

City of Grand Rapids

2023 Final Trend Report

October 20, 2022

(Revising the September 28, 2022 version)





October 20, 2022

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 replace the September 28, 2022 version incorporating the COVID Credit Adjustment
- To establish the City's calendar year 2023 rates; and
- As inputs to the June 30, 2022 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 2024 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 2021 – June 2022).
- 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 (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.
- The current experience period (7/1/2021 through 6/30/2022) 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 \$1.6 million (4.5%) relative to the expected claim level (page 13). The 2023 implemented rates continue to be partially offset by the use of three-year smoothing of gains and losses (by 6.6% in the 2023 implemented rates). Note that the reduction in the 2021 rates was 10.6% and in 2022 was 10.0%.
 - For the post-65 participants, the combined experience generated a gain of \$0.1 million (23.2%) relative to our expected claim level (page 14). The 2023 implemented rates will be partially offset by the use of three-year smoothing of gains and losses (by 16.9% in the 2023 implemented rates). Note that the reduction in the 2021 rates was 6.4% and in 2022 was 9.9%.
- For the 2021 rate setting, a Surplus Reduction Adjustment was introduced for the Pre-65 segment (actives and pre-65 retirees). For the 2023 rate setting, the Surplus Reduction Adjustment is \$1,250,000. This adjustment lowered the overall rates in this segment by 3.2% for a total reduction of 9.8% when combined with the smoothing process. For the 2022 rate setting, the total reduction in the implemented rates was 15.4%. Note that the rate increases are larger than the previous two years due to the lower surplus adjustment incorporated into the implemented rates.
- Note that the COVID Credit Adjustment (page 17) also reduces the overall rate by 2% for a total reduction of 11.8%.
- Trend rates are used to project results from the experience periods to the 2023 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. These trend rates are 1% lower than previous years due to the continuing favorable experience gains. (page 13)



- 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	+12.6%
Pre-65 retirees	+3.2%
Total Pre-65 participants	+10.3%
Post-65 retirees	-12.4%

- The results of the rate analysis in this report will be incorporated into the June 30, 2022 Annual Other Postemployment Benefits Valuations for General, Police and Fire members. 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 2023 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 implemented rates 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 Dossan 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

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Senior Health Care Actuary

KTD

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JEP/KD:sc

cc: James D. Anderson, GRS



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Employer Paid Medical Claims Experience

Experience Year: **07/01/2020 - 06/30/2021**
 Projection Year: **01/01/2023 - 12/31/2023**

	<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 (6.5% annual trend)	1.170	1.170	
Incurral Factor	1.011	1.011	
Plan Design / Network Adjustment Factor	1.000	1.000	
Covid Experience Adjustment Factor	1.000	1.000	
Projected Incurred Claims	\$ 20,347,832	\$ 5,807,978	\$ 26,155,810
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)	\$ 470.27	\$ 521.69	\$ 480.79

Experience Year: **07/01/2021 - 06/30/2022**
 Projection Year: **01/01/2023 - 12/31/2023**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Paid Medical Claims	\$ 18,389,395	\$ 5,718,780	\$ 24,108,174
Trend Factor (6.5% annual trend)	1.099	1.099	
Incurral Factor	1.011	1.011	
Plan Design / Network Adjustment Factor	1.000	1.000	
Covid Experience Adjustment Factor	1.000	1.000	
Projected Incurred Claims	\$ 20,432,254	\$ 6,354,073	\$ 26,786,327
Average Contracts	1,206.66	406.47	1,613.13
Average Members (adjusted)	3,525.53	962.20	4,487.74
Per Member Per Month Claims (PMPM)	\$ 482.96	\$ 550.30	\$ 497.40
Weighted Average PMPM (60/40)	\$ 477.88	\$ 538.86	\$ 490.76
Administrative Fees	\$ 27.67	\$ 34.15	\$ 29.06
Total Medical PMPM	\$ 505.55	\$ 573.01	\$ 519.82

* See explanatory notes for detailed description.



Post-65 Retiree Medical Claims Experience

Projection Year: **01/01/2023 - 12/31/2023**

Experience Year (July to June)	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>Total / Weighted Average</u>
Experience Year				
Paid Medical Claims *	\$ 171,619	\$ 104,996	\$ 62,109	\$ 338,724
Trend Factor (6.5% annual trend)	1.288	1.170	1.099	
Incurral Factor	1.012	1.011	1.011	
Plan Design Adjustment Factor	1.000	1.000	1.000	
Covid Experience Adjustment Factor	1.027	1.000	1.000	
Projected Incurred Claims	\$ 229,738	\$ 124,196	\$ 69,009	\$ 422,943
Average Contracts	34.42	32.08	29.00	95.50
Average Members (adjusted)	38.50	37.67	34.08	110.25
Weighting Factor	33.3%	33.3%	33.3%	
Per Member Per Month Claims (PMPM)	\$ 497.27	\$ 274.77	\$ 168.74	\$ 313.59
Administrative Fees				\$ 64.20
Total Medical PMPM				\$ 377.79

* 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	\$ 505.55	\$ 573.01	\$ 519.82	\$ 377.79
Members Per Contract	2.922	2.367	2.780	1.207
Per Employee Per Month Cost (PEPM)	\$ 1,477.22	\$ 1,356.31	\$ 1,445.10	\$ 455.99
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.072	1.999
Family	2.600	2.220	2.534	2.249
Composite Tier	2.093	1.766	2.009	1.207
Single Rate*	\$ 705.79	\$ 768.01	\$ 719.31	\$ 377.79
Double Rate*	\$ 1,517.45	\$ 1,497.62	\$ 1,490.41	\$ 755.20
Family Rate*	\$ 1,835.05	\$ 1,704.98	\$ 1,822.73	\$ 849.65

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

Employer Paid Rx Pre-65 Claims Experience

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

Projection Year: 01/01/2023 - 12/31/2023

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Rx Claims	\$ 4,683,062	\$ 1,583,245	\$ 6,266,307
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	1.000	1.000	1.000
Covid Experience Adjustment Factor	1.000	1.000	1.000
Projected Incurred claims	\$ 5,643,970	\$ 1,908,108	\$ 7,552,078
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)	\$ 130.44	\$ 171.39	\$ 138.82

