

City of Grand Rapids

2025 Final Trend Report

September 27, 2024





September 27, 2024

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 2025 rates; and
- As inputs to the June 30, 2024 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 2026 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.
- The City desires to reflect the actual versus expected claim experience into future rates. Therefore, a three-year smoothing process remains in effect in the rating for both the Pre-65 (actives and retirees) 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.
- For the 2025 rating period, emerging experience under new healthcare TPAs is recognized (in combination with prior TPA experience). These include:
 - Effective January 1, 2024, Priority Health replaced Blue Cross Blue Shield of Michigan (BCBSM) as the medical TPA. Priority Health provided a one-time implementation credit to offset administration expenses, previously recognized in the prior rating (2024 implemented rates). With the change in medical TPAs, transgender care procedures are included, resulting in an expected increase in claims of 1.6%. This adjustment was lowered to 0.8% for the most recent experience year to reflect half of the experience period covering such services.
 - Effective January 1, 2024, DisclosedRx replaced BCBSM as the Prescription Drug (Rx) TPA for all three segments. DisclosedRx does not charge a monthly contract, and instead, charges \$8.40 per claim they process. Actual administration fees from DisclosedRx for the first 6 months of experience were used to determine an expected per member per month administration fee for each segment. In the prior rating, an adjustment factor of 87.8% (reduction of 12.2%) was used to reflect the expected savings in moving to DisclosedRx. An analysis of the first 6 months of claims under DisclosedRx produced savings in line with the 12.2% adjustment factor. As a result, an adjustment factor of 93.9% was used for the most recent experience year to reflect half of the experience period already producing the savings.
- The current experience period (7/1/2023 through 6/30/2024) for both the pre- and post-65 participants results in 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 gain of \$2.1 million (5.4%) relative to the expected claim level (page 15). The 2025 implemented rates continue to be partially offset by the use of three-year smoothing of gains and losses (by 5.0% in the 2025 implemented rates). Note that the reduction in the 2023 rates was 6.6% and in 2024 was 4.9%.
 - For the post-65 participants, the combined experience generated a gain of \$55K (15.8%) relative to our expected claim level (page 16). The 2025 implemented rates will be partially offset by the use of three-year smoothing of gains and losses (by 23.6% in the 2025 implemented rates). Note that the reduction in the 2023 rates was 16.9% and in 2024 was 26.5%.



- For the 2021 rate setting, a Surplus Reduction Adjustment was introduced for the Pre-65 segment (actives and pre-65 retirees). For the 2025 rate setting, the Surplus Reduction Adjustment is \$500,000. This adjustment lowered the overall rates in this segment by 1.1% for a total reduction of 6.1% when combined with the smoothing process. For the 2024 rate setting, the total reduction in the implemented rates was 7.5%.
- Trend rates are used to project results from the experience periods to the 2025 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 6.5% and the prescription drug trend assumption is 7.5% for all three segments.
- The table below provides a summary of individual rate changes after incorporating the smoothing by segment and the surplus reduction adjustment. Note composite rate changes are different than these due to shifts in the participant distribution.

Segment	Rate Change
Active employees	+3.8%
Pre-65 retirees	+12.0%
Total Pre-65 participants	+5.6%
Post-65 retirees	+10.5%

- The results of the rate analysis in this report will be incorporated into the June 30, 2024 Annual Other Postemployment Benefits Valuations for General, Police and Fire members. The pre-65 retiree only “calculated rates” developed on page 21 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 2025 blended (active and pre-65 retiree) implemented rates (page 22) serve as the basis for pre-65 retiree contributions. The post-65 retirees pay 100% of the implemented rates developed on page 22.
- 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.



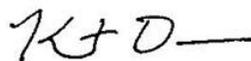
Ms. Molly Clarin
City of Grand Rapids
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James E. Pranschke and Kurt Dosson are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

Respectively submitted,
Gabriel, Roeder, Smith & Company



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



Kurt Dosson, ASA, FCA, MAAA
Consultant and Actuary

JEP/KD:dj

cc: James D. Anderson, GRS



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Employer Paid Medical Claims Experience

Experience Year: **07/01/2022 - 06/30/2023**
 Projection Year: **01/01/2025 - 12/31/2025**

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Medical Claims *	\$ 18,961,972	\$ 6,447,912	\$ 25,409,884
Trend Factor (6.5% annual trend)	1.170	1.170	
Incurral Factor	1.011	1.011	
Plan Design / Network Adjustment Factor	1.016	1.016	
Projected Incurred Claims	\$ 22,788,420	\$ 7,749,075	\$ 30,537,495
Average Contracts	1,235.73	395.57	1,631.30
Average Members (adjusted)	3,542.88	946.84	4,489.72
Per Member Per Month Claims (PMPM)	\$ 536.01	\$ 682.01	\$ 566.80

Experience Year: **07/01/2023 - 06/30/2024**
 Projection Year: **01/01/2025 - 12/31/2025**

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Medical Claims	\$ 19,121,894	\$ 6,940,902	\$ 26,062,796
Trend Factor (6.5% annual trend)	1.099	1.099	
Incurral Factor	1.011	1.011	
Plan Design / Network Adjustment Factor	1.008	1.008	
Projected Incurred Claims	\$ 21,416,096	\$ 7,773,655	\$ 29,189,751
Average Contracts	1,273.71	393.15	1,666.85
Average Members (adjusted)	3,604.94	943.24	4,548.18
Per Member Per Month Claims (PMPM)	\$ 495.06	\$ 686.79	\$ 534.82
Weighted Average PMPM (60/40)	\$ 511.44	\$ 684.88	\$ 547.61
Administrative Fees	\$ 20.03	\$ 23.63	\$ 20.78
Total Medical PMPM	\$ 531.47	\$ 708.51	\$ 568.39

* See explanatory notes for detailed description.

Post-65 Retiree Medical Claims Experience

Projection Year: 01/01/2025 - 12/31/2025

Experience Year (July to June)	2021-2022	2022-2023	2023-2024	Total / Weighted Average
Experience Year				
Paid Medical Claims *	\$ 62,109	\$ 144,084	\$ 107,131	\$ 313,324
Trend Factor (6.5% annual trend)	1.246	1.170	1.099	
Incurral Factor	1.011	1.011	1.011	
Plan Design Adjustment Factor	1.000	1.000	1.000	
Projected Incurred Claims	\$ 78,239	\$ 170,432	\$ 119,032	\$ 367,703
Average Contracts	29.00	27.61	24.57	81.18
Average Members (adjusted)	34.08	32.28	28.74	95.10
Weighting Factor	33.3%	33.3%	33.3%	
Per Member Per Month Claims (PMPM)	\$ 191.31	\$ 439.98	\$ 345.18	\$ 325.49
Administrative Fees				\$ 39.27
Total Medical PMPM				\$ 364.76

* 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	\$ 531.47	\$ 708.51	\$ 568.39	\$ 364.76
Members Per Contract	2.830	2.398	2.733	1.130
Per Employee Per Month Cost (PEPM)	\$ 1,504.06	\$ 1,699.01	\$ 1,553.41	\$ 412.18
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.074	2.000
Family	2.600	2.220	2.540	2.250
Composite Tier	2.059	1.795	1.999	1.130
Single Rate*	\$ 730.48	\$ 946.52	\$ 777.09	\$ 364.76
Double Rate*	\$ 1,570.53	\$ 1,845.71	\$ 1,611.68	\$ 729.52
Family Rate*	\$ 1,899.25	\$ 2,101.27	\$ 1,973.81	\$ 820.71

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

Employer Paid Rx Pre-65 Claims Experience

Experience Year: 07/01/2022 - 06/30/2023
 Projection Year: 01/01/2025 - 12/31/2025

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Rx Claims	\$ 4,408,055	\$ 1,612,343	\$ 6,020,398
Trend Factor (7.5% annual trend)	1.198	1.198	1.198
Incurral Factor	1.006	1.006	1.006
Plan Design / Carrier Adjustment Factor	0.878	0.878	0.878
Projected Incurred claims	\$ 4,664,406	\$ 1,706,109	\$ 6,370,515
Average Contracts	1,235.73	395.57	1,631.30
Average Members (adjusted)	3,542.88	946.84	4,489.72
Per Member Per Month Claims (PMPM)	\$ 109.71	\$ 150.16	\$ 118.24

Experience Year: 07/01/2023 - 06/30/2024
 Projection Year: 01/01/2025 - 12/31/2025

