

**Self-Insurance Estimating Conference  
State Employees' Group Health Self-Insurance Trust Fund  
Executive Summary**

**December 9, 2016**

The outlook for the State Employees' Health Insurance Trust Fund has been revised to reflect actual enrollment, revenues, and expenses through October 2016; preliminary Open Enrollment results for Plan Year 2017; forecasted expenses for the Affordable Care Act's excise tax provision; finalized fully-insured HMO premium rates; revised growth factors for Medical and Pharmacy claims; and a revised Pharmacy Rebates calculation method. The fund is expected to remain solvent through FY 2018-19, with increases in ending cash balances for all years of the forecast period when compared to the August outlook.

For FY 2016-17, the ending cash balance increased from \$515.7 million to \$571.6 million; for FY 2017-18, the ending cash balance increased from \$320.5 million to \$465.8 million; and for FY 2018-19, the ending cash balance increased from -\$134.0 million to 124.3 million. The outlook for subsequent years shows that expenses are expected to exceed revenues by an amount that generates a negative cash flow of -\$510.3 million in FY 2019-20, -\$973.8 million in FY 2020-21, and -\$1,400.3 million in FY 2021-22.

A complete Executive Summary outlining all of the changes since the August 2016 Conference can be found in the Report on the Financial Outlook Conference packet. The following are the **major** net changes in the forecast for the current and out-years (dollar values shown are the FY 2016-17 changes between the August 2016 and December 2016 Conferences):

- Revenue from Insurance Premiums (-\$16.8 million) – The net decrease in the forecast is primarily driven by lower projected enrollment and shifts in enrollment categories.
- Revenue from PPO-PBM Rebates (+\$4.8 million) – The net increase in the forecast is primarily due to a change in forecasting methodology for this category, which increased the projected rebates.
- Revenue from HMO-PBM Rebates (+\$9.3 million) – The net increase in the forecast is primarily due to a change in forecasting methodology for this category, which increased the projected rebates.
- Expenses for PPO Plan Medical Claims (-\$9.3 million) – The net decrease in the forecast is due to a decrease in projected enrollment and lower actual than projected claims activity, which outweighed the changes to the cost growth factors.
- Expenses for PPO Plan Prescription Drug Claims (-\$7.6 million) – The decrease in the forecast is due to a decrease in the projected enrollment, lower actual than projected claims activity, and changes to the forecasted cost growth factors.

- Expenses for HMO Premium Payments (-\$9.2 million) – The decrease is due to a decrease in projected enrollment, shifts in enrollment categories and between HMOs, and new contract rates effective January 2017 that were negotiated lower than previously projected.
- Expenses for HMO Plan Medical Claims (-\$17.2 million) - The decrease in the forecast is due to a decrease in projected enrollment and lower actual than projected claims activity.
- Expenses for HMO Plan Prescription Drug Claims (-\$12.0 million) - The decrease in the forecast is due to a decrease in the projected enrollment, lower actual than projected claims activity, and changes to the forecasted cost growth factors.

**Financial Outlook for FY 2016-17 and FY 2017-18**  
**Changes to Conference Forecast – December 2016 Compared to August 2016**  
(In Millions)

	FY 2016-17			FY 2017-18		
	Aug-16	Dec-16	Difference	Aug-16	Dec-16	Difference
Beginning Cash Balance	\$567.0	\$567.0	\$0.0	\$515.7	\$571.6	\$56.0
Total Revenues	2,345.1	2,346.5	1.4	2,434.2	2,444.0	9.8
Total Expenses	2,396.4	2,341.9	(54.6)	2,629.4	2,549.9	(79.6)
Operating Gain/(Loss)	(51.3)	4.7	56.0	(195.2)	(105.8)	89.4
<b>Ending Cash Balance</b>	<b>\$515.7</b>	<b>\$571.6</b>	<b>\$56.0</b>	<b>\$320.5</b>	<b>\$465.8</b>	<b>\$145.3</b>

**Special Notes**

Reports on the Financial Outlook prepared from December 2010 through June 2012 included estimates of the impact of the Patient Protection and Affordable Care Act (PPACA) on the Trust Fund. Beginning with the August 2012 report, the impact of PPACA was addressed separately to mirror the treatment used by the Social Services Estimating Conference for Medicaid and KidCare, and were described in a separate report titled *Impact on the State Health Insurance Program of the Patient Protection and Affordable Care Act*. Beginning with the December 2013 forecast, the impacts of the provisions of PPACA have been incorporated into this single report rather than a separate report. For this reason, the reader is urged to note that direct comparisons of conference reports over the time frame referenced in this paragraph will need to be approached with this in mind.

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# **State Employees' Group Health Self-Insurance Trust Fund**

## **Report on the Financial Outlook**

**For the Fiscal Years Ending June 30, 2017 through June 30, 2022**

**Adopted December 9, 2016, by the  
Self-Insurance Estimating Conference**

Prepared by: Florida Department of Management Services  
Division of State Group Insurance

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# STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

## EXECUTIVE SUMMARY

The Florida Division of State Group Insurance (the Division) prepared a financial Outlook for the State Employees' Group Health Self-Insurance Trust Fund (Trust Fund) for the fiscal years (FY) ending June 30, 2017, through June 30, 2022. The Outlook is prepared to assist in the State's planning and budgeting in accordance with section 216.136(9), Florida Statutes. The Outlook is prepared using cash basis methods and modeling based on the healthcare benefit and funding design currently in place.

The Outlook builds on the financial and enrollment data presented in the August 2016 Report on the Financial Outlook with adjustments for the following:

1. Actual enrollment through October 2016.
2. Preliminary Open Enrollment results for Plan Year 2017.
3. Actual revenues and expenses through October 2016.
4. Inclusion of projections for FY 2021-2022.
5. Inclusion of the Affordable Care Act's excise tax provision.
6. Finalized fully-insured HMO premium rates.
7. Revised claims trends for PPO Medical claims, HMO Medical claims, PPO Pharmacy claims, HMO Pharmacy claims, and HMO Fully-insured premiums.
8. Revised Pharmacy Rebates calculation method.

This Outlook reflects increases in revenues and reductions in expenses for all years included in the report compared to the August 2016 Outlook. Increases in ending cash balances are reflected for FY 2016-17 and 2017-18, and deficits reflected in the prior Outlook have been decreased in FY 2018-19 through FY 2020-21, with the deficit in FY 2018-19 becoming a surplus. The report reflects the Trust Fund is projected to remain solvent through FY 2018-19.

The ending cash balance for FY 2016-17 is adjusted from \$515.7 million to \$571.6 million, and the previously reported operating loss of \$51.3 million has become a gain of \$4.7 million. For FY 2017-18 the forecasted ending cash balance is adjusted from \$320.5 million to \$465.8 million, and the estimated operating loss is decreased from \$195.2 million to \$105.8 million. For FY 2018-19 the forecasted ending cash balance is adjusted from a deficit of \$134.0 million to a \$124.3 million surplus, and the operating loss is reduced from \$454.5 million to \$341.4 million. Ending cash balance deficits and operating losses are projected for FY 2019-20, FY 2020-21, and FY 2021-22.

Below is a summary of the Outlook for the Trust Fund through FY 2021-22.

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Beginning Cash Balance	\$ 567.0	\$ 571.6	\$ 465.8	\$ 124.3	\$ 0.0	\$ 0.0
Total Revenues	\$ 2,346.5	\$ 2,444.0	\$ 2,478.3	\$ 2,512.4	\$ 2,551.1	\$ 2,590.5
Total Expenses	\$ 2,341.9	\$ 2,549.9	\$ 2,819.8	\$ 3,147.1	\$ 3,525.0	\$ 3,990.8
Operating Gain/(Loss)	\$ 4.7	\$ (105.9)	\$ (341.5)	\$ (634.7)	\$ (973.9)	\$ (1,400.3)
Ending Cash Balance	\$ 571.6	\$ 465.8	\$ 124.3	\$ (510.3)	\$ (973.9)	\$ (1,400.3)

Note: Assumes no carry forward of negative cash balance.

