

City of Grand Rapids

2022 Final Trend Report

September 24, 2021





September 24, 2021

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 2022 rates; and
- As inputs to the June 30, 2021 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 2023 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. No COVID-19 adjustment was made in the claims data for the current experience period (July 2020–June 2021). Analysis of the claims indicated that no adjustment was required. Future elements related to experience, as it relates to COVID-19, 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 (7/1/2020 through 6/30/2021) for both the pre and post-65 participants is showing a gain due to lower claims than expected.
 - For the pre-65 segment (actives and pre-65 retirees), the combined experience for medical, Rx, dental and vision generated a significant gain of \$1.8 million (5.3%) 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 10.0% in the 2022 implemented rates). Note that the reduction in the 2020 rates was 6.9% and in 2021 was 10.6%.
 - For the post-65 participants, the combined experience generated a gain of \$95,579 (20.8%) relative to our expected claim level (page 14). This year the rate increases will be partially offset by the City's use of three-year smoothing of gains and losses (by 9.9% in the 2022 implemented rates). Note that the reduction in the 2020 rates was 3.4% and was 6.4% in 2021.
- For the 2021 rate setting, a Surplus Reduction Adjustment was introduced for the Pre-65 segment (actives and pre-65 retirees). For the 2022 rate setting, the Surplus Reduction Adjustment is \$2,000,000. This adjustment lowered the overall rates in this segment by 5.4% for a total reduction of 15.4% when combined with the smoothing process.
- Also for the 2022 rate setting, a COVID Claim adjustment is incorporated for the Pre-65 segment. The total adjustment is \$738,080 and lowers the overall rates by an additional 2.0% for a total reduction of 17.4% when combined with the other two adjustments.
- Trend rates are used to project results from the experience periods to the 2022 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.



- The table below provides a summary of individual rate changes after incorporating the smoothing by segment, the surplus reduction adjustment and the COVID claim adjustment. Note composite rate changes are different than these due to shifts in the participant distribution.

Segment	Rate Change
Active employees	+7.5%
Pre-65 Retirees	-2.3%
Total Pre-65 participants	+4.7%
Post-65 retirees	+4.8%

- The results of the rate analysis in this report will be incorporated into the June 30, 2021 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 2022 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 Kurt Dosson 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

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

Kurt Dosson

Kurt Dosson, ASA, MAAA
Consultant and Actuary

JEP/KD:dj

cc: James D. Anderson, GRS



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Employer Paid Medical Claims Experience

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

Projection Year: **01/01/2022 - 12/31/2022**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Paid Medical Claims *	\$ 16,228,234	\$ 6,080,089	\$ 22,308,323
Trend Factor (7.5% annual trend)	1.198	1.198	
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	\$ 20,584,087	\$ 8,016,937	\$ 28,601,024
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)	\$ 487.36	\$ 681.13	\$ 529.59

Experience Year: **07/01/2020 - 06/30/2021**

Projection Year: **01/01/2022 - 12/31/2022**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Paid Medical Claims	\$ 17,202,087	\$ 4,910,073	\$ 22,112,160
Trend Factor (7.5% annual trend)	1.114	1.114	
Incurral Factor	1.012	1.012	
Plan Design / Network Adjustment Factor	1.000	1.000	
Covid Experience Adjustment Factor	1.000	1.000	
Projected Incurred Claims	\$ 19,393,082	\$ 5,535,459	\$ 24,928,541
Average Contracts	1,228.08	389.67	1,617.75
Average Members (adjusted)	3,605.67	927.75	4,533.42
Per Member Per Month Claims (PMPM)	\$ 448.21	\$ 497.21	\$ 458.24
Weighted Average PMPM (60/40)	\$ 463.87	\$ 570.78	\$ 486.78
Administrative Fees	\$ 18.38	\$ 22.66	\$ 19.26
Total Medical PMPM	\$ 482.25	\$ 593.44	\$ 506.04

* See explanatory notes for detailed description.



Post-65 Retiree Medical Claims Experience

Projection Year: **01/01/2022 - 12/31/2022**

Experience Year (July to June)	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>Total / Weighted Ave.</u>
Experience Year				
Paid Medical Claims *	\$ 139,422	\$ 171,619	\$ 104,996	\$ 416,037
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	1.000	
Projected Incurred Claims	\$ 181,730	\$ 213,685	\$ 118,369	\$ 513,784
Average Contracts	43.75	34.42	32.08	110.25
Average Members (adjusted)	48.75	38.50	37.67	124.92
Weighting Factor	33%	33%	33%	
Per Member Per Month Claims (PMPM)	\$ 310.65	\$ 462.52	\$ 261.88	\$ 345.02
Administrative Fees				\$ 41.62
Total Medical PMPM				\$ 386.64

* See explanatory notes for detailed description.

Medical Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Medical PMPM	\$ 482.25	\$ 593.44	\$ 506.04	\$ 386.64
Members Per Contract	2.936	2.380	2.799	1.172
Per Employee Per Month Cost (PEPM)	\$ 1,415.89	\$ 1,412.39	\$ 1,416.41	\$ 453.14
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.077	1.999
Family	2.600	2.220	2.535	2.249
Composite Tier	2.094	1.765	2.013	1.172
Single Rate*	\$ 676.16	\$ 800.22	\$ 703.63	\$ 386.64
Double Rate*	\$ 1,453.74	\$ 1,560.43	\$ 1,461.44	\$ 772.89
Family Rate*	\$ 1,758.02	\$ 1,776.49	\$ 1,783.70	\$ 869.55

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

Employer Paid Rx Pre-65 Claims Experience

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

Projection Year: 01/01/2022 - 12/31/2022

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Rx Claims	\$ 3,946,862	\$ 1,895,785	\$ 5,842,647
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	0.943	0.943	0.943
Covid Experience Adjustment Factor	1.000	1.000	1.000
Projected Incurred claims	\$ 4,594,980	\$ 2,207,093	\$ 6,802,073
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)	\$ 108.79	\$ 187.52	\$ 125.95

Experience Year: 07/01/2020 - 06/30/2021

Projection Year: 01/01/2022 - 12/31/2022

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Rx Claims	\$ 4,683,062	\$ 1,583,245	\$ 6,266,307
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	1.000	1.000	1.000
Covid Experience Adjustment Factor	1.000	1.000	1.000
Projected Incurred Claims	\$ 5,328,903	\$ 1,801,590	\$ 7,130,493
Average Contracts	1,228.08	389.67	1,617.75
Average Members	3,605.67	927.75	4,533.42
Per Member Per Month Claims (PMPM)	\$ 123.16	\$ 161.82	\$ 131.07
Weighted Average PMPM (60/40)	\$ 117.41	\$ 172.10	\$ 129.02
Administrative Fees	\$ 0.71	\$ 0.87	\$ 0.74
Total Rx PMPM	\$ 118.12	\$ 172.97	\$ 129.76



