

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
ANNUAL FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015
WITH INDEPENDENT AUDITOR'S REPORT

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

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KEVIN C. DUKE
Certified Public Accountant
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INDEPENDENT AUDITOR'S REPORT

To the Board of Review Trustees
Oklahoma Public Employees Health & Welfare Plan
Bartlesville, Oklahoma

We have audited the accompanying financial statements of the Oklahoma Public Employees Health & Welfare Plan, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oklahoma Public Employees Health and Welfare Plan, as of June 30, 2016 and 2015 and the statement of income and changes in fund balance in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2016, on our consideration of the Oklahoma Public Employees Health and Welfare Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oklahoma Public Employees Health and Welfare Plan's internal control over financial reporting and compliance.

Kevin C. Duke, CPA, PC

Tulsa, Oklahoma
November 17, 2016

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
BALANCE SHEET
JUNE 30, 2016 and 2015

<u>ASSETS</u>	June 30, 2016	June 30, 2015
Current Assets:		
Cash and Cash Equivalents (Note 3)	\$ 586,060	\$ 313,394
Investments (Note 3)	3,803,422	5,245,768
Accounts Receivable - Unpaid Premiums	2,523,344	2,263,666
Accounts Receivable - Cimarron M.H.	<u>0</u>	<u>3,188</u>
Total Current Assets	<u>6,912,826</u>	<u>7,826,016</u>
TOTAL ASSETS	<u>\$ 6,912,826</u>	<u>\$ 7,826,016</u>

LIABILITIES AND FUND BALANCE

Current Liabilities:		
Accounts Payable	\$ 5,995,605	\$ 1,483,202
Unearned Premiums	46	351
Bank Loan Payable	<u>2,636,197</u>	<u>0</u>
Total Current Liabilities	<u>8,631,848</u>	<u>1,483,553</u>
Total Liabilities	<u>8,631,848</u>	<u>1,483,553</u>
Fund Balance:		
Unrestricted Fund Balance	<u>(1,719,022)</u>	<u>6,342,463</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,912,826</u>	<u>\$ 7,826,016</u>

See accompanying notes and auditor's report.

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
STATEMENT OF INCOME
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2016 and 2015

<u>REVENUES:</u>	<u>June 30,</u> <u>2016</u>	<u>June 30,</u> <u>2015</u>
Premiums (Note 6)	\$ 45,127,707	\$ 37,537,086
Specific reinsurance (Note 7)	404,520	29,459
Investment income	(43,917)	77,112
Rebates	745,453	294,458
Subrogation	62,340	116,645
Performance guarantees	0	35,471
Interest income	<u>407</u>	<u>796</u>
TOTAL REVENUES	<u>46,296,510</u>	<u>38,091,027</u>
<u>EXPENSES:</u>		
ACA reinsurance & PCORI	334,185	398,830
Administrator's fee (Note 8)	1,187,073	1,140,355
Bank fees	7,236	6,507
Claims paid (Note 4)	46,861,729	31,479,677
Claims supervisor fee (Note 9)	2,479,005	1,869,348
Dues and fees	400	450
Fidelity bond expense	11,705	11,705
Interest and investment expense	172,130	7,583
Legal fees	6,052	34,259
Life insurance	1,901,737	1,634,095
Postage	13,449	12,717
Premium reimbursement	(1,615)	3,276
Professional fees	149,867	46,213
Specific reinsurance (Note 7)	589,657	539,227
Storage rental	600	550
Printing	16,398	8,087
Office expense	1,959	1,983
VSP Vision	<u>626,428</u>	<u>606,958</u>
TOTAL EXPENSES	<u>54,357,995</u>	<u>37,801,820</u>
Net Income (Loss)	<u>(8,061,485)</u>	<u>289,207</u>
FUND BALANCE - BEGINNING OF YEAR	<u>6,342,463</u>	<u>6,053,256</u>
FUND BALANCE - END OF YEAR	<u>\$ (1,719,022)</u>	<u>\$ 6,342,463</u>

See accompanying notes and auditor's report.

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 and 2015

	<u>June 30,</u> <u>2016</u>	<u>June 30,</u> <u>2015</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$(8,061,485)	\$ 289,207
Adjustment to reconcile net income (loss) to net cash used for operating activities		
Decrease (increase) in accounts receivable	(256,490)	(1,268,176)
Increase (decrease) in accounts payable	4,512,403	(325,342)
Increase (decrease) in unearned premiums	<u>(305)</u>	<u>(73,843)</u>
Net cash used for operating activities	<u>(3,805,877)</u>	<u>(1,378,154)</u>
Cash Flows from Investing Activities:		
Decrease (increase) in investments	<u>1,442,346</u>	<u>1,422,888</u>
Net cash provided by investing activities	<u>1,442,346</u>	<u>1,422,888</u>
Cash Flows from Financing Activities:		
Increase (decrease) in financing activities	<u>2,636,197</u>	<u>-</u>
Net cash provided by financing activities	<u>2,636,197</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>272,666</u>	<u>44,734</u>
Cash and Cash Equivalents, Beginning of Year	<u>313,394</u>	<u>268,660</u>
Cash and Cash Equivalents, End of Year	<u>\$ 586,060</u>	<u>\$ 313,394</u>

See accompanying notes and auditor's report.

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1:

ORGANIZATION:

The Oklahoma Public Employees Health & Welfare Plan (hereinafter referred to as "The Plan") was organized on February 1, 1992 under the laws of the State of Oklahoma. Also on February 1, 1992, certain governmental agencies (hereinafter referred to as "Participating Agencies") acting under the provisions of Title 51, Oklahoma Statutes, Sections 167, 168, 169 and 172, Title 74 Oklahoma Statutes, Sections 1001, et seq., and other applicable provisions of Oklahoma Law, by their Inter-Local Government Agreement, established the Plan for the purpose of providing major medical, prescription, dental, vision, life and AD&D insurance benefits for the Participating Agencies' eligible employees and their dependents. These benefits are provided through insurance, self-insurance, or by a combination thereof as determined by the trustees pursuant to the terms of the Trust Agreement. As of June 30, 2016 there were 105 participating groups in the Plan comprised of thirty-five (35) Oklahoma counties, five (5) schools, thirty-one (31) municipalities, six (6) CED's, four (4) COG's four (4) local government authorities, and twenty (20) other organization types.

NOTE 2:

SIGNIFICANT ACCOUNTING POLICIES:

Cash and Cash Equivalents:

The Plan considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Basis Of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Income Taxes:

The Plan was organized under the laws of the State of Oklahoma by certain governmental entities' Inter-Local Government Agreement for the purpose of providing group health, dental and group term life insurance benefits, all essential government functions, to participating Oklahoma counties and is, therefore, exempt from federal income taxes under Internal Revenue Code Section 115. The Plan evaluates and accounts for its uncertain tax positions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes (formerly FIN 48, Accounting for Uncertainty in Income Taxes), including the Plan's tax position as an exempt entity. It is also possible that some positions might be subject to uncertainty. The Plan evaluates any uncertain tax positions using the provisions of ASC 450, Contingencies. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgement with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. Interest and penalties, if any, resulting from any uncertain tax positions required to be recorded by the Plan would be presented in other expenses in the statement of income. Management does not believe that any uncertain tax positions currently exist and no loss contingency has been recognized in the accompanying financial statements. Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination.

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Currently, the Plan has no open examination with either the Internal Revenue Service or state taxing authorities.

Concentration Of Credit:

The Plan maintains its cash in bank deposit accounts which, at times during the month, may exceed the federally insured limits of \$250,000. The Plan has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents: Fair value approximates carrying value due to the initial maturities of the instruments being three months or less.

Cash in Bank - Arvest	\$ 563,910
Cash in Bank - Bancfirst	<u>22,150</u>
Total Cash and Cash Equivalents	<u>\$ 586,060</u>

Investments: The estimated fair values of investments are as follows:

Equity Investments - Arvest	\$ 844,259
Intermediate Bonds - Arvest	1,477,628
Short Term Bonds - Arvest	1,377,341
Fixed Income Securities - Arvest	4,194
Certificate of Deposit - Bancfirst	<u>100,000</u>
Total Investments	<u>\$3,803,422</u>

NOTE 4: CLAIMS PAID:

The Plan paid claims for the Participating Agencies' eligible employees and their dependents for health, dental, vision, and life insurance claims as provided for in the Trust Agreement and approved by the Trustees. The Summary Plan description, adopted and approved by the Trustees, is furnished to the Participating Agencies and to all Plan Participants and is controlling and binding upon all persons claiming any right to benefits under the current plan. See the Summary Plan description for complete details of benefits available.

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 5: **CONTINGENT LIABILITY-CLAIMS INCURRED BUT NOT REPORTED (IBNR):**

A contingent liability estimate for claims incurred but not reported ("IBNR") has been made of \$4,200,000.00. The accuracy of this estimate cannot be determined prior to the ultimate settlement of each claim. Accordingly, the ultimate cost of settling these claims may vary significantly from this contingent liability estimate.

Note 6: **PREMIUMS:**

Premium revenue reflects amounts received from eligible employees of Participating Agencies as provided for The Plan's "Benefit Book", formerly known as the Summary Plan Description.

Note 7: **SPECIFIC REINSURANCE:**

The Plan maintains an excess risk agreement with an insurance company that provides for a specific stop loss attachment point of \$350,000 per claimant per year as of June 30, 2016. Effective July 1, 2016, the stop loss attachment point is \$425,000 per claimant per year..

Note 8: **ADMINISTRATIVE EXPENSES:**

The Plan entered into a 24-month administrative agreement on March 30, 2016 with McElroy & Associates to provide administrative services for The Plan as agreed to in the agreement, for a flat fee in the amount of \$10,000 each month or \$14.50 per "Contract" each month, which ever is greater. The agreement is in effect from July 1, 2016 to June 30, 2016.

The Plan signed an addendum to the administrative agreement on October 15, 2016 with McElroy & Associates increasing the per member per month fee by \$.50 from \$14.50 to \$15.00 effective October 1, 2016 until June 30, 2016. The change was necessary to meet the requirements of IRS Forms 1094c and 1095c.

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 9: CLAIMS SUPERVISOR FEE:

The Plan's administrative agreement with Blue Cross and Blue Shield provides for the administration of all functions in the claims and payment process of plan benefits. The administrative service fees agreed to were as follows:

	Effective <u>7/1/16 - 6/30/17</u>	Effective <u>7/1/2015 - 6/30/15</u>
Medical Administrative Fee	\$34.24 per contract per month	\$ 34.21 per contract per month
Dental Administrative Fee	\$ 2.51 per contract per month	\$ 2.39 per contract per month

Note 10: DATE OF MANAGEMENT'S REVIEW:

Subsequent events were evaluated through November 17, 2016, which is the date the financial statements were available to be issued.

Note 11: REVOLVING LINE OF CREDIT:

The Plan signed a debt modification agreement on December 3, 2015 with Arvest Bank which amended and increased the line of credit to \$2,636,197. Accrued interest of 4.5% is due and payable monthly on any balance due.

Note 12: RISKS AND UNCERTAINTIES:

The plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

KEVIN C. DUKE
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Review Trustees
Oklahoma Public Employees Health & Welfare Plan
Bartlesville, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Oklahoma Public Employees Health and Welfare Plan statements as of and for the years ended June 30, 2016 and 2015, as listed in the table of contents, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated November 17, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Oklahoma Public Employees Health and Welfare Plan's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oklahoma Public Employees Health and Welfare Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oklahoma Public Employees Health and Welfare Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kevin C. Duke, CPA, PC

Tulsa, Oklahoma
November 17, 2016

2016-2017 PLAN YEAR ACTUARIAL REPORT - Revised

OKLAHOMA PUBLIC EMPLOYEES HEALTH AND WELFARE TRUST

April 8, 2016

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Introduction

The Oklahoma Public Employees Health and Welfare Trust (OPEH&W) engaged Oliver Wyman Actuarial Consulting (OW or “we”) to perform an annual valuation of the medical, drug and dental benefits for the plan year beginning July 1, 2016. On March 16, 2016, an initial version of the report was provided to OPEH&W. On April 5, 2016, OPEH&W communicated to OW that Blue Cross Blue Shield of Oklahoma (BCBSOK) revised the savings estimate associated with switching from the Blue Choice network to the Blue Preferred network. This report reflects the revised savings estimates and incorporates additional alternatives to reduce the impact of the rate changes.