## Enrollment

Open Enrollment activity provides the starting point for these projections. During the 2017 Open Enrollment, approximately 153,893 Active (Non-OPS) employees were offered coverage, compared to 153,956 who were **offered** covered coverage during 2016 Open Enrollment. An additional 12,715 employees paid from Other Personal Services (OPS) funds were offered coverage, compared to 11,668 offered covered coverage during 2016 Open Enrollment.

Preliminary Open Enrollment reflects that 134,439 (87.4%) of the eligible Active (Non-OPS) employees **elected** coverage; of which 53,933 (40.1%) enrolled in individual coverage; 74,960 (55.8%) enrolled in Family coverage; and 5,546 (4.1%) enrolled in Spouse coverage. Active (Non-OPS) enrollment in PPO plans was 40.8% and 59.2% enrolled in HMO plans. A total of 4,907 (38.6%) of the eligible OPS employees elected coverage, of which 3,205 (65.3%) enrolled in individual coverage; 1,676 (34.2%) enrolled in Family coverage; and 26 (0.5%) enrolled in Spouse coverage. OPS enrollment in PPO plans was 47.6% and 52.4% enrolled in HMO plans.

Results from the past five Open Enrollments, show that active subscriber membership in the PPO plans decreased an average of 36 subscribers annually and HMO membership increased an average of 2,557 subscribers; the annual net change was an average increase of 2,521 (1.5%) new active subscribers. Subscriber migration patterns indicate continuing change in the enrollment distribution between the PPO plans and the HMO plans.

## STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

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Open Enrollment results for 2017, combined with updated enrollment activity through October 2016, reflect Active member growth is projected to increase 1.4% annually, compared to 1.5% reported in August. Early retiree enrollment is projected to decrease 2.8% annually, compared to an annual increase of 1.3% reported in August due to lower actual than projected enrollment. Medicare enrollment reflected an annual average increase of 0.3% compared to 0.5% as reported in the prior report. PPO plans reflect an average annual decrease of 0.2% year over year, as compared to 0.6% reported in August; and, HMO plans reflect an average annual increase of 2.3%, compared to 3.0% reported in the prior report.

The changes in enrollment between June and October 2016 reflect a net decrease of 529 contracts, or 0.3% of total subscribers. Membership in PPO plans decreased by 36 contracts, or 0.04%, and HMO plan membership decreased by 493 subscribers, or 0.55%. Active subscriber enrollment decreased by 1,072 subscribers, or 0.8%; and the net change in non-active membership was an increase of 543 subscribers, or 1.5%.

As of October 2016, approximately 3,164 subscribers (3,075 active employees) were enrolled in a High Deductible Health Plan (1.8% of total enrollment). Approximately 2,398, or 78.0%, of those active employees were participating in the integrated state-sponsored Health Savings Account offering. In January 2017, approximately 3,303 subscribers (3,193 active employees) will be enrolled in a High Deductible Health Plan (1.9% of total enrollment). Approximately 3,072, or 96.2%, of those active employees will be participating in the integrated state-sponsored Health Savings Account offering.

As of October 2016, 27,764, or 16.5% of eligible employees opted out of enrollment in the Program; 39.9% of those were employees in Other Personal Services positions.

### **REVENUE**

Insurance premiums reflect a decline of \$58.9 million across all years of the outlook due to decreased actual enrollment and changes attributable to Preliminary Open Enrollment. Investment earnings increased \$5.7 million for FY 2016-17 through 2018-19 due to higher projected cash balances. Combined PPO and HMO plan TPA Refunds increased \$6.0 million across all years due to higher projected overpaid claims activity. PBM Rebates increased a combined total of \$137.2 million due to a change in methodology in calculating actual rebates received. In previous forecasts, PBM rebates were based on the contracted quarterly minimum guarantee requirements, however, for this Outlook PBM rebates are being increased in each of the out years to reflect the total projected rebates to be collected. Other Revenues reflect \$2.3 million in FY 2016-17 primarily from audits, performance guarantees, and pharmacy claims adjustments related to the pharmacy benefits manager. Overall, Total Revenue changes in this outlook reflect a combined increase of \$92.3 million across all years of the outlook.

### **SPEND**

Self-insured PPO expenses for FY 2016-17 through 2020-21 reflect a combined projected decrease of \$83.1 million. PPO medical claims and pharmacy expenses are \$34.8 million and \$48.8 million lower, respectively, due to lower actual and projected claims expenses. PPO ASO fees reflect an increase of \$0.5 million due to increased enrollment projections.

The forecast of HMO expenses for FY 2016-17 through 2020-21 reflect a combined decrease of \$353.1 million. Fully-insured Premium payments reflect a combined decrease across all years totaling \$83.4 million, due to lower actual than projected premium rates for 2017, enrollment projections, and enrollment category shifts. HMO medical claims decreased \$173.2 million due to lower actual and projected claims expenses and updated enrollment projections. HMO pharmacy expenses reflect a combined decrease across all years of \$94.6 million due to lower actual and projected claims expenses and updated enrollment projections as well. HMO ASO fees and PBM administration fees reflect a decrease of \$1.9 million due to lower projected enrollment and shifts between carriers.

Combined, PPO and HMO medical claims across all years of the forecast, compared to the August report, reflect a \$208.0 million decrease. The net combined decrease in pharmacy claims costs across all years is \$143.4 million compared to the August forecast.

HSA Deposits reflect an increase of \$1.7 million across all years of the forecast due to higher enrollment in the High Deductible Plans, and Premium Refunds reflect an increase of \$4.9 million across all years due to higher projected activity.

Overall, expenses across all years of the forecast reflect a combined decrease of \$429.8 million compared to the August forecast.

One final item of note is the inclusion of \$34.7 million in FY 2021-22 in Other Expenses due to expenses related to The Affordable Care Act's federal excise tax provision on employer-sponsored health plans.

**STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND**

Growth factors used to develop this Outlook are reflected below:

PPO MEDICAL							
Industry Range for CYs 2016-17: 3.0% - 7.8%							
	FY 16-17		FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2016 Conference	6.0%	n/a	6.5%	7.0%	7.5%	8.0%	n/a
December 2016 Conference	6.5%	4.7%	6.0%	6.8%	7.8%	8.2%	8.3%

HMO MEDICAL							
Industry Range for CYs 2016-17: 3.0% - 7.8%							
	FY 16-17		FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2016 Conference	6.5%	n/a	7.0%	7.5%	8.0%	8.5%	n/a
December 2016 Conference	6.5%	5.0%	6.0%	6.8%	7.8%	8.2%	8.3%

PPO PHARMACY							
Industry Range for CYs 2016-17: 6.7% - 13.9%							
	FY 16-17		FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2016 Conference	11.1%	n/a	14.3%	15.5%	15.9%	15.9%	n/a
December 2016 Conference	10.1%	8.8%	13.3%	15.5%	15.9%	15.9%	15.9%

HMO PHARMACY							
Industry Range for CYs 2016-17: 6.7% - 13.9%							
	FY 16-17		FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Applied	Actual YTD + Projected	Applied	Applied	Applied	Applied	Applied
August 2016 Conference	11.2%	n/a	14.6%	15.5%	16.2%	16.2%	n/a
December 2016 Conference	8.9%	7.4%	14.2%	15.5%	16.2%	16.2%	16.2%

FULLY INSURED HMO PREMIUM PAYMENTS							
Industry Range for CYs 2016-17: 4.0% - 6.2%							
	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
August 2016 Conference	4.7%*	6.0%	6.5%	7.0%	7.5%	8.0%	8.0%
December 2016 Conference	4.7%*	2.4%*	6.0%	6.8%	7.8%	8.2%	8.3%

