



# State of New Jersey

## State Health Benefits Program

Plan Year 2016 Rate Renewal Recommendation Report

State Employee Group

July 2015

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## Executive Summary

The purpose of this report is to recommend premium levels for the State Employee Group of the State Health Benefits Program (SHBP) for January 1, 2016 through December 31, 2016.

### Benefits Maintained by the SHBP

The State of New Jersey operates the SHBP as a multiple-option program for State Employees and Retirees, with the following medical plan options for Plan Year 2016:

- Two self-insured Preferred Provider Organization (PPO) plans – NJ DIRECT, administered by Horizon, and the Freedom PPO, administered by Aetna. In Plan Year 2016, both Horizon and Aetna will offer five options under their respective PPO plans. The details of these options are summarized in Exhibit 6. The \$10 copay PPO option is only available to certain Retirees. All other options are offered to all Employees and Retirees (except for the 2035 option, which is only offered to Active Employees).
- HMO plans are administered by Aetna and Horizon. There are four HMO benefit options, summarized in Exhibit 6, which are available to all Employees and Retirees (except for the HMO2035 option, which is only offered to Active Employees).
- Two High Deductible plans are administered by Aetna and Horizon. The plans are summarized in Exhibit 6. Employees may select either high deductible option. Early Retirees are only offered the \$4,000 high deductible option and neither option is available to Medicare-eligible Retirees.
- Active Employees and Retirees are also enrolled in a Prescription Drug Plan available under the SHBP, which is administered by Express Scripts. The prescription drug card benefit options are linked to the medical plan selection and are summarized in Exhibit 6.

**Please note that the SHBP Plan Design Committee has approved a Tiered Network option for Plan Year 2016 for both Aetna and Horizon. Details and related pricing will follow shortly.**

## Recommended Renewal Increases

Aon Hewitt is recommending overall increases of 4.5% for Active Employees, 10.8% for Early Retirees, and 8.1% for Medicare Retirees. For all groups combined, the recommended increase is 5.9%. Note that the Active increase reflects the impact of a 2.1% increase in Single and Employee+Spouse rates, a 5.9% increase in the Family rates, and an 8.2% increase in Employee+Child(ren) rates. (See the next section for changes to the Child(ren) load.)

The recommended renewal increases for Plan Year 2016 by benefit plan are listed below. Renewal increases were calculated separately for the PPO (which includes the high deductible plans), HMO, and Prescription Drug Plans.

	Total	Single	Ee + Spouse	Family	Ee + Child(ren)
<b>Actives</b>					
PPO Medical	5.0%	2.7%	2.7%	6.5%	8.8%
HMO Medical	5.5%	2.7%	2.7%	6.5%	8.8%
PPO Rx	2.4%	0.1%	0.1%	3.8%	6.0%
HMO Rx	2.4%	0.1%	0.1%	3.8%	6.0%
<b>Total</b>	<b>4.5%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>5.9%</b>	<b>8.2%</b>
<b>Early Retirees</b>					
PPO Medical	8.6%	8.6%	8.6%	8.6%	8.6%
HMO Medical	8.6%	8.6%	8.6%	8.6%	8.6%
PPO Rx	18.6%	18.6%	18.6%	18.6%	18.6%
HMO Rx	18.6%	18.6%	18.6%	18.6%	18.6%
<b>Total</b>	<b>10.8%</b>	<b>10.8%</b>	<b>10.8%</b>	<b>10.8%</b>	<b>10.8%</b>
<b>Medicare Retirees</b>					
PPO Medical	2.1%	2.1%	2.1%	2.1%	2.1%
HMO Medical	2.1%	2.1%	2.1%	2.1%	2.1%
PPO Rx	13.1%	13.1%	13.1%	13.1%	13.1%
HMO Rx	13.1%	13.1%	13.1%	13.1%	13.1%
<b>Total</b>	<b>8.1%</b>	<b>8.1%</b>	<b>8.1%</b>	<b>8.1%</b>	<b>8.1%</b>
<b>Grand Total</b>	<b>5.9%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>6.9%</b>	<b>8.6%</b>

These premium increases for Plan Year 2016 are projected to produce no loss or gain for the State Group.

## Employee+Child(ren) Premium Increases

SHBP premiums are developed using fixed relative values for the difference in premiums among coverage tiers (Single, Employee+Child(ren), Employee+Spouse, and Employee+Family). The increase in the number of covered dependent children as a result of Federal Healthcare Reform resulted in a 22% increase in the relative cost of a Child(ren) coverage unit from 72% of employee cost in Plan Year 2010 to 88% of employee cost in Plan Year 2014.

The Plan Year 2015 premiums rated Child(ren) coverage at 69% of employee costs. The Plan Year 2016 premiums increase the cost of Child(ren) coverage to 79% of Single coverage. This is a continuation of the gradual increase in Child(ren) premiums to bring their premiums closer to their actual experience. There is no change in the Child(ren) load for Retirees. The table below compares the Active coverage tier factors for Plan Year 2016 with Plan Year 2015:

Coverage Tier	PY2015	PY2016	Increase
Single	1.000	1.000	0%
Ee+Child(ren)	1.690	1.790	6%
Ee+Spouse	2.000	2.000	0%
Ee+Family	2.690	2.790	4%

## Employee/Retiree Contribution Changes

Actives Plans: The first phase of Chapter 78 contributions was effective 7/1/2011. This mandate has increasing contributions over a four-year period, with contribution increases effective July 1 of each year for Actives. As of 7/1/2014, the contribution rates were fully phased-in for State Actives. It is anticipated that these contribution increases will motivate a small number of employees to migrate to the lower-cost benefit plans, and Plan Year 2016 enrollment projections assume that 0.5% of the enrollment in NJ DIRECT 15 will migrate to lower-cost plans from Plan Year 2015 to Plan Year 2016.

Retirees: Chapter 78 does not apply to current Retirees or to Employees who had 20 or more years of service on the effective date of the law. For this reason, we are assuming no changes to total Retiree contributions for Plan Year 2016, which means that the majority of Retirees will continue to have no contribution towards the cost of their retiree health benefits. We are projecting that 0.5% of Retiree enrollment in NJ DIRECT 15 will migrate to lower-cost plans from Plan Year 2015 to Plan Year 2016, mostly due to self-pay Retirees (self-pay Retirees represent about 10% of the Retiree population).

## Benefit Design Changes

**NJWELL:** Since 2014, Active Employees and spouses are covered by NJWELL, a Wellness program that provides incentives for “knowing your numbers” in Plan Years 2014 and 2015 and then taking steps to lead healthier lifestyles in Plan Year 2016 and beyond. Since the program is still emerging, the original projections have been updated for participation but use original assumptions regarding health improvements. The Plan Year 2016 renewal will use the projections presented to the Plan Design Committees in 2013 when they approved NJWELL, which reflect the following expected net cost per employee (NJWELL program costs and incentives reduced for projected savings):

Net Cost Per Employee	
PY2015	PY2016
\$8	(\$1)

**Retiree Prescription Drugs:** The renewal projections will assume that Retiree prescription drug copays and out-of-pocket maximums will revert to Plan Year 2012 levels for the SHBP. It is assumed that the SHBP Retiree 1525 and 2030 plans will have prescription drug out-of-pocket maximums consistent with the SHBP Retiree Rx \$10 and \$15 copay plan out-of-pocket maximums:

### SHBP Retirees

	PPO 10+15		HMO 10		1525		2030	
	2015	2016	2015	2016	2015	2016	2015	2016
Retail Generic Copay	\$14	\$10	\$7	\$6	\$8	\$7	\$3	\$3
Retail Preferred Brand Copay	\$27	\$22	\$15	\$12	\$19	\$16	\$21	\$18
Retail Non-Preferred Brand Copay	\$54	\$44	\$30	\$24	\$41	\$35	\$53	\$46
Mail Generic Copay	\$14	\$5	\$7	\$5	\$6	\$5	\$6	\$5
Mail Preferred Brand Copay	\$41	\$33	\$22	\$18	\$46	\$40	\$42	\$36
Mail Non-Preferred Brand Copay	\$68	\$55	\$37	\$30	\$102	\$88	\$107	\$92
Out-of-Pocket Maximum	\$1,572	\$1,351	\$1,572	\$1,351	\$1,572	\$1,351	\$1,572	\$1,351

**Other Benefit Changes:** On July 6, 2015, the SHBP Plan Design Committee approved the following changes:

1. **Compound Drugs:** The SHBP will no longer provide coverage for the non-medically necessary Top 25 to 30 Compound Drugs from ESI's Exclusion List. Previously, the SHBP covered all compounds with only minor participant cost-sharing. Going forward, when a member fills a prescription for a compound drug prescription from this Exclusion List, the plan will deny the claim and the member will pay for the drug out-of-pocket. There will be an appeals process available through the SHBP and ESI for medically necessary compound medications. This change applies to all SHBP plans. Based on guidance from ESI, Plan Year 2016 prescription drug claims are projected to decrease approximately \$95 million due to this change. This change applies to both Active and Retiree populations.
2. **Hepatitis C:** The SHBP will now cover only Viekira Pak as the first line of treatment for members prescribed a Hepatitis C medication. Other Hepatitis C medications available (Sovaldi, Harvoni, and Olysio) will only be covered by the SHBP if the Viekira Pak treatment proves to be unsuccessful for the patient. This change applies only to prescriptions filed for Hepatitis C medications going forward and does not apply to any members currently undergoing treatment with a Hepatitis C medication other than Viekira Pak. There will be an appeals process available through the SHBP

and ESI for situations where medications other than Viekira Pak may be medically necessary as a first line of treatment. This change applies to all SHBP plans. A 1.2% reduction (\$7 million) in projected Plan Year 2016 Commercial group prescription drug claims is estimated as a result of this change. This change applies only to the non-Medicare population.

3. Restrict Certain Therapies from Out-of-Network Coverage: The SHBP will reduce plan payments for out-of-network chiropractic and acupuncture services for Plan Year 2016. For these out-of-network services, the SHBP will pay no more than \$35 a visit for chiropractic and \$60 a visit for acupuncture or 75% of the in-network cost per visit, whichever is less. Horizon and Aetna will implement changes to the in-network rates to increase the network of chiropractic and acupuncture providers for members. This change applies to all SHBP PPO plans. A 0.2% reduction (\$3 million) in projected Plan Year 2016 medical claims is estimated as a result of this change.
4. PCMH Pilot: The SHBP is sponsoring a Direct Primary Care Medical Home (DPCMH) Pilot Program for participating non-Medicare members and their dependents who are enrolled in a non-HMO SHBP plan. This voluntary pilot program will be established in multiple regions across the State and has an initial participation rate goal of 10,000 members within the first 12 months. Members who choose to go to a DPCMH provider will have no out-of-pocket cost-sharing when receiving care from that provider. DPCMH providers will provide comprehensive primary care services, will limit the number of patients for participating providers, and will be reimbursed on a per-member-per-month basis. Horizon and Aetna will contract with DPCMH providers to implement this pilot program. As this program is voluntary and will be offered in only pilot form during Plan Year 2016, no cost impact has been included in the renewal.
5. Rutgers-Robert Wood Johnson Partners Pilot Program: The SHBP PDC is establishing a three-year pilot program for the development of an incentive-based Patient Centered Medical Home (PCMH) Wellness Program for Rutgers University employees. As this program is voluntary and will be offered in only pilot form during Plan Year 2016, no cost impact has been included in the renewal.
6. Increase Emergency Room Copays: For all current SHBP plans with emergency room copays currently less than \$100, the emergency room copay will increase by \$25 per visit. This change does not apply to physician referrals to the emergency room or to pediatric (under age 19) visits to the emergency room. The copays will be waived if the member is admitted to the emergency room. The PPO2030, HMO2030, PPO2035, and HMO2035 plans are not affected by this change, as these plans have emergency room copays currently in excess of \$100. This change also does not apply to the HD1500 or HD4000 plans, where emergency room coverage is paid by member coinsurance. A 0.2% reduction (\$3 million) in projected Plan Year 2016 medical claims is estimated as a result of this change. This change applies to both Active and Retiree populations.
7. Tiered Network Plan: Please note that the SHBP Plan Design Committee has approved a Tiered Network option for Plan Year 2016 for both Aetna and Horizon. Details and related pricing will follow shortly.

## Federal Healthcare Reform

In-Network Out-of-Pocket Maximum: Effective 1/1/2016, Federal Healthcare Reform requires that in-network medical and prescription drugs benefits have a combined out-of-pocket maximum no greater than \$6,850 single / \$13,700 family. This renewal assumes that the \$6,850 single / \$13,700 family in-network out-of-pocket maximum will apply to all plans, except the High Deductible plans which already have out-of-pocket maximums which comply with this regulation. This benefit change will not have a significant impact on projected costs.

Transitional Reinsurance Fee: Federal Healthcare Reform instituted a three-year fee program, started in 2014, to stabilize the cost of individual and small group insurance offered through public health insurance exchanges. Employer group health plans are assessed these fees to help mitigate large losses due to adverse selection in the exchanges. The annual fees for Plan Years 2015 and 2016 are \$44 and \$27 per non-Medicare member (i.e., employees/retirees/dependents), respectively.

Patient-Centered Outcomes Research Institute Fee: The Patient-Centered Outcomes Research Institute (PCORI) Fee will increase with inflation in 2016. The Plan Year 2015 cost of \$2.20 per member per year is assumed to increase at a 6% medical inflation rate (per capita increases in National Health Expenditures) for Plan Year 2016.

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

Full-Time Employee Definition: The Patient Protection and Affordable Care Act (Affordable Care Act) defines full-time employees as employees who work 30 or more hours per week. The employer mandate, which is applicable to full-time employees, is essentially first effective 1/1/2015.

Minimum Value: Effective 1/1/2015, the Affordable Care Act requires employers to offer plans that have a minimum value of at least 60% (i.e., the plan's share of total allowed costs of benefits provided under the plan is at least 60% of such costs). All of the SHBP plan options were tested and have a minimum value in excess of 60%. More details are included in the Minimum Value section of this report.

## New Jersey State Mandates

Breast Evaluation and Other Medically-Necessary Testing: Effective January 2015, this mandate requires insurers to cover breast evaluations, other additional medically-necessary testing under certain circumstances, and mammogram reports. Projected Plan Year 2016 medical costs will be increased 0.5% to reflect the increase in cost due to this mandate.

Infertility Mandate: In reference to the Infertility Mandate effective 11/29/2001, on 8/14/2014 DOBI clarified that a carrier may not count a prior carriers' claim history to determine whether a member has met the four egg retrieval limit. It is assumed that this clarification will have no impact on projected Plan Year 2016 medical costs.

Autism and Other Developmental Disabilities Mandate: Two recent amendments to the 2009 Autism and Other Developmental Disabilities mandate were adopted that expand the benefits available to people with autism. Both amendments are effective 1/1/2015; one amendment removes the age limit of 21 for ABA, and another removes the 30-visit limit for speech, occupational, and physical therapy for autism. Projected Plan Year 2016 medical costs will be increased 0.1% to reflect the increase in cost due to this mandate.



## Vendor Changes

Medical Vendors: Aon Hewitt assumes that Horizon and Aetna will be the only medical vendors in Plan Year 2016 and that both vendors will offer all benefit options. Note that the Horizon HMO options will only offer a New Jersey provider platform.

Prescription Drug Vendor: Aon Hewitt assumes Express Scripts will administer all of the prescription drug plans in Plan Year 2016. It is assumed that the prescription drug discounts for Plan Year 2016 will be based on Prescription Brand Rebates as outlined in Express Scripts' May 2015 proposal for the one-year contract extension for Plan Year 2016, adjusted for the expected shift in generic drugs due to a large number of brand prescription drugs going off patent by Plan Year 2016. This contract extension proposal from Express Scripts is projected to reduce overall Plan Year 2016 prescription drug costs by approximately 3%, with 2.5% savings for the Commercial group and 4.7% savings for the EGWP group.

## Financial Results

The Plan Year 2014 projected financial results have improved \$48 million since the Plan Year 2015 Renewal analysis, largely due to favorable claim experience. The current projection for Plan Year 2014 shows a projected gain of \$43 million, compared to a \$6 million loss in the Plan Year 2015 Renewal Report.