Pre-65 Rx Rate Development

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Total Rx PMPM	\$ 118.12	\$ 172.97	\$ 129.76
Members Per Contract	2.936	2.380	2.799
Per Employee Per Month Cost (PEPM)	\$ 346.80	\$ 411.67	\$ 363.20
Rating Tiers			
Single	1.000	1.000	1.000
Double	2.150	1.950	2.077
Family	2.600	2.220	2.535
Composite Tier	2.094	1.765	2.013
Single Rate*	\$ 165.62	\$ 233.24	\$ 180.43
Double Rate*	\$ 356.08	\$ 454.82	\$ 374.75
Family Rate*	\$ 430.61	\$ 517.79	\$ 457.39

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

Post-65 Rx Claim Experience and Rate Development

Projection Year: 01/01/2022 - 12/31/2022

Experience Year (July to June)	2018-2019	2019-2020	2020-2021	Total / Weighted Ave.
Paid Rx Claims	\$ 426,488	\$ 241,022	\$ 234,283	\$ 901,792
Trend Factor (8.5% annual trend)	1.330	1.226	1.130	
Incurral Factor	1.007	1.007	1.007	
Plan Design Adjustment Factor	0.886	0.943	1.000	
Covid Experience Adjustment Factor		1.000	1.000	
Projected Incurred Claims	\$ 506,083	\$ 280,600	\$ 266,593	\$ 1,053,276
Average Contracts	43.75	34.42	32.08	110.25
Average Members (adjusted)	48.75	38.50	37.67	124.92
Weighting Factor	33.3%	33.3%	33.3%	
Per Member Per Month Claims (PMPM)	\$ 865.10	\$ 607.36	\$ 589.74	\$ 687.40
Administrative Fees				\$ 1.77
Total Rx PMPM				\$ 689.17
	\$2 Copay	\$4 Copay	\$4/\$8 Copay	\$10/\$20 Copay
Overall Rx Claims PMPM	\$ 687.40	\$ 687.40	\$ 687.40	\$ 687.40
Relative Value to \$10/\$20 Copay Plan***	1.073	1.056	1.050	0.988
Utilization Assumption	1.285	1.261	1.190	0.952
PMPM based on Relative Values (RVs)**	\$ 947.79	\$ 915.35	\$ 858.91	\$ 646.55
PMPM based on Experience	\$ -	\$ -	\$ -	\$ 724.36
Administrative Fees	\$ 2.08	\$ 1.77	\$ 1.73	\$ 1.77
Weighted Average PMPM (RVs) w/ Admin	\$ 949.87	\$ 917.12	\$ 860.64	\$ 648.32
Per Employee Per Month Cost (PEPM)	\$ 1,113.25	\$ 1,074.86	\$ 1,008.67	\$ 759.83
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	1.172	1.172	1.172	1.172
Single Rate*	\$ 949.87	\$ 917.12	\$ 860.64	\$ 648.32
Double Rate*	\$ 1,898.79	\$ 1,833.32	\$ 1,720.42	\$ 1,295.99
Family Rate*	\$ 2,136.26	\$ 2,062.60	\$ 1,935.58	\$ 1,458.07

* 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.

*** Relative values are adjusted to normalize cost per member.



Employer Paid Dental Claims Experience

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

Projection Year: **01/01/2022 - 12/31/2022**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>	<u>Post-65 Retirees</u>
Paid Dental Claims	\$ 814,871	\$ 285,919	\$ 1,100,791	\$ 3,623
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	1.074	1.074	1.074	1.074
Covid Experience Adjustment Factor	1.128	1.141	1.128	1.141
Projected Incurred claims	\$ 1,091,632	\$ 387,442	\$ 1,474,662	\$ 4,303
Average Contracts	1,178.17	417.67	1,595.83	9.33
Average Members (adjusted)	3,519.67	980.83	4,500.50	12.33
Per Member Per Month Claims (PMPM)	\$ 25.85	\$ 32.92	\$ 27.39	\$ 33.18

Experience Year: **07/01/2020 - 06/30/2021**

Projection Year: **01/01/2022 - 12/31/2022**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>	<u>Post-65 Retirees</u>
Paid Dental Claims	\$ 1,241,977	\$ 366,035	\$ 1,608,012	\$ 3,407
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	1.000	1.000	1.000	1.000
Covid Experience Adjustment Factor	1.000	1.000	1.000	1.000
Projected Incurred Claims	\$ 1,320,445	\$ 389,161	\$ 1,709,606	\$ 3,622
Average Contracts	1,228.08	389.67	1,617.75	7.00
Average Members	3,605.67	927.75	4,533.42	8.22
Per Member Per Month Claims (PMPM)	\$ 30.52	\$ 34.96	\$ 31.44	\$ 36.72
Weighted Average PMPM (60/40)	\$ 28.65	\$ 34.14	\$ 29.82	\$ 35.30
Administrative Fees	\$ 1.14	\$ 1.37	\$ 1.19	\$ -
Total Dental PMPM	\$ 29.79	\$ 35.51	\$ 31.01	\$ 35.30

Dental Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Dental PMPM	\$ 29.79	\$ 35.51	\$ 31.01	\$ 35.30
Members Per Contract	2.936	2.380	2.799	1.174
Per Employee Per Month Cost (PEPM)	\$ 87.46	\$ 84.51	\$ 86.80	\$ 41.44
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.077	1.999
Family	2.600	2.220	2.535	2.249
Composite Tier	2.094	1.765	2.013	1.174
Single Rate*	\$ 41.77	\$ 47.88	\$ 43.12	\$ 35.30
Double Rate*	\$ 89.81	\$ 93.37	\$ 89.56	\$ 70.56
Family Rate*	\$ 108.60	\$ 106.29	\$ 109.31	\$ 79.39

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

Employer Paid Vision Claims Experience

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

Projection Year: **01/01/2022 - 12/31/2022**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>	<u>Post-65 Retirees</u>
Paid Vision Claims	\$ 310,496	\$ 102,246	\$ 412,741	\$ 333
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	1.079	1.079	1.079	1.079
Covid Experience Adjustment Factor	1.000	1.000	1.000	1.000
Projected Incurred Claims	\$ 366,273	\$ 120,613	\$ 486,885	\$ 393
Average Contracts	1,178.17	417.67	1,595.83	34.42
Average Members (adjusted)	3,519.67	980.83	4,500.50	38.50
Per Member Per Month Claims (PMPM)	\$ 8.67	\$ 10.25	\$ 9.01	\$ 0.85

