

PLAN YEAR 2024-2025 ACTUARIAL REPORT

OKLAHOMA PUBLIC EMPLOYEES HEALTH AND WELFARE TRUST

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Peter Kaczmarek, FSA, MAAA | Kara Clark, FSA, MAAA | Anna Ramos, ASA, MAAA | Mallory Grossman

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1. Executive Summary

Purpose and Scope

The Oklahoma Public Employees Health and Welfare Plan (OPEH&W) engaged Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman) to perform a valuation of medical, drug, and dental benefits for the plan year beginning July 1, 2024. This review includes:

- Development of appropriate premiums for major medical (medical/pharmacy) and dental benefits
- Determination of incurred but not reported (IBNR) reserves
- Aggregate funding forecasts

Actuarial Findings

We have developed our rates for plan year 2024-2025 based on our best estimate of actuarial pricing assumptions without any additional charges to increase OPEH&W surplus. Our initial projections show a premium rate increase of 6.5% should be implemented for plan year 2024-2025. Table 1 summarizes the recommended premium rate changes from current rates in plan year 2023-2024.

Table 1 – Recommended Premium Rate Changes

| Benefit Plan | Blue Choice Diamond | Blue Preferred Diamond |
|---------------------|----------------------------|-------------------------------|
| Medical/Pharmacy | 7.8% | 7.8% |
| Enhanced Dental | -13.7% | -13.7% |
| Combined | 6.5% | 6.5% |

The premium rate changes shown in Table 1 reflect the Diamond medical/pharmacy plan and the Enhanced dental plan. We have also developed premium rates for the four additional medical/pharmacy plans offered by OPEH&W. We also altered the platinum Rx coverage where we implemented flat copays for all tiers instead of coinsurance.

Per the request of OPEH&W, we performed additional analysis and assessed the impact of offering GLP-1 coverage, bariatric surgery, and mandating the use of Blue Distinction Centers which are not reflected in rate impact in Table 1 but in Section 5, Benefit Impact Modeling.

The succeeding sections of this report provide greater context to the premium rate projection, including the data sources used, the methodology behind the premium rate projection, and a description of assumptions used.

2. Data

Data Received

We received information from OPEH&W, as supplied by its third-party administrator (TPA) and various vendors, including but not limited to the following:

- A summary of aggregated medical, dental, and pharmacy claim payments by month from July 2012 to October 2023 (referred to as the aggregated claim report)
- Medical claim lag reports for claims paid between February 2013 and September 2023
- Dental claim lag reports for claims paid between July 2013 and September 2023
- Shock or high-cost claimant reports for plan years 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024 with claims paid through November 2023
- Financial statements for plan years 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022, and 2022-2023
- Detailed medical and dental census information for July 2012 through November 2023
- Current OPEH&W Briefing Book
- OPEH&W Benefit Books for each plan option offered in plan years 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024
- Plan Audit Report for plan years 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021 and 2021-2022
- Medical/pharmacy and dental premium rates for plan years 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024
- Benefit changes for plan years 2016-2017, 2017-2018, 2018-2019, 2019-2020, and 2022-2023
- Summary of Benefits and Coverage for plan years 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024
- Coverage highlights for plan years 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024
- The medical and dental ASO renewal reports for plan year 2023-2024 and 2024-2025 as prepared by Blue Cross and Blue Shield of Oklahoma (BCBSOK)
- Analyses and reports covering recent financial and utilization metrics prepared by BCBSOK
- Pharmacy rebates paid for plan years 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022 and plan year 2022-2023 YTD as of December 2023 through reports developed by Express Scripts and Team Pharmacy Consulting
- 2024-2025 plan year vendor fees
 - Medical plan management fees:
 - \$21.00 per contract per month (a 5.0% increase from \$20.00 in 2022-2023 plan year)
 - BCBSOK medical and dental fees:
 - Medical administration fee of \$38.46 per contract per month
 - Medical rebate credit of \$2.50 per contract per month
 - Dental administration fee of \$3.21 per contract per month
 - Stop-Loss Reinsurance (with an aggregate stop-loss component) as of 12/14/2023:
 - \$42.58 per contract per month
 - Additional fees
 - \$0.52 per member per month for virtual visits
 - \$16.29 per contract per month for Health Advocacy Services (HAS)
- Stop loss contract for plan year 2020-2021

- Medical and dental paid claims by month for terminating groups between July 2022 through June 2023

The medical ASO projection for plan year 2022-2023 prepared by BCBSOK did not provide any information about the claim cost relativities between the Blue Choice and Blue Preferred networks. We have assumed the claim cost relativities will not change materially for plan year 2022-2023 relative to the estimate from BCBSOK in support of the rate development for prior year.

Data Reconciliation

To assess the reasonability of the data, we performed a reconciliation on both the enrollment and paid claims data provided by OPEH&W.

Paid Claims Reconciliation

To determine the reasonability of the medical and dental paid claims data, we compared the data from the medical and dental lag reports, the aggregated claim report, the ASO renewal reports developed by BCBSOK, and the financial statements. We compared pharmacy claim information from the aggregated claim report to the financial statements and PBM reports to determine the reasonability of the pharmacy claims data. Pharmacy claims usually process quickly; therefore, paid pharmacy claims typically serve as a sufficient proxy for incurred pharmacy claims. Our reconciliation focused on the time period of data underlying the analysis (i.e., plan years 2021-2022, 2022-2023 and 2023-2024 year to date (YTD)). Any discrepancies outside of the time period of data underlying the analysis are not noted below.

We compared these sources to identify differences in medical, pharmacy, and dental claims. All differences through paid dates of January 2023 were considered within the realm of reasonability, if not exact to the dollar. Beginning in February 2023 and ending in April 2023, we observed higher discrepancies month to month in the medical claims data between the lag report and the aggregated claim report than what had been reported in prior months. The differences between sources were 26.7%, -18.3% and -29.0% for the months of February, March, and April respectively. OPEH&W has indicated this discrepancy is due to a difference how paid dates for claims are reported by BCBS and OPEH&W. Overall, the payments for medical claims appear reasonable for plan year 2022-2023.

For dental paid claims we noticed large discrepancies in claims at the monthly level between the lag report and the aggregated claim report, with a difference of 10.0% for February 2023 and -6.2% for March 2023. OPEH&W has indicated that the discrepancies are due to how paid dates for claims are reported by BCBS and OPEH&W. Overall, the payments for dental claims appear reasonable plan year 2022-2023.

We did not observe any significant discrepancies in the provided pharmacy data when comparing claim amounts to financials at the plan year level. However, we note that we received incurred monthly data through a PBM report for plan years 2021-2022, 2022-2023 and 2023 YTD through October 2023. We compared these amounts to the claim amounts received in the aggregated claim report. While these amounts vary month to month, we believe this is due to the PBM displaying incurred amounts, while the aggregated claims report reflects paid claims.

We also compared the paid claims data we received for the plan year 2023-2024 premium rate analysis to the paid claims data we received for the plan year 2022-2023 premium rate analysis and the claim information was consistent for overlapping months for medical and pharmacy.

Enrollment Reconciliation

To assess the reasonability of the enrollment data, we first compared the detailed contract and member enrollment data provided by OPEH&W to the BCBSOK medical and dental ASO projections and BCBSOK annual plan review. Table 2 shows the growing discrepancies for plan years 2020-2021, 2021-2022 and 2022-2023 for medical membership enrollment:

Table 2 – Membership Discrepancies

| Plan Year | OPEH&W average monthly membership | BCBSOK annual plan review average monthly membership | % Difference |
|-----------|-----------------------------------|--|--------------|
| 2020-2021 | 6,773 | 6,421 | 5.5% |
| 2021-2022 | 5,982 | 6,303 | -5.1% |
| 2022-2023 | 5,459 | 5,101 | 7.0% |

The detailed medical contract enrollment shows smaller discrepancies of 2.5% and 3.0% relative to the BCBSOK reports for plan years 2021-2022 and 2022-2023 respectively which is consistent with the differences in prior plan years. Additionally, we compared the plan year 2021-2022 membership with PBM Pharmacy Utilization reports containing monthly membership (6,327 average monthly membership), which had similar discrepancies when comparing against BCBSOK annual plan review. Per OPEH&W, the PBM monthly data is considered correct.

We utilized the PBM plan year 2021-2022 utilization report member months within the premium development. However, these medical/pharmacy monthly data were only available for one plan year. For the purpose of the premium development, we adjusted the monthly member months received in the enrollment data for plan year 2022-2023 to target a 19.1% decrease from plan year 2021-2022, which is the decrease indicated within the BCBSOK annual plan review. This adjustment allows for the plan year membership to better align with other 2022-2023 reports provided by BCBSOK. Dental member months for plan years 2021-2022 and 2022-2023 were adjusted based on the current medical to dental relativities seen in the enrollment data. We reviewed the calculated monthly member to contract ratios to confirm that the resulting ratios are reasonable.

3. Enrollment

This section provides a summary of groups that have terminated or been added since the end of plan year 2022-2023 analysis. Three groups have recently left OPEH&W with eleven more groups having left around June 2022. Given this significant change in group mix, we have reviewed the terminating group experience to estimate the impact of these group departures on the premium rate change estimates.

Terminating Groups

The groups shown in Table 3 have recently terminated health insurance coverage through OPEH&W:

Table 3 – Terminating Groups

| Termination Date | Entity Name | Estimated Number of Employees ¹ |
|------------------|------------------------|--|
| 8/31/2023 | Stroud, City of | 40 |
| 6/30/2023 | Roger Mills County | 77 |
| 6/30/2023 | Blanchard, City of | 51 |
| 7/31/2022 | Idabel, City of | 86 |
| 6/30/2022 | Adair County | 14 |
| 6/30/2022 | Cleveland, City of | 17 |
| 6/30/2022 | Elk City Schools | 239 |
| 6/30/2022 | EODD | 16 |
| 6/30/2022 | Garfield County | 150 |
| 6/30/2022 | Harper County Hospital | 41 |
| 6/30/2022 | Hinton, Town of | 17 |
| 6/30/2022 | Washita County | 83 |
| 6/30/2022 | Woodward County EMS | 16 |
| 5/31/2022 | Woods County | 87 |
| | Total | 934 |

1. *Estimated based on the number of employees as of the month the group terminated*

We reviewed monthly paid medical and dental claim experience for the groups terminating around June 2022 and compared the terminating group experience to the rest of groups still insured through OPEH&W. The dental experience for the exiting groups was consistent with the remaining block. Therefore, for the dental rate development, we assume that the change in group mix will have no effect on future experience, thus, we utilized a 1.00 adjustment in the dental rate development for plan year 2024-2025 rates.