\*Actual trend rates

**STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND**  
**Exhibit I**  
**Financial Outlook by Fiscal Year <sup>(1)</sup>**  
**Changes to Conference Forecast - December 2016 Compared to August 2016**  
(In Millions)

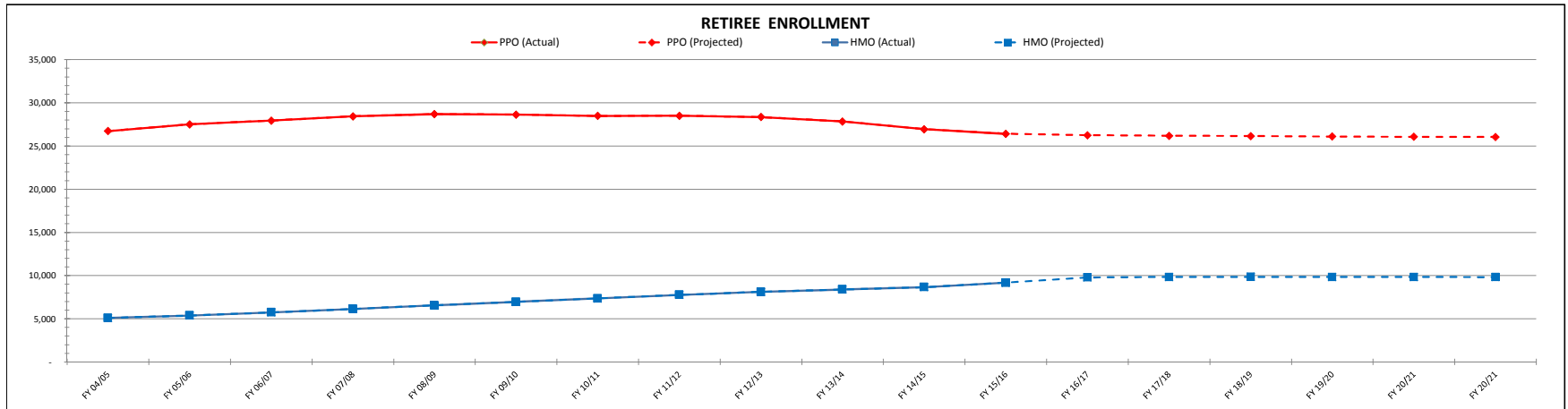
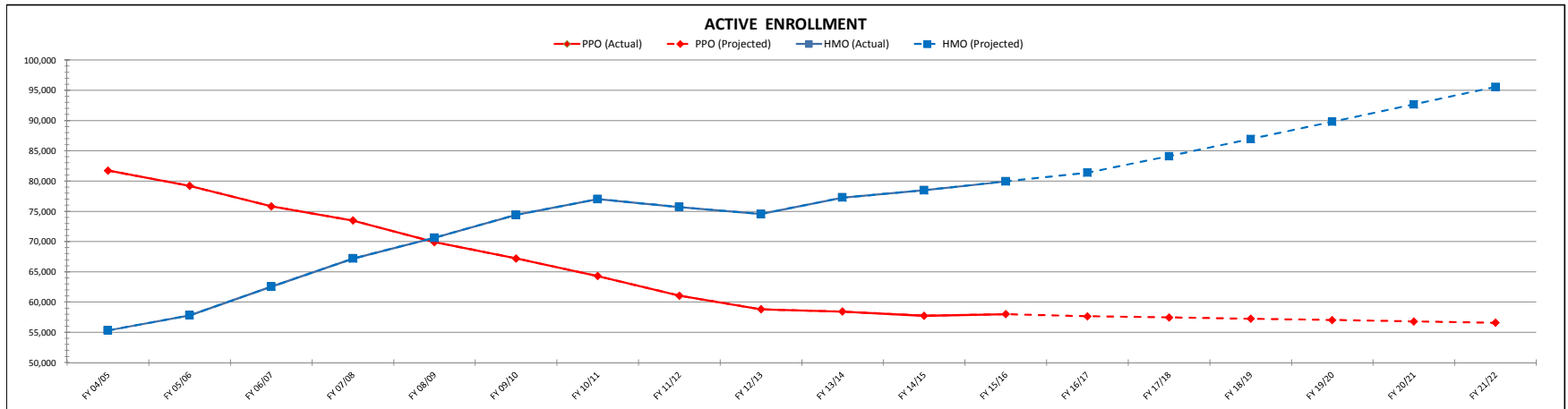
	FY 2016-17			FY 2017-18			FY 2018-19			FY 2019-20			FY 2020-21			FY 2021-22
	Aug '16	Dec '16	Diff.	Aug '16	Dec '16	Diff.	Aug '16	Dec '16	Diff.	Aug '16	Dec '16	Diff.	Aug '16	Dec '16	Diff.	Dec '16
<b>BEGINNING CASH BALANCE</b>	\$ 567.0	\$ 567.0	\$ -	\$ 515.7	\$ 571.6	\$ 56.0	\$ 320.5	\$ 465.8	\$ 145.3	\$ 0.0 <sup>(2)</sup>	\$ 124.3	\$ 124.3	\$ 0.0 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>	\$ 0.0	\$ 0.0 <sup>(2)</sup>
<b>REVENUES:</b>																
Insurance Premiums <sup>(3)</sup>	\$ 2,200.9	\$ 2,184.1	\$ (16.8)	\$ 2,292.1	\$ 2,276.8	\$ (15.3)	\$ 2,321.5	\$ 2,309.2	\$ (12.3)	\$ 2,350.8	\$ 2,341.9	\$ (8.9)	\$ 2,380.3	\$ 2,374.7	\$ (5.6)	\$ 2,408.0
Investment Earnings	7.3	7.6	0.3	5.6	7.0	1.4	-	4.0	4.0	-	-	-	-	-	-	-
TPA & Self-Insured HMO Refunds	13.2	14.4	1.2	13.2	14.4	1.2	13.2	14.4	1.2	13.2	14.4	1.2	13.2	14.4	1.2	14.4
PBM Rebates	84.3	98.4	14.1	84.3	107.1	22.8	84.3	112.2	27.9	84.3	117.6	33.3	84.3	123.4	39.1	129.5
Pretax Trust Fund Transfer	20.7	20.7	-	20.7	20.7	-	20.7	20.7	-	20.7	20.7	-	20.7	20.7	-	20.7
Medicare Part D Subsidy	18.7	19.0	0.3	18.3	18.0	(0.3)	17.8	17.8	-	17.8	17.8	-	17.9	17.9	-	17.9
Other Revenues	-	2.3	2.3	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	\$ 2,345.1	\$ 2,346.5	\$ 1.4	\$ 2,434.2	\$ 2,444.0	\$ 9.8	\$ 2,457.5	\$ 2,478.3	\$ 20.8	\$ 2,486.8	\$ 2,512.4	\$ 25.6	\$ 2,516.4	\$ 2,551.1	\$ 34.7	\$ 2,590.5
<b>TOTAL CASH AVAILABLE</b>	\$ 2,912.1	\$ 2,913.5	\$ 1.4	\$ 2,949.9	\$ 3,015.6	\$ 65.8	\$ 2,778.0	\$ 2,944.1	\$ 166.1	\$ 2,486.8	\$ 2,636.7	\$ 149.9	\$ 2,516.4	\$ 2,551.1	\$ 34.7	\$ 2,590.5
<b>EXPENSES:</b>																
<b>PPO Plan</b>	\$ 1,033.9	\$ 1,016.9	\$ (17.0)	\$ 1,118.6	\$ 1,097.5	\$ (21.1)	\$ 1,219.9	\$ 1,199.8	\$ (20.1)	\$ 1,337.9	\$ 1,322.8	\$ (15.1)	\$ 1,473.4	\$ 1,463.6	\$ (9.8)	\$ 1,622.4
Medical Claims	674.7	665.4	(9.3)	713.7	703.2	(10.5)	758.4	748.8	(9.6)	809.7	804.7	(5.0)	868.4	868.0	(0.4)	937.2
ASO Fee	17.7	17.6	(0.1)	17.5	17.6	0.1	17.4	17.5	0.1	17.3	17.5	0.2	17.2	17.4	0.2	17.4
Prescription Drug Claims	339.2	331.6	(7.6)	385.2	374.5	(10.7)	442.0	431.4	(10.6)	508.8	498.5	(10.3)	585.7	576.1	(9.6)	665.7
PBM Claims Administration	2.3	2.3	-	2.2	2.2	-	2.1	2.1	-	2.1	2.1	-	2.1	2.1	-	2.1
<b>HMO Plan</b>	\$ 1,339.8	\$ 1,301.0	\$ (38.8)	\$ 1,495.2	\$ 1,435.5	\$ (59.7)	\$ 1,678.0	\$ 1,604.6	\$ (73.4)	\$ 1,893.0	\$ 1,808.8	\$ (84.2)	\$ 2,143.6	\$ 2,046.6	\$ (97.0)	\$ 2,318.9
Premium Payments	315.7	306.5	(9.2)	341.2	324.8	(16.4)	370.4	351.9	(18.5)	403.8	384.3	(19.5)	442.1	422.3	(19.8)	465.1
Medical Claims	723.4	706.2	(17.2)	802.9	775.6	(27.3)	894.2	858.1	(36.1)	999.4	957.2	(42.2)	1,120.9	1,070.5	(50.4)	1,197.1
ASO Fee	28.4	28.1	(0.3)	29.5	29.2	(0.3)	30.6	30.3	(0.3)	31.7	31.3	(0.4)	32.7	32.4	(0.3)	33.4
Prescription Drug Claims	270.1	258.1	(12.0)	319.5	303.9	(15.6)	380.7	362.2	(18.5)	455.9	433.8	(22.1)	545.6	519.2	(26.4)	621.0
PBM Claims Administration	2.2	2.1	(0.1)	2.1	2.0	(0.1)	2.1	2.1	-	2.2	2.2	-	2.3	2.2	(0.1)	2.3
HSA Deposits <sup>(3)</sup>	3.8	4.1	0.3	3.9	4.2	0.3	3.9	4.2	0.3	3.9	4.3	0.4	3.9	4.3	0.4	4.3
Operating Costs & Admin Assessment	3.6	3.6	-	3.6	3.6	-	3.6	3.6	-	3.6	3.6	-	3.6	3.6	-	3.6
Premium Refunds	5.9	6.9	0.9	5.9	6.9	0.9	5.9	6.9	0.9	5.9	6.9	0.9	5.9	6.9	0.9	6.9
Other Expenses <sup>(4)</sup>	9.4	9.4	-	2.2	2.2	-	0.7	0.7	-	0.7	0.7	-	-	-	-	34.7
<b>TOTAL EXPENSES</b>	\$ 2,396.4	\$ 2,341.9	\$ (54.6)	\$ 2,629.4	\$ 2,549.9	\$ (79.6)	\$ 2,912.0	\$ 2,819.8	\$ (92.3)	\$ 3,245.0	\$ 3,147.1	\$ (98.0)	\$ 3,630.4	\$ 3,525.0	\$ (105.5)	\$ 3,990.8
<b>EXCESS OF REV. OVER EXP.</b>	\$ (51.3)	\$ 4.7	\$ 56.0	\$ (195.2)	\$ (105.8)	\$ 89.4	\$ (454.5)	\$ (341.4)	\$ 113.1	\$ (758.2)	\$ (634.7)	\$ 123.6	\$ (1,114.0)	\$ (973.8)	\$ 140.2	\$ (1,400.3)
<b>ENDING CASH BALANCE <sup>(5)</sup></b>	\$ 515.7	\$ 571.6	\$ 56.0	\$ 320.5	\$ 465.8	\$ 145.3	\$ (134.0)	\$ 124.3	\$ 258.4	\$ (758.2)	\$ (510.3)	\$ 247.9	\$ (1,114.0)	\$ (973.8)	\$ 140.2	\$ (1,400.3)
<b>ADDITIONAL INFORMATION</b>																
Unreported PPO Plan Claims Liability <sup>(6)</sup>	\$ 68.2	\$ 47.3	\$ (20.9)	\$ 57.9	\$ 57.0	\$ (0.9)	\$ 61.4	\$ 60.6	\$ (0.8)	\$ 65.5	\$ 65.1	\$ (0.4)	\$ 70.2	\$ 70.2	\$ -	\$ 75.7
Unreported HMO Plan Claims Liability <sup>(7)</sup>	72.8	78.0	5.2	80.8	85.6	4.8	89.9	94.7	4.8	100.4	105.6	5.2	112.6	118.1	5.5	132.0
Unreported PBM Claims Liability <sup>(6)</sup>	6.1	5.9	(0.2)	7.0	6.8	(0.2)	8.2	7.9	(0.3)	9.6	9.3	(0.3)	11.3	11.0	(0.4)	12.9
<b>Total Unreported Claims Liability</b>	\$ 147.1	\$ 131.2	\$ (15.9)	\$ 145.7	\$ 149.4	\$ 3.7	\$ 159.5	\$ 163.2	\$ 3.7	\$ 175.5	\$ 180.0	\$ 4.5	\$ 194.1	\$ 199.3	\$ 5.1	\$ 220.6

