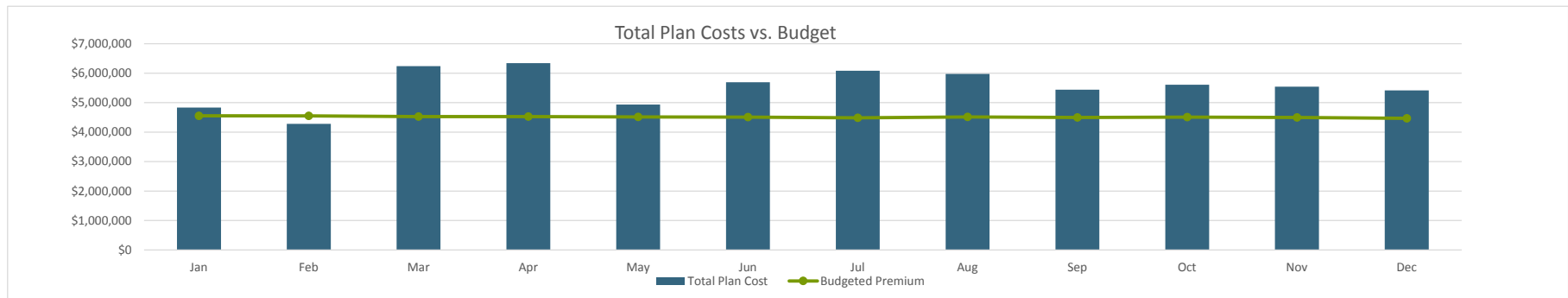


## SJVIA

### HMO Cost Summary

Plan Year January 1, 2015 through December 31, 2015

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Average / Total
<b>Enrollment</b>													
Employee Only	2,391	2,373	2,365	2,365	2,354	2,365	2,357	2,360	2,360	2,379	2,365	2,369	2,367
Employee + Spouse	667	662	650	650	647	642	641	648	637	635	632	634	645
Employee + Child(ren)	1,338	1,355	1,353	1,348	1,344	1,337	1,338	1,354	1,347	1,344	1,352	1,336	1,346
Employee + Family	820	818	817	818	819	820	804	810	811	816	810	796	813
<b>Total Employees</b>	<b>5,216</b>	<b>5,208</b>	<b>5,185</b>	<b>5,181</b>	<b>5,164</b>	<b>5,164</b>	<b>5,140</b>	<b>5,172</b>	<b>5,155</b>	<b>5,174</b>	<b>5,159</b>	<b>5,135</b>	<b>5,171</b>
<b>Paid Claims</b>													
Medical	\$1,999,134	\$1,384,373	\$3,184,968	\$3,153,567	\$1,989,123	\$2,648,991	\$3,001,583	\$2,899,663	\$2,283,593	\$2,528,014	\$2,595,865	\$2,345,831	\$30,014,705
Prescription Drug	\$882,719	\$953,926	\$1,114,536	\$1,253,903	\$1,013,996	\$1,110,971	\$1,162,856	\$1,142,044	\$1,231,172	\$1,148,679	\$1,021,988	\$1,154,620	\$13,191,410
Capitation	\$1,439,877	\$1,437,668	\$1,431,319	\$1,430,215	\$1,425,522	\$1,425,522	\$1,418,897	\$1,427,731	\$1,423,038	\$1,428,283	\$1,424,142	\$1,417,517	\$17,129,731
<b>Total Gross Paid Claims</b>	<b>\$4,321,730</b>	<b>\$3,775,967</b>	<b>\$5,730,823</b>	<b>\$5,837,685</b>	<b>\$4,428,641</b>	<b>\$5,185,484</b>	<b>\$5,583,336</b>	<b>\$5,469,438</b>	<b>\$4,937,803</b>	<b>\$5,104,976</b>	<b>\$5,041,995</b>	<b>\$4,917,968</b>	<b>\$60,335,846</b>
<b>Total Pooled Claims / Rx Rebates</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$871,495</b>
