

A background image of a modern office meeting room with large windows, a conference table, and several people in business attire. A semi-transparent white banner is overlaid across the middle of the image.

2017 Health & Welfare Benefits Information





CBIZ Benefits &
Insurance Services

Ciner Resources Group

August 3, 2016
11:00am – 2:00pm

- 1) 2016 Reporting
 - a) Year-to-Date Medical Financial Results and IBNR
 - b) Year-to-Date Dental Financial Results and IBNR
- 2) Detailed Medical/Rx/Dental IBNR
- 3) 2017 Renewal Planning
 - a) Medical
 - Summary
 - Underwriting Current Benefits (Active & Retiree)
 - Underwriting Proposed Benefits (Active & Retiree)
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 - Marketing Updates
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 - Underwriting Current Benefits (Active & Retiree)
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2016 Reporting

MEDICAL FINANCIAL RESULTS AND IBNR

CINER RESOURCES CORPORATION
JANUARY 2016 TO DECEMBER 2016
FINANCIAL RESULTS

	Actual through 6/30/2016	Annualized through 12/31/2016
I. <u>Claims Costs (Including Run-out)</u>¹		
* MEDICAL, Rx, and CAPITATION		
HRA Plus Paid Claims	\$2,725,717	\$5,558,991
HRA Basic Paid Claims	\$811,385	\$1,652,525
OAP Value Paid Claims	\$191,487	\$389,622
PPO Grandfathered Retiree Paid Claims	\$45,106	\$92,646
	\$3,773,694	\$7,693,785
* HRA FUND UTILIZATION		
HRA Plus Fund Payments ²	\$425,360	\$662,000
HRA Basic Fund Payments ²	\$234,718	\$365,299
	\$660,078	\$1,027,299
* ADJUSTMENTS		
Stop Loss Reimbursements	(\$273,860)	(\$273,860)
Rx Rebates Received	(\$148,023)	(\$148,023)
Medicare Subsidy Payments Received	(\$27,414)	(\$27,414)
Change in IBNR (Medical, Rx, and HRA) ³	(\$153,160)	(\$220,192)
	(\$602,457)	(\$669,489)
Total Claims Costs	\$3,831,316	\$8,051,595
II. <u>Administrative Costs (Administration, PPACA, and Stop Loss)</u>⁴		
* Cigna		
HRA Plus	\$103,124	\$203,929
HRA Basic	\$64,552	\$130,616
OAP Value	\$4,800	\$9,910
PPO Grandfathered Retiree	\$3,754	\$7,242
* Reliance Standard		
Specific Stop Loss Premium	\$211,511	\$422,561
	\$387,741	\$774,258
III. <u>Total Cost (I + II)</u>	\$4,219,057	\$8,825,853
IV. <u>Accrual / Budget / Conventional Premium Equivalent</u>		
HRA Plus	\$2,873,882	\$5,691,888
HRA Basic	\$1,517,004	\$3,072,369
OAP Value	\$75,730	\$155,822
PPO Grandfathered Retiree	\$76,724	\$149,146
Total Budget Accrual	\$4,543,339	\$9,069,225
V. <u>Loss Ratio (III / IV)</u>		
Incurred Loss Ratio	92.9%	97.3%
Paid Loss Ratio	96.2%	99.7%
VI. <u>Paid Loss Ratio by Plan</u>		
HRA Plus	104.3%	110.5%
HRA Basic	76.2%	74.0%
OAP Value	255.8%	258.2%
PPO Grandfathered Retiree	67.0%	71.4%
VII. <u>Ciner Budget Variance (Excluding Rx Rebates and Medicare Subsidies)</u>		
HRA Plus	(\$231,386)	(\$231,386)
HRA Basic	\$329,017	\$329,017
OAP Value	(\$125,523)	(\$125,523)
PPO Grandfathered Retiree	\$23,578	\$23,578
Total Budget Variance	(\$4,314)	(\$4,314)
VIII. <u>Average Enrollment and Membership by Plan</u>	<u>Avg Subscribers</u>	<u>Avg Members</u>
HRA Plus	321	754
HRA Basic	198	534
OAP Value	15	34
PPO Grandfathered Retiree	16	20
	549	1,342

Assumptions:

- (1) Annual projections assume 6.5% Trend for Medical and 12% Trend for Rx, with trends by plan blended based on ratio of Medical to Rx.
- (2) Assumes average HRA Utilization of 64.3% through June.
- (3) Medical, Rx, and HRA IBNR Estimate of \$1,314,231 (Jun 16) - \$1,467,391 (Dec 15).
PEPM Fees: ASO Admin Fee of \$22.15, Access Fee of \$15.16, HRA Fee (where applicable) of \$7.99, Processing Fee of \$1.50.
- (4) PMPM Fees: Transitional Reinsurance Fee of \$3.67 and Patient Centered Outcome Research Fee of \$0.17. PEPM Stop Loss Premium of \$36.94 for Single, \$84.00 for Family.

