

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
ANNUAL FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018
WITH INDEPENDENT AUDITOR'S REPORT

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Balance Sheet	3
Statement of Income and Changes in Fund Balance	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9
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 <u>Government</u> <u>Auditing Standards</u>	10 - 11

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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, 2019 and 2018, 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, 2019 and 2018 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 October 29, 2019, 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
October 29, 2019

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
BALANCE SHEET
JUNE 30, 2019 and 2018

<u>ASSETS</u>	June 30, <u>2019</u>	June 30, <u>2018</u>
Current Assets:		
Cash and Cash Equivalents (Note 3)	\$ 124,295	\$ 420,511
Investments (Note 3)	4,381,348	4,053,330
Accounts Receivable - Unpaid Premiums	2,505,237	2,605,342
Accounts Receivable - Rebates	1,802,190	1,623,516
Accounts Receivable - Refunds	<u>0</u>	<u>1,876,182</u>
Total Current Assets	<u>8,813,070</u>	<u>10,578,881</u>
TOTAL ASSETS	<u>\$ 8,813,070</u>	<u>\$ 10,578,881</u>

LIABILITIES AND FUND BALANCE

Current Liabilities:		
Accounts Payable	\$ 2,013,774	\$ 5,903,389
Bank Loan Payable	<u>2,476,400</u>	<u>2,795,947</u>
Total Current Liabilities	<u>4,490,174</u>	<u>8,699,336</u>
Total Liabilities	<u>4,490,174</u>	<u>8,699,336</u>
Fund Balance:		
Unrestricted Fund Balance	<u>4,322,896</u>	<u>1,879,545</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 8,813,070</u>	<u>\$ 10,578,881</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, 2019 and 2018

<u>REVENUES:</u>	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
Premiums (Note 6)	\$ 51,238,372	\$ 55,099,937
Specific reinsurance (Note 7)	15,445	403,667
Unrealized gain (loss) on investments	328,019	52,181
Rebates	2,376,500	1,643,513
Subrogation	128,200	100,485
Runoffs	<u>0</u>	<u>49,676</u>
 TOTAL REVENUES	 <u>54,086,536</u>	 <u>57,349,459</u>
<u>EXPENSES:</u>		
ACA reinsurance & PCORI	20,636	20,608
Administrator's fee (Note 8)	1,265,618	1,308,985
Bank fees	6,369	11,307
Claims paid (Note 4)	43,541,771	46,480,066
Claims supervisor fee (Note 9)	2,546,718	2,845,636
Fidelity bond expense	14,956	16,276
Interest and investment expense	155,011	141,902
Legal fees	6,831	11,506
Life insurance	2,179,692	1,538,408
Postage	11,713	10,136
Premium reimbursement	0	1,098
Professional fees	124,442	91,300
Specific reinsurance (Note 7)	1,119,081	1,028,375
Storage rental	0	400
Printing	9,577	10,242
VSP Vision	<u>640,770</u>	<u>700,486</u>
 TOTAL EXPENSES	 <u>51,643,185</u>	 <u>54,216,731</u>
 Net Income (Loss)	 <u>2,443,351</u>	 <u>3,132,728</u>
 FUND BALANCE - BEGINNING OF YEAR	 <u>1,879,545</u>	 <u>(1,253,183)</u>
 FUND BALANCE - END OF YEAR	 <u>\$ 4,322,896</u>	 <u>\$ 1,879,545</u>

See accompanying notes and auditor's report.

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018

	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 2,443,351	\$ 3,132,728
Adjustment to reconcile net income (loss) to net cash used for operating activities		
Decrease (increase) in accounts receivable	1,797,613	(475,792)
Increase (decrease) in accounts payable	<u>(3,889,615)</u>	<u>(2,264,742)</u>
Net cash provided by operating activities	<u>351,349</u>	<u>392,194</u>
Cash Flows from Investing Activities:		
Decrease (increase) in investments	<u>(328,018)</u>	<u>(52,182)</u>
Net cash provided by investing activities	<u>(328,018)</u>	<u>(52,182)</u>
Cash Flows from Financing Activities:		
Increase (decrease) in financing activities	<u>(319,547)</u>	<u>(356,936)</u>
Net cash provided by financing activities	<u>(319,547)</u>	<u>(356,936)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(296,216)</u>	<u>(16,924)</u>
Cash and Cash Equivalents, Beginning of Year	<u>420,511</u>	<u>437,435</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 124,295</u></u>	<u><u>\$ 420,511</u></u>

See accompanying notes and auditor's report.

JUNE 30, 2019

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, 2019 there were 96 participating groups in the Plan comprised of thirty (30) Oklahoma counties, five (5) schools, thirty-one (31) municipalities, six (6) CED's, and twenty-four (24) 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, 2019

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	<u>\$ 124,295</u>
Total Cash and Cash Equivalents	<u>\$ 124,295</u>

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

Equity Investments - Arvest	\$ 1,236,787
Fixed Income Securities - Arvest	<u>3,144,561</u>
Total Investments	<u>\$ 4,381,348</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, 2019

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 \$3,300,000.00. 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 \$425,000 per claimant per year as of June 30, 2019. Effective July 1, 2020, the stop loss attachment point remains at \$425,000 per claimant per year.

Note 8: ADMINISTRATIVE EXPENSES:

The Plan entered into a 12-month administrative agreement on May 9, 2019 with McElroy & Associates to provide administrative services for The Plan as agreed to in the agreement, for \$16.54 per "Contract" each month. The agreement is in effect from July 1, 2018 to June 30, 2019. The agreement provides for \$17.37 per "Contract" each month in effect from July 1, 2019 to June 30, 2020.

OKLAHOMA PUBLIC EMPLOYEES HEALTH & WELFARE PLAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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:

	<u>Effective</u> <u>7/1/19 - 6/30/20</u>	<u>Effective</u> <u>7/1/2018 - 6/30/19</u>
Medical Administrative Fee	\$36.92 per contract per month	\$ 36.84 per contract per month
Dental Administrative Fee	\$ 2.75 per contract per month	\$ 2.68 per contract per month

Note 10: DATE OF MANAGEMENT'S REVIEW:

Subsequent events were evaluated through October 29, 2019, 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 January 20, 2019 with Arvest Bank which amended and maintained the line of credit at \$3,868,722 and is secured by the Plan's investments. Accrued interest of 6% is due and payable monthly on any balance due. The loan matures on January 20, 2020.

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.

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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, 2019 and 2018, as listed in the table of contents, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated October 29, 2019.

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
October 29, 2019

2018-2019 PLAN YEAR ACTUARIAL REPORT

OKLAHOMA PUBLIC EMPLOYEES HEALTH AND WELFARE TRUST

MARCH 13, 2018

CONTENTS

1. Introduction.....	1
2. Data.....	3
• Data Reconciliation	4
3. Enrollment	5
• Terminated Groups	5
• New Groups.....	5
4. Premium Rate Development.....	7
• Trend Adjustments.....	8
• Additional Adjustments to Medical Claims.....	13
• Additional Adjustments to Pharmacy Claims	13
• Additional Claim Adjustments.....	13
• Non-Benefit Expenses	16
• Proposed Rate Changes.....	16
5. Potential Plan Year 2018-2019 Changes and Surplus Scenarios.....	20
• Surplus	20
• Dental Plan Changes	20
• High Deductible Health Plan Options	21
• Rating Tier Changes	23
6. Incurred But Not Reported Claim Reserves	30
7. Forecast	32
8. Actuarial Certification.....	33
• Reliance.....	33
• Actuarial Certification	34
9. Appendices.....	35

1

Introduction

The Oklahoma Public Employees Health and Welfare Trust (OPEH&W) engaged Oliver Wyman Actuarial Consulting (Oliver Wyman) to perform an annual valuation of medical, drug and dental benefits for the plan year beginning July 1, 2018. This review includes:

- Development of appropriate premiums for major medical (medical/pharmacy) and dental benefits
- Analysis of potential benefit changes on premiums
- Analysis of potential rating tier structure changes
- Determination of incurred but not reported (IBNR) reserves
- Funding forecasts

After several years of favorable experience, OPEH&W faced a significant loss in plan year 2015-2016 as a result of an increase in large claim activity. Accordingly, OPEH&W took several measures to reduce claim costs and improve the capital position of the plan, including: implementing a new provider network with lower provider reimbursement rates, increasing the medical deductible, switching to a lower cost durable medical equipment provider and implementing programs that encourage members to seek medical care at more cost effective providers (e.g., telehealth services).

While claim costs have since moderated based on data through January 2018, capital levels are still recovering despite the implementation of average premium rate increases of approximately 7.5% for both plan years 2016-2017 and 2017-2018 and claim savings initiatives. Our initial projections show a sizable rate increase should be implemented for plan year 2018-2019. Table 1 summarizes the recommended premium rate changes for plan year 2018-2019.

Table 1

Benefit Plan	Blue Choice	Blue Preferred
Medical/Pharmacy	10.9%	10.9%
Dental	-34.7%	-34.7%
Combined	8.0%	7.8%

Note: Dental rates are additive in the calculation of the combined rate change. However, the change in dental rates receives greater weight under the Blue Preferred plan relative to the Blue Choice plan, producing a lower combined rate change for the Blue Preferred Network.

The rate changes shown in Table 1 reflect no changes in benefits relative to current benefit levels (e.g., the rate change for dental does not include the impact of covering orthodontia services for dependents). While the rate projection for plan year 2018-2019 assumes no benefit changes, we have developed an alternative benefit change for both the medical/pharmacy and dental benefit

plans, at the request of OPEH&W. Additionally, the plan year 2018-2019 medical/pharmacy premium rate projection includes a 2.5% contribution to surplus to help replenish capital levels, consistent with the contribution to surplus assumed in the development of the plan year 2017-2018 premiums.

Similar to prior years, 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 assumptions used.

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

Section 3 provides a summary of enrollment changes.

Section 4 provides the details underlying the premium rate projections, including an overview of the methodology and a summary of the assumptions used to project the base experience to the rating period.

Section 5 details the impact on premiums of implementing benefit changes and rating tier changes as well as a synopsis of capital and surplus.

Section 6 details the development of the prospective IBNR claim estimate for June 30, 2018.

Section 7 shows the forecast for each group for plan year 2018-2019.

Section 8 contains the actuarial certification.

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

While not addressed elsewhere in this report, it should be noted that there is uncertainty whether new health care reform efforts or regulations will occur over the course of the next year and the extent to which any reforms may impact the employer group market (e.g., the recently proposed rules pertaining to association health plans). OPEH&W has grown significantly over the course of the last several years, and it is unclear to Oliver Wyman whether some of this growth is attributable to the disruption the Affordable Care Act (ACA) has had on the fully-insured small employer group market (e.g., adjusted community rating, coverage of essential health benefits, etc.). To the extent the adjusted community rating rules currently in place in the ACA small group market are relaxed, OPEH&W could be adversely impacted.

2

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, dental, and pharmacy claim payments by month from July 2012 to January 2018 (referred to as the aggregated claim report)
- Medical claim lag reports for claims paid between February 1, 2013 and January 31, 2018
- Dental claim lag reports for claims paid between July 1, 2013 and January 31, 2018
- A summarized claim report from Express Scripts (ESI), the current PBM, for pharmacy claims paid between July 2015 and January 2018
- Shock or high-cost claimant reports for plan years 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018 through December 2017
- Financial statements for plan years 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018 through December 2017
- Medical and dental census information for July 2012 through January 2018
- A list of recent group additions and terminations
- Current OPEH&W Briefing Book
- Current OPEH&W Benefit Book
- Plan Audit Report for plan years 2015-2016 and 2016-2017
- Premium rates for the three most recent plan years
- Benefit changes for the three most recent plan years
- A set of proposed dental benefit changes
- The medical and dental ASO projections for plan year 2018-2019 as prepared by Blue Cross and Blue Shield of Oklahoma (BCBSOK)
- 2018-2019 plan year vendor fees
 - Plan management fees:
 - \$16.54 per contract per month
 - BCBSOK medical and dental fees:
 - Medical administration fee of \$36.84 per contract per month
 - Dental administration fee of \$2.68 per contract per month
 - Stop-Loss Reinsurance (assuming an aggregate stop loss component will be included):
 - \$18.62 per contract per month
 - Additional fees
 - \$2.50 per contract per month for Benefits Value Advisor (BVA) services
 - \$0.23 per member per month for access to MDLive telehealth services
- Additional information
 - Savings estimates associated with offering BVA
 - Pharmacy rebates paid in plan years 2015-2016 and 2016-2017
 - Additional analyses obtained by OPEH&W from various vendors

While the medical ASO projection for plan year 2018-2019 prepared by BCBSOK provided us with an updated view of provider discounts for the Blue Choice and Blue Preferred networks, the projection did not provide us with an updated view of the claim cost relativities between the two networks. We have assumed the claim cost relativities between the Blue Choice and Blue Preferred networks has not changed materially. Additionally, some information that was provided for the 2016-2017 and 2017-2018 plan year rate development was utilized in developing the plan year 2018-2019 rates, including prescription drug experience summaries developed by the current PBM (ESI), estimated savings associated with MDLive, and estimated savings associated with the BVA program.

Data Reconciliation

We compared the data from the medical and dental lag reports, the aggregated claim report, and the financial statements to determine the reasonability of the medical and dental claims data provided by OPEH&W. Since lag tables were not provided for pharmacy claims, we compared pharmacy claim information from the aggregated claim report to the financial statements and PBM reports to determine the reasonability of the pharmacy claims data. Pharmacy claims usually process quickly; therefore, paid pharmacy claims typically serve as a sufficient proxy for incurred pharmacy claims. The reconciliation we performed was focused on the time period of data underlying the analysis. Any discrepancies outside of the time period of data underlying the analysis are not noted below.

We observed differences across these sources for medical, pharmacy and dental claims. A large medical claim discrepancy appears in November 2016 between the lag report and aggregated claim report. The lag file shows paid claims in November 2016 as \$2.6 million, but the aggregated claim report shows paid claims of \$3.1 million. We assumed the medical lag file to be correct since it matches the claim amounts for November 2016 shown in the BCBSOK medical ASO projections. There is a \$185,752 discrepancy for both medical and dental paid claims between the lag and aggregated claim reports in September 2017. The September 2017 paid claims shown in the medical lag files are \$185,752 higher than the corresponding amount in the aggregated claims file. Conversely, the September 2017 paid claims shown in the dental lag files are \$185,752 lower than the corresponding amount in the aggregated claims files. We have assumed the lag files are correct given that the paid dental claim amount shown in the aggregated claim file for September 2017 is unreasonably high in relation to historical experience. The amounts in the lag file also reconcile to the claim amounts for September 2017 shown in the BCBSOK medical ASO projections.

We noted large differences between the aggregated claim report and the ESI PBM report for December 2015, November 2016, January 2017, and May 2017. OPEH&W has previously stated that the additional data provided by ESI was not adjusted to filter out rejected claims and other claw backs. As a result, we relied on data in the aggregated claim report for these months.

We also compared the data we received for the 2018-2019 plan year rate analysis to the data we received for the 2017-2018 plan year rate analysis. The medical, pharmacy and dental claim information and membership information was consistent for overlapping months.

