PEBB Health Benefit Plan

Cost and Utilization Trends, Demographics, and Impacts of Alternative Consumer-Directed Health Plan

Second Engrossed Senate Bill 5773, Chapter 8

Laws of 2011, RCW 41.05.065 (6)

November 30, 2018

Washington State Health Care Authority

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Executive Summary

The Health Care Authority (HCA) is required to submit a report to relevant legislative policy and fiscal committees by November 30, 2015, and each year thereafter as directed by RCW 41.05.065(6)(b). This report evaluates the impact of offering a consumer-directed health plan (CDHP). Per RCW, the report includes information regarding:

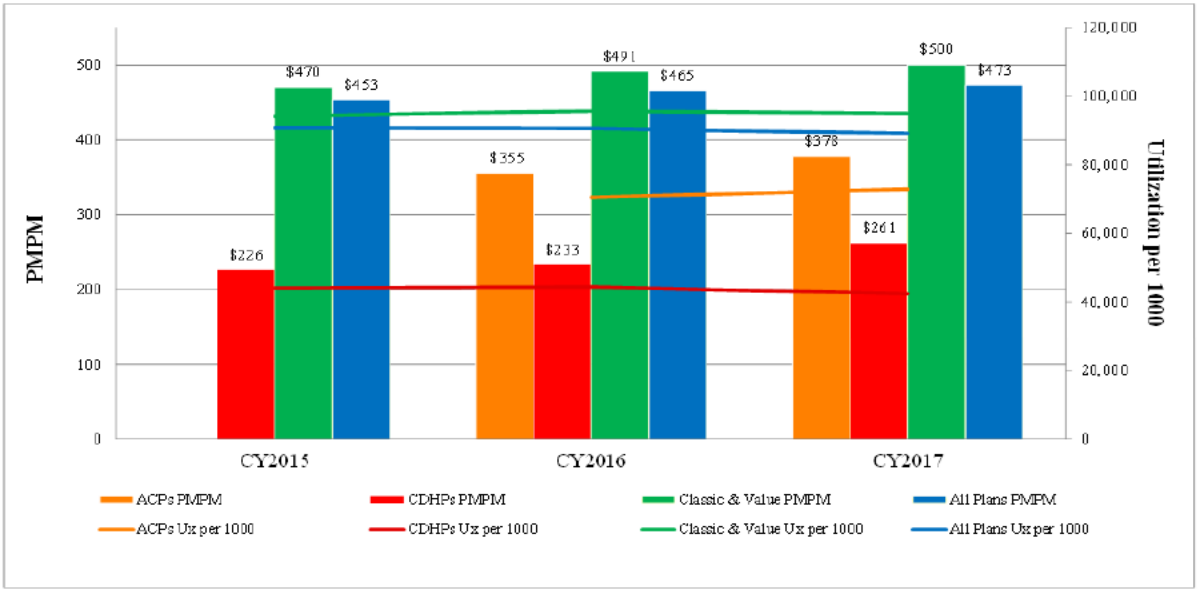
- The health plan cost and service utilization;
- Enrollment and demographics; and
- The impacts of the CDHP enrollment on costs of other plans.

The attachment is a report by the actuarial firm, Milliman, Inc. The attachment includes details otherwise not included in this report.

Health Plan Cost and Service Utilization

Chart 1 represents the allowed per member per month (PMPM) cost and service utilization for calendar year (CY) 2015 through CY 2017. For CY 2015 through CY 2017, the allowed claims PMPM for the CDHPs ranged from $226 in CY 2015 to $261 in CY 2017. This was 48 to 53 percent lower than the Classic and Value plan average. The allowed claims PMPM for composite Classic and Value plans ranged from $470 in CY 2015 to $500 in CY 2017. Service utilization (per 1,000 members) shows a similar relationship. Service utilization in CDHPs for CY 2015 to CY 2017 was 53 to 55 percent lower than Classic and Value plans. The Accountable Care Program (ACP) plans were established in CY 2016 and are included in the chart below. With only two years of data, it is difficult to draw any conclusions for the ACP plans. However, the PMPM and utilization appear stable.

Chart 1: Allowed Per Member Per Month Cost and Service Utilization



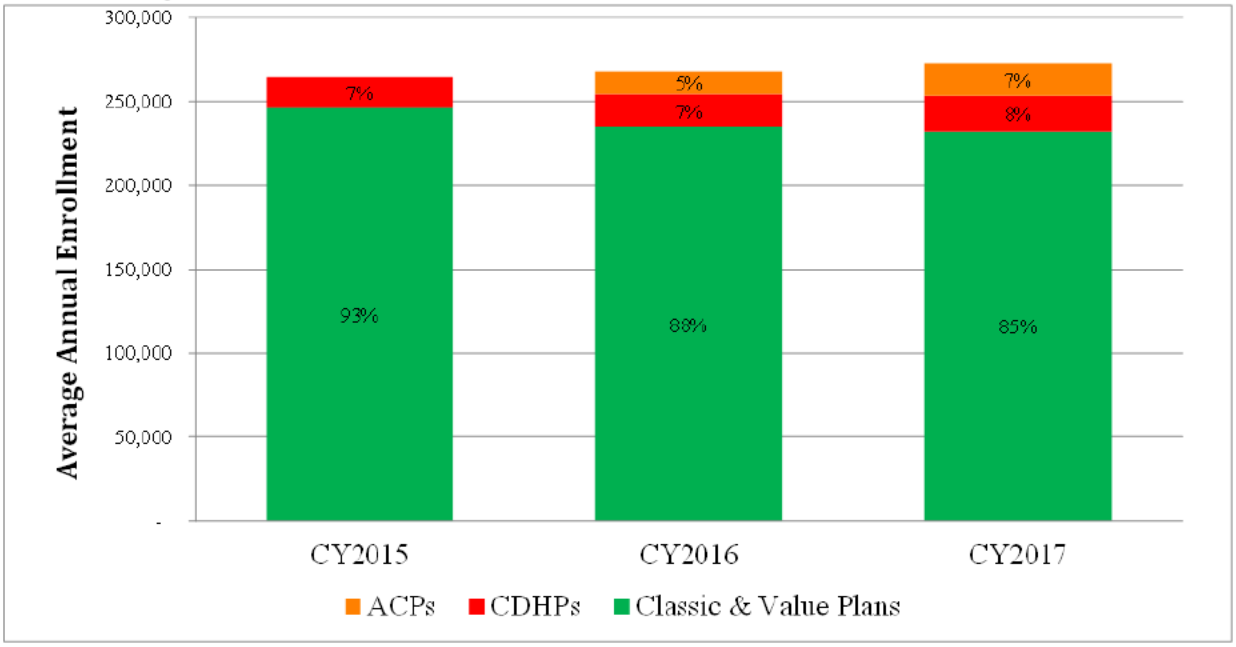
PEBB Health Benefit Plan–Cost and Utilization Trends
November 30, 2018

Enrollment and Demographics

Based on the analysis provided by Milliman, Inc., the demographic information is consistent with the findings of the CDHP legislative report submitted in 2017 (see the previous year's report at https://www.hca.wa.gov/about-hca/legislative-reports).

Chart 2 shows the total enrollment by plan type.

Chart 2: Monthly Member Enrollment Trend



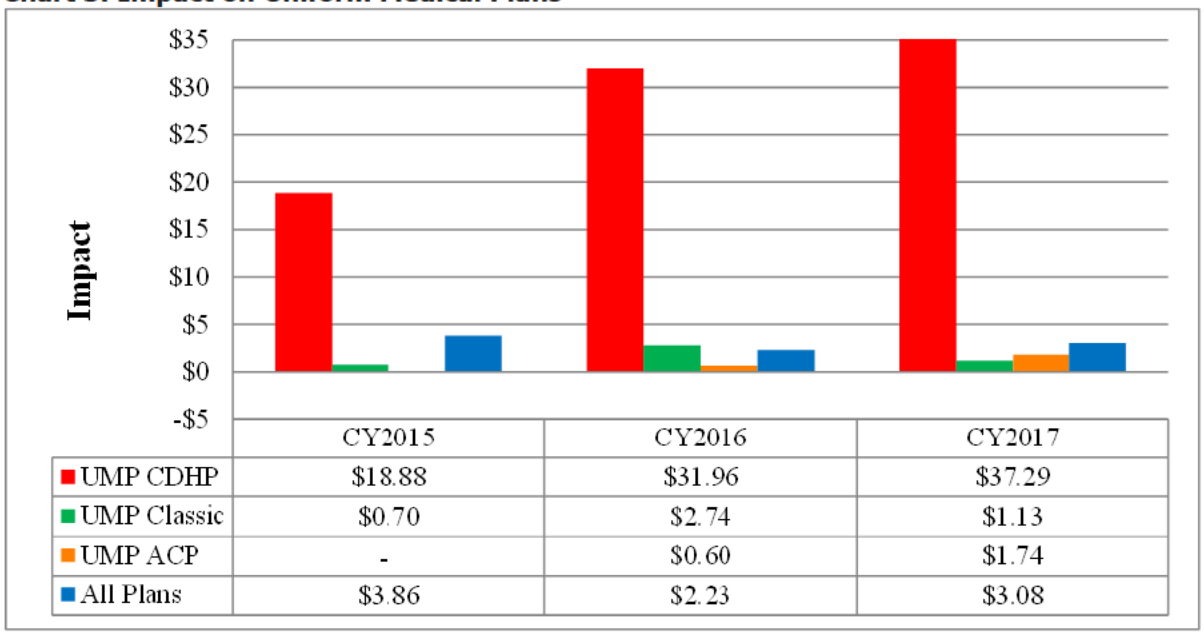
As seen in Exhibit 2 of the attached, the members enrolled in the CDHP and ACP plans are younger than members enrolled in the Classic and Value plans. However, there is no significant differences in the gender makeup of the CHDP and ACP members compared to the Classic and Value members. Although the demographic distribution varies from plan to plan, it does not vary significantly from year to year by plan. With the introduction of the ACP plans, CDHP enrollment has remained constant. It appears that the enrollment in Classic and Value plans have decreased with the establishment of the ACPs.