**Highlights of Changes to Forecast**

- A) Inclusion of actual enrollment through October 2016
- B) Inclusion of actual revenues and expenses through October 2016
- C) Revised the growth factors for PPO Medical claims, HMO Medical claims, PPO Pharmacy claims, HMO Pharmacy claims, and HMO Fully-insured Premiums
- D) Inclusion of new HMO contract rates
- E) Inclusion of Federal Excise Tax in FY 2021-22
- F) Revised PBM Rebates calculation method to include total projected rebates rather than minimum guaranteed rebates

**STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND**  
**Exhibit II**  
**Enrollment Outlook by Fiscal Year**  
**Changes to Conference Forecast - December 2016 Compared to August 2016**

	FY 2016-17			FY 2017-18			FY 2018-19			FY 2019-20			FY 2020-21			FY 2021-22		
	Aug '16	Dec '16	Diff.	Aug '16	Dec '16	Diff.	Aug '16	Dec '16	Diff.	Aug '16	Dec '16	Diff.	Aug '16	Dec '16	Diff.	Aug '16	Dec '16	Diff.
<b>Average Enrollment by Plan</b>																		
PPO Standard	81,946	81,633	(313)	81,385	81,260	(125)	80,822	80,931	109	80,255	80,598	343	79,690	80,267	577	N/A	79,939	N/A
PPO HIHP	2,088	2,256	168	2,088	2,367	279	2,079	2,447	368	2,071	2,523	452	2,070	2,600	530	N/A	2,676	N/A
HMO Standard	91,090	90,237	(853)	93,939	92,997	(942)	96,787	95,842	(945)	99,633	98,689	(944)	102,474	101,532	(942)	N/A	104,393	N/A
HMO HIHP	895	920	25	928	933	5	968	943	(25)	1,011	957	(54)	1,055	975	(80)	N/A	993	N/A
<b>Total</b>	<b>176,019</b>	<b>175,046</b>	<b>(973)</b>	<b>178,340</b>	<b>177,557</b>	<b>(783)</b>	<b>180,656</b>	<b>180,163</b>	<b>(493)</b>	<b>182,970</b>	<b>182,767</b>	<b>(203)</b>	<b>185,289</b>	<b>185,374</b>	<b>85</b>	<b>N/A</b>	<b>188,001</b>	<b>N/A</b>
<b>Average Enrollment by Coverage Type</b>																		
Active (Non-OPS) Standard	132,035	131,115	(920)	133,944	133,320	(624)	135,898	135,672	(226)	137,853	138,026	173	139,804	140,374	570	N/A	142,728	N/A
Active (Non-OPS) HIHP	2,654	2,821	167	2,664	2,895	231	2,668	2,941	273	2,675	2,986	311	2,690	3,035	345	N/A	3,083	N/A
OPS Standard	4,375	4,317	(58)	4,651	4,525	(126)	4,942	4,740	(202)	5,233	4,958	(275)	5,524	5,177	(347)	N/A	5,405	N/A
OPS HIHP	231	256	25	247	292	45	267	321	54	288	350	62	309	380	71	N/A	410	N/A
COBRA	439	496	57	439	504	65	439	504	65	439	504	65	439	504	65	N/A	504	N/A
Early Retiree	6,351	5,965	(386)	6,317	5,805	(512)	6,242	5,688	(554)	6,170	5,576	(594)	6,103	5,469	(634)	N/A	5,367	N/A
Medicare	29,934	30,076	142	30,078	30,216	138	30,200	30,297	97	30,312	30,367	55	30,420	30,435	15	N/A	30,504	N/A
<b>Total</b>	<b>176,019</b>	<b>175,046</b>	<b>(973)</b>	<b>178,340</b>	<b>177,557</b>	<b>(783)</b>	<b>180,656</b>	<b>180,163</b>	<b>(493)</b>	<b>182,970</b>	<b>182,767</b>	<b>(203)</b>	<b>185,289</b>	<b>185,374</b>	<b>85</b>	<b>N/A</b>	<b>188,001</b>	<b>N/A</b>





STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit III  
**Financial Outlook by Fiscal Year** <sup>(1)</sup>  
(In Millions)

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
<b>BEGINNING CASH BALANCE</b>	\$ 567.0	\$ 571.6	\$ 465.8	\$ 124.3 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>	\$ 0.0 <sup>(2)</sup>
<b>REVENUES:</b>						
Insurance Premiums:						
Employer	\$ 1,779.7	\$ 1,867.1	\$ 1,896.0	\$ 1,924.8	\$ 1,953.6	\$ 1,982.4
Employee	167.0	169.7	172.6	175.5	178.3	181.1
HSA Contributions <sup>(3)</sup>	4.1	4.2	4.2	4.3	4.3	4.3
COBRA	5.5	5.7	5.7	5.7	5.7	5.7
Early Retiree	59.3	59.6	58.3	57.0	55.8	54.6
Medicare	168.5	170.5	172.4	174.6	177.0	179.9
Investment Earnings	7.6	7.0	4.0	0.0	0.0	0.0
PPO - TPA Refunds	7.2	7.2	7.2	7.2	7.2	7.2
PPO - PBM Rebates	54.4	56.1	57.7	59.4	61.2	63.0
HMO - Self-Insured Refunds	7.2	7.2	7.2	7.2	7.2	7.2
HMO - PBM Rebates	44.0	51.0	54.5	58.2	62.2	66.5
Pretax Trust Fund Transfer	20.7	20.7	20.7	20.7	20.7	20.7
PPO - Medicare Part D Subsidy	17.8	16.9	16.7	16.7	16.8	16.8
HMO - Medicare Part D Subsidy	1.2	1.1	1.1	1.1	1.1	1.1
Other Revenues	2.3	0.0	0.0	0.0	0.0	0.0
<b>TOTAL REVENUES</b>	\$ 2,346.5	\$ 2,444.0	\$ 2,478.3	\$ 2,512.4	\$ 2,551.1	\$ 2,590.5
<b>TOTAL CASH AVAILABLE</b>	\$ 2,913.5	\$ 3,015.6	\$ 2,944.1	\$ 2,636.7	\$ 2,551.1	\$ 2,590.5
<b>EXPENSES:</b>						
State PPO Plan:						
Medical Claims	\$ 665.4	\$ 703.2	\$ 748.8	\$ 804.7	\$ 868.0	\$ 937.2
ASO Fee	17.6	17.6	17.5	17.5	17.4	17.4
Prescription Drug Claims	331.6	374.5	431.4	498.5	576.1	665.7
PBM Claims Administration	2.3	2.2	2.1	2.1	2.1	2.1
HMO Plan:						
Premium Payments	306.5	324.8	351.9	384.3	422.3	465.1
Medical Claims	706.2	775.6	858.1	957.2	1,070.5	1,197.1
ASO Fee	28.1	29.2	30.3	31.3	32.4	33.4
Prescription Drug Claims	258.1	303.9	362.2	433.8	519.2	621.0
PBM Claims Administration	2.1	2.0	2.1	2.2	2.2	2.3
HSA Deposits <sup>(3)</sup>	4.1	4.2	4.2	4.3	4.3	4.3
Operating Costs & Admin Assessment	3.6	3.6	3.6	3.6	3.6	3.6
Premium Refunds	6.9	6.9	6.9	6.9	6.9	6.9
Other Expenses <sup>(4)</sup>	9.4	2.2	0.7	0.7	0.0	34.7
<b>TOTAL EXPENSES</b>	\$ 2,341.9	\$ 2,549.9	\$ 2,819.8	\$ 3,147.1	\$ 3,525.0	\$ 3,990.8
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 4.7	\$ (105.9)	\$ (341.5)	\$ (634.7)	\$ (973.9)	\$ (1,400.3)
<b>ENDING CASH BALANCE</b> <sup>(5)</sup>	\$ <u>571.6</u>	\$ <u>465.8</u>	\$ <u>124.3</u>	\$ <u>(510.3)</u>	\$ <u>(973.9)</u>	\$ <u>(1,400.3)</u>

**ADDITIONAL INFORMATION**

<b>Total Unreported Claims Liability</b> <sup>(9)</sup>	\$ 131.2	\$ 149.4	\$ 163.2	\$ 180.0	\$ 199.3	\$ 220.6
<b>Average Enrollment by Plan</b>						
PPO Standard	81,633	81,260	80,931	80,598	80,267	79,939
PPO HIHP	2,256	2,367	2,447	2,523	2,600	2,676
HMO Standard	90,237	92,997	95,842	98,689	101,532	104,393
HMO HIHP	920	933	943	957	975	993
<b>Total</b>	<u>175,046</u>	<u>177,557</u>	<u>180,163</u>	<u>182,767</u>	<u>185,374</u>	<u>188,001</u>
<b>Average Enrollment by Coverage Type</b>						
Active (Non-OPS) Standard	131,115	133,320	135,672	138,026	140,374	142,728
Active (Non-OPS) HIHP	2,821	2,895	2,941	2,986	3,035	3,083
OPS Standard	4,317	4,525	4,740	4,958	5,177	5,405
OPS HIHP	256	292	321	350	380	410
COBRA	496	504	504	504	504	504
Early Retiree	5,965	5,805	5,688	5,576	5,469	5,367
Medicare	30,076	30,216	30,297	30,367	30,435	30,504
<b>Total</b>	<u>175,046</u>	<u>177,557</u>	<u>180,163</u>	<u>182,767</u>	<u>185,374</u>	<u>188,001</u>

**Exhibit IV**  
**Notes to the Financial Outlook**

- 1) Actual results may differ from projected values with increasing likelihood of variance in future periods.
- 2) Assumes no carry forward of a negative ending cash balance from prior year.
- 3) Includes HSA contributions which approximate a split between employer and employee of 52% and 48%, respectively.
- 4) Other Expenses include the estimated impact of Patient-Centered Outcomes Research Institute (PCORI) fees, Transitional Reinsurance Fees, and the Affordable Care Act's Excise Tax provision. The Transitional Reinsurance Fees phase out after calendar year 2016 and the ACA's Excise Tax is effective for calendar year 2020.
- 5) Includes funds held in accounts outside of the Trust Fund at the Department of Financial Services, Division of Treasury, for the purpose of paying medical claims.
- 6) Includes estimated PPO Incurred but not Reported (IBNR) medical claims and outstanding drafts.
- 7) Includes estimated HMO IBNR medical claims and outstanding drafts.
- 8) Includes estimated PPO and HMO IBNR Rx claims.
- 9) Includes estimated PPO Plan and Self-Insured HMO Plans Incurred but not Reported (IBNR) claims and outstanding drafts.