Experience Year: 07/01/2021 - 06/30/2022

Projection Year: 01/01/2023 - 12/31/2023

	Active	Pre-65 Retirees	Pre-65 Blend
Paid Rx Claims	\$ 4,737,950	\$ 1,593,520	\$ 6,331,470
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	1.000	1.000	1.000
Covid Experience Adjustment Factor	1.000	1.000	1.000
Projected Incurred Claims	\$ 5,309,744	\$ 1,785,833	\$ 7,095,577
Average Contracts	1,206.66	406.47	1,613.13
Average Members	3,525.53	962.20	4,487.74
Per Member Per Month Claims (PMPM)	\$ 125.51	\$ 154.67	\$ 131.76
Weighted Average PMPM (60/40)	\$ 127.48	\$ 161.36	\$ 134.58
Administrative Fees	\$ 0.71	\$ 0.88	\$ 0.75
Total Rx PMPM	\$ 128.19	\$ 162.24	\$ 135.33



Pre-65 Rx Rate Development

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>
Total Rx PMPM	\$ 128.19	\$ 162.24	\$ 135.33
Members Per Contract	2.922	2.367	2.780
Per Employee Per Month Cost (PEPM)	\$ 374.57	\$ 384.02	\$ 376.22
Rating Tiers			
Single	1.000	1.000	1.000
Double	2.150	1.950	2.072
Family	2.600	2.220	2.534
Composite Tier	2.093	1.766	2.009
Single Rate*	\$ 178.96	\$ 217.45	\$ 187.27
Double Rate*	\$ 384.76	\$ 424.03	\$ 388.02
Family Rate*	\$ 465.30	\$ 482.74	\$ 474.54

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

Post-65 Rx Claim Experience and Rate Development

Projection Year: 01/01/2023 - 12/31/2023

Experience Year (July to June)	Projection Year: 01/01/2023 - 12/31/2023			Total / Weighted
	2019-2020	2020-2021	2021-2022	Average
Paid Rx Claims	\$ 241,022	\$ 234,283	\$ 257,959	\$ 733,264
Trend Factor (7.5% annual trend)	1.330	1.198	1.114	
Incurral Factor	1.007	1.006	1.006	
Plan Design Adjustment Factor	0.943	1.000	1.000	
Covid Experience Adjustment Factor	1.000	1.000	1.000	
Projected Incurred Claims	\$ 304,403	\$ 282,355	\$ 289,091	\$ 875,849
Average Contracts	34.42	32.08	29.00	95.50
Average Members (adjusted)	38.50	37.67	34.08	110.25
Weighting Factor	33.3%	33.3%	33.3%	
Per Member Per Month Claims (PMPM)	\$ 658.88	\$ 624.62	\$ 706.89	\$ 663.46
Administrative Fees				\$ 1.77
Total Rx PMPM				\$ 665.23
	\$2 Copay	\$4 Copay	\$4/\$8 Copay	\$10/\$20 Copay
Overall Rx Claims PMPM	\$ 663.46	\$ 663.46	\$ 663.46	\$ 663.46
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)**	\$ 914.79	\$ 883.48	\$ 829.00	\$ 624.04
PMPM based on Experience	\$ -	\$ -	\$ -	\$ 857.94
Administrative Fees	\$ 2.08	\$ 1.77	\$ 1.66	\$ 1.78
Weighted Average PMPM (RVs) w/ Admin	\$ 916.87	\$ 885.25	\$ 830.66	\$ 625.82
Per Employee Per Month Cost (PEPM)	\$ 1,106.66	\$ 1,068.50	\$ 1,002.61	\$ 755.36
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	1.207	1.207	1.207	1.207
Single Rate*	\$ 916.87	\$ 885.25	\$ 830.66	\$ 625.82
Double Rate*	\$ 1,832.82	\$ 1,769.61	\$ 1,660.49	\$ 1,251.01
Family Rate*	\$ 2,062.04	\$ 1,990.93	\$ 1,868.15	\$ 1,407.47

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

Projection Year: **01/01/2023 - 12/31/2023**

	<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)	1.103	1.103	1.103	1.103
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	\$ 1,374,010	\$ 404,948	\$ 1,778,958	\$ 3,769
Average Contracts	1,228.08	389.67	1,617.75	7.00
Average Members (adjusted)	3,605.67	927.75	4,533.42	8.22
Per Member Per Month Claims (PMPM)	\$ 32.90	\$ 37.74	\$ 32.70	\$ 38.21

Experience Year: **07/01/2021 - 06/30/2022**

Projection Year: **01/01/2023 - 12/31/2023**

	<u>Active</u>	<u>Pre-65 Retirees</u>	<u>Pre-65 Blend</u>	<u>Post-65 Retirees</u>
Paid Dental Claims	\$ 1,186,453	\$ 423,020	\$ 1,609,473	\$ 2,012
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	\$ 1,261,413	\$ 449,746	\$ 1,711,160	\$ 2,139
Average Contracts	1,206.66	406.47	1,613.13	7.00
Average Members	3,525.53	962.20	4,487.74	8.23
Per Member Per Month Claims (PMPM)	\$ 29.82	\$ 38.95	\$ 31.79	\$ 21.67
Weighted Average PMPM (60/40)	\$ 31.05	\$ 38.47	\$ 32.15	\$ 28.29
Administrative Fees	\$ 1.15	\$ 1.38	\$ 1.20	\$ -
Total Dental PMPM	\$ 32.20	\$ 39.85	\$ 33.35	\$ 28.29



Dental Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Dental PMPM	\$ 32.20	\$ 39.85	\$ 33.35	\$ 28.29
Members Per Contract	2.922	2.367	2.780	1.175
Per Employee Per Month Cost (PEPM)	\$ 94.09	\$ 94.32	\$ 92.71	\$ 33.25
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.072	1.999
Family	2.600	2.220	2.534	2.249
Composite Tier	2.093	1.766	2.009	1.175
Single Rate*	\$ 44.95	\$ 53.41	\$ 46.15	\$ 28.30
Double Rate*	\$ 96.64	\$ 104.15	\$ 95.62	\$ 56.57
Family Rate*	\$ 116.87	\$ 118.57	\$ 116.94	\$ 63.65

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

Employer Paid Vision Claims Experience

Experience Year: **07/01/2020 - 06/30/2021**
 Projection Year: **01/01/2023 - 12/31/2023**