This review includes:

- Development of appropriate premiums for major medical (medical/pharmacy) and dental benefits
- Analysis of potential benefit changes and various surplus levels on premiums
- Determination of IBNR reserves
- Funding forecasts

OPEH&W experienced favorable trends for the last several plan years, and as a result, premium rates were kept nearly steady. However, recent large claim activity has resulted in significant losses for the first half of plan year 2015-2016. Furthermore, drug costs increased noticeably over the course of the last 18 months and have remained elevated.

We continue to recommend a premium rate increase of approximately 18.4% for medical/pharmacy benefits and a premium rate decrease of 35.1% for dental benefits for plan year 2016-2017 relative to current premium rate levels assuming the status quo (i.e., no benefit or provider network changes). Combined, the average rate increase is projected to be approximately 15%.

In the initial report, we developed an alternative premium rate scenario, assuming a change in provider networks which was informed by estimates from BCBSOK. The estimate provided by BCBSOK regarding the medical claims savings associated with switching from the Blue Choice to the Blue Preferred network was revised on April 5, 2016. Under the revised alternative scenario, we now recommend an average rate increase of 12.4% for medical/pharmacy benefits; when combined with dental benefits, the average rate increase is projected to be approximately 9%.

The succeeding sections of this report provide greater context to the premium rate projection, including the data sources used, the methodology behind the premium rate projection, and a description of any assumptions used.

Section 2 describes the data we received and any issues or inconsistencies we identified.

Section 3 provides a history of enrollment changes as well as a summary of future anticipated group additions.

Section 4 provides an overview of the premium rate projections that we developed.

Section 5 contains the details behind the premium rate projections, including a discussion of the assumptions used in projecting the base experience to the rating period.

Section 6 details the impact on premiums of implementing various benefit changes and alterations to the relativity of the rate change by employee tier (i.e., varying the rate change by employee tier). This section also includes the rate impact of incorporating varying levels of surplus in the rate projections.

Section 7 contains the development of the prospective incurred but not reported claim estimate for June 30, 2016.

Section 8 shows the forecast for each group for plan year 2016-2017.

Section 9 consists of the Appendices, which contain the calculations associated with the premium rate projections.

Certification

I, Ryan Mueller, Senior Consultant of Oliver Wyman Actuarial Consulting, have been engaged by Oklahoma Public Employees Health and Welfare Trust (OPEH&W) to prepare this report and corresponding premium rates. Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman), is an independent actuarial consulting firm that is not affiliated with, nor a subsidiary, nor in any way owned or controlled by a health plan, health insurer, or a trade association of health plans or insurers.

The information included in this report has been prepared for use by OPEH&W. Oliver Wyman makes no representation or warranty to any third party regarding the content of this actuarial memorandum and no third party may rely on the information included in this actuarial memorandum that would create any legal duty by Oliver Wyman to any third party.

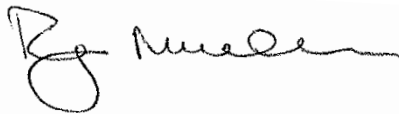
This report is not intended for general circulation or publication, nor is it to be used, quoted or distributed to others for any purpose other than those that may be set forth herein or in the written agreement pursuant to which this report has been issued without the prior written consent of Oliver Wyman. Oliver Wyman assumes no liability related to third party use of this report or any actions taken or decisions made as a consequence of the results, advice or recommendations set forth herein. This report should not replace the due diligence on behalf of any such third party.

The analysis underlying the development of the rates included in this report is based on our interpretation of current State and Federal laws and regulations. Should these laws and/or regulations be modified our results could be subject to change. It should be noted that Oliver Wyman is an actuarial consulting firm and is not engaged in the practice of law. Therefore, nothing in this actuarial memorandum should be interpreted as legal advice.

The rates developed in this report reflect estimates of future contingent events; actual results will likely vary. The magnitude of differences between projections in this filing and actual observed experience will depend on the extent to which actual experience in the future conforms to the assumptions made in this analysis. It is certain that actual experience will not conform exactly to the assumptions made in this filing.

While we have relied on the data provided by OPEH&W without independent investigation or verification, we have reviewed the data for consistency and reasonableness. In our analysis, we note any data inconsistencies of significance. If the data or information provided by OPEH&W is inaccurate or incomplete, our findings and conclusions may need to be revised.

I am a member of the American Academy of Actuaries (Academy) and I meet the Academy qualification standards for rendering this opinion. I have utilized generally accepted actuarial methodology in reaching this opinion.

A handwritten signature in black ink, appearing to read "Ryan Mueller". The signature is written in a cursive style with a large initial "R" and "M".

Ryan Mueller, FSA, MAAA
Senior Consultant
Oliver Wyman Actuarial Consulting, Inc.

April 8, 2016

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Data

We received the following information from OPEH&W, as supplied by their third party administrator (TPA) and various vendors:

- A summary of aggregated medical and dental claim payments by month from July 2012 to January 2016, and a summary of aggregated pharmacy claim payments by month from July 2012 to December 2015
- Lag reports for medical and dental claims with incurred dates from July 1, 2012 to January 31, 2016
- Summarized claim reports from LDI, the previous pharmacy benefit manager (PBM), for pharmacy claims paid between January 2014 and June 2015
- A summarized claim report from Express Scripts (ESI), the current PBM, for pharmacy claims paid between July 2015 and December 2015
- Shock or high-cost claimant reports for plan years 2012-2013, 2013-2014, 2014-2015 and 2015-2016 through January 2016
- Financial statements for plan years 2012-2013, 2013-2014 and 2014-2015 and for the first six months of plan year 2015-2016
- Medical and dental census information for June 2012 through January 2016
- Current OPEH&W Briefing Book
- Current OPEH&W Benefit Book
- A list of proposed benefit changes, including a potential change to the Blue Preferred provider network
- A list of recent group additions and terminations
- Plan Audit Report for plan years 2012-2013, 2013-2014 and 2014-2015
- Benefit changes for the four most recent plan years
- Premium rates for the four most recent plan years
- The medical and dental ASO projections for plan year 2016-2017 as prepared by BCBSOK
- 2016-2017 plan year vendor fees
 - Plan management fees:
 - \$15.00 per contract per month
 - BCBSOK medical and dental fees:
 - Medical administration fee of \$35.24 per contract per month
 - Dental administration fee of \$2.51 per contract per month
 - Stop-Loss Reinsurance:
 - \$13.59 per contract per month for the Blue Choice provider network
 - \$12.66 per contract per month for the Blue Preferred provider network
 - Additional fees
 - \$2.50 per contract per month for benefits value advisor (BVA) services
 - \$0.23 per member per month for access to Telehealth services

Additional information was provided by OPEH&W to support claim savings associated with new initiatives (e.g., change in provider network) and/or new member services (e.g., BVA). The claim

savings estimate was revised on April 5, 2016. We are relying on the information provided by BCBSOK with regards to the medical claim savings associated with switching to the Blue Preferred provider network and the claim savings associated with the BVA services. We were not provided with sufficient data or time to validate the savings estimate provided by BCBSOK for switching to the Blue Preferred provider network. Regarding the BVA services, we believe it is reasonable to expect a small level of savings as a result of offering this benefit to employees.

Data Reconciliation

We compared the data from the lag reports, the aggregated claim reports, the PBM reports, and the financial statements to determine the reasonability of the claims data provided by OPEH&W. We noted differences across all three sources for medical, pharmacy and dental claims. The differences between the reports were immaterial for medical and dental claims; however, we noted greater discrepancies for pharmacy claims. We compared monthly aggregated pharmacy claim information to the financial statements and PBM reports because lag tables were not provided for pharmacy claims. Pharmacy claims usually process quickly; therefore, paid pharmacy claims typically serve as a good proxy for incurred pharmacy claims.

The table below summarizes the discrepancies associated with paid pharmacy claims between the various sources for plan year 2014-2015. Please note, this is the only time period for which we have information for all three pharmacy claim sources.

Month	Source	
	Claim.xlsx	LDI Report
201407	\$522,933	\$599,783
201408	\$938,079	\$709,895
201409	\$853,247	\$634,690
201410	\$799,031	\$568,486
201411	\$780,937	\$549,568
201412	\$952,957	\$749,134
201501	\$692,812	\$694,519
201502	\$618,539	\$618,539
201503	\$676,432	\$676,432
201504	\$648,673	\$648,673
201505	\$730,466	\$730,466
201506	\$738,463	\$738,463
Total	\$8,952,568	\$7,918,649
Financial Statement Total (FS)	\$8,175,675	
Difference vs FS	9.5%	-3.1%

While these differences are material for the purposes of setting rates, similar differences were noted last year in the development of the plan year 2015-2016 premium rates. Because the PBM reports match more closely with the financial statements for plan year 2014-2015, the plan year 2016-2017 premium rate projection incorporates the paid pharmacy claim information from the PBM reports (LDI

Report) for plan year 2014-2015. The paid pharmacy claim information for plan year 2013-2014 is based on the paid claim report (Claim.xlsx).

We also compared the data we received for the 2016-2017 plan year rate analysis to the data we received for the 2015-2016 plan year rate analysis. The medical, pharmacy and dental claim information was consistent for overlapping months. Some differences were noted with the medical/pharmacy and dental membership files. The membership data received for this year's 2016-2017 plan year analysis contains approximately 0.5% fewer member months relative to the data received for 2015-2016 plan year analysis; this discrepancy is nearly consistent across overlapping months for both medical/pharmacy and dental.

3

Enrollment

OPEH&W has continued to experience membership growth relative to the plan year 2015-2016 analysis. This section provides a summary of groups that have terminated or been added since the 2015-2016 plan year analysis, along with groups that are expected to terminate or take up coverage in the future.

Terminated Groups

No groups have terminated as of January 31, 2016.

New Groups

The following groups have recently started offering health insurance coverage through OPEH&W:

- Effective 5/1/2015
 - City of Idabel – 92 Employees
- Effective 7/1/2015
 - Town of Velma – 1 Employee
 - City of Walters – 33 Employees
 - City of Woodward – 173 Employees
- Effective 1/1/2016
 - Town of Ninnekah – 2 Employees
 - City of Duncan – 243 Employees
 - Town of Roff – 5 Employees
 - Roger Mills County Hospital – 39 Employees
 - Rogers County – 264 Employees
 - City of Warr Acres – 84 Employees
 - Woods County – 118 Employees
- Additional groups expected to join after January 31, 2016 but with an unspecified effective date
 - City of Sallisaw – 130 Employees
 - Delaware County – 150 Employees
 - Town of Inola – 13 Employees
 - Alfalfa County – 95 Employees
 - Tulsa Public Libraries – 350 Employees
 - McCurtain County Rural Water District #4 – 4 Employees
 - Choctaw County Ambulance Authority – 20 Employees
 - City of Pryor – 130 Employees
 - City of Tuttle – 70 Employees
 - City of Wilburton – 35 Employees
 - City of Ramona – 15 Employees
 - City of Claremore – 240 Employees
 - City of Miami – 135 Employees

As can be seen by the list of groups that are expected to join in calendar year 2016, the favorable growth experienced by OPEH&W over the last several years is expected to continue in the near future. The growth experienced by OPEH&W has resulted in an increasingly favorable (i.e., younger) demographic mix. This mix change has resulted in downward pressure on the underlying claim trend, all else equal; however, if the demographic mix becomes unfavorable in the upcoming plan year, trends may increase more than anticipated. For the purposes of estimating plan year 2016-2017 claim costs, we have assumed that the demographic mix as represented by the January 2016 census information will not change over the 2016-2017 plan year.

4

Premium Rate Projections

Until recently, OPEH&W enjoyed favorable claims experience. As a result, no rate increases were implemented for plan year 2013-2014 and for plan year 2014-2015, a 1.5% rate increase was implemented on the employee-only coverage tier; no rate increase was implemented on the other coverage tiers.

For plan year 2015-2016, we initially recommended a rate increase of 13.5% for medical/pharmacy, which was revised to 8.6%-10.3% after accounting for the change in PBMs from LDI to ESI; a dental rate decrease of 29.7% was recommended. However, we were informed that OPEH&W elected to hold medical/pharmacy and dental rates steady for plan year 2015-2016 in order to release surplus. In recent months, large claim activity has increased, resulting in a \$3.6 million loss for the first six months of plan year 2015-2016, emphasizing the need to either increase rates or find ways to reduce claim costs.

OPEH&W has asked that we develop two medical/pharmacy rate projections. Under the first premium rate projection, we assume the “status quo” with respect to the current plan offering, including member cost-sharing and the provider network (referred to as the “status quo projection”). Under the second premium rate projection (referred to as the “alternative projection”), we assume the provider network will change from the Blue Choice network to the Blue Preferred network.

