC EPO - Benchmark	6	4	10	
HPHC PPO	48	3	51	
Total HPHC		2,525	4,333	56.0%
Tufts EPO - Rate Saver	580	763	1,343	
Tufts EPO - Benchmark	0	0	0	
Tufts POS	1	1	2	
Total Tufts	581	764	1,345	17.4%
Blue Options EPO - Rate Saver	379	393	772	
Blue Options EPO - Benchmark	14	6	20	
Total BCBS		399	792	10.2%
Fallon SelectCare - Rate Saver	373	589	962	
Fallon DirectCare - Rate Saver	124	112	236	
Fallon SelectCare - Benchmark	26	20	46	
Fallon DirectCare - Benchmark	17	8	25	
Total Fallon	540	729	1,269	16.4%
Total for all active employee plans	**1,121**	**4,417**	**7,739**	100.0%

Medicare Plans	Individual	% of Total
BCBS Medex	1,390	30.7%
HPHC Medicare Enhance	1,293	28.5%
Tufts Medicare Prime Supplement	864	19.1%
Managed Blue for Seniors	242	5.3%
Fallon Senior Plan	103	2.3%
Tufts Medicare Preferred HMO	640	14.1%
Total for all Medicare plans	**4,532**	100.0%

WEST SUBURBAN HEALTH GROUP

Ashland, Westwood, Walpole enrollments as percent of WSHG enrollments

		Enrollments			*% of WSHG total enrollments*
Active Employee Health Plans	WSHG	Ashland	Westwood	Walpole	Ash/West/Walp
HPHC Rate Saver & Benchmark	4,282	240	290	381	911
		5.6%	*6.8%*	*8.9%*	*21.3%*
HPHC PPO	51	3	6	4	13
		5.9%	*11.8%*	*7.8%*	*25.5%*
Total HPHC	**4,333**	**243**	**296**	**385**	**924**
		5.6%	*6.8%*	*8.9%*	***21.3%***
Tufts Rate Saver & Benchmark	1,343	51	90	140	281
		3.8%	*6.7%*	*10.4%*	*20.9%*
Tufts POS	2	0	1	0	1
		0.0%	*50.0%*	*0.0%*	*50.0%*
Total Tufts	**1,345**	**51**	**91**	**140**	**282**
		3.8%	*6.8%*	*10.4%*	***21.0%***
BCBS Rate Saver & Benchmark	**792**	**62**	**25**	**51**	**138**
		7.8%	*3.2%*	*6.4%*	***17.4%***
Fallon Select RS & Benchmark	1,008	29	22	21	72
		2.9%	*2.2%*	*2.1%*	*7.1%*
Fallon Direct RS & Benchmark	261	18	4	6	28
		6.9%	*1.5%*	*2.3%*	*10.7%*
Total Fallon	**1,269**	**47**	**26**	**27**	**100**
		3.7%	*2.0%*	*2.1%*	***7.9%***
	WSHG	Ashland	Westwood	Walpole	Ash/West/Walpole
Total for all active employee plans	7,739	403	438	603	**1,444**
		5.2%	*5.7%*	*7.8%*	***18.7%***

WEST SUBURBAN HEALTH GROUP

Medicare Plans	Enrollments, 12/14 WSHG	Ashland	Westwd	Walpole	Total Ash, West, Wal	% of WSHG Enrollments (Ash, Wes, Wal)
BCBS Medex	1390	67	85	102	254	*18.3%*
HPHC Medicare Enhance	1293	84	129	97	310	*24.0%*
Tufts Medicare Prime Supplement	864	9	30	60	99	*11.5%*
Managed Blue for Seniors	242	6	10	7	23	*9.5%*
Fallon Senior Plan	103	4	0	0	4	*3.9%*
Tufts Medicare Preferred HMO	640	16	31	74	121	*18.9%*
Total for all Medicare plans	**4532**	**186**	**285**	**340 0**	**811**	***17.9%***

Exhibit 7

Group Insurance Commission Meeting

January 14, 2015

GIC Commission Meeting

January 14, 2015

FY 2016 Renewal Discussion Points

GIC FY15 DEFICIT

- FY15 appropriation of $1,812M was approximately $120M below the funding level needed consistent with GIC enrollment and FY15 premiums
- Estimated spending in excess of premium of

  $45-$70M

  – Two plans' claim costs are running higher than levels consistent with their premiums
- Projected FY15 deficit: $165 - $190M
- The FY15 deficit carries into FY16

WHAT DOES THIS MEAN FOR FY16?

- GIC premium increases have been consistently low for the past four years without any benefit changes

Fiscal Year	Average Premium Increase
2012	4.6 %
2013	1.4 %
2014	3.5 %
2015	1.0%*

* Based on July 2015 enrollment data

- For FY16 the requested premium increases for the GIC's current plans are over nine percent
- In part, proposed premium levels are increasing to cover claims growth in FY15 that was not captured in FY15 premiums

WHAT DOES THIS MEAN FOR FY16?

- GIC premium increases have been consistently low for the past four years without any benefit changes

Fiscal Year	Average Premium Increase
2012	4.6 %
2013	1.4 %
2014	3.5 %
2015	1.0%*
2016	9.5%*†

* Based on July 2015 enrollment data
† Projected based on plan submissions as of 1/14/15

- For FY16 the requested premium increases for the GIC's current plans are over nine percent
- In part, proposed premium levels are increasing to cover claims growth in FY15 that was not captured in FY15 premiums

FY16 SITUATION

Assumptions:

- The GIC base should be funded to reflect the actual FY15 spending level
  - Assume for today that supplemental funding will be provided in the range of $165-$190M **and** the FY16 base will be adjusted accordingly
- The plans' proposed rates adequately predict the GIC FY16 costs

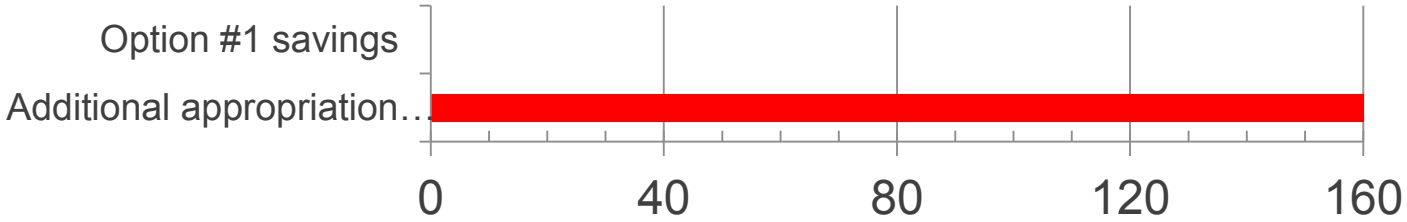
Challenge:

Given the assumptions above, the GIC will need to find an additional $160M to close the gap between the adjusted base and the projected premiums

Options for Closing the Gap

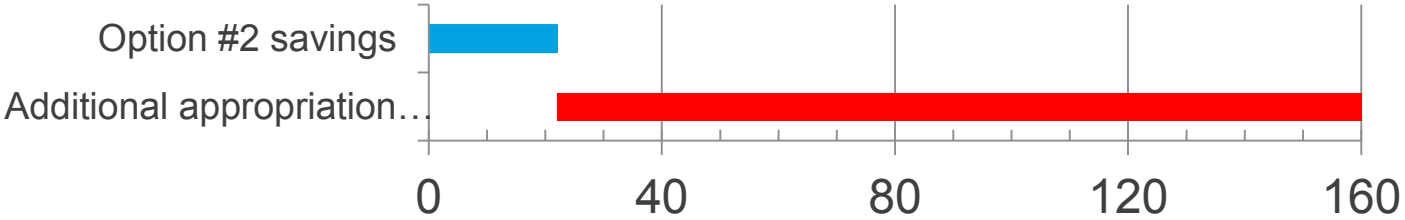
Option #1: Status Quo with Full Appropriation

- **Status Quo:** Accept higher premium requests - no benefit changes
- **Projected Savings: None**
- **Pros:** Simple solution, no benefit changes or member disruption
- **Cons:** Cost to state, higher employee monthly cost, no incentive for provider/plan financial improvement, does not help the state's fiscal problems



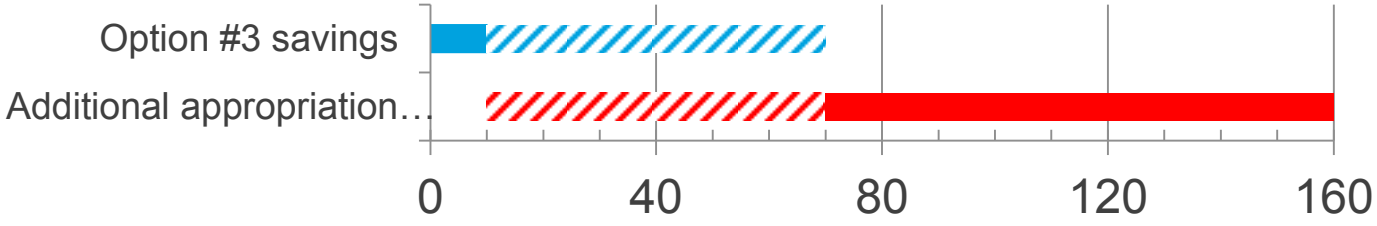
Option #2: PPO to POS (Harvard + Tufts)

- Convert Harvard Pilgrim and Tufts Preferred Provider Organization (PPO) plans to Point of Service (POS) plans
- **Projected Savings: $22M**
- **Pros:** Plan savings through better carrier contracts, accelerates IRBO objectives, PCP coordinates member care
- **Cons:** Enrollee resistance, municipal objection, more complex plan requirements, communication challenges



Option #3: Increase Member Cost Share

- Increase deductibles and co-pays to supplement appropriated funding
- **Projected Savings: $10M-$70M**
- **Pros:** Immediate financial impact in first year, easiest way to address rising costs. Benefits would still be richer than national or corporate landscape. First GIC benefit change in 5 years
- **Cons:** Member dissatisfaction, cost shifting



Option #3: Increase Member Cost Share (cont.): Examples

- Deductible Changes (Current $250/$750)
  - $500/$1,500 **($27M)**
  - $750/$2,250 **($49M)**
  - $1,000/$3,000 **($70M)**

- Copays:
  - Specialist- $30/$60/$90 **($12M)** (Current-$25/$35/$45)
  - Outpatient Surgery- $250 **($19M)** (Current-$110-$150)
  - Inpatient Hosp.- $250/$750/$1,500 **($10M)** (Current $250/$500/$750)
  - Prescription drugs- Retail $10/$20/$30/$65, Mail $25/$50/$75/$165 **($14M)** (Current $10/$25/$50, Mail $20/$50/$110)

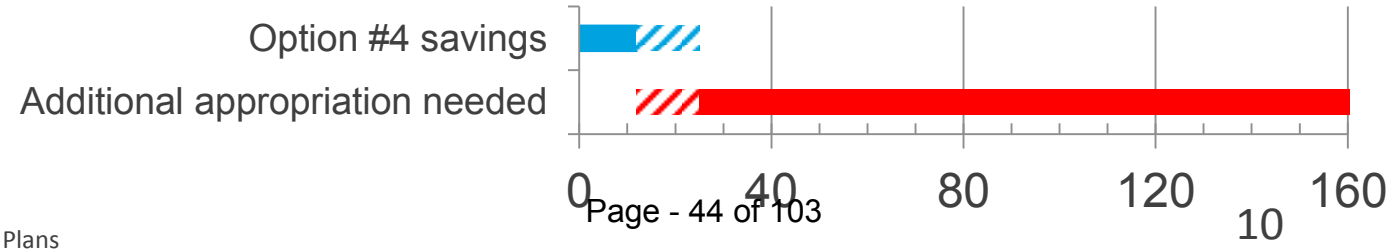
- Increase Survivor Cost Share – (currently 10%)
  - 15% **($2.3M)**
  - 20% **($4.6M)**