	Active	Pre-65 Retirees	Pre-65 Blend	Post-65 Retirees
Paid Vision Claims	\$ 548,724	\$ 194,132	\$ 742,856	\$ 654
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	1.000	1.000	1.000	1.000
Covid Experience Adjustment Factor	1.000	1.000	1.000	1.000
Projected Incurred Claims	\$ 599,903	\$ 212,239	\$ 812,142	\$ 715
Average Contracts	1,228.08	389.67	1,617.75	32.08
Average Members (adjusted)	3,605.67	927.75	4,533.42	37.67
Per Member Per Month Claims (PMPM)	\$ 14.25	\$ 19.54	\$ 14.92	\$ 1.58

Experience Year: **07/01/2021 - 06/30/2022**
 Projection Year: **01/01/2023 - 12/31/2023**

	Active	Pre-65 Retirees	Pre-65 Blend	Post-65 Retirees
Paid Vision claims	\$ 541,740	\$ 203,873	\$ 745,613	\$ 366
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	\$ 572,164	\$ 215,322	\$ 787,486	\$ 387
Average Contracts	1,206.66	406.47	1,613.13	29.00
Average Members	3,525.53	962.20	4,487.74	34.08
Per Member Per Month Claims (PMPM)	\$ 13.52	\$ 18.65	\$ 14.62	\$ 0.95
Weighted Average PMPM (60/40)	\$ 13.81	\$ 19.01	\$ 14.74	\$ 1.20
Administrative Fees	\$ 0.39	\$ 0.49	\$ 0.41	\$ 0.98
Total Vision PMPM	\$ 14.20	\$ 19.50	\$ 15.15	\$ 2.18



Vision Rate Development

	<u>Active</u>	<u>Pre-65 Retiree</u>	<u>Pre-65 Blend</u>	<u>Post-65</u>
Total Vision PMPM	\$ 14.20	\$ 19.50	\$ 15.15	\$ 2.18
Members Per Contract	2.922	2.367	2.780	1.207
Per Employee Per Month Cost (PEPM)	\$ 41.49	\$ 46.16	\$ 42.12	\$ 2.63
Rating Tiers				
Single	1.000	1.000	1.000	1.000
Double	2.150	1.950	2.072	1.999
Family	2.600	2.220	2.534	2.249
Composite Tier	2.093	1.766	2.009	1.207
Single Rate*	\$ 19.82	\$ 26.14	\$ 20.96	\$ 2.18
Double Rate*	\$ 42.61	\$ 50.97	\$ 43.43	\$ 4.36
Family Rate*	\$ 51.53	\$ 58.03	\$ 53.11	\$ 4.90

* 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 2021 through June 2022

July 2021	Active	Pre-65 Retiree	Total
Contracts	1,219	395	1,614
Lives	3,574	932	4,506
Medical	\$1,743,062	\$532,810	\$2,275,872
Rx Net of Rebate	\$360,032	\$100,949	\$460,981
Dental	\$90,400	\$28,949	\$119,349
Vision	\$33,939	\$11,609	\$45,547
Medical Admin Fee	\$89,329	\$30,091	\$119,420
Dental Admin Fees	\$4,042	\$1,330	\$5,372
Consultant/Actuary	\$6,483	\$2,184	\$8,667
Total	\$2,327,286	\$707,922	\$3,035,208

October 2021	Active	Pre-65 Retiree	Total
Contracts	1,205	403	1,608
Lives	3,529	959	4,488
Medical	\$1,680,304	\$489,389	\$2,169,693
Rx Net of Rebate	\$573,546	\$164,849	\$738,395
Dental	\$87,462	\$30,015	\$117,477
Vision	\$35,750	\$17,988	\$53,738
Medical Admin Fee	\$89,432	\$30,125	\$119,557
Dental Admin Fees	\$4,027	\$1,325	\$5,352
Consultant/Actuary	\$6,483	\$2,184	\$8,667
Total	\$2,477,004	\$735,875	\$3,212,879

August 2021	Active	Pre-65 Retiree	Total
Contracts	1,206	406	1,612
Lives	3,535	961	4,496
Medical	\$1,498,602	\$401,321	\$1,899,923
Rx Net of Rebate	\$373,347	\$123,547	\$496,895
Dental	\$95,880	\$25,633	\$121,513
Vision	\$33,773	\$12,893	\$46,666
Medical Admin Fee	\$89,321	\$30,088	\$119,409
Dental Admin Fees	\$4,032	\$1,326	\$5,358
Consultant/Actuary	\$6,483	\$2,184	\$8,667
Total	\$2,101,437	\$596,993	\$2,698,430

November 2021	Active	Pre-65 Retiree	Total
Contracts	1,200	406	1,606
Lives	3,513	967	4,480
Medical	\$1,865,993	\$374,074	\$2,240,067
Rx Net of Rebate	\$341,683	\$138,018	\$479,701
Dental	\$89,214	\$28,950	\$118,165
Vision	\$39,487	\$10,419	\$49,906
Medical Admin Fee	\$89,474	\$30,139	\$119,613
Dental Admin Fees	\$4,020	\$1,322	\$5,342
Consultant/Actuary	\$6,483	\$2,184	\$8,667
Total	\$2,436,355	\$585,106	\$3,021,461

September 2021	Active	Pre-65 Retiree	Total
Contracts	1,209	405	1,614
Lives	3,531	965	4,496
Medical	\$1,138,121	\$394,932	\$1,533,054
Rx Net of Rebate	\$374,192	\$119,099	\$493,291
Dental	\$98,368	\$25,888	\$124,255
Vision	\$31,673	\$13,601	\$45,274
Medical Admin Fee	\$89,423	\$30,122	\$119,545
Dental Admin Fees	\$4,032	\$1,326	\$5,358
Consultant/Actuary	\$6,483	\$2,184	\$8,667
Total	\$1,742,292	\$587,151	\$2,329,444

December 2021	Active	Pre-65 Retiree	Total
Contracts	1,193	409	1,602
Lives	3,495	970	4,465
Medical	\$2,049,039	\$655,374	\$2,704,413
Rx Net of Rebate	\$391,849	\$113,689	\$505,538
Dental	\$99,794	\$39,447	\$139,240
Vision	\$45,557	\$18,411	\$63,968
Medical Admin Fee	\$89,207	\$30,033	\$119,240
Dental Admin Fees	\$4,020	\$1,322	\$5,342
Consultant/Actuary	\$6,483	\$2,184	\$8,667
Total	\$2,685,950	\$860,459	\$3,546,409