On April 5, 2016, OPEH&W informed us that BCBSOK revised the medical claim savings estimate associated with switching from the Blue Choice network to the Blue Preferred network. The initial estimate provided by BCBSOK showed medical claim savings of approximately 20%; however, the revised estimate shows medical claim savings of 7%. It is our understanding that the Blue Preferred network consists of many of the same providers as the Blue Choice network, and in the initial claim savings estimates provided by BCBSOK, it was determined that only 5.5% of members would be impacted by switching to the Blue Preferred network. A revised estimate of the proportion of members impacted by changing provider networks was not provided. The stop-loss fees associated with the Blue Preferred network have not changed relative to the prior analysis based on the information provided by BCBSOK. It is not clear whether the stop-loss fees associated with the Blue Preferred network could be revised as a result of the change in the claim savings estimate.

Due to time constraints, we were unable to validate these network change assumptions developed by BCBSOK. Based on our experience, employers have been reluctant to switch to narrower networks. Instead, we generally see employers ensuring that their employees have access to as many providers as desired, even though those providers may not be frequently utilized. We do not have sufficient knowledge of the providers within each network nor do we understand the reputation of facilities and physician groups in Oklahoma to assess the attractiveness of each network. So we cannot comment on how access to specific, well-recognized facilities or physicians will influence employers' decisions. We realize that BCBSOK has recently expanded the number of providers

participating in the Blue Preferred network. We believe the revised medical claim savings estimate is more reasonable relative to the initial estimate.

Only one dental premium rate projection was developed. Additional details regarding the general assumptions underlying the medical/pharmacy and dental rate projections are discussed in the Premium Rate Development section.

5

Premium Rate Development

We have utilized a rating approach that is consistent with renewal rating methods employed by insurers in the large group market. Specially, we developed a projected claim amount per-member-per-month (PMPM), added non-claim expenses to the projected claim amount PMPM, and converted the combined PMPM amount to a premium amount for each subscriber coverage tier (e.g., employee-only).

The projected claim amount PMPM was developed from OPEH&W experience for claims incurred between July 2013 and June 2015 and paid through December 2015 (the experience period). An adjustment was made to the medical and dental claims experience to account for claims that have been incurred but not reported (IBNR); however, because there are six months of claim run-out, IBNR claims are not significant. The experience was separated into two-twelve month periods, July 2013 through June 2014 and July 2014 through June 2015, with each period projected independently and blended together using actuarial credibility methods. It is important to note that we are using incurred claims and not paid claims as the basis for the plan year 2015-2016 premium rate projection. While paid claims have increased significantly in the first half of plan year 2015-2016, some of this experience was attributable to claims with service dates in plan year 2014-2015. Large claim activity with service dates occurring in plan year 2014-2015 and paid on or after July 1, 2015 will be reflected in our premium rate projection.

The medical and pharmacy experience were trended forward to the rating period, and additional claim adjustments were made to each claim category. Medical claims were adjusted to remove claims that would have otherwise been recovered through private reinsurance. Under the “alternative projection,” an additional adjustment was made to account for the claim savings that will result from switching to a new provider network. Pharmacy claims were adjusted to account for a PBM change that occurred effective July 1, 2015 and to account for anticipated pharmacy rebates.

The premium rate calculation was performed separately for medical/pharmacy benefits and dental benefits.

Trend Adjustments

We generated historical trend estimates based on OPEH&W’s emerging experience using incurred claims from November 2012 to October 2015, paid through December 2015. Medical and dental claim amounts were adjusted to reflect IBNR claims. Pharmacy claims were not adjusted to reflect IBNR claims because there is often little lag between when pharmacy claims are incurred and paid. We have used paid pharmacy claims as a proxy for incurred pharmacy claims.

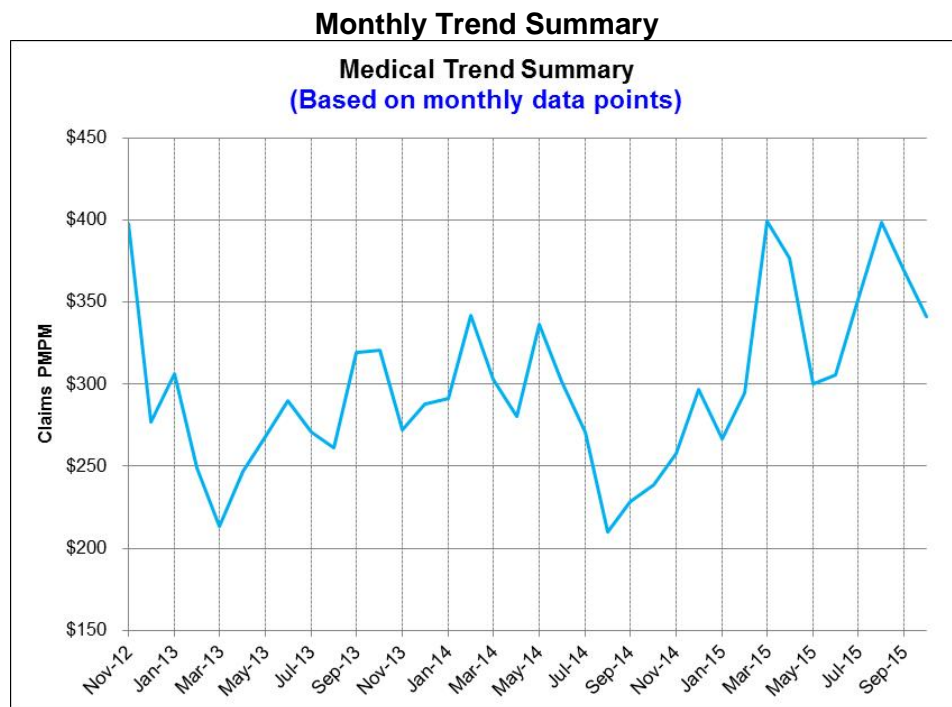
Medical and pharmacy claims were normalized to remove the impact that changes in demographics and benefits have had on OPEH&W claim liabilities. The demographic factors that were applied were developed using a large commercial database, reflecting the experience of Oklahoma fully-insured

and self-funded employer group members. Benefit relativities were developed using Oliver Wyman's propriety pricing model.

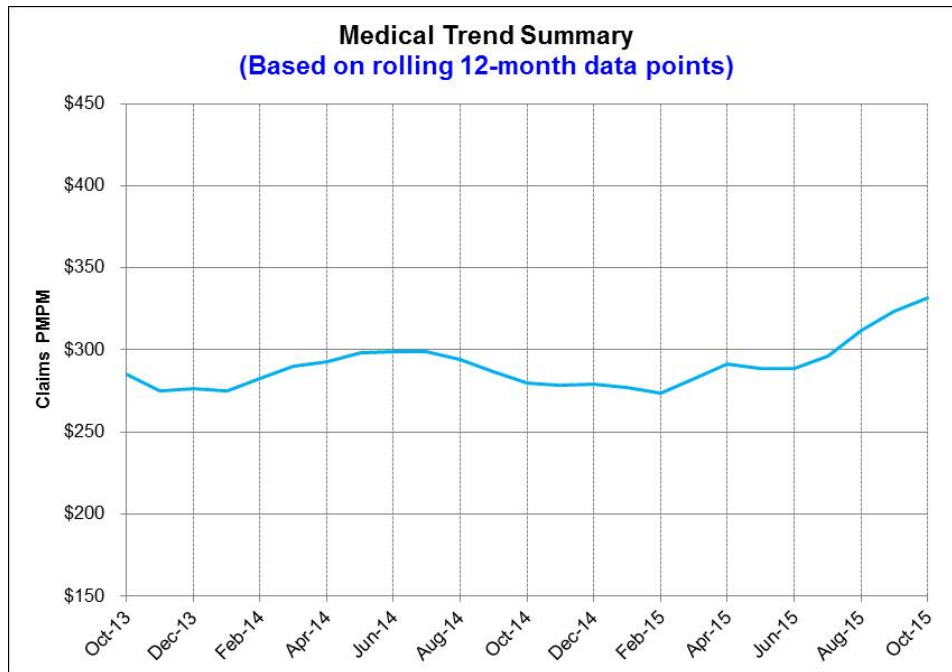
Dental claims were not normalized for changes in demographics, despite the change in demographic profile of members that has been experienced in recent years. The variation in dental claim costs as a result of changes in demographics is smaller relative to medical and pharmacy claim costs. Additionally, dental benefits are limited to an annual maximum of \$1,500 and exclude orthodontics, which further reduces the influence changes in demographics have on overall dental claim costs. It is our understanding that no significant dental benefit changes have occurred in recent years; therefore, dental trends were not normalized for changes in benefits.

Medical Trends

OPEH&W's normalized medical claims experience has exhibited volatility, even on a 12-month rolling basis. Recent large claim activity is influencing overall results; however, given the size of the overall block, such fluctuations may be expected as large claims work their way through the experience. The graphs below summarize the volatility of medical claims PMPM on a monthly and 12-month rolling basis.



12-month Rolling Trend Summary



Estimating trends from actual experience is more difficult when large claim activity is not stable. Using various trend methodologies (e.g., linear versus exponential; monthly versus 12-month moving averages; 24 months versus 36 months of data), medical trend estimates range from as low as 5% to as high as 22%. Longer range trends (i.e., using 36 months of data) are typically a better indicator of historical trends than shorter range trends, particularly for a smaller base of insureds. When using 36 months of data, medical trends range from 5% to 7%.

We compared the trend estimates produced using OPEH&W’s experience to industry standards. Oliver Wyman completes a semi-annual trend survey. The most recent trend survey reflects pricing trends for January 1, 2016. The survey reflects responses from carriers and HMOs insuring over 107.7 million members. The following table summarizes the trend results from the January 2016 Carrier Trend Survey for group PPO policies:

	<u>Annual Trend Rate</u>
Minimum	1.9%
25th Percentile	7.0%
Median	7.8%
75th Percentile	8.8%
Maximum	11.8%

We have elected to use a medical trend of 7% in the plan year 2016-2017 premium rate projection. While this trend factor is towards the high end of the 36-month trend range using OPEH&W’s actual experience, it is slightly lower than the median market trend. The medical ASO projection provided by BCBSOK assumed a medical trend rate of 7.4%.

Pharmacy Trends

OPEH&W's pharmacy claims have increased since June 2014 and become more volatile. High-cost specialty drugs, including those related to treating individuals with the Hepatitis C virus, influenced the increase in pharmacy claims. The impact of the newly introduced Hepatitis C drugs was expected to be short-term in nature as most individuals utilizing the drugs achieve viral suppression with a 12-week treatment. However, despite the temporary effect of the Hepatitis C drugs, pharmacy claims PMPM have remained elevated. Additionally, in July 2015, OPEH&W switched to a new PBM, which was estimated to reduce pharmacy costs between \$1.2 million and \$1.8 million at the time the analysis was performed. While it is likely that some savings were achieved as a result of switching to a new PBM, we are unable to confirm the results from the initial analysis or quantify the final impact using actual data.

These factors make it difficult to calculate the underlying pharmacy trend being experienced by OPEH&W. As such, we are relying on pharmacy trend estimates from a recent ESI report and Oliver Wyman's carrier trend survey.¹ Based on a discussion with Ross Naylor at OPEH&W, most new, high-cost specialty drugs with existing drug alternatives will not be added to the formulary, which should reduce pharmacy trends relative to the rest of the industry. The ESI report shows "traditional" (i.e., non-specialty drug costs) increasing at an annual rate of 4% and specialty drug costs increasing at an annual rate of 22%. The same report shows drug trends for 2014 were 6.4% and 30.9% for traditional and specialty drug classes, respectively, for a combined trend of 13.1%. It is important to note that these are allowed claim cost trends. Paid claim trends will be two to three percentage-points higher due to the leveraging effect that occurs with paid claims relative to allowed claims. This means, paid pharmacy trends are projected to be approximately 6% and 24% for traditional and specialty drug classes, respectively.