Survivor Contribution Ratio

- Currently 10%
  - Dates to FY96, when retirees all paid 10%
- Covering survivors for life is a rarity in today's benefits landscape
- Survivors, regardless of age and income, now pay less than state employees
- Increasing rate to 15% aligns with contribution ratio that applies to most state retirees
- 20% aligns with contribution ratio that applies to new retirees
- **Projected Savings: $2.3M or $4.6M**

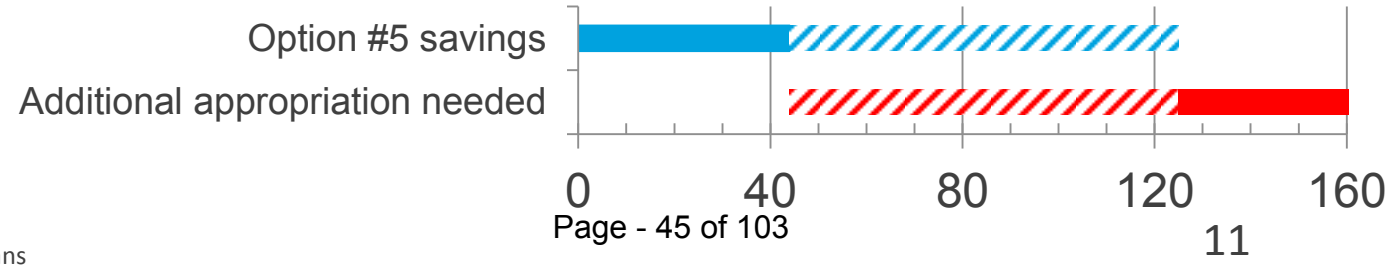
Option #4: Migration Strategy

- Adjust self-insured premiums to reflect actual plan performance – to advantage carriers with better provider contracts and utilization management
- Lowers UniCare premiums, raises Harvard and Tufts premiums
- **Projected savings: $12M-$25M**
- **Pros:** Incremental savings, premium alignment with cost, more equitable pricing based on specific plan costs, shifts GIC spend over time into better-priced provider contracts
- **Cons:** Member confusion and disruption, misalignment with current municipal contribution policies



Option #5: A combination of Option #2 + #3 and #4

- Combine elements of options #2, #3, and #4 to achieve greater savings
- Provides a comprehensive, strategic approach to managing cost
- **Projected Savings**: **$44M-$117M**
- **Pros:** Significant plan savings, supports IRBO alignment and engagement, new approach to plan management
- **Cons:** Member resistance, complexity, too much change in one year, too many communication challenges, too much cost shifting



Discussion

Exhibit 8

Group Insurance Commission Public Hearing

February 4, 2015

Group Insurance Commission Fiscal Year 2016 Public Hearing

Dolores L. Mitchell

Executive Director, GIC

February 4, 2015

Commonwealth of Massachusetts
Group Insurance Commission
Your Benefits Connection

GIC Deficit Contributes to State's $765m Shortfall

- FY15 appropriation of $1.812 billion
- Projected shortfall of $165-$190 million
- Most of shortfall is structural – underfunded for last three years – this year by $120 million:
  - 25.1% jump in enrollment in four years: 44,300 enrollees and 76,500 people
  - Budget base not updated for additional members, end of federal funds, and supplemental budgets received
- Two health plans spending beyond premium; in process of addressing with them

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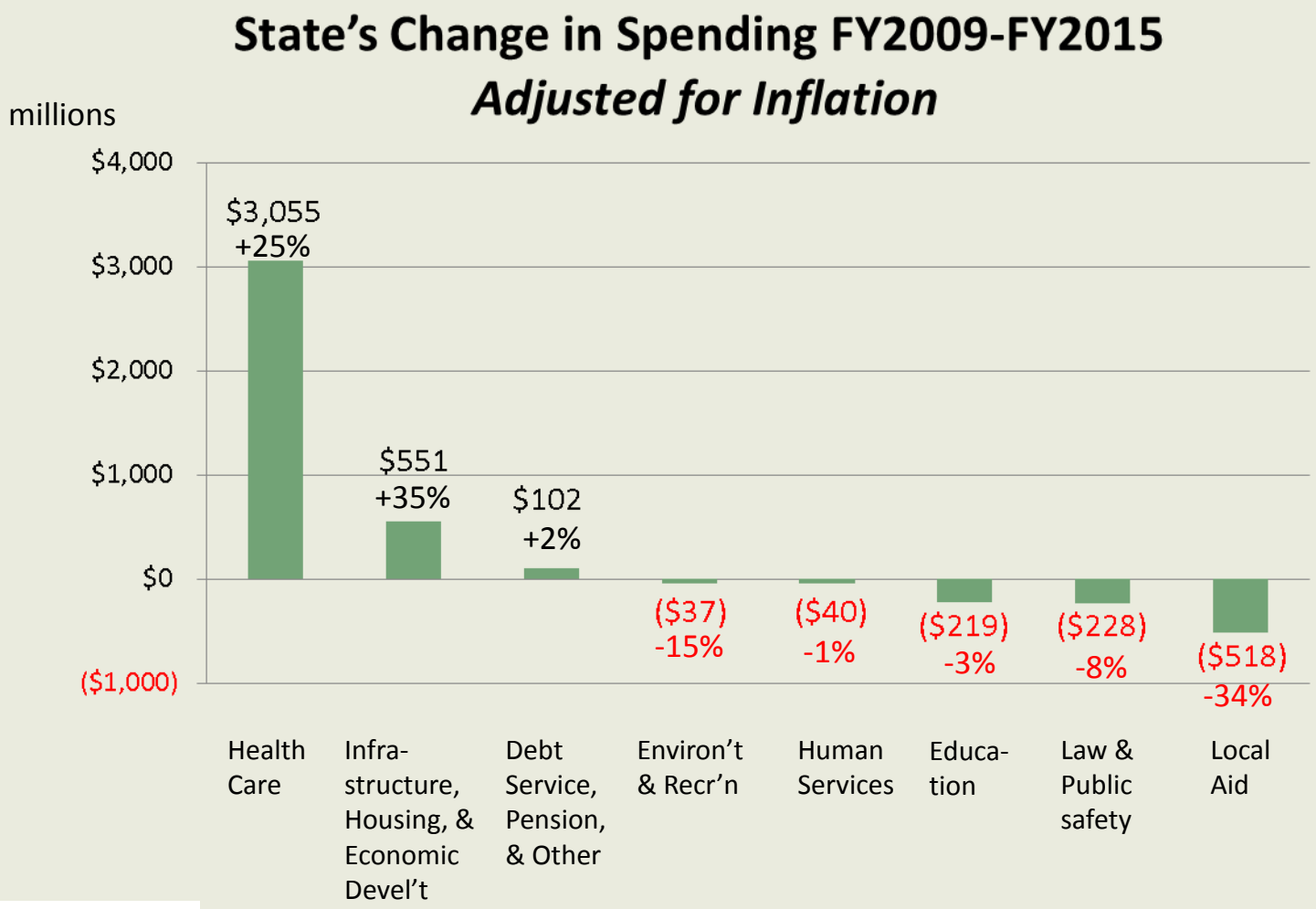
What Does Current Deficit Mean?

- Unless a supplemental budget is passed by May 1, will run out of money; coverage could be interrupted if this happens
- The legislature has come through with supplemental budgets often at last minute; if received too late to spend, unpaid deficit adds to next year's funding concerns
- Chronic underfunding = not desirable financial management

Health Care Crowd Out



Source: Mass Budget and Policy Center, "Analyzing the State Budget for FY 2015," July 2, 2014

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Centered Care Helps Implement Health Care Cost Containment Law

- Five year contracts require plans to move from fee-for-service provider contracts to global budgets for management of care
- Plans subject to penalties for missed targets; share in savings for beating targets

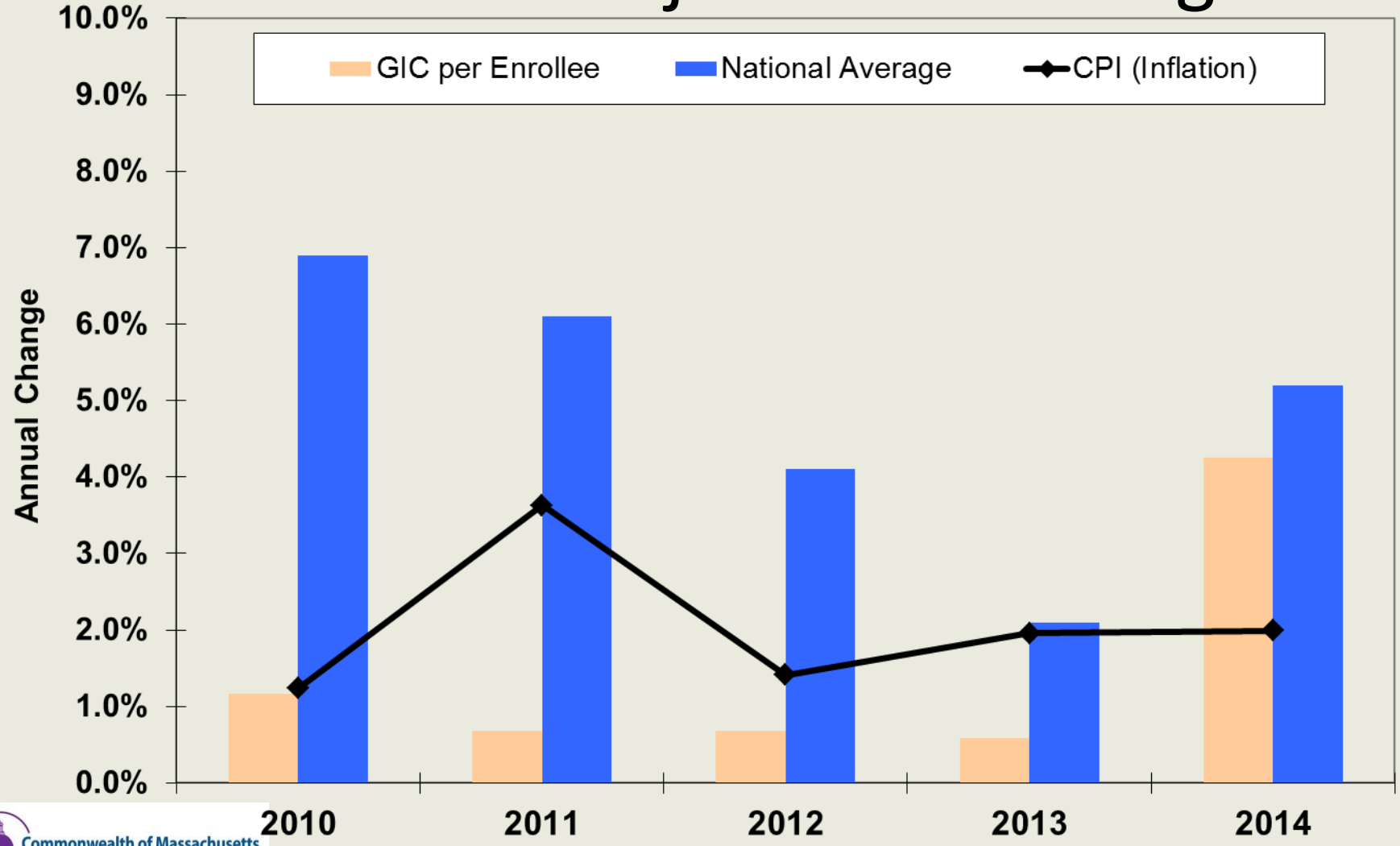
Isn't Centered Care Having Effect on Prices?