The paid medical experience indicated that the departure of the 11 groups around June 2022 could worsen the morbidity of the remaining block. Additionally, in their annual plan review, BCBSOK provided historical plan experience on an incurred basis in two ways: 1) historical plan experience including the terminating groups and 2) historical plan experience without the terminating groups. We utilized this incurred-level detail to develop the adjustment utilized in the premium development of the plan year 2024-2025 medical rates (Step 13 – Demographic and Morbidity Adjustment of 1.0372 for plan year 2021-2022 and 1.000 for plan year 2022-2023) under the assumption that same adjustment applies to both the medical and pharmacy claims experience. Due

to a limited number of terminating groups in 2022-2023 plan year, we assumed no Demographic and Morbidity Adjustment for that plan year.

Demographics

In estimating plan year 2024-2025 claim costs, we have assumed the demographic composition of the block will not change materially relative to the experience used to develop the premium rates beyond the adjustment for terminating groups. This seems in line with BCBSOK estimates in the ASO medical projection. The Blue Preferred demographic factor assumed by BCBS has a modest impact on the overall rates with a value of 0.89% from experience period 11/2022 to 10/2023 to plan year 2024-2025.

4. Premium Rate Development

We utilized a rating approach that is consistent with renewal rating methods employed by insurers in the large group market. Specifically, we developed a projected claim amount per member per month (PMPM), added non-claim expenses to the projected claim amount PMPM, and converted the combined amount PMPM to a premium amount for each subscriber coverage tier (e.g., employee-only). The premium rate calculation was performed separately for medical/pharmacy benefits and dental benefits.

The projected claim amount PMPM was developed from OPEH&W experience for claims incurred between July 2021 and June 2023 and paid through September 2023 (the experience period). The experience was separated into two 12-month periods, July 2021 through June 2022 (plan year 2021-2022) and July 2022 through June 2023 (plan year 2022-2023), with each period projected independently and blended using actuarial credibility methods. The premium rate projections use incurred claims rather than paid claims as the basis for the plan year 2024-2025 premium rate projection, which is consistent with how we have developed premium rates in the past. An incurred claim basis provides a more accurate alignment of funding and claims liabilities for OPEH&W.

An adjustment was made to the medical and dental claims experience to account for IBNR claims. With three months of claim run-out, IBNR claims estimates still have an impact on the rate development. Medical claims were also adjusted to remove claims that would have otherwise been recovered through the stop loss agreement. Starting with 2020-2021 plan year, pharmacy claims have been added to the stop loss arrangement. We assume that no adjustment is needed for pharmacy claims incurred during the experience period for this reinsurance arrangement. As noted earlier, we assume paid pharmacy claims are representative of incurred pharmacy claims since there is typically an immaterial lag between when pharmacy claims are incurred and when they are paid.

Both the medical and pharmacy claims experience was trended forward to the rating period. An additional adjustment was made to medical claims to adjust the claims experience associated with members utilizing the Blue Choice network to the average claim costs associated with the Blue Preferred network. Pharmacy claims were adjusted to account for anticipated pharmacy rebates. The adjusted projected medical, pharmacy and dental claims for the two 12-month periods were blended and adjusted to include expected costs of non-benefit expenses. The initial projected rate development assumes all members will utilize the Blue Preferred network and enroll in the Diamond plan.

An adjustment factor was applied to the Blue Preferred network premium rates to develop the Blue Choice network premium rates. The adjustment factor produces the same premium rate relativity between the two network options in plan year 2024-2025 as was included in the plan year 2023-2024 premium rate development and is based on information provided by BCBSOK from the premium rate development for the prior year. If there have been significant provider reimbursement changes for either the Blue Preferred or Blue Choice networks, this assumption may not be appropriate.

Additionally, as noted in the plan year 2023-2024 premium rate development, if access to the Blue Choice network is limited to specific geographic areas, then it is possible the medical claim cost relativity between the two provider networks could be materially different from what we are projecting. However, most members currently utilize the Blue Preferred network.

Trend Adjustments

We generated historical trend estimates based on OPEH&W's experience using, for medical, pharmacy, and dental incurred claims from September 2021 to August 2023, paid through September 2023. Medical and dental claims were adjusted to reflect IBNR claims. Pharmacy claims were not adjusted to reflect IBNR claims due to the shortened lag. We have not made any specific adjustments in the trend analysis for COVID-19 pandemic.

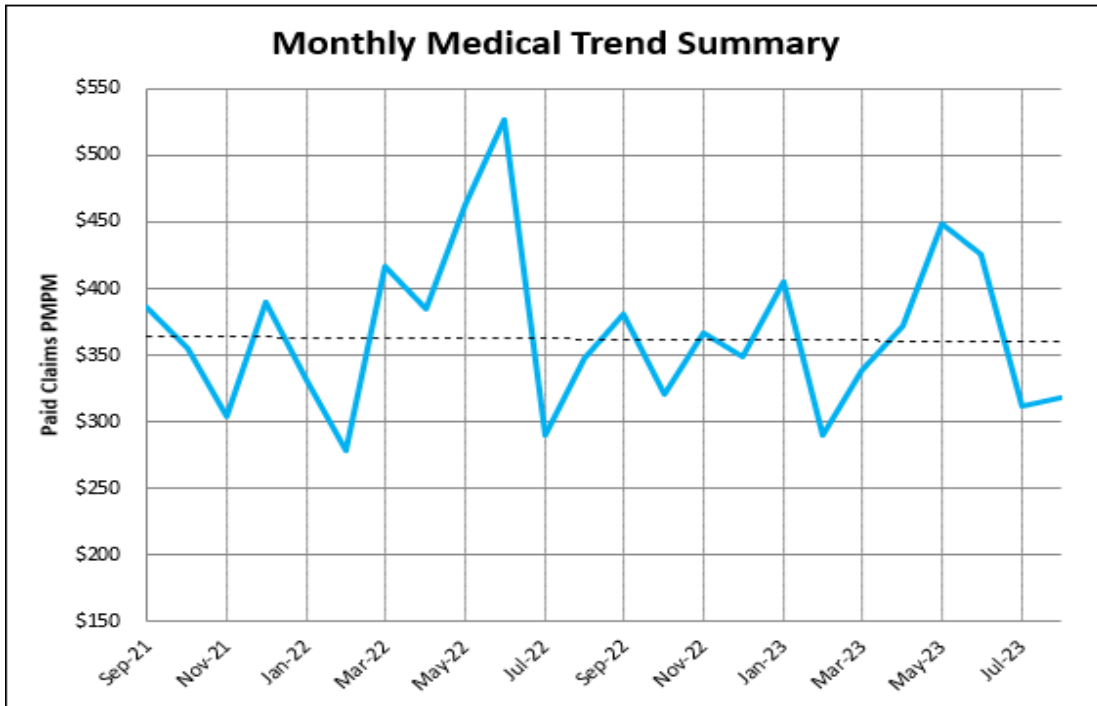
Medical, dental, and pharmacy claims were normalized to remove the impact of changes in member cost-sharing. Medical claims were further normalized to remove the impact of the changes in the membership distributions between the Blue Preferred and Blue Choice networks. Medical and pharmacy benefit relativities were developed using MarVAL™, Oliver Wyman's propriety pricing model, and dental benefit relativities were developed using an external dental relative value model.

Trends were not normalized for changes in the demographic mix of the population as we were not provided sufficient membership data to calculate average demographic factors for all time periods included in the trend analysis and BCBSOK estimates in the ASO medical projection suggest demographic changes are minimal. We have not made a specific adjustment in the trend analysis for the change in morbidity and large claims but we acknowledge that the trend for plan year experience might be impacted by larger claims.

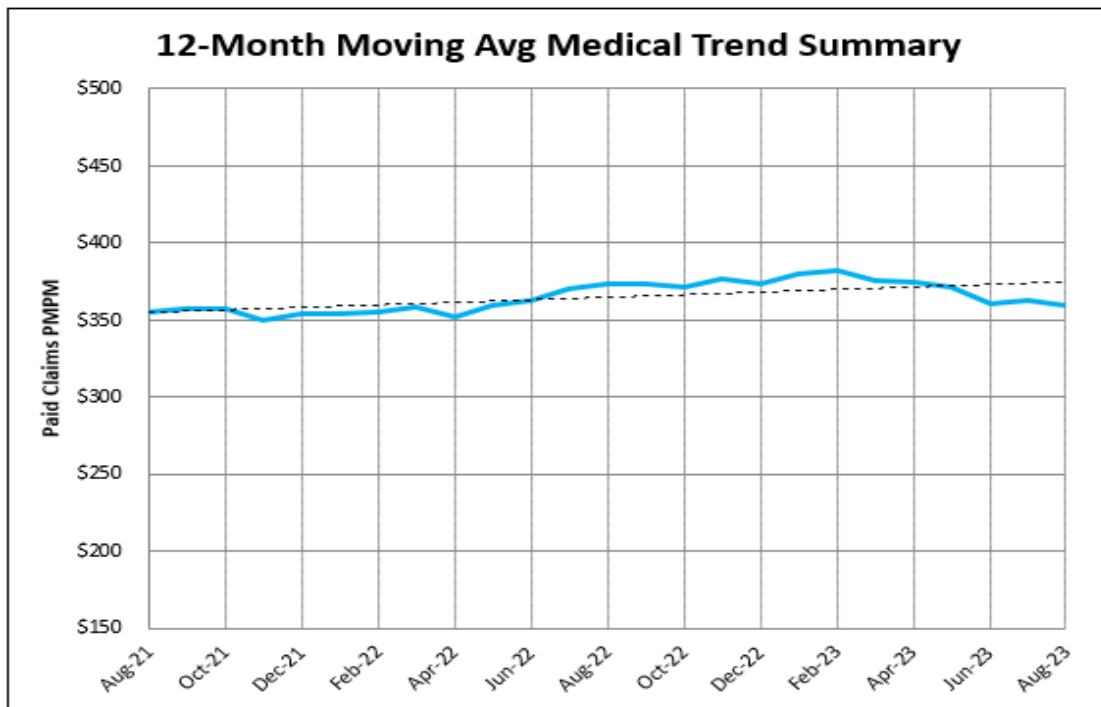
Medical Trends

OPEH&W's normalized monthly medical claims experience has exhibited volatility including the impact from large claims. However, given the size of the overall block, greater volatility should be expected. Graph 1 and Graph 2 summarize normalized medical claims PMPM on a monthly and 12-month moving average basis.

Graph 1



Graph 2



Estimating trends from actual experience is more difficult for smaller experience bases. Using various trend methodologies (e.g., linear versus exponential; monthly versus 12-month moving averages), the most recent 24-month medical trend estimates range from as low as -10.7% to as high as 4.9%. Longer range trends (i.e., using 24 months of data) using 12-month moving averages are typically a better indicator of historical trends than shorter range trends, particularly for a smaller base of insureds. However, given the recent decrease in membership longer range historical trends are not fully credible and may not accurately depict the true underlying change in trend.