OPEH&W's specialty drug spend has accounted for approximately 25% of total drug spend in the first six months of plan year 2015-2016. After discussions with OPEH&W, we have assumed that the plan will be able to realize a 15% paid claim trend on specialty drugs, resulting in an average annual drug trend will be approximately 10%. However, this assumes OPEH&W will achieve a lower specialty drug trend than average by limiting access to new, high-cost specialty drugs. It is important to note that our estimate is lower than the trend rates we have observed in the market and less than the approximate annual trend rate of 12% inferred from the ESI report after accounting for leveraging. While OPEH&W has experienced favorable trends in the short-term, this is likely a result of the switch to a new PBM and lower utilization of Hepatitis C drugs. We expect drug trends to increase going forward. As an additional reference, below is a summary of the pricing trends reported from the January 2016 Carrier Trend Survey for prescription drugs:

	<u>Annual Trend Rate</u>
Minimum	5.0%
25th Percentile	10.8%
Median	11.2%
75th Percentile	13.0%
Maximum	23.7%

¹ <http://lab.express-scripts.com/lab/~/-/media/bbd3ff0d371b47c9ae83a6d85f5c2f15.ashx>

Dental Trends

OPEH&W has enjoyed favorable dental trends over the course of the most recent 24 to 36 months. Our analysis suggests dental claims PMPM have remained flat or slightly decreased with estimated annualized trends ranging from -4% to +1%. We have assumed an annualized dental claim trend rate of 3%, which is lower than the median trend rate of 5% observed in the market according to the January 2016 Carrier Trend Survey. The dental ASO projection provided by BCBSOK assumed a dental trend rate of 5.0%.

Additional Adjustments to Medical Claims

Medical claims from the experience period were adjusted to remove claims that would have otherwise been recovered through specific stop-loss insurance. To estimate the impact of the specific stop loss coverage, we “discounted” the specific stop-loss attachment point for plan year 2016-2017 to claim levels corresponding to the experience periods. For example, a \$425,000 medical claim in plan year 2016-2017 would have cost about \$371,000 in plan year 2014-2015, assuming a 7% medical trend (i.e., $\$425,000 \div (1.07)^2 = \$371,000$). Using the high-cost claimant reports provided by OPEH&W, we estimate the following specific stop-loss insurance recoveries would have occurred:

	Plan Year	
	2013-2014	2014-2015
Adjusted Reinsurance Attachment Point (RAP):	\$346,927	\$371,211
Number of Members Exceeding RAP:	2	1
Aggregate Dollars Exceeding RAP:	\$138,025	\$8,247

Due to the relatively small size of OPEH&W’s membership base and the high stop loss attachment point, additional variation in claim costs below the attachment point could influence the overall financial results of OPEH&W. However, such variations are often difficult to predict, particularly with the presence of stop loss coverage. We have assumed removing claims that would have otherwise been recovered through stop loss coverage and adding in the cost of stop loss insurance is a sufficient measure for smoothing the impact of large claims.

It is important to note that in the fall of 2015, OPEH&W asked OW to analyze the impact Rogers County and Tulsa Public Library would have on the overall performance of the plan if either group took up coverage through OPEH&W. The analysis for Rogers County suggested a worse than average risk profile relative to OPEH&W as we expected surplus levels to be reduced 0.2% to 0.4% with the inclusion of Rogers County. We have not adjusted the base experience to reflect the inclusion of Rogers County due to the overall growth of the plan. Additionally, we believe the overall adjustments made to the medical claims should be sufficient capture the difference in risk between Rogers County and existing OPEH&W members. We found no discernable morbidity difference between Tulsa Public Library and existing OPEH&W members.

Additional Adjustments to Pharmacy Claims

As noted earlier, pharmacy claims PMPM have been volatile due to an increase in specialty drug claims and a recent PBM change. In addition to trend, two adjustments have been applied to pharmacy claims: a PBM adjustment and an adjustment to account for pharmacy rebates.

We analyzed average pharmacy claim costs PMPM for pharmacy claims incurred between August 2015 and December 2015. Based on this five month period of data, pharmacy claim costs corresponding to the experience period were estimated by removing the impact of trend (i.e., “de-trending” the average pharmacy claim costs from the mid-point of the August 2015 and December 2015 period to the experience period) and adjusting the claim costs to reflect the demographic mix of the population during the experience period. Additionally, we adjusted for changes in pharmacy benefits. Please note, July 2015 claim costs were not considered in the analysis due to the potential disruption the PBM change may have produced for some members. Under this methodology, we are inherently removing the impact of one-time high-cost specialty claims (e.g., Sovaldi).

An additional adjustment was made to reduce pharmacy claims to account for the impact of pharmacy rebates. Pharmacy rebates represented approximately 12% of pharmacy claims paid in the first quarter of plan year 2015-2016. For plan year 2014-2015, we estimate rebates represented approximately 4% of paid pharmacy claims. We estimate that pharmacy rebates as a percentage of total paid claims for the entire plan year will represent 9% to 10% of paid pharmacy claims, which is lower than the 12% realized in the first three months of plan year 2015-2016 but higher than the 4% realized in plan year 2014-2015. It is important to note that we are using paid pharmacy claims as the basis for the rate development, which may not include fees assessed by the PBM.

Additional Claim Adjustments

In developing the medical/pharmacy rate, we adjusted medical and pharmacy claims to reflect differences between the demographic mix underlying the experience and the demographic mix that is projected to be enrolled for plan year 2016-2017. Our rate projections assume the plan year 2016-2017 demographic mix will be consistent with the demographic mix observed for January 2016, the most recently available census month.

Adjustments were made to the experience to account for changes in member cost-sharing that have occurred relative to the experience period. In plan year 2014-2015, the following benefit changes were made: member cost-sharing for medical copay services were applied to the medical out-of-pocket maximum, and the specialty drug copay increased from \$40 to \$60. In plan year 2015-2016, the following benefit changes were made: a \$1,900 out-of-pocket maximum was added to prescription drug coverage, and specialty drug copays were split into three tiers. We estimate the cumulative impact of these benefit changes will result in a 2.4% increase in claim costs. An additional adjustment was made to reflect savings that are expected to be received through the BVA program. BCBSOK estimates the BVA program could reduce claim costs by \$3.60 PEPM, or approximately \$2.39 PMPM, with a range of \$1 PEPM to \$6 PEPM.

We have not adjusted the claims experience to reflect monies that may be recovered as a result of subrogation, due to the lack of certainty regarding when monies will be recovered, if at all. As of January 2016, approximately \$1.9 million in claims were pending subrogation. While many cases were recent, several are more than two years old. The financial statements show that subrogation refunds for recent plan years have varied between \$0 and \$175,000.

Non-Benefit Expenses

The following non-benefit expenses have been incorporated into the medical/pharmacy premium rate projection:

- Plan management fees
- Medical ASO fees
- BVA and Telehealth fees
- Individual stop loss reinsurance fees
- Transitional reinsurance program fees
- Patient-Centered Outcomes Research Institute (PROCI) fee

The federal transitional reinsurance program (TRP) fee for calendar year 2016 is \$2.25 PMPM. Because the TRP terminates at the end of calendar year 2016, no TRP fees have been assumed beyond December 2016. As a result, we have pro-rated the TRP fees for the entire duration of plan year 2016-2017 in the medical/pharmacy premium rate projection.

The following non-benefit expenses have been incorporated into the dental premium rate projection:

- Dental ASO fees

Our dental premium rate projections do not incorporate any plan management fees. If any portion of the plan management fee should be allocated to the dental benefit, our projected dental premium rates may be understated and the projected medical/pharmacy rates may be overstated.

Please note, we have not included any contribution to surplus in the premium rate projection. However in the Potential Benefit Changes and Surplus Scenarios section of this report, we provide the impact of retaining various surplus amounts, as requested by OPEH&W. Typically, we would recommend a contribution to surplus of approximately 2% to retain existing surplus.

Proposed Rate Changes

Using the assumptions outlined above, we are proposing a premium rate increase of 18.4% for the “status quo projection” and a rate increase of 12.4% for the “alternative projection”. Additionally, we are proposing a premium rate decrease of 35.1% for the dental plan. On a combined basis, the average rate increase is approximately 15% for the “status quo projection” and 9% for the “alternative projection.”

As stated earlier, the only difference between the “status quo projection” and the “alternative projection” is that the “alternative projection” assumes significant medical claim cost savings as a result of switching provider networks. The “alternative projection” relies on a medical claim savings estimate provided by BCBSOK; we have not independently verified the estimate. The decrease in dental premium rates is likely a result of no plan management fees being allocated to the dental rate projection; additionally, dental trends have been favorable in recent time periods. The non-recognition of plan management fees may result in subsidization of premiums if the proposed rates are implemented, and the financial performance of OPEH&W could be adversely impacted if dental enrollment outperforms medical/pharmacy.

The table that follows summarizes the proposed medical/pharmacy and dental premium rates and includes a comparison to the current premium rates. A detailed development of the “status quo projection” is shown in Appendix A. Appendix B shows the detailed development of the “alternative projection.” Appendix C shows the detailed development of the dental premium rates.

Summary of Medical/Pharmacy and Dental Rate Changes - Blue Choice Network

Proposed Rates									
Tier	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Total	Medical	Dental	Total	Medical	Dental	Total
Employee	\$ 563.97	\$ 22.33	\$ 586.30	\$ 704.21	\$ 27.89	\$ 732.10	\$ 575.24	\$ 22.79	\$ 598.03
Employee + Child	\$ 838.76	\$ 34.36	\$ 873.12	\$ 1,059.28	\$ 41.72	\$ 1,101.01	\$ 855.53	\$ 35.06	\$ 890.59
Employee + Children	\$ 1,011.31	\$ 41.46	\$ 1,052.78	\$ 1,271.09	\$ 49.95	\$ 1,321.04	\$ 1,031.54	\$ 42.31	\$ 1,073.85
Employee + Spouse	\$ 1,178.94	\$ 48.06	\$ 1,227.00	\$ 1,483.39	\$ 57.47	\$ 1,540.86	\$ 1,202.53	\$ 49.03	\$ 1,251.56
Employee + Spouse + Child	\$ 1,233.92	\$ 50.41	\$ 1,284.33	\$ 1,553.98	\$ 60.19	\$ 1,614.17	\$ 1,258.60	\$ 51.44	\$ 1,310.04
Employee + Spouse + Children	\$ 1,433.88	\$ 60.16	\$ 1,494.04	\$ 1,807.27	\$ 71.50	\$ 1,878.77	\$ 1,462.57	\$ 61.38	\$ 1,523.95

Current Rates									
Tier	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Total	Medical	Dental	Total	Medical	Dental	Total
Employee	\$ 476.14	\$ 34.40	\$ 510.54	\$ 594.54	\$ 42.96	\$ 637.50	\$ 485.66	\$ 35.10	\$ 520.76
Employee + Child	\$ 708.14	\$ 52.92	\$ 761.06	\$ 894.32	\$ 64.26	\$ 958.58	\$ 722.30	\$ 54.00	\$ 776.30
Employee + Children	\$ 853.82	\$ 63.86	\$ 917.68	\$ 1,073.14	\$ 76.94	\$ 1,150.08	\$ 870.90	\$ 65.16	\$ 936.06
Employee + Spouse	\$ 995.34	\$ 74.02	\$ 1,069.36	\$ 1,252.38	\$ 88.52	\$ 1,340.90	\$ 1,015.26	\$ 75.52	\$ 1,090.78
Employee + Spouse + Child	\$ 1,041.76	\$ 77.64	\$ 1,119.40	\$ 1,311.98	\$ 92.70	\$ 1,404.68	\$ 1,062.60	\$ 79.22	\$ 1,141.82
Employee + Spouse + Children	\$ 1,210.58	\$ 92.66	\$ 1,303.24	\$ 1,525.82	\$ 110.12	\$ 1,635.94	\$ 1,234.80	\$ 94.54	\$ 1,329.34

Proposed Changes									
Tier	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Total	Medical	Dental	Total	Medical	Dental	Total
Employee	18.4%	-35.1%	14.8%	18.4%	-35.1%	14.8%	18.4%	-35.1%	14.8%
Employee + Child	18.4%	-35.1%	14.7%	18.4%	-35.1%	14.9%	18.4%	-35.1%	14.7%
Employee + Children	18.4%	-35.1%	14.7%	18.4%	-35.1%	14.9%	18.4%	-35.1%	14.7%
Employee + Spouse	18.4%	-35.1%	14.7%	18.4%	-35.1%	14.9%	18.4%	-35.1%	14.7%
Employee + Spouse + Child	18.4%	-35.1%	14.7%	18.4%	-35.1%	14.9%	18.4%	-35.1%	14.7%
Employee + Spouse + Children	18.4%	-35.1%	14.6%	18.4%	-35.1%	14.8%	18.4%	-35.1%	14.6%