- Not fast enough: health plan early rate renewal requests for FY16 averaged 9.5% - not feasible with GIC's and state's budget shortfall
- Providers reluctant to move to risk-bearing global payments
- Health plans don't want to alienate members by losing providers
- Members using expensive academic medical centers for routine care: 5 hospital systems=56% of 2014 Mass discharges
- ACA fees adding to costs: 1%-2% of premiums

Prescription Drug Costs Skyrocketing

- U.S. employer drug spend projected +8.5% for 2015 *(Segal)*
- Specialty drugs: 1% of prescriptions; 25% of costs *(FMCP/Pfizer)*: Projected to increase 17%-20% annually and will account for 9% ***total*** medical spending by 2020
- Brand name drug prices +14.4% in 2013 – industry consolidation and manufacturers' pricing strategies
- Generics – one-third more expensive in 2014 due to manufacturers raising pricing on existing drugs:
  - Example: albendazole (for parasitic infections) – approved in 1996: avg. wholesale $5.92/day 2010; $119.58 in 2013 *(NY Times)*

GIC Cost Increases Lower Than Others Without Major Cost Shifting



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What Does This Mean for FY16?

- GIC premium increases have been consistently low for the past four years without any benefit changes
- For FY16 the average requested premium increases for the GIC's current plans is over nine percent – not feasible with state's and GIC's shortfall
- In part, proposed premium levels are increasing to cover claims growth in FY15 that was not captured in FY15 premiums
- Even after correcting base for FY15 deficit, current premiums suggest the appropriation would need another $160m in FY16, absent changes

Fiscal Year	Average Premium Increase
2012	4.6 %
2013	1.4 %
2014	3.5 %
2015	1.0%*

* Based on July 2015 enrollment data

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THE HENRY J. KAISER FAMILY FOUNDATION

Trends in Employee Benefits

- Typical individual up front deductible in U.S.: $1,217
- 32% of employers only offer high deductible plans *(National Business Group on Health)*
- Inpatient hospitalizations:
  - 62% of employers have co-insurance: average of 19%
  - 15% of employers have combination copays and deductibles: average $280 copay + $490 deductible
- Employers large and small dropping retiree coverage – only 25% of large employers now offer

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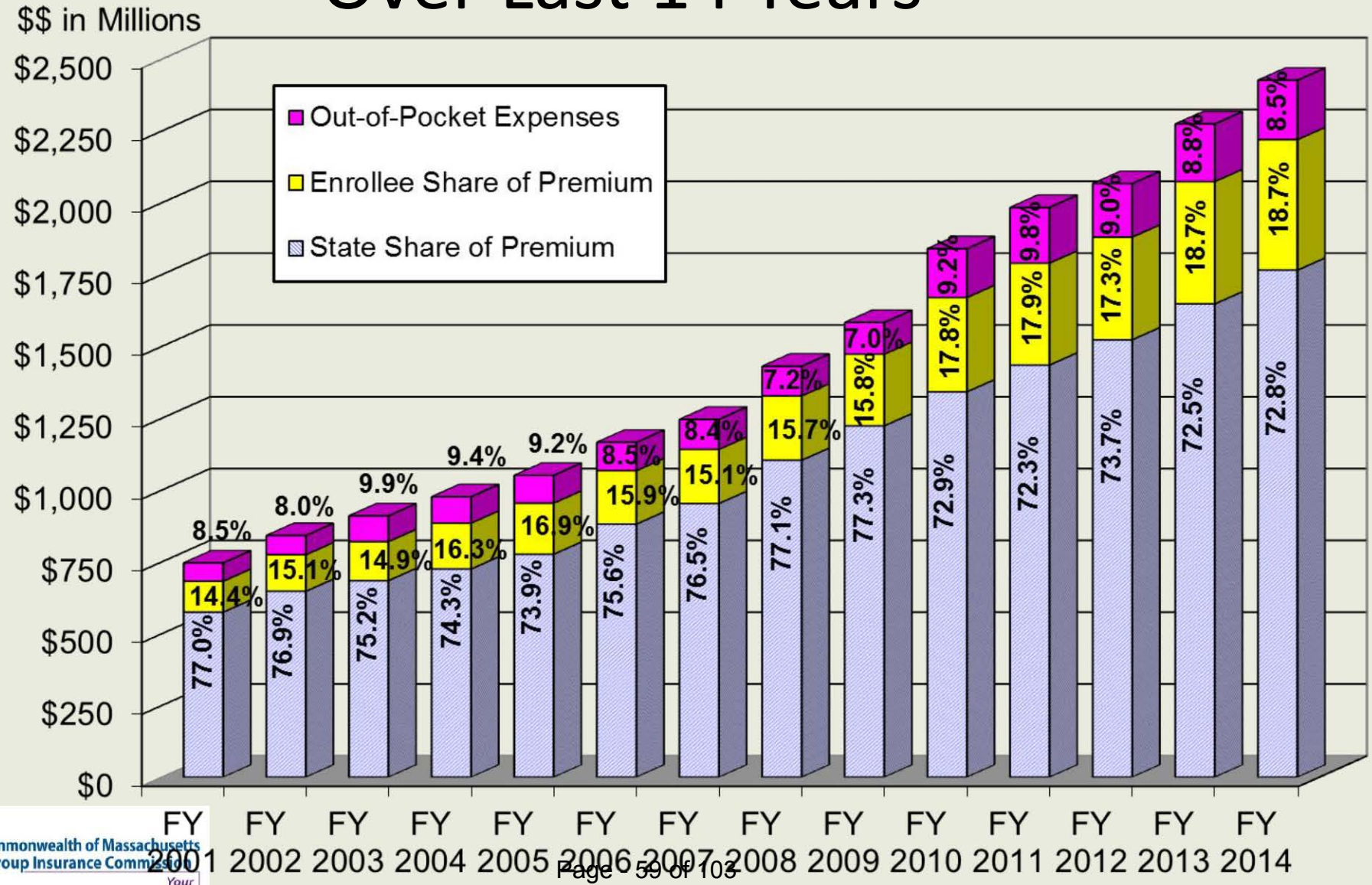
The Bottom Line

- The GIC's physician office copays are similar to other employers
- After five years of minimal changes in out-of-pocket costs – some increases for FY16 is reasonable and expected

Enrollee Out-of-Pocket Costs Over Last 14 Years



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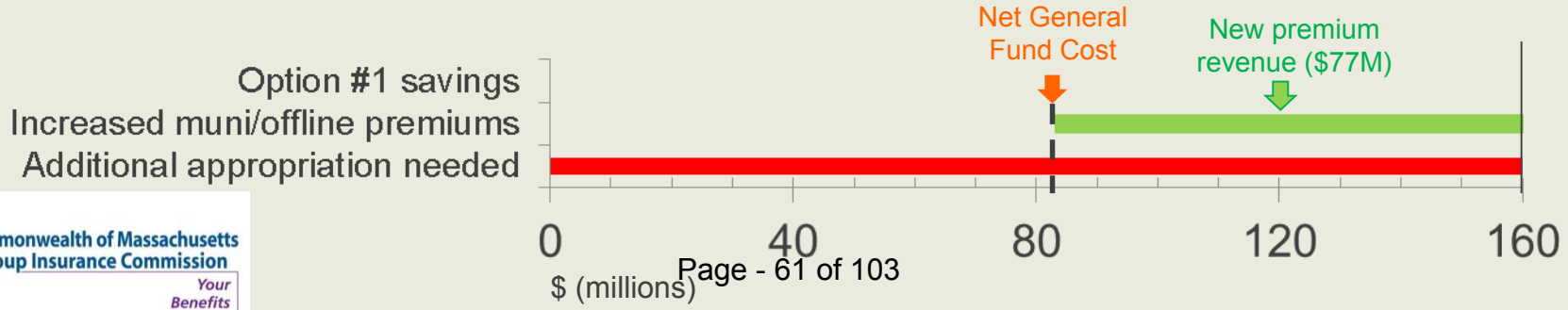
Commission Weighing Multiple Benefit Change Options

1. Status quo
2. In keeping with Centered Care, change Harvard & Tufts PPO plans to POS plans – designate PCP with plan and highest benefit levels with referrals
3. Increase employee/Non-Medicare deductibles and copays
4. Adjust large plan premiums to encourage migration to more cost-effective health plans – not feasible for technical reasons
5. Combination of #2, #3 and #4

Option #1: Status Quo

9.5% avg. premium increase

- **Status Quo:** Accept higher premium requests - no benefit changes
- **Projected Savings: None**
- **Pros:** Simple solution, no benefit changes or member disruption
- **Cons:** Cost to state, higher employee monthly cost, no incentive for provider/plan financial improvement, does not help the state's fiscal problems; particular challenges for municipal budgets



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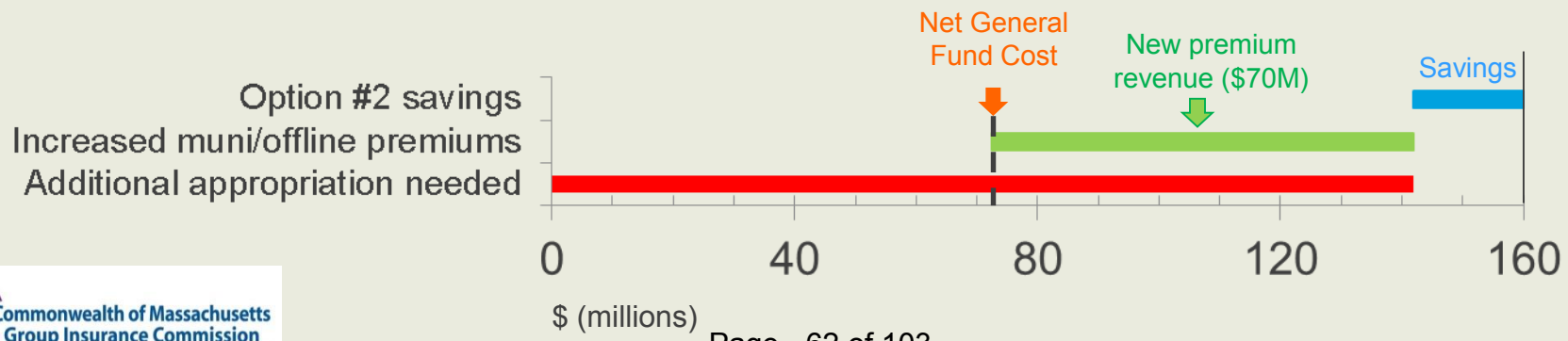
Option #2: Harvard + Tufts PPO to POS

8.5% avg. premium increase

- Convert Harvard Pilgrim and Tufts Preferred Provider Organization (PPO) plans to Point of Service (POS) plans
- **Projected Savings:** $18M (employer share)
- **Pros:** Plan savings through better carrier contracts, accelerates Centered Care objectives, PCP coordinates member care
- **Cons:** Municipal PEC challenges, PCP and referral requirements, communication challenges