Experience Year: **07/01/2020 - 06/30/2021**

Projection Year: **01/01/2022 - 12/31/2022**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>	<u>Post-65 Retirees</u>
Paid Vision claims	\$ 548,724	\$ 194,132	\$ 742,856	\$ 654
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	1.000	1.000	1.000	1.000
Covid Experience Adjustment Factor	1.000	1.000	1.000	1.000
Projected Incurred Claims	\$ 579,540	\$ 205,034	\$ 784,574	\$ 691
Average Contracts	1,228.08	389.67	1,617.75	32.08
Average Members	3,605.67	927.75	4,533.42	37.67
Per Member Per Month Claims (PMPM)	\$ 13.39	\$ 18.42	\$ 14.42	\$ 1.53
Weighted Average PMPM (60/40)	\$ 11.50	\$ 15.15	\$ 12.26	\$ 1.26
Administrative Fees	\$ 0.39	\$ 0.48	\$ 0.41	\$ 0.98
Total Vision PMPM	\$ 11.89	\$ 15.63	\$ 12.67	\$ 2.24



Vision Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Vision PMPM	\$ 11.89	\$ 15.63	\$ 12.67	\$ 2.24
Members Per Contract	2.936	2.380	2.799	1.172
Per Employee Per Month Cost (PEPM)	\$ 34.91	\$ 37.20	\$ 35.46	\$ 2.63
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.077	1.999
Family	2.600	2.220	2.535	2.249
Composite Tier	2.094	1.765	2.013	1.172
Single Rate*	\$ 16.67	\$ 21.08	\$ 17.62	\$ 2.24
Double Rate*	\$ 35.84	\$ 41.11	\$ 36.60	\$ 4.48
Family Rate*	\$ 43.34	\$ 46.80	\$ 44.67	\$ 5.04

* 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 2020 through June 2021

July 2020	Active	Pre-65 Retiree	Total
Contracts	1,230	391	1,621
Lives	3,620	926	4,546
Medical	\$1,207,045	\$341,050	\$1,548,095
Rx net of Rebate	\$356,178	\$148,411	\$504,589
Dental	\$107,757	\$34,278	\$142,035
Vision	\$29,061	\$11,709	\$40,771
Medical Admin Fee	\$95,269	\$30,254	\$125,523
Dental Admin Fees	\$4,118	\$1,274	\$5,392
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$1,805,692	\$568,963	\$2,374,655

October 2020	Active	Pre-65 Retiree	Total
Contracts	1,233	388	1,621
Lives	3,624	921	4,545
Medical	\$1,595,157	\$499,954	\$2,095,111
Rx net of Rebate	\$530,298	\$188,739	\$719,037
Dental	\$100,031	\$28,830	\$128,861
Vision	\$37,412	\$11,214	\$48,627
Medical Admin Fee	\$84,310	\$26,751	\$111,061
Dental Admin Fees	\$4,103	\$1,269	\$5,372
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$2,357,574	\$758,745	\$3,116,319

August 2020	Active	Pre-65 Retiree	Total
Contracts	1,237	392	1,629
Lives	3,629	930	4,559
Medical	\$821,600	\$237,226	\$1,058,826
Rx net of Rebate	\$282,976	\$130,155	\$413,130
Dental	\$113,719	\$31,429	\$145,148
Vision	\$32,372	\$7,506	\$39,877
Medical Admin Fee	\$95,604	\$30,335	\$125,939
Dental Admin Fees	\$4,134	\$1,278	\$5,412
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$1,356,668	\$439,915	\$1,796,583

November 2020	Active	Pre-65 Retiree	Total
Contracts	1,234	384	1,618
Lives	3,629	926	4,555
Medical	\$1,655,382	\$429,497	\$2,084,878
Rx net of Rebate	\$369,374	\$110,106	\$479,480
Dental	\$82,366	\$23,159	\$105,524
Vision	\$44,246	\$15,234	\$59,480
Medical Admin Fee	\$84,122	\$26,692	\$110,814
Dental Admin Fees	\$4,093	\$1,265	\$5,358
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$2,245,845	\$607,940	\$2,853,785

September 2020	Active	Pre-65 Retiree	Total
Contracts	1,237	391	1,628
Lives	3,626	926	4,552
Medical	\$1,084,540	\$295,215	\$1,379,755
Rx net of Rebate	\$335,840	\$122,133	\$457,973
Dental	\$92,510	\$31,165	\$123,675
Vision	\$44,269	\$13,270	\$57,540
Medical Admin Fee	\$84,608	\$26,846	\$111,454
Dental Admin Fees	\$4,131	\$1,277	\$5,408
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$1,652,161	\$491,893	\$2,144,054

December 2020	Active	Pre-65 Retiree	Total
Contracts	1,244	382	1,626
Lives	3,652	905	4,557
Medical	\$711,734	\$194,946	\$906,680
Rx net of Rebate	\$360,496	\$125,033	\$485,529
Dental	\$97,008	\$33,036	\$130,044
Vision	\$44,035	\$18,658	\$62,693
Medical Admin Fee	\$87,347	\$27,360	\$114,707
Dental Admin Fees	\$4,115	\$1,273	\$5,388
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$1,310,998	\$402,293	\$1,713,291



City of Grand Rapids

Summary of Non-Medicare Claims and Expenses

July 2020 through June 2021

January 2021	Active	Pre-65 Retiree	Total
Contracts	1,233	390	1,623
Lives	3,619	931	4,550
Medical	\$2,747,673	\$676,843	\$3,424,516
Rx net of Rebate	\$352,185	\$128,028	\$480,213
Dental	\$118,928	\$30,091	\$149,019
Vision	\$53,959	\$19,291	\$73,250
Medical Admin Fee	\$85,622	\$27,168	\$112,790
Dental Admin Fees	\$4,136	\$1,279	\$5,415
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$3,368,766	\$884,687	\$4,253,452

April 2021	Active	Pre-65 Retiree	Total
Contracts	1,213	392	1,605
Lives	3,566	929	4,495
Medical	\$2,024,293	\$654,567	\$2,678,860
Rx net of Rebate	\$565,699	\$170,647	\$736,346
Dental	\$110,436	\$31,828	\$142,264
Vision	\$48,525	\$16,396	\$64,921
Medical Admin Fee	\$84,806	\$26,909	\$111,715
Dental Admin Fees	\$4,083	\$1,262	\$5,345
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$2,844,105	\$903,596	\$3,747,701

February 2021	Active	Pre-65 Retiree	Total
Contracts	1,219	391	1,610
Lives	3,585	942	4,527
Medical	\$1,172,416	\$345,210	\$1,517,626
Rx net of Rebate	\$354,923	\$138,035	\$492,957
Dental	\$105,695	\$29,712	\$135,407
Vision	\$84,293	\$32,090	\$116,383
Medical Admin Fee	\$85,125	\$27,010	\$112,135
Dental Admin Fees	\$4,103	\$1,269	\$5,372
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$1,812,818	\$575,312	\$2,388,130

