

Greater Tompkins County Municipal Health Insurance Consortium

2012 - 2016 Fiscal Year Budget Projections

|                                   | Actual Results<br>2011 Fiscal Year | Adopted Budget<br>2012 Fiscal Year | Revised Budget<br>2012 Fiscal Year | Projected Budget<br>2013 Fiscal Year | Projected Budget<br>2014 Fiscal Year | Projected Budget<br>2015 Fiscal Year | Projected Budget<br>2016 Fiscal Year |
|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Beginning Balance</b>          | \$0.00                             | \$3,371,401.06                     | \$3,371,401.06                     | \$4,270,027.52                       | \$6,424,126.91                       | \$8,840,247.43                       | \$10,241,498.25                      |
| <b>Income</b>                     |                                    |                                    |                                    |                                      |                                      |                                      |                                      |
| Medical Plan Premiums             | \$26,035,368.00                    | \$28,758,872.12                    | \$29,046,460.84                    | \$31,660,642.32                      | \$34,510,100.13                      | \$37,616,009.14                      | \$41,001,449.96                      |
| Ancillary Benefit Plan Premiums   | \$89,240.70                        | \$44,000.00                        | \$95,000.00                        | \$100,000.00                         | \$110,000.00                         | \$121,000.00                         | \$133,100.00                         |
| Interest                          | \$6,865.50                         | \$20,400.36                        | \$4,000.00                         | \$21,350.14                          | \$32,120.63                          | \$44,201.24                          | \$51,207.49                          |
| <b>Capitalization Investment</b>  | <b>\$1,223,736.00</b>              | <b>\$0.00</b>                      | <b>\$3,600.00</b>                  | <b>\$4,000.00</b>                    | <b>\$4,250.00</b>                    | <b>\$4,500.00</b>                    | <b>\$0.00</b>                        |
| Other                             | \$339,872.90                       | \$154,500.00                       | \$200,000.00                       | \$200,000.00                         | \$206,000.00                         | \$212,180.00                         | \$218,545.40                         |
| <b>Total Income</b>               | <b>\$27,695,083.10</b>             | <b>\$28,977,772.48</b>             | <b>\$29,349,060.84</b>             | <b>\$31,985,992.45</b>               | <b>\$34,862,470.76</b>               | <b>\$37,997,890.37</b>               | <b>\$41,404,302.85</b>               |
| <b>Expenses</b>                   |                                    |                                    |                                    |                                      |                                      |                                      |                                      |
| Medical Paid Claims               | \$15,587,829.03                    | \$19,674,216.88                    | \$18,690,506.03                    | \$20,344,615.82                      | \$22,145,114.32                      | \$24,104,956.93                      | \$26,238,245.62                      |
| Rx Paid Claims                    | \$6,504,972.43                     | \$6,496,006.90                     | \$6,918,247.35                     | \$7,530,512.24                       | \$8,196,962.57                       | \$8,922,393.76                       | \$9,712,025.61                       |
| Medical Admin Fees                | \$635,499.09                       | \$661,466.86                       | \$700,000.00                       | \$721,000.00                         | \$742,630.00                         | \$764,908.90                         | \$787,856.17                         |
| Rx Admin Fees                     | \$142,368.35                       | \$73,496.32                        | \$140,000.00                       | \$144,200.00                         | \$148,526.00                         | \$152,981.78                         | \$157,571.23                         |
| Advance Deposit / Pre-Paid Claims | \$718,000.00                       | \$100,000.00                       | \$80,600.00                        | \$100,000.00                         | \$100,000.00                         | \$100,000.00                         | \$100,000.00                         |
| NYS Graduate Medical Exp.         | \$188,960.03                       | \$255,651.01                       | \$225,000.00                       | \$236,250.00                         | \$248,062.50                         | \$260,465.63                         | \$273,488.91                         |
| Stop-Loss Insurance               | \$384,392.52                       | \$518,669.48                       | \$400,000.00                       | \$440,000.00                         | \$484,000.00                         | \$532,400.00                         | \$585,640.00                         |
| Legal Fees                        | \$0.00                             | \$26,522.50                        | \$50,000.00                        | \$51,500.00                          | \$53,045.00                          | \$54,636.35                          | \$56,275.44                          |