<b>Total Net Paid Claims</b>	<b>\$4,321,730</b>	<b>\$3,775,967</b>	<b>\$5,730,823</b>	<b>\$5,837,685</b>	<b>\$4,428,641</b>	<b>\$5,185,484</b>	<b>\$5,583,336</b>	<b>\$5,469,438</b>	<b>\$4,937,803</b>	<b>\$5,104,976</b>	<b>\$5,041,995</b>	<b>\$4,917,968</b>	<b>\$59,464,351</b>
Average Med Claims Per EE	\$383.27	\$265.82	\$614.27	\$608.68	\$385.19	\$512.97	\$583.97	\$560.65	\$442.99	\$488.60	\$503.17	\$456.83	\$483.69
Average Drug Claims Per EE	\$169.23	\$183.17	\$214.95	\$242.02	\$196.36	\$215.14	\$226.24	\$220.81	\$238.83	\$222.01	\$198.10	\$224.85	\$212.58
<b>Total Fixed Costs</b>	<b>\$508,862</b>	<b>\$506,710</b>	<b>\$505,608</b>	<b>\$505,231</b>	<b>\$504,414</b>	<b>\$503,872</b>	<b>\$500,986</b>	<b>\$504,102</b>	<b>\$502,727</b>	<b>\$504,291</b>	<b>\$502,848</b>	<b>\$498,768</b>	<b>\$6,048,419</b>
<b>Total Costs (Claims + Fixed)</b>	<b>\$4,830,592</b>	<b>\$4,282,677</b>	<b>\$6,236,431</b>	<b>\$6,342,916</b>	<b>\$4,933,055</b>	<b>\$5,689,356</b>	<b>\$6,084,322</b>	<b>\$5,973,540</b>	<b>\$5,440,530</b>	<b>\$5,609,267</b>	<b>\$5,544,843</b>	<b>\$5,416,736</b>	<b>\$65,512,770</b>
<b>Total Premium</b>	<b>\$4,553,576</b>	<b>\$4,550,160</b>	<b>\$4,529,396</b>	<b>\$4,525,347</b>	<b>\$4,513,247</b>	<b>\$4,510,083</b>	<b>\$4,482,703</b>	<b>\$4,514,695</b>	<b>\$4,498,314</b>	<b>\$4,511,086</b>	<b>\$4,497,812</b>	<b>\$4,468,317</b>	<b>\$54,154,736</b>
<b>Total Costs vs. Premium</b>													
<b>\$ Variance</b>	<b>(\$277,016)</b>	<b>\$267,483</b>	<b>(\$1,707,035)</b>	<b>(\$1,817,569)</b>	<b>(\$419,808)</b>	<b>(\$1,179,273)</b>	<b>(\$1,601,619)</b>	<b>(\$1,458,845)</b>	<b>(\$942,216)</b>	<b>(\$1,098,181)</b>	<b>(\$1,047,031)</b>	<b>(\$948,419)</b>	<b>(\$11,358,034)</b>
<b>% Variance</b>	<b>106.1%</b>	<b>94.1%</b>	<b>137.7%</b>	<b>140.2%</b>	<b>109.3%</b>	<b>126.1%</b>	<b>135.7%</b>	<b>132.3%</b>	<b>120.9%</b>	<b>124.3%</b>	<b>123.3%</b>	<b>121.2%</b>	<b>121.0%</b>