May 2021	Active	Pre-65 Retiree	Total
Contracts	1,219	391	1,610
Lives	3,565	932	4,497
Medical	\$1,230,389	\$372,995	\$1,603,384
Rx net of Rebate	\$418,789	\$112,088	\$530,876
Dental	\$102,210	\$25,435	\$127,645
Vision	\$33,879	\$10,817	\$44,696
Medical Admin Fee	\$85,001	\$26,971	\$111,972
Dental Admin Fees	\$4,083	\$1,262	\$5,345
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$1,880,613	\$551,554	\$2,432,167

March 2021	Active	Pre-65 Retiree	Total
Contracts	1,215	391	1,606
Lives	3,572	934	4,506
Medical	\$1,530,000	\$571,106	\$2,101,106
Rx net of Rebate	\$388,890	\$100,628	\$489,518
Dental	\$119,569	\$33,775	\$153,344
Vision	\$64,835	\$24,231	\$89,066
Medical Admin Fee	\$84,930	\$26,948	\$111,878
Dental Admin Fees	\$4,080	\$1,262	\$5,342
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$2,198,567	\$759,937	\$2,958,504

June 2021	Active	Pre-65 Retiree	Total
Contracts	1,223	393	1,616
Lives	3,581	931	4,512
Medical	\$1,421,857	\$291,465	\$1,713,322
Rx net of Rebate	\$367,414	\$109,244	\$476,657
Dental	\$91,748	\$33,299	\$125,047
Vision	\$31,839	\$13,715	\$45,553
Medical Admin Fee	\$85,220	\$27,040	\$112,260
Dental Admin Fees	\$4,103	\$1,269	\$5,372
Cofinity/Aetna	\$0	\$0	\$0
4D Admin Fee	\$0	\$0	\$0
Consultant/ Actuary	\$6,263	\$1,987	\$8,250
Total	\$2,008,444	\$478,018	\$2,486,461



Calculation of Gain/(Loss) on July 2020 through June 2021 Combined Active and Pre-65 Retiree Segment Experience

Period	Pre-65 Claim & Admin Costs	Active Contracts	Pre-65 Retiree Contracts	Total Non-Medicare Contracts	Expected Revenue Based on 2020 & 2021 Calculated per Contract Rates*	Gain/(Loss)
July-20	\$2,374,655	1,230	391	1,621	\$2,734,270	\$359,615
August-20	\$1,796,583	1,237	392	1,629	\$2,747,765	\$951,182
September-20	\$2,144,054	1,237	391	1,628	\$2,746,078	\$602,024
October-20	\$3,116,319	1,233	388	1,621	\$2,734,270	\$(382,049)
November-20	\$2,853,785	1,234	384	1,618	\$2,729,210	\$(124,575)
December-20	\$1,713,291	1,244	382	1,626	\$2,742,704	\$1,029,413
January-21	\$4,253,452	1,233	390	1,623	\$2,962,949	\$(1,290,503)
February-21	\$2,388,130	1,219	391	1,610	\$2,939,216	\$551,086
March-21	\$2,958,504	1,215	391	1,606	\$2,931,914	\$(26,590)
April-21	\$3,747,701	1,213	392	1,605	\$2,930,088	\$(817,613)
May-21	\$2,432,167	1,219	391	1,610	\$2,939,216	\$507,049
June-21	\$2,486,461	1,223	393	1,616	\$2,950,170	\$463,709
Total	\$32,265,102	1,228	390	1,618	\$34,087,850	\$1,822,748

Amount of July '20 through June '21 experience gain/(loss) recognized in 2022 rates	\$607,583
Amount of July '19 through June '20 experience gain/(loss) recognized in 2022 rates	\$1,329,591
Amount of July '18 through June '19 experience gain/(loss) recognized in 2022 rates	\$1,717,555
Total Amount experience gain/(loss) recognized in 2022 rates	\$3,654,729

* Apply rates from page 26 for 2021 and from page 27 for 2020 to derive Expected Revenue.

Calculation of Gain/(Loss) on July 2020 through June 2021 Post-65 Retiree Experience

Period	Post-65 Claim & Admin Costs	Post-65 Contracts	Expected Revenue Based on 2020 & 2021 Calculated per Contract Rates*	Gain/(Loss)
July-20	\$29,413	34	\$38,338	\$8,925
August-20	\$33,992	35	\$40,233	\$6,241
September-20	\$30,058	34	\$39,285	\$9,227
October-20	\$37,406	33	\$38,338	\$932
November-20	\$25,748	31	\$39,283	\$13,535
December-20	\$27,949	30	\$34,547	\$6,598
January-21	\$40,361	33	\$39,844	\$(517)
February-21	\$25,408	33	\$39,844	\$14,436
March-21	\$19,898	32	\$38,833	\$18,935
April-21	\$34,604	30	\$36,810	\$2,206
May-21	\$28,224	30	\$36,810	\$8,586
June-21	\$30,335	30	\$36,810	\$6,475
Total	\$363,396	32	\$458,975	\$95,579

Portion of Gain / (Loss) recognized in 2022 Implemented Rates

Amount of July '20 through June '21 experience gain/(loss) (Use 1/3rd of total)	\$31,860
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
Total Amount experience gain/(loss) recognized in 2022 rates	\$45,873

* Apply rates from page 26 for 2021 and from page 27 for 2020 to derive Expected Revenue.

Explanation of Rates Developed in Following Section

Page 19: "2022 Calculated Premium Rates Schedule"

This schedule develops the 2022 rates without incorporating any smoothing.

Page 20: "2022 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 10.0% and the surplus reduction adjustment reduces the rate by an additional 5.5% for a total reduction of 15.4%. For the 2022 rate setting, a \$738,080 COVID Claims Adjustment was incorporated further reducing the implemented rate by 2% for a total reduction of 17.4%.

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 9.9%.

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 2021 and 2022 and projected rates for the following five years. The rates are projected assuming all trend assumptions are realized and there are no plan changes or changes in population; in reality, there will be gains and losses in future years.