Plan Year 2015 cost projections have decreased 2.2% (or \$54 million) since the Plan Year 2015 renewal analysis due to reduced projected enrollment and lower medical costs per member than previously projected. Due to the reduction in projected Plan Year 2015 enrollment, premium projections have decreased 3.3% (or \$81 million) since the Plan Year 2015 renewal analysis. Due to adverse prescription drug experience, the current projection is a \$27 million loss as compared to no loss or gain in the Plan Year 2015 Renewal Report.

The Plan Year 2016 average renewal increase is 5.9%, which is projected to produce no loss or gain for Plan Year 2016. Plan Year 2016 projected cost for the State Group is equal to \$2.4 billion, broken down as \$1.7 billion for Actives and \$0.7 billion for Retirees.

# Historical Overview

## Vendor Changes

Effective 1/1/2013, Cigna HMO was replaced by Horizon HMO. Aetna expanded its benefit options to include PPO as well as HMO plans, and Horizon expanded its benefit options to include HMO as well as PPO plans.

## Benefit Changes

Exhibit 6A provides a summary of the current benefit options for Actives and Exhibit 6B provides a summary for Retirees.

### Medical Plans

The following plan option was added 1/1/2014:

- 2035 HMO and PPO benefit options, which include a \$20 copay for general practitioners, a \$35 copay for specialists, and 20% coinsurance after a \$200 deductible for all other in-network services. Out-of-network benefits generally consist of 40% coinsurance with an out-of-pocket maximum of \$6,500 and \$13,000 for single and family coverage, respectively. These options are not available to Retirees.

### Prescription Drug Plans

The benefit plans which were in effect prior to 1/1/2012 (the Legacy Plans) have different prescription drug card plans for Actives and Retirees:

- All Active Employees in Legacy Plans are enrolled in the State prescription drug card plan.
- All Retirees have prescription drug card plans which have copays and out-of-pocket maximum limits that are determined by the SHBP Plan Design Committee. Due to the decision in the *Rosenstein vs. State of New Jersey Department of Treasury* case, the Plan Year 2016 prescription drug card copays and out-of-pocket maximum limits are to revert to the Plan Year 2012 levels, unless the SHBP Plan Design Committee decides to change them.

The new benefit plans which were added 1/1/2012 and 1/1/2014 (the New Plans) also have prescription drug plans which are linked to the medical plan selection and are detailed in Exhibit 6.

### Aetna Medicare Advantage

Aetna PPO and HMO plans cover Aetna Medicare-eligible members under a Medicare Advantage Plan. Horizon NJ DIRECT and HMO plans cover Horizon Medicare-eligible members with self-insured plans that supplements Medicare.

## Federal Healthcare Reform

Federal Healthcare Reform (the Affordable Care Act and the Health Care and Education Reconciliation Act) includes an array of changes that phase in over a number of years. Listed below are the changes that were effective starting in 2011 and after:

- Coverage of Dependent Children to Age 26: Prior to 1/1/2011, the SHBP covered dependent children until the end of the calendar year in which they turned 23. This Affordable Care Act provision extends coverage through the end of the calendar year in which they turn 26, without regard to financial dependency, residency, student status, marital status, or employment status. Under Federal Healthcare Reform, these children can be covered under a parent's plan without a separate additional premium (although the employee may have to change to Family or Employee+Child(ren) coverage). In Plan Year 2011, members per employee increased 4%. The impact of this change is reflected in the relative cost of Child(ren) coverage which increased from 72% of the average employee claim cost in Plan Year 2010 to 88% in Plan Year 2014. Many of these adult children were previously covered under Chapter 375 (which offers coverage to adult children to age 31), where they paid a separate "Adult Child" premium for their coverage.
- Patient-Centered Outcomes Research Institute Fee: Beginning in 2012, the Affordable Care Act imposed a fee to fund medical outcomes research. The fee was \$1 per member per year in 2012, increased to \$2.00 per member per year in 2013, \$2.08 per member per year in 2014 and \$2.20 per year in 2015. The estimated Plan Year 2015 cost is assumed to increase at a 6% medical inflation rate, which is projected to increase Plan Year 2016 costs by \$0.7 million.
- Transitional Reinsurance Fee: This is a temporary (three-year) fee starting in 2014 to stabilize the cost of individual and small group insurance offered through State and Federal health insurance exchanges. The fee for Plan Year 2016 is \$27 per member (i.e., employees/retirees/dependents) per year for Actives and Early Retirees, which increases projected Plan Year 2016 costs by \$6.9 million.
- Out-of-Pocket Maximum: Effective 1/1/2014, in-network medical coverage was required to include an overall out-of-pocket maximum limits of \$6,350 Single / \$12,700 Family. This change was implemented for all the SHBP plans with the exception of NJ DIRECT10 and the High Deductible plans which already had in-network out-of-pocket maximum limits less than the ACA maximum. Effective 1/1/2015, the mandated out-of-pocket maximum limits must cover both medical and prescription drug cost sharing and was increased to \$6,600 Single / \$13,200 Family. Effective 1/1/2016, the in-network medical and prescription drugs benefits must have a combined out-of-pocket maximum no greater than \$6,850 Single / \$13,700 Family.

## New Jersey State Mandates

Effective January 2015, a mandate requires insurers to cover breast evaluations, other additional medically-necessary testing under certain circumstances, and mammogram reports. In addition, two recent amendments to the 2009 Autism and Other Developmental Disabilities mandate were adopted that expand the benefits available to people with autism. Both amendments were effective 1/1/2015. Projected Plan Year 2016 medical costs will be increased approximately 0.6% (or \$10 million) to reflect the increase in cost due to these mandates.

## Employee Contribution Changes

Effective 7/1/2012, most Active Employees were impacted by the new Chapter 78, PL 2011 premium contribution formula. Contributions are percentages of premium rates which vary by salary tier and by coverage tier (Single, Employee+Child(ren), Employee+Spouse/Partner, or Family).

## Retiree Contribution Changes

Chapter 78, PL 2011 requires certain Retirees to pay a portion of their healthcare premium when they retire. Active Employees who had 20 or more years of service credit as of the effective date of Chapter 78 are grandfathered and are governed by the terms applicable prior to the effective date of Chapter 78.

## Eligibility Changes

### Coverage of Adult Children to Age 31

New Jersey currently mandates the coverage of adult children under age 31 at a premium level that is equivalent to the child rate included in the standard premium tables, loaded 2% for additional expenses. Under the recommended revision to premium relativities for Plan Year 2016, the adult child rate will be equivalent to 81% of the Single employee rate. Federal Healthcare Reform increased the SHBP maximum age for dependent children from 23 to 26 and as a result State enrollment for this coverage dropped from 1,450 in December 2010 to 455 in December 2011, and has since dropped to 328 as of April 2015.

### Part-Time Coverage

Part-time Employees may enroll in any of the SHBP plans. As of April 2015, 286 State part-time Employees participate, so the experience is only partially credible. For Plan Year 2013, the costs for part-time Employees were approximately 2% less than the premium collected. For Plan Year 2014, the costs for part-time Employees were approximately 6% less than the premium collected. Aon Hewitt recommends that the rate load of 10% used for the Plan Year 2015 be reduced to 6% for the Plan Year 2016.

## Enrollment Changes

Exhibit 1A shows historical enrollment patterns from January 2013 through May 2015 and Aon Hewitt's projection of enrollment from June 2015 through December 2016. This projection assumes that State Active enrollment will decrease 4.0% per year in Plan Years 2015 and 2016, Early Retiree enrollment will decrease 2.0% per year in Plan Years 2015 and 2016, and Medicare Retiree enrollment will increase 6.0% per year in Plan Years 2015 and 2016.

Exhibit 1B shows the projected distribution of enrollment among benefit options and assumes that 0.5% of the enrollment in NJ DIRECT 15 will migrate to lower-cost benefit options in Plan Years 2015 and 2016.

Exhibit 1C shows enrollment by benefit option and coverage tier as of May 2015.

## Demographic Changes

The Active Employee average age remained stable in Plan Years 2014 and 2015. The average HMO employee age is approximately one year older than the average PPO employee age. The average age of Employees enrolling in the new benefit options remained stable in Plan Years 2014 and 2015, and is approximately 9 years younger than Employees in the Legacy Plans.

### Average Employee Age

	2014	2015	Change
Legacy PPO Plans	46.9	47.4	0.5
Legacy HMO Plans	48.2	48.8	0.6
Legacy Total	47.1	47.6	0.5
New Plans	38.8	38.4	(0.4)
Total	46.7	46.9	0.2

# Trend Analysis

The recommended claim trend assumptions for Plan Years 2015 and 2016 are:

	Medical	Prescription Drugs	
		PY2015	PY2016
PPO Active	7.50%	18.00%	12.00%
PPO Early Retiree	7.00%	18.00%	12.00%
PPO Medicare Retiree	3.50%	18.00%	12.00%
HMO Active	7.00%	18.00%	12.00%
HMO Early Retiree	7.00%	18.00%	12.00%

The Medicare Retiree trend assumptions do not reflect the Aetna Medicare Advantage premium changes, which are a 2.5% increase for PPO and a 5.6% decrease for HMO plans.

Exhibit 2A presents historical SHBP medical trend experience and Aon Hewitt’s trend assumptions for Plan Year 2016. Exhibit 2B presents similar prescription drug trend experience and assumptions. These experience trends are based on estimated incurred claim trends from 1/1/2013-12/31/2014. The claim costs in these exhibits have been normalized for estimated benefit and vendor changes.

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

- Since the two-year average experience trend for Horizon Actives is 5.9%, the PPO medical trend has been reduced to 7.5% from the PPO medical trend of 8.3% in the Plan Year 2015 renewals.
- Trends for Horizon Early Retirees have been lower than those for Actives in recent years so the PPO medical trend for Early Retirees are equal to 7.0%, which is 50 basis points less than the PPO active medical trend of 7.5%.
- Due to the continued favorable experience for the Horizon Medicare Retiree group, the Aon Hewitt recommended PPO medical trends have been reduced from 4.5% (in the Plan Year 2015 Renewal Report) to 3.5%.
- The medical trends for HMO remain at 7.0%, consistent with the Plan Year 2015 Renewal Report.

Prescription Drug Trends: The recommended trends for both Actives and Retirees reflect the significant impact of new specialty drugs (e.g., Hepatitis C medications) and the dramatic increase in utilization of high-cost compound drugs.

Aon Hewitt recommended trends are based on experience trends, input from Express Scripts, and the Aon Hewitt trend survey. Active claim experience in 2014 increased significantly. The Aon Hewitt prescription drug trend recommendation for Actives has been updated from 9.0% from the Plan Year 2015 Renewal Report to 18.0% for Plan Year 2015. The prescription drug trend recommendation for Retirees has been updated from 11.5% in the Plan Year 2015 Renewal Report to 18.0% for Plan Year 2015.

As a result of the plan design changes approved on July 6, 2015, the prescription drug trend for Plan Year 2016 is projected to be 12.0% for Actives and Retirees.

# Financial Projections

## Aggregate Financial Projections

Using the assumptions detailed in Exhibit 5 and the methodology described in this report's Renewal Rate Development section, Aon Hewitt updated estimated costs for Plan Years 2014, 2015 and 2016. Plan Year 2016 renewal premiums were developed to match projected costs in aggregate, so there is no projected gain or loss for Plan Year 2016.

Projected Financial Results  
(in \$ millions)

	PPO10	PPO15	Legacy HMOs	New Plans	Total
<b>Plan Year 2014</b>					
Premium Rates x Enrollment	\$138.7	\$1,672.6	\$392.3	\$38.5	\$2,242.1
Incurred Claims	\$117.5	\$1,598.1	\$385.3	\$22.0	\$2,122.9
Administrative Charges	\$6.9	\$52.9	\$15.0	\$1.7	\$76.5
Net Gain (Loss)	\$14.3	\$21.6	(\$8.0)	\$14.8	\$42.7
<b>Plan Year 2015</b>					
Premium Rates x Enrollment	\$163.7	\$1,740.4	\$403.3	\$59.3	\$2,366.7
Incurred Claims	\$157.4	\$1,706.1	\$403.3	\$58.1	\$2,324.9
Administrative Charges	\$7.3	\$45.9	\$13.3	\$1.9	\$68.4
Net Gain (Loss)	(\$1.0)	(\$11.6)	(\$13.3)	(\$0.7)	(\$26.6)
<b>Plan Year 2016</b>					
Premium Rates x Enrollment	\$185.9	\$1,773.7	\$420.5	\$71.3	\$2,451.4
Incurred Claims	\$168.9	\$1,735.6	\$412.0	\$70.5	\$2,387.0
Administrative Charges	\$7.8	\$42.2	\$12.3	\$2.0	\$64.3
Net Gain (Loss)	\$9.2	(\$4.1)	(\$3.8)	(\$1.2)	\$0.1

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



## Administrative Fees

The table below compares Plan Year 2016 administrative fees per subscriber per month with Plan Year 2015 fees. The fees below do not include fees associated with NJWELL:

	<b>PY2015</b>	<b>PY2016</b>	<b>Change</b>
Aetna PPO	\$31.76	\$32.23	1.5%
Horizon NJ DIRECT	\$22.75	\$23.55	3.5%
Aetna HMO	\$43.43	\$44.08	1.5%
Horizon HMO	\$35.69	\$36.94	3.5%
Aetna HDHP	\$33.15	\$33.64	1.5%
Horizon HDHP	\$27.41	\$28.37	3.5%
Express Scripts Rx Card	\$3.67	\$3.67	0.0%
Express Scripts HDHP	\$4.62	\$4.62	0.0%
EGWP	\$13.19	\$13.19	0.0%

## Minimum Value

Under the Affordable Care Act, beginning in 2014, eligible individuals who purchase coverage under a qualified health plan through a state health insurance exchange may receive a premium tax credit or cost-sharing subsidy unless they are eligible for other healthcare coverage, including coverage under an employer-sponsored health plan that is affordable to the employee and provides minimum value. A plan fails to provide minimum value if “the plan’s share of the total allowed costs of benefits provided under the plan is less than 60% of such costs.” The 2016 SHBP plans were tested using the Minimum Value calculator provided by Health and Human Services (HHS) and the Internal Revenue Service (IRS). All the SHBP plans have a minimum value greater than the 60% minimum requirement with values ranging from 66% for the \$4,000 High Deductible plan up to 95% for the Active NJ DIRECT15 plan.

# Renewal Rate Development

## Rating Methodology

Exhibit 3 shows the aggregate projected costs for Plan Years 2014, 2015, and 2016, separately for each PPO, HMO, and HDHP plan. Costs were projected separately for each benefit plan for Actives, Early Retirees, and Medicare Retirees; and for medical claims, prescription drug claims, administrative costs, and aggregate premiums.

Plan Year 2016 premium increases were calculated separately for Actives, Early Retirees, and Medicare Retirees, and by coverage type: PPO, HMO, and prescription drugs. Aetna experience was used to develop the HMO premium increases; Horizon experience for the PPO premium increases; and Express Scripts experience for the prescription drug premium increases. Active and Retiree premium increases were set to achieve no loss or gain for each group.

## Medical and Prescription Drug Claim Projections

1. Using claim data and the triangles supplied by Horizon, Aetna, and Express Scripts, Aon Hewitt estimated completed incurred claims for Plan Year 2014 and the first quarter of Plan Year 2015, separately for each benefit plan, for medical versus prescription drugs, and for Actives, Early Retirees, and Medicare Retirees.
2. Capitation and other similar fixed claim charges were added to the incurred claims to arrive at projected incurred claims.
3. Estimated incurred claims from 1/1/2014 – 12/31/2014 were divided by average covered members to get average claims per member per year. Covered members were based on historical billing enrollment data by coverage tier and adjusted with assumptions for the number of members per coverage tier.
4. Claims per member were projected from the mid-point of the experience period to the mid-point of Plan Year 2016 using the annual trend rates listed in the Trend Analysis section of this document.
5. Projected medical claim costs were increased 0.6% to reflect the cost impact of the New Jersey State mandate requiring coverage of breast evaluation and other medically-necessary testing and additional autism benefit coverage for Plan Year 2016.
6. Retiree prescription drug costs were decreased 2.0% in Plan Year 2015 to reflect the impact of the prescription drug copay and out-of-pocket limit increases. Retiree prescription drug costs were increased 2.0% in Plan Year 2016 to reflect the impact of reverting copays and out-of-pocket maximum amounts to Plan Year 2012 levels.
7. Total prescription drug costs have been reduced by approximately 3.0% (2.5% for Actives and Early Retirees and 4.7% for Medicare Retirees) in Plan Year 2016 due to the ESI contract extension.
8. Aggregate claims for Plan Year 2016 are the product of projected enrollment and the projected claims per member.