We compared the trend estimates produced using OPEH&W’s experience to industry standards. Oliver Wyman completes a semi-annual trend survey which reflects responses from carriers and HMOs insuring 95.3 million group members. The most recent trend survey reflects pricing trends for July 2023. Table 4 summarizes the trend results from the July 2023 Carrier Trend Survey for group major medical PPO policies:

Table 4 – Industry Medical Group PPO Trend

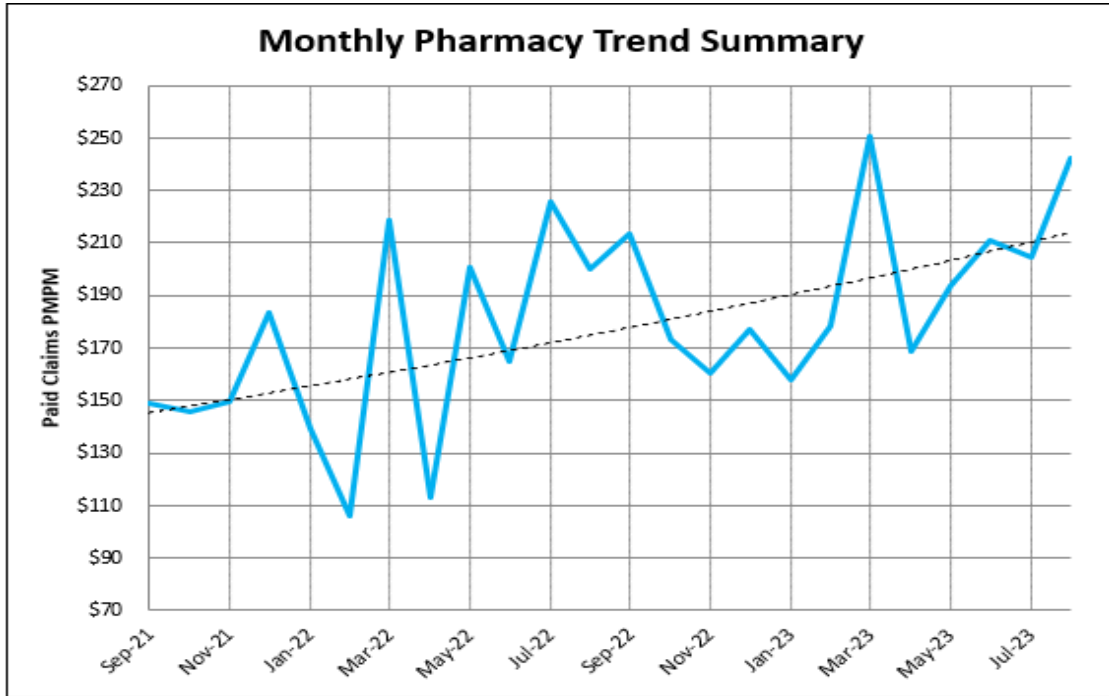
| | Annual Trend Rate |
|-----------------------------|--------------------------|
| Minimum | 3.5% |
| 25 th Percentile | 5.5% |
| Median | 7.1% |
| 75 th Percentile | 9.0% |
| Maximum | 11.7% |

We have elected to use an annualized 25th percentile trend rate of 5.5% in the plan year 2024-2025 premium rate projection. This is a decrease from 6.3% assumed in our prior pricing analysis. This trend factor is within the pricing trend range observed in the market, and it is above the medical trend rate of 4.6% for OPEH&W assumed in the medical ASO projection provided by BCBSOK. Given the expected overall decrease in paid costs observed within the most recent OPEH&W’s experience we believe an annualized trend at the 25th percentile is reasonable.

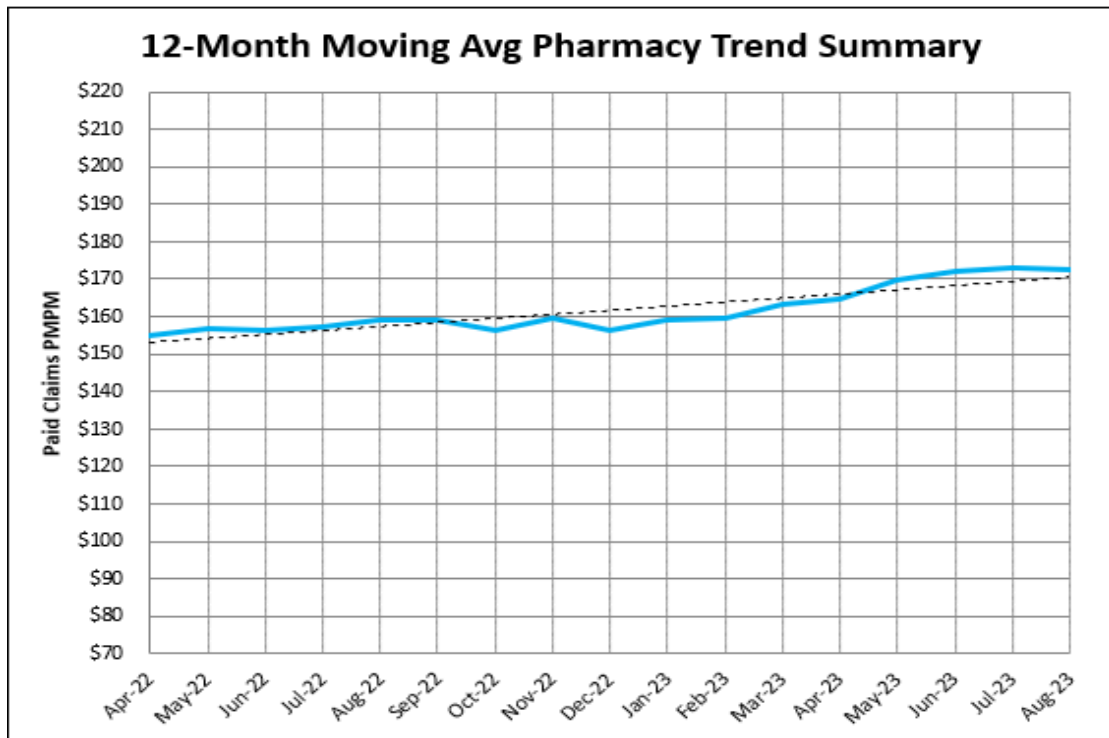
Pharmacy Trends

OPEH&W’s pharmacy claims costs, prior to pharmacy rebates, have been steadily increasing for several years. Graph 3 and Graph 4 summarize normalized pharmacy claims PMPM, prior to pharmacy rebates, on a monthly and 12-month moving average basis.

Graph 3



Graph 4



Graph 3 shows large month to month variation in pharmacy claim costs starting in February 2022. The 12-month moving average in Graph 4 show more gradual increase in claims cost. For the most recent 24-month period, pharmacy costs have increased at an annualized rate of between 10.7% and 30.1%. Mercer estimates that pharmacy benefit cost has increased 8.4% in 2023 for employers with 50 or more employees¹.

Table 5 summarizes the pricing trends reported from Oliver Wyman’s July 2023 Carrier Trend Survey for prescription drugs:

Table 5 – Industry Prescription Drug Trend

| | Annual Trend Rate |
|-----------------------------|--------------------------|
| Minimum | 2.9% |
| 25 th Percentile | 8.5% |
| Median | 9.8% |
| 75 th Percentile | 10.5% |
| Maximum | 20.1% |

Given that OPEH&W’s pharmacy claims have continued to increase over the course of the last 24 months, we believe a pharmacy trend rate that is more consistent with the July 2023 Carrier Trend Survey is appropriate. We have elected to use an annualized pharmacy trend rate of 9.8% in the plan year 2024-2025 premium rate projection, which is similar to the median trend rate shown in Table 5 and higher than the trend assumptions utilized in prior premium rate development (8.7%).

Dental Trends

We have relied on dental trend estimates reported in the July 2023 Carrier Trend Survey. Table 6 summarizes the pricing trends reported from the July 2023 Carrier Trend Survey for group dental PPO policies:

Table 6 – Group Dental PPO Trend

| | Annual Trend Rate |
|-----------------------------|--------------------------|
| Minimum | 2.0% |
| 25 th Percentile | 4.0% |
| Median | 4.5% |
| 75 th Percentile | 5.0% |
| Maximum | 5.8% |

We have assumed an annualized dental claim trend rate of 4.5%, which is at the median in Table 6 and is the same as in our prior premium rate development. While the assumed dental claim trend of 4.5% is lower than the 6.0% trend assumed by BCBSOK, our developed projected claim costs are above the projected claim costs reported by BCBSOK.

¹ [Survey gives early look at employer response to rising health costs \(mercer.com\)](https://www.mercer.com/news/2023/07/20/survey-gives-early-look-at-employer-response-to-rising-health-costs)

Additional Adjustments to Medical Claims

Medical claims from the experience period were adjusted to remove claims that would have otherwise been recovered through specific stop-loss insurance. Starting in plan year 2020-2021, the stop loss arrangement was updated to include pharmacy claims and is expected to continue under the same arrangement through the 2024-2025 plan year.

To estimate the impact of the specific stop-loss coverage, we “discounted” the specific stop-loss attachment point to claim levels corresponding to the experience periods. For example, a \$425,000 medical claim in plan year 2024-2025 would have cost about \$382,000 in plan year 2022-2023, assuming a 5.5% medical trend (i.e., $\$425,000 \div 1.055^2 = \$382,204$). We do not anticipate any recoveries as a result of the aggregate stop-loss component in plan year 2024-2025. Using the high-cost claimant reports provided by OPEH&W, we estimate the specific stop-loss insurance recoveries shown in Table 7 would have occurred.

Table 7 – Estimated Stop-Loss Recoveries

| | PY 2021-2022 | PY 2022-2023 |
|------------------------------------|--------------|--------------|
| Reinsurance Attachment Point (RAP) | \$425,000 | \$425,000 |
| Trend-Adjusted RAP | \$362,451 | \$382,204 |
| Number of Members Exceeding RAP | 1 | 2 |
| Aggregate Dollars Exceeding RAP | \$3,648 | \$34,171 |

As shown in Table 7, the frequency of larger claims over the attachment point and the aggregate recovery amounts stayed low in both 2021-2022 and 2022-2023 plan years. Due to the relatively small size of OPEH&W’s membership base and the high stop-loss attachment point, additional variation in claim costs below the attachment point could influence the overall financial results of OPEH&W. However, such variation is often difficult to predict. We assume removing claims that would have otherwise been recovered through stop-loss coverage and adding the cost of stop-loss insurance to the premium rate development is a sufficient measure for smoothing the impact of large claims.

Additional Adjustments to Pharmacy Claims

An adjustment was made to pharmacy claims to account for the impact of pharmacy rebates. Pharmacy rebates represented approximately 26.5% of pharmacy claims paid during the plan year ending June 2022 and about 30.4% of claims paid for the plan year ending June 2023 based on financial statement information. Therefore, we reduced paid pharmacy claims for the plan year ending June 2022 by 26.5% and for the plan year ending June 2023 by 30.4% to reflect the impact of pharmacy rebates. We assume that the incurred pharmacy claims utilized in the premium rate development include any fees assessed by the PBM.

