

State of Delaware - FY20 Budget

August 2019

Willis Towers Watson 

Proprietary and Confidential

Not for use or disclosure outside Willis Towers Watson and State of Delaware

State of Delaware
FY20 Budget¹
August 2019

	Estimated FY 2020 as of August 2019 ¹	
Balance Forward²	\$ 163,757,321	
Operating Revenues		
Premium Contributions		
Highmark	\$ 639,920,116	67.86%
Aetna	\$ 192,575,807	20.42%
Total Premium Contributions	\$ 832,495,923	
Other Revenues		
Medicare Retiree Prescription Subsidy Program (EGWP) ³	\$ 2,649,577	0.28%
Federal Reinsurance ³	\$ 14,293,743	1.52%
Prescription Drug Rebates - Commercial	\$ 40,293,057	4.27%
Prescription Drug Rebates - EGWP	\$ 26,319,480	2.79%
Prescription True Up/Yr End Recon Pymts	\$ -	0.00%
Medicare Part D - Coverage Gap Discount ³	\$ 20,996,179	2.23%
Medicare Part D Subsidy	\$ -	0.00%
Early Retiree Reinsurance Program	\$ -	0.00%
RDS Subsidy Transfer to OPEB Trust	\$ -	0.00%
Participating Group Fees ⁴	\$ 5,994,026	0.64%
Other Revenues	\$ -	0.00%
Total Other Revenues	\$ 110,546,061	
Total Operating Revenues	\$ 943,041,984	
Operating Expenses		
Claims ⁵		
Highmark	\$ 478,843,774	50.44%
Aetna	\$ 149,731,301	15.77%
Express Scripts (non-Plan D)	\$ 151,628,914	15.97%
Express Scripts (Plan D)	\$ 129,146,843	13.60%
Total Claims	\$ 909,350,832	
Other Expenses		
Program Fees and Costs (Vendor ASO Fees)	\$ 34,733,816	3.66%
Office Expenses	\$ 2,483,934	0.26%
Employee Assistance	\$ 369,587	0.04%
Data Warehouse	\$ 504,628	0.05%
Consultant Fees	\$ 1,500,000	0.16%
COBRA Fees	\$ 67,979	0.01%
ACA Fees	\$ 324,430	0.03%
Total Other Expenses	\$ 39,984,373	
Total Operating Expenses	\$ 949,335,205	
Net Income	\$ (6,293,222)	
Fund Equity Balance	\$ 157,464,099	
Claim Liability	\$ 58,500,000	\$ Target 58,500,000
Minimum Reserve	\$ 24,300,000	\$ 24,300,000
WTW Budget (\$M)⁶	\$ 837.0	
Average Members	128,282	

¹ Based on claims experience for the period 7/1/2017 - 6/30/2019 (weighted 35% earlier / 65% later); headcounts reflect FY20 open enrollment results as of July 2019 with 1% assumed growth during FY20; 5% medical/Rx trend; EGWP revenues and prescription drug rebates based on the period revenues are attributable.

² FY20 Balance Forward reflects FY19 year-end balance as of June 2019.

³ CY2019 and CY2020 EGWP revenue projected PMPM payments provided by ESI. Excludes estimated CY2018 EGWP financial reconciliation payment to be received in January 2020 (approx. \$4.1m Federal Reinsurance true-up and \$1.2m low-income cost sharing subsidy).

⁴ Participating Group Fees shown for FY20 are estimated based on actual FY19 fees and assumed FY20 headcounts.

⁵ FY20 projected claims reflect incremental savings for the new ESI contracts, FY20 initiatives including implementation of SurgeryPlus COE (\$0.5m annual savings), site-of-care steerage (\$6.9m), Highmark infusion therapy program (\$2.0m) and implementation of Livongo (\$0.7m), as well as cost impact of passed legislation (HB 386 estimated at \$100k annual cost; SB 227 (\$2.1m); SB 225 (\$175k); SB 34 (\$500k))

⁶ WTW Budget represents the FY20 projected expenses based on assumptions approved by the SEBC, updated with claims data through June 2019 and annual enrollment elections. WTW Budget equals total operating expenses, less ACA and consultant fees, less total other revenues.