Impact of CDHP Enrollment on Cost of Other Plans

Milliman, Inc. completed the analysis to determine the impacts of the CDHPs on the cost of other plans in hindsight, whereas rates are set prospectively using projections. This method measures the difference between the actual costs and the costs modeled in hindsight. See Table 1 on page 3 of the attachment for additional details.

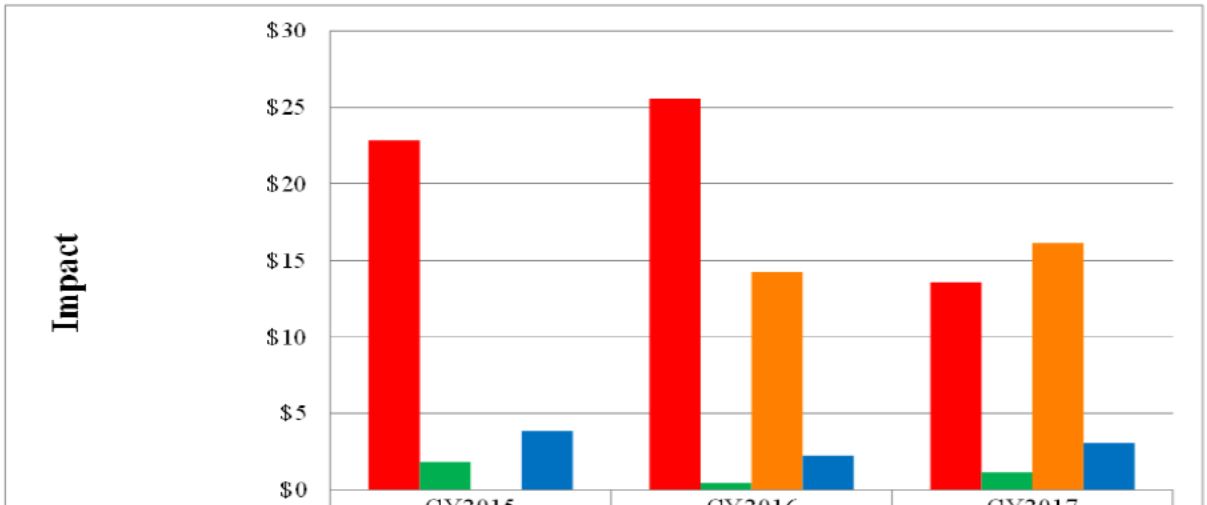
The CY 2017 UMP Classic impact of $1.13 per adult unit per month (PAUPM) is positive. It is also less than the impact calculated for all non-Medicare plans (positive $3.08 PAUPM). This indicates that the employees in UMP Classic are overpaying less than the average PEBB non-Medicare employee who is enrolled in an alternative plan. Chart 3 illustrates the impacts of the UMP CDHP on the UMP offerings. Chart 4 illustrates the impacts of the CDHPs on all plan offerings. For more details, see Exhibit 3a and 3b in the attachment.

Chart 3: Impact on Uniform Medical Plans



	CY2015	CY2016	CY2017
UMP CDHP	$18.88	$31.96	$37.29
UMP Classic	$0.70	$2.74	$1.13
UMP ACP	-	$0.60	$1.74
All Plans	$3.86	$2.23	$3.08

Chart 4: Impact on Consumer-Directed Health Plans, Value and Classic Plans, Accountable Care Networks, and All Plans



	CY2015	CY2016	CY2017
CDHPs	$22.84	$25.60	$13.54
Classic & Value Plans	$1.85	$0.43	$1.17
ACPs	-	$14.28	$16.16
All Plans	$3.86	$2.23	$3.08

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July 13, 2018

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Re: Legislative report regarding implementation of CDHPs and other alternative plans

Megan, Tanya, and Kate,

As requested, we have prepared this report to comply with the three legislative requirements set forth in the Revised Code of Washington (RCW) 41.05.065(6) relating to the establishment of the consumer driven health plan (CDHP) option for employees covered by the Public Employee Benefits Board (PEBB) program. We understand that you may use this information as a supplemental appendix to a formal report submitted by the Washington State Health Care Authority (HCA) to the Washington State Legislature. It is not appropriate for any other purpose and should be referenced in its entirety as supplementary material.

Executive summary

Overall our analysis continues to demonstrate that subscribers in the Uniform Medical Plan (UMP) CDHP pay a higher monthly premium contribution than what is actuarially supported by a hindsight review of the claims and risk profile. This in turn lowers the employee contribution for subscribers in the UMP Classic plan, which is lower than what is actuarially supported by the subscriber's claims and risk profile. This impact is due to the complex mechanics of the bid rate development and employee contribution methodology utilized by PEBB. These items are discussed in more detail in the Analysis section of this report.

In this report, we are including the results from the accountable care program (ACP) and related plans. These plans began in 2016. With only two years of data it is difficult to draw general conclusions at this time for these plans. In 2016 and 2017 the UMP Plus subscribers paid about the same amount as they would have under a hindsight review, relative to the UMP Classic subscribers. This analysis does not consider the accountable care network (ACN) penalties that ultimately lower the premium contributions.

The results from the Kaiser Permanente of Washington (KPWA) plans are less stable from year to year, which is expected given the lower membership in the CDHP and ACP plans. The analysis shows that the Sound Choice subscribers paid significantly more than they would have under this hindsight review. The CDHP, Value, and Classic subscribers do not show a clear pattern of paying more or less than expected. Over the three years included in this analysis they have paid more and paid less, depending on the year and plan.

The under- and over-payments in the 2015 review of CDHP and non-CDHP plans were stabilizing and decreasing as the claims and membership mature for the CDHPs, but the introduction of the ACP plans in 2016 appears to have brought back more variation in the results. As the CDHPs and ACP plans continue to mature and grow, we expect the projections underlying the employee contributions will continue to

increase in accuracy and stability, and thus the under- and over-payment caused by the introduction of the CDHPs and the ACP plans should further decrease.

Scope of analysis

This analysis aims to address the data summaries and analyses specifically requested by the relevant RCW, and to analyze the impact of introducing the KPWA and UMP CDHP and ACP benefit plans into the PEBB portfolio starting in 2012 for CDHP and 2016 for ACP. In areas where the RCW was not sufficiently clear to prescribe a certain approach or data summary, care has been taken to develop a methodology and provide results that are actuarially sound and consistent with our understanding of the RCW. Although there are other policy implications associated with these summaries, discussion of these implications is outside of the scope of this report.

Analysis

We have organized the following sections of our analysis to correspond with the three RCW requirements: utilization and cost trends, demographics, and impact of CDHP on other plans.

Utilization and cost trends:

The analysis of utilization and cost trends is found in Exhibit 1. Allowed and paid claims per member per month (PMPM), member months, and utilization per 1,000 are displayed for each year and plan, and are based on the entirety of the PEBB, non-Medicare risk pool enrollment. The utilization and allowed trends are calculated directly from the data and unadjusted for any changes in the population from year to year. The portion of the overall allowed PMPM trend not explained by the utilization trend is presented as the unit cost and mix trend. This includes the impact of changes in unit cost due to contract negotiation with providers as well as changes in the underlying mix of high and low cost services provided from year to year across the various categories of service in the analysis.

Demographics:

Exhibit 2 includes the demographic summaries in total and by demographic groups. These groups include gender, age band, and member type (employee vs dependent). All counts are displayed as average members, which is total member months divided by 12.

Additionally, we have included an aggregate demographic rating factor for each plan and year based on the Milliman *Health Cost Guidelines*. This factor represents the relative claims cost expected from a large employer group based on their age and gender distribution, all other factors being equal. We provided this factor to allow for a quick comparison between plans and years of the age and gender demographics. This factor has not been normalized to a 1.0 for the PEBB population, so factors should not be compared to a 1.0 demographic factor, but rather to the factor of other plans or subtotals.