	2021	2022	2023	2024	2025	2026	2027
Calculated Rate for Medical/Rx/Vision	\$ 1,679.80	\$ 1,797.75	\$ 1,941.57	\$ 2,096.90	\$ 2,264.65	\$ 2,445.82	\$ 2,641.49
Calculated Rate for Dental	\$ 79.09	\$ 87.45	\$ 90.95	\$ 94.59	\$ 98.37	\$ 102.30	\$ 106.39
Total Blended PEPM	\$ 1,758.89	\$ 1,885.20	\$ 2,032.52	\$ 2,191.49	\$ 2,363.02	\$ 2,548.12	\$ 2,747.88
Annual Increase		7.18%	7.81%	7.82%	7.83%	7.83%	7.84%
Smoothing Dollars							
Smoothing July 1 2017 - June 30 2018	\$ (527,316)						
Smoothing July 1 2018 - June 30 2019	\$ (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		\$ (461,235)	\$ (461,235)	\$ (461,235)			
Smoothing July 1 2021 - June 30 2022		\$ -	\$ -	\$ -			
Smoothing July 1 2022 - June 30 2023			\$ -	\$ -	\$ -		
Smoothing July 1 2023 - June 30 2024				\$ -	\$ -	\$ -	
Surplus Adjustment Rating Years 2021 - 2025	\$ (1,739,978)	\$ (1,517,729)	\$ (941,939)	\$ (562,663)	\$ (377,126)	\$ -	\$ -
COVID Credit Adjustment		\$ (560,103)					
Total	\$ (4,511,895)	\$ (4,783,667)	\$ (2,384,780)	\$ (1,023,898)	\$ (377,126)	\$ -	\$ -
Contracts*	1,211	1,212	1,212	1,212	1,212	1,212	1,212
PEPM change due to smoothing	\$ (310.48)	\$ (328.91)	\$ (163.97)	\$ (70.40)	\$ (25.93)	\$ -	\$ -
Blended PEPM after Smoothing	\$ 1,448.41	\$ 1,556.29	\$ 1,868.55	\$ 2,121.09	\$ 2,337.09	\$ 2,548.12	\$ 2,747.88
Annual Increase		7.45%	20.06%	13.52%	10.18%	9.03%	7.84%
<i>* It is assumed that the pre-65 retiree population is stable with the current mix of contracts going forward.</i>							

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 2021 and 2022 and projected rates for the following five years. The rates are projected assuming all trend assumptions are realized and there are no plan changes or changes in population; in reality, there will be gains and losses in future years.

	2021	2022	2023	2024	2025	2026	2027
Calculated Rate for Medical/Rx/Vision	\$ 1,746.99	\$ 1,813.37	\$ 1,958.44	\$ 2,115.12	\$ 2,284.33	\$ 2,467.08	\$ 2,664.45
Calculated Rate for Dental	\$ 78.61	\$ 86.73	\$ 90.20	\$ 93.81	\$ 97.56	\$ 101.46	\$ 105.52
Total Blended PEPM	\$ 1,825.60	\$ 1,900.10	\$ 2,048.64	\$ 2,208.93	\$ 2,381.89	\$ 2,568.54	\$ 2,769.97
Annual Increase		4.08%	7.82%	7.82%	7.83%	7.84%	7.84%
Smoothing Dollars							
Smoothing July 1 2017 - June 30 2018	\$ (717,478)						
Smoothing July 1 2018 - June 30 2019	\$ (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		\$ (607,583)	\$ (607,583)	\$ (607,583)			
Smoothing July 1 2021 - June 30 2022		\$ -	\$ -	\$ -			
Smoothing July 1 2022 - June 30 2023			\$ -	\$ -	\$ -		
Smoothing July 1 2023 - June 30 2024				\$ -	\$ -	\$ -	
Surplus Adjustment Rating Years 2021 - 2025	\$ (2,500,000)	\$ (2,000,000)	\$ (1,250,000)	\$ (750,000)	\$ (500,000)	\$ -	\$ -
COVID Credit Adjustment	\$ -	\$ (738,080)	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (6,264,624)	\$ (6,392,809)	\$ (3,187,174)	\$ (1,357,583)	\$ (500,000)	\$ -	\$ -
Contracts*	1,620	1,607	1,607	1,607	1,607	1,607	1,607
PEPM change due to smoothing	\$ (322.25)	\$ (331.51)	\$ (165.28)	\$ (70.40)	\$ (25.93)	\$ -	\$ -
Blended PEPM after Smoothing	\$ 1,503.35	\$ 1,568.59	\$ 1,883.36	\$ 2,138.53	\$ 2,355.96	\$ 2,568.54	\$ 2,769.97
Annual Increase		4.34%	20.07%	13.55%	10.17%	9.02%	7.84%
<i>* It is assumed that the pre-65 retiree population is stable with the current mix of contracts going forward.</i>							



Post-65 Retiree Segment

The table below illustrates the development of the rates for the **Post-65 retiree segment**, showing actual rates for 2021 and 2022 and projected rates for the following five years. The rates are projected assuming all trend assumptions are realized and there are no plan changes or changes in population; in reality, there will be gains and losses in future years.

	2021	2022	2023	2024	2025	2026	2027
Calculated Rate for Medical/Rx/Vision	\$ 1,154.84	\$ 1,285.00	\$ 1,387.80	\$ 1,498.82	\$ 1,618.73	\$ 1,748.23	\$ 1,888.09
Calculated Rate for Dental	\$ 31.64	\$ 40.17	\$ 41.78	\$ 43.45	\$ 45.19	\$ 47.00	\$ 48.88
Total Blended PEPM	\$ 1,186.48	\$ 1,325.17	\$ 1,429.58	\$ 1,542.27	\$ 1,663.92	\$ 1,795.23	\$ 1,936.97
Annual Increase		11.69%	7.88%	7.88%	7.89%	7.89%	7.90%
Smoothing Dollars							
Smoothing July 1 2017 - June 30 2018	\$ (17,404)						
Smoothing July 1 2018 - June 30 2019	\$ (4,261)	\$ (4,261)					
Smoothing July 1 2019 - June 30 2020	\$ (9,752)	\$ (9,752)	\$ (9,752)				
Smoothing July 1 2020 - June 30 2021		\$ (31,860)	\$ (31,860)	\$ (31,860)			
Smoothing July 1 2021 - June 30 2022		\$ -	\$ -	\$ -			
Smoothing July 1 2022 - June 30 2023			\$ -	\$ -	\$ -		
Smoothing July 1 2023 - June 30 2024				\$ -	\$ -	\$ -	
Total	\$ (31,417)	\$ (45,873)	\$ (41,612)	\$ (31,860)	\$ -	\$ -	\$ -
Contracts*	35	29	29	29	29	29	29
PEPM change due to smoothing	\$ (74.80)	\$ (131.82)	\$ (119.57)	\$ (91.55)	\$ -	\$ -	\$ -
Blended PEPM after Smoothing	\$ 1,111.68	\$ 1,193.35	\$ 1,310.01	\$ 1,450.72	\$ 1,663.92	\$ 1,795.23	\$ 1,936.97
Annual Increase		7.35%	9.78%	10.74%	14.70%	7.89%	7.90%
<i>* It is assumed that the post-65 retiree population is stable with the current mix of contracts going forward.</i>							