**Exhibit VI**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2016-17**  
(In Millions)

<b>\$ 515.7</b>	<b>Previous Ending Cash Balance Forecast <sup>(i)</sup></b>
0.0	Increase in Beginning Cash Balance Forecast
1.4	Increase in Revenue Forecast
	(16.8) - Net Decrease in Insurance Premiums
	(13.7) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 176,019 to 175,046
	0.3 - Increase in projected employer and enrollee HSA contributions
	(3.0) - Decrease in Insurance Premiums due to shifts in enrollment categories
	(0.4) - Decrease in Insurance Premiums due to new fully-insured Medicare premium rates effective December 2016 for January 2017 coverage
	0.3 - Increase in Investment Earnings due to an increase in projected cash balance
	4.8 - Increase in PPO - PBM Rebates
	(0.1) - Decrease due to a decrease in projected enrollment from 84,034 to 83,889
	4.9 - Increase due to higher actual and projected rebates
	1.2 - Increase in HMO - Self-Insured Refunds
	(0.1) - Decrease due to a decrease in projected enrollment from 59,302 to 58,737
	1.3 - Increase due to higher projected activity
	9.3 - Increase in HMO - PBM Rebates
	(0.5) - Decrease due to a decrease in projected enrollment from 86,917 to 85,990
	9.8 - Increase due to higher actual and projected rebates
	0.2 - Increase in PPO - Medicare Part D Subsidy due to higher actual and projected subsidies
	0.1 - Increase in HMO - Medicare Part D Subsidy due to higher actual and projected subsidies
	2.3 - Increase in Other Revenues
	1.4 - Increase due to an audit finding against the pharmacy benefits manager
	0.1 - Increase due to performance guarantee penalty assessed against the pharmacy benefits manager
	0.7 - Increase due to claims adjustments from the pharmacy benefits manager
	0.1 - Increase due to other non-recurring activity
(54.6)	Decrease in Expense Forecast
	(17.0) Decrease in State PPO Plan
	(9.3) - Decrease in Medical Claims
	(1.2) - Decrease due to a decrease in projected enrollment from 84,034 to 83,889
	3.2 - Increase due to increased growth factor from 6.0% to 6.5%
	(11.3) - Decrease due to lower actual than projected claims activity
	(0.1) - Decrease in ASO Fee Expense due to a decrease in projected enrollment
	(7.6) - Decrease in Prescription Drug Claims
	(0.6) - Decrease due to a decrease in projected enrollment
	(3.1) - Decrease due to decreased growth factor from 11.1% to 10.1%
	(3.9) - Decrease due to lower actual than projected claims activity
	(38.8) Decrease in HMO Plan
	(9.2) - Decrease in Premium Payments
	(2.4) - Decrease due to a decrease in projected enrollment from 32,680 to 32,420
	(1.0) - Decrease due to shifts in enrollment categories and between HMOs
	(5.8) - Decrease due to new contract rates effective January 2017 negotiated lower than previously projected.
	(17.2) - Decrease in Medical Claims
	(6.9) - Decrease due to a decrease in projected enrollment from 59,302 to 58,737
	(10.3) - Decrease due to lower actual than projected claims activity
	(0.3) - Decrease in ASO Fees due to a decrease in projected enrollment
	(12.0) - Decrease in Prescription Drug Claims
	(2.9) - Decrease due to a decrease in projected enrollment from 86,917 to 85,990
	(5.6) - Decrease due to decreased growth factor from 11.2% to 8.9
	(3.5) - Decrease due to lower actual than projected claims activity
	(0.1) - Decrease in PBM Claims Administration due to a decrease in projected enrollment
	1.3 Increase in Other Expense Categories
	0.3 - Increase in projected employer and enrollee HSA Deposits
	0.9 - Increase in Premium Refunds due to higher actual than projected activity
<b>571.6</b>	<b>Ending Cash Balance<sup>(1)</sup></b>

<sup>(i)</sup> Self Insurance Estimating Conference held in August 2016.

**Exhibit VII**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2017-18**  
(In Millions)

<b>\$ 320.5</b>	<b>Previous Ending Cash Balance Forecast <sup>(1)</sup></b>
56.0	Increase in Beginning Cash Balance Forecast
9.8	Increase in Revenue Forecast
	(15.3) - Net Decrease in Insurance Premiums
	(10.9) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 178,340 to 177,577
	0.3 - Increase in projected employer and enrollee HSA contributions
	(3.5) - Decrease in Insurance Premiums due to shifts in enrollment categories
	(1.2) - Decrease in Insurance Premiums due to lower fully-insured Medicare premium rates effective December 2016 for January 2017 coverage
	1.4 - Increase in Investment Earnings due to an increase in projected cash balance
	6.5 - Increase in PPO - PBM Rebates
	0.1 - Increase due to an increase in projected enrollment from 83,473 to 83,627
	6.4 - Increase due to higher projected rebates
	1.2 - Increase in HMO - Self-Insured Refunds
	(0.1) - Decrease due to a decrease in projected enrollment from 61,511 to 60,860
	1.3 - Increase due to higher projected activity
	16.3 - Increase in HMO - PBM Rebates
	(0.6) - Decrease due to a decrease in projected enrollment from 89,736 to 88,683
	16.9 - Increase due to higher projected rebates
	(0.3) - Decrease in PPO - Medicare Part D Subsidy due to lower projected subsidies
(79.5)	Decrease in Expense Forecast
	(21.1) Decrease in State PPO Plan
	(10.5) - Decrease in Medical Claims
	1.3 - Increase due to an increase in projected enrollment from 83,473 to 83,627
	(3.3) - Decrease due to decreased growth factor from 6.5% to 6.0%
	(8.5) - Decrease due to lower projected claims experience
	0.1 - Increase in ASO Fee Expense due to an increase in projected enrollment
	(10.7) - Decrease in Prescription Drug Claims
	0.7 - Increase due to an increase in projected enrollment
	(3.4) - Decrease due to decreased growth factor from 14.3% to 13.3%
	(8.0) - Decrease due to lower projected claims experience
	(59.7) Decrease in HMO Plan
	(16.4) - Decrease in Premium Payments
	(2.8) - Decrease due to a decrease in projected enrollment from 33,354 to 33,070
	(0.9) - Decrease due to shifts in enrollment categories and between HMOs
	(12.7) - Decrease due to new contract rates effective January 2017
	(27.3) - Decrease in Medical Claims
	(8.5) - Decrease due to a decrease in projected enrollment from 61,511 to 60,860
	(7.3) - Decrease due to decreased growth factor from 7.0% to 6.0%
	(11.5) - Decrease due to lower projected claims experience
	(0.3) - Decrease in ASO Fees due to a decrease in projected enrollment
	(15.6) - Decrease in Prescription Drug Claims
	(3.7) - Decrease due to a decrease in projected enrollment from 89,736 to 88,683
	(1.0) - Decrease due to decreased growth factor from 14.6% to 14.2%
	(10.9) - Decrease due to lower projected claims experience
	(0.1) - Decrease in PBM Claims Administration due to a decrease in projected enrollment
	1.3 Increase in Other Expense Categories
	0.3 - Increase in projected employer and enrollee HSA Deposits
	0.9 - Increase in Premium Refunds due to higher projected activity
<b>465.8</b>	<b>Ending Cash Balance<sup>(1)</sup></b>

<sup>(1)</sup> Self Insurance Estimating Conference held in August 2016.