Synthesis of results for utilization and cost trends and demographics:

Several important conclusions can be drawn from the data presented in Exhibits 1 and 2, and are listed below for your consideration.

- The presence of the CDHPs and ACP plans is driving a lower claims trend – Although the trend for the CDHPs has been relatively volatile over the past several years and there is only one year of trends for the ACP plans, the migration of members into these low-cost plan options has driven lower trends across the entire PEBB non-Medicare pool. This is seen on Exhibit 1, where the trend shown for all plans is low. In fact, the all plans calculated average trend is lower than either the total average CDHP trend, the total average ACP trend, or the total average Classic and

Value trend. This is likely due to program savings as members move into these lower average cost plan alternatives.

- Pharmacy claims have experienced volatile trends recently – Nearly all plans had a double digit pharmacy claim trend from 2014 to 2015, which is much higher than the average medical claim trend from the same time period. Pharmacy trends by plan were lower from 2015 to 2016, and more in line with long term average trend rates. Pharmacy trends by plan from 2016 to 2017 ranged from -4.4% to 19.6%.

- The CDHP and ACP members are generally younger than Classic and Value members – The demographic summaries by age band in Exhibit 2 show that CDHP and ACP members are significantly younger on average than Classic and Value members. There do not appear to be significant differences in the gender or member type makeup of the CDHP or ACP members compared to the Classic and Value members.

- Membership in CDHPs continues to grow – The member month totals by plan in Exhibit 1 show that the CDHP membership continues to grow through 2017, while the Classic and Value enrollment remains roughly constant or even declines slightly.

- The demographic profile by plan is relatively stable – The demographic distributions in Exhibit 2 vary significantly from plan to plan, but they do not vary significantly from year to year within each plan.

Impact of CDHP and ACP on other plans:

The impact that enrollment on the CDHPs and ACP plans has had for those members that have elected to remain enrolled within the other plan options, as measured by the differences between the actual and modeled bid rates, is displayed in Table 1 below as well as in column (L) of the attached Exhibit 3b. A negative impact implies that members in the plan are underpaying compared to the hindsight review that we have modeled within the analysis for this report. A positive impact implies that members are overpaying compared to the hindsight review that we have modeled in the analysis for this report. This impact could be based on material differences in plan richness, administrative costs, unit costs, or morbidity of the plan specific populations that are not accounted for within the procurement risk score model, or the other factors (such as actual to expected pricing variation) used in the calculation of modeled bid rates with the hindsight of plan experience.

Table 1
Impact of CDHP on Other Plans

Plan	2015	2016	2017
UMP CDHP	$18.88	$31.96	$37.29
UMP Plus		0.60	1.74
UMP Classic	0.70	2.74	1.13
KPWA CDHP	35.66	0.24	(72.70)
KPWA Sound Choice		100.21	121.21
KPWA Value	5.62	(3.67)	(10.79)
KPWA Classic	2.98	(6.13)	18.39
CDHP Totals	22.84	25.60	13.54
Accountable Care Totals		14.28	16.16
Classic and Value Totals	1.85	0.43	1.17
All Plans	**$3.86**	**$2.23**	**$3.08**

The way we model impacts to the bid rates for this analysis does not target a net zero impact, where each dollar of overpayment in one plan corresponds to a dollar of underpayment in another plan. This can be seen in the non-zero total in the All Plans row of Table 1. Instead, we are measuring how the actual payments determined in the historical process of procurement compare to a theoretical bid rate each plan would require under the benefit of hindsight using the actual claims and risk score information available to us now.

In comparing the impact of each plan, it can be instructive to compare the plan specific impact to the All Plan impact for each year to assess whether a plan over- or under-paid compared to the average over- or under-payment of the entire program. For example, although the 2015 UMP Classic impact is positive ($0.70), it is smaller than the impact calculated for all plans ($3.86), indicating that although employees in this plan are overpaying, they are overpaying less than the average PEBB non-Medicare employee.

It is challenging to identify the impact of the KPWA CDHP and KPWA Sound Choice plans on the KPWA Classic and Value plans because there is significant selection bias between the Classic and Value plans. During procurement KPWA is allowed to actively manage the relative margin within the bid rates of each plan in order to target certain contribution levels while maintaining budget neutrality for the risk adjustment process. The selection bias between these plans makes it difficult to isolate the impact that any one plan has on any of the other plans. In addition, the KPWA CDHP experience was significantly under projected and has been increasingly more expensive relative to the concurrent risk score in recent years. We recommend focusing on the UMP results, which give a clearer picture of the CDHP, ACP, and Classic program impacts.

The results reported in this analysis for 2015 and 2016 have changed slightly from the report released in 2017 due to two reasons.

1) The underlying experience data is slightly different as we have continued to receive claims paid in recent months but incurred in 2015 and 2016. Additionally, some retroactive changes have been made to the claims and eligibility information.

2) The concurrent risk score model relied upon for this analysis has been updated since the prior analysis to reflect the most recent version of the Verscend DxCG risk score model.

Background on bid rate and employee contribution development process

The impact that employees or members in one plan have on the claims cost, risk scores, bid rates and employee contributions of members in another plan is based on a set of complex interactions within the PEBB program. Payment rates for the non-Medicare risk pool are based on the projected costs of each benefit plan. Bid rates are the payment rates standardized for the risk score in each plan; these bid rates are used to establish the monthly employee premium contribution for state active employees.

The interaction between the employee contribution rates of different plans is driven by the collective bargaining agreement for state employees and the “index rate” methodology. The current collective bargaining agreement for state active employees dictates that employees will contribute no more than 15% of the aggregate bid rate volume across all plans. The current methodology for employee premium contributions establishes the state index rate as the fixed contribution per adult unit per month that the state provides across all plans; state active employees pay the difference between the index rate and the bid rate. This methodology causes some plans to have an effective contribution rate above 15% of the bid rate and other plans to have a contribution rate below 15% of the bid rate.

When the CDHPs were introduced to the PEBB program, the HCA adopted greater flexibility within the procurement process in terms of allowing the employee contribution rates to vary across plans. Prior to the introduction of CDHPs, the bid rates between the plan options were within a more narrow range of

values. The CDHPs have been offered with rates that are significantly lower than the Classic and Value plans, which caused aggregate bid rate volume to decrease. A lower bid rate volume lowers the index rate and raises the employee contribution on the existing plan. Although a bid rate represents a standardized population, there are many reasons why a lower bid rate is appropriate for plans like CDHPs. The most common reasons are:

- Leaner plan design,
- Lower administrative costs,
- Deviation of actual claims costs from expected results in pricing, and
- Imperfections of the risk model for a lower morbidity population.

These factors, among others, were considered as part of the process of establishing the CDHP bid rates in 2012.

Because the CDHPs were new in 2012, there was an element of pricing uncertainty between the claims costs that were assumed in development of premiums and the costs that actually occurred. Each year, new information was introduced to the pricing process that allowed pricing to be more accurate. In 2012, plan-specific information was not available for claims costs or risk scores. In 2013, plan specific risk scores became available. In 2014, the CDHPs were able to be priced using plan specific risk scores and experience, however, that experience reflected an immature plan population. The timeline for the ACP plans is identical. In 2016, plan specific information was not available for claims costs or risk scores. In 2017 the ACP plans were able to be priced using plan specific risk scores. As we move to future years of this report, for 2018 the ACP plans are priced using plan specific risk scores and experience.

We expect claims costs to change as any health plan matures. Of all of the years included in this analysis, 2017 should give the best picture of what the impact on the existing plans will look like going forward; however, the magnitude or direction of the impact may change as the plans continue to mature and as the plan offerings change like they did in 2016 with the new ACP plans.

The procurement process has long used prospective risk scores to standardize the morbidity differences between plans in the calculation of employee contributions. Any morbidity based variation that is not captured in the risk scores would impact the bid rate pricing for each of the plans.

Methodology for determining impact of CDHPs and ACPs on subscribers in other plans

We have measured the impact of the CDHP and ACP alternatives on all existing plans by creating a “modeled employee contribution” and comparing it to the actual employee contribution from the procurement process. The modeled employee contribution concept simulates a scenario in which members in existing plans would not be impacted by the introduction of CDHPs or ACPs.

Exhibits 3a and 3b show the development of the modeled employee contribution. In Exhibit 3a a composite carrier-wide allowed cost amount in column (A) is developed from all members covered by the carrier, regardless of their plan selection. This allowed amount represents a baseline amount of claims cost for the carrier’s population. Modeled allowed amounts for each plan are calculated by adjusting the carrier-wide allowed amounts in (A) by the plan specific concurrent risk score in (B). The concurrent risk score is independent of the process used in the development of the bid rates and represents our current expectation of claims distribution between the plans. In this instance the risk score is used to apportion the relative morbidity of the carrier wide experience to each plan. A modeled paid amount is then calculated in (D) by applying the historical paid to allowed factor in (C) to the modeled allowed amount.