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Rx Claims	\$ 4,928,646	\$ 1,908,524	\$ 6,837,170
Trend Factor (7.5% annual trend)	1.114	1.114	1.114
Incurral Factor	1.006	1.006	1.006
Plan Design / Carrier Adjustment Factor	0.939	0.939	0.939
Projected Incurred Claims	\$ 5,186,524	\$ 2,008,382	\$ 7,194,906
Average Contracts	1,273.71	393.15	1,666.85
Average Members	3,604.94	943.24	4,548.18
Per Member Per Month Claims (PMPM)	\$ 119.89	\$ 177.44	\$ 131.83
Weighted Average PMPM (60/40)	\$ 115.82	\$ 166.53	\$ 126.39
Administrative Fees	\$ 14.32	\$ 16.89	\$ 14.85
Total Rx PMPM	\$ 130.14	\$ 183.42	\$ 141.24

Pre-65 Rx Rate Development

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Total Rx PMPM	\$ 130.14	\$ 183.42	\$ 141.24
Members Per Contract	2.830	2.398	2.733
Per Employee Per Month Cost (PEPM)	\$ 368.30	\$ 439.84	\$ 386.01
Rating Tiers			
Single	1.000	1.000	1.000
Double	2.150	1.950	2.074
Family	2.600	2.220	2.540
Composite Tier	2.059	1.795	1.999
Single Rate*	\$ 178.87	\$ 245.04	\$ 193.10
Double Rate*	\$ 384.57	\$ 477.83	\$ 400.49
Family Rate*	\$ 465.06	\$ 543.99	\$ 490.47

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

Post-65 Rx Claim Experience and Rate Development

Projection Year: 01/01/2025 - 12/31/2025

Experience Year (July to June)	01/01/2025 - 12/31/2025			Total / Weighted
	2021-2022	2022-2023	2023-2024	Average
Paid Rx Claims	\$ 257,959	\$ 197,245	\$ 169,731	\$ 624,936
Trend Factor (7.5% annual trend)	1.288	1.198	1.114	
Incurral Factor	1.006	1.006	1.006	
Plan Design Adjustment Factor	0.878	0.878	0.939	
Projected Incurred Claims	\$ 293,467	\$ 208,716	\$ 178,612	\$ 680,795
Average Contracts	29.00	27.61	24.57	81.18
Average Members (adjusted)	34.08	32.28	28.74	95.10
Weighting Factor	33.3%	33.3%	33.3%	
Per Member Per Month Claims (PMPM)	\$ 717.59	\$ 538.82	\$ 517.90	\$ 591.44
Administrative Fees				\$ 34.65
Total Rx PMPM				\$ 626.09
	\$2 Copay	\$4 Copay	\$4/\$8 Copay	\$10/\$20 Copay
Overall Rx Claims PMPM	\$ 591.44	\$ 591.44	\$ 591.44	\$ 591.44
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)**	\$ 815.48	\$ 787.57	\$ 739.00	\$ 556.29
Administrative Fees	\$ 44.68	\$ 43.84	\$ 41.37	\$ 33.10
Weighted Average PMPM (RVs) w/ Admin	\$ 860.16	\$ 831.41	\$ 780.37	\$ 589.39
Single	1.000	1.000	1.000	1.000
Double	2.000	2.000	2.000	2.000
Family	2.250	2.250	2.250	2.250
Composite Tier	1.130	1.130	1.130	1.130
Single Rate*	\$ 860.16	\$ 831.42	\$ 780.37	\$ 589.39
Double Rate*	\$ 1,720.32	\$ 1,662.84	\$ 1,560.74	\$ 1,178.78
Family Rate*	\$ 1,935.36	\$ 1,870.70	\$ 1,755.83	\$ 1,326.13

* Rate calculated as the PMPM 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: 07/01/2022 - 06/30/2023

Projection Year: 01/01/2025 - 12/31/2025

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Paid Dental Claims	\$ 1,356,703	\$ 398,921	\$ 1,755,625
Trend Factor (4% annual trend)	1.103	1.103	1.103
Incurral Factor	1.003	1.003	1.003
Plan Design Adjustment Factor	1.000	1.000	1.000
Projected Incurred claims	\$ 1,500,933	\$ 441,330	\$ 1,942,264
Average Contracts	1,235.73	395.57	1,631.30
Average Members (adjusted)	3,542.88	946.84	4,489.72
Per Member Per Month Claims (PMPM)	\$ 35.30	\$ 38.84	\$ 36.05

Experience Year: 07/01/2023 - 06/30/2024

Projection Year: 01/01/2025 - 12/31/2025

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Paid Dental Claims	\$ 1,445,123	\$ 406,383	\$ 1,851,505
Trend Factor (4% annual trend)	1.060	1.060	1.060
Incurral Factor	1.003	1.003	1.003
Plan Design Adjustment Factor	1.000	1.000	1.000
Projected Incurred Claims	\$ 1,536,426	\$ 432,058	\$ 1,968,483
Average Contracts	1,273.71	393.15	1,666.85
Average Members	3,604.94	943.24	4,548.18
Per Member Per Month Claims (PMPM)	\$ 35.52	\$ 38.17	\$ 36.07
Weighted Average PMPM (60/40)	\$ 35.43	\$ 38.44	\$ 36.06
Administrative Fees	\$ 1.41	\$ 1.67	\$ 1.46
Total Dental PMPM	\$ 36.84	\$ 40.11	\$ 37.52

Post-65 Retiree Dental Claims Experience

Projection Year: 01/01/2025 - 12/31/2025

Experience Year (July to June)	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>Total / Weighted Average</u>
Experience Year				
Paid Dental Claims *	\$ 2,012	\$ 761	\$ 1,675	\$ 4,448
Trend Factor (4% annual trend)	1.147	1.103	1.060	
Incurral Factor	1.003	1.003	1.003	
Plan Design Adjustment Factor	1.000	1.000	1.000	
Projected Incurred Claims	\$ 2,315	\$ 842	\$ 1,781	\$ 4,938
Average Contracts	7.00	7.00	4.00	18.00
Average Members (adjusted)	8.23	8.19	6.00	22.42
Weighting Factor	40.0%	20.0%	40.0%	
Per Member Per Month Claims (PMPM)	\$ 23.45	\$ 8.57	\$ 24.74	\$ 20.99
Administrative Fees				\$ 2.67
Total Dental PMPM				\$ 23.66

* See explanatory notes for detailed description.

Dental Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Dental PMPM	\$ 36.84	\$ 40.11	\$ 37.52	\$ 23.66
Members Per Contract	2.830	2.398	2.733	1.500
Per Employee Per Month Cost (PEPM)	\$ 104.26	\$ 96.18	\$ 102.54	\$ 35.49
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.074	2.000
Family	2.600	2.220	2.540	2.250
Composite Tier	2.059	1.795	1.999	1.500
Single Rate*	\$ 50.64	\$ 53.58	\$ 51.30	\$ 23.66
Double Rate*	\$ 108.88	\$ 104.48	\$ 106.40	\$ 47.32
Family Rate*	\$ 131.66	\$ 118.95	\$ 130.30	\$ 53.24

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

Employer Paid Vision Claims Experience

Experience Year: 07/01/2022 - 06/30/2023

Projection Year: 01/01/2025 - 12/31/2025

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Vision Claims	\$ 586,162	\$ 228,653	\$ 814,815
Trend Factor (3.5% annual trend)	1.090	1.090	1.090
Incurral Factor	1.003	1.003	1.003
Plan Design / Carrier Adjustment Factor	1.000	1.000	1.000
Projected Incurred Claims	\$ 640,833	\$ 249,979	\$ 890,813
Average Contracts	1,235.73	395.57	1,631.30
Average Members (adjusted)	3,542.88	946.84	4,489.72
Per Member Per Month Claims (PMPM)	\$ 15.07	\$ 22.00	\$ 16.53

Experience Year: 07/01/2023 - 06/30/2024

Projection Year: 01/01/2025 - 12/31/2025

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Vision claims	\$ 724,757	\$ 266,476	\$ 991,232
Trend Factor (3.5% annual trend)	1.053	1.053	1.053
Incurral Factor	1.003	1.003	1.003
Plan Design / Carrier Adjustment Factor	1.000	1.000	1.000
Projected Incurred Claims	\$ 765,459	\$ 281,441	\$ 1,046,899
Average Contracts	1,273.71	393.15	1,666.85
Average Members	3,604.94	943.24	4,548.18
Per Member Per Month Claims (PMPM)	\$ 17.69	\$ 24.86	\$ 19.18
Weighted Average PMPM (60/40)	\$ 16.64	\$ 23.72	\$ 18.12
Administrative Fees	\$ 0.42	\$ 0.49	\$ 0.43
Total Vision PMPM	\$ 17.06	\$ 24.21	\$ 18.55

Post-65 Retiree Vision Claims Experience

Projection Year: 01/01/2025 - 12/31/2025

Experience Year (July to June)	2021-2022	2022-2023	2023-2024	Total / Weighted Average
Experience Year				
Paid Vision Claims *	\$ 366	\$ 354	\$ 438	\$ 1,158
Trend Factor (3.5% annual trend)	1.128	1.090	1.053	
Incurral Factor	1.003	1.003	1.003	
Plan Design Adjustment Factor	1.000	1.000	1.000	
Projected Incurred Claims	\$ 414	\$ 387	\$ 463	\$ 1,264
Average Contracts	29.00	27.61	24.57	81.18
Average Members (adjusted)	34.08	32.28	28.74	95.10
Weighting Factor	33.3%	33.3%	33.3%	
Per Member Per Month Claims (PMPM)	\$ 1.01	\$ 1.00	\$ 1.34	\$ 1.11
Administrative Fees				\$ 1.01
Total Vision PMPM				\$ 2.12

* See explanatory notes for detailed description.