Terminating Group Adjustments

As discussed previously, the termination of 11 groups from the plan around June 2022 is expected to worsen the medical experience of the remaining block. Utilizing the incurred-level detail from the BCBSOK annual plan review, we assumed that the terminating groups would increase claims by 3.7% in plan year 2021-2022. Note, we did not have access to any pharmacy level-data for the terminating groups, however, we would expect the pharmacy claims to also be affected by these group exits. Therefore, we applied this adjustment to both the medical and pharmacy claims.

Benefit Adjustments

In developing the premium rates, we adjusted claims to account for changes in member cost-sharing that occurred relative to the experience period.

In plan year 2022-2023, OPEH&W modified the medical and pharmacy benefits with increases to deductibles, out-of-pocket maximums, primary and urgent care copays, the Diamond plan increased the pharmacy deductible, while the Diamond, Platinum, and Gold plan increased the pharmacy Out-of-Pocket maximums.

The medical/pharmacy benefit designs for plan year 2023-2024 are shown in Appendix A.1. We altered the Platinum Rx coverage where we implemented flat copays for all tiers instead of coinsurance for plan year 2024-2025.

Independent of the effect of trend, demographic changes, etc., we estimate the cumulative impact of these benefit changes noted above, in addition to projected Diamond benefit levels for plan year 2024-2025, would have resulted in a 3.0% decrease in claim costs for the experience underlying plan year 2021-2022 and a 0.8% increase in claim costs for the experience underlying plan year 2022-2023.

In plan year 2024-2025, OPEH&W will continue to offer two dental plan options, with no expected changes to the benefit structure. However, starting in plan year 2023-2024, OPEH&W now offers dental implants as a covered benefit. Based on industry research, we have assumed the cost of this benefit is \$2.15 PMPM. The benefit has been added to both the Enhanced and Standard plans. The dental plan designs for plan year 2023-2024 are shown in Appendix A.2.

Additional Claim Adjustments

Similar to the premium rate development of prior plan years, we have not adjusted the claims experience to reflect monies that may be recovered as a result of subrogation. As was mentioned earlier, we have not adjusted claims in the experience period for changes in demographic composition.

We have assumed the Health Advocacy Solutions program that OPEH&W continues to utilize has not yet resulted in any immediate claim savings to the plan or result in any additional claim costs to the plan. In our experience, programs similar to Health Advocacy Solutions are intended to bend the claim cost curve over the course of the long-run and will likely not reduce claim costs in the short-term.

Non-Benefit Expenses

The following non-benefit expenses have been incorporated into the medical/pharmacy premium rate projection:

- Medical ASO fees
- Plan management fees
- Stop-loss reinsurance premiums
- Health Advocacy Solution fees
- Telehealth/Virtual Visit fees
- PCORI fee

The stop-loss reinsurance premiums included in the BCBSOK ASO renewal summary have increased by 19.4% from current plan year (\$35.66 PCPM) to 2024-2025 plan year \$42.58 PCPM). OPEH&W indicated that changes to the stop-loss reinsurance program could be implemented however we assumed that current fees and benefits will remain in place for 2024-2025 plan year. Similar to prior plan years, we did not include a contribution to surplus in the medical/pharmacy premium rates. A discussion regarding the appropriateness of surplus in the premium rate development is included in the Surplus Scenarios section of this report. Additionally, non-benefit expenses associated with other vendor services utilized by OPEH&W not listed above were assumed to be offset by any claim savings that may result. It should also be noted that the PCORI fee was reinstated through fiscal year 2029 as a result of the federal spending bill that was signed into law on December 20, 2019.²

The following non-benefit expenses have been incorporated into the dental premium rate projection:

- Dental ASO fees

Proposed Premium Rate Changes

We propose a premium rate increase of 7.8% for the Blue Preferred and Blue Choice network Diamond medical/pharmacy plans. We are proposing a premium rate decrease of 13.7% for the enhanced dental plan. On a combined basis, the average premium rate increase is 6.5% for Blue Preferred network and 6.5% for Blue Choice network Diamond plans. The slight difference in the average combined medical/pharmacy and dental premium rate change between the Blue Preferred and Blue Choice network plans is due to differences in the proportion of total premium represented by the dental plan.

Table 8 summarizes the various components driving the projected premium rate increase for the Blue Preferred network Diamond plan. The rate change assumes no changes to benefit plan design.

Table 8 - Recommended Premium Rate Changes

| | Medical/Pharmacy Premium Increase | | Combined* Premium Increase | |
|--------------------------------|-----------------------------------|----------------|----------------------------|----------------|
| | % Change | \$ Change | % Change | \$ Change |
| Claims and Benefits | -1.3% | -\$9.00 | -1.0% | -\$7.64 |
| Carry Over from Prior Analysis | 8.3% | \$58.70 | 6.8% | \$51.06 |
| Administrative Costs | 0.8% | \$5.38 | 0.7% | \$5.43 |
| Total | 7.8% | \$55.07 | 6.5% | \$48.85 |

**Medical/pharmacy plan and enhanced dental plan premium rate change combined*

A portion of the projected premium rate increase is dampened due to the difference in claim costs relative to the plan year 2023-2024 premium rate development, however, several other components contribute to the increase. Approximately 8.3% of the medical/pharmacy premium rate increase is a “carryover” from the recommended plan year 2023-2024 premium rate increase (i.e., the rate increase that was implemented for the medical/pharmacy plans was lower relative to what Oliver Wyman recommended). When analyzing the premium rate increase on a combined basis, the magnitude of the various premium rate change components is generally similar relative to the medical/pharmacy premium rate change. However, the Carry Over from Prior Analysis component is less, mostly due to the significant premium rate decrease proposed for dental plans. We

² <https://www.congress.gov/116/bills/hr1865/BILLS-116hr1865eah.pdf>

had recommended a 13.5% decrease to the enhanced dental premiums for plan year 2023-2024, whereas a 5.0% increase was implemented for the dental plan. The medical/pharmacy plans rates increased by 5.0% for plan year 2023-2024; we had recommended a 13.8% rate increase under the updated benefit plan designs.

Based on the member cost sharing parameters summarized in Appendix A.1, we estimate the Blue Preferred network premium rates for each plan relative to the Diamond plan will be as shown in Table 9.

Table 9 – 2024-2025 Premium Relativity of Preferred Network Plans

| Benefit Plan | Premium Rate Relativity |
|---------------------|--------------------------------|
| Diamond | 0.0% |
| Platinum | -3.8% |
| Gold | -8.4% |
| Silver | -11.7% |
| Bronze | -17.0% |

These estimates were produced using MarVAL™ based on the cost-sharing parameters specified in the summary of benefits and coverage for each plan. It is important to note the premium relativities have not been adjusted to reflect the potential for selection that may occur. It is our understanding that each group will only be allowed to offer one plan to its employees, which will significantly reduce the potential for selection. However, in our experience, there will likely be some level of selection between groups when choosing which plan to offer.

As mentioned in the “Benefit Adjustments” section of this report, OPEH&W has not requested any benefit changes be made to the 2024-2025 medical/pharmacy benefit plans; however, we tested the impact of adding specific benefits which is described in the next section of this report.

A detailed development of the Diamond plan premiums for the Blue Preferred network is shown in Appendix B. As noted earlier, the premium rate development of the Blue Choice network premiums is based on the development of the Blue Preferred network premiums. Appendix C shows the detailed development of the standard dental plan premiums.

A comparison of the proposed premium rates to the current premium rates is shown in Appendix D. While we have included a stand-alone comparison of the proposed medical/pharmacy premium rates to the current medical/pharmacy premium rates, we have not included a stand-alone comparison of the proposed dental premium rates to the current dental premium rates for simplicity. Instead, we have included a comparison of the proposed medical/pharmacy and dental premium rates combined for the Standard benefit plan and Enhanced benefit plan.

5. Benefit Impact Modeling

Per the request of OPEH&W, we performed additional analyses to assess the impact of offering GLP-1 coverage, bariatric surgery, and the mandating the use of Blue Distinction Centers. The Table 10 shows the modeled rate impact each benefit would have on the proposed Diamond Preferred Network rates.

Table 10 – 2024-2025 Premium Impacts of Proposed Benefits

| | Medical/Pharmacy Premium Impact | Combined* Premium Impact |
|--|--|-------------------------------------|
| Bariatric Surgery | 0.4% | 0.4% |
| GLP-1 Drugs for Weight Loss Indications | 2.0% | 1.9% |
| Blue Distinction Center Mandate | -0.7% | -0.7% |

**Medical/pharmacy plan and enhanced dental plan premium rate change combined*

To estimate the impact of bariatric surgery, we utilized specific procedure codes provided by OPEH&W and relied on the cost of service as obtained from 2021 Marketscan, trended to the projection period. The allowed cost was converted to a PMPM based on a utilization per thousand estimate of 1.6, the high end of the range supplied to OPEH&W. The allowed cost was converted to a paid cost, which was modeled to have a 0.4% impact to Diamond rates.

The proposed GLP-1 benefit would be available to qualified subscribers and spouses based on enrollment duration, Body Mass Index (BMI) in combination with eligible comorbidities for certain BMI ranges. Additionally, a separate copay would be utilized for the benefit in the range of \$200 to \$250 per script. To model this benefit, we relied on a combination of information from relevant industry presentations³, information provided by OPEH&W, and actuarial judgment. We estimated a level of affected individuals that would qualify for the benefit by Obese BMI range and assumed the Obese II range (BMI 35-39.9) would utilize the GLP-1 drug benefit at a moderate level and that the Obese III range (BMI 40 and greater) would utilize the benefit at a high utilization rate, removing the assumed impact of diabetics,⁴ who are covered under current benefit designs. Additionally, we assumed an uptick in utilization due to recent media coverage of GLP-1 outcomes by 15%. Under an assumed copay of \$200 and an expected rebate of \$230 per script, in combination with a trended allowed amount using the industry presentation, we estimated an expected projected annual plan cost, with a modeled impact of 2.0% on the medical Diamond rates.

The estimate for the Blue Distinction Centers savings was based on data received within the Annual Review BCBS presentation provided in prior years. We assumed a 50% decrease in the savings estimate due to the phase in of these centers in the past few years. This results in an estimated savings of 0.7% to the Diamond rates.

³ Health 2023 Society of Actuaries Meeting: The Evolving Landscape of Obesity Management: What Actuaries Need to Know, June 26, 2023

⁴ CDC Statistics: Appendix Table 8 Crude percentage of factors associated with diabetes-related complications among adults aged 18 years or older with diagnosed diabetes, United States, 2017–2020.