The next step is to convert the modeled paid amounts in (D) to the required revenue for comparison to the payment rates developed during procurement. To accomplish this, modeled paid claim amounts are loaded with non-benefit expenses using the target medical loss ratio (MLR) per plan in (E) from the 2016

and 2017 procurement process to produce our modeled payment rate in column (F). In order for our modeled payment rate to be comparable with the original index rate the modeled payment rates are converted to an adult unit basis from a member basis, and scaled to the original payment rate at the carrier level. The resulting scaled modeled payment rate per adult unit per month (PAUPM) is shown in (G), and is comparable to the actual payment rate in (H). Payment rates shown in Exhibit 3a do not include payments for HSA contributions. As the HSA contribution is not risk adjusted, it is only included in the bid rate development within Exhibit 3b for the final impact on employee contributions.

Exhibit 3b builds on the Exhibit 3a payment rate by standardizing the required revenue into a bid rate and computing the modeled employee contributions for each plan. The modeled bid rate in (C) is developed by standardizing the modeled payment rate from Exhibit 3a, displayed again in column (A) of Exhibit 3b, using the prospective risk score in (B) from the procurement process. Employer HSA contributions (including the additional contribution for Wellness members in 2015 and on) in (D) are added to the CDHPs to develop the modeled bid rate for all plans in (E). This modeled bid rate is comparable to the actual bid rate from procurement displayed in (F). Modeled and actual employee contributions in (H) and (I) are then calculated from the modeled and actual bid rate using the actual index rate in (G) from each procurement cycle.

As we noted previously, the concurrent risk scores used to create the modeled amounts for this report are completely independent from the prospective risk scores used in the bid development process. The concurrent risk score for a given year predicts claim cost for that year using diagnosis data from that year. The prospective risk score used in the bid development process predicts claim costs for the bid year using 12 months of diagnosis data from 15 months prior to the bid year. For example, the 2017 bid year prospective risk score is based on diagnosis information from October 2014 through September 2015, while the 2017 concurrent risk score is based on diagnosis information from CY2016. Further complicating the discussion is that the prospective risk score model is calibrated to estimate the cost for the 12 months immediately following the diagnosis information. The way they are currently being used in the bid development process introduces a fifteen month gap between the diagnosis period and the projected period. Because there can be meaningful differences between the prospective risk scores used during development of the actual bid rate and the concurrent risk scores used to create the modeled bid rate for this report, we attempted to separately quantify the difference between the actual and modeled amounts due solely to this risk score change. This impact is shown in column (J). The remaining impact from all other sources is found in column (K). The total impact is the sum of these two items, shown in column (L).

This methodology does not replicate every detail of the procurement process. Instead it represents an approximation of the procurement process.

Data and assumptions

In the course of this analysis, we relied upon data from several sources. We reviewed this data for reasonableness, but did not conduct a full audit of this data. We found no significant issues in the data. A full description of the data sources and assumptions is provided below.

Exclusions of Kaiser Permanente of the Northwest:

Due to the low enrollment in the Kaiser Permanente of the Northwest (KPNW) CDHP, the results for this plan were not deemed credible and are not displayed in this report.

Enrollment and demographic information:

Monthly enrollment and demographic information was obtained from the PEBB Master Enrollment Database (PMED). This data is provided by HCA to Milliman through monthly enrollment snapshots. Milliman compiles this information into a single database.

Claims information:

Quarterly medical claim information is provided to Milliman by each of the major carriers (KPWA, KPNW, and Regence for UMP plans). MODA provides monthly pharmacy files. This data is compiled, grouped, and summarized by Milliman. We rely upon this information without audit and review only for reasonableness relative to other experience reports. The claims data used for this analysis include claims paid through March 2018, with an adjustment for IBNP made to account for runout.

Concurrent risk scores:

The risk relativities are based on the enrollment provided by HCA and diagnoses from paid claim data for each calendar year. This data is processed through the Verscend DxCG risk adjustment model to produce the concurrent age/gender and diagnosis based risk scores. The raw risk scores are scaled such that the aggregate modeled payment rate dollars by carrier are equal to the original aggregate payment rate dollars.

Bid rates and prospective risk scores:

The risk relativities are based on the enrollment provided by HCA and diagnoses from paid claim data. This data is processed through the Verscend DxCG risk adjustment model to produce prospective age/gender and diagnosis-based risk scores. Members with eligibility in the diagnosis period were assigned diagnosis-based risk scores while members without eligibility in the diagnosis period received an age/gender score. The health-status based risk relativities are weighted by member months with the age/gender risk relativities to complete the DxCG model output and capture the total risk by plan or carrier for the calculation of risk adjustment relativity factors. The bid rates are used for the expense index in order to ensure that the factors are revenue neutral across all of the plans in the portfolio.

Caveats and limitations

The information contained in this letter has been prepared for the Washington State HCA and its consultants and advisors. It is our understanding that the information contained in this report may be utilized in a public document and may be provided to legislative policy and fiscal committees. To the extent that the information contained in this report is provided to third parties, it should be distributed in its entirety. Any user of this information should possess a certain level of expertise in health care modeling and projections so as not to misinterpret the data presented.

Milliman makes no representations or warranties regarding the contents of this report to third parties. Likewise, third parties are instructed that they are to place no reliance upon this report prepared for the Washington State HCA by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this report must rely upon their own experts in drawing conclusions about the Washington State HCA's management of the PEBB program.

In performing this analysis, Milliman has relied upon data ultimately provided by the HCA, as well as HCA's third party administrators. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment. To the extent that there are errors contained within this data, the results of our analysis could produce erroneous results.

The analysis provided with this report represents the most current information available, and is based on the specific methodology we describe herein. Future analyses may vary from these results for many reasons, including but not limited to enrollment shifts, random claims fluctuations, and alternate methodologies. It is important to monitor enrollment and claims and make revisions to the assumptions as needed.

This analysis is subject to the terms and conditions of the contract between Milliman and Washington State HCA.

We are members of the American Academy of Actuaries and meet the qualification standards to perform financial projections of this type.

Closing

We recognize that this report deals with highly technical material. Please feel free to give us a call if you have any questions regarding the material presented in this report.

Sincerely,

Ben Diederich, FSA, MAAA
Consulting Actuary

David Koenig, FSA, MAAA
Actuary

PEBB - Exhibit 1
CDHP LEG Report
PEBB Health Plan Cost and Service Utilization Trends for 2014 Through 2017
Non-Medicare Risk Pool

Allowed Claims PMPM

	2014			2015			2016			2017		
Plan	Medical	Pharmacy	Total	Medical	Pharmacy	Total	Medical	Pharmacy	Total	Medical	Pharmacy	Total
Uniform Medical Plan CDHP	$187.90	$23.36	$211.27	$206.26	$27.62	$233.88	$205.78	$29.84	$235.62	$220.66	$33.65	$254.31
Uniform Medical Plan Classic	$395.78	$79.75	$475.53	$407.60	$90.17	$497.76	$425.06	$99.00	$524.06	$433.11	$102.14	$535.26
Uniform Medical Plan Plus							$323.23	$57.72	$380.95	$334.52	$69.05	$403.56
Kaiser Permanente of Washington CDHP	$136.66	$13.02	$149.68	$181.99	$14.26	$196.26	$209.65	$13.98	$223.63	$271.78	$16.41	$288.19
Kaiser Permanente of Washington Sound Choice							$171.14	$23.08	$194.22	$174.97	$22.07	$197.04
Kaiser Permanente of Washington Value	$294.42	$41.17	$335.59	$296.72	$47.30	$344.02	$302.55	$51.57	$354.12	$303.24	$51.80	$355.04
Kaiser Permanente of Washington Classic	$430.27	$73.15	$503.43	$447.68	$80.47	$528.15	$445.31	$85.19	$530.50	$446.15	$91.38	$537.53
All CDHP	$177.69	$21.30	$198.99	$201.05	$24.75	$225.80	$206.61	$26.42	$233.04	$231.51	$29.99	$261.50
All Accountable Care							$302.19	$52.93	$355.12	$314.81	$63.24	$378.05
All Classic and Value	$377.99	$70.50	$448.49	$389.75	$80.05	$469.80	$403.46	$87.83	$491.29	$409.33	$90.99	$500.32
All Plans	$365.80	$67.50	$433.30	$376.86	$76.27	$453.13	$383.90	$81.56	$465.46	$388.52	$84.18	$472.70

