

City of Grand Rapids

2021 Final Trend Report

October 13, 2020





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Ms. Molly Clarin
Chief Financial Officer
City of Grand Rapids
300 Monroe Avenue, N.W.
Grand Rapids, Michigan 49503

Dear Ms. Clarin:

We are pleased to present the results of the annual review of self-insured claims experience for the City of Grand Rapids. The results herein are used for the following purposes:

- To establish the City's calendar year 2021 rates.
- As inputs to the June 30, 2020 actuarial valuations of the City's "Other Postemployment Benefits" for General, Police, and Fire members.

This report should not be used for any other purpose. To the best of our knowledge, this report is complete and accurate and is in accordance with generally recognized actuarial methods. This report relies heavily on data provided by Advantage Benefits Group, which was reviewed for reasonableness but not audited. We are not responsible for the accuracy or completeness of the information provided. In our judgment, the actuarial assumptions used for the study are, individually and in aggregate, reasonable.

Future actuarial measurements (such as the projected 2022 rates) may differ significantly from the current measurements presented in this report due to plan experience differing from that anticipated by the economic or demographic assumptions. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of such future measurements.

This report shall not be construed to provide tax, legal or investment advice.

Executive Summary

- Paid claims were used for the analysis. Consistent with prior rate developments, incurred claims are derived using paid claims and actuarial assumptions. A COVID 19 adjustment was made in the medical and dental claims to adjust for the much lower claims paid during the April – June 2020 months due to the pandemic. Analysis of the prescription drugs and vision block indicated that no adjustment was required. Other than adjusting for reduced claims in the experience period, no further adjustment or margin was added for the pandemic as it is currently uncertain what the magnitude of the COVID-19 impact will be due to additional costs associated with testing, vaccines, utilization and deferral of elective services, the timing of the economy reopening, etc. These elements will be monitored and incorporated into future rate setting as necessary.
- The City desires to ultimately reflect the total claim experience into future rates. Therefore, a three-year smoothing process remains in effect in the rating for both the Pre-65 (active and retiree) segment and the Post-65 retiree segment. One third of the gain or loss from each of the three prior years is incorporated in the implemented rates each year. The remaining gains and losses, as well as future ones, will be incorporated into future rate developments.
- The current experience period (7/1/2019 through 6/30/2020) for both the pre and post-65 participants is showing a gain due in part by removing the Rx rebates when the 2019 rates did not anticipate this action and also due to lower claims in April – June due to the pandemic.
 - For the pre-65 segment (actives and pre-65 retirees), the combined experience for medical, Rx, dental and vision generated a significant gain of \$4.0 million (11.3%) relative to our expected claim level (page 13). In this segment rate levels and rate increases continue to be partially offset by the use of three-year smoothing of gains and losses (by 10.6% in the 2021 implemented rates). Note that the reduction in the 2019 rates was 3.0% and in 2020 was 6.9%
 - For the post-65 participants, the combined experience generated a gain of \$29,256 (6.3%) relative to our expected claim level (page 14). This year the rate increases will be essentially offset by the City's use of three-year smoothing of gains and losses (by 6.4% in the 2021 implemented rates). Note that the reduction in the 2019 rates was 3.0% and was 3.4% in 2020.
- For the 2021 rate setting, the Surplus Reduction Adjustment of \$2,500,000 was introduced for the Pre-65 segment (actives and pre-65 retirees). This adjustment lowered the overall rates in this segment by 7% for a total reduction of 17.6% when combined with the smoothing process.
- Trend rates are used to project results from the experience periods to the 2021 rating period. Experience is often the best indicator for future costs, but since trends vary significantly from year to year, several years of experience, professional judgment and industry benchmarks are used in setting the trend assumptions. The medical trend assumption is 7.5% and the prescription drug trend assumption is 8.5% for all three segments.



- Historically, the Blended Total Rate [\$1,503.36] on page 20 was used as the basis for the contributions made for all participants. In 2019, the plan made the decision to begin using the Blended Tier Rates [EE Only: \$752.24 / 2 Person: \$1,623.56 / Family: \$1,842.77] as the basis for contributions.
- The table below provides a summary of individual rate changes after incorporating the smoothing by segment and surplus reduction adjustments. Note composite rate changes are different than these due to shifts in the participant distribution.

Segment	Rate Change
Active employees	-1.0%
Pre-65 Retirees	-8.8%
Total Pre-65 participants	-4.5%
Post-65 retirees	+2.3%

- The results of the rate analysis in this report will be incorporated into the June 30, 2020 Annual Other Postemployment Benefits Valuations for General, Police and Fire. The pre-65 retiree only “calculated rates” developed on page 19 of this report serve as the basis of pre-65 per capita costs. The per contract rates are converted to per member rates and then converted to age-graded rates for use in the valuations. The 2021 blended (active and pre-65 retiree) implemented rates (page 20) serve as the basis for pre-65 retiree contributions. The post-65 retirees pay 100% of the “smoothed” cost developed on page 20.
- Projections presented in this report will differ from retiree health valuation cash flows due to:
 - Age-based projection methodology used in the valuations versus average-base projections used in this report;
 - Data variances;
 - Cash flows in the reports are net of retiree contributions; and
 - The valuation year starts July 1st while the rating year starts January 1st.

James E. Pranschke and Umair Cheema are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

Respectively submitted,



James E. Pranschke, FSA, FCA, MAAA
Senior Health Care Actuary



Umair Cheema, ASA, MAAA
Senior Health Care Analyst

JEP:bd

cc: James D. Anderson, GRS



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Employer Paid Medical Claims Experience

Experience Year: 07/01/2018 - 06/30/2019
 Projection Year: 01/01/2021 - 12/31/2021

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Medical Claims *	\$ 16,160,374	\$ 6,877,450	\$ 23,037,824
Trend Factor (7.5% annual trend)	1.198	1.198	
Incurral Factor	1.012	1.012	
Plan Design / Network Adjustment Factor	0.880	0.880	
Projected Incurred Claims	\$ 17,241,355	\$ 7,337,489	\$ 24,578,844
Average Contracts	1,180.17	424.75	1,604.92
Average Members (adjusted)	3,628.83	990.08	4,618.92
Per Member Per Month Claims (PMPM)	\$ 395.93	\$ 617.58	\$ 443.44

Experience Year: 07/01/2019 - 06/30/2020
 Projection Year: 01/01/2021 - 12/31/2021

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Medical Claims	\$ 16,228,234	\$ 6,080,089	\$ 22,308,323
Trend Factor (7.5% annual trend)	1.114	1.114	
Incurral Factor	1.012	1.012	
Plan Design / Network Adjustment Factor	0.940	0.940	
Covid Experience Adjustment Factor	1.113	1.157	
Projected Incurred Claims	\$ 19,140,796	\$ 7,454,814	\$ 26,595,610
Average Contracts	1,178.17	417.67	1,595.83
Average Members (adjusted)	3,519.67	980.83	4,500.50
Per Member Per Month Claims (PMPM)	\$ 453.19	\$ 633.37	\$ 492.46
Weighted Average PMPM (60/40)	\$ 430.29	\$ 627.05	\$ 472.85
Administrative Fees	\$ 17.77	\$ 22.61	\$ 18.83
Total Medical PMPM	\$ 448.06	\$ 649.66	\$ 491.69

* See explanatory notes for detailed description.



Post-65 Retiree Medical Claims Experience

Projection Year: **01/01/2021 - 12/31/2021**

Experience Year (July to June)	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>Total / Weighted Ave.</u>
Experience Year				
Paid Medical Claims *	\$ 187,962	\$ 139,422	\$ 171,619	\$ 499,003
Trend Factor (7.5% annual trend)	1.288	1.198	1.114	
Incurral Factor	1.012	1.012	1.012	
Plan Design Adjustment Factor	1.000	1.000	1.000	
Covid Experience Adjustment Factor			1.027	
Projected Incurred Claims	\$ 245,001	\$ 169,031	\$ 198,702	\$ 612,734
Average Contracts	56.58	43.75	34.42	134.75
Average Members (adjusted)	62.92	48.75	38.50	150.17
Weighting Factor	33%	33%	33%	
Per Member Per Month Claims (PMPM)	\$ 324.50	\$ 288.94	\$ 430.09	\$ 347.84
Administrative Fees				\$ 42.84
Total Medical PMPM				\$ 390.68



Medical Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Medical PMPM	\$ 448.06	\$ 649.66	\$ 491.69	\$ 390.68
Members Per Contract	2.988	2.347	2.826	1.114
Per Employee Per Month Cost (PEPM)	\$ 1,338.80	\$ 1,524.75	\$ 1,389.52	\$ 435.22
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.067	1.999
Family	2.600	2.220	2.536	2.249
Composite Tier	2.095	1.789	2.018	1.143
Single Rate*	\$ 639.05	\$ 852.29	\$ 688.56	\$ 380.77
Double Rate*	\$ 1,373.96	\$ 1,661.97	\$ 1,423.25	\$ 761.16
Family Rate*	\$ 1,661.53	\$ 1,892.08	\$ 1,746.19	\$ 856.35

* Rate calculated as the PEPM times the rating tier divided by the composite tier.