<https://www.cdc.gov/diabetes/data/statistics-report/appendix.html#tabs-1-8>

6. Recommended Benefit Plan Modifications

Proposed Medical Benefit Plan Designs

Per OPEH&W request, we altered the platinum Rx coverage where we implemented flat copays for all tiers instead of coinsurance for plan year 2024-2025. We are not recommending any additional modifications to be made at this time as the medical plans saw a change to plan benefits in plan year 2022-2023. A majority of current enrollment is in the Diamond plan and a smaller portion of enrollment is in the Platinum plan. If enrollment in the benefit plans were to become more diversified, we would recommend further updates to the benefits to maintain a consistent spread between each plan option and to help offset the impact of claim cost leveraging.

7. Surplus Scenarios

For the plan year 2024-2025 premium rate development, OPEH&W requested no contribution to surplus be built into the medical/pharmacy or dental premium rates. OPEH&W's capital position for the past six full plan years is summarized in Table 11. This information is based on the financial statements provided by OPEH&W. The capital-to-premium ratio has remained stable in plan years 2020-2021 and 2021-2022 and it has increased slightly (0.5%) in plan year 2022-2023 relative to the prior plan year.

Table 11 – OPEH&W Capital Position by Plan Year

| Capital Position by Plan Year (Amounts in \$1,000) | | | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | Jul 2016 - Jun 2017 | Jul 2017 - Jun 2018 | Jul 2018 - Jun 2019 | Jul 2019 - Jun 2020 | Jul 2020 - Jun 2021 | Jul 2021 - Jun 2022 | Jul 2022 - Jun 2023 |
| Total Capital (A) | (\$1,608) | \$1,530 | \$3,645 | \$6,091 | \$4,437 | \$4,515 | \$4,184 |
| Total Prem (B) | \$53,004 | \$55,089 | \$51,178 | \$44,749 | \$45,176 | \$45,444 | \$40,117 |
| Active Prem | 49,358 | 51,744 | 47,996 | 42,190 | 43,079 | 43,244 | 38,176 |
| Cobra Prem | 447 | 146 | 96 | 104 | 71 | 75 | 355 |
| Retiree Prem | 3,199 | 3,200 | 3,085 | 2,456 | 2,026 | 2,125 | 1,586 |
| Capital % of Prem (A / B) | N/A | 2.8% | 7.1% | 13.6% | 9.8% | 9.9% | 10.4% |

Further actions could be considered to strengthen the capital position of the plan. We estimate that including an additional 2.0% rate increase will generate approximately \$0.88 million in surplus for plan year 2024-2025, assuming enrollment in plan year 2024-2025 is consistent with November 2023 enrollment levels.

8. Incurred But Not Reported Claim Reserves

We estimate IBNR claim reserves for the plan year ending June 30, 2023 to be approximately \$2.70 million. This estimate is based on medical, dental, and pharmacy claims incurred between July 2022 and June 2023 and paid through September 2023. Given that there are three months of claims run-out, the amount we have assumed including a margin at 15% is \$3.11 million. The estimate is lower compared to the prior report due to the lower claims' estimates in plan year 2022-2023.

OPEH&W has historically requested an IBNR estimate for the current plan year as part of the annual rate review process. The current plan year spans July 1, 2023 to June 30, 2024, and consequently, some claims for the plan year have not yet been incurred or paid. There is significant uncertainty in estimating IBNR claim reserves for future valuation dates, and to do so, we made several broad assumptions:

- The claim payment pattern reflected in the most recently completed plan year (ending June 30, 2023) will be replicated for the current plan year
- The membership levels observed in November 2023 will remain constant for the next months (i.e., through June 2024)
- Claims will trend according to the annualized trends specified in the premium rate projections (e.g., 5.5% for medical)
- Claims were adjusted to reflect benefit changes, anticipated changes in benefit plan mix, and pharmacy rebates

Given these caveats, we calculated an estimated IBNR claim reserve for the plan year ending June 30, 2024 to be approximately \$3.10 million. We also recommend a margin of no less than 15% be included to reflect uncertainty associated with claim trends, membership changes, and other unknowns. The projected IBNR claim reserve for the plan year ending June 30, 2024 with margin is \$3.57 million. Please note that the estimate assumes stable enrollment, claims processing, and claims utilization end of June 30, 2024 similar to current experience. An alternative that OPEH&W may want to consider is to use a reserve on a PMPM basis for member months associated with the plan year to better reflect changes in enrollment that may occur between November 2023 and June 2024. The IBNR claim reserve estimate PMPM is \$47.75 without margin and \$54.92 with margin.

The IBNR claim reserve estimates do not consider what is often referred to as loss adjustment expenses (LAE). These expenses reflect the costs OPEH&W incurs for having the TPA process IBNR claims. Sometimes these costs are pre-negotiated with the TPA. If so, OPEH&W should use those costs as the LAE. If these have not been negotiated, then OPEH&W should set up an additional reserve to cover approximately two months of claim processing expenses. If there are any additional administrative expenses beyond TPA expenses (such as general plan expenses, PBM, etc.), OPEH&W should set up a reserve for those as well.

Please note, due to the prospective nature of the IBNR claim reserve, we cannot opine as to the adequacy of the IBNR claim reserve for the plan year ending June 30, 2024. Instead, we can only provide a general estimate based on the information available to us at this time. Our estimates will not reflect case-specific reserves that may be necessary for known large claimants. Our reserve estimate could be subject to change if the network or plan mix, or enrollment changes significantly relative to our current expectations.

9. Distribution and Use

Usage and Responsibility of Client – Oliver Wyman prepared this report for the sole use of OPEH&W for the stated purpose. This report includes important considerations, assumptions, and limitations and, as a result, is intended to be read and used only as a whole. This report may not be separated into, or distributed, in parts other than by the client to whom this report was issued, as needed, in the case of distribution to such client's directors, officers, or employees. All decisions in connection with the implementation or use of advice or recommendations contained in this report are the sole responsibility of OPEH&W.

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10. Considerations and Limitations

Data Verification – For our analysis, we relied on publicly available data and information provided by the client named herein without independent audit. Though we have reviewed the data for reasonableness and consistency, we have not audited or otherwise verified this data. Our review of data may not always reveal imperfections. We have assumed that the data provided is both accurate and complete. The results of our analysis are dependent on this assumption. If this data or information is inaccurate or incomplete, our findings and conclusions might therefore be unreliable.

Unanticipated Changes – We based our conclusions on the estimation of the outcome of many contingent events. We developed our estimates from historical experience, with adjustments for anticipated changes. Unless otherwise stated, our estimates make no provision for the emergence of new types of risks not sufficiently represented in the historical data on which we relied or which are not yet quantifiable.

Internal / External Changes – The sources of uncertainty affecting our estimates are numerous and include factors internal and external to the client named herein. Internal factors include items such as changes in provider reimbursement and claims adjudication practices. The most significant external influences include, but are not limited to, changes in the legal, social, or regulatory environment, and the potential for emerging diseases. Uncontrollable factors such as general economic conditions also contribute to the variability.

Uncertainty Inherent in Projections – While this analysis complies with applicable Actuarial Standards of Practice, users of this analysis should recognize that our projections involve estimates of future events and are subject to economic and statistical variations from expected values. We have not anticipated any extraordinary changes to the regulatory, legal, social, or economic environment or the emergence of new diseases or catastrophes that might affect our results. For these reasons, we provide no assurance that the emergence of actual experience will correspond to the projections in this analysis.

11. Acknowledgement of Qualifications

I, Peter Kaczmarek, Senior Manager of Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman), have been engaged by Oklahoma Public Employees Health and Welfare Plan (OPEH&W) to prepare this report summarizing the premium rate development for the plan year beginning July 1, 2024. Oliver Wyman is an independent actuarial consulting firm that is not affiliated with, nor a subsidiary, nor in any way owned or controlled by a health plan, health insurer, or a trade association of health plans or insurers.

The analysis underlying the development of the premium rates included in this report is based on our interpretation of current State and Federal laws and regulations. Should these laws and/or regulations be modified our results could be subject to change. It should be noted that Oliver Wyman is an actuarial consulting firm and is not engaged in the practice of law. Therefore, nothing in this actuarial memorandum should be interpreted as legal advice.

The premium rates developed in this report reflect estimates of future contingent events; actual results will likely vary. The magnitude of differences between projections in this report and actual observed experience will depend on the extent to which actual experience in the future conforms to the assumptions made in this analysis. It is certain that actual experience will not conform exactly to the assumptions made in this filing.

This report was prepared for the sole use of OPEH&W. Oliver Wyman makes no representation or warranty to any third party regarding the content of this actuarial memorandum and no third party may rely on the information included in this actuarial memorandum that would create any legal duty by Oliver Wyman to any third party.

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Reliance

In performing the analyses outlined in this report and arriving at my opinion, I used and relied on information provided by OPEH&W. I used and relied on this information without independent investigation or audit. If this information is inaccurate, incomplete, or out of date, the findings and conclusions noted within this report may need revision. While I have relied on the data provided without independent investigation or audit, I reviewed the data for consistency and reasonableness. Where I found the data inconsistent or unreasonable, I requested clarification.

Actuarial Certification

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render this opinion. I have utilized generally accepted actuarial methodologies in reaching this opinion.

A handwritten signature in cursive script, appearing to read "Peter Kaczmarek".

Peter Kaczmarek, FSA, MAAA
Senior Manager
Oliver Wyman Actuarial Consulting, Inc.