City of Grand Rapids

Summary of Non-Medicare Claims and Expenses

July 2021 through June 2022

January 2022	Active	Pre-65 Retiree	Total
Contracts	1,207	406	1,613
Lives	3,534	960	4,494
Medical	\$1,521,026	\$524,516	\$2,045,541
Rx Net of Rebate	\$490,515	\$170,667	\$661,182
Dental	\$95,307	\$36,514	\$131,821
Vision	\$84,751	\$41,576	\$126,328
Medical Admin Fee	\$92,603	\$31,193	\$123,796
Dental Admin Fees	\$4,040	\$1,329	\$5,369
Consultant/Actuary	\$6,483	\$2,184	\$8,667
Total	\$2,294,725	\$807,979	\$3,102,704

April 2022	Active	Pre-65 Retiree	Total
Contracts	1,202	410	1,612
Lives	3,498	970	4,469
Medical	\$1,669,504	\$675,930	\$2,345,434
Rx Net of Rebate	\$362,167	\$136,093	\$498,259
Dental	\$100,322	\$37,433	\$137,755
Vision	\$40,331	\$20,221	\$60,553
Medical Admin Fee	\$92,555	\$31,177	\$123,732
Dental Admin Fees	\$4,032	\$1,326	\$5,358
Consultant/Actuary	\$6,483	\$2,184	\$8,667
Total	\$2,275,394	\$904,364	\$3,179,758

February 2022	Active	Pre-65 Retiree	Total
Contracts	1,216	407	1,623
Lives	3,557	956	4,513
Medical	\$1,491,244	\$384,996	\$1,876,239
Rx Net of Rebate	\$340,048	\$126,114	\$466,162
Dental	\$107,404	\$45,307	\$152,710
Vision	\$52,646	\$19,377	\$72,023
Medical Admin Fee	\$93,026	\$31,336	\$124,362
Dental Admin Fees	\$4,067	\$1,338	\$5,405
Consultant/Actuary	\$6,483	\$2,184	\$8,667
Total	\$2,094,917	\$610,651	\$2,705,568

May 2022	Active	Pre-65 Retiree	Total
Contracts	1,207	412	1,618
Lives	3,511	968	4,480
Medical	\$1,350,736	\$336,979	\$1,687,715
Rx Net of Rebate	\$400,559	\$152,696	\$553,255
Dental	\$97,367	\$35,733	\$133,100
Vision	\$42,110	\$11,359	\$53,469
Medical Admin Fee	\$92,787	\$31,256	\$124,043
Dental Admin Fees	\$4,042	\$1,330	\$5,372
Consultant/Actuary	\$6,483	\$2,184	\$8,667
Total	\$1,994,083	\$571,538	\$2,565,621

March 2022	Active	Pre-65 Retiree	Total
Contracts	1,209	408	1,617
Lives	3,526	967	4,493
Medical	\$1,227,934	\$509,051	\$1,736,985
Rx Net of Rebate	\$374,430	\$121,771	\$496,200
Dental	\$126,271	\$51,776	\$178,046
Vision	\$64,065	\$14,202	\$78,266
Medical Admin Fee	\$92,780	\$31,253	\$124,033
Dental Admin Fees	\$4,057	\$1,335	\$5,392
Consultant/Actuary	\$6,483	\$2,184	\$8,667
Total	\$1,896,019	\$731,571	\$2,627,590

June 2022	Active	Pre-65 Retiree	Total
Contracts	1,207	411	1,618
Lives	3,503	971	4,474
Medical	\$1,153,830	\$439,408	\$1,593,238
Rx Net of Rebate	\$355,582	\$126,028	\$481,610
Dental	\$98,665	\$37,376	\$136,041
Vision	\$37,658	\$12,216	\$49,875
Medical Admin Fee	\$92,797	\$31,259	\$124,056
Dental Admin Fees	\$4,030	\$1,326	\$5,356
Consultant/Actuary	\$6,480	\$2,183	\$8,663
Total	\$1,749,042	\$649,796	\$2,398,839



Calculation of Gain/(Loss) on July 2021 through June 2022 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 2021 & 2022 Calculated per Contract Rates*	Gain/(Loss)
July-21	\$3,035,208	1,219	395	1,614	\$2,946,518	(\$88,690)
August-21	\$2,698,430	1,206	406	1,612	\$2,942,867	\$244,437
September-21	\$2,329,444	1,209	405	1,614	\$2,946,518	\$617,074
October-21	\$3,212,879	1,205	403	1,608	\$2,935,565	(\$277,314)
November-21	\$3,021,461	1,200	406	1,606	\$2,931,914	(\$89,547)
December-21	\$3,546,409	1,193	409	1,602	\$2,924,611	(\$621,798)
January-22	\$3,102,704	1,207	406	1,613	\$3,064,861	(\$37,843)
February-22	\$2,705,568	1,216	407	1,623	\$3,083,862	\$378,294
March-22	\$2,627,590	1,209	408	1,617	\$3,072,462	\$444,872
April-22	\$3,179,758	1,202	410	1,612	\$3,062,961	(\$116,797)
May-22	\$2,565,621	1,207	412	1,619	\$3,076,262	\$510,641
June-22	\$2,398,839	1,207	411	1,618	\$3,074,362	\$675,523
Total	\$34,423,911	1,207	407	1,613	\$36,062,763	\$1,638,852

Amount of July 2021 through June 2022 experience gain/(loss) recognized in 2023 rates	\$546,284
Amount of July 2020 through June 2021 experience gain/(loss) recognized in 2023 rates	\$607,583
Amount of July 2019 through June 2020 experience gain/(loss) recognized in 2023 rates	\$1,329,591
Total Amount experience gain/(loss) recognized in 2023 rates	\$2,483,458

* Apply rates from page 26 for 2022 and from page 27 for 2021 to derive Expected Revenue.

