

Memo

To: File
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 From: DoD Office of the Actuary (OACT)

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Subject: Actuarial Work for the Chief Financial Officers Act (CFO) Financial Statements (MERHCF, SMA, CRM, TMA Consolidated, MRHB)

PURPOSE OF THIS MEMO

This memo describes the procedures for producing the postretirement benefit (PRB) actuarial valuation results required for the Department of Defense's (DoD's) 9/30/2012 Chief Financial Officers Act (CFO) financial statements (FS). Use of these results for other purposes may not be appropriate. The report titled Valuation of the Medicare-Eligible Retiree Health Care Fund (September 30, 2011) provides a more detailed description of the actuarial model used to determine the liability and funding requirements for the Medicare-Eligible Retiree Health Care Fund (MERHCF or Fund). Since the calculation of the annual funding requirements for the MERHCF precedes the calculation of the year-end CFO financial statement values, the Valuation Report for the MERHCF is a precursor to this memo. In addition, assumptions and methods described in the MERHCF Valuation Report apply to the liabilities determined for the CFO financial statements except where expressly stated in this memo. We have performed the valuation using methods and assumptions in accordance with generally accepted actuarial principles and practices. Any questions regarding this memo's content can be addressed by sending an email to healthactuary@osd.pentagon.mil.

SFFAS 33 RESULTS IN DIFFERENT INTEREST AND INFLATION ASSUMPTIONS FOR FINANCIAL STATEMENT LIABILITIES

The Statement of Federal Financial Accounting Standards 33 (SFFAS 33), as published on October 14, 2008, by the Federal Accounting Standards Advisory Board (FASAB), requires the use of a yield curve based on marketable U.S. Treasury securities to determine the discount rates used to calculate actuarial liabilities for federal financial statements. Historical experience is the basis for expectations about future trends in marketable U.S. Treasury securities.

SFFAS 33 is effective for periods beginning after September 30, 2009, and applies to information provided in general purpose federal financial statements. It does not affect statutory or other special-purpose reports, such as Pension or Other Retirement Benefit reports. SFFAS 33 requires a minimum of five periodic rates for the yield curve input and a consistency in the number of historical rates used from period to period. It permits the use of a single average discount rate if the resulting present value is not materially different from what would be obtained using the yield curve.

DoD Office of the Actuary (OACT) annually performs two MERHCF valuations. The primary one is for funding purposes—this valuation is governed by Chapter 56 of Title 10 U.S.C. and must use methods and assumptions approved by the DoD Medicare-Eligible Retiree Health Care Board of Actuaries (Board). As noted above, details of the funding valuation are described in OACT's Valuation of the Medicare-Eligible Retiree Health Care Fund. The other valuation is for financial statement purposes and is governed by FASAB standards. For the September 30, 2012, financial statement valuation, OACT determined an SFFAS 33 equivalent discount rate of 4.6% (compared to

* Meets the qualification standards of the American Academy of Actuaries to perform the work documented in this memo.

4.9% in the previous year) by using quarterly zero coupon Treasury spot rates (as published by the Office of Thrift Supervision) from June 30, 2002, through March 31, 2012, (40 quarterly interest rates), with an approximation for the March 31, 2012 rates due to discontinuation of the published series. In the summer of 2012, the Board approved a discount rate of 5.75% for the September 30, 2011, funding valuation, which differs from the SFFAS equivalent rate by 115 basis points.

SFFAS 33 requires that the discount rate, underlying inflation rates, and other economic assumptions should be consistent with one another. A change in the discount rate may cause other assumptions to change as well. For the September 30, 2012, financial statement valuation, use of the SFFAS 33 single equivalent discount rate required OACT to change the long-term inflation and medical trend rate assumptions to be consistent with the underlying Treasury spot rates used in the valuation. Looking at inflation over the same period used to develop the yield curve led to a long term inflation assumption of 2.6% (compared to 2.5% in the previous year), which is 40 basis points lower than the long term inflation assumption for the funding valuation. Therefore, the long-term (or ultimate) medical trend assumption was set to 5.35% (compared to 5.25% in the previous year), also 40 basis points lower than the comparable funding valuation assumption.

PROCESS OVERVIEW

The year-end financial statements, called the CFO financial statements, report PRB liabilities in total as well as in components. The following list describes the various components of the PRB liabilities needed for financial reporting, and the cost basis underlying each one¹. A description of the cost bases follows this list.

1. MERHCF – The Medicare-Eligible Retiree Health Care Fund covers the liability for the cost of future medical treatment provided to Medicare eligible military retirees and their Medicare eligible dependents.
 - a. Cost basis: Fund
 - b. Population: All Uniformed (DoD + Non-DoD² (CG, NOAA, PHS)) (Active Duty and Reserves)
2. CRM and TMA Consolidated – Contract Resource Management (part of TRICARE Management Activity) covers Purchased Care (PC) benefits. The CRM and TMA Consolidated financial statements include a liability for future medical benefits received through Purchased Care and provided to non-Medicare eligible military retirees and their non-Medicare eligible dependents. The TMA Consolidated statement also includes a small death benefit liability for a small closed group of retirees who previously were employed at the Uniformed Services University of the Health Sciences (USUHS).
 - a. Cost basis: CFO
 - b. Population: DoD (Active Duty and Reserves)
3. SMA – Service Medical Activity covers Direct Care (DC) benefits. The SMA financial statement includes a liability for future medical benefits received through Direct Care and provided to non-Medicare eligible military retirees and their non-Medicare eligible dependents. In addition, the SMA statement includes a liability for the cost differential of Direct Care provided to Medicare eligible members, based on the difference between valuing DC benefits on a CFO cost basis vs. Fund cost basis.
 - a. Cost basis
 - i. Non-Medicare benefits³: CFO

¹ The cost basis describes the types of costs that are included in the valuation. This is different from the distinction between the different economic assumptions used in the funding vs. SFFAS 33 financial statement valuations.

² The non-DoD uniformed services (the US Coast Guard (CG), National Oceanic and Atmospheric Administration (NOAA), and Public Health Service (PHS)) together add about 3.3% to active duty endstrength and 1% to reserve endstrength.

³ In this context “Non-Medicare” and “Medicare” refer to benefits received when the beneficiary is non-Medicare eligible and Medicare eligible, respectively.

- ii. Medicare benefits: Fund and CFO (and take the difference)
- b. Population
 - i. Non-Medicare benefits: DoD (Active Duty and Reserves)
 - ii. Medicare benefits: All Uniformed (DoD + Non-DoD (CG, NOAA, PHS)) (Active Duty and Reserves)
- 4. MRHB – Military Retirement Health Benefit covers PC and DC benefits provided to non-Medicare eligible retirees and their non-Medicare eligible dependents, as well as the Medicare benefits portion of the SMA statements. The MRHB statement shows the sum of the liabilities recorded in the CRM and TMA Consolidated and SMA statement liabilities, and is referred to as ODO General Funds

The remaining liability for postretirement medical benefits is found in the individual financial statements of the non-DoD uniformed services (CG, NOAA, and PHS). Therefore, CG, NOAA, and PHS are responsible for computing and recording their liabilities for non-Medicare postretirement medical benefits.

Cost Bases: Fund and CFO

There are two cost bases associated with retiree medical benefits received through DC. The Fund cost basis is used to determine the MERHCF's liability, MERHCF contributions, and payments from the MERHCF. This Fund cost basis does not include certain Direct Care expenses (such as depreciation, free receipts and certain overhead costs), which arguably are costs incurred in support of the military effort (readiness, etc.), and costs which would be incurred in the absence of retired military families. The CFO cost basis, used for liabilities appearing in the CFO financial statements, includes the "full" Direct Care costs. Therefore, the CFO basis produces a larger actuarial liability (AL) and larger normal cost (NC) compared to the Fund basis (irrespective of the difference caused by reporting CFO liabilities on a SFFAS 33 basis). Both bases are determined from Direct Care cost analyses performed by Health Affairs' contractor (currently IBM). OACT has no involvement in this process and therefore is not in a position to validate the reasonableness of the data provided for our valuations⁴.

FUND TO CFO ADJUSTMENT TO DC COSTS (for 9/30/2011 valuation, FY 2012 Financial Statements)

	<u>Fund-to-CFO Adjustment Factor</u>
DC Inpatient	1.445
DC Outpatient	1.585
DC Pharmacy	1.002

SUMMARY OF STATEMENT CONTENTS

OACT produces various items associated with the actuarial valuation of postretirement benefits, and DoD's funding and reporting requirements drive OACT's business cycle.

During FY 2012 (Oct. 2011– Sept. 2012), OACT first produced an actuarial valuation for the MERHCF as of FYE 2011. Census data for this valuation were as of FYE 2011. Claim vectors were produced from detailed medical

⁴ In general this comment applies to all input data OACT receives from other offices and relies upon for the valuation – claims, population, administrative costs, etc. OACT performs some reasonableness checks but does not “own” the data and does not audit it.

claims data from FY 2009 – FY 2011 and then trued up to FY 2011 incurred cost levels using FY 2011 aggregate medical claims data from March 2012 claims triangles. This valuation was used to determine the annual unfunded liability amortization payment on October 1, 2012 (FY 2013 payment). (The Normal Cost payment made on October 1, 2012 (FY 2013) was based on per capita NCs produced from the MERHCF valuation as of FYE 2010, and later revised to include a plan design change that impacts eligibility for USFHP upon reaching age 65).