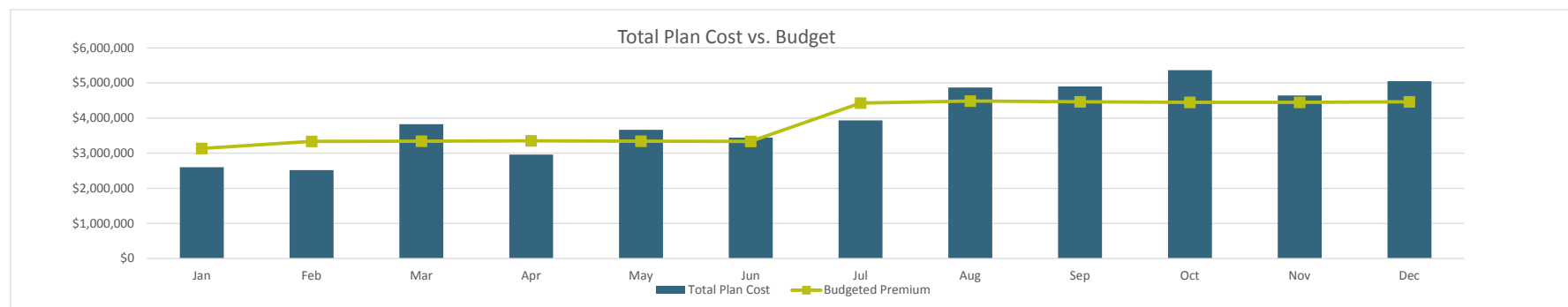
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## SJVIA

### PPO Cost Summary

Plan Year January 1, 2015 through December 31, 2015

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Average / Total
<b>Enrollment</b>													
Employee Only	3,112	3,316	3,303	3,309	3,297	3,305	3,548	3,582	3,553	3,542	3,551	3,575	3,416
Employee + Spouse	461	497	490	492	482	486	730	753	745	740	736	737	612
Employee + Child(ren)	179	179	189	188	191	191	191	191	195	191	197	202	190
Employee + Family	562	609	620	626	632	622	1,047	1,058	1,061	1,062	1,062	1,066	836
<b>Total Employees</b>	<b>4,314</b>	<b>4,601</b>	<b>4,602</b>	<b>4,615</b>	<b>4,602</b>	<b>4,604</b>	<b>5,516</b>	<b>5,584</b>	<b>5,554</b>	<b>5,535</b>	<b>5,546</b>	<b>5,580</b>	<b>5,054</b>
<b>Paid Claims</b>													
Medical	\$1,572,126	\$1,553,486	\$2,678,918	\$1,827,950	\$2,521,542	\$2,194,570	\$2,502,257	\$3,184,139	\$3,397,840	\$3,689,425	\$3,193,780	\$3,512,526	\$31,828,559
Prescription Drug	\$724,155	\$640,866	\$822,748	\$807,079	\$822,696	\$926,195	\$986,914	\$1,236,596	\$1,117,037	\$1,291,890	\$1,065,109	\$1,152,116	\$11,593,401
<b>Total Gross Paid Claims</b>	<b>\$2,296,281</b>	<b>\$2,194,352</b>	<b>\$3,501,666</b>	<b>\$2,635,029</b>	<b>\$3,344,238</b>	<b>\$3,120,765</b>	<b>\$3,489,171</b>	<b>\$4,420,735</b>	<b>\$4,514,877</b>	<b>\$4,981,315</b>	<b>\$4,258,889</b>	<b>\$4,664,642</b>	<b>\$43,421,960</b>
<b>Total Pooled Claims / Rx Rebates</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$719,248</b>
<b>Total Net Paid Claims</b>	<b>\$2,296,281</b>	<b>\$2,194,352</b>	<b>\$3,501,666</b>	<b>\$2,635,029</b>	<b>\$3,344,238</b>	<b>\$3,120,765</b>	<b>\$3,489,171</b>	<b>\$4,420,735</b>	<b>\$4,514,877</b>	<b>\$4,981,315</b>	<b>\$4,258,889</b>	<b>\$4,664,642</b>	<b>\$42,702,712</b>
Average Med Claims Per EE	\$364.42	\$337.64	\$582.12	\$396.09	\$547.92	\$476.67	\$453.64	\$570.23	\$611.78	\$666.56	\$575.87	\$629.48	\$524.76
Average Drug Claims Per EE	\$167.86	\$139.29	\$178.78	\$174.88	\$178.77	\$201.17	\$178.92	\$221.45	\$201.12	\$233.40	\$192.05	\$206.47	\$191.14
<b>Total Fixed Costs</b>	<b>\$303,482</b>	<b>\$324,090</b>	<b>\$324,175</b>	<b>\$325,099</b>	<b>\$324,216</b>	<b>\$324,335</b>	<b>\$445,220</b>	<b>\$451,216</b>	<b>\$385,307</b>	<b>\$383,543</b>	<b>\$384,381</b>	<b>\$386,910</b>	<b>\$4,361,974</b>
<b>Total Costs (Claims + Fixed)</b>	<b>\$2,599,763</b>	<b>\$2,518,442</b>	<b>\$3,825,841</b>	<b>\$2,960,128</b>	<b>\$3,668,454</b>	<b>\$3,445,100</b>	<b>\$3,934,391</b>	<b>\$4,871,951</b>	<b>\$4,900,184</b>	<b>\$5,364,858</b>	<b>\$4,643,270</b>	<b>\$5,051,552</b>	<b>\$47,064,686</b>
<b>Total Premium</b>	<b>\$3,134,954</b>	<b>\$3,334,858</b>	<b>\$3,340,799</b>	<b>\$3,353,326</b>	<b>\$3,343,240</b>	<b>\$3,337,901</b>	<b>\$4,429,562</b>	<b>\$4,486,695</b>	<b>\$4,465,213</b>	<b>\$4,450,089</b>	<b>\$4,450,674</b>	<b>\$4,467,021</b>	<b>\$46,594,332</b>
<b>Total Costs vs. Premium</b>													
\$ Variance	\$535,191	\$816,416	(\$485,042)	\$393,198	(\$325,214)	(\$107,199)	\$495,171	(\$385,256)	(\$434,971)	(\$914,769)	(\$192,596)	(\$584,531)	(\$470,354)
% Variance	82.9%	75.5%	114.5%	88.3%	109.7%	103.2%	88.8%	108.6%	109.7%	120.6%	104.3%	113.1%	101.0%