Vision Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Vision PMPM	\$ 17.06	\$ 24.21	\$ 18.55	\$ 2.12
Members Per Contract	2.830	2.398	2.733	1.130
Per Employee Per Month Cost (PEPM)	\$ 48.28	\$ 58.06	\$ 50.70	\$ 2.40
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.074	2.000
Family	2.600	2.220	2.540	2.250
Composite Tier	2.059	1.795	1.999	1.130
Single Rate*	\$ 23.45	\$ 32.34	\$ 25.36	\$ 2.12
Double Rate*	\$ 50.42	\$ 63.06	\$ 52.60	\$ 4.24
Family Rate*	\$ 60.97	\$ 71.79	\$ 64.41	\$ 4.77

* 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 2023 through June 2024

July 2023	Active	Pre-65 Retiree	Total
Contracts	1,251	399	1,650
Lives	3,562	961	4,523
Medical	\$1,654,648	\$542,324	\$2,196,972
Rx Net of Rebate	\$423,431	\$140,383	\$563,814
Dental	\$116,847	\$28,528	\$145,376
Vision	\$46,973	\$11,259	\$58,232
Medical Admin Fee	\$66,692	\$21,279	\$87,971
Rx Admin Fee	\$12,489	\$3,855	\$16,344
Dental Admin Fees	\$4,235	\$1,283	\$5,518
Consultant/Actuary	\$13,715	\$4,233	\$17,948
Total	\$2,339,030	\$753,144	\$3,092,174

October 2023	Active	Pre-65 Retiree	Total
Contracts	1,256	401	1,657
Lives	3,559	959	4,518
Medical	\$1,923,082	\$524,255	\$2,447,337
Rx Net of Rebate	\$449,097	\$175,241	\$624,339
Dental	\$181,360	\$38,917	\$220,277
Vision	\$44,498	\$21,500	\$65,998
Medical Admin Fee	\$66,962	\$21,385	\$88,347
Rx Admin Fee	\$12,489	\$3,855	\$16,344
Dental Admin Fees	\$4,240	\$1,284	\$5,524
Consultant/Actuary	\$13,715	\$4,233	\$17,948
Total	\$2,695,443	\$790,671	\$3,486,113

August	Active	Pre-65 Retiree	Total
Contracts	1,246	404	1,650
Lives	3,548	966	4,514
Medical	\$1,748,716	\$470,942	\$2,219,659
Rx Net of Rebate	\$425,510	\$186,979	\$612,489
Dental	\$135,219	\$37,465	\$172,684
Vision	\$58,627	\$19,700	\$78,328
Medical Admin Fee	\$66,441	\$21,545	\$87,986
Rx Admin Fee	\$12,489	\$3,855	\$16,344
Dental Admin Fees	\$4,235	\$1,283	\$5,518
Consultant/Actuary	\$13,715	\$4,233	\$17,948
Total	\$2,464,953	\$746,002	\$3,210,955

November	Active	Pre-65 Retiree	Total
Contracts	1,271	399	1,670
Lives	3,583	957	4,540
Medical	\$1,675,898	\$1,172,580	\$2,848,478
Rx Net of Rebate	\$442,862	\$183,397	\$626,258
Dental	\$100,113	\$32,406	\$132,519
Vision	\$48,410	\$26,666	\$75,077
Medical Admin Fee	\$67,775	\$21,279	\$89,054
Rx Admin Fee	\$12,489	\$3,855	\$16,344
Dental Admin Fees	\$4,261	\$1,290	\$5,551
Consultant/Actuary	\$13,715	\$4,233	\$17,948
Total	\$2,365,523	\$1,445,706	\$3,811,229

September 2023	Active	Pre-65 Retiree	Total
Contracts	1,250	402	1,652
Lives	3,540	963	4,503
Medical	\$1,915,206	\$488,990	\$2,404,196
Rx Net of Rebate	\$395,233	\$169,364	\$564,597
Dental	\$64,707	\$17,103	\$81,810
Vision	\$47,032	\$20,339	\$67,371
Medical Admin Fee	\$66,655	\$21,439	\$88,094
Rx Admin Fee	\$12,489	\$3,855	\$16,344
Dental Admin Fees	\$4,235	\$1,283	\$5,518
Consultant/Actuary	\$13,715	\$4,233	\$17,948
Total	\$2,519,272	\$726,606	\$3,245,877

December 2023	Active	Pre-65 Retiree	Total
Contracts	1,269	398	1,667
Lives	3,574	958	4,532
Medical	\$1,978,778	\$927,813	\$2,906,591
Rx Net of Rebate	\$427,818	\$215,948	\$643,765
Dental	\$107,020	\$25,899	\$132,919
Vision	\$73,321	\$33,556	\$106,877
Medical Admin Fee	\$67,662	\$21,213	\$88,875
Rx Admin Fee	\$12,489	\$3,855	\$16,344
Dental Admin Fees	\$4,271	\$1,293	\$5,564
Consultant/Actuary	\$13,715	\$4,233	\$17,948
Total	\$2,685,073	\$1,233,810	\$3,918,883



City of Grand Rapids

Summary of Non-Medicare Claims and Expenses

July 2023 through June 2024

January 2024	Active	Pre-65 Retiree	Total
Contracts	1,293	387	1,680
Lives	3,653	931	4,584
Medical	\$651,801	\$246,865	\$898,666
Rx Net of Rebate	\$270,129	\$136,646	\$406,775
Dental	\$134,898	\$29,206	\$164,104
Vision	\$129,542	\$21,078	\$150,620
Medical Admin Fee	\$59,509	\$18,057	\$77,566
Rx Admin Fee	\$52,691	\$16,264	\$68,955
Dental Admin Fees	\$5,250	\$1,590	\$6,840
Consultant/Actuary	\$13,715	\$4,233	\$17,948
Total	\$1,317,535	\$473,939	\$1,791,474

April 2024	Active	Pre-65 Retiree	Total
Contracts	1,297	386	1,683
Lives	3,656	925	4,581
Medical	\$1,519,346	\$556,321	\$2,075,667
Rx Net of Rebate	\$425,792	\$138,325	\$564,117
Dental	\$102,018	\$42,747	\$144,765
Vision	\$50,774	\$21,039	\$71,813
Medical Admin Fee	\$58,973	\$18,065	\$77,038
Rx Admin Fee	\$52,691	\$16,264	\$68,955
Dental Admin Fees	\$5,275	\$1,597	\$6,872
Consultant/Actuary	\$13,715	\$4,233	\$17,948
Total	\$2,228,584	\$798,591	\$3,027,175

February	Active	Pre-65 Retiree	Total
Contracts	1,279	392	1,671
Lives	3,620	941	4,561
Medical	\$1,427,033	\$481,693	\$1,908,726
Rx Net of Rebate	\$421,612	\$153,981	\$575,593
Dental	\$123,538	\$34,577	\$158,115
Vision	\$65,593	\$31,339	\$96,931
Medical Admin Fee	\$59,848	\$17,927	\$77,775
Rx Admin Fee	\$52,691	\$16,264	\$68,955
Dental Admin Fees	\$5,226	\$1,582	\$6,808
Consultant/Actuary	\$13,715	\$4,233	\$17,948
Total	\$2,169,256	\$741,595	\$2,910,851