Employer Paid Rx Pre-65 Claims Experience

Experience Year: 07/01/2018 - 06/30/2019

Projection Year: 01/01/2021 - 12/31/2021

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Paid Rx Claims	\$ 4,524,179	\$ 1,774,144	\$ 6,298,322
Trend Factor (8.5% annual trend)	1.226	1.226	1.226
Incurral Factor	1.007	1.007	1.007
Plan Design / Carrier Adjustment Factor	0.886	0.886	0.886
Projected Incurred claims	\$ 4,948,726	\$ 1,940,629	\$ 6,889,355
Average Contracts	1,180.17	424.75	1,604.92
Average Members (adjusted)	3,628.83	990.08	4,618.92
Per Member Per Month Claims (PMPM)	\$ 113.64	\$ 163.34	\$ 124.30

Experience Year: 07/01/2019 - 06/30/2020

Projection Year: 01/01/2021 - 12/31/2021

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Paid Rx Claims	\$ 3,946,862	\$ 1,895,785	\$ 5,842,647
Trend Factor (8.5% annual trend)	1.130	1.130	1.130
Incurral Factor	1.007	1.007	1.007
Plan Design / Carrier Adjustment Factor	0.943	0.943	0.943
Covid Experience Adjustment Factor	1.000	1.000	1.000
Projected Incurred Claims	\$ 4,235,177	\$ 2,034,270	\$ 6,269,447
Average Contracts	1,178.17	417.67	1,595.83
Average Members	3,519.67	980.83	4,500.50
Per Member Per Month Claims (PMPM)	\$ 100.27	\$ 172.84	\$ 116.09
Weighted Average PMPM (60/40)	\$ 105.62	\$ 169.04	\$ 119.37
Administrative Fees	\$ 0.68	\$ 0.87	\$ 0.72
Total Rx PMPM	\$ 106.30	\$ 169.91	\$ 120.09



Pre-65 Rx Rate Development

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Total Rx PMPM	\$ 106.30	\$ 169.91	\$ 120.09
Members Per Contract	2.988	2.347	2.826
Per Employee Per Month Cost (PEPM)	\$ 317.62	\$ 398.78	\$ 339.37
Rating Tiers			
Single	1.000	1.000	1.000
Double	2.150	1.950	2.067
Family	2.600	2.220	2.536
Composite Tier	2.095	1.789	2.018
Single Rate*	\$ 151.61	\$ 222.91	\$ 168.17
Double Rate*	\$ 325.96	\$ 434.67	\$ 347.61
Family Rate*	\$ 394.19	\$ 494.86	\$ 426.48

** Rate calculated as the PEPM times the rating tier divided by the composite tier.*

Post-65 Rx Claim Experience and Rate Development

Projection Year: 01/01/2021 - 12/31/2021

Experience Year (July to June)	2017-2018	2018-2019	2019-2020	Total / Weighted Ave.
Experience Year				
Paid Rx Claims	\$ 379,095	\$ 426,488	\$ 241,022	\$ 1,046,605
Trend Factor (8.5% annual trend)	1.330	1.226	1.130	
Incurral Factor	1.007	1.007	1.007	
Plan Design Adjustment Factor	0.884	0.886	0.943	
Covid Experience Adjustment Factor			1.000	
Projected Incurred Claims	\$ 448,830	\$ 466,509	\$ 258,628	\$ 1,173,967
Average Contracts	56.58	43.75	34.42	134.75
Average Members (adjusted)	62.92	48.75	38.50	150.17
Weighting Factor	33.3%	33.3%	33.3%	
Per Member Per Month Claims (PMPM)	\$ 594.45	\$ 797.45	\$ 559.80	\$ 650.57
Administrative Fees				\$ 1.82
Total Rx PMPM				\$ 652.39
	\$2 Copay	\$4 Copay	\$4/\$8 Copay	\$10/\$20 Copay
Overall Rx Claims PMPM	\$ 650.57	\$ 650.57	\$ 650.57	\$ 650.57
Relative Value to \$10/\$20 Copay Plan***	1.073	1.056	1.050	0.988
Utilization Assumption	1.287	1.264	1.192	0.954
PMPM based on Relative Values (RVs)**	\$ 898.40	\$ 868.37	\$ 814.25	\$ 613.19
PMPM based on Experience	\$ -	\$ -	\$ -	\$ 648.19
Administrative Fees	\$ 2.04	\$ 1.82	\$ 2.04	\$ 1.79
Weighted Average PMPM (RVs) w/ Admin	\$ 900.44	\$ 870.19	\$ 816.29	\$ 614.98
Per Employee Per Month Cost (PEPM)	\$ 1,003.09	\$ 969.39	\$ 909.35	\$ 685.09
Single	1.000	1.000	1.000	1.000
Double	1.999	1.999	1.999	1.999
Family	2.249	2.249	2.249	2.249
Composite Tier	1.143	1.143	1.143	1.143
Single Rate*	\$ 877.59	\$ 848.11	\$ 795.58	\$ 599.38
Double Rate*	\$ 1,754.30	\$ 1,695.37	\$ 1,590.36	\$ 1,198.16
Family Rate*	\$ 1,973.70	\$ 1,907.40	\$ 1,789.26	\$ 1,348.01

* Rate calculated as the PEPM times the rating tier divided by the composite tier.

** Uses relativities produced by GRS model to reallocate claims since PMPM based on experience is not credible.



Employer Paid Dental Claims Experience

Experience Year: 07/01/2018 - 06/30/2019

Projection Year: 01/01/2021 - 12/31/2021

	Active	Pre-65 Retirees	Pre-65 Blend	Post-65 Retirees
Paid Dental Claims	\$ 895,905	\$ 293,894	\$ 1,189,799	\$ 2,840
Trend Factor (4% annual trend)	1.103	1.103	1.103	1.103
Incurral Factor	1.003	1.003	1.003	1.003
Plan Design Adjustment Factor	1.147	1.147	1.147	1.147
Projected Incurred claims	\$ 1,136,846	\$ 372,933	\$ 1,509,779	\$ 3,604
Average Contracts	1,180.17	424.75	1,604.92	9.00
Average Members (adjusted)	3,628.83	990.08	4,618.92	12.00
Per Member Per Month Claims (PMPM)	\$ 26.11	\$ 31.39	\$ 27.24	\$ 25.03

Experience Year: 07/01/2019 - 06/30/2020

Projection Year: 01/01/2021 - 12/31/2021

	Active	Pre-65 Retirees	Pre-65 Blend	Post-65 Retirees
Paid Dental Claims	\$ 814,871	\$ 285,919	\$ 1,100,791	\$ 3,623
Trend Factor (4% annual trend)	1.060	1.060	1.060	1.060
Incurral Factor	1.003	1.003	1.003	1.003
Plan Design Adjustment Factor	1.074	1.074	1.074	1.074
Covid Experience Adjustment Factor	1.128	1.141	1.128	1.141
Projected Incurred Claims	\$ 1,049,076	\$ 372,338	\$ 1,417,173	\$ 4,718
Average Contracts	1,178.17	417.67	1,595.83	9.33
Average Members	3,519.67	980.83	4,500.50	12.33
Per Member Per Month Claims (PMPM)	\$ 24.84	\$ 31.63	\$ 26.32	\$ 31.88
Weighted Average PMPM (60/40)	\$ 25.35	\$ 31.53	\$ 26.69	\$ 29.14
Administrative Fees	\$ 1.12	\$ 1.38	\$ 1.17	\$ -
Total Dental PMPM	\$ 26.47	\$ 32.91	\$ 27.86	\$ 29.14



Dental Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Dental PMPM	\$ 26.47	\$ 32.91	\$ 27.86	\$ 29.14
Members Per Contract	2.988	2.347	2.826	1.321
Per Employee Per Month Cost (PEPM)	\$ 79.09	\$ 77.24	\$ 78.73	\$ 38.51
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.067	1.999
Family	2.600	2.220	2.536	2.249
Composite Tier	2.095	1.789	2.018	1.321
Single Rate*	\$ 37.75	\$ 43.17	\$ 39.01	\$ 29.15
Double Rate*	\$ 81.16	\$ 84.18	\$ 80.63	\$ 58.27
Family Rate*	\$ 98.15	\$ 95.84	\$ 98.93	\$ 65.56

* Rate calculated as the PEPM times the rating tier divided by the composite tier.