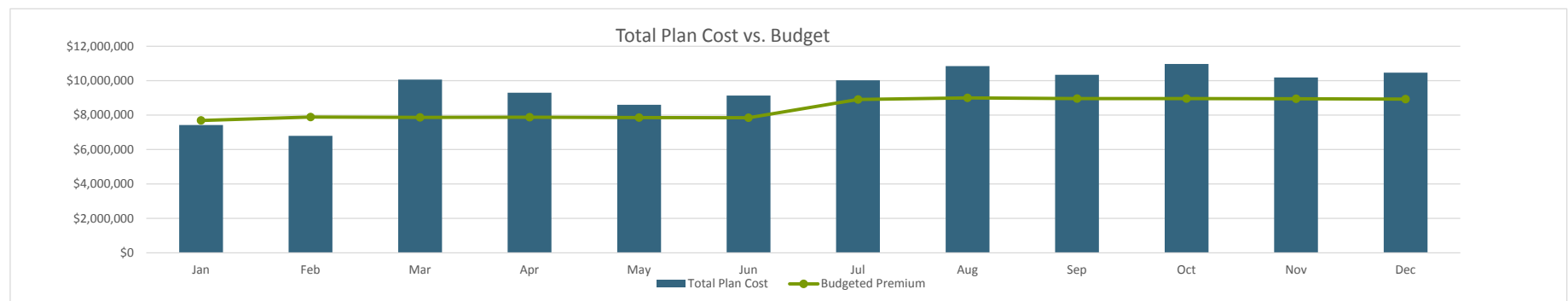
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## SJVIA