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POS: PCPs and Referrals

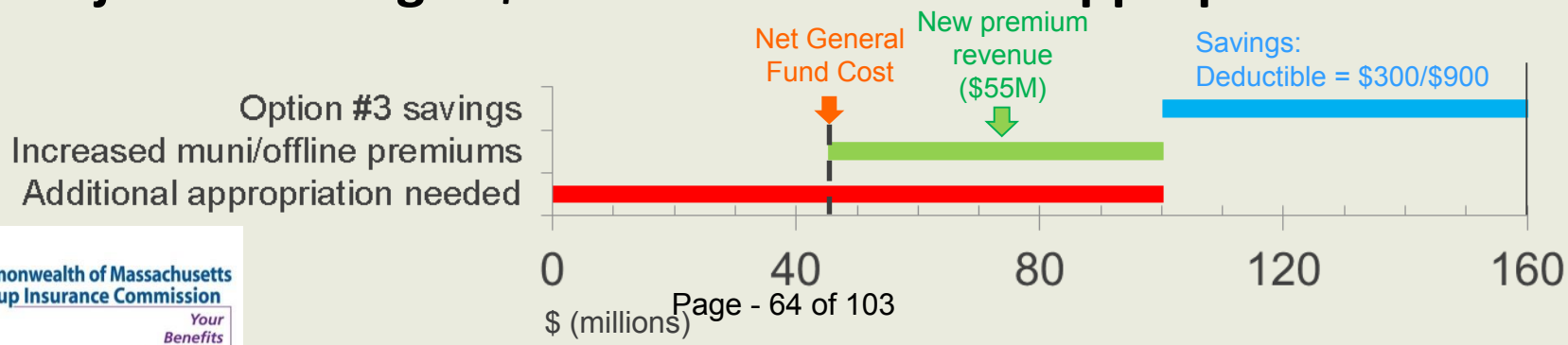
	Harvard	Tufts
PCP required?	yes	yes
In-network coverage with referral	yes	yes
In-network coverage without referral	services covered at out-of-network level	services covered at "unauthorized coverage level"
Out-of-network coverage	yes – at out-of-network level	yes – at lowest coverage level
Number of coverage levels	two coverage levels	two coverage levels

Option #3: Raise Deductibles, Copays

5.5% - 6.4% avg. premium increase

- **Prescription drugs-** Two-tiered generic, 30 day copays up $0-15; 90 day copays up $5-55 **($17M)**
- **Raise Deductibles** (now $250/$750)-
  - $300/$900 **($7M) - OR –**
  - $500/$1,500 **($24M)**
- **Specialist-** $30/$60/$90 **($12M)** (v. $25/$35/$45)
- **Inpatient Hosp.**- $250/$500/$1,500 **($7M)** (v. $250/$500/$750)
- **Outpatient Surgery-**$250 **($17M)** (v. $110-$150)

- **Projected Savings: $60-75M reduction in appropriation**



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Final Option: Combination of Options

- Combine POS structure for Harvard, Tufts PPO plans with higher deductibles and/or copays
- Provides an ongoing comprehensive, strategic approach to managing cost
- **Projected Savings**: $78-93M
- **Pros:** Significant plan savings, supports Centered Care alignment and engagement, new approach to plan management
- **Cons:** Member resistance, complexity, too much change in one year, too many communication challenges, too much cost shifting

Other Possibilities

- **Survivor contribution ratio**. Increase from 10% to 15% or 20%? **Projected Savings: $2.3M or $4.6M**

- **Freeze new enrollment** in plans with high claims increases?

- Other ideas?

Commission Voted to Move UniCare Medicare Extension (OME) to EGWP 1/1/16

- Employer Group Waiver Program (EGWP) is Medicare Part D program
- Low income retires may be eligible for subsidies under the program
- Benefits will match or be better than active program
- More pharmacy options for mail order copay at retail
- High income retirees (at least $85,000/year for individuals) will see higher costs
- Additional details will be forthcoming

Commission Voted to Move Non Medicare Plan Deductible and Flexible Spending Accounts to Fiscal Year

- 2015 = Calendar Year Deductible
- January – June, 2016 ½ year deductible
- July 1, 2016 – June 30, 2017 fiscal year deductible
- Health plan carryover provision of October – December eliminated
- Will make easier to change health plan carriers at Annual Enrollment
- Fall 2015 FSA Open Enrollment will be for half year (January – June 2016)

New Groups Joining the GIC 7/1/15

- MBTA Alliance and Local 6 Unions
- Charms Collaborative
- Valley Collaborative
- Town of Ashland
- Town of Easton
- Town of Westwood
- LABBB Collaborative

Consider Limited Network Plans

- ***Save money*** – Substantially lower monthly premiums than wide network plans – at least 20% less expensive
- Almost ***identical benefits*** to wide network plans
- Smaller network of doctors and/or hospitals
- Most Limited Network plans: no out-of-network benefits *(except emergency care)*

Dental Plan Benefit Enhancements Retiree Dental and Dental/Vision

- Composite fillings on posterior teeth will now be covered: 80%
- Municipalities joining Retiree Dental Plan: Town of Ashland, Town of Middleborough, and Town of Weston

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Tightening Up Section 125 Plan Deadlines Effective July 1, 2015

- May only enroll for first time as new hire, at Annual Enrollment, or with qualifying event
- May only change from individual to family or family to individual coverage with qualifying event
- All forms and documentation of qualifying event must be received at the GIC within 60 days of the event; otherwise must wait until next Annual Enrollment

What's Next?

- Commission votes health plan benefit changes February 13; will also select pharmacy vendor for all UniCare State Indemnity Plan members
- Rates voted March 4
- Coordinator training: March 30 – April 2 – details sent February 13
- Annual Enrollment: Wednesday, April 8 – Wednesday, May 6 for changes effective July 1, 2015

Resources Now or Soon Available

- Public hearing presentation on website later today
- Home mailing – end March
- 13 health fairs
- *Benefit Decision Guides* delivered immediately before Annual Enrollment begins – to active employees via HR office and to retirees/survivors at home
- On website by end March: www.mass.gov/gic/bdgs

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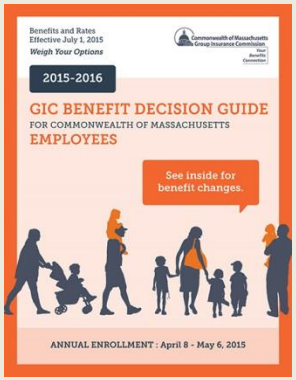
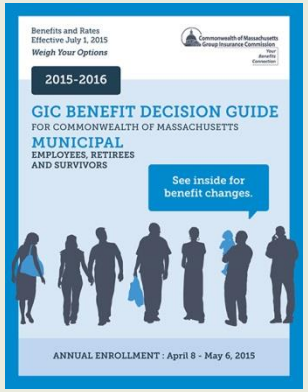
@MassGIC





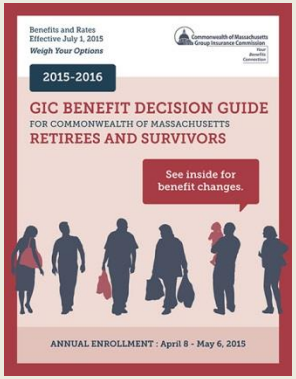


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Exhibit 9

Group Insurance Commission Plan Design Changes

February 13, 2015

MERCER

GROUP INSURANCE COMMISSION
FY16 NON-MEDICARE PLAN BENEFIT COMPARISON
FEBRUARY 13, 2015

Non-Medicare Fully Insured Plans

Gray Column represents current FY15 design. White Column represents FY16 design.

Health Plan	Fallon Direct Care FY15	Fallon Direct Care FY16	Fallon Select Care FY15	Fallon Select Care FY16	Health New England FY15	Health New England FY16	Neighborhood FY15	Neighborhood FY16‡
Deductible								
Individual/Family	$250/$750	$300/$900	$250/$750	$300/$900	$250/$750	$300/$900	$250/$750	$300/$900
PCP Office Visit (deductible does NOT apply)								
Tier 1	$15 per visit	$15 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit
Tier 2	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering
Tier 3	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering
Specialist Office Visit (deductible does NOT apply)								
Tier 1	$25 per visit	$30 per visit	$25 per visit	$30 per visit	$25 per visit	$30 per visit	$25 per visit	$30 per visit
Tier 2	No tiering	$60 per visit	$35 per visit	$60 per visit	$35 per visit	$60 per visit	$35 per visit	$60 per visit
Tier 3	No tiering	$90 per visit	$45 per visit	$90 per visit	$45 per visit	$90 per visit	$45 per visit	$90 per visit
ER (copay and deductible apply)								
	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay
Retail Clinic (deductible does NOT apply)								
	$15 copay	$15 copay	$20 copay	$20 copay	$20 copay	$20 copay	$20 copay	$20 copay
Inpatient Hospital Care (copay and deductible apply)								
Tier 1	$200 per Admission	$275 per Admission	$250 per Admission	$275 per Admission	$250 per Admission	$275 per admission	$250 per Admission	$275 per admission
Tier 2	No tiering	No tiering	$500 per Admission	$500 per Admission	No tiering	No tiering	No tiering	No tiering
Tier 3	No tiering	No tiering	$750 per Admission	$1,500 per Admission	No tiering	No tiering	No tiering	No tiering

Health Plan	Fallon Direct Care FY15	Fallon Direct Care FY16	Fallon Select Care FY15	Fallon Select Care FY16	Health New England FY15	Health New England FY16	Neighborhood FY15	Neighborhood FY16‡
Outpatient Surgery (copay and deductible apply)								
Tier 1	$110 per occurrence	$250 per occurrence	$125 per occurrence	$250 per occurrence	$110 per occurrence	$250 per occurrence	$110 per Occurrence	$250 per occurrence
Tier 2	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering
Hi Tech Imaging (MRI, PT, CT scans) Maximum of one copay per day (copay and deductible apply)								
	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay
Pharmacy – Retail (deductible does NOT apply)								
Tier 1	$10	$10	$10	$10	$10	$10	$10	$10
Tier 2	$25	$30	$25	$30	$25	$30	$25	$30
Tier 3	$50	$65	$50	$65	$50	$65	$50	$65
Pharmacy – Mail Order (deductible does NOT apply)								
Tier 1	$20	$25	$20	$25	$20	$25	$20	$25
Tier 2	$50	$75	$50	$75	$50	$75	$50	$75
Tier 3	$110	$165	$110	$165	$110	$165	$110	$165
Outpatient Mental Health/Substance Abuse (deductible does NOT apply)								
Tier 1	$15 per visit	$15 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit
Tier 2	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering
Preventive Services								
	100% Covered	100% Covered	100% Covered	100% Covered	100% Covered	100% Covered	100% Covered	100% Covered
In-Network Out-of-Pocket Maximum								
Overall	$5,000/$10,000*	$5,000/ $10,000*	$5,000/ $10,000*	$5,000/ $10,000*	$5,000/ $10,000*	$5,000/ $10,000*	$5,000/ $10,000*	$5,000/ $10,000*

‡ NHP Care will be renamed NHP Prime in FY16

*** All medical, prescription drug, and mental health copays and deductibles apply to the out-of-pocket maximum**

Non-Medicare – Self Insured Plans
Gray Column represents current FY15 design. White Column represents FY16 design.