Employer Paid Vision Claims Experience

Experience Year: **07/01/2018 - 06/30/2019**

Projection Year: **01/01/2021 - 12/31/2021**

	Active	Pre-65 Retirees	Pre-65 Blend	Post-65 Retirees
Paid Vision Claims	\$ 207,023	\$ 77,728	\$ 284,751	\$ 429
Trend Factor (3.5% annual trend)	1.090	1.090	1.090	1.090
Incurral Factor	1.003	1.003	1.003	1.003
Plan Design / Carrier Adjustment Factor	1.158	1.158	1.158	1.158
Projected Incurred Claims	\$ 262,092	\$ 98,404	\$ 360,497	\$ 543
Average Contracts	1,180.17	424.75	1,604.92	43.75
Average Members (adjusted)	3,628.83	990.08	4,618.92	48.75
Per Member Per Month Claims (PMPM)	\$ 6.02	\$ 8.28	\$ 6.50	\$ 0.93

Experience Year: **07/01/2019 - 06/30/2020**

Projection Year: **01/01/2021 - 12/31/2021**

	Active	Pre-65 Retirees	Pre-65 Blend	Post-65 Retirees
Paid Vision claims	\$ 310,496	\$ 102,246	\$ 412,741	\$ 333
Trend Factor (3.5% annual trend)	1.053	1.053	1.053	1.053
Incurral Factor	1.003	1.003	1.003	1.003
Plan Design / Carrier Adjustment Factor	1.079	1.079	1.079	1.079
Covid Experience Adjustment Factor	1.000	1.000	1.000	1.000
Projected Incurred Claims	\$ 353,840	\$ 116,519	\$ 470,358	\$ 379
Average Contracts	1,178.17	417.67	1,595.83	34.42
Average Members	3,519.67	980.83	4,500.50	38.50
Per Member Per Month Claims (PMPM)	\$ 8.38	\$ 9.90	\$ 8.71	\$ 0.82
Weighted Average PMPM (60/40)	\$ 7.44	\$ 9.25	\$ 7.83	\$ 0.86
Administrative Fees	\$ 0.38	\$ 0.48	\$ 0.40	\$ 1.01
Total Vision PMPM	\$ 7.82	\$ 9.73	\$ 8.23	\$ 1.87



Vision Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Vision PMPM	\$ 7.82	\$ 9.73	\$ 8.23	\$ 1.87
Members Per Contract	2.988	2.347	2.826	1.114
Per Employee Per Month Cost (PEPM)	\$ 23.37	\$ 22.84	\$ 23.26	\$ 2.08
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.067	1.999
Family	2.600	2.220	2.536	2.249
Composite Tier	2.095	1.789	2.018	1.143
Single Rate*	\$ 11.15	\$ 12.76	\$ 11.53	\$ 1.82
Double Rate*	\$ 23.97	\$ 24.88	\$ 23.83	\$ 3.64
Family Rate*	\$ 28.99	\$ 28.33	\$ 29.24	\$ 4.09

* Rate calculated as the PEPM times the rating tier divided by the composite tier.

City of Grand Rapids

Summary of Non-Medicare Claims and Expenses

July 2019 through June 2020

July 2019	Active	Pre-65 Retiree	Total
Contracts	1,177	423	1,600
Lives	3,569	972	4,541
Medical	\$1,768,133	\$769,790	\$2,537,923
Rx net of Rebate	\$307,043	\$130,886	\$437,929
Dental	\$72,532	\$30,263	\$102,795
Vision	\$14,084	\$4,787	\$18,871
Meritain/GR Adm. Fee	\$45,086	\$14,949	\$60,035
Meritain - HPA	\$2,607	\$924	\$3,531
Meritain - HPA - DM	\$0	\$3,174	\$3,174
Dental Admin Fees	\$4,584	\$1,579	\$6,163
Cofinity/Aetna	\$9,328	\$3,307	\$12,635
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$2,229,488	\$961,818	\$3,191,306

October 2019	Active	Pre-65 Retiree	Total
Contracts	1,187	425	1,612
Lives	3,572	991	4,563
Medical	\$1,325,449	\$815,340	\$2,140,790
Rx net of Rebate	\$288,885	\$164,546	\$453,432
Dental	\$77,187	\$31,926	\$109,113
Vision	\$18,618	\$8,731	\$27,349
Meritain/GR Adm. Fee	\$55,521	\$15,139	\$70,660
Meritain - HPA	\$2,601	\$922	\$3,523
Meritain - HPA - DM	\$0	\$3,181	\$3,181
Dental Admin Fees	\$4,659	\$1,605	\$6,264
Cofinity/Aetna	\$9,316	\$3,303	\$12,619
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$1,788,329	\$1,046,852	\$2,835,181

August 2019	Active	Pre-65 Retiree	Total
Contracts	1,191	432	1,623
Lives	3,593	1,004	4,597
Medical	\$1,763,950	\$488,203	\$2,252,153
Rx net of Rebate	\$282,127	\$152,243	\$434,370
Dental	\$90,958	\$21,771	\$112,729
Vision	\$12,383	\$3,252	\$15,634
Meritain/GR Adm. Fee	\$67,858	\$15,195	\$83,053
Meritain - HPA	\$2,567	\$910	\$3,477
Meritain - HPA - DM	\$0	\$3,181	\$3,181
Dental Admin Fees	\$4,596	\$1,583	\$6,179
Cofinity/Aetna	\$9,244	\$3,277	\$12,521
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$2,239,774	\$691,773	\$2,931,548

November 2019	Active	Pre-65 Retiree	Total
Contracts	1,188	422	1,610
Lives	3,565	985	4,550
Medical	\$1,157,757	\$468,495	\$1,626,252
Rx net of Rebate	\$337,353	\$143,026	\$480,379
Dental	\$61,019	\$28,307	\$89,326
Vision	\$11,297	\$3,936	\$15,234
Meritain/GR Adm. Fee	\$45,507	\$17,449	\$62,956
Meritain - HPA	\$2,565	\$909	\$3,474
Meritain - HPA - DM	\$0	\$3,129	\$3,129
Dental Admin Fees	\$4,547	\$1,566	\$6,113
Cofinity/Aetna	\$9,182	\$3,255	\$12,437
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$1,635,318	\$672,232	\$2,307,550

September 2019	Active	Pre-65 Retiree	Total
Contracts	1,186	427	1,613
Lives	3,576	987	4,563
Medical	\$1,221,883	\$775,509	\$1,997,392
Rx net of Rebate	\$288,498	\$127,509	\$416,007
Dental	\$53,393	\$22,566	\$75,959
Vision	\$11,095	\$3,828	\$14,923
Meritain/GR Adm. Fee	\$66,935	\$14,004	\$80,939
Meritain - HPA	\$2,543	\$902	\$3,445
Meritain - HPA - DM	\$0	\$3,204	\$3,204
Dental Admin Fees	\$4,514	\$1,555	\$6,069
Cofinity/Aetna	\$9,209	\$3,264	\$12,473
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$1,664,161	\$954,501	\$2,618,662

December 2019	Active	Pre-65 Retiree	Total
Contracts	1,188	419	1,607
Lives	3,576	984	4,560
Medical	\$1,590,841	\$334,323	\$1,925,165
Rx net of Rebate	\$143,765	\$69,464	\$213,230
Dental	\$55,084	\$20,442	\$75,526
Vision	\$5,064	\$3,094	\$8,157
Meritain/GR Adm. Fee	\$87,183	\$15,257	\$102,440
Meritain - HPA	\$2,590	\$918	\$3,508
Meritain - HPA - DM	\$0	\$3,062	\$3,062
Dental Admin Fees	\$4,566	\$1,573	\$6,139
Cofinity/Aetna	\$9,142	\$3,241	\$12,383
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$1,904,326	\$453,533	\$2,357,860



City of Grand Rapids

Summary of Non-Medicare Claims and Expenses

July 2019 through June 2020

January 2020	Active	Pre-65 Retiree	Total
Contracts	1,177	408	1,585
Lives	3,539	958	4,497
Medical	\$1,362,207	\$596,331	\$1,958,538
Rx net of Rebate	\$592,897	\$274,899	\$867,795
Dental	\$103,361	\$39,374	\$142,735
Vision	\$43,037	\$15,283	\$58,320
Medical Admin Fee	\$108,026	\$33,744	\$141,770
	\$0	\$0	\$0
	\$0	\$0	\$0
Dental Admin Fees	\$4,005	\$1,380	\$5,385
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$2,219,624	\$963,169	\$3,182,793

April 2020	Active	Pre-65 Retiree	Total
Contracts	1,156	412	1,568
Lives	3,491	976	4,467
Medical	\$763,178	\$249,240	\$1,012,418
Rx net of Rebate	\$336,445	\$171,334	\$507,779
Dental	\$12,919	\$4,032	\$16,951
Vision	\$16,033	\$2,148	\$18,181
Medical Admin Fee	\$99,370	\$33,446	\$132,816
	\$0	\$0	\$0
	\$0	\$0	\$0
Dental Admin Fees	\$4,075	\$1,403	\$5,478
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$1,238,111	\$463,763	\$1,701,874

February 2020	Active	Pre-65 Retiree	Total
Contracts	1,162	414	1,576
Lives	3,498	982	4,480
Medical	\$1,467,256	\$416,371	\$1,883,627
Rx net of Rebate	\$307,237	\$131,785	\$439,022
Dental	\$112,543	\$26,752	\$139,295
Vision	\$90,417	\$26,403	\$116,821
Medical Admin Fee	\$99,141	\$33,040	\$132,181
	\$0	\$0	\$0
	\$0	\$0	\$0
Dental Admin Fees	\$3,978	\$1,370	\$5,348
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$2,086,664	\$637,879	\$2,724,543

May 2020	Active	Pre-65 Retiree	Total
Contracts	1,151	406	1,557
Lives	3,476	967	4,443
Medical	\$1,001,094	\$296,294	\$1,297,389
Rx net of Rebate	\$453,630	\$222,286	\$675,916
Dental	\$17,280	\$5,065	\$22,345
Vision	\$8,829	\$3,577	\$12,407
Medical Admin Fee	\$93,845	\$32,870	\$126,715
	\$0	\$0	\$0
	\$0	\$0	\$0
Dental Admin Fees	\$3,805	\$1,311	\$5,116
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$1,584,575	\$563,563	\$2,148,138