9. Plan Year 2016 projected Aetna Medicare Advantage PPO fully insured premiums were increased 2.5% and HMO fully insured premiums were decreased 5.6% over Plan Year 2015, based on Aetna's renewal.
10. Aon Hewitt assumes that rebates for Plan Years 2014 and 2015 are 100% of ESI projected amounts for Plan Years 2014 and 2015. It is assumed that Plan Year 2016 rebates will be 100% of the projected guaranteed rebate amount. The projected number of brand Rx scripts has been reduced to reflect the migration from brand to generic drugs due to a greater number of brand drugs coming off patent in Plan Year 2016. Aon Hewitt has assumed a 10% shift from brand drugs to generic drugs which is consistent with estimates from ESI.
11. EGWP projections include monthly CMS payments per Medicare-eligible Retiree for prescription drug coverage, an annual CMS payment for reinsurance on catastrophic claims, and prescription drug manufacturers' coverage gap reimbursement payments. These amounts were projected based on payments received through April 2015 combined with projections from Express Scripts. The credits are projected at \$66 million for Plan Year 2014, \$70 million for Plan Year 2015 and \$77 million for Plan Year 2016.
12. Projected Plan Year 2016 claims costs were reduced as follows due to the plan design changes approved on July 6, 2015:
  - a. Compound Drugs: Based on guidance from ESI, Plan Year 2016 prescription drug claims are projected to decrease approximately \$95 million due to the change in compound drugs.
  - b. Hepatitis C: A 1.2% reduction (\$7 million) in projected Plan Year 2016 Commercial group prescription drug claims is estimated as a result of the change in Hepatitis C medication prescriptions.
  - c. Restrict Certain Therapies from OON Coverage: A 0.2% reduction (\$3 million) in projected Plan Year 2016 medical claims is estimated as a result of the change in out-of-network chiropractic and acupuncture services.
  - d. PCMH Pilot: As this program is voluntary and will be offered in only pilot form during Plan Year 2016, no cost impact has been included in this renewal.
  - e. Rutgers-Robert Wood Johnson Partners Pilot Program: As this program is voluntary and will be offered in only pilot form during Plan Year 2016, no cost impact has been included in this renewal.
  - f. Increase Emergency Room Copays: A 0.2% reduction (\$3 million) in projected Plan Year 2016 medical claims is estimated as a result of the increase in Emergency Room copays.

13. Total SHBP projected Plan Year 2016 claim costs are the sum of projected medical and prescription drug claims, payments from CMS related to EGWP Plus Wrap, and prescription drug rebates.

## Administrative Cost Projection

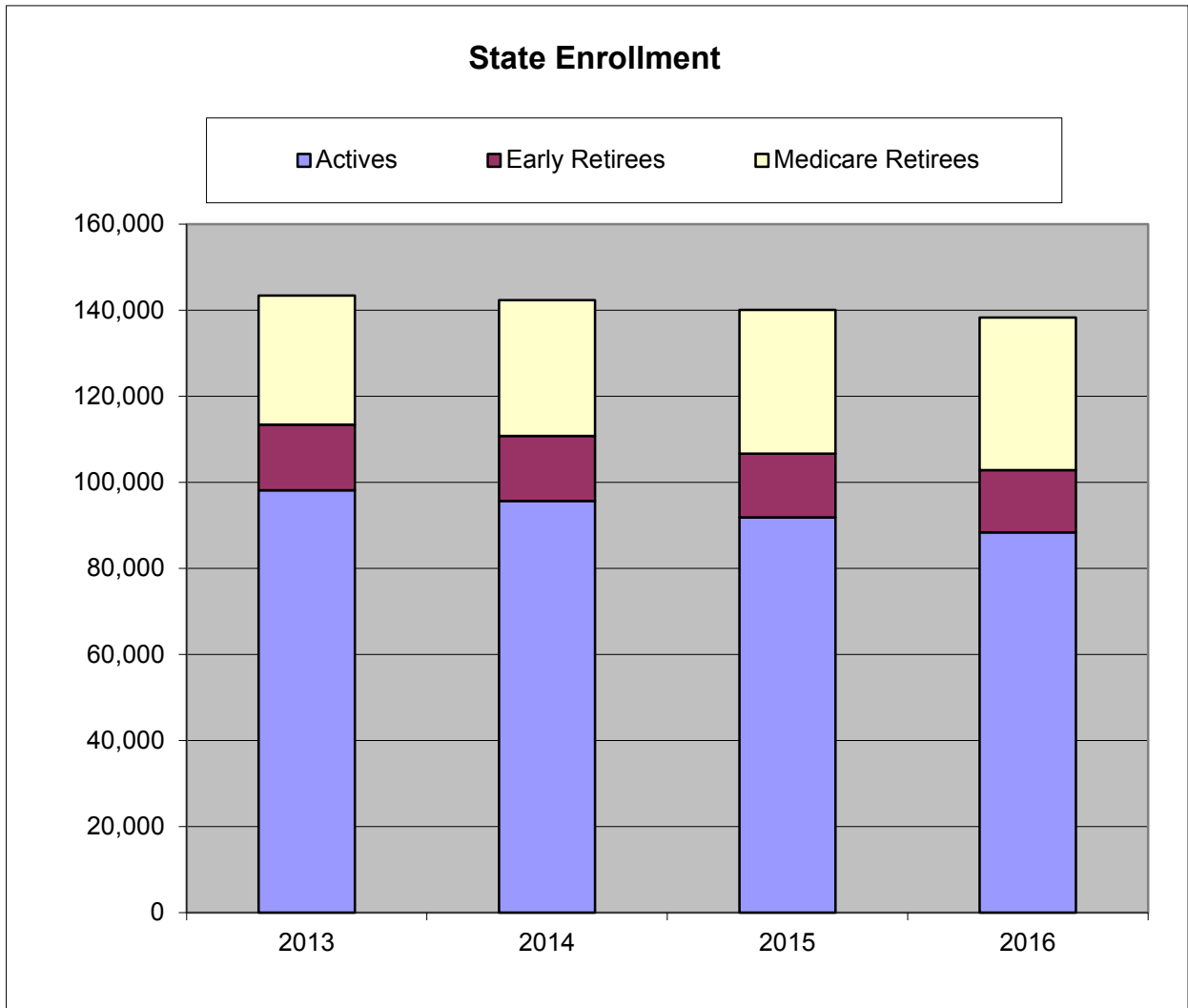
The administrative cost projection includes administrative charges, as well as some miscellaneous cost items:

1. Administrative fees are contractual ASO fees per subscriber per year multiplied by the projected average enrollment for that year.
2. Overhead charges, which are internal State of New Jersey administrative costs charged against the plans, projected at \$3.5 million for Plan Year 2016, which is \$0.4 million less than the Plan Year 2015 projection of \$3.9 million in overhead charges.
3. \$2.08 per member per year for the Patient-Centered Outcomes Research Institute Fee for Plan Year 2014. The Plan Year 2015 cost of \$2.20 per member per year is assumed to increase at a 6% medical inflation rate for Plan Year 2016.
4. \$44 per non-Medicare member per year for the Transitional Reinsurance Fee for Plan Year 2015 and \$27 per non-Medicare member per year for Plan Year 2016, as required by Federal Healthcare Reform.
5. NJWELL annual expenses (net of projected savings) for State Actives, projected to be \$8 per employee for Plan Year 2015 and a savings of \$1 per employee for Plan Year 2016.

## Projected Premiums

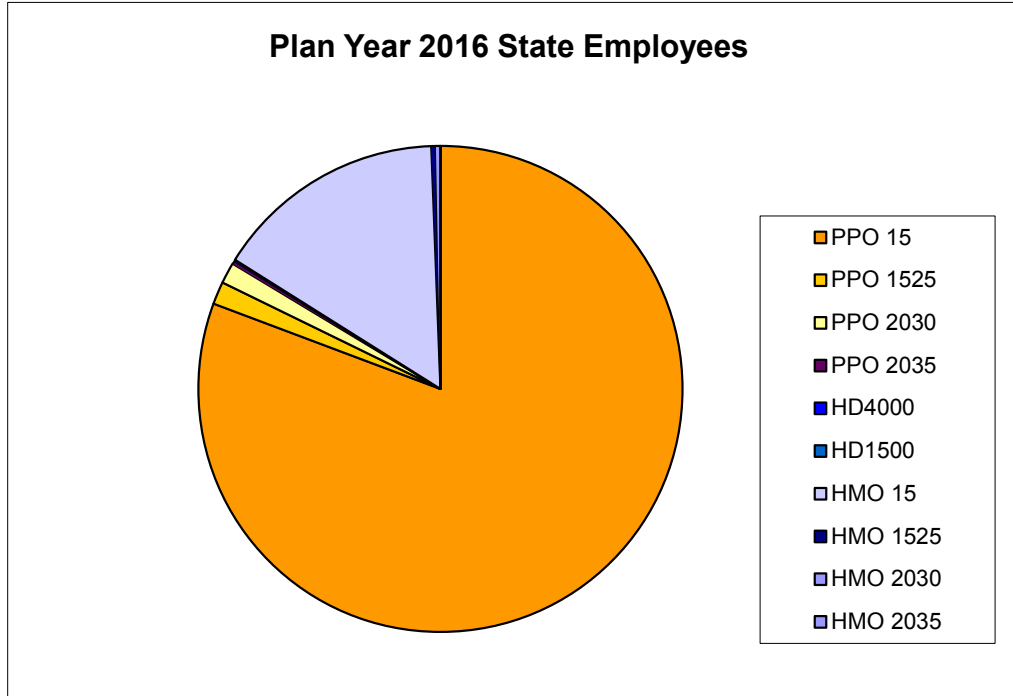
1. Plan Year 2016 premiums were developed by applying the projected premium increase percentages listed in the Executive Summary section of this document to Plan Year 2015 premium rates.
2. Aggregate Plan Year 2016 premiums are calculated by multiplying projected Plan Year 2016 enrollment and projected Plan Year 2016 premium rates.

Exhibit 1A – Enrollment Projections



	Annual Change in State Enrollment		
	Actual 2013 to 2014	Projected 2014 to 2015	Projected 2015 to 2016
Actives	-2.6%	-4.0%	-4.0%
Early Retirees	-0.8%	-2.0%	-2.0%
Medicare Retirees	5.1%	6.0%	6.0%

Exhibit 1B Actives – Projected Plan Year 2016 Plan Distribution



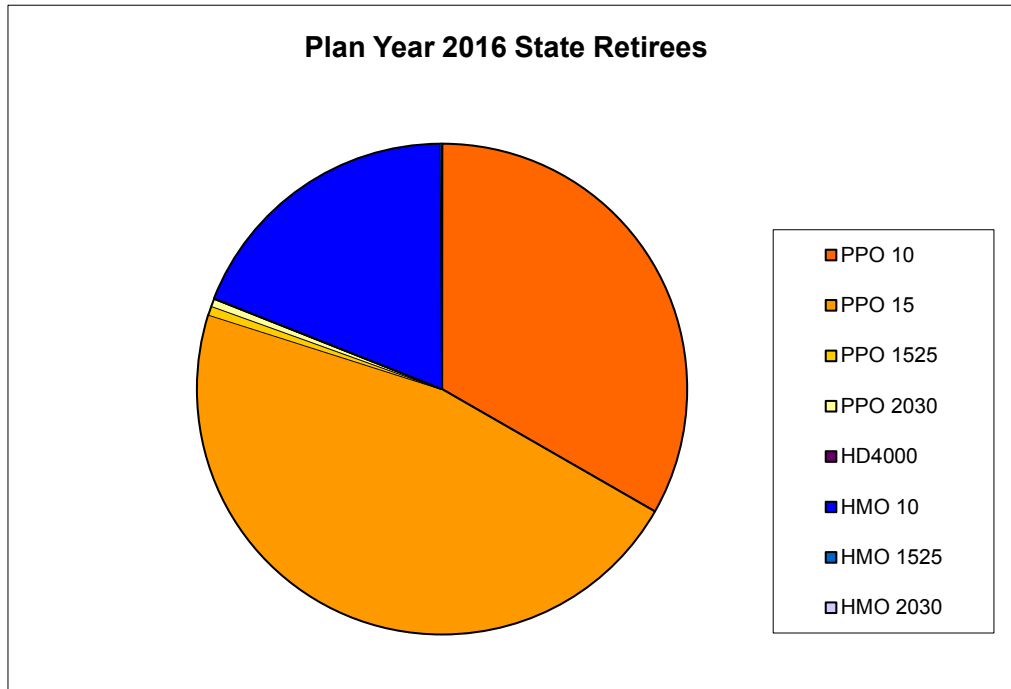
Assumes 84% of Employees will enroll in the PPO plans, 16% in the HMO plans and less than 1% in the HDHP plans.

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

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

Actives	Horizon	Aetna	Total
PPO 15	78.4%	2.3%	80.7%
PPO 1525	0.9%	0.6%	1.5%
PPO 2030	0.9%	0.5%	1.4%
PPO 2035	0.1%	0.1%	0.2%
HD4000	0.1%	0.0%	0.1%
HD1500	0.0%	0.0%	0.0%
HMO 15	0.4%	15.1%	15.5%
HMO 1525	0.1%	0.2%	0.3%
HMO 2030	0.1%	0.2%	0.3%
HMO 2035	0.0%	0.0%	0.0%
<b>Total</b>	<b>81.0%</b>	<b>19.0%</b>	<b>100.0%</b>

Exhibit 1B Retirees – Projected Plan Year 2016 Plan Distribution



Assumes that 52% of Retirees will remain in \$10 copay plans.

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

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

Assumes enrollment will be split 80% to Horizon and 20% to Aetna.

Retirees	Horizon	Aetna	Total
PPO 10	33.3%	0.0%	33.3%
PPO 15	45.7%	0.9%	46.6%
PPO 1525	0.4%	0.2%	0.6%
PPO 2030	0.3%	0.2%	0.5%
HD4000	0.0%	0.0%	0.0%
HMO 10	0.3%	18.6%	18.9%
HMO 1525	0.0%	0.1%	0.1%
HMO 2030	0.0%	0.0%	0.0%
<b>Total</b>	<b>80.0%</b>	<b>20.0%</b>	<b>100.0%</b>



Exhibit 1C Actives – May 2015 Enrollment

	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
<b>STATE - ACTIVE &amp; COBRA</b>					
<b>Medical Plans</b>					
Horizon 10 PPO	0	0	0	0	0
Horizon 15 PPO	23,651	11,681	26,040	11,340	72,712
Horizon 1525 PPO	456	121	183	85	845
Horizon 2030 PPO	424	95	201	58	778
Horizon 2035 PPO	164	20	55	15	254
Horizon HD4000	45	5	12	3	65
Horizon HD1500	21	2	2	1	26
Horizon Legacy HMO	230	36	108	72	446
Horizon 1525 HMO	47	12	18	20	97
Horizon 2030 HMO	77	8	25	13	123
Horizon 2035 HMO	34	4	6	5	49
<b>Horizon Total</b>	<b>25,149</b>	<b>11,984</b>	<b>26,650</b>	<b>11,612</b>	<b>75,395</b>
Aetna 10 PPO	0	0	0	0	0
Aetna 15 PPO	1,412	400	860	329	3,001
Aetna 1525 PPO	241	54	105	38	438
Aetna 2030 PPO	281	48	79	29	437
Aetna 2035 PPO	141	9	32	2	184
Aetna HD4000	18	3	6	2	29
Aetna HD1500	9	2	2	1	14
Aetna Legacy HMO	3,718	1,826	4,643	2,609	12,796
Aetna 1525 HMO	86	17	26	16	145
Aetna 2030 HMO	71	20	50	17	158
Aetna 2035 HMO	33	7	9	1	50
<b>Aetna Total</b>	<b>6,010</b>	<b>2,386</b>	<b>5,812</b>	<b>3,044</b>	<b>17,252</b>
<b>Total</b>	<b>31,159</b>	<b>14,370</b>	<b>32,462</b>	<b>14,656</b>	<b>92,647</b>