Appendix A. Benefit Designs

A.1. Medical/Pharmacy: Plan Years 2024-2025

| | Diamond | Diamond | Platinum | Gold | Silver | Bronze |
|----------------------------------|--------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| Medical - In-Network | | | | | | |
| Network | Blue Preferred | Blue Choice | Blue Preferred | Blue Preferred | Blue Preferred | Blue Preferred |
| Deductible - Individual | 1,000 | 1,000 | 1,750 | 3,250 | 2,250 | 4,250 |
| Deductible - Family | 2,000 | 2,000 | 3,500 | 6,500 | 4,500 | 8,500 |
| Max Out-of-Pocket - Individual | 5,000 | 5,000 | 6,000 | 7,000 | 7,000 | 7,500 |
| Max Out-of-Pocket - Family | 10,000 | 10,000 | 12,000 | 14,000 | 14,000 | 15,000 |
| Coinsurance (%) | 80% | 80% | 80% | 80% | 50% | 50% |
| Primary Care Office Visit | 25 | 25 | 25 | 25 | 25 | 25 |
| Urgent Care Office Visit | 25 | 25 | 25 | 25 | 25 | 25 |
| Specialist Office Visit | 50 | 50 | 50 | 50 | 50 | 50 |
| Medical - Out-of-Network | | | | | | |
| Deductible - Individual | 2,000 | 2,000 | 3,500 | 6,500 | 4,500 | 8,500 |
| Deductible - Family | 4,000 | 4,000 | 7,000 | 13,000 | 9,000 | 17,000 |
| Max Out-of-Pocket - Individual | 10,000 | 10,000 | 12,000 | 14,000 | 14,000 | 15,000 |
| Max Out-of-Pocket - Family | 20,000 | 20,000 | 24,000 | 28,000 | 28,000 | 30,000 |
| Coinsurance (%) | 70% | 70% | 70% | 70% | 50% | 50% |
| Primary Care Office Visit | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance |
| Urgent Care Office Visit | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance |
| Specialist Office Visit | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance | Deductible & Coinsurance |
| Rx | | | | | | |
| Brand Deductible | 75 | 75 | 100 | 100 | 500 | 500 |
| Max Out-of-Pocket - Individual | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Max Out-of-Pocket - Family | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| 30-Day Supply | | | | | | |
| Generics | 10 | 10 | 10 | 10 | 10 | 20% coinsurance up to \$20 |
| Preferred Brands | 45 | 45 | 75 | 25% coinsurance up to \$80 | 25% coinsurance up to \$80 | 30% coinsurance up to \$100 |
| Non-Preferred Brands | 60 | 60 | 100 | 40% coinsurance up to \$120 | 40% coinsurance up to \$120 | 50% coinsurance up to \$150 |
| 90-Day Supply | | | | | | |
| Generics | 25 | 25 | 25 | 25 | 25 | 20% coinsurance up to \$50 |
| Preferred Brands | 112 | 112 | 150 | 25% coinsurance up to \$200 | 25% coinsurance up to \$200 | 30% coinsurance up to \$250 |
| Non-Preferred Brands | 150 | 150 | 200 | 40% coinsurance up to \$300 | 40% coinsurance up to \$300 | 50% coinsurance up to \$375 |
| Specialty - 30-Day Supply | | | | | | |
| Generics | 10 | 10 | 10 | 10 | 10 | 20% coinsurance up to \$50 |
| Preferred Brands | 60 | 60 | 60 | 60 | 20% coinsurance up to \$80 | 30% coinsurance up to \$80 |
| Non-Preferred Brands | 100 | 100 | 100 | 100 | 40% coinsurance up to \$120 | 50% coinsurance up to \$120 |

A.2. Dental Plan Year 2024-2025

| | Standard | Enhanced |
|--------------------------------------|-----------------|-----------------|
| Individual Deductible | 50 | 25 |
| Plan Year Maximum Per Covered Person | 1,500 | 2,500 |
| Preventive & Diagnostic Services | 0% | 0% |
| Basic Services | 20% | 15% |
| Major Services | 50% | 40% |
| Orthodontic Treatment | | |
| Deductible | 0 | 0 |
| Coinsurance | 50% | 50% |
| Lifetime Maximum per Child | 1,500 | 1,500 |

Appendix B. Medical/Pharmacy Rate Development

OPEH&W Health Plan
Medical/Pharmacy Experience Rating Renewal Calculation - Diamond Plan, Blue Preferred Network

Rating Period: 7/1/2024 to 6/30/2025
 Pooling Level: \$425,000

| | Experience Period 1 | Experience Period 2 |
|-----------------------------|-----------------------|-----------------------|
| Experience Period | 7/1/2021 to 6/30/2022 | 7/1/2022 to 6/30/2023 |
| Member Months | 75,926 | 61,424 |
| Contract Months | 52,427 | 43,425 |
| Number of Projection Months | 36 | 24 |
| Member Months/Contract | 1.448 | 1.414 |

| BASE PERIOD MEDICAL/PHARMACY CLAIMS | | |
|--|---------------|---------------|
| 1. Medical Claims | \$ 28,952,292 | \$ 22,154,259 |
| 2. Less Reinsurance Recoveries | \$ 3,648 | \$ 34,171 |
| 3a. Claims Adjusted for Reinsurance Recoveries (1. - 2.) | \$ 28,948,644 | \$ 22,120,088 |
| 3b. Adjustment for change in Provider Network | 0.9996 | 0.9998 |
| 3c. Large Claim Adjustment | 1.0000 | 1.0000 |
| 3d. Other Adjustment | 1.0000 | 1.0000 |
| 3e. Morbidity Adjustment | 1.0000 | 1.0000 |
| 4. Trend Factor to 01/01/2025 Effective Date @ 5.45% | x 1.1726 | 1.1120 |
| 5. Projected Medical Claims (3a. x 3b. x 3c. x 3d. x 3e. x 4.) | \$ 33,930,273 | \$ 24,590,783 |
| 6a. Pharmacy Claims For Period | \$ 12,717,125 | \$ 11,810,377 |
| 6b. PBM Adjustment | 0.7353 | 0.6958 |
| 6c. COVID-19 Adjustment | 1.0000 | 1.0000 |
| 6d. Large Trend Adjustment | 1.0000 | 1.0000 |
| 7. Trend Factor to 01/01/2025 Effective Date @ 9.8% | x 1.3238 | 1.2056 |
| 8. Projected Pharmacy Claims (6a. x 6b. x 6c. x 6d. x 7.) | \$ 12,378,882 | \$ 9,907,856 |
| 9. Projected Net Claims (5.+ 8.) | \$ 46,309,155 | \$ 34,498,639 |
| 10. Member Months | / 75,926 | 61,424 |
| 11. Projected Medical and Drug Costs PMPM (9. / 10.) | \$ 609.92 | \$ 561.65 |
| 12. Other Multiplicative Adjustment | | |
| Benefit Changes | 0.9702 | 1.0082 |
| Demographic and Morbidity | x 1.0372 | 1.0000 |
| Total | 1.0063 | 1.0082 |
| 13. Other Additive Adjustment PMPM | + \$ - | \$ - |
| 14. Adjusted Trended Medical Claims (11. x 12. + 13.) | \$ 613.79 | \$ 566.27 |

| PROJECTED CLAIMS PMPM FOR 7/1/2024 to 6/30/2025 | | |
|---|---------------|---------------|
| 1. Projected Medical and Pharmacy Claims Experience | \$ 613.79 | \$ 566.27 |
| 2. Period Weightings | 0.40 | 0.60 |
| 3. Contributing Claims Experience (1. x 2.) | 3a. \$ 247.23 | 3b. \$ 338.18 |
| 4. Weighted Projected Medical and Pharmacy Claims (3a. + 3b.) | \$ 585.41 | \$ 585.41 |

| ADMINISTRATIVE/EXPENSE | | PMPM |
|---|--------------|------------------|
| 1. Projected Medical and Pharmacy Claims | | \$ 585.41 |
| 2. Fees | | |
| a. BCBSOK Medical ASO Fee | PCPM \$35.96 | \$ 22.94 |
| b. Plan Management Fee | PCPM \$21.00 | \$ 13.40 |
| c. Health Advocacy Solutions | PCPM \$16.29 | \$ 10.39 |
| d. Stop Loss Premium | PCPM \$42.58 | \$ 27.16 |
| e. Telehealth Fee | PCPM \$0.52 | \$ 0.33 |
| f. PCORI | PMPM | 0.25 |
| * Ratio of Members/Contract for Nov 2023: | 1.568 | \$ 74.47 |
| | | \$ 659.88 |
| 4. Contribution to Surplus | | 0.00% |
| 5. Projected Claims and Contribution to Surplus (3 / (1 - 4.)) | | \$ 659.88 |

| | |
|------------------------------------|-------|
| Convert Premium PMPM to Tier Rates | |
| Single Conversion Factor | 1.156 |

Appendix C. Dental Rate Development

OPEH&W Health Plan Dental Experience Rating Renewal Calculation - Enhanced Dental Plan

Rating Period: 7/1/2024 to 6/30/2025

| | Experience Period 1 | Experience Period 2 |
|-----------------------------|-----------------------|-----------------------|
| Experience Period | 7/1/2021 to 6/30/2022 | 7/1/2022 to 6/30/2023 |
| Member Months | 78,517 | 63,456 |
| Contract Months | 53,577 | 44,335 |
| Number of Projection Months | 36 | 24 |
| Member Months/Contract | 1.465 | 1.431 |

| BASE PERIOD DENTAL CLAIMS | | |
|---|--------------|--------------|
| 1. Dental Claims For Period | \$ 2,097,386 | \$ 1,745,715 |
| 2. Trend Factor to 01/01/2025 Effective Date @ 4.5% | x 1.141 | x 1.092 |
| 3. Projected Net Claims (1. x 2.) | \$ 2,393,466 | \$ 1,906,365 |
| 4. Member Months | / 78,517 | / 63,456 |
| 5. Projected Dental Costs PMPM (3. / 4.) | \$ 30.48 | \$ 30.04 |
| 6. Benefit Adjustment | 1.014 | 1.016 |
| 7. Other Multiplicative Adjustment | 1.000 | 1.000 |
| 8. Other Additive Adjustment PMPM | \$ 2.15 | \$ 2.15 |
| 9. Adjusted Trended Dental Claims (5. x 6. x 7. + 8.) | \$ 33.07 | \$ 32.67 |

| PROJECTED CLAIMS PMPM FOR 7/1/2024 to 6/30/2025 | | |
|---|--------------|--------------|
| 1. Projected Dental Claims Experience | \$ 33.07 | \$ 32.67 |
| 2. Period Weightings | 0.40 | 0.60 |
| 3. Contributing Claims Experience (1. x 2.) | 3a. \$ 13.33 | 3b. \$ 19.50 |
| 4. Weighted Projected Dental Claims (3a. + 3b.) | | \$ 32.83 |

| ADMINISTRATIVE/EXPENSE | | PMPM |
|---|-------------|-----------------|
| 1. Projected Dental Claims | | \$ 32.83 |
| 2. Fees | PCPM \$3.21 | \$2.04 |
| Ratio of Members/Contract for Nov 2023 | 1.577 | |
| 3. Projected Claims and Expense (1. + 2b.) | | \$ 34.87 |
| 4. Contribution to Surplus | | 0.00% |
| 5. Projected Claims and Contribution to Surplus (3 x (1 + 4.)) | | \$ 34.87 |

| | |
|------------------------------------|-------|
| Convert Premium PMPM to Tier Rates | |
| Single Conversion Factor | 1.123 |

Appendix D. Premium Rate Changes

D.1. Diamond Plan – Blue Preferred Network

Proposed Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$762.93 | \$762.93 | \$778.19 | \$795.99 | \$795.99 | \$811.91 | \$802.07 | \$802.07 | \$818.11 |
| Employee + Child | \$1,127.42 | \$1,127.42 | \$1,149.97 | \$1,177.93 | \$1,177.93 | \$1,201.50 | \$1,187.23 | \$1,187.23 | \$1,210.97 |
| Employee + Children | \$1,356.30 | \$1,356.30 | \$1,383.42 | \$1,417.13 | \$1,417.13 | \$1,445.46 | \$1,428.32 | \$1,428.32 | \$1,456.87 |
| Employee + Spouse | \$1,654.96 | \$1,654.96 | \$1,688.05 | \$1,728.84 | \$1,728.84 | \$1,763.41 | \$1,742.44 | \$1,742.44 | \$1,777.27 |
| Employee + Spouse + Child | \$2,019.45 | \$2,019.45 | \$2,059.82 | \$2,110.79 | \$2,110.79 | \$2,153.00 | \$2,127.60 | \$2,127.60 | \$2,170.13 |
| Employee + Spouse + Children | \$2,248.33 | \$2,248.33 | \$2,293.27 | \$2,349.99 | \$2,349.99 | \$2,396.96 | \$2,368.68 | \$2,368.68 | \$2,416.03 |