**Exhibit VIII**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2018-19**  
(In Millions)

<b>\$ (134.0)</b>	<b>Previous Ending Cash Balance Forecast <sup>(i)</sup></b>
145.3	Increase in Beginning Cash Balance Forecast
20.8	Increase in Revenue Forecast
	(12.3) - Net Decrease in Insurance Premiums
	(6.1) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 180,656 to 180,163
	0.3 - Increase in projected employer and enrollee HSA contributions
	(4.9) - Decrease in Insurance Premiums due to shifts in enrollment categories
	(1.6) - Decrease in Insurance Premiums due to lower fully-insured Medicare premium rates effective December 2016 for January 2017 coverage
	4.0 - Increase in Investment Earnings due to an increase in projected cash balance
	8.1 - Increase in PPO - PBM Rebates
	0.3 - Increase due to an increase in projected enrollment from 82,901 to 83,378
	7.8 - Increase due to higher projected rebates
	1.2 - Increase in HMO - Self-Insured Refunds due to higher projected activity
	(0.1) - Decrease due to a decrease in projected enrollment from 63,725 to 63,044
	1.3 - Increase due to higher projected activity
	19.8 - Increase in HMO - PBM Rebates
	(0.6) - Decrease due to a decrease in projected enrollment from 92,566 to 91,485
	20.4 - Increase due to higher projected rebates
(92.3)	Decrease in Expense Forecast
	(20.1) Decrease in State PPO Plan
	(9.6) - Decrease in Medical Claims
	4.4 - Increase due to an increase in projected enrollment from 82,901 to 83,378
	(1.4) - Decrease due to decreased growth factor from 7.0% to 6.8%
	(12.6) - Decrease due to lower projected claims experience
	0.1 - Increase in ASO Fee Expense due to an increase in projected enrollment
	(10.6) - Decrease in Prescription Drug Claims
	2.5 - Increase due to an increase in projected enrollment
	(13.1) - Decrease due to lower projected claims experience
(73.4)	Decrease in HMO Plan
	(18.5) - Decrease in Premium Payments
	(3.0) - Decrease due to a decrease in projected enrollment from 34,028 to 33,741
	(0.6) - Decrease due to shifts in enrollment categories and between HMOs
	0.5 - Increase due to increased growth factor from 6.5% to 6.8%
	(15.4) - Decrease due to new contract rates effective January 2016
	(36.1) - Decrease in Medical Claims
	(9.5) - Decrease due to a decrease in projected enrollment from 63,725 to 63,044
	(5.6) - Decrease due to decreased growth factor from 7.5% to 6.8%
	(21.0) - Decrease due to lower projected claims experience
	(0.3) - Decrease in ASO Fees due to a decrease in projected enrollment
	(18.5) - Decrease in Prescription Drug Claims
	(4.4) - Decrease due to a decrease in projected enrollment from 92,566 to 91,485
	(14.1) - Decrease due to lower projected claims experience
1.3	Increase in Other Expense Categories
	0.3 - Increase in projected employer and enrollee HSA Deposits
	0.9 - Increase in Premium Refunds due to higher projected activity
<b>124.3</b>	<b>Ending Cash Balance <sup>(1)</sup></b>

<sup>(i)</sup> Self Insurance Estimating Conference held in August 2016.

**Exhibit IX**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2019-20**  
(In Millions)

<b>\$ (758.2)</b>	<b>Previous Ending Cash Balance Forecast <sup>(i)</sup></b>
124.3	Increase in Beginning Cash Balance Forecast
25.6	Increase in Revenue Forecast
	(8.9) - Net Decrease in Insurance Premiums
	(1.6) - Decrease in employer and enrollee Insurance Premiums due to lower projected enrollment from 182,970 to 182,767
	0.4 - Increase in projected employer and enrollee HSA contributions
	(5.9) - Decrease in Insurance Premiums due to shifts in enrollment categories
	(1.8) - Decrease in Insurance Premiums due to lower fully-insured Medicare premium rates effective December 2016 for January 2017 coverage
	9.8 - Increase in PPO - PBM Rebates
	0.6 - Increase due to an increase in projected enrollment from 82,326 to 83,121
	9.2 - Increase due to higher projected rebates
	1.2 - Increase in HMO - Self-Insured Refunds
	(0.1) - Decrease due to a decrease in projected enrollment from 65,946 to 65,236
	1.3 - Increase due to higher projected activity
	23.5 - Increase in HMO - PBM Rebates
	(0.7) - Decrease due to a decrease in projected enrollment from 95,407 to 94,303
	24.2 - Increase due to higher projected rebates
(97.9)	Decrease in Expense Forecast
	(15.1) Decrease in State PPO Plan
	(5.0) - Decrease in Medical Claims
	7.8 - Increase due to an increase in projected enrollment from 82,326 to 83,121
	2.2 - Increase due to increased growth factor from 7.5% to 7.8%
	(15.0) - Decrease due to lower projected claims experience
	0.2 - Increase in ASO Fee Expense due to an increase in projected enrollment
	(10.3) - Decrease in Prescription Drug Claims
	4.9 - Increase due to an increase in projected enrollment
	(15.2) - Decrease due to lower projected claims experience
(84.2)	Decrease in HMO Plan
	(19.5) - Decrease in Premium Payments
	(3.2) - Decrease due to a decrease in projected enrollment from 34,696 to 34,410
	(0.3) - Decrease due to shifts in enrollment categories and between HMOs
	2.5 - Increase due to increased growth factor from 7.0% to 7.8%
	(18.5) - Decrease due to new contract rates effective January 2016
	(42.2) - Decrease in Medical Claims
	(10.8) - Decrease due to a decrease in projected enrollment from 65,946 to 65,236
	(1.8) - Decrease due to decreased growth factor from 8.0% to 7.8%
	(31.4) - Decrease due to lower projected claims experience
	(0.4) - Decrease in ASO Fees due to a decrease in projected enrollment
	(22.1) - Decrease in Prescription Drug Claims
	(5.3) - Decrease due to a decrease in projected enrollment from 95,407 to 94,303
	(16.8) - Decrease due to lower projected claims experience
1.4	Increase in Other Expense Categories
	0.4 - Increase in projected employer and enrollee HSA Deposits
	0.9 - Increase in Premium Refunds due to higher projected activity
<b>(510.3)</b>	<b>Ending Cash Balance<sup>(1)</sup></b>

<sup>(i)</sup> Self Insurance Estimating Conference held in August 2016.

**Exhibit IX**  
**Comparison of Financial Outlooks**  
**Fiscal Year 2020-21**  
(In Millions)

<b>\$ (1,114.0)</b>	<b>Previous Ending Cash Balance Forecast <sup>(i)</sup></b>
0.0	Increase in Beginning Cash Balance Forecast
34.7	Increase in Revenue Forecast
	(5.6) - Net Decrease in Insurance Premiums
	3.1 - Increase in employer and enrollee Insurance Premiums due to higher projected enrollment from 185,003 to 185,374
	0.4 - Increase in projected employer and enrollee HSA contributions
	(7.0) - Decrease in Insurance Premiums due to shifts in enrollment categories
	(2.1) - Decrease in Insurance Premiums due to lower fully-insured Medicare premium rates effective December 2016 for January 2017 coverage
	11.6 - Increase in PPO - PBM Rebates
	0.8 - Increase due to an increase in projected enrollment from 81,760 to 82,867
	10.8 - Increase due to higher projected rebates
	1.2 - Increase in HMO - Self-Insured Refunds due to higher projected activity
	(0.1) - Decrease due to a decrease in projected enrollment from 68,169 to 67,430
	1.3 - Increase due to higher projected activity
	27.5 - Increase in HMO - PBM Rebates
	(0.7) - Decrease due to a decrease in projected enrollment from 98,252 to 97,127
	28.2 - Increase due to higher projected rebates
(105.5)	Decrease in Expense Forecast
	(9.8) Decrease in State PPO Plan
	(0.4) - Decrease in Medical Claims
	11.8 - Increase due to an increase in projected enrollment from 81,760 to 82,867
	1.6 - Increase due to increased growth factor from 8.0% to 8.2%
	(13.8) - Decrease due to lower projected claims experience
	0.2 - Increase in ASO Fee Expense due to an increase in projected enrollment
	(9.6) - Decrease in Prescription Drug Claims
	7.9 - Increase due to an increase in projected enrollment
	(17.5) - Decrease due to lower projected claims experience
(97.0)	Decrease in HMO Plan
	(19.8) - Decrease in Premium Payments
	(3.4) - Decrease due to a decrease in projected enrollment from 35,359 to 35,077
	0.2 - Increase due to shifts in enrollment categories and between HMOs
	2.5 - Increase due to increased growth factor from 7.5% to 8.2%
	(19.1) - Decrease due to new contract rates effective January 2016
	(50.4) - Decrease in Medical Claims
	(12.2) - Decrease due to a decrease in projected enrollment from 68,169 to 67,430
	(3.0) - Decrease due to decreased growth factor from 8.2% to 8.2%
	(35.2) - Decrease due to lower projected claims experience
	(0.3) - Decrease in ASO Fees due to a decrease in projected enrollment
	(26.4) - Decrease in Prescription Drug Claims
	(6.2) - Decrease due to a decrease in projected enrollment from 98,252 to 97,127
	(20.2) - Decrease due to lower projected claims experience
	(0.1) - Decrease in PBM Claims Administration due to a decrease in projected enrollment
	1.4 Increase in Other Expense Categories
	0.4 - Increase in projected employer and enrollee HSA Deposits
	0.9 - Increase in Premium Refunds due to higher projected activity
<b>(973.9)</b>	<b>Ending Cash Balance<sup>(1)</sup></b>