Health Plan	Harvard Pilgrim Independence FY15	Harvard Pilgrim Independence (POS) FY16	Harvard Pilgrim Primary Choice FY15	Harvard Pilgrim Primary Choice FY16	Tufts Navigator FY15	Tufts Navigator (POS) FY16	Tufts Spirit FY15	Tufts Spirit FY16
Deductible								
Individual/Family	$250/$750	$300/$900	$250/$750	$300/$900	$250/$750	$300/$900	$250/$750	$300/$900
PCP Office Visit (deductible does NOT apply)								
Tier 1	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit
Tier 2	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering
Tier 3	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering
Specialist Office Visit (deductible does NOT apply)								
Tier 1	$20 per visit	$30 per visit	$20 per visit	$30 per visit	$25 per visit	$30 per visit	$25 per visit	$30 per visit
Tier 2	$35 per visit	$60 per visit	$35 per visit	$60 per visit	$35 per visit	$60 per visit	$35 per visit	$60 per visit
Tier 3	$45 per visit	$90 per visit	$45 per visit	$90 per visit	$45 per visit	$90 per visit	$45 per visit	$90 per visit
ER (copay and deductible apply)								
	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay
Retail Clinic (deductible does NOT apply)								
	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit
Inpatient Hospital Care (copay and deductible apply)								
Tier 1	$250 per admission	$275 per admission	$250 per admission	$275 per admission	$300 per admission	$275 per admission	$300 per admission	$300 per admission
Tier 2	$500 per admission	$500 per admission	$500 per admission	$500 per admission	$700 per admission	$500 per admission	$700 per admission	$700 per admission
Tier 3	$750 per admission	$1,500 per admission	No tier 3	No tier 3	No tier 3	$1,500 per admission	No tier 3	No tier 3
Outpatient Surgery (copay and deductible apply)								
Tier 1	$150 per occurrence	$250 per occurrence	$150 per occurrence	$250 per occurrence	$150 per occurrence	$250 per occurrence	$150 per occurrence	$250 per occurrence
Tier 2	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering
Tier 3	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering
Hi Tech Imaging (MRI, PT, CT scans) Maximum of one copay per day (copay and deductible apply)								
	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay

Health Plan	Harvard Pilgrim Independence FY15	Harvard Pilgrim Independence (POS) FY16	Harvard Pilgrim Primary Choice FY15	Harvard Pilgrim Primary Choice FY16	Tufts Navigator FY15	Tufts Navigator (POS) FY16	Tufts Spirit FY15	Tufts Spirit FY16
Pharmacy – Retail (deductible does NOT apply)								
Tier 1	$10	$10	$10	$10	$10	$10	$10	$10
Tier 2	$25	$30	$25	$30	$25	$30	$25	$30
Tier 3	$50	$65	$50	$65	$50	$65	$50	$65
Pharmacy – Mail Order (deductible does NOT apply)								
Tier 1	$20	$25	$20	$25	$20	$25	$20	$25
Tier 2	$50	$75	$50	$75	$50	$75	$50	$75
Tier 3	$110	$165	$110	$165	$110	$165	$110	$165
Outpatient Mental Health/Substance Abuse (deductible does NOT apply)								
	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit
Preventive Services								
	100% Covered	100% Covered	100% Covered	100% Covered	100% Covered	100% Covered	100% Covered	100% Covered
In-Network Out-of-Pocket Maximum								
Overall	$5,000/ $10,000*	$5,000/$10,000**	$5,000/$10,000*	$5,000/ $10,000**	$5,000/$10,000*	$5,000/ $10,000**	$5,000/ $10,000*	$5,000/ $10,000**

***Out-of-pocket maximum applies to medical and mental health/substance abuse costs, but does not apply to prescription drug costs in FY15.**

** All medical, prescription drug, and mental health copays and deductibles apply to the out-of-pocket maximum

Non-Medicare – Self Insured Plans
Gray Column represents current FY15 design. White Column represents FY16 design

Health Plan	UniCare Basic FY15	UniCare Basic FY16	UniCare PLUS FY15	UniCare PLUS FY16	UniCare CC FY15	UniCare CC FY16
Deductible						
Individual/Family	$250/$750	$300/$900	$250/$750	$300/$900	$250/$750	$300/$900
PCP Office Visit (deductible does NOT apply)						
Tier 1	$20 per visit	$20 per visit	$15/$20 per visit	$15/$20 per visit	$20 per visit	$20 per visit
Tier 2	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering
Tier 3	No tiering	No tiering	No tiering	No tiering	No tiering	No tiering
Specialist Office Visit (deductible does NOT apply)						
Tier 1	$25 per visit	$30 per visit	$25 per visit	$30 per visit	$25 per visit	$30 per visit
Tier 2	$35 per visit	$60 per visit	$35 per visit	$60 per visit	$35 per visit	$60 per visit
Tier 3	$45 per visit	$90 per visit	$45 per visit	$90 per visit	$45 per visit	$90 per visit
ER (copay and deductible apply)						
	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay
Retail Clinic (deductible does NOT apply)						
	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit
Inpatient Hospital Care (copay and deductible apply)						
Tier 1	$200 per admission	$275 per admission	$250 per admission	$275 per admission	CC: $250 per admission	CC: $275 per admission
Tier 2	No tiering	No tiering	$500 per admission	$500 per admission	Non-CC: $750 per admission, 20% coins.	Non-CC: $750 per admission, 20% coins.
Tier 3	No tiering	No tiering	$750 per admission	$1,500 per admission		
Outpatient Surgery (copay and deductible apply)						
Tier 1	$110 per occurrence	$250 per occurrence	$110 per occurrence	$110 per occurrence	CC: $110 per occurrence	CC: $110 per occurrence
Tier 2	No tiering	No tiering	$110 per occurrence	$110 per occurrence		
Tier 3	No tiering	No tiering	$250 per occurrence	$250 per occurrence	Non-CC: $250 per admission, 20% coins.	Non-CC: $250 per admission, 20% coins.
Hi Tech Imaging (MRI, PT, CT scans) Maximum of one copay per day (copay and deductible apply)						
	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay	$100 copay

Health Plan	UniCare Basic FY15	UniCare Basic FY16	UniCare PLUS FY15	UniCare PLUS FY16	UniCare CC FY15	UniCare CC FY16
Pharmacy – Retail (deductible does NOT apply)						
Tier 1	$10	$10	$10	$10	$10	$10
Tier 2	$25	$30	$25	$30	$25	$30
Tier 3	$50	$65	$50	$65	$50	$65
Pharmacy – Mail Order (deductible does NOT apply)						
Tier 1	$20	$25	$20	$25	$20	$25
Tier 2	$50	$75	$50	$75	$50	$75
Tier 3	$110	$165	$110	$165	$110	$165
Outpatient Mental Health/Substance Abuse (deductible does NOT apply)						
	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit	$20 per visit
Preventive Services						
	100% Covered	100% Covered	100% Covered	100% Covered	100% Covered	100% Covered
In-Network Out-of-Pocket Maximum						
Medical + Behavioral Health	$5,000/$10,000*	$4,000/$8,000	$5,000/$10,000*	$4,000/$8,000	$5,000/$10,000*	$4,000/$8,000
Prescription Drug	n/a	$1,500/$3,000	n/a	$1,500/$3,000	n/a	$1,500/$3,000
Overall	n/a	n/a	n/a	n/a	n/a	n/a

Miscellaneous and Medicare Benefit Changes for FY'16

NON-MEDICARE

Neighborhood Health Plan

- Align prosthetics and orthotics with Durable Medical Equipment (DME) so that all DME is subject to the deductible but not to coinsurance
- Update hearing aid benefit for members over age 22 (aligning with benefit for children up to 22), by eliminating the coinsurance requirement but leaving the $1,700 maximum every 2 years

Unicare

- Allow 1 visit with Primary Care Physician (PCP) for mental health treatment to encourage people to seek help when they might not be ready to seek out a mental health provider

Beacon Health Strategies

- Allow for up to 26 outpatient visits in a plan year without prior authorization. Require medical necessity review for visits beyond 26.

Plan Year Alignment

Certain benefits counts are currently linked to the calendar year. Note that per September, 2014 Commission vote, they will be aligned with the plan year, with the transition occurring during FY'16. The actual benefit does not change – only the calendar. These timing changes are in the follow areas, though details vary slightly by plan:

- Deductible
- Out-of-pocket Maximum
- Inpatient Copay
- Other Inpatient Medical Facilities (Skilled Nursing, Rehab, etc.) – day limits
- Surgical Day Copayment
- Physical Therapy/Occupational Therapy
- Outpatient Mental Health (certain plans have visit limits before prior authorization is required)
- Smoking Cessation Counseling
- Hearing Aids
- Fitness Reimbursement

(Plan Year Alignment, continued)

- Nutritional counseling
- Vision Hardware for Special Conditions
- Vision exam
- Chiropractic Visits
- Speech Therapy
- Private Duty Nursing
- Hospital-Based Personal Emergency Response Systems

Note: not all benefits apply to all plans and benefit maximums vary by plan.

MEDICARE

All Medicare plans

- Adopt pharmacy copay structure same as Active plans: Retail $10/$30/$65 by Tier; Mail Order $25/$75/$165 by Tier

CVS/Caremark (Pharmacy administrator for Unicare)

- Lower the number of initial fills of a specialty medication at a retail pharmacy from 2 fills to 1 fill
- For certain specialty drug classes, authorize initial partial fills (typically 14 days instead of 30 days) to avoid spending state funds on drugs which are discontinued because of side-effects or other problems

Exhibit 10

WSHG Rate Projection and Adopted Rates

Fiscal Year 2016

WEST SUBURBAN HEALTH GROUP

Preliminary Rate Projections

July 1, 2015 - June 30, 2016

Prepared by Group Benefits Strategies

January 24, 2015

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

ADMINISTRATIVE FEE PROPOSALS FOR July 1, 2015 - June 30, 2016

Fiduciary fees were added to the HPHC and Tufts administrative fees and are included in the monthly fees shown below
Fallon administrative fees include certain capitation and other payments that are not included in the fees of the other carriers.

	FY14			FY15				FY16		
Health Plan Administrator	*Individual*	*Family*	*Composite**	*Individual*	*Family*	*Composite**	*% change*	*Individual*	*Family*	*Composite**
Network Blue EPO	$ 35.04	$ 94.73	$ 62.02	$ 35.57	$ 96.15	$ 62.95	*1.5%*	$ 35.57	$ 96.15	*0%*
I:F = 1.06								Composite = $62.95		
Medex	renews on January 1st			renews on January 1st				renews on January 1st		
Harvard Pilgrim EPO/PPO	$ 34.79	$ 93.95		$ 34.79	$ 93.95	N/A	*0.0%*	$ 35.14	$ 94.89	*1.0%*
I:F= 0.80										
HPHC Medicare Enhance	Renews on Jan. 1st			Renews on Jan. 1st				Renews on Jan. 1st		
Tufts EPO & POS	$ 33.66	$ 90.55	Admin. fee	$ 36.91	$ 94.94			$ 36.91	$ 94.94	*0%*
I:F= 0.86	2.53	2.53	Alere DM fee							
	$ 36.19	$ 93.08	Total	$ 36.91	$ 94.94	N/A	*2.0%*	$ 36.91	$ 94.94	0%
Fallon Select & DirectCare				with dental		2 yr. guarantee		with dental		
I:F= 0.86	$ 41.36	$ 112.10	with dental	$ 43.01	$ 116.58	N/A	*4.0%*	$ 43.01	$ 116.58	*0%*

* BCBS invoices the WSHG the composite rate.