Current Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$707.86 | \$707.86 | \$722.02 | \$748.68 | \$748.68 | \$763.66 | \$753.22 | \$753.22 | \$768.28 |
| Employee + Child | \$1,046.04 | \$1,046.04 | \$1,066.96 | \$1,108.42 | \$1,108.42 | \$1,130.60 | \$1,115.36 | \$1,115.36 | \$1,137.66 |
| Employee + Children | \$1,258.40 | \$1,258.40 | \$1,283.56 | \$1,333.52 | \$1,333.52 | \$1,360.18 | \$1,341.86 | \$1,341.86 | \$1,368.68 |
| Employee + Spouse | \$1,535.50 | \$1,535.50 | \$1,566.20 | \$1,626.74 | \$1,626.74 | \$1,659.26 | \$1,636.88 | \$1,636.88 | \$1,669.60 |
| Employee + Spouse + Child | \$1,873.68 | \$1,873.68 | \$1,911.14 | \$1,986.48 | \$1,986.48 | \$2,026.20 | \$1,999.02 | \$1,999.02 | \$2,038.98 |
| Employee + Spouse + Children | \$2,086.04 | \$2,086.04 | \$2,127.74 | \$2,211.58 | \$2,211.58 | \$2,255.78 | \$2,225.52 | \$2,225.52 | \$2,270.00 |

Premium Rate Change

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|---------|---------|-------|---------------------------|---------|-------|---------------------------|---------|-------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | 7.8% | 7.8% | 7.8% | 6.3% | 6.3% | 6.3% | 6.5% | 6.5% | 6.5% |
| Employee + Child | 7.8% | 7.8% | 7.8% | 6.3% | 6.3% | 6.3% | 6.4% | 6.4% | 6.4% |
| Employee + Children | 7.8% | 7.8% | 7.8% | 6.3% | 6.3% | 6.3% | 6.4% | 6.4% | 6.4% |
| Employee + Spouse | 7.8% | 7.8% | 7.8% | 6.3% | 6.3% | 6.3% | 6.4% | 6.4% | 6.4% |
| Employee + Spouse + Child | 7.8% | 7.8% | 7.8% | 6.3% | 6.3% | 6.3% | 6.4% | 6.4% | 6.4% |
| Employee + Spouse + Children | 7.8% | 7.8% | 7.8% | 6.3% | 6.3% | 6.3% | 6.4% | 6.4% | 6.4% |

D.2. Diamond Plan – Blue Choice Network

Proposed Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$816.23 | \$816.23 | \$832.55 | \$849.28 | \$849.28 | \$866.27 | \$855.37 | \$855.37 | \$872.46 |
| Employee + Child | \$1,206.16 | \$1,206.16 | \$1,230.28 | \$1,256.68 | \$1,256.68 | \$1,281.82 | \$1,265.98 | \$1,265.98 | \$1,291.29 |
| Employee + Children | \$1,451.00 | \$1,451.00 | \$1,480.01 | \$1,511.83 | \$1,511.83 | \$1,542.06 | \$1,523.01 | \$1,523.01 | \$1,553.46 |
| Employee + Spouse | \$1,770.53 | \$1,770.53 | \$1,805.94 | \$1,844.41 | \$1,844.41 | \$1,881.30 | \$1,858.01 | \$1,858.01 | \$1,895.17 |
| Employee + Spouse + Child | \$2,160.46 | \$2,160.46 | \$2,203.68 | \$2,251.80 | \$2,251.80 | \$2,296.85 | \$2,268.61 | \$2,268.61 | \$2,313.99 |
| Employee + Spouse + Children | \$2,405.30 | \$2,405.30 | \$2,453.41 | \$2,506.96 | \$2,506.96 | \$2,557.09 | \$2,525.65 | \$2,525.65 | \$2,576.16 |

Current Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$757.30 | \$757.30 | \$772.44 | \$798.12 | \$798.12 | \$814.08 | \$802.66 | \$802.66 | \$818.70 |
| Employee + Child | \$1,119.08 | \$1,119.08 | \$1,141.46 | \$1,181.46 | \$1,181.46 | \$1,205.10 | \$1,188.40 | \$1,188.40 | \$1,212.16 |
| Employee + Children | \$1,346.24 | \$1,346.24 | \$1,373.16 | \$1,421.36 | \$1,421.36 | \$1,449.78 | \$1,429.70 | \$1,429.70 | \$1,458.28 |
| Employee + Spouse | \$1,642.70 | \$1,642.70 | \$1,675.56 | \$1,733.94 | \$1,733.94 | \$1,768.62 | \$1,744.08 | \$1,744.08 | \$1,778.96 |
| Employee + Spouse + Child | \$2,004.48 | \$2,004.48 | \$2,044.58 | \$2,117.28 | \$2,117.28 | \$2,159.64 | \$2,129.82 | \$2,129.82 | \$2,172.42 |
| Employee + Spouse + Children | \$2,231.64 | \$2,231.64 | \$2,276.28 | \$2,357.18 | \$2,357.18 | \$2,404.32 | \$2,371.12 | \$2,371.12 | \$2,418.54 |

Premium Rate Change

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|---------|---------|-------|---------------------------|---------|-------|---------------------------|---------|-------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | 7.8% | 7.8% | 7.8% | 6.4% | 6.4% | 6.4% | 6.6% | 6.6% | 6.6% |
| Employee + Child | 7.8% | 7.8% | 7.8% | 6.4% | 6.4% | 6.4% | 6.5% | 6.5% | 6.5% |
| Employee + Children | 7.8% | 7.8% | 7.8% | 6.4% | 6.4% | 6.4% | 6.5% | 6.5% | 6.5% |
| Employee + Spouse | 7.8% | 7.8% | 7.8% | 6.4% | 6.4% | 6.4% | 6.5% | 6.5% | 6.5% |
| Employee + Spouse + Child | 7.8% | 7.8% | 7.8% | 6.4% | 6.4% | 6.4% | 6.5% | 6.5% | 6.5% |
| Employee + Spouse + Children | 7.8% | 7.8% | 7.8% | 6.4% | 6.4% | 6.4% | 6.5% | 6.5% | 6.5% |

D.3. Platinum Plan – Blue Preferred Network

Proposed Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$733.68 | \$733.68 | \$748.37 | \$766.73 | \$766.73 | \$782.09 | \$772.82 | \$772.82 | \$788.28 |
| Employee + Child | \$1,084.19 | \$1,084.19 | \$1,105.89 | \$1,134.70 | \$1,134.70 | \$1,157.42 | \$1,144.00 | \$1,144.00 | \$1,166.89 |
| Employee + Children | \$1,304.30 | \$1,304.30 | \$1,330.41 | \$1,365.13 | \$1,365.13 | \$1,392.46 | \$1,376.32 | \$1,376.32 | \$1,403.86 |
| Employee + Spouse | \$1,591.52 | \$1,591.52 | \$1,623.36 | \$1,665.40 | \$1,665.40 | \$1,698.72 | \$1,679.00 | \$1,679.00 | \$1,712.58 |
| Employee + Spouse + Child | \$1,942.03 | \$1,942.03 | \$1,980.89 | \$2,033.37 | \$2,033.37 | \$2,074.06 | \$2,050.18 | \$2,050.18 | \$2,091.19 |
| Employee + Spouse + Children | \$2,162.14 | \$2,162.14 | \$2,205.41 | \$2,263.80 | \$2,263.80 | \$2,309.09 | \$2,282.49 | \$2,282.49 | \$2,328.16 |

Current Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$665.38 | \$665.38 | \$678.70 | \$706.20 | \$706.20 | \$720.34 | \$710.74 | \$710.74 | \$724.96 |
| Employee + Child | \$983.26 | \$983.26 | \$1,002.94 | \$1,045.64 | \$1,045.64 | \$1,066.58 | \$1,052.58 | \$1,052.58 | \$1,073.64 |
| Employee + Children | \$1,182.88 | \$1,182.88 | \$1,206.56 | \$1,258.00 | \$1,258.00 | \$1,283.18 | \$1,266.34 | \$1,266.34 | \$1,291.68 |
| Employee + Spouse | \$1,443.36 | \$1,443.36 | \$1,472.24 | \$1,534.60 | \$1,534.60 | \$1,565.30 | \$1,544.74 | \$1,544.74 | \$1,575.64 |
| Employee + Spouse + Child | \$1,761.24 | \$1,761.24 | \$1,796.48 | \$1,874.04 | \$1,874.04 | \$1,911.54 | \$1,886.58 | \$1,886.58 | \$1,924.32 |
| Employee + Spouse + Children | \$1,960.86 | \$1,960.86 | \$2,000.10 | \$2,086.40 | \$2,086.40 | \$2,128.14 | \$2,100.34 | \$2,100.34 | \$2,142.36 |

Premium Rate Change

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|---------|---------|-------|---------------------------|---------|-------|---------------------------|---------|-------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | 10.3% | 10.3% | 10.3% | 8.6% | 8.6% | 8.6% | 8.7% | 8.7% | 8.7% |
| Employee + Child | 10.3% | 10.3% | 10.3% | 8.5% | 8.5% | 8.5% | 8.7% | 8.7% | 8.7% |
| Employee + Children | 10.3% | 10.3% | 10.3% | 8.5% | 8.5% | 8.5% | 8.7% | 8.7% | 8.7% |
| Employee + Spouse | 10.3% | 10.3% | 10.3% | 8.5% | 8.5% | 8.5% | 8.7% | 8.7% | 8.7% |
| Employee + Spouse + Child | 10.3% | 10.3% | 10.3% | 8.5% | 8.5% | 8.5% | 8.7% | 8.7% | 8.7% |
| Employee + Spouse + Children | 10.3% | 10.3% | 10.3% | 8.5% | 8.5% | 8.5% | 8.7% | 8.7% | 8.7% |