State of Delaware
 FY20 Budget - Monthly¹
 August 2019

Operating Revenues	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Premium Contributions													
Highmark	\$ 53,127,860	\$ 53,127,860	\$ 53,127,860	\$ 53,260,184	\$ 53,260,184	\$ 53,260,184	\$ 53,392,838	\$ 53,392,838	\$ 53,392,838	\$ 53,525,823	\$ 53,525,823	\$ 53,525,823	\$ 639,920,116
Aetna	\$ 15,988,153	\$ 15,988,153	\$ 15,988,153	\$ 16,027,974	\$ 16,027,974	\$ 16,027,974	\$ 16,067,895	\$ 16,067,895	\$ 16,067,895	\$ 16,107,914	\$ 16,107,914	\$ 16,107,914	\$ 192,575,807
Total Premium Contributions	\$ 69,116,012	\$ 69,116,012	\$ 69,116,012	\$ 69,288,158	\$ 69,288,158	\$ 69,288,158	\$ 69,460,733	\$ 69,460,733	\$ 69,460,733	\$ 69,633,737	\$ 69,633,737	\$ 69,633,737	\$ 832,495,923
Other Revenues													
Medicare Retiree Prescription Subsidy Program (EGWP) ²	\$ 275,274	\$ 275,274	\$ 275,274	\$ 276,647	\$ 276,647	\$ 276,647	\$ 165,223	\$ 165,223	\$ 165,223	\$ 166,048	\$ 166,048	\$ 166,048	\$ 2,649,577
Federal Reinsurance ²	\$ 887,166	\$ 887,166	\$ 887,166	\$ 950,199	\$ 950,199	\$ 950,199	\$ 1,459,967	\$ 1,459,967	\$ 1,459,967	\$ 1,467,249	\$ 1,467,249	\$ 1,467,249	\$ 14,293,743
Prescription Drug Rebates - Commercial	\$ -	\$ 9,942,676	\$ -	\$ -	\$ 10,106,457	\$ -	\$ -	\$ -	\$ 9,276,285	\$ -	\$ -	\$ 10,967,639	\$ -
Prescription Drug Rebates - EGWP	\$ -	\$ 6,494,570	\$ -	\$ -	\$ 6,601,552	\$ -	\$ -	\$ -	\$ 6,059,282	\$ -	\$ -	\$ 7,164,076	\$ -
Prescription True Up / Yr End Recon Pymts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medicare Part D - Coverage Gap Discount ²	\$ 5,973,428	\$ -	\$ -	\$ -	\$ 5,973,428	\$ -	\$ 3,393,496	\$ -	\$ -	\$ 5,655,827	\$ -	\$ -	\$ 20,996,179
Participating Group Fees ³	\$ 497,640	\$ 497,640	\$ 497,640	\$ 498,879	\$ 498,879	\$ 498,879	\$ 500,122	\$ 500,122	\$ 500,122	\$ 501,367	\$ 501,367	\$ 501,367	\$ 5,994,026
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Revenues	\$ 7,633,508	\$ 18,097,325	\$ 1,660,080	\$ 1,725,726	\$ 24,407,163	\$ 1,725,726	\$ 5,518,809	\$ 17,460,879	\$ 2,125,313	\$ 7,790,491	\$ 20,266,379	\$ 2,134,664	\$ 110,546,061
Total Operating Revenues	\$ 76,749,520	\$ 87,213,338	\$ 70,776,092	\$ 71,013,884	\$ 93,695,321	\$ 71,013,884	\$ 74,979,541	\$ 86,921,612	\$ 71,586,045	\$ 77,424,228	\$ 89,900,116	\$ 71,768,401	\$ 943,041,984
Operating Expenses													
Claims⁴													
Highmark	\$ 45,555,256	\$ 36,444,205	\$ 36,444,205	\$ 43,735,407	\$ 34,988,326	\$ 34,988,326	\$ 45,939,290	\$ 36,751,432	\$ 36,751,432	\$ 48,940,729	\$ 39,152,583	\$ 39,152,583	\$ 478,843,774
Aetna	\$ 11,395,863	\$ 14,244,829	\$ 11,395,863	\$ 10,940,620	\$ 10,940,620	\$ 13,675,774	\$ 14,364,914	\$ 11,491,931	\$ 11,491,931	\$ 12,242,755	\$ 15,303,444	\$ 12,242,755	\$ 149,731,301
Express Scripts (non-Plan D)	\$ 16,035,345	\$ 10,690,230	\$ 10,690,230	\$ 10,866,325	\$ 10,866,325	\$ 16,299,488	\$ 11,636,025	\$ 11,636,025	\$ 11,636,025	\$ 11,792,256	\$ 11,792,256	\$ 17,688,384	\$ 151,628,914