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West Suburban Health Group
POLICY PERIOD 7/1/15 - 6/30/16

AFFORDABLE CARE ACT FEES

Transitional Reinsurance Program (TRP) Fees:

Individual	Family	Est. Members*	TRP Fee per member	Est. Trp Payment
3,332	4,439	13,763.7	$ 44.00	**$ 605,601**

TRP Factors (monthly)			
	Individual		Family
$	**3.31**	**$**	**8.88**

**Snapshot Factor Method of determining number of members*

Monthly	$	50,467
Annual	$	605,601

PCORI Fees:

Individual	Family	Est. Members*	PCORI fee per member	Est. PCORI Payment
3,332	4,439	15,228.5	$ 2.08	**$ 31,675**

PCORI Factors (monthly)			
	Individual		Family
$	**0.17**	**$**	**0.46**

Monthly	$	2,640
Annual	$	31,675

Total Affordable Care Act Fees and rate Factors: **$ 637,276**

ACA Rate Factors (monthly)			
	Individual		Family
$	**3.49**	**$**	**9.35**

	Individual	Family	Monthly fees	Annual fees
BCBS- ACA + Alternative RX fees:	**$ 9.06**	**$ 24.28**	$ 13,372	$ 160,465
			BCBS includes ACA fees in rates	
HPHC- ACA & Alternative Rx fees:	**$ 13.48**	**$ 35.36**	$ 114,310	$ 1,371,720
Tufts- ACA & Alternative Rx fees	**$ 10.73**	**$ 28.27**	$ 28,021	$ 336,248
Fallon- ACA and Alternative RX fees	**$ 7.83**	**$ 21.11**	$ 19,574	$ 234,884
			Fallon includes ACA fees in rates	
Total Est. ACA fees + Alt. Rx claims			**$ 175,276**	**$ 2,103,317**

Plan Enrollments as of 12/14

Plan Enrollments as of 12/14

	# Subscribers Individual	Family
HPHC EPO	1,767	2,538
HPHC PPO	48	3
TUFTS EPO	587	767
TUFTS POS	1	1
FALLON SELECT & DIRECT	532	730
BCBS NETWORK BLUE	393	404
Sub-Total:	3,328	4,443

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

Calculation of Funding for Alternative Rx program:

Expected funding needed FY16	TPA	Rate Factors *Individual*	*Family*
$98,794	BCBS	**$ 5.57**	**$ 14.94**
$1,010,790	HPHC	**$ 9.99**	**$ 26.01**
$225,623	Tufts	**$ 7.24**	**$ 18.93**
$1,335,207			
		Individual	Family
$130,750	Fallon*	**$ 4.34**	**$ 11.76**
$1,465,957	Total		

Health Plan	**Est. Funding Required** Monthly	Annual
BCBS	$ 8,226	$ 98,710
HPHC	$ 84,232	$1,010,790
Tufts	$ 18,792	$ 225,510
	Mo. Funding	Annual Funding
Fallon	$ 10,896	$ 130,750

** Fallon does not participate in the Alternative RX program. Fallon amount is for Diabetes Rewards Program only.*

Plan Enrollments as of 12/14

	# Subscribers Individual	Family	TOTAL	Underwriting Factors Individual	Family
HPHC EPO	1,767	2,538	4,305	1.00	2.60
HPHC PPO	48	3	51	1.00	2.20
TUFTS EPO	587	767	1,354	1.00	2.62
TUFTS POS	1	1	2	1.00	2.20
FALLON SELECT & DIRECT	532	730	1,262	1.00	2.71
BCBS NETWORK BLUE	393	404	797	1.00	2.68
Sub-Total:	3,328	4,443	7,771	1.00	2.62

West Suburban Health Group

POLICY PERIOD 7/1/14 - 6/30/15

CURRENT (FY15) HEALTH INSURANCE FUNDING SCENARIO

Health Plan	12/14 Enrollments Individual	12/14 Enrollments Family	Current (FY15) Rates Individual	Current (FY15) Rates Family	FY15 MONTHLY FUNDING	FY15 ANNUAL FUNDING
HPHC Rate Saver EPO	1,765	2533	$ 645.00	$ 1,682.00	$ 5,398,931	$ 64,787,172
HPHC EPO Benchmark	6	4	$ 622.00	$ 1,623.00	$ 10,224	$ 122,688
Blue Choice Rate Saver	379	395	$ 740.00	$ 1,984.00	$ 1,064,140	$ 12,769,680
Blue Choice Benchmark	14	6	$ 714.00	$ 1,914.00	21480	$ 257,760
Tufts Navigator Rate Saver	587	767	$ 734.00	$ 1,922.00	$ 1,905,032	$ 22,860,384
Tufts Navigator Benchmark	0	0	$ 708.00	$ 1,854.00	$ -	$ -
Fallon Select Rate Saver	375	589	$ 550.00	$ 1,483.00	$ 1,079,737	$ 12,956,844
Fallon Select Benchmark	24	20	$ 532.00	$ 1,432.00	$ 41,408	$ 496,896.00
Fallon Direct Rate Saver	119	114	$ 513.00	$ 1,378.00	$ 218,139	$ 2,617,668
Fallon Direct Benchmark	14	7	$ 495.00	$ 1,331.00	$ 16,247	$ 194,964.00
Harvard Pilgrim PPO	48	3	$ 1,890.00	$ 4,197.00	$ 103,311	$ 1,239,732
Tufts POS	1	1	$ 1,890.00	$ 4,197.00	$ 6,087	$ 73,044
TOTALS:	**3,332**	**4,439**			**$ 9,864,736**	**$ 118,376,832**

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West Suburban Health Group
POLICY PERIOD 7/1/15 - 6/30/16

SCENARIO A

FY16 HEALTH INSURANCE FUNDING SCENARIO - CARRIER CLAIMS PROJECTIONS

FULL FUNDING SCENARIO

Claims projections developed w/o Ashland, Westwood, & Walpole data. Funding based on all current WSHG members

Health Plan	12/14 Enrollments Individual	12/14 Enrollments Family	Projected FY16 Rates Individual	Projected FY16 Rates Family	FY16 MONTHLY FUNDING	FY16 ANNUAL FUNDING	% Increase	FY16 Fundng w ACA & Alt. Rx	% Increase
HPHC Rate Saver EPO	1,765	2,533	$ 704.28	$ 1,836.58	$ 5,895,093	$ 70,741,113	9.2%	$ 72,237,932	11.5%
HPHC EPO Benchmark	6	4	$ 678.91	$ 1,771.50	$ 11,159	$ 133,914	9.1%	$ 136,582	11.3%
Blue Choice Rate Saver	379	395	$ 819.92	$ 2,198.27	$ 1,179,067	$ 14,148,805	10.8%	$ 14,244,966	11.6%
Blue Choice Benchmark	14	6	$ 791.11	$ 2,120.71	23799.84	$ 285,598	10.8%	$ 286,534.53	11.2%
Tufts Navigator Rate Saver	587	767	$ 792.72	$ 2,075.76	$ 2,057,435	$ 24,689,215	8.0%	$ 25,024,995	9.5%
Tufts Navigator Benchmark	0	0	$ 764.64	$ 2,002.32	$ -	$ -	8.0%	$ -	9.5%
Fallon Select Rate Saver	375	589	$ 606.10	$ 1,634.27	$ 1,189,870	$ 14,278,442	10.2%	$ 14,381,112	11.0%
Fallon Select Benchmark	24	20	$ 586.26	$ 1,578.06	$ 45,631.62	$ 547,579.39	10.2%	$ 551,652	11.0%
Fallon Direct Rate Saver	119	114	$ 565.33	$ 1,518.56	$ 240,389	$ 2,884,670	10.2%	$ 2,906,960	11.1%
Fallon Direct Benchmark	14	7	$ 545.49	$ 1,466.76	$ 17,904.19	$ 214,850.33	0.102	$ 216,568	11.1%
Harvard Pilgrim PPO	48	3	$ 2,041.20	$ 4,532.76	$ 111,576	$ 1,338,911	8.0%	$ 1,363,705	10.0%
Tufts POS	1	1	$ 2,041.20	$ 4,532.76	$ 6,574	$ 78,888	8.0%	$ 80,348	10.0%
TOTALS:	3,332	4,439			**$ 10,778,499**	**$ 129,341,985**	**9.3%**	$ 131,431,355	11.0%

**Not a projection. GBS assigned 8% increase*

West Suburban Health Group

POLICY PERIOD 7/1/15 - 6/30/16

SCENARIO B **FY16 HEALTH INSURANCE FUNDING SCENARIO - GBS CLAIMS PROJECTIONS**

FULL FUNDING SCENARIO

Claims projections and funding based on all current WSHG members

Health Plan	12/14 Enrollments Individual	Family	GBS Projected FY16 Rates* Individual	Family	FY16 MONTHLY FUNDING	FY16 ANNUAL FUNDING	% Increase	FY16 Fundng w ACA & Alt. Rx	% Increase
HPHC Rate Saver EPO	1,765	2533	$ 741.11	$ 1,932.62	$ 6,203,372	$ 74,440,461	14.9%	$ 75,655,785	16.8%
HPHC EPO Benchmark	6	4	$ 714.68	$ 1,864.83	$ 11,747	$ 140,969	14.9%	$ 143,268	16.8%
Blue Choice Rate Saver	379	395	$ 851.74	$ 2,283.58	$ 1,224,825	$ 14,697,902	15.1%	$ 14,854,222	16.3%
Blue Choice Benchmark	14	6	$ 821.81	$ 2,203.01	24723.48	$ 296,682	15.1%	$ 299,953	16.4%
Tufts Navigator Rate Saver	587	767	$ 780.24	$ 2,043.09	$ 2,025,049	$ 24,300,588	6.3%	$ 25,024,995	9.5%
Tufts Navigator Benchmark	0	0	$ 752.60	$ 1,970.80	$ -	$ -	6.3%	$ -	9.5%
Fallon Select Rate Saver	375	589	$ 603.08	$ 1,626.11	$ 1,183,932	$ 14,207,179	9.6%	$ 14,391,600	11.1%
Fallon Select Benchmark	24	20	$ 583.34	$ 1,570.19	$ 45,403.87	$ 544,846.46	9.7%	$ 552,167	11.1%
Fallon Direct Rate Saver	119	114	$ 562.50	$ 1,510.98	$ 239,189	$ 2,870,273	9.6%	$ 2,910,328	11.2%
Fallon Direct Benchmark	14	7	$ 542.77	$ 1,459.44	$ 17,815	$ 213,778	9.7%	$ 216,866	11.2%
Harvard Pilgrim PPO	48	3	$ 2,041.20	$ 4,532.76	$ 111,576	$ 1,338,911	8.0%	$ 1,363,705	10.0%
Tufts POS	1	1	$ 2,041.20	$ 4,532.76	$ 6,574	$ 78,888	8.0%	$ 80,348	10.0%
TOTALS:	**3,332**	**4,439**			**$ 11,094,206**	**$ 133,130,476**	**12.5%**	$ 135,493,237	**14.5%**