Summary of Medical/Pharmacy and Dental Rate Changes - Blue Preferred Network

Proposed Rates									
Tier	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Total	Medical	Dental	Total	Medical	Dental	Total
Employee	\$ 535.15	\$ 22.33	\$ 557.49	\$ 668.23	\$ 27.89	\$ 696.12	\$ 545.85	\$ 22.79	\$ 568.64
Employee + Child	\$ 795.91	\$ 34.36	\$ 830.27	\$ 1,005.16	\$ 41.72	\$ 1,046.89	\$ 811.82	\$ 35.06	\$ 846.88
Employee + Children	\$ 959.64	\$ 41.46	\$ 1,001.11	\$ 1,206.15	\$ 49.95	\$ 1,256.10	\$ 978.84	\$ 42.31	\$ 1,021.15
Employee + Spouse	\$ 1,118.70	\$ 48.06	\$ 1,166.76	\$ 1,407.60	\$ 57.47	\$ 1,465.08	\$ 1,141.09	\$ 49.03	\$ 1,190.13
Employee + Spouse + Child	\$ 1,170.88	\$ 50.41	\$ 1,221.29	\$ 1,474.59	\$ 60.19	\$ 1,534.78	\$ 1,194.30	\$ 51.44	\$ 1,245.74
Employee + Spouse + Children	\$ 1,360.62	\$ 60.16	\$ 1,420.78	\$ 1,714.93	\$ 71.50	\$ 1,786.43	\$ 1,387.84	\$ 61.38	\$ 1,449.23

Current Rates									
Tier	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Total	Medical	Dental	Total	Medical	Dental	Total
Employee	\$ 476.14	\$ 34.40	\$ 510.54	\$ 594.54	\$ 42.96	\$ 637.50	\$ 485.66	\$ 35.10	\$ 520.76
Employee + Child	\$ 708.14	\$ 52.92	\$ 761.06	\$ 894.32	\$ 64.26	\$ 958.58	\$ 722.30	\$ 54.00	\$ 776.30
Employee + Children	\$ 853.82	\$ 63.86	\$ 917.68	\$ 1,073.14	\$ 76.94	\$ 1,150.08	\$ 870.90	\$ 65.16	\$ 936.06
Employee + Spouse	\$ 995.34	\$ 74.02	\$ 1,069.36	\$ 1,252.38	\$ 88.52	\$ 1,340.90	\$ 1,015.26	\$ 75.52	\$ 1,090.78
Employee + Spouse + Child	\$ 1,041.76	\$ 77.64	\$ 1,119.40	\$ 1,311.98	\$ 92.70	\$ 1,404.68	\$ 1,062.60	\$ 79.22	\$ 1,141.82
Employee + Spouse + Children	\$ 1,210.58	\$ 92.66	\$ 1,303.24	\$ 1,525.82	\$ 110.12	\$ 1,635.94	\$ 1,234.80	\$ 94.54	\$ 1,329.34

Proposed Changes									
Tier	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Total	Medical	Dental	Total	Medical	Dental	Total
Employee	12.4%	-35.1%	9.2%	12.4%	-35.1%	9.2%	12.4%	-35.1%	9.2%
Employee + Child	12.4%	-35.1%	9.1%	12.4%	-35.1%	9.2%	12.4%	-35.1%	9.1%
Employee + Children	12.4%	-35.1%	9.1%	12.4%	-35.1%	9.2%	12.4%	-35.1%	9.1%
Employee + Spouse	12.4%	-35.1%	9.1%	12.4%	-35.1%	9.3%	12.4%	-35.1%	9.1%
Employee + Spouse + Child	12.4%	-35.1%	9.1%	12.4%	-35.1%	9.3%	12.4%	-35.1%	9.1%
Employee + Spouse + Children	12.4%	-35.1%	9.0%	12.4%	-35.1%	9.2%	12.4%	-35.1%	9.0%

6

Potential Benefit Changes and Surplus Scenarios

Benefit Changes

We have modeled the impact of various medical deductible changes to alleviate the impact of the proposed rate increase for the “status quo” projection. The table below summarizes the impact of the medical deductible changes relative to the proposed premium levels shown in Appendix A and B. The current medical individual/family deductible is \$500/\$1,500.

Proposed Deductible Change	Net Impact (Med and Rx)
\$600 individual/\$1,800 family medical deductible	-0.6%
\$750 individual/\$2,250 family medical deductible	-1.5%
\$1,000 individual/\$3,000 family medical deductible	-2.7%

Based on our report from March 16, 2016, the Board of Trustees elected, at its March 17, 2016 meeting to implement a 2.5% rate increase on medical/pharmacy premiums and hold dental premiums flat for plan year 2016-2017 relative to plan year 2015-2016. Given the magnitude of the revision to the medical claim savings estimate associated with changing provider networks, OPEH&W has asked us to develop additional rate change scenarios. In the scenarios below, we assume the plan year 2016-2017 medical/pharmacy premium rates will increase 2.5% relative to plan year 2015-2016 for all employee tiers except for the employee-only coverage tier. We also assume that dental rates will not change relative to plan year 2015-2016. The premium rate change for the employee-only coverage tier shown in the table below reflects the rate increase needed such that in aggregate, the total premium collected will be sufficient to cover claim costs and all other non-claim costs for plan year 2016-2017, assuming the current level of membership. Please note, the employee-only rate changes are assumed to apply to all categories of employee-only coverage (i.e., active, retiree and COBRA).

Proposed Deductible	Medical/Pharmacy Rate Change	
	Employee-Only Tier Rate	All Other Rating Tiers
\$500 individual/\$1,000 family medical deductible (Current Benefit)	+15.8%	+2.5%
\$750 individual/\$2,250 family medical deductible	+13.2%	+2.5%
\$1,000 individual/\$3,000 family medical deductible	+11.1%	+2.5%

Surplus Scenarios

Due to the losses sustained by OPEH&W in the first half of plan year 2015-2016, we have been asked to model the premium impact of incorporating various levels of surplus into the premium rate projections. The table below summarizes the additional premium impact for each amount of surplus relative to the proposed premium levels.

Aggregated Surplus Amount	Blue Choice	Blue Preferred
\$500,000	+1.0%	+1.0%
\$750,000	+1.4%	+1.5%
\$1,000,000	+1.9%	+2.0%
\$1,500,000	+2.9%	+3.0%

It is important to note that the table above assumes membership levels observed in January 2016 will continue throughout plan year 2016-2017 and that projected claims materialize as expected. If membership levels deviate from those observed in January 2016 or experience does not materialize as expected, the amount of surplus realized will vary.

7

Incurred But Not Reported Claim Reserves

We estimate incurred but not reported (IBNR) claim reserves for the plan year ending June 30, 2015 to be approximately \$3,100,000. This estimate is based upon claim run-out for the thirty-month period beginning July 1, 2013 and ending December 31, 2015. Given that there was six months of claims run-out, the amount required for margin is negligible.

OPEH&W has historically requested an IBNR estimate for the current plan year as part of the annual rate review process. The current plan year spans July 1, 2015 to June 30, 2016, and consequently, claims have not yet been paid for the entire plan year. There is significant uncertainty in estimating IBNR claim reserves for future valuation dates, and in order to do so, we must make several broad assumptions.

In developing the prospective reserve estimate for the plan year ending June 30, 2016, we have made the following assumptions:

- The claim payment pattern reflected in the most recently completed plan year (ending June 30, 2015) will be replicated for the current plan year
- The membership levels observed in January 2016 will continue to be observed for the next six months (i.e., through June 2016)
- Claims will trend according to the annualized trends specified in the premium rate projections (i.e., 7% for medical, 10% for prescription drug, and 3% for dental claims)

Given all these caveats, we have calculated an estimated IBNR claim reserve for the plan year ending June 30, 2016 to be approximately \$4,200,000. We also recommend a margin of no less than 10% be included to reflect uncertainty associated with claim trends, membership changes, and other unknowns. The projected IBNR claim reserve for the plan year ending June 30, 2016 with margin would be \$4,620,000. An alternative that OPEH&W may want to consider is to use a reserve on a per member basis to better reflect changes in enrollment that may occur between January 2016 and June 2016. The IBNR claim reserve estimate per member is \$42.30 without margin and \$46.53 with margin. Please note, the IBNR claim reserve estimates include medical, drug and dental coverages.

We recognize that the claim reserve estimates developed for plan year 2015-2016 reflect a significant increase relative to the prospective claim reserve estimates for plan year 2014-2015 as shown in last year's report. The prospective reserve estimates reflect the recent increase in claim costs noted in the second half of plan year 2015-2016, along with the increase in overall membership.

The IBNR claim reserve estimates do not consider what is often referred to as loss adjustment expenses (LAE). These expenses reflect the costs OPEH&W incurs for having the TPA process IBNR claims. Sometimes these costs are pre-negotiated with the TPA. If so, OPEH&W should use those costs as the LAE. If these have not been negotiated, then OPEH&W should set up an additional reserve to cover approximately two months of claim processing expenses. If there are any additional administrative expenses beyond TPA expenses (such as general plan expenses, PBM, etc.), OPEH&W should set up a reserve for those as well.

Please note, due to the prospective nature of the IBNR claim reserve, we cannot opine as to the adequacy of the IBNR claim reserve for the plan year ending June 30, 2016 at this time. Instead, we can only provide you a general estimate based upon the information available to us at this time. Our estimates will not reflect case-specific reserves that may be necessary for known large claimants.

8

Forecast

Appendix D provides a breakdown of the forecasted premium and claims for the plan year beginning July 1, 2016 for each group in-force as of January 2016. The forecast assumes OPEH&W implements the “status quo projection” (i.e., no benefit changes for plan year 2016), and the premiums include no contribution to surplus or savings from a switch to the Blue Preferred Network. While we have not received claim information specific to each group, we have estimated the paid claims for each group based the demographic composition of each group. It should be noted that there is a slight discrepancy with regards to the aggregated net change. This discrepancy is attributed to a greater proportion of employees enrolled in medical/pharmacy coverage than dental coverage.

9

Appendices

APPENDIX A

OPEH&W Health Plan Medical/Pharmacy Experience Rating Renewal Calculation - Blue Choice Network

Rating Period: 7/1/2016 to 6/30/2017
Pooling Level: \$425,000

	Experience Period 1	Experience Period 2
Experience Period	7/1/2013 to 6/30/2014	7/1/2014 to 6/30/2015
Member Months	71,892	79,656
Contract Months	51,362	55,375
Number of Projection Months	36	24
Member Months/Contract	1.400	1.438

BASE PERIOD MEDICAL/PHARMACY CLAIMS		
1. Medical Claims For Period	\$ 22,217,409	\$ 23,436,130
2. Less Reinsurance Recoveries	\$ 138,025	\$ 8,247
3a. Claims Adjusted for Reinsurance Recoveries (1. - 2.)	\$ 22,079,383	\$ 23,427,883
3b. Adjustment for change in Provider Network	1.0000	1.0000
3c. Large Claim Adjustment	1.0000	1.0000
4. Trend Factor to 01/01/2017 Effective Date @ 7%	x 1.2250	x 1.1449
5. Projected Medical Claims (3a. x 3b. x 3c. x 4.)	\$ 27,048,194	\$ 26,822,584
6a. Pharmacy Claims For Period	\$ 5,557,041	\$ 7,918,649
6b. PBM Adjustment	1.0289	0.8814
6c. Pharmacy Rebate Adjustment	0.9100	0.9100
7. Trend Factor to 01/01/2017 Effective Date @ 10%	x 1.3310	x 1.2100
8. Projected Pharmacy Claims (6a. x 6b. x 6c. x 7.)	\$ 6,925,030	\$ 7,685,385
9. Projected Net Claims (5.+x 8.)	\$ 33,973,224	\$ 34,507,969
10. Member Months	/ 71,892	/ 79,656
11. Projected Medical and Drug Costs PMPM (9. / 10.)	\$ 472.56	\$ 433.21
12. Other Multiplicative Adjustment		
Demographic (Adjust to Jan 2015 Demographics)	0.9524	0.9677
Benefit (Rx MOOP)	x 1.0244	x 1.0253
Total	0.9757	0.9922
13. Other Additive Adjustment PMPM	+ \$ (2.39)	+ \$ (2.39)
14. Adjusted Trended Medical Claims (11. x 12. + 13.)	\$ 458.67	\$ 427.45

PROJECTED CLAIMS PMPM FOR 7/1/2015-6/30/2016		
1. Projected Medical and Pharmacy Claims Experience	\$ 458.67	\$ 427.45
2. Period Weightings	0.32	0.68
3. Contributing Claims Experience (1. x 2.)	3a. \$ 148.79	3b. \$ 288.79
4. Weighted Projected Medical and Pharmacy Claims (3a. + 3b.)		\$ 437.58

