

## FY2017 Actuals

## FY2018 Adopted

## FY2018 Projected

## FY2019 Projected Budget

	Active	Retiree	Total City	Active	Retiree	Total City	Active	Retiree	Total City	Active	Retiree	Total City
Claims - Medical & Pharmacy	24,138,454	18,887,058	42,825,512	25,165,374	19,495,000	44,660,374	23,803,724	18,519,989	42,323,713	26,938,504	20,020,515	46,959,019
Employer/Retiree Fully Insured	0	0	0	0	111,675	111,675	0	0	0	0	0	0
Admin Costs	789,256	831,612	1,620,868	858,776	899,535	1,698,311	754,757	780,994	1,535,751	773,626	800,519	1,574,145
LTID (Life Insurance Pensioners old title)	0	0	0	0	50,000	47,651	350,000	0	350,000	728,000	0	728,000
Health Insurance Pensioners (ADD)	0	0	0	0	455,000	455,000	0	416,481	416,481	0	455,000	455,000
MISC	(683,577)	0	(683,577)	500,000	0	500,000	0	0	0	500,000	0	500,000
CLAIM MARGIN	24,245,148	19,948,342	44,193,490	27,027,090	21,342,530	48,369,620	24,908,593	19,799,068	44,707,661	29,749,215	21,970,536	51,719,751
Gross Expense	0	0	0	0	0	0	0	0	0	0	0	0
COI Contributions	0	0	0	0	0	0	0	0	0	0	0	0
Contributions - Employee	(3,977,425)	(4,746,610)	(8,724,035)	(2,150,560)	(4,669,015)	(6,819,575)	(3,487,720)	(5,613,781)	(9,101,501)	(3,487,720)	(5,011,781)	(8,500,501)
Contributions - FICA	(13,616)	0	(13,616)	(13,616)	0	(13,616)	(34,843)	0	(34,843)	(71,173)	0	(71,173)
COBRA	(23,616)	0	(23,616)	(5,000)	0	(5,000)	0	0	0	0	0	0
State Reimbursement for LTID	0	(409,929)	(409,929)	0	(413,000)	(413,000)	0	(414,202)	(414,202)	0	(413,000)	(413,000)
Pharmaceutical Rebates	(1,613,587)	0	(1,613,587)	(1,475,000)	0	(1,475,000)	(1,450,000)	0	(1,450,000)	(1,445,000)	0	(1,345,000)
Misc. Part D	0	0	0	0	190,000	190,000	0	(551,034)	(551,034)	0	(500,000)	(500,000)
Misc. Part D - Net Term Inc. Income	(26,426)	(67,638)	(94,064)	0	0	0	(32)	(71,201)	(71,201)	0	(25,000)	(25,000)
Health Reserve	0	0	0	0	0	0	0	0	0	0	0	0
New Hire Trust Revenue (Fund 8701)	0	0	0	(860,000)	0	(860,000)	0	0	0	0	0	0
From 1001-820:	0	0	0	0	0	0	0	0	0	0	0	0
Health Insurance Pensioners	0	0	0	0	0	0	0	0	0	0	0	0
Health Insurance Pensioners	0	0	0	0	0	0	0	0	0	0	0	0
New Hire Employee Contribution	0	0	0	0	0	0	0	0	0	0	0	0
Misc. (LTID)	0	0	0	0	0	0	0	0	0	0	0	0
Misc. (LTID) - Other Contributions	(4,813,371)	(5,344,371)	(10,157,742)	(4,556,500)	(5,613,015)	(10,169,515)	(5,044,112)	(6,550,597)	(11,594,679)	(4,903,893)	(5,951,781)	(10,855,674)
LTID GF Cont. To Risk	(10,148,282)	(14,240,093)	(24,388,375)	0	0	0	0	0	0	0	0	0
Operating Transfer - OPEB	0	0	0	0	0	0	0	0	0	0	0	0
MISC REVENUE AND INCENTIVE	0	0	0	0	0	0	0	0	0	0	0	0
MISC REVENUE AND INCENTIVE	(10,148,282)	(14,240,093)	(24,388,375)	0	0	0	0	0	0	0	0	0
Total Rev 2018	(24,562,124)	(19,444,265)	(44,006,389)	(4,556,500)	(5,613,015)	(10,169,515)	(5,044,112)	(6,550,597)	(11,594,679)	(4,903,893)	(5,951,781)	(10,855,674)
Net Expense	(715,976)	464,016	(251,960)	22,470,490	15,724,495	38,194,985	19,854,489	13,713,115	33,567,604	24,836,132	15,968,735	40,804,907