March 2020	Active	Pre-65 Retiree	Total
Contracts	1,163	413	1,576
Lives	3,502	979	4,481
Medical	\$1,814,181	\$480,681	\$2,294,862
Rx net of Rebate	\$342,363	\$162,216	\$504,579
Dental	\$72,575	\$25,494	\$98,069
Vision	\$52,533	\$15,994	\$68,527
Medical Admin Fee	\$94,586	\$33,394	\$127,980
	\$0	\$0	\$0
	\$0	\$0	\$0
Dental Admin Fees	\$4,013	\$1,382	\$5,395
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$2,386,342	\$721,320	\$3,107,662

June 2020	Active	Pre-65 Retiree	Total
Contracts	1,212	411	1,623
Lives	3,279	985	4,264
Medical	\$992,304	\$389,511	\$1,381,815
Rx net of Rebate	\$266,620	\$145,589	\$412,209
Dental	\$86,017	\$29,930	\$115,946
Vision	\$27,105	\$11,213	\$38,317
Medical Admin Fee	\$92,527	\$32,719	\$125,246
	\$0	\$0	\$0
	\$0	\$0	\$0
Dental Admin Fees	-\$158	-\$54	-\$212
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,091	\$2,159	\$8,250
Total	\$1,470,506	\$611,066	\$2,081,572



Calculation of Gain/(Loss) on July 2019 through June 2020 Combined Active and Pre-65 Retiree Segment Experience

Period	Pre-65 Claim & Admin Costs	Pre-65			Expected Revenue Based on 2019 & 2020 Calculated per Contract Rates*	Gain/(Loss)
		Active Contracts	Retiree Contracts	Total Non-Medicare Contracts		
July-19	\$3,191,306	1,177	423	1,600	\$3,174,896	(\$16,410)
August-19	\$2,931,548	1,191	432	1,623	\$3,220,535	\$288,987
September-19	\$2,618,662	1,186	427	1,613	\$3,200,692	\$582,030
October-19	\$2,835,181	1,187	425	1,612	\$3,198,708	\$363,527
November-19	\$2,307,550	1,188	422	1,610	\$3,194,739	\$887,189
December-19	\$2,357,860	1,188	419	1,607	\$3,188,786	\$830,926
January-20	\$3,182,793	1,177	408	1,585	\$2,673,546	(\$509,247)
February-20	\$2,724,543	1,162	414	1,576	\$2,658,365	(\$66,178)
March-20	\$3,107,662	1,163	413	1,576	\$2,658,365	(\$449,297)
April-20	\$1,701,874	1,156	412	1,568	\$2,644,871	\$942,997
May-20	\$2,148,138	1,151	406	1,557	\$2,626,316	\$478,178
June-20	\$2,081,572	1,212	411	1,623	\$2,737,644	\$656,072

Total	\$31,188,689	1,178	418	1,596	\$35,177,463	\$3,988,774
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Amount of July '19 through June '20 experience gain/(loss) recognized in 2021 rates	\$1,329,591
Amount of July '18 through June '19 experience gain/(loss) recognized in 2021 rates	\$1,717,555
Amount of July '17 through June '18 experience gain/(loss) recognized in 2021 rates	\$717,478
Total Amount experience gain/(loss) recognized in 2021 rates	\$3,764,624

* Apply rates from page 26 for 2020 and from page 27 for 2019 to derive Expected Revenue.

Calculation of Gain/(Loss) on July 2019 through June 2020 Post-65 Retiree Experience

Period	Post-65 Claim & Admin Costs	Post-65 Contracts	Expected Revenue Based on 2019 & 2020 Calculated per Contract Rates*	Gain/(Loss)
July-19	\$36,344	36	\$41,017	\$4,673
August-19	\$32,346	35	\$40,026	\$7,680
September-19	\$26,331	35	\$40,026	\$13,695
October-19	\$32,848	34	\$38,770	\$5,922
November-19	\$31,011	33	\$37,780	\$6,769
December-19	\$15,935	34	\$38,770	\$22,835
January-20	\$50,153	33	\$36,116	(\$14,037)
February-20	\$27,565	33	\$36,116	\$8,551
March-20	\$73,292	34	\$37,064	(\$36,228)
April-20	\$40,493	35	\$38,012	(\$2,481)
May-20	\$29,456	36	\$39,907	\$10,451
June-20	\$36,586	35	\$38,012	\$1,426

Total	<u>\$432,360</u>	<u>34</u>	<u>\$461,616</u>	<u>\$29,256</u>
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Portion of Gain / (Loss) recognized in 2020 Implemented Rates

Amount of July '19 through June '20 experience gain/(loss) (Use 1/3rd of total)	\$9,752
Amount of July '18 through June '19 experience gain/(loss) (Use 1/3rd of total)	\$4,261
Amount of July '17 through June '18 experience gain/(loss) (Use 1/3rd of total)	\$17,404
Total Amount experience gain/(loss) recognized in 2021 rates	\$31,417

* Apply rates from page 26 for 2020 and from page 27 for 2019 to derive Expected Revenue.

Explanation of Rates Developed in Following Section

Page 19: "2021 Calculated Premium Rates" Schedule"

This schedule develops the 2021 rates without incorporating any smoothing.

Page 20: "2021 Implemented Premium Rates"

This schedule incorporates the impact of past experience gains or losses separately for the Active and Pre-65 retiree segment and the Post-65 retiree segment. For the Active / Pre-65 retiree segment, all three experience periods show gains. Overall the smoothing formula reduces the calculated rates by 10.6% and the surplus reduction adjustment reduces the rate by an additional 7.0% for a total reduction of 17.6%.

For the Post-65 retiree segment, there are also three gains. Gains/(losses) are divided by three and used to adjust the rates in the subsequent three years. Overall this smoothing formula reduces the calculated rates by 6.4%.

Development of gains and losses for the most recent periods are on pages 13 and 14.

Gains/losses are determined by comparing the actual experience to the calculated rates (which are the best estimate of future costs). Gains/losses due to changes in the number of contracts are not recognized in the experience gain/loss calculations.

Active Segment

The table below illustrates the development of the rates for the **Active segments**, showing actual rates for 2020 and 2021 and projected rates for the following five years. The rates are projected assuming all trend assumptions are realized, there are no plan changes or changes in population; in reality, there will be gains and losses in future years.

	2020	2021	2022	2023	2024	2025	2026
Calculated Rate for Medical/Rx/Vision	\$ 1,508.14	\$ 1,679.80	\$ 1,814.18	\$ 1,959.31	\$ 2,116.05	\$ 2,285.33	\$ 2,468.16
Calculated Rate for Dental	\$ 81.53	\$ 79.09	\$ 82.25	\$ 85.54	\$ 88.96	\$ 92.52	\$ 96.22
Total Blended PEPM	\$ 1,589.67	\$ 1,758.89	\$ 1,896.43	\$ 2,044.85	\$ 2,205.01	\$ 2,377.85	\$ 2,564.38
Annual Increase		10.64%	7.82%	7.83%	7.83%	7.84%	7.84%
Smoothing Dollars							
Smoothing July 1 2016 - June 30 2017	\$ 157,044						
Smoothing July 1 2017 - June 30 2018	\$ (527,316)	\$ (527,316)					
Smoothing July 1 2018 - June 30 2019	\$ (1,262,995)	\$ (1,262,995)	\$ (1,262,995)				
Smoothing July 1 2019 - June 30 2020		\$ (981,606)	\$ (981,606)	\$ (981,606)			
Smoothing July 1 2020 - June 30 2021		\$ -	\$ -	\$ -			
Smoothing July 1 2021 - June 30 2022			\$ -	\$ -	\$ -		
Smoothing July 1 2022 - June 30 2023				\$ -	\$ -	\$ -	
Surplus Adjustment Rating Years 2021 - 2025		\$ (1,739,978)	\$ (1,390,143)	\$ (946,790)	\$ (560,645)	\$ (373,765)	\$ -
Total	\$ (1,633,267)	\$ (4,511,895)	\$ (3,634,744)	\$ (1,928,396)	\$ (560,645)	\$ (373,765)	\$ -
Contracts*	1,171	1,211	1,211	1,211	1,211	1,211	1,211
PEPM change due to smoothing	\$ (116.24)	\$ (310.48)	\$ (250.12)	\$ (132.70)	\$ (38.58)	\$ (25.72)	\$ -
Blended PEPM after Smoothing	\$ 1,473.43	\$ 1,448.41	\$ 1,646.31	\$ 1,912.15	\$ 2,166.43	\$ 2,352.13	\$ 2,564.38
Annual Increase		-1.70%	13.66%	16.15%	13.30%	8.57%	9.02%

* It is assumed that the pre-65 retiree population is stable with the current mix of contracts going forward.

Combined Active and Pre-65 Retiree Segment

The table below illustrates the development of the rates for the **Active / Pre-65 retiree segments**, showing actual rates for 2020 and 2021 and projected rates for the following five years. The rates are projected assuming all trend assumptions are realized, there are no plan changes or changes in population; in reality, there will be gains and losses in future years.