3

Enrollment

This section provides a summary of groups that have terminated or been added since the 2017-2018 plan year analysis. Three groups have recently left OPEH&W, and four groups have either starting offering coverage or are expected to start offering coverage through OPEH&W. The changes in group mix are expected to have no significant influence on the rate change estimates.

Terminated Groups

The groups shown in Table 3 have recently terminated health insurance coverage through OPEH&W:

Table 3

Termination Date	Entity Name	Estimated Number of Employees*
6/30/2017	Rogers County	218
12/31/2017	Muskogee County	133
2/28/2018	Haskell County	68

*Estimated based on the number of employees included in the census data for the last month of data. In the case of any groups that will be terminating at a future date, the number of employees is based on January 2018 census data.

New Groups

The groups shown in Table 4 have recently started offering health insurance coverage through OPEH&W:

Table 4

Effective Date	Entity Name	January 2018 Employees*
7/1/2017	City of Dewey	25
7/1/2017	Town of Hinton	17
7/1/2017	City of Seminole	78
N/A	Muskogee County EMS	96

*Estimated based on the number of employees shown in the January 2018 census data except for Muskogee County EMS, which was provided by OPEH&W.

In estimating plan year 2018-2019 claim costs, we have assumed the demographic mix as represented by the January 2018 census information will not change over the 2018-2019 plan year. In recent years, the demographic mix associated with OPEH&W's block of business has become more favorable, which has likely reduced claim trends, all else equal. However, over the course of the last year, the demographic mix has remained relatively constant. If the demographic

mix were to become unfavorable in the upcoming plan year, trends may increase more than anticipated.

4

Premium Rate Development

We utilized a rating approach that is consistent with renewal rating methods employed by insurers in the large group market. Specifically, 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 amount PMPM to a premium amount for each subscriber coverage tier (e.g., employee-only). The premium rate calculation was performed separately for medical/pharmacy benefits and dental benefits.

The projected claim amount PMPM was developed from OPEH&W experience for claims incurred between July 2015 and June 2017 and paid through January 2018 (the experience period). An adjustment was made to the medical and dental claims experience to account for IBNR claims. However, because there are seven months of claim run-out, IBNR claims are not significant. Medical claims were also adjusted to remove claims that would have otherwise been recovered through private reinsurance. The experience was separated into two-twelve month periods, July 2015 through June 2016 and July 2016 through June 2017, with each period projected independently and blended together using actuarial credibility methods. The rate projections use incurred claims rather than paid claims as the basis for the plan year 2018-2019 premium rate projection, which is consistent with how we have developed premium rates in the past. An incurred claim basis provides a more accurate representation of the projected claim costs for OPEH&W. As noted earlier, we assume paid pharmacy claims are representative of incurred pharmacy claims since there is typically an immaterial lag between when pharmacy claims are incurred and when they are paid, relative to medical and dental claims.

The medical and pharmacy claims experience were trended forward to the rating period. Adjustments were made to medical claims to account for the claim savings associated with switching to the Blue Preferred network and to recognize potential claim savings associated with offering BVA and telehealth services. Pharmacy claims were adjusted to account for anticipated pharmacy rebates. The adjusted trended medical and pharmacy claims were combined and further adjusted to reflect changes in benefits, demographic mix, and for plan year 2015-2016 experience, to adjust for BVA and MDLive savings. The adjusted projected medical and pharmacy claims for the two 12-month periods were blended together and adjusted to include expected costs of non-benefit expenses. The initial projected rate development assumes all members will utilize the Blue Preferred network.

An adjustment factor was applied to the Blue Preferred network premium rates to develop the Blue Choice network premium rates. The adjustment factor applied produces the same premium rate relativity between the two network options in plan year 2018-2019 as was observed in plan year 2017-2018. If there have been significant provider reimbursement changes for either the Blue Preferred or Blue Choice networks, this assumption may not be appropriate. Additionally, as noted in the plan year 2017-2018 rate development, if access to the Blue Choice network is limited to

specific geographic areas, then it is possible the medical claim cost relativity between the two provider networks is materially different from what we are projecting.

Trend Adjustments

We generated historical trend estimates based on OPEH&W's experience using incurred claims from November 2014 to October 2017, paid through January 2018. Medical and dental claim amounts were adjusted to reflect IBNR claims. Paid pharmacy claims were not adjusted to reflect IBNR claims because of the shortened lag. Moreover, to more accurately project future pharmacy claim patterns, pharmacy claims paid before July 2015 were excluded from the trend analysis since these claims were based on the prior PBM.

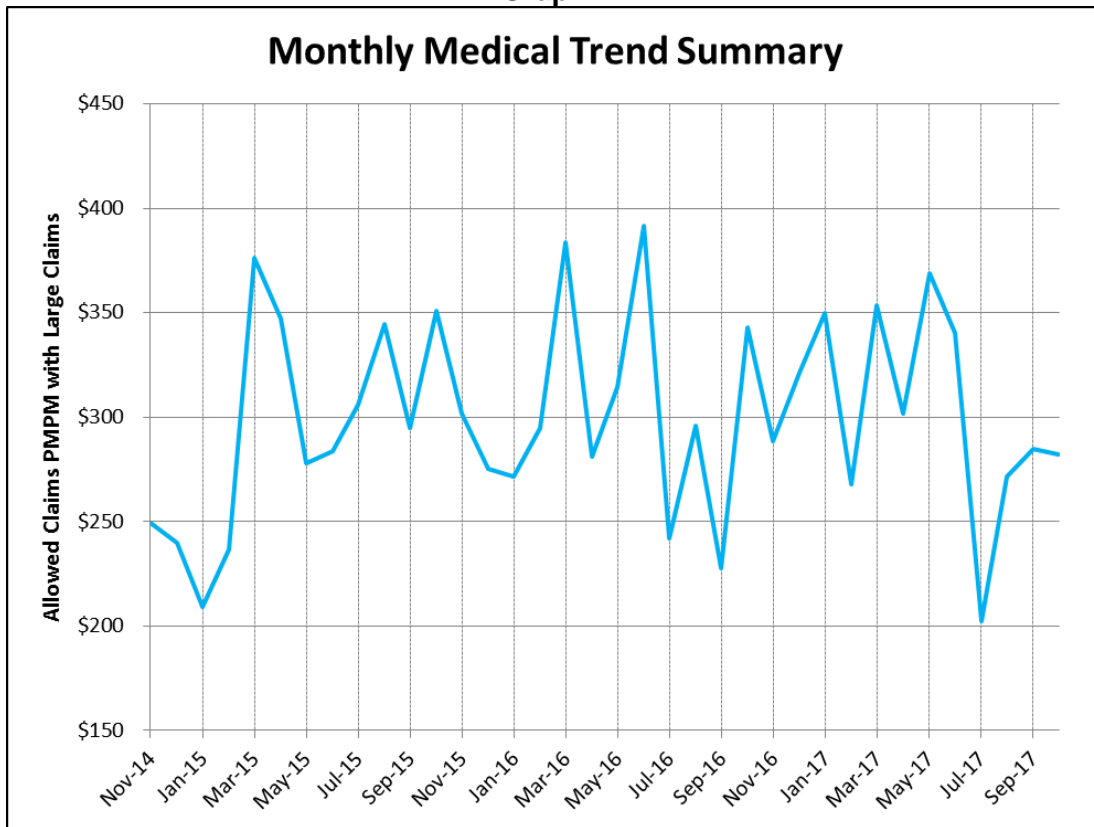
Medical and pharmacy claims were normalized to remove the impact of changes in demographics, changes in member cost-sharing, and for medical claims, the change to the Blue Preferred network on OPEH&W claim costs. The demographic factors applied to the claim costs were developed using a large, proprietary commercial database, and reflect 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 the 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 currently limited to an annual maximum of \$1,500 and exclude orthodontics, which further reduces the influence of changes in demographics on overall dental claim costs. It is our understanding no significant dental benefit changes have occurred in recent years; therefore, dental trends were not normalized for changes in benefits.

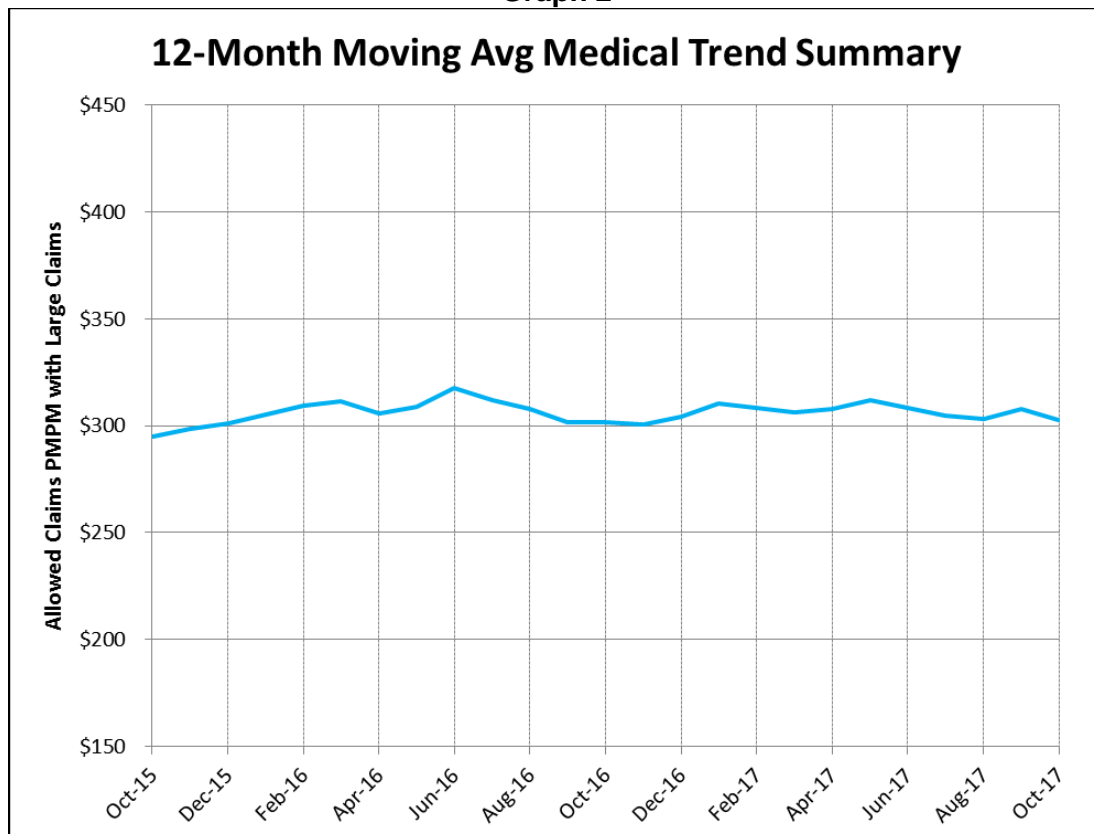
Medical Trends

OPEH&W's normalized medical claims experience has exhibited volatility, even on a 12-month moving average 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. Graph 1 and Graph 2 summarize normalized medical claims PMPM on a monthly and 12-month moving average basis.

Graph 1



Graph 2



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 -9% to as high as 2%. Longer range trends (i.e., using 36 months of data) using 12-month moving averages are typically a better indicator of historical trends than shorter range trends, particularly for a smaller base of insureds. However, given the significant presence of large claim activity between March 2015 and June 2016, we believe longer range claim trends may not accurately depict the true underlying trend. Similarly, shorter term trends may be understated as large claim activity decreases.

We compared the trend estimates produced using OPEH&W's experience to industry standards. Oliver Wyman completes a semi-annual trend survey which reflects responses from carriers and HMOs insuring over 104.5 million group members. The most recent trend survey reflects pricing trends for January 2018. Table 5 summarizes the trend results from the January 2018 Carrier Trend Survey for group PPO policies:

Table 5

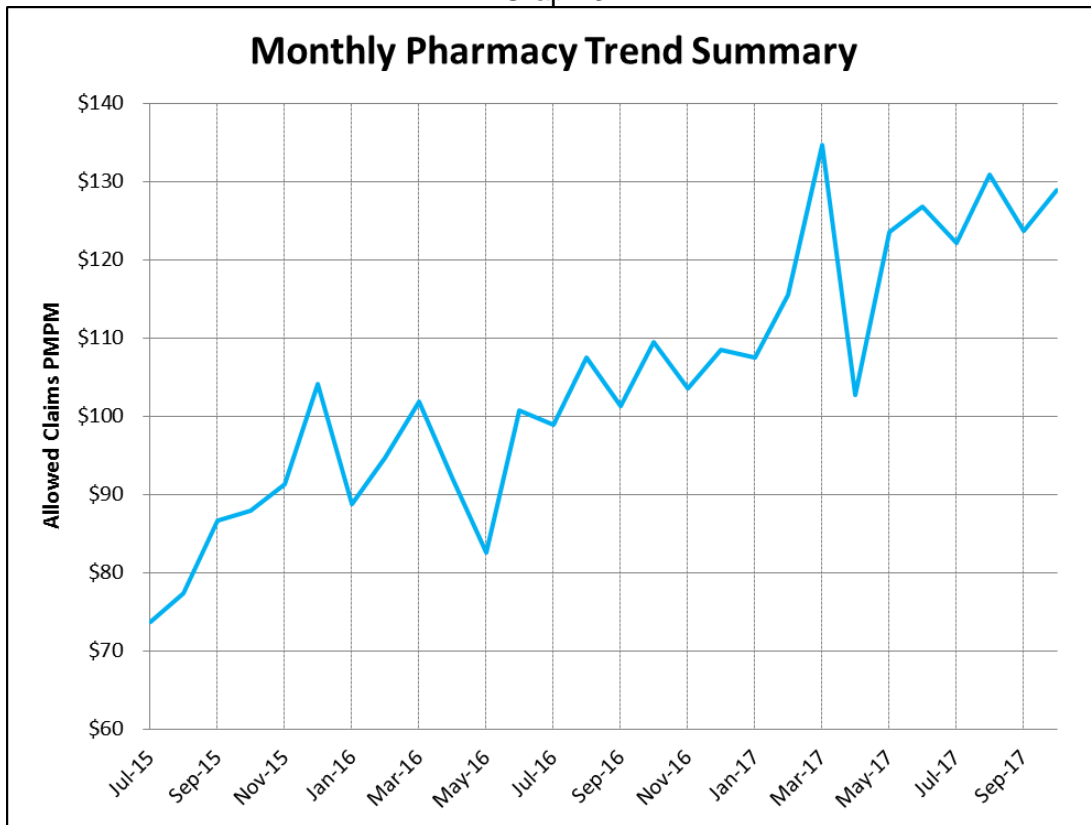
Annual Trend Rate	
Minimum	3.4%
25th Percentile	5.9%
Median	7.2%
75th Percentile	9.5%
Maximum	12.5%

We have elected to use an annualized medical trend rate of 6% in the plan year 2018-2019 premium rate projection. This trend factor is towards the lower end of recent pricing trends observed in the market, but it is similar to the medical trend rate of 6.2% assumed in the medical ASO projection provided by BCBSOK. Given the recent measures OPEH&W has taken to reduce claim cost trends, we believe an annualized trend below the median is reasonable.