May	Active	Pre-65 Retiree	Total
Contracts	1,297	382	1,679
Lives	3,662	917	4,579
Medical	\$1,603,484	\$520,975	\$2,124,459
Rx Net of Rebate	\$427,001	\$145,504	\$572,505
Dental	\$132,255	\$43,122	\$175,376
Vision	\$54,934	\$17,107	\$72,041
Medical Admin Fee	\$58,652	\$17,483	\$76,135
Rx Admin Fee	\$52,691	\$16,264	\$68,955
Dental Admin Fees	\$5,259	\$1,593	\$6,852
Consultant/Actuary	\$13,715	\$4,233	\$17,948
Total	\$2,347,991	\$766,281	\$3,114,272

March 2024	Active	Pre-65 Retiree	Total
Contracts	1,284	389	1,673
Lives	3,628	933	4,561
Medical	\$1,520,929	\$514,595	\$2,035,524
Rx Net of Rebate	\$465,046	\$139,454	\$604,500
Dental	\$135,690	\$39,931	\$175,620
Vision	\$50,221	\$23,047	\$73,269
Medical Admin Fee	\$56,775	\$18,111	\$74,886
Rx Admin Fee	\$52,691	\$16,264	\$68,955
Dental Admin Fees	\$5,219	\$1,581	\$6,800
Consultant/Actuary	\$13,715	\$4,233	\$17,948
Total	\$2,300,286	\$757,216	\$3,057,502

June 2024	Active	Pre-65 Retiree	Total
Contracts	1,293	379	1,672
Lives	3,674	907	4,581
Medical	\$1,502,973	\$493,548	\$1,996,521
Rx Net of Rebate	\$355,115	\$123,303	\$478,418
Dental	\$111,460	\$36,482	\$147,942
Vision	\$54,831	\$19,844	\$74,675
Medical Admin Fee	\$60,758	\$17,591	\$78,349
Rx Admin Fee	\$52,691	\$16,264	\$68,955
Dental Admin Fees	\$5,241	\$1,587	\$6,828
Consultant/Actuary	\$13,711	\$4,232	\$17,943
Total	\$2,156,780	\$712,851	\$2,869,631



Calculation of Gain/(Loss) on July 2023 through June 2024 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 2023 & 2024 Calculated per Contract Rates*	Gain/(Loss)
July-23	\$3,092,174	1,251	399	1,650	\$3,234,017	\$141,843
August-23	\$3,210,955	1,246	404	1,650	\$3,234,017	\$23,062
September-23	\$3,245,877	1,250	402	1,652	\$3,237,937	(\$7,940)
October-23	\$3,486,113	1,256	401	1,657	\$3,247,737	(\$238,376)
November-23	\$3,811,229	1,271	399	1,670	\$3,273,217	(\$538,012)
December-23	\$3,918,883	1,269	398	1,667	\$3,267,337	(\$651,546)
January-24	\$1,791,474	1,293	387	1,680	\$3,368,450	\$1,576,976
February-24	\$2,910,851	1,279	392	1,671	\$3,350,405	\$439,554
March-24	\$3,057,502	1,284	389	1,673	\$3,354,415	\$296,913
April-24	\$3,027,175	1,297	386	1,683	\$3,374,465	\$347,290
May-24	\$3,114,272	1,297	382	1,679	\$3,366,445	\$252,173
June-24	\$2,869,631	1,293	379	1,672	\$3,352,410	\$482,779
Total	\$37,536,136	1,274	393	1,667	\$39,660,852	\$2,124,716

Amount of July 2023 through June 2024 experience gain/(loss) recognized in 2025 rates	\$708,239
Amount of July 2022 through June 2023 experience gain/(loss) recognized in 2025 rates	\$817,057
Amount of July 2021 through June 2022 experience gain/(loss) recognized in 2025 rates	\$546,284
Total Amount experience gain/(loss) recognized in 2025 rates	\$2,071,580

* Apply rates from page 28 for 2024 and from page 29 for 2023 to derive Expected Revenue.

Calculation of Gain/(Loss) on July 2023 through June 2024 Post-65 Retiree Experience

Period	Post-65 Claim & Admin Costs	Post-65 Contracts	Expected Revenue Based on 2023 & 2024 Calculated per Contract Rates*	Gain/(Loss)
July-23	\$32,060	25	\$31,122	(\$938)
August-23	\$27,756	25	\$30,955	\$3,199
September-23	\$27,354	24	\$30,086	\$2,732
October-23	\$26,664	24	\$30,086	\$3,422
November-23	\$30,567	24	\$30,086	(\$481)
December-23	\$30,964	24	\$30,086	(\$878)
January-24	\$9,388	25	\$27,628	\$18,240
February-24	\$14,233	26	\$29,467	\$15,234
March-24	\$24,326	26	\$29,467	\$5,141
April-24	\$20,118	25	\$28,547	\$8,429
May-24	\$27,565	24	\$26,708	(\$857)
June-24	\$22,804	23	\$24,869	\$2,065
Total	\$293,799	25	\$349,107	\$55,308

Portion of Gain/(Loss) Recognized in 2025 Implemented Rates	
Amount of July 2023 through June 2024 experience gain/(loss) recognized in 2023 rates	\$18,436
Amount of July 2022 through June 2023 experience gain/(loss) recognized in 2023 rates	\$22,208
Amount of July 2021 through June 2022 experience gain/(loss) recognized in 2023 rates	\$34,350
Total Amount experience gain/(loss) recognized in 2025 rates	\$74,994

* Apply rates from page 28 for 2024 and from page 29 for 2023 to derive Expected Revenue.

Explanation of Rates Developed in Following Section

Page 21: "2025 Calculated Premium Rates Schedule"

This schedule develops the 2025 rates without incorporating any smoothing.

Page 22: "2025 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 5.0% and the surplus reduction adjustment plus the implementation credit reduces the rate by an additional 1.1%, for a total reduction of 6.1%.

For the Post-65 retiree segment, all three experience periods show gains. Gains/(losses) are spread over three years and used to adjust the current and subsequent 2 years rate developments. Overall this smoothing formula reduces the calculated rates by 23.6%.

Development of gains and losses for the most recent periods are on pages 15 and 16.

Gains/losses are determined by comparing the actual experience to the calculated rates (which are the best estimate of future costs). Gains/losses are based on average expected costs and actual monthly enrollments for the experience period.

Active Segment

The table below illustrates the development of the rates for the **Active segments**, showing actual rates for 2024 and 2025 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.

	2024	2025	2026	2027	2028	2029	2030
Calculated Rate for Medical/Rx/Vision	\$ 1,892.80	\$ 1,920.60	\$ 2,055.04	\$ 2,198.89	\$ 2,352.81	\$ 2,517.51	\$ 2,693.74
Calculated Rate for Dental	\$ 97.97	\$ 104.25	\$ 108.42	\$ 112.76	\$ 117.27	\$ 121.96	\$ 126.84
Total Blended PEPM	\$ 1,990.77	\$ 2,024.85	\$ 2,163.46	\$ 2,311.65	\$ 2,470.08	\$ 2,639.47	\$ 2,820.58
Annual Increase		1.71%	6.85%	6.85%	6.85%	6.86%	6.86%
Smoothing Dollars							
Smoothing July 1, 2020 - June 30, 2021	\$ (461,235)						
Smoothing July 1, 2021 - June 30, 2022	\$ (408,635)	\$ (408,635)					
Smoothing July 1, 2022 - June 30, 2023	\$ (618,931)	\$ (618,931)	\$ (618,931)				
Smoothing July 1, 2023 - June 30, 2024		\$ (541,192)	\$ (541,192)	\$ (541,192)			
Smoothing July 1, 2024 - June 30, 2025		\$ -	\$ -	\$ -			
Smoothing July 1, 2025 - June 30, 2026			\$ -	\$ -	\$ -		
Smoothing July 1, 2026 - June 30, 2027				\$ -	\$ -	\$ -	
Surplus Adjustment Rating Years 2024 - 2027	\$ (753,680)	\$ (365,506)	\$ (21,228)	\$ (7,370)	\$ -	\$ -	\$ -
COVID Credit Adjustment	\$ -	\$ -					
Total	\$ (2,242,480)	\$ (1,934,264)	\$ (1,181,351)	\$ (548,562)	\$ -	\$ -	\$ -
Contracts*	1,259	1,295	1,295	1,295	1,295	1,295	1,295
PEPM change due to smoothing	\$ (148.43)	\$ (124.47)	\$ (76.02)	\$ (35.30)	\$ -	\$ -	\$ -
Blended PEPM after Smoothing	\$ 1,842.34	\$ 1,900.38	\$ 2,087.44	\$ 2,276.35	\$ 2,470.08	\$ 2,639.47	\$ 2,820.58
Annual Increase		3.15%	9.84%	9.05%	8.51%	6.86%	6.86%
* 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 2024 and 2025 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.