DENTAL FINANCIAL RESULTS AND IBNR

CINER RESOURCES CORPORATION
JANUARY 2016 TO DECEMBER 2016
FINANCIAL RESULTS - DENTAL

	Actual through 6/30/2016	Annualized through 12/31/2016
I. <u>Claims Costs (Including Run-out)</u>		
Delta Dental Paid Claims ⁽¹⁾	\$242,236	\$490,770
Change in IBNR ⁽²⁾	<u>\$13,162</u>	<u>\$13,994</u>
	\$255,397	\$504,764
II. <u>Administrative Costs</u>		
Delta Dental Admin Fee ⁽³⁾	\$11,797	\$23,613
III. <u>Total Cost (I + II)</u>	\$267,195	\$528,376
IV. <u>Accrual / Budget</u>		
Delta Dental Premium Equivalent	\$235,900	\$472,045
V. <u>Loss Ratio (III / IV)</u>		
Incurred Loss Ratio	113.3%	111.9%
Paid Loss Ratio	107.7%	109.0%

Assumptions:

- (1) Annual Projections and IBNR assume 5.2% trend.
- (2) Dental IBNR Estimate of \$38,222 (Jun 16) - \$25,060 (Dec 15).
- (3) Delta Dental Admin Fee is \$3.64 PEPM.

CINER RESOURCES CORPORATION

January 2016 through December 2016

001 - Atlanta														
Month	Single Lives	Single Rate	Ee + Sp		Ee + Ch		Family Lives	Family Rate	Total Lives	Conventional		Admin Fees	Total Paid	Paid Loss Ratio
			Lives	Rate	Lives	Rate				Premium Equivalent	Paid Claims			
January	13	\$33.88	8	\$67.76	3	\$74.53	17	\$108.42	41	\$3,049	\$7,769	\$149	\$7,918	259.68%
February	13	\$33.88	8	\$67.76	3	\$74.53	17	\$108.42	41	\$3,049	\$4,653	\$149	\$4,803	157.50%
March	13	\$33.88	8	\$67.76	3	\$74.53	18	\$108.42	42	\$3,158	\$7,982	\$153	\$8,135	257.63%
April	11	\$33.88	8	\$67.76	3	\$74.53	17	\$108.42	39	\$2,981	\$3,221	\$142	\$3,363	112.79%
May	10	\$33.88	8	\$67.76	3	\$74.53	17	\$108.42	38	\$2,948	\$4,790	\$138	\$4,928	167.20%
June	10	\$33.88	8	\$67.76	3	\$74.53	17	\$108.42	38	\$2,948	\$3,686	\$138	\$3,824	129.73%
July														
August														
September														
October														
November														
December														
Totals	70		48		18		103		239	\$18,133	\$32,102	\$870	\$32,972	181.83%

002 - Green River														
Month	Single Lives	Single Rate	Ee + Sp		Ee + Ch		Family Lives	Family Rate	Total Lives	Conventional		Admin Fees	Total Paid	Paid Loss Ratio
			Lives	Rate	Lives	Rate				Premium Equivalent	Paid Claims			
January	91	\$33.88	122	\$67.76	57	\$74.53	147	\$108.42	417	\$31,536	\$25,875	\$1,518	\$27,393	86.86%
February	89	\$33.88	121	\$67.76	57	\$74.53	146	\$108.42	413	\$31,292	\$29,885	\$1,503	\$31,388	100.31%
March	90	\$33.88	118	\$67.76	57	\$74.53	145	\$108.42	410	\$31,014	\$40,135	\$1,492	\$41,628	134.22%
April	91	\$33.88	119	\$67.76	59	\$74.53	146	\$108.42	415	\$31,373	\$30,226	\$1,511	\$31,737	101.16%
May	91	\$33.88	116	\$67.76	60	\$74.53	144	\$108.42	411	\$31,028	\$27,412	\$1,496	\$28,908	93.17%
June	93	\$33.88	116	\$67.76	61	\$74.53	145	\$108.42	415	\$31,278	\$27,815	\$1,511	\$29,325	93.76%
July														
August														
September														
October														
November														
December														
Totals	545		712		351		873		2,481	\$187,520	\$181,349	\$9,031	\$190,380	101.52%