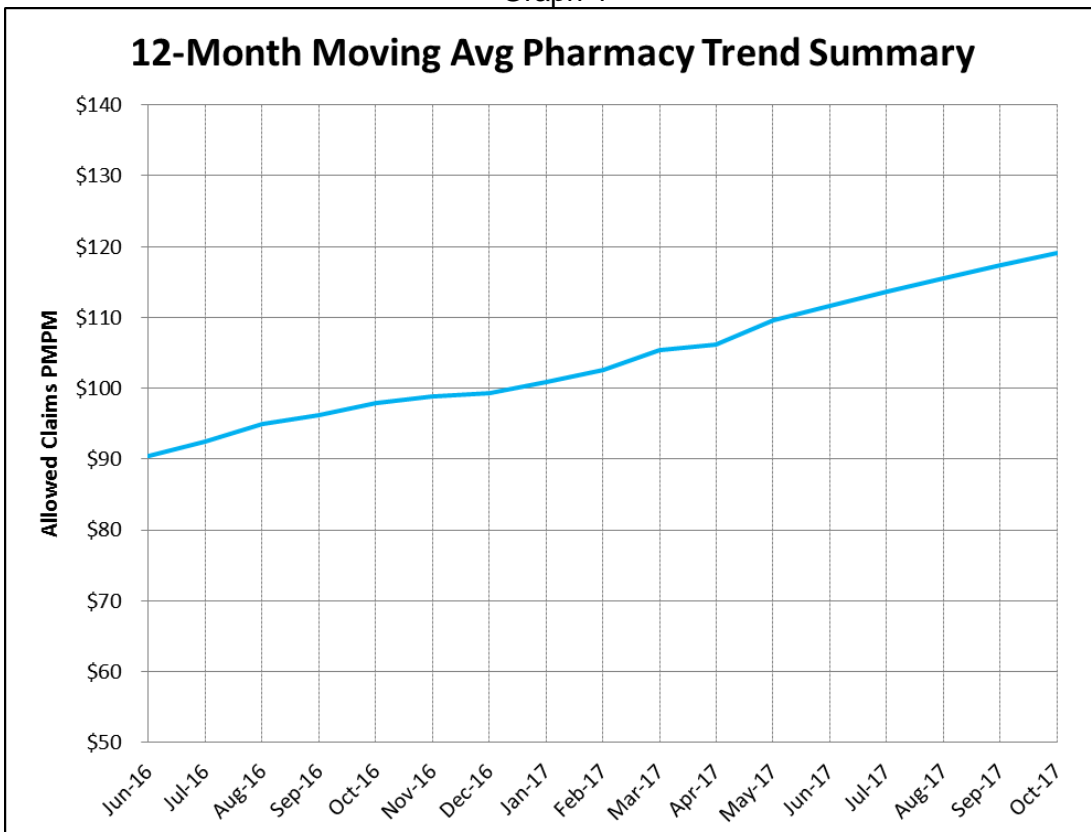
Pharmacy Trends

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, including the impact of pharmacy rebates, based on information provided by OPEH&W in March 2015. Despite the switch to the new PBM and the savings expected to follow, OPEH&W's pharmacy claims costs, prior to pharmacy rebates, have been steadily increasing. Moreover, to properly reflect only the claim pattern of the new PBM, our trend analysis only reflects 28 months of claims since the PBM switch. Graph 3 and Graph 4 summarize normalized pharmacy claims PMPM on a monthly and 12-month moving average basis.

Graph 3



Graph 4



Graph 3 and Graph 4 show pharmacy trends have steadily increased over the course of the last 28 months. For the most recent 24-month period, pharmacy costs have increased at an annualized rate of between 12% and 25%. Recent pharmacy trends observed by OPEH&W are significantly higher relative to pharmacy trends observed across ESI's, OPEH&W's PBM, commercial book of business. ESI estimates that pharmacy spend increased 3.8% in 2016 and 1.5% in 2017.¹ Further, ESI projects commercial pharmacy spend will increase between 1% and 3% per year from 2018 through 2020.²

Table 6 summarizes the pricing trends reported from Oliver Wyman's January 2018 Carrier Trend Survey for prescription drugs:

Table 6

Annual Trend Rate	
Minimum	6.1%
25th Percentile	10.0%
Median	10.0%
75th Percentile	10.7%
Maximum	21.2%

Given that OPEH&W's pharmacy claims have increased significantly over the course of the last 28 months, we believe a pharmacy trend rate that is more consistent with the January 2018 Carrier Trend Survey is appropriate. We have elected to use an annualized pharmacy trend rate of 11% in the plan year 2018-2019 premium rate projection. While this is above the median trend rate, it is lower than the pharmacy trends produced using OPEH&W's emerging pharmacy experience.

Dental Trends

OPEH&W's dental claims experience between November 2014 and October 2017 suggest dental claim trends have moderated relative to the plan year 2017-2018 analysis. However, given that OPEH&W's dental block is relatively small and the claims experience has exhibited volatility, we have relied on dental trend estimates reported in the January 2018 Carrier Trend Survey. Table 7 summarizes the pricing trends reported from the January 2018 Carrier Trend Survey for group dental PPO policies:

Table 7

Annual Trend Rate	
Minimum	0.0%
25th Percentile	3.8%
Median	4.5%
75th Percentile	5.5%
Maximum	6.5%

We have assumed an annualized dental claim trend rate of 4.5%, which is equal to the median trend rate of 4.5% observed in the market according to the January 2018 Carrier Trend Survey. The dental ASO projection provided by BCBSOK assumed a dental trend rate of 5.0%.

¹ <http://lab.express-scripts.com/lab/drug-trend-report/~media/f47737eb717844079a2f88fd39f1e70a.ashx>

² <http://lab.express-scripts.com/lab/drug-trend-report/~media/2b56ec26c9a04ec2bcc0e9bf1ea8ff1.ashx>

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. For simplicity, we have assumed the current stop loss arrangement will be effective for the 2018-2019 plan year. To estimate the impact of the specific stop loss coverage, we “discounted” the specific stop-loss attachment point to claim levels corresponding to the experience periods. For example, a \$425,000 medical claim in plan year 2018-2019 would have cost about \$378,000 in plan year 2016-2017, assuming a 6.0% medical trend (i.e., $\$425,000 \div (1.06)^2 = \$378,000$). Using the high-cost claimant reports provided by OPEH&W, we estimate the specific stop-loss insurance recoveries shown in Table 8 would have occurred.

Table 8

	Plan Year	
	2015-2016	2016-2017
Reinsurance Attachment Point (RAP)	\$425,000	\$425,000
Number of Members Exceeding RAP	3	0
Aggregate Dollars Exceeding RAP	\$618,795	\$0

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. We assume removing claims that would have otherwise been recovered through stop loss coverage and adding the cost of stop loss insurance to the rate development is a sufficient measure for smoothing the impact of large claims.

Additional Adjustments to Pharmacy Claims

An adjustment was made to pharmacy claims to account for the impact of pharmacy rebates. Pharmacy rebates represented approximately 13.5% of pharmacy claims paid during the plan year ending June 2016 and about 14.1% of claims paid for the plan year ending June 2017. Therefore, we reduced paid pharmacy claims for the plan year ending June 2016 by 13.5% and by 14.1% for the plan year ending June 2017 to reflect the impact of pharmacy rebates. 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 2018-2019. Our rate projections assume the plan year 2018-2019 demographic mix will be consistent with the demographic mix observed for January 2018, the most recently available census month.

Adjustments were also made to the experience to account for changes in member cost-sharing that occurred relative to the experience period. In plan year 2016-2017, the following benefit changes were made:

- The in-network deductible was increased from \$500 to \$750
- The out-of-network deductible was decreased from \$1,000 to \$750
- Member cost-sharing was removed on DME provided through the ConnectDME program
- A telehealth benefit was added

- Onsite wellness screenings were added; if an onsite wellness screening was completed, members would be eligible to receive a \$250 deductible credit applied to the medical deductible for the 2017-2018 plan year

In plan year 2017-2018, the following benefit changes were made:

- Deductible Changes:
 - The individual out-of-network medical deductible increased from \$750 to \$1,500
 - The family in-network medical deductible decreased from \$2,250 to \$1,500
 - The family out-of-network medical deductible increased from \$2,250 to \$3,000
- Out-of-Pocket Maximum Changes:
 - The individual in-network out-of-pocket maximum increased from \$2,500 to \$5,000
 - The individual out-of-network out-of-pocket maximum decreased from \$4,000 to \$10,000
 - The individual drug out-of-pocket-maximum increased from \$1,900 to \$2,000
 - The family in-network out-of-pocket maximum increased from \$7,500 to \$10,000
 - The family out-of-network out-of-pocket maximum increased from \$12,000 to \$20,000
 - The family drug out-of-pocket maximum decreased from \$5,700 to \$4,000
- Onsite wellness screenings and the resulting \$250 deductible credit that would have been realized in plan year 2018-2019 were eliminated
- Effective mid-year, copays for select diabetic medications and ace inhibitors/dihydropyridines increased

The elimination of the wellness screenings in plan year 2017-2018 will effectively decrease the overall richness of the plan for plan year 2018-2019. In the Annual Performance Review completed by BCBSOK, approximately 3,200 individuals participated in the Catapult wellness screenings and are assumed to have received a \$250 deductible credit for plan year 2017-2018. This will result in the average deductible increasing from approximately \$650 to \$750 in plan year 2018-2019.

We estimate the cumulative impact of these benefit changes noted above, relative to projected benefit levels for the 2018-2019 plan year, will result in a 4.3% decrease in claim costs for the experience underlying plan year 2015-2016 and a 3.0% decrease in claim costs for the experience underlying plan year 2016-2017. The expected decrease in claim costs is driven by an overall increase in the average deductibles and out-of-pocket maximums relative to each experience period.

Additional adjustments were made to plan year 2015-2016 experience to reflect savings that are expected to be received through the BVA program and through MDLive. BCBSOK previously estimated the BVA program could reduce claim costs by \$3.60 PEPM, or approximately \$2.33 PMPM, with a range of \$1 PEPM to \$6 PEPM. A new, aggregated savings analysis was provided by BCBSOK and showed actual savings achieved through the BVA program of \$49,854, or \$0.61 PMPM, for the first nine months of plan year 2016-2017. These results are towards the lower end of the initial range estimated by BCBSOK. Information compiled by BCBSOK suggests MDLive telehealth services saved OPEH&W \$253,296, or \$2.32 PMPM, for claims incurred between July 2016 and July 2017. Combined, these programs are estimated to have saved OPEH&W approximately \$2.93 PMPM for plan year 2016-2017. We have assumed a similar level of savings will be observed in plan year 2018-2019, and have applied an adjustment to the plan year 2015-2016 experience equal to the \$2.93 PMPM expected savings observed in plan year 2016-2017, trended to plan year 2018-2019, to reflect the anticipated savings of these programs.

No adjustments were made to the claims experience to reflect the estimated impact of new or terminating groups. Additionally, similar to the rate development of prior plan years, we have not adjusted the claims experience to reflect monies that may be recovered as a result of subrogation.

Non-Benefit Expenses

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

- Medical ASO fees
- Plan management fees
- Stop loss reinsurance fees
- Patient-Centered Outcomes Research Institute (PCORI) fee
- BVA fees
- MDLive fees

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

- Dental ASO fees

In addition to the previously mentioned non-benefit expenses, we also included a 2.5% contribution to surplus into the medical/pharmacy premium rates. This 2.5% of premium translates to roughly \$1.4 million in annual contribution to surplus, provided membership levels are consistent with those observed in January 2018. A discussion regarding the appropriateness of the level of surplus included in the rate development is included in the Potential Benefit Changes and Surplus section.

Proposed Rate Changes

We are proposing a premium rate increase of 10.9% for the Blue Preferred and Blue Choice network plans. We are proposing a premium rate decrease of 34.7% for the dental plan. On a combined basis, the average rate increase for both Blue Preferred network plans is 7.8% and 8.0% for the Blue Choice network plans. The slight difference in the average combined medical/pharmacy and dental rate change between the Blue Preferred and Blue Choice network plans is due to differences in the proportion of total premium represented by the dental plan.

Table 9 summarizes the various components driving the projected rate increase for the Blue Preferred network plan:

Table 9

	Medical/Pharmacy Premium Increase		Combined* Premium Increase	
	% Change	\$ Change	% Change	\$ Change
Claims	4.9%	\$ 27.08	4.8%	\$ 18.46
Carry Over from Last Year	6.9%	37.75	3.8%	22.57
Administrative Costs	-0.9%	-4.98	-0.8%	-4.97
Total	10.9%	\$ 59.85	7.8%	\$ 46.06

*Medical/pharmacy plan and dental plan rate change combined

A large portion of the projected rate increase is a result of an increase in claim costs relative to the plan year 2017-2018 rate development, but several other components also attribute to the increase. Approximately 6.9% of the medical/pharmacy rate increase is a “carryover” from the recommended 2017-2018 plan year rate increase. The 0.9% decrease in administrative costs is driven by the elimination of the member rewards, Catapult wellness screening, and naturally slim programs. When analyzing the rate increase on a combined basis, the magnitude of the various rate change components are generally similar relative to the medical/pharmacy rate change.

However, the Carry Over from Last Year component is significantly less, mostly due to the significant rate decrease proposed for dental plans. We had recommended a 33.6% decrease to dental premiums for plan year 2017-2018, whereas a 7.4% increase was implemented.

Tables 10 and 11 summarize the proposed medical/pharmacy and dental premium rates as well as a comparison to the current premium rates for each the Blue Preferred and Blue Choice networks assuming the current rating tier structure. A detailed development of the Blue Preferred network premiums is shown in Appendix A. As noted earlier, the rate development of the Blue Choice network premiums is based on the development of the Blue Preferred network premiums. Appendix B shows the detailed development of the dental premiums.

