

SFY08- July 1, 2007-June 30, 2008

Scenario # 1-Assumes no change to funding.

Agency Costs: \$43.6M-breakdown below

- Subsidy: \$34.1M
- Expansion Parents: \$4.7M
- Operating Costs (includes MQF): \$4.8M

Anticipated revenue sources: \$44.3M-breakdown below

- \$4M Carryforward
- \$6M SOP Yr 1
- \$34.3M SOP Yr 2 (of which we estimate \$14.3 is collected in SFY08; the remaining \$20M is collected in SFY09. Cash flow issue in SFY08)

Assumptions:

1. Cap Enrollment as of May 1, 2007 (no new enrollment after April 1, 2007)
2. Ending membership as of June 30, 2008 estimated at 9,375 DirigoChoice members and 5,000 parents.
3. 92% Persistency vs. 93%
4. 3% off cycle disenrollment vs. 2%
5. 5% rate increase small group and 15% individuals/self employed.

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Scenario # 2-Maintain ending membership in SFY07 throughout SFY08

Agency Costs: \$56.6M-breakdown below

- Subsidy: \$47.1M
- Expansion Parents: \$4.7M
- Operating Costs (includes MQF): \$4.8M

Anticipated revenue sources:

- \$2M Carryforward
- \$6M SOP Yr 1

Assumptions:

1. Maintain membership at 15,500 members
2. Ending membership as of June 30, 2008 estimated at 15,500 DirigoChoice members and 5,000 parents.
3. 93% persistency
4. 2% disenrollment
5. 5% rate increase small group and 15% individuals/self employed.

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Scenario # 3-Program grows at the forecasted trends in SFY08

Agency Costs: \$64.5M-breakdown below

- Subsidy: \$54.9M
- Expansion Parents: \$4.7M
- Operating Costs (includes MQF): \$4.8M

Anticipated revenue sources:

- \$2M Carryforward
- \$6M SOP Yr 1

Assumptions:

1. Maintain current growth and disenrollment trends
6. Ending membership as of June 30, 2008 estimated at 19,636 DirigoChoice members and 5,000 parents.
7. 93% persistency
8. 2% disenrollment
9. 5% rate increase small group and 15% individuals/self employed.