	2024	2025	2026	2027	2028	2029	2030
Calculated Rate for Medical/Rx/Vision	\$ 1,907.44	\$ 1,982.82	\$ 2,121.62	\$ 2,270.13	\$ 2,429.04	\$ 2,599.07	\$ 2,781.00
Calculated Rate for Dental	\$ 97.60	\$ 102.42	\$ 106.52	\$ 110.78	\$ 115.21	\$ 119.82	\$ 124.61
Total Blended PEPM	\$ 2,005.04	\$ 2,085.24	\$ 2,228.14	\$ 2,380.91	\$ 2,544.25	\$ 2,718.89	\$ 2,905.61
Annual Increase		4.00%	6.85%	6.86%	6.86%	6.86%	6.87%
Smoothing Dollars							
Smoothing July 1, 2020 - June 30, 2021	\$ (607,583)						
Smoothing July 1, 2021 - June 30, 2022	\$ (546,284)	\$ (546,284)					
Smoothing July 1, 2022 - June 30, 2023	\$ (817,057)	\$ (817,057)	\$ (817,057)				
Smoothing July 1, 2023 - June 30, 2024		\$ (708,239)	\$ (708,239)	\$ (708,239)			
Smoothing July 1, 2024 - June 30, 2025		\$ -	\$ -	\$ -			
Smoothing July 1, 2025 - June 30, 2026			\$ -	\$ -	\$ -		
Smoothing July 1, 2026 - June 30, 2027				\$ -	\$ -	\$ -	
Surplus Adjustment Rating Years 2024 - 2027	\$ (1,000,000)	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	\$ -
COVID Credit Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (2,970,924)	\$ (2,571,580)	\$ (1,525,296)	\$ (708,239)	\$ -	\$ -	\$ -
Contracts*	1,656	1,672	1,672	1,672	1,672	1,672	1,672
PEPM change due to smoothing	\$ (149.50)	\$ (128.17)	\$ (76.02)	\$ (35.30)	\$ -	\$ -	\$ -
Blended PEPM after Smoothing	\$ 1,855.54	\$ 1,957.07	\$ 2,152.12	\$ 2,345.61	\$ 2,544.25	\$ 2,718.89	\$ 2,905.61
Annual Increase		5.47%	9.97%	8.99%	8.47%	6.86%	6.87%
<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 2024 and 2025 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.

	2024	2025	2026	2027	2028	2029	2030
Calculated Rate for Medical/Rx/Vision	\$ 1,082.50	\$ 1,126.14	\$ 1,204.97	\$ 1,289.32	\$ 1,379.57	\$ 1,476.14	\$ 1,579.47
Calculated Rate for Dental	\$ 29.84	\$ 25.72	\$ 26.75	\$ 27.82	\$ 28.93	\$ 30.09	\$ 31.29
Total Blended PEPM	\$ 1,112.34	\$ 1,151.86	\$ 1,231.72	\$ 1,317.14	\$ 1,408.50	\$ 1,506.23	\$ 1,610.76
Annual Increase		3.55%	6.93%	6.94%	6.94%	6.94%	6.94%
Smoothing Dollars							
Smoothing July 1, 2020 - June 30, 2021	\$ (31,860)						
Smoothing July 1, 2021 - June 30, 2022	\$ (34,350)	\$ (34,350)					
Smoothing July 1, 2022 - June 30, 2023	\$ (22,208)	\$ (22,208)	\$ (22,208)				
Smoothing July 1, 2023 - June 30, 2024		\$ (18,436)	\$ (18,436)	\$ (18,436)			
Smoothing July 1, 2024 - June 30, 2025		\$ -	\$ -	\$ -			
Smoothing July 1, 2025 - June 30, 2026			\$ -	\$ -	\$ -		
Smoothing July 1, 2026 - June 30, 2027				\$ -	\$ -	\$ -	
Total	\$ (88,418)	\$ (74,994)	\$ (40,644)	\$ (18,436)	\$ -	\$ -	\$ -
Contracts*	25	23	23	23	23	23	23
PEPM change due to smoothing	\$ (294.73)	\$ (271.72)	\$ (147.26)	\$ (66.80)	\$ -	\$ -	\$ -
Blended PEPM after Smoothing	\$ 817.61	\$ 880.14	\$ 1,084.46	\$ 1,250.34	\$ 1,408.50	\$ 1,506.23	\$ 1,610.76
Annual Increase		7.65%	23.21%	15.30%	12.65%	6.94%	6.94%
<i>* It is assumed that the post-65 retiree population is stable with the current mix of contracts going forward.</i>							

2025 Calculated Premium Rates Without Reflection of Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	369	\$ 983.43	\$ 932.80	\$ 50.63	\$ 4,354,628
	2 Person	245	\$ 2,114.37	\$ 2,005.52	\$ 108.85	\$ 6,216,248
	Family	681	\$ 2,556.92	\$ 2,425.28	\$ 131.64	\$ 20,895,150
	Composite	1,295	\$ 2,024.84	\$ 1,920.60	\$ 104.25	\$ 31,466,026
Retired <65	EE Only	98	\$ 1,277.49	\$ 1,223.91	\$ 53.58	\$ 1,502,328
	2 Person	151	\$ 2,491.10	\$ 2,386.62	\$ 104.48	\$ 4,513,873
	Family	128	\$ 2,836.03	\$ 2,717.08	\$ 118.95	\$ 4,356,142
	Composite	377	\$ 2,292.74	\$ 2,196.58	\$ 96.16	\$ 10,372,343
Blended*	EE Only	467	\$ 1,045.14	\$ 993.89	\$ 51.25	\$ 5,856,956
	2 Person	396	\$ 2,258.02	\$ 2,150.84	\$ 107.18	\$ 10,730,121
	Family	809	\$ 2,601.08	\$ 2,471.45	\$ 129.63	\$ 25,251,292
	Composite	1,672	\$ 2,085.25	\$ 1,982.82	\$ 102.42	\$ 41,838,369
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,227.21	\$ 1,227.21		\$ 14,727
	w Dep>65	0	\$ 2,454.42	\$ 2,454.42		\$ -
	w Dep<65	0	\$ 2,761.22	\$ 2,761.22		\$ -
	Composite	1	\$ 1,227.21	\$ 1,227.21		\$ 14,727
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,198.46	\$ 1,198.46		\$ -
	w Dep>65	0	\$ 2,396.92	\$ 2,396.92		\$ -
	w Dep<65	0	\$ 2,696.54	\$ 2,696.54		\$ -
	Composite	0	\$ -	\$ -		\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	4	\$ 1,171.08	\$ 1,147.42	\$ 23.66	\$ 56,212
	w Dep>65	0	\$ 2,342.16	\$ 2,294.84	\$ 47.32	\$ -
	w Dep<65	0	\$ 2,634.94	\$ 2,581.70	\$ 53.24	\$ -
	Composite	4	\$ 1,171.08	\$ 1,147.42	\$ 23.66	\$ 56,212
Retired >65 \$10/\$20 Rx Copay	EE Only	15	\$ 980.06	\$ 956.40	\$ 23.66	\$ 176,411
	w Dep>65	3	\$ 1,960.12	\$ 1,912.80	\$ 47.32	\$ 70,564
	w Dep<65	0	\$ 2,205.14	\$ 2,151.90	\$ 53.24	\$ -
	Composite	18	\$ 1,143.40	\$ 1,115.80	\$ 27.60	\$ 246,975
Composite >65	EE Only	20	\$ 1,030.62	\$ 1,008.14	\$ 22.48	\$ 247,349
	w Dep>65	3	\$ 1,960.12	\$ 1,912.80	\$ 47.32	\$ 70,564
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	23	\$ 1,151.85	\$ 1,126.14	\$ 25.72	\$ 317,913

* Blended using revenue.