ADMINISTRATIVE/EXPENSE		
1. Projected Medical and Pharmacy Claims		\$ 437.58
2. Fees		
a. BCBSOK Medical Fee	PCPM \$ 35.24	\$ 23.40
b. Plan Management Fee	PCPM \$ 15.00	9.96
c. Additional Services	PCPM \$ 2.50	1.66
d. Stop Loss Premium	PCPM \$ 13.59	9.02
e. Telehealth Fee	PMPM	0.23
f. ACA Reinsurance Fee	PMPM \$2.25 PMPM from July-Dec 2015; \$0.00 PMPM thereafter	1.13
g. PCORI	PMPM \$0.18 PMPM from July-Sept 2016 \$0.19 PMPM from Oct 2016-June 2017	0.19
h. Total Fees		\$ 45.58
* Ratio of Members/Contract for Jan 2016:	1.506	
3. Projected Claims and Expense PMPM (1. + 2h.)		\$ 483.15

Convert Premium PMPM to Tier Rates	
Single Conversion Factor	1.167

APPENDIX B

OPEH&W Health Plan
Medical/Pharmacy Experience Rating Renewal Calculation - Blue Preferred Network

Rating Period: 7/1/2016 to 6/30/2017
 Pooling Level: \$425,000

	Experience Period 1	Experience Period 2
Experience Period	7/1/2013 to 6/30/2014	7/1/2014 to 6/30/2015
Member Months	71,892	79,656
Contract Months	51,362	55,375
Number of Projection Months	36	24
Member Months/Contract	1.400	1.438

BASE PERIOD MEDICAL/PHARMACY CLAIMS		
1. Medical Claims For Period	\$ 22,217,409	\$ 23,436,130
2. Less Reinsurance Recoveries	\$ 138,025	\$ 8,247
3a. Claims Adjusted for Reinsurance Recoveries (1. - 2.)	\$ 22,079,383	\$ 23,427,883
3b. Adjustment for change in Provider Network	0.9302	0.9302
3c. Large Claim Adjustment	1.0000	1.0000
4. Trend Factor to 01/01/2017 Effective Date @ 7%	x 1.2250	x 1.1449
5. Projected Medical Claims (3a. x 3b. x 3c. x 4.)	\$ 25,160,230	\$ 24,950,367
6a. Pharmacy Claims For Period	\$ 5,557,041	\$ 7,918,649
6b. PBM Adjustment	1.0289	0.8814
6c. Pharmacy Rebate Adjustment	0.9100	0.9100
7. Trend Factor to 01/01/2017 Effective Date @ 10%	x 1.3310	x 1.2100
8. Projected Pharmacy Claims (6a. x 6b. x 6c. x 7.)	\$ 6,925,030	\$ 7,685,385
9. Projected Net Claims (5.+x 8.)	\$ 32,085,260	\$ 32,635,752
10. Member Months	/ 71,892	/ 79,656
11. Projected Medical and Drug Costs PMPM (9. / 10.)	\$ 446.30	\$ 409.71
12. Other Multiplicative Adjustment		
Demographic (Adjust to Jan 2015 Demographics)	0.9524	0.9677
Benefit (Rx MOOP)	x 1.0244	x 1.0253
Total	0.9757	0.9922
13. Other Additive Adjustment PMPM	+ \$ (2.39)	+ \$ (2.39)
14. Adjusted Trended Medical Claims (11. x 12. + 13.)	\$ 433.05	\$ 404.13

PROJECTED CLAIMS PMPM FOR 7/1/2016-6/30/2017		
1. Projected Medical and Pharmacy Claims Experience	\$ 433.05	\$ 404.13
2. Period Weightings	0.32	0.68
3. Contributing Claims Experience (1. x 2.)	3a. \$ 140.47	3b. \$ 273.03
4. Weighted Projected Medical and Pharmacy Claims (3a. + 3b.)		\$ 413.51

ADMINISTRATIVE/EXPENSE		
1. Projected Medical and Pharmacy Claims		\$ 413.51
2. Fees		
a. BCBSOK Medical Fee	PCPM \$35.24	\$ 23.40
b. Plan Management Fee	PCPM \$ 15.00	9.96
c. Additional Services	PCPM \$2.50	1.66
d. Stop Loss Premium	PCPM \$12.66	8.41
e. Telehealth Fee	PMPM	0.23
f. ACA Reinsurance Fee	PMPM \$2.25 PMPM from July-Dec 2015; \$0.00 PMPM thereafter	1.13
g. PCORI	PMPM \$0.18 PMPM from July-Sept 2016 \$0.19 PMPM from Oct 2016-June 2017	0.19
h. Total Fees		\$ 44.96
* Ratio of Members/Contract for Jan 2016:	1.506	
3. Projected Claims and Expense PMPM (1. + 2h.)		\$ 458.47

Convert Premium PMPM to Tier Rates Single Conversion Factor	1.167
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APPENDIX C

OPEH&W Health Plan Dental Experience Rating Renewal Calculation

Rating Period: 7/1/2016 to 6/30/2017

	Experience Period 1	Experience Period 2
Experience Period	7/1/2013 to 6/30/2014	7/1/2014 to 6/30/2015
Member Months	75,649	81,718
Contract Months	50,737	54,541
Number of Projection Months	36	24
Member Months/Contract	1.491	1.498

BASE PERIOD DENTAL CLAIMS		
1. Dental Claims	\$ 1,376,541	\$ 1,436,791
2. Trend Factor to 01/01/2016 Effective Date @ 5%	x 1.093	x 1.061
3. Projected Net Claims (1. x 2.)	\$ 1,504,183	\$ 1,524,292
4. Member Months	/ 75,649	/ 81,718
5. Projected Dental Costs PMPM (3. / 4.)	\$ 19.88	\$ 18.65
6. Other Multiplicative Adjustment	1.0000	1.0000
7. Other Additive Adjustment PMPM	\$ -	\$ -
8. Adjusted Trended Dental Claims (5. x 6. + 7.)	\$ 19.88	\$ 18.65

PROJECTED CLAIMS PMPM FOR 7/1/2016-6/30/2017		
1. Projected Dental Claims PMPM	\$ 19.88	\$ 18.65
2. Period Weightings	0.33	0.67
3. Contributing Claims Experience (1. x 2.)	3a. \$ 6.58	3b. \$ 12.48
4. Weighted Projected Dental Claims (3a. + 3b.)		\$ 19.06

ADMINISTRATIVE/EXPENSE		
1. Projected Dental Claims		\$ 19.06
2. BCBSOK Dental Fee	PCPM \$2.51	1.83
Ratio of Members/Contract for Jan 2016	1.372	
3. Projected Claims and Expense PMPM (1. + 2b.)		\$ 20.89

Convert Premium PMPM to Tier Rates	
Single Conversion Factor	1.069

Appendix D

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	ACCO	Adair County	Arnett Public Schools	Atoka County	Beaver County	Beaver, Town of	Beckham County	Bethany, City of	Blanchard, City of	Boise City Schools	Bryan County
Employee	5	12	14	46	42	6	87	60	26	33	103
Employee + Child	1	1	3	3	7	1	4	9	2	3	4
Employee + Children	3	0	3	0	8	0	4	10	1	2	6
Employee + Spouse	4	0	4	2	17	0	14	12	1	2	7
Employee + Spouse + Child	3	0	0	0	9	2	2	14	2	3	0
Employee + Spouse + Children	1	0	5	0	11	2	2	20	2	5	2
Total Medical Employees	17	13	29	51	94	11	113	125	34	48	122
Total Dental Employees	17	15	34	51	105	13	118	127	34	64	138
Current Estimated Premium (12 months)	\$ 179,649	83,682	\$ 286,101	335,934	\$ 931,027	105,066	\$ 876,537	1,231,873	\$ 260,292	407,119	\$ 866,928
Projected Claims											
Medical	\$ 159,255	65,025	\$ 228,204	255,325	\$ 862,048	70,293	\$ 746,965	826,106	\$ 157,803	363,436	\$ 622,498
Pharmacy	43,953	17,947	62,983	70,468	237,919	19,400	206,157	228,000	43,553	100,306	171,805
Dental	6,997	3,922	14,306	14,054	39,776	4,876	40,439	48,119	10,115	21,450	39,116
Total Claims	\$ 210,205	86,893	\$ 305,492	339,847	\$ 1,139,743	94,569	\$ 993,561	1,102,225	\$ 211,470	485,193	\$ 833,419
Pharmacy as a % of total claims	20.9%	20.7%	20.6%	20.7%	20.9%	20.5%	20.7%	20.7%	20.6%	20.7%	20.6%
Dental as a % of total claims	3.3%	4.5%	4.7%	4.1%	3.5%	5.2%	4.1%	4.4%	4.8%	4.4%	4.7%
Non-Benefit Expenses											
Stop Loss Premium	\$ 2,772	\$ 2,120	\$ 4,729	\$ 8,317	\$ 15,330	\$ 1,794	\$ 18,428	\$ 20,385	\$ 5,545	\$ 7,828	\$ 19,896
BCBSOK Administrative Fee	7,701	5,949	13,288	23,103	42,913	5,043	51,340	56,685	15,402	22,226	55,748
Plan Management Fee	3,060	2,340	5,220	9,180	16,920	1,980	20,340	22,500	6,120	8,640	21,960
Additional Services	541	414	923	1,623	2,992	350	3,597	3,979	1,082	1,528	3,884
ACA Reinsurance Fee	346	264	590	1,037	1,911	224	2,298	2,542	691	976	2,481
PCORI Fee	82	31	138	125	437	58	345	590	109	176	343
Total Non-Benefit Expenses	\$ 14,503	\$ 11,119	\$ 24,888	\$ 43,385	\$ 80,503	\$ 9,449	\$ 96,348	\$ 106,681	\$ 28,950	\$ 41,374	\$ 104,311
Margin (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Claims + Non-Benefit Expenses	\$ 224,707	\$ 98,012	\$ 330,380	\$ 383,232	\$ 1,220,246	\$ 104,018	\$ 1,089,909	\$ 1,208,907	\$ 240,420	\$ 526,566	\$ 937,730
Net Change	25.1%	17.1%	15.5%	14.1%	31.1%	-1.0%	24.3%	-1.9%	-7.6%	29.3%	8.2%

Appendix D

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Buffalo, Town of	Burns Flat, Town of	Carter, Town of	CED 3	Chattanooga, Town of	Cherokee County	Choctaw County	Cimarron County	Circuit Engineers District # 6	Circuit Engineers District # 7	Circuit Engineers District # 8
Employee	2	9	0	8	2	100	67	50	1	9	11
Employee + Child	1	2	1	0	0	4	3	0	0	2	3
Employee + Children	1	0	0	0	0	2	1	0	0	3	3
Employee + Spouse	2	1	0	2	0	9	2	6	0	3	0
Employee + Spouse + Child	0	0	0	0	0	2	0	1	0	2	0
Employee + Spouse + Children	3	0	0	1	0	0	1	0	0	1	0
Total Medical Employees	9	12	1	11	2	117	74	57	1	20	17
Total Dental Employees	10	11	1	11	2	7	80	70	1	20	17
Current Estimated Premium (12 months)	104,796	\$ 85,601	8,910	\$ 89,943	12,253	\$ 766,459	499,233	\$ 410,700	6,602	\$ 185,981	127,472
Projected Claims											
Medical	74,937	\$ 67,032	8,813	\$ 53,469	8,986	\$ 714,560	421,342	\$ 321,926	7,883	\$ 128,567	83,983
Pharmacy	20,682	18,500	2,432	14,757	2,480	197,214	116,288	88,849	2,176	35,484	23,179
Dental	4,239	3,103	245	3,447	489	2,279	22,512	22,373	526	6,723	4,971
Total Claims	99,858	\$ 88,636	11,490	\$ 71,672	11,955	\$ 914,052	560,141	\$ 433,148	10,585	\$ 170,774	112,133
Pharmacy as a % of total claims	20.7%	20.9%	21.2%	20.6%	20.7%	21.6%	20.8%	20.5%	20.6%	20.8%	20.7%
Dental as a % of total claims	4.2%	3.5%	2.1%	4.8%	4.1%	0.2%	4.0%	5.2%	5.0%	3.9%	4.4%
Non-Benefit Expenses											
Stop Loss Premium	\$ 1,468	\$ 1,957	\$ 163	\$ 1,794	\$ 326	\$ 19,080	\$ 12,068	\$ 9,296	\$ 163	\$ 3,262	\$ 2,772
BCBSOK Administrative Fee	4,107	5,406	453	4,983	906	49,688	33,703	26,213	453	9,060	7,701
Plan Management Fee	1,620	2,160	180	1,980	360	21,060	13,320	10,260	180	3,600	3,060
Additional Services	286	382	32	350	64	3,724	2,356	1,814	32	637	541
ACA Reinsurance Fee	183	244	20	224	41	2,379	1,505	1,159	20	407	346
PCORI Fee	51	33	4	40	4	312	187	145	2	85	62
Total Non-Benefit Expenses	\$ 7,716	\$ 10,182	\$ 853	\$ 9,371	\$ 1,701	\$ 96,244	\$ 63,138	\$ 48,886	\$ 850	\$ 17,050	\$ 14,483
Margin (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Claims + Non-Benefit Expenses	\$ 107,573	\$ 98,818	\$ 12,343	\$ 81,043	\$ 13,656	\$ 1,010,296	\$ 623,279	\$ 482,034	\$ 11,436	\$ 187,824	\$ 126,616
Net Change	2.7%	15.4%	38.5%	-9.9%	11.5%	31.8%	24.8%	17.4%	73.2%	1.0%	-0.7%