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<sup>(i)</sup> Self Insurance Estimating Conference held in August 2016.

**STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND**

**Premium Rate Table**

**Effective December 2015 for January 2016 Coverage**

(Premium rate change for CHP and FHCP Medicare participants ONLY)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer <sup>(4)</sup>	Enrollee	Total
Career Service / OPS	Monthly Full -Time Employees <sup>(1)</sup>	Single	591.52	50.00	641.52	591.52	15.00	606.52
		Family	1,264.06	180.00	1,444.06	1,264.06	64.30	1,328.36
		Spouse	1,429.08	30.00	1,459.08	1,298.36	30.00	1,328.36
	Bi-Weekly Full -Time Employees <sup>(1)</sup>	Single	295.76	25.00	320.76	295.76	7.50	303.26
		Family	632.03	90.00	722.03	632.03	32.15	664.18
		Spouse	714.54	15.00	729.54	649.18	15.00	664.18
SES / SMS	Monthly Full -Time Employees <sup>(1,2)</sup>	Single	637.34	8.34	645.68	598.18	8.34	606.52
		Family	1,429.06	30.00	1,459.06	1,298.36	30.00	1,328.36
	Bi-Weekly Full -Time Employees <sup>(1,2)</sup>	Single	318.67	4.17	322.84	299.09	4.17	303.26
		Family	714.53	15.00	729.53	649.18	15.00	664.18
COBRA	Monthly <sup>(3)</sup>	Single	0.00	654.35	654.35	0.00	576.16	576.16
		Family	0.00	1,472.94	1,472.94	0.00	1,269.93	1,269.93
Early Retirees	Monthly	Single	0.00	641.52	641.52	0.00	564.86	564.86
		Family	0.00	1,444.06	1,444.06	0.00	1,245.03	1,245.03
Overage Dependents		Single	0.00	641.52	641.52	0.00	564.86	564.86

Medicare Monthly Premium Rates				
Plan Name	Plan Type	Medicare I One Eligible <sup>(5)</sup>	Medicare II One Under/Over <sup>(6)</sup>	Medicare III Both Eligible <sup>(7)</sup>
Self-Insured PPO / HMO	Standard	359.61	1,036.90	719.22
	HIHP	271.07	849.19	542.15
Capital Health Plan <sup>(8)</sup>	Standard	276.00	893.92	552.00
	HIHP	251.20	814.71	502.40
Florida Health Care Plan <sup>(8)</sup>	Standard	59.00	689.41	118.00
	HIHP	59.00	578.95	118.00

**Notes:**

- (1) Premium contribution for Part-Time Employees (FTE < 0.75) is to be calculated as follows:  
 Step 1. State Contribution x FTE% = Calculated State Contribution  
 Step 2. Total Contribution - Calculated State Contribution = Employee Contribution
- (2) SES/SMS - Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.
- (3) Includes an additional 2% for administrative costs as permitted by federal regulations.
- (4) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.
- (5) Single coverage for participant eligible for Medicare Parts A and B.
- (6) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B.
- (7) Family coverage for two participants and both are eligible for Medicare Parts A and B.
- (8) Medicare eligible members who enroll with either CHP or FHCP must also enroll in a Medicare Advantage Prescription Drug ("MAPD") plan with CHP or FHCP.



**STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND**

**Premium Rate Table**  
**Effective December 2016 for January 2017 Coverage**

(Premium rate change for all participants)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer <sup>(4)</sup>	Enrollee	Total
Career Service / OPS	Monthly Full -Time Employees <sup>(1)</sup>	Single	642.84	50.00	692.84	642.84	15.00	657.84
		Family	1,379.60	180.00	1,559.60	1,379.60	64.30	1,443.90
		Spouse	1,529.60	30.00	1,559.60	1,413.92	30.00	1,443.92
	Bi-Weekly Full -Time Employees <sup>(1)</sup>	Single	321.42	25.00	346.42	321.42	7.50	328.92
		Family	689.80	90.00	779.80	689.80	32.15	721.95
		Spouse	764.80	15.00	779.80	706.96	15.00	721.96
SES / SMS	Monthly Full -Time Employees <sup>(1,2)</sup>	Single	684.50	8.34	692.84	649.50	8.34	657.84
		Family	1,529.60	30.00	1,559.60	1,413.90	30.00	1,443.90
	Bi-Weekly Full -Time Employees <sup>(1,2)</sup>	Single	342.25	4.17	346.42	324.75	4.17	328.92
		Family	764.80	15.00	779.80	706.95	15.00	721.95
COBRA	Monthly <sup>(3)</sup>	Single	0.00	706.70	706.70	0.00	628.50	628.50
		Family	0.00	1,590.79	1,590.79	0.00	1,387.78	1,387.78
Early Retirees	Monthly	Single	0.00	692.84	692.84	0.00	616.18	616.18
		Family	0.00	1,559.60	1,559.60	0.00	1,360.57	1,360.57
Overage Dependents		Single	0.00	692.84	692.84	0.00	616.18	616.18

Medicare Monthly Premium Rates				
Plan Name	Plan Type	Medicare I One Eligible <sup>(5)</sup>	Medicare II One Under/Over <sup>(6)</sup>	Medicare III Both Eligible <sup>(7)</sup>
Self-Insured PPO / HMO	Standard	388.38	1,119.85	776.76
	HIHP	292.76	917.13	585.51
Capital Health Plan <sup>(8)</sup>	Standard	282.62	915.37	565.24
	HIHP	257.23	834.26	514.46
Florida Health Care Plan <sup>(8)</sup>	Standard	49.00	679.41	98.00
	HIHP	49.00	568.95	98.00

**Notes:**

- (1) Premium contribution for Part-Time Employees (FTE < 0.75) is to be calculated as follows:  
 Step 1. State Contribution x FTE% = Calculated State Contribution  
 Step 2. Total Contribution - Calculated State Contribution = Employee Contribution
- (2) SES/SMS - Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.
- (3) Includes an additional 2% for administrative costs as permitted by federal regulations.
- (4) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.
- (5) Single coverage for participant eligible for Medicare Parts A and B. Does not include monthly Medicare Part B premium.
- (6) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- (7) Family coverage for two participants and both are eligible for Medicare Parts A and B. Does not include Medicare Part B premium.
- (8) Medicare eligible retirees must complete the HMO's Medicare Advantage Plan application process to be eligible for this coverage.