The FYE 2012 financial statements (FS) include several types of actuarial liabilities and reconciliations of postretirement military medical benefits. This work was due in September 2012 in order to be recorded in the FYE 2012 financial statements in October. Therefore, OACT used valuation results as of FYE 2011 to produce the roll-forward gain/loss exhibits for FYE 2012. The starting point of the reconciliations was the prior year's CFO valuation results (i.e., rolled forward from the September 30, 2010, valuation). The list of deliverables included:

- Reconciliation of the MERHCF (Fund basis) liability from 9/30/2011 to 9/30/2012, and DDRS⁵ Note 17; also, Exhibit One in the “Other Accompanying Information” section of the FS
- Reconciliation of the CRM/TMA Consolidated statement liability (CFO basis) from 9/30/2011 to 9/30/2012, and Note 17
- Reconciliation of the SMA statement liability (CFO basis) from 9/30/2011 to 9/30/2012, and Note 17, and breakout of SMA liability by service
- Reconciliation of the MRHB (SMA + CRM/TMA Consolidated) statement liability (CFO basis) from 9/30/2011 to 9/30/2012, and Note 17

Each reconciliation step⁶ has the same general format for the gain/loss exhibit, and complies with the disclosure requirements of SFFAS 33:

- a) Final FS AL as of the prior year's FYE (a one-year roll-forward of the AL as of the prior year's FYE from the prior year's valuation), plus
- b) Expected NC (per capita NC from the prior year's valuation with one year of trend, times expected All Uniformed (or DoD) lives in the FS FY, plus
- c) One year of interest on the AL (a) and NC (b) minus one half year's interest on expected benefit outlays (i) (interest rate = 9/30/2011 FS valuation discount rate = 4.90%), plus
- d) Plan amendment liability, plus
- e) (Gain)/loss due to experience, plus
- f) (Gain)/loss due to other factors (not assumptions), plus
- g) (Gain)/loss due to changes in medical trend assumption, plus
- h) (Gain)/loss due to assumption changes other than trend, less
- i) Expected benefit outlays during the fiscal year (from the prior year's valuation), equals
- j) Expected AL at FYE

⁵ Defense Departmental Reporting System – DoD's internal system for its financial statements.

⁶ This format is consistent with the 2012 financial statements.

Each reconciliation for the 2012 financial statements is shown below:

CHANGE IN MILITARY RETIREMENT MEDICAL BENEFITS LIABILITY (MERHCF)

(\$thousands)

Actuarial Liability as of 9/30/2011	\$533,667,660
Expected Normal Cost for FY 2012	\$10,958,301
Expected Interest Cost for FY 2012	\$26,457,418
Plan Amendment Liability	(\$33,269,895)
Actuarial (Gains) Losses Due to Experience	(\$6,682,447)
Other Changes	\$1
Subtotal: Expenses before Losses/(Gains) from actuarial assumption changes	(\$2,536,622)
Actuarial Losses/(Gains) due to:	
Changes in Trend Assumptions	(\$14,673,866)
Changes in Assumptions other than Trend	\$25,794,610
Subtotal: Losses /(Gains) from actuarial assumption changes	\$11,120,744
Total Expenses	\$8,584,122
Less Benefit Outlays	\$9,470,560
Total Change in Actuarial Liability	(\$886,438)
Actuarial Liability as of 9/30/2012	\$532,781,222

CHANGE IN MILITARY RETIREMENT MEDICAL BENEFITS LIABILITY (CRM/TMA CONSOLIDATED)

(\$thousands)

Actuarial Liability as of 9/30/2011	\$223,891,157
Expected Normal Cost for FY 2012	\$8,230,944
Expected Interest Cost for FY 2012	\$11,178,841
Plan Amendment Liability	\$1,146,748
Actuarial (Gains) Losses Due to Experience	(\$2,743,960)
Other Changes	\$0
Subtotal: Expenses before Losses/(Gains) from actuarial assumption changes	\$17,812,573
Actuarial Losses/(Gains) due to:	
Changes in Trend Assumptions	(\$25,373,470)
Changes in Assumptions other than Trend	\$1,902,698
Subtotal: Losses /(Gains) from actuarial assumption changes	(\$23,470,772)
Total Expenses	(\$5,658,199)
Less Benefit Outlays	\$8,061,361
Total Change in Actuarial Liability	(\$13,719,560)
Actuarial Liability as of 9/30/2012	\$210,171,597

CHANGE IN MILITARY RETIREMENT MEDICAL BENEFITS LIABILITY (SMA)

(\$thousands)

Actuarial Liability as of 9/30/2011	\$82,093,548
Expected Normal Cost for FY 2012	\$2,469,745
Expected Interest Cost for FY 2012	\$4,058,329
Plan Amendment Liability	\$237,315
Actuarial (Gains) Losses Due to Experience	(\$2,867,419)
Other Changes	\$0
Subtotal: Expenses before Losses/(Gains) from actuarial assumption changes	\$3,897,970
Actuarial Losses/(Gains) due to:	
Changes in Trend Assumptions	\$1,414,996
Changes in Assumptions other than Trend	\$4,161,139
Subtotal: Losses /(Gains) from actuarial assumption changes	\$5,576,135
Total Expenses	\$9,474,105
Less Benefit Outlays	\$3,522,617
Total Change in Actuarial Liability	\$5,951,488
Actuarial Liability as of 9/30/2012	\$88,045,036

CHANGE IN SMA MILITARY RTIREMENT MEDICAL BENEFITS LIABILITY, SPLIT BY SERVICE

(\$thousands)

	<u>Army</u>	<u>Navy</u>	<u>AF</u>	<u>Total</u>
Actuarial Liability as of 9/30/2011	\$31,074,590	\$27,250,938	\$23,768,020	\$82,093,548
Expected Normal Cost for FY 2012	\$1,028,351	\$867,740	\$573,654	\$2,469,745
Expected Interest Cost for FY 2012	\$1,536,185	\$1,347,162	\$1,174,982	\$4,058,329
Plan Amendment Liability	\$90,294	\$78,743	\$68,278	\$237,315
Actuarial (Gains) Losses Due to Experience	(\$1,091,009)	(\$951,428)	(\$824,982)	(\$2,867,419)
Other Changes	\$0	\$0	\$0	\$0
Subtotal: Expenses before Losses/(Gains) from actuarial assumption changes	\$1,563,821	\$1,342,217	\$991,932	\$3,897,970
Actuarial Losses/(Gains) due to:				
Changes in Trend Assumptions	\$538,384	\$469,505	\$407,107	\$1,414,996
Changes in Assumptions other than Trend	\$1,583,249	\$1,380,693	\$1,197,197	\$4,161,139
Subtotal: Losses /(Gains) from actuarial assumption changes	\$2,121,633	\$1,850,198	\$1,604,304	\$5,576,135
Total Expenses	\$3,685,454	\$3,192,415	\$2,596,236	\$9,474,105
Less Benefit Outlays	\$1,288,348	\$1,084,690	\$1,149,579	\$3,522,617
Total Change in Actuarial Liability	\$2,397,106	\$2,107,725	\$1,446,657	\$5,951,488
Actuarial Liability as of 9/30/2012	\$33,471,696	\$29,358,663	\$25,214,677	\$88,045,036

CHANGE IN MILITARY RETIREMENT MEDICAL BENEFITS LIABILITY
(SMA + TMA CONSOLIDATED)

(\$thousands)

Actuarial Liability as of 9/30/2011	\$305,984,705
Expected Normal Cost for FY 2012	\$10,700,689
Expected Interest Cost for FY 2012	\$15,237,170
Plan Amendment Liability	\$1,384,063
Actuarial (Gains) Losses Due to Experience	(\$5,611,379)
Other Changes	\$0
Subtotal: Expenses before Losses/(Gains) from actuarial assumption changes	\$21,710,543
Actuarial Losses/(Gains) due to:	
Changes in Trend Assumptions	(\$23,958,474)
Changes in Assumptions other than Trend	\$6,063,837
Subtotal: Losses /(Gains) from actuarial assumption changes	(\$17,894,637)
Total Expenses	
Less Benefit Outlays	\$11,583,978
Total Change in Actuarial Liability	(\$7,768,072)
Actuarial Liability as of 9/30/2012	\$298,216,633

MERHCF (FUND) LIABILITY

Most of the assumptions and data are the same as what was used for the MERHCF valuation (Fund cost basis; all uniformed endstrength). However, two key assumptions, the discount rate and the trend assumptions, are different than what was used for the MERHCF valuation due to the SFFAS 33 requirements needed for the financial statement disclosures.⁷

CRM AND TMA CONSOLIDATED LIABILITY

Two financial statements produced by TMA contain the actuarial liability for purchased care incurred by non-Medicare retirees. The CRM statement includes activities of Contract Resource Management, a large department of TMA. The TMA CONSOLIDATED statement includes activities of CRM, FOD⁸, and USUHS. USUHS holds a retiree life reserve for a small, closed group of retirees who have life insurance benefits. The insurance contract was cancelled, so USUHS must pay death benefits directly to beneficiaries upon the retirees' deaths. OACT receives an updated census annually and determines the appropriate reserve. Since the data is not credible, the reserve is simply the sum of death benefits payable. This retiree life reserve is included in the retiree medical liability of the TMA Consolidated statement, but it is not included in the Change in Medical Benefits Liability charts. As of 9/30/2012, the retiree life reserve was \$283 thousand.