Paid Claims PMPM

	2014			2015			2016			2017		
Plan	Medical	Pharmacy	Total	Medical	Pharmacy	Total	Medical	Pharmacy	Total	Medical	Pharmacy	Total
Uniform Medical Plan CDHP	$133.30	$14.72	$148.02	$148.75	$18.48	$167.24	$147.09	$20.75	$167.84	$161.27	$24.61	$185.88
Uniform Medical Plan Classic	$343.02	$68.94	$411.96	$356.93	$79.85	$436.78	$373.51	$88.66	$462.17	$381.19	$92.60	$473.79
Uniform Medical Plan Plus							$278.29	$52.41	$330.70	$288.57	$63.25	$351.82
Kaiser Permanente of Washington CDHP	$86.14	$7.15	$93.29	$129.10	$8.47	$137.57	$158.65	$8.56	$167.21	$222.83	$10.87	$233.70
Kaiser Permanente of Washington Sound Choice							$141.64	$18.36	$160.01	$145.19	$17.15	$162.35
Kaiser Permanente of Washington Value	$246.40	$32.92	$279.31	$256.25	$39.20	$295.45	$266.53	$43.97	$310.50	$269.91	$42.72	$312.63
Kaiser Permanente of Washington Classic	$377.06	$59.45	$436.51	$396.92	$67.36	$464.28	$411.53	$73.20	$484.74	$411.70	$79.01	$490.71
All CDHP	$123.90	$13.21	$137.12	$144.53	$16.33	$160.87	$149.58	$18.12	$167.70	$174.33	$21.69	$196.02
All Accountable Care							$259.39	$47.71	$307.10	$270.85	$57.56	$328.41
All Classic and Value	$326.21	$59.87	$386.08	$341.19	$69.83	$411.02	$357.29	$77.81	$435.11	$363.18	$81.19	$444.37
All Plans	$313.90	$57.03	$370.93	$327.75	$66.18	$393.93	$337.09	$71.91	$409.00	$341.65	$74.80	$416.45

Member Months

Plan	2014	2015	2016	2017
Uniform Medical Plan CDHP	154,330	170,358	185,600	204,358
Uniform Medical Plan Classic	1,949,577	1,967,117	1,894,098	1,899,019
Uniform Medical Plan Plus			139,027	204,588
Kaiser Permanente of Washington CDHP	38,412	46,570	50,956	55,043
Kaiser Permanente of Washington Sound Choice			22,314	28,838
Kaiser Permanente of Washington Value	649,455	612,661	556,988	543,771
Kaiser Permanente of Washington Classic	374,785	378,036	365,675	340,402
All CDHP	192,742	216,928	236,556	259,401
All Accountable Care			161,341	233,426
All Classic and Value	2,973,817	2,957,814	2,816,761	2,783,192
All Plans	3,166,559	3,174,742	3,214,658	3,276,019

Utilization Per 1,000

	2014			2015			2016			2017		
Plan	Medical	Pharmacy	Total	Medical	Pharmacy	Total	Medical	Pharmacy	Total	Medical	Pharmacy	Total
Uniform Medical Plan CDHP	36,481	5,294	41,775	41,608	5,405	47,014	41,112	5,508	46,620	39,878	5,301	45,179
Uniform Medical Plan Classic	83,421	12,834	96,255	90,612	12,812	103,424	91,219	13,209	104,428	91,499	12,555	104,054
Uniform Medical Plan Plus							68,087	8,092	76,179	69,129	8,945	78,074
Kaiser Permanente of Washington CDHP	22,185	3,974	26,159	29,162	3,861	33,023	32,201	3,918	36,119	28,099	4,058	32,157
Kaiser Permanente of Washington Sound Choice							29,706	5,550	35,256	30,374	5,314	35,687
Kaiser Permanente of Washington Value	49,925	8,704	58,629	53,494	8,511	62,005	56,311	8,894	65,205	53,867	8,629	62,497
Kaiser Permanente of Washington Classic	71,412	14,525	85,937	84,403	13,703	98,106	82,785	13,636	96,422	81,721	13,825	95,546
All CDHP	33,631	5,031	38,663	38,936	5,074	44,010	39,192	5,166	44,358	37,379	5,037	42,416
All Accountable Care							62,779	7,741	70,519	64,341	8,496	72,837
All Classic and Value	74,592	12,145	86,737	82,130	12,035	94,165	83,221	12,411	95,633	82,951	11,943	94,894
All Plans	72,099	11,712	83,811	79,179	11,559	90,738	78,956	11,644	90,599	78,016	11,151	89,167

PEBB - Exhibit 1
CDHP LEG Report
PEBB Health Plan Cost and Service Utilization Trends for 2014 Through 2017
Non-Medicare Risk Pool

Utilization Trend

	2014 to 2015			2015 to 2016			2016 to 2017		
Plan	Medical	Pharmacy	Total	Medical	Pharmacy	Total	Medical	Pharmacy	Total
Uniform Medical Plan CDHP	14.1%	2.1%	12.5%	-1.2%	1.9%	-0.8%	-3.0%	-3.8%	-3.1%
Uniform Medical Plan Classic	8.6%	-0.2%	7.4%	0.7%	3.1%	1.0%	0.3%	-5.0%	-0.4%
Uniform Medical Plan Plus							1.5%	10.5%	2.5%
Kaiser Permanente of Washington CDHP	31.5%	-2.9%	26.2%	10.4%	1.5%	9.4%	-12.7%	3.6%	-11.0%
Kaiser Permanente of Washington Sound Choice							2.2%	-4.3%	1.2%
Kaiser Permanente of Washington Value	7.1%	-2.2%	5.8%	5.3%	4.5%	5.2%	-4.3%	-3.0%	-4.2%
Kaiser Permanente of Washington Classic	18.2%	-5.7%	14.2%	-1.9%	-0.5%	-1.7%	-1.3%	1.4%	-0.9%
All CDHP	15.8%	0.8%	13.8%	0.7%	1.8%	0.8%	-4.6%	-2.5%	-4.4%
All Accountable Care							2.5%	9.8%	3.3%
All Classic and Value	10.1%	-0.9%	8.6%	1.3%	3.1%	1.6%	-0.3%	-3.8%	-0.8%
All Plans	9.8%	-1.3%	8.3%	-0.3%	0.7%	-0.2%	-1.2%	-4.2%	-1.6%

Unit Cost and Mix Trend

	2014 to 2015			2015 to 2016			2016 to 2017		
Plan	Medical	Pharmacy	Total	Medical	Pharmacy	Total	Medical	Pharmacy	Total
Uniform Medical Plan CDHP	-3.8%	15.8%	-1.6%	1.0%	6.0%	1.6%	10.5%	17.2%	11.4%
Uniform Medical Plan Classic	-5.2%	13.2%	-2.6%	3.6%	6.5%	4.3%	1.6%	8.5%	2.5%
Uniform Medical Plan Plus							1.9%	8.2%	3.4%
Kaiser Permanente of Washington CDHP	1.3%	12.8%	3.9%	4.3%	-3.4%	4.2%	48.6%	13.3%	44.7%
Kaiser Permanente of Washington Sound Choice							0.0%	-0.1%	0.2%
Kaiser Permanente of Washington Value	-5.9%	17.5%	-3.1%	-3.1%	4.3%	-2.1%	4.8%	3.5%	4.6%
Kaiser Permanente of Washington Classic	-12.0%	16.6%	-8.1%	1.4%	6.4%	2.2%	1.5%	5.8%	2.3%
All CDHP	-2.3%	15.2%	-0.3%	2.1%	4.9%	2.4%	17.5%	16.4%	17.3%
All Accountable Care							1.6%	8.9%	3.1%
All Classic and Value	-6.4%	14.6%	-3.5%	2.2%	6.4%	3.0%	1.8%	7.7%	2.6%
All Plans	-6.2%	14.5%	-3.4%	2.2%	6.2%	2.9%	2.4%	7.8%	3.2%

Total Allowed PMPM Trend

	2014 to 2015			2015 to 2016			2016 to 2017		
Plan	Medical	Pharmacy	Total	Medical	Pharmacy	Total	Medical	Pharmacy	Total
Uniform Medical Plan CDHP	9.8%	18.2%	10.7%	-0.2%	8.1%	0.7%	7.2%	12.8%	7.9%
Uniform Medical Plan Classic	3.0%	13.1%	4.7%	4.3%	9.8%	5.3%	1.9%	3.2%	2.1%
Uniform Medical Plan Plus							3.5%	19.6%	5.9%
Kaiser Permanente of Washington CDHP	33.2%	9.6%	31.1%	15.2%	-1.9%	13.9%	29.6%	17.4%	28.9%
Kaiser Permanente of Washington Sound Choice							2.2%	-4.4%	1.5%
Kaiser Permanente of Washington Value	0.8%	14.9%	2.5%	2.0%	9.0%	2.9%	0.2%	0.5%	0.3%
Kaiser Permanente of Washington Classic	4.0%	10.0%	4.9%	-0.5%	5.9%	0.4%	0.2%	7.3%	1.3%
All CDHP	13.1%	16.2%	13.5%	2.8%	6.8%	3.2%	12.0%	13.5%	12.2%
All Accountable Care							4.2%	19.5%	6.5%
All Classic and Value	3.1%	13.5%	4.8%	3.5%	9.7%	4.6%	1.5%	3.6%	1.8%
All Plans	3.0%	13.0%	4.6%	1.9%	6.9%	2.7%	1.2%	3.2%	1.6%