### Total Cost Summary

Plan Year January 1, 2015 through December 31, 2015

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Average / Total
<b>Enrollment</b>													
Employee Only	5,503	5,689	5,668	5,674	5,651	5,670	5,905	5,942	5,913	5,921	5,916	5,944	5,783
Employee + Spouse	1,128	1,159	1,140	1,142	1,129	1,128	1,371	1,401	1,382	1,375	1,368	1,371	1,258
Employee + Child(ren)	1,517	1,534	1,542	1,536	1,535	1,528	1,529	1,545	1,542	1,535	1,549	1,538	1,536
Employee + Family	1,382	1,427	1,437	1,444	1,451	1,442	1,851	1,868	1,872	1,878	1,872	1,862	1,649
<b>Total Employees</b>	<b>9,530</b>	<b>9,809</b>	<b>9,787</b>	<b>9,796</b>	<b>9,766</b>	<b>9,768</b>	<b>10,656</b>	<b>10,756</b>	<b>10,709</b>	<b>10,709</b>	<b>10,705</b>	<b>10,715</b>	<b>10,226</b>
<b>Paid Claims</b>													
Medical	\$3,571,260	\$2,937,859	\$5,863,886	\$4,981,517	\$4,510,665	\$4,843,561	\$5,503,840	\$6,083,802	\$5,681,433	\$6,217,439	\$5,789,645	\$5,858,357	\$61,843,264
Prescription Drug	\$1,606,874	\$1,594,792	\$1,937,284	\$2,060,982	\$1,836,692	\$2,037,166	\$2,149,770	\$2,378,640	\$2,348,209	\$2,440,569	\$2,087,097	\$2,306,736	\$24,784,811
Capitation	\$1,439,877	\$1,437,668	\$1,431,319	\$1,430,215	\$1,425,522	\$1,425,522	\$1,418,897	\$1,427,731	\$1,423,038	\$1,428,283	\$1,424,142	\$1,417,517	\$17,129,731
<b>Total Gross Paid Claims</b>	<b>\$6,618,011</b>	<b>\$5,970,319</b>	<b>\$9,232,489</b>	<b>\$8,472,714</b>	<b>\$7,772,879</b>	<b>\$8,306,249</b>	<b>\$9,072,507</b>	<b>\$9,890,173</b>	<b>\$9,452,680</b>	<b>\$10,086,291</b>	<b>\$9,300,884</b>	<b>\$9,582,610</b>	<b>\$103,757,806</b>
Total Pooled Claims	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,590,743
<b>Total Net Paid Claims</b>	<b>\$6,618,011</b>	<b>\$5,970,319</b>	<b>\$9,232,489</b>	<b>\$8,472,714</b>	<b>\$7,772,879</b>	<b>\$8,306,249</b>	<b>\$9,072,507</b>	<b>\$9,890,173</b>	<b>\$9,452,680</b>	<b>\$10,086,291</b>	<b>\$9,300,884</b>	<b>\$9,582,610</b>	<b>\$102,167,063</b>
Average Cost Per Employee	\$694.44	\$608.66	\$943.34	\$864.92	\$795.91	\$850.35	\$851.40	\$919.50	\$882.69	\$941.85	\$868.84	\$894.32	\$832.62
<b>Total Fixed Costs</b>	<b>\$812,344</b>	<b>\$830,800</b>	<b>\$829,783</b>	<b>\$830,330</b>	<b>\$828,630</b>	<b>\$828,207</b>	<b>\$946,206</b>	<b>\$955,318</b>	<b>\$888,034</b>	<b>\$887,834</b>	<b>\$887,229</b>	<b>\$885,678</b>	<b>\$10,410,393</b>
<b>Total Costs (Claims + Fixed)</b>	<b>\$7,430,355</b>	<b>\$6,801,119</b>	<b>\$10,062,272</b>	<b>\$9,303,044</b>	<b>\$8,601,509</b>	<b>\$9,134,456</b>	<b>\$10,018,713</b>	<b>\$10,845,491</b>	<b>\$10,340,714</b>	<b>\$10,974,125</b>	<b>\$10,188,113</b>	<b>\$10,468,288</b>	<b>\$112,577,456</b>
<b>Total Premium</b>	<b>\$7,688,530</b>	<b>\$7,885,018</b>	<b>\$7,870,195</b>	<b>\$7,878,673</b>	<b>\$7,856,487</b>	<b>\$7,847,984</b>	<b>\$8,912,265</b>	<b>\$9,001,390</b>	<b>\$8,963,527</b>	<b>\$8,961,175</b>	<b>\$8,948,486</b>	<b>\$8,935,338</b>	<b>\$100,749,068</b>
<b>Total Costs vs. Premium</b>													
\$ Variance	\$258,175	\$1,083,899	(\$2,192,077)	(\$1,424,371)	(\$745,022)	(\$1,286,472)	(\$1,106,448)	(\$1,844,101)	(\$1,377,187)	(\$2,012,950)	(\$1,239,627)	(\$1,532,950)	(\$11,828,388)
% Variance	96.6%	86.3%	127.9%	118.1%	109.5%	116.4%	112.4%	120.5%	115.4%	122.5%	113.9%	117.2%	111.7%