The claim vectors, medical trend and participation assumptions used for this part of the PRB liability are different than those used for Purchased Care benefits covered by the MERHCF. Our development of the non-Medicare claim vectors (CVs⁹), medical trend and participation assumptions is similar to our development of these assumptions for

⁷ As discussed earlier in the section, "SFFAS 33 RESULTS IN DIFFERENT INTEREST AND INFLATION ASSUMPTIONS FOR FINANCIAL STATEMENT LIABILITIES"

⁸ Financial Operations Division, responsible for developing, justifying and executing TMA Operations and Maintenance, Procurement, and RDT&E appropriations budgets.

⁹ 140 CVs are developed for 10 retiree populations; 70 Medicare CVs (costs attributed to Medicare eligible members) and 70 non-Medicare CVs (costs attributed to non-Medicare eligible members).

the MERHCF valuation, except that we focus on data and other information specific to the non-Medicare eligible population.

For example, younger retirees have lower average medical costs (different mix of services and lower intensity of care) and are more likely to have other health insurance. On the other hand, older (Medicare eligible) retirees have lower net nondrug costs paid by TRICARE because Medicare is the primary payer. Annual medical trend rates and plan participation rates are also expected to be different between Medicare and non-Medicare retirees because of the difference in relative usage of Purchased Care and Direct Care, and the different mix of medical treatment and supplies.

The development of CVs for the US Family Health Plan (USFHP) and the treatment of USFHP in the valuation is similar for the CRM liability and the MERHCF liability. The only difference is the population (and therefore the USFHP enrollment and family size assumptions).

SMA LIABILITY

The SMA liability is comprised of two components:

- Future Direct Care benefits that are provided to non-Medicare eligible DoD retirees and their non-Medicare eligible dependents.
- Future Direct Care benefit expenses that are excluded from the MERHCF valuation but that are allocated to Medicare eligible, all uniformed, retirees and their Medicare eligible dependents for the SMA statement (CFO basis).

For the second, smaller component, OACT multiplies the DC portion of the MERHCF liability by the Fund-to-CFO adjustment factors to "bump up" the MERHCF liability.

The claim vectors, medical trend and participation assumptions used for the first component of the SMA liability are different than those used for DC benefits covered by the MERHCF. Our development of the non-Medicare claim vectors, medical trend and participation assumptions is similar to our development of these assumptions for the MERHCF valuation, except that we focus on data and other information specific to the non-Medicare eligible population.

For example, younger retirees have lower average per capita medical costs, more eligible dependents, and are more likely to have other medical coverage. In addition, older retirees are less likely to seek medical care at an MTF since Medicare eligible retirees are given the lowest patient priority.

ECONOMIC ASSUMPTIONS

Economic assumptions include discount rate, medical trend rates, and plan participation rates. The FYE 2011 valuation used for the FY 2012 financial statement disclosures included a 4.60% discount rate for MERHCF and non-MERHCF liabilities¹⁰. Trend rates vary by medical service type and place of service and are shown below. Participation rates also vary by medical service type and place of service.

¹⁰ As discussed earlier in the section, "SFFAS 33 RESULTS IN DIFFERENT INTEREST AND INFLATION ASSUMPTIONS FOR FINANCIAL STATEMENT LIABILITIES"

CLAIM-RELATED ASSUMPTIONS

Details about incurred claims data and its use in the valuation model, including claim vector development, can be found in the MERHCF valuation report.

Purchased Care**FY 2011 PURCHASED CARE INCURRED CLAIMS OF NON-MEDICARE ELIGIBLE RETIREES**

(\$millions)

Inpatient Hospital	\$1,471
Outpatient	\$3,391
<u>Pharmacy</u>	<u>\$2,058</u>
Total	\$6,920

FY 2011 PURCHASED CARE INCURRED CLAIMS OF MEDICARE ELIGIBLE RETIREES

(\$millions)

Inpatient Hospital	\$ 767
Outpatient	\$2,107
<u>Pharmacy</u>	<u>\$4,030</u>
Total	\$6,904

Incurred pharmacy claims in the charts above have not been adjusted to reflect rebates on retail brand prescriptions incurred during FY 2011.

Adjustment for Retail Brand Drug Rebates

The same method described in the Valuation of the Medicare-Eligible Retiree Health Care Fund (September 30, 2011) was used for non-Medicare eligible retiree drug costs. Accounting reports of expected rebates and rebate payments received in each incurred fiscal quarter were studied to estimate future actual to expected collection ratios. These estimates were converted to an effective PC pharmacy refund rate in the first valuation year. This refund rate represents the expected discounts on retail brand prescriptions as a percentage of total PC drug (PC Rx) net plan payments (retail plus mail order Rx). For the September 30, 2011 valuation of non-Medicare eligible retirees, that effective rate was approximately 23% (28% for Medicare eligible retirees). This rate was adjusted over the next 20 years to incorporate assumed future trends in drug dispensing venues (mail order vs. retail vs. MTF), changes in generic dispense rates, patent expirations, and new basic and specialty drugs. The effective pharmacy rebate factor in year 20 of the valuation for non-Medicare eligible retirees was approximately 18% (21% for Medicare eligible retirees). Since the refund rate is applied to the CVs that have been loaded for administration costs, the effective drug refund rate must be divided by one plus the drug admin load in order to preserve the expected level of administration costs on pharmacy claims.

U.S. Family Health Plan (USFHP) Starting Costs

Approximately 1.9% of the Medicare eligible population and 1.6% of the non-Medicare eligible population are enrolled in a USFHP plan. USFHP is a managed care plan, offered in six US locations, that is funded on a fully capitated or global rate basis.

OACT produced USFHP CVs¹¹ based on the average family global rate per retired sponsor or survivor who is Medicare eligible (for the Medicare CVs) or not Medicare eligible (for the non-Medicare CVs) and enrolled in USFHP. Actual monthly premiums for each of the six USFHP locations were weighted by monthly USFHP enrollment of retired members to compute average global rates by age and gender.

The Medicare and non-Medicare USFHP CVs were adjusted to calibrate the initial valuation year's Medicare eligible and non-Medicare eligible retiree cash flow, respectively, to aggregate incurred global rate payments (\$721 million and \$323 million for the Medicare eligible and non-Medicare eligible retirees, respectively, for FY 2011). Estimates of FY 2011 incurred USFHP payments were obtained from the Military Health System Data Mart (M2), and verified against TMA's Contract Resource Management (CRM) MERHCF Trust Fund Reports.

FY 2011 incurred USFHP payments also were multiplied by 1.0146 (Medicare eligible retiree) or 1.3014 (non-Medicare eligible retiree) to adjust for the expected growth in USFHP enrollment over the next one year and five years, respectively¹². This adjustment, determined by projecting recent USFHP enrollment growth among Medicare eligible and non-Medicare eligible members, is consistent with the adjustments that were made to the aggregate incurred PC and DC claims (see below).

Administrative Costs

Most of the administration costs for this program are incorporated in the USFHP capitation rates. There is a small, additional administrative cost associated with enrollment administration and billing consolidation. For the September 30, 2010, valuation, the MERHCF Board approved an administration cost load of 0.4% for the USFHP CVs.

Direct Care

FY 2011 DIRECT CARE COSTS – NON-MEDICARE ELIGIBLE RETIREES (\$ millions)

Inpatient Hospital	\$418
Outpatient	\$1,113
<u>Pharmacy</u>	<u>\$550</u>
Total	\$2,081

FY 2011 DIRECT CARE COSTS – MEDICARE ELIGIBLE RETIREES (\$ millions)

Inpatient Hospital	\$503
Outpatient	\$539
<u>Pharmacy</u>	<u>\$683</u>
Total	\$1,726

¹¹ In the case of USFHP, CV refers to the age-based vector of capitation rates. "Capitation rate" and "global rate" are used interchangeably.

¹² Only one year of excess USFHP enrollment growth is expected because of a plan change that changed the eligibility rules for enrolling in USFHP. Effective 10/1/2012, a military retiree (or eligible family member) who becomes eligible for Medicare due to age may not enroll or stay enrolled in the US Family Health Plan, unless the military retiree (or eligible family member) was enrolled in the plan on September 30, 2012. This change to the USFHP eligibility rules is described in the National Defense Authorization Act for FY 2012 (P.L. 112-81, Section 708).

A small adjustment was made to the PC and DC aggregate incurred claims levels to reflect near-term expected growth in USFHP enrollment. Based on recent experience, and recognizing a plan change effective at the end of FY 2012, OACT assumed USFHP enrollment growth would continue to exceed general population growth. For retired members under age 65, an assumption was made about USFHP enrollment growth over the first five projection years of the valuation model, which resulted in the application of the following factor to each of the DC and PC retired non-Medicare eligible incurred claims values:

$$\frac{(1 - \text{USFHP enrollment \% in five years})}{(1 - \text{USFHP enrollment \% in current year})} = 0.9943$$

For retired members over age 65, an assumption was made about USFHP enrollment growth through FY 2012, which resulted in the application of the following factor to each of the DC and PC MERHCF incurred claims values:

$$\frac{(1 - \text{USFHP enrollment \% in one year})}{(1 - \text{USFHP enrollment \% in current year})} = 0.9997$$

TABLES: MEDICAL TREND RATES, PLAN PARTICIPATION RATES, AND CLAIM VECTORS

The following tables summarize various valuation assumptions for non-Medicare and Medicare eligible populations. Certain descriptions provided in OACT's report titled Valuation of the Medicare-Eligible Retiree Health Care Fund (September 30, 2011) were not replicated in this memo. Please refer to the valuation report for more information about medical trend and participation rate development.