Calculation of Gain/(Loss) on July 2021 through June 2022 Post-65 Retiree Experience

Period	Post-65 Claim & Admin Costs	Post-65 Contracts	Expected Revenue Based on 2021 & 2022 Calculated per Contract Rates*	Gain/(Loss)
July-21	\$31,245	29	\$35,603	\$4,358
August-21	\$26,232	29	\$35,603	\$9,371
September-21	\$21,339	29	\$35,603	\$14,264
October-21	\$33,041	29	\$35,668	\$2,627
November-21	\$22,276	29	\$35,603	\$13,327
December-21	\$21,800	30	\$36,614	\$14,814
January-22	\$33,005	29	\$38,214	\$5,209
February-22	\$25,001	29	\$38,214	\$13,213
March-22	\$27,201	29	\$38,214	\$11,013
April-22	\$28,347	29	\$38,106	\$9,759
May-22	\$26,537	28	\$37,130	\$10,593
June-22	\$44,794	29	\$39,297	(\$5,497)
Total	\$340,818	29	\$443,869	\$103,051

Portion of Gain/(Loss) Recognized in 2023 Implemented Rates

Amount of July 2021 through June 2022 experience gain/(loss) recognized in 2023 rates	\$34,350
Amount of July 2020 through June 2021 experience gain/(loss) recognized in 2023 rates	\$31,860
Amount of July 2019 through June 2020 experience gain/(loss) recognized in 2023 rates	\$9,752
Total Amount experience gain/(loss) recognized in 2023 rates	\$75,962

* Apply rates from page 26 for 2022 and from page 27 for 2021 to derive Expected Revenue.

Explanation of Rates Developed in Following Section

Page 19: "2023 Calculated Premium Rates Schedule"

This schedule develops the 2023 rates without incorporating any smoothing.

Page 20: "2023 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 6.6% and the surplus reduction adjustment reduces the rate by an additional 3.2%, for a total reduction of 9.8%.

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 16.9%.

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 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 2022 and 2023 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.

	2022	2023	2024	2025	2026	2027	2028
Calculated Rate for Medical/Rx/Vision	\$ 1,797.75	\$ 1,893.08	\$ 2,025.60	\$ 2,167.39	\$ 2,319.11	\$ 2,481.45	\$ 2,655.15
Calculated Rate for Dental	\$ 87.45	\$ 94.07	\$ 97.83	\$ 101.74	\$ 105.81	\$ 110.04	\$ 114.44
Total Blended PEPM	\$ 1,885.20	\$ 1,987.15	\$ 2,123.43	\$ 2,269.13	\$ 2,424.92	\$ 2,591.49	\$ 2,769.59
Annual Increase		5.41%	6.86%	6.86%	6.87%	6.87%	6.87%
Smoothing Dollars							
Smoothing July 1, 2018 - June 30, 2019	\$ (1,262,995)						
Smoothing July 1, 2019 - June 30, 2020	\$ (981,606)	\$ (981,606)					
Smoothing July 1, 2020 - June 30, 2021	\$ (461,235)	\$ (461,235)	\$ (461,235)				
Smoothing July 1, 2021 - June 30, 2022		\$ (408,635)	\$ (408,635)	\$ (408,635)			
Smoothing July 1, 2022 - June 30, 2023		\$ -	\$ -	\$ -			
Smoothing July 1, 2023 - June 30, 2024			\$ -	\$ -	\$ -		
Smoothing July 1, 2024 - June 30, 2025				\$ -	\$ -	\$ -	
Surplus Adjustment Rating Years 2022 - 2025	\$ (1,517,729)	\$ (959,360)	\$ (568,160)	\$ (370,910)	\$ -	\$ -	\$ -
COVID Credit Adjustment	\$ (560,103)	\$ (580,452)					
Total	\$ (4,783,667)	\$ (3,391,288)	\$ (1,438,029)	\$ (779,545)	\$ -	\$ -	\$ -
Contracts*	1,212	1,201	1,201	1,201	1,201	1,201	1,201
PEPM change due to smoothing	\$ (328.91)	\$ (235.31)	\$ (99.78)	\$ (54.09)	\$ -	\$ -	\$ -
Blended PEPM after Smoothing	\$ 1,556.29	\$ 1,751.84	\$ 2,023.65	\$ 2,215.04	\$ 2,424.92	\$ 2,591.49	\$ 2,769.59
Annual Increase		12.57%	15.52%	9.46%	9.48%	6.87%	6.87%
<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 2022 and 2023 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.

	2022	2023	2024	2025	2026	2027	2028
Calculated Rate for Medical/Rx/Vision	\$ 1,813.37	\$ 1,865.88	\$ 1,996.49	\$ 2,136.24	\$ 2,285.78	\$ 2,445.78	\$ 2,616.98
Calculated Rate for Dental	\$ 86.73	\$ 94.13	\$ 97.90	\$ 101.82	\$ 105.89	\$ 110.13	\$ 114.54
Total Blended PEPM	\$ 1,900.10	\$ 1,960.01	\$ 2,094.39	\$ 2,238.06	\$ 2,391.67	\$ 2,555.91	\$ 2,731.52
Annual Increase		3.15%	6.86%	6.86%	6.86%	6.87%	6.87%
Smoothing Dollars							
Smoothing July 1, 2018 - June 30, 2019	\$ (1,717,555)						
Smoothing July 1, 2019 - June 30, 2020	\$ (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		\$ (546,284)	\$ (546,284)	\$ (546,284)			
Smoothing July 1, 2022 - June 30, 2023		\$ -	\$ -	\$ -			
Smoothing July 1, 2023 - June 30, 2024			\$ -	\$ -	\$ -		
Smoothing July 1, 2024 - June 30, 2025				\$ -	\$ -	\$ -	
Surplus Adjustment Rating Years 2022 - 2025	\$ (2,000,000)	\$ (1,250,000)	\$ (750,000)	\$ (500,000)	\$ -	\$ -	\$ -
COVID Credit Adjustment	\$ (738,080)	\$ (756,301)	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (6,392,809)	\$ (4,489,759)	\$ (1,903,867)	\$ (1,046,284)	\$ -	\$ -	\$ -
Contracts*	1,607	1,612	1,612	1,612	1,612	1,612	1,612
PEPM change due to smoothing	\$ (331.51)	\$ (232.10)	\$ (98.42)	\$ (54.09)	\$ -	\$ -	\$ -
Blended PEPM after Smoothing	\$ 1,568.59	\$ 1,727.91	\$ 1,995.97	\$ 2,183.97	\$ 2,391.67	\$ 2,555.91	\$ 2,731.52
Annual Increase		10.16%	15.51%	9.42%	9.51%	6.87%	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 2022 and 2023 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.