Express Scripts (Plan D)	\$ 13,657,779	\$ 9,105,186	\$ 9,105,186	\$ 9,255,172	\$ 9,255,172	\$ 13,882,757	\$ 9,910,747	\$ 9,910,747	\$ 9,910,747	\$ 10,043,814	\$ 10,043,814	\$ 15,065,721	\$ 129,146,843
Total Claims	\$ 86,644,244	\$ 70,484,450	\$ 67,635,484	\$ 74,797,524	\$ 66,050,442	\$ 78,846,346	\$ 81,850,976	\$ 69,790,135	\$ 69,790,135	\$ 83,019,554	\$ 76,292,097	\$ 84,149,443	\$ 909,350,832
Other Expenses													
Program Fees and Costs (Vendor ASO Fees)	\$ 2,883,693	\$ 2,883,693	\$ 2,883,693	\$ 2,890,876	\$ 2,890,876	\$ 2,890,876	\$ 2,898,076	\$ 2,898,076	\$ 2,898,076	\$ 2,905,294	\$ 2,905,294	\$ 2,905,294	\$ 34,733,816
Office Expenses	\$ 206,994	\$ 206,994	\$ 206,994	\$ 206,994	\$ 206,994	\$ 206,994	\$ 206,994	\$ 206,994	\$ 206,994	\$ 206,994	\$ 206,994	\$ 206,994	\$ 2,483,934
Employee Assistance	\$ 30,799	\$ 30,799	\$ 30,799	\$ 30,799	\$ 30,799	\$ 30,799	\$ 30,799	\$ 30,799	\$ 30,799	\$ 30,799	\$ 30,799	\$ 30,799	\$ 369,587
Data Warehouse	\$ 42,052	\$ 42,052	\$ 42,052	\$ 42,052	\$ 42,052	\$ 42,052	\$ 42,052	\$ 42,052	\$ 42,052	\$ 42,052	\$ 42,052	\$ 42,052	\$ 504,628
Consultant Fees	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 1,500,000
COBRA Fees	\$ 5,665	\$ 5,665	\$ 5,665	\$ 5,665	\$ 5,665	\$ 5,665	\$ 5,665	\$ 5,665	\$ 5,665	\$ 5,665	\$ 5,665	\$ 5,665	\$ 67,979
ACA Fees	\$ 324,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,430
Total Other Expenses	\$ 3,618,634	\$ 3,294,204	\$ 3,294,204	\$ 3,301,386	\$ 3,301,386	\$ 3,301,386	\$ 3,308,586	\$ 3,308,586	\$ 3,308,586	\$ 3,315,805	\$ 3,315,805	\$ 3,315,805	\$ 39,984,373
Total Operating Expenses	\$ 90,262,878	\$ 73,778,654	\$ 70,929,688	\$ 78,098,910	\$ 69,351,829	\$ 82,147,732	\$ 85,159,563	\$ 73,098,722	\$ 73,098,722	\$ 86,335,359	\$ 79,607,902	\$ 87,465,248	\$ 949,335,205
Net Income	\$ (13,513,358)	\$ 13,434,684	\$ (153,596)	\$ (7,085,026)	\$ 24,343,492	\$ (11,133,848)	\$ (10,180,021)	\$ 13,822,891	\$ (1,512,676)	\$ (8,911,131)	\$ 10,292,215	\$ (15,696,847)	\$ (6,293,222)
Amount Carried Forward ⁵	\$ 163,757,321	\$ 150,243,963	\$ 163,678,647	\$ 163,525,051	\$ 156,440,025	\$ 180,783,517	\$ 169,649,669	\$ 159,469,648	\$ 173,292,538	\$ 171,779,862	\$ 162,868,731	\$ 173,160,946	\$ 163,757,321
Fund Equity Balance	\$ 150,243,963	\$ 163,678,647	\$ 163,525,051	\$ 156,440,025	\$ 180,783,517	\$ 169,649,669	\$ 159,469,648	\$ 173,292,538	\$ 171,779,862	\$ 162,868,731	\$ 173,160,946	\$ 157,464,099	\$ 157,464,099

¹ Based on claims experience for the period 7/1/2017 - 6/30/2019 (weighted 35% earlier / 65% later); headcounts reflect FY20 open enrollment results as of July 2019 with 1% assumed growth during FY20; 5% medical/Rx trend; EGWP revenues and prescription drug rebates based on the period revenues are attributable.