	FY2018	Adopted Budget	FY18 P7 Projection	FY2019	FY19 Submitted Budget
Pensioners Allowance	505,000	505,000	505,000	505,000	455,000
Risk Contribution (To Health)	37,697,416	37,697,416	33,072,554	33,072,554	40,340,907
TOTAL FY2018 BUDGET	38,202,416	38,202,416	33,577,554	33,577,554	40,804,907
Health Insurance Pensioners	50,000.00	50,000.00	50,000.00	50,000.00	51,500.00
Contract Consultant Sics	150,000.00	150,000.00	150,000.00	150,000.00	154,500.00
Total Health - Per Recovery Plan	33,827,554	33,827,554	33,577,554	33,577,554	41,010,907
Additional Savings noted in Recovery Plan					(1,500,000)
Adjust to Current Services					99,510,907

## Estimates for FY2019

\*Projection above reflects actuals and trend thru P7.

\*There are 2,817 total lives, including all active, retired, under and over 65.

\*Projected lives for FY2019 is based on the lives for December 2017 plus new hires.

\*The above projection is based on the current rate for the period January 1st, 2017 - December 31st, 2017 and the Annual Trend assumption of 7.3% for Active &amp; Retiree after adjusting for additional savings identified in the Recovery Plan.

\*Claims has been adjusted to account for the filling of police and fire classes. \$1,299.25 Per Contract Per Month is used to calculate classes.

\*Claims Margin is based on 3% on Active &amp; Retiree Claims.



## City of Hartford - Medicare Retirees

### Proposed Change: Medicare Advantage through Partnership 2.0

January 1, 2018 through December 31, 2018

Self-Funded Program - CY2018	
CIGNA Self-Funded Medical	\$2,096,300
CVS/Caremark Self-Funded Prescription Drug	\$2,529,200
<b>Medical/Prescription Drug Self-Funded Expense Total</b>	<b>\$4,625,500</b>
Medicare Retiree Medical/Rx Contributions	\$1,906,900
<b>Net Medicare Retiree Expenses</b>	<b>\$2,718,600</b>

Medicare Advantage - CY2018	
<b>Premium</b>	<b>\$2,077,000</b>
Medicare Retiree Contributions	\$1,504,500
<b>Net Medicare Retiree Expenses</b>	<b>\$572,500</b>

<b>Estimated Annual Savings (\$)</b>	<b>(\$2,146,100)</b>
<b>Estimated Annual Savings (%)</b>	<b>-78.9%</b>

#### Notes:

1. Projections are based on 768 Medicare retirees and spouses.
2. Cigna self-funded medical expenses include claims, administration, ACA fees, and 3% claims margin.
3. CVS/Caremark self-funded prescription drug expenses include claims, rebates, Medicare Part D RDS Subsidy, and 3% claims margin.
4. Medicare Advantage premium is based on Partnership 2.0 rates effective January 1, 2018. Rates are guaranteed through December 31, 2019.
5. Net savings reflect current contributions as reported by IPI and assume retirees will contribute the same percentage of the cost for the Medicare Advantage plan as currently being paid for the Major Medical plan (0% for Embers and 100% for all others). Aggregate contributions decrease for the Medicare Advantage plan since the cost of the plan is lower and retirees cannot be charged more than the cost of the plan.

*The projections in this report are estimates of future costs and are based on information available to Segal Consulting at the time the projections were made. Segal Consulting has not audited the information provided. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases. The projections do not reflect the potential impact of any future changes due to health care reform legislation, other than those noted or previously adopted.*

*Projection of retiree costs takes into account only the dollar value of providing benefits for current retirees during the period referred to in the projection. It does not reflect the present value of any future retiree benefits for active, disabled or terminated employees during a period other than that which is referred to in the projection, nor does it reflect any anticipated increase in the number of those eligible for retiree benefits, or any changes that may occur in the nature of benefits over time.*