Table 10

Summary of Medical/Pharmacy and Dental Rate Changes - Blue Preferred Network Current 6-Tier Structure

Tier	Proposed Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 609.59	\$ 25.93	\$ 635.52	\$ 761.17	\$ 32.38	\$ 793.55	\$ 621.81	\$ 26.45	\$ 648.26
Employee + Child	906.63	39.90	946.53	1,144.99	48.44	1,193.43	924.82	40.71	965.52
Employee + Children	1,093.14	48.14	1,141.28	1,373.93	57.99	1,431.92	1,115.05	49.10	1,164.16
Employee + Spouse	1,274.29	55.80	1,330.09	1,603.38	66.72	1,670.09	1,299.81	56.92	1,356.74
Employee + Spouse + Child	1,333.72	58.52	1,392.24	1,679.69	69.87	1,749.56	1,360.45	59.69	1,420.14
Employee + Spouse + Children	1,549.86	69.85	1,619.71	1,953.13	83.00	2,036.13	1,580.89	71.26	1,652.15

Tier	Current Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 549.74	\$ 39.72	\$ 589.46	\$ 686.44	\$ 49.60	\$ 736.04	\$ 560.76	\$ 40.52	\$ 601.28
Employee + Child	817.62	61.12	878.74	1,032.58	74.20	1,106.78	834.02	62.36	896.38
Employee + Children	985.82	73.74	1,059.56	1,239.04	88.84	1,327.88	1,005.58	75.22	1,080.80
Employee + Spouse	1,149.18	85.48	1,234.66	1,445.96	102.20	1,548.16	1,172.20	87.20	1,259.40
Employee + Spouse + Child	1,202.78	89.64	1,292.42	1,514.78	107.04	1,621.82	1,226.88	91.44	1,318.32
Employee + Spouse + Children	1,397.70	107.00	1,504.70	1,761.38	127.14	1,888.52	1,425.68	109.16	1,534.84

Tier	Proposed Changes								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	10.9%	-34.7%	7.8%	10.9%	-34.7%	7.8%	10.9%	-34.7%	7.8%
Employee + Child	10.9%	-34.7%	7.7%	10.9%	-34.7%	7.8%	10.9%	-34.7%	7.7%
Employee + Children	10.9%	-34.7%	7.7%	10.9%	-34.7%	7.8%	10.9%	-34.7%	7.7%
Employee + Spouse	10.9%	-34.7%	7.7%	10.9%	-34.7%	7.9%	10.9%	-34.7%	7.7%
Employee + Spouse + Child	10.9%	-34.7%	7.7%	10.9%	-34.7%	7.9%	10.9%	-34.7%	7.7%
Employee + Spouse + Children	10.9%	-34.7%	7.6%	10.9%	-34.7%	7.8%	10.9%	-34.7%	7.6%

Table 11

Summary of Medical/Pharmacy and Dental Rate Changes - Blue Choice Network - Current 6-Tier Structure

Tier	Proposed Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 652.15	\$ 25.93	\$ 678.08	\$ 814.29	\$ 32.38	\$ 846.67	\$ 665.21	\$ 26.45	\$ 691.66
Employee + Child	969.91	39.90	1,009.81	1,224.88	48.44	1,273.32	989.34	40.71	1,030.04
Employee + Children	1,169.44	48.14	1,217.58	1,469.79	57.99	1,527.78	1,192.86	49.10	1,241.96
Employee + Spouse	1,363.27	55.80	1,419.07	1,715.29	66.72	1,782.01	1,390.57	56.92	1,447.49
Employee + Spouse + Child	1,426.81	58.52	1,485.33	1,796.88	69.87	1,866.76	1,455.29	59.69	1,514.98
Employee + Spouse + Children	1,658.05	69.85	1,727.90	2,089.41	83.00	2,172.40	1,691.23	71.26	1,762.49

Tier	Current Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 588.12	\$ 39.72	\$ 627.84	\$ 734.34	\$ 49.60	\$ 783.94	\$ 599.90	\$ 40.52	\$ 640.42
Employee + Child	874.68	61.12	935.80	1,104.62	74.20	1,178.82	892.20	62.36	954.56
Employee + Children	1,054.62	73.74	1,128.36	1,325.48	88.84	1,414.32	1,075.74	75.22	1,150.96
Employee + Spouse	1,229.42	85.48	1,314.90	1,546.88	102.20	1,649.08	1,254.04	87.20	1,341.24
Employee + Spouse + Child	1,286.72	89.64	1,376.36	1,620.46	107.04	1,727.50	1,312.40	91.44	1,403.84
Employee + Spouse + Children	1,495.26	107.00	1,602.26	1,884.26	127.14	2,011.40	1,525.18	109.16	1,634.34

Tier	Proposed Changes								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	10.9%	-34.7%	8.0%	10.9%	-34.7%	8.0%	10.9%	-34.7%	8.0%
Employee + Child	10.9%	-34.7%	7.9%	10.9%	-34.7%	8.0%	10.9%	-34.7%	7.9%
Employee + Children	10.9%	-34.7%	7.9%	10.9%	-34.7%	8.0%	10.9%	-34.7%	7.9%
Employee + Spouse	10.9%	-34.7%	7.9%	10.9%	-34.7%	8.1%	10.9%	-34.7%	7.9%
Employee + Spouse + Child	10.9%	-34.7%	7.9%	10.9%	-34.7%	8.1%	10.9%	-34.7%	7.9%
Employee + Spouse + Children	10.9%	-34.7%	7.8%	10.9%	-34.7%	8.0%	10.9%	-34.7%	7.8%

5

Potential Plan Year 2018-2019 Changes and Surplus Scenarios

Surplus

For the plan year 2017-2018 premium rate development, OPEH&W requested a contribution to surplus of 2.5% be built into the medical/pharmacy premium rates in order to build capital levels. We have included a contribution of surplus of 2.5% for the plan year 2018-2019 premium rate development given the current capital position of OPEH&W. For the 2018-2019 plan year, we estimate this margin requirement results in roughly \$1.4 million in annual surplus collected, assuming membership levels observed in January 2018 continue throughout the 2018-2019 plan year. No contribution to surplus was included in the dental premium rates. In Table 16, we summarize OPEH&W's capital position for the past 5 full plan years and the emerging results for the 2017-2018 plan year (through December 2017). This information was based on the financial statements provided by OPEH&W. It should be noted that the emerging results for the 2017-2018 plan year have not been adjusted to account for seasonality.

Table 16

Capital Position by Plan Year (Amounts in \$1,000)						
	Jul 2012 - Jun 2013	Jul 2013 - Jun 2014	Jul 2014 - Jun 2015	Jul 2015 - Jun 2016	Jul 2016 - Jun 2017	Jul 2017 - Dec 2017
Total Capital (A)	\$ 5,365	\$ 6,053	\$ 6,342	\$ (1,552)	\$ (1,608)	\$ 1,720
Total Prem (B)	\$ 31,218	\$ 34,281	\$ 37,537	\$ 45,128	\$ 53,005	\$ 28,166
Active Prem	28,967	31,943	33,771	40,327	49,358	26,514
Cobra Prem	101	73	103	143	448	76
Retiree Prem	2,150	2,265	3,663	4,658	3,199	1,576
Capital % of Prem (A / B)	17.2%	17.7%	16.9%	N/A	N/A	6.1%

The significant losses experienced in plan year 2015-2016 resulted in a depletion of capital. While it is difficult to predict when the next "anomaly" may occur, it will be important for OPEH&W to build up sufficient capital levels over the course of the next several plan years. The inclusion of a 2.5% contribution to surplus will help OPEH&W begin to replenish capital; however, a greater contribution to surplus should be considered if emerging experience for the 2017-2018 plan year shows signs of deterioration prior to the 2018-2019 plan year rates being finalized. Additionally, while we recognize OPEH&W is not an insurance company, it may be valuable for OPEH&W to understand the minimum capital requirements a similarly situated insurance company would be required to hold according to NAIC standards. This examination would help the organization gauge an appropriate level of capital to hold.

Dental Plan Changes

While OPEH&W's current self-insured dental plan does not cover orthodontia, a stand-alone voluntary dental plan providing orthodontic coverage for child dependents is available to employees. However, OPEH&W's contract with the stand-alone dental plan carrier is terminating, and as a result OPEH&W has requested an analysis of the impact of including orthodontic

coverage in their self-insured dental plan. We have estimated the impact of including coverage for orthodontia in the self-insured dental plan using the following benefit structure for orthodontia only:

- \$1,500 lifetime maximum
- 50% coinsurance
- No deductible
- No waiting period

All other benefits are assumed to be the same relative to current benefit levels. We estimate the impact of including orthodontia coverage subject to the above listed cost sharing provisions to be 2.9% on dental premiums. If OPEH&W chooses to include orthodontic coverage for dependent children up to the age of 26 in their self-insured dental plan, the organization may consider adjusting the dental rating tiers to allocate a majority of these costs to rating tiers that would be most impacted. For example, since there are no dependent children in the Employee and Employee + Spouse tiers, OPEH&W may consider allocating a greater proportion of the cost of including orthodontic coverage to tiers with children to minimize the cross-subsidization that would occur for tiers that do not provide coverage for dependent children. However, in doing so, premiums for the tiers with children would need to be increased more than 2.9% in order to ensure an average premium increase of 2.9% was realized.

High Deductible Health Plan Options

The projections shown in the Premium Rate Development section assume no changes in benefits relative to the 2017-2018 plan year. However, OPEH&W requested that we provide the premium impact associated with offering a health savings account (HSA) eligible high deductible health plan (HDHP). We have modeled two HDHPs for OPEH&W to consider given the administrative complexities associated with HSA-eligible HDHPs.

In modeling each option, we have assumed employees will not be able to choose between multiple benefit plan options. If employers give employees the opportunity to choose between multiple benefit plan options, younger, healthier employees may be more likely to enroll in the HDHP plan option while older, less healthy employees may be more likely to enroll in the current plan option since it provides richer benefits. This anti-selective behavior could result in a significant premium shortfall for OPEH&W if the premium relativities are not adjusted to reflect anti-selection. Concern about anti-selective behavior may be moderated by not giving employees the flexibility to select their benefit plan. However, even this restriction may not be sufficient to prohibit some level of anti-selection at the employer level (e.g., groups with younger than average employees selecting leaner coverage). Regardless, the premium relativities provided do not account for potential anti-selection.

In developing the HDHP plans, we utilized two different family deductible types: embedded and umbrella. A description of these deductible types is as follows:

- Under an embedded family type deductible, each family member has their own deductible equal to the specified embedded deductible. In addition, all amounts paid towards meeting each individual's deductible accumulate toward the family deductible. The family deductible is met once the cumulative amount paid toward the deductible by the family equals the family deductible.
- Under an umbrella family deductible type, all family members' claims accumulate toward a single family deductible. Individuals within the family do not have their deductible capped at a lesser amount, and the single deductible only applies to individuals with self-only coverage.

We utilized the following benefit structure to model HDHP Plan 1:

- An in-network combined medical/drug umbrella deductible of \$2,000 for self-only coverage and \$4,000 for other than self-only coverage (i.e., two or more people)
- An out-of-network combined medical/drug umbrella deductible of \$4,000 for self-only coverage and \$8,000 for other than self-only coverage
- An in-network combined medical/drug out-of-pocket maximum of \$5,000 for self-only coverage and \$10,000 for other than self-only coverage. An embedded \$5,000 individual out-of-pocket maximum was assumed for other than self-only coverage
- An out-of-network combined medical/drug out-of-pocket maximum of \$10,000 for self-only coverage and \$20,000 for other than self-only coverage. An embedded \$10,000 individual out-of-network, out-of-pocket maximum was assumed for other than self-only coverage
- All copays that apply to the current medical/Rx plan design are assumed to apply, but only after the deductible has been met
- 20% coinsurance for in-network benefits not already subject to a copay after the in-network deductible has been reached until the in-network out-of-pocket maximum has been reached
- 30% coinsurance for out-of-network benefits after the out-of-network deductible has been reached until the out-of-network out-of-pocket maximum has been reached

The administration of HDHP Plan 1 may be more complex than desired. However, outside of the increased deductible amounts, the overall cost-sharing parameters of the plan would be similar to the existing plan design. We estimate that premium rates for HDHP Plan 1 would be 14.6% lower than the proposed medical/pharmacy rates. It is important to note that IRS regulations require a minimum individual member deductible of \$1,350 for self-only coverage and \$2,700 for other than self-only coverage. Therefore, the minimum deductible for an individual when two or more individuals are covered within a family unit must be at least \$2,700 and not \$1,350 for each individual. In order for the above plan design to satisfy these rules, an umbrella deductible would need to be utilized. An umbrella out-of-pocket maximum was not utilized in order to comply with federal regulations that require the out-of-pocket maximum for any individual not exceed the statutory annual limitation on cost-sharing amounts (i.e., \$7,350 for 2018).

Recognizing that OPEH&W may want to consider a more simplistic plan design to ease the administration of the plan and increase transparency to members covered under the plan, we developed an additional HDHP plan.

We utilized the following benefit structure to model HDHP Plan 2:

- An in-network combined medical/drug deductible of \$3,000 for self-only coverage and \$6,000 for other than self-only coverage, where the other than self-only coverage includes a \$3,000 embedded individual in-network deductible
- An out-of-network combined medical/drug deductible of \$6,000 for self-only coverage and \$12,000 for other than self-only coverage, where the other than self-only coverage includes a \$6,000 embedded individual out-of-network deductible
- An in-network combined medical/drug out-of-pocket maximum of \$5,000 for self-only coverage and \$10,000 for other than self-only coverage, where the other than self-only coverage includes a \$5,000 embedded individual in-network out-of-pocket maximum
- An out-of-network combined medical/drug out-of-pocket maximum of \$10,000 for self-only coverage and a \$20,000 for other than self-only coverage, where the other than self-only coverage includes a \$10,000 embedded individual out-of-network out-of-pocket maximum

- 20% coinsurance for in-network benefits after the in-network deductible has been reached until the in-network out-of-pocket maximum has been reached
- 30% coinsurance for out-of-network benefits after the out-of-network deductible has been reached until the out-of-network out-of-pocket maximum has been reached

Under HDHP Plan 2, the individual deductible exceeds the minimum deductible required by the IRS for other than self-only coverage. For other than self-only coverage, this means that each family member would meet their own individual deductible until the total amount of the deductible expenses paid by all family members meets the overall family deductible. It is our understanding that this approach is consistent with the current plan design. We estimate that premium rates for HDHP Plan 2 would be 15.6% lower than the proposed medical/pharmacy rates.

While the pricing model was calibrated to reflect OPEH&W's average expected claim costs PMPM for plan year 2018-2019, the pricing model may not recognize more granular details of OPEH&W's population (e.g., the proportion of individuals fulfilling their medical or pharmacy deductible). This lack of granularity may result in differences in the valuation of specific benefit changes relative to expectations.

Rating Tier Changes

OPEH&W has requested that we provide alternative rating tier structures for the organization to evaluate. OPEH&W currently follows a 6-tier rating structure, which means that there are 6 different family structures on which premium rates are dependent. The current tiers are as follows:

- Employee
- Employee + Spouse
- Employee + Child
- Employee + Children
- Employee + Spouse + Child
- Employee + Spouse + Children

We developed two alternative rating tiers for OPEH&W to consider. Both alternative rating tier structures have been designed to be revenue neutral, meaning the overall rate change is not expected to be impacted. It is not clear how the employee contribution amounts may change because of these rating tier changes. If the employee contributions for a particular class of employees (e.g., active employees) do not change materially, the impact of any tier factor changes may have more impact on whether a given employer will continue to offer coverage through OPEH&W than whether an employee will elect to take up coverage through OPEH&W. We assume the population covered by OPEH&W will not change significantly after implementing a different rating tier structure.

Under the Alternative 1 rating tier structure, the current 6-tier rating structure is maintained, but adjustments have been made to reflect recent adverse experience associated with certain populations. Incurred medical claims experience in plan year 2015-2016 shows spouses have significantly higher medical claim costs PMPM relative to primary insureds. Medical claims experience was not provided by rating tier for each by member type (i.e., employee, spouse, and child dependents), so we were unable to determine whether the adverse experience associated with spouses is attributable to specific rating tiers (e.g., "Employee + Spouse" tiers). As a result, tiers with spousal coverage were adjusted as follows:

- For the "Employee + Spouse" tier, the spouse portion of the premium was increased an additional 20% relative to the employee portion of the premium.

- Rates for the “Employee + Spouse + Child” and “Employee + Spouse + Children” tiers were calculated by adding the spouse portion of the “Employee + Spouse” tier premium (as calculated in the bullet above) to the “Employee + Child” and “Employee + Children” tier rates, respectively.