	2020	2021	2022	2023	2024	2025	2026
Calculated Rate for Medical/Rx/Vision	\$ 1,606.39	\$ 1,746.99	\$ 1,886.75	\$ 2,037.69	\$ 2,200.71	\$ 2,376.77	\$ 2,566.91
Calculated Rate for Dental	\$ 80.39	\$ 78.61	\$ 81.75	\$ 85.02	\$ 88.42	\$ 91.96	\$ 95.64
Total Blended PEPM	\$ 1,686.78	\$ 1,825.60	\$ 1,968.50	\$ 2,122.71	\$ 2,289.13	\$ 2,468.73	\$ 2,662.55
Annual Increase		8.23%	7.83%	7.83%	7.84%	7.85%	7.85%
Smoothing Dollars							
Smoothing July 1 2016 - June 30 2017	\$ 216,094						
Smoothing July 1 2017 - June 30 2018	\$ (717,478)	\$ (717,478)					
Smoothing July 1 2018 - June 30 2019	\$ (1,717,555)	\$ (1,717,555)	\$ (1,717,555)				
Smoothing July 1 2019 - June 30 2020		\$ (1,329,591)	\$ (1,329,591)	\$ (1,329,591)			
Smoothing July 1 2020 - June 30 2021		\$ -	\$ -	\$ -			
Smoothing July 1 2021 - June 30 2022			\$ -	\$ -	\$ -		
Smoothing July 1 2022 - June 30 2023				\$ -	\$ -	\$ -	
Surplus Adjustment Rating Years 2021 - 2025		\$ (2,500,000)	\$ (2,000,000)	\$ (1,250,000)	\$ (750,000)	\$ (500,000)	\$ -
Total	\$ (2,218,939)	\$ (6,264,624)	\$ (5,047,146)	\$ (2,579,591)	\$ (750,000)	\$ (500,000)	\$ -
Contracts*	1,593	1,620	1,620	1,620	1,620	1,620	1,620
PEPM change due to smoothing	\$ (116.08)	\$ (322.25)	\$ (259.63)	\$ (132.70)	\$ (38.58)	\$ (25.72)	\$ -
Blended PEPM after Smoothing	\$ 1,570.70	\$ 1,503.35	\$ 1,708.87	\$ 1,990.01	\$ 2,250.55	\$ 2,443.01	\$ 2,662.55
Annual Increase		-4.29%	13.67%	16.45%	13.09%	8.55%	8.99%

* It is assumed that the pre-65 retiree population is stable with the current mix of contracts going forward.

Post-65 Retiree Segment

The table below illustrates the development of the rates for the **Post-65 retiree segment**, showing actual rates for 2020 and 2021 and projected rates for the following five years. The rates are projected assuming all trend assumptions are realized, there are no plan changes or changes in population; in reality, there will be gains and losses in future years.

	2020	2021	2022	2023	2024	2025	2026
Calculated Rate for Medical/Rx/Vision	\$ 1,098.17	\$ 1,154.84	\$ 1,247.23	\$ 1,347.01	\$ 1,454.77	\$ 1,571.15	\$ 1,696.84
Calculated Rate for Dental	\$ 29.95	\$ 31.64	\$ 32.91	\$ 34.23	\$ 35.60	\$ 37.02	\$ 38.50
Total Blended PEPM	\$ 1,128.12	\$ 1,186.48	\$ 1,280.14	\$ 1,381.24	\$ 1,490.37	\$ 1,608.17	\$ 1,735.34
Annual Increase		5.17%	7.89%	7.90%	7.90%	7.90%	7.91%
Smoothing Dollars							
Smoothing July 1 2016 - June 30 2017	\$ 3,411						
Smoothing July 1 2017 - June 30 2018	\$ (17,404)	\$ (17,404)					
Smoothing July 1 2018 - June 30 2019	\$ (4,261)	\$ (4,261)	\$ (4,261)				
Smoothing July 1 2019 - June 30 2020		\$ (9,752)	\$ (9,752)	\$ (9,752)			
Smoothing July 1 2020 - June 30 2021		\$ -	\$ -	\$ -			
Smoothing July 1 2021 - June 30 2022			\$ -	\$ -	\$ -		
Smoothing July 1 2022 - June 30 2023				\$ -	\$ -	\$ -	
Total	\$ (18,254)	\$ (31,417)	\$ (14,013)	\$ (9,752)	\$ -	\$ -	\$ -
Contracts*	40	35	35	35	35	35	35
PEPM change due to smoothing	\$ (38.03)	\$ (74.80)	\$ (33.36)	\$ (23.22)	\$ -	\$ -	\$ -
Blended PEPM after Smoothing	\$ 1,090.09	\$ 1,111.68	\$ 1,246.78	\$ 1,358.02	\$ 1,490.37	\$ 1,608.17	\$ 1,735.34
Annual Increase		1.98%	12.15%	8.92%	9.75%	7.90%	7.91%
<i>* It is assumed that the post-65 retiree population is stable with the current mix of contracts going forward.</i>							

2021 Calculated Premium Rates Without Reflection of Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	315	\$ 839.56	\$ 801.81	\$ 37.75	\$ 3,173,537
	2 Person	239	\$ 1,805.05	\$ 1,723.89	\$ 81.16	\$ 5,176,883
	Family	657	\$ 2,182.86	\$ 2,084.71	\$ 98.15	\$ 17,209,668
	Composite	1,211	\$ 1,758.88	\$ 1,679.80	\$ 79.09	\$ 25,560,088
Retired <65	EE Only	107	\$ 1,131.13	\$ 1,087.96	\$ 43.17	\$ 1,452,371
	2 Person	170	\$ 2,205.70	\$ 2,121.52	\$ 84.18	\$ 4,499,628
	Family	132	\$ 2,511.11	\$ 2,415.27	\$ 95.84	\$ 3,977,598
	Composite	409	\$ 2,023.15	\$ 1,945.93	\$ 77.21	\$ 9,929,597
Blended*	EE Only	422	\$ 913.49	\$ 874.36	\$ 39.12	\$ 4,625,908
	2 Person	409	\$ 1,971.58	\$ 1,889.16	\$ 82.42	\$ 9,676,511
	Family	789	\$ 2,237.78	\$ 2,140.01	\$ 97.76	\$ 21,187,266
	Composite	1,620	\$ 1,825.60	\$ 1,746.99	\$ 78.61	\$ 35,489,685
Retired >65 \$2 Rx Copay	EE Only	2	\$ 1,260.18	\$ 1,260.18		\$ 30,244
	w Dep>65	0	\$ 2,519.10	\$ 2,519.10		\$ -
	w Dep<65	0	\$ 2,834.14	\$ 2,834.14		\$ -
	Composite	2	\$ 1,260.18	\$ 1,260.18		\$ 30,244
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,230.70	\$ 1,230.70		\$ -
	w Dep>65	0	\$ 2,460.17	\$ 2,460.17		\$ -
	w Dep<65	0	\$ 2,767.84	\$ 2,767.84		\$ -
	Composite	0	\$ -	\$ -		\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,207.32	\$ 1,178.17	\$ 29.15	\$ 43,464
	w Dep>65	0	\$ 2,413.43	\$ 2,355.16	\$ 58.27	\$ -
	w Dep<65	0	\$ 2,715.26	\$ 2,649.70	\$ 65.56	\$ -
	Composite	3	\$ 1,207.32	\$ 1,178.17	\$ 29.15	\$ 43,464
Retired >65 \$10/\$20 Rx Copay	EE Only	25	\$ 1,011.13	\$ 981.98	\$ 29.15	\$ 303,339
	w Dep>65	5	\$ 2,021.25	\$ 1,962.98	\$ 58.27	\$ 121,275
	w Dep<65	0	\$ 2,274.03	\$ 2,208.47	\$ 65.56	\$ -
	Composite	30	\$ 1,179.48	\$ 1,145.48	\$ 34.00	\$ 424,614
Composite >65	EE Only	30	\$ 1,047.35	\$ 1,020.15	\$ 27.21	\$ 377,047
	w Dep>65	5	\$ 2,021.25	\$ 1,962.98	\$ 58.27	\$ 121,275
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	35	\$ 1,186.48	\$ 1,154.84	\$ 31.64	\$ 498,322