	2022	2023	2024	2025	2026	2027	2028
Calculated Rate for Medical/Rx/Vision	\$ 1,285.00	\$ 1,261.34	\$ 1,349.63	\$ 1,444.10	\$ 1,545.19	\$ 1,653.35	\$ 1,769.08
Calculated Rate for Dental	\$ 40.17	\$ 33.17	\$ 34.50	\$ 35.88	\$ 37.32	\$ 38.81	\$ 40.36
Total Blended PEPM	\$ 1,325.17	\$ 1,294.51	\$ 1,384.13	\$ 1,479.98	\$ 1,582.51	\$ 1,692.16	\$ 1,809.44
Annual Increase		-2.31%	6.92%	6.92%	6.93%	6.93%	6.93%
Smoothing Dollars							
Smoothing July 1, 2018 - June 30, 2019	\$ (4,261)						
Smoothing July 1, 2019 - June 30, 2020	\$ (9,752)	\$ (9,752)					
Smoothing July 1, 2020 - June 30, 2021	\$ (31,860)	\$ (31,860)	\$ (31,860)				
Smoothing July 1, 2021 - June 30, 2022		\$ (34,350)	\$ (34,350)	\$ (34,350)			
Smoothing July 1, 2022 - June 30, 2023		\$ -	\$ -	\$ -			
Smoothing July 1, 2023 - June 30, 2024			\$ -	\$ -	\$ -		
Smoothing July 1, 2024 - June 30, 2025				\$ -	\$ -	\$ -	
Total	\$ (45,873)	\$ (75,962)	\$ (66,210)	\$ (34,350)	\$ -	\$ -	\$ -
Contracts*	29	29	29	29	29	29	29
PEPM change due to smoothing	\$ (131.82)	\$ (218.28)	\$ (190.26)	\$ (98.71)	\$ -	\$ -	\$ -
Blended PEPM after Smoothing	\$ 1,193.35	\$ 1,076.23	\$ 1,193.87	\$ 1,381.27	\$ 1,582.51	\$ 1,692.16	\$ 1,809.44
Annual Increase		-9.81%	10.93%	15.70%	14.57%	6.93%	6.93%
<i>* It is assumed that the post-65 retiree population is stable with the current mix of contracts going forward.</i>							

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.



2023 Implemented Premium Rates Reflecting Gain/Loss Smoothing and Surplus Reduction Adjustment

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	311	\$ 837.10	\$ 797.47	\$ 39.63	\$ 3,124,045
	2 Person	248	\$ 1,799.75	\$ 1,714.55	\$ 85.20	\$ 5,356,051
	Family	642	\$ 2,176.45	\$ 2,073.42	\$ 103.03	\$ 16,767,357
	Composite	1,201	\$ 1,751.84	\$ 1,668.91	\$ 82.93	\$ 25,247,453
Retired <65	EE Only	118	\$ 938.88	\$ 891.79	\$ 47.09	\$ 1,329,448
	2 Person	158	\$ 1,830.81	\$ 1,738.99	\$ 91.82	\$ 3,471,209
	Family	135	\$ 2,084.31	\$ 1,979.78	\$ 104.53	\$ 3,376,575
	Composite	411	\$ 1,657.99	\$ 1,574.85	\$ 83.14	\$ 8,177,232
Blended*	EE Only	429	\$ 865.09	\$ 823.41	\$ 41.68	\$ 4,453,483
	2 Person	406	\$ 1,811.84	\$ 1,724.06	\$ 87.78	\$ 8,827,284
	Family	777	\$ 2,160.44	\$ 2,057.15	\$ 103.29	\$ 20,143,943
	Composite	1,612	\$ 1,727.91	\$ 1,644.92	\$ 82.99	\$ 33,424,711
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,080.25	\$ 1,080.25	\$ -	\$ 12,963
	w Dep>65	0	\$ 2,159.41	\$ 2,159.41	\$ -	\$ -
	w Dep<65	0	\$ 2,429.47	\$ 2,429.47	\$ -	\$ -
	Composite	1	\$ 1,080.25	\$ 1,080.25	\$ -	\$ 12,963
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,053.91	\$ 1,053.91	\$ -	\$ -
	w Dep>65	0	\$ 2,106.76	\$ 2,106.76	\$ -	\$ -
	w Dep<65	0	\$ 2,370.24	\$ 2,370.24	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,031.95	\$ 1,008.42	\$ 23.53	\$ 37,150
	w Dep>65	1	\$ 2,062.86	\$ 2,015.83	\$ 47.03	\$ 24,754
	w Dep<65	0	\$ 2,320.84	\$ 2,267.92	\$ 52.92	\$ -
	Composite	4	\$ 1,289.67	\$ 1,260.27	\$ 29.40	\$ 61,904
Retired >65 \$10/\$20 Rx Copay	EE Only	19	\$ 861.24	\$ 837.71	\$ 23.53	\$ 196,363
	w Dep>65	5	\$ 1,721.61	\$ 1,674.58	\$ 47.03	\$ 103,297
	w Dep<65	0	\$ 1,936.92	\$ 1,884.00	\$ 52.92	\$ -
	Composite	24	\$ 1,040.48	\$ 1,012.06	\$ 28.42	\$ 299,660
Composite >65	EE Only	23	\$ 893.02	\$ 870.52	\$ 22.50	\$ 246,474
	w Dep>65	6	\$ 1,778.48	\$ 1,731.45	\$ 47.03	\$ 128,051
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	29	\$ 1,076.22	\$ 1,048.65	\$ 27.58	\$ 374,525

* Blended using revenue.