An additional adjustment was made under the Alternative 1 rating tier structure to increase the premium rates for retirees. The plan year 2015-2016 incurred claims experience also shows retirees and their covered dependents have significantly higher incurred medical claim costs PMPM relative to active employees and their covered dependents. While this cost relativity is expected given the demographic differences between the two populations, the current premium relativities between retired employees and active employees do not align with the relativity of expected claim cost relativities. Premiums for retired employees are currently about 25% higher than premiums for active employees at any given rating tier. However, based on the difference in demographic mix between the retired and active populations, we would expect incurred claims to be approximately 55% higher for the retiree population. In order to avoid a potential rate shock among the retiree population, we would recommend increasing retiree premiums over the course of several years, and for plan year 2018-2019, we propose setting the premiums for retiree tiers to be 30% higher than the corresponding active tiers.

Under the Alternative 2 rating tier structure, premium rates have been developed assuming OPEH&W will follow a 4-tier rating structure for the 2018-2019 plan year. The 4-tier rating structure condenses the Employee + Child and Employee + Children tiers into a single rating tier and also condenses the Employee + Spouse + Child and the Employee + Spouse + Children into another single rating tier. We developed the 4-tier rating structure using a proprietary database of group enrollees and industry standards of practice. Typically, individuals in the “Employee + Spouse” tier tend to be significantly older relative to all other tiers. However, this difference is usually not fully reflected in tier factors utilized by carriers. The 4 rating tiers would be as follows:

- Employee
- Employee + Spouse
- Employee + Child(ren)
- Employee + Spouse + Child(ren)

Select rating tiers will experience significant changes in premium rates as a result of moving to a 4-tier rating structure. For example, an active employee on the Blue Preferred network in the “Employee + Children” tier will receive a 0.6% overall combined rate decrease with dental benefits, whereas an active employee on the Blue Preferred network in the “Employee + Child” tier will receive a 19.9% overall combined rate increase with dental benefits. In essence, under a 4-tier rating structure, some cross-subsidization will occur relative to the current rating structure. Additionally, we have adjusted the Employee + Spouse tier to account for higher spousal claim costs due to differences in demographics. Tables 14 and 15 summarize the proposed medical/pharmacy and dental premium rates as well as a comparison to plan year 2017-2018 premium rates for both the Blue Preferred and Blue Choice networks assuming the Alternative 2 rating tier structure is implemented. Similar to the Alternative 1 rating tier structure, these premium rates assume all medical/drug members enroll in the current plan design and that the dental plan does not include orthodontic coverage.

We acknowledge the “Employee + Spouse + Child” and “Employee + Spouse + Children” tiers will be adversely impacted under both Alternative rating tier structures. These changes could incentivize some groups with a larger proportion of employees enrolled in the “Employee + Spouse + Child” and “Employee + Spouse + Children” tiers to seek alternative coverage options relative to a scenario where no changes are made to the rating tier structure. It is important for

OPEH&W to attract families since the demographic mix of families is often more favorable than other rating tiers due to the presence of child dependents. However, we would not expect a significant number of groups to leave due to the rating tier structures since the proposed rating tier structures under either Alternative option are similar to those we typically observe in the market

We have not evaluated a premium structure that varies between tobacco users and non-tobacco users. A tobacco user status is typically self-reported at the time of open enrollment, and additional resources may be needed to identify individuals who improperly identified themselves as non-tobacco users while still using tobacco products. Additionally, the premium load associated with tobacco use must be waived if a tobacco user enrolls in a tobacco cessation program, regardless of whether the individual stops using tobacco products. For these reasons, the implementation of a tobacco user load may not be effective.

Table 12
Alternative 1 Tier Rating Structure – Blue Preferred Network

Summary of Medical/Pharmacy and Dental Rate Changes - Blue Preferred Network Alternative 6-Tier Structure

Tier	Proposed Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 574.61	\$ 24.03	\$ 598.65	\$ 747.00	\$ 31.24	\$ 778.24	\$ 586.13	\$ 24.52	\$ 610.65
Employee + Child	854.62	36.98	891.60	1,111.00	48.08	1,159.08	871.76	37.73	909.49
Employee + Children	1,030.43	44.62	1,075.05	1,339.55	58.00	1,397.56	1,051.08	45.51	1,096.59
Employee + Spouse	1,326.49	57.26	1,383.75	1,724.44	74.44	1,798.88	1,353.06	58.41	1,411.47
Employee + Spouse + Child	1,606.49	70.21	1,676.70	2,088.44	91.27	2,179.71	1,638.69	71.63	1,710.31
Employee + Spouse + Children	1,782.30	77.85	1,860.15	2,316.99	101.20	2,418.19	1,818.01	79.41	1,897.42

Tier	Current Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 549.74	\$ 39.72	\$ 589.46	\$ 686.44	\$ 49.60	\$ 736.04	\$ 560.76	\$ 40.52	\$ 601.28
Employee + Child	817.62	61.12	878.74	1,032.58	74.20	1,106.78	834.02	62.36	896.38
Employee + Children	985.82	73.74	1,059.56	1,239.04	88.84	1,327.88	1,005.58	75.22	1,080.80
Employee + Spouse	1,149.18	85.48	1,234.66	1,445.96	102.20	1,548.16	1,172.20	87.20	1,259.40
Employee + Spouse + Child	1,202.78	89.64	1,292.42	1,514.78	107.04	1,621.82	1,226.88	91.44	1,318.32
Employee + Spouse + Children	1,397.70	107.00	1,504.70	1,761.38	127.14	1,888.52	1,425.68	109.16	1,534.84

Tier	Proposed Changes								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	4.5%	-39.5%	1.6%	8.8%	-37.0%	5.7%	4.5%	-39.5%	1.6%
Employee + Child	4.5%	-39.5%	1.5%	7.6%	-35.2%	4.7%	4.5%	-39.5%	1.5%
Employee + Children	4.5%	-39.5%	1.5%	8.1%	-34.7%	5.2%	4.5%	-39.5%	1.5%
Employee + Spouse	15.4%	-33.0%	12.1%	19.3%	-27.2%	16.2%	15.4%	-33.0%	12.1%
Employee + Spouse + Child	33.6%	-21.7%	29.7%	37.9%	-14.7%	34.4%	33.6%	-21.7%	29.7%
Employee + Spouse + Children	27.5%	-27.2%	23.6%	31.5%	-20.4%	28.0%	27.5%	-27.3%	23.6%

Table 13
Alternative 1 Tier Rating Structure – Blue Choice Network

Summary of Medical/Pharmacy and Dental Rate Changes - Blue Choice Network - Alternative 6-Tier Structure

Tier	Proposed Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 614.73	\$ 24.03	\$ 638.77	\$ 799.15	\$ 31.24	\$ 830.39	\$ 627.05	\$ 24.52	\$ 651.57
Employee + Child	914.28	36.98	951.26	1,188.56	48.08	1,236.64	932.62	37.73	970.35
Employee + Children	1,102.37	44.62	1,146.98	1,433.07	58.00	1,491.08	1,124.46	45.51	1,169.98
Employee + Spouse	1,419.10	57.26	1,476.36	1,844.83	74.44	1,919.27	1,447.52	58.41	1,505.94
Employee + Spouse + Child	1,718.65	70.21	1,788.86	2,234.24	91.27	2,325.52	1,753.09	71.63	1,824.72
Employee + Spouse + Children	1,906.73	77.85	1,984.58	2,478.75	101.20	2,579.95	1,944.93	79.41	2,024.34

Tier	Current Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 588.12	\$ 39.72	\$ 627.84	\$ 734.34	\$ 49.60	\$ 783.94	\$ 599.90	\$ 40.52	\$ 640.42
Employee + Child	874.68	61.12	935.80	1,104.62	74.20	1,178.82	892.20	62.36	954.56
Employee + Children	1,054.62	73.74	1,128.36	1,325.48	88.84	1,414.32	1,075.74	75.22	1,150.96
Employee + Spouse	1,229.42	85.48	1,314.90	1,546.88	102.20	1,649.08	1,254.04	87.20	1,341.24
Employee + Spouse + Child	1,286.72	89.64	1,376.36	1,620.46	107.04	1,727.50	1,312.40	91.44	1,403.84
Employee + Spouse + Children	1,495.26	107.00	1,602.26	1,884.26	127.14	2,011.40	1,525.18	109.16	1,634.34

Tier	Proposed Changes								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	4.5%	-39.5%	1.7%	8.8%	-37.0%	5.9%	4.5%	-39.5%	1.7%
Employee + Child	4.5%	-39.5%	1.7%	7.6%	-35.2%	4.9%	4.5%	-39.5%	1.7%
Employee + Children	4.5%	-39.5%	1.7%	8.1%	-34.7%	5.4%	4.5%	-39.5%	1.7%
Employee + Spouse	15.4%	-33.0%	12.3%	19.3%	-27.2%	16.4%	15.4%	-33.0%	12.3%
Employee + Spouse + Child	33.6%	-21.7%	30.0%	37.9%	-14.7%	34.6%	33.6%	-21.7%	30.0%
Employee + Spouse + Children	27.5%	-27.2%	23.9%	31.6%	-20.4%	28.3%	27.5%	-27.3%	23.9%

Table 14
Alternative 2 Tier Rating Structure – Blue Preferred Network

Summary of Medical/Pharmacy and Dental Rate Changes - Blue Preferred Network 4-Tier Structure

Tier	Proposed Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 576.47	\$ 24.52	\$ 600.99	\$ 749.41	\$ 31.88	\$ 781.29	\$ 588.00	\$ 25.01	\$ 613.01
Employee + Child	1,008.82	42.91	1,051.73	1,311.47	55.78	1,367.25	1,029.00	43.77	1,072.77
Employee + Children	1,008.82	42.91	1,051.73	1,311.47	55.78	1,367.25	1,029.00	43.77	1,072.77
Employee + Spouse	1,383.53	58.85	1,442.38	1,798.59	76.50	1,875.09	1,411.20	60.02	1,471.23
Employee + Spouse + Child	1,585.30	67.43	1,652.72	2,060.88	87.66	2,148.54	1,617.00	68.78	1,685.78
Employee + Spouse + Children	1,585.30	67.43	1,652.72	2,060.88	87.66	2,148.54	1,617.00	68.78	1,685.78

Tier	Current Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 549.74	\$ 39.72	\$ 589.46	\$ 686.44	\$ 49.60	\$ 736.04	\$ 560.76	\$ 40.52	\$ 601.28
Employee + Child	817.62	61.12	878.74	1,032.58	74.20	1,106.78	834.02	62.36	896.38
Employee + Children	985.82	73.74	1,059.56	1,239.04	88.84	1,327.88	1,005.58	75.22	1,080.80
Employee + Spouse	1,149.18	85.48	1,234.66	1,445.96	102.20	1,548.16	1,172.20	87.20	1,259.40
Employee + Spouse + Child	1,202.78	89.64	1,292.42	1,514.78	107.04	1,621.82	1,226.88	91.44	1,318.32
Employee + Spouse + Children	1,397.70	107.00	1,504.70	1,761.38	127.14	1,888.52	1,425.68	109.16	1,534.84

Tier	Proposed Changes								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	4.9%	-38.3%	2.0%	9.2%	-35.7%	6.1%	4.9%	-38.3%	2.0%
Employee + Child	23.4%	-29.8%	19.7%	27.0%	-24.8%	23.5%	23.4%	-29.8%	19.7%
Employee + Children	2.3%	-41.8%	-0.7%	5.8%	-37.2%	3.0%	2.3%	-41.8%	-0.7%
Employee + Spouse	20.4%	-31.2%	16.8%	24.4%	-25.1%	21.1%	20.4%	-31.2%	16.8%
Employee + Spouse + Child	31.8%	-24.8%	27.9%	36.1%	-18.1%	32.5%	31.8%	-24.8%	27.9%
Employee + Spouse + Children	13.4%	-37.0%	9.8%	17.0%	-31.1%	13.8%	13.4%	-37.0%	9.8%

Table 15
Alternative 2 Tier Rating Structure – Blue Choice Network

Summary of Medical/Pharmacy and Dental Rate Changes - Blue Choice Network - 4-Tier Structure

Tier	Proposed Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 616.72	\$ 24.52	\$ 641.24	\$ 801.73	\$ 31.88	\$ 833.61	\$ 629.05	\$ 25.01	\$ 654.06
Employee + Child	1,079.26	42.91	1,122.16	1,403.03	55.78	1,458.81	1,100.84	43.77	1,144.61
Employee + Children	1,079.26	42.91	1,122.16	1,403.03	55.78	1,458.81	1,100.84	43.77	1,144.61
Employee + Spouse	1,480.12	58.85	1,538.97	1,924.16	76.50	2,000.66	1,509.72	60.02	1,569.75
Employee + Spouse + Child	1,695.97	67.43	1,763.40	2,204.76	87.66	2,292.42	1,729.89	68.78	1,798.67
Employee + Spouse + Children	1,695.97	67.43	1,763.40	2,204.76	87.66	2,292.42	1,729.89	68.78	1,798.67

Tier	Current Rates								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	\$ 588.12	\$ 39.72	\$ 627.84	\$ 734.34	\$ 49.60	\$ 783.94	\$ 599.90	\$ 40.52	\$ 640.42
Employee + Child	874.68	61.12	935.80	1,104.62	74.20	1,178.82	892.20	62.36	954.56
Employee + Children	1,054.62	73.74	1,128.36	1,325.48	88.84	1,414.32	1,075.74	75.22	1,150.96
Employee + Spouse	1,229.42	85.48	1,314.90	1,546.88	102.20	1,649.08	1,254.04	87.20	1,341.24
Employee + Spouse + Child	1,286.72	89.64	1,376.36	1,620.46	107.04	1,727.50	1,312.40	91.44	1,403.84
Employee + Spouse + Children	1,495.26	107.00	1,602.26	1,884.26	127.14	2,011.40	1,525.18	109.16	1,634.34

Tier	Proposed Changes								
	Non-Retiree			Retiree			COBRA		
	Medical	Dental	Combined	Medical	Dental	Combined	Medical	Dental	Combined
Employee	4.9%	-38.3%	2.1%	9.2%	-35.7%	6.3%	4.9%	-38.3%	2.1%
Employee + Child	23.4%	-29.8%	19.9%	27.0%	-24.8%	23.8%	23.4%	-29.8%	19.9%
Employee + Children	2.3%	-41.8%	-0.5%	5.9%	-37.2%	3.1%	2.3%	-41.8%	-0.6%
Employee + Spouse	20.4%	-31.2%	17.0%	24.4%	-25.1%	21.3%	20.4%	-31.2%	17.0%
Employee + Spouse + Child	31.8%	-24.8%	28.1%	36.1%	-18.1%	32.7%	31.8%	-24.8%	28.1%
Employee + Spouse + Children	13.4%	-37.0%	10.1%	17.0%	-31.1%	14.0%	13.4%	-37.0%	10.1%

6

Incurred But Not Reported Claim Reserves

We estimate incurred but not reported (IBNR) claim reserves for the plan year ending June 30, 2017 to be approximately \$2.9 million, or \$27.07 PMPM. This estimate is based on medical, dental, and pharmacy claims incurred between July 2016 and June 2017 and paid through January 2018. Given that there are seven 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, 2017 to June 30, 2018, and consequently, some claims for the plan year have not yet been incurred or paid. There is significant uncertainty in estimating IBNR claim reserves for future valuation dates, and in order to do so, we made several broad assumptions:

- The claim payment pattern reflected in the most recently completed plan year (ending June 30, 2017) will be replicated for the current plan year
- The membership levels observed in January 2018 will remain constant for the next five months (i.e., through June 2018)
- Claims will trend according to the annualized trends specified in the premium rate projections (e.g., 6.0% for medical)
- Claims were adjusted to reflect the impact of benefit changes (i.e., increasing the medical deductible) and pharmacy rebates

Given these caveats, we calculated an estimated IBNR claim reserve for the plan year ending June 30, 2018 to be approximately \$3.0 million. 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, 2018 with margin is \$3.3 million. An alternative that OPEH&W may want to consider is to use a reserve on a per member per month basis for member months associated with the plan year to better reflect changes in enrollment that may occur between February 2018 and June 2018. The IBNR claim reserve estimate PMPM is \$28.00 without margin and \$30.80 with margin.