003 - OCI Decatur														
Month	Single Lives	Single Rate	Ee + Sp		Ee + Ch		Family Lives	Family Rate	Total Lives	Conventional		Admin Fees	Total Paid	Paid Loss Ratio
			Lives	Rate	Lives	Rate				Premium Equivalent	Paid Claims			
January	-	\$33.88	-	\$67.76	-	\$74.53	-	\$108.42	0	\$0	\$0	\$0	\$0	0.00%
February	-	\$33.88	-	\$67.76	-	\$74.53	-	\$108.42	0	\$0	-\$834	\$0	-\$834	0.00%
March	-	\$33.88	-	\$67.76	-	\$74.53	-	\$108.42	0	\$0	\$112	\$0	\$112	0.00%
April	-	\$33.88	-	\$67.76	-	\$74.53	-	\$108.42	0	\$0	\$0	\$0	\$0	0.00%
May	-	\$33.88	-	\$67.76	-	\$74.53	-	\$108.42	0	\$0	\$0	\$0	\$0	0.00%
June	-	\$33.88	-	\$67.76	-	\$74.53	-	\$108.42	0	\$0	\$0	\$0	\$0	0.00%
July														
August														
September														
October														
November														
December														
Totals	-		-		-		-		0	\$0	(\$722)	\$0	(\$722)	0.00%

007 - Salaried Early Retirees														
Month	Single Lives	Single Rate	Ee + Sp		Ee + Ch		Family Lives	Family Rate	Total Lives	Conventional		Admin Fees	Total Paid	Paid Loss Ratio
			Lives	Rate	Lives	Rate				Premium Equivalent	Paid Claims			
January	20	\$35.57	14	\$71.16	1	\$78.27	4	\$113.88	39	\$2,241	\$702	\$142	\$844	37.65%
February	19	\$35.57	15	\$71.16	1	\$78.27	5	\$113.88	40	\$2,391	\$1,270	\$146	\$1,416	59.22%
March	16	\$35.57	16	\$71.16	1	\$78.27	5	\$113.88	38	\$2,355	\$2,269	\$138	\$2,408	102.22%
April	16	\$35.57	16	\$71.16	1	\$78.27	5	\$113.88	38	\$2,355	\$3,514	\$138	\$3,652	155.06%
May	17	\$35.57	17	\$71.16	1	\$78.27	5	\$113.88	40	\$2,462	\$1,950	\$146	\$2,095	85.10%
June	17	\$35.57	17	\$71.16	1	\$78.27	5	\$113.88	40	\$2,462	\$4,487	\$146	\$4,632	188.14%
July														
August														
September														
October														
November														
December														
Totals	105		95		6		29		235	\$14,267	\$14,192	\$855	\$15,047	105.47%

008 - Hourly Early Retirees														
Month	Single Lives	Single Rate	Ee + Sp		Ee + Ch		Family Lives	Family Rate	Total Lives	Conventional		Admin Fees	Total Paid	Paid Loss Ratio
			Lives	Rate	Lives	Rate				Premium Equivalent	Paid Claims			
January	13	\$35.57	7	\$71.16	4	\$78.27	-	\$113.88	24	\$1,274	\$715	\$87	\$802	62.98%
February	13	\$35.57	7	\$71.16	4	\$78.27	-	\$113.88	24	\$1,274	\$1,450	\$87	\$1,537	120.69%
March	14	\$35.57	8	\$71.16	4	\$78.27	-	\$113.88	26	\$1,380	\$2,774	\$95	\$2,868	207.81%
April	17	\$35.57	8	\$71.16	4	\$78.27	-	\$113.88	29	\$1,487	\$2,183	\$106	\$2,288	153.89%
May	17	\$35.57	8	\$71.16	4	\$78.27	-	\$113.88	29	\$1,487	\$1,903	\$106	\$2,008	135.04%
June	17	\$35.57	8	\$71.16	4	\$78.27	-	\$113.88	29	\$1,487	\$1,560	\$106	\$1,666	112.00%
July														
August														
September														
October														
November														
December														
Totals	91		46		24		-		161	\$8,389	\$10,584	\$586	\$11,170	133.15%

