

Mankato ISD #77

Projected Renewal Year Claims

Coverage Effective Date: 07/01/2016

	(Most Recent)	
	Rating Period 1	Rating Period 2
Total Incurred Claims	\$11,649,786	\$11,302,369
Settlement & Withhold Projection	\$63,244	\$67,001
Remove Claims Above Stop Loss Level (at \$200,000)	(\$272,935)	(\$1,490,739)
Projection Year Adjustments*	\$194,045	\$268,504
Total Completed Claims	\$11,634,141	\$10,147,135

Cost Trend Factor

12.3%

20.2%

11/2014 - 10/2015: 20 months at 0.58% per month (7.2% annual trend)

11/2013 - 10/2014: 32 months at 0.58% per month (7.2% annual trend)

Projected Renewal Year Claims

\$13,066,971

\$12,196,752

Member Months

24,680

23,954

PMPM

\$529.46

\$509.17

Weight

68%

32%

Weighted Projected Renewal Year Claims (PMPM)

\$358.21

\$164.68

*Includes benefit adjustments and other adjustments based on expectations of projected year experience



Blue Cross® and Blue Shield® of Minnesota and Blue Plus® are nonprofit independent licensees of the Blue Cross and Blue Shield Association

Rating Period 1 = 11/1/2014 - 10/31/2015, Paid Through 12/31/2015

Rating Period 2 = 11/1/2013 - 10/31/2014, Paid Through 12/31/2015

Mankato ISD #77

Renewal Development Summary

Coverage Effective Date: 07/01/2016

Weighted Experience Claims Projection

	PMPM
Period 1 weighted projected renewal year claims	\$358.21
Period 2 weighted projected renewal year claims	\$164.68
Total projected renewal year claims	\$522.90

Manual Incurred Claims Projection

\$502.67

Experience to Manual: 1.040*

Projected Claims (PMPM)

	Current Contracts		Current	100%	Annualized
	Single	Family	Members	Experience	Total
Projected Incurred Claims for \$500 CMM w/copay	309	363	1,677	\$522.90	\$10,522,759
Projected Incurred Claims for Traditional Plan	68	23	161	\$546.19	\$1,055,240
Projected Incurred Claims for Double Gold	20	20	96	\$583.58	\$672,289
Projected Incurred Claims for CDHP Plan 860 \$3250 Ded	31	31	154	\$399.07	\$737,478
Projected Incurred Claims for Minimum Value Plan \$6350	23	6	40	\$313.25	\$150,359
	451	443	2,128		

Total Projected Renewal Year Incurred Claims***

\$13,138,125

Additional Charges

Blue Cross Blue Shield of MN and Service Cooperative					
Administrative Service Charge (Combined)	\$31.05	\$31.05			
Stop Loss Rates	\$39.08	\$104.72			
Fitness Discounts	\$2.73	\$5.45			
Commission	\$0.00	\$0.00			
Total	\$72.86	\$141.22		PMPM \$44.84	\$1,145,044

Total Needed Income

\$14,283,169

Current Income****

\$12,358,800

Calculated change in rates

15.6%

Recommended change in rates, effective 07/01/2016

9.0%

*Experience to manual ratio provides a benchmark comparing the group's experience to the book-of-business manual ratio.

***For each plan, the annualized sum of the projected claims (PMPM) times current member counts.

****For each plan, the annualized sum of the claim rates times current contract counts.



For the health of all.

Blue Cross® and Blue Shield® of Minnesota and Blue Plus® are nonprofit independent licensees of the Blue Cross and Blue Shield Association

Rating Period 1 = 11/1/2014 - 10/31/2015, Paid Through 12/31/2015

Rating Period 2 = 11/1/2013 - 10/31/2014, Paid Through 12/31/2015