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, 2018 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.

7

Forecast

Appendix C provides a breakdown of the forecasted premium and claims for the plan year beginning July 1, 2018 for each group. The forecast assumes no additional benefit changes will be implemented for the 2018-2019 plan year. The forecast includes a 2.5% contribution to surplus for medical/pharmacy coverage. While we have not received claim information specific to each group, we have estimated the paid claims for each group based on the group-specific demographic composition. It should be noted that there is a slight discrepancy with regards to the aggregated net change. This discrepancy occurs because the forecast is completed at a slightly more granular level, and there is a slight difference in the number of employees enrolled in medical/pharmacy coverage and dental coverage.

8

Actuarial Certification

I, Ryan Mueller, Senior Consultant of Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman), have been engaged by Oklahoma Public Employees Health and Welfare Trust (OPEH&W) to prepare this report summarizing the premium rate development for the plan year beginning July 1, 2018. 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 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.

This report was prepared for the sole use of 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.

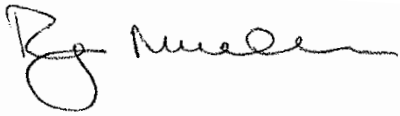
This report is not intended for general circulation or publication, nor is it to be used, quoted or distributed to others for any purpose other than those that may be set forth herein or in the written agreement pursuant to which this report has been issued without the prior written consent of Oliver 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.

Reliance

In performing the analyses outlined in this report and arriving at my opinion, I used and relied on information provided by OPEH&W. I used and relied on this information without independent investigation or audit. If this information is inaccurate, incomplete, or out of date, the findings and conclusions noted within this report may need revision. While I have relied on the data provided without independent investigation or audit, I reviewed the data for consistency and reasonableness. Where I found the data inconsistent or unreasonable, I requested clarification.

Actuarial Certification

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 "R. Mueller", is written over a light gray rectangular background.

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

March 13, 2018

9

Appendices

APPENDIX A

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

Rating Period: 7/1/2018 to 6/30/2019
 Pooling Level: \$425,000

	Experience Period 1	Experience Period 2
Experience Period	7/1/2015 to 6/30/2016	7/1/2016 to 6/30/2017
Member Months	98,359	109,031
Contract Months	66,403	71,538
Number of Projection Months	36	24
Member Months/Contract	1.481	1.524

BASE PERIOD MEDICAL/PHARMACY CLAIMS

1. Medical Claims For Period	\$ 34,889,625	\$ 33,925,190
2. Less Reinsurance Recoveries	\$ 618,795	\$ 19,631
3a. Claims Adjusted for Reinsurance Recoveries (1. - 2.)	\$ 34,270,830	\$ 33,905,559
3b. Adjustment for change in Provider Network	0.9204	0.9928
3c. Large Claim Adjustment	1.0000	1.0000
4. Trend Factor to 01/01/2019 Effective Date @ 6%	x 1.1910	x 1.1236
5. Projected Medical Claims (3a. x 3b. x 3c. x 4.)	\$ 37,568,066	\$ 37,823,364
6a. Pharmacy Claims For Period	\$ 9,740,567	\$ 11,829,849
6b. PBM Adjustment	1.0000	1.0000
6c. Pharmacy Rebate Adjustment	0.8647	0.8594
7. Trend Factor to 01/01/2019 Effective Date	x 1.3676	x 1.2321
8. Projected Pharmacy Claims (6a. x 6b. x 6c. x 7.)	\$ 11,518,771	\$ 12,525,678
9. Projected Net Claims (5.+ 8.)	\$ 49,086,836	\$ 50,349,042
10. Member Months	/ 98,359	/ 109,031
11. Projected Medical and Drug Costs PMPM (9. / 10.)	\$ 499.06	\$ 461.79
12. Other Multiplicative Adjustment		
Benefit Changes	0.9572	0.9704
Demographic (Adjust to Jan 2018 Demographics)	x 0.9769	x 0.9978
Total	0.9351	0.9682
13. Other Additive Adjustment PMPM	+ \$ (3.29)	+ \$ -
14. Adjusted Trended Medical Claims (11. x 12. + 13.)	\$ 463.36	\$ 447.09

PROJECTED CLAIMS PMPM FOR 7/1/2018 to 6/30/2019

1. Projected Medical and Pharmacy Claims Experience	\$ 463.36	\$ 447.09
2. Period Weightings	0.32	0.68
3. Contributing Claims Experience (1. x 2.)	3a. \$ 150.25	3b. \$ 302.11
4. Weighted Projected Medical and Pharmacy Claims (3a. + 3b.)		\$ 452.37

ADMINISTRATIVE/EXPENSE

1. Projected Medical and Pharmacy Claims		\$ 452.37
2. Fees		
a. BCBSOK Medical ASO Fee	PCPM \$ 36.84	\$ 23.61
b. Plan Management Fee	PCPM \$ 16.54	10.60
c. BVA Fees	PCPM \$ 2.50	1.60
d. Stop Loss Premium	PCPM \$ 18.62	11.93
e. Telehealth Fee	PMPM	0.23
f. Wellness Program	PMPM	-
g. Naturally Slim	PMPM	-
h. PCORI	PMPM \$0.21 at Plan Year End (6/30/2019)	0.21
i. Total Fees		\$ 48.19
* Ratio of Members/Contract for Jan 2018:	1.560	
3. Projected Claims and Expense PMPM (1. + 2h.)		\$ 500.56
4. Contribution to Surplus		2.50%
5. Projected Claims and Contribution to Surplus (3 / (1 - 4.))		\$ 513.39

Convert Premium PMPM to Tier Rates
 Single Conversion Factor

1.187

APPENDIX B

OPEH&W Health Plan
Dental Experience Rating Renewal Calculation

Rating Period: 7/1/2018 to 6/30/2019

	Experience Period 1	Experience Period 2
Experience Period	7/1/2015 to 6/30/2016	7/1/2016 to 6/30/2017
Member Months	86,399	91,801
Contract Months	60,264	61,631
Number of Projection Months	36	24
Member Months/Contract	1.434	1.490

BASE PERIOD DENTAL CLAIMS

1. Dental Claims	\$ 1,635,897	\$ 1,789,747
2. Trend Factor to 01/01/2017 Effective Date @ 4%	x 1.141	x 1.092
3. Projected Net Claims (1. x 2.)	\$ 1,866,830	\$ 1,954,449
4. Member Months	/ 86,399	/ 91,801
5. Projected Dental Costs PMPM (3. / 4.)	\$ 21.61	\$ 21.29
6. Benefit Adjustment	1.000	1.000
7. Other Additive Adjustment PMPM	\$ -	\$ -
8. Adjusted Trended Dental Claims (5. x 6. + 7.)	\$ 21.61	\$ 21.29

PROJECTED CLAIMS PMPM FOR 7/1/2018 to 6/30/2019

1. Projected Dental Claims PMPM	\$ 21.61	\$ 21.29
2. Period Weightings	0.33	0.67
3. Contributing Claims Experience (1. x 2.)	3a. \$ 7.23	3b. \$ 14.16
4. Weighted Projected Dental Claims (3a. + 3b.)		\$ 21.40

ADMINISTRATIVE/EXPENSE

1. Projected Dental Claims		\$ 21.40
2. BCBSOK Dental Fee	PCPM \$2.68	\$1.67
Ratio of Members/Contract for Jan 2018	1.606	
3. Projected Claims and Expense PMPM (1. + 2b.)		\$ 23.06
4. Contribution to Surplus		0.00%
5. Projected Claims and Contribution to Surplus (3 / (1 - 4.))		\$ 23.06

Convert Premium PMPM to Tier Rates	
Single Conversion Factor	1.124

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
Employee	6	12	12	40	37	4	83	51	26	25
Employee + Child	1	0	3	3	3	1	6	8	2	2
Employee + Children	3	0	5	0	7	0	5	9	1	2
Employee + Spouse	5	0	3	1	17	0	12	15	2	2
Employee + Spouse + Child	1	0	1	0	7	2	2	17	2	3
Employee + Spouse + Children	1	0	5	1	13	5	1	23	2	4
Total Medical Employees	17	12	29	45	84	12	109	123	35	38
Total Dental Employees	18	18	35	44	99	14	121	130	35	53
Current Estimated Premium (12 months)	\$ 202,765	\$ 89,127	\$ 340,937	\$ 349,285	\$ 999,588	\$ 161,329	\$ 967,154	\$ 1,488,003	\$ 318,366	\$ 384,787
Projected Claims										
Medical	\$ 176,451	\$ 65,562	\$ 249,021	\$ 262,896	\$ 841,267	\$ 105,846	\$ 669,642	\$ 907,459	\$ 184,781	\$ 276,479
Pharmacy	56,936	21,155	80,353	84,830	271,456	34,154	216,077	292,814	59,624	89,213
Dental	9,741	6,034	17,746	15,389	49,104	7,510	48,658	63,900	14,390	23,383
Total Claims	\$ 243,128	\$ 92,752	\$ 347,120	\$ 363,115	\$ 1,161,827	\$ 147,510	\$ 934,377	\$ 1,264,174	\$ 258,795	\$ 389,074
Pharmacy as a % of total claims	23.4%	22.8%	23.1%	23.4%	23.4%	23.2%	23.1%	23.2%	23.0%	22.9%
Dental as a % of total claims	4.0%	6.5%	5.1%	4.2%	4.2%	5.1%	5.2%	5.1%	5.6%	6.0%
Non-Benefit Expenses										
Stop Loss Premium	\$ 3,798	\$ 2,681	\$ 6,480	\$ 10,055	\$ 18,769	\$ 2,681	\$ 24,355	\$ 27,483	\$ 7,820	\$ 8,491
BCBSOK Administrative Fee	8,094	5,884	13,946	21,309	40,319	5,755	52,078	58,557	16,598	18,504
Plan Management Fee	3,374	2,382	5,756	8,932	16,672	2,382	21,634	24,413	6,947	7,542
BVA Fee	510	360	870	1,350	2,520	360	3,270	3,690	1,050	1,140
Telehealth Fee	94	33	190	146	508	116	406	773	146	177
PCORI Fee	86	30	174	134	465	106	372	708	134	162
Total Non-Benefit Expenses	\$ 15,957	\$ 11,370	\$ 27,416	\$ 41,925	\$ 79,253	\$ 11,400	\$ 102,115	\$ 115,623	\$ 32,696	\$ 36,015
Contribution to Surplus (\$)	\$ 6,379	\$ 2,500	\$ 9,120	\$ 9,955	\$ 30,482	\$ 3,871	\$ 25,229	\$ 33,634	\$ 7,076	\$ 10,256
Projected Claims + Non-Benefit Expenses	\$ 265,463	\$ 106,622	\$ 383,656	\$ 414,995	\$ 1,271,562	\$ 162,781	\$ 1,061,721	\$ 1,413,431	\$ 298,567	\$ 435,346
Net Change	30.9%	19.6%	12.5%	18.8%	27.2%	0.9%	9.8%	-5.0%	-6.2%	13.1%

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Bryan County	Buffalo, Town of	Burns Flat, Town of	Carter, Town of	CED # 3	CED # 4	CED # 6	CED # 7	CED # 8	Chattanooga, Town of
Employee	103	2	7	0	9	2	1	11	10	2
Employee + Child	4	0	1	1	0	1	0	2	2	0
Employee + Children	4	1	0	0	2	0	0	3	4	0
Employee + Spouse	6	1	0	0	2	6	0	3	0	0
Employee + Spouse + Child	1	1	0	0	0	1	0	0	0	0
Employee + Spouse + Children	2	4	0	0	0	1	0	1	0	0
Total Medical Employees	120	9	8	1	13	11	1	20	16	2
Total Dental Employees	133	10	8	1	12	10	1	21	16	2
Current Estimated Premium (12 months)	\$ 978,268	\$ 130,008	\$ 60,178	\$ 10,288	\$ 121,797	\$ 149,947	\$ 7,623	\$ 200,773	\$ 142,684	\$ 14,954
Projected Claims										
Medical	\$ 635,871	\$ 70,125	\$ 42,078	\$ 9,317	\$ 61,534	\$ 136,865	\$ 10,483	\$ 129,443	\$ 81,556	\$ 10,939
Pharmacy	205,180	22,628	13,578	3,006	19,856	44,163	3,383	41,768	26,316	3,530
Dental	46,377	5,856	2,536	289	4,617	5,713	621	9,055	5,918	1,066
Total Claims	\$ 887,428	\$ 98,609	\$ 58,192	\$ 12,612	\$ 86,006	\$ 186,740	\$ 14,487	\$ 180,266	\$ 113,790	\$ 15,535
Pharmacy as a % of total claims	23.1%	22.9%	23.3%	23.8%	23.1%	23.6%	23.3%	23.2%	23.1%	22.7%
Dental as a % of total claims	5.2%	5.9%	4.4%	2.3%	5.4%	3.1%	4.3%	5.0%	5.2%	6.9%
Non-Benefit Expenses										
Stop Loss Premium	\$ 26,813	\$ 2,011	\$ 1,788	\$ 223	\$ 2,905	\$ 2,458	\$ 223	\$ 4,469	\$ 3,575	\$ 447
BCBSOK Administrative Fee	57,327	4,300	3,794	474	6,133	5,184	474	9,517	7,588	948
Plan Management Fee	23,818	1,786	1,588	198	2,580	2,183	198	3,970	3,176	397
BVA Fee	3,600	270	240	30	390	330	30	600	480	60
Telehealth Fee	408	77	25	6	58	63	3	94	77	6
PCORI Fee	374	71	23	5	53	58	3	86	71	5
Total Non-Benefit Expenses	\$ 112,340	\$ 8,516	\$ 7,457	\$ 937	\$ 12,119	\$ 10,277	\$ 931	\$ 18,735	\$ 14,967	\$ 1,863
Contribution to Surplus (\$)	\$ 24,336	\$ 2,588	\$ 1,612	\$ 339	\$ 2,388	\$ 4,897	\$ 379	\$ 4,853	\$ 3,137	\$ 417
Projected Claims + Non-Benefit Expenses	\$ 1,024,104	\$ 109,713	\$ 67,261	\$ 13,888	\$ 100,513	\$ 201,915	\$ 15,797	\$ 203,854	\$ 131,894	\$ 17,815
Net Change	4.7%	-15.6%	11.8%	35.0%	-17.5%	34.7%	107.2%	1.5%	-7.6%	19.1%