2023 Implemented Rates vs. 2022 Implemented Rates (Dollar Increases)

		Total	Med/Rx/Vis	Dental	Total Revenue*
Active	EE Only	\$ 93.95	\$ 88.79	\$ 5.16	\$ 29,217
	2 Person	\$ 201.98	\$ 190.90	\$ 11.08	\$ 50,092
	Family	\$ 244.25	\$ 230.86	\$ 13.39	\$ 156,810
Composite		\$ 195.55	\$ 184.81	\$ 10.74	\$ 236,119
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired <65	EE Only	\$ 28.79	\$ 21.23	\$ 7.56	\$ 3,397
	2 Person	\$ 56.13	\$ 41.39	\$ 14.74	\$ 8,868
	Family	\$ 63.91	\$ 47.13	\$ 16.78	\$ 8,628
Composite		\$ 51.67	\$ 38.30	\$ 13.37	\$ 20,893
		Total	Med/Rx/Vis	Dental	Total Revenue*
Blended	EE Only	\$ 76.98	\$ 71.14	\$ 5.85	\$ 33,024
	2 Person	\$ 149.34	\$ 136.76	\$ 12.58	\$ 60,632
	Family	\$ 213.11	\$ 199.13	\$ 13.98	\$ 165,586
Composite		\$ 159.32	\$ 147.93	\$ 11.39	\$ 259,242
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$2 Rx Copay	EE Only	\$ (140.92)	\$ (140.92)	\$ -	\$ (141)
	w Dep>65	\$ (281.70)	\$ (281.70)	\$ -	\$ -
	w Dep<65	\$ (316.94)	\$ (316.94)	\$ -	\$ -
Composite		\$ (140.92)	\$ (140.92)	\$ -	\$ (141)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$4 Rx Copay	EE Only	\$ (137.24)	\$ (137.24)	\$ -	\$ -
	w Dep>65	\$ (274.34)	\$ (274.34)	\$ -	\$ -
	w Dep<65	\$ (308.65)	\$ (308.65)	\$ -	\$ -
Composite		\$ -	\$ -	\$ -	\$ -
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$4/\$8 Rx Copay	EE Only	\$ (139.21)	\$ (130.94)	\$ (8.27)	\$ (418)
	w Dep>65	\$ (278.27)	\$ (261.74)	\$ (16.53)	\$ (278)
	w Dep<65	\$ (313.08)	\$ (294.49)	\$ (18.59)	\$ -
Composite		\$ (115.48)	\$ (106.73)	\$ (8.75)	\$ (696)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Retired >65 \$10/\$20 Rx Copay	EE Only	\$ (115.22)	\$ (106.95)	\$ (8.27)	\$ (2,189)
	w Dep>65	\$ (230.33)	\$ (213.80)	\$ (16.53)	\$ (1,152)
	w Dep<65	\$ (259.13)	\$ (240.54)	\$ (18.59)	\$ -
Composite		\$ (105.63)	\$ (96.73)	\$ (8.90)	\$ (3,341)
		Total	Med/Rx/Vis	Dental	Total Revenue*
Composite >65	EE Only	\$ (126.08)	\$ (118.11)	\$ (7.97)	\$ (2,900)
	w Dep>65	\$ (251.30)	\$ (234.76)	\$ (16.53)	\$ (1,508)
	w Dep<65	\$ -	\$ -	\$ -	\$ -
Composite		\$ (117.13)	\$ (108.53)	\$ (8.60)	\$ (4,408)

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



2023 Implemented Rates vs. 2022 Implemented Rates (Percentage Increases)

		Total	Med/Rx/Vis	Dental	Total Revenue*
Active	EE Only	12.64%	12.53%	14.97%	12.64%
	2 Person	12.64%	12.53%	14.95%	12.64%
	Family	12.64%	12.53%	14.94%	12.64%
	Composite	12.57%	12.45%	14.88%	12.64%
Retired <65	EE Only	3.16%	2.44%	19.12%	3.16%
	2 Person	3.16%	2.44%	19.12%	3.16%
	Family	3.16%	2.44%	19.12%	3.16%
	Composite	3.22%	2.49%	19.16%	3.16%
Blended	EE Only	9.77%	9.46%	16.33%	9.77%
	2 Person	8.98%	8.62%	16.73%	8.98%
	Family	10.94%	10.72%	15.65%	10.94%
	Composite	10.16%	9.88%	15.91%	10.26%
Retired >65 \$2 Rx Copay	EE Only	(11.54%)	(11.54%)	N/A	(11.54%)
	w Dep>65	(11.54%)	(11.54%)	N/A	N/A
	w Dep<65	(11.54%)	(11.54%)	N/A	N/A
	Composite	(11.54%)	(11.54%)	N/A	(11.54%)
Retired >65 \$4 Rx Copay	EE Only	(11.52%)	(11.52%)	N/A	N/A
	w Dep>65	(11.52%)	(11.52%)	N/A	N/A
	w Dep<65	(11.52%)	(11.52%)	N/A	N/A
	Composite	N/A	N/A	N/A	N/A
Retired >65 \$4/\$8 Rx Copay	EE Only	(11.89%)	(11.49%)	(26.01%)	(11.89%)
	w Dep>65	(11.89%)	(11.49%)	(26.00%)	(11.89%)
	w Dep<65	(11.89%)	(11.49%)	(26.00%)	N/A
	Composite	(8.22%)	(7.81%)	(22.94%)	(11.89%)
Retired >65 \$10/\$20 Rx Copay	EE Only	(11.80%)	(11.32%)	(26.01%)	(11.80%)
	w Dep>65	(11.80%)	(11.32%)	(26.00%)	(11.80%)
	w Dep<65	(11.80%)	(11.32%)	(26.00%)	N/A
	Composite	(9.22%)	(8.72%)	(23.85%)	(11.80%)
Composite >65	EE Only	(12.37%)	(11.95%)	(26.15%)	(12.37%)
	w Dep>65	(12.38%)	(11.94%)	(26.00%)	(12.38%)
	w Dep<65	N/A	N/A	N/A	N/A
	Composite	(9.82%)	(9.38%)	(23.77%)	(12.37%)

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

2024 Trended Calculated Premium Rates

(Assumes No Change in Covered Lives from 2022)