2022 Calculated Premium Rates Without Reflection of Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	312	\$ 900.21	\$ 858.45	\$ 41.76	\$ 3,370,386
	2 Person	253	\$ 1,935.44	\$ 1,845.66	\$ 89.78	\$ 5,875,996
	Family	647	\$ 2,340.55	\$ 2,231.97	\$ 108.58	\$ 18,172,030
	Composite	1,212	\$ 1,885.20	\$ 1,797.75	\$ 87.45	\$ 27,418,412
<hr/>						
Retired <65	EE Only	115	\$ 1,102.43	\$ 1,054.55	\$ 47.88	\$ 1,521,353
	2 Person	146	\$ 2,149.74	\$ 2,056.37	\$ 93.37	\$ 3,766,344
	Family	134	\$ 2,447.39	\$ 2,341.10	\$ 106.29	\$ 3,935,403
	Composite	395	\$ 1,945.80	\$ 1,861.29	\$ 84.51	\$ 9,223,100
<hr/>						
Blended*	EE Only	427	\$ 954.67	\$ 911.26	\$ 43.41	\$ 4,891,740
	2 Person	399	\$ 2,013.86	\$ 1,922.76	\$ 91.09	\$ 9,642,340
	Family	781	\$ 2,358.88	\$ 2,250.69	\$ 108.19	\$ 22,107,433
	Composite	1,607	\$ 1,900.10	\$ 1,813.37	\$ 86.73	\$ 36,641,513
<hr/>						
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,356.06	\$ 1,356.06		\$ 16,273
	w Dep>65	0	\$ 2,710.76	\$ 2,710.76		\$ -
	w Dep<65	0	\$ 3,049.78	\$ 3,049.78		\$ -
	Composite	1	\$ 1,356.06	\$ 1,356.06		\$ 16,273
<hr/>						
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,322.72	\$ 1,322.72		\$ -
	w Dep>65	0	\$ 2,644.12	\$ 2,644.12		\$ -
	w Dep<65	0	\$ 2,974.80	\$ 2,974.80		\$ -
	Composite	0	\$ -	\$ -		\$ -
<hr/>						
Retired >65 \$4/\$8 Rx Copay	EE Only	4	\$ 1,300.52	\$ 1,265.21	\$ 35.31	\$ 62,425
	w Dep>65	1	\$ 2,599.73	\$ 2,529.15	\$ 70.58	\$ 31,197
	w Dep<65	0	\$ 2,924.87	\$ 2,845.46	\$ 79.41	\$ -
	Composite	5	\$ 1,560.36	\$ 1,518.00	\$ 42.36	\$ 93,622
<hr/>						
Retired >65 \$10/\$20 Rx Copay	EE Only	19	\$ 1,084.32	\$ 1,049.01	\$ 35.31	\$ 247,225
	w Dep>65	4	\$ 2,167.55	\$ 2,096.97	\$ 70.58	\$ 104,042
	w Dep<65	0	\$ 2,438.63	\$ 2,359.22	\$ 79.41	\$ -
	Composite	23	\$ 1,272.71	\$ 1,231.26	\$ 41.44	\$ 351,267
<hr/>						
Composite >65	EE Only	24	\$ 1,131.68	\$ 1,097.84	\$ 33.84	\$ 325,923
	w Dep>65	5	\$ 2,253.99	\$ 2,183.41	\$ 70.58	\$ 135,239
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	29	\$ 1,325.17	\$ 1,285.00	\$ 40.17	\$ 461,162

* Blended using revenue.



2022 Implemented Premium Rates Reflecting Gain/Loss Smoothing & Surplus Reduction Adjustment

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	312	\$ 743.15	\$ 708.68	\$ 34.47	\$ 2,782,358
	2 Person	253	\$ 1,597.77	\$ 1,523.65	\$ 74.12	\$ 4,850,817
	Family	647	\$ 1,932.20	\$ 1,842.56	\$ 89.64	\$ 15,001,574
Composite		1,212	\$ 1,556.29	\$ 1,484.10	\$ 72.19	\$ 22,634,749
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired <65	EE Only	115	\$ 910.09	\$ 870.56	\$ 39.53	\$ 1,255,924
	2 Person	146	\$ 1,774.68	\$ 1,697.60	\$ 77.08	\$ 3,109,234
	Family	134	\$ 2,020.40	\$ 1,932.65	\$ 87.75	\$ 3,248,797
Composite		395	\$ 1,606.32	\$ 1,536.55	\$ 69.77	\$ 7,613,955
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Blended*	EE Only	427	\$ 788.11	\$ 752.28	\$ 35.83	\$ 4,038,276
	2 Person	399	\$ 1,662.50	\$ 1,587.30	\$ 75.20	\$ 7,960,050
	Family	781	\$ 1,947.33	\$ 1,858.02	\$ 89.31	\$ 18,250,377
Composite		1,607	\$ 1,568.59	\$ 1,496.99	\$ 71.60	\$ 30,248,704
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,221.17	\$ 1,221.17	\$ -	\$ 14,654
	w Dep>65	0	\$ 2,441.11	\$ 2,441.11	\$ -	\$ -
	w Dep<65	0	\$ 2,746.41	\$ 2,746.41	\$ -	\$ -
Composite		1	\$ 1,221.17	\$ 1,221.17	\$ -	\$ 14,654
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,191.15	\$ 1,191.15	\$ -	\$ -
	w Dep>65	0	\$ 2,381.10	\$ 2,381.10	\$ -	\$ -
	w Dep<65	0	\$ 2,678.89	\$ 2,678.89	\$ -	\$ -
Composite		0	\$ -	\$ -	\$ -	\$ -
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4/\$8 Rx Copay	EE Only	4	\$ 1,171.16	\$ 1,139.36	\$ 31.80	\$ 56,216
	w Dep>65	1	\$ 2,341.13	\$ 2,277.57	\$ 63.56	\$ 28,094
	w Dep<65	0	\$ 2,633.92	\$ 2,562.41	\$ 71.51	\$ -
Composite		5	\$ 1,405.15	\$ 1,367.00	\$ 38.15	\$ 84,310
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$10/\$20 Rx Copay	EE Only	19	\$ 976.46	\$ 944.66	\$ 31.80	\$ 222,633
	w Dep>65	4	\$ 1,951.94	\$ 1,888.38	\$ 63.56	\$ 93,693
	w Dep<65	0	\$ 2,196.05	\$ 2,124.54	\$ 71.51	\$ -
Composite		23	\$ 1,146.11	\$ 1,108.79	\$ 37.32	\$ 316,326
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Composite >65	EE Only	24	\$ 1,019.10	\$ 988.63	\$ 30.47	\$ 293,501
	w Dep>65	5	\$ 2,029.78	\$ 1,966.22	\$ 63.56	\$ 121,787
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
Composite		29	\$ 1,193.35	\$ 1,157.18	\$ 36.18	\$ 415,288

* Blended using revenue.