MEDICAL TREND RATES FOR NON-MEDICARE LIABILITIES
25 YEAR SELECT PERIOD PLUS 26th YEAR ULTIMATE RATES

From	To	non-Medicare						
		DC			PC			USFHP
		IP	OP	Rx	IP	OP	Rx	
2011	2012	1.0200	1.0500	1.0170	1.0457	1.0534	1.0525	1.0475
2012	2013	1.0200	1.0500	1.0170	1.0455	1.0500	1.0522	1.0497
2013	2014	1.0200	1.0500	1.0170	1.0454	1.0500	1.0520	1.0497
2014	2015	1.0200	1.0500	1.0170	1.0453	1.0500	1.0518	1.0498
2015	2016	1.0215	1.0502	1.0187	1.0455	1.0502	1.0516	1.0501
2016	2017	1.0230	1.0503	1.0203	1.0458	1.0503	1.0515	1.0505
2017	2018	1.0246	1.0505	1.0220	1.0461	1.0505	1.0515	1.0508
2018	2019	1.0261	1.0506	1.0236	1.0464	1.0506	1.0514	1.0512
2019	2020	1.0276	1.0508	1.0253	1.0467	1.0508	1.0514	1.0515
2020	2021	1.0291	1.0510	1.0270	1.0471	1.0510	1.0514	1.0524
2021	2022	1.0307	1.0511	1.0286	1.0474	1.0511	1.0515	1.0488
2022	2023	1.0322	1.0513	1.0303	1.0478	1.0513	1.0515	1.0492
2023	2024	1.0337	1.0514	1.0319	1.0481	1.0514	1.0516	1.0495
2024	2025	1.0352	1.0516	1.0336	1.0485	1.0516	1.0517	1.0498
2025	2026	1.0368	1.0518	1.0353	1.0489	1.0518	1.0518	1.0501
2026	2027	1.0383	1.0519	1.0369	1.0493	1.0519	1.0519	1.0504
2027	2028	1.0398	1.0521	1.0386	1.0497	1.0521	1.0521	1.0507
2028	2029	1.0413	1.0522	1.0402	1.0501	1.0522	1.0522	1.0510
2029	2030	1.0428	1.0524	1.0419	1.0505	1.0524	1.0523	1.0513
2030	2031	1.0444	1.0525	1.0435	1.0509	1.0525	1.0525	1.0517
2031	2032	1.0459	1.0527	1.0452	1.0514	1.0527	1.0526	1.0520
2032	2033	1.0474	1.0529	1.0469	1.0518	1.0529	1.0528	1.0523
2033	2034	1.0489	1.0530	1.0485	1.0522	1.0530	1.0530	1.0526
2034	2035	1.0505	1.0532	1.0502	1.0526	1.0532	1.0532	1.0529
2035	2036	1.0520	1.0533	1.0518	1.0531	1.0533	1.0533	1.0532
2036	2037	1.0535	1.0535	1.0535	1.0535	1.0535	1.0535	1.0535

MEDICAL TREND RATES FOR MEDICARE LIABILITIES
25 YEAR SELECT PERIOD PLUS 26th YEAR ULTIMATE RATES

<u>From</u>	<u>To</u>	Medicare						
		DC			PC			
		<u>IP</u>	<u>OP</u>	<u>Rx</u>	<u>IP</u>	<u>OP</u>	<u>Rx</u>	<u>USFHP</u>
2011	2012	1.0160	1.0226	1.0000	1.0360	1.0326	1.0444	1.0383
2012	2013	1.0167	1.0242	1.0000	1.0367	1.0342	1.0442	1.0387
2013	2014	1.0154	1.0405	1.0100	1.0354	1.0505	1.0424	1.0459
2014	2015	1.0158	1.0444	1.0100	1.0358	1.0544	1.0422	1.0480
2015	2016	1.0161	1.0472	1.0120	1.0361	1.0572	1.0426	1.0496
2016	2017	1.0145	1.0569	1.0140	1.0345	1.0669	1.0430	1.0541
2017	2018	1.0158	1.0625	1.0159	1.0358	1.0725	1.0434	1.0577
2018	2019	1.0170	1.0644	1.0179	1.0370	1.0744	1.0439	1.0595
2019	2020	1.0261	1.0663	1.0199	1.0461	1.0763	1.0444	1.0641
2020	2021	1.0300	1.0668	1.0219	1.0500	1.0768	1.0448	1.0666
2021	2022	1.0314	1.0659	1.0238	1.0502	1.0753	1.0453	1.0626
2022	2023	1.0329	1.0651	1.0258	1.0504	1.0738	1.0458	1.0621
2023	2024	1.0344	1.0643	1.0278	1.0506	1.0724	1.0463	1.0616
2024	2025	1.0359	1.0634	1.0298	1.0509	1.0709	1.0468	1.0611
2025	2026	1.0373	1.0626	1.0318	1.0511	1.0695	1.0474	1.0606
2026	2027	1.0388	1.0618	1.0337	1.0513	1.0680	1.0479	1.0600
2027	2028	1.0403	1.0610	1.0357	1.0515	1.0666	1.0484	1.0594
2028	2029	1.0417	1.0601	1.0377	1.0517	1.0651	1.0490	1.0588
2029	2030	1.0432	1.0593	1.0397	1.0520	1.0637	1.0495	1.0582
2030	2031	1.0447	1.0585	1.0416	1.0522	1.0622	1.0501	1.0575
2031	2032	1.0461	1.0576	1.0436	1.0524	1.0608	1.0507	1.0569
2032	2033	1.0476	1.0568	1.0456	1.0526	1.0593	1.0512	1.0562
2033	2034	1.0491	1.0560	1.0476	1.0528	1.0579	1.0518	1.0556
2034	2035	1.0506	1.0552	1.0495	1.0531	1.0564	1.0524	1.0549
2035	2036	1.0520	1.0543	1.0515	1.0533	1.0550	1.0529	1.0542
2036	2037	1.0535	1.0535	1.0535	1.0535	1.0535	1.0535	1.0535

PLAN PARTICIPATION RATES FOR NON-MEDICARE LIABILITIES

<u>From</u>	<u>To</u>	<u>DC IP</u>	<u>DC OP</u>	<u>DC Rx</u>	<u>PC IP</u>	<u>PC OP</u>	<u>PC Rx</u>
2011	2012	1.0533	1.0800	1.0533	0.9537	0.9425	0.9498
2012	2013	1.0467	1.0700	1.0467	0.9590	0.9491	0.9556
2013	2014	1.0400	1.0600	1.0400	0.9643	0.9558	0.9613
2014	2015	1.0333	1.0500	1.0333	0.9695	0.9624	0.9671
2015	2016	1.0267	1.0400	1.0267	0.9748	0.9691	0.9728
2016	2017	1.0200	1.0300	1.0200	0.9800	0.9757	0.9784
2017	2018	1.0133	1.0200	1.0133	0.9852	0.9823	0.9841
2018	2019	1.0067	1.0100	1.0067	0.9904	0.9888	0.9898
2019	2020	1.0000	1.0000	1.0000	0.9956	0.9954	0.9954
2020	2021	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2021	2022	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

PLAN PARTICIPATION RATES FOR MEDICARE LIABILITIES

<u>From</u>	<u>To</u>	<u>DC IP</u>	<u>DC OP</u>	<u>DC Rx</u>	<u>PC IP</u>	<u>PC OP</u>	<u>PC Rx</u>
2011	2012	1.0492	1.0492	1.0226	0.9730	0.9734	0.9714
2012	2013	1.0435	1.0435	1.0202	0.9760	0.9763	0.9746
2013	2014	1.0377	1.0377	1.0177	0.9789	0.9792	0.9777
2014	2015	1.0320	1.0320	1.0153	0.9819	0.9822	0.9808
2015	2016	1.0262	1.0262	1.0129	0.9848	0.9851	0.9839
2016	2017	1.0205	1.0205	1.0105	0.9878	0.9879	0.9869
2017	2018	1.0147	1.0147	1.0080	0.9907	0.9908	0.9900
2018	2019	1.0089	1.0089	1.0056	0.9936	0.9937	0.9931
2019	2020	1.0032	1.0032	1.0032	0.9965	0.9965	0.9961
2020	2021	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2021	2022	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

FY 2011 NON-MEDICARE CLAIM VECTORS

Direct Care - Inpatient										
Age	Retiree Active Duty Nondisabled Enlisted	Retiree Active Duty Nondisabled Officer	Retiree Active Duty Disabled Enlisted	Retiree Active Duty Disabled Officer	Retiree Reserve Nondisabled Enlisted	Retiree Reserve Nondisabled Officer	Survivor Active Duty Enlisted	Survivor Active Duty Officer	Survivor Reserve Enlisted	Survivor Reserve Officer
20	372.87	263.52	244.87	287.16	32.83	41.63	298.83	178.97	119.32	74.58
25	372.87	263.52	244.87	287.16	32.83	41.63	220.93	178.97	119.32	74.58
30	372.87	263.52	269.40	287.16	32.83	41.63	167.98	178.97	119.32	74.58
35	372.87	263.52	257.96	287.16	32.83	41.63	133.93	212.41	119.32	74.58
40	372.87	263.52	233.26	289.42	32.83	41.63	114.84	219.67	119.32	74.58
45	335.41	263.52	211.15	289.42	32.83	41.63	107.97	199.09	119.32	74.58
50	322.59	276.43	201.95	289.42	32.83	41.63	111.35	156.42	119.32	74.58
55	345.35	293.26	201.00	289.42	32.83	41.63	123.46	110.18	11.09	74.58
60	396.98	325.02	178.03	289.42	32.83	41.63	143.13	95.21	13.20	13.47
65	416.91	356.56	170.71	226.23	46.65	35.81	169.44	166.31	55.27	33.75
70	55.37	42.45	56.33	16.74	10.82	7.70	4.09	1.59	0.63	1.89
75	16.63	8.74	23.53	17.33	4.40	3.88	1.05	2.25	0.65	2.67
80	7.36	0.94	11.43	17.90	2.41	0.90	4.03	3.11	0.67	3.69
85	14.21	6.16	24.64	18.45	6.02	0.51	9.60	3.74	0.69	4.05
90	28.97	14.24	98.04	19.10	15.85	10.12	16.03	3.73	0.71	4.04
95	28.97	14.24	98.04	19.10	15.85	10.12	16.03	3.73	0.71	4.04
100	28.97	14.24	98.04	19.10	15.85	10.12	16.03	3.73	0.71	4.04
105	28.97	14.24	98.04	19.10	15.85	10.12	16.03	3.73	0.71	4.04
110	28.97	14.24	98.04	19.10	15.85	10.12	16.03	3.73	0.71	4.04
115	28.97	14.24	98.04	19.10	15.85	10.12	16.03	3.73	0.71	4.04

Note about DC CVs: Direct Care costs shown do not include the CFO full cost basis adjustment. For the 2012 SMA financial statement, the DC IP factor (load) was 1.445.