PEBB - Exhibit 2
CDHP LEG Report
Demographic Summary

	Average Members*															
	Uniform Medical Plan CDHP				Uniform Medical Plan Classic				Uniform Medical Plan Plus				Kaiser Permanente of WA CDHP			
Demographic Group	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Gender																
Male	6,188	6,807	7,397	8,131	74,844	75,579	72,868	72,940	-	-	5,196	7,606	1,563	1,907	2,096	2,247
Female	6,673	7,390	8,069	8,899	87,620	88,347	84,973	85,312	-	-	6,389	9,443	1,638	1,974	2,151	2,340
Total	12,861	14,197	15,467	17,030	162,465	163,926	157,842	158,252	-	-	11,586	17,049	3,201	3,881	4,246	4,587
Age Band																
Under 25	4,683	5,111	5,514	5,969	51,211	51,905	49,972	50,256	-	-	3,762	5,570	1,161	1,341	1,449	1,533
25 to 29	981	1,093	1,243	1,427	7,436	7,787	7,766	7,886	-	-	852	1,486	323	455	481	531
30 to 34	1,086	1,271	1,418	1,576	9,671	9,795	9,260	9,207	-	-	1,144	1,780	327	440	507	556
35 to 39	1,096	1,229	1,422	1,546	10,784	11,231	10,969	11,109	-	-	1,107	1,703	289	330	372	409
40 to 44	1,107	1,217	1,294	1,411	12,026	11,983	11,293	11,449	-	-	967	1,452	286	343	339	376
45 to 49	1,057	1,183	1,312	1,487	13,203	13,438	13,150	13,228	-	-	973	1,344	236	273	311	365
50 to 54	1,047	1,123	1,155	1,265	15,027	14,762	13,862	13,688	-	-	803	1,167	218	272	316	310
55 to 59	970	1,035	1,109	1,227	17,072	16,767	15,966	15,748	-	-	867	1,125	192	223	238	260
60 to 64	744	824	856	945	18,603	18,456	17,779	17,555	-	-	777	1,001	149	176	196	206
Over 65	91	112	143	176	7,432	7,804	7,825	8,127	-	-	334	420	21	29	37	43
Total	12,861	14,197	15,467	17,030	162,465	163,926	157,842	158,252	-	-	11,586	17,049	3,201	3,881	4,246	4,587
Member Type																
Employee	5,774	6,537	7,220	8,101	78,451	79,577	76,991	77,147	-	-	5,765	8,630	1,528	1,942	2,166	2,391
Dependent	7,087	7,660	8,247	8,929	84,014	84,349	80,851	81,105	-	-	5,820	8,420	1,673	1,939	2,080	2,196
Total	12,861	14,197	15,467	17,030	162,465	163,926	157,842	158,252	-	-	11,586	17,049	3,201	3,881	4,246	4,587
Avg Demographic Factor**	0.936	0.936	0.933	0.938	1.142	1.138	1.139	1.138	-	-	1.007	0.977	0.888	0.887	0.894	0.897

*Calculated as member months divided by 12

**The average demographic factor is based on the Milliman *Health Cost Guidelines* age/sex factors assigned by age band and gender to the plan's population. It is a measure of relative cost based on the age and gender distribution of members, all else being equal.

	Distribution Within Each Plan															
	Uniform Medical Plan CDHP				Uniform Medical Plan Classic				Uniform Medical Plan Plus				Kaiser Permanente of WA CDHP			
Demographic Group	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Gender																
Male	48%	48%	48%	48%	46%	46%	46%	46%	na	na	45%	45%	49%	49%	49%	49%
Female	52%	52%	52%	52%	54%	54%	54%	54%	na	na	55%	55%	51%	51%	51%	51%
Age Band																
Under 25	36%	36%	36%	35%	32%	32%	32%	32%	na	na	32%	33%	36%	35%	34%	33%
25 to 29	8%	8%	8%	8%	5%	5%	5%	5%	na	na	7%	9%	10%	12%	11%	12%
30 to 34	8%	9%	9%	9%	6%	6%	6%	6%	na	na	10%	10%	10%	11%	12%	12%
35 to 39	9%	9%	9%	9%	7%	7%	7%	7%	na	na	10%	10%	9%	9%	9%	9%
40 to 44	9%	9%	8%	8%	7%	7%	7%	7%	na	na	8%	9%	9%	9%	8%	8%
45 to 49	8%	8%	8%	9%	8%	8%	8%	8%	na	na	8%	8%	7%	7%	7%	8%
50 to 54	8%	8%	7%	7%	9%	9%	9%	9%	na	na	7%	7%	7%	7%	7%	7%
55 to 59	8%	7%	7%	7%	11%	10%	10%	10%	na	na	7%	7%	6%	6%	6%	6%
60 to 64	6%	6%	6%	6%	11%	11%	11%	11%	na	na	7%	6%	5%	5%	5%	4%
Over 65	1%	1%	1%	1%	5%	5%	5%	5%	na	na	3%	2%	1%	1%	1%	1%
Member Type																
Employee	45%	46%	47%	48%	48%	49%	49%	49%	na	na	50%	51%	48%	50%	51%	52%
Dependent	55%	54%	53%	52%	52%	51%	51%	51%	na	na	50%	49%	52%	50%	49%	48%

PEBB - Exhibit 2
CDHP LEG Report
Demographic Summary

	Average Members*															
	Kaiser Permanente of WA Sound Choice				Kaiser Permanente of WA Value				Kaiser Permanente of WA Classic				All CDHP			
Demographic Group	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Gender																
Male	-	-	862	1,139	25,618	24,197	21,953	21,420	14,892	15,000	14,463	13,504	7,750	8,714	9,493	10,378
Female	-	-	997	1,265	28,504	26,858	24,463	23,895	16,340	16,503	16,010	14,862	8,311	9,364	10,220	11,239
Total	-	-	1,860	2,403	54,121	51,055	46,416	45,314	31,232	31,503	30,473	28,367	16,062	18,077	19,713	21,617
Age Band																
Under 25	-	-	619	759	18,883	17,621	15,879	15,443	9,384	9,547	9,132	8,331	5,843	6,452	6,963	7,502
25 to 29	-	-	166	270	3,624	3,309	2,908	2,766	1,307	1,427	1,541	1,492	1,304	1,547	1,725	1,958
30 to 34	-	-	209	278	4,608	4,432	3,883	3,739	1,645	1,774	1,817	1,713	1,412	1,711	1,924	2,133
35 to 39	-	-	168	217	4,363	4,231	3,861	3,823	1,809	1,950	1,957	1,842	1,384	1,559	1,794	1,955
40 to 44	-	-	164	199	4,408	4,063	3,630	3,582	2,144	2,109	2,010	1,894	1,393	1,560	1,633	1,787
45 to 49	-	-	162	206	4,125	4,044	3,796	3,780	2,406	2,420	2,394	2,203	1,294	1,456	1,623	1,852
50 to 54	-	-	115	157	4,415	4,119	3,702	3,558	3,121	3,022	2,804	2,546	1,265	1,394	1,472	1,574
55 to 59	-	-	109	135	4,415	4,180	3,927	3,825	3,762	3,647	3,388	3,105	1,162	1,257	1,347	1,487
60 to 64	-	-	106	131	4,033	3,829	3,563	3,507	3,912	3,869	3,742	3,558	892	999	1,052	1,151
Over 65	-	-	43	53	1,248	1,228	1,269	1,292	1,742	1,739	1,688	1,684	112	141	180	218
Total	-	-	1,860	2,403	54,121	51,055	46,416	45,314	31,232	31,503	30,473	28,367	16,062	18,077	19,713	21,617
Member Type																
Employee	-	-	929	1,281	24,943	23,892	21,809	21,274	15,539	15,787	15,480	14,607	7,303	8,478	9,386	10,492
Dependent	-	-	931	1,122	29,178	27,164	24,607	24,041	15,693	15,716	14,993	13,760	8,759	9,599	10,327	11,125
Total	-	-	1,860	2,403	54,121	51,055	46,416	45,314	31,232	31,503	30,473	28,367	16,062	18,077	19,713	21,617
Avg Demographic Factor**	-	-	0.952	0.945	1.001	1.005	1.017	1.021	1.192	1.180	1.176	1.185	0.927	0.926	0.924	0.929

*Calculated as member months divided by 12
**The average demographic factor is based on the Milliman Health Cost Guidelines age/sex factors assigned by age band and gender to the plan's population. It is a measure of relative cost based on the age and gender distribution of members, all else being equal.