Exhibit 1C Retirees – May 2015 Enrollment

	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
<b>State Retirees</b>					
<b>Medical Plans</b>					
Horizon 10 PPO	8,590	5,112	395	179	14,276
Horizon 15 PPO	11,023	8,132	3,307	1,239	23,701
Horizon 1525 PPO	40	17	6	3	66
Horizon 2030 PPO	28	2	0	1	31
Horizon HD4000	2	0	0	1	3
Horizon HD1500	0	0	0	0	0
Horizon Legacy HMO	66	34	12	9	121
Horizon 1525 HMO	4	1	1	0	6
Horizon 2030 HMO	6	0	0	1	7
<b>Horizon Total</b>	<b>19,759</b>	<b>13,298</b>	<b>3,721</b>	<b>1,433</b>	<b>38,211</b>
Aetna 10 PPO	132	1	1	1	135
Aetna 15 PPO	232	1	1	0	234
Aetna 1525 PPO	5	1	0	0	6
Aetna 2030 PPO	0	0	0	0	0
Aetna HD4000	6	1	0	0	7
Aetna HD1500	0	0	0	0	0
Aetna Legacy HMO	4,111	2,870	1,564	674	9,219
Aetna 1525 HMO	18	10	4	5	37
Aetna 2030 HMO	7	2	2	2	13
<b>Aetna Total</b>	<b>4,511</b>	<b>2,886</b>	<b>1,572</b>	<b>682</b>	<b>9,651</b>
<b>Total</b>	<b>24,270</b>	<b>16,184</b>	<b>5,293</b>	<b>2,115</b>	<b>47,862</b>

Exhibit 2A – Medical Trend Assumption

	(A) Increase in Claims/Ee	(B) Benefit + RFP Changes	(C) = (A) - (B) Claim Trend
<b>Horizon Active</b>			
1/1/2013 - 12/31/2013	8.4%	0.9%	7.5%
1/1/2014 - 12/31/2014	4.4%	0.0%	4.4%
Average			5.9%
Aon Hewitt Trend Assumption			<b>7.5%</b>

<b>Horizon Early Retiree</b>			
1/1/2013 - 12/31/2013	-4.9%	0.8%	-5.7%
1/1/2014 - 12/31/2014	11.4%	0.0%	11.4%
Average			2.9%
Aon Hewitt Trend Assumption			<b>7.0%</b>

<b>Horizon Medicare Retiree</b>			
1/1/2013 - 12/31/2013	1.1%	0.9%	0.2%
1/1/2014 - 12/31/2014	2.6%	0.0%	2.6%
Average			1.4%
Aon Hewitt Trend Assumption			<b>3.5%</b>

<b>Aetna Active</b>			
1/1/2013 - 12/31/2013	10.3%	0.9%	9.4%
1/1/2014 - 12/31/2014	-1.9%	0.0%	-1.9%
Average			3.7%
Aon Hewitt Trend Assumption			<b>7.0%</b>

<b>Aetna Early Retiree</b>			
1/1/2013 - 12/31/2013	13.4%	0.9%	12.5%
1/1/2014 - 12/31/2014	5.1%	0.0%	5.1%
Average			8.8%
Aon Hewitt Trend Assumption			<b>7.0%</b>

Normalizing Adjustments

Change in R&C guidelines 1/1/2013.

Active claims normalized to NJ DIRECT15 plan design.

Retiree claims normalized to NJ DIRECT10 plan design.

Exhibit 2B – Prescription Drug Trend Assumption

	(A) Increase in Claims/Ee	(B) Benefit + RFP Changes	(C) = (A) - (B) Claim Trend
<b>Active Rx</b>			
1/1/2013 - 12/31/2013	7.8%	0.0%	7.8%
1/1/2014 - 12/31/2014	15.9%	0.0%	15.9%
Average			11.9%
Aon Hewitt Trend Assumption			<b>18.0%</b>
<b>Retiree Rx</b>			
1/1/2013 - 12/31/2013	8.2%	-2.2%	10.4%
1/1/2014 - 12/31/2014	15.7%	-2.3%	18.0%
Average			14.2%
Aon Hewitt Trend Assumption			<b>18.0%</b>

Normalizing Adjustments:

Retiree Rx Copays and OOP maximum increased on 1/1/2013 and 1/1/2014.

Larger than usual move to generic drugs in 2012.

Increase in price discount 1/1/2012.

As a result of the plan design changes approved on July 6, 2015, the prescription drug trend for Plan Year 2016 has been reduced to 12.0% for Actives and Retirees.

Exhibit 3A – Plan Year 2014 Aggregate Costs

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	Legacy Plans						1525				
	Total	Aetna PPO10	Aetna PPO15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>											
Average Medical Subscribers	142,531	255	2,576	14,880	98,125	23,293	469	369	753	179	76
Incurred Medical Claims	\$1,529,519,000	\$1,984,000	\$25,271,000	\$60,990,000	\$1,169,107,000	\$250,684,000	\$4,386,000	\$2,951,000	\$4,857,000	\$1,442,000	\$448,000
Capitation	\$32,019,000	\$0	\$0	\$648,000	\$11,149,000	\$19,406,000	\$69,000	\$0	\$68,000	\$419,000	\$10,000
Incurred Prescription Drug Claims	\$727,948,000	\$1,754,000	\$9,603,000	\$94,282,000	\$478,105,000	\$137,624,000	\$1,596,000	\$577,000	\$1,489,000	\$690,000	\$110,000
Prescription Drug Rebates	(\$100,202,000)	(\$235,000)	(\$1,339,000)	(\$13,117,000)	(\$66,036,000)	(\$18,568,000)	(\$220,000)	(\$80,000)	(\$207,000)	(\$87,000)	(\$15,000)
EGWP Credits	(\$66,415,000)	(\$434,000)	(\$514,000)	(\$28,372,000)	(\$27,248,000)	(\$9,550,000)	(\$156,000)	\$0	(\$80,000)	(\$21,000)	(\$8,000)
Administrative Fees	\$76,467,000	\$42,000	\$1,470,000	\$6,925,000	\$51,359,000	\$14,712,000	\$308,000	\$226,000	\$374,000	\$124,000	\$50,000
Total Cost	\$2,199,336,000	\$3,111,000	\$34,491,000	\$121,356,000	\$1,616,436,000	\$394,308,000	\$5,983,000	\$3,674,000	\$6,501,000	\$2,567,000	\$595,000
Total Premium	\$2,242,115,000	\$3,145,000	\$40,953,000	\$135,631,000	\$1,631,571,000	\$385,543,000	\$6,822,000	\$5,419,000	\$10,276,000	\$2,419,000	\$1,029,000
Gain (Loss)	\$42,779,000	\$34,000	\$6,462,000	\$14,275,000	\$15,135,000	(\$8,765,000)	\$839,000	\$1,745,000	\$3,775,000	(\$148,000)	\$434,000
<b>Employees</b>											
Average Medical Subscribers	95,865	NA	2,171	NA	76,144	14,429	352	361	696	145	69
Incurred Medical Claims	\$1,185,425,000	NA	\$21,860,000	NA	\$976,910,000	\$167,051,000	\$3,415,000	\$2,758,000	\$4,661,000	\$1,162,000	\$441,000
Capitation	\$27,102,000	NA	\$0	NA	\$9,535,000	\$16,804,000	\$54,000	\$0	\$65,000	\$389,000	\$10,000
Incurred Prescription Drug Claims	\$408,019,000	NA	\$7,154,000	NA	\$327,336,000	\$68,660,000	\$919,000	\$511,000	\$1,177,000	\$253,000	\$85,000
Prescription Drug Rebates	(\$57,912,000)	NA	(\$1,015,000)	NA	(\$46,462,000)	(\$9,746,000)	(\$130,000)	(\$72,000)	(\$167,000)	(\$36,000)	(\$12,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$55,400,000	NA	\$1,360,000	NA	\$40,868,000	\$11,368,000	\$235,000	\$222,000	\$348,000	\$107,000	\$45,000
Total Cost	\$1,618,034,000	NA	\$29,359,000	NA	\$1,308,187,000	\$254,137,000	\$4,493,000	\$3,419,000	\$6,084,000	\$1,875,000	\$569,000
Total Premium	\$1,663,447,000	NA	\$35,159,000	NA	\$1,330,951,000	\$255,317,000	\$5,392,000	\$5,292,000	\$9,734,000	\$1,920,000	\$940,000
Gain (Loss)	\$45,413,000	NA	\$5,800,000	NA	\$22,764,000	\$1,180,000	\$899,000	\$1,873,000	\$3,650,000	\$45,000	\$371,000
<b>Retirees</b>											
Average Medical Subscribers	46,666	255	405	14,880	21,981	8,864	117	8	57	34	7
Incurred Medical Claims	\$344,094,000	\$1,984,000	\$3,411,000	\$60,990,000	\$192,197,000	\$83,633,000	\$971,000	\$193,000	\$196,000	\$280,000	\$7,000
Capitation	\$4,917,000	\$0	\$0	\$648,000	\$1,614,000	\$2,602,000	\$15,000	\$0	\$3,000	\$30,000	\$0
Incurred Prescription Drug Claims	\$319,929,000	\$1,754,000	\$2,449,000	\$94,282,000	\$150,769,000	\$68,964,000	\$677,000	\$66,000	\$312,000	\$437,000	\$25,000
Prescription Drug Rebates	(\$42,290,000)	(\$235,000)	(\$324,000)	(\$13,117,000)	(\$19,574,000)	(\$8,822,000)	(\$90,000)	(\$8,000)	(\$40,000)	(\$51,000)	(\$3,000)
EGWP Credits	(\$66,415,000)	(\$434,000)	(\$514,000)	(\$28,372,000)	(\$27,248,000)	(\$9,550,000)	(\$156,000)	\$0	(\$80,000)	(\$21,000)	(\$8,000)
Administrative Fees	\$21,067,000	\$42,000	\$110,000	\$6,925,000	\$10,491,000	\$3,344,000	\$73,000	\$4,000	\$26,000	\$17,000	\$5,000
Total Cost	\$581,302,000	\$3,111,000	\$5,132,000	\$121,356,000	\$308,249,000	\$140,171,000	\$1,490,000	\$255,000	\$417,000	\$692,000	\$26,000
Total Premium	\$578,668,000	\$3,145,000	\$5,794,000	\$135,631,000	\$300,620,000	\$130,226,000	\$1,430,000	\$127,000	\$542,000	\$499,000	\$89,000
Gain (Loss)	(\$2,634,000)	\$34,000	\$662,000	\$14,275,000	(\$7,629,000)	(\$9,945,000)	(\$60,000)	(\$128,000)	\$125,000	(\$193,000)	\$63,000

Exhibit 3A – Plan Year 2014 Aggregate Costs

Page 2 of 2

	2030				2035				HD 4000		HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO
<b>Employees and Retirees</b>												
Average Medical Subscribers	320	660	149	100	63	108	15	19	32	56	10	24
Incurred Medical Claims	\$1,627,000	\$3,818,000	\$733,000	\$262,000	\$129,000	\$528,000	\$51,000	\$25,000	\$82,000	\$38,000	\$68,000	\$38,000
Capitation	\$0	\$60,000	\$148,000	\$12,000	\$0	\$11,000	\$1,000	\$1,000	\$13,000	\$3,000	\$0	\$1,000
Incurred Prescription Drug Claims	\$486,000	\$1,132,000	\$221,000	\$68,000	\$40,000	\$114,000	\$6,000	\$8,000	\$19,000	\$6,000	\$12,000	\$6,000
Prescription Drug Rebates	(\$69,000)	(\$160,000)	(\$29,000)	(\$9,000)	(\$6,000)	(\$16,000)	(\$1,000)	(\$1,000)	(\$3,000)	(\$1,000)	(\$2,000)	(\$1,000)
EGWP Credits	\$0	(\$29,000)	\$0	(\$3,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$192,000	\$327,000	\$113,000	\$64,000	\$37,000	\$53,000	\$11,000	\$12,000	\$19,000	\$30,000	\$6,000	\$13,000
Total Cost	\$2,236,000	\$5,148,000	\$1,186,000	\$394,000	\$200,000	\$690,000	\$68,000	\$45,000	\$130,000	\$76,000	\$84,000	\$57,000
Total Premium	\$4,123,000	\$8,506,000	\$2,197,000	\$1,246,000	\$667,000	\$1,224,000	\$190,000	\$214,000	\$240,000	\$364,000	\$101,000	\$235,000
Gain (Loss)	\$1,887,000	\$3,358,000	\$1,011,000	\$852,000	\$467,000	\$534,000	\$122,000	\$169,000	\$110,000	\$288,000	\$17,000	\$178,000
<b>Employees</b>												
Average Medical Subscribers	318	634	138	93	63	108	15	19	24	52	10	24
Incurred Medical Claims	\$1,625,000	\$3,668,000	\$668,000	\$251,000	\$129,000	\$528,000	\$51,000	\$25,000	\$79,000	\$37,000	\$68,000	\$38,000
Capitation	\$0	\$59,000	\$145,000	\$11,000	\$0	\$11,000	\$1,000	\$1,000	\$13,000	\$3,000	\$0	\$1,000
Incurred Prescription Drug Claims	\$482,000	\$1,025,000	\$158,000	\$52,000	\$40,000	\$114,000	\$6,000	\$8,000	\$18,000	\$3,000	\$12,000	\$6,000
Prescription Drug Rebates	(\$68,000)	(\$145,000)	(\$22,000)	(\$7,000)	(\$6,000)	(\$16,000)	(\$1,000)	(\$1,000)	(\$3,000)	\$0	(\$2,000)	(\$1,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$191,000	\$315,000	\$105,000	\$61,000	\$37,000	\$53,000	\$11,000	\$12,000	\$15,000	\$28,000	\$6,000	\$13,000
Total Cost	\$2,230,000	\$4,922,000	\$1,054,000	\$368,000	\$200,000	\$690,000	\$68,000	\$45,000	\$122,000	\$71,000	\$84,000	\$57,000
Total Premium	\$4,080,000	\$8,290,000	\$2,040,000	\$1,182,000	\$667,000	\$1,224,000	\$190,000	\$214,000	\$185,000	\$334,000	\$101,000	\$235,000
Gain (Loss)	\$1,850,000	\$3,368,000	\$986,000	\$814,000	\$467,000	\$534,000	\$122,000	\$169,000	\$63,000	\$263,000	\$17,000	\$178,000
<b>Retirees</b>												
Average Medical Subscribers	2	26	11	7	NA	NA	NA	NA	8	4	NA	NA
Incurred Medical Claims	\$2,000	\$150,000	\$65,000	\$11,000	NA	NA	NA	NA	\$3,000	\$1,000	NA	NA
Capitation	\$0	\$1,000	\$3,000	\$1,000	NA	NA	NA	NA	\$0	\$0	NA	NA
Incurred Prescription Drug Claims	\$4,000	\$107,000	\$63,000	\$16,000	NA	NA	NA	NA	\$1,000	\$3,000	NA	NA
Prescription Drug Rebates	(\$1,000)	(\$15,000)	(\$7,000)	(\$2,000)	NA	NA	NA	NA	\$0	(\$1,000)	NA	NA
EGWP Credits	\$0	(\$29,000)	\$0	(\$3,000)	NA	NA	NA	NA	\$0	\$0	NA	NA
Administrative Fees	\$1,000	\$12,000	\$8,000	\$3,000	NA	NA	NA	NA	\$4,000	\$2,000	NA	NA
Total Cost	\$6,000	\$226,000	\$132,000	\$26,000	NA	NA	NA	NA	\$8,000	\$5,000	NA	NA
Total Premium	\$43,000	\$216,000	\$157,000	\$64,000	NA	NA	NA	NA	\$55,000	\$30,000	NA	NA
Gain (Loss)	\$37,000	(\$10,000)	\$25,000	\$38,000	NA	NA	NA	NA	\$47,000	\$25,000	NA	NA