² CY2019 and CY2020 EGWP revenue projected PMPM payments provided by ESI. Excludes estimated CY2018 EGWP financial reconciliation payment to be received in January 2020 (approx. \$4.1m Federal Reinsurance true-up and \$1.2m low-income cost sharing subsidy).

³ Participating Group Fees shown for FY20 are estimated based on actual FY19 fees and assumed FY20 headcounts.

⁴ Projected claims distributed by month based on expected FY 2020 claims invoice schedule provided by OMB and historical distribution of paid claims by quarter for FY12-FY18; FY20 projected claims reflect incremental savings for the new ESI contracts, FY20 initiatives including implementation of SurgeryPlus COE (\$0.5m annual savings), site-of-care steerage (\$6.9m), Highmark infusion therapy program (\$2.0m) and implementation of Livongo (\$0.7m), as well as cost impact of passed legislation (HB 386 estimated at \$100k annual cost; SB 227 (\$2.1m); SB 225 (\$175k); SB 34 (\$500k))

⁵ FY19 Balance Forward reflects FY19 year-end balance as of June 2019.

State of Delaware
 FY20 Budget - YTD¹
 August 2019

Operating Revenues	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Premium Contributions													
Highmark	\$ 53,127,860	\$ 106,255,720	\$ 159,383,580	\$ 212,643,764	\$ 265,903,948	\$ 319,164,133	\$ 372,556,971	\$ 425,949,809	\$ 479,342,648	\$ 532,868,471	\$ 586,394,294	\$ 639,920,116	\$ 639,920,116
Aetna	\$ 15,988,153	\$ 31,976,305	\$ 47,964,458	\$ 63,952,432	\$ 80,020,406	\$ 96,048,380	\$ 112,116,274	\$ 128,184,169	\$ 144,252,063	\$ 160,359,978	\$ 176,467,892	\$ 192,575,807	\$ 192,575,807
Total Premium Contributions	\$ 69,116,012	\$ 138,232,025	\$ 207,348,037	\$ 276,636,196	\$ 345,924,354	\$ 415,212,512	\$ 484,673,245	\$ 554,133,978	\$ 623,594,711	\$ 693,228,448	\$ 762,862,186	\$ 832,495,923	\$ 832,495,923
Other Revenues													
Medicare Retiree Prescription Subsidy Program (EGWP) ²	\$ 275,274	\$ 550,548	\$ 825,823	\$ 1,102,470	\$ 1,379,117	\$ 1,655,764	\$ 1,820,987	\$ 1,986,211	\$ 2,151,434	\$ 2,317,482	\$ 2,483,529	\$ 2,649,577	\$ 2,649,577
Federal Reinsurance ³	\$ 887,166	\$ 1,774,331	\$ 2,661,497	\$ 3,548,662	\$ 4,435,827	\$ 5,322,992	\$ 6,210,157	\$ 7,097,322	\$ 7,984,487	\$ 8,871,652	\$ 9,758,817	\$ 10,645,982	\$ 10,645,982
Prescription Drug Rebates - Commercial	\$ -	\$ 9,942,676	\$ 9,942,676	\$ 9,942,676	\$ 9,942,676	\$ 9,942,676	\$ 9,942,676	\$ 9,942,676	\$ 9,942,676	\$ 9,942,676	\$ 9,942,676	\$ 9,942,676	\$ 9,942,676
Prescription Drug Rebates - EGWP	\$ -	\$ 6,494,570	\$ 6,494,570	\$ 6,494,570	\$ 6,494,570	\$ 6,494,570	\$ 6,494,570	\$ 6,494,570	\$ 6,494,570	\$ 6,494,570	\$ 6,494,570	\$ 6,494,570	\$ 6,494,570
Prescription True Up / Yr End Recon Pymts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medicare Part D - Coverage Gap Discount ⁴	\$ 5,973,428	\$ 5,973,428	\$ 5,973,428	\$ 5,973,428	\$ 5,973,428	\$ 5,973,428	\$ 5,973,428	\$ 5,973,428	\$ 5,973,428	\$ 5,973,428	\$ 5,973,428	\$ 5,973,428	\$ 5,973,428
Participating Group Fees ⁵	\$ 497,640	\$ 995,280	\$ 1,492,920	\$ 1,991,799	\$ 2,490,678	\$ 2,989,557	\$ 3,488,436	\$ 3,987,315	\$ 4,486,194	\$ 4,985,073	\$ 5,483,952	\$ 5,982,831	\$ 5,982,831
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Revenues	\$ 7,633,508	\$ 25,730,833	\$ 27,390,913	\$ 29,116,638	\$ 31,842,571	\$ 34,568,503	\$ 37,294,435	\$ 39,920,367	\$ 42,646,299	\$ 45,372,231	\$ 48,098,163	\$ 50,824,095	\$ 50,824,095