POLICY PERIOD 7/1/15 - 6/30/16

SCENARIO C **FY16 HEALTH INSURANCE FUNDING SCENARIO**

The Lower of Two Projections

Health Plan	12/14 Enrollments Individual	12/14 Enrollments Family	Projected FY16 Rates * Individual	Projected FY16 Rates * Family	FY16 MONTHLY FUNDING	FY16 ANNUAL FUNDING	% Increase	FY16 Fundng w ACA & Alt. Rx	% Increase
HPHC Rate Saver EPO	1,765	2533	$ 704.28	$ 1,836.58	$ 5,895,093	$ 70,741,113	9.2%	$ 72,237,932	11.5%
HPHC EPO Benchmark	6	4	$ 678.91	$ 1,771.50	$ 11,159	$ 133,914	9.1%	$ 136,582	11.3%
Blue Choice Rate Saver	379	395	$ 819.92	$ 2,198.27	$ 1,179,067	$ 14,148,805	10.8%	$ 14,244,966	11.6%
Blue Choice Benchmark	14	6	$ 791.11	$ 2,120.71	23799.84	$ 285,598	10.8%	$ 286,535	11.2%
Tufts Navigator Rate Saver	587	767	$ 780.24	$ 2,043.09	$ 2,025,049	$ 24,300,588	6.3%	$ 25,024,995	9.5%
Tufts Navigator Benchmark	0	0	$ 752.60	$ 1,970.80	$ -	$ -	6.3%	$ -	9.5%
Fallon Select Rate Saver	375	589	$ 603.08	$ 1,626.11	$ 1,183,932	$ 14,207,179	9.6%	$ 14,391,600	11.1%
Fallon Select Benchmark	24	20	$ 583.34	$ 1,570.19	$ 45,403.87	$ 544,846.46	9.7%	$ 552,167	11.1%
Fallon Direct Rate Saver	119	114	$ 562.50	$ 1,510.98	$ 239,189	$ 2,870,273	9.6%	$ 2,910,328	11.2%
Fallon Direct Benchmark	14	7	$ 542.77	$ 1,459.44	$ 17,815	$ 213,778	9.7%	$ 216,866	11.2%
Harvard Pilgrim PPO	48	3	$ 2,041.20	$ 4,532.76	$ 111,576	$ 1,338,911	8.0%	$ 1,363,705	10.0%
Tufts POS	1	1	$ 2,041.20	$ 4,532.76	$ 6,574	$ 78,888	8.0%	$ 80,348	10.0%
TOTALS:	**3,332**	**4,439**			**$ 10,738,658**	**$128,863,894**	**8.86%**	$ 131,446,023	**11.0%**

Amount below Scenario A: $ 478,092

Amount below Scenario B: $ 4,266,582

West Suburban Health Group
POLICY PERIOD 7/1/15 - 6/30/16

Scenario D

Rates are average of Carrier & GBS projections/ with ACA and Alternative Rx expenses included

	Enrollments 12/14		FY16 Rates				
Health Plan	*Individual*	*Family*	*Individual*	*Family*	*Monthly Funding*	*Annual Funding*	*% Increase*
HPHC Rate Saver EPO	1,765	2,533	**$ 735.53**	**$1,918.02**	$ 6,156,547	$ 73,878,568	*14.0%*
HPHC EPO Benchmark	6	4	**$ 709.34**	**$1,851.09**	$ 11,660	$ 139,925	*14.0%*
Blue Choice Rate Saver	379	395	**$ 843.15**	**$ 2,260.54**	$ 1,212,466	$ 14,549,594	*13.9%*
Blue Choice Benchmark	14	6	**$ 813.78**	**$ 2,181.47**	$ 24,482	$ 293,781	*14.0%*
Tufts Navigator Rate Saver	587	767	**$ 797.21**	**$ 2,087.69**	$ 2,069,223	$ 24,830,682	*8.6%*
Tufts Navigator Benchmark	0	0	**$ 769.35**	**$ 2,014.83**	$ -	$ -	*8.6%*
Fallon Select Rate Saver	375	589	**$ 610.67**	**$ 1,646.62**	$ 1,198,863	$ 14,386,356	*11.0%*
Fallon Select Benchmark	24	20	**$ 590.89**	**$ 1,590.56**	$ 45,992	$ 551,910	*11.1%*
Fallon Direct Rate Saver	119	114	**$ 570.00**	**$ 1,531.20**	$ 242,387	$ 2,908,644	*11.1%*
Fallon Direct Benchmark	14	7	**$ 550.21**	**$ 1,479.54**	$ 18,060	$ 216,717	*11.2%*
Harvard Pilgrim PPO	48	3	**$ 2,155.17**	**$ 4,785.84**	$ 117,806	$ 1,413,666	*14.0%*
TOTALS:	**3,331**	**4,438**			**$ 11,097,487**	**$133,169,842**	***12.5%***

Amount over current: $ 14,793,010

West Suburban Health Group
POLICY PERIOD 7/1/15 - 6/30/16

Scenario E = Scenario D with Rounded Rates

Rates are average of Carrier & GBS projections/ with ACA and Alternative Rx expenses included

	Enrollments 12/14		FY16 Rates				
Health Plan	*Individual*	*Family*	*Individual*	*Family*	*Monthly Funding*	*Annual Funding*	*% Increase*
HPHC Rate Saver EPO	1,765	2,533	**$ 736.00**	**$ 1,918.00**	$ 6,157,334	$ 73,888,008	*14.0%*
HPHC EPO Benchmark	6	4	**$ 709.00**	**$ 1,851.00**	$ 11,658	$ 139,896	*14.0%*
Blue Choice Rate Saver	379	395	**$ 843.00**	**$ 2,261.00**	$ 1,212,592	$ 14,551,104	*14.0%*
Blue Choice Benchmark	14	6	**$ 814.00**	**$ 2,181.00**	$ 24,482	$ 293,784	*14.0%*
Tufts Navigator Rate Saver	587	767	**$ 797.00**	**$ 2,088.00**	$ 2,069,335	$ 24,832,020	*8.6%*
Tufts Navigator Benchmark	0	0	**$ 769.00**	**$ 2,015.00**	$ -	$ -	*8.6%*
Fallon Select Rate Saver	375	589	**$ 611.00**	**$ 1,647.00**	$ 1,199,208	$ 14,390,496	*11.1%*
Fallon Select Benchmark	24	20	**$ 591.00**	**$ 1,591.00**	$ 46,004	$ 552,048	*11.1%*
Fallon Direct Rate Saver	119	114	**$ 570.00**	**$ 1,531.00**	$ 242,364	$ 2,908,367	*11.1%*
Fallon Direct Benchmark	14	7	**$ 550.00**	**$ 1,480.00**	$ 18,060	$ 216,720	*11.2%*
Harvard Pilgrim PPO	48	3	**$ 2,155.00**	**$ 4,786.00**	$ 117,798	$ 1,413,576	*14.0%*
TOTALS:	**3,331**	**4,438**			**$ 11,098,835**	**$ 133,186,019**	***12.5%***

Amount over current: $ 14,809,187

West Suburban Health Group
POLICY PERIOD 7/1/15 - 6/30/16

Scenario E = Scenario D with Rounded Rates As amended by the Board on 2/12/15

Rates are average of Carrier & GBS projections/ with ACA and Alternative Rx expenses included

	Enrollments 12/14		FY16 Approved Rates				
Health Plan	*Individual*	*Family*	*Individual*	*Family*	*Monthly Funding*	*Annual Funding*	*% Increase*
HPHC Rate Saver EPO	1,765	2,533	**$ 736.00**	**$ 1,918.00**	$ 6,157,334	$ 73,888,008	*14.0%*
HPHC EPO Benchmark	6	4	**$ 709.00**	**$ 1,851.00**	$ 11,658	$ 139,896	*14.0%*
Blue Choice Rate Saver	379	395	**$ 843.00**	**$ 2,261.00**	$ 1,212,592	$ 14,551,104	*14.0%*
Blue Choice Benchmark	14	6	**$ 814.00**	**$ 2,181.00**	$ 24,482	$ 293,784	*14.0%*
Tufts Navigator Rate Saver	587	767	**$ 797.00**	**$ 2,088.00**	$ 2,069,335	$ 24,832,020	*8.6%*
Tufts Navigator Benchmark	0	0	**$ 769.00**	**$ 2,015.00**	$ -	$ -	*8.6%*
Fallon Select Rate Saver	375	589	**$ 611.00**	**$ 1,647.00**	$ 1,199,208	$ 14,390,496	*11.1%*
Fallon Select Benchmark	24	20	**$ 591.00**	**$ 1,591.00**	$ 46,004	$ 552,048	*11.1%*
Fallon Direct Rate Saver	119	114	**$ 570.00**	**$ 1,531.00**	$ 242,364	$ 2,908,367	*11.1%*
Fallon Direct Benchmark	14	7	**$ 550.00**	**$ 1,480.00**	$ 18,060	$ 216,720	*11.2%*
Harvard Pilgrim PPO	48	3	**$ 2,268.00**	**$ 5,036.00**	$ 123,972	$ 1,487,664	*20.0%*
TOTALS:	**3,331**	**4,438**			**$ 11,105,009**	**$ 133,260,107**	***12.6%***

Amount over current: $ 14,883,275

Exhibit 11

Out-of-Pocket (OOP) Maximums

WEST SUBURBAN HEALTH GROUP

AFFORDABLE CARE ACT (ACA)

Out-of-Pocket Maximum (OOP Max) Requirements

OOP Maximum Limits for CY2015: $6,600 for an Individual plan, and
$13,200 for a Family plan.

On renewal in CY15, the Affordable Care Act requires that OOP maximums include pharmacy co-pays; whereas, currently they do not *except for Fallon plans*. **Fallon added Rx co-pays to the OOP max effective 7/1/14.**

Categories of benefits:

Health plans may have OOP maximums on different categories of benefits such as separate OOP maximums for medical and pharmacy. The sum of the OOP maximum amounts for different categories of benefits may not exceed the overall OOP maximum limits. For example, an *Individual* plan could have a $4,000 medical OOP max and a $2,600 pharmacy OOP max because the total of the two would be $6,600 which is the allowed amount.

OOP Maximums for PPOs:

The ACA requires OOP maximums on In-Network benefits only. It does not require OOP maximums on Out-Of-Network (OON) benefits, although Plan Sponsors are free to add OOP maximums to OON benefits.

WSHG Current OOP Maximums:

BCBS, HPHC, Tufts Rate Saver & Benchmark HMOs (*medical only*) –
$2,000 per member, not to exceed $4,000 per Family.

Fallon Rate Saver HMOs (*Medical & Rx*) –
$1,000 per member, not to exceed $2,000 per Family.

Fallon Benchmark HMOs (*Medical & Rx*) –
$2,000 per member, not to exceed $4,000 per Family.

HPHC PPO (*medical only*)
In-Network: $2,000 per member, not to exceed $4,000 per Family;
Out-of-Network: $1,600 per member, not to exceed $3,200 per Family.

Tufts POS* (*medical only*) –
In-Network: $2,000 per member, not to exceed $4,000 per Family;
Out-of-Network: $1,500 per member, not to exceed $3,000 per Family.

**Plan to be eliminated 7/1/15*

Some Options for *BCBS, HPHC, and Tufts* plans for FY2016:

1. ***Separate OOP maximums for medical and Rx***

(a) Add separate Rx OOP Maximum s to bring to the level of the GIC:

Individual:	$2,000 medical +$3,000 Rx = $5,000.
Family:	$4,000 medical + $6,000 Rx = $10,000.

(b) Add separate Rx OOP Maximums to bring to the level allowed by the ACA:

Individual:	$2,000 medical +$4,600 Rx = $6,600.
Family:	$4,000 medical + $9,200 Rx = $13,200.

(c) Add separate Rx OOP Maximums that are the same as the medical OOP maximums:

Individual:	$2,000 medical +$2,000 Rx = $4,000.
Family:	$4,000 medical + $4,000 Rx = $8,000.

2. ***Combined OOP Maximum for Medical and Rx -***

(d) Have cross-accumulated medical and Rx OOP Maximums that are actuarially equivalent/revenue neutral to current OOP Maximums:

Individual:	$3,000 medical + Rx.
Family:	$6,000 medical + Rx.
	or
Individual:	$3,500 medical + Rx.
Family:	$7,000 medical + Rx.

(e) Combined Medical and Rx OOP Maximums that are the same as those of the GIC.

Individual:	$5,000 medical + Rx.
Family:	$10,000 medical + Rx.