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Cherokee County	Cherokee County Jail	Choctaw County	Cimarron County	Cleveland, City of	Coal County	Craig County	Custer City, Town of	Custer County	Dewey, City of
Employee	80	11	61	50	13	25	81	3	94	22
Employee + Child	5	0	5	1	2	1	2	0	9	0
Employee + Children	0	0	1	0	1	0	3	0	5	0
Employee + Spouse	9	0	1	4	2	3	5	0	9	2
Employee + Spouse + Child	1	0	0	0	0	0	1	0	3	0
Employee + Spouse + Children	0	0	1	0	7	1	3	0	2	1
Total Medical Employees	95	11	69	55	25	30	95	3	122	25
Total Dental Employees	8	0	75	68	2	24	105	3	139	9
Current Estimated Premium (12 months)	\$ 775,358	\$ 77,632	\$ 541,746	\$ 439,096	\$ 264,793	\$ 251,386	\$ 797,565	\$ 21,221	\$ 1,076,620	\$ 207,810
Projected Claims										
Medical	\$ 660,597	\$ 50,536	\$ 421,953	\$ 303,622	\$ 159,550	\$ 172,655	\$ 515,288	\$ 8,706	\$ 741,372	\$ 131,176
Pharmacy	195,137	14,928	136,154	97,971	51,483	55,711	166,270	2,809	239,222	38,749
Dental	2,907	0	26,018	25,821	577	9,222	37,933	866	56,185	3,087
Total Claims	\$ 858,641	\$ 65,465	\$ 584,125	\$ 427,415	\$ 211,610	\$ 237,589	\$ 719,491	\$ 12,381	\$ 1,036,778	\$ 173,011
Pharmacy as a % of total claims	22.7%	22.8%	23.3%	22.9%	24.3%	23.4%	23.1%	22.7%	23.1%	22.4%
Dental as a % of total claims	0.3%	0.0%	4.5%	6.0%	0.3%	3.9%	5.3%	7.0%	5.4%	1.8%
Non-Benefit Expenses										
Stop Loss Premium	\$ 21,227	\$ 2,458	\$ 15,417	\$ 12,289	\$ 5,586	\$ 6,703	\$ 21,227	\$ 670	\$ 27,260	\$ 5,586
BCBSOK Administrative Fee	42,255	4,863	32,916	26,501	11,116	14,034	45,374	1,423	58,404	11,341
Plan Management Fee	18,856	2,183	13,695	10,916	4,962	5,954	18,856	595	24,215	4,962
BVA Fee	2,850	330	2,070	1,650	750	900	2,850	90	3,660	750
Telehealth Fee	306	30	221	166	155	102	337	8	458	94
PCORI Fee	281	28	202	152	142	94	308	8	420	86
Total Non-Benefit Expenses	\$ 85,774	\$ 9,892	\$ 64,521	\$ 51,674	\$ 22,710	\$ 27,787	\$ 88,952	\$ 2,794	\$ 114,416	\$ 22,819
Contribution to Surplus (\$)	\$ 24,135	\$ 1,932	\$ 15,903	\$ 11,566	\$ 5,992	\$ 6,548	\$ 19,670	\$ 364	\$ 27,963	\$ 4,935
Projected Claims + Non-Benefit Expenses	\$ 968,550	\$ 77,289	\$ 664,549	\$ 490,655	\$ 240,312	\$ 271,924	\$ 828,113	\$ 15,540	\$ 1,179,157	\$ 200,765
Net Change	24.9%	-0.4%	22.7%	11.7%	-9.2%	8.2%	3.8%	-26.8%	9.5%	-3.4%

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Duncan, City of	Elk City Schools	Ellis County	EODD	Eufaula, City of	Fargo Public Schools	Garfield County	Garfield County Fairgrounds	GCCJA	Goodwell, Town of
Employee	67	168	32	8	29	26	154	2	71	6
Employee + Child	9	17	13	2	0	5	7	0	1	0
Employee + Children	8	24	3	0	0	2	8	0	0	1
Employee + Spouse	57	9	15	1	1	3	14	0	3	0
Employee + Spouse + Child	23	9	4	0	0	0	3	0	0	0
Employee + Spouse + Children	59	6	14	0	0	2	2	0	1	0
Total Medical Employees	223	233	81	11	30	38	188	2	76	7
Total Dental Employees	223	291	93	11	0	49	217	2	77	8
Current Estimated Premium (12 months)	\$ 3,053,246	\$ 2,174,231	\$ 957,820	\$ 99,860	\$ 210,021	\$ 361,195	\$ 1,611,570	\$ 14,147	\$ 580,665	\$ 55,751
Projected Claims										
Medical	\$ 1,942,869	\$ 1,509,173	\$ 702,424	\$ 70,575	\$ 143,149	\$ 243,585	\$ 1,190,006	\$ 14,782	\$ 323,678	\$ 20,728
Pharmacy	626,915	486,972	226,655	20,847	46,191	78,599	383,985	4,770	104,443	6,688
Dental	128,515	122,118	46,072	4,636	0	19,755	82,126	577	26,846	2,628
Total Claims	\$ 2,698,299	\$ 2,118,263	\$ 975,151	\$ 96,058	\$ 189,340	\$ 341,939	\$ 1,656,117	\$ 20,128	\$ 454,967	\$ 30,045
Pharmacy as a % of total claims	23.2%	23.0%	23.2%	21.7%	24.4%	23.0%	23.2%	23.7%	23.0%	22.3%
Dental as a % of total claims	4.8%	5.8%	4.7%	4.8%	0.0%	5.8%	5.0%	2.9%	5.9%	8.7%
Non-Benefit Expenses										
Stop Loss Premium	\$ 49,827	\$ 52,062	\$ 18,099	\$ 2,458	\$ 6,703	\$ 8,491	\$ 42,007	\$ 447	\$ 16,981	\$ 1,564
BCBSOK Administrative Fee	105,756	112,363	38,799	5,217	13,262	18,375	90,090	948	36,074	3,352
Plan Management Fee	44,261	46,246	16,077	2,183	5,954	7,542	37,314	397	15,084	1,389
BVA Fee	6,690	6,990	2,430	330	900	1,140	5,640	60	2,280	210
Telehealth Fee	1,562	977	491	39	86	166	662	6	235	25
PCORI Fee	1,431	895	450	35	78	152	607	5	215	23
Total Non-Benefit Expenses	\$ 209,526	\$ 219,532	\$ 76,346	\$ 10,262	\$ 26,984	\$ 35,865	\$ 176,320	\$ 1,863	\$ 70,870	\$ 6,563
Contribution to Surplus (\$)	\$ 71,080	\$ 56,572	\$ 25,703	\$ 2,598	\$ 5,547	\$ 9,140	\$ 44,701	\$ 547	\$ 12,731	\$ 865
Projected Claims + Non-Benefit Expenses	\$ 2,978,906	\$ 2,394,367	\$ 1,077,200	\$ 108,918	\$ 221,871	\$ 386,944	\$ 1,877,137	\$ 22,539	\$ 538,568	\$ 37,472
Net Change	-2.4%	10.1%	12.5%	9.1%	5.6%	7.1%	16.5%	59.3%	-7.2%	-32.8%

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Grady County	Grant County	Greer County	Guymon, City of	Harper County	Harper County Community Hospital	Haskell County	Hinton, Town of	Idabel, City of	Jennings, Town of
Employee	111	62	40	10	31	26	65	4	84	1
Employee + Child	9	1	0	2	1	4	2	0	2	0
Employee + Children	8	1	2	3	1	1	1	1	5	0
Employee + Spouse	11	4	0	10	15	2	0	4	3	0
Employee + Spouse + Child	9	0	2	1	2	5	0	3	1	0
Employee + Spouse + Children	3	0	0	7	3	1	0	5	0	0
Total Medical Employees	151	68	44	33	53	39	68	17	95	1
Total Dental Employees	174	87	56	3	65	41	44	17	0	0
Current Estimated Premium (12 months)	\$ 1,376,228	\$ 534,470	\$ 366,419	\$ 393,893	\$ 567,069	\$ 367,251	\$ 490,959	\$ 238,994	\$ 690,354	\$ 6,597
Projected Claims										
Medical	\$ 993,729	\$ 393,848	\$ 287,129	\$ 290,877	\$ 485,261	\$ 261,477	\$ 373,115	\$ 161,668	\$ 498,660	\$ 2,349
Pharmacy	320,651	127,085	92,649	93,859	156,582	84,372	120,395	52,166	160,905	758
Dental	70,789	29,468	22,342	866	29,690	17,039	16,610	10,182	0	0
Total Claims	\$ 1,385,170	\$ 550,400	\$ 402,121	\$ 385,601	\$ 671,533	\$ 362,889	\$ 510,120	\$ 224,016	\$ 659,565	\$ 3,106
Pharmacy as a % of total claims	23.1%	23.1%	23.0%	24.3%	23.3%	23.3%	23.6%	23.3%	24.4%	24.4%
Dental as a % of total claims	5.1%	5.4%	5.6%	0.2%	4.4%	4.7%	3.3%	4.5%	0.0%	0.0%
Non-Benefit Expenses										
Stop Loss Premium	\$ 33,739	\$ 15,194	\$ 9,831	\$ 7,374	\$ 11,842	\$ 8,714	\$ 15,194	\$ 3,798	\$ 21,227	\$ 223
BCBSOK Administrative Fee	72,350	32,859	21,252	14,685	25,521	18,560	31,476	8,062	41,998	442
Plan Management Fee	29,970	13,497	8,733	6,550	10,519	7,741	13,497	3,374	18,856	198
BVA Fee	4,530	2,040	1,320	990	1,590	1,170	2,040	510	2,850	30
Telehealth Fee	604	207	146	218	240	166	199	132	315	3
PCORI Fee	554	190	134	200	220	152	182	121	288	3
Total Non-Benefit Expenses	\$ 141,748	\$ 63,986	\$ 41,417	\$ 30,016	\$ 49,932	\$ 36,502	\$ 62,588	\$ 15,999	\$ 85,533	\$ 899
Contribution to Surplus (\$)	\$ 37,193	\$ 14,926	\$ 10,754	\$ 10,632	\$ 17,684	\$ 9,770	\$ 14,223	\$ 5,879	\$ 19,105	\$ 103
Projected Claims + Non-Benefit Expenses	\$ 1,564,111	\$ 629,313	\$ 454,291	\$ 426,250	\$ 739,150	\$ 409,160	\$ 586,930	\$ 245,893	\$ 764,203	\$ 4,108
Net Change	13.7%	17.7%	24.0%	8.2%	30.3%	11.4%	19.5%	2.9%	10.7%	-37.7%

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Johnston County	Kingfisher County	Kingfisher, City of	Lincoln County	Lincoln County E911 Trust Authority	McAlester, City of	McCurtain Co E911	McCurtain County	McCurtain County RWD 1	McCurtain County RWD 8
Employee	58	82	23	105	6	161	4	156	6	3
Employee + Child	2	1	4	2	1	2	0	5	0	0
Employee + Children	1	5	6	3	0	5	0	4	0	0
Employee + Spouse	1	12	10	3	0	7	0	5	0	2
Employee + Spouse + Child	0	0	6	1	0	2	0	2	0	1
Employee + Spouse + Children	0	2	12	3	0	2	0	0	0	1
Total Medical Employees	62	102	61	117	7	179	4	172	6	7
Total Dental Employees	66	108	61	124	7	181	4	177	8	0
Current Estimated Premium (12 months)	\$ 466,178	\$ 881,347	\$ 740,332	\$ 944,407	\$ 53,793	\$ 1,431,545	\$ 28,294	\$ 1,325,839	\$ 44,263	\$ 78,577
Projected Claims										
Medical	\$ 326,622	\$ 594,368	\$ 438,172	\$ 701,042	\$ 21,158	\$ 897,444	\$ 16,122	\$ 1,000,365	\$ 26,564	\$ 58,300
Pharmacy	105,393	191,788	141,387	226,208	6,827	289,583	5,202	322,793	8,571	18,812
Dental	22,210	40,872	31,858	46,688	2,665	70,323	1,155	59,934	2,835	0
Total Claims	\$ 454,225	\$ 827,028	\$ 611,417	\$ 973,938	\$ 30,651	\$ 1,257,350	\$ 22,478	\$ 1,383,091	\$ 37,970	\$ 77,112
Pharmacy as a % of total claims	23.2%	23.2%	23.1%	23.2%	22.3%	23.0%	23.1%	23.3%	22.6%	24.4%
Dental as a % of total claims	4.9%	4.9%	5.2%	4.8%	8.7%	5.6%	5.1%	4.3%	7.5%	0.0%
Non-Benefit Expenses										
Stop Loss Premium	\$ 13,853	\$ 22,791	\$ 13,630	\$ 26,142	\$ 1,564	\$ 39,996	\$ 894	\$ 38,432	\$ 1,341	\$ 1,564
BCBSOK Administrative Fee	29,532	48,565	28,929	55,711	3,320	84,953	1,897	81,730	2,910	3,095
Plan Management Fee	12,306	20,245	12,107	23,222	1,389	35,528	794	34,139	1,191	1,389
BVA Fee	1,860	3,060	1,830	3,510	210	5,370	120	5,160	180	210
Telehealth Fee	188	384	403	386	22	596	11	544	17	39
PCORI Fee	172	351	369	354	20	546	10	498	15	35
Total Non-Benefit Expenses	\$ 57,910	\$ 95,396	\$ 57,268	\$ 109,326	\$ 6,525	\$ 166,989	\$ 3,726	\$ 160,502	\$ 5,653	\$ 6,332
Contribution to Surplus (\$)	\$ 12,508	\$ 22,515	\$ 16,279	\$ 26,477	\$ 879	\$ 34,569	\$ 639	\$ 37,897	\$ 1,039	\$ 2,140
Projected Claims + Non-Benefit Expenses	\$ 524,642	\$ 944,940	\$ 684,964	\$ 1,109,741	\$ 38,055	\$ 1,458,908	\$ 26,843	\$ 1,581,490	\$ 44,662	\$ 85,584
Net Change	12.5%	7.2%	-7.5%	17.5%	-29.3%	1.9%	-5.1%	19.3%	0.9%	8.9%