Appendix D

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Circuit Engineers District #4	Coal County	Craig County	Custer City, Town of	Custer County	Duncan, City of	Elk City Schools	Ellis County	EODD	Fargo Public Schools	Garfield County
Employee	2	23	81	3	91	88	179	42	8	23	159
Employee + Child	1	0	3	0	9	10	12	11	0	5	7
Employee + Children	0	0	2	0	5	4	23	3	0	2	12
Employee + Spouse	6	1	5	0	9	61	15	12	2	2	15
Employee + Spouse + Child	1	1	0	0	3	25	6	7	1	0	0
Employee + Spouse + Children	1	1	3	0	2	53	9	15	1	2	2
Total Medical Employees	11	26	94	3	119	241	244	90	12	34	195
Total Dental Employees	11	22	103	2	129	239	292	99	13	38	221
Current Estimated Premium (12 months)	\$ 130,234	181,986	\$ 667,539	17,967	\$ 904,857	2,630,765	\$ 1,967,506	887,663	\$ 104,083	267,704	\$ 1,430,196
Projected Claims											
Medical	\$ 125,960	145,153	\$ 537,848	8,546	\$ 752,190	1,897,685	\$ 1,610,723	742,971	\$ 83,666	220,454	\$ 1,199,617
Pharmacy	34,764	40,061	148,442	2,359	207,599	523,749	444,549	205,055	23,091	60,844	331,086
Dental	5,055	6,030	30,321	489	42,381	60,464	96,758	37,396	4,418	12,065	68,042
Total Claims	\$ 165,779	191,244	\$ 716,611	11,394	\$ 1,002,171	2,481,898	\$ 2,152,031	985,422	\$ 111,176	293,364	\$ 1,598,745
Pharmacy as a % of total claims	21.0%	20.9%	20.7%	20.7%	20.7%	21.1%	20.7%	20.8%	20.8%	20.7%	20.7%
Dental as a % of total claims	3.0%	3.2%	4.2%	4.3%	4.2%	2.4%	4.5%	3.8%	4.0%	4.1%	4.3%
Non-Benefit Expenses											
Stop Loss Premium	\$ 1,794	\$ 4,240	\$ 15,330	\$ 489	\$ 19,407	\$ 39,302	\$ 39,792	\$ 14,677	\$ 1,957	\$ 5,545	\$ 31,801
BCBSOK Administrative Fee	4,983	11,658	42,853	1,329	54,208	109,113	111,978	41,041	5,466	15,522	89,118
Plan Management Fee	1,980	4,680	16,920	540	21,420	43,380	43,920	16,200	2,160	6,120	35,100
Additional Services	350	828	2,992	95	3,788	7,672	7,767	2,865	382	1,082	6,207
ACA Reinsurance Fee	224	529	1,911	61	2,420	4,900	4,961	1,830	244	691	3,965
PCORI Fee	51	71	261	7	363	1,266	818	426	45	116	555
Total Non-Benefit Expenses	\$ 9,382	\$ 22,005	\$ 80,267	\$ 2,521	\$ 101,606	\$ 205,633	\$ 209,236	\$ 77,039	\$ 10,254	\$ 29,077	\$ 166,746
Margin (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Claims + Non-Benefit Expenses	\$ 175,161	\$ 213,249	\$ 796,878	\$ 13,915	\$ 1,103,776	\$ 2,687,531	\$ 2,361,266	\$ 1,062,461	\$ 121,429	\$ 322,441	\$ 1,765,491
Net Change	34.5%	17.2%	19.4%	-22.6%	22.0%	2.2%	20.0%	19.7%	16.7%	20.4%	23.4%

Appendix D

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Goodwell, Town of	Grady County	Grady County Criminal Justice Authority	Grant County	Greer County	Guymon, City of	Harper County	Harper County Community Hospital	Haskell County	Idabel, City of	Johnston County
Employee	7	107	73	61	40	33	33	32	63	89	66
Employee + Child	0	7	1	2	1	11	2	3	2	0	0
Employee + Children	1	6	1	1	1	15	1	2	0	3	2
Employee + Spouse	0	10	3	3	1	29	19	1	0	0	2
Employee + Spouse + Child	0	7	0	0	2	3	2	3	0	0	0
Employee + Spouse + Children	0	3	1	0	1	17	2	1	0	0	0
Total Medical Employees	8	140	79	67	46	108	59	42	65	92	70
Total Dental Employees	9	159	79	83	57	4	67	44	33	0	73
Current Estimated Premium (12 months)	54,413	\$ 1,075,495	523,166	\$ 452,873	343,656	\$ 1,068,319	547,236	\$ 315,358	396,596	\$ 539,255	459,097
Projected Claims											
Medical	24,248	\$ 878,062	310,133	\$ 389,033	303,236	\$ 880,628	563,789	\$ 263,140	357,748	\$ 407,770	334,253
Pharmacy	6,692	242,339	85,595	107,370	83,691	243,047	155,602	72,625	98,736	112,542	92,252
Dental	2,471	52,357	21,898	23,604	19,379	978	25,196	13,162	9,951	0	21,442
Total Claims	33,412	\$ 1,172,759	417,625	\$ 520,007	406,306	\$ 1,124,654	744,588	\$ 348,928	466,435	\$ 520,312	447,946
Pharmacy as a % of total claims	20.0%	20.7%	20.5%	20.6%	20.6%	21.6%	20.9%	20.8%	21.2%	21.6%	20.6%
Dental as a % of total claims	7.4%	4.5%	5.2%	4.5%	4.8%	0.1%	3.4%	3.8%	2.1%	0.0%	4.8%
Non-Benefit Expenses											
Stop Loss Premium	\$ 1,305	\$ 22,831	\$ 12,883	\$ 10,926	\$ 7,502	\$ 17,613	\$ 9,622	\$ 6,849	\$ 10,600	\$ 15,003	\$ 11,416
BCBSOK Administrative Fee	3,654	63,992	35,787	30,833	21,169	45,792	26,968	19,086	28,481	38,905	31,800
Plan Management Fee	1,440	25,200	14,220	12,060	8,280	19,440	10,620	7,560	11,700	16,560	12,600
Additional Services	255	4,457	2,515	2,133	1,464	3,438	1,878	1,337	2,069	2,929	2,228
ACA Reinsurance Fee	163	2,847	1,606	1,362	935	2,196	1,200	854	1,322	1,871	1,423
PCORI Fee	22	434	201	165	131	564	205	131	149	221	172
Total Non-Benefit Expenses	\$ 6,838	\$ 119,761	\$ 67,212	\$ 57,479	\$ 39,482	\$ 89,042	\$ 50,492	\$ 35,818	\$ 54,321	\$ 75,488	\$ 59,639
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Projected Claims + Non-Benefit Expenses	\$ 40,250	\$ 1,292,520	\$ 484,837	\$ 577,486	\$ 445,788	\$ 1,213,695	\$ 795,080	\$ 384,746	\$ 520,757	\$ 595,800	\$ 507,585
Net Change	-26.0%	20.2%	-7.3%	27.5%	29.7%	13.6%	45.3%	22.0%	31.3%	10.5%	10.6%

Appendix D

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Kingfisher County	Kingfisher, City of	Lincoln County	Lincoln County E911 Trust Authority	McAlester, City of	McCurtain County	McCurtain Co E911	McElroy & Associates Inc.	Medford, City of	Muskogee County	Muskogee County E911
Employee	72	21	103	9	152	157	1	2	2	115	11
Employee + Child	1	4	2	0	2	7	0	0	1	6	3
Employee + Children	7	8	2	1	6	3	0	0	1	4	0
Employee + Spouse	8	8	3	0	6	4	0	1	3	19	2
Employee + Spouse + Child	2	7	2	0	2	0	0	2	3	8	0
Employee + Spouse + Children	2	13	4	0	1	0	0	2	2	4	1
Total Medical Employees	92	61	116	10	169	171	1	7	12	156	17
Total Dental Employees	96	60	127	10	167	176	1	7	12	167	17
Current Estimated Premium (12 months)	\$ 695,744	649,120	\$ 814,690	66,150	\$ 1,159,627	1,121,522	\$ 6,126	83,063	\$ 141,772	1,233,391	\$ 134,295
Projected Claims											
Medical	\$ 567,458	444,249	\$ 688,042	39,487	\$ 821,703	923,036	\$ 1,626	68,476	\$ 121,099	1,008,766	\$ 105,406
Pharmacy	156,615	122,610	189,895	10,898	226,785	254,752	449	18,899	33,422	278,413	29,091
Dental	28,938	24,445	39,503	2,655	54,781	49,402	245	3,339	5,457	53,705	4,465
Total Claims	\$ 753,012	591,304	\$ 917,439	53,040	\$ 1,103,270	1,227,190	\$ 2,320	90,713	\$ 159,978	1,340,883	\$ 138,962
Pharmacy as a % of total claims	20.8%	20.7%	20.7%	20.5%	20.6%	20.8%	19.3%	20.8%	20.9%	20.8%	20.9%
Dental as a % of total claims	3.8%	4.1%	4.3%	5.0%	5.0%	4.0%	10.5%	3.7%	3.4%	4.0%	3.2%
Non-Benefit Expenses											
Stop Loss Premium	\$ 15,003	\$ 9,948	\$ 18,917	\$ 1,631	\$ 27,561	\$ 27,887	\$ 163	\$ 1,142	\$ 1,957	\$ 25,440	\$ 2,772
BCBSOK Administrative Fee	41,796	27,603	52,879	4,530	76,497	77,614	453	3,171	5,436	70,999	7,701
Plan Management Fee	16,560	10,980	20,880	1,800	30,420	30,780	180	1,260	2,160	28,080	3,060
Additional Services	2,929	1,942	3,693	318	5,380	5,443	32	223	382	4,966	541
ACA Reinsurance Fee	1,871	1,240	2,359	203	3,436	3,477	20	142	244	3,172	346
PCORI Fee	299	343	323	27	450	421	2	42	71	497	56
Total Non-Benefit Expenses	\$ 78,458	\$ 52,056	\$ 99,051	\$ 8,509	\$ 143,743	\$ 145,622	\$ 850	\$ 5,980	\$ 10,250	\$ 133,155	\$ 14,476
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Projected Claims + Non-Benefit Expenses	\$ 831,469	\$ 643,360	\$ 1,016,490	\$ 61,549	\$ 1,247,013	\$ 1,372,812	\$ 3,170	\$ 96,694	\$ 170,229	\$ 1,474,038	\$ 153,438
Net Change	19.5%	-0.9%	24.8%	-7.0%	7.5%	22.4%	-48.3%	16.4%	20.1%	19.5%	14.3%