* Blended using revenue



2021 Implemented Premium Rates

Reflecting Gain/Loss Smoothing & Surplus Reduction Adjustment

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	315	\$ 691.36	\$ 660.27	\$ 31.09	\$ 2,613,345
	2 Person	239	\$ 1,486.42	\$ 1,419.59	\$ 66.83	\$ 4,263,062
	Family	657	\$ 1,797.54	\$ 1,716.72	\$ 80.82	\$ 14,171,825
	Composite	1,211	\$ 1,448.41	\$ 1,383.28	\$ 65.13	\$ 21,048,232
Retired <65	EE Only	107	\$ 931.46	\$ 895.91	\$ 35.55	\$ 1,195,999
	2 Person	170	\$ 1,816.35	\$ 1,747.03	\$ 69.32	\$ 3,705,356
	Family	132	\$ 2,067.85	\$ 1,988.93	\$ 78.92	\$ 3,275,474
	Composite	409	\$ 1,666.02	\$ 1,602.44	\$ 63.58	\$ 8,176,829
Blended*	EE Only	422	\$ 752.24	\$ 720.02	\$ 32.22	\$ 3,809,344
	2 Person	409	\$ 1,623.56	\$ 1,555.69	\$ 67.87	\$ 7,968,418
	Family	789	\$ 1,842.77	\$ 1,762.26	\$ 80.51	\$ 17,447,299
	Composite	1,620	\$ 1,503.36	\$ 1,438.61	\$ 64.75	\$ 29,225,061
Retired >65 \$2 Rx Copay	EE Only	2	\$ 1,180.73	\$ 1,180.73	\$ -	\$ 28,338
	w Dep>65	0	\$ 2,360.28	\$ 2,360.28	\$ -	\$ -
	w Dep<65	0	\$ 2,655.46	\$ 2,655.46	\$ -	\$ -
	Composite	2	\$ 1,180.73	\$ 1,180.73	\$ -	\$ 28,338
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,153.11	\$ 1,153.11	\$ -	\$ -
	w Dep>65	0	\$ 2,305.07	\$ 2,305.07	\$ -	\$ -
	w Dep<65	0	\$ 2,593.34	\$ 2,593.34	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,131.20	\$ 1,103.89	\$ 27.31	\$ 40,723
	w Dep>65	0	\$ 2,261.28	\$ 2,206.68	\$ 54.60	\$ -
	w Dep<65	0	\$ 2,544.08	\$ 2,482.65	\$ 61.43	\$ -
	Composite	3	\$ 1,131.20	\$ 1,103.89	\$ 27.31	\$ 40,723
Retired >65 \$10/\$20 Rx Copay	EE Only	25	\$ 947.38	\$ 920.07	\$ 27.31	\$ 284,214
	w Dep>65	5	\$ 1,893.82	\$ 1,839.22	\$ 54.60	\$ 113,629
	w Dep<65	0	\$ 2,130.67	\$ 2,069.24	\$ 61.43	\$ -
	Composite	30	\$ 1,105.12	\$ 1,073.26	\$ 31.86	\$ 397,843
Composite >65	EE Only	30	\$ 981.32	\$ 955.83	\$ 25.49	\$ 353,275
	w Dep>65	5	\$ 1,893.82	\$ 1,839.22	\$ 54.60	\$ 113,629
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	35	\$ 1,111.68	\$ 1,082.03	\$ 29.65	\$ 466,904

* Blended using revenue



2021 Implemented Rates vs. 2020 Implemented Rates (Dollar Increases)

		Total	Med/Rx/Vis	Dental	Total Revenue*
Active	EE Only	\$ (6.72)	\$ (2.00)	\$ (4.71)	\$ (2,117)
	2 Person	\$ (14.45)	\$ (4.30)	\$ (10.15)	\$ (3,453)
	Family	\$ (17.47)	\$ (5.20)	\$ (12.27)	\$ (11,475)
	Composite	\$ (31.87)	\$ (21.07)	\$ (10.80)	\$ (17,045)
Retired <65	EE Only	\$ (90.38)	\$ (85.59)	\$ (4.78)	\$ (9,671)
	2 Person	\$ (176.24)	\$ (166.91)	\$ (9.33)	\$ (29,961)
	Family	\$ (200.64)	\$ (190.01)	\$ (10.63)	\$ (26,485)
	Composite	\$ (155.60)	\$ (147.27)	\$ (8.33)	\$ (66,117)
Blended	EE Only	\$ (35.64)	\$ (30.79)	\$ (4.84)	\$ (15,039)
	2 Person	\$ (96.24)	\$ (86.38)	\$ (9.86)	\$ (39,362)
	Family	\$ (44.00)	\$ (31.98)	\$ (12.02)	\$ (34,716)
	Composite	\$ (67.34)	\$ (57.23)	\$ (10.11)	\$ (89,117)
Retired >65 \$2 Rx Copay	EE Only	\$ 33.30	\$ 33.30	\$ -	\$ 67
	w Dep>65	\$ 66.56	\$ 66.56	\$ -	\$ -
	w Dep<65	\$ 74.90	\$ 74.90	\$ -	\$ -
	Composite	\$ 33.30	\$ 33.30	\$ -	\$ 67
Retired >65 \$4 Rx Copay	EE Only	\$ 33.75	\$ 33.75	\$ -	\$ -
	w Dep>65	\$ 67.46	\$ 67.46	\$ -	\$ -
	w Dep<65	\$ 75.90	\$ 75.90	\$ -	\$ -
	Composite	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	\$ 32.55	\$ 32.81	\$ (0.26)	\$ 98
	w Dep>65	\$ 65.07	\$ 65.57	\$ (0.51)	\$ -
	w Dep<65	\$ 73.22	\$ 73.78	\$ (0.57)	\$ -
	Composite	\$ 32.55	\$ 32.81	\$ (0.26)	\$ 98
Retired >65 \$10/\$20 Rx Copay	EE Only	\$ 31.39	\$ 31.65	\$ (0.26)	\$ 785
	w Dep>65	\$ 62.77	\$ 63.28	\$ (0.51)	\$ 314
	w Dep<65	\$ 70.62	\$ 71.19	\$ (0.57)	\$ -
	Composite	\$ 22.75	\$ 23.47	\$ (0.72)	\$ 1,099
Composite >65	EE Only	\$ 21.99	\$ 20.82	\$ 1.17	\$ 660
	w Dep>65	\$ 62.77	\$ 63.28	\$ (0.51)	\$ 314
	w Dep<65	\$ -	\$ -	\$ -	\$ -
	Composite	\$ 21.59	\$ 20.88	\$ 0.71	\$ 974

* change in revenue uses the current enrollment applied to the rate change.



2021 Implemented Rates vs. 2020 Implemented Rates (Percentage Increases)

		Total	Med/Rx/Vis	Dental	Total Revenue*
Active	EE Only	(0.96%)	(0.30%)	(13.16%)	(0.96%)
	2 Person	(0.96%)	(0.30%)	(13.19%)	(0.96%)
	Family	(0.96%)	(0.30%)	(13.18%)	(0.96%)
	Composite	(2.15%)	(1.50%)	(14.22%)	(0.96%)
Retired <65	EE Only	(8.84%)	(8.72%)	(11.85%)	(8.84%)
	2 Person	(8.84%)	(8.72%)	(11.86%)	(8.84%)
	Family	(8.84%)	(8.72%)	(11.87%)	(8.84%)
	Composite	(8.54%)	(8.42%)	(11.58%)	(8.84%)
Blended	EE Only	(4.52%)	(4.10%)	(13.06%)	(4.52%)
	2 Person	(5.60%)	(5.26%)	(12.68%)	(5.60%)
	Family	(2.33%)	(1.78%)	(12.99%)	(2.33%)
	Composite	(4.29%)	(3.83%)	(13.51%)	(3.53%)
Retired >65 \$2 Rx Copay	EE Only	2.90%	2.90%	N/A	2.90%
	w Dep>65	2.90%	2.90%	N/A	N/A
	w Dep<65	2.90%	2.90%	N/A	N/A
	Composite	2.90%	2.90%	N/A	2.90%
Retired >65 \$4 Rx Copay	EE Only	3.02%	3.02%	N/A	N/A
	w Dep>65	3.01%	3.01%	N/A	N/A
	w Dep<65	3.02%	3.02%	N/A	N/A
	Composite	N/A	N/A	N/A	N/A
Retired >65 \$4/\$8 Rx Copay	EE Only	2.96%	3.06%	(0.93%)	2.96%
	w Dep>65	2.96%	3.06%	(0.93%)	N/A
	w Dep<65	2.96%	3.06%	(0.92%)	N/A
	Composite	2.96%	3.06%	(0.94%)	2.96%
Retired >65 \$10/\$20 Rx Copay	EE Only	3.43%	3.56%	(0.93%)	3.43%
	w Dep>65	3.43%	3.56%	(0.93%)	3.43%
	w Dep<65	3.43%	3.56%	(0.92%)	N/A
	Composite	2.10%	2.24%	(2.21%)	3.43%
Composite >65	EE Only	2.29%	2.23%	4.80%	2.29%
	w Dep>65	3.43%	3.56%	(0.93%)	3.43%
	w Dep<65	N/A	N/A	N/A	N/A
	Composite	1.98%	1.97%	2.45%	2.57%

* % change in revenue uses the current enrollment applied to the rate change.