Total Operating Revenues	\$ 76,749,520	\$ 163,962,858	\$ 234,738,950	\$ 305,752,834	\$ 399,448,155	\$ 470,462,039	\$ 545,441,981	\$ 623,363,193	\$ 703,949,238	\$ 781,373,466	\$ 871,273,582	\$ 943,041,864	\$ 943,041,864
Operating Expenses													
Claims⁶													
Highmark	\$ 45,555,256	\$ 81,999,461	\$ 118,443,666	\$ 162,179,073	\$ 197,167,399	\$ 232,155,725	\$ 278,095,015	\$ 314,846,447	\$ 351,597,879	\$ 400,538,608	\$ 439,691,191	\$ 478,843,774	\$ 478,843,774
Aetna	\$ 11,395,863	\$ 25,640,692	\$ 37,036,556	\$ 47,977,175	\$ 58,917,795	\$ 72,593,569	\$ 86,958,483	\$ 98,450,415	\$ 109,942,346	\$ 122,185,107	\$ 137,488,546	\$ 149,731,301	\$ 149,731,301
Express Scripts (non-Plan D)	\$ 16,035,345	\$ 26,725,578	\$ 37,415,806	\$ 48,282,131	\$ 59,148,457	\$ 75,447,945	\$ 87,083,969	\$ 98,719,994	\$ 110,356,019	\$ 122,148,274	\$ 133,940,530	\$ 151,628,914	\$ 151,628,914
Express Scripts (Plan D)	\$ 13,657,779	\$ 22,762,965	\$ 31,868,151	\$ 41,123,323	\$ 50,378,495	\$ 64,261,252	\$ 74,171,999	\$ 84,082,747	\$ 93,993,494	\$ 104,037,308	\$ 114,081,122	\$ 129,146,843	\$ 129,146,843
Total Claims	\$ 86,644,244	\$ 157,128,694	\$ 224,764,179	\$ 299,561,702	\$ 365,612,145	\$ 444,458,491	\$ 526,309,467	\$ 596,099,602	\$ 665,899,738	\$ 748,909,292	\$ 825,201,389	\$ 909,350,832	\$ 909,350,832
Other Expenses													
Program Fees and Costs (Vendor ASO Fees)	\$ 2,883,693	\$ 5,767,386	\$ 8,651,080	\$ 11,541,955	\$ 14,432,831	\$ 17,323,706	\$ 20,221,782	\$ 23,119,858	\$ 26,017,934	\$ 28,923,228	\$ 31,828,522	\$ 34,733,816	\$ 34,733,816
Office Expenses	\$ 206,994	\$ 413,989	\$ 620,983	\$ 827,978	\$ 1,034,972	\$ 1,241,967	\$ 1,448,961	\$ 1,655,956	\$ 1,862,950	\$ 2,069,945	\$ 2,276,939	\$ 2,483,934	\$ 2,483,934
Employee Assistance	\$ 30,799	\$ 61,598	\$ 92,397	\$ 123,196	\$ 153,995	\$ 184,793	\$ 215,592	\$ 246,391	\$ 277,190	\$ 307,989	\$ 338,788	\$ 369,587	\$ 369,587
Data Warehouse	\$ 42,052	\$ 84,105	\$ 126,157	\$ 168,209	\$ 210,262	\$ 252,314	\$ 294,366	\$ 336,419	\$ 378,471	\$ 420,523	\$ 462,576	\$ 504,628	\$ 504,628
Consultant Fees	\$ 125,000	\$ 250,000	\$ 375,000	\$ 500,000	\$ 625,000	\$ 750,000	\$ 875,000	\$ 1,000,000	\$ 1,125,000	\$ 1,250,000	\$ 1,375,000	\$ 1,500,000	\$ 1,500,000
COBRA Fees	\$ 5,665	\$ 11,330	\$ 16,995	\$ 22,660	\$ 28,324	\$ 33,989	\$ 39,654	\$ 45,319	\$ 50,984	\$ 56,649	\$ 62,314	\$ 67,979	\$ 67,979
ACA Fees	\$ 324,430	\$ 324,430	\$ 324,430	\$ 324,430	\$ 324,430	\$ 324,430	\$ 324,430	\$ 324,430	\$ 324,430	\$ 324,430	\$ 324,430	\$ 324,430	\$ 324,430
Total Other Expenses	\$ 3,618,634	\$ 6,912,838	\$ 10,207,047	\$ 13,508,428	\$ 16,809,814	\$ 20,111,200	\$ 23,419,787	\$ 26,728,373	\$ 30,036,960	\$ 33,352,764	\$ 36,668,569	\$ 39,984,373	\$ 39,984,373
Total Operating Expenses	\$ 90,262,878	\$ 164,041,532	\$ 234,971,220	\$ 313,070,130	\$ 382,421,959	\$ 464,569,691	\$ 549,729,254	\$ 622,827,975	\$ 695,926,697	\$ 782,262,056	\$ 861,869,958	\$ 949,335,205	\$ 949,335,205
Net Income	\$ (13,513,358)	\$ (78,674)	\$ (232,270)	\$ (7,317,296)	\$ 17,026,196	\$ 5,892,348	\$ (4,287,673)	\$ 9,535,217	\$ 8,022,541	\$ (888,590)	\$ 9,403,625	\$ (6,293,222)	\$ (6,293,222)
Amount Carried Forward ⁸	\$ 163,757,321	\$ 163,757,321	\$ 163,757,321	\$ 163,757,321	\$ 163,757,321	\$ 163,757,321	\$ 163,757,321	\$ 163,757,321	\$ 163,757,321	\$ 163,757,321	\$ 163,757,321	\$ 163,757,321	\$ 163,757,321
Fund Equity Balance	\$ 150,243,963	\$ 163,678,647	\$ 163,525,051	\$ 156,440,025	\$ 180,783,517	\$ 189,649,669	\$ 159,469,648	\$ 173,292,538	\$ 171,779,862	\$ 162,868,731	\$ 173,160,946	\$ 157,464,099	\$ 157,464,099