Exhibit 3B – Plan Year 2015 Aggregate Costs  
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	Total	Legacy Plans						1525				
		Aetna PPO10	Aetna PPO15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	
<b>Employees and Retirees</b>												
Average Medical Subscribers	140,280	265	2,500	15,678	94,951	22,907	458	512	885	187	87	
Incurrred Medical Claims	\$1,612,315,000	\$1,877,000	\$32,662,000	\$77,969,000	\$1,202,516,000	\$250,389,000	\$4,954,000	\$6,557,000	\$11,133,000	\$2,130,000	\$955,000	
Capitation	\$32,700,000	\$0	\$0	\$998,000	\$11,389,000	\$19,127,000	\$82,000	\$0	\$108,000	\$627,000	\$15,000	
Incurrred Prescription Drug Claims	\$840,550,000	\$2,521,000	\$14,770,000	\$116,970,000	\$532,862,000	\$153,351,000	\$2,621,000	\$2,718,000	\$4,363,000	\$1,012,000	\$426,000	
Prescription Drug Rebates	(\$90,775,000)	(\$267,000)	(\$1,614,000)	(\$12,622,000)	(\$57,785,000)	(\$16,285,000)	(\$284,000)	(\$298,000)	(\$480,000)	(\$109,000)	(\$47,000)	
EGWP Credits	(\$69,907,000)	(\$435,000)	(\$532,000)	(\$29,627,000)	(\$28,150,000)	(\$10,480,000)	(\$164,000)	(\$85,000)	(\$176,000)	(\$32,000)	(\$16,000)	
Administrative Fees	\$68,426,000	\$37,000	\$1,312,000	\$7,291,000	\$44,601,000	\$13,043,000	\$286,000	\$275,000	\$418,000	\$124,000	\$55,000	
Total Cost	\$2,393,309,000	\$3,733,000	\$46,598,000	\$160,979,000	\$1,705,433,000	\$409,145,000	\$7,495,000	\$9,167,000	\$15,366,000	\$3,752,000	\$1,388,000	
Total Premium	\$2,366,691,000	\$3,231,000	\$45,729,000	\$160,526,000	\$1,694,747,000	\$395,420,000	\$7,903,000	\$9,049,000	\$15,335,000	\$3,246,000	\$1,482,000	
Gain (Loss)	(\$26,618,000)	(\$502,000)	(\$869,000)	(\$453,000)	(\$10,686,000)	(\$13,725,000)	\$408,000	(\$118,000)	(\$31,000)	(\$506,000)	\$94,000	
<b>Employees</b>												
Average Medical Subscribers	92,031	NA	2,084	NA	72,638	13,852	337	448	770	149	75	
Incurrred Medical Claims	\$1,240,212,000	NA	\$28,854,000	NA	\$1,002,803,000	\$165,834,000	\$3,951,000	\$6,029,000	\$10,329,000	\$1,729,000	\$857,000	
Capitation	\$27,445,000	NA	\$0	NA	\$9,736,000	\$16,595,000	\$63,000	\$0	\$100,000	\$594,000	\$14,000	
Incurrred Prescription Drug Claims	\$459,772,000	NA	\$11,027,000	NA	\$359,554,000	\$73,284,000	\$1,670,000	\$2,150,000	\$3,456,000	\$713,000	\$338,000	
Prescription Drug Rebates	(\$51,260,000)	NA	(\$1,229,000)	NA	(\$40,089,000)	(\$8,171,000)	(\$186,000)	(\$240,000)	(\$385,000)	(\$79,000)	(\$38,000)	
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Administrative Fees	\$47,565,000	NA	\$1,214,000	NA	\$34,440,000	\$10,005,000	\$212,000	\$261,000	\$365,000	\$107,000	\$47,000	
Total Cost	\$1,723,734,000	NA	\$39,866,000	NA	\$1,366,444,000	\$257,547,000	\$5,710,000	\$8,200,000	\$13,865,000	\$3,064,000	\$1,218,000	
Total Premium	\$1,734,466,000	NA	\$39,857,000	NA	\$1,378,202,000	\$256,194,000	\$6,192,000	\$8,208,000	\$13,990,000	\$2,631,000	\$1,323,000	
Gain (Loss)	\$10,732,000	NA	(\$9,000)	NA	\$11,758,000	(\$1,353,000)	\$482,000	\$8,000	\$125,000	(\$433,000)	\$105,000	
<b>Retirees</b>												
Average Medical Subscribers	48,249	265	416	15,678	22,313	9,055	121	64	115	38	12	
Incurrred Medical Claims	\$372,103,000	\$1,877,000	\$3,808,000	\$77,969,000	\$199,713,000	\$84,555,000	\$1,003,000	\$528,000	\$804,000	\$401,000	\$98,000	
Capitation	\$5,255,000	\$0	\$0	\$998,000	\$1,653,000	\$2,532,000	\$19,000	\$0	\$8,000	\$33,000	\$1,000	
Incurrred Prescription Drug Claims	\$380,778,000	\$2,521,000	\$3,743,000	\$116,970,000	\$173,308,000	\$80,067,000	\$951,000	\$568,000	\$907,000	\$299,000	\$88,000	
Prescription Drug Rebates	(\$39,515,000)	(\$267,000)	(\$385,000)	(\$12,622,000)	(\$17,696,000)	(\$8,114,000)	(\$98,000)	(\$58,000)	(\$95,000)	(\$30,000)	(\$9,000)	
EGWP Credits	(\$69,907,000)	(\$435,000)	(\$532,000)	(\$29,627,000)	(\$28,150,000)	(\$10,480,000)	(\$164,000)	(\$85,000)	(\$176,000)	(\$32,000)	(\$16,000)	
Administrative Fees	\$20,861,000	\$37,000	\$98,000	\$7,291,000	\$10,161,000	\$3,038,000	\$74,000	\$14,000	\$53,000	\$17,000	\$8,000	
Total Cost	\$669,575,000	\$3,733,000	\$6,732,000	\$160,979,000	\$338,989,000	\$151,598,000	\$1,785,000	\$967,000	\$1,501,000	\$688,000	\$170,000	
Total Premium	\$632,225,000	\$3,231,000	\$5,872,000	\$160,526,000	\$316,545,000	\$139,226,000	\$1,711,000	\$841,000	\$1,345,000	\$615,000	\$159,000	
Gain (Loss)	(\$37,350,000)	(\$502,000)	(\$860,000)	(\$453,000)	(\$22,444,000)	(\$12,372,000)	(\$74,000)	(\$126,000)	(\$156,000)	(\$73,000)	(\$11,000)	

Exhibit 3B – Plan Year 2015 Aggregate Costs

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	2030				2035				HD 4000		HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO
<b>Employees and Retirees</b>												
Average Medical Subscribers	451	779	157	110	61	103	15	18	41	64	19	32
Incurred Medical Claims	\$5,416,000	\$9,394,000	\$1,722,000	\$1,160,000	\$660,000	\$1,122,000	\$138,000	\$167,000	\$329,000	\$496,000	\$211,000	\$358,000
Capitation	\$0	\$99,000	\$182,000	\$18,000	\$0	\$15,000	\$1,000	\$1,000	\$27,000	\$7,000	\$1,000	\$3,000
Incurred Prescription Drug Claims	\$2,433,000	\$3,818,000	\$806,000	\$531,000	\$267,000	\$425,000	\$64,000	\$75,000	\$129,000	\$179,000	\$81,000	\$128,000
Prescription Drug Rebates	(\$268,000)	(\$421,000)	(\$88,000)	(\$58,000)	(\$30,000)	(\$47,000)	(\$7,000)	(\$8,000)	(\$14,000)	(\$20,000)	(\$9,000)	(\$14,000)
EGWP Credits	(\$77,000)	(\$113,000)	(\$8,000)	(\$12,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$242,000	\$368,000	\$111,000	\$69,000	\$35,000	\$49,000	\$11,000	\$11,000	\$25,000	\$35,000	\$11,000	\$17,000
<b>Total Cost</b>	<b>\$7,746,000</b>	<b>\$13,145,000</b>	<b>\$2,725,000</b>	<b>\$1,708,000</b>	<b>\$932,000</b>	<b>\$1,564,000</b>	<b>\$207,000</b>	<b>\$246,000</b>	<b>\$496,000</b>	<b>\$697,000</b>	<b>\$295,000</b>	<b>\$492,000</b>
Total Premium	\$7,612,000	\$13,108,000	\$2,655,000	\$1,824,000	\$923,000	\$1,562,000	\$216,000	\$265,000	\$437,000	\$652,000	\$294,000	\$475,000
Gain (Loss)	(\$134,000)	(\$37,000)	(\$70,000)	\$116,000	(\$9,000)	(\$2,000)	\$9,000	\$19,000	(\$59,000)	(\$45,000)	(\$1,000)	(\$17,000)
<b>Employees</b>												
Average Medical Subscribers	398	701	141	99	61	103	15	18	32	59	19	32
Incurred Medical Claims	\$5,031,000	\$8,841,000	\$1,548,000	\$1,056,000	\$660,000	\$1,122,000	\$138,000	\$167,000	\$246,000	\$448,000	\$211,000	\$358,000
Capitation	\$0	\$93,000	\$179,000	\$17,000	\$0	\$15,000	\$1,000	\$1,000	\$27,000	\$6,000	\$1,000	\$3,000
Incurred Prescription Drug Claims	\$1,942,000	\$3,201,000	\$691,000	\$451,000	\$267,000	\$425,000	\$64,000	\$75,000	\$94,000	\$161,000	\$81,000	\$128,000
Prescription Drug Rebates	(\$216,000)	(\$357,000)	(\$77,000)	(\$50,000)	(\$30,000)	(\$47,000)	(\$7,000)	(\$8,000)	(\$10,000)	(\$18,000)	(\$9,000)	(\$14,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$232,000	\$332,000	\$102,000	\$62,000	\$35,000	\$49,000	\$11,000	\$11,000	\$20,000	\$32,000	\$11,000	\$17,000
<b>Total Cost</b>	<b>\$6,989,000</b>	<b>\$12,110,000</b>	<b>\$2,443,000</b>	<b>\$1,536,000</b>	<b>\$932,000</b>	<b>\$1,564,000</b>	<b>\$207,000</b>	<b>\$246,000</b>	<b>\$377,000</b>	<b>\$629,000</b>	<b>\$295,000</b>	<b>\$492,000</b>
Total Premium	\$6,964,000	\$12,177,000	\$2,396,000	\$1,680,000	\$923,000	\$1,562,000	\$216,000	\$265,000	\$342,000	\$595,000	\$294,000	\$475,000
Gain (Loss)	(\$25,000)	\$67,000	(\$47,000)	\$124,000	(\$9,000)	(\$2,000)	\$9,000	\$19,000	(\$35,000)	(\$34,000)	(\$1,000)	(\$17,000)
<b>Retirees</b>												
Average Medical Subscribers	53	78	16	11	NA	NA	NA	NA	9	5	NA	NA
Incurred Medical Claims	\$385,000	\$553,000	\$174,000	\$104,000	NA	NA	NA	NA	\$83,000	\$48,000	NA	NA
Capitation	\$0	\$6,000	\$3,000	\$1,000	NA	NA	NA	NA	\$0	\$1,000	NA	NA
Incurred Prescription Drug Claims	\$491,000	\$617,000	\$115,000	\$80,000	NA	NA	NA	NA	\$35,000	\$18,000	NA	NA
Prescription Drug Rebates	(\$52,000)	(\$64,000)	(\$11,000)	(\$8,000)	NA	NA	NA	NA	(\$4,000)	(\$2,000)	NA	NA
EGWP Credits	(\$77,000)	(\$113,000)	(\$8,000)	(\$12,000)	NA	NA	NA	NA	\$0	\$0	NA	NA
Administrative Fees	\$10,000	\$36,000	\$9,000	\$7,000	NA	NA	NA	NA	\$5,000	\$3,000	NA	NA
<b>Total Cost</b>	<b>\$757,000</b>	<b>\$1,035,000</b>	<b>\$282,000</b>	<b>\$172,000</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>\$119,000</b>	<b>\$68,000</b>	<b>NA</b>	<b>NA</b>
Total Premium	\$648,000	\$931,000	\$259,000	\$164,000	NA	NA	NA	NA	\$95,000	\$57,000	NA	NA
Gain (Loss)	(\$109,000)	(\$104,000)	(\$23,000)	(\$8,000)	NA	NA	NA	NA	(\$24,000)	(\$11,000)	NA	NA



Exhibit 3C – Projected Plan Year 2016 Aggregate Costs

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	Legacy Plans							1525			
	Total	Aetna PPO10	Aetna PPO15	NJ DIRECT10	NJ DIRECT15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Employees and Retirees</b>											
Average Medical Subscribers	138,309	\$277	2,428	\$16,527	91,971	22,563	449	651	1,014	195	99
Incurred Medical Claims	\$1,677,345,000	\$2,012,000	\$33,871,000	\$85,510,000	\$1,240,768,000	\$258,777,000	\$5,151,000	\$8,646,000	\$13,385,000	\$2,345,000	\$1,136,000
Capitation	\$33,852,000	\$0	\$0	\$1,090,000	\$11,717,000	\$19,721,000	\$84,000	\$0	\$130,000	\$685,000	\$18,000
Incurred Prescription Drug Claims	\$863,542,000	\$2,738,000	\$14,883,000	\$127,927,000	\$535,759,000	\$157,833,000	\$2,668,000	\$3,765,000	\$5,312,000	\$1,107,000	\$506,000
Prescription Drug Rebates	(\$110,707,000)	(\$358,000)	(\$1,898,000)	(\$16,815,000)	(\$68,362,000)	(\$20,159,000)	(\$341,000)	(\$481,000)	(\$679,000)	(\$141,000)	(\$65,000)
EGWP Credits	(\$77,022,000)	(\$480,000)	(\$586,000)	(\$32,700,000)	(\$30,595,000)	(\$11,525,000)	(\$181,000)	(\$185,000)	(\$286,000)	(\$43,000)	(\$26,000)
Administrative Fees	\$64,275,000	\$35,000	\$1,188,000	\$7,775,000	\$40,958,000	\$12,046,000	\$272,000	\$312,000	\$452,000	\$122,000	\$60,000
Total Cost	\$2,451,285,000	\$3,947,000	\$47,458,000	\$172,787,000	\$1,730,245,000	\$416,693,000	\$7,653,000	\$12,057,000	\$18,314,000	\$4,075,000	\$1,629,000
Total Premium	\$2,451,424,000	\$3,622,000	\$46,666,000	\$182,291,000	\$1,726,981,000	\$412,352,000	\$8,144,000	\$11,840,000	\$18,219,000	\$3,560,000	\$1,742,000
Gain (Loss)	\$139,000	(\$325,000)	(\$792,000)	\$9,504,000	(\$3,264,000)	(\$4,341,000)	\$491,000	(\$217,000)	(\$95,000)	(\$515,000)	\$113,000
<b>Employees</b>											
Average Medical Subscribers	88,349	NA	2,001	NA	69,291	13,298	324	527	836	151	81
Incurred Medical Claims	\$1,280,197,000	NA	\$29,818,000	NA	\$1,029,729,000	\$170,557,000	\$4,063,000	\$7,637,000	\$12,077,000	\$1,888,000	\$989,000
Capitation	\$28,266,000	NA	\$0	NA	\$9,984,000	\$17,047,000	\$65,000	\$0	\$117,000	\$647,000	\$17,000
Incurred Prescription Drug Claims	\$452,709,000	NA	\$10,862,000	NA	\$351,914,000	\$72,184,000	\$1,645,000	\$2,596,000	\$3,852,000	\$746,000	\$374,000
Prescription Drug Rebates	(\$57,512,000)	NA	(\$1,380,000)	NA	(\$44,708,000)	(\$9,171,000)	(\$209,000)	(\$330,000)	(\$489,000)	(\$95,000)	(\$47,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$42,958,000	NA	\$1,096,000	NA	\$30,732,000	\$9,174,000	\$196,000	\$289,000	\$371,000	\$104,000	\$49,000
Total Cost	\$1,746,618,000	NA	\$40,396,000	NA	\$1,377,651,000	\$259,791,000	\$5,760,000	\$10,192,000	\$15,928,000	\$3,290,000	\$1,382,000
Total Premium	\$1,746,682,000	NA	\$40,157,000	NA	\$1,379,715,000	\$258,073,000	\$6,238,000	\$10,141,000	\$15,952,000	\$2,815,000	\$1,496,000
Gain (Loss)	\$64,000	NA	(\$239,000)	NA	\$2,064,000	(\$1,718,000)	\$478,000	(\$51,000)	\$24,000	(\$475,000)	\$114,000
<b>Retirees</b>											
Average Medical Subscribers	49,960	277	427	16,527	22,680	9,265	125	124	178	44	18
Incurred Medical Claims	\$397,148,000	\$2,012,000	\$4,053,000	\$85,510,000	\$211,039,000	\$88,220,000	\$1,088,000	\$1,009,000	\$1,308,000	\$457,000	\$147,000
Capitation	\$5,586,000	\$0	\$0	\$1,090,000	\$1,733,000	\$2,674,000	\$19,000	\$0	\$13,000	\$38,000	\$1,000
Incurred Prescription Drug Claims	\$410,833,000	\$2,738,000	\$4,021,000	\$127,927,000	\$183,845,000	\$85,649,000	\$1,023,000	\$1,169,000	\$1,460,000	\$361,000	\$132,000
Prescription Drug Rebates	(\$53,195,000)	(\$358,000)	(\$518,000)	(\$16,815,000)	(\$23,654,000)	(\$10,988,000)	(\$132,000)	(\$151,000)	(\$190,000)	(\$46,000)	(\$18,000)
EGWP Credits	(\$77,022,000)	(\$480,000)	(\$586,000)	(\$32,700,000)	(\$30,595,000)	(\$11,525,000)	(\$181,000)	(\$185,000)	(\$286,000)	(\$43,000)	(\$26,000)
Administrative Fees	\$21,317,000	\$35,000	\$92,000	\$7,775,000	\$10,226,000	\$2,872,000	\$76,000	\$23,000	\$81,000	\$18,000	\$11,000
Total Cost	\$704,667,000	\$3,947,000	\$7,062,000	\$172,787,000	\$352,594,000	\$156,902,000	\$1,893,000	\$1,865,000	\$2,386,000	\$785,000	\$247,000
Total Premium	\$704,742,000	\$3,622,000	\$6,509,000	\$182,291,000	\$347,266,000	\$154,279,000	\$1,906,000	\$1,699,000	\$2,267,000	\$745,000	\$246,000
Gain (Loss)	\$75,000	(\$325,000)	(\$553,000)	\$9,504,000	(\$5,328,000)	(\$2,623,000)	\$13,000	(\$166,000)	(\$119,000)	(\$40,000)	(\$1,000)

