

Division of Healthcare Finance
Projection as of August 2015

Plan Year 2016

Plan Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Factors and Assumptions												
Interest Rate on Reserves	Actuals 0.1%	Projected Factors and Assumptions 0.3%	0.3%	0.5%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Admin/Contract Fee Trend	0.8%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Kansas Healthcare cost trend rate	7.5%	5.9%	5.9%	6.2%	6.0%	6.3%	6.2%	6.5%	6.5%	6.5%	6.5%	6.5%

Policy Choices	HCC Policy Choices in May 2013	HCC Policy Choices by Aug 2014	HCC Policy Choices by May 2015	Future Policy Choices.....								
State Employer Contr. % Incr. (eff. July 1)	-2.0%	-8.5%	0.0%	27.0%	7.0%	6.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Non-State Employer Contr. % Incr. (eff. July 1)	-2.0%	0.0%	6.0%	27.0%	7.0%	6.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Employee Contr. % Incr. (eff. Jan 1)	-2.0%	0.0%	6.4%	27.0%	7.0%	6.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Dependent Contr. % Incr. (eff. Jan 1)	-2.0%	0.0%	36.7%	27.0%	7.0%	6.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Direct Bill Contr. % Incr. (eff. Jan 1)	-2.0%	0.0%	21.3%	22.9%	7.0%	6.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Plan design changes % impact on expenses	0.5%	0.0%	-1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Reserves												
Beginning reserve earning interest	12,043,877	194,666,301	133,364,448	65,005,624	39,223,505	58,784,525	84,805,936	112,143,178	132,595,217	142,512,671	140,489,545	124,997,038
Beginning reserve not earning interest	198,004,608	0	0	0	0	0	0	0	0	0	0	0
Beginning Total Reserve Balance	210,048,485	194,666,301	133,364,448	65,005,624	39,223,505	58,784,525	84,805,936	112,143,178	132,595,217	142,512,671	140,489,545	124,997,038

Projected Cash Flow												
Total Employer Contributions	363,183,109	348,265,911	337,606,757	385,063,817	446,745,573	476,036,932	502,427,529	525,202,848	546,413,601	568,472,785	591,414,336	615,273,549
Total Participant Contributions	118,489,577	108,571,500	131,644,128	155,164,488	165,717,281	175,722,571	184,886,507	193,122,879	201,731,855	210,733,542	220,146,980	228,992,189
Total Contributions	481,682,686	456,837,411	469,150,885	540,228,305	612,462,855	651,759,503	687,316,036	718,325,727	748,145,456	779,206,327	811,561,315	845,265,737

Total Plan Expenses (Claims, ASO fees & contracted expenses)	497,077,244	518,625,930	537,843,121	566,335,451	593,196,011	626,178,976	660,614,839	698,714,761	739,222,466	782,298,298	828,107,494	876,825,984
Interest on Reserves	12,375	486,666	333,411	325,028	294,176	440,884	636,045	841,074	994,464	1,068,845	1,053,672	937,478
Net Cash flow	(15,382,184)	(61,301,853)	(68,358,024)	(25,782,118)	(19,561,020)	(26,021,411)	(27,337,242)	(20,452,040)	(9,917,454)	(12,023,126)	(15,482,607)	(30,522,769)

Projected Reserve Balance	194,666,301	133,364,448	65,005,624	39,223,506	58,784,525	84,805,936	112,143,178	132,595,218	142,512,671	140,489,545	124,997,038	94,374,265
Reserve Ending Balance												
Target Reserve	54,724,865	56,747,277	58,766,776	61,618,588	65,203,874	69,185,754	73,348,924	77,956,940	82,880,636	88,108,098	93,672,646	99,582,919
IBNR Claim Reserve	31,672,037	32,759,747	33,924,562	35,570,836	37,640,524	39,939,161	42,342,452	45,008,374	47,844,865	50,863,122	54,074,515	57,482,437
Claim Fluctuation Reserve	23,152,827	23,988,530	24,842,224	26,047,762	27,563,350	29,246,593	31,006,472	32,958,626	35,035,771	37,245,976	39,597,531	42,100,482