Appendix D

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Mustang, City of	Ninnekah, Town of	N.O.D.A	NOSWDA	Nowata County	OEDA	Okay, Town of	OMAG	OMRF	OMUSA	Pawnee County
Employee	31	0	11	4	64	11	1	17	3	5	68
Employee + Child	2	1	0	2	1	0	0	2	1	0	3
Employee + Children	7	1	2	0	1	1	0	2	1	0	4
Employee + Spouse	15	0	2	0	0	0	0	5	2	0	2
Employee + Spouse + Child	5	0	0	1	0	0	0	3	0	0	0
Employee + Spouse + Children	24	0	1	0	0	0	0	4	0	1	0
Total Medical Employees	84	2	16	7	66	12	1	33	7	6	77
Total Dental Employees	0	2	19	7	71	12	1	33	0	6	88
Current Estimated Premium (12 months)	863,501	\$ 19,569	132,266	\$ 55,982	417,009	\$ 78,050	6,126	\$ 313,673	61,194	\$ 45,572	525,363
Projected Claims											
Medical	627,822	\$ 12,505	110,480	\$ 52,999	348,605	\$ 60,771	4,738	\$ 277,498	65,596	\$ 39,441	397,478
Pharmacy	173,275	3,451	30,492	14,627	96,213	16,772	1,308	76,588	18,104	10,885	109,701
Dental	0	489	6,225	2,151	18,465	2,935	245	12,226	0	1,467	25,003
Total Claims	801,097	\$ 16,445	147,197	\$ 69,777	463,282	\$ 80,478	6,291	\$ 366,312	83,700	\$ 51,794	532,182
Pharmacy as a % of total claims	21.6%	21.0%	20.7%	21.0%	20.8%	20.8%	20.8%	20.9%	21.6%	21.0%	20.6%
Dental as a % of total claims	0.0%	3.0%	4.2%	3.1%	4.0%	3.6%	3.9%	3.3%	0.0%	2.8%	4.7%
Non-Benefit Expenses											
Stop Loss Premium	\$ 13,699	\$ 326	\$ 2,609	\$ 1,142	\$ 10,763	\$ 1,957	\$ 163	\$ 5,382	\$ 1,142	\$ 978	\$ 12,557
BCBSOK Administrative Fee	35,522	906	7,338	3,171	30,049	5,436	453	14,949	2,960	2,718	35,212
Plan Management Fee	15,120	360	2,880	1,260	11,880	2,160	180	5,940	1,260	1,080	13,860
Additional Services	2,674	64	509	223	2,101	382	32	1,050	223	191	2,451
ACA Reinsurance Fee	1,708	41	325	142	1,342	244	20	671	142	122	1,566
PCORI Fee	483	13	60	25	154	31	2	154	27	20	214
Total Non-Benefit Expenses	\$ 69,206	\$ 1,710	\$ 13,722	\$ 5,962	\$ 56,289	\$ 10,210	\$ 850	\$ 28,146	\$ 5,754	\$ 5,110	\$ 65,860
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Projected Claims + Non-Benefit Expenses	\$ 870,303	\$ 18,155	\$ 160,919	\$ 75,740	\$ 519,571	\$ 90,688	\$ 7,141	\$ 394,458	\$ 89,454	\$ 56,903	\$ 598,042
Net Change	0.8%	-7.2%	21.7%	35.3%	24.6%	16.2%	16.6%	25.8%	46.2%	24.9%	13.8%

Appendix D

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Pittsburg County	Pittsburg County Water Authority	Pond Creek, City of	Pontotoc County	Pushmataha County	Roger Mills County	Roger Mills County Hospital	Rogers County Rogers County	Rogers County Industrial Development Authority	Roff, Town of	RWD#1 - McCurtain County
Employee	194	1	12	132	57	55	26	225	2	5	6
Employee + Child	4	0	0	6	1	13	0	4	0	0	0
Employee + Children	0	1	0	2	1	8	5	4	0	0	0
Employee + Spouse	7	1	0	5	0	21	1	3	0	0	0
Employee + Spouse + Child	3	0	0	0	1	3	1	3	0	0	0
Employee + Spouse + Children	0	3	0	1	0	10	5	3	0	0	0
Total Medical Employees	208	6	12	146	60	110	38	242	2	5	6
Total Dental Employees	215	6	12	160	37	121	37	0	0	5	7
Current Estimated Premium (12 months)	\$ 1,381,344	76,888	\$ 74,944	979,937	\$ 373,470	1,043,009	\$ 315,186	1,491,677	\$ 11,427	30,632	\$ 37,821
Projected Claims											
Medical	\$ 1,075,958	53,261	\$ 56,441	710,734	\$ 339,397	952,740	\$ 270,540	1,165,647	\$ 11,753	23,752	\$ 34,786
Pharmacy	296,957	14,700	15,577	196,158	93,671	262,950	74,667	321,711	3,244	6,555	9,601
Dental	61,073	3,201	3,780	44,029	9,801	43,803	9,170	0	0	1,223	2,097
Total Claims	\$ 1,433,989	71,161	\$ 75,798	950,922	\$ 442,870	1,259,494	\$ 354,377	1,487,357	\$ 14,997	31,530	\$ 46,483
Pharmacy as a % of total claims	20.7%	20.7%	20.6%	20.6%	21.2%	20.9%	21.1%	21.6%	21.6%	20.8%	20.7%
Dental as a % of total claims	4.3%	4.5%	5.0%	4.6%	2.2%	3.5%	2.6%	0.0%	0.0%	3.9%	4.5%
Non-Benefit Expenses											
Stop Loss Premium	\$ 33,921	\$ 978	\$ 1,957	\$ 23,810	\$ 9,785	\$ 17,939	\$ 6,197	\$ 39,465	\$ 326	\$ 815	\$ 978
BCBSOK Administrative Fee	94,435	2,718	5,436	66,560	26,487	50,161	17,184	102,337	846	2,265	2,748
Plan Management Fee	37,440	1,080	2,160	26,280	10,800	19,800	6,840	43,560	360	900	1,080
Additional Services	6,621	191	382	4,648	1,910	3,502	1,210	7,703	64	159	191
ACA Reinsurance Fee	4,229	122	244	2,969	1,220	2,237	773	4,921	41	102	122
PCORI Fee	501	49	27	365	145	448	156	615	4	11	13
Total Non-Benefit Expenses	\$ 177,147	\$ 5,138	\$ 10,206	\$ 124,631	\$ 50,347	\$ 94,086	\$ 32,359	\$ 198,602	\$ 1,641	\$ 4,252	\$ 5,133
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Projected Claims + Non-Benefit Expenses	\$ 1,611,137	\$ 76,300	\$ 86,004	\$ 1,075,553	\$ 493,217	\$ 1,353,580	\$ 386,737	\$ 1,685,959	\$ 16,638	\$ 35,782	\$ 51,616
Net Change	16.6%	-0.8%	14.8%	9.8%	32.1%	29.8%	22.7%	13.0%	45.6%	16.8%	36.5%

Appendix D

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	RWD#8 - McCurtain County	S.W.O.D.A.	Seminole County	Seminole County - Court Special Programs	Stroud, City of	Talihina, Town of	Texas County	Tipton, Town of	Velma, Town of	Vici Public Schools	Walters, City of
Employee	3	23	115	3	41	16	102	7	1	34	24
Employee + Child	0	4	2	0	0	0	7	0	0	1	2
Employee + Children	0	1	3	0	0	0	14	0	0	4	0
Employee + Spouse	3	3	5	1	2	0	18	0	0	1	1
Employee + Spouse + Child	1	0	0	0	0	0	5	0	0	2	1
Employee + Spouse + Children	1	0	0	1	0	0	2	0	0	4	0
Total Medical Employees	8	31	125	5	43	16	148	7	1	46	28
Total Dental Employees	0	34	98	5	42	8	164	7	1	53	25
Current Estimated Premium (12 months)	80,001	\$ 240,207	813,446	\$ 46,851	277,135	\$ 95,075	1,199,682	\$ 42,885	6,126	\$ 373,521	191,936
Projected Claims											
Medical	59,655	\$ 214,920	658,760	\$ 39,627	170,723	\$ 85,388	1,037,071	\$ 29,104	4,538	\$ 288,936	155,103
Pharmacy	16,464	59,317	181,813	10,937	47,118	23,567	286,225	8,033	1,252	79,744	42,807
Dental	0	11,196	28,139	1,919	11,248	2,166	55,501	1,712	245	17,202	6,235
Total Claims	76,119	\$ 285,433	868,712	\$ 52,482	229,089	\$ 111,121	1,378,797	\$ 38,849	6,034	\$ 385,882	204,146
Pharmacy as a % of total claims	21.6%	20.8%	20.9%	20.8%	20.6%	21.2%	20.8%	20.7%	20.8%	20.7%	21.0%
Dental as a % of total claims	0.0%	3.9%	3.2%	3.7%	4.9%	1.9%	4.0%	4.4%	4.1%	4.5%	3.1%
Non-Benefit Expenses											
Stop Loss Premium	\$ 1,305	\$ 5,055	\$ 20,385	\$ 815	\$ 7,012	\$ 2,609	\$ 24,136	\$ 1,142	\$ 163	\$ 7,502	\$ 4,566
BCBSOK Administrative Fee	3,383	14,133	55,812	2,265	19,449	7,007	67,526	3,171	453	21,049	12,594
Plan Management Fee	1,440	5,580	22,500	900	7,740	2,880	26,640	1,260	180	8,280	5,040
Additional Services	255	987	3,979	159	1,369	509	4,711	223	32	1,464	891
ACA Reinsurance Fee	163	630	2,542	102	874	325	3,009	142	20	935	569
PCORI Fee	36	89	310	20	100	36	506	16	2	167	74
Total Non-Benefit Expenses	\$ 6,581	\$ 26,475	\$ 105,527	\$ 4,261	\$ 36,545	\$ 13,367	\$ 126,528	\$ 5,953	\$ 850	\$ 39,397	\$ 23,734
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Projected Claims + Non-Benefit Expenses	\$ 82,700	\$ 311,908	\$ 974,240	\$ 56,743	\$ 265,634	\$ 124,488	\$ 1,505,325	\$ 44,802	\$ 6,885	\$ 425,280	\$ 227,880
Net Change	3.4%	29.8%	19.8%	21.1%	-4.2%	30.9%	25.5%	4.5%	12.4%	13.9%	18.7%

Appendix D

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Warr Acres, City of	Washington County	Washita County	Weatherford, City of	Woods County	Woodward, City of	Woodward Co. EMS	Total
Employee	34	55	72	107	68	77	14	4,367
Employee + Child	9	11	3	5	6	10	0	267
Employee + Children	9	3	7	7	4	21	1	277
Employee + Spouse	12	19	7	4	11	31	1	521
Employee + Spouse + Child	8	15	6	0	2	10	1	198
Employee + Spouse + Children	9	15	2	1	5	24	1	316
Total Medical Employees	81	118	97	124	96	173	18	5,946
Total Dental Employees	78	134	109	0	109	1	18	5,288
Current Estimated Premium (12 months)	\$ 776,648	1,161,128	\$ 765,161	795,337	\$ 784,509	1,584,669	\$ 137,512	\$ 46,640,094
Projected Claims								
Medical	\$ 508,306	777,643	\$ 615,188	599,779	\$ 624,464	1,208,281	\$ 106,108	\$ 36,951,195
Pharmacy	140,289	214,624	169,788	165,535	172,348	333,478	29,285	10,198,286
Dental	19,257	51,814	36,964	0	28,359	245	4,919	1,659,370
Total Claims	\$ 667,853	1,044,082	\$ 821,940	765,314	\$ 825,171	1,542,003	\$ 140,312	\$ 48,808,850
Pharmacy as a % of total claims	21.0%	20.6%	20.7%	21.6%	20.9%	21.6%	20.9%	20.9%
Dental as a % of total claims	2.9%	5.0%	4.5%	0.0%	3.4%	0.0%	3.5%	3.4%
Non-Benefit Expenses								
Stop Loss Premium	\$ 13,209	\$ 19,243	\$ 15,819	\$ 20,222	\$ 15,656	\$ 28,213	\$ 2,935	\$ 969,674
BCBSOK Administrative Fee	36,603	53,936	44,302	52,437	43,880	73,188	8,154	2,673,719
Plan Management Fee	14,580	21,240	17,460	22,320	17,280	31,140	3,240	1,070,280
Additional Services	2,578	3,756	3,088	3,947	3,056	5,507	573	189,275
ACA Reinsurance Fee	1,647	2,399	1,972	2,521	1,952	3,518	366	120,906
PCORI Fee	385	546	325	343	314	836	67	19,955
Total Non-Benefit Expenses	\$ 69,003	\$ 101,121	\$ 82,967	\$ 101,791	\$ 82,137	\$ 142,402	\$ 15,335	\$ 5,043,809
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Projected Claims + Non-Benefit Expenses	\$ 736,856	\$ 1,145,203	\$ 904,907	\$ 867,105	\$ 907,309	\$ 1,684,404	\$ 155,648	\$ 53,852,659
Net Change	-5.1%	-1.4%	18.3%	9.0%	15.7%	6.3%	13.2%	15.5%



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