Exhibit 3C – Projected Plan Year 2016 Aggregate Costs

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	2030				2035				HD 4000		HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO
<b>Employees and Retirees</b>												
Average Medical Subscribers	579	895	165	120	58	99	14	17	50	72	27	39
Incurred Medical Claims	\$7,195,000	\$11,309,000	\$1,918,000	\$1,336,000	\$682,000	\$1,160,000	\$142,000	\$172,000	\$428,000	\$600,000	\$326,000	\$476,000
Capitation	\$0	\$120,000	\$200,000	\$20,000	\$0	\$15,000	\$1,000	\$2,000	\$36,000	\$8,000	\$1,000	\$4,000
Incurred Prescription Drug Claims	\$3,400,000	\$4,675,000	\$890,000	\$610,000	\$263,000	\$419,000	\$63,000	\$74,000	\$161,000	\$207,000	\$119,000	\$163,000
Prescription Drug Rebates	(\$435,000)	(\$597,000)	(\$113,000)	(\$78,000)	(\$33,000)	(\$53,000)	(\$8,000)	(\$9,000)	(\$20,000)	(\$26,000)	(\$15,000)	(\$21,000)
EGWP Credits	(\$169,000)	(\$209,000)	(\$17,000)	(\$20,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Fees	\$276,000	\$399,000	\$109,000	\$73,000	\$32,000	\$44,000	\$10,000	\$11,000	\$29,000	\$37,000	\$15,000	\$20,000
Total Cost	\$10,267,000	\$15,697,000	\$2,987,000	\$1,941,000	\$944,000	\$1,585,000	\$208,000	\$250,000	\$634,000	\$826,000	\$446,000	\$642,000
Total Premium	\$10,040,000	\$15,592,000	\$2,921,000	\$2,076,000	\$929,000	\$1,573,000	\$217,000	\$267,000	\$562,000	\$773,000	\$441,000	\$616,000
Gain (Loss)	(\$227,000)	(\$105,000)	(\$66,000)	\$135,000	(\$15,000)	(\$12,000)	\$9,000	\$17,000	(\$72,000)	(\$53,000)	(\$5,000)	(\$26,000)
<b>Employees</b>												
Average Medical Subscribers	470	761	145	104	58	99	14	17	40	66	27	39
Incurred Medical Claims	\$6,402,000	\$10,335,000	\$1,695,000	\$1,188,000	\$682,000	\$1,160,000	\$142,000	\$172,000	\$326,000	\$535,000	\$326,000	\$476,000
Capitation	\$0	\$108,000	\$195,000	\$19,000	\$0	\$15,000	\$1,000	\$2,000	\$36,000	\$8,000	\$1,000	\$4,000
Incurred Prescription Drug Claims	\$2,355,000	\$3,567,000	\$725,000	\$486,000	\$263,000	\$419,000	\$63,000	\$74,000	\$119,000	\$183,000	\$119,000	\$163,000
Prescription Drug Rebates	(\$299,000)	(\$453,000)	(\$92,000)	(\$62,000)	(\$33,000)	(\$53,000)	(\$8,000)	(\$9,000)	(\$15,000)	(\$23,000)	(\$15,000)	(\$21,000)
EGWP Credits	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Fees	\$257,000	\$338,000	\$100,000	\$63,000	\$32,000	\$44,000	\$10,000	\$11,000	\$23,000	\$34,000	\$15,000	\$20,000
Total Cost	\$8,715,000	\$13,895,000	\$2,623,000	\$1,694,000	\$944,000	\$1,585,000	\$208,000	\$250,000	\$489,000	\$737,000	\$446,000	\$642,000
Total Premium	\$8,640,000	\$13,879,000	\$2,571,000	\$1,827,000	\$929,000	\$1,573,000	\$217,000	\$267,000	\$443,000	\$692,000	\$441,000	\$616,000
Gain (Loss)	(\$75,000)	(\$16,000)	(\$52,000)	\$133,000	(\$15,000)	(\$12,000)	\$9,000	\$17,000	(\$46,000)	(\$45,000)	(\$5,000)	(\$26,000)
<b>Retirees</b>												
Average Medical Subscribers	109	134	20	16	NA	NA	NA	NA	10	6	NA	NA
Incurred Medical Claims	\$793,000	\$974,000	\$223,000	\$148,000	NA	NA	NA	NA	\$102,000	\$65,000	NA	NA
Capitation	\$0	\$12,000	\$5,000	\$1,000	NA	NA	NA	NA	\$0	\$0	NA	NA
Incurred Prescription Drug Claims	\$1,045,000	\$1,108,000	\$165,000	\$124,000	NA	NA	NA	NA	\$42,000	\$24,000	NA	NA
Prescription Drug Rebates	(\$136,000)	(\$144,000)	(\$21,000)	(\$16,000)	NA	NA	NA	NA	(\$5,000)	(\$3,000)	NA	NA
EGWP Credits	(\$169,000)	(\$209,000)	(\$17,000)	(\$20,000)	NA	NA	NA	NA	\$0	\$0	NA	NA
Administrative Fees	\$19,000	\$61,000	\$9,000	\$10,000	NA	NA	NA	NA	\$6,000	\$3,000	NA	NA
Total Cost	\$1,552,000	\$1,802,000	\$364,000	\$247,000	NA	NA	NA	NA	\$145,000	\$89,000	NA	NA
Total Premium	\$1,400,000	\$1,713,000	\$350,000	\$249,000	NA	NA	NA	NA	\$119,000	\$81,000	NA	NA
Gain (Loss)	(\$152,000)	(\$89,000)	(\$14,000)	\$2,000	NA	NA	NA	NA	(\$26,000)	(\$8,000)	NA	NA

Exhibit 4A – Plan Year 2016 Monthly Active Premiums

	Legacy Plans				1525		2030	
	Aetna PPO15	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO
<b>Medical Coverage Only</b>								
Single	\$691.60	\$684.75	\$662.70	\$656.06	\$672.23	\$665.57	\$632.11	\$625.86
Employee+Spouse	\$1,383.19	\$1,369.49	\$1,325.40	\$1,312.15	\$1,344.47	\$1,331.16	\$1,264.24	\$1,251.72
Family	\$1,929.56	\$1,910.45	\$1,848.93	\$1,830.41	\$1,875.52	\$1,856.94	\$1,763.59	\$1,746.15
Employee+Child(ren)	\$1,237.96	\$1,225.70	\$1,186.23	\$1,174.35	\$1,203.29	\$1,191.37	\$1,131.48	\$1,120.29
Adult Child Rate	\$557.29	\$551.77	\$534.00	\$528.66	\$541.68	\$536.32	\$509.36	\$504.32
	Legacy Plans				1525		2030	
	Aetna PPO15	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO
<b>Rx Card</b>								
Single	\$184.71	\$184.71	\$184.71	\$184.71	\$167.53	\$167.53	\$170.50	\$170.50
Employee+Spouse	\$369.43	\$369.43	\$369.43	\$369.43	\$335.07	\$335.07	\$340.98	\$340.98
Family	\$515.34	\$515.34	\$515.34	\$515.34	\$467.41	\$467.41	\$475.70	\$475.70
Employee+Child(ren)	\$330.63	\$330.63	\$330.63	\$330.63	\$299.88	\$299.88	\$305.20	\$305.20
Adult Child Rate	\$148.84	\$148.84	\$148.84	\$148.84	\$135.00	\$135.00	\$137.39	\$137.39
	2035		HD 4000		HD 1500		Tiered Network	
	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Medical Coverage Only</b>								
Single	\$543.62	\$538.23	\$372.06	\$348.65	\$551.81	\$517.08	\$513.56	\$513.56
Employee+Spouse	\$1,087.24	\$1,076.47	\$744.13	\$697.30	\$1,103.64	\$1,034.18	\$1,027.12	\$1,027.12
Family	\$1,516.70	\$1,501.66	\$1,038.05	\$972.73	\$1,539.55	\$1,442.65	\$1,432.84	\$1,432.84
Employee+Child(ren)	\$973.08	\$963.43	\$665.99	\$624.08	\$987.74	\$925.57	\$919.28	\$919.28
Adult Child Rate	\$438.05	\$433.70	\$299.81	\$280.94	\$444.65	\$416.66	\$413.83	\$413.83
	2035		HD 4000		HD 1500		Tiered Network	
	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Rx Card</b>								
Single	\$153.46	\$153.46	\$112.64	\$112.64	\$167.06	\$167.06	\$167.53	\$167.53
Employee+Spouse	\$306.91	\$306.91	\$225.29	\$225.29	\$334.12	\$334.12	\$335.07	\$335.07
Family	\$428.15	\$428.15	\$314.27	\$314.27	\$466.10	\$466.10	\$467.41	\$467.41
Employee+Child(ren)	\$274.69	\$274.69	\$201.63	\$201.63	\$299.04	\$299.04	\$299.88	\$299.88
Adult Child Rate	\$123.65	\$123.65	\$90.77	\$90.77	\$134.62	\$134.62	\$135.00	\$135.00

Exhibit 4B – Plan Year 2016 Annual Active Premiums

	Legacy Plans				1525		2030	
	Aetna PPO15	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO
<b>Medical Coverage Only</b>								
Single	\$8,299	\$8,217	\$7,952	\$7,873	\$8,067	\$7,987	\$7,585	\$7,510
Employee+Spouse	\$16,598	\$16,434	\$15,905	\$15,746	\$16,134	\$15,974	\$15,171	\$15,021
Family	\$23,155	\$22,925	\$22,187	\$21,965	\$22,506	\$22,283	\$21,163	\$20,954
Employee+Child(ren)	\$14,856	\$14,708	\$14,235	\$14,092	\$14,439	\$14,296	\$13,578	\$13,443
Adult Child Rate	\$6,687	\$6,621	\$6,408	\$6,344	\$6,500	\$6,436	\$6,112	\$6,052
	Legacy Plans				1525		2030	
	Aetna PPO15	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO
<b>Rx Card</b>								
Single	\$2,217	\$2,217	\$2,217	\$2,217	\$2,010	\$2,010	\$2,046	\$2,046
Employee+Spouse	\$4,433	\$4,433	\$4,433	\$4,433	\$4,021	\$4,021	\$4,092	\$4,092
Family	\$6,184	\$6,184	\$6,184	\$6,184	\$5,609	\$5,609	\$5,708	\$5,708
Employee+Child(ren)	\$3,968	\$3,968	\$3,968	\$3,968	\$3,599	\$3,599	\$3,662	\$3,662
Adult Child Rate	\$1,786	\$1,786	\$1,786	\$1,786	\$1,620	\$1,620	\$1,649	\$1,649

	2035		HD 4000		HD 1500		Tiered Network	
	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Medical Coverage Only</b>								
Single	\$6,523	\$6,459	\$4,465	\$4,184	\$6,622	\$6,205	\$6,163	\$6,163
Employee+Spouse	\$13,047	\$12,918	\$8,930	\$8,368	\$13,244	\$12,410	\$12,325	\$12,325
Family	\$18,200	\$18,020	\$12,457	\$11,673	\$18,475	\$17,312	\$17,194	\$17,194
Employee+Child(ren)	\$11,677	\$11,561	\$7,992	\$7,489	\$11,853	\$11,107	\$11,031	\$11,031
Adult Child Rate	\$5,257	\$5,204	\$3,598	\$3,371	\$5,336	\$5,000	\$4,966	\$4,966
	2035		HD 4000		HD 1500		Tiered Network	
	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Rx Card</b>								
Single	\$1,842	\$1,842	\$1,352	\$1,352	\$2,005	\$2,005	\$2,010	\$2,010
Employee+Spouse	\$3,683	\$3,683	\$2,703	\$2,703	\$4,009	\$4,009	\$4,021	\$4,021
Family	\$5,138	\$5,138	\$3,771	\$3,771	\$5,593	\$5,593	\$5,609	\$5,609
Employee+Child(ren)	\$3,296	\$3,296	\$2,420	\$2,420	\$3,588	\$3,588	\$3,599	\$3,599
Adult Child Rate	\$1,484	\$1,484	\$1,089	\$1,089	\$1,615	\$1,615	\$1,620	\$1,620