2025 Implemented Premium Rates Reflecting Gain/Loss Smoothing and Surplus Reduction Adjustment

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	369	\$ 922.98	\$ 875.47	\$ 47.51	\$ 4,086,972
	2 Person	245	\$ 1,984.41	\$ 1,882.25	\$ 102.16	\$ 5,834,168
	Family	681	\$ 2,399.76	\$ 2,276.21	\$ 123.55	\$ 19,610,835
	Composite	1,295	\$ 1,900.38	\$ 1,802.55	\$ 97.83	\$ 29,531,975
Retired <65	EE Only	98	\$ 1,198.97	\$ 1,148.68	\$ 50.29	\$ 1,409,988
	2 Person	151	\$ 2,337.99	\$ 2,239.93	\$ 98.06	\$ 4,236,429
	Family	128	\$ 2,661.71	\$ 2,550.08	\$ 111.63	\$ 4,088,393
	Composite	377	\$ 2,151.81	\$ 2,061.56	\$ 90.25	\$ 9,734,810
Blended*	EE Only	467	\$ 980.90	\$ 932.80	\$ 48.10	\$ 5,496,964
	2 Person	396	\$ 2,119.23	\$ 2,018.64	\$ 100.59	\$ 10,070,581
	Family	809	\$ 2,441.21	\$ 2,319.54	\$ 121.67	\$ 23,699,267
	Composite	1,672	\$ 1,957.08	\$ 1,860.95	\$ 96.13	\$ 39,266,812
Retired >65 \$2 Rx Copay	EE Only	1	\$ 937.72	\$ 937.72	\$ -	\$ 11,253
	w Dep>65	0	\$ 1,875.44	\$ 1,875.44	\$ -	\$ -
	w Dep<65	0	\$ 2,109.87	\$ 2,109.87	\$ -	\$ -
	Composite	1	\$ 937.72	\$ 937.72	\$ -	\$ 11,253
Retired >65 \$4 Rx Copay	EE Only	0	\$ 915.75	\$ 915.75	\$ -	\$ -
	w Dep>65	0	\$ 1,831.51	\$ 1,831.51	\$ -	\$ -
	w Dep<65	0	\$ 2,060.45	\$ 2,060.45	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	4	\$ 894.83	\$ 876.75	\$ 18.08	\$ 42,952
	w Dep>65	0	\$ 1,789.66	\$ 1,753.50	\$ 36.16	\$ -
	w Dep<65	0	\$ 2,013.38	\$ 1,972.70	\$ 40.68	\$ -
	Composite	4	\$ 894.83	\$ 876.75	\$ 18.08	\$ 42,952
Retired >65 \$10/\$20 Rx Copay	EE Only	15	\$ 748.87	\$ 730.79	\$ 18.08	\$ 134,797
	w Dep>65	3	\$ 1,497.75	\$ 1,461.59	\$ 36.16	\$ 53,919
	w Dep<65	0	\$ 1,684.96	\$ 1,644.28	\$ 40.68	\$ -
	Composite	18	\$ 873.68	\$ 852.59	\$ 21.09	\$ 188,716
Composite >65	EE Only	20	\$ 787.50	\$ 770.33	\$ 17.17	\$ 189,000
	w Dep>65	3	\$ 1,497.75	\$ 1,461.59	\$ 36.16	\$ 53,919
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	23	\$ 880.13	\$ 860.49	\$ 19.65	\$ 242,919

* Blended using revenue.



2025 Implemented Rates vs. 2024 Implemented Rates (Dollar Increases)

		Total	Med/Rx/Vis	Dental	Total Revenue*
Active	EE Only	\$ 33.91	\$ 30.14	\$ 3.75	\$ 12,512
	2 Person	\$ 72.90	\$ 64.81	\$ 8.09	\$ 17,861
	Family	\$ 88.17	\$ 78.38	\$ 9.79	\$ 60,042
	Composite	\$ 58.04	\$ 50.88	\$ 7.16	\$ 90,415
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired <65	EE Only	\$ 128.28	\$ 128.33	\$ (0.05)	\$ 12,571
	2 Person	\$ 250.14	\$ 250.25	\$ (0.11)	\$ 37,771
	Family	\$ 284.78	\$ 284.90	\$ (0.14)	\$ 36,451
	Composite	\$ 254.45	\$ 253.41	\$ 1.04	\$ 86,793
		Total	Med/Rx/Vis	Dental	Total Revenue*
Blended	EE Only	\$ 47.01	\$ 44.30	\$ 2.71	\$ 21,954
	2 Person	\$ 142.15	\$ 137.15	\$ 5.00	\$ 56,291
	Family	\$ 118.51	\$ 110.27	\$ 8.25	\$ 95,875
	Composite	\$ 101.55	\$ 95.74	\$ 5.81	\$ 174,120
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$2 Rx Copay	EE Only	\$ 92.19	\$ 92.19	\$ -	\$ 92
	w Dep>65	\$ 185.22	\$ 185.22	\$ -	\$ -
	w Dep<65	\$ 208.27	\$ 208.27	\$ -	\$ -
	Composite	\$ 92.19	\$ 92.19	\$ -	\$ 92
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$4 Rx Copay	EE Only	\$ 90.73	\$ 90.73	\$ -	\$ -
	w Dep>65	\$ 182.28	\$ 182.28	\$ -	\$ -
	w Dep<65	\$ 204.97	\$ 204.97	\$ -	\$ -
	Composite	\$ -	\$ -	\$ -	\$ -
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$4/\$8 Rx Copay	EE Only	\$ 85.66	\$ 87.17	\$ (1.51)	\$ 343
	w Dep>65	\$ 172.13	\$ 175.13	\$ (3.00)	\$ -
	w Dep<65	\$ 193.55	\$ 196.93	\$ (3.38)	\$ -
	Composite	\$ (116.43)	\$ (110.03)	\$ (6.40)	\$ 343
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$10/\$20 Rx Copay	EE Only	\$ 72.70	\$ 74.21	\$ (1.51)	\$ 1,091
	w Dep>65	\$ 146.08	\$ 149.07	\$ (3.00)	\$ 438
	w Dep<65	\$ 164.25	\$ 167.63	\$ (3.38)	\$ -
	Composite	\$ 96.19	\$ 97.62	\$ (1.43)	\$ 1,529
		Total	Med/Rx/Vis	Dental	Total Revenue*
Composite >65	EE Only	\$ 84.26	\$ 85.75	\$ (1.48)	\$ 1,685
	w Dep>65	\$ 79.61	\$ 82.61	\$ (3.00)	\$ 239
	w Dep<65	\$ -	\$ -	\$ -	\$ -
	Composite	\$ 62.52	\$ 64.81	\$ (2.29)	\$ 1,924

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



2025 Implemented Rates vs. 2024 Implemented Rates (Percentage Increases)

		Total	Med/Rx/Vis	Dental	Total Revenue*
Active	EE Only	3.81%	3.57%	8.57%	3.81%
	2 Person	3.81%	3.57%	8.60%	3.81%
	Family	3.81%	3.57%	8.61%	3.81%
	Composite	3.15%	2.90%	7.90%	3.81%
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired <65	EE Only	11.98%	12.58%	(0.10%)	11.98%
	2 Person	11.98%	12.58%	(0.11%)	11.98%
	Family	11.98%	12.58%	(0.13%)	11.98%
	Composite	13.41%	14.01%	1.17%	11.98%
		Total	Med/Rx/Vis	Dental	Total Revenue*
Blended	EE Only	5.03%	4.99%	5.97%	5.03%
	2 Person	7.19%	7.29%	5.23%	7.19%
	Family	5.10%	4.99%	7.27%	5.10%
	Composite	5.47%	5.42%	6.43%	5.62%
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$2 Rx Copay	EE Only	10.90%	10.90%	N/A	10.90%
	w Dep>65	10.96%	10.96%	N/A	N/A
	w Dep<65	10.95%	10.95%	N/A	N/A
	Composite	10.90%	10.90%	N/A	10.90%
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$4 Rx Copay	EE Only	11.00%	11.00%	N/A	N/A
	w Dep>65	11.05%	11.05%	N/A	N/A
	w Dep<65	11.05%	11.05%	N/A	N/A
	Composite	N/A	N/A	N/A	N/A
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$4/\$8 Rx Copay	EE Only	10.59%	11.04%	(7.71%)	10.59%
	w Dep>65	10.64%	11.10%	(7.66%)	N/A
	w Dep<65	10.64%	11.09%	(7.67%)	N/A
	Composite	(11.51%)	(11.15%)	(26.14%)	10.59%
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$10/\$20 Rx Copay	EE Only	10.75%	11.30%	(7.71%)	10.75%
	w Dep>65	10.81%	11.36%	(7.66%)	10.81%
	w Dep<65	10.80%	11.35%	(7.67%)	N/A
	Composite	12.37%	12.93%	(6.35%)	10.77%
		Total	Med/Rx/Vis	Dental	Total Revenue*
Composite >65	EE Only	11.98%	12.53%	(7.94%)	11.98%
	w Dep>65	5.61%	5.99%	(7.66%)	5.61%
	w Dep<65	N/A	N/A	N/A	N/A
	Composite	7.65%	8.15%	(10.44%)	10.50%