2022 Implemented Rates vs. 2021 Implemented Rates (Dollar Increases)

		Total	Med/Rx/Vis	Dental	Total Revenue*
Active	EE Only	\$ 51.79	\$ 48.40	\$ 3.38	\$ 16,158
	2 Person	\$ 111.34	\$ 104.06	\$ 7.29	\$ 28,170
	Family	\$ 134.65	\$ 125.84	\$ 8.82	\$ 87,121
	Composite	\$ 107.88	\$ 100.82	\$ 7.06	\$ 131,449
Retired <65	EE Only	\$ (21.37)	\$ (25.35)	\$ 3.98	\$ (2,458)
	2 Person	\$ (41.67)	\$ (49.43)	\$ 7.76	\$ (6,084)
	Family	\$ (47.45)	\$ (56.28)	\$ 8.83	\$ (6,359)
	Composite	\$ (59.70)	\$ (65.89)	\$ 6.19	\$ (14,901)
Blended	EE Only	\$ 35.87	\$ 32.25	\$ 3.61	\$ 15,316
	2 Person	\$ 38.94	\$ 31.61	\$ 7.33	\$ 15,537
	Family	\$ 104.56	\$ 95.76	\$ 8.80	\$ 81,661
	Composite	\$ 65.23	\$ 58.38	\$ 6.85	\$ 112,514
Retired >65 \$2 Rx Copay	EE Only	\$ 40.44	\$ 40.44	\$ -	\$ 40
	w Dep>65	\$ 80.83	\$ 80.83	\$ -	\$ -
	w Dep<65	\$ 90.95	\$ 90.95	\$ -	\$ -
	Composite	\$ 40.44	\$ 40.44	\$ -	\$ 40
Retired >65 \$4 Rx Copay	EE Only	\$ 38.04	\$ 38.04	\$ -	\$ -
	w Dep>65	\$ 76.04	\$ 76.04	\$ -	\$ -
	w Dep<65	\$ 85.55	\$ 85.55	\$ -	\$ -
	Composite	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	\$ 39.96	\$ 35.46	\$ 4.49	\$ 160
	w Dep>65	\$ 79.85	\$ 70.89	\$ 8.96	\$ 80
	w Dep<65	\$ 89.84	\$ 79.77	\$ 10.08	\$ -
	Composite	\$ 273.95	\$ 263.11	\$ 10.84	\$ 240
Retired >65 \$10/\$20 Rx Copay	EE Only	\$ 29.08	\$ 24.59	\$ 4.49	\$ 553
	w Dep>65	\$ 58.12	\$ 49.16	\$ 8.96	\$ 232
	w Dep<65	\$ 65.38	\$ 55.31	\$ 10.08	\$ -
	Composite	\$ 40.99	\$ 35.53	\$ 5.46	\$ 785
Composite >65	EE Only	\$ 37.78	\$ 32.80	\$ 4.98	\$ 907
	w Dep>65	\$ 135.96	\$ 126.99	\$ 8.96	\$ 680
	w Dep<65	\$ -	\$ -	\$ -	\$ -
	Composite	\$ 81.67	\$ 75.15	\$ 6.53	\$ 1,587

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



2022 Implemented Rates vs. 2021 Implemented Rates (Percentage Increases)

		Total	Med/Rx/Vis	Dental	Total Revenue*
Active	EE Only	7.49%	7.33%	10.87%	7.49%
	2 Person	7.49%	7.33%	10.91%	7.49%
	Family	7.49%	7.33%	10.91%	7.49%
	Composite	7.45%	7.29%	10.84%	7.49%
Retired <65	EE Only	(2.29%)	(2.83%)	11.20%	(2.29%)
	2 Person	(2.29%)	(2.83%)	11.19%	(2.29%)
	Family	(2.29%)	(2.83%)	11.19%	(2.29%)
	Composite	(3.58%)	(4.11%)	9.74%	(2.29%)
Blended	EE Only	4.77%	4.48%	11.20%	4.77%
	2 Person	2.40%	2.03%	10.80%	2.40%
	Family	5.67%	5.43%	10.93%	5.67%
	Composite	4.34%	4.06%	10.58%	4.67%
Retired >65 \$2 Rx Copay	EE Only	3.42%	3.42%	N/A	3.42%
	w Dep>65	3.42%	3.42%	N/A	N/A
	w Dep<65	3.43%	3.43%	N/A	N/A
	Composite	3.42%	3.42%	N/A	3.42%
Retired >65 \$4 Rx Copay	EE Only	3.30%	3.30%	N/A	N/A
	w Dep>65	3.30%	3.30%	N/A	N/A
	w Dep<65	3.30%	3.30%	N/A	N/A
	Composite	N/A	N/A	N/A	N/A
Retired >65 \$4/\$8 Rx Copay	EE Only	3.53%	3.21%	16.42%	3.53%
	w Dep>65	3.53%	3.21%	16.42%	3.53%
	w Dep<65	3.53%	3.21%	16.42%	N/A
	Composite	24.22%	23.83%	39.69%	3.53%
Retired >65 \$10/\$20 Rx Copay	EE Only	3.07%	2.67%	16.42%	3.07%
	w Dep>65	3.07%	2.67%	16.42%	3.07%
	w Dep<65	3.07%	2.67%	16.42%	N/A
	Composite	3.71%	3.31%	17.14%	3.07%
Composite >65	EE Only	3.85%	3.43%	19.54%	3.85%
	w Dep>65	7.18%	6.90%	16.42%	7.18%
	w Dep<65	N/A	N/A	N/A	N/A
	Composite	7.35%	6.95%	22.02%	4.80%

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

2023 Trended Calculated Premium Rates

(Assumes No Change in Covered Lives from 2021)