	Distribution Within Each Plan															
	Kaiser Permanente of WA Sound Choice				Kaiser Permanente of WA Value				Kaiser Permanente of WA Classic				All CDHP			
Demographic Group	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Gender																
Male	na	na	46%	47%	47%	47%	47%	47%	48%	48%	47%	48%	48%	48%	48%	48%
Female	na	na	54%	53%	53%	53%	53%	53%	52%	52%	53%	52%	52%	52%	52%	52%
Age Band																
Under 25	na	na	33%	32%	35%	35%	34%	34%	30%	30%	30%	29%	36%	36%	35%	35%
25 to 29	na	na	9%	11%	7%	6%	6%	6%	4%	5%	5%	5%	8%	9%	9%	9%
30 to 34	na	na	11%	12%	9%	9%	8%	8%	5%	6%	6%	6%	9%	9%	10%	10%
35 to 39	na	na	9%	9%	8%	8%	8%	8%	6%	6%	6%	6%	9%	9%	9%	9%
40 to 44	na	na	9%	8%	8%	8%	8%	8%	7%	7%	7%	7%	9%	9%	8%	8%
45 to 49	na	na	9%	9%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	9%
50 to 54	na	na	6%	7%	8%	8%	8%	8%	10%	10%	9%	9%	8%	8%	7%	7%
55 to 59	na	na	6%	6%	8%	8%	8%	8%	12%	12%	11%	11%	7%	7%	7%	7%
60 to 64	na	na	6%	5%	7%	8%	8%	8%	13%	12%	12%	13%	6%	6%	5%	5%
Over 65	na	na	2%	2%	2%	2%	3%	3%	6%	6%	6%	6%	1%	1%	1%	1%
Member Type																
Employee	na	na	50%	53%	46%	47%	47%	47%	50%	50%	51%	51%	45%	47%	48%	49%
Dependent	na	na	50%	47%	54%	53%	53%	53%	50%	50%	49%	49%	55%	53%	52%	51%

PEBB - Exhibit 2
CDHP LEG Report
Demographic Summary

	Average Members*											
	All Accountable Care				All Classic and Value				All Plans			
Demographic Group	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Gender												
Male	-	-	6,058	8,744	115,354	114,776	109,284	107,864	123,105	123,490	124,835	126,985
Female	-	-	7,387	10,708	132,464	131,708	125,447	124,069	140,775	141,072	143,053	146,016
Total	-	-	13,445	19,452	247,818	246,485	234,730	231,933	263,880	264,562	267,888	273,002
Age Band												
Under 25	-	-	4,381	6,330	79,479	79,072	74,984	74,030	85,322	85,524	86,328	87,861
25 to 29	-	-	1,017	1,755	12,366	12,523	12,215	12,144	13,670	14,070	14,957	15,857
30 to 34	-	-	1,352	2,057	15,924	16,002	14,959	14,659	17,336	17,713	18,235	18,849
35 to 39	-	-	1,275	1,921	16,957	17,412	16,787	16,773	18,341	18,971	19,857	20,649
40 to 44	-	-	1,132	1,651	18,578	18,154	16,932	16,925	19,971	19,713	19,696	20,363
45 to 49	-	-	1,136	1,550	19,734	19,902	19,340	19,211	21,027	21,358	22,098	22,612
50 to 54	-	-	917	1,324	22,562	21,903	20,368	19,792	23,828	23,297	22,756	22,691
55 to 59	-	-	976	1,260	25,249	24,594	23,281	22,677	26,411	25,851	25,604	25,424
60 to 64	-	-	883	1,132	26,548	26,154	25,084	24,619	27,440	27,154	27,019	26,903
Over 65	-	-	377	473	10,422	10,770	10,782	11,102	10,533	10,911	11,339	11,793
Total	-	-	13,445	19,452	247,818	246,485	234,730	231,933	263,880	264,562	267,888	273,002
Member Type												
Employee	-	-	6,694	9,911	118,933	119,256	114,279	113,027	126,236	127,734	130,359	133,430
Dependent	-	-	6,751	9,542	128,885	127,229	120,451	118,905	137,644	136,828	137,529	139,572
Total	-	-	13,445	19,452	247,818	246,485	234,730	231,933	263,880	264,562	267,888	273,002
Avg Demographic Factor**	-	-	0.999	0.973	1.117	1.116	1.120	1.121	1.106	1.103	1.100	1.095

*Calculated as member months divided by 12
**The average demographic factor is based on the Milliman Health Cost Guidelines age/sex factors assigned by age band and gender to the plan's population. It is a measure of relative cost based on the age and gender distribution of members, all else being equal.

	Distribution Within Each Plan											
	All Accountable Care				All Classic and Value				All Plans			
Demographic Group	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Gender												
Male	na	na	45%	45%	47%	47%	47%	47%	47%	47%	47%	47%
Female	na	na	55%	55%	53%	53%	53%	53%	53%	53%	53%	53%
Age Band												
Under 25	na	na	33%	33%	32%	32%	32%	32%	32%	32%	32%	32%
25 to 29	na	na	8%	9%	5%	5%	5%	5%	5%	5%	6%	6%
30 to 34	na	na	10%	11%	6%	6%	6%	6%	7%	7%	7%	7%
35 to 39	na	na	9%	10%	7%	7%	7%	7%	7%	7%	7%	8%
40 to 44	na	na	8%	8%	7%	7%	7%	7%	8%	7%	7%	7%
45 to 49	na	na	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
50 to 54	na	na	7%	7%	9%	9%	9%	9%	9%	9%	8%	8%
55 to 59	na	na	7%	6%	10%	10%	10%	10%	10%	10%	10%	9%
60 to 64	na	na	7%	6%	11%	11%	11%	11%	10%	10%	10%	10%
Over 65	na	na	3%	2%	4%	4%	5%	5%	4%	4%	4%	4%
Member Type												
Employee	na	na	50%	51%	48%	48%	49%	49%	48%	48%	49%	49%
Dependent	na	na	50%	49%	52%	52%	51%	51%	52%	52%	51%	51%

PEBB - Exhibit 3a
CDHP LEG Report
Impact Summary - Payment Rate

		Year 2015							
Carrier	Plan	(A) Carrier Allowed PMPM	(B) Concurrent Risk Score	(C) Paid / Allowed	(D) Modeled Paid PMPM	(E) Target Medical Loss Ratio	(F) Modeled Payment PMPM	(G) Scaled Modeled Payment PAUPM	(H) Original Payment PAUPM
UMP	Uniform Medical Plan CDHP	$476.73	0.54	0.72	$185.71	91.2%	$203.72	$283.39	$263.01
UMP	Uniform Medical Plan Classic	$476.73	1.04	0.88	$435.18	96.4%	$451.32	$606.61	$608.32
KPNWA	Kaiser Permanente of Washington CDHP	$404.50	0.47	0.70	$131.86	80.4%	$164.09	$217.48	$217.16
KPNWA	Kaiser Permanente of Washington Value	$404.50	0.86	0.86	$297.53	87.7%	$339.29	$453.01	$453.38
KPNWA	Kaiser Permanente of Washington Classic	$404.50	1.30	0.88	$461.61	89.5%	$516.04	$668.05	$667.51
All	CDHP Totals			0.71	$174.15		$195.21	$269.03	$253.02
All	Classic and Value Totals			0.87	$410.05		$436.39	$583.35	$584.49
All	All Plans			0.87	$393.93		$419.91	$562.40	$562.40

		Year 2016							
Carrier	Plan	(A) Carrier Allowed PMPM	(B) Concurrent Risk Score	(C) Paid / Allowed	(D) Modeled Paid PMPM	(E) Target Medical Loss Ratio	(F) Modeled Payment PMPM	(G) Scaled Modeled Payment PAUPM	(H) Original Payment PAUPM
UMP	Uniform Medical Plan CDHP	$490.97	0.57	0.71	$197.70	91.2%	$216.88	$272.12	$247.13
UMP	Uniform Medical Plan Plus	$490.97	0.87	0.87	$371.28	94.9%	$391.42	$472.85	$480.89
UMP	Uniform Medical Plan Classic	$490.97	1.12	0.88	$483.52	96.4%	$501.45	$610.78	$612.56
KPNWA	Kaiser Permanente of Washington CDHP	$408.62	0.50	0.75	$152.55	80.4%	$189.85	$244.05	$189.39
KPNWA	Kaiser Permanente of Washington Sound Choice	$408.62	0.58	0.82	$196.11	87.8%	$223.35	$281.53	$445.44
KPNWA	Kaiser Permanente of Washington Value	$408.62	0.88	0.88	$316.45	87.7%	$360.87	$468.20	$465.19
KPNWA	Kaiser Permanente of Washington Classic	$408.62	1.31	0.91	$487.48	89.5%	$544.96	$683.25	$685.16
All	CDHP Totals			0.72	$187.98		$211.06	$265.99	$234.53
All	All Accountable Care			0.86	$347.05		$368.17	$446.43	$475.99
All	Classic and Value Totals			0.89	$450.99		$479.30	$592.68	$593.55
All	All Plans			0.88	$426.42		$453.98	$561.74	$561.74

