GHIP historical data

- The chart below outlines claims cost per member per quarter over the last 8 years.
- The last column shows first quarter claims as a percentage of the total year.
  - First quarter ranges 23.8% through 25.8% of total claims for the year ("completion factor").
  - Claims are generally increasing over the course of the plan year due to health care trend, but variability exists due to high cost claimants and other factors.

<table>
<thead>
<tr>
<th>Medical + Rx Claims Per Member Per Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>FY2009</td>
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<tr>
<td>FY2010</td>
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<td>FY2011</td>
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<tr>
<td>FY2012</td>
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<td>FY2013</td>
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<tr>
<td>FY2014</td>
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<tr>
<td>FY2015</td>
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<tr>
<td>FY2016</td>
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</tbody>
</table>

Data Sources:
- FY2009 through FY2011 represents 12-month rolling PMPM from Segal Group Health Program Long-term Trend History report (2/19/2016)
- FY2012 through FY2015 represents paid claims per member from Segal Door Opener FY18 document
- FY2016 represents paid claims per member from Willis Towers Watson Q4 FY2016 Cost Tracking report
- Claim totals reflect Rx rebate and EGWP payment offsets
Fiscal Year 2017 claim cost projection (illustrative)

- Based on September Fund Equity report, claims for July through September 2016 (Q1 FY2017) totalled $194.4m

- GHIP claims are projected to be $793.5m for Fiscal Year 2017 using the average Q1 completion factor ($194.4m divided by 24.5%)
  - However, based on historical GHIP claims data, actual claims could range $753.5m (5% below average) to $816.8m (3% above average) using the highest and lowest completion factors

<table>
<thead>
<tr>
<th>Potential Claim Projections¹</th>
<th>Projected Claims ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 FY2017 Actual</td>
</tr>
<tr>
<td>Low Factor</td>
<td>$194.4</td>
</tr>
<tr>
<td>Average</td>
<td>$194.4</td>
</tr>
<tr>
<td>High Factor</td>
<td>$194.4</td>
</tr>
</tbody>
</table>

¹ The above costs do not include Rx rebate and EGWP payment offsets, administrative fees, or operational expenses

- WTW Recommendation: To increase credibility of the data used to project FY2017 total claims, recommend using a “rolling 12 month” approach, e.g., most recent 12 months of data (October 2015 through September 2016) to smooth some of the variability