(f) Combined Medical and Rx OOP Maximums that are at the maximum levels allowed by the ACA.

Individual:	$6,600 medical + Rx.
Family:	$13,200 medical + Rx.

Exhibit 12

Experience Summary of Out-of-Pocket (OOP) Maximums

Fallon Health Plans

WSGH - Town of Shrewsbury
Out of Pocket Max Report
Calendar years 2011, 2012, 2013 and 2014
Prepared by Fallon Health

Town of Shrewsbury Select and Direct care members on an individual basis

Total OOP Amt	2011	2012	2013	2014
0 - $250	233	241	295	1189
$250.01 - $500	14	14	17	220
$500.01 - $1000	5	6	5	102

Town of Shrewsbury Select and Direct care members on an family basis

Total OOP Amt	2011	2012	2013	2014
0 - $250	191	190	247	341
$250.01 - $500	15	20	19	157
$500.01 - $1000	8	7	8	136
$1000.01 - $2000	0	2	0	42

Exhibit 13

Health Insurance Program (HIP) Premium and Contributions

Active Plans and Non-Medicare Eligible Retirees

Fiscal Year 2016

TOWN OF SHREWSBURY
WEST SUBURBAN HEALTH GROUP ACTIVE PLANS 2015-2016

JUNE PAYROLL CHANGES FOR JULY 1, 2015 OPEN-ENROLLMENT

% PAID TOWN/EMP	PLAN TYPE	TOTAL MONTHLY	TOWN MONTHLY	TOWN 26 P/R BI-WEEKLY*	TOWN 21 P/R BI-WEEKLY**	TOWN WEEKLY*	EMPLOYEE MONTHLY	EMP. 26 P/R BI-WEEKLY*	EMP. 21P/R BI-WEEKLY**	EMPLOYEE WEEKLY*	COBRA
INDEMNITY PLANS											
Harvard Pilgrim PPO											
50/50	**FAMILY**	***$5,036.00***	$2,518.00	$1,162.15	$1,438.86	$581.08	**$2,518.00**	**$1,162.15**	**$1,438.86**	**$581.08**	$5,136.72
50/50	FAMILY (SS)	***$5,036.00***	$2,518.00	$1,162.15	$1,438.86	$581.08	$2,518.00	$1,162.15	$1,438.86	$581.08	
50/50	**INDIVIDUAL**	***$2,268.00***	$1,134.00	$523.38	$648.00	$261.69	**$1,134.00**	**$523.38**	**$648.00**	**$261.69**	$2,313.36
50/50	INDIVIDUAL (SS)	***$2,268.00***	$1,134.00	$523.38	$648.00	$261.69	$1,134.00	$523.38	$648.00	$261.69	
RATE SAVER HMO PLANS											
Effective 7/1/2014 Rate Saver plans are not available to new Active Employees and Non-Medicare Eligible Retirees											
BLUE OPTIONS RATE SAVER EPO											
60/40	**FAMILY**	***$2,261.00***	$1,356.60	$626.12	$775.20	$313.06	**$904.40**	**$417.42**	**$516.80**	**$208.71**	$2,306.22
50/50	FAMILY (SS)	***$2,261.00***	$1,130.50	$521.77	$646.00	$260.88	$1,130.50	$521.77	$646.00	$260.88	
60/40	**INDIVIDUAL**	***$843.00***	$505.80	$233.45	$289.03	$116.72	**$337.20**	**$155.63**	**$192.69**	**$77.82**	$859.86
50/50	INDIVIDUAL (SS)	***$843.00***	$421.50	$194.54	$240.86	$97.27	$421.50	$194.54	$240.86	$97.27	
TUFTS NAVIGATOR RATE SAVER EPO											
60/40	**FAMILY**	***$2,088.00***	$1,252.80	$578.22	$715.89	$289.11	**$835.20**	**$385.48**	**$477.26**	**$192.74**	$2,129.76
50/50	FAMILY (SS)	***$2,088.00***	$1,044.00	$481.85	$596.57	$240.92	$1,044.00	$481.85	$596.57	$240.92	
60/40	**INDIVIDUAL**	***$797.00***	$478.20	$220.71	$273.26	$110.35	**$318.80**	**$147.14**	**$182.17**	**$73.57**	$812.94
50/50	INDIVIDUAL (SS)	***$797.00***	$398.50	$183.92	$227.71	$91.96	$398.50	$183.92	$227.71	$91.96	
HPHC RATE SAVER EPO											
60/40	**FAMILY**	***$1,918.00***	$1,150.80	$531.14	$657.60	$265.57	**$767.20**	**$354.09**	**$438.40**	**$177.05**	$1,956.36
50/50	FAMILY (SS)	***$1,918.00***	$959.00	$442.62	$548.00	$221.31	$959.00	$442.62	$548.00	$221.31	
60/40	**INDIVIDUAL**	***$736.00***	$441.60	$203.82	$252.34	$101.91	**$294.40**	**$135.88**	**$168.23**	**$67.94**	$750.72
50/50	INDIVIDUAL (SS)	***$736.00***	$368.00	$169.85	$210.29	$84.92	$368.00	$169.85	$210.29	$84.92	
FALLON SELECT RATE SAVER EPO											
71.5/28.5	**FAMILY**	***$1,647.00***	$1,177.61	$543.51	$672.92	$271.76	**$469.40**	**$216.64**	**$268.23**	**$108.32**	$1,679.94
50/50	FAMILY (SS)	***$1,647.00***	$823.50	$380.08	$470.57	$190.04	$823.50	$380.08	$470.57	$190.04	
71.5/28.5	**INDIVIDUAL**	***$611.00***	$436.87	$201.63	$249.64	$100.82	**$174.14**	**$80.37**	**$99.51**	**$40.19**	$623.22
50/50	INDIVIDUAL (SS)	***$611.00***	$305.50	$141.00	$174.57	$70.50	$305.50	$141.00	$174.57	$70.50	
FALLON DIRECT RATE SAVER EPO											
76.5/23.5	**FAMILY**	***$1,531.00***	$1,171.22	$540.56	$669.27	$270.28	**$359.79**	**$166.05**	**$205.59**	**$83.03**	$1,561.62
50/50	FAMILY (SS)	***$1,531.00***	$765.50	$353.31	$437.43	$176.65	$765.50	$353.31	$437.43	$176.65	
76.5/23.5	**INDIVIDUAL**	***$570.00***	$436.05	$201.25	$249.17	$100.63	**$133.95**	**$61.82**	**$76.54**	**$30.91**	$581.40
50/50	INDIVIDUAL (SS)	***$570.00***	$285.00	$131.54	$162.86	$65.77	$285.00	$131.54	$162.86	$65.77	

(SS) REPRESENTS SURVIVING SPOUSE

**** PLEASE NOTE BI-WEEKLY & WEEKLY DEDUCTIONS ARE BASED ON 26 & 52 WEEK PAYROLLS RESPECTIVELY.***

*****SCHOOL EMPLOYEES PAID ON 21 BI-WEEKLY P/R (5 BI-WEEKLY SUMMER DEDUCTIONS ARE INCLUDED IN THE RATES)***

TURN OVER FOR ADDITIONAL RATES

TOWN OF SHREWSBURY
WEST SUBURBAN HEALTH GROUP ACTIVE PLANS 2015-2016

JUNE PAYROLL CHANGES FOR JULY 1, 2015 OPEN-ENROLLMENT

% PAID TOWN/EMP	PLAN TYPE	TOTAL MONTHLY	TOWN MONTHLY	TOWN 26 P/R BI-WEEKLY*	TOWN 21 P/R BI-WEEKLY**	TOWN WEEKLY*	EMPLOYEE MONTHLY	EMP. 26 P/R BI-WEEKLY*	EMP. 21P/R BI-WEEKLY**	EMPLOYEE WEEKLY*	COBRA
BENCHMARK HMO PLANS											
BLUE CROSS NETWORK BLUE BENCHMARK											
60/40	**FAMILY**	***$2,181.00***	$1,308.60	$603.97	$747.77	$301.98	**$872.40**	**$402.65**	**$498.51**	**$201.32**	$2,224.62
50/50	FAMILY (SS)	***$2,181.00***	$1,090.50	$503.31	$623.14	$251.65	$1,090.50	$503.31	$623.14	$251.65	
60/40	**INDIVIDUAL**	***$814.00***	$488.40	$225.42	$279.09	$112.71	**$325.60**	**$150.28**	**$186.06**	**$75.14**	
50/50	INDIVIDUAL (SS)	***$814.00***	$407.00	$187.85	$232.57	$93.92	$407.00	$187.85	$232.57	$93.92	$830.28
TUFTS BENCHMARK											
60/40	**FAMILY**	***$2,015.00***	$1,209.00	$558.00	$690.86	$279.00	**$806.00**	**$372.00**	**$460.57**	**$186.00**	$2,055.30
50/50	FAMILY (SS)	***$2,015.00***	$1,007.50	$465.00	$575.71	$232.50	$1,007.50	$465.00	$575.71	$232.50	
60/40	**INDIVIDUAL**	***$769.00***	$461.40	$212.95	$263.66	$106.48	**$307.60**	**$141.97**	**$175.77**	**$70.98**	$784.38
50/50	INDIVIDUAL (SS)	***$769.00***	$384.50	$177.46	$219.71	$88.73	$384.50	$177.46	$219.71	$88.73	
HPHC BENCHMARK											
60/40	**FAMILY**	***$1,851.00***	$1,110.60	$512.58	$634.63	$256.29	**$740.40**	**$341.72**	**$423.09**	**$170.86**	$1,888.02
50/50	FAMILY (SS)	***$1,851.00***	$925.50	$427.15	$528.86	$213.58	$925.50	$427.15	$528.86	$213.58	
60/40	**INDIVIDUAL**	***$709.00***	$425.40	$196.34	$243.09	$98.17	**$283.60**	**$130.89**	**$162.06**	**$65.45**	$723.18
50/50	INDIVIDUAL (SS)	***$709.00***	$354.50	$163.62	$202.57	$81.81	$354.50	$163.62	$202.57	$81.81	
FALLON SELECT BENCHMARK											
73/27	**FAMILY**	***$1,591.00***	$1,161.43	$536.04	$663.67	$268.02	**$429.57**	**$198.26**	**$245.47**	**$99.13**	$1,622.82
50/50	FAMILY (SS)	***$1,591.00***	$795.50	$367.15	$454.57	$183.58	$795.50	$367.15	$454.57	$183.58	
73/27	**INDIVIDUAL**	***$591.00***	$431.43	$199.12	$246.53	$99.56	**$159.57**	**$73.65**	**$91.18**	**$36.82**	$602.82
50/50	INDIVIDUAL (SS)	***$591.00***	$295.50	$136.38	$168.86	$68.19	$295.50	$136.38	$168.86	$68.19	
FALLON DIRECT BENCHMARK											
78/22	**FAMILY**	***$1,480.00***	$1,154.40	$532.80	$659.66	$266.40	**$325.60**	**$150.28**	**$186.06**	**$75.14**	$1,509.60
50/50	FAMILY (SS)	***$1,480.00***	$740.00	$341.54	$422.86	$170.77	$740.00	$341.54	$422.86	$170.77	
78/22	**INDIVIDUAL**	***$550.00***	$429.00	$198.00	$245.14	$99.00	**$121.00**	**$55.85**	**$69.14**	**$27.92**	$561.00
50/50	INDIVIDUAL (SS)	***$550.00***	$275.00	$126.92	$157.14	$63.46	$275.00	$126.92	$157.14	$63.46	

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