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# SJVIA

## Large Claim Analysis

### 2015 Policy Period

HMO	<u>2014</u>	<u>2015 @ trend</u>	<u>2015 actual</u>
Claimants Over \$25K	165	165	216
Average / Claim	\$75,044	\$80,297	\$76,987
Annual Cost	\$12,382,260	\$13,249,018	\$16,629,192
		<b>IMPACT DUE TO INCREASED UTILIZATION</b>	\$3,380,174
PPO	<u>2014</u>	<u>2015 @ trend</u>	<u>2015 actual</u>
Claimants Over \$25K	144	144	239
Average / Claim	\$84,706	\$90,635	\$68,467
Annual Cost	\$12,197,664	\$13,051,500	\$16,363,613
		<b>IMPACT DUE TO INCREASED UTILIZATION</b>	\$3,312,113
		<b>TOTAL HMO / PPO IMPACT DUE TO INCREASED UTILIZATION</b>	<b>\$6,692,286</b>

Renewal projections are completed by looking at past behavior and applying trend factors to estimate future costs. As can be seen above, the severity of large claims in both the HMO and PPO changed at rates below the trend factors used in the analysis. However, the utilization increased significantly.

The increased utilization "created" nearly \$6.7 million in claim activity, that through evaluating historical performance, could not have been predicted. In fact, the HMO had 170 large claimants in 2013, while the PPO had 127. These changes are far from the percentage increase seen in 2015. We would conclude that the "experience deficit" would have been closer to \$5 million without

We would conclude that the "experience deficit" would have been closer to \$5 million without this dramatic increase in utilization.

### WHERE DID THE CLAIMS COME FROM?

HMO			
2014	04Respiratory System	14	\$980,465
2015	04Respiratory System	14	\$1,919,289
			1 Claim over \$125K - Staph bacteria infection (\$320,161)
			5 Claims over \$125K - Including 2 Resp failures and Valley Fever (\$1,547,650)
2014	06Digestive System	11	\$653,836
2015	06Digestive System	25	\$1,836,439
			2 Claims over \$100,000 - Nothing "abnormal" (\$313,707)
			4 Claims over \$100,00 - Enteritis (over \$462K), Bariatric Comp (\$114K)
2014	17Myeloid Disorders	4	\$568,912
2015	17Myeloid Disorders	9	\$1,630,360
			1 Claim over \$300K - Chemotherapy (\$442,946)
			4 Claims over \$300K - All four cancer or leukemia (\$1,413,557)
PPO			
2014	09Skin Disorders	3	\$128,502
2015	09Skin Disorders	13	\$996,385
			2 Breast cancers - \$82,692
			7 Breast cancers - \$777,786
2014	17Myeloid Disorders	2	\$309,439
2015	17Myeloid Disorders	17	\$1,767,256
			1 Therapy Treatment - \$268,430
			11 Therapy Treatments - \$1,025,392