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	312	\$ 970.56	\$ 927.13	\$ 43.43	\$ 3,633,777
	2 Person	253	\$ 2,086.68	\$ 1,993.31	\$ 93.37	\$ 6,335,160
	Family	647	\$ 2,523.45	\$ 2,410.53	\$ 112.92	\$ 19,592,066
	Composite	1,212	\$ 2,032.52	\$ 1,941.57	\$ 90.95	\$ 29,561,003
Retired <65	EE Only	115	\$ 1,188.71	\$ 1,138.91	\$ 49.80	\$ 1,640,420
	2 Person	146	\$ 2,317.98	\$ 2,220.88	\$ 97.10	\$ 4,061,101
	Family	134	\$ 2,638.93	\$ 2,528.39	\$ 110.54	\$ 4,243,399
	Composite	395	\$ 2,098.08	\$ 2,010.20	\$ 87.89	\$ 9,944,920
Blended	EE Only	427	\$ 1,029.31	\$ 984.16	\$ 45.14	\$ 5,274,196
	2 Person	399	\$ 2,171.32	\$ 2,076.58	\$ 94.74	\$ 10,396,261
	Family	781	\$ 2,543.26	\$ 2,430.75	\$ 112.51	\$ 23,835,465
	Composite	1,607	\$ 2,048.64	\$ 1,958.44	\$ 90.20	\$ 39,505,922
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,464.54	\$ 1,464.54	\$ -	\$ 17,574
	w Dep>65	0	\$ 2,927.62	\$ 2,927.62	\$ -	\$ -
	w Dep<65	0	\$ 3,293.76	\$ 3,293.76	\$ -	\$ -
	Composite	1	\$ 1,464.54	\$ 1,464.54	\$ -	\$ 17,574
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,428.54	\$ 1,428.54	\$ -	\$ -
	w Dep>65	0	\$ 2,855.65	\$ 2,855.65	\$ -	\$ -
	w Dep<65	0	\$ 3,212.78	\$ 3,212.78	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	4	\$ 1,403.15	\$ 1,366.43	\$ 36.72	\$ 67,351
	w Dep>65	1	\$ 2,804.88	\$ 2,731.48	\$ 73.40	\$ 33,659
	w Dep<65	0	\$ 3,155.69	\$ 3,073.10	\$ 82.59	\$ -
	Composite	5	\$ 1,683.50	\$ 1,639.44	\$ 44.06	\$ 101,010
Retired >65 \$10/\$20 Rx Copay	EE Only	19	\$ 1,169.65	\$ 1,132.93	\$ 36.72	\$ 266,680
	w Dep>65	4	\$ 2,338.13	\$ 2,264.73	\$ 73.40	\$ 112,230
	w Dep<65	0	\$ 2,630.55	\$ 2,547.96	\$ 82.59	\$ -
	Composite	23	\$ 1,372.86	\$ 1,329.76	\$ 43.10	\$ 378,910
Composite >65	EE Only	24	\$ 1,220.85	\$ 1,185.66	\$ 35.19	\$ 351,605
	w Dep>65	5	\$ 2,431.48	\$ 2,358.08	\$ 73.40	\$ 145,889
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	29	\$ 1,429.58	\$ 1,387.80	\$ 41.78	\$ 497,494



2023 Projected Smoothed Premium Rates

(Assumes No Change in Covered Lives from 2021)

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	312	\$ 892.26	\$ 852.33	\$ 39.93	\$ 3,340,621
	2 Person	253	\$ 1,918.34	\$ 1,832.50	\$ 85.84	\$ 5,824,080
	Family	647	\$ 2,319.87	\$ 2,216.06	\$ 103.81	\$ 18,011,471
	Composite	1,212	\$ 1,868.55	\$ 1,784.93	\$ 83.61	\$ 27,176,172
Retired <65	EE Only	115	\$ 1,092.81	\$ 1,047.03	\$ 45.78	\$ 1,508,078
	2 Person	146	\$ 2,130.98	\$ 2,041.71	\$ 89.27	\$ 3,733,477
	Family	134	\$ 2,426.03	\$ 2,324.41	\$ 101.62	\$ 3,901,056
	Composite	395	\$ 1,928.82	\$ 1,848.02	\$ 80.80	\$ 9,142,611
Blended	EE Only	427	\$ 946.27	\$ 904.77	\$ 41.50	\$ 4,848,699
	2 Person	399	\$ 1,996.15	\$ 1,909.05	\$ 87.09	\$ 9,557,557
	Family	781	\$ 2,338.08	\$ 2,234.65	\$ 103.44	\$ 21,912,527
	Composite	1,607	\$ 1,883.36	\$ 1,800.44	\$ 82.92	\$ 36,318,783
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,342.05	\$ 1,342.05	\$ -	\$ 16,105
	w Dep>65	0	\$ 2,682.75	\$ 2,682.75	\$ -	\$ -
	w Dep<65	0	\$ 3,018.26	\$ 3,018.26	\$ -	\$ -
	Composite	1	\$ 1,342.05	\$ 1,342.05	\$ -	\$ 16,105
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,309.05	\$ 1,309.05	\$ -	\$ -
	w Dep>65	0	\$ 2,616.79	\$ 2,616.79	\$ -	\$ -
	w Dep<65	0	\$ 2,944.06	\$ 2,944.06	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	4	\$ 1,285.78	\$ 1,252.13	\$ 33.65	\$ 61,717
	w Dep>65	1	\$ 2,570.27	\$ 2,503.01	\$ 67.26	\$ 30,843
	w Dep<65	0	\$ 2,891.73	\$ 2,816.05	\$ 75.68	\$ -
	Composite	5	\$ 1,542.68	\$ 1,502.31	\$ 40.37	\$ 92,560
Retired >65 \$10/\$20 Rx Copay	EE Only	19	\$ 1,071.82	\$ 1,038.17	\$ 33.65	\$ 244,375
	w Dep>65	4	\$ 2,142.56	\$ 2,075.30	\$ 67.26	\$ 102,843
	w Dep<65	0	\$ 2,410.52	\$ 2,334.84	\$ 75.68	\$ -
	Composite	23	\$ 1,258.04	\$ 1,218.54	\$ 39.50	\$ 347,218
Composite >65	EE Only	24	\$ 1,118.74	\$ 1,086.49	\$ 32.25	\$ 322,197
	w Dep>65	5	\$ 2,228.10	\$ 2,160.84	\$ 67.26	\$ 133,686
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	29	\$ 1,310.01	\$ 1,271.72	\$ 38.29	\$ 455,883

The rates are projected assuming all trend assumptions are realized and there are no plan changes or changes in population; in reality, there will be gains and losses so the actual 2023 rates developed next year will differ from the rates above.



2021 Implemented Premium Rates Reflecting Gain/Loss Smoothing

		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	\$ 3,809,343
	2 Person	409	\$ 1,623.56	\$ 1,555.69	\$ 67.87	\$ 7,968,432
	Family	789	\$ 1,842.77	\$ 1,762.26	\$ 80.51	\$ 17,447,346
	Composite	1,620	\$ 1,503.36	\$ 1,438.61	\$ 64.75	\$ 29,225,121
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



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



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



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.
- 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 2019: \$1,316,823 (16.4% reduction)
 - FYE 2020: \$1,501,074 (19.8% reduction)
 - FYE 2021: \$1,275,464 (16.4% 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.
- Three adjustments are made to adjust the calculated rates to obtain the implemented rates – three year smoothing, surplus reduction and the COVID claims reduction. All three adjustments are made in total and split prorationally to the active & Pre-65 retiree segments.
- 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.