FY 2011 NON-MEDICARE CLAIM VECTORS

Direct Care - Outpatient										
	Retiree Active Duty Nondisabled	Retiree Active Duty Nondisabled	Retiree Active Duty Disabled	Retiree Active Duty Disabled	Retiree Reserve Nondisabled	Retiree Reserve Nondisabled	Survivor Active Duty Enlisted	Survivor Active Duty Officer	Survivor Reserve Enlisted	Survivor Reserve Officer
Age	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	1,192.04	1,216.31	237.42	1,169.80	81.66	150.39	805.19	692.07	147.39	120.80
25	1,192.04	1,216.31	629.40	1,169.80	81.66	150.39	662.64	692.07	147.39	120.80
30	1,192.04	1,216.31	774.45	1,169.80	81.66	150.39	553.15	692.07	147.39	120.80
35	1,192.04	1,216.31	783.05	1,169.80	81.66	150.39	468.69	568.16	147.39	120.80
40	1,192.04	1,216.31	713.47	1,114.85	81.66	150.39	404.07	549.21	147.39	120.80
45	1,100.47	1,216.31	604.36	1,012.05	81.66	150.39	355.64	540.71	147.39	120.80
50	985.18	1,183.71	482.53	877.77	81.66	150.39	320.79	495.11	147.39	120.80
55	873.63	1,053.93	367.23	735.85	81.66	150.39	297.51	402.00	92.86	120.80
60	799.05	910.17	272.62	623.47	81.66	150.39	284.25	300.07	69.29	120.80
65	694.28	768.44	234.02	450.31	102.14	121.08	279.79	286.87	46.69	57.71
70	123.01	102.20	82.29	68.69	26.68	22.05	5.52	5.63	3.38	1.06
75	39.04	24.77	36.40	40.86	9.71	10.83	5.71	1.50	2.48	1.50
80	17.14	7.58	17.01	23.18	5.17	8.49	5.90	0.79	1.55	2.07
85	23.60	16.21	21.10	16.13	6.75	6.39	6.08	2.14	0.80	2.81
90	30.43	16.99	47.46	14.21	8.92	13.37	6.34	5.60	0.41	4.36
95	8.39	16.99	47.46	14.21	8.92	13.37	6.34	5.60	0.41	4.36
100	8.39	16.99	47.46	14.21	8.92	13.37	6.34	5.60	0.41	4.36
105	8.39	16.99	47.46	14.21	8.92	13.37	6.34	5.60	0.41	4.36
110	8.39	16.99	47.46	14.21	8.92	13.37	6.34	5.60	0.41	4.36
115	8.39	16.99	47.46	14.21	8.92	13.37	6.34	5.60	0.41	4.36

Note about DC CVs: Direct Care costs shown do not include the CFO full cost basis adjustment. For the 2012 SMA financial statement, the DC OP factor (load) was 1.585.

FY 2011 NON-MEDICARE CLAIM VECTORS

Direct Care - Pharmacy										
	Retiree Active Duty Nondisabled	Retiree Active Duty Nondisabled	Retiree Active Duty Disabled	Retiree Active Duty Disabled	Retiree Reserve Nondisabled	Retiree Reserve Nondisabled	Survivor Active Duty	Survivor Active Duty	Survivor Reserve	Survivor Reserve
<u>Age</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	373.20	385.25	8.61	95.36	94.55	106.72	62.35	168.06	164.72	73.45
25	373.20	385.25	115.00	95.36	94.55	106.72	78.50	168.06	164.72	73.45
30	373.20	385.25	213.59	323.99	94.55	106.72	89.49	168.06	164.72	73.45
35	373.20	385.25	277.39	446.73	94.55	106.72	97.28	127.49	164.72	73.45
40	373.20	385.25	307.49	518.54	94.55	106.72	105.63	155.45	164.72	73.45
45	371.60	385.25	308.29	548.74	94.55	106.72	118.80	180.25	34.36	73.45
50	385.49	409.03	286.35	544.09	94.55	106.72	139.92	185.89	39.45	73.45
55	430.39	435.28	249.69	509.72	94.55	106.72	169.24	174.67	70.03	73.45
60	511.63	472.46	207.30	449.61	94.55	106.72	202.11	167.90	80.80	73.45
65	541.31	448.46	185.77	403.08	138.65	131.76	226.84	205.99	107.94	94.03
70	97.25	69.53	57.03	45.39	38.29	29.87	2.89	3.65	2.77	1.47
75	30.92	18.09	25.90	27.95	15.27	13.62	2.99	1.63	0.26	1.30
80	11.92	5.30	12.44	17.84	6.45	5.83	3.08	0.81	1.20	1.46
85	14.13	9.43	9.82	13.82	5.09	3.87	3.18	1.06	2.83	2.31
90	15.86	8.99	13.32	8.83	4.26	7.14	3.32	3.60	1.89	2.72
95	3.41	8.99	13.32	8.83	4.26	7.14	3.32	3.60	1.89	2.72
100	3.41	8.99	13.32	8.83	4.26	7.14	3.32	3.60	1.89	2.72
105	3.41	8.99	13.32	8.83	4.26	7.14	3.32	3.60	1.89	2.72
110	3.41	8.99	13.32	8.83	4.26	7.14	3.32	3.60	1.89	2.72
115	3.41	8.99	13.32	8.83	4.26	7.14	3.32	3.60	1.89	2.72

Note about DC CVs: Direct Care costs shown do not include the CFO full cost basis adjustment. For the 2012 SMA financial statement, the DC Rx factor (load) was 1.002

FY 2011 NON-MEDICARE CLAIM VECTORS

Purchased Care - Inpatient										
	Retiree Active Duty Nondisabled	Retiree Active Duty Nondisabled	Retiree Active Duty Disabled	Retiree Active Duty Disabled	Retiree Reserve Nondisabled	Retiree Reserve Nondisabled	Survivor Active Duty Enlisted	Survivor Active Duty Officer	Survivor Reserve Enlisted	Survivor Reserve Officer
<u>Age</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	1,265.00	1,032.10	1,190.36	1,284.17	658.72	696.29	1,274.96	823.16	868.24	605.87
25	1,265.00	1,032.10	1,476.09	1,284.17	658.72	696.29	1,274.96	823.16	868.24	605.87
30	1,265.00	1,032.10	1,562.56	1,563.94	658.72	696.29	1,274.96	823.16	868.24	605.87
35	1,265.00	1,032.10	1,516.36	1,795.71	658.72	696.29	1,235.52	823.16	868.24	605.87
40	1,265.00	1,032.10	1,390.73	1,764.28	658.72	696.29	1,195.40	652.60	868.24	605.87
45	1,204.86	1,032.10	1,239.60	1,570.63	658.72	696.29	1,153.55	643.04	868.24	605.87
50	1,154.62	981.96	1,119.35	1,349.55	658.72	696.29	1,127.71	686.48	868.24	605.87
55	1,270.63	973.70	1,090.30	1,243.18	658.72	696.29	1,137.90	777.71	868.24	605.87
60	1,672.52	1,211.87	1,218.05	1,399.79	658.72	696.29	1,206.33	912.57	868.24	605.87
65	2,066.41	1,760.17	1,323.59	2,006.48	998.02	980.48	1,357.43	1,087.66	1,011.44	875.98
70	359.07	284.02	384.55	197.80	204.41	178.42	38.27	26.37	18.95	38.99
75	124.06	90.44	201.36	180.14	69.08	81.65	14.17	5.13	13.28	14.75
80	57.33	33.92	117.71	163.06	30.35	27.77	17.86	8.49	7.79	7.40
85	85.44	49.77	112.11	146.50	32.14	12.81	46.79	31.68	2.47	15.37
90	164.02	88.27	128.61	122.89	23.68	57.54	139.60	92.59	0.38	56.39
95	164.02	88.27	96.02	122.89	23.68	57.54	139.60	92.59	0.38	56.39
100	164.02	88.27	96.02	122.89	23.68	57.54	139.60	92.59	0.38	56.39
105	164.02	88.27	96.02	122.89	23.68	57.54	139.60	92.59	0.38	56.39
110	164.02	88.27	96.02	122.89	23.68	57.54	139.60	92.59	0.38	56.39
115	164.02	88.27	96.02	122.89	23.68	57.54	139.60	92.59	0.38	56.39