Exhibit 4C – Plan Year 2016 Monthly Retiree Premiums

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	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Total Premium</b>										
Single - 0 Medicare	\$1,270.80	\$1,211.40	\$1,261.01	\$1,202.20	\$1,149.92	\$1,141.39	\$1,169.84	\$1,160.99	\$1,064.61	\$1,056.83
Single - 1 Medicare	\$542.34	\$517.71	\$540.02	\$515.64	\$627.34	\$624.60	\$489.46	\$487.61	\$581.28	\$578.64
EE+Spouse - 0 Medicare	\$2,770.33	\$2,640.89	\$2,748.98	\$2,620.81	\$2,504.98	\$2,486.40	\$2,550.22	\$2,530.94	\$2,320.86	\$2,303.92
EE+Spouse - 1 Medicare	\$1,752.66	\$1,671.53	\$1,741.20	\$1,660.87	\$1,736.36	\$1,725.63	\$1,602.53	\$1,592.46	\$1,605.72	\$1,595.76
EE+Spouse - 2 Medicare	\$1,084.67	\$1,035.45	\$1,080.02	\$1,031.30	\$1,254.69	\$1,249.23	\$978.91	\$975.21	\$1,162.53	\$1,157.23
Family - 0 Medicare	\$3,151.59	\$3,004.32	\$3,127.29	\$2,981.47	\$2,849.78	\$2,828.63	\$2,901.16	\$2,879.23	\$2,640.24	\$2,620.95
Family - 1 Medicare	\$2,099.27	\$2,001.94	\$2,085.14	\$1,988.78	\$2,047.34	\$2,034.31	\$1,921.62	\$1,909.13	\$1,895.14	\$1,883.06
Family - 2 Medicare	\$1,398.44	\$1,335.00	\$1,392.46	\$1,329.65	\$1,539.56	\$1,532.86	\$1,262.09	\$1,257.32	\$1,433.57	\$1,427.39
EE+Ch - 0 Medicare	\$1,779.08	\$1,695.97	\$1,765.38	\$1,683.10	\$1,608.51	\$1,596.58	\$1,637.75	\$1,625.37	\$1,490.48	\$1,479.59
EE+Ch - 1 Medicare	\$858.69	\$819.74	\$855.01	\$816.44	\$919.92	\$915.92	\$774.95	\$772.02	\$858.75	\$855.18
<b>Medical Premium</b>										
Single - 0 Medicare	\$989.47	\$930.07	\$979.68	\$920.87	\$852.12	\$843.59	\$893.19	\$884.34	\$777.05	\$769.27
Single - 1 Medicare	\$234.53	\$209.90	\$232.21	\$207.83	\$272.75	\$270.01	\$186.77	\$184.92	\$264.84	\$262.20
EE+Spouse - 0 Medicare	\$2,157.01	\$2,027.57	\$2,135.66	\$2,007.49	\$1,857.63	\$1,839.05	\$1,947.13	\$1,927.85	\$1,693.97	\$1,677.03
EE+Spouse - 1 Medicare	\$1,157.72	\$1,076.59	\$1,146.26	\$1,065.93	\$1,072.48	\$1,061.75	\$1,017.52	\$1,007.45	\$995.90	\$985.94
EE+Spouse - 2 Medicare	\$469.07	\$419.85	\$464.42	\$415.70	\$545.50	\$540.04	\$373.56	\$369.86	\$529.67	\$524.37
Family - 0 Medicare	\$2,453.86	\$2,306.59	\$2,429.56	\$2,283.74	\$2,113.27	\$2,092.12	\$2,215.07	\$2,193.14	\$1,927.07	\$1,907.78
Family - 1 Medicare	\$1,427.37	\$1,330.04	\$1,413.24	\$1,316.88	\$1,303.35	\$1,290.32	\$1,260.92	\$1,248.43	\$1,206.42	\$1,194.34
Family - 2 Medicare	\$604.74	\$541.30	\$598.76	\$535.95	\$669.56	\$662.86	\$481.62	\$476.85	\$617.62	\$611.44
EE+Ch - 0 Medicare	\$1,385.23	\$1,302.12	\$1,371.53	\$1,289.25	\$1,192.99	\$1,181.06	\$1,250.47	\$1,238.09	\$1,087.90	\$1,077.01
EE+Ch - 1 Medicare	\$371.34	\$332.39	\$367.66	\$329.09	\$400.02	\$396.02	\$295.74	\$292.81	\$357.75	\$354.18
<b>Rx Premium</b>										
Single - 0 Medicare	\$281.33	\$281.33	\$281.33	\$281.33	\$297.80	\$297.80	\$276.65	\$276.65	\$287.56	\$287.56
Single - 1 Medicare	\$307.81	\$307.81	\$307.81	\$307.81	\$354.59	\$354.59	\$302.69	\$302.69	\$316.44	\$316.44
EE+Spouse - 0 Medicare	\$613.32	\$613.32	\$613.32	\$613.32	\$647.35	\$647.35	\$603.09	\$603.09	\$626.89	\$626.89
EE+Spouse - 1 Medicare	\$594.94	\$594.94	\$594.94	\$594.94	\$663.88	\$663.88	\$585.01	\$585.01	\$609.82	\$609.82
EE+Spouse - 2 Medicare	\$615.60	\$615.60	\$615.60	\$615.60	\$709.19	\$709.19	\$605.35	\$605.35	\$632.86	\$632.86
Family - 0 Medicare	\$697.73	\$697.73	\$697.73	\$697.73	\$736.51	\$736.51	\$686.09	\$686.09	\$713.17	\$713.17
Family - 1 Medicare	\$671.90	\$671.90	\$671.90	\$671.90	\$743.99	\$743.99	\$660.70	\$660.70	\$688.72	\$688.72
Family - 2 Medicare	\$793.70	\$793.70	\$793.70	\$793.70	\$870.00	\$870.00	\$780.47	\$780.47	\$815.95	\$815.95
EE+Ch - 0 Medicare	\$393.85	\$393.85	\$393.85	\$393.85	\$415.52	\$415.52	\$387.28	\$387.28	\$402.58	\$402.58
EE+Ch - 1 Medicare	\$487.35	\$487.35	\$487.35	\$487.35	\$519.90	\$519.90	\$479.21	\$479.21	\$501.00	\$501.00

Exhibit 4C – Plan Year 2016 Monthly Retiree Premiums

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	2030				HD 4000	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
<b>Total Premium</b>						
Single - 0 Medicare	\$1,123.13	\$1,114.78	\$1,023.19	\$1,015.86	\$614.73	\$647.40
Single - 1 Medicare	\$480.46	\$478.74	\$570.86	\$568.34	NA	NA
EE+Spouse - 0 Medicare	\$2,448.47	\$2,430.25	\$2,230.56	\$2,214.58	\$1,340.09	\$1,411.29
EE+Spouse - 1 Medicare	\$1,550.21	\$1,540.71	\$1,556.72	\$1,547.31	NA	NA
EE+Spouse - 2 Medicare	\$960.96	\$957.50	\$1,141.73	\$1,136.70	NA	NA
Family - 0 Medicare	\$2,785.37	\$2,764.65	\$2,537.47	\$2,519.30	\$1,524.51	\$1,605.52
Family - 1 Medicare	\$1,856.59	\$1,844.82	\$1,834.93	\$1,823.54	NA	NA
Family - 2 Medicare	\$1,238.95	\$1,234.48	\$1,408.06	\$1,402.22	NA	NA
EE+Ch - 0 Medicare	\$1,572.40	\$1,560.72	\$1,432.45	\$1,422.19	\$860.61	\$906.35
EE+Ch - 1 Medicare	\$760.76	\$758.01	\$843.55	\$840.17	NA	NA
<b>Medical Premium</b>						
Single - 0 Medicare	\$843.89	\$835.54	\$732.93	\$725.60	\$431.62	\$464.29
Single - 1 Medicare	\$174.95	\$173.23	\$251.46	\$248.94	NA	NA
EE+Spouse - 0 Medicare	\$1,839.71	\$1,821.49	\$1,597.77	\$1,581.79	\$940.94	\$1,012.14
EE+Spouse - 1 Medicare	\$959.72	\$950.22	\$941.19	\$931.78	NA	NA
EE+Spouse - 2 Medicare	\$349.95	\$346.49	\$502.94	\$497.91	NA	NA
Family - 0 Medicare	\$2,092.86	\$2,072.14	\$1,817.62	\$1,799.45	\$1,070.41	\$1,151.42
Family - 1 Medicare	\$1,189.69	\$1,177.92	\$1,139.75	\$1,128.36	NA	NA
Family - 2 Medicare	\$451.17	\$446.70	\$584.48	\$578.64	NA	NA
EE+Ch - 0 Medicare	\$1,181.48	\$1,169.80	\$1,026.10	\$1,015.84	\$604.26	\$650.00
EE+Ch - 1 Medicare	\$277.05	\$274.30	\$337.86	\$334.48	NA	NA
<b>Rx Premium</b>						
Single - 0 Medicare	\$279.24	\$279.24	\$290.26	\$290.26	\$183.11	\$183.11
Single - 1 Medicare	\$305.51	\$305.51	\$319.40	\$319.40	NA	NA
EE+Spouse - 0 Medicare	\$608.76	\$608.76	\$632.79	\$632.79	\$399.15	\$399.15
EE+Spouse - 1 Medicare	\$590.49	\$590.49	\$615.53	\$615.53	NA	NA
EE+Spouse - 2 Medicare	\$611.01	\$611.01	\$638.79	\$638.79	NA	NA
Family - 0 Medicare	\$692.51	\$692.51	\$719.85	\$719.85	\$454.10	\$454.10
Family - 1 Medicare	\$666.90	\$666.90	\$695.18	\$695.18	NA	NA
Family - 2 Medicare	\$787.78	\$787.78	\$823.58	\$823.58	NA	NA
EE+Ch - 0 Medicare	\$390.92	\$390.92	\$406.35	\$406.35	\$256.35	\$256.35
EE+Ch - 1 Medicare	\$483.71	\$483.71	\$505.69	\$505.69	NA	NA

Exhibit 4D – Plan Year 2016 Annual Retiree Premiums

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	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
<b>Total Premium</b>										
Single - 0 Medicare	\$15,250	\$14,537	\$15,132	\$14,426	\$13,799	\$13,697	\$14,038	\$13,932	\$12,775	\$12,682
Single - 1 Medicare	\$6,508	\$6,213	\$6,480	\$6,188	\$7,528	\$7,495	\$5,874	\$5,851	\$6,975	\$6,944
EE+Spouse - 0 Medicare	\$33,244	\$31,691	\$32,988	\$31,450	\$30,060	\$29,837	\$30,603	\$30,371	\$27,850	\$27,647
EE+Spouse - 1 Medicare	\$21,032	\$20,058	\$20,894	\$19,930	\$20,836	\$20,708	\$19,230	\$19,110	\$19,269	\$19,149
EE+Spouse - 2 Medicare	\$13,016	\$12,425	\$12,960	\$12,376	\$15,056	\$14,991	\$11,747	\$11,703	\$13,950	\$13,887
Family - 0 Medicare	\$37,819	\$36,052	\$37,527	\$35,778	\$34,197	\$33,944	\$34,814	\$34,551	\$31,683	\$31,451
Family - 1 Medicare	\$25,191	\$24,023	\$25,022	\$23,865	\$24,568	\$24,412	\$23,059	\$22,910	\$22,742	\$22,597
Family - 2 Medicare	\$16,781	\$16,020	\$16,710	\$15,956	\$18,475	\$18,394	\$15,145	\$15,088	\$17,203	\$17,129
EE+Ch - 0 Medicare	\$21,349	\$20,352	\$21,185	\$20,197	\$19,302	\$19,159	\$19,653	\$19,504	\$17,886	\$17,755
EE+Ch - 1 Medicare	\$10,304	\$9,837	\$10,260	\$9,797	\$11,039	\$10,991	\$9,299	\$9,264	\$10,305	\$10,262
<b>Medical Premium</b>										
Single - 0 Medicare	\$11,874	\$11,161	\$11,756	\$11,050	\$10,225	\$10,123	\$10,718	\$10,612	\$9,325	\$9,231
Single - 1 Medicare	\$2,814	\$2,519	\$2,787	\$2,494	\$3,273	\$3,240	\$2,241	\$2,219	\$3,178	\$3,146
EE+Spouse - 0 Medicare	\$25,884	\$24,331	\$25,628	\$24,090	\$22,292	\$22,069	\$23,366	\$23,134	\$20,328	\$20,124
EE+Spouse - 1 Medicare	\$13,893	\$12,919	\$13,755	\$12,791	\$12,870	\$12,741	\$12,210	\$12,089	\$11,951	\$11,831
EE+Spouse - 2 Medicare	\$5,629	\$5,038	\$5,573	\$4,988	\$6,546	\$6,480	\$4,483	\$4,438	\$6,356	\$6,292
Family - 0 Medicare	\$29,446	\$27,679	\$29,155	\$27,405	\$25,359	\$25,105	\$26,581	\$26,318	\$23,125	\$22,893
Family - 1 Medicare	\$17,128	\$15,960	\$16,959	\$15,803	\$15,640	\$15,484	\$15,131	\$14,981	\$14,477	\$14,332
Family - 2 Medicare	\$7,257	\$6,496	\$7,185	\$6,431	\$8,035	\$7,954	\$5,779	\$5,722	\$7,411	\$7,337
EE+Ch - 0 Medicare	\$16,623	\$15,625	\$16,458	\$15,471	\$14,316	\$14,173	\$15,006	\$14,857	\$13,055	\$12,924
EE+Ch - 1 Medicare	\$4,456	\$3,989	\$4,412	\$3,949	\$4,800	\$4,752	\$3,549	\$3,514	\$4,293	\$4,250
<b>Rx Premium</b>										
Single - 0 Medicare	\$3,376	\$3,376	\$3,376	\$3,376	\$3,574	\$3,574	\$3,320	\$3,320	\$3,451	\$3,451
Single - 1 Medicare	\$3,694	\$3,694	\$3,694	\$3,694	\$4,255	\$4,255	\$3,632	\$3,632	\$3,797	\$3,797
EE+Spouse - 0 Medicare	\$7,360	\$7,360	\$7,360	\$7,360	\$7,768	\$7,768	\$7,237	\$7,237	\$7,523	\$7,523
EE+Spouse - 1 Medicare	\$7,139	\$7,139	\$7,139	\$7,139	\$7,967	\$7,967	\$7,020	\$7,020	\$7,318	\$7,318
EE+Spouse - 2 Medicare	\$7,387	\$7,387	\$7,387	\$7,387	\$8,510	\$8,510	\$7,264	\$7,264	\$7,594	\$7,594
Family - 0 Medicare	\$8,373	\$8,373	\$8,373	\$8,373	\$8,838	\$8,838	\$8,233	\$8,233	\$8,558	\$8,558
Family - 1 Medicare	\$8,063	\$8,063	\$8,063	\$8,063	\$8,928	\$8,928	\$7,928	\$7,928	\$8,265	\$8,265
Family - 2 Medicare	\$9,524	\$9,524	\$9,524	\$9,524	\$10,440	\$10,440	\$9,366	\$9,366	\$9,791	\$9,791
EE+Ch - 0 Medicare	\$4,726	\$4,726	\$4,726	\$4,726	\$4,986	\$4,986	\$4,647	\$4,647	\$4,831	\$4,831
EE+Ch - 1 Medicare	\$5,848	\$5,848	\$5,848	\$5,848	\$6,239	\$6,239	\$5,751	\$5,751	\$6,012	\$6,012

Exhibit 4D – Plan Year 2016 Annual Retiree Premiums

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	2030				HD 4000	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
<b>Total Premium</b>						
Single - 0 Medicare	\$13,478	\$13,377	\$12,278	\$12,190	\$7,377	\$7,769
Single - 1 Medicare	\$5,766	\$5,745	\$6,850	\$6,820	NA	NA
EE+Spouse - 0 Medicare	\$29,382	\$29,163	\$26,767	\$26,575	\$16,081	\$16,935
EE+Spouse - 1 Medicare	\$18,603	\$18,489	\$18,681	\$18,568	NA	NA
EE+Spouse - 2 Medicare	\$11,532	\$11,490	\$13,701	\$13,640	NA	NA
Family - 0 Medicare	\$33,424	\$33,176	\$30,450	\$30,232	\$18,294	\$19,266
Family - 1 Medicare	\$22,279	\$22,138	\$22,019	\$21,882	NA	NA
Family - 2 Medicare	\$14,867	\$14,814	\$16,897	\$16,827	NA	NA
EE+Ch - 0 Medicare	\$18,869	\$18,729	\$17,189	\$17,066	\$10,327	\$10,876
EE+Ch - 1 Medicare	\$9,129	\$9,096	\$10,123	\$10,082	NA	NA
<b>Medical Premium</b>						
Single - 0 Medicare	\$10,127	\$10,026	\$8,795	\$8,707	\$5,179	\$5,571
Single - 1 Medicare	\$2,099	\$2,079	\$3,018	\$2,987	NA	NA
EE+Spouse - 0 Medicare	\$22,077	\$21,858	\$19,173	\$18,981	\$11,291	\$12,146
EE+Spouse - 1 Medicare	\$11,517	\$11,403	\$11,294	\$11,181	NA	NA
EE+Spouse - 2 Medicare	\$4,199	\$4,158	\$6,035	\$5,975	NA	NA
Family - 0 Medicare	\$25,114	\$24,866	\$21,811	\$21,593	\$12,845	\$13,817
Family - 1 Medicare	\$14,276	\$14,135	\$13,677	\$13,540	NA	NA
Family - 2 Medicare	\$5,414	\$5,360	\$7,014	\$6,944	NA	NA
EE+Ch - 0 Medicare	\$14,178	\$14,038	\$12,313	\$12,190	\$7,251	\$7,800
EE+Ch - 1 Medicare	\$3,325	\$3,292	\$4,054	\$4,014	NA	NA
<b>Rx Premium</b>						
Single - 0 Medicare	\$3,351	\$3,351	\$3,483	\$3,483	\$2,197	\$2,197
Single - 1 Medicare	\$3,666	\$3,666	\$3,833	\$3,833	NA	NA
EE+Spouse - 0 Medicare	\$7,305	\$7,305	\$7,593	\$7,593	\$4,790	\$4,790
EE+Spouse - 1 Medicare	\$7,086	\$7,086	\$7,386	\$7,386	NA	NA
EE+Spouse - 2 Medicare	\$7,332	\$7,332	\$7,665	\$7,665	NA	NA
Family - 0 Medicare	\$8,310	\$8,310	\$8,638	\$8,638	\$5,449	\$5,449
Family - 1 Medicare	\$8,003	\$8,003	\$8,342	\$8,342	NA	NA
Family - 2 Medicare	\$9,453	\$9,453	\$9,883	\$9,883	NA	NA
EE+Ch - 0 Medicare	\$4,691	\$4,691	\$4,876	\$4,876	\$3,076	\$3,076
EE+Ch - 1 Medicare	\$5,805	\$5,805	\$6,068	\$6,068	NA	NA



## Exhibit 5 – Projection Assumptions

### Benefit Design Changes

Medical Plans: The following benefit plans will be offered in Plan Year 2016: NJ DIRECT10, Aetna Freedom10, NJ DIRECT15, Aetna Freedom15, NJ DIRECT1525, Aetna Freedom1525, NJ DIRECT2030, Aetna Freedom2030, NJ DIRECT2035, Aetna Freedom2035, Legacy HMO plan, HMO1525, HMO2030, HMO2035, HD4000, and HD1500. Plan summaries are included in Exhibit 6.

