



State of Alaska

Estimated EGWP Savings Projections - Illustrative Only

\$ in millions

	2017 Segal Estimates*		2019 Segal Estimates**	
	Low Range	High Range	Initial (2018)	Updated (2019)
(1) Base Subsidy	\$9.0	\$10.0	\$10.0	\$4.0
(2) Coverage Gap Discount	22.0	25.0	23.0	28.0
(3) Catastrophic Reinsurance	12.0	15.0	14.0	22.0
(4) Total Subsidies (1) + (2) + (3)	\$43.0	\$50.0	\$47.0	\$54.0
(5) Change in Gross Claims	2.0	3.0		
(6) Change in Member Costs	(0.1)	0.1		
(7) Additional Admin Fees	(6.8)	(6.5)	(6.8)	(5.2)
(8) ACA Fees (2017) / IRMAA (2019)	(0.5)	(0.4)	(0.2)	(0.8)
(9) Rebate Change	<u>(2.5)</u>	<u>(1.5)</u>		
(10) Net EGWP (4) + (5) + (6) + (7) + (8) + (9)	\$35.1	\$44.7	\$40.0	\$48.0
(11) RDS Subsidy	19.0	21.0	20.0	18.0
(12) Estimated Savings	\$16.1	\$23.7	\$20.0	\$30.0
(13) Percentage Savings Increase (10) / (11) - 1	85%	113%	100%	167%

Important Notes:

* The 2017 Segal estimates were provided in a presentation dated May 4, 2017.

** The 2019 Segal estimates were provided in a presentation dated February 6, 2019.

Final FY19 Contribution Rates - State Assistance Contributions¹

PERS	5.58%	5.58%	5.58%	5.58%
TRS	16.34%	16.34%	16.34%	16.34%
JRS	32.45%	32.45%	32.45%	32.45%

FY19 Illustrative Contribution Rates Reflecting EGWP Savings - State Assistance Contributions²

PERS	4.18%	3.70%	3.93%	3.48%
TRS	15.57%	15.53%	15.54%	15.44%
JRS	32.45%	32.45%	32.45%	32.45%

FY19 Projected Payroll¹

PERS	\$2,423.3	\$2,423.3	\$2,423.3	\$2,423.3
TRS	784.4	784.4	784.4	784.4
JRS	15.1	15.1	15.1	15.1

FY19 Projected State Assistance Contributions Savings

PERS	\$33.9	\$45.6	\$40.0	\$50.9
TRS	6.0	6.4	6.3	7.1
JRS	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	\$39.9	\$52.0	\$46.3	\$58.0

Reduction in Normal Cost as of June 30, 2016³

PERS DB	\$3.2	\$4.3	\$3.8	\$6.3
PERS DCR	0.2	0.5	0.4	1.1
TRS DB	0.9	1.1	1.0	1.7
TRS DCR	0.0	0.1	0.1	0.3
JRS	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Total	\$4.4	\$6.1	\$5.4	\$9.5

Reduction in AAL as of June 30, 2016³

PERS DB	\$375.1	\$498.8	\$441.4	\$735.7
PERS DCR	2.1	4.5	3.4	9.0
TRS DB	141.4	188.0	166.4	277.3
TRS DCR	0.6	1.4	1.0	2.8
JRS	<u>1.0</u>	<u>1.3</u>	<u>1.2</u>	<u>2.0</u>
Total	\$520.2	\$694.0	\$613.4	\$1,026.8

¹ Documented in letter dated September 15, 2017, providing Allocation of Additional State Contributions for FY19

² These rates are illustrative only assuming the EGWP savings had been reflected in calculating the FY19 contribution rates.

³ Reduction measured as of June 30, 2016, which is the basis for calculating the FY19 State Assistance Contributions

Except for the EGWP savings adjustments noted above, all of the data, assumptions, methods and plan provisions used in the above calculations are documented in the valuation reports for the 2017 fiscal year (valuation date of June 30, 2016).