FY 2011 NON-MEDICARE CLAIM VECTORS

Purchased Care - Outpatient										
Age	Retiree	Retiree	Retiree	Retiree	Retiree	Retiree	Survivor	Survivor	Survivor	Survivor
	Active Duty Nondisabled <u>Enlisted</u>	Active Duty Nondisabled <u>Officer</u>	Active Duty Disabled <u>Enlisted</u>	Active Duty Disabled <u>Officer</u>	Reserve Nondisabled <u>Enlisted</u>	Reserve Nondisabled <u>Officer</u>	Active Duty <u>Enlisted</u>	Active Duty <u>Officer</u>	Reserve <u>Enlisted</u>	Reserve <u>Officer</u>
20	3,711.23	4,005.49	1,955.41	3,335.50	1,620.37	1,897.82	3,023.10	2,325.41	1,711.07	544.89
25	3,711.23	4,005.49	2,976.03	3,335.50	1,620.37	1,897.82	3,023.10	2,325.41	1,711.07	544.89
30	3,711.23	4,005.49	3,436.47	3,995.93	1,620.37	1,897.82	3,023.10	2,325.41	1,711.07	544.89
35	3,711.23	4,005.49	3,500.33	4,781.68	1,620.37	1,897.82	2,866.21	2,791.64	1,711.07	544.89
40	3,711.23	4,005.49	3,294.00	4,791.13	1,620.37	1,897.82	2,628.75	2,808.17	1,711.07	544.89
45	3,677.60	4,109.62	2,937.19	4,452.33	1,620.37	1,897.82	2,343.80	2,610.12	1,711.07	544.89
50	3,311.16	3,810.59	2,536.35	3,968.39	1,620.37	1,897.82	2,071.39	2,282.51	1,730.87	1,539.52
55	3,037.18	3,402.51	2,181.77	3,485.46	1,620.37	1,897.82	1,880.85	1,983.75	1,618.08	1,614.66
60	3,169.15	3,380.31	2,005.14	3,111.48	1,620.37	1,897.82	1,849.41	1,953.89	1,504.11	1,686.46
65	3,387.21	3,707.40	2,064.49	3,116.41	2,246.02	2,623.18	2,061.18	2,522.22	1,551.36	1,755.32
70	729.46	734.78	617.62	726.93	507.63	496.55	55.15	50.59	32.31	38.92
75	260.86	220.40	260.38	289.83	157.10	178.45	22.06	6.66	22.31	2.65
80	106.64	73.21	124.76	113.86	57.04	92.34	10.59	3.08	12.63	1.92
85	104.53	92.24	104.51	84.85	60.69	67.62	18.73	21.60	3.25	13.83
90	119.68	110.58	93.39	93.49	45.71	33.53	67.99	57.24	0.82	34.41
95	65.40	25.60	57.80	93.49	45.71	33.53	67.99	57.24	0.82	34.41
100	65.40	25.60	57.80	93.49	45.71	33.53	67.99	57.24	0.82	34.41
105	65.40	25.60	57.80	93.49	45.71	33.53	67.99	57.24	0.82	34.41
110	65.40	25.60	57.80	93.49	45.71	33.53	67.99	57.24	0.82	34.41
115	65.40	25.60	57.80	93.49	45.71	33.53	67.99	57.24	0.82	34.41

FY 2011 NON-MEDICARE CLAIM VECTORS

Purchased Care – Pharmacy										
	Retiree Active Duty Nondisabled	Retiree Active Duty Nondisabled	Retiree Active Duty Disabled	Retiree Active Duty Disabled	Retiree Reserve Nondisabled	Retiree Reserve Nondisabled	Survivor Active Duty Enlisted	Survivor Active Duty Officer	Survivor Reserve Enlisted	Survivor Reserve Officer
<u>Age</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	1,326.23	1,596.90	118.48	1,975.96	947.97	1,149.81	147.06	1,044.82	1,064.07	358.43
25	1,326.23	1,596.90	925.62	1,975.96	947.97	1,149.81	760.96	1,044.82	1,064.07	358.43
30	1,326.23	1,596.90	1,438.73	2,342.91	947.97	1,149.81	1,097.98	1,044.82	1,064.07	358.43
35	1,326.23	1,596.90	1,701.69	2,774.19	947.97	1,149.81	1,230.55	1,097.51	1,064.07	358.43
40	1,326.23	1,596.90	1,757.98	2,722.44	947.97	1,149.81	1,241.41	1,159.50	1,064.07	358.43
45	1,537.77	1,723.53	1,661.83	2,544.00	947.97	1,149.81	1,190.69	1,212.18	1,064.07	358.43
50	1,492.46	1,797.36	1,477.34	2,394.46	947.97	1,149.81	1,124.35	1,255.77	1,073.75	1,122.68
55	1,494.28	1,857.89	1,277.52	2,297.02	947.97	1,149.81	1,078.95	1,290.28	1,035.87	1,177.47
60	1,634.77	1,970.85	1,172.69	2,143.77	947.97	1,149.81	1,084.49	1,315.58	1,022.28	1,229.83
65	1,706.94	2,093.72	1,198.53	1,812.34	1,485.42	1,621.04	1,166.24	1,331.48	1,131.85	1,280.05
70	402.40	446.09	382.22	429.53	338.37	342.71	27.73	35.67	23.78	23.13
75	152.65	151.06	158.45	145.38	105.28	119.79	11.38	10.01	16.32	3.16
80	65.35	57.24	76.17	62.81	37.99	42.28	6.51	5.28	9.10	3.77
85	56.98	57.14	56.37	69.41	40.39	37.69	12.08	12.59	2.11	14.41
90	58.12	61.47	46.14	74.94	19.45	36.14	40.82	30.19	0.77	28.91
95	8.66	13.22	46.14	74.94	19.45	36.14	40.82	30.19	0.77	28.91
100	8.66	13.22	46.14	74.94	19.45	36.14	40.82	30.19	0.77	28.91
105	8.66	13.22	46.14	74.94	19.45	36.14	40.82	30.19	0.77	28.91
110	8.66	13.22	46.14	74.94	19.45	36.14	40.82	30.19	0.77	28.91
115	8.66	13.22	46.14	74.94	19.45	36.14	40.82	30.19	0.77	28.91

FY 2011 NON-MEDICARE CLAIM VECTORS

USFHP										
<u>Age</u>	Retiree Active Duty Nondisabled	Retiree Active Duty Nondisabled	Retiree Active Duty Disabled	Retiree Active Duty Disabled	Retiree Reserve Nondisabled	Retiree Reserve Nondisabled	Survivor Active Duty	Survivor Active Duty	Survivor Reserve	Survivor Reserve
	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	0.00	0.00	0.00	259.79	0.00	0.00	74.03	64.54	60.43	112.92
25	0.00	0.00	222.91	259.79	0.00	0.00	74.03	64.54	60.43	112.92
30	0.00	0.00	280.41	259.79	0.00	0.00	74.03	64.54	60.43	112.92
35	0.00	0.00	287.94	259.79	0.00	0.00	118.50	64.54	60.43	112.92
40	293.95	264.84	272.55	259.79	0.00	0.00	142.69	64.54	60.43	112.92
45	282.57	330.49	251.99	259.79	0.00	0.00	152.77	347.38	60.43	112.92
50	283.27	314.58	238.47	259.79	0.00	0.00	153.84	366.17	79.03	112.92
55	294.30	329.61	240.62	259.79	0.00	0.00	152.62	384.05	146.93	112.92
60	314.27	355.09	264.73	295.69	298.16	307.93	157.76	401.12	181.92	174.46
65	371.67	398.20	337.15	337.02	355.04	375.87	180.08	417.50	172.40	204.75
70	62.83	57.08	72.76	85.40	65.59	70.82	7.75	3.88	2.17	3.33
75	25.21	17.25	35.10	62.11	29.41	30.47	1.80	5.47	2.25	0.63
80	13.35	8.96	20.25	39.59	12.09	18.94	0.33	7.56	2.32	0.87
85	13.35	10.95	12.91	5.02	5.43	12.29	7.57	13.31	2.41	7.73
90	13.35	10.95	12.91	5.02	5.43	12.29	7.57	13.31	2.41	7.73
95	13.35	10.95	12.91	5.02	5.43	12.29	7.57	13.31	2.41	7.73
100	13.35	10.95	12.91	5.02	5.43	12.29	7.57	13.31	2.41	7.73
105	13.35	10.95	12.91	5.02	5.43	12.29	7.57	13.31	2.41	7.73
110	13.35	10.95	12.91	5.02	5.43	12.29	7.57	13.31	2.41	7.73
115	13.35	10.95	12.91	5.02	5.43	12.29	7.57	13.31	2.41	7.73

Note about USFHP CVs: Since the USFHP CVs are developed by dividing aggregate USFHP costs by the total number of retired (or survivor) sponsors, and only approximately 1.6% of non-Medicare eligible retirees enroll in USFHP, the CVs are not a fair representation of USFHP global rates.