Employee Prescription Drug Plan: Active Employees will continue with the Employee Prescription Drug Plan. The drug copays will vary based on the medical benefit election. Plan summaries are included in Exhibit 6.

Retiree Prescription Drug Plans: Retiree copays and out-of-pocket maximums will revert to Plan Year 2012 levels (Plan details are listed in Exhibit 6B). The method for integrating with Medicare Part D will continue as EGWP Plus Wrap.

Mandated Benefits: Plan Year 2016 projected medical claim costs were increased 0.6% to reflect the impact of the NJ mandate for breast evaluation and other medically-necessary testing and additional benefits for those with autism.

Other Benefit Changes: On July 6, 2015, the SHBP Plan Design Committee approved the following changes:

1. Compound Drugs: The SHBP will no longer provide coverage for the non-medically necessary Top 25 to 30 Compound Drugs from ESI's Exclusion List. Previously, the SHBP covered all compounds with only minor participant cost-sharing. Going forward, when a member fills a prescription for a compound drug prescription from this Exclusion List, the plan will deny the claim and the member will pay for the drug out-of-pocket. There will be an appeals process available through the SHBP and ESI for medically necessary compound medications. This change applies to all SHBP plans. Based on guidance from ESI, Plan Year 2016 prescription drug claims are projected to decrease approximately \$95 million due to this change. This change applies to both Active and Retiree populations.
2. Hepatitis C: The SHBP will now cover only Viekira Pak as the first line of treatment for members prescribed a Hepatitis C medication. Other Hepatitis C medications available (Sovaldi, Harvoni, and Olysio) will only be covered by the SHBP if the Viekira Pak treatment proves to be unsuccessful for the patient. This change applies only to prescriptions filed for Hepatitis C medications going forward and does not apply to any members currently undergoing treatment with a Hepatitis C medication other than Viekira Pak. There will be an appeals process available through the SHBP and ESI for situations where medications other than Viekira Pak may be medically necessary as a first line of treatment. This change applies to all SHBP plans. A 1.2% reduction (\$7 million) in projected Plan Year 2016 Commercial group prescription drug claims is estimated as a result of this change. This change applies only to the non-Medicare population.

3. Restrict Certain Therapies from Out-of-Network Coverage: The SHBP will reduce plan payments for out-of-network chiropractic and acupuncture services for Plan Year 2016. For these out-of-network services, the SHBP will pay no more than \$35 a visit for chiropractic and \$60 a visit for acupuncture or 75% of the in-network cost per visit, whichever is less. Horizon and Aetna will implement changes to the in-network rates to increase the network of chiropractic and acupuncture providers for members. This change applies to all SHBP PPO plans. A 0.2% reduction (\$3 million) in projected Plan Year 2016 medical claims is estimated as a result of this change.
4. PCMH Pilot: The SHBP is sponsoring a Direct Primary Care Medical Home (DPCMH) Pilot Program for participating non-Medicare members and their dependents who are enrolled in a non-HMO SHBP plan. This voluntary pilot program will be established in multiple regions across the State and has an initial participation rate goal of 10,000 members within the first 12 months. Members who choose to go to a DPCMH provider will have no out-of-pocket cost-sharing when receiving care from that provider. DPCMH providers will provide comprehensive primary care services, will limit the number of patients for participating providers, and will be reimbursed on a per-member-per-month basis. Horizon and Aetna will contract with DPCMH providers to implement this pilot program. As this program is voluntary and will be offered in only pilot form during Plan Year 2016, no cost impact has been included in the renewal.
5. Rutgers-Robert Wood Johnson Partners Pilot Program: The SHBP PDC is establishing a three-year pilot program for the development of an incentive-based Patient Centered Medical Home (PCMH) Wellness Program for Rutgers University employees. As this program is voluntary and will be offered in only pilot form during Plan Year 2016, no cost impact has been included in the renewal.
6. Increase Emergency Room Copays: For all current SHBP plans with emergency room copays currently less than \$100, the emergency room copay will increase by \$25 per visit. This change does not apply to physician referrals to the emergency room or to pediatric (under age 19) visits to the emergency room. The copays will be waived if the member is admitted to the emergency room. The PPO2030, HMO2030, PPO2035, and HMO2035 plans are not affected by this change, as these plans have emergency room copays currently in excess of \$100. This change also does not apply to the HD1500 or HD4000 plans, where emergency room coverage is paid by member coinsurance. A 0.2% reduction (\$3 million) in projected Plan Year 2016 medical claims is estimated as a result of this change. This change applies to both Active and Retiree populations.
7. Tiered Network Plan: Please note that the SHBP Plan Design Committee has approved a Tiered Network option for Plan Year 2016 for both Aetna and Horizon. Details and related pricing will follow shortly.

## Vendor Changes

No change in vendors for Plan Year 2016.

## Incurred Basis

Plan Year 2016 aggregate projected costs reflect incurred costs for claims and expenses.

## Margin

Projected State Group SHBP premiums will include no margin since this is a self-insured plan and any shortfall in premium is paid by the State.

## Administrative Expenses

Plan Year 2016 premiums will include projected costs for the following administrative expenses:

- ASO fees for each vendor,
- Overhead charges, which are the State of New Jersey administrative costs charged against the plans, projected at \$3.5 million for Plan Year 2016,
- \$2.34 per member per year for the Patient-Centered Outcomes Research Institute Fee required by Federal Healthcare Reform.
- \$27 per non-Medicare member per year for the Transitional Reinsurance Fee required by Federal Healthcare Reform.
- \$19 per employee per year for NJWELL

## Claim Costs

Plan Year 2016 claim costs will include projected charges/credits for the following claim expenses:

- Medical and prescription drug claims,
- Capitation charges,
- \$111 million for prescription drug rebates, and
- \$77 million in CMS and PBM payments under the Retiree prescription drug EGWP Plus Wrap. The EGWP + Wrap plan has three types of credits applied against incurred claims:
  - CMS per capita payments: The Plan Year 2015 cap is assumed to be \$25.44 PMPM based on data received to date, and Plan Year 2016 is expected to be the same based on ESI's analysis.
  - Coverage Gap Discount: The Plan Year 2015 PMPM credits are assumed to be \$58.83 and are assumed to not increase in Plan Year 2016.
  - Catastrophic Reinsurance: This payment has a very long lag, and the Plan Year 2014 credit is not expected until the end of Plan Year 2015. For Plan Year 2014, we will assume that the credit will be \$39.00 PMPM based on projections from Express Scripts. For Plan Year 2015, we will assume that this credit will increase 15% based on final regulations in the CMS methodology. The credit is expected to increase 12% in Plan Year 2016 as a result of plan design changes approved on July 6, 2015 impacting compound drugs.

## Enrollment Projections

Exhibit 1A reflects historical enrollment patterns among the benefit offerings from January 2013 through May 2015 and includes Aon Hewitt's projection of enrollment from June 2015 through December 2016. Aon Hewitt's Plan Year 2016 enrollment projections assume that Active enrollment will decrease by 4.0%, Early Retiree enrollment will decrease 2.0%, and Medicare Retiree enrollment will increase 6.0%.

## Health Status Change

State Active Plans: It is anticipated that NJWELL will gradually improve the health status of participants. For Plan Year 2015, Aon Hewitt projects that the improved health status will reduce total claim costs by 0.1% (\$20 per Active Employee per year), but is not projected to exceed the administrative costs of the program. The following annual net costs of NJWELL (administrative and incentive costs reduced for claim savings) have been added to the administrative costs of the plan (as detailed in the Administrative Expenses section of this Exhibit):

Net Cost Per Employee	
PY2015	PY2016
\$8	(\$1)

Aon Hewitt does not anticipate any other significant changes in State Active average health status for Plan Year 2016 as compared with Plan Years 2015 and 2014. It is likely that the health status of those opting for the lower-cost plans will be better than those who stay in the legacy plans. However, no health status adjustments are made to the different plan relative-value factors, since their experience will be pooled among the different benefit options.

State Retiree Plans: No change to average health status is assumed, since total enrollment is growing and is expected to continue to grow and Retiree contributions are not expected to have any significant changes in Plan Years 2015 and 2016.

## Trend Rates

Exhibit 2A presents SHBP medical trend experience and Aon Hewitt's trend assumptions for Plan Year 2016 for fee-for-service claims and capitation combined. Exhibit 2B presents prescription drug trend experience and assumptions. These experience trends are based on claim trends in Plan Years 2013 and 2014, normalized for benefit and vendor changes, and adjusted for anticipated future changes in claim levels. Exhibits 2A and 2B include the following columns:

Increase in Claims / Employee: This is the actual increase in claims per subscriber from the prior period.

Benefit + RFP Changes: This shows the impact of benefit changes and vendor administrative changes.

Claim Trend: This is the increase in claim cost that would have occurred if there had been no change in benefits or claim administration. It is the basis for determining future SHBP claims increases, since separate adjustments are made to trend for benefit and claim administration

changes. Claim trend is calculated by subtracting the value of benefit changes from the actual increase in claims per subscriber.

The recommended claim trends for the Plan Years 2015 and 2016 are:

	Medical	Prescription Drugs	
		PY2015	PY2016
PPO Active	7.50%	18.00%	12.00%
PPO Early Retiree	7.00%	18.00%	12.00%
PPO Medicare Retiree	3.50%	18.00%	12.00%
HMO Active	7.00%	18.00%	12.00%
HMO Early Retiree	7.00%	18.00%	12.00%

These recommended claim trends are included in Exhibits 2A and 2B, labeled “Aon Hewitt Trend Assumption”.

Prescription drug trend in Plan Year 2015 for Medicare Retirees has been increased to reflect an anticipated ESI correction to its miscoding of 2014 specialty discounts.

As a result of the plan design changes approved on July 6, 2015, the prescription drug trend for Plan Year 2016 is projected to be 12.0% for Actives and Retirees.

**Data Assumptions**

Claims: For medical and prescription drug claims, claim files from each of the vendors which have claims paid through March 2015 are used.

Enrollment: Monthly census files received from the Division of Pensions and Benefits are used to match against the claims tapes to determine enrollments for Active versus Retiree and State versus Local Employers. Billing counts from the Division of Pensions and Benefits through May 2015 are used for the exposure units in the cost analysis.

Exhibit 6A – Plan Year 2016 Employee Plan Option Summary

State Active Employee Plans

	\$15 copay		1525	2030	2035	Tiered Network Plan Option		HD1500	HD 4000
	PPO	HMO				Tier 1	Tier 2		
<b>Medical Cost Sharing</b>									
Primary Care Copays	\$15	\$15	\$15	\$20	\$20	\$5	\$20	NA	NA
Specialist Care Copays	\$15	\$15	\$25	\$30 for adults/ \$20 children	\$35	\$15	\$30	NA	NA
Emergency Room Copay	\$75	\$75	\$100	\$125	\$300	\$100	\$100	NA	NA
In-Network Deductible	None	\$100 for medical appliances and DME	None	None	\$200*	None	\$1,500	\$1,500**	\$4,000**
In-Network Coinsurance	10% on ambulance, prosthetic devices, DME	None	10% on ambulance, prosthetic devices, DME	10% on ambulance, prosthetic devices, DME	20% on facility charges, imaging, ambulance, prosthetic devices, DME	None	80%	20% on all in-network charges	20% on all in-network charges
In-Network Coinsurance OOP Maximum*	\$400	None	\$400	\$800	\$2,000	None	None	n/a	n/a
In-Network OOP Maximum**	\$5,480	\$5,480	\$5,480	\$5,480	\$5,480	\$2,500	\$4,500	\$1,000 (does not include deductible)	\$1,000 (does not include deductible)
OON Deductible*	\$100	NA	\$100	\$200	\$800	NA	NA	combined with in-network deductible	combined with in-network deductible
OON Coinsurance	30%	NA	30%	30%	40%	NA	NA	40%	40%
OON OOP maximum	\$2,000*	NA	\$2,000*	\$5,000*	\$6,500**	NA	NA	\$3,500**	\$6,000**
OON Inpatient Hospital Deductible	\$200 per stay	NA	\$200 per stay	\$500 per stay	\$600 per stay	NA	NA	NA	NA
Employer HSA Funding	NA	NA	NA	NA	NA	NA	NA	\$300	\$0
<b>Prescription Drug Copays</b>									
Retail Copayments Generic	\$3	\$3	\$7	\$3	\$7	\$7	\$7	subject to deductible and coinsurance	subject to deductible and coinsurance
Retail Copayments Preferred Brand	\$10	\$10	\$16	\$18	\$21	\$16	\$16		
Retail Copayments Non-Preferred Brand	\$25	\$25	\$35	\$46	Mbr pays difference	\$35	\$35		
Mail Copayments Generic	\$5	\$5	\$18	\$5	\$18	\$18	\$18		
Mail Copayments Preferred Brand	\$15	\$15	\$40	\$36	\$52	\$40	\$40		
Mail Copayments Non-Preferred Brand	\$40	\$40	\$88	\$92	Mbr pays difference	\$88	\$88		
Rx OOP Maximum*	\$1,370	\$1,370	\$1,370	\$1,370	\$1,370	\$1,370	\$1,370		

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

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

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

Exhibit 6B – Plan Year 2016 Retiree Plan Option Summary

State Retiree Plans

	\$10 copay	\$15 copay	1525	2030	HD4000		
<b>Medical Cost Sharing</b>							
Primary Care Copays	\$10	\$15	\$15	\$20	NA		
Specialist Care Copays	\$10	\$15	\$25	\$30 for adults/ \$20 children	NA		
Emergency Room Copay	\$50 PPO, \$60 HMO	\$75	\$100	\$125	NA		
In-Network Deductible	HMO Plans only: \$100 for medical appliances and DME	NA	HMO Plans only: \$100 for medical appliances and DME	HMO Plans only: \$100 for medical appliances and DME	\$4,000***		
In-Network Coinsurance	PPO Plans only: 10% on ambulance, prosthetic devices, DME	PPO Plans only: 10% on ambulance, prosthetic devices, DME	PPO Plans only: 10% on ambulance, prosthetic devices, DME	PPO Plans only: 10% on ambulance, prosthetic devices, DME	20% on all in-network charges		
In-Network OOP Maximum***	\$400 (PPO)** / \$5,499 (HMO)	\$5,499	\$5,499	\$5,499	\$1,000 (does not include deductible)		
OON* Deductible **	\$100	\$100	\$100	\$200	combined with in-network deductible		
OON* Coinsurance**	20%	30%	30%	30%	40%		
OON* OOP maximum**	\$2,000**	\$2,000**	\$2,000**	\$5,000**	\$6,000***		
OON* Inpatient Hospital Deductible	none	none	\$200 per stay	\$500 per stay	NA		
Employer HSA Funding	NA	NA	NA	NA	\$0		
<b>Prescription Drug Copays</b>							
Retail Copayments	Generic	\$10	\$6	\$10	\$7	\$3	subject to deductible and coinsurance
Retail Copayments	Preferred Brand	\$22	\$12	\$22	\$16	\$18	
Retail Copayments	Non-Preferred Brand	\$44	\$24	\$44	\$35	\$46	
Mail Copayments	Generic	\$5	\$5	\$5	\$5	\$5	
Mail Copayments	Preferred Brand	\$33	\$18	\$33	\$40	\$36	
Mail Copayments	Non-Preferred Brand	\$55	\$30	\$55	\$88	\$92	
Rx Out-of-Pocket Maximum**		\$1,351	\$1,351	\$1,351	\$1,351	\$1,351	

\*HMO plans do not have OON network benefits

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

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

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