2022 Trended Calculated Premium Rates

(Assumes No Change in Covered Lives from 2020)

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	315	\$ 905.21	\$ 865.95	\$ 39.26	\$ 3,421,694
	2 Person	239	\$ 1,946.21	\$ 1,861.80	\$ 84.41	\$ 5,581,730
	Family	657	\$ 2,353.57	\$ 2,251.49	\$ 102.08	\$ 18,555,546
	Composite	1,211	\$ 1,896.43	\$ 1,814.18	\$ 82.25	\$ 27,558,970
Retired <65	EE Only	107	\$ 1,219.90	\$ 1,175.00	\$ 44.90	\$ 1,566,352
	2 Person	170	\$ 2,378.79	\$ 2,291.24	\$ 87.55	\$ 4,852,732
	Family	132	\$ 2,708.16	\$ 2,608.49	\$ 99.67	\$ 4,289,725
	Composite	409	\$ 2,181.91	\$ 2,101.61	\$ 80.30	\$ 10,708,809
Blended	EE Only	422	\$ 985.00	\$ 944.31	\$ 40.69	\$ 4,988,045
	2 Person	409	\$ 2,126.01	\$ 2,040.30	\$ 85.71	\$ 10,434,462
	Family	789	\$ 2,412.89	\$ 2,311.21	\$ 101.67	\$ 22,845,271
	Composite	1,620	\$ 1,968.50	\$ 1,886.74	\$ 81.76	\$ 38,267,778
Retired >65 \$2 Rx Copay	EE Only	2	\$ 1,360.99	\$ 1,360.99	\$ -	\$ 32,664
	w Dep>65	0	\$ 2,720.63	\$ 2,720.63	\$ -	\$ -
	w Dep<65	0	\$ 3,060.87	\$ 3,060.87	\$ -	\$ -
	Composite	2	\$ 1,360.99	\$ 1,360.99	\$ -	\$ 32,664
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,329.16	\$ 1,329.16	\$ -	\$ -
	w Dep>65	0	\$ 2,656.98	\$ 2,656.98	\$ -	\$ -
	w Dep<65	0	\$ 2,989.27	\$ 2,989.27	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,302.74	\$ 1,272.42	\$ 30.32	\$ 46,899
	w Dep>65	0	\$ 2,604.17	\$ 2,543.57	\$ 60.60	\$ -
	w Dep<65	0	\$ 2,929.86	\$ 2,861.68	\$ 68.18	\$ -
	Composite	3	\$ 1,302.74	\$ 1,272.42	\$ 30.32	\$ 46,899
Retired >65 \$10/\$20 Rx Copay	EE Only	25	\$ 1,090.86	\$ 1,060.54	\$ 30.32	\$ 327,258
	w Dep>65	5	\$ 2,180.62	\$ 2,120.02	\$ 60.60	\$ 130,837
	w Dep<65	0	\$ 2,453.33	\$ 2,385.15	\$ 68.18	\$ -
	Composite	30	\$ 1,272.49	\$ 1,237.12	\$ 35.37	\$ 458,095
Composite >65	EE Only	30	\$ 1,130.05	\$ 1,101.76	\$ 28.29	\$ 406,818
	w Dep>65	5	\$ 2,180.62	\$ 2,120.02	\$ 60.60	\$ 130,837
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	35	\$ 1,280.13	\$ 1,247.23	\$ 32.91	\$ 537,655



2022 Smoothed Premium Rates

(Assumes No Change in Covered Lives from 2020)

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	315	\$ 785.82	\$ 751.74	\$ 34.08	\$ 2,970,400
	2 Person	239	\$ 1,689.52	\$ 1,616.25	\$ 73.27	\$ 4,845,543
	Family	657	\$ 2,043.15	\$ 1,954.54	\$ 88.61	\$ 16,108,195
Composite		1,211	\$ 1,646.31	\$ 1,574.91	\$ 71.40	\$ 23,924,138
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired <65	EE Only	107	\$ 1,059.01	\$ 1,020.03	\$ 38.98	\$ 1,359,769
	2 Person	170	\$ 2,065.05	\$ 1,989.05	\$ 76.00	\$ 4,212,702
	Family	132	\$ 2,350.99	\$ 2,264.46	\$ 86.53	\$ 3,723,968
Composite		409	\$ 1,894.14	\$ 1,824.43	\$ 69.71	\$ 9,296,439
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Blended	EE Only	422	\$ 855.09	\$ 819.77	\$ 35.32	\$ 4,330,168
	2 Person	409	\$ 1,845.61	\$ 1,771.20	\$ 74.41	\$ 9,058,245
	Family	789	\$ 2,094.65	\$ 2,006.39	\$ 88.26	\$ 19,832,163
Composite		1,620	\$ 1,708.87	\$ 1,637.90	\$ 70.97	\$ 33,220,576
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$2 Rx Copay	EE Only	2	\$ 1,325.52	\$ 1,325.52	\$ -	\$ 31,812
	w Dep>65	0	\$ 2,649.72	\$ 2,649.72	\$ -	\$ -
	w Dep<65	0	\$ 2,981.10	\$ 2,981.10	\$ -	\$ -
Composite		2	\$ 1,325.52	\$ 1,325.52	\$ -	\$ 31,812
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,294.51	\$ 1,294.51	\$ -	\$ -
	w Dep>65	0	\$ 2,587.73	\$ 2,587.73	\$ -	\$ -
	w Dep<65	0	\$ 2,911.36	\$ 2,911.36	\$ -	\$ -
Composite		0	\$ -	\$ -	\$ -	\$ -
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,268.79	\$ 1,239.26	\$ 29.53	\$ 45,676
	w Dep>65	0	\$ 2,536.30	\$ 2,477.28	\$ 59.02	\$ -
	w Dep<65	0	\$ 2,853.50	\$ 2,787.09	\$ 66.41	\$ -
Composite		3	\$ 1,268.79	\$ 1,239.26	\$ 29.53	\$ 45,676
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$10/\$20 Rx Copay	EE Only	25	\$ 1,062.43	\$ 1,032.90	\$ 29.53	\$ 318,729
	w Dep>65	5	\$ 2,123.78	\$ 2,064.76	\$ 59.02	\$ 127,427
	w Dep<65	0	\$ 2,389.39	\$ 2,322.98	\$ 66.41	\$ -
Composite		30	\$ 1,239.32	\$ 1,204.88	\$ 34.45	\$ 446,156
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Composite >65	EE Only	30	\$ 1,100.60	\$ 1,073.04	\$ 27.56	\$ 396,216
	w Dep>65	5	\$ 2,123.78	\$ 2,064.76	\$ 59.02	\$ 127,427
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
Composite		35	\$ 1,246.77	\$ 1,214.71	\$ 32.05	\$ 523,643

The rates are projected assuming all trend assumptions are realized, there are no plan changes or changes in population; in reality, there will be gains and losses so the actual 2022 rates developed next year will differ from the rates above.



2020 Implemented Premium Rates Reflecting Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	284	\$ 698.08	\$ 662.28	\$ 35.80	\$ 2,379,059
	2 Person	238	\$ 1,500.87	\$ 1,423.89	\$ 76.98	\$ 4,286,493
	Family	649	\$ 1,815.01	\$ 1,721.92	\$ 93.09	\$ 14,135,280
	Composite	1,171	\$ 1,480.28	\$ 1,404.35	\$ 75.93	\$ 20,800,832
Retired <65	EE Only	109	\$ 1,021.84	\$ 981.51	\$ 40.33	\$ 1,336,572
	2 Person	191	\$ 1,992.59	\$ 1,913.94	\$ 78.65	\$ 4,567,025
	Family	122	\$ 2,268.49	\$ 2,178.94	\$ 89.55	\$ 3,321,075
	Composite	422	\$ 1,821.62	\$ 1,749.71	\$ 71.91	\$ 9,224,672
Blended	EE Only	393	\$ 787.88	\$ 750.82	\$ 37.06	\$ 3,715,630
	2 Person	429	\$ 1,719.80	\$ 1,642.07	\$ 77.73	\$ 8,853,517
	Family	771	\$ 1,886.77	\$ 1,794.24	\$ 92.53	\$ 17,456,355
	Composite	1,593	\$ 1,570.70	\$ 1,495.84	\$ 74.86	\$ 30,025,502
Retired >65 \$2 Rx Copay	EE Only	4	\$ 1,147.43	\$ 1,147.43	\$ -	\$ 55,077
	w Dep>65	0	\$ 2,293.72	\$ 2,293.72	\$ -	\$ -
	w Dep<65	0	\$ 2,580.56	\$ 2,580.56	\$ -	\$ -
	Composite	4	\$ 1,147.43	\$ 1,147.43	\$ -	\$ 55,077
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,119.36	\$ 1,119.36	\$ -	\$ -
	w Dep>65	0	\$ 2,237.61	\$ 2,237.61	\$ -	\$ -
	w Dep<65	0	\$ 2,517.44	\$ 2,517.44	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,098.65	\$ 1,071.08	\$ 27.57	\$ 39,551
	w Dep>65	0	\$ 2,196.21	\$ 2,141.10	\$ 55.11	\$ -
	w Dep<65	0	\$ 2,470.86	\$ 2,408.86	\$ 62.00	\$ -
	Composite	3	\$ 1,098.65	\$ 1,071.08	\$ 27.57	\$ 39,551
Retired >65 \$10/\$20 Rx Copay	EE Only	27	\$ 915.99	\$ 888.42	\$ 27.57	\$ 296,781
	w Dep>65	6	\$ 1,831.05	\$ 1,775.94	\$ 55.11	\$ 131,836
	w Dep<65	0	\$ 2,060.05	\$ 1,998.05	\$ 62.00	\$ -
	Composite	33	\$ 1,082.37	\$ 1,049.79	\$ 32.58	\$ 428,617
Composite >65	EE Only	34	\$ 959.33	\$ 935.01	\$ 24.32	\$ 391,407
	w Dep>65	6	\$ 1,831.05	\$ 1,775.94	\$ 55.11	\$ 131,836
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	40	\$ 1,090.09	\$ 1,061.15	\$ 28.94	\$ 523,243