FY 2011 MEDICARE CLAIM VECTORS

Direct Care – Inpatient										
Age	Retiree Active Duty Nondisabled	Retiree Active Duty Nondisabled	Retiree Active Duty Disabled	Retiree Active Duty Disabled	Retiree Reserve Nondisabled	Retiree Reserve Nondisabled	Survivor Active Duty	Survivor Active Duty	Survivor Reserve	Survivor Reserve
	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	11.02	5.24	79.40	68.59	6.79	1.61	7.62	10.15	4.49	0.00
25	11.02	5.24	79.40	68.59	6.79	1.61	7.62	10.15	4.49	0.00
30	11.02	5.24	65.61	68.59	6.79	1.61	7.62	10.15	4.49	0.00
35	11.02	5.24	52.89	68.59	6.79	1.61	7.62	10.15	4.49	0.00
40	11.02	5.24	50.70	68.59	6.79	1.61	7.62	10.15	4.49	0.00
45	12.51	5.24	65.45	88.77	6.79	1.61	7.62	10.15	4.49	0.00
50	18.45	10.15	95.30	103.82	6.79	1.61	20.90	10.15	4.49	2.43
55	34.12	16.35	124.85	123.14	6.79	1.61	32.10	10.15	7.13	3.91
60	68.21	25.26	119.45	147.39	6.79	1.61	47.49	19.14	8.48	6.05
65	168.28	85.82	131.42	189.06	20.84	9.10	68.08	24.33	9.95	9.03
70	416.87	305.11	348.58	378.51	61.03	55.80	175.72	125.25	16.00	20.40
75	503.00	392.26	383.36	601.41	85.94	68.10	205.64	148.32	23.12	25.09
80	580.46	481.50	446.65	670.44	112.03	83.82	232.92	169.17	29.99	30.45
85	641.02	567.54	562.41	623.75	136.40	103.70	248.25	185.14	36.66	36.52
90	674.95	643.94	836.41	575.89	154.97	143.20	243.97	192.87	45.42	47.37
95	632.72	720.44	836.41	575.89	151.31	143.20	187.39	188.23	45.42	47.37
100	632.72	720.44	836.41	575.89	151.31	143.20	187.39	156.25	45.42	47.37
105	632.72	720.44	836.41	575.89	151.31	143.20	187.39	156.25	45.42	47.37
110	632.72	720.44	836.41	575.89	151.31	143.20	187.39	156.25	45.42	47.37
115	632.72	720.44	836.41	575.89	151.31	143.20	187.39	156.25	45.42	47.37

Note about DC CVs: Direct Care costs shown do not include the CFO full cost basis adjustment. For the 2012 SMA financial statement, the DC IP factor (load) was 1.445.

FY 2011 MEDICARE CLAIM VECTORS

Direct Care - Outpatient										
Age	Retiree Active Duty Nondisabled	Retiree Active Duty Nondisabled	Retiree Active Duty Disabled	Retiree Active Duty Disabled	Retiree Reserve Nondisabled	Retiree Reserve Nondisabled	Survivor Active Duty	Survivor Active Duty	Survivor Reserve	Survivor Reserve
	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	11.32	3.96	84.73	128.54	2.68	3.86	4.20	11.41	1.93	5.59
25	11.32	3.96	84.73	128.54	2.68	3.86	4.20	11.41	1.93	5.59
30	11.32	3.96	107.81	128.54	2.68	3.86	4.20	11.41	1.93	5.59
35	11.32	3.96	103.32	128.54	2.68	3.86	4.20	11.41	1.93	5.59
40	11.32	3.96	105.21	167.07	2.68	3.86	4.20	11.41	1.93	5.59
45	15.76	3.96	116.05	187.95	2.68	3.86	13.89	11.41	1.93	5.59
50	25.04	10.93	129.09	208.83	2.68	3.86	22.31	11.41	5.01	5.59
55	44.58	21.23	132.73	229.72	2.68	3.86	34.26	11.41	6.67	5.59
60	79.40	37.70	112.88	250.60	2.68	3.86	50.68	30.36	8.65	5.59
65	200.70	145.78	125.94	189.87	25.69	24.82	72.65	45.30	11.00	11.80
70	484.55	507.74	339.71	505.10	78.05	96.65	216.55	196.69	29.39	44.91
75	533.73	567.01	375.55	594.82	93.40	121.42	223.46	198.44	32.04	41.01
80	541.07	592.70	359.10	604.74	106.12	144.23	214.70	190.17	32.08	37.24
85	510.46	579.95	368.12	542.22	108.06	144.47	185.66	171.13	29.75	33.59
90	445.19	523.90	527.84	329.33	92.51	118.13	141.06	141.39	22.23	30.04
95	299.16	387.54	527.84	329.33	38.65	118.13	78.47	102.07	22.23	24.89
100	299.16	387.54	527.84	329.33	38.65	118.13	78.47	52.50	22.23	24.89
105	299.16	387.54	527.84	329.33	38.65	118.13	78.47	52.50	22.23	24.89
110	299.16	387.54	527.84	329.33	38.65	118.13	78.47	52.50	22.23	24.89
115	299.16	387.54	527.84	329.33	38.65	118.13	78.47	52.50	22.23	24.89

Note about DC CVs: Direct Care costs shown do not include the CFO full cost basis adjustment. For the 2012 SMA financial statement, the DC OP factor (load) was 1.585.

FY 2011 MEDICARE CLAIM VECTORS

Direct Care - Pharmacy										
<u>Age</u>	Retiree Active Duty Nondisabled <u>Enlisted</u>	Retiree Active Duty Nondisabled <u>Officer</u>	Retiree Active Duty Disabled <u>Enlisted</u>	Retiree Active Duty Disabled <u>Officer</u>	Retiree Reserve Nondisabled <u>Enlisted</u>	Retiree Reserve Nondisabled <u>Officer</u>	Survivor Active Duty <u>Enlisted</u>	Survivor Active Duty <u>Officer</u>	Survivor Reserve <u>Enlisted</u>	Survivor Reserve <u>Officer</u>
20	10.67	4.64	21.49	2.00	18.12	10.93	3.80	12.68	6.15	12.31
25	10.67	4.64	21.49	2.00	18.12	10.93	3.80	12.68	6.15	12.31
30	10.67	4.64	21.49	2.00	18.12	10.93	3.80	12.68	6.15	12.31
35	10.67	4.64	49.07	2.00	18.12	10.93	3.80	12.68	6.15	12.31
40	10.67	4.64	71.35	50.35	18.12	10.93	3.80	12.68	6.15	12.31
45	13.80	4.64	94.47	117.67	18.12	10.93	15.57	12.68	6.15	12.31
50	20.45	10.89	113.80	191.03	18.12	10.93	26.37	12.68	14.65	12.31
55	40.60	19.73	122.40	240.92	18.12	10.93	42.48	12.68	19.50	12.31
60	84.47	33.45	110.74	217.75	18.12	10.93	65.63	31.19	25.31	12.31
65	241.59	122.56	150.57	153.66	62.25	38.46	97.93	44.71	32.18	25.83
70	711.36	540.73	399.30	505.11	299.26	259.66	331.43	240.98	148.24	130.72
75	769.06	620.97	438.12	578.34	385.87	334.10	322.98	244.00	143.84	122.67
80	731.25	616.61	436.69	568.44	383.62	341.36	286.81	225.71	121.54	99.63
85	606.76	539.36	398.73	483.09	298.55	284.85	227.89	185.14	85.75	74.42
90	403.14	411.66	285.65	231.35	166.70	191.41	155.74	128.99	35.50	56.00
95	219.91	233.26	285.65	231.35	58.73	101.64	62.96	70.78	35.50	42.32
100	219.91	233.26	285.65	231.35	58.73	101.64	62.96	31.25	35.50	42.32
105	219.91	233.26	285.65	231.35	58.73	101.64	62.96	31.25	35.50	42.32
110	219.91	233.26	285.65	231.35	58.73	101.64	62.96	31.25	35.50	42.32
115	219.91	233.26	285.65	231.35	58.73	101.64	62.96	31.25	35.50	42.32

Note about DC CVs: Direct Care costs shown do not include the CFO full cost basis adjustment. For the 2012 SMA financial statement, the DC Rx factor (load) was 1.002.

FY 2011 MEDICARE CLAIM VECTORS

Purchased Care - Inpatient										
	Retiree Active Duty Nondisabled	Retiree Active Duty Nondisabled	Retiree Active Duty Disabled	Retiree Active Duty Disabled	Retiree Reserve Nondisabled	Retiree Reserve Nondisabled	Survivor Active Duty	Survivor Active Duty	Survivor Reserve	Survivor Reserve
<u>Age</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	8.78	3.95	40.19	27.56	14.43	5.32	38.87	23.09	18.17	27.11
25	8.78	3.95	40.19	27.56	14.43	5.32	38.87	23.09	18.17	27.11
30	8.78	3.95	57.51	27.56	14.43	5.32	38.87	23.09	18.17	27.11
35	8.78	3.95	72.47	27.56	14.43	5.32	38.87	23.09	18.17	27.11
40	8.78	3.95	88.54	27.56	14.43	5.32	38.87	23.09	18.17	27.11
45	9.56	3.95	105.65	46.15	14.43	5.32	38.87	23.09	18.17	27.11
50	14.13	7.30	123.74	56.97	14.43	5.32	38.87	23.09	18.17	27.11
55	27.49	11.75	142.75	68.94	14.43	5.32	83.16	23.09	41.01	27.11
60	57.73	18.16	162.66	82.04	14.43	5.32	107.96	23.09	63.36	39.36
65	147.77	62.59	183.52	109.40	68.93	32.75	137.27	56.61	94.55	56.43
70	440.27	274.68	552.42	345.06	288.88	199.38	351.53	208.51	230.80	167.14
75	626.67	454.57	734.21	561.09	450.72	377.38	466.65	342.28	319.36	238.81
80	818.10	663.67	971.51	757.82	616.52	577.02	585.15	482.07	407.93	346.65
85	989.64	890.00	1,276.15	929.55	761.20	778.86	694.57	608.03	496.49	459.30
90	1,106.51	1,114.91	1,762.83	1,070.07	849.47	954.08	777.69	691.99	585.06	541.32
95	1,122.51	1,311.96	1,762.83	1,168.07	834.29	1,059.76	811.85	696.19	660.23	553.34
100	850.36	1,376.96	1,762.83	1,168.07	662.36	1,059.76	741.49	527.28	660.23	437.80
105	850.36	1,376.96	1,762.83	1,168.07	662.36	1,059.76	741.49	527.28	660.23	437.80
110	850.36	1,376.96	1,762.83	1,168.07	662.36	1,059.76	741.49	527.28	660.23	437.80
115	850.36	1,376.96	1,762.83	1,168.07	662.36	1,059.76	741.49	527.28	660.23	437.80