Detailed Medical / RX / Dental IBNR

Ciner Preliminary Underwriting Summary

Medical Underwriting Summary					
	2016 Budget	2017 @ Current	2017 With Changes	2017 @ Current w/o Retirees	2017 With Changes w/o Retirees
<i>Projected Plan Costs</i>					
Annual Funding	\$9,051,887	\$9,793,955	\$8,811,696	\$8,197,983	\$7,364,296
Enrollment	546	546	546	462	462
PEPM Funding	\$1,382	\$1,495	\$1,345	\$1,479	\$1,328
Budget as % over Current	N/A	8.2%	-2.7%	-9.4%	-18.6%
PEPM as % Over Current	N/A	8.2%	-2.7%	7.0%	-3.9%

Plan Change Impacts:	% Impact	\$ Impact
Remove Rx Deductible	1.5%	\$126,511
Increase OOP on Basic plan to \$6,500/\$13,000 2x OON and on Plus plan to \$5,500/\$11,000 2x OON	-2.4%	-\$198,963
Increase OON deductible/OOP to 2x IN and change to one way accumulation	-1.7%	-\$144,712
Move from 200% to 110% MRC	-1.1%	-\$88,043
Move from Standard PDL to Value PDL (excludes PPIs and non-sedating antihistamines as well as some brand exclusions that lead to a slightly narrower PDL)	-1.6%	-\$130,799
Add Step Therapy	-0.3%	-\$24,713
One way accumulation	-0.5%	-\$40,728

2017 Renewal Planning

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MEDICAL



Ciner Resources 2017 Medical ASO Marketing Summary

Medical

CBIZ has been asked to explore other plan administrators with the goal of more effective claims management.

Ciner currently uses Cigna for medical administration and claims management.

Requests for ASO services were submitted to Continental Benefits, UMR, Paragon, SISCO and Benefit Administrative Systems.

Cigna's base admin fee includes many services which otherwise may typically be covered at additional cost. These include Nurseline, Case Management, Utilization Management, Precertification and the Motivate Me wellness program.

Current admin fees total approximately \$312,681. 2016 Projected claims with Cigna are estimated to be \$8,103,413.

Cigna offers the renewal of administrative services at no increase for 2 years (through 2018) and with year 2019 fees capped at +2%.

Ciner currently participates in Cigna's Your Health First 200 program which provides for management of chronic diseases. Cigna is suggesting that Ciner move to the Your Health First 300 program which essentially is designed to get more people engaged in the coaching, case management and disease management programs and ultimately lead to greater claims savings. At \$4.07 PEPM, this would result in an additional \$26,618 and a net projection of \$41,980 in claims savings.

Ciner is also currently using Personal Health Solutions+, Cigna's utilization and medical management program for in patient and out- patient services including medical review and authorization for certain services. The cost for this is \$6.50 PEPM and is included in the admin fees.

For 2017 Cigna will roll out Health Matters Care Management as an alternative to PHS+. HMCM is expected to have expanded capabilities and generate a projected 1.5% in savings - \$123,000. An additional net cost will be associated with HMCH of \$1.60 PEPM which is an additional \$10,464.



ASO

	Cigna		
	2016	Renewal	Change
	Year 1	\$ 312,681	\$ 312,681
Year 2		\$ 312,681	
Year 3		\$ 317,755	
3 Year Total		\$ 943,117	

	Continental			
	Year 1 - Aetna	Change	Year 2 - AMPS	Change
	Year 1	\$ 286,498	-8%	
Year 2			\$ 314,359	1%
Year 3			\$ 317,759	0%
3 Year Total			\$ 918,616	-3%

Additional Fees

Pending add'l info

<u>PHS+</u>	Included
	UM, Pre-Cert
<u>YHF300</u>	\$26,617.80
	Coaching, CM, DM

<u>Aetna Active Health</u>	\$30,868.80
	UM, CM & Maternity

Year 1 Total	\$ 339,299
Year 2 Total	\$ 339,299
Year 3 Total	\$ 344,373
3 Year Grand Total	\$ 1,022,970

Year 1 Total	\$ 317,367
Year 2 Total	\$ 345,227
Year 3 Total	\$ 348,628
3 Year Grand Total	\$ 1,011,223

Projected 2016 Claims \$8,103,413
Projected 2017 Claims \$8,948,691

Blue Cross/Blue Shield, Aetna and United Healthcare generally agree and responded that a full service TPA would have more flexibility to handle the intricacies of Ciner's Medical Administrative Services. Therefore, their respective networks are represented via preferred TPA vendors.