2020 Calculated Premium Rates Without Reflection of Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	284	\$ 749.67	\$ 711.22	\$ 38.45	\$ 2,554,875
	2 Person	238	\$ 1,611.79	\$ 1,529.12	\$ 82.67	\$ 4,603,272
	Family	649	\$ 1,949.14	\$ 1,849.17	\$ 99.97	\$ 15,179,902
	Composite	1,171	\$ 1,589.67	\$ 1,508.14	\$ 81.53	\$ 22,338,049
Retired <65	EE Only	109	\$ 1,097.36	\$ 1,054.04	\$ 43.32	\$ 1,435,347
	2 Person	191	\$ 2,139.85	\$ 2,055.38	\$ 84.47	\$ 4,904,536
	Family	122	\$ 2,436.14	\$ 2,339.97	\$ 96.17	\$ 3,566,509
	Composite	422	\$ 1,956.24	\$ 1,879.01	\$ 77.22	\$ 9,906,392
Blended	EE Only	393	\$ 846.10	\$ 806.30	\$ 39.80	\$ 3,990,222
	2 Person	429	\$ 1,846.89	\$ 1,763.42	\$ 83.47	\$ 9,507,808
	Family	771	\$ 2,026.20	\$ 1,926.83	\$ 99.37	\$ 18,746,411
	Composite	1,593	\$ 1,686.78	\$ 1,606.39	\$ 80.39	\$ 32,244,441
Retired >65 \$2 Rx Copay	EE Only	4	\$ 1,187.46	\$ 1,187.46		\$ 56,998
	w Dep>65	0	\$ 2,373.74	\$ 2,373.74		\$ -
	w Dep<65	0	\$ 2,670.59	\$ 2,670.59		\$ -
	Composite	4	\$ 1,187.46	\$ 1,187.46		\$ 56,998
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,158.41	\$ 1,158.41		\$ -
	w Dep>65	0	\$ 2,315.67	\$ 2,315.67		\$ -
	w Dep<65	0	\$ 2,605.26	\$ 2,605.26		\$ -
	Composite	0	\$ -	\$ -		\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,136.98	\$ 1,108.45	\$ 28.53	\$ 40,931
	w Dep>65	0	\$ 2,272.83	\$ 2,215.80	\$ 57.03	\$ -
	w Dep<65	0	\$ 2,557.06	\$ 2,492.90	\$ 64.16	\$ -
	Composite	3	\$ 1,136.98	\$ 1,108.45	\$ 28.53	\$ 40,931
Retired >65 \$10/\$20 Rx Copay	EE Only	27	\$ 947.94	\$ 919.41	\$ 28.53	\$ 307,133
	w Dep>65	6	\$ 1,894.93	\$ 1,837.90	\$ 57.03	\$ 136,435
	w Dep<65	0	\$ 2,131.91	\$ 2,067.75	\$ 64.16	\$ -
	Composite	33	\$ 1,120.12	\$ 1,086.41	\$ 33.71	\$ 443,568
Composite >65	EE Only	34	\$ 992.80	\$ 967.63	\$ 25.17	\$ 405,062
	w Dep>65	6	\$ 1,894.93	\$ 1,837.90	\$ 57.03	\$ 136,435
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	40	\$ 1,128.12	\$ 1,098.17	\$ 29.95	\$ 541,497



2019 Calculated Premium Rates Without Reflection of Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	261	\$ 846.80	\$ 811.26	\$ 35.54	\$ 2,652,178
	2 Person	244	\$ 1,820.62	\$ 1,744.21	\$ 76.41	\$ 5,330,775
	Family	671	\$ 2,201.68	\$ 2,109.28	\$ 92.40	\$ 17,727,927
	Composite	1,176	\$ 1,821.92	\$ 1,745.45	\$ 76.46	\$ 25,710,880
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Retired <65	EE Only	103	\$ 1,345.26	\$ 1,305.90	\$ 39.36	\$ 1,662,741
	2 Person	198	\$ 2,623.26	\$ 2,546.51	\$ 76.75	\$ 6,232,866
	Family	130	\$ 2,986.48	\$ 2,899.10	\$ 87.38	\$ 4,658,909
	Composite	431	\$ 2,427.40	\$ 2,356.38	\$ 71.02	\$ 12,554,516
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Blended	EE Only	364	\$ 987.85	\$ 951.23	\$ 36.62	\$ 4,314,919
	2 Person	442	\$ 2,180.17	\$ 2,103.61	\$ 76.56	\$ 11,563,641
	Family	801	\$ 2,329.05	\$ 2,237.47	\$ 91.59	\$ 22,386,836
	Composite	1,607	\$ 1,984.31	\$ 1,909.30	\$ 75.00	\$ 38,265,396
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Retired >65 \$2 Rx Copay	EE Only	4	\$ 1,256.90	\$ 1,256.90		\$ 60,331
	w Dep>65	0	\$ 2,512.55	\$ 2,512.55		\$ -
	w Dep<65	0	\$ 2,826.76	\$ 2,826.76		\$ -
	Composite	4	\$ 1,256.90	\$ 1,256.90		\$ 60,331
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Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,225.70	\$ 1,225.70		\$ -
	w Dep>65	0	\$ 2,450.18	\$ 2,450.18		\$ -
	w Dep<65	0	\$ 2,756.59	\$ 2,756.59		\$ -
	Composite	0	\$ -	\$ -		\$ -
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Retired >65 \$4/\$8 Rx Copay	EE Only	5	\$ 1,196.03	\$ 1,170.78	\$ 25.25	\$ 71,762
	w Dep>65	0	\$ 2,390.86	\$ 2,340.39	\$ 50.47	\$ -
	w Dep<65	0	\$ 2,689.87	\$ 2,633.08	\$ 56.79	\$ -
	Composite	5	\$ 1,196.03	\$ 1,170.78	\$ 25.25	\$ 71,762
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Retired >65 \$10/\$20 Rx Copay	EE Only	35	\$ 990.05	\$ 964.80	\$ 25.25	\$ 415,821
	w Dep>65	5	\$ 1,979.11	\$ 1,928.64	\$ 50.47	\$ 118,747
	w Dep<65	0	\$ 2,226.62	\$ 2,169.83	\$ 56.79	\$ -
	Composite	40	\$ 1,113.68	\$ 1,085.28	\$ 28.40	\$ 534,568
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Composite >65	EE Only	44	\$ 1,037.72	\$ 1,014.76	\$ 22.95	\$ 547,914
	w Dep>65	5	\$ 1,979.11	\$ 1,928.64	\$ 50.47	\$ 118,747
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	49	\$ 1,133.78	\$ 1,108.01	\$ 25.76	\$ 666,661



Explanatory Notes -- Data, Methods and Assumptions

- Paid claims were used for the analysis. Consistent with prior rate developments, incurred claims are derived using paid claims and actuarial assumptions. A COVID 19 adjustment was made in the medical, dental and vision claims to reflect the much lower claims paid during the April – June 2020 months due to the pandemic. Analysis of the prescription drugs block indicated that no adjustment was required.
- The City of Grand Rapids has chosen not to incorporate Specific or Aggregate Stop Loss Insurance in their benefit program. This increases the exposure for extremely large claims which could result in the rates included in this projection to be inadequate.
- Effective 1/1/2020, network, carrier and plan changes were made and have been incorporated into this rate development via plan / carrier / network adjustment on the various experience development pages.
- Rx rebates have been netted out of the Rx paid claims on a paid basis. The following are the Rx rebates that were removed.
 - FYE 2018: \$1,156,553 (15.3% reduction) (only impacts Post-65 Rx development which uses three years of experience)
 - FYE 2019: \$1,316,823 (16.4% reduction)
 - FYE 2020: \$1,501,074 (19.8% reduction)
 - These rebates are uniformly netted out of paid Rx claims – Active, Pre-65 Retirees and Post-65 retirees on a percentage of claim basis.
- Claim amounts used are net of amounts paid by the member directly to the health care provider such as copays, coinsurance, etc.
- Amounts paid by the member directly to the City have not been removed from claims.
- Pre-65 claims include claims for Medicare spouses of Non-Medicare members.
- Analysis was done on a per member per month basis.
- Incurral factors estimated assuming a two-month payment lag for medical and a one-month lag for Rx, dental and vision.
- Generally, a weighted average of the two experience periods was used in the analysis to smooth out yearly claim fluctuations.
- For the Post-65 Medical & Rx Segments due to very few participants, a weighted average of the three experience periods is used.
- Trend assumptions were chosen primarily based on national trends cited in National Health Trend surveys and recent claim experience under the City of Grand Rapids benefit programs.
- Rating tiers have recently been reviewed and determined not to be revised at this time.
- The current plan distribution (members in each tier) was used to allocate costs to each tier.
- Blended pre-65 rates are a weighted average of the active and pre-65 retiree rates.
- Rates include GRS fees and city personnel costs associated with administering the benefit program.
- Projections will differ from the OPEB valuation cash flows due to the following:
 - Projections ignore new retirees and deaths, and
 - Projections ignore members turning age 65 during the year.
- Projections in this report and the OPEB valuation report are not adjusted for election changes that occur after the valuation date.