D.4. Gold Plan – Blue Preferred Network

Proposed Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$698.85 | \$698.85 | \$712.83 | \$731.91 | \$731.91 | \$746.55 | \$737.99 | \$737.99 | \$752.74 |
| Employee + Child | \$1,032.73 | \$1,032.73 | \$1,053.38 | \$1,083.24 | \$1,083.24 | \$1,104.91 | \$1,092.54 | \$1,092.54 | \$1,114.38 |
| Employee + Children | \$1,242.38 | \$1,242.38 | \$1,267.23 | \$1,303.21 | \$1,303.21 | \$1,329.27 | \$1,314.40 | \$1,314.40 | \$1,340.68 |
| Employee + Spouse | \$1,515.95 | \$1,515.95 | \$1,546.28 | \$1,589.84 | \$1,589.84 | \$1,621.64 | \$1,603.43 | \$1,603.43 | \$1,635.50 |
| Employee + Spouse + Child | \$1,849.83 | \$1,849.83 | \$1,886.83 | \$1,941.17 | \$1,941.17 | \$1,980.01 | \$1,957.98 | \$1,957.98 | \$1,997.14 |
| Employee + Spouse + Children | \$2,059.48 | \$2,059.48 | \$2,100.68 | \$2,161.14 | \$2,161.14 | \$2,204.36 | \$2,179.84 | \$2,179.84 | \$2,223.43 |

Current Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$630.00 | \$630.00 | \$642.60 | \$670.82 | \$670.82 | \$684.24 | \$675.36 | \$675.36 | \$688.86 |
| Employee + Child | \$930.98 | \$930.98 | \$949.60 | \$993.36 | \$993.36 | \$1,013.24 | \$1,000.30 | \$1,000.30 | \$1,020.30 |
| Employee + Children | \$1,119.98 | \$1,119.98 | \$1,142.38 | \$1,195.10 | \$1,195.10 | \$1,219.00 | \$1,203.44 | \$1,203.44 | \$1,227.50 |
| Employee + Spouse | \$1,366.60 | \$1,366.60 | \$1,393.94 | \$1,457.84 | \$1,457.84 | \$1,487.00 | \$1,467.98 | \$1,467.98 | \$1,497.34 |
| Employee + Spouse + Child | \$1,667.58 | \$1,667.58 | \$1,700.94 | \$1,780.38 | \$1,780.38 | \$1,816.00 | \$1,792.92 | \$1,792.92 | \$1,828.78 |
| Employee + Spouse + Children | \$1,856.58 | \$1,856.58 | \$1,893.72 | \$1,982.12 | \$1,982.12 | \$2,021.76 | \$1,996.06 | \$1,996.06 | \$2,035.98 |

Premium Rate Change

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|---------|---------|-------|---------------------------|---------|-------|---------------------------|---------|-------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | 10.9% | 10.9% | 10.9% | 9.1% | 9.1% | 9.1% | 9.3% | 9.3% | 9.3% |
| Employee + Child | 10.9% | 10.9% | 10.9% | 9.0% | 9.0% | 9.0% | 9.2% | 9.2% | 9.2% |
| Employee + Children | 10.9% | 10.9% | 10.9% | 9.0% | 9.0% | 9.0% | 9.2% | 9.2% | 9.2% |
| Employee + Spouse | 10.9% | 10.9% | 10.9% | 9.1% | 9.1% | 9.1% | 9.2% | 9.2% | 9.2% |
| Employee + Spouse + Child | 10.9% | 10.9% | 10.9% | 9.0% | 9.0% | 9.0% | 9.2% | 9.2% | 9.2% |
| Employee + Spouse + Children | 10.9% | 10.9% | 10.9% | 9.0% | 9.0% | 9.0% | 9.2% | 9.2% | 9.2% |

D.5. Silver Plan – Blue Preferred Network

Proposed Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$673.51 | \$673.51 | \$686.99 | \$706.57 | \$706.57 | \$720.71 | \$712.65 | \$712.65 | \$726.90 |
| Employee + Child | \$995.29 | \$995.29 | \$1,015.19 | \$1,045.80 | \$1,045.80 | \$1,066.73 | \$1,055.10 | \$1,055.10 | \$1,076.20 |
| Employee + Children | \$1,197.34 | \$1,197.34 | \$1,221.29 | \$1,258.17 | \$1,258.17 | \$1,283.34 | \$1,269.35 | \$1,269.35 | \$1,294.74 |
| Employee + Spouse | \$1,461.00 | \$1,461.00 | \$1,490.21 | \$1,534.88 | \$1,534.88 | \$1,565.57 | \$1,548.47 | \$1,548.47 | \$1,579.43 |
| Employee + Spouse + Child | \$1,782.78 | \$1,782.78 | \$1,818.42 | \$1,874.12 | \$1,874.12 | \$1,911.59 | \$1,890.93 | \$1,890.93 | \$1,928.73 |
| Employee + Spouse + Children | \$1,984.82 | \$1,984.82 | \$2,024.52 | \$2,086.48 | \$2,086.48 | \$2,128.20 | \$2,105.18 | \$2,105.18 | \$2,147.27 |

Current Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$601.68 | \$601.68 | \$613.72 | \$642.50 | \$642.50 | \$655.36 | \$647.04 | \$647.04 | \$659.98 |
| Employee + Child | \$889.14 | \$889.14 | \$906.92 | \$951.52 | \$951.52 | \$970.56 | \$958.46 | \$958.46 | \$977.62 |
| Employee + Children | \$1,069.64 | \$1,069.64 | \$1,091.04 | \$1,144.76 | \$1,144.76 | \$1,167.66 | \$1,153.10 | \$1,153.10 | \$1,176.16 |
| Employee + Spouse | \$1,305.18 | \$1,305.18 | \$1,331.28 | \$1,396.42 | \$1,396.42 | \$1,424.34 | \$1,406.56 | \$1,406.56 | \$1,434.68 |
| Employee + Spouse + Child | \$1,592.64 | \$1,592.64 | \$1,624.48 | \$1,705.44 | \$1,705.44 | \$1,739.54 | \$1,717.98 | \$1,717.98 | \$1,752.32 |
| Employee + Spouse + Children | \$1,773.14 | \$1,773.14 | \$1,808.60 | \$1,898.68 | \$1,898.68 | \$1,936.64 | \$1,912.62 | \$1,912.62 | \$1,950.86 |

Premium Rate Change

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|---------|---------|-------|---------------------------|---------|-------|---------------------------|---------|-------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | 11.9% | 11.9% | 11.9% | 10.0% | 10.0% | 10.0% | 10.1% | 10.1% | 10.1% |
| Employee + Child | 11.9% | 11.9% | 11.9% | 9.9% | 9.9% | 9.9% | 10.1% | 10.1% | 10.1% |
| Employee + Children | 11.9% | 11.9% | 11.9% | 9.9% | 9.9% | 9.9% | 10.1% | 10.1% | 10.1% |
| Employee + Spouse | 11.9% | 11.9% | 11.9% | 9.9% | 9.9% | 9.9% | 10.1% | 10.1% | 10.1% |
| Employee + Spouse + Child | 11.9% | 11.9% | 11.9% | 9.9% | 9.9% | 9.9% | 10.1% | 10.1% | 10.1% |
| Employee + Spouse + Children | 11.9% | 11.9% | 11.9% | 9.9% | 9.9% | 9.9% | 10.1% | 10.1% | 10.1% |

D.6. Bronze Plan – Blue Preferred Network

Proposed Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$633.30 | \$633.30 | \$645.98 | \$666.36 | \$666.36 | \$679.70 | \$672.44 | \$672.44 | \$685.90 |
| Employee + Child | \$935.86 | \$935.86 | \$954.60 | \$986.37 | \$986.37 | \$1,006.14 | \$995.67 | \$995.67 | \$1,015.61 |
| Employee + Children | \$1,125.87 | \$1,125.87 | \$1,148.39 | \$1,186.70 | \$1,186.70 | \$1,210.44 | \$1,197.88 | \$1,197.88 | \$1,221.84 |
| Employee + Spouse | \$1,373.79 | \$1,373.79 | \$1,401.27 | \$1,447.67 | \$1,447.67 | \$1,476.63 | \$1,461.26 | \$1,461.26 | \$1,490.49 |
| Employee + Spouse + Child | \$1,676.34 | \$1,676.34 | \$1,709.90 | \$1,767.69 | \$1,767.69 | \$1,803.07 | \$1,784.50 | \$1,784.50 | \$1,820.20 |
| Employee + Spouse + Children | \$1,866.35 | \$1,866.35 | \$1,903.68 | \$1,968.01 | \$1,968.01 | \$2,007.37 | \$1,986.71 | \$1,986.71 | \$2,026.43 |

Current Premium Rates

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|------------|------------|------------|---------------------------|------------|------------|---------------------------|------------|------------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | \$566.28 | \$566.28 | \$577.62 | \$607.10 | \$607.10 | \$619.26 | \$611.64 | \$611.64 | \$623.88 |
| Employee + Child | \$836.82 | \$836.82 | \$853.58 | \$899.20 | \$899.20 | \$917.22 | \$906.14 | \$906.14 | \$924.28 |
| Employee + Children | \$1,006.72 | \$1,006.72 | \$1,026.86 | \$1,081.84 | \$1,081.84 | \$1,103.48 | \$1,090.18 | \$1,090.18 | \$1,111.98 |
| Employee + Spouse | \$1,228.40 | \$1,228.40 | \$1,252.98 | \$1,319.64 | \$1,319.64 | \$1,346.04 | \$1,329.78 | \$1,329.78 | \$1,356.38 |
| Employee + Spouse + Child | \$1,498.94 | \$1,498.94 | \$1,528.94 | \$1,611.74 | \$1,611.74 | \$1,644.00 | \$1,624.28 | \$1,624.28 | \$1,656.78 |
| Employee + Spouse + Children | \$1,668.84 | \$1,668.84 | \$1,702.22 | \$1,794.38 | \$1,794.38 | \$1,830.26 | \$1,808.32 | \$1,808.32 | \$1,844.48 |

Premium Rate Change

| Tier | Medical | | | Medical & Standard Dental | | | Medical & Enhanced Dental | | |
|------------------------------|---------|---------|-------|---------------------------|---------|-------|---------------------------|---------|-------|
| | Active | Retiree | Cobra | Active | Retiree | Cobra | Active | Retiree | Cobra |
| Employee | 11.8% | 11.8% | 11.8% | 9.8% | 9.8% | 9.8% | 9.9% | 9.9% | 9.9% |
| Employee + Child | 11.8% | 11.8% | 11.8% | 9.7% | 9.7% | 9.7% | 9.9% | 9.9% | 9.9% |
| Employee + Children | 11.8% | 11.8% | 11.8% | 9.7% | 9.7% | 9.7% | 9.9% | 9.9% | 9.9% |
| Employee + Spouse | 11.8% | 11.8% | 11.8% | 9.7% | 9.7% | 9.7% | 9.9% | 9.9% | 9.9% |
| Employee + Spouse + Child | 11.8% | 11.8% | 11.8% | 9.7% | 9.7% | 9.7% | 9.9% | 9.9% | 9.9% |
| Employee + Spouse + Children | 11.8% | 11.8% | 11.8% | 9.7% | 9.7% | 9.7% | 9.9% | 9.9% | 9.9% |



Oliver Wyman
1401 Discovery Parkway, Suite 150 Wauwatosa, WI 53226