FY 2011 MEDICARE CLAIM VECTORS

Purchased Care - Outpatient										
Age	Retiree Active Duty Nondisabled	Retiree Active Duty Nondisabled	Retiree Active Duty Disabled	Retiree Active Duty Disabled	Retiree Reserve Nondisabled	Retiree Reserve Nondisabled	Survivor Active Duty	Survivor Active Duty	Survivor Reserve	Survivor Reserve
	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	19.27	13.52	62.57	116.87	81.92	36.58	39.92	93.69	111.39	56.04
25	19.27	13.52	62.57	116.87	81.92	36.58	39.92	93.69	111.39	56.04
30	19.27	13.52	155.25	116.87	81.92	36.58	39.92	93.69	111.39	56.04
35	19.27	13.52	211.91	116.87	81.92	36.58	39.92	93.69	111.39	56.04
40	19.27	13.52	253.79	261.75	81.92	36.58	39.92	93.69	111.39	56.04
45	36.01	13.52	293.86	326.58	81.92	36.58	102.83	93.69	111.39	56.04
50	60.85	26.63	345.81	372.02	81.92	36.58	141.05	93.69	159.59	56.04
55	107.99	44.64	409.31	394.40	81.92	36.58	187.74	93.69	196.71	87.32
60	203.04	89.68	451.05	390.56	81.92	36.58	243.74	93.69	222.65	133.05
65	437.44	237.19	518.14	444.70	285.55	180.89	309.90	153.36	225.22	176.90
70	1,663.85	1,652.19	1,454.66	1,742.90	1,317.04	1,283.03	1,059.30	1,002.45	900.52	841.44
75	2,009.55	2,151.65	1,723.19	2,211.55	1,686.01	1,722.63	1,130.72	1,133.84	946.05	951.75
80	2,076.51	2,349.17	1,708.85	2,393.05	1,772.05	1,931.12	1,113.08	1,182.20	926.53	991.73
85	1,936.91	2,340.24	1,636.79	2,313.93	1,640.57	1,924.22	1,026.33	1,150.19	847.98	955.85
90	1,651.15	2,162.64	1,462.75	1,996.89	1,370.17	1,736.49	887.14	1,040.19	715.54	845.50
95	1,270.13	1,808.77	1,462.75	1,269.54	1,051.37	1,312.09	709.64	854.40	445.63	670.81
100	770.35	1,298.84	1,462.75	1,269.54	773.16	1,312.09	489.54	576.56	445.63	451.16
105	770.35	1,298.84	1,462.75	1,269.54	773.16	1,312.09	489.54	576.56	445.63	451.16
110	770.35	1,298.84	1,462.75	1,269.54	773.16	1,312.09	489.54	576.56	445.63	451.16
115	770.35	1,298.84	1,462.75	1,269.54	773.16	1,312.09	489.54	576.56	445.63	451.16

FY 2011 MEDICARE CLAIM VECTORS

Purchased Care - Pharmacy										
<u>Age</u>	Retiree Active Duty Nondisabled	Retiree Active Duty Nondisabled	Retiree Active Duty Disabled	Retiree Active Duty Disabled	Retiree Reserve Nondisabled	Retiree Reserve Nondisabled	Survivor Active Duty	Survivor Active Duty	Survivor Reserve	Survivor Reserve
	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>	<u>Enlisted</u>	<u>Officer</u>
20	50.07	24.56	94.11	250.11	112.97	62.47	83.75	255.04	183.08	151.44
25	50.07	24.56	94.11	250.11	112.97	62.47	83.75	255.04	183.08	151.44
30	50.07	24.56	211.58	250.11	112.97	62.47	83.75	255.04	183.08	151.44
35	50.07	24.56	334.29	250.11	112.97	62.47	83.75	255.04	183.08	151.44
40	50.07	24.56	474.43	555.88	112.97	62.47	83.75	255.04	183.08	151.44
45	89.48	24.56	620.39	785.74	112.97	62.47	216.72	255.04	183.08	151.44
50	145.83	64.59	754.92	1,021.24	112.97	62.47	297.28	255.04	372.14	151.44
55	245.93	127.51	854.45	1,215.99	112.97	62.47	395.68	255.04	467.00	151.44
60	435.58	228.67	888.34	1,301.00	112.97	62.47	513.70	255.04	543.20	333.63
65	806.90	501.87	1,006.56	1,001.60	578.19	408.72	653.12	380.14	575.76	432.52
70	3,059.28	3,128.59	2,446.39	3,334.57	2,730.89	2,739.43	2,175.84	2,170.37	2,115.47	2,077.87
75	3,532.09	3,934.50	2,827.62	3,972.02	3,289.77	3,510.72	2,294.55	2,463.12	2,250.89	2,255.17
80	3,452.14	4,208.85	2,882.99	4,191.89	3,302.77	3,745.73	2,262.02	2,608.48	2,247.66	2,347.07
85	3,120.38	4,091.80	2,642.61	4,032.78	2,974.96	3,604.47	2,092.23	2,586.15	2,089.08	2,317.41
90	2,671.28	3,700.52	1,810.13	3,527.68	2,477.16	3,220.54	1,797.12	2,374.55	1,759.34	2,124.16
95	2,097.25	3,133.82	1,810.13	2,415.85	1,952.88	2,534.39	1,387.00	1,950.75	1,009.76	1,718.99
100	1,175.80	2,509.09	1,810.13	2,415.85	1,544.01	2,534.39	819.81	1,213.23	1,009.76	1,044.72
105	1,175.80	2,509.09	1,810.13	2,415.85	1,544.01	2,534.39	819.81	1,213.23	1,009.76	1,044.72
110	1,175.80	2,509.09	1,810.13	2,415.85	1,544.01	2,534.39	819.81	1,213.23	1,009.76	1,044.72
115	1,175.80	2,509.09	1,810.13	2,415.85	1,544.01	2,534.39	819.81	1,213.23	1,009.76	1,044.72

FY 2011 MEDICARE CLAIM VECTORS

USFHP										
<u>Age</u>	Retiree Active Duty Nondisabled <u>Enlisted</u>	Retiree Active Duty Nondisabled <u>Officer</u>	Retiree Active Duty Disabled <u>Enlisted</u>	Retiree Active Duty Disabled <u>Officer</u>	Retiree Reserve Nondisabled <u>Enlisted</u>	Retiree Reserve Nondisabled <u>Officer</u>	Survivor Active Duty <u>Enlisted</u>	Survivor Active Duty <u>Officer</u>	Survivor Reserve <u>Enlisted</u>	Survivor Reserve <u>Officer</u>
20	0.00	0.00	0.00	0.00	0.00	0.00	14.60	12.45	32.22	17.63
25	0.00	0.00	4.03	0.00	0.00	0.00	14.60	12.45	32.22	17.63
30	0.00	0.00	8.08	0.00	0.00	0.00	14.60	12.45	32.22	17.63
35	0.00	0.00	14.19	0.00	0.00	0.00	14.60	12.45	32.22	17.63
40	0.89	0.04	22.51	0.00	0.00	0.00	14.60	12.45	32.22	17.63
45	2.72	0.46	32.87	39.18	0.00	0.00	14.60	12.45	32.22	17.63
50	4.19	1.62	44.64	43.54	0.00	0.00	14.60	12.45	32.22	17.63
55	9.92	2.06	56.62	47.89	0.00	0.00	14.60	12.45	32.22	17.63
60	23.96	8.24	66.90	52.24	21.48	13.45	14.60	12.45	32.22	17.63
65	138.78	120.63	185.15	156.07	119.26	98.03	33.61	28.01	32.22	17.63
70	499.54	515.51	483.69	455.32	479.11	480.82	292.22	285.33	299.75	271.83
75	634.11	656.93	613.15	583.67	610.68	624.08	350.01	346.66	355.83	321.89
80	704.70	736.37	703.31	659.49	679.41	704.80	387.70	387.96	401.18	354.54
85	717.23	759.55	722.19	683.04	691.10	728.75	407.13	410.52	426.91	371.39
90	676.74	731.37	531.71	591.99	611.78	700.87	409.91	415.47	409.41	373.83
95	578.51	616.62	531.71	591.99	611.78	599.80	377.82	397.13	409.41	285.12
100	578.51	616.62	531.71	591.99	611.78	599.80	377.82	397.13	409.41	285.12
105	578.51	616.62	531.71	591.99	611.78	599.80	377.82	397.13	409.41	285.12
110	578.51	616.62	531.71	591.99	611.78	599.80	377.82	397.13	409.41	285.12
115	578.51	616.62	531.71	591.99	611.78	599.80	377.82	397.13	409.41	285.12

Note about USFHP CVs: Since the USFHP CVs are developed by dividing aggregate USFHP costs by the total number of retired (or survivor) sponsors, and only approximately 1.9% of Medicare eligible retirees enroll in USFHP, the CVs are not a fair representation of USFHP global rates.