¹ Based on claims experience for the period 7/1/2017 - 6/30/2019 (weighted 35% earlier / 65% later); headcounts reflect FY20 open enrollment results as of July 2019 with 1% assumed growth during FY20; 5% medical/Rx trend; EGWP revenues and prescription drug rebates based on the period revenues are attributable.

² CY2019 and CY2020 EGWP revenue projected PMPM payments provided by ESI. Excludes estimated CY2018 EGWP financial reconciliation payment to be received in January 2020 (approx. \$4.1m Federal Reinsurance true-up and \$1.2m low-income cost sharing subsidy).

³ Participating Group Fees shown for FY20 are estimated based on actual FY19 fees and assumed FY20 headcounts.

⁴ Projected claims distributed by month based on expected FY 2020 claims invoice schedule provided by OMB and historical distribution of paid claims by quarter for FY12-FY18; FY20 projected claims reflect incremental savings for the new ESI contracts, FY20 initiatives including implementation of SurgeryPlus COE (\$0.5m annual savings), site-of-care storage (\$6.9m), Highmark infusion therapy program (\$2.0m) and implementation of Livongo (\$0.7m), as well as cost impact of passed legislation (HB 386 estimated at \$100k annual cost; SB 227 (\$2.1m); SB 225 (\$175k); SB 34 (\$500k))

⁵ FY19 Balance Forward reflects FY19 year-end balance as of June 2019.