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



2026 Trended Calculated Premium Rates

(Assumes No Change in Covered Lives from 2024)

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	369	\$ 1,050.76	\$ 998.10	\$ 52.66	\$ 4,652,765
	2 Person	245	\$ 2,259.11	\$ 2,145.91	\$ 113.20	\$ 6,641,783
	Family	681	\$ 2,731.96	\$ 2,595.05	\$ 136.91	\$ 22,325,577
	Composite	1,295	\$ 2,163.46	\$ 2,055.04	\$ 108.42	\$ 33,620,125
Retired <65	EE Only	98	\$ 1,365.30	\$ 1,309.58	\$ 55.72	\$ 1,605,593
	2 Person	151	\$ 2,662.34	\$ 2,553.68	\$ 108.66	\$ 4,824,160
	Family	128	\$ 3,030.99	\$ 2,907.28	\$ 123.71	\$ 4,655,601
	Composite	377	\$ 2,450.34	\$ 2,350.34	\$ 100.01	\$ 11,085,354
Blended	EE Only	467	\$ 1,116.77	\$ 1,063.46	\$ 53.30	\$ 6,258,358
	2 Person	396	\$ 2,412.87	\$ 2,301.40	\$ 111.47	\$ 11,465,943
	Family	809	\$ 2,779.27	\$ 2,644.45	\$ 134.82	\$ 26,981,178
	Composite	1,672	\$ 2,228.14	\$ 2,121.62	\$ 106.52	\$ 44,705,479
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,313.11	\$ 1,313.11	\$ -	\$ 15,757
	w Dep>65	0	\$ 2,626.23	\$ 2,626.23	\$ -	\$ -
	w Dep<65	0	\$ 2,954.51	\$ 2,954.51	\$ -	\$ -
	Composite	1	\$ 1,313.11	\$ 1,313.11	\$ -	\$ 15,757
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,282.35	\$ 1,282.35	\$ -	\$ -
	w Dep>65	0	\$ 2,564.70	\$ 2,564.70	\$ -	\$ -
	w Dep<65	0	\$ 2,885.30	\$ 2,885.30	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	4	\$ 1,252.35	\$ 1,227.74	\$ 24.61	\$ 60,113
	w Dep>65	0	\$ 2,504.69	\$ 2,455.48	\$ 49.21	\$ -
	w Dep<65	0	\$ 2,817.79	\$ 2,762.42	\$ 55.37	\$ -
	Composite	4	\$ 1,252.35	\$ 1,227.74	\$ 24.61	\$ 60,113
Retired >65 \$10/\$20 Rx Copay	EE Only	15	\$ 1,047.96	\$ 1,023.35	\$ 24.61	\$ 188,633
	w Dep>65	3	\$ 2,095.91	\$ 2,046.70	\$ 49.21	\$ 75,453
	w Dep<65	0	\$ 2,357.90	\$ 2,302.53	\$ 55.37	\$ -
	Composite	18	\$ 1,222.62	\$ 1,193.91	\$ 28.71	\$ 264,086
Composite >65	EE Only	20	\$ 1,102.09	\$ 1,078.71	\$ 23.38	\$ 264,502
	w Dep>65	3	\$ 2,095.91	\$ 2,046.70	\$ 49.21	\$ 75,453
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	23	\$ 1,231.72	\$ 1,204.97	\$ 26.75	\$ 339,955



2026 Projected Smoothed Premium Rates

(Assumes No Change in Covered Lives from 2024)

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	369	\$ 1,014.90	\$ 964.04	\$ 50.86	\$ 4,493,977
	2 Person	245	\$ 2,182.04	\$ 2,072.70	\$ 109.34	\$ 6,415,198
	Family	681	\$ 2,638.75	\$ 2,506.52	\$ 132.23	\$ 21,563,865
	Composite	1,295	\$ 2,089.64	\$ 1,984.93	\$ 104.71	\$ 32,473,040
Retired <65	EE Only	98	\$ 1,318.73	\$ 1,264.91	\$ 53.82	\$ 1,550,826
	2 Person	151	\$ 2,571.51	\$ 2,466.56	\$ 104.95	\$ 4,659,576
	Family	128	\$ 2,927.58	\$ 2,808.09	\$ 119.49	\$ 4,496,763
	Composite	377	\$ 2,366.75	\$ 2,270.15	\$ 96.60	\$ 10,707,165
Blended	EE Only	467	\$ 1,078.66	\$ 1,027.18	\$ 51.48	\$ 6,044,804
	2 Person	396	\$ 2,330.55	\$ 2,222.88	\$ 107.67	\$ 11,074,774
	Family	809	\$ 2,684.45	\$ 2,554.23	\$ 130.22	\$ 26,060,628
	Composite	1,672	\$ 2,152.12	\$ 2,049.24	\$ 102.89	\$ 43,180,206
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,156.12	\$ 1,156.12	\$ -	\$ 13,873
	w Dep>65	0	\$ 2,312.24	\$ 2,312.24	\$ -	\$ -
	w Dep<65	0	\$ 2,601.27	\$ 2,601.27	\$ -	\$ -
	Composite	1	\$ 1,156.12	\$ 1,156.12	\$ -	\$ 13,873
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,129.04	\$ 1,129.04	\$ -	\$ -
	w Dep>65	0	\$ 2,258.07	\$ 2,258.07	\$ -	\$ -
	w Dep<65	0	\$ 2,540.34	\$ 2,540.34	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	4	\$ 1,102.61	\$ 1,080.95	\$ 21.66	\$ 52,925
	w Dep>65	0	\$ 2,205.24	\$ 2,161.91	\$ 43.33	\$ -
	w Dep<65	0	\$ 2,480.90	\$ 2,432.15	\$ 48.75	\$ -
	Composite	4	\$ 1,102.61	\$ 1,080.95	\$ 21.66	\$ 52,925
Retired >65 \$10/\$20 Rx Copay	EE Only	15	\$ 922.66	\$ 901.00	\$ 21.66	\$ 166,079
	w Dep>65	3	\$ 1,845.33	\$ 1,802.00	\$ 43.33	\$ 66,432
	w Dep<65	0	\$ 2,076.00	\$ 2,027.25	\$ 48.75	\$ -
	Composite	18	\$ 1,076.44	\$ 1,051.17	\$ 25.27	\$ 232,511
Composite >65	EE Only	20	\$ 970.33	\$ 949.75	\$ 20.58	\$ 232,879
	w Dep>65	3	\$ 1,845.33	\$ 1,802.00	\$ 43.33	\$ 66,432
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	23	\$ 1,084.46	\$ 1,060.91	\$ 23.55	\$ 299,311

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 2026 rates developed next year will differ from the rates above.



2024 Implemented Premium Rates Reflecting Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	345	\$ 889.08	\$ 845.32	\$ 43.76	\$ 3,680,774
	2 Person	250	\$ 1,911.51	\$ 1,817.44	\$ 94.07	\$ 5,734,521
	Family	664	\$ 2,311.59	\$ 2,197.83	\$ 113.76	\$ 18,418,763
	Composite	1,259	\$ 1,842.34	\$ 1,751.67	\$ 90.67	\$ 27,834,058
Retired <65	EE Only	113	\$ 1,070.69	\$ 1,020.35	\$ 50.34	\$ 1,451,859
	2 Person	148	\$ 2,087.85	\$ 1,989.68	\$ 98.17	\$ 3,708,020
	Family	136	\$ 2,376.94	\$ 2,265.17	\$ 111.77	\$ 3,879,161
	Composite	397	\$ 1,897.36	\$ 1,808.15	\$ 89.21	\$ 9,039,040
Blended*	EE Only	458	\$ 933.89	\$ 888.50	\$ 45.39	\$ 5,132,659
	2 Person	398	\$ 1,977.08	\$ 1,881.49	\$ 95.59	\$ 9,442,534
	Family	800	\$ 2,322.70	\$ 2,209.28	\$ 113.42	\$ 22,297,920
	Composite	1,656	\$ 1,855.53	\$ 1,765.21	\$ 90.32	\$ 36,873,113
Retired >65 \$2 Rx Copay	EE Only	1	\$ 845.53	\$ 845.53	\$ -	\$ 10,146
	w Dep>65	0	\$ 1,690.22	\$ 1,690.22	\$ -	\$ -
	w Dep<65	0	\$ 1,901.60	\$ 1,901.60	\$ -	\$ -
	Composite	1	\$ 845.53	\$ 845.53	\$ -	\$ 10,146
Retired >65 \$4 Rx Copay	EE Only	0	\$ 825.02	\$ 825.02	\$ -	\$ -
	w Dep>65	0	\$ 1,649.23	\$ 1,649.23	\$ -	\$ -
	w Dep<65	0	\$ 1,855.48	\$ 1,855.48	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 809.17	\$ 789.58	\$ 19.59	\$ 29,130
	w Dep>65	1	\$ 1,617.53	\$ 1,578.37	\$ 39.16	\$ 19,410
	w Dep<65	0	\$ 1,819.83	\$ 1,775.77	\$ 44.06	\$ -
	Composite	4	\$ 1,011.26	\$ 986.78	\$ 24.48	\$ 48,540
Retired >65 \$10/\$20 Rx Copay	EE Only	17	\$ 676.17	\$ 656.58	\$ 19.59	\$ 137,939
	w Dep>65	3	\$ 1,351.67	\$ 1,312.51	\$ 39.16	\$ 48,660
	w Dep<65	0	\$ 1,520.71	\$ 1,476.65	\$ 44.06	\$ -
	Composite	20	\$ 777.49	\$ 754.97	\$ 22.52	\$ 186,599
Composite >65	EE Only	21	\$ 703.24	\$ 684.58	\$ 18.66	\$ 177,216
	w Dep>65	4	\$ 1,418.14	\$ 1,378.98	\$ 39.16	\$ 68,071
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	25	\$ 817.61	\$ 795.68	\$ 21.94	\$ 245,287