		Year 2017							
Carrier	Plan	(A) Carrier Allowed PMPM	(B) Concurrent Risk Score	(C) Paid / Allowed	(D) Modeled Paid PMPM	(E) Target Medical Loss Ratio	(F) Modeled Payment PMPM	(G) Scaled Modeled Payment PAUPM	(H) Original Payment PAUPM
UMP	Uniform Medical Plan CDHP	$498.71	0.54	0.73	$197.60	91.2%	$216.77	$302.19	$276.72
UMP	Uniform Medical Plan Plus	$498.71	0.83	0.87	$360.03	94.9%	$379.55	$512.18	$473.80
UMP	Uniform Medical Plan Classic	$498.71	1.07	0.89	$471.64	96.4%	$489.13	$664.81	$671.65
KPNWA	Kaiser Permanente of Washington CDHP	$410.70	0.55	0.81	$181.52	80.4%	$225.90	$310.75	$215.60
KPNWA	Kaiser Permanente of Washington Sound Choice	$410.70	0.57	0.82	$191.31	87.8%	$217.89	$292.89	$419.74
KPNWA	Kaiser Permanente of Washington Value	$410.70	0.88	0.88	$316.99	87.7%	$361.48	$505.95	$497.30
KPNWA	Kaiser Permanente of Washington Classic	$410.70	1.31	0.91	$489.74	89.5%	$547.49	$737.03	$754.62
All	CDHP Totals			0.75	$194.19		$218.71	$304.04	$263.52
All	All Accountable Care			0.87	$339.18		$359.58	$484.79	$467.05
All	Classic and Value Totals			0.89	$443.64		$471.33	$643.37	$648.58
All	All Plans			0.88	$416.45		$443.36	$605.56	$605.56

PEBB - Exhibit 3b
CDHP LEG Report
Impact Summary - Bid Rate

		Year 2015											
Carrier	Plan	(A) Scaled Modeled Payment PAUPM	(B) Prospective Risk Score	(C) Modeled Bid Rate PAUPM	(D) HSA and Wellness Contribution PAUPM	(E) Modeled Bid Rate With HSA PAUPM	(F) Actual Bid Rate With HSA PAUPM	(G) Index Rate PAUPM	(H) Modeled Employee Contribution PAUPM	(I) Actual Employee Contribution PAUPM	(J) Risk Score Gap Impact	(K) Other Impact	**(L) Total Impact**
UMP	Uniform Medical Plan CDHP	$283.39	0.637	$445.18	$54.93	$500.12	$519.33	$488.00	$12.12	$31.00	$58.91	-$40.03	**$18.88**
UMP	Uniform Medical Plan Classic	$606.61	1.062	$571.30	$0.00	$571.30	$572.26	$488.00	$83.30	$84.00	-$6.24	$6.95	**$0.70**
KPWA	Kaiser Permanente of Washington CDHP	$217.48	0.517	$420.96	$56.38	$477.34	$512.69	$488.00	-$10.66	$25.00	$87.82	-$52.16	**$35.66**
KPWA	Kaiser Permanente of Washington Value	$453.01	0.813	$557.38	$0.00	$557.38	$563.13	$488.00	$69.38	$75.00	$18.05	-$12.42	**$5.62**
KPWA	Kaiser Permanente of Washington Classic	$668.05	1.128	$592.02	$0.00	$592.02	$594.55	$488.00	$104.02	$107.00	-$32.16	$35.14	**$2.98**
All	All CDHP	$269.03		$439.91	$55.25	$495.16	$517.88	$488.00	$7.16	$30.00	$65.21	-$42.36	**$22.84**
All	Classic and Value Totals	$583.35		$571.15	$0.00	$571.15	$573.29	$488.00	$83.15	$85.00	-$4.66	$6.51	**$1.85**
All	All Plans	$562.40		$562.40	$3.74	$566.14	$569.59	$488.00	$78.14	$82.00	$0.00	$3.86	**$3.86**

		Year 2016											
Carrier	Plan	(A) Scaled Modeled Payment PAUPM	(B) Prospective Risk Score	(C) Modeled Bid Rate PAUPM	(D) HSA and Wellness Contribution PAUPM	(E) Modeled Bid Rate With HSA PAUPM	(F) Actual Bid Rate With HSA PAUPM	(G) Index Rate PAUPM	(H) Modeled Employee Contribution PAUPM	(I) Actual Employee Contribution PAUPM	(J) Risk Score Gap Impact	(K) Other Impact	**(L) Total Impact**
UMP	Uniform Medical Plan CDHP	$272.12	0.647	$420.89	$55.16	$476.04	$508.47	$487.00	-$10.96	$21.00	$71.54	-$39.59	**$31.96**
UMP	Uniform Medical Plan Plus	$472.85	0.867	$545.40	$0.00	$545.40	$546.37	$487.00	$58.40	$59.00	$9.90	-$9.31	**$0.60**
UMP	Uniform Medical Plan Classic	$610.78	1.075	$568.26	$0.00	$568.26	$570.75	$487.00	$81.26	$84.00	-$8.72	$11.47	**$2.74**
KPWA	Kaiser Permanente of Washington CDHP	$244.05	0.538	$453.30	$56.46	$509.76	$509.61	$487.00	$22.76	$23.00	$86.85	-$86.61	**$0.24**
KPWA	Kaiser Permanente of Washington Sound Choice	$281.53	0.652	$431.79	$0.00	$431.79	$532.06	$487.00	-$55.21	$45.00	$102.28	-$2.07	**$100.21**
KPWA	Kaiser Permanente of Washington Value	$468.20	0.819	$571.67	$0.00	$571.67	$567.96	$487.00	$84.67	$81.00	$14.16	-$17.83	**-$3.67**
KPWA	Kaiser Permanente of Washington Classic	$683.25	1.118	$611.13	$0.00	$611.13	$604.75	$487.00	$124.13	$118.00	-$32.79	$26.66	**-$6.13**
All	All CDHP	$265.99		$427.96	$55.44	$483.40	$508.72	$487.00	-$3.60	$22.00	$74.88	-$49.28	**$25.60**
All	All Accountable Care	$446.43		$529.72	$0.00	$529.72	$544.39	$487.00	$42.72	$57.00	$22.66	-$8.38	**$14.28**
All	Classic and Value Totals	$592.68		$574.57	$0.00	$574.57	$574.69	$487.00	$87.57	$88.00	-$7.46	$7.89	**$0.43**
All	All Plans	$561.74		$561.74	$4.04	$565.77	$568.40	$487.00	$78.77	$81.00	$0.00	$2.23	**$2.23**

		Year 2017											
Carrier	Plan	(A) Scaled Modeled Payment PAUPM	(B) Prospective Risk Score	(C) Modeled Bid Rate PAUPM	(D) HSA and Wellness Contribution PAUPM	(E) Modeled Bid Rate With HSA PAUPM	(F) Actual Bid Rate With HSA PAUPM	(G) Index Rate PAUPM	(H) Modeled Employee Contribution PAUPM	(I) Actual Employee Contribution PAUPM	(J) Risk Score Gap Impact	(K) Other Impact	**(L) Total Impact**
UMP	Uniform Medical Plan CDHP	$302.19	0.661	$457.29	$55.42	$512.71	$550.04	$525.00	-$12.29	$25.00	$85.85	-$48.56	**$37.29**
UMP	Uniform Medical Plan Plus	$512.18	0.869	$589.26	$0.00	$589.26	$590.77	$525.00	$64.26	$66.00	$13.36	-$11.62	**$1.74**
UMP	Uniform Medical Plan Classic	$664.81	1.076	$617.87	$0.00	$617.87	$618.93	$525.00	$92.87	$94.00	-$11.61	$12.74	**$1.13**
KPWA	Kaiser Permanente of Washington CDHP	$310.75	0.549	$566.12	$56.58	$622.70	$550.41	$525.00	$97.70	$25.00	$51.36	-$124.06	**-$72.70**
KPWA	Kaiser Permanente of Washington Sound Choice	$292.89	0.651	$449.79	$0.00	$449.79	$571.08	$525.00	-$75.21	$46.00	$111.28	$9.92	**$121.21**
KPWA	Kaiser Permanente of Washington Value	$505.95	0.837	$604.79	$0.00	$604.79	$594.09	$525.00	$79.79	$69.00	$20.36	-$31.15	**-$10.79**
KPWA	Kaiser Permanente of Washington Classic	$737.03	1.128	$653.61	$0.00	$653.61	$671.80	$525.00	$128.61	$147.00	-$42.51	$60.90	**$18.39**
All	All CDHP	$304.04		$480.79	$55.67	$536.46	$550.12	$525.00	$11.46	$25.00	$78.40	-$64.86	**$13.54**
All	All Accountable Care	$484.79		$571.84	$0.00	$571.84	$588.31	$525.00	$46.84	$63.00	$25.60	-$9.43	**$16.16**
All	Classic and Value Totals	$643.37		$619.83	$0.00	$619.83	$620.76	$525.00	$94.83	$96.00	-$9.34	$10.51	**$1.17**
All	All Plans	$605.56		$605.56	$4.36	$609.92	$612.93	$525.00	$84.92	$88.00	$0.00	$3.08	**$3.08**