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	311	\$ 1,014.66	\$ 967.91	\$ 46.75	\$ 3,786,711
	2 Person	248	\$ 2,181.51	\$ 2,081.00	\$ 100.51	\$ 6,492,174
	Family	642	\$ 2,638.11	\$ 2,516.57	\$ 121.54	\$ 20,323,999
	Composite	1,201	\$ 2,123.43	\$ 2,025.60	\$ 97.83	\$ 30,602,884
Retired <65	EE Only	118	\$ 1,137.94	\$ 1,082.39	\$ 55.55	\$ 1,611,323
	2 Person	158	\$ 2,218.98	\$ 2,110.66	\$ 108.32	\$ 4,207,186
	Family	135	\$ 2,526.22	\$ 2,402.91	\$ 123.31	\$ 4,092,476
	Composite	411	\$ 2,009.53	\$ 1,911.43	\$ 98.09	\$ 9,910,985
Blended	EE Only	429	\$ 1,048.57	\$ 999.40	\$ 49.17	\$ 5,398,034
	2 Person	406	\$ 2,196.09	\$ 2,092.54	\$ 103.55	\$ 10,699,360
	Family	777	\$ 2,618.67	\$ 2,496.82	\$ 121.85	\$ 24,416,476
	Composite	1,612	\$ 2,094.39	\$ 1,996.49	\$ 97.90	\$ 40,513,870
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,390.30	\$ 1,390.30	\$ -	\$ 16,684
	w Dep>65	0	\$ 2,779.22	\$ 2,779.22	\$ -	\$ -
	w Dep<65	0	\$ 3,126.79	\$ 3,126.79	\$ -	\$ -
	Composite	1	\$ 1,390.30	\$ 1,390.30	\$ -	\$ 16,684
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,356.41	\$ 1,356.41	\$ -	\$ -
	w Dep>65	0	\$ 2,711.45	\$ 2,711.45	\$ -	\$ -
	w Dep<65	0	\$ 3,050.56	\$ 3,050.56	\$ -	\$ -
	Composite	0	\$ -	\$ -	\$ -	\$ -
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,327.29	\$ 1,297.86	\$ 29.43	\$ 47,782
	w Dep>65	1	\$ 2,653.25	\$ 2,594.42	\$ 58.83	\$ 31,839
	w Dep<65	0	\$ 2,985.07	\$ 2,918.87	\$ 66.20	\$ -
	Composite	4	\$ 1,658.78	\$ 1,622.00	\$ 36.78	\$ 79,621
Retired >65 \$10/\$20 Rx Copay	EE Only	19	\$ 1,107.58	\$ 1,078.15	\$ 29.43	\$ 252,528
	w Dep>65	5	\$ 2,214.06	\$ 2,155.23	\$ 58.83	\$ 132,844
	w Dep<65	0	\$ 2,490.96	\$ 2,424.76	\$ 66.20	\$ -
	Composite	24	\$ 1,338.10	\$ 1,302.54	\$ 35.56	\$ 385,372
Composite >65	EE Only	23	\$ 1,148.53	\$ 1,120.38	\$ 28.15	\$ 316,994
	w Dep>65	6	\$ 2,287.25	\$ 2,228.42	\$ 58.83	\$ 164,682
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
	Composite	29	\$ 1,384.13	\$ 1,349.63	\$ 34.50	\$ 481,676



2024 Projected Smoothed Premium Rates

(Assumes No Change in Covered Lives from 2021)

		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Active	EE Only	311	\$ 966.98	\$ 922.43	\$ 44.55	\$ 3,608,769
	2 Person	248	\$ 2,078.99	\$ 1,983.21	\$ 95.78	\$ 6,187,074
	Family	642	\$ 2,514.14	\$ 2,398.31	\$ 115.83	\$ 19,368,935
Composite		1,201	\$ 2,023.65	\$ 1,930.41	\$ 93.23	\$ 29,164,778
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired <65	EE Only	118	\$ 1,084.47	\$ 1,031.53	\$ 52.94	\$ 1,535,610
	2 Person	158	\$ 2,114.71	\$ 2,011.48	\$ 103.23	\$ 4,009,490
	Family	135	\$ 2,407.51	\$ 2,289.99	\$ 117.52	\$ 3,900,166
Composite		411	\$ 1,915.10	\$ 1,821.61	\$ 93.49	\$ 9,445,266
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Blended	EE Only	429	\$ 999.30	\$ 952.44	\$ 46.86	\$ 5,144,379
	2 Person	406	\$ 2,092.89	\$ 1,994.21	\$ 98.68	\$ 10,196,564
	Family	777	\$ 2,495.61	\$ 2,379.49	\$ 116.13	\$ 23,269,101
Composite		1,612	\$ 1,995.97	\$ 1,902.67	\$ 93.30	\$ 38,610,044
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$2 Rx Copay	EE Only	1	\$ 1,199.19	\$ 1,199.19	\$ -	\$ 14,390
	w Dep>65	0	\$ 2,397.19	\$ 2,397.19	\$ -	\$ -
	w Dep<65	0	\$ 2,696.98	\$ 2,696.98	\$ -	\$ -
Composite		1	\$ 1,199.19	\$ 1,199.19	\$ -	\$ 14,390
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4 Rx Copay	EE Only	0	\$ 1,169.96	\$ 1,169.96	\$ -	\$ -
	w Dep>65	0	\$ 2,338.74	\$ 2,338.74	\$ -	\$ -
	w Dep<65	0	\$ 2,631.23	\$ 2,631.23	\$ -	\$ -
Composite		0	\$ -	\$ -	\$ -	\$ -
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$4/\$8 Rx Copay	EE Only	3	\$ 1,144.84	\$ 1,119.45	\$ 25.39	\$ 41,214
	w Dep>65	1	\$ 2,288.54	\$ 2,237.79	\$ 50.75	\$ 27,462
	w Dep<65	0	\$ 2,574.75	\$ 2,517.65	\$ 57.10	\$ -
Composite		4	\$ 1,430.77	\$ 1,399.04	\$ 31.73	\$ 68,676
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Retired >65 \$10/\$20 Rx Copay	EE Only	19	\$ 955.34	\$ 929.95	\$ 25.39	\$ 217,818
	w Dep>65	5	\$ 1,909.72	\$ 1,858.97	\$ 50.75	\$ 114,583
	w Dep<65	0	\$ 2,148.55	\$ 2,091.45	\$ 57.10	\$ -
Composite		24	\$ 1,154.17	\$ 1,123.50	\$ 30.67	\$ 332,401
		Enrollment	Total	Med/Rx/Vis	Dental	Total Revenue
Composite >65	EE Only	23	\$ 990.65	\$ 966.37	\$ 24.28	\$ 273,419
	w Dep>65	6	\$ 1,972.86	\$ 1,922.11	\$ 50.75	\$ 142,046
	w Dep<65	0	\$ -	\$ -	\$ -	\$ -
Composite		29	\$ 1,193.87	\$ 1,164.11	\$ 29.76	\$ 415,465

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 2024 rates developed next year will differ from the rates above.



2022 Implemented Premium Rates Reflecting Gain/Loss Smoothing

		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
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
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
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
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	\$ -	\$ -	\$ -	\$ -
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
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
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



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
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
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
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
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	\$ -	\$ -		\$ -
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
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
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



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



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 2020: \$1,501,074 (19.8% reduction)
 - FYE 2021: \$1,275,464 (16.4% reduction)
 - FYE 2022: \$1,980,485 (23.1% 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 & 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.