* Blended using revenue.



2024 Calculated Premium Rates Without Reflection of Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	345	\$ 960.71	\$ 913.43	\$ 47.28	\$ 3,977,339
	2 Person	250	\$ 2,065.52	\$ 1,963.87	\$ 101.65	\$ 6,196,560
	Family	664	\$ 2,497.84	\$ 2,374.91	\$ 122.93	\$ 19,902,789
	Composite	1,259	\$ 1,990.78	\$ 1,892.80	\$ 97.97	\$ 30,076,688
Retired <65	EE Only	113	\$ 1,156.96	\$ 1,102.56	\$ 54.40	\$ 1,568,838
	2 Person	148	\$ 2,256.07	\$ 2,149.99	\$ 106.08	\$ 4,006,780
	Family	136	\$ 2,568.45	\$ 2,447.68	\$ 120.77	\$ 4,191,710
	Composite	397	\$ 2,050.24	\$ 1,953.83	\$ 96.40	\$ 9,767,328
Blended*	EE Only	458	\$ 1,009.13	\$ 960.09	\$ 49.04	\$ 5,546,177
	2 Person	398	\$ 2,136.38	\$ 2,033.08	\$ 103.30	\$ 10,203,340
	Family	800	\$ 2,509.84	\$ 2,387.28	\$ 122.56	\$ 24,094,500
	Composite	1,656	\$ 2,005.03	\$ 1,907.44	\$ 97.60	\$ 39,844,017
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,150.32	\$ 1,150.32		\$ 13,804
	w Dep>65	0	\$ 2,299.49	\$ 2,299.49		\$ -
	w Dep<65	0	\$ 2,587.07	\$ 2,587.07		\$ -
	Composite	1	\$ 1,150.32	\$ 1,150.32		\$ 13,804
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,122.42	\$ 1,122.42		\$ -
	w Dep>65	0	\$ 2,243.72	\$ 2,243.72		\$ -
	w Dep<65	0	\$ 2,524.32	\$ 2,524.32		\$ -
	Composite	0	\$ -	\$ -		\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,100.85	\$ 1,074.20	\$ 26.65	\$ 39,631
	w Dep>65	1	\$ 2,200.60	\$ 2,147.33	\$ 53.27	\$ 26,407
	w Dep<65	0	\$ 2,475.82	\$ 2,415.88	\$ 59.94	\$ -
	Composite	4	\$ 1,375.79	\$ 1,342.48	\$ 33.31	\$ 66,038
Retired >65 \$10/\$20 Rx Copay	EE Only	17	\$ 919.91	\$ 893.26	\$ 26.65	\$ 187,662
	w Dep>65	3	\$ 1,838.90	\$ 1,785.63	\$ 53.27	\$ 66,200
	w Dep<65	0	\$ 2,068.88	\$ 2,008.94	\$ 59.94	\$ -
	Composite	20	\$ 1,057.76	\$ 1,027.12	\$ 30.64	\$ 253,862
Composite >65	EE Only	21	\$ 956.73	\$ 931.35	\$ 25.38	\$ 241,096
	w Dep>65	4	\$ 1,929.33	\$ 1,876.06	\$ 53.27	\$ 92,608
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	25	\$ 1,112.34	\$ 1,082.50	\$ 29.84	\$ 333,704

* Blended using revenue.



2023 Calculated Premium Rates Without Reflection of Gain/Loss Smoothing

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	311	\$ 949.54	\$ 904.59	\$ 44.95	\$ 3,543,683
	2 Person	248	\$ 2,041.50	\$ 1,944.86	\$ 96.64	\$ 6,075,504
	Family	642	\$ 2,468.80	\$ 2,351.93	\$ 116.87	\$ 19,019,635
	Composite	1,201	\$ 1,987.15	\$ 1,893.08	\$ 94.07	\$ 28,638,822
Retired <65	EE Only	118	\$ 1,064.99	\$ 1,011.58	\$ 53.41	\$ 1,508,026
	2 Person	158	\$ 2,076.73	\$ 1,972.58	\$ 104.15	\$ 3,937,480
	Family	135	\$ 2,364.28	\$ 2,245.71	\$ 118.57	\$ 3,830,134
	Composite	411	\$ 1,880.71	\$ 1,786.39	\$ 94.32	\$ 9,275,640
Blended*	EE Only	429	\$ 981.30	\$ 934.02	\$ 47.28	\$ 5,051,709
	2 Person	406	\$ 2,055.21	\$ 1,955.65	\$ 99.56	\$ 10,012,984
	Family	777	\$ 2,450.64	\$ 2,333.47	\$ 117.17	\$ 22,849,769
	Composite	1,612	\$ 1,960.01	\$ 1,865.88	\$ 94.13	\$ 37,914,462
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,299.35	\$ 1,299.35		\$ 15,592
	w Dep>65	0	\$ 2,597.40	\$ 2,597.40		\$ -
	w Dep<65	0	\$ 2,922.23	\$ 2,922.23		\$ -
	Composite	1	\$ 1,299.35	\$ 1,299.35		\$ 15,592
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,267.67	\$ 1,267.67		\$ -
	w Dep>65	0	\$ 2,534.07	\$ 2,534.07		\$ -
	w Dep<65	0	\$ 2,850.99	\$ 2,850.99		\$ -
	Composite	0	\$ -	\$ -		\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,241.25	\$ 1,212.95	\$ 28.30	\$ 44,685
	w Dep>65	1	\$ 2,481.26	\$ 2,424.69	\$ 56.57	\$ 29,775
	w Dep<65	0	\$ 2,791.57	\$ 2,727.92	\$ 63.65	\$ -
	Composite	4	\$ 1,551.25	\$ 1,515.89	\$ 35.37	\$ 74,460
Retired >65 \$10/\$20 Rx Copay	EE Only	19	\$ 1,035.92	\$ 1,007.62	\$ 28.30	\$ 236,190
	w Dep>65	5	\$ 2,070.80	\$ 2,014.23	\$ 56.57	\$ 124,248
	w Dep<65	0	\$ 2,329.78	\$ 2,266.13	\$ 63.65	\$ -
	Composite	24	\$ 1,251.52	\$ 1,217.33	\$ 34.19	\$ 360,438
Composite >65	EE Only	23	\$ 1,074.16	\$ 1,047.09	\$ 27.07	\$ 296,467
	w Dep>65	6	\$ 2,139.21	\$ 2,082.64	\$ 56.57	\$ 154,023
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	29	\$ 1,294.50	\$ 1,261.34	\$ 33.17	\$ 450,490

* Blended using revenue.



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 1/1/2024, 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 2022: \$1,980,485 (23.1% reduction)
 - FYE 2023: \$3,494,222 (36.0% reduction)
 - FYE 2024: \$3,361,459 (32.4% 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.
- Two adjustments are made to adjust the calculated rates to obtain the implemented rates – three-year smoothing and surplus reduction. Both adjustments are made in total and split prorationally to the Active and 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 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.