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	McElroy & Associates Inc.	Medford, City of	Muskogee County E911	Mustang, City of	NE Oklahoma Enhanced 911 Trust Authority	Ninnekah, Town of	NODA	NOSWDA	OEDA	Okay, Town of
Employee	3	2	11	33	16	1	11	3	9	3
Employee + Child	0	1	2	3	0	1	3	2	1	0
Employee + Children	0	1	0	10	1	1	2	0	0	0
Employee + Spouse	0	2	1	11	0	0	3	0	0	0
Employee + Spouse + Child	2	2	0	6	0	0	0	2	0	0
Employee + Spouse + Children	2	3	1	21	0	0	1	0	1	0
Total Medical Employees	7	11	15	84	17	3	20	7	11	3
Total Dental Employees	8	12	16	1	0	3	23	7	11	3
Current Estimated Premium (12 months)	\$ 94,375	\$ 152,702	\$ 132,846	\$ 966,542	\$ 125,574	\$ 31,074	\$ 199,163	\$ 73,328	\$ 92,263	\$ 21,221
Projected Claims										
Medical	\$ 70,429	\$ 110,044	\$ 87,369	\$ 599,671	\$ 65,978	\$ 17,657	\$ 146,670	\$ 57,189	\$ 61,648	\$ 15,956
Pharmacy	20,805	35,508	28,192	193,499	19,490	5,697	47,327	18,453	19,892	5,148
Dental	3,897	6,724	6,113	289	0	1,718	9,302	3,057	3,819	866
Total Claims	\$ 95,131	\$ 152,276	\$ 121,674	\$ 793,458	\$ 85,468	\$ 25,072	\$ 203,299	\$ 78,700	\$ 85,360	\$ 21,970
Pharmacy as a % of total claims	21.9%	23.3%	23.2%	24.4%	22.8%	22.7%	23.3%	23.4%	23.3%	23.4%
Dental as a % of total claims	4.1%	4.4%	5.0%	0.0%	0.0%	6.9%	4.6%	3.9%	4.5%	3.9%
Non-Benefit Expenses										
Stop Loss Premium	\$ 1,564	\$ 2,458	\$ 3,352	\$ 18,769	\$ 3,798	\$ 670	\$ 4,469	\$ 1,564	\$ 2,458	\$ 670
BCBSOK Administrative Fee	3,352	5,249	7,146	37,167	7,515	1,423	9,581	3,320	5,217	1,423
Plan Management Fee	1,389	2,183	2,977	16,672	3,374	595	3,970	1,389	2,183	595
BVA Fee	210	330	450	2,520	510	90	600	210	330	90
Telehealth Fee	50	86	58	591	52	19	94	36	44	8
PCORI Fee	45	78	53	541	48	18	86	33	40	8
Total Non-Benefit Expenses	\$ 6,610	\$ 10,384	\$ 14,036	\$ 76,260	\$ 15,298	\$ 2,815	\$ 18,799	\$ 6,552	\$ 10,272	\$ 2,794
Contribution to Surplus (\$)	\$ 2,502	\$ 3,988	\$ 3,310	\$ 22,292	\$ 2,584	\$ 669	\$ 5,437	\$ 2,102	\$ 2,345	\$ 610
Projected Claims + Non-Benefit Expenses	\$ 104,244	\$ 166,649	\$ 139,019	\$ 892,010	\$ 103,350	\$ 28,556	\$ 227,536	\$ 87,353	\$ 97,977	\$ 25,375
Net Change	10.5%	9.1%	4.6%	-7.7%	-17.7%	-8.1%	14.2%	19.1%	6.2%	19.6%

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	OMAG	OMRF	OMUSA	Pawnee County	Pittsburg County	Pond Creek, City of	Pontotoc County	Pushmataha County	Roff, Town of	Roger Mills County
Employee	10	5	5	66	192	12	119	53	1	50
Employee + Child	3	0	0	2	3	0	6	2	0	7
Employee + Children	0	1	1	2	2	0	0	1	0	11
Employee + Spouse	8	2	0	4	4	0	5	1	0	16
Employee + Spouse + Child	6	0	0	1	2	0	1	1	0	6
Employee + Spouse + Children	6	0	0	1	1	0	1	0	0	7
Total Medical Employees	33	8	6	76	204	12	132	58	1	97
Total Dental Employees	35	0	6	88	148	12	147	43	1	110
Current Estimated Premium (12 months)	\$ 424,811	\$ 74,035	\$ 47,674	\$ 624,888	\$ 1,623,183	\$ 86,530	\$ 1,036,260	\$ 437,291	\$ 7,623	\$ 1,055,538
Projected Claims										
Medical	\$ 310,829	\$ 66,786	\$ 41,775	\$ 433,389	\$ 1,112,515	\$ 54,332	\$ 719,935	\$ 365,725	\$ 6,264	\$ 847,953
Pharmacy	100,297	21,550	13,480	139,844	328,632	17,532	232,305	118,010	2,021	273,613
Dental	19,288	0	1,732	32,097	54,006	4,461	50,870	13,964	621	50,644
Total Claims	\$ 430,415	\$ 88,336	\$ 56,987	\$ 605,330	\$ 1,495,152	\$ 76,325	\$ 1,003,111	\$ 497,699	\$ 8,907	\$ 1,172,210
Pharmacy as a % of total claims	23.3%	24.4%	23.7%	23.1%	22.0%	23.0%	23.2%	23.7%	22.7%	23.3%
Dental as a % of total claims	4.5%	0.0%	3.0%	5.3%	3.6%	5.8%	5.1%	2.8%	7.0%	4.3%
Non-Benefit Expenses										
Stop Loss Premium	\$ 7,374	\$ 1,788	\$ 1,341	\$ 16,981	\$ 45,582	\$ 2,681	\$ 29,494	\$ 12,960	\$ 223	\$ 21,674
BCBSOK Administrative Fee	15,714	3,537	2,845	36,428	94,944	5,691	63,082	27,024	474	46,419
Plan Management Fee	6,550	1,588	1,191	15,084	40,490	2,382	26,199	11,512	198	19,253
BVA Fee	990	240	180	2,280	6,120	360	3,960	1,740	30	2,910
Telehealth Fee	221	33	22	265	613	33	408	179	3	505
PCORI Fee	202	30	20	243	561	30	374	164	3	463
Total Non-Benefit Expenses	\$ 31,051	\$ 7,215	\$ 5,599	\$ 71,282	\$ 188,310	\$ 11,177	\$ 123,518	\$ 53,579	\$ 931	\$ 91,223
Contribution to Surplus (\$)	\$ 11,309	\$ 2,450	\$ 1,555	\$ 16,453	\$ 41,659	\$ 2,119	\$ 27,462	\$ 13,742	\$ 236	\$ 31,006
Projected Claims + Non-Benefit Expenses	\$ 472,774	\$ 98,001	\$ 64,142	\$ 693,065	\$ 1,725,121	\$ 89,622	\$ 1,154,091	\$ 565,019	\$ 10,074	\$ 1,294,440
Net Change	11.3%	32.4%	34.5%	10.9%	6.3%	3.6%	11.4%	29.2%	32.2%	22.6%

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Roger Mills County Hospital	Rogers County Industrial Development Authority	Seminole County	Seminole County - Court Special Programs	Seminole, City of	Stroud, City of	SWODA	Talihina, Town of	Texas County	Tipton, Town of
Employee	28	1	98	1	33	36	17	12	109	6
Employee + Child	3	0	3	0	11	1	4	0	5	0
Employee + Children	4	0	2	0	16	0	0	0	12	0
Employee + Spouse	2	0	5	1	11	1	3	0	11	0
Employee + Spouse + Child	1	0	0	1	2	0	1	0	3	0
Employee + Spouse + Children	6	0	0	0	5	0	0	0	4	0
Total Medical Employees	44	1	108	3	78	38	25	12	144	6
Total Dental Employees	43	1	77	3	3	37	29	4	166	6
Current Estimated Premium (12 months)	\$ 436,456	\$ 7,074	\$ 816,276	\$ 37,398	\$ 787,070	\$ 281,984	\$ 235,295	\$ 81,477	\$ 1,296,978	\$ 42,441
Projected Claims										
Medical	\$ 312,005	\$ 7,239	\$ 564,658	\$ 34,607	\$ 494,603	\$ 151,839	\$ 179,752	\$ 59,851	\$ 997,235	\$ 23,507
Pharmacy	100,676	2,336	182,201	11,167	159,596	48,995	58,002	19,312	321,783	7,585
Dental	18,591	289	26,921	1,561	866	12,653	12,303	1,402	68,634	1,732
Total Claims	\$ 431,273	\$ 9,863	\$ 773,780	\$ 47,335	\$ 655,065	\$ 213,486	\$ 250,057	\$ 80,565	\$ 1,387,652	\$ 32,824
Pharmacy as a % of total claims	23.3%	23.7%	23.5%	23.6%	24.4%	22.9%	23.2%	24.0%	23.2%	23.1%
Dental as a % of total claims	4.3%	2.9%	3.5%	3.3%	0.1%	5.9%	4.9%	1.7%	4.9%	5.3%
Non-Benefit Expenses										
Stop Loss Premium	\$ 9,831	\$ 223	\$ 24,132	\$ 670	\$ 17,428	\$ 8,491	\$ 5,586	\$ 2,681	\$ 32,175	\$ 1,341
BCBSOK Administrative Fee	20,834	474	50,221	1,423	34,579	17,989	11,985	5,434	68,998	2,845
Plan Management Fee	8,733	198	21,436	595	15,481	7,542	4,962	2,382	28,581	1,191
BVA Fee	1,320	30	3,240	90	2,340	1,140	750	360	4,320	180
Telehealth Fee	237	3	334	17	453	110	94	33	591	17
PCORI Fee	217	3	306	15	415	101	86	30	541	15
Total Non-Benefit Expenses	\$ 41,174	\$ 931	\$ 99,668	\$ 2,810	\$ 70,696	\$ 35,373	\$ 23,462	\$ 10,920	\$ 135,206	\$ 5,589
Contribution to Surplus (\$)	\$ 11,602	\$ 269	\$ 21,642	\$ 1,243	\$ 18,585	\$ 6,026	\$ 6,674	\$ 2,307	\$ 37,151	\$ 936
Projected Claims + Non-Benefit Expenses	\$ 484,049	\$ 11,063	\$ 895,090	\$ 51,389	\$ 744,345	\$ 254,886	\$ 280,194	\$ 93,791	\$ 1,560,009	\$ 39,348
Net Change	10.9%	56.4%	9.7%	37.4%	-5.4%	-9.6%	19.1%	15.1%	20.3%	-7.3%

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Velma, Town of	Vici Public Schools	Walters, City of	Warr Acres, City of	Washington County	Washita County	Weatherford, City of	Wilburton Public Works	Wilburton, City of	Woods County
Employee	2	23	29	32	53	66	105	9	14	60
Employee + Child	0	3	1	9	11	2	9	0	2	5
Employee + Children	0	4	1	10	10	6	4	0	0	6
Employee + Spouse	0	2	1	15	15	12	5	1	0	11
Employee + Spouse + Child	0	2	0	7	14	5	2	0	0	2
Employee + Spouse + Children	0	5	0	11	18	1	1	0	0	6
Total Medical Employees	2	39	32	84	121	92	126	10	16	90
Total Dental Employees	2	45	23	82	137	104	0	1	4	107
Current Estimated Premium (12 months)	\$ 14,147	\$ 406,475	\$ 244,271	\$ 993,867	\$ 1,487,209	\$ 861,842	\$ 956,046	\$ 74,238	\$ 114,294	\$ 899,859
Projected Claims										
Medical	\$ 12,044	\$ 278,203	\$ 172,343	\$ 599,162	\$ 904,117	\$ 605,915	\$ 630,298	\$ 56,617	\$ 71,381	\$ 600,371
Pharmacy	3,886	89,769	55,611	193,335	267,075	195,514	203,381	18,269	23,033	193,724
Dental	577	19,840	8,629	39,470	65,981	43,348	0	651	1,402	47,447
Total Claims	\$ 16,508	\$ 387,812	\$ 236,582	\$ 831,966	\$ 1,237,173	\$ 844,777	\$ 833,680	\$ 75,537	\$ 95,816	\$ 841,542
Pharmacy as a % of total claims	23.5%	23.1%	23.5%	23.2%	21.6%	23.1%	24.4%	24.2%	24.0%	23.0%
Dental as a % of total claims	3.5%	5.1%	3.6%	4.7%	5.3%	5.1%	0.0%	0.9%	1.5%	5.6%
Non-Benefit Expenses										
Stop Loss Premium	\$ 447	\$ 8,714	\$ 7,150	\$ 18,769	\$ 27,036	\$ 20,556	\$ 28,153	\$ 2,234	\$ 3,575	\$ 20,110
BCBSOK Administrative Fee	948	18,688	14,886	39,772	57,898	44,016	55,702	4,453	7,202	43,228
Plan Management Fee	397	7,741	6,351	16,672	24,016	18,260	25,008	1,985	3,176	17,863
BVA Fee	60	1,170	960	2,520	3,630	2,760	3,780	300	480	2,700
Telehealth Fee	6	210	99	513	723	373	439	30	50	397
PCORI Fee	5	192	91	470	662	341	402	28	45	364
Total Non-Benefit Expenses	\$ 1,863	\$ 36,715	\$ 29,538	\$ 78,717	\$ 113,965	\$ 86,306	\$ 113,485	\$ 9,030	\$ 14,528	\$ 84,663
Contribution to Surplus (\$)	\$ 455	\$ 10,339	\$ 6,583	\$ 22,271	\$ 32,840	\$ 22,677	\$ 24,286	\$ 2,151	\$ 2,790	\$ 22,444
Projected Claims + Non-Benefit Expenses	\$ 18,826	\$ 434,866	\$ 272,703	\$ 932,954	\$ 1,383,978	\$ 953,760	\$ 971,451	\$ 86,718	\$ 113,134	\$ 948,648
Net Change	33.1%	7.0%	11.6%	-6.1%	-6.9%	10.7%	1.6%	16.8%	-1.0%	5.4%

Employee Counts by Coverage Tier (Medical and Pharmacy Coverage)	Woodward Co. EMS	Woodward, City of	Yukon, City of	Total
Employee	14	72	140	4,049
Employee + Child	0	11	9	282
Employee + Children	0	10	11	278
Employee + Spouse	0	28	18	501
Employee + Spouse + Child	1	8	9	204
Employee + Spouse + Children	1	22	30	356
Total Medical Employees	16	151	217	5,670
Total Dental Employees	16	1	1	4,974
Current Estimated Premium (12 months)	\$ 133,144	\$ 1,577,182	\$ 2,038,021	\$ 52,846,368
Projected Claims				
Medical	\$ 89,307	\$ 1,136,214	\$ 1,169,968	\$ 36,425,663
Pharmacy	28,817	366,628	377,519	11,670,011
Dental	5,802	289	294	2,051,469
Total Claims	\$ 123,926	\$ 1,503,131	\$ 1,547,782	\$ 50,147,142
Pharmacy as a % of total claims	23.3%	24.4%	24.4%	23.3%
Dental as a % of total claims	4.7%	0.0%	0.0%	4.1%
Non-Benefit Expenses				
Stop Loss Premium	\$ 3,575	\$ 33,739	\$ 48,486	\$ 1,266,905
BCBSOK Administrative Fee	7,588	66,786	95,964	2,666,557
Plan Management Fee	3,176	29,970	43,070	1,125,382
BVA Fee	480	4,530	6,510	170,100
Telehealth Fee	63	861	1,093	24,415
PCORI Fee	58	789	1,001	22,358
Total Non-Benefit Expenses	\$ 14,940	\$ 136,676	\$ 196,124	\$ 5,275,717
Contribution to Surplus (\$)	\$ 3,399	\$ 42,038	\$ 44,707	1,364,396
Projected Claims + Non-Benefit Expenses	\$ 142,265	\$ 1,681,845	\$ 1,788,613	\$ 56,787,255
Net Change	6.9%	6.6%	-12.2%	7.5%



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