Offers from Sisco and BAS remain outstanding

DENTAL



Ciner Resources 2017 Marketing Summary

Dental

CBIZ was asked to market for ASO and fully insured dental options.

Ciner's dental plan is currently self-funded through Delta Dental. The ASO fee is increasing from \$3.64 PEPM to \$4.00 PEPM effective 1/1/2017.

Projected 2016 dental claims + admin fees are \$537,728. Using 4% trend, 2017 projected dental claims + admin fees are estimated to be \$560,621 resulting in an additional \$22,893 or +4.3% over 2016. Generally, the market's fully insured responses indicate cost avoidance by transitioning to a fully insured option.

Requests for quotes were submitted to MetLife, Blue Cross/Blue Shield, Aetna, Cigna and Ameritas.

Aetna, MetLife and Cigna represent the most competitive fully insured options.

Aetna has matched the in-force plan design with a slight improvement of reimbursing out of network claims at 90th of UCR. Rates result in \$44,640/8.3% less than the current 2016 fees + projected claims. 2 year rates result in \$24,914/4.6% less than the current 2016 fees + projected claims.

Should Ciner also purchase life and disability from Aetna, the dental premium would be reduced by 1% - approximately \$5,000. Aetna is also offering a \$5,000 Implementation/Communication credit with the sale of Dental. This credit increases to \$20,000 if life and disability coverage is also purchased through Aetna.

Aetna has excellent access to General Dentists for Ciner's employees. Employees in Rock Springs and Green River, WY would average 73 miles to 1 Specialist.

65.2% of seen providers are included in the Aetna network resulting in 43.4% of all dental claims

LIFE AND DISABILITY



Ciner Resources 2017 Marketing Summary

Life and Disability

Ciner is currently insured for Basic Life, AD&D, Basic Dependent Life, Supplemental Life and AD&D, Short and Long Term Disability through Lincoln Financial and is coming to the end of a three year rate guarantee.

Ciner covers the cost of Basic Life/AD&D, STD and a core LTD plan. Employees may choose to purchase basic dependent life and supplemental life/AD&D on themselves and their dependents, and may choose to buy-up to a richer LTD plan.

The current total annual premium is approximately \$979,901 of which Ciner contributes \$315,051 for employer sponsored coverage and the employees contribute \$664,851.

Requests for bids were submitted to 13 carriers of which only four provided quotes. Declinations were generally due to Miners being an ineligible industry or to the carrier's rates being uncompetitive on this industry.

Carriers were asked to quote based on the current eligibility and were also asked to provide rates should Ciner cease to cover Retirees under the basic and supplemental life plans.

Quoting carriers include Prudential, Aetna, Cigna and Blue Cross/Blue Shield of Georgia.

Pricing indicates that Retiree coverage drives the bulk of the rating for Basic and supplemental life. Rates excluding Retiree coverage are nearly 1/2 of rates inclusive of Retiree coverage.

Lincoln's renewal premium is estimated to total \$1,299,498. This represents an additional \$48,507 to Ciner + an additional \$271,090 in employee contributions for a total increase of \$319,597.

Should Ciner remove retirees from the plan, the Lincoln renewal reduces Ciner's contribution to an additional \$14,184 and fully reduces employee contributions by \$97,777 for an overall premium reduction of \$83,593.

Aetna a competitive quote with a 3 year rate guarantee on all lines. On current eligibility, Aetna's total premium is \$1,172,338 which represents an additional \$22,860 to Ciner + an additional \$169,577 in employee contributions for a total increase of \$192,437.

Should Ciner remove retirees from the plan, the Aetna offer results in a savings to Ciner of \$26,455 and fully reduces employee contributions by \$27,351 for an overall premium reduction of \$53,805.

CBIZ