| Consultant Fees                   | \$0.00                             | \$53,045.00                        | \$56,000.00                        | \$57,680.00                          | \$59,410.40                          | \$61,192.71                          | \$63,028.49                          |
| Audit Fees                        | \$0.00                             | \$5,304.50                         | \$5,500.00                         | \$5,665.00                           | \$5,834.95                           | \$6,010.00                           | \$6,190.30                           |
| Insurances (D&O / Prof. Liab.)    | \$22,211.00                        | \$22,660.00                        | \$21,200.00                        | \$23,320.00                          | \$25,652.00                          | \$28,217.20                          | \$31,038.92                          |
| Internal Coordination (Finance)   | \$88,269.07                        | \$60,471.30                        | \$60,000.00                        | \$61,800.00                          | \$63,654.00                          | \$65,563.62                          | \$67,530.53                          |
| Internal Coordination (Support)   | \$0.00                             | \$45,618.70                        | \$20,000.00                        | \$20,600.00                          | \$21,218.00                          | \$21,854.54                          | \$22,510.18                          |
| Surety Bond Fee / Loan Interest   | \$0.00                             | \$36,712.08                        | \$20,000.00                        | \$20,600.00                          | \$21,218.00                          | \$21,854.54                          | \$22,510.18                          |
| Ancillary Benefit Premiums        | \$51,047.20                        | \$44,000.00                        | \$95,000.00                        | \$48,400.00                          | \$104,500.00                         | \$53,240.00                          | \$114,950.00                         |
| <b>Capitalization Repayment</b>   | <b>\$0.00</b>                      | <b>\$0.00</b>                      | <b>\$0.00</b>                      | <b>\$0.00</b>                        | <b>\$0.00</b>                        | <b>\$1,418,645.42</b>                | <b>\$0.00</b>                        |
| Other Expenses                    | \$133.32                           | \$5,304.50                         | \$25,000.00                        | \$25,750.00                          | \$26,522.50                          | \$27,318.18                          | \$28,137.72                          |
| <b>Total Expenses</b>             | <b>\$24,323,682.04</b>             | <b>\$28,079,146.02</b>             | <b>\$27,507,053.38</b>             | <b>\$29,831,893.06</b>               | <b>\$32,446,350.24</b>               | <b>\$36,596,639.56</b>               | <b>\$38,266,999.29</b>               |
| <b>Net Income</b>                 | <b>\$3,371,401.06</b>              | <b>\$898,626.46</b>                | <b>\$1,842,007.46</b>              | <b>\$2,154,099.40</b>                | <b>\$2,416,120.52</b>                | <b>\$1,401,250.82</b>                | <b>\$3,137,303.56</b>                |
| <b>Ending Balance</b>             | <b>\$3,371,401.06</b>              | <b>\$4,270,027.52</b>              | <b>\$5,213,408.52</b>              | <b>\$6,424,126.91</b>                | <b>\$8,840,247.43</b>                | <b>\$10,241,498.25</b>               | <b>\$13,378,801.81</b>               |
| <b>Liabilities and Reserves</b>   |                                    |                                    |                                    |                                      |                                      |                                      |                                      |
| IBNR Reserve                      | \$2,613,081.97                     | \$3,140,426.85                     | \$3,073,050.41                     | \$3,345,015.37                       | \$3,641,049.23                       | \$3,963,282.08                       | \$4,314,032.55                       |
| Rate Stabilization Reserve        | \$1,301,768.40                     | \$1,437,943.61                     | \$1,452,323.04                     | \$1,583,032.12                       | \$1,725,505.01                       | \$1,880,800.46                       | \$2,050,072.50                       |
| Total Liabilities and Reserves    | \$3,914,850.37                     | \$4,578,370.46                     | \$4,525,373.45                     | \$4,928,047.48                       | \$5,366,554.23                       | \$5,844,082.54                       | \$6,364,105.05                       |
| <b>Unencumbered Fund Balance</b>  | <b>-\$543,449.31</b>               | <b>-\$308,342.94</b>               | <b>\$688,035.07</b>                | <b>\$1,496,079.43</b>                | <b>\$3,473,693.20</b>                | <b>\$4,397,415.71</b>                | <b>\$7,014,696.76</b>                |

Assumptions 2013 to 2016 Fiscal Years

- Premium Revenue Increased by 9.0%
- Interest Income = 0.5% of Beginning Balance
- Prescription Drug Rebates = \$200,000
- Paid Claims Trend = 8.85%
- Administrative Fees Per Agreement with Excellus BCBS then Increased by 3% Per Annum
- NYS GME Increased by 5%
- Stop-Loss Insurance Increased by 10%
- Surety Bond Fee / Loan Interest Estimated at 3% of Principle Balance
- All other Fees Increased by 3%
- Capitalization Repayment includes annual interest of 3%